

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

BIG RIVERS ELECTRIC CORPORATION'S NOTICE )  
OF CHANGES IN RATES AND TARIFFS FOR )  
WHOLESALE ELECTRIC SERVICE AND OF A ) CASE NO. 9613  
FINANCIAL WORKOUT PLAN )

O R D E R

IT IS ORDERED that National-Southwire Aluminum Company ("NSA") shall file an original and 12 copies of the following information with this Commission, with a copy to all parties of record. Where a narrative discussion or explanation is requested, explain in detail all components used in each calculation including the methodology employed and all assumptions applied in the derivation of each calculation. Failure to provide clear, concise workpapers and other calculations where requested may necessitate further information requests. Careful attention should be given to copied material to insure that it is legible. The information requested herein is due no later than December 1, 1986. If the information cannot be provided by this date, you should submit a motion for an extension of time stating the reason a delay is necessary and include a date by which it will be furnished. Such motion will be considered by the Commission.

Information Request No. 2

1. In Dr. Graves testimony on page 25, he states "electric" utility planners in many instances plan their systems for

loads below maximum contract entitlements." Is this a standard or normal planning practice? Explain.

2. In Dr. Graves testimony he states Mr. McCoy "increases load in every hour by the percentage specified in the growth rate input." Does this mean load is increased by 3.4 percent every hour? Please clarify and explain your position in more detail.

3. Is the maintenance schedule generated by PICES suboptimal? Explain. What changes would Dr. Graves make?

4. Please show NSA's contractual obligation and the actual energy demand in MW on a yearly basis from 1976-1986.

5. Is it Dr. Pifer's opinion that building the 200 MW units may have been a prudent decision?

6. What does NSA recognize in the issue of prudence:

a. Big River's decision to build a generating unit?

b. Big River's decision on the size of the generating unit to build? Explain.

7. McCoy testified that of the four scenarios he tested using the PICES Model, Scenario 1 was most relevant. Please provide the results of Dr. Graves adjusted PICES model run using Scenario 1. If Scenario 1 was not used, please give a detailed explanation of why.

8. Does NSA accept McCoy's conversion factor of 1.49 MW of generating capacity needed to provide the same reliability as 1 MW of import? If not, explain your reasons in detail. Explain in detail a factor that would be appropriate.

The following questions are directed to Howard W. Pifer, III:

9. Are there factors, other than the cost of electricity, that place the aluminum smelters in the Pacific Northwest in a better competitive position than NSA or Alcan Aluminum Corporation ("ALCAN")?

10. Has NSA reviewed or commissioned any studies that compare other aspects of the operations of the smelters in the Pacific Northwest with NSA or ALCAN?

If yes, list the studies and provide a thorough discussion of the results.

If no, explain why not.

11. With reference to the response to Question No. 22 of the prefiled testimony, provide an alternative rate structure for Big Rivers based upon the parameters of the BPA rate schedule and the recommendations in this response. Include workpapers and a complete narrative discussion detailing the derivation of these rates. Provide a copy of the BPA tariff.

Done at Frankfort, Kentucky, this 20th day of November, 1986.

PUBLIC SERVICE COMMISSION

  
For the Commission

ATTEST:

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Executive Director