## **COMMONWEALTH OF KENTUCKY**

### **BEFORE THE PUBLIC SERVICE COMMISSION**

In the Matter of: ) ELECTRONIC TARIFF FILING OF BIG RIVERS ) ELECTRIC CORPORATION AND KENERGY ) CORP. TO REVISE THE LARGE INDUSTRIAL ) CUSTOMER STANDBY SERVICE TARIFF )

CASE NO. 2023-00312

#### KIMBERLY-CLARK CORPORATION'S FIRST SET OF INFORMATION REQUESTS TO BIG RIVERS ELECTRIC CORPORATION AND KENERGY CORP.

Robert C. Moore STITES & HARBISON PLLC 421 West Main Street P.O. Box 634 Frankfort, KY 40602-0634 Tel. (502) 209-1218 Email: rmoore@stites.com

Daniel E. Danford **STITES & HARBISON PLLC** 250 W. Main Street, Suite 2300 Lexington, KY 40507 Tel. (859) 226-2292 Email: ddanford@stites.com

Counsel for Kimberly-Clark Corporation

Date: October 13, 2023

## **INTRODUCTION**

Pursuant to 807 KAR 5:001(12), and consistent with the Kentucky Public Service Commission's ("Commission") September 27, 2023 Order, Intervenor Kimberly-Clark Corporation ("Kimberly-Clark") hereby files this first set of requests for information from Big Rivers Electric Corporation ("BREC") and Kenergy Corp ("Kenergy"). Pursuant to the Commission's September 27, 2023 Order, the requested information is separately due from BREC and from Kenergy no later than October 27, 2023.

## DEFINITIONS

- 1. "BREC" or "Big Rivers" means Big Rivers Electric Corporation and/or any of its officers, directors, employees, or agents who may have knowledge of the particular matter addressed. As used herein, "BREC" shall also encompass Kenergy (as defined in paragraph 2 below), unless specifically stated otherwise.
- 2. "Kenergy" means Kenergy Corp. and/or any of its officers, directors, employees, or agents who may have knowledge of the particular matter addressed.
- 3. "Document(s)" is used in its customary broad sense and includes electronic mail ("e-mail") and all written, typed, printed, electronic, computerized, recorded, or graphic statements, memoranda, reports, communications, or other matter, however produced or reproduced, whether or not now in existence, or in the possession of either or both Respondents.
- 4. "Correspondence" is used in its customary broad sense and includes e-mail, including all attachments, and all written mail, messages and communications between the persons or parties named in the request.
- 5. "Study" means any written, recorded, transcribed, taped, filmed, or graphic matter, however produced or reproduced, either formally or informally, a particular issue or situation, in whatever detail, whether or not the consideration of the issue or situation is in a preliminary stage, and whether or not the consideration was discontinued prior to completion whether

preliminary or final, and whether or not referred to in BREC or Kenergy's direct testimony.

- 6. If any document requested herein was at one time in existence, but has been lost, discarded or destroyed, identify such document as completely as possible, including the type of document, its date, the date or approximate date it was lost, discarded or destroyed, the identity of the person (s) who last had possession of the document and the identity of all persons having knowledge of the contents thereof.
- 7. "Person" means any natural person, corporation, professional corporation, partnership, association, joint venture, proprietorship, firm, or the other business enterprise or legal entity.
- 8. A request to identify a natural person means to state his or her full name and residence address, his or her present last known position and business affiliation at the time in question.
- 9. A request to identify a document means to state the date or dates, author or originator, subject matter, all addressees and recipients, type of document (e.g., letter, memorandum, telegram, chart, etc.), number, or code number thereof or other means of identifying it, and its present location and custodian. If any such document was, but is no longer in the Company's possession or subject to its control, state what disposition was made of it.
- 10. A request to identify a person other than a natural person means to state its full name, the address of its principal office, and the type of entity.
- 11. "And" and "or" should be considered both conjunctive and disjunctive, unless specifically stated otherwise.
- 12. "Each" and "any" should be considered both singular and plural, unless specifically stated otherwise.
- 13. Words in the past tense should be considered to include the present, and words in the present tense include the past, unless specifically stated otherwise.

# INSTRUCTIONS

1. If any matter is evidenced by, referenced to, reflected by, represented by, or recorded in any document, please identify and produce for discovery and inspection each such document.

