

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION OF THE APPLICATION OF )  
THE FUEL ADJUSTMENT CLAUSE OF BIG ) CASE NO. 2010-00495  
RIVERS ELECTRIC CORPORATION FROM JULY )  
17, 2009 THROUGH OCTOBER 31, 2010 )

NOTICE OF FILING

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

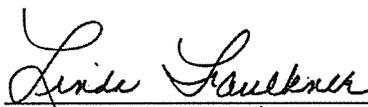
- The digital video recording of the evidentiary hearing conducted on March 22, 2011 in this proceeding;
- Certification of the accuracy and correctness of the digital video recording;
- All exhibits introduced at the evidentiary hearing conducted on March 22, 2011 in this proceeding;
- A written list of the exhibits introduced at the evidentiary hearing conducted on March 22, 2011 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 March 22, 2011.

A copy of this Notice, the certification of the digital video record, exhibit list, and hearing log have been served by first class mail upon all persons listed at the end of this Notice. Parties desiring an electronic copy of the digital video recording of the hearing in Windows Media format may download a copy at [http://psc.ky.gov/av\\_broadcast/2010-](http://psc.ky.gov/av_broadcast/2010-)

00490-thru-00514/2010-00490-thru-00514 22Mar11 Inter.asx. 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.

The exhibits introduced at the evidentiary hearing may be downloaded at <http://psc.ky.gov/pscscf/2010%20cases/2010-00495/>.

Done at Frankfort, Kentucky, this 29<sup>th</sup> day of March 2011.



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Linda Faulkner  
Director, Filings Division  
Public Service Commission of Kentucky

Honorable Tyson A Kamuf  
Attorney at Law  
Sullivan, Mountjoy, Stainback  
& Miller, PSC  
100 St. Ann Street  
P.O. Box 727  
Owensboro, KENTUCKY 42302-0727

Albert Yockey  
VP of of Governmental Relations  
Big Rivers Electric Corporation  
201 Third Street  
Henderson, KY 42419-0024

COMMONWEALTH OF KENTUCKY  
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THE FUEL ADJUSTMENT CLAUSE OF BIG ) CASE NO. 2010-00495  
RIVERS ELECTRIC CORPORATION FROM JULY )  
17, 2009 THROUGH OCTOBER 31, 2010 )  
)

CERTIFICATE

I, Kathy Gillum, hereby certify that:

1. The attached DVD contains a digital recording of the hearing conducted in the above-styled proceeding on March 22, 2011;
2. I am responsible for the preparation of the digital recording;
3. The digital recording accurately and correctly depicts the hearing;
4. The "Exhibit List" attached to this Certificate correctly lists all exhibits introduced at the hearing of March 22, 2011.
5. The "Hearing Log" attached to this Certificate accurately and correctly states the events that occurred at the hearing of March 22, 2011 and the time at which each occurred.

Given this 28<sup>th</sup> day of March, 2011.



Kathy Gillum, Notary Public  
State at Large

My commission expires: Sept 3, 2013



# Case History Log Report

Case Number: 2010-00490\_thru\_00495\_22Mar11

Case Title: Fuel Adjustment Clause (Multi Cases)

Case Type: Fuel Adjustment Clause

Department:

Plaintiff:

Prosecution:

Defendant:

Defense:

**Date: 3/22/2011**

Location: Default Location

Judge: David Armstrong, Jim Gardner, Charles Borders

Clerk: Kathy Gillum

Bailiff:

Event Time	Log Event	
10:09:30 AM	Case Started	
10:10:00 AM	Preliminary Remarks	
10:11:27 AM	Introductions Note: Kathy Gillum	Mark Overstreet, counsel for Kentucky Power; Mark David Goss, counsel for EKPC; Allyson Sturgeon, counsel for KU and LG&E; Rocco D'Ascenzo, counsel for Duke Energy; Tyson Kamuf, counsel for Big Rivers; and Faith Burns, PSC Staff Attorney.
10:13:18 AM	Case 2010-00490 called (Ky Power) Note: Kathy Gillum	Notice was given except for notice was not published in one local newspaper (Troublesome Creek Times) due to error by newspaper. Hearing will be conducted and notice obtained at later date.
10:15:22 AM	Statement by Chairman Armstrong Note: Kathy Gillum	Chairman asked that Notice be published at next publication
10:16:37 AM	Call for Public Comment Note: Kathy Gillum	No Public Comments
10:17:35 AM	Qualification of Witness, Kimberly Chilcote by Mark Overstreet Note: Kathy Gillum	Witness adopts pre-filed testimony, and responses to Data Requests and Supp. Data Requests..
10:18:31 AM	Qualification of Witness Lila Munsey by Mark Overstreet Note: Kathy Gillum	Witness adopts pre-filed testimony and Responses to Data Requests..
10:19:05 AM	Qualification of Witness, Aaron Sink by Mark Overstreet Note: Kathy Gillum	Witness adopts pre-filed Responses to Data Requests and Supplement Data Requests, with Supplement to Response No. 1 and Motion for Confidential Treatment.
10:20:26 AM	Examination by Faith Burns (PSC) Note: Kathy Gillum	Questions regarding pages 3 thru 7 of testimony. Questions regarding assignment of coal to Kentucky Power. Questions regarding Response to Item 20(c) of 1st Data Request. Questions regarding change in inventory level since review period. Questions regarding Item 31 of 1st Data Request.

