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

**IN THE MATTER OF:**

<b>LARGE INDUSTRIAL CUSTOMER</b>	)	<b>TFS No.</b>
<b>STANDBY SERVICE TARIFF FILING OF</b>	)	<b>2021-00_____</b>
<b>BIG RIVERS ELECTRIC CORPORATION</b>	)	

**DIRECT TESTIMONY OF JOHN WOLFRAM**

**I. INTRODUCTION**

**Q. State your name, occupation and business address.**

A. My name is John Wolfram. I am the Principal of Catalyst Consulting LLC. My business address is 3308 Haddon Road, Louisville, Kentucky 40241.

**Q. On whose behalf are you testifying?**

A. I am testifying on behalf of Big Rivers Electric Corporation (“*Big Rivers*”).

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

A. I received a Bachelor of Science degree in Electrical Engineering from the University of Notre Dame in 1990 and a Master of Science degree in Electrical Engineering from Drexel University in 1997. I founded Catalyst Consulting, LLC in June of 2012. From March 2010 through May 2012, I was a Senior Consultant with The Prime Group, LLC. I have developed cost of service studies and designed rates for numerous electrical and gas utilities, including electric distribution cooperatives,

1 generation and transmission cooperatives, municipal utilities and  
2 investor-owned utilities. I have performed economic analyses, rate  
3 mechanism reviews, ISO/RTO membership evaluations, and wholesale  
4 formula rate reviews. I have also been employed by the parent companies  
5 for Louisville Gas and Electric Company and Kentucky Utilities  
6 Company, by the PJM interconnection, and by the Cincinnati Gas &  
7 Electric Company. A more detailed description of my qualifications is  
8 included in Exhibit Wolfram-1.

9 **Q. Have you ever testified before the Kentucky Public Service  
10 Commission (the “Commission”)?**

11 A. Yes. I have testified in numerous regulatory proceedings before the  
12 Commission. A listing of my testimony in other proceedings is included in  
13 Exhibit Wolfram-1.

14 **Q. What is the purpose of your testimony?**

15 A. The purpose of my testimony is to support the Standby Service rate  
16 schedule that Big Rivers submits in this docket.

17 **II. STANDBY SERVICE SCHEDULE**

18 **Q. Please describe the Standby Service rate schedule submitted in  
19 this filing.**

20 A. The Standby Service rate schedule is available to any Big Rivers’ existing  
21 Member Cooperatives for service to any large industrial customer of the

1 Member Cooperative with resources capable of supplying all or a portion  
2 of its power requirements who requests Supplemental, Maintenance, or  
3 Backup Power Service (“Standby Customer”).

4 **Q. Are these services defined in the tariff?**

5 A. Yes. The tariff includes formal definitions. Basically, Supplemental  
6 Power Service refers to transmission and power supply to the Standby  
7 Customer’s facility for its needs that exceed the capability of the Standby  
8 Customer’s own generation. Maintenance Power Service provides  
9 transmission and power supply to the Standby Customer during  
10 scheduled outages of the Standby Customer’s own generation, and Backup  
11 Power Service does so during unscheduled outages of the Standby  
12 Customer’s own generation.

13 **Q. Please describe the rates for demand and energy in the Standby  
14 Service rate schedule submitted in this filing.**

15 A. The tariff requires that the consumer pay the standard LIC demand and  
16 energy charges for service, and that the consumer receives a capacity  
17 credit for the value of its self-supply.

18 **Q. What is the basis for the capacity credit for self-supply?**

19 A. The credit is based on the value of capacity described by Big Rivers in its  
20 recent filing regarding the conversion of the Green Station units to  
21 natural gas in Case No. 2021-00079. See *In the Matter of: Electronic  
22 Application Of Big Rivers Electric Corporation For A Certificate Of Public*

1 *Convenience And Necessity Authorizing The Conversion Of The Green*  
2 *Station Units To Natural Gas Fired Units And An Order Approving The*  
3 *Establishment Of A Regulatory Asset*, filed February 28, 2021. In that  
4 filing, Big Rivers describes the capacity price projections in the Direct  
5 Testimony of Mark Eacret on pages 9-12 and in Eacret Exhibit 3. The  
6 capacity credit in the instant filing is based on the 7-year base case  
7 capacity value (which is essentially the same for market purchases and  
8 non-firm gas) of \$3.80 per kW per month.

9 **Q. What is the basis for the energy charges in the Standby Service**  
10 **rate schedule?**

11 A. The tariff requires that the consumer pay the higher of standard LIC  
12 tariff energy charge or market for all Maintenance Power and Backup  
13 Supply Power energy usage. This ensures that Big Rivers recovers the  
14 cost of providing energy to the consumer for usage during resource  
15 outages (planned or unplanned) that would otherwise be served by self-  
16 supply. It also prevents the consumer from playing the market and  
17 operating its generator based on market prices, which is important for Big  
18 Rivers to be able to forecast and schedule the consumer's load in MISO.

19 **Q. Are the rates, terms and conditions of the Standby Service rate**  
20 **schedule fair, just and reasonable?**

1 A. Yes. The rates are based on sound cost-of-service principles and the terms  
2 and conditions are consistent with those already approved by the  
3 Commission.

4 **III. CONCLUSION**

5 **Q. Please summarize your conclusion and recommendation.**

6 A. The proposed Standby Service rate schedule is fair, just and reasonable.  
7 The tariff rates are based on sound cost-of-service principles and the  
8 terms and conditions are consistent with other, Commission-approved  
9 tariffs of this sort. For these reasons, the Commission should accept the  
10 Standby Service rate schedule as filed.

11 **Q. Does this conclude your testimony?**

12 A. Yes.


COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

STANDBY SERVICE TARIFF FILING OF  
BIG RIVERS ELECTRIC CORPORATION

TFS No. 2021-00 \_\_\_\_

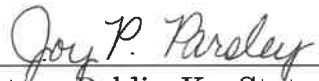
VERIFICATION

I, John Wolfram, verify, state, and affirm that I prepared or supervised the preparation of the Direct Testimony filed with this Verification, and that testimony is true and accurate to the best of my knowledge, information, and belief formed after a reasonable inquiry.

  
\_\_\_\_\_  
John Wolfram

COMMONWEALTH OF KENTUCKY )  
COUNTY OF HENDERSON )

SUBSCRIBED AND SWORN TO before me by John Wolfram on this the 28<sup>th</sup> day of May, 2021.

  
\_\_\_\_\_  
Notary Public, Ky. State at Large  
My Commission Expires \_\_\_\_\_

Notary Public, Kentucky State-At-Large  
My Commission Expires: July 10, 2022  
ID: 604480