

ORIGINAL



Your Touchstone Energy® Cooperative 

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

In the Matter of:

**ELECTRONIC EXAMINATION BY THE)
PUBLIC SERVICE COMMISSION OF THE)
ENVIRONMENTAL SURCHARGE MECHANISM)
OF BIG RIVERS ELECTRIC CORPORATION)
FOR THE TWO-YEAR BILLING PERIOD)
ENDING JULY 31, 2019,)
AND THE PASS THROUGH MECHANISM OF)
ITS THREE MEMBER DISTRIBUTION)
COOPERATIVES)**

**Case No.
2020-00144**

**Responses to Commission Staff's
First Request for Information
dated May 5, 2020**

FILED: June 5, 2020

ORIGINAL

BIG RIVERS ELECTRIC CORPORATION

**ELECTRONIC EXAMINATION BY THE PUBLIC SERVICE COMMISSION
OF THE ENVIRONMENTAL SURCHARGE MECHANISM OF
BIG RIVERS ELECTRIC CORPORATION
FOR THE TWO-YEAR BILLING PERIOD ENDING JULY 31, 2019,
AND THE PASS THROUGH MECHANISM OF ITS
THREE MEMBER DISTRIBUTION COOPERATIVES
CASE NO. 2020-00144**

VERIFICATION

I, Nicholas R. ("Nick") Castlen, verify, state, and affirm that the responses to information requests 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.

Nick Castlen

Nicholas R. ("Nick") Castlen

COMMONWEALTH OF KENTUCKY)
COUNTY OF HENDERSON)

SUBSCRIBED AND SWORN TO before me by Nicholas R. ("Nick") Castlen on this the 5th day of June, 2020.

Joy P. Parsley

Notary Public, Kentucky State at Large

My Commission Expires _____

Notary Public, Kentucky State-At-Large

Notary Public, Kentucky State-At-Large

My Commission Expires: July 10, 2022

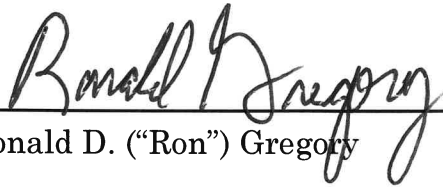
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BIG RIVERS ELECTRIC CORPORATION

**ELECTRONIC EXAMINATION BY THE PUBLIC SERVICE COMMISSION
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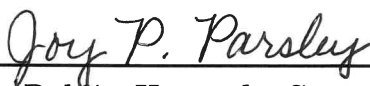
I, Ronald D. ("Ron") Gregory, verify, state, and affirm that the responses to information requests filed with this verification for which I am listed as a witness are true and accurate to the best of my knowledge, information, and belief formed after a reasonable inquiry.



Ronald D. ("Ron") Gregory

COMMONWEALTH OF KENTUCKY)
COUNTY OF HENDERSON)

SUBSCRIBED AND SWORN TO before me by Ronald D. ("Ron") Gregory on this the 5th day of June, 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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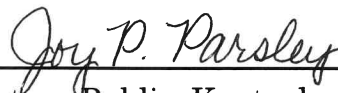
I, Roger D. Hickman, verify, state, and affirm that the responses to information requests filed with this verification for which I am listed as a witness are true and accurate to the best of my knowledge, information, and belief formed after a reasonable inquiry.



Roger D. Hickman

COMMONWEALTH OF KENTUCKY)
COUNTY OF HENDERSON)

5th SUBSCRIBED AND SWORN TO before me by Roger D. Hickman on this the
day of June, 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 EXAMINATION BY THE PUBLIC SERVICE COMMISSION
OF THE ENVIRONMENTAL SURCHARGE MECHANISM OF
BIG RIVERS ELECTRIC CORPORATION FOR
THE TWO-YEAR BILLING PERIOD ENDING JULY 31, 2019, AND
THE PASSTHROUGH MECHANISM OF ITS THREE MEMBER
DISTRIBUTION COOPERATIVES
CASE NO. 2020-00144**

**Response to Commission Staff's
First Request for Information
dated May 5, 2020**

June 5, 2020

1 Item 1) *This request is addressed to BREC. Prepare a summary*
2 *schedule showing the calculation of E(m) and the surcharge factor for the*
3 *expense months covered by the billing periods under review. Form 1.1 can*
4 *be used as a model for this summary. Include the expense months for the*
5 *two expense months subsequent to the billing period in order to show the*
6 *over- and under-recovery adjustments for the months included for the*
7 *billing periods. Include a calculation of any additional over- or under-*
8 *recovery amount BREC believes needs to be recognized for the six-month*
9 *and two-year reviews. Provide all supporting calculations and*
10 *documentation in Excel spreadsheet format with formulas intact and*
11 *unprotected and all rows and columns fully accessible.*

12

13 **Response)** Please see the attached schedule, in the format of Form 1.10, covering
14 each of the expense months from June 2017 through July 2019 (*i.e.*, the expense

BIG RIVERS ELECTRIC CORPORATION

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**Response to Commission Staff's
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June 5, 2020

1 months covered by the billing period under review plus the two expense months
2 subsequent to the billing period).

3 The schedule and all supporting calculations and documentation are also
4 provided in Excel spreadsheet format, with formulas intact and unprotected and all
5 rows and columns fully accessible, in a separate Excel file as part of the electronic
6 filing *and* on a CD accompanying these responses in the paper copy provided
7 pursuant to 807 KAR 5:001 §8(12)(a)2.

8 No additional over- or under-recovery is being requested by Big Rivers for
9 the billing period under review.

10

11

12 **Witness)** Nicholas R. Castlen

13

Big Rivers Electric Corporation

Case No. 2020-00144

Calculation of Total E(m) and Calculation of Jurisdictional Environmental Surcharge Billing Factor

For the Expense Months: June 2017 to July 2019

1	Calculation of Total E(m)			
2	E(m) = OE - BAS + RORB, where			
3	OE	=	Pollution Control Operating Expenses	
4	BAS	=	Total Proceeds from By-Product and Allowance Sales	
5	RORB	=	[(RB/12) x (RORORB)]	
6			June 2017	July 2017
7	OE	= \$	2,497,522	= \$ 2,387,138
8	BAS	= \$	-	= \$ -
9	RORB	= \$	149,049	= \$ 147,908
10	E(m)	= \$	2,646,571	= \$ 2,535,046
11	Calculation of Jurisdictional Environmental Surcharge Billing Factor			
12	Calculation of Jurisdictional Environmental Surcharge Billing Factor			
13	Member System Allocation Ratio for the Month (Form 3.00)	=	73.130293%	= 68.791702%
14	Subtotal E(m) = Subtotal E(m) x Member System Allocation Ratio	= \$	1,935,445	= \$ 1,743,901
15	Adjustment for (Over)/Under Recovery, as applicable (Form 2.00)	= \$	104,686	= \$ (112,231)
16	Prior Period Adjustment	= \$	-	= \$ -
17	E(m) = Subtotal E(m) plus (Over)/Under Recovery plus Prior Period Adjustment	= \$	2,040,131	= \$ 1,631,670
18	R(m) = Average Monthly Member System Revenue for the 12 Months Ending with			
19	the Current Expense Month (Form 3.00)	= \$	18,759,664	= \$ 18,970,063
20	CESF: E(m) / R(m); as a % of Revenue	=	10.875093%	= 8.601289%
21	Calculation of Total E(m)			
22	E(m) = OE - BAS + RORB, where			
23	OE	=	Pollution Control Operating Expenses	
24	BAS	=	Total Proceeds from By-Product and Allowance Sales	
25	RORB	=	[(RB/12) x (RORORB)]	
26			August 2017	September 2017
27	OE	= \$	1,650,502	= \$ 2,240,221
28	BAS	= \$	-	= \$ -
29	RORB	= \$	148,015	= \$ 148,237
30	E(m)	= \$	1,798,517	= \$ 2,388,458
31	Calculation of Jurisdictional Environmental Surcharge Billing Factor			
32	Calculation of Jurisdictional Environmental Surcharge Billing Factor			
33	Member System Allocation Ratio for the Month (Form 3.00)	=	71.438476%	= 70.700380%
34	Subtotal E(m) = Subtotal E(m) x Member System Allocation Ratio	= \$	1,284,833	= \$ 1,688,649
35	Adjustment for (Over)/Under Recovery, as applicable (Form 2.00)	= \$	(412,314)	= \$ (146,896)
36	Prior Period Adjustment	= \$	-	= \$ -
37	E(m) = Subtotal E(m) plus (Over)/Under Recovery plus Prior Period Adjustment	= \$	872,519	= \$ 1,541,753
38	R(m) = Average Monthly Member System Revenue for the 12 Months Ending with			
39	the Current Expense Month (Form 3.00)	= \$	19,016,324	= \$ 18,923,281
39	CESF: E(m) / R(m); as a % of Revenue	=	4.588263%	= 8.147387%

Big Rivers Electric Corporation

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Calculation of Total E(m) and Calculation of Jurisdictional Environmental Surcharge Billing Factor

