ORIGINAL

Big Rivers
ELECTRIC CORPORATION

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 TO MODIFY ITS MRSM TARIFF,	)	
CEASE DEFERRING DEPRECIATION EXPENSES,	)	**Case No. 2020-00064**
ESTABLISH REGULATORY ASSETS,	)	
AMORTIZE REGULATORY ASSETS, AND	)	
OTHER APPROPRIATE RELIEF	)	

Response to Commission Staff's
First Request for Information
dated March 20, 2020

FILED: **April 3, 2020**

ORIGINAL

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

VERIFICATION

I, Robert W. ("Bob") Berry, verify, state, and affirm that the 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.

Robert W. ("Bob") Berry

COMMONWEALTH OF KENTUCKY)
COUNTY OF HENDERSON)

SUBSCRIBED AND SWORN TO before me by Robert W. ("Bob") Berry on this the 3rd day of April, 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, Michael W. ("Mike") Chambliss, verify, state, and affirm that the informationa 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 W. ("Mike") Chambliss

COMMONWEALTH OF KENTUCKY)
COUNTY OF HENDERSON)

SUBSCRIBED AND SWORN TO before me by Michael W. ("Mike") Chambliss on this the 3rd day of April, 2020.

Notary Public, Kentucky State at Large

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VERIFICATION

I, Mark J. Eacret, verify, state, and affirm that the 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.

Mark J. Eacret

COMMONWEALTH OF KENTUCKY)
COUNTY OF HENDERSON)

SUBSCRIBED AND SWORN TO before me by Mark J. Eacret on this the 3rd day of April, 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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VERIFICATION

I, Michael T. ("Mike") Pullen, verify, state, and affirm that the data 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. Pullen

Michael T. ("Mike") Pullen

COMMONWEALTH OF KENTUCKY)
COUNTY OF HENDERSON)

SUBSCRIBED AND SWORN TO before me by Michael T. ("Mike") Pullen on this the 3rd day of April, 2020.

Joy P. Parsley

Notary Public, Kentucky State at Large

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VERIFICATION

I, Paul G. Smith, verify, state, and affirm that the data 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)

SUBSCRIBED AND SWORN TO before me by Paul G. Smith on this the 3rd day of April, 2020.

Notary Public, Kentucky State at Large

My Commission Expires _____

Notary Public, Kentucky State-At-Large
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Item 1) ***Refer to the application, paragraph 14.***

a. ***State whether BREC has performed a decommissioning study for Coleman Station.***

b. ***If affirmative, provide the study.***

c. ***If not affirmative, explain whether BREC plans to perform a decommissioning study. Include an estimated timeline for such study.***

Response)

a. Big Rivers retained Burns & McDonnell to perform a decommissioning cost estimate study for the Coleman Station and Reid Station Unit 1 in 2016.

b. The public version of the decommissioning study is attached to this response. The **CONFIDENTIAL** version is provided via electronic media.

c. Not applicable

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1 **Witness)** Michael T. Pullen

BURNS McDONNELL

Decommissioning Cost Estimate Study

Big Rivers Electric Corporation

Decommissioning Cost Estimate Study
Project No. 89539

3/3/2016

Decommissioning Cost Estimate Study

prepared for

Big Rivers Electric Corporation
Decommissioning Cost Estimate Study
Henderson, Kentucky

Project No. 89539

3/3/2016

prepared by

Burns & McDonnell Engineering Company, Inc.
Kansas City, Mo

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LIST OF ABBREVIATIONS

Abbreviation	Term/Phrase/Name
BMcD	Burns & McDonnell
BOP	Balance of plant facilities
BREC	Big Rivers Electric Corporation
C&D	Construction and demolition
GCL	Geosynthetic clay liner
Hz	Hertz
O&M	Operations and maintenance
PCB	Polychlorinated biphenyl
Plants	Power generation assets
STG	Steam turbine generator
Study	Decommissioning Cost Study

1.0 EXECUTIVE SUMMARY

1.1 Introduction

Burns & McDonnell ("BMcD") of Kansas City, Missouri, was retained by Big Rivers Electric Corporation ("BREC") to conduct a Decommissioning Cost Study ("Study") for power generation assets ("Plants") in Kentucky. The assets include two (2) coal-fired generating facilities. The purpose of the Study was to review the facilities and to make a recommendation to BREC regarding the total cost to decommission the facilities at the end of their useful lives. The decommissioning costs were developed by BMcD using information provided by BREC and in-house data available to BMcD.

This Study evaluated two (2) options for dismantling of the Kenneth C. Coleman Station including demolition to four (4) feet below grade and retiring the equipment in place. This Study also evaluated retirement in place for the Robert A. Reid Station.

1.2 Results

BMcD has prepared estimates in current dollars (2016$) for the decommissioning of the Plants. These costs are summarized in Table 1-1 and Table 1-2. For the below grade demolition, when BREC determines that the Plants should be retired, the above grade equipment and steel structures are assumed to have sufficient scrap value to a salvage contractor to offset a portion of the decommissioning costs. BREC will incur costs in the demolition and restoration of the sites less the salvage value of equipment and bulk steel.

Table 1-1: Four (4) Feet Below Grade Site Decommissioning Cost Estimate (2016$)

Plant	Decommissioning Costs	Credits	Net Project Cost
Kenneth C. Coleman Station			

Table 1-2: Retire in Place Site Decommissioning Cost Estimates (2016$)

Plant	Total Project Cost	Annual O&M Cost
Kenneth C. Coleman Station		
Robert A. Reid Station		

The total project cost in the below grade demolition includes the costs to return the site to an industrial condition suitable for reuse for development of an industrial facility. The retirement in place includes the cost for cleaning and securing the equipment in order to remove the Plant from service after its useful life.

The retirement in place also includes the maintenance of the facilities. A detailed breakdown of the decommissioning costs is shown in Appendix A.

1.3 Statement of Limitations

In preparation of this Study, BMcD has relied upon information provided by BREC. BMcD acknowledges that it has requested the information from BREC that it deemed necessary to complete this Study. While BMcD has no reason to believe that the information provided, and upon which BMcD has relied, is inaccurate or incomplete in any material respect, BMcD has not independently verified such information and cannot guarantee its accuracy or completeness.

Engineer's estimates and projections of decommissioning costs are based on Engineer's experience, qualifications and judgment. Since Engineer has no control over weather, cost and availability of labor, material and equipment, labor productivity, construction contractors' procedures and methods, and other factors, Engineer does not guarantee the accuracy of its estimates and projections.

Engineer's estimates do not include allowances for unforeseen environmental liabilities associated with unexpected environmental contamination due to events not considered part of normal operations, such as fuel tank ruptures, oil spills, etc. Estimates also do not include allowances for environmental remediation associated with changes in classification of hazardous materials.

2.0 INTRODUCTION

2.1 Background

Burns & McDonnell, ("BMcD") of Kansas City, Missouri, was retained by Big Rivers Electric Corporation ("BREC") to conduct a Decommissioning Cost Study ("Study") for power generation assets ("Plants") in Kentucky. The assets include two (2) coal-fired generating facilities. The purpose of the Study was to review the facilities and to make a recommendation to BREC regarding the total cost to decommission the facilities at the end of their useful lives.

BMcD has prepared decommissioning studies for over 100 facilities on various types of fossil fuel and renewable power plants using a proven approach to developing these estimates. These dismantlement studies and associated cost estimates were produced for various reasons, many of which have held up to strict scrutiny as part of a regulatory review process, which requires the results to be reasonable and defendable. BMcD has provided both written and verbal testimonies before public utility commissions, which have been well received and has confirmed the reasonableness of BMcD's estimate methodology. In addition to preparing demolition estimates, BMcD has supported demolition projects as the owner's engineer, to evaluate demolition bids and oversee demolition activities. This has provided BMcD with insight into the range of competitive demolition bids, which also assists in confirming the reasonableness of the decommissioning estimates developed by BMcD.

2.2 Study Methodology

The site decommissioning and retirement costs were developed using information provided by BREC and in-house data BMcD has collected from previous project experience. BMcD estimated quantities for equipment based on a visual inspection of the facilities, review of engineering drawings, BMcD's in house database of plant equipment quantities, along with BMcD's professional judgment. This resulted in an estimate of quantities for the tasks required to be performed for each decommissioning and retirement effort. Current market pricing for labor rates, equipment, and unit pricing were then developed for each task. The unit pricing was developed for each site based on the labor rates, equipment costs, and disposal costs specific to the general area in which the work is to be performed. These rates were applied to the quantities for the Plants to determine the total cost of decommissioning and retiring each site.

The decommissioning costs for the below grade included the cost to return the site to an industrial condition, suitable for reuse for development of an industrial facility, commonly referred to as a brownfield site. Included are the costs to decommission all of the assets owned by BREC at the site, including power generating equipment and BOP facilities. The decommissioning costs for the retirement

in place include the costs of cleaning and securing the equipment in order to remove the Plant from service after its useful life. The retirement in place also includes the annual operation and maintenance costs of the Plants.

2.3 Site Visits

Representatives from BMcD visited each of the Plants covered by the Study in January of 2016. The site visits consisted of a tour of each facility with plant personnel to review the equipment installed at each site. Tours were conducted by plant personnel.

The following BMcD representatives comprised the site visit team:

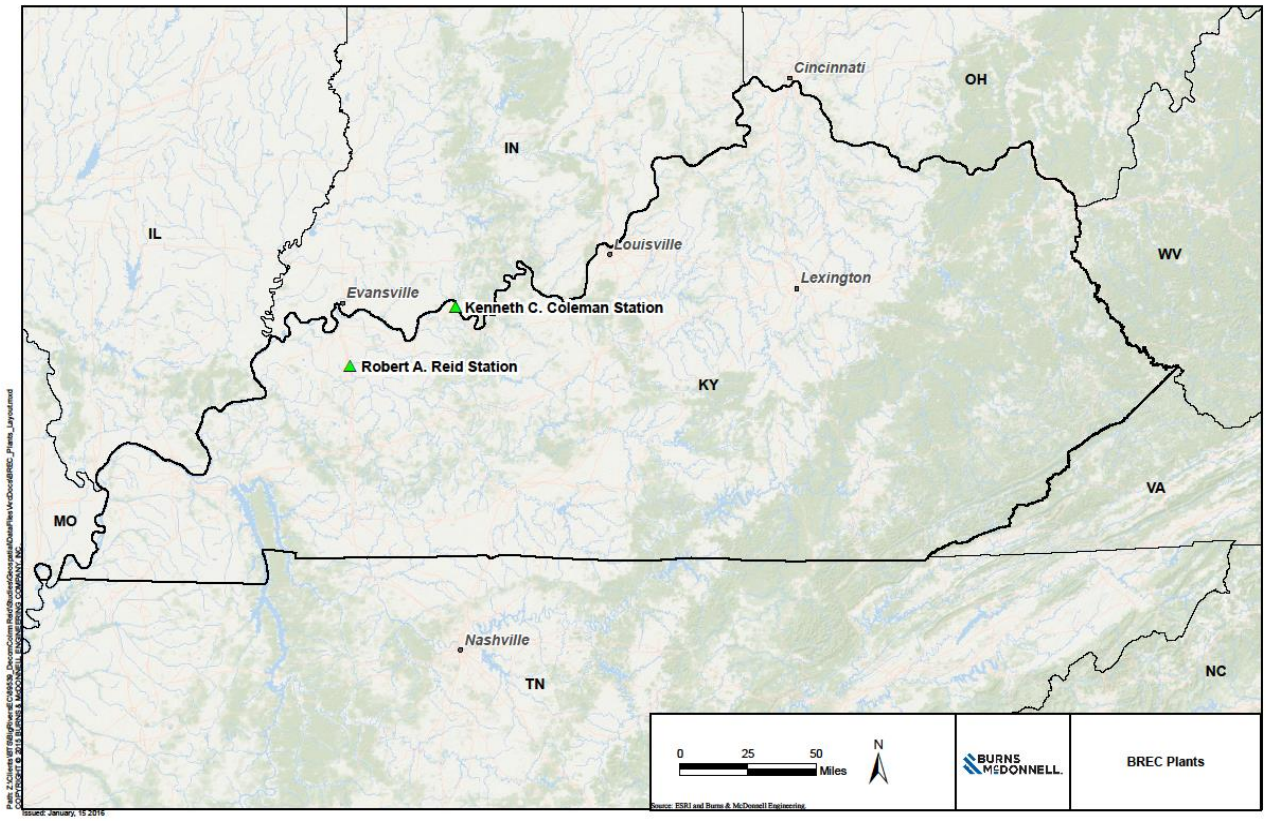
- Mr. Jeff Kopp, BMcD, Project Manager
- Mr. Thom Bristow, BMcD, Project Engineer

The site visits were performed on the following dates.

Table 2-1: Site Visit Dates

Plant	Site Visit Date
Kenneth C. Coleman Station	20-January-16
Robert A. Reid	20-January-16

Figure 1: BREC Facilities Visited



3.0 PLANT DESCRIPTIONS

The following sections provide site descriptions for each of the power plants included in this Study.

3.1 Kenneth C. Coleman Station

Kenneth C. Coleman Station consists of three (3) coal-fired boiler units located near Hawesville, Kentucky, approximately 60 miles east of Henderson, Kentucky. The Plant is located on the west bank of the Ohio River. The Plant has been idled since May 2014. Coleman 1 was commercialized in 1969 and is rated for 150 MW of net capacity. The unit is equipped with a Foster Wheeler boiler capable of producing 1,220,000 pounds per hour of steam, and a Westinghouse turbine-generator with nameplate capacity of 160 MW. Coleman 2 was commercialized in 1970 and is rated for 138 MW of net capacity. The unit is equipped with a Foster Wheeler boiler capable of producing 1,220,000 pounds per hour of steam, and a Westinghouse turbine-generator with nameplate capacity of 160 MW. Coleman 3 was commercialized in 1972 and is rated for 155 MW of net capacity. The unit is equipped with a Riley boiler capable of producing 1,160,000 pounds per hour of steam, and a General Electric turbine-generator with nameplate capacity of 165 MW. Low NO_x burners were installed to reduce NO_x levels for all three units. In 2004 all three boilers were retrofitted with over fire air combustion equipment to further reduce NO_X emissions. In 2006 the Plant was retrofitted with a limestone scrubber that combines all three (3) generation units into a single FGD to remove SO_2. The plant cooling water system is a direct, once-through cooling design supplied by the Ohio River. Each unit has a 350 foot stack that was bypassed at the time the FGD was installed. The FGD stack that is shared by all three (3) units stands 500 feet tall. There are a total of four (4) wells onsite that provide water to the plant.

3.2 Robert A. Reid Station

Robert A. Reid Station is part of Sebree Station which consists of two (2) other plants also owned and/or operated by BREC. Sebree Station is situated on the Green River approximately three (3) miles northwest of the town of Sebree. The Plant consists of one (1) coal-fired boiler unit. The Robert A. Reid Station steam turbine generating unit includes a Riley boiler with a steam flow capacity of 690,000 pounds per hour and a General Electric turbine-generator with nameplate capacities of 66 MW for the turbine and 96 MVA for the generator. The unit began commercial operation in 1966 and is currently rated at 65 MW. Precipitators are currently used for particulate emission removal. A Low NO_x burner and overfire air system is used to reduce NO_x levels. Circulating water for the unit comes directly from, and returns to, the Green River. Boiler exhaust is expelled through a 266 ft. chimney.

4.0 DECOMMISSIONING COSTS

The Study evaluated the decommissioning costs for Kenneth C. Coleman Station based on two (2) dismantlement options. The first option evaluates the cost for retiring the plant in place which includes performing tasks to reduce environmental and safety risks and securing the facility. The remaining option evaluates the demolition of the facility to a depth of four (4) feet below grade. For Robert A. Reid Station, the Study evaluated the decommissioning costs based solely on retiring the plant in place. More detailed breakdowns for each of the Plants are provided in Appendix A.

4.1 Demolition and Salvage Methodology

When BREC determines that Kenneth C. Coleman Station should be retired and below grade demolition is selected, the above grade equipment and steel structures are assumed to have sufficient scrap value to a salvage contractor to offset a portion of the site decommissioning costs. However, BREC will incur costs of decommissioning of the plant and restoration of the site to the extent that those costs exceed the salvage value of equipment and bulk steel.

The decommissioning costs include the cost to return the site to an industrial condition, suitable for reuse for development of an industrial facility. Included are the costs to dismantle all of the assets owned by BREC at the site, including power generating equipment and BOP facilities, as well as environmental site restoration activities.

For purposes of this Study, BMcD has assumed that the plant will be decommissioned as a single project, allowing the most cost effective demolition methods to be utilized. A summary of several of the means and methods that could be employed is summarized in the following paragraphs; however, means and methods will not be dictated to the contractor by BMcD. It will be the contractor's responsibility to determine means and methods that result in safely decommissioning the plant at the lowest possible cost.

Asbestos remediation, as required, would take place prior to commencement of any other demolition activities. Abatement would need to be performed in compliance with all state and federal regulations, including, but not limited to requirements for sealing off work areas and maintaining negative pressure throughout the removal process. Final clearances and approvals would need to be achieved prior to performing further demolition activities.

High grade assets would then be removed from the site, to the extent possible. This would include items such as transformers, circuit breakers, electrical wire, condenser plates and tubes, and heater tubes to list a few. High grade material that would be removed from the site include precious alloys such as copper,

aluminum-brass tubes, stainless steel tubes, and other high value metals utilized at plant. High grade asset removal would occur up-front in the schedule, to reduce the potential for vandalism, to increase cash flow, and for separation of recyclable materials, in order to increase scrap recovery. Methods of removal vary with the location and nature of the asset. Small transformers, small equipment, and wire would likely be removed and shipped as-is for processing at a scrap yard. Large transformers, steam turbine generators, and condensers would likely require some on-site disassembly prior to being shipped to a scrap yard.

Construction and Demolition ("C&D") waste includes items such as non-asbestos insulation, roofing, wood, drywall, plastics, and other non-metallic materials. C&D waste would typically be segregated from scrap and concrete to avoid cross-contaminating of waste streams or recycle streams. C&D demolition crews could remove these materials with equipment such as excavators equipped with material handling attachments, skid steers, etc. This material would be consolidated and loaded into bulk containers for disposal.

In general, boilers could be felled and cut into manageable sized pieces on the ground. First the structures around the boilers would need to be removed using excavators equipped with shears and grapples. Stairs, grating, elevators, and other high structures would be removed using an "ultra-high reach" excavator, equipped with shears. Following removal of these structures, the boilers would be felled, using explosive blasts. The boilers would then be dismantled using equipment such as excavators equipped with shears and grapples, and the scrap metal loaded onto trailers for recycling.

After the surrounding structures and ductwork have been removed, the stacks would be imploded, using controlled blasts. Following implosion the stack liners and concrete would be reduced in size to allow for handling and removal.

