

**COMMONWEALTH OF KENTUCKY**

**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY**

**In the Matter of:**

<b>ELECTRONIC JOINT APPLICATION OF</b>	)	
<b>LOUISVILLE GAS AND ELECTRIC COMPANY,</b>	)	
<b>MEADE COUNTY RURAL ELECTRIC</b>	)	
<b>COOPERATIVE CORPORATION, AND</b>	)	
<b>BIG RIVERS ELECTRIC CORPORATION</b>	)	
<b>FOR (1) APPROVAL OF AN AGREEMENT</b>	)	
<b>MODIFYING AN EXISTING</b>	)	<b>Case No.</b>
<b>TERRITORIAL BOUNDARY MAP AND</b>	)	<b>2019-00370</b>
<b>(2) ESTABLISHING MEADE COUNTY RURAL</b>	)	
<b>ELECTRIC COOPERATIVE CORPORATION AS</b>	)	
<b>THE RETAIL ELECTRIC SUPPLIER FOR NUCOR</b>	)	
<b>CORPORATION'S PROPOSED STEEL PLATE</b>	)	
<b>MILL IN BUTIERMILK FALLS INDUSTRIAL</b>	)	
<b>PARK IN MEADE COUNTY, KENTUCKY</b>	)	

**Responses to Commission Staff's  
Initial Request for Information  
dated  
November 7, 2019**

**FILED: November 18, 2019**

LOUISVILLE GAS AND ELECTRIC COMPANY  
BIG RIVERS ELECTRIC CORPORATION  
MEADE COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

ELECTRONIC JOINT APPLICATION OF LOUISVILLE GAS AND  
ELECTRIC COMPANY, MEADE COUNTY RURAL ELECTRIC  
COOPERATIVE CORPORATION, AND BIG RIVERS ELECTRIC  
CORPORATION FOR (1) APPROVAL OF AN AGREEMENT MODIFYING  
AN EXISTING TERRITORIAL BOUNDARY MAP AND (2) ESTABLISHING  
MEADE COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION AS  
THE RETAIL ELECTRIC SUPPLIER FOR NUCOR CORPORATION'S  
PROPOSED STEEL PLATE MILL IN BUTTERMILK FALLS INDUSTRIAL  
PARK IN MEADE COUNTY, KENTUCKY  
CASE NO. 2019-00370

Response to Commission Staff's  
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1 Item 1) Meade County and Big Rivers –

2 *Provide the estimated annual electric usage and revenue of the new Nucor*  
3 *Corporation steel plate mill in the Buttermilk Falls Industrial Park area*  
4 *once the facility begins operations.*

5

6 **Response)** The estimated annual electric usage is approximately [REDACTED]

7 and the estimated annual revenue is [REDACTED].

8

9

10 **Witnesses)** Martin W. Littrel (*Meade County RECC*) and

11 Robert W. Berry (*Big Rivers*)

12

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1 **Item 2)**      *Meade County and Big Rivers* –

2 *Provide a copy of any cost-benefit analysis that was performed by BREC*  
3 *and/or Meade RECC of the long-term effects of the amounts paid in the*  
4 *settlement agreement.*

5

6 **Response)** Please see the attached **CONFIDENTIAL** cost-benefit analysis which  
7 is filed with a Petition for Confidential Treatment.

8        For additional information about the economic and fiscal impacts of Nucor's  
9 Brandenburg Steel Mill, please see Mr. Barry Kornstein's report entitled *The*  
10 *Estimated Local, Regional, and Statewide Economic and Fiscal Impacts of the Nucor*  
11 *Steel Brandenburg Plate Mill, Meade County, Kentucky*, dated October 3, 2019, and  
12 provided as Berry Exhibit-4 to the Direct Testimony of Robert W. Berry filed on  
13 October 18, 2019, in Case No. 2019-00365.<sup>1</sup>

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<sup>1</sup> See *In the Matter of: Joint Application of Big Rivers Electric Corporation and Meade County Rural Electric Cooperative Corporation for Approval of Contracts for Electric Service with Nucor Corporation and Application of Big Rivers Electric Corporation for Approval of Tariff* – Case No. 2019-00365.

**LOUISVILLE GAS AND ELECTRIC COMPANY  
BIG RIVERS ELECTRIC CORPORATION  
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**November 18, 2019**

