

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF BIG RIVERS ELECTRIC)
CORPORATION FOR APPROVAL TO MODIFY ITS)
MRSM TARIFF, CEASE DEFERRING DEPRECIATION) CASE NO. 2020-00064
EXPENSES, ESTABLISH REGULATORY ASSETS,)
AMORTIZE REGULATORY ASSETS, AND OTHER)
APPROPRIATE RELIEF)

ATTORNEY GENERAL'S SUPPLEMENTAL DATA REQUESTS

Comes now the Attorney General of the Commonwealth of Kentucky, by and through his Office of Rate Intervention, and submits these Supplemental Data Requests to Big Rivers Electric Corporation ["BREC"] to be answered by the date specified in the Commission's Orders of Procedure, and in accord with the following:

- (1) In each case where a request seeks data provided in response to a staff request, reference to the appropriate request item will be deemed a satisfactory response.
- (2) Identify the witness who will be prepared to answer questions concerning each request.
- (3) Repeat the question to which each response is intended to refer. The Office of the Attorney General can provide counsel for BREC with an electronic version of these questions, upon request.
- (4) These requests shall be deemed continuing so as to require further and supplemental responses if the company receives or generates additional information

within the scope of these requests between the time of the response and the time of any hearing conducted hereon.

(5) Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association, be accompanied by a signed certification of the preparer or person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

(6) If you believe any request appears confusing, request clarification directly from Counsel for the Office of Attorney General.

(7) To the extent that the specific document, workpaper or information as requested does not exist, but a similar document, workpaper or information does exist, provide the similar document, workpaper, or information.

(8) To the extent that any request may be answered by way of a computer printout, identify each variable contained in the printout which would not be self-evident to a person not familiar with the printout.

(9) If BREC has objections to any request on the grounds that the requested information is proprietary in nature, or for any other reason, notify the Office of the Attorney General as soon as possible.

(10) As used herein, the words "document" or "documents" are to be construed broadly and shall mean the original of the same (and all non-identical copies or drafts thereof) and if the original is not available, the best copy available. These terms shall include all information recorded in any written, graphic or other tangible form and shall

include, without limiting the generality of the foregoing, all reports; memoranda; books or notebooks; written or recorded statements, interviews, affidavits and depositions; all letters or correspondence; telegrams, cables and telex messages; contracts, leases, insurance policies or other agreements; warnings and caution/hazard notices or labels; mechanical and electronic recordings and all information so stored, or transcripts of such recordings; calendars, appointment books, schedules, agendas and diary entries; notes or memoranda of conversations (telephonic or otherwise), meetings or conferences; legal pleadings and transcripts of legal proceedings; maps, models, charts, diagrams, graphs and other demonstrative materials; financial statements, annual reports, balance sheets and other accounting records; quotations or offers; bulletins, newsletters, pamphlets, brochures and all other similar publications; summaries or compilations of data; deeds, titles, or other instruments of ownership; blueprints and specifications; manuals, guidelines, regulations, procedures, policies and instructional materials of any type; photographs or pictures, film, microfilm and microfiche; videotapes; articles; announcements and notices of any type; surveys, studies, evaluations, tests and all research and development (R&D) materials; newspaper clippings and press releases; time cards, employee schedules or rosters, and other payroll records; cancelled checks, invoices, bills and receipts; and writings of any kind and all other tangible things upon which any handwriting, typing, printing, drawings, representations, graphic matter, magnetic or electrical impulses, or other forms of communication are recorded or produced, including audio and video recordings, computer stored information (whether or not in printout form), computer-readable media or other electronically maintained or

transmitted information regardless of the media or format in which they are stored, and all other rough drafts, revised drafts (including all handwritten notes or other marks on the same) and copies of documents as hereinbefore defined by whatever means made.

(11) For any document withheld on the basis of privilege, state the following: date; author; addressee; indicated or blind copies; all persons to whom distributed, shown, or explained; and, the nature and legal basis for the privilege asserted.

(12) In the event any document called for has been destroyed or transferred beyond the control of the company, state: the identity of the person by whom it was destroyed or transferred, and the person authorizing the destruction or transfer; the time, place, and method of destruction or transfer; and, the reason(s) for its destruction or transfer. If destroyed or disposed of by operation of a retention policy, state the retention policy.

