

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF KENTUCKY-)	
AMERICAN WATER COMPANY FOR AN)	
ADJUSTMENT OF RATES, A CERTIFICATE OF)	
PUBLIC CONVENIENCE AND NECESSITY FOR)	CASE NO.
INSTALLATION OF ADVANCED METERING)	2023-00191
INFRASTRUCTURE, APPROVAL OF)	
REGULATORY AND ACCOUNTING)	
TREATMENTS, AND TARIFF REVISIONS)	

NOTICE OF FILING

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

- The digital video recording of the evidentiary hearing conducted on December 11, 2023, in this proceeding;
- Certification of the accuracy and correctness of the digital video recording;
- A written log listing, inter alia, the date and time of where each witness' testimony begins and ends on the digital video recording of the evidentiary hearing conducted on December 11, 2023.

A copy of this Notice, the certification of the digital video record, and hearing log have been 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 <https://youtu.be/Jlq9G3DoQ5k>.

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 25th day of January 2024.

A handwritten signature in blue ink that reads "Linda C. Bridwell". The signature is written in a cursive style with a horizontal line underneath it.

Linda C. Bridwell

Executive Director

Public Service Commission of Kentucky

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CERTIFICATION

I, Candace H. Sacre, hereby certify that:

1. The attached flash drive contains a digital recording of the Formal Hearing conducted in the above-styled proceeding on December 11, 2023. The Formal Hearing Log is included with the recording on December 11, 2023;
2. I am responsible for the preparation of the digital recording;
3. The digital recording accurately and correctly depicts the Formal Hearing of December 11, 2023; and
4. The Formal Hearing Log attached to this Certificate accurately and correctly states the events that occurred at the Formal Hearing of December 11, 2023, and the time at which each occurred.

Signed this 23rd of January, 2024.



Candace H. Sacre
Administrative Specialist III



Stephanie Schweighardt
Kentucky State at Large ID# KYNP 64180
Commission Expires: January 14, 2027



Date:	Type:	Location:	Department:
12/11/2023	Public Hearing\Public Comments	Hearing Room 1	Hearing Room 1 (HR 1)

Witness: Richard Baudino; Krista Citron; Nicholas Furia; David Hill; William Lewis; Greg Meyer; Kathryn Nash; Jeffrey Newcomb; Thomas O'Drain; Shelly Porter; Charles Rea; Melissa Schwarzell; John Watkins
 Judge: Kent Chandler; Angie Hatton; Mary Pat Regan
 Clerk: Candace Sacre

Event Time	Log Event	
9:08:19 AM	Session Started	
9:08:28 AM	Chairman Chandler Note: Sacre, Candace	On the record in Case No. 2023-00191, Electronic Application of Kentucky-American Water Company for an Adjustment of Rates, a Certificate of Public Convenience and Necessity for Installation of Regulatory and Accounting Treatments, and Tariff Revisions.
9:08:49 AM	Chairman Chandler Note: Sacre, Candace	Preliminary remarks. (Click on link for further comments.)
9:09:08 AM	Chairman Chandler Note: Sacre, Candace	Hearing recommendations. (Click on link for further comments.)
9:09:21 AM	Chairman Chandler Note: Sacre, Candace	Entry of appearance.
9:09:22 AM	Atty Ingram Kentucky-American Note: Sacre, Candace	Lindsey Ingram, this is David Phippen, with me Mary Ellen Wimberly and Monica Braun, also Molly Loy. (Click on link for further comments.)
9:10:01 AM	Asst Atty General Goad Note: Sacre, Candace	Angela Goad. (Click on link for further comments.)
9:10:15 AM	Atty Osterloh LFUCG Note: Sacre, Candace	Todd Osterloh.
9:10:23 AM	Staff Atty Hall PSC Note: Sacre, Candace	Morgan Hall, Nancy Vinsel, Amanda Lawson, and Ashley Hatcher.
9:10:30 AM	Chairman Chandler Note: Sacre, Candace	Public notice. (Click on link for further comments.)
9:10:43 AM	Chairman Chandler Note: Sacre, Candace	Public comments. (Click on link for further comments.)
9:12:00 AM	Chairman Chandler Note: Sacre, Candace	Any issues take up before we begin? (Click on link for further comments.)
9:12:32 AM	Chairman Chandler Note: Sacre, Candace	Call first witness.
9:12:35 AM	Atty Ingram Kentucky-American Note: Sacre, Candace	Kathryn Nash.
9:12:45 AM	Chairman Chandler Note: Sacre, Candace	Witness is sworn.
9:12:53 AM	Chairman Chandler - witness Nash Note: Sacre, Candace	Examination. Name and address?
9:13:24 AM	Atty Ingram Kentucky-American - witness Nash Note: Sacre, Candace	Direct Examination. Job title?
9:13:30 AM	Atty Ingram Kentucky-American - witness Nash Note: Sacre, Candace	Cause to be filed testimony?

9:13:38 AM Atty Ingram Kentucky-American - witness Nash
Note: Sacre, Candace Identified as sponsoring witness for responses?

9:13:55 AM Atty Ingram Kentucky-American - witness Nash
Note: Sacre, Candace Corrections?

9:14:49 AM Chairman Chandler
Note: Sacre, Candace Questions?

9:14:50 AM Asst Atty General Goad - witness Nash
Note: Sacre, Candace Cross Examination. KAW requesting increase water rates \$26.1 million per year?

9:15:04 AM Asst Atty General Goad - witness Nash
Note: Sacre, Candace Increase excludes qualified infrastructure program QIP rider revenues?

9:15:19 AM Asst Atty General Goad - witness Nash
Note: Sacre, Candace Based on original requested rate increase, average residential bill increase \$8.96 month or 22 percent?

9:15:43 AM Asst Atty General Goad - witness Nash
Note: Sacre, Candace Confirm \$49.73 sound correct?

9:15:53 AM Asst Atty General Goad - witness Nash
Note: Sacre, Candace Based on rebuttal and not including QIP revenues, updated request \$25.6 million?

9:16:13 AM Asst Atty General Goad - witness Nash
Note: Sacre, Candace Newcomb rebuttal, defer to him?

9:16:28 AM Asst Atty General Goad - witness Nash
Note: Sacre, Candace Post-hearing based on half-million-dollar reduction if changes proposed average residential bill at all?

9:16:29 AM POST-HEARING DATA REQUEST
Note: Sacre, Candace ASST ATTY GENERAL GOAD - WITNESS NASH
Note: Sacre, Candace WHETHER HALF-MILLION-DOLLAR REDUCTION CHANGES PROPOSED AVERAGE RESIDENTIAL CUSTOMER BILL

9:16:48 AM Asst Atty General Goad - witness Nash
Note: Sacre, Candace Proposing increase monthly customer charge for customer with five-eighths-inch meter from \$15 to \$20 per month?

9:16:58 AM Asst Atty General Goad - witness Nash
Note: Sacre, Candace Is that increase 33.3 percent?

9:17:07 AM Asst Atty General Goad - witness Nash
Note: Sacre, Candace Customers facing economic issues?

9:17:18 AM Asst Atty General Goad - witness Nash
Note: Sacre, Candace Agree awarded full rate increase and customer charge impose financial hardship on customers?

9:17:46 AM Chairman Chandler
Note: Sacre, Candace Questions?

9:18:05 AM Vice Chairman Hatton - witness Nash
Note: Sacre, Candace Examination. Public comments, one, what cost savings measures taken up in rates charging customers?

9:21:00 AM Vice Chairman Hatton - witness Nash
Note: Sacre, Candace AMI meters, noted even though cost savings with AMI meters not seem be any way address that in cost savings?

9:22:42 AM Chairman Chandler
Note: Sacre, Candace Commissioner?

9:22:46 AM Commissioner Regan - witness Nash
Note: Sacre, Candace Examination. Outsourcing, know what percentage difference cost wise having in-house?

9:23:41 AM Chairman Chandler - witness Nash
Note: Sacre, Candace Examination. Line locates, Lewis?

9:23:56 AM	Chairman Chandler - witness Nash Note: Sacre, Candace	Appropriate finding in-house efficiencies outsourcing increased cost of outsourcing cost offset by increased efficiencies found internally?
9:24:20 AM	Chairman Chandler - witness Nash Note: Sacre, Candace	If cost savings outsourcing, included as reduction to rates in addition increased contract expense being increase in rates?
9:24:58 AM	Chairman Chandler - witness Nash Note: Sacre, Candace	Answered cost savings outsourcing for line locates, not cost savings for that?
9:25:17 AM	Chairman Chandler - witness Nash Note: Sacre, Candace	Explain what mean by efficiencies of operations if no cost savings?
9:26:01 AM	Chairman Chandler - witness Nash Note: Sacre, Candace	Paid overtime do line locates?
9:26:04 AM	Chairman Chandler - witness Nash Note: Sacre, Candace	Not paying overtime, not be reflected in costs?
9:26:18 AM	Chairman Chandler - witness Nash Note: Sacre, Candace	If finding nonrevenue water, increase revenues and reduce expenses?
9:26:46 AM	Chairman Chandler - witness Nash Note: Sacre, Candace	Those people dedicated finding nonrevenue water, them finding water increase revenues and reduce expenses?
9:26:52 AM	Chairman Chandler - witness Nash Note: Sacre, Candace	For every gallon address, decrease expenses not recovering through sales?
9:27:12 AM	Chairman Chandler - witness Nash Note: Sacre, Candace	Of all efficiency changes occurred 8-1-1 locate, aware of changes to test year other than increase in contractual expenses recover costs 8-1-1 line locators?
9:27:44 AM	Chairman Chandler - witness Nash Note: Sacre, Candace	Only been seven months since 8-1-1, inappropriate reflect efficiencies as cost reductions in rate case?
9:27:53 AM	Chairman Chandler - witness Nash Note: Sacre, Candace	Got increase in contractual expenses in test year?
9:28:26 AM	Chairman Chandler - witness Nash Note: Sacre, Candace	Walk me back through addition on stand this morning incentive plan funded only upon reaching certain EPS threshold?
9:28:50 AM	Chairman Chandler - witness Nash Note: Sacre, Candace	Now funded without regards to EPS threshold?
9:28:57 AM	Chairman Chandler - witness Nash Note: Sacre, Candace	American-wide threshold change or Kentucky-American change?
9:29:03 AM	Chairman Chandler - witness Nash Note: Sacre, Candace	Documentary evidence what compensation committee voted on?
9:29:22 AM	Chairman Chandler Note: Sacre, Candace	Seek that in a post-hearing data request, a copy of what passed.
9:29:23 AM	POST-HEARING DATA REQUEST Note: Sacre, Candace Note: Sacre, Candace	CHAIRMAN CHANDLER - WITNESS NASH COPY OF WHAT COMPENSATION COMMITTEE PASSED AS REGARDS TO KENTUCKY-AMERICAN WATER EPS THRESHOLD CHANGE
9:29:48 AM	Chairman Chandler Note: Sacre, Candace	Mr. Ingram?
9:29:50 AM	Atty Ingram Kentucky-American Note: Sacre, Candace	Melissa Schwarzell.
9:30:19 AM	Chairman Chandler Note: Sacre, Candace	Witness is sworn.

9:30:25 AM	Chairman Chandler - witness Schwarzell Note: Sacre, Candace	Examination. Name and address?
9:30:42 AM	Atty Ingram Kentucky-American - witness Schwarzell Note: Sacre, Candace	Direct Examination. Job title?
9:30:50 AM	Atty Ingram Kentucky-American - witness Schwarzell Note: Sacre, Candace	With American Water Works Service Company?
9:30:57 AM	Atty Ingram Kentucky-American - witness Schwarzell Note: Sacre, Candace	Cause be filed testimony?
9:31:06 AM	Atty Ingram Kentucky-American - witness Schwarzell Note: Sacre, Candace	Witness on data responses?
9:31:15 AM	Atty Ingram Kentucky-American - witness Schwarzell Note: Sacre, Candace	Corrections?
9:31:26 AM	Chairman Chandler Note: Sacre, Candace	Mr. Osterloh?
9:31:45 AM	Atty Osterloh LFUCG - witness Schwarzell Note: Sacre, Candace	Cross Examination. Case 2009-00253 approved request extend period change out smaller meters from regulatory ten years to 15 years?
9:32:08 AM	Atty Osterloh LFUCG - witness Schwarzell Note: Sacre, Candace	Proposing trim back to ten years?
9:32:36 AM	Atty Osterloh LFUCG - witness Schwarzell Note: Sacre, Candace	LFUCG 1, Item 68, indicated maintain 15-year replacement schedule, anticipate having 2,420 replacements in 2024?
9:33:42 AM	Atty Osterloh LFUCG - witness Schwarzell Note: Sacre, Candace	In contrast, what proposing 42,000 replacements in 2024?
9:33:51 AM	Atty Osterloh LFUCG - witness Schwarzell Note: Sacre, Candace	Difference of 40,000 meters?
9:33:57 AM	Atty Osterloh LFUCG - witness Schwarzell Note: Sacre, Candace	Test year in this case spans Feb '24 to end Jan '25?
9:34:08 AM	Atty Osterloh LFUCG - witness Schwarzell Note: Sacre, Candace	Acknowledged increased expense related to meters not based on change AMR and AMI, driven by increase in volume of replacements and change in depreciation and cost remove meters?
9:35:17 AM	Atty Osterloh LFUCG - witness Schwarzell Note: Sacre, Candace	In response to Commission Third, Item 6, Excel file, remove plant and expenses, one of sponsors, included depreciation rate of 20.04 percent, have that?
9:36:17 AM	Atty Osterloh LFUCG - witness Schwarzell Note: Sacre, Candace	That percentage same would have been included in depreciation schedule filed with this case?
9:36:31 AM	Atty Osterloh LFUCG - witness Schwarzell Note: Sacre, Candace	Exhibit A cost benefit study?
9:36:40 AM	Atty Osterloh LFUCG - witness Schwarzell Note: Sacre, Candace	Depreciation rate used 10-year rate?
9:36:47 AM	Atty Osterloh LFUCG - witness Schwarzell Note: Sacre, Candace	Interpret that as ten percent?
9:36:54 AM	Atty Osterloh LFUCG - witness Schwarzell Note: Sacre, Candace	Know what distinction be between 24.04 percent in response Commission Third, Item 6, and ten percent rate included in Exhibit A?
9:38:19 AM	Atty Osterloh LFUCG - witness Schwarzell Note: Sacre, Candace	Make sense match depreciation rate in cost benefit analysis with depreciation rate used in rate case?
9:39:06 AM	Chairman Chandler Note: Sacre, Candace	Ms. Goad?

