

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

POLLITT ENTERPRISES, INC., WHITNEY)
CLARK POLLITT, INDIVIDUALLY, AMANDA)
DEEANN POLLITT, INDIVIDUALLY, AND BASIL)
C. POLLITT, INDIVIDUALLY, D/B/A THE GAS)
GROUP, INC. A/K/A THE GAS GROUP) CASE NO. 2017-00120
_____)
)
ALLEGED VIOLATIONS OF KRS 278.020,)
KRS 278.160, KRS 278.140, AND 807 KAR)
5:006, SECTION 4(2))

NOTICE OF FILING

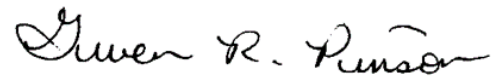
Notice is given to all parties that the following materials have been filed into the record of this proceeding:

- The digital video recording of the oral arguments conducted on October 18, 2017 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 oral arguments conducted on October 18, 2017.

A copy of this Notice, the certification of the digital video record, and oral arguments 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 https://psc.ky.gov/av_broadcast/2017-00120/2017-00120_18Oct17_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 20th day of October 2017.

A handwritten signature in black ink that reads "Gwen R. Pinson". The signature is written in a cursive style with a large initial 'G' and a long horizontal stroke at the end.

Gwen R. Pinson
Executive Director
Public Service Commission of Kentucky

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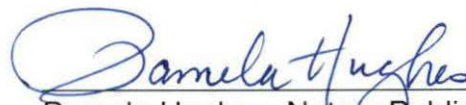
ALLEGED VIOLATIONS OF)
KRS 278.020, KRS 278.160, KRS 278.140,)
AND 807 KAR 5:006, SECTION 4(2))

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 October 18, 2017. The Hearing Log and Witness Log are included with the recording on October 18, 2017.
2. I am responsible for the preparation of the digital recording.
3. The digital recording accurately and correctly depicts the Hearing of October 18, 2017.
4. The "Hearing Log" attached to this Certificate accurately and correctly states the events that occurred at the Hearing of October 18, 2017, and the time at which each occurred.

Signed this 20th day of October, 2017.



Pamela Hughes, Notary Public
State at Large

My Commission Expires: April 22, 2019



Judge: Bob Cicero; Talina Mathews; Michael Schmitt

Witness: Jason Sharp - Southern Kentucky Energy

Clerk: Pam Hughes

Date:	Type:	Location:	Department:
10/18/2017	Other	Hearing Room 1	Hearing Room 1 (HR 1)
Event Time	Log Event		
9:17:46 AM	Session Started		
9:17:50 AM	Session Paused		
10:58:56 AM	Session Resumed		
10:58:59 AM	Chairman Schmitt makes introductions		
	Note: Hughes, Pam	Vice Chairman Cicero and Commissioner Mathews present.	
10:59:17 AM	2017-00120 Pollitt Enterprises		
	Note: Hughes, Pam	Chairman Schmitt makes preliminary remarks concerning violations and reason for today's hearing.	
11:00:31 AM	Introductions of counsel		
	Note: Hughes, Pam	Kirk Hoskins for Pollitt Enterprises; Kent Chandler and Justin McNeil for the Attorney General's office; Angela Goad and Nancy Vinsel for the PSC.	
11:00:52 AM	Chairman Schmitt		
	Note: Hughes, Pam	Regarding Order to exam Mr. Jason Sharp, President of Southern Kentucky Energy, LLC.	
11:01:23 AM	Witness Jason Sharp called to the stand		
	Note: Hughes, Pam	Is sworn in by the Chairman.	
11:01:43 AM	Atty Vinsel direct exam of Witness Sharp		
	Note: Hughes, Pam	Jason Sharp, President of Southern Kentucky Energy, LLC	
11:02:27 AM	Atty Vinsel direct exam of Witness Sharp		
	Note: Hughes, Pam	Regarding the location of his pipelines in connection to Mr. Pollitt's pipelines.	
	Note: Hughes, Pam	Pollitt's 185 to Caneyville and close to Bowling Green	
11:04:06 AM	Atty Vinsel direct exam of Witness Sharp		
	Note: Hughes, Pam	Regarding a February or March of 2017 agreement to transfer gas through his pipeline. Verbal agreement between he and Mr. Pollitt.	
11:04:46 AM	Atty Vinsel direct exam of Witness Sharp		
	Note: Hughes, Pam	Regarding when Mr. Sharp started using Pollitts line again. It was near the first of Sept. 2017.	
	Note: Hughes, Pam	Regarding him saying at the Aug 9th hearing that he had stopped transporting gas. What has happened since that. Witness states that they are now moving gas to Morgantown.	
11:05:57 AM	Atty Vinsel direct exam of Witness Sharp		
	Note: Hughes, Pam	Regarding no written agreement between Southern Kentucky and Mr. Pollitt.	
11:06:14 AM	Hoskins objects to wording of question.		
	Note: Hughes, Pam	Atty Vinsel withdraws.	
11:06:28 AM	Atty Vinsel direct exam of Witness Sharp		
	Note: Hughes, Pam	Witness had previously provided a copy of contract that Mr. pollitt never signed, Status of new agreement in writing; Witness states that there is no date to make decision.	

