

ORIGINAL



COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

In the Matter of:

ELECTRONIC APPLICATION OF)	
BIG RIVERS ELECTRIC CORPORATION)	Case No.
FOR APPROVAL TO ISSUE EVIDENCES)	2021-00468
OF INDEBTEDNESS)	

**Responses to Commission Staff's
First Request for Information
dated February 11, 2022**

FILED: February 23, 2022

ORIGINAL

BIG RIVERS ELECTRIC CORPORATION

**ELECTRONIC APPLICATION OF
BIG RIVERS ELECTRIC CORPORATION
FOR APPROVAL TO ISSUE EVIDENCES
OF INDEBTEDNESS
CASE NO. 2021-00468**

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)

23rd SUBSCRIBED AND SWORN TO before me by Paul G. Smith on this the
day of February, 2022.

Kathleen Riley

Notary Public, Kentucky State at Large

Kentucky ID Number

KYNP16841

My Commission Expires

October 31, 2024



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1 **Item 1)** *Refer to the Application, paragraph 5. The estimated costs for*
2 *the 2020 ECP Project 12 is \$111.77 million (excluding capitalized interest).*
3 *Also refer to the Application, paragraph 7. The estimated costs of the Green*
4 *Station Conversion is \$45.3 million (excluding capitalized interest). The sum*
5 *of the two projects is greater than the \$150.0 million request.*

6 *a. Provide the source of the funds for the \$7.07 million difference.*

7 *b. Provide a detailed list of project expenditures to date and how the*
8 *expenditure was funded.*

9

10 **Response)**

11 a. The \$7.07 million difference will be funded with internal cash reserves.

12 b. Please see the attachment to this response for a summary of project
13 expenditures through December 31, 2021. The project-to-date expendi-
14 tures have been funded with internal cash reserves and with funding from

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1 the existing credit facility approved by the Commission in Case No. 2020-
2 00129.¹

3

4

5 **Witness)** Paul G. Smith

6

¹ See *In the Matter of: Electronic Application of Big Rivers Electric Corporation for Approval to Issue Evidences of Indebtedness*, Case No. 2020-00129. Application filed April 28, 2020; Final Order dated May 8, 2020.

Big Rivers Electric Corporation
Case No. 2021-00468
Project Expenditure to Date

Wilson Station FGD	
FGD Engineering Design & Equipment Supply	\$ 25,169,899
Gypsum Dewatering and WWT	9,758,421
Absorber Foundation - Phase 1 Construction	5,974,184
Coleman FGD Absorber Decon/Recon	4,995,562
BREC Supplied Equipment	3,811,888
General Contract - Phase 2 Construction	1,856,212
FGD Project Cost Study	651,539
Engineering Support	581,087
BREC Labor	569,640
Field Support - Construction Oversight	370,613
Subtotal	\$ 53,739,044
Capitalized Interest	819,742
Total Cost as of December 31, 2021	\$ 54,558,786

Green Station Gas Conversion	
Construction	\$ 8,158,502
Metering Station	6,850,400
Engineering	5,477,975
Materials	2,863,800
Control Systems	735,319
BREC Labor	516,391
Environmental/Permitting	227,246
Taxes	134,539
Electrical	24,524
Consulting	15,260
Security	6,051
Subtotal	\$ 25,010,008
Capitalized Interest	242,808
Total Cost as of December 31, 2021	\$ 25,252,816

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1 **Item 2)** *Refer to the Application, paragraph 13a. Provide any update to*
2 *the anticipated interest rates.*

3

4 **Response)** The lender currently estimates the interest rate will be approximately
5 3.50%.

6

7

8 **Witness)** Paul G. Smith

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1 **Item 3)** *Refer to the Application, paragraph 15. Provide a detailed list*
2 *and estimate of transaction costs associated with the proposed indebtedness.*

3

4 **Response)** Transaction costs, which will be available closer to closing and will
5 consist primarily of legal fees, are estimated to be approximately \$25,000.

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7

8 **Witness)** Paul G. Smith

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1 **Item 4)** *Refer to the Application, paragraph 18. Provide any updates to*
2 *the Rural Utilities Service financing, and if there are any updates, if there*
3 *are any changes to the proposed indebtedness.*

4

5 **Response)** In order to complete the Wilson FGD project on schedule and to begin
6 realizing the operational benefits of the more efficient unit, Big Rivers began
7 construction in the Third Quarter of 2021. Due to the commencement of construction
8 prior to the RUS performing its environmental assessment, Big Rivers is no longer
9 eligible for RUS financing for this project.

10

11

12 **Witness)** Paul G. Smith

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