

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF GRAYSON RURAL ELECTRIC )  
COOPERATIVE CORPORATION FOR AN ) CASE NO. 2018-00272  
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 February 19, 2019 in this proceeding;
- Certification of the accuracy and correctness of the digital video recording;
- All exhibits introduced at the evidentiary hearing conducted on February 19, 2019 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 February 19, 2019.

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 to view the digital video recording of the hearing may do so at

[http://psc.ky.gov/av\\_broadcast/2018-00272/2018-00272\\_19Feb19\\_Inter.aspx](http://psc.ky.gov/av_broadcast/2018-00272/2018-00272_19Feb19_Inter.aspx).

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 11<sup>th</sup> day of April 2019.



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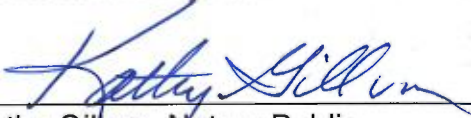
CERTIFICATION

I, KaBrenda L. Warfield, hereby certify that:

1. The attached DVD contains a digital recording of the Hearing conducted in the above-styled proceeding on February 19, 2019. Hearing Log, Exhibit List and Witness List are included with the recording on February 19, 2019.
2. I am responsible for the preparation of the digital recording;
3. The digital recording accurately and correctly depicts the Hearing of February 19, 2019;
4. The Hearing Log attached to this Certificate accurately and correctly states the events that occurred at the Hearing of February 19, 2019 and the time at which each occurred.

Signed this 11<sup>th</sup> day of April, 2019.

  
KaBrenda L. Warfield, CKP  
Paralegal Consultant

  
Kathy Gillum, Notary Public  
State at Large  
Commission Expires: September 3, 2021  
ID#: 584704



Date:	Type:	Location:	Department:
2/19/2019	Public Hearing\Public Comments	Hearing Room 1	Hearing Room 1 (HR 1)

Judge: Bob Cicero; Talina Mathews; Michael Schmitt  
 Witness: James Adkins ; Bradley Cherry ; Carol Fraley  
 Clerk: KaBrenda Warfield

Event Time	Log Event	
8:35:30 AM	Session Started	
8:35:32 AM	Session Paused	
8:56:14 AM	Session Resumed	
8:56:16 AM	Chairman Schmitt Note: Schweighardt, Stephanie	Chairman Schmitt stating Preliminary remarks and introduction of Vice Chairman Cicero and Commissioner Mathews.
8:56:50 AM	Chairman Schmitt Note: Fields, Angela	At this time would Counsel for Grayson please identify himself together with his client and the witnesses he has here today?
8:57:29 AM	Chairman Schmitt Note: Fields, Angela	Okay Mr. McNeil?
8:57:35 AM	Chairman Schmitt Note: Fields, Angela	And for Staff?
8:57:40 AM	Chairman Schmitt Note: Fields, Angela	I know as of yesterday we didn't have on file an indication that notice to the public had been given of this hearing and then later understood that notice was published and it would be filed this morning. Mr. Oswald is that correct?
8:58:02 AM	Chairman Schmitt Note: Fields, Angela	Are there any outstanding motions at this time including confidentiality motions?
8:58:13 AM	Chairman Schmitt Note: Fields, Angela	Mr. Oswald if in the course of the proceedings someone gets into [click on the link for Chairman Schmitt's remarks.]
8:58:33 AM	Chairman Schmitt Note: Fields, Angela	Alright at this time is there any member of the public here any rate payer or customer of Grayson who would like to come forward and make a public comment to the Commission either orally or in writing?
8:58:51 AM	Chairman Schmitt Note: Fields, Angela	Is there anything that we need to take up before we proceed with the presentation of evidence?
8:59:01 AM	Chairman Schmitt Note: Fields, Angela	Alright at this time Mr. Oswald you may call your first witness.
8:59:21 AM	Chairman Schmitt - witness Fraley Note: Fields, Angela	Swearing in.
8:59:34 AM	Chairman Schmitt Note: Fields, Angela	Mr. Oswald you may ask.
8:59:37 AM	Atty Oswald Grayson RECC - witness Fraley Note: Fields, Angela	Direct Examination.
9:09:39 AM	Chairman Schmitt Note: Fields, Angela	Mr. McNeil cross-examination?

9:09:45 AM Asst. Atty Gen. McNeil - witness Fraley  
Note: Fields, Angela Cross-Examination.

9:10:33 AM Vice Chairman Cicero  
Note: Fields, Angela Can I ask one question?

9:10:35 AM Vice Chairman Cicero - witness Fraley  
Note: Fields, Angela You're referring just to estate capital credits?

9:10:39 AM Vice Chairman Cicero - witness Fraley  
Note: Fields, Angela No general capital credit distribution?

9:10:45 AM Vice Chairman Cicero - witness Fraley  
Note: Fields, Angela Okay. Sorry.

9:10:47 AM Asst. Atty Gen. McNeil - witness Fraley  
Note: Fields, Angela Cross-Examination Continued.

9:32:00 AM Vice Chairman Cicero - witness Fraley  
Note: Fields, Angela When they were doing the increase for 2018 they used that criteria to determine knowing that 2017 was a loss the 3.67% was a good increase for the non represented employees?

9:32:36 AM Vice Chairman Cicero - witness Fraley  
Note: Fields, Angela For non represented employees 3.67%, I think the Attorney General was asking the question [click on the link for Vice Chairman Cicero's remarks.]

9:33:14 AM Vice Chairman Cicero - witness Fraley  
Note: Fields, Angela And I'm asking if the 3.67% that was allocated was something that the Board did in consideration of the dire financial condition of Grayson?

9:33:40 AM Vice Chairman Cicero - witness Fraley  
Note: Fields, Angela Runs to January 1, 2024

9:33:52 AM Vice Chairman Cicero - witness Fraley  
Note: Fields, Angela First year of the new contract.

9:34:30 AM Vice Chairman Cicero - witness Fraley  
Note: Fields, Angela I'm talking about non union people.

9:35:33 AM Vice Chairman Cicero - witness Fraley  
Note: Fields, Angela So your six year contract basically provides from anywhere from one and a half to 1.9% increases through the six year life for union members?

9:35:45 AM Vice Chairman Cicero - witness Fraley  
Note: Fields, Angela Your non represented employees runs 3.67% in 2017. I will be asking a question of what it is for the coming years. So your office employees starting in 2013 [click on link for Vice Chairman Cicero's remarks.]

9:36:34 AM Vice Chairman Cicero - witness Fraley  
Note: Fields, Angela So I'm wondering given Grayson's current financial condition they are not within their tier. They are in violation of their covenants they have a financial crisis. Why are those type of increases continued to be given to the administrative staff? What is the Board using as the basis?

9:37:34 AM Vice Chairman Cicero - witness Fraley  
Note: Fields, Angela We're talking about office people now right?

9:37:38 AM Vice Chairman Cicero - witness Fraley  
Note: Fields, Angela And there is specialized something about accounting or whatever else that goes into a typical office ??

9:37:45 AM Vice Chairman Cicero - witness Fraley  
Note: Fields, Angela And you think that they should be paid above what the area is?

