

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

In the Matter of:

AN ELECTRONIC EXAMINATION BY THE PUBLIC	)	
SERVICE COMMISSION OF THE ENVIRONMENTAL	)	
SURCHARGE MECHANISM OF BIG RIVERS	)	Case No.
ELECTRIC CORPORATION FOR THE SIX-MONTH	)	2026-00089
BILLING PERIOD ENDING JANUARY 31, 2026	)	

Big Rivers Electric Corporation's

**Response to Commission Staff's
Second Request for Information
dated June 29, 2026**

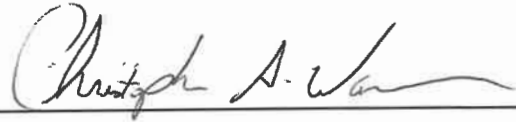
FILED: July 15, 2026

BIG RIVERS ELECTRIC CORPORATION

**ELECTRONIC EXAMINATION BY THE PUBLIC SERVICE COMMISSION
OF THE ENVIRONMENTAL SURCHARGE MECHANISM OF BIG RIVERS
ELECTRIC CORPORATION FOR THE SIX-MONTH
BILLING PERIOD ENDING JANUARY 31, 2026
CASE NO. 2026-00089**

VERIFICATION

I, Christopher A. Warren, 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.



Christopher A. Warren

COMMONWEALTH OF KENTUCKY)
COUNTY OF DAVIESS)

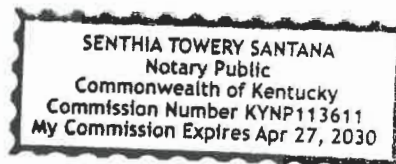
SUBSCRIBED AND SWORN TO before me by Christopher A. Warren on this
the 10th day of July 2026.



Notary Public, Kentucky State at Large

Notary ID KYNP 113611

My Commission Expires 4-27-2030



BIG RIVERS ELECTRIC CORPORATION

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VERIFICATION

I, Rebecca L. (Becky) Shelton, 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.



Rebecca L. Shelton

COMMONWEALTH OF KENTUCKY)
COUNTY OF DAVIESS)

9th SUBSCRIBED AND SWORN TO before me by Rebecca L. Shelton on this the
day of July 2026.



Notary Public, Kentucky State at Large

Notary ID KYNP 113611

My Commission Expires 4-27-2030



BIG RIVERS ELECTRIC CORPORATION

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VERIFICATION

I, Mark W. Bertram, 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.

Mark W. Bertram

Mark W. Bertram

COMMONWEALTH OF KENTUCKY)
COUNTY OF DAVIESS)

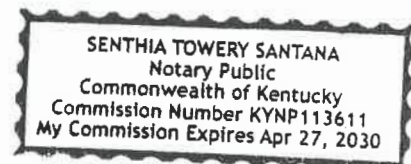
10th SUBSCRIBED AND SWORN TO before me by Mark W. Bertram on this the
day of July 2026.

Sentia Towery Santana

Notary Public, Kentucky State at Large

Notary ID KYNP 113611

My Commission Expires 4-27-2030



BIG RIVERS ELECTRIC CORPORATION

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VERIFICATION

I, Micah Bushnell, 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.



Micah Bushnell

COMMONWEALTH OF KENTUCKY)
COUNTY OF DAVIESS)

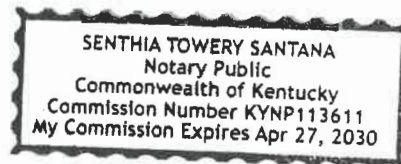
9th SUBSCRIBED AND SWORN TO before me by Micah Bushnell on this the
day of July 2026.



Notary Public, Kentucky State at Large

Notary ID KYNP 113611

My Commission Expires 4-27-2030



IN THE MATTER OF:
AN ELECTRONIC EXAMINATION BY THE PUBLIC SERVICE COMMISSION
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STAFF'S SECOND REQUEST FOR INFORMATION DATED JUNE 29, 2026

July 15, 2026

Item 1) *Refer to BREC's Response to Commission Staff's First Request for Information (Staff's First Request), Item 5. Explain whether BREC and Meade County Rural Electric Cooperative Corporation (Meade RECC) complied with KRS 278.183(1) or their tariffs excluding the revenues from Nucor Corporation (Nucor) from their respective environmental surcharge calculation.*

Response) Yes, Big Rivers believes its methodology for calculating the Environmental Surcharge complies with both KRS 278.183(1) and Big Rivers' tariffs.

