

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

|  |   |            |
|--|---|------------|
| ELECTRONIC EXAMINATION OF THE APPLICATION OF | ) |            |
| THE FUEL ADJUSTMENT CLAUSE OF DUKE ENERGY    | ) | CASE NO.   |
| KENTUCKY, INC. FROM NOVEMBER 1, 2016 THROUGH | ) | 2019-00006 |
| OCTOBER 31, 2018                             | ) |            |

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 April 16, 2019 in this proceeding;
- Certification of the accuracy and correctness of the digital video recording;
- A written log listing, *inter alia*, the date and time of where each witness' testimony begins and ends on the digital video recording of the evidentiary hearing conducted on April 16, 2019.


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:

[http://psc.ky.gov/av\\_broadcast/2019-00002-thru-00007/2019-00002-thru-00007\\_16Apr19\\_Inter.asx](http://psc.ky.gov/av_broadcast/2019-00002-thru-00007/2019-00002-thru-00007_16Apr19_Inter.asx).

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

Done at Frankfort, Kentucky, this 6<sup>th</sup> day of May 2019.

A handwritten signature in cursive script that reads "Gwen R. Pinson".

---

Gwen R. Pinson  
Executive Director  
Public Service Commission of Kentucky

Kristen Ryan  
Senior Paralegal  
Duke Energy Kentucky, Inc.  
139 East Fourth Street  
Cincinnati, OH 45201

Duke Energy Kentucky, Inc.  
139 East Fourth Street  
Cincinnati, OH 45202

Rocco O D'Ascenzo  
Duke Energy Kentucky, Inc.  
139 East Fourth Street  
Cincinnati, OH 45201

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:


|                                      |   |            |
|--------------------------------------|---|------------|
| ELECTRONIC EXAMINATION OF THE        | ) |            |
| APPLICATION OF THE FUEL ADJUSTMENT   | ) | CASE NO.   |
| CLAUSE OF DUKE ENERGY KENTUCKY, INC. | ) | 2019-00006 |
| FROM NOVEMBER 1, 2016 THROUGH        | ) |            |
| OCTOBER 31, 2018                     | ) |            |

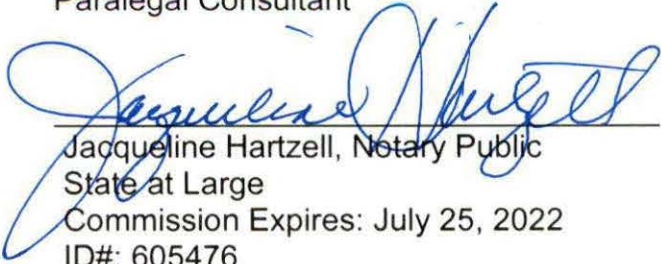
CERTIFICATION

I, KaBrenda L. Warfield, hereby certify that:

1. The attached DVD contains a digital recording of the Hearing conducted in the above-styled proceeding on April 16, 2019. Hearing Log and Witness List are included with the recording on April 16, 2019.
2. I am responsible for the preparation of the digital recording;
3. The digital recording accurately and correctly depicts the Hearing of April 16, 2019.
4. The Hearing Log attached to this Certificate accurately and correctly states the events that occurred at the Hearing of April 16, 2019 and the time at which each occurred.

Signed this 2<sup>nd</sup> day of May, 2019.

  
KaBrenda L. Warfield, CKP  
Paralegal Consultant

  
Jacqueline Hartzell, Notary Public  
State at Large  
Commission Expires: July 25, 2022  
ID#: 605476





FUEL ADJUSTMENT CLAUSE HEARINGS

| Date:     | Type:                  | Location:      | Department:           |
|-----------|------------------------|----------------|-----------------------|
| 4/16/2019 | Fuel Adjustment Clause | Hearing Room 1 | Hearing Room 1 (HR 1) |

Judge: Bob Cicero; Michael Schmitt  
 Witness: Delbert Billiter; Chris Bradley; Jason Burden; Michelle Carpenter; Nicholas Castlen; Theodore Czupik; Michael Drake; Mark Eacret; Ronald Gregory; Roger Hickman; Mark Horn; Amy Jeffries; Craig Johnson; Mark McAdams; David Mell; Brett Phipps; Derek Rahn; Douglas Rosenberger; Charles Schram; Isacc Scott; Clinton Stutler; John Swez; Julia Tucker; John Verderame; Stuart Wilson; Ranie Wohnhas  
 Clerk: KaBrenda Warfield

