

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF MEADE COUNTY RURAL )  
ELECTRIC COOPERATIVE CORPORATION FOR )  
A GENERAL ADJUSTMENT OF RATES AND A ) CASE NO. 2013-00033  
FLOW-THROUGH OF BIG RIVERS ELECTRIC )  
CORPORATION'S RATE INCREASE )

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 July 16, 2013 in this proceeding;
- Certification of the accuracy and correctness of the digital video recording;
- All exhibits introduced at the evidentiary hearing conducted on July 16, 2013 in this proceeding;
- A written log listing, *inter alia*, the date and time of where each witness' testimony begins and ends on the digital video recording of the evidentiary hearing conducted on July 16, 2013.

A copy of this Notice, the certification of the digital video record, hearing log, and exhibits have been electronically served upon all persons listed at the end of this Notice. Parties desiring 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/2013-00033/2013-00033\\_16Jul13\\_Inter.aspx](http://psc.ky.gov/av_broadcast/2013-00033/2013-00033_16Jul13_Inter.aspx). Parties wishing an annotated digital video

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

Done at Frankfort, Kentucky, this 29<sup>th</sup> day of July 2013.

A handwritten signature in cursive script that reads "Linda Faulkner".

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Linda Faulkner  
Director, Filings Division  
Public Service Commission of Kentucky

Honorable Thomas C Brite  
Attorney At Law  
Brite & Hopkins, PLLC  
83 Ballpark Road  
P.O. Box 309  
Hardinsburg, KENTUCKY 40143

Karen Brown  
VP Finance & Accounting  
Meade County R.E.C.C.  
P. O. Box 489  
Brandenburg, KY 40108-0489

Burns E Mercer  
Manager  
Meade County R.E.C.C.  
P. O. Box 489  
Brandenburg, KY 40108-0489

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

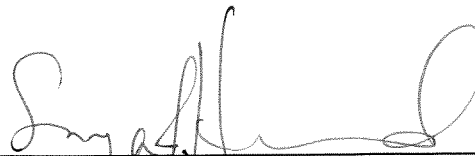
APPLICATION OF MEADE COUNTY RURAL	)	CASE NO.
ELECTRIC COOPERATIVE CORPORATION	)	2013-00033
FOR A GENERAL ADJUSTMENT OF RATES	)	
AND A FLOW-THROUGH OF BIG RIVERS	)	
ELECTRIC CORPORATION'S RATE	)	
INCREASE	)	

CERTIFICATE

I, Sonya J. Harward, hereby certify that:

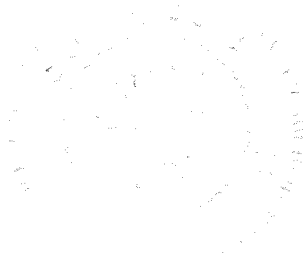
1. The attached DVD contains a digital recording of the hearing conducted in the above-styled proceeding on July 16, 2013. Hearing Log, Exhibits, Exhibit List, and Witness List are included with the recording on July 16, 2013.
2. I am responsible for the preparation of the digital recording.
3. The digital recording accurately and correctly depicts the hearing.
4. The "Exhibit List" attached to this Certificate lists all exhibits introduced at the hearing of July 16, 2013.
5. The "Hearing Log" attached to this Certificate accurately and correctly states the events that occurred at the hearing of July 16, 2013 and the time at which each occurred.

Given this 17<sup>th</sup> day of July, 2013.



Sonya J. Harward (Boyd), Notary Public  
State-at-Large

My Commission Expires: Aug. 25, 2013





# Session Report - Detail

2013-00033\_16July2013

## Meade County Rural Electric Cooperative Corporation

Date:	Type:	Location:	Department:
7/16/2013	General Rates	Public Service Commission	Hearing Room 1 (HR 1)

Judge: David Armstrong; Linda Breathitt; Jim Gardner  
 Witness: Karen Brown - Meade Co. RECC; Jack Gaines - Meade Co. RECC; Burns Mercer - Meade Co. RECC  
 Clerk: Sonya Harward