KRS 278.183(1) provides:

Notwithstanding any other provision of this chapter, effective January 1, 1993, a utility shall be entitled to the current recovery of its costs of complying with the Federal Clean Air Act as amended and those federal, state, or local environmental requirements which apply to coal combustion wastes and by-products from facilities utilized for production of energy from coal in accordance with the utility's compliance plan as designated in subsection (2) of this section. These costs shall include a reasonable return on construction and other capital expenditures and reasonable operating expenses for any plant, equipment, property, facility, or other action to be used to comply with applicable environmental requirements set forth in this section. Operating expenses include all costs of operating and maintaining

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environmental facilities, income taxes, property taxes, other applicable taxes, and depreciation expenses as these expenses relate to compliance with the environmental requirements set forth in this section.

There is nothing in that section that prohibits excluding the Environmental Surcharge from certain sales, or from excluding sales to which the Environmental Surcharge does not apply from the calculation of the Environmental Surcharge.

Big Rivers' exclusion of revenues from sales to Meade County RECC for service to Nucor from the Environmental Surcharge calculation ensures that Big Rivers recovers its costs that are eligible for recovery under KRS 278.183(1), just as KRS 278.183(1) says Big Rivers is entitled to do.

Big Rivers' exclusion of revenues from sales to Meade County RECC for service to Nucor from the Environmental Surcharge calculation is also consistent with Big Rivers' Environmental Surcharge tariff. Section 2 of the Definitions section of the tariff provides:

Total E(m) is multiplied by the Jurisdictional System Allocation Ratio to arrive at Jurisdictional E(m). The Jurisdictional Allocation Ratio is the ratio of the 12-month total revenue from sales to Members **to which the ES will be applied** ending with the current expense month, divided by the 12-month total revenue from sales to Members and off-system sales for the current expense month. (Emphasis added.)

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By including only revenue from sales to Members to which the Environmental Surcharge is applied in the numerator of the Jurisdictional System Allocation Ratio, the Environmental Surcharge calculation specifically excludes revenues from sales to which the Environmental Surcharge is not applied from the numerator of that ratio. The revenue from sales to Members in the denominator of the Jurisdiction System Allocation Ratio does not as explicitly exclude revenue from sales to which the Environmental Surcharge is not applied; however, Big Rivers calculates the Member revenue in the numerator and denominator the same — by excluding revenues from sales to which the Environmental Surcharge is not applied. For example, revenues from market-based sales to Kenergy for service to Domtar were excluded from the calculation of Member revenue during the time when Domtar's retail electric service agreement included market-based backup power. Similarly, revenues from market-based sales to Jackson Purchase Energy Cooperative for service to Block Mining are excluded from the Member revenue calculation.

Meade County RECC's Environmental Surcharge is a pass through of the Environmental Surcharge charges it receives from Big Rivers, and is independent of

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revenues from Nucor. As such, it complies with KRS 278.183(1) and Meade County RECC's tariffs regardless of how Big Rivers treats Nucor revenues in Big Rivers' Environmental Surcharge calculation.

Witness: Christopher Warren

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**Item 2) *Refer to BREC's Response to Staff's First Request, Item 5a.
Provide the specific reference to the Large Industrial Customer Expansion
Tariff that indicates that under the Nucor agreement, the Environmental
Surcharge Costs are excluded from the Nucor agreement.***

Response) The LICX does not reference the Nucor agreement or any other agreement for a specific end-use customer.

The LICX tariff expressly requires that a "Special Contract Rate" be negotiated on a case-by-case basis. The tariff explains that the Special Contract Rate "may consist of one or more of the following: (1) the Standard Rate – LIC – Large Industrial Customer rate, (2) market-based rates, (3) fixed rates, (4) time-of-use rates, or (5) other negotiated rate." The tariff neither requires nor prohibits the Environmental Surcharge from being included in a Special Contract Rate.