| Event Time | Log Event   |   |
|------------|---|---|
| 8:36:49 AM | Session Started   |   |
| 8:36:52 AM | Session Paused  |   |
| 8:58:11 AM | Session Resumed   |   |
| 8:58:12 AM | Vice Chairman Cicero<br>Note: Fields, Angela  | Vice Chairman Cicero stating preliminary remarks and introduction of Chairman Schmitt.  |
| 8:59:34 AM | CASE NO. 2019-00002 KENTUCKY POWER COMPANY (KENTUCKY POWER)<br>Note: Fields, Angela<br><br>Note: Fields, Angela<br>Note: Fields, Angela | There are no interveners for this case so would Counsel please identify himself and any witnesses for the record.<br>COUNSEL: Mark R. Overstreet<br>WITNESSES: Amy E. Jeffries, Clinton M. Stutler, David L. Mell, Ranie K. Wohnhas, Douglas J. Rosenberger |
| 9:00:32 AM | Vice Chairman Cicero<br>Note: Fields, Angela  | So Kentucky Power has a confidentiality petition motion pending so we'll rule on that in the next couple of days. And the record reflects that the affidavit of compliance and notice to the public have been given. Correct?                               |
| 9:00:54 AM | Vice Chairman Cicero<br>Note: Fields, Angela  | I have to check and see if anybody from the public is here that would like to speak on the record regarding this?   |
| 9:01:01 AM | Vice Chairman Cicero<br>Note: Fields, Angela  | Having seen none, we will swear the witnesses in.   |
| 9:01:07 AM | Vice Chairman Cicero<br>Note: Fields, Angela  | Swearing witnesses in.  |
| 9:01:20 AM | Vice Chairman Cicero<br>Note: Fields, Angela  | Mr. Overstreet you may begin.   |
| 9:01:22 AM | Atty Overstreet Kentucky Power - witness Jeffries<br>Note: Fields, Angela   | Direct Examination.   |
| 9:01:56 AM | Atty Overstreet Kentucky Power - witness Wohnhas<br>Note: Fields, Angela  | Direct Examination.   |
| 9:02:04 AM | Camera Lock PTZ Activated   |   |
| 9:02:34 AM | Atty Overstreet Kentucky Power - witness Stutler<br>Note: Fields, Angela  | Direct Examination.   |
| 9:03:09 AM | Atty Overstreet Kentucky Power - witness Rosenberger<br>Note: Fields, Angela  | Direct Examination.   |
| 9:03:43 AM | Atty Overstreet Kentucky Power - witness Mell<br>Note: Fields, Angela   | Direct Examination.   |
| 9:04:15 AM | Atty Overstreet Kentucky Power<br>Note: Fields, Angela  | We have nothing else your honour.   |

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| 9:04:17 AM | Vice Chairman Cicero<br>Note: Fields, Angela                          | Staff would you identify yourself and anybody that you have with you?   |
| 9:04:17 AM | Camera Lock Deactivated   |   |
| 9:04:29 AM | Vice Chairman Cicero<br>Note: Fields, Angela                          | Thank you do you have any questions for the witnesses?  |
| 9:04:32 AM | GC Pinney PSC - witness Kentucky Power<br>Note: Fields, Angela        | Cross Examination.  |
| 9:08:59 AM | GC Pinney PSC - witness Kentucky Power<br>Note: Fields, Angela        | No further questions your honour.   |
| 9:09:00 AM | Vice Chairman Cicero<br>Note: Fields, Angela                          | Chairman Schmitt?   |
| 9:09:03 AM | Vice Chairman Cicero - witness Kentucky Power<br>Note: Fields, Angela | I would like to stay on his line of questioning a little bit about the severance tax.   |
| 9:09:09 AM | Vice Chairman Cicero - witness Kentucky Power<br>Note: Fields, Angela | West Virginia is going to cut theirs from 5 to 3?   |
| 9:09:13 AM | Vice Chairman Cicero - witness Kentucky Power<br>Note: Fields, Angela | Do you expect that to impact your purchasing policies or ??   |
| 9:09:42 AM | Vice Chairman Cicero - witness Kentucky Power<br>Note: Fields, Angela | The bids you say are transparent to you?  |
| 9:09:54 AM | Vice Chairman Cicero - witness Kentucky Power<br>Note: Fields, Angela | If your policy was to have that severance tax broken out would it make a difference?  |
| 9:10:18 AM | Vice Chairman Cicero - witness Kentucky Power<br>Note: Fields, Angela | Well here's were I am going with it [click on the link for Vice Chairman Cicero's remarks.]   |
| 9:10:33 AM | Vice Chairman Cicero - witness Kentucky Power<br>Note: Fields, Angela | Would that be a fair assessment?  |
| 9:10:36 AM | Vice Chairman Cicero - witness Kentucky Power<br>Note: Fields, Angela | So if you actually had your bids reflect a transparency were it includes [click on the link for Vice Chairman Cicero's remarks.]  |
| 9:11:39 AM | Vice Chairman Cicero - witness Kentucky Power<br>Note: Fields, Angela | You're familiar that yesterday there was a new revised reg, I don't know if you do or not?  |
| 9:11:49 AM | Vice Chairman Cicero - witness Kentucky Power<br>Note: Fields, Angela | So this is kind of a, you know, in your face the next day [click on the link for Vice Chairman Cicero's remarks.]   |
| 9:12:45 AM | Camera Lock PTZ Activated   |   |
| 9:12:46 AM | Vice Chairman Cicero - witness Kentucky Power<br>Note: Fields, Angela | The only other thing I had was on this socialization, but this Green Hat that PJM. Has PJM given any kind of direction as far as what they are saying they think that the utilities should do with this clause? |
| 9:12:53 AM | Camera Lock Deactivated   |   |
| 9:13:33 AM | Vice Chairman Cicero - witness Kentucky Power<br>Note: Fields, Angela | So in a sense this is premature as well? [Click on the link for Vice Chairman Cicero's remarks.]  |
| 9:13:46 AM | Vice Chairman Cicero - witness Kentucky Power<br>Note: Fields, Angela | This could be a pasture to the rate payers for a mistake that was made?   |
| 9:14:14 AM | Vice Chairman Cicero - witness Kentucky Power<br>Note: Fields, Angela | So I am not really sure how we do this but [click on the link for Vice Chairman Cicero's remarks.]  |

