

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF DUKE ENERGY KENTUCKY,)	
INC. FOR (1) A CERTIFICATE OF PUBLIC)	
CONVENIENCE AND NECESSITY)	
AUTHORIZING THE CONSTRUCTION OF AN)	CASE NO.
ADVANCED METERING INFRASTRUCTURE; (2))	2016-00152
REQUEST FOR ACCOUNTING TREATMENT;)	
AND (3) ALL OTHER NECESSARY WAIVERS,)	
APPROVALS, AND RELIEF)	

NOTICE OF FILING

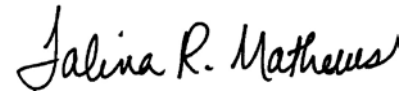
Notice is given to all parties that the following materials have been filed into the record of this proceeding:

- The digital video recording of the evidentiary hearing conducted on December 8, 2016 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 December 8, 2016.

A copy of this Notice, the certification of the digital video record, exhibit list, and hearing log have been electronically served 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 at http://psc.ky.gov/av_broadcast/2016-00152/2016-00152_08Dec16_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 12th day of December 2016.

A handwritten signature in black ink that reads "Talina R. Mathews". The signature is written in a cursive style with a large initial 'T'.

Talina R. Mathews
Executive Director
Public Service Commission of Kentucky

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KENTUCKY, INC. FOR (1) A CERTIFICATE)
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APPROVALS, AND RELIEF)

CERTIFICATE

We, Pamela Hughes and Stephanie Schweighardt, hereby certify that;

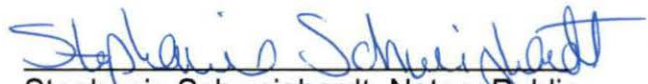
1. The attached DVD contains a digital recording of the Hearing conducted in the above-styled proceedings on December 8, 2016 (excluding any confidential segments which were recorded on a separate DVD and will be maintained in the non-public records of the Commission);
2. We are responsible for the preparation of the digital recording;
3. The digital recording accurately and correctly depicts the Hearing of December 8, 2016 (excluding any confidential segments);
4. The Hearing Log attached to this Certificate accurately and correctly states the events that occurred at the Hearing of December 8, 2016, and the time at which each occurred (excluding any confidential segments) and the time at which each occurred.

Given this 12th day of December, 2016.



Pamela Hughes, Notary Public
State at Large

My commission expires: April 22, 2019



Stephanie Schweighardt, Notary Public
State at Large

My commission expires: Jan. 4, 2019



Date:	Type:	Location:	Department:
12/8/2016	Other	Hearing Room 1	Hearing Room 1 (HR 1)

Judge: Bob Cicero; Dan Logsdon; Michael Schmitt
 Defendant: James Henning; Peggy Laub; Donald Schneider; Alexander (Sasha) Weintraub
 Clerk: Pam Hughes

Event Time	Log Event
8:45:31 AM	Session Started
8:45:33 AM	Session Paused
8:58:10 AM	Session Resumed
8:58:17 AM	Chairman Schmitt Note: Hughes, Pam Preliminary Remarks and Introductions of the Commissioners
8:59:19 AM	Introductions Note: Hughes, Pam Rocco D'Ascenzo-Duke; Larry Cook and Kent Chandler -AG; Quang Nguyen-PSC.
9:00:25 AM	Confidentiality rulings Note: Hughes, Pam Will be ruled on after the hearing.
9:00:54 AM	No outstanding Motions
9:01:14 AM	No Public Comments
9:01:42 AM	No exhibits to be filed in this proceeding
9:01:59 AM	Atty D'Ascenzo calls Witness Henning to the stand Note: Hughes, Pam Sworn in by Chairman.
9:02:37 AM	Atty D'Ascenzo direct exam of Witness Henning Note: Hughes, Pam Adopts his testimony with no changes
9:03:12 AM	Chairman Schmitt Note: Hughes, Pam Refers to the Stipulation and Settlement Agreement
9:03:54 AM	Witness Hennings is dismissed from the stand
9:04:15 AM	Atty D'Ascenzo calls Witness Weintraub to the stand Note: Hughes, Pam Chairman swears him in. Note: Hughes, Pam He adopts his testimony with no changes
9:05:27 AM	Witness Weintraub is dismissed
9:05:40 AM	Atty D'Ascenz calls Witness Schnieder to the stand Note: Hughes, Pam Adopts his testimony, etc. No changes. Note: Hughes, Pam Sworn in by the Chairman.
9:06:37 AM	Atty Nguyen cross exam of Witness Schneider Note: Hughes, Pam Refers to page 16 of application, paragraph 33. Note: Hughes, Pam Unable to answer
9:07:45 AM	Atty Nguyen cross exam of Witness Schneider Note: Hughes, Pam Dukes response to Staff's 1st DR, item 21. Project costs includes and estimate that 4.5% of the total meters will be meters that contain their own cellular modem.
9:11:58 AM	Atty Nguyen cross exam of Witness Schneider Note: Hughes, Pam Referring to Verizon wireless as the carrier.
9:12:53 AM	Atty Nguyen cross exam of Witness Schneider Note: Hughes, Pam Regarding to the opt-out provisions in other Duke Energy jurisdictions. Are they allowed and costs to customers?
9:15:15 AM	POST HEARING DATA REQUEST Note: Hughes, Pam Referring to fees associated in other states for the opt-out program.

