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Commonwealth of Kentucky
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David L. Armstrong
Chairman

James W. Gardner
Vice Chairman

Linda Breathitt
Commissioner

June 24, 2013

TO: DIVISION OF FILINGS

RE: Case No. 2012-00535
Application of Big Rivers Electric Corporation for an Adjustment of Rates

Please file in the administrative record of the above-referenced case the enclosed public meeting notes, which were recorded by Commission Staff at the public meetings in Owensboro, Kentucky and Brandenburg, Kentucky on June 13, 2013.

Sincerely,

Jeff Derbuen
Executive Director

AAC:kar
Enclosures

cc: Parties of Record

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF BIG RIVERS)
ELECTRIC CORPORATION FOR AN)
ADJUSTMENT OF RATES) CASE NO. 2012-00535

MINUTES OF THE INFORMATION SESSION AND PUBLIC HEARING
OWENSBORO COMMUNITY & TECHNICAL COLLEGE
OWENSBORO, KENTUCKY
VIDEO-CONFERENCE: MEADE COUNTY HIGH SCHOOL
BRANDENBURG, KENTUCKY
JUNE 13, 2013 5:30 P.M.

A public information session and public hearing was held at Owensboro Community and Technical College in Owensboro, Daviess County, Kentucky on June 13, 2013. There was a simultaneous public information session and public hearing, linked by video-conferencing technology, in Brandenburg, Meade County, Kentucky. Andrew Melnykovich, Director of Communications for the Public Service Commission, conducted the information session introducing the Commission and Commission Staff, and explained the procedure and protocol for the information session and the public hearing. Mr. Melnykovich then presented an overview of the legal basis, criteria and review process for the Commission's consideration of applications for proposed rate increases. The presentation included a general overview of the instant application, explained which aspects of this case are within the Commission's jurisdiction, and concluded with a question-and-answer period with Commission Staff.

At the conclusion of the information session and after a short intermission, Vice Chairman James W. Gardner initiated the public hearing portion of the meeting, providing a brief overview of the case at bar, the parties involved, and setting forth the procedure and protocol for the taking of comments. He also welcomed State Representatives Tommy Thompson and Jim Glenn, who were in attendance at the Owensboro site. Vice Chairman Gardner then invited the public to make comments to the Commission regarding Big Rivers Electric Corporation ("Big Rivers")'s application for an adjustment in rates to increase adjusted annual revenue by \$74.5 million. The following individuals spoke at the public meeting:

1. Richard Basham – Mr. Basham is an employee of Domtar, a sustainable paper company. He notes that most of Domtar's management team is with him, and that he is there to comment on the impact of the proposed rate increase on Domtar's industrial site. He states that Domtar is one of Big Rivers' larger industrial customers, aside from the Century and Alcan smelters. Mr. Basham remarks that there would be a 32 percent rate increase for industrial customers between the current proposed rate increase and the potential case in January, and a 23 percent raise in rates for residential customers. He comments that such a rate increase would have a negative effect on the market. Mr. Basham states that Domtar competes with other paper mills internationally and across the country, and that a rate increase would place a burden on Domtar that its competitors do not face. He also discusses the impacts of such an increase on Domtar's long-term viability.

2. Mary Bickwermert – Ms. Bickwermert declares that the proposed rate increase is "... not fair. It's not just." She states that it would be wrong to ask someone

else to pay her bill, and questions why customers should have to pay Big Rivers' bill. She notes that she is on a fixed income. She also asked how Century smelter is able to buy another company instead of paying its bill.

3. Earl Jackson – Mr. Jackson declares that this is the beginning of the rate increases, and that the community will see the “same situation” in January. He asks the Commission to look at the impact the proposed rate increase will have on him, a retiree who works part-time. He remarks that the proposed rate increase will impact the entire area drastically, and that although \$24.00 a month may be pennies to a large company, it's not pennies to the people of Daviess County. He believes this rate increase should be considered in conjunction with the potential case in January, and warned of “rate shock” for customers if the proposed rate increase occurs. Mr. Jackson believes the rate increase should be “100 percent declined.”

4. James Aud, Sr. -- Mr. Aud worked for 45 years before retiring. He contends that when the utilities want more money they go to the Commission to get it, and that the citizens are out there “like a bunch of dogs.” He was against the proposed rate increase.

