

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF BIG SANDY)	
RURAL ELECTRIC COOPERATIVE)	CASE NO.
CORPORATION FOR A GENERAL)	2024-00287
ADJUSTMENT OF RATES)	

NOTICE OF FILING

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

- The digital video recording of the evidentiary hearing conducted on February 18, 2025 in this proceeding;
- Certification of the accuracy and correctness of the digital video recording;
- A written log listing, *inter alia*, the date and time of where each witness's testimony begins and ends on the digital video recording of the evidentiary hearing conducted on February 18, 2025.

A copy of this Notice, the certification of the digital video record, and the hearing log has been served upon all persons listed at the end of this Notice. Parties may view the digital video recording of the hearing at <https://youtu.be/NVWHVPnnASg>.

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

Done in Frankfort, Kentucky, on February 25, 2025.

 

Linda C. Bridwell, PE
Executive Director

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CERTIFICATION

I, Candace H. Sacre, hereby certify that:

1. The attached flash drive contains a digital recording of the Formal Hearing conducted in the above-styled proceeding on February 18, 2025. The Formal Hearing Log is included with the recording on February 18, 2025;
2. I am responsible for the preparation of the digital recording;
3. The digital recording accurately and correctly depicts the Formal Hearing of February 18, 2025; and
4. The Formal Hearing Log attached to this Certificate accurately and correctly states the events that occurred at the Formal Hearing of February 18, 2025, and the time at which each occurred.

Signed this 25th day of February, 2025.



Candace H. Sacre
Administrative Specialist Senior



Stephanie Schweighardt
Kentucky State at Large ID# KYNP 64180
Commission Expires: January 14, 2027



Session Report - Detail

2024-00287 18Feb2025

Big Sandy Rural Electric Cooperative Corporation (Big Sandy RECC)

Date:	Type:	Location:	Department:
2/18/2025	Public Hearing\Public Comments	Hearing Room 2	Hearing Room 2 (HR 2)

Witness: Joni Hazelrigg; Greg Meyer; Jeff Prater; Robin Slone; John Wolfram
 Judge: Angie Hatton; John Will Stacy
 Clerk: Candace H Sacre

Event Time	Log Event
9:06:05 AM	Session Started
9:06:06 AM	Chair Hatton Note: Sacre, Candace Preliminary remarks.
9:06:18 AM	Chair Hatton Note: Sacre, Candace Introductions.
9:06:28 AM	Chair Hatton Note: Sacre, Candace Purpose of hearing.
9:06:32 AM	Chair Hatton Note: Sacre, Candace Hearing recommendations.
9:06:46 AM	Chair Hatton Note: Sacre, Candace Entry of appearance of counsel.
9:06:56 AM	Atty Honaker Big Sandy RECC Note: Sacre, Candace Allyson Honaker and Heather Temple, also Meredith Cave, witnesses Jeff Prater, Robin Slone, Joni Hazelrigg, and John Wolfram.
9:07:22 AM	Asst Atty General Goad Note: Sacre, Candace Angela Goad, with me witness, Greg Meyer, as well as new attorney, Tolan Lacy.
9:07:38 AM	Staff Atty Hatcher PSC Note: Sacre, Candace Ashley Hatcher and Morgan Hall.
9:07:44 AM	Chair Hatton Note: Sacre, Candace Public notice.
9:07:50 AM	Chair Hatton Note: Sacre, Candace Motions.
9:08:04 AM	Chair Hatton Note: Sacre, Candace Public comment.
9:08:46 AM	Chair Hatton Note: Sacre, Candace Call first witness.
9:08:51 AM	Atty Honaker Big Sandy RECC Note: Sacre, Candace Jeff Prater.
9:09:16 AM	Chair Hatton Note: Sacre, Candace Witness is sworn.
9:09:23 AM	Chair Hatton - witness Prater Note: Sacre, Candace Examination. Name and address?
9:09:39 AM	Atty Honaker Big Sandy RECC - witness Prater Note: Sacre, Candace Direct Examination. Cause direct, rebuttal, and responses be filed?
9:09:49 AM	Atty Honaker Big Sandy RECC - witness Prater Note: Sacre, Candace If were to ask same questions, answers be same?
9:09:54 AM	Atty Honaker Big Sandy RECC - witness Prater Note: Sacre, Candace Additions or corrections?

9:09:59 AM	Atty Honaker Big Sandy RECC - witness Prater Note: Sacre, Candace	Desire and intent incorporate those into record?
9:10:06 AM	Chair Hatton Note: Sacre, Candace	Ms. Goad?
9:10:08 AM	Asst Atty General Goad - witness Prater Note: Sacre, Candace	Cross Examination. Accurate state company requested increase of \$3.5 million?
9:10:23 AM	Asst Atty General Goad - witness Prater Note: Sacre, Candace	After agreeing to AG recommendations as well as corrections, rate increase reduced to \$2,861,372?
9:10:44 AM	Asst Atty General Goad - witness Prater Note: Sacre, Candace	Based upon revised reduced rate increase, average residential monthly bill still increase by \$18.07 or 12.93 percent?
9:11:02 AM	Asst Atty General Goad Note: Sacre, Candace	Post-hearing data request current monthly average residential total bill as well as proposed monthly residential average total bill based on revised rate increase in rebuttal testimony.
9:11:03 AM	POST-HEARING DATA REQUEST Note: Sacre, Candace Note: Sacre, Candace	ASST ATTY GENERAL GOAD - WITNESS PRATER CURRENT MONTHLY AVERAGE RESIDENTIAL TOTAL BILL AND PROPOSED MONTHLY RESIDENTIAL AVERAGE TOTAL BILL BASED ON REVISED RATE
9:11:40 AM	Asst Atty General Goad - witness Prater Note: Sacre, Candace	In pending rate case, also asking monthly residential customer charge be raised from \$21.95 per month to \$29 per month, correct?
9:11:54 AM	Asst Atty General Goad - witness Prater Note: Sacre, Candace	Requested increase to monthly residential customer charge 32.12 percent increase?
9:12:08 AM	Asst Atty General Goad - witness Prater Note: Sacre, Candace	If Commission were to grant proposed charge, highest in state of Kentucky?
9:12:38 AM	Asst Atty General Goad - witness Prater Note: Sacre, Candace	As of today, Commission not approved?
9:12:43 AM	Asst Atty General Goad - witness Prater Note: Sacre, Candace	Accurate Big Sandy proposing zero percent increase on commercial and small power customer class?
9:12:59 AM	Asst Atty General Goad - witness Prater Note: Sacre, Candace	Refer to Response, AG First, Question 2-A, concerning economic issue question, co-sponsored response?
9:13:52 AM	Asst Atty General Goad - witness Prater Note: Sacre, Candace	AG asked for discussion concerning economic issues customers currently combating, correct?
9:13:55 AM	Asst Atty General Goad - witness Prater Note: Sacre, Candace	Read response into record?
9:14:54 AM	Asst Atty General Goad - witness Prater Note: Sacre, Candace	Mention in response high poverty rates, turn to same question subpart (i), look at question first, asking about poverty rates?
9:15:44 AM	Asst Atty General Goad - witness Prater Note: Sacre, Candace	Accurate AG listed US Census poverty rates for Big Sandy service area?
9:15:57 AM	Asst Atty General Goad - witness Prater Note: Sacre, Candace	Read into record poverty rates for counties Big Sandy service is?
9:16:34 AM	Asst Atty General Goad - witness Prater Note: Sacre, Candace	Fair to say agree customers in difficult financial position?

9:16:58 AM Asst Atty General Goad - witness Prater
Note: Sacre, Candace AG asked whether Big Sandy worked other utility on joint ventures, Big Sandy said attended informal meeting Nov 19 2024 with few other cooperatives to discuss mergers, recall response?

9:17:25 AM Asst Atty General Goad - witness Prater
Note: Sacre, Candace Accurate Big Sandy further stated at meeting was decided merger not feasible?

9:18:40 AM Asst Atty General Goad - witness Prater
Note: Sacre, Candace Attend meeting?

