

ORIGINAL



Your Touchstone Energy® Cooperative 

RECEIVED
FEB 21 2014
PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

In the Matter of:

**APPLICATION OF BIG RIVERS)
ELECTRIC CORPORATION FOR A) Case No. 2012-00535
GENERAL ADJUSTMENT IN RATES)**

**Responses to the
Office of the Attorney General's,
Kentucky Industrial Utility Customers, Inc.'s, and
Ben Taylor and the Sierra Club's
(collectively, the Joint Intervenors)
Supplemental Rehearing Requests for Information
dated February 10, 2014**

FILED: February 21, 2014

ORIGINAL



BIG RIVERS ELECTRIC CORPORATION
APPLICATION OF BIG RIVERS ELECTRIC CORPORATION
FOR A GENERAL ADJUSTMENT IN RATES
CASE NO. 2012-00535

Response to
Office of the Attorney General's, Kentucky Industrial Utility Customers, Inc.'s, and
Ben Taylor and the Sierra Club's
(collectively, the Joint Intervenors)
Supplemental Rehearing Request for Information
Dated February 10, 2014

February 21, 2014

1 **Item 1) *Please provide the amount of Coleman plant fixed costs in the corporate***
2 ***financial model used for the test year revenue requirement in this proceeding before the***
3 ***Company decided in its rebuttal case to idle the Coleman plant instead of the Wilson plant.***
4 ***Separate the fixed costs into payroll costs (expense), FDE costs (expense), plant G&A costs***
5 ***(expense), headquarters G&A costs (expense) and each other cost, including, but not***
6 ***limited to, depreciation expense, interest expense, and TIER. Provide a copy of all***
7 ***workpapers, including, but not limited to, the calculation/allocation of interest expense. If***
8 ***the Company used a rate base allocation to determine interest expense, then provide the***
9 ***rate base used for this purposes showing each component. Source each of the amounts***
10 ***included in your response to the corporate financial model and/or underlying workpapers.***

11

12 **Response) Please see the attachment to this response containing the FDE costs,**
13 **depreciation expense and allocated interest expense for Coleman Station that was included in**
14 **the Application. The attachment is being provided under a petition for confidential**
15 **treatment. Interest expense for Coleman was estimated using 2012 actuals, consistent with**
16 **Big Rivers' estimation in Case No. 2013-00199, identifying the percent allocated to Coleman**
17 **and applying that allocation percent to the interest on long-term debt included in the financial**

BIG RIVERS ELECTRIC CORPORATION

**APPLICATION OF BIG RIVERS ELECTRIC CORPORATION
FOR A GENERAL ADJUSTMENT IN RATES
CASE NO. 2012-00535**

**Response to
Office of the Attorney General's, Kentucky Industrial Utility Customers, Inc.'s, and
Ben Taylor and the Sierra Club's
(collectively, the Joint Intervenors)
Supplemental Rehearing Request for Information
Dated February 10, 2014**

February 21, 2014

1 model. Please note that payroll costs for Coleman were provided in Big Rivers' response to
2 KIUC 2-23(b) in Case No. 2012-00535 and that Big Rivers does not budget G&A or TIER
3 by plant. Please also refer to Big Rivers' response to KIUC I-43 in Case No. 2012-00535.

4

5 **Witness)** Billie J. Richert

**Big Rivers Electric Corporation
Case No. 2012-00535**

Attachment to Response to Joint Intervenors' Supplemental Rehearing Item 1

	<u>Sep-13</u>	<u>Oct-13</u>	<u>Nov-13</u>	<u>Dec-13</u>	<u>Jan-14</u>	<u>Feb-14</u>	<u>Mar-14</u>	<u>Apr-14</u>	<u>May-14</u>	<u>Jun-14</u>	<u>Jul-14</u>	<u>Aug-14</u>	<u>Total</u>
FDE Costs - Coleman	878,173	827,531	626,695	675,737	903,392								
Depreciation Expense	508,868	510,593	510,629	510,684	510,696	510,720	511,319	511,611	524,303	526,979	527,129	529,129	6,192,660
Interest Expense	591,615	615,176	598,450	613,870	605,317	567,300	616,547	603,535	620,519	600,828	620,429	620,430	7,274,016
Total	\$1,978,656	\$1,953,300	\$1,735,775	\$1,800,291	\$2,019,405								



BIG RIVERS ELECTRIC CORPORATION

**APPLICATION OF BIG RIVERS ELECTRIC CORPORATION
FOR A GENERAL ADJUSTMENT IN RATES
CASE NO. 2012-00535**

**Response to
Office of the Attorney General's, Kentucky Industrial Utility Customers, Inc.'s, and
Ben Taylor and the Sierra Club's
(collectively, the Joint Intervenors)
Supplemental Rehearing Request for Information
Dated February 10, 2014**

February 21, 2014

1 **Item 2)** *Refer to pages 37-38 of the Commission's Order dated October 29, 2013 in*
2 *this proceeding. Please provide the amount of Coleman plant fixed costs included in the*
3 *revenue requirement approved by the Commission in this proceeding. Separate the fixed*
4 *costs into payroll costs (expense), FDE costs (expense), plant G&A costs (expense),*
5 *headquarters G&A costs (expense) and each other cost, including, but not limited to,*
6 *depreciation expense, interest expense, and TIER. Provide a copy of all workpapers.*
7 *Source each of the amounts included in your response to the corporate financial model*
8 *and/or underlying workpapers.*

9

10 **Response)** The costs for Coleman that were included in the initial filing have been
11 provided in Big Rivers' response to Item 1 from the Joint Intervenors' Supplemental Request
12 for Information in the Rehearing. The information requested in Item 2 is not available, as
13 Coleman was assumed to be running. However, the Commission's order dated October 29,
14 2013 made the adjustment for idling Coleman instead of Wilson on page 38. The rates
15 approved by the Commission reflect the adjustment of idling Coleman instead of Wilson.

