

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF SOUTH KENTUCKY RURAL	)	
ELECTRIC COOPERATIVE CORPORATION FOR APPROVAL	)	CASE NO.
OF MASTER POWER PURCHASE AND SALE AGREEMENT	)	2018-00050
AND TRANSACTIONS THEREUNDER	)	

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 May 15, 2018, May 16, 2018, and May 17, 2018 in this proceeding;
- Certification of the accuracy and correctness of the digital video recording;
- All exhibits introduced at the evidentiary hearing conducted on May 15, 2018, May 16, 2018, and May 17, 2018 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 May 15, 2018, May 16, 2018, and May 17, 2018.

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 to view the digital video recording of the hearing may do so at:

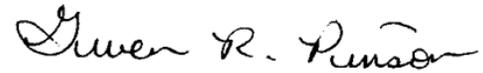
[https://psc.ky.gov/av\\_broadcast/2018-00050/2018-00050\\_15May18\\_Inter.aspx](https://psc.ky.gov/av_broadcast/2018-00050/2018-00050_15May18_Inter.aspx)

[https://psc.ky.gov/av\\_broadcast/2018-00050/2018-00050\\_16May18\\_Inter.aspx](https://psc.ky.gov/av_broadcast/2018-00050/2018-00050_16May18_Inter.aspx)

[https://psc.ky.gov/av\\_broadcast/2018-00050/2018-00050\\_17May18\\_Inter.aspx](https://psc.ky.gov/av_broadcast/2018-00050/2018-00050_17May18_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 5<sup>th</sup> day of June 2018.



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COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

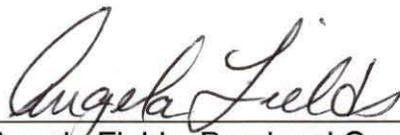
ELECTRONIC APPLICATION OF SOUTH	)	
KENTUCKY RURAL ELECTRIC COOPERATIVE	)	CASE NO.
CORPORATION FOR APPROVAL OF MASTER	)	2018-00050
POWER PURCHASE AND SALE AGREEMENT	)	
AND TRANSACTIONS THEREUNDER	)	

CERTIFICATE

I, Angela Fields, hereby certify that:

1. The attached DVD contains a digital recording of the hearing conducted in the above-styled proceeding on May 15 2018. The hearing was recorded on 3 consecutive days, May 15, 16 and 17. Exhibits and Witness Lists are included with the recording.
2. I am responsible for the preparation of the digital recording;
3. The digital recording accurately and correctly depicts the hearing;
4. The "Hearing Log" attached to this Certificate accurately and correctly states the events that occurred at the hearing on May 15, and the time at which each occurred.

Signed this 1<sup>st</sup> day of June 2018.

  
\_\_\_\_\_  
Angela Fields, Paralegal Consultant

  
\_\_\_\_\_  
Stephanie Schweighardt, Notary Public  
State at Large  
My commission expires: January 14, 2019  
ID#: 525987



# Session Report - Detail

2018-00050 15May2018

South Kentucky Rural Electric

Date:	Type:	Location:	Department:
5/15/2018	Public Hearing\Public Comments	Hearing Room 1	Hearing Room 1 (HR 1)

Judge: Bob Cicero; Talina Mathews; Michael Schmitt  
 Witness: James R Adkins; Carter Babbitt; Chris Brewer; Tony Campbell; Jerry Carter; David Crews; Carol Fraley; Ted Hampton; Joni Hazelrigg; Michelle D Herrman; Dennis Holt; Kerry Howard; Gregory Lee; Debra Martin; Mike McNalley; Don Mosier; Barry Myers; Mechonda O'Brien; William Prather; William S Seelye; Bobby Sexton; Tim Shart; Mark Stallons; Michael Williams; John Wolfram; Carol Wright  
 Clerk: Angela Fields

Event Time	Log Event	
8:36:14 AM	Session Started	
8:36:16 AM	Session Paused	
10:00:10 AM	Session Resumed	
10:00:16 AM	Chairman Schmitt Note: Fields, Angela	Preliminary remarks
10:00:51 AM	Chairman Schmitt Note: Fields, Angela	Notice given
10:02:35 AM	Atty Malone - So. KY Note: Fields, Angela	Introduction of attorneys for South Kentucky, Matt Malone, Scott Grover and Mike Madison
10:03:11 AM	Chairman Schmitt Note: Fields, Angela	Introduces counsel for all intervenors
10:03:47 AM	Atty Miller - Dist. Coop Note: Fields, Angela	Jim Miller and Mike Sullivan on behalf of the 9 Distribution Coops
10:04:04 AM	Camera Lock PTZ Activated	
10:04:17 AM	Atty Campbell Note: Fields, Angela	Jim Crawford and Jake Thompson for Owen and Shelby
10:05:24 AM	Camera Lock Deactivated	
10:05:49 AM	Camera Lock PTZ Activated	
10:05:50 AM	Atty Crawford Note: Fields, Angela	Counsel for Owen and Shelby
10:05:59 AM	Camera Lock Deactivated	
10:06:29 AM	Confidentiality Motion	
10:06:45 AM	Chairman Schmitt Note: Fields, Angela	Time for appeal has run
10:07:17 AM	Chairman Schmitt Note: Fields, Angela	Outstanding issues. Matters considered confidential or ruling is pending it is up to counsel to notify us and we will go into confidential session.
10:08:12 AM	Chairman Schmitt Note: Fields, Angela	Procedural matters? None
10:08:26 AM	Chairman Schmitt Note: Fields, Angela	Lunch break at noon for 1 hour, and 15 min at 3 and 5:15. We will go to 7:00 p.m.
10:09:26 AM	Chairman Schmitt Note: Fields, Angela	Tomorrow will start at 9:00
10:09:49 AM	Chairman Schmitt Note: Fields, Angela	Order of Proof, will be SKY goes first, then EKPC, and Dist. Coop.

10:10:44 AM	Chairman Schimitt Note: Fields, Angela	The order of cross examination
10:11:01 AM	Chairman Schimitt Note: Fields, Angela	Joint parties listed in order of examination
10:11:31 AM	Chairman Schimitt Note: Fields, Angela	Any questions about order of proof or examination
10:12:07 AM	Atty Madison Note: Fields, Angela	From a timing aspect can SKY can ask their questions last?
10:12:54 AM	Chairman Schmitt Note: Fields, Angela	Swears in witness Holt
10:13:14 AM	Atty Grover SKY - direct Holt Note: Fields, Angela	Name, address, employer
10:13:37 AM	Atty Grover SKY - direct Holt Note: Fields, Angela	Did you file direct testimony in this case? And you also filed rebuttal testimony? Corrections or update to any of those?
10:14:42 AM	Atty Grover SKY - direct Holt Note: Fields, Angela	Would your answers still be same.
10:14:55 AM	Atty Cross AG - cross of Holt Note: Fields, Angela	Turn to Pg 6 of rebuttal testimony, line 9, please read question into record.
10:15:35 AM	Atty Cross AG - cross of Holt Note: Fields, Angela	Any studies to back it up?
10:15:58 AM	Atty Cross AG - cross Holt Note: Fields, Angela	Do you not agree that the intervenors in this case are more concerned with long term affects whether of SKY entering into the purchase agreement as opposed to the election being flawed.
10:16:51 AM	Atty Cross AG - cross of Holt Note: Fields, Angela	Please refer to the testimony of Anthony Campbell.
10:17:42 AM	Atty Cross AG - cross of Holt Note: Fields, Angela	Please turn to pg 24 of Mr. Campbell's testimony line 11 read line in 14 , read for record.
10:18:54 AM	Atty Cross AG - cross of Holt Note: Fields, Angela	SKY really doesn't care if election causes other member additional costs
10:19:34 AM	Atty Cross AG - cross of Holt Note: Fields, Angela	Campbell testimony, pg 24 starting at line 14 , start reading at "this impression is reinforced"
10:20:01 AM	Atty Cross AG - cross of Holt Note: Fields, Angela	Is Mr. Campbell's statement true that SKY did not evaluate what costs shifts to the other owner members would result from this transaction.
10:20:29 AM	Atty Cross AG - cross of Holt Note: Fields, Angela	Read from the record read line 16 the sentence that begins with in addition.
10:21:02 AM	Atty Cross AG - cross of Holt Note: Fields, Angela	Explain what you believe are these compounding financial effects that could result
10:21:36 AM	Atty Cross AG - cross of Holt Note: Fields, Angela	Do you agree that if the contracts are approved, one result would be that SKY passes off to other members costs but for SKY amendment 3 election SKY would have borne
10:22:29 AM	Atty Cross AG - cross of Holt Note: Fields, Angela	if another member owner took another course of action, would SKY seek relief?

10:23:10 AM	Atty Cross AG - cross of Holt Note: Fields, Angela	Would you agree that SKY owes fiduciary duty to there ratepayers?
10:24:37 AM	Atty Cross AG - cross of Holt Note: Fields, Angela	Turn to Mr. Mosier's testimony pg 3 line 7. Please read into record.
10:25:38 AM	Atty Cross AG - cross of Holt Note: Fields, Angela	Do you Doubt Mosier when he says the contract will create challenges for EKPC load loss.
10:26:07 AM	Atty Cross AG - cross of Holt Note: Fields, Angela	Mr. Mosier's direct at page 4. Read line 11. Please read into the record.
10:27:29 AM	Atty Cross AG - cross of Holt Note: Fields, Angela	The type of argeement for which SKY seeks approval is normally for a fraction of 20 yr applicable for the agreement in this case.
10:27:55 AM	Atty Cross AG - cross of Holt Note: Fields, Angela	Mr. Mosier expresses concern here that the alternate souce is source outside this commission's jurisdiction. Do you agree with Mosier?
10:28:27 AM	Atty Cross AG - cross of Holt Note: Fields, Angela	in that same passage, Mr. Mosier states "...this creates a degree of regulatory market and economic risk for SKY." Do you agree with that ?
10:29:17 AM	Atty Cross AG - cross of Holt Note: Fields, Angela	What due diligence did SKY perform in order to address any market and economic risks?
10:29:45 AM	Camera Lock PTZ Activated	
10:30:01 AM	Camera Lock Deactivated	
10:30:19 AM	Atty Cross AG - cross of Holt Note: Fields, Angela	With regards to any due diligence that SKY performed were any studies performed?
10:31:08 AM	Atty Cross AG - cross of Holt Note: Fields, Angela	Were there any studies that SKY performed that were not provided for the record?
10:31:23 AM	Atty Cross AG - cross of Holt Note: Fields, Angela	This might require EKPC to file rate case sooner, that this would be an undesirable outcome, including for SKY
10:31:39 AM	Atty Cross AG - cross of Holt Note: Fields, Angela	SKY hasn't performed any imperical analyis on what the ppa would have.
10:32:09 AM	Atty Cross AG - cross of Holt Note: Fields, Angela	The NPV analysis only one done?
10:32:16 AM	Atty Cross AG - cross of Holt Note: Fields, Angela	If something goes wrong under this PPA, all the risks are on the shoulders of SKY isn't that true?
10:32:38 AM	Atty Cross AG - cross of Holt Note: Fields, Angela	If for example EKPC, was going to enter into a similar agreement, would you not agee that EKPC has mulitply ways to mitigate the risks?
10:32:58 AM	Atty Cross AG - cross of Holt Note: Fields, Angela	You say in your testimony that SKY has the same risk as is would with Morgan Stanley. Isn't that incorrect?
10:34:01 AM	Atty Cross AG - cross of Holt Note: Fields, Angela	You testified already that SKY has adequatly addressed the matter risk. I could not find the word "risk" in your rebuttal testimony. Is that correct?

10:34:27 AM	Atty Cross AG - cross of Holt Note: Fields, Angela	Disagree with campbel when SKY proposed transaction raises the issues of conflict of interest between the coops when he mentioned the liberty audit?
10:34:50 AM	Atty Cross AG - cross of Holt Note: Fields, Angela	You do not agree that there is a potential for conflict of interest between coops?
10:35:07 AM	Atty Cross AG - cross of Holt Note: Fields, Angela	Is there a chance if PPA is approved the deal will cost SKY members more than without the deal?
10:36:21 AM	Atty Royce EKPC - cross Holt Note: Fields, Angela	Have you testified before the PSC before
10:36:58 AM	Atty Royce EKPC - cross Holt Note: Fields, Angela	When were you named interim CEO?
10:37:13 AM	Atty Royce EKPC - cross Holt Note: Fields, Angela	Is it correct within a month of being interim CEO you were exploring an exercise of exploring an alternate source?
10:38:07 AM	Atty Royce EKPC - cross Holt Note: Fields, Angela	Did your have a position on that or did you make the recommendation to the board?
10:38:37 AM	Atty Royce EKPC - cross Holt Note: Fields, Angela	CEO for less than a year but you have been with SKY for more than a decade.
10:38:47 AM	Atty Royce EKPC - cross Holt Note: Fields, Angela	How long has Mr. Redman been on your board?
10:39:13 AM	Atty Royce EKPC - cross Holt Note: Fields, Angela	Mr. Halloran? Mr. Heard? Mr. Haynes? Mr. Tacket?
10:39:37 AM	Atty Royce EKPC - cross Holt Note: Fields, Angela	Any of those board members directed you or any other CEO to evaluate the possiblity of exercising a purchase power agreement with a marketing agent?
10:40:03 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	Who ownes EKPC?
10:40:26 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	Does it mangage it's oversite of EKPC in tandum with its other owners?
10:40:45 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	Ever been involved in a PPA?
10:41:00 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	Has anyone in SKY participated in a PPA?
10:41:20 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	Have you ever caluculated transmission expenses such as NITS?
10:41:35 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	Have you ever settled financial market transactions with an energy marketer?
10:41:48 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	Have you ever negotiated the terms of a PPA with a energy marketer?
10:42:15 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	A project from Texas, The were going to build some generation assets in Kentucky. You were considering a project with them correct.
10:42:39 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	You were concerned that co-owners of EKPC was also interested?

10:43:10 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	At that point you had not hired any outside consultant correct?
10:43:22 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	Whose expertise were you relying on in your assessment that it was a positive opportunity?
10:43:59 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	Except for the fact of going to EKPC in July and asking about how to give your notice?
10:44:35 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	Remember that David Crews told you to look at other options and to get a consultant. Did you do those things?
10:45:00 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	As of middle of July you had been interim CEO for about six weeks and you were evaluating giving notice to reduce purchases from EKPC under an alternate source?
10:46:00 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	The more you can get up to the limit the better? ...
10:46:15 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	Did you fail in your fiduciary duty by not getting the full amount?
10:46:37 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	Your fiduciary duty and that of your board is to get the lowest rates possible for your members, correct?
10:46:51 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	Did you review the Liberty Report?
10:46:59 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	You have been at SKY for more than 40 years correct?
10:47:09 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	Do you recall in your tenure the razor thin equity margins EKPC was facing in the mid-2000's?
10:47:54 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	If I understood you when you were asked a question by the AG about the cost shifting concerns and you said it can be mitigated?
10:48:22 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	Is cost shifting to the other members something the PSC should be concerned about?
10:49:01 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	Would you agree PSC should consider those cost shifts to the other coops?
10:49:55 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	In your opinion this PSC has decided that cost shifting is irrelevant under Amendment 3 because it approved that agreement?
10:50:55 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	Putting aside mitigation, is cost shifting relevant if it exists?
10:51:23 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	That is different than your position that SKY has concerns about cost shifting but it can be mitigated.
10:51:50 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	What is the financial commitment that SKY has entered into for the next 20 years.
10:52:32 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	Are you not able to tell us what the financial commitment your board has entered into?

10:53:21 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	This transaction you asked PSC to approve, explain to the PSC the what the basis the that savings is? How do you get lower energy costs?
10:54:00 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	Does that market price include fixed costs?
10:54:22 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	If this is approved and 58mws go out of the EKPC system you are certainly acknowledge that SKY will be avoiding the fixed costs tied to EKPC's rates.
10:54:56 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	Do you believe there are fixed costs that are part of EKPC's rates?
10:55:06 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	Do those fixed costs go away?
10:55:22 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	The vast majority of the financial upside is avoiding the fixed cost?
10:56:10 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	Have you all come up with some magical price that no one else can get in the market that allows you to seize an opportunity. Where does it come from, that big 100 million in savings.
10:56:32 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	What are fixed costs? What are they tied too?
10:57:06 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	SKY has member on the board of EKPC? Have they ever voted against the construction.of any of the generating assests of EKPC or the debt?
10:57:47 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	The went to the PSC and got that assest approved?
10:58:02 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	you have not testified live at this body, in written form. a few years ago smart meater. should not opt out.
10:58:11 AM	Camera Lock PTZ Activated	
10:58:15 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	Do you remember a smart-grid meter technology application that SKY had, and you gave testimony in that?
10:58:39 AM	Camera Lock Deactivated	
10:58:44 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	You were talking about the customers of SKY which are your members?
10:59:14 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	Did you take that position?
10:59:34 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	You said EKPC was helpful in complying with Amendment 3, Has EKPC complied with all respects to Amendment 3 and the MOU in handling this PPA?
11:00:22 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	You are not suggesting that EKPC should not express its concerns to the PSC about the transaction or validity of the contract?
11:00:51 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	I meant Morgan Stanley contract
11:01:10 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	go over documents.
11:01:26 AM	Chairman Schmitt Note: Fields, Angela	Do you intend to enter in the record?

11:01:56 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	I will identify what I am looking at so it is clear.
11:02:48 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	I do not intend to refer to the confidential portions of this document outload.
11:03:45 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	This is a presentation given by intervison on Sept 14th.
11:04:03 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	Had SKY engaged intervison?
11:04:18 AM	Atty Vinsel Note: Fields, Angela	It would be helpful if you can tell us where in the record it is.
11:04:40 AM	Atty Crawford Note: Fields, Angela	DC attachment 4 at public pages 2-13.
11:05:16 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	Pg 7. Part of this presentation was an analysis of this proposal that you mentioned earlier. That is what is referred to on this page?
11:05:51 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	Who provided the inital draft of the Morgan Stanley contract?
11:06:56 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	What you are calling the master agreement is the a form document that has been around since 2002?
11:07:24 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	Will you argree with me that the lead financial holder is that SKY will avoid substantial fixed costs?
11:08:32 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	You agree with me that SKY has burden of proof.
11:08:53 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	How you are saving over 100 thousand or more is it based on avoiding fixed costs?
11:09:26 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	Does the electricity that SKY gets, does it come from a partiucular generating assest that EKPC owns?
11:10:20 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	Does SKY have any evidence to submit that EKPC is not mananging its market operations with pjm in a very advantagous way?
11:11:10 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	Is there anything about this Morgan Stanley deal that you believe position SKY better in the market than it does EKPC in the market to buy and sell capacity.
11:11:43 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	Is that your understanding were the savings are coming from?
11:12:08 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	Pg 10, the recommendation from intervison at a high level was this deal is not a high level opportunity and you should look at other options.
11:13:11 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	What was the reason for a quick timeline?
11:13:47 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	What was significant about June1st?
11:14:31 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	What were the market conditions that led SKY to proceed?
11:14:57 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	You wanted to lock in before it changed?

11:15:19 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	What were the constraints of the MOU that led you to proceed expeditiously?
11:16:10 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	So you wanted to maximize as much as possible.
11:16:32 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	There was no evaluation on the impact on how this would effect the co-owners?
11:17:36 AM	Camera Lock PTZ Activated	
11:17:43 AM	Camera Lock Deactivated	
11:18:04 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	turn to pg 5, tell me what you and your board was considering there with the all-in-costs?
11:18:56 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	What was your understanding as the CEO of SKY about the transmission and auxilliary rates for this transaction?
11:19:40 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	I don't see anything about change in law provisions and how environmental costs would change the all-in-costs? Was that one of the components that you all analyzed?
11:20:10 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	Pg 12 last bullet. Getting to 20. What was your understanding of that comment?
11:21:07 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	Why did you go for a 20yr track?
11:21:34 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	The the desire was to lock in for 20 yrs but only lock in the pricing for 10yrs?
11:22:00 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	What was your decision?
11:22:34 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	Why not just enter into a 10 year contract?
11:23:08 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	last bullet pt. it says EKPC acts a agent for pjw purposes. You all are not buying capacity from Morgan Stanley?
11:23:41 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	Where are you are not buying your capacity from?
11:23:55 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	This was in October, what did your board decide at the end of the Oct. 19 meeting?
11:24:41 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	Did you consider at this point to open it up to more bidders?
11:24:55 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	What was the direction of the board at that point?
11:25:09 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	Is that when they authorized you to execute the notice?
11:25:28 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	Do know if there is a November presentaion?
11:25:43 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	Dec. 19, 2017. DC attachment 29-42 (Crawford) at pg 3, who was going to do the contract negotiations?
11:27:13 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	On Dec. 19 the NPV saving 133 million. Is that what was presented to the board?

11:27:49 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	Did your board have any heartburn over the fact it is 23 million less?
11:28:24 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	Over at pg. 5 what has changed. the first one is you are going to get a financial hedge rather than physical capacity. Second, the EKPC fee is estimated 400 thousand a yr. Where did that number come from?
11:29:25 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	Dec. 19 next line says still in negotiations to reduce that cost. Tell the commission what negotiations you were in to reduce that cost.
11:30:30 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	and when you say still in nego.. negotiations had not started yet....
11:31:00 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	What discussions have taken place since Dec. 19 with EKPC about the agency fee and the agency agreement?
11:32:04 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	When you reached out to Mr. Crews to say we need to look at this , did he say okay?
11:32:42 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	In your rebuttal testimony you said you received drafts?
11:32:54 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	Who did you receive it from?
11:33:03 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	Did you submit that with your filings in this case?
11:33:13 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	Did your board take a vote that night?
11:33:26 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	pg 10. it talks about benefits and risks. One of the benefits is diversity and power supplier. what does that benefit describe?
11:34:22 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	has it alleged in any way...
11:34:52 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	Where are the assest that will generate your power?
11:36:54 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	Why is it listed as a risk then?
11:37:31 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	PJM is a dynamic thing and there is risks of changes in PJM policy correct?
11:38:45 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	Do your agree with your consultant that it is a small portion of the deal?
11:39:57 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	Do you believe the commission should rely on SKY and Babbitt, about EKPC transmission costs or the transmission dept. out at EKPC.
11:41:06 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	When you get a bill from ekpc you don't pay a separate transmission cost?
11:41:28 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	You will be paying directly to PJM?
11:42:03 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	I understand but you have done a NPV that you showed to the board.

11:43:15 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	The predicability of a financial transaction can be low 77 or highend 240. Do you have any concerns abt the variability in that anaylsis?
11:44:10 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	77 or 240?
11:45:02 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	It is just going to get passed to the other 15?
11:45:47 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	Look at the last pg. "contract negotiations" says 99% done. What was that issue?
11:46:40 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	Has SKY filled all of its obligations?
11:48:42 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	Item 14. sub. iii. Does that mean if PSC has issued a final order by that day you walk away without penalty?
11:49:58 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	Do you know what it means by a final nonappealable order?
11:50:37 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	17 pg 5. the environmental change in law. Point to that language?
11:52:21 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	Show me where that language is in the contract you signed.
11:52:58 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	You can agree with me that no where in this document does it can't include capital costs?
11:54:23 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	Did you ask them to put that in the document?
11:54:40 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	Did SKY illicit a legal opinion letter that those opinions were correct?
11:55:20 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	Next document is the finacial capacity confirm, exh 7 and exh. 8 in application.
11:56:03 AM	Chairman Schmitt Note: Fields, Angela	Did you obtain an opinion of counsel letter from any attorney?
11:56:45 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	You all are not buying capacity from Morgan Stanley correct?
11:57:10 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	No capacity is being sold by Morgan Stanley?
11:58:00 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	Under No. 8 PJM annual capacity performance. What is that?
11:58:39 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	Pg 5 pg 20. environmental change in law provision. How can an environmental change in law apply?
11:59:16 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	You did sign this didn't you?
11:59:37 AM	Atty Royce EKPC cross of Holt Note: Fields, Angela	This transaction is a capacity hedge transaction. It does not have anything to do with the MOU?
12:00:07 PM	Atty Royce EKPC cross of Holt Note: Fields, Angela	This is an ISDA agreement for your capacity hedge ( exh 10 and 11) .
12:01:03 PM	Atty Royce EKPC cross of Holt Note: Fields, Angela	What is ISDA?
12:02:15 PM	Chairman Schmitt Note: Fields, Angela	Break for lunch

12:02:42 PM	Session Paused	
1:00:18 PM	Session Resumed	
1:01:35 PM	Atty Royce EKPC cross of Holt Note: Fields, Angela	You agree that EKCP has extensive knowledge managing activities within PJM.
1:02:11 PM	Atty Royce EKPC cross of Holt Note: Fields, Angela	You said that becoming a PJM member is not complicated. What do you base that statement on?
1:03:25 PM	Atty Royce EKPC cross of Holt Note: Fields, Angela	Who will manage the settlements under the financial capacity hedge?
1:03:50 PM	Atty Royce EKPC cross of Holt Note: Fields, Angela	Is EKPC responsible for managing the hedge?
1:05:01 PM	Atty Royce EKPC cross of Holt Note: Fields, Angela	You are not prepared to advise PSC handle the management?
1:05:31 PM	Atty Royce EKPC cross of Holt Note: Fields, Angela	Data responses: Item 3 AG 1st request for information.
1:07:41 PM	Atty Royce EKPC cross of Holt Note: Fields, Angela	Provide a discussion of the type PJM costs that SKY will be responsible for when becoming a PJM member?
1:08:23 PM	Atty Royce EKPC cross of Holt Note: Fields, Angela	10s or 100s of thousands?
1:08:48 PM	Atty Royce EKPC cross of Holt Note: Fields, Angela	Just an oversight that the PJM costs you incur and there are several more costs?
1:09:10 PM	Atty Royce EKPC cross of Holt Note: Fields, Angela	Item 13. Explain in detail all liabilities SKY could incur and benefits it could have as a result of becoming PJM members?
1:10:15 PM	Atty Royce EKPC cross of Holt Note: Fields, Angela	Item 16. Commission's Staff 1st request.
1:11:33 PM	Atty Royce EKPC cross of Holt Note: Fields, Angela	Was that the 1st time conveyed any of that to EKPC
1:12:21 PM	Atty Royce EKPC cross of Holt Note: Fields, Angela	When was Mr. Seeley retained in case?
1:12:58 PM	Atty Royce EKPC cross of Holt Note: Fields, Angela	Next dox. AG 1st rqst for info. You answered Item 15. Is that accurate?
1:13:20 PM	Atty Royce EKPC cross of Holt Note: Fields, Angela	58 mw that you proposed to purchase equates to 508 thousand in terms of total electricy being bought?
1:13:45 PM	Atty Royce EKPC cross of Holt Note: Fields, Angela	That is about about 45% of average consumption, correct?
1:14:25 PM	Atty Royce EKPC cross of Holt Note: Fields, Angela	40% comes from other than GNT?
1:14:45 PM	Atty Royce EKPC cross of Holt Note: Fields, Angela	SKY load it serves is declining?
1:15:36 PM	Atty Royce EKPC cross of Holt Note: Fields, Angela	Should PSC anticipate that SKY load will decrease by another 8%?
1:16:04 PM	Atty Royce EKPC cross of Holt Note: Fields, Angela	You believe that is a reasonable assessment correct?
1:16:56 PM	Atty Royce EKPC cross of Holt Note: Fields, Angela	Your rebuttal testimony, pg 11 line 18.

1:18:55 PM	Atty Royce EKPC cross of Holt Note: Fields, Angela	You said 97% of it has already been covered through load growth, over a 4 month period and you just told me not to use your numbers because they show a decrease. You don't want the Commission to rely on that?
1:21:43 PM	Atty Royce EKPC cross of Holt Note: Fields, Angela	Same scenerio, where do those members stand?
1:21:55 PM	Atty Royce EKPC cross of Holt Note: Fields, Angela	And it replaced the 58mws that SKY took away so they are in the same position?
1:22:20 PM	Atty Royce EKPC cross of Holt Note: Fields, Angela	Did you ask ever ask Don Moiser to look at the contracts?
1:23:02 PM	Atty Royce EKPC cross of Holt Note: Fields, Angela	Is the answer that you never asked Mosier to look a the contracts?
1:23:19 PM	Atty Royce EKPC cross of Holt Note: Fields, Angela	Did anyone ask Mike McNally regarding any issues with the contracts?
1:24:10 PM	Atty Royce EKPC cross of Holt Note: Fields, Angela	So it is your understanding and I assume your board's that if Morgan Stanley does not deliver you just asked EKPC to deliver.
1:24:32 PM	Atty Royce EKPC cross of Holt Note: Fields, Angela	Should EKPC keep open 58 mw for SKY?
1:25:09 PM	Atty Royce EKPC cross of Holt Note: Fields, Angela	Is that where you have to give 18 mth notice?
1:25:24 PM	Atty Royce EKPC cross of Holt Note: Fields, Angela	When did RUS approved the memorandum of understanding.
1:25:32 PM	Atty Royce EKPC cross of Holt Note: Fields, Angela	Tell me how?
1:25:51 PM	Atty Royce EKPC cross of Holt Note: Fields, Angela	There should be a document or letter in all these files?
1:26:06 PM	Atty Royce EKPC cross of Holt Note: Fields, Angela	Did PSC have a hearing on the MOU?
1:26:40 PM	Atty Royce EKPC cross of Holt Note: Fields, Angela	The PSC upheld in that opinion no mattter how it is used, the rates that come out of that are fair, reasonable and just. Is there any kind of ruling like that?
1:27:26 PM	Atty Royce EKPC cross of Holt Note: Fields, Angela	You say there is no concern re; wasteful duplication because we are not supplementing generation we are replacing with a more cost-effective source?
1:27:46 PM	Atty Royce EKPC cross of Holt Note: Fields, Angela	That generation is not going away
1:28:05 PM	Atty Royce EKPC cross of Holt Note: Fields, Angela	Not the asset, but the generation is being duplicated. You agree with that?
1:28:22 PM	Atty Royce EKPC cross of Holt Note: Fields, Angela	Do you know if EKPC had a 58mw generating assest they can just turn off and avoid the cost of?
1:28:40 PM	Atty Royce EKPC cross of Holt Note: Fields, Angela	Does your member on the board know what the generating assests are?
1:29:27 PM	Atty Royce EKPC cross of Holt Note: Fields, Angela	What about the impact on the other coops?

