

BIG RIVERS ELECTRIC CORPORATION

**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
CASE NO. 2020-00064**

**Response to Commission Staff's Third Request for Information
dated May 7, 2020**

May 22, 2020

Confidential Markings Removed – July 7, 2020

- 1 **Item 6)** *Refer to BREC's response to Staff's Second Request, Item 7(b).*
- 2 *Provide the amounts expended during the past three calendar years and the*
- 3 *anticipated expense for the next three calendar years for the following items:*
- 4 *a. Employer retirement contributions for employees participating in*
- 5 *more than one retirement benefit program;*
- 6 *b. Supplemental Executive Retirement Program expenses;*
- 7 *c. Life insurance premiums for coverage above the lesser of an*
- 8 *employee's annual salary or \$50,000;*
- 9 *d. All fuel adjustment clause (FAC) and environmental surcharge (ES)*
- 10 *revenue and expense;*
- 11 *e. Any nonregulated activities;*
- 12 *f. All nonutility property and related property taxes; and*
- 13 *g. For board of directors:*
- 14 *(1) Per diems for attending industry association meetings;*

**Case No. 2020-00064
Response to PSC 3-6**

**Witnesses: Lindsay N. Durbin (a., b., and c. only)
Paul G. Smith (d., e., and f. only) and
Robert W. Berry (g. only)**

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- 1 **(2) *Costs of health insurance coverage;***
2 **(3) *Costs of post-retirement benefits;***
3 **(4) *Costs of Christmas gifts;***
4 **(5) *Cost of insurance for spouses or dependents of deceased***
5 ***directors; and***
6 **(6) *Any costs for a director's spouse.***

7

8 **Response)**

- 9 a. Big Rivers has thirty-one (31) participants in a defined benefit plan (the
10 plan was closed to new participants in 2008) who are also eligible for the
11 401k matching component of a defined contribution plan. The average cost
12 per employee of this 401k match is roughly \$3,400 per year.

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1 The three year expense and projected cost of the 401k match for
2 participants in the Defined Benefit Plan is as follows:

**Big Rivers Electric Corporation
401k Match for Defined Benefit Plan Participants**

Actual			Budgeted		
<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 129,729	\$ 123,180	\$ 106,614	\$ 110,460	\$ 113,498	\$ 116,619

3

4 b. Big Rivers' executives receive the same retirement savings plan benefits
5 offered to all employees hired after 2008. However, because Internal
6 Revenue Service ("IRS") limitations keep executives from receiving their
7 full benefit offered through Big Rivers' qualified Defined Contribution plan,
8 executives are eligible to participate in a Non-qualified Deferred
9 Compensation plan which allows them to be made whole and receive the
10 contributions or make deferrals that they would have otherwise been able
11 to receive or make under the Defined Contribution plan but for the IRS

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1 limitations. There are no additional supplemental retirement plan costs to
2 Big Rivers other than what the standard Defined Contribution plan calls
3 for. The employer cost of the deferred compensation plan is as follows:

**Big Rivers Electric Corporation
Deferred Compensation Program**

<u>Actual</u>			<u>Budgeted</u>		
<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 122,260	\$ 136,317	\$ 156,340	\$ 160,000	\$ 164,400	\$ 168,921

4 The increases shown over time in the Deferred Compensation Program
5 reflect additional employees being added to the plan. Three additional
6 employees have been added to the Non-Qualified plan over the past five
7 years.

8 c. Big Rivers provides life insurance to employees equal to two times their
9 annual salary. Life insurance premiums for coverage above the lesser of an
10 employee's annual salary or \$50,000 are estimated as follows:

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1

**Big Rivers Electric Corporation
Estimated Life Insurance Premiums for Coverage Above \$50,000**

<u>Actual</u>			<u>Budgeted</u>		
<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 183,344	\$ 193,873	\$ 173,294	\$ 172,809	\$ 175,735	\$ 178,698

2

3

d. Please see the **CONFIDENTIAL** attached schedule for the fuel adjustment clause and environmental surcharge revenues and expenses.

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5

e. Big Rivers does not have any non-regulated activities.

6

f. Big Rivers does not own any non-utility property.

7

g.

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(1) Directors are eligible to receive a per diem of \$600 per day for attending board approved industry association meetings, which amounted to \$28,800, \$28,800 and \$30,600 in 2017, 2018 and 2019, respectively.

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- 1 (2) Big Rivers does not cover the cost of health insurance for its board of
2 directors.
- 3 (3) No retirement benefits are provided to the Board of Directors.
- 4 (4) Cost of Christmas gifts to Big Rivers' Board of Directors are as follows:
5 2017 - \$354; 2018 - \$350; and 2019 - \$310.
- 6 (5) No benefits are provided to spouses or dependents of deceased board
7 members.
- 8 (6) Big Rivers does not pay any costs for a Director's spouse.

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10
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