

ORIGINAL



COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

In the Matter of:

AN ELECTRONIC EXAMINATION OF THE)	
APPLICATION OF THE FUEL ADJUSTMENT)	
CLAUSE OF BIG RIVERS ELECTRIC)	Case No.
CORPORATION FROM NOVEMBER 1, 2020)	2021-00297
THROUGH APRIL 30, 2021)	

**Responses to Commission's Second Request for Information
dated
December 7, 2021**

FILED: December 22, 2021

ORIGINAL

BIG RIVERS ELECTRIC CORPORATION

**AN ELECTRONIC EXAMINATION OF
THE APPLICATION OF THE FUEL ADJUSTMENT CLAUSE
OF BIG RIVERS ELECTRIC CORPORATION
FROM NOVEMBER 1, 2020 THROUGH APRIL 30, 2021
CASE NO. 2021-00297**

VERIFICATION

I, Natalie R. Hankins, 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.

Natalie R. Hankins

Natalie R. Hankins

COMMONWEALTH OF KENTUCKY)
COUNTY OF HENDERSON)

21st SUBSCRIBED AND SWORN TO before me by Natalie R. Hankins on this the
day of December, 2021.

Katherine Proby

Notary Public, Kentucky State at Large

Kentucky ID Number

KYNP16841

My Commission Expires

October 31, 2024

BIG RIVERS ELECTRIC CORPORATION

**AN ELECTRONIC EXAMINATION OF
THE APPLICATION OF THE FUEL ADJUSTMENT CLAUSE
OF BIG RIVERS ELECTRIC CORPORATION
FROM NOVEMBER 1, 2020 THROUGH APRIL 30, 2021
CASE NO. 2021-00297**

VERIFICATION

I, Roger D. Hickman, 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.



Roger D. Hickman

COMMONWEALTH OF KENTUCKY)
COUNTY OF HENDERSON)

21st SUBSCRIBED AND SWORN TO before me by Roger D. Hickman on this the
day of December, 2021.



Notary Public, Kentucky State at Large

Kentucky ID Number

KYNP 16841

My Commission Expires

October 31, 2024

BIG RIVERS ELECTRIC CORPORATION

**AN ELECTRONIC EXAMINATION OF
THE APPLICATION OF THE FUEL ADJUSTMENT CLAUSE
OF BIG RIVERS ELECTRIC CORPORATION
FROM NOVEMBER 1, 2020 THROUGH APRIL 30, 2021
CASE NO. 2021-00297**

VERIFICATION

I, Vicky L. Payne, 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.



Vicky L. Payne

COMMONWEALTH OF KENTUCKY)
COUNTY OF HENDERSON)

21st SUBSCRIBED AND SWORN TO before me by Vicky L. Payne on this the
day of December, 2021.



Notary Public, Kentucky State at Large

Kentucky ID Number

K4NP16841

My Commission Expires

October 31, 2024

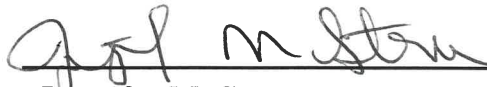


BIG RIVERS ELECTRIC CORPORATION

**AN ELECTRONIC EXAMINATION OF
THE APPLICATION OF THE FUEL ADJUSTMENT CLAUSE
OF BIG RIVERS ELECTRIC CORPORATION
FROM NOVEMBER 1, 2020 THROUGH APRIL 30, 2021
CASE NO. 2021-00297**

VERIFICATION

I, Jennifer M. Stone, 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.



Jennifer M. Stone

COMMONWEALTH OF KENTUCKY)
COUNTY OF HENDERSON)

21st SUBSCRIBED AND SWORN TO before me by Jennifer M. Stone on this the
day of December, 2021.



Notary Public, Kentucky State at Large

Kentucky ID Number

KYNP16841

My Commission Expires

October 31, 2024



BIG RIVERS ELECTRIC CORPORATION

**AN ELECTRONIC EXAMINATION OF THE APPLICATION OF THE FUEL
ADJUSTMENT CLAUSE OF BIG RIVERS ELECTRIC CORPORATION
FROM NOVEMBER 1, 2020 THROUGH APRIL 30, 2021
CASE NO. 2021-00297**

**Response to Commission's Second Request for Information
dated December 7, 2021**

December 22, 2021

1 **Item 1)** *Provide a listing of the Midcontinent Independent System*
2 *Operator (MISO) billing line items that BREC passes through its Fuel*
3 *Adjustment Clause (FAC).*

4

5 **Response)** MISO charge types for power purchases currently being recovered
6 through the Fuel Adjustment Clause include "Day Ahead (DA) Asset Energy", "Real
7 Time (RT) Asset Energy", Real Time (RT) Excessive Energy", and "Real Time (RT)
8 Non-Excessive Energy".