1:30:21 PM	Atty Royce EKPC cross of Holt Note: Fields, Angela	Did you say his duty first and foremost is to your customers then to EKPC?
1:31:14 PM	Atty Miller - 9 Dist Coops cross Holt Note: Fields, Angela	There was a lot of discussion about whether or not SKY considered the impact on the other 15 coops. if you had to do over, would SKY still enter into the Morgan Stanley PPA?
1:32:36 PM	Atty Miller - 9 Dist Coops cross Holt Note: Fields, Angela	It says that if you do not have a final and appealable order from the PSC you you have the option to back out of the deal. You both indicated you will keep going with it. Is that correct?
1:33:34 PM	Atty Miller - 9 Dist Coops cross Holt Note: Fields, Angela	Did Morgan Stanley give you written waiver subsequent?
1:33:50 PM	Atty Miller - 9 Dist Coops cross Holt Note: Fields, Angela	Within 45 days of the filing of PPA with PSC. You Provided a response on Jan. 30th. but it was incomplete. The Feb 19 PSC Order that the PPA deemed filed as Feb. 19. Have you spoke with Morgan Stanley to see if this creates problem with them?
1:35:30 PM	Atty Miller - 9 Dist Coops cross Holt Note: Fields, Angela	At this point you do not know if Morgan Stanley thinks the incomplete filing satisfies the covenant?
1:36:11 PM	Atty Kurtz Nucor steel cross holt Note: Fields, Angela	You gave your notice on Nov. 28, 2017 correct?
1:37:51 PM	Atty Kurtz nucor steel cross holt Note: Fields, Angela	Auction clearing price for rest of RTO right?
1:38:48 PM	Atty Kurtz nucor steel cross holt Note: Fields, Angela	Documents already in the record. EXHIBIT NUCOR 1. Do you recognize the first document as being the memo of understanding?
1:40:17 PM	Atty Kurtz nucor steel cross holt Note: Fields, Angela	New Event Turn to pg 7 paragraph e. Your alternate source designation is to take effect June 1, 2019, correct. Please read for the record.
1:41:13 PM	Atty Kurtz nucor steel cross holt Note: Fields, Angela	If you don't finalize Mongan Stanley contract you will lose your place?
1:41:53 PM	Atty Kurtz nucor steel cross holt Note: Fields, Angela	It is contingent upon the PSC decision being final and subject to appeal correct?
1:42:37 PM	Atty Kurtz nucor steel cross holt Note: Fields, Angela	No longer subject to appeal?
1:44:06 PM	Atty Kurtz nucor steel cross holt Note: Fields, Angela	278.020 deals with wastful duplication issue you have address in your rebuttal testimony?
1:44:44 PM	Atty Kurtz nucor steel cross holt Note: Fields, Angela	If a party had a legitimate concern with the commission's order and decided to address these legal issues in court, any way you can get a final and appealable order.
1:44:59 PM	Atty Kurtz Nucor Steel cross Holt Note: Fields, Angela	Any realistic way you can get a final and appealable order by Dec. 2019.
1:45:41 PM	Atty Kurtz nucor steel cross holt Note: Fields, Angela	if you did not you go back to the end of line there may not be any capacity left but all that would be subject to re-evaluation
1:46:26 PM	Atty Kurtz nucor steel cross holt Note: Fields, Angela	endless uncertainty

1:46:41 PM	Atty Kurtz nucor steel cross holt Note: Fields, Angela	More than 5% of your load?
1:48:30 PM	Atty Kurtz Nucor Steel cross Holt Note: Fields, Angela	Shall give a description of the generating facility, you have not done that?
1:49:20 PM	Atty Kurtz Nucor Steel cross Holt Note: Fields, Angela	The Commission is the ultimate arbitor of what the rates mean corrcrt?
1:50:16 PM	Atty Kurtz Nucor Steel cross Holt Note: Fields, Angela	Your notice does not say your buying energy from Morgan Stanley, it says your buying from PJM?
1:51:27 PM	Atty Kurtz Nucor Steel cross Holt Note: Fields, Angela	This is not an autoload fall-in product is it?
1:51:55 PM	Atty Kurtz Nucor Steel cross Holt Note: Fields, Angela	So instead of being load fall- in it is simply a flat block?
1:52:15 PM	Atty Kurtz Nucor Steel cross Holt Note: Fields, Angela	The alternate source is not tied to a specific genereator, testimony from Mr. Babbitt . Do you agree with that?
1:53:48 PM	Atty Kurtz Nucor Steel cross Holt Note: Fields, Angela	You are buying less than 15% less throught their annual capacity auction correct?
1:54:45 PM	Atty Kurtz Nucor Steel cross Holt Note: Fields, Angela	I recalculated what your load factor and came up with 29.6%. When you have a very low load factor like that that would be lower than any other coop on the system?
1:55:06 PM	Atty Kurtz Nucor Steel cross Holt Note: Fields, Angela	If this proposal is approved and you have 29.6% load factor, you are buying high demand and very llittler energy from EKPC?
1:55:28 PM	Atty Kurtz Nucor Steel cross Holt Note: Fields, Angela	For the EKPC systemen the energy charge went down and demand went up.to hold the utility neutral that would not be good for SKY?
1:55:52 PM	Atty Kurtz Nucor Steel cross Holt Note: Fields, Angela	The costs of service would not be in violation of the stranded costs provision would it?
1:56:13 PM	Atty Kurtz Nucor Steel cross Holt Note: Fields, Angela	Setting rates of costs of service is valid policy is it not?
1:56:37 PM	Camera Lock PTZ Activated	
1:57:50 PM	Atty Kurtz Nucor Steel cross Holt Note: Fields, Angela	You also addressed wasteful duplication in your rebuttal?
1:57:59 PM	Camera Lock Deactivated	
1:58:08 PM	Atty Kurtz Nucor Steel cross Holt Note: Fields, Angela	EXHIBIT Nucor exh 2 handed out.
1:58:50 PM	Atty Kurtz Nucor Steel cross Holt Note: Fields, Angela	Do you recognize this as the Commission's IRP regulation?
1:59:01 PM	Atty Kurtz Nucor Steel cross Holt Note: Fields, Angela	Are your required to file IRPs?
1:59:20 PM	Atty Kurtz Nucor Steel cross Holt Note: Fields, Angela	This document is fairly detailed do you agree?
2:00:04 PM	Atty Kurtz Nucor Steel cross Holt Note: Fields, Angela	What is bluegrass?
2:00:14 PM	Atty Kurtz Nucor Steel cross Holt Note: Fields, Angela	600mw in the summer and 500mw winter?
2:00:36 PM	Atty Kurtz Nucor Steel cross Holt Note: Fields, Angela	Your proposal is to substitute 58mw beginning June 1, 2019?

2:01:20 PM	Atty Kurtz Nucor Steel cross Holt Note: Fields, Angela	Since Amendment 3 was implemented in 2003, EKPC joined PJM but was not a member but it was not a member of PJM before Amendment 3 was implemented?
2:01:49 PM	Atty Kurtz Nucor Steel cross Holt Note: Fields, Angela	Pg 40 of the Staff Report. Please read for the record.
2:02:46 PM	Atty Kurtz Nucor Steel cross Holt Note: Fields, Angela	On prior pg see the chart? See 3% reserves. In 2019 EKPC would be subject to mws to reach its 3% reserves, is that correct?
2:03:41 PM	Atty Kurtz Nucor Steel cross Holt Note: Fields, Angela	You don't have any reason to doubt Staff's conclusion?
2:03:54 PM	Atty Kurtz Nucor Steel cross Holt Note: Fields, Angela	See pg. 63 of the Staff Report, please read that into the record.
2:04:40 PM	Atty Kurtz Nucor Steel cross Holt Note: Fields, Angela	A question of wasteful duplication, if the perspective is the IRP on behalf of EKPC, would you agree EKPC does not need 58mws?
2:05:04 PM	Atty Kurtz Nucor Steel cross Holt Note: Fields, Angela	It is not a wasteful duplication for SKY?
2:06:31 PM	Atty Kurtz Nucor Steel cross Holt Note: Fields, Angela	EXHIBIT Nucor 3
2:09:16 PM	Atty Kurtz Nucor Steel cross Holt Note: Fields, Angela	There is a fair amount of discrepancy among the coops who have noticed under this provision correct?
2:09:40 PM	Atty Kurtz Nucor Steel cross Holt Note: Fields, Angela	At this point because more than 2 -1/2% of peak demand has not been noticed, nobody else can take more than 5%.
2:10:07 PM	Atty Kurtz Nucor Steel cross Holt Note: Fields, Angela	Moves EXHIBITS into evidence.
2:11:00 PM	Atty Crawford - Owen- cross Holt Note: Fields, Angela	As I understood your response to Mr. Royse, it is your testimony the at backstop under the MOU for the PPA your requesting approval for is EKPC. What do you mean that EKPC is the backstop?
2:12:10 PM	Atty Crawford - Owen- cross Holt Note: Fields, Angela	Will you go to MOU pg 8, 5(e)(i) is this what you are referring to? read the last sentence of that paragraph into the record please.
2:13:08 PM	Atty Crawford - Owen- cross Holt Note: Fields, Angela	On pg 15-16 of your rebuttal testimony. You give expla. why there is no wasteful duplication. You talk about the NPV. You talk about fiduciary duty.
2:14:22 PM	Atty Crawford - Owen- cross Holt Note: Fields, Angela	Is your fiduciary duty is to the SKY consumer?
2:15:11 PM	Atty Crawford - Owen- cross Holt Note: Fields, Angela	Are you able to say you have a fiduciary duty to SKY?
2:15:33 PM	Atty Crawford - Owen- cross Holt Note: Fields, Angela	Do you consider duties that you got are essentially the same obligations that your directors have?
2:16:03 PM	Atty Crawford - Owen- cross Holt Note: Fields, Angela	You have an obligation to be informed correct?
2:16:21 PM	Atty Crawford - Owen- cross Holt Note: Fields, Angela	You also have the obligation best interest of what you believe for SKY correct?
2:16:40 PM	Atty Crawford - Owen- cross Holt Note: Fields, Angela	Dec 19 PPA. is it fair to assume the board and you as CEO made that decision when you had looked at what you deemed to be the benefits of the PPA and the risks?

2:17:23 PM	Atty Crawford - Owen- cross Holt Note: Fields, Angela	If I am hearing you correctly Your board did not take into consideration the cost shifting taking place in regard to the decision if approved. Am I understanding you
2:18:02 PM	Atty Crawford - Owen- cross Holt Note: Fields, Angela	Read your responses correctly, that is based on what you have answered in your responses to this Commission that B. Haynes supposedly had your representative on the EKPC board with the discussions with T. Campbell in Aug. 2017?.
2:19:01 PM	Atty Crawford - Owen- cross Holt Note: Fields, Angela	Mr. Haynes has not been placed under oath or asked about anything correct?
2:19:20 PM	Atty Crawford - Owen- cross Holt Note: Fields, Angela	Agree would agree I assume that cost shifting is a significant thing potentially.
2:20:06 PM	Atty Crawford - Owen- cross Holt Note: Fields, Angela	Is there any documentation to memorialize the conversation you had with T. Campbell?
2:20:20 PM	Atty Crawford - Owen- cross Holt Note: Fields, Angela	Did B. Haynes memorialize anything?
2:21:14 PM	Atty Crawford - Owen- cross Holt Note: Fields, Angela	Either you or Mr. Campbell are mistaken, or at the very least there was a miscommunication is that correct?
2:22:54 PM	Atty Crawford - Owen- cross Holt Note: Fields, Angela	Was there any witnesses to it?
2:23:42 PM	Atty Crawford - Owen- cross Holt Note: Fields, Angela	Did you talk specifically about the block of power that has become the PPA we are here about?
2:24:56 PM	Atty Crawford - Owen- cross Holt Note: Fields, Angela	Was there any discussion about the fact if you took that much, other coop members and their board would be placed in the decision making process about cost shifting.
2:24:57 PM	Atty Crawford - Owen- cross Holt Note: Fields, Angela	Any discussion about the fact....issue of taking 5%
2:25:26 PM	Atty Crawford - Owen- cross Holt Note: Fields, Angela	Did you discuss that with Mr. Campbell?
2:25:57 PM	Atty Crawford - Owen- cross Holt Note: Fields, Angela	Did you in those discussions get into the particulars and the potential effect on EKPC and the other coops?
2:26:28 PM	Atty Crawford - Owen- cross Holt Note: Fields, Angela	What is roughly your patron capital in EKPC today?
2:27:43 PM	Atty Crawford - Owen- cross Holt Note: Fields, Angela	What is your equity ratio with and without that patron's capital? Can you approximate?
2:28:17 PM	Atty Crawford - Owen- cross Holt Note: Fields, Angela	SKY has a substantial investment with EKPC?
2:29:51 PM	Atty Crawford - Owen- cross Holt Note: Fields, Angela	You told the board there would not be any cost shifting?
2:30:11 PM	Atty Crawford - Owen- cross Holt Note: Fields, Angela	Does SKY follow the cooperative principles??
2:30:22 PM	Atty Crawford - Owen- cross Holt Note: Fields, Angela	Had a chance to look at the filing from yesterday? Please refer to Exh. 1, the 2015 Annual Report.
2:30:25 PM	Atty Crawford - Owen- cross Holt Note: Fields, Angela	EXHIBIT - Owen and Shelby EXHIBIT 1

2:30:27 PM	Atty Crawford - Owen- cross Holt Note: Fields, Angela	are you cooperating with the other 15
2:32:16 PM	Atty Crawford - Owen- cross Holt Note: Fields, Angela	Am I not thinking well that he would have been a good source when talking about this?
2:33:05 PM	Atty Crawford - Owen- cross Holt Note: Fields, Angela	On pg 2 of exhibit 1 talks abt principles. Read what it says about SKY being unique.
2:33:57 PM	Atty Crawford - Owen- cross Holt Note: Fields, Angela	Discovery Southern Kentucky. It is Owen and Shelby EXHIBIT #2.
2:35:21 PM	Atty Crawford - Owen- cross Holt Note: Fields, Angela	Pg 2 of exh. 2. read 2nd to last paragraph into the record. Do you believe you have to adhere to that principle when entering into the PPA?
2:37:14 PM	Atty Crawford - Owen- cross Holt Note: Fields, Angela	I assume that you believe the cost shifting can be mitigated, Assume it cannot be mitigated. Is it fair that an Owen or Shelby coop consumer to have his monthly bill increased for the next 20yrs while you pursue this PPA for your customers?
2:39:48 PM	VC Cicero Note: Fields, Angela	Don't you have a snowballing effect potentially from this activity?
2:42:20 PM	Atty Scott Grayson - cross Holt Note: Fields, Angela	Not until 2003 there wasn't a possibility of buying power from anyone other than EKPC?
2:42:35 PM	Atty Scott Grayson - cross Holt Note: Fields, Angela	2003 to 2015 no coop had asked to have any type of contract like this approved with exception of Grayson?
2:43:20 PM	Atty Scott Grayson - cross Holt Note: Fields, Angela	What did the MOU give to SKY that the Amendment 3 did not give it? .
2:45:13 PM	Atty Scott Grayson - cross Holt Note: Fields, Angela	Would you agree with this statement that MOU gave EKPC nothing that EKPC didn't already have, and it gave up nothing?
2:45:48 PM	Atty Scott Grayson - cross Holt Note: Fields, Angela	The math problem of 15% of distribution coop load not to exceed 5%, the whole problem is the MOU did not take care of that did it?
2:46:50 PM	Atty Scott Grayson - cross Holt Note: Fields, Angela	The big dogs are applying for larger numbers, that Owen has applied for, things are getting swooped up correct?
2:47:31 PM	Atty Scott Grayson - cross Holt Note: Fields, Angela	Grayson and others coops are out aren't they?
2:48:02 PM	Atty Scott Grayson - cross Holt Note: Fields, Angela	You don't like that a little coop will be out?
2:48:25 PM	Atty Scott Grayson - cross Holt Note: Fields, Angela	Your not for stepping on the smaller coop?
2:49:26 PM	Atty Scott Grayson - cross Holt Note: Fields, Angela	But in Carter Co. we would say that's not fair, just, and reasonable. Would you go along with that?
2:49:50 PM	Atty Scott Grayson - cross Holt Note: Fields, Angela	The Nov 28, 2017 letter to EKPC that has your name on it, did you write that?
2:50:35 PM	Atty Scott Grayson - cross Holt Note: Fields, Angela	Mr. Goss? Had he been in conversations with EKPC the same as you?

2:51:12 PM	Atty Scott Grayson - cross Holt Note: Fields, Angela	Is it your belief your fiduciary duty is to the members of SKY?
2:51:48 PM	Atty Scott Grayson - cross Holt Note: Fields, Angela	In your role as president and CEO, you have no to the member and in that role you have no duty to EKPC.
2:52:24 PM	Atty Scott Grayson - cross Holt Note: Fields, Angela	Despite date showing and 8.5% reduction since 2014, and the exodus of residents from the area, why are you optimistic?
2:53:58 PM	Atty Scott Grayson - cross Holt Note: Fields, Angela	when amd 3 signed, when it got done, isn't it accurate that triggered outside gen. source power being sold by outside...
2:55:01 PM	Atty Scott Grayson - cross Holt Note: Fields, Angela	Absent that is there any other reason as far as the distribution coop is concerned for this power contract to even be in existance?
2:55:46 PM	Chairman Schmitt Note: Fields, Angela	BREAK
2:56:59 PM	Session Paused	
3:15:27 PM	Session Resumed	
3:15:43 PM	Chairman Schmitt Note: Fields, Angela	Remarks about the micophones.
3:16:20 PM	Atty Vinsel PSC - cross on Holt Note: Fields, Angela	Clean-up from previous testimony. The lists of events, tasks jobs, that will be covered by agreement. In Mr. Seelye's response that lists 14 items is more accurate than the document that lists 4 items?
3:17:53 PM	Atty Vinsel PSC - cross on Holt Note: Fields, Angela	The total PJM liabilities. From your testimony you referenced 10-13% in costs,
3:18:12 PM	PHDR Note: Fields, Angela	Rather than supplement, staff would like to ask the question again with the revised information so we have it in the record. We will submit in writing the day after the hearing.
3:18:51 PM	Atty Vinsel PSC - cross on Holt Note: Fields, Angela	Has there been any discussion about any change in the pricing terms?
3:19:32 PM	Atty Vinsel PSC - cross on Holt Note: Fields, Angela	Has there been a discussion about how long the parties will wait for an nonappealable order?
3:20:04 PM	Atty Vinsel PSC - cross on Holt Note: Fields, Angela	An agency agreement with EKPC is in progress. Iin their response SKY stated Morgan Stanley could serve as agent?
3:20:59 PM	Atty Vinsel PSC - cross on Holt Note: Fields, Angela	Has Morgan Stanley spoke with EKPC about being the agent?
3:22:10 PM	Atty Vinsel PSC - cross on Holt Note: Fields, Angela	Iif EKPC were to leave PJA what effect would it have on the PPA?
3:23:21 PM	Atty Vinsel PSC - cross on Holt Note: Fields, Angela	Morgan Stanly does not own any generating facilities?
3:23:58 PM	Atty Vinsel PSC - cross on Holt Note: Fields, Angela	I believe that your cross testimony to the AG was down the road the PCS could review the cost benefit of the PPA in future rate case?
3:24:46 PM	Atty Vinsel PSC - cross on Holt Note: Fields, Angela	When you say there is not an out you are meaning the contract term itself?

3:24:55 PM	Atty Vinsel PSC - cross on Holt Note: Fields, Angela	I want to be clear you are not saying the Commission cannot go back and say for what ever reason the contract is not fair, just and reasonable?
3:26:18 PM	Atty Vinsel PSC - cross on Holt Note: Fields, Angela	On what we just said, EXHIBIT PSC 1, this is the final order case 2012-00503.
3:27:56 PM	Atty Vinsel PSC - cross on Holt Note: Fields, Angela	Turn to pg 5 of order, last paragraph. I am going to read it for the record.
3:28:52 PM	Atty Vinsel PSC - cross on Holt Note: Fields, Angela	Pg 2 of the order. I am going to read for the record.
3:29:58 PM	Atty Vinsel PSC - cross on Holt Note: Fields, Angela	It is your testimony that the Commission cannot review cost shifing based on the Commission's approval of the MOU?
3:30:53 PM	Atty Vinsel PSC - cross on Holt Note: Fields, Angela	Mr. Babbitt's rebuttal testimony in front of you?
3:31:31 PM	Atty Vinsel PSC - cross on Holt Note: Fields, Angela	Pg 20 line10. In your opinion, what is Mr. Wolfram's desired conclusion?
3:32:59 PM	Atty Vinsel PSC - cross on Holt Note: Fields, Angela	Mr. Wolfram is a witness that has been sponsored by other 15 coops?
3:33:52 PM	Atty Vinsel PSC - cross on Holt Note: Fields, Angela	In your testimony you said SKY would be paying for transmission correct?
3:34:40 PM	Atty Vinsel PSC - cross on Holt Note: Fields, Angela	Do you know what an FTR is?
3:35:02 PM	Atty Vinsel PSC - cross on Holt Note: Fields, Angela	Do you know what ARR is?
3:35:23 PM	Atty Vinsel PSC - cross on Holt Note: Fields, Angela	Are either FTR or ARR available to SKY?
3:36:59 PM	VC Cicero - cross Holt Note: Fields, Angela	Why do you suppose the coops seek want to seek alternate sources?
3:37:16 PM	VC Cicero - cross Holt Note: Fields, Angela	They would rather have the opportunity to purchase from other sources and possibly increase the fixed costs because of lower volumn from another source?
3:38:47 PM	VC Cicero - cross Holt Note: Fields, Angela	Does this action benefits others because it will achieve lower rates. Do you think this will cause splintering among the coops?
3:40:07 PM	VC Cicero - cross Holt Note: Fields, Angela	Whether cost shifting, fair just reasonable. There will be certain coop who will be able to take advantage of this and others who do not, Is this fair to customers that cannot obtain the increase?
3:42:20 PM	VC Cicero - cross Holt Note: Fields, Angela	I think one of the issues the Commission would like to aviod the the 2003 Amendment, the Grayson issue of 2012 that left language being ambiguous, If the attorney does not address that then as a PHDR I would like to see those issues addressed in this agreement.
3:43:11 PM	PHDR Note: Fields, Angela	Prior event.

3:44:04 PM	VC Cicero - cross Holt Note: Fields, Angela	Is there some wait period for EKPC to provide power or is it immediate?
3:44:33 PM	VC Cicero - cross Holt Note: Fields, Angela	The expectation is EKPC will have that capacity to meet that demand?
3:44:47 PM	VC Cicero - cross Holt Note: Fields, Angela	Doesn't that put a constraint on EKPC requirements if there is a potential demand on the system?
3:45:50 PM	VC Cicero - cross Holt Note: Fields, Angela	I think you would agree why Morgan Stanley is able to obtain the price they are receiving is because in reality the fixed costs are not being included in the total sale?
3:46:40 PM	VC Cicero - cross Holt Note: Fields, Angela	An approval document from RUS? Please provide as a PHDR if it does exist.
3:46:58 PM	PHDR Note: Fields, Angela	RUS Approval for MOU
3:48:15 PM	Commissioner Matthews - cross Holt Note: Fields, Angela	Having as much coal as it has, EKPC probably at that point reevaluated whether to staying with PJM is worth it. If EKPC had the ability to leave PJM would they? .
3:49:00 PM	Commissioner Matthews - cross Holt Note: Fields, Angela	But a change of law provision would indicate that Morgan Stanley could change that 33.95 if the regional or carbon tax were added. Your costs could go up significantly?
3:50:01 PM	Commissioner Matthews - cross Holt Note: Fields, Angela	Speaking of PJM process, do you have the resources to keep track of your NIT resources, etc?
3:50:32 PM	Commissioner Matthews - cross Holt Note: Fields, Angela	If every state but Kentucky had a carbon tax, what impact would that have on the market?
3:50:58 PM	Commissioner Matthews - cross Holt Note: Fields, Angela	Is there language that would prevent Morgan Stanley from pulling the change in law provision and changing the price?
3:51:23 PM	Commissioner Matthews - cross Holt Note: Fields, Angela	You are suddenly giving a lot of power to other entities.
3:51:45 PM	Commissioner Matthews - cross Holt Note: Fields, Angela	Over the last 20yrs what are the most significant driver for changes in prices in electricity?
3:52:15 PM	Commissioner Matthews - cross Holt Note: Fields, Angela	Are those mortgages typically paid off in a year, 2yrs?
3:53:00 PM	Chairman Schmitt - cross Holt Note: Fields, Angela	Is it true in Mar. 2017, you were approached by company in Texas proposing they would provide an alternate source in power?
3:53:40 PM	Chairman Schmitt - cross Holt Note: Fields, Angela	What happened on July 24th, 2017?
3:54:17 PM	Chairman Schmitt - cross Holt Note: Fields, Angela	Did Mr. Crews or anyone else at EKPC discuss the terms?
3:54:52 PM	Chairman Schmitt - cross Holt Note: Fields, Angela	Had a definite decision had been made?
3:55:16 PM	Chairman Schmitt - cross Holt Note: Fields, Angela	Why did you ask Mosier and Crews to maintain confidentiality?

3:55:54 PM	Chairman Schmitt - cross Holt Note: Fields, Angela	What would be the probable effect of this info becoming available to EKPC board or the other member coops?
3:56:39 PM	Chairman Schmitt - cross Holt Note: Fields, Angela	Was there one or more meeting Aug 2017?
3:57:07 PM	Chairman Schmitt - cross Holt Note: Fields, Angela	The Aug 21 meeting, you said you made clear to Mr. Campbell that it was SKY's intent to go off system with the 58mw and provide power around clock?
3:57:58 PM	Chairman Schmitt - cross Holt Note: Fields, Angela	You were not present at the Aug. 7th meeting?
3:58:09 PM	Chairman Schmitt - cross Holt Note: Fields, Angela	Can you describe to me what this conversation was. I assume Mr. Haynes related to you conversation with Mr. Campbell?
3:58:46 PM	Chairman Schmitt - cross Holt Note: Fields, Angela	Your board had to have know about the interest in the Texas complany around Mar. 2017?
3:59:12 PM	Chairman Schmitt - cross Holt Note: Fields, Angela	At that time what info di you give your board?
3:59:36 PM	Chairman Schmitt - cross Holt Note: Fields, Angela	Did you advise the board that this plan of taking up 15% should be kept confidential.
4:00:04 PM	Chairman Schmitt - cross Holt Note: Fields, Angela	What does that mean to keep within the confines?
4:00:39 PM	Chairman Schmitt - cross Holt Note: Fields, Angela	Do you understand that exercise of a fiduciary duty is to exercise judgment of what is in the best interest to who the duty is owed?
4:01:42 PM	Chairman Schmitt - cross Holt Note: Fields, Angela	haynes had conflict of interest
4:02:00 PM	Chairman Schmitt - cross Holt Note: Fields, Angela	As far as you know did Mr. Campbell maintain confidentiality and didn't discuss with other membersof board?
4:02:48 PM	Atty Grover - SKy - redirect Holt Note: Fields, Angela	In Exhibit 7 of the application? In paragraph 18, pg 5. Please read part after sub i?
4:04:21 PM	Atty Grover - SKy - redirect Holt Note: Fields, Angela	Please read sub-bullet 2?
4:04:44 PM	Atty Grover - SKy - redirect Holt Note: Fields, Angela	Subpart b to that paragraph, please read.
4:05:31 PM	Atty Grover - SKy - redirect Holt Note: Fields, Angela	So the definition to the environmental clause. You would agree the language is not limited to that?
4:06:18 PM	Atty Grover - SKy - redirect Holt Note: Fields, Angela	What is your understanding with respect to Morgan Stanley capital group will happen if they face an environmental costs?
4:06:50 PM	Atty Grover - SKy - redirect Holt Note: Fields, Angela	What do you believe are Morgan Stanley obligations are in terms of mitigation?
4:08:00 PM	Atty Grover - SKy - redirect Holt Note: Fields, Angela	Did communications between SKY and EKPC continue after that time?
4:08:25 PM	Atty Grover - SKy - redirect Holt Note: Fields, Angela	How did Crews assist you?
4:08:35 PM	Atty Grover - SKy - redirect Holt Note: Fields, Angela	SKY gave notice around late November, 2017?

