

IN THE KENTUCKY PUBLIC SERVICE COMMISSION

IN RE:

Case No. 2003-00433  
AN ADJUSTMENT OF THE GAS AND ELECTRIC RATES,  
TERMS, AND CONDITIONS OF LOUISVILLE GAS AND  
ELECTRIC COMPANY

and

Case No. 2003-00434  
AN ADJUSTMENT OF THE ELECTRIC RATES, TERMS, AND  
CONDITIONS OF THE KENTUCKY UTILITIES COMPANY

\* \* \*

SWORN STATEMENT

OF

JOE F. CHILDERS, JR.

(TELEPHONICALLY)

AUGUST 2, 2005

received  
8/19/05  
mr

---

LAUREN I. MILLER, R.P.R.  
Coulter Reporting, LLC  
101 East Kentucky Street  
Suite 200  
Louisville, Kentucky 40203  
(502) 582-1627  
FAX: (502) 587-6299  
E-MAIL: coulterllc@bellsouth.net

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

I N D E X

Examination by Mr. Goldberg..... 3

Witness Certificate..... 26

Reporter's Certificate..... 27

A P P E A R A N C E S

SPECIAL GENERAL COUNSEL TO THE PUBLIC SERVICE  
COMMISSION:

JONATHAN D. GOLDBERG, ESQ.  
 Goldberg & Simpson  
 3000 National City Tower  
 101 South Fifth Street  
 Louisville, Kentucky 40202

1                   The sworn statement of JOE F. CHILDERS,  
2 JR., taken telephonically in the offices of Goldberg &  
3 Simpson, 101 South Fifth Street, Suite 3000,  
4 Louisville, Kentucky, on Tuesday, the 2nd day of  
5 August, 2005, at approximately 11:15 a.m.

6  
7                   \*    \*    \*

8  
9                   JOE F. CHILDERS, JR., after first being  
10 duly sworn, was examined and testified as follows:

11  
12                   EXAMINATION

13  
14 BY MR. GOLDBERG:

15                   Q.       Would you state your full name,  
16 please, sir.

17                   A.       Joe Francis Childers, Jr.

18                   Q.       And your business address?

19                   A.       201 West Short Street, Suite 310,  
20 Lexington, Kentucky, 40507.

21                   Q.       All right, sir. And your occupation?

22                   A.       Attorney at law.

23                   Q.       All right, sir. Are you in private  
24 practice?

25                   A.       I am. I'm self-employed.

1 Q. What is the name of your organization?

2 A. Law Offices of Joe F. Childers, LLC.

3 Q. Are you familiar with the two rate  
4 cases, one filed on behalf of KU and one filed on  
5 behalf of LG&E? Notice of filing was in November of  
6 2003. I actually filed December of 2003.

7 A. Yes.

8 Q. Did you represent a party in those  
9 particular rate cases before the Public Service  
10 Commission?

11 A. Yes, I represented two parties.

12 Q. All right, sir. Could you tell me who  
13 they were?

14 A. The Community Action Council for  
15 Lexington and other surrounding counties and the  
16 Kentucky Association For Community Action.

17 Q. All right, sir. Had you had occasion  
18 to represent both entities before?

19 A. Yes.

20 Q. Had you ever represented them in front  
21 of the Public Service Commission before?

22 A. Yes, I have.

23 Q. Was that a representation that was  
24 over the course of several years prior to November of  
25 2003?

1 A. Yes.

2 Q. Had you participated -- had you  
3 represented these two entities in rate cases before to  
4 your knowledge?

5 A. I believe I had, yes.

6 Q. Do you possess an expertise in matters  
7 before the Public Service Commission?

8 A. Not really. I usually perform a role  
9 that is on behalf of the community action community, I  
10 guess. It's a limited role. I don't really get  
11 involved in, you know, the real technical matters  
12 related to rate cases.

13 Q. All right, sir. I have  
14 euphemistically heard your representation and the  
15 folks over in Louisville's representation as  
16 representing those of the lower income people. Is  
17 that a fair observation?

18 A. That's a fair observation. The  
19 community action agencies do represent the interests  
20 of their constituency, which is the low income  
21 community.

22 Q. All right, sir. Tell me when you  
23 first became aware that KU and LG&E were intending to  
24 file a rate case.

25 A. You're testing my memory. Do you have

1 the dates when you actually filed?

2 Q. I do. The notice of filing, as I  
3 communicated before, was in November of 2003, and the  
4 actual date of filing would have been late December of  
5 2003.

6 A. It would have been right around the  
7 notice of filing. Around the fall of 2003.

8 Q. And do you recall how you first  
9 learned of the filing?

10 A. I think from my clients.

11 Q. All right. The actual first informal  
12 conference was April 28th, 2004. Prior to the  
13 informal conference had you done any work on this  
14 matter, i.e., sent out document requests, prepare  
15 experts for testimony, or anything such as that?

16 A. Can I put you on hold for a second and  
17 consult my billing records?

18 Q. Sure.

19 A. That would give me a better idea.

20 Q. All right, sir.

21 (RECESS)

22 A. I'm looking at my billing records. It  
23 looks like January of 2004 I had some involvement,  
24 mainly in looking over the procedural schedules. I  
25 did have a meeting with LG&E in Louisville on January

1 29th, 2004. In February 2004 I completed an initial  
2 data request for LG&E and KU, reviewed some filings  
3 and orders in February. In March I reviewed the  
4 answers that I had gotten back to the data request on  
5 March 22nd. I reviewed my client's testimony at that  
6 time and revised it the next day.

7 So, yes, I guess to answer your  
8 question, I did have some involvement prior to April.

9 Q. All right, sir. As you know, the  
10 purpose of our inquiry is to determine contacts and  
11 communication.

12 Between the time the rate case was  
13 filed in December of 2003, and using the April 28th,  
14 2004 informal conference date, did you have any  
15 communication with the staff of the Public Service  
16 Commission?

17 A. Okay. I want to take a minute so that  
18 I'm -- everything I have is pretty much written in my  
19 time billing record. And I don't -- other than what  
20 I've got in my time billing records, I do not recall  
21 any specific conversations with anyone from the Public  
22 Service Commission. So let me take a second and  
23 review this.

