

**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 Information Requests from the**  
**June 9, 2020 Hearing**

**June 12, 2020**

1 **Item 1)**     *Provide the balance in the Demand-Side Management (DSM)*  
2 *regulatory liability as of December 31, 2019.*

3

4 **Response)** The balance in the Demand-Side Management (DSM) regulatory  
5 liability is \$704,839.13 as of December 31, 2019.

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7

8 **Witness)**   Paul G. Smith

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1 Item 2) *Refer to the Settlement Testimony of Paul G. Smith, pages 6-8,*  
2 *which discuss the amount of margins represented by 0.10 Times Interest*  
3 *Earned Ratio (TIER). Using the assumptions contained in the Settlement*  
4 *Agreement and BREC's current financial forecast, provide the margin that*  
5 *equals 0.10 TIER for end of year 2020 for those margins both above and below*  
6 *1.30 TIER, and provide the projected margins that equal 0.10 TIER for each*  
7 *year between 2021 and 2026 for those margins both above and below 1.30*  
8 *TIER.*

9

10 **Response)** Following is the net margin that equates to a projected 0.10 TIER:

<b>Big Rivers Electric Corporation Net Margins Equating to 0.10 TIER (\$ Millions)</b>							
	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>
Each 0.10 TIER							

11

12 The net margins that equate to a 0.10 TIER are equal to 0.1 times each year's interest  
13 expense, and as such, fluctuate each year, depending upon the interest expense for

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1 that year. The lower the interest expense, the lower the amount of net margins that  
2 equate to a 0.10 TIER.

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4

5 **Witness)** Paul G. Smith

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1 **Item 3)**     *Refer to BREC’s response to the Attorney General’s Initial Data*  
2 *Request, Item 62(a) and the associated confidential attachment. Provide the*  
3 *attachment with each cost column properly identified.*

4

5 **Response)** Please see the **CONFIDENTIAL** attachment provided with this  
6 response.

7

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9 **Witness)**   Michael T. Pullen

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