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| 9:14:45 AM | Vice Chairman Cicero - witness Kentucky Power<br>Note: Fields, Angela   | I don't have any other questions.  |
| 9:14:48 AM | Atty Overstreet Kentucky Power<br>Note: Fields, Angela  | No redirect your honour.   |
| 9:14:51 AM | Vice Chairman Cicero<br>Note: Fields, Angela  | Any other questions?   |
| 9:14:56 AM | Vice Chairman Cicero<br>Note: Fields, Angela  | Well then I guess then this is adjourned.  |
| 9:15:00 AM | Vice Chairman Cicero<br>Note: Fields, Angela  | Yes you may be.  |
| 9:15:23 AM | CASE NO. 2019-00003 EAST KENTUCKY POWER COMPANY (EAST KENTUCKY)<br>Note: Fields, Angela<br>Note: Fields, Angela<br><br>Note: Fields, Angela | COUNSEL: David Samford<br>WITNESSES: Mark Horn, Julia J. Tucker, Michelle K. Carpenter, Craig Johnson, Isaac S. Scott<br>There are no interveners for this case so would Counsel please identify himself and any witnesses for the record. |
| 9:16:19 AM | Vice Chairman Cicero<br>Note: Fields, Angela  | So East Kentucky Power has a confidentiality petition motion pending so we'll rule on that in the next couple of days. And the record reflects that the affidavit of compliance and notice to the public have been given. Correct?         |
| 9:16:37 AM | Vice Chairman Cicero<br>Note: Fields, Angela  | Is there anyone from the public here that would like to make any comments regarding this case?   |
| 9:16:45 AM | Vice Chairman Cicero<br>Note: Fields, Angela  | Swearing witnesses in.   |
| 9:16:53 AM | Vice Chairman Cicero<br>Note: Fields, Angela  | Please be seated.  |
| 9:16:54 AM | Vice Chairman Cicero<br>Note: Fields, Angela  | Mr. Samford you may begin.   |
| 9:16:58 AM | Atty Samford East Kentucky - witness Horn<br>Note: Fields, Angela   | Direct Examination.  |
| 9:18:03 AM | Atty Samford East Kentucky - witness Johnson<br>Note: Fields, Angela  | Direct Examination.  |
| 9:19:16 AM | Atty Samford East Kentucky - witness Tucker<br>Note: Fields, Angela   | Direct Examination.  |
| 9:19:42 AM | Atty Samford East Kentucky - witness Carpenter<br>Note: Fields, Angela  | Direct Examination.  |
| 9:20:04 AM | Atty Samford East Kentucky - witness Scott<br>Note: Fields, Angela  | Direct Examination.  |
| 9:20:29 AM | Atty Samford East Kentucky<br>Note: Fields, Angela  | Your honour I tender the witnesses for cross examination.  |
| 9:20:31 AM | Vice Chairman Cicero<br>Note: Fields, Angela  | Would Staff identify themselves and anyone with them?  |
| 9:20:42 AM | Vice Chairman Cicero<br>Note: Fields, Angela  | Do you have any cross examination for the witnesses?   |
| 9:20:45 AM | Vice Chairman Cicero<br>Note: Fields, Angela  | Please proceed.  |
| 9:20:47 AM | GC Pinney PSC - witness East Kentucky<br>Note: Fields, Angela   | Cross Examination.   |
| 9:31:24 AM | Vice Chairman Cicero - witness East Kentucky<br>Note: Fields, Angela  | So can I ask a question on that?   |

