

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
Fourth Request for Information
dated August 26, 2026**

FILED: September 11, 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, 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

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 September 2026.

Sentia Towery Santana

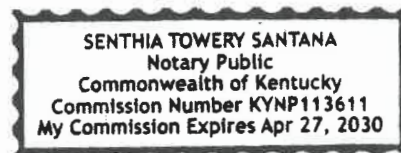
Notary Public, Kentucky State at Large

Notary ID

KYNP 113611

My Commission Expires

4-27-2030



BIG RIVERS ELECTRIC CORPORATION

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VERIFICATION

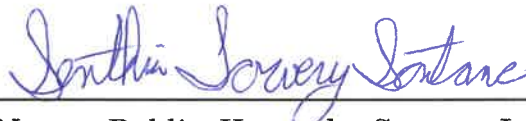
I, Christopher A. Warren, verify, state, and affirm that the data request responses filed with this verification for which I am listed as a witness are true and accurate to the best of my knowledge, information, and belief formed after a reasonable inquiry.



Christopher A. Warren

COMMONWEALTH OF KENTUCKY)
COUNTY OF DAVIESS)

SUBSCRIBED AND SWORN TO before me by Christopher A. Warren on this
the 9th day of September 2026.



Notary Public, Kentucky State at Large

Notary ID KYNP 113611

My Commission Expires

4-27-2030

SENTHIA TOWERY SANTANA
Notary Public
Commonwealth of Kentucky
Commission Number KYNP113611
My Commission Expires Apr 27, 2030

BIG RIVERS ELECTRIC CORPORATION

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VERIFICATION

I, Micah C. 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.



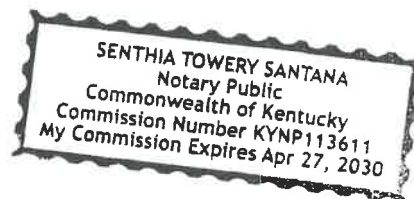
Micah C. Bushnell

COMMONWEALTH OF KENTUCKY)
COUNTY OF DAVIESS)

9th SUBSCRIBED AND SWORN TO before me by Micah C. Bushnell on this the
day of September 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 FOURTH REQUEST FOR INFORMATION DATED AUGUST 26, 2026

September 11, 2026

Item 1) *Refer to BREC's response to Commission Staff's Second Request for Information (Staff's Second Request), Item 5a. The response discusses BREC's membership in Midcontinent Independent System Operator (MISO) and that BREC bids all its generation into the MISO energy markets, and it purchases all its load from the MISO energy market.*

a. *Because all of BREC's customers are also serviced utilizing BREC's membership in MISO, explain why any customer has environmental compliance costs assigned to it.*

b. *Refer also to BREC's response to Staff's Second Request, Item 5c, which concludes that there is no additional environmental compliance cost associated with BREC's service to Nucor Corporation (Nucor). Expand BREC's explanation as to why this is the case.*

c. *For wholesale customers for whom BREC purchased wholesale market power and who pay wholesale market power prices, explain whether these customers are listed in BREC's fuel adjustment clause*

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Form A as “Non-tariff Market Rates Sales to Members” and whether BREC incurs any fuel costs for service to these members.

d. State whether BREC purchases power at a wholesale market price for Nucor and charges Nucor that market rate for the purchased power or whether BREC, under the retail service agreement, charges Nucor a fixed price for the power that may be different than the wholesale power price.

e. In Case No. 2024-00149², the Commission found that BREC had been incorrectly excluding sales to Nucor for purposes of calculating the Fuel Adjustment Clause.³ Explain how Nucor can incur fuel charges and not related environmental compliance charges related to the burning of that fuel.

Response)

a. As a byproduct of owning generation, BREC incurs environmental compliance costs, which are not recoverable through MISO, regardless of how load and generation interact in the MISO market. Instead, BREC recovers these costs through

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either base rates paid by its Members or through its Environmental Surcharge tariff pursuant to KRS 278.183.

b. There was no additional environmental compliance equipment installed on the system due to the contract with Nucor. Also, because increased generation output is generally driven by increased market prices, and not driven by incremental load increases, there are no incremental variable environmental costs incurred due to additional load.

c. The wholesale customers for whom BREC purchased wholesale market power and who pay wholesale market power prices are listed in BREC's fuel adjustment clause Form A as "Non-tariff Market Rates Sales to Members" and BREC does not incur any fuel costs for service to these members. Big Rivers incurs purchased power costs directly attributable to these customers which is then paid by those customers.

d. Big Rivers currently charges Nucor the special contract rate approved in Case No. 2019-00365. These rates will remain in effect until December 2031. At that time Nucor will pay [REDACTED]

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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

e. The Fuel Adjustment Clause permits BREC to recover parts of both (1) fuel from BREC owned generation and (2) purchased power. Because BREC owned generation output is affected by market prices, and not load, it follows that the only component of the Fuel Adjustment Clause that is altered by any additional load is the purchased power component. Because environmental compliance costs are exclusively the result of BREC owned generation, and do not vary based on purchased power quantities, no incremental environmental compliance costs are incurred as a result of the additional load.

