



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

In the Matter of:

**ELECTRONIC APPLICATION OF BIG RIVERS)
ELECTRIC CORPORATION FOR A CERTIFICATE)
OF CONVENIENCE AND NECESSITY)
AUTHORIZING CONSTRUCTION OF A NEW)
HEADQUARTERS FACILITY AND AN ORDER)
AUTHORIZING BIG RIVERS TO SELL ITS)
EXISTING HEADQUARTERS FACILITY)**

**Case No.
2021-00314**

**Responses to Commission Staff's
First Request for Information
dated**

October 11, 2021

FILED: October 22, 2021

BIG RIVERS ELECTRIC CORPORATION

**ELECTRONIC APPLICATION
OF BIG RIVERS ELECTRIC CORPORATION
FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY
AUTHORIZING CONSTRUCTION OF A NEW HEADQUARTERS FACILITY
AND AN ORDER AUTHORIZING BIG RIVERS TO SELL
ITS EXISTING HEADQUARTERS FACILITY
CASE NO. 2021-00314**

VERIFICATION

I, Robert W. ("Bob") 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.

Robert W Berry

Robert W. ("Bob") Berry

COMMONWEALTH OF KENTUCKY)
COUNTY OF HENDERSON)

SUBSCRIBED AND SWORN TO before me by Robert W. ("Bob") Berry on this the 2/8 day of October, 2021.

Kathleen R. Berry

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, Lindsay N. Durbin, 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.


Lindsay N. Durbin

COMMONWEALTH OF KENTUCKY)
COUNTY OF HENDERSON)

21st SUBSCRIBED AND SWORN TO before me by Lindsay N. Durbin on this the
day of October, 2021.


Notary Public, Kentucky State at Large

Kentucky ID Number KYNP16841

My Commission Expires October 31, 2024



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VERIFICATION

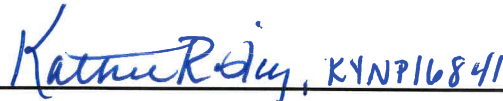
I, Michael T. ("Mike") Pullen, verify, state, and affirm that the data request responses filed with this verification for which I am listed as a witness are true and accurate to the best of my knowledge, information, and belief formed after a reasonable inquiry.



Michael T. ("Mike") Pullen

COMMONWEALTH OF KENTUCKY)
COUNTY OF HENDERSON)

SUBSCRIBED AND SWORN TO before me by Michael T. ("Mike") Pullen on this the 21st day of October, 2021.



Notary Public, Kentucky State at Large

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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)

21st SUBSCRIBED AND SWORN TO before me by Paul G. Smith on this the day of October, 2021.

Kathleen Reddy

Notary Public, Kentucky State at Large

Kentucky ID Number

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VERIFICATION

I, Robert F. ("Rob") Toerne, 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.



Robert F. ("Rob") Toerne

COMMONWEALTH OF KENTUCKY)
COUNTY OF HENDERSON)

SUBSCRIBED AND SWORN TO before me by Robert F. ("Rob") Toerne on this the 21st day of October, 2021.



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- 1 Item 1) *Refer to the Application, page 8, line 21 through page 9, line 22.*
- 2 a. *Explain why the timing of this Application was dependent on the*
- 3 *response by the city of Henderson (Henderson) to BREC's offer to*
- 4 *purchase Henderson's system.*
- 5 b. *Explain why Henderson's rejection of BREC's offer to purchase*
- 6 *Henderson's system had any bearing on BREC's decision to*
- 7 *consolidate transmission functions.*

8

9 **Response)**

- 10 a. Big Rivers and its Members are continuously exploring ways to bring
- 11 value to the retail customers on the Big Rivers system. When Big Rivers
- 12 made the decision to move our headquarters, we were negotiating with
- 13 Henderson to purchase Henderson's municipal electric system. Offers to
- 14 purchase the system included a proposed agreement to leave the existing

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1 ET&S¹ facility in Henderson. That existing facility does not have
2 sufficient space for Big Rivers' current needs, much less combining
3 additional departments at that facility. And because Big Rivers believed
4 purchasing Henderson's system was in the best interest of both parties,
5 Big Rivers was hopeful that Henderson would accept our offer. Big Rivers
6 did not originally consider consolidating transmission functions by
7 relocating the Energy Control, Engineering, and support personnel.