10:23:31 AM	Data Request by Faith Burns (PSC) Note: Kathy Gillum	Ms. Burns requested that an organizational chart be provided as a Post-Hearing Data Request, identifying the position and person or persons in the position responsible for fuel procurement. And, any positions that are specific to Kentucky Power.
10:23:39 AM	Questions for Kim Chilcote or Lila Munsey Note: Kathy Gillum	Questions regarding Page 5 of Lila Munsey testimony and page 9 of Kim Chilcote testimony.
10:24:49 AM	Kim Chilcote responding	
10:25:24 AM	Lila Munsey responding	
10:26:02 AM	Examination by Faith Burns Note: Kathy Gillum	Questions regarding Item 13 of 1st Data Request.
10:26:52 AM	Data Request by Faith Burns Note: Kathy Gillum	Ms. Burns asked that witness provides explanation as to why line loss increased in 2010.
10:27:04 AM	Examination by Faith Burns, (PSC) Note: Kathy Gillum	Questions regarding Item 18(b).
10:27:38 AM	Kim Chilcote responding	
10:27:58 AM	Mark Overstreet Note: Kathy Gillum	Mr. Overstreet asks what amount of time for Post Hearing Data Requests.
10:28:08 AM	Faith Burns (PSC) Note: Kathy Gillum	10 Days
10:28:19 AM	Questions by Commissioner Gardner Note: Kathy Gillum	Questions regarding Page 9 of pre-filed testimony.
10:29:30 AM	Aaron Sink responding	
10:29:56 AM	Lila Munsey responding	
10:31:02 AM	Questions by Commissioner Gardner Note: Kathy Gillum	Questions regarding Item 10 pertaining to Maximum Annual Demand and Internal Average. Mr. Gardner asks for explanation as to why there was a decrease from 2009 to 2010.
10:32:12 AM	Data Request by Commissioner Gardner Note: Kathy Gillum	Commissioner Gardner asks what has happened in the last 5 months in regard to previous question. Witness is to provide in Post Hearing Data Request.
10:32:21 AM	Questions by Commissioner Gardner Note: Kathy Gillum	Questions regarding negative line loss
10:32:41 AM	Lila Munsey responding	
10:33:22 AM	Questions by Commissioner Gardner Note: Kathy Gillum	Questions to Kim Chilcote. Questions regarding Item 18. Questions regarding Item 19 (barge transportation). Questions regarding Item 26 (consignment). Questions regarding Spot and Contract Agreements.
10:33:59 AM	Kim Chilcote responding	
10:38:50 AM	Questions by Commissioner Borders Note: Kathy Gillum	Questions regarding projected tons used
10:39:25 AM	Aaron Sink responding	
10:39:58 AM	Lila Munsey responding	
10:40:07 AM	Questions by Commissioner Borders Note: Kathy Gillum	Questions regarding Item 36
10:40:33 AM	Lila Munsey responding	
10:41:25 AM	Case completed	

10:41:49 AM	Case 2010-00491 called (EKPC)	
10:42:45 AM	Qualification of Witness Ernest Huff by Mark David Goss Note: Kathy Gillum	Witness adopts pre-filed testimony and Responses to Data Requests.
10:43:38 AM	Qualification of Witness Ann Wood by Mark David Goss Note: Kathy Gillum	Witness adopts pre-filed Data Request Responses.
10:44:21 AM	Qualification of Witness Julie Tucker by Mark David Goss Note: Kathy Gillum	Witness adopts pre-filed testimony and Data Request Responses.
10:45:15 AM	Qualification of Witness Craig Johnson by Mark David Goss Note: Kathy Gillum	Witness adopts pre-filed Data Request Responses.
10:46:14 AM	Examination by Faith Burns (PSC) Note: Kathy Gillum	Notice has been given in this case. Questions regarding page 3 of pre-filed testimony. Questions regarding treated coal.
10:47:05 AM	Ernest Huff responding	
10:49:12 AM	Examination by Faith Burns (PSC) Note: Kathy Gillum	Questions regarding explanation of whether increase reflects increased reliance upon gas fired generation for base load generation or another reason.
10:49:34 AM	Julie Tucker responding	
10:49:44 AM	Examination by Faith Burns (PSC) Note: Kathy Gillum	Questions regarding Item 15, page 3
10:50:07 AM	Ernest Huff responding	
10:51:10 AM	Examination by Faith Burns (PSC) Note: Kathy Gillum	Questions regarding difference in price. Questions regarding Item 15 (price of White County coal). Questions regarding Item 19 of 1st Data Request. Questions regarding Item 28, page 2 of 1st Data Request.
10:51:41 AM	Ernest Huff responding	
10:54:23 AM	Craig Johnson responding	
10:54:34 AM	Examination by Faith Burns (PSC) Note: Kathy Gillum	Questions for Ms. Tucker regarding page 2 of testimony.
10:55:24 AM	Julie Tucker responding	
10:57:18 AM	Examination by Faith Burns (PSC) Note: Kathy Gillum	Questions for Ernest Huff or Ann Wood regarding Item 1.
10:58:03 AM	Julie Tucker responding	
10:58:22 AM	Examination by Faith Burns (PSC) Note: Kathy Gillum	Questions regarding comparison during non-peaking periods.
10:58:39 AM	Julie Tucker responding	
10:59:11 AM	Examination by Faith Burns (PSC) Note: Kathy Gillum	Questions regarding Item 1, page 3
10:59:45 AM	Ann Wood responding	
11:00:12 AM	Examination by Faith Burns (PSC) Note: Kathy Gillum	Questions regarding Item 13, page 2 concerning line-losses.
11:00:37 AM	Julie Tucker responding	
11:01:38 AM	Examination by Faith Burns (PSC) Note: Kathy Gillum	Questions for Mr. Johnson regarding Item 9, page 5.
11:02:12 AM	Craig Johnson responding Note: Kathy Gillum	Answers regarding planned outage.
11:02:58 AM	Examination by Faith Burns (PSC) Note: Kathy Gillum	Questions regarding Item 9, page 6. Questions regarding Item 14, page 12.