24 Q. All right, sir.

25 A. According to my billing records and my

1 independent recollection, no, I did not have any  
2 conversations with anyone at the Public Service  
3 Commission.

4 Q. And breaking that down into two  
5 components. I take it you had no conversations with  
6 any member of the staff?

7 A. That's correct.

8 Q. And I further take it that you had no  
9 conversations or communication with any of the  
10 commissioners themselves?

11 A. That is correct.

12 Q. All right, sir. Have we covered  
13 everything prior to the informal conference of April  
14 28th, 2004?

15 A. Yes, we have.

16 Q. Let's move to that date. Do you  
17 recall being in attendance on that day?

18 A. Yes, I was.

19 Q. All right, sir. And tell me what you  
20 recall, if anything, of the events of that day.

21 A. I drove to Frankfort, I attended the  
22 prehearing settlement conference, I met with my  
23 clients, and I returned. As I recall, it was a fairly  
24 long conference. It looks like it lasted several  
25 hours in Frankfort.



1           Q.       All right, sir. Did you have  
2 opportunity, either before or after the prehearing  
3 conference, to engage in any settlement discussions  
4 with any of the parties?

5           A.       Any of the parties?

6           Q.       Yes, sir. On that day.

7           A.       It's possible that I did, you know,  
8 with some of the parties. Particularly with the LG&E  
9 and KU representatives.

10          Q.       Okay.

11          A.       But I don't recall any specific  
12 settlement conference discussions with anyone else.

13          Q.       All right, sir. Other than  
14 communicating on the record with either the  
15 commissioners or the staff, did you have any  
16 communication other than that with any staff member or  
17 commission member on April 28th, 2004?

18          A.       No.

19          Q.       Now, do you have a recollection or any  
20 time sheet entries dealing with this matter for the  
21 dates April 29th?

22          A.       Yes, I do.

23          Q.       All right, sir. Can you tell me what  
24 course of action you took related to this matter on  
25 April 29th.

1           A.       On April 29th I met with my clients, I  
2 met with the attorney general's representative, I met  
3 with the attorney for the Legal Aid Society in  
4 Louisville, I attended the settlement conference in  
5 Frankfort, and met with my client after that, again,  
6 for several hours. It looked like it was quite a long  
7 settlement conference.

8           Q.       Your records are self-explanatory  
9 except for who attended the settlement conference.  
10 Can you recall?

11          A.       Well, I don't recall specifically.  
12 I'm sure there was a sign-in sheet that would indicate  
13 that. I know that -- it looks like Ms. Blackford for  
14 the attorney general's office was there. Lisa  
15 Kilkelly was there, I believe, from the Legal Aid  
16 Society. I'm sure that LG&E and KU had several  
17 attorneys there and representatives from their  
18 companies.

19          Q.       Are you showing this settlement  
20 conference having taken place at the Public Service  
21 Commission?

22          A.       I'm showing it in Frankfort. I assume  
23 that it was at the Public Service Commission.

24          Q.       Fair enough. Do you have a  
25 recollection of any member of the staff being present

1 on that day at those discussions?

2 A. Well, if I'm not mistaken, I believe  
3 Richard Raff was present.

4 Q. Okay. And was he present with all  
5 others of the interveners at LG&E and KU personnel?

6 A. As far as I can recall, yes.

7 Q. Do I take it you had no sidebar or  
8 other conversation with Mr. Raff other than in the  
9 presence of the intervening parties at LG&E/KU?

10 A. That's correct.

11 Q. All right, sir. Do you have a  
12 recollection of anybody else from the staff other than  
13 Mr. Raff being present on that day?

14 A. I'm not positive a hundred percent. I  
15 think that Mr. Scott may have been present.

16 Q. You're familiar with Mr. Isaac Scott?

17 A. Yes.

18 Q. And do you know Mr. Jeff Shaw?

19 A. No, I don't believe I do.

20 Q. You have a recollection of Mr. Scott  
21 being present on the 29th, I take it?

22 A. I don't really have an independent  
23 recollection. I know he was in attendance at several  
24 meetings in different cases, and I don't want to say  
25 that he was definitely there that day.

1 Q. Fair enough.

2 April the 30th, which would have been  
3 in Louisville, Oaks Day, the day before the Kentucky  
4 Derby, do you have a recollection of having  
5 participated in discussions with regard to the two  
6 rate cases on that day?

7 A. No, I don't, and I don't have any time  
8 records that indicate that I did.

9 Q. And you have no present recollection  
10 of that?

11 A. No.

12 Q. Next date I am indicating that there  
13 were participants dealing with the issues of the two  
14 rate cases is May the 3rd, 2004. Do you have any  
15 entries in your time records or any recollection prior  
16 to May 3rd, 2004, other than what we've talked about?

17 A. No, I sure don't.

18 Q. Okay. May the 3rd, 2004, did you come  
19 to the Public Service Commission and participate on  
20 that day?

21 A. What date?

22 Q. May the 3rd.

23 A. No, I did not.

24 Q. Okay. Let me ask you the same  
25 question -- well, let me ask you this. Do you have

1 any recollection of having discussed any of the issues  
2 in the rate case with any member of the staff on May  
3 the 3rd, 2004?

4 A. No, I don't.

5 Q. And I probably failed to do this. I  
6 take it you did not talk to any of the commissioners  
7 about these cases either on the 28th, 29th, 30th or  
8 any date prior or May 3rd, 2004; am I correct?

9 A. That's correct.

10 Q. May the 4th, are you showing your  
11 appearance or do you recall your appearance at the  
12 Public Service Commission to talk about these issues  
13 on that day?

14 A. No, I don't. Let me check my records  
15 closely. Hold on just one second. I'll put you on  
16 hold. I'll be right back.

17 (RECESS)

18 A. I was able to review my records.

19 Q. All right, sir. And are you showing  
20 anything from May the 4th, 2004?

21 A. I am not showing any further time  
22 records on this case, on this rate case, until July of  
23 2004.

24 Q. Does that indicate to you that you  
25 made no other appearances after -- well, your records

1 indicate no other appearances after the April 28th,  
2 2004 informal conference?