16

17 **Witness)** Billie J. Richert



BIG RIVERS ELECTRIC CORPORATION
APPLICATION OF BIG RIVERS ELECTRIC CORPORATION
FOR A GENERAL ADJUSTMENT IN RATES
CASE NO. 2012-00535

Response to
Office of the Attorney General's, Kentucky Industrial Utility Customers, Inc.'s, and
Ben Taylor and the Sierra Club's
(collectively, the Joint Intervenors)
Supplemental Rehearing Request for Information
Dated February 10, 2014

February 21, 2014

1 **Item 3) *Refer to the file named "Confid Century – November 2013 Monthly Invoice***
2 ***12.23.2013" provided in response to Rehearing JII-1(a).***

3 ***a) Please provide a copy of all subsequent monthly invoices and/or corrections to prior***
4 ***months billed to Century or MISO in the same format as the referenced file.***

5 ***b) Please provide all account detail and all workpapers used to develop the amounts***
6 ***shown on all of the invoices to date billed to Century and MISO***

7
8 **Response) Big Rivers's Response to Joint Intervenors' Initial Rehearing Item 15**
9 **provided the monthly invoices billed to Century for August, September, October, November**
10 **and December 2013, along with all account details and workpapers used to develop the**
11 **amounts shown on those invoices.**

12 **a) There have been no other monthly invoices billed to Century since the date of Big**
13 **Rivers' Response to Joint Intervenors' Initial Rehearing Item 15. Big Rivers will be**
14 **providing the January 2014 monthly invoice to Century on or about February 21, 2014**
15 **and will provide this invoice and all related account detail and workpapers after the**
16 **invoice has been provided to Century. Big Rivers does not invoice MISO; MISO**
17 **provides settlement statements to Big Rivers.**

BIG RIVERS ELECTRIC CORPORATION
APPLICATION OF BIG RIVERS ELECTRIC CORPORATION
FOR A GENERAL ADJUSTMENT IN RATES
CASE NO. 2012-00535

Response to
Office of the Attorney General's, Kentucky Industrial Utility Customers, Inc.'s, and
Ben Taylor and the Sierra Club's
(collectively, the Joint Intervenors)
Supplemental Rehearing Request for Information
Dated February 10, 2014

February 21, 2014

1 b) Please see the response to subpart a, above.

2

3 **Witness)** **Billie J. Richert**



BIG RIVERS ELECTRIC CORPORATION

**APPLICATION OF BIG RIVERS ELECTRIC CORPORATION
FOR A GENERAL ADJUSTMENT IN RATES
CASE NO. 2012-00535**

**Response to
Office of the Attorney General's, Kentucky Industrial Utility Customers, Inc.'s, and
Ben Taylor and the Sierra Club's
(collectively, the Joint Intervenors)
Supplemental Rehearing Request for Information
Dated February 10, 2014**

February 21, 2014

1 **Item 4)** *Provide the Coleman capital expenditures that were included in the rate*
2 *base and capitalization in the corporate financial model that was used to quantify the*
3 *revenue requirement as originally filed in this proceeding (before the Company switched*
4 *the plant layup from Wilson to Coleman in its Rebuttal case). Separate these amounts*
5 *between environmental capital expenditures and non-environmental capital expenditures.*

6

7 **Response)** Please see the CONFIDENTIAL attachment to this response showing the
8 capital expenditures by month for Coleman for its base capital, or non-environmental capital
9 expenditures; the attachment is being filed pursuant to a petition for confidential treatment.
10 Please note that the MATS budget is not broken down by month and by unit, so there is no
11 environmental breakdown listed for Coleman.

12

13 **Witness)** Robert W. Berry

**Big Rivers Electric Corporation
Case No. 2012-00535**

Attachment to Response to Joint Intervenors' Supplemental Rehearing Item 4

	<u>Sep-13</u>	<u>Oct-13</u>	<u>Nov-13</u>	<u>Dec-13</u>	<u>Jan-14</u>	<u>Feb-14</u>	<u>Mar-14</u>	<u>Apr-14</u>	<u>May-14</u>	<u>Jun-14</u>	<u>Jul-14</u>	<u>Aug-14</u>	<u>Total</u>
Base Capex	140,000	30,000	45,000	10,000	20,000								
Total	\$140,000	\$30,000	\$45,000	\$10,000	\$20,000								



BIG RIVERS ELECTRIC CORPORATION
APPLICATION OF BIG RIVERS ELECTRIC CORPORATION
FOR A GENERAL ADJUSTMENT IN RATES
CASE NO. 2012-00535

Response to
Office of the Attorney General's, Kentucky Industrial Utility Customers, Inc.'s, and
Ben Taylor and the Sierra Club's
(collectively, the Joint Intervenors)
Supplemental Rehearing Request for Information
Dated February 10, 2014

February 21, 2014

- 1 **Item 5) *Refer to the Company's confidential response to Rehearing PSC 1-1(a).***
- 2 ***a) Please describe and provide the calculation of the G&A shown on this schedule***
3 ***under the SSR Amount column, including the calculations based on allocations of***
4 ***total Coleman plant and/or total Company amounts. Please provide a copy of all***
5 ***workpapers and analyses used to quantify the G&A shown on this schedule.***
6 ***Provide this information by RUS account and describe the costs the Company has***
7 ***included in each RUS account.***
- 8 ***b) Please indicate if the G&A shown on this schedule under the SSR Amount column***
9 ***was included in the corporate financial model used for the test year revenue***
10 ***requirement in this proceeding or if this G&A was excluded or removed. If the***
11 ***Company excluded or removed this G&A from the corporate financial model used***
12 ***for the test year revenue requirement, then please demonstrate that it did so.***
- 13 ***c) If the G&A shown on this schedule under the SSR Amount column was excluded***
14 ***or removed from the corporate financial model used for the test year revenue***
15 ***requirement in this proceeding, then provide a detailed description of each of the***
16 ***incremental costs that comprise this G&A amount, explain why each of these***
17 ***incremental costs was/is variable or avoidable, and explain why it was necessary for***

BIG RIVERS ELECTRIC CORPORATION
APPLICATION OF BIG RIVERS ELECTRIC CORPORATION
FOR A GENERAL ADJUSTMENT IN RATES
CASE NO. 2012-00535

Response to
Office of the Attorney General's, Kentucky Industrial Utility Customers, Inc.'s, and
Ben Taylor and the Sierra Club's
(collectively, the Joint Intervenors)
Supplemental Rehearing Request for Information
Dated February 10, 2014

February 21, 2014

1 *the Company to incur each such incremental cost to continue to operate the*
2 *Coleman plant.*

3

4 **Response)** Big Rivers appreciates the Joint Intervenors' caution in designating this
5 request as confidential, but Big Rivers does not believe the specific requests made here
6 disclose any of its confidential information.