9:31:27 AM Vice Chairman Cicero - witness East Kentucky  
Note: Fields, Angela So these indicators indicate coal and gas are both going up but purchase price going down?

9:32:01 AM Vice Chairman Cicero - witness East Kentucky  
Note: Fields, Angela I wouldn't either that's why I was kind of curious.

9:32:04 AM Vice Chairman Cicero - witness East Kentucky  
Note: Fields, Angela This is done from the budgeting and forecasting department at East Kentucky?

9:32:26 AM Vice Chairman Cicero - witness East Kentucky  
Note: Fields, Angela I don't know that I am going to ask for a Post Hearing Data Request on it but it does seem a little strange [click on link for Vice Chairman Cicero's remarks.]

9:33:44 AM Vice Chairman Cicero - witness East Kentucky  
Note: Fields, Angela In the future I would hope that [click on the link for Vice Chairman Cicero's remarks.]

9:34:30 AM Vice Chairman Cicero - witness East Kentucky  
Note: Fields, Angela I think the question had to do with [click on the link for Vice Chairman Cicero's remarks.]

9:35:06 AM Vice Chairman Cicero  
Note: Fields, Angela I'm sorry Mr. Pinney do you have any other questions?

9:35:12 AM Vice Chairman Cicero  
Note: Fields, Angela Sure go ahead.

9:35:14 AM GC Pinney PSC - witness East Kentucky  
Note: Fields, Angela Cross Examination Continued.

9:43:09 AM GC Pinney PSC - witness East Kentucky  
Note: Fields, Angela No further questions your honour.

9:43:12 AM Vice Chairman Cicero  
Note: Fields, Angela Chairman Schmitt?

9:43:14 AM Vice Chairman Cicero - witness East Kentucky  
Note: Fields, Angela I just have ugh without hopefully getting into the confidentiality portion of it. On the evaluated cost [click on link for Vice Chairman Cicero's remarks.]

9:43:29 AM Vice Chairman Cicero - witness East Kentucky  
Note: Fields, Angela Are those factors a scientific based number or are those East Kentucky Power's assigned values for those types of variables?

9:43:57 AM Vice Chairman Cicero - witness East Kentucky  
Note: Fields, Angela So they are your variables?

9:44:13 AM Vice Chairman Cicero - witness East Kentucky  
Note: Fields, Angela Since the evaluated cost is so important the values you assign to your variables have a huge impact on what that final evaluated cost is. Right?

9:44:29 AM Vice Chairman Cicero - witness East Kentucky  
Note: Fields, Angela What went in to determining the value of those variables?

9:44:50 AM Vice Chairman Cicero - witness East Kentucky  
Note: Fields, Angela Do we normally normally receive information on the evaluated cost when we go through this fuel adjustment clause process?

9:45:05 AM Vice Chairman Cicero - witness East Kentucky  
Note: Fields, Angela Do you provide the formula and the variables and their values in that?

9:45:19 AM Vice Chairman Cicero - witness East Kentucky  
Note: Fields, Angela Again I am going to pass on a Post Hearing Data Request, but probably in the future [click on the link for Vice Chairman Cicero's remarks.]

9:45:44 AM Vice Chairman Cicero - witness East Kentucky  
Note: Fields, Angela I don't have any other questions.



