

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

| | | |
|---|---|------------|
| ELECTRONIC APPLICATION OF KENTUCKY |) | |
| POWER COMPANY FOR (1) A GENERAL |) | |
| ADJUSTMENT OF ITS RATES FOR ELECTRIC |) | |
| SERVICE; (2) APPROVAL OF TARIFFS AND |) | |
| RIDERS; (3) APPROVAL OF ACCOUNTING |) | CASE NO. |
| PRACTICES TO ESTABLISH REGULATORY |) | 2020-00174 |
| ASSETS AND LIABILITIES; (4) APPROVAL OF A |) | |
| CERTIFICATE OF PUBLIC CONVENIENCE AND |) | |
| NECESSITY; AND (5) ALL OTHER REQUIRED |) | |
| APPROVALS AND RELIEF |) | |

NOTICE OF FILING

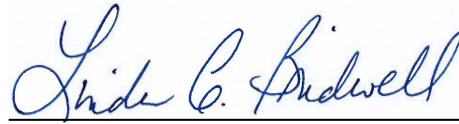
Notice is given to all parties that the following materials have been filed into the record of this proceeding:

- The digital video recording of the evidentiary hearing conducted on November 19, 2020 in this proceeding;
- Certification of the accuracy and correctness of the digital video recording;
- All exhibits introduced at the evidentiary hearing conducted on November 19, 2020 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 November 19, 2020.

A copy of this Notice, the certification of the digital video record, and hearing log have been 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://youtu.be/L876nIN1ph4>.

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

Done at Frankfort, Kentucky, this 8th day of March 2021.



Linda C. Bridwell
Executive Director
Public Service Commission of Kentucky

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF KENTUCKY)
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SERVICE; (2) APPROVAL OF TARIFFS AND)
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CERTIFICATE OF PUBLIC CONVENIENCE AND)
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APPROVALS AND RELIEF)

CASE NO.
2020-00174

CERTIFICATION

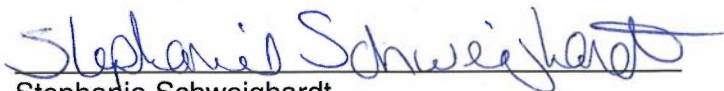
I, Candace H. Sacre, hereby certify that:

1. The attached DVD contains a digital recording of the Formal Hearing conducted in the above-styled proceeding on November 19, 2020. The Formal Hearing Log, Exhibits, and Exhibit List are included with the recording on November 19, 2020;
2. I am responsible for the preparation of the digital recording;
3. The digital recording accurately and correctly depicts the Formal Hearing of November 19, 2020; and
4. The Formal Hearing Log attached to this Certificate accurately and correctly states the events that occurred at the Formal Hearing of November 19, 2020, and the time at which each occurred.

Signed this 21st day of January, 2021.



Candace H. Sacre
Administrative Specialist III



Stephanie Schweighardt
Notary Public State at Large ID#: 614400
Commission Expires: January 14, 2023



| Date: | Type: | Location: | Department: |
|------------|--------------------------------|----------------|-----------------------|
| 11/19/2020 | Public Hearing\Public Comments | Hearing Room 1 | Hearing Room 1 (HR 1) |

Witness: Scott E. Bishop; Andrew R. Carlin; Jaclyn N. Cost; Dana Horton; Kimberly K. Kaiser; Allyson M. Keaton; Adrien M. McKenzie; Franz D. Messner; Jason M. Stegall
 Judge: Kent Chandler; Talina Mathews; Michael Schmit
 Clerk: Candace Sacre

| Event Time | Log Event |
|------------|--|
| 9:01:30 AM | Session Started |
| 9:01:32 AM | Chairman Schmitt Note: Sacre, Candace |
| | Back on the third day of Kentucky Power rate hearing. Everyone present? |
| 9:01:46 AM | Video Conference Activated |
| 9:02:00 AM | Chairman Schmitt Note: Sacre, Candace |
| | Mr. Wolffram, conducting direct Ms. Keaton? |
| 9:02:08 AM | Atty Wolffram Kentucky Power Note: Sacre, Candace |
| | Yes. |
| 9:02:10 AM | Chairman Schmitt Note: Sacre, Candace |
| | Everyone ready, next witness Allyson M. Keaton. Mr. Wolffram? |
| 9:02:16 AM | Camera Lock Video Conference Activated |
| 9:02:21 AM | Camera Lock Deactivated |
| 9:02:28 AM | Atty Wolffram Kentucky Power Note: Sacre, Candace |
| | Before started, administrative concern, Franklin County Ohio issued advisory stay-at-home order, appropriate allow witnesses be excused leave after testifying? Available couple hours notice. |
| 9:03:42 AM | Chairman Schmitt Note: Sacre, Candace |
| | Be okay, let me ask Vice Chairman Chandler and Dr. Mathews. (Click on link for further comments.) |
| 9:05:51 AM | Chairman Schmitt Note: Sacre, Candace |
| | Witness is sworn. |
| 9:06:37 AM | Chairman Schmitt Note: Sacre, Candace |
| | Mr. Wolffram? |
| 9:06:42 AM | Atty Wolffram Kentucky Power - witness Keaton Note: Sacre, Candace |
| | Thank you. |
| 9:06:43 AM | Atty Wolffram Kentucky Power - witness Keaton Note: Sacre, Candace |
| | Direct Examination. Name, business address? |
| 9:06:54 AM | Atty Wolffram Kentucky Power - witness Keaton Note: Sacre, Candace |
| | Employed by whom, position? |
| 9:07:02 AM | Atty Wolffram Kentucky Power - witness Keaton Note: Sacre, Candace |
| | Filed direct testimony, rebuttal, discovery responses? |
| 9:07:10 AM | Atty Wolffram Kentucky Power - witness Keaton Note: Sacre, Candace |
| | Changes, modifications, corrections? |
| 9:07:16 AM | Atty Wolffram Kentucky Power - witness Keaton Note: Sacre, Candace |
| | Prepared by you, under direction? |
| 9:07:22 AM | Atty Wolffram Kentucky Power - witness Keaton Note: Sacre, Candace |
| | Ask questions presented, answers same? |
| 9:07:29 AM | Atty Wolffram Kentucky Power Note: Sacre, Candace |
| | Witness available. |

9:07:32 AM Chairman Schmitt
Note: Sacre, Candace Ms. Vinsel?

9:07:34 AM Asst Gen Counsel Vinsel PSC
Note: Sacre, Candace Yes.

9:07:36 AM Asst Gen Counsel Vinsel PSC - witness Keaton
Note: Sacre, Candace Cross Examination. AG/KIUC Second Data Request, Item 16, second sentence reference ADIT related net prepaid pension, OPEB contra assets included rate base, reading (Click on link fo further comments). Assets and contra assets, assets prepaid pension, prepaid OPEB, and ADIT related to that?

9:08:05 AM Camera Lock Video Conference Activated

9:09:54 AM Asst Gen Counsel Vinsel PSC - witness Keaton
Note: Sacre, Candace Second bucket contra assets, contra asset prepaid pension, prepaid OPEB, ADIT that bucket also?

9:10:12 AM Asst Gen Counsel Vinsel PSC - witness Keaton
Note: Sacre, Candace Allow two prepaid assets and ADIT, not make similar adjustment contra assets, skewing results?

9:11:09 AM Asst Gen Counsel Vinsel PSC - witness Keaton
Note: Sacre, Candace Blended state income tax, each state's tax rate weighted portion expense related to state? Blend tax rate, how?

9:12:53 AM Asst Gen Counsel Vinsel PSC - witness Keaton
Note: Sacre, Candace Say again?

9:13:28 AM Asst Gen Counsel Vinsel PSC - witness Keaton
Note: Sacre, Candace Rebuttal, incurs income tax liability, electricity sales Illinois Michigan, payroll West Virginia, property West Virginia, calculate blended rate considering apportionment, making calculation rate apportionment to create blended rate?

9:14:44 AM Asst Gen Counsel Vinsel PSC - witness Keaton
Note: Sacre, Candace Kentucky corporate income tax rate reduced, like federal, difference past years, but understand.

9:15:04 AM Asst Gen Counsel Vinsel PSC - witness Keaton
Note: Sacre, Candace Prepaid pension OPEB and ADIT, contra-assets excluded from rate base?

9:15:54 AM Asst Gen Counsel Vinsel PSC - witness Keaton
Note: Sacre, Candace Data Request referencing here or different request where corrected?

9:16:16 AM Asst Gen Counsel Vinsel PSC
Note: Sacre, Candace No further.

9:16:22 AM Chairman Schmitt
Note: Sacre, Candace Attorney General?

9:16:24 AM Camera Lock Deactivated

9:16:26 AM Asst Atty General Cook
Note: Sacre, Candace Yes.

9:16:27 AM Asst Atty General Cook - witness Keaton
Note: Sacre, Candace Cross Examination. Blended tax rate, not find specific orders Commission approved use blended state tax rate?

9:17:34 AM Asst Atty General Cook - witness Keaton
Note: Sacre, Candace Litigated rate case, no language expressly approved blended state tax rate?

9:17:51 AM Asst Atty General Cook - witness Keaton
Note: Sacre, Candace Commission be consistent, treat Kentucky Power same stand-alone purpose state same as federal income tax expense?

9:18:29 AM Asst Atty General Cook - witness Keaton
Note: Sacre, Candace Kentucky Power only, not include affiliates but bringing in other tax rates other states?

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| 9:19:03 AM | Asst Atty General Cook Note: Sacre, Candace | All questions. |
| 9:19:07 AM | Chairman Schmitt Note: Sacre, Candace | Mr. Kurtz? |
| 9:19:12 AM | Atty Kurtz KIUC Note: Sacre, Candace | No. |
| 9:19:16 AM | Chairman Schmitt Note: Sacre, Candace | Ms. Grundman? |
| 9:19:20 AM | Atty Grundman Walmart Note: Sacre, Candace | No. |
| 9:19:22 AM | Chairman Schmitt Note: Sacre, Candace | Mr. Spenard, Mr. Strobo? |
| 9:19:27 AM | Atty Spenard KYSEIA Note: Sacre, Candace | No. |
| 9:19:30 AM | Chairman Schmitt Note: Sacre, Candace | Mr. Fitzgerald? |
| 9:19:34 AM | Atty Fitzgerald Joint Intervenors Note: Sacre, Candace | No questions. |
| 9:19:38 AM | Chairman Schmitt Note: Sacre, Candace | Mr. Miller? |
| 9:19:42 AM | Atty Miller Sierra Club Note: Sacre, Candace | No. |
| 9:19:45 AM | Chairman Schmitt Note: Sacre, Candace | Mr. Frye? |
| 9:19:46 AM | Atty Frye SWVA Note: Sacre, Candace | No. |
| 9:19:49 AM | Chairman Schmitt Note: Sacre, Candace | Vice Chairman Chandler? |
| 9:19:52 AM | Vice Chairman Chandler Note: Sacre, Candace | Thank you. |
| 9:19:54 AM | Vice Chairman Chandler - witness Keaton Note: Sacre, Candace | Examination. Blended state tax rate, Michigan Illinois included electricity sales? |
| 9:20:15 AM | Vice Chairman Chandler - witness Keaton Note: Sacre, Candace | Explain. |
| 9:20:31 AM | Vice Chairman Chandler - witness Keaton Note: Sacre, Candace | Generation Michigan Kentucky Power using asset sell into PJM? |
| 9:20:52 AM | Vice Chairman Chandler - witness Keaton Note: Sacre, Candace | Kentucky Power incur Michigan sales tax electricity sales? |
| 9:21:12 AM | Vice Chairman Chandler - witness Keaton Note: Sacre, Candace | Also incurred Illinois sales tax activity in Illinois in test year? |
| 9:21:29 AM | Vice Chairman Chandler - witness Keaton Note: Sacre, Candace | State tax rate applies to sale of electricity, state sales tax applies to payroll? |
| 9:22:30 AM | Vice Chairman Chandler - witness Keaton Note: Sacre, Candace | Sales apply PJM, where energy sold, where energy produced? |
| 9:23:07 AM | Vice Chairman Chandler - witness Keaton Note: Sacre, Candace | Relationship between Kentucky Power Illinois Michigan relates sale electricity test year, sales going to PJM, how transactions occur, recommend Horton. Have given tax implications? |
| 9:24:16 AM | Vice Chairman Chandler - witness Keaton Note: Sacre, Candace | Who gave information where sales occurred, explain? |
| 9:24:50 AM | Vice Chairman Chandler Note: Sacre, Candace | Ask Wolfram additional witness answer? |

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| 9:25:00 AM | Chairman Schmitt Note: Sacre, Candace | Additional witness address subject? |
| 9:25:06 AM | Atty Wolffram Kentucky Power Note: Sacre, Candace | Witness Vaughan. |
| 9:25:36 AM | Vice Chairman Chandler - witness Keaton Note: Sacre, Candace | Blended state tax rate not just sales tax? |
| 9:26:02 AM | Vice Chairman Chandler - witness Keaton Note: Sacre, Candace | Payroll West Virginia, property West Virginia, sales Illinois Michigan portion test year? |
| 9:26:17 AM | Vice Chairman Chandler - witness Keaton Note: Sacre, Candace | Ms. Whitney or Mr. Vaughan? |
| 9:26:25 AM | Vice Chairman Chandler - witness Keaton Note: Sacre, Candace | Tell whether beyond test year sales those states? |
| 9:26:36 AM | Vice Chairman Chandler Note: Sacre, Candace | All have. |
| 9:26:40 AM | Chairman Schmitt Note: Sacre, Candace | Dr. Mathews? |
| 9:26:45 AM | Commissioner Mathews Note: Sacre, Candace | No, follow up. |
| 9:27:20 AM | Chairman Schmitt Note: Sacre, Candace | Mr. Wolffram? |
| 9:27:25 AM | Atty Wolffram Kentucky Power Note: Sacre, Candace | Couple. |
| 9:27:27 AM | Atty Wolffram Kentucky Power - witness Keaton Note: Sacre, Candace | Redirect Examination. Commission approval blended tax rate? |
| 9:27:45 AM | Atty Wolffram Kentucky Power - witness Keaton Note: Sacre, Candace | Blended tax rate included cost of service proceedings? |
| 9:27:54 AM | Atty Wolffram Kentucky Power - witness Keaton Note: Sacre, Candace | Commission approved cost of service, included blended tax rate? |
| 9:28:03 AM | Atty Wolffram Kentucky Power - witness Keaton Note: Sacre, Candace | Tax related incurred Illinois Michigan related Kentucky Power sales to PJM? |
| 9:28:34 AM | Atty Wolffram Kentucky Power - witness Keaton Note: Sacre, Candace | State tax apportionment rates included Kentucky Power schedules this case? |
| 9:28:48 AM | Atty Wolffram Kentucky Power Note: Sacre, Candace | No further. |
| 9:28:51 AM | Chairman Schmitt Note: Sacre, Candace | May step down. |
| 9:30:29 AM | Chairman Schmitt Note: Sacre, Candace | Mr. Wolffram? |
| 9:30:32 AM | Atty Wolffram Kentucky Power Note: Sacre, Candace | Kimberly Kaiser. |
| 9:30:38 AM | Chairman Schmitt Note: Sacre, Candace | Witness is sworn. |
| 9:30:49 AM | Chairman Schmitt Note: Sacre, Candace | Mr. Wolffram? |
| 9:30:51 AM | Atty Wolffram Kentucky Power Note: Sacre, Candace | Thank you. |
| 9:30:53 AM | Atty Wolffram Kentucky Power - witness Kaiser Note: Sacre, Candace | Direct Examination. Name, business address? |
| 9:31:03 AM | Atty Wolffram Kentucky Power - witness Kaiser Note: Sacre, Candace | By whom employed, position? |

9:31:13 AM Atty Wolffram Kentucky Power - witness Kaiser
Note: Sacre, Candace Filed direct, rebuttal, discovery responses?

9:31:20 AM Atty Wolffram Kentucky Power - witness Kaiser
Note: Sacre, Candace Changes, modifications, corrections?

9:31:54 AM Atty Wolffram Kentucky Power - witness Kaiser
Note: Sacre, Candace Additional?

9:32:00 AM Atty Wolffram Kentucky Power - witness Kaiser
Note: Sacre, Candace Ask same questions, answers same?

9:32:11 AM Atty Wolffram Kentucky Power - witness Kaiser
Note: Sacre, Candace Prepared by you, under supervision?

9:32:17 AM Atty Wolffram Kentucky Power
Note: Sacre, Candace Available for cross.

9:32:20 AM Chairman Schmitt
Note: Sacre, Candace Ms. Vinsel?

9:32:22 AM Asst Gen Counsel Vinsel PSC - witness Kaiser
Note: Sacre, Candace Cross Examination. 2017 rate case, defined benefit plan, not making payments both, defined ended 2000, benefits frozen 2010, following?

9:33:16 AM Asst Gen Counsel Vinsel PSC - witness Kaiser
Note: Sacre, Candace Still the case?

9:33:30 AM Asst Gen Counsel Vinsel PSC - witness Kaiser
Note: Sacre, Candace Carlin not here today?

9:33:41 AM Asst Gen Counsel Vinsel PSC - witness Kaiser
Note: Sacre, Candace Carlin witness list?

9:33:56 AM Asst Gen Counsel Vinsel PSC - witness Kaiser
Note: Sacre, Candace Testify incentive plans?

9:34:15 AM Asst Gen Counsel Vinsel PSC - witness Kaiser
Note: Sacre, Candace Walk through short-term incentive plan, long-term incentive plan, funding metrics, performance metrics.

9:34:31 AM Asst Gen Counsel Vinsel PSC - witness Kaiser
Note: Sacre, Candace 2019 v 2020, change. short-term incentive plan, breakout funding metrics between financial metrics and nonfinancial?

9:35:28 AM Asst Gen Counsel Vinsel PSC - witness Kaiser
Note: Sacre, Candace Strategic initiative, what that is?

9:36:07 AM Asst Gen Counsel Vinsel PSC - witness Kaiser
Note: Sacre, Candace Strategic initiative, nonfinancial or financial metrics?

9:36:26 AM Asst Gen Counsel Vinsel PSC - witness Kaiser
Note: Sacre, Candace Performance metrics breakout in 2019?

9:37:17 AM Asst Gen Counsel Vinsel PSC - witness Kaiser
Note: Sacre, Candace Long-term incentive plan, funding, breakout funding metrics 2019?

9:37:47 AM Asst Gen Counsel Vinsel PSC - witness Kaiser
Note: Sacre, Candace Performance metrics long-term incentive compensation?

9:38:20 AM Asst Gen Counsel Vinsel PSC - witness Kaiser
Note: Sacre, Candace 2020 funding long-term incentive plan?

9:39:39 AM Asst Gen Counsel Vinsel PSC
Note: Sacre, Candace All questions.

9:40:04 AM Chairman Schmitt
Note: Sacre, Candace Mr. Cook?

9:40:10 AM Asst Atty General Cook
Note: Sacre, Candace Yes.

9:40:13 AM Asst Atty General Cook - witness Kaiser
Note: Sacre, Candace Cross Examination. Total shareholders returns and earnings per share, financial performance metrics?