11:03:17 AM	Craig Johnson responding	
11:04:52 AM	Examination by Faith Burns (PSC) Note: Kathy Gillum	Questions regarding Unit 10 of Smith.
11:04:59 AM	Craig Johnson responding	
11:05:47 AM	Examination by Faith Burns (PSC) Note: Kathy Gillum	Questions regarding landfill gas generation units.
11:06:21 AM	Craig Johnson responding	
11:06:38 AM	Data Request by Faith Burns (PSC) Note: Kathy Gillum	Ms. Burns asked if Green Valley Unit 3 or other units have been permanently discontinued due to lack of fuel. Witness requested to provide information in Post Hearing Data Request
11:06:57 AM	Questions by Commissioner Gardner Note: Kathy Gillum	Questions regarding page 2 of Tucker testimony
11:08:17 AM	Julie Tucker responding	
11:08:30 AM	Questions by Commissioner Gardner Note: Kathy Gillum	Questions regarding fuel cost
11:08:51 AM	Ann Wood responding	
11:09:37 AM	Questions by Commissioner Gardner Note: Kathy Gillum	Questions regarding No. 5 of Responses to Data Request. Questions regarding percentage of gas purchasing
11:10:10 AM	Ernest Huff responding	
11:11:20 AM	Julie Tucker responding	
11:12:44 AM	Questions by Commissioner Gardner Note: Kathy Gillum	Questions regarding Item 13 regarding Line Losses
11:13:14 AM	Julie Tucker responding	
11:13:39 AM	Ann Wood responding	
11:14:33 AM	Ernest Huff responding Note: Kathy Gillum	Answers regarding peaking units
11:15:04 AM	Questions by Commissioner Borders Note: Kathy Gillum	Questions regarding No. 5 of Data Request Responses
11:15:48 AM	Julie Tucker responding	
11:17:04 AM	Questions by Commissioner Borders Note: Kathy Gillum	Questions regarding Green Valley Landfill
11:18:19 AM	Craig Johnson responding	
11:19:45 AM	Faith Burns (PSC) Note: Kathy Gillum	10 business days for Post Hearing Data Requests.
11:20:31 AM	Case completed	
11:20:39 AM	2010-00492 and 2010-00493	
11:21:12 AM	Statement by Allyson Sturgeon (KU & LG&E) Note: Kathy Gillum	Ms. Sturgeon made statement regarding notice being published. Ms. Sturgeon stated that 5 did not publish timely. Motion to Deviate filed last Friday. The 5 that did not publish in the timeframe have now done so.
11:22:07 AM	Statement by Faith Burns (PSC) Note: Kathy Gillum	Ms. Burns states that it appears to meet substantial compliance
11:22:27 AM	Qualification of KU & LG&E Witnesses by Allyson Sturgeon Note: Kathy Gillum	Mike Dotson adopts pre-filed testimony and Responses to Data Request. Charles R. Schram adopts pre-filed testimony and Responses to Data Request. Frederick Jackson adopts pre-filed Responses to Data Request. Robert Conroy adopts pre-filed Data Requests.

