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PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF BIG RIVERS ELECTRIC)	
CORPORATION FOR TERMINATION OF)	
CONTRACTS AND A DECLARATORY ORDER)	CASE NO.
AND FOR AUTHORITY TO ESTABLISH A)	2018-00146
REGULATORY ASSET)	

ATTORNEY GENERAL’S INITIAL DATA REQUESTS

Comes now, the Attorney General of the Commonwealth of Kentucky, by and through his Office of Rate Intervention, and submits these Initial Data Request to Big Rivers Electric Corporation (hereinafter “Big Rivers”) to be answered by the date specified in the Commission’s Order of Procedure, and in accord with the following:

- (1) In each case where a request seeks data provided in response to a staff request, reference to the appropriate request item will be deemed a satisfactory response.
- (2) Identify the witness who will be prepared to answer questions concerning each request.
- (3) Repeat the question to which each response is intended to refer. The Office of the Attorney General can provide counsel for Big Rivers with an electronic version of these questions, upon request.
- (4) These requests shall be deemed continuing so as to require further and supplemental responses if the company receives or generates additional information within the scope of these requests between the time of the response and the time of any hearing conducted hereon.
- (5) Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association, 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.

(6) If you believe any request appears confusing, please request clarification directly from Counsel for the Office of Attorney General.

(7) To the extent that the specific document, workpaper or information as requested does not exist, but a similar document, workpaper or information does exist, provide the similar document, workpaper, or information.

(8) To the extent that any request may be answered by way of a computer printout, please identify each variable contained in the printout which would not be self-evident to a person not familiar with the printout.

(9) If the company has objections to any request on the grounds that the requested information is proprietary in nature, or for any other reason, please notify the Office of the Attorney General as soon as possible.

(10) As used herein, the words "document" or "documents" are to be construed broadly and shall mean the original of the same (and all non-identical copies or drafts thereof) and if the original is not available, the best copy available. These terms shall include all information recorded in any written, graphic or other tangible form and shall include, without limiting the generality of the foregoing, all reports; memoranda; books or notebooks; written or recorded statements, interviews, affidavits and depositions; all letters or correspondence; telegrams, cables and telex messages; contracts, leases, insurance policies or other agreements; warnings and caution/hazard notices or labels; mechanical and electronic recordings and all information so stored, or transcripts of such recordings; calendars, appointment books, schedules, agendas and diary entries; notes or memoranda of conversations (telephonic or

otherwise), meetings or conferences; legal pleadings and transcripts of legal proceedings; maps, models, charts, diagrams, graphs and other demonstrative materials; financial statements, annual reports, balance sheets and other accounting records; quotations or offers; bulletins, newsletters, pamphlets, brochures and all other similar publications; summaries or compilations of data; deeds, titles, or other instruments of ownership; blueprints and specifications; manuals, guidelines, regulations, procedures, policies and instructional materials of any type; photographs or pictures, film, microfilm and microfiche; videotapes; articles; announcements and notices of any type; surveys, studies, evaluations, tests and all research and development (R&D) materials; newspaper clippings and press releases; time cards, employee schedules or rosters, and other payroll records; cancelled checks, invoices, bills and receipts; and writings of any kind and all other tangible things upon which any handwriting, typing, printing, drawings, representations, graphic matter, magnetic or electrical impulses, or other forms of communication are recorded or produced, including audio and video recordings, computer stored information (whether or not in printout form), computer-readable media or other electronically maintained or transmitted information regardless of the media or format in which they are stored, and all other rough drafts, revised drafts (including all handwritten notes or other marks on the same) and copies of documents as hereinbefore defined by whatever means made.

(11) For any document withheld on the basis of privilege, state the following: date; author; addressee; indicated or blind copies; all persons to whom distributed, shown, or explained; and, the nature and legal basis for the privilege asserted.

(12) In the event any document called for has been destroyed or transferred beyond the control of the company, please state: the identity of the person by whom it was destroyed or

transferred, and the person authorizing the destruction or transfer; the time, place, and method of destruction or transfer; and, the reason(s) for its destruction or transfer. If destroyed or disposed of by operation of a retention policy, state the retention policy.

