

August 13, 2014

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PUBLIC SERVICE  
COMMISSION

Via Federal Express

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Executive Director  
Public Service Commission  
211 Sower Boulevard, P.O. Box 615  
Frankfort, Kentucky 40602-0615

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\*Also Licensed in Indiana

***Re: Joint Application of Kenergy Corp. and Big Rivers Electric Corporation for Approval of Contracts and for a Declaratory Order – Case No. 2013-00221***

Dear Mr. DeRouen:

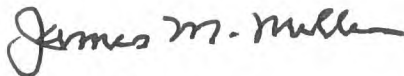
Enclosed on behalf of Big Rivers Electric Corporation (“*Big Rivers*”) are an original and five (5) copies of Big Rivers’ quarterly update in compliance with ordering paragraph number 5 of the order of the Public Service Commission (“*Commission*”), dated August 14, 2013, in the above-referenced docket.

Please confirm the Commission’s receipt of this information by having the Commission’s date stamp placed on the enclosed additional copy and returning it to Big Rivers in the self-addressed, postage paid envelope provided.

I certify that on this date, copies of this letter and enclosures were sent to each of the persons on the attached service list by first-class U.S. mail, postage pre-paid.

Please feel free to contact me with any questions about this filing.

Sincerely yours,



James M. Miller

JMM/lm  
Enclosures

cc: DeAnna Speed

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**BIG RIVERS ELECTRIC CORPORATION**

**JOINT APPLICATION OF KENERGY CORP. AND  
BIG RIVERS ELECTRIC CORPORATION  
FOR APPROVAL OF CONTRACTS AND  
FOR A DECLARATORY ORDER  
CASE NO. 2013-00221**

**Response to Commission Order dated August 14, 2013  
Ordering Paragraph 5**

**August 14, 2014**

1 **Ordering Paragraph 5)** *Big Rivers and Kenergy shall individually file*  
2 *within 45 days of the end of each calendar quarter a report detailing the*  
3 *revenues and expenses incurred by each in connection with each*  
4 *component of the Century Transaction Agreements.*

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6 **Response)** Attached hereto is Big Rivers report for the calendar quarter ending  
7 June 30, 2014.

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10 **Respondent)** Billie J. Richert

11

**Big Rivers Electric Corporation**  
**Case No. 2013-00221**  
**Century Transaction Agreements Revenue and Expense Detail**  
**(Big Rivers Invoiced to Kenergy) <sup>1</sup>**  
**For the Quarter Ended June 30, 2014 <sup>2</sup>**

**ELECTRIC SERVICE AGREEMENT/ARRANGEMENT AND PROCUREMENT AGREEMENT**

<b>Applicable Section of Agreement</b>	<b>Amount</b>
<b>4.2</b>	
<b>Applicable RTO Charges</b>	
4.2.1/4.2.3/4.2.5 MISO settlement Statement Activity	
BR_CENTA0 Settlement Statements	\$ 41,593,579.41
BREC A0 Settlements Statements Activity attributable to BREC.CENTURY	
ZRC attributable to BREC.CENTURY	\$ 48,472.58
FTR/ARR attributes to BREC.CENTURY	\$ (609,346.43)
4.2.2 Transmission Services (AREF#NL1314)	\$ 2,510,973.28
4.2.4 Transmission Upgrades (Sch 26A)	\$ 381,748.77
<b>4.3</b>	
Bilateral Activity	
<b>4.4</b>	
Excess Reactive Demand	\$ 2,412.37
<b>4.5</b>	
Retail Fee (ESA only)	