9:37:52 AM Vice Chairman Cicero - witness Fraley  
Note: Fields, Angela I have a whole line of questioning. I am going to let you continue with yours.

9:38:01 AM	Asst. Atty Gen. McNeil - witness Fraley Note: Fields, Angela	Cross-Examination Continued.
9:45:40 AM	Vice Chairman Cicero - witness Fraley Note: Fields, Angela	In his employment contract or in his consulting contract as a lawyer?
9:45:51 AM	Vice Chairman Cicero - witness Fraley Note: Fields, Angela	You were paying his health insurance?
9:45:55 AM	Vice Chairman Cicero - witness Fraley Note: Fields, Angela	Go ahead.
9:45:59 AM	Asst. Atty Gen. McNeil - witness Fraley Note: Fields, Angela	Cross-Examination Continued.
9:46:14 AM	POST HEARING DATA REQUEST Note: Schweighardt, Stephanie	Board meeting minutes from November 30, 2018 to present.
	Note: Schweighardt, Stephanie	Asst. Atty Gen. McNeil - witness Fraley
9:46:36 AM	Asst. Atty Gen. McNeil - witness Fraley Note: Fields, Angela	That's all the questions I have for now.
9:46:42 AM	Chairman Schmitt Note: Fields, Angela	Mr. Nguyen questions?
9:46:46 AM	Asst. GC Nguyen PSC - witness Fraley Note: Fields, Angela	Cross-Examination.
9:50:20 AM	Vice Chairman Cicero - witness Fraley Note: Fields, Angela	Do you have a report or something that is done monthly to let you know what that is?
9:50:59 AM	Vice Chairman Cicero - witness Fraley Note: Fields, Angela	So your response was yes there is a report, but not yes that you have a report of LIHEAP?
9:51:17 AM	Vice Chairman Cicero - witness Fraley Note: Fields, Angela	Okay. Sorry.
9:51:20 AM	Asst. GC Nguyen PSC - witness Fraley Note: Fields, Angela	Cross-Examination Continued.
10:30:13 AM	Vice Chairman Cicero - witness Fraley Note: Schweighardt, Stephanie	How long are the Board members terms?
10:30:19 AM	Asst. GC Nguyen PSC - witness Fraley Note: Fields, Angela	Cross-Examination Continued.
10:43:09 AM	Chairman Schmitt Note: Fields, Angela	Lets take a break at this time untill eleven o'clock, and then come back and go until noon.
10:43:24 AM	Session Paused	
10:58:18 AM	Chairman Schmitt Note: Fields, Angela	Alright we are now back on the record and we will continue with Mrs. Fraley up until noon. Do you have additional cross-examination?
10:58:18 AM	Session Resumed	
10:58:33 AM	Asst. GC Nguyen PSC - witness Fraley Note: Fields, Angela	I do your honour. May we approach the witness?
10:58:37 AM	Asst. GC Nguyen PSC - witness Fraley Note: Fields, Angela	Cross-Examination Continued.
11:07:53 AM	Vice Chairman Cicero - witness Fraley Note: Fields, Angela	Do they typically ask you?
11:07:57 AM	Vice Chairman Cicero - witness Fraley Note: Fields, Angela	But not always?

11:08:00 AM Vice Chairman Cicero - witness Fraley  
Note: Fields, Angela So you have a Board that could make a decision affecting payroll for the company that you are responsible for in terms of operating but not ask for your recommendation?

11:08:33 AM Vice Chairman Cicero - witness Fraley  
Note: Fields, Angela But the question was, does the Board ask for your recommendation everytime that this type of decision has to be made?

11:08:59 AM Vice Chairman Cicero - witness Fraley  
Note: Fields, Angela But with your input?

11:09:04 AM Vice Chairman Cicero - witness Fraley  
Note: Fields, Angela You make a recommendation and the committee takes that to the Board?

11:09:07 AM Vice Chairman Cicero - witness Fraley  
Note: Fields, Angela So they do it with your recommendation?

11:09:24 AM Vice Chairman Cicero - witness Fraley  
Note: Fields, Angela So you do have a recommendation?

11:09:28 AM Vice Chairman Cicero - witness Fraley  
Note: Fields, Angela Well it's given to the committee who presents to the Board? Your compensation committee presents it?

11:09:34 AM Vice Chairman Cicero - witness Fraley  
Note: Fields, Angela Go ahead.

11:09:40 AM Asst. GC Nguyen PSC - witness Fraley  
Note: Fields, Angela Cross-Examination Continued.

11:21:15 AM PSC STAFF'S EXHIBIT 1  
Note: Fields, Angela Current US Inflation Rates: 2008-2018.  
Note: Fields, Angela Asst. GC Nguyen PSC - witness Fraley

11:22:26 AM POST HEARING DATA REQUEST  
Note: Fields, Angela Asst. GC Nguyen PSC - witness Fraley  
Note: Fields, Angela Can Grayson provide an electronic spreadsheet of the schedule of wage and salary plan with all formulas unprotected and intact?

11:23:14 AM Asst. GC Nguyen PSC - witness Fraley  
Note: Fields, Angela Cross-Examination Continued.

11:24:14 AM Vice Chairman Cicero - witness Fraley  
Note: Fields, Angela Are you generating a positive cash flow or a negative cash flow?

11:24:32 AM Vice Chairman Cicero - witness Fraley  
Note: Fields, Angela The reason why I ask is because you reference borrowings and I am wondering if the borrowings are what you are using to maintain operations.

11:24:41 AM Vice Chairman Cicero - witness Fraley  
Note: Fields, Angela And that would be a question for Mr. Cherry?

11:24:54 AM Vice Chairman Cicero - witness Fraley  
Note: Fields, Angela Okay. I'm sorry to interrupt you.

11:24:58 AM Asst. GC Nguyen PSC - witness Fraley  
Note: Fields, Angela Cross-Examination Continued.

11:28:36 AM Asst. GC Nguyen PSC - witness Fraley  
Note: Fields, Angela I believe those are all the questions I have. Thank you.

11:28:40 AM Chairman Schmitt  
Note: Fields, Angela Commissioner Cicero questions?

11:28:42 AM Vice Chairman Cicero - witness Fraley  
Note: Fields, Angela So just following up on the last question he asked about consolidation. So just because there is no congruency doesn't mean that there can't be a consolidation [click on link for Vice Chairman Cicero's remarks.]



11:29:11 AM Vice Chairman Cicero - witness Fraley  
Note: Fields, Angela So has the Board ever seriously considered any type of a consolidation?

11:29:47 AM Vice Chairman Cicero - witness Fraley  
Note: Fields, Angela So probably somewhere in the Order we are going to ask for a study to be done to see if [click on the link for Vice Chairman Cicero's remarks.]

11:30:59 AM Vice Chairman Cicero - witness Fraley  
Note: Fields, Angela Let me start out by, you referenced earlier in your testimony IOU's and co-ops. Correct?

11:31:08 AM Vice Chairman Cicero - witness Fraley  
Note: Fields, Angela And you said some co-ops are acting like IOU's?

