

**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 Response to Item 7b of  
Commission Staff's Second Request for Information  
dated April 15, 2020**

**FILED: May 22, 2020**

**ORIGINAL**

**BIG RIVERS ELECTRIC CORPORATION**

**ELECTRONIC APPLICATION OF  
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FOR APPROVAL TO MODIFY ITS MRSM TARIFF,  
CEASE DEFERRING DEPRECIATION EXPENSES,  
ESTABLISH REGULATORY ASSETS,  
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OTHER APPROPRIATE RELIEF  
CASE NO. 2020-00064**

**VERIFICATION**

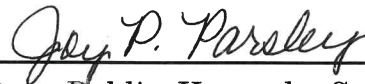
I, Paul G. Smith, verify, state, and affirm that the supplemental data request response, and the response to information requests from the informal conference, filed with this verification for which I am listed as a witness are true and accurate to the best of my knowledge, information, and belief formed 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  
22<sup>ND</sup> day of May, 2020.



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

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

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

**BIG RIVERS ELECTRIC CORPORATION**  
**ELECTRONIC APPLICATION OF**  
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**FOR APPROVAL TO MODIFY ITS MRSM TARIFF,**  
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**ESTABLISH REGULATORY ASSETS,**  
**AMORTIZE REGULATORY ASSETS, AND**  
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**CASE NO. 2020-00064**

**Supplemental Response to Commission Staff's**  
**Second Request for Information**  
**dated April 15, 2020**

**May 22, 2020**

1 **Item 7)**     *Refer to the Smith Testimony at page 18, lines 7 -9, wherein he*  
2 *discusses what he terms “Regulatory Exclusions,” and their exclusion from*  
3 *BREC’s proposed Net Margins calculation.*

4     *a. Provide an exhaustive list of proposed Regulatory Exclusion that*  
5     *Big Rivers intends to exclude from its Net Margins calculation.*

6     *b. For each Regulatory Exclusion listed in part a, above, provide the*  
7     *amount of the expense incurred for the past three (3) calendar years,*  
8     *and the anticipated amount of the expenses for the next three (3)*  
9     *calendar years.*

10

11 **Supplemental Response)**

12     a. No change to prior response of April 24, 2020.

13     b. Please see the attachment which shows the detail for the previously  
14     provided 2019 regulatory exclusions.

15

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1

2 Witness) Paul G. Smith

3

**Big Rivers Electric Corporation**  
**Case No. 2020-00064**  
**Detail of 2019 Regulatory Exclusions**  
**Provided in Attachment to response to PSC 2-7b**

**Promotional Advertising -**

Promotional Advertising	KENTUCKY STATE TREASURER	12.60	Vendor#: 70202/Inv#: INV-27532/Inv Line#: 1/Inv Dist Line#: 1
Promotional Advertising	ABBA PROMOTIONS	210.00	Jackets
Promotional Advertising	PROFORMA ALBRECHT & CO	2,678.33	ROYAL TOWEL AND TOTE ANNUAL MEETING GIFT
Promotional Advertising	KENTUCKY STATE TREASURER	160.70	Vendor#: 82670/Inv#: 1064093/Inv Line#: 1/Inv Dist Line#: 1
Promotional Advertising	KENTUCKY ASSN OF ELECTRIC COOP. (KAEC)	2,500.00	KENTUCKY ASSN OF ELECTRIC COOP. (KAEC)
Promotional Advertising	HENDERSON CHAMBER OF COMMERCE	1,000.00	CHAMBER BREAKFAST SPONSORSHIP
Promotional Advertising	CORPORATE PAYMENT SYSTEMS	100.00	CREDIT CARD CHARGES AND SERVICES FOR HEADQUARTERS USE.
Promotional Advertising	JUNIOR ACHIEVEMENT OF WESTERN KY INC	290.00	17 ANNUAL 'JA DRIVE FOR KIDS GOLF SCRAMBE
Promotional Advertising	MEADE COUNTY RECC	1,500.00	FOR ENERGY EFFICIENCY PROGRAMS
Promotional Advertising	JACKSON PURCHASE ENERGY CORP	1,900.17	FOR 2019 REIMBURSEMENTS TO THE COOP FOR GIS, ASSESSMENTS, SOFTWARE, HARDWARE, TRAINING AND OTHER EXPENSES AS PER 2019 BUDGET
Promotional Advertising	HENDERSON POLICE DEPARTMENT	1,000.00	PLATINUM SPONSOR
Promotional Advertising	JACKSON PURCHASE ENERGY CORP	250.00	FOR 2019 REIMBURSEMENTS TO THE COOP FOR GIS, ASSESSMENTS, SOFTWARE, HARDWARE, TRAINING AND OTHER EXPENSES AS PER 2019 BUDGET
Promotional Advertising	OWENSBORO COMMUNITY AND TECHNICAL COLLEGE	1,000.00	ANNUAL CAMPAIGN CONTRIBUTION
Promotional Advertising	MEADE COUNTY RECC	397.50	FOR 2019 REIMBURSEMENTS TO THE COOP FOR GIS, ASSESSMENTS, SOFTWARE, HARDWARE, TRAINING AND OTHER EXPENSES AS PER 2019 BUDGET
Promotional Advertising	JACKSON PURCHASE ENERGY CORP	572.91	FOR 2019 REIMBURSEMENTS TO THE COOP FOR GIS, ASSESSMENTS, SOFTWARE, HARDWARE, TRAINING AND OTHER EXPENSES AS PER 2019 BUDGET
Promotional Advertising	HOPKINS COUNTY REGIONAL CHAMBER OF COMMERCE	2,500.00	2019 EVENING OF STARS SPONSORSHIP

