

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC TARIFF FILING OF BIG RIVERS)	
ELECTRIC CORPORATION AND KENERGY)	CASE NO.
CORP. TO IMPLEMENT A NEW STANDBY)	2021-00289
SERVICE TARIFF)	

NOTICE OF FILING

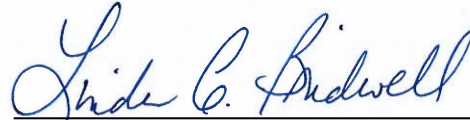
Notice is given to all parties that the following materials have been filed into the record of this proceeding:

- The digital video recording of the evidentiary hearing conducted on January 20, 2022 in this proceeding;
- Certification of the accuracy and correctness of the digital video recording;
- All exhibits introduced at the evidentiary hearing conducted on January 20, 2022 in this proceeding;
- A written log listing, inter alia, the date and time of where each witness' testimony begins and ends on the digital video recording of the evidentiary hearing conducted on January 20, 2022.

A copy of this Notice, the certification of the digital video record, and hearing log have been served upon all persons listed at the end of this Notice. Parties desiring to view the digital video recording of the hearing may do so at <https://youtu.be/jitzG1TyEfl>.

Parties wishing an annotated digital video recording may submit a written request by electronic mail to pscfilings@ky.gov. A minimal fee will be assessed for a copy of this recording.

Done at Frankfort, Kentucky, this 2nd day of February 2022.

A handwritten signature in blue ink that reads "Linda C. Bridwell". The signature is written in a cursive style with a horizontal line underneath it.

Linda C. Bridwell
Executive Director
Public Service Commission of Kentucky

COMMONWEALTH OF KENTUCKY
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In the Matter of:

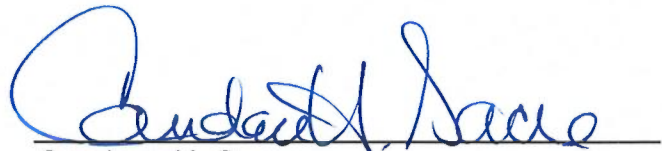
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ELECTRIC CORPORATION AND KENERGY)	CASE NO.
CORP. TO IMPLEMENT A NEW STANDBY)	2021-00289
SERVICE TARIFF)	

CERTIFICATION

I, Candace H. Sacre, hereby certify that:

1. The attached flash drive contains a digital recording of the Formal Hearing conducted in the above-styled proceeding on January 20, 2022. The Formal Hearing Log, Exhibits, and Exhibit List are included with the recording on January 20, 2022;
2. I am responsible for the preparation of the digital recording;
3. The digital recording accurately and correctly depicts the Formal Hearing of January 20, 2022; and
4. The Formal Hearing Log attached to this Certificate accurately and correctly states the events that occurred at the Formal Hearing of January 20, 2022, and the time at which each occurred.

Signed this 31st day of January, 2022.



Candace H. Sacre
Administrative Specialist III



Stephanie Schweighardt
Notary Public State at Large
Commission Expires: January 14, 2023
ID# 614400



Session Report - Detail

2021-00289 20Jan2022

Big Rivers Electric Corporation (BREC) and Kenergy Corporation (Kenergy)

Date:	Type:	Location:	Department:
1/20/2022	Public Hearing\Public Comments	Hearing Room 1	Hearing Room 1 (HR 1)

Witness: Justin Bieber; Mark Eacret; Paul Smith; John Wolfram
Judge: Marianne Butler; Kent Chandler; Amy Cabbage
Clerk: Candace Sacre

Event Time	Log Event	
9:03:18 AM	Session Started	
9:03:40 AM	Chairman Chandler Note: Sacre, Candace	Good morning. We are on the record in Case No. 2021-00289, Electronic Tariff Filing of Big Rivers Electric Corporation and Kenergy Corp to Implement a New Standby Service Tariff.
9:03:52 AM	Chairman Chandler Note: Sacre, Candace	My name is Kent Chandler. I am Chairman of the Kentucky Public Service Commission. I am joined today virtually by Commissioner Marianne Butler and Vice Chair Amy Cabbage.
9:04:01 AM	Chairman Chandler Note: Sacre, Candace	COVID and videoconferencing recommendations. (Click on link for further comments.)
9:05:03 AM	Chairman Chandler Note: Sacre, Candace	The hearing today is for the purpose of taking evidence on the tariff proposed by Big Rivers Electric Corporation and Kenergy and whether that tariff results in fair, just, and reasonable rates.
9:05:12 AM	Chairman Chandler Note: Sacre, Candace	Appearance of counsel. (Click on link for further comments.)
9:05:28 AM	Atty Santana BREC Note: Sacre, Candace	Sentha Santana and also Tyson Kamuf, witnesses today are Paul Smith, Mark Eacret, and John Wolfram.
9:05:50 AM	Atty Hopgood Kenergy Note: Sacre, Candace	Chris Hopgood, and representative is Jeff Hohn, no witnesses.
9:06:04 AM	Atty Boehm Kimberly-Clark Note: Sacre, Candace	Kurt Boehm, and witness today is Justin Bieber.
9:06:15 AM	Chairman Chandler Note: Sacre, Candace	Public notice. (Click on link for further comments.)
9:06:38 AM	Chairman Chandler Note: Sacre, Candace	Outstanding motions. (Click on link for further comments.)
9:06:49 AM	Chairman Chandler Note: Sacre, Candace	Anything need take under advisement? (Click on link for further comments.)
9:07:10 AM	Chairman Chandler Note: Sacre, Candace	Public comments. (Click on link for further comments.)
9:08:12 AM	Chairman Chandler Note: Sacre, Candace	Procedural discussion. (Click on link for further comments.)
9:09:09 AM	Chairman Chandler Note: Sacre, Candace	First witness?
9:09:13 AM	Atty Santana BREC Note: Sacre, Candace	Paul Smith.

9:09:16 AM	Atty Santana BREC - witness Smith Note: Sacre, Candace	Direct Examination. Full name and business address?
9:09:33 AM	Chairman Chandler Note: Sacre, Candace	Witness is sworn.
9:09:47 AM	Atty Santana BREC - witness Smith Note: Sacre, Candace	Direct Examination (cont'd). Response to requests in this case?
9:09:56 AM	Atty Santana BREC - witness Smith Note: Sacre, Candace	Response be same today as when offered?
9:10:02 AM	Atty Santana BREC - witness Smith Note: Sacre, Candace	Corrections?
9:10:18 AM	Chairman Chandler - witness Smith Note: Sacre, Candace	Examination. Indicate documents available to you today?
9:11:03 AM	Asst Gen Counsel Frederick PSC Note: Sacre, Candace	Post-hearing data requests. (Click on link for further comments.)
9:11:04 AM	POST-HEARING DATA REQUEST Note: Sacre, Candace Note: Sacre, Candace	ASST GEN COUNSEL FREDERICK - WITNESS SMITH RESPONSE TO STAFF FIRST DATA REQUEST, ITEM 3, NUMERICAL BILLING EXAMPLE INDUSTRIAL CUSTOMER USING SAME SET OF FACTS BUT CALCULATED USING QFS TARIFF, NUMERICAL BILLING EXAMPLE USING TABLE JB-2 BIEBER DIRECT PG 15, AND NUMERICAL BILLING EXAMPLE USING TABLE JB-3 BIEBER DIRECT PG 16.
9:12:01 AM	Chairman Chandler Note: Sacre, Candace	Questions?
9:12:12 AM	Chairman Chandler - witness Smith Note: Sacre, Candace	Examination. What impetus for proposed tariff?
9:12:42 AM	Chairman Chandler - witness Smith Note: Sacre, Candace	In terms of ultimate authority direct filing, creation of tariff, question for Eacret?
9:13:04 AM	Chairman Chandler Note: Sacre, Candace	Witness excused.
9:13:22 AM	Chairman Chandler Note: Sacre, Candace	Next witness?
9:13:27 AM	Atty Santana BREC Note: Sacre, Candace	Mark Eacret.
9:13:31 AM	Atty Santana BREC - witness Eacret Note: Sacre, Candace	Direct Examination. Full name, title, and business address?
9:13:58 AM	Chairman Chandler Note: Sacre, Candace	Before we begin with Eacret, after you call him, need to swear in.
9:14:06 AM	Chairman Chandler Note: Sacre, Candace	Witness is sworn.
9:14:19 AM	Atty Santana BREC - witness Eacret Note: Sacre, Candace	Direct Examination (cont'd). Offer direct testimony and responses?
9:14:27 AM	Atty Santana BREC - witness Eacret Note: Sacre, Candace	Testimony in responses, if had to provide today, be same?
9:14:36 AM	Atty Santana BREC - witness Eacret Note: Sacre, Candace	Changes?
9:14:40 AM	Atty Santana BREC - witness Eacret Note: Sacre, Candace	Identify materials in front of you?
9:15:08 AM	Chairman Chandler Note: Sacre, Candace	Questions?
9:15:13 AM	Atty Boehm Kimberly-Clark - witness Eacret Note: Sacre, Candace	Cross Examination. File direct testimony in support of BREC proposed LICSS tariff?

9:15:27 AM Atty Boehm Kimberly-Clark - witness Eacret
Note: Sacre, Candace LICSS tariff industrial customers co-generation resources purchase supplemental maintenance and backup power from BREC?

9:15:42 AM Atty Boehm Kimberly-Clark - witness Eacret
Note: Sacre, Candace Understand Kimberly-Clark installed 14-megawatt co-generation unit?

9:15:51 AM Atty Boehm Kimberly-Clark - witness Eacret
Note: Sacre, Candace Unit installed Kimberly-Clark mill in California and transferred to Kentucky mill when California mill closed?

9:16:05 AM Atty Boehm Kimberly-Clark - witness Eacret
Note: Sacre, Candace Kimberly-Clark operating unit?

9:16:17 AM Atty Boehm Kimberly-Clark - witness Eacret
Note: Sacre, Candace Kimberly-Clark not taking service on standby rate?

9:16:30 AM Atty Boehm Kimberly-Clark - witness Eacret
Note: Sacre, Candace BREC position that Kimberly-Clark required take service on the LICSS rate if approved?

9:16:39 AM Atty Boehm Kimberly-Clark - witness Eacret
Note: Sacre, Candace Not option Kimberly-Clark continue operating co-gen unit on LIC rate?

9:16:55 AM Atty Boehm Kimberly-Clark - witness Eacret
Note: Sacre, Candace Kimberly-Clark within right to install co-generation unit?

9:17:04 AM Atty Boehm Kimberly-Clark - witness Eacret
Note: Sacre, Candace Not position Kimberly-Clark pay penalty for reducing system load any sort of standard cost charge?

9:17:18 AM Atty Boehm Kimberly-Clark - witness Eacret
Note: Sacre, Candace Federal law under FERPA encourages co-generation?

9:17:28 AM Chairman Chandler
Note: Sacre, Candace Questions?

9:17:38 AM Asst Gen Counsel Frederick PSC - witness Eacret
Note: Sacre, Candace Cross Examination. Goal, impetus behind development of LICSS tariff?

9:18:19 AM Asst Gen Counsel Frederick PSC - witness Eacret
Note: Sacre, Candace BREC legal obligation serve all customers any and all times within territory?

9:18:29 AM Asst Gen Counsel Frederick PSC - witness Eacret
Note: Sacre, Candace Understanding means BREC have generation/transmission capacity provide service at peak demand and some amount reserve?

9:18:54 AM Asst Gen Counsel Frederick PSC - witness Eacret
Note: Sacre, Candace Because of obligation and BREC investments in generation/transmission facilities to satisfy obligation, costs to provide service imbedded in BREC rates paid by all customers?

9:19:17 AM Asst Gen Counsel Frederick PSC - witness Eacret
Note: Sacre, Candace Know whether Kimberly-Clark requires more capacity and energy than supplied by 14-megawatt generator?

9:19:32 AM Asst Gen Counsel Frederick PSC - witness Eacret
Note: Sacre, Candace Kimberly-Clark same position as any other customer in that BREC have facilities serve Kimberly-Clark full demand and energy requirements, including 14-megawatt generator, in event of shutdown?

9:19:56 AM Asst Gen Counsel Frederick PSC - witness Eacret
Note: Sacre, Candace Capacity for transmission, generation, distribution facilities built to provide service be planned for and constructed and maintained?

9:20:13 AM Asst Gen Counsel Frederick PSC - witness Eacret
Note: Sacre, Candace Costs imbedded in rates all customers BREC must pay?

9:20:26 AM	Asst Gen Counsel Frederick PSC - witness Eacret Note: Sacre, Candace	Difference in QFS tariff and Kimberly-Clark benefit under tariff?
9:20:51 AM	Asst Gen Counsel Frederick PSC - witness Eacret Note: Sacre, Candace	LICSS tariff and standby service, if outage for extended period, LICSS customers stay on LICSS tariff or mechanism service provided under tariff customer revert in time of outage?
9:21:46 AM	Asst Gen Counsel Frederick PSC - witness Eacret Note: Sacre, Candace	Explain under proposed tariff BREC under obligation to serve load to Kimberly-Clark unscheduled outages even in time of peak demand?
9:22:18 AM	Chairman Chandler Note: Sacre, Candace	Questions?
9:22:23 AM	Vice Chairman Cabbage - witness Eacret Note: Sacre, Candace	Examination. Kimberly-Clark eligible to take under QFS tariff?
9:22:52 AM	Vice Chairman Cabbage - witness Eacret Note: Sacre, Candace	Has any (inaudible) QFS tariff been considered yet?
9:23:17 AM	Vice Chairman Cabbage - witness Eacret Note: Sacre, Candace	Anyone currently taking under QFS tariff?
9:23:26 AM	Chairman Chandler Note: Sacre, Candace	Questions?
9:23:31 AM	Chairman Chandler - witness Eacret Note: Sacre, Candace	Examination. Working on tariff before/aware of need before aware Kimberly-Clark interested in co-generation facilities?
9:23:51 AM	Chairman Chandler - witness Eacret Note: Sacre, Candace	Have conversations aware indication Kimberly-Clark install facility with/without tariff agrees with?
9:24:26 AM	Chairman Chandler - witness Eacret Note: Sacre, Candace	Three primary types of service at issue - supplemental power, maintenance power, backup power?
9:24:43 AM	Chairman Chandler - witness Eacret Note: Sacre, Candace	Agree at issue here are costs and rates regarding capacity, not necessarily energy?
9:25:04 AM	Chairman Chandler - witness Eacret Note: Sacre, Candace	If Kimberly-Clark running co-gen facility at 14 megawatts, full hour, 14-megawatt hours produced in hour?
9:25:27 AM	Chairman Chandler - witness Eacret Note: Sacre, Candace	Would be them consuming energy at whatever cost to produce, avoiding purchasing energy from BREC/Kenergy?
9:25:43 AM	Chairman Chandler - witness Eacret Note: Sacre, Candace	Turns on capacity, concern transmission and generation capacity?
9:26:22 AM	Chairman Chandler - witness Eacret Note: Sacre, Candace	Also just not produce energy?
9:26:34 AM	Chairman Chandler - witness Eacret Note: Sacre, Candace	Little difference looking at energy between deciding not run for that hour or reducing demand versus running co-gen facility from BREC/Kenergy energy perspective?
9:27:34 AM	Chairman Chandler - witness Eacret Note: Sacre, Candace	If ordered to dispatch by MISO, selling in energy ordered to dispatch and buying back requirements whatever nodal LMPs are?
9:27:52 AM	Chairman Chandler - witness Eacret Note: Sacre, Candace	Fourteen-megawatt reduction regardless shutting off stuff or running co-gen facility, load node effectively 14 megawatts lower in demand for real-time LMP purchases?