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| 9:45:47 AM | Vice Chairman Cicero<br>Note: Fields, Angela   | Mr. Samford do you?  |
| 9:45:50 AM | Vice Chairman Cicero<br>Note: Fields, Angela   | Any.   |
| 9:45:52 AM | Vice Chairman Cicero<br>Note: Fields, Angela   | Unless there are any other questions. I think that we are adjourned.   |
| 9:45:56 AM | Vice Chairman Cicero<br>Note: Fields, Angela   | You may be excused yes.  |
| 9:46:05 AM | CASE NO. 2019-00004 KENTUCKY UTILITIES (KU) AND CASE NO. 2019-00005 LOUISVILLE GAS AND ELECTRIC COMPANY (LG&E)<br>Note: Fields, Angela<br>Note: Fields, Angela<br>Note: Fields, Angela | COUNSEL: Allyson Sturgeon<br>There are no interveners for these cases so would Counsel please identify herself and any witnesses for the record.<br>WITNESSES: Delbert Billiter, Michael Drake, Derek Rahn, Charles Schram, Stuart A. Wilson |
| 9:47:06 AM | Vice Chairman Cicero<br>Note: Fields, Angela   | I understand that there is a confidentiality petition motion pending so we'll rule on that in the next couple of days. And the record reflects that the affidavit of compliance and notice to the public have been given. Correct?           |
| 9:47:22 AM | Vice Chairman Cicero<br>Note: Fields, Angela   | Is there anyone in the audience who would like to speak regarding these cases?   |
| 9:47:31 AM | Vice Chairman Cicero<br>Note: Fields, Angela   | Swearing witnesses in.   |
| 9:47:43 AM | Vice Chairman Cicero<br>Note: Fields, Angela   | Please be seated.  |
| 9:47:45 AM | Vice Chairman Cicero<br>Note: Fields, Angela   | Mrs. Sturgeon you may proceed.   |
| 9:47:58 AM | Atty. Sturgeon KU and LG&E - witness Billiter<br>Note: Fields, Angela  | Direct Examination.  |
| 9:48:24 AM | Atty. Sturgeon KU and LG&E - witness Rahn<br>Note: Fields, Angela  | Direct Examination.  |
| 9:48:49 AM | Atty. Sturgeon KU and LG&E - witness Drake<br>Note: Fields, Angela   | Direct Examination.  |
| 9:49:11 AM | Atty. Sturgeon KU and LG&E - witness Wilson<br>Note: Fields, Angela  | Direct Examination.  |
| 9:49:39 AM | Atty. Sturgeon KU and LG&E - witness Schram<br>Note: Fields, Angela  | Direct Examination.  |
| 9:50:01 AM | Atty. Sturgeon KU and LG&E - witness Schram<br>Note: Fields, Angela  | The witnesses are available for cross examination.   |
| 9:50:03 AM | Vice Chairman Cicero<br>Note: Fields, Angela   | Would Staff identify themselves and anyone with them?  |
| 9:50:15 AM | Vice Chairman Cicero<br>Note: Fields, Angela   | Thank you. Do you have any questions for the witnesses?  |
| 9:50:19 AM | Vice Chairman Cicero<br>Note: Fields, Angela   | Please proceed.  |
| 9:50:20 AM | GC Pinney PSC - witness KU and LG&E<br>Note: Fields, Angela  | Cross Examination.   |
| 9:53:17 AM | GC Pinney PSC - witness KU and LG&E<br>Note: Fields, Angela  | No further questions your honour.  |
| 9:53:19 AM | Vice Chairman Cicero<br>Note: Fields, Angela   | Chairman Schmitt?  |

