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PUBLIC SERVICE
COMMISSION

April 24, 2014

Federal Express

Mr. Jeff D. Cline
Public Service Commission of Kentucky
P.O. Box 615
211 Sower Boulevard
Frankfort, KY 40602-0615

Re: Big Rivers Electric Corporation
Administrative Case No. 387

Dear Mr. Cline:

Enclosed for filing on behalf of Big Rivers Electric Corporation are two copies of its supplement to its annual Finance and Statistical Report (Annual Report) required by the Public Service Commission's Order dated October 7, 2005, in Administrative Case 387. Additionally, an original and ten copies of a petition for confidential protection are enclosed.

Please feel free to contact me with any questions.

Sincerely,



Tyson Kamuf

TAK/lm
Enclosures

cc: DeAnna Speed
Roger Hickman

Ronald M. Sullivan
Jesse T. Mountjoy
Frank Stainback
James M. Miller
Michael A. Fiorella
Allen W. Holbrook
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APR 25 2014

PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

In the Matters of:

**A REVIEW OF THE ADEQUACY OF)
KENTUCKY'S GENERATION) Administrative Case
CAPACITY AND TRANSMISSION) No. 387
SYSTEM)**

**REQUEST OF BIG RIVERS)
ELECTRIC CORPORATION FOR AN)
EXTENSION TO FILE THE ANNUAL) Case No. 2014-00036
INFORMATION REQUIRED BY AN)
ORDER IN ADMINISTRATIVE CASE)
NO. 387)**

**SUPPLEMENTAL INFORMATION PROVIDED WITH
BIG RIVERS' ANNUAL FINANCIAL AND STATISTICAL REPORT
PURSUANT TO ADMINISTRATIVE CASE NO. 387**

FILED: April 25, 2014

ORIGINAL

BIG RIVERS ELECTRIC CORPORATION

**SUPPLEMENTAL INFORMATION PROVIDED WITH
BIG RIVERS' ANNUAL FINANCIAL AND STATISTICAL REPORT
PURSUANT TO ADMINISTRATIVE CASE NO. 387 –
A REVIEW OF THE ADEQUACY OF KENTUCKY'S GENERATION
CAPACITY AND TRANSMISSION SYSTEM**

**Response to Commission Staff's Information Request
as set forth in
Appendix G of the Commission's Order dated December 20, 2001**

April 25, 2014

1 **Item 1)** *Actual and weather-normalized energy sales for the just*
2 *completed calendar year. Sales should be disaggregated into native load*
3 *sales and off-system sales. Off-system sales should be further*
4 *disaggregated into full requirements sales, firm capacity sales, and non-*
5 *firm or economy energy sales. Off-system sales should be further*
6 *disaggregated to identify separately all sales where the utility acts as a*
7 *reseller, or transporter, in a power transaction between two or more other*
8 *parties.*

9

10 **Response)** The information originally requested in the above item of Appendix G
11 of the Commission's Order dated December 20, 2001, in Administrative Case No.
12 387, ("the December 2001 Order in Admin. Case 387") is no longer required
13 pursuant to Ordering Paragraph No. 5 of the Commission's Order dated March 29,
14 2004, amending the December 2001 Order in Admin Case 387.

15

16

17 **Respondent)** Marlene S. Parsley

18

BIG RIVERS ELECTRIC CORPORATION

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PURSUANT TO ADMINISTRATIVE CASE NO. 387 –
A REVIEW OF THE ADEQUACY OF KENTUCKY'S GENERATION
CAPACITY AND TRANSMISSION SYSTEM**

**Response to Commission Staff's Information Request
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April 25, 2014

1 **Item 2)** *A summary of monthly power purchases for the just completed*
2 *calendar year. Purchases should be disaggregated into firm capacity*
3 *purchases required to serve native load, economy energy purchases, and*
4 *purchases where the utility acts as a reseller, or transporter, in a power*
5 *transaction between two or more other parties.*

6

7 **Response)** The information originally requested in the above item of Appendix G
8 of the December 2001 Order in Admin. Case 387 is no longer required pursuant to
9 Ordering Paragraph No. 5 of the Commission's Order dated March 29, 2004,
10 amending the December 2001 Order in Admin Case 387.

