ORIGINAL

Big Rivers
ELECTRIC CORPORATION

Your Touchstone Energy® Cooperative

RECEIVED
SEP 30 2013
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. 2013-00199
GENERAL ADJUSTMENT IN RATES	)	

Response to Ben Taylor and the Sierra Club's Second Request for Information dated September 16, 2013

FILED: September 30, 2013

ORIGINAL

BIG RIVERS ELECTRIC CORPORATION

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2013-00199

Response to Ben Taylor and Sierra Club's Second Request for Information dated September 16, 2013

September 30, 2013

Item 1) ***Refer to BREC's response to SC 1-1a. Identify the "pro forma adjustments" that are expected to result in BREC earning a 1.11 Times Interest Earned Ratio ("TIER") in the test period.***

Response) The Conventional TIER of 1.11 in the fully-forecasted test period is calculated based upon the financial results for the test period and reflects the proposed rate increase as shown in Tables 1 and 2, contained in Pages 10 and 11 of Mr. Warren's direct testimony. For the test period, net margins are approximately $5.0 million and interest on long-term debt is approximately $43.8 million (Exhibit Warren-3 – Tab 69). Please refer to Ms. Richert's direct testimony, Tab 61, pages 10 and 11, for a description of the Conventional TIER calculation. The pro-forma adjustments referenced in Big Rivers' response to SC 1-1a are identified in Exhibit Wolfram-2. These pro-forma adjustments are made in determining the revenue deficiency and Target TIER of 1.24 for rate-making purposes.

Witness) Billie J. Richert

BIG RIVERS ELECTRIC CORPORATION

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION
FOR A GENERAL ADJUSTMENT IN RATES
CASE NO. 2013-00199

Response to Ben Taylor and Sierra Club's
Second Request for Information
dated September 16, 2013

September 30, 2013

Item 2) *Refer to p. 8 line 13 of the Direct Testimony of Billie Richert. Identify the TIER, both before and after pro forma adjustments, that BREC earned in fiscal year 2012.*

Response) The Conventional TIER for 2012 was 1.25 and is calculated based upon the financial results for the fiscal year ending December 31, 2012. There are no pro-forma adjustments, as pro-forma adjustments are made only in determining the revenue deficiency and Target TIER for rate-making purposes.

Witness) Billie J. Richert

BIG RIVERS ELECTRIC CORPORATION

**APPLICATION OF BIG RIVERS ELECTRIC CORPORATION
FOR A GENERAL ADJUSTMENT IN RATES
CASE NO. 2013-00199**

**Response to Ben Taylor and Sierra Club's
Second Request for Information
dated September 16, 2013**

September 30, 2013

Item 3) *Refer to the Attachment to BREC's response to SC l-23(e)(i). State whether the TIER identified for each of years 2016 through 2027 is before or after "pro forma adjustments" discussed in request 1 above.*

a. If after pro forma adjustments, identify the TIER before pro forma adjustments for each of years 2016 through 2027.

b. If before pro forma adjustments, identify the TIER after pro forma adjustments for each of years 2016 through 2027.

Response)

a. Pro forma adjustments are only made in the test period to remove expenses that are ordinarily excluded from rates, and to adjust expenses such that certain non-recurring costs are excluded from rates. Due to pro forma adjustments only occurring in the test period, TIER in the years 2016-2027 would be the same as the response to SC 1-23(e)(i).

b. See the response to part (a).

Witness) Christopher A. Warren

BIG RIVERS ELECTRIC CORPORATION

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION
FOR A GENERAL ADJUSTMENT IN RATES
CASE NO. 2013-00199

Response to Ben Taylor and Sierra Club's
Second Request for Information
dated September 16, 2013

September 30, 2013

Item 4) ***Refer to pp. 13-14 of the Direct Testimony of Daniel Walker. State whether the 1.40 to 1.60 TIER identified that BREC should be aiming for is before or after the "pro forma adjustments."***

a. If after the pro forma adjustments, identify the equivalent TIER range before the pro forma adjustments.

b. If before the pro forma adjustments, identify the equivalent TIER range after the pro forma adjustments.

Response) As stated on page 13, line 24 through page 14, line 1 of the Direct Testimony of Daniel M. Walker, "In order to attract capital in the capital markets and retain an investment grade rating, I believe a G&T should set rates to earn, on a consistent basis, a TIER in the range of 1.40x to 1.60x." As explained in Big Rivers' responses to SC 2-1 through SC 2-3, pro forma adjustments apply only when calculating TIER for ratemaking purposes. Thus, there are no pro-forma adjustments when calculating the TIER discussed on pages 13-14 of Mr. Walker's testimony.

a. Not applicable.

b. Not applicable.

BIG RIVERS ELECTRIC CORPORATION

**APPLICATION OF BIG RIVERS ELECTRIC CORPORATION
FOR A GENERAL ADJUSTMENT IN RATES
CASE NO. 2013-00199**

**Response to Ben Taylor and Sierra Club's
Second Request for Information
dated September 16, 2013**

September 30, 2013

Witness) Daniel M. Walker

BIG RIVERS ELECTRIC CORPORATION

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION
FOR A GENERAL ADJUSTMENT IN RATES
CASE NO. 2013-00199

Response to Ben Taylor and Sierra Club's
Second Request for Information
dated September 16, 2013

September 30, 2013

Item 5) ***Refer to BREC's response to SC 1-23. Reconcile the statement in response to SC 1-23(a) that "it is expected that the transition period" to a TIER of 1.40 to 1.60 "will take 1 to 3 years" with the fact that the Attachment to the response to SC l-23(e)(i) projects that the TIER under Big Rivers' long-term forecast is projected to stay below 1.40 in all but one of the years from 2016 through 2027.***

Response) The difference in the responses relates to the difference in the questions. The response to SC 1-23(a) was provided by Mr. Walker, who indicated that a one to three year transition would, generally, be an acceptable period for transition to a TIER of 1.40 to 1.60. The response to SC 1-23(e)(i) was provided by Mr. Warren, who indicated that the long-term financial forecast assumes that Big Rivers would place a higher priority on making member base rate reductions over maximizing TIER as it implements the Load Concentration Analysis and Mitigation Plan.

Witness) Billie J. Richert

BIG RIVERS ELECTRIC CORPORATION

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2013-00199

Response to Ben Taylor and Sierra Club's Second Request for Information dated September 16, 2013

September 30, 2013

Item 6) ***Refer to BREC's response to SC 1-23 (d) and the Attachment to the response to SC 1-23 (e)(i). Explain how BREC intends to achieve a TIER of between 1.40 and 1.60 without seeking an additional rate increase.***

Response) Big Rivers could achieve a TIER of between 1.40 and 1.60 without seeking an additional rate increase as a result of the efforts outlined in the confidential Appendix B of the Load Concentration Analysis and Mitigation Plan.