7 a) The G&A amount of \$2,579,421 was based on fifteen positions being reduced at
8 Headquarters (\$1,804,243), in addition to the seven positions (\$775,178) that are
9 located at Coleman Station but are budgeted in the G&A headquarters budget. This
10 information was not prepared by RUS account number. Please see the attachment to
11 this response for the calculations.

12 b) In Case No. 2012-00535, Wilson (not Coleman) was initially assumed to be idled in
13 response to the Century contract termination. The headquarter positions that are
14 stationed at Coleman Station (IT, Budget, Safety, and Stores/Warehouse) were not
15 included in the revenue requirement for the forecasted test period (Sept-13 to Aug-
16 14). Also, the forecasted test period has an average of 14 positions that are not
17 included in the revenue requirement.

BIG RIVERS ELECTRIC CORPORATION

**APPLICATION OF BIG RIVERS ELECTRIC CORPORATION
FOR A GENERAL ADJUSTMENT IN RATES
CASE NO. 2012-00535**

**Response to
Office of the Attorney General's, Kentucky Industrial Utility Customers, Inc.'s, and
Ben Taylor and the Sierra Club's
(collectively, the Joint Intervenors)
Supplemental Rehearing Request for Information
Dated February 10, 2014**

February 21, 2014

1 c) Please refer to Big Rivers' Response to Joint Intervenors' Supplemental Rehearing
2 Item 8(c).

3

4 **Witness)** **Robert W. Berry**

**Big Rivers Electric Corporation
Case No. 2012-00535**

**Attachment to Response to Joint Intervenors' Supplemental
Rehearing Item 5**

<u>Headquarters G&A</u>	<u>12 Mo Period</u>
Budgeted Hours	1763
Average Wage Rate	\$37.02
Burden Percentage	1.842971
Reduction Employees	15
<u>Total G&A</u>	<u>\$1,804,243</u>

<u>Plant G&A</u>	<u>12 Mo Period</u>
Budgeted Hours	1763
Average Wage Rate	\$34.08
Burden Percentage	1.842971
Reduction Employees	7
<u>Total Plant G&A</u>	<u>\$775,178</u>

From 2013 Approved Budget



BIG RIVERS ELECTRIC CORPORATION
APPLICATION OF BIG RIVERS ELECTRIC CORPORATION
FOR A GENERAL ADJUSTMENT IN RATES
CASE NO. 2012-00535

Response to
Office of the Attorney General's, Kentucky Industrial Utility Customers, Inc.'s, and
Ben Taylor and the Sierra Club's
(collectively, the Joint Intervenors)
Supplemental Rehearing Request for Information
Dated February 10, 2014

February 21, 2014

1 Item 6) *[CONFIDENTIAL]* [REDACTED]
2 [REDACTED]
3 [REDACTED]
4 [REDACTED]
5 [REDACTED]
6 [REDACTED]
7 [REDACTED]
8 [REDACTED]
9 [REDACTED]
10 [REDACTED]
11 [REDACTED]
12 [REDACTED]
13 [REDACTED]
14 [REDACTED]
15 [REDACTED]
16 [REDACTED]

BIG RIVERS ELECTRIC CORPORATION

**APPLICATION OF BIG RIVERS ELECTRIC CORPORATION
FOR A GENERAL ADJUSTMENT IN RATES
CASE NO. 2012-00535**

**Response to
Office of the Attorney General's, Kentucky Industrial Utility Customers, Inc.'s, and
Ben Taylor and the Sierra Club's
(collectively, the Joint Intervenors)
Supplemental Rehearing Request for Information
Dated February 10, 2014**

February 21, 2014

1 [REDACTED]
2 [REDACTED]
3 [REDACTED]
4 [REDACTED]
5 [REDACTED]
6 [REDACTED]
7 [REDACTED]
8 [REDACTED]
9 [REDACTED]
10 [REDACTED]
11 [REDACTED]
12 [REDACTED]
13 [REDACTED]
14 [REDACTED]
15 [REDACTED]
16 [REDACTED]
17 [REDACTED]

BIG RIVERS ELECTRIC CORPORATION

**APPLICATION OF BIG RIVERS ELECTRIC CORPORATION
FOR A GENERAL ADJUSTMENT IN RATES
CASE NO. 2012-00535**

**Response to
Office of the Attorney General's, Kentucky Industrial Utility Customers, Inc.'s, and
Ben Taylor and the Sierra Club's
(collectively, the Joint Intervenors)
Supplemental Rehearing Request for Information
Dated February 10, 2014**

February 21, 2014

1 [REDACTED]
2 [REDACTED]
3 [REDACTED]
4 [REDACTED]
5 [REDACTED]
6 [REDACTED]
7 [REDACTED]
8 [REDACTED]
9 [REDACTED]
10 [REDACTED]
11 [REDACTED]
12 [REDACTED]
13 [REDACTED]
14 *iii)* [REDACTED]
15 [REDACTED]
16 [REDACTED]

BIG RIVERS ELECTRIC CORPORATION
APPLICATION OF BIG RIVERS ELECTRIC CORPORATION
FOR A GENERAL ADJUSTMENT IN RATES
CASE NO. 2012-00535

Response to
Office of the Attorney General's, Kentucky Industrial Utility Customers, Inc.'s, and
Ben Taylor and the Sierra Club's
(collectively, the Joint Intervenors)
Supplemental Rehearing Request for Information
Dated February 10, 2014

February 21, 2014

1

[REDACTED]

2

[REDACTED] *[CONFIDENTIAL]*

3

4 **Response)**

5

a) Confirmed.

