

**Frost  
Brown Todd** LLC  
ATTORNEYS

KENTUCKY · OHIO · INDIANA · TENNESSEE · WEST VIRGINIA

Mark David Goss  
(859) 244-3232  
MGOSS@FBTLAW.COM

June 10, 2010

RECEIVED

JUN 10 2010

PUBLIC SERVICE  
COMMISSION

*Via Hand-Delivery*

Mr. Jeffrey Derouen  
Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, KY 40602-0615

Re: Application of Big Rivers Electric Corporation for Approval to Transfer  
Functional Control of Its Transmission System to Midwest  
Independent Transmission System Operator, Inc.  
PSC Case No. 2010-00043

Dear Mr. Derouen:

Enclosed please find herewith an original and ten (10) copies of Midwest Independent Transmission System Operator, Inc.'s First Set of Data Requests to Kentucky Industrial Utility Customers, Inc. to be filed in the above-referenced matter. Please return a file stamped to me.

Sincerely yours,



Mark David Goss

Enclosures

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COMMONWEALTH OF KENTUCKY

RECEIVED

BEFORE THE PUBLIC SERVICE COMMISSION

JUN 10 2010

PUBLIC SERVICE  
COMMISSION

In the Matter of:

Application of Big Rivers Electric Corporation )  
 for Approval to Transfer Functional Control ) Case No. 2010-00043  
 of Its Transmission System to Midwest )  
 Independent Transmission System Operator, Inc. )

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FIRST SET OF DATA REQUESTS  
 OF  
 MIDWEST INDEPENDENT TRANSMISSION SYSTEM OPERATOR, INC.  
 TO  
 KENTUCKY INDUSTRIAL UTILITY CUSTOMERS, INC. (KIUC)

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The Midwest Independent Transmission System Operator (“Midwest ISO” or “MISO”) requests the Intervenor, Kentucky Industrial Utility Customers, Inc. (“KIUC”) to respond to the First Set of Data Requests herein.

**DEFINITIONS**

1. “Document(s)” is used in its customary broad sense and includes electronic mail and all written, typed, printed, electronic, computerized, recorded or graphic statements, communications or other matter, however produced or reproduced, and whether or not now in existence, or in your possession.

2. "Study" means any written, recorded, transcribed, taped, filmed, or graphic matter, however produced or reproduced, either formally or informally, on 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 MISO’s direct testimony herein.

3. "You" or "Your" means Dr. Matthew J. Morey, who prefiled testimony on or about May 28, 2010 which is the subject of these requests and, to the extent relevant and necessary to provide full and complete answers to any request, "you" or "your" may be deemed to include any person with information relevant to any request who is or was employed by or otherwise associated with the witness or who assisted, in any way, in the preparation of the witness' testimony, including any representatives or members affiliated with or part of the KIUC.

4. The terms "Identify" and "Identity" shall have the following meanings:

a. When IDENTIFYING a PERSON other than a natural PERSON, state:

1. the full name and all prior names;
2. the form of business organization, e.g., partnership, corporation, government agency, etc.;
3. the last known address; and
4. the state of incorporation or formation.

b. When IDENTIFYING a natural person, please state that person's:

1. full name;
2. last known home address;
3. last known phone number;
4. last known employer and employer's address;
5. last known job title; and
6. whether deceased or alive.

c. When IDENTIFYING a Document:

1. state the author, any and all parties to whom the Document was sent or received, and, if the Document was signed, the name of the PERSON who signed it, INCLUDING the title, position and affiliation of each PERSON at the time the Document was authored;
2. state the Document's title, number, code or other IDENTIFYING data;
3. state the number of pages;
4. IDENTIFY any attachments or supplemental items incorporated within the Document;
5. state the date, if any, appearing on the Document;
6. state the subject matter, transaction, act, or occurrence to which the Document relates;

7. provide a general description of the type of Document; and
8. in lieu of the identification called for with respect to any such Document, YOU may produce such Document. If the document and identify its production number. If the document has been produced in this case, merely identifying its document number is sufficient. In any case, referring to the universe of documents produced or a wide range of documents that includes many nonresponsive documents is insufficient.

d. When IDENTIFYING an oral communication:

1. IDENTIFY the person who made the communication and the person to whom the communication was directed, INCLUDING the title, position and affiliation of such persons at the time the communication was made;
2. give the date, time, and place of the communication;
3. give the contents of the communication in as verbatim a form as possible; and
4. IDENTIFY any other person(s) present when the communication was made, INCLUDING the title, position and affiliation of such persons at the time the communication was made.
5. As used herein, "INCLUDING" means "INCLUDING but not limited to."

5. "Big Rivers" or "BREC"- means Big Rivers Electric Corporation, and/or any of their officers, directors, employees or agents who may have knowledge of the particular matter addressed.

6. "FERC" – means the Federal Energy Regulatory Commission.