Witness) Billie J. Richert

BIG RIVERS ELECTRIC CORPORATION

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION
FOR A GENERAL ADJUSTMENT IN RATES
CASE NO. 2013-00199

Response to Ben Taylor and Sierra Club's
Second Request for Information
dated September 16, 2013

September 30, 2013

Item 7) *Refer to lines 9, 80, and 81 of the Stmts RUS tab of the Long-Term Financial Forecast produced in response to PSC 2-14.*

a. Explain the basis for the replacement load sales projected in line 9 for each year of 2016 through 2027.

b. Explain the basis for the replacement load prices projected in line 81 for each year of 2016 through 2027.

c. Identify and produce any study, report, or analysis that supports the replacement load sales and/or replacement load prices projected in lines 9 and 81.

d. Explain how BREC expects to attract significant amounts of replacement load sales at prices that are [redacted] *than the market energy price projected in line 80.*

Response)

a. Please see Big Rivers' response to KIUC 2-32.

b. Replacement Load was assumed to be sold [redacted].

c. Please see Big Rivers' response to KIUC 2-32.

d. The market energy prices included in the financial forecast included no capacity prices. As such, Big Rivers thought it prudent to include an additional premium on replacement load over and above the energy charge to provide a substitute for capacity. Big Rivers has since acquired actual capacity price projections from Wood Mackenzie which were demonstrated in the additional scenarios provided in response to PSC 2-14.

Witness) Robert W. Berry

BIG RIVERS ELECTRIC CORPORATION

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION
FOR A GENERAL ADJUSTMENT IN RATES
CASE NO. 2013-00199

Response to Ben Taylor and Sierra Club's
Second Request for Information
dated September 16, 2013

September 30, 2013

Item 8) *Refer to BREC's response to KIUC 1-48.*

a. Explain the basis for the assumption that BREC will acquire replacement load of 100 megawatt ("MW") in each of 2016 through 2019, and 200MW in each of 2020 and 2021.

b. Identify and produce any study, report, or analysis that supports such replacement load assumptions.

Response)

a. Please see Big Rivers' response to KIUC 2-32.

b. Please see Big Rivers' response to KIUC 2-32.

Witness) Robert W. Berry

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION
FOR A GENERAL ADJUSTMENT IN RATES
CASE NO. 2013-00199

Response to Ben Taylor and Sierra Club's
Second Request for Information
dated September 16, 2013

September 30, 2013

Item 9) *Refer to the Attachment to BREC's response to PSC 2-14.*

a. For each of the four market energy price forecasts identified therein, state whether the forecast assumed implementation of each of the following finalized, proposed, or potential environmental regulations and, if so, the year in which such implementation is assumed.

i. Mercury Air Toxics Standards ("MATS")

ii. Clean Air Interstate Rule ("CAIR")

iii. Cross-State Air Pollution Rule ("CSAPR")

iv. Effluent Limitation Guidelines ("ELGs")

v. Coal Combustion Residuals ("CCR")

vi. Greenhouse house gas New Source Performance Standards ("GHG NSPS")

b. For each of the four market energy price forecasts identified therein, state whether the forecast assumes a price on carbon emissions in any of the years of the forecast.

i. If so:

1. Identify the carbon price assumed for each of the years 2014 through 2027.

2. Explain how such prices were identified.

3. Identify and produce any study or analysis supporting such carbon price projection.

ii. If not:

1. Explain why not.

2. Identify and produce any study or analysis supporting the assumption of no price on carbon emissions between now and 2027.

3. Identify any other utility that BREC is aware of that assumes in its long term financial forecasting that there will be no price on carbon emissions between now and 2027.

c. For the ACES market energy price forecasts, explain why:

[redacted]

[redacted]

d. State whether Big Rivers has considered the use of other market energy price forecasts in its long term forecasting in order to reduce dependence on the [redacted] ACES forecasts.

i. If not, explain why not.

e. Please clarify what role, if any, the IHS price forecast plays in Big Rivers' long-term forecasting.

Response)

a. For the ACES market energy price forecasts, please see the attached letter from ACES to Big Rivers. For IHS, Big Rivers has not received approval to share the EPA's regulatory timeline under IHS CERA's planning scenario.

b. Please see Big Rivers' responses below.

i. The IHS market power pricing assumes a price on carbon emissions beginning in 2020.

1. Big Rivers does not have the information available by year.
2. This information is not available to Big Rivers.
3. Big Rivers does not have any study or analysis. This is not Big Rivers' area of expertise, and Big Rivers relies on the experts (ACES, Wood Mackenzie, and IHS) to provide it with reliable forecasts.

ii. ACES' market power price does not include any price on carbon emissions.

1. Please see Big Rivers' response to KIUC 2- 59.
2. Please see Big Rivers' response to b. i. 3. above.
3. Big Rivers is not aware of what other utilities are including in the long term financial forecasting with regards to price on carbon emissions.

c. Please see Big Rivers' responses below.

i. Please see Big Rivers' response to PSC 2-14 where it describes how ACES blends the broker values with the Wood Mackenzie forecasts. ACES is blending the broker values with the Wood Mackenzie forecast in the 2019 – 2021 timeframe for the fall 2012 forecast.

ii. Please see response to c. i. above.

iii. The broker values for power pricing were lower when prices were pulled for the Alcan rate case (April, 2013) than they were for the ACES fall 2012 forecast. Also, the Alcan rate case (April, 2013) utilized a different Wood Mackenzie forecast.

iv. ACES utilizes broker values to develop the first seven years of its market energy price forecasts, and these values are fluctuating. The Wood Mackenzie long term forecasts are blended after year 7 and are updated approximately every six months.

d. Big Rivers has considered and has used other market energy price forecasts other than ACES in its long term forecasting. In the ECP case, Case No. 2012-00063, Big Rivers utilized price forecasts from PACE Global and ACES in its modeling. Big Rivers will continue to evaluate sources of price forecasts to obtain the most accurate price forecast available.

i. Not applicable

e. For this case (Case No. 2013-00199), the IHS price forecast has not played a role other than providing a point of reference to the ACES price forecasts that were used.

Witness) Robert W. Berry

ACES
excellence in energy

September 20, 2013

Mr. Tyson Kamuf
Sullivan, Mountjoy, Stainback & Miller, P.S.C.
100 St. Ann Street
Owensboro, KY 42303

RE: Application of Big Rivers Electric Corporation for a General Adjustment in Rates
Case No. 2013-00199
Your Client: Big Rivers Electric Corporation

Dear Mr. Kamuf:

Recently, the Alliance for Cooperative Energy Services Power Marketing LLC ("ACES") received the two (2) attached request for information from Big Rivers Electric Corporation ("BREC") concerning the above referenced matter.

As I indicated in my prior letter, the information sought in request #SC 2-9 (a-e) *"four Market energy price forecasts"* is from Wood Mackenzie from whom ACES licenses the use of this proprietary data under contract. Accordingly, ACES is unable to release this data as it is confidential and propriety to Wood Mackenzie and such action would cause ACES to violate its license agreement.

There are two questions which relate to request AG 2-6(a-i) for which ACES can provide answers as follows:

d. Does ACES add this ($0.65/MMTU) delivery charge to its models to forecast locational electric prices (Indiana Hub, DI_SOCO, etc.) or for dispatch of non Big Rivers' gas units in the region?