9:18:45 AM Asst Atty General Goad - witness Prater
Note: Sacre, Candace Recall how long lasted?

9:18:59 AM Asst Atty General Goad - witness Prater
Note: Sacre, Candace Maybe couple of hours?

9:19:06 AM Asst Atty General Goad - witness Prater
Note: Sacre, Candace Discussed professional firm hired to perform study see if economic efficiencies and benefits, issue requests for proposal for a study?

9:19:31 AM Asst Atty General Goad - witness Prater
Note: Sacre, Candace After meeting, no requests made to professional firm study merger, off table or discuss again in future?

9:20:06 AM Asst Atty General Goad - witness Prater
Note: Sacre, Candace Drivers of request, requesting adjustment ROW maintenance expense little less than \$700,000 for total \$2.06 million?

9:20:27 AM Asst Atty General Goad - witness Prater
Note: Sacre, Candace Based upon cutting 138 miles of ROW per year?

9:20:41 AM Asst Atty General Goad - witness Prater
Note: Sacre, Candace Big Sandy only cut 108 miles in 2024?

9:20:48 AM Asst Atty General Goad - witness Prater
Note: Sacre, Candace Recall Meyer in testimony recommended base on 105.93 miles?

9:21:06 AM Asst Atty General Goad - witness Prater
Note: Sacre, Candace Admit Meyer recommendation of 106 miles two miles less than what actually cut in 2024?

9:21:23 AM Asst Atty General Goad - witness Prater
Note: Sacre, Candace Meyer recommended 106 miles, in rebuttal testimony said actually cut 108 miles, less than two miles difference?

9:21:40 AM Asst Atty General Goad - witness Prater
Note: Sacre, Candace State reason not cleared 138 miles of ROW did not have money to do so?

9:22:25 AM Asst Atty General Goad - witness Prater
Note: Sacre, Candace Refer Response, AG First, Question 44-D, review and let me know when ready, concerns ROW?

9:23:12 AM Asst Atty General Goad - witness Prater
Note: Sacre, Candace AG asked for actual ROW miles between 2017 and 2024, read response into record?

9:24:48 AM Asst Atty General Goad - witness Prater
Note: Sacre, Candace In rebuttal, said lack of funding reason not hit target, but extremely high TIERS of well over two, why not more miles cut when funding not an issue?

9:25:53 AM Asst Atty General Goad - witness Prater
Note: Sacre, Candace Big Sandy RECC wholly owns Big Sandy Forestry?

9:26:23 AM Asst Atty General Goad - witness Prater
Note: Sacre, Candace Know when Big Sandy Forestry created?

9:26:46 AM Asst Atty General Goad - witness Prater
Note: Sacre, Candace Refer to Response, AG Second, Question 20, subpart (b), AG asked how Big Sandy awards ROW contracts, read response into record?

9:27:56 AM	Asst Atty General Goad - witness Prater Note: Sacre, Candace	Why would Big Sandy Forestry set contract price at rate near lowest bid?
9:29:13 AM	Chair Hatton - witness Prater Note: Sacre, Candace	Examination. What did you say was difference, how much?
9:29:19 AM	Chair Hatton - witness Prater Note: Sacre, Candace	Per hour?
9:29:52 AM	Chair Hatton - witness Prater Note: Sacre, Candace	So not send bid out so requires uniform response?
9:30:33 AM	Commissioner Stacy - witness Prater Note: Sacre, Candace	Examination. How many responses get for those bids?
9:30:54 AM	Commissioner Stacy - witness Prater Note: Sacre, Candace	Any of contractors local?
9:31:21 AM	Commissioner Stacy - witness Prater Note: Sacre, Candace	Local contractor lowest bid?
9:31:34 AM	Commissioner Stacy Note: Sacre, Candace	Did you ask about poverty rates?
9:31:57 AM	Commissioner Stacy Note: Sacre, Candace	Check population changes?
9:32:25 AM	Commissioner Stacy - witness Prater Note: Sacre, Candace	Examination. When did calculations take that into consideration, loss of population?
9:34:00 AM	Commissioner Stacy - witness Prater Note: Sacre, Candace	Use loss of population as something use to calculate rates and how you serve area, what mean to Big Sandy?
9:36:44 AM	Commissioner Stacy - witness Prater Note: Sacre, Candace	Asked about meeting for consolidation, did not go very well, identify any savings could achiever by some merger?
9:39:01 AM	Commissioner Stacy - witness Prater Note: Sacre, Candace	If could identify savings, could not savings be applied to overall cost for every customer?
9:39:22 AM	Asst Atty General Goad - witness Prater Note: Sacre, Candace	Cross Examination (cont'd). Big Sandy Forestry not have lowest price bid but set price near lowest, not be more economical for customers Big Sandy RECC accept lowest bid?
9:40:53 AM	Asst Atty General Goad - witness Prater Note: Sacre, Candace	If another bidder do it for cheaper, would it not behoove RECC's customers to go with lowest bid?
9:41:34 AM	Asst Atty General Goad - witness Prater Note: Sacre, Candace	Hear right when said any profits from Big Sandy Forestry come back to RECC?
9:41:50 AM	Asst Atty General Goad - witness Prater Note: Sacre, Candace	AG Second, Item 22, read?
9:43:26 AM	Asst Atty General Goad - witness Prater Note: Sacre, Candace	AG asked if Big Sandy Forestry has profits, retained by Forestry or returned to Big Sandy RECC to benefit customers, read response into record?
9:44:36 AM	Asst Atty General Goad - witness Prater Note: Sacre, Candace	Response 20, subpart (c), not a full response?
9:45:33 AM	Asst Atty General Goad - witness Prater Note: Sacre, Candace	Has Big Sandy spent less than budgeted amount for ROW maintenance to use funds elsewhere?
9:45:50 AM	Asst Atty General Goad - witness Prater Note: Sacre, Candace	Started as CEO last summer?

9:45:56 AM	Asst Atty General Goad - witness Prater Note: Sacre, Candace	Have knowledge prior to that?
9:46:42 AM	Asst Atty General Goad - witness Prater Note: Sacre, Candace	Based on discovery responses, correct Big Sandy not budget target miles want to clear, but instead budget dollar amount and see how many miles be cut?
9:48:32 AM	Asst Atty General Goad - witness Prater Note: Sacre, Candace	If Commission grant \$2.06 million request for ROW maintenance, will receive full amount in rates whether used for ROW expense?
9:48:49 AM	Asst Atty General Goad - witness Prater Note: Sacre, Candace	Recall AG asking why total cost board of directed increased by 77.08 percent between 2017 and 2023?
9:49:07 AM	Asst Atty General Goad - witness Prater Note: Sacre, Candace	Recall Big Sandy responded associated adding one board member in 2020 and increasing per diem rate in 2022?
9:49:20 AM	Asst Atty General Goad - witness Prater Note: Sacre, Candace	How many directors have?
9:49:26 AM	Asst Atty General Goad - witness Prater Note: Sacre, Candace	Know why additional board member added?
9:49:37 AM	Asst Atty General Goad - witness Prater Note: Sacre, Candace	If AG issued post-hearing request, somebody at company know?
9:49:55 AM	Asst Atty General Goad Note: Sacre, Candace	Will issue request.
9:49:56 AM	POST-HEARING DATA REQUEST Note: Sacre, Candace Note: Sacre, Candace	ASST ATTY GENERAL GOAD - WITNESS PRATER REASON FOR ADDITIONAL BOARD MEMBER BEING ADDED IN 2020
9:50:00 AM	Chair Hatton - witness Prater Note: Sacre, Candace	Examination. Have eight now?
9:50:31 AM	Chair Hatton - witness Prater Note: Sacre, Candace	A new member?
9:50:35 AM	Chair Hatton - witness Prater Note: Sacre, Candace	And when that done?
9:50:38 AM	Chair Hatton - witness Prater Note: Sacre, Candace	Remember who person was who got added as board member?
9:50:47 AM	Commissioner Stacy - witness Prater Note: Sacre, Candace	No one there determine why board member added, who makes final determination or board vote to add member, not just manager?
9:51:13 AM	Commissioner Stacy - witness Prater Note: Sacre, Candace	Board members serving were there when decision made?
9:51:38 AM	Asst Atty General Goad - witness Prater Note: Sacre, Candace	Cross Examination. Know why per diem for board members increased?
9:52:20 AM	Asst Atty General Goad - witness Prater Note: Sacre, Candace	When talking to people, make aware adjustment made since in Eastern Kentucky?
9:52:38 AM	Asst Atty General Goad - witness Prater Note: Sacre, Candace	Board meet once a month?
9:52:44 AM	Asst Atty General Goad - witness Prater Note: Sacre, Candace	How long are board meetings?
9:52:57 AM	Asst Atty General Goad - witness Prater Note: Sacre, Candace	In response to AG First, Question 32, requested minutes for couple of years, general terms, issue found Feb 19 2024 special call board meeting minutes, mention of issues with prior manager?
9:53:48 AM	Asst Atty General Goad - witness Prater Note: Sacre, Candace	Know if was issue in 2024 with prior manager?