9:28:14 AM	Chairman Chandler - witness Eacret Note: Sacre, Candace	Talking about it on obligation to sell/dispatch, system aggregate, real-time demand down 14 megawatts, net selling 14-megawatt hours into market and whatever prevailing LMP is?
9:28:44 AM	Chairman Chandler - witness Eacret Note: Sacre, Candace	Not what here about, not care about energy if cost producing megawatt hours Kimberly-Clark co-gen facility less what Kenergy able sell to Kimberly-Clark, benefit every hour to Kimberly Clark?
9:29:19 AM	Chairman Chandler - witness Eacret Note: Sacre, Candace	What talking about here, economics already baked in regardless of decision?
9:29:31 AM	Chairman Chandler - witness Eacret Note: Sacre, Candace	Now talking about transmission and generation capacity?
9:29:36 AM	Chairman Chandler - witness Eacret Note: Sacre, Candace	Supplemental power service be for demand in excess what co-gen able produce?
9:29:52 AM	Chairman Chandler - witness Eacret Note: Sacre, Candace	Assume twice co-gen facility, 29-megawatt peak demand ever taken, supplemental service for net of additional 15 megawatts demand applicable to supplemental power service?
9:30:25 AM	Chairman Chandler - witness Eacret Note: Sacre, Candace	Continue be charged exact same way as today under Kenergy large industrial tariff?
9:30:40 AM	Chairman Chandler - witness Eacret Note: Sacre, Candace	Maintenance power service, maintenance for transmission capacity and also for energy and capacity requirements, reading (click on link for further comments), understanding BREC/Kenergy obligation provide service to customers?
9:32:10 AM	Chairman Chandler - witness Eacret Note: Sacre, Candace	Tariff provides for adequate notice procure energy and capacity under maintenance power proposal?
9:32:35 AM	Chairman Chandler - witness Eacret Note: Sacre, Candace	Generation capacity, per tariff provisions, 60 days ahead end of year, purpose to encompass BREC MISO planning dates?
9:33:08 AM	Chairman Chandler - witness Eacret Note: Sacre, Candace	Notice 60 days prior end of calendar year, time to make capacity election year before?
9:33:48 AM	Chairman Chandler - witness Eacret Note: Sacre, Candace	If Kimberly-Clark aware need to do maintenance for a month, 61 days notice go down for entire month, will BREC elect entire 14 megawatts entire part of year or just for month?
9:35:09 AM	Chairman Chandler - witness Eacret Note: Sacre, Candace	May or may not be incremental cost to BREC to generation capacity depending on when election for maintenance occurs?
9:35:38 AM	Chairman Chandler - witness Eacret Note: Sacre, Candace	Does tariff discuss that?
9:36:22 AM	Chairman Chandler - witness Eacret Note: Sacre, Candace	Understand proposal for rate structure for maintenance power if maintenance occur at or near peak times, why demand in shoulder months valued exactly as peak under BREC proposal?
9:38:14 AM	Chairman Chandler - witness Eacret Note: Sacre, Candace	Way describing, equally applicable to anybody that does energy efficiency or demand response or other customers behind-meter generation, underlying imbedded costs not changed less demand on system peak times?

9:38:56 AM	Chairman Chandler - witness Eacret Note: Sacre, Candace	For transmission capacity and generation capacity treated differently in MISO?
9:39:22 AM	Chairman Chandler - witness Eacret Note: Sacre, Candace	Fixed and not readily marketable?
9:39:36 AM	Chairman Chandler - witness Eacret Note: Sacre, Candace	How often can capacity of individual circuit fluctuate year to year?
9:40:02 AM	Chairman Chandler - witness Eacret Note: Sacre, Candace	Put in a circuit for transmission able take certain amount of demand, not going up and down, built subject to weather fluctuations, amount of power can carry is fixed once installed?
9:40:48 AM	Chairman Chandler - witness Eacret Note: Sacre, Candace	Customers use less demand for generation capacity has marketable value for BREC?
9:41:33 AM	Chairman Chandler - witness Eacret Note: Sacre, Candace	If have to ensure enough capacity serve maintenance cost, consider it to be excess capacity transmission system?
9:41:55 AM	Chairman Chandler - witness Eacret Note: Sacre, Candace	BREC loses smelters, excess generation capacity, people come in can serve them with excess generation capacity?
9:42:16 AM	Chairman Chandler - witness Eacret Note: Sacre, Candace	Loses smelters, may have excess transmission capacity use to serve new customers?
9:42:42 AM	Chairman Chandler - witness Eacret Note: Sacre, Candace	If told by factory only run month out of year, can market capacity remainder of year, but not market transmission throughout entire year still need capacity serve individual customer?
9:43:19 AM	Chairman Chandler - witness Eacret Note: Sacre, Candace	With obligation to serve, imbedded costs transmission capacity not change given installation co-gen facility?
9:43:50 AM	Chairman Chandler - witness Eacret Note: Sacre, Candace	Backup and maintenance?
9:43:56 AM	Chairman Chandler - witness Eacret Note: Sacre, Candace	Backup, how much time have ahead of need to provide backup service?
9:44:30 AM	Chairman Chandler - witness Eacret Note: Sacre, Candace	Back to generation capacity, single product in MISO?
9:44:47 AM	Chairman Chandler - witness Eacret Note: Sacre, Candace	Annual product, each megawatt generation capacity treated equally across system?
9:45:14 AM	Chairman Chandler - witness Eacret Note: Sacre, Candace	Credits fungible across system subject to constraints might cause different prices?
9:45:24 AM	Chairman Chandler - witness Smith Note: Sacre, Candace	Attempt have single credit across MISO?
9:45:44 AM	Chairman Chandler - witness Eacret Note: Sacre, Candace	Right now, procure capacity for maintenance power service, annual zonal credit required provide generation capacity, MISO change rules to more seasonal construct, provide flexibility for BREC and Kimberly-Clark around generational capacity requirement?
9:47:00 AM	Chairman Chandler - witness Eacret Note: Sacre, Candace	Not required have 14-megawatt credit entire year if elect time period and agree?

9:47:25 AM	Chairman Chandler - witness Eacret Note: Sacre, Candace	Any impression make issue generation capacity for maintenance power make it less of issue between BREC and Kimberly-Clark?
9:48:58 AM	Chairman Chandler Note: Sacre, Candace	Redirect?
9:49:09 AM	Chairman Chandler Note: Sacre, Candace	Witness excused.
9:49:46 AM	Chairman Chandler Note: Sacre, Candace	Next witness?
9:49:50 AM	Atty Kamuf BREC Note: Sacre, Candace	John Wolfram.
9:49:55 AM	Chairman Chandler Note: Sacre, Candace	Witness is sworn.
9:50:08 AM	Chairman Chandler - witness Wolfram Note: Sacre, Candace	Examination. Name and address?
9:50:32 AM	Atty Kamuf BREC - witness Wolfram Note: Sacre, Candace	Direct Examination. File testimony and responses?
9:50:39 AM	Atty Kamuf BREC - witness Wolfram Note: Sacre, Candace	Changes or corrections?
9:50:46 AM	Atty Kamuf BREC - witness Wolfram Note: Sacre, Candace	Adopt as testimony today?
9:50:55 AM	Chairman Chandler Note: Sacre, Candace	Questions?
9:51:05 AM	Atty Boehm Kimberly-Clark - witness Wolfram Note: Sacre, Candace	Cross Examination. Filed direct testimony in support of BREC proposed LICSS tariff?
9:51:18 AM	Atty Boehm Kimberly-Clark - witness Wolfram Note: Sacre, Candace	Rebuttal also?
9:51:24 AM	Atty Boehm Kimberly-Clark - witness Wolfram Note: Sacre, Candace	Discussing LICSS tariff functions and difference supplemental power, backup power, maintenance power?
9:51:55 AM	Atty Boehm Kimberly-Clark - witness Wolfram Note: Sacre, Candace	Demonstrated capacity standby customer generating unit determined by reduction in BREC/MISO planning reserve margin requirement results from customer generation?
9:52:12 AM	Atty Boehm Kimberly-Clark - witness Wolfram Note: Sacre, Candace	Number calculated, self-supply capacity, for this unit?
9:52:38 AM	Atty Boehm Kimberly-Clark - witness Wolfram Note: Sacre, Candace	No dispute between BREC and Kimberly-Clark regarding supplemental power service?
9:52:58 AM	Atty Boehm Kimberly-Clark - witness Wolfram Note: Sacre, Candace	Main dispute over maintenance and backup power service?
9:53:17 AM	Atty Boehm Kimberly-Clark - witness Wolfram Note: Sacre, Candace	Proposal how calculated, direct testimony page 3, reading (click on link for further comments), correct?
9:53:52 AM	Atty Boehm Kimberly-Clark - witness Wolfram Note: Sacre, Candace	BREC applies credit \$3.80 per kW per month based on value of capacity provided by customer self-supply to BREC?
9:54:07 AM	Atty Boehm Kimberly-Clark - witness Wolfram Note: Sacre, Candace	Based on calculation submitted to Commission recent filing conversion of Green Station units?
9:54:22 AM	Atty Boehm Kimberly-Clark - witness Wolfram Note: Sacre, Candace	Nets out LIC demand rate, credit nets out to \$6.91 kW per month?

9:54:37 AM Atty Boehm Kimberly-Clark - witness Wolfram
Note: Sacre, Candace Standby customer required pay demand charges that rate year round per level of demand equal to self-supplied capacity regardless whether standby customer received maintenance/backup power in given month?

9:55:01 AM Atty Boehm Kimberly-Clark - witness Wolfram
Note: Sacre, Candace Minimum demand charge equal maximum demand charge customer self-supply capacity?

9:55:23 AM Atty Boehm Kimberly-Clark - witness Wolfram
Note: Sacre, Candace (Inaudible), correct?

9:55:52 AM Atty Boehm Kimberly-Clark - witness Wolfram
Note: Sacre, Candace Discussed LICSS demand charge based upon LIC demand charge \$10.71?

9:56:08 AM Atty Boehm Kimberly-Clark - witness Wolfram
Note: Sacre, Candace For LIC customers, BREC required to procure capacity equal to standard service customers peak loads plus reserve margin, use energy whenever want?

9:56:35 AM Atty Boehm Kimberly-Clark - witness Wolfram
Note: Sacre, Candace But each individual member use energy whenever want?

9:56:44 AM Atty Boehm Kimberly-Clark - witness Wolfram
Note: Sacre, Candace Firm service?

9:56:47 AM Atty Boehm Kimberly-Clark - witness Wolfram
Note: Sacre, Candace Not interruptible?

9:56:54 AM Atty Boehm Kimberly-Clark - witness Wolfram
Note: Sacre, Candace Firm service rates more expensive than interruptible rates?

9:57:12 AM Atty Boehm Kimberly-Clark - witness Wolfram
Note: Sacre, Candace LIC rate not have demand ratchet?

9:57:28 AM Atty Boehm Kimberly-Clark - witness Wolfram
Note: Sacre, Candace Accept subject to check LIC rate not contain a demand ratchet?

9:57:41 AM Atty Boehm Kimberly-Clark - witness Wolfram
Note: Sacre, Candace If BREC decided impose demand ratchet on LIC rate, could lower demand charge and collect same revenue?

9:58:45 AM Atty Boehm Kimberly-Clark - witness Wolfram
Note: Sacre, Candace Another way of saying what I think you said, if had two rates same demand charge, only difference were demand ratchet, BREC recover more revenue from one with ratchet?

9:59:43 AM Atty Boehm Kimberly-Clark - witness Wolfram
Note: Sacre, Candace Discussed LICSS customer has fixed demand charge equal to maximum possible demand for self-supply, worse than demand ratchet?

10:00:14 AM Atty Boehm Kimberly-Clark - witness Wolfram
Note: Sacre, Candace Demand ratchet track highest monthly demand, bill customer for that for 12 months, whereas LICSS demand charge goes to maximum demand self-supply, bills customer every month maximum demand regardless ever hit peak?

10:01:15 AM Atty Boehm Kimberly-Clark - witness Wolfram
Note: Sacre, Candace Basis for LICSS rate still full LIC demand charge?

10:01:45 AM Atty Boehm Kimberly-Clark - witness Wolfram
Note: Sacre, Candace Talking starting point right now, understand credit, why LIC demand charge appropriate starting point?

10:03:28 AM Atty Boehm Kimberly-Clark - witness Wolfram
Note: Sacre, Candace But LIC customer not have demand change, BREC also plan for customer peak demand but not billed peak demand unless hits every month, opposite of LICSS customers?

10:04:14 AM Atty Boehm Kimberly-Clark - witness Wolfram
Note: Sacre, Candace Credit not based on BREC planning for peak demand, based on value of capacity provided by co-generation unit as stated in direct?

10:05:10 AM Atty Boehm Kimberly-Clark - witness Wolfram
Note: Sacre, Candace Page 4, rebuttal, reading (click on link for further comments), recall statement?

10:05:45 AM Atty Boehm Kimberly-Clark - witness Wolfram
Note: Sacre, Candace When residential customer or small business customer leaves BREC system, required pay stranded investment BREC made to serve?

10:06:01 AM Atty Boehm Kimberly-Clark - witness Wolfram
Note: Sacre, Candace Install energy-efficiency appliances and reduce load, benefit lower demand in energy usage results from installation more efficient appliances?

10:07:00 AM Atty Boehm Kimberly-Clark - witness Wolfram
Note: Sacre, Candace Utilities require large customers sign agreement for electric service?

10:07:10 AM Atty Boehm Kimberly-Clark - witness Wolfram
Note: Sacre, Candace In large customer service agreements, customer subject to take-or-pay obligation for minimum charge, closes/reduces load, utility still recover cost of investment serve customer?

10:07:33 AM Atty Boehm Kimberly-Clark - witness Wolfram
Note: Sacre, Candace Kimberly-Clark has an electric service agreement with Kenergy?

10:08:17 AM Atty Boehm Kimberly-Clark - witness Wolfram
Note: Sacre, Candace See that?

