

**ORIGINAL**



Your Touchstone Energy® Cooperative 

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

**In the Matter of:**

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

**Case No.  
2020-00064**

**Supplemental Responses to Item No. 29 of  
Commission Staff's First Request for Information**

**and**

**Supplemental Responses to Item Nos. 27, 40, and 42 of  
Office of the Attorney General's First Set of Data Requests**

**FILED: April 15, 2020**

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**BIG RIVERS ELECTRIC CORPORATION**

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CASE NO. 2020-00064**

**VERIFICATION**

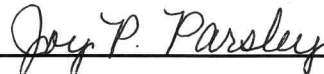
I, Michael T. ("Mike") Pullen, verify, state, and affirm that the supplemental data request responses filed with this verification for which I am listed as a witness are true and accurate to the best of my knowledge, information, and belief formed after a reasonable inquiry.



\_\_\_\_\_  
Michael T. ("Mike") Pullen

COMMONWEALTH OF KENTUCKY )  
COUNTY OF HENDERSON )

SUBSCRIBED AND SWORN TO before me by Michael T. ("Mike") Pullen on this the 15<sup>th</sup> day of April, 2020.



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

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

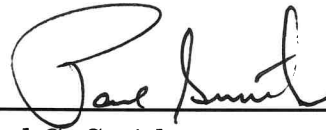
Notary Public, Kentucky State-At-Large  
My Commission Expires: July 10, 2022  
ID: 604480

**BIG RIVERS ELECTRIC CORPORATION**

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**VERIFICATION**

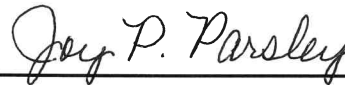
I, Paul G. Smith, verify, state, and affirm that the supplemental data request responses filed with this verification for which I am listed as a witness are true and accurate to the best of my knowledge, information, and belief formed after a reasonable inquiry.



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

COMMONWEALTH OF KENTUCKY )  
COUNTY OF HENDERSON )

15<sup>th</sup> SUBSCRIBED AND SWORN TO before me by Paul G. Smith on this the  
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

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**CASE NO. 2020-00064**

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

**April 15, 2020**

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

3

4 **Supplemental Response)**     On April 13, 2020, the Rural Utilities Service  
5 ("RUS") approved Big Rivers' request to establish regulatory assets for the Coleman  
6 Station and Reid Station Unit 1. A copy of the RUS' letter approving establishment  
7 of the regulatory assets is provided with this response.

8

9

10 **Witness)**     Paul G. Smith



**Rural Development**

Electric Programs  
Rural Utilities Service

1400 Independence Ave SW  
Room 5165 – STOP 1560  
Washington, DC 20250

Voice: 202.720.9545  
Fax: 202.720.1725

Mr. Robert Berry  
President and Chief Executive Officer  
Big Rivers Electric Cooperative  
P.O. Box 24  
Henderson, Kentucky 42419-0024

**RE: Coleman and Reid Unit 1 Expense Deferral**

Dear Mr. Berry:

RUS approves Big Rivers' expense deferral request dated December 20, 2019 regarding the establishment of a Regulatory Asset to recover the value of the Coleman Station valued at \$145 million and Reid Unit 1 valued at \$8 million over the 23 years remaining on Big Rivers' wholesale power contract.

We understand that Big Rivers will contact the Kentucky Public Service Commission (KPSC) for final approval to establish a Regulatory Asset account to collect Big Rivers' unrecovered investment in the Coleman Station and Reid Unit 1.

Sincerely,

Christopher A. McLean  
Assistant Administrator  
Electric Program

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**Supplemental Response to the Office of the Attorney General's  
First Set of Data Requests  
dated March 24, 2020**

**April 15, 2020**

1 **Item 27)** *Page 9 of the Direct Testimony of Paul G. Smith, lines 1-16*  
2 *discusses Big Rivers seeking RUS approval to establish a regulatory asset*  
3 *related to the retirement of Coleman Station and Reid Station Unit 1.*  
4 **Regarding this subject, please provide the following:**

5 **a.** *All written communication, emails, letters, etc between Big Rivers*  
6 *and RUS.*

7 **b.** *All internal board and management presentations.*

8

9 **Supplemental Response)** Big Rivers objects to this request on the grounds  
10 that it is overbroad and unduly burdensome. Notwithstanding these objections, and  
11 without waiving them, Big Rivers responds as follows:

12 **a.** Please see Exhibit Smith-2 to the Direct Testimony of Paul G. Smith,  
13 provided as Application Exhibit E, for a copy of the letter dated December  
14 20, 2019, from Big Rivers to the RUS requesting RUS approval to establish  
15 regulatory assets for the retirement of Coleman Station and Reid Unit 1.

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**April 15, 2020**

1 Please also see Big Rivers' Supplemental Response to Item 29 of the  
2 Commission Staff's First Request for Information for a copy of RUS' letter  
3 approving Big Rivers' request to establish regulatory assets for the  
4 retirement of Coleman Station and Reid Station Unit 1.