8 As it was becoming apparent that Henderson might reject Big
9 Rivers' offer, we began exploring ways to solve the deficiencies at the
10 existing ET&S facility in a manner that would bring the most value to our
11 Members and their retail customers. It became clear that a new ET&S
12 facility would be required, and this gave rise to the opportunity to improve
13 efficiencies by combining ET&S with the Energy Control, Engineering,
14 and support personnel from headquarters in a new Transmission

¹ ET&S = Energy Transmission and Substation.

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1 Operations Center. This resulted in a design for the proposed
2 headquarters building with one less floor than would be needed if the
3 transmission functions were not consolidated. Moving forward with this
4 plan could only be done if Henderson rejected Big Rivers' offer.

5

6 b. Please see sub-part a. of this response.

7

8

9 **Witness)** Robert W. Berry

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1 **Item 2)** *Refer to the Direct Testimony of Paul G. Smith (Smith*
2 *Testimony), page 8, lines 15-22.*

3 *a. Explain whether there are any Henderson taxes or other specific city*
4 *or county expenses avoided by moving to Owensboro.*

5 *b. Describe the occupational tax rate, if any, in Henderson.*

6

7 **Response)**

8 a. Moving to Owensboro avoids Henderson's higher property tax rate.

9 b. The Henderson occupational tax rate is currently 1.49%.

10

11

12 **Witness)** Paul G. Smith

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- 1 Item 3) *Refer to the Smith Testimony, page 10, lines 6-16.*
- 2 a. *Explain the manner in which local banks and lenders have offered*
- 3 *to finance the proposed headquarters and whether there were limits*
- 4 *as to how much each institution was willing to participate.*
- 5 b. *Depending upon the interest rates, explain whether BREC would be*
- 6 *willing to consider or has considered setting aside a certain portion*
- 7 *of the total amount of the financing so local lenders could*
- 8 *participate.*
- 9 c. *Explain whether BREC has any reason to believe that it will not be*
- 10 *successful in its attempt to participate in the U.S. Treasury's New*
- 11 *Markets Tax Credit (NMTC) Program.*
- 12
- 13

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1 **Response)**

2 a. Multiple lenders indicated a desire to issue traditional financing for the
3 project and did not express a limitation as to how much they would lend
4 relative to the project's estimated construction cost.

5 b. Big Rivers is willing to set aside a portion of the total financing so local
6 lenders could participate if such financing can be executed at competitive
7 rates and terms, and if the NMTC Program allows such supplemental
8 financing.

9 c. Big Rivers' conversations with experienced NMTC participants have not
10 identified any issues that might cause its financing application to be
11 unsuccessful, but Big Rivers understands that such financing is not
12 guaranteed.

13

14

15 **Witness)** Paul G. Smith

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1 **Item 4)** *Refer to the Smith Testimony, page 11, lines 1-6. Explain whether*
2 *the Community Development Entities (CDEs) are individuals, local*
3 *government departments, non-profit non-governmental organizations, or*
4 *something else and the criteria that is used by CDEs to evaluate the NMTC*
5 *Program applications.*

6

7 **Response)** A Community Development Entity (“CDE”) is a domestic corporation or
8 partnership that is an intermediary vehicle for the provision of loans, investments,
9 or financial counseling in low-income communities. CDE certification is awarded by
10 the Treasury Department and can be awarded to corporations, banks, real-estate
11 developers, governmental entities, mission lenders, and nonprofits if serving low-
12 income communities is one of its primary missions. The criteria for determining
13 NMTC eligibility includes the requirement to be located in a census tract that
14 qualifies as a low-income community (defined by the Community Development

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1 Financial Institutions (CDFI) Fund) as well as alignment with the mission of
2 particular CDEs.