- 2. These interrogatories should be individually answered in full by BREC in one pleading and by Kenergy in a separate pleading.
- 3. These interrogatories are continuing in nature, and information of which the responding party later becomes aware, or gains access, and which is responsive to any request is to be made available to Kimberly-Clark Corporation and filed with the Commission. Any studies, documents, or other subject matter not yet completed that will be relied upon during this case should be so identified and provided as soon as they are completed. The Respondents are obliged to change, supplement, and correct all answers to interrogatories to conform to available information, including such information as it first becomes available to each Respondent after the answers hereto are served.
- 4. Unless otherwise expressly provided, each interrogatory should be construed independently and not with reference to any other interrogatory herein for purpose of limitation.
- 5. The answers provided should first restate the question asked and also identify the person(s) supplying the information.
- 6. Please answer each designated part of each information request separately. If either or both Respondents do not have complete information with respect to any interrogatory, so state and give as much information as the responding party has with respect to the matter inquired about, and identify each person whom the responding party believes may have additional information with respect thereto.
- 7. In the case of multiple witnesses, each interrogatory should be considered to apply to each witness who will testify to the information requested. Where copies of testimony, transcripts or depositions are requested, each witness should respond individually to the information request.
- 8. The interrogatories are to be answered under oath by the witness(es) responsible for the answer.

# **REQUESTS FOR INFORMATION**

- 1. Please confirm that BREC's responses to requests for information in KY PSC Case No. 2021-00289 remain true and correct.
  - 1.1. If that is not the case, please provide an update to, and any necessary clarifications of, those responses.
- 2. Is BREC aware of any other utility or utilities that utilize the construct proposed in the Large Industrial Customer Self Supply ("LICSS") tariff?
  - 2.1 If yes, please identify the utility or utilities and the responsive tariffs, and provide a copy of each responsive tariff.
- 3. Please provide a copy of the proposed LICSS tariff in editable format, such as Microsoft Word.
- 4. Please provide all BREC reports filed with the United States Department of Agriculture Rural Utilities Service (RUS) on or after January 1, 2020.
- 5. Please provide all BREC annual financial statements and financial reports issued on or after January 1, 2020.
- 6. Please provide all BREC filings or reports provided to the Midcontinent Independent System Operator ("MISO") on or after January 1, 2020.
- 7. Please provide all BREC filings or reports provided to the Federal Energy Regulatory Commission on or after January 1, 2020.
- 8. Please provide BREC's most recent class cost of service study including any electronic models and workpapers with all formulae intact.
- 9. Please identify all generation production capacity owned or controlled by BREC including the accredited capacity of each unit, the technology of each unit, and the historical hourly dispatch of each unit for the most recent 12 months.
- 10. Please itemize all power purchases by BREC during the past 3 years, the identity of the source of each power purchase, the MWh quantities of power purchased, the MW capacity of each power purchase, and the price paid by BREC for that power purchase.

- 11. Please itemize all power sales by BREC during the past 3 years outside its system, the MWh quantities of power sold with each transaction, the MW capacity associated with each power sale, and the price received by BREC for each power sale transaction.
- 12. Please itemize all capacity purchases by BREC during the past 3 years, the identity of the source of capacity, the MW quantities of capacity purchased, and the price paid by BREC for that capacity.
- 13. Please itemize all capacity sales by BREC during the past 3 years outside its system, the MW quantities of capacity sold with each transaction, and the price received by BREC for each capacity transaction.
- 14. In reference to the "Billing" section of the proposed LICSS tariff, please provide copies of all cost studies, models, and workpapers relied upon in formulating the rates found in the Standard Rate Schedule Large Industrial Customer ("LIC") tariff, including any workpapers, in Excel format with working formulas.
- 15. According to any cost-of-service study relied upon to formulate the LIC rate schedule, what is the embedded unit cost of generation capacity for Large Industrial Customers?
  - 15.1. Please explain in detail how the unit cost is derived from any cost-ofservice study and provide all supporting workpapers and calculations, in Excel format with working formula where applicable.
- 16. According to any cost-of-service study relied upon to formulate the LIC rate schedule, what is the embedded unit cost of transmission capacity for Large Industrial Customers?
  - 16.1. Please explain in detail how the unit cost is derived from any cost-ofservice study and provide all supporting workpapers and calculations, in Excel format with working formula where applicable.
- 17. Are loads from the planned Nucor facility in Brandenburg, Meade County, Kentucky, incorporated into any cost-of-service study relied upon to formulate this proposed tariff?
  - 17.1. If yes, please explain.

