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COMMONWEALTH OF KENTUCKY BEFORE THE PUBLIC SERVICE COMMISSION

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4 In the Matter of:

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| DOMTAR PAPER COMPANY, LLC |) |
|-----------------------------|--------------------|
| Compl | lainant) |
| v. |) |
| |) Case No. |
| BIG RIVERS ELECTRIC CORPORA | ATION) 2023-00017 |
| KENERGY CORP. |) |
| Defe | ndants) |

DEFENDANTS' RESPONSE IN OPPOSITION TO DOMTAR'S MOTION FOR CONTRACT EXTENSION AND MOTION FOR INFORMAL CONFERENCE

Big Rivers Electric Corporation ("*Big Rivers*") and Kenergy Corp. ("*Kenergy*") respectfully submit this Joint Response in Opposition to Domtar Paper Company, LLC's ("*Domtar*") Motion for Contract Extension and Domtar's Motion for Informal Conference, both filed on February 16, 2023, in this matter.

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Domtar's Motion for Contract Extension Should be Denied

Domtar's Motion for Contract Extension, which mirrors its Complaint, and the Complaint itself, should be denied for the reasons stated in Big Rivers' and Kenergy's Joint Answer. Domtar's Complaint and Motion for Contract Extension request that the Commission change the terms of Domtar's retail electric service agreement with Kenergy (the *"Retail Agreement"*) to eliminate Kenergy's contractual right to terminate the contract and to compel Kenergy to provide retail electric service to Domtar at rates that are not fair, just, and reasonable.

| 1 | Domtar fails to provide evidence demonstrating that it should be awarded |
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| 2 | rates that differ from the Commission-approved tariff rates that apply to Large |
| 3 | Industrial Customers asking for backup power service for their own generation. |
| 4 | On March 3, 2022, the Commission approved the Standby Service tariffs for Big |
| 5 | Rivers and Kenergy as fair, just and reasonable on a pilot basis. ¹ Domtar's |
| 6 | Complaint essentially asks the Commission to re-litigate that matter and |
| 7 | approve of different rates for Domtar for backup power service than the |
| 8 | Commission approved in the Standby Service tariffs. |
| 9 | Domtar's Motion for Contract Extension goes even further, asking the |
| 10 | Commission to immediately approve Domtar's preferred rates by Domtar's |
| 11 | "deadline" of April 1, 2023. Yet, Domtar could have participated in Case No. |
| 12 | 2021-00289, or filed its Complaint in March of 2022, after Kenergy gave its |
| 13 | notice to Domtar that it was terminating the Retail Agreement. Domtar has not |
| 14 | shown it is entitled to be awarded rates that are subsidized by other customers, |
| 15 | much less that the Commission should award those rates without any |
| 16 | investigation. Domtar has also not shown that the Standby Service rates |
| 17 | approved by the Commission in March of last year are no longer fair, just, and |
| 18 | reasonable. For these reasons, its Motion for Contract Extension should be |
| 19 | denied and its Complaint dismissed. |
| 20 | |

¹ In the Matter of: Electronic Filing of Big Rivers Electric Corporation and Kenergy Corp. to Implement a New Standby Service Tariff, P.S.C. Case No. 2021-00289, Order (Mar. 3, 2022) (approving the LICSS tariffs on pilot basis); *id.*, Order (April 8, 2022) (denying Kimberly-Clark Corporation's Petition for Rehearing).

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Domtar's Motion for Informal Conference Should be Denied

| 2 | In its Motion for Informal Conference, Domtar requests an Informal | | |
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| 3 | Conference "to provide parties an opportunity to explore whether a settlement of | | |
| 4 | the issues in this case is possible." Yet, as Domtar's Motion for Contract | | |
| 5 | Extension recognizes, "Domtar, Kenergy, and Big Rivers worked diligently for | | |
| 6 | months to try to resolve this matter," ² but the parties were unable to reach | | |
| 7 | agreement. Further negotiations are unlikely to offer a different result than the | | |
| 8 | numerous discussions the parties have already had and will not be an efficient | | |
| 9 | use of the Commission's time and resources. As such, Domtar's Motion for | | |
| 10 | Informal Conference should be denied. | | |
| 11 | WHEREFORE, for all of the reasons set forth above, Big Rivers and Kenergy | | |
| 12 | respectfully request: | | |
| 13 | (1) | that the Complaint be dismissed; | |
| 14 | (2) | that Domtar's Motion for Contract Extension be denied; | |
| 15 | (3) | that this matter be closed on the Commission's docket; and | |
| 16 | (3) | that the Commission award Big Rivers and Kenergy any and all other | |
| 17 | relief to which they may appear entitled. | | |
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² Motion for Contract Extension at 3.

| 1 | Dated: February 23, 2023. | |
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| 2 | | Respectfully submitted, |
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| 4 | | /s/ Tyson Kamuf |
| 5 | | |
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| 17 | | |
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| 19 | | Corporation |
| 20 | | |