3 A. After the April 29th.

4 Q. I'm sorry. Are you showing April  
5 29th? Oh, you participated April 29th in settlement  
6 discussion.

7 A. Yes. We talked about that.

8 Q. Yes, sir, we did.

9 So I take it you were not present at  
10 any of the hearings where evidence was actually given;  
11 am I correct?

12 A. Refresh my memory of the dates of  
13 that.

14 Q. All right, sir, I will.

15 Testimony was actually given on the  
16 record on May 4, 5, 6 and a little bit on the 12th.

17 A. Okay. I stand corrected. I was  
18 present during those days or at least some of those  
19 days, and for some reason I'm not able to lay my hands  
20 on my time records for that period. I thought I had a  
21 complete set here, but I apparently don't.

22 Q. I take it other than your time  
23 records, you have no other records that would indicate  
24 conversations or what you did on a particular day or  
25 who you talked to?

1           A.       I may have some handwritten notes as I  
2 sat in the hearing.  Mainly my participation was very  
3 limited at those rate hearings and I sat in the  
4 audience for the most part.  So I may have some  
5 handwritten notes.  I don't have those in front of me.

6           Q.       All right.  Fair enough.

7                    Do you have a recollection of having  
8 participated in settlement discussions on any of those  
9 days, May 4, 5, 6 and/or 12?

10          A.       Yes, I believe I did.

11          Q.       And tell me your recollection of who  
12 you were communicating with on those days.

13          A.       On those dates I was communicating  
14 with other representatives of the low income  
15 community, particularly Lisa Kilkelly and her clients  
16 from Louisville, my clients from Frankfort and  
17 Lexington, then particularly with the attorneys and  
18 the representatives from the two companies, LG&E and  
19 KU.

20          Q.       Do you have a recollection of having  
21 communicated with other members of the intervening  
22 group?

23          A.       Yes.  Including the industrial  
24 customers.

25          Q.       KIUC?

1 A. KIUC.

2 Q. Let's see if we can agree on the  
3 geography, if you will, of the situation. I have been  
4 advised that there was a larger hearing conference  
5 room where all interveners, KU, LG&E, and some members  
6 of the PSC staff, met and had their discussions and  
7 that there was at least one break-out room as it  
8 relates to KU, LG&E and North American Stainless. Do  
9 you agree with my description so far?

10 A. I think that's right, yes.

11 Q. All right, sir. Now, do you recall  
12 there being other break-out rooms, or was that the  
13 only one where there was a separate negotiation?

14 A. I think the only room that I  
15 participated in any negotiations was the large room,  
16 which is actually the -- I think it's Hearing Room  
17 No. 2.

18 Q. Yes, sir.

19 A. Directly behind Hearing Room No. 1.

20 Q. That is correct.

21 Now, do you recall communicating with  
22 the staff who you previously described to us on any of  
23 those days?

24 A. I do not recall that. I recall  
25 discussions with the parties, but not with the staff.



1           Q.       Fair enough. Do you have a  
2 recollection that the staff was actually present?

3           A.       I recall from time to time, you know,  
4 that a staff person might pop into the room.

5           Q.       Okay.

6           A.       You know, but I don't -- I don't  
7 recall having any particular discussions with that  
8 staff person or staff persons.

9           Q.       Fair enough. And I take it that no  
10 commission member appeared, as best you can recall, in  
11 any of the discussions that you attended?

12          A.       That's true. I never saw a commission  
13 member in any of the settlement discussions.

14          Q.       Do you have a recollection of the day  
15 or days that the attorney general himself, Mr. Stumbo,  
16 came to the proceedings?

17          A.       Yes.

18          Q.       And did you have an opportunity to  
19 communicate with him at that time?

20          A.       Yes, I did.

21          Q.       Okay. Can you tell me your  
22 conversation with him?

23          A.       I recall sitting in the hearing room  
24 during the hearing and sat beside Mr. Stumbo and had a  
25 brief discussion with him. I do recall also having a

1 discussion with Mr. Stumbo in a separate room along  
2 with one of his staff attorneys concerning the  
3 particular interests of my clients. That was in a  
4 separate room and not Hearing Room No. 2.

5 Q. All right, sir. Other than those two  
6 conversations, any other conversations with the  
7 attorney general?

8 A. No.

9 Q. Generally, can you tell me the sum and  
10 substance of the two conversations?

11 A. As I recall sitting in the hearing  
12 room during the hearing, I sat beside Mr. Stumbo and  
13 joked with him, I think, that things were -- that he  
14 had raised the ante or something with his, you know,  
15 appearance, that any attorney general had never  
16 appeared there before. And that was more or less a  
17 joking matter, because I had known Mr. Stumbo when he  
18 was a legislator.

19 And then the other meeting with him  
20 was in a small room. I recall that it was attended by  
21 Dennis Howard, a member of his staff and myself and  
22 Mr. Stumbo, and somebody else from Mr. Stumbo's office  
23 may have been there, I can't recall. It seems like  
24 there was a female.

25 We talked about, you know, whether we

1 could get the attorney general's support for a low  
2 income program that we were lobbying for as part of  
3 the settlement. I recall the attorney general was  
4 somewhat hesitant to give that support initially, but  
5 the longer we talked the more we were able to convince  
6 him that it was a good thing.

7 Q. How long was your meeting?

8 A. Probably no more than ten minutes.

9 Q. I take it you eventually agreed with  
10 the settlement; am I correct?

11 A. That's correct.

12 Q. And do you believe both conversations  
13 with the attorney general were prior to your  
14 agreement?

15 A. Yes.

16 Q. Using our dates here, May 3, 4, 5 and  
17 6 and May 12th, do you have a recollection of when  
18 you, on behalf of your clients, came to agreement in  
19 this matter?

20 A. With the attorney general --

21 Q. No, sir.

22 A. -- or with all the parties?

23 Q. With all the parties. Do you know  
24 what day that would have been?

25 A. I believe that it would have been

1 toward the end of the hearing. I don't want to give a  
2 particular date. I don't think it was the May 12th  
3 date. I think we had an agreement in principle prior  
4 to that. Probably the 5th or something.

5 Q. All right, sir. Do you recall whether  
6 or not you attended all the hearings of the matter --  
7 the two matters?

