

SULLIVAN, MOUNTJOY, STAINBACK & MILLER PSC

ATTORNEYS AT LAW

Ronald M. Sullivan

Jesse T. Mountjoy

Frank Stainback

James M. Miller

Michael A. Fiorella

R. Michael Sullivan

Bryan R. Reynolds\*

Tyson A. Kamuf

Mark W. Starnes

C. Ellsworth Mountjoy

John S. Wathen

March 19, 2014

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

RECEIVED

MAR 20 2015

PUBLIC SERVICE  
COMMISSION

\*Also Licensed in Indiana

Re: *In the Matter of: An Examination of the Application of the Fuel Adjustment Clause of Big Rivers Electric Corporation from November 1, 2013 through April 30, 2014 Case No. 2014-00230; and*

*In the Matter of: An Examination of the Application of the Fuel Adjustment Clause of Big Rivers Electric Corporation from November 1, 2012 through October 31, 2014 Case No. 2014-00455*

Dear Mr. Derouen:

Enclosed for filing are an original and ten copies of Big Rivers Electric Corporation's revised response to Item 40 of the Public Service Commission Staff's First Request for Information.

I certify that on this date, a copy of this letter and a copy of the updated response were served on each of the persons on the attached service list by first-class U.S. Mail.

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

Sincerely,



Tyson Kamuf  
Counsel for Big Rivers Electric Corporation

cc: Lindsay Barron  
DeAnna M. Speed  
Service List

Telephone (270) 926-4000  
Telecopier (270) 683-6694

100 St. Ann Building  
PO Box 727  
Owensboro, Kentucky  
42302-0727

www.westkylaw.com

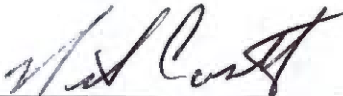
Service List  
PSC Case No. 2014-00230  
PSC Case. No. 2014-00455

Michael L. Kurtz, Esq.  
Kurt J. Boehm, Esq.  
Jody Kyler Cohn, Esq.  
BOEHM, KURTZ & LOWRY  
Attorneys at Law  
36 East Seventh Street, Suite 1510  
Cincinnati, OH 45202

**BIG RIVERS ELECTRIC CORPORATION**  
**AN EXAMINATION OF THE APPLICATION**  
**OF THE FUEL ADJUSTMENT CLAUSE**  
**OF BIG RIVERS ELECTRIC CORPORATION**  
**FROM NOVEMBER 1, 2012 THROUGH OCTOBER 31, 2014**  
**CASE NO. 2014-00455**

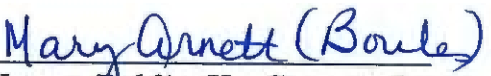
**VERIFICATION**

I, Nicholas R. (Nick) Castlen, verify, state, and affirm that I prepared or supervised the preparation of the revised response to the data request filed with this Verification, and that those responses 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 \_\_\_ day of March, 2015.

  
\_\_\_\_\_  
Notary Public, Ky. State at Large  
My Commission Expires 8-8-2016

**ORIGINAL**



Your Touchstone Energy® Cooperative 

RECEIVED

MAR 20 2015

PUBLIC SERVICE  
COMMISSION

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 )  
FROM )  
NOVEMBER 1, 2012 THROUGH OCTOBER 31, 2014 )

Case No.  
2014-00455

*Revised* Response to Item 40 of  
Commission Staff's Request for Information  
dated  
February 5, 2015

FILED: March 20, 2015

**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 OCTOBER 31, 2014  
CASE NO. 2014-00455**

***Revised* Response to Item 40 of  
Commission Staff's Request for Information  
dated February 5, 2015**

**February 20, 2015  
*Revised* March 20, 2015**

1 **Item 40)** *By month, provide the \$/MWh of fuel costs allocate each to*  
2 *native load and off-system sales for November 2012 through the most*  
3 *recent month available. Include in the response the calculations*  
4 *supporting the \$/MWh amounts.*

5

6 **Response)** When preparing its response to Item 2 of the Kentucky Industrial  
7 Utility Customers, Inc.'s Request for Information dated March 6, 2015, Big Rivers  
8 discovered some amounts in its response, previously filed on February 20, 2015,  
9 to Item 40 of the Commission Staff's Request for Information dated February 5,  
10 2015, needed to be revised. The revisions only impact pages 1, 2, 4, and 32; these  
11 revised pages, with the revisions shaded in green, are provided with this response.

