

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC JOINT APPLICATION OF)	
LOUISVILLE GAS AND ELECTRIC)	
COMPANY, MEADE COUNTY RURAL)	
ELECTRIC COOPERATIVE CORPORATION,)	
AND BIG RIVERS ELECTRIC CORPORATION)	
FOR (1) APPROVAL OF AN AGREEMENT)	
MODIFYING AN EXISTING TERRITORIAL)	
BOUNDARY MAP AND (2) ESTABLISHING)	CASE NO.
MEADE COUNTY RURAL ELECTRIC)	2019-00370
COOPERATIVE CORPORATION AS THE)	
RETAIL ELECTRIC SUPPLIER FOR NUCOR)	
CORPORATION'S PROPOSED STEEL PLATE)	
MILL IN BUTTERMILK FALLS INDUSTRIAL)	
PARK IN MEADE COUNTY, KENTUCKY)	

COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION
TO BIG RIVERS ELECTRIC CORPORATION, MEADE COUNTY RURAL ELECTRIC
COOPERATIVE CORPORATION AND LOUISVILLE GAS AND ELECTRIC COMPANY

Big Rivers Electric Corporation (BREC), Meade County Rural Electric Cooperative Corporation (Meade RECC), and Louisville Gas and Electric Company (LG&E), pursuant to 807 KAR 5:001, are to file with the Commission the original and an electronic version of the following information. The information requested herein is due on December 30, 2019. Responses to requests for information 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 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.

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

Commission Staff recognizes that the cost-benefit analysis that is the subject of this information request has been filed under a petition for confidential protection and that one of the joint applicants in this case, LG&E, is not privy to the confidential information. As acknowledged in the email chain attached hereto, upon receipt of BREC's responses to this request for information, Commission Staff will schedule a conference call or an

informal conference to discuss the responses with BREC and Meade RECC but without the participation of LG&E.

1. Refer to BREC's response to Staff's Initial Request for Information (Staff's Initial Request), Item 2.

a. Provide all workpapers, inputs, and documents supporting each entry in the cost-benefit analysis. The workpapers should be in Excel spreadsheet format with all formulas intact, and the response should include a discussion of the basis for the assumptions supporting each line on the cost-benefit analysis.

b. Provide all documents that were prepared by or for BREC to present or explain the cost-benefit analysis to any of its own employees, its board members, its member cooperatives, or the board members of member cooperatives.

c. If not answered in a. above, explain how the revenues shown in the cost-benefit analysis are calculated from the information contained in Exhibit C of the Direct Testimony of Robert W. Berry in Case No. 2019-00365, *Joint Application of Big Rivers Electric Corporation and Meade County Rural Electric Cooperative Corporation for Approval of Contracts for Electric Service with Nucor Corporation and Application of Big Rivers Electric Corporation for Approval of Tariff*.

2. Refer to the joint application, Exhibit 3.

a. Provide a list of substations other than the Otter Creek Substation that are planned to be tied to the Redmon Road switching station and the planned interconnection date.

b. Provide a map showing the LG&E/KU 345 kV transmission lines and substations that will tie to the Redmon Road switching substation.

3. Refer to the Settlement Agreement and Contract (Settlement Agreement), which is attached as Exhibit 1 to the Joint Application.

a. Provide the accounting entries to be made on the books of BREC to reflect the payment to be made to LG&E pursuant to Section 1.2(A) and explain how BREC will treat that payment for ratemaking purposes.

b. Provide the accounting entries to be made on the books of Big Rivers to reflect the payments to be made to LG&E pursuant to Section 1.2(B) and explain how BREC will treat those payments for ratemaking purposes.

c. Provide the accounting entries to be made on the books of LG&E to reflect the payment to be received from BREC to pursuant to Section 1.2(A) and explain how LG&E will treat that payment for ratemaking purposes. If LG&E does not intend to record this payment as a deferred liability, explain in detail the reasons why.

d. Provide the accounting entries to be made on the books of LG&E to reflect the payments to be received from BREC to pursuant to Section 1.2(B) and explain how LG&E will treat those payments for ratemaking purposes.

e. State whether any accounting entries will be recorded on the books of Meade RECC to reflect the payments to LG&E.

4. KRS 278.018(6) authorizes the Commission to approve a contract between retail electric suppliers to allocate service territories. State whether BREC is a retail electric supplier as that term is defined in KRS 278.010(4). If this cannot be stated in the affirmative, explain in detail why BREC is a party to the Settlement Agreement and why BREC will be making payments to LG&E.

5. Refer to BREC's response to Staff's Initial Request, Item 3.

a. State whether BREC intends to amortize the intangible asset recorded to reflect the initial payment to LG&E. If yes, provide the date that BREC intends to begin amortizing the intangible asset and the period of time over which the intangible asset will be amortized.

b. State whether BREC intends to record as an intangible asset each future annual payment to be made to LG&E. If yes, provide the date that BREC intends to begin amortizing the intangible asset recorded for each future annual payment and the period of time over which the intangible asset will be amortized.



Gwen R. Pinson
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, KY 40602

DATED DEC 19 2019

cc: Parties of Record

ATTACHMENT

ATTACHMENT TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2019-00370 DATED **DEC 19 2019**

THREE PAGES TO FOLLOW

Raff, Richard G (PSC)

From: Raff, Richard G (PSC)
Sent: Thursday, December 12, 2019 4:34 PM
To: Sturgeon, Allyson; Riggs, Kendrick R.; Kamuf, Tyson; Michael Kurtz
Cc: Nguyen, Quang D (PSC); Frederick, Tina (PSC)
Subject: RE: Big Rivers/LGE Case No. 2019-00370

Allyson, Thanks.