8 A. I don't believe I did.

9 Q. Okay. Were you present on a day when  
10 Mr. Raff on the record recited the fact that he had  
11 been listening to the radio and the attorney general  
12 had made an allegation of ex parte conduct and  
13 collusive and inappropriate behavior? Were you  
14 present?

15 A. I don't recall hearing Mr. Raff say  
16 that.

17 Q. All right, sir.

18 A. I do recall being in the room when the  
19 attorney general's representative -- and I believe  
20 that that was Ms. Blackford -- told the commission  
21 that the attorney general after having participated in  
22 the settlement discussions, you know, could no longer  
23 support the settlement, or something along those  
24 lines. I remember it being, you know, pretty  
25 startling testimony -- or not testimony but just, you

1 know, conversation while the commission was in  
2 session. This was on the record. You know, she  
3 indicated that there -- that -- I can't recall how she  
4 phrased it, but I know that there was a statement made  
5 that the attorney general was filing, I believe, a  
6 motion to dismiss or something.

7 Q. Okay. So that I'm clear, do you  
8 remember this being part of the settlement discussions  
9 or do you remember it being on the record in front of  
10 the commissioners?

11 A. On the record in front of the  
12 commissioners.

13 Q. All right. Did this occur after your  
14 clients had agreed to settle?

15 A. I believe it did.

16 Q. All right, sir. And you remember that  
17 being on the record. Were you present in Hearing Room  
18 2 when members of the attorney general's staff  
19 indicated that the attorney general could no longer  
20 support a settlement agreement at a certain number?

21 A. I do believe I was present, yes.

22 Q. And so that I'm clear, what you're  
23 communicating is it occurred a second time on the  
24 record in front of the commissioners?

25 A. I believe so. I believe that occurred

1 after we learned of it in the Hearing Room No. 2.

2 Q. Do you believe it was on the same day?

3 A. It seems like it was.

4 Q. Fair enough.

5 Now, did you come back on May the  
6 12th, or can you distinguish between May 6th -- the  
7 events of May 6th and the events of May 12th?

8 A. I'm having a difficult time  
9 distinguishing that in my mind without further  
10 refreshing my memory.

11 Q. Fair enough. With regard to all of  
12 the proceedings, do you have any recollection of any  
13 conversation ever with any of the commissioners?

14 A. Not with the commissioners, no.

15 Q. And other than what you've already  
16 told me about your conversations with the staff, do  
17 you have any recollection of any other conversations  
18 with the staff?

19 A. You know, I believe that I and some of  
20 the other members of the low income community,  
21 particularly Ms. Kilkelly, myself, possibly one or two  
22 of our clients, I believe we did have a meeting, and  
23 this occurred in the vending machine room in the  
24 basement of the commission during the settlement  
25 discussions.

1           I know that there were a couple of  
2 representatives from LG&E there with us discussing  
3 settlement, and I'm thinking -- although I could be  
4 wrong -- I'm thinking that either Mr. Raff or someone  
5 else from the staff came to that settlement discussion  
6 to give their viewpoint on what we were trying to  
7 accomplish. But all the parties were there, you know,  
8 in settlement discussions. And it seems like we had  
9 some sort of input, I guess it was, from the staff.

10           Q.       Did you settle as a result of that  
11 particular meeting, or do you recall?

12           A.       I know that that meeting helped things  
13 along quite a bit, because we got an idea of the way  
14 that the staff was looking at it and the way that the  
15 parties were looking at it. I think it did help us  
16 ultimately.

17           Q.       And am I interpreting your comments  
18 that this was a meeting in the vending machine room  
19 with LG&E/KU personnel and your client and  
20 Ms. Kilkelly?

21           A.       Yes.

22           Q.       All right. Now, was the result of  
23 that conversation reported back to the group as a  
24 whole?

25           A.       Yes, at some point it was.

1 Q. All right. Fair enough.

2 Other than that conversation that  
3 you've just referenced, do you have any recollection  
4 of any other conversations with the staff from April  
5 28th, 2004 through May the 12th, other than what  
6 you've already told me?

7 A. No, I don't.

8 Q. Now, while I know that you understand  
9 the concept of ex parte, being a lawyer, being  
10 communication, can we agree upon that?

11 A. Yes.

12 Q. And I'm taking it from your testimony  
13 you never saw -- well, you never participated in any  
14 ex parte communication or saw, were present at any  
15 time when there was an ex parte communication; am I  
16 correct?

17 A. With the commissioners?

18 Q. Yes, sir.

19 A. No, I was not.

20 Q. And do I take it that other than what  
21 you've told me about your communication with the  
22 staff, you're aware of no other ex parte  
23 communication; am I correct?

24 A. That's correct.

25 Q. Further, the communications, as I



1 understand it, you had with your staff were either in  
2 front of the other intervening parties or were  
3 reported to the other intervening parties as in the  
4 last conversation we talked about?

5 A. Yes, that's true.

6 Q. Now, while one can argue what the  
7 terms collusive and inappropriate are, and that's  
8 personal to folks, did you yourself witness anything  
9 during your participation in these two rate cases  
10 which you personally believed to be evidence of  
11 collusive behavior or inappropriate conduct?

12 A. No, I did not.

13 MR. GOLDBERG: All right, sir. That's  
14 all I have. I thank you very much for your time. I  
15 recognize this is out of your ordinary day-to-day work  
16 activity and we appreciate it.

17 We will get this statement out to you,  
18 and if you would send it back to me, I'd be much  
19 appreciative.

20 THE WITNESS: I will do that.

21 MR. GOLDBERG: Thank you, sir.

22

23 (SWORN STATEMENT CONCLUDED AT 11:45 A.M.)

24

25

\* \* \*

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

I, the undersigned, JOE F. CHILDERS, JR., do hereby certify that I have read the foregoing sworn statement and that, to the best of my knowledge, said sworn statement is true and accurate, with the exception of the corrections, if any, listed on the errata sheet.

  
\_\_\_\_\_  
JOE F. CHILDERS, JR.

Subscribed and sworn to before me this 15<sup>th</sup>  
day of November, 2005.