3

4 **Witness)** Paul G. Smith

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1 **Item 5)** *Refer to the Smith Testimony, page 13, lines 8-16. If BREC*
2 *ultimately moves all its operations to Owensboro, explain how BREC will*
3 *accomplish the move without disrupting ongoing operations and the*
4 *estimated cost of physically moving BREC's operations, including the Energy*
5 *Control Center without disrupting ongoing operations.*

6

7 **Response)** The cost of physically moving Big Rivers' operations to the proposed
8 headquarters facility is estimated at a cost of \$60,000 and is tentatively planned to
9 be accomplished over a long weekend, with employees working from home, if
10 necessary, as was successfully demonstrated during the pandemic.

11 The Energy Control Center will remain at the current headquarters location
12 until the new Transmission Operations Center (TOC) is constructed. Big Rivers has
13 a back-up control center (as required by NERC) that would be utilized during the
14 transition of the Energy Control Center from the current headquarters facility to the
15 TOC to ensure that ongoing operations are not disrupted. The cost to physically move

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1 the Energy Control Center to the new TOC is estimated to cost significantly less than
2 the cost of physically moving the headquarters.

3

4

5 **Witness)** Paul G. Smith

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1 **Item 6)** *Refer to the Smith Testimony, page 16, lines 7-9.*

2 *a. Explain the potential power supply options that the move to*
3 *Owensboro would afford BREC.*

4 *b. Explain the other potential strategic transaction opportunities that*
5 *the move to Owensboro would afford BREC.*

6

7 **Response)**

8 a. A local presence, including expanded community involvement, is likely to
9 enhance Owensboro Municipal Utilities' favorable consideration to extend
10 its existing power supply contract with Big Rivers.

11 b. As referenced in Mr. Robert W. Berry's Direct Testimony, Big Rivers'
12 relationship with Owensboro has become an important partnership and the
13 City's strategic geographic location will logistically assist Big Rivers'
14 interactions with its Members and their largest industrial customers.

15 Additionally, a local presence, enhanced corporate spending with local

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1 businesses, and expanded interaction between Big Rivers and corporate
2 and city leaders are likely to be favorable considerations if Big Rivers
3 should make a formal offer to lease or acquire the City of Owensboro's
4 municipal electric assets.

5

6

7 **Witness)** Paul G. Smith

8

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1 Item 7) *Refer to the Direct Testimony of Robert F. Toerne (Toerne*
2 *Testimony), page 13, line 5 through page 14, line 13.*

3 a. *Identify the "other key support personnel" by department and job*
4 *title that BREC anticipates relocating to the Energy Transmission*
5 *& Substation (ET&S) facility.*

6 b. *Explain whether BREC intends to locate its Energy Control*
7 *department, Engineering department, and transmission field*
8 *maintenance personnel at the existing ET&S facility or the new*
9 *Transmission Operations Center regardless of whether BREC*
10 *constructs a new headquarters.*

11 c. *Explain what, if any, modifications to the current ET&S facility*
12 *would be necessary for it to accommodate Energy Control,*
13 *Engineering, and the other key support personnel mentioned, and*
14 *provide all estimates of the expected cost of such modifications.*

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- 1 ***d. Explain the status of BREC's current efforts to explore relocating***
2 ***the current ET&S facility to a new Transmission Operations Center,***
3 ***and explain why BREC is considering relocating the current ET&S***
4 ***facility, including why it is necessary and would not result in***
5 ***wasteful duplication.***
- 6 ***e. Provide all estimates of the expected cost of a new Transmission***
7 ***Operations Center.***
- 8 ***f. Explain how eliminating a floor on the new proposed headquarters***
9 ***by shifting personnel the ET&S facility is cost effective if BREC***
10 ***would need to construct or obtain a new Transmission Operations***
11 ***Center, and provide any cost benefit analysis performed to assess the***
12 ***options.***
- 13 ***g. Explain why building a separate Transmission Operations Center***
14 ***is expected to avoid significant costs involved in duplicating the***
15 ***data and telecom fiber/microwave system that would otherwise be***

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1 *required at the proposed headquarters location in downtown*
2 *Owensboro, and provided an itemized breakdown of those expected*
3 *cost savings.*

4 *h. Given the relationship between the proposed new headquarters and*
5 *the new Transmission Operations Center, explain why BREC did not*
6 *request a CPCN for both simultaneously such that the related need*
7 *and wasteful duplication could be addressed together.*

8

9 **Response)**

10 a. The "other key support personnel" Big Rivers anticipates relocating to the
11 Transmission Operation Center ("TOC") include:

12 **Information Systems and Technology ("IT") (Total 5)**

- 13 (1) Senior Systems Architect,
14 (1) Systems Architect III,
15 (2) Senior Technical Engineers – EMS, and
16 (1) Critical Infrastructure Protection (CIP) Coordinator.

