

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION OF THE APPLICATION OF )  
THE FUEL ADJUSTMENT CLAUSE OF BIG )  
RIVERS ELECTRIC CORPORATION FROM ) CASE NO. 2017-00006  
NOVEMBER 1, 2014 THROUGH OCTOBER 31, )  
2016 )

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 April 18, 2017 in this proceeding;
- Certification of the accuracy and correctness of the digital video recording;
- All exhibits introduced at the evidentiary hearing conducted on April 18, 2017 in this proceeding;
- 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 April 18, 2017.

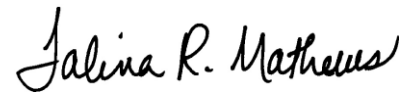
A copy of this Notice, the certification of the digital video record, hearing log, and exhibits have been electronically served upon all persons listed at the end of this Notice.

Parties desiring an electronic copy of the digital video recording of the hearing in Windows Media format may download a copy at

[http://www.psc.ky.gov/av\\_Broadcast/2017-00001-thru-00025/2017-00001-thru-00025\\_18Apr17\\_Inter.asx](http://www.psc.ky.gov/av_Broadcast/2017-00001-thru-00025/2017-00001-thru-00025_18Apr17_Inter.asx).

Parties wishing an annotated digital video recording may submit a written request by electronic mail to [pscfilings@ky.gov](mailto:pscfilings@ky.gov). A minimal fee will be assessed for a copy of this recording.

Done at Frankfort, Kentucky, this 26<sup>th</sup> day of April 2017.

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

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Talina R. Mathews  
Executive Director  
Public Service Commission of Kentucky

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2016 )

CERTIFICATE

I, Pamela Hughes, hereby certify that:

1. The attached DVD contains a digital recording of the Hearing conducted in the above-styled proceeding on April 18, 2017. Hearing Log, Witness List and Exhibit List are included with the recording on April 18, 2017.
2. I am responsible for the preparation of the digital recording.
3. The digital recording accurately and correctly depicts the Hearing of April 18, 2017.
5. The "Hearing Log" attached to this Certificate accurately and correctly states the events that occurred at the Hearing of April 18, 2017, and the time at which each occurred.

Signed this 25<sup>th</sup> day of April, 2017.



\_\_\_\_\_  
Pamela Hughes, Notary Public  
State at Large  
My Commission Expires: April 22, 2019



# Session Report - Detail

2017-00001thru2017-00006\_18April2017

Date:	Type:	Location:	Department:
4/18/2017	Fuel Adjustment Clause	Hearing Room 1	Hearing Room 1 (HR 1)

Judge: Bob Cicero; Dan Logsdon; Michael Schmitt  
 Witness: Delbert Billiter; Jason Burden; Scott Burnside; Michelle Carpenter; Nicholas Castlen; Theodore Czupik; Rocco D'Ascenzo; Russ Gwynn; Mark Horn; Amy Jeffries; Craig Johnson; Tyson Kamuf; Mark McAdams; David Mell; James Miller; Daniel Moyer; Murray (Wayne) O'Bryan; Mark Overstreet; Brett phipps; Derek Rahn; Hickman Roger; John Rogness; David Samford; Eileen Saunders; Charles Schram; Isacc Scott; Allyson Sturgeon; John Swez; Steve Thompson; Julia Tucker; John Verderame; Charles West; Stuart Wilson  
 Clerk: Pam Hughes

Event Time	Log Event
8:02:24 AM	Session Started
8:02:26 AM	Session Paused
8:58:37 AM	Session Resumed
8:58:41 AM	Chairman Schmitt opening remarks Note: Hughes, Pam      Calls Case No. 2017-00001 Kentucky Power Co. Note: Hughes, Pam      Introduces VC Cicero and Comm. Logsdon
9:00:36 AM	Chairman Schmitt asks Atty Overstreet to introduce himself and witnesses. Note: Hughes, Pam      Counsel Mark Overtreet introduces himself and witnesses. Daniel Moyer will not appear as a Witness. Mr. Russ Gwynn will testify on his behalf Note: Hughes, Pam      Kentucky Power Co 2017-00001
9:01:49 AM	Introduction of attorney's for PSC Note: Hughes, Pam      Jeb Pinney Counsel for PSC along with John Park and Brittany Koenig
9:02:18 AM	Public notice was filed.
9:02:37 AM	Public Comments--no comments
9:02:55 AM	Chairman Schmitt swears in all witnesses for Kentucky Power CO. Note: Hughes, Pam      Case No. 2017-00001
9:03:15 AM	Atty Pinney - PSC- Witness John Rogness
9:03:51 AM	Atty Overstreet states changes to answers to Data Request responses Note: Hughes, Pam      Witness West corrections to DR concerning Pike CO, KY not West Virginia, question 34 in DR1, There have been personell changes since May 2nd.
9:05:08 AM	Witness Russ Gwynn Note: Hughes, Pam      Russ Gywnn- potential changes in outage schedule for Mitchell 1 and will file updated schedule.
9:06:13 AM	John Rogness clarification of changes to his testimony Note: Hughes, Pam      Page 6, line 4 of his testimony. Number should be a negative. Page 8, line 1- 0.225 should be 0.272 Clarification- 3rd Data request #4 first table amounts from virtual transactions. Positive number is cost. Feb. 2015 a gain 627.75 total 29833.11 net cost.
9:08:41 AM	Atty Pinney -PSC- to Witness Rogness Note: Hughes, Pam      Page 6, line 5 of his testimony. Sandy unit 1, average cost of fuel. 2017-18 fuel costs. Page 7, fuel costs projections, Big Sandy now a natural gas unit - projected costs. Note: Hughes, Pam      Referencing Big Sandy 1 cheaper than the Mitchell units
9:11:47 AM	Post Hearing DR Note: Hughes, Pam      Costs between Big Sandy and Mitchell