10:08:26 AM Atty Boehm Kimberly-Clark - witness Wolfram
Note: Sacre, Candace Kimberly-Clark first amended agreement provide service with Kenergy, renews ever year, currently operating under?

10:09:06 AM Atty Boehm Kimberly-Clark - witness Wolfram
Note: Sacre, Candace Page 6, agreement, Section 3.03(b), states, reading (click on link for further comment), see that?

10:09:50 AM Atty Boehm Kimberly-Clark - witness Wolfram
Note: Sacre, Candace Agree Kimberly-Clark and Kenergy agree even if Kimberly-Clark reduced load below 20 megawatts still pay for 20 megawatts billing demand?

10:10:05 AM Atty Boehm Kimberly-Clark - witness Wolfram
Note: Sacre, Candace This provision protects BREC and Kenergy risk Kimberly-Clark reducing load below 20 megawatts and BREC not able recover cost fixed investment?

10:10:20 AM Atty Boehm Kimberly-Clark - witness Wolfram
Note: Sacre, Candace Contractual perspective, Kimberly-Clark not required pay for more than 20 megawatts billing demand, BREC not rely on Kimberly-Clark having billing demand above 20 megawatts?

10:10:37 AM Atty Boehm Kimberly-Clark - witness Wolfram
Note: Sacre, Candace Contractual perspective, Kimberly-Clark not required to pay for more than 20 megawatts billing demand, BREC not rely on Kimberly-Clark having billing demand above 20 megawatts?

10:11:17 AM Atty Boehm Kimberly-Clark - witness Wolfram
Note: Sacre, Candace Contract speaks for itself, understand Kimberly-Clark load facility approximately 32-33 megawatts?

10:12:12 AM Atty Boehm Kimberly-Clark - witness Wolfram
Note: Sacre, Candace Co-generation unit 14 megawatts?

10:12:20 AM Atty Boehm Kimberly-Clark - witness Wolfram
Note: Sacre, Candace Normal operations, supplemental load in range 18-20 megawatts?

10:12:29 AM Atty Boehm Kimberly-Clark - witness Wolfram
Note: Sacre, Candace Possible minimum billing demand in contract exceed supplemental load?

10:12:46 AM	Atty Boehm Kimberly-Clark - witness Wolfram Note: Sacre, Candace	Provision accounted for in LICSS proposal?
10:14:07 AM	Atty Boehm Kimberly-Clark - witness Wolfram Note: Sacre, Candace	Absent agreement dealing with provision, have situation where Kimberly-Clark billed for 20 megawatts minimum demand even though supplemental demand only 18 megawatts and also billed full demand charge in LICSS tariff?
10:15:02 AM	Atty Boehm Kimberly-Clark - witness Wolfram Note: Sacre, Candace	Tariff also protects BREC and Kenergy from undercut costs?
10:15:34 AM	Atty Boehm Kimberly-Clark - witness Wolfram Note: Sacre, Candace	Page 4, Line 17, rebuttal testimony, reading (click on link for further comments), remember statement?
10:16:06 AM	Atty Boehm Kimberly-Clark - witness Wolfram Note: Sacre, Candace	When utility makes investment only benefits one customer, typically bill customer directly for costs associated with investment?
10:16:49 AM	Atty Boehm Kimberly-Clark - witness Wolfram Note: Sacre, Candace	BREC incurred costs putting Kimberly-Clark co-gen unit into system, Kimberly-Clark paid BREC directly?
10:17:11 AM	Atty Boehm Kimberly-Clark - witness Wolfram Note: Sacre, Candace	Agree prior work done by BREC hook up co-gen last major work Kimberly-Clark facility at BREC was mid-1990s?
10:17:30 AM	Atty Boehm Kimberly-Clark - witness Wolfram Note: Sacre, Candace	Discuss on page 5, rebuttal testimony, reading (click on link for further comments), remember statement?
10:18:08 AM	Atty Boehm Kimberly-Clark - witness Wolfram Note: Sacre, Candace	Does LICSS rate include cost of amortization BREC retired assets?
10:18:36 AM	Atty Boehm Kimberly-Clark - witness Wolfram Note: Sacre, Candace	Smelters left in system 2013 and 2014 Commission proceedings BREC initiated approval settlement agreements BREC allow smelters buy energy and capacity from Kenergy at market-based rates from MISO with Kenergy purchasing electricity for smelters from wholesale power market and passing through cost to smelters?
10:19:07 AM	Atty Boehm Kimberly-Clark - witness Wolfram Note: Sacre, Candace	Purchasing power through MISO, smelters avoided paying portion investments BREC incurred?
10:19:29 AM	Atty Boehm Kimberly-Clark - witness Wolfram Note: Sacre, Candace	In proceedings approving smelters market access arrangement. BREC argued smelters not pay any stranded costs despite fact smelters not closing, just getting access market pricing and avoiding costs BREC incurred on smelters behalf?
10:20:14 AM	Atty Boehm Kimberly-Clark - witness Wolfram Note: Sacre, Candace	Commission agreed with BREC in that case, no stranded costs charge to smelters?
10:20:49 AM	Atty Boehm Kimberly-Clark - witness Wolfram Note: Sacre, Candace	In that case, referred to as market asset charge instead of stranded cost?
10:21:00 AM	Atty Boehm Kimberly-Clark - witness Wolfram Note: Sacre, Candace	In this case, position unreasonable Kimberly-Clark avoid paying stranded costs smelters left on system?
10:22:04 AM	Atty Boehm Kimberly-Clark - witness Wolfram Note: Sacre, Candace	Correct Kimberly-Clark not leaving system, reducing load, purchasing maintenance and backup service?
10:22:20 AM	Atty Boehm Kimberly-Clark - witness Wolfram Note: Sacre, Candace	For supplemental portion, not avoiding any costs discussing?

10:22:52 AM	Atty Boehm Kimberly-Clark - witness Wolfram Note: Sacre, Candace	Page 6, rebuttal testimony, state, reading (click on link for further comments), recall that statement?
10:23:14 AM	Atty Boehm Kimberly-Clark - witness Wolfram Note: Sacre, Candace	New customer moves on system, exempted from paying tariff rates represent historical capital investments incurred to serve other customers, standard rate unless special contract?
10:24:18 AM	Atty Boehm Kimberly-Clark - witness Wolfram Note: Sacre, Candace	New customer moves onto system, BREC lower base rates selling more power than projected when rates established?
10:24:37 AM	Atty Boehm Kimberly-Clark - witness Wolfram Note: Sacre, Candace	Nuco constructing facility in BREC service territory?
10:24:50 AM	Atty Boehm Kimberly-Clark - witness Wolfram Note: Sacre, Candace	200-megawatt facility?
10:25:01 AM	Atty Boehm Kimberly-Clark - witness Wolfram Note: Sacre, Candace	BREC anticipating additional load growth around facility?
10:25:08 AM	Atty Boehm Kimberly-Clark - witness Wolfram Note: Sacre, Candace	After last rate case, Polaris expanded mill by 33 megawatts?
10:25:25 AM	Atty Boehm Kimberly-Clark - witness Wolfram Note: Sacre, Candace	Recent case 2021-00079, Eacret testimony, page seven, reading (click on link for further comments), based on this, BREC going to be capacity short?
10:27:17 AM	Chairman Chandler Note: Sacre, Candace	Clarify for me which case that is from? (Click on link for further comments.)
10:28:08 AM	Atty Boehm Kimberly-Clark - witness Wolfram Note: Sacre, Candace	Page 4, quote discussed, rebuttal testimony, fixed transmission costs, reading (click on link for further comments), not saying Bieber proposal/Kimberly-Clark proposal in this case LICSS customers not pay any costs associated with fixed transmission investments?
10:29:09 AM	Chairman Chandler Note: Sacre, Candace	Recess until 10:45.
10:29:52 AM	Session Paused	
10:45:39 AM	Session Resumed	
10:45:46 AM	Chairman Chandler Note: Sacre, Candace	Back on the record in Case No. 2021-00289.
10:46:02 AM	Chairman Chandler Note: Sacre, Candace	Questions?
10:46:24 AM	Asst Gen Counsel Frederick PSC - witness Wolfram Note: Sacre, Candace	Cross Examination. Everything else being same as is proposed, under proposed tariff, if Kimberly-Clark wanted backup power service and not maintenance power service, how would bill change, if at all?
10:48:45 AM	Asst Gen Counsel Frederick PSC - witness Wolfram Note: Sacre, Candace	Under proposed tariff, if Kimberly-Clark never scheduled maintenance outage during year, would bill year change for that year?
10:49:39 AM	Asst Gen Counsel Frederick PSC - witness Wolfram Note: Sacre, Candace	Clarify whether, under LICSS tariff, Kimberly-Clark required to take service for unscheduled outage?
10:50:22 AM	Asst Gen Counsel Frederick PSC - witness Wolfram Note: Sacre, Candace	Required to take service at all?
10:52:18 AM	Chairman Chandler Note: Sacre, Candace	Questions?

10:52:25 AM	Vice Chairman Cabbage - witness Note: Sacre, Candace	Wolfram Examination. Maintenance, same under tariff, rational, what motivation Kimberly-Clark have schedule maintenance?
10:54:51 AM	Vice Chairman Cabbage - witness Note: Sacre, Candace	Wolfram As far as market-based considerations, no incentive to schedule maintenance?
10:55:35 AM	Vice Chairman Cabbage - witness Note: Sacre, Candace	Wolfram Page 16, rebuttal, discussion of difference between buying and selling service and how cost that capacity, you say from a transaction/pricing standpoint, no difference, right?
10:56:21 AM	Vice Chairman Cabbage - witness Note: Sacre, Candace	Wolfram Page 18, talking about existing QFS tariff already in place, say that Kimberly-Clark want to say buying is not selling but, here, want to talk about application QFS tariff you say designed for customers selling capacity, fair characterization?
10:57:01 AM	Vice Chairman Cabbage - witness Note: Sacre, Candace	Wolfram If functionally the same, why isn't QFS tariff appropriate?
10:58:50 AM	Vice Chairman Cabbage - witness Note: Sacre, Candace	Wolfram Currently being offered?
10:59:36 AM	Chairman Chandler Note: Sacre, Candace	Questions?
10:59:58 AM	Chairman Chandler - witness Note: Sacre, Candace	Wolfram Examination. How 14-megawatt facility operates, similarity between how operate and energy efficiency and demand response work?
11:01:04 AM	Chairman Chandler - witness Note: Sacre, Candace	Wolfram Demand response, before became cool, industrial demand response programs in form of curtailable service riders?
11:01:37 AM	Chairman Chandler - witness Note: Sacre, Candace	Wolfram Working on behalf of BREC, looking at creating interruptible rider/tariff, what appropriate credit for interruptible tariff be?
11:03:42 AM	Chairman Chandler - witness Note: Sacre, Candace	Wolfram Avoided generation capacity value?
11:03:48 AM	Chairman Chandler - witness Note: Sacre, Candace	Wolfram Recommend value include credit for avoided transmission capacity?
11:04:21 AM	Chairman Chandler - witness Note: Sacre, Candace	Wolfram In experience with interruptible riders, usually at utility direction that interruption occurs?
11:04:52 AM	Chairman Chandler - witness Note: Sacre, Candace	Wolfram Occasionally, tariffs have provisions allow buy-through in lieu of curtailment?
11:05:04 AM	Chairman Chandler - witness Note: Sacre, Candace	Wolfram Buy-through usually at marginal value of what otherwise be avoided?
11:05:31 AM	Chairman Chandler - witness Note: Sacre, Candace	Wolfram For maintenance on generation demand, maintenance proposal at Kimberly-Clark request with 60 days notice prior beginning calendar year but with input and direction from BREC, time maintenance service provided not at exclusive direction of BREC?
11:06:28 AM	Chairman Chandler - witness Note: Sacre, Candace	Wolfram Backup power service out of BREC hands when required?
11:06:56 AM	Chairman Chandler - witness Note: Sacre, Candace	Wolfram Agree Eacret response effectively no disagreement on supplemental power service between BREC and Kimberly-Clark?

11:07:19 AM Chairman Chandler - witness Wolfram
Note: Sacre, Candace Maintenance power service, parties agree energy billed at higher of standard LIC energy rate or market price?

11:07:32 AM Chairman Chandler - witness Wolfram
Note: Sacre, Candace BREC proposal for maintenance power that demand equal self-supply capacity, full 14 megawatts, billed at LIC demand rate less a credit, \$6.915?

11:08:11 AM Chairman Chandler - witness Wolfram
Note: Sacre, Candace Kimberly-Clark is scheduled maintenance demand billed at LIC rate converted to dollar per kW week, difference in dollar amount between what Kimberly-Clark proposing and what BREC proposed in tariff?

11:08:49 AM Chairman Chandler - witness Wolfram
Note: Sacre, Candace Forget per week/per month, way calculated, what does BREC include/not include that Kimberly-Clark does and vice versa?

11:11:08 AM Chairman Chandler - witness Wolfram
Note: Sacre, Candace Actual dollar per kW week kW value of full LIC demand rate of \$10.715 per kW month?

11:11:31 AM Chairman Chandler - witness Wolfram
Note: Sacre, Candace Fundamentally, what BREC concern having \$1 per kW week value in lieu of \$1 per kW month value?

11:12:03 AM Chairman Chandler - witness Wolfram
Note: Sacre, Candace Not matter \$1 kW week, issue of entire self-supply capacity verse maintenance demand?

11:12:48 AM Chairman Chandler - witness Wolfram
Note: Sacre, Candace Forget \$1 kW week, proposal full LIC rate, only difference be propose charge each year for maintenance power service as if not have generator for capacity, theirs only for amount actually schedule for maintenance?

11:13:49 AM Chairman Chandler - witness Wolfram
Note: Sacre, Candace If 61 days before end of year, Kimberly-Clark rings up BREC, says not needing maintenance time next calendar year, then call back week later, say never mind, need to be down a month next prior to 60 days, assuming not take under backup power service, difference in bill from BREC?

11:15:36 AM Chairman Chandler - witness Wolfram
Note: Sacre, Candace All BREC able charge for maintenance is identical regardless schedule maintenance for next year or not?

11:16:14 AM Chairman Chandler - witness Wolfram
Note: Sacre, Candace Maintenance is free, paying for ability have backup power service?

11:16:32 AM Chairman Chandler - witness Wolfram
Note: Sacre, Candace Withdraw that, paying full freight for maintenance and backup power service every year under proposal regardless if schedule maintenance?

11:16:46 AM Chairman Chandler - witness Wolfram
Note: Sacre, Candace Why BREC care when schedule maintenance?

11:17:08 AM Chairman Chandler - witness Wolfram
Note: Sacre, Candace If maintenance free, BREC proposing charge Kimberly-Clark for backup power maintenance, what point schedule if have to pay for entire year?

11:18:03 AM Chairman Chandler - witness Wolfram
Note: Sacre, Candace From energy standpoint, no difference, energy is what energy is, why need tell ahead of time, doesn't save money, BREC planning entire system have to provide power when unable provide under backup power?