  
\_\_\_\_\_  
NOTARY PUBLIC

My commission expires January 17, 2007

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

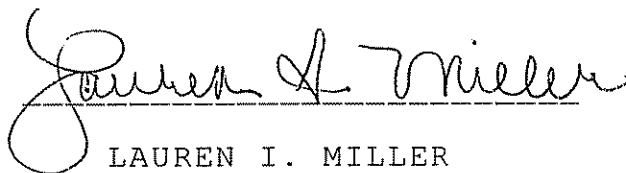
STATE OF KENTUCKY ) (  
COUNTY OF JEFFERSON ) (

I, LAUREN I. MILLER, Notary Public,  
State of Kentucky at Large, hereby certify that the  
foregoing sworn statement was taken at the time and  
place stated in the caption; that the appearances were  
as set forth in the caption; that prior to giving  
testimony the witness was first duly sworn by me; that  
said testimony was taken down by me in stenographic  
notes and thereafter reduced under my supervision to  
the foregoing typewritten pages and that said  
typewritten transcript is a true, accurate and  
complete record of my stenographic notes so taken.

I further certify that I am not related  
by blood or marriage to any of the parties hereto and  
that I have no interest in the outcome of captioned  
case.

My commission as Notary Public expires  
March 26, 2009.

Given under my hand this the 17<sup>th</sup> day  
of August, 2005, at Louisville, Kentucky.