9:39:20 AM Asst Atty General Goad - witness Schwarzell
Note: Sacre, Candace Cross Examination. Requesting CPCN deploy AMI?

9:39:33 AM Asst Atty General Goad - witness Schwarzell
Note: Sacre, Candace In testimony introduce and support cost benefit analysis?

9:39:48 AM Asst Atty General Goad - witness Schwarzell
Note: Sacre, Candace Did you draft?

9:39:52 AM Asst Atty General Goad - witness Schwarzell
Note: Sacre, Candace Questions about cost benefit analysis, confidential let me know, cost benefit analysis states not accelerating replacement?

9:40:24 AM Asst Atty General Goad - witness Schwarzell
Note: Sacre, Candace Later states, due to change in cost benefit analysis 15 years to 10 years, replace 42,000 5/8-meters 2024, 18,000 in 2025, and 18,000 in 2026?

9:41:17 AM Asst Atty General Goad - witness Schwarzell
Note: Sacre, Candace Page 11 of cost benefit analysis?

9:41:41 AM Asst Atty General Goad - witness Schwarzell
Note: Sacre, Candace Proposing replace 78,000 meters in next three years?

9:43:25 AM Asst Atty General Goad - witness Schwarzell
Note: Sacre, Candace Has 141,724 meters?

9:43:47 AM Asst Atty General Goad - witness Schwarzell
Note: Sacre, Candace More than half?

9:43:55 AM Asst Atty General Goad - witness Schwarzell
Note: Sacre, Candace Constitute accelerated replacement?

9:45:25 AM Asst Atty General Goad - witness Schwarzell
Note: Sacre, Candace AMI could provide cost savings to customers?

9:47:33 AM Asst Atty General Goad - witness Schwarzell
Note: Sacre, Candace None of that included in present rate case?

9:48:15 AM Asst Atty General Goad - witness Schwarzell
Note: Sacre, Candace Response AG discovery, sponsored and stated KAW currently has 141,524 automated meter reader meters, 276,000 AMI meters, and 222 manual meters?

9:48:51 AM Asst Atty General Goad - witness Schwarzell
Note: Sacre, Candace Most updated numbers?

9:49:07 AM Asst Atty General Goad - witness Schwarzell
Note: Sacre, Candace Agree bulk of current meters AMR?

9:49:15 AM Asst Atty General Goad - witness Schwarzell
Note: Sacre, Candace CBA states existing AMR technology least cost net present value and AMI second least cost?

9:50:08 AM Asst Atty General Goad - witness Schwarzell
Note: Sacre, Candace KAW AMR meters not obsolete?

9:50:15 AM Asst Atty General Goad - witness Schwarzell
Note: Sacre, Candace Can still purchase AMR meters?

9:50:46 AM Asst Atty General Goad - witness Schwarzell
Note: Sacre, Candace Dec 31 2022 net book value close to \$31 million with future accrual requirement over \$36 million?

9:51:08 AM Asst Atty General Goad - witness Schwarzell
Note: Sacre, Candace Know if KAW current meters providing reliable service to customers?

9:52:00 AM Chairman Chandler
Note: Sacre, Candace Counsel?

9:52:08 AM Staff Atty Hall PSC - witness Schwarzell
Note: Sacre, Candace Cross Examination. Rebuttal, pages 2 and 3, address KAW not anticipated any stranded asset?

9:53:00 AM Staff Atty Hall PSC - witness Schwarzell
Note: Sacre, Candace Page 3, did not consider any, not anticipate any, reconcile?

9:53:18 AM	Staff Atty Hall PSC - witness Schwarzell Note: Sacre, Candace	But not consider it?
9:53:30 AM	Staff Atty Hall PSC - witness Schwarzell Note: Sacre, Candace	Response, Staff Second, Item 11, two vendors selected in 2016, pricing renegotiated?
9:54:28 AM	Staff Atty Hall PSC - witness Schwarzell Note: Sacre, Candace	Consider issuing new RFP?
9:55:20 AM	Staff Atty Hall PSC - witness Schwarzell Note: Sacre, Candace	Has RFP been completed?
9:55:48 AM	Chairman Chandler Note: Sacre, Candace	Vice Chair?
9:55:58 AM	Vice Chairman Hatton - witness Schwarzell Note: Sacre, Candace	Examination. Regard to RFP seek vendors for AMI program, updated the 2015 RFP?
9:56:44 AM	Vice Chairman Hatton - witness Schwarzell Note: Sacre, Candace	Hill be person ask about alternatives before AMI chosen?
9:56:54 AM	Vice Chairman Hatton - witness Schwarzell Note: Sacre, Candace	What alternatives?
9:58:08 AM	Chairman Chandler Note: Sacre, Candace	Commissioner?
9:58:19 AM	Commissioner Regan - witness Schwarzell Note: Sacre, Candace	Examination. Converting over next three years, not handle in-house, but not go through workforce reduction?
9:59:15 AM	Commissioner Regan - witness Schwarzell Note: Sacre, Candace	Other than outside vendors, adding people to support after three years and process over or in-house?
9:59:56 AM	Commissioner Regan - witness Schwarzell Note: Sacre, Candace	Do not foresee workforce reduction after three-year project?
10:01:27 AM	Commissioner Regan - witness Schwarzell Note: Sacre, Candace	Nash talked about 11,000 customers beneath poverty level?
10:01:44 AM	Chairman Chandler - witness Schwarzell Note: Sacre, Candace	Examination. Cost benefit analysis assume perfect ratemaking treatment?
10:02:42 AM	Chairman Chandler - witness Schwarzell Note: Sacre, Candace	Assumes perfect ratemaking treatment assumes costs and benefits flow through immediately or not flow at all?
10:04:09 AM	Chairman Chandler - witness Schwarzell Note: Sacre, Candace	Use word implicit, rebuttal disagree with Meyer, reading (click on link for further comments), concern not valid, remember?
10:04:58 AM	Chairman Chandler - witness Schwarzell Note: Sacre, Candace	Line 6, page 2, rebuttal, reading (click on link for further comments), appropriate when incur costs some level of offsetting benefits, no need for separate mechanism to recommend ongoing rates?
10:06:12 AM	Chairman Chandler - witness Schwarzell Note: Sacre, Candace	Direct testimony, decisions for narrowing options, page 3, go through information ahead of analysis, equipment labor date on fleet material installation labor pricing?
10:07:02 AM	Chairman Chandler - witness Schwarzell Note: Sacre, Candace	Meter and installation labor pricing, do RFP for labor?
10:07:12 AM	Chairman Chandler - witness Schwarzell Note: Sacre, Candace	Recently got that back?
10:07:18 AM	Chairman Chandler - witness Schwarzell Note: Sacre, Candace	Where get information prior to conducting cost benefit analysis?

10:08:01 AM Chairman Chandler - witness Schwarzell
Note: Sacre, Candace Ask post-hearing data request, chosen a vendor?

10:08:02 AM POST-HEARING DATA REQUEST
Note: Sacre, Candace CHAIRMAN CHANDLER - WITNESS SCHWARZELL
Note: Sacre, Candace COPY OF RFP AND RESPONSE

10:08:09 AM Chairman Chandler - witness Schwarzell
Note: Sacre, Candace Model means analysis not model of metering chosen?

10:08:35 AM Chairman Chandler - witness Schwarzell
Note: Sacre, Candace Reading (click on link for further comments),

10:09:28 AM Chairman Chandler - witness Schwarzell
Note: Sacre, Candace Who gave you information targeted cycle meter replacement ten years?

10:09:45 AM Chairman Chandler - witness Schwarzell
Note: Sacre, Candace Input into what targeted cycle be?

10:10:12 AM Chairman Chandler - witness Schwarzell
Note: Sacre, Candace If want to ask why company has internally targeted cycle, who question for?

10:10:27 AM Chairman Chandler - witness Schwarzell
Note: Sacre, Candace Why company make decision request certain depreciable life, who question for?

10:10:47 AM Chairman Chandler - witness Schwarzell
Note: Sacre, Candace Witness can speak to how depreciation rates come up or decision seek certain rate?

10:11:41 AM Chairman Chandler - witness Schwarzell
Note: Sacre, Candace Ask Bulkley, but somebody at company who actually decides include return on equity, Cocentric not have final call?

10:12:20 AM Chairman Chandler - witness Schwarzell
Note: Sacre, Candace Been at company for last two rate cases?

10:12:32 AM Chairman Chandler - witness Schwarzell
Note: Sacre, Candace Know if Newcomb in same position then?

10:12:40 AM Chairman Chandler - witness Schwarzell
Note: Sacre, Candace Lewis?

10:13:05 AM Chairman Chandler - witness Schwarzell
Note: Sacre, Candace Made qualitative determinations in choosing metering options to study?

10:13:24 AM Chairman Chandler - witness Schwarzell
Note: Sacre, Candace Why was that?

10:13:38 AM Chairman Chandler - witness Schwarzell
Note: Sacre, Candace Infrastructure said not good fit for Kentucky?

10:14:16 AM Chairman Chandler - witness Schwarzell
Note: Sacre, Candace Have understanding currently problems with communication modules on AMR meters?

10:14:39 AM Chairman Chandler - witness Schwarzell
Note: Sacre, Candace Make sure have appreciation with company position relates to lack of 100 percent communication each meter route?

10:15:13 AM Chairman Chandler - witness Schwarzell
Note: Sacre, Candace Something has to change?

10:15:41 AM Chairman Chandler - witness Schwarzell
Note: Sacre, Candace Renewal, replacing meters every ten years?

10:15:58 AM Chairman Chandler - witness Schwarzell
Note: Sacre, Candace Equating renewal with consistent ten-year cycle of replacement?

10:16:54 AM Chairman Chandler - witness Schwarzell
Note: Sacre, Candace Know what accuracy of meter testing was prior to pilots KAW conducted?

10:17:25 AM	Chairman Chandler - witness Schwarzell Note: Sacre, Candace	Getting worse at metering in America?
10:17:47 AM	Chairman Chandler - witness Schwarzell Note: Sacre, Candace	AMI more expensive than AMR counterparts?
10:18:06 AM	Chairman Chandler - witness Schwarzell Note: Sacre, Candace	Communications module portion of meter more expensive than AMI?
10:18:14 AM	Chairman Chandler - witness Schwarzell Note: Sacre, Candace	AMI communications more expensive than AMR communications?
10:18:45 AM	Chairman Chandler - witness Schwarzell Note: Sacre, Candace	Difference is how communicate?
10:18:54 AM	Chairman Chandler - witness Schwarzell Note: Sacre, Candace	Testimony says, page 7, reading (click on link for further comments), if AMI has similar failure of communications, is that the case?
10:19:53 AM	Chairman Chandler - witness Schwarzell Note: Sacre, Candace	If AMI not communicating, still have to roll truck to read meter?
10:20:09 AM	Chairman Chandler - witness Schwarzell Note: Sacre, Candace	Asking just difference between two is communications being difference, meter is same?
10:20:44 AM	Chairman Chandler - witness Schwarzell Note: Sacre, Candace	In benefit cost analysis, assume no AMI communications issues through life of analysis?
10:21:53 AM	Chairman Chandler - witness Schwarzell Note: Sacre, Candace	When compare need for AMI for consecutive estimated reads and new AMR for consecutive estimated reads, reduction to both same for brand new meter both types?
10:22:34 AM	Chairman Chandler Note: Sacre, Candace	Procedural discussion. (Click on link for further comments.)
10:23:51 AM	Chairman Chandler - witness Schwarzell Note: Sacre, Candace	Reductions made, consistent across two types of communication devices or make district reduction in categories specific AMI?
10:24:24 AM	Chairman Chandler - witness Schwarzell Note: Sacre, Candace	Replace status quo 77,000 meters next three years?
10:24:31 AM	Chairman Chandler - witness Schwarzell Note: Sacre, Candace	How pay for replacement?
10:24:42 AM	Chairman Chandler - witness Schwarzell Note: Sacre, Candace	What labor use, internal or external?
10:25:04 AM	Chairman Chandler - witness Schwarzell Note: Sacre, Candace	Asking had to do 77,000 meters next three years, always going to put RFP out for replacement of AMR, what status quo absent this request?
10:26:00 AM	Chairman Chandler - witness Schwarzell Note: Sacre, Candace	How replacing meters up till now, internal labor or external?
10:26:40 AM	Chairman Chandler Note: Sacre, Candace	Will take a recess. (Click on link for further comments.)
10:26:56 AM	Atty Ingram Kentucky-American - witness Schwarzell Note: Sacre, Candace	Redirect Examination. Possible communication problem between customer and meter reader, under AMR if failure, truck comes around could be 30 days before KAW knows communication problem?
10:27:36 AM	Atty Ingram Kentucky-American - witness Schwarzell Note: Sacre, Candace	In AMI world, frequent communication not depend on truck roll, KAW know of problem or lack of communication much sooner?
10:28:08 AM	Atty Ingram Kentucky-American - witness Schwarzell Note: Sacre, Candace	Include absence of communication, set off alarm bell?