11:31:12 AM Vice Chairman Cicero - witness Fraley  
Note: Fields, Angela So when you made that reference for our benefit and the benefit of this Commission, what is the difference between an IOU and a co-op, and if can you identify what an IOU is?

11:32:10 AM Vice Chairman Cicero - witness Fraley  
Note: Fields, Angela So when it comes to the Statute can you reference for me where in the Statute it says that you take in to consider economic conditions of the populous of who you are serving?

11:33:55 AM Vice Chairman Cicero - witness Fraley  
Note: Fields, Angela We are here to make sure that rates are fair, just, and reasonable.

11:34:02 AM Vice Chairman Cicero - witness Fraley  
Note: Fields, Angela So let me continue down my path.

11:34:07 AM Vice Chairman Cicero - witness Fraley  
Note: Fields, Angela An IOU is there to make money for their shareholders as you described right?

11:34:19 AM Vice Chairman Cicero - witness Fraley  
Note: Fields, Angela They may or may not have a connection with a local community [click on the link for Vice Chairman Cicero's remarks.]

11:34:29 AM Vice Chairman Cicero - witness Fraley  
Note: Fields, Angela But one thing is for sure when there is an investor he expects some kind of return?

11:34:35 AM Vice Chairman Cicero - witness Fraley  
Note: Fields, Angela In an co-op. A co-op is permitted to take their expenses and reduce their revenues by that amount and whatever is left over is supposedly available for capital distribution? Is that not right?

11:34:51 AM Vice Chairman Cicero - witness Fraley  
Note: Fields, Angela And when was the last time a capital distribution was made by Grayson?

11:35:01 AM Vice Chairman Cicero - witness Fraley  
Note: Fields, Angela Well my only comment is [click on the link for Vice Chairman Cicero's remarks.]

11:35:35 AM Vice Chairman Cicero - witness Fraley  
Note: Fields, Angela Okay. You've heard from the Attorney General and you heard the Staff ask questions about salary?

11:35:42 AM Vice Chairman Cicero - witness Fraley  
Note: Fields, Angela Disproportionate to the rate of inflation [click on the link for Vice Chairman Cicero's remarks.]

11:37:05 AM Vice Chairman Cicero - witness Fraley  
Note: Fields, Angela Well let me take that one step further [click on link for Vice Chairman Cicero's remarks.]

11:37:33 AM Vice Chairman Cicero - witness Fraley  
Note: Fields, Angela Okay. But you understand where I'm coming. Since 2017 Cumberland Valley [click on the link for Vice Chairman Cicero's remarks.]

11:38:14 AM Vice Chairman Cicero - witness Fraley  
Note: Fields, Angela Have you benchmarked any of your benefits to see how they compare?

11:38:29 AM Vice Chairman Cicero - witness Fraley  
Note: Fields, Angela It's salary only have you done anything on benefits?

11:39:04 AM Vice Chairman Cicero - witness Fraley  
Note: Fields, Angela I'm trying to figure out why management of a co-op that is in dire financial condition is still not making the hard decisions when it comes to [click on the link for Vice Chairman Cicero's remarks.]

11:40:55 AM Vice Chairman Cicero - witness Fraley  
Note: Fields, Angela So Mrs. Fraley you indicated that you have a zero turnover ratio?

11:41:04 AM Vice Chairman Cicero - witness Fraley  
Note: Fields, Angela And we found out that the other utilities that came in here also have minimal to zero turnover ratio.

11:41:12 AM Vice Chairman Cicero - witness Fraley  
Note: Fields, Angela At what point does management make a determination that it is because they are over paying their salaries and their benefits that they're not losing anybody?

11:41:46 AM Vice Chairman Cicero - witness Fraley  
Note: Fields, Angela I'm referring to your union employees yes.

11:42:13 AM Vice Chairman Cicero - witness Fraley  
Note: Fields, Angela That's not an argument [click on the link for Vice Chairman Cicero's remarks.]

11:42:31 AM Vice Chairman Cicero - witness Fraley  
Note: Fields, Angela Do you have an analytic report that shows what you do in terms of analyzing your cost?

11:42:55 AM Vice Chairman Cicero - witness Fraley  
Note: Fields, Angela The annual cost savings associated with your programs.

11:43:03 AM Vice Chairman Cicero - witness Fraley  
Note: Fields, Angela You made a statement let me read it for you [click on link for Vice Chairman Cicero's remarks.]

11:43:57 AM Vice Chairman Cicero - witness Fraley  
Note: Fields, Angela What specific cost savings are associated with those programs?

11:44:18 AM Vice Chairman Cicero - witness Fraley  
Note: Fields, Angela I have no idea. I am asking if you have those savings available?

11:44:27 AM New Event  
Note: Fields, Angela How are you going to dollarize customer satisfaction?

11:45:05 AM Vice Chairman Cicero - witness Fraley  
Note: Fields, Angela What made you decide to do the project in the first place?

11:45:19 AM Vice Chairman Cicero - witness Fraley  
Note: Fields, Angela Based on some kind of analysis?

11:45:25 AM Vice Chairman Cicero - witness Fraley  
Note: Fields, Angela That's exactly the question I am asking.

11:45:31 AM Vice Chairman Cicero - witness Fraley  
Note: Fields, Angela No. I want you to substantiate what you are doing to save cost [click on link for Vice Chairman Schmitt's remarks.]

11:46:10 AM Vice Chairman Cicero - witness Fraley  
Note: Fields, Angela Do you do an estimate of the results when you decide to do something?

11:46:35 AM Vice Chairman Cicero - witness Fraley  
Note: Fields, Angela You were ask specifically what cost savings measures have been put in place and you generalized [click on the link for Vice Chairman Cicero's remarks.]

11:48:08 AM Vice Chairman Cicero - witness Fraley  
Note: Fields, Angela You can estimate, you can come up with a cost savings on any project that's put out there.

11:48:32 AM Vice Chairman Cicero - witness Fraley  
Note: Fields, Angela Let me ask a question [click on the link for Vice Chairman Cicero's remarks.]

11:48:57 AM Vice Chairman Cicero - witness Fraley  
Note: Fields, Angela My question is and it doesn't have anything to do with territory. Is you're a member of a sixteen member co-op group. Is that correct?

11:49:07 AM Vice Chairman Cicero - witness Fraley  
Note: Fields, Angela When was the last time somebody looked at those numbers and said wow we are way above what they are can we call them and find out why they have these numbers that are so much lower than ours? Has that occurred?

11:49:23 AM Vice Chairman Cicero - witness Fraley  
Note: Fields, Angela That's not an answer. Has somebody contacted the other co-ops?

11:49:35 AM Vice Chairman Cicero - witness Fraley  
Note: Fields, Angela What did you ask Licking Valley?

11:49:40 AM Vice Chairman Cicero - witness Fraley  
Note: Fields, Angela Why are your number lower than mine?

11:49:51 AM Vice Chairman Cicero - witness Fraley  
Note: Fields, Angela I want to ask them whatever it is that lets their number be lower than my number.