12

13

14 **Witness)** Nicholas R. Castlen

15

**Big Rivers Electric Corporation**  
**Calculation of Average Fuel Cost per MWh for Native Load and Off-System Sales in Monthly Form A Filing**  
**November 2012 through December 2014**

	<u>Source</u>	<u>Nov-12</u>	<u>Dec-12</u>	<u>Jan-13</u>	<u>Feb-13</u>	<u>Mar-13</u>	<u>Apr-13</u>
<b>Native Load Sales:</b>							
Total Cost of Fuel for Generation	<i>Form A Filing, p. 2</i> <sup>(1)</sup>	\$ 23,987,316	\$ 23,979,447	\$ 24,428,767	\$ 22,518,861	\$ 22,512,823	\$ 20,972,238
Less: Make Whole Payments	<i>Form A Filing, p. 2</i>	\$ 8,790	\$ -	\$ 2,193	\$ -	\$ -	\$ 6,663
Plus: Fuel (Assigned Cost During F.O.)	<i>Form A Filing, p. 2</i>	\$ 76,869	\$ 1,002,426	\$ 1,715,124	\$ 238,161	\$ 922,315	\$ 254,108
Less: Fuel (Substitute Cost for F.O.)	<i>Form A Filing, p. 2</i>	\$ 66,794	\$ 1,008,876	\$ 1,642,999	\$ 220,448	\$ 809,142	\$ 210,710
Less: Fuel (Supp. and Back-Up Energy to Smelters)	<i>Form A Filing, p. 2</i>	\$ 70,103	\$ 102,163	\$ 55,188	\$ 59,173	\$ 146,289	\$ 98,407
Less: Domtar Back-Up/ Imbalance Generation	<i>Form A Filing, p. 2</i>	\$ 28,278	\$ 42,140	\$ 40,028	\$ 73,721	\$ 66,996	\$ 26,314
Less: Fuel Cost of Generation for OSS	<sup>(2)</sup>	\$ 5,038,028	\$ 4,691,970	\$ 4,263,914	\$ 4,049,523	\$ 3,129,117	\$ 3,720,734
Total Cost of Fuel for Generation Allocated to Native Load Sales		\$ 18,852,192	\$ 19,136,724	\$ 20,139,569	\$ 18,354,157	\$ 19,283,594	\$ 17,163,518
Native Load Sales Volumes from Generation (MWh)	<sup>(3)</sup>	794,811.841	785,123.909	799,159.056	745,693.073	769,524.300	716,226.166
<b>Native Load - Fuel Cost per MWh of Generation</b>		<b>\$ 23.72</b>	<b>\$ 24.37</b>	<b>\$ 25.20</b>	<b>\$ 24.61</b>	<b>\$ 25.06</b>	<b>\$ 23.96</b>
<b>Off-System Sales:</b>							
Total Cost of Fuel for Generation Allocated to Off-System Sales	<sup>(2)</sup>	\$ 5,038,028	\$ 4,691,970	\$ 4,263,914	\$ 4,049,523	\$ 3,129,117	\$ 3,720,734
Off-System Sales Volumes from Generation (MWh)	<sup>(4)</sup>	212,413.700	192,435.800	169,789.100	164,681.700	125,606.800	155,601.100
<b>Off-System Sales - Fuel Cost per MWh of Generation</b>		<b>\$ 23.72</b>	<b>\$ 24.38</b>	<b>\$ 25.11</b>	<b>\$ 24.59</b>	<b>\$ 24.91</b>	<b>\$ 23.91</b>

<sup>(1)</sup> Total cost of fuel for generation is equal to the sum of Coal Burned, Pet Coke Burned, Oil Burned, Gas Burned, and Propane Burned reported on page 2 of Big Rivers' monthly Form A filing.

<sup>(2)</sup> Fuel cost of generation for off-system sales is calculated by multiplying the off-systems sales volume from generation (MWh) by the system average generation fuel cost per MWh. See pages 6 through 31 for detail calculations of the system average generation fuel cost per MWh by month for November 2012 through December 2014.

<sup>(3)</sup> See page 32 for the calculations of native load sales volumes from generation by month for November 2012 through December 2014.

<sup>(4)</sup> Off-system sales volumes from generation calculated as total off-system sales volumes minus off-system sales volumes from purchased power.