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| 9:53:21 AM | Chairman Schmitt - witness KU and LG&E<br>Note: Fields, Angela                   | Have you had a chance to review the proposed regulation that was published yesterday?   |
| 9:53:38 AM | Chairman Schmitt - witness KU and LG&E<br>Note: Fields, Angela                   | The purpose of at least [click on the link for Chairman Schmitt's remarks.]   |
| 9:54:41 AM | Chairman Schmitt - witness KU and LG&E<br>Note: Fields, Angela                   | I have no further questions or statements.  |
| 9:54:44 AM | Vice Chairman Cicero<br>Note: Fields, Angela                                     | And that doesn't require a response on your part.   |
| 9:54:47 AM | Vice Chairman Cicero<br>Note: Fields, Angela                                     | I have no questions.  |
| 9:54:49 AM | Vice Chairman Cicero<br>Note: Fields, Angela                                     | Any cross?  |
| 9:54:51 AM | Vice Chairman Cicero<br>Note: Fields, Angela                                     | Mr. Pinney?   |
| 9:54:53 AM | Vice Chairman Cicero<br>Note: Fields, Angela                                     | And that being the case, then this case is adjourned.   |
| 9:54:56 AM | Vice Chairman Cicero<br>Note: Fields, Angela                                     | You may be excused.   |
| 9:55:00 AM | CASE NO. 2019-00006 DUKE ENERGY KENTUCKY (DUKE KENTUCKY)<br>Note: Fields, Angela | There are no interveners for this cases so would Counsel please identify herself and any witnesses for the record.  |
|            | Note: Fields, Angela   | COUNSEL: Allyson Honaker  |
|            | Note: Fields, Angela   | WITNESSES: John D. Swez, Brett Phipps, Theodore H. Czupik, John A. Verderame  |
| 9:55:56 AM | Vice Chairman Cicero<br>Note: Fields, Angela                                     | Duke Kentucky has a confidentiality petition motion pending so we'll rule on that in the next couple of days. And the record reflects that the affidavit of compliance and notice to the public have been given. Correct? |
| 9:56:09 AM | Vice Chairman Cicero<br>Note: Fields, Angela                                     | Is there anyone from the public that would like to make a comment regarding this case?  |
| 9:56:20 AM | Vice Chairman Cicero<br>Note: Fields, Angela                                     | Swearing witnesses in.  |
| 9:56:28 AM | Vice Chairman Cicero<br>Note: Fields, Angela                                     | Please be seated Mrs. Honaker you can proceed.  |
| 9:56:34 AM | Atty Honaker Duke Kentucky - witness Phipps<br>Note: Fields, Angela              | Direct Examination.   |
| 9:57:09 AM | Atty Honaker Duke Kentucky - witness Czupik<br>Note: Fields, Angela              | Direct Examination.   |
| 9:57:54 AM | Atty Honaker Duke Kentucky - witness Swez<br>Note: Fields, Angela                | Direct Examination.   |
| 9:58:26 AM | Atty Honaker Duke Kentucky - witness Verderame<br>Note: Fields, Angela           | Direct Examination.   |
| 9:58:53 AM | Atty Honaker Duke Kentucky<br>Note: Fields, Angela                               | The witnesses are available for cross.  |
| 9:58:56 AM | Vice Chairman Cicero<br>Note: Fields, Angela                                     | Would Staff please identify themselves and anyone with them?  |
| 9:59:06 AM | Vice Chairman Cicero<br>Note: Fields, Angela                                     | Mr. Pinney do you have some questions for the witnesses?  |
| 9:59:10 AM | Vice Chairman Cicero<br>Note: Fields, Angela                                     | Please proceed.   |

9:59:11 AM GC Pinney PSC - witness Duke Kentucky  
Note: Fields, Angela Cross Examination.

10:14:55 AM Vice Chairman Cicero - witness Duke Kentucky  
Note: Fields, Angela I'm going to interrupt for just one second I think that is why [click on the link for Vice Chairman Cicero's remarks.]

10:15:15 AM Vice Chairman Cicero - witness Duke Kentucky  
Note: Fields, Angela The question is why would you project a lower cost with all the other factors that you have just gone through?

10:16:23 AM Vice Chairman Cicero - witness Duke Kentucky  
Note: Fields, Angela So I am going to ask the same question that I asked in one of the prior hearings. As far as the evaluation cost go [click on the link for Vice Chairman Cicero's remarks.]

10:16:32 AM Vice Chairman Cicero - witness Duke Kentucky  
Note: Fields, Angela So you got a formula and I presume it is in a computer?

10:16:44 AM Vice Chairman Cicero - witness Duke Kentucky  
Note: Fields, Angela So in the output from the inputs are they evaluated for reasonableness? Because I mean [click on the link for Vice Chairman Cicero's remarks.]

10:17:37 AM Vice Chairman Cicero - witness Duke Kentucky  
Note: Fields, Angela Doesn't that seem strange?

10:18:05 AM Vice Chairman Cicero - witness Duke Kentucky  
Note: Fields, Angela Unfortunately for you they are not here you are. So it is up to you to basically justify whether you believe it is valid or not and [click on link for Vice Chairman Cicero's remarks.]

10:18:38 AM POST HEARING DATA REQUEST  
Note: Fields, Angela Are you interested in finding out more about this?  
Note: Fields, Angela Vice Chairman Cicero - witness Duke Kentucky

10:20:02 AM Vice Chairman Cicero - witness Duke Kentucky  
Note: Fields, Angela And I would agree. And I am definitely not insinuating that the number is actually wrong [click on the link for Vice Chairman Cicero's remarks.]

10:21:26 AM Vice Chairman Cicero - witness Duke Kentucky  
Note: Fields, Angela I think thats an excellent answer and again if it is provided up front it saves some questions.

10:21:32 AM Vice Chairman Cicero - witness Duke Kentucky  
Note: Fields, Angela I'm sorry Mr. Pinney do you have more questions?

10:21:43 AM Vice Chairman Cicero  
Note: Fields, Angela Okay thank you. Chairman Schmitt?

10:21:50 AM GC Pinney PSC - witness Duke Kentucky  
Note: Fields, Angela Cross Examination Continued.