11

12

13 **Respondent)** Marlene S. Parsley

14

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A REVIEW OF THE ADEQUACY OF KENTUCKY'S GENERATION
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**Response to Commission Staff's Information Request
as set forth in
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April 25, 2014

1 **Item 3)** *Actual and weather-normalized monthly coincident peak*
2 *demands for the just completed calendar year. Demands should be*
3 *disaggregated into*

4

5 *a. native load demand (firm and non-firm) and*

6 *b. off-system demand (firm and non-firm).*

7

8 **Response)** Table 3-G shows the actual and weather normalized native load
9 demand and the off-system coincident demand for 2013. Big Rivers sells its
10 surplus power into the market and therefore the off-system sales cannot be
11 weather normalized.

12

13

14 **Respondent)** Marlene S. Parsley

15

Big Rivers Electric Corporation

Administrative Case No. 387

Case No. 2014-00036

Table 3-G

Total Native Load and Off-System Coincident Peak Demands (MW) *

Month	Peak Date	Native Load		Off-System Sales	
		All Firm Peak Demand		Off-System Demand	
		Actual	Weather Normalized	Firm	Non-Firm**
Jan-13	01/22/13	573	588	0	28.7
Feb-13	02/01/13	597	560	0	170.9
Mar-13	03/21/13	535	515	0	61.7
Apr-13	04/02/13	448	398	0	16.1
May-13	05/29/13	516	513	50	141.8
Jun-13	06/12/13	599	573	50	0.0
Jul-13	07/09/13	609	634	100	0.0
Aug-13	08/29/13	594	616	100	55.2
Sep-13	09/10/13	585	555	50	49.7
Oct-13	10/25/13	475	370	50	91.6
Nov-13	11/27/13	541	487	50	0.0
Dec-13	12/12/13	591	579	50	131.5

* Without Losses, excludes smelter demands

**Sales to MISO at generator nodes

Administrative Case No. 387

Case No. 2014-00036

Respondent: Marlene S. Parsley

Attachment for Response to Appendix G Item 3

Page 1 of 1

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as set forth in
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April 25, 2014

1 **Item 4)** *Load shape curves that show actual peak demands and*
2 *weather-normalized peak demands (native load demand and total*
3 *demand) on a monthly basis for the just completed calendar year.*

4

5 **Response)** Graph 4-G shows the monthly native load demand with the monthly
6 weather normalized native load demand for 2013. The total curve represents the
7 native load plus any actual off-system sales at the time of the native load peak.