11:50:01 AM Vice Chairman Cicero - witness Fraley  
Note: Fields, Angela Have you ever asked the question about, why are you being rhetorical with me [click on the link for Vice Chairman Cicero's remarks.]

11:50:17 AM Vice Chairman Cicero - witness Fraley  
Note: Fields, Angela Well you haven't told me a lot about your relationship is with Licking Valley [click on the link for Vice Chairman Cicero's remarks.]

11:50:24 AM Vice Chairman Cicero - witness Fraley  
Note: Fields, Angela You do. So you look at that average that chart that was referenced by Staff?

11:50:29 AM Vice Chairman Cicero - witness Fraley  
Note: Fields, Angela So you've done that?

11:50:32 AM Vice Chairman Cicero - witness Fraley  
Note: Fields, Angela Have you corresponded with him with regards to those numbers on why they are different?

11:50:46 AM Vice Chairman Cicero - witness Fraley  
Note: Fields, Angela You don't need to, but your staff could do that?

11:50:49 AM Vice Chairman Cicero - witness Fraley  
Note: Fields, Angela Have they done that?

11:50:53 AM Vice Chairman Cicero - witness Fraley  
Note: Fields, Angela Well it takes a lot to run an organization and you probably don't have time for that. But your staff might.

11:51:04 AM Vice Chairman Cicero - witness Fraley  
Note: Fields, Angela Well you're talking about how you have this skilled organization let them do the work. Would you not agree?

11:51:15 AM Chairman Schmitt  
Note: Fields, Angela This might be a good time to take a lunch break.

11:51:19 AM	Vice Chairman Cicero Note: Fields, Angela	It probably is a good time to take a lunch break.
11:51:20 AM	Chairman Schmitt Note: Fields, Angela	Recess until one pm.
11:51:25 AM	Session Paused	
12:57:34 PM	Session Resumed	
12:57:35 PM	Chairman Schmitt Note: Fields, Angela	We're back on the record. Mrs. Fraley is back on the stand. Commissioner Cicero, do you have additional questions?
12:57:48 PM	Vice Chairman Cicero - witness Fraley Note: Fields, Angela	I want to touch on benefits just a little bit more okay. [Click on link for Vice Chairman Cicero's remarks.]
12:58:11 PM	Vice Chairman Cicero - witness Fraley Note: Fields, Angela	Is there anybody else that qualifies for free health care?
12:58:21 PM	Vice Chairman Cicero - witness Fraley Note: Fields, Angela	So one of the issues that is probably going to be directed in the Order is [click on the link for Vice Chairman Cicero's remarks.]
12:58:53 PM	Vice Chairman Cicero - witness Fraley Note: Fields, Angela	As far as the Director's cost, there another one I guess that gets free health care benefits so they would be impacted by this as well correct?
12:59:22 PM	Vice Chairman Cicero - witness Fraley Note: Fields, Angela	Let's see what else I might have. You offer a couple of different kinds of health care plans. What is a PPO? Is that offered to all employees?
12:59:37 PM	Vice Chairman Cicer - witness Fraley Note: Schweighardt, Stephanie	What is a PPO health insurance plan?
1:00:29 PM	Vice Chairman Cicer - witness Fraley Note: Schweighardt, Stephanie	So I saw four people are under PPO and
1:00:30 PM	Vice Chairman Cicero - witness Fraley Note: Fields, Angela	So I saw four people who are on PPO and everybody else is on another plan?
1:01:59 PM	POST HEARING DATA REQUEST Note: Fields, Angela	Is there anything that your insurance provider can provide in regards to the statutory requirements in offering a PPO?
1:02:52 PM	Vice Chairman Cicero - witness Fraley Note: Fields, Angela	Vice Chairman Cicero - witness Fraley So do you know what I am looking for in terms of a Post Hearing Data Request?
1:03:14 PM	Vice Chairman Cicero - witness Fraley Note: Fields, Angela	I guess I am going to let it go at that. Thank you for your comments and your testimony [click on the link for Vice Chairman Cicero's remarks.]
1:04:54 PM	Chairman Schmitt Note: Fields, Angela	Commissioner Mathews questions?
1:04:57 PM	Commissioner Mathews - witness Fraley Note: Fields, Angela	How many pre-paid customers do you have?
1:05:08 PM	Commissioner Mathews - witness Fraley Note: Fields, Angela	Out of 15,000?
1:05:13 PM	Commissioner Mathews - witness Fraley Note: Fields, Angela	Could you talk about the cost savings?
1:05:48 PM	Commissioner Mathews - witness Fraley Note: Fields, Angela	So you've reduced your bad debt?

1:06:50 PM	Commissioner Mathews - witness Fraley Note: Fields, Angela	There was a lot of discussions about customers per mile if I look at that chart you have the lowest customers per mile [click on the link for Commissioner Mathews remarks.]
1:07:31 PM	Commissioner Mathews - witness Fraley Note: Fields, Angela	Who makes the decision on Board compensation?
1:08:33 PM	Commissioner Mathews - witness Fraley Note: Fields, Angela	Not in your control?
1:08:36 PM	Commissioner Mathews - witness Fraley Note: Fields, Angela	Are you a voting member of the Board?
1:08:41 PM	Commissioner Mathews - witness Fraley Note: Fields, Angela	The former Attorney, insurance for him and his wife for life , that decision was made in '85 and it is continued forever?
1:09:16 PM	Commissioner Mathews - witness Fraley Note: Fields, Angela	And I believe that you mentioned that Mr. Oswald does not have such a clause in his contract?
1:09:27 PM	Commissioner Mathews - witness Fraley Note: Fields, Angela	Do you know off the top of your head how many industrial customers you have?
1:09:40 PM	Commissioner Mathews - witness Fraley Note: Fields, Angela	The ? plant would be considered a comercial operation?
1:09:52 PM	Commissioner Mathews - witness Fraley Note: Fields, Angela	Did you have many coal mines?
1:10:15 PM	Commissioner Mathews - witness Fraley Note: Fields, Angela	I think that is all I have. Thank you.
1:10:22 PM	Chairman Schmitt - witness Fraley Note: Fields, Angela	Mrs. Fraley. The contact with the Attorney Mr. Scott the one that was filed here is dated April 27, 2018. [Click on the link for Chairman Schmitt's remarks.]
1:10:55 PM	Chairman Schmitt - witness Fraley Note: Fields, Angela	And I was just trying to understand where there was a contractual obligation to continue health insurance payments beyond the term of this last contract. [Click on the link for Chairman Schmitt's remarks.]
1:12:04 PM	Chairman Schmitt - witness Fraley Note: Fields, Angela	I guess the question is [click on the link for Chairman Schmitt's remarks.]
1:12:45 PM	Chairman Schmitt - witness Fraley Note: Fields, Angela	I would like to see at some point is what document there is that provides for the payment of health insurance beyond the term of Mr. Scott?
1:13:37 PM	Chairman Schmitt - witness Fraley Note: Fields, Angela	The only other thing I guess. Whenever the Board grants an annual raise or cost of living increase to office employees, does that include you as well?
1:14:04 PM	Chairman Schmitt - witness Fraley Note: Fields, Angela	Do you have a written employment contract?
1:14:18 PM	Chairman Schmitt - witness Fraley Note: Fields, Angela	Other than you were any other management employees have a written employment contract?
1:14:28 PM	Chairman Schmitt - witness Fraley Note: Fields, Angela	Did they get the annual raises as specified by the Board?