11:19:45 AM	Chairman Chandler - witness Wolfram Note: Sacre, Candace	Aware requirement BREC have this tariff?
11:20:12 AM	Chairman Chandler - witness Wolfram Note: Sacre, Candace	Reason BREC asking for tariff?
11:20:59 AM	Chairman Chandler - witness Wolfram Note: Sacre, Candace	Difference between maintaining status quo, Kimberly-Clark charged everything it uses at large industrial tariff verse this, what economic benefit to BREC as system?
11:21:55 AM	Chairman Chandler - witness Wolfram Note: Sacre, Candace	Difference between that and if Kimberly-Clark did own energy efficiency/demand response program?
11:22:45 AM	Chairman Chandler - witness Wolfram Note: Sacre, Candace	Using word fixed, referring to fixed in this context, referring to imbedded costs?
11:23:28 AM	Chairman Chandler - witness Wolfram Note: Sacre, Candace	If were today do imbedded COS for historical period, when using fixed, synonymous with those amounts imbedded already incurred capital expenses?
11:24:04 AM	Chairman Chandler - witness Wolfram Note: Sacre, Candace	When say fixed, mean look at one-year snapshot, those expenses already incurred and not vary based off demand/usage?
11:24:48 AM	Chairman Chandler - witness Wolfram Note: Sacre, Candace	When say fixed cost, costs vary based off individual customer demand or demand in aggregate in that single year?
11:25:17 AM	Chairman Chandler - witness Wolfram Note: Sacre, Candace	In short term?
11:25:20 AM	Chairman Chandler - witness Wolfram Note: Sacre, Candace	Spent time talking about generation capacity, have concern about Kimberly-Clark proposal concerning fixed transmission capacity related expenses, concerned about avoidance of those expenses more, as much, less than avoidance generation capacity costs?
11:26:42 AM	Chairman Chandler - witness Wolfram Note: Sacre, Candace	Includes transmission and generation imbedded costs?
11:27:23 AM	Chairman Chandler - witness Wolfram Note: Sacre, Candace	No disagreement supplemental power, maintenance power effectively disagreement over single product annual basis for BREC perspective for entire 14 MW verse Kimberly-Clark perspective reservation specific basis at full LIC demand rate?
11:28:32 AM	Chairman Chandler - witness Wolfram Note: Sacre, Candace	Pretend backup power not exist, focus on maintenance power, Kimberly-Clark and BREC agreement not take backup power, net demand never above what be when generator running, trips internal circuit breaker at Kimberly-Clark, shuts down 14 MW of demand, BREC perspective be same on value of maintenance power is if had to be scheduled?
11:30:07 AM	Chairman Chandler - witness Wolfram Note: Sacre, Candace	Might not have to procure that given BREC has input when maintenance occurs, what saying when say procure capacity?
11:31:25 AM	Chairman Chandler - witness Wolfram Note: Sacre, Candace	BREC not keep all generation on all year long, experience that generation owners do maintenance during shoulder months?
11:32:08 AM	Chairman Chandler - witness Wolfram Note: Sacre, Candace	April fairly common shoulder month?

11:32:19 AM	Chairman Chandler - witness Wolfram Note: Sacre, Candace	Maintenance occurred spring or fall not affect procurement in subsequent year?
11:32:49 AM	Chairman Chandler - witness Wolfram Note: Sacre, Candace	Aware of BREC procurement CP be in spring or fall?
11:33:03 AM	Chairman Chandler - witness Wolfram Note: Sacre, Candace	MISO requirement capacity requirements for single CP ordinarily in spring or fall?
11:33:20 AM	Chairman Chandler - witness Wolfram Note: Sacre, Candace	Been in summer?
11:33:28 AM	Chairman Chandler - witness Wolfram Note: Sacre, Candace	Kimberly-Clark says do maintenance in July for four weeks, impact procurement at MISO?
11:35:24 AM	Chairman Chandler - witness Wolfram Note: Sacre, Candace	What provision of proposed tariff economic incentive for Kimberly-Clark request do maintenance in shoulder periods?
11:36:06 AM	Chairman Chandler - witness Wolfram Note: Sacre, Candace	Energy is same throughout, proposed tariff provides no economic incentive for Kimberly-Clark schedule maintenance any particular time beneficial BREC, schedule any time cost the same?
11:36:44 AM	Chairman Chandler - witness Wolfram Note: Sacre, Candace	Not have anything to do with tariff, none of that in tariff?
11:37:09 AM	Chairman Chandler - witness Wolfram Note: Sacre, Candace	Be same under backup or maintenance?
11:37:26 AM	Chairman Chandler - witness Wolfram Note: Sacre, Candace	System benefit for Kimberly-Clark schedule maintenance in particular times compared to others?
11:37:48 AM	Chairman Chandler - witness Wolfram Note: Sacre, Candace	That system benefit provided for in any way in BREC proposed tariff?
11:38:19 AM	Chairman Chandler - witness Wolfram Note: Sacre, Candace	Schedule outage 60 days before year starts, forget scheduling went with backup rate, have idea 20 days notice weather be?
11:38:47 AM	Chairman Chandler - witness Wolfram Note: Sacre, Candace	BREC system benefit for Kimberly-Clark reduce demand by 14 MW at peak?
11:39:28 AM	Chairman Chandler - witness Wolfram Note: Sacre, Candace	How that benefit reflected in proposed tariff?
11:42:03 AM	Chairman Chandler - witness Wolfram Note: Sacre, Candace	BREC have to do all things even for back-up power, no notice at all?
11:42:19 AM	Chairman Chandler - witness Wolfram Note: Sacre, Candace	\$3.80 kW month, what BREC proposes avoided generation value is?
11:42:38 AM	Chairman Chandler - witness Wolfram Note: Sacre, Candace	Question had, may be system benefits between maintenance and backup power, if maintenance done certain times verse backup power any time, why should not maintenance power provide credit avoided transmission capacity value?
11:43:46 AM	Chairman Chandler - witness Wolfram Note: Sacre, Candace	Where in tariff is it included?
11:44:26 AM	Chairman Chandler - witness Wolfram Note: Sacre, Candace	Not claiming BREC calculated looking at components of avoided transmission capacity are and come out to zero, simply saying believe it zero?

11:45:11 AM	Chairman Chandler - witness Wolfram Note: Sacre, Candace	Post-hearing data request calculation done determine avoided transmission value zero ahead of filing tariff and including \$6.915 per kW month.
11:45:29 AM	POST-HEARING DATA REQUEST Note: Sacre, Candace Note: Sacre, Candace	CHAIRMAN CHANDLER - WITNESS WOLFRAM PROVIDE CALCULATION DONE BY BREC TO DETERMINE AVOIDED TRANSMISSION VALUE ZERO AHEAD OF FILING TARIFF, INCLUDING \$6.915 PER KW MONTH
11:45:49 AM	Chairman Chandler - witness Wolfram Note: Sacre, Candace	If BREC not member of MISO, recommend same avoided capacity credit?
11:46:50 AM	Chairman Chandler Note: Sacre, Candace	Redirect?
11:47:02 AM	Atty Kamuf BREC - witness Wolfram Note: Sacre, Candace	Redirect Examination. Idea about benefit to BREC having Kimberly-Clark schedule outages shoulder months verse summer, is not benefit BREC reduction planning reserve requirement MISO achieved Kimberly-Clark making own generation?
11:48:05 AM	Atty Kamuf BREC - witness Wolfram Note: Sacre, Candace	Amount of cost BREC avoids reduction in reserve requirement MISO gives at times avoided generation capacity cost?
11:48:25 AM	Atty Kamuf BREC - witness Wolfram Note: Sacre, Candace	That's \$3.80 talking about?
11:48:32 AM	Atty Kamuf BREC - witness Wolfram Note: Sacre, Candace	Credit BREC proposing give Kimberly-Clark reduction in planning reserve requirement times \$3.80?
11:49:00 AM	Atty Kamuf BREC - witness Wolfram Note: Sacre, Candace	BREC giving entire benefit of reduction in reserve requirement passing through to Kimberly-Clark?
11:49:33 AM	Atty Kamuf BREC - witness Wolfram Note: Sacre, Candace	Kimberly-Clark interest most credit for self-generation from MISO that it can?
11:49:48 AM	Atty Kamuf BREC - witness Wolfram Note: Sacre, Candace	Requirement in LICSS tariff notice maintenance outages really for Kimberly-Clark benefit?
11:50:13 AM	Atty Kamuf BREC - witness Wolfram Note: Sacre, Candace	Reduction BREC cost passed through as credit Kimberly-Clark?
11:50:26 AM	Atty Kamuf BREC - witness Wolfram Note: Sacre, Candace	BREC perspective cost otherwise not change other than credit, BREC indifferent whether Kimberly-Clark takes maintenance power or backup power, why tariff treats same?
11:50:56 AM	Atty Kamuf BREC - witness Wolfram Note: Sacre, Candace	Questions about difference customer self-generation verse customer energy efficiency or customer leave system, fair to say customer reduces generation/left system no longer asking BREC provide service?
11:52:02 AM	Atty Kamuf BREC - witness Wolfram Note: Sacre, Candace	Reasonable for customer energy efficiency measures assume permanent reduction in energy and/or demand?
11:52:55 AM	Atty Kamuf BREC - witness Wolfram Note: Sacre, Candace	Mentioned two customers take service under BREC QFS tariff, tell us a little more about customers?

11:54:50 AM	Atty Kamuf BREC - witness Wolfram Note: Sacre, Candace	Aware whether contracts provide for maintenance or backup service?
11:55:10 AM	Atty Kamuf BREC - witness Wolfram Note: Sacre, Candace	Earlier asked about minimum demand charges, prudent for utility plan system around only meeting customers minimum demand needs or more prudent plan for meeting maximum demand customers allowed?
11:56:09 AM	Atty Kamuf BREC - witness Wolfram Note: Sacre, Candace	Testified that BREC has dedicated transmission facilities in place to serve Kimberly-Clark full load?
11:56:55 AM	Atty Kamuf BREC - witness Wolfram Note: Sacre, Candace	Asked about whether BREC lowers base rates when new customer comes on board, recall?
11:57:10 AM	Atty Kamuf BREC - witness Wolfram Note: Sacre, Candace	Familiar with BREC (inaudible) stability mechanism?
11:57:17 AM	Atty Kamuf BREC - witness Wolfram Note: Sacre, Candace	Under that tariff, if BREC making additional margins new customer comes on line, other customers benefit from that?
11:58:14 AM	Atty Kamuf BREC - witness Wolfram Note: Sacre, Candace	Asked a question about whether Kimberly-Clark required take backup service, customer own generation not want backup service, disconnect from system?
11:59:50 AM	Atty Kamuf BREC - witness Wolfram Note: Sacre, Candace	Self-supply capacity attributed to Kimberly-Clark generation, 14 megawatts, change over time?
12:00:54 PM	Atty Kamuf BREC - witness Wolfram Note: Sacre, Candace	Definition of self-supply capacity, MISO credits BREC with, change year to year, based on MISO decision?
12:01:29 PM	Atty Kamuf BREC - witness Wolfram Note: Sacre, Candace	Backup and maintenance power BREC provides, first-through-the-meter power, come before supplemental power?
12:02:28 PM	Atty Kamuf BREC - witness Wolfram Note: Sacre, Candace	Refer to Sheet 69.02 requirements for supplemental power service, line 2, is that the part of tariff talking about?
12:03:21 PM	Chairman Chandler - witness Wolfram Note: Sacre, Candace	Examination. BREC proposal be same if Kimberly-Clark new customer?
12:04:03 PM	Chairman Chandler - witness Wolfram Note: Sacre, Candace	How would justification of previously incurred fixed cost to serve customer apply to new customer?
12:04:51 PM	Chairman Chandler - witness Wolfram Note: Sacre, Candace	BREC and Kenergy minimum demand charge for industrial customer, service agreement with new customer, might require customer pay additional cost to build system to serve?
12:05:24 PM	Chairman Chandler Note: Sacre, Candace	Anything else?
12:05:34 PM	Chairman Chandler Note: Sacre, Candace	Recess.
12:07:03 PM	Session Paused	
12:12:37 PM	Session Resumed	
12:12:44 PM	Chairman Chandler Note: Sacre, Candace	Back on record in Case No. 2021-00289.
12:14:05 PM	Chairman Chandler Note: Sacre, Candace	Witness excused.

12:14:27 PM	Chairman Chandler Note: Sacre, Candace	Call your witness?
12:14:34 PM	Atty Boehm Kimberly-Clark Note: Sacre, Candace	Justin Bieber.
12:14:38 PM	Chairman Chandler Note: Sacre, Candace	Witness is sworn.
12:14:49 PM	Chairman Chandler - witness Bieber Note: Sacre, Candace	Examination. Name and address?
12:15:08 PM	Atty Boehm Kimberly-Clark - witness Bieber Note: Sacre, Candace	Direct Examination. Name?
12:15:21 PM	Atty Boehm Kimberly-Clark - witness Bieber Note: Sacre, Candace	File direct testimony?
12:15:28 PM	Atty Boehm Kimberly-Clark - witness Bieber Note: Sacre, Candace	Changes?
12:15:32 PM	Atty Boehm Kimberly-Clark - witness Bieber Note: Sacre, Candace	What materials in front of you?
12:16:33 PM	Chairman Chandler Note: Sacre, Candace	Questions?
12:16:50 PM	Vice Chairman Cabbage - witness Bieber Note: Sacre, Candace	Examination. Incentive built into tariff for maintenance service to be scheduled, credit not occur on-peak, if structure incentive to be built into tariff, what be?
12:18:39 PM	Chairman Chandler Note: Sacre, Candace	Questions?
12:18:44 PM	Chairman Chandler - witness Bieber Note: Sacre, Candace	Examination. Copy of testimony?
12:18:52 PM	Chairman Chandler - witness Bieber Note: Sacre, Candace	Line 70, about proposed credit in tariff, reading (click on link for further comments), disagreement on cost to provide service or what service encompasses?
12:21:21 PM	Chairman Chandler - witness Bieber Note: Sacre, Candace	Saying yours based on imbedded cost effectively LIC rate dollar-per-kilowatt-week basis in lieu of dollar-per-kilowatt-month basis?
12:22:16 PM	Chairman Chandler - witness Bieber Note: Sacre, Candace	Basis of initial question, not seem be rate point of contention, what applied to, Kimberly-Clark discrete limited thing and BREC effectively obligation to serve, agree with characterization?
12:23:17 PM	Chairman Chandler - witness Bieber Note: Sacre, Candace	BREC proposal charge Kimberly-Clark for standby service at demand equal to self-supply capacity 14 MW and get maintenance power free, full 14 MW able serve instant notice under backup power?
12:24:06 PM	Chairman Chandler - witness Bieber Note: Sacre, Candace	Your testimony maintenance power be charged imbedded cost not for possible demand but for actual scheduled demand for maintenance power, backup service just buy-through?
12:24:43 PM	Chairman Chandler - witness Bieber Note: Sacre, Candace	What buy-through for demand, how BREC buy this through, what is transaction would occur proposal backup power service?
12:27:59 PM	Chairman Chandler - witness Bieber Note: Sacre, Candace	Aware MISO planning and capacity processes?
12:28:11 PM	Chairman Chandler - witness Bieber Note: Sacre, Candace	Aware of PJM's?
12:28:16 PM	Chairman Chandler - witness Bieber Note: Sacre, Candace	PJM capacity market is buyoff/selloff capacity market?