7. "KIUC" – means the Kentucky Industrial Utility Customers, Inc.

8. "MCRSG" – means the Midwest Contingent Reserve Sharing Group.

9. "MTEP" - means and generally refers to the Midwest Transmission Expansion Plan process.

## INSTRUCTIONS

10. The Requests shall be deemed continuing so as to require prompt further and supplemental production if at any time during this proceeding in the event you locate or obtain possession, custody or control of additional responsive documents.

11. Any studies, documents, or other subject matter not yet completed that will be relied upon during the course of this proceeding should be provided as soon as they are completed. You are obliged to change, supplement and correct all answers to these Requests to conform to available information, including such information as it first becomes available to you after the answers hereto are served.

12. If any document discussed or identified in a response and/or 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.

13. Unless otherwise expressly provided, each interrogatory should be construed independently and not with reference to any other interrogatory herein for purpose of limitation.

14. The answers should identify the person(s) supplying the information.

15. Please answer each designated part of each information request separately. If you do not have complete information with respect to any interrogatory, so state and give as much information as you do have with respect to the matter inquired about, and identify each person whom you believe may have additional information with respect thereto.

## FIRST SET OF DATA REQUESTS

Dr. Matthew J. Morey

Q.1-1 Please reference the bottom of page 2, line 17 of Your direct testimony. Please explain the scope of Your engagement by KIUC including the specific contractual language that describes the work You are to provide to KIUC.

Q.1-2 Please reference the bottom of page 2, line 19 of Your direct testimony. Please fully explain what is meant by the term “find’ as it is used in Your answer, including a discussion of any and all studies, analyses or other information You relied upon in reaching the conclusion presented in Your answer.

Q.1-3 Please reference lines 3 – 6 of page 3 of Your direct testimony. Please explain:

- a. the basis of the phrase contained on line 3 that claims that there are “...hundreds of millions of dollars that it will likely incur...”, including identifying any documents relied upon, studies or analyses done by You or others;
- b. which “MISO Transmission Expansion Plan (MTEP)” were You relying upon as support for this statement; and
- c. please identify, in the MTEP identified in subpart Q.1-3(b) above, the specific page or pages that provide the source of the hundreds of millions dollar amounts referenced in this response as well as the page or pages from which You draw the inference that the appropriate corresponding timeframe represented in the phrase “...over the next decade or so...”.

Q.1-4 Please reference line 4 of page 4 of Your direct testimony where the term “status quo” is used in Your answer. Please explain and identify what this term means in this context and explain what You believe to be the status quo after September 2010. Have You, Your staff, or anyone affiliated with KIUC performed any analyses or conducted any studies which attempt to identify the “status quo”, as that term is used on line 4, page 4? If the answer is Yes, please provide the analyses, Documents and/or studies, including workpapers that support Your position of the status quo.

Q.1-5 Please reference line 5 of page 5 of Your direct testimony. Please provide the basis, including any source document or study, for the figure of \$22 billion noted in the answer. If this figure was used as the starting point to estimate annual MISO Schedule 26 charges, please also include any discount or inflation rates used as part of any such calculations.

Q.1-6 Refer to lines 5 through 9 of page 5 of Your direct testimony. Please identify whether You, Your staff, or anyone affiliated with KIUC has performed any analyses or conducted any studies which attempt to identify and quantify necessary high voltage overlay needs for the upper Midwest. If the answer is Yes, please provide any such analyses and/or studies, including workpapers and material assumptions made.

Q1-7. Please reference line 7 of page 5 of Your direct testimony. Please identify the amount and provide the basis for Dr. Morey’s understanding of BREC’s “share” of transmission projects as that term is used in this answer.

Q1-8. Please reference lines 12-15 of page 5 of Your direct testimony where You reference a response to discovery provided by Mr. Moeller of MISO. Please specifically identify each and every discovery question and response Dr. Morey relies upon as support for this answer. Please state whether Dr. Morey did any independent analysis or study that

estimated BREC's load ratio share potential in 2024. If the answer to the immediately preceding question is Yes, please provide any such analyses and/or studies, including workpapers.

Q1-9. Refer to page 7, lines 7-8 of Your direct testimony. In Your response You indicate that the MTEP costs for projects "...could be in the billions of dollars by the end of 2014." Please explain the basis of this statement and identify any independent analysis or study that Dr. Morey performed that identified and/or quantified the potential MTEP costs in 2014. If Dr. Morey performed any such analysis or studies, please provide copies, including workpapers and a list of any material assumptions used in his analysis.

Q1-10. Refer to page 8, lines 19 – 23 of Your direct testimony. Please provide the basis for the statement: "The MISO RNU over the period 2007 to 2009 averaged \$96.8 million per year." Additionally, is Dr. Morey aware of whether this \$96.8 million figure included any amounts of revenue sufficiency guaranty, or RSG, over the same time period? If yes, please identify what amounts represent RNU versus RSG.