8

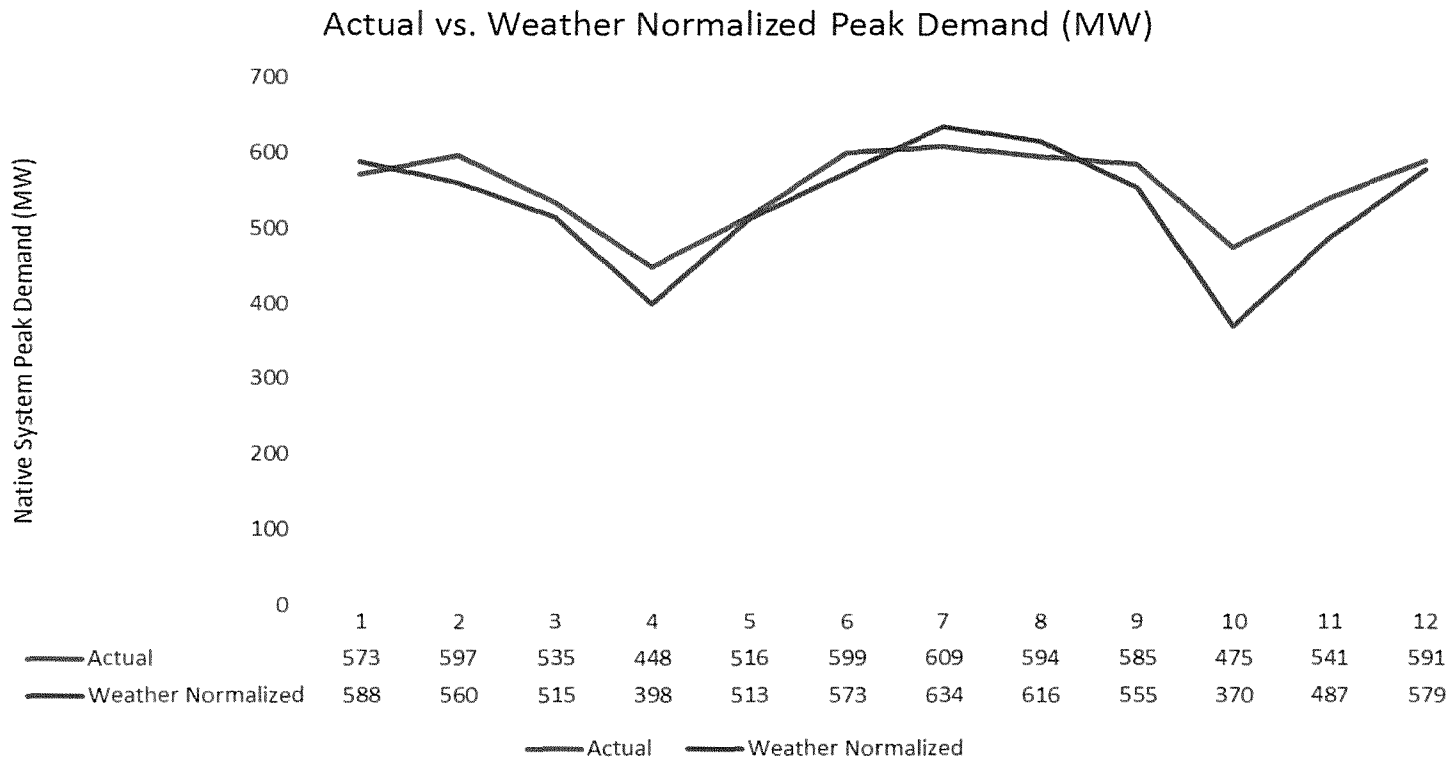
9

10 **Respondent)** Marlene S. Parsley

11

**Big Rivers Electric Corporation
 Administrative Case No. 387
 Case No. 2014-00036
 Graph 4-G**

Native Load and Coincident Peak Demand (MW) 2013 *



* Excludes smelter demands

BIG RIVERS ELECTRIC CORPORATION

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April 25, 2014

1 **Item 5)** *Load shape curves showing the number of hours that native*
2 *load demand exceeded these levels during the just complete calendar year:*

3

4 *a. 70% of the sum of installed generating capacity plus firm*
5 *capacity purchases;*

6 *b. 80% of the sum of installed generating capacity plus firm*
7 *capacity purchases;*

8 *c. 90% of the sum of installed generating capacity plus firm*
9 *capacity purchases.*

10

11 **Response)** The information originally requested in the above item of Appendix G
12 of the December 2001 Order in Admin. Case 387 is no longer required pursuant to
13 Ordering Paragraph No. 5 of the Commission's Order dated March 29, 2004,
14 amending the December 2001 Order in Admin Case 387.

15

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17 **Respondent)** Marlene S. Parsley

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**Response to Commission Staff's Information Request
as set forth in
Appendix G of the Commission's Order dated December 20, 2001**

April 25, 2014

1 **Item 6)** *Based on the most recent demand forecast, the base case*
2 *demand and energy forecasts and high case demand and energy forecasts*
3 *for the current year and the following four years. The information should*
4 *be disaggregated into*

5

6 *a. Native load (firm and non-firm demand) and*

7 *b. Off-system load (both firm and non-firm demand).*

8

9 **Response)** Table 6-G tabulates the forecasted base case and high case demand
10 and energy in the associated demand breakdowns as requested.

11

12

13 **Respondent)** Marlene S. Parsley

14

**Big Rivers Electric Corporation
Administrative Case No. 387
Case No. 2014-00036
Table 6-G
Total Native Load and Off-System Loads
Base and High Case Forecasts**

	Native Load				Off-System Load Demand *			
	Base Case		High Case		Base Case		High Case	
	Demand (MW)	Energy (MWH)	Demand (MW)	Energy (MWH)	Firm Demand (MW)	Non-Firm Demand (MW)	Firm Demand (MW)	Non-Firm Demand (MW)
2014	635	3,668,687	688	3,694,534	-	-	-	-
2015	635	3,372,526	692	3,411,421	-	-	-	-
2016	637	3,358,324	801	4,225,110	100	-	-	-
2017	642	3,376,282	912	5,071,720	200	-	-	-
2018	645	3,395,575	1,216	6,735,167	300	-	-	-

Notes and Assumptions:

High Case represents the optimistic economy scenario

Native Base Case: Replacement of load previously consumed by the smelters is projected as firm off-system sales
Sales to MISO are not projected as they will be contingent upon unit availability at the time of system peak and can vary significantly.