  
LAUREN I. MILLER  
NOTARY PUBLIC

<p style="text-align: center;"><b>1</b></p> <p>1 - 16:19 101 - 1:22, 2:10, 3:3 11:15 - 3:5 11:45 - 25:23 12 - 15:9 12th - 14:16, 19:17, 20:2, 22:6, 22:7, 24:5</p>	<p>Action - 4:14, 4:16 action - 5:9, 5:19, 9:24 activity - 25:16 actual - 6:4, 6:11 address - 3:18 Adjustment - 1:5, 1:9 advised - 16:4 agencies - 5:19 agree - 16:2, 16:9, 24:10 agreed - 19:9, 21:14 agreement - 19:14, 19:18, 20:3, 21:20 Aid - 10:3, 10:15 allegation - 20:12 American - 16:8 answer - 7:7 answers - 7:4 ante - 18:14 appearance - 13:11, 18:15 appearances - 13:25, 14:1, 26:6 appeared - 17:10, 18:16 appreciate - 25:16 appreciative - 25:19 April - 6:12, 7:8, 7:13, 8:13, 9:17, 9:21, 9:25, 10:1, 12:2, 14:1, 14:3, 14:4, 14:5, 24:4 argue - 25:6 Association - 4:16 assume - 10:22 attendance - 8:17, 11:23 attended - 8:21, 10:4, 10:9, 17:11, 18:20, 20:6 Attorney - 3:22 attorney - 10:2, 10:3, 10:14, 17:15, 18:7, 18:15, 19:1, 19:3, 19:13, 19:20, 20:11, 20:19, 20:21, 21:5, 21:18, 21:19 attorneys - 10:17, 15:17, 18:2 audience - 15:4 August - 1:18, 3:5 aware - 5:23, 24:22</p>	<p>business - 3:18</p>	<p>contacts - 7:10 conversation - 11:8, 17:22, 21:1, 22:13, 23:23, 24:2, 25:4 conversations - 7:21, 8:2, 8:5, 8:9, 14:24, 18:6, 18:10, 19:12, 22:16, 22:17, 24:4 convince - 19:5 correct - 8:7, 8:11, 11:10, 13:8, 13:9, 14:11, 16:20, 19:10, 19:11, 24:16, 24:23, 24:24 corrected - 14:17 Coulter - 1:22 coulterllc@ bellsouth.net - 1:25 Council - 4:14 Counsel - 2:7 counties - 4:15 County - 26:2 couple - 23:1 course - 4:24, 9:24 covered - 8:12 customers - 15:24</p>	<p>either - 9:2, 9:14, 13:7, 23:4, 25:1 Electric - 1:5, 1:6, 1:9 employed - 3:25 end - 20:1 engage - 9:3 entities - 4:18, 5:3 entries - 9:20, 12:15 Esq - 2:8 euphemistically - 5:14 events - 8:20, 22:7 eventually - 19:9 evidence - 14:10, 25:10 ex - 20:12, 24:9, 24:14, 24:15, 24:22 Examination - 2:2, 3:12 examined - 3:10 except - 10:9 expertise - 5:6 experts - 6:15 expires - 26:18 explanatory - 10:8</p>
<p style="text-align: center;"><b>2</b></p> <p>2 - 1:18, 16:17, 18:4, 21:18, 22:1 200 - 1:23 2003 - 4:6, 4:25, 6:3, 6:5, 6:7, 7:13 2003-00433 - 1:4 2003-00434 - 1:9 2004 - 6:12, 6:23, 7:1, 7:14, 8:14, 9:17, 12:14, 12:16, 12:18, 13:3, 13:8, 13:20, 13:23, 14:2, 24:5 2005 - 1:18, 3:5, 26:21 2009 - 26:19 201 - 3:19 22nd - 7:5 26 - 2:3, 26:19 28th - 6:12, 7:13, 8:14, 9:17, 13:7, 14:1, 24:5 29th - 7:1, 9:21, 9:25, 10:1, 11:21, 13:7, 14:3, 14:5 2nd - 3:4</p>	<p style="text-align: center;"><b>B</b></p> <p>basement - 22:24 became - 5:23 behalf - 4:4, 4:5, 5:9, 19:18 behavior - 20:13, 25:11 behind - 16:19 beside - 17:24, 18:12 best - 17:10 better - 6:19 between - 22:6 Between - 7:12 billing - 6:17, 6:22, 7:19, 7:20, 7:25 bit - 14:16, 23:13 Blackford - 10:13, 20:20 blood - 26:15 break - 16:7, 16:12 break-out - 16:7, 16:12 breaking - 8:4 brief - 17:25</p>	<p style="text-align: center;"><b>C</b></p>	<p style="text-align: center;"><b>D</b></p> <p>data - 7:2, 7:4 date - 6:4, 7:14, 8:16, 12:12, 12:21, 13:8, 20:2, 20:3 dates - 6:1, 9:21, 14:12, 15:13, 19:16 day-to-day - 25:15 days - 14:18, 14:19, 15:9, 15:12, 16:23, 17:15 dealing - 9:20, 12:13 December - 4:6, 6:4, 7:13 definitely - 11:25 Dennis - 18:21 Derby - 12:4 described - 16:22 description - 16:9 determine - 7:10 different - 11:24 difficult - 22:8 Directly - 16:19 discussed - 13:1 discussing - 23:2 discussion - 14:6, 17:25, 18:1, 23:5 discussions - 9:3, 9:12, 11:1, 12:5, 15:8, 16:6, 16:25, 17:7, 17:11, 17:13, 20:22, 21:8, 22:25, 23:8 dismiss - 21:6 distinguish - 22:6 distinguishing - 22:9 document - 6:14 done - 6:13 down - 8:4, 26:9 drove - 8:21 duly - 3:10, 26:8 during - 14:18, 17:24, 18:12, 22:24, 25:9</p>	<p style="text-align: center;"><b>F</b></p>
<p style="text-align: center;"><b>3</b></p> <p>3 - 2:2, 19:16 3000 - 2:9, 3:3 30th - 12:2, 13:7 310 - 3:19 3rd - 12:14, 12:16, 12:18, 12:22, 13:3, 13:8</p>	<p style="text-align: center;"><b>A</b></p> <p>able - 13:18, 14:19, 19:5 accomplish - 23:7 According - 7:25 accurate - 26:12</p>	<p>caption - 26:6, 26:7 captioned - 26:16 case - 5:24, 7:12, 13:2, 13:22, 26:17 Case - 1:4, 1:9 cases - 4:4, 4:9, 5:3, 5:12, 11:24, 12:6, 12:14, 13:7, 25:9 certain - 21:20 Certificate - 2:3 certify - 26:4, 26:14 check - 13:14 Childers - 1:16, 3:1, 3:9, 3:17, 4:2 City - 2:9 clear - 21:7, 21:22 client - 10:5, 23:19 client's - 7:5 clients - 6:10, 8:23, 10:1, 15:15, 15:16, 18:3, 19:18, 21:14, 22:22 closely - 13:15 collusive - 20:13, 25:7, 25:11 comments - 23:17 Commission - 1:1, 2:7, 4:10, 4:21, 5:7, 7:16, 7:22, 8:3, 10:21, 10:23, 12:19, 13:12 commission - 9:17, 17:10, 17:12, 20:20, 21:1, 22:24, 26:18 commissioners - 8:10, 9:15, 13:6, 21:10, 21:12, 21:24, 22:13, 22:14, 24:17 communicate - 17:19 communicated - 6:3, 15:21 communicating - 9:14, 15:12, 15:13, 16:21, 21:23 communication - 7:11, 7:15, 8:9, 9:16, 24:10, 24:14, 24:15, 24:21, 24:23 communications - 24:25 Community - 4:14, 4:16 community - 5:9, 5:19, 5:21, 15:15, 22:20 companies - 10:18, 15:18 Company - 1:6, 1:10 complete - 14:21, 26:13 completed - 7:1 components - 8:5 concept - 24:9 concerning - 18:2 Concluded - 25:23 Conditions - 1:5, 1:10 conduct - 20:12, 25:11 conference - 6:12, 6:13, 7:14, 8:13, 8:22, 8:24, 9:3, 9:12, 10:4, 10:7, 10:9, 10:20, 14:2, 16:4 constituency - 5:20 consult - 6:17</p>	<p>fact - 20:10 failed - 13:5 fair - 5:17, 5:18 Fair - 10:24, 12:1, 15:6, 17:1, 17:9, 22:4, 22:11, 24:1 fairly - 8:23 fall - 6:7 familiar - 4:3, 11:16 far - 11:6, 16:9 Fax - 1:24 February - 7:1, 7:3 female - 18:24 Fifth - 2:10, 3:3 file - 5:24 filed - 4:4, 4:6, 6:1, 7:13 filing - 4:5, 6:2, 6:4, 6:7, 6:9, 21:5 filings - 7:2 first - 3:9, 5:23, 6:8, 6:11, 26:8 folks - 5:15, 25:8 follows - 3:10 foregoing - 26:5, 26:11 forth - 26:7 Francis - 3:17 Frankfort - 8:21, 8:25, 10:5, 10:22, 15:16 front - 4:20, 15:5, 21:9, 21:11, 21:24, 25:2 full - 3:15</p>	
<p style="text-align: center;"><b>4</b></p> <p>4 - 14:16, 15:9, 19:16 40202 - 2:10 40203 - 1:23 40507 - 3:20 4th - 13:10, 13:20</p>	<p style="text-align: center;"><b>B</b></p>	<p style="text-align: center;"><b>E</b></p> <p>E-mail - 1:25 East - 1:22</p>	<p style="text-align: center;"><b>G</b></p>	
<p style="text-align: center;"><b>5</b></p> <p>5 - 14:16, 15:9, 19:16 502 - 1:24 582-1627 - 1:24 587-6299 - 1:24 5th - 20:4</p>	<p style="text-align: center;"><b>A</b></p>	<p style="text-align: center;"><b>E</b></p>	<p>Gas - 1:5 general - 17:15, 18:7, 18:15, 19:3, 19:13, 19:20, 20:11, 20:21, 21:5, 21:19 General - 2:7 general's - 10:2, 10:14, 19:1, 20:19, 21:18 Generally - 18:9 geography - 16:3 Given - 26:20 given - 14:10, 14:15</p>	
<p style="text-align: center;"><b>6</b></p> <p>6 - 14:16, 15:9, 19:17 6th - 22:6, 22:7</p>	<p style="text-align: center;"><b>A</b></p>	<p style="text-align: center;"><b>E</b></p>	<p style="text-align: center;"><b>G</b></p>	
<p style="text-align: center;"><b>A</b></p>	<p style="text-align: center;"><b>A</b></p>	<p style="text-align: center;"><b>E</b></p>	<p style="text-align: center;"><b>G</b></p>	