6

b) The SSR agreement and budget have not been approved by FERC; therefore,
pursuant to the Century Hawesville Transaction agreements, Big Rivers bills the
operating cost of Coleman directly to Century in the same substantive manner as
though an SSR were in effect.

7

8

9

10

c)

11

i) This response is correct. Century will pay 100% of the operational costs
to operate Coleman. Please see Big Rivers' Response to the Commission
Staff's Initial Rehearing Request for Information Item 2.

12

13

14

ii) Yes, 100% of the operational costs to operate Coleman have been billed
and are shown on the invoices to Century, copies of which were provided
in Big Rivers' Response to Joint Intervenors' Initial Rehearing Item 1(a).

15

16

BIG RIVERS ELECTRIC CORPORATION

**APPLICATION OF BIG RIVERS ELECTRIC CORPORATION
FOR A GENERAL ADJUSTMENT IN RATES
CASE NO. 2012-00535**

**Response to
Office of the Attorney General's, Kentucky Industrial Utility Customers, Inc.'s, and
Ben Taylor and the Sierra Club's
(collectively, the Joint Intervenors)
Supplemental Rehearing Request for Information
Dated February 10, 2014**

February 21, 2014

1 SSR. Calculations and all workpapers, including electronic workpapers,
2 with formulae intact, for actual emission allowance gains are also
3 provided as attachments to this response. The SSR budget does not
4 include emission allowance gains for the budgeted months of February
5 2014 through August 2014.

6

7 **Witnesses) Robert W. Berry; John Wolfram**



argusmedia.com

Argus Air Daily

Issue 20-161 | Wednesday 21 August 2013

LATEST NEWS

California carbon auction sets low for year

The California Air Resources Board (ARB) sold vintage 2013 carbon allowances at its 16 August auction for \$12.22/metric tonne, the lowest clearing price for this year's auctions.

Only the first California Carbon Allowance (CCA) auction in November 2012 cleared at a lower price. That auction cleared at \$10.09/t.

Demand for allowances exceeded supply, with all 13.87mn allowances sold to bidders in the auction. The auction was oversubscribed by 1.62 times, ARB said. Today's auction was the third held this year and the fourth overall.

For the first time, vintage 2016 allowances sold for more than the reserve price, which for this auction was \$10.71/t. The longer-dated allowances sold for \$11.10/t. All 9.6mn allowances were sold. Demand exceeded supply by 1.69 times.

The result was lower than many had expected. An Argus survey showed market participants' average estimate for the auction clearing price for vintage 2013 allowances was \$13.58/metric tonne. The median estimate was \$13.50/t.

Market participants had pointed to recently proposed amendments to the cap-and-trade program as a possible driver of

CONTENTS

- CCA prices sink on auction results
- Cap-and-trade hikes California power prices
- West Virginia REC retirements proposed
- New Jersey meets particulate standards

California carbon allowances						\$/t
Vintage	Delivery	Bid	Ask	Price		±
2013	Dec 13	12.45	12.55	12.30		-0.90
2014	Dec 13	12.60	13.10	12.85		-0.90

California volume weighted averages						\$/t
Vintage	Delivery	Low	High	VWA	MTD	
2013	Dec 13	12.50	12.55	12.51	13.40	
Vintage	Delivery	Trades	MTD	Volume	MTD	
2013	Dec 13	15	55	239,000	1,064,000	

KEY MARKET PRICES

REC market prices					\$/MWh
	Vintage	Bid	Ask	Price	±
Massachusetts					
Class I	2013	64.00	65.00	64.50	0.00
Class I	2014	62.75	63.75	63.25	0.00
Solar	2013	235.00	255.00	245.00	0.00
Connecticut					
Class I	2013	54.50	55.00	54.75	0.00
Class I	2014	53.00	55.00	54.00	+0.75
Class II	2013	0.30	0.60	0.45	0.00
Class II	2014	0.35	0.65	0.50	0.00
Class III	2013	10.00	12.00	11.00	0.00
Class III	2014	17.00	20.00	18.50	0.00
New Jersey					
Class I	2013	14.25	14.75	14.50	0.00
Class I	2014	14.50	15.00	14.75	0.00
Class II	2013	3.25	4.25	3.75	0.00
Class II	2014	3.75	4.25	4.00	0.00
Solar	2013	126.00	134.00	130.00	+1.00
Solar	2014	127.00	137.00	132.00	0.00
Pennsylvania					
Tier I	2013	14.00	14.50	14.25	0.00
Solar	2013	15.00	19.00	17.00	0.00
Maryland					
Tier I	2013	13.75	14.25	14.00	0.00
Ohio					
In-state, non-solar	2013	10.00	15.00	12.50	0.00
California					
Category 3	2013	0.90	1.20	1.05	0.00
West Virginia					
Compliance	2013	2.05	2.15	2.10	0.00
National Greenhouse Gas (NGG) allowances					
Wind	1H13	1.00	1.20	1.10	+0.05
Wind	2H13	1.10	1.30	1.20	+0.10
West Green (voluntary)					
Wind	1H13	1.00	1.20	1.10	0.00
Wind	2H13	1.10	1.30	1.20	+0.05

Clean Air Interstate Rule (CAIR) allowances					
Vintage	Vintage	Bid	Ask	Price	±
SO₂ allowances					
Acid Rain Program	2009 (Pre-CAIR)	1.00	1.60	1.30	0.00
Acid Rain Program	2013	0.40	0.90	0.65	0.00
NO_x allowances					
Annual	2013	39.00	45.00	42.00	0.00
Seasonal	2013	19.00	23.00	21.00	+0.50



argusmedia.com

Argus Air Daily

Issue 20-176 | Thursday 12 September 2013

LATEST NEWS

US solar PV growth posts hot quarter

The US solar sector added 832MW of photovoltaic (PV) capacity in the second quarter, a 15pc increase from the first quarter.