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| 9:40:51 AM | Asst Atty General Cook - witness Kaiser Note: Sacre, Candace | Test year, LTIP compensation paid performance share incentives and restricted stock units? |
| 9:41:10 AM | Asst Atty General Cook - witness Kaiser Note: Sacre, Candace | PSIs based combination AEPs earnings per share and target metrics total shareholder return? |
| 9:41:27 AM | Asst Atty General Cook - witness Kaiser Note: Sacre, Candace | Earnings per share and total shareholder return measures of AEP performance? |
| 9:41:43 AM | Asst Atty General Cook - witness Kaiser Note: Sacre, Candace | LTIP restricted stock unit incentive comp based on stock price of AEP grant date? |
| 9:41:58 AM | Asst Atty General Cook - witness Kaiser Note: Sacre, Candace | AEP stock price measure financial performance? |
| 9:42:13 AM | Asst Atty General Cook - witness Kaiser Note: Sacre, Candace | Purpose LTIP incentivize AEP executive management enhance sharehold value? |
| 9:43:23 AM | Asst Atty General Cook - witness Kaiser Note: Sacre, Candace | Incentive compensation plan award employees achieving targets, AEP earnings per share, operations/safety metrics? |
| 9:43:52 AM | Asst Atty General Cook - witness Kaiser Note: Sacre, Candace | Test year, included \$5.631 million incentive compensation, \$1.164 million LTIP expense and \$4.467 million ITP expense? |
| 9:44:23 AM | Asst Atty General Cook - witness Kaiser Note: Sacre, Candace | \$5.632 million grossed up bad debt and regulatory fees, total \$5.666 million? |
| 9:44:50 AM | Asst Atty General Cook - witness Kaiser Note: Sacre, Candace | Supplemental executive retirement program SERP, employees eligible SERP payments? |
| 9:45:20 AM | Asst Atty General Cook - witness Kaiser Note: Sacre, Candace | How determination made who participates? |
| 9:46:04 AM | Asst Atty General Cook - witness Kaiser Note: Sacre, Candace | Rebuttal, SERP part of market compentitive total rewards package? |
| 9:46:17 AM | Asst Atty General Cook - witness Kaiser Note: Sacre, Candace | SERP incurred attract, retain, reward highly-compensated employees? |
| 9:46:37 AM | Asst Atty General Cook - witness Kaiser Note: Sacre, Candace | Interests SERP recipients aligned with shareholder opposed to KPC ratepayers? |
| 9:46:59 AM | Asst Atty General Cook - witness Kaiser Note: Sacre, Candace | Rephrase, highly-compensated executives responsible for shareholder goals? |
| 9:47:23 AM | Asst Atty General Cook - witness Kaiser Note: Sacre, Candace | How company performs financially? |
| 9:47:37 AM | Asst Atty General Cook - witness Kaiser Note: Sacre, Candace | Line men/Line women not responsible those programs? |
| 9:48:07 AM | Asst Atty General Cook - witness Kaiser Note: Sacre, Candace | Company provide safe reliable service without recover SERP expense from ratepayers? |
| 9:48:38 AM | Asst Atty General Cook - witness Kaiser Note: Sacre, Candace | Pay all SERP wanted if shareholder expense? |
| 9:49:11 AM | Asst Atty General Cook - witness Kaiser Note: Sacre, Candace | Those eligible SERP also eligible defined benefit plan form of pension? |

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| 9:49:25 AM | Asst Atty General Cook - witness Kaiser Note: Sacre, Candace | Eligible SERP, also eligible participate 401(k)? |
| 9:49:39 AM | Asst Atty General Cook - witness Kaiser Note: Sacre, Candace | Portion 401(k) funded by employer? |
| 9:49:47 AM | Asst Atty General Cook - witness Kaiser Note: Sacre, Candace | SERP non-qualified retirement plan IRS purposes? |
| 9:49:58 AM | Asst Atty General Cook - witness Kaiser Note: Sacre, Candace | SERP defined benefit or defined contribution plan? |
| 9:50:21 AM | Asst Atty General Cook - witness Kaiser Note: Sacre, Candace | For AEP, SERP defined benefit or defined contribution plan? |
| 9:50:33 AM | Asst Atty General Cook - witness Kaiser Note: Sacre, Candace | Not defined contribution plan? |
| 9:50:52 AM | Asst Atty General Cook - witness Kaiser Note: Sacre, Candace | AEP consolidated federal tax return all operating companies? |
| 9:51:15 AM | Asst Atty General Cook - witness Kaiser Note: Sacre, Candace | AEP deduct SERP expense as business expense? |
| 9:51:30 AM | Asst Atty General Cook - witness Kaiser Note: Sacre, Candace | Surprise or not SERP expenses deducted? |
| 9:51:45 AM | Asst Atty General Cook - witness Kaiser Note: Sacre, Candace | Executives receive SERP have salary and benefits package monetary worth exceeds employees not receive SERP? |
| 9:52:15 AM | Asst Atty General Cook Note: Sacre, Candace | All questions. |
| 9:52:19 AM | Chairman Schmitt Note: Sacre, Candace | Intend ask Carlin clarify? (Click on link for further comments.) |
| 9:53:32 AM | Asst Gen Counsel Vinsel PSC Note: Sacre, Candace | Potential objection. |
| 9:53:51 AM | Atty Grundman Walmart Note: Sacre, Candace | Procedural question, witness order. (Click on link for further comments.) |
| 9:54:38 AM | Chairman Schmitt Note: Sacre, Candace | Good point, unless parties state want details, witness uable to testify, question is previous witness Keaton that Carlin provided info but not sign Responses to Data Requests. (Click on link for further comments.) |
| 9:55:50 AM | Atty Grundman Walmart Note: Sacre, Candace | Not strong objection, request future company better prepared. |
| 9:56:27 AM | Chairman Schmitt Note: Sacre, Candace | Agree, problem, not uncommon. Any other counsel opinion/objection? (Click on link for further comments.) |
| 10:00:17 AM | Chairman Schmitt Note: Sacre, Candace | Continue cross this witness and when Carlin and other witness be called. |
| 10:00:34 AM | Chairman Schmitt Note: Sacre, Candace | Mr. Kurtz? |
| 10:00:39 AM | Atty Kurtz KIUC Note: Sacre, Candace | No. |
| 10:00:44 AM | Chairman Schmitt Note: Sacre, Candace | Ms. Grundman? |
| 10:00:47 AM | Atty Grundman Walmart Note: Sacre, Candace | No. |
| 10:00:49 AM | Chairman Schmitt Note: Sacre, Candace | Mr. Spenard? Mr. Strobo? |

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| 10:00:54 AM | Atty Spenard KYSEIA Note: Sacre, Candace | No. |
| 10:00:56 AM | Chairman Schmitt Note: Sacre, Candace | Mr. Fitzgerald? |
| 10:01:06 AM | Atty Fitzgerald Joint Intervenors Note: Sacre, Candace | No, but clarify. (Click on link for further comments.) |
| 10:01:30 AM | Chairman Schmitt Note: Sacre, Candace | Mr. Miller? |
| 10:01:32 AM | Atty Miller Sierra Club Note: Sacre, Candace | No. |
| 10:01:34 AM | Chairman Schmitt Note: Sacre, Candace | Mr. Frye? |
| 10:01:36 AM | Atty Frye SWVA Note: Sacre, Candace | No. |
| 10:01:38 AM | Chairman Schmitt Note: Sacre, Candace | Vice Chairman Chandler? |
| 10:01:41 AM | Vice Chairman Chandler Note: Sacre, Candace | Yes. |
| 10:01:43 AM | Vice Chairman Chandler - witness Kaiser Note: Sacre, Candace | Examination. ICP, correct term one of plans? |
| 10:01:56 AM | Vice Chairman Chandler - witness Kaiser Note: Sacre, Candace | Short term plan, 2020 metrics, funding metric moved 100 percent EPS from previous 2019 10 percent safety, 20 percent strategic initiatives, 70 percent EPS? |
| 10:02:30 AM | Vice Chairman Chandler - witness Kaiser Note: Sacre, Candace | Who participates ICP? |
| 10:02:41 AM | Vice Chairman Chandler - witness Kaiser Note: Sacre, Candace | Performance measures, Table 3, rebuttal? |
| 10:02:53 AM | Vice Chairman Chandler - witness Kaiser Note: Sacre, Candace | What happens payouts to employees hit performance measures? |
| 10:04:24 AM | Vice Chairman Chandler - witness Kaiser Note: Sacre, Candace | Management unable hit EPS threshold, KPC operating Mattison and down hit performance measures, what get paid ICP? |
| 10:05:05 AM | Vice Chairman Chandler - witness Kaiser Note: Sacre, Candace | Agree KP assumed test year amount ICP payment recovered customers rates, management unable meet EPS thresholds funding, would be recovery of expenses company never incurs/pays out? |
| 10:06:08 AM | Vice Chairman Chandler - witness Kaiser Note: Sacre, Candace | Eight last ten years threshold met? |
| 10:06:20 AM | Vice Chairman Chandler - witness Kaiser Note: Sacre, Candace | EPS funding threshold met? |
| 10:06:42 AM | Vice Chairman Chandler - witness Kaiser Note: Sacre, Candace | Funding in excess, payment in excess? |
| 10:07:01 AM | Vice Chairman Chandler - witness Kaiser Note: Sacre, Candace | Rebuttal, Commission focus 2014 order, funding v performance measures? |
| 10:07:27 AM | Vice Chairman Chandler - witness Kaiser Note: Sacre, Candace | Applied to ICP? |
| 10:07:45 AM | Vice Chairman Chandler - witness Kaiser Note: Sacre, Candace | Why not apply to LTEP? |
| 10:08:00 AM | Vice Chairman Chandler - witness Kaiser Note: Sacre, Candace | Funding/performance same in LTEP? |

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| 10:08:14 AM | Vice Chairman Chandler - witness Note: Sacre, Candace | Kaiser Whether paid, performance measure, basis recovery of 90 percent ICP? |
| 10:08:43 AM | Vice Chairman Chandler - witness Note: Sacre, Candace | Kaiser Basis 2014 order language should not apply long-term incentive plan? |
| 10:09:27 AM | Vice Chairman Chandler - witness Note: Sacre, Candace | Kaiser Back to ICP, proposing 100 percent recovery or 2014 Commission order? |
| 10:09:39 AM | Vice Chairman Chandler - witness Note: Sacre, Candace | Kaiser Use order defend against portion denying based on funding, second part denied performance, proposing ignore second half Commission order? |
| 10:11:29 AM | Vice Chairman Chandler - witness Note: Sacre, Candace | Kaiser Asking Commission overturn precedent 2014 case? |
| 10:11:42 AM | Vice Chairman Chandler - witness Note: Sacre, Candace | Kaiser Commission 2014 said financial performance measures excluded for ratemaking? |
| 10:12:04 AM | Vice Chairman Chandler - witness Note: Sacre, Candace | Kaiser Proposing recover 100 percent? |
| 10:12:18 AM | Vice Chairman Chandler - witness Note: Sacre, Candace | Kaiser Change funding/performance measures one and same on LTEP, change 2019 50 percent EPS and 50 percent total shareholder return, 2020 50 percent EPS, 10 percent non-emitting generation, and 40 percent TSR? |
| 10:12:51 AM | Vice Chairman Chandler - witness Note: Sacre, Candace | Kaiser What non-emitting generation performance measure? |
| 10:13:17 AM | Vice Chairman Chandler - witness Note: Sacre, Candace | Kaiser Carlin speak directly? |
| 10:13:25 AM | Vice Chairman Chandler - witness Note: Sacre, Candace | Kaiser Best person how metric measured? |
| 10:14:01 AM | Vice Chairman Chandler - witness Note: Sacre, Candace | Kaiser 2019 funding mechanism plan in record? |
| 10:14:25 AM | Vice Chairman Chandler - witness Note: Sacre, Candace | Kaiser Response to which party? |
| 10:15:04 AM | Vice Chairman Chandler - witness Note: Sacre, Candace | Kaiser AG/KIUC 1-25, strategic initiatives, how funded, how metric met in 2019? |
| 10:15:18 AM | Vice Chairman Chandler - witness Note: Sacre, Candace | Kaiser Why company in mid year 2020 changed funding mechanism ICP to 100 percent and took out 10 percent safety? |
| 10:17:05 AM | Vice Chairman Chandler - witness Note: Sacre, Candace | Kaiser CSRs, linemen, continuing to hit performance measures, continuing to do, overall fair compensation package regardless AEP not hit EPS people deserve not be paid? |
| 10:18:06 AM | Vice Chairman Chandler - witness Note: Sacre, Candace | Kaiser Calendar year basis, separate fiscal year? |
| 10:18:16 AM | Vice Chairman Chandler - witness Note: Sacre, Candace | Kaiser In May, AEP changed funding mechanism short-term incentive plan? |
| 10:18:31 AM | Vice Chairman Chandler Note: Sacre, Candace | Thank you. |
| 10:18:33 AM | Chairman Schmitt Note: Sacre, Candace | Dr. Mathews? |
| 10:18:36 AM | Commissioner Mathews Note: Sacre, Candace | Not have any. |

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| 10:18:38 AM | Chairman Schmitt Note: Sacre, Candace | Mr. Wolffram? |
| 10:18:42 AM | Atty Wolffram Kentucky Power Note: Sacre, Candace | Few. |
| 10:18:46 AM | Atty Wolffram Kentucky Power - witness Kaiser Note: Sacre, Candace | Redirect Examination. Company payout years earnings per share goal not met? |
| 10:19:09 AM | Atty Wolffram Kentucky Power - witness Kaiser Note: Sacre, Candace | Years EPS target not funded, short-term incentive funded to 1.0 target by shareholder funds? |
| 10:19:35 AM | Atty Wolffram Kentucky Power - witness Kaiser Note: Sacre, Candace | Two years in ten, 1.0 target EPS not met? |
| 10:19:50 AM | Atty Wolffram Kentucky Power - witness Kaiser Note: Sacre, Candace | True remaining 1.0 target funded by shareholder dollars? |
| 10:20:17 AM | Atty Wolffram Kentucky Power - witness Kaiser Note: Sacre, Candace | At least some contributed by shareholder funds? |
| 10:20:22 AM | Atty Wolffram Kentucky Power - witness Kaiser Note: Sacre, Candace | Discussion SERP tied to highly-compensated members? |
| 10:20:44 AM | Atty Wolffram Kentucky Power - witness Kaiser Note: Sacre, Candace | SERP expense above market competitive employee compensation? |
| 10:20:57 AM | Atty Wolffram Kentucky Power - witness Kaiser Note: Sacre, Candace | Why not in addition market competitive pay for those individuals? |
| 10:21:33 AM | Atty Wolffram Kentucky Power - witness Kaiser Note: Sacre, Candace | Funding mechanism v performance metric payout of STI, remember? |
| 10:22:00 AM | Atty Wolffram Kentucky Power - witness Kaiser Note: Sacre, Candace | 2014 rate case and order, remember? |
| 10:22:13 AM | Atty Wolffram Kentucky Power - witness Kaiser Note: Sacre, Candace | Order as relates STI only distinction performance metric v funding mechanism? |
| 10:22:24 AM | Atty Wolffram Kentucky Power - witness Kaiser Note: Sacre, Candace | LTEP expense treated in that case, excluded or included? |
| 10:22:43 AM | Atty Wolffram Kentucky Power Note: Sacre, Candace | No further. |
| 10:22:45 AM | Chairman Schmitt Note: Sacre, Candace | Morning break, after Carlin presented for cross, recess until 20 minutes until 11 o'clock. |
| 10:23:37 AM | Session Paused | |
| 10:40:27 AM | Session Resumed | |
| 10:40:35 AM | Chairman Schmitt Note: Sacre, Candace | Back on record. Counsel for all parties here? |
| 10:43:22 AM | Chairman Schmitt Note: Sacre, Candace | Mr. Wolfram? |
| 10:43:31 AM | Atty Wolffram Kentucky Power Note: Sacre, Candace | Andy Carlin. |
| 10:43:36 AM | Chairman Schmitt Note: Sacre, Candace | Witness is sworn. |
| 10:43:43 AM | Camera Lock Deactivated | |
| 10:43:47 AM | Chairman Schmitt Note: Sacre, Candace | Procedural. (Click on link for further comments.) |
| 10:44:07 AM | Atty Wolffram Kentucky Power Note: Sacre, Candace | Yes. |
| 10:44:09 AM | Chairman Schmitt Note: Sacre, Candace | Ms. Vinsel? |

10:44:11 AM Asst Gen Counsel Vinsel PSC
Note: Sacre, Candace Yes.

10:44:13 AM Asst Gen Counsel Vinsel PSC - witness Carlin
Note: Sacre, Candace Cross Examination. Kentucky Power Response Staff Fourth, Item 10, PDF 197, retirement/security plan tandem 401(k) plan, sponsored you and Ms. Kaiser, 2017 rate case, testified, locked/frozen defined benefit program, recall?

10:44:27 AM Camera Lock Video Conference Activated

10:46:39 AM Asst Gen Counsel Vinsel PSC - witness Carlin
Note: Sacre, Candace Poviding matching funds to employees both plans?

10:47:16 AM Asst Gen Counsel Vinsel PSC - witness Carlin
Note: Sacre, Candace Commission adjustments utility paying both defined benefit, defined compensation plan?

10:48:28 AM Asst Gen Counsel Vinsel PSC - witness Carlin
Note: Sacre, Candace Staff submit post-hearing data requests clarifying information, ratepayers one retirement program, ratepayers not paying double dipping, ask questions to clarify.

10:49:56 AM POST-HEARING DATA REQUEST
Note: Sacre, Candace ASST GEN COUNSEL VINSEL PSC - WITNESS CARLIN
Note: Sacre, Candace CLARIFY DEFINED BENEFIT/DEFINED COMPENSATION PLANS

10:50:08 AM Chairman Schmitt
Note: Sacre, Candace Mr. Cook?

10:50:14 AM Asst Atty General Cook
Note: Sacre, Candace Yes.

10:50:16 AM Asst Atty General Cook - witness Carlin
Note: Sacre, Candace Cross Examination. Swirl, SERP is third swirl?

10:50:54 AM Asst Atty General Cook - witness Carlin
Note: Sacre, Candace AEP ten swirls if chose follows Commission guidelines ratepayers pay for?

10:51:38 AM Asst Atty General Cook - witness Carlin
Note: Sacre, Candace SERP non-qualified plan IRS?

10:51:47 AM Asst Atty General Cook - witness Carlin
Note: Sacre, Candace SERP structured as defined benefit plan or defined contribution plan?

10:52:21 AM Asst Atty General Cook - witness Carlin
Note: Sacre, Candace AEP and Kentucky Power, SERP defined benefit plan?

10:53:06 AM Asst Atty General Cook - witness Carlin
Note: Sacre, Candace AEP files consolidated federal tax return all operating companies, Kentucky Power?

10:53:21 AM Asst Atty General Cook - witness Carlin
Note: Sacre, Candace AEP deduct SERP expense as business expense?

10:53:34 AM Asst Gen Counsel Cook
Note: Sacre, Candace All questions.

10:53:40 AM Chairman Schmitt
Note: Sacre, Candace Mr. Kurtz?

10:53:45 AM Atty Kurtz KIUC
Note: Sacre, Candace Thank you.

10:53:46 AM Atty Kurtz KIUC - witness Carlin
Note: Sacre, Candace Cross Examination. Ten percent clean energy metric? Familiar with that?

10:53:48 AM Camera Lock Deactivated

10:55:20 AM Atty Kurtz KIUC - witness Carlin
Note: Sacre, Candace How long part of plan?

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| 10:55:27 AM | Atty Kurtz KIUC - witness Carlin Note: Sacre, Candace | Not do IRP part, financial incentive any AEP companies do solar self-build, solar PPAs opposed fossil fuel? |
| 10:56:59 AM | Atty Kurtz KIUC - witness Carlin Note: Sacre, Candace | If net present value solar self-build same market purchase meet capacity/energy needs, financial incentive solar? |
| 10:57:28 AM | Atty Kurtz KIUC - witness Carlin Note: Sacre, Candace | Market purchase PJM v solar PPA, financial incentive solar? |
| 10:58:19 AM | Atty Kurtz KIUC - witness Carlin Note: Sacre, Candace | Compound that, utility not earn profit margin/rate of return market purchase? |
| 10:59:11 AM | Atty Kurtz KIUC - witness Carlin Note: Sacre, Candace | How 10 percent clean energy metric correspond ESG metric? |
| 10:59:32 AM | Atty Wolfram Kentucky Power Note: Sacre, Candace | Object, outside scope. |
| 10:59:42 AM | Chairman Schmitt Note: Sacre, Candace | Allow to ask, witness must answer. |
| 10:59:55 AM | Atty Kurtz KIUC - witness Carlin Note: Sacre, Candace | Know ESG metric AEP implemented, know what ESG is? |
| 11:00:32 AM | Atty Kurtz KIUC - witness Carlin Note: Sacre, Candace | Ten percent of what, how much talking about? |
| 11:00:58 AM | Atty Kurtz KIUC - witness Carlin Note: Sacre, Candace | Not lot of money? |
| 11:01:08 AM | Atty Kurtz KIUC - witness Carlin Note: Sacre, Candace | \$40 million AEP-wide is what? |
| 11:01:44 AM | Atty Kurtz KIUC Note: Sacre, Candace | No further. |
| 11:01:51 AM | Chairman Schmitt Note: Sacre, Candace | Ms. Grundman? |
| 11:01:53 AM | Atty Grundman Walmart Note: Sacre, Candace | No. |
| 11:01:55 AM | Chairman Schmitt Note: Sacre, Candace | Mr. Spenard, Mr. Strobo? |
| 11:01:59 AM | Atty Spenard KYSEIA Note: Sacre, Candace | No. |
| 11:02:02 AM | Chairman Schmitt Note: Sacre, Candace | Mr. Fitzgerald? |
| 11:02:03 AM | Atty Fitzgerald Joint Intervenors Note: Sacre, Candace | No. |
| 11:02:06 AM | Chairman Schmitt Note: Sacre, Candace | Mr. Miller? |
| 11:02:07 AM | Atty Miller Sierra Club Note: Sacre, Candace | No. |
| 11:02:10 AM | Chairman Schmitt Note: Sacre, Candace | Mr. Frye? |
| 11:02:13 AM | Atty Frye SWVA Note: Sacre, Candace | No. |
| 11:02:16 AM | Chairman Schmitt Note: Sacre, Candace | Vice Chairman Chandler? |
| 11:02:17 AM | Vice Chairman Chandler Note: Sacre, Candace | Thank you. |
| 11:02:19 AM | Vice Chairman Chandler - witness Carlin Note: Sacre, Candace | Examination. Kentucky Power, AEP allocated to Kentucky Power contribute combined benefit and 401(k) matching concurrently? |

11:02:41 AM Vice Chaiman Chandler - witness Carlin
Note: Sacre, Candace Jan 18th Order 2017-00179. page 15?

