

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATON OF TAYLOR COUNTY RURAL)
ELECTRIC COOPERATIVE CORPORATION FOR) CASE NO. 2012-00023
AN ADJUSTMENT OF RATES)

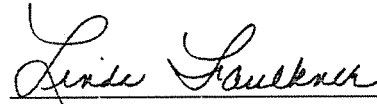
NOTICE OF FILING

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 29, 2013 in this proceeding;
- Certification of the accuracy and correctness of the digital video recording;
- 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 29, 2013.

A copy of this Notice, the certification of the digital video record, and hearing log have been served by first class mail upon all persons listed at the end of this Notice. Parties desiring an electronic copy of the digital video recording of the hearing in Windows Media format may download a copy http://psc.ky.gov/av_broadcast/2012-00023/2012-00023_29Jan13_Inter.aspx. 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 6th day of February 2013.

A handwritten signature in cursive script, reading "Linda Faulkner". The signature is written in black ink and is positioned above a horizontal line.

Linda Faulkner
Director, Filings Division
Public Service Commission of Kentucky

Barry L Myers
Manager
Taylor County R.E.C.C.
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CERTIFICATE

I, Kathy Gillum, hereby certify that:


1. The attached DVD contains a digital recording of the hearing conducted in the above-styled proceeding on **January 29, 2013**. Hearing Log and Witness List are included with the recording on January 29, 2013.

2. I am responsible for the preparation of the digital recording;

3. The digital recording accurately and correctly depicts the hearing;

4. The "Hearing Log" attached to this Certificate accurately and correctly states the events that occurred at the hearing of **January 29, 2013** and the time at which each occurred.

Given this 5th day of February, 2013.



Kathy Gillum, Notary Public
State at Large

My commission expires: Sept 3, 2013



Session Report - Detail

2012-00023_29Jan13

Taylor County RECC

Date:	Type:	Location:	Department:
1/29/2013	General Rates	Public Service Commission	Hearing Room 1 (HR 1)

Witness: Jim Adkins (Taylor Co. RECC); Barry Myers (Taylor Co. RECC); John Patterson (Taylor Co. RECC)
 Judge: David Armstrong; Linda Breathitt; Jim Gardner
 Clerk: Kathy Gillum

Event Time	Log Event	
10:06:53 AM	Session Started	
10:07:05 AM	Preliminary Remarks	
10:07:16 AM	Camera Lock Deactivated	
10:07:19 AM	Introductions	
	Note: Gillum, Kathy	Robert Spragens, Attorney for Taylor County; Quang Nguyen and Virginia Gregg, PSC Staff Attorneys.
10:08:45 AM	Public Notice	
	Note: Gillum, Kathy	Mr. Spragens stated that they filed the Notice this morning with the Commission
10:09:11 AM	Outstanding Motions	
	Note: Gillum, Kathy	No outstanding Motions
10:09:20 AM	Public Comments	
	Note: Gillum, Kathy	No public comments.
10:09:52 AM	Witness, Jim Adkins (Taylor Co)	
	Note: Gillum, Kathy	Witness called to testify by Mr. Spragens.
10:10:31 AM	Robert Spragens (Taylor Co.)	
	Note: Gillum, Kathy	Mr. Spragens asked that they be allowed to stipulate to the witness' qualifications.
10:10:38 AM	Quang Nguyen (PSC)	
	Note: Gillum, Kathy	Mr. Nguyen stated they have no objection to stipulation of qualifications.
10:10:57 AM	Examination by Mr. Spragens (Taylor Co)	
	Note: Gillum, Kathy	Qualification of witness by Mr. Spragens. Witness adopts pre-filed testimony.
10:12:20 AM	Examination by Quang Nguyen (PSC)	
	Note: Gillum, Kathy	Questions regarding updated rate expenses. Witness states that they will supply a total rate expense by the end of the week. Questions regarding Exhibit 13 of the Application (cost of the depreciation study). Questions regarding Exhibit 5 of the Application and PSC DR 2-32. Questions regarding decrease in test year interest expense. Witness refers question to another witness. Questions regarding Exhibit 3 of the Application, page 2. Questions regarding PSC DR 2-30(d).
10:25:02 AM	Data Request (PSC)	
	Note: Gillum, Kathy	Data Request: Supplement the rate case expenses to provide actual cost.