1 **Witnesses)** Martin W. Littrel (*Meade County RECC*) and

2 Paul G. Smith (*Big Rivers*)

3

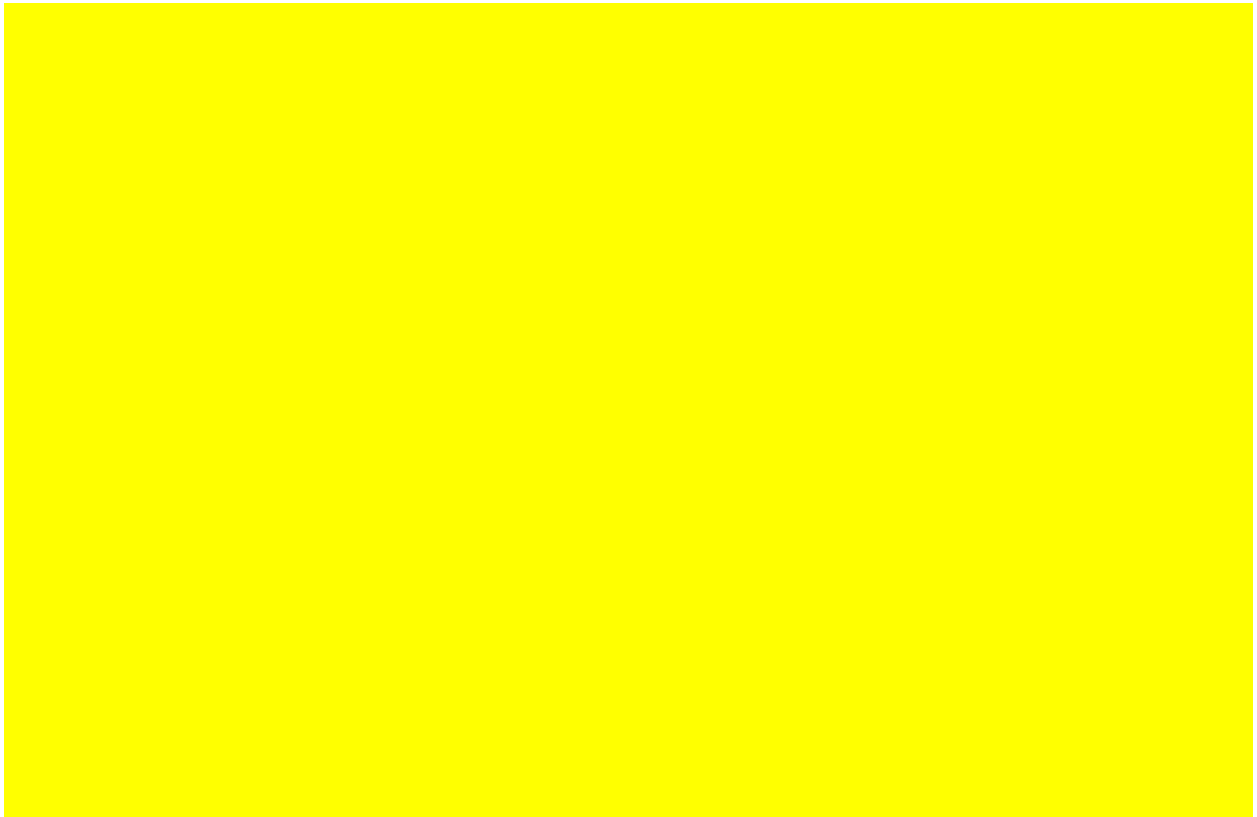
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ESTABLISHING MEADE COUNTY RURAL )  
ELECTRIC COOPERATIVE CORPORATION AS THE )  
RETAIL ELECTRIC SUPPLIER FOR NUCOR )  
CORPORATION'S PROPOSED STEEL PLATE MILL )  
IN BUTIERMILK FALLS INDUSTRIAL PARK IN )  
MEADE COUNTY, KENTUCKY )

Case No.  
2019-00370

**CONFIDENTIAL RESPONSE**

to PSC 1-2 of Commission Staff's  
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1 **Item 3)** *Meade County and Big Rivers* –

2 *Provide the estimated financial impact of the initial payment on BREC's 2019*  
3 *financials or 2020 financials if the initial payment is made in 2020.*

4

5 **Response)** The initial payment will be recorded as an intangible asset and will not  
6 impact the net margin reported on Big Rivers' 2019 or 2020 financial statements.  
7 However, the initial payment will result in an incremental interest cost of [REDACTED]  
8 per year, and each annual payment thereafter will result in an additional interest  
9 cost of [REDACTED] per year.

10

11

12 **Witnesses)** Martin W. Littrel (*Meade County RECC*) and

13 Robert W. Berry (*Big Rivers*)

14

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1 **Item 4)** *Each Joint Applicant* –

2 *State whether each Joint Applicant currently has existing transmission and*  
3 *distribution facilities to serve the new Nucor mill.*

4

5 **Response)** Meade County RECC constructed a 12.47 kV substation at the  
6 Buttermilk Falls Industrial Park in 2014; that substation is currently utilized to  
7 serve the Nucor construction load. The substation (called Buttermilk Falls  
8 Substation) has enough spare capacity to sufficiently serve the entire construction  
9 load of Nucor's operation. Starting in October of 2019, Meade County RECC began  
10 providing Nucor construction power from its existing 7,200 volt, three-phase  
11 distribution infrastructure at the Buttermilk Falls industrial site. No further  
12 significant distribution investment is required to serve the Nucor construction load.

13 Big Rivers does not have existing transmission facilities sufficient to serve the  
14 new Nucor mill. The transmission system improvements Big Rivers will construct to  
15 serve Nucor will also provide significant improvements to the Big Rivers system,  
16 including adding an additional 161 kV source to the existing Meade County

Case No. 2019-00231  
Response to PSC 1-4

Witnesses: Martin W. Littrel (*Meade County RECC*) and  
Michael W. Chambliss (*Big Rivers*)

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1 Substation, which will make outages less likely during maintenance periods, and  
2 adding a new substation in the extreme eastern portion of Meade County RECC's  
3 service territory, which will break up long 69 kV transmission line circuits resulting  
4 in forced outages impacting fewer customers.

5

6 **Witnesses)** Martin W. Littrel (*Meade County RECC*) and

7 Michael W. Chambliss (*Big Rivers*)