

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE TARIFF FILING OF BIG RIVERS)	
ELECTRIC CORPORATION TO)	CASE NO. 99-360
REVISE THE LARGE INDUSTRIAL)	
CUSTOMER RATE SCHEDULE)	

O R D E R

IT IS ORDERED that Big Rivers Electric Corporation (Big Rivers) shall file with the Commission the original and 8 copies of the following information, with a copy to all parties of record. The information requested herein is due no later than November 15, 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. Has Big Rivers notified all existing large industrial customers who could be affected by the proposed Rate Schedule 10? If yes, how was notification accomplished? If no, explain why these customers were not notified.

2. Refer to Item 3(a) of Big Rivers response to the Commission's October 15, 1999 Order. Big Rivers indicates that its preference is to provide for new and expanded loads with a special contract and that Big Rivers does not believe that a one-size-fits-all approach would work well for new load served under the Expansion Tariff. Describe how the new load expected to be served under the Expansion Tariff will differ from Big Rivers existing load that is served under a one-size-fits-all power supply arrangement.

3. Refer to Items 3(c) and (d) of Big Rivers response to the Commission's October 15, 1999 Order. Provide a detailed listing that identifies and describes the strategies Big Rivers is presently looking into that may result in eliminating the need to purchase long-term power and possibly medium-term power.

4. Refer to Items 2 and 4 of Big Rivers response to the Commission's October 15, 1999 Order. Big Rivers draft 1999 Power Requirements Study in Item 2 shows excess base power of 45 MW forecast for the year 2000. Item 4 indicates that Big Rivers has immediate concerns about new large loads coming on its system before 2003 and that recent requests to serve potential new loads have asked for load service to begin mid to late 2000. Is Big Rivers facing a situation where it needs approval of the proposed Expansion Tariff, or some power supply arrangement, before it can make commitments to serve new loads that might require service by mid to late 2000?

5. Refer to Item 5 of Big Rivers response to the Commission's October 15, 1999 Order, the third paragraph, which refers to establishing a mechanism to obtain voluntary curtailment of load from large industrial customers of Big Rivers members when the electricity market is extremely high. Explain why, at this point, this possible

mechanism is only an alternative that Big Rivers is considering rather than a tariff proposal before the Commission for its review.

6. Refer to Item 7 of Big Rivers response to the Commission's October 15, 1999 Order. The response references Big Rivers contract with Reliant Energy (Reliant) under which most of Big Rivers power requirements outside of the agreements with Louisville Gas and Electric Energy Marketing, Inc (LEM) and the Southeastern Power Administration (SEPA) are conducted. Provide the following information regarding the contract with Reliant:

- a. When the contract was executed;
- b. The term of the contract;
- c. Whether Reliant was chosen as Big Rivers power marketer as the result of a competitive bidding process;
- d. The Request for Proposals issued by Big Rivers which resulted in the selection of Reliant as its power marketer;
- e. The contract between Big Rivers and Reliant.

7. Big Rivers has stated that its proposed adder for power purchases under Rate Schedule 10 was \$.94 per kw/month. In Item 6 of the response to the Commission's October 15, 1999 Order, Big Rivers provided a narrative description of how part of the adder is determined and the supporting workpapers for the remaining \$.38 per kw/month. Provide the calculations showing the determination of the entire \$.94 kw/month adder.

8. Concerning the 5 MW load level incorporated in the proposed Rate Schedule 10:

a. Explain how Big Rivers determined that the 5 MW load was the appropriate threshold for new or expanded loads.

b. Did Big Rivers intend for the 5 MW load threshold to apply each year to an industrial customer or was this to apply over a series of years? Explain the response.

c. Assume for illustrative purposes that Rate Schedule 10 is approved as proposed. Customer A increases its load in year 1 by 3 MW and increases it again in year 4 by 3 MW. Would 1 MW of Customer A's load be served under Rate Schedule 10 in the fourth year? Explain the response.

9. Provide an analysis of the impact on Big Rivers financial condition assuming Rate Schedule 10 is approved as proposed versus Rate Schedule 10 being denied in total. Explain any assumptions used in the analysis.

10. For each customer class listed below, provide a comparison by year of the customer class loads as shown in the PSC2-38R financial model and the currently expected loads. Explain in detail the reasons for any changes between these forecasted loads.

a. Large Industrial. If specific industrial customers are the primary reason for any annual change, identify those customers.

b. Rural.

c. Other Sales.

11. The proposed Rate Schedule 10 refers to large industrial customers with Qualifying Facilities (QF).

a. How many of Big Rivers' current large industrial customers have QFs? Provide a list of those customers.

b. How many of Big Rivers' current large industrial customers have the potential to develop QFs on their sites? Provide a list of those customers.

c. Based on the response to the Commission's October 15, 1999 Order, Item 4, indicate how many of those possible customers inquiring about service have QF potential.

12. Since the beginning of the purchased power agreement (PPA) with LEM, has Big Rivers signed any contractual agreement that resulted in the sale of Base Power or SEPA power to a party other than one of Big Rivers' three member distribution cooperatives? If yes, provide the full details of each agreement.

13. Provide the following information concerning Big Rivers' sources of purchased power:

a. The minimum and maximum hourly power purchases allowed under the PPA with LEM. Provide these amounts for the entire term of the contract.

b. The minimum and maximum annual power purchases allowed under the PPA with LEM. Provide these amounts for the entire term of the contract.

c. The minimum and maximum power purchases allowed under the SEPA contract. Provide these amounts by year for each year of the current contract, and indicate when the current contract is scheduled to expire.

14. The introduction to the proposed Rate Schedule 10 refers to certain large industrial or commercial loads.

a. Do Big Rivers three member distribution cooperatives currently have any commercial customers who could potentially be served under the proposed Rate Schedule 10? If yes, identify those customers.

b. Have any existing commercial customers expressed an interest in the proposed Rate Schedule 10?

c. Have any potential customers inquiring about service from a member distribution cooperative and Big Rivers been commercial customers? If yes, how many of the total inquiries were from commercial customers?

Done at Frankfort, Kentucky, this 5th day of November, 1999.

By the Commission

ATTEST:

Executive Director