The report from the Solar Energy Industries Association (SEIA) and Greentech Media said it was the second-best quarter for the industry, behind only the fourth quarter of last year, when 1,311MW of new capacity was added.

According to the SEIA and Greentech report, the new builds bring total US operating PV capacity to more than 8,800MW, which could surpass 10,000MW by the end of 2013.

More than half of the second quarter capacity additions came from 38 utility projects, with the 10 largest in California and Arizona. The report estimates California will install 2,118MW of PV capacity this year, followed by Arizona with 445MW and New Jersey with 378MW added.

The increase in new capacity was helped by the lower price of building solar projects. The national average installed price dropped by 9.3pc quarter over quarter from \$3.36/watt

CONTENTS

- California carbon finishes lower
- Republicans seek to block GHG rules
- New York state looks to start Green Bank
- FirstEnergy keeps plan to shut power plants

California carbon allowances *\$/t*

Vintage	Delivery	Bid	Ask	Price	<i>\$/t</i>
2013	Dec 13	12.20	12.40	12.30	-0.10
2014	Dec 13	12.30	12.90	12.60	-0.10

California volume weighted averages *\$/t*

Vintage	Delivery	Low	High	YWA	MTD
2013	Dec 13	12.30	12.30	12.30	12.47
Vintage	Delivery	Trades	MTD	Volume	MTD
2013	Dec 13	2	26	30,000	566,000

KEY MARKET PRICES

REC market prices *\$/MWh*

	Vintage	Bid	Ask	Price	<i>\$/MWh</i>
Massachusetts					
Class I	2013	64.00	65.00	64.50	0.00
Class I	2014	62.75	63.75	63.25	0.00
Solar	2013	240.00	260.00	250.00	0.00
Connecticut					
Class I	2013	54.50	55.50	55.00	0.00
Class I	2014	52.50	54.00	53.25	0.00
Class II	2013	0.25	0.50	0.38	0.00
Class II	2014	0.40	0.65	0.53	0.00
Class III	2013	10.00	12.00	11.00	0.00
Class III	2014	17.00	20.00	18.50	0.00
New Jersey					
Class I	2013	11.25	12.75	12.00	-0.25
Class I	2014	11.50	13.00	12.25	-0.25
Class II	2013	2.50	3.50	3.00	0.00
Class II	2014	3.25	4.25	3.75	0.00
Solar	2013	130.00	140.00	135.00	0.00
Solar	2014	135.00	145.00	140.00	0.00
Pennsylvania					
Tier I	2014	11.10	13.18	12.10	-0.30
Solar	2014	15.00	27.00	21.00	0.00
Maryland					
Tier I	2013	10.75	12.75	11.75	-0.25
Ohio					
In-state, non-solar	2013	11.00	14.00	12.50	-1.00
California					
Category 3	2013	0.95	1.25	1.10	+0.10
Texas					
Compliance	2013	1.50	1.70	1.60	0.00
National Renewable Energy					
Wind	1H13	1.10	1.30	1.20	0.00
Wind	2H13	1.00	1.50	1.25	0.00
WREC Green (Voluntary)					
Wind	1H13	1.00	1.30	1.15	0.00
Wind	2H13	1.10	1.40	1.25	0.00

Clean Air Interstate Rule (CAIR) allowances

	Vintage	Bid	Ask	Price	<i>\$/t</i>
SO₂ allowance					
Acid Rain Program	2009 (Pre-CAIR)	1.00	1.60	1.30	0.00
Acid Rain Program	2013	0.40	0.90	0.65	0.00
NO_x allowance					
Annual	2013	39.00	45.00	42.00	0.00
Seasonal	2013	20.00	23.00	21.50	0.00



argusmedia.com

Argus Air Daily

Issue 20-189 | Tuesday 1 October 2013

LATEST NEWS

California, Quebec solidify market link

California and Québec have formally cemented their plans to link their carbon markets beginning next year.

The state and the province said today that they have signed an agreement outlining steps to "fully integrate and harmonize" their two cap-and-trade programs. California approved its linkage regulations in June, while Quebec approved its rules late last year.

The agreement was signed by California Air Resources Board chairwoman Mary Nichols and Quebec international relations minister Jean-Francois Lisee and environment minister Yves-Francois Blanchet.

"We are sending a clear message to all North American stakeholders that with serious cooperation it is possible to put a price on carbon" using cross-border programs, Blanchet said today at the International Emissions Association's Carbon Forum North America in Washington, DC.

The linkage will allow carbon allowances and offset credits to be exchanged between entities covered by each

CONTENTS

- Texas compliance RECs slide
- FERC nominee Binz withdraws name
- RGGI looks to attract more states
- Colorado says court should uphold RES

California carbon allowances					
Vintage	Delivery	Bid	Ask	Price	\$/t
2013	Dec 13	12.00	12.20	12.10	-0.10
2014	Dec 14	12.10	12.50	12.30	-0.10

California volume weighted averages					
Vintage	Delivery	Low	High	VWA	MTD
2013	Dec 13	12.05	12.20	12.18	12.18
Vintage	Delivery	Trades	MTD	Volume	MTD
2013	Dec 13	7	7	190,000	190,000