9:12:16 AM Atty Pinney -PSC- to Witness Russ Gywnn  
Note: Hughes, Pam Item 9 of DR1 - Last row of table outage and length being typical

9:12:55 AM Camera Lock PTZ Activated

9:13:15 AM Camera Lock Deactivated

9:13:18 AM Atty Pinney -PSC- to Witness Rogness  
Note: Hughes, Pam Item 13, DR1 response. Line loss calculation of the review period. Total energy disposed.  
Note: Hughes, Pam 4th column- months of June thru Nov 2015 PHDR needed

9:13:52 AM Camera Lock PTZ Activated

9:14:33 AM Camera Lock Deactivated

9:14:44 AM Camera Lock PTZ Activated

9:15:31 AM Camera Lock Deactivated

9:15:42 AM Atty Pinney -PSC- to Witness Rogness  
Note: Hughes, Pam Asks for a PHDR for this answer.  
Note: Hughes, Pam Last column, line loss in relation to to billing cycles and sales or what reason for variation.

9:15:57 AM Camera Lock PTZ Activated

9:16:57 AM Camera Lock Deactivated

9:17:02 AM Atty Pinney -PSC- to Witness Russ Gwynn  
Note: Hughes, Pam Item 14 of DR1-response. attachment "preserved shutdown" and what that term means.

9:17:28 AM Camera Lock PTZ Activated

9:17:50 AM Camera Lock Deactivated

9:18:00 AM Atty Pinney -PSC- to Witness Russ Gywnn  
Note: Hughes, Pam Insspection of all boiler units to make sure all were in compliance

9:18:22 AM Atty Pinney -PSC- to Witness Russ Gywnn  
Note: Hughes, Pam Mitchell unit 1, compliance

9:18:53 AM Atty Pinney -PSC- to Witness David Mell  
Note: Hughes, Pam First year operating as Natural gas unit

9:19:09 AM Camera Lock PTZ Activated

9:19:25 AM Camera Lock Deactivated

9:19:32 AM Atty Pinney -PSC- to Witness Charles West  
Note: Hughes, Pam Referencing pages 2 and 3 of same response. Have coal shipment contracts started?  
Note: Hughes, Pam Response to DR1, item 15. Page 1 of 4. Contract ending in Dec. 2014. Any additional coal in this contract

9:21:02 AM Atty Pinney -PSC- to Witness West  
Note: Hughes, Pam Item 21, of DR1, response Mitchell high sulpher coal over target. Inventory level of High Sulpher today? Agreement expires 2021  
Note: Hughes, Pam Steps to take to make sure it is closer to the target inventory level.

9:22:55 AM Atty Pinney -PSC- handing out document -PSC Exhibit 1  
Note: Hughes, Pam Kentucky Power Co. Analysis of Coal Purchases

9:24:17 AM Atty Pinney -PSC- to Witness West  
Note: Hughes, Pam Response to DR1, explain last alpha contract not being shown in Staff's DR1  
Note: Hughes, Pam PHDR needed

9:25:01 AM Camera Lock PTZ Activated

9:25:07 AM Camera Lock Deactivated

9:25:40 AM Atty Pinney -PSC- to Witness Rogness  
Note: Hughes, Pam Item 41, DR1 response. Request to recover 205322.00 under collected over period of 4 months in the review time

9:26:21 AM Camera Lock PTZ Activated

9:26:25 AM Camera Lock Deactivated

9:26:31 AM Camera Lock PTZ Activated

9:26:36 AM Camera Lock Deactivated

9:26:41 AM Atty Pinney -PSC- to Witness Rogness  
Note: Hughes, Pam Peaking unit equivalent---PHDR excluded peaking unit from May to October 2016

9:26:48 AM Camera Lock PTZ Activated

9:26:55 AM Camera Lock Deactivated

9:27:15 AM Camera Lock PTZ Activated

9:27:31 AM Camera Lock Deactivated

9:27:35 AM Atty Overstreet \_ KY Power Co clarification about PHDR

9:27:55 AM Atty Pinney -PSC- to Witness Rogness  
Note: Hughes, Pam Referring to response to Staff's 3rd DR, item 2, page 3 of 6. Depends on price it was bid in at.