11:24:40 AM	Examination by Faith Burns (PSC) Note: Kathy Gillum	Questions for Mr. Schram regarding page 2 of pre-filed testimony.
11:25:31 AM	Charles Schram responding	
11:25:52 AM	Examination by Faith Burns (PSC) Note: Kathy Gillum	Questions for Mike Dotson regarding page 5 of pre-filed testimony.
11:26:32 AM	Mike Dotson responding	
11:26:45 AM	Data Request by Faith Burns (PSC) Note: Kathy Gillum	Regarding Item 5 (projected fuel requirements for 2011-2012). Ms. Burns asked witness to supplement what had previously been provided to include natural gas.
11:27:24 AM	Examination by Faith Burns (PSC) Note: Kathy Gillum	Questions regarding Item 15.
11:28:18 AM	Mike Dotson responding	
11:28:45 AM	Examination by Faith Burns (PSC) Note: Kathy Gillum	Questions regarding Item 15, page 12-13 for Ku and 14-15 for LG&E
11:29:14 AM	Mike Dotson responding	
11:29:24 AM	Examination by Faith Burns (PSC) Note: Kathy Gillum	Questions regarding Item 18
11:29:58 AM	Mike Dotson responding	
11:30:46 AM	Questions by Faith Burns (PSC) Note: Kathy Gillum	Questions regarding Item 20, page 2
11:31:18 AM	Mike Dotson responding	
11:31:34 AM	Examination by Faith Burns (PSC) Note: Kathy Gillum	Questions regarding Item 31
11:32:00 AM	Mike Dotson responding	
11:33:13 AM	Examination by Faith Burns (PSC) Note: Kathy Gillum	Questions directed to Mr. Conroy, Item 1. Questions regarding Item 7. Questions regarding Item 8. Questions regarding Item 13.
11:33:50 AM	Robert Conroy responding	
11:38:14 AM	Examination by Faith Burns (PSC) Note: Kathy Gillum	Questions regarding Item 14, page 11
11:38:55 AM	Mr. Jackson responding	
11:39:07 AM	Examination by Faith Burns (PSC) Note: Kathy Gillum	Questions regarding Item 15, page 2. Questions regarding Item 18, page 2. Questions regarding Item 20.
11:40:03 AM	Mike Dotson responding	
11:43:54 AM	Questions by Commissioner Gardner Note: Kathy Gillum	Questions regarding coking coal.
11:44:13 AM	Mike Dotson responding	
11:46:02 AM	Questions by Commissioner Gardner Note: Kathy Gillum	Questions regarding page 2 of pre-filed Testimony
11:46:47 AM	Charles Schram responding	
11:47:27 AM	Questions by Commissioner Gardner Note: Kathy Gillum	Questions regarding projected increases of coal
11:47:59 AM	Mike Dotson responding	
11:48:54 AM	Questions by Commissioner Gardner Note: Kathy Gillum	Questions regarding No. 10

11:49:19 AM	Charles Schram responding	
11:50:27 AM	Questions by Commissioner Gardner Note: Kathy Gillum	Questions regarding No. 13 regarding line losses
11:51:01 AM	Robert Conroy responding	
11:53:41 AM	Questions by Commissioner Gardner Note: Kathy Gillum	Questions regarding No. 16.
11:54:46 AM	Robert Conroy responding	
11:58:14 AM	Charles Schram responding	
11:58:28 AM	Questions by Commissioner Gardner Note: Kathy Gillum	Questions regarding No. 28.
11:59:02 AM	Charles Schram responding	
11:59:55 AM	Statement by Faith Burns (PSC) Note: Kathy Gillum	10 business days for Post Hearing Data Responses
12:00:11 PM	Chairman Armstrong Note: Kathy Gillum	Break for lunch
12:01:20 PM	Case Recessed	
1:04:26 PM	Case Started	
1:04:39 PM	Case Recessed	
1:06:51 PM	Case Started	
1:07:09 PM	Case 2010-00494 called (Duke)	
1:08:24 PM	Qualification of Witness Elliott Batson, Jr. by Rocco D'Ascenzo Note: Kathy Gillum	Witness adopts pre-filed testimony and Responses to Data Requests
1:09:10 PM	Qualification of Witness Lisa Steinkuhl (Duke) Note: Kathy Gillum	Witness adopts pre-filed testimony and Responses to Data Requests
1:09:51 PM	Qualification of Witness John Swez (Duke) Note: Kathy Gillum	Witness adopts pre-filed testimony and Responses to Data Requests
1:10:45 PM	Qualification of Witness Ryan Gentil (Duke) Note: Kathy Gillum	Witness adopts pre-filed Responses to Data Requests
1:11:27 PM	Statement by Faith Burns (PSC) Note: Kathy Gillum	Notice was published in the Kentucky Enquirer. Ms. Burns questions whether that is proper notice and meets statutory requirement.
1:12:38 PM	Statement by Rocco D'Ascenzo Note: Kathy Gillum	States that circulation meets requirements due to fact that their circulation is in all 5 counties where Duke is conducting business. Requests to brief the issue. Due in 10 business days.
1:14:00 PM	Examination by Faith Burns (PSC) Note: Kathy Gillum	Questions regarding Item 5.
1:14:23 PM	Data Request by Faith Burns (PSC) Note: Kathy Gillum	Submit the projected natural gas requirements.
1:14:52 PM	Examination by Faith Burns (PSC) Note: Kathy Gillum	Questions for Ms. Steinkuhl regarding Item 13 pertaining to line losses.
1:15:33 PM	Lisa Steinkuhl responding	
1:16:08 PM	Examination by Faith Burns (PSC) Note: Kathy Gillum	Questions regarding Item 20 of 1st Data Request (Coal Inventory)
1:16:42 PM	Elliott Batson, Jr. responding	