10:28:31 AM	Chairman Chandler Note: Sacre, Candace	VC in charge until back at 10:45.
10:29:03 AM	Session Paused	
10:46:23 AM	Session Resumed	
10:46:33 AM	Vice Chairman Hatton Note: Sacre, Candace	Back on the record.
10:46:39 AM	Vice Chairman Hatton Note: Sacre, Candace	Next witness?
10:46:43 AM	Atty Ingram Kentucky-American Note: Sacre, Candace	Dave Hill.
10:46:51 AM	Vice Chairman Hatton Note: Sacre, Candace	Witness is sworn.
10:47:02 AM	Vice Chairman Hatton - witness Hill Note: Sacre, Candace	Examination. Name and address?
10:47:13 AM	Atty Ingram Kentucky-American - witness Hill Note: Sacre, Candace	Direct Examination. Job title?
10:47:24 AM	Atty Ingram Kentucky-American - witness Hill Note: Sacre, Candace	For American Waterworks Service Company?
10:47:28 AM	Atty Ingram Kentucky-American - witness Hill Note: Sacre, Candace	Not filed testimony?
10:47:33 AM	Atty Ingram Kentucky-American - witness Hill Note: Sacre, Candace	Identified on data responses?
10:47:44 AM	Atty Ingram Kentucky-American - witness Hill Note: Sacre, Candace	Corrections?
10:47:51 AM	Vice Chairman Hatton Note: Sacre, Candace	Counsel?
10:47:58 AM	Staff Atty Hall PSC - witness Hill Note: Sacre, Candace	Cross Examination. Negotiations AMI meters, RFP selected in 2016?
10:48:17 AM	Staff Atty Hall PSC - witness Hill Note: Sacre, Candace	Explain why not new RFP?
10:49:37 AM	Staff Atty Hall PSC - witness Hill Note: Sacre, Candace	Fair to say issued new RFP, different vendor, have to have whole new system?
10:50:45 AM	Vice Chairman Hatton - witness Hill Note: Sacre, Candace	Examination. Seek additional vendors because not be compatible with system?
10:51:19 AM	Vice Chairman Hatton - witness Hill Note: Sacre, Candace	Badger and Neptune?
10:51:47 AM	Vice Chairman Hatton - witness Hill Note: Sacre, Candace	Not seek new RFP, is price still good seven years later?
10:52:47 AM	Vice Chairman Hatton - witness Hill Note: Sacre, Candace	Were costs updated since 2016?
10:52:59 AM	Vice Chairman Hatton - witness Hill Note: Sacre, Candace	In response to RFP, cost estimated?
10:53:32 AM	Vice Chairman Hatton - witness Hill Note: Sacre, Candace	What was name of witness more detail?
10:53:41 AM	Commissioner Regan - witness Hill Note: Sacre, Candace	Examination. In 2016, meet with vendors every year and new pricing inserted as addendum?
10:53:54 AM	Vice Chairman Hatton Note: Sacre, Candace	Redirect?
10:53:58 AM	Atty Ingram Kentucky-American - witness Hill Note: Sacre, Candace	Redirect Examination. When meet with vendors every year, confident getting best pricing?

10:54:31 AM	Vice Chairman Hatton Note: Sacre, Candace	Next witness?
10:54:33 AM	Atty Wimberly Kentucky-American Note: Sacre, Candace	Shelly Porter.
10:54:55 AM	Vice Chairman Hatton Note: Sacre, Candace	Witness is sworn.
10:55:10 AM	Vice Chairman Hatton - witness Porter Note: Sacre, Candace	Examination. Name and address?
10:55:29 AM	Atty Wimberly Kentucky-American - witness Porter Note: Sacre, Candace	Direct Examination. Job title?
10:55:34 AM	Atty Wimberly Kentucky-American - witness Porter Note: Sacre, Candace	Prepared and filed testimony?
10:55:43 AM	Atty Wimberly Kentucky-American - witness Porter Note: Sacre, Candace	Sponsor of certain responses?
10:55:49 AM	Atty Wimberly Kentucky-American - witness Porter Note: Sacre, Candace	Corrections?
10:55:58 AM	Vice Chairman Hatton Note: Sacre, Candace	Questions?
10:56:04 AM	Asst Atty General Goad - witness Porter Note: Sacre, Candace	Cross Examination. Company requesting increase allowed water loss rate from 15 to 20 percent?
10:56:13 AM	Asst Atty General Goad - witness Porter Note: Sacre, Candace	If Commission approves, increase revenue requirement?
10:56:42 AM	Asst Atty General Goad - witness Porter Note: Sacre, Candace	270 special connections contributor to water loss?
10:56:49 AM	Asst Atty General Goad - witness Porter Note: Sacre, Candace	Options to reduce, master metering?
10:57:01 AM	Asst Atty General Goad - witness Porter Note: Sacre, Candace	When become aware 270 special connections contributor to water loss?
10:58:26 AM	Asst Atty General Goad - witness Porter Note: Sacre, Candace	Suspect contributor?
10:58:36 AM	Asst Atty General Goad - witness Porter Note: Sacre, Candace	Rebuttal, page 2, significant contributor?
10:59:13 AM	Asst Atty General Goad - witness Porter Note: Sacre, Candace	Not implemented formal plan address water loss 270 special connections?
11:00:34 AM	Asst Atty General Goad - witness Porter Note: Sacre, Candace	Saying KA has implemented formal plans address special connection water losses?
11:00:57 AM	Asst Atty General Goad - witness Porter Note: Sacre, Candace	When Lewis stated, reading (click on link for further comments), false statement?
11:01:28 AM	Staff Atty Hall PSC - witness Porter Note: Sacre, Candace	Recross Examination. Have plans for all special meters or specific ones?
11:03:26 AM	Staff Atty Hall PSC - witness Porter Note: Sacre, Candace	Be way put meter and charge owners of meter for water loss?
11:04:34 AM	Staff Atty Hall PSC - witness Porter Note: Sacre, Candace	Person owns special connections not necessarily metered for water?
11:05:10 AM	Staff Atty Hall PSC - witness Porter Note: Sacre, Candace	Testimony supports KA capital budget plan?
11:05:18 AM	Staff Atty Hall PSC - witness Porter Note: Sacre, Candace	In-house labor or contractors?

11:06:01 AM	Staff Atty Hall PSC - witness Porter Note: Sacre, Candace	Describe how capitalization ratios determined?
11:06:25 AM	Staff Atty Hall PSC - witness Porter Note: Sacre, Candace	For capital projects in test year, post-hearing provide schedule whether completed with in-house or contract labor?
11:06:26 AM	POST-HEARING DATA REQUEST Note: Sacre, Candace Note: Sacre, Candace	STAFF ATTY HALL PSC - WITNESS PORTER PROVIDE LISTING OF PROJECTS IN TEST YEAR AND WHETHER COMPLETED WITH IN-HOUSE LABOR OR CONTRACT LABOR
11:06:46 AM	Staff Atty Hall PSC - witness Porter Note: Sacre, Candace	Post hearing, if project uses both, provide relative portion of each of in-house labor and contract labor?
11:06:47 AM	POST-HEARING DATA REQUEST Note: Sacre, Candace Note: Sacre, Candace	STAFF ATTY HALL PSC - WITNESS PORTER FOR PROJECTS USING BOTH IN-HOUSE LABOR AND CONTRACT LABOR, PROVIDE RELATIVE PORTION OF EACH PER PROJECT
11:06:49 AM	Staff Atty Hall PSC - witness Porter Note: Sacre, Candace	Post-hearing provide schedule indicates ratio of in-house to contract labor used to complete KA capital projects for last ten years?
11:06:50 AM	POST-HEARING DATA REQUEST Note: Sacre, Candace Note: Sacre, Candace	STAFF ATTY HALL PSC - WITNESS PORTER PROVIDE RATIO OF IN-HOUSE LABOR TO CONTRACT LABOR USED TO COMPLETE EACH CAPITAL PROJECT FOR LAST TEN YEARS
11:08:41 AM	Staff Atty Hall PSC - witness Porter Note: Sacre, Candace	Explain how track those?
11:08:58 AM	Vice Chairman Hatton Note: Sacre, Candace	Commissioner?
11:09:31 AM	Vice Chairman Hatton - witness Porter Note: Sacre, Candace	Examination. Kentucky-American requesting expand QIP to replace 27-34 miles of pipe each year?
11:09:52 AM	Vice Chairman Hatton - witness Porter Note: Sacre, Candace	Currently, 10 to 13 miles cast iron main, what reason for fairly drastic increase?
11:12:50 AM	Vice Chairman Hatton - witness Porter Note: Sacre, Candace	Replacing not just cast iron but galvanized and plastic?
11:13:00 AM	Vice Chairman Hatton - witness Porter Note: Sacre, Candace	Something realized since last rates were set?
11:14:46 AM	Vice Chairman Hatton - witness Porter Note: Sacre, Candace	Allowed to replace cast iron, permitted routinely replace lead pipes?
11:15:19 AM	Vice Chairman Hatton - witness Porter Note: Sacre, Candace	Request change percentage water loss to 20 percent, special connections responsible, able formulate plan go after water loss rather than increase percentage?
11:19:15 AM	Vice Chairman Hatton - witness Porter Note: Sacre, Candace	KAW one of larger in state, hold to 15 percent, why be harder for KAW?
11:20:26 AM	Vice Chairman Hatton Note: Sacre, Candace	Redirect?
11:20:55 AM	Atty Ingram Kentucky-American Note: Sacre, Candace	Next witness Krista Citron.
11:21:07 AM	Vice Chairman Hatton Note: Sacre, Candace	Witness is sworn.
11:21:15 AM	Vice Chairman Hatton - witness Citron Note: Sacre, Candace	Examination. Name and address?

11:21:31 AM Atty Ingram Kentucky-American - witness Citron
Note: Sacre, Candace Direct Examination. Job title?

11:21:39 AM Atty Ingram Kentucky-American - witness Citron
Note: Sacre, Candace Cause testimony filed?

11:21:48 AM Atty Ingram Kentucky-American - witness Citron
Note: Sacre, Candace Identified witness on data responses?

11:21:55 AM Atty Ingram Kentucky-American - witness Citron
Note: Sacre, Candace Corrections?

11:22:06 AM Vice Chairman Hatton
Note: Sacre, Candace Counsel?

11:22:09 AM Atty Osterloh LFUCG - witness Citron
Note: Sacre, Candace Cross Examination, QIP program approved in 2018 rate case?

11:22:17 AM Atty Osterloh LFUCG - witness Citron
Note: Sacre, Candace When KA start implementing QIP?

11:22:44 AM Atty Osterloh LFUCG - witness Citron
Note: Sacre, Candace Reason sought QIP help with water loss?

11:23:17 AM Atty Osterloh LFUCG - witness Citron
Note: Sacre, Candace Table shows nonrevenue water since 2012?

11:23:35 AM Atty Osterloh LFUCG - witness Citron
Note: Sacre, Candace Look at 2019, lower 20 percent?

11:23:43 AM Atty Osterloh LFUCG - witness Citron
Note: Sacre, Candace Years before, in 2017, most in 16-17 percent range?

11:23:51 AM Atty Osterloh LFUCG - witness Citron
Note: Sacre, Candace Post July 2020, exceed 20 percent?

11:24:04 AM Atty Osterloh LFUCG - witness Citron
Note: Sacre, Candace Not seen significant improvement nonrevenue water?

11:25:00 AM Atty Osterloh LFUCG - witness Citron
Note: Sacre, Candace Sponsored testimony/responses supporting increase miles of main up from 10-13 miles to 27-34 miles?

11:25:18 AM Atty Osterloh LFUCG - witness Citron
Note: Sacre, Candace How long with company?

11:25:27 AM Atty Osterloh LFUCG - witness Citron
Note: Sacre, Candace Case No. 2021-00090, Commission Order addressed main replacement schedule of 10-13 miles, went on to say, reading (click on link for further comments)?

11:26:03 AM Vice Chairman Hatton
Note: Sacre, Candace Ms. Goad?

11:26:08 AM Asst Atty General Goad - witness Citron
Note: Sacre, Candace Cross Examination. Expansion of QIP, propose begin in 2025?

11:26:27 AM Asst Atty General Goad - witness Citron
Note: Sacre, Candace Cost for expansion of QIP approximately \$177 million?

11:26:50 AM Asst Atty General Goad - witness Citron
Note: Sacre, Candace Annual QIP rate average residential customer increase to 14.95 percent by 2028?