Goldberg - 2:2, 2:8, 2:9, 3:2, 3:14, 25:13, 25:21 group - 15:22, 23:23 guess - 5:10, 7:7, 23:9	3:17, 4:2 joked - 18:13 joking - 18:17 Jonathan- 2:8 Jr- 1:16, 3:2, 3:9, 3:17 July- 13:22	20:6 matters - 5:6, 5:11, 20:7 meeting - 6:25, 18:19, 19:7, 22:22, 23:11, 23:12, 23:18 meetings - 11:24 member - 8:6, 9:16, 9:17, 10:25, 13:2, 17:10, 17:13, 18:21 members - 15:21, 16:5, 21:18, 22:20 memory - 5:25, 14:12, 22:10 met - 8:22, 10:1, 10:2, 10:5, 16:6 might - 17:4 Miller - 1:21, 26:3, 26:24 mind - 22:9 minute - 7:17 minutes - 19:8 mistaken - 11:2 most - 15:4 motion - 21:6 move - 8:16	participate - 12:19 participated - 5:2, 12:5, 14:5, 15:8, 16:15, 20:21, 24:13 participation - 15:2, 25:9 particular - 4:9, 14:24, 17:7, 18:3, 20:2, 23:11 particularly - 15:15, 15:17, 22:21 Particularly - 9:8 parties - 4:11, 9:4, 9:5, 9:8, 11:9, 16:25, 19:22, 19:23, 23:7, 23:15, 25:2, 25:3, 26:15 party - 4:8 people - 5:16 percent - 11:14 perform - 5:8 period - 14:20 person - 17:4, 17:8 personal - 25:8 personally - 25:10 personnel - 11:5, 23:19 persons - 17:8 phrased - 21:4 place - 10:20, 26:6 point - 23:25 pop - 17:4 positive - 11:14 possess - 5:6 possible - 9:7 possibly - 22:21 practice - 3:24 prehearing - 8:22, 9:2 prepare - 6:14 presence - 11:9 present - 10:25, 11:3, 11:4, 11:13, 11:15, 11:21, 12:9, 14:9, 14:18, 17:2, 20:9, 20:14, 21:17, 21:21, 24:14 pretty - 7:18, 20:24 previously - 16:22 principle - 20:3 private - 3:23 procedural - 6:24 proceedings - 17:16, 22:12 program - 19:2 Psc - 16:6 Public - 1:1, 2:7, 4:9, 4:21, 5:7, 7:15, 7:21, 8:2, 10:20, 10:23, 12:19, 13:12, 26:3, 26:18, 26:24 purpose - 7:10 put - 6:16, 13:15	Re- 1:3 real - 5:11 really - 5:8, 5:10, 11:22 reason - 14:19 Recess- 6:21, 13:17 recited - 20:10 recognize - 25:15 recollection - 8:1, 9:19, 10:25, 11:12, 11:20, 11:23, 12:4, 12:9, 12:15, 13:1, 15:7, 15:11, 15:20, 17:2, 17:14, 19:17, 22:12, 22:17, 24:3 record - 7:19, 9:14, 14:16, 20:10, 21:2, 21:9, 21:11, 21:17, 21:24, 26:13 records - 6:17, 6:22, 7:20, 7:25, 10:8, 12:8, 12:15, 13:14, 13:18, 13:22, 13:25, 14:20, 14:23 reduced - 26:10 referenced - 24:3 Refresh- 14:12 refreshing - 22:10 regard - 12:5, 22:11 related - 5:12, 9:24, 26:14 relates - 16:8 remember - 20:24, 21:8, 21:9, 21:16 reported - 23:23, 25:3 Reporter's- 2:3 Reporting- 1:22 represent - 4:8, 4:18, 5:19 representation - 4:23, 5:14, 5:15 representative - 10:2, 20:19 representatives - 9:9, 10:17, 15:14, 15:18, 23:2 represented - 4:11, 4:20, 5:3 representing - 5:16 request - 7:2, 7:4 requests - 6:14 result - 23:10, 23:22 returned - 8:23 review - 7:23, 13:18 reviewed - 7:2, 7:3, 7:5 revised - 7:6 Richard- 11:3 role - 5:8, 5:10 room - 16:5, 16:7, 16:14, 16:15, 17:4, 17:23, 18:1, 18:4, 18:12, 18:20, 20:18, 22:23, 23:18 Room- 16:16, 16:19, 18:4, 21:17, 22:1 rooms - 16:12 Rpr- 1:21
<b>H</b>	<b>K</b>			
hand - 26:20 hands - 14:19 handwritten - 15:1, 15:5 heard - 5:14 Hearing - 16:16, 16:19, 18:4, 21:17, 22:1 hearing - 15:2, 16:4, 17:23, 17:24, 18:11, 18:12, 20:1, 20:15 hearings - 14:10, 15:3, 20:6 help - 23:15 helped - 23:12 hereby - 26:4 hereto - 26:15 hesitant - 19:4 himself - 17:15 hold - 6:16, 13:16 Hold - 13:15 hours - 8:25, 10:6 Howard - 18:21 hundred - 11:14	Kentucky- 1:1, 1:10, 1:22, 1:23, 2:10, 3:4, 3:20, 4:16, 12:3, 26:1, 26:4, 26:21 Kilkelly- 10:15, 15:15, 22:21, 23:20 Kluc- 15:25, 16:1 knowledge - 5:4 known - 18:17 Ku - 4:4, 5:23, 7:2, 9:9, 10:16, 11:5, 15:19, 16:5, 16:8			
	<b>L</b>			
	large - 16:15 Large- 26:4 larger - 16:4 last - 25:4 lasted - 8:24 late - 6:4 Lauren- 1:21, 26:3, 26:24 law - 3:22 Law- 4:2 lawyer - 24:9 lay - 14:19 learned - 6:9, 22:1 least - 14:18, 16:7 Legal- 10:3, 10:15 legislator - 18:18 less - 18:16 Lexington- 3:20, 4:15, 15:17 Lg&e- 4:5, 5:23, 6:25, 7:2, 9:8, 10:16, 11:5, 15:18, 16:5, 16:8, 23:2 Lg&e/ku- 11:9, 23:19 limited - 5:10, 15:3 lines - 20:24 Lisa- 10:14, 15:15 listening - 20:11 Llc- 1:22, 4:2 lobbying - 19:2 looked - 10:6 looking - 6:22, 6:24, 23:14, 23:15 looks - 6:23, 8:24, 10:13 Louisville- 1:5, 1:23, 2:10, 3:4, 6:25, 10:4, 12:3, 15:16, 26:21 Louisville's- 5:15 low - 5:20, 15:14, 19:1, 22:20 lower - 5:16			
	<b>M</b>			
	machine - 22:23, 23:18 mail - 1:25 March - 7:3, 7:5, 26:19 marriage - 26:15 matter - 6:14, 9:20, 9:24, 18:17, 19:19,			
	<b>N</b>			
	name - 3:15, 4:1 National - 2:9 negotiation - 16:13 negotiations - 16:15 never - 17:12, 18:15, 24:13 Next- 12:12 next - 7:6 North - 16:8 Notary - 26:3, 26:18, 26:24 notes - 15:1, 15:5, 26:10, 26:13 Notice - 4:5 notice - 6:2, 6:7 November - 4:5, 4:24, 6:3 number - 21:20			
	<b>O</b>			
	Oaks - 12:3 observation - 5:17, 5:18 occasion - 4:17 occupation - 3:21 occur - 21:13 occurred - 21:23, 21:25, 22:23 office - 10:14, 18:22 offices - 3:2 Offices- 4:2 one - 4:4, 13:15, 16:7, 16:13, 18:2, 22:21, 25:6 opportunity - 9:2, 17:18 orders - 7:3 ordinary - 25:15 organization - 4:1 outcome - 26:16			
	<b>P</b>			
	pages - 26:11 part - 15:4, 19:2, 21:8 parte - 20:12, 24:9, 24:14, 24:15, 24:22 participants - 12:13			
	<b>Q</b>			
	quite - 10:6, 23:13			
	<b>R</b>			
	radio - 20:11 Raff- 11:3, 11:8, 11:13, 20:10, 20:15, 23:4 raised - 18:14 rate - 4:3, 4:9, 5:3, 5:12, 5:24, 7:12, 12:6, 12:14, 13:2, 13:22, 15:3, 25:9 Rates- 1:5, 1:9			
	<b>S</b>			
	sat - 15:2, 15:3, 17:24, 18:12 saw - 17:12, 24:13, 24:14 schedules - 6:24 Scott - 11:15, 11:16, 11:20 second - 6:16, 7:22,			
<b>J</b>				
January- 6:23, 6:25 Jeff - 11:18 Jefferson- 26:2 Joe- 1:16, 3:1, 3:9,				