In Nucor's case, Special Contract Rates were negotiated among Nucor, MCRECC, and BREC, and were approved by the Commission. Those rates are set forth in Exhibit C of Nucor's Agreement for Electric Service dated September 9, 2019.

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During the ramp-up phase of Nucor's contract, Nucor paid the standard Large Industrial Customer (LIC) tariff rate, including the Environmental Surcharge and other riders. Beginning December 1, 2022, Nucor's Special Contract Rate began, which includes fixed demand and energy rates without the expense or benefit of the Environmental Surcharge or other riders. After December 31, 2031, Nucor will pay

[REDACTED]

The LICX tariff protects existing customers from the potential financial harm caused by large loads locating in Big Rivers' service area and causing a capacity shortfall. The LICX tariff allows the power for these large loads to be sourced from the MISO market or purchases from third-party suppliers at market pass-through rates or fixed rates, rather than allowing new or expanded large loads to demand to be sourced from Big Rivers' generation.

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Witness: Christopher Warren

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Item 3) *Refer to BREC's Response to Staff's First Request, Item 5a and the reference to BREC's Member Rate Stability Mechanism (MRSB). For the review period, compare the MRSB that BREC's Members received relative to the MRSB the Members would have received if Nucor was included in the calculation of the MRSB. Provide the calculations in Excel spreadsheet format with all formulas, columns and rows unprotected and fully accessible.*

Response) Please find attached to this Response, an Excel file detailing the MRSB breakdown from August 2025 through January 2026, modeled under the scenario that Nucor receives an allocation of the existing MRSB bill credits for the review period. The chart is based on the existing allocation of the MRSB bill credits for 2025 and 2026 between the Rural and Large Industrial classes, and it assumes that there is no re-allocation between the Rural and Large Industrial classes. If revenues derived from sales to Nucor were included in the allocation, the MRSB to the Rural

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class would be reduced. The extent of that reduction would depend on whether sales to Nucor and revenues to Nucor were included in other riders.

Based on the chart, if Nucor received the MRSM, Nucor's MRSM credit allocation for the six-month review period under review would have totaled \$140,792.40. This sum would have been deducted proportionally from all other Large Industrial MRSM credits during the same period, assuming no re-allocation between the Rural and Large Industrial classes.

Witness: Rebecca L. Shelton

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Item 4) *Generally, explain how BREC's Environmental Surcharge impacts its MRSM.*

Response) The more environmental costs that are recovered through the Environmental Surcharge, the more it increases Big Rivers' net margins. Any net margins over a 1.30 TIER are returned to our Member-Owners with 60% going to reduce regulatory assets and 40% as a reduction in Member bills through the Member Rate Stability Mechanism (MRSM). Nucor does not receive the benefits of the MRSM.

Witness: Christopher Warren

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Item 5) *Refer to BREC's Response to Staff's First Request, Item 5c.*

a. Confirm that BREC generates energy at a higher level than it would have absent the contract with Nucor. If this cannot be confirmed, explain.

b. Confirm that BREC's variable environmental compliance costs are higher than they would have been absent from the contract with Nucor. If this cannot be confirmed, explain.

c. Provide the additional environmental compliance costs associated with BREC's service to Nucor for the period under review.

Response)

a. Big Rivers is a member of the Midcontinent Independent System Operator (MISO). Big Rivers bids all of its generation into the MISO energy markets, and it purchases all of its load from the MISO energy markets. Our units are economically dispatched in MISO, and so, the amount of generation is independent

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of load. In other words, Big Rivers generates the same amount of energy with or without Nucor.

b. Because Big Rivers generates the same amount of energy with or without the Nucor contract, Big Rivers' environmental costs are the same with or without the Nucor contract.

c. There are no additional environmental compliance costs associated with Big Rivers' service to Nucor.