10:22:42 AM GC Pinney PSC - witness Duke Kentucky  
Note: Fields, Angela No further questions your honour.

10:22:46 AM Vice Chairman Cicero - witness Duke Kentucky  
Note: Fields, Angela I want to go back to the green hat situation here real quick. So Duke said that they passed through in July, August, and September cost associated with a green hat charge that came in through PJM. Is that correct? Two hundred and eighteen thousand.

10:23:12 AM Vice Chairman Cicero - witness Duke Kentucky  
Note: Fields, Angela So the total amount passed tho was two hundred and eighteen?

10:23:26 AM Vice Chairman Cicero - witness Duke Kentucky  
Note: Fields, Angela For the review period it is a hundred and ten. I am looking more at the process [click on the link for Vice Chairman Cicero's remarks.]

10:24:04 AM Vice Chairman Cicero - witness Duke Kentucky  
Note: Fields, Angela What did Duke use as the basis for deciding to pass anything through to rate payers?

|             |  |  |
|-------------|--|--|
| 10:24:38 AM | Vice Chairman Cicero - witness Duke Kentucky<br>Note: Fields, Angela   | So I think you indicated that it was thought that the exposure to PJM was four hundred million and it might be a hundred million now or somewhere in that range?   |
| 10:26:01 AM | Vice Chairman Cicero - witness Duke Kentucky<br>Note: Fields, Angela   | So it's a hundred and ten thousand for the period we are discussing jurisdictionally just for Kentucky was Duke hit with a much larger amount for all of its PJM territory?  |
| 10:26:26 AM | Vice Chairman Cicero - witness Duke Kentucky<br>Note: Fields, Angela   | And did you handle those all the same way as you did Kentucky? Passing through to rate payers?   |
| 10:26:33 AM | Vice Chairman Cicero - witness Duke Kentucky<br>Note: Fields, Angela   | And at this point you don't know because of the uncertainty what the future exposure could be because it is still unknown?   |
| 10:26:48 AM | Vice Chairman Cicero - witness Duke Kentucky<br>Note: Fields, Angela   | But the policy for Duke is going to be to process it the same way that you did for the one hundred and ten thousand that was passed through?   |
| 10:26:57 AM | Vice Chairman Cicero - witness Duke Kentucky<br>Note: Fields, Angela   | So if there was to be some more certainty that is established with this in the future those could be subject to change depending on how it is interpreted by all parties? The one hundred and ten thousand is what I am referring to. I don't know how that is going to work getting out of the two year review.   |
| 10:27:36 AM | Vice Chairman Cicero - witness Duke Kentucky<br>Note: Fields, Angela   | So how does Duke intend on handling those refunds that come through after the close of the two year period?  |
| 10:27:49 AM | Vice Chairman Cicero - witness Duke Kentucky<br>Note: Fields, Angela   | And I know. And I know when I first came to the Commission [click on the link for Vice Chairman Cicero's remarks.]   |
| 10:28:10 AM | Vice Chairman Cicero - witness Duke Kentucky<br>Note: Fields, Angela   | I don't have any other questions. Mrs. Honaker?  |
| 10:28:13 AM | Vice Chairman Cicero<br>Note: Fields, Angela   | Mr. Pinney?  |
| 10:28:15 AM | Vice Chairman Cicero<br>Note: Fields, Angela   | Chairman?  |
| 10:28:16 AM | Vice Chairman Cicero<br>Note: Fields, Angela   | I guess we are adjourned. You may be excused.  |
| 10:28:30 AM | CASE NO. 2019-00007 BIG RIVERS ELECTRIC CORPORATION (BIG RIVERS)<br>Note: Fields, Angela<br>Note: Fields, Angela<br><br>Note: Fields, Angela | COUNSEL: Tyson Kamuf<br>WITNESSES: Nicholas R. Castlen, Mark J. Eacret, Mark W. McAdams, Chris Bradley, Jason C. Burden, Ronald D. Gregory, Roger Hickman<br>There is one intervener for this case and that is KIUC. So would the Counsel for Big Rivers please identify himself and any witnesses for the record. |
| 10:29:54 AM | Vice Chairman Cicero<br>Note: Fields, Angela<br><br>Note: Fields, Angela   | And would the Counsel for KIUC please identify himself and any witnesses?<br>COUNSEL: Kurt Boehm   |
| 10:30:05 AM | Vice Chairman Schmitt<br>Note: Fields, Angela  | And as long as we are at it, would Counsel for Staff?  |