Response: No, we do not use that specific delivery charge in the model that develops locational electric prices.

e. If not, please describe how Henry Hub gas prices are incorporated into the ACES Modeling

Response: our model can use any of several gas hubs based on the locations being modeled (for example, Henry Hub, Chicago City Gate, Transco Z6/NNY, Waha) and plant-specific delivery charges in developing locational electric prices.

Should you need anything additional, please do not hesitate to contact our offices.

Sincerely,

Wayne Harris
Chief Counsel

WH/bab

cc: Bob Berry

BIG RIVERS ELECTRIC CORPORATION

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION
FOR A GENERAL ADJUSTMENT IN RATES
CASE NO. 2013-00199

Response to Ben Taylor and Sierra Club's
Second Request for Information
dated September 16, 2013

September 30, 2013

Item 10) *Refer to Capacity Market tab of the Long-Term Financial Forecast capacity market sensitivity analyses provided in response to PSC 2-14.*

a. With regards to the MISO Zone 6 capacity price forecasts found on lines 5 through 8:

[redacted]

iv. Identify and produce each capacity price forecast, or any other study or analysis that you relied on in identifying your forecasted capacity prices.

1. For each such capacity price forecast that you relied on, state whether the forecast is for MISO Zone 6.

2. Identify the projected capacity price for each year of such forecast.

3. *Identify the level of coal plant retirements (in MWs) assumed in each capacity price forecast you relied on.*
4. *State whether each capacity price forecast you relied on assumed implementation of each of the following finalized, proposed, or contemplated environmental regulations and, if so, the year in which such implementation is assumed.*
    a. *MATS*
    b. *CAIR*
    c. *CSAPR*
    d. *ELGs*
    e. *CCR*
    f. *GHG NSPS*
5. *State whether each capacity price forecast assumed a price on carbon emissions.*
    a. *If so:*
        i. *Identify the carbon price assumed for each of the years 2014 through 2027.*
        ii. *Explain how such prices were identified.*

iii. *Identify and produce any study or analysis supporting such carbon price projection.*

b. If not:

i. *Explain why not.*

ii. *Identify and produce any study or analysis supporting the assumption of no price on carbon emissions between now and 2027.*

iii. *Identify any other utility that BREC is aware of that assumes in its long term financial forecasting that there will be no price on carbon emissions between now and 2027.*

6. State whether the capacity price forecasts you included in your Long-Term Financial Forecast capacity market sensitivity analyses used the same assumptions regarding coal plant retirements, environmental regulations, and carbon prices as did the capacity price forecasts that you relied on in creating your forecast.

a. ***If not, explain how the assumptions used for your forecast differ and why.***

Response)

a.

i. Big Rivers relies on industry experts to provide price forecasts. As such, Big Rivers does not have the detailed drivers of the specific increases. However, Big Rivers believes the increase is driven by MATS compliance.

ii. See Big Rivers' response to subpart a.i., above.

iii. See Big Rivers' response to subpart a.i., above.

iv. Big Rivers relied on the May 2013 capacity price forecast prepared by Wood Mackenzie for MISO Zone 6.

1. See Big Rivers' response to subpart a.iv, above.
2. See the models provided in response to PSC 2-14.
3. See Big Rivers' response to subpart a.i., above.
4. See Big Rivers' response to subpart a.i., above.
5. See Big Rivers' response to subpart a.i., above.

6. Please see Big Rivers' response to SC 2-7(d).

Witness) Robert W. Berry

BIG RIVERS ELECTRIC CORPORATION

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION
FOR A GENERAL ADJUSTMENT IN RATES
CASE NO. 2013-00199

Response to Ben Taylor and Sierra Club's
Second Request for Information
dated September 16, 2013

September 30, 2013

Item 11) *Refer to BREC's response to SC 1-27. Reconcile the statement that the installation of MATS controls on the Coleman and Wilson plants will be deferred while those units are idled until one year before their expected return to service, with the Long-Term Financial Forecast (tab Capex & Depr, line 20) showing all environmental capital spending* [redacted]*, with* [redacted] *environmental capital expenditures thereafter through 2027.*

Response) The capital expenditure schedule shown in the Capex & Depr tab of the Long Term Financial Forecast was based on the 2013 budget and financial forecast. This document envisioned all MATS expenditures authorized in PSC Case Number 2012-00063 as being completed by June 2014. Subsequently, and as a result of the contract terminations by Century and Alcan, Big Rivers' management determined it would be prudent to defer MATS expenditures at the Coleman and Wilson plants until closer to their return to service.

Witness) Robert W. Berry

BIG RIVERS ELECTRIC CORPORATION

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION
FOR A GENERAL ADJUSTMENT IN RATES
CASE NO. 2013-00199

Response to Ben Taylor and Sierra Club's
Second Request for Information
dated September 16, 2013

September 30, 2013

Item 12) *Refer to BREC's response to SC 1-16.*

a. Identify each expense and its amount that you included in calculating that the annual savings of selling, rather than idling, the Wilson plant would be $39.7 million.

b. Identify each expense and its amount that you included in calculating that the annual savings of selling, rather than idling, the Coleman plant would be $16.8 million.

c. Are the annual savings from selling, rather than idling, the Wilson and Coleman plants affected by the price at which the units are sold?

i. If so, how?

ii. If not, why not?

d. Is it BREC's position that if it were to retire either the Wilson or Coleman plants that it would be unable to recover from ratepayers the unamortized plant balance?

i. If so, why?

ii. If not, has BREC evaluated options for recovering unamortized plant balances if the Wilson or Coleman plants were retired?

Response)

a. Please see the table below for the Wilson savings.

b. Please see the table below for the Coleman savings.

	2013 Estimated Savings from Selling			
Description		**Coleman**		**Wilson**
Interest Expense	$	9,960,000	$	18,465,560
Depreciation	$	5,791,631	$	19,164,687
Property Tax	$	420,378	$	1,005,411
Property Insurance	$	587,244	$	977,517
Total Non-FDE Fixed Costs	**$**	**16,759,253**	**$**	**39,613,175**

c. The annual savings are most certainly affected by the selling price of the assets.

    i. Please see Big Rivers' response to AG 2-34(e).

d. Big Rivers has no reason to expect that if it were to retire either the Wilson or Coleman plants, it would be unable to recover from its members the unamortized plant balance. However, cost recovery is not the reason Big

Rivers has no plans to retire either the Wilson or the Coleman plants. Please see the response to KIUC 1-51.

i. See the response to part (d).

ii. Not applicable.

Witness) Robert W. Berry

BIG RIVERS ELECTRIC CORPORATION

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION
FOR A GENERAL ADJUSTMENT IN RATES
CASE NO. 2013-00199

Response to Ben Taylor and Sierra Club's
Second Request for Information
dated September 16, 2013

September 30, 2013

Item 13) *Refer to BREC's response to SC l-20(a). Provide a narrative explanation of the regression models provided in response to SC l-20a, including:*

a. Definitions of all variables.

b. An algebraic statement of the equation(s) estimated in these models.

c. Identification of the econometric methods used to estimate the equations.

d. An explanation of the calculations used to derive elasticities from the regression coefficients

Response)

a. Refer to the following table for variable definitions.