9:16:32 AM	Atty Nguyen cross exam of Witness Schneider Note: Hughes, Pam	Referring to the opt-out of residential customers only. Page 6 of Stipulation.
	Note: Hughes, Pam	Referring to the Monthly fee of the opt-out. Per meter basis.
9:19:35 AM	Atty Nguyen cross exam of Witness Schneider Note: Hughes, Pam	Referring to page 8, line 14 and 15 of Ms. Laub's settlement testimony. \$25.00 per month fee instead of per meter.
9:20:57 AM	Atty Nguyen cross exam of Witness Schneider Note: Hughes, Pam	Referring to knowledge of impact of the opt-out program on the AMI system.
9:22:25 AM	Atty Nguyen cross exam of Witness Schneider Note: Hughes, Pam	POST HEARING DATA REQUEST- needed-calculations that support the total amount.
	Note: Hughes, Pam	Refer to Duke's response to Staff's 2nd DR, Item 1.b.2. and Exhibit DSL-4 of application testimony. Total amount of "Annual costs associated with Electric meter failures". Row 18, page 2 of 13 of DSL exhibit.
9:25:06 AM	Atty Nguyen cross exam of Witness Schneider Note: Hughes, Pam	Referring to remaining useful life of the electric meters Duke KY is retiring. 28 year depreciation- when first installed.
9:26:26 AM	Atty Nguyen cross exam of Witness Schneider Note: Hughes, Pam	Different types of electric meters being utilized by Duke KY. Duke has some advanced meters out there for some customers, not AMI. Duke has 396 two way meters in place(direct connect AMI meter) for residential. Gas side is combination of AMR technology that serves half of gas customers, 13, 000 AMI modules that paired with the PLC meters(electric) 25,000 total meters
	Note: Hughes, Pam	PLC- one way communication meters
9:32:23 AM	Atty Nguyen cross exam of Witness Schneider Note: Hughes, Pam	Dukes KY's responses to Staff's 1st DR, Item 9. How was Duke able to determine the information that was provided in response to Staff's 1st request if Duke does not keep meter records by type of meter. 9 million undepreciated meters installed in the pilot program.
9:35:56 AM	Atty Nguyen cross exam of Witness Schneider Note: Hughes, Pam Note: Hughes, Pam	New customers will get an analog/digital meter Refer to Duke's response to Staff's 2nd DR, Items 2 and 8. Clarify if AMI meters or the traditional meters currently being installed to residential customers.
9:39:08 AM	Atty Nguyen cross exam of Witness Schneider Note: Hughes, Pam	Refer to application page 11, par. 21. Is Duke still able to purchase the traditional and the digital meters?
9:40:29 AM	Atty Nguyen cross exam of Witness Schneider Note: Hughes, Pam	Referring to any electro-mechanical meters in inventory. There are digital meters in inventory.
9:41:23 AM	Atty Nguyen cross exam of Witness Schneider Note: Hughes, Pam	Referring to analog/digital meters, breakdown of each. POST HEARING DATA REQUEST-provide this breakdown.
9:42:22 AM	Atty Nguyen cross exam of Witness Schneider Note: Hughes, Pam	Referring to intent of meter manufactures to discontinue the digital meters.
9:43:16 AM	Atty Nguyen cross exam of Witness Schneider Note: Hughes, Pam	Refer to Duke's response to Staff's 2nd DR, Item 3. Can you confirm that Duke proposes to outsource the single phase and self contained metering installations via a competitive bid process.
	Note: Hughes, Pam	What is rationale for using an external vendor for installations?