Witness: Micah Bushnell

IN THE MATTER OF:
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Item 6) *Refer to Case No. 2019-00365,¹ August 17, 2020, Order, page 11.
Provide the Cost-of-Service Analysis that demonstrates that the ratepayers
are not adversely affected by the Nucor Electric Service Agreement for the
review period.*

Response) Page 11 of the August 17, 2020, Order in Case No. 2019-00365 requires BREC and Meade County RECC “to demonstrate as part of its cost of service studies filed in any subsequent matter during the period of time when the Nucor retail agreement is in effect that shows that BREC’s or Meade County RECC’s other ratepayer are not adversely affected.” The only cost of service studies prepared by Big Rivers subsequent to the August 17, 2020, Order were filed in Case No. 2021-00061. As explained in the Direct Testimony of Paul A. Smith in that case, the Nucor facility was still under construction at that time and had not yet begun taking service under the agreement approved in Case No. 2019-00365. In Meade County RECC’s latest

¹ Case No. 2019-00365, *Electronic Joint Application of Big Rivers Electric Corporation and Meade County Rural Electric Cooperative Corporation for (1) Approval of Contracts for Electric Service with Nucor Corporation; and (2) Approval of Tariff* (Ky. PSC Aug. 17, 2020).

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rate case No. 2025-00159, John Wolfram's Exhibit JW-3, page 1 of 2, line 8 shows that Nucor "Special Contract" did not have an impact to retail rates. A copy of that exhibit is included as an Attachment to this Response.

Witness: Christopher Warren

MEADE COUNTY R.E.C.C.
Summary of Rates of Return by Class

2024

#	Rate	Code	Pro Forma Operating Revenue	Pro Forma Operating Expenses	Margin	Rate Base	Pro Forma Rate of Return on Rate Base	Unitized Rate of Return on Rate Base
1	Residential	1	\$ 44,107,994	\$ 44,290,739	\$ (182,745)	\$ 131,028,302	-0.14%	(0.10)
2	Small Comm	2	\$ 3,507,739	\$ 3,310,699	\$ 197,041	\$ 8,712,372	2.26%	1.64
3	3 Phase	3	\$ 8,045,153	\$ 6,395,893	\$ 1,649,260	\$ 8,237,265	20.02%	14.53
4	3 Ph 0-999 KVA TOD	3A	\$ 187,093	\$ 139,791	\$ 47,302	\$ 157,138	30.10%	21.84
5	Large 1000 KVA TOD	4	\$ 949,209	\$ 745,774	\$ 203,435	\$ 1,088,227	18.69%	13.56
6	Private Outdoor Lighting	5	\$ 1,376,233	\$ 1,156,876	\$ 219,357	\$ 5,920,284	3.71%	2.69
7	Street & Hwy Lights	6	\$ 133,443	\$ 120,467	\$ 12,976	\$ 615,363	2.11%	1.53
8	Special Contract	SC	\$ 18,088,434	\$ 18,088,434	\$ -	NA	NA	NA
9	Total		\$ 76,395,299	\$ 74,248,674	\$ 2,146,625	\$ 155,758,952	1.38%	1.00

							After Proposed Increase	
#	Rate	Code	Share of Revenue	Share of Energy			Pro Forma Rate of Return on Rate Base	Unitized Rate of Return on Rate Base
10	Residential	1	57.7%	34.3%			1.20%	0.48
11	Small Comm	2	4.6%	2.7%			2.26%	0.90
12	3 Phase	3	10.5%	6.7%			20.02%	8.00
13	3 Ph 0-999 KVA TOD	3A	0.2%	0.1%			30.10%	12.03
14	Large 1000 KVA TOD	4	1.2%	0.7%			18.69%	7.47
15	Private Outdoor Lighting	5	1.8%	1.0%			3.71%	1.48
16	Street & Hwy Lights	6	0.2%	0.1%			2.11%	0.84
17	Special Contract	SC	23.7%	54.3%			NA	NA
18	Total		100.0%	100.0%			2.50%	1.00

Exhibit JW-3

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**MEADE COUNTY R.E.C.C.
Summary of Cost-Based Rates**

Classified Cost-Based Rates						
#	Rate	Code	Customer \$/Day	Customer \$/Month	Energy \$/KWH	Demand \$/KW
1	Residential	1	1.153	35.06	0.105629	-
2	Small Comm	2	1.196	36.37	0.10538	-
3	3 Phase	3	1.979	60.20	0.05845	10.16
4	3 Ph 0-999 KVA TOD	3A	7.197	218.92	0.11167	10.44
5	Large 1000 KVA TOD	4		227.29	0.05657	8.79

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Item 7) *Refer to Case No. 2019-00365 generally. Provide the location of BREC's request or explanation and the Commission's approval of BREC's plans to remove the Nucor revenues from BREC's Fuel Adjustment Clause and the Environmental Surcharge.*

Response) The Fuel Adjustment Clause calculation is not based on revenues.

