

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

BIG RIVERS ELECTRIC CORPORATION S )  
PURCHASE AND SALES TARIFFS FOR ) CASE NO. 99-354  
COGENERATORS AND SMALL POWER )  
PRODUCERS )

O R D E R

IT IS ORDERED that Big Rivers Electric Corporation ( Big Rivers ) shall file with the Commission the original and eight copies of the following information, with a copy to all parties of record. The information requested herein is due no later than November 10, 1999. Each copy of the data requested should be placed in a bound volume with each item tabbed. When a number of sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), Sheet 2 of 6. Include with each response the name of the witness who will be responsible for responding to questions relating to the information provided. Careful attention should be given to copied material to ensure that it is legible. Where information requested herein has been previously provided, in the format requested herein, reference may be made to the specific location of said information in responding to this information request.

1. Refer to Item 3 of Big Rivers response to the Commission's October 8, 1999 Order. The response references the definition of avoided costs pursuant to 807 KAR 5:051 and states that Big Rivers will determine avoided capacity costs in excess of those available under the Purchase Power Agreement ( PPA ) if and when it becomes

necessary to procure such additional supplies. Big Rivers response to Item 4 of the Commission's October 15, 1999 Order in Case No. 99-360<sup>1</sup> indicates it has immediate concerns that new large loads will come on its system between now and 2003 that could consume the available Excess Base Power under the PPA prior to 2003.

a. At the very earliest, when does Big Rivers anticipate that a specific new large load might be added to its system that would consume a portion of the Excess Base Power available under the PPA?

b. Also in Item 4 of the response to the Commission's Order in Case No. 99-360, Big Rivers indicates that the requests for pricing proposals it has received from its member cooperatives indicate the requests are for load service to begin in mid to late 2000. If some of these loads materialize, would the period between now and mid 2000 be the time when it would become necessary for Big Rivers to procure such additional supplies ?

2. Given the current situation regarding Excess Base Power under the PPA, and the circumstances that led Big Rivers to make the filing that has been docketed as Case No. 99-360, explain why Big Rivers chose to file its proposed Rate Schedules 8 and 9 for the purchase from, and sale of power to, cogenerators and small power producers in August 1999 rather than in the spring or summer of calendar year 2000.

3. Refer to the response to Item 6 of the Commission's October 8, 1999 Order. The response refers to Big Rivers market exposure, both from purchases and

---

<sup>1</sup> Case No. 99-360, The Tariff filing of Big Rivers Electric Corporation to Revise the Large Industrial Customer Rate Schedule.

lost sales opportunities, and to severe financial consequences that it could incur as a result of Excess Demand as set out in Rate Schedule 8.

a. Provide detailed descriptions of the market exposure, from both purchases and lost sales opportunities, to which Big Rivers could be exposed in the event of an occurrence of Excess Demand.

b. Describe and provide examples of the severe financial consequences that an event of Excess Demand could cause Big Rivers to incur under the proposed tariff.

4. Given the following choices, how would Big Rivers characterize its proposed tariffs for cogenerators and small power producers? Provide a detailed narrative explanation in support of the selected characterization.

- a. Cogeneration friendly.
- b. Cogeneration neutral.
- c. Cogeneration un-friendly.

Done at Frankfort, Kentucky, this 29<sup>th</sup> day of October, 1999.

By the Commission

ATTEST:

---

Executive Director