BOP structures and foundations would likely be demolished using excavators equipped with hydraulic shears, hydraulic grapples, and impact breakers, along with workers utilizing open flame cutting torches. Steel components would be separated, reduced in size, and loaded onto trailers for recycling. Concrete would be broken into manageable sized pieces and stockpiled for crushing on-site. Concrete pieces would ultimately be loaded in a hopper and fed through a crusher to be sized for on-site disposal.

The Plants contain significant amounts of scrap value that can be used to offset a portion of the costs incurred for each Plant. In BMcD's experience, the demolition cost typically exceeds the scrap value, resulting in a net cost, rather than a net benefit to the plant owner. In some cases, additional value can be realized if equipment can be salvaged for reuse rather than being simply scrapped. However, there are

several significant challenges to salvaging the equipment for reuse, which tend to cancel out the additional value associated with salvaging the equipment. Generally, BMcD recommends that all equipment be valued as scrap for planning purposes, due to the speculative nature of salvage opportunities and prices.

Generally, BMcD's experience has been that equipment and structures are scrapped as part of a demolition project. In order to market the equipment as salvageable for reinstallation and reuse as operating equipment, these items would need to be carefully removed prior to demolition activities. This will increase the cost of removal of those specific items, and will therefore increase the overall demolition costs. The economics of removing select pieces of equipment become even less attractive when looking at extracting individual pieces of equipment, separate from a full demolition project, as the equipment brokers may remove the equipment under a separate contract prior to demolition.

There are several factors placing downward pressure on salvage values of used plant equipment, including the numerous plants slated for decommissioning that will cause a significant increase in supply of used equipment. Additionally, the opportunistic nature of the salvage market often creates challenges with matching the specific needs of the buyer to the equipment available from a particular seller of salvaged equipment. Essentially, the market for a piece of used equipment is limited to buyers whose equipment needs directly match the equipment for sale. Typically this is either a buyer who has experienced an equipment failure and would rather buy used equipment than wait for new equipment, or is a buyer in an overseas market. These factors greatly limit the number of potential buyers.

In BMcD's experience, the steam turbine generator set and generator step-up transformer have been the most likely pieces of equipment to be sold for salvage and reuse. Typical customers of this type of equipment are generally located overseas. Most of these markets have 50 hertz ("Hz") power systems, thus the turbine generator set would need to be retrofitted to convert from generating at 60 Hz to 50 Hz. Although the miscellaneous pumps and motors associated with these facilities can sometimes be sold for salvage, this is one of the more opportunistic markets where a specific buyer with a specifically matched need would have to be identified. These opportunities have been less likely to occur than these pieces of equipment being scrapped.

Through other recent projects, BMcD has been in discussion with equipment salvage brokers to gauge market interest for equipment associated with power plants. There was very little interest in the equipment on other projects with newer equipment and there would likely be no interest in the equipment at these Plants due to the vintage. Comments from the brokers on the other projects indicated that they

expected any piece of equipment extracted separately from a full demolition project to be a net cost to the facility owner. Therefore, receiving scrap value for the equipment is likely the most economically attractive option.

4.2 Decommissioning Cost assumptions

Below is a list of general assumptions for all sites, as well as site specific assumptions applicable to each individual project.

4.2.1 General Cost Assumptions and Clarifications for All Sites

The following assumptions were made as the basis of all of the cost estimates.

1. All cost estimates are in current 2016 dollars.
2. All estimates are budgetary in nature and do not reflect guaranteed costs.
3. All work will take place in a safe and cost efficient method.
4. Labor costs are based on a regular 40 hour workweek without overtime.
5. Abatement of asbestos will precede any other work. After final air quality clearances have been reached, demolition can proceed.
6. All facilities will be decommissioned to zero generating output. Existing utilities will remain in place for use by the contractor for the duration of the decommissioning and demolition activities.
7. Soil testing and any other on-site testing has not been conducted for this study.
8. Transmission switchyards and substations within the boundaries of the plant are not part of the decommissioning scope. For purposes of this study, the division between generation assets and transmission assets is at the high side of the generator step-up transformers.
9. The costs for relocation of transmission lines, or other transmission assets, are specifically excluded from the decommissioning cost estimates.
10. All demolition and abatement activities, including removal of asbestos, will be done in accordance with any and all applicable Federal, State and Local laws, rules and regulations.
11. It is assumed that sufficient area to receive, assemble and temporarily store equipment and materials is available.
12. Any observable surface spills will be cleaned up.
13. All trash, debris, and miscellaneous waste will be removed and disposed of properly.
14. No environmental costs have been included to address cleanup of contaminated soils, hazardous materials, or other conditions present on-site having a negative environmental impact, other than those specifically listed in these assumptions. No allowances are included for unforeseen environmental remediation activities.
15. Handling and disposal of hazardous material will be performed in compliance with the approved methods of BREC's Environmental Services Department.
16. Valuation and sale of land and all replacement generation costs are excluded from this scope.

17. Spare parts inventories were not provided to BMcD for review. BMcD assumes that to the extent possible spare parts will be sold prior to decommissioning and remaining spare parts will be scrapped by the demolition contractor.
18. Rolling stock, including dozers, plant vehicles, etc. is assumed to be removed by BREC prior to decommissioning.
19. A 20 percent contingency was included on the direct costs in the estimates prepared as part of this study to cover unknowns.
20. Indirect costs are included in the cost estimate to cover owner expenses such as management trailers, utilities, etc. which may impact the cost of decommissioning each site. An indirect cost of 5 percent was included in the estimates to cover such costs.
21. Market conditions may result in cost variations at the time of contract execution.

4.2.2 Demolition to Four (4) Feet Below Grade

This option considers the cost associated to demolishing Kenneth C. Coleman Station to four (4) feet below grade. The following section outlines the assumptions for decommissioning the plant to four (4) feet below grade.

1. All estimates are based on labor rates from RS means values for a demolition crew B-8 with adjusted rates based on the local site cost index for the Plants.
2. The estimates are inclusive of all costs necessary to properly dismantle and decommission the site to a marketable or usable condition. For purposes of this study and the included cost estimates, the site will be restored to a condition suitable for industrial use.
3. Demolition of the entire site and all associated units will occur in a single project.
4. After the barge unloading equipment and structure are removed, the mooring cells will also be removed. The area in front of the unloading facility will be filled with materials required to restore the original river bankline in accordance with the Corps of Engineers' requirements.
5. This cost estimate includes property tax liabilities that have been provided by BREC.
6. Concrete will be crushed on-site and buried in existing basements. Concrete in trenches and basements will be perforated to create drainage. Once the capacity of all existing basements has been exceeded, remaining concrete will be crushed and used as clean fill on-site. All other non-hazardous material with no salvage value will be disposed of off-site at the nearest landfill.
7. Step-up transformers and auxiliary transformers are included for demolition and scrap in all estimates.
8. Demolition will include the removal of all structures, equipment, tanks, conveyer systems, ancillary buildings, and any other associated equipment to four (4) feet below grade.
9. All above grade plant structures and materials such as fire walls, masonry, doors, windows, building finishes, plumbing, HVAC ductwork, lighting fixtures, cable trays, etc., will be demolished and disposed of off-site at the nearest landfill.
10. Foundations and ground floor slabs will be removed to four (4) feet below grade. The surface will be graded for drainage using onsite soil and seeded.

11. Except for the circulating water lines, underground piping will be abandoned in place. Concrete circulating water system pipes will be capped, have the tops broken out, and backfilled with on-site soil. Steel circulating water pipes will be removed and scrapped
12. All pipe supports, and pipe racks will be demolished and scrapped.
13. Hazardous material abatement is included as necessary, including asbestos, mercury, and polychlorinated biphenyls ("PCBs"). Lead paint coated materials will be handled by certified personnel compliant with OSHA Standards as necessary, but will not be removed prior to demolition. Scrap steel can be taken to scrap brokers with lead paint still intact, and will not impact the scrap value.
14. All portable tanks will be removed from the site and scrapped, including any propane tanks, oil storage tanks, and waste oil tanks.
15. Most, if not all, chemicals have been removed from the site, however, any remaining chemicals will be consumed or disposed of by the Plant prior to decommissioning, including process chemicals in equipment, stored chemicals, and laboratory chemicals.
16. No plant washdown is required since it was completed as part of placing the plant in long term layup.
17. All coal, ash, and other residue was cleaned and removed as part of the plant layup and not included in this cost estimate.
18. The substation equipment owned by the Plant including breakers, air break disconnect switch, busbars, grounding cable and transformers up to the interconnection point will be removed.
19. The coal pile area will be excavated to a depth of one (1) foot, graded, capped, and covered with imported topsoil.
20. Site areas will be graded to achieve suitable site drainage to natural drainage patterns, but grading will be minimized to the extent possible.
21. Major equipment, structural steel, generators, inlet filters, exhaust stacks, transformers, electrical equipment, cabling, wiring, pump skids, above ground piping, and equipment enclosures for the above equipment will be sold for scrap and removed from the Plant site by the demolition contractor. All other demolished materials are considered debris.
22. All production wells will be closed as per state regulations. Production wells will be filled with grout to approximately five feet below surface grade. The top five feet will be overdrilled and filled with soil backfill to grade on top of the grout. Monitoring wells will remain intact.
23. The scrap value of the equipment is based on the equipment being at the end of its useful life at the time of demolition; therefore, the equipment will not have a value on the grey market for reinstallation. Equipment will have value as scrap only at the time of site demolition.
24. [redacted]
25. [redacted]
26. The scope of the costs included in the Study is limited to the decommissioning activities that will occur at the end of useful life of the facilities. Additional on-going costs may be required, including, but not limited to groundwater monitoring associated with ash pond closure and/or other environmental monitoring activities. These costs are excluded from the cost estimates provided in this study.

4.2.3 Retirement in Place

This option considers the cost associated with retiring both Plants in place which includes tasks such as removing chemicals and other potential environmental hazards, and placing the equipment and Plants in a condition that reduces liabilities and risks, while minimizing retirement costs. The following section outlines the assumptions for retiring the Plants in place.

1. All units will be retired to zero generating output.
2. An asbestos inspection will be performed and any friable asbestos identified will be completely removed. It is assumed that a minimal amount of asbestos will require removal. This activity will precede any other work.
3. All access into the Plant, powerhouse, warehouses, and other plant structures will be secured.
4. No equipment or material will be removed for scrap sales.
5. Switchyard breakers will be opened. Switchyard disconnects will be opened and locked in the open position.
6. Oil-filled transformers will be drained and the oil disposed of properly.
7. Lubricating oil systems and hydraulic oil systems will be drained and the oil will be recycled or disposed of properly.
8. This cost estimate includes property taxes and insurance liabilities that have been provided by BREC.
9. No general and administrative fees were developed for this cost estimate but will need to be included in BREC's ongoing costs.
10. All water/steam spaces in the steam turbines, including the condenser, will be drained and opened.
11. Aircraft warning lights on the stacks will be maintained and remain operational.
12. All chimneys will be capped.
13. All batteries, including lead and nickel cadmium batteries will be removed and disposed of properly.
14. Mercury filled equipment and instruments, if applicable, will be removed and disposed of or recycled.
15. Freon will be removed and disposed of properly.
16. Annual operational and maintenance ("O&M") costs will apply for each year the Plant is in retired in place status.
17. Liability insurance costs are not included in BMcD's estimates of annual O&M costs; however, these costs should be considered by BREC as it is assumed that some level of liability insurance will still be required. Costs should be confirmed with BREC's insurance provider.

4.2.4 Site Specific Assumptions

The following assumptions were made specific to each plant cost estimate.

Kenneth C. Coleman Station

1. The Plant is currently in dry layup state with dehumidified air.

2. Asbestos has been abated around steam turbine generator ("STG") but remains around main steam lines.
   The condensers and circulating water lines have been drained.
3. The transformers still have oil but are PCB free.
4. Roughly 5000 gallons each of lube oil and seal oil remain on-site.
5. Sulfuric acid has been removed from the site.
6. All coal has previously been removed from site.
7. The condenser was retubed in the last five (5) years with admiralty brass.
8. The onsite section of rail is not part of this decommissioning estimate.
9. Mooring cells warning light system and cathodic protection system will remain active
10. Under either the demolition to four feet below grade or retirement in place scenario, the south pond will be capped with a combination of two (2) feet of clay and a geosynthetic clay liner ("GCL").
11. Under either the demolition to four feet below grade or retirement in place scenario, the contents of the east portion of sluice pond will be migrated to west portion of sluice pond. The west portion of sluice pond will be dewatered and an isolation berm will be built around it. It will be capped with a combination of two (2) feet of clay and a GCL. A groundwater monitoring system will be installed
12. Under either the demolition to four feet below grade or retirement in place scenario, the north pond will be dewatered and capped with a combination of two (2) feet of clay and a GCL.
13. Under the retirement in place scenario, all doors will be secured or welded shut and outstanding keys collected.
14. Under the retirement in place scenario, all windows up to twenty feet above grade will be boarded up.
15. Under the retirement in place scenario, branches into buildings from the fire mains in the yard will be valved off and fire risers in the building drained. Yard fire hydrants will be left in service.
16. Under the retirement in place scenario, access to duct bank manholes will be secured to prevent entry.
17. A new power supply for the firewater pump, barge clearance lights, FAA warning lights, and cathodic protection will be added by installing a new feed tied into the Kenergy line located adjacent to the plant.

Robert A. Reid Station

1. The 84-inch circulating water line and pump will be taken out of service and replaced with a smaller line and pump to serve HMP&L Station Two requiring HMP&L Station Two to be taken offline during this retrofit.
2. The Reid Station has a building heat system that will be maintained in service; therefore, no freeze protection modifications are required.
3. All chemicals still onsite at Reid can be transferred to some other plant owned by BREC at no net cost.
4. The Reid Station fire protection system will remain in service.
5. Sump pumps for all units are in the basement of Reid 1, which will need to be maintained.

6. The jockey pump that serves as a backup for the HMP&L fire protection system is fed by Reid's circulating water system. These jockey pumps will need to remain operational.
7. The Reid auxiliary transformers must remain operative to provide station power.
8. The compressed air system will remain in place and operational to allow for maintenance activities in the area of the Reid Station. The cooling water for the air compressors is fed from the Reid circulating water system, and will need to be modified.
9. Fly ash and bottom ash are currently routed to a common ash handling building with HMP&L and the over to the ponds. These lines from the Reid Station will need to be isolated from the remainder of the system.
10. The coal feed system must remain operative to serve HMP&L Station Two; however, the section of the coal feed system that serves the Reid Station needs to be blanked off to prevent coal from entering the Reid hopper.

4.3 Results

Table 4-1 presents a summary of the decommissioning cost for the Kenneth C. Coleman Station to four (4) feet below grade. This summary provides a breakout of the major decommissioning activities and the scrap value for the Plant.

Table 4-1: Four (4) Feet Below Grade Site Decommissioning Cost Estimate (2016$)

Plant	Decommissioning Costs	Credits	Net Project Cost
Kenneth C. Coleman Station			

Table 4-2 provides the total costs for retiring the Plants in place. The total project cost involves one-time costs regarding environmental and plant building items. The annual O&M costs include recurring costs involving the site security, environmental monitoring and administration.

Table 4-2: Retire in Place Site Decommissioning Cost Estimates (2016$)

Plant	Total Project Cost	Annual O&M Cost
Kenneth C. Coleman		
Robert A. Reid		

Table 4-2: 1

In the Matter of:

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. 202-00064**

CONFIDENTIAL DOCUMENT

Appendix A - Cost Breakdowns
Decommissioning Cost Study
Provided as Attachment to Big Rivers Response to Item 1
of Commission Staff's First Request for Information
dated March 20, 2020
FILED: April 3, 2020

