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JUL 29 2013  
PUBLIC SERVICE  
COMMISSION

James M. Crawford  
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July 29, 2013

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Mr. Jeffrey Derouen  
Executive Director  
Kentucky Public Service Commission  
P.O. Box 615  
211 Sower Boulevard  
Frankfort, KY 40602

RE: PSC Case No. 2012-00503

Dear Mr. Derouen:

Please find enclosed for filing with the Commission in the above-referenced proceeding, an original and ten copies of Fleming-Mason Energy Cooperative's ("Fleming-Mason") Motion for Full Intervention, and an original and ten redacted copies of Fleming-Mason's response to the issues discussed in the Commission Order dated July 17, 2013. Also enclosed is an original and ten copies of Fleming-Mason's Motion for Confidential Treatment of Information. One copy of the designated portions of the responses is enclosed in a sealed envelope.

Please contact me with any questions.

Respectfully yours,

CRAWFORD & BAXTER, P.S.C.

  
James M. Crawford  
Attorney for Fleming-Mason Energy Cooperative

Cc: Parties of Record

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PUBLIC SERVICE  
COMMISSION

**COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION**

In the Matter of:

**PETITION AND COMPLAINT OF GRAYSON )  
RURAL ELECTRIC COOPERATIVE )  
CORPORATION FOR AN ORDER )  
AUTHORIZING PURCHASE OF ELECTRIC )  
POWER AT THE RATE OF SIX CENTS PER )  
KILOWATTS OF POWER VS A RATE IN )  
EXCESS OF SEVEN CENTS PER KILOWATT ) **CASE NO.**  
HOUR PURCHASED FROM EAST KENTUCKY ) **2012-00503**  
POWER COOPERATIVE UNDER A )  
WHOLESALE POWER CONTRACT AS )  
AMENDED BETWEEN GRAYSON RURAL )  
ELECTRIC COOPERATIVE CORPORATION )  
AND EAST KENTUCKY POWER )  
COOPERATIVE INC. )**

**MOTION FOR FULL INTERVENTION OF  
FLEMING-MASON ENERGY COOPERATIVE**

Pursuant to KRS 278.310 and 807 KAR 5:001, Section 4 (11), Fleming-Mason Energy Cooperative (“Fleming-Mason”) respectfully requests that it be granted full intervenor status in the above-captioned proceeding and states in support thereof as follows:

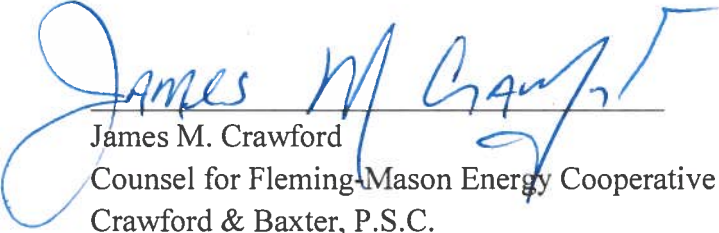
1. Fleming-Mason is engaged in the business of operating a retail electric distribution system in eight (8) counties in northeastern Kentucky. Fleming-Mason’s business address is 1449 Elizaville Road, P.O. Drawer 328, Flemingsburg, Kentucky 41041. Fleming Mason is a member-owner of East Kentucky Power Cooperative, Inc. (“EKPC”).

2. On November 19, 2012, Grayson Rural Electric Cooperative Corporation (“Grayson”), also a member-owner of EKPC, filed jointly a complaint against EKPC, and a petition requesting in total the issuance of eight declarations arising under: (a) a contract for Grayson to purchase up to 9.4 MW of power from Magnum Drilling of Ohio, Inc.; and (b) Amendment 3 of Grayson’s wholesale power contract with EKPC.
3. Fleming-Mason and Grayson represent two of 16 member-owners of EKPC.
4. While Fleming-Mason expresses no comment on Grayson’s proposed purchase power contract, Fleming-Mason may present issues or develop facts regarding Amendment 3 of the wholesale power contract with EKPC that would assist the Commission in fully considering this matter, without unduly complicating or disrupting the proceedings.
5. Pages 22 and 23 of the Commission’s Order in this proceeding dated July 17, 2013 state: “Because the issues raised by Grayson may implicate the rights of EKPC’s other 15 Members, the Commission will serve a copy of this Order on each Member and allow them to individually or jointly file by July 30, 2013 a request for intervention and a response to the issues of: (a) whether Amendment 3 expressly requires a methodology for Members to share the allocation of alternate power, and if not expressly required, should the Commission nonetheless impute such a methodology for the Members to share the allocation of alternative power under Amendment 3; and (b) the proper form of advance notice to EKPC for an alternative sourced power purchase.”
6. In accordance with paragraph 4 of the Commission’s Order dated July 17, 2013, Fleming-Mason further supports this Motion by responding to the issues described in paragraph 5 above as set forth in Exhibit “A” attached here to and incorporated herein.