9:28:56 AM Camera Lock PTZ Activated

9:29:11 AM Camera Lock Deactivated

9:29:18 AM Camera Lock PTZ Activated

9:29:36 AM Camera Lock Deactivated

9:29:40 AM Atty Overstreet to Witness Jeffries and Witness West  
Note: Hughes, Pam 2017-18 coal and gas prices clarification in differences in prices.

9:30:06 AM Camera Lock PTZ Activated

9:30:14 AM Camera Lock Deactivated

9:31:52 AM Atty Pinney -PSC- to Witness Rogness  
Note: Hughes, Pam Questions about Costs to diminish, appropriate to have no change in the base fuel rates.

9:32:11 AM Camera Lock PTZ Activated

9:32:13 AM Camera Lock Deactivated

9:32:25 AM VC Cicero -PSC- to Witness Rogness  
Note: Hughes, Pam Asks for clarification as to why they want to leave base rates where they are

9:32:33 AM Camera Lock PTZ Activated

9:32:36 AM Camera Lock Deactivated

9:32:40 AM Camera Lock PTZ Activated

9:32:51 AM Camera Lock Deactivated

9:32:57 AM Camera Lock PTZ Activated

9:33:04 AM Camera Lock Deactivated

9:33:09 AM Camera Lock PTZ Activated

9:33:27 AM Camera Lock Deactivated

9:33:34 AM PHDR for 2017-00001  
Note: Hughes, Pam PHDR by Friday, April 21 from Staff then May 1st for KY Power Co. to answer  
Note: Hughes, Pam No briefs to be filed

9:34:23 AM Chairman adjourns Case No. 2017-00001

9:34:57 AM Chairman calls Case No. 2017-00002 EKPC

9:35:39 AM Atty David Samford - EKPC  
Note: Hughes, Pam Introduces himself and witnesses

9:35:43 AM Camera Lock PTZ Activated

9:36:07 AM Public notice has been filed

9:36:10 AM Camera Lock Deactivated

9:36:18 AM Outstanding motion ruled on later date

9:36:28 AM Camera Lock PTZ Activated

9:36:29 AM Camera Lock Deactivated

9:36:34 AM Introductions of Atty Pinney, Park and Koenig for PSC

9:36:53 AM Asks for Public comments - no comments

9:37:06 AM Chairman Schmitt swears witnesses in.

9:37:16 AM Camera Lock PTZ Activated

9:37:19 AM Atty Pinney -PSC- to Witness Tucker  
Note: Hughes, Pam Asks for any corrections. No corrections  
Note: Hughes, Pam Item 5, Staff's 1st DR. EKPC expects to burn less coal and gas than in 2017.

9:37:20 AM Camera Lock Deactivated

9:38:11 AM Camera Lock PTZ Activated

9:38:22 AM Camera Lock Deactivated

9:38:27 AM Atty Pinney -PSC- to Witness Tucker  
Note: Hughes, Pam Item 6 of Staff's 1st DR-- Sales to PJM in 2017 and 2018 and decrease in market price.  
Note: Hughes, Pam Post Hearing Data Request - Changes made from budget made last year. 2018 prices to increase or decrease as a result.

9:38:58 AM Camera Lock PTZ Activated

9:39:27 AM Camera Lock Deactivated

9:39:37 AM Camera Lock PTZ Activated

9:39:56 AM Camera Lock Deactivated

9:40:00 AM Camera Lock PTZ Activated

9:40:00 AM Camera Lock Deactivated

9:40:08 AM Camera Lock PTZ Activated

9:40:13 AM Camera Lock Deactivated

9:40:26 AM Atty Pinney -PSC- to Witness Tucker  
Note: Hughes, Pam Item 9 of Staff's DR 1- Bluegrass 3 contracted to LG&E, timing of and maintenance dates. EKPC performs maintenance.

9:40:55 AM Camera Lock PTZ Activated

9:41:18 AM Camera Lock Deactivated

9:41:32 AM Atty Pinney -PSC- to Witness Johnson  
Note: Hughes, Pam Page 3 of 3, outages of almost 2 months. Work to be performed on Spurlock 2 and Smith 2 units.

9:42:22 AM Atty Pinney -PSC- PHDR  
Note: Hughes, Pam Item 12, 1st DR - monthly billing summary of all electric companies. Page 2 of 43. Columns calculated and why vary each month.

9:43:24 AM Camera Lock PTZ Activated

9:43:34 AM Camera Lock Deactivated

9:43:37 AM Atty Pinney -PSC- to Witness Carpenter  
Note: Hughes, Pam Item 12, page 38-43 Recent FAC review, nondisplacement. This predates EKPC's placement in PJM. Dec 2016 filing referred to economy now.