1:16:56 PM	Examination by Faith Burns (PSC) Note: Kathy Gillum	Questions regarding Item 31 (organizational structure)
1:17:34 PM	Lisa Steinkuhl responding	
1:17:49 PM	Elliott Batson, Jr. responding	
1:18:07 PM	Examination by Faith Burns (PSC) Note: Kathy Gillum	Questions regarding coal allocations
1:18:29 PM	Lisa Steinkuhl responding	
1:18:54 PM	Examination by Faith Burns (PSC)	
1:19:07 PM	Elliott Batson, Jr. responding	
1:19:20 PM	Examination by Faith Burns (PSC)	
1:19:26 PM	Elliott Batson, Jr. responding	
1:19:40 PM	Examination by Faith Burns (PSC) Note: Kathy Gillum	Questions regarding Item 35 of 1st Data Request.
1:20:33 PM	Elliott Batson, Jr. responding	
1:21:13 PM	Examination by Faith Burns (PSC)	
1:21:32 PM	Elliott Batson, Jr. responding	
1:21:39 PM	Examination by Faith Burns (PSC) Note: Kathy Gillum	Questions regarding Item 15 (long-term contracts)
1:22:34 PM	Elliott Batson, Jr. responding	
1:22:59 PM	Questions by Commission Gardner Note: Kathy Gillum	Questions regarding page 1 of 3rd Data Request
1:23:57 PM	Lisa Steinkuhl responding	
1:24:24 PM	Questions by Commissioner Gardner Note: Kathy Gillum	Questions regarding line losses.
1:25:06 PM	Lisa Steinkuhl responding	
1:25:33 PM	Questions by Commissioner Gardner	
1:26:02 PM	Lisa Steinkuhl responding	
1:26:26 PM	Questions by Commissioner Gardner Note: Kathy Gillum	Commissioner Gardner asks who at Duke would be responsible for looking at line losses?
1:27:02 PM	Lisa Steinkuhl responding Note: Kathy Gillum	Ms. Steinkuhl answered, the Transmission Dept. and the Engineering Dept.
1:27:33 PM	Questions by Commissioner Gardner Note: Kathy Gillum	Questions regarding gas usage
1:27:59 PM	John Swez responding	
1:28:26 PM	Questions by Commissioner Gardner Note: Kathy Gillum	
1:28:54 PM	John Swez responding	
1:29:35 PM	Questions by Commissioner Gardner Note: Kathy Gillum	Questions regarding strip mining, surface mining and mountain-top removal
1:30:15 PM	Elliott Batson, Jr. responding	
1:31:05 PM	Examination by Faith Burns (PSC) Note: Kathy Gillum	Questions to Ms. Steinkuhl regarding Item 3, page 1
1:31:46 PM	Lisa Steinkuhl responding	
1:32:04 PM	Case completed	

1:32:13 PM	Statement by Faith Burns (PSC) Note: Kathy Gillum	10 business days for data requests and brief.
1:32:37 PM	Case 2010-00495 called (Big Rivers)	
1:34:24 PM	Qualification of Witness Mark W. McAdams by Tyson Kamuf Note: Kathy Gillum	Witness changes Item 2, page 2 of 2, line 3. Witness adopts pre-filed testimony and Data Request Responses with the aforementioned change.
1:35:39 PM	Qualification of Witness Michael Mattox by Tyson Kamuf Note: Kathy Gillum	Adopts pre-filed testimony and Responses to Data Requests
1:36:05 PM	Qualification of Witness David Ashby by Tyson Kamuf Note: Kathy Gillum	Witness adopts pre-filed Data Request Responses
1:36:29 PM	Qualification of Witness Duane Braunaker by Tyson Kamuf Note: Kathy Gillum	Witness is standing in for witness, Larry Baronowsky. A supplement to an Exhibit was filed with the PSC 3-21-11. Witness, Duane Braunaker and reviewed Mr. Baronowsky filed-testimony and Responses to Data Requests and adopts same with the supplemental exhibit.
1:37:18 PM	Qualification of Witness Mark A. Davis by Tyson Kamuf Note: Kathy Gillum	Adopts pre-filed testimony and Responses to Data Requests
1:37:44 PM	Qualification of Witness Roger Hickman by Tyson Kamuf Note: Kathy Gillum	Witness adopts pre-filed Responses to Data Requests
1:38:08 PM	Examination by Faith Burns (PSC) Note: Kathy Gillum	Questions for Mark Davis, regarding Item 7.
1:39:08 PM	Mark Davis responding	
1:39:29 PM	Examination by Faith Burns (PSC) Note: Kathy Gillum	Questions regarding Item 8
1:40:11 PM	Mark Davis responding	
1:40:23 PM	Examination by Faith Burns (PSC) Note: Kathy Gillum	Questions for Mr. McAdams regarding Item 2 (Coke)
1:41:00 PM	Mark McAdams responding	
1:45:18 PM	Examination by Faith Burns (PSC) Note: Kathy Gillum	Questions regarding page 4 of testimony, line 7
1:45:52 PM	Mark McAdams responding	
1:46:01 PM	Examination by Faith Burns (PSC) Note: Kathy Gillum	Questions regarding Item 20 (Inventory Levels)
1:46:38 PM	Mark McAdams responding	
1:47:16 PM	Examination by Faith Burns (PSC) Note: Kathy Gillum	Questions regarding Item 21(b)
1:47:37 PM	Mark McAdams responding	
1:48:00 PM	Examination by Faith Burns (PSC) Note: Kathy Gillum	Questions regarding Item 24, page 2 of 3. Questions regarding Item b(2) and b(3).
1:49:16 PM	Mark McAdams responding	
1:49:28 PM	Examination by Faith Burns (PSC) Note: Kathy Gillum	Questions regarding Item 30 of 1st D.R.
1:49:50 PM	Mark McAdams responding Note: Kathy Gillum	Witness answers, 4th Quarter Spot and 2011 Term
1:50:59 PM	Data Request by Faith Burns (PSC) Note: Kathy Gillum	Provide to PSC, any revisions in the Policies and Procedures.
1:51:11 PM	Examination by Faith Burns (PSC) Note: Kathy Gillum	Questions regarding Item 33(b)
1:51:32 PM	Mike Mattox responding	