4:09:01 PM	Atty Grover - SKy - redirect Holt Note: Fields, Angela	What is the date of that order (shows order to Holt)
4:09:30 PM	Atty Grover - SKy - redirect Holt Note: Fields, Angela	Do you have understanding of how the NPV was determined with the Morgan Stanley transaction?
4:09:49 PM	Atty Grover - SKy - redirect Holt Note: Fields, Angela	What were you attempting to be captured in that calculation?
4:10:14 PM	Atty Grover - SKy - redirect Holt Note: Fields, Angela	How would the NPV savings calculation be affected by an increase in NITs charges?
4:11:11 PM	Atty Grover - SKy - redirect Holt Note: Fields, Angela	When B. Haynes tells you something do you believe he is lying to you?
4:11:36 PM	Atty Grover - SKy - redirect Holt Note: Fields, Angela	In that the 58mw could have been higher, what was behind SKY determination to choose 58 mws?
4:12:20 PM	Atty Grover - SKy - redirect Holt Note: Fields, Angela	What would the impact be if you waited till 2018?
4:13:09 PM	Atty Grover - SKy - redirect Holt Note: Fields, Angela	Did they have any other contractual or tariff based vehicles by which they could make those determinations with respect to the deployment of those facilities?
4:13:33 PM	Atty Grover - SKy - redirect Holt Note: Fields, Angela	The current wholesale contract with EKPC, do you know what the term is?
4:13:45 PM	Atty Grover - SKy - redirect Holt Note: Fields, Angela	What is the financial commitment under that wholesale contract?
4:14:45 PM	Atty Grover - SKy - redirect Holt Note: Fields, Angela	MOU, look at sect 2, Scope, 3rd line, Would you read into record what an alternate source is?
4:16:22 PM	Atty Grover - SKy - redirect Holt Note: Fields, Angela	Do you recall whether SKY transmitted any RFP info to EKPC?
4:17:00 PM	Atty Grover - SKy - redirect Holt Note: Fields, Angela	Do you recall whether the RFD documented the amount of the alternate source?
4:17:24 PM	Atty Grover - SKy - redirect Holt Note: Fields, Angela	What was the term?
4:17:42 PM	Atty Vinsel Note: Fields, Angela	one followup questions
4:18:13 PM	Chairman Schmitt - PHDR Note: Fields, Angela	Can you do that in a data request?
4:19:08 PM	Chairman Schmitt Note: Fields, Angela	EXHIBITS - The Chairman admits all documents presented into evidence.
4:19:49 PM	Atty Spragens Taylor - direct Myers Note: Fields, Angela	Name, address, employer?
4:20:13 PM	Atty Spragens Taylor - direct Myers Note: Fields, Angela	Have you review the data request response?
4:20:16 PM	Atty Spragens Taylor - direct Myers Note: Fields, Angela	Were those requests true as of today?
4:20:47 PM	Atty Vinsel - cross Myers Note: Fields, Angela	Do you have a copy of Mr. Wolfram's corrections to his testimony?
4:21:25 PM	Atty Vinsel - cross Myers Note: Fields, Angela	Handing out corrected Wolfram testimony.

4:22:05 PM	Atty Vinsel - cross Myers Note: Fields, Angela	In the line for Ttaylor Co. Does that number surprise you?
4:22:37 PM	Atty Vinsel - cross Myers Note: Fields, Angela	In table 3 fuel adjustment costs. If there were to be a cost shift, what impact would it have on Taylor Co?
4:23:33 PM	Atty Vinsel - cross Myers Note: Fields, Angela	As proceeding with the issue with Grayson and the MOU that come out of it. if you were to rewrite the MOU, do you have thoughts?
4:26:02 PM	Atty Grover SKY - direct Herrman Note: Fields, Angela	State name, employer and position.
4:26:28 PM	Atty Grover SKY - direct Herrman Note: Fields, Angela	Caused testimony to be filed in this proceeding?
4:26:38 PM	Atty Grover SKY - direct Herrman Note: Fields, Angela	Would your answers be the same?
4:26:49 PM	Atty Chandler - AG - cross Herrman Note: Fields, Angela	How long have you been with SKY?
4:27:46 PM	Atty Chandler - AG - cross Herrman Note: Fields, Angela	What are your requirements for your tier?
4:28:41 PM	Atty Chandler - AG - cross Herrman Note: Fields, Angela	Did you see Wolfram's corrected testimony that was filed?
4:29:42 PM	Atty Chandler - AG - cross Herrman Note: Fields, Angela	Based on a data request response from SKY, we were provided the usage of the members, and it looks like regarding demands, that SKY in terms of size was closest in size to Owen?
4:30:20 PM	Atty Chandler - AG - cross Herrman Note: Fields, Angela	Generally in the same ballpark as Owen?
4:30:33 PM	Atty Chandler - AG - cross Herrman Note: Fields, Angela	Lets use the 2nd chart. If SKY is somewhere between Owen and Bluegrass. If SKY was included in this chart and had to take a hit of 1.7 million, could it do so without a rate case?
4:31:40 PM	Atty Chandler - AG - cross Herrman Note: Fields, Angela	using example, continue with out a rate case?
4:32:29 PM	Atty Chandler - AG - cross Herrman Note: Fields, Angela	Would you be worried about a rate increase on customers?
4:33:22 PM	Atty Chandler - AG - cross Herrman Note: Fields, Angela	But it is allocated based on revenues? Just because they are the same doesn't mean there will be a cost shift?
4:33:56 PM	Atty Chandler - AG - cross Herrman Note: Fields, Angela	Based on revenues? if there is a cost shift to SKY of the magnatude proposed, would that force SKY to file a rate case?
4:34:53 PM	Atty Royse - EKPC cross Herrman Note: Fields, Angela	Handed out documents that are part of the record. Attachment D and E are exhibits 19d and 19e to application. See those? Those are the balance sheets of SKY and the statement of operation.
4:36:38 PM	Atty Royse - EKPC cross Herrman Note: Fields, Angela	Cash and temporary investments are about 5 million right
4:36:55 PM	Atty Royse - EKPC cross Herrman Note: Fields, Angela	And the longterm debt is about 130 million?
4:37:09 PM	Atty Royse - EKPC cross Herrman Note: Fields, Angela	Total operating revenues 120.3 million?
4:37:27 PM	Atty Royse - EKPC cross Herrman Note: Fields, Angela	And total net margins 7.6 million?
4:37:55 PM	Atty Royse - EKPC cross Herrman Note: Fields, Angela	You are familiar with the collateral annex? What is it there for?

4:38:55 PM	Atty Royse - EKPC cross Herrman Note: Fields, Angela	And those two lenders are the ones you have explored for a letter or line of credit?
4:39:44 PM	Atty Royse - EKPC cross Herrman Note: Fields, Angela	Who is Mr. Gaines with?
4:39:57 PM	Atty Royse - EKPC cross Herrman Note: Fields, Angela	You all signed the contract with Morgan Stanley on Dec. 19 ?
4:40:40 PM	Atty Royse - EKPC cross Herrman Note: Fields, Angela	In light of your balance sheet, do you believe that SKY could obtain that based on balance sheet?
4:41:10 PM	Atty Royse - EKPC cross Herrman Note: Fields, Angela	Was there a response from Co-Bank?
4:41:29 PM	Atty Royse - EKPC cross Herrman Note: Fields, Angela	What were the discussions with co-bank subsequent to this about whether they could approve a line of credit on 100 thousand dollars?
4:42:10 PM	Atty Royse - EKPC cross Herrman Note: Fields, Angela	Has anyone with Co-bank told you what the maximum line of credit amount would be?
4:42:50 PM	Atty Royse - EKPC cross Herrman Note: Fields, Angela	Is SKY still in discussions with Co-Bank about a line of credit?
4:43:12 PM	Atty Royse - EKPC cross Herrman Note: Fields, Angela	Look at your Dec. 15, email exchange, pg 21-23 of attachment. Last pg. your are reaching out to E. Mcdonald. Tell us who is that is.
4:44:09 PM	Atty Royse - EKPC cross Herrman Note: Fields, Angela	And this would have been 4 day before agreement with Morgan Stanley was signed?
4:45:32 PM	Atty Royse - EKPC cross Herrman Note: Fields, Angela	You respond aboutt 20 min later. and say "yes, it does..." Is that basically what is going on in this email exhchange here?
4:46:20 PM	Atty Royse - EKPC cross Herrman Note: Fields, Angela	On Dec. 15, your were inquiring about in 60-70 million and three weeks later you are inquiring about 100 million. What was the basis in that difference?
4:47:16 PM	Atty Royse - EKPC cross Herrman Note: Fields, Angela	At time of inquiry in Jan. about what is out there, you had already committed to Morgan Stanly that you will put collateral in place?
4:47:59 PM	Atty Royse - EKPC cross Herrman Note: Fields, Angela	What did your lenders tell you that you were able to do?
4:48:35 PM	Atty Royse - EKPC cross Herrman Note: Fields, Angela	Next email, In record as dc2-42 pg 13-16. On Jan. 10th. you are telling her that you signed the agreement and want to talk more about the credit requirments. Did you ever get a committment to approve more than \$50 million?
4:50:01 PM	Atty Royse - EKPC cross Herrman Note: Fields, Angela	Why would SKYy not go to lenders before about the availability of having credit in place before signing a contract?
4:50:57 PM	Atty Royse - EKPC cross Herrman Note: Fields, Angela	Help me understand why were you asking for 100 million?
4:51:10 PM	Atty Royse - EKPC cross Herrman Note: Fields, Angela	None of those credit lines have been approved by any lender?
4:51:25 PM	Atty Royse - EKPC cross Herrman Note: Fields, Angela	Do you believe the collateral threshold provisions in effect today?

4:51:59 PM	Atty Royse - EKPC cross Herrman Note: Fields, Angela	The Commission is to approve that collateral annex as it stands today and as it is signed?
4:52:31 PM	Atty Royse - EKPC cross Herrman Note: Fields, Angela	And there is no financing approved yet?
4:52:48 PM	Atty Miller 9 dist coops - cross Herrman Note: Fields, Angela	Have you determined at this point the amount of the line of credit that you will need?
4:53:59 PM	Atty Miller 9 dist coops - cross Herrman Note: Fields, Angela	I am handing you a 2018 letter from Mr. Holt. From DC attachment 3. and in the application itself. Are you familiar with this letter?
4:55:30 PM	Atty Miller 9 dist coops - cross Herrman Note: Fields, Angela	You did get a letter back from RUS approving the loan contract?
4:56:58 PM	Atty Miller 9 dist coops - cross Herrman Note: Fields, Angela	Look at the Jan 30th letter. It is in the record. Is this the letter you are talking about?
4:58:01 PM	Atty Miller 9 dist coops - cross Herrman Note: Fields, Angela	Do you believe that this ltr from RUS gives approval to deviate from section 613e of the RUS load contract?
4:58:50 PM	Atty Miller 9 dist coops - cross Herrman Note: Fields, Angela	Is it SKY position that the Jan 30 from RUS also granted the deviation?
4:59:33 PM	Atty Miller 9 dist coops - cross Herrman Note: Fields, Angela	Do agree you have to provide a opinion of counsel to CFC or Co-Bank counsel give the that all necessary approvals are received?
5:00:04 PM	Atty Miller 9 dist coops - cross Herrman Note: Fields, Angela	Have you spoke with counsel about whether you received all adequate approvals?
5:01:22 PM	Atty Miller 9 dist coops - cross Herrman Note: Fields, Angela	This letter from Mf. Holt to RUS refers to SKY loan contract 2016. Has a copy been filed in record?
5:02:32 PM	Atty Miller 9 dist coops - cross Herrman Note: Fields, Angela	This partiular loan agreement is not in the record.
5:03:12 PM	PHDR Note: Fields, Angela	May we get a PHDR to get from the letter from Mr. Holt to RUS that refers to the loan agreement referred to in the letter?
5:03:56 PM	Atty Miller 9 dist coops - cross Herrman Note: Fields, Angela	There are two requirements in the collateral annex that must be met by SKY and it if it is not met that triggers the requirement to post collateral?
5:04:55 PM	Atty Miller 9 dist coops - cross Herrman Note: Fields, Angela	Same as in collateral annex the same requirement as in loan contract?
5:05:40 PM	Atty Miller 9 dist coops - cross Herrman Note: Fields, Angela	Based on your discussions, they have not provided any forms to be signed by SKY?
5:06:13 PM	Atty Miller 9 dist coops - cross Herrman Note: Fields, Angela	So you don't have any language for credit document yet?
5:06:45 PM	Atty Kurtz Nucor - cross Herrman Note: Fields, Angela	Do you buy power from EKPC under E option 2?
5:07:30 PM	Atty Kurtz Nucor - cross Herrman Note: Fields, Angela	Do you recognize as a risk of this transaction that EKPC prices fall then savings would be reduced?
5:08:00 PM	Atty Kurtz Nucor - cross Herrman Note: Fields, Angela	EXHIBIT NUCOR 4.

5:09:20 PM Atty Kurtz Nucor - cross Herrman  
Note: Fields, Angela If EKPC's prices fell to \$30 a mwh, wouldn't that be a risk?

5:10:24 PM Atty Kurtz Nucor - cross Herrman  
Note: Fields, Angela The economic analysis done under this deal was prefomed by SKY by option 1 and option 2?

5:11:12 PM Atty Kurtz Nucor - cross Herrman  
Note: Fields, Angela Do you review FAC surcharge on a regular basis?

5:13:11 PM Atty Kurtz Nucor - cross Herrman  
Note: Fields, Angela The fuel and purchase power of EKPC is considerably lower than the energy rate they are billing under E?

5:13:54 PM Atty Kurtz Nucor - cross Herrman  
Note: Fields, Angela Are they recovering fixed costs in the energy rates in E?

5:14:33 PM BREAK

5:14:41 PM Session Paused

5:27:28 PM Session Resumed

5:27:44 PM Atty Campbell - Owen cross Herrman  
Note: Fields, Angela Can you tell us what the patronage capital that SKY has?

5:31:31 PM Atty Campbell - Owen cross Herrman  
Note: Fields, Angela Are you familiar with the fact since 2010 that EKPC has been trying to build its equity to toget to a equity ratio to order to pay out some of that patronage capital ?

5:32:15 PM Atty Campbell - Owen cross Herrman  
Note: Fields, Angela Here is what is concerning Owen, Cost Shifting, Is there not a second aspect to this we should be concerned about and that is the lost economic opportunity of 58mws?

5:34:05 PM Atty Campbell - Owen cross Herrman  
Note: Fields, Angela And before the PPA is considered and an additional load comes on, that is the normal economic growth of EKPC right now?

5:34:40 PM Atty Campbell - Owen cross Herrman  
Note: Fields, Angela We are 58 in the hole and we will have to climb back just to be were we were?.

5:36:34 PM Atty Campbell - Owen cross Herrman  
Note: Fields, Angela Under the definition of lost economic oppourtunity that is ground that EKPC will never gain back and that affects the ability to meet the equity ratio where they might pay my clients patronage capital, so their board can consider paying out patronage to there consumers? That is what I am worried about.

5:38:29 PM Atty Scott Grayson - cross Herrman  
Note: Fields, Angela Reference to RUS letter to Mr. Holt dated Jan. 30th There was a Jan. 5 letter to Mr. Holt but not a Jan. 5letter from you. Is there a Jan 5 letter from you?

5:40:22 PM Atty Scott Grayson - cross Herrman  
Note: Fields, Angela There is no Jan. 5 letter from Herrman to RUS?

5:41:16 PM Atty Scott Grayson - cross Herrman  
Note: Fields, Angela Is your answer I don't think you did a Jan. 5 letter?

5:41:55 PM Atty Scott Grayson - cross Herrman  
Note: Fields, Angela What is your honest answer?

5:42:19 PM Atty Scott Grayson - cross Herrman  
Note: Fields, Angela It refers to a Jan. 5 letter from you. Did you do a Jan. 5. letter or not?

5:42:30 PM Chairman  
Note: Fields, Angela What would it take to you to find out. Can you have letter by the morning?

5:43:05 PM Atty Scott Grayson - cross Herrman  
Note: Fields, Angela You were present in those discussions correct?

5:43:45 PM	Atty Scott Grayson - cross Herrman Note: Fields, Angela	Do you know if Mr. Goss also present at those meeting?
5:44:20 PM	New Event Note: Fields, Angela	Were you ever privy to a conversations similar to those referenced by Mr. Holt, that Mr. Haynes tell Campbell to keep this confidential?
5:45:07 PM	Atty Scott Grayson - cross Herrman Note: Fields, Angela	Do you understand the concerns of the other coops have?
5:46:18 PM	Atty Scott Grayson - cross Herrman Note: Fields, Angela	Mr. Holt made reference to concern the coop may have. Were you present when that inquiry was made by VC Cicero about that?
5:46:44 PM	Atty Scott Grayson - cross Herrman Note: Fields, Angela	Why was it nessecary to have multiple meetings about this EKPC about this PPA?
5:47:10 PM	Atty Scott Grayson - cross Herrman Note: Fields, Angela	You had a lawyer ddn't you. Mr. Goss right? He also represented EKPC?
5:47:50 PM	Atty Scott Grayson - cross Herrman Note: Fields, Angela	Tony Campbell, president of EKPC, He was told to keep this secret. At that time he was the attorney for EKPC and SKY?
5:49:15 PM	Atty Scott Grayson - cross Herrman Note: Fields, Angela	EKPC objected as well in 2012 when Grayson sought approval of the Morgan Stanley contract and represented by Mr. Goss too. You understood that too?
5:49:44 PM	Atty Vinsel PSC - cross Herrman Note: Fields, Angela	PHDR to provide Jan. 5th letter if it cannot be provided tomorrow.
5:50:27 PM	PHDR Note: Fields, Angela	Jan. 5th ltr from Herrman
5:50:54 PM	Atty Vinsel PSC - cross Herrman Note: Fields, Angela	If the PPA is approved what is your estimate that SKY will seach a rate adjustment?
5:51:21 PM	Atty Vinsel PSC cross Herrman Note: Fields, Angela	If PPA is approved and given the proposed reduction, do think it would be appropriate for the PSC to open investigation to look at a rate reduction?
5:53:48 PM	VC Cicero - cross Herrman Note: Fields, Angela	Give me an example about how a coop can make up that margin?
5:54:24 PM	VC Cicero - cross Herrman Note: Fields, Angela	Do you really that opportunity for increased margin exists?
5:55:09 PM	VC Cicero - cross Herrman Note: Fields, Angela	Your answer about margins is not as simple as you make it sound.
5:55:38 PM	VC Cicero - cross Herrman Note: Fields, Angela	Weather is not a controllable item.
5:55:49 PM	Atty Grover -SKy - redirect Herrman Note: Fields, Angela	In the discussion about Mr. Holt's letter of Jan. 5. and your response on Jan. 30. I though I heard you say there were other discussions
5:56:34 PM	Atty Grover -SKy - redirect Herrman Note: Fields, Angela	Tturn to pg 2, 2nd paragraph. What does that say?
5:57:20 PM	Atty Grover -SKy - redirect Herrman Note: Fields, Angela	Do you have that document in front of you the Rrate E Tariff?
5:57:59 PM	Atty Grover -SKy - redirect Herrman Note: Fields, Angela	What is the total price?

5:58:39 PM	Atty Grover -SKy - redirect Herrman Note: Fields, Angela	The patronage capital .that you have relative to EKPC. Subject to certain equity levels that can be turned into a credit to be paid back capital credits?
5:59:24 PM	Atty Grover -SKy - redirect Herrman Note: Fields, Angela	Credit payout to another coop something you consider as the CFO something you consider when you look at the cost of service in SKY.
6:00:00 PM	Atty Kurtz Nucor exh 4. entered into Note: Fields, Angela	EXHIBIT Nucor 4 entered.
6:00:49 PM	Atty Grover - SKY - direct Adkins Note: Fields, Angela	Name, address?
6:01:18 PM	Atty Grover -SKy - direct Adkins Note: Fields, Angela	Are there any corrections or updates that need to be made?
6:01:32 PM	Atty Chandler AG - cross Adkins Note: Fields, Angela	You have testified in a number of rate cases in front of this commission?
6:02:05 PM	atty Chandler AG - cross Adkins Note: Fields, Angela	You were a consulting expert in Cumberland's last rate case?
6:02:40 PM	Atty Chandler AG - cross Adkins Note: Fields, Angela	Would you agree that the commission provided Cumberland Valley an increase in rate of 1.68 million per year?
6:04:00 PM	Atty Chandler AG - cross Adkins Note: Fields, Angela	Mr. Wolfram's analysis comes out to be an annual cost shift to Cumberland Valle? Was it roughly \$577 thousand ?
6:04:24 PM	Atty Chandler AG - cross Adkins Note: Fields, Angela	That would wipe away 1/3 of the increase?
6:05:05 PM	Atty Chandler AG - cross Adkins Note: Fields, Angela	The application that you were involved in was 171?
6:05:32 PM	Atty Chandler AG - cross Adkins Note: Fields, Angela	Approved an iincrease to Big Sandy 2017-74 for roughly 1 million?
6:05:46 PM	Atty Chandler AG - cross Adkins Note: Fields, Angela	The analysis provides a hit of roughly 300 thousand a year?
6:06:06 PM	Atty Chandler AG - cross Adkins Note: Fields, Angela	You work closely with a lot of these RECCs?
6:07:08 PM	Atty Chandler AG - cross Adkins Note: Fields, Angela	Have you ever provide expert testimony of residential rate design specifically customer charges?
6:07:48 PM	Atty Chandler AG - cross Adkins Note: Fields, Angela	Is that a concern of yours?
6:08:13 PM	Atty Chandler AG - cross Adkins Note: Fields, Angela	But you have advocated for cost rates in the past?
6:08:20 PM	Atty Chandler AG - cross Adkins Note: Fields, Angela	important for utility to charge...
6:08:39 PM	Atty Royse EKPC - cross Adkins Note: Fields, Angela	When were you retained by SKY in reference to this case?
6:09:04 PM	Atty Royse EKPC - cross Adkins Note: Fields, Angela	The did not seek or rely on your advise before entering into the transaction?
6:10:02 PM	Atty Vinsel PSC - cross Adkins Note: Fields, Angela	Under this proposed PPA is approved, A 12-20 million in savings. Given that savings, is it reasonable for the Commission to open and investion determine if SKY rates need to be adjusted?

6:11:16 PM	Atty Vinsel PSC - cross Adkins Note: Fields, Angela	When you say they may pay capital credits, is any further discussion or is it an option?
6:11:33 PM	VC Cicero cross Adkins Note: Fields, Angela	Referring to Mr. Wolfram's analysis. You made a side comment that you thought they are incorrect. Do you have a basis for that?
6:12:10 PM	VC Cicero cross Adkins Note: Fields, Angela	Do you think there are any shifts associated with those charges?
6:12:53 PM	VC Cicero cross Adkins Note: Fields, Angela	based on his own belief but not on any analysis?
6:13:14 PM	VC Cicero cross Adkins Note: Fields, Angela	You talking about EKPC?
6:14:15 PM	VC Cicero cross Adkins Note: Fields, Angela	But you have not done a formal analysis?
6:14:29 PM	Commissioner Matthews cross Adkins Note: Fields, Angela	If you saw his table it was a credit so it is not a subtraction.
6:15:45 PM	Commissioner Matthews cross Adkins Note: Fields, Angela	But you agree with environmental surcharge portion?
6:16:36 PM	Atty Grover SKY - redirect Adkins Note: Fields, Angela	If the coops agree to incur an expense in the future how does that get captured in the rate case analysis?
6:17:40 PM	Atty Chandler Note: Fields, Angela	Additional question?
6:18:31 PM	Atty Grover - SKY direct Babbitt Note: Fields, Angela	State name, and employer?
6:19:13 PM	Atty Grover - SKY direct Babbitt Note: Fields, Angela	Will your direct testimony and rebuttal testimony be the same?
6:19:50 PM	Atty Chandler - AG cross Babbitt Note: Fields, Angela	On pg 8 line 16 of your testimony re: Discussion of the use of 100% load factor . Please read into record.
6:21:16 PM	Atty Chandler - AG cross Babbitt Note: Fields, Angela	But that is not what your testimony says. You said after discussion with intervision, and looking at the MOU you determined to use the 100% load factor product?
6:21:49 PM	Atty Chandler - AG cross Babbitt Note: Fields, Angela	Who's idea was it to use 100% load factor?
6:22:18 PM	Atty Chandler - AG cross Babbitt Note: Fields, Angela	Your testimony states that decision was made in conversation with you?
6:24:14 PM	Atty Chandler - AG cross Babbitt Note: Fields, Angela	Is it your testimony that SKY knew it could do a 100% load factor before it was discussed with intervision?
6:24:49 PM	Atty Chandler - AG cross Babbitt Note: Fields, Angela	When it was determined SKY could do a 100% load factor?
6:25:15 PM	Atty Chandler - AG cross Babbitt Note: Fields, Angela	It was determined that SKY wanted a 100% load factor but it was not expressed in the RFP?
6:25:43 PM	Atty Chandler - AG cross Babbitt Note: Fields, Angela	How long have you been doing this?
6:26:05 PM	Atty Chandler - AG cross Babbitt Note: Fields, Angela	It is your understanding that Texas group came in .and said we can do the 100% load factor?
6:27:30 PM	Atty Chandler - AG cross Babbitt Note: Fields, Angela	What is the significance of 100% load factor?

6:27:54 PM	Atty Chandler - AG cross Babbitt Note: Fields, Angela	What is following load?
6:29:26 PM	Atty Chandler - AG cross Babbitt Note: Fields, Angela	Effectively energy is used proportionatly with demand?
6:29:50 PM	Atty Chandler - AG cross Babbitt Note: Fields, Angela	Handed out document - already in record.
6:30:55 PM	Atty Chandler - AG cross Babbitt Note: Fields, Angela	You were in room all day? You have heard some reference to environmental costs?
6:31:38 PM	Atty Chandler - AG cross Babbitt Note: Fields, Angela	You didn't mean PJM has to pay load does for enviromenal laws. You meant it applies to everyone equally?
6:32:41 PM	Atty Chandler - AG cross Babbitt Note: Fields, Angela	So it would apply equally to everybody correct?
6:33:30 PM	Atty Chandler - AG cross Babbitt Note: Fields, Angela	Who is the market?
6:34:05 PM	Atty Chandler - AG cross Babbitt Note: Fields, Angela	Handed out doc. for reference.
6:36:30 PM	Atty Chandler - AG cross Babbitt Note: Fields, Angela	Do you think thats a risk?
6:36:50 PM	Atty Chandler - AG cross Babbitt Note: Fields, Angela	What is an appropriate discount rate?
6:38:35 PM	Atty Chandler - AG cross Babbitt Note: Fields, Angela	Do you believe Morgan Stanley is in a better bargaining position than SKY?
6:39:27 PM	Atty Chandler - AG cross Babbitt Note: Fields, Angela	What does SKY have that Morgan Stanley wants?
6:42:02 PM	Atty Chandler - AG cross Babbitt Note: Fields, Angela	That is just money. SKY cannot turn the light on with money....
6:43:00 PM	Atty Chandler - AG cross Babbitt Note: Fields, Angela	So if Mogan Stanley does not show up 10 days in a row, SKY moves under default, and Morgan Stanley is happy to pay them out then continure to operate under this agreement. Is that a realistic outcome?
6:43:25 PM	Atty Chandler - AG cross Babbitt Note: Fields, Angela	Have you ever heard of Morgan Stanley wanting to get out of a deal early?
6:44:33 PM	Atty Chandler - AG cross Babbitt Note: Fields, Angela	So if they default we hope it is after 5yrs?
6:45:47 PM	Atty Chandler - AG cross Babbitt Note: Fields, Angela	How far out does market the go?
6:46:25 PM	Atty Chandler - AG cross Babbitt Note: Fields, Angela	So in that, the Market is transparent in early years?
6:47:10 PM	Atty Chandler - AG cross Babbitt Note: Fields, Angela	And that is on the energy side?
6:49:10 PM	Atty Chandler - AG cross Babbitt Note: Fields, Angela	Is an early termination different than a default?
6:51:29 PM	Atty Chandler - AG cross Babbitt Note: Fields, Angela	So even if it makes money since to them that Morgan Stanley won't default because of their name?
6:51:40 PM	Atty Chandler - AG cross Babbitt Note: Fields, Angela	Handed out document already in record.
6:52:39 PM	Atty Chandler - AG cross Babbitt Note: Fields, Angela	SKY response to distribution coops DR2-20?

6:54:08 PM	Atty Chandler - AG cross Babbitt Note: Fields, Angela	And a hedge only represents 58mw?
6:54:34 PM	Atty Chandler - AG cross Babbitt Note: Fields, Angela	And is it currently at 18%?
6:54:45 PM	Atty Chandler - AG cross Babbitt Note: Fields, Angela	Are you sure it is roughly 18%?
6:55:57 PM	Atty Chandler - AG cross Babbitt Note: Fields, Angela	What is the outcome that would lead to that chance?
6:57:08 PM	Atty Chandler - AG cross Babbitt Note: Fields, Angela	Is that a situation under system now in place. were EKPC customers are seeing a benefit and PJM will grow?
6:59:20 PM	Atty Chandler - AG cross Babbitt Note: Fields, Angela	You mentioned individual states taxing greenhouse gas or carbon. Do you feel Kentucky could be an early adopter of that?
7:01:50 PM	Atty Chandler - AG cross Babbitt Note: Fields, Angela	Do you understand Kentucky to be a procoal state as a proposition?
7:02:16 PM	adjourned till 9:00 tomorrow	
7:02:33 PM	Session Paused	
8:18:38 AM	Session Ended	

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF SOUTH	)	
KENTUCKY RURAL ELECTRIC COOPERATIVE	)	CASE NO. 2018-00050
CORPORATION FOR APPROVAL OF MASTER	)	
POWER PURCHASE AND SALE AGREEMENT	)	
AND TRANSACTIONS THEREUNDER	)	

CERTIFICATE

I, Angela Fields, hereby certify that:

1. The attached DVD contains a digital recording of the hearing conducted in the above-styled proceeding on May 16, 2017; (excluding any confidential segments, which were recorded on a separate DVD and will be maintained in the non-public records of the Commission, along with the Confidential Exhibits and Hearing Log). The hearing was recorded on 3 consecutive days, May 15, 16 and 17.

2. I am responsible for the preparation of the digital recording;

3. The digital recording accurately and correctly depicts the hearing on May 16, 2017 (excluding any confidential segments);

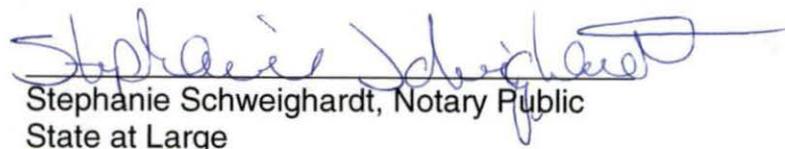
4. The "Exhibit List" attached to this Certificate correctly lists all exhibits introduced at the hearing of May 16, 2017 (excluding any confidential exhibits).