11:27:08 AM Asst Atty General Goad - witness Citron
Note: Sacre, Candace Response actually cosponsored, KAW Response to AG Second, Item 20, Attachment 1?

11:27:25 AM Asst Atty General Goad - witness Citron
Note: Sacre, Candace Did cosponsor response?

11:27:42 AM Asst Atty General Goad - witness Citron
Note: Sacre, Candace Have that attachment?

11:27:45 AM Asst Atty General Goad - witness Citron
Note: Sacre, Candace See highlighted portion says annual QIP rate for average residential customer?

11:27:52 AM Asst Atty General Goad - witness Citron
Note: Sacre, Candace See in 2028 it says 14.95 percent?

11:27:56 AM Asst Atty General Goad - witness Citron
Note: Sacre, Candace Confirm is what response says?

11:28:02 AM Asst Atty General Goad - witness Citron
Note: Sacre, Candace KAW concerned how customers able afford pending rate increase but also increased QIP charge?

11:28:37 AM Asst Atty General Goad - witness Citron
Note: Sacre, Candace Rebuttal, page 3, lines 10-13, please read sentence into record?

11:29:20 AM Asst Atty General Goad - witness Citron
Note: Sacre, Candace Consider \$177 million through QIP small rate increase?

11:29:58 AM Asst Atty General Goad - witness Citron
Note: Sacre, Candace Consider \$177 million through QIP small or gradual?

11:30:17 AM Asst Atty General Goad - witness Citron
Note: Sacre, Candace Consider company proposal QIP rate increase on average to 14.95 percent by 2028 as small or gradual increase?

11:30:39 AM Vice Chairman Hatton
Note: Sacre, Candace Questions?

11:30:56 AM Commissioner Regan - witness Citron
Note: Sacre, Candace Examination. Consider \$177 million a large increase?

11:31:43 AM Commissioner Regan - witness Citron
Note: Sacre, Candace Increase small or large?

11:32:00 AM Vice Chairman Hatton - witness Citron
Note: Sacre, Candace Examination. Does seem KAW be equipped to handle, why think deviation warranted?

11:32:35 AM Vice Chairman Hatton - witness Citron
Note: Sacre, Candace Understand quantity but not percentage, why less able handle on percentage basis unaccounted for water loss?

11:33:58 AM Vice Chairman Hatton
Note: Sacre, Candace Counsel, redirect?

11:34:11 AM Atty Ingram Kentucky-American - witness Citron
Note: Sacre, Candace Redirect Examination. KAW filed rate case in 2007 2008 2010 2012 2015 and 2018 and 2023 current rate case?

11:34:33 AM Atty Ingram Kentucky-American - witness Citron
Note: Sacre, Candace Interval between rate case filings much shorter than between 2018 ????

11:34:54 AM Atty Ingram Kentucky-American - witness Citron
Note: Sacre, Candace Able stay out of rate case, approval of QIP program?

11:35:08 AM Atty Ingram Kentucky-American - witness Citron
Note: Sacre, Candace Dollar amount of pipe replacements next few years, remember?

11:35:30 AM Atty Ingram Kentucky-American - witness Citron
Note: Sacre, Candace If were to replace same amount of pipe without QIP, is belief would be at Commission more frequent rate cases than if QIP intact or expanded?

11:35:47 AM Atty Ingram Kentucky-American - witness Citron
Note: Sacre, Candace Is there question necessary replace pipe that goes along with expense?

11:36:18 AM Atty Ingram Kentucky-American - witness Citron
Note: Sacre, Candace Only remaining question, how recover cost?

11:36:42 AM Vice Chairman Hatton
Note: Sacre, Candace Mr. Ingram?

11:36:46 AM Atty Ingram Kentucky-American
Note: Sacre, Candace Andy Lewis.

11:37:06 AM Vice Chairman Hatton
Note: Sacre, Candace Witness is sworn.

11:37:14 AM Vice Chairman Hatton - witness Lewis
Note: Sacre, Candace Examination. Name and address?

11:37:27 AM Atty Braun Kentucky-American - witness Lewis
Note: Sacre, Candace Direct Examination. Job title?

11:37:35 AM Atty Braun Kentucky-American - witness Lewis
Note: Sacre, Candace Cause be filed testimony?

11:37:43 AM Atty Braun Kentucky-American - witness Lewis
Note: Sacre, Candace Also witness to responses?

11:37:48 AM Atty Braun Kentucky-American - witness Lewis
Note: Sacre, Candace Corrections?

11:37:59 AM Vice Chairman Hatton
Note: Sacre, Candace Counsel?

11:38:02 AM Atty Osterloh LFUCG - witness Lewis
Note: Sacre, Candace Cross Examination. How long with KA?

11:38:19 AM Atty Osterloh LFUCG - witness Lewis
Note: Sacre, Candace Prior work experience involved in military?

11:38:38 AM Atty Osterloh LFUCG - witness Lewis
Note: Sacre, Candace What other geographical locations worked in?

11:39:10 AM Atty Osterloh LFUCG - witness Lewis
Note: Sacre, Candace Familiar with difference in operational challenges Central Kentucky compared to Eastern Kentucky?

11:39:35 AM Atty Osterloh LFUCG - witness Lewis
Note: Sacre, Candace Mentioned pressure changes, in Eastern Kentucky mountainous terrain maintain higher pressure?

11:39:48 AM Vice Chairman Hatton
Note: Sacre, Candace Ms. Goad?

11:39:50 AM Asst Atty General Goad - witness Lewis
Note: Sacre, Candace Cross Examination. In room asked Porter KAW implemented formal plan 270 special connections?

11:40:08 AM Asst Atty General Goad - witness Lewis
Note: Sacre, Candace Reconcile Porter response with your response AG Second which stated that company not implemented formal plan?

11:42:59 AM Asst Atty General Goad - witness Lewis
Note: Sacre, Candace Stand by response to AG Second, Item 21, when stated KA has not implemented formal plan address special connection water loss?

11:43:44 AM Staff Atty Hall PSC - witness Lewis
Note: Sacre, Candace Cross Examination. Direct, page 21, state O&M increased annually, proposes forecast O&M applying inflation factors, why?

11:44:55 AM Staff Atty Hall PSC - witness Lewis
Note: Sacre, Candace Rebuttal, pages 10 to 11, vacant positions past ten years post-hearing?

11:44:56 AM POST-HEARING DATA REQUEST
Note: Sacre, Candace STAFF ATTY HALL PSC - WITNESS LEWIS
Note: Sacre, Candace PROVIDE NUMBER OF VACANT POSITIONS AS OF JANUARY 31 FOR PAST TEN YEARS

11:45:17 AM Staff Atty Hall PSC - witness Lewis
Note: Sacre, Candace Also post-hearing provide update on status of six vacant positions and other positions become vacant since November 8th?

11:45:18 AM POST-HEARING DATA REQUEST
Note: Sacre, Candace STAFF ATTY HALL PSC - WITNESS LEWIS
Note: Sacre, Candace PROVIDE STATUS OF SIX VACANT POSITIONS AND ALL OTHER POSITIONS BECOME VACANT SINCE NOVEMBER 8

11:45:30 AM	Staff Atty Hall PSC - witness Lewis Note: Sacre, Candace	Status of RFP currently?
11:46:17 AM	Staff Atty Hall PSC - witness Lewis Note: Sacre, Candace	Believe already made request but request copy of RFP in post-hearing data request?
11:46:54 AM	Vice Chairman Hatton Note: Sacre, Candace	Next witness?
11:47:12 AM	Atty Braun Kentucky-American Note: Sacre, Candace	Charles Rea.
11:47:38 AM	Vice Chairman Hatton Note: Sacre, Candace	Witness is sworn.
11:47:51 AM	Atty Braun Kentucky-American - witness Rea Note: Sacre, Candace	Direct Examination. State business title?
11:48:07 AM	Atty Braun Kentucky-American - witness Rea Note: Sacre, Candace	File testimony?
11:48:14 AM	Atty Braun Kentucky-American - witness Rea Note: Sacre, Candace	Also witness certain data responses?
11:48:19 AM	Atty Braun Kentucky-American - witness Rea Note: Sacre, Candace	Also adopt testimony/responses of Selinger cost of service?
11:48:28 AM	Atty Braun Kentucky-American - witness Rea Note: Sacre, Candace	Corrections?
11:48:39 AM	Vice Chairman Hatton Note: Sacre, Candace	Mr. Osterloh?
11:48:42 AM	Atty Osterloh LFUCG - witness Rea Note: Sacre, Candace	Cross Examination. KA is proposing \$20 monthly meter charge for 5/8-inch meter?
11:48:51 AM	Atty Osterloh LFUCG - witness Rea Note: Sacre, Candace	Vast majority residential customers served by 5/8-inch meter?
11:48:57 AM	Atty Osterloh LFUCG - witness Rea Note: Sacre, Candace	COS not justify \$20 monthly meter charge?
11:49:17 AM	Atty Osterloh LFUCG - witness Rea Note: Sacre, Candace	That \$18 could be adjusted if underlying information adjusted?
11:49:31 AM	Atty Osterloh LFUCG - witness Rea Note: Sacre, Candace	That \$18 based on meter expenses divided by number of customers on that meter?
11:49:42 AM	Atty Osterloh LFUCG - witness Rea Note: Sacre, Candace	If revenue requirement come down, flat rate come down?
11:49:58 AM	Atty Osterloh LFUCG - witness Rea Note: Sacre, Candace	KAW has minimum monthly charge for meter sizes?
11:50:13 AM	Atty Osterloh LFUCG - witness Rea Note: Sacre, Candace	Proposed rate for each one higher than what cost of service would show?
11:50:32 AM	Asst Atty General Goad - witness Rea Note: Sacre, Candace	Cross Examination. Company proposing Universal Affordability Tariff?
11:50:37 AM	Asst Atty General Goad - witness Rea Note: Sacre, Candace	Turn to testimony, page 20, read lines 14-18 into record?
11:51:35 AM	Asst Atty General Goad - witness Rea Note: Sacre, Candace	Discount on merit and volumetric charge, any losses paid by rest of customers?
11:52:45 AM	Asst Atty General Goad - witness Rea Note: Sacre, Candace	Would KAW ask for in next rate case?
11:53:01 AM	Asst Atty General Goad - witness Rea Note: Sacre, Candace	Shareholders plan on contributing to loss of revenue?

11:53:22 AM	Asst Atty General Goad - witness Rea Note: Sacre, Candace	Page 21 testimony, Table 7, if one person household makes \$14,580 or less qualify for assistance?
11:54:01 AM	Asst Atty General Goad - witness Rea Note: Sacre, Candace	If make \$14,581 not qualify?
11:54:09 AM	Asst Atty General Goad - witness Rea Note: Sacre, Candace	Believe reasonable outcome?
11:54:58 AM	Asst Atty General Goad - witness Rea Note: Sacre, Candace	Say unavoidable, think not unreasonable?
11:55:17 AM	Staff Atty Hall PSC - witness Rea Note: Sacre, Candace	Cross Examination. KA not making any contribution of UAT?
11:55:36 AM	Staff Atty Hall PSC - witness Rea Note: Sacre, Candace	Have charts for water consumption?
11:55:47 AM	Staff Atty Hall PSC - witness Rea Note: Sacre, Candace	Based on KA customers or other states or mix?
11:56:16 AM	Staff Atty Hall PSC - witness Rea Note: Sacre, Candace	Sample population from affiliates?
11:56:34 AM	Staff Atty Hall PSC - witness Rea Note: Sacre, Candace	But just from that county?
11:56:47 AM	Staff Atty Hall PSC - witness Rea Note: Sacre, Candace	Chart, page 29, median household community, not individual incomes?
11:57:48 AM	Staff Atty Hall PSC - witness Rea Note: Sacre, Candace	Other factors that could have played role in that?
11:58:12 AM	Commissioner Regan - witness Rea Note: Sacre, Candace	Examination. Only looked at income, not topography?
11:58:35 AM	Commissioner Regan - witness Rea Note: Sacre, Candace	Looked at income and similarly situated customers?
11:59:15 AM	Vice Chairman Hatton - witness Rea Note: Sacre, Candace	Examination. Familiar with Commission 2004 Order denied proposed low income discount program, know what might be different?
12:00:19 PM	Vice Chairman Hatton - witness Rea Note: Sacre, Candace	What different about previous proposals to current?
12:01:06 PM	Vice Chairman Hatton - witness Rea Note: Sacre, Candace	Expecting ten percent participation?
12:01:12 PM	Vice Chairman Hatton - witness Rea Note: Sacre, Candace	At cost of \$116,000?
12:01:22 PM	Vice Chairman Hatton - witness Rea Note: Sacre, Candace	Have \$163,000 left over from H2O program, applied to pay for this?
12:01:50 PM	Vice Chairman Hatton - witness Rea Note: Sacre, Candace	What is H2O program, describe it?
12:02:26 PM	Vice Chairman Hatton - witness Rea Note: Sacre, Candace	Currently \$163,000 balance grant program?
12:02:33 PM	Commissioner Regan - witness Rea Note: Sacre, Candace	Examination. Individuals given one grant yearly?
12:02:54 PM	Vice Chairman Hatton Note: Sacre, Candace	Redirect?
12:02:56 PM	Atty Braun Kentucky-American - witness Rea Note: Sacre, Candace	Redirect Examination. Page 19, direct, line 10, reading (click on link for further comments), first bullet point, line 15, you indicate, reading (click on link for further comments), describe evidence provided goes to concern 2004 Order?

