

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF BIG SANDY RURAL )  
ELECTRIC COOPERATIVE CORPORATION FOR ) CASE NO. 2012-00030  
AN ADJUSTMENT OF RATES )

NOTICE OF FILING

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

- The digital video recording of the evidentiary hearing conducted on October 4, 2012 in this proceeding;
- Certification of the accuracy and correctness of the digital video recording;
- All exhibits introduced at the evidentiary hearing conducted on October 4, 2012 in this proceeding;
- The written log listing, *inter alia*, the date and time of where each witness' testimony begins and ends on the digital video recording of the hearing conducted on October 4, 2012.

A copy of this Notice, the certification of the digital video record, exhibit list, and hearing log have been served by first class mail upon all persons listed at the end of this Notice. Parties desiring an electronic copy of the digital video recording of the hearing in Windows Media format may download a copy at [http://psc.ky.gov/av\\_broadcast/2012-00030/2012-00030\\_04Oct12\\_Inter.asx](http://psc.ky.gov/av_broadcast/2012-00030/2012-00030_04Oct12_Inter.asx). Parties wishing an annotated digital video

recording may submit a written request by electronic mail to [pscfilings@ky.gov](mailto:pscfilings@ky.gov). A minimal fee will be assessed for a copy of this recording.

The exhibits introduced at the evidentiary hearing may be downloaded at <http://psc.ky.gov/pscscf/2012%20cases/2012-00030/>.

Done at Frankfort, Kentucky, this 12<sup>th</sup> day of October 2012.

A handwritten signature in cursive script, reading "Linda Faulkner", written in black ink. The signature is positioned above a horizontal line.

Linda Faulkner  
Director, Filings Division  
Public Service Commission of Kentucky

Honorable Albert A Burchett  
Attorney at Law  
P. O. Box 0346  
Prestonsburg, KENTUCKY 41653

Mr. David Estepp  
President & General Manager  
Big Sandy R.E.C.C.  
504 11th Street  
Paintsville, KY 41240-1422

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1024 Capital Center Drive, Ste 200  
Frankfort, KENTUCKY 40601-8204

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

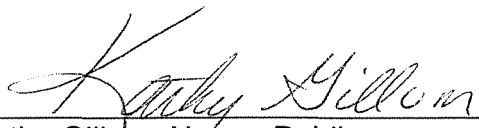
APPLICATION OF BIG SANDY RURAL )  
ELECTRIC COOPERATIVE CORPORATION FOR ) CASE NO. 2012-00030  
AN ADJUSTMENT OF RATES )

CERTIFICATE

I, Kathy Gillum, hereby certify that:

1. The attached DVD contains a digital recording of the hearing conducted in the above-styled proceeding on **October 4, 2012**. Hearing Log, Exhibits, Exhibit List and Witness List are included with the recording on October 4, 2012.
2. I am responsible for the preparation of the digital recording;
3. The digital recording accurately and correctly depicts the hearing;
4. The "Exhibit List" attached to this Certificate lists all exhibits introduced at the hearing of **October 4, 2012**.
5. The "Hearing Log" attached to this Certificate accurately and correctly states the events that occurred at the hearing of **October 4, 2012** and the time at which each occurred.

Given this 12<sup>th</sup> day of October, 2012.

  
\_\_\_\_\_  
Kathy Gillum, Notary Public  
State at Large

My commission expires: Sept 3, 2013



## Case History Log Report

Case Number: 2012-00030\_04Oct12

Case Title: Big Sandy Rural Electric Cooperative Corporation

Case Type: General Rates

Department:

Plaintiff:

Prosecution:

Defendant:

Defense:

**Date: 10/4/2012**

Location: Default Location

Judge: David Armstrong, Jim Gardner, Linda Breathitt

Clerk: Kathy Gillum

Bailiff:

Event Time	Log Event	
10:06:51 AM	Case Started	
10:07:04 AM	Preliminary Remarks	
10:08:05 AM	Chairman Armstrong Note: Kathy Gillum	Chairman states that the parties have reached a settlement agreement.
10:08:29 AM	Introductions Note: Kathy Gillum	Albert Burchett, counsel for Big Sandy; Jennifer Hans for OAG; Quang Nguyen and Steven Bailey for PSC. Mr. Nguyen stated that the parties had reached a settlement agreement.
10:09:20 AM	Public Comment Note: Kathy Gillum	No public present for comments.
10:09:32 AM	Exhibit 1 (Big Sandy) Note: Kathy Gillum	Affdavits (3) of newspaper publications entered into the record as Big Sandy Exhibit 1. Mr. Burchett moved to admit Exhibit 1 into the record. No objections.
10:10:28 AM	Outstanding Motions Note: Kathy Gillum	No outstanding Motions.
10:10:47 AM	Witness, David Estep (Big Sandy) Note: Kathy Gillum	Witness called to testify by Mr. Burchett.
10:11:28 AM	Examination by Albert Burchett (Big Sandy) Note: Kathy Gillum	Qualification of witness by Albert Burchett. Witness states that a settlement had been reached. Witness briefly explains the terms of the settlement agreement.
10:15:35 AM	Jennifer Hans (OAG) Note: Kathy Gillum	Ms. Hans states that the OAG waives cross, but requests the right after testimony if necessary.