- 18. Does BREC currently provide transmission service to either the Sebree aluminum smelter or the Hawesville aluminum smelter?
  - 18.1. If yes, please explain how the transmission service costs to serve the smelters is reflected in any cost-of-service study relied upon to formulate the proposed tariff.
  - 18.2. If yes, please provide the agreements that address such provision of transmission service.
- 19. Please provide, in workable Excel format with all formulas intact, 8760 hourly load data for BREC's system members for the most recent annual time period over which BREC has the requested data available.
- 20. Please provide, in workable Excel format with all formulas intact, 8760 hourly generation data for each of BREC's generation resources for the most recent annual time period over which BREC has the requested data available.
- 21. Under the LICSS Pilot, Kimberly-Clark currently provides Kenergy with its forecasted load and generation on a daily basis as well as its planned maintenance outages. Please explain how BREC and Kenergy use this information in its operations and planning.
- 22. Regarding the definition of "Self-Supply Capacity" in the proposed tariff:
  - 22.1. Please explain what is meant by "accredited by MISO," including the following:
    - 22.1.1. Please explain what prompted the change in definition from the LICSS Pilot tariff.
    - 22.1.2. Please provide the accreditation requirements and procedures to be followed to become "electric capacity accredited by MISO for the Standby Customer's generating unit(s)."
    - 22.1.3. Please explain which entity would apply for MISO accreditation; that is, does BREC seek such accreditation

or must this accreditation be pursued by the Standby Customer?

- 22.1.4. Please provide any examples of behind-the-meter customer generation that has obtained the accreditation contemplated in the proposed definition of "Self-Supply Capacity."
- 22.1.5. What is BREC's understanding of whether and, if so, the extent to which Kimberly-Clark's behind-the-meter customer generation has obtained MISO capacity accreditation?
- 22.1.6. What is BREC's projected impact of this standard on LICSS customers?
- 22.2. Please explain what happens if such accreditation from MISO is not possible, including, but not limited to the following circumstances:
  - 22.2.1. Please explain what happens if a facility is not eligible under MISO's eligibility requirements.
  - 22.2.2. Please explain how the Standby Service would be managed while the MISO accreditation request is pending.
  - 22.2.3. Would Standby Customers have to enter the MISO generation interconnection queue?
- 22.3. Is BREC aware of any other Kentucky utilities that require Standby Customers to be accredited by MISO?
  - 22.3.1. If so, please list those utilities and provide the relevant tariff language.
  - 22.3.2. Is BREC aware of any other utilities in the MISO footprint that require Standby Customers to be accredited by MISO?
  - 22.3.3. If so, please list those utilities and provide the relevant tariff language.

- 22.4. How does BREC's proposal recognize and account for any seasonal variation in the actual capacity of a customer's self-generation?
- 23. Regarding BREC's requirement to meet its MISO Resource Adequacy Requirement ("MRAP") and its MISO Planning Reserve Margin ("MPRM"):
  - 23.1. Please provide the BREC system demand levels used to determine its most recent MRAP and MPRM.
  - 23.2. Please provide BREC's MPRM level(s) from the most recent twelve (12) months including all relevant calculations used to determine those levels. Please provide any workpapers used to support these calculations, in Excel format, with working formulas.
  - 23.3. Will BREC include a Standby Customer's generation capacity to meet its MRAP and/or its MPRM? Please provide a detailed explanation of the answer.
  - 23.4. If BREC includes a Standby Customer's generation capacity, what percentage of the customer's generation capacity is included to meet these requirements?
  - 23.5. What planning reserve margin does BREC plan for to meet its peak demand requirements?
  - 23.6. What values has BREC or MISO calculated as the MRAP and MPRM for the Kimberly-Clark load?
  - 23.7. What values has BREC or MISO calculated as the MRAP and MPRM for any LICSS customers other than Kimberly-Clark?
  - 23.8. While the existing LICSS Pilot tariff has been in effect, has BREC needed to secure electricity above and beyond the MPRM in order to meet backup demand from Kimberly-Clark for an unplanned outage?
    - 23.8.1. If so, please identify the date and the length of time for each instance where BREC provided electricity above and beyond the MPRM in order to meet backup demand from Kimberly-Clark.