For the Expense Months: June 2017 to July 2019

1	Calculation of Total E(m)			
2	E(m) = OE - BAS + RORB, where			
3	OE	=	Pollution Control Operating Expenses	
4	BAS	=	Total Proceeds from By-Product and Allowance Sales	
5	RORB	=	[(RB/12) x (RORORB)]	
6			October 2017	November 2017
7	OE	= \$	2,479,816	= \$ 2,377,315
8	BAS	= \$	-	= \$ -
9	RORB	= \$	146,969	= \$ 147,248
10	E(m)	= \$	2,626,785	= \$ 2,524,563
11	Calculation of Jurisdictional Environmental Surcharge Billing Factor			
12	Calculation of Jurisdictional Environmental Surcharge Billing Factor			
13	Member System Allocation Ratio for the Month (Form 3.00)	=	60.704496%	= 64.656917%
14	Subtotal E(m) = Subtotal E(m) x Member System Allocation Ratio	= \$	1,594,577	= \$ 1,632,305
15	Adjustment for (Over)/Under Recovery, as applicable (Form 2.00)	= \$	377	= \$ 147,903
16	Prior Period Adjustment	= \$	-	= \$ -
17	E(m) = Subtotal E(m) plus (Over)/Under Recovery plus Prior Period Adjustment	= \$	1,594,954	= \$ 1,780,208
18	R(m) = Average Monthly Member System Revenue for the 12 Months Ending with			
19	the Current Expense Month (Form 3.00)	= \$	19,005,182	= \$ 19,047,334
20	CESF: E(m) / R(m); as a % of Revenue	=	8.392206%	= 9.346232%
21	Calculation of Total E(m)			
22	E(m) = OE - BAS + RORB, where			
23	OE	=	Pollution Control Operating Expenses	
24	BAS	=	Total Proceeds from By-Product and Allowance Sales	
25	RORB	=	[(RB/12) x (RORORB)]	
26			December 2017	January 2018
27	OE	= \$	2,158,740	= \$ 2,594,076
28	BAS	= \$	-	= \$ -
29	RORB	= \$	146,030	= \$ 145,857
30	E(m)	= \$	2,304,770	= \$ 2,739,933
31	Calculation of Jurisdictional Environmental Surcharge Billing Factor			
32	Calculation of Jurisdictional Environmental Surcharge Billing Factor			
33	Member System Allocation Ratio for the Month (Form 3.00)	=	68.059737%	= 71.573300%
34	Subtotal E(m) = Subtotal E(m) x Member System Allocation Ratio	= \$	1,568,620	= \$ 1,961,060
35	Adjustment for (Over)/Under Recovery, as applicable (Form 2.00)	= \$	87,603	= \$ (237,713)
36	Prior Period Adjustment	= \$	-	= \$ -
37	E(m) = Subtotal E(m) plus (Over)/Under Recovery plus Prior Period Adjustment	= \$	1,656,223	= \$ 1,723,347
38	R(m) = Average Monthly Member System Revenue for the 12 Months Ending with			
39	the Current Expense Month (Form 3.00)	= \$	19,070,246	= \$ 19,336,142
39	CESF: E(m) / R(m); as a % of Revenue	=	8.684854%	= 8.912569%

Big Rivers Electric Corporation

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Calculation of Total E(m) and Calculation of Jurisdictional Environmental Surcharge Billing Factor

For the Expense Months: June 2017 to July 2019

1	Calculation of Total E(m)			
2	E(m) = OE - BAS + RORB, where			
3	OE	=	Pollution Control Operating Expenses	
4	BAS	=	Total Proceeds from By-Product and Allowance Sales	
5	RORB	=	[(RB/12) x (RORORB)]	
6			February 2018	March 2018
7	OE	= \$	2,227,350	= \$ 2,347,351
8	BAS	= \$	-	= \$ -
9	RORB	= \$	148,600	= \$ 145,824
10	E(m)	= \$	2,375,950	= \$ 2,493,175
11				
12	Calculation of Jurisdictional Environmental Surcharge Billing Factor			
13	Member System Allocation Ratio for the Month (Form 3.00)	=	73.447352%	= 67.029119%
14	Subtotal E(m) = Subtotal E(m) x Member System Allocation Ratio	= \$	1,745,072	= \$ 1,671,153
15	Adjustment for (Over)/Under Recovery, as applicable (Form 2.00)	= \$	(470,106)	= \$ (5,151)
16	Prior Period Adjustment	= \$	(22,348)	= \$ -
17	E(m) = Subtotal E(m) plus (Over)/Under Recovery plus Prior Period Adjustment	= \$	1,252,618	= \$ 1,666,002
18	R(m) = Average Monthly Member System Revenue for the 12 Months Ending with			
19	the Current Expense Month (Form 3.00)	= \$	19,477,512	= \$ 19,529,283
20	CESF: E(m) / R(m); as a % of Revenue	=	6.431099%	= 8.530789%
21				
22	Calculation of Total E(m)			
23	E(m) = OE - BAS + RORB, where			
24	OE	=	Pollution Control Operating Expenses	
25	BAS	=	Total Proceeds from By-Product and Allowance Sales	
26	RORB	=	[(RB/12) x (RORORB)]	
27			April 2018	May 2018
28	OE	= \$	2,588,671	= \$ 2,512,840
29	BAS	= \$	-	= \$ 55
30	RORB	= \$	156,343	= \$ 139,960
31	E(m)	= \$	2,745,014	= \$ 2,652,745
32	Calculation of Jurisdictional Environmental Surcharge Billing Factor			
33	Member System Allocation Ratio for the Month (Form 3.00)	=	57.550201%	= 61.140634%
34	Subtotal E(m) = Subtotal E(m) x Member System Allocation Ratio	= \$	1,579,761	= \$ 1,621,905
35	Adjustment for (Over)/Under Recovery, as applicable (Form 2.00)	= \$	19,104	= \$ 243,026
36	Prior Period Adjustment	= \$	-	= \$ -
37	E(m) = Subtotal E(m) plus (Over)/Under Recovery plus Prior Period Adjustment	= \$	1,598,865	= \$ 1,864,931
38	R(m) = Average Monthly Member System Revenue for the 12 Months Ending with			
39	the Current Expense Month (Form 3.00)	= \$	19,635,004	= \$ 19,797,192
	CESF: E(m) / R(m); as a % of Revenue	=	8.142932%	= 9.420179%

Big Rivers Electric Corporation

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Calculation of Total E(m) and Calculation of Jurisdictional Environmental Surcharge Billing Factor

For the Expense Months: June 2017 to July 2019

1	Calculation of Total E(m)			
2	E(m) = OE - BAS + RORB, where			
3	OE	=	Pollution Control Operating Expenses	
4	BAS	=	Total Proceeds from By-Product and Allowance Sales	
5	RORB	=	[(RB/12) x (RORORB)]	
6			June 2018	July 2018
7	OE	= \$	2,403,777	= \$ 2,613,989
8	BAS	= \$	-	= \$ -
9	RORB	= \$	141,156	= \$ 139,913
10	E(m)	= \$	2,544,933	= \$ 2,753,902
11	Calculation of Jurisdictional Environmental Surcharge Billing Factor			
12	Calculation of Jurisdictional Environmental Surcharge Billing Factor			
13	Member System Allocation Ratio for the Month (Form 3.00)	=	65.338420%	= 74.798009%
14	Subtotal E(m) = Subtotal E(m) x Member System Allocation Ratio	= \$	1,662,819	= \$ 2,059,864
15	Adjustment for (Over)/Under Recovery, as applicable (Form 2.00)	= \$	42,297	= \$ (126,147)
16	Prior Period Adjustment	= \$	-	= \$ -
17	E(m) = Subtotal E(m) plus (Over)/Under Recovery plus Prior Period Adjustment	= \$	1,705,116	= \$ 1,933,717
18	R(m) = Average Monthly Member System Revenue for the 12 Months Ending with			
19	the Current Expense Month (Form 3.00)	= \$	19,907,246	= \$ 19,892,355
20	CESF: E(m) / R(m); as a % of Revenue	=	8.565303%	= 9.720905%
21	Calculation of Total E(m)			
22	E(m) = OE - BAS + RORB, where			
23	OE	=	Pollution Control Operating Expenses	
24	BAS	=	Total Proceeds from By-Product and Allowance Sales	
25	RORB	=	[(RB/12) x (RORORB)]	
26			August 2018	September 2018
27	OE	= \$	2,256,184	= \$ 2,992,606
28	BAS	= \$	-	= \$ -
29	RORB	= \$	139,848	= \$ 140,007
30	E(m)	= \$	2,396,032	= \$ 3,132,613
31	Calculation of Jurisdictional Environmental Surcharge Billing Factor			
32	Calculation of Jurisdictional Environmental Surcharge Billing Factor			
33	Member System Allocation Ratio for the Month (Form 3.00)	=	65.243081%	= 66.785895%
34	Subtotal E(m) = Subtotal E(m) x Member System Allocation Ratio	= \$	1,563,245	= \$ 2,092,144
35	Adjustment for (Over)/Under Recovery, as applicable (Form 2.00)	= \$	(211,141)	= \$ (155,637)
36	Prior Period Adjustment	= \$	-	= \$ -
37	E(m) = Subtotal E(m) plus (Over)/Under Recovery plus Prior Period Adjustment	= \$	1,352,104	= \$ 1,936,507
38	R(m) = Average Monthly Member System Revenue for the 12 Months Ending with			
39	the Current Expense Month (Form 3.00)	= \$	19,960,314	= \$ 20,053,360
39	CESF: E(m) / R(m); as a % of Revenue	=	6.773962%	= 9.656771%

Big Rivers Electric Corporation

Case No. 2020-00144

Calculation of Total E(m) and Calculation of Jurisdictional Environmental Surcharge Billing Factor

For the Expense Months: June 2017 to July 2019

1	Calculation of Total E(m)			
2	E(m) = OE - BAS + RORB, where			
3	OE	=	Pollution Control Operating Expenses	
4	BAS	=	Total Proceeds from By-Product and Allowance Sales	
5	RORB	=	[(RB/12) x (RORORB)]	
6			October 2018	November 2018
7	OE	= \$	2,374,347	= \$ 2,238,403
8	BAS	= \$	-	= \$ -
9	RORB	= \$	138,789	= \$ 140,006
10	E(m)	= \$	2,513,136	= \$ 2,378,409
11	Calculation of Jurisdictional Environmental Surcharge Billing Factor			
12	Calculation of Jurisdictional Environmental Surcharge Billing Factor			
13	Member System Allocation Ratio for the Month (Form 3.00)	=	78.166219%	= 86.366931%
14	Subtotal E(m) = Subtotal E(m) x Member System Allocation Ratio	= \$	1,964,423	= \$ 2,054,159
15	Adjustment for (Over)/Under Recovery, as applicable (Form 2.00)	= \$	(11,133)	= \$ 155,732
16	Prior Period Adjustment	= \$	-	= \$ -
17	E(m) = Subtotal E(m) plus (Over)/Under Recovery plus Prior Period Adjustment	= \$	1,953,290	= \$ 2,209,891
18	R(m) = Average Monthly Member System Revenue for the 12 Months Ending with			
19	the Current Expense Month (Form 3.00)	= \$	20,164,423	= \$ 20,326,356
20	CESF: E(m) / R(m); as a % of Revenue	=	9.686813%	= 10.872047%
21	Calculation of Total E(m)			
22	E(m) = OE - BAS + RORB, where			
23	OE	=	Pollution Control Operating Expenses	
24	BAS	=	Total Proceeds from By-Product and Allowance Sales	
25	RORB	=	[(RB/12) x (RORORB)]	
26			December 2018	January 2019
27	OE	= \$	2,363,027	= \$ 2,489,408
28	BAS	= \$	-	= \$ -
29	RORB	= \$	138,543	= \$ 138,362
30	E(m)	= \$	2,501,570	= \$ 2,627,770
31	Calculation of Jurisdictional Environmental Surcharge Billing Factor			
32	Calculation of Jurisdictional Environmental Surcharge Billing Factor			
33	Member System Allocation Ratio for the Month (Form 3.00)	=	87.373318%	= 71.549443%
34	Subtotal E(m) = Subtotal E(m) x Member System Allocation Ratio	= \$	2,185,705	= \$ 1,880,155
35	Adjustment for (Over)/Under Recovery, as applicable (Form 2.00)	= \$	25,177	= \$ 44,491
36	Prior Period Adjustment	= \$	-	= \$ -
37	E(m) = Subtotal E(m) plus (Over)/Under Recovery plus Prior Period Adjustment	= \$	2,210,882	= \$ 1,924,646
38	R(m) = Average Monthly Member System Revenue for the 12 Months Ending with			
39	the Current Expense Month (Form 3.00)	= \$	20,186,889	= \$ 20,027,502
39	CESF: E(m) / R(m); as a % of Revenue	=	10.952069%	= 9.610015%