9:45:14 AM Atty Pinney -PSC- to Witness Johnson  
Note: Hughes, Pam Item 14 in 1st DR, page 6 of 57. Spurlock 3 two outages, what were issues.

9:46:41 AM Atty Pinney -PSC- to Witness Johnson  
Note: Hughes, Pam 6 forced outages- combustion inspections. Was under contract with LG&E before EKPC bought the station.  
Note: Hughes, Pam Pages 16 - 18 of Staff's 1st DR. Outages for 3 Bluegrass units. What is repair and how often performed. 1 time repair

9:48:49 AM Atty Pinney -PSC- to Witness Johnson  
Note: Hughes, Pam Page 19 of 57, DR1- Green valley unit outages and economic to keep running.

9:49:54 AM Atty Pinney -PSC- to Witness Johnson  
Note: Hughes, Pam Referencing Page 44 of 57, DR1. Explain Hardin Co landfill unit, running during the review period. Running two units

9:51:07 AM Atty Pinney -PSC- to Witness Horn  
Note: Hughes, Pam Page 2 of 8 DR1, tonage carrying over from 2016 and staus of contract.  
Note: Hughes, Pam Item 15 of Staff's DR1. Page 2 of 8.



9:52:22 AM Atty Pinney -PSC- to Witness Horn  
Note: Hughes, Pam Item 20, Staff's DR1, Spurlock station, barge bids and rail bids

9:53:07 AM Atty Pinney -PSC- to Witness Horn  
Note: Hughes, Pam Item 21C, Staff's DR1 - inventory target for Cooper and Spurlock stations.

9:54:01 AM Atty Pinney -PSC- to Witness Horn  
Note: Hughes, Pam EKPC confidential response to Staff's DR1 - page 3 of 13. Two bids didn't meet plant specifications, explain.

9:55:31 AM Atty Pinney -PSC- to Witness Horn  
Note: Hughes, Pam Pages 5 and 6 of DR1 - 24 month contract on specifications

9:56:19 AM Atty Pinney -PSC- to Witness Horn  
Note: Hughes, Pam Page 9 of 13 of Staff's DR1 Item 25. -5th row, reason for recommendation column. Explain statement  
Note: Hughes, Pam Atty Samford approaches Witness Horn to point out item in question.

9:58:44 AM Atty Pinney -PSC- to Witness Horn  
Note: Hughes, Pam No change in base fuel cost in the 2 year period. Witness Scott answers.  
Note: Hughes, Pam Staff's DR1 item 26, page 2 of 2. Test purchase for Cooper station.

10:00:20 AM Atty Pinney -PSC- to Witness Scott  
Note: Hughes, Pam Staff's DR2, item 4.b - Projecting average fuel costs for 2017 and 2018. List EKPC's reasons for no change to base fuel costs.

10:02:00 AM Atty Samford to Witness Scott  
Note: Hughes, Pam Item 4. c. and item 4a also addresses the subject.

10:02:29 AM VC Cicero to Witness Scott  
Note: Hughes, Pam Member coops not in favor of changing base rates. FAC's will be paid actual fuel regardless to members.

10:05:47 AM Atty Samford to Witness Scott  
Note: Hughes, Pam Distinction between Coops and lag in billing to 16 member systems.

10:07:18 AM VC statement about billing in COOP's.

10:07:50 AM Chairman Schmitt  
Note: Hughes, Pam PHDR to be sent by Friday, April 21st from Staff and EKPC to reply May 1st. Addtl time to file short brief- May 12 to file and PSC addtl 2 weeks.

10:09:10 AM Case No. 2017-00002 EKPC adjourned

10:09:36 AM Case No. 2017-00003 and 2017-00004  
Note: Hughes, Pam KU and LGE cases

10:10:22 AM Atty Sturgeon for KU and LGE  
Note: Hughes, Pam Introduces Witnesses.

10:10:33 AM Camera Lock PTZ Activated

10:10:52 AM Atty Pinney, Park and Koenig for PSC

10:10:57 AM Camera Lock Deactivated

10:11:10 AM Public notice has been given and filed

10:11:23 AM Outstanding motion to be ruled on later date.

10:11:37 AM Chairman Schmitt swears in witnesses for KU/LGE

10:11:54 AM Public comments - no comments

10:12:13 AM Atty Sturgeon  
Note: Hughes, Pam Corrections, May 2016 moved into new role. Question 14 of testimony LGE page 1 of 4 Millcreek station unit 4. Sept 30 offline, was major boiler outage. Saunders is now Director of safety for company, Billiter is now Manager of LGE/KU fuels.