9:45:06 AM Atty Nguyen cross exam of Witness Schneider
Note: Hughes, Pam Dukes responses to Staff's 2nd DR, item 4.a. aNd response to Staff's 1st request, item 11.c. Mobile/hand-held and Hard-to-read/Hand-held mode. Give estimated number of gas modules that will require hard-to-read/handheld mode.

9:47:16 AM Atty Nguyen cross exam of Witness Schneider
Note: Hughes, Pam Dukes's response to Staff's 2nd DR, item 6. As a POST HEARING Data Request - Duke needs to contact the manufacturer and request this information.
Note: Hughes, Pam These are in Duke KY Carolina's, Ohio, and Indiana. Referring to useful life of these meters. 15 year for the electric meters (depreciation)

9:51:26 AM Atty Nguyen cross exam of Witness Schneider
Note: Hughes, Pam Duke's responses to AG's 2nd request, Item 7. Predictive usage estimator and alert program during the AMI rollout. Explain what this program is and whether a customer could choose to enroll or would customers automatically be enrolled.
Note: Hughes, Pam Voluntary program for customers.

9:54:53 AM Atty Nguyen cross exam of Witness Schneider
Note: Hughes, Pam Refer to rebuttal testimony on page 13. Lines 16-18. Explain how the regulatory asset value will be known prior to the meter upgrade being fully completed.

9:56:39 AM Atty Nguyen cross exam of Witness Schneider
Note: Hughes, Pam Data sharing provision- will Duke need to revise it's customer privacy policy to accomadate the data sharing described in the settlement. How will customers be provided notice of this? -Please provide in POST HEARING DATA REQUEST.

9:58:44 AM Atty Nguyen cross exam of Witness Schneider
Note: Hughes, Pam Cost benefit analysis performed by Duke in support of its application.

9:59:48 AM Confidential
10:00:01 AM Private Recording Activated
10:24:23 AM Public Recording Activated
10:24:29 AM Vice Chairman cross exam of Witness Schneider
Note: Hughes, Pam Service life of meters, What is the basis of the 15 year service life of these meters.

10:26:15 AM Vice Chairman cross exam of Witness Schneider
Note: Hughes, Pam 28 years is current depreciation life of these meters. Rate payers paying more because the belief that technology is going to change. (15 years speculative)
Note: Hughes, Pam What is the 9 year depreciation basis

10:28:48 AM Vice Chairman cross exam of Witness Schneider
Note: Hughes, Pam What happens to the meters in a cycle of ten years? Witness states that they sell them for scrap.

10:30:01 AM Vice Chairman cross exam of Witness Schneider
Note: Hughes, Pam Referring to the 9.6 million balance
Note: Hughes, Pam Where in Duke's territory are these meters installed in this change out. Ohio, Indiana, S. Carolina, N. Carolina so far. Once KY is approved it will be 95 % service territory.

10:32:59 AM Commissioner Logsdon cross exam of Witness Schneider
Note: Hughes, Pam clarification of .1 %

10:33:24 AM Atty D'Ascenzo redirect to Witness Schneider
Note: Hughes, Pam Opt-out dollars comparison. Referencing Duke's Case No. 2014-00428
Note: Hughes, Pam Opt out tariff negotioations.

