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October 9, 2013

Via Hand Delivery

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

In the Matter of:

An Examination of Application of the Fuel Adjustment Clause of Big Rivers Electric Corporation from November 1, 2012 through April 30, 2013 – Case No. 2013-00266

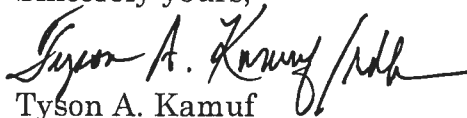
Dear Mr. Derouen:

Big Rivers Electric Corporation (“Big Rivers”) hereby files an original and six (6) copies of its response to the Commission Staff’s Supplemental Information Request dated September 30, 2013.

Please confirm the Commission’s receipt of this information by having the Commission’s date stamp placed on the enclosed additional copy and returning to Big Rivers in the self-addressed, postage paid envelop provided.

Should you have any questions about this matter, please contact me.

Sincerely yours,


Tyson A. Kamuf

CC: Billie Richert
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BIG RIVERS ELECTRIC CORPORATION

**AN EXAMINATION OF THE APPLICATION OF THE FUEL ADJUSTMENT
CLAUSE OF BIG RIVERS ELECTRIC CORPORATION
FROM NOVEMBER 1, 2012 THROUGH APRIL 30, 2013
CASE NO. 2013-00266**

VERIFICATION

I, Nicholas R. (Nick) Castlen, verify, state, and affirm that the data request responses filed with this verification for which I am listed as a witness are true and accurate to the best of my knowledge, information, and belief formed after a reasonable inquiry.



Nicholas R. (Nick) Castlen

COMMONWEALTH OF KENTUCKY)
COUNTY OF HENDERSON)

SUBSCRIBED AND SWORN TO before me by Nicholas R. (Nick) Castlen on
this the 7th day of October, 2013.



Notary Public, Ky. State at Large
My Commission Expires 1-12-17

ORIGINAL



Your Touchstone Energy[®] Cooperative 

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

In the Matter of:

AN EXAMINATION OF THE APPLICATION)	
OF THE FUEL ADJUSTMENT CLAUSE)	
OF BIG RIVERS ELECTRIC CORPORATION)	Case No. 2013-00266
FROM)	
NOVEMBER 1, 2012 THROUGH APRIL 30, 2013)	

**Responses to Commission Staff's
Supplemental Request for Information
dated September 30, 2013**

FILED: October 10, 2013

ORIGINAL

BIG RIVERS ELECTRIC CORPORATION

**AN EXAMINATION OF THE APPLICATION OF THE FUEL
ADJUSTMENT CLAUSE OF BIG RIVERS ELECTRIC CORPORATION
FROM NOVEMBER 1, 2012 THROUGH APRIL 30, 2013
CASE NO. 2013-00266**

**Response to Commission Staff's
Supplemental Request for Information
dated September 30, 2013**

October 10, 2013

1 **Item 1)** *Refer to the attachment to Big Rivers' response to Item 26 of*
2 *the Commission's August 8, 2013 Information Request, page 1 of 1.*

3
4 **a.** *State whether Big Rivers is billed by MISO using specific*
5 *codes and/or code title. If the response is yes, for each*
6 *amount in the Total column on this page, provide the*
7 *MISO costs by MISO code and code title that are included*
8 *in the amount. If the response is no, explain how MISO*
9 *identifies costs that are billed to Big Rivers.*

10 **b.** *Provide a listing of all types of MISO costs (by code and*
11 *code title, if applicable) that Big Rivers believes are*
12 *eligible for inclusion in the fuel adjustment clause*
13 *calculation and an explanation for why they are*
14 *included.*

15
16 **Response)**

17 **a.** Big Rivers is billed by MISO using specific charge types. Please
18 see the attachment to this response for detail of the MISO power
19 purchases, by present MISO charge type, that are included in
20 the attachment to Big Rivers' response, filed August 29, 2013, to
21 Item 26 of the Commission Staff's Request for Information dated
22 August 8, 2013. Big Rivers notes that the list of charge types
23 and calculation methodology for these charge types is subject to
24 change by MISO, but the list shown is current as of this filing.