10:14:24 AM Atty Pinney to Witness Schram  
Note: Hughes, Pam Staff's DR1, item 14, page 3of 5 for KU and Page 2 of 4 LGE Unit 2 outage june thru mid July and issues meeting load

10:15:20 AM Camera Lock PTZ Activated

10:15:25 AM Camera Lock Deactivated

10:15:26 AM Camera Lock PTZ Activated

10:15:37 AM Camera Lock Deactivated

10:15:43 AM Atty Pinney -PSC- to Witness Saunders  
Note: Hughes, Pam Page 5 of 5, Trimble Co unit. Equipment shared between unit 7 and 5 MOD-

10:17:36 AM Atty Pinney -PSC- to Witness Billiter  
Note: Hughes, Pam 2 outages for trimble Co unit 9. Generater rewind explanation

10:18:31 AM Atty Pinney -PSC- to Witness Billiter  
Note: Hughes, Pam Staus of the Ryno energy contract

10:19:10 AM Atty Pinney -PSC- to Witness Billiter  
Note: Hughes, Pam Item 15, Staff's DR1. Page 9 for Ku or 8 for LGE. Coal requiremnets for 2016 and did some of the receipts carry over from 2015?

10:20:28 AM Atty Pinney -PSC- to Witness Billiter  
Note: Hughes, Pam Page 21 for KU or 18 LGE - 0 to half million tons for 2016 Minimun amount of coal purchased is 3 million tons but contracted for less.

10:21:44 AM Atty Pinney -PSC- to Witness Schram  
Note: Hughes, Pam Item 21 of Staff's DR1 - options to reduce Trimble CO inventory level.

10:22:41 AM Atty Pinney -PSC- to Witness Billiter  
Note: Hughes, Pam KU response item 15 of DR1, page 5 of 23. 57 % of tonage requirements contracts status.  
Note: Hughes, Pam Part 1 of that response. Item 19 response. Based on final delivery by barge

10:25:02 AM Atty Pinney -PSC- to Witness Billiter  
Note: Hughes, Pam Benefits of burning particular type of coal at trimble unit but not other stations.

10:26:41 AM Atty Pinney -PSC- to Witness Billiter  
Note: Hughes, Pam Page 15 of 23 of same response. Status of contract. Expired Dec 31, 2016. Chose not to take this option because of lower cost options.

10:27:43 AM Atty Pinney -PSC- to Witness Billiter and Witness Wilson  
Note: Hughes, Pam LGE-- Items 5 and 6 of DR1 Coal and natural gas increase and customers costs will decrease

10:29:55 AM Atty Pinney -PSC- to Witness Rahn  
Note: Hughes, Pam LGE response to item 13, DR1 - line loss increase of two year review period

10:30:48 AM Atty Pinney -PSC- to Witness Saunders  
Note: Hughes, Pam LGE- item 14 of DR1 - page 1 of 4. Millcreek unit 3 outage. Explain the tie in.

10:31:48 AM Atty Pinney -PSC- to Witness Saunders  
Note: Hughes, Pam Page 3 of 4, all 3 Patty's run units outage. Explain in more detail.

10:32:49 AM Atty Sturgeon to Witness Rahn  
Note: Hughes, Pam How company implementing new rates

10:33:57 AM VC Cicero to Witness Billiter  
Note: Hughes, Pam Trimble Co coal contract - declare a force majeure

10:36:33 AM Atty Pinney to Witness Rahn  
Note: Hughes, Pam Changes to bill for services rendered. Lag between for service and billing

10:37:41 AM Atty Pinney -PSC- to Witness  
Note: Hughes, Pam Questions if a Final order issued, would KU LGE be able to update new rates. They would need more time.

10:38:39 AM PHDR  
Note: Hughes, Pam Staff to issue by Friday, april 21st, KU LGE by May 1st. No brief

10:39:12 AM Adjourned Case No's 2017-00003 & 00004

10:39:21 AM Break

10:39:33 AM Session Paused

10:51:38 AM Session Resumed

10:51:42 AM Case No. 2017-00005 Duke Energy KY

10:51:58 AM Atty Rocco D'Ascenzo  
Note: Hughes, Pam Intoduces himself and witnesses

10:52:20 AM Atty Pinney, Park and Koenig for PSC

10:52:36 AM Public Notice has been given and filed

10:52:52 AM No outstanding motions

10:53:02 AM No public comment

10:53:12 AM Chairman Schmitt swears in witnesses

10:53:23 AM Atty Pinney - PSC- asks for any changes  
Note: Hughes, Pam Corrections. Brett Phipps question 15, page 1, April 30, 2006, should be 2016. Page two for Tunnell Hill, Section F volume should be 300,000

10:54:36 AM Atty Pinney - PSC - to Witness Czupik and Witness Swez  
Note: Hughes, Pam Dukes confid response item 5 to DR1, page 2. Several months show no information. Major outage in the April and October and Nov in Woodsdale.  
Note: Hughes, Pam PHDR needed. Witness ? replys to question.