1:51:44 PM	Examination by Faith Burns (PSC) Note: Kathy Gillum	Questions for Mr. Ashby regarding Item 28 of 1st D.R.
1:52:23 PM	David Ashby responding	
1:52:58 PM	Examination by Faith Burns (PSC)	
1:53:07 PM	Mike Mattox responding	
1:53:31 PM	Examination by Faith Burns (PSC) Note: Kathy Gillum	Questions for Mr. Hickman regarding Item 16. Ms. Burns passed out document (Tarif Sheet No. 40 thru 49) for review.
1:55:07 PM	Roger Hickman responding Note: Kathy Gillum	Will provide info in Post Hearing Data Response
1:55:49 PM	Exhibit (PSC) Note: Kathy Gillum	Ms. Burns introduced Big Rivers Tariff Sheets 40 thru 49 as PSC Exhibit 1
1:55:55 PM	Questions by Commissioner Gardner Note: Kathy Gillum	Questions regarding pages 6 and 7 of testimony.
1:56:33 PM	Mark Davis responding	
1:59:51 PM	Statement by Chairman Armstrong	
2:00:16 PM	Tyson Kamuf (Data Response) Note: Kathy Gillum	Will file a Post Hearing Data Request
2:01:30 PM	Questions by Commissioner Gardner Note: Kathy Gillum	Questions regarding page 4
2:03:04 PM	Mike Mattox responding	
2:04:31 PM	Questions by Commissioner Gardner Note: Kathy Gillum	Questions regarding Item 3
2:04:40 PM	Mark Davis responding	
2:05:17 PM	Mike Mattox responding	
2:05:35 PM	Commissioner Gardner Note: Kathy Gillum	Questions regarding Item 6, page 1 of D.R.
2:06:09 PM	Mark Davis responding	
2:06:47 PM	Questions by Commissioner Gardner Note: Kathy Gillum	Questions regarding line losses being lower than other utilities
2:07:42 PM	Mark Davis responding Note: Kathy Gillum	Use actual line losses
2:07:51 PM	Mike Mattox responding	
2:08:26 PM	Mark Davis responding	
2:08:35 PM	Questions by Commissioner Gardner	
2:09:03 PM	Dwayne Bronager	
2:09:13 PM	Questions by Commissioner Gardner Note: Kathy Gillum	Questions regarding MRSM Rider
2:09:37 PM	Mark Davis responding	
2:11:21 PM	Questions by Commissioner Gardner Note: Kathy Gillum	Questions to Mr. Ashby regarding Item 27
2:11:43 PM	David Ashby responding Note: Kathy Gillum	Provided explanation of "Start up"
2:12:54 PM	Mark Davis responding	
2:13:05 PM	Mike Mattox responding	
2:13:42 PM	Statement by Faith Burns (PSC) Note: Kathy Gillum	10 days for Post Hearing Data Requests
2:13:58 PM	Case completed	

2:14:07 PM Case Recessed  
2:13:59 PM Hearing Adjourned  
3:27:39 PM Case Stopped



## Exhibit List Report

Case Number: 2010-00490\_thru\_00495\_22Mar11

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Case Title: Fuel Adjustment Clause (Multi Cases)

Department:

Plaintiff:

Prosecution:

Defendant:

Defense:

Name	Description
PSC Exhibit 1	Big Rivers Electric Corporation Tariff Sheets 40 thru 49

For All Territory Served By  
Cooperative's Transmission System  
P.S.C.KY.NO. 23

Original SHEET NO. 40

Big Rivers Electric Corporation  
(Name of Utility)

CANCELLING P.S.C.KY.NO. \_\_\_\_\_

\_\_\_\_\_ SHEET NO. \_\_\_\_\_

RULES AND REGULATIONS

9. BIG RIVERS COGENERATION AND SMALL POWER PRODUCTION SALES  
TARIFF - OVER 100 KW:

a. Availability:

Available to any Member Cooperative for service to any member of the Member Cooperative with cogeneration and/or small power production facility (i) that has net output of less than 5,000 kW and (ii), which meets the criteria for Qualifying Facility of 807 KAR 5:054 - Section 4. Charges for the services under this tariff to any Member Cooperative for service to any member of the Member Cooperative with a cogeneration and/or small power production facility shall be established by contract.

b. Applicability:

Applicable to purchases made by a Member Cooperative for service to any QF Member of a Member Cooperative with a total capacity requirement of 100 kW or more with on-site generation of 100 kW or more operating in excess of 200 hours per year, electrically engineered so that it can meet part or all of its load with its own generation, for service not covered by one of Big Rivers' other rates. The QF Member shall have the option to provide all or part of its load with its own generation in which case that portion of the QF Member's load requirements not met by the QF, shall be provided to the Member Cooperative under

DATE OF ISSUE October 9, 2008 DATE EFFECTIVE July 17, 2009 EFFECTIVE 7/17/2009  
ISSUED BY Mark A. Bailey Big Rivers Electric Corporation, 201 3<sup>rd</sup> St., Henderson, KY 42420  
(Signature of Officer)  
Issued By Authority of PSC Case No. 2007-00455, Order dated March 6, 2009

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
PURSUANT TO 807 KAR 5:011  
SECTION 9 (1)  
By [Signature]  
Executive Director

For All Territory Served By  
Cooperative's Transmission System  
P.S.C.KY.NO. 23

Original SHEET NO. 41

Big Rivers Electric Corporation  
(Name of Utility)

CANCELLING P.S.C.KY.NO. \_\_\_\_\_

\_\_\_\_\_ SHEET NO. \_\_\_\_\_

RULES AND REGULATIONS

this tariff and all requirements for back-up or maintenance service for the QF Member shall be provided under this tariff. Otherwise, the QF Member may sell all of the output of its QF in which case the QF Member's load requirements shall be provided to the Member Cooperative under the terms and conditions of one or more of Big Rivers' standard rates applicable to the load requirements and type of service of the QF Member.

c. Definitions:

- (1) Big Rivers – "Big Rivers" shall mean Big Rivers Electric Corporation.
- (2) Member Cooperative – As of the effective date of this tariff, "Member Cooperatives" means collectively, Kenergy Corp., Jackson Purchase Energy Corporation and Meade County Rural Electric Cooperative Corporation.
- (3) Off-System Sales Transaction – "Off-System Transaction" means sales of electric energy by Big Rivers other than to the Member Cooperatives and Henderson Municipal Power and Light.
- (4) QF – "QF" means a cogeneration or small power production facility meeting the criteria for Qualifying Facility of Section 4 of 807 KAR 5:054.
- (5) QF Member – "QF Member" means a member of a Member Cooperative with a QF.
- (6) Third Party Supplier – "Third Party Supplier" means any supplier of wholesale electric service to Big Rivers other than SEPA and Henderson Municipal Power and Light.

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PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
By [Signature]  
Executive Director

For All Territory Served By  
Cooperative's Transmission System  
P.S.C.K.Y.NO. 23

Original SHEET NO. 42

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d. Conditions of Service:

To receive service hereunder, the Member Cooperative must:

- (1) Obtain from the QF Member an executed, written contract for electric service hereunder on terms acceptable to Big Rivers. Such contract shall set forth any specific arrangements between the parties based on individual circumstances and shall:
  - (i) Specify the maximum capacity to be made available to the QF Member on an unscheduled basis in any hour (Maximum Unscheduled Capacity), and
  - (ii) If desired by the QF Member, specify the terms and conditions for the delivery of Maintenance Service, and
  - (iii) If desired by the QF Member, specify the capacity of on-site generation for which interruptible unscheduled back-up and interruptible scheduled maintenance power may be provided, and
  - (iv) Specify any other term or condition which the Member Cooperative or Big Rivers may require for service used by a QF Member, taking into account the nature of use, the quality used, the quantity used, the time when used, the purpose for which used, and any other reasonable consideration, and

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Executive Director

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(2) Enter into a contract with Big Rivers, or amend an existing contract with Big Rivers, to specify the terms and conditions of service between Big Rivers and the Member Cooperative regarding the power supply for the QF Member.

e. For each OF Member, the Member Cooperative will be billed monthly for:

- (1) Supplementary Service (capacity and energy).
- (2) Unscheduled Back-up Service, if any (capacity charge only).
- (3) Maintenance Service (capacity and energy), if any.
- (4) Excess Demand, if any.
- (5) Additional charges, if any.

f. Monthly Charges for Sales to a Member Cooperative for Service to a QF Member:

(1) Supplementary Service:

Supplementary demand shall be the QF Member's highest actual demand (adjusted for distribution losses if applicable) measured during the month, excluding Scheduled Maintenance Demand up to but not exceeding the actual measured demands in each demand interval during a Maintenance Schedule, and supplementary

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energy shall be the actual measured energy (adjusted for distribution losses if applicable), excluding Maintenance Energy sold to the QF by the Member Cooperative in each month. The monthly charges for supplementary demand and energy shall be according to the rates set forth in Big Rivers rate schedule C.4.d.