1:14:42 PM Chairman Schmitt - witness Fraley  
Note: Fields, Angela Now it was hard for me to understand on the paper we have here, but as I understand it, your annaul salary is \$146,193.00 is that correct?

1:15:09 PM Chairman Schmitt - witness Fraley  
Note: Fields, Angela Thank you. I have no further questions. Mr. Oswald anything else?

1:15:14 PM Atty Oswald Grayson RECC - witness Fraley  
Note: Fields, Angela Redirect Examination.

1:33:44 PM Atty Oswald Grayson RECC - witness Fraley  
Note: Fields, Angela That's all the questions I have.

1:33:47 PM Chairman Schmitt  
Note: Fields, Angela Mr. McNeil?

1:33:50 PM Asst. Atty Gen. McNeil - witness Fraley  
Note: Fields, Angela Recross Examination.

1:33:55 PM POST HEARING DATA REQUEST  
Note: Fields, Angela Is there any cash payment in lieu of taking that coverage? Do you know how much that is?  
Note: Fields, Angela Asst. Atty Gen. McNeil - witness Fraley

1:34:21 PM POST HEARING DATA REQUEST  
Note: Fields, Angela Asst. Atty Gen. McNeil - witness Fraley

1:34:32 PM POST HEARING DATA REQUEST  
Note: Fields, Angela Asst. Atty Gen. McNeil - witness Fraley  
Note: Fields, Angela Could you clarify in a PHDR if anybody is taking coverage.

1:35:43 PM Asst. Atty Gen. McNeil - witness Fraley  
Note: Fields, Angela Thank you. That's all Chairman.

1:35:47 PM Chairman Schmitt  
Note: Fields, Angela Mr. Nguyen questions?

1:35:50 PM Chairman Schmitt  
Note: Fields, Angela Commissioner Cicero?

1:35:51 PM Vice Chairman Cicero - witness Fraley  
Note: Fields, Angela So just to follow up on the AG's question [click on the link for Vice Chairman Cicero's remarks.]

1:36:10 PM Vice Chairman Cicero - witness Fraley  
Note: Fields, Angela So that coverage is going away in 2018?

1:36:15 PM Vice Chairman Cicero - witness Fraley  
Note: Fields, Angela What does that 53,000 represent?

1:36:23 PM Vice Chairman Cicero - witness Fraley  
Note: Fields, Angela Just strickly payments for them to pay for their health care?

1:36:32 PM Vice Chairman Cicero - witness Fraley  
Note: Fields, Angela It just identifies it on here as health insurance.

1:36:42 PM Vice Chairman Cicero - witness Fraley  
Note: Fields, Angela So when we see that payment [click on the link for Vice Chairman Cicero's remarks.]

1:36:58 PM Vice Chairman Cicero - witness Fraley  
Note: Fields, Angela So I have one other question that I forgot to ask before and that has to do with debt strategy [click on link for Vice Chairman Cicero's remarks.]

1:37:30 PM Vice Chairman Cicero - witness Fraley  
Note: Fields, Angela So do you or whom in the organization identifies what strategy will be used for debt, whether it is fixed or variable, what the split will be? Who manages that?

1:37:48 PM Vice Chairman Cicero - witness Fraley  
Note: Fields, Angela So when you look at your split on your debt. Do you say [click on the link for Vice Chairman Cicero's remarks.]

1:38:09 PM Vice Chairman Cicero - witness Fraley  
Note: Fields, Angela Was there any thought about going to more fixed rate type of loans and refinancing?

1:38:37 PM Vice Chairman Cicero - witness Fraley  
Note: Fields, Angela Do you actively pursue those or do you wait to your banker or your broker says I think we have a deal for you?

1:39:05 PM Vice Chairman Cicero - witness Fraley  
Note: Fields, Angela So did you convert any loans to fixed during the last two years?

1:39:10 PM POST HEARING DATA REQUEST  
Note: Fields, Angela Vice Chairman Cicero - witness Fraley  
Note: Fields, Angela Supply what loans were converted and what the evaluation was?

1:39:18 PM Vice Chairman Cicero - witness Fraley  
Note: Fields, Angela I don't have anything else.

1:39:21 PM Chairman Schmitt  
Note: Fields, Angela Commissioner Mathews?

1:39:24 PM Chairman Schmitt  
Note: Fields, Angela I just have a couple.

1:39:26 PM Chairman Schmitt - witness Fraley  
Note: Fields, Angela Do you supply electricity to the town of Grayson?

1:39:33 PM Chairman Schmitt - witness Fraley  
Note: Fields, Angela Who is that?

1:39:34 PM Chairman Schmitt - witness Fraley  
Note: Fields, Angela What about Sandy Hook?

1:39:37 PM Chairman Schmitt - witness Fraley  
Note: Fields, Angela Do you supply Blaine?

1:40:01 PM Chairman Schmitt - witness Fraley  
Note: Fields, Angela Other than Sandy Hook are there any other municipalities that you provide electricity to?

1:40:14 PM Chairman Schmitt - witness Fraley  
Note: Fields, Angela No further questions.

1:40:18 PM Chairman Schmitt - witness Fraley  
Note: Fields, Angela May Mrs. Fraley be excused?

1:40:21 PM Chairman Schmitt - witness Fraley  
Note: Fields, Angela You may step down.

1:40:23 PM Chairman Schmitt  
Note: Fields, Angela Mr. Oswald you may call your next witness.

1:40:26 PM Atty Oswald Grayson RECC  
Note: Fields, Angela Yes Mr. Chairman we call Bradley Cherry.

1:40:28 PM Chairman Schmitt - witness Cherry  
Note: Fields, Angela Swearing in.

1:40:53 PM Chairman Schmitt  
Note: Fields, Angela You may ask.

1:40:55 PM Atty Oswald Grayson RECC - witness Cherry  
Note: Fields, Angela Direct Examination.

1:43:06 PM Atty Oswald Grayson RECC - witness Cherry  
Note: Fields, Angela I'll pass the witness Mr. Chairman.

1:43:07 PM Chairman Schmitt  
Note: Fields, Angela Mr. McNeil?

1:43:09 PM Asst. Atty Gen. McNeil - witness Cherry  
Note: Fields, Angela Cross Examination.

1:46:00 PM Asst. Atty Gen McNeil - witness Cherry  
Note: Fields, Angela That's all I have Chairman.

1:46:02 PM Chairman Schmitt  
Note: Fields, Angela Mr. Nguyen?

1:46:05 PM Asst. GC Nguyen - witness Cherry  
Note: Fields, Angela Cross Examination.

2:05:00 PM Asst. GC Nguyen - witness Cherry  
Note: Fields, Angela Those are all the questions I have. Thank you, your honour.

2:05:03 PM Chairman Schmitt  
Note: Fields, Angela Commissioner Cicero questions?