10:15:55 AM	Examination by Quang Nguyen (PSC) Note: Kathy Gillum	Questions regarding RUS. Questions regarding the reporting and what type of information would be included in the reports. Questions regarding PSC 3rd Data Requests regarding operational efficiencies. Questions regarding the closing of the Prestonsburg office. Witness states at the first of 2010, or maybe 2009. Witness states that it was a collection facility. Witness states that there were 2 full time and 1 part time employees. Witness states that the office is now located in a local bank with one employee. Witness states that approximately \$75,000.00 to \$80,000.00 per year is being saved as a result. Questions regarding DSM report.
10:27:33 AM	Vice Chair Gardner Note: Kathy Gillum	Questions regarding other efficiencies. Questions regarding if there were other payment offices. Questions regarding possibility of using a DSM surcharge. Questions regarding direct load control. Witness states they have approx. 12,000 residential customers. Vice Chair states that the Commission has concerns about raising rates for capital credits.
10:33:57 AM	Commissioner Breathitt Note: Kathy Gillum	Questions regarding Page 1, question 13 of direct testimony pertaining to substantial deterioration. Witness states weather and closure of coal mines have contributed to deterioration. Questions regarding House Smart Program. Questions regarding last question in direct testimony response.
10:40:11 AM	Albert Burchett (Big Sandy) Note: Kathy Gillum	No further questions.
10:40:17 AM	Examination by Jennifer Hans (OAG) Note: Kathy Gillum	Questions regarding whether the modification in the customer class will allow them to meet the revenue required. Ms. Hans asked if all classes are sharing the burden. Questions regarding the MACED program.
10:41:37 AM	Examination by Quang Nguyen (PSC) Note: Kathy Gillum	Mr. Nguyen asked if Big Sandy is still working with EKPC on a solution to the lag in recovery which contributes to the cash flow problem.
10:42:54 AM	Witness Excused (David Estep)	
10:43:06 AM	Witness, Alan Zumstein (Big Sandy) Note: Kathy Gillum	Witness called to testify by Albert Burchett.
10:43:41 AM	Examination by Albert Burchett (Big Sandy) Note: Kathy Gillum	Mr. Burchett asked the witness to explain what rates had to be changed to enter into the settlement. Witness states that the only change was to the residential rate class. Questions regarding the staff memorandum with attached settlement and exhibits. Witness states that he worked on it. Witness adopts pre-filed testimony and settlement proposal.
10:45:39 AM	Examination by Quang Nguyen (PSC) Note: Kathy Gillum	Questions regarding paragraph 1 of the settlement agreement.
10:47:23 AM	Data Request (PSC) Note: Kathy Gillum	Data Request: Provide updated Responses to PSC DR 2-28, the most recent rate expense numbers and the supporting documentation within a week. Witness agreed to provide.

10:47:52 AM	Vice Chair Gardner Note: Kathy Gillum	Questions regarding the percentage from the revenue from a residential customer would be derived from the customer at \$10.38. Questions also regarding the percentage at \$12.69 and at \$15.00. Vice Chair stated that it could be provided in a post hearing Data Response. Witness answered that \$12.69 would be approx. 10%; \$15.00 would be approx. 12%; and \$10.38 would be approx. 8%.
10:48:54 AM	Vice Chair Gardner Note: Kathy Gillum	Vice Chair states that after witness' answer he did not need a post hearing Data Response.
10:49:48 AM	Witness Excused (Alan Zumstein)(Big Sandy)	
10:49:59 AM	Albert Burchett (Big Sandy) Note: Kathy Gillum	Mr. Burchett stated that his case is concluded. Mr. Burchett stated that Mr. James Adkins was present and available for cross by the parties if they wished. Neither counsel wished to cross Mr. Adkins.
10:50:37 AM	Chairman Armstrong Note: Kathy Gillum	Chairman Armstrong stated that the Data Response were due in 1 week
10:50:57 AM	Quang Nguyen (PSC) Note: Kathy Gillum	Mr. Nguyen states that the due date was Oct 11th
10:51:29 AM	Chairman Armstrong Note: Kathy Gillum	Swearing of Stipulation Agreement by all parties. All parties answered yes to 1 and 2, no to 3, 4 and 5.
10:52:27 AM	Chairman Armstrong Note: Kathy Gillum	Hearing Adjourned.
10:52:52 AM	Case Recessed	
10:54:30 AM	Case Stopped	



