

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF BIG RIVERS)	
ELECTRIC CORPORATION FOR)	CASE NO.
ENFORCEMENT OF RATE AND SERVICE)	2019-00269
STANDARDS)	

COMMISSION STAFF'S INITIAL REQUEST FOR INFORMATION
TO THE CITY OF HENDERSON, KENTUCKY, AND
THE CITY OF HENDERSON, KENTUCKY UTILITY COMMISSION D/B/A
HENDERSON MUNICIPAL POWER & LIGHT

The city of Henderson, Kentucky, and the city of Henderson, Kentucky Utility Commission d/b/a Henderson Municipal Power and Light (jointly Henderson), pursuant to 807 KAR 5:001, is to file with the Commission an electronic version of the following information. The information requested herein is due on August 11, 2020. The Commission directs Henderson to the Commission's March 16, 2020 and March 24, 2020 Orders in Case No. 2020-00085¹ regarding filings with the Commission. The Commission expects the original documents to be filed with the Commission within 30 days of the lifting of the current state of emergency. All responses in paper medium shall be appropriately bound, tabbed, and indexed. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked.

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

¹ Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC Mar. 16, 2020), Order at 5–6. Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC Mar. 24, 2020), Order at 1–3.

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 the 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.

Henderson shall make timely amendment to any prior response if Henderson 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 Henderson fails or refuses to furnish all or part of the requested information, Henderson 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, Henderson shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Refer to the Direct Testimony of Brad Bickett (Bickett Testimony), pages 5– 6, regarding the lack of authority of Big Rivers Electric Corporation (BREC) to act as a Market Participant in the Midcontinent Independent System Operator (MISO) markets on Henderson's behalf with regard to Henderson's load and Station Two. State

whether Henderson notified BREC of Henderson's objections to BREC's registering the Station Two units with MISO or committing those units to take service from MISO prior to February 1, 2019. If so, provide copies of any communications from Henderson to BREC that would reflect such notice.

2. Refer to the Direct Testimony of Brad Bickett (Bickett Testimony), page 5 and BREC's Application Exhibit 14, pages 71–73 of 123. Explain whether "[a]ny other costs associated with Station Two which are not included in paragraphs (a) through (g) hereof" would include MISO fees and charges.

3. Refer to the Bickett Testimony, page 6, lines 2–3. Provide in more detail the MISO-related issues that were first brought to Henderson's attention by BREC in 2017. If this communication was memorialized, provide a copy of such communication.

4. Refer to the Bickett Testimony, pages 12–14. Provide any documentation Henderson possesses that shows Henderson's system peak demand and Station Two peak hour demand.

5. Refer to the Bickett Testimony, page 16. Confirm that BREC retained the MISO revenues because Henderson refused to accept receipt of those revenues. If this cannot be confirmed, provide an explanation.

6. Refer to the Bickett Testimony, page 17, lines 3–10, regarding the contingency reserve necessary to satisfy the North American Electric Reliability Corporation (NERC) balancing authority requirements.

a. State whether it would have been necessary for Henderson to maintain a reserve margin to satisfy the NERC balancing authority requirements if

Henderson had operated Station Two, and if so, describe the reserve margin it would have needed to maintain and explain why it would have needed to do so.

b. Confirm that BREC, by satisfying the contingency reserve requirement based on its largest generating unit, also satisfied any reserve requirement that applied to Station Two, and explain each basis for Henderson's response.

7. Refer to the Bickett Testimony, Exhibit Bickett-4, page 42. Confirm that NERC uses a 15 percent reserve margin for planning purposes for the SERC Reliability Corporation SERC-C assessment area. If this cannot be confirmed, provide an explanation.

8. Refer to the Direct Testimony of Seth W. Brown (Brown Testimony), pages 5–6, regarding the MISO Open Access Transmission, Energy and Operating Reserves Tariff (MISO Tariff), Schedule 17.

a. Provide a copy of the MISO Tariff, Schedule 17.

b. Provide a copy of Contract No. 510, Agreement for Transmission and Transformation Capacity dated April 11, 1975.

c. Provide a copy of Contract No. 511, Letter Agreement for Scheduling Southeastern Power Administration energy.

d. Confirm that Henderson is not objecting to the MISO Tariff, Schedule 17 fees of \$272,801.97 that BREC is seeking recovery from Henderson.

e. On page 6, lines 20–21, there is a reference indicating that Station Two and Henderson's load were registered in the MISO Network and Commercial Model. Explain who registered Station Two and Henderson's load in the MISO Network and Commercial Model and whether Henderson knew of and agreed to this registration.

9. Refer to the Brown Testimony, pages 7–8, regarding MISO Tariff, Schedule 23. Provide a copy of Schedule 23.

10. Refer to the Direct Testimony of Christopher Heimgartner (Heimgartner Testimony), pages 20–21, regarding the extent of Henderson’s obligation to share in decommissioning costs.

a. State whether Henderson disputes BREC’s contention that additional ongoing expenses will be incurred indefinitely if additional actions are not taken to decommission Station Two, and explain each basis for your response.

b. Explain how Henderson contends that the term “decommissioning,” as used in the 1993 Amendment to the contracts that requires Henderson and BREC to share in the “decommissioning costs,” should be defined, and explain each basis for Henderson’s contention as to the meaning of “decommissioning.”

c. State whether Henderson contends that its ownership of the property on which Station Two is located while Station Two was operating had any bearing on BREC’s obligations to cover its share of the operation and maintenance expenses for Station Two.

d. Explain each basis for Henderson’s contention that the transfer of the title of the property on which Station Two is located would have any bearing on the obligation in the 1993 Amendment to the contracts that “the parties shall bear decommissioning costs of Station Two in the proportions in which they shared capacity costs during the life of Station Two.”

11. Refer to the Heimgartner Testimony, page 21. State whether the Station Two Bonds have been retired, and if so, state when the last of the bonds was retired.

12. Refer to the Heimgartner Testimony, page 22, and BREC's Application Exhibit 14, pages 71–73 of 123. Explain why the amendment to Section 6.3 of the Power Sales Contract would not encompass severance costs.

13. Refer to the Heimgartner Testimony, pages 22–23, and the Direct Testimony of Barbara Moll (Moll Testimony), pages 9–10, regarding Henderson's use of and its obligation to cover the costs for BREC's landfill.

a. Explain each basis for Henderson's "understanding" that BREC has undertaken a three-phase expansion of its landfill that is expected to extend the life of the landfill by 20 years.

b. Explain each basis for Henderson's contention that costs it paid prior to the shutdown of Station Two were used to fund the expansion of the landfill.

c. Identify when Henderson first disputed each of the "unauthorized disposal charges" referred to on page 10 of the Moll Testimony.



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DATED JUL 27 2020

cc: Parties of Record

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