9

10

11 **Witness)** Jennifer M. Stone

12

BIG RIVERS ELECTRIC CORPORATION

**AN ELECTRONIC EXAMINATION OF THE APPLICATION OF THE FUEL
ADJUSTMENT CLAUSE OF BIG RIVERS ELECTRIC CORPORATION
FROM NOVEMBER 1, 2020 THROUGH APRIL 30, 2021
CASE NO. 2021-00297**

**Response to Commission's Second Request for Information
dated December 7, 2021**

December 22, 2021

1 **Item 2)** *Provide a table showing the monthly MISO revenues and charges*
2 *for each billing line item that BREC is authorized to pass through FAC in*
3 *Excel spreadsheet format with all formulas, columns, and rows unprotected*
4 *and fully accessible.*

5

6 **Response)** Please see the Excel file provided with these responses.

7

8

9 **Witness)** Jennifer M. Stone

10

BIG RIVERS ELECTRIC CORPORATION

**AN ELECTRONIC EXAMINATION OF THE APPLICATION OF THE FUEL
ADJUSTMENT CLAUSE OF BIG RIVERS ELECTRIC CORPORATION
FROM NOVEMBER 1, 2020 THROUGH APRIL 30, 2021
CASE NO. 2021-00297**

**Response to Commission's Second Request for Information
dated December 7, 2021**

December 22, 2021

1 **Item 3)** *Confirm that no other revenues or charges from MISO billing line*
2 *items not authorized by the Commission has been passed through the FAC*
3 *during the six-month period under review.*

4

5 **Response)** Big Rivers confirms that no other revenues or charges from MISO billing
6 line items not authorized by the Commission have been passed through its FAC
7 during the six-month period under review.

8

9

10 **Witness)** Jennifer M. Stone

11

BIG RIVERS ELECTRIC CORPORATION

**AN ELECTRONIC EXAMINATION OF THE APPLICATION OF THE FUEL
ADJUSTMENT CLAUSE OF BIG RIVERS ELECTRIC CORPORATION
FROM NOVEMBER 1, 2020 THROUGH APRIL 30, 2021
CASE NO. 2021-00297**

**Response to Commission's Second Request for Information
dated December 7, 2021**

December 22, 2021

1 **Item 4)** *Refer to BREC's response to Commission Staff's First Request*
2 *(Staff's First Request), Item 2, Attachment page 4 of 9. Since the mode of*
3 *transport can be either truck or barge, explain how the pricing is set up and*
4 *whether there is any difference in transport price depending on transport*
5 *method.*

6
7 **Response)** Staff's First Request, Item 2, Attachment page 4 of 9, was a Coal Supply
8 Agreement that was originally entered into with the Murray Energy / KenAmerican
9 Resources (Paradise Mine) operation. This mine was not near any dock and was
10 offered by the supplier, via bid, for delivery exclusively via truck. The Murray Energy
11 Company ("Murray Energy") elected to close the KenAmerican Resources Paradise
12 Mine and to provide substitute coal from the WKCC Genesis and MCCC Pride mines.
13 Thereafter, Murray Energy filed bankruptcy and the coal supply agreement was
14 assumed by a new company, American Consolidated Natural Resources ("ACNR").

15 The WKCC Genesis operation was near a dock on the Green River; however,
16 the mine was much closer to Big Rivers' Wilson Station (the receiving generating
17 station) via truck. The truck rate from WKCC Genesis to Wilson Station remained

BIG RIVERS ELECTRIC CORPORATION

**AN ELECTRONIC EXAMINATION OF THE APPLICATION OF THE FUEL
ADJUSTMENT CLAUSE OF BIG RIVERS ELECTRIC CORPORATION
FROM NOVEMBER 1, 2020 THROUGH APRIL 30, 2021
CASE NO. 2021-00297**

**Response to Commission's Second Request for Information
dated December 7, 2021**

December 22, 2021

1 \$1.25/ton. Big Rivers and ANCR agreed to have an optional throughput through the
2 dock at a \$1.25/ton throughput fee, *i.e.*, transporting the coal to the dock and a
3 material handling fee for managing the unloaded truck coal through the dock facility.
4 If Big Rivers elected to barge the coal, Big Rivers also would have paid an additional
5 barging expense, over and above the \$1.25/ton. Thus, Big Rivers elected to have the
6 coal trucked to its Wilson Station.

