

**ORIGINAL**



Your Touchstone Energy® Cooperative 

**COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION**

**In the Matter of:**

**ELECTRONIC APPLICATION )  
OF BIG RIVERS ELECTRIC CORPORATION )  
FOR APPROVAL OF ITS 2020 ENVIRONMENTAL )  
COMPLIANCE PLAN, AUTHORITY TO RECOVER )  
COSTS THROUGH A REVISED ENVIRONMENTAL )  
SURCHARGE AND TARIFF, THE ISSUANCE OF A )  
CERTIFICATE OF PUBLIC CONVENIENCE AND )  
NECESSITY FOR CERTAIN PROJECTS, AND )  
APPROPRIATE ACCOUNTING AND OTHER RELIEF )**

**Case No.  
2019-00435**

**Response to Commission Staff's  
Second Request for Information  
dated April 21, 2020**

**FILED: May 4, 2020**

**ORIGINAL**

**BIG RIVERS ELECTRIC CORPORATION**

**ELECTRONIC APPLICATION OF  
BIG RIVERS ELECTRIC CORPORATION  
FOR APPROVAL OF ITS 2020 ENVIRONMENTAL COMPLIANCE PLAN,  
AUTHORITY TO RECOVER COSTS THROUGH A REVISED  
ENVIRONMENTAL SURCHARGE AND TARIFF,  
THE ISSUANCE OF A CERTIFICATE OF PUBLIC CONVENIENCE AND  
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CASE NO. 2019-00435**

**VERIFICATION**

I, Michael T. ("Mike") Pullen, verify, state, and affirm that the supplemental information request responses filed with this verification for which I am listed as a witness are true and accurate to the best of my knowledge, information, and belief formed after a reasonable inquiry.



Michael T. ("Mike") Pullen

COMMONWEALTH OF KENTUCKY )  
COUNTY OF HENDERSON )

SUBSCRIBED AND SWORN TO before me by Michael T. ("Mike") Pullen on this the 4<sup>th</sup> day of May, 2020.



Notary Public, Kentucky State at Large

My Commission Expires \_\_\_\_\_

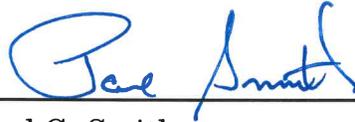
Notary Public, Kentucky State-At-Large  
My Commission Expires: July 10, 2022  
ID: 604480

**BIG RIVERS ELECTRIC CORPORATION**

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**VERIFICATION**

I, Paul G. Smith, verify, state, and affirm that the supplemental information request responses filed with this verification for which I am listed as a witness are true and accurate to the best of my knowledge, information, and belief formed after a reasonable inquiry.



\_\_\_\_\_  
Paul G. Smith

COMMONWEALTH OF KENTUCKY )  
COUNTY OF HENDERSON )

4<sup>th</sup> SUBSCRIBED AND SWORN TO before me by Paul G. Smith on this the  
\_\_\_\_ day of May, 2020.



\_\_\_\_\_  
Notary Public, Kentucky State at Large

My Commission Expires \_\_\_\_\_

Notary Public, Kentucky State-At-Large  
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**VERIFICATION**

I, John Wolfram, verify, state, and affirm that the supplemental information request responses filed with this verification for which I am listed as a witness are true and accurate to the best of my knowledge, information, and belief formed after a reasonable inquiry.

*John Wolfram*

\_\_\_\_\_  
John Wolfram

COMMONWEALTH OF KENTUCKY )  
COUNTY OF HENDERSON )

4<sup>th</sup> SUBSCRIBED AND SWORN TO before me by John Wolfram on this the  
\_\_\_\_ day of May, 2020.

*Joy P. Parsley*

\_\_\_\_\_  
Notary Public, Kentucky State at Large

My Commission Expires \_\_\_\_\_

Notary Public, Kentucky State-At-Large  
My Commission Expires: July 10, 2022  
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1 **Item 1)**      *Refer to the application, page 2, lines 17-23; the Direct Testimony*  
2 *of Paul G. Smith, page 12 of 43, lines 5-6; Case No. 2012-00535,<sup>2</sup> final Order,*  
3 *page 7; and Case No. 2013-00199,<sup>3</sup> final Order, pages 19-20. Confirm that,*  
4 *excluding deferred depreciation expense, the Coleman Station Flue Gas*  
5 *Desulfurization system (Coleman FGD) is currently recovered through*  
6 *BREC's base rates. If this cannot be confirmed, explain. If confirmed,*  
7 *explain how BREC plans to treat the components of the Coleman FGD that*  
8 *BREC proposes to transfer to the Wilson Station in its Base Environmental*  
9 *Surcharge Factor.*