INFORMATION SUBMITTED WITH MOTION
PETITION FOR CONFIDENTIAL TREATMENT

APPENDIX B - PLANT AERIALS

Figure 2: Kenneth C. Coleman Station

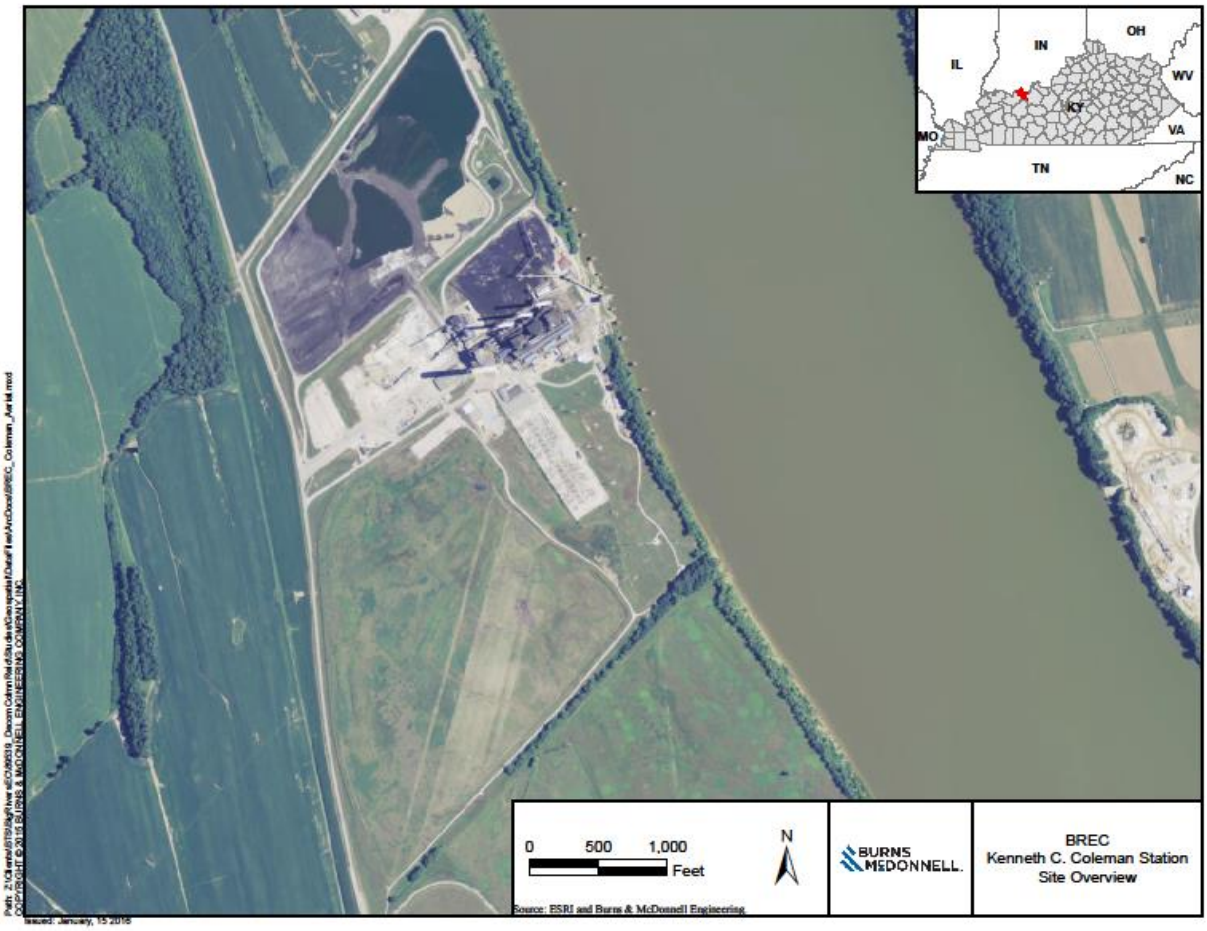
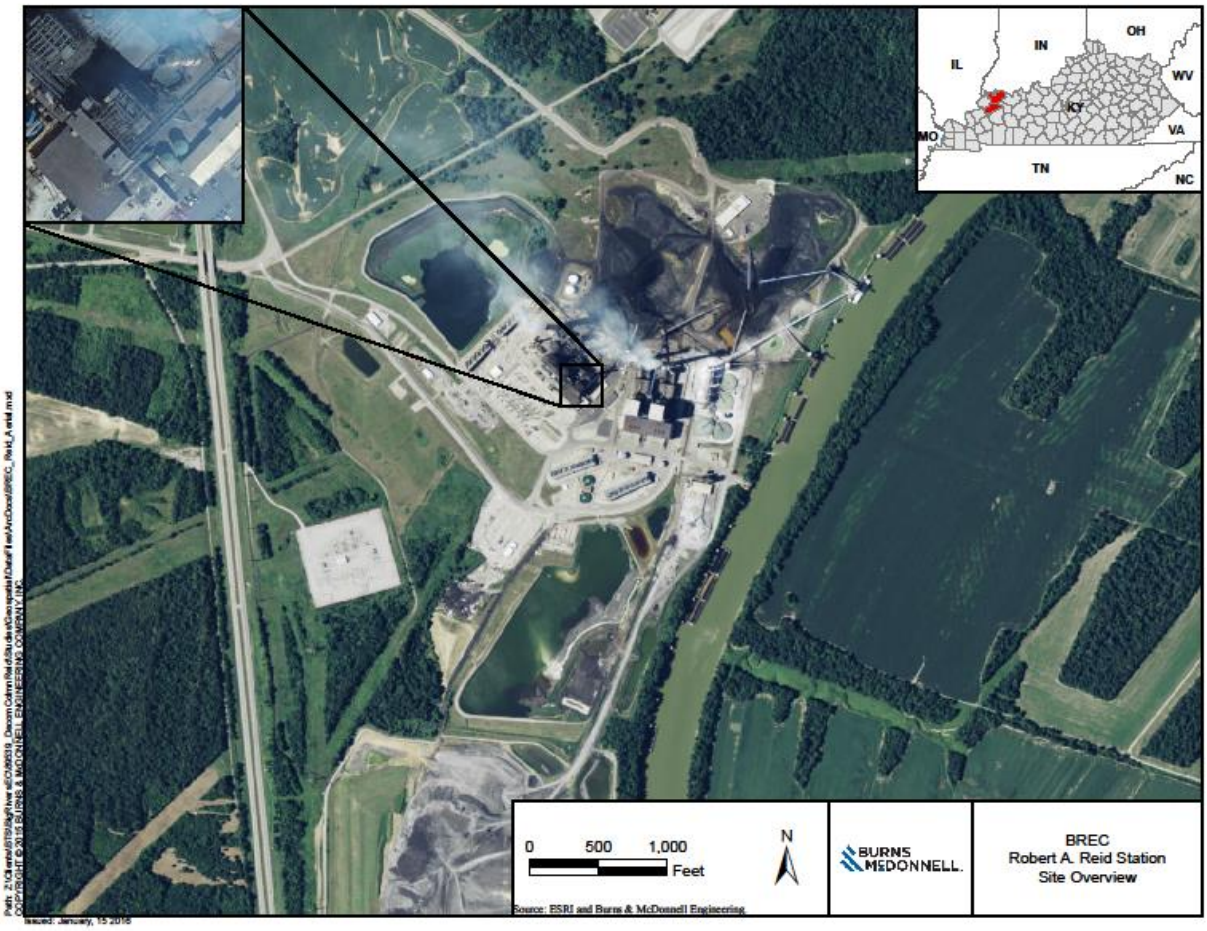


Figure 3: Robert A. Reid Station



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9400 Ward Parkway
Kansas City, MO 64114
O 816-333-9400
F 816-333-3690
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BIG RIVERS ELECTRIC CORPORATION

ELECTRONIC APPLICATION OF
BIG RIVERS ELECTRIC CORPORATION
FOR APPROVAL TO MODIFY ITS MRSM TARIFF,
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Item 2) ***Refer to the application, paragraph 15.***

a. ***State whether BREC has performed a decommissioning study for Reid Station Unit 1.***

b. ***If affirmative, provide the study.***

c. ***If not affirmative, explain whether BREC plans to perform a decommissioning study. Include an estimated timeline for such study.***

Response)

a. Big Rivers retained Burns & McDonnell to perform a decommissioning cost estimate study for the Coleman Station and Reid Station Unit 1 in 2016.

b. The decommissioning study is provided in Big Rivers' response to Item 1 of these Commission Staff information requests.

c. Not applicable

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1 **Witness)** Michael T. Pullen

BIG RIVERS ELECTRIC CORPORATION

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Item 3) ***Refer to the application, paragraph 21, and the application, Exhibit D, the Direct Testimony of Robert W. Berry (Berry Testimony), page 10.***

a. Provide the net present value of assumed or estimated savings from an improvement in Big Rivers' credit rating.

b. If the Commission does not meet the proposed June 30, 2020 deadline, explain whether Big Rivers will delay the July debt issuance.

c. Provide the Case Number approving the proposed July debt issuance. If Big Rivers has yet to file an application, provide the anticipated filing date.

Response)

a. Achieving and maintaining an investment grade credit rating is estimated to result in an immediate annual interest expense savings of approximately [redacted] which includes assumed savings on the reissuance of Big Rivers' existing pollution control bonds, and those savings are estimated to increase to [redacted] by January 2024.

b. The decision to re-issue the pollution control bonds in July will be evaluated as we approach the date, and will take into account other factors such as volatility in the credit markets.

c. Big Rivers expects to file the application for Commission approval of the debt issuance in June.

Witness) Paul G. Smith

BIG RIVERS ELECTRIC CORPORATION

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Item 4) ***Refer to the application, paragraph 41. State whether BREC's request to "resume recovery of the Wilson Station depreciation expense beginning on January 1, 2021" is a request to include that depreciation expense in the calculation of its net margins for the purposes of calculating the proposed New TIER Credit. If this is a mischaracterization of the requested relief, further explain the mechanics of the request to "resume recovery" of this expense.***

Response) Yes, Big Rivers' request to "resume recovery of the Wilson Station depreciation expense beginning on January 1, 2021" is a request to include that depreciation expense in the calculation of its net margins for the purposes of calculating the proposed New TIER Credit. Specifically, Wilson Station depreciation expense will resume for financial and ratemaking purposes just as it was prior to February 1, 2014.

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1 **Witness)** Paul G. Smith

BIG RIVERS ELECTRIC CORPORATION

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Item 5) ***Refer to the application, paragraph 41. Provide the value of the Wilson Station Depreciation Deferral regulatory asset at the end of calendar year 2020.***

Response) The Wilson Station Depreciation Deferral regulatory asset is projected to be approximately $141,640,843 at the end of calendar year 2020.

Witness) Paul G. Smith

BIG RIVERS ELECTRIC CORPORATION

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Item 6) ***Refer to the application, paragraph 42, and the Berry Testimony, page 16. BREC states that the Midcontinent Independent System Operator, Inc. (MISO) has terminated the interconnection rights at Coleman Station due to the exceedance of the idling period.***

a. Explain how MISO defines an "idling period" and related criteria.

b. Provide documentation of the expiry of interconnection rights at Coleman Station, including the date of expiry of interconnection rights.

c. Provide the costs associated with re-attaining interconnection rights with MISO for Coleman Station.

Response)

a. MISO uses the terms "suspension" and "suspension period" rather than "idling period" in their Tariff. Section 38.2.7(n) of the MISO Tariff specifies, in relevant part, that:

> An owner of a Generation Resource . . . may request suspension pursuant to the provisions of this Section 38.2.7 and remain for a maximum of thirty-six (36) cumulative months during any five (5) year period under any combination of suspended and SSR-designated statuses. . . . If a Generation Resource . . . does not return to service at the end of the thirty-six (36) month maximum suspension period, the Transmission Provider will terminate interconnection service of the resource pursuant to Section 38.2.7.

b. See the attached letter from MISO, dated September 28, 2016, notifying Big Rivers that MISO will proceed to terminate the interconnection service for Coleman Units 1, 2, and 3 in accordance with the provisions of the MISO Tariff.

c. Big Rivers cannot, at this time, quantify the costs that would be incurred if Big Rivers sought to re-attain interconnection rights with MISO for the Coleman Station. The costs of attempting to re-attain interconnection rights would depend on whether or not Big Rivers would be forced to treat the return-to-service of the Coleman Station as a new resource under the MISO interconnection queue. The application, study, and deposit fees for

such a process are likely to range from $500,000 to $1,000,000 per generating unit studied, and only some of these costs are potentially refundable. Further, it is possible the Coleman Station would need network upgrades prior to being approved for re-attaining interconnection rights with MISO, as well as any additional system upgrades that may be required by MISO.

Witnesses) Michael T. Pullen and
Michael W. Chambliss

Timothy Aliff
Director, Reliability Planning
[redacted]

VIA OVERNIGHT DELIVERY

September 28, 2016

Robert W. Berry
Big Rivers Electric Corporation
201 Third Street
Henderson, KY 42419-0024

Subject: **Termination Notice for Interconnection Service of Coleman Units 1, 2 & 3**

Dear Mr. Berry:

This letter notifies Big Rivers Electric Corporation ("Big Rivers") that MISO will proceed to terminate the interconnection service for Coleman Units 1, 2, & 3 ("Coleman") in accordance with the provisions of the MISO Tariff. A review of the status of the Coleman plant indicates that the units have not been returned to service on September 1, 2016 as specified in the Attachment Y Notice dated April 21, 2015, and Big Rivers has not submitted an Attachment Y Notice to MISO for the subsequent retirement of Coleman. Pursuant to Section 38.2.7 of the Tariff, a Generation Resource may suspend operations for a maximum of 36 cumulative months during any 5 year period under any combination of suspended and SSR-designated statuses; and the Transmission Provider will terminate interconnection service of the resource that does not return to service at the end of the 36 month maximum suspension period.

Once the interconnection service is terminated, Big Rivers will be required to submit an Attachment X request and enter the generation interconnection queue if Big Rivers seeks to resume operations of Coleman.

Please do not hesitate to contact me if you have any questions on this matter.

Respectfully,

Tim Aliff
Director, Reliability Planning

BIG RIVERS ELECTRIC CORPORATION

ELECTRONIC APPLICATION OF
BIG RIVERS ELECTRIC CORPORATION
FOR APPROVAL TO MODIFY ITS MRSM TARIFF,
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Item 7) ***Refer to the application, paragraph 51. BREC states that the MISO has terminated the interconnection rights at Reid Station Unit 1 due to the exceedance of the idling period.***

a. Provide documentation of the expiry of interconnection rights at Coleman Station, including the date of expiry of interconnection rights.

b. Provide the costs associated with re-attaining interconnection rights with MISO for Reid Statin Unit 1.

Response)

a. See the attached letter from MISO, dated July 8, 2019, notifying Big Rivers that MISO will proceed to terminate the interconnection service for Reid Station Unit 1 in accordance with the provisions of the MISO Tariff.[1]

[1] While subpart (a) of this request pertains to Coleman Station, given that the remainder of this request pertains to Reid Station Unit 1 and the Commission's Request for Information Item 6 asks

b. Big Rivers cannot, at this time, quantify the costs that would be incurred if Big Rivers sought to re-attain interconnection rights with MISO for Reid Station Unit 1. The costs of attempting to re-attain interconnection rights would depend on whether or not Big Rivers would be forced to treat the return-to-service of Reid Station Unit 1 as a new resource under the MISO interconnection queue. The application, study, and deposit fees for such a process are likely to range from $500,000 to $1,000,000 per generating unit studied, and only some of those costs are potentially refundable. Further, it is possible Reid Station Unit 1 would need network upgrades prior to being approved for re-attaining interconnection rights with MISO, as well as any additional system upgrades that may be required by MISO.

for similar information related to the Coleman Station, Big Rivers has responded to this subpart (a) by providing information related to Reid Station Unit 1.

BIG RIVERS ELECTRIC CORPORATION

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Witnesses) Michael T. Pullen and

Michael W. Chambliss

Vikram Godbole
Director, Resource Utilization
[redacted]

VIA OVERNIGHT DELIVERY

July 8, 2019

Robert W. Berry
President and CEO
Big Rivers Electric Corporation
201 Third Street
Henderson, KY 42419-0024

Subject: **Termination Notice for Interconnection Service of Reid Unit 1**

Dear Mr. Berry:

This letter notifies Big Rivers Electric Corporation ("Big Rivers") that MISO will proceed to terminate the interconnection service for Reid Unit 1 in accordance with the provisions of the MISO Tariff. A review of the status of the Reid Unit 1 indicates that the unit has not returned to service on April 1, 2019 as specified in the Attachment Y Notice dated August 21, 2015, and Big Rivers has not submitted an Attachment Y Notice to MISO for the subsequent retirement of Reid Unit 1. Pursuant to Section 38.2.7 of the Tariff, a Generation Resource may suspend operations for a maximum of 36 cumulative months during any 5-year period under any combination of suspended and SSR-designated statuses; and the Transmission Provider will terminate interconnection service of the resource that does not return to service at the end of the 36-month maximum suspension period.

Once the interconnection service is terminated, Big Rivers will be required to submit an Attachment X request and enter the generation interconnection queue if Big Rivers seeks to resume operations of Reid Unit 1.

Please do not hesitate to contact me if you have any questions regarding this matter.

Respectfully,

V. Godbole

Vikram Godbole
Director, Resource Utilization

BIG RIVERS ELECTRIC CORPORATION

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Item 8) ***Refer to the application, paragraph 60.***

a. Provide the annual maintenance expenses associated with keeping the station idled for the past five calendar years for the Coleman Station.

b. Provide an estimate for the remaining marketable assets for Coleman Station.

Response)

a. The annual maintenance expenses associated with keeping the Coleman Station idled for the past five calendar years are:

	2015	2016	2017	2018	2019
Non-Labor	552,419	478,000	343,708	292,884	344,133
Labor	603,153	493,996	543,651	543,913	413,077
Total	$ 1,155,572	$ 971,996	$ 887,359	$ 836,797	$ 757,210

b. The remaining marketable assets to be disposed as scrap or salvage for Coleman Station are estimated to be approximately $[redacted].

High grade assets would be removed from the site, to the extent possible. This would include items such as transformers, circuit breakers, electrical wire, condenser plates and tubes, and heater tubes to list a few. High grade material that would be removed from the site include precious alloys such as copper, aluminum-brass tubes, stainless steel tubes, and other high value metals utilized at the Coleman Station. These high-grade materials are separated from other materials to increase scrap recovery value. Small transformers, small equipment, metal structures, and wire would likely be removed and shipped as-is for processing at a scrap yard. Large transformers, steam turbine generators, and condensers would likely require some on-site disassembly prior to being shipped to a scrap yard. Based on industry experience, the steam turbine generator set and generator step-up transformer have been the most likely pieces of equipment to be sold for salvage and reuse. Typical customers of this type of equipment are generally located overseas. Although the miscellaneous

pumps and motors associated with these facilities can sometimes be sold for salvage, this is one of the more opportunistic markets where a specific buyer with a specifically matched need would have to be identified. The marketable assets that are not sold for salvage value will be sold for scrap to offset some of the decommissioning costs.

Witness) Michael T. Pullen

BIG RIVERS ELECTRIC CORPORATION

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Item 9) ***Refer to the application, paragraph 61.***

a. Provide the annual maintenance expenses associated with keeping the station idled for the past five calendar years for the Reid Station 1.

b. Provide an estimate for the remaining marketable assets for Reid Station 1.

Response)

a. Reid Station Unit1 was not idled until April 2016, therefore, there are four years of annual maintenance expense associated with keeping the station idled. These annual maintenance expenses for the past four calendar years are:

Year	Amount
2016	$ 121,062
2017	$ 201,568
2018	$ 240,045
2019	$ 217,440

b. The remaining marketable assets to be disposed as scrap or salvage for Reid Station 1 are estimated to be much less than Coleman Station. As noted in response to PSC 1-8, Coleman Station remaining marketable assets are estimated to be approximately [redacted]. High grade assets would be removed from the site, to the extent possible. This would include items such as transformers, circuit breakers, electrical wire, condenser plates and tubes, and heater tubes to list a few. High grade material that would be removed from the site include precious alloys such as copper, aluminum-brass tubes, stainless steel tubes, and other high value metals utilized at Reid Station 1. These high-grade materials are separated from other materials to increase scrap recovery value. Small transformers, small equipment, and wire would likely be removed and shipped as-is for processing at a scrap yard. Large transformers, steam turbine generators, and condensers would likely require some on-site disassembly prior to being

shipped to a scrap yard. Based on industry experience, the steam turbine generator set and generator step-up transformer have been the most likely pieces of equipment to be sold for salvage and reuse. Typical customers of this type of equipment are generally located overseas. Although the miscellaneous pumps and motors associated with these facilities can sometimes be sold for salvage, this is one of the more opportunistic markets where a specific buyer with a specifically matched need would have to be identified. The marketable assets that are not sold for salvage value will be sold for scrap to offset some of the decommissioning costs.

Witness) Michael T. Pullen

BIG RIVERS ELECTRIC CORPORATION

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Item 10) ***Refer to the application at paragraph 67.***

a. Explain how BREC's proposal satisfies the requirements of Accounting Standards Codification 980-340-25-1.

b. Explain whether BREC would be amenable to including the amortization of the Smelter Loss Mitigation Regulatory Assets as an explicit component of the calculation of the proposed New TIER Credit.

Response)

a. As stated in its application, Big Rivers is requesting to recover the annual amortization of the Smelter Loss Mitigation Regulatory Assets through existing rates.[1] As such, if the Commission grants Big Rivers the relief it

[1] *See, e.g,, In the Matter of: 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, Application Paragraph 93.

requests, the amortization expense will be included in allowable costs for rate-making purposes, although without the necessity of requesting an additional base rate increase. Further, Big Rivers currently believes, based on available evidence, that its future revenues will be sufficient to recover the Smelter Loss Mitigation Regulatory Assets, less any amortizations of equity headroom, in addition to its expected level of future costs. Therefore, Big Rivers believes that, if the Commission grants it the relief it has requested, it will be in compliance with ASC 980-340-25-1.

b. Yes, Big Rivers is amenable to including the amortization of the Smelter Loss Mitigation Regulatory Assets as an explicit component of the calculation of the proposed New TIER Credit.