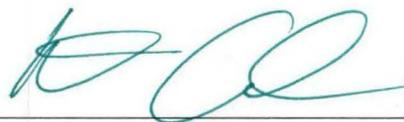
(13) Please provide written responses, together with any and all exhibits pertaining thereto, in one or more bound volumes, separately indexed and tabbed by each response, in compliance with Kentucky Public Service Commission Regulations.

(14) “And” and “or” should be considered to be both conjunctive and disjunctive, unless specifically stated otherwise.

(15) “Each” and “any” should be considered to be both singular and plural, unless specifically stated otherwise.

Respectfully submitted,

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Certificate of Service and Filing

Counsel certifies that an original and ten photocopies of the foregoing were served and filed by hand delivery to Ms. Gwen Pinson, Executive Director, Public Service Commission, 211 Sower Boulevard, Frankfort, Kentucky 40601; counsel further states that true and accurate copies of the foregoing were mailed via First Class U.S. Mail, postage pre-paid, to:

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June 25, 2018

In the Matter of: Application of Big Rivers Electric Corporation for
Termination of Contracts and a Declaratory Order and
for Authority to Establish a Regulatory Asset
Case No. 2018-00146
Attorney General's Initial Data Requests

1. Refer to the Application, page 7, Line 12 and the Direct Testimony of Robert W. Berry, page 7, Line 20. Provide the calculation, including all assumptions, used to conclude the net margin figure presented in both citations. If the net margin figure is a collection of amounts located in the record, provide a narrative explanation of how the net margin figure was calculated. Further, provide any and all worksheets not already of record used in calculating the net margin figure in native electronic format.
2. Refer to the Application, pages 6-7, paragraph 19, wherein it states, "Big Rivers currently has on its books an approximately \$89.6 million asset relating to the value of the Contracts that Big Rivers will have to retire and write off as a result of the termination of the Terminate Contracts."
 - a. Provide the calculation, including all assumptions, used to conclude the value of the remaining asset. Further, provide a narrative explanation as to what is included in this asset (i.e. recovery of capital costs, return, etc.).
 - b. Absent the termination of the Terminated Contracts, confirm that the \$89.6 million asset relating to the value of the Contracts would have been recovered from Henderson. If this cannot be confirmed, explain why, including what amount will be covered by each and every party culminating in the \$89.6 million amount.
 - c. Confirm that RUS's approval to establish the proposed regulatory asset is presupposed on the recovery of said asset.
3. Refer to the Application, page 7, paragraph 22. Big Rivers stated that the "expenses resulting from the contract termination are not included in Big Rivers' rates." Confirm that although the expenses from the contract termination are not included in Big Rivers' rates, the expenses considered in Big Rivers' last rate case reflected in order to operate under the contracts are included in Big Rivers' base rates.
 - a. Confirm that if the Commission grants Big Rivers' request for deferral accounting treatment for the \$89.6 million asset, the expected income associated with that contract reflected in base rates will be deferred, while all expenses, except depreciation, will still be reflected in rates and thus recovered from customers until Big Rivers' next rate case. If this is not confirmed, explain why not.

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4. Refer to the Application, page 8, paragraph 25, wherein Big Rivers states, "the termination of the Terminated Contracts will result in substantial savings to Big Rivers that fully offsets the costs, Big Rivers requests that the Commission allow Big Rivers to establish a regulatory asset to defer those expenses." Will Big Rivers commit that since it represents the "substantial savings" from terminating the contracts "fully offsets" the costs, that customers will not be asked to pay any part of the regulatory asset Big Rivers is seeking in this matter? If not, why not?
5. Has Big Rivers ever recovered Terminal Net Salvage for the Henderson units through depreciation expense? If so, how much?
6. Refer to the April 9, 2018 letter from Mr. Victor Wu, provided as Notice and Application Exhibit 6, page 2. Confirm that the letter indicates Big Rivers' next general rate case will be in 2020. Is it Big Rivers' intention to file a general rate case in 2020?
7. Provide Big Rivers' equity balance as of the latest date available.
8. Provide Big Rivers' capitalization as of the latest date available.
9. Confirm that Big Rivers' "minimum equity balance is required to be \$375 million, plus 50% of its cumulative positive net margins for the fiscal years after 2015", as stated on pages 6-7 of KIUC's Reply in support of its motion to intervene.