BIG RIVERS ELECTRIC CORPORATION

AN EXAMINATION OF THE APPLICATION OF THE FUEL
ADJUSTMENT CLAUSE OF BIG RIVERS ELECTRIC CORPORATION
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CASE NO. 2013-00266

Response to Commission Staff's
Supplemental Request for Information
dated September 30, 2013

October 10, 2013

- 1 b. Only MISO charges for power purchases are presently included
2 in the fuel adjustment clause calculation. The MISO charge
3 types for power purchases currently being recovered through the
4 fuel adjustment clause include "Day Ahead (DA) Asset Energy",
5 "Real Time (RT) Asset Energy", "RT Excessive Energy", and "RT
6 Non-Excessive Energy". These costs are eligible for inclusion in
7 the fuel adjustment clause calculation as they are costs of
8 energy purchases meeting the criteria set forth in 807 KAR
9 5:056 Section 1(3)(b)-(c) (see below) for inclusion in the
10 calculation of recoverable fuel costs. Per 807 KAR 5:056 Section
11 1(3) (**emphasis added**), "Fuel costs (F) shall be the most recent
12 actual monthly cost of:
- 13 (a) Fossil fuel consumed in the utility's own plants, and the
14 utility's share of fossil and nuclear fuel consumed in
15 jointly owned or leased plants, plus the cost of fuel which
16 would have been used in plants suffering forced
17 generation or transmission outages, but less the cost of
18 fuel related to substitute generation; **plus**
- 19 (b) **The actual identifiable fossil and nuclear fuel costs**
20 **associated with energy purchased for reasons other**
21 **than identified in paragraph (c) of this subsection,**
22 **but excluding the cost of fuel related to purchases**
23 **to substitute for the forced outages; plus**

BIG RIVERS ELECTRIC CORPORATION

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CASE NO. 2013-00266

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- 1 (c) The net energy cost of energy purchases, exclusive
2 of capacity or demand charges (irrespective of the
3 designation assigned to such transaction) when
4 such energy is purchased on an economic dispatch
5 basis. Included therein may be such costs as the
6 charges for economy energy purchases and the
7 charges as a result of scheduled outage, all such
8 kinds of energy being purchased by the buyer to
9 substitute for its own higher cost energy; and less
10 (d) The cost of fossil fuel recovered through intersystem sales
11 including the fuel costs related to economy energy sales
12 and other energy sold on an economic dispatch basis."
13

14 Witness) Nicholas R. Castlen
15

Big Rivers Electric Corporation
Detail of MISO Costs Included in Monthly FAC Filings
November 2012 - April 2013

MISO Charge Types	Reason for Purchase ¹					Total ²
	Scheduled Outages	Unscheduled Outages < 6 Hours	Unscheduled Outages > 6 Hours	Available for System	Cover Load & Lack of Generation	
Nov-12						
DA Asset Energy Amount	\$ -	\$ -	\$ -	\$ 1,233,944	\$ -	\$ 1,233,944
RT Energy Amount ³	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Dec-12						
DA Asset Energy Amount	\$ -	\$ -	\$ -	\$ 1,988,892	\$ -	\$ 1,988,892
RT Energy Amount ³	\$ -	\$ -	\$ 52,787	\$ -	\$ 76,328	\$ 129,115
Jan-13						
DA Asset Energy Amount	\$ -	\$ -	\$ -	\$ 1,984,505	\$ -	\$ 1,984,505
RT Energy Amount ³	\$ -	\$ -	\$ 74,976	\$ -	\$ 132,150	\$ 207,126
Feb-13						
DA Asset Energy Amount	\$ -	\$ -	\$ -	\$ 1,016,864	\$ -	\$ 1,016,864
RT Energy Amount ³	\$ -	\$ -	\$ -	\$ -	\$ 41,573	\$ 41,573
Mar-13						
DA Asset Energy Amount	\$ -	\$ -	\$ -	\$ 2,397,518	\$ -	\$ 2,397,518
RT Energy Amount ³	\$ -	\$ 16,616	\$ 131,789	\$ -	\$ 268,730	\$ 417,135
Apr-13						
DA Asset Energy Amount	\$ -	\$ -	\$ -	\$ 2,461,881	\$ -	\$ 2,461,881
RT Energy Amount ³	\$ -	\$ -	\$ -	\$ -	\$ 68,605	\$ 68,605
Total	\$ -	\$ 16,616	\$ 259,552	\$ 11,083,604	\$ 587,386	\$ 11,947,158

¹ See page 2 of this attachment for detail of MISO purchases for Domtar back-up energy.

² The amounts listed above, are included in "Net energy cost - economy purchases" and "Identifiable fuel cost - other purchases" on the Fuel Cost Schedules of the monthly Form A Filings. These amounts represent total energy cost of power purchases from MISO for the respective categories listed. Costs associated with power purchases from MISO for back-up energy to Domtar, supplemental and back-up energy to the smelters, and off-system sales are subtracted from the calculation of recoverable fuel costs in the Form A Filings.

³ The RT Energy amount includes three charge types; RT Asset Energy, RT Excessive Energy, and RT Non-Excessive Energy.