Witness) Paul G. Smith

BIG RIVERS ELECTRIC CORPORATION

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Item 11) ***Refer to the application, paragraph 100. BREC proposes that the net margins above 1.30 Times Interest Earned Ratio (TIER) will be split 50 percent as a bill credit and 50 percent to amortize the balance of the Smelter Loss Mitigation Regulatory Asset. Explain whether BREC would consider a 25/75 split between the bill credit and Smelter Loss Mitigation Regulatory Assets.***

Response) Big Rivers believes its proposal represents a reasonable and symmetrical balance of near-term and long-term benefits to its Members. However, Big Rivers is amenable to discussing an alternative allocation.

Witness) Paul G. Smith

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
First Request for Information
dated March 20, 2020**

April 3, 2020

Item 12) ***Refer to the application, page 34, footnote 45. Provide the number and annual load of customers served by Economic Development Contracts or to which BREC's Fuel Adjustment Clause is inapplicable.***

Response) One Big Rivers' customer is served by an Economic Development Contract: Aleris Rolled Products, Inc. Aleris' 2019 total annual load was [redacted], of which [redacted] was eligible for the economic development credit. Currently, the only load to which the Fuel Adjustment Clause ("FAC") is inapplicable is cogeneration backup power provided for Domtar Paper Company, LLC's. [redacted]. Please also see pages 19-21 of the Direct Testimony of Paul G. Smith.

[1] 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 [Filed October 18, 2019].

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April 3, 2020

1 **Witness)** Paul G. Smith

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Item 13) ***Refer to the application, paragraph 95. Explain how the adjustment of the amortization of the Smelter Loss Mitigation Regulatory Assets will affect the calculation of Big Rivers' TIER in the following year.***

Response) The adjustment of the amortization of the Smelter Loss Mitigation Regulatory Assets will not affect the calculation of Big Rivers' TIER in the following year.

Witness) Paul G. Smith

BIG RIVERS ELECTRIC CORPORATION

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Item 14) ***Refer to the application, Exhibit C, Depreciation Study, page 5. Explain whether the shift between Production and Transmission and General Property plant will materially affect Big Rivers' depreciation reserve if Big Rivers does not adopt the revised depreciation rates.***

Response) No. Big Rivers' total depreciation reserve (accumulated depreciation) will be very similar regardless if Big Rivers does, or does not, adopt the revised depreciation rates.

Witness) Paul G. Smith

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Item 15) ***Refer to the application, Exhibit C, Depreciation Study, page 22. Explain why Coleman and Reid are included in the depreciation study.***

Response) The depreciation study was performed as of December 31, 2018, at which time Coleman Station and Reid Unit 1 were not proposed, or approved, to be retired.

Witness) Paul G. Smith

BIG RIVERS ELECTRIC CORPORATION

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Item 16) ***Refer to the application, Exhibit C, Depreciation Study, page 67. Confirm that decommission costs are not included in the revised depreciation rates. If confirmed, explain whether the exclusion of decommission costs will result in intergeneration inequities in the recovery of these generation plants from BREC's customers.***

Response) Decommission costs are included in the revised depreciation rates in the form of "interim net salvage." Such decommissioning costs include the dismantling of the physical structures; however, such costs do not include decommissioning expenditures related to environmental regulations, such as ash pond closings, water monitoring or landfill capping which are included in the environmental compliance plan filing.

Witness) Paul G. Smith

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Item 17) ***Refer to the Berry Testimony, page 25. Provide the TIER impact of a write-off of $123.1 million, which represents the total write off for both Coleman Station and Reid Station Unit 1.***

Response) Big Rivers is currently forecasting a [redacted] TIER in 2020 ([redacted] TIER before recording the TIER credit approved in Case No. 2018-00146), assuming no write-off of Coleman Station and Reid Station Unit 1.

Assuming a write-off of Coleman Station and Reid Station Unit 1 in the amount of $123.1 million, Big Rivers' 2020 forecasted TIER would drop to [redacted] which represents a TIER reduction of [redacted] Further, such write-off would result in Big Rivers' member-equity falling below the required minimum per its credit facility.

Witness) Paul G. Smith

BIG RIVERS ELECTRIC CORPORATION

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Item 18) ***Refer to the Berry Testimony, page 30, line 5, though page 31, line 21. Explain how the amortization of the Smelter Loss Mitigation Regulatory Assets and the proposed new TIER Credit will affect the minimum level of Member equity calculation. Refer to the Berry Testimony, page 6. Provide an analysis of the yearly impacts of the Load Mitigation Plan since the loss of the smelter loads.***

Response) The amortization of the Smelter Loss Mitigation Regulatory Assets and the proposed New TIER Credit for years in which Big Rivers' TIER is above 1.30 will result in reduced net margins, thus reducing the minimum level of Member equity required. Big Rivers has not prepared an analysis of the yearly impacts of the Load Mitigation Plan since the loss of the smelter loads. However, Big Rivers believes the Load Mitigation Plan has had a positive impact since the loss of the smelter loads, as is exhibited by the fact that Big Rivers has not sought a rate increase since 2013, all three rating agencies have increased their credit ratings, and Big Rivers' is now in

the position to request the relief sought in this proceeding with no increase in base rates.

Witness) Paul G. Smith

BIG RIVERS ELECTRIC CORPORATION

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**Response to Commission Staff's
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Item 19) ***Refer to Berry Testimony, page 9.***

a. Provide an update to the metric table for 2020.

b. Explain whether BREC will annually true up the New TIER Credit.

Response)

a. Big Rivers' current estimated projections of the financial metrics for the 2020 calendar year are as follows:

Metric	2020
Net Margins	[redacted]
TIER	
Debt Service	
FFO/Debt	
Leverage Ratio	

b. In the event an audit of Big Rivers' financial information results in a change to Big Rivers financial information that would affect Big Rivers' TIER calculation used to determine the New TIER Credit, Big Rivers is amenable to providing an annual true up of the New TIER Credit. Assuming there are no material differences between Big Rivers unaudited and audited financial information, no true up will be necessary. Please also see Big Rivers' response to Item 25 of the Commission's first requests for information.

Witness) Paul G. Smith

BIG RIVERS ELECTRIC CORPORATION

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**Response to Commission Staff's
First Request for Information
dated March 20, 2020**

April 3, 2020

Item 20) ***Refer to the Direct Testimony of Paul G. Smith (Smith Testimony), page 11.***

a. Provide the estimated decommissioning costs for the Coleman Station.

b. Provide the estimated decommissioning costs of the Reid Station 1.

Response)

a. Pursuant to the decommissioning cost estimate study for Coleman Station and Reid Station Unit 1 provided with Big Rivers' response to Item 1 of Commission Staff's request for information, the estimated net project costs to decommission Coleman Station are [redacted] (in 2016$) for the below grade demolition option and [redacted] (in 2016$) for the retirement in place option.

b. The decommissioning cost estimate study for Coleman Station and Reid Station Unit 1 provided with Big Rivers' response to Item 1 of Commission

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Staff's request for information lays out one option for decommissioning Reid Station Unit 1, which is retirement-in-place. The estimated cost for that option is [redacted] (in 2016$). Due to the proximity of Reid Station Unit 1 to Henderson Municipal Power & Light's Station Two ("Station Two"), this study did not consider demolition of the Reid Station Unit 1 in 2016. However, Station Two is now retired so Big Rivers anticipates the demolition of Reid Station Unit 1 in conjunction with Station Two. As the Commission is aware, there are outstanding issues between Big Rivers and the City of Henderson related to the decommissioning of Station Two. Those issues are before the Commission in Case No. 2019-00269.[1]

Witness) Michael T. Pullen

[1] *In the Matter of: Application of Big Rivers Electric Corporation for Enforcement of Rate and Service Standards* – Case No. 2019-00269 [Filed July 31, 2019].

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Item 21) ***Refer to the Smith Testimony, page 14. Provide BREC's 2019 TIER and supporting Form 7.***

Response) Big Rivers' 2019 TIER was 1.45x based on the unaudited financial statements. Big Rivers does not prepare a Form 7, but is instead attaching its unaudited 2019 RUS Form 12.

Witness) Paul G. Smith

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL UTILITIES SERVICE

FINANCIAL AND OPERATING REPORT
ELECTRIC POWER SUPPLY

INSTRUCTIONS - See help in the online application.

BORROWER DESIGNATION KY0062

PERIOD ENDED December 2019

BORROWER NAME Big Rivers Electric Corporation

This information is analyzed and used to determine the submitter's financial situation and feasibility for loans and guarantees. You are required by contract and applicable regulations to provide the information. The information provided is subject to the Freedom of Information Act (5 U.S.C. 552)

CERTIFICATION

We recognize that statements contained herein concern a matter within the jurisdiction of an agency of the United States and the making of a false, fictitious or fraudulent statement may render the maker subject to prosecution under Title 18, United States Code Section 1001.

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1718 OF 7 CFR CHAPTER XVII

(check one of the following)

☐ All of the obligations under the RUS loan documents have been fulfilled in all material respects.

☐ There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in Part A Section C of this report.

Robert W Berry

3/25/2020
DATE

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL UTILITIES SERVICE

FINANCIAL AND OPERATING REPORT
ELECTRIC POWER SUPPLY
PART A - FINANCIAL

INSTRUCTIONS - See help in the online application.

BORROWER DESIGNATION: KY0062

PERIOD ENDED: December 2019

SECTION A. STATEMENT OF OPERATIONS

	ITEM	YEAR-TO-DATE			THIS MONTH
		LAST YEAR (*a*)	THIS YEAR (*b*)	BUDGET (*c*)	(*d*)
1.	Electric Energy Revenues	366,189,758	362,251,972	383,417,723	28,123,700
2.	Income From Leased Property (Net)	0	0	0	0
3.	Other Operating Revenue and Income	14,015,283	16,474,972	13,922,898	963,796
4.	**Total Operation Revenues & Patronage Capital *(1 thru 3)***	380,205,041	378,726,944	397,340,621	29,087,496
5.	Operating Expense – Production - Excluding Fuel	47,897,213	45,917,589	51,201,533	3,369,140
6.	Operating Expense – Production - Fuel	128,554,933	119,830,957	145,588,316	5,900,323
7.	Operating Expense – Other Power Supply	51,909,654	37,893,241	31,943,766	4,787,596
8.	Operating Expense – Transmission	8,284,761	7,118,281	7,796,642	493,407
9.	Operating Expense – RTO/ISO	1,334,541	1,005,132	997,763	70,109
10.	Operating Expense – Distribution	0	0	0	0
11.	Operating Expense – Customer Accounts	(158,098)	0	0	0
12.	Operating Expense – Customer Service & Information	1,134,185	652,628	706,643	54,539
13.	Operating Expense – Sales	65,836	136,876	131,005	31,229
14.	Operating Expense – Administrative & General	23,696,745	29,163,116	26,338,810	3,516,584
15.	**Total Operation Expense *(5 thru 14)***	262,719,770	241,717,820	264,704,478	18,222,927
16.	Maintenance Expense – Production	41,200,903	32,244,613	36,937,184	2,985,419
17.	Maintenance Expense – Transmission	6,418,487	6,640,686	6,927,045	694,133
18.	Maintenance Expense – RTO/ISO	0	0	0	0
19.	Maintenance Expense – Distribution	0	0	0	0
20.	Maintenance Expense – General Plant	277,918	180,789	126,676	16,957
21.	**Total Maintenance Expense *(16 thru 20)***	47,897,308	39,066,088	43,990,905	3,696,509
22.	Depreciation and Amortization Expense	20,708,887	49,355,955	39,222,006	30,386,603
23.	Taxes	(10,361)	(26,171)	1,102	(1)
24.	Interest on Long-Term Debt	38,566,555	37,143,611	37,119,573	3,111,036
25.	Interest Charged to Construction – Credit	(55,778)	(206,529)	(166,609)	(25,189)
26.	Other Interest Expense	57,478	0	0	0
27.	Asset Retirement Obligations	0	0	0	0
28.	Other Deductions	716,769	696,211	858,093	76,159
29.	**Total Cost Of Electric Service *(15 + 21 thru 28)***	370,600,628	367,746,985	385,729,548	55,468,044
30.	**Operating Margins *(4 less 29)***	9,604,413	10,979,959	11,611,073	(26,380,548)
31.	Interest Income	2,670,221	2,902,915	2,707,313	295,922
32.	Allowance For Funds Used During Construction	0	0	0	0
33.	Income (Loss) from Equity Investments	0	0	0	0
34.	Other Non-operating Income (Net)	1,348	334,271	0	36,749
35.	Generation & Transmission Capital Credits	0	0	0	0
36.	Other Capital Credits and Patronage Dividends	2,953,843	2,497,480	2,385,424	729
37.	Extraordinary Items	0	0	0	0
38.	**Net Patronage Capital Or Margins (*30 thru 37*)**	15,229,825	16,714,625	16,703,810	(26,047,148)

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL UTILITIES SERVICE

FINANCIAL AND OPERATING REPORT
ELECTRIC POWER SUPPLY
PART A - FINANCIAL

INSTRUCTIONS – See help in the online application.

BORROWER DESIGNATION
KY0062

PERIOD ENDED
December 2019

SECTION B. BALANCE SHEET

ASSETS AND OTHER DEBITS			LIABILITIES AND OTHER CREDITS		
1.	Total Utility Plant in Service	2,062,465,999	33.	Memberships	75
2.	Construction Work in Progress	35,662,645	34.	Patronage Capital	
3.	**Total Utility Plant (*1 + 2*)**	2,098,128,644		a. Assigned and Assignable	0
4.	Accum. Provision for Depreciation and Amortization	1,193,042,964		b. Retired This year	0
5.	**Net Utility Plant (*3 - 4*)**	905,085,680		c. Retired Prior years	0
				d. Net Patronage Capital (*a - b - c*)	0
6.	Non-Utility Property (Net)	0	35.	Operating Margins - Prior Years	(149,566,934)
7.	Investments in Subsidiary Companies	0	36.	Operating Margin - Current Year	13,477,438
8.	Invest. in Assoc. Org. - Patronage Capital	11,003,421	37.	Non-Operating Margins	654,836,959
9.	Invest. in Assoc. Org. - Other - General Funds	32,293,830	38.	Other Margins and Equities	4,416,537
10.	Invest. in Assoc. Org. - Other - Nongeneral Funds	0	**39.**	**Total Margins & Equities (*33 +34d thru 38*)**	523,164,075
11.	Investments in Economic Development Projects	10,000			
12.	Other Investments	5,334	40.	Long-Term Debt - RUS (Net)	191,538,409
13.	Special Funds	9,390,633	41.	Long-Term Debt - FFB - RUS Guaranteed	40,892,573
14.	**Total Other Property And Investments (*6 thru 13*)**	52,703,218	42.	Long-Term Debt - Other - RUS Guaranteed	0
			43.	Long-Term Debt - Other (Net)	476,181,294
15.	Cash - General Funds	958,726	44.	Long-Term Debt - RUS - Econ. Devel. (Net)	0
16.	Cash - Construction Funds - Trustee	353,000	45.	Payments – Unapplied	0
17.	Special Deposits	1,770,425	**46.**	**Total Long-Term Debt (*40 thru 44 - 45*)**	708,612,276
18.	Temporary Investments	39,211,508	47.	Obligations Under Capital Leases Noncurrent	0
19.	Notes Receivable (Net)	0	48.	Accumulated Operating Provisions and Asset Retirement Obligations	50,959,569
20.	Accounts Receivable - Sales of Energy (Net)	30,479,418	**49.**	**Total Other NonCurrent Liabilities (*47 + 48*)**	50,959,569
21.	Accounts Receivable - Other (Net)	6,424,079			
22.	Fuel Stock	26,966,066	50.	Notes Payable	0
23.	Renewable Energy Credits	0	51.	Accounts Payable	25,029,472
24.	Materials and Supplies - Other	24,215,815	52.	Current Maturities Long-Term Debt	27,673,256
25.	Prepayments	4,242,096	53.	Current Maturities Long-Term Debt - Rural Devel.	0
26.	Other Current and Accrued Assets	417,633	54.	Current Maturities Capital Leases	0
27.	**Total Current And Accrued Assets (*15 thru 26*)**	135,038,766	55.	Taxes Accrued	313,321
			56.	Interest Accrued	3,278,739
28.	Unamortized Debt Discount & Extraordinary Property Losses	2,685,007	57.	Other Current and Accrued Liabilities	8,741,024
29.	Regulatory Assets	250,562,563	**58.**	**Total Current & Accrued Liabilities (*50 thru 57*)**	65,035,812
30.	Other Deferred Debits	5,427,154	59.	Deferred Credits	3,784,268
31.	Accumulated Deferred Income Taxes	53,612	60.	Accumulated Deferred Income Taxes	0
32.	**Total Assets and Other Debits (*5+14+27 thru 31*)**	1,351,556,000	**61.**	**Total Liabilities and Other Credits (*39 + 46 + 49 + 58 thru 60*)**	1,351,556,000

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE **FINANCIAL AND OPERATING REPORT ELECTRIC POWER SUPPLY**	BORROWER DESIGNATION KY0062
INSTRUCTIONS - See help in the online application.	PERIOD ENDED December 2019

SECTION C. NOTES TO FINANCIAL STATEMENTS

Footnote to RUS Financial and Operating Report Electric Power Supply Part A

Financial Ratios: 2019

Margins For Interest Ratio (MFIR) 1.45

Footnote to RUS Financial and Operating Report Electric Power Supply Part H

Section A Column c (Utility Plant Retirements)

Big Rivers operated Henderson Municipal Power & Light's (HMP&L) Station Two generating plant under an agreement in which both parties shared capacity rights and operating costs. The Station Two plant was retired January 31, 2019 and Big Rivers' utility plant assets associated with Station Two in the amount of $84.9 million were retired and recorded in a regulatory asset that was approved by both the RUS and the Kentucky Public Service Commission. See Footnote 5 of Big Rivers' 2019 Audited Financial Statements for more information.