9:53:58 AM Asst Atty General Goad - witness Prater
Note: Sacre, Candace It was Feb 20 2024?

9:54:06 AM Atty Honaker Big Sandy RECC
Note: Sacre, Candace Confidential session, pending litigation.

9:54:24 AM Chair Hatton
Note: Sacre, Candace Just let us know.

9:54:28 AM Private Mode Activated

9:54:28 AM Private Recording Activated

10:01:40 AM Normal Mode Activated

10:01:40 AM Public Recording Activated

10:01:44 AM Asst Atty General Goad - witness Prater
Note: Sacre, Candace Cross Examination (cont'd). Even if something outside test period, customers still bearing costs?

10:02:49 AM Asst Atty General Goad - witness Prater
Note: Sacre, Candace Big Sandy provides employees with health, dental, and vision insurance?

10:03:14 AM Asst Atty General Goad - witness Prater
Note: Sacre, Candace And Big Sandy pays for 89.88 percent of total monthly health insurance premium for all employees regardless single or family?

10:03:29 AM Asst Atty General Goad - witness Prater
Note: Sacre, Candace Confirmed according to BLS average share of healthcare premiums paid by employer private industry family coverage 68 percent and for single coverage 80 percent, recall that?

10:03:49 AM Asst Atty General Goad - witness Prater
Note: Sacre, Candace Big Sandy also provides raises, bonuses, service awards, and no sick awards?

10:03:58 AM Asst Atty General Goad - witness Prater
Note: Sacre, Candace Big Sandy not have written or official policies for granting of raises, bonuses, service awards, and no sick awards?

10:04:09 AM Asst Atty General Goad - witness Prater
Note: Sacre, Candace Big Sandy also pays 100 percent cost of dental insurance?

10:04:28 AM Asst Atty General Goad - witness Prater
Note: Sacre, Candace What is difference between six or seven that get 100 percent paid?

10:04:50 AM Asst Atty General Goad - witness Prater
Note: Sacre, Candace Big Sandy also pays 100 percent cost for basic life and accidental insurance?

10:04:59 AM Asst Atty General Goad - witness Prater
Note: Sacre, Candace Pays 100 percent of long-term disability insurance?

10:05:03 AM Asst Atty General Goad - witness Prater
Note: Sacre, Candace And pays 100 percent short-term disability insurance?

10:05:07 AM Asst Atty General Goad - witness Prater
Note: Sacre, Candace Big Sandy also provides vehicle compensation benefit to president, vice president, line superintendent, and information technology manager?

10:05:18 AM Asst Atty General Goad - witness Prater
Note: Sacre, Candace When AG asked for detailed information how allowance calculated, no response provided, Big Sandy buy vehicle and make payments and provide vehicle to employee or provide payment to employee for using own vehicle?

10:05:48 AM Asst Atty General Goad - witness Prater
Note: Sacre, Candace No written or official policy for vehicle compensation?

10:05:56 AM Asst Atty General Goad - witness Prater
Note: Sacre, Candace Correct Big Sandy contributes 100 percent of retirement plans and not require employee contribute to own plan?

10:06:10 AM	Asst Atty General Goad - witness Prater Note: Sacre, Candace	Personally aware of any other company that not require employees contribute to retirement plan?
10:06:27 AM	Asst Atty General Goad - witness Prater Note: Sacre, Candace	Not conduct formal study comparing company benefit information to local benefit and wage information?
10:06:42 AM	Asst Atty General Goad - witness Prater Note: Sacre, Candace	All wages and benefits just discussed included for ratemaking purposes?
10:06:50 AM	Asst Atty General Goad - witness Prater Note: Sacre, Candace	Big Sandy only has 12,733 customers?
10:07:02 AM	Chair Hatton Note: Sacre, Candace	Staff?
10:07:07 AM	Staff Atty Hatcher PSC - witness Prater Note: Sacre, Candace	Cross Examination. Response to AG First, Item 44-D, said not good data for 2017-2018, explain why?
10:08:13 AM	Staff Atty Hatcher PSC - witness Prater Note: Sacre, Candace	Have official recordkeeping policy?
10:08:38 AM	Staff Atty Hatcher PSC - witness Prater Note: Sacre, Candace	How plan seven-year cycle if not sure how many miles trimmed past seven years?
10:09:23 AM	Staff Atty Hatcher PSC - witness Prater Note: Sacre, Candace	Any prior to 2017 that were lost?
10:09:39 AM	Staff Atty Hatcher PSC - witness Prater Note: Sacre, Candace	Meyer direct testimony, page 29, recommended review budget process for ROW expenses, explain what budgeting process is for Big Sandy?
10:11:45 AM	Staff Atty Hatcher PSC - witness Prater Note: Sacre, Candace	Why bids not based on mileage can cut?
10:12:04 AM	Staff Atty Hatcher PSC - witness Prater Note: Sacre, Candace	Big Sandy have ability reconcile money designated for ROW expense and what spent on?
10:12:36 AM	Staff Atty Hatcher PSC - witness Prater Note: Sacre, Candace	Written policies for business dealings between RECC and Forestry?
10:12:46 AM	Staff Atty Hatcher PSC - witness Prater Note: Sacre, Candace	Post-hearing provide copy of policies?
10:12:47 AM	POST-HEARING DATA REQUEST Note: Sacre, Candace Note: Sacre, Candace	STAFF ATTY HATCHER PSC - WITNESS PRATER COPY OF WRITTEN POLICIES FOR BUSINESS DEALINGS BETWEEN BIG SANDY RECC AND BIG SANDY FORESTRY
10:13:18 AM	Chair Hatton - witness Prater Note: Sacre, Candace	Examination. Why decision made to own subsidiary Big Sandy Forestry rather than have employees of RECC do it?
10:13:21 AM	Chair Hatton - witness Prater Note: Sacre, Candace	Thought about doing in-house?
10:13:45 AM	Chair Hatton - witness Prater Note: Sacre, Candace	Having subsidiary different rates than pay employees but still own subsidiary?
10:13:49 AM	Commissioner Stacy - witness Prater Note: Sacre, Candace	Examination. Administrative cost for subsidiary?
10:14:46 AM	Commissioner Stacy - witness Prater Note: Sacre, Candace	If created Forestry to hold down costs to keep RECC from performing, all still performed by RECC employee, tell where savings are in that?