11:07:15 AM	Atty Vinsel direct exam of Witness Sharp Note: Hughes, Pam	Terms of transaction with Mr. Pollitt. Who is paying and for what service under this verbal agreement. Transportation is the primary use Southern Energy is looking for. Paid 50 cents per MCF for transportation. Paying on wholesale gas in excess.
11:09:13 AM	Atty Vinsel direct exam of Witness Sharp Note: Hughes, Pam Note: Hughes, Pam	Regarding if this is on a Monthly basis. Regarding Southern's end would be less than what was put in on the Northern end. Any agreement for Pollitt to pay him for any imbalance. For gas Southern lost Pollitt would pay Mr. Sharp.
11:10:30 AM	Atty Vinsel direct exam of Witness Sharp Note: Hughes, Pam Note: Hughes, Pam	Regarding the economic level and what he means by this. Future relationship with Mr. Pollitt. Hoping to continue to use his gas line.
11:11:48 AM	Atty Vinsel direct exam of Witness Sharp Note: Hughes, Pam	Is the reason for use driven by the Real Alloy Company and its needs. The Southern part of the line is.
11:13:15 AM	Atty Vinsel direct exam of Witness Sharp Note: Hughes, Pam	Provision under current agreement- is it a month to month agreement. It is a Verbal agreement and he would prefer to formalize that.
11:14:30 AM	Atty Vinsel direct exam of Witness Sharp Note: Hughes, Pam Note: Hughes, Pam	Well was shut off, at some point this summer, did Southern KY provide gas to Pollitt's customers at that time. Yes they did. Pollitt currently purchasing gas from Southern or is he putting in his own gas. Negative 10 % MCF per day balance.
11:15:42 AM	Atty Vinsel direct exam of Witness Sharp Note: Hughes, Pam	How much gas through pipeline on monthly average. About 200 a day when they have ran it. 4500 to 5000 is biggest amount that has ran through line.
11:16:26 AM	Atty Vinsel direct exam of Witness Sharp Note: Hughes, Pam	Status of putting more of Southern's gas into the Pollitt gas line. Hoping to get 400 mcf in that pipeline and hoping to do so this week.
11:17:15 AM	Atty Chandler cross of Witness Sharp Note: Hughes, Pam	Regarding negative imbalance and using the same mechanism as if a positive balance. 50% of sales price. Wholesale.
11:18:22 AM	Atty Hoskins cross of Witness Sharp Note: Hughes, Pam Note: Hughes, Pam	Regarding wanting to increase the production of gas. Yes, that is what Southern wants to do. End user contractual agreement. Use Southern's gas first but have to use back up. Goal is to be source for end user. Southern is not working to find other users.
11:20:43 AM	Atty Hoskins cross of Witness Sharp Note: Hughes, Pam	Negotiations with Pollitt for a written agreement, Sharp states that yes that is what he wants. States that it would benefit them if pipeline stayed open.
11:21:31 AM	Vice Chairman cross of Witness Sharp Note: Hughes, Pam Note: Hughes, Pam	No written agreement in place, no expected timeframe for that to be done. Witness hopes to have written agreement by end of year. If not done by end of year would that make Southern not put gas in Pollitt's line. Intention is to use line, but would ask PSC for an Order.

11:22:58 AM Vice Chairman cross of Witness Sharp
Note: Hughes, Pam Agreement that if gas costs was more than 50 Mcf then transportation cost exceeded would be cost prohibitive cost to put gas in the line.
Note: Hughes, Pam Market pricing to affect this.

11:23:55 AM Vice Chairman cross of Witness Sharp
Note: Hughes, Pam Has gas ever flowed in both directions. Not since Southern has used it.
Note: Hughes, Pam Maximum benefit of using th pipeline. 10, 000 mcf is what he would like.

11:24:53 AM Chairman Schmitt cross of Witness Sharp
Note: Hughes, Pam Regarding Southern Kentucky discontinued using Pollitt pipeline over the summer and reason it was stopped.

11:25:44 AM Chairman Schmitt cross of Witness Sharp
Note: Hughes, Pam Pollitt line has been in place for a number of years, why was it only in 2017 that Southern decided it needed to use it.
Note: Hughes, Pam When did he start using Pollitt line again after stopped in Aug. 2017. Started back up in September.

11:27:13 AM Chairman Schmitt cross of Witness Sharp
Note: Hughes, Pam Term of present arrangement, is it month to month or day to day. What if he didn't need it tomorrow and what obligation would he have to pay Pollitt for anything further. Witness says that he wouldn't owe him anything if they turn it off tomorrow.
Note: Hughes, Pam If Pollitt cut him off tomorrow then he had the right to do so.

11:28:57 AM Atty Chandler cross of Witness Sharp
Note: Hughes, Pam Utilizing the Pollit line is to transport gas. Previous owners didn't do this.

11:29:39 AM Atty Hoskins cross of Witness Sharp
Note: Hughes, Pam Gas industry is a viotile business. Risks that some can go out of business at anytime in the industry. Could be a contract but someone could close and file bankruptcy and this could be a risk.

11:31:03 AM Vice Chairman to Witness Sharp
Note: Hughes, Pam Refers to the Oil and Gas industry being more stable now then it has ever been. Mr. Sharp agrees.
Note: Hughes, Pam Regarding Bankruptcies, parties are given its due process and if under contract. Not concerned about going into a contract with Mr. Pollitt.

11:33:36 AM Atty Hoskins to Witness Sharp
Note: Hughes, Pam Regardign that stable prices on lower end.

11:33:53 AM Witness excused

11:34:10 AM Atty Hoskins makes statement and preserves his objection
Note: Hughes, Pam Definitive date and not wanting this to be and on-going thing.

11:34:56 AM Adjourned

11:35:04 AM Session Paused

12:04:59 PM Session Ended

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