

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

ORDER

On May 6, 2013, Kentucky Industrial Utility Customers (“KIUC”) filed a petition for leave to conduct supplemental discovery consisting of additional data requests propounded to Big Rivers Electric Corporation (“Big Rivers”). A copy of KIUC’s additional data requests, consisting of five questions, was attached to its petition. The additional questions relate to the recent announcement that Big Rivers has reached a tentative agreement on a framework for providing market-priced power to Century Aluminum of Kentucky (“Century”), an existing customer that is currently served at a Commission regulated rate.

On May 7, 2013, Big Rivers filed a response in opposition to the KIUC petition, characterizing the data request as premature because at this time there is neither a “deal” nor an “agreement” with Century, only a “tentative” agreement on a “framework” for providing market priced power. Big Rivers states that it now has only an unsigned, non-binding term sheet, and that it is currently negotiating the terms of an agreement with Century, but there is no assurance that an agreement will actually be reached. Big Rivers acknowledges that if a definitive agreement is reached with Century, it will need to be filed with the Commission for approval, and that absent such an agreement, Big

Rivers has no legal authority to supply electricity to Century on and after August 20, 2013. Further, Big Rivers asserts that until a definitive agreement is reached, it is unable to respond to the questions propounded by KIUC.

Based on the petition, the response in opposition, and being otherwise sufficiently advised, the Commission finds that this case involves an investigation of Big Rivers' application to increase its rates by approximately \$74.5 million annually, an increase of 21.4 percent. Almost 85 percent of the requested rate increase is a result of Century's termination of its existing power contract effective on August 20, 2013. The rate application is based on a forecasted test year, the 12 months of September 1, 2013 through August 31, 2014, which is intended to reflect Big Rivers' operations immediately after the termination of Century's power contract. To properly analyze Big Rivers' application, it is essential that the Commission and the intervenors have all relevant information relating to the forecasted test year.

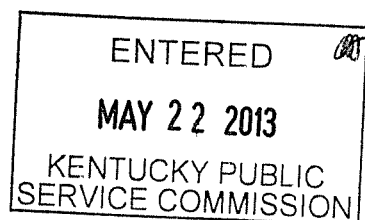
Big Rivers has requested that its increased rates be effective on and after August 18, 2013, a date that is less than three months from now, and a hearing on its rate application is scheduled to commence on July 1, 2013. While the Commission recognizes that Big Rivers may not yet have a definitive agreement with Century, the questions set forth in KIUC's data requests are highly relevant to the pending rate application. For that reason, we will grant KIUC's petition and require Big Rivers to file responses to those questions within seven days of the date of this Order. The Commission recognizes that Big Rivers' responses will be based on the information and documents that exist at this point in time. In the event that these responses need to be

subsequently revised and updated to reflect new information or documents, Big Rivers should do so on a timely basis as needed and as appropriate.

IT IS THEREFORE ORDERED that;

1. KIUC's petition for leave to conduct additional discovery is granted.
2. Big Rivers shall file responses to KIUC's additional discovery within seven days of the date of this order.

By the Commission



ATTEST:


Executive Director

Case No. 2012-00535

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