5. Jerry Shultz – Mr. Shultz notes that things seem terrible in that Century Aluminum is “holding those jobs over everybody's heads and saying, if you don't give us what we want, we'll shut down.” Mr. Shultz believes Century should compromise with Big Rivers and make itself profitable. He remarks that a rate increase from Big Rivers will hurt an economy that is just starting to get a little better.

6. Brad Blakeman – Mr. Blakeman urges the Commission to consider the area's economic development prospects. He observes there are no interstates and no highly

skilled technical workforce, and that the low utility rates in the area give Owensboro a competitive advantage. Mr. Blakeman asks the Commission to consider the significant ethical costs, and to examine the historical fixed and variable costs in this increase. Specifically, he asks the Commission to examine the stepped fixed costs in this proposal. Finally, Mr. Blakeman discusses benchmarking, and notes there are ways to compare the effectiveness of Big Rivers before the rate change and after the proposed rates are implemented. He urges the Commission to examine the data and to look at similar legislative and geographic power generation in coming to its decision.

7. Larry Boswell – Mr. Boswell of Owensboro worked for Century’s predecessor, National Southwire Aluminum, for 13 years. He declares that he has “been down this road before” in the late 1980s regarding similar rate issues. He lost his job two years ago, and urges the Commission to remember that the proposed \$24.00 a month rate increase “means a lot” to someone on a fixed income. Mr. Boswell asked the Commission to keep the rate payers in mind, as well as the impact the proposed increase would have on the livelihood of those rate payers.

8. Byron Alvey – Mr. Alvey states that a proposed rate increase will drive more people out of the market and force these people to make decisions they would rather not make. He is against the rate increase.

9. Henry Christ – Mr. Christ, speaking via videoconference from Brandenburg, says that he lives in Daviess County and has a business in Ohio County, and that he is served by both Kenergy and Meade. He owns a timber company and employs 130 people. He states that the housing market makes up half of his company’s sales, and that the market was devastated by the economic downturn. He notes that his

company's manufacturing is done by machines with electric motors, and that a 17 percent increase puts him at a considerable disadvantage in the market when his competition's rates remain unchanged. He urged the Commission to look at those left behind to pay other's debts.

No other member of the public wished to make a comment. The public hearing was then adjourned. All persons in attendance were asked to sign in and provide their home address for the record. The sign-in sheet is attached hereto.

PUBLIC MEETING - SIGN-IN SHEET

Big Rivers Electric Corp. – Case No. 2012-00535

Owensboro – June 13, 2013

PLEASE PRINT LEGIBLY

Name	Address	DO YOU WISH TO SPEAK?	
1 Cynthia Fulkerson	OPORO	YES	<input checked="" type="radio"/> NO
2 Barry Mayfield	Winchester	YES	<input checked="" type="radio"/> NO
3 C. Van Milligen	UTICA	YES	<input checked="" type="radio"/> NO
4 LARRY BRYANT	Tell City, IN	YES	<input checked="" type="radio"/> NO
5 JON MILLER	SNY CLAYS, IN	YES	<input checked="" type="radio"/> NO
6 Christina O'Bryan	Owensboro	YES	<input checked="" type="radio"/> NO
7 RICHARD A. BASTIAN	HAWESVILLE	<input checked="" type="radio"/> YES	NO
8 JIM MILLER	OROS	YES	<input checked="" type="radio"/> NO
9 John B. WARZENT II	OPORO	YES	<input checked="" type="radio"/> NO
10 Mary A. Bueverment	Utica	<input checked="" type="radio"/> YES	NO

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Name	Address	DO YOU WISH TO SPEAK?	
1 ROGER HICKMAN	201 3RD HENDERSON	YES	NO
2 JOEL HOWELL	375 WINDSONG HAWESVILLE	YES	NO
3 Debbie Troutt	156 Meadowlane Dr Lewisport	YES	NO
4 Byron Alvey	804 33rd St Toluca	YES	NO
5 Earl Jackson	2509 Circle Dr Utica, Ky	YES	NO
6 Jennifer B Hens	OAG Frankfort	YES	NO
7 MARVIN E. BICKWERWERTSR.	Ple, g Utica	YES	NO ?
8 VIRVIAN L. BROWN	221st. Rt. 54 FORDSVILLE, IN	YES	NO
9 Jason Wagner	4811 Carlsbad Ln Owensboro, KY	YES	NO
10 Jason Curry	255 BUCK LN HAWESVILLE, KY	YES	NO