Big Rivers Electric Corporation

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Calculation of Total E(m) and Calculation of Jurisdictional Environmental Surcharge Billing Factor

For the Expense Months: June 2017 to July 2019

1	Calculation of Total E(m)			
2	E(m) = OE - BAS + RORB, where			
3	OE	=	Pollution Control Operating Expenses	
4	BAS	=	Total Proceeds from By-Product and Allowance Sales	
5	RORB	=	[(RB/12) x (RORORB)]	
6			February 2019	March 2019
7	OE	= \$	2,773,791	= \$ 2,196,497
8	BAS	= \$	-	= \$ -
9	RORB	= \$	139,961	= \$ 137,562
10	E(m)	= \$	2,913,752	= \$ 2,334,059
11				
12	Calculation of Jurisdictional Environmental Surcharge Billing Factor			
13	Member System Allocation Ratio for the Month (Form 3.00)	=	62.984480%	= 68.221493%
14	Subtotal E(m) = Subtotal E(m) x Member System Allocation Ratio	= \$	1,835,212	= \$ 1,592,330
15	Adjustment for (Over)/Under Recovery, as applicable (Form 2.00)	= \$	(261,060)	= \$ 137,280
16	Prior Period Adjustment	= \$	-	= \$ -
17	E(m) = Subtotal E(m) plus (Over)/Under Recovery plus Prior Period Adjustment	= \$	1,574,152	= \$ 1,729,610
18	R(m) = Average Monthly Member System Revenue for the 12 Months Ending with the Current Expense Month (Form 3.00)	= \$	19,961,257	= \$ 20,011,810
19	CESF: E(m) / R(m); as a % of Revenue	=	7.886036%	= 8.642946%
20				
21	Calculation of Total E(m)			
22	E(m) = OE - BAS + RORB, where			
23	OE	=	Pollution Control Operating Expenses	
24	BAS	=	Total Proceeds from By-Product and Allowance Sales	
25	RORB	=	[(RB/12) x (RORORB)]	
26			April 2019	May 2019
27	OE	= \$	2,111,592	= \$ 2,309,613
28	BAS	= \$	-	= \$ 52
29	RORB	= \$	138,262	= \$ 136,762
30	E(m)	= \$	2,249,854	= \$ 2,446,323
31				
32	Calculation of Jurisdictional Environmental Surcharge Billing Factor			
33	Member System Allocation Ratio for the Month (Form 3.00)	=	65.594124%	= 65.146187%
34	Subtotal E(m) = Subtotal E(m) x Member System Allocation Ratio	= \$	1,475,772	= \$ 1,593,686
35	Adjustment for (Over)/Under Recovery, as applicable (Form 2.00)	= \$	13,735	= \$ 385,879
36	Prior Period Adjustment	= \$	-	= \$ -
37	E(m) = Subtotal E(m) plus (Over)/Under Recovery plus Prior Period Adjustment	= \$	1,489,507	= \$ 1,979,565
38	R(m) = Average Monthly Member System Revenue for the 12 Months Ending with the Current Expense Month (Form 3.00)	= \$	19,917,365	= \$ 19,840,395
39	CESF: E(m) / R(m); as a % of Revenue	=	7.478434%	= 9.977448%

Big Rivers Electric Corporation

Case No. 2020-00144

Calculation of Total E(m) and Calculation of Jurisdictional Environmental Surcharge Billing Factor

For the Expense Months: June 2017 to July 2019

1	Calculation of Total E(m)			
2	E(m) = OE - BAS + RORB, where			
3	OE	=	Pollution Control Operating Expenses	
4	BAS	=	Total Proceeds from By-Product and Allowance Sales	
5	RORB	=	[(RB/12) x (RORORB)]	
6			June 2019	July 2019
7	OE	= \$	2,345,967	= \$ 2,493,629
8	BAS	= \$	-	= \$ -
9	RORB	= \$	137,591	= \$ 136,549
10	E(m)	= \$	2,483,558	= \$ 2,630,178
11	Calculation of Jurisdictional Environmental Surcharge Billing Factor			
12	Calculation of Jurisdictional Environmental Surcharge Billing Factor			
13	Member System Allocation Ratio for the Month (Form 3.00)	=	65.283658%	= 67.894324%
14	Subtotal E(m) = Subtotal E(m) x Member System Allocation Ratio	= \$	1,621,358	= \$ 1,785,742
15	Adjustment for (Over)/Under Recovery, as applicable (Form 2.00)	= \$	129,035	= \$ 50,436
16	Prior Period Adjustment	= \$	-	= \$ -
17	E(m) = Subtotal E(m) plus (Over)/Under Recovery plus Prior Period Adjustment	= \$	1,750,393	= \$ 1,836,178
18	R(m) = Average Monthly Member System Revenue for the 12 Months Ending with the Current Expense Month (Form 3.00)	= \$	19,690,277	= \$ 19,608,018
19	CESF: E(m) / R(m); as a % of Revenue	=	8.889631%	= 9.364424%

BIG RIVERS ELECTRIC CORPORATION

**ELECTRONIC EXAMINATION BY THE PUBLIC SERVICE COMMISSION
OF THE ENVIRONMENTAL SURCHARGE MECHANISM OF
BIG RIVERS ELECTRIC CORPORATION FOR
THE TWO-YEAR BILLING PERIOD ENDING JULY 31, 2019, AND
THE PASSTHROUGH MECHANISM OF ITS THREE MEMBER
DISTRIBUTION COOPERATIVES
CASE NO. 2020-00144**

**Response to Commission Staff's
First Request for Information
dated May 5, 2020**

June 5, 2020

1 **Item 2)** *This request is addressed to the Member Cooperatives. For each*
2 *of the Member Cooperatives, prepare a summary schedule showing the*
3 *Member Cooperative's pass-through revenue requirement for the months*
4 *corresponding with the billing period under review. Include the two*
5 *months subsequent to the billing period included in the review periods.*
6 *Include a calculation of any additional over- or under-recovery amount the*
7 *Member Cooperative believes needs to be recognized for the six-month and*
8 *two-year reviews. Provide all supporting calculations and documentation*
9 *in Excel spreadsheet format with formulas intact and unprotected and all*
10 *rows and columns fully accessible.*

11

12 **Response)** The following five schedules listed below, and attached to this
13 response, reflect the Member Cooperatives' environmental surcharge pass-through
14 revenue requirements for the months corresponding with Big Rivers' expense
15 months of June 2017 through July 2019, applied to Big Rivers' Members' invoices

BIG RIVERS ELECTRIC CORPORATION

**ELECTRONIC EXAMINATION BY THE PUBLIC SERVICE COMMISSION
OF THE ENVIRONMENTAL SURCHARGE MECHANISM OF
BIG RIVERS ELECTRIC CORPORATION FOR
THE TWO-YEAR BILLING PERIOD ENDING JULY 31, 2019, AND
THE PASSTHROUGH MECHANISM OF ITS THREE MEMBER
DISTRIBUTION COOPERATIVES
CASE NO. 2020-00144**

**Response to Commission Staff's
First Request for Information
dated May 5, 2020**

June 5, 2020

1 for the service months of July 2017 through August 2019, which Big Rivers billed
2 to its Members during the months of August 2017 through September 2019 (*i.e.*, the
3 months corresponding with the two-year review plus the two subsequent months).

4

- 5 • Attachment 1 – Jackson Purchase Energy Corporation Non-Dedicated
6 Delivery Point Customers;
- 7 • Attachment 2 – Kenergy Corp. Non-Dedicated Delivery Point Customers;
- 8 • Attachment 3 – Meade County Rural Electric Cooperative Corporation Non-
9 Dedicated Delivery Point Customers;
- 10 • Attachment 4 – Jackson Purchase Energy Corporation Dedicated Delivery
11 Point Customers; and
- 12 • Attachment 5 – Kenergy Corp. Dedicated Delivery Point Customers.

13

14 Note: Meade County Rural Electric Cooperative Corporation has no dedicated
15 delivery point customers.

BIG RIVERS ELECTRIC CORPORATION

**ELECTRONIC EXAMINATION BY THE PUBLIC SERVICE COMMISSION
OF THE ENVIRONMENTAL SURCHARGE MECHANISM OF
BIG RIVERS ELECTRIC CORPORATION FOR
THE TWO-YEAR BILLING PERIOD ENDING JULY 31, 2019, AND
THE PASSTHROUGH MECHANISM OF ITS THREE MEMBER
DISTRIBUTION COOPERATIVES
CASE NO. 2020-00144**

**Response to Commission Staff's
First Request for Information
dated May 5, 2020**

June 5, 2020

1 As illustrated in the attached schedules, there is a one-month billing lag for
2 the Members' non-dedicated delivery point customers and no billing lag for the
3 Members' dedicated delivery point customers.