2:05:06 PM Vice Chairman Cicero - witness Cherry  
Note: Fields, Angela Mr. Cherry how long did you say you worked for Grayson?

2:05:11 PM Vice Chairman Cicero - witness Cherry  
Note: Fields, Angela Did you start with them?

2:05:19 PM Vice Chairman Cicero - witness Cherry  
Note: Fields, Angela So what qualified you to move from Chandler Medical Center to Grayson Electric?

2:05:51 PM Vice Chairman Cicero - witness Cherry  
Note: Fields, Angela So would you say your professional skills transferred pretty easily?

2:05:58 PM Vice Chairman Cicero - witness Cherry  
Note: Fields, Angela Which is pretty much typical for administrative personel is it not?

2:06:02 PM Vice Chairman Cicero - witness Cherry  
Note: Fields, Angela I just want to make that point [click on the link for Vice Chairman Cicero's remarks.]

2:06:21 PM Vice Chairman Cicero - witness Cherry  
Note: Fields, Angela Mrs. Fraley indicated that you two determine long term debt strategy. Is that correct?

2:06:32 PM Vice Chairman Cicero - witness Cherry  
Note: Fields, Angela How often do you meet?

2:07:06 PM Vice Chairman Cicero - witness Cherry  
Note: Fields, Angela Monthly, quarterly?

2:07:10 PM Vice Chairman Cicero - witness Cherry  
Note: Fields, Angela Is there a formal strategy?

2:07:24 PM Vice Chairman Cicero - witness Cherry  
Note: Fields, Angela And there is no formal strategy at Grayson in terms of how they are going to manage their debt?

2:07:33 PM Vice Chairman Cicero - witness Cherry  
Note: Fields, Angela What?

2:07:36 PM Vice Chairman Cicero - witness Cherry  
Note: Fields, Angela But nothing in writing?

2:07:39 PM Vice Chairman Cicero - witness Cherry  
Note: Fields, Angela In the depreciation general plant accounts the cost of service study uses [click on the link for Vice Chairman Cicero's remarks.]

2:07:58 PM Vice Chairman Cicero - witness Cherry  
Note: Fields, Angela Are you still recording your depreciation according to what was in that case? Or have you modified your depreciation and that is what is being used by Mr. Adkins?

2:08:26 PM Vice Chairman Cicero - witness Cherry  
Note: Fields, Angela It was Grayson's depreciation study that the last case was approved in terms of the assets life and whatever else went into that study. Is that right?

2:08:45 PM Vice Chairman Cicero - witness Cherry  
Note: Fields, Angela But you've modified from what was approved, computers only, or I'm trying to get an idea of why there is an \$88,000.00 difference between what's recommended for depreciation with Mr. Adkins cost of service and what staff has?

2:09:10 PM Vice Chairman Cicero - witness Cherry  
Note: Fields, Angela I'm just aware that it's certain general plant accounts [click on the link for Vice Chairman Cicero's remarks.]



2:09:55 PM	Vice Chairman Cicero - witness Cherry Note: Fields, Angela	What's the difference here?
2:10:14 PM	Vice Chairman Cicero - witness Cherry Note: Fields, Angela	As far as your book goes, are those the numbers that Mr. Adkins is using?
2:10:19 PM	Vice Chairman Cicero Note: Fields, Angela	Mr. Adkins are you going to be able to answer the question?
2:10:30 PM	Vice Chairman Cicero - witness Cherry Note: Fields, Angela	I don't have any other questions.
2:10:32 PM	Chairman Schmitt Note: Fields, Angela	Commissioner Mathews?
2:10:34 PM	Chairman Schmitt Note: Fields, Angela	I have no questions.
2:10:35 PM	Chairman Schmitt Note: Fields, Angela	Mr. Oswald anything else?
2:10:37 PM	Atty Oswald Grayson RECC - witness Cherry Note: Fields, Angela	Redirect Examination.
2:14:20 PM	Atty Oswald Grayson RECC - witness Cherry Note: Fields, Angela	I think that is all the questions I have. Thank you.
2:14:25 PM	Chairman Schmitt Note: Fields, Angela	Anything else?
2:14:27 PM	Chairman Schmitt Note: Fields, Angela	Mr. Nguyen?
2:14:28 PM	Asst. GC Nguyen - witness Cherry Note: Fields, Angela	Recross Examination.
2:14:32 PM	POST HEARING DATA REQUEST Note: Fields, Angela Note: Fields, Angela	Asst. GC Nguyen - witness Cherry Could you provide Mr. Oswald's contract.
2:14:47 PM	Atty Oswald Grayson RECC Note: Fields, Angela	Can I clarify something please. [Click on the link for remarks.]
2:14:54 PM	Asst. GC Nguyen - witness Cherry Note: Fields, Angela	Recross Examination Continued.
2:17:20 PM	Asst. GC Nguyen - witness Cherry Note: Fields, Angela	Those are all the questions I have. Thank you.
2:17:21 PM	Chairman Schmitt Note: Fields, Angela	Commissioner Cicero?
2:17:22 PM	Vice Chairman Cicero - witness Cherry Note: Fields, Angela	I'm just curious on the long term debt rate that is used to fund the [click on link for Vice Chairman Cicero's remarks.]
2:17:31 PM	Vice Chairman Cicero - witness Cherry Note: Fields, Angela	So long term disability does that rate ever change, or is that just a fixed amount that was established and that's what goes into an employees account?
2:17:40 PM	Vice Chairman Cicero - witness Cherry Note: Fields, Angela	So you're doing analysis every year?
2:17:45 PM	Vice Chairman Cicero - witness Cherry Note: Fields, Angela	Okay I think your Counsel asked you if you were in the best position in terms of your rate portfolio that you could be in and you answered yes?
2:17:56 PM	POST HEARING DATA REQUEST Note: Fields, Angela Note: Fields, Angela	Vice Chairman Cicero - witness Cherry Can you provide whatever the comparison is of rates that you do to make that determination.