11:03:16 AM Vice Chaiman Chandler - witness Carlin
Note: Sacre, Candace Savings Plan Expense?

11:03:23 AM Vice Chaiman Chandler - witness Carlin
Note: Sacre, Candace Read, start "In rebuttal," note citations initial testimony?

11:03:42 AM Vice Chaiman Chandler - witness Carlin
Note: Sacre, Candace Read, starting paragraph "In rebuttal." (Click on link for further comments.)

11:04:18 AM Vice Chaiman Chandler - witness Carlin
Note: Sacre, Candace Commission order in error?

11:04:34 AM Vice Chaiman Chandler - witness Carlin
Note: Sacre, Candace Fairly straight forward, Commission said Kentucky Power not contribute defined benefit plan and 401(k) matching at same time, just said Kentucky Power does do those things?

11:05:19 AM Vice Chaiman Chandler - witness Carlin
Note: Sacre, Candace Kentucky Power \$1,662,975 savings plan expense employees participate defined benefit plan and matching 401(k), see that?

11:05:50 AM Vice Chaiman Chandler - witness Carlin
Note: Sacre, Candace Goes on, AG proposed jurisdictional adjustment \$1,102,496 savings plan expense, see that?

11:05:55 AM Camera Lock Video Conference Activated

11:06:05 AM Vice Chaiman Chandler - witness Carlin
Note: Sacre, Candace Section you just read, reading. (Click on link for further comments.)

11:06:38 AM Vice Chairman Chandler - witness Carlin
Note: Sacre, Candace Page 16, end of section?

11:06:45 AM Vice Chaiman Chandler - witness Carlin
Note: Sacre, Candace Agree Kentucky Power does contribute both defined benefit and 401(k)?

11:07:07 AM Vice Chaiman Chandler - witness Carlin
Note: Sacre, Candace Staff asked data request amount included test year both costs to company, you or somebody else able provide?

11:07:13 AM POST-HEARING DATA REQUEST
Note: Sacre, Candace VICE CHAIRMAN CHANDLER - WITNESS CARLIN
Note: Sacre, Candace TOTAL COSTS INCLUDED IN TEST YEAR FOR DEFINED BENEFIT PLAN AND 401(k) MATCHING BENEFIT PLAN

11:07:27 AM Vice Chaiman Chandler - witness Carlin
Note: Sacre, Candace Please proceed.

11:08:40 AM Vice Chaiman Chandler - witness Carlin
Note: Sacre, Candace Clear have both, some employees have both, contribute both on behalf those employees?

11:08:53 AM Vice Chairman Chandler - witness Carlin
Note: Sacre, Candace Ask for amounts test year able provide contributions?

11:09:04 AM Vice Chaiman Chandler
Note: Sacre, Candace Thank you.

11:09:24 AM Chairman Schmitt
Note: Sacre, Candace Carlin witness information sales in Illinois Michigan or Vaughan?

11:09:45 AM Vice Chaiman Chandler
Note: Sacre, Candace Whitney or Vaughan.

11:09:52 AM Chairman Schmitt
Note: Sacre, Candace Dr. Mathews?

11:09:55 AM Commissioner Mathews
Note: Sacre, Candace Yes.

11:09:58 AM Commissioner Mathews - witness Carlin
Note: Sacre, Candace Examination. Ten percent clean energy goal, agree one of drivers lack economic development service territory?

11:10:29 AM Camera Lock Deactivated

11:10:47 AM Commissioner Mathews - witness Carlin
Note: Sacre, Candace Agree service territory economic downturn driven lack coal sales, closure mines coal industries?

11:11:21 AM Commissioner Mathews - witness Carlin
Note: Sacre, Candace \$40 million LTIP symbolic gesture?

11:11:53 AM Commissioner Mathews - witness Carlin
Note: Sacre, Candace Symbolism troubling customers service territory decrease in coal, providing long-term incentive pay for further degradation of coal industry?

11:13:31 AM Camera Lock Video Conference Activated

11:13:46 AM Camera Lock Deactivated

11:14:31 AM Camera Lock PTZ Activated

11:14:41 AM Commissioner Mathews - witness Carlin
Note: Sacre, Candace If due economics, not something needs incentivized, something do anyway?

11:15:09 AM Camera Lock Deactivated

11:15:18 AM Commissioner Mathews - witness Carlin
Note: Sacre, Candace Investment decision?

11:15:53 AM Commissioner Mathews - witness Carlin
Note: Sacre, Candace Believe Kentucky Power significant excess capacity, still true?

11:17:00 AM Commissioner Mathews - witness Carlin
Note: Sacre, Candace How incentive affect closing coal plant early?

11:17:51 AM Commissioner Mathews - witness Carlin
Note: Sacre, Candace Appropriate regulatory process, Commission have to approve closure coal plant?

11:18:04 AM Commissioner Mathes - witness Carlin
Note: Sacre, Candace Answer, we do not, deal with regulatory but KPSC not approve closure coal plant, not as stringent other states.

11:18:29 AM Camera Lock PTZ Activated

11:18:59 AM Commissioner Mathews - witness Carlin
Note: Sacre, Candace Respond, highlight symbolism.

11:19:43 AM Commissioner Mathews
Note: Sacre, Candace All.

11:19:45 AM Chairman Schmitt
Note: Sacre, Candace Asked Vinsel look Carlin rebuttal 2017, opportunity look at that? Reconcile rebuttal compared order.

11:19:53 AM Camera Lock Deactivated

11:20:27 AM Asst Gen Counsel Vinsel PSC
Note: Sacre, Candace Yes, not able complete review, questions not completed.,

11:20:37 AM Chairman Schmitt
Note: Sacre, Candace Recall. (Click on link for further comments.)

11:21:01 AM Chairman Schmitt
Note: Sacre, Candace Redirect?

11:21:05 AM Atty Wolfram Kentucky Power
Note: Sacre, Candace Few.

11:21:10 AM Atty Wolfram Kentucky Power - witness Carlin
Note: Sacre, Candace Redirect Examination. 10 percent renewable goal LTIP program, remember?

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| 11:21:22 AM | Atty Wolffram Kentucky Power - witness Carlin Note: Sacre, Candace | Ten percent goal only consideration determining whether invest clean energy program or closing existing coal and/or gas/combined cycle plants? |
| 11:22:17 AM | Atty Wolffram Kentucky Power - witness Carlin Note: Sacre, Candace | Implications of loss of coal jobs, remember? |
| 11:22:34 AM | Atty Wolffram Kentucky Power - witness Carlin Note: Sacre, Candace | Mitigation Kentucky Power taken to offset loss of coal? |
| 11:23:24 AM | Atty Wolffram Kentucky Power - witness Carlin Note: Sacre, Candace | Inclusion/exclusion SERP, compensation expenses? |
| 11:23:44 AM | Atty Wolffram Kentucky Power - witness Carlin Note: Sacre, Candace | Provide implications exclusion of incentive compensation practices pay employees market competitive levels of compensation? |
| 11:25:55 AM | Atty Wolffram Kentucky Power - witness Carlin Note: Sacre, Candace | No further. |
| 11:25:59 AM | Chairman Schmitt Note: Sacre, Candace | May step down. |
| 11:26:05 AM | Chairman Schmitt Note: Sacre, Candace | Bishop on before lunch. |
| 11:27:55 AM | Chairman Schmitt Note: Sacre, Candace | Next witness? |
| 11:28:17 AM | Chairman Schmitt Note: Sacre, Candace | Witness is sworn. |
| 11:28:28 AM | Chairman Schmitt Note: Sacre, Candace | May ask. |
| 11:28:32 AM | Atty Glass Kentucky Power - witness Bishop Note: Sacre, Candace | Direct Examination. Name, business address, employer? |
| 11:28:52 AM | Atty Glass Kentucky Power - witness Bishop Note: Sacre, Candace | Position? |
| 11:28:58 AM | Atty Glass Kentucky Power - witness Bishop Note: Sacre, Candace | Filed direct testimony, responses data requests? |
| 11:29:05 AM | Atty Glass Kentucky Power - witness Bishop Note: Sacre, Candace | Corrections? |
| 11:29:35 AM | Atty Glass Kentucky Power - witness Bishop Note: Sacre, Candace | Other? |
| 11:29:39 AM | Atty Glass Kentucky Power - witness Bishop Note: Sacre, Candace | Ask same questions, same answers? |
| 11:29:52 AM | Atty Glass Kentucky Power Note: Sacre, Candace | Available cross. |
| 11:29:54 AM | Chairman Schmitt Note: Sacre, Candace | Ms. Vinsel? |
| 11:29:56 AM | Asst Gen Counsel Vinsel PSC Note: Sacre, Candace | Yes. |
| 11:29:59 AM | Asst Gen Counsel Vinsel PSC - witness Bishop Note: Sacre, Candace | Cross Examination. Recover PJM billing bine item 1999 cost through fuel adjustment clause, allocating costs default GreenHat Energy, LLC? |
| 11:30:41 AM | Asst Gen Counsel Vinsel PSC - witness Bishop Note: Sacre, Candace | Kentucky Power allocated charges since mid-2018? |
| 11:30:57 AM | Asst Gen Counsel Vinsel PSC - witness Bishop Note: Sacre, Candace | Kentucky Power first allocated costs in mid-2018? |
| 11:31:24 AM | Asst Gen Counsel Vinsel PSC - witness Bishop Note: Sacre, Candace | Direct also discuss line item? |

11:31:34 AM Asst Gen Counsel Vinsel PSC - witness Bishop
Note: Sacre, Candace Speak direct testimony?

11:31:40 AM Asst Gen Counsel Vinsel PSC - witness Bishop
Note: Sacre, Candace Costs allocated through June 2021?

11:32:00 AM Asst Gen Counsel Vinsel PSC - witness Bishop
Note: Sacre, Candace Total collected since 2018 projected 2021 \$335,000?

11:32:36 AM Asst Gen Counsel Vinsel PSC - witness Bishop
Note: Sacre, Candace Include amount direct?

11:32:47 AM Asst Gen Counsel Vinsel PSC - witness Bishop
Note: Sacre, Candace Horton provided revised number?

11:33:04 AM Asst Gen Counsel Vinsel PSC - witness Bishop
Note: Sacre, Candace Direct, possible future costs through PJM billing line item 1999 in addition GreenHat default?

11:33:31 AM Asst Gen Counsel Vinsel PSC - witness Bishop
Note: Sacre, Candace Aware additional defaults, costs allocated Kentucky Power?

11:33:55 AM Asst Gen Counsel Vinsel PSC - witness Bishop
Note: Sacre, Candace Purpose not recover current GreenHat defaults but hedge against future defaults?

11:34:12 AM Asst Gen Counsel Vinsel PSC - witness Bishop
Note: Sacre, Candace Line item recovered customer part base rates?

11:34:27 AM Asst Gen Counsel Vinsel PSC - witness Bishop
Note: Sacre, Candace How recovering costs now?

11:34:59 AM Camera Lock Comm Staff Activated

11:35:18 AM Asst Gen Counsel Vinsel PSC - witness Bishop
Note: Sacre, Candace Responses to Data Requests EEI invoice?

11:35:47 AM Asst Gen Counsel Vinsel PSC - witness Bishop
Note: Sacre, Candace Staff 6th Request, Item 20, Kentucky Power allocated \$104,000 test period EEI invoice?

11:36:22 AM Asst Gen Counsel Vinsel PSC - witness Bishop
Note: Sacre, Candace Allocation based Kentucky Power percentage customers, electric revenues, owned capacity as compares entire AEP system?

11:36:47 AM Asst Gen Counsel Vinsel PSC - witness Bishop
Note: Sacre, Candace Of that, how much excluded rate base?

11:37:19 AM Asst Gen Counsel Vinsel PSC - witness Bishop
Note: Sacre, Candace Believe excluded not sure?

11:37:45 AM Asst Gen Counsel Vinsel PSC - witness Bishop
Note: Sacre, Candace Staff unable locate corresponding adjustment, unable to answer?

11:38:12 AM Asst Gen Counsel Vinsel PSC - witness Bishop
Note: Sacre, Candace Kentucky Power proposed modify terms/conditions service underground service, issue recovery cost differential overhead/underground facilities city required underground?

11:38:56 AM Asst Gen Counsel Vinsel PSC - witness Bishop
Note: Sacre, Candace Responses Data Request, Kentucky Power revised plans recover costs?

11:39:13 AM Asst Gen Counsel Vinsel PSC - witness Bishop
Note: Sacre, Candace Kentucky Power recover directly customers lived in city required underground facilities, data requests discussed collecting from municipal government, agree payment system?

11:39:39 AM Asst Gen Counsel Vinsel PSC - witness Bishop
Note: Sacre, Candace Not filed revised tariff, propose to revise?

11:40:42 AM Asst Gen Counsel Vinsel PSC - witness Bishop
Note: Sacre, Candace Kentucky Power made proposal revises tariff, filing revised tariff reflects revisions set forth data requests?

11:41:13 AM Asst Gen Counsel Vinsel PSC - witness Bishop
Note: Sacre, Candace Post-hearing data request, revised tariff.

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| 11:41:14 AM | POST-HEARING DATA REQUEST Note: Sacre, Candace | ASST GEN COUNSEL VINSEL PSC - WITNESS BISHOP |
| | Note: Sacre, Candace | REVISED TARIFF |
| 11:41:28 AM | Asst Gen Counsel Vinsel PSC - witness Bishop Note: Sacre, Candace | Asked, and submitted information non-recurring charges, in post-hearing data request, ask underlying cost calculations/clarifications. |
| 11:41:29 AM | POST-HEARING DATA REQUEST Note: Sacre, Candace | ASST GEN COUNSEL VINSEL PSC - WITNESS BISHOP |
| | Note: Sacre, Candace | NON-RECURRING CHARGES UNDERLYING COST CALCULATIONS/CLARIFICATIONS. |
| 11:41:54 AM | Asst Gen Counsel Vinsel PSC Note: Sacre, Candace | Check something in record? |
| 11:41:56 AM | Chairman Schmitt Note: Sacre, Candace | Yes. |
| 11:43:00 AM | Camera Lock PTZ Activated | |
| 11:43:18 AM | Asst Gen Counsel Vinsel PSC - witness Bishop Note: Sacre, Candace | Where adjustment EDI made, response AG/KIUC Second, Item 44, sponsor? |
| 11:43:24 AM | Camera Lock Comm Staff Activated | |
| 11:44:08 AM | Asst Gen Counsel Vinsel PSC - witness Bishop Note: Sacre, Candace | Question (a) AG asked identify where application "they" can be found, organizations to which Kentucky Power pays dues, response referred Application, Section 5, page 287, no adjustment indicate made, post-hearing data request provide exact location adjustment made, how much. |
| 11:44:09 AM | POST-HEARING DATA REQUEST Note: Sacre, Candace | ASST GEN COUNSEL VINSEL PSC - WITNESS BISHOP |
| | Note: Sacre, Candace | LOCATION OF ADJUSTMENT MADE FOR ORGANIZATIONS TO WHICH KENTUCKY POWER PAYS DUES |
| 11:45:06 AM | Asst Gen Counsel Vinsel PSC Note: Sacre, Candace | No further. |
| 11:45:10 AM | Chairman Schmitt Note: Sacre, Candace | Mr. West? |
| 11:45:13 AM | Camera Lock Deactivated | |
| 11:45:21 AM | Asst Atty General West Note: Sacre, Candace | No. |
| 11:45:24 AM | Chairman Schmitt Note: Sacre, Candace | Mr. Kurtz? |
| 11:45:26 AM | Atty Kurtz KIUC Note: Sacre, Candace | No. |
| 11:45:34 AM | Chairman Schmitt Note: Sacre, Candace | Ms. Grundman? |
| 11:45:41 AM | Chairman Schmitt Note: Sacre, Candace | Mr. Spenard? |
| 11:45:45 AM | Atty Spenard KYSEIA Note: Sacre, Candace | No. |
| 11:45:59 AM | Chairman Schmitt Note: Sacre, Candace | Mr. Fitzgerald? |
| 11:46:02 AM | Atty Fitzgerald Joint Intervenors Note: Sacre, Candace | Yes. |
| 11:46:17 AM | Atty Fitzgerald Joint Intervenors - witness Bishop Note: Sacre, Candace | Cross Examination. Familiar DSM? |
| 11:46:34 AM | Atty Fitzgerald Joint Intervenors - witness Bishop Note: Sacre, Candace | Used to work DSM program? |

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| 11:46:44 AM | Atty Fitzgerald Joint Intervenors - witness Bishop Note: Sacre, Candace | Explain purpose of energy efficiency or DSM program? |
| 11:47:04 AM | Atty Fitzgerald Joint Intervenors - witness Bishop Note: Sacre, Candace | Reduce their usage? |
| 11:47:07 AM | Atty Fitzgerald Joint Intervenors - witness Bishop Note: Sacre, Candace | Counterintuitive rate increase lost load, declining customer usage incentivize further reduction energy use, Kentucky Power compensated revenue lost due to DSM? |
| 11:47:38 AM | Atty Fitzgerald Joint Intervenors - witness Bishop Note: Sacre, Candace | How remain whole? |
| 11:47:45 AM | Atty Fitzgerald Joint Intervenors - witness Bishop Note: Sacre, Candace | DMS program available targeted energy efficiency program, weatherization/energy efficiency? |
| 11:48:02 AM | Atty Fitzgerald Joint Intervenors - witness Bishop Note: Sacre, Candace | Available residential electric heat use over 700 kw hours month, limited electric water heating more? |
| 11:48:21 AM | Atty Fitzgerald Joint Intervenors - witness Bishop Note: Sacre, Candace | How many served? |
| 11:48:33 AM | Atty Fitzgerald Joint Intervenors - witness Bishop Note: Sacre, Candace | Shareholders contribute, or cost paid by residential ratepayers? |
| 11:48:45 AM | Atty Fitzgerald Joint Intervenors - witness Bishop Note: Sacre, Candace | Monthly charge imposed all residential customers? |
| 11:48:56 AM | Atty Fitzgerald Joint Intervenors - witness Bishop Note: Sacre, Candace | Cost monthly for program? |
| 11:49:18 AM | Atty Fitzgerald Joint Intervenors - witness Bishop Note: Sacre, Candace | 29 cents be around there? |
| 11:49:26 AM | Chairman Schmitt Note: Sacre, Candace | 30 cents October, 30 cents DSM program. |
| 11:49:43 AM | Atty Fitzgerald Joint Intervenors - witness Bishop Note: Sacre, Candace | Nonparticipating customers using less energy subsidizing those participating, deriving benefits not available everybody? |
| 11:50:12 AM | Atty Fitzgerald Joint Intervenors - witness Bishop Note: Sacre, Candace | How Kentucky Power justify charging all residential programs socialize cost but only available targeted group? |
| 11:50:54 AM | Atty Fitzgerald Joint Intervenors - witness Bishop Note: Sacre, Candace | These programs, they don't but still paying? |
| 11:51:01 AM | Atty Fitzgerald Joint Intervenors - witness Bishop Note: Sacre, Candace | Not available everybody, everyone paying? |
| 11:51:14 AM | Atty Fitzgerald Joint Intervenors - witness Bishop Note: Sacre, Candace | Other benefits nonparticipating customers get having DSM program? |
| 11:51:52 AM | Atty Fitzgerald Joint Intervenors - witness Bishop Note: Sacre, Candace | Justification spreading cost of DSM, everybody benefits? |
| 11:52:11 AM | Atty Fitzgerald Joint Intervenors - witness Bishop Note: Sacre, Candace | Before spread, everybody access to most programs? |
| 11:52:54 AM | Atty Fitzgerald Joint Intervenors - witness Bishop Note: Sacre, Candace | Customer, EE/DSM or own energy efficiency, able cut usage, paying less fixed costs imbedded in rates? |
| 11:53:31 AM | Atty Fitzgerald Joint Intervenors - witness Bishop Note: Sacre, Candace | Energy charge also imbedded fixed costs? |
| 11:53:41 AM | Atty Fitzgerald Joint Intervenors - witness Bishop Note: Sacre, Candace | Using less electricity, paying less towards that than someone using more? |
| 11:53:50 AM | Atty Fitzgerald Joint Intervenors - witness Bishop Note: Sacre, Candace | Still charging both customers same? |