5. The "Hearing Log" attached to this Certificate accurately and correctly states the events that occurred at the hearing on May 16, 2017 (excluding any confidential segments) and the time at which each occurred.

6. All items listed above containing confidential materials will be maintained in the non-public records of the Commission.

Signed this 1<sup>st</sup> day of June 2018.

  
\_\_\_\_\_  
Angela Fields, Paralegal Consultant

  
\_\_\_\_\_  
Stephanie Schweighardt, Notary Public  
State at Large  
My commission expires: January 14, 2019  
ID#: 525987



<b>Date:</b>	<b>Type:</b>	<b>Location:</b>	<b>Department:</b>
5/16/2018	Public Hearing\Public Comments	Hearing Room 1	Hearing Room 1 (HR 1)

Judge: Bob Cicero; Talina Mathews; Michael Schmitt  
 Witness: James Adkins; Carter Babbitt; Chris Brewer; Tony Campbell; Jerry Carter; David Crews; Carol Fraley; Ted Hampton; Joni Hazelrigg; Michelle Herrman; Dennis Holt; Kerry Howard; Gregory Lee; Debra Martin; Mike McNalley; Don Mosier; Barry Myers; Mechonda O'Brien; William Prather; William Seelye; Bobby Sexton; Tim Sharp; Mark Stallons; Michael Williams; John Wolfram; Carol Wright  
 Clerk: Angela Fields

<b>Event Time</b>	<b>Log Event</b>
8:20:30 AM	Session Started
8:20:32 AM	Session Paused
9:02:09 AM	Session Resumed
9:02:43 AM	Chairman Schmitt Note: Fields, Angela
	Preliminary comments
9:03:26 AM	Atty Royce - EKPC cross Babbitt Note: Fields, Angela
	From direct have not appeared before the Commission before?
9:04:17 AM	Atty Royce - EKPC cross Babbitt Note: Fields, Angela
	Published peer review before?
9:04:38 AM	Atty Royce - EKPC cross Babbitt Note: Fields, Angela
	Are some of those members of GTC?
9:05:00 AM	Atty Royce - EKPC cross Babbitt Note: Fields, Angela
	Consulted with or even expert advise tor rural coops or GTC.coops with an energy marketer?
9:05:24 AM	Atty Royce - EKPC cross Babbitt Note: Fields, Angela
	Tell me who.
9:05:56 AM	Chairman Schmitt Note: Fields, Angela
	Speak to client or go into confidential session.
9:06:18 AM	BREAK
9:06:27 AM	Session Paused
9:10:52 AM	Session Resumed
9:11:02 AM	Atty Grover Note: Fields, Angela
	We would like to go into confidential session
9:11:17 AM	Private Recording Activated
9:32:43 AM	Public Recording Activated
9:33:11 AM	Atty Royce - EKPC cross Babbitt Note: Fields, Angela
	When did you first get involved in the engagement?
9:33:31 AM	Atty Royce - EKPC cross Babbitt Note: Fields, Angela
	You had no role in the issuance of the terms of the RFP that SKY requested?
9:34:05 AM	Atty Royce - EKPC cross Babbitt Note: Fields, Angela
	Was Mr. Scheppler(?) involved under the engagement with intervision and SKY?
9:34:21 AM	Atty Royce - EKPC cross Babbitt Note: Fields, Angela
	Reading from pg 6 line 12 of your testimony. Was that a polite way of saying you stepped to fill the gap?
9:35:00 AM	Atty Royce - EKPC cross Babbitt Note: Fields, Angela
	Primary consutant for intevison from October thru today?

9:35:41 AM	Atty Royce - EKPC cross Babbitt Note: Fields, Angela	You knew that board was reliant on you expertise in power supply to give give advise on the action they should take?
9:36:19 AM	Atty Royce - EKPC cross Babbitt Note: Fields, Angela	Were they entitled to rely on it
9:37:48 AM	Atty Royce - EKPC cross Babbitt Note: Fields, Angela	Have you seen an email were Mr. Holt referred to this decision as a no-brainer?
9:38:18 AM	Atty Royce - EKPC cross Babbitt Note: Fields, Angela	On this fairly easy decision, you understood SKY was going to be acquiring about 40% of their necessary electricity from someone other than the GNT they owned?
9:39:00 AM	Atty Royce - EKPC cross Babbitt Note: Fields, Angela	Buying from someone not subject to ky PSC jurisdiction?
9:40:00 AM	Atty Royce - EKPC cross Babbitt Note: Fields, Angela	But beyond that we don't know where the assests are and what state jurisdiction they are subject to?
9:40:42 AM	Atty Royce - EKPC cross Babbitt Note: Fields, Angela	You advised them that would have to pay certain transmission costs above and beyond what they are paying Morgan Stanley?
9:41:07 AM	Atty Royce - EKPC cross Babbitt Note: Fields, Angela	EKCP rrate from whom? You recognize that EKPC don't charge their customers for a separate transmission charge?
9:41:20 AM	Atty Royce - EKPC cross Babbitt Note: Fields, Angela	What is the OAT rate and who does it get paid to?
9:41:54 AM	Atty Royce - EKPC cross Babbitt Note: Fields, Angela	Did you tell them (board) what the transmission cost would be?
9:42:50 AM	Atty Royce - EKPC cross Babbitt Note: Fields, Angela	Did you tell them how much you thought transmission costs would go up and down?
9:43:05 AM	Atty Royce - EKPC cross Babbitt Note: Fields, Angela	What was the variability you told them they shjould expect?
9:43:39 AM	Atty Royce - EKPC cross Babbitt Note: Fields, Angela	You used 3% in the analysis that you gave them?
9:44:07 AM	Atty Royce - EKPC cross Babbitt Note: Fields, Angela	Where did you get the 3%?
9:46:20 AM	Atty Royce - EKPC cross Babbitt Note: Fields, Angela	Mr. Schepfler (?) was not there?
9:46:47 AM	Atty Royce - EKPC cross Babbitt Note: Fields, Angela	In your own mind was that a possiblity?
9:47:56 AM	Atty Royce - EKPC cross Babbitt Note: Fields, Angela	Where did he get that data?
9:48:17 AM	Atty Royce - EKPC cross Babbitt Note: Fields, Angela	An analysis was back up by spreadsheet in you office?
9:49:23 AM	Atty Royce - EKPC cross Babbitt Note: Fields, Angela	The PJM costs, transmisison costs to SKY they will be billed for that every month quarterly?
9:50:01 AM	Atty Royce - EKPC cross Babbitt Note: Fields, Angela	Does that change every month?
9:51:26 AM	Atty Royce - EKPC cross Babbitt Note: Fields, Angela	You advised SKY board it was in their best interest to enter into a a fixed price contract with Morgan Stanley?
9:52:25 AM	Atty Royce - EKPC cross Babbitt Note: Fields, Angela	There shouldn't be in change in the fuel adjustment charge?

9:52:48 AM	Atty Royce - EKPC cross Babbitt Note: Fields, Angela	So what is the big difference between acquiring it from EKPC than from the market? What is the price difference based on?
9:53:26 AM	Atty Royce - EKPC cross Babbitt Note: Fields, Angela	The whole deal here is avoiding fixed costs correct?
9:53:50 AM	Atty Royce - EKPC cross Babbitt Note: Fields, Angela	By virtue of this transaction, SKY has avoided 40% of its fixed costs because it was taken it elsewhere?
9:54:38 AM	Atty Royce - EKPC cross Babbitt Note: Fields, Angela	Were you shocked?
9:54:53 AM	Atty Royce - EKPC cross Babbitt Note: Fields, Angela	I assume in presenting to the board, you and intervison believed important that you be very accurate in your analysis?
9:55:33 AM	Atty Royce - EKPC cross Babbitt Note: Fields, Angela	You knew volunteer board didn't have the expertise you had?
9:56:12 AM	Atty Royce - EKPC cross Babbitt Note: Fields, Angela	You had the most expertise in the room didn't you?
9:56:39 AM	Atty Royce - EKPC cross Babbitt Note: Fields, Angela	Did you find the errors before or after the board voted? .....
9:57:49 AM	Atty Royce - EKPC cross Babbitt Note: Fields, Angela	Handing out documents. Do you have in front of you DC 2-39 Public version PDF pgs 15-17 email exchange from October 26 2017 between you Holt and Scheffler.
9:59:26 AM	Atty Royce - EKPC cross Babbitt Note: Fields, Angela	Mr. Scheffler was asking whether SKY elects option 1 or 2. under EKPC E?
10:00:26 AM	Atty Royce - EKPC cross Babbitt Note: Fields, Angela	Is the bill for September attached?
10:01:50 AM	Atty Royce - EKPC cross Babbitt Note: Fields, Angela	When you performed the analysis that you presented to the board of SKY, that was not the option that you selected?
10:02:31 AM	Atty Royce - EKPC cross Babbitt Note: Fields, Angela	This is the Data Request that you sponsored. You gave this testimony under oath correct? Column E escalator.
10:03:25 AM	Atty Royce - EKPC cross Babbitt Note: Fields, Angela	This is were you told us the NITS rates were used.
10:04:05 AM	Atty Royce - EKPC cross Babbitt Note: Fields, Angela	And you just escalated it by 3%?
10:04:27 AM	Atty Royce - EKPC cross Babbitt Note: Fields, Angela	So the basis for it was 5 yrs of historical data from EKPC?
10:05:40 AM	Atty Royce - EKPC cross Babbitt Note: Fields, Angela	And that would be the most current data prior to your engagement in August and in your advise to the board in November?
10:06:40 AM	Atty Royce - EKPC cross Babbitt Note: Fields, Angela	Do you know why you didn't use the most current rate?
10:07:10 AM	Atty Royce - EKPC cross Babbitt Note: Fields, Angela	.238 does that me 23.8%?
10:07:52 AM	Atty Royce - EKPC cross Babbitt Note: Fields, Angela	For the one year we have actual data, .did you miss it by 20%.?
10:08:39 AM	Atty Royce - EKPC cross Babbitt Note: Fields, Angela	I know you disagree wiht that, that it is way over stated correct?
10:09:40 AM	Atty Royce - EKPC cross Babbitt Note: Fields, Angela	But you were advising them to get out of the EKPC provision of 40% of their power supply and go to Morgan Stanley?

10:10:17 AM	Atty Royce - EKPC cross Babbitt Note: Fields, Angela	What was the range of savings?
10:10:37 AM	Atty Royce - EKPC cross Babbitt Note: Fields, Angela	Somewhere btw 90 and 120 million?
10:11:04 AM	Atty Royce - EKPC cross Babbitt Note: Fields, Angela	What is your position before the PSC today what the saving range on this transaction is?
10:11:32 AM	Atty Royce - EKPC cross Babbitt Note: Fields, Angela	So there has been 10- 11 million difference on?
10:12:12 AM	Atty Royce - EKPC cross Babbitt Note: Fields, Angela	What is the 240 million number in your test?
10:12:33 AM	Atty Royce - EKPC cross Babbitt Note: Fields, Angela	Are you telling the PSC that the savings could be 240 million?
10:12:55 AM	Atty Royce - EKPC cross Babbitt Note: Fields, Angela	How confident are you in that?
10:14:22 AM	Atty Royce - EKPC cross Babbitt Note: Fields, Angela	Earlier you said you did a number of transactions with Morgan Stanley. Did you use the EEI document?.
10:15:26 AM	Atty Royce - EKPC cross Babbitt Note: Fields, Angela	Are you pretty comfortable dealing with the EEI and confirms?
10:15:44 AM	Atty Royce - EKPC cross Babbitt Note: Fields, Angela	It is a reporting document for banks?
10:16:37 AM	Atty Royce - EKPC cross Babbitt Note: Fields, Angela	EEI is for physical delivery of the document?
10:17:18 AM	Atty Royce - EKPC cross Babbitt Note: Fields, Angela	EEI is for delivery of physical product?
10:18:03 AM	Atty Royce - EKPC cross Babbitt Note: Fields, Angela	Yesterday I used DC attachemnt 4-, pg 14-28, Oct 19, 2017. Your presentation.
10:20:30 AM	Atty Royce - EKPC cross Babbitt Note: Fields, Angela	And what where you telling them about why you were not seeing 15, 20 yr deals?
10:21:37 AM	Atty Royce - EKPC cross Babbitt Note: Fields, Angela	Did you tell sky that there was more uncertainty for them when going out 20 yrs?
10:22:08 AM	Atty Royce - EKPC cross Babbitt Note: Fields, Angela	Tell this Commission if it is your opinion on behalf of intervision that the benefits of this transaction for SKY outweighs the risks?
10:22:21 AM	Atty Royce - EKPC cross Babbitt Note: Fields, Angela	Is that because it is almost impossible not to make money when you avoid all of these fixed costs?
10:22:51 AM	Atty Royce - EKPC cross Babbitt Note: Fields, Angela	And that is were hte come from the avoidance of fixed costs?
10:23:12 AM	Atty Royce - EKPC cross Babbitt Note: Fields, Angela	Because you assume they can beat the market long term?
10:26:16 AM	Atty Royce - EKPC cross Babbitt Note: Fields, Angela	Is there really any thing crediff , any new value being injected?
10:27:15 AM	Atty Royce - EKPC cross Babbitt Note: Fields, Angela	Nothing is being grown by this transaction? Slices are being changed aren't they?
10:27:35 AM	Atty Royce - EKPC cross Babbitt Note: Fields, Angela	hand out document
10:29:54 AM	Atty Royce - EKPC cross Babbitt Note: Fields, Angela	EXHIBIT EKPC 1 AND 2 INTRODUCED

10:30:05 AM	Atty Royce - EKPC cross Babbitt Note: Fields, Angela	Request #29 and 31, Pg 6 of production, numerical page 3.
10:32:12 AM	Atty Royce - EKPC cross Babbitt Note: Fields, Angela	Are they actions of SKY for the benefit of members and patrons of EKPC?
10:32:59 AM	Atty Royce - EKPC cross Babbitt Note: Fields, Angela	You didn't have any problem saying it was for the benefit of members of SKY?
10:34:03 AM	Atty Royce - EKPC cross Babbitt Note: Fields, Angela	Pg 66 , last page of the three pages I handed you.
10:36:10 AM	Atty Royce - EKPC cross Babbitt Note: Fields, Angela	CEO are invited in board room now?
10:37:15 AM	Atty Royce - EKPC cross Babbitt Note: Fields, Angela	Do you agree that while low rates are desirable they must be balanced with the necessity that the coop remain financialy and operationaly viable?
10:38:09 AM	Atty Royce - EKPC cross Babbitt Note: Fields, Angela	Do you agree with Mr. Holt ?
10:38:38 AM	Atty Royce - EKPC cross Babbitt Note: Fields, Angela	Do you have two Morgan Stanley confirms...exh 7 & 8 to application?
10:40:04 AM	Atty Royce - EKPC cross Babbitt Note: Fields, Angela	What is the product that is being sold under #8?
10:40:40 AM	Atty Royce - EKPC cross Babbitt Note: Fields, Angela	Paragraph 18. is it your belief capacity held is an " alternate source under MOU"?
10:41:33 AM	Atty Royce - EKPC cross Babbitt Note: Fields, Angela	Did you ask Morgan Stanley why ist says that in a hedge?
10:42:28 AM	Atty Royce - EKPC cross Babbitt Note: Fields, Angela	That is not what SKY contracted for. Why are they in there?
10:43:25 AM	Atty Royce - EKPC cross Babbitt Note: Fields, Angela	Is the term of the deal on what happen on the environmental change of law anything different than what is in the four corners of this document?
10:44:25 AM	Atty Royce - EKPC cross Babbitt Note: Fields, Angela	What are some other deals, terms that are not in this document?
10:46:16 AM	Atty Royce - EKPC cross Babbitt Note: Fields, Angela	Holt said can only apply to two things. Did you agree with Holts testimony?
10:49:15 AM	Atty Royce - EKPC cross Babbitt Note: Fields, Angela	What about anything you just said excludes capital costs?
10:49:43 AM	Atty Royce - EKPC cross Babbitt Note: Fields, Angela	No generating costs tied to a specific generating unit?
10:50:12 AM	Atty Royce - EKPC cross Babbitt Note: Fields, Angela	Is Mr Holt wrong that a capital cost can be passed along?
10:51:01 AM	Atty Royce - EKPC cross Babbitt Note: Fields, Angela	Have you ever seen the risk of change in law is on the seller?
10:53:19 AM	Atty Royce - EKPC cross Babbitt Note: Fields, Angela	You believe that this the most likely evironmental law tha will change in 20 yrs?
10:53:59 AM	Atty Royce - EKPC cross Babbitt Note: Fields, Angela	What all has changed?
10:55:00 AM	BREAK	
10:55:08 AM	Session Paused	
11:09:12 AM	Session Resumed	

11:09:24 AM Atty Kurtz - Nucor Steel - cross Babbitt  
Note: Fields, Angela Handing out documents

11:10:44 AM Atty Kurtz - Nucor Steel - cross Babbitt  
Note: Fields, Angela EXHIBIT - NUCOR 5

11:11:25 AM Atty Vinsel  
Note: Fields, Angela Question about confidentiality of document. Should we go confidential session?

11:13:00 AM Private Recording Activated

11:23:28 AM Public Recording Activated

11:23:42 AM Atty Kurtz - Nucor Steel - cross Babbitt  
Note: Fields, Angela EXHIBIT NUCOR 6

11:24:24 AM Atty Kurtz - Nucor Steel - cross Babbitt  
Note: Fields, Angela The way the hedge works is if the PJM markets clears above 125 Morgan Stanley pays SKY, below 126 SKY pays Morgan Stanley correct?

11:25:35 AM Atty Kurtz - Nucor Steel - cross Babbitt  
Note: Fields, Angela went historical and took...take a couple of examples, see pg I created....read...in that particular yr ms wld paid...

11:27:16 AM Atty Kurtz - Nucor Steel - cross Babbitt  
Note: Fields, Angela The auction clearing price, PJM is a supply demand thing right?

11:27:44 AM Atty Kurtz - Nucor Steel - cross Babbitt  
Note: Fields, Angela They populate the demand curve right?

11:29:10 AM Atty Kurtz - Nucor Steel - cross Babbitt  
Note: Fields, Angela Does a higher price means Morgan Stanley would pay more correct?

11:30:15 AM Atty Kurtz - Nucor Steel - cross Babbitt  
Note: Fields, Angela In here too 3000 additional coal retires because of the CO tax. so now we have 5000 plus 3000 so Morgan Stanley could demand to back 8000 lowering the price and reducing their risks under the hedge

11:31:10 AM Atty Kurtz - Nucor Steel - cross Babbitt  
Note: Fields, Angela If coal retires because of CO2 tax, they could revoke those provisions correct?

11:31:58 AM Atty Kurtz - Nucor Steel - cross Babbitt  
Note: Fields, Angela Couldn't come to this commission could you?

11:32:35 AM Atty Kurtz - Nucor Steel - cross Babbitt  
Note: Fields, Angela Morgan Stanley sends a bill, SKY has to pay it and if they dispute the bill they have to go to Court and argue an environmental change in law really doesn't mean anything even though Morgan Stanley thinks otherwise?

11:33:10 AM Atty Kurtz - Nucor Steel - cross Babbitt  
Note: Fields, Angela Morgan Stanley has a duty to use commercially reasonable terms to mitigate?

11:35:27 AM Atty Kurtz - Nucor Steel - cross Babbitt  
Note: Fields, Angela If there is a \$15 co2 tax it will change the market of the

11:36:00 AM Atty Kurtz - Nucor Steel - cross Babbitt  
Note: Fields, Angela EKPC is not claiming they have fixed prices for 20 yrs.

11:37:42 AM Atty Kurtz - Nucor Steel - cross Babbitt  
Note: Fields, Angela The price for energy on a real time basis calculated every 5 minutes right?

11:38:21 AM Atty Kurtz - Nucor Steel - cross Babbitt  
Note: Fields, Angela You agree that is not the easiest calculation (CO2 tax) ?

11:38:40 AM Atty Kurtz - Nucor Steel - cross Babbitt  
Note: Fields, Angela SKY would have to pay what they calculate?

11:39:40 AM	Atty Kurtz - Nucor Steel - cross Babbitt Note: Fields, Angela	In your analysis does not assume that EKPC would not move to cost based rates for rate E?..
11:40:24 AM	Atty Scott Grayson- Cross Babbitt Note: Fields, Angela	Early on in your testimony you spoke about regarding working with other coops in negotiated other PPA's correct?
11:40:52 AM	Atty Scott Grayson- Cross Babbitt Note: Fields, Angela	There wre contractual arrangement reached with those coops and GNT?
11:42:06 AM	Atty Scott Grayson- Cross Babbitt Note: Fields, Angela	Some global modification among the 16 regarding the ?
11:43:04 AM	Atty Scott Grayson- Cross Babbitt Note: Fields, Angela	Do you agree that is in spirit of coop arangement?
11:43:37 AM	Atty Scott Grayson- Cross Babbitt Note: Fields, Angela	You have been doing this kind of work for 18 yrs?
11:46:11 AM	Atty Scott Grayson- Cross Babbitt Note: Fields, Angela	Are you able to give an opinion based on your expertise on whether or not there is any adverse financial impact to EKPC with this PPA?
11:46:50 AM	Atty Scott Grayson- Cross Babbitt Note: Fields, Angela	Have any doubt in that opinion?
11:47:37 AM	VC Cicero Note: Fields, Angela	Answer the same question about the other 15 coops.
11:48:14 AM	Atty Scott Grayson- Cross Babbitt Note: Fields, Angela	Which is just a redistribution?
11:48:55 AM	Atty Vinsel PSC - cross Babbitt Note: Fields, Angela	Have a few questions that we will need to go into confidential session for.
11:49:07 AM	Private Recording Activated	
11:54:56 AM	Public Recording Activated	
11:55:01 AM	Atty Vinsel PSC - cross Babbitt Note: Fields, Angela	To clarify, the prosed PPA is not tied to any particular genation. Does Morgan Stanley own any generations?
11:55:39 AM	Atty Vinsel PSC - cross Babbitt Note: Fields, Angela	Do you know anything about the fuel types that Morgan Stanley owns?
11:55:57 AM	VC Cicero Note: Fields, Angela	Wouldn't it be important to know what those assets are?
11:56:45 AM	VC Cicero Note: Fields, Angela	Except that is has a change in environmental law provision.
11:56:53 AM	VC Cicero Note: Fields, Angela	Which subjects those assets, Potentially those assests could be affected just because they are Morgan Stanley's assets. That is were they are generating this energy that is coming into the market.
11:57:29 AM	Atty Vinsel PSC - cross Babbitt Note: Fields, Angela	Earlier VC Cicero asked you if costs would increase for the coops and you indicated that they could.
11:58:15 AM	Atty Vinsel PSC - cross Babbitt Note: Fields, Angela	Are you speaking about price points?
12:00:24 PM	Atty Vinsel PSC - cross Babbitt Note: Fields, Angela	the agency agreement that holt referenced yesterday....
12:01:00 PM	Atty Vinsel PSC - cross Babbitt Note: Fields, Angela	The load following contract for a generator have a a lower rist of cost shifting verses the 100% load contract here?
12:02:23 PM	Atty Vinsel PSC - cross Babbitt Note: Fields, Angela	In your rebuttal testimony on pg 15.

12:02:35 PM	PHDR Note: Fields, Angela	In your rebuttal you offered a analysis. We ask you to provide excel spread sheet with all the formulas intact.
12:03:19 PM	VC Cicero Note: Fields, Angela	There is a lot of ambiguity do you believe the proper due diligence was done on this contract?
12:04:29 PM	VC Cicero Note: Fields, Angela	You made decision based on solid facts?
12:04:50 PM	Atty Grover SKy redirect Babbitt Note: Fields, Angela	Has the SKY had the opportunity to revisit the Dec. 19th meeting?
12:05:30 PM	Atty Grover SKy redirect Babbitt Note: Fields, Angela	What was discussed that the board meeting?
12:05:44 PM	Atty Grover SKy redirect Babbitt Note: Fields, Angela	Were there questions from the board regarding the presentation?
12:06:53 PM	Atty Grover SKy redirect Babbitt Note: Fields, Angela	What if with respect to the capacity hedge, there was some action resulting in a lot of coal retiring. Do you understand the agreement the cost would be passed to SKY?
12:08:22 PM	Atty Grover SKy redirect Babbitt Note: Fields, Angela	Go to section 20, read (b)(i) . Please read. Do those words, Morgan Stanley has to assume responsibilities for those costs?
12:09:46 PM	Atty Grover SKy redirect Babbitt Note: Fields, Angela	You typically do powerpoint before the presentation?
12:10:22 PM	Atty Grover SKy redirect Babbitt Note: Fields, Angela	Where discussions limited to what was on the PowerPoint presentation?
12:11:17 PM	Atty Grover SKy redirect Babbitt Note: Fields, Angela	value of the commitment. 400 million range correct.
12:11:47 PM	Atty Grover SKy redirect Babbitt Note: Fields, Angela	What is that relative to?
12:12:14 PM	Atty Grover SKy redirect Babbitt Note: Fields, Angela	The final cost associated with that, do you know what that is.
12:12:20 PM	Atty Grover SKy redirect Babbitt Note: Fields, Angela	Do you think it is excess of a billion dollars?
12:12:39 PM	Atty Grover SKy redirect Babbitt Note: Fields, Angela	Sound like you have had number of interactions with Morgan Stanley over the years?
12:13:05 PM	Atty Grover SKy redirect Babbitt Note: Fields, Angela	Have you encountered in your experince with Morgan Stanley a situtation where they entered into a transaction, and the defaulted shortly thereafter?
12:13:36 PM	Chairman Schmitt Note: Fields, Angela	excussed witness. EXPLANATION OF NUCOR AND EKPC EXHIBITS --- BREAK FOR LUNCH 1HR
12:15:15 PM	Session Paused	
1:16:08 PM	Session Resumed	
1:16:23 PM	Atty Scott Grayson - cross Herrman Note: Fields, Angela	State your name.
1:16:55 PM	Atty Scott Grayson - cross Herrman Note: Fields, Angela	What is your answer to that question to you yesterday about the Jan. 5th letter?
1:17:46 PM	Atty Scott Grayson - cross Herrman Note: Fields, Angela	So they had it it wrong?
1:18:01 PM	Atty Scott Grayson - cross Herrman Note: Fields, Angela	Their referece to the Jan. 5th ltr was incorrect?

1:18:20 PM	VC Cicero Note: Fields, Angela	Will you provide a copy for the record?
1:18:56 PM	Atty Grover SKY - direct Seelye Note: Fields, Angela	State name and address
1:19:38 PM	Atty Grover SKY - direct Seelye Note: Fields, Angela	Are there any corrections or updates?
1:19:45 PM	Att Chandler - AG cross Seelye Note: Fields, Angela	Handed witness copies in binder. AG Exhibits1-7
1:21:25 PM	Att Chandler - AG cross Seelye Note: Fields, Angela	On line 10. Do you agree section on pg 18, line 24 discusses financial harm or lack thereof to EKPC and others?
1:22:00 PM	Att Chandler - AG cross Seelye Note: Fields, Angela	Read lines 9-11 on pg 19..
1:22:40 PM	Att Chandler - AG cross Seelye Note: Fields, Angela	What were you basing that statement on?
1:24:02 PM	Att Chandler - AG cross Seelye Note: Fields, Angela	You are saying the EEI data does indicate the EKPC system or Kentucky in general?
1:24:39 PM	Att Chandler - AG cross Seelye Note: Fields, Angela	Its a year lag, but is it state specific or utility specific?
1:26:00 PM	Att Chandler - AG cross Seelye Note: Fields, Angela	The next part of pg 19, you discussed "stranded costs".
1:26:59 PM	Att Chandler - AG cross Seelye Note: Fields, Angela	So it is the nonvariable costs?....
1:27:53 PM	Att Chandler - AG cross Seelye Note: Fields, Angela	In terms of the stranded costs, if approved transaction is approved there will there be stranded costs?
1:28:37 PM	Att Chandler - AG cross Seelye Note: Fields, Angela	Is it you understanding the other 15 members' concerns is the cost shift if there are stranded costs?
1:29:27 PM	Att Chandler - AG cross Seelye Note: Fields, Angela	The same thing would be environmental consumables?
1:29:40 PM	Att Chandler - AG cross Seelye Note: Fields, Angela	You say not necessarily any stranded costs. But if there are stranded costs, that would cause a cost shift?
1:30:34 PM	Att Chandler - AG cross Seelye Note: Fields, Angela	There could be cost shift but it is irrelevant?
1:31:13 PM	Atty Chandler - AG cross Seelye Note: Fields, Angela	Do you know how large a cost shift this could cause?
1:32:28 PM	Atty Chandler - AG cross Seelye Note: Fields, Angela	If there is any cost shift it is irrelevant based on your opinion regarding the fixed rate doctrine?.
1:33:36 PM	Atty Chandler - AG cross Seelye Note: Fields, Angela	Your opinion is that MOU does not preclude EKPC from setting cost base rates in the next case?
1:37:10 PM	Atty Chandler - AG cross Seelye Note: Fields, Angela	Would you agree that SKY did no analysis?.
1:37:45 PM	Atty Chandler - AG cross Seelye Note: Fields, Angela	AG EXHIBIT1 is this your direct testimony in the Delta case ?
1:38:30 PM	Atty Chandler - AG cross Seelye Note: Fields, Angela	Seelye direct testimony on pg 6 line 22 ,
1:39:28 PM	Atty Chandler - AG cross Seelye Note: Fields, Angela	And it ensures there is effectively not a cost shift?