4 The information in the attached schedules was obtained from the Members'
5 monthly Environmental Surcharge Schedules provided by Big Rivers' Members.
6 Other than the on-going cumulative over-/under-recovery mechanism, no additional
7 over-/under-recovery amounts are being requested by the Members for the billing
8 period under review.

9 All schedules, supporting calculations, and documentation are provided in
10 Excel spreadsheet format, with all cells and formulas intact and unprotected, in a
11 separate Excel file as part of the electronic filing *and* on a CD accompanying these
12 responses in the paper copy provided pursuant to 807 KAR 5:001 §8(12)(a)2.

13

14

15 **Witness)** Nicholas R. Castlen

Big Rivers Electric Corporation
Case No. 2020-00144
Two-Year Environmental Surcharge Review

JACKSON PURCHASE ENERGY CORPORATION (JPEC)										
NON-DEDICATED DELIVERY POINT CUSTOMERS										
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	
Big Rivers' Expense Month	Big Rivers' ES Factor Based on Expense Month	Big Rivers' Service Month	Month Billed by Big Rivers	Big Rivers' Invoice ES Amount for the Service Month	Month Billed by JPEC	ES Amount Billed to JPEC's Customers (Line 11 per Filing)	JPEC's (Over)/Under Recovery [from (j)]	JPEC's Total Recoverable [(e) + (h)]	JPEC's (Over)/Under Recovery [(i) for 3rd preceding month less (g) for current month]	
8	Jun-17	10.875093%	Jul-17	Aug-17	\$ 579,585.24	Sep-17	\$ 414,021.18	\$ (81,697.22)	\$ 497,888.02	\$ (81,697.22)
9	Jul-17	8.601289%	Aug-17	Sep-17	\$ 401,720.58	Oct-17	\$ 404,567.69	\$ (105,053.49)	\$ 296,667.09	\$ (105,053.49)
10	Aug-17	4.588263%	Sep-17	Oct-17	\$ 190,989.90	Nov-17	\$ 500,928.02	\$ (45,923.62)	\$ 145,066.28	\$ (45,923.62)
11	Sep-17	8.147387%	Oct-17	Nov-17	\$ 283,083.86	Dec-17	\$ 385,929.36	\$ 111,958.66	\$ 395,042.52	\$ 111,958.66
12	Oct-17	8.392206%	Nov-17	Dec-17	\$ 306,514.35	Jan-18	\$ 254,646.28	\$ 42,020.81	\$ 348,535.16	\$ 42,020.81
13	Nov-17	9.346232%	Dec-17	Jan-18	\$ 438,370.51	Feb-18	\$ 122,079.41	\$ 22,986.87	\$ 461,357.38	\$ 22,986.87
14	Dec-17	8.684854%	Jan-18	Feb-18	\$ 464,677.15	Mar-18	\$ 440,509.00	\$ (45,466.48)	\$ 419,210.67	\$ (45,466.48)
15	Jan-18	8.912569%	Feb-18	Mar-18	\$ 362,494.38	Apr-18	\$ 535,576.57	\$ (187,041.41)	\$ 175,452.97	\$ (187,041.41)
16	Feb-18	6.431099%	Mar-18	Apr-18	\$ 242,231.37	May-18	\$ 451,786.60	\$ 9,570.78	\$ 251,802.15	\$ 9,570.78
17	Mar-18	8.530789%	Apr-18	May-18	\$ 278,445.89	Jun-18	\$ 293,705.95	\$ 125,504.72	\$ 403,950.61	\$ 125,504.72
18	Apr-18	8.142932%	May-18	Jun-18	\$ 336,732.70	Jul-18	\$ 162,863.39	\$ 12,589.58	\$ 349,322.28	\$ 12,589.58
19	May-18	9.420179%	Jun-18	Jul-18	\$ 446,625.86	Aug-18	\$ 233,566.62	\$ 18,235.53	\$ 464,861.39	\$ 18,235.53
20	Jun-18	8.565303%	Jul-18	Aug-18	\$ 439,516.08	Sep-18	\$ 517,934.03	\$ (113,983.42)	\$ 325,532.66	\$ (113,983.42)
21	Jul-18	9.720905%	Aug-18	Sep-18	\$ 461,234.75	Oct-18	\$ 464,720.77	\$ (115,398.49)	\$ 345,836.26	\$ (115,398.49)
22	Aug-18	6.773962%	Sep-18	Oct-18	\$ 298,073.62	Nov-18	\$ 472,321.28	\$ (7,459.89)	\$ 290,613.73	\$ (7,459.89)
23	Sep-18	9.656771%	Oct-18	Nov-18	\$ 369,178.30	Dec-18	\$ 283,651.00	\$ 41,881.66	\$ 411,059.96	\$ 41,881.66
24	Oct-18	9.686813%	Nov-18	Dec-18	\$ 391,919.34	Jan-19	\$ 302,808.98	\$ 43,027.28	\$ 434,946.62	\$ 43,027.28
25	Nov-18	10.872047%	Dec-18	Jan-19	\$ 449,389.71	Feb-19	\$ 233,972.52	\$ 56,641.21	\$ 506,030.92	\$ 56,641.21
26	Dec-18	10.952069%	Jan-19	Feb-19	\$ 503,242.71	Mar-19	\$ 490,283.27	\$ (79,223.31)	\$ 424,019.40	\$ (79,223.31)
27	Jan-19	9.610015%	Feb-19	Mar-19	\$ 364,772.34	Apr-19	\$ 481,713.31	\$ (46,766.69)	\$ 318,005.65	\$ (46,766.69)
28	Feb-19	7.886036%	Mar-19	Apr-19	\$ 308,687.08	May-19	\$ 499,322.58	\$ 6,708.34	\$ 315,395.42	\$ 6,708.34
29	Mar-19	8.642946%	Apr-19	May-19	\$ 260,319.05	Jun-19	\$ 344,988.18	\$ 79,031.22	\$ 339,350.27	\$ 79,031.22
30	Apr-19	7.478434%	May-19	Jun-19	\$ 289,858.08	Jul-19	\$ 287,521.61	\$ 30,484.04	\$ 320,342.12	\$ 30,484.04
31	May-19	9.977448%	Jun-19	Jul-19	\$ 416,946.82	Aug-19	\$ 267,074.96	\$ 48,320.46	\$ 465,267.28	\$ 48,320.46
32	Jun-19	8.889631%	Jul-19	Aug-19	\$ 422,951.33	Sep-19	\$ 420,719.00	\$ (81,368.73)	\$ 341,582.60	\$ (81,368.73)
33	Jul-19	9.364424%	Aug-19	Sep-19	\$ 449,700.33	Oct-19	\$ 397,450.41	\$ (77,108.29)	\$ 372,592.04	\$ (77,108.29)

Case No. 2020-00144

Attachment 1 of 5 for Response to Staff Item 2

Witness: Nicholas R. Castlen

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Big Rivers Electric Corporation
Case No. 2020-00144
Two-Year Environmental Surcharge Review

KENERGY CORP.										
NON-DEDICATED DELIVERY POINT CUSTOMERS										
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	
Big Rivers' Expense Month	Big Rivers' ES Factor Based on Expense Month	Big Rivers' Service Month	Month Billed by Big Rivers	Big Rivers' Invoice ES Amount for the Service Month	Month Billed by Kenergy	ES Amount Billed to Kenergy's Customers (Line 11 per Filing)	Kenergy's (Over)/Under Recovery [from (j)]	Kenergy's Total Recoverable [(e) + (h)]	Kenergy's (Over)/Under Recovery [(i) for 2nd preceding month less (g) for current month]	
8	Jun-17	10.875093%	Jul-17	Aug-17	\$ 1,014,987.58	Sep-17	\$ 680,618.94	\$ (149,927.03)	\$ 865,060.55	\$ (149,927.03)
9	Jul-17	8.601289%	Aug-17	Sep-17	\$ 714,573.60	Oct-17	\$ 846,075.29	\$ (126,675.95)	\$ 587,897.65	\$ (126,675.95)
10	Aug-17	4.588263%	Sep-17	Oct-17	\$ 345,251.06	Nov-17	\$ 730,042.47	\$ 135,018.08	\$ 480,269.14	\$ 135,018.08
11	Sep-17	8.147387%	Oct-17	Nov-17	\$ 529,459.27	Dec-17	\$ 510,826.95	\$ 77,070.70	\$ 606,529.97	\$ 77,070.70
12	Oct-17	8.392206%	Nov-17	Dec-17	\$ 559,666.16	Jan-18	\$ 433,572.84	\$ 46,696.30	\$ 606,362.46	\$ 46,696.30
13	Nov-17	9.346232%	Dec-17	Jan-18	\$ 798,875.66	Feb-18	\$ 655,275.31	\$ (48,745.34)	\$ 750,130.32	\$ (48,745.34)
14	Dec-17	8.684854%	Jan-18	Feb-18	\$ 855,558.96	Mar-18	\$ 837,103.06	\$ (230,740.60)	\$ 624,818.36	\$ (230,740.60)
15	Jan-18	8.912569%	Feb-18	Mar-18	\$ 666,812.69	Apr-18	\$ 746,233.36	\$ 3,896.96	\$ 670,709.65	\$ 3,896.96
16	Feb-18	6.431099%	Mar-18	Apr-18	\$ 463,493.00	May-18	\$ 400,911.40	\$ 223,906.96	\$ 687,399.96	\$ 223,906.96
17	Mar-18	8.530789%	Apr-18	May-18	\$ 516,590.91	Jun-18	\$ 630,999.35	\$ 39,710.30	\$ 556,301.21	\$ 39,710.30
18	Apr-18	8.142932%	May-18	Jun-18	\$ 606,885.13	Jul-18	\$ 563,184.50	\$ 124,215.46	\$ 731,100.59	\$ 124,215.46
19	May-18	9.420179%	Jun-18	Jul-18	\$ 806,546.94	Aug-18	\$ 702,322.93	\$ (146,021.72)	\$ 660,525.22	\$ (146,021.72)
20	Jun-18	8.565303%	Jul-18	Aug-18	\$ 782,975.05	Sep-18	\$ 885,372.83	\$ (154,272.24)	\$ 628,702.81	\$ (154,272.24)
21	Jul-18	9.720905%	Aug-18	Sep-18	\$ 842,986.56	Oct-18	\$ 675,162.26	\$ (14,637.04)	\$ 828,349.52	\$ (14,637.04)
22	Aug-18	6.773962%	Sep-18	Oct-18	\$ 548,916.38	Nov-18	\$ 580,469.73	\$ 48,233.08	\$ 597,149.46	\$ 48,233.08
23	Sep-18	9.656771%	Oct-18	Nov-18	\$ 683,100.54	Dec-18	\$ 706,162.94	\$ 122,186.58	\$ 805,287.12	\$ 122,186.58
24	Oct-18	9.686813%	Nov-18	Dec-18	\$ 735,905.13	Jan-19	\$ 518,164.94	\$ 78,984.52	\$ 814,889.65	\$ 78,984.52
25	Nov-18	10.872047%	Dec-18	Jan-19	\$ 820,582.40	Feb-19	\$ 903,187.14	\$ (97,900.02)	\$ 722,682.38	\$ (97,900.02)
26	Dec-18	10.952069%	Jan-19	Feb-19	\$ 968,268.47	Mar-19	\$ 869,036.58	\$ (54,146.93)	\$ 914,121.54	\$ (54,146.93)
27	Jan-19	9.610015%	Feb-19	Mar-19	\$ 679,514.76	Apr-19	\$ 791,326.51	\$ (68,644.13)	\$ 610,870.63	\$ (68,644.13)
28	Feb-19	7.886036%	Mar-19	Apr-19	\$ 592,973.00	May-19	\$ 761,588.31	\$ 152,533.23	\$ 745,506.23	\$ 152,533.23
29	Mar-19	8.642946%	Apr-19	May-19	\$ 475,200.28	Jun-19	\$ 553,542.48	\$ 57,328.15	\$ 532,528.43	\$ 57,328.15
30	Apr-19	7.478434%	May-19	Jun-19	\$ 520,955.77	Jul-19	\$ 565,838.54	\$ 179,667.69	\$ 700,623.46	\$ 179,667.69
31	May-19	9.977448%	Jun-19	Jul-19	\$ 766,265.57	Aug-19	\$ 671,536.03	\$ (139,007.60)	\$ 627,257.97	\$ (139,007.60)
32	Jun-19	8.889631%	Jul-19	Aug-19	\$ 771,702.71	Sep-19	\$ 835,081.20	\$ (134,457.74)	\$ 637,244.97	\$ (134,457.74)
33	Jul-19	9.364424%	Aug-19	Sep-19	\$ 808,992.32	Oct-19	\$ 749,725.80	\$ (122,467.83)	\$ 686,524.49	\$ (122,467.83)