**Big Rivers Electric Corporation**  
**Calculation of Average Fuel Cost per MWh for Native Load and Off-System Sales in Monthly Form A Filing**  
**November 2012 through December 2014**

	<u>Source</u>	<u>May-13</u>	<u>Jun-13</u>	<u>Jul-13</u>	<u>Aug-13</u>	<u>Sep-13</u>	<u>Oct-13</u>
<b>Native Load Sales:</b>							
Total Cost of Fuel for Generation	<i>Form A Filing, p. 2</i> <sup>(1)</sup>	\$ 21,475,956	\$ 21,651,345	\$ 23,516,951	\$ 19,976,449	\$ 15,767,092	\$ 17,573,208
Less: Make Whole Payments	<i>Form A Filing, p. 2</i>	\$ 6,634	\$ 2,191	\$ 6,556	\$ 6,544	\$ 4,377	\$ 6,552
Plus: Fuel (Assigned Cost During F.O.)	<i>Form A Filing, p. 2</i>	\$ 428,352	\$ 1,545,665	\$ 1,073,263	\$ 909,204	\$ 565,908	\$ 568,654
Less: Fuel (Substitute Cost for F.O.)	<i>Form A Filing, p. 2</i>	\$ 419,917	\$ 1,428,902	\$ 1,029,789	\$ 611,731	\$ 223,585	\$ 120,500
Less: Fuel (Supp. and Back-Up Energy to Smelters)	<i>Form A Filing, p. 2</i>	\$ 104,537	\$ 4,031	\$ 5,656	\$ 35,598	\$ 7,149	\$ 58,456
Less: Domtar Back-Up/ Imbalance Generation	<i>Form A Filing, p. 2</i>	\$ 5,426	\$ 16,331	\$ 22,835	\$ 38,049	\$ 128,209	\$ 54,794
Less: Fuel Cost of Generation for OSS	<sup>(2)</sup>	\$ 3,456,254	\$ 2,577,873	\$ 3,877,800	\$ 4,174,507	\$ 5,176,712	\$ 6,741,782
Total Cost of Fuel for Generation Allocated to Native Load Sales		\$ 17,911,540	\$ 19,167,682	\$ 19,647,578	\$ 16,019,224	\$ 10,792,968	\$ 11,159,778
Native Load Sales Volumes from Generation (MWh)	<sup>(3)</sup>	727,344.488	781,163.186	795,615.191	672,418.506	451,622.510	447,224.731
<b>Native Load - Fuel Cost per MWh of Generation</b>		<b>\$ 24.63</b>	<b>\$ 24.54</b>	<b>\$ 24.69</b>	<b>\$ 23.82</b>	<b>\$ 23.90</b>	<b>\$ 24.95</b>
<b>Off-System Sales:</b>							
Total Cost of Fuel for Generation Allocated to Off-System Sales	<sup>(2)</sup>	\$ 3,456,254	\$ 2,577,873	\$ 3,877,800	\$ 4,174,507	\$ 5,176,712	\$ 6,741,782
Off-System Sales Volumes from Generation (MWh)	<sup>(4)</sup>	140,366.900	105,689.500	157,320.800	165,039.402	223,616.049	281,306.084
<b>Off-System Sales - Fuel Cost per MWh of Generation</b>		<b>\$ 24.62</b>	<b>\$ 24.39</b>	<b>\$ 24.65</b>	<b>\$ 25.29</b>	<b>\$ 23.15</b>	<b>\$ 23.97</b>

<sup>(1)</sup> Total cost of fuel for generation is equal to the sum of Coal Burned, Pet Coke Burned, Oil Burned, Gas Burned, and Propane Burned reported on page 2 of Big Rivers' monthly Form A filing.

<sup>(2)</sup> Fuel cost of generation for off-system sales is calculated by multiplying the off-systems sales volume from generation (MWh) by the system average generation fuel cost per MWh.

See pages 6 through 31 for detail calculations of the system average generation fuel cost per MWh by month for November 2012 through December 2014.

<sup>(3)</sup> See page 32 for the calculations of native load sales volumes from generation by month for November 2012 through December 2014.

<sup>(4)</sup> Off-system sales volumes from generation calculated as total off-system sales volumes minus off-system sales volumes from purchased power.