12:03:11 PM	Atty Braun Kentucky-American - witness Rea Note: Sacre, Candace	What reasons give at that time for rejecting low income discount program, reading (click on link for further comments), describe empirical evidence that goes to this concern?
12:05:58 PM	Vice Chairman Hatton Note: Sacre, Candace	Break for lunch, back at 1:05.
12:06:04 PM	Session Paused	
1:09:14 PM	Session Resumed	
1:09:24 PM	Vice Chairman Hatton Note: Sacre, Candace	Back on the record in Case No. 2023-00191.
1:09:35 PM	Vice Chairman Hatton Note: Sacre, Candace	Next witness?
1:09:38 PM	Atty Wimberly Kentucky-American Note: Sacre, Candace	Nick Furia.
1:10:01 PM	Vice Chairman Hatton Note: Sacre, Candace	Witness is sworn.
1:10:11 PM	Vice Chairman Hatton - witness Furia Note: Sacre, Candace	Examination. Name and address?
1:10:40 PM	Atty Wimberly Kentucky-American - witness Furia Note: Sacre, Candace	Direct Examination. Job title?
1:10:47 PM	Atty Wimberly Kentucky-American - witness Furia Note: Sacre, Candace	Cause be prepared and filed testimony?
1:10:52 PM	Atty Wimberly Kentucky-American - witness Furia Note: Sacre, Candace	Adopt certain portions testimony of Selinger?
1:10:55 PM	Atty Wimberly Kentucky-American - witness Furia Note: Sacre, Candace	Sponsor of responses KA provided?
1:11:01 PM	Atty Wimberly Kentucky-American - witness Furia Note: Sacre, Candace	Corrections?
1:11:09 PM	Vice Chairman Hatton Note: Sacre, Candace	Questions?
1:11:16 PM	Staff Atty Hall PSC - witness Furia Note: Sacre, Candace	Cross Examination. Response, Staff Second, Item 41, see KA \$120 million equity infusion since last rate case?
1:12:06 PM	Staff Atty Hall PSC - witness Furia Note: Sacre, Candace	Explain if KA goes to private placement market to issue equity or offer in public offerings?
1:12:28 PM	Staff Atty Hall PSC - witness Furia Note: Sacre, Candace	Direct, page 5, stated company requested capital structure reflects two infusions totaling \$20.5 million forecasted test year ending Jan 31 2025, see where talking about?
1:13:00 PM	Staff Atty Hall PSC - witness Furia Note: Sacre, Candace	Exhibit 37-J, page 4 of 10, see that as of Sept 2023 total common equity \$287 million?
1:15:26 PM	Staff Atty Hall PSC - witness Furia Note: Sacre, Candace	On page 3 of 10 of that schedule, see that as of Jan 31 2025 total common equity \$323 million?
1:15:41 PM	Staff Atty Hall PSC - witness Furia Note: Sacre, Candace	Difference \$36 million, explain why common equity difference?
1:16:58 PM	Staff Atty Hall PSC - witness Furia Note: Sacre, Candace	Refer Response, Staff Third, Item 18, explain prerequisite of employees to participate in stock purchase program?
1:17:35 PM	Staff Atty Hall PSC - witness Furia Note: Sacre, Candace	Know who would be?

1:17:58 PM Vice Chairman Hatton - witness Furia
Note: Sacre, Candace Examination. Atty General Office request adjusting common equity?

1:18:13 PM Vice Chairman Hatton - witness Furia
Note: Sacre, Candace Address that, why not want to do that?

1:19:45 PM Vice Chairman Hatton
Note: Sacre, Candace Procedural discussion. (Click on link for further comments.)

1:20:11 PM Vice Chairman Hatton
Note: Sacre, Candace Call your next witness.

1:20:14 PM Atty Wimberly Kentucky-American
Note: Sacre, Candace Thomas O'Drain.

1:20:34 PM Vice Chairman Hatton
Note: Sacre, Candace Witness is sworn.

1:20:41 PM Vice Chairman Hatton - witness O'Drain
Note: Sacre, Candace Examination. Name and address?

1:20:57 PM Atty Wimberly Kentucky-American - witness O'Drain
Note: Sacre, Candace Direct Examination. Job title?

1:21:02 PM Atty Wimberly Kentucky-American - witness O'Drain
Note: Sacre, Candace Cause prepared and filed testimony?

1:21:11 PM Atty Wimberly Kentucky-American - witness O'Drain
Note: Sacre, Candace Also sponsor data requests answered by company?

1:21:18 PM Atty Wimberly Kentucky-American - witness O'Drain
Note: Sacre, Candace Adopt prefiled testimony or corrections?

1:21:28 PM Vice Chairman Hatton
Note: Sacre, Candace Questions?

1:22:22 PM Vice Chairman Hatton
Note: Sacre, Candace Next witness?

1:22:26 PM Atty Wimberly Kentucky-American
Note: Sacre, Candace John Watkins.

1:22:45 PM Vice Chairman Hatton
Note: Sacre, Candace Witness is sworn.

1:22:53 PM Vice Chairman Hatton - witness Watkins
Note: Sacre, Candace Examination. Name and address?

1:23:05 PM Atty Wimberly Kentucky-American - witness Watkins
Note: Sacre, Candace Direct Examination. Job title?

1:23:13 PM Atty Wimberly Kentucky-American - witness Watkins
Note: Sacre, Candace Cause be prepared and filed testimony?

1:23:19 PM Atty Wimberly Kentucky-American - witness Watkins
Note: Sacre, Candace Also adopt certain portions of testimony of Selinger?

1:23:26 PM Atty Wimberly Kentucky-American - witness Watkins
Note: Sacre, Candace Sponsor of certain data responses and adopted some of Selinger?

1:23:33 PM Atty Wimberly Kentucky-American - witness Watkins
Note: Sacre, Candace Corrections?

1:23:41 PM Vice Chairman Hatton
Note: Sacre, Candace Questions?

1:23:50 PM Asst Atty General Goad - witness Watkins
Note: Sacre, Candace Cross Examination. Understanding witness Meyer recommends remove expenses associated with current vacancies?

1:24:08 PM Asst Atty General Goad - witness Watkins
Note: Sacre, Candace In responses, stated seven positions vacant?

1:24:18 PM Asst Atty General Goad - witness Watkins
Note: Sacre, Candace Correct two of seven position designated position under review?

1:24:33 PM Asst Atty General Goad - witness Watkins
Note: Sacre, Candace Sponsored Response, AG Second, Item 10, attachment, page 2 of 2, original 10?

1:25:16 PM Asst Atty General Goad - witness Watkins
Note: Sacre, Candace Under estimated hiring time line, see last two positions, read what says there?

1:25:55 PM Asst Atty General Goad - witness Watkins
Note: Sacre, Candace GIS Analyst only one filled?

1:26:04 PM Asst Atty General Goad - witness Watkins
Note: Sacre, Candace Started today?

1:26:08 PM Asst Atty General Goad - witness Watkins
Note: Sacre, Candace GIS Analyst, when supposed to start?

1:26:17 PM Asst Atty General Goad - witness Watkins
Note: Sacre, Candace Post-hearing request each of seven positions, filled, offers made, accepted, update since September filing additional vacancies?

1:26:18 PM POST-HEARING DATA REQUEST
Note: Sacre, Candace ASST ATTY GENERAL GOAD - WITNESS WATKINS
Note: Sacre, Candace REQUEST FOR EACH OF SEVEN POSITIONS, FILLED, OFFERS MADE, OFFERS ACCEPTED, ADDITIONAL VACANCIES SINCE SEPTEMBER

1:27:17 PM Asst Atty General Goad - witness Watkins
Note: Sacre, Candace Referring to seven in response?

1:27:38 PM Asst Atty General Goad - witness Watkins
Note: Sacre, Candace In rebuttal, page 2, discovered issue with Exhibit 37-G, correct?

1:27:56 PM Asst Atty General Goad - witness Watkins
Note: Sacre, Candace Explain what issue was discovered?

1:28:50 PM Asst Atty General Goad - witness Watkins
Note: Sacre, Candace Revised exhibit not correct?

1:29:07 PM Asst Atty General Goad - witness Watkins
Note: Sacre, Candace In Exhibit 37, provided labor information from 2018 through test period?

1:29:21 PM Asst Atty General Goad - witness Watkins
Note: Sacre, Candace Ever operated with zero vacancies since 2018?

1:29:58 PM Asst Atty General Goad - witness Watkins
Note: Sacre, Candace AG Office will issue post-hearing data request asking that questions?

1:29:59 PM POST-HEARING DATA REQUEST
Note: Sacre, Candace ASST ATTY GENERAL GOAD - WITNESS WATKINS
Note: Sacre, Candace SINCE 2018, KENTUCKY-AMERICAN EVER OPERATE WITH ZERO VACANCIES

1:30:09 PM Vice Chairman Hatton
Note: Sacre, Candace Staff?

1:30:11 PM Staff Atty Hall PSC - witness Watkins
Note: Sacre, Candace Cross Examination. Lewis testimony regarding O&M expenses, increased annually, explain why historical inflation factor appropriate?

1:31:32 PM Staff Atty Hall PSC - witness Watkins
Note: Sacre, Candace CWIP, refer to Response, Staff Third, Item 2, confirm KA included construction work in progress since Case No. 1995-00554?

1:33:43 PM Staff Atty Hall PSC - witness Watkins
Note: Sacre, Candace Explain how KA removes AFUDC related to plan included in CWIP from rate base in subsequent rate cases?

1:35:20 PM Staff Atty Hall PSC - witness Watkins
Note: Sacre, Candace Assuming Commission makes adjustment to wages and salaries, provide factors need be applied to adjustment to account for payroll taxes, pensions, 401(k) matching, group insurance, and any other expense that varies?

1:35:56 PM Staff Atty Hall PSC - witness Watkins
Note: Sacre, Candace Will ask as a post-hearing data request?

1:35:57 PM	POST-HEARING DATA REQUEST Note: Sacre, Candace Note: Sacre, Candace	STAFF ATTY HALL PSC - WITNESS WATKINS PROVIDE FACTORS NEED BE APPLIED TO ADJUSTMENT TO ACCOUNT FOR PAYROLL TAXES, PENSIONS, 401(K) MATCHING, GROUP INSURANCE, AND ANY OTHER EXPENSE THAT VARIES WITH WAGES AND SALARIES
1:36:06 PM	Staff Atty Hall PSC - witness Watkins Note: Sacre, Candace	Rebuttal, page 3, same format as JMW-2, post-hearing provide capitalization ratios for past ten years?
1:36:07 PM	POST-HEARING DATA REQUEST Note: Sacre, Candace Note: Sacre, Candace	STAFF ATTORNEY HALL PSC - WITNESS WATKINS PROVIDE CAPITALIZATION RATIOS FOR PAST TEN YEARS
1:36:39 PM	Staff Atty Hall PSC - witness Watkins Note: Sacre, Candace	Confirm wages and salaries shown only for Kentucky American employees and no allocated amounts?
1:36:55 PM	Staff Atty Hall PSC - witness Watkins Note: Sacre, Candace	Explain what projects allocated labor costs?
1:37:34 PM	Staff Atty Hall PSC - witness Watkins Note: Sacre, Candace	Projects that will have capitalized labor costs?
1:38:20 PM	Staff Atty Hall PSC - witness Watkins Note: Sacre, Candace	Explain kinds of positions in these three categories - union, nonunion hourly, and nonunion salaried?
1:38:50 PM	Staff Atty Hall PSC - witness Watkins Note: Sacre, Candace	Explain why nonunion capitalization ratios are higher that for union employees?
1:39:41 PM	Commissioner Regan - witness Watkins Note: Sacre, Candace	Examination. Testimony on page 9, appropriate person go through voluntary benefits association and how works between union and nonunion members?
1:41:00 PM	Commissioner Regan - witness Watkins Note: Sacre, Candace	Need be grandfathered in to that?
1:41:21 PM	Vice Chairman Hatton - witness Watkins Note: Sacre, Candace	Examination. Test year salaries included \$617,983 for unfilled positions, soon to be filled positions, soon to be filled reduce \$617,983 in unfilled positions?
1:42:01 PM	Vice Chairman Hatton - witness Watkins Note: Sacre, Candace	Only two been filled?
1:42:16 PM	Vice Chairman Hatton - witness Watkins Note: Sacre, Candace	Four positions, two union and two mentioned?
1:42:23 PM	Vice Chairman Hatton - witness Watkins Note: Sacre, Candace	How much four combined positions reduce that \$617,000?
1:43:16 PM	Vice Chairman Hatton - witness Watkins Note: Sacre, Candace	If Commission decided unfilled not included in revenue requirement, already reduced?
1:44:05 PM	Vice Chairman Hatton - witness Watkins Note: Sacre, Candace	Questions about adjustment to payroll tax but not exact amount, know what talking about?
1:44:41 PM	Staff Atty Hall PSC - witness Watkins Note: Sacre, Candace	Cross Examination. Explain why KA not elected increase employees focus on unaccounted for water or meter reading?
1:45:01 PM	Vice Chairman Hatton Note: Sacre, Candace	Redirect?
1:45:10 PM	Vice Chairman Hatton - witness Watkins Note: Sacre, Candace	Redirect Examination. Present asked prerequisites for participation stock purchase program?

1:45:17 PM Vice Chairman Hatton - witness Watkins
Note: Sacre, Candace Best person to address that question?