From: Sturgeon, Allyson <Allyson.Sturgeon@lge-ku.com>
Sent: Thursday, December 12, 2019 4:31 PM
To: Raff, Richard G (PSC) <Richard.Raff@ky.gov>; Riggs, Kendrick R. <kendrick.riggs@skofirm.com>; Kamuf, Tyson <Tyson.Kamuf@bigrivers.com>; Michael Kurtz <MKurtz@bkllawfirm.com>
Cc: Nguyen, Quang D (PSC) <QuangD.Nguyen@ky.gov>; Frederick, Tina (PSC) <tina.frederick@ky.gov>; Raff, Richard G (PSC) <Richard.Raff@ky.gov>
Subject: RE: Big Rivers/LGE Case No. 2019-00370

Sorry. That is correct.

From: Raff, Richard G (PSC) <Richard.Raff@ky.gov>
Date: December 12, 2019 at 3:40:09 PM EST
To: Riggs, Kendrick R. <kendrick.riggs@skofirm.com>, Sturgeon, Allyson <Allyson.Sturgeon@lge-ku.com>, Kamuf, Tyson <Tyson.Kamuf@bigrivers.com>, Michael Kurtz <MKurtz@bkllawfirm.com>
Cc: Nguyen, Quang D (PSC) <QuangD.Nguyen@ky.gov>, Frederick, Tina (PSC) <tina.frederick@ky.gov>, Raff, Richard G (PSC) <Richard.Raff@ky.gov>
Subject: RE: Big Rivers/LGE Case No. 2019-00370

EXTERNAL email. STOP and THINK before responding, clicking on links, or opening attachments.

Kendrick and Allyson,

Out of an abundance of caution, I want to be sure that your lack of response to my email of yesterday is an indication that LGE does not have any objection to the suggested procedures set forth in my December 9 email to all of you as shown at the bottom of this email chain. Those procedures consist of Staff contacting Big Rivers to obtain the analysis and inputs supporting its cost benefit analysis that was filed in response to a Staff request for information. Thanks.
Richard.

From: Raff, Richard G (PSC)
Sent: Wednesday, December 11, 2019 10:56 AM
To: Riggs, Kendrick R. <kendrick.riggs@skofirm.com>; allyson.sturgeon@lge-ku.com; Kamuf, Tyson <Tyson.Kamuf@bigrivers.com>; Michael Kurtz <MKurtz@bkllawfirm.com>
Cc: Nguyen, Quang D (PSC) <QuangD.Nguyen@ky.gov>; Frederick, Tina (PSC) <tina.frederick@ky.gov>
Subject: RE: Big Rivers/LGE Case No. 2019-00370

Kendrick,

Staff's current focus is on the Big Rivers cost-benefit analysis, and at this time we simply want to see the workpapers and inputs that were used and that support that analysis. Since LGE has not seen the Big Rivers cost-benefit analysis and was not involved in its preparation, Staff does not anticipate asking LGE any questions about the analysis, nor do we see any basis at this time for LGE to be responding to the cost-benefit analysis.

This case appears to be the first electric territory boundary dispute that is proposed to be resolved by a settlement that includes compensation to one of the parties, and here the compensation is very substantial. Consequently, Staff is performing its typical due diligence so the Commission can make an informed decision.

Richard.

From: Riggs, Kendrick R. <kendrick.riggs@skofirm.com>

Sent: Tuesday, December 10, 2019 2:27 PM

To: Raff, Richard G (PSC) <Richard.Raff@ky.gov>; allyson.sturgeon@lge-ku.com; Kamuf, Tyson <Tyson.Kamuf@bigrivers.com>; Michael Kurtz <MKurtz@bklawfirm.com>

Cc: Nguyen, Quang D (PSC) <QuangD.Nguyen@ky.gov>

Subject: RE: Big Rivers/LGE Case No. 2019-00370

Richard,

Your assumptions are correct.

For the present, LG&E has not demanded that BREC provide the confidential information pursuant to a confidentiality agreement. LG&E however advised BREC that if LG&E subsequently determines that access to the confidential information is essential to LG&E's meaningful participation in the proceeding, LG&E will be requesting BREC to produce the information under a confidentiality agreement.

For example, do the Commission's current questions to the BREC data responses require LG&E to have access to the information to formulate a response?

If the Commission believes LG&E's access to the confidential information is essential to LG&E's meaningful participation in the case, please advise and LG&E will send BREC a confidentiality agreement.

Regards,

Kendrick R. Riggs

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From: Raff, Richard G (PSC) <Richard.Raff@ky.gov>
Sent: Monday, December 9, 2019 2:18 PM
To: Riggs, Kendrick R. <kendrick.riggs@skofirm.com>; allyson.sturgeon@lge-ku.com; Kamuf, Tyson <Tyson.Kamuf@bigrivers.com>; Michael Kurtz <MKurtz@bkllawfirm.com>
Cc: Nguyen, Quang D (PSC) <QuangD.Nguyen@ky.gov>; Raff, Richard G (PSC) <Richard.Raff@ky.gov>
Subject: Big Rivers/LGE Case No. 2019-00370

Dear Counsel,

Staff has some follow-up questions relating to Big Rivers' responses to Items 1 thru 3 of our initial information request. Our assumption is that LGE has not been privy to those responses by Big Rivers, and that Big Rivers is unwilling to allow LGE access even with a confidentiality agreement. Please let me know if our assumption is correct. If we are correct, staff would like to contact Big Rivers to let them know the nature of our questions and then follow-up with Big Rivers on a conference call. Please let me know if anyone has any objections to this proposed procedure or if anyone has an alternative suggested procedure that will accommodate the confidential nature of the information. Thanks.
Richard.

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