

**ORIGINAL**



**COMMONWEALTH OF KENTUCKY**

**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY**

**In the Matter of:**

<b>ELECTRONIC APPLICATION OF</b>	)	<b>Case No.</b>
<b>BIG RIVERS ELECTRIC CORPORATION</b>	)	<b>2021-00061</b>
<b>FOR ANNUAL REPORT ON MRSM CREDIT</b>	)	

**Responses to the Office of the Attorney General's and  
to the Kentucky Industrial Utility Customers, Inc.'s  
Joint Initial Data Requests  
dated  
March 16, 2021**

**FILED: March 29, 2021**

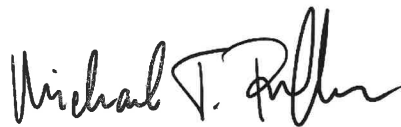
**ORIGINAL**

**BIG RIVERS ELECTRIC CORPORATION**

**ELECTRONIC APPLICATION OF  
BIG RIVERS ELECTRIC CORPORATION  
FOR ANNUAL REPORT ON MRSM CREDIT  
CASE NO. 2021-00061**

**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.

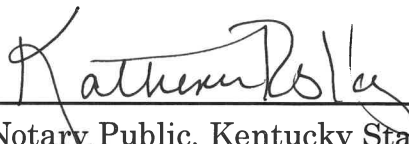


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Michael T. ("Mike") Pullen

COMMONWEALTH OF KENTUCKY )  
COUNTY OF HENDERSON )

SUBSCRIBED AND SWORN TO before me by Michael T. ("Mike") Pullen on  
this the 29<sup>th</sup> day of March, 2021.



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Notary Public, Kentucky State at Large

Kentucky ID Number

KYNP16841

My Commission Expires

October 31, 2024



**BIG RIVERS ELECTRIC CORPORATION**

**ELECTRONIC APPLICATION OF  
BIG RIVERS ELECTRIC CORPORATION  
FOR ANNUAL REPORT ON MRSM CREDIT  
CASE NO. 2021-00061**

**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 Smith*

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

COMMONWEALTH OF KENTUCKY )  
COUNTY OF HENDERSON )

29<sup>th</sup> SUBSCRIBED AND SWORN TO before me by Paul G. Smith on this the  
           day of March, 2021.

*Kathleen D. [Signature]*

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

Kentucky ID Number KYNP16841

My Commission Expires October 31, 2024



**BIG RIVERS ELECTRIC CORPORATION**

**ELECTRONIC APPLICATION OF  
BIG RIVERS ELECTRIC CORPORATION  
FOR ANNUAL REPORT ON MRSM CREDIT  
CASE NO. 2021-00061**

**VERIFICATION**


I, John Wolfram, 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.



John Wolfram

COMMONWEALTH OF KENTUCKY )  
COUNTY OF HENDERSON )

29th SUBSCRIBED AND SWORN TO before me by John Wolfram on this the  
day of March, 2021.



Notary Public, Kentucky State at Large

Kentucky ID Number

KYNP16841

My Commission Expires

October 31, 2024



**BIG RIVERS ELECTRIC CORPORATION**  
**ELECTRONIC APPLICATION OF**  
**BIG RIVERS ELECTRIC CORPORATION**  
**FOR ANNUAL REPORT ON MRSM CREDIT**  
**CASE NO. 2021-00061**

**Response to the Office of the Attorney General’s and**  
**the Kentucky Industrial Utility Customers, Inc.’s**  
**Joint Initial Data Requests**  
**dated March 16, 2021**

**March 29, 2021**

1 **Item 1)**     *Provide all work papers, in electronic spreadsheet format with*  
2 *formulas intact, where available, supporting each of the figures, tables, and*  
3 *exhibits accompanying the Companies’ filing and supporting testimony.*

4

5 **Response)** See Attachment 1 for the Excel file, “Exhibits Wolfram-2 thru  
6 Wolfram-8,” containing **CONFIDENTIAL** information which is associated with  
7 Exhibit Wolfram-2 through Exhibit Wolfram-8 from the Direct Testimony of John  
8 Wolfram.

9           See Attachments 2 through 5 for Excel files associated with Exhibit Smith-2,  
10 Exhibit Smith-3, Exhibit Smith 4, Exhibit Smith 6, and Exhibit Smith 8 from the  
11 Direct Testimony of Paul G. Smith.