Native High Case: Load previously consumed by smelters assumed to be sold entirely within Big Rivers territory, in addition to high growth of existing load due to economics.

* Off-System Load Demand without losses

Administrative Case No. 387

Case No. 2014-00036

Respondent: Marlene S. Parsley

Attachment for Response to Appendix G Item 6

Page 1 of 1

BIG RIVERS ELECTRIC CORPORATION

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as set forth in
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April 25, 2014

1 **Item 7)** *The target reserve margin currently used for planning*
2 *purposes, stated as a percentage of demand. If changed from what was in*
3 *use in 2001, include a detailed explanation for the change.*

4

5 **Response)** The current target reserve margin used for planning purposes is
6 7.3% as specified by MISO for the upcoming planning year effective June 1, 2014.

7

8

9 **Respondent)** Marlene S. Parsley

10

BIG RIVERS ELECTRIC CORPORATION

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**Response to Commission Staff's Information Request
as set forth in**

Appendix G of the Commission's Order dated December 20, 2001

April 25, 2014

1 **Item 8)** *Projected reserve margins state in megawatts and as a*
2 *percentage of demand for the current year and the following four years.*
3 *Identify projected deficits and current plans for addressing these. For*
4 *each year identify the level of firm capacity purchases projected to meet*
5 *native load demand.*

6

7 **Response)** As shown in Table 1 below, Big Rivers is not projecting any deficits.

8

Table 1

<u>Year</u>	<u>Reserve Margin (MW)</u>	<u>Reserve Margin (%)</u>	<u>Firm Capacity Purchases (MW)</u>	<u>Projected Deficit</u>
2014	913	125%	0	0
2015	1,086	149%	178 *	0
2016	968	115%	178 *	0
2017	851	89%	178 *	0
2018	737	69%	178 *	0

9

10 * Southeastern Power Administration ("SEPA") to again qualify as capacity
11 following its expected return from Force Majeure status in 2015 or 2016.

12

13

14 **Respondent)** Marlene S. Parsley

BIG RIVERS ELECTRIC CORPORATION

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**Response to Commission Staff's Information Request
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Appendix G of the Commission's Order dated December 20, 2001**

April 25, 2014

1 **Item 9)** *By date and hour, identify all incidents during the just*
2 *completed calendar year when reserve margin was less than the East*
3 *Central Area Reliability Council's ("ECAR") 1.5% spinning reserve*
4 *requirement. Include the amount of capacity resources that were*
5 *available, the actual demand on the system, and the reserve margin,*
6 *stated in megawatts and as a percentage of demand. Also, identify system*
7 *conditions at the time.*

8

9 **Response)** The information originally requested in the above item of Appendix G
10 of the December 2001 Order in Admin. Case 387 is no longer required pursuant to
11 Ordering Paragraph No. 5 of the Commission's Order dated March 29, 2004,
12 amending the December 2001 Order in Admin Case 387.

13

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15 **Respondent)** Marlene S. Parsley

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April 25, 2014

1 **Item 10)** *A list identifying and describing all forced outages in excess of*
2 *two hours in duration during the just completed calendar year.*

3

4 **Response)** The information originally requested in the above item of Appendix G
5 of the December 2001 Order in Admin. Case 387 is no longer required pursuant to
6 Ordering Paragraph No. 5 of the Commission's Order dated March 29, 2004,
7 amending the December 2001 Order in Admin Case 387.