2:18:03 PM	Vice Chairman Cicero - witness Cherry Note: Fields, Angela	I don't have anything else.
2:18:05 PM	Chairman Schmitt Note: Fields, Angela	Commissioner Mathews?
2:18:07 PM	Chairman Schmitt Note: Fields, Angela	Do you have an attorney?
2:18:14 PM	Chairman Schmitt Note: Fields, Angela	No further questions.
2:18:16 PM	Chairman Schmitt Note: Fields, Angela	Last bite at the apple Mr. Oswald?
2:18:20 PM	Chairman Schmitt Note: Fields, Angela	May this witness be excused?
2:18:22 PM	Chairman Schmitt Note: Fields, Angela	You may step down.
2:18:24 PM	Chairman Schmitt Note: Fields, Angela	Let's take a break until twenty five until three, at which time we will take Mr. Adkins.
2:18:39 PM	Session Paused	
2:32:24 PM	Session Resumed	
2:32:25 PM	Chairman Schmitt Note: Fields, Angela	We are now back on the record.
2:32:27 PM	Chairman Schmitt - witness Adkins Note: Fields, Angela	Swearing in.
2:32:36 PM	Chairman Schmitt Note: Fields, Angela	Mr. Oswald?
2:32:38 PM	Atty Oswald Grayson RECC - witness Adkins Note: Fields, Angela	Direct Examination.
2:35:18 PM	Atty Oswald Grayson RECC - witness Adkins Note: Fields, Angela	That's all the questions I have.
2:35:19 PM	Chairman Schmitt Note: Fields, Angela	Mr. McNeil?
2:35:24 PM	Chairman Schmitt Note: Fields, Angela	Mr. Nguyen questions?
2:35:27 PM	Chairman Schmitt Note: Fields, Angela	Mrs. Koenig?
2:36:22 PM	POST HEARING DATA REQUEST Note: Fields, Angela	Give us a specific amount and the updated total revenue requirement. Staff Atty Koenig PSC - witness Adkins
2:36:38 PM	Vice Chairman Cicero Note: Fields, Angela	Can I jump in on that?
2:36:40 PM	Vice Chairman Cicero - witness Adkins Note: Fields, Angela	The question is, is the increase thirty to forty percent to much for certain rate classes. [Click on the link for Vice Chairman Cicero's remarks.]
2:37:18 PM	Vice Chairman Cicero - witness Adkins Note: Fields, Angela	Would that be an accurate statement?
2:37:25 PM	Vice Chairman Cicero - witness Adkins Note: Fields, Angela	Is that the difference between the actual?
2:37:31 PM	Vice Chairman Cicero - witness Adkins Note: Fields, Angela	And what is the proposed?
2:39:40 PM	Vice Chairman Cicero - witness Adkins Note: Fields, Angela	Among the other classes?

2:39:57 PM Staff Atty Koenig PSC - witness Adkins  
Note: Fields, Angela Cross Examination Continued.

2:42:16 PM Staff Atty Koenig PSC - witness Adkins  
Note: Fields, Angela May we approach the witness?  
Note: Fields, Angela Passing out handouts.

2:49:13 PM Vice Chairman Cicero - witness Adkins  
Note: Fields, Angela It's normal accounting practice or it's normal Grayson's practice ? is there a difference?

2:49:21 PM Vice Chairman Cicero - witness Adkins  
Note: Fields, Angela I'm asking?

2:49:24 PM Vice Chairman Cicero - witness Adkins  
Note: Fields, Angela You think its normal?

2:49:26 PM Vice Chairman Cicero - witness Adkins  
Note: Fields, Angela Okay.

2:49:28 PM Staff Atty Koenig PSC - witness Adkins  
Note: Fields, Angela Cross Examination Continued.

2:49:58 PM POST HEARING DATA REQUEST  
Note: Fields, Angela Staff Atty Koenig PSC - witness Adkins  
Note: Fields, Angela Provide a revised revenue requirement and billing analysis for Exhibit J?

2:50:22 PM Staff Atty Koenig PSC - witness Adkins  
Note: Fields, Angela Cross Examination Continued.

2:54:38 PM POST HEARING DATA REQUEST  
Note: Fields, Angela Staff Atty Koenig PSC - witness Adkins  
Note: Fields, Angela Provide a listing of the customer charges for the co-ops in the EKPC and a statement from Grayson regarding your position on the list?

2:54:57 PM Staff Atty Koenig PSC - witness Adkins  
Note: Fields, Angela Cross Examination Continued.

2:55:55 PM Staff Atty Koenig PSC - witness Adkins  
Note: Fields, Angela I'm going to handout a print out of your cost of service study.

3:01:40 PM POST HEARING DATA REQUEST  
Note: Fields, Angela Provide the proposed revenue allocation and rate design so that the rate classes are no longer contributing negatively.  
Note: Fields, Angela Staff Atty Koenig PSC - witness Adkins

3:02:11 PM Staff Atty Koenig PSC - witness Adkins  
Note: Fields, Angela Cross Examination Continued.

3:04:05 PM POST HEARING DATA REQUEST  
Note: Fields, Angela Provide the table that shows the proposed total increase for each rate class.  
Note: Fields, Angela Staff Atty Koenig PSC - witness Adkins

3:04:38 PM Staff Atty Koenig PSC - witness Adkins  
Note: Fields, Angela Cross Examination Continued.

3:04:40 PM POST HEARING DATA REQUEST  
Note: Fields, Angela Staff Atty Koenig PSC - witness Adkins  
Note: Fields, Angela Can you confirm that Grayson has pursued DSM efforts and what are those?

3:05:27 PM Staff Atty Koenig PSC - witness Adkins  
Note: Fields, Angela Cross Examination Continued.

3:10:20 PM Commissioner mathews - witness Adkins  
Note: Fields, Angela Was that based in part on some notion that fifty percent was in line with the spirit of gradualism?

3:11:19 PM Commissioner Mathews - witness Adkins  
Note: Fields, Angela I was just asking a question. I wasn't sending a direction.

3:11:33 PM	Staff Atty Koenig PSC - witness Adkins Note: Fields, Angela	No further questions. Thank you.
3:11:36 PM	Chairman Schmitt Note: Fields, Angela	Commissioner Cicero?
3:11:37 PM	POST HEARING DATA REQUEST Note: Fields, Angela	Provide the list that shows all the low income users that are being identified as the ones most penalized if the fixed cost were lowered because they are the higher volume user.
	Note: Fields, Angela	Vice Chairman Cicero - witness Adkins
3:12:13 PM	Vice Chairman Cicero - witness Adkins Note: Fields, Angela	Under depreciation there are two classes [click on the link for Vice Chairman Cicero's remarks.]
3:12:42 PM	Vice Chairman Cicero - witness Adkins Note: Fields, Angela	Was there a detailed asset ledger that was provided to show what's in those classes?
3:12:55 PM	Vice Chairman Cicero - witness Adkins Note: Fields, Angela	Do we have it?
3:14:20 PM	POST HEARING DATA REQUEST Note: Fields, Angela	Vice Chairman Cicero - witness Adkins
	Note: Fields, Angela	A more detailed one.
3:15:15 PM	Vice Chairman Cicero - witness Adkins Note: Fields, Angela	I don't have anything else.
3:15:18 PM	Chairman Schmitt Note: Fields, Angela	Commissioner Mathews?
3:15:21 PM	Chairman Schmitt Note: Fields, Angela	I have no questions.
3:15:22 PM	Chairman Schmitt Note: Fields, Angela	Mr. Oswald?
3:15:24 PM	Atty Oswald Grayson RECC - witness Adkins Note: Fields, Angela	Redirect Examination.
3:22:34 PM	Atty Oswald Grayson RECC - witness Adkins Note: Fields, Angela	That's all the questions I have.
3:22:41 PM	Chairman Schmitt Note: Fields, Angela	Commissioner Cicero.?
3:22:43 PM	Vice Chairman Cicero - witness Adkins Note: Fields, Angela	Just one comment [click on the link for Vice Chairman Cicero's remarks.]
3:23:48 PM	Vice Chairman Cicero - witness Adkins Note: Fields, Angela	That's all I have.
3:23:49 PM	Chairman Schmitt Note: Fields, Angela	Commissioner Mathews?
3:23:54 PM	Chairman Schmitt Note: Fields, Angela	May this witness be excused? You may step down. Thank you.
3:24:00 PM	Chairman Schmitt Note: Fields, Angela	Mr. Oswald is there anything further?
3:24:04 PM	Chairman Schmitt Note: Fields, Angela	Mr. Oswald would you be wanting to file a brief or allow the case to be submitted after the discovery request?
3:24:20 PM	Chairman Schmitt Note: Fields, Angela	What's the last date for a decision, do we know?
3:24:37 PM	Chairman Schmitt Note: Fields, Angela	Can the Data Request be served to Mr. Oswald and his clients by the end of the day on Friday the 22nd?