(13) Provide written responses, together with any and all exhibits pertaining thereto, in one or more bound volumes, separately indexed and tabbed by each response, in compliance with Kentucky Public Service Commission Regulations.

(14) "And" and "or" should be considered to be both conjunctive and disjunctive, unless specifically stated otherwise.

(15) "Each" and "any" should be considered to be both singular and plural, unless specifically stated otherwise.

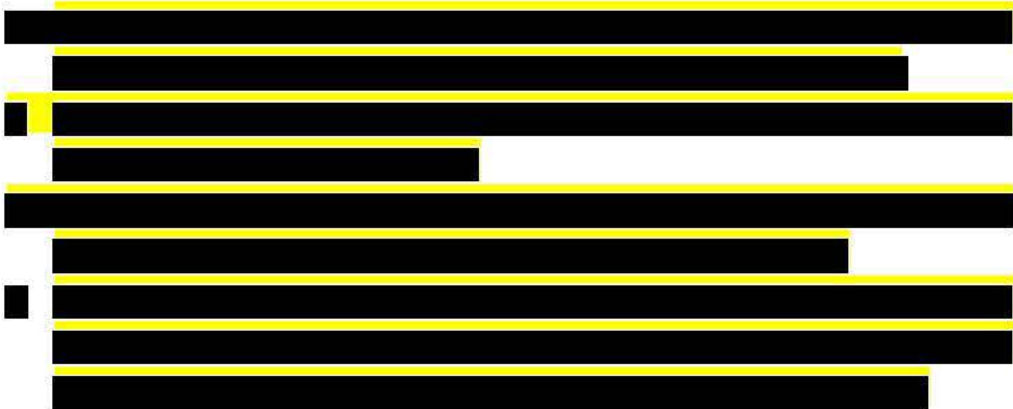
ELECTRONIC APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR APPROVAL TO MODIFY ITS MRSM TARIFF, CEASE DEFERRING DEPRECIATION EXPENSES, ESTABLISH, REGULATORY ASSETS, AMORTIZE, REGULATORY ASSETS, AND OTHER APPROPRIATE RELIEF

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- 1) Regarding the response to Data Request AG 1-9 please provide page, paragraph, line of other detail regarding exactly where in Exhibit C of the application that the remaining useful economic lives of the Wilson plant and the two Green units is located? Is this in reference to retirement dates in Appendix D?

- 2) Regarding the response to AG 1-36, please provide the following:
 - a. On attachment AG 1-36.c.i please provide detail regarding calculation for MISO Energy and Capacity revenues. Are these values net MISO settlements for load? If so please list the loads involved, i.e. Big Rivers Members, special contracts, etc.
 - b. On attachment AG 1-36.c.iii was the HMP1 and HMP2 settlement location deleted after January 2019? Please explain.

- 3) Regarding the Nucor Contract provided in response to AG 1-28, please provide the following:
 - a. Letter Agreement between Customer and Big Rivers dated May 1, 2019 discussed in Exhibit B.


- 4) Regarding BREC response to AG 1-25 and AG 1-42, please provide the following information:
 - a. Detailed list of expenditures surrounding Station two retirement

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- 7) Regarding the response to AG 1-10 please provide the following excel spreadsheets related to Big Rivers MISO Attachment O formula rate (as posted on webSmartOASIS):
 - a. BREC Attachment O 2019
 - b. BREC Attachment O Work Papers 2019
 - c. BREC Schedule 1 2019

- 8) Refer to BREC's response to AG 1-7 (b). Provide a quantification of all sums spent for 2018, 2019, and 2020 to date.

- 9) Reference BREC's response to AG 1-8. Does BREC commit to filing into the record of the instant case a copy of the RFP that it eventually issues? If not, explain why not.

- 10) Reference the responses to AG 1-10, and to AG 1-28 (a)(Nucor Contracts), the draft LICX tariff.
 - a. Explain when the LICX tariff will be filed with BREC's other publicly-accessible tariffs.

 - b. With regard to the [REDACTED], explain whether the LICX tariff will provide [REDACTED] power. If so:
 - (i) Explain whether members, and ultimately the system's retail ratepayers will be paying for any portion of the costs to provide service of any type or sort to Nucor, and if so, explain how much.

 - c. Reference the confidential response to AG 1-17. Confirm that BREC will be the entity procuring all [REDACTED] under the proposed Nucor tariff. Confirm also that Nucor will remain a customer of Meade County RECC and BREC for all of its power needs.