Q1-11. Referring to page 8, lines 20-22, of Your testimony, Dr. Morey "assumes" a 1.78% load ratio share, presumably for Big Rivers. Please provide an explanation of and the basis for this load ratio share figure, along with any source documentation and workpapers for the derivation of the figure.

Q1-12. Referring to page 8, line 23, of Your testimony, Dr. Morey identifies BREC's allocation may be about 1.14%. Please confirm that this estimation by Dr. Morey is likewise a load ratio share computation for Big Rivers. If Yes, please provide an explanation of and the



basis for this load ratio share figure, along with any source documentation and workpapers for the derivation of the figure.

Q1-13. Refer to page 9, lines 17-18 of Your direct testimony. Please provide an explanation of the derivation of the estimated \$0.1 million of annual legal expenses along with any source documentation for the \$0.1 million figure shown on line 18, as well as the source documentation for \$0.8 to \$1.0 million per year figures shown on line 17, including any workpapers created for the calculation of any of the estimates.

Q1-14. Refer to page 10, lines 4-6 of Your direct testimony. Please provide a copy of the “complete cost-benefit study of MISO membership compared to the status quo today” including workpapers and any material assumptions not otherwise listed on page 10, lines 8-13 of Dr. Morey’s testimony.

Q1-15. Please refer to line 8 of page 11 of Your direct testimony. Please provide a complete explanation and definition of the term “extrapolate” as that term is used therein. Please also indicate whether Dr. Morey performed any independent analysis or study to support his extrapolation of Mr. Luciani’s single cost saving values. If the answer to the immediately preceding question is Yes, please provide any such analyses and/or studies, including workpapers.

Q1-16. Referring to page 11, line 12, of Your testimony, Dr. Morey “assumes” a production cost saving increase figure of 7.70% per year for Big Rivers. Please provide an explanation of and the basis for this figure, along with any source documentation and workpapers for the derivation of the figure.

Q1-17. Refer to page 13, lines 2 through 3 of Your direct testimony. Were the two (2) identified MISO data request responses the only information relied upon by Dr. Morey before he interpolated and extrapolated other annual figures projected out over the fifteen year future discussed on pages 13 and 14 of Dr. Morey's direct testimony? If no, please identify and provide copies of any other documents and sources of information relied upon.

Q1-18. Refer to page 14, lines 11 through 15 of Your direct testimony. Please explain how the present value calculations were made and what discount rate was used to calculate the quantified figures presented along with any source documentation and workpapers for the derivation of the figures.

Q1-19. Refer to page 15, Tables 1 and 2 of Your direct testimony. Please explain how each of the figures presented in each identified category were derived, including how the present value calculations were made and what discount rate was used to calculate the quantified figures presented along with any source documentation and workpapers for the derivation of the figures.

Q1-20. Please refer to page 19, lines 3 through 5 of Your testimony. Did You consider and identify all the benefits of MISO membership including the items discussed by Witness Moeller under the broader heading Value Proposition beginning on page 19 and continuing through page 33 of his prefiled direct testimony? If Yes, did You incorporate any of the quantified values summarized and presented on pages 27 through 31, of Mr. Moeller's prefiled direct testimony?

This 10th day of June, 2010.

Respectfully submitted,



Mark David Goss  
Frost Brown Todd LLC  
250 West Main Street, Suite 2800  
Lexington, KY 40507-1749  
(859) 231-0000 – Telephone  
(859) 231-0011 – Facsimile  
*Counsel for Midwest ISO*

Gregory A. Troxell  
Keith L. Beall  
Midwest Independent Transmission  
System Operator, Inc.  
P.O. Box 4202  
Carmel, Indiana 46082-4202  
*Staff Counsel for Midwest Independent  
Transmission System Operator, Inc.*

**CERTIFICATE OF SERVICE**


This is to certify that I have duly served the above Kentucky Industrial Utility Customers, Inc. Data Requests by first class United States mail on the following this 10th day of June, 2010:

Hon. James M. Miller  
Hon. Tyson Kamuf  
Sullivan, Mountjoy, Stainback & Miller, P.S.C.  
100 St. Ann Street  
P.O. Box 727  
Owensboro, KY 42302-0727  
*Counsel for Big Rivers Electric Corporation*

Douglas L. Beresford  
Hogan & Hartson, LLP  
555 Thirteenth Street, N.W.  
Washington, D.C. 20004-1109

David Brown  
Stites & Harbison, PLLC  
1800 Providian Center  
400 West Market Street  
Louisville, KY 40202

Michael L. Kurtz  
Boehm, Kurtz & Lowry  
36 East Seventh Street  
Suite 1510  
Cincinnati, OH 45202

  
Counsel for Midwest Transmission  
Independent Operator System, Inc.