17

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1 **Supporting Purchasing, Safety, & Accounting (Total 3)**

- 2 (1) Senior Procurement Agent,
3 (1) Safety and Training Manager, and
4 (1) Senior Budget Analyst.

5
6 b. Due to space restrictions, Big Rivers cannot relocate its Energy Control
7 department, Engineering department, and transmission field maintenance
8 personnel to its existing ET&S facility. There is simply not enough room
9 at that location to construct additional facilities for those departments.
10 However, Big Rivers intends to construct a new TOC to consolidate and
11 house those departments regardless of whether it constructs a new
12 headquarters.

13 c. The current ET&S facility cannot accommodate Energy Control,
14 Engineering, and other key support personnel. There is no available
15 acreage to sufficiently expand the building footprint and the existing
16 building was not constructed to allow for vertical expansion.

17

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1 d. Big Rivers is still in the conceptual design phase evaluating factors such
2 as location and building configuration and will submit an application
3 seeking a certificate of public convenience and necessity to construct the
4 Transmission Operations Center and for authority to sell its existing
5 ET&S facility once these factors have been fully evaluated and the
6 resulting constructions plans are sufficiently documented. To date, Big
7 Rivers has been searching for property to locate the new TOC and it has
8 been in discussions with officials from Owensboro and Daviess County to
9 determine what incentives are available if we were to locate the TOC in
10 that area.

11 Locating the new TOC would not result in wasteful duplication
12 because the current facility is not large enough to accommodate the
13 additional personnel as identified in this response.

14

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- e. Big Rivers' current estimate for the expected cost of a new Transmission Operations Center is [REDACTED]. However, the design of the new facility is not complete, and this estimate is subject to change.
- f. Eliminating a floor on the new proposed headquarters is cost neutral when compared to the cost of shifting personnel to the ET&S facility because Big Rivers plans to construct the same office space, control center, and data center at the ET&S facility that would have been constructed on the additional floor at the new headquarters.
- g. The data and telecom path costs at the new headquarters are greater than for the TOC because of the longer distance between the downtown Owensboro location and the nearest Big Rivers' substations. The locations that are being evaluated for the TOC are much closer to Big Rivers' substations. Big Rivers has existing communication infrastructure in these substations. The additional cost to install fiber from the nearest

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1 h. substations to downtown Owensboro location is summarized in the
2 following table.

Equipment/Project Description	Material Cost	Internal Labor Cost	Contractor Labor Cost
Fiber Between Maceo and Hancock (8.8 miles)	\$ 96,000	\$ 5,000	\$ 200,000
Fiber Between Daviess Co. and Horse Fork (est. 4.5 miles)	41,000	5,000	400,000
Third Party Fiber Usage	80,000	20,800	
Subtotals	\$ 217,000	\$ 30,800	\$ 600,000
Grand Total			\$ 847,800

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i. Big Rivers had been attempting to purchase the City of Henderson's power system in 2021. Part of Big Rivers' offer included the commitment to retain the ET&S personnel in Henderson. If Big Rivers would have been successful in purchasing the HMPL system, Big Rivers would have used some of Henderson's facilities for ET&S operations instead of needing to build a new facility. However, the City of Henderson formally rejected Big

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1 Rivers' offer on July 13, 2021. Since Big Rivers had begun the process to
2 relocate its headquarters approximately one year ago, the timing of the two
3 projects are occurring on a much different schedule.

4 Big Rivers is now in the process of finding a location for the new TOC,
5 negotiating incentives, and designing the new facility. Once those steps are
6 complete, Big Rivers will seek the necessary approvals for the new TOC.