10:15:35 AM	Commissioner Stacy - witness Prater Note: Sacre, Candace	If reimbursing him back for oil change, otherwise money returned to RECC anyway?
10:15:55 AM	Commissioner Stacy - witness Prater Note: Sacre, Candace	All money saved ultimately gets returned back to co-op, so that is savings?
10:16:15 AM	Commissioner Stacy - witness Prater Note: Sacre, Candace	Looks like everything done is being done by co-op employees at regular cost, paying same amount to work on subsidiary truck?
10:16:51 AM	Commissioner Stacy - witness Prater Note: Sacre, Candace	For subsidiary company?
10:16:54 AM	Commissioner Stacy - witness Prater Note: Sacre, Candace	Additional expense, if did with co-op employees, not have that expense?
10:17:31 AM	Commissioner Stacy - witness Prater Note: Sacre, Candace	Hard to see is real savings there, being done by same people, and have to have additional managerial help and have to have additional expenses, where savings really lie?
10:18:42 AM	Staff Atty Hatcher PSC - witness Prater Note: Sacre, Candace	Cross Examination (cont'd). Any board members have financial interest in Forestry business?
10:18:50 AM	Staff Atty Hatcher PSC - witness Prater Note: Sacre, Candace	As post-hearing data request, Staff be asking identify all expenses and revenues related to Forestry business and account separately for test year?
10:18:51 AM	POST-HEARING DATA REQUEST Note: Sacre, Candace Note: Sacre, Candace	STAFF ATTY HATCHER PSC - WITNESS PRATER IDENTIFY ALL EXPENSES AND REVENUES OF FORESTRY BUSINESS AND ACCOUNT SEPARATELY FOR TEST YEAR
10:19:02 AM	Staff Atty Hatcher PSC - witness Prater Note: Sacre, Candace	What does Big Sandy Forestry review formulates bid to RECC?
10:19:36 AM	Staff Atty Hatcher PSC - witness Prater Note: Sacre, Candace	What expect other contractors look at when formulating their bid?
10:20:36 AM	Staff Atty Hatcher PSC - witness Prater Note: Sacre, Candace	Those considerations things Big Sandy Forestry also looks into?
10:20:57 AM	Staff Atty Hatcher PSC - witness Prater Note: Sacre, Candace	Does Forestry provide services for anyone other than RECC?
10:21:15 AM	Staff Atty Hatcher PSC - witness Prater Note: Sacre, Candace	Post-hearing data request, provide profits per year Big Sandy Forestry since inception?
10:21:16 AM	POST-HEARING DATA REQUEST Note: Sacre, Candace Note: Sacre, Candace	STAFF ATTY HATCHER PSC - WITNESS PRATER PROFITS PER YEAR FOR BIG SANDY FORESTRY SINCE INCEPTION
10:21:30 AM	Staff Atty Hatcher PSC - witness Prater Note: Sacre, Candace	Noted RECC not have written policies and procedures in place, anything management doing to address this?
10:22:15 AM	Staff Atty Hatcher PSC - witness Prater Note: Sacre, Candace	Response, Staff First, Item 18-B, explain why Big Sandy not conducted wage and salary study?
10:23:11 AM	Staff Atty Hatcher PSC - witness Prater Note: Sacre, Candace	Something considering doing in future?
10:24:57 AM	Staff Atty Hatcher PSC - witness Prater Note: Sacre, Candace	Also look at what other cooperatives doing for wages?
10:25:08 AM	Staff Atty Hatcher PSC - witness Prater Note: Sacre, Candace	Total number of employees needed for Big Sandy be fully staffed is?

10:25:28 AM Staff Atty Hatcher PSC - witness Prater
Note: Sacre, Candace Currently have 39 or 40 employees?

10:25:33 AM Staff Atty Hatcher PSC - witness Prater
Note: Sacre, Candace How many classified union employees and how many nonunion employees?

10:25:49 AM Staff Atty Hatcher PSC - witness Prater
Note: Sacre, Candace Know total overtime hours for each of last five years?

10:26:00 AM Staff Atty Hatcher PSC
Note: Sacre, Candace Ask as post-hearing data request.

10:26:01 AM POST-HEARING DATA REQUEST
Note: Sacre, Candace STAFF ATTY HATCHER PSC - WITNESS PRATER
Note: Sacre, Candace TOTAL OVERTIME HOURS IN EACH OF LAST FIVE YEARS

10:26:22 AM Chair Hatton
Note: Sacre, Candace Commissioner Stacy?

10:26:27 AM Commissioner Stacy - witness Prater
Note: Sacre, Candace Examination. Amount of debt have?

10:26:36 AM Commissioner Stacy - witness Prater
Note: Sacre, Candace Have approximately \$30 million of debt?

10:26:42 AM Commissioner Stacy - witness Prater
Note: Sacre, Candace Describe and who owed to and rate pay?

10:27:25 AM Commissioner Stacy - witness Prater
Note: Sacre, Candace How come to have \$30 million in debt?

10:29:17 AM Commissioner Stacy - witness Prater
Note: Sacre, Candace What cost a year to service debt?

10:29:26 AM Commissioner Stacy - witness Prater
Note: Sacre, Candace Somebody could tell us that?

10:29:39 AM Commissioner Stacy - witness Prater
Note: Sacre, Candace Having that amount of debt, what discussions had about trying to hold down or retire that debt?

10:31:00 AM Commissioner Stacy - witness Prater
Note: Sacre, Candace Already said with aging infrastructure difficult to reduce capital expense?

10:31:33 AM Commissioner Stacy - witness Prater
Note: Sacre, Candace Been there about a year?

10:31:37 AM Commissioner Stacy - witness Prater
Note: Sacre, Candace Had to borrow money?

10:31:41 AM Commissioner Stacy - witness Prater
Note: Sacre, Candace And what borrow money for?

10:31:46 AM Commissioner Stacy - witness Prater
Note: Sacre, Candace What were those expenses?

10:32:46 AM Commissioner Stacy - witness Prater
Note: Sacre, Candace Don't cash flow \$15,000 expense, borrow?

10:33:22 AM Commissioner Stacy - witness Prater
Note: Sacre, Candace Why is that, better use of money borrow at low rate than use up front to pay bills?

10:33:41 AM Commissioner Stacy - witness Prater
Note: Sacre, Candace Some of these days, all cows gonna come to the barn, then what happens?

10:33:53 AM Commissioner Stacy - witness Prater
Note: Sacre, Candace Have declining population?

10:33:58 AM Commissioner Stacy - witness Prater
Note: Sacre, Candace Lots of customers not afford high rates, debt going up, convergence of things, going wrong direction, discussions had to address some of that?

10:34:49 AM	Commissioner Stacy - witness Prater Note: Sacre, Candace	Not only scary for operation co-op, but scary for customer, too?
10:35:52 AM	Commissioner Stacy - witness Prater Note: Sacre, Candace	Decline of coal industry, how affect?
10:37:35 AM	Commissioner Stacy - witness Prater Note: Sacre, Candace	Mentioned not use all money budgeted for ROW, spent for something else, what spend on?
10:38:43 AM	Commissioner Stacy - witness Prater Note: Sacre, Candace	Lots of questions by AG and Staff went unanswered, not addressed issues, questions might have expected been asked here and have answers in place to address those things, talked to board?
10:41:11 AM	Commissioner Stacy - witness Prater Note: Sacre, Candace	AG not ask questions because trying to be mean, questions board ought to be self-examining?
10:41:50 AM	Chair Hatton - witness Prater Note: Sacre, Candace	Examination. In direct, talked about exercising prudence, attempting tighten belt, felt like RECC cut expenditures, talk about approach, how deciding where to cut, who involved in those discussions?
10:42:52 AM	Chair Hatton - witness Prater Note: Sacre, Candace	ROW cutting one attempt, how long had it?
10:43:06 AM	Chair Hatton - witness Prater Note: Sacre, Candace	Think resulted in net savings, an experiment?
10:44:47 AM	Chair Hatton - witness Prater Note: Sacre, Candace	The 138 miles need to cut each year in seven-year cycle to cut every mile have?
10:45:47 AM	Chair Hatton - witness Prater Note: Sacre, Candace	Assume less downage?
10:46:23 AM	Chair Hatton - witness Prater Note: Sacre, Candace	Since did study in 2012, ever hit 138 miles in year?
10:46:32 AM	Chair Hatton - witness Prater Note: Sacre, Candace	Most done in 2024 108 miles?
10:46:37 AM	Chair Hatton - witness Prater Note: Sacre, Candace	Asking for an additional \$698,996, \$4 shy of seven hundred grand?
10:47:01 AM	Chair Hatton - witness Prater Note: Sacre, Candace	\$700,000 more than test year?
10:47:05 AM	Chair Hatton - witness Prater Note: Sacre, Candace	How much more over last year?
10:47:14 AM	Chair Hatton - witness Prater Note: Sacre, Candace	If asking 2023 numbers, asking \$500,000 more than last year?
10:47:26 AM	Chair Hatton - witness Prater Note: Sacre, Candace	To cut 30 more miles?
10:47:29 AM	Chair Hatton - witness Prater Note: Sacre, Candace	Is that what it cost, a half-million dollars to cut 30 miles?
10:48:51 AM	Chair Hatton - witness Prater Note: Sacre, Candace	Which year was \$11,000 a mile and which year was \$10,000 a mile?
10:49:12 AM	Chair Hatton - witness Prater Note: Sacre, Candace	Did it get better, \$10,000 the next year?
10:49:16 AM	Chair Hatton - witness Prater Note: Sacre, Candace	Have anything to do with Forestry?
10:49:50 AM	Chair Hatton - witness Prater Note: Sacre, Candace	Asked about years which Big Sandy earned more than 2.0 TIER, in those years still not meet ROW?