<p>13:15, 21:23  see - 16:2  self - 3:25, 10:8  self-employed - 3:25  self-explanatory - 10:8  send - 25:18  sent - 6:14  separate - 16:13, 18:1, 18:4  Service - 1:1, 2:7, 4:9, 4:21, 5:7, 7:15, 7:22, 8:2, 10:20, 10:23, 12:19, 13:12  session - 21:2  set - 14:21, 26:7  settle - 21:14, 23:10  settlement - 8:22, 9:3, 9:12, 10:4, 10:7, 10:9, 10:19, 14:5, 15:8, 17:13, 19:3, 19:10, 20:22, 20:23, 21:8, 21:20, 22:24, 23:3, 23:5, 23:8  several - 4:24, 8:24, 10:6, 10:16, 11:23  Shaw - 11:18  sheet - 9:20, 10:12  Short - 3:19  showing - 10:19, 10:22, 13:10, 13:19, 13:21, 14:4  sidebar - 11:7  sign - 10:12  sign-in - 10:12  Simpson - 2:9, 3:3  sitting - 17:23, 18:11  situation - 16:3  small - 18:20  Society - 10:3, 10:16  someone - 23:4  somewhat - 19:4  sorry - 14:4  sort - 23:9  South - 2:10, 3:3  Special - 2:7  specific - 7:21, 9:11  specifically - 10:11  staff - 7:15, 8:6, 9:15, 9:16, 10:25, 11:12, 13:2, 16:6, 16:22, 16:25, 17:2, 17:4, 17:8, 18:2, 18:21, 21:18, 22:16, 22:18, 23:5, 23:9, 23:14, 24:4, 24:22, 25:1  Stainless - 16:8  stand - 14:17  startling - 20:25  State - 26:1, 26:4  state - 3:15  Statement - 1:14, 25:23  statement - 3:1, 21:4, 25:17, 26:5  stenographic - 26:9, 26:13  Street - 1:22, 2:10, 3:3, 3:19  Stumbo - 17:15, 17:24, 18:1, 18:12, 18:17, 18:22  Stumbo's - 18:22  substance - 18:10  Suite - 1:23, 3:3, 3:19</p>	<p>sum - 18:9  supervision - 26:10  support - 19:1, 19:4, 20:23, 21:20  surrounding - 4:15  Sworn - 1:14, 25:23  sworn - 3:1, 3:10, 26:5, 26:8</p>
<b>T</b>	
<p>technical - 5:11  Telephonically- 1:17  telephonically - 3:2  ten - 19:8  Terms- 1:5, 1:9  terms - 25:7  testified - 3:10  Testimony- 14:15  testimony - 6:15, 7:5, 20:25, 24:12, 26:8, 26:9  testing - 5:25  themselves - 8:10  thereafter - 26:10  thinking - 23:3, 23:4  took - 9:24  toward - 20:1  Tower - 2:9  transcript - 26:12  true - 17:12, 25:5, 26:12  trying - 23:6  Tuesday- 3:4  two - 4:3, 4:11, 5:3, 8:4, 12:5, 12:13, 15:18, 18:5, 18:10, 20:7, 22:21, 25:9  typewritten - 26:11, 26:12</p>	
<b>U</b>	
<p>ultimately - 23:16  under - 26:10, 26:20  Utilities - 1:10</p>	
<b>V</b>	
<p>vending - 22:23, 23:18  viewpoint - 23:6</p>	
<b>W</b>	
<p>West - 3:19  whole - 23:24  witness - 25:8, 26:8  Witness - 25:20  written - 7:18</p>	
<b>Y</b>	
<p>years - 4:24  yourself - 25:8</p>	