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Name	Address	DO YOU WISH TO SPEAK?	
1 <u>Billie Rickett</u>	<u>3319 E Mulberry 47714</u>	YES	<u>NO</u>
2 <u>Jeff Williams</u>	<u>4018 Chapel Lane 42301</u>	YES	<u>NO</u>
3 <u>Darrell Wall</u>	<u>375 LEWISPORT KY 42351</u>	YES	<u>NO</u>
4 <u>Rachel Bledsoe</u>	<u>1328 Hepburn Ave. Lou. Ky 40204</u>	YES	<u>NO</u>
5 <u>Ralph A. Ashworth</u>	<u>14397 HWY 1078 S. Henderson, Ky 42420</u>	YES	<u>NO</u>
6 <u>SIM DANTIE</u>	<u>4429 Wilderness TRACE Owensboro KY</u>	YES	<u>NO</u> ?
7 <u>RITA Stephens</u>	<u>PO Box 157 Hawesville 42348</u>	YES	<u>NO</u>
8 <u>Moh Alford</u>	<u>11 11 11</u>	YES	<u>NO</u>
9 <u>James K. Quader</u>	<u>16571 O.S. Road Whitesville, Ky</u>	<u>YES</u>	<u>NO</u>
10 <u>Carl Roberts</u>	<u>2531 Juniper Ave Owensboro Ky</u>	YES	<u>NO</u>

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Owensboro - June 13, 2013

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Name	Address	DO YOU WISH TO SPEAK?
1 <u>Emilia E. Ford</u>	<u>2006 Trillium Gardens</u>	YES <u>NO</u>
2 <u>Alice Howard</u>	<u>10385 Main Cross St Whitesville Ky 42378</u>	YES <u>NO</u>
3 <u>Fred Howard</u>	<u>" " " " " " " "</u>	YES <u>NO</u>
4 <u>Jim Bowlds</u>	<u>380 Judy Rd O'BORO KY</u>	YES <u>NO</u>
5 <u>Louise Bowlds</u>	<u>380 Judy Rd O'BORO KY</u>	YES <u>NO</u>
6 <u>Cheryl Russon</u>	<u>2910 Eastern Parkway O'BORO, KY</u>	YES <u>NO</u>
7 <u>Mike Benton</u>	<u>4320 N. LINDSDOWNE, O'BORO, KY</u>	YES NO
8 <u>Jerry M. Shultz</u>	<u>25 Ayrall Rd. Bearers Dam Ky 42320</u>	<u>YES</u> NO
9 <u>Martha Rieger</u>	<u>1171 ST RT 140 E UTICA Ky 42374</u>	YES <u>NO</u>
10 <u>KEN RIEGER</u>	<u>1171 ST RT 140 E UTICA KY 42374</u>	YES NO

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Owensboro - June 13, 2013

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Name	Address	DO YOU WISH TO SPEAK?
1 Dennis Waldroup	4428 W. Wilderness Road Owensboro Ky	YES <input checked="" type="radio"/> NO
2 Nate Pagen	4055 Pine Lake Ct 42307	YES <input checked="" type="radio"/> NO
3 Jay Campbell	Message - Jennifer	YES <input checked="" type="radio"/> NO
4 Greg Starheim	Kentucky	YES <input checked="" type="radio"/> NO
5 Tim Heavrin	1510 Emerson Ln Lewisport Ky	YES <input checked="" type="radio"/> NO
6 Sean Byrne	1215 Lyddone Bridge O'Baro	YES <input checked="" type="radio"/> NO
7 Brad Bliskeman	3007 Saratoga Ct " 42303	YES? NO?
8 Bull Reed	4818 Hwy 144 " 42303	YES <input checked="" type="radio"/> NO
9 STATE REP. TOMMY THOMPSON	POB 156 OWB 42303	YES <input checked="" type="radio"/> NO
State Rep. Jim Glenn	PO BOX 21562 42304	YES <input checked="" type="radio"/> NO