8

9

10 **Respondent)** Lawrence V. Baronowsky

11

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April 25, 2014

1 **Item 11)** *A list that identifies scheduled outages or retirements of*
2 *generating capacity during the current year and the following four years.*

3
4 **Response)** There are no retirements of generating capacity anticipated through
5 2018; however, [REDACTED]
6 [REDACTED] due to the Century
7 Aluminum power sales contract terminations and cessation of the MISO System
8 Support Resource ("SSR") agreement applicable to the Coleman units. The
9 planned maintenance outage schedule for 2014 through 2018 is being provided
10 pursuant to a petition for confidential treatment. The schedule is regularly
11 modified based on actual operating conditions, forced outages, changes in the
12 schedule required to meet environmental regulation compliance, fluctuation in
13 wholesale prices, and other unforeseen events that may affect unit reliability or
14 generation capacity. The scheduled outages for all units are listed below:

15
16 **Wilson Unit 1**

2014 [REDACTED]
2015 [REDACTED]
2016 [REDACTED]
2017 [REDACTED]
2018 [REDACTED]

17

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April 25, 2014

1

Green Unit 1

2014
2015
2016
2017
2018



2

3

Green Unit 2

2014
2015
2016
2017
2018

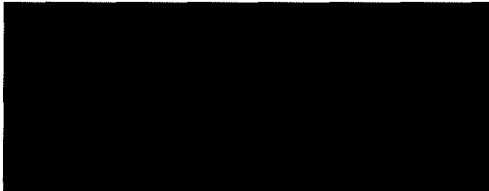


4

5

HMP&L Unit 1

2014
2015
2016
2017
2018

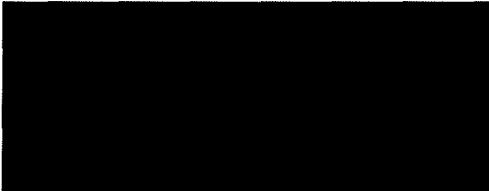


6

7

HMP&L Unit 2

2014
2015
2016
2017
2018



8

BIG RIVERS ELECTRIC CORPORATION

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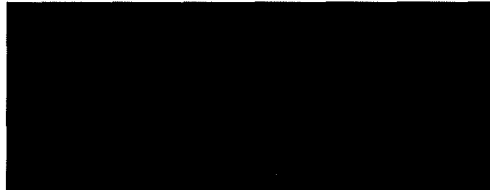
**Response to Commission Staff's Information Request
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April 25, 2014

1

Coleman Unit 1

2014
2015
2016
2017
2018

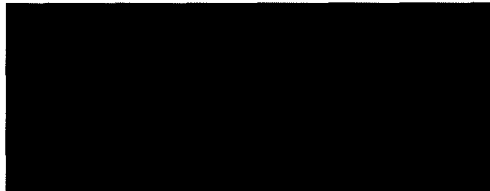


2

3

Coleman Unit 2

2014
2015
2016
2017
2018

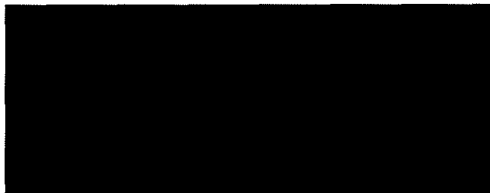


4

5

Coleman Unit 3

2014
2015
2016
2017
2018



6

7

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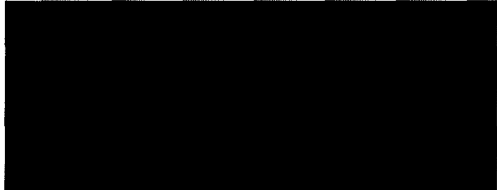
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April 25, 2014

1
2
3
4
5
6
7

Reid Unit 1

2014
2015
2016
2017
2018



Reid Combustion Turbine

2014
2015
2016
2017
2018



Respondent) Lawrence V. Baronowsky

BIG RIVERS ELECTRIC CORPORATION

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April 25, 2014

1 **Item 12)** *Identify all planned base load or peaking capacity additions*
2 *to meet native load requirements over the next 10 years. Show the*
3 *expected in-service date, size, and site for all planned additions. Include*
4 *additions planned by the utility, as well as those by affiliates, if*
5 *constructed in Kentucky or intended to meet load in Kentucky.*

6

7 **Response)** Big Rivers presently has no plans to make base load or peaking
8 capacity additions to meet native load requirements for the years 2014 through
9 2024.

10

11

12 **Respondent)** Marlene S. Parsley

13

BIG RIVERS ELECTRIC CORPORATION

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April 25, 2014

1 **Item 13)** *The following transmission energy data for the just completed*
2 *calendar year and the forecast for the current year and the following four*
3 *years:*

- 4
- 5 *a. Total energy received from all interconnections and*
6 *generation sources connected to the transmission system;*
7 *b. Total energy delivered to all interconnections on the*
8 *transmission system;*
9 *c. Peak load capacity of the transmission system; and*
10 *d. Peak demand for summer and winter seasons on the*
11 *transmission system.*

12

13 **Response)**

14 a.