Revenues derived from sales to Meade County RECC for service to Nucor are excluded from Member revenue in the Environmental Surcharge calculation because that methodology is the methodology historically used by Big Rivers to calculate and apply costs to the Members.

More specifically, Big Rivers excludes from the calculation of the Environmental Surcharge revenues from sales to which the Environmental Surcharge is not applied, including revenues from sales to Meade County RECC for service to Nucor and revenues associated with market-based sales to Jackson Purchase Energy Cooperative for service to Block Mining. Market-based sales to Kenergy for service to TeraWulf/Justified Data Power will also be excluded from

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Member revenue should the Commission approve the retail electric service agreement that is currently under review in Case No. 2026-00115.

Likewise, Big Rivers excludes from the Member Rate Stability Mechanism credit (MRSM) sales to which the MRSM does not apply, including sales for Nucor and market-based sales for other customers.

Witness: Christopher Warren

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Item 8) *Refer to Case No. 2019-00365, Application.*

a. For the period of January 2023 through April 2026 provide the monthly power factor associated with the Nucor facility.

b. Provide the monthly Standard Rate Billing Form for Large Industrial Customer Expansion as included in the Direct Testimony of Robert Berry, Exhibit E, for the period of January 2023 through April 2026.

Response)

a. The monthly load factors associated with the Nucor facility are being provided with this response under a petition for confidential treatment, as Attachment PSC 2-8(a).¹

b. The Large Industrial Customer Expansion (LICX) tariff expressly requires that a "Special Contract Rate" be negotiated on a case-by-case basis. The

¹ Based on the context of the request, Big Rivers construed the staff's inquiry as seeking monthly load factor data notwithstanding the request's reference "power factor," and has supplied that confidential data in the attachment to subpart (a). Monthly power factor data, however, is shown in the attachment to subpart (b), the confidential monthly invoices.

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tariff explains that the Special Contract Rate “may consist of one or more of the following: (1) the Standard Rate – LIC – Large Industrial Customer rate, (2) market-based rates, (3) fixed rates, (4) time-of-use rates, or (5) other negotiated rate.” The LICX tariff includes as an example of a Special Contract Rate, market pass-through rates for Expansion Demand, Energy, Transmission, and Ancillary Services. The billing form for the LICX tariff is based on that example, but that is not the only Special Contract Rate that is allowed under the LICX tariff.

Under the current phase of the Nucor contract, Nucor’s Special Contract Rate consists of fixed demand and energy rates, and so, the example sample bill’s provisions relating to Expansion Demand, Energy, Transmission, and Ancillary Services do not apply.

Invoices to Nucor for the period January 2023 through April 2026 based on the Special Contract Rate it pays are being provided with this response under a petition for confidential treatment, as Attachment PSC 2-8(b).

After December 31, 2031, Nucor moves to the next phase of its Special Contract Rate, at which time [REDACTED]

IN THE MATTER OF:
AN ELECTRONIC EXAMINATION BY THE PUBLIC SERVICE COMMISSION
OF THE ENVIRONMENTAL SURCHARGE MECHANISM OF BIG RIVERS
ELECTRIC CORPORATION FOR THE SIX-MONTH BILLING PERIOD ENDING
JANUARY 31, 2025
CASE NO. 2026-00089

RESPONSE OF BIG RIVERS ELECTRIC CORPORATION TO COMMISSION
STAFF'S SECOND REQUEST FOR INFORMATION DATED JUNE 29, 2026

July 15, 2026

[REDACTED]

Witness: Christopher Warren

Big Rivers Electric Corporation Case No. 2026-00089
Attachment to Response to PSC 2-8(a)