10:25:33 AM	Examination by Quang Nguyen (PSC) continues Note: Gillum, Kathy	Questions regarding discrepancies in documents. Questions regarding Exhibit 21 of the Application (depreciation study). Questions regarding section titled, "Scope". Questions regarding the computer program used. Witness states that it is a standard Excel program, but is owned and developed by an individual. Witness states that the name of the individual is confidential. Witness states that several utilities in the State of Indiana also uses the same computer program. Questions regarding differences, advantages and disadvantages regarding the whole life method. Questions regarding the remaining life method.
10:33:04 AM	Data Request (PSC) Note: Gillum, Kathy	Data Request: Depreciation Model.
10:33:54 AM	Examination by Quang Nguyen (PSC) continues Note: Gillum, Kathy	Questions regarding Schedule regarding mortality characteristics. Questions regarding section 7 (data used for input into study). Questions regarding Curve No. 22.
10:37:18 AM	Data Request (PSC) Note: Gillum, Kathy	Data Request: Confirm if 33.3 or 34.3 on R1.5 curve.
10:37:48 AM	Examination by Quang Nguyen (PSC) continues Note: Gillum, Kathy	Questions regarding data assumptions section (page 8). Mr. Nguyen hands the witness a document for review. Questions regarding curve differences. Questions regarding Mortality Characteristics.
10:41:14 AM	Data Request (PSC) Note: Gillum, Kathy	DATA request; Provide resolved discrepancies in depreciation and Also provide the effect on the rates.
10:41:51 AM	Examination by Quang Nguyen (PSC) continues Note: Gillum, Kathy	Questions regarding PSC DR 3-29. Questions regarding Exhibit R to Application page 37. Questions regarding PSC DR 2-48 (FAC factor). Questions regarding page 16 of the Application. Questions regarding the monthly FAC filings filed by Taylor Co. RECC.
10:55:12 AM	Commissioner Breathitt Note: Gillum, Kathy	Questions regarding changes of EKPC.
10:57:27 AM	Examination by Quang Nguyen (PSC) continues Note: Gillum, Kathy	Questions regarding Exhibit 16, page 3 of the Application.
10:58:14 AM	Data Request (PSC) Note: Gillum, Kathy	Data Request: Revised Schedule to Exhibit 16, page 3 for the test year from July forward (monthly)
10:59:00 AM	Vice Chair Gardner Note: Gillum, Kathy	Questions regarding TIERS and capital credits. Questions regarding cost of service study.
11:02:36 AM	Commissioner Breathitt Note: Gillum, Kathy	Questions regarding depreciation study.
11:04:58 AM	Witness Excused (Adkins) Note: Gillum, Kathy	Witness Jim Adkins excused.
11:05:19 AM	Witness, John Patterson (Taylor Co) Note: Gillum, Kathy	Witness called to testify by Mr. Spragens.
11:06:24 AM	Examination by Mr. Spragens (Taylor Co) Note: Gillum, Kathy	Qualification of witness by Mr. Spragens. Witness adopts pre-filed testimony. Questions regarding reduction of interest rate that was deferred to witness by Mr. Atkins. Witness states that some of them are on a variable rate.
11:08:37 AM	Examination by Virginia Gregg (PSC) Note: Gillum, Kathy	Questions regarding variable rate loans.