3:24:53 PM	Chairman Schmitt Note: Fields, Angela	If you had until March 8th is that enough time?
3:25:47 PM	Chairman Schmitt Note: Fields, Angela	Friday the 22nd to ask and March the 8th for the answers and after that time the case will be submitted. Fair enough?
3:26:00 PM	Chairman Schmitt Note: Fields, Angela	Do you want to file a brief?
3:26:08 PM	Chairman Schmitt Note: Fields, Angela	We can do this [click on the link for Chairman Schmitt's remarks.]
3:27:43 PM	Chairman Schmitt Note: Fields, Angela	If it's nothing further then this hearing is adjourned.
3:27:49 PM	Session Paused	
3:27:59 PM	Session Ended	



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**Name:**

**Description:**

Exhibit 01

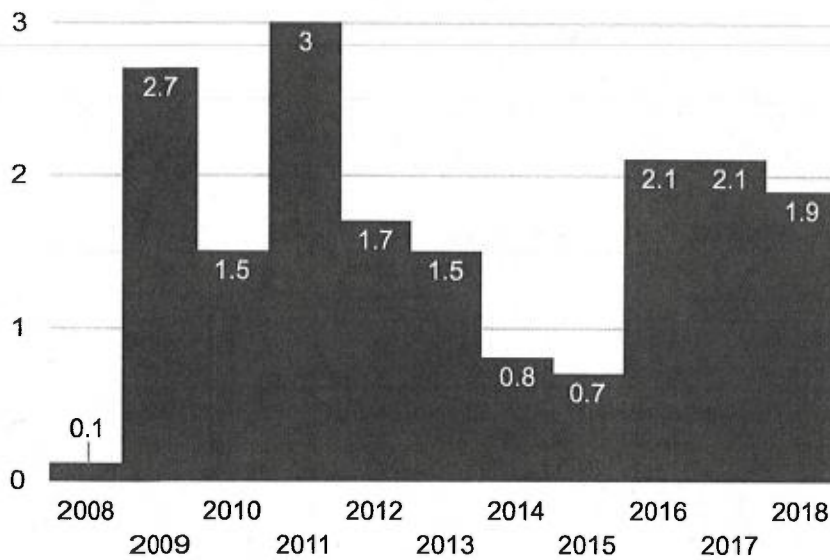
Current US Inflation Rates: 2008-2018

# Current US Inflation Rates: 2008-2018

The current inflation rate for the United States is 1.9% for the 12 months ended December 2018, as published on January 11, 2019 by the U.S. Labor Department. The next inflation update is scheduled for release on February 13, 2019 at 8:30 a.m. ET. It will offer the rate of inflation over the 12 months ended January 2019.

The chart and table below display **annual US inflation rates** for calendar years from 2000 and 2008 to 2018. (For prior years, see historical inflation rates.) If you would like to calculate accumulated rates between two different dates, use the US Inflation Calculator.

**Chart: United States Annual Inflation Rates (2008 to 2018)**



**PSC STAFF'S EXHIBIT 1**

**Table: Annual Inflation Rates by Month and Year**

Since figures below are 12-month periods, look to the December column to find inflation rates by calendar year. For example, the rate of inflation in 2018 was 1.9%.

The last column, "Ave," shows the average inflation rate for each year. They are published by the BLS but are rarely discussed in news media, taking a back seat to a calendar year's actual rate of inflation.

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Ave
2018	2.1	2.2	2.4	2.5	2.8	2.9	2.9	2.7	2.3	2.5	2.2	1.9	2.4
2017	2.5	2.7	2.4	2.2	1.9	1.6	1.7	1.9	2.2	2.0	2.2	2.1	2.1
2016	1.4	1.0	0.9	1.1	1.0	1.0	0.8	1.1	1.5	1.6	1.7	2.1	1.3
2015	-0.1	0.0	-0.1	-0.2	0.0	0.1	0.2	0.2	0.0	0.2	0.5	0.7	0.1
2014	1.6	1.1	1.5	2.0	2.1	2.1	2.0	1.7	1.7	1.7	1.3	0.8	1.6
2013	1.6	2.0	1.5	1.1	1.4	1.8	2.0	1.5	1.2	1.0	1.2	1.5	1.5
2012	2.9	2.9	2.7	2.3	1.7	1.7	1.4	1.7	2.0	2.2	1.8	1.7	2.1
2011	1.6	2.1	2.7	3.2	3.6	3.6	3.6	3.8	3.9	3.5	3.4	3.0	3.2
2010	2.6	2.1	2.3	2.2	2.0	1.1	1.2	1.1	1.1	1.2	1.1	1.5	1.6
2009	0	0.2	-0.4	-0.7	-1.3	-1.4	-2.1	-1.5	-1.3	-0.2	1.8	2.7	-0.4
2008	4.3	4.0	4.0	3.9	4.2	5.0	5.6	5.4	4.9	3.7	1.1	0.1	3.8
2007	2.1	2.4	2.8	2.6	2.7	2.7	2.4	2.0	2.8	3.5	4.3	4.1	2.8
2006	4.0	3.6	3.4	3.5	4.2	4.3	4.1	3.8	2.1	1.3	2.0	2.5	3.2
2005	3.0	3.0	3.1	3.5	2.8	2.5	3.2	3.6	4.7	4.3	3.5	3.4	3.4
2004	1.9	1.7	1.7	2.3	3.1	3.3	3.0	2.7	2.5	3.2	3.5	3.3	2.7
2003	2.6	3.0	3.0	2.2	2.1	2.1	2.1	2.2	2.3	2.0	1.8	1.9	2.3
2002	1.1	1.1	1.5	1.6	1.2	1.1	1.5	1.8	1.5	2.0	2.2	2.4	1.6
2001	3.7	3.5	2.9	3.3	3.6	3.2	2.7	2.7	2.6	2.1	1.9	1.6	2.8
2000	2.7	3.2	3.8	3.1	3.2	3.7	3.7	3.4	3.5	3.4	3.4	3.4	3.4

## Calculating Annual Inflation Rates



Annual rates of inflation are calculated using 12-month selections of the Consumer Price Index which is published monthly by the Labor Department's Bureau of Labor Statistics (BLS).

For example, to calculate the inflation rate for January 2017, subtract its CPI of "242.839" from last year's January 2016 CPI of "236.916." The result is "5.923." Divide this number by the January 2016 CPI and then multiply by 100 and add a % sign.

The result is January's annual inflation rate of 2.5%.

SHARE THIS:



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