10:35:35 AM	Atty D'Ascenzo redirect of Witness Schneider Note: Hughes, Pam	Ongoing charge of 25 dollars opt out. Do customers have consolidated billing and would they receive separate charges?
10:36:48 AM	Atty D'Ascenzo redirect of Witness Schneider Note: Hughes, Pam	Referring outsourcing of the deployment of meters. Temporary endeavor and explain what he means by temporary.
10:38:22 AM	Atty D'Ascenzo redirect to Witness Schneider Note: Hughes, Pam	15 years for electric meters is Standard with other utilities in KY.
10:39:00 AM	Atty Cook, cross exam of Witness Schneider Note: Hughes, Pam	Predictive usage estimator- #8 page 13-monthly usage alert program
10:39:35 AM	Atty Nguyen redirect to Witness Schneider Note: Hughes, Pam	Dukes response to DR, battery life 18 to 20 years, or between 15 and 17 if two scheduled transmissions. How many gas modules transmissions would be once a day.
10:41:19 AM	Atty Nguyen redirect to Witness Schneider Note: Hughes, Pam	Difference between the useful life of AMI gas module and the AMR?
10:41:50 AM	Atty Nguyen redirect to Witness Schneider Note: Hughes, Pam	Has Duke Ohio approved useful life to gas module and what is it. Witness Schneider referred question to Witness Laub.
10:42:30 AM	POST HEARING DATA REQUEST Note: Hughes, Pam	Referring to the effect if gas modules were on 18 year life opposed to 9 year?
10:43:02 AM	Atty Nguyen redirect to Witness Schneider Note: Hughes, Pam	Referring outsourcing of single-phase meters to in house multi-phase meters and staffing needed to do this project. What makes this more economical?
	Note: Hughes, Pam	Referring to Case No. 2014-00428 - opt out regime. Customer electing to opt-out and cost not be socialized.
10:46:05 AM	Atty D'Ascenzo redirect to Witness Schneider Note: Hughes, Pam	Useful life and depreciable life of Ohio gas modules and testing?
10:46:37 AM	Break	
10:46:44 AM	Session Paused	
10:56:53 AM	Clerk Stephanie Schweighardt takes over	
10:56:54 AM	Session Resumed	
10:56:58 AM	Atty D'Ascenzo Calls Witness Laub to the stand Note: Hughes, Pam	Sworn in by Chairman Schmitt
10:58:16 AM	Atty Nguyen Cross Exam of Witness Laub Note: Hughes, Pam	Debt instruments continuing to be financed through continuing operations,
10:59:03 AM	Atty Nguyen Cross Exam of Witness Laub Note: Hughes, Pam	Referring to master meter account
10:59:53 AM	Atty Nguyen Cross Exam of Witness Laub Note: Hughes, Pam	Regarding 396 meters and master meter account
	Note: Hughes, Pam	POST HEARING DATA REQUEST NEEDED
11:00:47 AM	Atty Nguyen Cross Exam of Witness Laub Note: Hughes, Pam	Regarding remaining useful life of meters
	Note: Hughes, Pam	Post Hearing Data Request
11:02:09 AM	Atty Nguyen Cross Exam of Witness Laub Note: Hughes, Pam	Referring to the 396 meters being retired
11:04:36 AM	Atty Nguyen Cross Exam of Witness Laub Note: Hughes, Pam	Regarding rebutal of Mr Schneider's testimony, page 13 line 16 - 18.
11:06:48 AM	Atty Nguyen Cross Exam of Witness Laub Note: Hughes, Pam	Regarding the gas modules and useful life in Ohio, depreciation of 15yrs

11:08:57 AM Atty Nguyen Cross Exam of Witness Laub
Note: Hughes, Pam POST HEARING DATA REQUEST - cost support of proposal and electric meters only.
Note: Hughes, Pam Referring to attachment of Witness testimony, page 1 of 2

11:10:13 AM Atty Nguyen Cross Exam of Witness Laub
Note: Hughes, Pam Referring to same page, cost to opt out of customers

11:11:01 AM Atty Nguyen Cross Exam of Witness Laub
Note: Hughes, Pam Referring to page 2 of attachment, estimated of 143,000 customers who could opt out.
Note: Hughes, Pam POST HEARING DR Regarding Labor rate -

11:12:47 AM Atty Nguyen Cross Exam of Witness Laub
Note: Hughes, Pam Page 4, paragraph 4a - Third adjustment to reflect nonfuel related portion and increase revenue

11:15:11 AM Atty Nguyen Cross Exam of Witness Laub
Note: Hughes, Pam DLS Exhibit - 4 - Detail about pro-forma adjustment

11:19:44 AM Atty Nguyen Cross Exam of Witness Laub
Note: Hughes, Pam Referring to how the amount would be calculated using the 2019 test year

11:20:35 AM Atty Nguyen Cross Exam of Witness Laub
Note: Hughes, Pam POST HEARING DR - Provide calculations utilizing the numbers from 2019 test year

11:21:16 AM Atty Nguyen Cross Exam of Witness Laub
Note: Hughes, Pam Page 4 of settlement - Duke Energy KY to bear the burden of cost overruns
Note: Hughes, Pam POST HEARING DR - Provide typical burden of proof (prudent or reasonable)

11:24:16 AM Atty Nguyen Cross Exam of Witness Laub
Note: Hughes, Pam Referring to page 7 of Stipulation - cost not fully recovered in opt out tariff. Initial or montly fee - both.