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**Page 1 of 8**

**Big Rivers Electric Corporation**  
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**Promotional Advertising (continued) -**

Promotional Advertising	KENTUCKY SAFETY AND HEALTH NETWORK INC	10,000.00	2019 SPONSORSHIP
Promotional Advertising	ABBA PROMOTIONS	38.00	"BIG Check"
Promotional Advertising	KENTUCKY STATE TREASURER	2.28	Vendor#: 70202/Inv#: INV-27513/Inv Line#: 1/Inv Dist Line#: 1
Promotional Advertising	CITY OF LEWISPORT	1,000.00	Sponsor - Heritage Festival
Promotional Advertising	HENDERSON CHAMBER OF COMMERCE	625.00	ANNUAL DINNER SILVER SPONSOR AND DINNER TICKETS
Promotional Advertising	BLUEGRASS IN THE PARK	500.00	Bluegrass in the Park Sponsorship
Promotional Advertising	HENDERSON CHAMBER OF COMMERCE	250.00	AGRICULTURE APPRECIATION BREAKFAST BRONZE SPONSOR
Promotional Advertising	JACKSON PURCHASE ENERGY CORP	850.00	REIMBURSEMENTS FOR COST ON ENERGY EFFICIENCY PROGRAMS
Promotional Advertising	POST 16 TROOPER ISLAND GOLF SCRAMBLE	250.00	TROOPER ISLAND CAMP
Promotional Advertising	WNIN	1,000.00	HOME GROWN HERITAGE - SEED SPONSOR
Promotional Advertising	FRIDAY AFTER 5, INC.	2,000.00	2019 FRIDAY AFTER 5 SPONSORSHIP
Promotional Advertising	KENTUCKY STATE TREASURER	15.36	Vendor#: 70202/Inv#: INV-28680/Inv Line#: 1/Inv Dist Line#: 1
Promotional Advertising	HENDERSON CHAMBER OF COMMERCE	50.00	SPONSOR KYNDLE NIGHT FOR THE OTTERS
Promotional Advertising	ABBA PROMOTIONS	256.00	Tee Shirts for Beautify the Bluegrass Project
Promotional Advertising	HENDERSON CHAMBER OF COMMERCE	500.00	CHAMBER LUNCHEON SPONSOR FEE
Promotional Advertising	JERUSALEM RIDGE FESTIVAL	500.00	BILL MONROE FOUNDATION SPONSORSHIP
Promotional Advertising	COLLEGE FOUNDATION INC	2,500.00	HCC COLLEGE FOUNDATION GALA SPONSOR
Promotional Advertising	DOWNTOWN HENDERSON PARTNERSHIP	250.00	Dia de Los Muetos Sponsorship
Promotional Advertising	ABBA PROMOTIONS	549.00	TSHIRT ORDER
Promotional Advertising	KENTUCKY STATE TREASURER	32.94	Vendor#: 70202/Inv#: INV-30022/Inv Line#: 1/Inv Dist Line#: 1
Promotional Advertising	KENTUCKY STATE TREASURER	14.70	Vendor#: 70202/Inv#: INV-30043/Inv Line#: 1/Inv Dist Line#: 1
Promotional Advertising	GREATER OWENSBORO CHAMBER OF COMMERCE	750.00	CHAMBER CELEBRATION SPONSOR 2020
Promotional Advertising	ABBA PROMOTIONS	245.00	T-SHIRT

