

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF BIG RIVERS ELECTRIC) CASE NO.
CORPORATION FOR AN ADJUSTMENT OF RATES) 2012-00535

COMMISSION STAFF'S FIRST REHEARING REQUEST FOR INFORMATION
TO BIG RIVERS ELECTRIC CORPORATION

Big Rivers Electric Corporation ("Big Rivers"), pursuant to 807 KAR 5:001, is to file with the Commission the original and ten copies of the following information, with a copy to all parties of record. The information requested herein is due not later than January 28, 2014. Responses to requests for information shall be appropriately bound, tabbed and indexed. Each response shall include the name of the witness responsible for responding to the questions related to the information provided.

Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Big Rivers shall make timely amendment to any prior responses if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which Big Rivers fails or refuses to furnish all or part of the requested information, it shall

provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request.

1. Refer to Big Rivers' updated response to Item 3 of the Commission Staff's Fourth Request for Information ("Staff's Fourth Request"), which was filed November 22, 2013, specifically, the Direct Testimony of Robert W. Berry ("Berry FERC Testimony") filed with the Federal Energy Regulatory Commission ("FERC") on November 1, 2013.

a. Page 5 of the Berry FERC Testimony at lines 9-11 indicates that the fixed costs of operating the Coleman units during the one-year term of the System Support Resource ("SSR") Agreement which starts September 1, 2013, are estimated to be \$32,057,717. The amount reflected in the Commission's October 29, 2013 Order for these costs, based on the estimate provided in this proceeding by Big Rivers for the same one-year period, was \$28,660,568. Provide a side-by-side comparison of the specific amounts of the cost items that make up these two amounts, along with an explanation for why the SSR Agreement estimate was more than 10 percent greater than the estimate provided to the Commission.

b. Page 5 of the Berry FERC Testimony at lines 14-16, indicates that the capital costs during the one-year SSR Agreement term for the three Coleman units

are estimated to be \$8,200,658. Provide a list of the specific capital items, and their costs, that make up this amount.

2. Refer to page 25 of the Rebuttal Testimony of Robert W. Berry filed on December 17, 2013, in Case No. 2013-00199 ("Berry 00199 Rebuttal Testimony").¹ Explain in detail why the revenue increase awarded in the Commission's October 29, 2013 Order ("Rate Order") should not be reduced by the difference between the \$40.97 million Big Rivers is to receive under the SSR agreement for fixed and capital cost recovery related to operation of the Coleman station and the \$28.66 million used in determining Big Rivers' revenue requirement in this case.

3. Refer to page 25 of the Berry 00199 Rebuttal Testimony. Lines 13-17 on page 25 indicate that revenues to be received under the SSR Agreement are for reimbursement of costs to operate the Coleman units with no profits realized by Big Rivers. Explain whether any of the estimated costs for which Big Rivers is to be reimbursed under the SSR Agreement were included in the revenue requirement which formed the basis for the rate increase awarded in the Rate Order.

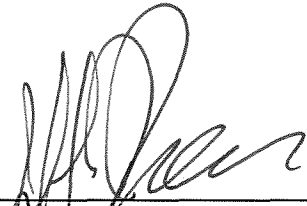
4. Refer to Exhibit Berry Rebuttal-7 to the Berry 00199 Rebuttal Testimony, which is a timeline of events that led up to the SSR Agreement.

a. The first line on the timeline exhibit indicates that on 9/16/2013 Big Rivers sent a Coleman SSR budget for three units to the Midcontinent Independent System Operator, Inc. ("MISO"), and the Independent Market Monitor ("IMM"). Provide that budget, along with a narrative description of the items contained in the budget.

¹ Case No. 2013-00199, Application of Big Rivers Electric Corporation for a General Adjustment in Rates Supported by a Fully Forecasted Test Period (filed 6/28/13).

b. The second line on the timeline exhibit indicates that, pursuant to a 9/26/2013 conference call with MISO and IMM, Big Rivers was to make five revisions to the budget submitted on 9/16/2013. Provide an updated version of the 9/16/2013 SSR budget which includes those five revisions.

c. Provide the date Big Rivers became aware that the amount to be included in the SSR agreement would be greater than the \$28.66 million it estimated in this case.



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DATED JAN 15 2014

cc: Parties of Record

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