Event Time	Log Event
10:03:11 AM	Session Started
10:03:29 AM	Camera Lock Deactivated
10:04:14 AM	Preliminary comments. Note: Harward, Sonya Chairman Armstrong
10:05:39 AM	Confirmed that public notice had been given. Note: Harward, Sonya Atty. Faith Burns, PSC
10:05:49 AM	No outstanding motions. Note: Harward, Sonya Confirmed by Atty. Tom Brite, Meade Co. RECC, and Atty. Faith Burns, PSC.
10:06:01 AM	Introduction of Commissioners
10:06:30 AM	No public present to be heard.
10:07:08 AM	Witness Burns Mercer takes the stand and is sworn in. Note: Harward, Sonya President and CEO of Meade Co. RECC
10:07:52 AM	Atty. Tom Brite, Meade Co. RECC Note: Harward, Sonya Direct examination of witness and confirmed with witness that his testimony is still accurate.
10:08:47 AM	Atty. Faith Burns, PSC Note: Harward, Sonya Cross-Exam of Witness Mercer. Note: Harward, Sonya Referenced Exhibit 13 of application.
10:11:08 AM	Post Hearing Data Request Note: Harward, Sonya When was the self-insured refund dissolved?
10:11:25 AM	Atty. Burns Note: Harward, Sonya Referenced Exhibit 15 of application.
10:12:54 AM	Atty. Burns Note: Harward, Sonya Referenced Exhibit H of application...questioned about TIER.
10:14:38 AM	Commissioner Breathitt interjected a question for clarification. Note: Harward, Sonya Asked what witness had said the minimum TIER requirement was...Witness stated it as 1.25 for RUS.
10:15:14 AM	Atty. Burns Note: Harward, Sonya Referenced response to Staff DR2, Item 26
10:16:16 AM	Post Hearing Data Request Note: Harward, Sonya From response to Staff's 2nd Data Request, page 10, provide another paper copy of the table at the bottom, shaded in areas cannot be read.
10:17:45 AM	Post Hearing Data Request Note: Harward, Sonya From response to Staff's 2nd Data Request, page 13, table titled Salary Structure Regions. Submit a copy of this table with information included.
10:18:13 AM	Atty. Burns clarified part of testimony with Witness Mercer. Note: Harward, Sonya Referenced responses to Staff DR2, 33D and Exhibit 10.
10:18:47 AM	Post Hearing Data Request Note: Harward, Sonya Provide agenda for KAEC Annual meeting.

	Note: Harward, Sonya	Provide dates and location of KAEC Annual meeting.
10:20:09 AM	Atty. Bright spoke with his witness for a brief moment.	
10:20:47 AM	Vice Chairman Gardner questioned Witness Mercer.	
10:22:58 AM	Atty. Brite, Redirect Exam of Witness Mercer.	
10:24:45 AM	Commissioner Breathitt asked a question of the witness.	
10:25:23 AM	Atty. Burns had a follow-up question for Witness Mercer.	
	Note: Harward, Sonya	Discussing demand charge.
10:27:15 AM	Commissioner Breathitt questioned witness about meters and demand charge.	
10:29:06 AM	Witness Mercer dismissed from stand.	
10:29:24 AM	Witness Karen Brown takes stand and is sworn in.	
	Note: Harward, Sonya	Vice President of Administration and Finance for Meade. Co. RECC
10:30:02 AM	Atty. Brite	
	Note: Harward, Sonya	Direct examination of witness and confirmed with witness that her testimony is still accurate.
10:31:24 AM	Atty. Brite asked Witness Brown about billing procedures.	
10:31:51 AM	Atty. Aaron Cole, PSC	
	Note: Harward, Sonya	Cross Examination of Witness Brown
	Note: Harward, Sonya	Referenced Exhibit 3, page 3 of 6.
	Note: Harward, Sonya	Referenced response to Staff's DR2 , Item 27A.
10:34:12 AM	Post Hearing Data Request	
	Note: Harward, Sonya	Provide Meade Co.'s Depreciation Expense adjustment.
10:34:36 AM	Atty. Cole	
	Note: Harward, Sonya	Referenced response to Staff's DR2 , Item 29A and B.
10:35:47 AM	Post Hearing Data Request	
	Note: Harward, Sonya	Confirm that proposed adjustment for interest on long-term debt is now a reduction instead of an increase, as filed in Exhibit 5.
10:37:22 AM	*Meade Exhibit 1	
	Note: Harward, Sonya	Meade Co. RECC, Expenses Incurred
10:38:46 AM	Post Hearing Data Request	
	Note: Harward, Sonya	Provide actual expenses and estimated remaining rate case expenses.
10:39:10 AM	Atty. Cole questioned Witness Brown about giving gifts and these not being allowed for ratemaking purposes.	
	Note: Harward, Sonya	Also Item 340 about shirts provided to staff.
	Note: Harward, Sonya	Referenced response to Staff's DR2 , Item 34N, and Exhibit 11 of application.
10:42:58 AM	Atty. Cole	
	Note: Harward, Sonya	Referenced response to Staff's DR2 , Item 26.
	Note: Harward, Sonya	Asked what was in the blank box.
10:44:31 AM	Atty. Cole asked question about depreciation expense increase.	
10:47:51 AM	Post Hearing Data Request	
	Note: Harward, Sonya	Provide through July and August, the updates to Meade Exhibit 1.
10:48:28 AM	Atty. Brite, Re-direct questions to witness	
	Note: Harward, Sonya	Asked witness to clarify about dates for billing procedure.
10:49:35 AM	Vice Chairman Gardner	
	Note: Harward, Sonya	Questioned Witness Brown about DSM programs.
10:50:09 AM	Witness clarified where this information was located in the record.	
	Note: Harward, Sonya	Response to Staff's DR 3, Item 17.
10:51:02 AM	Witness Brown dismissed.	
10:51:10 AM	Witness Jack Gaines takes the stand and is sworn in.	
	Note: Harward, Sonya	Independent Consultant
10:52:22 AM	Atty. Brite	
	Note: Harward, Sonya	Direct examination of witness and confirmed with witness that his testimony is still accurate.