Variable	Definition
CONST	Model intercept
HHIncome	Average Household Income, computed as total personal income divided by number of households
Rural_Price	Average price of electricity (revenue divided by kWh, divided by GDP price index) for the rural class
WTCDD	Weighted cooling degree days (cooling degree days, times market share of air conditioning, times average air conditioning efficiency level)
WTHDD	Weighted heating degree days (heating degree days, times market share of homes with electricity as the primary heating source, times average air conditioning efficiency level)
February	Binary variable equal to 1 in February, 0 otherwise
March	Binary variable equal to 1 in March, 0 otherwise

April	Binary variable equal to 1 in April, 0 otherwise
July	Binary variable equal to 1 in July, 0 otherwise
August	Binary variable equal to 1 in August, 0 otherwise
September	Binary variable equal to 1 in September, 0 otherwise
October	Binary variable equal to 1 in October, 0 otherwise
November	Binary variable equal to 1 in November, 0 otherwise
December	Binary variable equal to 1 in December, 0 otherwise
Jul1998	Binary variable equal to 1 in July 1998, 0 otherwise
AR(1)	Autoregressive term to correct for serial autocorrelation

b. The algebraic statement for each equation is presented as follows:

Kenergy Rural Average Use per Customer Model

AVGUSE = 1,012.954 + 7.507(HHINCOME) + -49.044(RURAL_PRICE) +
3.242(WTCDD) + 2.542(WTHDD) + -122.435(FEBRUARY) +
-72.286(MARCH) + -107.350(APRIL) + 100.086(JULY) +
124.152(AUGUST) + 63.520(SEPTEMBER) +
-84.133(NOVEMBER) + 25.748(DECEMBER) +
-674.537(JUL1998) + 0.612(AR1)

Jackson Purchase Energy Rural Average Use per Customer Model

AVGUSE = 1,372.303 + 2.958(HHINCOME) + -46.045(RURAL_PRICE) +
3.815(WTCDD) + 3.566(WTHDD) + -151.646(FEBRUARY) +
-80.832(MARCH) + -124.308(APRIL) + 83.736(JULY) +

101.032(AUGUST) + -65.899(OCTOBER) +

-123.524(NOVEMBER) + 24.922(DECEMBER) + 0.502(AR1)

Meade County Rural Average Use per Customer Model

AVGUSE = 1,058.708 + 0.219(HHINCOME) + -33.376(RURAL_PRICE) +

2.635(WTCDD) + 2.355(WTHDD) + -82.372(FEBRUARY) +

-46.156(MARCH) + -79.647(APRIL) + 71.072(JULY) +

69.890(AUGUST) + -51.016(OCTOBER) +

-77.307(NOVEMBER) + 27.877(DECEMBER)

c. Ordinary Least Squares (OLS) was the regression method used to estimate the model coefficients.

d. Price elasticity values were not calculated by Big Rivers using results from the regression analysis; rather, they are one of the outputs of the software used to develop the regression models. Itron's MetrixND forecast software was used to estimate the models.

Witness) Lindsay N. Barron

BIG RIVERS ELECTRIC CORPORATION

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION
FOR A GENERAL ADJUSTMENT IN RATES
CASE NO. 2013-00199

Response to Ben Taylor and Sierra Club's
Second Request for Information
dated September 16, 2013

September 30, 2013

Item 14) *Refer to BREC's response to PSC 2-20.*

a. *Identify and produce any studies, analyses, reports, or empirical evidence supporting the statement that "Large industrial customers have less ability to react to price signals than do rural class customers."*

b. *Identify and produce any studies, analyses, or reports of price elasticity of demand that estimate a smaller (in absolute value) elasticity for industrial demand than for residential demand.*

c. *Provide any studies, analyses, or reports supporting BREC's assumption in this proceeding that the price elasticity of demand is zero (i.e., quantity of electricity demanded is unaffected by price) for Big Rivers' industrial customers.*

d. *Produce any communications that BREC has had with large industrial customers regarding what impact the rate increases reflected in the Century and Alcan rate cases would have on electricity consumption by large industrial customers.*

e. *Describe any effort BREC has taken to determine the impact that the rate increases reflected in the Century and Alcan rate cases would have on electricity consumption by large industrial customers*

Response)

a. For the statement in PSC 2-20, Big Rivers relied upon its understanding of the industrial customers that are served by its members, including the views expressed by three large industrial customers in Case No. 2012-00535 and information from Big Rivers' members, who communicate regularly with their large industrial customers. These large industrial customers are sophisticated in their approach to energy management. They have a strong profit motive and incentive to minimize costs in order to maximize margins. In the normal course of business, they place significant emphasis on consumption optimization and energy cost reduction. Big Rivers expects that these customers have already taken steps to minimize their consumption and energy bills.

When developing the load forecast analysis for Big Rivers, GDS did not recommend or perform an analysis of price elasticity of demand for the large industrial customer segment. This has been the case for Big Rivers' load forecast and IRP process for many years. This is consistent with standard practices and supports the assumption described in the response to PSC 2-20.

In the load forecast analysis, energy sales projections for the large industrials were developed on an individual basis, based on historical trends and known changes. None of the entities taking service under Big Rivers' LIC tariff has notified Big

Rivers or its members of a plan or proposal to reduce the minimum billing demand in its contract as a result of rate adjustments proposed in either Case No. 2012-00535 or the instant case. This also supports the assumption described in the response to PSC 2-20.

b. Please see the response to part (a).

c. Please see the response to part (a).

d. Big Rivers has had conversations with its members on the potential impacts of rate increases on large industrial customers; Big Rivers' members communicate directly with the large industrial customers. Please see the response to part (a).

e. Please see the response to parts (a) and (d).

Witness) Lindsay N. Barron

BIG RIVERS ELECTRIC CORPORATION

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION
FOR A GENERAL ADJUSTMENT IN RATES
CASE NO. 2013-00199

Response to Ben Taylor and Sierra Club's
Second Request for Information
dated September 16, 2013

September 30, 2013

Item 15) *Refer to p. 1 of the 2013 Load Forecast produced in response to AG 1-139, which identifies an approximately* [redacted] *increase in retail electricity prices over the years 2014 to 2016, and a resulting* [redacted] *decline in sales over that same time period.*

a. Identify the starting and ending rates upon which the approximately [redacted] *increase in retail electricity prices is based.*

b. Explain how the [redacted] *decline in sales is consistent with the price elasticity of demand identified on p. 12 of the Barron testimony.*

Response)

a. The approximately 40% increases in retail electricity prices represent a system average, but vary for each of Big Rivers' three member distribution cooperatives. The following table presents the real (deflated) average price, represented as revenue divided by kWh.

	JPEC	MCRECC	KENERGY
2013	6.43	6.90	6.82
2014	7.39	7.87	7.77
2015	8.43	8.95	8.85
2016	9.17	9.63	9.51

b. All other factors being equal (i.e., no changes in any factors other than price), the projected decline in average use per customer is estimated at 6.96% over years 2014-2016 (40% increase in price over years 2014-2016 and an average price elasticity of -0.174). When taking into account all other factors influencing average consumption (e.g., changes in end-use market shares, increases in household income and home size, growth in miscellaneous use), average use per customer is projected to decline by approximately 5.6% over 2014-2016. Finally, when considering projected growth of 2.8% in the number of customers over the same period, total rural system sales are projected to decline by a net 3.2% over 2014-2016.