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE **FINANCIAL AND OPERATING REPORT ELECTRIC POWER SUPPLY**	BORROWER DESIGNATION KY0062
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SECTION C. CERTIFICATION LOAN DEFAULT NOTES

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE **FINANCIAL AND OPERATING REPORT ELECTRIC POWER SUPPLY**	BORROWER DESIGNATION KY0062
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PART B SE - SALES OF ELECTRICITY

Sale No.	Name Of Company or Public Authority	RUS Borrower Designation	Statistical Classification	Renewable Energy Program Name	Primary Renewable Fuel Type	Average Monthly Billing Demand (MW)	Actual Average Monthly NCP Demand	Actual Average Monthly CP Demand
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1	Ultimate Consumer(s)							
2	Jackson Purchase Energy Corp (KY0020)	KY0020	RQ			119	131	117
3	Kenergy Corporation (KY0065)	KY0065	IF					
4	Kenergy Corporation (KY0065)	KY0065	RQ			368	376	357
5	Meade County Rural E C C (KY0018)	KY0018	RQ			96	102	93
6	Associated Electric Coop, Inc (MO0073)	MO0073	OS					
7	Southern Illinois Power Coop (IL0050)	IL0050	OS					
8	ADM Investor Services, Inc. (IL)		OS					
9	American Electric Power (AEP)		OS					
10	BP Energy Company		OS					
11	City of California		OS					
12	City of Centralia (MO)		OS					
13	Hannibal Board of Public Works (MO)		OS					
14	City of Kahoka		OS					
15	City of Marceline		OS					
16	Owensboro Municipal Utilities		OS					
17	City of Wakefield		OS					
18	DTE Energy Trading, Inc		OS					
19	EDF Trading North America, LLC (TX)		OS					
20	Henderson Munic Power & Light		OS					
21	MacQuarie Energy LLC (TX)		OS					
22	Midcontinent Independent System Operator, Inc. (IN)		OS					
23	Morgan Stanley Capital Grp Inc (NY)		OS					
24	NextEra Energy Power Marketing LLC (FL)		OS					
25	Northeast Nebraska P P D (NE0107)	NE0107	OS					
26	City of Wayne (NE)		OS					
27	Kentucky Municipal Energy Agency (KY)		OS					
UC	Total for Ultimate Consumer(s)							
Dist	Total for Distribution Borrowers					583	609	567
G&T	Total for G&T Borrowers					0	0	0
Other	Total for Other					0	0	0
Total	Grand Total					583	609	567

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE **FINANCIAL AND OPERATING REPORT ELECTRIC POWER SUPPLY**	BORROWER DESIGNATION KY0062
INSTRUCTIONS - See help in the online application.	PERIOD ENDED December 2019

PART B SE - SALES OF ELECTRICITY

Sale No	Electricity Sold (MWh) (i)	Revenue Demand Charges (j)	Revenue Energy Charges (k)	Revenue Other Charges (l)	Revenue Total (j + k + l) (m)
1					
2	631,177	19,782,905	34,217,652		54,000,557
3	143,258		4,182,145		4,182,145
4	2,102,413	54,672,905	105,915,885		160,588,790
5	473,550	15,902,380	25,788,106		41,690,486
6	162		3,112		3,112
7	11,400		323,033		323,033
8			766,765		766,765
9			885,920		885,920
10			2,395,896		2,395,896
11			354,000		354,000
12			291,000		291,000
13			750,000		750,000
14			6,000		6,000
15			93,000		93,000
16			67,351		67,351
17			620,452		620,452
18			2,476,929		2,476,929
19			8,983,200		8,983,200
20	41,061		1,266,956		1,266,956
21			14,077,120		14,077,120
22	2,361,382		62,837,444	(50,443,931)	12,393,513
23			11,489,280		11,489,280
24			22,198,240		22,198,240
25			3,509,212		3,509,212
26			777,159		777,159
27	321,967		18,061,856		18,061,856
UC					
Dist	3,350,398	90,358,190	170,103,788	0	260,461,978
G&T	11,562	0	326,145	0	326,145
Other	2,724,410	0	151,907,780	(50,443,931)	101,463,849
Total	6,086,370	90,358,190	322,337,713	(50,443,931)	362,251,972

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE **FINANCIAL AND OPERATING REPORT ELECTRIC POWER SUPPLY**	BORROWER DESIGNATION KY0062
INSTRUCTIONS - See help in the online application.	PERIOD ENDED December 2019

PART B SE - SALES OF ELECTRICITY

Sale No	Comments
1	
2	
3	
4	
5	
6	
7	
8	
9	
10	
11	
12	
13	
14	
15	
16	
17	
18	
19	
20	
21	
22	Other Revenue charges are associated with off-system energy sales revenue reported in Sales No's 9, 10, 19, 21, 23, & 24.
23	
24	
25	
26	
27	
UC	

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE **FINANCIAL AND OPERATING REPORT ELECTRIC POWER SUPPLY**	BORROWER DESIGNATION KY0062
INSTRUCTIONS - See help in the online application.	PERIOD ENDED December 2019

PART B PP - PURCHASED POWER

Purchase No.	Name Of Company or Public Authority	RUS Borrower Designation	Statistical Classification	Renewable Energy Program Name	Primary Renewable Fuel Type	Average Monthly Billing Demand (MW)	Actual Average Monthly NCP Demand	Actual Average Monthly CP Demand ()
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1	Associated Electric Coop, Inc (MO0073)	MO0073	OS					
2	Southern Illinois Power Coop (IL0050)	IL0050	OS					
3	Dynegy Marketing&Trade, Inc		OS					
4	Henderson Munic Power & Light		RQ					
5	Midcontinent Independent System Operator, Inc. (IN)		OS					
6	Southeastern Power Admin		LF			154	110	95
7	Kentucky National Guard (KY)		OS					
8	Voltus, Inc (CA)		OS					
Dist	Total for Distribution Borrowers					0	0	0
G&T	Total for G&T Borrowers					0	0	0
Other	Total for Other					154	110	95
Total	Grand Total					154	110	95

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE **FINANCIAL AND OPERATING REPORT ELECTRIC POWER SUPPLY**	BORROWER DESIGNATION KY0062
INSTRUCTIONS - See help in the online application.	PERIOD ENDED December 2019

PART B PP - PURCHASED POWER

Purchase No	Electricity Purchased (MWh) (i)	Electricity Received (MWh) (j)	Electricity Delivered (MWh) (k)	Demand Charges (l)	Energy Charges (m)	Other Charges (n)	Total (l + m + n) (o)
1	32,398				604,425		604,425
2	694,002				16,921,745		16,921,745
3					270,432		270,432
4	(1,922)				1,183,982		1,183,982
5	231,725				7,721,329		7,721,329
6	210,202				8,078,590		8,078,590
7	67				1,487		1,487
8					132,527		132,527
Dist	0	0	0	0	0	0	0
G&T	726,400	0	0	0	17,526,170	0	17,526,170
Other	440,072	0	0	0	17,388,347	0	17,388,347
Total	1,166,472	0	0	0	34,914,517	0	34,914,517

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE **FINANCIAL AND OPERATING REPORT ELECTRIC POWER SUPPLY**	BORROWER DESIGNATION KY0062
INSTRUCTIONS - See help in the online application.	PERIOD ENDED December 2019

PART B PP - PURCHASED POWER

Purchase No	Comments
1	
2	
3	
4	
5	
6	
7	
8	

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE **FINANCIAL AND OPERATING REPORT ELECTRIC POWER SUPPLY**	BORROWER DESIGNATION KY0062
INSTRUCTIONS - See help in the online application	PERIOD ENDED December 2019

PART C RE - RENEWABLE GENERATING PLANT SUMMARY

Plant Name (a)	Prime Mover (b)	Primary Renewable Fuel Type (c)	Renewable Fuel (%) (d)	Capacity (kW) (e)	Net Generation (MWh) (f)	Capacity Factor (%) (g)
Total:				0.0	0.0	

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE **FINANCIAL AND OPERATING REPORT ELECTRIC POWER SUPPLY**	BORROWER DESIGNATION KY0062
INSTRUCTIONS - See help in the online application	PERIOD ENDED December 2019

PART C RE - RENEWABLE GENERATING PLANT SUMMARY

Plant Name (a)	Number of Employees (h)	Total O&M Cost (mils/Net kWh) (i)	Power Cost (mils/Net kWh) (j)	Total Investment ($1,000) (k)	Percentage Ownership (%) (l)	RUS Funding ($1,000) (m)
Total:	0	0	0	0		0

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE **FINANCIAL AND OPERATING REPORT ELECTRIC POWER SUPPLY**	BORROWER DESIGNATION KY0062
INSTRUCTIONS - See help in the online application	PERIOD ENDED December 2019

PART C RE - RENEWABLE GENERATING PLANT SUMMARY

Plant Name	Comments

reUNITED STATES DEPARTMENT OF AGRICULTURE
RURAL UTILITIES SERVICE

FINANCIAL AND OPERATING REPORT
ELECTRIC POWER SUPPLY
PART C - SOURCES AND DISTRIBUTION OF ENERGY

INSTRUCTIONS - See help in the online application.

BORROWER DESIGNATION: KY0062

PERIOD ENDED: December 2019

SOURCES OF ENERGY (*a*)	NO. OF PLANTS (*b*)	CAPACITY (kW) (*c*)	NET ENERGY RECIEVED BY SYSTEM (MWh) (*d*)	COST ($) (*e*)
Generated in Own Plant (*Details on Parts D, E, F IC, F CC, and G*)				
1. Fossil Steam	4	1,489,000	4,960,896	238,385,327
2. Nuclear	0	0	0	0
3. Hydro	0	0	0	0
4. Combined Cycle	0	0	0	0
5. Internal Combustion	1	70,000	4,087	915,272
6. Other	0	0	0	0
7. Total in Own Plant (*1 thru 6*)	5	1,559,000	4,964,983	239,300,599
Purchased Power				
8. Total Purchased Power			1,166,472	34,914,517
Interchanged Power				
9. Received Into System (Gross)			2,506,141	0
10. Delivered Out of System (Gross)			2,384,066	0
11. Net Interchange (*9 - 10*)			122,075	0
Transmission For or By Others - (Wheeling)				
12. Received Into System			15,001	22,502
13. Delivered Out of System			15,001	22,502
14. Net Energy Wheeled (*12 - 13*)			0	0
15. Total Energy Available for Sale (*7 + 8 + 11 + 14*)			6,253,530	
Distribution of Energy				
16. Total Sales			6,086,370	
17. Energy Furnished to Others Without Charge			0	
18. Energy Used by Borrower *(Excluding Station Use)*			4,434	
19. Total Energy Accounted For (*16 thru 18*)			6,090,804	
Losses				
20. Energy Losses - MWh (*15 - 19*)			162,726	
21. Energy Losses - Percentage ((*20 / 15*) * *100*)			2.60 %	

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL UTILITIES SERVICE

FINANCIAL AND OPERATING REPORT
ELECTRIC POWER SUPPLY
PART D - STEAM PLANT

INSTRUCTIONS - See help in the online application.

BORROWER DESIGNATION: KY0062

PLANT: Coleman

PERIOD ENDED: December 2019

SECTION A. BOILERS/TURBINES

NO.	UNIT NO. (a)	TIMES STARTED (b)	FUEL CONSUMPTION: COAL (1000 Lbs.) (c)	OIL (1000 Gals.) (d)	GAS (1000 C.F.) (e)	OTHER (f)	TOTAL (g)	OPERATING HOURS: IN SERVICE (h)	ON STANDBY (i)	OUT OF SERVICE: SCHED. (j)	OUT OF SERVICE: UNSCH. (k)
1.	1									8,760	
2.	2									8,760	
3.	3									8,760	
4.											
5.											
6.	**Total**	0	0	0.00	0.00	0.00		0	0	26,280	0
7.	Average BTU										
8.	Total BTU (10^6)						0				
9.	Total Del. Cost ($)										

SECTION A. BOILERS/TURBINES (*Continued*)

NO.	UNIT NO. (l)	SIZE (kW) (m)	GROSS GEN. (MWh) (n)	BTU PER kWh (o)
1.	1	160,000		
2.	2	160,000		
3.	3	165,000		
4.				
5.				
6.	**Total**	485,000	0.00	0
7.	Station Service (MWh)		5,831.00	
8.	Net Generation (MWh)		(5,831.00)	0.00
9.	Station Service (%)		0.00	

SECTION B. LABOR REPORT

NO.	ITEM	VALUE
1.	No. Employees Full-Time (Include Superintendent)	0
2.	No. Employees Part-Time	0
3.	**Total Employee Hours Worked**	6,167
4.	Operating Plant Payroll ($)	180,948
5.	Maintenance Plant Payroll ($)	413,077
6.	Other Accts. Plant Payroll ($)	0
7.	**Total Plant Payroll ($)**	594,025

SEC. C. FACTORS & MAX. DEMAND

NO.	ITEM	VALUE
1.	Load Factor (%)	0.00%
2.	Plant Factor (%)	
3.	Running Plant Capacity Factor (%)	0.00%
4.	15 Minute Gross Max. Demand (kW)	0
5.	Indicated Gross Max. Demand (kW)	0

SECTION D. COST OF NET ENERGY GENERATED

NO.	PRODUCTION EXPENSE	ACCOUNT NUMBER	AMOUNT ($) (a)	MILLS/NET kWh (b)	$/$10^6$ BTU (c)
1.	Operation, Supervision and Engineering	500	0		
2.	Fuel, Coal	501.1	1,563		
3.	Fuel, Oil	501.2	0		
4.	Fuel, Gas	501.3	5,128		
5.	Fuel, Other	501.4	0		
6.	**Fuel SubTotal (*2 thru 5*)**	501	6,691	(1.14)	
7.	Steam Expenses	502	650,549		
8.	Electric Expenses	505	338,729		
9.	Miscellaneous Steam Power Expenses	506	236,524		
10.	Allowances	509	0		
11.	Rents	507	0		
12.	**Non-Fuel SubTotal (*1 + 7 thru 11*)**		1,225,802	(210.22)	
13.	**Operation Expense (*6 + 12*)**		1,232,493	(211.36)	
14.	Maintenance, Supervision and Engineering	510	233,754		
15.	Maintenance of Structures	511	167,619		
16.	Maintenance of Boiler Plant	512	252,356		
17.	Maintenance of Electric Plant	513	20,531		
18.	Maintenance of Miscellaneous Plant	514	82,950		
19.	**Maintenance Expense (*14 thru 18*)**		757,210	(129.85)	
20.	**Total Production Expense (*13 + 19*)**		1,989,703	(341.22)	
21.	Depreciation	403.1, 411.10	0		
22.	Interest	427	4,975,538		
23.	**Total Fixed Cost (*21 + 22*)**		4,975,538	(853.29)	
24.	**Power Cost (*20 + 23*)**		6,965,241	(1,194.51)	

Remarks

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE **FINANCIAL AND OPERATING REPORT ELECTRIC POWER SUPPLY PART D - STEAM PLANT**	BORROWER DESIGNATION KY0062
	PLANT Coleman
INSTRUCTIONS - See help in the online application	PERIOD ENDED December 2019

Foot Notes

The Out of Service Scheduled Hours for Coleman Station Units 1, 2, and 3 are a result of the temporary idling of the Station, effective April 30, 2014, due to the termination of two aluminum smelter contracts with Big Rivers as wholesale power supplier and Kenergy Corp. as retail power supplier. The Company is proposing to retire the units.

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL UTILITIES SERVICE

FINANCIAL AND OPERATING REPORT
ELECTRIC POWER SUPPLY
PART D - STEAM PLANT

INSTRUCTIONS - See help in the online application.

BORROWER DESIGNATION: KY0062

PLANT: Green

PERIOD ENDED: December 2019

SECTION A. BOILERS/TURBINES

NO.	UNIT NO. (a)	TIMES STARTED (b)	FUEL CONSUMPTION: COAL (1000 Lbs.) (c)	OIL (1000 Gals.) (d)	GAS (1000 C.F.) (e)	OTHER (f)	TOTAL (g)	OPERATING HOURS: IN SERVICE (h)	ON STANDBY (i)	OUT OF SERVICE: SCHED. (j)	OUT OF SERVICE: UNSCH. (k)
1.	1	21	1,212,289.60	552.55	0.00	0.00		6,898	832	434	596
2.	2	19	1,093,524.10	428.81	0.00	0.00		6,360	2,009	0	391
3.											
4.											
5.											
6.	**Total**	40	2,305,814	981.36	0.00	0.00		13,258	2,841	434	987
7.	Average BTU		11,371	138,000.32	0.00	0.00					
8.	Total BTU (10^6)		26,219,408.00	135,428	0.00	0.00	26,354,836				
9.	Total Del. Cost ($)		49,257,088	1,989,480.00	0.00	0.00					

SECTION A. BOILERS/TURBINES (*Continued*)

NO.	UNIT NO. (l)	SIZE (kW) (m)	GROSS GEN. (MWh) (n)	BTU PER kWh (o)
1.	1	250,000	1,402,119.70	
2.	2	242,000	1,216,246.50	
3.				
4.				
5.				
6.	**Total**	492,000	2,618,366.20	10,065
7.	Station Service (MWh)		277,216.00	
8.	Net Generation (MWh)		2,341,150.20	11,257.22
9.	Station Service (%)		10.59	

SECTION B. LABOR REPORT

NO.	ITEM	VALUE
1.	No. Employees Full-Time (Include Superintendent)	142
2.	No. Employees Part-Time	0
3.	**Total Employee Hours Worked**	298,357
4.	Operating Plant Payroll ($)	11,968,334
5.	Maintenance Plant Payroll ($)	6,726,724
6.	Other Accts. Plant Payroll ($)	0
7.	**Total Plant Payroll ($)**	18,695,058

SEC. C. FACTORS & MAX. DEMAND

NO.	ITEM	VALUE
1.	Load Factor (%)	59.72%
2.	Plant Factor (%)	60.75%
3.	Running Plant Capacity Factor (%)	80.23%
4.	15 Minute Gross Max. Demand (kW)	500,495
5.	Indicated Gross Max. Demand (kW)	0

SECTION D. COST OF NET ENERGY GENERATED

NO.	PRODUCTION EXPENSE	ACCOUNT NUMBER	AMOUNT ($) (a)	MILLS/NET kWh (b)	$/$10^6$ BTU (c)
1.	Operation, Supervision and Engineering	500	3,174,313		
2.	Fuel, Coal	501.1	55,518,907		2.11
3.	Fuel, Oil	501.2	1,989,480		14.69
4.	Fuel, Gas	501.3	0		
5.	Fuel, Other	501.4	0		
6.	**Fuel SubTotal (*2 thru 5*)**	501	57,508,387	24.56	2.18
7.	Steam Expenses	502	19,016,414		
8.	Electric Expenses	505	2,410,542		
9.	Miscellaneous Steam Power Expenses	506	2,405,485		
10.	Allowances	509	921		
11.	Rents	507	0		
12.	**Non-Fuel SubTotal (*1 + 7 thru 11*)**		27,007,675	11.53	
13.	**Operation Expense (*6 + 12*)**		84,516,062	36.10	
14.	Maintenance, Supervision and Engineering	510	1,561,165		
15.	Maintenance of Structures	511	1,839,383		
16.	Maintenance of Boiler Plant	512	11,454,777		
17.	Maintenance of Electric Plant	513	1,634,673		
18.	Maintenance of Miscellaneous Plant	514	1,085,345		
19.	**Maintenance Expense (*14 thru 18*)**		17,575,343	7.50	
20.	**Total Production Expense (*13 + 19*)**		102,091,405	43.60	
21.	Depreciation	403.1, 411.10	9,804,046		
22.	Interest	427	8,048,037		
23.	**Total Fixed Cost (*21 + 22*)**		17,852,083	7.62	
24.	**Power Cost (*20 + 23*)**		119,943,488	51.23	

Remarks

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL UTILITIES SERVICE

FINANCIAL AND OPERATING REPORT
ELECTRIC POWER SUPPLY
PART D - STEAM PLANT

INSTRUCTIONS - See help in the online application.