- 23.8.2. If so, where and at what cost did BREC secure such additional electricity? Please provide documentation of any additional costs incurred, including a description of each occurrence and details regarding same.
- 23.9. While the existing LICSS Pilot tariff has been in effect, has BREC needed to secure electricity above and beyond the MPRM in order to meet maintenance demand from Kimberly-Clark for a planned outage?
  - 23.9.1. If so, please identify the date and the length of time for each instance where BREC provided electricity above and beyond the MPRM in order to meet maintenance demand from Kimberly-Clark.
  - 23.9.2. If so, where and at what cost did BREC secure such additional electricity? Please provide documentation of any additional costs incurred, including a description of each occurrence and details regarding same.
- 24. Please itemize all electric capacity accredited by MISO that is owned and operated by BREC by generating unit, including the accredited capacity for each unit.
- 25. Please provide the monthly peak demands for BREC system for the most recent twelve (12) months available.
- 26. Please provide BREC's monthly system losses for the most recent twelve (12) months available.
- 27. Regarding the statement that "Big Rivers is proposing to pass through to the Standby Customer the actual costs associated with the Standby Customer's self-generation," please describe how these costs are calculated.
  - 27.1. Please provide the precedent for this approach.
  - 27.2. Please provide the rationale for this approach.
  - 27.3. Please list the costs that are included in this calculation.

- 27.4. Please explain how each cost listed would be documented and available for review by the Standby Customer.
- 27.5. Please explain how BREC has taken into account the various operational characteristics of the self-generation systems, including, but not limited to, outage rates.
- 27.6. Please explain how this approach accounts for the difference in costs to BREC associated with scheduled outages and unplanned outages.
- 28. In reference to the proposed LICSS Term and Condition Number 2:
  - 28.1. Please provide all BREC "requirements and procedures for interconnection."
  - 28.2. Are all BREC requirements and procedures for interconnection subject to review and approval by the Commission?
  - 28.3. Is it BREC's understanding that Kimberly-Clark is currently in compliance with all BREC requirements and procedures for interconnection?
- 29. In reference to the proposed LICSS Term and Condition Number 4:
  - 29.1. What new or additional facilities are necessary for BREC to provide LICSS service to Kimberly-Clark?
  - 29.2. Please identify and quantify all types of "costs" that BREC could assess to LICSS customers pursuant to Term and Condition Number 4.
  - 29.3. What charges, if any, has BREC incurred from ACES to provide LICSS service to Kimberly-Clark during calendar years 2022 and 2023? If BREC has incurred such charges, please explain how BREC determined the allocation of those charges to Kimberly-Clark.
- 30. In reference to the proposed LICSS Term and Condition Number 5:
  - 30.1. Please identify and quantify all MISO charges, fees, penalties, or other costs that BREC would assess pursuant to this provision.

- 30.2. For each such charge, fee, penalty, or other cost identified in response to 23.1, please explain how BREC determined the allocation of such item to LICSS customers.
- 31. In reference to the proposed LICSS Term and Condition No. 6, please explain what is intended by the term "transmit energy."
- 32. In reference to the proposed LICSS Term and Condition No. 8:
  - 32.1. Please explain what is intended by the term "reasonable protection".
  - 32.2. Please explain what is intended by the term "systems" and identify what "systems" are being referenced.
- 33. In reference to the proposed LICSS Term and Condition No. 9:
  - 33.1. Please explain why BREC determined that this provision should be included in the proposed LICSS tariff.
  - 33.2. What are the repercussions, under the proposed LICSS tariff, if an LICSS customer is determined not to have complied with this provision?
  - 33.3. Is BREC claiming authority to administer LICSS customers' compliance with this provision? If so, what is the basis of that claimed authority?
- 34. In reference to the proposed LICSS Term and Condition Number 10:
  - 34.1. What is intended by the term "Public Liability"?
  - 34.2. Please provide all bases for the dollar amounts specified in 10.a. and 10.b.
  - 34.3. What authority does BREC have to propose to require these types of insurance coverage by an LICSS customer?
- 35. In reference to the proposed LICSS Term and Condition Number 11, which states "Standby Customers with a non-dispatchable generation facility shall not be entitled to a capacity payment[,]" please define "non-dispatchable" and

please explain, if the generation were dispatchable for purposes of Number 11, by whom would it be dispatchable?