Witness) Lindsay N. Barron

**APPLICATION OF BIG RIVERS ELECTRIC CORPORATION
FOR A GENERAL ADJUSTMENT IN RATES
CASE NO. 2013-00199**

**Response to Ben Taylor and Sierra Club's
Second Request for Information
dated September 16, 2013**

September 30, 2013

Item 16) ***Refer to p. 11 of the Attachment to BREC's response to AG 1-158, which identifies rural rates increasing from $44.46 per MWh in 2012 to $110.64 per MWh in 2016. State what percent of decline in rural sales BREC assumed in its load forecast would result from such increase in rates, and explain the basis for such assumption.***

Response) Please note, the rate increases referenced in the question above are wholesale rates, not retail rates. Thus, the increases calculated using these numbers are not reflective of the actual increases rural customers will experience. The load forecast is based on the assumption that retail prices (deflated) at Big Rivers' three member distribution cooperatives, will increase by approximately 40% from 2014 to 2016. The average price elasticity calculated for the three cooperatives is -0.174 based on the regression models developed to forecast rural energy consumption. The estimated decline in rural energy consumption due to the rate increase is 6.96%. Because there are also factors projected to have positive impacts on rural system energy sales, the overall net decline in projected sales considering all factors is 3.26% from 2014-2016.

Witness) Lindsay N. Barron

BIG RIVERS ELECTRIC CORPORATION

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2013-00199

Response to Ben Taylor and Sierra Club's Second Request for Information dated September 16, 2013

September 30, 2013

Item 17) ***Refer to BREC's response to SC 1-12.***

a. Identify your current best estimate of the annual transmission revenues that Big Rivers will receive from the Century smelter and the assumptions upon which that estimate is based.

b. State whether any transmission revenues from the Century smelter are factored into the Production Cost Modeling or Long-term Financial Forecasting in this case.

i. If so, state what level of revenues are included and how they are factored in.

ii. If not, explain why not.

Response)

a. Big Rivers' estimate remains unchanged from the response provided in response to SC 1-12.

b. No transmission revenues from the Century Hawesville smelter are factored into the Production Cost Modeling or Long-term Financial Forecasting in this case.

i. Not applicable.

ii. Production cost models, here or in general, do not accept revenue information as inputs. For the long-term financial forecasting, at the time the forecast was developed in this case and the case was filed on June 28, 2013, the Century Hawesville smelter had provided its termination notice to Big Rivers stating that the smelter would no longer operate. The agreements with Century were not finalized or approved by the Commission until August 14, 2013, and up until that time, there was uncertainty if an agreement would be reached and approved. Other obstacles in estimating transmission revenue continue and include, but are not limited to, the level at which Century Hawesville will operate and how long the SSR will be in place.

Witness) Robert W. Berry

BIG RIVERS ELECTRIC CORPORATION

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION
FOR A GENERAL ADJUSTMENT IN RATES
CASE NO. 2013-00199

Response to Ben Taylor and Sierra Club's
Second Request for Information
dated September 16, 2013

September 30, 2013

Item 18) *Is Big Rivers negotiating a contract to provide transmission services to the Sebree smelter following its departure from the Big Rivers system?*

a. If so, describe the state of the negotiations and identify any significant differences between the latest draft of that proposed contract and the agreement for the Century smelter.

Response) Big Rivers, Kenergy and Century have executed a reimbursement agreement to allow the parties to begin negotiations for the Sebree smelter similar to that of the Hawesville smelter.

a. The Big Rivers legal team is currently preparing a first draft of the agreements which are expected to be similar to the Century Hawesville agreements.

Witness) Robert W. Berry

BIG RIVERS ELECTRIC CORPORATION

**APPLICATION OF BIG RIVERS ELECTRIC CORPORATION
FOR A GENERAL ADJUSTMENT IN RATES
CASE NO. 2013-00199**

**Response to Ben Taylor and Sierra Club's
Second Request for Information
dated September 16, 2013**

September 30, 2013

Item 19) ***If an agreement is reached to provide transmission services to the Sebree smelter, on terms comparable to the agreement for Century smelter, what is your best estimate of the transmission revenues Big Rivers would receive from the Sebree smelter?***

Response) Utilizing rates published by MISO effective July 1, 2013, for Schedule 9 of \$15,586.7989/MW-yr and Sebree monthly peak loads of 368 MW, Big Rivers would expect to receive about \$5,735,942/yr in transmission revenues if, among other assumptions, an agreement comparable to the agreement for the Hawesville smelter is reached and approved, there are no offsets for SSR costs similar to the agreement for the Hawesville smelter, and the Sebree smelter continues to operate at the 368 MW level.

Witness) Robert W. Berry

Response to Ben Taylor and Sierra Club's
Second Request for Information
dated September 16, 2013

September 30, 2013

Item 20) ***Refer to BREC's response to SC 1-37(d). State whether BREC is taking any steps to evaluate or estimate costs for potential compliance with Clean Water Act Effluent Limitation Guidelines.***

a. If so, explain such steps and identify by when BREC expects to have a cost estimate.

b. If not, explain why not.

Response)

a. Big Rivers has engaged Burns and McDonnell to review the proposed Clean Water Act Effluent Limitation Guidelines to determine compliance options and estimated costs. Big Rivers anticipates this study will be complete around November 1, 2013.

b. See Big Rivers' response to subpart a.

Witness) Robert W. Berry

BIG RIVERS ELECTRIC CORPORATION

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION
FOR A GENERAL ADJUSTMENT IN RATES
CASE NO. 2013-00199

Response to Ben Taylor and Sierra Club's
Second Request for Information
dated September 16, 2013

September 30, 2013

Item 21) ***Refer to BREC's response to KIUC 1-48.***

a. Explain why BREC is running a modeling sensitivity evaluating a fuel switch from coal to natural gas at the R.D. Green plant.

b. Produce all modeling files, including all inputs and outputs, in machine-readable format with formulas intact, and any other documents or analyses regarding a potential fuel switch from coal to natural gas at the R.D. Green plant. If such modeling is not yet complete, produce it when it becomes complete.

Response)

a. This production cost model sensitivity run evaluating the fuel switch from coal to natural gas at the R.D. Green Station is being performed to determine whether it is cost effective.

b. The production cost model sensitivity run has not been completed; however it will be provided when it has been completed.

Witness) Robert W. Berry

BIG RIVERS ELECTRIC CORPORATION

**APPLICATION OF BIG RIVERS ELECTRIC CORPORATION
FOR A GENERAL ADJUSTMENT IN RATES
CASE NO. 2013-00199**

**Response to Ben Taylor and Sierra Club's
Second Request for Information
dated September 16, 2013**

September 30, 2013

Item 22) *Refer to the Big Rivers Benchmarking analysis by Navigant Consulting produced as an Attachment to BREC's response to KIUC 1-39.*

a. *Identify the number of "Small Coal Plants with FGD" to which the BREC units were compared to in the analyses described on pages 3 to 11 of the Benchmarking analysis.*

b. *Identify the number of "Medium Coal Plants with FGD" to which the Wilson plant was compared to in the analyses described on pages 12 to 18 of the Benchmarking analysis.*

Response)

a. 36 units were included in the peer group.

b. 29 units were included in the peer group.