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| 10:30:16 AM | Vice Chairman Cicero<br>Note: Fields, Angela                       | Big Rivers has a confidentiality petition motion pending so we'll rule on that in the next couple of days. And the record reflects that the affidavit of compliance and notice to the public have been given. Correct? |
| 10:30:28 AM | Vice Chairman Cicero<br>Note: Fields, Angela                       | Okay let me ask one question for the public. Is there anybody from the public that is here to speak regarding this case?   |
| 10:30:35 AM | Vice Chairman Cicero<br>Note: Fields, Angela                       | Swearing witnesses in.   |
| 10:30:47 AM | Vice Chairman Cicero<br>Note: Fields, Angela                       | Please be seated. Mr. Kamuf you may proceed.   |
| 10:30:51 AM | Atty Kamuf Big Rivers - witness McAdams<br>Note: Fields, Angela    | Direct Examination.  |
| 10:32:46 AM | Atty Kamuf Big Rivers - witness Eacret<br>Note: Fields, Angela     | Direct Examination.  |
| 10:33:08 AM | Atty Kamuf Big Rivers - witness Castlen<br>Note: Fields, Angela    | Direct Examination.  |
| 10:33:37 AM | Atty Kamuf Big Rivers - witness Hickman<br>Note: Fields, Angela    | Direct Examination.  |
| 10:34:05 AM | Atty Kamuf Big Rivers - witness Gregory<br>Note: Fields, Angela    | Direct Examination.  |
| 10:34:36 AM | Atty Kamuf Big Rivers - witness Burden<br>Note: Fields, Angela     | Direct Examination.  |
| 10:35:00 AM | Atty Kamuf Big Rivers - witness Bradley<br>Note: Fields, Angela    | Direct Examination.  |
| 10:35:24 AM | Atty Kamuf Big Rivers<br>Note: Fields, Angela                      | Your honour the witnesses are available for cross examination.   |
| 10:35:28 AM | Vice Chairman Cicero<br>Note: Fields, Angela                       | Mr. Boehm do you have any questions?   |
| 10:35:29 AM | Atty Boehm KIUC- witness Big Rivers<br>Note: Fields, Angela        | Cross Examination.   |
| 10:43:20 AM | Atty Boehm KIUC- witness Big Rivers<br>Note: Fields, Angela        | Thank you. Those are all of the questions I have.  |
| 10:43:23 AM | Vice Chairman Cicero<br>Note: Fields, Angela                       | Mr. Pinney?  |
| 10:43:29 AM | GC Pinney PSC<br>Note: Fields, Angela                              | Good morning and just to clarify I'm not asking for testimony from Mr. Boehm [click on link for remarks.]  |
| 10:43:45 AM | GC Pinney PSC<br>Note: Fields, Angela                              | Is that an accurate statement from anybody?  |
| 10:43:48 AM | Atty Boehm KIUC<br>Note: Fields, Angela                            | I can address what KIUC's position is if that is fine with the Commission? [Click on link for remarks.]  |
| 10:44:23 AM | GC Pinney PSC - witness Big Rivers<br>Note: Fields, Angela         | Cross Examination.   |
| 10:50:10 AM | GC Pinney PSC - witness Big Rivers<br>Note: Fields, Angela         | Thank you all. No further questions your honour.   |
| 10:50:15 AM | Vice Chairman Cicero<br>Note: Fields, Angela                       | Chairman Schmitt?  |
| 10:50:17 AM | Vice Chairman Cicero<br>Note: Fields, Angela                       | I don't have any other questions. Any cross?   |
| 10:50:18 AM | Atty Kamuf Big Rivers - witness Big Rivers<br>Note: Fields, Angela | Redirect Examination.  |

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| 10:51:39 AM | Atty Kamuf Big Rivers<br>Note: Fields, Angela | That's all the qestions I have.  |
| 10:51:40 AM | Vice Chairman Cicero<br>Note: Fields, Angela  | Mr. Boehm?   |
| 10:51:42 AM | Vice Chairman Cicero<br>Note: Fields, Angela  | Mr. Pinney?  |
| 10:51:44 AM | Vice Chairman Cicero<br>Note: Fields, Angela  | Chairman?  |
| 10:51:45 AM | Vice Chairman Cicero<br>Note: Fields, Angela  | I think I missed a Post Hearing Data Request for the last one. There was none for this case right? |
| 10:51:52 AM | Vice Chairman Cicero<br>Note: Fields, Angela  | With that being the case is there any other business regarding this case?                          |
| 10:51:57 AM | Vice Chairman Cicero<br>Note: Fields, Angela  | Alright this case is adjourned. Thank you.   |
| 10:52:05 AM | Session Paused                                |  |
| 10:52:14 AM | Session Ended                                 |  |

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