10:57:58 AM Atty Pinney - PSC to Witness Czupik  
Note: Hughes, Pam Witness John Swez responds to losses and why.  
Note: Hughes, Pam Attachment to item 13, DR1 Line loss, middle of review period, please explain the differences in calculations and fluctuatiions. Retail sales

11:00:27 AM VC Cicero to Witness Czupik  
Note: Hughes, Pam PHDR - John Swez replys to questions  
Note: Hughes, Pam Referring to natural variations explanation

11:02:55 AM Atty Pinney - PSC - to Witness Swez  
Note: Hughes, Pam Attachment to item 14 to DR1, Woodsdale units outages for units 1, 2, 3 PHDR

11:03:55 AM Atty Pinney - PSC - to Witness Phipps  
Note: Hughes, Pam Item 15, DR1 - Coal contracts past 2017.

11:05:41 AM Atty Pinney - PSC - to Witness Phipps  
Note: Hughes, Pam Confid attachment to item 25 to DR1 - Comments column, 5th row. Result of test burn.

11:06:52 AM Atty Pinney - PSC - to Witness Phipps  
Note: Hughes, Pam Why no coal purchases for 2019. Elaborate on flucuation of the burn.

11:07:53 AM Atty Pinney - PSC - to Witness Swez  
Note: Hughes, Pam Item 35, DR1 - Referencing Woodsdale units no longer able to burn propane after June 30th at some of the units.

11:09:46 AM Atty D'Ascenzo to Witness Swez  
Note: Hughes, Pam Coal contracts for 2018. Outage for East bend in 2018 and how long that is estimated to be. 10 weeks. To Mr. Phipps, would that impact volume of coal?

11:11:02 AM VC Cicero to Witness Phipps  
Note: Hughes, Pam 2018 coal test burn and negotiations. Increasing percentage. Aproximate % is greater than 65 to 100

11:12:40 AM PHDR  
Note: Hughes, Pam Staff has until Friday, April 21st and Duke has until May 1st. No briefs to be filed.

11:13:06 AM Case No. 2017-00005 Duke Energy Adjourned

11:13:31 AM Case No. 2016-00006 Big Rivers Electric Corp.

11:14:20 AM Atty Kamuf introduces himself and witnesses

11:15:10 AM No intervenor present at hearing

11:15:20 AM Attys Pinney, Park and Koenig for PSC

11:15:36 AM Public Notice given and filed

11:15:46 AM No Outstanding Motions

11:15:57 AM Public comments  
Note: Hughes, Pam Jack McCastle Hancock Co. Kentucky. County Judge Here to speak for Kenergy even though has some interest in Big Rivers Electric.

11:16:39 AM Camera Lock PTZ Activated

11:16:46 AM Camera Lock Deactivated

11:16:54 AM Chairman Schmitt swears in witnesses

11:17:00 AM Camera Lock PTZ Activated

11:17:06 AM Corrections to testimony  
Note: Hughes, Pam Atty Kamuf hands out two corrections. Exhibit 1 Revised response to DR1 of 2/6/2017 Item 21, page 2 of 4 - chart following line 1 number of days supplied and duration of days. 65 is changed to 117. 86 days is now 154 days. Mark McAdams Jason Burden on 2nd exhibit. Line 2 of 2017 table changes new start and end date. Row 3 is deleted

11:17:29 AM Camera Lock Deactivated

11:20:39 AM Atty Pinney - PSC - to Witness O'Bryan  
Note: Hughes, Pam Big Rivers response to item 6, DR1 - most recent sales projection for 2017-18. Lower Kwh in 2018.

11:21:37 AM Atty Pinney - PSC - to Witness O'Bryan  
Note: Hughes, Pam Confid item 11, DR1 - 2 thru 6 of 9. Asking for Confidential treatment for only certain things on these pages. Why is confidential treatment being asked for periods not on this review period.  
Note: Hughes, Pam Back to back sales and what they represent and if profit is made.

11:25:12 AM Atty Pinney to Witness O'Bryan  
Note: Hughes, Pam Item 12 of DR1 - pages 19 to 24. Line 13 of each page term is ADM investor service amounts. Questions what they represent and why sometimes positive and others negative.

11:27:23 AM PHDR  
Note: Hughes, Pam over 2 year review period of profits and losses

11:27:49 AM Atty Pinney - PSC - to Witness Castlen  
Note: Hughes, Pam line 19. no amount for Sept and why. What they represent in station 2

11:28:57 AM Atty Pinney - PSC - to Witness Burden  
Note: Hughes, Pam item 14 of DR1 page 1 of 17. Reed unit idle of 2016 and not restarted. Any plans to restart?

11:29:45 AM Atty Pinney - PSC - to Witness Burden  
Note: Hughes, Pam page 2 to 4 of 17, Reed unit outages for review period. Is this a small natural gas turbine and age of unit. Has analysis been done to see if economic to run?