Witness) Robert W. Berry

BIG RIVERS ELECTRIC CORPORATION

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION
FOR A GENERAL ADJUSTMENT IN RATES
CASE NO. 2013-00199

Response to Ben Taylor and Sierra Club's
Second Request for Information
dated September 16, 2013

September 30, 2013

Item 23) *Refer to BREC's response to PSC 2-16 and the Attachments to that response.*

a. *Confirm that PSC Attachment 2-16 includes only* [redacted].
b. *Confirm that BREC bid on all RFPs identified in PSC Attachment 2-16.*
c. *For each of the RFPs identified in PSC Attachment 2-16 which BREC bid on, identify the prices that Big Rivers bid for providing energy and capacity in each of the formal responses.*
d. *Identify the results of each of the RFPs identified in PSC Attachment 2-16, including whether Big Rivers' formal response to each such RFP has been accepted or rejected.*
    i. *In each case where Big Rivers' bid has been rejected and the winning bid is known, identify the prices of the winning bids for providing energy and capacity.*
e. *State whether there are any additional RFPs not identified in BREC's response to PSC 2-16 and the attachments that BREC has bid on or anticipates bidding on. If so:*
    i. *Identify the utility that issued each RFP, the date of the RFP, the amount of energy and/or capacity sought in the RFP, and the period*

of time for which each RFP was seeking such energy and/or capacity.

ii. Produce each RFP and Big Rivers' response to each such RFP.

iii. Identify the results of each such RFP, including whether Big Rivers' formal response to each such RFP has been accepted or rejected, and, if known, the energy and/or capacity prices of the winning bid.

Response)

a. Confirmed.

b. Confirmed.

c. Big Rivers objects to this request on the grounds that it is overly broad, unduly burdensome, and seeks information that is neither relevant nor likely to lead to the discovery of admissible evidence.

d. See Big Rivers' response to PSC 2-16.

   i. No winning bids are known to Big Rivers.

e. Yes.

i. Alcoa Tennessee Operations sent a Request for Proposal on August 29. The request was for 20 MW of Firm Energy for seven years beginning July 1, 2014.

ii. Big Rivers objects to this request on the grounds that it seeks information that is neither relevant nor likely to lead to the discovery of admissible evidence. Notwithstanding this objection, but without waiving it, please see the Alcoa RFP attached hereto.

iii. No results are available at this time.

Witness) Robert W. Berry

Request for Proposals

RFP to purchase power for Alcoa's Tennessee Operations

Alcoa Power Marketing LLC (APM) is seeking binding offers for a sale of electric power to serve load at Alcoa's Tennessee Operations, beginning on July 1, 2014 for seven years.

Binding offers are due by Friday, September 13, 2013. All parties selected for further consideration will be contacted by Wednesday, September 18, 2013 to further negotiate contract specifics.

APM is a power marketer licensed by FERC and is a subsidiary of Alcoa Power Generating Inc. (APGI). APGI is a utility licensed by FERC and is a subsidiary of Alcoa Inc., (Alcoa) the world's leading producer of primary aluminum, fabricated aluminum and alumina.

Alcoa's Tennessee Operations are located in eastern Tennessee and are interconnected by APGI's Tapoco Transmission System (TAP) with the TVA Transmission System (TVA) and the Smoky Mountain Transmission System (SMT, that is interconnected with the Duke Energy Carolinas Transmission System, DUK).

Tennessee Operations currently consumes approximately 300,000 MWh's per year of electric power. APM seeks various types of binding offers for sale of 20 MW of Firm (LD) block electric power to serve load at Tennessee Operations, including all-hours block power, on-peak block power, off-peak block power. Proposals must be with only fixed prices by month (level or with escalation).

APM reserves the right to select or reject any or all proposals received through this process. Acceptance of proposals by APM is contingent on credit requirements and completing an EEI Master Power Purchase/Sale Agreement with Collateral Annex, if the party does not already have one with APM or with APGI.

Agreements that result from the negotiations process under this RFP will be subject to final approval by Alcoa management and securing of transmission through to the load.

Interested parties with questions concerning these RFPs may contact Jason Buck by email to [redacted], or by telephone at [redacted] or Jim Nixon by e-mail to [redacted] or by phone at [redacted].

REQUEST FOR PROPOSALS TO SUPPLY POWER to Alcoa Tennessee Operations

August 29, 2013

Table of Contents

1.0 Scope

Alcoa Power Marketing LLC (APM) is issuing this Request for Proposals ("RFP") to solicit proposals from power marketers, public utilities, Independent Power Producers, cooperative utilities, and/or any other potential Respondents ("Respondents") to meet Alcoa's Tennessee Operations need for electric power supply for seven years beginning on July 1, 2014. Currently Alcoa Power Generating Inc. (APGI) supplies power to Tennessee Operations through wholesale power purchase contracts which will expire on June 30, 2014. APM seeks all types of proposals to provide 20 MW of low cost Firm (LD) block power supply to Tennessee Operations for seven years beginning on July 1, 2014.

Tennessee Operation Power Requirements

Tennessee Operations is located in Alcoa, TN and currently consists of an aluminum rolling mill, and related aluminum production facilities that currently produce aluminum can sheet. Tennessee Operations power consumption is currently about 300,000 MWh per year and peak load is about 60 MW. Tennessee Operations is being expanded to also produce aluminum automotive sheet and power consumption may be as much as 600,000 MWh per year with peak load about 110 MW in the future. This RFP is to purchase only 20 MW of Firm (LD) block power, up to 175,200 MWh per year for seven years beginning on July 1, 2014. Proposals may be 20 MW blocks of 7x24 all hours, 5x16 on-peak, 7x8 off-peak, 2x24 weekend, etc. Proposals must be with only fixed prices by month (level or with escalation).

APGI's Tapoco Transmission System (TAP) delivers power to Tennessee Operations and interconnects with the TVA Transmission System (TVA) and also interconnects with the Smoky Mountain Transmission System (SMT, that interconnects with the Duke Energy Carolinas Transmission System, DUK).

Delivery Points

The Delivery Points for power supplied with this RFP are: into the TVA Transmission System (TVA), and/or into the Duke Energy Carolinas Transmission System (DUK). Each proposal must state the POR and Source in the TVA Transmission System (TVA), and/or in the Duke Energy Carolinas Transmission System (DUK) for delivering of power in the proposal.

Proposal Options

Proposals must be Firm (LD) Block power including 7x24, 5x16 on-peak, 2x24 weekend, 7x8 off-peak, etc. for seven years beginning July 1, 2014.

2.0 RFP Communications

All questions or other communications regarding this RFP should be submitted to Jason Buck by email at [redacted] or by telephone [redacted] or to Jim Nixon by e-mail at [redacted] or phone at [redacted].