 - d. Reference the confidential response to AG 1-28 (a)(Nucor Contracts), [REDACTED] [REDACTED] Explain whether BREC and Meade County RECC in this agreement [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

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- 11) Reference the response to AG 1-11. Explain if BREC will have any other potential means in the near future to directly interconnect with the PJM market.
- a. Explain also whether BREC and/or MISO conducted any supplemental cost/benefit analyses regarding the Duff-Coleman project after PJM announced that it was withdrawing from the formerly joint project. If so, provide copies of all such analyses.
- 12) Reference the confidential response to AG 1-28 (a)(ii), wherein the Company states: [REDACTED]
- a. Explain whether [REDACTED]. If not, explain how those costs will be allocated between the rate classes.
- 13) Explain whether Nucor [REDACTED] at its Meade County plant.
- 14) Reference the confidential response to AG 1-28 (a)(Nucor Contracts), [REDACTED]
- 15) Reference the confidential response to AG 1-28 (a)(Nucor Contracts), [REDACTED]. If not, explain fully why not.
- 16) Reference the response to AG 1-38. Since delivery to KyMEA occurs at [REDACTED], explain and elaborate on how and why LG&E-KU's potential institution of a resource adequacy program that requires reserves could require BREC to provide up to 16% reserves.
- a. If this potential occurs, explain what recourses BREC might have, and provide cost estimates for complying with the resource adequacy program. Include in your response BREC's current reserve margin.

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- b. Provide complete details regarding the potential LG&E-KU resource adequacy program, including its purpose.
17. Please reference the response to AG 1-48 regarding interest savings from gaining an investment grade credit rating, which provided a confidential estimated amount.
- a. Please provide documents which show the underlying calculations and details for that estimated amount.
 - b. Confirm that the estimate includes all borrowing for which Big Rivers has financing/refinancing plans.

18. Please reference the confidential attachment regarding "Long-Term Forecast assumption" provided in response to AG 1-29 – the second assumption [REDACTED]

[REDACTED]

[REDACTED] Please also reference the response to KIUC 1-4 (generally) which references the Long-Term Financial Forecast (provided in response to AG 1-29) and appears to state:

- a. The financial forecast does not include decommissioning costs for the Coleman Station;
- b. The financial forecast does not include decommissioning costs for the Reid Station coal unit;
- c. The financial forecast "does not reflect the benefits of achieving and maintaining an investment grade rating"; and,
- d. That the financial forecast assumes a base rate case [REDACTED] and a base rate case [REDACTED].

Please provide the following:

- a. Big Rivers' management's best current estimation of the timing and size (percent change) of any base rate changes over the next ten years assuming the Application is approved by the Commission and executed as planned by Big Rivers (this estimation can be in a format similar to that utilized in the "Long-Term Forecast assumption" above), including:
 - i. Amortization of all Regulatory Assets as sought in this Application;
 - ii. Realization of all operational and maintenance, fuel and environmental savings and benefits as identified in the Application;

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- iii. Big Rivers' best estimates of decommissioning costs for the Coleman Station;
- iv. Big Rivers' best estimates of decommissioning costs for the Reid Station coal unit; and,
- v. The savings on interest expense and other borrowing costs (e.g., fees) that Big Rivers anticipates will be realized if the Application is approved and Big Rivers does achieve and maintain an investment grade credit rating.

19. Please reference the confidential attachment regarding [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

20. Please reference the public version of the Management Audit Report provided in response to AG 1-43 (at page 62) where it recommends Big Rivers "pursue discussions with lenders and the Commission to address restrictions around the sale of Coleman and commence a study on the strategic options for the facility" and states "discussions with lenders and regulators regarding modification to the Mortgage indenture may allow for sale at less than book value and address stranded costs and other financing, earnings, MFIR, service and regulatory requirements" and the Confidential Attachment to AG 1-54,
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

- e. Please provide documents which show the matters regarding this recommendation that BREC discussed with lenders and the results and conclusions of such discussions that were reached by BREC and its lenders, including modification to the Mortgage Indenture to allow for sale at less than book value or any other modification.

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Certificate of Service and Filing

Pursuant to the Commission's Order dated March 17, 2020 in Case No. 2020-00085, and in accord with all other applicable law, Counsel certifies that an electronic copy of the forgoing was served and filed by e-mail to the following:

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