11:31:14 AM Atty Pinney - PSC - to Witness Burden  
Note: Hughes, Pam pages 10 to 13 of 17 of same response. Green units 1 and 2 removed from service due to weak market. Explain more.

11:31:59 AM Atty Pinney - PSC - to Witness Burden  
Note: Hughes, Pam page 14 of 17 same response. Explain the work in maintaining unit.

11:32:56 AM Atty Pinney - PSC - to Witness McAdams  
Note: Hughes, Pam Items 19 and 20 to initial DR - 19 shows Green station receives barge delivery for most of its coal. Difference between barge and truck delivery.

11:34:13 AM Atty Pinney - PSC - to Witness Mc Adams  
Note: Hughes, Pam Station 2 exceeded its target range. It occurs month to month over 2016 and continues to reduce inventory through April 2017  
Note: Hughes, Pam item 21, to initial DR - page 2 of 4. Columns days of supply and duration in days. Explain

11:36:30 AM VC Cicero to Witness McAdams  
Note: Hughes, Pam Clarification to reaching inventory by end of 2017 for certain stations. Sept is date for Station 2  
Note: Hughes, Pam Inventory to be cut in half across the system

11:38:12 AM VC Cicero to Witness Mc Adams  
Note: Hughes, Pam Burn quantity clarification.. Less than planned, is number of days supplied reflected.

11:40:03 AM Atty Pinney - PSC - to Witness Burns  
Note: Hughes, Pam Item 1 of DR3, revised attachment. PHDR needed in Excel format

11:40:32 AM Atty Pinney - PSC - to Witness Hickman  
Note: Hughes, Pam 0.232 cents per Kwh hour and no change in that.

11:40:54 AM Atty Pinney - PSC - to Witness Hickman  
Note: Hughes, Pam average Kwh for 2017-18

11:41:15 AM Atty Pinney - PSC - to Witness Hickman  
Note: Hughes, Pam Referring to why Big Rivers is not lowering base rate.  
Note: Hughes, Pam PHDR- provide fuel costs going forward and present and proposed rates if Order is made.

11:43:31 AM Atty Kamuf to Witness Hickman  
Note: Hughes, Pam Fuel costs to go down over next year?  
Note: Hughes, Pam Witness MC Adams states cost of fuel will be stable in 2018-19 there will be open positions in coal market to remain stable and procure coal at lower cost.

11:45:19 AM Atty Kamuf to Witness McAdams  
Note: Hughes, Pam Clarification to fuel costs going into 2018 is why they don't expect a higher base rate.

11:46:35 AM Atty Kamuf to Witness Burden  
Note: Hughes, Pam Referring to value outside the market

11:47:11 AM Atty Pinney to Witness Burden  
Note: Hughes, Pam Typical ramp up is 15 mins.

11:47:30 AM PHDR  
Note: Hughes, Pam Staff by April 21, Big Rivers May 1st. No brief

11:47:52 AM Adjourned Big Rivers Case No. 2017-00006

11:48:25 AM Case No. 2017-00024 Kenergy Corp.

11:48:40 AM Atty Kamuf counsel for Kenergy  
Note: Hughes, Pam Steve Thompson only witness

11:49:01 AM Atty Pinney, Park and Koenig for PSC

11:49:13 AM Public notice given and filed

11:49:24 AM Chairman swears in Witness Thompson

11:49:35 AM Public Comment  
Note: Hughes, Pam Jack McCastle, County Judge in Hancock County, Kentucky. On behalf of Fiscal court and the citizens of Hancock Co. KY

11:50:10 AM Camera Lock PTZ Activated

11:54:19 AM Camera Lock Deactivated

11:54:29 AM Atty Kamuf  
Note: Hughes, Pam States his appreciation to Judge McCastle for appearing and speaking today.

11:54:51 AM Atty Pinney - PSC - to Witness Thompson  
Note: Hughes, Pam Kenergy uses Big Rivers FAC amounts. Over and under line loss and billing of customers.

11:56:13 AM Atty Pinney - PSC - to Witness Thompson  
Note: Hughes, Pam FAC filed its review 10 days prior and has complied with the statute for the 2 year review period.

11:56:54 AM Comm. Logsdon to Witness Thompson  
Note: Hughes, Pam Refers to the lag in the system for billing.

11:57:36 AM Chairman Schmitt closing statements

11:57:57 AM Adjourned Case No. 2017-00024 Kenergy Corp.