7 The option for dock throughput and barge delivery was to provide a logistics
8 option in the event trucking was interrupted. The MCCC Pride Mine is not near any
9 dock location and would cost much more to have routed to a dock for delivery to
10 Wilson. The trucking rate of \$1.25/ton was established early in the contract and is
11 below current market pricing for trucking. This coal supply agreement expires
12 December 31, 2021.

13

14

15 **Witness)** Vicky L. Payne

16

BIG RIVERS ELECTRIC CORPORATION

**AN ELECTRONIC EXAMINATION OF THE APPLICATION OF THE FUEL
ADJUSTMENT CLAUSE OF BIG RIVERS ELECTRIC CORPORATION
FROM NOVEMBER 1, 2020 THROUGH APRIL 30, 2021
CASE NO. 2021-00297**

**Response to Commission's Request for Information
dated December 7, 2021**

December 22, 2021

1 **Item 5)** *Refer to BREC's response to Staff's First Request, Item 6. Explain*
2 *whether BREC has purchased any synthetic or substitute natural gas. If so,*
3 *explain whether it is priced as such in the market.*

4

5 **Response)** Big Rivers is unaware of any synthetic or substitute natural gas in its
6 purchases.

7

8

9 **Witness)** Vicky L. Payne

10

BIG RIVERS ELECTRIC CORPORATION

**AN ELECTRONIC EXAMINATION OF THE APPLICATION OF THE FUEL
ADJUSTMENT CLAUSE OF BIG RIVERS ELECTRIC CORPORATION
FROM NOVEMBER 1, 2020 THROUGH APRIL 30, 2021
CASE NO. 2021-00297**

**Response to Commission's Request for Information
dated December 7, 2021**

December 22, 2021

1 **Item 6)** *Refer to BREC's response to Staff's First Request, Item 15,*
2 *Attachment page 4 of 5 and Item 16. Green Station Unit 2 had no outages in*
3 *January or March 2021.*

4 *a. Explain why the GCF is 0.0 percent.*

5 *b. Explain what factors, other than outages, would cause the capacity factor*
6 *for the Green Station Units to be low in November, December, and March*
7 *and much higher in February and April.*

8

9 **Response)**

10 a. The GCF for Big Rivers' Green Station is low during the period mentioned
11 because, while the units were not generating, they remained available to
12 the market.

13 b. Operationally, the only factors, other than outages, that would result in
14 this activity are unit derates and reserve standby time. Market conditions
15 ultimately led to the low capacity factor in November, December, and
16 March, and the much higher capacity factor in February and April. Market
17 pricing was highest in February and April, leading to economic dispatch to

BIG RIVERS ELECTRIC CORPORATION

**AN ELECTRONIC EXAMINATION OF THE APPLICATION OF THE FUEL
ADJUSTMENT CLAUSE OF BIG RIVERS ELECTRIC CORPORATION
FROM NOVEMBER 1, 2020 THROUGH APRIL 30, 2021
CASE NO. 2021-00297**

**Response to Commission's Request for Information
dated December 7, 2021**

December 22, 2021

1 the variable costs. In November, December, and March, the market pricing
2 average was below the average cost, which is why the units were dispatched
3 less, as compared to February and April..

4

5

6 **Witness)** Natalie R. Hankins

7

BIG RIVERS ELECTRIC CORPORATION

**AN ELECTRONIC EXAMINATION OF THE APPLICATION OF THE FUEL
ADJUSTMENT CLAUSE OF BIG RIVERS ELECTRIC CORPORATION
FROM NOVEMBER 1, 2020 THROUGH APRIL 30, 2021
CASE NO. 2021-00297**

**Response to Commission’s Request for Information
dated December 7, 2021**

December 22, 2021

1 **Item 7)** *Review BREC’s Fuel Adjustment Clause Tariff sheets and provide*
2 *a list of necessary adjustments or subsequent information, if any, needed to*
3 *correspond with the recent changes to 807 KAR 5:056 Fuel Adjustment Clause*
4 *Regulation, as amended on August 20, 2019, and June 3, 2021.*

5

6 **Response)** Big Rivers’ review of its current Fuel Adjustment Clause (“FAC”) tariff
7 sheets shows there are no necessary adjustments necessary due to the recent changes
8 to 807 KAR 5:056 Fuel Adjustment Clause Regulation.

9

10

11 **Witness)** Roger D. Hickman

12