10:50:05 AM	Chair Hatton - witness Prater Note: Sacre, Candace	Response was could not find employees?
10:50:37 AM	Chair Hatton - witness Prater Note: Sacre, Candace	Even in years when made more than what asking for in this case?
10:50:46 AM	Chair Hatton - witness Prater Note: Sacre, Candace	Feel like have employees now?
10:50:59 AM	Chair Hatton - witness Prater Note: Sacre, Candace	Big Sandy Forestry or talking about somebody private?
10:51:33 AM	Chair Hatton Note: Sacre, Candace	15-minute break.
10:51:50 AM	Session Paused	
11:12:56 AM	Session Resumed	
11:12:58 AM	Chair Hatton - witness Prater Note: Sacre, Candace	Examination (cont'd). Whether had enough employees now to be able to make ROW miles get cut?
11:14:04 AM	Chair Hatton - witness Prater Note: Sacre, Candace	Started out as lineman and worked way up to president?
11:14:14 AM	Chair Hatton - witness Prater Note: Sacre, Candace	People not do that anymore, it seems?
11:14:35 AM	Chair Hatton - witness Prater Note: Sacre, Candace	Doing better with employee retention?
11:14:49 AM	Chair Hatton - witness Prater Note: Sacre, Candace	Are expenses that RECC expends not necessarily approved by PSC for inclusion in rates?
11:15:17 AM	Chair Hatton - witness Prater Note: Sacre, Candace	Employee bonuses, Christmas presents, dues, subscriptions, things like that cut out of rates?
11:16:33 AM	Chair Hatton - witness Prater Note: Sacre, Candace	Question is, for expenses not necessarily included in rates, where money come from, ROW budget?
11:16:53 AM	Chair Hatton - witness Prater Note: Sacre, Candace	ROW budget not enough?
11:16:59 AM	Chair Hatton - witness Prater Note: Sacre, Candace	Never meets miles supposed to do per year?
11:17:08 AM	Chair Hatton - witness Prater Note: Sacre, Candace	No extra money that gets spent somewhere else?
11:17:46 AM	Chair Hatton - witness Prater Note: Sacre, Candace	\$10,000 a mile, 138 miles, is \$1.380 million?
11:17:53 AM	Chair Hatton - witness Prater Note: Sacre, Candace	But cannot do it for that?
11:18:10 AM	Chair Hatton - witness Prater Note: Sacre, Candace	\$10,000 not the total cost?
11:18:47 AM	Chair Hatton - witness Prater Note: Sacre, Candace	Saying with additional \$700,000 over '23 test year not just for circuit cutting?
11:19:34 AM	Chair Hatton - witness Prater Note: Sacre, Candace	Stacy asked about long-term plan for how cooperative make this drop in population, hope industry comes, in meantime hard not to think that merger be given more consideration, who called meeting, what was reason for having a meeting to talk about merger?
11:20:50 AM	Chair Hatton - witness Prater Note: Sacre, Candace	After that one meeting, no consultant hired and just not any interest?

11:20:56 AM	Chair Hatton - witness Prater Note: Sacre, Candace	Why?
11:21:36 AM	Chair Hatton - witness Prater Note: Sacre, Candace	Because of closing offices?
11:22:38 AM	Chair Hatton - witness Prater Note: Sacre, Candace	No one at meeting felt like benefit to member customers?
11:22:55 AM	Chair Hatton Note: Sacre, Candace	Redirect?
11:22:59 AM	Atty Honaker Big Sandy RECC - witness Prater Note: Sacre, Candace	Redirect Examination. If were to merge two co-ops still have same number of miles of line to maintain?
11:23:14 AM	Atty Honaker Big Sandy RECC - witness Prater Note: Sacre, Candace	Not able decrease employees to maintain those lines?
11:24:10 AM	Atty Honaker Big Sandy RECC - witness Prater Note: Sacre, Candace	Talking about Forestry, take near lowest bid, also contract with another contractor, not just Forestry that does ROW?
11:24:51 AM	Atty Honaker Big Sandy RECC - witness Prater Note: Sacre, Candace	That's local crews were talking about?
11:24:55 AM	Atty Honaker Big Sandy RECC - witness Prater Note: Sacre, Candace	When take it into account how much Forestry do work for, all-in number, all things talking about included in bid, not above and beyond what thought could do work for?
11:25:50 AM	Atty Honaker Big Sandy RECC - witness Prater Note: Sacre, Candace	Said one ROW crew have for Forestry?
11:25:55 AM	Atty Honaker Big Sandy RECC - witness Prater Note: Sacre, Candace	Those people going out and trimming trees, that crew, those are not RECC employees?
11:26:02 AM	Atty Honaker Big Sandy RECC - witness Prater Note: Sacre, Candace	That's Forestry employees?
11:26:06 AM	Atty Honaker Big Sandy RECC - witness Prater Note: Sacre, Candace	Talk about makeup of Big Sandy customer base?
11:26:43 AM	Atty Honaker Big Sandy RECC - witness Prater Note: Sacre, Candace	Different than some of sister co-ops?
11:26:56 AM	Atty Honaker Big Sandy RECC - witness Prater Note: Sacre, Candace	Talked about population and how declining, work with Economic Development, working on getting more industry there?
11:28:25 AM	Atty Honaker Big Sandy RECC - witness Prater Note: Sacre, Candace	Ongoing effort, still working on those things?
11:28:36 AM	Atty Honaker Big Sandy RECC - witness Prater Note: Sacre, Candace	Discussion about debt, most of debt related to work plan, construction work plan?
11:29:11 AM	Atty Honaker Big Sandy RECC - witness Prater Note: Sacre, Candace	Work plans also filed with Commission?
11:29:30 AM	Atty Honaker Big Sandy RECC - witness Prater Note: Sacre, Candace	Talked about being cooperative model, believe debt higher, lower, average than other sister co-ops in state?
11:29:55 AM	Atty Honaker Big Sandy RECC - witness Prater Note: Sacre, Candace	Hired Joni Hazelrigg, believe she have insight into debt and how established for cooperative mode?
11:30:30 AM	Chair Hatton Note: Sacre, Candace	Recross?
11:30:35 AM	Staff Attorney Hatcher PSC - witness Prater. Note: Sacre, Candace	Recross Examination. During bidding process, Forestry compete with other contractors?