- 35.1. Please describe what is intended by this Term and Condition.
- 35.2. Please explain the "capacity payment" to which this provision is referring.
- 35.3. Please provide the precedent for this approach.
- 35.4. Please provide the rationale for this approach.
- 35.5. To receive the "capacity payment" would the self-supply generation be dispatchable by MISO, BREC, or the customer?
- 35.6. How would the Standby Customer's Standby Service be impacted if the Standby Customer's generation is not dispatchable?
- 35.7. Is it BREC's understanding that Kimberly-Clark's generation is currently dispatchable or non-dispatchable?
- 36. In reference to the proposed LICSS Term and Condition Number 12:
  - 36.1. Please identify "all facilities" that would be necessary for an LICSS customer to "meet and maintain eligibility as a MISO capacity resource."
  - 36.2. Is it BREC's understanding that all such facilities are in place for Kimberly-Clark to "meet and maintain eligibility as a MISO capacity resource"? If no, please explain what additional facilities are necessary.
  - 36.3. Please identify and quantify all "non-performance costs" that could be assessed to an LICSS customer pursuant to this Term and Condition.
- 37. In reference to the proposed LICSS Term and Condition Number 13 that "[a]ny and all costs incurred by BREC as a result of the Standby Customer's generator's failure to generate ... may be charged to the Standby Customer in addition to all other charges":
  - 37.1. Please explain how such costs would be determined.

- 37.2. Please explain whether BREC would be required to demonstrate a nexus between the failure to generate and costs incurred by BREC.
- 37.3. Please explain, and provide all tariff and contractual bases, for any LICSS customer obligation to provide "ancillary services necessary to maintain reliability on the Big Rivers system."
- 37.4. Please define "RSG," and provide all tariff and contractual bases for the assessment of MISO RSG charges on an LICSS customer.
- 37.5. Please explain whether BREC considers the "failure to generate" to include both planned and unplanned outages.
- 37.6. Please describe how this approach accounts for the fact that a Standby Customer is already paying a demand charge equal to that paid by LIC customers.
- 38. In reference to the proposed LICSS Term and Condition Number 14:
  - 38.1. Is it BREC's understanding that Kimberly-Clark has already paid "for all interconnection costs arising out of the Standby Customer's generator"? If it is not, please identify and quantify any additional costs.
- 39. In reference to the proposed LICSS Term and Condition Number 15:
  - 39.1. Please explain how BREC justifies reserving a right to discontinue sales to the Standby Customer during an emergency (akin to interruptible service), despite the customer paying a full demand charge to compensate BREC for ensuring that it has capacity (firm service).
  - 39.2. Please define, and provide the tariff basis for the definition of "system emergencies."
  - 39.3. Please provide any examples in BREC's other rate offerings where customers pay a discount for interruptible service.
  - 39.4. Please provide any examples in BREC's other rate offerings where customers that are paying for firm service are required to agree that their service may be interrupted.

- 40. Please explain the implications under this proposed LICSS when BREC experiences system outages that forces the outage of the Standby Customer's self-generation.
- 41. Please provide any Loss of Load Probability studies applicable or relevant to BREC.
- 42. Please provide an unredacted version of any redacted documents from the incorporated proceedings.

Respectfully Submitted,

/s/ Daniel E. Danford Robert C. Moore STITES & HARBISON PLLC 421 West Main Street, P.O. Box 634 Frankfort, KY 40602-0634 Telephone. (502) 209-1218 Email: rmoore@stites.com

Daniel E. Danford **STITES & HARBISON PLLC** 250 W. Main Street, Suite 2300 Lexington, KY 40507 Telephone: (859) 226-2292 Email: ddanford@stites.com

Counsel for Kimberly-Clark Corporation

## **CERTIFICATE OF SERVICE**

This is to certify that the foregoing electronic filing was transmitted to the Kentucky Public Service Commission on October 13, 2023; that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding; and, by virtue of the Commission Order of July 22, 2021 in case number 2020-00085 (Electronic Emergency Docket Related to the Novel Coronavirus COVID-19), no paper copies of this filing will be made.

/s/ Daniel E. Danford Daniel E. Danford

Counsel for Kimberly-Clark Corporation