11:26:23 AM Atty Nguyen Cross Exam of Witness Laub
Note: Hughes, Pam Page 8 of Stipulation - cost 140,000,
Note: Hughes, Pam Post Hearing Data Request - provide breakdown of the 140,000

11:28:07 AM Atty Nguyen Cross Exam of Witness Laub
Note: Hughes, Pam POST HEARING DATA REQUEST - Cost for Ohio and other states
Note: Hughes, Pam IT Cost of the opt out program in other jursidictions (250,000)

11:29:21 AM Atty Nguyen Cross Exam of Witness Laub
Note: Hughes, Pam Referring to page 13 - 14 of stipulation remote disconnect and reconnect fees.

11:30:41 AM Atty Nguyen Cross Exam of Witness Laub
Note: Hughes, Pam Referring to page 18 of stipulation, no date in top paragraph (Tuesday, December 6) - Need supplemental filing

11:32:55 AM Vice Chairman Cross Exam of Witness Laub
Note: Hughes, Pam Piedmont acquisition

11:33:50 AM Atty D'Ascenzo Redirects Witness Laub
Note: Hughes, Pam Meter depreaciation and study in 2011
Note: Hughes, Pam Case No. 2006-00172
Note: Hughes, Pam Composite remaining life

11:36:23 AM Atty D'Ascenzo Redirects Witness Laub
Note: Hughes, Pam What will the adjustment look like for the nonfuel rate adjustment

11:38:44 AM Atty Nguyen redirect to Witness Laub
Note: Hughes, Pam Attachement DLS page 4

11:39:09 AM Break to check on a confidential matter

11:39:10 AM Session Paused

11:40:09 AM Session Resumed

11:40:11 AM Atty Nguyen Cross Exam of Witness Laub
Note: Hughes, Pam Page 6-7 of testimony, line 23 - gas tracking mechanism to offset cost

11:42:38 AM Vice Chairman Cross Exam of Witness Laub
Note: Hughes, Pam Regarding Stipulation to be finalized

11:44:19 AM Atty D'Ascenzo Redirect Witness Laub
Note: Hughes, Pam Referring to how non fuel adjustments will be calculated.

11:45:16 AM Witness Laub dismissed from the stand

11:45:26 AM Vice Chairman Cross Exam of Witness Weintraub
Note: Hughes, Pam Witness Weintraub is asked to take the stand again.
Note: Hughes, Pam Asks for clarification on the Piedmont acquisition

11:46:38 AM AG Cross Exam of Witness Weintraub
Note: Hughes, Pam Usage alert program

11:48:24 AM AG Cross Exam of Witness Weintraub
Note: Hughes, Pam Confirm company made available to customers

11:49:43 AM Atty Nguyen Cross Exam of Witness Weintraub
Note: Hughes, Pam Referring to if Duke is aware of any utilities using the Usage Alert Program and its benefits

11:52:37 AM Vice Chairman Cross Exam of Witness Weintraub
Note: Hughes, Pam Threshold in program and dollar rate

11:57:29 AM Witness Weintraub dismissed from the stand

11:57:37 AM Chairman Schmitt calls for any other witnesses
Note: Hughes, Pam Duke waived cross examination of other witnesses

11:58:17 AM Chairman Schmitt gives Oath of Settlement Agreement
Note: Hughes, Pam President James Henning stands and swears to oath of Settlement Agreement

11:59:29 AM Chairman Schmitt addresses Post Hearing Data Requests
Note: Hughes, Pam PHDR - Staff has until Tuesday, December 13 to submit to Duke the request in writing.
Note: Hughes, Pam Duke has until Friday, December 30 to respond or will ask for additional time

12:01:40 PM Chairman Schmitt adjourns hearing.

12:01:50 PM Session Paused

3:24:11 PM Session Ended

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