

ORIGINAL



COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

In the Matter of:

ELECTRONIC APPLICATION OF)	
BIG RIVERS ELECTRIC CORPORATION)	
FOR A CERTIFICATE OF PUBLIC CONVENIENCE)	
AND NECESSITY AUTHORIZING THE)	Case No.
CONVERSION OF THE GREEN STATION UNITS TO)	2021-00079
NATURAL GAS-FIRED UNITS AND AN ORDER)	
APPROVING THE ESTABLISHMENT OF A)	
REGULATORY ASSET)	

**Responses to the Office of the Attorney General's
Supplemental Data Requests
dated
April 6, 2021**

FILED: April 16, 2021

ORIGINAL

BIG RIVERS ELECTRIC CORPORATION

**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
CASE NO. 2021-00079**

VERIFICATION

I, Nathaniel A. ("Nathan") Berry, 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.



Nathaniel A. ("Nathan") Berry

COMMONWEALTH OF KENTUCKY)
COUNTY OF HENDERSON)

SUBSCRIBED AND SWORN TO before me by Nathaniel A. ("Nathan") Berry on this the 16th day of April, 2021.



Notary Public, Kentucky State at Large

Kentucky ID Number

KYNP16841

My Commission Expires

October 31, 2024



BIG RIVERS ELECTRIC CORPORATION

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VERIFICATION

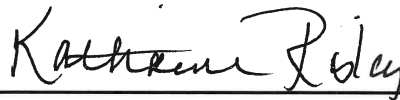
I, Mark J. Eacret, verify, state, and affirm that the data request responses filed with this verification for which I am listed as a witness are true and accurate to the best of my knowledge, information, and belief formed after a reasonable inquiry.



Mark J. Eacret

COMMONWEALTH OF KENTUCKY)
COUNTY OF HENDERSON)

16th SUBSCRIBED AND SWORN TO before me by Mark J. Eacret on this the
day of April, 2021.



Notary Public, Kentucky State at Large

Kentucky ID Number

KYNP 16841

My Commission Expires

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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)

16th SUBSCRIBED AND SWORN TO before me by Paul G. Smith on this the
day of April, 2021.

Katherine Roshay

Notary Public, Kentucky State at Large

Kentucky ID Number

KYNP16841

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1 **Item 1)** *Reference the response to AG 1-8. Meaningful responses were not*
2 *provided to the two subparts to that question. Please provide adequate*
3 *responses.*

4

5 **Response)** In the event the Commission approves the CPCN, it is possible to extend
6 the projected seven-year lifespan of the re-fired Green Units, as Big Rivers’
7 explained through its original response to this request.¹

8 a. Regarding projected useful lives of the Green units’ steam turbines,
9 electrical generators, and other equipment and plant that will remain once
10 the requested gas re-firing has been completed, the useful lives of the
11 Green Station units are through 2041, as reflected in the most recent
12 approved depreciation study.

¹ See Big Rivers’ original response: “Assuming the Green units operate based upon the hours submitted within Big Rivers’ models, and parts are available for continuous maintenance, an expected lifespan past the full planning period covered by Big Rivers’ 2020 IRP is reasonable.”

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- 1 b. Regarding how the remaining useful lives of the equipment was derived if
2 determined by some means other than the most recent depreciation study,
3 not applicable, as explained in Big Rivers' response to sub-part a. above.

4

5

6 **Witness)** Paul G. Smith

7

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1 **Item 2)** *Reference the response to AG 1-17. Explain whether the projected*
2 *reduction in the frequency of the re-fired Green units' dispatched will result*
3 *in reduced revenues from MISO. If so, provide any projections.*

4

5 **Response)** Please refer to the **CONFIDENTIAL** Exhibit Pullen-2 attached to the
6 Direct Testimony of Michael T. Pullen, Exhibit A to Big Rivers' Application in this
7 matter, which includes projected "MISO Energy Revenue" for each scenario on pages
8 3 through 5. The Green units (NG) will be offered into MISO on economic commit.
9 The Green units being dispatched less than ten percent of the time compared to the
10 current thirty percent, would imply that the MISO market is lower than the Green
11 units' dispatch costs and, therefore, making it beneficial for Big Rivers to purchase
12 load from MISO. Since Big Rivers' load and generation are balanced then there is
13 little to no incremental revenue earned through MISO.

14

15 **Witness)** Nathaniel A. Berry

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1 **Item 3)** *Reference the response to PSC 1-18, regarding whether KYMEA*
2 *has expressed any interest in renewing its PPA with BREC, in which BREC*
3 *replied that “KYMEA chose other alternatives.”*

4 *a. Is BREC saying that KYMEA has approved one of the RFPs it*
5 *received?*

6 *b. Explain the alternative that KYMEA chose, and whether it involves*
7 *BREC.*

8

9 **Response)**

10 a. All that Big Rivers can say with certainty is that KYMEA did not select any
11 of the proposals which Big Rivers submitted in response to KYMEA’s
12 Request for Proposals (“RFP”). Doug Buresh, KYMEA’s President and
13 Chief Executive Officer, made a presentation to a special meeting of the
14 Frankfort Plant Board (“FPB”) on December 28, 2020, in which he discussed

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1 the status of KYMEA’s Integrated Resource Plan process and short-term
2 resource plans. That meeting may be viewed at:

3 <https://www.youtube.com/watch?v=uV9Tz2BZpbE>.

4 KYMEA has one power purchase agreement that terminates on May
5 31, 2022, and a peaking purchase from the Paducah Power System (“PPS”)
6 that gives them the flexibility to adjust the size of the purchase. Based on
7 Mr. Buresh’s comments before the FPB, KYMEA is focusing on how to
8 replace the terminating contract and on the optimum size of the purchase
9 from PPS, and the transmission requirements that might go along with
10 those changes. Mr. Buresh did not mention any specific counterparties
11 selected as part of its RFP.

12 b. See Big Rivers’ response to sub-part a.

13

14

15 **Witness)** Mark J Eacret

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1 **Item 4)** *Reference the response to KIUC 1-4. Provide the amount by which*
2 *Green Station's depreciation expense will be reduced when the coal-related*
3 *assets are retired.*

4

5 **Response)** The estimated reduction in annual depreciation expense attributable to
6 the retirement of Green Station's coal-fired-related assets is \$4.7 million.

7

8

9 **Witness)** Paul G. Smith

10