1:45:25 PM Atty Wimberly Kentucky-American - witness Watkins
Note: Sacre, Candace What are prerequisites?

1:45:53 PM Staff Atty Hall PSC - witness Watkins
Note: Sacre, Candace Recross Examination. All employees eligible?

1:46:03 PM Staff Atty Hall PSC - witness Watkins
Note: Sacre, Candace Part of benefit package?

1:46:08 PM Staff Atty Hall PSC - witness Watkins
Note: Sacre, Candace Reason why program offered?

1:46:34 PM Staff Atty Hall PSC - witness Watkins
Note: Sacre, Candace Post-hearing provide amount in forecasted test year related to employee stock purchase program, amount reflected in capital structure?

1:46:35 PM POST-HEARING DATA REQUEST
Note: Sacre, Candace STAFF ATTY HALL PSC - WITNESS WATKINS
Note: Sacre, Candace PROVIDE EMPLOYEE STOCK PURCHASE PROGRAM AMOUNT AND IF REFLECTED IN CAPITAL STRUCTURE

1:46:57 PM Commissioner Regan - witness Watkins
Note: Sacre, Candace Examination. Enter into program day one?

1:48:10 PM Session Paused

2:26:04 PM Session Resumed

2:26:14 PM Chairman Chandler
Note: Sacre, Candace Back on the record.

2:26:18 PM Chairman Chandler
Note: Sacre, Candace Procedural discussion. (Click on link for further comments.)

2:33:13 PM Chairman Chandler
Note: Sacre, Candace Mr. Ingram, next witness?

2:33:17 PM Atty Ingram Kentucky-American
Note: Sacre, Candace Jeffrey Newcomb.

2:33:28 PM Chairman Chandler
Note: Sacre, Candace Witness is sworn.

2:33:36 PM Chairman Chandler - witness Newcomb
Note: Sacre, Candace Examination. Name and address?

2:33:51 PM Atty Ingram Kentucky-American - witness Newcomb
Note: Sacre, Candace Direct Examination. Job title and employer?

2:34:01 PM Atty Ingram Kentucky-American - witness Newcomb
Note: Sacre, Candace Cause be filed direct and rebuttal?

2:34:09 PM Atty Ingram Kentucky-American - witness Newcomb
Note: Sacre, Candace Responsible witness/co-witness on responses?

2:34:18 PM Atty Ingram Kentucky-American - witness Newcomb
Note: Sacre, Candace Corrections?

2:34:35 PM Chairman Chandler
Note: Sacre, Candace Questions?

2:34:37 PM Asst Atty General Goad - witness Newcomb
Note: Sacre, Candace Cross Examination. Meyer recommends discontinuation of CWIP?

2:34:59 PM Asst Atty General Goad - witness Newcomb
Note: Sacre, Candace Allowed continue, include depreciation offset?

2:35:12 PM Asst Atty General Goad - witness Newcomb
Note: Sacre, Candace Rebuttal, page 20, lines 14-20, read into the record?

2:36:09 PM Asst Atty General Goad - witness Newcomb
Note: Sacre, Candace Admit depreciation offset not same as Meyer recommends?

2:36:33 PM Asst Atty General Goad - witness Newcomb
Note: Sacre, Candace Aware differed Meyer versus offset just discussed?

2:36:52 PM Asst Atty General Goad - witness Newcomb
Note: Sacre, Candace Confirm updated revenue requirement \$25.6 million?

2:37:06 PM Staff Atty Hall PSC - witness Newcomb
Note: Sacre, Candace Cross Examination. Question deferred to you, describe how capitalization ratios determined any given year?

2:38:11 PM Staff Atty Hall PSC - witness Newcomb
Note: Sacre, Candace Some expenses directly assigned to a project?

2:38:25 PM Staff Atty Hall PSC - witness Newcomb
Note: Sacre, Candace Any expenses allocated using predetermined overhead percentage?

2:38:37 PM Staff Atty Hall PSC - witness Newcomb
Note: Sacre, Candace Be able follow up in post-hearing data request?

2:38:38 PM POST-HEARING DATA REQUEST
Note: Sacre, Candace STAFF ATTY HALL PSC - WITNESS NEWCOMB
Note: Sacre, Candace EXPENSES ALLOCATED USING PREDETERMINED OVERHEAD PERCENTAGE

2:38:41 PM Staff Atty Hall PSC - witness Newcomb
Note: Sacre, Candace Aware capitalization ratios for employee labor?

2:38:55 PM Staff Atty Hall PSC - witness Newcomb
Note: Sacre, Candace Know if KA uses same capitalization ratios for projects completed with in-house labor or contractors?

2:39:26 PM Staff Atty Hall PSC - witness Newcomb
Note: Sacre, Candace Post-hearing cost preparing case, could provide schedule of expenses incurred to date, specifics in request?

2:39:27 PM POST-HEARING DATA REQUEST
Note: Sacre, Candace STAFF ATTY HALL PSC - WITNESS NEWCOMB
Note: Sacre, Candace PROVIDE SCHEDULE OF EXPENSES INCURRED TO DATE FOR PROJECTS COMPLETED WITH IN-HOUSE OR CONTRACT LABOR

2:39:38 PM Chairman Chandler
Note: Sacre, Candace Questions?

2:39:51 PM Chairman Chandler - witness Newcomb
Note: Sacre, Candace Examination. Different accounting treatment for OPEB expense?

2:40:12 PM Chairman Chandler - witness Newcomb
Note: Sacre, Candace How long KA had a pension system?

2:40:49 PM Chairman Chandler - witness Newcomb
Note: Sacre, Candace How long incurred pension and OPEB expense without need for deferral accounting, ever given deferral accounting in past?

2:41:15 PM Chairman Chandler - witness Newcomb
Note: Sacre, Candace Something happened OPEB more volatile?

2:42:31 PM Chairman Chandler - witness Newcomb
Note: Sacre, Candace Anything specific different what company experienced over life of OPEB expense?

2:43:45 PM Chairman Chandler - witness Newcomb
Note: Sacre, Candace Expect pension expense go up?

2:44:27 PM Chairman Chandler - witness Newcomb
Note: Sacre, Candace No expectation of direction of pension expense?

2:45:07 PM Chairman Chandler - witness Newcomb
Note: Sacre, Candace Not have expectation until know actual answer?

2:45:30 PM Chairman Chandler - witness Newcomb
Note: Sacre, Candace What expected happen with pension expense in 2018 rate case?

2:45:43 PM Chairman Chandler - witness Newcomb
Note: Sacre, Candace Order 2018 rate case issued in 2019?

2:45:49 PM Chairman Chandler - witness Newcomb
Note: Sacre, Candace 2018-00358, June 28 2019?

2:46:05 PM Chairman Chandler - witness Newcomb
Note: Sacre, Candace With exception in 2019, company had pension expense savings compared to authorized but no means pass savings to customers?

2:46:18 PM Chairman Chandler - witness Newcomb
Note: Sacre, Candace Been since 2014, statement referring to?

2:46:47 PM Chairman Chandler - witness Newcomb
Note: Sacre, Candace If expected cost go down, think be asking for deferral accounting for it?

2:47:26 PM Chairman Chandler - witness Newcomb
Note: Sacre, Candace Not propose it in past, not in 2015 rate case or 2018 rate case?

2:47:46 PM Chairman Chandler - witness Newcomb
Note: Sacre, Candace In charge of base period update?

2:47:57 PM Chairman Chandler - witness Newcomb
Note: Sacre, Candace Did you support base period update?

2:48:50 PM Chairman Chandler - witness Newcomb
Note: Sacre, Candace Have base period update with you, Exhibit 37, Schedule A, financial summary base and forecasted?

2:49:19 PM Chairman Chandler - witness Newcomb
Note: Sacre, Candace Provide variance report of revenue requirement for base period during filing and updated base period?

2:50:00 PM Chairman Chandler - witness Newcomb
Note: Sacre, Candace Copy of update now, page 4 of 307, Exhibit 37, Schedule A, witness?

2:50:27 PM Chairman Chandler - witness Newcomb
Note: Sacre, Candace Portion base period actual, portion of base period forecasted?

2:50:42 PM Chairman Chandler - witness Newcomb
Note: Sacre, Candace Pursuant to regulation, statute?

2:50:49 PM Chairman Chandler - witness Newcomb
Note: Sacre, Candace How many months actual, how many end up using as assumed or forecasted amount?

2:51:11 PM Chairman Chandler - witness Newcomb
Note: Sacre, Candace April through September here?

2:51:18 PM Chairman Chandler - witness Newcomb
Note: Sacre, Candace This walks through base period ending June 30, updated version, revenue requirement for base period now of \$123,835,441?

2:52:03 PM Chairman Chandler - witness Newcomb
Note: Sacre, Candace Different than amount included in application same exhibit?

2:52:23 PM Chairman Chandler - witness Newcomb
Note: Sacre, Candace Exhibit 37 application, revenue requirement of \$124,365,751?

2:53:25 PM Chairman Chandler - witness Newcomb
Note: Sacre, Candace Talk about this cover page of base period update, summary, did you support document?

2:53:54 PM Chairman Chandler - witness Newcomb
Note: Sacre, Candace Same as variance report or revision of revenue requirement pursuant to processing of case?

2:54:52 PM Chairman Chandler - witness Newcomb
Note: Sacre, Candace Go to cover document, explanation for each of revisions?

2:55:08 PM Chairman Chandler - witness Newcomb
Note: Sacre, Candace Got original filing?

2:55:17 PM Chairman Chandler - witness Newcomb
Note: Sacre, Candace First adjustment is reduction \$114,128?

2:55:25 PM Chairman Chandler - witness Newcomb
Note: Sacre, Candace Reduction of miscellaneous expense?

2:55:34 PM Chairman Chandler - witness Newcomb
Note: Sacre, Candace Incorporate position on issue as result of responses data requests by AG 1-6 and 2-13 and -14?

2:56:16 PM Chairman Chandler - witness Newcomb
Note: Sacre, Candace Other customer accounting, AG Second. No. 27, e-check payment fee, increase in revenues?

2:56:32 PM Chairman Chandler - witness Newcomb
Note: Sacre, Candace First one, reduction from revenue requirement?

2:56:39 PM Chairman Chandler - witness Newcomb
Note: Sacre, Candace Second one, increase to revenue requirement?

2:56:53 PM Chairman Chandler - witness Newcomb
Note: Sacre, Candace Those only two O&M changes?

2:57:05 PM Chairman Chandler - witness Newcomb
Note: Sacre, Candace General income taxes?

2:57:10 PM Chairman Chandler - witness Newcomb
Note: Sacre, Candace Three adjustments for those?

2:57:25 PM Chairman Chandler - witness Newcomb
Note: Sacre, Candace First two reductions are result of what?

2:57:49 PM Chairman Chandler - witness Newcomb
Note: Sacre, Candace Result of what change that occurred during base period?

2:58:38 PM Chairman Chandler - witness Newcomb
Note: Sacre, Candace Know whether provided Excel workbooks for base period update?

2:59:02 PM Chairman Chandler - witness Newcomb
Note: Sacre, Candace Not sure ever conducted discovery after rebuttal, ask as post-hearing data request workbooks relate to rebuttal and base period update?

2:59:03 PM POST-HEARING DATA REQUEST
Note: Sacre, Candace CHAIRMAN CHANDLER - WITNESS NEWCOMB
Note: Sacre, Candace PROVIDE EXCEL WORKBOOKS RELATED TO REBUTTAL TESTIMONY AND BASE PERIOD UPDATE

2:59:37 PM Chairman Chandler - witness Newcomb
Note: Sacre, Candace Regulatory fee, pursuant to discovery, lower rate of return, \$548,000 reduction to revenue requirement?

2:59:52 PM Chairman Chandler - witness Newcomb
Note: Sacre, Candace Says base period update and revenue requirement update?

3:00:07 PM Chairman Chandler - witness Newcomb
Note: Sacre, Candace What does that describe?

3:00:56 PM Chairman Chandler - witness Newcomb
Note: Sacre, Candace Insofar as test year expenses and revenues different than used in creating base period for application, to create test year, all differences reflected on cover letter?

3:01:32 PM Chairman Chandler - witness Newcomb
Note: Sacre, Candace Customer count same, employee labor expense what assumed, or have mercuriality threshold have to meet before apply to variance report?

3:02:21 PM Chairman Chandler - witness Newcomb
Note: Sacre, Candace Know first six months base period know what happened, already occurred?

3:02:28 PM Chairman Chandler - witness Newcomb
Note: Sacre, Candace Assume second, base period in which create test year?

3:02:43 PM Chairman Chandler - witness Newcomb
Note: Sacre, Candace Wages and salaries, this many people, how many want to have, wages and salary are what are, forecasted assume fill all vacancies at time, having vacancies no impact on proposed revenue requirement?