KEY MARKET PRICES

REC market prices					
	Vintage	Bid	Ask	Price	\$/MWh
Massachusetts					
Class I	2013	64.25	65.25	64.75	0.00
Class I	2014	64.00	65.00	64.50	0.00
Solar	2013	255.00	265.00	260.00	0.00
Connecticut					
Class I	2013	54.50	55.50	55.00	0.00
Class I	2014	52.50	54.00	53.25	0.00
Class II	2013	0.25	0.50	0.38	0.00
Class II	2014	0.40	0.65	0.53	0.00
Class III	2013	10.00	12.00	11.00	0.00
Class III	2014	17.00	20.00	18.50	0.00
New Jersey					
Class I	2013	11.00	12.00	11.50	0.00
Class I	2014	11.50	12.00	11.75	0.00
Class II	2013	3.50	4.50	4.00	0.00
Class II	2014	3.75	4.75	4.25	0.00
Solar	2013	135.00	145.00	140.00	-3.00
Solar	2014	140.00	150.00	145.00	0.00
Pennsylvania					
Tier I	2014	11.10	12.10	11.60	0.00
Solar	2014	15.00	27.00	21.00	0.00
Maryland					
Tier I	2013	10.75	11.75	11.25	0.00
Ohio					
In-state, non-solar	2013	11.00	14.00	12.50	0.00
California					
Category 3	2013	0.95	1.25	1.10	0.00
Texas					
Compliance	2013	1.15	1.45	1.30	-0.15
National Green-e (voluntary)					
Wind	1H13	1.00	1.20	1.10	0.00
Wind	2H13	1.10	1.40	1.25	0.00
WECC Green-e (voluntary)					
Wind	1H13	1.00	1.40	1.20	0.00
Wind	2H13	1.10	1.50	1.30	0.00

Clean Air Interstate Rule (CAIR) allowances					
	Vintage	Bid	Ask	Price	\$/t
SO₂ Allowance					
Acid Rain Program	2009 (Pre-CAIR)	1.00	1.60	1.30	0.00
Acid Rain Program	2013	0.40	0.90	0.65	0.00
NO_x Allowance					
Annual	2013	37.00	40.00	38.50	0.00
Seasonal	2013	17.00	21.00	19.00	0.00



argusmedia.com

Argus Air Daily

Issue 20-212 | Friday 1 November 2013

MARKET SUMMARY

California prices stable ahead of data release

The California Carbon Allowance (CCA) market held steady over the past two days ahead of the regulator's preparations to release 2012 emissions data at noon Pacific on 4 November.

But CCA prices in the benchmark current-vintage December 2013 contract ended 20¢ higher over last week's close at \$11.90/metric tonne following a dip around the Air Resources Board meeting on the cap-and-trade changes and amendments to the Mandatory Reporting Rule. Volumes in October finished yesterday at a new monthly high of over 4mn t traded on that benchmark contract.

Low-Carbon Fuel Standard credits traded at \$85 this week, flat with where they have been assessed for the last two weeks.

Texas green-e wind renewable energy certificates (RECs) for the back half of 2013 were heard to trade at \$1.10/MWh for 50,000 RECs, but the trade was unconfirmed.

Texas RECs for 2015 were also heard to trade at \$1.15 for

California carbon allowances						\$/t
Vintage	Delivery	Bid	Ask	Price	Δ	
2013	Dec 13	12.05	12.15	12.10	0.00	
2014	Dec 14	12.15	12.65	12.40	-0.05	

California volume weighted averages						\$/t
Vintage	Delivery	Low	High	VWA	MTD	
2013	Dec 13	12.10	12.10	12.10	12.10	
Vintage	Delivery	Trades	MTD	Volume	MTD	
2013	Dec 13	1	1	100,000	100,000	

California low-carbon fuel standard (LCFS) credits						\$/t
Vintage		Bid	Ask	Price	Δ	
2013		83.00	87.00	85.00	0.00	

Values in \$/metric tonne

LCFS premium per carbon intensity point				¢/USG
		Price	Δ	
Ethanol		0.69	0.00	
Biodiesel		1.07	0.00	

This data presents the value of each carbon intensity point that a fuel is below the Low-Carbon Fuel Standard's target for the year. For more information please see the methodology or email airdaily@argusmedia.com

KEY MARKET PRICES

REC market prices					\$/MWh
	Vintage	Bid	Ask	Price	Δ
Massachusetts					
Class I	2013	64.25	65.25	64.75	0.00
Class I	2014	62.50	64.00	63.25	0.00
Solar	2013	227.00	245.00	236.00	0.00
Connecticut					
Class I	2013	54.50	55.50	55.00	0.00
Class I	2014	52.50	54.00	53.25	0.00
Class II	2013	0.25	0.50	0.38	0.00
Class II	2014	0.40	0.65	0.53	0.00
Class III	2013	10.00	12.00	11.00	0.00
Class III	2014	17.00	20.00	18.50	0.00
New Jersey					
Class I	2014	12.85	13.75	13.30	-0.45
Class I	2015	12.95	13.75	13.35	-0.45
Class II	2014	3.75	4.75	4.25	0.00
Class II	2015	4.00	5.00	4.50	0.00
Solar	2014	142.00	150.00	146.00	0.00
Solar	2015	142.00	150.00	146.00	0.00
Pennsylvania					
Tier I	2014	12.85	13.75	13.30	-0.45
Solar	2014	15.00	22.00	18.50	0.00
Maryland					
Tier I	2013	12.75	13.65	13.20	-0.30
Ohio					
In-state, non-solar	2013	11.00	14.00	12.50	0.00
California					
Category 3	2013	1.00	1.30	1.15	0.00
Texas					
Compliance	2013	1.00	1.15	1.08	0.00
National Green-e (voluntary)					
Wind	1H13	0.90	1.20	1.05	0.00
Wind	2H13	0.95	1.25	1.10	0.00
WREG Green-e (voluntary)					
Wind	1H13	1.00	1.40	1.20	0.00
Wind	2H13	1.10	1.40	1.25	0.00

Clean Air Interstate Rule (CAIR) allowances					
Vintage	Vintage	Bid	Ask	Price	Δ
Southern Allowance					
Acid Rain Program	2009 (Pre-CAIR)	1.00	1.60	1.30	0.00
Acid Rain Program	2013	0.40	0.90	0.65	0.00
Non-SAR					
Annual	2013	36.00	39.00	37.50	0.00
Seasonal	2013	16.00	22.00	20.00	0.00



argusmedia.com

Argus Air Daily

Issue 21-1 | Thursday 2 January 2014

LATEST NEWS

California rooftop solar doubles in 2013

The amount of rooftop solar capacity in California roughly doubled last year, according to the state solar industry group.