1:41:25 PM	Atty Chandler - AG cross Seelye Note: Fields, Angela	AG EXHIBIT Seelye 2 test in last case?
1:42:00 PM	Atty Chandler - AG cross Seelye Note: Fields, Angela	Pg 2, line 18. Residential rate design two part.
1:44:25 PM	Atty Chandler - AG cross Seelye Note: Fields, Angela	Ignoring the Amd. 3 and the MOU, are there any parallels between a situation you described and the application before us?
1:44:52 PM	Atty Chandler - AG cross Seelye Note: Fields, Angela	AG EXHIBIT 3. Your direct testimony in the 2008 EKPC case?
1:46:50 PM	Atty Chandler - AG cross Seelye Note: Fields, Angela	Would you agree that EKPC was interested in cost based rates?
1:47:26 PM	Atty Chandler - AG cross Seelye Note: Fields, Angela	EKPC's testimony was for phase- in of cost based rates?
1:47:46 PM	Atty Chandler - AG cross Seelye Note: Fields, Angela	NPV analysis or not?
1:48:32 PM	Atty Chandler - AG cross Seelye Note: Fields, Angela	If the concern here was if other 15 members will be paying millions more a year?
1:50:41 PM	Atty Chandler - AG cross Seelye Note: Fields, Angela	Do you think there is anyway that SKY customers pay more under this proposed agreement than without it?
1:53:10 PM	Atty Chandler - AG cross Seelye Note: Fields, Angela	Is it more likely if there is a subsequent rate design case?
1:53:54 PM	Atty Chandler - AG cross Seelye Note: Fields, Angela	Proportionately the majority of the savings is on the energy side?
1:54:16 PM	Atty Chandler - AG cross Seelye Note: Fields, Angela	Rebuttal testimony on pg 30. What was purpose of your discussion of queing allocation ?
1:57:48 PM	Atty Chandler - AG cross Seelye Note: Fields, Angela	And tuff luck to everyone else?
1:58:33 PM	VC Cicero Note: Fields, Angela	What if everyone receive 5%? Your first come first serve analogy pertains to entities that there is no ownership.
1:59:55 PM	VC Cicero Note: Fields, Angela	We made terrible mistaake, .we want 5% to everybody,who gets stuck with all the stranded costs?
2:00:56 PM	VC Cicero Note: Fields, Angela	Now everyone wants 5%. EKPC shuts down. Who gets stuck with the stranded costs.
2:03:05 PM	VC Cicero Note: Fields, Angela	The first in line is not a good analogy.
2:03:50 PM	Chairman Schmitt Note: Fields, Angela	You may think that but I dont't think everyone else thinks that. This is the second lawsuit in 5 years involving the same thing. Everyone else is against it. Why is that?
2:06:53 PM	Atty Chandler - AG cross Seelye Note: Fields, Angela	You heard Mr. Babbit examination?
2:08:42 PM	Atty Chandler - AG cross Seelye Note: Fields, Angela	Kentucky is not the only state that coops are regulated? This is not unqieue?
2:09:56 PM	Atty Chandler - AG cross Seelye Note: Fields, Angela	Not specifically for schools?
2:10:12 PM	Atty Chandler - AG cross Seelye Note: Fields, Angela	AG EXHIBIT Seelye 5 .

2:10:38 PM	Atty Chandler - AG cross Seelye Note: Fields, Angela	Pg 9. You agree that the tariff is actually a pilot?
2:12:01 PM	Atty Chandler - AG cross Seelye Note: Fields, Angela	That is why it was limited to 20 then?
2:12:18 PM	Atty Chandler - AG cross Seelye Note: Fields, Angela	AG EXHIBIT 6. A seasonal sport service for Duke Kentucky.
2:13:37 PM	Atty Chandler - AG cross Seelye Note: Fields, Angela	this is a closed tariff...
2:14:11 PM	Atty Chandler - AG cross Seelye Note: Fields, Angela	AG EXHIBIT Seelye 7 , PSC 17-3// apr 18
2:14:47 PM	Atty Chandler - AG cross Seelye Note: Fields, Angela	pg 69 psc discussed seasonal sport service
2:16:22 PM	Atty Chandler - AG cross Seelye Note: Fields, Angela	Would you agree purpose is so there is no effect on cost of service?
2:18:10 PM	Atty Royce - EKPC - cross Seelye Note: Fields, Angela	At least at the GNT level he is saying that it is a neutral level for EKPC?
2:19:01 PM	Atty Royce - EKPC - cross Seelye Note: Fields, Angela	They all signed the agreement and the "rest of stuff is irrelevant" isn't that your position?
2:20:44 PM	Atty Royce - EKPC - cross Seelye Note: Fields, Angela	They agreed to it so should be held to it?
2:23:12 PM	Atty Royce - EKPC - cross Seelye Note: Fields, Angela	So it is remorse?
2:23:23 PM	Atty Royce - EKPC - cross Seelye Note: Fields, Angela	You heard Mr. Holts say it would be a negligent of his fiduciary duty to not to pursue this opportunity. Do you agree with that?
2:24:13 PM	Atty Royce - EKPC - cross Seelye Note: Fields, Angela	Then you would have to conclude that the other 15 members were negligent by not running out to get a PPA the next day.
2:24:45 PM	Atty Royce - EKPC - cross Seelye Note: Fields, Angela	Why would their circumstances or views matter?
2:27:08 PM	Atty Royce - EKPC - cross Seelye Note: Fields, Angela	When you file sworn testimony saying you would be negligent of his fiduciary duty implies that those who didn't file an PPA were negligent?
2:27:50 PM	Atty Royce - EKPC - cross Seelye Note: Fields, Angela	You agree if a contract term or tariff term has an unfair effect in its application, the PSC has the authority to investigate that?
2:28:50 PM	Atty Royce - EKPC - cross Seelye Note: Fields, Angela	The PSC approved the MOU as an agreement?
2:29:14 PM	Atty Royce - EKPC - cross Seelye Note: Fields, Angela	Was there any substantive discussion about the MOU at the PSC ever?
2:30:15 PM	Atty Miller - 9 Dist Coop cross Seelye Note: Fields, Angela	Turn to pg 3 line 14 of your testimony
2:31:05 PM	Atty Miller - 9 Dist Coop cross Seelye Note: Fields, Angela	Did not attempt to list all the standards listed in KRS 278.300(3)?
2:31:59 PM	Atty Miller - 9 Dist Coop cross Seelye Note: Fields, Angela	You agree the statutes includes standard further than what is listed?
2:32:40 PM	Atty Miller - 9 Dist Coop cross Seelye Note: Fields, Angela	You think the filed rate doctrine restricts the PSC's authority?
2:33:42 PM	Atty Miller - 9 Dist Coop cross Seelye Note: Fields, Angela	Rebuttal testimony pg 22 line 17

2:37:06 PM	Atty Miller - 9 Dist Coop cross Seelye Note: Fields, Angela	Assuming a month after the PPA goes into effect and they have not sold that 58mw into the PJM, will the environmental surcharge go up?
2:39:11 PM	Atty Kurtz - Nucor - cross Seelye Note: Fields, Angela	Based upon pricing today that is unlikely isn't it?
2:39:50 PM	Atty Kurtz - Nucor - cross Seelye Note: Fields, Angela	Look at pg 10 of rebuttal line 19.
2:40:20 PM	Atty Kurtz - Nucor - cross Seelye Note: Fields, Angela	The Amendment and MOU has caused anything but predictability with respect to rates, contrary to predicability in stability, agree?
2:40:54 PM	Camera Lock PTZ Activated	
2:41:04 PM	Camera Lock Deactivated	
2:41:21 PM	Camera Lock PTZ Activated	
2:41:28 PM	Atty Kurtz - Nucor - cross Seelye Note: Fields, Angela	In otherwords the PSC cannot violate the law by enforcing rates?
2:41:32 PM	Camera Lock Deactivated	
2:42:10 PM	Atty Kurtz - Nucor - cross Seelye Note: Fields, Angela	When enforcing a filed rate.they must prosectively follow the law on the books.
2:43:21 PM	Atty Kurtz - Nucor - cross Seelye Note: Fields, Angela	Also you testified to the wasteful duplication? Your position "no harm no foul"?
2:45:30 PM	Atty Kurtz - Nucor - cross Seelye Note: Fields, Angela	You do not dispute the fact that SKY needs 58 mw?
2:46:43 PM	Atty Kurtz - Nucor - cross Seelye Note: Fields, Angela	pg 5 of your rebuttal.
2:47:18 PM	Atty Kurtz - Nucor - cross Seelye Note: Fields, Angela	Do you understand that SKY gave notice on Nov 28, before the board had authorized the transaction?
2:47:53 PM	Atty Kurtz - Nucor - cross Seelye Note: Fields, Angela	You understand that the notice did not specify a generating facility as the MOU specified ?
2:48:25 PM	Atty Kurtz - Nucor - cross Seelye Note: Fields, Angela	Do you understand that Morgan Stanley was mentioned in the notice?
2:49:23 PM	Atty Kurtz - Nucor - cross Seelye Note: Fields, Angela	Cost basd rates would not violate cost stranded provision?
2:50:25 PM	Atty Kurtz - Nucor - cross Seelye Note: Fields, Angela	NUCOR EXHIBIT 7
2:50:42 PM	Atty Kurtz - Nucor - cross Seelye Note: Fields, Angela	Read the rate design Q&A?
2:51:53 PM	Atty Kurtz - Nucor - cross Seelye Note: Fields, Angela	Phase 2 was not ultimately put into place because the case was settled correct?
2:52:13 PM	Atty Kurtz - Nucor - cross Seelye Note: Fields, Angela	You provided in your testimony what a cost rate base rate E would at the proposed revenue requirement.
2:52:42 PM	Atty Kurtz - Nucor - cross Seelye Note: Fields, Angela	Look at your exhibit 10, page 2 of 7.
2:53:29 PM	Atty Kurtz - Nucor - cross Seelye Note: Fields, Angela	What is the current energy rate for rate E?
2:54:12 PM	Atty Kurtz - Nucor - cross Seelye Note: Fields, Angela	On peak/off peak SKY load factor reasonable estimate?

2:54:57 PM	Atty Kurtz - Nucor - cross Seelye Note: Fields, Angela	sky buy 40% of engy from MS...
2:55:21 PM	Atty Kurtz - Nucor - cross Seelye Note: Fields, Angela	They will approximately save \$11 a mega watt hour?
2:55:58 PM	Atty Kurtz - Nucor - cross Seelye Note: Fields, Angela	A loss of approximatly 200 million a year?
2:56:31 PM	Atty Kurtz - Nucor - cross Seelye Note: Fields, Angela	There are certainly variable costs that would have to be added to the energy charges?
2:56:54 PM	Atty Kurtz - Nucor - cross Seelye Note: Fields, Angela	SKY is a member of PJM?
2:57:53 PM	Atty Kurtz - Nucor - cross Seelye Note: Fields, Angela	A rather small dist. costs built into that rate?
2:58:57 PM	Atty Kurtz - Nucor - cross Seelye Note: Fields, Angela	Pg 6 of the order.
3:00:07 PM	Atty Crawford - Owen - cross Seelye Note: Fields, Angela	When were you hired in this case?
3:01:04 PM	Atty Crawford - Owen - cross Seelye Note: Fields, Angela	You gave no advice, no involvement in that decision?
3:01:25 PM	Atty Crawford - Owen - cross Seelye Note: Fields, Angela	Is your role here today to justiy what what was done prior to you getting in this case?
3:01:55 PM	Atty Crawford - Owen - cross Seelye Note: Fields, Angela	All that was after decison was made to go into the PPA that brings us to this commission?
3:02:15 PM	Atty Crawford - Owen - cross Seelye Note: Fields, Angela	What do you get pd an hour?
3:02:34 PM	Atty Scott - Grayson - cross Seelye Note: Fields, Angela	What is your definition of stranded costs?
3:03:44 PM	Atty Scott - Grayson - cross Seelye Note: Fields, Angela	So that cost was is in existance before made surplus?
3:04:55 PM	Atty Scott - Grayson - cross Seelye Note: Fields, Angela	Look at the MOU pg 9, paragrpah 6
3:07:02 PM	Atty Scott - Grayson - cross Seelye Note: Fields, Angela	So those are two separate sentences?
3:07:37 PM	Atty Scott - Grayson - cross Seelye Note: Fields, Angela	So thats the other costs, not the stranded costs?
3:10:17 PM	Atty Scott - Grayson - cross Seelye Note: Fields, Angela	What could give it clarity if anything?
3:11:12 PM	Atty Scott - Grayson - cross Seelye Note: Fields, Angela	MOU has language that it is not to distract from the terms of Amd 3.
3:11:32 PM	Atty Scott - Grayson - cross Seelye Note: Fields, Angela	This MOU has nothing in its provisions that requires EKPC to up something?
3:12:12 PM	Atty Scott - Grayson - cross Seelye Note: Fields, Angela	Did you know the contrac would be backed by Morgan Stanley?
3:12:55 PM	Atty Scott - Grayson - cross Seelye Note: Fields, Angela	Why don't you know anything about that? Have your heard of it?
3:13:13 PM	Atty Scott - Grayson - cross Seelye Note: Fields, Angela	Do you know enough to know that it is a committment by corporations to commit to 100% renewable power?
3:15:02 PM	Atty Scott - Grayson - cross Seelye Note: Fields, Angela	Reference yesterday to that order. Made part of record?

3:15:36 PM	Session Paused	
3:38:08 PM	Session Resumed	
3:38:09 PM	Atty Vinsel cross Seelye Note: Fields, Angela	PSC handout. Take administrative notice of these cases. PSC EXHBIT 1 and PSC EXHIBIT Seelye 2
3:39:13 PM	Atty Vinsel PSC - cross Seelye Note: Fields, Angela	You are offering your testimony as lay opinion?
3:39:44 PM	Atty Vinsel PSC - cross Seelye Note: Fields, Angela	You have not been to law school?
3:40:21 PM	Atty Grover sky redirect Seelye Note: Fields, Angela	When are deliveries set to begin?
3:41:57 PM	Atty Grover sky redirect Seelye Note: Fields, Angela	What is a regulatory asset?
3:42:52 PM	Atty Grover sky redirect Seelye Note: Fields, Angela	Is a regulatory asset another way EKPC could use to mitigate?
3:43:37 PM	Atty Grover sky redirect Seelye Note: Fields, Angela	That is something taht could be employed?
3:43:55 PM	Atty Grover sky redirect Seelye Note: Fields, Angela	Under MOU is there a limit in share that owner member can elect to take?
3:44:59 PM	Atty Oswald Jackson - direct of Wright Note: Fields, Angela	State name, address.
3:45:38 PM	Atty Oswald Jackson - direct of Wright Note: Fields, Angela	Are your answers true and corrcr?
3:45:52 PM	Atty Chandler AG - cross Wright Note: Fields, Angela	What counties does Jackson operate in?
3:46:32 PM	Atty Chandler AG - cross Wright Note: Fields, Angela	Where you in here earlier when I was asking Seelye questions?
3:47:18 PM	Atty Chandler AG - cross Wright Note: Fields, Angela	you/ Jackon are concerned
3:48:00 PM	Atty Chandler AG - cross Wright Note: Fields, Angela	Had a chance to look at Wolfram testimony?
3:48:27 PM	Atty Chandler AG - cross Wright Note: Fields, Angela	Would a 1.3 million necessitate a rate case?
3:49:28 PM	Atty Scott - Grayson - cross Wright Note: Fields, Angela	That would put your total if granted to 13/14ish megawatts?
3:50:25 PM	Atty Scott - Grayson - cross wright Note: Fields, Angela	What is the total that would come up to?
3:50:45 PM	Atty Grover SKY - cross Wright Note: Fields, Angela	Did you sign this memo of understanding?
3:51:15 PM	Atty Grover SKY - cross Wright Note: Fields, Angela	Did you have the understanding that there was a potential for cost shifting?
3:51:32 PM	Atty Grover SKY - cross Wright Note: Fields, Angela	The notice that you given, what is the resouces associated with that?
3:52:00 PM	Atty Grover SKY - cross Wright Note: Fields, Angela	So there is no counter party identified?
3:52:14 PM	Atty Grover SKY - cross Wright Note: Fields, Angela	If Jackson was confident there would not be a cost shift would it sill object to SKY's application in this proceeding
3:52:39 PM	VC Cicero Note: Fields, Angela	If you were able to go ahead with your 8mw purchase you would had have an objection this PPA?

3:53:56 PM	VC Cicero Note: Fields, Angela	Is your activity is strictly hoping to get your share if approved?
3:54:38 PM	Commissioner Matthews Note: Fields, Angela	Is the reason you elected the 8mw was to try to protect some of your customers?
3:55:13 PM	Chairman Schmitt Note: Fields, Angela	2012 Grayson did same thing that SKY is doing now. Was Jackson a party to that suit?
3:56:00 PM	Chairman Schmitt Note: Fields, Angela	Why did you sign the MOU in the first place?
4:01:17 PM	Chairman Schmitt Note: Fields, Angela	Some or all coops wanted to buy power from another source than from EKPC?
4:02:11 PM	Atty Oswald - Jackson redirect Wright Note: Fields, Angela	What is the other 5mw that Jackson is buying from souces?
4:03:32 PM	Atty Oswald - Jackson redirect Wright Note: Fields, Angela	If SKY had not given notice for the 58mw purchase, would Jackson tried to purchase 8mw off the EKPC system?
4:04:08 PM	Atty Oswald - Jackson redirect Wright Note: Fields, Angela	Would saving complete off set the the cost shift?
4:05:00 PM	Atty Oswald - Jackson redirect Wright Note: Fields, Angela	Would you be able to allow any more renewable projects?
4:05:41 PM	Atty Oswald - Jackson redirect Wright Note: Fields, Angela	At that time Jackson had given notice to EKPC and planned to purchase 40mw per Amd. 3?.
4:06:04 PM	Atty Oswald - Jackson redirect Wright Note: Fields, Angela	What was it that convinced Jackson to not go through with that purchase?
4:06:48 PM	Atty Oswald - Jackson redirect Wright Note: Fields, Angela	Did jackson ever withdraw the notice?
4:07:02 PM	Atty Oswald - Jackson redirect Wright Note: Fields, Angela	You lived throught litigation with Grayson?
4:07:20 PM	Atty Oswald - Jackson redirect Wright Note: Fields, Angela	Your recall the certain court case in Mason Co.?
4:07:52 PM	Atty Oswald - Jackson redirect Wright Note: Fields, Angela	Do you recall it as an intense time?
4:08:03 PM	Atty Oswald - Jackson redirect Wright Note: Fields, Angela	Did you believe after that another dist coop would go down that road after what you went through?
4:09:51 PM	Atty Oswald - Jackson redirect Wright Note: Fields, Angela	The MOU was meant to address the cost shift?
4:11:16 PM	EXHIBITS Note: Fields, Angela	AG's EXHHIBITS 1- 7 and Nucor #7 admitted
4:13:25 PM	Chairman Schmitt Note: Fields, Angela	BREAK
4:14:18 PM	Atty Royce EKPC - direct Mosier Note: Fields, Angela	State name and address.
4:14:54 PM	Atty Royce EKPC - direct Mosier Note: Fields, Angela	Are your answers true and accurate?
4:15:10 PM	Atty Royce EKPC - direct Mosier Note: Fields, Angela	You would give the same answers?
4:15:56 PM	Atty Cook AG - cross Mosier Note: Fields, Angela	Do you know which market?

4:16:07 PM	Atty Cook AG - cross Mosier Note: Fields, Angela	General market?
4:16:28 PM	Atty Cook AG - cross Mosier Note: Fields, Angela	How can EKPC buy subsequent load?
4:16:52 PM	Atty Cook AG - cross Mosier Note: Fields, Angela	Generally familiar with Big Rivers
4:17:40 PM	Atty Cook AG - cross Mosier Note: Fields, Angela	Would EKPC have to initiate a similar program?
4:18:15 PM	Witness Mosier Note: Fields, Angela	Let me give you my definition of mitigation.
4:18:30 PM	Atty Cook AG cross Mosier Note: Fields, Angela	Will EKPC incur costs if they were to successfully mitigate the lost load?
4:20:05 PM	Atty Cook AG cross Mosier Note: Fields, Angela	Who will pay those costs?
4:20:22 PM	Atty Cook AG cross Mosier Note: Fields, Angela	pg 6 of direct testimony in line 5-12 .
4:21:39 PM	Atty Cook AG cross Mosier Note: Fields, Angela	Morgan Stanley is not constrained or limited to owned generation or to purchase energy from a specific party?
4:22:03 PM	Atty Cook AG cross Mosier Note: Fields, Angela	What is your understanding of the risk assessments that SKY preformed?
4:22:38 PM	Atty Cook AG cross Mosier Note: Fields, Angela	Was intervison's study enough in your opinion?
4:24:35 PM	Atty Cook AG - cross Mosier Note: Fields, Angela	Do you believe that SKY adequately assessed to risks to themselves and others?
4:26:01 PM	Atty Cook AG - cross Mosier Note: Fields, Angela	In your opinion you thought environmental language was big enough to drive a truck through?
4:29:55 PM	Atty Cook AG cross Mosier Note: Fields, Angela	So for all we know the power could be coming from on of those plants.
4:30:16 PM	Atty Cook AG cross Mosier Note: Fields, Angela	pg 9 of your testimony line 8,
4:31:37 PM	Atty Cook AG cross Mosier Note: Fields, Angela	Why you disagree with intervisions NITS escalation factors?
4:37:08 PM	Atty Kurtz - Nucor Steel cross Mosier Note: Fields, Angela	Is SKY is paying you \$64 a mega watt hour approximately?
4:37:40 PM	Atty Kurtz - Nucor Steel cross Mosier Note: Fields, Angela	That corresponds with Mr. Wolframs caluculations of a 16-18 million cost shift to other members.
4:38:28 PM	Atty Kurtz - Nucor Steel cross Mosier Note: Fields, Angela	Which is less than marginal cost in making energy?
4:38:48 PM	Atty Kurtz - Nucor Steel cross Mosier Note: Fields, Angela	Approximate loss of 14 million?
4:39:40 PM	Atty Kurtz - Nucor Steel cross Mosier Note: Fields, Angela	In reality it would be cheaper for EKPS to write a check to SKY and cut Morgan Stanley out of the deal?
4:40:17 PM	Atty Kurtz - Nucor Steel cross Mosier Note: Fields, Angela	Do you have experience with Morgan Stanley?
4:41:23 PM	Atty Scott - Grayson - cross Mosier Note: Fields, Angela	EKPC could only partially mitigate this 58mw correct?

4:42:03 PM Atty Scott - Grayson - cross Mosier  
Note: Fields, Angela EKPC has had margins above that which has been budgeted for several years?

4:42:54 PM Atty Scott - Grayson - cross Mosier  
Note: Fields, Angela What is your equity level?

4:43:07 PM Atty Scott - Grayson - cross Mosier  
Note: Fields, Angela It is higher now than last year?

4:43:32 PM Atty Scott - Grayson - cross Mosier  
Note: Fields, Angela At what in relation to 20%?

4:44:15 PM Atty Scott - Grayson - cross Mosier  
Note: Fields, Angela As that has gone up the margins has risen considerably?

4:44:44 PM Atty Scott - Grayson - cross Mosier  
Note: Fields, Angela Has a definite opportunity of a reopener occurring?

4:45:10 PM Atty Scott - Grayson - cross Mosier  
Note: Fields, Angela SKY did not adequately assess risks?

4:46:07 PM Atty Scott - Grayson - cross Mosier  
Note: Fields, Angela You differ in view of SKY put forth, What reason for PSC than view expressed by Adkins and others?

4:47:51 PM Atty Scott - Grayson - cross Mosier  
Note: Fields, Angela Do you think it is EKPC's role to tell SKY if this is a good idea?

4:48:14 PM Atty Scott - Grayson - cross Mosier  
Note: Fields, Angela There request for proposal sent and EKPC did not offer one?

4:50:25 PM Atty Scott - Grayson - cross Mosier  
Note: Fields, Angela That settlement you are talking is the settlement referenced in the Dec. 15th Order?

4:51:13 PM Atty Scott - Grayson - cross Mosier  
Note: Fields, Angela You were asked about the power plants along river, EKPC has supplied beyond the requirements when refurbishing these plants?

4:52:13 PM Atty Scott - Grayson - cross Mosier  
Note: Fields, Angela EKPC had foresight to meet or exceed regulations ?

4:53:20 PM Atty Scott - Grayson - cross Mosier  
Note: Fields, Angela Other modifications and environment equipment has been put to these plants?

4:54:48 PM Atty Scott - Grayson - cross Mosier  
Note: Fields, Angela Do you think SKY should go forward with the PPA?

4:56:25 PM Atty Scott - Grayson - cross Mosier  
Note: Fields, Angela Did you read the deposition testimony of Mr. Campbell in that case?

4:58:03 PM Atty Scott - Grayson - cross Mosier  
Note: Fields, Angela So if the PPA is approved, it then puts this matter in the board room?

4:59:47 PM Atty Grover SKY - cross of Mosier  
Note: Fields, Angela It is the revenues that will be missing because of the election? ..

5:00:55 PM Atty Grover SKY - cross of Mosier  
Note: Fields, Angela So you disagreed with me and said have to factor in market?

5:01:52 PM Atty Grover SKY - cross of Mosier  
Note: Fields, Angela I am not just talking about the wholesome market, there are other mitigation opportunities?

5:02:17 PM Atty Grover SKY - cross of Mosier  
Note: Fields, Angela Is that your position, but for the lost opportunity there could be a one for one?

5:02:40 PM Atty Grover SKY - cross of Mosier  
Note: Fields, Angela Could Mr. McNalley make a case for that?

5:03:21 PM	Atty Grover SKy - cross of Mosier Note: Fields, Angela	Pg 287 Handed out document. Please familiarize yourself. This is a note from McNally to Campbell.
5:05:54 PM	Atty Grover SKy - cross of Mosier Note: Fields, Angela	He was expressing a reaction to load calculation?
5:06:51 PM	Atty Grover SKy - cross of Mosier Note: Fields, Angela	When you looked at it on Monday what was yur reaction?
5:07:22 PM	Atty Grover SKy - cross of Mosier Note: Fields, Angela	Sound like you got some familiarity with Morgan Stanley?
5:08:47 PM	Atty Grover SKy - cross of Mosier Note: Fields, Angela	He was asking if you would go beyond what is required?
5:09:18 PM	Atty Grover SKy - cross of Mosier Note: Fields, Angela	Am wrong in that you have some flexibilty in how you choose to deploy compliance strategy?
5:10:15 PM	Atty Grover SKy - cross of Mosier Note: Fields, Angela	Handing out documents. SKY EXHIBITS 1 (emails), 2 (data request), 3 (Direct testimony).
5:13:00 PM	Atty Grover SKy - cross of Mosier Note: Fields, Angela	Direct testimony pg 15, lines 14-18 SKY EXHIBITS 3 ?
5:13:39 PM	Witness Mosier Note: Fields, Angela	Request for authorization to talk about pending case?
5:15:55 PM	Atty Grover SKy - cross of Mosier Note: Fields, Angela	The PJM capaci market are not providing the reasonable opportunity for revenues and sales?
5:18:11 PM	Atty Grover SKy - cross of Mosier Note: Fields, Angela	Or you would look to make the sale?
5:18:27 PM	Atty Grover SKy - cross of Mosier Note: Fields, Angela	The revenues would happen regardless?
5:19:30 PM	Atty Grover SKy - cross of Mosier Note: Fields, Angela	Who is ACES?
5:19:53 PM	Atty Grover SKy - cross of Mosier Note: Fields, Angela	Do they serve as your agent?
5:20:12 PM	Atty Grover SKy - cross of Mosier Note: Fields, Angela	Is there an arrangement in place between EKPC and ACES?
5:20:25 PM	Atty Grover SKy - cross of Mosier Note: Fields, Angela	Was that approved by this commission?
5:21:59 PM	Atty Grover SKy - cross of Mosier Note: Fields, Angela	Handing out documents - two emails stapled together. SKY EXHIBIT 4.
5:24:51 PM	Atty Grover SKy - cross of Mosier Note: Fields, Angela	SKY sounds like their on the hook for PJM?
5:25:17 PM	Atty Grover SKy - cross of Mosier Note: Fields, Angela	My understanding is that ARRs and FTRs are devises and tools to help mitigate?
5:25:35 PM	Atty Grover SKy - cross of Mosier Note: Fields, Angela	There is no risk of congestion clause is there?
5:26:09 PM	Atty Grover SKy - cross of Mosier Note: Fields, Angela	Look at 472, email between Mosier and Crews.
5:26:56 PM	Atty Grover SKy - cross of Mosier Note: Fields, Angela	You reviewed the final RFD?
5:28:50 PM	Atty Grover SKy - cross of Mosier Note: Fields, Angela	Why didn 't EKPC respond to the RFD?
5:29:28 PM	Atty Grover SKy - cross of Mosier Note: Fields, Angela	Was it a concern you wouldn't be competitive?