3:03:37 PM	Chairman Chandler - witness Newcomb Note: Sacre, Candace	Variance of that, go through schedules and look and see whether variance?
3:03:51 PM	Chairman Chandler - witness Newcomb Note: Sacre, Candace	Not form basis for adjustment test period and revenue requirement?
3:05:10 PM	Chairman Chandler - witness Newcomb Note: Sacre, Candace	How much base period update actually change, what actually drives in terms of information available to make decision?
3:05:46 PM	Chairman Chandler - witness Newcomb Note: Sacre, Candace	Other expense categories created in that way in which update to base period or material difference in update not flow through a change in revenue requirement?
3:08:04 PM	Chairman Chandler - witness Newcomb Note: Sacre, Candace	PSC assessment paying for it on electric bill, take any observed six months data in base period and forecast in forecasted six months base period update like a factor, do that with any major expense categories?
3:09:11 PM	Chairman Chandler - witness Newcomb Note: Sacre, Candace	In creation of base period, second six months May to September, any created based off taking costs incurred previously and assuming go up by some inflation measure?
3:10:13 PM	Chairman Chandler - witness Newcomb Note: Sacre, Candace	If have identified variance or we need to go through category by category, whether indicates previous assumptions were correct?
3:10:57 PM	Chairman Chandler - witness Newcomb Note: Sacre, Candace	Heard of Handy-Whitman Index?
3:11:15 PM	Chairman Chandler - witness Newcomb Note: Sacre, Candace	(Click on link for further comments), following up till now?
3:11:49 PM	Chairman Chandler - witness Newcomb Note: Sacre, Candace	Any of your calculations look like that methodology?
3:12:10 PM	Chairman Chandler - witness Newcomb Note: Sacre, Candace	How calculated revenue requirement in application?
3:12:46 PM	Chairman Chandler - witness Newcomb Note: Sacre, Candace	Did you do to expenses what just described?
3:13:29 PM	Chairman Chandler - witness Newcomb Note: Sacre, Candace	What trying to ask, have observed information what happened to costs second half of base period?
3:13:55 PM	Chairman Chandler - witness Newcomb Note: Sacre, Candace	The movement of those expenses compared to what expected variance have to be observed line by line Schedule 37 of original and updated base period?
3:14:38 PM	Chairman Chandler - witness Newcomb Note: Sacre, Candace	Does base period update lay beside each other and compare variants of expenses as expected or observed?
3:14:58 PM	Chairman Chandler - witness Newcomb Note: Sacre, Candace	Go through, update that, did not do that?
3:17:09 PM	Chairman Chandler - witness Newcomb Note: Sacre, Candace	Where drawing line and that distinction, used inflation measure then carried forward, no change in cost second half, incurred less, did not make that adjustment?
3:17:55 PM	Chairman Chandler - witness Newcomb Note: Sacre, Candace	If Commission wanted to know whether inflation measures used calculate revenue requirement observed in way budgeted second portion base period, have to go line for line and check, that information is available?

3:18:36 PM	Chairman Chandler - witness Newcomb Note: Sacre, Candace	Ask for Excel spreadsheet rebuttal testimony and base period update and take under consideration expand that to merge two Exhibit 37s?
3:18:37 PM	POST-HEARING DATA REQUEST Note: Sacre, Candace Note: Sacre, Candace	CHAIRMAN CHANDLER - WITNESS NEWCOMB EXPAND PREVIOUS REQUEST TO INCLUDE THE MERGER TWO EXHIBIT 37s AND COMPARISON
3:19:35 PM	Chairman Chandler - witness Newcomb Note: Sacre, Candace	Cover summary, have PDF of Excel?
3:19:47 PM	Chairman Chandler - witness Newcomb Note: Sacre, Candace	In calculation, feed in of income tax rates, hard coded or fed in from somewhere else in workbook?
3:20:07 PM	Chairman Chandler - witness Newcomb Note: Sacre, Candace	Other schedules in same workbook?
3:20:26 PM	Chairman Chandler - witness Newcomb Note: Sacre, Candace	Automatically populate or hard coded based on number somewhere else?
3:20:44 PM	Chairman Chandler Note: Sacre, Candace	Mr. Ingram?
3:21:21 PM	Chairman Chandler Note: Sacre, Candace	Procedural discussion. (Click on link for further comments.)
3:21:34 PM	Chairman Chandler Note: Sacre, Candace	Ms. Goad?
3:21:40 PM	Asst Atty General Goad Note: Sacre, Candace	Call Greg Meyer.
3:21:55 PM	Chairman Chandler Note: Sacre, Candace	Witness is sworn.
3:22:03 PM	Chairman Chandler - witness Meyer Note: Sacre, Candace	Examination. Name and address?
3:22:22 PM	Asst Atty General Goad - witness Meyer Note: Sacre, Candace	Direct Examination. Occupation?
3:22:26 PM	Asst Atty General Goad - witness Meyer Note: Sacre, Candace	Cause be filed testimony?
3:22:31 PM	Asst Atty General Goad - witness Meyer Note: Sacre, Candace	Corrections?
3:22:36 PM	Asst Atty General Goad - witness Meyer Note: Sacre, Candace	Walk through those?
3:24:25 PM	Asst Atty General Goad - witness Meyer Note: Sacre, Candace	Sponsor responses?
3:24:32 PM	Asst Atty General Goad - witness Meyer Note: Sacre, Candace	Asked same questions, answers be same?
3:24:37 PM	Asst Atty General Goad - witness Meyer Note: Sacre, Candace	Adopt as testimony?
3:24:47 PM	Chairman Chandler Note: Sacre, Candace	Mr. Ingram?
3:24:52 PM	Atty Ingram Kentucky-American - witness Meyer Note: Sacre, Candace	Cross Examination. Page 45, corrected sentence?
3:25:42 PM	Atty Ingram Kentucky-American - witness Meyer Note: Sacre, Candace	Does quantify those savings?
3:25:50 PM	Atty Ingram Kentucky-American - witness Meyer Note: Sacre, Candace	Page 5, GRM-1, table, started with line 1 company's revenue deficiency, \$26.1 million?
3:26:21 PM	Atty Ingram Kentucky-American - witness Meyer Note: Sacre, Candace	Revenue deficiency \$13.2 million?

3:26:37 PM Atty Ingram Kentucky-American - witness Meyer
Note: Sacre, Candace All being equal, result \$13.2 million increase for Kentucky-American?

3:27:12 PM Atty Ingram Kentucky-American - witness Meyer
Note: Sacre, Candace Which line item capitalization reflected?

3:27:32 PM Atty Ingram Kentucky-American - witness Meyer
Note: Sacre, Candace \$2.17 million, post-hearing provide makeup of that number broken down by vacancy amount and capitalization amount?

3:27:33 PM POST-HEARING DATA REQUEST
Note: Sacre, Candace ATTY INGRAM KENTUCKY-AMERICAN - WITNESS MEYER
Note: Sacre, Candace MAKEUP OF NUMBER BROKEN DOWN BY VACANCY AMOUNT AND CAPITALIZATION AMOUNT

3:28:24 PM Atty Ingram Kentucky-American - witness Meyer
Note: Sacre, Candace Rerun GRM-1 and set forth new revenue deficiency KAW has in future test year?

3:28:48 PM Atty Ingram Kentucky-American - witness Meyer
Note: Sacre, Candace Line 2, rate of return adjustment. \$6.7 million?

3:29:02 PM Atty Ingram Kentucky-American - witness Meyer
Note: Sacre, Candace Baudino ROE of 9.4 and also based on equity ratio of capital structure?

3:29:13 PM Atty Ingram Kentucky-American - witness Meyer
Note: Sacre, Candace Based on Baudino 9.4 ROE and suggested equity ratio for capital structure of 50 percent?

3:29:42 PM Atty Ingram Kentucky-American - witness Meyer
Note: Sacre, Candace Page 5, line 3, common equity ratio 50 percent?

3:29:49 PM Atty Ingram Kentucky-American - witness Meyer
Note: Sacre, Candace Lines 3 and 4, page 6, revenue requirement reduced by \$6.7 million?

3:30:00 PM Atty Ingram Kentucky-American - witness Meyer
Note: Sacre, Candace How much attributable to 9.04 and 50 percent, provide breakdown as post-hearing?

3:30:01 PM POST-HEARING DATA REQUEST
Note: Sacre, Candace ATTY INGRAM KENTUCKY-AMERICAN - WITNESS MEYER
Note: Sacre, Candace BREAKDOWN OF REVENUE REQUIREMENT HOW MUCH ATTRIBUTABLE TO 9.04 PERCENT AND 50 PERCENT

3:30:30 PM Atty Ingram Kentucky-American - witness Meyer
Note: Sacre, Candace Stated revenue deficiency Table GRM-1 \$13.2 million?

3:30:41 PM Atty Ingram Kentucky-American - witness Meyer
Note: Sacre, Candace If Commission reject Baudino 9.4 ROE and reject equity ratio 50 percent and go with company equity ratio, mean your deficiency of \$6.7 million on top of \$13.2 million?

3:31:11 PM Atty Ingram Kentucky-American - witness Meyer
Note: Sacre, Candace Lead to \$20 million revenue increase?

3:31:36 PM Atty Ingram Kentucky-American - witness Meyer
Note: Sacre, Candace Unfilled positions and vacancy adjustment, same things?

3:31:47 PM Atty Ingram Kentucky-American - witness Meyer
Note: Sacre, Candace Line 9, page 7, vacancy piece \$618,000?

3:32:03 PM Atty Ingram Kentucky-American - witness Meyer
Note: Sacre, Candace Work history, not see work for utility?

3:32:10 PM Chairman Chandler
Note: Sacre, Candace Clarify answer. (Click on link for further comments.)

3:32:30 PM Atty Ingram Kentucky-American - witness Meyer
Note: Sacre, Candace Never been in charge of managing workforce getting utility service to customers?

3:32:56 PM Atty Ingram Kentucky-American - witness Meyer
Note: Sacre, Candace Surprise you to learn at any time vacant positions in workforce?

3:33:34 PM Atty Ingram Kentucky-American - witness Meyer
Note: Sacre, Candace Reasons positions not filled?

3:33:46 PM Atty Ingram Kentucky-American - witness Meyer
Note: Sacre, Candace Takes a while to replace?

3:33:50 PM Atty Ingram Kentucky-American - witness Meyer
Note: Sacre, Candace Vacant employment?

3:34:02 PM Atty Ingram Kentucky-American - witness Meyer
Note: Sacre, Candace Any business has certain work has to do to manufacture produce or deliver water?

3:34:18 PM Atty Ingram Kentucky-American - witness Meyer
Note: Sacre, Candace If positions are vacant, KAW still must work get water to tap?

3:34:32 PM Atty Ingram Kentucky-American - witness Meyer
Note: Sacre, Candace Aware AG Office proposed same vacancy adjustment prior rate cases?

3:34:44 PM Atty Ingram Kentucky-American - witness Meyer
Note: Sacre, Candace Proposed in 1995 case?

3:34:54 PM Atty Ingram Kentucky-American - witness Meyer
Note: Sacre, Candace Know whether proposed in 2010 rate case?

3:35:03 PM Atty Ingram Kentucky-American - witness Meyer
Note: Sacre, Candace 2018 rate case?

3:35:14 PM Atty Ingram Kentucky-American - witness Meyer
Note: Sacre, Candace Fully litigated and Commission issued decision?

3:35:20 PM Atty Ingram Kentucky-American - witness Meyer
Note: Sacre, Candace Know what decision was in that 2018 rate case Order?

3:35:43 PM Atty Ingram Kentucky-American - witness Meyer
Note: Sacre, Candace Denied AG's proposed vacancy adjustment in 2018 rate case?

3:36:11 PM Atty Ingram Kentucky-American - witness Meyer
Note: Sacre, Candace Denied, right?

3:36:17 PM Atty Ingram Kentucky-American - witness Meyer
Note: Sacre, Candace Agree same denial decision now reached for over 30 years?

3:36:39 PM Atty Ingram Kentucky-American - witness Meyer
Note: Sacre, Candace GRM-6, Adjustment 7, revenue adjustment?

3:37:13 PM Atty Ingram Kentucky-American - witness Meyer
Note: Sacre, Candace \$1.87 million revenue adjustment?

3:37:23 PM Atty Ingram Kentucky-American - witness Meyer
Note: Sacre, Candace Think company understated projected revenues?

3:37:32 PM Atty Ingram Kentucky-American - witness Meyer
Note: Sacre, Candace Calculate projected revenues multiply projected customer count by projected customer use?

3:37:38 PM Atty Ingram Kentucky-American - witness Meyer
Note: Sacre, Candace Agree with customer count?

3:37:51 PM Atty Ingram Kentucky-American - witness Meyer
Note: Sacre, Candace Disagree with usage projected?

3:38:03 PM Atty Ingram Kentucky-American - witness Meyer
Note: Sacre, Candace In GRM-7, page 22, recommendation 48.59 million per customer?

3:38:36 PM Atty Ingram Kentucky-American - witness Meyer
Note: Sacre, Candace Just averaging, add those up and divide by three?

3:38:53 PM Atty Ingram Kentucky-American - witness Meyer
Note: Sacre, Candace If turns out those three years hot and dry, averaging reflect for effects of dry weather?

3:39:15 PM Atty Ingram Kentucky-American - witness Meyer
Note: Sacre, Candace In your testimony?

3:39:18 PM Atty Ingram Kentucky-American - witness Meyer
Note: Sacre, Candace Reason not included?