12

13

14 **Witnesses)** John Wolfram and

15           Paul G. Smith

16

**BIG RIVERS ELECTRIC CORPORATION**  
**ELECTRONIC APPLICATION OF**  
**BIG RIVERS ELECTRIC CORPORATION**  
**FOR ANNUAL REPORT ON MRSM CREDIT**  
**CASE NO. 2021-00061**

**Response to the Office of the Attorney General's and**  
**the Kentucky Industrial Utility Customers, Inc.'s**  
**Joint Initial Data Requests**  
**dated March 16, 2021**

**March 29, 2021**

1 **Item 2)**     *Provide a detailed analysis of the amount of the MRSM*  
2 *adjustment if the requests in Docket No. 2021-00079 are granted, and*  
3 *alternatively, if those requests are denied.*

4

5 **Response)** No such detailed analysis exists. However, because the gas conversion  
6 project proposed in Case No. 2021-00079<sup>1</sup> is economically equivalent to a capacity  
7 purchase in the competitive market, no material impact on the MRSM is anticipated.

8

9

10 **Witness)**   Paul G. Smith

11

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<sup>1</sup> See *In the Matter of: Electronic Application Of Big Rivers Electric Corporation For A Certificate Of Public Convenience And Necessity Authorizing The Conversion Of The Green Station Units To Natural Gas-Fired Units And An Order Approving The Establishment Of A Regulatory Asset*, P.S.C. Case No. 2021-00079, Application (filed March 1, 2021).

**BIG RIVERS ELECTRIC CORPORATION**  
**ELECTRONIC APPLICATION OF**  
**BIG RIVERS ELECTRIC CORPORATION**  
**FOR ANNUAL REPORT ON MRSM CREDIT**  
**CASE NO. 2021-00061**

**Response to the Office of the Attorney General’s and**  
**the Kentucky Industrial Utility Customers, Inc.’s**  
**Joint Initial Data Requests**  
**dated March 16, 2021**

**March 29, 2021**

1 **Item 3)**     *Provide a detailed analysis of the potential bill impact*  
2 *associated with the 2021 MRSM bill credit for a residential “rural” ratepayer*  
3 *of the Company’s members with average usage at the retail level resulting*  
4 *from allocation of \$13,333,514 to ratepayers.*

5       *a. Additionally, provide the same analysis based on an assumption*  
6             *that the bill credit was based on a “per customer” allocation rather*  
7             *than “per kWh.”*

8  
9 **Response)** Based on the rural Member sales volume in January 2021, the annual  
10 MRSM bill credit for a residential rural ratepayer will be approximately \$47.58  
11 (\$874,774 / 220,628.4 MWh \* 1 MW/month \* 12 months).

12       a. If the MRSM bill credit were to be based on a “per customer” allocation  
13             rather than “per kWh”, each of the 118,000 rural ratepayers would receive  
14             an annual MRSM bill credit of approximately \$88.96 in 2021 (\$874,774 /  
15             118,000 rural customers \* 12 months).

16

**BIG RIVERS ELECTRIC CORPORATION**  
**ELECTRONIC APPLICATION OF**  
**BIG RIVERS ELECTRIC CORPORATION**  
**FOR ANNUAL REPORT ON MRSM CREDIT**  
**CASE NO. 2021-00061**

**Response to the Office of the Attorney General's and**  
**the Kentucky Industrial Utility Customers, Inc.'s**  
**Joint Initial Data Requests**  
**dated March 16, 2021**

**March 29, 2021**

1

2 **Witness)** Paul G. Smith

3



**BIG RIVERS ELECTRIC CORPORATION**

**ELECTRONIC APPLICATION OF  
BIG RIVERS ELECTRIC CORPORATION  
FOR REVIEW OF ITS MRSM CREDIT  
FOR CALENDAR YEAR 2020  
CASE NO. 2021-00061**

**Response to the Office of the Attorney General's and  
the Kentucky Industrial Utility Customers'  
Joint Initial Data Request  
dated March 16, 2021**

**March 29, 2021**

1 **Item 4)** *Provide updated balances for the SLM Regulatory Assets.*  
2 *Provide projected values for those balances assuming this application is*  
3 *approved as filed.*

4

5 **Response)** Please see Attachment A to this response for updated balances of the  
6 SLM Regulatory Assets as of February 28, 2021. Please see Attachment B for the  
7 current long-term projected SLM Regulatory Asset balances, which was updated as  
8 of December 31, 2020.

