

1 With respect to Thoroughbred's request for transmission service, the impacts of those
2 requests will be studied separately, and additional system improvements within or external to
3 the Big Rivers control area may or may not be required to deliver the power to the eventual
4 customers. As with the interconnection-related study, the study of Thoroughbred's
5 transmission service request will identify any impacts that would impair the reliability of
6 service to existing customers on Big Rivers' system in the absence of improvements and
7 upgrades to the system. The transmission study may reveal that the interconnection-related
8 improvements to Big Rivers' system will be adequate to allow Thoroughbred to take its
9 requested transmission service without any impairment to service to Big Rivers' existing
10 customers, or it may reveal that additional improvements and upgrades will be required to
11 preserve reliability. In the event transmission-related system improvements are necessary to
12 preserve reliability, Big Rivers will require up-front funding of these facilities from
13 Thoroughbred. Consistent with Big Rivers' open access transmission tariff, Big Rivers would
14 provide Thoroughbred with Transmission credits (pre-paid transmission service) in return.

15 **Q5. What would be the impact to Big Rivers if Thoroughbred generation is used to supply**
16 **an existing customer(s) within the Big Rivers control area?**

17 Response: If some amount of Thoroughbred generation is used to serve existing load
18 within the Big Rivers control area, existing Big Rivers control area generation could be freed-
19 up and available as excess power. In the absence of any load addition, this excess power
20 could go unused or be made available for off-system power sales. Any off-system sales
21 would likely require additional transmission reservations. As with Thoroughbred, additional
22 system improvements within or external to the Big Rivers control area could potentially be
23 required to deliver the power to the eventual customers. Since any required system
24 improvements would be financed by the entity requesting transmission service, Big Rivers
25 could be responsible for the costs associated with such system improvements.

26 **Q6. What is the likelihood of this occurring?**
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1 Response: It is not possible to determine the full extent of that risk until the eventual
2 customers of the Thoroughbred generation are identified and all transmission service requests
3 are analyzed (by Big Rivers and/or other transmission system operators).

4 **Q7. In the same response, on page 5 of 12 of his direct testimony, Mr. Williams states the**
5 **following: “It is also important to note that FERC requires Thoroughbred to fund any**
6 **required transmission upgrade upfront. Current FERC policy would provide for**
7 **Thoroughbred to receive transmission service credits from the transmission providers**
8 **for the amount of the facilities deemed as network upgrades. These credits would be**
9 **used to offset transmission service purchased by Thoroughbred in the future.” Does**
10 **Big Rivers agree with this statement?**

11 Response: The testimony prepared and submitted by me on October 6, 2003, more fully
12 explains the Big Rivers position on this matter. As I explain, the application of FERC’s
13 policy to Big Rivers, which is not a public utility, is not entirely clear because FERC’s recent
14 Interconnection Final Rule seems to relieve Big Rivers of any requirement to pay
15 transmission credits to Thoroughbred with respect to the costs Big Rivers would assess to
16 Thoroughbred for interconnection-related network facilities additions. Please refer to the
17 responses provide by me to Questions 8 through 13 of his previously submitted testimony.

18 **Q8. Does this conclude your rebuttal testimony?**

19 Response: Yes.

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VERIFICATION

I verify, state, and affirm that the foregoing rebuttal testimony is true and correct to the best of my knowledge and belief.

Travis D. Housley
Travis D. Housley

STATE OF KENTUCKY
COUNTY OF HENDERSON

Subscribed and sworn to before me by Travis D. Housley on this the 13th day of October, 2003.

Mary E. Johnson
Notary Public, Ky. State at Large
My Commission Expires 7/29/07