5:31:08 PM	Atty Grover SKy - cross of Mosier Note: Fields, Angela	Why EKPC does not see mitigation as a burning platform?
5:31:39 PM	Atty Grover SKy - cross of Mosier Note: Fields, Angela	The idea of growing onsystem sales does constitute mitigation?
5:32:13 PM	Atty Grover SKy - cross of Mosier Note: Fields, Angela	A copy of MOU in front of you?
5:34:03 PM	Atty Grover SKy - cross of Mosier Note: Fields, Angela	Go to sect. 5 on pg 7. Read sect 5a into record.
5:35:45 PM	Atty Grover SKy - cross of Mosier Note: Fields, Angela	Do you understand that to be an obligation of EKPC?
5:37:35 PM	Atty Grover SKy - cross of Mosier Note: Fields, Angela	So when you say you review language, do you offer suggestions and revisions?
5:38:35 PM	Atty Grover SKy - cross of Mosier Note: Fields, Angela	Do you offer consulting services?
5:40:35 PM	Atty Grover SKy - cross of Mosier Note: Fields, Angela	SKY may choose to do certain level of diligence while you would have to do others, that represents a different pt of view?
5:40:58 PM	Atty Grover SKy - cross of Mosier Note: Fields, Angela	Transmission costs are captured in base rate?
5:41:25 PM	Atty Grover SKy - cross of Mosier Note: Fields, Angela	Line items in those analyses?
5:41:52 PM	Atty Grover SKy - cross of Mosier Note: Fields, Angela	You agree that will be reflected in base rates?
5:42:05 PM	Atty Vinsel Note: Fields, Angela	If ECKP retire a unit could EKPC backstop the PPA assuming the Commission approved it?
5:42:34 PM	VC Cicero Note: Fields, Angela	Support a philosophy that everyone should be able to purchase 5% of an alternate source?
5:43:04 PM	VC Cicero Note: Fields, Angela	80% of load should be subject to sales from alternate sources?
5:44:25 PM	Atty Kurtz Note: Fields, Angela	16 times 5 is 80% But they are talking about 5% of EKPC total.
5:46:03 PM	Commissioner Matthews Note: Fields, Angela	Taking 58mw and trying to get whatever you can to recover?
5:47:59 PM	Atty Royce ekpc redirect mosier Note: Fields, Angela	At 5% of this transaction it would substantially less than 58.
5:49:15 PM	Atty Royce ekpc redirect mosier Note: Fields, Angela	Did PJM exist?
5:50:53 PM	Atty Royce ekpc redirect mosier Note: Fields, Angela	Who is Mr Haynes?
5:51:30 PM	Atty Royce ekpc redirect mosier Note: Fields, Angela	EKPC production to SKY requests #1, 3 and 5 pg 433.
5:52:21 PM	Atty Royce ekpc redirect mosier Note: Fields, Angela	Does that accurately reflect your conversation with Mr. Haynes?
5:52:55 PM	BREAK	
5:53:11 PM	Session Paused	
6:25:25 PM	Session Resumed	
6:25:42 PM	Atty Royse EKPC - direct McNally Note: Fields, Angela	State name for the record.
6:26:32 PM	Atty Royse EKPC - direct McNalley Note: Fields, Angela	Do you have corrections to your testimony?

6:27:17 PM	Atty Royse EKPC - direct McNalley Note: Fields, Angela	If I were to ask you the same questions, would you give the same answers?
6:27:41 PM	Atty Chandler AG - cross McNalley Note: Fields, Angela	Babbitts 2015 long range forecasts. Are you aware of the forecasts?
6:28:43 PM	Atty Chandler AG - cross McNalley Note: Fields, Angela	What leads you to the opinion it is not still reliable?
6:29:24 PM	Atty Chandler AG - cross McNalley Note: Fields, Angela	All underneath the EKPC umbrella know?
6:29:52 PM	Atty Chandler AG - cross McNalley Note: Fields, Angela	Each unit is how many megawatts?
6:30:05 PM	Atty Chandler AG - cross McNalley Note: Fields, Angela	Would you advocate for the for purpose of intervision to use for the net present value calculation?
6:31:53 PM	Atty Chandler AG - cross McNalley Note: Fields, Angela	So they were in the board packet?
6:32:15 PM	Atty Chandler AG - cross McNalley Note: Fields, Angela	I would be more reasonable to use the updated forecast?
6:32:38 PM	Atty Chandler AG - cross McNalley Note: Fields, Angela	Copy of your testimony? Turn to pg 6.
6:33:38 PM	Atty Chandler AG - cross McNalley Note: Fields, Angela	So what is it about the FAC and the environmental surcharge that cause the immediate cost shifts that don't happen with base rates?
6:34:25 PM	Atty Chandler AG - cross McNalley Note: Fields, Angela	The total amount of environmental surcharge applied to each utility by level of revenue or sales?
6:35:08 PM	Atty Chandler AG - cross McNalley Note: Fields, Angela	It is based on revenue?
6:35:18 PM	Atty Chandler AG - cross McNalley Note: Fields, Angela	Pg 9, of your testimony.
6:36:53 PM	Atty Chandler AG - cross McNalley Note: Fields, Angela	Your load is X, and you increase load by 5%, you still lose 58w by June 1st?
6:39:01 PM	Atty Chandler AG - cross McNalley Note: Fields, Angela	58mw is capacity?
6:39:29 PM	Atty Chandler AG - cross McNalley Note: Fields, Angela	What is the chance that EKPC mitigate a dollar per dollar mitigation for that amount?
6:40:44 PM	Atty Chandler AG - cross McNalley Note: Fields, Angela	Had you review the 2008 rate case?
6:41:02 PM	Atty Chandler AG - cross McNalley Note: Fields, Angela	EKPC proposal was a two part phase in base rate?
6:41:36 PM	Atty Chandler AG - cross McNalley Note: Fields, Angela	Handing out document. Pg 29, tab 3. Seelye testimony.
6:44:10 PM	Atty Chandler AG - cross McNalley Note: Fields, Angela	Is it your understanding that portions of fixed costs are recoverable under rate E?
6:44:37 PM	Atty Chandler AG - cross McNalley Note: Fields, Angela	It was how the NPV analysis was conducted?
6:44:53 PM	Atty Chandler AG - cross McNalley Note: Fields, Angela	Under the transaction avoidance by SKY of energy charges insure it is not properly allocated fixed costs?
6:45:40 PM	Atty Chandler AG - cross McNalley Note: Fields, Angela	Was that a fatal flaw in their calculation?

6:46:55 PM	Atty Chandler AG - cross McNalley Note: Fields, Angela	On pg 14 of your testimony you discussed agency fee.
6:47:40 PM	Atty Chandler AG - cross McNalley Note: Fields, Angela	Where would the agency fee be notated in the document?
6:48:16 PM	Atty Chandler AG - cross McNalley Note: Fields, Angela	Has there been any negotiations regarding the agency fee?
6:48:57 PM	Atty Chandler AG - cross McNalley Note: Fields, Angela	Did you read Mr. Babbitt's rebuttal testimony
6:49:11 PM	Atty Chandler AG - cross McNalley Note: Fields, Angela	True to his word Mr. McNalley killed the deal.
6:50:13 PM	Atty Chandler AG - cross McNalley Note: Fields, Angela	What change had the largest effect on the NPV calculation?
6:50:25 PM	Atty Chandler AG - cross McNalley Note: Fields, Angela	What is the NITS transmission?
6:50:42 PM	Atty Chandler AG - cross McNalley Note: Fields, Angela	As a load serving entity?
6:51:50 PM	Atty Chandler AG - cross McNalley Note: Fields, Angela	That is a reasonable assumption over 20yrs the NIT charge will rise 10-20 %?
6:52:38 PM	Atty Chandler AG - cross McNalley Note: Fields, Angela	Is it your understanding that the NITS charges calculated across entirely of PJM or to each RTO.
6:56:00 PM	Atty Chandler AG - cross McNalley Note: Fields, Angela	Are there ranking of hostile commissions?
6:56:36 PM	Atty Chandler AG - cross McNalley Note: Fields, Angela	What is EKPC credit outlook?
6:57:40 PM	Atty Chandler AG - cross McNalley Note: Fields, Angela	What is the total amount left of that total 5% of EKPC that is available for election?
6:58:22 PM	Atty Chandler AG - cross McNalley Note: Fields, Angela	And there are already some that has been noticed?
6:58:44 PM	Atty Chandler AG - cross McNalley Note: Fields, Angela	But at the total of 150 mw does that change?
6:59:22 PM	Atty Chandler AG - cross McNalley Note: Fields, Angela	EKPC feels like they can be made whole.?
7:00:30 PM	Atty Chandler AG - cross McNalley Note: Fields, Angela	And that is not a remote possibiltiy?
7:00:58 PM	Atty Chandler AG - cross McNalley Note: Fields, Angela	The market is not going to help necessarily?
7:01:23 PM	Atty Chandler AG - cross McNalley Note: Fields, Angela	Have you been involved in a rate case with PSC?
7:01:58 PM	Atty Chandler AG - cross McNalley Note: Fields, Angela	So they don't want their rates to go up?
7:02:59 PM	Atty Chandler AG - cross McNalley Note: Fields, Angela	They ultimatly have to decide to raise rates on each other?
7:03:19 PM	Atty Chandler AG - cross McNalley Note: Fields, Angela	They wanted to raise rates in two phases?
7:04:03 PM	Atty Chandler AG - cross McNalley Note: Fields, Angela	We ought to raise rates to a rate base level?
7:05:20 PM	Atty Chandler AG - cross McNalley Note: Fields, Angela	Is it your hope that EKPC be held harmless?
7:06:07 PM	Atty Chandler AG - cross McNalley Note: Fields, Angela	Do you understand rate design?

7:10:15 PM	Atty Chandler AG - cross McNalley Note: Fields, Angela	Additional consideration they have to make they are not looking of for their members they are looking out for EKPC?
7:10:54 PM	Atty Chandler AG - cross McNalley Note: Fields, Angela	Was it these sort of conflict of interest that caused Amd 3?
7:11:23 PM	Atty Chandler AG - cross McNalley Note: Fields, Angela	The disconnect between the 5% and 15% of Amd. 3. Do you think that may be caused by a conflict on interest?
7:12:01 PM	Atty Chandler AG - cross McNalley Note: Fields, Angela	Jan. 2017. Would it been good idea for PSC to open a case sua sponte case pursaunt to Amd. 3
7:12:35 PM	Atty Chandler AG - cross McNalley Note: Fields, Angela	Do you think Amd 3 is flawed and needs to be changed?
7:12:52 PM	Atty Chandler AG - cross McNalley Note: Fields, Angela	MOU approved by RUS?
7:13:06 PM	Atty Chandler AG - cross McNalley Note: Fields, Angela	Why the distinction?
7:14:13 PM	Atty Chandler AG - cross McNalley Note: Fields, Angela	If commission want to change Amd 3, can they do it without prior RUS approval?
7:15:35 PM	Atty Kurtz Nucor- cross McNally Note: Fields, Angela	RUS welcome that?
7:16:37 PM	Atty Kurtz Nucor- cross McNally Note: Fields, Angela	If commissipon changes the MOU that does not alter Amd. 3 then that would not be for RUS approval?
7:17:26 PM	Atty Kurtz Nucor- cross McNally Note: Fields, Angela	I don't want to rely on my numbers...
7:17:44 PM	Atty Kurtz Nucor- cross McNally Note: Fields, Angela	say 30, then every mw hr they buy from MS they would lose ...
7:18:24 PM	Atty Kurtz Nucor- cross McNally Note: Fields, Angela	How much of that is fixed cost?
7:19:47 PM	Atty Kurtz Nucor- cross McNally Note: Fields, Angela	The capacity freed up 58mw, that wld be sold to PJM
7:20:52 PM	Atty Kurtz Nucor- cross McNally Note: Fields, Angela	There would be very little mitigation in your opinion?
7:22:07 PM	Atty Kurtz Nucor- cross McNally Note: Fields, Angela	The cheapest units are dedicated to native load..
7:23:05 PM	Atty Kurtz Nucor- cross McNally Note: Fields, Angela	SKY is saving 6 million year one of this transaction?
7:24:03 PM	Atty Scott Grayson - cross McNalley Note: Fields, Angela	Your testimony on pg 10.
7:25:30 PM	Atty Scott Grayson - cross McNalley Note: Fields, Angela	There has been multiple elections correct?
7:25:50 PM	Atty Scott Grayson - cross McNalley Note: Fields, Angela	EKPC cannot quantify in dollars what that is going to mean to EKPC.
7:29:08 PM	Atty Scott Grayson - cross McNalley Note: Fields, Angela	You have had all kinds of time to determine the quantification before June 2019?
7:30:35 PM	Atty Scott Grayson - cross McNalley Note: Fields, Angela	Isn't the wholesale power contract extended to 2051?
7:31:34 PM	Atty Scott Grayson - cross McNalley Note: Fields, Angela	That doesn't change the fact that you have a guarenteed buyer?
7:34:01 PM	Atty Scott Grayson - cross McNalley Note: Fields, Angela	EKPC pushed to the adoption for the MOU?

7:34:44 PM Atty Scott Grayson - cross McNalley  
Note: Fields, Angela Handed out document (Mosier Exhibit 4 email chain)

7:35:21 PM Atty Scott Grayson - cross McNalley  
Note: Fields, Angela EKPC was helping SKY, email referenced to redline?

7:35:57 PM Atty Scott Grayson - cross McNalley  
Note: Fields, Angela I don't understand why is EKPC is here opposing this request when they contractually bound by the request?

7:38:47 PM Atty Scott Grayson - cross McNalley  
Note: Fields, Angela Considering all that how can you come back later and say you didn't do it they way you were supposed to, when you helped them do it?

7:39:20 PM Atty Scott Grayson - cross McNalley  
Note: Fields, Angela You opposed Grayson when it was not 58mw?

7:39:46 PM Atty Scott Grayson - cross McNalley  
Note: Fields, Angela What is a number that is appropriate?

7:40:16 PM Atty Scott Grayson - cross McNalley  
Note: Fields, Angela SKY is not taking more than they should?

7:41:26 PM Atty Scott Grayson - cross McNalley  
Note: Fields, Angela The people a the end of this line is living in some of the most economic depressed areas in the US?

7:46:20 PM Atty Scott Grayson - cross McNalley  
Note: Fields, Angela This rate case (2008) resulting in Order of 2009. There was a rate case after that too right?

7:47:45 PM Atty Scott Grayson - cross McNalley  
Note: Fields, Angela EKPC has never met that tier have they? Did you come back to the commission?

7:48:13 PM Atty Scott Grayson - cross McNalley  
Note: Fields, Angela Planning to file any rate cases soon?

7:48:34 PM Atty Scott Grayson - cross McNalley  
Note: Fields, Angela There was no gradualism in that?

7:48:59 PM Atty Vinsel PSC cross McNalley  
Note: Fields, Angela EKPC may oppose alternative rate design. What sort of changes would you propose?

7:50:09 PM Atty Vinsel PSC cross McNalley  
Note: Fields, Angela In your exhibitis, MM2 and MM3. All EKPC changes and revisions are in the record?

7:51:10 PM Atty Vinsel PSC cross McNalley  
Note: Fields, Angela Granted cost base rates that SKY could lose 3.95 cents per mega watt hour, on every mWh over the 20yr term of the PPA?

7:51:46 PM Atty Vinsel PSC cross McNalley  
Note: Fields, Angela If this transaction would have a negative impact on SKY would SKY's problems also be a problems for EKPC?

7:53:32 PM Atty Grover SKY - cross McNalley  
Note: Fields, Angela One of your primary concerns is the preceived cost shift?

7:55:27 PM Atty Grover SKY - cross McNalley  
Note: Fields, Angela Did you see a copy of the RFP sent to EKPC?

7:55:44 PM Atty Grover SKY - cross McNalley  
Note: Fields, Angela if rfp document... supsected pattern of ... delivery..might ask what ekpc had in mind

7:58:11 PM Atty Grover SKY - cross McNalley  
Note: Fields, Angela For rate designed sounds like it has to be calculated consistantly?

7:58:51 PM Atty Grover SKY - cross McNalley  
Note: Fields, Angela The data you need would extend to all members systems?

8:00:00 PM Atty Grover SKY - cross McNalley  
Note: Fields, Angela Is it fair to say the amount of due diligence that you would perform to proceed is is significant?

8:00:29 PM	Atty Grover SKY - cross McNalley Note: Fields, Angela	SKY does not have ready access to that info?
8:02:00 PM	Atty Grover SKY - cross McNalley Note: Fields, Angela	You would go out and meet representatives of the other systems?
8:02:25 PM	Atty Grover SKY - cross McNalley Note: Fields, Angela	You called it a significant flaw for SKY to have not undertaken an analysis of rate designed. How are they supposed to do that?
8:04:50 PM	Atty Grover SKY - cross McNalley Note: Fields, Angela	What is an example of something that would cause a conflict of interest?
8:05:25 PM	Atty Grover SKY - cross McNalley Note: Fields, Angela	Who requested you negotiate with Morgan Stanley?
8:07:35 PM	Atty Grover SKY - cross McNalley Note: Fields, Angela	Email sent on behalf of Tony Campbell on Dec. 29, 2017. I
8:08:08 PM	Atty Grover SKY - cross McNalley Note: Fields, Angela	You drafted this memo attached to the email?
8:08:25 PM	Atty Grover SKY - cross McNalley Note: Fields, Angela	2nd paragraph of memo regarding the FAC, there was and increase?
8:09:39 PM	Atty Grover SKY - cross McNalley Note: Fields, Angela	All costs associated with the FAC are avoidable costs?
8:11:50 PM	Atty Grover SKY - cross McNalley Note: Fields, Angela	If it is a higher cost unit then it doesn't displace regularly?
8:12:32 PM	Atty Grover SKY - cross McNalley Note: Fields, Angela	It is ultimately based on run time?
8:13:41 PM	Atty Grover SKY - cross McNalley Note: Fields, Angela	Older generation coal units, require a lot of maintenance capital associated with them?
8:15:38 PM	Atty Grover SKY - cross McNalley Note: Fields, Angela	Bottom of first pg. of your memo.
8:18:17 PM	Atty Grover SKY - cross McNalley Note: Fields, Angela	On system sales growth would be another way to mitigate?
8:20:14 PM	Atty Grover SKY - cross McNalley Note: Fields, Angela	Relative to the costs, looking only at the election if revenues are mitigated then aren't the members indifferent?
8:21:00 PM	Atty Grover SKY - cross McNalley Note: Fields, Angela	Even when revenues are equivalent you will not discount the lost opportunity clause?
8:21:25 PM	Atty Grover SKY - cross McNalley Note: Fields, Angela	Next paragraph of memo, read 2nd sentence.
8:22:00 PM	Atty Grover SKY - cross McNalley Note: Fields, Angela	At this point it doesn't seem to me that owner members will never be the same at this?
8:23:41 PM	Atty Grover SKY - cross McNalley Note: Fields, Angela	Holt rebuttal testimony pg 11.
8:25:34 PM	Atty Grover SKY - cross McNalley Note: Fields, Angela	There is a chart that depicts year of year sales for the winter of 16-17 and 17-18..
8:26:17 PM	Atty Grover SKY - cross McNalley Note: Fields, Angela	Sales have increase in 16-17?
8:26:26 PM	Atty Grover SKY - cross McNalley Note: Fields, Angela	Do those sales represent more of a (?) or are they more of an outlier?

8:28:36 PM	Chairman Schmitt Note: Fields, Angela	BREAK
8:29:09 PM	Session Paused	
8:47:09 PM	Session Resumed	
8:47:36 PM	Chairman Schmitt Note: Fields, Angela	Remarks about schedule.
8:48:40 PM	Atty Grover SKY - cross McNalley Note: Fields, Angela	Handed you SKY EXHIBIT 1 email exchange from between McNalley and Campbell.
8:49:41 PM	Atty Grover SKY - cross McNalley Note: Fields, Angela	At what growth rate are you not concerned about mitigation?
8:51:47 PM	Atty Grover SKY - cross McNalley Note: Fields, Angela	You made a comment you want to "kill the application". What did you mean?
8:54:03 PM	Atty Grover SKY - cross McNalley Note: Fields, Angela	If SKY wanted to calculate its reduced value under that contract, do you know what the discount rate would be?
8:55:20 PM	Atty Grover SKY - cross McNalley Note: Fields, Angela	It tends to be in single digits these days?
8:55:50 PM	Atty Grover SKY - cross McNalley Note: Fields, Angela	Then is it your view that any alternate source designation under the MOU could never be mitigated?
8:56:35 PM	Atty Royse EKPC - Cross McNalley Note: Fields, Angela	If all the members of the coop that own EKPC all have a 5% right to elect would you be concerned if you could mitigate the 5%?
8:57:32 PM	Atty Royse EKPC - cross McNalley Note: Fields, Angela	That is true even on the opportunity costs concept?
8:58:20 PM	Atty Miller - Dist Coops - direct Hampton Note: Fields, Angela	State your name, address, employer,
8:59:30 PM	Atty Miller - Dist Coops - direct Hampton Note: Fields, Angela	If you were asked the same questions, would you give same answers?
8:59:53 PM	Atty Chandler AG - cross Hampton Note: Fields, Angela	How long have you been with Cumberland Valley?
9:00:21 PM	Atty Chandler AG - cross Hampton Note: Fields, Angela	Have you ever had an election under Amd. 3?
9:00:50 PM	Atty Chandler AG - cross Hampton Note: Fields, Angela	Do you have a concern if Cumberland Valley made an election it would cause cost shifting on the other 15 members?
9:01:34 PM	Atty Chandler AG - cross Hampton Note: Fields, Angela	Did you see Wolfram's analysis?
9:01:54 PM	Atty Crawford Owen - Hampton Note: Fields, Angela	Do you follow the coop principles?
9:02:10 PM	Atty Scott Grayson - cross Hampton Note: Fields, Angela	Do you know what 15% of your load would be?
9:02:44 PM	Atty Scott Grayson - cross Hampton Note: Fields, Angela	Have you looked into a PPA?
9:03:00 PM	Atty Scott Grayson - cross Hampton Note: Fields, Angela	If you could save the coop money you would be all for it wouldn't you?
9:03:25 PM	Atty Scott Grayson - cross Hampton Note: Fields, Angela	You don't think that is good idea?
9:03:41 PM	Atty Scott Grayson - cross Hampton Note: Fields, Angela	You think it would hurt other 15 members?

9:04:16 PM	Atty Grover SKY - cross Hampton Note: Fields, Angela	When the MOU was executed, did you sign that document for Cumberland Valley?
9:05:04 PM	Chairman Schmitt Note: Fields, Angela	Cumberland Valley against this proposal by SKY?
9:05:35 PM	Chairman Schmitt Note: Fields, Angela	If EKPC absorbed all costs so there wouldn't be any cost shifting, would you then support SKY position?
9:06:44 PM	Chairman Schmitt Note: Fields, Angela	This problem been in existence for 15yrs, why think coop boards can ever resolve it?
9:07:18 PM	Chairman Schmitt Note: Fields, Angela	Maybe we should resolve this issue.
9:07:36 PM	VC Cicero Note: Fields, Angela	Tthe lawyers will make money and the ratepayers will pay for it.
9:08:30 PM	Atty Miller - dist coops- direct Sexton Note: Fields, Angela	Please state your name, address and employer.
9:09:12 PM	Atty Miller - dist coops- direct Sexton Note: Fields, Angela	Will you have same answers?
9:09:24 PM	Atty Chandler AG - cross Sexton Note: Fields, Angela	How long have you been with Big Sandy?
9:10:05 PM	Atty Chandler AG - cross Sexton Note: Fields, Angela	Do you know how big the increase was that the commission allowed?
9:10:20 PM	Atty Chandler AG - cross Sexton Note: Fields, Angela	Have you seen Mr. Wolfram's testimony?
9:11:27 PM	Atty Chandler AG - cross Sexton Note: Fields, Angela	Has Big Sandy offered to take anl alternate source?
9:11:58 PM	Atty Chandler AG - cross Sexton Note: Fields, Angela	So if you could save a million a year under a million a year that not something you would recommend?
9:12:43 PM	Atty Crawford - cross Sexton Note: Fields, Angela	In your experience in the board room is the 7 coop principles routinely followed?
9:13:06 PM	Atty Scott Grayson - cross Sexton Note: Fields, Angela	Have you had opportunity buy power that would save your members money would you do that?
9:14:25 PM	Atty Grover SKY - cross Sexton Note: Fields, Angela	Is is part of the coop principles? If you sign and agreement you are bound by the agreement?
9:15:12 PM	Chairman Schmitt Note: Fields, Angela	The application of SKY to approve the alternate purchase of power. Are you for or against it?
9:15:39 PM	Chairman Schmitt Note: Fields, Angela	Do you recall any prior disagreement among the coop over this Amd 3?
9:16:24 PM	Chairman Schmitt Note: Fields, Angela	They didn't want to sign the loan agreement?
9:17:11 PM	Chairman Schmitt Note: Fields, Angela	What is the state of the 16 coops now over this agreement?
9:17:52 PM	Atty Miller dist coop - direct Howard Note: Fields, Angela	Please state your name, address, and employer.
9:18:31 PM	Atty Miller dist coop - direct Howard Note: Fields, Angela	Would your answers be the same?

9:18:50 PM	Atty Chandler AG cross Howard Note: Fields, Angela	Did Licking Valley ever made an election under Amd. 3?
9:19:10 PM	Atty Chandler AG cross Howard Note: Fields, Angela	What did you request?
9:19:35 PM	Atty Chandler AG cross Howard Note: Fields, Angela	Did you give notice prior to SKY?
9:19:50 PM	Atty Chandler AG cross Howard Note: Fields, Angela	You have made no other election?
9:20:07 PM	Atty Chandler AG cross Howard Note: Fields, Angela	Who have you been approached by?
9:20:28 PM	Atty Chandler AG cross Howard Note: Fields, Angela	Stranded gas. What is stranded gas?
9:20:50 PM	Atty Chandler AG cross Howard Note: Fields, Angela	How big was the stranded?
9:21:03 PM	Atty Chandler AG cross Howard Note: Fields, Angela	Are you all interested in doing anything of that magnitude?
9:21:20 PM	Atty Chandler AG cross Howard Note: Fields, Angela	You all had a rate case recently?
9:21:39 PM	Atty Chandler AG cross Howard Note: Fields, Angela	Did you see Mr. Wolfman's testimony? Do those costs concern you?
9:22:01 PM	Atty Chandler AG cross Howard Note: Fields, Angela	Did your board have discussions about additional elections for additional wattage?
9:22:33 PM	Atty Chandler AG cross Howard Note: Fields, Angela	For 6 million insavings a year you wouldn't do it?
9:22:52 PM	Atty Chandler AG cross Howard Note: Fields, Angela	How long at Licking Valley?
9:23:00 PM	Atty Chandler AG cross Howard Note: Fields, Angela	You signed Amd 4?
9:23:20 PM	Atty Chandler AG cross Howard Note: Fields, Angela	When executing Amd. 4 was there any discussion?
9:24:07 PM	Atty Chandler AG cross Howard Note: Fields, Angela	You believe your terms don't discuss that ?
9:24:24 PM	Atty Chandler AG cross Howard Note: Fields, Angela	If an Amd 5 made 5% across the board would you recommend that to your board?
9:25:31 PM	Atty Royse EKPC - cross Howard Note: Fields, Angela	Did you give a formal notice? Did you get any help from EKPC?
9:25:52 PM	Atty Crawford cross Howard Note: Fields, Angela	Do you follow the 7 coop principles?
9:26:15 PM	Atty Scott Grayson - cross Howard Note: Fields, Angela	But you are against this proposal that SKY is seeking?
9:26:45 PM	Atty Scott Grayson - cross Howard Note: Fields, Angela	Did you say you are for Amd 3?
9:27:09 PM	Atty Scott Grayson - cross Howard Note: Fields, Angela	When did you sign the MOU?
9:28:19 PM	Atty Scott Grayson - cross Howard Note: Fields, Angela	Where you pressured by EKPC?
9:28:40 PM	Atty Scott Grayson - cross Howard Note: Fields, Angela	Is it your belief exercising your right under Amd. 3 or MOU would hurt other coops?
9:29:13 PM	Atty Scott Grayson - cross Howard Note: Fields, Angela	What about before this case?

9:29:33 PM	Atty Scott Grayson - cross Howard Note: Fields, Angela	Were you opposed to exercise your rights under Amd 3?
9:30:01 PM	Atty Scott Grayson - cross Howard Note: Fields, Angela	What was the mw purchase you were planning on?
9:30:43 PM	Atty Scott Grayson - cross Howard Note: Fields, Angela	How much money would that save your members?
9:31:30 PM	Atty Scott Grayson - cross Howard Note: Fields, Angela	You wer opposed to that before but you decided to sign it?
9:32:26 PM	Atty Scott Grayson - cross Howard Note: Fields, Angela	Why were you opposed?
9:32:43 PM	Atty Scott Grayson - cross Howard Note: Fields, Angela	How did you incur attorney's fee?
9:33:13 PM	Atty Scott Grayson - cross Howard Note: Fields, Angela	There was not fight about Amd 4?
9:33:40 PM	Atty Scott Grayson - cross Howard Note: Fields, Angela	Are you confused Amd 4 with the MOU?
9:34:10 PM	Atty Grover SKY - cross Howard Note: Fields, Angela	Is there an actual facility?
9:35:23 PM	Atty Grover SKY - cross Howard Note: Fields, Angela	Is that arrangement is under contract?
9:36:57 PM	Chairman Schmitt Note: Fields, Angela	BREAK
9:37:03 PM	Session Paused	
9:43:33 PM	Session Resumed	
9:43:42 PM	Atty Royse direct Campbell Note: Fields, Angela	State your name address...
9:44:14 PM	Atty Royse direct Campbell Note: Fields, Angela	Same answers?
9:44:40 PM	Atty Cook AG - cross Campbell Note: Fields, Angela	Amd. 3 was executed on Oct. 17, 2003
9:45:20 PM	Atty Cook AG - cross Campbell Note: Fields, Angela	Do you think Amd 3 is a tariff?
9:45:30 PM	Atty Cook AG - cross campbell Note: Fields, Angela	Familiar with Mr. Seelye's testimoney in this case?
9:45:51 PM	Atty Cook AG - cross Campbell Note: Fields, Angela	Familiar with exh 2
9:46:21 PM	Atty Cook AG - cross Campbell Note: Fields, Angela	Who wrote that document?
9:46:50 PM	Atty Cook AG - cross Campbell Note: Fields, Angela	Who was Roy Palk?
9:47:07 PM	Atty Cook AG - cross Campbell Note: Fields, Angela	To who is it written?
9:47:18 PM	Atty Cook AG - cross Campbell Note: Fields, Angela	Look at 5th paragraph of the Ray Palk memo. Read into record
9:47:40 PM	Atty Cook AG - cross Campbell Note: Fields, Angela	Referring to the gilbert loan /unit?
9:48:11 PM	Atty Cook AG - cross Campbell Note: Fields, Angela	Does indicate that 5 members wanted Amd 3 or to leave the EKPC system?
9:48:33 PM	Atty Cook AG - cross Campbell Note: Fields, Angela	When RUS decided to threaten to block the loan that is what gave rise to Amd 3?