11:31:03 AM	Chair Hatton Note: Sacre, Candace	Next witness?
11:31:05 AM	Atty Temple Big Sandy RECC Note: Sacre, Candace	Robin Slone.
11:31:18 AM	Chair Hatton Note: Sacre, Candace	Witness is sworn.
11:31:25 AM	Chair Hatton - witness Slone Note: Sacre, Candace	Examination. Name and address?
11:31:34 AM	Atty Temple Big Sandy RECC - witness Slone Note: Sacre, Candace	Direct Examination. By who employed?
11:31:38 AM	Atty Temple Big Sandy RECC - witness Slone Note: Sacre, Candace	Title?
11:31:41 AM	Atty Temple Big Sandy RECC - witness Slone Note: Sacre, Candace	Provided written testimony and responses?
11:31:47 AM	Atty Temple Big Sandy RECC - witness Slone Note: Sacre, Candace	Not have any revisions, amendments, edits, corrections?
11:31:57 AM	Atty Temple Big Sandy RECC - witness Slone Note: Sacre, Candace	Intent adopt testimony and responses into record?
11:32:07 AM	Chair Hatton Note: Sacre, Candace	Ms. Goad?
11:32:11 AM	Asst Atty General Goad - witness Slone Note: Sacre, Candace	Cross Examination. Accurate state Big Sandy used 2.0 times interest earned ratio or TIER to calculate revenue requirement?
11:32:30 AM	Asst Atty General Goad - witness Slone Note: Sacre, Candace	Loan covenants require TIER of 1.25?
11:32:38 AM	Asst Atty General Goad - witness Slone Note: Sacre, Candace	Because requesting TIER higher than loan covenants are that increases revenue requirement?
11:32:50 AM	Asst Atty General Goad - witness Slone Note: Sacre, Candace	By increasing revenue requirement that increases rate increase on customers?
11:33:02 AM	Chair Hatton Note: Sacre, Candace	Staff?
11:33:05 AM	Staff Atty Hatcher PSC - witness Slone Note: Sacre, Candace	Cross Examination. Meyer direct testimony, page 16 of written, Table GRM-5, explain why Big Sandy transportation clearing higher in 2021 than was in 2023?
11:34:33 AM	Staff Atty Hatcher PSC - witness Slone Note: Sacre, Candace	Know if someone better to ask?
11:34:40 AM	Staff Atty Hatcher PSC - witness Slone Note: Sacre, Candace	Same testimony but page 22, as post-hearing data request provide breakdown premiums paid by coverage type single versus family and union versus nonunion?
11:34:41 AM	POST-HEARING DATA REQUEST Note: Sacre, Candace Note: Sacre, Candace	STAFF ATTY HATCHER PSC - WITNESS SLONE PROVIDE BREAKDOWN OF PREMIUMS PAID BY COVERAGE TYPE SINGLE VERSUS FAMILY AND UNION VERSUS NONUNION
11:35:07 AM	Staff Atty Hatcher PSC - witness Slone Note: Sacre, Candace	Ever performed study comparing benefit packages to others?
11:35:14 AM	Staff Atty Hatcher PSC - witness Slone Note: Sacre, Candace	Know if other than a study if comparison done for benefit packages with other benefit packages for other RECCs?
11:35:23 AM	Staff Atty Hatcher PSC - witness Slone Note: Sacre, Candace	Explain reasoning behind originally requesting 19 percent depreciation rate on Transportation Account 392?

11:35:40 AM	Staff Atty Hatcher PSC - witness Slone Note: Sacre, Candace	Know what error was?
11:35:50 AM	Chair Hatton Note: Sacre, Candace	Commissioner?
11:35:55 AM	Chair Hatton - witness Slone Note: Sacre, Candace	Examination. Do you do books for Big Sandy Forestry?
11:36:10 AM	Chair Hatton - witness Slone Note: Sacre, Candace	Don't keep tracks of their expenses?
11:36:15 AM	Chair Hatton - witness Slone Note: Sacre, Candace	If had \$9,000 profit one year and \$39,000 profit one year, does that come back into or onto books?
11:36:34 AM	Chair Hatton - witness Slone Note: Sacre, Candace	Reflected somewhere in what turned in to us, or where be recorded?
11:37:00 AM	Atty Temple Big Sandy RECC Note: Sacre, Candace	Income statement in record for test year, can provide for '24 since has bigger profit from Forestry.
11:37:13 AM	Chair Hatton Note: Sacre, Candace	Have something?
11:37:16 AM	Commissioner Stacy - witness Slone Note: Sacre, Candace	Examination. Has it had a loss?
11:37:30 AM	Chair Hatton Note: Sacre, Candace	Follow-up or redirect?
11:37:32 AM	Asst Atty General Goad - witness Slone Note: Sacre, Candace	Cross Examination. Stated profits from Forestry for '23 and '24 came back to RECC?
11:37:49 AM	Asst Atty General Goad - witness Slone Note: Sacre, Candace	In hearing room earlier when asked Prater, stated profits for 2023 not come back to Big Sandy?
11:38:20 AM	Asst Atty General Goad - witness Slone Note: Sacre, Candace	Know if profits for test year reflected in pending revenue requirement?
11:38:32 AM	Asst Atty General Goad - witness Slone Note: Sacre, Candace	Is there someone who would know for sure?
11:38:38 AM	Chair Hatton Note: Sacre, Candace	Anything further?
11:38:47 AM	Chair Hatton Note: Sacre, Candace	Next witness?
11:38:48 AM	Atty Honaker Big Sandy RECC Note: Sacre, Candace	Joni Hazelrigg.
11:39:02 AM	Chair Hatton Note: Sacre, Candace	Witness is sworn.
11:39:08 AM	Chair Hatton - witness Hazelrigg Note: Sacre, Candace	Examination. Name and address?
11:39:19 AM	Atty Honaker Big Sandy RECC - witness Hazelrigg Note: Sacre, Candace	Direct Examination. How employed currently?
11:39:46 AM	Atty Honaker Big Sandy RECC - witness Hazelrigg Note: Sacre, Candace	In prior roles, give us background about prior roles?
11:40:02 AM	Atty Honaker Big Sandy RECC - witness Hazelrigg Note: Sacre, Candace	Not cause testimony be filed?
11:40:09 AM	Atty Honaker Big Sandy RECC - witness Hazelrigg Note: Sacre, Candace	Did assist in preparation of case?
11:40:15 AM	Atty Honaker Big Sandy RECC - witness Hazelrigg Note: Sacre, Candace	One of big issues depreciation?

11:40:27 AM	Chair Hatton Note: Sacre, Candace	Counsel?
11:40:30 AM	Staff Atty Hatcher PSC - witness Hazelrigg Note: Sacre, Candace	Cross Examination. Question deferred to you, from Meyer direct, page 16, know why '22 amount higher than any other years?
11:41:22 AM	Atty Honaker Big Sandy RECC - witness Hazelrigg Note: Sacre, Candace	If asked in post-hearing data request, provide?
11:41:23 AM	POST-HEARING DATA REQUEST Note: Sacre, Candace Note: Sacre, Candace	STAFF ATTY HATCHER PSC - WITNESS HAZELRIGG PROVIDE REASON 2022 TRANSPORTATION CLEARING HIGHER THAN OTHER YEARS
11:41:37 AM	Chair Hatton - witness Hazelrigg Note: Sacre, Candace	Examination. Averaged into request in this case?
11:42:01 AM	Chair Hatton - witness Hazelrigg Note: Sacre, Candace	Not normalized?
11:42:06 AM	Commissioner Stacy - witness Hazelrigg Note: Sacre, Candace	Examination. Worked for Fleming-Mason for long time?
11:42:20 AM	Commissioner Stacy - witness Hazelrigg Note: Sacre, Candace	Questions regarding debt, is debt with Big Sandy similar to Fleming-Mason?
11:43:30 AM	Commissioner Stacy - witness Hazelrigg Note: Sacre, Candace	When speak about co-ops, typical debt balances continuing to rise gradually?
11:44:23 AM	Commissioner Stacy - witness Hazelrigg Note: Sacre, Candace	How debt affect financial health out into the future?
11:45:00 AM	Commissioner Stacy - witness Hazelrigg Note: Sacre, Candace	What requested reasonable and it does that?
11:45:39 AM	Chair Hatton Note: Sacre, Candace	Redirect?
11:45:44 AM	Staff Atty Hatcher PSC - witness Hazelrigg Note: Sacre, Candace	Recross Examination. Help calculate new proposed adjustment for depreciation since expenses filed in Wolfram rebuttal?
11:45:52 AM	Staff Atty Hatcher PSC - witness Hazelrigg Note: Sacre, Candace	Been corrected with new proposed depreciation amount?
11:47:04 AM	Chair Hatton Note: Sacre, Candace	Next witness?
11:47:06 AM	Atty Temple Big Sandy RECC Note: Sacre, Candace	John Wolfram.
11:47:11 AM	Chair Hatton Note: Sacre, Candace	Witness is sworn.
11:47:20 AM	Atty Temple Big Sandy RECC - witness Wolfram Note: Sacre, Candace	Direct Examination. State by whom employed?
11:47:33 AM	Atty Temple Big Sandy RECC - witness Wolfram Note: Sacre, Candace	Hired by Big Sandy as rate consultant?
11:47:38 AM	Atty Temple Big Sandy RECC - witness Wolfram Note: Sacre, Candace	Provided direct, responses, and rebuttal testimony?
11:47:53 AM	Atty Temple Big Sandy RECC - witness Wolfram Note: Sacre, Candace	Beside revisions in rebuttal, not have corrections?
11:48:03 AM	Atty Temple Big Sandy RECC - witness Wolfram Note: Sacre, Candace	Intent to have testimony incorporated into record?
11:48:14 AM	Chair Hatton Note: Sacre, Candace	Ms. Goad?