Transmission System Energy Received (MWh)

	<u>Generation</u>	<u>Interconnections</u>	<u>Total</u>
2013	11,882,228	7,065,767	18,948,055

Projected System Energy Received (MWh)

2014			16,672,000
2015			15,507,000
2016			19,000,000
2017			19,000,000
2018			19,000,000

15

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April 25, 2014

b.

Transmission System Energy Delivered at Interconnections
(MWh)

	<u>Total</u>
2013	7,261,968

Projected System Energy Delivered at Interconnection
(MWh)

2014	4,934,000
2015	3,769,000
2016	7,921,000
2017	8,576,000
2018	9,233,000

c.

Transmission Peak Capacity (MW)

2013	2,903
------	-------

Projected Transmission Peak Capacity (MW)

2014	2,903
2015	2,903
2016	2,903
2017	2,903
2018	2,903

BIG RIVERS ELECTRIC CORPORATION

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1 d.

Transmission System Peak Demand (MW)

	<u>Winter</u>	<u>Summer</u>
2013	1,572	1,616

Projected System Peak Demand (MW)

	<u>Winter</u>	<u>Summer</u>
2014	1,581	1,643
2015	1,604	1,644
2016	1,606	1,646
2017	1,612	1,651
2018	1,615	1,654

2

3

4 **Respondent)** Christopher S. Bradley

5

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April 25, 2014

1 **Item 14)** *Identify all planned transmission capacity additions for the*
2 *next ten years. Include the expected in-service date, size and site for all*
3 *planned additions and identify the transmission need each addition is*
4 *intended to address.*

5

6 **Response)** A CONFIDENTIAL listing of Big Rivers' planned Transmission
7 Capacity Additions for 2014 through 2023 is being submitted with a Petition for
8 Confidential Treatment.

9

10

11 **Respondent)** Christopher S. Bradley

12

In the Matter of:

A REVIEW OF THE ADEQUACY OF)
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CONFIDENTIAL RESPONSE to
Item 14 of the Commission Staff's Information Request
as set forth in Appendix G of the Commission's Order dated
December 20, 2001
FILED: April 25, 2014

INFORMATION SUBMITTED UNDER PETITION FOR
CONFIDENTIAL TREATMENT

BIG RIVERS ELECTRIC CORPORATION

**SUPPLEMENTAL INFORMATION PROVIDED WITH
BIG RIVERS' ANNUAL FINANCIAL AND STATISTICAL REPORT
PURSUANT TO ADMINISTRATIVE CASE NO. 387 –
A REVIEW OF THE ADEQUACY OF KENTUCKY'S GENERATION
CAPACITY AND TRANSMISSION SYSTEM**

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1 **Supplemental Item 1) *Provide a detailed discussion of the consideration***
2 ***given to price elasticity in the forecasted demand, energy, and reserve***
3 ***margin information above.***

4
5 **Response)** Big Rivers' works with and relies on GDS Associates ("GDS") in
6 developing a formal load forecast every two years. Big Rivers' load forecast
7 includes the impacts of retail prices on rural energy consumption and peak
8 demand. Real retail price is a model input in the energy forecasting models
9 (econometric specifications), so price elasticity is a derived measure rather than a
10 direct model input. Energy forecasting models were developed for each of Big
11 Rivers' three Member Cooperatives, and the derived price elasticities ranged from
12 -0.16 to -0.21. The impact of real retail price on peak demand was assumed at half
13 of the impact measured for energy sales.

14 Large Industrial loads have generally already invested in cost
15 effective energy efficiency measures, and they generally maintain low
16 technological obsolescence. Because of this, Large Industrial customers do not
17 "have a significant opportunity for [further] load reduction based on increasing
18 efficiency, thus Big Rivers assume the price elasticity of Industrial customers was
19 equal to zero in this forecast."

20 The impact of price on Big Rivers' reserve margin is consistent with
21 the price impact on peak demand. As price elasticity impacts demand, this would
22 flow through the calculation and impact the resulting reserve margin.

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1 **Respondent)** Marlene S. Parsley
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