7

8

9 **Witness)** Michael T. Pullen

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1 Item 8) *Refer to the Toerne Testimony, Exhibit Toerne-1. Assuming the*
2 *Commission granted the CPCN requested in this matter, identify those*
3 *capital costs listed in Exhibit Toerne-1 that BREC anticipates avoiding and*
4 *those that BREC anticipates will need to be completed while the new*
5 *headquarters is being constructed or before the current headquarters can be*
6 *sold.*

7

8 **Response)** The costs identified in Exhibit Toerne-1 to my Direct Testimony, Exhibit
9 E to Big Rivers' Application, will be avoided while the new headquarters is being
10 constructed and before the current headquarters is sold, with the exception of the
11 costs identified as "Building & Grounds (Misc Repairs)." This annual estimated cost
12 of \$25,000 most likely will be incurred while Big Rivers occupies the current
13 headquarters.

14

15 **Witness)** Robert F. Toerne

BIG RIVERS ELECTRIC CORPORATION
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1 **Item 9)** *Refer to the Memorandum of Agreement between BREC and the*
2 *city of Owensboro. Explain BREC's obligation to facilitate parking for*
3 *employees of Texas Gas Transmission, LLC, including the number of*
4 *employees at issue, and how BREC intends to fulfill those obligations.*

5

6 **Response)** Big Rivers has a temporary obligation to allow Riverfront JAM to utilize
7 fifty-five (55) out of the existing one hundred seven (107) parking spaces available on
8 the property for Texas Gas Transmission, LLC employees currently. This obligation
9 ceases thirty (30) days after Big River receives a Certificate of Public Convenience
10 and Necessity from the Kentucky Public Service Commission or January 1, 2022,
11 whichever is earlier.

12

13

14 **Witness)** Robert W. Berry

15

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1 **Item 10)** *State every reason provided by the CDEs BREC is working with*
2 *to obtain financing why it is “significant” that the project be ready for*
3 *construction by the end of the year.*

4

5 **Response)** To be eligible to apply for the next round of allocation, CDEs that
6 received prior allocations of new markets tax credits must submit their qualified
7 equity investment (QEI) issuance threshold by January 31. The QEI issuance
8 threshold varies by calendar year, but is typically 30% of the current allocation. Big
9 Rivers understands that quickly meeting or surpassing the QEI threshold
10 potentially puts the CDE at a competitive advantage over the other CDE's for the
11 next allocation.

12

13 **Witness)** Paul G. Smith

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1 **Item 11)** *Identify the electric reliability requirements regarding security*
2 *in an energy control room.*

3

4 **Response)** Threats to both physical and electronic security must be considered
5 when designing a control room. The North American Electric Reliability
6 Corporation's ("NERC") Mandatory Reliability Standards, specifically the NERC
7 Cyber Security standards CIP¹-002 through CIP-014² contain the detailed
8 requirements for both physical and electronic security requirements. NERC
9 standards that relate primarily to physical threats include:

10 CIP-004 Cyber Security – Personnel & Training. The purpose of CIP-004
11 Standard is: *"To minimize the risk against compromise that could lead to*
12 *misoperation or instability in the Bulk Electric System (BES) from individuals*

¹ CIP = Critical Infrastructure Protection.

² See NERC Cyber Security Standards CIP-002 through CIP-014 at
<https://www.nerc.com/pa/stand/Pages/ReliabilityStandardsUnitedStates.aspx?jurisdiction=United%20States>.

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1 *accessing BES Cyber Systems by requiring an appropriate level of personnel risk*
2 *assessment, training, and security awareness in support of protecting BES Cyber*
3 *Systems.”³*

4

5 The requirements contained in CIP-004 stipulate the requirement to have a
6 Security Awareness Program, a Cyber Security Program, Personnel Risk Assessment
7 Program, Access Management Program and a Process for Access Revocation.