(2) Unscheduled Back-up Service:

Unscheduled Back-up Demand is the QF Member's Maximum Unscheduled Capacity minus the Supplementary Billing Demand for the month. In months in which Maintenance Service has been Scheduled, appropriate credit for Scheduled Maintenance Demand shall be applied to the Unscheduled Back-up Demand such that the Member Cooperative will not be charged for Unscheduled Back-up Demand in addition to Scheduled Maintenance Demand when Scheduled Maintenance Service is being provided. The monthly charges to a Member Cooperative for Unscheduled Back-up Demand shall be:

One hundred-ten percent (110%) of Big Rivers' actual cost, including transmission service, to import energy from a Third Party supplier to supply the Unscheduled Back-up Service for the QF Members:

Maximum Unscheduled Capacity shall initially be the amount as specified by the QF Member per contract with the Member Cooperative, but in no case less than the actual demand delivered in any month, including the current month. Big Rivers will accept a reduction in the Maximum Unscheduled Capacity upon twelve (12) months advance notice from the Member Cooperative. Said notice must

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specify the reduction in kW's and the basis for the lower requirements. All energy shall be billed as either supplementary energy or maintenance energy.

(3) Maintenance Service:

Maintenance Service shall be available to a Member Cooperative to back-up a QF Member's QF only if the Member Cooperative has scheduled delivery of the maintenance services in advance with Big Rivers. The Member Cooperative may schedule up to four weeks of seven consecutive days each per year of such service for a QF Member, subject to scheduling of such usage by Big Rivers. The Member Cooperative may reschedule at anytime by giving forty-eight (48) hours notice to Big Rivers. Scheduled Maintenance Demand may not exceed the design capacity of the QF Member's QF. Maintenance Service will be available on a on-peak or off-peak basis. The selection of on-peak Maintenance Service entitles the Member Cooperative to schedule the service for the QF Member at any time. The selection of off-peak Maintenance Service entitles the Member Cooperative to schedule the service for the QF Member only during those hours not designated as on-peak. The designated on-peak hours are as follows:

- (i) Summer on-peak usage is defined as power requirements occurring between the hours beginning 6:00 am and ending 10:00 pm on any weekday from May 1 through September 30.

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- (ii) Winter on-peak usage is defined as power requirements occurring between the hours beginning 6:00 am and ending 10:00 pm on any weekday from December 1 through March 31.
- (iii) Off-peak usage is defined as all power requirements not included in paragraph (i) or (ii).

The charges for On-peak Maintenance Service shall be the greater of:

- (1) \$1.835 PER kW OF Scheduled Maintenance Demand per week, plus  
\$0.0204 per kWh of Maintenance Energy; or
- (2) 110% of the price at the time of scheduling of a block of energy obtainable by Big Rivers in the futures market which is sufficient to meet the Member Cooperative's scheduled Maintenance Service requirements.
- (3) The charges for Off-peak Maintenance Service shall be:  
\$1.835 per kW of Scheduled Maintenance Demand per week, plus

According to schedule C.4.d.(2) per kWh of maintenance energy shall be the amount of energy purchased by the Member Cooperative for the QF Member in each hour during

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Scheduled Maintenance Service up to  
but not exceeding the Scheduled Maintenance Demand in  
each hour.

(4) Excess Demand:

Excess Demand is the amount in any hour by which the  
actual demand, less any Maintenance Demand, exceeds the  
previously established Maximum Unscheduled Capacity.  
Charges for Excess Demand shall be in addition to the  
charges for Supplementary Service and shall be either:

- (i) One hundred-ten percent (110%) of  
Big Rivers' actual cost, including  
transmission service, to import energy  
from a third Party supplier to supply the  
Excess Demand of the Member Cooperative  
for the QF Member; or
- (ii) If it is not necessary for Big Rivers to  
import energy from a Third Party Supplier,  
charges for Excess Demand shall be the  
greater of: a) \$7.37 per kW times the  
highest Excess Demand recorded during  
the month; or b) 110% of the highest price  
received by Big Rivers during an  
Off-System Sales Transaction during the  
month times the sum of the Excess  
Demands measured during the month.

Big Rivers shall be the sole determinant of when  
and under what circumstances it is required to  
import energy from a Third Party Supplier to

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provide Excess Demand.

(5) Additional Charges:

Any and all costs incurred by Big Rivers, as a result of the QF's failure to generate, including, without limitation, ancillary services necessary to maintain reliability on the Big Rivers' system, shall be charged to the Member Cooperative in addition to all other charges.

(6) Interruptible Service:

Interruptible Supplementary Service or Interruptible Back-up Service will be made available, upon request. Terms and conditions of interruptible service will be as negotiated under special contract according to the terms of 807 KAR 5:054.

g. Interconnections:

Big Rivers requires a three party interconnection agreement between the QF Member, Big Rivers, and the Member Cooperative prior to service under this tariff. Big Rivers shall make interconnections with the Member Cooperative, or the QF Member, or both as required and the QF Member will pay for the interconnection costs in accordance with 807 KAR 5:054 – Section 6 and the interconnection agreement.

h. System Emergencies:

During System Emergencies, Big Rivers may discontinue sales in accordance with 807 KAR 5:054 – Section 6.

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i. Loss Compensation:

Power and energy delivered by Big Rivers pursuant to this rate schedule shall be metered at or compensated to Big Rivers' point of delivery to the Member Cooperative. Where metering of the QF Member's load is at a point of delivery on a Member Cooperative's distribution system, metered demand and energy shall be adjusted to compensate for distribution losses prior to billing hereunder.

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