5 b. Please see the **CONFIDENTIAL** presentation to the Big Rivers Board of  
6 Directors provided with Big Rivers' original response to Item 27 of the  
7 Attorney General's First Set of Data Requests.

8

9

10 **Witness)** Paul G. Smith

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**Supplemental Response to the Office of the Attorney General's  
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**April 15, 2020**

1 **Item 40)** *Please provide an unredacted (except where critical*  
2 *infrastructure requirements prevent such provision) copy of all documents*  
3 *included in the February 7, 2020, Big Rivers Environmental Compliance Plan*  
4 *filing in Case No. 2019-00435.*

5

6 **Supplemental Response)** Big Rivers objects to this request on the grounds that it  
7 is overbroad and unduly burdensome. Big Rivers further objects to this request on  
8 the grounds that it seeks information that is irrelevant and not likely to lead to the  
9 discovery of admissible evidence because matters pertaining to Big Rivers'  
10 Environmental Compliance Plan ("ECP") are subject to Commission review in Case  
11 No. 2019-00435. More specifically, the pending issues before the Commission in Case  
12 No. 2019-00435 are being litigated in that proceeding; and are not subject to collateral  
13 litigation in this proceeding.

14 Notwithstanding the foregoing objections, without waiving those objections,  
15 and with specific objection to use of information from Case No. 2019-00435 in this



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**Supplemental Response to the Office of the Attorney General's**  
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**dated March 24, 2020**

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1 proceeding, the public documents from Big Rivers' application in that case may be  
2 found on the Commission's website at:

3 <http://psc.ky.gov/pscscf/2019%20cases/2019->

4 [00435//20200207\\_Big%20Rivers%20Electric%20Corporation%20Application.pdf](http://psc.ky.gov/pscscf/2019%20cases/2019-00435//20200207_Big%20Rivers%20Electric%20Corporation%20Application.pdf).

5 Unredacted copies of the documents filed with Big Rivers' application in Case  
6 No. 2019-00435 are included with the **CONFIDENTIAL** attachment to this  
7 response.

8

9

10 **Witness)** Michael T. Pullen

**BIG RIVERS ELECTRIC CORPORATION**

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**Supplemental Response to the Office of the Attorney General's  
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**April 15, 2020**

1 **Item 42)** *Regarding the Big Rivers Application for Enforcement of Rate  
2 and Service Standards in Case No. 2019-00269, please provide the following:*

3 *a. An unredacted copy of all materials included in the July 31, 2019  
4 Application.*

5 *b. An explanation of how the outcome of Case No. 2019-00269 would  
6 affect this proceeding in each of the following instances:*

7 *i. Big Rivers is granted its relief as requested.*

8 *ii. The City of Henderson is granted its relief or position as stated.*

9 *iii. Under various compromise scenarios.*

10

11 **Supplemental Response)** Big Rivers objects to this request on the grounds  
12 that it is overbroad and unduly burdensome. Big Rivers also objects to this request  
13 on the grounds that it seeks information that it is irrelevant and not likely to lead to  
14 the discovery of admissible evidence because matters relevant to Case No. 2019-  
15 00269 are being addressed by the Commission in that proceeding. More specifically,

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**Supplemental Response to the Office of the Attorney General's**  
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**dated March 24, 2020**

**April 15, 2020**

1 the pending issues before the Commission in Case No. 2019-00269 are being litigated  
2 in that proceeding; and are not subject to collateral litigation in this proceeding.  
3 Notwithstanding these objections, without waiving them, and with specific objection  
4 to use of information from Case No. 2019-00269 in this proceeding, Big Rivers  
5 responds as follows:

6 a. The public documents from Big Rivers' application in Case No. 2019-00269  
7 may be found on the Commission's website at:  
8 [https://psc.ky.gov/PSC\\_WebNet/ViewCaseFilings.aspx?case=2019-00269](https://psc.ky.gov/PSC_WebNet/ViewCaseFilings.aspx?case=2019-00269).

9 Unredacted copies of the documents filed with Big Rivers' application in  
10 Case No. 2019-00269 are included with the **CONFIDENTIAL** attachment  
11 to this response.

12 b. For the outcomes described:

13 i. Big Rivers' financial forecast, and proposals in this proceeding,  
14 reflect the assumption that the Commission grants the relief  
15 requested in Case No. 2019-00269.

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- 1           ii.    The additional capital expenditures and operating cost of an  
2                    unfavorable outcome would diminish Big Rivers' future financial  
3                    results, thereby diminishing the near-term benefits to its Members  
4                    from the New TIER Credit.
- 5           iii.   The impact cannot be determined without more specificity as to the  
6                    assumed outcome in Case No. 2019-00269.

7

8

9 **Witness)**   Paul G. Smith