8

9 CIP-006 Cyber Security – Physical Security of BES Cyber Systems. The
10 purpose of CIP-006 Standard is: *“To manage physical access to Bulk Electric System*
11 *(BES) Cyber Systems by specifying a physical security plan in support of protecting*

³ See CIP-004-6 – Cyber Security – Personnel & Training at
<https://www.nerc.com/pa/Stand/Reliability%20Standards/CIP-004-6.pdf>

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1 *BES Cyber Systems against compromise that could lead to misoperation or instability*
2 *in the BES.”⁴*

3 The requirements contained in CIP-006 stipulate the requirement to have a
4 Physical Security Plan, which:

5 (a) defines controls to restrict personnel access inside a Physical Security
6 Perimeter (“PSP”),

7 (b) utilizes physical access controls in each PSP to allow access for only those
8 authorized access,

9 (c) monitors for unauthorized access into a PSP,

10 (d) issues alarms for unauthorized access,

11 (e) monitors the control system for unauthorized access to the control system
12 itself,

⁴ See CIP-006-6-Cyber Security-Physical Security of BES Cyber Systems at:
<https://www.nerc.com/ layouts/15/PrintStandard.aspx?standardnumber=CIP-006-6&title=Cyber%20Security%20-%20Physical%20Security%20of%20BES%20Cyber%20Systems&Jurisdiction=United%20States>

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1 (f) issues alarms for unauthorized access into the control system within 15
2 minutes,

3 (g) electronically logs each authorized entry into PSP with identity / date /
4 time,

5 (h) retains physical access logs for ninety (90) days, and

6 (i) restricts physical access to cabling.

7 CIP-006 also requires a Visitor Control Program, that requires continuous escort of
8 visitors within the PSP, logging of all visitors' entry and exit from a PSP, and
9 retention of all visitor access logs for ninety (90) days. Lastly, the CIP-006 Standard
10 also requires maintenance and testing of all Physical Access Control Systems at least
11 once every twenty-four (24) months.

12

13

14 **Witness)** Michael T. Pullen

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1 **Item 12)** *Identify the number of personnel by department that occupy the*
2 *existing headquarters and the number of personnel by department that*
3 *BREC expects to occupy the new headquarters.*

4

5 **Response)** The attached list provides the current count of personnel by department
6 that occupy the existing headquarters facility as of October 11, 2021. It also provides
7 the reduced count of personnel by department due to the relocation to the
8 Transmission Operations Center that Big Rivers is planning. Finally, the list
9 provides the number of personnel by department Big Rivers expects to initially
10 occupy the new headquarters, due to staffing reductions resulting from recent
11 retirements of several coal plants, which are referenced on page 14 of the Direct
12 Testimony of Robert F. Toerne, Exhibit E to the Application in the proceeding. Please
13 note that there are two vacant positions in the Engineering department, which are
14 not reflected in these personnel counts.

15 **Witness)** Lindsay N. Durbin

Big Rivers Electric Corporation

Head Quarters Personnel Counts

Department	Current Personnel	Projected Personnel Due to Relocation	Projected Personnel Due to Relocation and Staff Reductions
Accounting	4	4	4
Accounts Payable	4	4	3
Administrative Services	3	3	3
Budgets & Forecasts	3	3	3
Community Relations	3	3	3
Corporate Files	3	3	1
Corporate Safety	2	1	1
Employee and Labor Relations	1	1	1
Employment and Benefits	2	2	2
Energy Control	8	0	0
Energy Services	7	7	7
Engineering	6	0	0
Environmental	5	5	5
ERM and Strategic Planning	2	2	2
Finance	2	2	2
Fuels Procurement	3	3	1
General Services	1	1	1
Headquarters Sourcing/Materials	2	1	1
Information Systems	9	6	5
Information Technology	6	4	4
Marketing and Member Relations	1	1	1
Payroll	2	2	2
Power and Fuels Accounting	2	2	2
President and CEO	2	2	2
Production	4	4	4
Production Administration	1	1	1
Rates & Tariffs	4	4	3
Supply Chain	1	1	0
System Planning and Reliability Compliance	3	0	0
Grand Personnel Count	96	72	64

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1 **Item 13)** *Identify the number of personnel by department that occupy the*
2 *existing ET&S facility and the number of personnel by department that*
3 *BREC expects to occupy any new Transmission Operations Center.*

4

5 **Response)** The attached list provides the current count of personnel by
6 department that occupy the ET&S facility as of October 11, 2021. It also provides
7 the projected count of personnel by department that Big Rivers expects will occupy
8 the Transmission Operations Center that Big Rivers is planning.