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**Page 2 of 8**

**Big Rivers Electric Corporation  
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**Promotional Advertising (continued) -**

Promotional Advertising	KENTUCKY SAFETY AND HEALTH NETWORK INC	10,000.00	KENTUCKY'S 36TH ANNUAL GOVERNOR'S SAFETY & HEALTH CONFERENCE & EXPO SPONSORSHIP - PLATINUM
Promotional Advertising	GREATER OWENSBORO CHAMBER OF COMMERCE	750.00	Greater Owensboro Chamber of Commerce
Promotional Advertising	ABBA PROMOTIONS	5,267.00	BREC Giveways
Promotional Advertising	HENDERSON PROFESSIONAL FIREFIGHTERS HONOR GUARD	600.00	GOLD SPONSORSHIP LEVEL
Promotional Advertising	MEADE COUNTY RECC	488.10	VETERANS DAY SPONSORSHIP
Promotional Advertising	KENTUCKY STATE TREASURER	316.02	Vendor#: 70202/Inv#: INV-30657/Inv Line#: 1/Inv Dist Line#: 1
Promotional Advertising	KENTUCKY ASSN. OF ELECTRIC COOPERATIVES (KAEC)	1,750.00	ONE FOURTH OF TWO BRONZE SPONSORSHIPS 25TH ANNUAL KENTUCKY CHAMBER DAY 1/9/20
Promotional Advertising	EAST KENTUCKY POWER COOP INC	833.33	Silver Sponsor 2019-EMC (Shared with East KY and KAEC)
Promotional Advertising	THE COUNCIL OF STATE GOVERNMENTS	10,000.00	CSG Energy Landscape Of America Policy Academy
Promotional Advertising	GREATER OWENSBORO CHAMBER OF COMMERCE	3,500.00	RED WHITE BLUE SPONSOR
Promotional Advertising	CORPORATE PAYMENT SYSTEMS	12.00	CREDIT CARD CHARGES AND SERVICES FOR HEADQUARTERS USE.
Promotional Advertising	TRILOGY FOUNDATION	250.00	EVENT DONATION
<b>Total Promotional Advertising</b>		<b><u>72,016.94</u></b>	

**Touchstone Energy Dues -**

Dues	MEADE COUNTY RECC	22,000.00	Touchstone Energy Dues
Dues	KENERGY CORP	27,500.00	Touchstone Energy Dues
Dues	JACKSON PURCHASE ENERGY CORP	22,000.00	Touchstone Energy Dues
Dues	BIG RIVERS ELECTRIC CORPORATION	50,000.00	Touchstone Energy Dues
<b>Total Touchstone Energy Dues</b>		<b><u>121,500.00</u></b>	

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**Economic Development -**

Economic Development	JACKSON PURCHASE ENERGY CORP	31,228.87	2019 ECONOMIC DEVELOPMENT FUNDING
Economic Development	GREATER PADUCAH ECONOMIC DEVELOPMENT COUNCIL	5,000.00	INVESTMENT IN GREATER PADUCAH ECONOMIC DEVELOPMENT
Economic Development	CORPORATE PAYMENT SYSTEMS	5,000.00	CREDIT CARD CHARGES AND SERVICES FOR HEADQUARTERS USE.
Economic Development	KENERGY CORP	59,616.26	2019 ECONOMIC DEVELOPMENT FUNDING
Economic Development	MEADE COUNTY RECC	31,228.87	FOR 2019 REIMBURSEMENTS TO THE COOP FOR GIS, ASSESSMENTS, SOFTWARE, HARDWARE, TRAINING AND OTHER EXPENSES AS PER 2019 BUDGET
<b>Total Economic Development</b>		<b><u>132,074.00</u></b>	