9

10

11 **Witness)** Paul G. Smith

12

**Big Rivers Electric Corporation**  
**Case No. 2021-00061**  
**Smelter Loss Mitigation Regulatory Assets**  
**As of February 28, 2021**

	<b>Focused Management Audit</b>	<b>Wilson Station Deferred Depreciation</b>	<b>Coleman Station Deferred Depreciation</b>	<b>Reid Station Unit 1 Decommission</b>	<b>Station Two Decommission</b>	<b>Coleman Station Decommission</b>	<b>Total</b>
1/1/2020 Balance	675,904.13	120,543,842.56	9,502,057.65	-	90,423,767.18	-	221,145,571.52
Write-Off DSM Liability	(675,904.13)	(28,935.00)	-	-	-	-	(704,839.13)
Monthly Deferred Depreciation	-	20,838,499.66	4,367,882.82	-	-	-	25,206,382.48
Retire Reid Unit 1	-	-	-	8,026,959.87	-	-	8,026,959.87
Retire Station Two	-	-	-	-	1,840,965.49	-	1,840,965.49
Retire Coleman Station	-	-	-	-	-	129,999,456.86	129,999,456.86
Equity Headroom Adjustment	-	(84,944,959.00)	-	-	-	-	(84,944,959.00)
Monthly Amortization	-	(2,174,041.40)	-	-	-	-	(2,174,041.40)
<b>Total</b>	<b>-</b>	<b>54,234,406.82</b>	<b>13,869,940.47</b>	<b>8,026,959.87</b>	<b>92,264,732.67</b>	<b>129,999,456.86</b>	<b>298,395,496.69</b>

Case No. 2021-00061

Attachment A for Response to AG-KIUC 1-4

Witness: Paul G. Smith

Page 1 of 1

**Big Rivers Electric Corporation**  
**Case No. 2021-00061**  
**Smelter Loss Mitigation (SLM) Regulatory Asset Projected Balances**

Description	Focused Audit	Wilson Station Deferred Depreciation	Coleman Station Deferred Depreciation	Reid Unit 1 Retirement	Station Two Retirement	Coleman Station Retirement	Green Station Partial Retirement	Liability (60% TIER Cr.)	Total
<b><u>Actuals :</u></b>									
<b>Balance - 12/31/2019</b>	\$ 675,904	\$ 120,543,843	\$ 9,502,058	\$ -	\$ 90,423,767	\$ -	\$ -	\$ -	\$ 221,145,572
<b><u>2020:</u></b>									
Deferred Depreciation Expense	\$ -	\$ 20,838,500	\$ 4,367,882	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,206,382
Write-Off DSM Liability Station Two	(675,904)	(28,935)	-	-	-	-	-	-	(704,839)
Decommission Costs	-	-	-	-	1,677,822	-	-	-	1,677,822
Reid Unit 1 Retirement	-	-	-	7,769,051	-	-	-	-	7,769,051
Coleman Station Retirement	-	-	-	-	-	129,868,684	-	-	129,868,684
60% Annual TIER Credit	-	-	-	-	-	-	-	(20,000,272)	(20,000,272)
<b>12/31/2020 - Actual Balance:</b>	\$ -	\$ 141,353,408	\$ 13,869,940	\$ 7,769,051	\$ 92,101,589	\$ 129,868,684	\$ -	\$ (20,000,272)	\$ 364,962,400
<b><u>Projected Amounts :</u></b>									
<b><u>2021:</u></b>									
Additions	\$ -	\$ -	\$ -	\$ 1,289,750	\$ 2,350,986	\$ 181,764	\$ -	\$ -	\$ 3,822,500
Amortization	-	(12,949,404)	-	-	-	-	-	-	(12,949,404)
Equity Utilization	-	(86,401,275)	-	-	-	-	-	-	(86,401,275)
Prior Yr. Regulatory Liability Utilization	-	(11,000,272)	-	-	-	-	-	11,000,272	-
60% Annual TIER Credit	-	(18,128,321)	-	-	-	-	-	-	(18,128,321)
<b>12/31/2021 - Projected Balance:</b>	\$ -	\$ 12,874,136	\$ 13,869,940	\$ 9,058,801	\$ 94,452,575	\$ 130,050,448	\$ -	\$ (9,000,000)	\$ 251,305,900

Case No. 2021-00061

Attachment B for Response to AG-KIUC 1-4

Witness: Paul G. Smith

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**Big Rivers Electric Corporation**  
**Case No. 2021-00061**  
**Smelter Loss Mitigation (SLM) Regulatory Asset Projected Balances**