9

10 **Witness)** Lindsay N. Durbin

Big Rivers Electric Corporation

Energy Transmission and Substation Facility and Transmission Operations Center

Personnel Count

Department	Current ET&S Facility Occupancy	Projected TOC Occupancy
Accounting (Budget)	0	1
Compliance/Planning	0	3
Corporate Safety	0	1
Energy Control	0	8
Engineering	0	6
Information Systems / Information Technology	0	5
Communications	5	5
Lines	8	8
Relaying and Metering	1	1
Rights of Way	4	4
Substation	11	11
Transmission	4	4
Transmission Sourcing / Materials	1	2
Grand Personnel Count		
	34	59
Contractors	2	2
Vacant Positions (Engineering)	-	2
Grand Occupancy Count		
	36	63

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1 **Item 14)** *Provide any cost benefit analysis performed by or on BREC's*
2 *behalf to assess constructing a new headquarters and remodeling the*
3 *existing headquarters.*

4

5 **Response)** Please see Exhibit Smith-2 of my Direct Testimony in Big Rivers'
6 Application, which provides a cost benefit analysis assessing constructing the
7 proposed headquarters and remaining in the existing headquarters, remodeled only
8 to the extent of the \$2.3 million capital expenses, as itemized and fully discussed in
9 the Direct Testimony of Robert F. Toerne and Exhibit Toerne-1. Fully remodeling
10 the existing 40 to 55 year old headquarters facilities to reorganize and update space
11 for optimum functionality and security in addition to these capital expenses would be
12 impractical.

13

14

15 **Witness)** Paul G. Smith

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1 **Item 15)** *Provide all appraisals and others estimates of the value of the*
2 *properties that make up BREC's current headquarters performed in the last*
3 *five years.*

4

5 **Response)** Please see the confidential appraisal reports attached to this response.

6

7

8 **Witness)** Robert F. Toerne



In the Matter of:

ELECTRONIC APPLICATION OF BIG RIVERS)
ELECTRIC CORPORATION FOR A)
CERTIFICATE OF CONVENIENCE AND)
NECESSITY AUTHORIZING CONSTRUCTION OF)
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CONFIDENTIAL

Attachment to Big Rivers'
Response to Item 15

INFORMATION SUBMITTED WITH
MOTION FOR CONFIDENTIAL TREATMENT



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1 **Item 16)** *Describe the market for office space in downtown Henderson.*

2

3 **Response)** Please see pages 12 through 15 of the confidential "Market Value
4 Appraisal of Real Estate Big Rivers Electric Corp. Headquarters 201 Third Street,"
5 dated February 23, 2021, attached to Big Rivers' response to Item 15 of these
6 information requests, for a description of the market for office space in downtown
7 Henderson.

8

9

10 **Witness)** Robert F. Toerne

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1 **Item 17)** *State whether BREC anticipates being able to sell the properties*
2 *that make up BREC's existing headquarters, and explain each basis for*
3 *BREC's contention.*

4

5 **Response)** Yes, with the Commission's authority, Big Rivers anticipates it will be
6 able to sell its current Henderson headquarters. Big Rivers placed "For Sale" signs
7 on the headquarters' office building earlier this year, resulting in responses from
8 two regional media companies, two national development companies, one local
9 development company, and two local independent developers

10 Big Rivers' position is also based upon conversations with an Evansville,
11 Indiana commercial realtor, who indicated [REDACTED]

13

14 **Witness)** Robert F. Toerne

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1 **Item 18)** *State the amount BREC anticipates receiving for the sale of each*
2 *of the properties that make up BREC's existing headquarters, and explain*
3 *each basis for BREC's contention.*

4

5 **Response)** As stated on page 8 of the Direct Testimony of Paul G. Smith, Exhibit F
6 to Big Rivers Application, the existing headquarters properties are anticipated to be
7 sold at a price of approximately [REDACTED]. This is supported by the February 23,
8 2021, appraisal reports attached to Big Rivers' response to Item 15 of these
9 information requests.