BORROWER DESIGNATION: KY0062

PLANT: Reid

PERIOD ENDED: December 2019

SECTION A. BOILERS/TURBINES

NO.	UNIT NO. (*a*)	TIMES STARTED (*b*)	FUEL CONSUMPTION: COAL (1000 Lbs.) (*c*)	OIL (1000 Gals.) (*d*)	GAS (1000 C.F.) (*e*)	OTHER (*f*)	TOTAL (*g*)	OPERATING HOURS: IN SERVICE (*h*)	ON STANDBY (*i*)	OUT OF SERVICE: SCHED. (*j*)	OUT OF SERVICE: UNSCH. (*k*)
1.	1									8,760	
2.											
3.											
4.											
5.											
6.	**Total**	0	0	0.00	0.00	0.00		0	0	8,760	0
7.	Average BTU										
8.	Total BTU (10^6)						0				
9.	Total Del. Cost ($)										

SECTION A. BOILERS/TURBINES (*Continued*)

NO.	UNIT NO. (*l*)	SIZE (kW) (*m*)	GROSS GEN. (MWh) (*n*)	BTU PER kWh (*o*)
1.	1	72,000		
2.				
3.				
4.				
5.				
6.	**Total**	72,000	0.00	0
7.	Station Service (MWh)		13,908.00	
8.	Net Generation (MWh)		(13,908.00)	0.00
9.	Station Service (%)		0.00	

SECTION B. LABOR REPORT

NO.	ITEM	VALUE
1.	No. Employees Full-Time (Include Superintendent)	0
2.	No. Employees Part-Time	0
3.	**Total Employee Hours Worked**	7,256
4.	Operating Plant Payroll ($)	165,858
5.	Maintenance Plant Payroll ($)	329,139
6.	Other Accts. Plant Payroll ($)	0
7.	**Total Plant Payroll ($)**	494,997

SEC. C. FACTORS & MAX. DEMAND

NO.	ITEM	VALUE
1.	Load Factor (%)	0.00%
2.	Plant Factor (%)	
3.	Running Plant Capacity Factor (%)	0.00%
4.	15 Minute Gross Max. Demand (kW)	0
5.	Indicated Gross Max. Demand (kW)	0

SECTION D. COST OF NET ENERGY GENERATED

NO.	PRODUCTION EXPENSE	ACCOUNT NUMBER	AMOUNT ($) (*a*)	MILLS/NET kWh (*b*)	$/$10^6$ BTU (*c*)
1.	Operation, Supervision and Engineering	500	28,140		
2.	Fuel, Coal	501.1	16,253		
3.	Fuel, Oil	501.2	0		
4.	Fuel, Gas	501.3	0		
5.	Fuel, Other	501.4	0		
6.	**Fuel SubTotal (*2 thru 5*)**	501	16,253	(1.16)	
7.	Steam Expenses	502	173,693		
8.	Electric Expenses	505	58,280		
9.	Miscellaneous Steam Power Expenses	506	24,757		
10.	Allowances	509	1		
11.	Rents	507	0		
12.	**Non-Fuel SubTotal (*1 + 7 thru 11*)**		284,871	(20.48)	
13.	**Operation Expense (*6 + 12*)**		301,124	(21.65)	
14.	Maintenance, Supervision and Engineering	510	17,225		
15.	Maintenance of Structures	511	46,611		
16.	Maintenance of Boiler Plant	512	439,488		
17.	Maintenance of Electric Plant	513	42,934		
18.	Maintenance of Miscellaneous Plant	514	7,216		
19.	**Maintenance Expense (*14 thru 18*)**		553,474	(39.79)	
20.	**Total Production Expense (*13 + 19*)**		854,598	(61.44)	
21.	Depreciation	403.1, 411.10	460,467		
22.	Interest	427	457,014		
23.	**Total Fixed Cost (*21 + 22*)**		917,481	(65.96)	
24.	**Power Cost (*20 + 23*)**		1,772,079	(127.41)	

Remarks

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE **FINANCIAL AND OPERATING REPORT ELECTRIC POWER SUPPLY PART D - STEAM PLANT**	BORROWER DESIGNATION KY0062
	PLANT Reid
INSTRUCTIONS - See help in the online application	PERIOD ENDED December 2019

Foot Notes

The Out of Service Scheduled Hours for the Reid Unit are a result of the temporary idling of the unit, effective April 1, 2016. Due to the Environmental Protection Agency's (EPA) Mercury and Air Toxics Standard (MATS) ruling, management determined it was more prudent to idle the unit at this time instead of investing in capital expenditures to comply with the EPA's rule. The Company is proposing to retire the unit.

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL UTILITIES SERVICE

FINANCIAL AND OPERATING REPORT
ELECTRIC POWER SUPPLY
PART D - STEAM PLANT

INSTRUCTIONS - See help in the online application.

BORROWER DESIGNATION: KY0062

PLANT: Wilson

PERIOD ENDED: December 2019

SECTION A. BOILERS/TURBINES

NO.	UNIT NO. (a)	TIMES STARTED (b)	FUEL CONSUMPTION: COAL (1000 Lbs.) (c)	OIL (1000 Gals.) (d)	GAS (1000 C.F.) (e)	OTHER (f)	TOTAL (g)	OPERATING HOURS: IN SERVICE (h)	ON STANDBY (i)	OUT OF SERVICE: SCHED. (j)	OUT OF SERVICE: UNSCH. (k)
1.	1	19	2,487,759.80	939.09	0.00	0.00		7,407	701	0	652
2.											
3.											
4.											
5.											
6.	**Total**	19	2,487,760	939.09	0.00	0.00		7,407	701	0	652
7.	Average BTU		11,591	137,999.55	0.00	0.00					
8.	Total BTU (10^6)		28,835,624.00	129,594	0.00	0.00	28,965,218				
9.	Total Del. Cost ($)		56,605,676	1,856,147.00	0.00	0.00					

SECTION A. BOILERS/TURBINES (*Continued*)

NO.	UNIT NO. (l)	SIZE (kW) (m)	GROSS GEN. (MWh) (n)	BTU PER kWh (o)
1.	1	440,000	2,850,010.10	
2.				
3.				
4.				
5.				
6.	**Total**	440,000	2,850,010.10	10,163
7.	Station Service (MWh)		210,525.00	
8.	Net Generation (MWh)		2,639,485.10	10,973.81
9.	Station Service (%)		7.39	

SECTION B. LABOR REPORT

NO.	ITEM	VALUE
1.	No. Employees Full-Time (Include Superintendent)	108
2.	No. Employees Part-Time	0
3.	**Total Employee Hours Worked**	216,918
4.	Operating Plant Payroll ($)	8,857,569
5.	Maintenance Plant Payroll ($)	5,140,503
6.	Other Accts. Plant Payroll ($)	0
7.	**Total Plant Payroll ($)**	13,998,072

SEC. C. FACTORS & MAX. DEMAND

NO.	ITEM	VALUE
1.	Load Factor (%)	71.10%
2.	Plant Factor (%)	73.94%
3.	Running Plant Capacity Factor (%)	87.45%
4.	15 Minute Gross Max. Demand (kW)	457,586
5.	Indicated Gross Max. Demand (kW)	

SECTION D. COST OF NET ENERGY GENERATED

NO.	PRODUCTION EXPENSE	ACCOUNT NUMBER	AMOUNT ($) (a)	MILLS/NET kWh (b)	$/$10^6$ BTU (c)
1.	Operation, Supervision and Engineering	500	2,775,532		
2.	Fuel, Coal	501.1	60,127,106		2.08
3.	Fuel, Oil	501.2	1,856,147		14.32
4.	Fuel, Gas	501.3	0		
5.	Fuel, Other	501.4	0		
6.	**Fuel SubTotal (*2 thru 5*)**	501	61,983,253	23.48	2.13
7.	Steam Expenses	502	9,088,458		
8.	Electric Expenses	505	1,749,524		
9.	Miscellaneous Steam Power Expenses	506	3,572,930		
10.	Allowances	509	1,648		
11.	Rents	507	0		
12.	**Non-Fuel SubTotal (*1 + 7 thru 11*)**		17,188,092	6.51	
13.	**Operation Expense (*6 + 12*)**		79,171,345	29.99	
14.	Maintenance, Supervision and Engineering	510	1,398,399		
15.	Maintenance of Structures	511	949,949		
16.	Maintenance of Boiler Plant	512	9,217,373		
17.	Maintenance of Electric Plant	513	626,290		
18.	Maintenance of Miscellaneous Plant	514	1,050,310		
19.	**Maintenance Expense (*14 thru 18*)**		13,242,321	5.01	
20.	**Total Production Expense (*13 + 19*)**		92,413,666	35.01	
21.	Depreciation	403.1, 411.10	159,295		
22.	Interest	427	17,131,558		
23.	**Total Fixed Cost (*21 + 22*)**		17,290,853	6.55	
24.	**Power Cost (*20 + 23*)**		109,704,519	41.56	

Remarks

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL UTILITIES SERVICE

FINANCIAL AND OPERATING REPORT
ELECTRIC POWER SUPPLY
PART E - HYDRO PLANT

INSTRUCTIONS - See help in the online application.

BORROWER DESIGNATION

PLANT

PERIOD ENDED

SECTION A. HYDRO GENERATING UNITS

NO.	UNIT NO. (*a*)	SIZE (kW) (*b*)	GROSS GENERATION (MWh) (*c*)	OPERATING HOURS			
				IN SERVICE (*d*)	ON STANDBY (*e*)	OUT OF SERVICE	
						SCHEDULED (*f*)	UNSCHEDULED (*g*)
1.							
2.							
3.							
4.							
5.							
6.	**Total**						

7.	Station Service (MWh)		**HYDRAULIC DATA**	
8.	Net Generation (MWh)		**ITEM**	**(*a*) MAXIMUM**	**(*b*) MINIMUM**
9.	Station Service % of Gross		1. Pool Elevation (ft.)		
10.	Energy for Pumped Storage (MWh)		2. Tail Race Elevation (ft.)		
11.	**Net Generation after Pumped Storage (MWh)**		Water Spilled ☐ Yes ☐ No		

SECTION B. LABOR REPORT

NO.	ITEM	VALUE	NO.	ITEM	VALUE
1.	No. Employees Full-Time (Include Superintendent)		5.	Maintenance Plant Payroll ($)	
2.	No. Employees Part Time		6.	Other Accounts Plant Payroll ($)	
3.	**Total Employee Hours Worked**		**7.**	**Total Plant Payroll ($)**	
4.	Operating Plant Payroll ($)				

SECTION C. FACTORS & MAXIMUM DEMAND

NO.	ITEM	VALUE
1.	Load Factor (%)	
2.	Plant Factor (%)	
3.	Running Plant Capacity Factor (%)	
4.	15 Min. Gross Max. Demand (kW)	
5.	Indicated Gross Max. Demand (kW)	

SECTION D. COST OF NET ENERGY GENERATED

NO.	PRODUCTION EXPENSE	ACCOUNT NUMBER	AMOUNT ($) (*a*)	MILLS/NET kWh (*b*)
1.	Operation, Supervision and Engineering	535		
2.	Water for Power	536		
3.	Energy for Pumped Storage	536.1		
4.	Hydraulic Expense	537		
5.	Electric Expense	538		
6.	Miscellaneous Hydraulic Power Generation Expense	539		
7.	Rents	540		
8.	**Operation Expense (*1 thru 7*)**			
9.	Maintenance, Supervision and Engineering	541		
10.	Maintenance of Structures	542		
11.	Maintenance of Reservoirs, Dams and Waterways	543		
12.	Maintenance of Electric Plant	544		
13.	Maintenance of Miscellaneous Hydraulic Plant	545		
14.	**Maintenance Expense (*9 thru 13*)**			
15.	**Total Production Expense (*8 + 14*)**			
16.	Depreciation	403.3, 411.10		
17.	Interest	427		
18.	**Total Fixed Cost (*16 + 17*)**			
19.	**Power Cost (*15 + 18*)**			

Remarks (including Unscheduled Outages)

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL UTILITIES SERVICE

FINANCIAL AND OPERATING REPORT
ELECTRIC POWER SUPPLY
PART F IC - INTERNAL COMBUSTION PLANT

INSTRUCTIONS - See help in the online application.

BORROWER DESIGNATION: KY0062

PLANT: Reid

PERIOD ENDED: December 2019

SECTION A. INTERNAL COMBUSTION GENERATING UNITS

NO.	UNIT NO. (a)	SIZE (kW) (b)	FUEL CONSUMPTION				OPERATING HOURS					
			OIL (1000 Gals.) (c)	GAS (1000 C.F.) (d)	OTHER (e)	TOTAL (f)	IN SERVICE (g)	ON STANDBY (h)	OUT OF SERVICE SCHED. (i)	OUT OF SERVICE UNSCH. (j)	GROSS GENER.(MWh) (k)	BTU PER kWh (l)
1.	1	70,000	0.00	87,506.00	0.00		192	8,528	0	40	4,968	
2.												
3.												
4.												
5.												
6.	**Total**	70,000	0.00	87,506.00	0.00		192	8,528	0	40	4,968	
7.	Average BTU		0.00	1,000.00			Station Service (MWh)			0.00	881.30	17,613.93
8.	Total BTU (10^6)		0.00	87,506.00	0.00	87,506.00	Net Generation (MWh)				4,086.70	
9.	Total Del. Cost ($)		0.00	316,080.00	0.00		Station Service % of Gross				17.74	21,412.39

SECTION B. LABOR REPORT

NO.	ITEM	VALUE	NO.	ITEM	VALUE
1.	No. Employees Full Time (Include Superintendent)	0	5.	Maintenance Plant Payroll ($)	49,288
2.	No. Employees Part Time	0	6.	Other Accounts Plant Payroll ($)	0
3.	**Total Employee Hours Worked**	850	**7.**	**Total Plant Payroll ($)**	58,005
4.	Operating Plant Payroll ($)	8,717			

SECTION C. FACTORS & MAXIMUM DEMAND

NO.	ITEM	VALUE
1.	Load Factor (%)	0.87%
2.	Plant Factor (%)	0.81%
3.	Running Plant Capacity Factor (%)	36.96%
4.	15 Min. Gross Max. Demand (kW)	65,221
5.	Indicated Gross Max. Demand (kW)	0

SECTION D. COST OF NET ENERGY GENERATED

NO.	PRODUCTION EXPENSE	ACCOUNT NUMBER	AMOUNT ($) (a)	MILLS/NET (kWh) (b)	$/$10^6$ BTU (c)
1.	Operation, Supervision and Engineering	546	6,583		
2.	Fuel, Oil	547.1	0		0.00
3.	Fuel, Gas	547.2	316,373		3.61
4.	Fuel, Other	547.3	0		0.00
5.	Energy for Compressed Air	547.4	0	0.00	
6.	**Fuel SubTotal (*2 thru 5*)**	547	316,373	77.41	3.61
7.	Generation Expenses	548	29,710		
8.	Miscellaneous Other Power Generation Expenses	549	30,956		
9.	Rents	550	0		
10.	**Non-Fuel SubTotal (*1 + 7 thru 9*)**		67,249	16.45	
11.	**Operation Expense (*6 + 10*)**		383,622	93.87	
12.	Maintenance, Supervision and Engineering	551	6,600		
13.	Maintenance of Structures	552	906		
14.	Maintenance of Generating and Electric Plant	553	101,678		
15.	Maintenance of Miscellaneous Other Power Generating Plant	554	7,081		
16.	**Maintenance Expense (*12 thru 15*)**		116,265	28.44	
17.	**Total Production Expense (*11 + 16*)**		499,887	122.32	
18.	Depreciation	403.4, 411.10	220,906		
19.	Interest	427	194,479		
20.	**Total Fixed Cost (*18 + 19*)**		415,385	101.64	
21.	**Power Cost (*17 + 20*)**		915,272	223.96	

Remarks (including Unscheduled Outages)

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL UTILITIES SERVICE

FINANCIAL AND OPERATING REPORT
ELECTRIC POWER SUPPLY
PART F CC - COMBINED CYCLE PLANT

INSTRUCTIONS - See help in the online application.

BORROWER DESIGNATION

PLANT

PERIOD ENDED

SECTION A. COMBINED CYCLE GENERATING UNITS

NO.	UNIT NO. (*a*)	SIZE (kW) (*b*)	FUEL CONSUMPTION OIL (1000 Gals.) (*c*)	GAS (1000 CF) (*d*)	OTHER (*e*)	TOTAL (*f*)	OPERATING HOURS IN SERVICE (*g*)	ON STANDBY (*h*)	OUT OF SERVICE SCHED. (*i*)	OUT OF SERVICE UNSC. (*j*)	GROSS GENER. (MWh) (*k*)	BTU PER kWh (*l*)
1.												
2.												
3.												
4.												
5.												
6.	**Total**											
7.	Average BTU						Station Service (MWh)					
8.	Total BTU (10^6)						Net Generation (MWh)					
9.	Total Del. Cost ($)						Station Service % Of Gross					

SECTION B. LABOR REPORT

NO.	ITEM	VALUE	NO.	ITEM	VALUE
1.	No. Employees Full Time (Include. Superintendent)		5.	Maintenance Plant Payroll ($)	
2.	No. Employees Part Time		6.	Other Accounts Plant Payroll ($)	
3.	**Total Employee Hours Worked**				
4.	Operating Plant Payroll ($)		**7.**	**Total Plant Payroll ($)**	

SECTION C. FACTORS & MAXIMUM DEMAND

NO.	ITEM	VALUE
1.	Load Factor (%)	
2.	Plant Factor (%)	
3.	Running Plant Capacity Factor (%)	
4.	15 Min. Gross Max. Demand (kW)	
5.	Indicated Gross Max. Demand (kW)	

SECTION D. COST OF NET ENERGY GENERATED

NO.	PRODUCTION EXPENSE	ACCOUNT NUMBER	AMOUNT ($) (*a*)	MILLS/NET kWh (*b*)	$/$10^6$ BTU (*c*)
1.	Operation, Supervision and Engineering	500			
2.	Fuel, Oil	547.1			
3.	Fuel, Gas	547.2			
4.	Fuel, Other	547.3			
5.	Energy for Compressed Air	547.4			
6.	**Fuel SubTotal (*2 thru 5*)**	547			
7.	Generation Expenses	548			
8.	Miscellaneous Other Power Generation Expenses	549			
9.	Rents	507			
10.	Steam Expenses	502			
11.	Electric Expenses	505			
12.	Miscellaneous Steam Power Expenses	506			
13.	Allowances	509			
14.	**Non-Fuel SubTotal (*1 + 7 thru 13*)**				
15.	**Operating Expense (*6 + 14*)**				
16.	Maintenance, Supervision and Engineering	551, 510			
17.	Maintenance of Structures	552, 511			
18.	Maintenance of Generating and Electric Plant	553, 513			
19.	Maintenance of Miscellaneous Other Power Generating Plant	554, 514			
20.	**Maintenance Expense (*16 thru 19*)**				
21.	**Total Production Expense (*15 + 20*)**				
22.	Depreciation	403.4, 403.1. 411.10			
23.	Interest	427			
24.	**Total Fixed Cost (*22 + 23*)**				
25.	**Power Cost (*21 + 24*)**				

Remarks

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL UTILITIES SERVICE

FINANCIAL AND OPERATING REPORT
ELECTRIC POWER SUPPLY
PART G - NUCLEAR PLANT

INSTRUCTIONS - See help in the online application.