9:52:05 PM	Atty Cook AG - cross Campbell Note: Fields, Angela	Was any though given that any member decided to exercise their right under Amd 3, that they could hurt the other members?
9:52:47 PM	Atty Cook AG - cross Campbell Note: Fields, Angela	Do you know if there are any minutes, notes or memo pertaining to any issues?
9:54:32 PM	Atty Cook AG - cross Campbell Note: Fields, Angela	You testimony mentioned the Liberty Report.
9:54:46 PM	Atty Cook AG - cross Campbell Note: Fields, Angela	When where you brought on board?
9:56:32 PM	Atty Cook AG - cross Campbell Note: Fields, Angela	You had a TBA RECC that had promised to come in but backed out?
9:57:03 PM	Atty Cook AG - cross Campbell Note: Fields, Angela	What gave rise to the audit report?
9:57:39 PM	Atty Cook AG - cross Campbell Note: Fields, Angela	So the board charged you to implement results?
9:58:33 PM	Atty Cook AG - cross Campbell Note: Fields, Angela	How do you think the audit report, how did that change the company?
10:00:01 PM	Atty Cook AG - cross Campbell Note: Fields, Angela	Exactly what as staff did you bring on board?
10:01:14 PM	Atty Cook AG - cross Campbell Note: Fields, Angela	Did the audit report address Amd 3?
10:01:37 PM	Atty Cook AG - cross Campbell Note: Fields, Angela	Did the audit protect against potential conflicts of interest?
10:02:52 PM	Atty Cook AG - cross Campbell Note: Fields, Angela	In your opinion the kind of culture that existed there had tunnel vision?
10:04:27 PM	Atty Cook AG - cross Campbell Note: Fields, Angela	To your knowlege in any of the meetings about Amd 3 and MOU anyone bring up that we are turning back clock where everyone is out for their own, any concerns, reports or docs that demonstrate that?
10:05:14 PM	Atty Cook AG - cross Campbell Note: Fields, Angela	Did Mr. Holt's testimony when he said he did not read the liberty report,, did that strike you as alarming?
10:06:13 PM	Atty Cook AG - cross Campbell Note: Fields, Angela	You expressed strong concerns that approval will bring up these conflict of interests?
10:08:37 PM	Atty Cook AG - cross Campbell Note: Fields, Angela	Amd 3 does not provide an allocation methodology when one member owner seek more than 5% of its load?
10:09:50 PM	Atty Cook AG - cross Campbell Note: Fields, Angela	You also discussed other procedures and policies, do you have your testimony in front of you? Please read pg 6, line 1-16.
10:12:02 PM	Atty Cook AG - cross campbell Note: Fields, Angela	When you mentioned that to other member and you told them that it wan't fair, elaborate why it wasn't fair?
10:12:32 PM	Atty Cook AG - cross Campbell Note: Fields, Angela	In that situation did you believe in that prior proposal would result in additional cost being passed to other members?
10:13:07 PM	Atty Cook AG - cross Campbell Note: Fields, Angela	Turn to page 13 in your testimony Read line 8- 13.
10:17:34 PM	Atty Cook AG - cross Campbell Note: Fields, Angela	Your saying that if SKY is approved cost shifting will occur?

10:18:44 PM	Atty Cook AG - cross Campbell Note: Fields, Angela	If cost shifting occurs will it happen immediately?
10:20:16 PM	Atty Kurtz Nucor - cross Campbell Note: Fields, Angela	So the compounding will force EKPC to be in for a rate case sooner?
10:21:05 PM	Atty Kurtz Nucor - cross Campbell Note: Fields, Angela	Is it fair to conclude lesson from audit member cannot place their self- interest above EKPC and other members?
10:22:27 PM	Atty Kurtz Nucor - cross Campbell Note: Fields, Angela	Did you amend the MOU?
10:23:28 PM	Atty Kurtz Nucor - cross Campbell Note: Fields, Angela	Look at Nucor exh 3 allocation spreadsheet.
10:24:16 PM	Atty Kurtz Nucor - cross Campbell Note: Fields, Angela	Familiar with that document?
10:24:30 PM	Atty Kurtz Nucor - cross Campbell Note: Fields, Angela	Shows the notice of the projects for Amd 3.
10:26:07 PM	Atty Oswald Jackson - cross Campbell Note: Fields, Angela	Amd 3 set cap at 5% atEKPC. if commission approves SKY applicaiont there are others that are waiting ing the wings ot move. If you added all the elections they do not currently reach 5%.
10:27:45 PM	Atty Oswald Jackson - cross Campbell Note: Fields, Angela	Solar, standed gas, you are ware of those projects?
10:28:00 PM	Atty Oswald Jackson - cross Campbell Note: Fields, Angela	Will these dist coop lose their ability to entertain proposal like that?
10:28:22 PM	Atty Oswald Jackson - cross Campbell Note: Fields, Angela	So it is not going to be an end to block purchase power, it will be an end to any purchase power.
10:28:48 PM	Atty Oswald Jackson - cross Campbell Note: Fields, Angela	How would that work here if we reach cap with EKPC?
10:29:57 PM	Atty Oswald Jackson - cross Campbell Note: Fields, Angela	Still have assess but going around?
10:31:36 PM	Atty Oswald Jackson - cross Campbell Note: Fields, Angela	I was thinking more of a discussion among attys ... later withdrew or wld be allowed to proceed...
10:32:57 PM	Atty Oswald Jackson - cross Campbell Note: Fields, Angela	You are aware of Jjackson and others have done defensive moves?
10:33:18 PM	Atty Oswald Jackson - cross Campbell Note: Fields, Angela	What is your suggestions if application does not go through?
10:34:10 PM	Atty Oswald Jackson - cross Campbell Note: Fields, Angela	Your referring to buying 24hr blocks of power?
10:36:24 PM	Atty Oswald Jackson - cross Campbell Note: Fields, Angela	your feeling is that ... only allow 10% ... board would not allow it
10:39:52 PM	Atty Oswald Jackson - cross Campbell Note: Fields, Angela	Do you have a goal about when the 20% might be reached?
10:40:33 PM	Atty Oswald Jackson - cross Campbell Note: Fields, Angela	If you take 58 out of the system will it make it harder to get capital credits?
10:45:10 PM	Atty Oswald Jackson - cross Campbell Note: Fields, Angela	To your knowlege was that election by SKY that was the first election under Amd 3?
10:45:40 PM	Atty Oswald Jackson - cross Campbell Note: Fields, Angela	And Grayson was the third major one?
10:45:57 PM	Atty Oswald Jackson - cross Campbell Note: Fields, Angela	SKY first and fourth?

10:47:01 PM Atty Oswald Jackson - cross Campbell  
Note: Fields, Angela Jackson gave the notice for 30mw but put in abeyance, did they ever withdraw that?

10:47:34 PM Atty Oswald Jackson - cross Campbell  
Note: Fields, Angela When Grayson come allong fair to say EKPC was oppsed that also?

10:51:13 PM Atty Oswald Jackson - cross Campbell  
Note: Fields, Angela Did you believe the the adoption ofthe MOU to change that to be allowed under the MOU?

10:52:33 PM Atty Scott Grayson - cross Campbell  
Note: Fields, Angela You testified that the liberty report has nothing to do with Amd 3?

10:53:38 PM Atty Scott Grayson - cross Campbell  
Note: Fields, Angela Amd 3 is not a tariff?

10:53:57 PM Atty Scott Grayson - cross Campbell  
Note: Fields, Angela The adoption of amd 3 had anything to do illegal restraint of trade?

10:55:08 PM Atty Scott Grayson - cross Campbell  
Note: Fields, Angela Nov 19, 2012 case 2012-503 here at the commission, wasn't the language in MOU and adopted already done?

10:56:28 PM Atty Scott Grayson - cross Campbell  
Note: Fields, Angela If that is accurate wouldn't that change your chronology?

10:57:48 PM Atty Scott Grayson - cross Campbell  
Note: Fields, Angela You still have 33 yrs of protection?

10:58:35 PM Atty Scott Grayson - cross Campbell  
Note: Fields, Angela If there was a modification to Amd 3 that doesn't change the 2051?

10:59:00 PM Atty Scott Grayson - cross Campbell  
Note: Fields, Angela In 2009 when you started, EKPC had 5% in equity?

11:01:35 PM Atty Scott Grayson - cross Campbell  
Note: Fields, Angela There has been to rate decrease since by EKPC since 2011?

11:03:49 PM Atty Scott Grayson - cross Campbell  
Note: Fields, Angela You agreed to terminate the in agreement in 2016?

11:04:54 PM Atty Scott Grayson - cross Campbell  
Note: Fields, Angela You said Amd 3 should be done away wth?

11:05:58 PM Atty Scott Grayson - cross Campbell  
Note: Fields, Angela Do you think the Commission has the authority to take over that contract?

11:06:34 PM Atty Scott Grayson - cross Campbell  
Note: Fields, Angela So today the positon of EKPC's final order should include language that abrogates Amd 3?

11:08:50 PM Atty Scott Grayson - cross Campbell  
Note: Fields, Angela You said you told his Attorney, David Goss?

11:09:28 PM Atty Scott Grayson - cross Campbell  
Note: Fields, Angela You said you got to help the poor in eastern ky, How do you propose doing that?

11:10:51 PM Atty Scott Grayson - cross Campbell  
Note: Fields, Angela You agee with McNalley that said you cannot quantify the dollar by that will effect EKPC virtue of the PPA being approved?

11:11:54 PM Atty Scott Grayson - cross Campbell  
Note: Fields, Angela Do you need more than the 500 million cushion that you got?

11:12:42 PM Atty Grover SKY - cross Campbell  
Note: Fields, Angela I heard you testify you believe now the owner members did not know what they were getting into when the signed?

11:13:41 PM Atty Grover SKY - cross Campbell  
Note: Fields, Angela Essentially get rid of MOU?

11:13:56 PM Atty Grover SKY - cross Campbell  
Note: Fields, Angela Is there another option to enforce it?

11:14:15 PM	Atty Grover SKY - cross Campbell Note: Fields, Angela	PSC 1, the Grayson order handed to witness. Page 5.
11:15:49 PM	Atty Grover SKY - cross Campbell Note: Fields, Angela	I get the feeling that you are bullish on load growth?
11:18:17 PM	Atty Grover SKY - cross Campbell Note: Fields, Angela	Earlier someone asked about the fact Amd 3 language tied to RUS regarding approval of Amd 3?
11:19:40 PM	Atty Grover SKY - cross Campbell Note: Fields, Angela	SKY EXHIBIT 6 Roy Palk memo.
11:21:27 PM	Atty Grover SKY - cross Campbell Note: Fields, Angela	Handing out Campbell deposition.
11:22:38 PM	atty grover sky - cross campbell Note: Fields, Angela	SKY EXHIBIT 7 Campbell depo, Turn page to 49, line 4 your expressing concern?
11:25:54 PM	Atty Grover SKY - cross Campbell Note: Fields, Angela	I get the since that you have a lot of trust and belief in your staff?
11:26:10 PM	Atty Grover SKY - cross Campbell Note: Fields, Angela	You didn't have any idea that SKY was looking at 58mw?
11:27:02 PM	Atty Grover SKY - cross Campbell Note: Fields, Angela	Turn to pg 76, line 6.
11:29:00 PM	Atty Grover SKY - cross Campbell Note: Fields, Angela	SKY EXHIBIT 8 Do you recognize this document?
11:29:38 PM	Atty Grover SKY - cross Campbell Note: Fields, Angela	MOU discussion, pg 2, Who are some of these people?
11:32:59 PM	Atty Grover SKY - cross Campbell Note: Fields, Angela	David Smart, is that your general counsel?
11:33:36 PM	witness Note: Fields, Angela	witness remarks
11:34:36 PM	Atty Grover SKY - cross Campbell Note: Fields, Angela	SKY EXHIBIT 9 - David Eames memo 8-4-09
11:36:15 PM	Atty Grover SKY - cross Campbell Note: Fields, Angela	Nothing ever came out of that did it?
11:36:28 PM	Atty Grover SKY - cross Campbell Note: Fields, Angela	Turn pg stamped 1088, at bottom sect. 1.
11:39:15 PM	Atty Grover SKY - cross Campbell Note: Fields, Angela	Look at pg 1092.
11:42:19 PM	Atty Grover SKY - cross Campbell Note: Fields, Angela	Last question, do have a copy of MOU.
11:43:01 PM	Atty Grover SKY - cross Campbell Note: Fields, Angela	I heard you early on you didn't think this was an agreement?
11:43:36 PM	Atty Grover SKY - cross Campbell Note: Fields, Angela	SKY EXHIBITS 1-9 entered into evidence
11:43:54 PM	Atty Grover SKY - cross Campbell Note: Fields, Angela	Did the commission direct EKPC to implement the recommendations of the liberty report?
11:44:56 PM	Atty Grover SKY - cross Campbell Note: Fields, Angela	wld you have taken action knowingly ... to the liberty report
11:46:08 PM	Atty Grover SKY - cross Campbell Note: Fields, Angela	with tht in mind, you wldn't knowingly take action inconsistant with the report
11:46:54 PM	Atty Grover SKY - cross Campbell Note: Fields, Angela	tp that extent ... inconsistant with liberty report
11:47:33 PM	Atty Grover SKY - cross Campbell Note: Fields, Angela	ekpc board

11:47:48 PM	VC Cicero Note: Fields, Angela	Has this group been in legal dispute over Amd. 3 or the MOU?
11:48:15 PM	VC Cicero Note: Fields, Angela	How many millions of dollars do you think has been spent defending these actions?
11:49:08 PM	VC Cicero Note: Fields, Angela	Do you think the CEO have been due diligent to dispute the same MOU as before.
11:49:54 PM	Chairman Schmitt Note: Fields, Angela	As I understand it, Amd 3 was adopted. There were perhaps 5 members who refused to sign the agreement unless revisions were made. Who were those coops?
11:52:07 PM	Chairman Schmitt Note: Fields, Angela	three that wouldn't agree
11:55:34 PM	witness comment Note: Fields, Angela	Do you see anyway other than a definitive ruling by the PSC, that your member coops are going to agree to anything?
11:56:44 PM	Chairman Schmitt Note: Fields, Angela	The preponderance of our board understands that conflict.
11:57:23 PM	Atty Royse - redirect Campbell Note: Fields, Angela	Training to boards re: conflict of interests
11:58:10 PM	Atty Royse - redirect Campbell Note: Fields, Angela	Do you know if EKPC filed in the record the full liberty report?
11:58:37 PM	PHDR Note: Fields, Angela	resp to liberty rpt .. specific bylaws to the board
11:59:04 PM	Atty Royse - redirect Campbell Note: Fields, Angela	Copies of EKPC board bylaws
11:59:59 PM	Atty Royse - redirect Campbell Note: Fields, Angela	You told the story of what coop looked like when you started.
12:00:19 AM	Atty Royse - redirect Campbell Note: Fields, Angela	2018 now correct. How many rate cases have you had since 2010.
12:00:24 AM	Atty Royse - redirect Campbell Note: Fields, Angela	What is your equity level?
12:00:54 AM	Atty Royse - redirect Campbell Note: Fields, Angela	What do you contribute that to?
12:01:42 AM	Atty Royse - redirect Campbell Note: Fields, Angela	How does your board compare before to today?
12:02:09 AM	Atty Royse - redirect Campbell Note: Fields, Angela	How often do issues come up with your board? How frequently?
12:02:58 AM	Atty Royse - redirect Campbell Note: Fields, Angela	They owne the 18% of equity your are talking about?
12:04:10 AM	Atty Royse - redirect Campbell Note: Fields, Angela	You built from 5% to 20% ?
12:05:35 AM	Session Paused	What is the single issue that has, more conflict than the MOU and Amd. 3?
12:07:33 AM	Session Ended	

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

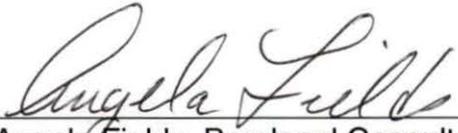
ELECTRONIC APPLICATION OF SOUTH	)	
KENTUCKY RURAL ELECTRIC COOPERATIVE	)	CASE NO.
CORPORATION FOR APPROVAL OF MASTER	)	2018-00050
POWER PURCHASE AND SALE AGREEMENT	)	
AND TRANSACTIONS THEREUNDER	)	

CERTIFICATE

I, Angela Fields, hereby certify that:

1. The attached DVD contains a digital recording of the hearing conducted in the above-styled proceeding on May 17 2018. The hearing was recorded on 3 consecutive days, May 15, 16 and 17. Exhibits and Witness Lists are included with the recording.
2. I am responsible for the preparation of the digital recording;
3. The digital recording accurately and correctly depicts the hearing;
4. The "Hearing Log" attached to this Certificate accurately and correctly states the events that occurred at the hearing on May 17, and the time at which each occurred.

Signed this 1<sup>st</sup> day of June 2018.

  
Angela Fields, Paralegal Consultant

  
Stephanie Schweighardt, Notary Public  
State at Large  
My commission expires: January 14, 2019  
ID#: 525987



# Session Report - Detail

2018-00050 17May2018

South Kentucky Rural Electric

Date:	Type:	Location:	Department:
5/17/2018	Public Hearing\Public Comments	Hearing Room 1	Hearing Room 1 (HR 1)

Judge: Bob Cicero; Talina Mathews; Michael Schmitt  
 Witness: James Adkins; Carter Babbitt; Chris Brewer; Tony Campbell; Jerry Carter; David Crew; Carol Fraley; Ted Hampton; Joni Hazelrigg; Michelle Herrman; Dennis Holt; Kerry Howard; Gregory Lee; Debra Martin; Mike McNalley; Don Mosier; Barry Myers; Mechonda O'Brien; William Prather; Willam Seelye; Bobby Sexton; Tim Sharp; Mark Stallons; Michael Williams; John Wolfram; Carol Wright  
 Clerk: Angela Fields

Event Time	Log Event
8:45:04 AM	Session Started
8:45:07 AM	Session Paused
9:33:03 AM	Session Resumed
9:33:23 AM	Chairman Schmitt Note: Fields, Angela
	Preliminary Comments
9:33:46 AM	Atty Royce Note: Fields, Angela
	I have made crews available.
9:34:12 AM	Witness crews
9:34:24 AM	Atty Royce EKPC - direct Crews Note: Fields, Angela
	name address
9:35:02 AM	Atty Chandler AG - cross Crews Note: Fields, Angela
	Your title is Sr. Vice President of Power Supply?
9:37:15 AM	Atty Chandler AG - cross Crews Note: Fields, Angela
	Are you aware the state of the market reports have been filed in this case?
9:37:44 AM	Atty Chandler AG - cross Crews Note: Fields, Angela
	PJM serves 67 million customers?
9:39:07 AM	Atty Chandler AG - cross Crews Note: Fields, Angela
	Comments on those overwhelmingly negative?
9:40:26 AM	Atty Chandler AG - cross Crews Note: Fields, Angela
	Environment clause in the contract right?
9:40:47 AM	Atty Chandler AG - cross Crews Note: Fields, Angela
	PJM has a market that has been around 20 yr?
9:41:50 AM	Atty Chandler AG - cross Crews Note: Fields, Angela
	The largest power pool in the world?
9:42:08 AM	Atty Chandler AG - cross Crews Note: Fields, Angela
	Other side of it and possibilities that could put those things in affect?
9:45:06 AM	Atty Chandler AG - cross Crews Note: Fields, Angela
	Is EKPC advocating for those kind of changes?
9:45:49 AM	Atty Chandler AG - cross Crews Note: Fields, Angela
	All that is on the capacity side right?
9:46:55 AM	Atty Chandler AG - cross Crews Note: Fields, Angela
	VOM? is that what you are referring to?
9:47:26 AM	Atty Chandler AG - cross Crews Note: Fields, Angela
	You are aware of the confirms, the environment confirms, change in law provisions...your understanding there are no generators tied to this?

9:48:05 AM	Atty Chandler AG - cross Crews Note: Fields, Angela	Do you think over 20 yrs with the changes currently being talked about or occurring at PJM and FERC under all those provisions that there is any way the 18yr capacity hedge and the 20yr fixed costs will stay in place?
9:54:20 AM	Atty Chandler AG - cross Crews Note: Fields, Angela	You don't know the timing of but you expect it to happen?
9:54:35 AM	Atty Chandler AG - cross Crews Note: Fields, Angela	You don't want to be on the other end holding the bag for all these costs that may come about in 15 yrs, 20yrs?
9:55:48 AM	Atty Chandler AG - cross Crews Note: Fields, Angela	In others testimony that they thought that was the purpose of the MOU?
9:57:11 AM	Atty Chandler AG - cross Crews Note: Fields, Angela	Your not an attorney correct?
9:57:35 AM	Atty Chandler AG - cross Crews Note: Fields, Angela	Seelye made assertion that under filed rate doctrine, the MOU and Amd 3 have some sort of legal effect?
9:58:43 AM	Atty Chandler AG - cross Crews Note: Fields, Angela	17 parties to this MOU?
9:59:00 AM	Atty Chandler AG - cross Crews Note: Fields, Angela	You also argued strict compliance to filed rate doctrine?
9:59:21 AM	Atty Chandler AG - cross Crews Note: Fields, Angela	You mentioned earlier, is it your understanding PPA is not tied to a generator?
9:59:53 AM	Atty Chandler AG - cross Crews Note: Fields, Angela	Is the PPA market based?
10:00:16 AM	Atty Chandler AG - cross Crews Note: Fields, Angela	Under sect 4 you have to "provide a general.." read that section right?
10:00:57 AM	Atty Chandler AG - cross Crews Note: Fields, Angela	Does sect 4 say anything about acceptance of a notice by EKPC evidence is compliant with this section?
10:01:59 AM	Atty Chandler AG - cross Crews Note: Fields, Angela	If it is a nonconforming notice, and you accept it that does not let the other parties off the hook?
10:02:24 AM	Atty Chandler AG - cross Crews Note: Fields, Angela	You can't infringe on the right of other parties to challenge that?
10:04:09 AM	Atty Chandler AG - cross Crews Note: Fields, Angela	It is not just EKPCs position just because they helps people draft notices that have any effect on the compliance of notice?
10:05:30 AM	Atty Chandler AG - cross Crews Note: Fields, Angela	NITS charges from within the transmission owning area or entire RTO?
10:08:52 AM	Atty Chandler AG - cross Crews Note: Fields, Angela	NITS increase. 10-13% historical average. Do you think that is a fair escalation costs?
10:09:55 AM	Atty Chandler AG - cross Crews Note: Fields, Angela	Backspot provision of MOU. Are you aware of that?
10:10:49 AM	Atty Chandler AG - cross Crews Note: Fields, Angela	Is that the way you understand the situation?
10:15:32 AM	Atty Chandler AG - cross Crews Note: Fields, Angela	Iff it is not implemented it does not begin?

10:15:50 AM	Atty Chandler AG - cross Crews Note: Fields, Angela	EKPC is not the back stop if Morgan Stanley does not perform, the market is?
10:16:18 AM	Atty Chandler AG - cross Crews Note: Fields, Angela	When Morgan Stanley unable to provide power to the market, when it doesn't show up SKY has to go to get its power?
10:17:16 AM	Atty Chandler AG - cross Crews Note: Fields, Angela	Agree EKPC is the the backstop, the market it?
10:17:52 AM	Atty Crawford - Owen - cross Crews Note: Fields, Angela	Were you an advisor to the committee of behalf of EKPC that tried to deal with issue from the Amd 3 that lead to the MOU?
10:19:00 AM	Atty Crawford - Owen - cross Crews Note: Fields, Angela	Your position as facilitator, which coops would causes the most issue over trying to resolve problems? There was four coops named. Form your prospective, the MOU and wether it resolves issues with Adm 3 which are the cost shifting problems?
10:22:23 AM	Atty Crawford - Owen - cross Crews Note: Fields, Angela	Do you believe the group can come to 16 vote setting a limit so you can do small projects?
10:24:34 AM	Atty Crawford - Owen - cross Crews Note: Fields, Angela	Folks are reluctant to express they don't fully understand something and go ahead and vote on something they don't understand. Do you think these people didn't understand the magnitude?
10:28:10 AM	Atty Crawford - Owen - cross Crews Note: Fields, Angela	Above that limit, if you go off the system you take costs, stranded costs with you?
10:29:12 AM	Atty Scott Grayson cross Crews Note: Fields, Angela	In the MOU a coops in the aggregate cannot exceed 5% of EKPC's peak demand?
10:31:43 AM	Atty Scott Grayson cross Crews Note: Fields, Angela	Is it accurate power that grayson generates comes from some plant other than a power plant owned by EKPC?
10:33:19 AM	Atty Scott Grayson cross Crews Note: Fields, Angela	The actual source of power, you don't know?
10:33:46 AM	Atty Scott Grayson cross Crews Note: Fields, Angela	Those facts are similar to SKY contract with Morgan Stanley?
10:34:20 AM	Atty Scott Grayson cross Crews Note: Fields, Angela	In neither situation it is not known where the power is generated?
10:35:25 AM	Atty Scott Grayson cross Crews Note: Fields, Angela	Therefore if he's happy eastern ky is happy?
10:35:49 AM	Atty Scott Grayson cross Crews Note: Fields, Angela	The mail chain about your asistence in preperation of notice, Remember that scenerio?
10:36:40 AM	Atty Scott Grayson cross Crews Note: Fields, Angela	Why did EKPC assist SKY to get the notice right given you position today?
10:37:51 AM	Atty Scott Grayson cross Crews Note: Fields, Angela	How can, in your view, a distribution coop ever exercise a contract right that Amd 3 gives it up to 15%?
10:39:46 AM	Atty Scott Grayson cross Crews Note: Fields, Angela	Is there ever a situation where distribution coop can purchase 15% of alternate source power or is it always cart blanc that EKPC. will oppose it.

10:41:41 AM	Atty Scott Grayson cross Crews Note: Fields, Angela	Tthrow in Owen as well, they asked for 19 mw, and asked if EKPC has lodged and objection to their request?
10:44:13 AM	Atty Grover SKY cross Crews Note: Fields, Angela	Taking collection of resources and looking dispatching a fleet in order to obtain the lowest dispac costs taking in accunt liability considerations?
10:45:02 AM	Atty Grover SKY cross Crews Note: Fields, Angela	That is getting dispacd to serve the load?
10:45:36 AM	Atty Grover SKY cross Crews Note: Fields, Angela	What you are looking for is a reliable stream of electons to serve that load?
10:46:00 AM	Atty Grover SKY cross Crews Note: Fields, Angela	You all turned over control of of your transmission systems?
10:48:21 AM	Atty Grover SKY cross Crews Note: Fields, Angela	The function of the costs is that the lowest costs resources is serving that load?
10:48:58 AM	Atty Grover SKY cross Crews Note: Fields, Angela	You were trying to help SKY, you weren't trying to set them up to fail?
10:49:50 AM	Atty Grover SKY cross Crews Note: Fields, Angela	Here yesterday when Campbell said he knew what the MOU meant?
10:51:42 AM	Atty Grover SKY cross Crews Note: Fields, Angela	You have general understanding how it works?
10:51:58 AM	Atty Grover SKY cross Crews Note: Fields, Angela	Isn't there a que on how those things get processed?
10:52:51 AM	Atty Grover SKY cross Crews Note: Fields, Angela	Once you process the first then you move to next generator in line, is that how the process works?
10:54:38 AM	Atty Grover SKY cross Crews Note: Fields, Angela	And all that is set forth in the OAT?
10:54:58 AM	Atty Grover SKY cross Crews Note: Fields, Angela	The NITs charges and the REPE charges, those vary among the different transmission owners in PJM?
10:55:55 AM	Atty Grover SKY cross Crews Note: Fields, Angela	Referring to your testimony on environmental future, Wouldn't you to think that a nat'l EPA requirement would also effect EKPC?
10:58:05 AM	Atty Grover SKY cross Crews Note: Fields, Angela	That ultimatley has to get approved by EPA?
10:58:28 AM	Atty Grover SKY cross Crews Note: Fields, Angela	Did the RFP indicated the size or term SKY was looking at?
10:58:46 AM	Atty Grover SKY cross Crews Note: Fields, Angela	Handing out documents. SKY EXHIBIT 10
10:59:45 AM	Atty Grover SKY cross Crews Note: Fields, Angela	EXHIBIT SKY 10
10:59:50 AM	Atty Grover SKY cross Crews Note: Fields, Angela	Do you recall discussiing this document about the RFP.
11:00:29 AM	Atty Grover SKY cross Crews Note: Fields, Angela	Were you worried you wouldn't be competitive?
11:00:35 AM	Atty Grover SKY cross Crews Note: Fields, Angela	Did you tell SKY that?
11:00:53 AM	Atty Grover SKY cross Crews Note: Fields, Angela	Once you knew you were looking at 58mw did you tell them an election that size would be unfair?

