

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF BIG RIVERS)	CASE NO.
ELECTRIC CORPORATION FOR APPROVAL)	2020-00153
TO ISSUE EVIDENCES OF INDEBTEDNESS)	

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

Big Rivers Electric Corporation (BREC), 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 June 8, 2020. The Commission directs BREC 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 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

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.

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.

1. Refer to the application, paragraph 2, regarding the potential delaying of the issuance of the 2020 Bonds. Explain in detail the factors that BREC will evaluate and consider in determining whether to delay to the issuance of the 2020 Bonds and provide any anticipated additional savings could be achieved as well as additional costs that could be incurred by any delay in issuing the 2020 Bonds.
2. Refer to the application, paragraph 5.

a. Explain what “certain” funds BREC will use to pay the interest due on the 2010A Bonds and identify the anticipated amount of interest that will be owed through the redemption date, which is expected to be on or about July 15, 2020.

b. If BREC uses the proceeds from the temporary bridge loan under the company’s revolving credit to repay the principal amount of the 2010A Bonds due on the redemption date, state whether BREC must wait the entirety of the three-month term of the bridge loan before the 2020 Bonds are issued.

c. State under what circumstances will BREC consider renewing the three-month term, whether the decision to renew would be dependent upon a decision to delay the issuance of the 2020 Bonds, and, if so, provide all associated costs and savings.

d. BREC estimates an interest savings of \$833,000 during the three-month bridge loan period. Provide the total savings net any costs.

e. Explain whether using the bridge loan will result in additional interest savings or lower interest savings, as compared to immediately refinancing the 2010A Bonds with the 2020 Bonds.

3. Refer to the application, paragraph 6. Provide an itemized list for the estimated \$1.3 million up-front cost to BREC for the refunding of the 2010A Bonds and the issuance of the 2020 Bonds.

4. Refer to the application, paragraphs 7a and 15.

a. Confirm that the entirety of the 2020 Bonds will be paid in full by the end of the maximum useful life of the pollution control equipment.

b. Explain how BREC intends to pay the one-time bullet payment.

5. Refer to the application, paragraph 8. Provide the net present value of any savings realized at the coupon rate on the 2020 Bonds of 5 percent versus the current coupon rate.

6. Refer to the application, paragraph 15. Explain the criteria that BREC will analyze when determining whether amortizing principal payments will be more beneficial than a single bullet payment at maturity.

7. Refer to the application, paragraph 17. On or near July 15, 2020, BREC states it will use the revolving line of credit as a bridge loan.

a. If the Commission issues an Order prior to or on July 15, 2020, explain whether BREC will still use the bridge loan.

b. Provide any savings BREC will realize if the Commission issues an Order prior to or on July 15, 2020.



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cc: Parties of Record

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