Description	Focused Audit	Wilson Station Deferred Depreciation	Coleman Station Deferred Depreciation	Reid Unit 1 Retirement	Station Two Retirement	Coleman Station Retirement	Green Station Partial Retirement	Liability (60% TIER Cr.)	Total
<b>2022:</b>									
Additions	\$ -	\$ -	\$ -	\$ 54,750	\$ 357,330	\$ 2,936,299	\$ 68,683,584	\$ -	\$ 72,031,963
Amortization	-	(12,874,136)	(4,489,521)	-	-	-	-	-	(17,363,657)
Equity Utilization	-	-	-	-	-	-	-	-	-
60% Annual TIER Credit	-	-	(9,380,419)	(9,113,551)	(413,571)	-	-	-	(18,907,541)
<b>12/31/2022 - Projected Balance:</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 94,396,334</b>	<b>\$ 132,986,747</b>	<b>\$ 68,683,584</b>	<b>\$ (9,000,000)</b>	<b>\$ 287,066,665</b>
<b>2023:</b>									
Additions	\$ -	\$ -	\$ -	\$ 39,750	\$ 357,330	\$ 189,107	\$ 84,800	\$ -	\$ 670,987
Amortization	-	-	-	(39,750)	(18,206,759)	-	-	-	(18,246,509)
Equity Utilization	-	-	-	-	-	-	-	-	-
60% Annual TIER Credit	-	-	-	-	(21,106,048)	-	-	-	(21,106,048)
<b>12/31/2023 - Projected Balance:</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 55,440,857</b>	<b>\$ 133,175,854</b>	<b>\$ 68,768,384</b>	<b>\$ (9,000,000)</b>	<b>\$ 248,385,095</b>

**Big Rivers Electric Corporation**  
**Case No. 2021-00061**  
**Smelter Loss Mitigation (SLM) Regulatory Asset Projected Balances**

Description	Focused Audit	Wilson Station Deferred Depreciation	Coleman Station Deferred Depreciation	Reid Unit 1 Retirement	Station Two Retirement	Coleman Station Retirement	Green Station Partial Retirement	Liability (60% TIER Cr.)	Total
<b>2024:</b>									
Additions	\$ -	\$ -	\$ -	\$ 39,750	\$ 357,330	\$ -	\$ 84,800	\$ -	\$ 481,880
Amortization	-	-	-	(39,750)	(18,206,759)	-	-	-	(18,246,509)
Equity Utilization	-	-	-	-	-	-	-	-	-
60% Annual TIER Credit	-	-	-	-	(24,191,192)	-	-	-	(24,191,192)
<b>12/31/2024 - Projected Balance:</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 13,400,236</b>	<b>\$ 133,175,854</b>	<b>\$ 68,853,184</b>	<b>\$ (9,000,000)</b>	<b>\$ 206,429,274</b>
<b>2025:</b>									
Additions	\$ -	\$ -	\$ -	\$ 4,250,000	\$ 8,006,344	\$ 5,250,000	\$ 84,800	\$ -	\$ 17,591,144
Amortization	-	-	-	-	(18,246,509)	-	-	-	(18,246,509)
Equity Utilization	-	-	-	-	-	-	-	-	-
60% Annual TIER Credit	-	-	-	(4,250,000)	(3,160,071)	(17,492,630)	-	-	(24,902,701)
<b>12/31/2025 - Projected Balance:</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 120,933,224</b>	<b>\$ 68,937,984</b>	<b>\$ (9,000,000)</b>	<b>\$ 180,871,208</b>
<b>2026:</b>									
Additions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,084,800	\$ -	\$ 21,084,800
Amortization	-	-	-	-	-	(18,246,509)	-	-	(18,246,509)
Equity Utilization	-	-	-	-	-	(37,795,633)	-	-	(37,795,633)
60% Annual TIER Credit	-	-	-	-	-	(19,264,447)	-	-	(19,264,447)
<b>12/31/2026 - Projected Balance:</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 45,626,635</b>	<b>\$ 90,022,784</b>	<b>\$ (9,000,000)</b>	<b>\$ 126,649,419</b>

Case No. 2021-00061

Attachment B for Response to AG-KIUC 1-4

Witness: Paul G. Smith

Page 3 of 5

**Big Rivers Electric Corporation**  
**Case No. 2021-00061**  
**Smelter Loss Mitigation (SLM) Regulatory Asset Projected Balances**