The amount of rooftop solar capacity grew from 1,000MW to just over 1,900MW in 2013, according to state Public Utilities Commission data. But that data does not include much of what was installed by utility Pacific Gas & Electric, meaning the total is likely over 2,000MW, the California Solar Industries Association said. The state added 500MW of distributed solar in 2012.

If the rooftop solar market continues to grow at its 2013 pace, it may exceed 5,000MW this year, association executive director Bernadette Del Chiaro said. The California Solar Initiative, the state's main rooftop solar program, aims to have 3,000MW in place by the end of 2016.

Including utility-scale projects, the state already has more than 4,000MW of solar capacity, Del Chiaro said.

CONTENTS

- New Jersey SRECs open year higher
- Northern Pass plan gets key approval
- Dynegy sued over Illinois coal plants' emissions
- PJM trims summer outlook

California carbon allowances

Vintage	Delivery	Bid	Ask	Price	S/t
2014	Dec 14	11.80	12.20	12.00	0.00
2015	Dec 15	12.10	12.40	12.25	0.00

California volume weighted averages

Vintage	Delivery	Low	High	VWA	MTD
2014	Dec 14	na	na	na	na

Vintage	Delivery	Trades	MTD	Volume	MTD
2014	Dec 14	0	8	0	0

KEY MARKET PRICES

REC market prices				S/MWh	
State	Year	Bid	Ask	Price	
Massachusetts					
Class I	2013	63.50	65.50	64.50	0.00
Class I	2014	62.00	63.00	62.50	0.00
Solar	2013	250.00	265.00	257.50	0.00
Connecticut					
Class I	2013	54.00	55.00	54.50	0.00
Class I	2014	51.00	53.00	52.00	0.00
Class II	2013	0.55	0.65	0.50	0.00
Class II	2014	0.40	0.75	0.58	0.00
Class III	2013	10.00	10.50	10.25	0.00
Class III	2014	15.00	19.00	17.00	0.00
New Jersey					
Class I	2014	14.25	15.25	14.75	0.00
Class I	2015	14.25	15.25	14.75	0.00
Class II	2014	4.00	5.50	4.75	0.00
Class II	2015	4.00	5.50	4.75	0.00
Solar	2014	145.00	152.50	148.75	-2.75
Solar	2015	145.00	152.50	148.75	-1.25
Pennsylvania					
Class I	2014	14.20	15.20	14.70	0.00
Solar	2014	34.00	38.00	36.00	0.00
Maryland					
Class I	2013	14.00	14.80	14.40	0.20
In-state, non-solar	2013	11.00	14.30	12.75	0.00
California					
Category 3	2013	1.00	1.40	1.20	0.00
Compliance	2013	1.05	1.15	1.10	0.00
National (Green-e Voluntary)					
Wind	2H13	1.00	1.20	1.10	0.00
Wind	1H14	1.10	1.30	1.20	na
West-Green-e Voluntary					
Wind	2H13	1.15	1.35	1.30	0.10
Wind	1H14	1.25	1.55	1.40	na

Clean Air Interstate Rule (CAIR) allowances

Vintage	Delivery	Bid	Ask	Price	
SO2 Allowances					
Acid Rain Program	2009 (Pre-CAIR)	1.05	1.75	1.40	0.00
Acid Rain Program	2013	0.45	0.85	0.65	0.00
NOx Allowances					
Annual	2013	42.00	46.00	44.00	0.00
Seasonal	2014	18.00	22.00	20.00	0.00

Case No. 2012-00535

Attachment for Response to Rehearing Request J12-6(d)(iii)

Page 5 of 5



BIG RIVERS ELECTRIC CORPORATION
APPLICATION OF BIG RIVERS ELECTRIC CORPORATION
FOR A GENERAL ADJUSTMENT IN RATES
CASE NO. 2012-00535

Response to
Office of the Attorney General's, Kentucky Industrial Utility Customers, Inc.'s, and
Ben Taylor and the Sierra Club's
(collectively, the Joint Intervenors)
Supplemental Rehearing Request for Information
Dated February 10, 2014

February 21, 2014

1 Item 7) **[CONFIDENTIAL]** [REDACTED]

2 [REDACTED]

3 [REDACTED]

4 [REDACTED]

5 [REDACTED]

6 [REDACTED]

7 [REDACTED]

8 [REDACTED]

9 [REDACTED]

10 [REDACTED]

11 [REDACTED]

12 [REDACTED]

13 [REDACTED]

14 [REDACTED]

15 [REDACTED]

16 [REDACTED]

17 [REDACTED]

BIG RIVERS ELECTRIC CORPORATION

**APPLICATION OF BIG RIVERS ELECTRIC CORPORATION
FOR A GENERAL ADJUSTMENT IN RATES
CASE NO. 2012-00535**

**Response to
Office of the Attorney General's, Kentucky Industrial Utility Customers, Inc.'s, and
Ben Taylor and the Sierra Club's
(collectively, the Joint Intervenors)
Supplemental Rehearing Request for Information
Dated February 10, 2014**

February 21, 2014

1 e. [REDACTED]
2 [REDACTED]
3 [REDACTED]
4 [REDACTED]
5 [REDACTED]

6 *[CONFIDENTIAL]*

7

8 Response)

- 9 a. No, the A&G labor cost allocations that were based on Coleman Station's prorated
10 share of Big Rivers' system net capacity (25.23%) were not included in the final SSR
11 Agreement.
- 12 b. Prior to a September 26, 2013 conference call with MISO and the Independent
13 Market Monitor (IMM), it was Big Rivers' belief that the G&A labor should be
14 allocated per Coleman Station's prorated share of the system capacity. The 25.23% is
15 the percent of the Big Rivers' system net capacity (1,756 MW capacity) that is
16 provided by Coleman Station (443 MW net capacity).