10

11 **Response)** Not confirmed. Big Rivers' forecasted test period in its last base rate  
12 case, Case No. 2013-00199, assumed that Coleman Station was idled. As such, Big  
13 Rivers' current base rates include only a very limited level of Coleman Station costs  
14 related to maintaining the idled plant's ability to return to service. No costs related

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1 to maintaining or operating the Coleman FGD were approved for recovery in base  
2 rates.

3

4

5 Witness) Paul G. Smith

6

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1 **Item 2)**      *Refer to the Direct Testimony of John Wolfram, page 15 of 16,*  
2 *lines 13–19, and BREC’s response to Commission Staff’s First Request for*  
3 *Information (Staff’s First Request), Item 3(d). Confirm that BREC will*  
4 *include proceeds from the sale of gypsum and fly ash created at the Wilson*  
5 *Station in its monthly environmental surcharge calculation. If confirmed,*  
6 *provide the approximate percentage increase in BREC’s overall member bills*  
7 *associated with the 2020 Plan including estimated revenues from the sale of*  
8 *gypsum and fly ash as part of the projected operating and maintenance costs*  
9 *associated with Project 12.*

10

11 **Response)** Confirmed. Big Rivers will include proceeds from the sale of gypsum  
12 and fly ash created at the Wilson Station in its monthly environmental surcharge  
13 calculation. Assuming approximately 70 percent of those sales are jurisdictionalized  
14 to native load and 2020 estimated annual revenues (approximately [REDACTED]) for each

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1 year going forward, the expected rate impact to Big Rivers' Members decreases by  
2 0.04%. The approximate percentage increases would decline for the Rurals from  
3 2.42% to 2.38%, and for the Large Industrials from 2.44% to 2.40%. With rounding,  
4 the expected overall increase remains approximately 2.4%.

5

6

7 **Witness)** John Wolfram

8

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1 **Item 3)**     *Refer to BREC's confidential response to Staff's First Request,*  
2 *Item 7. Explain why the annual sulfur dioxide emissions for the Wilson*  
3 *Generating Station for years 2026–2028 is significantly different from the*  
4 *other years shown in the chart.*

5

6 **Response)** [REDACTED]  
7 [REDACTED]  
8 [REDACTED]  
9 [REDACTED]  
10 [REDACTED]  
11 [REDACTED].

12

13

14 **Witness)**   Michael T. Pullen

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1 **Item 4)**     *Refer to BREC's response to Staff's First Request, Item 8,*  
2 *regarding the closure of the Green Station Ash Pond. Explain why the*  
3 *intended closure of the Green Station Ash Pond is projected to be two years*  
4 *sooner than the proposed regulatory closure date.*

5

6 **Response)** The proposed regulatory closure date is five (5) years after the deadline  
7 by which all surface impoundments must cease receiving coal combustion residual  
8 (CCR) material—October 15, 2023. Big Rivers does not anticipate construction and  
9 other closure activities will require more than approximately three years to complete,  
10 and thus the current plan is for closure of the ash pond to be completed by November  
11 20, 2026. This approach affords Big Rivers several months to ensure regulatory  
12 compliance in advance of the anticipated closure deadline, recognizing the possibility  
13 that excessively inclement weather or other unanticipated circumstances could arise  
14 and delay the construction timeline.

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1

2 **Witness)** Michael T. Pullen

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1 **Item 5)**     *Refer to BREC's response to Staff's First Request, Item 12.*  
2 *Provide the estimated life expectancy of the Wilson Phase II landfill if the*  
3 *request to install the Coleman FGD at the Wilson Station is approved. Also,*  
4 *provide the life expectancy of the Wilson Station.*

5

6 **Response)** Big Rivers estimates the life expectancy of the Wilson Phase II landfill  
7 to be 175 years if the Coleman FGD is installed at the Wilson Station, which will  
8 allow the gypsum and flyash byproducts to be sold as a beneficial use instead of  
9 disposed into the landfill. (Bottom ash will continue to be disposed into the landfill  
10 at a rate of approximately 20,000 tons per year.) The estimated retirement date of  
11 the Wilson Station is 2045.

12

13

14 **Witness)**   Michael T. Pullen