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Owensboro - June 13, 2013

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Name	Address	DO YOU WISH TO SPEAK?	
1 Tim Honadle	3020 Autumn Lake Cove Owensboro 42303	YES	<input checked="" type="radio"/> NO
2 Dan Allard	2050 state route 657 Lewisport Ky 42351	YES	<input checked="" type="radio"/> NO
3 Renee Beasley Jones	Ohio	YES	<input checked="" type="radio"/> NO
4 Mrs Marie Williams	1567 Zion Church Rd Reynolds Station	YES	<input checked="" type="radio"/> NO
5 Jim EDELEN	216 Ky 279 S Owensboro Ky	YES	<input type="radio"/> NO
6 Debbie Edelen	216 Ky 279 So Owensboro Ky	YES	<input checked="" type="radio"/> NO
7 Michael Carter	4600 Shadow wood cove, Owensboro	YES	<input checked="" type="radio"/> NO
8 Jillana W Carter	4600 Shadow Wood Cv, Owensboro	YES	<input checked="" type="radio"/> NO
9 JEFF Willis	4620 Hunters Ridge Owensboro KY 42303	YES	<input checked="" type="radio"/> NO
10		YES	<input type="radio"/> NO

PUBLIC MEETING - SIGN-IN SHEET

Big Rivers Electric Corp. – Case No. 2012-00535
Brandenburg (video conference site) – June 13, 2013

PLEASE PRINT LEGIBLY

Name	Address	DO YOU WISH TO SPEAK?
1 Richard O. Meuth	- 723 Hillcrest Dr. Brandenburg Ky 40108	YES <input checked="" type="radio"/> NO
2 Rodney C. P. P. P. P.	- 375 Sirocco Road, Brandenburg Ky 40108	YES NO
3 Mike Carter	- 5457 Ridge Pointe Ct. Owensboro KY	YES <input checked="" type="radio"/> NO
4 Helena Spool	4307 Saddlebrook Trl Owensboro KY 42303	YES <input checked="" type="radio"/> NO
5 Wesley	741 High Street Brandenburg KY 40108	YES <input checked="" type="radio"/> NO
6 Shale Hall	413 Old Glenville Calhoun Calhoun KY 42327	YES <input checked="" type="radio"/> NO
7 Tim GOSSETT	835 Molly Brown Rd Brandenburg, Ky 40108	YES <input checked="" type="radio"/> NO
8 Marty Little	1023 COUNTRY CLUB LN. Henderson Ky 42420	YES <input checked="" type="radio"/> NO
9 Peter Olinger	315 Four Oaks Road Brandenburg, KY 40108	YES <input checked="" type="radio"/> NO
10 Anna Swanson	585 Riverview Rd Payneville Ky 40157	YES <input checked="" type="radio"/> NO

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Brandenburg (video conference site) – June 13, 2013

PLEASE PRINT LEGIBLY

Name	Address	DO YOU WISH TO SPEAK?	
1 DAVID W. PACE	84 Lawrence St. B-burg Ky	YES	<input checked="" type="radio"/> NO
2 Kyle Heavrin	119 Lakeview Dr. B-burg, KY	YES	<input checked="" type="radio"/> NO
3 Jim Diller	362 Tates Creek Hardinsburg Ky	YES	<input checked="" type="radio"/> NO
4 Paul Ed Bradley	183 Dawson Ln - Falls of Rough Ky	YES	<input checked="" type="radio"/> NO
5 Lee Beaman	WBC Lodge, Hardinsburg, Ky 40143	YES	<input checked="" type="radio"/> NO
6 David Poe	2430 Fred Fadden Rd, Bburg 40108	YES	<input checked="" type="radio"/> NO
7 Robyn Gregory	Meade County Messenger	YES	<input checked="" type="radio"/> NO
8 BURNS W/MERCER	P.O. Box 489 BRANDENBURG, KY, 40108	YES	<input checked="" type="radio"/> NO
9 HENRY CHRIST	P.O. Box 157 FONDRIEVE KY	YES	<input type="radio"/> NO
10		YES	NO