12:28:43 PM	Chairman Chandler - witness Bieber Note: Sacre, Candace	Not how MISO works, capacity market residual capacity market?
12:29:01 PM	Chairman Chandler - witness Bieber Note: Sacre, Candace	BREC not procuring on any individual year any capacity from MISO?
12:29:19 PM	Chairman Chandler - witness Bieber Note: Sacre, Candace	Line 149 of testimony, attorney asks you, reading (click on link for further comments), has not BREC not already incurred capacity costs in form of generation built and maintains?
12:31:28 PM	Chairman Chandler - witness Bieber Note: Sacre, Candace	MISO actually have plan reduced by amount standby service, buy-through in subsequent year at MISO peak, next year demand buy-through backup service power from Kimberly-Clark included in what MISO requires BREC have following year?
12:32:33 PM	Chairman Chandler - witness Bieber Note: Sacre, Candace	Initial proposal for backup power service, note, reading (click on link for further comments), fair summary of proposal?
12:32:57 PM	Chairman Chandler - witness Bieber Note: Sacre, Candace	Including transmission service, in relation to paying for BREC transmission or transmission be delivered to BREC?
12:34:14 PM	Chairman Chandler - witness Bieber Note: Sacre, Candace	Your proposal for backup power service not provide charge related to imbedded costs that make up BREC current transmission system?
12:34:46 PM	Chairman Chandler - witness Bieber Note: Sacre, Candace	Read Wolfram rebuttal history with QF tariff, remember that might predate BREC membership in MISO?
12:35:11 PM	Chairman Chandler - witness Bieber Note: Sacre, Candace	Not member, been before BREC able take opportunity for postage stamp rate MISO provides, fair?
12:35:44 PM	Chairman Chandler Note: Sacre, Candace	Redirect?
12:35:54 PM	Atty Boehm Kimberly Clark - witness Bieber Note: Sacre, Candace	Redirect Examination. QFS tariff, if tariff approved effective February 1 (inaudible), correct?
12:36:25 PM	Atty Boehm Kimberly Clark - witness Bieber Note: Sacre, Candace	Current LIC tariff forms basis of BREC LICSS tariff approved same day?
12:37:00 PM	Chairman Chandler Note: Sacre, Candace	Other witnesses?
12:37:19 PM	Chairman Chandler Note: Sacre, Candace	Witness excused.
12:37:26 PM	Chairman Chandler Note: Sacre, Candace	Exhibits. (Click on link for further comments.)
12:38:34 PM	Atty Boehm Kimberly-Clark Note: Sacre, Candace	Kimberly-Clark moves mark service agreement Exhibit 1.
12:38:48 PM	Chairman Chandler Note: Sacre, Candace	Objection?
12:38:57 PM	Atty Kamuf BREC Note: Sacre, Candace	No objection.
12:39:01 PM	Chairman Chandler Note: Sacre, Candace	Exhibit 1.
12:39:02 PM	KIMBERLY-CLARK EXHIBIT 1 Note: Sacre, Candace Note: Sacre, Candace	ATTY BOEHM KIMBERLY-CLARK KENERGY CORP AND KIMBERLY-CLARK CORPORATION FIRST AMENDED AND RESTATED AGREEMENT FOR ELECTRIC SERVICE

12:39:04 PM	Atty Boehm Kimberly-Clark Note: Sacre, Candace	Kimberly Clark move admit direct testimony of Bieber as Exhibit 2.
12:39:26 PM	Atty Kamuf BREC Note: Sacre, Candace	Entire testimony, confidential information, exhibit, how much introducing? (Click on link for further comments.)
12:39:53 PM	Chairman Chandler Note: Sacre, Candace	Marked as Exhibit 2.
12:39:56 PM	KIMBERLY-CLARK EXHIBIT 2 Note: Sacre, Candace Note: Sacre, Candace	ATTY BOEHM KIMBERLY-CLARK CASE NO. 2021-00079 APPLICATION EXHIBIT B DIRECT TESTIMONY OF MARK EACRET
12:40:31 PM	Chairman Chandler Note: Sacre, Candace	Any motions? (Click on link for further comments.)
12:40:47 PM	Chairman Chandler Note: Sacre, Candace	Post-hearing data requests. (Click on link for further comments.)
12:45:41 PM	Chairman Chandler Note: Sacre, Candace	Briefs. (Click on link for further comments.)
12:48:26 PM	Chairman Chandler Note: Sacre, Candace	Anything else?
12:48:40 PM	Chairman Chandler Note: Sacre, Candace	Hearing adjourned.
12:48:49 PM	Session Ended	



Exhibit List Report

2021-00289 20Jan2022

**Big Rivers Electric Corporation
(BREC) and Kenergy Corporation
(Kenergy)**

Name:	Description:
KIMBERLY-CLARK EXHIBIT 1	KENERGY CORP AND KIMBERLY-CLARK CORPORATION FIRST AMENDED AND RESTATED AGREEMENT FOR ELECTRIC
KIMBERLY-CLARK EXHIBIT 2	CASE NO. 2021-00079 APPLICATION EXHIBIT B DIRECT TESTIMONY OF MARK EACRET

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PUBLIC SERVICE COMMISSION

FIRST AMENDED AND RESTATED AGREEMENT FOR ELECTRIC SERVICE

THIS FIRST AMENDED AND RESTATED AGREEMENT FOR ELECTRIC SERVICE ("Agreement"), is made and entered into as of the 13th day of November, 2008, by and between KENERGY CORP., a Kentucky rural electric cooperative corporation, with its principal office located at 6402 Old Corydon Road, P.O. Box 18, Henderson, Kentucky 42419-0018 (hereinafter, the "Seller"), and KIMBERLY-CLARK CORPORATION, a Delaware corporation, with its principal office located at World Headquarters, 351 Phelps Drive, Irving, Texas 75038 (hereinafter, the "Customer") (Seller and Customer are individually referred to herein as a "Party" and collectively as the "Parties").

WHEREAS, Seller, as the successor by consolidation to Green River Electric Corporation, currently supplies and delivers to Customer electric power and energy pursuant to an existing Agreement for Electric Service dated March 12, 1993, between Green River Electric Corporation and Scott Paper Company, Customer's predecessor-in-interest (the "Existing Agreement");

WHEREAS, Seller currently purchases electric power and energy for resale to Customer from Big Rivers Electric Corporation ("Big Rivers") under a wholesale power agreement ("Wholesale Power Agreement"); and

WHEREAS, the Parties wish to amend and restate the Existing Agreement to reflect various changed circumstances;

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the Parties agree as follows:

ARTICLE I

GENERAL OBLIGATIONS AND TERMINATION OF EXISTING AGREEMENT

1.01 Basic Obligations of the Parties. Seller will supply, sell, and deliver to Customer, and Customer will accept and pay for, all of the electric power and energy required by Customer for the operation of its facilities at the plant site located at 601 Innovative Way, Owensboro, Daviess County, Kentucky 42301-8437 (the "Plant Site"), up to the Maximum Contract Demand (as defined in Section 2.04 below). This service will be supplied under this Agreement, and the rules, regulations, and orders of the Public Service Commission of Kentucky ("Commission"), which may be applicable and effective from time to time. Seller and Customer agree that this Agreement contains the exclusive terms on which Seller will provide retail service to Customer during the term of this Agreement, and that the Existing Agreement is terminated as of the Effective Date, as defined herein.

1.02 Membership. Customer shall be a member of rules and regulations as may from time to time be adopted by and conditions of this Agreement.

KIMBERLY-CLARK EXHIBIT 1

PUBLIC SERVICE COMMISSION OF KENTUCKY 1/9/2009 PURSUANT TO 807 KAR 5:011 SECTION 9 (1) By [Signature] Executive Director

1.03 Performance by Seller. Customer acknowledges and agrees that, to the extent Big Rivers has a corresponding or related obligation to Seller under the Wholesale Power Agreement, Seller's performance of an obligation under this Agreement (i) is subject to and conditioned upon Big Rivers' performance of such corresponding or related obligation to Seller, and (ii) may be undertaken by Big Rivers and that such performance of corresponding or related obligations by Big Rivers will satisfy Seller's performance obligations hereunder.

ARTICLE II
SERVICE CHARACTERISTICS

2.01 The electric power and energy delivered hereunder will be in the form of three-phase alternating current (60 hertz) at 161,000 volts nominal.

2.02 Delivery Point. The "Delivery Point" of the electric power and energy made available under this Agreement shall be the point at which Customer's facilities connect to Seller's facilities, which is at the primary terminals of the 161,000 volt/13,800 volt transformer bushings at Customer's main substation at the Plant Site.


2.03 Service Restriction. Customer shall not use the electric power and energy furnished hereunder as an auxiliary or supplement to any other source of purchased power and shall not sell any electric power and energy purchased hereunder. Nothing in this Agreement limits the right of Customer to generate electric power and energy for its own usage. If Customer generates electric power and energy for its own usage, then Seller will provide back-up, maintenance and/or supplemental power in accordance with its filed tariffs and orders of the Commission.

2.04 Maximum Contract Demand. The maximum demand of Customer during the primary term of this Agreement, or any extension thereof, shall be 44,258 kilowatts (the "Maximum Contract Demand"), unless otherwise agreed in writing by the Parties. Seller shall not be obligated to supply capacity in excess of said demand; provided, however that if Customer modifies or expands its plant in such a way as to increase its electric requirements, Customer shall be entitled to obtain additional service to the same extent as any other customer of Seller would be so entitled, and that if Customer installs another paper machine at its Plant Site, Seller agrees to negotiate an amendment to this Agreement to include a change in the Maximum Contract Demand and provisions relating to a second 161,000 volt transmission line. The Maximum Contract Demand shall be measured as the highest integrated kilowatt demand occurring during a thirty-minute period at the beginning and mid-point of a clock hour in the billing month, as measured by the coincidental sum of Customer's meters.

2.05 Electric Disturbances and Phase Balancing.

(a) Customer shall not use the energy delivered hereunder in such a manner as to cause electric disturbances which may reasonably be expected to (i) cause damage or interference with Seller's system, systems connected with Seller's system, or facilities or other property in proximity to Seller's system, or (ii) prevent Seller from serving other Customers satisfactorily.

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SECTION 9 (1)

By 
Executive Director

(b) Seller may require Customer, at Customer's expense, to make such changes in its system as may be necessary to reasonably limit such fluctuations and disturbances.

(c) Customer shall take and use the power and energy hereunder in such a manner that the load at the Delivery Point shall not cause an imbalance between phases sufficient to cause interference with the Seller's system or to systems connected to Seller's system; otherwise, Seller reserves the right to require Customer, at Customer's expense, to make necessary changes to correct such conditions. In addition to any other remedies that Seller may have hereunder, should Customer fail to make such changes, Seller may, in its determination of billing demand, assume the load on each phase is equal to the greatest load on any phase.

(d) Customer acknowledges and agrees that Seller shall have no responsibility for damage to any property, or to any equipment or devices connected to Customer's electrical system on Customer's side of the Delivery Point that results solely from acts or omissions of Customer, its employees, agents, contractors or invitees, or malfunction of any equipment or devices connected to Customer's electrical system on Customer's side of the Delivery Point. The Parties agree that Customer's historic use of power and energy has not caused any damage, interference, or phase imbalance on Seller's system or systems connected to Seller's system.


(e) Seller acknowledges and agrees that it shall have no responsibility for damage to any property, or to any equipment or devices connected to Customer's electrical system on Customer's side of the Delivery Point, except those that result solely from negligent acts or omissions or intentional acts of Seller, or Seller's employees, contractors or invitees acting within the scope of their employment, contract or invitation, respectively. Customer waives any claims it may have against Seller for damage to any property, or to any equipment or devices connected to Customer's electrical system on Customer's side of the Delivery Point that occurred prior to the effective date of this Agreement.

2.06 Power Factor. Customer shall maintain a power factor at the Delivery Point as nearly as practicable to unity. Power factor during normal operation may range from unity to ninety percent (90%). If Customer's power factor is less than 90% at time of maximum load, Seller reserves the right to require Customer to choose either (a) installation at Customer's expense of equipment which will maintain a power factor of 90% or higher; or (b) adjustment of the maximum monthly metered demand for billing purposes in accordance with the following formula:

$$\frac{\text{Maximum Actual Measured Kilowatts} \times 90\%}{\text{Power Factor (\%)}}$$

2.07 Metering.

(a) The metering equipment necessary to register the electric demand and energy for this service shall be furnished, installed, operated, and maintained by Seller or Seller's power supplier, and shall be and remain the property of Seller or Seller's power supplier.

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OF KENTUCKY
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)
By 
Executive Director

(b) Each meter shall be read on or about the first day of each month, or such other day as may be mutually agreed upon by a representative of Seller and may be simultaneously read by a representative of Customer should Customer so elect.

(c) All inspections and testing of metering equipment shall be performed in accordance with applicable rules and regulations of the Commission.


(d) The metering point shall be at Customer's main substation at the Plant Site at the 161,000 voltage level.

2.08 Easements and Facilities Provided by Customer. Customer has provided, and shall continue to provide or cause to be provided, without cost to Seller, the following easements and facilities which are or may be necessary for Seller or its power supplier to supply the electric consuming facilities of Customer with retail electric service:

(a) Easements for rights-of-way upon Customer's property, at such locations and of such dimensions as determined by Seller and which are necessary for the construction of facilities which Seller or its power supplier must furnish to provide electric service herein; provided, however, that if Customer wishes to move such facilities in the future, Seller will cooperate in identifying alternate satisfactory locations so long as any relocation is at Customer's expense. Customer shall also provide or cause to be provided, without cost to Seller, a suitable switching station site in fee, rough-graded to Seller's requirements, located adjacent to Customer's main substation, for the construction and erection of such new facilities and future alterations to existing facilities as may from time to time be necessary to serve Customer; provided, however, that Seller shall reconvey any such site back to Customer in the event that this Agreement is terminated and Seller is not then using such site for any other customer, or in the event that Customer has a need for such site and is willing to provide Seller with a satisfactory alternate site and pay all relocation costs.

