

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION OF THE APPLICATION OF)	
THE FUEL ADJUSTMENT CLAUSE OF BIG)	CASE NO.
RIVERS ELECTRIC CORPORATION FROM MAY)	2016-00006
1, 2015 THROUGH OCTOBER 31, 2015)	

COMMISSION STAFF'S THIRD REQUEST FOR INFORMATION
TO BIG RIVERS ELECTRIC CORPORATION

Big Rivers Electric Corporation ("Big Rivers"), pursuant to 807 KAR 5:001, is to file with the Commission the original and seven copies of the following information, with a copy to all parties of record. The information requested herein is due within ten days of the date of this request. Responses to requests for information shall be appropriately bound, tabbed and indexed. Each response shall include the name of the witness responsible for responding to the questions related to the information provided.

Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Big Rivers shall make timely amendment to any prior response if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which

Big Rivers fails or refuses to furnish all or part of the requested information, Big Rivers shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations. When filing a paper containing personal information, Big Rivers shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. In its monthly fuel adjustment clause ("FAC") backup files, Big Rivers provides an analysis of coal purchases that includes a state and coal district number for the source of the coal.

a. Confirm that Big Rivers is using District No. 9 (for western Kentucky) when identifying Kentucky coal districts in its FAC backup filings.

b. State whether the state and coal district numbers are those utilized by the Mine Safety and Health Administration. If not, state the entity that designates the coal district numbers utilized by Big Rivers in its FAC backup filings.

c. For the entity identified in part b. above, provide a map showing the current coal districts.

d. Provide the date of the last change made by the entity identified in part b. above to the coal district numbering. If Big Rivers did not begin using the new coal district numbering when the change was made, explain why.

e. Explain the input and review process for the state and coal district numbers provided in the monthly analysis of coal purchase schedule and how Big Rivers ensures that the information is accurate.

2. Refer to Big Rivers' response to the Commission's February 5, 2016 Request for Information ("Commission's First Request"), Item 24. Explain why the heat rates provided in the response for the months of July 2015 and October 2015 do not reconcile with the heat rates shown for the Wilson unit in the FAC backup files submitted for those two months.

3. Refer to Big Rivers' response to the Commission's First Request, Item 25. The question should have asked whether all fuel contracts related to commodity and/or transportation had been filed with the Commission instead of specifying long-term contracts. State whether all contracts have been filed.

4. Refer to Big Rivers' response to Commission Staff's Second Request for Information ("Staff's Second Request"), Item 1.a. Explain how the existence of the barge charter and tugboat charter impact the analysis of coal bids received by Big Rivers (i.e., do the agreements make transportation costs cheaper from certain coal suppliers?).

5. Refer to Big Rivers' response to Staff's Second Request, Item 1.b., the attachment filed under petition for confidential treatment, pages 2–4 of 31. State whether the amounts in the "Current" column represent the barge transportation rates

Big Rivers is currently paying absent a lease or charter agreement. If not, explain what the amounts represent.

6. Refer to Big Rivers' response to Staff's Second Request, Item 2, Attachment, page 1 of 1.

a. Explain how Big Rivers decided on the methodology used for calculating its highest-cost unit.

b. Confirm this attachment indicates that when the highest-cost unit operates during the month, Big Rivers calculates the \$/MWh based on the actual operation of the unit. If this cannot be confirmed, explain how the \$/MWh is calculated.

c. Confirm that this attachment indicates that when the highest-cost unit is available but does not operate during the month, Big Rivers calculates the \$/MWh using the maximum (or most efficient) level at which the unit can operate. If this can be confirmed, provide the heat rate used in the calculation. If this cannot be confirmed, explain how the \$/MWh is calculated.

d. Provide the origin of the natural gas price used in parts b. and c. above.

e. Explain why the heat rates for June, July, and September are higher than for the other months of the review period.

f. For each month of the review period, provide the natural gas price used in the calculation of the highest-cost unit.

James W. Gardner

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Public Service Commission
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DATED MAR 18 2016

cc: Parties of Record

Case No. 2016-00006

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