Case No. 2020-00144

Attachment 2 of 5 for Response to Staff Item 2

Witness: Nicholas R. Castlen

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Big Rivers Electric Corporation
Case No. 2020-00144
Two-Year Environmental Surcharge Review

MEADE COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION (MCRECC)									
NON-DEDICATED DELIVERY POINT CUSTOMERS									
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
Big Rivers' Expense Month	Big Rivers' ES Factor Based on Expense Month	Big Rivers' Service Month	Month Billed by Big Rivers	Big Rivers' Invoice ES Amount for the Service Month	Month Billed by MCRECC	ES Amount Billed to MCRECC's Customers (Line 11 per Filing)	MCRECC's (Over)/Under Recovery [from (j)]	MCRECC's Total Recoverable [(e) + (h)]	MCRECC's (Over)/Under Recovery [(i) for 1st preceding month less (g) for current month]
8	Jun-17	10.875093%	Jul-17	Aug-17	Sep-17	\$ 299,468.40	\$ (40,486.44)	\$ 330,709.66	\$ (40,486.44)
9	Jul-17	8.601289%	Aug-17	Sep-17	Oct-17	\$ 297,171.11	\$ 33,538.55	\$ 294,124.76	\$ 33,538.55
10	Aug-17	4.588263%	Sep-17	Oct-17	Nov-17	\$ 245,543.06	\$ 48,581.70	\$ 171,124.47	\$ 48,581.70
11	Sep-17	8.147387%	Oct-17	Nov-17	Dec-17	\$ 168,920.48	\$ 2,203.99	\$ 197,115.12	\$ 2,203.99
12	Oct-17	8.392206%	Nov-17	Dec-17	Jan-18	\$ 237,135.24	\$ (40,020.12)	\$ 209,360.30	\$ (40,020.12)
13	Nov-17	9.346232%	Dec-17	Jan-18	Feb-18	\$ 276,860.19	\$ (67,499.89)	\$ 294,079.49	\$ (67,499.89)
14	Dec-17	8.684854%	Jan-18	Feb-18	Mar-18	\$ 345,056.56	\$ (50,977.07)	\$ 357,765.52	\$ (50,977.07)
15	Jan-18	8.912569%	Feb-18	Mar-18	Apr-18	\$ 256,702.39	\$ 101,063.13	\$ 401,879.45	\$ 101,063.13
16	Feb-18	6.431099%	Mar-18	Apr-18	May-18	\$ 393,950.59	\$ 7,928.86	\$ 218,379.60	\$ 7,928.86
17	Mar-18	8.530789%	Apr-18	May-18	Jun-18	\$ 182,788.46	\$ 35,591.14	\$ 263,117.78	\$ 35,591.14
18	Apr-18	8.142932%	May-18	Jun-18	Jul-18	\$ 268,616.95	\$ (5,499.17)	\$ 220,818.48	\$ (5,499.17)
19	May-18	9.420179%	Jun-18	Jul-18	Aug-18	\$ 258,813.54	\$ (37,995.06)	\$ 257,030.68	\$ (37,995.06)
20	Jun-18	8.565303%	Jul-18	Aug-18	Sep-18	\$ 284,208.88	\$ (27,178.20)	\$ 263,635.43	\$ (27,178.20)
21	Jul-18	9.720905%	Aug-18	Sep-18	Oct-18	\$ 248,511.93	\$ 15,123.50	\$ 323,496.82	\$ 15,123.50
22	Aug-18	6.773962%	Sep-18	Oct-18	Nov-18	\$ 292,894.53	\$ 30,602.29	\$ 228,422.53	\$ 30,602.29
23	Sep-18	9.656771%	Oct-18	Nov-18	Dec-18	\$ 212,002.41	\$ 16,420.12	\$ 277,431.45	\$ 16,420.12
24	Oct-18	9.686813%	Nov-18	Dec-18	Jan-19	\$ 330,074.16	\$ (52,642.71)	\$ 280,316.57	\$ (52,642.71)
25	Nov-18	10.872047%	Dec-18	Jan-19	Feb-19	\$ 300,886.29	\$ (20,569.72)	\$ 362,463.76	\$ (20,569.72)
26	Dec-18	10.952069%	Jan-19	Feb-19	Mar-19	\$ 391,512.40	\$ (29,048.64)	\$ 436,336.70	\$ (29,048.64)
27	Jan-19	9.610015%	Feb-19	Mar-19	Apr-19	\$ 382,070.50	\$ 54,266.20	\$ 357,811.13	\$ 54,266.20
28	Feb-19	7.886036%	Mar-19	Apr-19	May-19	\$ 355,547.60	\$ 2,263.53	\$ 283,405.15	\$ 2,263.53
29	Mar-19	8.642946%	Apr-19	May-19	Jun-19	\$ 197,122.30	\$ 86,282.85	\$ 294,727.26	\$ 86,282.85
30	Apr-19	7.478434%	May-19	Jun-19	Jul-19	\$ 318,246.44	\$ (23,519.18)	\$ 173,114.58	\$ (23,519.18)
31	May-19	9.977448%	Jun-19	Jul-19	Aug-19	\$ 190,469.95	\$ (17,355.37)	\$ 268,187.44	\$ (17,355.37)
32	Jun-19	8.889631%	Jul-19	Aug-19	Sep-19	\$ 330,911.42	\$ (62,723.98)	\$ 231,365.68	\$ (62,723.98)
33	Jul-19	9.364424%	Aug-19	Sep-19	Oct-19	\$ 219,602.36	\$ 11,763.32	\$ 315,816.52	\$ 11,763.32

Case No. 2020-00144

Attachment 3 of 5 for Response to Staff Item 2

Witness: Nicholas R. Castlen

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Big Rivers Electric Corporation
Case No. 2020-00144
Two-Year Environmental Surcharge Review