Description	Focused Audit	Wilson Station Deferred Depreciation	Coleman Station Deferred Depreciation	Reid Unit 1 Retirement	Station Two Retirement	Coleman Station Retirement	Green Station Partial Retirement	Liability (60% TIER Cr.)	Total
<b>2027:</b>									
Additions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 84,800	\$ -	\$ 84,800
Amortization	-	-	-	-	-	(18,246,509)	-	-	(18,246,509)
Equity Utilization	-	-	-	-	-	-	-	-	-
60% Annual TIER Credit	-	-	-	-	-	(16,432,742)	-	-	(16,432,742)
<b>12/31/2027 - Projected Balance:</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 10,947,384</b>	<b>\$ 90,107,584</b>	<b>\$ (9,000,000)</b>	<b>\$ 92,054,968</b>
<b>2028:</b>									
Additions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 84,800	\$ -	\$ 84,800
Amortization	-	-	-	-	-	(10,947,384)	(7,299,125)	-	(18,246,509)
Equity Utilization	-	-	-	-	-	-	-	-	-
60% Annual TIER Credit	-	-	-	-	-	-	(12,155,634)	-	(12,155,634)
<b>12/31/2028 - Projected Balance:</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 70,737,625</b>	<b>\$ (9,000,000)</b>	<b>\$ 61,737,625</b>

**Big Rivers Electric Corporation**  
**Case No. 2021-00061**  
**Smelter Loss Mitigation (SLM) Regulatory Asset Projected Balances**

Description	Focused Audit	Wilson Station Deferred Depreciation	Coleman Station Deferred Depreciation	Reid Unit 1 Retirement	Station Two Retirement	Coleman Station Retirement	Green Station Partial Retirement	Liability (60% TIER Cr.)	Total
<b>2029:</b>									
Additions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 84,800	\$ -	\$ 84,800
Amortization	-	-	-	-	-	-	(18,246,509)	-	(18,246,509)
Equity Utilization	-	-	-	-	-	-	-	-	-
60% Annual TIER Credit	-	-	-	-	-	-	(13,244,747)	-	(13,244,747)
<b>12/31/2029 - Projected Balance:</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 39,331,169</b>	<b>\$ (9,000,000)</b>	<b>\$ 30,331,169</b>
<b>2030:</b>									
Additions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,000,000	\$ -	\$ 10,000,000
Amortization	-	-	-	-	-	-	(18,246,509)	-	(18,246,509)
Equity Utilization	-	-	-	-	-	-	(17,285,330)	-	(17,285,330)
60% Annual TIER Credit	-	-	-	-	-	-	(5,236,868)	-	(5,236,868)
<b>12/31/2030 - Projected Balance:</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 8,562,462</b>	<b>\$ (9,000,000)</b>	<b>\$ (437,538)</b>
<b>2031:</b>									
Additions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amortization	-	-	-	-	-	-	(8,562,462)	-	(8,562,462)
Equity Utilization	-	-	-	-	-	-	-	-	-
60% Annual TIER Credit	-	-	-	-	-	-	-	-	-
<b>12/31/2031 - Projected Balance:</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (9,000,000)</b>	<b>\$ (9,000,000)</b>

**BIG RIVERS ELECTRIC CORPORATION**  
**ELECTRONIC APPLICATION OF**  
**BIG RIVERS ELECTRIC CORPORATION**  
**FOR ANNUAL REPORT ON MRSM CREDIT**  
**CASE NO. 2021-00061**

**Response to the Office of the Attorney General's and**  
**the Kentucky Industrial Utility Customers, Inc.'s**  
**Joint Initial Data Requests**  
**dated March 16, 2021**

**March 29, 2021**

1 **Item 5)**      *Please refer to pages 14 and 15 of Mr. Wolfram's Direct Testimony,*  
2 *where Mr. Wolfram indicates that while both Option 1 and Option 2 (from*  
3 *Exhibit Wolfram-8) are reasonable cost-based rate designs for RDS and LIC,*  
4 *Mr. Wolfram prefers Option 1.*

5      *a. Does Big Rivers support the approval of a rate design for RDS and*  
6 *LIC based on Option 1 in this proceeding?*

7      *b. If yes, how long after a final order could Big Rivers implement new*  
8 *rates?*

9

10 **Response)**

11      a. Please see Big Rivers' response to Item 3 of the Commission Staff's First  
12 Request for Information.

13      b. Not Applicable.

14

15

16 **Witness)**    Paul G. Smith