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| 11:54:18 AM | Atty Fitzgerald Joint Intervenors - witness Bishop Note: Sacre, Candace | Use less electricity, paying less fixed costs volumetric side? |
| 11:54:35 AM | Atty Fitzgerald Joint Intervenors - witness Bishop Note: Sacre, Candace | Use less, paying less that amount on volumetric side than somebody uses more? |
| 11:54:47 AM | Atty Fitzgerald Joint Intervenors - witness Bishop Note: Sacre, Candace | Not charging more efficient user to recover fixed costs? |
| 11:55:01 AM | Atty Fitzgerald Joint Intervenors Note: Sacre, Candace | Thank you. |
| 11:55:15 AM | Atty Miller Sierra Club Note: Sacre, Candace | No. |
| 11:55:20 AM | Chairman Schmitt Note: Sacre, Candace | Mr. Frye? |
| 11:55:22 AM | Atty Frye SWVA Note: Sacre, Candace | No. |
| 11:55:24 AM | Chairman Schmitt Note: Sacre, Candace | Vice Chairman Chandler? |
| 11:55:25 AM | Vice Chairman Chandler Note: Sacre, Candace | No. |
| 11:55:38 AM | Chairman Schmitt Note: Sacre, Candace | Dr. Mathews? |
| 11:55:41 AM | Commisioner Mathews Note: Sacre, Candace | Do not. |
| 11:55:44 AM | Chairman Schmitt Note: Sacre, Candace | Ms. Glass? |
| 11:55:50 AM | Atty Glass Kentucky Power Note: Sacre, Candace | I do. |
| 11:56:04 AM | Atty Glass Kentucky Power Note: Sacre, Candace | Thank you. |
| 11:56:06 AM | Atty Glass Kentucky Power - witness Bishop Note: Sacre, Candace | Redirect Examination. Kentucky Power not currently recovering GreenHat default charges? |
| 11:56:15 AM | Atty Glass Kentucky Power - witness Bishop Note: Sacre, Candace | Fuel-related cost of service? |
| 11:56:21 AM | Atty Glass Kentucky Power - witness Bishop Note: Sacre, Candace | Sought approval recover in 2017-00179 and denied? |
| 11:57:11 AM | Atty Glass Kentucky Power - witness Bishop Note: Sacre, Candace | Correct sought approval GreenHat default charges in 2017-00097 and was denied? |
| 11:57:25 AM | Atty Glass Kentucky Power - witness Bishop Note: Sacre, Candace | Filed request to defer charges future recovery 2020-00034, that was denied? |
| 11:57:38 AM | Atty Glass Kentucky Power - witness Bishop Note: Sacre, Candace | Not collecting through Taraiff FAC? |
| 11:57:44 AM | Atty Glass Kentucky Power - witness Bishop Note: Sacre, Candace | Not collecting through base rates? |
| 11:57:51 AM | Atty Glass Kentucky Power - witness Bishop Note: Sacre, Candace | EEI dues, addressed Witness West rebuttal? |
| 11:58:01 AM | Atty Glass Kentucky Power - witness Bishop Note: Sacre, Candace | Confirmed excluded from cost of service? |
| 11:58:08 AM | Atty Glass Kentucky Power - witness Bishop Note: Sacre, Candace | Can further discuss questions EEI dues? |

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| 11:58:17 AM | Atty Glass Kentucky Power - witness Bishop Note: Sacre, Candace | Regarding DSM program, approved statutory program, approved by PSC? |
| 11:58:38 AM | Atty Glass Kentucky Power - witness Bishop Note: Sacre, Candace | Statutory program governed Tariff 278.285, subsection E, Commission looks whether plan results in prejudice or disadvantage any class customers? |
| 11:59:08 AM | Atty Glass Kentucky Power Note: Sacre, Candace | All questions. |
| 11:59:12 AM | Chairman Schmitt Note: Sacre, Candace | May step down. |
| 11:59:15 AM | Chairman Schmitt Note: Sacre, Candace | Recess until 1 o'clock. |
| 11:59:26 AM | Session Paused | |
| 1:07:36 PM | Session Resumed | |
| 1:07:41 PM | Chairman Schmitt Note: Sacre, Candace | Back on record, procedural. (Click on link for further comments.) |
| 1:07:46 PM | Camera Lock Deactivated | |
| 1:09:00 PM | Chairman Schmitt Note: Sacre, Candace | Mr. Overstreet? |
| 1:09:11 PM | Atty Overstreet Kentucky Power Note: Sacre, Candace | Schedule, evening. (Click on link for further comments.) |
| 1:09:48 PM | Chairman Schmitt Note: Sacre, Candace | Ms. Vinsel? |
| 1:09:52 PM | Asst Gen Counsel Vinsel PSC Note: Sacre, Candace | Echo in room. (Click on link for further comments.) |
| 1:10:57 PM | Chairman Schmitt Note: Sacre, Candace | Mr. Overstreet, looking Carlin's testimony, page 15 , how drafted, not need Carlin testify again, resolved. |
| 1:11:45 PM | Atty Overstreet Kentucky Power Note: Sacre, Candace | Thank you. |
| 1:11:53 PM | Asst Gen Counsel Vinsel PSC Note: Sacre, Candace | Working on it. (Click on link for further comments.) |
| 1:18:24 PM | Chairman Schmitt Note: Sacre, Candace | Mr. Overstreet? |
| 1:18:29 PM | Atty Overstreet Kentucky Power Note: Sacre, Candace | Dana E. Horton. |
| 1:18:33 PM | Chairman Schmitt Note: Sacre, Candace | Witness is sworn. |
| 1:18:45 PM | Chairman Schmitt Note: Sacre, Candace | May ask. |
| 1:18:49 PM | Atty Overstreet Kentucky Power Note: Sacre, Candace | Thank you. |
| 1:18:51 PM | Atty Overstreet Kentucky Power - witness Horton Note: Sacre, Candace | Direct Examination. Name, employer, position? |
| 1:19:00 PM | Atty Overstreet Kentucky Power - witness Horton Note: Sacre, Candace | Position? |
| 1:19:07 PM | Atty Overstreet Kentucky Power - witness Horton Note: Sacre, Candace | Filed rebuttal testimony? |
| 1:19:13 PM | Atty Overstreet Kentucky Power - witness Horton Note: Sacre, Candace | Corrections, updates? |
| 1:19:18 PM | Atty Overstreet Kentucky Power - witness Horton Note: Sacre, Candace | Asked questions today, answers same? |

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| 1:19:30 PM | Atty Overstreet Kentucky Power Note: Sacre, Candace | Witness available. |
| 1:19:33 PM | Chairman Schmitt Note: Sacre, Candace | Ms. Vinsel? |
| 1:19:35 PM | Asst Gen Counsel Vinsel PSC Note: Sacre, Candace | No. |
| 1:19:37 PM | Chairman Schmitt Note: Sacre, Candace | Attorney General? |
| 1:19:41 PM | Asst Atty General West Note: Sacre, Candace | No. |
| 1:19:44 PM | Chairman Schmitt Note: Sacre, Candace | Mr. Kurtz? |
| 1:19:46 PM | Atty Kurtz KIUC Note: Sacre, Candace | No. |
| 1:19:48 PM | Chairman Schmitt Note: Sacre, Candace | Ms. Grundman? |
| 1:19:51 PM | Atty Grundman Walmart Note: Sacre, Candace | No. |
| 1:19:54 PM | Chairman Schmitt Note: Sacre, Candace | Mr. Spenard? Mr. Strobo? |
| 1:19:58 PM | Atty Spenard KYSEIA Note: Sacre, Candace | No. |
| 1:19:59 PM | Chairman Schmitt Note: Sacre, Candace | Mr. Fitzgerald? |
| 1:20:02 PM | Atty Fitzgerald Joint Intervenors Note: Sacre, Candace | No. |
| 1:20:04 PM | Chairman Schmitt Note: Sacre, Candace | Mr. Miller? |
| 1:20:08 PM | Atty Miller Sierra Club Note: Sacre, Candace | None. |
| 1:20:10 PM | Chairman Schmitt Note: Sacre, Candace | Mr. Frye? |
| 1:20:12 PM | Atty Frye SWVA Note: Sacre, Candace | No. |
| 1:20:14 PM | Chairman Schmitt Note: Sacre, Candace | Vice Chairman Chandler? |
| 1:20:16 PM | Vice Chairman Chandler Note: Sacre, Candace | Yes. |
| 1:20:18 PM | Vice Chairman Chandler - witness Horton Note: Sacre, Candace | Examination. Aware of FRR plan for PJM? |
| 1:20:33 PM | Vice Chairman Chandler - witness Horton Note: Sacre, Candace | Company FRR plan or single FRR plan entire AEP system? |
| 1:20:55 PM | Vice Chairman Chandler - witness Horton Note: Sacre, Candace | Appalachian, Kentucky Power, and I&M FRR entities PJM? |
| 1:21:09 PM | Vice Chairman Chandler - witness Horton Note: Sacre, Candace | Ohio Power not? |
| 1:21:15 PM | Vice Chairman Chandler - witness Horton Note: Sacre, Candace | IRM, internal reserve margin, companies meet IRM part of FRR plan? |
| 1:21:58 PM | Vice Chairman Chandler - witness Horton Note: Sacre, Candace | Part of FRR plan companies meet IRM some percentage? |
| 1:22:07 PM | Vice Chairman Chandler - witness Horton Note: Sacre, Candace | Approximately 15 percent? |

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| 1:22:17 PM | Vice Chairman Chandler - witness Horton Note: Sacre, Candace | Meet with generation UCAP basis? |
| 1:22:43 PM | Vice Chairman Chandler - witness Horton Note: Sacre, Candace | Instead installed capacity, capacity calculation unforced and forced outages, availability installed capacity? |
| 1:23:01 PM | Vice Chairman Chandler - witness Horton Note: Sacre, Candace | Carlin 10 percent funding ICPE plan related to incentive investment renewable energy? |
| 1:23:27 PM | Vice Chairman Chandler - witness Horton Note: Sacre, Candace | Renewable solar/wind nondispatchable energy? |
| 1:23:51 PM | Vice Chairman Chandler - witness Horton Note: Sacre, Candace | Produces when fuel, solar or wind, available? |
| 1:24:20 PM | Vice Chairman Chandler - witness Horton Note: Sacre, Candace | Solar power closer capacity sunny out, wind colder blows better night? |
| 1:24:58 PM | Vice Chairman Chandler - witness Horton Note: Sacre, Candace | Finalizing FRR plan, agree dedicated meeting capacity UCAP basis considering margin required by PJM on peak? |
| 1:25:39 PM | Vice Chairman Chandler - witness Horton Note: Sacre, Candace | FRR plan PJM peak rather than individual utilities? |
| 1:25:48 PM | Vice Chairman Chandler - witness Horton Note: Sacre, Candace | Kentucky Power conducts IRP? |
| 1:26:33 PM | Vice Chairman Chandler - witness Horton Note: Sacre, Candace | Rebuttal deals AEP participation PJM? |
| 1:26:54 PM | Vice Chairman Chandler - witness Horton Note: Sacre, Candace | Mix AEP operating companies/affiliates seek jurisdictional approval join PJM? |
| 1:27:29 PM | Vice Chairman Chandler - witness Horton Note: Sacre, Candace | Kentucky Power seek Commission approval join PJM? |
| 1:27:49 PM | Vice Chairman Chandler - witness Horton Note: Sacre, Candace | Following hearing two days? |
| 1:27:57 PM | Vice Chairman Chandler - witness Horton Note: Sacre, Candace | Asking Mattison 2017 order? |
| 1:29:04 PM | Camera Lock Video Conference Activated | |
| 1:29:46 PM | Vice Chairman Chandler - witness Horton Note: Sacre, Candace | 2017 order, aware concern by KPSC Kentucky Power participation in PJM not aligned with ratepayers but other affiliates? |
| 1:29:50 PM | Camera Lock Deactivated | |
| 1:30:18 PM | Vice Chairman Chandler - witness Horton Note: Sacre, Candace | Kentucky Power asked forge different path on particular issue PJM? |
| 1:31:02 PM | Vice Chairman Chandler - witness Horton Note: Sacre, Candace | Agree discuss in rebuttal power AEP or Kentucky Power have within PJM? |
| 1:31:36 PM | Vice Chairman Chandler - witness Horton Note: Sacre, Candace | Discuss second (inaudible)? |
| 1:31:44 PM | Vice Chairman Chandler - witness Horton Note: Sacre, Candace | MC members committee and MRC, markets reliability committee? |
| 1:32:01 PM | Vice Chairman Chandler - witness Horton Note: Sacre, Candace | MIC, markets implementation committee? |
| 1:32:07 PM | Vice Chairman Chandler - witness Horton Note: Sacre, Candace | OC, operating committee? |
| 1:32:10 PM | Vice Chairman Chandler - witness Horton Note: Sacre, Candace | PC, planning committee? |

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| 1:32:15 PM | Vice Chairman Chandler - witness Horton Note: Sacre, Candace | Two bigger committees, MC and MRC, then three primary subcommittees, PC OC MIC? |
| 1:32:41 PM | Vice Chairman Chandler - witness Horton Note: Sacre, Candace | Only members allowed vote MC and MRC? |
| 1:32:47 PM | Vice Chairman Chandler - witness Horton Note: Sacre, Candace | 1000 members? |
| 1:33:22 PM | Vice Chairman Chandler - witness Horton Note: Sacre, Candace | Kentucky Power, Ohio Power, Kentucky Transco, none get own vote MRC MC? |
| 1:33:51 PM | Vice Chairman Chandler - witness Horton Note: Sacre, Candace | Five sectors, each sector weighted, 3.67 to pass? |
| 1:34:06 PM | Vice Chairman Chandler - witness Horton Note: Sacre, Candace | Sector voting, AEP one of 14 of five sectors? |
| 1:34:32 PM | Vice Chairman Chandler - witness Horton Note: Sacre, Candace | Choice of sector, smallest number members, larger proportion votes at PJM? |
| 1:34:51 PM | Vice Chairman Chandler - witness Horton Note: Sacre, Candace | 14 transmission owners MC MRC sector largest proportion single entity? |
| 1:35:28 PM | Vice Chairman Chandler - witness Horton Note: Sacre, Candace | Vote been watered down? |
| 1:35:34 PM | Vice Chairman Chandler - witness Horton Note: Sacre, Candace | Lower committees, participate in all three? |
| 1:35:44 PM | Vice Chairman Chandler - witness Horton Note: Sacre, Candace | Vote behalf affiliates in subcommittees? |
| 1:35:50 PM | Vice Chairman Chandler - witness Horton Note: Sacre, Candace | Issues resolved bottom up? |
| 1:36:15 PM | Vice Chairman Chandler - witness Horton Note: Sacre, Candace | Proposals brought subcommittees, voted on, brought MRC MC? |
| 1:36:47 PM | Vice Chairman Chandler - witness Horton Note: Sacre, Candace | Consensus based CBIR process? |
| 1:36:55 PM | Vice Chairman Chandler - witness Horton Note: Sacre, Candace | Vote planning committee? |
| 1:37:10 PM | Vice Chairman Chandler - witness Horton Note: Sacre, Candace | How many votes cast ordinary planning committee proposal, about 100? |
| 1:37:39 PM | Vice Chairman Chandler - witness Horton Note: Sacre, Candace | Different affiliates, one-sixth of one-seventh votes case ordinary ballot? |
| 1:38:01 PM | Vice Chairman Chandler - witness Horton Note: Sacre, Candace | General case operating committee and MIC as well? |
| 1:38:47 PM | Vice Chairman Chandler - witness Horton Note: Sacre, Candace | Aware PJM related issues, transmission planning, big conversation last two, three years? |
| 1:39:32 PM | Vice Chairman Chandler - witness Horton Note: Sacre, Candace | Focused on end-of-life projects? |
| 1:39:41 PM | Vice Chairman Chandler - witness Horton Note: Sacre, Candace | AEP and other transmission owners filing at FERC end-of-life planning? |
| 1:39:57 PM | Vice Chairman Chandler - witness Horton Note: Sacre, Candace | Right reserved when joined? |
| 1:40:30 PM | Vice Chairman Chandler - witness Horton Note: Sacre, Candace | Understanding most members not have right file at FERC? |

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| 1:41:34 PM | Vice Chairman Chandler - witness Horton Note: Sacre, Candace | Joint Reliability Coordination Agreement PJM TVA recently brought TOAC? |
| 1:42:09 PM | Vice Chairman Chandler - witness Horton Note: Sacre, Candace | What TOAC is? |
| 1:42:41 PM | Vice Chairman Chandler - witness Horton Note: Sacre, Candace | TOAC reserve rights transmission planning/cost allocation after joining PJM? |
| 1:43:53 PM | Vice Chairman Chandler - witness Horton Note: Sacre, Candace | FTR market administered by PJM? |
| 1:43:59 PM | Vice Chairman Chandler - witness Horton Note: Sacre, Candace | In addition to energy market? |
| 1:44:03 PM | Vice Chairman Chandler - witness Horton Note: Sacre, Candace | Capacity market? |
| 1:44:07 PM | Vice Chairman Chandler - witness Horton Note: Sacre, Candace | Market for ancillary benefits? |
| 1:44:17 PM | Vice Chairman Chandler - witness Horton Note: Sacre, Candace | Any other markets? |
| 1:44:38 PM | Vice Chairman Chandler - witness Horton Note: Sacre, Candace | AEP Service Company AEPSC insofar Kentucky Power FTR markets, AEPSC entity has that involvement? |
| 1:45:07 PM | Vice Chairman Chandler - witness Horton Note: Sacre, Candace | Involvement changed following GreenHat default regard FTRs? |
| 1:46:13 PM | Vice Chairman Chandler - witness Horton Note: Sacre, Candace | At PJM, involvement increased since default GreenHat? |
| 1:46:28 PM | Vice Chairman Chandler - witness Horton Note: Sacre, Candace | Hired people address shortcomings, add additional manpower oversight/insight PJM rules? |
| 1:46:49 PM | Camera Lock Comm Staff Activated | |
| 1:47:09 PM | Vice Chairman Chandler - witness Horton Note: Sacre, Candace | FRMSTF, financial risk mitigation senior task force created coincidence/consequence GreenHat? |
| 1:47:24 PM | Vice Chairman Chandler - witness Horton Note: Sacre, Candace | Participating in meetings? |
| 1:47:29 PM | Vice Chairman Chandler - witness Horton Note: Sacre, Candace | Changed internal processes in response to GreenHat default? |
| 1:48:29 PM | Vice Chairman Chandler - witness Horton Note: Sacre, Candace | AEP changed participation PJM related to identify/address shortcomings rules/regulations PJM affect customers or participation since GreenHat default? |
| 1:49:09 PM | Vice Chairman Chandler - witness Horton Note: Sacre, Candace | Agree GreenHat default issue with PJM rules? |
| 1:49:21 PM | Vice Chairman Chandler - witness Horton Note: Sacre, Candace | Agree very few knew rules no good? |
| 1:49:44 PM | Vice Chairman Chandler - witness Horton Note: Sacre, Candace | AEP doing different ensure AEP able find/change rules at PJM no good? |
| 1:50:55 PM | Vice Chairman Chandler - witness Horton Note: Sacre, Candace | Maybe need be more in weeds, following closely, more resources, downside risk, occurred AEP level relates PJM since GreenHat default? |
| 1:51:25 PM | Vice Chairman Chandler Note: Sacre, Candace | Thank you. |
| 1:51:28 PM | Chairman Schmitt Note: Sacre, Candace | Dr. Mathews? |