**ARRANGEMENT AND PROCUREMENT AGREEMENT**

**Applicable Section of Agreement**

<b>4.5</b>	<b>Other Amounts: FOR ANY BILLING MONTH</b>	
4.5.1	Costs arising from any tax liability of Big Rivers Resulting from Surplus Sales	
4.5.2	Costs arising under Section 10.2 relating to compliance with Applicable Laws relating to the environment.	
4.5.3	Costs arising under Section 10.3 relating to compliance with Hedging Arrangements.	
4.5.4	Costs arising from a requirement to pay invoices from the applicable RTO or ISO on a frequency greater than the periodicity set forth in Section 5.1	
4.5.5	Costs arising under Section 3.1.3 relating to the appointment of a new Market Participant.	
4.5.6	Charges for any other services required to be purchased by Big Rivers to provide the services hereunder to Kenergy for the benefit of Century, including any energy advisory services for scheduling, awards and settlements (including such services provided by ACES (formerly ACES Power Marketing)).	
4.5.7	Costs associated with the Hawesville Node exiting an RTO or ISO in connection with an election made by <u>Big Rivers or Century pursuant to Section 3.5.2</u>	
4.5.8	The Excess Energy Rate multiplied by the amount of Energy in excess of 492MW in any Hour.	\$ -
4.5.9	The cost of one-quarter (0.25) full-time-equivalent employee of Big Rivers, to assist in the administration	\$ 11,729.91
4.5.10	Other out-of-pocket Costs payable to Big Rivers to another Person that are incurred or committed to by Big Rivers in connection with or arising out of the Transaction, including (a) Indemnified Liabilities, (b) any security necessary to be provided to any Person (including the RTO or ISO of which the Market Participant is a member or a Bilateral Counterparty) arising out of the Transaction, and (c) the costs to pursue any approval or consent under Section 7.2.2; <b>provided</b> , the Costs referenced on Exhibit A shall be allocated as provided therein. <b>Provided, further</b> , that Big Rivers shall not voluntarily enter into any contractual commitment	\$ 982,208.87

**Big Rivers Electric Corporation**  
**Case No. 2013-00221**  
**Century Transaction Agreements Revenue and Expense Detail**  
**(Big Rivers Invoiced to Kenergy) <sup>1</sup>**  
**For the Quarter Ended June 30, 2014 <sup>2</sup>**

- 4.6 for Costs referred to in the Section for any period in excess of (1) year without the consent of Century.  
**Taxes.** No state or local sales, excise, gross receipts or other taxes are included in the charges and credits set forth in this Article 4. Kenergy shall pay or cause to be paid any such taxes that are now or hereafter become applicable to the sale of Electric Services to Kenergy under this Agreement.
- 4.7 **No Duplication.** Subject to the provisions of Section 5.4, the Monthly Charge shall not include any item that would result in a duplicative payment for a particular charge if Big Rivers would not be liable for the duplicative amount.

**DIRECT AGREEMENT**

**Applicable Section of Agreement**

<b>4.1</b>	<b>Direct Payment Obligations</b>	
	4.1(a) SSR Cost if SSR Agreement not FERC approved, and hence not on MISO Settlement Statements	\$ 1,127,183.65
	4.1(a)(i) BREC.CENTURY RT_MISC charge for SSR Cost from BR_CENTAO Settlement Statements	
	4.1(a)(i) BREC.BREC RT_MISC charge for SSR Cost from BR_CENTAO Settlement Statements	
	4.1(a)(i) SSR Costs unreimbursed by MISO (i.e. RT unit trip/derate)	
	4.1(a)(i) SSR Costs unreimbursed by MISO (i.e. actual > SSR contract/budget amounts)	
	4.1(a)(ii)(1) Credit for BREC Transmission Revenue attributable to AREF #NL1314	\$ -
	4.1(a)(ii)(2) need logic to limit credit per this contract section	
	4.1(a)(iv) Credit for SSR costs later recovered due to delayed FERC approval	
	4.1(d) Out of Pocket Costs - Government Imposition - Patriot Coal Contract BRE 11-021	\$ 96,876.60
	4.1(d) Out of Pocket Costs - Evansville Marine Services - Movement of Barges to and from Coleman	\$ 27,982.40
	<b>Total Quarter Ended June 30, 2014</b>	<b>\$ 46,173,821.41</b>

- Note(s):**
- 1.- Applicable amounts include charges to Kenergy from Big Rivers which are ultimately passed on to Century Aluminum by Kenergy and exclude any direct charges to Century Aluminum from Kenergy.
  - 2.- At the request of and for the benefit of Century, Big Rivers operated its Coleman Station Unit 3 for the period from May 3, 2014 through May 8, 2014. Century requested Big Rivers to operate Coleman Unit 3 for a short time period to allow them to make the necessary modifications to their new SPS system. Century was invoiced a net total of \$303,968.29 by Big Rivers at tariff rates plus applicable transmission charges and ancillary services less applicable Settlement Statement balance for the Coleman Unit 3. This amount is excluded from amounts reported in this quarterly filing. Under no circumstances was this agreement to be construed or assumed that Big Rivers was operating Coleman for its own purposes. This agreement does not in any way relieve Century of any future obligations under the Direct Agreement regarding future SSR costs or other provisions under the Contract or any other Transaction Agreement.