JACKSON PURCHASE ENERGY CORPORATION (JPEC)								
DEDICATED DELIVERY POINT CUSTOMERS								
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	
Big Rivers' Expense Month	Big Rivers' ES Factor Based on Expense Month	Big Rivers' Service Month	Month Billed by Big Rivers	Big Rivers' Invoice ES Amount for the Service Month	Month Billed by JPEC	ES Amount Billed to JPEC's Customers	JPEC's Monthly (Over)/Under Recovery [column (e) less column (g)]	
7	Jun-17	10.875093%	Jul-17	Aug-17	\$ 6,127.43	Aug-17	\$ 6,127.43	\$ -
8	Jul-17	8.601289%	Aug-17	Sep-17	\$ 3,166.12	Sep-17	\$ 3,166.12	\$ -
9	Aug-17	4.588263%	Sep-17	Oct-17	\$ 1,572.74	Oct-17	\$ 1,572.74	\$ -
10	Sep-17	8.147387%	Oct-17	Nov-17	\$ 1,997.50	Nov-17	\$ 1,997.50	\$ -
11	Oct-17	8.392206%	Nov-17	Dec-17	\$ 2,324.15	Dec-17	\$ 2,324.15	\$ -
12	Nov-17	9.346232%	Dec-17	Jan-18	\$ 2,113.22	Jan-18	\$ 2,113.22	\$ -
13	Dec-17	8.684854%	Jan-18	Feb-18	\$ 1,820.86	Feb-18	\$ 1,820.86	\$ -
14	Jan-18	8.912569%	Feb-18	Mar-18	\$ 2,071.43	Mar-18	\$ 2,071.43	\$ -
15	Feb-18	6.431099%	Mar-18	Apr-18	\$ 2,020.66	Apr-18	\$ 2,020.66	\$ -
16	Mar-18	8.530789%	Apr-18	May-18	\$ 2,117.08	May-18	\$ 2,117.08	\$ -
17	Apr-18	8.142932%	May-18	Jun-18	\$ 1,842.23	Jun-18	\$ 1,842.23	\$ -
18	May-18	9.420179%	Jun-18	Jul-18	\$ 2,100.72	Jul-18	\$ 2,100.72	\$ -
19	Jun-18	8.565303%	Jul-18	Aug-18	\$ 1,743.35	Aug-18	\$ 1,743.35	\$ -
20	Jul-18	9.720905%	Aug-18	Sep-18	\$ 1,923.48	Sep-18	\$ 1,923.48	\$ -
21	Aug-18	6.773962%	Sep-18	Oct-18	\$ 100.13	Oct-18	\$ 100.13	\$ -
22	Sep-18	9.656771%	Oct-18	Nov-18	\$ 134.45	Nov-18	\$ 134.45	\$ -
23	Oct-18	9.686813%	Nov-18	Dec-18	\$ 145.40	Dec-18	\$ 145.40	\$ -
24	Nov-18	10.872047%	Dec-18	Jan-19	\$ 168.64	Jan-19	\$ 168.64	\$ -
25	Dec-18	10.952069%	Jan-19	Feb-19	\$ 182.24	Feb-19	\$ 182.24	\$ -
26	Jan-19	9.610015%	Feb-19	Mar-19	\$ 141.83	Mar-19	\$ 141.83	\$ -
27	Feb-19	7.886036%	Mar-19	Apr-19	\$ 108.19	Apr-19	\$ 108.19	\$ -
28	Mar-19	8.642946%	Apr-19	May-19	\$ 99.17	May-19	\$ 99.17	\$ -
29	Apr-19	7.478434%	May-19	Jun-19	\$ 95.16	Jun-19	\$ 95.16	\$ -
30	May-19	9.977448%	Jun-19	Jul-19	\$ 146.84	Jul-19	\$ 146.84	\$ -
31	Jun-19	8.889631%	Jul-19	Aug-19	\$ 136.07	Aug-19	\$ 136.07	\$ -
32	Jul-19	9.364424%	Aug-19	Sep-19	\$ 144.34	Sep-19	\$ 144.34	\$ -

Big Rivers Electric Corporation
Case No. 2020-00144
Two-Year Environmental Surcharge Review

KENERGY CORP.							
DEDICATED DELIVERY POINT CUSTOMERS							
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Big Rivers' Expense Month	Big Rivers' ES Factor Based on Expense Month	Big Rivers' Service Month	Month Billed by Big Rivers	Big Rivers' Invoice ES Amount for the Service Month	Month Billed by Kenergy	ES Amount Billed to Kenergy's Customers	Kenergy's Monthly (Over)/Under Recovery [column (e) less column (g)]
Jun-17	10.875093%	Jul-17	Aug-17	\$ 480,548.29	Aug-17	\$ 480,548.29	\$ -
Jul-17	8.601289%	Aug-17	Sep-17	\$ 398,519.51	Sep-17	\$ 398,519.51	\$ -
Aug-17	4.588263%	Sep-17	Oct-17	\$ 211,785.15	Oct-17	\$ 211,785.15	\$ -
Sep-17	8.147387%	Oct-17	Nov-17	\$ 384,397.79	Nov-17	\$ 384,397.79	\$ -
Oct-17	8.392206%	Nov-17	Dec-17	\$ 389,465.55	Dec-17	\$ 389,465.55	\$ -
Nov-17	9.346232%	Dec-17	Jan-18	\$ 416,982.07	Jan-18	\$ 416,982.07	\$ -
Dec-17	8.684854%	Jan-18	Feb-18	\$ 395,529.86	Feb-18	\$ 395,529.86	\$ -
Jan-18	8.912569%	Feb-18	Mar-18	\$ 396,303.25	Mar-18	\$ 396,303.25	\$ -
Feb-18	6.431099%	Mar-18	Apr-18	\$ 315,318.29	Apr-18	\$ 315,318.29	\$ -
Mar-18	8.530789%	Apr-18	May-18	\$ 398,295.69	May-18	\$ 398,295.69	\$ -
Apr-18	8.142932%	May-18	Jun-18	\$ 384,790.47	Jun-18	\$ 384,790.47	\$ -
May-18	9.420179%	Jun-18	Jul-18	\$ 440,778.64	Jul-18	\$ 440,778.64	\$ -
Jun-18	8.565303%	Jul-18	Aug-18	\$ 401,209.06	Aug-18	\$ 401,209.06	\$ -
Jul-18	9.720905%	Aug-18	Sep-18	\$ 474,835.84	Sep-18	\$ 474,835.84	\$ -
Aug-18	6.773962%	Sep-18	Oct-18	\$ 318,326.47	Oct-18	\$ 318,326.47	\$ -
Sep-18	9.656771%	Oct-18	Nov-18	\$ 467,350.19	Nov-18	\$ 467,350.19	\$ -
Oct-18	9.686813%	Nov-18	Dec-18	\$ 467,183.92	Dec-18	\$ 467,183.92	\$ -
Nov-18	10.872047%	Dec-18	Jan-19	\$ 512,226.13	Jan-19	\$ 512,226.13	\$ -
Dec-18	10.952069%	Jan-19	Feb-19	\$ 534,863.19	Feb-19	\$ 534,863.19	\$ -
Jan-19	9.610015%	Feb-19	Mar-19	\$ 439,392.00	Mar-19	\$ 439,392.00	\$ -
Feb-19	7.886036%	Mar-19	Apr-19	\$ 377,507.09	Apr-19	\$ 377,507.09	\$ -
Mar-19	8.642946%	Apr-19	May-19	\$ 399,667.84	May-19	\$ 399,667.84	\$ -
Apr-19	7.478434%	May-19	Jun-19	\$ 352,928.99	Jun-19	\$ 352,928.99	\$ -
May-19	9.977448%	Jun-19	Jul-19	\$ 460,226.69	Jul-19	\$ 460,226.69	\$ -
Jun-19	8.889631%	Jul-19	Aug-19	\$ 412,187.04	Aug-19	\$ 412,187.04	\$ -
Jul-19	9.364424%	Aug-19	Sep-19	\$ 448,931.85	Sep-19	\$ 448,931.85	\$ -

BIG RIVERS ELECTRIC CORPORATION

**ELECTRONIC EXAMINATION BY THE PUBLIC SERVICE COMMISSION
OF THE ENVIRONMENTAL SURCHARGE MECHANISM OF
BIG RIVERS ELECTRIC CORPORATION FOR
THE TWO-YEAR BILLING PERIOD ENDING JULY 31, 2019, AND
THE PASSTHROUGH MECHANISM OF ITS THREE MEMBER
DISTRIBUTION COOPERATIVES
CASE NO. 2020-00144**

**Response to Commission Staff's
First Request for Information
dated May 5, 2020**

June 5, 2020

1 **Item 3)** *This request is addressed to BREC. Refer to Form 2.5,*
2 *Operating and Maintenance Expenses, for the last six expense months in*
3 *the two-year review period. For each of the expense line items listed on this*
4 *schedule, explain the reason(s) for any change in the expense levels from*
5 *month to month if that change is greater than plus or minus 10 percent.*

6

7 **Response)** Please see the attached schedule for the monthly Operating and
8 Maintenance (“O&M”) expenses from Form 2.50 and the requested variance
9 explanations for the six-month review period.

10

11

12 **Witnesses)** Nicholas R. Castlen (*Schedule of O&M Expenses*) and

13 Ronald D. Gregory (*Reason(s) for Changes in Expense Levels*)

Case No. 2020-00144

Response to Staff Item 3

**Witnesses: Nicholas R. Castlen (*Schedule of O&M Expenses*) and
Ronald D. Gregory (*Reason(s) for Changes in Expense Levels*)**

Page 1 of 1

Big Rivers Electric Corporation
Case No. 2020-00144
Form 2.50 - Operating and Maintenance Expense Analysis

NOx Plan:

Expense Month	Nov-18	Dec-18	Dec-18 vs. Nov-18 % Change	Jan-19	Jan-19 vs. Dec-18 % Change	Feb-19	Feb-19 vs. Jan-19 % Change	Mar-19	Mar-19 vs. Feb-19 % Change	Apr-19	Apr-19 vs. Mar-19 % Change	May-19	May-19 vs. Apr-19 % Change
NOx Plan													
Anhydrous Ammonia	\$ 22,214	\$ 29,872	34%	\$ 32,593	9%	\$ 42,098	29%	\$ 20,918	-50%	\$ 30,708	47%	\$ 1,004	-97%
Emulsified Sulphur for NOx	-	-	Note 1	-	Note 1	-	Note 1	-	Note 1	-	Note 1	-	Note 1
Total NOx Plan O&M Expenses	\$ 22,214	\$ 29,872	34%	\$ 32,593	9%	\$ 42,098	29%	\$ 20,918	-50%	\$ 30,708	47%	\$ 1,004	-97%

SO2 Plan:

Expense Month	Nov-18	Dec-18	Dec-18 vs. Nov-18 % Change	Jan-19	Jan-19 vs. Dec-18 % Change	Feb-19	Feb-19 vs. Jan-19 % Change	Mar-19	Mar-19 vs. Feb-19 % Change	Apr-19	Apr-19 vs. Mar-19 % Change	May-19	May-19 vs. Apr-19 % Change
SO2 Plan Expenses:													
(Note 2)	\$ 553,308	\$ 494,709	-11%	\$ 472,852	-4%	\$ 911,081	93%	\$ 519,515	-43%	\$ 500,964	-4%	\$ 517,652	3%
Fixation Lime	134,142	190,527	42%	131,149	-31%	100,411	-23%	119,109	19%	92,186	-23%	115,715	26%
Reagent-Limestone	-	40,048	Note 1	134,982	237%	156,895	16%	151,095	-4%	112,272	-26%	184,108	64%
Reagent-Lime	898,160	939,910	5%	785,087	-16%	787,156	0%	696,176	-12%	801,248	15%	826,985	3%
Emulsified Sulphur for SO2	4,175	96,928	2222%	17,689	-82%	33,042	87%	6,168	-81%	15,516	152%	32,798	111%
Reagent-DiBasic Acid	43,704	44,800	3%	92,650	107%	76,435	-18%	89,791	17%	46,260	-48%	107,395	132%
Reagent-Sodium BiSulfite for SO2	45,007	27,299	-39%	61,242	124%	80,679	32%	67,460	-16%	17,825	-74%	51,454	189%
Total SO2 Plan O&M Expenses	\$ 1,678,496	\$ 1,834,221	9%	\$ 1,695,651	-8%	\$ 2,145,699	27%	\$ 1,649,314	-23%	\$ 1,586,271	-4%	\$ 1,836,107	16%