**Lobbying -**

Lobbying	AMERICAN COALITION FOR CLEAN COAL ELECTRICITY	10,000.00	2019 MEMBER DUES
Lobbying	NRECA	23,640.00	2019 MEMBERSHIP DUES
Lobbying	KENTUCKY COAL ASSOCIATION	92.40	ASSOCIATE MEMBERSHIP DUES FOR 2020
Lobbying	AMERICAN COALITION FOR CLEAN COAL ELECTRICITY	10,000.00	2020 MEMBER DUES
Lobbying	GREENWELL CHISHOLM	203.00	POSTCARDS - PASS SB 100
Lobbying	CORPORATE PAYMENT SYSTEMS	245.82	CREDIT CARD CHARGES AND SERVICES FOR HEADQUARTERS USE.
Lobbying	CORPORATE PAYMENT SYSTEMS	159.11	CREDIT CARD CHARGES AND SERVICES FOR HEADQUARTERS USE.
Lobbying	CORPORATE PAYMENT SYSTEMS	(159.36)	CORP. PAYMENTS ACCRUAL REVERSAL



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**Lobbying (continued) -**

Lobbying	CORPORATE PAYMENT SYSTEMS	273.89	CREDIT CARD CHARGES AND SERVICES FOR HEADQUARTERS USE.
Lobbying	CORPORATE PAYMENT SYSTEMS	94.14	CREDIT CARD CHARGES AND SERVICES FOR HEADQUARTERS USE.
Lobbying	CORPORATE PAYMENT SYSTEMS	44.70	CREDIT CARD CHARGES AND SERVICES FOR HEADQUARTERS USE.
Lobbying	CORPORATE PAYMENT SYSTEMS	109.73	CREDIT CARD CHARGES AND SERVICES FOR HEADQUARTERS USE.
Lobbying	CORPORATE PAYMENT SYSTEMS	564.59	CREDIT CARD CHARGES AND SERVICES FOR HEADQUARTERS USE.
Lobbying	CORPORATE PAYMENT SYSTEMS	148.94	CREDIT CARD CHARGES AND SERVICES FOR HEADQUARTERS USE.
Lobbying	KENTUCKY ASSOCIATION OF COOPS INC	846.00	FOR TRAINING, FEES AND MONTHLY BILLINGS MADE BY KAEC
Lobbying	CORPORATE PAYMENT SYSTEMS	43.75	CREDIT CARD CHARGES AND SERVICES FOR HEADQUARTERS USE.
Lobbying	CORPORATE PAYMENT SYSTEMS	26.97	CREDIT CARD CHARGES AND SERVICES FOR HEADQUARTERS USE.
Lobbying	CORPORATE PAYMENT SYSTEMS	318.28	CREDIT CARD CHARGES AND SERVICES FOR HEADQUARTERS USE.
Lobbying	CORPORATE PAYMENT SYSTEMS	198.01	CREDIT CARD CHARGES AND SERVICES FOR HEADQUARTERS USE.
Lobbying	CORPORATE PAYMENT SYSTEMS	54.50	CREDIT CARD CHARGES AND SERVICES FOR HEADQUARTERS USE.