**Big Rivers Electric Corporation**  
**Calculation of Average Fuel Cost per MWh for Native Load and Off-System Sales in Monthly Form A Filing**  
**November 2012 through December 2014**

	<i>Source</i>	<u>May-14</u>	<u>Jun-14</u>	<u>Jul-14</u>	<u>Aug-14</u>	<u>Sep-14</u>	<u>Oct-14</u>
<b>Native Load Sales:</b>							
Total Cost of Fuel for Generation	<i>Form A Filing, p. 2<sup>(1)</sup></i>	\$ 12,832,399	\$ 11,826,308	\$ 16,497,979	\$ 18,049,572	\$ 16,346,838	\$ 15,781,204
Less: Make Whole Payments	<i>Form A Filing, p. 2</i>	\$ 2,228	\$ 4,453	\$ -	\$ 2,197	\$ 3,957	\$ -
Plus: Fuel (Assigned Cost During F.O.)	<i>Form A Filing, p. 2</i>	\$ 379,662	\$ 974,712	\$ 502,425	\$ 339,872	\$ 56,674	\$ 308,737
Less: Fuel (Substitute Cost for F.O.)	<i>Form A Filing, p. 2</i>	\$ 88,573	\$ 476,379	\$ 173,874	\$ 255,947	\$ 87	\$ 9,436
Less: Fuel (Supp. and Back-Up Energy to Smelters)	<i>Form A Filing, p. 2</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less: Domtar Back-Up/ Imbalance Generation	<i>Form A Filing, p. 2</i>	\$ 13,773	\$ 23,641	\$ 27,558	\$ 31,395	\$ 61,644	\$ 26,666
Less: Fuel Cost of Generation for OSS	<sup>(2)</sup>	\$ 8,812,578	\$ 6,364,512	\$ 11,041,264	\$ 11,900,429	\$ 11,393,028	\$ 11,424,466
Total Cost of Fuel for Generation Allocated to Native Load Sales		\$ 4,294,909	\$ 3,917,034	\$ 5,757,708	\$ 6,199,476	\$ 4,944,796	\$ 4,629,373
Native Load Sales Volumes from Generation (MWh)	<sup>(3)</sup>	157,356.187	200,707.278	218,597.939	252,257.217	204,649.002	173,305.470
<b>Native Load - Fuel Cost per MWh of Generation</b>		<b>\$ 27.29</b>	<b>\$ 29.56</b>	<b>\$ 26.34</b>	<b>\$ 24.58</b>	<b>\$ 24.16</b>	<b>\$ 26.71</b>
<b>Off-System Sales:</b>							
Total Cost of Fuel for Generation Allocated to Off-System Sales	<sup>(2)</sup>	\$ 8,812,578	\$ 6,364,512	\$ 11,041,264	\$ 11,900,429	\$ 11,393,028	\$ 11,424,466
Off-System Sales Volumes from Generation (MWh)	<sup>(4)</sup>	346,161.437	234,887.500	444,584.800	490,153.176	476,576.100	457,253.000
<b>Off-System Sales - Fuel Cost per MWh of Generation</b>		<b>\$ 25.46</b>	<b>\$ 27.10</b>	<b>\$ 24.84</b>	<b>\$ 24.28</b>	<b>\$ 23.91</b>	<b>\$ 24.98</b>

<sup>(1)</sup> Total cost of fuel for generation is equal to the sum of Coal Burned, Pet Coke Burned, Oil Burned, Gas Burned, and Propane Burned reported on page 2 of Big Rivers' monthly Form A filing.

<sup>(2)</sup> Fuel cost of generation for off-system sales is calculated by multiplying the off-systems sales volume from generation (MWh) by the system average generation fuel cost per MWh.

See pages 6 through 31 for detail calculations of the system average generation fuel cost per MWh by month for November 2012 through December 2014.

<sup>(3)</sup> See page 32 for the calculations of native load sales volumes from generation by month for November 2012 through December 2014.

<sup>(4)</sup> Off-system sales volumes from generation calculated as total off-system sales volumes minus off-system sales volumes from purchased power.