(b) Customer has furnished, and except as provided in Section 2.09 hereof, Customer shall continue to furnish, operate, and maintain (or cause to be furnished, operated, and maintained) such substation facilities and equipment as may be necessary to enable it to receive and use electric power and energy purchased hereunder at and from the Delivery Point, including two power transformers and low voltage distribution equipment (including switchgear, supporting structures, associated bus and hardware, and such protective devices as may be reasonably necessary to protect the system of Seller from disturbances caused by Customer). Plans for equipment to be installed for such protection shall be submitted to Seller for prior approval, provided that (i) Seller shall respond promptly to any such submission either with its approval or describing in detail what changes Seller requires in order to grant its approval, (ii) such review shall be at Seller's expense, (iii) approval shall not be unreasonably withheld, and (iv) Seller shall not require any greater degree of protection than would be required by generally accepted standards of prudent electrical practice.

2.09 Facilities Provided by Seller. Seller has furnished, and shall continue to furnish or cause to be furnished, at no extra charge to Customer, all of the facilities required for the delivery of electric power and energy to the Delivery Point, including the following facilities:

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Executive Director

(a) One 161,000 volt radial transmission line extending from one of the existing substations on Big Rivers' transmission system to the Delivery Point; and

(b) Metering, communications, relaying, control circuits, and associated equipment necessary to properly measure, control, and coordinate the delivery of electrical power and energy between Seller's and Customer's facilities.

2.10 Operation and Maintenance of Facilities.


(a) Seller shall construct, operate, and maintain, or cause to be constructed, operated and maintained, all facilities and equipment owned by it or its power supplier and required to supply retail electric service to Customer in accordance with the terms of this Agreement, and all other applicable laws, codes and regulations.

(b) Customer shall construct, operate, and maintain, or cause to be constructed, operated, and maintained, all of the facilities and equipment owned by it in accordance with the applicable provisions of the National Electrical Safety Code and all other applicable laws, codes, and regulations; provided, however, that Seller shall have no duty to inspect such facilities for compliance therewith.

2.11 Right of Removal. Any and all equipment, apparatus, devices, or facilities placed or installed, or caused to be placed or installed, by either Party on or in the premises of the other Party shall be and remain the property of the Party owning and installing such equipment, apparatus, devices, or facilities regardless of the mode or manner of annexation or attachment to real property of the other. Upon the termination of this Agreement, the owner thereof shall have the right to enter upon the premises of the other and shall within a reasonable time remove such equipment, apparatus, devices, or facilities; provided, however, that Customer may not recover any easements or sites conveyed to Seller as referred to in Section 2.08 hereof except to the extent that Seller no longer has a need to make use of such easements or sites.

ARTICLE III
PAYMENT

3.01 Rates. On and after the Effective Date (as defined in Section 11.02 below) of this Agreement, Customer shall pay Seller for service hereunder at the rates set forth in Seller's Rate Schedule 32, attached hereto as Exhibit A, and other applicable tariffs of Seller, or any successor tariff(s), all of which are incorporated herein by reference, subject to such changes as may become effective from time to time by operation of law or by order of the Commission, provided that in the case of any filing with the Commission which changes or affects the terms, conditions, or rates under this Agreement, Seller gives Customer notice in accordance with Article VIII of this Agreement and in accordance with law and the Commission's regulations and orders so that Customer has the opportunity to participate in any proceeding at the Commission affecting the terms, conditions, or rates hereunder.

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3.02 Taxes. Customer shall pay all taxes, charges, or assessments now or hereafter applicable to electric service hereunder.

3.03 Billing Demand.

(a) The monthly billing demand shall be the greater of the maximum integrated thirty-minute demand at the Delivery Point during each month or the minimum billing demand, with such maximum integrated thirty-minute demand determined by meters which record at the end of each thirty-minute period the integrated kilowatt demand during the preceding thirty minutes. The provisions of Section 2.06 apply to the measured kilowatts.

(b) The minimum billing demand of Customer shall be 20,000 kilowatts.


3.04 Payment of Bills. Bills for service furnished during the preceding monthly billing period shall be processed and mailed to Customer, and a copy faxed to Customer, not later than the first Working Day after the thirteenth (13th) day of each month. Bills for service hereunder shall be due and payable on or before the first Working Day after the twenty-fourth (24th) day of the month. "Working Day" shall mean any day other than a Saturday, Sunday, or banking holiday. In the event payment of the current monthly bill (excluding any amounts as to which there is a bona fide dispute) is not received by Seller on or before the due date, Seller may discontinue delivery of electric power and energy hereunder upon fifteen (15) days notice to Customer of its intention to do so, unless Seller receives payment before the end of such fifteen (15) day notice period. Simple interest equal to the then-effective prime commercial lending rate as published in the "Money Rates" section of *The Wall Street Journal* plus one percent (1%) shall apply to any unpaid amounts from the due date until paid. Any such discontinuance of service under this paragraph shall not relieve Customer of any of its obligations under this Agreement. The Parties agree that if the billing date by which Big Rivers bills Seller under Big Rivers' tariff relative to the service provided under this Agreement changes, or that if the due date by which Seller must pay Big Rivers under Big Rivers' tariff relative to the service provided under this Agreement changes, the Parties will amend the billing date and due date herein accordingly.

3.05 Customer Deposit. As security for payment of its monthly billing obligations, Customer shall be required to provide Seller a cash deposit or an irrevocable bank letter of credit representing two (2) months' estimated billing, being the total amount of \$1,356,000.00 and Seller hereby acknowledges receipt of same. Any cash deposit will earn interest in accordance with law, and interest earned will be paid annually to Customer. Letters of credit must be approved by Seller. Annually the Parties shall adjust the deposit or bank letter of credit accordingly.

ARTICLE IV
CONTINUITY OF SERVICE

4.01 Seller shall use reasonable diligence to provide a constant and uninterrupted supply of electric power and energy hereunder. However, Seller shall not be responsible for

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damages to Customer occasioned by any failure, shortage, or interruption of service or for failure as a result of Force Majeure (as defined in Section 4.02 below).

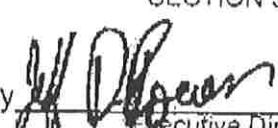
4.02 In the event either Party shall be unable, wholly or in part, by reason of Force Majeure (as defined below), including Force Majeure preventing Seller's power supplier from supplying power for Seller's resale to Customer, to carry out its obligations hereunder, on such Party's giving notice and reasonably full particulars of such Force Majeure, first by telephone and then confirmed in writing, to the other Party within a reasonable time after the occurrence of the cause relied upon, then the obligations of the Parties, to the extent they are affected by such Force Majeure, shall be suspended during the continuance of any inability so caused, but for no longer period, and the following provisions shall apply:

(a) Inability of Seller. Should Seller's ability to make power available to Customer in the amount provided for hereunder be interrupted or curtailed for a period longer than 120 consecutive minutes because of Force Majeure, then for the period of and to the extent of such interruption or curtailment, the monthly billing demand shall be prorated by a factor equal to the ratio of the time Seller is unable to deliver power to the total time in the billing period.

(b) Inability of Customer. If a Force Majeure affects all or a portion of Customer's equipment so that for a period longer than 120 consecutive minutes, Customer is unable to receive and utilize all or a portion of the power that it would have otherwise received and utilized, then an appropriate adjustment will be made in the monthly billing demand, and if the Force Majeure continues for an entire monthly billing period during which the minimum billing demand is greater than the maximum integrated thirty-minute demand for that billing period, the minimum billing demand shall be adjusted downward for purposes of calculating the monthly billing demand for that billing period by the amount of demand reduction attributable to the Force Majeure.

(c) The term "Force Majeure" as used herein, shall mean acts of God, strikes or general employee work stoppages that are not under the reasonable control of Customer, acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, arrests and restraints of government, whether federal, state, or local, civil or military, civil disturbances, explosions, breakage of or accident to machinery, equipment, or transmission lines, inability of either Party to obtain necessary materials, supplies, or permits due to existing or future rules, regulations, orders, laws, or proclamations of governmental authorities, whether federal, state, or local, civil or military, and any other causes which are not reasonably within the control of the Party affected.

(d) The Party unable to perform its obligations hereunder by reason of Force Majeure shall remedy such inability with all reasonable dispatch; provided, however, the Customer shall not be required to restore its plant and/or operations to the extent that it is not practical for Customer to do so. The Party affected by an event of Force Majeure shall provide the other with a timely and reasonably full description of the nature and impact of any damages to its facilities and operations caused by such event, and the anticipated duration of the event.

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thereof on that Party's performance hereunder. Nothing contained herein may be construed to require a Party to prevent or to settle a labor dispute against its will.

ARTICLE V
TERM

5.01 Term and Renewals. This Agreement shall remain in full force and effect for a primary term beginning with the Effective Date hereof (as defined in Section 11.02 below) and continuing through the one hundred twentieth (120th) month thereafter. Customer may terminate this Agreement prior to the end of the ten year primary term by giving Seller and Big Rivers at least twelve (12) months prior notice in accordance with Article VIII of this Agreement.

5.02 Assignment. This Agreement shall be assignable by Customer only if (a) Customer agrees in writing to guarantee all of Customer's obligations hereunder, or (b) Customer obtains the prior written consent of Seller, which consent will not be unreasonably withheld, delayed or conditioned. Seller may withhold approval of a proposed assignment until, among other things, Seller has been provided with all information it may reasonably require regarding the proposed assignee, including the ability of the proposed assignee to fulfill its obligations hereunder.

ARTICLE VI
RIGHT OF ACCESS

6.01 Duly authorized representatives of Seller shall be permitted to enter upon Customer's premises at all reasonable hours in order to carry out the provisions of this Agreement.

6.02 Each Party shall furnish to the other such reports and information concerning its operations as the other may reasonably request from time to time.


6.03 Seller shall cause Big Rivers to provide to Customer, upon Customer's request, documentation regarding unplanned downtime events on the transmission line to Customer, a description of such downtime events, and a description of any remediation efforts to prevent future similar events.

6.04 Seller shall cause Big Rivers to provide to Customer, upon Customer's request, documentation listing the preventative maintenance measures planned on the transmission line to Customer, as well as the actual preventative maintenance measures from the prior year.

ARTICLE VII
EVENTS OF DEFAULT AND REMEDIES

7.01 Events of Default. Each of the following constitutes an Event of Default under this Agreement:

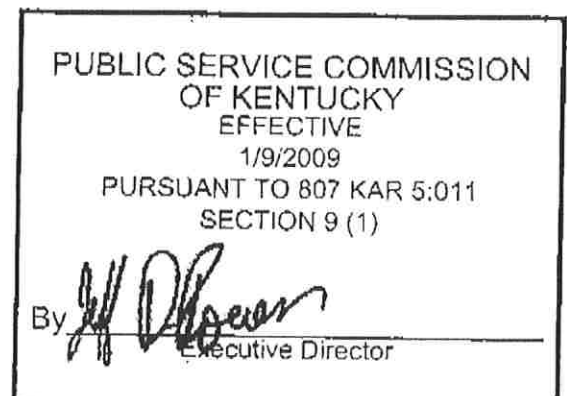
Each of the following constitutes an Event of Default

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- (a) Failure by Customer to make any payment in accordance with this Agreement;
- (b) Failure of a Party to perform any material duty imposed on it by this Agreement;
- (c) Any attempt by a Party to transfer an interest in this Agreement other than as permitted pursuant to Section 5.02;
- (d) Any filing of a petition in bankruptcy or insolvency, or for reorganization or arrangement under any bankruptcy or insolvency laws, or voluntarily taking advantage of any such laws by answer or otherwise, or the commencement of involuntary proceedings under any such laws by a Party and such petition has not been withdrawn or dismissed within 60 days after filing;
- (e) Assignment by a Party for the benefit of its creditors; or
- (f) Allowance by a Party of the appointment of a receiver or trustee of all or a material part of its property and such receiver or trustee has not been discharged within 60 days after appointment.

7.02 Remedies. Following the occurrence and during the continuance of an Event of Default by either Party, the non-defaulting Party may, in its sole discretion, elect to terminate this Agreement upon written notice to the other Party, or to seek enforcement of its terms at law or in equity. Remedies provided in this Agreement are cumulative. Nothing contained in this Agreement may be construed to abridge, limit, or deprive either Party of any means of enforcing any remedy either at law or in equity for the breach or default of any of the provisions herein, except as provided in Section 7.03 below.

7.03 LIMITATION OF DAMAGES. UNDER NO CIRCUMSTANCE WILL EITHER PARTY OR ITS RESPECTIVE AFFILIATES, DIRECTORS, OFFICERS, MEMBERS, MANAGERS, EMPLOYEES, OR AGENTS BE LIABLE HEREUNDER TO THE OTHER PARTY, ITS AFFILIATES, DIRECTORS, OFFICERS, MEMBERS, MANAGERS, EMPLOYEES, OR AGENTS, WHETHER IN TORT, CONTRACT, OR OTHERWISE, FOR ANY SPECIAL, INDIRECT, PUNITIVE, EXEMPLARY, OR CONSEQUENTIAL DAMAGES, INCLUDING LOST PROFITS. EACH PARTY'S LIABILITY HEREUNDER WILL BE LIMITED TO DIRECT, ACTUAL DAMAGES. THE EXCLUSION OF ALL OTHER DAMAGES SPECIFIED IN THIS SECTION IS WITHOUT REGARD TO THE CAUSE OR CAUSES RELATING THERETO. THIS PROVISION WILL SURVIVE TERMINATION OF THIS AGREEMENT.



ARTICLE VIII
NOTICES

8.01 Any notice, demand, or request required or authorized under this Agreement shall be deemed properly given to or served upon the other Party if the notice is in writing and placed in this mail, postage prepaid, or delivered to the other Party at the following addresses:

To the Seller:

Kenergy Corp.
6402 Old Corydon Road
P.O. Box 18
Henderson, KY 42419-0018
Attn: President and CEO

With a copy to:

Big Rivers Electric Corporation
201 Third Street
P.O. Box 24
Henderson, KY 42419-0024
Attn: President and CEO


To the Customer:

Kimberly-Clark Corporation
Owensboro Mill
601 Innovative Way
Owensboro, KY 42301-8437
Attn: Mill Manager

With a copy to:

Kimberly-Clark Corporation
1400 Holcomb Bridge Road
Building 200/2
Roswell, GA 30076
Attn: Director of Energy Services

Each Party shall have the right to change the name of the person or location to whom or where notice shall be given or served by notifying the other Party in writing of such change.

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ARTICLE IX
REPRESENTATIONS AND WARRANTIES

9.01 Representations of Seller. Seller hereby represents and warrants to Customer as follows:

(a) Seller is an electric cooperative corporation duly organized, validly existing and in good standing under the laws of the Commonwealth of Kentucky, and has the power and authority to execute and deliver this Agreement, to perform its obligations hereunder, and to carry on its business as such business is now being conducted and as is contemplated hereunder to be conducted during the term hereof.

(b) The execution, delivery, and performance of this Agreement by Seller have been duly and effectively authorized by all requisite corporate action.