BIG RIVERS ELECTRIC CORPORATION

**APPLICATION OF BIG RIVERS ELECTRIC CORPORATION
FOR A GENERAL ADJUSTMENT IN RATES
CASE NO. 2012-00535**

**Response to
Office of the Attorney General's, Kentucky Industrial Utility Customers, Inc.'s, and
Ben Taylor and the Sierra Club's
(collectively, the Joint Intervenors)
Supplemental Rehearing Request for Information
Dated February 10, 2014**

February 21, 2014

1 c. There are some avoidable A&G headquarter labor costs associated with the idling of
2 Coleman Station; however, MISO and the IMM would not allow Big Rivers to utilize
3 the 25.23% allocation factor in the final SSR Budget.

4 d. This information was not prepared by RUS account number. Please see the
5 attachment to Big Rivers' Response to Joint Intervenors' Supplemental Rehearing
6 Item 5(a) for the A&G calculations. Please see the table below for the Coleman
7 capacity ratio calculation.

8 $443/1756 = 0.252277$

Unit	Net Capacity
C1	146
C2	146
C3	151
H1	153
H2	159
G1	231
G2	223
W1	417
R1	65
R-CT	65
System	1756

9

Coleman Capacity Ratio of System	25.23%
---	---------------

BIG RIVERS ELECTRIC CORPORATION

**APPLICATION OF BIG RIVERS ELECTRIC CORPORATION
FOR A GENERAL ADJUSTMENT IN RATES
CASE NO. 2012-00535**

**Response to
Office of the Attorney General's, Kentucky Industrial Utility Customers, Inc.'s, and
Ben Taylor and the Sierra Club's
(collectively, the Joint Intervenors)
Supplemental Rehearing Request for Information
Dated February 10, 2014**

February 21, 2014

1 e. Both the 2012-00535 and the 2013-00199 rate cases reflect a reduction in G&A labor
2 costs. Please see the attachment to Big Rivers' response to Joint Intervenors'
3 Supplemental Rehearing Item 8 (b).

4

5 Witness) Robert W. Berry



BIG RIVERS ELECTRIC CORPORATION

**APPLICATION OF BIG RIVERS ELECTRIC CORPORATION
FOR A GENERAL ADJUSTMENT IN RATES
CASE NO. 2012-00535**

**Response to
Office of the Attorney General's, Kentucky Industrial Utility Customers, Inc.'s, and
Ben Taylor and the Sierra Club's
(collectively, the Joint Intervenors)
Supplemental Rehearing Request for Information
Dated February 10, 2014**

February 21, 2014

1 Item 8) [CONFIDENTIAL] [REDACTED]
2 [REDACTED]
3 [REDACTED]
4 [REDACTED]
5 [REDACTED]
6 [REDACTED]
7 [REDACTED]
8 [REDACTED]
9 [REDACTED]
10 [REDACTED]
11 [REDACTED]
12 [REDACTED]
13 [REDACTED]
14 d) [REDACTED]
15 [REDACTED]
16 [REDACTED]
17 [REDACTED] [CONFIDENTIAL]

BIG RIVERS ELECTRIC CORPORATION

**APPLICATION OF BIG RIVERS ELECTRIC CORPORATION
FOR A GENERAL ADJUSTMENT IN RATES
CASE NO. 2012-00535**

**Response to
Office of the Attorney General's, Kentucky Industrial Utility Customers, Inc.'s, and
Ben Taylor and the Sierra Club's
(collectively, the Joint Intervenors)
Supplemental Rehearing Request for Information
Dated February 10, 2014**

February 21, 2014

1

2 **Response)**

3 a) **Yes, this allocation is included in the final SSR budget.**

4 b) **Subsequent to the September 26, 2013 conference call with MISO and the IMM,**
5 **Robert W. Berry, Chief Operating Officer, and Billie J. Richert, Chief Financial**
6 **Officer, identified the 15 positions that would be reduced in the event Coleman**
7 **Station was idled. The fifteen positions identified are listed in the CONFIDENTIAL**
8 **attachment to this response; the data in this attachment is being provided pursuant to a**
9 **petition for confidential treatment. The attachment identifies the 15 G&A positions**
10 **and confirms which positions were included or excluded in the revenue requirement**
11 **in Case No. 2012-00535 and Case No. 2013-00199.**

12 c) **Yes, the A&G headquarters costs are avoidable in the event Coleman Station is idled.**
13 **The headquarters positions that are stationed at Coleman Station (IT, Budget, Safety,**
14 **and Stores/Warehouse) were not included in the revenue requirement for the**
15 **forecasted test period (Sept-13 to Aug-14). Also, the forecasted test period has an**
16 **average of 14 open positions that are not included in the revenue requirement.**

BIG RIVERS ELECTRIC CORPORATION

**APPLICATION OF BIG RIVERS ELECTRIC CORPORATION
FOR A GENERAL ADJUSTMENT IN RATES
CASE NO. 2012-00535**

**Response to
Office of the Attorney General's, Kentucky Industrial Utility Customers, Inc.'s, and
Ben Taylor and the Sierra Club's
(collectively, the Joint Intervenors)
Supplemental Rehearing Request for Information
Dated February 10, 2014**

February 21, 2014

1 d) Please see the attachment to Big Rivers' Response to Joint Intervenors' Supplemental
2 Rehearing Item 5(a) for the A&G calculations. Please see Big Rivers' Response to
3 Joint Intervenors' Supplemental Rehearing Item 7 for an explanation regarding the
4 25.23% allocation factor, which was rejected by MISO and not used in final SSR
5 budget.

6

7 Witness) Robert W. Berry

**Big Rivers Electric Corporation
Case No. 2012-00535
Attachment to Response to Joint Intervenors' Rehearing Item 8b**

Number	Positions	Included In Revenue Requirement 2012-00535	Included In Revenue Requirement 2013-00199
1		No	No
2		Yes	Yes
1		Yes	Yes
1		Yes	No
1		Yes	Yes
1		Yes	Yes
1		No	No
1		No	No
1		Yes	Yes
1		No	No
1		No	No
1		Yes	No
1		Yes	Yes
1		Yes	Yes

15