SO3 Plan:

Expense Month	Nov-18	Dec-18	Dec-18 vs. Nov-18 % Change	Jan-19	Jan-19 vs. Dec-18 % Change	Feb-19	Feb-19 vs. Jan-19 % Change	Mar-19	Mar-19 vs. Feb-19 % Change	Apr-19	Apr-19 vs. Mar-19 % Change	May-19	May-19 vs. Apr-19 % Change
SO3 Plan Expenses:													
Hydrated Lime - SO3	\$ -	\$ -	Note 1	\$ -	Note 1	\$ -	Note 1	\$ -	Note 1	\$ -	Note 1	\$ -	Note 1
Total SO3 Plan O&M Expenses	\$ -	\$ -	Note 1	\$ -	Note 1	\$ -	Note 1	\$ -	Note 1	\$ -	Note 1	\$ -	Note 1

Case No. 2020-00144

Attachment for Response to Staff Item 3

**Witnesses: Nicholas R. Castlen (Schedules of O and M Expenses) and
Ronald D. Gregory (Reason(s) for Changes in Expense Levels)**

Big Rivers Electric Corporation
Case No. 2020-00144
Form 2.50 - Operating and Maintenance Expense Analysis

2012 Plan:

Expense Month	Nov-18	Dec-18	Dec-18 vs. Nov-18 % Change	Jan-19	Jan-19 vs. Dec-18 % Change	Feb-19	Feb-19 vs. Jan-19 % Change	Mar-19	Mar-19 vs. Feb-19 % Change	Apr-19	Apr-19 vs. Mar-19 % Change	May-19	May-19 vs. Apr-19 % Change
2012 Plan Expenses:													
Project 9 - Wilson Hg	\$ 2,420	\$ 9,497	292%	\$ 115,982	1121%	\$ 83,060	-28%	\$ 93,057	12%	\$ 23,326	-75%	\$ 51,159	119%
Project 10 - Green Hg	460,614	421,688	-8%	578,800	37%	440,330	-24%	369,663	-16%	408,534	11%	358,490	-12%
Project 11 - HMP&L Hg	12,291	5,300	-57%	3,465	-35%	-	-100%	-	Note 1	-	Note 1	-	Note 1
Total 2012 Plan	\$ 475,325	\$ 436,485	-8%	\$ 698,247	60%	\$ 523,390	-25%	\$ 462,720	-12%	\$ 431,860	-7%	\$ 409,649	-5%
Total	\$ 2,176,035	\$ 2,300,578		\$ 2,426,491		\$ 2,711,187		\$ 2,132,952		\$ 2,048,839		\$ 2,246,760	

Note 1: Percentage change not calculated because the cost incurred during the prior expense month was \$0.

Note 2: The monthly totals for Disposal Bottom Ash, Disposal Flyash and Disposal Flyash/Bottom Ash/Sludge have been consolidated due to similarity to better facilitate comparability.

Case No. 2020-00144

Attachment for Response to Staff Item 3

Witnesses: Nicholas R. Castlen (Schedules of O and M Expenses) and
Ronald D. Gregory (Reason(s) for Changes in Expense Levels)

Page 2 of 5

Big Rivers Electric Corporation
Case No. 2020-00144
Form 2.50 - Operating and Maintenance Expense Analysis

Variance Explanations:

Anhydrous Ammonia:

Dec-18 vs. Nov-18	34%	The increase was due to timing of product delivery and invoicing at HMPL
Feb-19 vs. Jan-19	29%	The increase was due to increased generation at Wilson in February compared to January.
Mar-19 vs. Feb-19	-50%	The decrease was due to decreased generation at Wilson in March compared to February and timing of product delivery and invoicing.
Apr-19 vs. Mar-19	47%	The increase was due to timing of product delivery and invoicing at Wilson.
May-19 vs. Apr-19	-97%	The decrease was due to timing of product delivery and invoicing at Wilson.

Disposal-Flyash/Bottom Ash/Sludge:

Dec-18 vs. Nov-18	-11%	The decrease was due to decreased generation at Wilson, due to the Planned Outage.
Feb-19 vs. Jan-19	93%	The increase was driven by the timing of the landfill true-up cost at Green Station.
Mar-19 vs. Feb-19	-43%	The decrease was due to decreased generation at Green Station

Fixation Lime:

Dec-18 vs. Nov-18	42%	The increase was due to increased generation at Green in December compared to November.
Jan-19 vs. Dec-18	-31%	The decrease was due to decreased generation at Green and HMPL in January compared to December.
Feb-19 vs. Jan-19	-23%	The decrease was due to decreased generation at Green in February compared to January and the HMPL units were retired in February
Mar-19 vs. Feb-19	19%	The increase was due to invoice timing and payment
Apr-19 vs. Mar-19	-23%	The decrease was due to invoice timing and payment
May-19 vs. Apr-19	26%	The increase was due to invoice timing and payment

Reagent-Limestone:

Jan-19 vs. Dec-18	237%	The increase was due to increased generation at Wilson in January compared to December.
Feb-19 vs. Jan-19	16%	The increase was due to increased generation at Wilson in February compared to January.
Apr-19 vs. Mar-19	-26%	The decrease was due to decreased generation at Wilson in April compared to March.
May-19 vs. Apr-19	64%	The increase was due to increased generation at Wilson in May compared to April.

Big Rivers Electric Corporation
Case No. 2020-00144
Form 2.50 - Operating and Maintenance Expense Analysis

Variance Explanations (continued):

Reagent-Lime:

Jan-19 vs. Dec-18	-16%	The decrease was due to decreased generation at HMPL in January compared to December.
Mar-19 vs. Feb-19	-12%	The decrease was due to decreased generation at Green in March compared to February.
Apr-19 vs. Mar-19	15%	The increase was due to increased generation at Green in April compared to March.

Emulsified Sulfur for SO2:

Dec-18 vs. Nov-18	2222%	The increase was due to timing of product delivery and invoicing at Green.
Jan-19 vs. Dec-18	-82%	The decrease was due to timing of product delivery and invoicing at Green.
Feb-19 vs. Jan-19	87%	The increase was due to timing of product delivery and invoicing at Green.
Mar-19 vs. Feb-19	-81%	The decrease was due to timing of product delivery and invoicing at Green.
Apr-19 vs. Mar-19	152%	The increase was due to timing of product delivery and invoicing at Green.
May-19 vs. Apr-19	111%	The increase was due to timing of product delivery and invoicing at Green.

Reagent-Dibasic Acid:

Jan-19 vs. Dec-18	107%	The increase was due to increased generation at Wilson in January compared to December.
Feb-19 vs. Jan-19	-18%	The decrease was due to timing of product delivery and invoicing at Wilson.
Mar-19 vs. Feb-19	17%	The increase was due to timing of product delivery and invoicing at Wilson.
Apr-19 vs. Mar-19	-48%	The decrease was due to timing of product delivery and invoicing at Wilson.
May-19 vs. Apr-19	132%	The increase was due to increased generation at Wilson in May compared to April.

Reagent-Sodium BiSulfite for SO2:

Dec-18 vs. Nov-18	-39%	The decrease was due to timing of product delivery and invoicing at Green.
Jan-19 vs. Dec-18	124%	The increase was due to increased generation at Wilson in January compared to December.
Feb-19 vs. Jan-19	32%	The increase was due to timing of product delivery and invoicing at Green.
Mar-19 vs. Feb-19	-16%	The decrease was due to timing of product delivery and invoicing at Green.
Apr-19 vs. Mar-19	-74%	The decrease was due to timing of product delivery and invoicing at Green and Wilson.
May-19 vs. Apr-19	189%	The increase was due to increased generation at Wilson in May compared to April.

Big Rivers Electric Corporation
Case No. 2020-00144
Form 2.50 - Operating and Maintenance Expense Analysis

Variance Explanations (continued):

Project 9 - Wilson Hg

Dec-18 vs. Nov-18	292%	The increase was due to stack testing and HCI testing costs.
Jan-19 vs. Dec-18	1121%	The increase was due to increased generation at Wilson in January compared to December, as well as stack testing and RATA certification costs.
Feb-19 vs. Jan-19	-28%	The decrease was due to timing of product delivery and invoicing at Wilson.
Mar-19 vs. Feb-19	12%	The increase was due to timing of product delivery and invoicing at Wilson.
Apr-19 vs. Mar-19	-75%	The decrease was due to timing of product delivery and invoicing at Wilson.
May-19 vs. Apr-19	119%	The increase was due to increased generation at Wilson in May compared to April.

Project 10 - Green Hg

Jan-19 vs. Dec-18	37%	The increase was due to timing of invoicing at Green.
Feb-19 vs. Jan-19	-24%	The decrease was due to decreased generation at Green in February compared to January.
Mar-19 vs. Feb-19	-16%	The decrease was due to decreased generation at Green in March compared to February.
Apr-19 vs. Mar-19	11%	The increase was due to increased generation at Green in April compared to March.
May-19 vs. Apr-19	-12%	The decrease was due to timing of invoicing at Green.