BORROWER DESIGNATION

PLANT

PERIOD ENDED

SECTION A. BOILERS AND GENERATING UNITS

NO.	UNIT NO. (*a*)	TIMES STARTED (*b*)	SIZE (kW) (*c*)	GROSS GENERATION (MWh) (*d*)	OPERATING HOURS			
					IN SERVICE (*e*)	ON STANDBY (*f*)	OUT OF SERVICE	
							SCHEDULED (*g*)	UNSCHEDULED (*h*)
1.								
2.								
3.								
4.								
5.								
6.	**Total**							
7.	Station Service (MWh)							
8.	Net Generation (MWh)							
9.	Station Service % Of Gross							

SECTION B. LABOR REPORT

NO.	ITEM	VALUE	NO.	ITEM	VALUE
1.	No. Employees Full Time (Include. Superintendent)		5.	Maintenance Plant Payroll ($)	
2.	No. Employees Part Time		6.	Other Accounts Plant Payroll ($)	
3.	**Total Employee Hours Worked**		**7.**	**Total Plant Payroll ($)**	
4.	Operating Plant Payroll ($)				

SECTION C. FACTORS & MAXIMUM DEMAND

NO.	ITEM	VALUE
1.	Load Factor (%)	
2.	Plant Factor (%)	
3.	Running Plant Capacity Factor (%)	
4.	15 Min. Gross Max. Demand (kW)	
5.	Indicated Gross Max. Demand (kW)	

SECTION D. COST OF NET ENERGY GENERATED

NO.	PRODUCTION EXPENSE	ACCOUNT NUMBER	AMOUNT ($) (*a*)	MILLS/NET kWh (*b*)
1.	Operation, Supervision and Engineering	517		
2.	Fuel	518.1		
3.	Less Fuel Acquisition Adjustment	518.2		
4.	**Net Fuel Expense (*2 - 3*)**			
5.	Coolants and Water	519		
6.	Steam Expenses	520		
7.	Steam From Other Sources	521		
8.	Electric Expenses	523		
9.	Miscellaneous Nuclear Power Expense	524		
10.	Rents	525		
11.	**Operation Expense (*1 + 4 thru 10*)**			
12.	Maintenance, Supervision and Engineering	528		
13.	Maintenance of Structures	529		
14.	Maintenance of Reactor Plant Equipment	530		
15.	Maintenance of Electric Plant	531		
16.	Maintenance of Miscellaneous Nuclear Plant	532		
17.	**Maintenance Expense (*12 thru 16*)**			
18.	Reactor Credits			
19.	**Total Production Expense (*11 + 17 - 18*)**			
20.	Depreciation	403.2, 411.10		
21.	Interest	427		
22.	**Total Fixed Cost (*20 + 21*)**			
23.	Less Plant Acquisition Adjustment	406		
24.	**Power Cost (19 + 22 - 23)**			

Remarks (including Unscheduled Outages)

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL UTILITIES SERVICE

FINANCIAL AND OPERATING REPORT
ELECTRIC POWER SUPPLY
PART H - ANNUAL SUPPLEMENT

INSTRUCTIONS - See help in the online application.

BORROWER DESIGNATION: KY0062

PERIOD ENDED: December 2019

SECTION A. UTILITY PLANT

	ITEM	BALANCE BEGINNING OF YEAR (*a*)	ADDITIONS (*b*)	RETIREMENTS (*c*)	ADJUSTMENTS AND TRANSFERS (*d*)	BALANCE END OF YEAR (*e*)
1.	Total Intangible Plant (301 thru 303)	27,078,543	3,677,396			30,755,939
2.	Total Steam Production Plant (*310 thru 317*)	1,784,932,679	14,777,447	127,925,237		1,671,784,889
3.	Total Nuclear Production Plant (*320 thru 326*)	0				0
4.	Total Hydro Production Plant (*330 thru 337*)	0				0
5.	Total Other Production Plant (*340 thru 347*)	10,591,424	510,974			11,102,398
6.	**Total Production Plant (*2 thru 5*)**	1,795,524,103	15,288,421	127,925,237		1,682,887,287
7.	Land and Land Rights (*350*)	15,691,789	111			15,691,900
8.	Structures and Improvements (*352*)	8,470,671	512,631	69,958		8,913,344
9.	Station Equipment (*353*)	150,821,178	2,727,209	248,223		153,300,164
10.	Other Transmission Plant (*354 thru 359.1*)	112,640,909	932,368	176,381		113,396,896
11.	**Total Transmission Plant (*7 thru 10*)**	287,624,547	4,172,319	494,562		291,302,304
12.	Land and Land Rights (*360*)	0				0
13.	Structures and Improvements (*361*)	0				0
14.	Station Equipment (*362*)	0				0
15.	Other Distribution Plant (*363 thru 374*)	0				0
16.	**Total Distribution Plant (*12 thru 15*)**	0				0
17.	RTO/ISO Plant (380 thru 386)	0				0
18.	Total General Plant (*389 thru 399.1*)	53,302,507	1,641,500	1,743,134		53,200,873
19.	**Electric Plant in Service (*1 + 6 + 11 + 16 thru 18*)**	2,163,529,700	24,779,636	130,162,933		2,058,146,403
20.	Electric Plant Purchased or Sold (*102*)	0				0
21.	Electric Plant Leased to Others (*104*)	0				0
22.	Electric Plant Held for Future Use (*105*)	225,000		225,000		0
23.	Completed Construction Not Classified (*106*)	2,710,803	4,319,596		(2,710,803)	4,319,596
24.	Acquisition Adjustments (*114*)	0				0
25.	Other Utility Plant (*118*)	0				0
26.	Nuclear Fuel Assemblies (*120.1 thru 120.4*)	0				0
27.	**Total Utility Plant in Service (*19 thru 26*)**	2,166,465,503	29,099,232	130,387,933	(2,710,803)	2,062,465,999
28.	Construction Work in Progress (*107*)	33,931,909	1,730,736			35,662,645
29.	**Total Utility Plant (*27 + 28*)**	2,200,397,412	30,829,968	130,387,933	(2,710,803)	2,098,128,644

SECTION B. ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION - UTILITY PLANT

	ITEM	COMP. RATE (%) (a)	BALANCE BEGINNING OF YEAR (*b*)	ANNUAL ACCRUALS (*c*)	RETIREMENTS LESS NET SALVAGE (*d*)	ADJUSTMENTS AND TRANSFERS (*e*)	BALANCE END OF YEAR (*f*)
1.	Depr. of Steam Prod. Plant (108.1)	2.39	984,670,035	38,524,946	16,596,364	4,831,615	1,011,430,232
2.	Depr. of Nuclear Prod. Plant (108.2)		0				0
3.	Depr. of Hydraulic Prod. Plant (108.3)		0				0
4.	Depr. of Other Prod. Plant (108.4)	3.30	6,679,067	224,564	11,455	11,455	6,903,631
5.	Depr. of Transmission Plant (108.5)	2.11	139,494,305	5,710,549	571,094		144,633,760
6.	Depr. of Distribution Plant (108.6)		0				0
7.	Depr. of General Plant (108.7)		25,840,518	4,389,178	1,717,929	5,623	28,517,390
8.	Retirement Work in Progress (108.8)		(1,147,483)			856,706	(290,777)
9.	**Total Depr. for Elec. Plant in Serv. (*1 thru 8*)**		1,155,536,442			5,705,399	1,191,194,236
10.	Depr. of Plant Leased to Others (109)		0				0
11.	Depr. of Plant Held for Future Use (110)		0				0
12.	Amort. of Elec. Plant in Service (111)	2.23	32,151,961	341,307	111,968,283	81,323,743	1,848,728
13.	Amort. of Leased Plant (112)		0				0
14.	Amort. of Plant Held for Future Use		0				0
15.	Amort. of Acquisition Adj. (115)		0				0
16.	Depr. & Amort. Other Plant (119)		0				0
17.	Amort. of Nuclear Fuel (120.5)		0				0
18.	**Total Prov. for Depr. & Amort. (*9 thru 17*)**		1,187,688,403	49,190,544	130,865,125	87,029,142	1,193,042,964

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL UTILITIES SERVICE

FINANCIAL AND OPERATING REPORT
ELECTRIC POWER SUPPLY
PART H - ANNUAL SUPPLEMENT

INSTRUCTIONS - See help in the online application.

BORROWER DESIGNATION: KY0062

PERIOD ENDED: December 2019

SECTION B. ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION - UTILITY PLANT (*Continued*)

19. Amount of Annual Accrual Charged to Expense	20. Amount of Annual Accrual Charged to Other Accounts	21. Book Cost of Property Retired
$ 20,908,447	$ 28,282,097	$ 130,387,933
22. Removal Cost of Property Retired	**23. Salvage Material from Property Retired**	**24. Renewal and Replacement Cost**
$ 989,331	$ 512,139	$ 16,323,691

SECTION C. NON-UTILITY PLANT

ITEM	BALANCE BEGINNING OF YEAR (*a*)	ADDITIONS (*b*)	RETIREMENTS (*c*)	ADJUSTMENTS AND TRANSFERS (*d*)	BALANCE END OF YEAR (*e*)
1. NonUtility Property (121)					
2. Provision For Depr. & Amort. (122)					

SECTION D. DEMAND AND ENERGY AT POWER SOURCES

MONTH	PEAK DEMAND (MW) (*a*)	MONTHLY PEAKS			ENERGY OUTPUT (MWh) (*e*)
		DATE (*b*)	TIME (*c*)	TYPE OF READING (*d*)	
1. January	626	01/30/2019	8	Coincident	557,652
2. February	534	02/08/2019	7	Coincident	591,466
3. March	600	03/04/2019	7	Coincident	572,666
4. April	508	04/01/2019	8	Coincident	455,156
5. May	538	05/17/2019	16	Coincident	584,380
6. June	578	06/30/2019	18	Coincident	576,715
7. July	621	07/08/2019	18	Coincident	590,254
8. August	630	08/19/2019	17	Coincident	494,059
9. September	606	09/13/2019	16	Coincident	496,618
10. October	595	10/02/2019	16	Coincident	385,268
11. November	582	11/03/2019	7	Coincident	515,721
12. December	543	12/19/2019	8	Coincident	433,575
13. Annual Peak	630			**Annual Total**	6,253,530

SECTION E. DEMAND AND ENERGY AT DELIVERY POINTS

MONTH	DELIVERED TO RUS BORROWERS		DELIVERED TO OTHERS		TOTAL DELIVERED	
	DEMAND (MW) (*a*)	ENERGY (MWh) (b)	DEMAND (MW) (*c*)	ENERGY (MWh) (*d*)	DEMAND (MW) (*e*)	ENERGY (MWh) (*f*)
1. January	677	313,488	582	229,868	1,259	543,356
2. February	571	262,572	681	309,820	1,252	572,392
3. March	646	281,611	694	274,032	1,340	555,643
4. April	511	256,235	634	197,875	1,145	454,110
5. May	596	269,288	643	299,094	1,239	568,382
6. June	599	267,662	662	289,041	1,261	556,703
7. July	667	320,183	617	258,057	1,284	578,240
8. August	676	303,192	481	182,863	1,157	486,055
9. September	640	290,827	539	187,722	1,179	478,549
10. October	629	235,837	655	140,842	1,284	376,679
11. November	633	267,292	527	237,733	1,160	505,025
12. December	592	282,211	370	129,025	962	411,236
13. Peak or Total	677	3,350,398	694	2,735,972	1,340	6,086,370

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE	BORROWER DESIGNATION KY0062
FINANCIAL AND OPERATING REPORT ELECTRIC POWER SUPPLY PART H - ANNUAL SUPPLEMENT	PERIOD ENDED December 2019

INSTRUCTIONS - Reporting of investments is required by 7 CFR 1717, Subpart N. Investment categories reported on this Part correspond to Balance Sheet items in Part A Section B. Identify all investments in Rural Development with an 'X' in column (e). Both 'Included' and 'Excluded' Investments must be reported. See help in the online application.

SECTION F. INVESTMENTS, LOAN GUARANTEES AND LOANS
SUB SECTION I. INVESTMENTS

No	Description (a)	Included ($) (b)	Excluded ($) (c)	Income Or Loss ($) (d)	Rural Development (e)
2	**Investments in Associated Organizations**				
	United Utilty Supply Capital	31,773			
	Ky Assn for Electric Coops Capital Credit	31,692			
	Jackson Purchase Capital Credit		6,192		
	Kenergy Capital Credit		27,098		
	Meade County Capital Credit		3,277		
	Rural Cooperatives Credit Union Deposit	5			
	Touchstone Energy (NRECA) Capital Credit	1,742			
	CoBank Capital Credit		6,337,858		
	NRUCFC Capital Credit		4,261,078		
	Cooperative Membership Fees	2,280			
	ACES Power Marketing Membership Fees	678,000			
	Federated Rural Electric Insurance Exchange Capital Credit	4,713	281,636		
	National Renewables Cooperative Organization Capital Credit		21,070		
	Capital Term Certificates - NRUCFC		31,608,837		
	Totals	750,205	42,547,046		
3	**Investments in Economic Development Projects**				
	Breckinridge Co. Development Corp. Stock	5,000			X
	Hancock Co. Industrial Foundation Stock	5,000			X
	Totals	10,000			
4	**Other Investments**				
	Southern States Coop Capital Credit	5,334			X
	Totals	5,334			
5	**Special Funds**				
	Other Special Funds-Deferred Compensation		894,852		
	Other Special Funds-Economic Reserve Transmission Rural	578,687			
	Other Speical Funds-Economic Reserve Transmission Large Industrial	151,978			
	Other Special Funds-Economic Reserve Nebraska Margins Rural	85,032			
	Other Special Funds-Economic Reserve Nebraska Margins Large Industrial	26,150			
	Other Speical Funds-Economic Reserve SII Depreciation Credit Rural	398,635			
	Other Special Funds-Economic Reserve SII Depreciation Credit Large Industrial	150,298			
	Other Special Funds-Station Two O&M Fund	150,000	250,000		
	Other Special Funds-MISO CCA	5,900,000			
	Other Special Funds-Southwest Power Pool CCA	500,000			
	Other Special Funds-Southwest Power Pool CCA Trans Upgrade	305,001			
	Totals	8,245,781	1,144,852		
6	**Cash - General**				
	General Fund	704,001	250,000		
	Right of Way Fund	0	1,000		
	Working Fund	3,725			
	Totals	707,726	251,000		
7	**Special Deposits**				
	Special Deposit-TVA Trans. Reservation	603,673			

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE **FINANCIAL AND OPERATING REPORT ELECTRIC POWER SUPPLY PART H - ANNUAL SUPPLEMENT**	BORROWER DESIGNATION KY0062 PERIOD ENDED December 2019

INSTRUCTIONS - Reporting of investments is required by 7 CFR 1717, Subpart N. Investment categories reported on this Part correspond to Balance Sheet items in Part A Section B. Identify all investments in Rural Development with an 'X' in column (e). Both 'Included' and 'Excluded' Investments must be reported. See help in the online application.

SECTION F. INVESTMENTS, LOAN GUARANTEES AND LOANS
SUB SECTION I. INVESTMENTS

	Special Deposit-ADM/ICE Margin Call	1,066,752			
	Special Deposit-Exelon Generation Margin Call	100,000			
	Totals	1,770,425			
8	**Temporary Investments**				
	Fidelity-U.S. Treasury Only (#2642)	28,743,913			
	Fifth Third Securities	816,724	4,415,000		
	Regions Bank Investments	1,436,413	3,799,458		
	Totals	30,997,050	8,214,458		
9	**Accounts and Notes Receivable - NET**				
	Accts Receivable - Employees-Other	(1,066)			
	Accts Receivable - Employees-Computer Assist Program	9,986			
	Accts Receivable - Other-Misc	(21,139)			
	Accts Receivable - Wilson (MATS Performance)	322,748			
	Accts Receivable - Century Sebree	10,703			
	Accts Receivable - Samples Court Restitution	(650)			
	Accts Receivable - HMP&L Sta Two Operation	(2,830,886)			
	Accts Receivable - HMP&L Station Other	35,536			
	Accts Receivable - HMP&L Sta Two Closure	364,489			
	Accts Receivable - HMP&L Landfill	351,969			
	Accts Receivable - HMP&L Coal/Lime Shortfall Native Load	3,773,543			
	Accts Receivable - HMP&L Coal/Lime Shortfall Excess Henderson Energy	2,577,826			
	Accts Receivable - HMP&L Fuel Oil-Native Load	920,044			
	Accts Receivable - HMP&L Fuel Oil-Excess Henderson Energy	371,131			
	Accts Receivable - HMP&L SII Severance True-Up	(143,400)			
	Accts Receivable - HMP&L MISO Costs	1,901,591			
	Accts Receivable - Coleman EHV 345 kV Line	292,893			
	Accts Receivable - OSER-Hardinsburg Solar	(39,926)			
	Accts Receivable - OSER-Meade County Solar	(97,780)			
	Accts Receivable - Henderson Airport-TL Relocation	(34,679)			
	Accts Receivable - KYTC Husbands Road	27,538			
	Accts Receivable - Century Hawesville SPS	2,759			
	Accts Receivable - Fed Inc Tax AMT Refunds	53,611			
	Accum Prov For Other Uncollectible Accounts	(1,422,762)			
	Totals	6,424,079			
11	**TOTAL INVESTMENTS (1 thru 10)**	48,910,600	52,157,356		

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SECTION F. INVESTMENTS, LOAN GUARANTEES AND LOANS
SUB SECTION II. LOAN GUARANTEES

No	Organization (a)	Maturity Date (b)	Original Amount ($) (c)	Loan Balance ($) (d)	Rural Development (e)
	TOTAL				
	TOTAL (Included Loan Guarantees Only)				

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE **FINANCIAL AND OPERATING REPORT ELECTRIC POWER SUPPLY PART H - ANNUAL SUPPLEMENT**	BORROWER DESIGNATION KY0062 PERIOD ENDED December 2019

INSTRUCTIONS - Reporting of investments is required by 7 CFR 1717, Subpart N. Investment categories reported on this Part correspond to Balance Sheet items in Part A Section B. Identify all investments in Rural Development with an "X" in column (e). Both "Included" and "Excluded" Investments must be reported. See help in the online application.