9.02 Representations and Warranties of Customer. Customer hereby represents and warrants to Seller as follows:

(a) Customer is a corporation duly organized and validly existing and in good standing under the laws of the State of Delaware, is authorized to do business in the Commonwealth of Kentucky, and has the power and authority to execute and deliver this Agreement, to perform its obligations hereunder, and to carry on its business as such business is now being conducted and as is contemplated hereunder to be conducted during the term hereof.

(b) The execution, delivery, and performance of this Agreement by Customer have been duly and effectively authorized by all requisite corporate action.

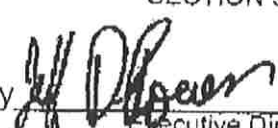
ARTICLE X
SEVERABILITY

10.01 The invalidity of any portion of this Agreement shall not affect the validity of the remainder thereof.

ARTICLE XI
SUCCESSION, APPROVAL, AND EFFECTIVE DATE

11.01 This Agreement shall be binding upon and inure to the benefit of the successors, legal representatives, and permitted assigns of the respective Parties hereto,

11.02 The "Effective Date" of this Agreement shall be the date hereof, except that said Effective Date shall be postponed and this Agreement shall not become effective unless and until this Agreement is approved or accepted in writing by the Commission.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
1/9/2009
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)
By 
Executive Director

ARTICLE XII
MISCELLANEOUS

12.01 Entire Agreement. The terms, covenants, and conditions contained herein constitute the entire agreement between the Parties and shall supersede all previous communications, representations, or agreements, either oral or written, between the Parties hereto with respect to the subject matter hereof, provided, however, that service to Customer is subject to the lawful orders of the Commission. All applicable tariffs of Seller are incorporated by reference.

12.02 Governing Law, Jurisdiction, and Venue. All respective rights and obligations of the Parties shall be governed by the laws of the Commonwealth of Kentucky, without regard to its conflicts of law rules. The Parties hereby agree that the courts of the Commonwealth of Kentucky will have exclusive jurisdiction over each and every judicial action brought under or in relationship to this Agreement; provided that the subject matter of such dispute is not a matter reserved by law to the Commission, or to the U.S. federal judicial system (in which event exclusive jurisdiction and venue will lie with the U.S. District Court for the Western District of Kentucky), and the Parties hereby agree to submit to the jurisdiction of Kentucky courts for such purpose. Venue of any state court action, legal or equitable, related to this Agreement shall be Henderson County, Kentucky.

12.03 Waiver. The waiver by either Party of any breach of any term, covenant, or condition contained herein will not be deemed a waiver of any other term, covenant, or condition, nor will it be deemed a waiver of any subsequent breach of the same or any other term, covenant, or condition contained herein.

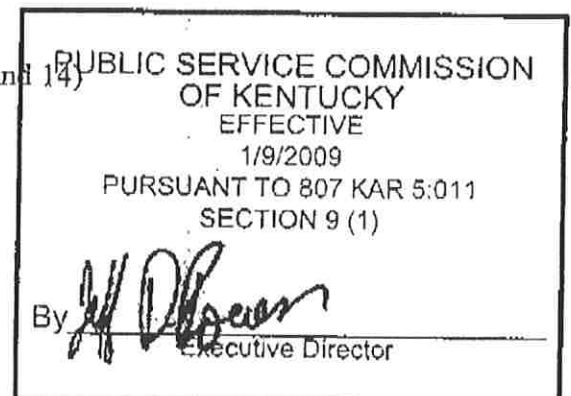
12.04 Amendments. This Agreement may be amended, revised, or modified by, and only by, a written instrument duly executed by both Parties.

12.05 Counterparts. This Agreement may be executed in any number of counterparts, which together will constitute but one and the same instrument, and each counterpart will have the same force and effect as if they were one original.

12.06 Headings. The headings contained in this Agreement are solely for convenience and do not constitute a part of the agreement between the Parties, nor should such headings be used to aid in any manner in the construction of this Agreement.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement, as of the day and year first above written.

(Signatures are on pages 13 and 14)



KENERGY CORP.

By: Sandy Novick
Sandy Novick
President and CEO

Attest:

Name: _____
Title: _____

KIMBERLY-CLARK CORPORATION

By: Jan B.C. Spencer
Printed Name: Jan B.C. Spencer
Title: President Global KC Professional

Attest:

Name: _____
Title: _____

J.P. [unclear]
12-1-09



PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
1/9/2009
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)
By: J.P. [unclear]
Executive Director



Henderson, Kentucky

FOR ALL TERRITORY SERVED
Community, Town or City
PSC NO. 1

Second Revised SHEET NO. 32B

CANCELLING PSC NO.

First Revised SHEET NO. 32B

CLASSIFICATION OF SERVICE
Schedule 32 -- Large Industrial Customers Served Under Special Contract
(Dedicated Delivery Points) - Class B

Kimberly Clark

The monthly delivery point rate shall be:

- (R) Customer Charge.....\$1,028 Month
- Demand Charge of:
per KW of Billing Demand.....\$10.15
- (R) Energy Charge of:
per KWH......013881

TAXES AND FEES

School Taxes added to bill if applicable.
Kentucky Sales Taxes added to bill if applicable.

FRANCHISE CHARGE

The rate herein provided shall include, where applicable, an additional charge for local government franchise payment determined in accordance with the Franchise Billing Plan as set forth in the rules and regulations of this tariff.

DATE OF ISSUE June 27, 2005
ISSUED BY *Mark A. Barby*
SIGNATURE OF OFFICER
ISSUED BY AUTHORITY OF PSC ORDER NO. 2004-00446.

PUBLIC SERVICE COMMISSION OF KENTUCKY
EFFECTIVE 6/14/2005
PUBLIC SERVICE COMMISSION OF KENTUCKY
EFFECTIVE 4/0/2009
By *[Signature]* and CEO
Pursuant to 807 KAR 5:011
Executive Director (1)
By *[Signature]*
Executive Director

EXHIBIT A



201 Third Street
 P.O. Box 21
 Henderson, KY 42419-0021
 270-827-2561
 www.bigrivers.com

December 9, 2008

RECEIVED

DEC 10 2008

PUBLIC SERVICE
 COMMISSION

Mr. Sandy Novick
 Kenergy Corp.
 6402 Corydon Road
 P.O. Box 18
 Henderson, KY 42419-0018

Re: Retail Electric Service Agreement
 Kimberly-Clark Corporation

Dear Sandy:

This letter agreement ("Letter Agreement") will evidence Big Rivers' concurrence with the terms of Kenergy's electric service agreement with Kimberly-Clark Corporation (the "Retail Customer") dated November 13, 2008, a copy of which is attached hereto as Exhibit 1 (the "Retail Agreement"), and the agreement between Big Rivers and Kenergy with respect thereto.


(1) **Existing Agreement and Tariffs.** The terms and conditions of the June 11, 1962, wholesale power agreement, as amended, and Big Rivers' filed tariffs shall continue in full force and effect except as expressly modified by this Letter Agreement.

(2) **Additional Rights and Obligations of Big Rivers.** Big Rivers shall make available to Kenergy the electric power required during the term of the Retail Agreement to perform the power supply obligations assumed by Kenergy in the Retail Agreement and Big Rivers shall have the benefit of Retail Customer's covenants in such agreement. Big Rivers will supply the facilities required to deliver power to the delivery point, as defined in the Retail Agreement, and to meter electrical usage by Retail Customer.

(3) **Obligations of Kenergy.** Kenergy shall take and pay for electric power and energy delivered by Big Rivers in accordance with Big Rivers' Rate Schedule 7 or Rate Schedule 10, as applicable, with demand and energy being measured in accordance with the Retail Agreement.

(4) **Obligation of Kenergy for Minimum Billing Demand Charge.** Kenergy agrees to bill Retail Customer for any minimum billing demand charges in excess of measured demand, and agrees to pay over to Big Rivers all funds actually collected under such billings. The terms of this paragraph do not affect the obligation of Kenergy to pay Big Rivers in accordance with Big Rivers' tariff as and when billed for the wholesale charges for energy.

PUBLIC SERVICE COMMISSION
 OF KENTUCKY
 EFFECTIVE
 1/3/2009
 PURSUANT TO 2007 KAR 5.011
 SECTION 11

By 
 Executive Director

Your Touchstone Energy[®] Cooperative

Mr. Sandy Novick
December 9, 2008
Page Two

actually consumed by Retail Customer.

(5) **Division of Any Partial Payments.** Kenergy will pay to Big Rivers a pro rata share of any partial payment made to Kenergy by or on behalf of Retail Customer.

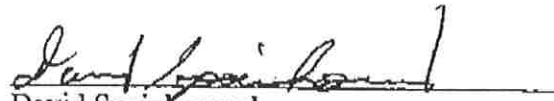
(6) **Effective Date.** This Letter Agreement will become effective upon approval or acceptance by the Public Service Commission of Kentucky.

(7) **Entire Agreement and Amendment.** This Letter Agreement represents the entire agreement of the parties on the subject matter herein, and cannot be amended except in writing, duly authorized and signed by Big Rivers and Kenergy. The Retail Agreement cannot be amended without the written approval of Big Rivers.

If this Letter Agreement is acceptable to Kenergy, please indicate that acceptance by signing in the space provided and returning four copies to us.

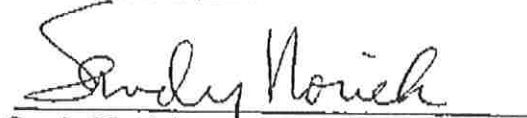
Sincerely yours,

BIG RIVERS ELECTRIC CORPORATION

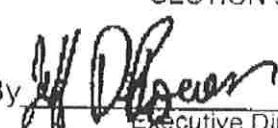

David Spainhoward
Vice President of External Relations

ACCEPTED:

KENERGY CORP.


Sandy Novick
President/CEO

Date: 12/9/08

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
1/9/2009
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)
By 
Executive Director



Your Touchstone Energy® Cooperative 

**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

In the Matter of:

**ELECTRONIC APPLICATION OF
BIG RIVERS ELECTRIC CORPORATION
FOR A CERTIFICATE OF PUBLIC CONVENIENCE
AND NECESSITY AUTHORIZING THE
CONVERSION OF THE GREEN STATION UNITS
TO NATURAL GAS-FIRED UNITS AND AN ORDER
APPROVING THE ESTABLISHMENT OF A
REGULATORY ASSET**)

**Case No.
2021-00079**

DIRECT TESTIMONY

OF

**MARK EACRET
VICE PRESIDENT ENERGY SERVICES**

ON BEHALF OF

BIG RIVERS ELECTRIC CORPORATION

February 28, 2021

**Case No. 2021-00079
Application Exhibit B
Direct Testimony of Mark Eacret**

KIMBERLY-CLARK EXHIBIT 2

**DIRECT TESTIMONY
OF
MARK EACRET**

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1 activities, interface with the MISO Independent Market Monitor, and
2 performing a variety of official roles within the MISO structure.

3
4 **Q. Briefly describe your education and work experience.**

5 A. I graduated from Indiana University–Purdue University Indianapolis with
6 a Bachelor of Science in Accounting and from Indiana University with a
7 Master of Business Administration with a concentration in Finance. I was
8 employed by CINergy and its predecessor companies from 1980 to 1991 in
9 the accounting function and, beginning in 1991, in the wholesale power
10 function managing the analytical support for the company's wholesale
11 marketing and trading functions. From 1999 through 2013, I worked with
12 Ameren Corp where initially my team and I provided analytical support to
13 the company's marketing and trading functions. In 2007, I assumed the
14 additional responsibility of Controller for Ameren's merchant generation
15 operation, Ameren Energy Resources (“AER”). In 2011, I became AER’s
16 Controller and Vice President of Business Services. Following Ameren’s
17 2013 sale of its merchant generation function, I moved to Sunflower
18 Electric Power Corporation (“Sunflower”) in January 2014, as the Senior
19 Manager of Market Operations and Power Contracts. At Sunflower, I was
20 part of the team that transitioned Sunflower into the Southwest Power

1 Pool's ("SPP") Integrated Market. I assumed my current position with Big
2 Rivers in April 2015.

3 **Q. Have you previously testified before this Commission?**

4 A. Yes. I testified on behalf of Big Rivers in Case No. 2020-00183,¹ in which
5 Big Rivers sought and received Commission approval to enter into three
6 solar power purchase agreements ("PPAs"), and in Case No. 2019-00269.² I
7 sponsored responses to information requests in Case No. 2016-00278,³ Case
8 No. 2017-00384,⁴ Case No. 2019-00365,⁵ and Case No. 2020-00064.⁶ I have
9 also offered direct testimony in Fuel Adjustment Clause reviews, including
10 Case No. 2019-00007.⁷ My professional experience is summarized in
11 Exhibit Eacret-1.
12

¹ *In the Matter of: Electronic Application of Big Rivers Electric Corporation for Approval of Solar Power Contracts*, P.S.C. Case No. 2018-00183.

² *In the Matter of: Electronic Application of Big Rivers Electric Corporation for Enforcement of Rate and Service Standards*, P.S.C. Case No. 2019-00269.

³ *In the Matter of: Application of Big Rivers Electric Corporation for a Declaratory Order*, P.S.C. Case No. 2016-00278.

⁴ *In the Matter of: 2017 Integrated Resource Plan of Big Rivers Electric Corporation*, P.S.C. Case No. 2017-00384.

⁵ *In the Matter of: 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*, P.S.C. Case No. 2019-000365.

⁶ *In the Matter of: Electronic Application of Big Rivers Electric Corporation for Approval to Modify Its MRSM Tariff, Cease Deferring Depreciation Expenses, Establish Regulatory Assets, Amortize Regulatory Assets, and Other Appropriate Relief*, P.S.C. Case No. 2020-00064.

⁷ *In the Matter of: Electronic Examination of The Application of the Fuel Adjustment Clause of Big Rivers Electric Corporation from November 1, 2106 through October 31, 2018*, P.S.C. Case No. 2019-00007.

1 **Q. What is the purpose of your testimony in this proceeding?**

2 A. The purpose of my testimony is to explain the capacity shortage Big Rivers
3 would suffer were its two coal-fired Robert D. Green Station (“*Green*
4 *Station*”) generating units to be idled without any replacement capacity at
5 Big Rivers’ Sebree complex. I will discuss the benefits of the proposed
6 natural gas conversion project related to MISO market risk. And I will
7 provide information regarding the projections of market capacity prices and
8 natural gas prices that were used in Big Rivers’ economic analysis of the
9 proposed natural gas conversion project.