11:48:19 AM	Asst Atty General Goad - witness Wolfram Note: Sacre, Candace	Cross Examination. Recall Meyer testimony recommending reduction of \$1.5 million to requested rate increase?
11:48:32 AM	Asst Atty General Goad - witness Wolfram Note: Sacre, Candace	Response, AG Second Request, Question 26, provided updated revenue requirement included corrections which reduced revenue request by \$65,776, recall that?
11:48:52 AM	Asst Atty General Goad - witness Wolfram Note: Sacre, Candace	Is that \$65,776 reduction reflected in revised rate increase in rebuttal?
11:49:03 AM	Asst Atty General Goad - witness Wolfram Note: Sacre, Candace	Response to Staff Third Request, Question 3, company corrected wages and salaries part-time/summer employees, kept as part-time hours, correct?
11:49:21 AM	Asst Atty General Goad - witness Wolfram Note: Sacre, Candace	Correction reduced rate increase by \$73,409?
11:49:30 AM	Asst Atty General Goad - witness Wolfram Note: Sacre, Candace	Is that reduction reflected in revised rebuttal rate increase?
11:49:37 AM	Asst Atty General Goad - witness Wolfram Note: Sacre, Candace	Agree with Meyer recommendation reduce proposed depreciation expense?
11:50:25 AM	Asst Atty General Goad - witness Wolfram Note: Sacre, Candace	This depreciation expense correction reduces rate increase by \$434,410?
11:50:36 AM	Asst Atty General Goad Note: Sacre, Candace	As post-hearing data request ask Big Sandy provide breakdown of reduction that came in through rebuttal, breakdown, what all in \$597,077.
11:50:37 AM	POST-HEARING DATA REQUEST Note: Sacre, Candace Note: Sacre, Candace	ASST ATTY GENERAL GOAD - WITNESS WOLFRAM PROVIDE BREAKDOWN OF \$597,077 REDUCTION
11:51:57 AM	Chair Hatton Note: Sacre, Candace	Staff?
11:52:10 AM	Staff Atty Hatcher PSC - witness Wolfram Note: Sacre, Candace	Cross Examination. Direct of Meyer, Exhibit GRM-2, based off testimony, Account 392 be fully depreciated and no depreciation expense included in test year?
11:52:53 AM	Staff Atty Hatcher PSC - witness Wolfram Note: Sacre, Candace	Based off Meyer testimony, agree with statement?
11:53:26 AM	Chair Hatton Note: Sacre, Candace	Commissioner Stacy?
11:53:34 AM	Chair Hatton - witness Wolfram Note: Sacre, Candace	Examination. Year-end customer number rounds up, AG disagreed with rounding up, cannot have one-half employee, why Big Sandy rounds numbers and why matters?
11:55:10 AM	Chair Hatton - witness Wolfram Note: Sacre, Candace	Customer base growing or shrinking?
11:55:51 AM	Chair Hatton - witness Wolfram Note: Sacre, Candace	Only looked at this rounding up for the one test year, not talking multiple years, only doing historical test year here?
11:55:59 AM	Chair Hatton - witness Wolfram Note: Sacre, Candace	For that year was not a decrease?

11:56:35 AM	Chair Hatton - witness Wolfram Note: Sacre, Candace	Weather normalization, studies or industry norm and is changing with weather, industry accepted or what time period say normal to weather normalize?
11:59:11 AM	Chair Hatton - witness Wolfram Note: Sacre, Candace	Ever seen both done in a case to see what difference is?
11:59:44 AM	Chair Hatton - witness Wolfram Note: Sacre, Candace	Overtime costs for test year, recommendation from AG use five-year average, why should not do that?
12:00:58 PM	Chair Hatton - witness Wolfram Note: Sacre, Candace	Customer charge, if granted highest of co-ops in Kentucky, what argument for such a high customer charge?
12:01:44 PM	Chair Hatton - witness Wolfram Note: Sacre, Candace	Still \$42.64?
12:03:44 PM	Chair Hatton - witness Wolfram Note: Sacre, Candace	Almost exactly double what charging now for residential class?
12:03:50 PM	Chair Hatton - witness Wolfram Note: Sacre, Candace	Not as drastic for other classes?
12:04:11 PM	Chair Hatton - witness Wolfram Note: Sacre, Candace	Accounts for attempts to make corrections for volatility and unexpected expenses as well?
12:05:17 PM	Chair Hatton - witness Wolfram Note: Sacre, Candace	ROW expenses, seen other utility tried approach wholly owning subsidiary company that does a lot of ROW, becoming commonplace?
12:06:11 PM	Chair Hatton - witness Wolfram Note: Sacre, Candace	Sounds like what keep suggesting to people, have feeling about overall effectiveness of it or too soon?
12:08:07 PM	Chair Hatton - witness Wolfram Note: Sacre, Candace	Don't think we loved that?
12:08:35 PM	Chair Hatton - witness Wolfram Note: Sacre, Candace	High unemployment rates, low unemployment rates, depending on what economy doing?
12:08:47 PM	Chair Hatton - witness Wolfram Note: Sacre, Candace	Interest was piqued with merger, regionalization of utilities, is trend seen elsewhere?
12:11:03 PM	Chair Hatton - witness Wolfram Note: Sacre, Candace	120 counties in small state, talk about combining counties, never going to happen, take intensive study?
12:11:42 PM	Chair Hatton Note: Sacre, Candace	Redirect?
12:11:49 PM	Atty Temple Big Sandy RECC - witness Wolfram Note: Sacre, Candace	Redirect Examination. Another COSS done or yours only one in record?
12:12:01 PM	Atty Temple Big Sandy RECC - witness Wolfram Note: Sacre, Candace	A lot of talk about Big Sandy budgeted \$1.6 million for ROW but only spent \$1.5 million based on revenue?
12:13:36 PM	Chair Hatton Note: Sacre, Candace	Ms. Goad?
12:13:40 PM	Asst Atty General Goad - witness Wolfram Note: Sacre, Candace	Recross Examination. Hear testify all other rate classes also having rates increased?
12:14:07 PM	Asst Atty General Goad - witness Wolfram Note: Sacre, Candace	That was question, from understanding of discovery responses, commercial and small power not have rate increase?