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| 1:51:31 PM | Commissioner Mathews Note: Sacre, Candace | No. |
| 1:51:33 PM | Camera Lock Deactivated | |
| 1:51:34 PM | Chairman Schmitt Note: Sacre, Candace | Mr. Overstreet? |
| 1:51:38 PM | Atty Overstreet Kentucky Power Note: Sacre, Candace | Little bit. |
| 1:51:40 PM | Atty Overstreet Kentucky Power - witness Horton Note: Sacre, Candace | Redirect Examination. AEP oversight shortcomings PJM rules? |
| 1:52:11 PM | Atty Overstreet Kentucky Power - witness Horton Note: Sacre, Candace | Connection manner service corps participates PJM and monitors rules, service corps procedures allow company abreast of rules and act appropriately? |
| 1:53:38 PM | Atty Overstreet Kentucky Power - witness Horton Note: Sacre, Candace | Shortcomings AEP contributed to GreenHat default? |
| 1:54:37 PM | Atty Overstreet Kentucky Power - witness Horton Note: Sacre, Candace | Independent consultant lay blame? |
| 1:54:45 PM | Camera Lock Comm Staff Activated | |
| 1:55:13 PM | Atty Overstreet Kentucky Power - witness Horton Note: Sacre, Candace | Independent market monitor detect/report GreenHat issue? |
| 1:55:47 PM | Atty Overstreet Kentucky Power - witness Horton Note: Sacre, Candace | Two big committees sector voting? |
| 1:55:58 PM | Atty Overstreet Kentucky Power - witness Horton Note: Sacre, Candace | Which interest greatest sector voting power? |
| 1:57:34 PM | Atty Overstreet Kentucky Power - witness Horton Note: Sacre, Candace | AEP single vote? |
| 1:57:49 PM | Atty Overstreet Kentucky Power - witness Horton Note: Sacre, Candace | Discussion Kentucky Power becoming own transmission zone? |
| 1:58:46 PM | Atty Overstreet Kentucky Power - witness Horton Note: Sacre, Candace | FirstEnergy operating companies different zones? |
| 1:59:14 PM | Chairman Schmitt Note: Sacre, Candace | Step down. |
| 1:59:21 PM | Atty Overstreet Kentucky Power Note: Sacre, Candace | Jason Stegall. |
| 1:59:35 PM | Chairman Schmitt Note: Sacre, Candace | Witness is sworn. |
| 1:59:42 PM | Camera Lock Deactivated | |
| 1:59:55 PM | Chairman Schmitt Note: Sacre, Candace | Ms. Glass? |
| 2:01:00 PM | Atty Glass Kentucky Power - witness Stegall Note: Sacre, Candace | Direct Examination. Name, business address, employer? |
| 2:01:17 PM | Atty Glass Kentucky Power - witness Stegall Note: Sacre, Candace | Position? |
| 2:01:25 PM | Atty Glass Kentucky Power - witness Stegall Note: Sacre, Candace | Filed direct testimony, answers to data requests? |
| 2:01:34 PM | Atty Glass Kentucky Power - witness Stegall Note: Sacre, Candace | Corrections? |
| 2:01:37 PM | Atty Glass Kentucky Power - witness Stegall Note: Sacre, Candace | Or to direct testimony? |
| 2:01:43 PM | Atty Glass Kentucky Power - witness Stegall Note: Sacre, Candace | Asked same questions, same responses? |
| 2:01:48 PM | Atty Glass Kentucky Power Note: Sacre, Candace | Witness available. |

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| 2:01:52 PM | Chairman Schmitt Note: Sacre, Candace | Ms. Vinsel? |
| 2:01:56 PM | Asst Gen Counsel Vinsel PSC Note: Sacre, Candace | Not have any. |
| 2:02:04 PM | Chairman Schmitt Note: Sacre, Candace | Attorney General? |
| 2:02:10 PM | Asst Atty General West Note: Sacre, Candace | None. |
| 2:02:14 PM | Chairman Schmitt Note: Sacre, Candace | Mr. Kurtz? |
| 2:02:16 PM | Atty Kurtz KIUC Note: Sacre, Candace | No. |
| 2:02:18 PM | Chairman Schmitt Note: Sacre, Candace | Ms. Grundman? |
| 2:02:21 PM | Atty Grundman Walmart Note: Sacre, Candace | No. |
| 2:02:23 PM | Chairman Schmitt Note: Sacre, Candace | Mr. Spenard? |
| 2:02:27 PM | Atty Spenard KYSEIA Note: Sacre, Candace | No. |
| 2:02:28 PM | Chairman Schmitt Note: Sacre, Candace | Mr. Fitzgerald? |
| 2:02:31 PM | Atty Fitzgerald Joint Intervenors Note: Sacre, Candace | No. |
| 2:02:33 PM | Chairman Schmitt Note: Sacre, Candace | Mr. Miller? |
| 2:02:36 PM | Atty Miller Sierra Club Note: Sacre, Candace | Yes. |
| 2:02:40 PM | Atty Miller Sierra Club - witness Stegall Note: Sacre, Candace | Cross Examination. Methodology Mitchell coal units dispatch PJM, self-schedule v market economic event. Define self-scheduling as generator RTO signaling ahead of time unit operate regardless market price, dispatch take prevailing price energy that day? |
| 2:05:23 PM | Atty Miller Sierra Club - witness Stegall Note: Sacre, Candace | Self-scheduling decision to make units available and price takers regardless market price? |
| 2:05:58 PM | Atty Miller Sierra Club - witness Stegall Note: Sacre, Candace | Self-scheduling distinct market/economic committed coal units self-schedule not able ramp up/down, economical run, take prevailing that day, fair characterization? |
| 2:07:27 PM | Atty Miller Sierra Club - witness Stegall Note: Sacre, Candace | Fundamental distinction between self-scheduling v market/economic mode? |
| 2:08:11 PM | Atty Miller Sierra Club - witness Stegall Note: Sacre, Candace | Operator made decision? |
| 2:08:25 PM | Atty Miller Sierra Club - witness Stegall Note: Sacre, Candace | Self-schedule unit, caused by market operator even when not meeting variable costs? |
| 2:09:36 PM | Atty Miller Sierra Club - witness Stegall Note: Sacre, Candace | Possible unit lose money at economic minimum? |
| 2:09:52 PM | Atty Miller Sierra Club - witness Stegall Note: Sacre, Candace | Forecasts meant to avoid lose money? |
| 2:10:08 PM | Atty Miller Sierra Club - witness Stegall Note: Sacre, Candace | Discovery Response, reading. (Click on link for further comments.) |

2:10:47 PM Atty Miller Sierra Club - witness Stegall
Note: Sacre, Candace Commitment status every unit next market day, determine potential margins?

2:11:16 PM Atty Glass Kentucky Power
Note: Sacre, Candace Identify data request?

2:11:20 PM Atty Miller Sierra Club
Note: Sacre, Candace Sept 16 response sponsored Stegall Sierra Club 2-3, subsection B.

2:11:47 PM Atty Miller Sierra Club - witness Stegall
Note: Sacre, Candace Reading response (Click on link for further comments.)

2:12:18 PM Atty Miller Sierra Club - witness Stegall
Note: Sacre, Candace Describes at high level decision-making process?

2:12:27 PM Atty Miller Sierra Club - witness Stegall
Note: Sacre, Candace AEPSC commercial ops team looks like, who on it, you on it?

2:13:12 PM Atty Miller Sierra Club - witness Stegall
Note: Sacre, Candace How many people, who report to?

2:13:31 PM Atty Miller Sierra Club - witness Stegall
Note: Sacre, Candace Who senior VP is?

2:13:38 PM Atty Miller Sierra Club - witness Stegall
Note: Sacre, Candace You on team or subteam?

2:13:47 PM Atty Miller Sierra Club - witness Stegall
Note: Sacre, Candace Other witness on any teams?

2:13:58 PM Atty Miller Sierra Club - witness Stegall
Note: Sacre, Candace Sherwood?

2:14:04 PM Atty Miller Sierra Club - witness Stegall
Note: Sacre, Candace No one Kentucky Power input/authority overrule Commercial Operations decision making?

2:15:05 PM Atty Miller Sierra Club - witness Stegall
Note: Sacre, Candace You not involved everyday commitment decisions?

2:15:25 PM Atty Miller Sierra Club - witness Stegall
Note: Sacre, Candace Possibly Mattison, not aware anyone else consulting Commercial Operations regularly commitment decisions?

2:16:06 PM Atty Miller Sierra Club - witness Stegall
Note: Sacre, Candace Stack test needed to be done, compliance testing, instance operate?

2:16:22 PM Atty Miller Sierra Club - witness Stegall
Note: Sacre, Candace Other that, not personally aware?

2:16:33 PM Atty Miller Sierra Club - witness Stegall
Note: Sacre, Candace Mitchell co-owned KPC, Wheeling Power, Commercial Operations co-extensive making commitment decisions?

2:17:07 PM Atty Miller Sierra Club - witness Stegall
Note: Sacre, Candace Any reason? Commercial Operations decision as to plants without distinction between Kentucky Power and Wheeling?

2:18:06 PM Atty Miller Sierra Club - witness Stegall
Note: Sacre, Candace Seasonal/annual longer incremental conversations AEP/KPC where look back whether self-scheduling resulted in losses avoidable company chose not self-schedule?

2:19:31 PM Atty Miller Sierra Club - witness Stegall
Note: Sacre, Candace Perspective not anticipated day-to-day analyses self-scheduling losses avoidable plant not self-scheduled, aware conversations documentary address this?

2:21:09 PM Atty Miller Sierra Club - witness Stegall
Note: Sacre, Candace Increasing discussion, debates, studies coal self-scheduling, aware documents dialogue at AEP/KPC reacting?

2:22:15 PM Atty Miller Sierra Club - witness Stegall
Note: Sacre, Candace Daily files snapshot in time unit bids submitted to PJM, encompass decision self-schedule?

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| 2:23:44 PM | Atty Miller Sierra Club - witness Stegall Note: Sacre, Candace | Starting point, fuel contract constraints folded in, ultimate decision made? |
| 2:24:18 PM | Atty Miller Sierra Club - witness Stegall Note: Sacre, Candace | Sense if/how often fuel contract obligations reason self-scheduled test year? |
| 2:24:50 PM | Atty Miller Sierra Club - witness Stegall Note: Sacre, Candace | Know self-scheduling cited means helping units achieve target capacity factory? |
| 2:25:09 PM | Atty Miller Sierra Club - witness Stegall Note: Sacre, Candace | Appropriate? |
| 2:25:27 PM | Atty Miller Sierra Club - witness Stegall Note: Sacre, Candace | Test year, substantial stretches time Mitchell self-scheduled incurring operating loss variable basis? |
| 2:25:56 PM | Atty Miller Sierra Club - witness Stegall Note: Sacre, Candace | Review confidential data produced to Sierra Club Supp Discovery Response October 9? |
| 2:26:45 PM | Atty Miller Sierra Club - witness Stegall Note: Sacre, Candace | Aware amount time Mitchell dispatching roughly proportion time result self-scheduling v market commitment? |
| 2:27:40 PM | Atty Miller Sierra Club - witness Stegall Note: Sacre, Candace | Aware proportion self-scheduling based on seasonal or independent seasonal market demand? |
| 2:28:35 PM | Atty Miller Sierra Club - witness Stegall Note: Sacre, Candace | Discussions AEP/KPC conditioning Mitchell to seasonal? |
| 2:28:56 PM | Atty Miller Sierra Club - witness Stegall Note: Sacre, Candace | Understanding unit commitment decision-making Mitchell approval challenged passed on by Commission decision self-scheduling or market commitment passed on? |
| 2:29:47 PM | Atty Miller Sierra Club - witness Stegall Note: Sacre, Candace | Understanding prudence decision in tandem gains/losses company realizes fuel reconciliation documents? |
| 2:30:35 PM | Atty Miller Sierra Club - witness Stegall Note: Sacre, Candace | Agree at issue general rate case? |
| 2:31:04 PM | Atty Miller Sierra Club Note: Sacre, Candace | Thank you. |
| 2:31:18 PM | Chairman Schmitt Note: Sacre, Candace | Mr. Frye? |
| 2:31:20 PM | Atty Frye SWVA Note: Sacre, Candace | No. |
| 2:31:25 PM | Chairman Schmitt Note: Sacre, Candace | Vice Chairman Chandler? |
| 2:31:30 PM | Vice Chairman Chandler Note: Sacre, Candace | Yes. |
| 2:31:32 PM | Vice Chairman Chandler - witness Stegall Note: Sacre, Candace | Examination. Dispatch decisions and off-system sales clause, you or Mr. Vaughan? |
| 2:32:07 PM | Vice Chairman Chandler - witness Stegall Note: Sacre, Candace | Important distinctions, ultimate decisions then off-system sales result? |
| 2:32:20 PM | Vice Chairman Chandler - witness Stegall Note: Sacre, Candace | Off-system sales shared customers and Kentucky Power? |
| 2:32:33 PM | Vice Chairman Chandler - witness Stegall Note: Sacre, Candace | Percentage basis shared? |

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| 2:32:43 PM | Vice Chairman Chandler - witness | Stegall |
| | Note: Sacre, Candace | Customers pay for units? |
| 2:33:04 PM | Vice Chairman Chandler - witness | Stegall |
| | Note: Sacre, Candace | Fuel and other variable expenses recovered different places? |
| 2:33:24 PM | Vice Chairman Chandler - witness | Stegall |
| | Note: Sacre, Candace | Like FAC? |
| 2:33:44 PM | Vice Chairman Chandler - witness | Stegall |
| | Note: Sacre, Candace | No sharing change dispatch procedures, choices? |
| 2:34:13 PM | Vice Chairman Chandler - witness | Stegall |
| | Note: Sacre, Candace | Aware company going back and doing after-the-fact reviews dispatch decisions fruitful or change going forward? |
| 2:35:24 PM | Vice Chairman Chandler - witness | Stegall |
| | Note: Sacre, Candace | Sales, revenue received less than cost, company shares in losses? |
| 2:36:00 PM | Vice Chairman Chandler - witness | Stegall |
| | Note: Sacre, Candace | Off-system sales clause/margin shared? |
| 2:36:11 PM | Vice Chairman Chandler - witness | Stegall |
| | Note: Sacre, Candace | Profit shared, insofar as losses sharing zero or percentage over losses? |
| 2:36:48 PM | Vice Chairman Chandler - witness | Stegall |
| | Note: Sacre, Candace | Company absorb loss, company recover cost through FAC? |
| 2:37:34 PM | Vice Chairman Chandler - witness | Stegall |
| | Note: Sacre, Candace | Sales made generation produced to make sales excess native load need function of particular action or dispatched market in excess of native load? |
| 2:38:18 PM | Vice Chairman Chandler - witness | Stegall |
| | Note: Sacre, Candace | Off-system sales margin incentivizing units available economic dispatch? |
| 2:39:13 PM | Vice Chairman Chandler - witness | Stegall |
| | Note: Sacre, Candace | Agree Kentucky Power obligation provide electricity and service to customers? |
| 2:39:23 PM | Vice Chairman Chandler - witness | Stegall |
| | Note: Sacre, Candace | Capacity performance rules PJM? |
| 2:39:32 PM | Vice Chairman Chandler - witness | Stegall |
| | Note: Sacre, Candace | Obligation to produce and be available when needed? |
| 2:39:50 PM | Vice Chairman Chandler | |
| | Note: Sacre, Candace | Thank you. |
| 2:39:54 PM | Chairman Schmitt | |
| | Note: Sacre, Candace | Dr. Mathews? |
| 2:39:57 PM | Commissioner Mathews | |
| | Note: Sacre, Candace | Not have any. |
| 2:39:58 PM | Chairman Schmitt | |
| | Note: Sacre, Candace | Ms. Glass? |
| 2:40:01 PM | Atty Glass Kentucky Power | |
| | Note: Sacre, Candace | One. |
| 2:40:03 PM | Atty Glass Kentucky Power - witness | Stegall |
| | Note: Sacre, Candace | Redirect Examination. Vaughan best witness system sales clause? |
| 2:40:18 PM | Atty Glass Kentucky Power | |
| | Note: Sacre, Candace | Thank you, all have. |
| 2:40:20 PM | Chairman Schmitt | |
| | Note: Sacre, Candace | May step down. |
| 2:40:26 PM | Chairman Schmitt | |
| | Note: Sacre, Candace | Next witness, Ms. Cost? |
| 2:40:29 PM | Atty Glass Kentucky Power | |
| | Note: Sacre, Candace | Yes. |

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| 2:41:05 PM | Chairman Schmitt Note: Sacre, Candace | Witness is sworn. |
| 2:41:18 PM | Chairman Schmitt Note: Sacre, Candace | Ms. Glass? |
| 2:41:21 PM | Atty Glass Kentucky Power Note: Sacre, Candace | Thank you. |
| 2:41:24 PM | Atty Glass Kentucky Power - witness Cost Note: Sacre, Candace | Direct Examination. Name, business address, employer? |
| 2:41:37 PM | Atty Glass Kentucky Power - witness Cost Note: Sacre, Candace | Position? |
| 2:41:42 PM | Atty Glass Kentucky Power - witness Cost Note: Sacre, Candace | Filed direct testimony and answers to data requests? |
| 2:41:50 PM | Atty Glass Kentucky Power - witness Cost Note: Sacre, Candace | Changes to direct or answers? |
| 2:41:56 PM | Atty Glass Kentucky Power - witness Cost Note: Sacre, Candace | Ask same questions, answers same? |
| 2:42:01 PM | Atty Glass Kentucky Power Note: Sacre, Candace | Witness available. |
| 2:42:04 PM | Chairman Schmitt Note: Sacre, Candace | Ms. Vinsel? |
| 2:42:07 PM | Asst Gen Counsel Vinsel PSC Note: Sacre, Candace | No. |
| 2:42:09 PM | Chairman Schmitt Note: Sacre, Candace | Mr. West? |
| 2:42:12 PM | Asst Atty General West Note: Sacre, Candace | No. |
| 2:42:15 PM | Chairman Schmitt Note: Sacre, Candace | Mr. Kurtz? |
| 2:42:17 PM | Atty Kurtz KIUC Note: Sacre, Candace | No. |
| 2:42:19 PM | Chairman Schmitt Note: Sacre, Candace | Ms. Grundman? |
| 2:42:22 PM | Atty Grundman Walmart Note: Sacre, Candace | No. |
| 2:42:24 PM | Chairman Schmitt Note: Sacre, Candace | Mr. Spenard? |
| 2:42:26 PM | Atty Spenard KYSEIA Note: Sacre, Candace | No. |
| 2:42:29 PM | Chairman Schmitt Note: Sacre, Candace | Mr. Fitzgerald? |
| 2:42:31 PM | Atty Fitzgerald Joint Intervenors Note: Sacre, Candace | No. |
| 2:42:32 PM | Chairman Schmitt Note: Sacre, Candace | Mr. Miller? |
| 2:42:34 PM | Atty Miller Sierra Club Note: Sacre, Candace | None. |
| 2:42:37 PM | Chairman Schmitt Note: Sacre, Candace | Mr. Frye? |
| 2:42:39 PM | Atty Frye SWVA Note: Sacre, Candace | No. |
| 2:42:40 PM | Chairman Schmitt Note: Sacre, Candace | Vice Chairman Chandler? |
| 2:42:42 PM | Vice Chairman Chandler Note: Sacre, Candace | No. |