10 Additionally, an Evansville, Indiana commercial realtor provided the potential
11 market values in the chart on the following page. He estimated the office building at
12 [REDACTED] and the lower buildings at [REDACTED] based on the
13 marketing and selling values of comparable properties. This establishes a collective
14 asking price of [REDACTED] with the parking lots.

15

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1

Big Rivers Electric Corporation Estimated Market Value of Existing HQ Facilities		
Office Building:		
	46,854	Square Feet
		Per Square Foot
		= (████ x 46,854)
Lower Buildings:		
Communications	3,200	Square Feet
Training Center	4,000	Square Feet
Central Lab	7,040	Square Feet
Total	14,240	Square Feet
		Per Square Foot
		= (████ x 14,240)
Total Market Value		

2

3

4 **Witness)** Robert F. Toerne

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1 **Item 19)** *If BREC is not able to sell the properties that make up its existing*
2 *headquarters in a timely manner, explain what BREC anticipates doing with*
3 *the properties.*

4

5 **Response)** As explained in Big Rivers' response to Item 17 of the Commission
6 Staff's First Request for Information, Big Rivers is confident of its ability to sell the
7 properties in a timely manner. The majority of the potential buyers who have already
8 expressed interest in the property were interested in purchasing all the properties.

9

10

11 **Witness)** Robert W. Berry

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1 **Item 20)** *State whether BREC has performed any analysis regarding how*
2 *moving from Henderson to Owensboro will affect its ability to attract and*
3 *retain personnel, and if so, provide that analysis.*

4

5 **Response)** Big Rivers has not completed a formal analysis of our ability to attract
6 and retain personnel at the Owensboro location. However, based on Big Rivers'
7 knowledge of the job market across our service area, Big Rivers feels confident in our
8 ability to attract and retain top talent in the Owensboro location. Big Rivers'
9 Headquarters location employees currently live across sixteen (16) different counties
10 in western Kentucky and southern Indiana. Less than 30% of Big Rivers' existing
11 employees live in Henderson, and the vast majority of those employees intend to
12 continue their employment following the move to Owensboro. Currently more than
13 20% of Big Rivers' employees at its Henderson Headquarters location live in Daviess
14 County.

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1 Daviness County has a number of energy companies, among them Boardwalk
2 Pipeline Partners, Southern Star, Owensboro Municipal Utilities, and Atmos Energy.
3 Big Rivers is confident that we will continue to pull both from the local job market
4 and relocations from the national job market as we have in the past to ensure top
5 talent to serve our Member-Owners' needs.

6

7

8 **Witness)** Lindsay N. Durbin

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1 **Item 21)** *Confidential: Refer to the Berry Testimony, page 14, lines 1-13* [REDACTED]

2 [REDACTED]

3 [REDACTED]

4 [REDACTED]

5 [REDACTED]

6 [REDACTED]

7 [REDACTED]

8 [REDACTED]

9 [REDACTED]

10 [REDACTED]

11

12 **Response)**

13 [REDACTED]

14 [REDACTED]

15 [REDACTED]

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1 [REDACTED]
2 [REDACTED]
3 [REDACTED]
4 [REDACTED]
5 [REDACTED]
6 [REDACTED]
7 [REDACTED]
8 [REDACTED]
9 [REDACTED]
10 [REDACTED]
11 [REDACTED]
12 [REDACTED]
13 [REDACTED]
14 [REDACTED]
15 [REDACTED]

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1 [REDACTED]
2 [REDACTED]
3 [REDACTED]
4 [REDACTED]
5 [REDACTED]
6 [REDACTED]
7 [REDACTED]
8 [REDACTED]
9 [REDACTED]
10 [REDACTED]
11 [REDACTED]
12 [REDACTED]
13 [REDACTED]
14 [REDACTED]
15 [REDACTED]

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1

[REDACTED]

2

[REDACTED]

3

[REDACTED]

4

[REDACTED]

5

6 Witness) Robert W. Berry