3.0 Schedule

The following schedule and deadlines apply to this solicitation:

Release of RFP: August 29, 2013
Proposals Due: September 13, 2013 by 1700 EPT
Shortlist Notification: September 18, 2013 by 1700 EPT
Under Contract: October 18, 2013

APM reserves the right to modify this schedule if, in the sole opinion of APM, such modifications are necessary. APM also reserves the right to consider proposals received after the proposal due date if they so desire.

4.0 Background

Information contained in this RFP is provided for background use only. APM makes no representation that the information is complete or applicable to any Respondent's proposal.

5.0 Proposal Content

Each proposal must include product description (20 MW Firm (LD) Power 7x24 all hours, 5x16 on-peak, 7x8 off-peak, 2x24 weekend, etc.). Each proposal must include fixed prices by month (level or with escalation). Each proposal must state the POR and Source in the TVA Transmission System (TVA), and/or in the Duke Energy Carolinas Transmission System (DUK) for delivery of power in the proposal. Each proposal must state all transmission providers from the generation resources (s) to the delivery point. APM will review and may utilize all information, if any, submitted by a Respondent, which is not specifically requested. Also, APM reserves the right to request additional information from Respondents during the proposal evaluation process.

6.0 Evaluation Criteria

Proposals will be judged on its ability to meet Tennessee Operations need for economical and reliable power supply. Respondents to this solicitation should provide all relevant information necessary to allow APM to conduct a thorough analysis of the proposal. Proposals will be analyzed over a range of scenarios defined by price and non-price variables. Key non-price variables include, but are not limited to, power supply reliability and the creditworthiness of the Respondent.

The principal criteria to be used by APM in evaluating proposals include:

- Reliability of proposed power supply.
- Availability of transmission service for delivery to the APGI Tapoco Transmission System.
- Total delivered cost of power.
- Supplier bears all costs (including environmental compliance) to the Delivery Point.

Each of these factors is critical to the successful procurement of power for Tennessee Operations. APM reserves the right to consider any other factors that they deem to be relevant to their power supply needs.

6.1 Total Delivered Cost of Power

The total cost of power delivered into the APGI Tapoco Transmission System for Tennessee Operations must be competitive with APGI's alternatives.

7.0 Proposal Duration

All proposals must remain open and subject to acceptance through October 18, 2013, pending evaluation by APM and the beginning of contract negotiations between APM and the winning Respondent(s).

8.0 Incurred Costs

All costs directly or indirectly related to the preparation of a proposal in response to this RFP or any oral presentation required to supplement and/or clarify a proposal which may be required by APM shall be the sole responsibility of and shall be borne by the Respondent(s) incurring such costs. APM shall not reimburse any Respondent for any costs incurred in the preparation or submission of a proposal and/or in negotiating an agreement as a result of a proposal.

9.0 Contract Incorporation

Respondents should be aware that the contents of a selected proposal might become a part of subsequent contractual documents.

10.0 Regulatory Approval

Any contracts, resulting from this RFP or subsequent negotiations, may be subject to regulatory approvals, including approval of the Federal Energy Regulatory Commission (FERC).

11.0 Rejection of Proposals

APM reserves the right to accept any proposal(s), or to reject any and all proposals and to re-issue this RFP in the event that all proposals are rejected or they deem it otherwise necessary. APM reserves the right to revise this RFP, including the desired capacity specifications and the requirements for proposals, at any time. Additionally, APM reserves the right to accept proposals other than the lowest cost proposal or consider proposals received outside of this RFP process. Factors other than cost, as described above, will be considered in the proposal evaluation process.

12.0 Supplemental Information

APM reserves the right to request additional information from Respondents or to request Respondents to submit supplemental materials in fulfillment of the content requirements of this RFP or to meet additional information needs of APM. APM also reserves the right to waive any technical or format requirements contained in the RFP.

13.0 Submittal Instructions

Proposals (Forms 1, 1, 3, 4) must be submitted by email to [redacted] by September 13, 2013 by 1700 EPT.

Thank you for your interest in this RFP to supply power to Alcoa's Tennessee Operations.

FORM 1

Alcoa Tennessee Operations RFP

Binding Offer

Due September 13, 2013

The undersigned submits this proposal as a binding offer and hereby gives assurance that the proposal will remain open, and not be revocable, before October 18, 2013.

Name of Offering Company: ______________________________

Name of Signer (printed): ______________________________

Authorized Signature: ______________________________

Title of Signer (printed): ______________________________

Date Proposal Submitted: ______________________________

Please Email to: [redacted]

FORM 2

Alcoa Tennessee Operations RFP

Questionnaire

Due September 13, 2013

1. Please briefly describe your company with emphasis on your wholesale power business activities in the United States.

2. Please describe your experience with selling power under medium and longer term agreements:

Please Email to: [redacted]

Form 3

Alcoa Tennessee Operations RFP

Summary of Proposal

Due September 13, 2013

Please provide a summary of the proposal below including (please refer to RFP section 5.0 Proposal Content):

1) product description (20 MW Firm (LD) Power 7x24 all hours, 5x16 on-peak, 7x8 off-peak, 2x24 weekend, etc.),

2) fixed prices by month (level or with escalation),

3) transmission POR and Source (in TVA transmission system and/or in Duke Energy Carolinas transmission system) for delivery of power in the proposal,

4) all transmission providers from generation resource (s) to delivery point

Please Email to: [redacted]

Form 4

Alcoa Tennessee Operations RFP

Credit Contact Information

Due September 13, 2013

Do not need to provide if party already has credit established with APGI, APM LLC, or Alcoa Inc.

1. Name of Firm: ____________________

2. Street Address: ____________________

____

4. Person to Contact with Financial/credit Questions:

a. Name: ______________________________

b. Address: ______________________________

c. Phone: ______________________________

d. E-mail: ______________________________

Please Email to: [redacted]

**APPLICATION OF BIG RIVERS ELECTRIC CORPORATION
FOR A GENERAL ADJUSTMENT IN RATES
CASE NO. 2013-00199**

**Response to Ben Taylor and Sierra Club's
Second Request for Information
dated September 16, 2013**

September 30, 2013

Item 24) *Refer to BREC's response to SC 1-11.*

a. Identify each "existing load served by others" that Big River expects will give "notice of its intent to terminate its long term wholesale agreement" between now and 2022.

i. For each load identified, list the source of the load and the timetable for which Big Rivers anticipates taking over that load.

b. Identify how much "existing load served by others" Big Rivers estimates it will be able to serve on a long-term basis? Explain the basis for such estimate.

Response)

a. Big Rivers does not currently have information that any particular existing load served by others will give notice to terminate its contract with another supplier.

i. Not applicable.

b. Big Rivers believes it will have sufficient capacity to attract and retain new load in the future. Big Rivers believes it has sufficient capacity to serve at least 850 MW of load on a long-term basis.

Witness) Robert W. Berry

BIG RIVERS ELECTRIC CORPORATION

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION
FOR A GENERAL ADJUSTMENT IN RATES
CASE NO. 2013-00199

Response to Ben Taylor and Sierra Club's
Second Request for Information
dated September 16, 2013

September 30, 2013

Item 25) *Refer to BREC's response to PSC 2-16, which states at page 4 line 3 that* [redacted].

a. [redacted].

b. Please clarify what BREC and [redacted]

c. [redacted].

d. Produce all documents and workpapers (in electronic machine-readable format with formulas intact) [redacted].

e. Produce all documents and workpapers (in electronic machine-readable format) [redacted].

f. Provide any updates regarding [redacted].