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| 2:42:44 PM | Chairman Schmitt Note: Sacre, Candace | Dr. Mathews? |
| 2:42:46 PM | Commissioner Mathews? Note: Sacre, Candace | No. |
| 2:42:56 PM | Chairman Schmitt Note: Sacre, Candace | May step down. |
| 2:43:00 PM | Chairman Schmitt Note: Sacre, Candace | Get in one more witness, Messner. |
| 2:45:29 PM | Chairman Schmitt Note: Sacre, Candace | Witness is sworn. |
| 2:45:43 PM | Chairman Schmitt Note: Sacre, Candace | Mr. Garcia-Santana? |
| 2:45:46 PM | Atty Garcia-Santana Kentucky Power Note: Sacre, Candace | Thank you. |
| 2:46:01 PM | Atty Garcia-Santana Kentucky Power - witness Messner Note: Sacre, Candace | Direct Examination. Name, business address, employer? |
| 2:46:42 PM | Atty Garcia-Santana Kentucky Power - witness Messner Note: Sacre, Candace | Filed direct, rebuttal, discovery responses? |
| 2:46:57 PM | Atty Garcia-Santana Kentucky Power - witness Messner Note: Sacre, Candace | Prepared by you, under supervision? |
| 2:47:03 PM | Atty Garcia-Santana Kentucky Power - witness Messner Note: Sacre, Candace | Corrections? |
| 2:47:12 PM | Atty Garcia-Santana Kentucky Power - witness Messner Note: Sacre, Candace | Ask same questions, same answers? |
| 2:47:18 PM | Atty Garcia-Santana Kentucky Power Note: Sacre, Candace | Tender witness. |
| 2:47:22 PM | Chairman Schmitt Note: Sacre, Candace | Ms. Vinsel? |
| 2:47:24 PM | Asst Gen Counsel Vinsel PSC Note: Sacre, Candace | Yes. |
| 2:47:26 PM | Asst Gen Counsel Vinsel PSC - witness Messner Note: Sacre, Candace | Cross Examination. Kentucky Power accelerate return \$65 million unprotected excess ADIT, half existing balance April? |
| 2:48:17 PM | Asst Gen Counsel Vinsel PSC - witness Messner Note: Sacre, Candace | Participate 2018 case Tax Cuts and Jobs Act reduction corporate income tax? |
| 2:48:35 PM | Asst Gen Counsel Vinsel PSC - witness Messner Note: Sacre, Candace | Kentucky Power 18 years return unprotected excess ADIT, heard somewhere? |
| 2:49:03 PM | Asst Gen Counsel Vinsel PSC - witness Messner Note: Sacre, Candace | Period longer Commission authorized anyother utility, Concerns returning half balance one year, impacts on Kentucky Power credit metrics returning \$65 million one-year period? |
| 2:50:04 PM | Asst Gen Counsel Vinsel PSC - witness Messner Note: Sacre, Candace | Level increased amortization excess ADIT if reached downgrade Kentucky Power credit metrics? |
| 2:50:49 PM | Asst Gen Counsel Vinsel PSC - witness Messner Note: Sacre, Candace | Kentucky Power planning to finance acclerated return ADIT? |
| 2:52:03 PM | Asst Gen Counsel Vinsel PSC - witness Messner Note: Sacre, Candace | ROE or point where excess ADIT increased amortization balance out any adverse credit impact? |

2:54:14 PM Asst Gen Counsel Vinsel PSC - witness Messner
Note: Sacre, Candace Testimony accelerated return excess ADIT negative impact not necessarily adverse impact. limited time period, mute potential adverse impact?

2:54:32 PM Camera Lock Comm Staff Activated

2:55:04 PM Camera Lock Deactivated

2:56:17 PM Asst Gen Counsel Vinsel PSC - witness Messner
Note: Sacre, Candace Accelerated two-year period, adverse impact as opposed to returning in one year?

2:57:20 PM Asst Atty General Vinsel PSC - witness Messner
Note: Sacre, Candace Any support testimony adverse impact returning excess ADIT one year, two years?

2:58:20 PM Asst Gen Counsel Vinsel PSC - witness Messner
Note: Sacre, Candace Accelerated ADIT impact Kentucky Power cash flow?

2:58:33 PM Asst Gen Counsel Vinsel PSC - witness Messner
Note: Sacre, Candace Confidential exhibits may have that?

2:58:46 PM Asst Gen Counsel Vinsel PSC - witness Messner
Note: Sacre, Candace Short-term debt test year increased \$38.65 million to over \$122 million?

2:59:28 PM Asst Gen Counsel Vinsel PSC - witness Messner
Note: Sacre, Candace Why short-term debt balance increased \$82 million test year?

3:00:08 PM Asst Gen Counsel Vinsel PSC - witness Messner
Note: Sacre, Candace Short-term debt operate in place expected revenues?

3:00:40 PM Asst Gen Counsel Vinsel PSC - witness Messner
Note: Sacre, Candace Kentucky Power considered private placement debt, end 2019 or fall 2019?

3:02:00 PM Asst Gen Counsel Vinsel PSC - witness Messner
Note: Sacre, Candace Uncertainty Kentucky economic activity, expand?

3:03:09 PM Asst Gen Counsel Vinsel PSC - witness Messner
Note: Sacre, Candace What led Kentucky Power to decision month before rate case?

3:03:58 PM Asst Gen Counsel Vinsel PSC - witness Messner
Note: Sacre, Candace Question of timing for what?

3:04:57 PM Asst Gen Counsel Vinsel PSC - witness Messner
Note: Sacre, Candace General principle prompts Kentucky Power roll short-term debt into long-term?

3:05:45 PM Asst Gen Counsel Vinsel PSC - witness Messner
Note: Sacre, Candace Senior unsecured notes, schedules long-term debt 10 senior unsecured notes, citation Application, Section 5, Exhibit 2, Workpaper S-3.

3:06:36 PM Asst Gen Counsel Vinsel PSC - witness Messner
Note: Sacre, Candace When debt instrument matures, typically refinance?

3:06:52 PM Asst Gen Counsel Vinsel PSC - witness Messner
Note: Sacre, Candace If refinancing higher interest rate?

3:07:33 PM Asst Gen Counsel Vinsel PSC - witness Messner
Note: Sacre, Candace Senior unsecured matures June 18 2021 7.250 percent, anticipate Kentucky Power refinance June 2021 bonds if rate savings with bonds?

3:08:04 PM Asst Gen Counsel Vinsel PSC - witness Messner
Note: Sacre, Candace Anticipate Kentucky Power refinance note with bonds interest rate savings incurred?

3:09:03 PM Asst Gen Counsel Vinsel PSC - witness Messner
Note: Sacre, Candace Agree interest rates fallen since 2017 one exception Sept 2018?

3:09:44 PM Asst Gen Counsel Vinsel PSC
Note: Sacre, Candace No further.

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| 3:09:49 PM | Chairman Schmitt Note: Sacre, Candace | Mr. West? |
| 3:09:52 PM | Asst Atty General West Note: Sacre, Candace | Yes. |
| 3:09:55 PM | Asst Atty General West - witness Messner Note: Sacre, Candace | Cross Examination. Short-term debt issue, test year, average monthly balance short-term debt \$82.621 million? |
| 3:10:16 PM | Asst Atty General West - witness Messner Note: Sacre, Candace | Ratemaking, proposes no short-term debt? |
| 3:10:28 PM | Asst Atty General West - witness Messner Note: Sacre, Candace | Accurately portraying month-to-month operations of company? |
| 3:11:28 PM | Asst Atty General West Note: Sacre, Candace | All have. |
| 3:11:33 PM | Chairman Schmitt Note: Sacre, Candace | Mr. Kurtz? |
| 3:11:50 PM | Atty Kurtz KIUC - witness Messner Note: Sacre, Candace | Cross Examination. Unprotected excess ADIT money owed consumers? |
| 3:12:02 PM | Atty Kurtz KIUC - witness Messner Note: Sacre, Candace | Holding on to it paying consumers weighted average cost of capital unamortized balance? |
| 3:12:17 PM | Atty Kurtz KIUC - witness Messner Note: Sacre, Candace | Weighted average cost of capital carrying charge added to balance owe customers? |
| 3:12:39 PM | Atty Kurtz KIUC - witness Messner Note: Sacre, Candace | Money owed consumers no interest, longer get back worse off consumers would be? |
| 3:13:05 PM | Atty Kurtz KIUC - witness Messner Note: Sacre, Candace | Issue AEP deals with all jurisdictions? |
| 3:13:19 PM | Atty Kurtz KIUC - witness Messner Note: Sacre, Candace | For protected, tax rules require money refunded ARAM? |
| 3:13:34 PM | Atty Kurtz KIUC - witness Messner Note: Sacre, Candace | Unprotected up to various commissions, amortization period Kentucky 18 years, corresponding terms Virginia West Virginia Indiana? |
| 3:14:00 PM | Atty Kurtz KIUC - witness Messner Note: Sacre, Candace | OATT? Transmission, same thing, uniform term FERC mandated? |
| 3:14:24 PM | Atty Kurtz KIUC - witness Messner Note: Sacre, Candace | Asking 13 percent base rate increase? |
| 3:14:40 PM | Atty Kurtz KIUC - witness Messner Note: Sacre, Candace | \$70 million? |
| 3:14:44 PM | Atty Garcia-Santana Kentucky Power Note: Sacre, Candace | Objection, witness not know. |
| 3:14:51 PM | Chairman Schmitt Note: Sacre, Candace | Indicated not familiar. |
| 3:14:56 PM | Atty Kurtz KIUC Note: Sacre, Candace | Thought not know percentage. |
| 3:15:02 PM | Atty Kurtz KIUC - witness Messner Note: Sacre, Candace | Not know dollar amount either? |
| 3:15:09 PM | Atty Kurtz KIUC - witness Messner Note: Sacre, Candace | Not know dollar amount requested base rate increase? |
| 3:15:31 PM | Atty Kurtz KIUC - witness Messner Note: Sacre, Candace | On earnings calls occur quarterly? |

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| 3:15:48 PM | Atty Kurtz KIUC - witness Messner Note: Sacre, Candace | Testified low earned rate of return, drags down AEP average return? |
| 3:16:08 PM | Atty Kurtz KIUC - witness Messner Note: Sacre, Candace | Historically under earned? |
| 3:16:15 PM | Atty Kurtz KIUC - witness Messner Note: Sacre, Candace | Solution chronic under-earning grow rate base increase rates increase earnings? |
| 3:17:00 PM | Atty Kurtz KIUC - witness Messner Note: Sacre, Candace | Big driver rate increase loss of sales? |
| 3:17:18 PM | Atty Kurtz KIUC - witness Messner Note: Sacre, Candace | Base rates up 13 percent cause sales go down further? |
| 3:17:40 PM | Atty Garcia-Santana Kentucky Power Note: Sacre, Candace | Objection, outside scope. |
| 3:17:55 PM | Chairman Schmitt Note: Sacre, Candace | Wide open cross examination under rules, relevant. |
| 3:18:09 PM | Atty Kurtz KIUC - witness Messner Note: Sacre, Candace | Make problem worse? |
| 3:18:18 PM | Atty Kurtz KIUC - witness Messner Note: Sacre, Candace | Entitled reasonable rate returnm, grow rate base grow earnings raise rates, drive down sales further and make problem compound? |
| 3:19:08 PM | Atty Kurtz KIUC - witness Messner Note: Sacre, Candace | Concept financing natural owner of asset? |
| 3:19:26 PM | Atty Kurtz KIUC - witness Messner Note: Sacre, Candace | AEP natural owner of Eastern Kentucky service territory, better more natural owner? |
| 3:19:48 PM | Atty Kurtz KIUC Note: Sacre, Candace | No more. |
| 3:19:52 PM | Chairman Schmitt Note: Sacre, Candace | Ms. Grundman? |
| 3:19:56 PM | Atty Grundman Walmart Note: Sacre, Candace | No. |
| 3:19:57 PM | Chairman Schmitt Note: Sacre, Candace | Mr. Spenard? |
| 3:20:01 PM | Atty Spenard KYSEIA Note: Sacre, Candace | Yes. |
| 3:20:06 PM | Atty Spenard KYSEIA - witness Messner Note: Sacre, Candace | Cross Examination. Cash flow earnings sought and cash flow implications? |
| 3:21:14 PM | Atty Spenard KYSEIA - witness Messner Note: Sacre, Candace | Talking about accumulated deferred income tax, accumulated deferred income tax balance existence based on timing difference tax liability IRS and tax liability calculating rates, timing difference? |
| 3:21:57 PM | Atty Spenard KYSEIA - witness Messner Note: Sacre, Candace | Consequence to cash flow associated with Kentucky Power returning portion excess deferred income taxes to ratepayers over next year? |
| 3:23:16 PM | Atty Spenard KYSEIA - witness Messner Note: Sacre, Candace | Rates subject this Application, proposed effective rate increase rates subject to Application? |
| 3:24:00 PM | Atty Spenard KYSEIA - witness Messner Note: Sacre, Candace | Part of Application Kentucky Power supply new tariffs new rates? |
| 3:24:18 PM | Atty Garcia-Santana Kentucky Power Note: Sacre, Candace | Objection use of term rates. |
| 3:24:43 PM | Atty Spenard KYSEIA Note: Sacre, Candace | Confusing, add specificity. |

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| 3:24:54 PM | Chairman Schmitt Note: Sacre, Candace | Witness not understand or not person, say. Rephrase. |
| 3:25:16 PM | Atty Spenard KYSEIA - witness Messner Note: Sacre, Candace | Kentucky Power generates revenues rates on file approved Commission? |
| 3:25:30 PM | Atty Spenard KYSEIA - witness Messner Note: Sacre, Candace | Current Application seeking increase rates for services authorized charge customers? |
| 3:25:46 PM | Atty Spenard KYSEIA - witness Messner Note: Sacre, Candace | Effective date for rate increase? |
| 3:26:20 PM | Atty Spenard KYSEIA Note: Sacre, Candace | Thank you. |
| 3:26:43 PM | Chairman Schmitt Note: Sacre, Candace | Mr. Fitzgerald? |
| 3:26:44 PM | Atty Fitzgerald Joint Intervenors Note: Sacre, Candace | No. |
| 3:26:48 PM | Chairman Schmitt Note: Sacre, Candace | Mr. Miller? Dropped off. |
| 3:26:56 PM | Chairman Schmitt Note: Sacre, Candace | Mr. Frye? |
| 3:26:58 PM | Atty Frye SWVA Note: Sacre, Candace | No. |
| 3:27:02 PM | Chairman Schmitt Note: Sacre, Candace | Mr. Miller, back? (Click on link for further comments.) |
| 3:27:32 PM | Chairman Schmitt Note: Sacre, Candace | Mr. Childers? |
| 3:27:41 PM | Atty Childers Sierra Club Note: Sacre, Candace | No. |
| 3:27:43 PM | Chairman Schmitt Note: Sacre, Candace | Vice Chairman Chandler? |
| 3:27:45 PM | Vice Chairman Chandler Note: Sacre, Candace | Thank you. |
| 3:27:49 PM | Vice Chairman Chandler - witness Messner Note: Sacre, Candace | Examination. Seen witness list? |
| 3:28:09 PM | Vice Chairman Chandler - witness Messner Note: Sacre, Candace | Person discussing AEP/Kentucky Power matters with banks? |
| 3:28:29 PM | Vice Chairman Chandler Note: Sacre, Candace | Go into short confidential? |
| 3:28:38 PM | Private Mode Activated | |
| 3:31:39 PM | Session Paused | |
| 3:45:24 PM | Session Resumed | |
| 3:47:22 PM | Vice Chairman Chandler Note: Sacre, Candace | Confidential session, all questions. |
| 3:47:52 PM | Normal Mode Activated | |
| 3:47:52 PM | Public Recording Activated | |
| 3:47:54 PM | Chairman Schmitt Note: Sacre, Candace | Back in public session. |
| 3:48:01 PM | Vice Chairman Chandler - witness Messner Note: Sacre, Candace | Examination. Risk and return positively correlated? |
| 3:48:25 PM | Vice Chairman Chandler - witness Messner Note: Sacre, Candace | One increases investors expect other to? |
| 3:49:01 PM | Vice Chairman Chandler - witness Messner Note: Sacre, Candace | Mr. McKenzie today or tomorrow? |

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| 3:49:12 PM | Vice Chairman Chandler - witness Messner Note: Sacre, Candace | Page 6, rebuttal, lines 21 and 22, ratios uses for cash flow? |
| 3:49:28 PM | Vice Chairman Chandler - witness Messner Note: Sacre, Candace | Other ratios other than FFO to debt ratios? |
| 3:51:16 PM | Vice Chairman Chandler - witness Messner Note: Sacre, Candace | Only discussed ones negative going wrong way? |
| 3:51:34 PM | Vice Chairman Chandler - witness Messner Note: Sacre, Candace | Aware company proposing 100 percent rather current 80 percent LSE OATT expenses through tariff PPA? |
| 3:51:49 PM | Vice Chairman Chandler - witness Messner Note: Sacre, Candace | Outside 40 percent financial, positive for categories Moody's takes into account? |
| 3:52:29 PM | Vice Chairman Chandler - witness Messner Note: Sacre, Candace | Timely recovery of costs? |
| 3:52:34 PM | Vice Chairman Chandler - witness Messner Note: Sacre, Candace | A tracker that recovers costs, statement read was about? |
| 3:52:45 PM | Vice Chairman Chandler - witness Messner Note: Sacre, Candace | Instead recovering 80 percent costs, recovering 100 percent, timely, but also agree ability recover expenses and help earn at ROE? |
| 3:53:18 PM | Vice Chairman Chandler - witness Messner Note: Sacre, Candace | Helps constructive regulatory atmosphere/environment? |
| 3:53:36 PM | Vice Chairman Chandler - witness Messner Note: Sacre, Candace | Agree credit rating agencies look at only focusing on downside risks rather than positives proposing or have occurred? |
| 3:54:21 PM | Vice Chairman Chandler - witness Messner Note: Sacre, Candace | Aware of Kentucky Power witness spoke considerations Moody's making credit-ranking decisions? |
| 3:55:03 PM | Vice Chairman Chandler - witness Messner Note: Sacre, Candace | Financial metric, free cash flow operations? |
| 3:55:24 PM | Vice Chairman Chandler - witness Messner Note: Sacre, Candace | How Kentucky Power FFO to debt? |
| 3:56:06 PM | Vice Chairman Chandler - witness Messner Note: Sacre, Candace | Have in record anticipated FFO to debt ratio in 2021? |
| 3:56:22 PM | Vice Chairman Chandler - witness Messner Note: Sacre, Candace | If requested, able provide? Asked anticipated FFO to debt ratio in 2021, company able estimate? |
| 3:57:01 PM | Vice Chairman Chandler - witness Messner Note: Sacre, Candace | Decreased cash flows negative impact credit rating, how Commission take into account not look at in particular? |
| 3:57:53 PM | Atty Garcia-Santana Kentucky Power Note: Sacre, Candace | Copy can provide witness. |
| 3:58:01 PM | Vice Chairman Chandler Note: Sacre, Candace | Identify in record? |
| 3:58:05 PM | Atty Garcia-Santana Kentucky Power Note: Sacre, Candace | Attachment to AG/KIUC 1-79. |
| 3:59:50 PM | Camera Lock Comm Staff Activated | |
| 4:00:02 PM | Atty Kurtz KIUC Note: Sacre, Candace | Vice Chairman, interject? |
| 4:00:07 PM | Camera Lock Deactivated | |
| 4:00:16 PM | Chairman Schmitt Note: Sacre, Candace | Yes. |
| 4:00:20 PM | Atty Kurtz KIUC Note: Sacre, Candace | AG/KIUC Exhibit 1 page 74 FFO debt ratio all AEP operating companies, confirm Kentucky Power driving down AEP average. |

4:01:23 PM Camera Lock Video Conference Activated

4:01:35 PM Atty Garcia-Santana Kentucky Power
Note: Sacre, Candace Specifically April 2020 credit opinion Kentucky Power Moody's AG 179, attachment 6.