11:09:09 AM	Data Request (PSC) Note: Gillum, Kathy	Data Request: Provide which loans are on a variable rate.
11:09:51 AM	Examination by Virginia Gregg (PSC) Note: Gillum, Kathy	Questions regarding PSC DR 2-42(b-2)(b-4) and (b-5), and DR 3-24 (b) and (c).
11:13:05 AM	Data Request (PSC) Note: Gillum, Kathy	Data Request: Provide correct info regarding unamortized balance.
11:13:24 AM	Examination by Virginia Gregg (PSC) continues Note: Gillum, Kathy	Questions regarding PSC DR 3-1. Questions regarding PSC DR 3-2.
11:17:27 AM	Vice Chair Gardner Note: Gillum, Kathy	Questions regarding PSC DR 2-44 (ETS Unit)(Electro-Thermal Storage Unit).
11:18:47 AM	Data Request (PSC) Note: Gillum, Kathy	Vice Chair Gardner requests the number of energy audits undertaken.
11:19:12 AM	Commissioner Breathitt Note: Gillum, Kathy	Questions regarding the number of net metering customers in Taylor Co.
11:21:03 AM	Witness Excused (Patterson) Note: Gillum, Kathy	Witness, John Patterson excused.
11:21:28 AM	Witness, Barry Myers (Taylor Co) Note: Gillum, Kathy	Witness called to testify by Mr. Spragens.
11:22:06 AM	Examination by Mr. Spagens (Taylor Co) Note: Gillum, Kathy	Qualification of the witness by Mr. Spragens. Witness adopts pre-filed testimony.
11:22:50 AM	Examination by Virginia Gregg (PSC) Note: Gillum, Kathy	Questions regarding Exhibit 20 of the Application. Questions regarding equity management. Witness states that they currently do not have a written plan. Questions regarding review of equity TIERS. Questions regarding Exhibit V of the Application (Statement of Operations). Questions regarding decrease in TIER.
11:28:08 AM	Data Request (PSC) Note: Gillum, Kathy	Data Request: Provide TIER for 2008, 2009, 2011 and 2012.
11:29:07 AM	Examination by Virginia Gregg (PSC) continues Note: Gillum, Kathy	Questions regarding the type of meters that Taylor Co. RECC is currently installing. Questions regarding the useful life of the meters.
11:31:04 AM	Data Request (PSC) Note: Gillum, Kathy	Data Request : Provide the manufacturers recommendation of the life of the meter.
11:31:52 AM	Examination by Virginia Gregg (PSC) continues Note: Gillum, Kathy	Questions regarding AMR (automated meter reading) v. AMI.
11:33:46 AM	Vice Chair Gardner Note: Gillum, Kathy	Questions regarding 2 way meters. Questions regarding the method used for reading the meters currently. Questions regarding PSC DR 3. Questions regarding DSM programs.
11:37:07 AM	Data Request (PSC) Note: Gillum, Kathy	Data Request by Vice Chair Gardner: Listing of what DSM programs the utility is participating in.
11:37:20 AM	Commissioner Breathitt Note: Gillum, Kathy	Questions regards FAC.
11:38:11 AM	Chairman Armstrong Note: Gillum, Kathy	Questions regarding assistance from EKPC.
11:38:39 AM	Commissioner Breathitt Note: Gillum, Kathy	Questions regarding financial solvency.

11:39:27 AM	Data Request (PSC) Note: Gillum, Kathy	Data Request: Also give why they chose not to participate in DSM programs.
11:40:12 AM	Commisisoner Breathitt Note: Gillum, Kathy	Number of customers.
11:40:28 AM	Witness excused (Myers) Note: Gillum, Kathy	Witness, Barry Myers excused.
11:40:42 AM	Robert Spragens (Taylor Co) Note: Gillum, Kathy	Mr. Spragens states that he counts 14 Data Requests.
11:41:11 AM	Chairman Armstrong	
11:41:24 AM	Virginia Gregg (PSC)	
11:41:31 AM	Chairman Armstrong Note: Gillum, Kathy	Chairman Armstrong asked counsel if they wanted on the record, or do briefs.
11:42:12 AM	Hearing Adjourned Note: Gillum, Kathy	Chairman Armstrong adjourned hearing.
11:42:26 AM	Session Paused	
11:43:08 AM	Session Ended	