10

11 **Q. Will you be sponsoring any exhibits?**

12 A. Yes. I am sponsoring the following exhibits:

13 Exhibit Eacret-1: Professional Summary

14 Exhibit Eacret-2: Big Rivers’ Capacity Position from 2022 through
15 2029

16 Exhibit Eacret-3: Bilateral Capacity Price Forecast

17 Exhibit Eacret-4: MISO Planning Resource Auction Clearing Prices

18 Exhibit Eacret-5: Natural Gas Price Forecast

19

1 **II. BIG RIVERS' PROJECTED CAPACITY SHORTAGE**

2 **Q. How does the capacity available through Big Rivers' generation**
3 **portfolio compare to the demand of its Members and its other**
4 **customers?**

5 A. As the Commission is aware, Big Rivers' native load decreased
6 substantially following the departure of two large smelter customers from
7 the Company's system in 2013-2014. The combined load of the two
8 smelters was approximately 850 MW.

9 Since the departure of the smelters, the Company has taken many
10 steps to mitigate that substantial load loss and maximize the value of its
11 generation resources. After ensuring the satisfaction of its native load, Big
12 Rivers capitalizes on its available capacity in a number of ways. For
13 instance, Big Rivers has wholesale power contracts to sell power to three
14 entities in the State of Nebraska through [REDACTED]; Owensboro Municipal
15 Utilities ("OMU") through [REDACTED]; and nine Kentucky communities that are
16 members of the Kentucky Municipal Energy Agency ("KyMEA") into [REDACTED].
17 In addition to the Nebraska, OMU, and KyMEA contracts, Big Rivers makes
18 short term capacity sales in the bilateral market. Big Rivers takes
19 advantage of capacity not otherwise committed to its native load or to third
20 parties by selling that capacity into the annual Planning Resource Auction

1 (“PRA”) operated by Midcontinent Independent System Operator, Inc.

2 (“MISO”).

3 While Big Rivers has been successful in its efforts to sell its excess
4 power at wholesale, Big Rivers’ long-term efforts to mitigate the loss of the
5 smelter load are focused on growing its native load. Since the exit of the
6 smelters, Big Rivers’ native load has grown primarily due to an expansion
7 at one of the large industrial customers on the Big Rivers system and
8 currently stands at 627 MW (including transmission losses). However, the
9 Commission recently approved Big Rivers’ and Meade County RECC’s joint
10 request in Case No. 2019-00365 for approval of contracts to provide electric
11 service to a new steel mill in Bradenburg, Meade County, Kentucky, to be
12 owned and operated by Nucor Corporation (“Nucor”). The Nucor facility is
13 expected to increase Big Rivers’ native load by [REDACTED]

14 [REDACTED]

15 Big Rivers’ Member peak demand requirements are projected to
16 increase from 627 MW in 2020 to 832 in 2022 with the addition of the
17 Nucor load and then grow slowly to about 852 MW (including transmission
18 losses) by the summer of 2039.⁸ These amounts do not include any
19 requiring planning reserve margins (“PRMs”). Big Rivers’ analysis of its
20 capacity needs includes a 9% PRM requirement, as discussed below.

⁸ Big Rivers 2020 IRP at page 49-50 and Table 3.4 (September 21, 2020).

1 Confidential Exhibit Eacret-2 compares Big Rivers' current net
2 capacity position through year 2029 with Green Station's units idled on
3 June 1, 2022 to Big Rivers' net capacity position post Green Station (as an
4 additional 373 MW capacity resource) conversion through year 2029.

5 Note that capacity obligations to our Nebraska customers are not
6 included in those calculations. Big Rivers purchases capacity for those
7 customers in the Southwest Power Pool and they are not part of our MISO
8 capacity position.

9 As can be seen on this exhibit, Big Rivers idling Green Station's coal-
10 fired units creates a capacity deficit through 2029, even after the Solar
11 PPAs are added and after the termination of the OMU and KyMEA
12 agreements. Post Green Station conversion, there is a small short-term
13 capacity deficit even with the new solar contracts.

14
15 **Q. Why did Big Rivers add a 9% PRM requirement in determining its**
16 **capacity needs?**

17 A. In Case No. 2010-00043, the Commission approved Big Rivers' joining
18 MISO as the only viable option for Big Rivers to comply with the
19 contingency reserve requirements of the North American Electric
20 Reliability Corporation ("*NERC*") as approved by the Federal Energy
21 Regulatory Commission ("*FERC*"). Upon joining MISO and signing the

1 MISO Transmission Owners Agreement, Big Rivers became obligated to
2 follow MISO's FERC tariff, including MISO's Module E-1 Resource
3 Adequacy mechanism.

4 MISO's module E-1 provides mandatory requirements to ensure
5 access to deliverable, reliable, and adequate Planning Resources to meet
6 demand requirements. One of those requirements is the Planning Reserve
7 Margin requirement.

8 As explained in more detail in Section 7.6 of Big Rivers' 2020 IRP,
9 Big Rivers' analysis of its capacity needs used the MISO Unforced Capacity
10 ("UCAP") Planning Reserve Margin of 9%.

11

12 **Q. Without Green Station, will Big Rivers have the capacity necessary**
13 **to satisfy the current and future needs of itself and its Members?**

14 A. No. Without Green Station's existing units, Big Rivers will not have the
15 capacity necessary to meet the requirements of its native load (once the
16 construction of the Nucor plant is complete) and the existing contracts with
17 OMU and KyMEA.

18

1 **III. PRICE PROJECTIONS USED IN BIG RIVERS' ANALYSIS**

2 **Q. How were the capacity price projections used in the modeling**
3 **developed to determine the best option for addressing Big Rivers'**
4 **capacity shortage?**

5 A. To determine bilateral market prices, Big Rivers solicited over twenty
6 market participants for long-term capacity proposals. Eleven of the market
7 participants responded with no offers. Four market participants provided
8 offers for year 2022 only. The remaining participants offered five to ten
9 years in the range of [REDACTED] per kw/month. There were only two
10 long-term offers in MISO Zone 6, where Big Rivers load, and hence capacity
11 obligation, is located. The other long term offers were in MISO Zone 4 and
12 include basis risk. When reviewing the offers, Big Rivers evaluated not
13 only the price and MISO zone, but other considerations including the
14 counterparties' credit ratings. See Eacret Exhibit 3 for a list of the offers
15 and a capacity forward curve based upon them.

16
17 **Q. Could Big Rivers simply purchase the capacity in the annual MISO**
18 **Planning Resource Auction (PRA)?**

19 A. The MISO PRA is held in the spring of each year and participants can only
20 purchase capacity for the following planning year, which begins on June 1.
21 This approach would limit our ability to hedge to one year at a time and the

1 price for a planning year would not be known until the prior spring. This
2 creates a large capacity price risk.

3 For instance, in the PRA for the 2019 Planning Year, the Auction
4 Clearing Price for MISO Zone 7 was \$24.30/MW-Day. That equates to
5 about \$.74/kw-month. For the following Planning Year, the Zone 7 ACP
6 was \$257.53/MW-Day, or about \$7.83/kw-month (ten times higher). A
7 market participant who chose to purchase 300 MW in each PRA would
8 have paid \$2,660,850 in 2019 and \$28,199,535 in 2020.

9 While that is an extreme example of volatility, it is certainly
10 possible. Furthermore, the retirement of a large number of baseload units
11 in MISO Zone 6 will put pressure on the balance of supply and demand.
12 Big Rivers needs a longer-term hedging alternative, such as a multi-year
13 capacity purchase. See Exhibit Eacret-4 for historical Planning Resource
14 Auction Clearing Prices.

1 **Q. How have MISO capacity market price projections changed from**
2 **those submitted in Table 8.6 of Big Rivers 2020 IRP?**

3 A. The method used to develop the projections were the same as in the 2020
4 IRP. Any differences are due to updated forecasts.

5

6 **Q. How did Big Rivers develop the forecasted natural gas prices used**
7 **in the economic analysis of the proposed project?**

8 A. Spot Henry Hub natural gas price forecasts were provided from a third
9 party, ACES. The table attached hereto as Exhibit Eacret-5 displays the
10 projected monthly spot prices for January 2023 through December 2029
11 that were used in the evaluation. The non firm gas supply has a
12 [REDACTED] delivery cost that is added to spot price.

13 The forecasted firm gas demand charge used in the economic
14 analysis was provided by vendor estimate and is modeled at
15 [REDACTED], where the MMBtu amount is the volume of natural gas to
16 be firm. The model assumes the full load of Green Station natural gas
17 units after the conversion as the volume of firm natural gas.

18

1 **Q. How have these natural gas price projections changed from those**
2 **submitted in Big Rivers' 2020 IRP, including in Figure 8.4?**

3 A. The method used to develop the projections were the same as in the 2020
4 IRP. Any differences are due to updated forecasts and the variance
5 between the two forecasts are shown in Exhibit Eacret-5.

6

7 **Q. How did Big Rivers develop the other forecasts relied upon in its**
8 **evaluation of the best option to satisfy its projected capacity**
9 **shortfall?**

10 A. The 2020 IRP did not include OMU and KyMEA as a load obligation and
11 looked at a twenty-year horizon (2024-2043). The Green Station evaluated
12 the capacity requirements of the Member and non-Member contracts and
13 used a seven year horizon (2023-2029). The other forecasts and cost
14 estimates relied upon were developed in the same as those utilized in Big
15 Rivers' 2020 IRP. Please see the IRP for the full explanation of how they
16 were developed.

17

1 **IV. BENEFITS OF THE PROPOSED GAS CONVERSION PROJECT**

2 **Q. Please explain the risk of relying on capacity purchases from the**
3 **MISO market to satisfy a substantial portion Big Rivers' capacity**
4 **obligations to its Member-Owners and other customers?**

5 A. Big Rivers' mission is to safely deliver low-cost, reliable wholesale power
6 and the cost-effective shared services desired by its Member-Owners. Big
7 Rivers supports this mission through resource planning. Big Rivers'
8 resource planning goals involve having an appropriate mix of resources at
9 the lowest reasonable cost by minimizing the net present value of the
10 production and capital cost required to serve Big Rivers' load. Big Rivers'
11 resource planning maximizes reliability, satisfies environmental and other
12 legal requirements, and maintains adequate planning reserve margins,
13 while minimizing costs and risks. The Commission has recognized the
14 inherent risks of a resource plan that includes significant market energy
15 purchases, cautioning "[t]he Commission believes that its jurisdictional
16 utilities should secure sufficient power to serve native load either through
17 direct ownership of generation or firm power purchases at fixed costs
18 (generally subject to the variability of fuel costs), or a combination thereof,
19 that guarantee performance and reasonable price stability."⁹

⁹ *In the Matter of a Review of the Adequacy of Kentucky's Generation Capacity and Transmission System*, Admin. Case 387, Order at pages 49-50 (December 20, 2001).

1 Relying on short-term market purchases for a significant portion of
2 Big Rivers' capacity needs subjects Big Rivers and its Members to
3 substantial price risks. Big Rivers seeks to minimize this risk by having
4 adequate "steel in the ground" to meet its capacity requirements or having
5 long-term PPA's in place to hedge the market price risk.

6 The Commission has encouraged Kentucky utilities to avoid market
7 volatility. In the Administrative Case No. 387, the Commission found:

8 [R]eliance on power purchases that reflect market price
9 volatility is not the best interest of the Kentucky consumers.
10 AEP-KY must plan to meet its load by securing sufficient
11 capacity that is not subject to the market price volatility.
12 Only by doing so will AEP-KY be able to maintain reasonable
13 electric rates while mitigating the extent possible market
14 price and fuel price fluctuations.¹⁰

15
16 Additionally, the Commission has approved self-build and retrofitting
17 projects of owned generation resources as an alternative to exposure to the
18 instability of the market.¹¹ In its May 11, 2001, Order, the Commission

¹⁰ *In the Matter of: A Review of the Adequacy of Kentucky's Generation Capacity and Transmission System*, Ky. P.S.C. Admin. Case 387, Order at pages 34-35 (December 20, 2001).

¹¹ See *In the Matter of: Application of East Kentucky Power Cooperative, Inc. for a Certificate of Public Convenience and Necessity for Alteration of Certain Equipment at the Cooper Station and Approval of a Compliance Plant Amendment for Environmental Surcharge Cost Recovery*, Ky. P.S.C. Case No. 2013-00259, Order (Feb. 20, 2014) (Granting EKPC a CPCN for its Cooper Station, to re-route the existing duct work for Cooper Unit 1 such that its emission were able to flow to the Cooper Unit 2's Air Quality Control System to enable Cooper Unit 1 to satisfy certain air emission regulations).

1 encouraged Union Light, Heat and Power Company to construct and own
2 sufficient generating capacity, “not subject to market volatility”.¹²

3

4 **Q. Is there an additional benefit of the proposed gas conversion**
5 **project?**

6 A. Yes. In my Direct Testimony in Case No. 2020-00183 and in Big Rivers’
7 Response to Item 19 of the Commission Staff’s Initial Request for
8 Information dated August 5, 2020, in that case, Big Rivers’ supported the
9 aggregate size of its solar purchase (260 MW) by noting that in testimony
10 before Congress, John Bear, the Chief Executive Officer of MISO had said
11 that renewables above 30% of system requirements could be a challenge.
12 As the Commission is aware, more and more solar is being proposed for the
13 grid by Vectren, Hoosier, LG&E, SIPC, and others. Additionally, NextEra,
14 HMPL, and NGR are connecting even more solar to the Big Rivers system.
15 One of the less quantifiable benefits of the Green conversion is that it
16 leaves two large generators on the system at a relatively low cost to provide
17 reliability if Mr. Bears concerns are realized.

18

¹² *In the Matter of: The Application of the Union Light, Heat and Power Company for Certain Findings under 15 U.S.C § 79Z*, Ky. P.S.C. Case No. 2001-0058, Order at pages 6 and 7 (May 11, 2001.) (finding “we must take all necessary steps to ensure that ULH&P and the other utilities we regulate have sufficient generation at reasonable prices to meet short-term and long term energy needs”).

1 V. CONCLUSION

2 Q. What are your recommendations to the Commission?

3 A. For the reasons stated in Big Rivers' Application and the accompanying
4 testimonies, I recommend that the Commission grant Big Rivers a CPCN to
5 convert the Green Station generation units to natural-gas fired units, and
6 grant Big Rivers the other relief it seeks.

7

8 Q. Does this conclude your testimony?

9 A. Yes.

*J. Christopher Hopgood
Dorsey, Gray, Norment & Hopgood
318 Second Street
Henderson, KENTUCKY 42420

*Senthia Santana
Big Rivers Electric Corporation
201 Third Street
P. O. Box 24
Henderson, KY 42420

*Jody Kyler Cohn
Boehm, Kurtz & Lowry
36 East Seventh Street
Suite 1510
Cincinnati, OHIO 45202

*Tyson Kamuf
Corporate Attorney
Big Rivers Electric Corporation
201 Third Street
P. O. Box 24
Henderson, KY 42420

*Honorable Kurt J Boehm
Attorney at Law
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Henderson, KY 42419

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Henderson, KY 42419

*Honorable Michael L Kurtz
Attorney at Law
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Cincinnati, OHIO 45202

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