11:01:39 AM	Atty Grover SKY cross Crews Note: Fields, Angela	Was this was before or after helping put together the notice?
11:02:06 AM	Atty Grover SKY cross Crews Note: Fields, Angela	EXHIBIT SKY 11
11:03:06 AM	Atty Grover SKY cross Crews Note: Fields, Angela	Would you read your response to McNalley?
11:04:21 AM	Atty Grover SKY cross Crews Note: Fields, Angela	Please read the first 2 paragraphs please?
11:04:59 AM	Atty Grover SKY cross Crews Note: Fields, Angela	When you write an email you mean what you say?
11:07:54 AM	Atty Vinsel PSC cross Crews Note: Fields, Angela	NITS 10-13% escalation rates were fair , can you tell me why?
11:09:25 AM	Atty Vinsel PSC cross Crews Note: Fields, Angela	In Holts rebuttal testimony, he took sales data from EKPC, from Dec. 2016-17, Mr. Holt said there was a growth in sales over 4mths.. Is it reasonable to use Holts growth in sales data as a projection for an increase?
11:11:07 AM	PHDR Note: Fields, Angela	It is an email from Sally Witt to Crews on monday of this week (05-14-18)
11:11:52 AM	VC Cicero Note: Fields, Angela	I need to understand the MOU and how EKPC interprets it
11:12:30 AM	VC Cicero Note: Fields, Angela	What is considered getting notice that activates the 18 mth. timeframe?
11:16:36 AM	VC Cicero Note: Fields, Angela	Do you consider those proposals a formal notification to EKPC that those other coops are going to take energy? .
11:17:33 AM	VC Cicero Note: Fields, Angela	Has the clock started to tick on the other coops for 18 mths?
11:18:09 AM	VC Cicero Note: Fields, Angela	Does the MOU address the fact that if PSC turns down the proposal what is SKY options will be?
11:20:54 AM	VC Cicero Note: Fields, Angela	What if PSC were to rule if the notice was nonconforming?
11:21:36 AM	VC Cicero Note: Fields, Angela	Even against EKPC advise, decided to forward to sign the MOU anyway. Do you believe the PSC should bail out coop because they failed to realize the magnitude ?
11:24:19 AM	Commissioner Matthews Note: Fields, Angela	Is 15% is not equal. Why does it not discussed as a megawatt limit?
11:25:40 AM	Atty Royse EKPC - redirect Crews Note: Fields, Angela	NIT bigger piece of the pie in terms of expense
11:25:44 AM	Atty Royse EKPC - cross Crews Note: Fields, Angela	Talk about the RTAP, socialized transmission costs that PJM is going to pass on to everyone. Did you see in Babbitt's testimony about RTAP costs?
11:26:52 AM	Atty Royse EKPC - redirect Crews Note: Fields, Angela	Are the physical characteristics of the service area of EKPC challenging from a transmission standpoint?
11:28:00 AM	Atty Royse EKPC - redirect Crews Note: Fields, Angela	MOU - pg 8 e(i). Holt said if SKY had to come back in they would come back in and get the wholesale contract. Is that consistent with your interpretation?

11:29:44 AM	Atty Royse EKPC - redirect Crews Note: Fields, Angela	Your testimony earlier was they would go to PJM and buy whatever the market rate was?
11:30:05 AM	Atty Royse EKPC - redirect Crews Note: Fields, Angela	Discussion about facilitating CEO's, from your observation, when the CEO's walked out did they have the expectation that fellow coop would utilize that agreement to offload 40% , and avoid the fixed cost associated with that?
11:34:52 AM	Atty Royse EKPC - redirect Crews Note: Fields, Angela	Do you have chart in front of you. Can you tell from that chart what Grayson's 5% share would be assuming if nobody else took 5%?
11:37:22 AM	Atty Royse EKPC - redirect Crews Note: Fields, Angela	Can they (grayson) get 15%, Can anyone get 15%
11:38:19 AM	Atty Royse EKPC - redirect Crews Note: Fields, Angela	So in effect, Amd 5, we are almost there.
11:39:04 AM	Chairman Schmitt Note: Fields, Angela	Case for EKPC?
11:40:07 AM	Chairman Schmitt Note: Fields, Angela	BREAK
11:40:13 AM	Session Paused	
11:57:00 AM	Session Resumed	
11:57:05 AM	WITNESS WOLFRAM	
11:57:22 AM	Atty Sullivan -Dist. coop- direct on Wolfram Note: Fields, Angela	State your name and address./
11:58:08 AM	Atty Sullivan -Dist. coop- direct on Wolfram Note: Fields, Angela	Do you have any additions corrections you would like to make?
11:59:12 AM	Atty Sullivan -Dist. coop- direct on Wolfram Note: Fields, Angela	Does not effect your testimony in any way?
11:59:35 AM	Atty Chandler AG - cross Wolfram Note: Fields, Angela	Do you represent utilities most o the time? Have you played the part that intervison played ?
12:00:45 PM	Atty Chandler AG - cross Wolfram Note: Fields, Angela	Based on you experience would you recommd to a coop a transaction like this?
12:01:55 PM	Atty Chandler AG - cross Wolfram Note: Fields, Angela	Do you think this is a good deal for SKY and its customers over the length of the 20yr contract?
12:02:41 PM	Atty Chandler AG - cross Wolfram Note: Fields, Angela	You agree intervison did a good job in their analysis?
12:03:33 PM	Atty Chandler AG - cross Wolfram Note: Fields, Angela	Is there any chance that SKY customers pay more that without it?
12:04:57 PM	Atty Chandler AG - cross Wolfram Note: Fields, Angela	EKPC has not had rate case since 2011?
12:05:57 PM	Atty Chandler AG - cross Wolfram Note: Fields, Angela	They just escalated the entire rate right?
12:06:28 PM	Atty Chandler AG - cross Wolfram Note: Fields, Angela	You think a 3% on bottom line was resonable?
12:07:00 PM	Atty Chandler AG - cross Wolfram Note: Fields, Angela	Have you ever seen a 20yr fixed-price PPA?
12:09:12 PM	Atty Chandler AG - cross Wolfram Note: Fields, Angela	Your understanding they paid a lot of money?
12:09:56 PM	Atty Chandler AG - cross Wolfram Note: Fields, Angela	Both Ogoforth and Big Rivers own generation?

12:11:11 PM	Atty Chandler AG - cross Wolfram Note: Fields, Angela	Pg 16 of your testimony subpart 4.
12:12:47 PM	Atty Chandler AG - cross Wolfram Note: Fields, Angela	Do you have the corrected testimony, On pg 3, you provided for a specific clause under the application?
12:15:12 PM	Atty Chandler AG - cross Wolfram Note: Fields, Angela	SKY says the agreement make them whole?
12:15:28 PM	Atty Chandler AG - cross Wolfram Note: Fields, Angela	Do you think that is the distinction between being made whole?
12:16:35 PM	Atty Chandler AG - cross Wolfram Note: Fields, Angela	Those costs are not included in the NPV?
12:16:57 PM	Atty Chandler AG - cross Wolfram Note: Fields, Angela	Would that show up in sensitivity analysis?
12:17:35 PM	Atty Chandler AG - cross Wolfram Note: Fields, Angela	That is what the systems are built to do, show up on the worst days That is the resilience?
12:18:47 PM	Atty Chandler AG - cross Wolfram Note: Fields, Angela	Handed witness documents- AG exhibits 2, page 2 and 3..
12:22:30 PM	Atty Chandler AG - cross Wolfram Note: Fields, Angela	Did EKPC build their system with their users in mind?
12:25:47 PM	Atty Chandler AG - cross Wolfram Note: Fields, Angela	That goes back to Crews comment about polar bomb?
12:26:56 PM	Atty Chandler AG - cross Wolfram Note: Fields, Angela	Does PJM ignore extreme conditions?
12:27:42 PM	Atty Chandler AG - cross Wolfram Note: Fields, Angela	Does FERC have any interest in resilience?
12:28:34 PM	Atty Crawford Owen cross Wolfram Note: Fields, Angela	Explain what mitigation is from your perspective.
12:36:45 PM	Atty Crawford Owen cross Wolfram Note: Fields, Angela	I want followup on that. Whatever time it takes, that is lost economic opportunity if they could have reached 20% sooner and paid out some of those capital costs.
12:37:38 PM	Atty Grover SKY cross Wolfram Note: Fields, Angela	That reporting to be a measurement of impact on the owner members as a result of the election.
12:38:30 PM	Atty Grover SKY cross Wolfram Note: Fields, Angela	Variable costs means it could be avoided.?
12:39:31 PM	Atty Grover SKY cross Wolfram Note: Fields, Angela	You will not consider that to be a wash, because your analysis must consider lost opportunity?
12:40:42 PM	Atty Grover SKY cross Wolfram Note: Fields, Angela	You said 2004 and I asked about the MOU.
12:41:00 PM	Atty Grover SKY cross Wolfram Note: Fields, Angela	We asked specifically about the MOU. Have you ever encountered the MOU prior to this case?
12:43:11 PM	Atty Grover SKY cross Wolfram Note: Fields, Angela	Any proposed tariff come to pass?
12:43:29 PM	Atty Grover SKY cross Wolfram Note: Fields, Angela	Has Catalyst ever been engaged by EKPC?
12:44:13 PM	Atty Grover SKY cross Wolfram Note: Fields, Angela	The rate case, you are looking to get additional amount of revenue to keep your tier at a suitable level?
12:45:27 PM	Atty Grover SKY cross Wolfram Note: Fields, Angela	When you say pro forma adjustments, what do you mean?

12:46:47 PM	Atty Grover SKY cross Wolfram Note: Fields, Angela	Is it your testimony that SKY should have performed sensitivity studies for what would barely be considered remote risks?
12:47:50 PM	Atty Grover SKY cross Wolfram Note: Fields, Angela	Fair to say there has been some sensitivities in SKY analysis?
12:48:39 PM	Atty Grover SKY cross Wolfram Note: Fields, Angela	Is it your understanding that if Morgan Stanley fails to deliver, is SKY going to be without the electricity they elected for?
12:49:49 PM	Atty Grover SKY cross Wolfram Note: Fields, Angela	MOU contemplates that EKPC will be agent for SKY in the Morgan Stanley mortgage?
12:51:21 PM	Atty Grover SKY cross Wolfram Note: Fields, Angela	Do you know what the basis is for the proposed agency fee being kicked around?
12:52:16 PM	Atty Grover SKY cross Wolfram Note: Fields, Angela	You time with LG&E. Sounds like they were an unregulated market?
12:54:50 PM	Atty Grover SKY cross Wolfram Note: Fields, Angela	Did Ogoforth deal run its course?
12:55:50 PM	Atty Grover SKY cross Wolfram Note: Fields, Angela	Sounds like you have a good understanding of FERC regulation?
12:56:31 PM	Atty Grover SKY cross Wolfram Note: Fields, Angela	Market rate based authority in the wholesale market is not a right by a privilege?
12:57:03 PM	Atty Grover SKY cross Wolfram Note: Fields, Angela	Do think Morgan Stanley would breach this contract if it was in their financial interest to do so?
12:58:19 PM	Atty Grover SKY cross Wolfram Note: Fields, Angela	Asked earlier if you read MOU prior to the proceeding. You have probably read it more than once before this proceeding?
12:59:01 PM	Atty Grover SKY cross Wolfram Note: Fields, Angela	Your revised analysis, that is and outgrowth of SKY's election?
1:00:13 PM	Atty Vinsel PSC cross Wolfram Note: Fields, Angela	It is your position the 58mw load cannot be mitigated until after the load leaves the EKPC system?
1:01:02 PM	Atty Vinsel PSC cross Wolfram Note: Fields, Angela	Is there anything in Babbitt testimony that changes your opinion re: the seven risks in the board materials?
1:06:03 PM	Atty Sullivan - redirect Wolfram Note: Fields, Angela	The NITS escalator did you look at the provided by PJM
1:08:45 PM	Atty Sullivan - redirect Wolfram Note: Fields, Angela	Do you know if Babbitt provided any backup analysis for his reanalysis?
1:10:22 PM	Chairman Schmitt Note: Fields, Angela	Discussion about briefs schedule. PHDR filed by May 21 by end of day to be answered by May 29, SKY Briefs by June 15, other briefs due by July 2, and reply briefs by July 12..
1:13:34 PM	LUNCH BREAK	
1:13:38 PM	Session Paused	
2:13:47 PM	Session Resumed	
2:13:57 PM	Atty Royse Note: Fields, Angela	Comments re: brief schedule.
2:15:15 PM	Chairman Schmitt Note: Fields, Angela	comments abt briefs, 17th of July for reply briefs

2:15:49 PM Atty Grover  
Note: Fields, Angela Reply briefs to be due by July 17th.

2:16:53 PM Atty Royse  
Note: Fields, Angela DR due on the 21st of May.

2:17:20 PM PHDR discussion

2:18:36 PM Atty Miller - Dist. Coops direct Prather  
Note: Fields, Angela Please state your name, address, employer.

2:19:25 PM Atty Miller - Dist. Coops direct Prather  
Note: Fields, Angela Any corrections or additions?

2:19:41 PM Atty Chandler AG - cross Prather  
Note: Fields, Angela How long have you been with Farmers? Aware of the environmental surcharge are you familiar with that?

2:20:41 PM Atty Chandler AG - cross Prather  
Note: Fields, Angela None of those case shifts would occur absent a rate case?

2:21:34 PM Atty Chandler AG - cross Prather  
Note: Fields, Angela Occurr costs month then it occurs on your bills?

2:22:10 PM Atty Chandler AG - cross Prather  
Note: Fields, Angela Did you understand that Cumberland Valley could not take a 1/2 million hit without a rate case?

2:22:48 PM Atty Chandler AG - cross Prather  
Note: Fields, Angela So any mitigation aside, it does not matter if EKPC comes in on a rate case, to determine if a shift, within two months there is going to likely be an inrease in surcharge?

2:23:59 PM Atty Oswald Jackson - cross Prather  
Note: Fields, Angela Does Farmers have any current projects under Amd. 3?

2:25:05 PM Atty Oswald Jackson - cross Prather  
Note: Fields, Angela Diesel generators are out of landfill?

2:27:13 PM Atty Oswald Jackson - cross Prather  
Note: Fields, Angela If the commision were to deny SKY application would you like to have the opportunity to be give some time to agree on something, to reach a deal for small community based projects?

2:28:25 PM Atty Crawford Owen - cross Prather  
Note: Fields, Angela Do you follow 7 coop principles?

2:29:03 PM Atty Crawford Owen - cross Prather  
Note: Fields, Angela Do the coop principles fit into making a decsion in the board room?

2:31:04 PM Atty Crawford Owen - cross Prather  
Note: Fields, Angela And does include all the coops of which you own EKPC?

2:32:34 PM Atty Crawford Owen - cross Prather  
Note: Fields, Angela From your perspective as CEO of Farmers, what do your consumers expect in the way of power service from thier powe proviider. Is it all focused on costs? .

2:33:47 PM Atty Crawford Owen - cross Prather  
Note: Fields, Angela Customers also want safe electricity?

2:34:38 PM Atty Crawford Owen - cross Prather  
Note: Fields, Angela Tell me the .total debt owed by EKPC?

2:35:26 PM Atty Crawford Owen - cross Prather  
Note: Fields, Angela Cost angle vs cheapest cost, distinction in cheapest cost and cost competitive electricity?

2:36:32 PM Atty Crawford Owen - cross Prather  
Note: Fields, Angela There has to be a constant weighing in the board rooms over this?

2:37:10 PM Atty Crawford Owen - cross Prather  
Note: Fields, Angela Do you attend the board meeting at Winchester at EKPC?

2:37:44 PM Atty Crawford Owen - cross Prather  
Note: Fields, Angela Tell me what your role is in that EKPC board room?

2:39:25 PM	Atty Crawford Owen - cross Prather Note: Fields, Angela	Your in an advior role to supply info so any decision he makes is an informed decision?
2:40:03 PM	Atty Crawford Owen - cross Prather Note: Fields, Angela	2.9 billion debt. Does that board room at EKPC in that they approve large indebtiness for the company?
2:40:51 PM	Atty Crawford Owen - cross Prather Note: Fields, Angela	From Farmers and Bill Prather's standpoint, what is the most concerning thing about the SKY's application is approved, from the perspective of your consumers and EKPC?
2:46:30 PM	Atty Crawford Owen - cross Prather Note: Fields, Angela	Why did Farmers sign the MOU given what you said?
2:48:14 PM	Atty Crawford Owen - cross Prather Note: Fields, Angela	Iis that the Grayson litigation you are speaking about?
2:49:55 PM	Atty Grover SKY - cross Prather Note: Fields, Angela	So Mr. Hawkins is Famers board member for EKPC. He was around when everyone agreed to sign the MOU?
2:50:51 PM	Atty Grover SKY - cross Prather Note: Fields, Angela	If you knew in confidnece would you continue to object to SKY cost election?
2:51:55 PM	Atty Grover SKY - cross Prather Note: Fields, Angela	You endorse all the testimony of EKPC and Wolfram? ,
2:52:24 PM	Atty Grover SKY - cross Prather Note: Fields, Angela	What do you say to SKY if it is not in your interest so you are going to object to it?
2:54:00 PM	Atty Grover SKY - cross Prather Note: Fields, Angela	Was that part of the dicussion among the coops leading up to the signing of the MOU?
2:55:28 PM	Atty Vinsel PSC - cross Prather Note: Fields, Angela	You also represent 8 other coops, in your testimony. Att that time litigation is in state court, and the matter had been before the commission for three yrs. Is that the same feeling for the other eight coops you represent?
2:58:03 PM	Atty Vinsel PSC - cross Prather Note: Fields, Angela	Landfill gas to energy project. Talk abt the benefits of the landfill project is , specifically about the methane?
3:01:34 PM	VC Cicero Note: Fields, Angela	You were around when they signed the and MOU
3:02:05 PM	VC Cicero Note: Fields, Angela	The renewables were trending when the MOU was signed.
3:02:35 PM	VC Cicero Note: Fields, Angela	Why wasn't that language put in MOU instead of leaving language ambiguous and open to interpretation?
3:04:47 PM	VC Cicero Note: Fields, Angela	Yyou mentioned litigation was one of the main reasons you signed MOU?
3:07:59 PM	VC Cicero Note: Fields, Angela	Somehow we have to come to a conclusion to this debacle.
3:09:52 PM	Atty Miller Dist. Coops - direct Fraley Note: Fields, Angela	Please state your name, address, employer
3:10:54 PM	Atty Scott Grayson - direct Fraley Note: Fields, Angela	Do you adopt that testimoney as true and accurate?
3:11:39 PM	Atty Chandler AG - cross Fraley Note: Fields, Angela	Did they let you signe the MOU and Amd 3?

3:12:19 PM	Atty Chandler AG - cross Fraley Note: Fields, Angela	Amd 3 an extention to wholesale power agreement ?
3:13:08 PM	Atty Chandler AG - cross Fraley Note: Fields, Angela	EKPC has 2 plus billion in debt?
3:13:28 PM	Atty Chandler AG - cross Fraley Note: Fields, Angela	How long has Grayson been a member of EKPC?
3:13:47 PM	Atty Chandler AG - cross Fraley Note: Fields, Angela	Grayson has been there from the outset?
3:14:12 PM	Atty Royse EKPC - cross Fraley Note: Fields, Angela	Is it true that any approval of the PPA may have a direct impact on the price that Grayson pays for wholesale power?
3:14:57 PM	Atty Royse EKPC - cross Fraley Note: Fields, Angela	Did your board authorize Grayson to intevenein this case?
3:17:02 PM	Atty Royse EKPC - cross Fraley Note: Fields, Angela	Iis that Ggrayson's position in this case is that they still get their 15%?
3:18:06 PM	Atty Royse EKPC - cross Fraley Note: Fields, Angela	Your position is your eletion in 2012 that election still applies and you still get the 15%?
3:18:47 PM	Atty Royse EKPC - cross Fraley Note: Fields, Angela	Then you will only take your 5%?
3:19:28 PM	Atty Royse EKPC - cross Fraley Note: Fields, Angela	The board of Grayson to state it's position in this matter. if others approved will only take 5% or do you still want the 15%?
3:20:15 PM	Atty Royse EKPC - cross Fraley Note: Fields, Angela	Did you file direct testimony in this case?
3:20:40 PM	Atty Royse EKPC - cross Fraley Note: Fields, Angela	Pg 7 .in your direct testimony
3:22:00 PM	Atty Royse EKPC - cross Fraley Note: Fields, Angela	Did Grayson agree to extend the terms of the loans with RUS, Did Grayson agree to that?
3:22:25 PM	Atty Royse EKPC - cross Fraley Note: Fields, Angela	What did it take to get it said and done?
3:24:00 PM	Atty Royse EKPC - cross Fraley Note: Fields, Angela	They did want that in there if they were going to agree with the extension?
3:24:27 PM	Atty Royse EKPC - cross Fraley Note: Fields, Angela	15% for SKY is how many mws? 58 right?
3:25:25 PM	Atty Royse EKPC - cross Fraley Note: Fields, Angela	Would Grayson be fine if everyone got 5%?
3:28:01 PM	Atty Royse EKPC - cross Fraley Note: Fields, Angela	Your board's view you need to think abt the impact on both of those
3:28:30 PM	Atty Royse EKPC - cross Fraley Note: Fields, Angela	What about the board room? Have there been a lot of improvement in the board room?
3:29:04 PM	Atty Royse EKPC - cross Fraley Note: Fields, Angela	Generaly you and board are supportive of the recommendation from the Liberty Report?
3:29:36 PM	Atty Royse EKPC - cross Fraley Note: Fields, Angela	What is Grayson's equity position in EKPC now vs eight yrs ago?
3:30:04 PM	Atty Royse EKPC - cross Fraley Note: Fields, Angela	I heard counsel about the 500 million cushion of credit. Can you explain Grayson's opinion about that credit?

3:32:04 PM	Atty Royse EKPC - cross Fraley Note: Fields, Angela	Did you hear Mr. Campbell go to the board and ask for capital credits and they told him to not come back until he got 20%. Are you okay with the board's decision on that?
3:33:33 PM	Atty Royse EKPC - cross Fraley Note: Fields, Angela	They would pass it on to you...your owners?
3:33:52 PM	Atty Royse EKPC - cross Fraley Note: Fields, Angela	Do you have a position on whether sky will get to that 20% threshold?
3:35:11 PM	Atty Royse EKPC - cross Fraley Note: Fields, Angela	Who is your biggest consumer of electric customer?
3:37:00 PM	Atty Royse EKPC - cross Fraley Note: Fields, Angela	pg 6, liene 97 of your testimony
3:39:35 PM	Atty Royse EKPC - cross Fraley Note: Fields, Angela	But how does that workout for SKY?
3:39:56 PM	Atty Royse EKPC - cross Fraley Note: Fields, Angela	What is Grayson's best idea for making all this happen?
3:40:54 PM	Atty Royse EKPC - cross Fraley Note: Fields, Angela	Any explanation to the commission since 2003 why this has not been figured out?
3:42:01 PM	Atty Grover SKY - cross Fraley Note: Fields, Angela	If they can avoid impact to other folks then you wouldn't object?
3:42:49 PM	Atty Grover SKY - cross Fraley Note: Fields, Angela	Do you think.as part of that solution some intention to SKY and what motivated it in the first place?
3:43:46 PM	Atty Grover SKY - cross Fraley Note: Fields, Angela	That is why you want those consequences mitigated?
3:45:58 PM	Atty Vinsel PSC - cross Fraley Note: Fields, Angela	It is going to pend the commissions to the ground?
3:46:27 PM	Atty Vinsel PSC - cross Fraley Note: Fields, Angela	If the numbers didn't add up, why sign the MOU?
3:48:05 PM	VC Cicero Note: Fields, Angela	Have you seen Wolfram's numbers for Grayson on cost shifting?
3:48:50 PM	VC Cicero Note: Fields, Angela	What is the cost shifting number that will go to Grayson?
3:50:19 PM	VC Cicero Note: Fields, Angela	332 thousand is an known estimate. You felt it would be good for some of the coops go outside EKPC ... costs would trickle down to the smaller coops?
3:56:32 PM	VC Cicero Note: Fields, Angela	Has anyone at Grayson done any analysis about whether this is a good or bad position to be in?
3:58:02 PM	VC Cicero Note: Fields, Angela	SKY has determined shifting cost is beneficial to them regardless, because EKPC will be made whole and it doesn't matter to them. whether MOU is valid and a contract that should be entered into and a fair, just and reasonable to the rest of the members?
4:00:20 PM	Atty Scott Grayson - redirect Fraley Note: Fields, Angela	Wasn't Grayson the last coop to sign the MOU?
4:01:03 PM	Atty Scott Grayson - redirect Fraley Note: Fields, Angela	Under what circumstance was the MOU ?
4:01:58 PM	Atty Scott Grayson - redirect Fraley Note: Fields, Angela	Was there a meeting at which EKPCs lawyer was present
4:02:23 PM	Atty Scott Grayson - redirect Fraley Note: Fields, Angela	Was was the conclusion of the case?

4:02:46 PM	Atty Scott Grayson - redirect Fraley Note: Fields, Angela	If the commission determines in the framework that this petition should be granted will this create?
4:03:28 PM	witness excused	
4:03:52 PM	BREAK	
4:04:03 PM	Session Paused	
4:18:43 PM	Session Resumed	
4:18:56 PM	Atty Crawford Owen - cross Stallons Note: Fields, Angela Note: Fields, Angela Note: Fields, Angela	State your name, occupation and address. have your testimony, line 20, ...read ... name, address employer...
4:21:18 PM	Atty Cook AG - cross Stallon Note: Fields, Angela	Testimony at page 6.
4:22:17 PM	Atty Cook AG - cross Stallons Note: Fields, Angela	EKPC and the members knew this day was coming because Amd. 3 was not perfect.
4:23:25 PM	Atty Cook AG - cross Stallons Note: Fields, Angela	Agree this is the same situation as Grayson happening again?
4:24:51 PM	Atty Cook AG - cross Stallons Note: Fields, Angela	The MOU sat stale for a few years, what brought people to the forefront to get people to take action?
4:26:14 PM	Atty Cook AG - cross Stallons Note: Fields, Angela	Policy 305, what year was that put in action?
4:26:30 PM	Atty Cook AG - cross Stallons Note: Fields, Angela	Owen has filed as a defensive Amd 3 election. if the commission should rule against SKY does that mean Owen would not follow through?
4:28:02 PM	Atty Cook AG - cross Stallons Note: Fields, Angela	Looking at a wolfram's table. it looks like his estimate, Owen would receive over 3 million in shifted costs, is that correct?
4:29:20 PM	Atty Cook AG - cross Stallons Note: Fields, Angela	Have you or anyone in Owen had conversations with anyone from Nucor about this?
4:31:40 PM	Atty Cook AG - cross Stallons Note: Fields, Angela	Are you aware generally in the news about Pres. Trump enacting tariffs on Chinese-made steel?
4:33:05 PM	Atty Cook AG - cross Stallons Note: Fields, Angela	It is safe to say a big energy consumer is going to want to know if their utility provider is pretty savvy in the way of energy.
4:35:17 PM	Atty Cook AG - cross Stallons Note: Fields, Angela	What kind of metrics are desired?
4:35:35 PM	Atty Royse EKPC - cross Stallons Note: Fields, Angela	Is Owen one of the larger coops in regards to its load?
4:36:10 PM	Atty Royse EKPC - cross Stallons Note: Fields, Angela	Does how your board strives to fulfill those same principles?
4:36:43 PM	Atty Oswald Jackson - cross Stallons Note: Fields, Angela	Does Owen have any projects right from which they buy power from outside the system?
4:39:10 PM	Atty Oswald Jackson - cross Stallons Note: Fields, Angela	Does Owen have any other small distributive generative projects?
4:41:17 PM	Atty Oswald Jackson - cross Stallons Note: Fields, Angela	Heard Jackson ect has projects, do you know of any other coops doing small small distributive generative projects?

4:42:46 PM	Atty Oswald Jackson - cross Stallons Note: Fields, Angela	Is it unusual for a generation and transmission utility to allow a partial contract?
4:45:18 PM	Atty Oswald Jackson - cross Stallons Note: Fields, Angela	If this commission deny SKY application would be in favor to still have the ability to move forward with smaller distributive generative projects?
4:46:45 PM	Atty Oswald Jackson - cross Stallons Note: Fields, Angela	You would still like the flexibility to consider those projects?
4:48:31 PM	Atty Oswald Jackson - cross Stallons Note: Fields, Angela	What is the difference between the SKY proposal vs the smaller projects?
4:53:25 PM	Chairman Schmitt Note: Fields, Angela	Can we move on with this?
4:54:02 PM	Atty Oswald Jackson - cross Stallons Note: Fields, Angela	Given the issue is on the commission's mind, do mind if the commission is open to hearing it what your ideas are?
4:54:52 PM	Chairman Schmitt Note: Fields, Angela	comments
4:55:25 PM	Atty Grover SKY - cross Stallons Note: Fields, Angela	During the MOU development This all started in 2011-2012?
4:56:11 PM	Atty Grover SKY - cross Stallons Note: Fields, Angela	Was Owen one of the small group of coops who wanted a 15% election?
4:57:31 PM	Atty Grover SKY - cross Stallons Note: Fields, Angela	Was that your board's decision?
4:58:00 PM	Atty Vinsel PSC cross Stallon Note: Fields, Angela	Why sign the MOU? Was it we need to just sign it and move on?
4:59:20 PM	Atty Miller Note: Fields, Angela	Comments about remaining witnesses
5:00:14 PM	Atty Crawford Note: Fields, Angela	Comments re: few others you may want to hear from.
5:01:35 PM	Chairman Schmitt Note: Fields, Angela	Let's talk to witness about their testimony.
5:02:07 PM	BREAK	
5:02:11 PM	Session Paused	
5:13:31 PM	Session Resumed	
5:13:47 PM	Atty Miller Note: Fields, Angela	Discussion about witnesses.
5:14:23 PM	Atty Hubbard Note: Fields, Angela	Salt river witnesses views. Came neutral to the process.
5:15:00 PM	Atty Crawford Note: Fields, Angela	Owen has no other witnesses.
5:15:19 PM	Atty Grover Note: Fields, Angela	SKY comments about witness?
5:15:45 PM	EXHIBIT SKY 10 and 11 admitted Note: Fields, Angela	Entered by Chairman. Additional comments about exhibits.
5:17:24 PM	Session Paused	
5:17:34 PM	Session Resumed	
5:17:41 PM	Hearing adjourned	
5:17:52 PM	Session Paused	
5:19:07 PM	Session Ended	

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