**Big Rivers Electric Corporation**  
**Calculation of Native Load KWh Sales Volumes from Generation**  
**November 2012 through December 2014**

	<u>Nov-12</u>	<u>Dec-12</u>	<u>Jan-13</u>	<u>Feb-13</u>	<u>Mar-13</u>	<u>Apr-13</u>
Net Generation (before losses)	1,027,844,434	1,001,899,223	992,590,838	934,553,934	925,070,282	893,015,897
Less: Back-Up & Supp. Sales to Smelters from Generation	2,955,692	4,190,102	2,197,581	2,406,372	5,872,227	4,115,383
Less: Domtar Back-Up Power Sales from Generation	1,192,273	1,728,308	1,593,927	2,997,992	2,689,300	1,100,442
Less: Inter-system Sales from Generation	212,413,700	192,435,800	169,789,100	164,681,700	125,606,800	155,601,100
Less: System Losses	16,470,928	18,421,104	19,851,174	18,774,797	21,377,655	15,972,806
<b>Native Load Sales Volumes from Generation</b>	<b>794,811,841</b>	<b>785,123,909</b>	<b>799,159,056</b>	<b>745,693,073</b>	<b>769,524,300</b>	<b>716,226,166</b>
	<u>May-13</u>	<u>Jun-13</u>	<u>Jul-13</u>	<u>Aug-13</u>	<u>Sep-13</u>	<u>Oct-13</u>
Net Generation (before losses)	889,734,859	905,243,758	979,328,267	870,247,794	701,032,246	749,004,193
Less: Back-Up & Supp. Sales to Smelters from Generation	4,245,491	165,278	229,478	1,407,375	308,802	2,439,122
Less: Domtar Back-Up Power Sales from Generation	220,343	669,550	926,416	1,504,257	5,538,182	2,286,329
Less: Inter-system Sales from Generation	140,366,900	105,689,500	157,320,800	165,039,402	223,616,049	281,306,084
Less: System Losses	17,557,637	17,556,244	25,236,382	29,878,254	19,946,703	15,747,927
<b>Native Load Sales Volumes from Generation</b>	<b>727,344,488</b>	<b>781,163,186</b>	<b>795,615,191</b>	<b>672,418,506</b>	<b>451,622,510</b>	<b>447,224,731</b>
	<u>Nov-13</u>	<u>Dec-13</u>	<u>Jan-14</u>	<u>Feb-14</u>	<u>Mar-14</u>	<u>Apr-14</u>
Net Generation (before losses)	605,687,961	725,602,466	709,596,295	736,225,365	810,675,091	766,338,214
Less: Back-Up & Supp. Sales to Smelters from Generation	8,193,256	11,428,818	12,110,410	-	-	-
Less: Domtar Back-Up Power Sales from Generation	136,692	234,892	137,027	418,052	260,031	1,115,426
Less: Inter-system Sales from Generation	128,901,112	242,347,599	189,234,943	496,508,754	600,162,486	586,076,982
Less: System Losses	16,437,138	20,559,811	24,247,348	18,766,064	23,864,934	17,927,852
<b>Native Load Sales Volumes from Generation</b>	<b>452,019,763</b>	<b>451,031,346</b>	<b>483,866,567</b>	<b>220,532,495</b>	<b>186,387,640</b>	<b>161,217,954</b>
	<u>May-14</u>	<u>Jun-14</u>	<u>Jul-14</u>	<u>Aug-14</u>	<u>Sep-14</u>	<u>Oct-14</u>
Net Generation (before losses)	531,106,071	459,041,661	685,648,499	764,901,702	701,225,247	650,243,189
Less: Back-Up & Supp. Sales to Smelters from Generation	-	-	-	-	-	-
Less: Domtar Back-Up Power Sales from Generation	541,023	872,501	1,102,823	1,293,096	2,578,590	1,067,269
Less: Inter-system Sales from Generation	346,161,437	234,887,500	444,584,800	490,153,176	476,576,100	457,253,000
Less: System Losses	19,047,424	22,574,382	21,356,123	21,198,213	17,421,555	18,617,450
<b>Native Load Sales Volumes from Generation</b>	<b>157,356,187</b>	<b>200,707,278</b>	<b>218,597,953</b>	<b>252,257,217</b>	<b>204,649,002</b>	<b>173,305,470</b>
	<u>Nov-14</u>	<u>Dec-14</u>				
Net Generation (before losses)	768,650,551	775,266,042				
Less: Back-Up & Supp. Sales to Smelters from Generation	-	-				
Less: Domtar Back-Up Power Sales from Generation	218,137	1,712,248				
Less: Inter-system Sales from Generation	539,903,487	507,584,000				
Less: System Losses	18,181,370	18,563,851				
<b>Native Load Sales Volumes from Generation</b>	<b>210,347,557</b>	<b>247,405,943</b>				

Case No. 2014-00455

Attachment for *Revised* Response to Staff Item 40

Witness: Nicholas R. Castlen

Page 32 of 32