11:58:05 AM Session Paused

8:10:47 AM Session Ended



## Exhibit List Report

2017-00001thru2017-00006\_18April2017

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Judge: Bob Cicero; Dan Logsdon; Michael Schmitt

Witness: Delbert Billiter; Jason Burden; Scott Burnside; Michelle Carpenter; Nicholas Castlen; Theodore Czupik; Rocco D'Ascenzo; Russ Gwynn; Mark Horn; Amy Jeffries; Craig Johnson; Tyson Kamuf; Mark McAdams; David Mell; James Miller; Daniel Moyer; Murray (Wayne) O'Bryan; Mark Overstreet; Brett Phipps; Derek Rahn; Hickman Roger; John Rogness; David Samford; Eileen Saunders; Charles Schram; Isacc Scott; Allyson Sturgeon; John Swez; Steve Thompson; Julia Tucker; John Verderame; Charles West; Stuart Wilson

Clerk: Pam Hughes

<b>Name:</b>	<b>Description:</b>
Big Rivers Exhibit 01	Revised response to Commission Staff's Request for Information dated Feb. 6, 2017. Revised on Apr. 18, 2017.
Big Rivers Exhibit 02 - Confidential	Revised Response to Staff's Request for Information dated Feb. 6, 2017. Revid=sed Apr. 18, 2017. Response to Item 9. One page redacted the other showing Confidential amounts. The Confidential version is with the confidential DVD and File
Big Rivers Exhibit 02 redacted	Revised Response to Staff's Request for Information dated Feb. 6, 2017. Revised Apr. 18, 2017. Response to Item 9. One page redacted the other showing Confidential amounts.
PSC Exhibit 01	Kentucky Power Co. - Analysis of Coal Purchases, May 2016.



**BIG RIVERS ELECTRIC CORPORATION**

**AN EXAMINATION OF THE APPLICATION OF THE FUEL  
ADJUSTMENT CLAUSE OF BIG RIVERS ELECTRIC CORPORATION  
FROM NOVEMBER 1, 2014 THROUGH OCTOBER 31, 2016  
CASE NO. 2017-00006**

*Revised Response* to Commission Staff's Request for Information  
dated February 6, 2017

February 20, 2017  
*Revised Response* April 18, 2017

1

Total System/Station	Inventory Level (In Tons) <sup>1</sup>	Number of Days' Supply <sup>2</sup>	Duration (In Days)	Preceding 6 Months Burn (In Tons)
Big Rivers Electric System	1,152,328.93	117	154	1,520,543.69
Reid Station <sup>3</sup>	0.00	0	0	0.00
Station II <sup>4</sup>	361,506.82	292	134	165,969.76
Green Station <sup>5</sup>	207,288.60	53	165	640,214.40
Coleman Station <sup>6</sup>	0.00	0	0	0.00
Wilson Station <sup>7</sup>	583,533.51	141	173	714,359.53

2

3

b. Days Burn = [ { Current Inventory (In Tons) / Preceding 6 Months Burn (In Tons) } ] x Duration (In Days)

4

5

c. Big Rivers Electric Corporation's Target Supply is the following range for each Station in days.

6

7

**Big Rivers Electric Corporation  
Coal Inventory Target Ranges**

Total System	30 – 60 Days
Reid Station	0 Days
Station II	30 – 60Days
Green	30 – 60 Days
Coleman	0 Days
Wilson	30 – 60 Days

8

d. The actual inventory for Henderson Station Two ("Station II") exceeds the target range by 232 days. Reduced demand for electricity and the planned outage on Station II Unit 1 in 2016, plus unscheduled outages and other scheduled maintenance outages caused Station II to exceed its target range. Station II Unit 1 had a Basic Planned Outage of 1,194 hours from May 1,

9

10

11

12

13

Case No. 2017-00006

*Revised Response* to PSC 1-21

Witness: Mark W. McAdams

Page 2 of 4

Big Rivers  
Exhibit 1



**BIG RIVERS ELECTRIC COMPANY EXHIBIT 2**

(This Exhibit was introduced and entered during the PUBLIC HEARING SESSION, and contains **CONFIDENTIAL** information)

BIG RIVERS ELECTRIC CORPORATION

AN EXAMINATION OF THE APPLICATION OF THE FUEL  
ADJUSTMENT CLAUSE OF BIG RIVERS ELECTRIC CORPORATION  
FROM NOVEMBER 1, 2014 THROUGH OCTOBER 31, 2016  
CASE NO. 2017-00006

Revised Response to Commission Staff's Request for Information  
dated February 6, 2017

February 20, 2017

Revised Response April 18, 2017

1 Item 9) Provide the planned maintenance schedule for each of Big  
2 Rivers' generating units for the years 2017 and 2018.

3

4 Response) Please see the revised redacted schedules below for the planned  
5 maintenance schedule for Big Rivers' generating units for the years 2017 and  
6 2018. The revised unredacted schedule is being provided with a Petition for  
7 Confidential Treatment.

8

2017 Outage Schedule				
Start	End	Hours	Days	Unit/Outage
	Total			

9

10

2018 Outage Schedule				
Start	End	Hours	Days	Unit/Outage
	Total			

11

12

13 Witness) Jason C. Burden

Big Rivers  
Exhibit 2

\*Jody Kyler Cohn  
Boehm, Kurtz & Lowry  
36 East Seventh Street  
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\*Honorable Michael L Kurtz  
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