**Exhibit List Report**  
Case Number: 2012-00030\_04Oct12

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Case Title: Big Sandy Rural Electric Cooperative Corporation

Department:

Plaintiff:

Prosecution:

Defendant:

Defense:

<b>Name</b>	<b>Description</b>
Big Sandy Exhibit 1	Affdavits (3) of newspaper publications notice



AFFIDAVIT OF PUBLICATION

I, Tony Fyffe, hereby certify that I am the Editor of THE BIG SANDY NEWS. I further certify that an APPLICATION OF BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION FOR AN ADJUSTMENT OF RATES, CASE NO. 2012-00030, was published September 26 and October 3, 2012 in The Big Sandy News. IN TESTIMONY WHEREOF, witness my signature this October 3, 2012.

THE BIG SANDY NEWS

SIGNATURE Tony Fyffe

SUBSCRIBED AND SWORN TO BEFORE ME BY  
Tony Fyffe

THIS THE 3 DAY OF Oct., 2012.

NOTARY PUBLIC Kimberly C. Thomas

MY COMMISSION EXPIRES: Oct. 21, 2014

NEWSPAPER AFFIDAVIT

I, Sharon K. Hall of the TROUBLESOME CREEK TIMES newspaper, published at HINDMAN, KENTUCKY, and having the largest general circulation of any newspaper in KNOTT COUNTY, KENTUCKY, do hereby certify from my own knowledge and a check of the files of this newspaper, that the advertisement of:

Application of Big Sandy RECC

For Adjustment of Rates

was inserted in the TROUBLESOME CREEK TIMES on the following dates:

Date Sept. 27, 2012 Page 13 Column 1, 2, 3

Date Oct 4, 2012 Page \_\_\_\_\_ Column \_\_\_\_\_

Date \_\_\_\_\_ Page \_\_\_\_\_ Column \_\_\_\_\_

Date \_\_\_\_\_ Page \_\_\_\_\_ Column \_\_\_\_\_

Signature: Sharon K. Hall

Subscribed and sworn before me on this 03 day of October,

20 12, by the above.

NOTARY PUBLIC Jordan Thomas Hall

My commission expires October 13, 2015

The Jackson-Breathitt County Times-Voice  
***Intermountain Publishing Co., Inc.***

22 Howell Lane P.O. Box 999 Jackson, KY 41339

Phone: (606) 666-2451

Fax: (606) 666-5706

Email: advertising@jacksontimesky.com

**NEWSPAPER AFFIDAVIT**

I, Jeanie Noble OF THE  
JACKSON-BREATHITT COUNTY TIMES-VOICE  
NEWSPAPER, PUBLISHED AT JACKSON, KY AND  
HAVING THE LARGEST GENERAL CIRCULATION OF  
ANY NEWSPAPER IN BREATHITT COUNTY,  
KENTUCKY, DO HEREBY CERTIFY THAT FROM MY  
OWN KNOWLEDGE AND A CHECK OF THE FILES OF  
THIS NEWSPAPER THAT THE ADVERTISEMENT OF  
ADJUSTMENT OF RATES FOR BIG SANDY RECC WAS  
INSERTED IN THE JACKSON-BREATHITT COUNTY  
TIMES-VOICE ON THE FOLLOWING DATES:

DATE 9-27-12 PAGE NO. A8 COLUMN NO. 3+4

DATE 10-4-12 PAGE NO. A10 COLUMN NO. 1+2

DATE \_\_\_\_\_ PAGE NO. \_\_\_\_\_ COLUMN NO. \_\_\_\_\_

DATE \_\_\_\_\_ PAGE NO. \_\_\_\_\_ COLUMN NO. \_\_\_\_\_

SIGNATURE: Jeanie Noble

SUBSCRIBED AND SWORN TO BEFORE ME BY:

Cheryl Campbell

THIS THE 4 DAY OF October, 2012

NOTARY PUBLIC: Cheryl Campbell

MY COMMISSION EXPIRES: 3-25-2016