Big Rivers Electric Corporation
Detail of MISO Costs Included in Monthly FAC Filings (for Domtar Back-up Purchases)
November 2012 - April 2013

MISO Charge Types		Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	6-Month Total
MISO Energy Charges	DA Asset Energy Amount	\$ 86,375	\$ 82,329	\$ 119,388	\$ 95,505	\$ 134,085	\$ 195,551	\$ 713,233
	DA Market Administration Amount	\$ 285	\$ 263	\$ 446	\$ 341	\$ 454	\$ 529	\$ 2,318
	DA Schedule 24 Allocation Amount	\$ 42	\$ 41	\$ 56	\$ 48	\$ 61	\$ 86	\$ 334
	DA RSG Distribution Amount	\$ -	\$ 39	\$ 73	\$ 45	\$ 87	\$ 270	\$ 514
	DA Regulation Amount	\$ 177	\$ 149	\$ 199	\$ 134	\$ 244	\$ 430	\$ 1,333
	DA Spinning Reserve Amount	\$ 111	\$ 63	\$ 78	\$ 82	\$ 213	\$ 317	\$ 864
	DA Supplemental Reserve Amount	\$ 99	\$ 41	\$ 53	\$ 35	\$ 83	\$ 112	\$ 423
	RT Asset Energy Amount	\$ 438,383	\$ 395,828	\$ 409,915	\$ 334,560	\$ 428,366	\$ 438,888	\$ 2,445,940
	RT Market Administration Amount	\$ 1,434	\$ 1,216	\$ 1,400	\$ 1,185	\$ 1,430	\$ 1,168	\$ 7,833
	RT Schedule 24 Allocation Amount	\$ 212	\$ 189	\$ 177	\$ 167	\$ 192	\$ 189	\$ 1,126
	RT RSG First Pass Dist Amount	\$ 12,738	\$ 7,429	\$ 8,219	\$ 3,561	\$ 10,448	\$ 22,256	\$ 64,651
	RT Regulation Cost Distribution Amount	\$ 841	\$ 641	\$ 628	\$ 468	\$ 700	\$ 1,003	\$ 4,281
	RT Spinning Reserve Cost Distribution Amount	\$ 447	\$ 306	\$ 252	\$ 298	\$ 670	\$ 1,077	\$ 3,050
	RT Supplemental Reserve Cost Distribution Amount	\$ 351	\$ 195	\$ 179	\$ 131	\$ 226	\$ 303	\$ 1,385
	RT Revenue Neutrality Uplift Amount	\$ 5,806	\$ 3,631	\$ 2,021	\$ 1,261	\$ 1,545	\$ 4,652	\$ 18,916
RT Distribution of Losses Amount	\$ (1,458)	\$ (2,128)	\$ (2,282)	\$ (1,712)	\$ (2,482)	\$ (1,443)	\$ (11,505)	
RT Demand Response Allocation Uplift Charge	\$ 3,468	\$ 2,454	\$ 3,263	\$ 1,985	\$ 4,407	\$ 8,167	\$ 23,744	
MISO Transmission Charges	MISO Schedule 1	\$ 2,367	\$ 6,194	\$ -	\$ -	\$ -	\$ -	\$ 8,561
	MISO Schedule 2	\$ 6,234	\$ 6,234	\$ -	\$ -	\$ -	\$ -	\$ 12,468
	MISO Schedule 9	\$ 51,866	\$ 50,503	\$ -	\$ -	\$ -	\$ -	\$ 102,369
	MISO Schedule 10 Demand	\$ 1,087	\$ 975	\$ -	\$ -	\$ -	\$ -	\$ 2,062
	MISO Schedule 10 Energy	\$ 1,439	\$ 1,300	\$ -	\$ -	\$ -	\$ -	\$ 2,739
	MISO Schedule 10 FERC	\$ 877	\$ 807	\$ -	\$ -	\$ -	\$ -	\$ 1,684
	MISO Schedule 26	\$ 13	\$ 13	\$ -	\$ -	\$ -	\$ -	\$ 26
Subtotal	\$ 613,194	\$ 558,712	\$ 544,065	\$ 438,094	\$ 580,729	\$ 673,555	\$ 3,408,349	
Less: Domtar Purchases from BREC Generation	\$ (28,278)	\$ (42,140)	\$ (40,028)	\$ (73,721)	\$ (66,996)	\$ (26,314)	\$ (277,477)	
MISO Purchases for Domtar Back-up (Form A Filings, p. 2)	\$ 584,916	\$ 516,572	\$ 504,037	\$ 364,373	\$ 513,733	\$ 647,241	\$ 3,130,872	