Witnesses: Micah Bushnell (subparts a & b)

Christopher A. Warren (subparts c – e)

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Item 2) *Refer to BREC's response to Staff's Second Request, Item 9.
Provide the capital and operating & maintenance (O&M) expense that make
up the Environmental Surcharge for the 6-month review period ending
January 31, 2026.*

Response) Please see the monthly capital expenditures and operating & maintenance (O&M) expenses incorporated within the Environmental Surcharge for the six-month review period, attached as "Exhibit PSC 4-2" to this response.

Witness: Rebecca L Shelton

Big Rivers Electric Corporation
Case No. 2026-00089 - Exhibit PSC 4-2

Project Number	Description	Operation & Maintenance Costs (June - November 2025 Monthly)							
		June	July	August	September	October	November	Total	
1	SO2 Plan	396,522	511,927	496,263	446,223	520,662	253,369	2,624,966	lime, limestone, di-basic acid, costs for the disposal of coal combustion by-products (flyash, bottom ash, and scrubber sludge), and cost of purchasing SO2emission allowances
2	NOx Plan	85,750	19,012	62,265	69,980	37,865	27,313	302,185	sulfur, ammonia and cost of purchasing additional NOx emission allowances as needed
3	SO3 Plan	0	0	0	0	0	0	0	lime, limestone, di-basic acid, costs for the disposal of coal combustion by-products (flyash, bottom ash, and scrubber sludge), and cost of purchasing SO3emission allowances
9	Wilson Hg	54,609	83,136	60,765	159,808	127,886	87,151	573,355	MATS
10	Green Hg	0	0	0	0	0	0	0	N/A
11	HMP&L Hg	0	0	0	0	0	0	0	N/A
12	Wilson FGD/WWT	15,123	1,167	7,386	5,265	793	2,536	32,270	Dewatering chemicals, Sodium Hydroxide
13-1	Green Ash Pond Closure	414,190	418,190	418,706	418,915	419,828	420,726	2,510,555	Depreciation Exp - ARO (Ash Pond)
13-3	Station Two Ash Pond Closure	139,570	142,334	142,400	142,400	142,400	142,400	851,504	Depreciation Exp - ARO (Ash Pond)
14	Wilson Phase 1 Landfill Cover	29,287	43,553	67,162	112,447	158,801	42,809	454,059	Incremental CCR
15	Green Landfill Drainage	32,319	10,701	27,174	36,604	200,458	56,527	363,783	Incremental CCR
16	CCR Regulatory Asset	127,910	127,910	127,910	127,910	127,910	127,910	767,460	Amortization of CCR Reg Assets
	Total	1,295,280	1,357,930	1,410,031	1,519,552	1,736,603	1,160,741	8,480,137	

Project Number	Description	Capital Spend (June - November 2025 Monthly)							
		June	July	August	September	October	November	Total	
1	SO2 Plan	0	0	0	0	0	0	0	
2	NOx Plan	0	0	0	0	0	0	0	
3	SO3 Plan	0	0	0	0	0	0	0	
9	Wilson Hg	0	0	0	0	0	0	0	
10	Green Hg	0	0	0	0	0	0	0	
11	HMP&L Hg	0	0	0	0	0	0	0	
12	Wilson FGD/WWT	803,151	2,515	6,096	2,418	(148)	488	814,520	Capital spend Jun-Nov 2025- FGD & WWT project
13-1	Green Ash Pond Closure	0	0	0	0	0	0	0	
13-3	Station Two Ash Pond Closure	0	0	0	0	0	0	0	
14	Wilson Phase 1 Landfill Cover	0	0	0	0	0	0	0	
15	Green Landfill Drainage	0	0	0	0	0	0	0	
16	CCR Regulatory Asset	0	0	0	0	0	0	0	
	Total	803,151	2,515	6,096	2,418	(148)	488	814,520	

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Item 3) Refer to BREC's response to Commission Staff's First Request for Information, Item 5c. Confirm that, during the review period, BREC's customers paid \$991,552 in environmental surcharges that would have been attributable to Nucor, absent the contract provisions. If this cannot be confirmed, explain and provide the correct amount.

Response) The \$991,552 referenced above represents the hypothetical environmental surcharge that Nucor would have been assessed during the review period under the revised calculation framework. This amount was not assessed to any Member Owners as it was part of the hypothetical revised calculation.

If the Environmental Surcharge calculation is revised to include Nucor revenue, the Member Owners would have paid \$164,357 additional as a result over the period under review as illustrated in PSC 1-5c.

Witness: Rebecca L Shelton

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Item 4) *Provide the net margins that Nucor provided to BREC during the review period.*

Response) The net margins that Nucor provided from June 2025 to November 2025 were \$0.2 million.

Witness: **Christopher A. Warren**