12:14:21 PM	Asst Atty General Goad - witness Wolfram Note: Sacre, Candace	Commercial and small power customer charge \$30.98?
12:14:36 PM	Asst Atty General Goad - witness Wolfram Note: Sacre, Candace	Question deferred from Slone, profits from Forestry reflected in revenue requirement?
12:15:08 PM	Asst Atty General Goad Note: Sacre, Candace	Post-hearing data request more specificity on that and make sure revenues are in revenue requirement.
12:15:11 PM	POST-HEARING DATA REQUEST Note: Sacre, Candace Note: Sacre, Candace	ASST ATTY GENERAL GOAD - WITNESS WOLFRAM PROVIDE SPECIFICS ON PROFITS FROM BIG SANDY FORESTRY AND CONFIRM THOSE REVENUES IN REVENUE REQUIREMENT
12:15:25 PM	Chair Hatton Note: Sacre, Candace	Staff?
12:15:32 PM	Staff Atty Hatcher PSC - witness Wolfram Note: Sacre, Candace	Recross Examination. Do you agree Account 392 be fully depreciated, from Meyer direct testimony GRM-2?
12:16:53 PM	Chair Hatton Note: Sacre, Candace	Commissioner Stacy, questions?
12:16:56 PM	Commissioner Stacy - witness Wolfram Note: Sacre, Candace	Examination. Economic development issues in region served by this utility, loss of coal customers, had experience attempted attract bit coin companies or data companies and what effect those are?
12:19:03 PM	Commissioner Stacy - witness Wolfram Note: Sacre, Candace	All looking for low-cost energy, which comes first?
12:19:48 PM	Commissioner Stacy - witness Wolfram Note: Sacre, Candace	Even if one of entities came to this region and requested low-cost energy, think still be beneficial?
12:21:16 PM	Commissioner Stacy - witness Wolfram Note: Sacre, Candace	In your opinion, is that benefit to average customer?
12:22:24 PM	Commissioner Stacy - witness Wolfram Note: Sacre, Candace	Protections, disincentive to one of these companies who want to come there, Commission tried to protect customers, maybe caused customer pay higher rate?
12:23:54 PM	Commissioner Stacy - witness Wolfram Note: Sacre, Candace	If data center come in and locate in place hookup nothing, disincentive for utility not give lower rate and make small margin on great deal of energy use?
12:25:21 PM	Commissioner Stacy - witness Wolfram Note: Sacre, Candace	Advantageous to utility, also advantageous to residential customer?
12:25:48 PM	Chair Hatton Note: Sacre, Candace	Redirect?
12:26:05 PM	Chair Hatton Note: Sacre, Candace	Attorney General, call first witness?
12:26:08 PM	Asst Atty General Goad Note: Sacre, Candace	Greg Meyer.
12:26:24 PM	Chair Hatton Note: Sacre, Candace	Witness is sworn.
12:26:37 PM	Chair Hatton - witness Meyer Note: Sacre, Candace	Examination. Name and address?
12:26:56 PM	Asst Atty General Goad - witness Meyer Note: Sacre, Candace	Direct Examination. What is occupation?
12:27:08 PM	Asst Atty General Goad - witness Meyer Note: Sacre, Candace	Cause direct testimony be filed?

12:27:12 PM	Asst Atty General Goad - witness Meyer Note: Sacre, Candace	Additions or corrections?
12:27:17 PM	Asst Atty General Goad - witness Meyer Note: Sacre, Candace	File responses to discovery?
12:27:22 PM	Asst Atty General Goad - witness Meyer Note: Sacre, Candace	Additions or corrections?
12:27:27 PM	Asst Atty General Goad - witness Meyer Note: Sacre, Candace	Intention adopt direct and responses as testimony?
12:27:38 PM	Chair Hatton Note: Sacre, Candace	Ms. Honaker?
12:27:40 PM	Atty Honaker Big Sandy RECC - witness Meyer Note: Sacre, Candace	Cross Examination. Had chance review Wolfram rebuttal in JW-2 regarding depreciation calculation?
12:28:01 PM	Chair Hatton Note: Sacre, Candace	Staff?
12:28:03 PM	Staff Atty Hatcher PSC - witness Meyer Note: Sacre, Candace	Cross Examination. Why chose ten years as basis for weather normalization calculation?
12:28:34 PM	Staff Atty Hatcher PSC - witness Meyer Note: Sacre, Candace	Consider using longer time period?
12:30:01 PM	Staff Atty Hatcher PSC - witness Meyer Note: Sacre, Candace	Aware of Big Sandy TIER and OTIER requirements based on debt covenants and mortgage agreements?
12:30:18 PM	Staff Atty Hatcher PSC - witness Meyer Note: Sacre, Candace	Looking at Response OAG DR 1-15, Big Sandy Response, since 2017 how many years Big Sandy not meet TIER requirement?
12:32:21 PM	Staff Atty Hatcher PSC - witness Meyer Note: Sacre, Candace	How about for OTIER same question?
12:32:47 PM	Staff Atty Hatcher PSC - witness Meyer Note: Sacre, Candace	Know what Big Sandy TIER was set at in last rate case?
12:33:00 PM	Staff Atty Hatcher PSC - witness Meyer Note: Sacre, Candace	Explain why TIER of 1.85 sufficient meet debt obligations?
12:35:00 PM	Chair Hatton Note: Sacre, Candace	Commissioner Stacy?
12:35:05 PM	Chair Hatton - witness Meyer Note: Sacre, Candace	Examination. If understood, since 2016 only year Big Sandy not meet TIER was 2023?
12:35:32 PM	Chair Hatton - witness Meyer Note: Sacre, Candace	Is that for OTIER?
12:36:06 PM	Chair Hatton - witness Meyer Note: Sacre, Candace	Know that cooling and heating at lowest level in 2023?
12:36:32 PM	Chair Hatton - witness Meyer Note: Sacre, Candace	Revenues were down?
12:36:35 PM	Chair Hatton - witness Meyer Note: Sacre, Candace	That's why attempt to weather normalize?
12:36:39 PM	Chair Hatton - witness Meyer Note: Sacre, Candace	Feel revised revenue request as stands adjusted for that fact?
12:36:46 PM	Chair Hatton - witness Meyer Note: Sacre, Candace	How much more need to adjust?
12:37:07 PM	Chair Hatton - witness Meyer Note: Sacre, Candace	Just on that issue?
12:39:19 PM	Chair Hatton - witness Meyer Note: Sacre, Candace	For planning capacity and lots of things?

12:39:50 PM	Chair Hatton - witness Meyer Note: Sacre, Candace	In this case, if only one more customer not matter as much, but year where big change up or down?
12:40:17 PM	Chair Hatton Note: Sacre, Candace	Redirect?
12:40:21 PM	Chair Hatton Note: Sacre, Candace	Recross?
12:40:48 PM	Chair Hatton Note: Sacre, Candace	Exhibits.
12:40:55 PM	Chair Hatton Note: Sacre, Candace	Motions.
12:41:00 PM	Chair Hatton Note: Sacre, Candace	Data requests.
12:41:42 PM	Chair Hatton Note: Sacre, Candace	Briefs.
12:42:18 PM	Chair Hatton Note: Sacre, Candace	Adjourned.
12:42:37 PM	Session Ended	

*L. Allyson Honaker
Honaker Law Office, PLLC
1795 Alysheba Way
Suite 1203
Lexington, KENTUCKY 40509

*J. Michael West
Office of the Attorney General Office of Rate
700 Capitol Avenue
Suite 20
Frankfort, KENTUCKY 40601-8204

*Angela M Goad
Assistant Attorney General
Office of the Attorney General Office of Rate
700 Capitol Avenue
Suite 20
Frankfort, KENTUCKY 40601-8204

*Robin Slone
Big Sandy R.E.C.C.
504 11th Street
Paintsville, KY 41240

*Heather Temple
Honaker Law Office, PLLC
1795 Alysheba Way
Suite 1203
Lexington, KENTUCKY 40509

*John G Horne, II
Office of the Attorney General Office of Rate
700 Capitol Avenue
Suite 20
Frankfort, KENTUCKY 40601-8204

*Big Sandy R.E.C.C.
504 11th Street
Paintsville, KY 41240

*Jeff Prater
Plant Superintendent
Big Sandy R.E.C.C.
504 11th Street
Paintsville, KY 41240

*Lawrence W Cook
Assistant Attorney General
Office of the Attorney General Office of Rate
700 Capitol Avenue
Suite 20
Frankfort, KENTUCKY 40601-8204