Calculation of Nucor Load Factor
January 2023 to April 2026

	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23
(A) Days in Month	31	28	31	30	31	30	31	31	30	31	30	31
(B) Hours per Day	24	24	24	24	24	24	24	24	24	24	24	24
(C) Energy (KWH)												
(D) Demand (KW)												
LOAD FACTOR												

	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24
(A) Days in Month	31	29	31	30	31	30	31	31	30	31	30	31
(B) Hours per Day	24	24	24	24	24	24	24	24	24	24	24	24
(C) Energy (KWH)												
(D) Demand (KW)												
LOAD FACTOR												

LOAD FACTOR = (C) / ((D) x (A) x (B))

**Big Rivers Electric Corporation Case No. 2026-00089
Attachment to Response to PSC 2-8(a)**

**Calculation of Nucor Load Factor
January 2023 to April 2026**

	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25
(A) Days in Month	31	28	31	30	31	30	31	31	30	31	30	31
(B) Hours per Day	24	24	24	24	24	24	24	24	24	24	24	24
(C) Energy (KWH)												
(D) Demand (KW)												
LOAD FACTOR												

	Jan-26	Feb-26	Mar-26	Apr-26
(A) Days in Month	31	28	31	30
(B) Hours per Day	24	24	24	24
(C) Energy (KWH)				
(D) Demand (KW)				
LOAD FACTOR				

LOAD FACTOR = (C) / ((D) x (A) x (B))



In the Matter of:

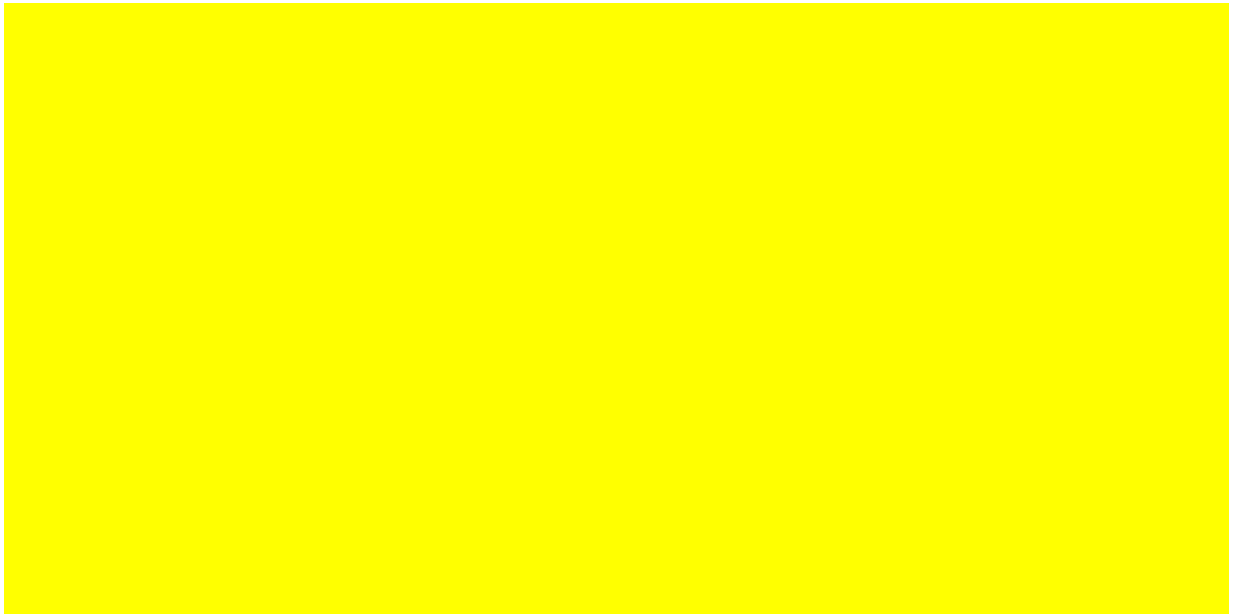
**AN ELECTRONIC EXAMINATION BY THE PUBLIC)
SERVICE COMMISSION OF THE ENVIRONMENTAL)
SURCHARGE MECHANISM OF BIG RIVERS)
ELECTRIC CORPORATION FOR THE SIX-MONTH)
BILLING PERIOD ENDING JANUARY 31, 2026)**