10:53:04 AM	Atty. Brite Note: Harward, Sonya	Asked witness to expand on reason why retail and wholesale rates need to go into effect on same day as Big Rivers.
10:56:11 AM	Atty. Cole Note: Harward, Sonya Note: Harward, Sonya	Cross Examination of Witness Gaines Response to Staff's DR2, 20 G-2, and DR3, Item 2B
10:58:15 AM	Post Hearing Data Request Note: Harward, Sonya	Provide a hard copy of corrected cost-of-service study.
10:58:31 AM	*PSC Exhibit 1 Note: Harward, Sonya	Big Rivers Electric Corporation, CN 2012-00535, Summary of Proposed Changes to Tariff Rates
10:59:28 AM	Post Hearing Data Request Note: Harward, Sonya	For all of the Meade Co. Exhibits that will be effected, provide revised versions for the rates that Big Rivers filed in that rebuttal case. Provide in hard copy and spreadsheets should be provided in Excel format.
11:01:02 AM	Vice Chairman Gardner asked witness questions about flow-through charges.	
11:08:13 AM	Atty. Cole asked a follow-up question to Vice Chairman Gardner's questions. Note: Harward, Sonya Note: Harward, Sonya	Question concerned distribution increase and demand charge. Asked why wholesale is on a CP basis and retail is on a NCP basis.
11:13:13 AM	Commissioner Breathitt asked for definition of CP and NCP.	
11:16:05 AM	Witness Gaines dismissed.	
11:16:23 AM	Atty. Burns - Discussed due date for Post Hearing Data Requests Note: Harward, Sonya	Post Hearing Data Requests due in two weeks.
11:16:48 AM	Atty. Burns reviewed all items due in Post Hearing Data Requests.	
11:18:19 AM	Hearing adjourned.	
11:18:22 AM	Session Paused	
11:19:00 AM	Session Ended	



## Exhibit List Report

2013-00033\_16July2013

**Meade County Rural Electric  
Cooperative Corporation**

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<b>Name:</b>	<b>Description:</b>
Meade Exhibit 1	Meade Co. RECC, Expenses Incurred
PSC Exhibit 1	Big Rivers Electric Corporation, CN 2012-00535, Summary of Proposed Changes to Tariff Rates

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**Meade County Rural Electric**  
**Case Number: 2013-00033**  
**Expenses Incurred**