BIG RIVERS ELECTRIC CORPORATION

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A GENERAL ADJUSTMENT IN RATES CASE NO. 2013-00199

Response to Ben Taylor and Sierra Club's Second Request for Information dated September 16, 2013

September 30, 2013

Response) Big Rivers objects to this request on the grounds that it is overly broad and unduly burdensome. Big Rivers also objects to this request on the grounds that it seeks information that is neither relevant nor likely to lead to the discovery of admissible evidence. Without waiving these objections, please see Big Rivers' response to KIUC 1-8, SC 1-38, and PSC 2-16 in this case and PSC 2-18 in Case No. 2012-00535.

Witness) Robert W. Berry

Item 26) *Refer to p. 4 of BREC's response to PSC 2-16. With regards to* [redacted].

a. State whether BREC worked with [redacted].

i. [redacted].

ii. If not, explain why [redacted].

b. Produce all documents and workpapers (in electronic machine-readable format with formulas intact) [redacted].

c. Produce all documents and workpapers (in electronic machine-readable format) [redacted]

d. [redacted]

e. Provide any updates regarding [redacted].

Response) Big Rivers objects to this request on the grounds that it is overly broad and unduly burdensome. Big Rivers also objects to this request on the grounds that it seeks information that is neither relevant nor likely to lead to the discovery of admissible evidence. Without waiving these objections, please see Big Rivers' response to KIUC 1-8, SC 1-38, and PSC 2-16 in this case and PSC 2-18 in Case No. 2012-00535.

Witness) Robert W. Berry

Item 27) *State whether Big Rivers has estimated the market value of the Wilson plant.*

a. If so, identify that market value and explain the basis for that value.

b. If not, explain why not

Response) Please see Big Rivers' response to SC 1-38.

Witness) Robert W. Berry

Item 28) *State whether Big Rivers has estimated the market value of the Coleman plant.*

a. If so, identify the market value and explain the basis for that value

b. If not, explain why not.

Response) Please see Big Rivers' response to SC 1-38.

Witness) Robert W. Berry

BIG RIVERS ELECTRIC CORPORATION

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION
FOR A GENERAL ADJUSTMENT IN RATES
CASE NO. 2013-00199

Response to Ben Taylor and Sierra Club's
Second Request for Information
dated September 16, 2013

September 30, 2013

Item 29) *Refer to pages 4 to 5 of BREC's response to PSC 2-16*

a. [redacted]:

[redacted]

b. [redacted]

c. [redacted].

i. [redacted]

d. [redacted]

i. [redacted]*?*

ii. If not, explain why not

e. [redacted]

i. [redacted]*?*

ii. If not, explain why not

f. Please provide a copy of the [redacted] *referenced in BREC's response to PSC 2-16 at page 6 lines 1-3.*

g. Provide any updates regarding the status of [redacted].

BIG RIVERS ELECTRIC CORPORATION

**APPLICATION OF BIG RIVERS ELECTRIC CORPORATION
FOR A GENERAL ADJUSTMENT IN RATES
CASE NO. 2013-00199**

**Response to Ben Taylor and Sierra Club's
Second Request for Information
dated September 16, 2013**

September 30, 2013

Response)

a-b. Big Rivers objects to these requests on the grounds that they seek information that is neither relevant nor likely to lead to the discovery of admissible evidence.

c. Yes.

i. [redacted]

d. No.

i. Not applicable.

ii. [redacted]

e. No.

i. Not applicable.

ii. [redacted]

BIG RIVERS ELECTRIC CORPORATION

**APPLICATION OF BIG RIVERS ELECTRIC CORPORATION
FOR A GENERAL ADJUSTMENT IN RATES
CASE NO. 2013-00199**

**Response to Ben Taylor and Sierra Club's
Second Request for Information
dated September 16, 2013**

September 30, 2013

[redacted]

f. Please see attached.

g. None at this time.

Witness) Robert W. Berry

From:	DukeEnergyKentuckyRFP [dukeenergykentuckyrfp@burnsmcd.com]	**Sent:**	Tue 7/2/2013 9:33 AM
To:	Lindsay Barron		
Cc:			
Subject:	Duke Kentucky Short-term RFP		
Attachments:			

Lindsey,

Thank you for your participation in the Duke Energy Kentucky RFP for short-term capacity and energy. We received a strong response for this solicitation. Following a detailed review of the proposals, Duke Energy has decided to pursue proposals for this timeframe with other bidders. Please note a Duke Energy Kentucky RFP for long-term capacity and energy has been issued with bids due on August 15, 2013. Information regarding this long-term power supply RFP can be found at http://dukeenergykentuckyrfp.com/.

We appreciate the work in submitting your bid proposal(s) and we look forward to future relationships with you as standards in the power industry unfold. We will add your contact information to our RFP distribution list to make you aware of any new RFPs you might have an interest in.

Kind Regards,

Duke Energy

Burns & McDonnell

Item 30) *Refer to BREC's response to PSC 2-16 at p. 7.*

a. Identify the price at which BREC offered to [redacted].

b. State whether BREC offered to [redacted].

i. If so, for how many years and at what price?

ii. If not, explain why not.

c. Provide any updates regarding the proposed [redacted].

Response)

a. Please see Big Rivers' response to PSC 2-15.

b. [redacted]

c. [redacted].

Witness) Robert W. Berry

BIG RIVERS ELECTRIC CORPORATION

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION
FOR A GENERAL ADJUSTMENT IN RATES
CASE NO. 2013-00199

Response to Ben Taylor and Sierra Club's
Second Request for Information
dated September 16, 2013

September 30, 2013

Item 31) *Refer to BREC's response to PSC 2-16 at p. 8*

a. Produce all documents and workpapers (in electronic machine-readable format with formulas intact) regarding the [redacted] *quote Big Rivers provided* [redacted]*.*

b. Produce all communications between [redacted] *and BREC regarding the* [redacted] *Big Rivers provided* [redacted]*.*

Response) Big Rivers objects to this request on the grounds that it is overly broad and unduly burdensome. Big Rivers also objects to this request on the grounds that it seeks information that is neither relevant nor likely to lead to the discovery of admissible evidence.

Witness) Robert W. Berry

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION
FOR A GENERAL ADJUSTMENT IN RATES
CASE NO. 2013-00199

Response to Ben Taylor and Sierra Club's
Second Request for Information
dated September 16, 2013

September 30, 2013

Item 32) *Refer to BREC's response to PSC 2-16 at p. 10.*

a. Produce all documents and workpapers (in electronic machine-readable format with formulas intact) regarding the potential [redacted].

b. Produce all communications between [redacted] *and BREC regarding the potential* [redacted].

Response) Big Rivers objects to this request on the grounds that it is overly broad and unduly burdensome. Big Rivers also objects to this request on the grounds that it seeks information that is neither relevant nor likely to lead to the discovery of admissible evidence.

Witness) Robert W. Berry