3:39:24 PM	Atty Ingram Kentucky-American - witness Meyer Note: Sacre, Candace	Include any effects on water usage from COVID?
3:40:09 PM	Atty Ingram Kentucky-American - witness Meyer Note: Sacre, Candace	Page 43, looks to me like oppose proposed expansion QIP, ought to be discontinued?
3:40:31 PM	Atty Ingram Kentucky-American - witness Meyer Note: Sacre, Candace	Page 43 , three reasons why opposed to continuation of QIP?
3:40:45 PM	Atty Ingram Kentucky-American - witness Meyer Note: Sacre, Candace	Question need to replace aging pipe?
3:41:00 PM	Atty Ingram Kentucky-American - witness Meyer Note: Sacre, Candace	Question operational and engineering need to replace mains?
3:41:21 PM	Chairman Chandler Note: Sacre, Candace	Counsel?
3:41:36 PM	Staff Atty Hall PSC - witness Meyer Note: Sacre, Candace	Cross Examination. Work papers filed in response to KAW First, Item 1, post-hearing provide calculation of rate base and income statement and revenue requirement calculation?
3:41:37 PM	POST-HEARING DATA REQUEST Note: Sacre, Candace Note: Sacre, Candace	STAFF ATTY HALL PSC - WITNESS MEYER PROVIDE CALCULATION OF RATE BASE AND INCOME STATEMENT AND REVENUE REQUIREMENT CALCULATION
3:42:03 PM	Chairman Chandler Note: Sacre, Candace	Vice Chair?
3:42:11 PM	Vice Chairman Hatton - witness Meyer Note: Sacre, Candace	Examination. 20 percent unaccounted-for water loss, allowed 20 percent variance?
3:44:32 PM	Chairman Chandler Note: Sacre, Candace	Commissioner Regan?
3:44:41 PM	Commissioner Regan - witness Meyer Note: Sacre, Candace	Examination. Incentive compensation, proposing remove 50 percent company performance plan?
3:44:54 PM	Commissioner Regan - witness Meyer Note: Sacre, Candace	Walk through rationale?
3:45:53 PM	Chairman Chandler Note: Sacre, Candace	Ms. Goad?
3:46:03 PM	Asst Atty General Goad - witness Meyer Note: Sacre, Candace	Redirect Examination. Discuss dropping capitalization issue?
3:46:10 PM	Asst Atty General Goad - witness Meyer Note: Sacre, Candace	Explain why dropping capitalization issue?
3:46:51 PM	Asst Atty General Goad - witness Meyer Note: Sacre, Candace	Once reviewed that, more reasonable capitalization?
3:47:07 PM	Asst Atty General Goad - witness Meyer Note: Sacre, Candace	Discussed vacancy adjustment with Ingram, recall?
3:47:16 PM	Asst Atty General Goad - witness Meyer Note: Sacre, Candace	Recall Ingram listing past cases where Commission denied vacancy adjustment?
3:47:38 PM	Asst Atty General Goad - witness Meyer Note: Sacre, Candace	Because denied in past, mean current Commission must deny vacancy adjustment?
3:48:20 PM	Asst Atty General Goad - witness Meyer Note: Sacre, Candace	Still support recommendation in pending case?
3:49:01 PM	Chairman Chandler Note: Sacre, Candace	Next witness?

3:49:05 PM	Asst Atty General Goad Note: Sacre, Candace	Richard Baudino.
3:50:04 PM	Chairman Chandler Note: Sacre, Candace	Witness is sworn.
3:50:11 PM	Chairman Chandler - witness Baudino Note: Sacre, Candace	Examination. Name and address?
3:50:45 PM	Asst Atty General Goad - witness Baudino Note: Sacre, Candace	Direct Examination. Occupation?
3:50:49 PM	Asst Atty General Goad - witness Baudino Note: Sacre, Candace	Cause be filed testimony?
3:50:53 PM	Asst Atty General Goad - witness Baudino Note: Sacre, Candace	Corrections?
3:50:59 PM	Asst Atty General Goad - witness Baudino Note: Sacre, Candace	Walk through two corrections?
3:51:48 PM	Asst Atty General Goad - witness Baudino Note: Sacre, Candace	Corrections filed with Commission?
3:51:56 PM	Asst Atty General Goad - witness Baudino Note: Sacre, Candace	Sponsor responses?
3:52:03 PM	Asst Atty General Goad - witness Baudino Note: Sacre, Candace	Asked same questions, answers be same?
3:52:07 PM	Asst Atty General Goad - witness Baudino Note: Sacre, Candace	Adopt as your testimony?
3:52:15 PM	Chairman Chandler Note: Sacre, Candace	Ms. Braun?
3:52:29 PM	Atty Braun Kentucky-American - witness Baudino Note: Sacre, Candace	Cross Examination. Agreement and disagreement?
3:52:47 PM	Atty Braun Kentucky-American - witness Baudino Note: Sacre, Candace	Two that differ, recommendation of ROE 9.4 percent?
3:53:02 PM	Atty Braun Kentucky-American - witness Baudino Note: Sacre, Candace	Second, adjust capital structure reduce common equity ratio to 50 percent?
3:53:16 PM	Atty Braun Kentucky-American - witness Baudino Note: Sacre, Candace	As far as agreement, comparing your testimony to Buckley, sponsored ROE testimony, reviewed that?
3:53:29 PM	Atty Braun Kentucky-American - witness Baudino Note: Sacre, Candace	Both utilized proxy group?
3:53:45 PM	Atty Braun Kentucky-American - witness Baudino Note: Sacre, Candace	Was area of agreement?
3:53:51 PM	Atty Braun Kentucky-American - witness Baudino Note: Sacre, Candace	ROE, page 14, direct, describing presentation reviewed, lines one and two, reading (click on link for further comments), recommended ROE lower than allowed ROE for any other subsidiary of KAW?
3:55:00 PM	Atty Braun Kentucky-American - witness Baudino Note: Sacre, Candace	Page 3, RAB-2, prepared by American Water attached to testimony?
3:55:46 PM	Atty Braun Kentucky-American - witness Baudino Note: Sacre, Candace	As look at chart, four states rates became effective during 2023?
3:56:05 PM	Atty Braun Kentucky-American - witness Baudino Note: Sacre, Candace	What is ROE for Illinois?
3:56:11 PM	Atty Braun Kentucky-American - witness Baudino Note: Sacre, Candace	Effective date of those rates?
3:56:22 PM	Atty Braun Kentucky-American - witness Baudino Note: Sacre, Candace	What is ROE listed for Missouri?
3:56:34 PM	Atty Braun Kentucky-American - witness Baudino Note: Sacre, Candace	What effective date?

3:56:42 PM Atty Braun Kentucky-American - witness Baudino
Note: Sacre, Candace Pennsylvania, what ROE listed?

3:56:56 PM Atty Braun Kentucky-American - witness Baudino
Note: Sacre, Candace How about Virginia?

3:57:26 PM Chairman Chandler
Note: Sacre, Candace Short recess.

3:57:43 PM Session Paused

4:04:37 PM Session Resumed

4:04:53 PM Chairman Chandler
Note: Sacre, Candace Back on the record.

4:05:07 PM Atty Braun Kentucky-American - witness Baudino
Note: Sacre, Candace Redirect Examination (cont'd). Looking at four states had rates set during 2023, Illinois, Missouri, Pennsylvania, and Virginia, recall?

4:05:20 PM Atty Braun Kentucky-American - witness Baudino
Note: Sacre, Candace If average ROEs, 9.8 percent?

4:05:33 PM Atty Braun Kentucky-American - witness Baudino
Note: Sacre, Candace Based on numbers listed, surprise you around 9.8 percent?

4:05:46 PM Atty Braun Kentucky-American - witness Baudino
Note: Sacre, Candace Kentucky unique in number of states borders, seven states, six of states are on here, if ROE of 9.4 percent Kentucky lower than all states that border it?

4:06:40 PM Atty Braun Kentucky-American - witness Baudino
Note: Sacre, Candace In October 2022, filed testimony 2022-00147, general recollection?

4:07:03 PM Atty Braun Kentucky-American - witness Baudino
Note: Sacre, Candace Recommended ROE of 9.25 percent, recall?

4:07:38 PM Atty Braun Kentucky-American - witness Baudino
Note: Sacre, Candace Know what Commission ultimately awarded?

4:07:53 PM Atty Braun Kentucky-American - witness Baudino
Note: Sacre, Candace Commission awarded 9.55 percent?

4:09:10 PM Atty Braun Kentucky-American - witness Baudino
Note: Sacre, Candace Also filed testimony in Duke Kentucky rate case 2022-00372?

4:09:29 PM Atty Braun Kentucky-American - witness Baudino
Note: Sacre, Candace Filed testimony in March 2023, recommended ROE 9.55 percent?

4:09:44 PM Atty Braun Kentucky-American - witness Baudino
Note: Sacre, Candace Commission issued an Order October this year in that case, ROE ordered?

4:10:13 PM Atty Braun Kentucky-American - witness Baudino
Note: Sacre, Candace 9.75 for base rates, ten basis points lower for mechanism?

4:10:33 PM Atty Braun Kentucky-American - witness Baudino
Note: Sacre, Candace No American Water subsidiary has ROE as low as you have recommended?

4:10:39 PM Atty Braun Kentucky-American - witness Baudino
Note: Sacre, Candace Commission ordered ROEs higher than 9.4 percent?

4:10:50 PM Atty Braun Kentucky-American - witness Baudino
Note: Sacre, Candace Capital structure adjustment, when KA filed application, proposed equity ratio 52.4 percent?

4:11:18 PM Atty Braun Kentucky-American - witness Baudino
Note: Sacre, Candace See Furia proposed minor reduction in equity ratio to 52.219 percent?

4:11:42 PM Atty Braun Kentucky-American - witness Baudino
Note: Sacre, Candace Testimony filed in 2021, remember involved in that case, Atmos Energy 2021-00214?

4:12:06 PM Atty Braun Kentucky-American - witness Baudino
Note: Sacre, Candace Looking at testimony, notice utility proposed equity ratio of 57.05 percent, your testimony recommended lowered to 53.5 percent, recall basis?

4:13:39 PM Atty Braun Kentucky-American - witness Baudino
Note: Sacre, Candace Referenced gas proxy group, page 29, Atmos, provided a table that shows proxy group equity ratios?

4:13:53 PM Atty Braun Kentucky-American - witness Baudino
Note: Sacre, Candace Looking testimony this case, did not see a similar chart, accurate?

4:14:23 PM Atty Braun Kentucky-American - witness Baudino
Note: Sacre, Candace When looked at Bulkley testimony, see did analyze capital structure ratios for proxy group?

4:15:09 PM Atty Braun Kentucky-American - witness Baudino
Note: Sacre, Candace Exhibit 9, page 104, proxy groups, what is mean for 2021?

4:15:20 PM Atty Braun Kentucky-American - witness Baudino
Note: Sacre, Candace 2020?

4:15:24 PM Atty Braun Kentucky-American - witness Baudino
Note: Sacre, Candace 2019?

4:15:28 PM Atty Braun Kentucky-American - witness Baudino
Note: Sacre, Candace And three-year average?

4:15:32 PM Atty Braun Kentucky-American - witness Baudino
Note: Sacre, Candace All values higher than equity ratio KA proposed?

4:15:41 PM Atty Braun Kentucky-American - witness Baudino
Note: Sacre, Candace Confirm this proxy group found reasonable for use?

4:16:16 PM Atty Braun Kentucky-American - witness Baudino
Note: Sacre, Candace Provided testimony in 2022 Duke Energy rate case?

4:16:23 PM Atty Braun Kentucky-American - witness Baudino
Note: Sacre, Candace Recall capital structure Duke proposed in that case, equity ratio?

4:16:42 PM Atty Braun Kentucky-American - witness Baudino
Note: Sacre, Candace One-page document compares your testimony in Duke case and this case, read question and first two sentences of answer?

4:17:28 PM Atty Braun Kentucky-American - witness Baudino
Note: Sacre, Candace Drop down, read this question and first two sentences?

4:18:00 PM Atty Braun Kentucky-American - witness Baudino
Note: Sacre, Candace If look at Duke Q&A, also recommended 50 percent common equity ratio?

4:18:09 PM Atty Braun Kentucky-American - witness Baudino
Note: Sacre, Candace Both Duke case and this case based on historical common equity percentages for utilities?

4:18:26 PM Atty Braun Kentucky-American - witness Baudino
Note: Sacre, Candace Familiar with Commission ruling in Duke case?

4:18:39 PM Atty Braun Kentucky-American - witness Baudino
Note: Sacre, Candace Page 34 of Order, reading (click on link for further comments), what recall?

4:18:57 PM Chairman Chandler
Note: Sacre, Candace Ms. Goad?

4:19:02 PM Asst Atty General Goad - witness Baudino
Note: Sacre, Candace Redirect Examination. Recall Braun asking 2023 ROE awards for specific AW subsidiaries?

4:19:13 PM Asst Atty General Goad - witness Baudino
Note: Sacre, Candace Braun stated average ROE awarded in 2023 was 9.8 percent?

4:19:20 PM Asst Atty General Goad - witness Baudino
Note: Sacre, Candace Pending case, recommend ROE 9.4 percent?

4:19:27 PM Asst Atty General Goad - witness Baudino
Note: Sacre, Candace Understanding Bulkley recommends 10.75 percent ROE?

4:19:37 PM Asst Atty General Goad - witness Baudino
Note: Sacre, Candace Is your recommended ROE or Bulkley ROE closer to 99.8 percent average ROE Braun discussed?

4:20:59 PM Chairman Chandler
Note: Sacre, Candace Continue hearing at 9 am Wednesday morning. (Click on link for further comments.)

4:21:39 PM Chairman Chandler
Note: Sacre, Candace Be back Wednesday at 9 am.

4:22:00 PM Session Ended

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