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**Lobbying (continued) -**

Lobbying	CORPORATE PAYMENT SYSTEMS	1,073.09	CREDIT CARD CHARGES AND SERVICES FOR HEADQUARTERS USE.
Lobbying	CORPORATE PAYMENT SYSTEMS	53.00	CREDIT CARD CHARGES AND SERVICES FOR HEADQUARTERS USE.
Lobbying	CORPORATE PAYMENT SYSTEMS	62.51	CREDIT CARD CHARGES AND SERVICES FOR HEADQUARTERS USE.
Lobbying	CORPORATE PAYMENT SYSTEMS	389.23	CREDIT CARD CHARGES AND SERVICES FOR HEADQUARTERS USE.
Lobbying	CORPORATE PAYMENT SYSTEMS	438.48	CREDIT CARD CHARGES AND SERVICES FOR HEADQUARTERS USE.
Lobbying	CORPORATE PAYMENT SYSTEMS	48.70	CREDIT CARD CHARGES AND SERVICES FOR HEADQUARTERS USE.
Lobbying	CORPORATE PAYMENT SYSTEMS	312.22	CREDIT CARD CHARGES AND SERVICES FOR HEADQUARTERS USE.
Lobbying	CORPORATE PAYMENT SYSTEMS	660.74	CREDIT CARD CHARGES AND SERVICES FOR HEADQUARTERS USE.
Lobbying	CORPORATE PAYMENT SYSTEMS	363.39	CREDIT CARD CHARGES AND SERVICES FOR HEADQUARTERS USE.
Lobbying	CORPORATE PAYMENT SYSTEMS	1,844.96	CORP. PAYMENTS ACCRUAL
Lobbying	CORPORATE PAYMENT SYSTEMS	353.48	CORP. PAYMENTS ACCRUAL
Lobbying	CORPORATE PAYMENT SYSTEMS	19.73	CORP. PAYMENTS ACCRUAL

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**Lobbying (continued) -**

Lobbying	CORPORATE PAYMENT SYSTEMS	220.75	CORP. PAYMENTS ACCRUAL
Lobbying	CORPORATE PAYMENT SYSTEMS	23.98	CORP. PAYMENTS ACCRUAL
Lobbying	CORPORATE PAYMENT SYSTEMS	41.10	CORP. PAYMENTS ACCRUAL
Lobbying	INTERNAL LABOR COSTS	22,981.21	
<b>Total Lobbying</b>		<b><u>75,791.04</u></b>	

**Donations -**

Donations	COLLEGE FOUNDATION INC	1,000.00	Scholarship Program 2019-2020
Donations	DAVIESS CO. JUVENILE DRUG COURT	200.00	Donation
Donations	ROBARDS FIRE DEPARTMENT	1,000.00	DONATION
Donations	HENDERSON AREA ARTS ALLIANCE	1,000.00	DONATION 2019
Donations	LEWISPORT VOLUNTEER FIRE DEPARTMENT	50.00	DONATION 2019-GOLF INVITATIONAL TEAM - JUNE 17 2019 ACCT#767979
Donations	KENTUCKY CHAMBER	2,750.00	
Donations	WOLF CREEK FIRE DEPARTMENT	50.00	FIRE DUES
Donations	HENDERSON MUSIC PRESERVATION SOCIETY INC	1,250.00	W.C. Handy Blues Festival Donation
Donations	HENDERSON COUNTY 4-H COUNCIL	100.00	DONATION
Donations	CORPORATE PAYMENT SYSTEMS	260.96	CREDIT CARD CHARGES AND SERVICES FOR HEADQUARTERS USE
Donations	KENTUCKY CHAMBER	250.00	2019 GOLF INVITATIONAL 8 MULLIGAN
Donations	CROSSROADS INC	100.00	Donation
Donations	MEADE COUNTY RECC	1,000.00	FOR 2019 REIMBURSEMENTS TO THE COOP FOR GIS, ASSESSMENTS SOFTWARE HARDWARE
Donations	CITY OF LEWISPORT	250.00	Donation - toy give away
Donations	POW! PARTNERSHIP OF WOMEN	100.00	TABLE SPONSOR FOR ANNUAL POW DINNER
Donations	JUNIOR ACHIEVEMENT OF WESTERN KY INC	1,750.00	DONATION
Donations	NATIONAL FIRE SAFETY COUNCIL INC	75.00	SCHOOL FIRE PREVENTION PROGRAM
Donations	EARLINGTON FIRE DEPARTMENT	250.00	Christmas Donation

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**Donations (continued) -**

Donations	CFC	5,595.43	Record Cash Receipts/Donations
Donations	UNITED WAY OF HENDERSON COUNTY	30,021.30	CORPORATE DONATION
Donations	UNITED WAY OF THE OHIO VALLEY	43,296.01	UNITED WAY CORPORATE DONATION
<b>Total Donations</b>		<b><u>90,348.70</u></b>	
<b>Total 2019 Regulatory Exclusions Detail</b>		<b><u><u>491,730.68</u></u></b>	