Project 11 - HMP&L Hg

Dec-18 vs. Nov-18	-57%	The decrease was due to variability in costs for trap analysis or stack testing, which are incurred on as needed basis for compliance monitoring
Jan-19 vs. Dec-18	-35%	The decrease was due to variability in costs for trap analysis or stack testing, which are incurred on as needed basis for compliance monitoring
Feb-19 vs. Jan-19	-100%	HMPL units were retired in February

BIG RIVERS ELECTRIC CORPORATION

**ELECTRONIC EXAMINATION BY THE PUBLIC SERVICE COMMISSION
OF THE ENVIRONMENTAL SURCHARGE MECHANISM OF
BIG RIVERS ELECTRIC CORPORATION FOR
THE TWO-YEAR BILLING PERIOD ENDING JULY 31, 2019, AND
THE PASSTHROUGH MECHANISM OF ITS THREE MEMBER
DISTRIBUTION COOPERATIVES
CASE NO. 2020-00144**

**Response to Commission Staff's
First Request for Information
dated May 5, 2020**

June 5, 2020

1 **Item 4)** *This request is addressed to BREC. Refer to BREC's monthly*
2 *environmental surcharge reports for the last six expense months in the two-*
3 *year review period. Provide the calculations and supporting data for the*
4 *rates of return included in each monthly environmental surcharge filing.*
5 *Provide all supporting calculations and documentation in Excel*
6 *spreadsheet format, with formulas intact and unprotected and all rows and*
7 *columns fully accessible.*

8

9 **Response)** Please see the attachment to this response for the calculations and
10 supporting data for the rates of return included in each monthly environmental
11 surcharge filing for the six-month review period. These calculations are provided
12 in Excel spreadsheet format, with formulas intact and unprotected and all rows and
13 columns accessible, in a separate Excel file as part of the electronic filing *and* on a
14 CD accompanying these responses in the paper copy provided pursuant to 807 KAR
15 5:001 §8(12)(a)2.

BIG RIVERS ELECTRIC CORPORATION

**ELECTRONIC EXAMINATION BY THE PUBLIC SERVICE COMMISSION
OF THE ENVIRONMENTAL SURCHARGE MECHANISM OF
BIG RIVERS ELECTRIC CORPORATION FOR
THE TWO-YEAR BILLING PERIOD ENDING JULY 31, 2019, AND
THE PASSTHROUGH MECHANISM OF ITS THREE MEMBER
DISTRIBUTION COOPERATIVES
CASE NO. 2020-00144**

**Response to Commission Staff's
First Request for Information
dated May 5, 2020**

June 5, 2020

1

2

3 **Witness)** Nicholas R. Castlen

4

Big Rivers Electric Corporation
Case No. 2020-00144
Calculations for Rates of Return on Environmental Compliance Rate Base
For the Expense Months: December 2018 through May 2019

Calculations of Monthly Rates of Return on Environmental Compliance Rate Base:

Expense Month:	<u>Dec-18</u>	<u>Jan-19</u>	<u>Feb-19</u>	<u>Mar-19</u>	<u>Apr-19</u>	<u>May-19</u>
Monthly Interest Expense on Long-Term Debt (by Obligation):						
RUS - Series B Note	\$ 893,689.23	\$ 906,751.17	\$ 819,001.06	\$ 906,751.17	\$ 890,047.66	\$ 919,715.91
CoBank - Series 2012A Notes	679,477.10	671,206.54	606,251.07	671,206.54	640,904.36	662,267.84
CFC - Series 2012B Refinance Note	869,515.35	869,515.35	783,083.99	860,251.22	832,803.59	856,234.62
CFC - Series 2012B Equity Note	151,574.00	151,574.00	151,573.99	149,641.81	149,641.81	149,641.81
Series 2010A P.C. Bonds	416,500.00	416,500.00	416,500.00	416,500.00	416,500.00	416,500.00
CFC - Series 2017B Refinance Note	41,512.50	41,512.50	39,206.25	39,206.25	39,206.25	39,206.25
RUS Guaranteed FFB Loan W8	61,559.75	61,559.75	55,602.35	61,559.75	59,573.95	61,559.75
RUS Guaranteed FFB Loan X8	44,782.05	44,782.07	40,448.32	44,782.07	43,337.49	44,782.07
(a) Total Monthly Interest Expense on Long-Term Debt	\$ 3,158,609.98	\$ 3,163,401.38	\$ 2,911,667.03	\$ 3,149,898.81	\$ 3,072,015.11	\$ 3,149,908.25
Total Outstanding Long-Term Debt (Beginning of Month)	\$ 767,092,264.16	\$ 767,358,782.17	\$ 767,358,782.17	\$ 762,998,986.25	\$ 763,217,437.65	\$ 763,217,437.65
Total Outstanding Long-Term Debt (End of Month)	767,358,782.17	767,358,782.17	762,998,986.25	763,217,437.65	763,217,437.65	759,572,066.38
(b) Average Outstanding Long-Term Debt during Month	\$ 767,225,523.17	\$ 767,358,782.17	\$ 765,178,884.21	\$ 763,108,211.95	\$ 763,217,437.65	\$ 761,394,752.02
(c) Number of Days During Year	365	365	365	365	365	365
(d) Number of Days During Month	31	31	28	31	30	31
(e) Average Cost of Debt [(a) ÷ (b)] x [(c) ÷ (d)]	4.85%	4.85%	4.96%	4.86%	4.90%	4.87%
(f) Applicable TIER ⁽¹⁾	1.24	1.24	1.24	1.24	1.24	1.24
(g) Rate of Return on Environmental Compliance Rate Base [(e) x (f)]	6.01%	6.01%	6.15%	6.03%	6.08%	6.04%

Notes:

⁽¹⁾ Applicable Times Interest Earned Ratio ("TIER") for calculating the Rate of Return on Environmental Compliance Rate Base per Big Rivers' Environmental Surcharge Tariff approved by Order of the Commission dated October 1, 2012 (Case No. 2012-00063).

BIG RIVERS ELECTRIC CORPORATION

**ELECTRONIC EXAMINATION BY THE PUBLIC SERVICE COMMISSION
OF THE ENVIRONMENTAL SURCHARGE MECHANISM OF
BIG RIVERS ELECTRIC CORPORATION FOR
THE TWO-YEAR BILLING PERIOD ENDING JULY 31, 2019, AND
THE PASSTHROUGH MECHANISM OF ITS THREE MEMBER
DISTRIBUTION COOPERATIVES
CASE NO. 2020-00144**

**Response to Commission Staff's
First Request for Information
dated May 5, 2020**

June 5, 2020

1 **Item 5)** *This request is addressed to BREC. KRS 278.183(3) provides*
2 *that during the two-year review the Commission shall, to the extent*
3 *appropriate, incorporate environmental surcharge amounts found just and*
4 *reasonable into the existing base rates of the utility.*

5 *a. State whether BREC believes any surcharge amounts need to be*
6 *incorporated into its base rates in conjunction with this two-year*
7 *review. If so, provide the surcharge amount that BREC believes*
8 *should be incorporated into its existing base rates.*

9 *b. For subpart a. above, explain how the surcharge amount should be*
10 *incorporated into the base rates, including all supporting*
11 *calculations, workpapers, and assumptions as well as any*
12 *analysis that BREC believes supports its position. Provide all*
13 *supporting schedules in Excel spreadsheet format, with formulas*
14 *intact and unprotected and all rows and columns fully accessible.*

BIG RIVERS ELECTRIC CORPORATION

**ELECTRONIC EXAMINATION BY THE PUBLIC SERVICE COMMISSION
OF THE ENVIRONMENTAL SURCHARGE MECHANISM OF
BIG RIVERS ELECTRIC CORPORATION FOR
THE TWO-YEAR BILLING PERIOD ENDING JULY 31, 2019, AND
THE PASSTHROUGH MECHANISM OF ITS THREE MEMBER
DISTRIBUTION COOPERATIVES
CASE NO. 2020-00144**

**Response to Commission Staff's
First Request for Information
dated May 5, 2020**

June 5, 2020

1 *c. Provide the Base Environmental Surcharge Factor (BESF) that*
2 *reflects all environmental surcharge amounts previously*
3 *incorporated into existing base rates and the amount determined*
4 *in subpart b. above. Include all supporting calculations,*
5 *workpapers, and assumptions. Provide all supporting schedules*
6 *in Excel spreadsheet format, with formulas intact and unprotected*
7 *and all rows and columns fully accessible.*

8 *d. State whether BREC believes that there will need to be*
9 *modifications to either the surcharge mechanism or the monthly*
10 *surcharge reports, other than a revision to BESF, as a result of*
11 *incorporating environmental surcharge amounts into BREC's*
12 *existing base rates. If so, provide a detailed explanation of the*
13 *modifications and provide updated monthly surcharge reports.*

14

BIG RIVERS ELECTRIC CORPORATION

**ELECTRONIC EXAMINATION BY THE PUBLIC SERVICE COMMISSION
OF THE ENVIRONMENTAL SURCHARGE MECHANISM OF
BIG RIVERS ELECTRIC CORPORATION FOR
THE TWO-YEAR BILLING PERIOD ENDING JULY 31, 2019, AND
THE PASSTHROUGH MECHANISM OF ITS THREE MEMBER
DISTRIBUTION COOPERATIVES
CASE NO. 2020-00144**

**Response to Commission Staff's
First Request for Information
dated May 5, 2020**

June 5, 2020

1 **Response)**

2 a. Big Rivers does not believe any surcharge amounts need to be
3 incorporated into its base rates in conjunction with this two-year
4 environmental surcharge (ES) review. This position aligns with Big
5 Rivers' Members' request that any amount appearing on the ES line of a
6 customer's billing statement represent a customer's total portion of
7 his(her) environmental compliance charges, versus having a portion of
8 those charges embedded in Big Rivers' existing base rates.

9 Commission Staff previously noted this position in its Informal
10 Conference (IC) Memo, dated March 23, 2016, in Case No. 2015-00320.¹

¹ See *In the Matter of: An Examination By The Public Service Commission Of The Environmental Surcharge Mechanism Of Big Rivers Electric Corporation For The Two-Year Billing Period Ending June 31, 2015 And The Pass Through Mechanism Of Its Three Member Distribution Cooperatives*. IC Memo filed March 23, 2016.

² *Ibid.* Order dated May 31, 2016, page 7.

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1 In its Order dated May 31, 2016, in Case No. 2015-00320,² the
2 Commission noted that Big Rivers' position was reasonable at the time of
3 that Order. Big Rivers' Members' position is unchanged from the earlier
4 two-year review. Therefore, Big Rivers believes this position remains
5 reasonable and does not recommend any roll-in into its base rates.

6 b. Not Applicable.

7 c. Not Applicable.

8 d. Not Applicable.

9

10

11 **Witnesses)** Roger D. Hickman (*a. only*) and

12 Nicholas R. Castlen (*b., c., and d. only*)

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