**Case No.
2026-00089**

CONFIDENTIAL

**INFORMATION SUBMITTED WITH
MOTION FOR CONFIDENTIAL TREATMENT**

Attachment to Response to PSC 2-8(b)



IN THE MATTER OF:
AN ELECTRONIC EXAMINATION BY THE PUBLIC SERVICE COMMISSION
OF THE ENVIRONMENTAL SURCHARGE MECHANISM OF BIG RIVERS
ELECTRIC CORPORATION FOR THE SIX-MONTH BILLING PERIOD ENDING
JANUARY 31, 2025
CASE NO. 2026-00089

RESPONSE OF BIG RIVERS ELECTRIC CORPORATION TO COMMISSION
STAFF'S SECOND REQUEST FOR INFORMATION DATED JUNE 29, 2026

July 15, 2026

**Item 9) *Provide the current summary list of all Environmental
Surcharge Mechanism Projects included in BREC's Environmental
Compliance Plan. The list should include:***

- a. Project reference number,***
- b. Description,***
- c. Justification,***
- d. Alternatives considered,***
- e. Installed date,***
- f. Capital cost, and***
- g. Operation and Maintenance costs (annual).***

Response) Please see the attachment to this response. In response to subpart(g) the attachment provides the annual operation and maintenance costs from 2020 through April 2026. The Commission approved Big Rivers' 2020 Environmental Compliance plan, the most recent application to amend its plan, on Augst 6, 2020, in Case No. 2019-00435.

IN THE MATTER OF:
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JANUARY 31, 2025
CASE NO. 2026-00089

RESPONSE OF BIG RIVERS ELECTRIC CORPORATION TO COMMISSION
STAFF'S SECOND REQUEST FOR INFORMATION DATED JUNE 29, 2026

July 15, 2026

Witnesses: Mark Bertram (subparts a-e)
Christopher Warren (subparts f-g)

IN THE MATTER OF:
AN ELECTRONIC EXAMINATION BY THE PUBLIC SERVICE COMMISSION
OF THE ENVIRONMENTAL SURCHARGE MECHANISM OF BIG RIVERS
ELECTRIC CORPORATION FOR THE SIX-MONTH BILLING PERIOD ENDING
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RESPONSE OF BIG RIVERS ELECTRIC CORPORATION TO COMMISSION
STAFF'S SECOND REQUEST FOR INFORMATION DATED JUNE 29, 2026

July 15, 2026

Item 10) *Refer to Case No. 2024-00141,¹ BREC's Response to Commission Staff's Third Request for Information, Item 1.*

a. *Explain whether BREC proposes similar alternatives for its recovery of the Environmental Surcharge.*

b. *Provide the alternatives that BREC proposes and list the options considered, describe the option in detail and state BREC's preference for which option to use going forward.*

Response)

a. Big Rivers is not proposing to recover its environmental costs in any alternative way other than its Environmental Surcharge. KRS 278.183(2) provides, "Recovery of costs pursuant to subsection (1) of this section that are not already included in existing rates ***shall be by environmental surcharge*** to existing rates..." (emphasis added). Big Rivers is complying with that statute (KRS 278.183),

¹ Case No. 2024-00141, *An Electronic Examination of the Application of the Fuel Adjustment Clause of Big Rivers Electric Corporation from November 1, 2022, through April 30, 2023* (Ky. PSC Aug. 2, 2024).

IN THE MATTER OF:
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RESPONSE OF BIG RIVERS ELECTRIC CORPORATION TO COMMISSION
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and it incurs no incremental environmental costs to serve Nucor that are being recovered from other customers.

b. Big Rivers does not propose any other options going forward, but if the Commission requires Big Rivers to recover a portion of its environmental costs through a different mechanism, Big Rivers would propose using the Interim Energy Adjustment that was conceptually approved in Case Nos. 2024-00141 and 2024-00149. Big Rivers' Members are taking great efforts to educate their member-consumers about that new tariff rider ahead of it showing up on bills, and another rider on top of that would cause unnecessary confusion.

Witness: Christopher Warren