4:01:57 PM Vice Chairman Chandler - witness Messner
Note: Sacre, Candace Looking at AG/KICU Exhibit 1?

4:02:14 PM Vice Chairman Chandler - witness Messner
Note: Sacre, Candace In 2019, 8.7 percent FFO to debt Kentucky Power?

4:03:12 PM Vice Chairman Chandler - witness Messner
Note: Sacre, Candace FFO to debt ratio in 2019, rebuttal, deterioration of cash flows impact on metrics and metrics on credit ratings, company provided Commission impact of proposals?

4:03:59 PM Vice Chairman Chandler - witness Messner
Note: Sacre, Candace Any cash outlay impact on cash flow?

4:04:11 PM Vice Chairman Chandler - witness Messner
Note: Sacre, Candace Matter of degree what impact ultimately has?

4:04:28 PM Vice Chairman Chandler - witness Messner
Note: Sacre, Candace Amortization \$100 million excess ADIT 100 years impact cash flow, greater impact over 50 years?

4:04:50 PM Vice Chairman Chandler - witness Messner
Note: Sacre, Candace 18 years in 2018-00035 still concern, ten years concern, shorter time greater impact on cash flow?

4:05:21 PM Vice Chairman Chandler - witness Messner
Note: Sacre, Candace \$113 million balance, take amortization \$65 million in one year because only one year?

4:06:06 PM Vice Chairman Chandler - witness Messner
Note: Sacre, Candace Company is proposing \$65 million accelerated amortization offset rate proposal?

4:06:19 PM Vice Chairman Chandler - witness Messner
Note: Sacre, Candace Company financially take proposal, weather that proposal?

4:06:38 PM Vice Chairman Chandler - witness Messner
Note: Sacre, Candace Financial health and/or credit rating?

4:06:48 PM Vice Chairman Chandler - witness Messner
Note: Sacre, Candace One-year amortization \$65 million, Mattison half our revenue requirement ask, \$33 million increase, understand hypothetical?

4:07:03 PM Camera Lock Deactivated

4:07:38 PM Vice Chairman Chandler - witness Messner
Note: Sacre, Candace Mattison says two years \$33 million, same amount, still limited duration of two years instead one, understanding of how viewed?

4:08:43 PM Vice Chairman Chandler - witness Messner
Note: Sacre, Candace One time event counts one year?

4:09:41 PM Vice Chairman Chandler - witness Messner
Note: Sacre, Candace Over 100 yrs 50 yrs 25 yrs negative impact cash flow, degree of which, what degree viewed negatively limited duration one-year event same magnitude limited duration two-year event?

4:11:02 PM Vice Chairman Chandler - witness Messner
Note: Sacre, Candace Outlook for both S&P and Moody's relates Kentucky Power?

4:11:16 PM Vice Chairman Chandler
Note: Sacre, Candace Thank you.

4:11:23 PM Chairman Schmitt
Note: Sacre, Candace Dr. Mathews?

4:11:28 PM Commissioner Mathews - witness Messner
Note: Sacre, Candace Examination. Question, right person deal ratings agencies lenders, impact Kentucky Power heavily fossil fuel, impact ratings?

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| 4:13:05 PM | Commissioner Mathews Note: Sacre, Candace | All have. |
| 4:13:08 PM | Chairman Schmitt Note: Sacre, Candace | Mr. Garcia? |
| 4:13:13 PM | Atty Garcia-Santana Kentucky Power Note: Sacre, Candace | Few. |
| 4:13:21 PM | Atty Garcia-Santana Kentucky Power - witness Messner Note: Sacre, Candace | Redirect Examination. Asked credit metrics Kentucky Power and ROE? |
| 4:13:58 PM | Atty Garcia-Santana Kentucky Power - witness Messner Note: Sacre, Candace | Credit metrics and credit rating agencies? |
| 4:14:28 PM | Atty Garcia-Santana Kentucky Power - witness Messner Note: Sacre, Candace | Understand earning ROE actual earned ROE tax and credit metrics? |
| 4:14:55 PM | Atty Garcia-Santana Kentucky Power - witness Messner Note: Sacre, Candace | Greatest impact? |
| 4:15:04 PM | Atty Garcia-Santana Kentucky Power - witness Messner Note: Sacre, Candace | Ability of company to recover transmission costs? |
| 4:15:17 PM | Atty Garcia-Santana Kentucky Power - witness Messner Note: Sacre, Candace | Understanding credit rating agencies view negatively ability of company to recover costs in tracker? |
| 4:15:50 PM | Atty Garcia-Santana Kentucky Power - witness Messner Note: Sacre, Candace | Rating companies in April 2020 favorable factor supporting Ky Power regulatory balance? |
| 4:16:24 PM | Atty Garcia-Santana Kentucky Power - witness Messner Note: Sacre, Candace | Tracker part of that |
| 4:16:36 PM | Atty Garcia-Santana Kentucky Power - witness Messner Note: Sacre, Candace | Return of ADIT credit metrics starting 2022 return rapid pace 2019 case same as it was |
| 4:16:38 PM | Chairman Schmitt Note: Sacre, Candace | Cannot hear. |
| 4:18:09 PM | Atty Garcia-Santana Kentucky Power Note: Sacre, Candace | Ask again. |
| 4:18:44 PM | Atty Garcia-Santana Kentucky Power - witness Messner Note: Sacre, Candace | Authorized in 2019 by commission? |
| 4:18:55 PM | Atty Garcia-Santana Kentucky Power - witness Messner Note: Sacre, Candace | Correlation makes difference credit metrics and credit rating agencies duration of accelerated return 2022? |
| 4:19:55 PM | Atty Garcia-Santana Kentucky Power - witness Messner Note: Sacre, Candace | Duration of accelerated longer more likely reaction? |
| 4:20:10 PM | Atty Garcia-Santana Kentucky Power - witness Messner Note: Sacre, Candace | Maturity of debts by KP? |
| 4:20:24 PM | Atty Garcia-Santana Kentucky Power - witness Messner Note: Sacre, Candace | Explain normal company refinance debt earlier than expected maturity? |
| 4:20:43 PM | Atty Garcia-Santana Kentucky Power - witness Messner Note: Sacre, Candace | Why is that? |
| 4:21:19 PM | Atty Garcia-Santana Kentucky Power - witness Messner Note: Sacre, Candace | Long-term loan secure refinance debt interest rate lower onm short term? |
| 4:21:50 PM | Atty Garcia-Santana Kentucky Power - witness Messner Note: Sacre, Candace | Benefit to customers? |
| 4:22:03 PM | Atty Garcia-Santana Kentucky Power - witness Messner Note: Sacre, Candace | Unusual? |

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| 4:22:59 PM | Atty Garcia-Santana Kentucky Power - witness Messner Note: Sacre, Candace | Cost of capital? |
| 4:23:13 PM | Atty Garcia-Santana Kentucky Power - witness Messner Note: Sacre, Candace | Low interest rates? |
| 4:23:27 PM | Atty Garcia-Santana Kentucky Power - witness Messner Note: Sacre, Candace | Interest rates lower? |
| 4:23:52 PM | Atty Garcia-Santana Kentucky Power - witness Messner Note: Sacre, Candace | Reason significant disturbance COVID-19? |
| 4:24:26 PM | Atty Garcia-Santana Kentucky Power Note: Sacre, Candace | All questions. |
| 4:24:37 PM | Chairman Schmitt Note: Sacre, Candace | Step down. |
| 4:25:06 PM | Chairman Schmitt Note: Sacre, Candace | Witness is sworn. |
| 4:25:21 PM | Chairman Schmitt Note: Sacre, Candace | Mr. Garcia? |
| 4:25:23 PM | Atty Garcia-Santana Kentucky Power Note: Sacre, Candace | Thank you. |
| 4:25:26 PM | Atty Garcia-Santana Kentucky Power - witness McKenzie Note: Sacre, Candace | Direct Examination. Name, business address? |
| 4:25:44 PM | Atty Garcia-Santana Kentucky Power - witness McKenzie Note: Sacre, Candace | By whom employed, position? |
| 4:26:00 PM | Atty Garcia-Santana Kentucky Power - witness McKenzie Note: Sacre, Candace | Submit direct testimony, rebuttal, discovery responses? |
| 4:26:29 PM | Atty Garcia-Santana Kentucky Power - witness McKenzie Note: Sacre, Candace | Corrections? |
| 4:27:08 PM | Atty Garcia-Santana Kentucky Power - witness McKenzie Note: Sacre, Candace | Another correction? |
| 4:27:41 PM | Atty Garcia-Santana Kentucky Power Note: Sacre, Candace | Reflected in Company Hearing Exhibit 9. |
| 4:28:24 PM | Camera Lock Video Conference Activated | |
| 4:28:26 PM | Atty Garcia-Santana Kentucky Power - witness McKenzie Note: Sacre, Candace | Own copy with you? |
| 4:28:30 PM | Atty Garcia-Santana Kentucky Power - witness McKenzie Note: Sacre, Candace | Describe typographical error page 37 and how corrected? |
| 4:29:23 PM | Atty Garcia-Santana Kentucky Power - witness McKenzie Note: Sacre, Candace | Not just corrected values different but original page 37 not correctly reflect calculations made? |
| 4:30:31 PM | Atty Garcia-Santana Kentucky Power - witness McKenzie Note: Sacre, Candace | Prepared by you, under supervision? |
| 4:30:53 PM | Atty Garcia-Santana Kentucky Power - witness McKenzie Note: Sacre, Candace | Ask same questions, same answers? |
| 4:31:04 PM | Atty Garcia-Santana Kentucky Power Note: Sacre, Candace | Submit for record Hearing Ex 9 errata, admission, witness tendered for cross. |
| 4:31:28 PM | Chairman Schmitt Note: Sacre, Candace | Let it be entered. |
| 4:31:29 PM | COMPANY HEARING EXHIBIT 9 Note: Sacre, Candace Note: Sacre, Candace | ATTY GARCIA-SANTANA KENTUCKY POWER - WITNESS MCKENZIE ERRATA SHEET MCKENZIE REBUTTAL TESTIMONY |
| 4:31:33 PM | Chairman Schmitt Note: Sacre, Candace | Ms. Vinsel? |
| 4:31:35 PM | Asst Gen Counsel Vinsel PSC Note: Sacre, Candace | Yes. |

4:31:36 PM Asst Gen Counsel Vinsel PSC - witness McKenzie
Note: Sacre, Candace Cross Examination. Aware rating agencies singled out this Commission awarding low ROEs?

4:31:53 PM Camera Lock Deactivated

4:32:50 PM Asst Gen Counsel Vinsel PSC - witness McKenzie
Note: Sacre, Candace General principles, agree rule of thumb higher risk better return?

4:33:28 PM Asst Gen Counsel Vinsel PSC - witness McKenzie
Note: Sacre, Candace Generally considered least risky investment?

4:33:57 PM Asst Gen Counsel Vinsel PSC - witness McKenzie
Note: Sacre, Candace Less risky, risk of government bankrupt low?

4:34:32 PM Asst Gen Counsel Vinsel PSC - witness McKenzie
Note: Sacre, Candace Agree risk/return follow upwards slope greater risk greater expected return?

4:35:29 PM Asst Gen Counsel Vinsel PSC - witness McKenzie
Note: Sacre, Candace Agree utility bonds more risky treasury bond?

4:35:44 PM Asst Gen Counsel Vinsel PSC - witness McKenzie
Note: Sacre, Candace Agree corporate stocks higher end of risk/return relationship?

4:36:08 PM Asst Gen Counsel Vinsel PSC - witness McKenzie
Note: Sacre, Candace Agree utility investment between treasury bonds common stocks?

4:37:16 PM Asst Gen Counsel Vinsel PSC
Note: Sacre, Candace McKenzie rebuttal, Exhibit AMM-21. (Click on link for further comments.)

4:37:47 PM Camera Lock Video Conference Activated

4:38:07 PM Asst Gen Counsel Vinsel PSC - witness McKenzie
Note: Sacre, Candace AMM-21, companies listed public companies not regulated environment?

4:39:03 PM Asst Gen Counsel Vinsel PSC - witness McKenzie
Note: Sacre, Candace Each of three columns, Value Line IBES Zacks, eliminated highs and lows working on average midpoint?

4:39:37 PM Asst Gen Counsel Vinsel PSC - witness McKenzie
Note: Sacre, Candace Eliminated highs and lows removed, average earnings growth 9.92 Value Line IBES 8.84 Zacks 8.86?

4:40:21 PM Asst Gen Counsel Vinsel PSC - witness McKenzie
Note: Sacre, Candace Not remove highs and lows?

4:41:27 PM Camera Lock Deactivated

4:41:34 PM Asst Gen Counsel Vinsel PSC - witness McKenzie
Note: Sacre, Candace Refer to testimony, Rebuttal, table, average ROE state commissions past four years?

4:42:02 PM Asst Gen Counsel Vinsel PSC - witness McKenzie
Note: Sacre, Candace Average allowed 9.69 percent?

4:42:19 PM Atty Grundman Walmart
Note: Sacre, Candace Refer to it as well.

4:42:23 PM Asst Gen Counsel Vinsel PSC
Note: Sacre, Candace Rebuttal, page 5.

4:42:42 PM Camera Lock Video Conference Activated

4:44:01 PM Asst Gen Counsel Vinsel PSC - witness McKenzie
Note: Sacre, Candace Table referring to, average ROE state commissions, 9.69. Proxy group 9.79?

4:45:20 PM Asst Gen Counsel Vinsel PSC - witness McKenzie
Note: Sacre, Candace Impact fact between 2017 and Sept 2020 downward trend in ROEs?

4:46:53 PM Asst Gen Counsel Vinsel PSC - witness McKenzie
Note: Sacre, Candace Rebuttal factor adjustment factor used convert year-end returns to average returns address difference flow earnings and book value point estimate, how determined?

4:49:15 PM Asst Gen Counsel Vinsel PSC - witness McKenzie
Note: Sacre, Candace Market seen increase utility BETA values?

4:49:27 PM Asst Gen Counsel Vinsel PSC - witness McKenzie
Note: Sacre, Candace Betas most investments upward or downward?

4:49:56 PM Asst Gen Counsel Vinsel PSC - witness McKenzie
Note: Sacre, Candace Utility sector?

4:50:17 PM Asst Gen Counsel Vinsel PSC - witness McKenzie
Note: Sacre, Candace Permanent or reaction economic situation pandemic?

4:51:12 PM Camera Lock Deactivated

4:52:39 PM Asst Gen Counsel Vinsel PSC
Note: Sacre, Candace Nothing further.

4:52:44 PM Chairman Schmitt
Note: Sacre, Candace Attorney General?

4:52:52 PM Asst Atty General West
Note: Sacre, Candace Yes.

4:52:53 PM Asst Atty General West - witness McKenzie
Note: Sacre, Candace Cross Examination. Calculated DCF excluded six low-end estimates?

4:53:30 PM Asst Atty General West - witness McKenzie
Note: Sacre, Candace Exclude any high-end DCF results

4:53:37 PM Asst Atty General West - witness McKenzie
Note: Sacre, Candace Keep one 13.6 percent?

4:54:09 PM Asst Atty General West - witness McKenzie
Note: Sacre, Candace Last time 13.6 ROE approved by commission rate case?

4:55:33 PM Asst Atty General West - witness McKenzie
Note: Sacre, Candace Interest rates much different in '80s?

4:55:52 PM Asst Atty General West - witness McKenzie
Note: Sacre, Candace Mean and medium returns 8.6 and 10.2, updated analysis range from 8.2 to 10.3?

4:56:15 PM Asst Atty General West - witness McKenzie
Note: Sacre, Candace Analysis competitive proxy group, utilities reap economic benefits attractive investors typical firm open market not have access?

4:57:35 PM Asst Atty General West - witness McKenzie
Note: Sacre, Candace Utilities have advantage fixed pool customers?

4:58:46 PM Asst Atty General West
Note: Sacre, Candace AMM-21 rebuttal McKenzie, page 170 PDF.

4:59:12 PM Camera Lock Video Conference Activated

4:59:40 PM Asst Atty General West - witness McKenzie
Note: Sacre, Candace Cost of Equity Estimates proxy group?

5:00:04 PM Asst Atty General West - witness McKenzie
Note: Sacre, Candace Explain why Kentucky Power earn same Apple, etc?

5:02:05 PM Asst Atty General West - witness McKenzie
Note: Sacre, Candace Investing utility less risk other competitive industries?

5:03:41 PM Asst Atty General West - witness McKenzie
Note: Sacre, Candace Page 14, initial testimony, ECF estimates low risk competitive 9.5 to 10.8, 9.5 represents average, not low end, analyzed?

5:04:14 PM Asst Atty General West - witness McKenzie
Note: Sacre, Candace Some investors competitive proxy group accepting returns below 9.5?

5:04:18 PM Camera Lock Deactivated

5:04:50 PM Asst Atty General West - witness McKenzie
Note: Sacre, Candace Page 36, initial testimony, "unreasonable to disregard current conditions," reading. (Click on link for further comments.) Quoting correctly?

5:05:36 PM Asst Atty General West - witness McKenzie
Note: Sacre, Candace Initially calculated DSF, retrieved data May 2020?

5:05:58 PM Asst Atty General West - witness McKenzie
Note: Sacre, Candace Fair to say, given timing COVID and response, DCF already considered six weeks/few months after emerged?

5:07:38 PM Asst Atty General West - witness McKenzie
Note: Sacre, Candace Uncertainty high degree of risk?

5:08:26 PM Asst Atty General West - witness McKenzie
Note: Sacre, Candace Beta values, utility industry increased, other industries decreased, possible numbers return to pre-COVID levels?

5:10:45 PM Asst Atty General West - witness McKenzie
Note: Sacre, Candace Beta utility group increase or decrease, more likely decrease or increase under current levels?

5:11:52 PM Asst Atty General West - witness McKenzie
Note: Sacre, Candace Previous Commission case, review FO Duke Energy 2020-00271 issued earlier this year?

5:12:16 PM Asst Atty General West - witness McKenzie
Note: Sacre, Candace Commission awarded 9.25 return Duke?

5:12:50 PM Asst Atty General West - witness McKenzie
Note: Sacre, Candace In testimony?

5:13:11 PM Asst Atty General West - witness McKenzie
Note: Sacre, Candace Assumed address in rebuttal?

5:13:29 PM Asst Atty General West - witness McKenzie
Note: Sacre, Candace Aware Duke Energy downrated Moody's because of Commission Order?

5:14:06 PM Asst Atty General West - witness McKenzie
Note: Sacre, Candace Commission said flotation costs historically rejected/continues reject flotation costs included in ROE estimates?

5:14:22 PM Asst Atty General West - witness McKenzie
Note: Sacre, Candace Recommended inclusion flotation costs?

5:14:30 PM Asst Atty General West - witness McKenzie
Note: Sacre, Candace Excluding flotation costs, range 9.3 to 10.4 ROE?

5:14:47 PM Asst Atty General West - witness McKenzie
Note: Sacre, Candace CAPM and ECAPM not fall in that range, in fact higher?

5:15:32 PM Asst Atty General West - witness McKenzie
Note: Sacre, Candace Reasonable range?

5:15:46 PM Asst Atty General West - witness McKenzie
Note: Sacre, Candace Results from CAPM and ECAPM upper range reasonable, make unreasonable?

5:16:42 PM Asst Atty General West - witness McKenzie
Note: Sacre, Candace Table where showed average allowed ROEs in 2020, Table R-1 on R5, rebuttal testimony, average 9.69?

5:17:23 PM Asst Atty General West - witness McKenzie
Note: Sacre, Candace ECAPM and CAPM higher average allowed ROEs 2020?

5:18:04 PM Asst Atty General West - witness McKenzie
Note: Sacre, Candace Rebuttal, allowed ROEs used evaluate recommended ROE sufficient?

5:18:47 PM Asst Atty General West
Note: Sacre, Candace All questions.

5:18:49 PM Chairman Schmitt
Note: Sacre, Candace Mr. Kurtz?

5:18:53 PM Atty Kurtz KIUC
Note: Sacre, Candace Yes.

5:18:55 PM Atty Kurtz KIUC - witness McKenzie
Note: Sacre, Candace Cross Examination. Recommended ROE 10.3?