MONTH	ACCOUNT	CHECK DATE	CHECK #	VENDOR NAME	DESCRIPTION	AMOUNT
January	928.000	2/7/2013	103251	JDG CONSULTING LLC	2013 POWER COST FLOW THROUGH & RATE CASE 1/2013	10,360.00
<b>January Account 928.000 Total</b>						<b>10,360.00</b>
February	928.000	2/22/2013	103359	FEDERAL EXPRESS CORP	SHIPPING CHARGES FOR RATE CASE	19.36
February	928.000	2/28/2013	103436	VISA	CERTIFICATE OF EXISTENCE FEE	10.00
February	928.000	3/7/2013	103477	FEDERAL EXPRESS CORP	SHIPPING CHARGES FOR RATE CASE	33.33
February	928.000	3/7/2013	103499	THE MEADE COUNTY MESSENGER	NOTICE OF RATE INCREASE	720.00
February	928.000	3/7/2013	103465	CLARION PUBLISHING CO, INC	LEGAL NOTICE FOR RATE CASE	960.39
<b>February Account 928.000 Total</b>						<b>1,743.08</b>
March	928.000	3/15/2013	103579	HERALD NEWS PUBLISHING CO INC	DISPLAY OF RATE INCREASE	1,386.00
March	928.000	3/15/2013	103568	FEDERAL EXPRESS CORP	SHIPPING CHARGES FOR RATE CASE	58.08
March	928.000	3/22/2013	103636	FEDERAL EXPRESS CORP	SHIPPING CHARGES FOR RATE CASE	25.36
March	928.000	3/29/2013	801861	US BANK CORPORATE PYMT SYSTEMS	BINDERS FOR RATE CASE	42.93
March	928.000	3/29/2013	103706	KENTUCKY CLASSIFIED NETWORK	AD FOR RATE CASE	2,425.92
March	928.000	3/29/2013	103719	OHIO COUNTY TIMES NEWS	RATE CASE NEWSPAPER ADVERTISING	549.00
March	928.000	4/8/2013	103791	JDG CONSULTING LLC	LEGAL FEES FOR RATE CASE	7,410.00
March	928.000	4/8/2013	103763	CIVITAS MEDIA LLC	RATE CASE ADVERTISING	3,080.70
March	928.000	4/8/2013	103754	BRITE & HOPKINS ATTORNEYS	LEGAL FEES FOR RATE CASE	930.00
March	928.000	4/8/2013	103791	JDG CONSULTING LLC	LEGAL FEES FOR RATE CASE	1,610.00
<b>March Account 928.000 Total</b>						<b>17,517.99</b>
April	928.000	4/30/2013	103964	FEDERAL EXPRESS CORP	SHIPPING CHARGES FOR RATE CASE	19.71
April	928.000	5/7/2013	104072	JDG CONSULTING LLC	LEGAL FEES FOR RATE CASE	15,640.00
<b>April Account 928.000 Total</b>						<b>15,659.71</b>
May	928.000	5/7/2013	104056	FEDERAL EXPRESS CORP	SHIPPING CHARGES FOR RATE CASE	19.71
May	928.000	5/17/2013	104147	FEDERAL EXPRESS CORP	SHIPPING CHARGES FOR RATE CASE	19.71
<b>May Account 928.000 Total</b>						<b>39.42</b>
June	928.000	6/14/2013	104403	JDG CONSULTING LLC	LEGAL FEES FOR RATE CASE	285.00
June	928.000	6/28/2013	104507	BRITE & HOPKINS ATTORNEYS	LEGAL FEES FOR RATE CASE	496.60
<b>June Account 928.000 Total</b>						<b>781.60</b>

**ACCOUNT 928.000 GRAND TOTAL 46,101.80**

**MEADE CO. RECC**  
**EXHIBIT   1**

**Big Rivers Electric Corporation**  
**Case No. 2012-00535**  
**Summary of Proposed Changes to Tariff Rates**

Standard Rate Schedule	Rate	Sheet Number(s)	Current Rate	Proposed Rate <sup>1</sup>	Incr. (Decr.) <sup>1</sup>
RDS	Demand	1	\$9.697 per kW	\$16.454 per kW	\$6.757 per kW
	Energy	1	\$0.029736 per kWh	\$0.030000 per kWh	\$0.000264 per kWh
LIC	Demand	7	\$10.5000 per kW	\$11.960 per kW	\$1.460 per kW
	Energy	7	\$0.024508 per kWh	\$0.030000 per kWh	\$0.005492 per kWh
QFS	<i>On-Peak Maintenance Service</i>				
	Demand per Week	24	\$2.238 per kW	\$3.839 per kW	\$1.601 per kW
	Energy	24	\$0.029736 per kWh	\$0.030000 per kWh	\$0.000264 per kWh
	<i>Off-Peak Maintenance Service</i>				
	Demand per Week	24	\$2.238 per kW	\$3.839 per kW	\$1.601 per kW

<sup>1</sup> Please see the revised exhibits of Mr. John Wolfram for analysis supporting these proposed rates.