SECTION F. INVESTMENTS, LOAN GUARANTEES AND LOANS
SUB SECTION III. RATIO

RATIO OF INVESTMENTS AND LOAN GUARANTEES TO UTILITY PLANT [Total of Included Investments (Sub Section I, 11b) and Loan Guarantees - Loan Balance (Sub Section II, 5d) to Total Utility Plant (Part A, Section B, Line 3 of this report)]	2.33 %

SECTION F. INVESTMENTS, LOAN GUARANTEES AND LOANS
SUB SECTION IV. LOAN

No	Organization (a)	Maturity Date (b)	Original Amount ($) (c)	Loan Balance ($) (d)	Rural Development (e)
1	Employees, Officers, Directors				
2	Energy Resources Conservation Loans				
	TOTAL				

UNITED STATES DEPARTMENT OF AGRICULTURE
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FINANCIAL AND OPERATING REPORT
ELECTRIC POWER SUPPLY
PART H - ANNUAL SUPPLEMENT

INSTRUCTIONS - See help in the online application.

BORROWER DESIGNATION: KY0062

PERIOD ENDED: December 2019

SECTION G. MATERIALS AND SUPPLIES INVENTORY

ITEM	BALANCE BEGINNING OF YEAR (*a*)	PURCHASED & SALVAGED (*b*)	USED & SOLD (*c*)	BALANCE END OF YEAR (*d*)
1. Coal	23,670,504	107,938,014	106,018,036	25,590,482
2. Other Fuel	1,357,820	6,475,130	6,457,366	1,375,584
3. Production Plant Parts and Supplies	21,313,373	4,604,227	5,801,709	20,115,891
4. Station Transformers and Equipment	0			0
5. Line Materials and Supplies	1,390,026	581,378	499,194	1,472,210
6. Other Materials and Supplies	2,159,821	15,541,927	15,074,034	2,627,714
7. Total (*1 thru 6*)	49,891,544	135,140,676	133,850,339	51,181,881

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE **OPERATING REPORT- ANNUAL SUPPLEMENT**	BORROWER DESIGNATION KY0062 PERIOD ENDED December 2019
INSTRUCTIONS - See help in the online application.	This data will be used to review your financial situation. Your response is required (7 U.S.C. 901 et. seq.) and may be confidential

SECTION H. LONG-TERM DEBT AND DEBT SERVICE REQUIREMENTS

No	Item	Balance End Of Year (a)	Interest (Billed This Year) (b)	Principal (Billed This Year) (c)	Total (Billed This Year) (d)
1	RUS (Excludes RUS - Economic Development Loans)	191,538,409			
2	National Rural Utilities Cooperative Finance Corporation	246,941,787	12,324,822	16,134,215	28,459,037
3	CoBank, ACB	171,441,510	7,741,614	9,829,574	17,571,188
4	Federal Financing Bank	43,063,826	1,252,089	531,174	1,783,263
5	RUS - Economic Development Loans				
6	Payments Unapplied				
7	Principal Payments Received from Ultimate Recipients of IRP Loans				
8	Principal Payments Received from Ultimate Recipients of REDL Loans				
9	Principal Payments Received from Ultimate Recipients of EE Loans				
10	Ohio County Kentucky Bonds-Series 2010A	83,300,000	4,998,000		4,998,000
	TOTAL	736,285,532	26,316,525	26,494,963	52,811,488

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL UTILITIES SERVICE

FINANCIAL AND OPERATING REPORT
ELECTRIC POWER SUPPLY
PART H - ANNUAL SUPPLEMENT

INSTRUCTIONS - See help in the online application.

BORROWER DESIGNATION: KY0062

PERIOD ENDED: December 2019

SECTION I. ANNUAL MEETING AND BOARD DATA

1. Date of Last Annual Meeting	2. Total Number of Members	3. Number of Members Present at Meeting	4. Was Quorum Present?
9/19/2019	3	3	Yes
5. Number of Members Voting by Proxy or Mail	**6. Total Number of Board Members**	**7. Total Amount of Fees and Expenses for Board Members**	**8. Does Manager Have Written Contract?**
0	6	$ 189,236	No

SECTION J. MAN-HOUR AND PAYROLL STATISTICS

1. Number of Full Time Employees	386	4. Payroll Expensed	43,093,997
2. Man-Hours Worked - Regular Time	708,931	5. Payroll Capitalized	2,888,424
3. Man-Hours Worked – Overtime	84,676	6. Payroll Other	270,668

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE **FINANCIAL AND OPERATING REPORT ELECTRIC POWER SUPPLY PART H - ANNUAL SUPPLEMENT**	BORROWER DESIGNATION KY0062
INSTRUCTIONS - See help in the online application.	PERIOD ENDED December 2019

SECTION K. LONG-TERM LEASES

No	Name Of Lessor (a)	Type Of Property (b)	Rental This Year (c)
1	Louisville Gas & Electric Company	Interconnect Facilities/Cloverport Sub	11,368
	TOTAL		11,368

UNITED STATES DEPARTMENT OF AGRICULTURE
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INSTRUCTIONS - See help in the online application.

BORROWER DESIGNATION
KY0062

PERIOD ENDED
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SECTION L. RENEWABLE ENERGY CREDITS

ITEM	BALANCE BEGINNING OF YEAR (*a*)	ADDITIONS (*b*)	RETIREMENTS (*c*)	ADJUSTMENTS AND TRANSFER (*d*)	BALANCE END OF YEAR (*e*)
1. Renewable Energy Credits					0

UNITED STATES DEPARTMENT OF AGRICULTURE
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FINANCIAL AND OPERATING REPORT
ELECTRIC POWER SUPPLY
PART I - LINES AND STATIONS

INSTRUCTIONS - See help in the online application.

BORROWER DESIGNATION: KY0062

PERIOD ENDED: December 2019

SECTION A. EXPENSES AND COSTS

ITEM	ACCOUNT NUMBER	LINES (*a*)	STATIONS (*b*)
Transmission Operation			
1. Supervision and Engineering	560	281,270	381,532
2. Load Dispatching	561	2,406,502	
3. Station Expenses	562		667,452
4. Overhead Line Expenses	563	1,109,315	
5. Underground Line Expenses	564		
6. Miscellaneous Expenses	566	251,830	347,839
7. Subtotal (*1 thru 6*)		4,048,917	1,396,823
8. Transmission of Electricity by Others	565	1,657,486	
9. Rents	567		15,055
10. Total Transmission Operation (*7 thru 9*)		5,706,403	1,411,878
Transmission Maintenance			
11. Supervision and Engineering	568	255,857	372,594
12. Structures	569		20,831
13. Station Equipment	570		2,054,553
14. Overhead Lines	571	2,375,293	
15. Underground Lines	572		
16. Miscellaneous Transmission Plant	573	790,331	771,227
17. Total Transmission Maintenance (*11 thru 16*)		3,421,481	3,219,205
18. Total Transmission Expense (*10 + 17*)		9,127,884	4,631,083
19. RTO/ISO Expense – Operation	575.1-575.8	1,005,132	
20. RTO/ISO Expense – Maintenance	576.1-576.5		
21. Total RTO/ISO Expense (*19 + 20*)		1,005,132	
22. Distribution Expense - Operation	580-589		
23. Distribution Expense - Maintenance	590-598		
24. Total Distribution Expense (*22 + 23*)			
25. Total Operation And Maintenance (*18 + 21 + 24*)		10,133,016	4,631,083
Fixed Costs			
26. Depreciation – Transmission	403.5	2,132,306	3,578,243
27. Depreciation – Distribution	403.6		
28. Interest – Transmission	427	2,280,412	2,848,311
29. Interest – Distribution	427		
30. Total Transmission (*18 + 26 + 28*)		13,540,602	11,057,637
31. Total Distribution (*24 + 27 + 29*)			
32. Total Lines And Stations (*21 + 30 + 31*)		14,545,734	11,057,637

SECTION B. FACILITIES IN SERVICE

TRANSMISSION LINES

VOLTAGE (kV)	MILES
1. 138 KV	14.40
2. 345 KV	68.40
3. 161 KV	366.20
4. 69 KV	848.00
5.	
6.	
7.	
8.	
9.	
10.	
11.	
12. Total (*1 thru 11*)	1,297.00

SUBSTATIONS

TYPE	CAPACITY(kVA)
13. Distribution Lines	
14. Total (*12 + 13*)	1,297.00
15. Stepup at Generating Plants	1,879,800
16. Transmission	4,045,000
17. Distribution	
18. Total (*15 thru 17*)	5,924,800

SECTION C. LABOR AND MATERIAL SUMMARY

1. Number of Employees: 52

ITEM	LINES	STATIONS
2. Oper. Labor	1,779,302	686,938
3. Maint. Labor	1,588,548	2,071,846
4. Oper. Material	4,932,233	724,940
5. Maint. Material	1,832,933	1,147,359

SECTION D. OUTAGES

1. Total	24,336.90
2. Avg. No. of Distribution Consumers Served	117,767.00
3. Avg. No. of Hours Out Per Consumer	.20

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Item 22) ***Refer to the Smith Testimony, pages 17 and 18.***

a. Explain whether the members ever receive a charge through the current MRSM Rider.

b. Explain whether, under the proposed New TIER Credit, the credit will ever be zero.

c. Explain whether, under the proposed New TIER Credit, Members will ever be charged as opposed to receiving a credit.

Response)

a. Big Rivers' Members do not receive a charge through the current MRSM Rider.

b. Under the proposed New TIER Credit, it is possible for the Monthly Bill Credit to be zero. For any year in which Big Rivers' TIER is below 1.30, Big Rivers would reduce the amortization expense of the Smelter Loss Mitigation Regulatory Assets to bring its TIER to 1.30. In such a year, Big

Rivers will not provide the Monthly Bill Credit in the following year, so the Monthly Billing Credit will be zero for those twelve months. Additionally, for any year in which Big Rivers' TIER is equal to 1.30, the Monthly Billing Credit will be zero for the following twelve months.

c. Under the proposed New TIER Credit, Members will never be charged as opposed to receiving a credit; the Monthly Bill Credit will either be zero or a positive credit amount. For each year in which Big Rivers' TIER does not exceed 1.30, the Monthly Bill Credit will be zero for the following year, as explained in the response to part (b). Alternatively, for each year in which Big Rivers' TIER exceeds 1.30, Big Rivers will provide its Members a Monthly Bill Credit through the MRSM over the twelve months following the close of the books for that year. These are the only two alternatives; thus in no event will the Monthly Bill Credit become a charge.

Witness) Paul G. Smith

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Item 23) ***Refer to the Smith Testimony at page 18.***

a. Explain whether the Regulatory Exclusions could be expanded if the Commission, through precedent, regulation, or legislation, expands the categories of expense that are excluded for ratemaking purposes.

b. Explain whether the New TIER Credit calculation would include a true-up mechanism.

c. Explain how the New TIER Credit will factor into the TIER calculations of the following year.

Response)

a. Big Rivers based its proposed "Regulatory Exclusions" on those specified in 807 KAR 5:016, in order to remain consistent with required ratemaking practices in the Commonwealth. The Regulatory Exclusions applicable to the Net Margins calculation for the New TIER Credit could be expanded at the direction of the Commission if the Commission expands the categories

of expense that are excluded for ratemaking purposes through precedent, regulation, or legislation.

b. Like the MRSM currently in effect, the New TIER Credit calculation as proposed does not require a true-up mechanism to ensure all bill credits are received by members.

c. The way the New TIER Credit will factor into the TIER calculations of the following year is addressed in the proposed MRSM tariff. The New TIER Credit is not included in the calculation of Net Margins, so that the determination of the New TIER Credit for any year is not affected by the New TIER Credit from the previous year. Specifically, the proposed MRSM tariff states the following on Sheet 66:

> "Adjusted Net Margins shall equal Big Rivers' calendar year Net Margins, *before the TIER Credit*, and after excluding expenses related to "promotional advertising, political advertising, or institutional advertising" as defined in 807 KAR 5:016, lobbying costs, and donations, or to onetime charges related to the amortization of equity headroom." (*emphasis added*)

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1 **Witness)** Paul G. Smith

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Item 24) ***Refer to the Smith Testimony, page 23. Mr. Smith states that if the TIER falls below 1.30, the amortization of the Smelter Loss Mitigation Regulatory Assets will be temporarily reduced.***

a. Provide what would trigger a base rate case from BREC.

b. Explain how BREC will handle the Smelter Loss Mitigation Regulatory Assets if a base rate case is triggered.

Response)

a. Big Rivers will continue to monitor its financial forecasts to ensure it maintains: a) compliance with its debt covenants, b) investment grade credit metrics, and c) the ability to amortize the Smelter Loss Mitigation Regulatory Assets by 2043. The inability to maintain one or more of the above requirements could result in the need to seek a base rate increase. However, based on Big Rivers' current estimated projections, Big Rivers believes that it will be able to fully amortize the Smelter Loss Mitigation

Regulatory Assets by 2043 (and possibly sooner). Even if Big Rivers cannot fully amortize the Smelter Loss Mitigation Regulatory Assets prior to filing a base rate case, Big Rivers' Members will still receive the substantial benefits of the proposed MRSM tariff and New TIER Credit through the return of net margins in excess of a 1.30 TIER in the years prior to the filing of a base rate case.

b. In the event a base rate case were triggered, Big Rivers anticipates the amortization of the Smelter Loss Mitigation Regulatory Assets would be included in the annual revenue requirement. The New TIER Credit could be maintained, if desired.

Witness) Paul G. Smith

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Item 25) ***Refer to the Smith Testimony at page 23, line 19. Confirm that the "current year" would be the year after Big Rivers failed to achieve a TIER of 1.30.***

Response) The "current year" would be the year that Big Rivers failed to achieve a TIER of 1.30, *not the year after* Big Rivers failed to achieve a TIER of 1.30. The amortization expense applied to the Smelter Loss Mitigation Regulatory Assets would be reduced in the current year in order for Big Rivers to increase its TIER to 1.30 in the current year.

Witness) Paul G. Smith

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Item 26) ***Refer to the Smith Testimony at page 24.***

a. Explain whether BREC's loan covenants have changed since its last rate case.

b. Explain the relationship, if any, between TIER and Margins for Interest Ratio.

Response)

a. No changes have been made to the loan covenants associated with Big Rivers' current loan agreements which existed at the time of its last rate case. However, certain loan agreements which existed at the time of Big Rivers' last rate case have terminated and/ or been replaced, as summarized in the table on the following page.

Prior Loan Agreement (as of April 25, 2014)	Current Loan Agreement (as of April 3, 2020)	KPSC Case No. Ref.
CFC Amended and Restated Revolving Line of Credit Agreement dated as of August 19, 2013	CFC Syndicated Senior Secured Credit Facility dated as of March 5, 2015, as Amended September 19, 2017	Case No. 2014-00423 and Case No. 2017-00243
RUS Amended and Consolidated Loan Contract dated as of July 16, 2009	RUS First Amended and Restated Consolidated Loan Contract dated as of January 2, 2018	Case No. 2017-00281

b. TIER and Margins for Interest Ratio ("MFIR") are very similar, with the exception of how they treat income tax expense, which Big Rivers typically does not incur. The relationship between TIER and MFIR can be shown using the formula definitions for each term:

- TIER (Times Interest Earned Ratio) = (Net Margins + Interest Expense on Long Term Debt) / Interest Expense on Long Term Debt
- MFIR (Margins for Interest Ratio) = (Net Margins + Interest Expense on Long Term Debt + Income Tax) / Interest Expense on Long Term Debt

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Item 27) ***Refer to the Smith Testimony page 26. Provide an estimate for the base rate increase that would be required to recover the Smelter Loss Mitigation Regulatory Assets.***

Response) Were Big Rivers to file a base rate proceeding, the revenue requirement component needed to recover the Smelter Loss Mitigation Regulatory Assets would be the annual amortization expense of approximately $16 million. Assuming all else being equal, and assuming Big Rivers proposed to utilize 80% of its equity headroom and the existing DSM regulatory liability to further reduce the balance of the Smelter Loss Mitigation Regulatory Assets in the base rate proceeding, Big Rivers would require an approximately $4 million annual revenue increase in a base rate proceeding to produce the same TIER achieved by its proposals in this case.

Witness) Paul G. Smith

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Item 28) ***Refer to the Smith Testimony, page 35. Describe the dispatch costs for the two operating base load generating facilities. Explain in detail how KIUC's fuel-stacking methodology would or would not affect fuel adjustment clause filing and base rates. Provide support.***

Response) The forecasted fuel cost for Wilson Station and Green Station in 2020 is [redacted] and [redacted] respectively. The forecasted fuel cost for Wilson Station and Green Station in 2021 is [redacted] and [redacted] respectively. As stated in the testimony, with the closing of Station Two, the fuel dispatch costs for the two remaining baseload generating stations are very similar and any change in fuel adjustment clause methodology would have minimal effect on Member rates and Big Rivers' fuel adjustment clause filings.

Witness) Paul G. Smith

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Item 29) ***Refer to the Smith Testimony, Exhibit Smith-2. Provide the status of BREC's request with the Rural Utilities Service.***

Response) Big Rivers had held several follow-up conversations with the Rural Utilities Service ("RUS"). Big Rivers currently believes that it will receive a favorable response from RUS.

Witness) Paul G. Smith

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Item 30) ***Refer to the Smith Testimony, Exhibit Smith-7, page 1. Explain how the annual amortization of $10 million was determined.***

Response) Exhibit Smith-7 is an illustrative schedule intended to demonstrate how the New TIER Credit will work. Ten million is the annual amortization required to fully amortize the Smelter Loss Mitigation Regulatory Assets by 2043, when accounting for the inclusion of the exemplifying decommissioning costs and New TIER Credit. If the Commission and RUS grant Big Rivers the relief it has requested, the actual annual amortization expense (before application of the New TIER Credit) will be equal to the value of the Smelter Loss Mitigation Regulatory Assets remaining after the immediate utilization of the DSM regulatory liability and the equity room headroom utilization on January 1, 2021, divided by the number of years remaining on the terms of Big Rivers' wholesale power contracts with its Members.

Witness) Paul G. Smith