5:19:06 PM Atty Kurtz KIUC - witness McKenzie
Note: Sacre, Candace After tax ROE?

5:19:11 PM Atty Kurtz KIUC - witness McKenzie
Note: Sacre, Candace Utility recover pretax return to yield recommended after-tax return 10.3?

5:19:29 PM Atty Kurtz KIUC - witness McKenzie
Note: Sacre, Candace Pretax ROE result from recommendation?

5:19:38 PM Atty Kurtz KIUC - witness McKenzie
Note: Sacre, Candace Gross revenue conversion factor 1.34482, what be?

5:20:20 PM Atty Kurtz KIUC - witness McKenzie
Note: Sacre, Candace 14 percent pretax ROE what consumers would pay?

5:20:39 PM Atty Kurtz KIUC - witness McKenzie
Note: Sacre, Candace Recommendation take into account proposed 13 percent base rate increase hurt economy of Eastern Kentucky?

5:22:04 PM Atty Kurtz KIUC - witness McKenzie
Note: Sacre, Candace Not take into account effect recommendation on people of Eastern Kentucky?

5:22:17 PM Atty Kurtz KIUC
Note: Sacre, Candace No further.

5:22:22 PM Chairman Schmitt
Note: Sacre, Candace Ms. Grundman?

5:22:25 PM Atty Grundman Walmart
Note: Sacre, Candace Briefly.

5:22:37 PM Atty Grundman Walmart
Note: Sacre, Candace Pull up AG/KIUC Exhibit 1, page 28?

5:22:55 PM Atty Grundman Walmart - witness McKenzie
Note: Sacre, Candace Cross Examination. Observing last couple days this hearing?

5:23:07 PM Atty Grundman Walmart - witness McKenzie
Note: Sacre, Candace Seen exhibit?

5:23:11 PM Camera Lock Video Conference Activated

5:23:20 PM Atty Grundman Walmart - witness McKenzie
Note: Sacre, Candace At least vaguely familiar, page 28, "2021 Forecasted Regulated ROE is 9.0%"?

5:23:49 PM Atty Grundman Walmart - witness McKenzie
Note: Sacre, Candace AEP estimate average ROE expected be regulated business lines?

5:24:21 PM Atty Grundman Walmart - witness McKenzie
Note: Sacre, Candace Light blue actual numbers, navy blue forecasted estimate?

5:24:35 PM Atty Grundman Walmart - witness McKenzie
Note: Sacre, Candace Under blue box under AEP Ohio, APCo Kentucky Power SWEPCO, familiar?

5:24:53 PM Atty Grundman Walmart - witness McKenzie
Note: Sacre, Candace Foward looking expect ROE be 2021 result base rate cases?

5:25:20 PM Atty Grundman Walmart - witness McKenzie
Note: Sacre, Candace Company earn 9.0 ROE Commission take into account setting ROE?

5:26:32 PM Atty Grundman Walmart - witness McKenzie
Note: Sacre, Candace Not take part presentation EEI?

5:26:42 PM Atty Grundman Walmart - witness McKenzie
Note: Sacre, Candace Not have opinion company's conclusions strong financial position 2021 forecasted regulated ROE 9.0?

5:27:03 PM Atty Grundman Walmart - witness McKenzie
Note: Sacre, Candace Rebuttal testimony, AMM-13, identified State Allowed ROEs?

5:27:52 PM Atty Grundman Walmart - witness McKenzie
Note: Sacre, Candace Duke Energy allowed ROE 10.10, Value Line?

5:28:15 PM Atty Grundman Walmart - witness McKenzie
Note: Sacre, Candace Duke Energy 9.5 ROE in South Carolina 9.25 in Kentucky, 10.1 came from, how calculated?

5:29:38 PM Atty Grundman Walmart - witness McKenzie
Note: Sacre, Candace Allowed ROE include transmission FERC approved rates or state authorized ROEs?

5:30:19 PM Atty Grundman Walmart - witness McKenzie
Note: Sacre, Candace Know what inputs were Value Line used arrive at 10.1?

5:30:55 PM Atty Grundman Walmart - witness McKenzie
Note: Sacre, Candace Average 9.79 totality of operations of companies?

5:31:06 PM Atty Grundman Walmart - witness McKenzie
Note: Sacre, Candace Include nonregulated affiliates?

5:31:32 PM Atty Grundman Walmart - witness McKenzie
Note: Sacre, Candace Underlying data for AMM-13 produced in work papers?

5:32:07 PM Atty Grundman Walmart
Note: Sacre, Candace Possible post-hearing data request Value Line surveys July 24 August 14 September 11 2020?

5:32:17 PM Chairman Schmitt
Note: Sacre, Candace Certainly will, close of hearing, opportunity do that.

5:32:18 PM POST-HEARING DATA REQUEST
Note: Sacre, Candace ATTY GRUNDMAN WALMART - WITNESS MCKENZIE
Note: Sacre, Candace VALUE LINE INVESTMENT SURVEYS JULY 24-AUGUST 14-SEPTEMBER 11 2020

5:32:18 PM Camera Lock Deactivated

5:32:39 PM Atty Grundman Walmart - witness McKenzie
Note: Sacre, Candace Aware commission issued 13 percent ROE, remember questions?

5:33:02 PM Atty Grundman Walmart - witness McKenzie
Note: Sacre, Candace Forming estimates ROE, matter highest ROE 18 months across the country any utility?

5:34:18 PM Atty Grundman Walmart - witness McKenzie
Note: Sacre, Candace Page R2, rebuttal, Figure R-1, created figure response to Witness Baudino where ROE recommendation falls benchmarks?

5:35:07 PM Atty Grundman Walmart - witness McKenzie
Note: Sacre, Candace Four benchmarks?

5:35:19 PM Atty Grundman Walmart - witness McKenzie
Note: Sacre, Candace Large dark bar, range of results analysis reveals?

5:35:35 PM Atty Grundman Walmart - witness McKenzie
Note: Sacre, Candace Dark line, Baudino conclusions/ROE results 9.0?

5:35:47 PM Atty Grundman Walmart - witness McKenzie
Note: Sacre, Candace Fall within range?

5:36:04 PM Atty Grundman Walmart
Note: Sacre, Candace Not any further.

5:36:14 PM Chairman Schmitt
Note: Sacre, Candace Mr. Spenard?

5:36:17 PM Atty Spenard KYSEIA
Note: Sacre, Candace Yes.

5:36:29 PM Atty Spenard KYSEIA
Note: Sacre, Candace Staff share Application, Section 3, Vol 2, McKenzie direct, page 7, available?

5:37:23 PM Camera Lock Video Conference Activated

5:37:30 PM Atty Spenard KYSEIA - witness McKenzie
Note: Sacre, Candace Cross Examination. Page 221 of 333, line 9, Q 13, reading, (Click on link for further comments.) See question?

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| 5:38:06 PM | Atty Spenard KYSEIA - witness McKenzie Note: Sacre, Candace | Line 12, answer, reading (Click on link for further comments.) See that? |
| 5:38:21 PM | Atty Spenard KYSEIA - witness McKenzie Note: Sacre, Candace | Phrase regulatory signals, what regulatory signals comprise? |
| 5:39:03 PM | Atty Spenard KYSEIA - witness McKenzie Note: Sacre, Candace | Commission order produced from Application falls within set of regulatory signals? |
| 5:39:45 PM | Atty Spenard KYSEIA - witness McKenzie Note: Sacre, Candace | First sentence, line 12, reading. (Click on link for further comments.) What that phrase comprise? |
| 5:41:04 PM | Atty Spenard KYSEIA - witness McKenzie Note: Sacre, Candace | Risk assessment ties into uncertainty return? |
| 5:42:03 PM | Atty Spenard KYSEIA - witness McKenzie Note: Sacre, Candace | Regulatory signals for KPC unique to KPC or share with AEP family? |
| 5:43:19 PM | Atty Spenard KYSEIA Note: Sacre, Candace | All questions. |
| 5:43:22 PM | Chairman Schmitt Note: Sacre, Candace | Mr. Fitzgerald? |
| 5:43:26 PM | Atty Fitzgerald Joint Intervenors Note: Sacre, Candace | I do. |
| 5:43:28 PM | Camera Lock Deactivated | |
| 5:43:33 PM | Atty Fitzgerald Joint Intervenors - witness McKenzie Note: Sacre, Candace | Cross Examination. Asked analysis considered dire economic conditions, responded not consider social matters. Economic conditions not be considered by Commission when reviewing rate increase/ROE to approve? |
| 5:45:39 PM | Atty Fitzgerald Joint Intervenors - witness McKenzie Note: Sacre, Candace | Not suggesting considerations not appropriate for Commission, just not part of analysis? |
| 5:47:24 PM | Atty Fitzgerald Joint Intervenors - witness McKenzie Note: Sacre, Candace | Agree rates fair just reasonable standard Commission uses includes consideration rates reasonable in light economic conditions 20 counties KPC service area? |
| 5:47:56 PM | Atty Fitzgerald Joint Intervenors - witness McKenzie Note: Sacre, Candace | Looked to Kentucky to see appropriate range for ROE, higher ROE than Duke getting, aware Duke Power Kentucky 9.25 ROE? |
| 5:49:16 PM | Atty Fitzgerald Joint Intervenors - witness McKenzie Note: Sacre, Candace | Think appropriate Commission consider lower end ROE range rather than gold standard? |
| 5:50:08 PM | Atty Fitzgerald Joint Intervenors - witness McKenzie Note: Sacre, Candace | Your role produce one set of numbers, Commission balance interests all parties determine fair just reasonable? |
| 5:50:36 PM | Atty Fitzgerald Joint Intervenors Note: Sacre, Candace | Thank you. |
| 5:50:42 PM | Chairman Schmitt Note: Sacre, Candace | Mr. Miller, Mr. Childers? |
| 5:50:48 PM | Atty Miller Sierra Club Note: Sacre, Candace | No. |
| 5:50:53 PM | Chairman Schmitt Note: Sacre, Candace | Mr. Frye? |
| 5:50:55 PM | Atty Frye SWVA Note: Sacre, Candace | No. |
| 5:50:57 PM | Chairman Schmitt Note: Sacre, Candace | Vice Chairman Chandler? |

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| 5:51:00 PM | Vice Chairman Chandler Note: Sacre, Candace | I do. |
| 5:51:03 PM | Vice Chairman Chandler - witness Note: Sacre, Candace | McKenzie Examination. Clarify role open Bluefield play determination proposed ROE? |
| 5:52:38 PM | Vice Chairman Chandler - witness Note: Sacre, Candace | McKenzie Provided Commission ROE final product, end result? |
| 5:53:02 PM | Vice Chairman Chandler - witness Note: Sacre, Candace | McKenzie Believe proposal end result Commission accept without making adjustments? |
| 5:53:25 PM | Vice Chairman Chandler Note: Sacre, Candace | Pg 219, McKenzie direct, No. 9? |
| 5:53:56 PM | Camera Lock Video Conference Activated | |
| 5:54:02 PM | Vice Chairman Chandler - witness Note: Sacre, Candace | McKenzie Page 5, cite Hope and Bluefield? |
| 5:54:19 PM | Vice Chairman Chandler - witness Note: Sacre, Candace | McKenzie Bluefield, footnote 1, see that? |
| 5:54:33 PM | Vice Chairman Chandler - witness Note: Sacre, Candace | McKenzie Read Bluefield case? |
| 5:54:45 PM | Vice Chairman Chandler - witness Note: Sacre, Candace | McKenzie Aware important text prior to "A public utility is entitled?" |
| 5:54:53 PM | Vice Chairman Chandler - witness Note: Sacre, Candace | McKenzie Know what is missing? |
| 5:55:08 PM | Vice Chairman Chandler - witness Note: Sacre, Candace | McKenzie Surprised says "but it has no constitutional right to profits such as are realized or anticipated in highly profitable enterprises or speculative ventures?" |
| 5:55:26 PM | Vice Chairman Chandler - witness Note: Sacre, Candace | McKenzie Agree language sounds like firms unregulated? |
| 5:55:39 PM | Vice Chairman Chandler - witness Note: Sacre, Candace | McKenzie Highly speculative ventures likely rate regulated? |
| 5:56:01 PM | Vice Chairman Chandler - witness Note: Sacre, Candace | McKenzie Highly speculative, not rate regulated entity? |
| 5:56:32 PM | Vice Chairman Chandler - witness Note: Sacre, Candace | McKenzie Highly profitable? |
| 5:57:01 PM | Vice Chairman Chandler - witness Note: Sacre, Candace | McKenzie Hope quote, "investor or company point of view?" |
| 5:57:08 PM | Vice Chairman Chandler - witness Note: Sacre, Candace | McKenzie Portion just before in Order says "The ratemaking process under the Act," Natural Gas Act? |
| 5:57:24 PM | Vice Chairman Chandler - witness Note: Sacre, Candace | McKenzie Reading, (Click on link for further comments.) Agree quote goes on to discuss investor interests? |
| 5:57:47 PM | Vice Chairman Chandler - witness Note: Sacre, Candace | McKenzie Balancing act only occurs after ROE determined or customers considered determination ROE? |
| 5:59:11 PM | Vice Chairman Chandler - witness Note: Sacre, Candace | McKenzie Testimony relates to return what proposed is end result and Commission make no adjustments, balancing? |
| 6:00:17 PM | Vice Chairman Chandler - witness Note: Sacre, Candace | McKenzie Balanced in determination of ROE recommendation interest of investors and consumers end product or leaving balancing of consumer to Commission? |

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| 6:02:02 PM | Vice Chairman Chandler - witness McKenzie Note: Sacre, Candace | Considered that or assume consumer interest not considered in amounts provided? |
| 6:03:01 PM | Vice Chairman Chandler - witness McKenzie Note: Sacre, Candace | Line 7, same general part of country, 20 East Kentucky counties, Appalachian, Kentucky as state, analysis look at that or more generalized than looking at area in which KP operates? |
| 6:06:45 PM | Vice Chairman Chandler - witness McKenzie Note: Sacre, Candace | Did not look at returns or earnings companies operate in Ky Power? |
| 6:07:11 PM | Vice Chairman Chandler - witness McKenzie Note: Sacre, Candace | Same general part of the country, confirm not case? |
| 6:07:20 PM | Vice Chairman Chandler Note: Sacre, Candace | Thank you. |
| 6:07:25 PM | Chairman Schmitt Note: Sacre, Candace | Dr. Mathews? |
| 6:07:38 PM | Camera Lock Deactivated | |
| 6:07:39 PM | Commissioner Mathews Note: Sacre, Candace | One. |
| 6:09:06 PM | Commissioner Mathews - witness McKenzie Note: Sacre, Candace | Examination. Relative risk of companies? |
| 6:09:24 PM | Commissioner Mathews - witness McKenzie Note: Sacre, Candace | Companies have trackers, those companies lower in risk? |
| 6:11:02 PM | Commissioner Mathews Note: Sacre, Candace | Done. |
| 6:11:20 PM | Chairman Schmitt Note: Sacre, Candace | Mr. Garcia? (Click on link for further discussion.) |
| 6:12:06 PM | Atty Garcia-Santana Kentucky Power Note: Sacre, Candace | Thank you. |
| 6:12:47 PM | Atty Garcia-Santana Kentucky Power - witness McKenzie Note: Sacre, Candace | Redirect Examination. AMM-21, DCF model vulnerable to market anomalies? |
| 6:14:00 PM | Atty Garcia-Santana Kentucky Power - witness McKenzie Note: Sacre, Candace | Under analysis, information AMM-21 was not temperate it to arrive at conclusion required ROE for investors? |
| 6:14:45 PM | Atty Garcia-Santana Kentucky Power - witness McKenzie Note: Sacre, Candace | AMM-14, explain relationship information range of reasonableness Baudino proxy AMM-13? |
| 6:16:57 PM | Atty Garcia-Santana Kentucky Power - witness McKenzie Note: Sacre, Candace | Kentucky Power range of utilities tend be riskier investment Duke Kentucky LG&E rated higher by credit rating agencies? |
| 6:18:17 PM | Atty Garcia-Santana Kentucky Power - witness McKenzie Note: Sacre, Candace | AMM-19, reflects risk premium? |
| 6:18:41 PM | Atty Garcia-Santana Kentucky Power - witness McKenzie Note: Sacre, Candace | Provide richer picture than DES methodology? |
| 6:18:57 PM | Atty Garcia-Santana Kentucky Power - witness McKenzie Note: Sacre, Candace | Why necessary dates range 2019 to 1974, possibly shorter, five years? |
| 6:19:58 PM | Atty Garcia-Santana Kentucky Power - witness McKenzie Note: Sacre, Candace | Beta, utility industry compares oil market? |
| 6:20:10 PM | Atty Garcia-Santana Kentucky Power - witness McKenzie Note: Sacre, Candace | Future beta, more predictable interest rates? |
| 6:21:12 PM | Atty Garcia-Santana Kentucky Power - witness McKenzie Note: Sacre, Candace | Asked about Duke Order authorized 9.2? |

| | | |
|------------|---|---|
| 6:21:25 PM | Atty Garcia-Santana Kentucky Power - witness McKenzie Note: Sacre, Candace | Important distinctions are? |
| 6:23:43 PM | Atty Garcia-Santana Kentucky Power - witness McKenzie Note: Sacre, Candace | Equity layer of Kentucky Power relatively low 42 percent? |
| 6:24:40 PM | Atty Garcia-Santana Kentucky Power - witness McKenzie Note: Sacre, Candace | Correct authorizing higher ROE lesser effect customers relatively low equity layer? |
| 6:25:25 PM | Atty Garcia-Santana Kentucky Power - witness McKenzie Note: Sacre, Candace | Ability of Ky Power to attract capital and economic circumstances, economic condition risk factor investment riskier require higher return? |
| 6:26:29 PM | Atty Garcia-Santana Kentucky Power - witness McKenzie Note: Sacre, Candace | Bluefield and Hope, understanding interest of consumers and investors misaligned or consistent with each other? |
| 6:27:07 PM | Atty Garcia-Santana Kentucky Power - witness McKenzie Note: Sacre, Candace | Bad for customers of Ky Power ROE not sufficient to attract capital? |
| 6:27:32 PM | Atty Garcia-Santana Kentucky Power - witness McKenzie Note: Sacre, Candace | Good for customers have ROE, achieve ROE consistent Bluefield and Hope? |
| 6:28:10 PM | Atty Garcia-Santana Kentucky Power Note: Sacre, Candace | That's it. |
| 6:28:14 PM | Chairman Schmitt Note: Sacre, Candace | Recess until 9 am in the morning. |
| 6:28:36 PM | Session Ended | |



Exhibit List Report

2020-00174 19Nov2020

**Kentucky Power Company
(Kentucky Power)**

Name:**Description:**

Company Hearing Exhibit 9

Errata Sheet McKenzie Rebuttal Testimony

McKenzie Rebuttal Testimony
Revised Table R-2

| | Average | Median | Midpoint |
|-----------------------------|----------------|---------------|-----------------|
| DCF | | | |
| Value Line | 8.9% | 8.7% | 10.3% |
| IBES | 9.1% | 9.3% | 8.9% |
| Zacks | 9.3% | 9.3% | 9.2% |
| Internal br + sv | <u>8.2%</u> | <u>8.0%</u> | <u>8.7%</u> |
| Average | 8.9% | 8.8% | 9.2% |
| CAPM | | | |
| Current Bond Yield | 10.6% | 10.3% | 10.8% |
| Projected Bond Yield | <u>10.7%</u> | <u>10.4%</u> | <u>10.9%</u> |
| Average | 10.6% | 10.4% | 10.8% |
| Empirical CAPM | | | |
| Current Bond Yield | 10.9% | 10.5% | 11.1% |
| Projected Bond Yield | <u>11.0%</u> | <u>10.7%</u> | <u>11.1%</u> |
| Average | 10.9% | 10.6% | 11.1% |
| Utility Risk Premium | | | |
| Current Bond Yields | 9.3% | 9.3% | 9.3% |
| Projected Bond Yield | <u>10.1%</u> | 10.1% | 10.1% |
| Average | 9.7% | 9.7% | 9.7% |
| Expected Earnings | 10.6% | 10.9% | 10.6% |
| Indicated ROE | 10.1% | 10.1% | 10.3% |

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