WHEREFORE, Fleming-Mason Energy Cooperative respectfully requests that it be granted full intervenor status in the above-captioned proceeding.

Dated at Flemingsburg, Kentucky, this 29<sup>th</sup> day of July 2013.

Respectfully submitted,



James M. Crawford  
Counsel for Fleming-Mason Energy Cooperative  
Crawford & Baxter, P.S.C.

P.O. Box 353

Carrollton, Kentucky 41008

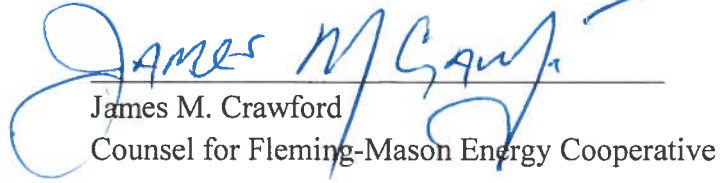
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**CERTIFICATE OF SERVICE**

I hereby certify that a copy of the foregoing was served by mailing a true and correct copy, by first-class postage prepaid mail, to all parties on the 29th day of July, 2013.

A handwritten signature in blue ink, appearing to read "James M. Crawford", is written over a horizontal line. The signature is stylized and cursive.

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Counsel for Fleming-Mason Energy Cooperative

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President & CEO  
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Attorney At Law  
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311 West Main Street  
Grayson, KY 41143

**FLEMING-MASON ENERGY COOPERATIVE**  
**MOTION TO INTERVENE—RESPONSE**  
**CASE NO. 2012-00503**

1. Whether Amendment 3 expressly requires a methodology for Members to share the allocation of alternative power, and if not expressly required, should the Commission nonetheless impute such a methodology for the Members to share the allocation of alternative power under Amendment 3

Response: It is Fleming-Mason's position that Amendment 3 is silent in stating a methodology for Members to share the allocation of alternative power.

Since Amendment 3 does not expressly require an allocation methodology it is Fleming-Mason's position that the Commission should strongly encourage EKPC and its Members to agree on a methodology that is fair and equitable to all members. Fortunately, the Member CEO's have developed a document titled Memorandum of Understanding and Agreement "MOU&A" (attached hereto and incorporated herein as Exhibit "B"). The document has been approved by all sixteen (16) CEO's, a power point has been developed describing the major points of the MOU&A (attached hereto and incorporated herein as Exhibit "C"), and Eight (8) Member Board's have approved the MOU&A. On May 30, 2013, Fleming-Mason's Board of Directors did approve said MOU&A contingent upon all 16 Member Board & EKPC Board approval. It is Fleming-Mason's position that said MOU&A is a fair and equitable method to allocate potential benefits of alternative power. As a last resort, if agreement could not be achieved by all parties involved, Fleming-Mason would support the Commission imputing said methodology as described herein.

2. The proper form of advance notice to EKPC for an alternative sourced power purchase.

Response: The MOU&A attached hereto and incorporated herein as Exhibit "B" addresses the issue of proper advance notice and as such is supported by Fleming-Mason.



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**MOTION FOR CONFIDENTIAL TREATMENT OF INFORMATION**

Comes now Fleming-Mason Energy Cooperative (“Fleming-Mason”) and, as grounds for this Motion for Confidential Treatment of Information (the “Motion”), states as follows:

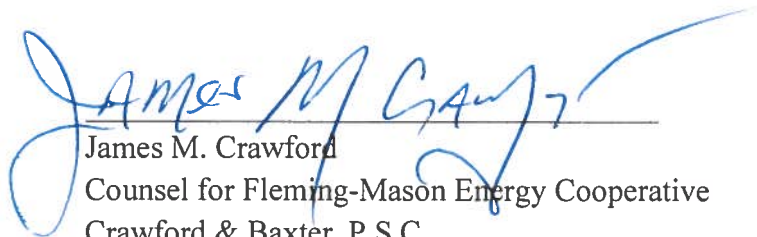
1. This Motion is filed in conjunction with the filing of Fleming-Mason’s Motion for Full Intervention, supported by a response to the issues discussed in the Commission’s Order dated July 17, 2013, and relates to confidential information contained in Exhibits “B” and “C” attached thereto that is entitled to protection pursuant to 807 KAR 5:001 Section 13 and KRS 61.878(1)(c)1 and related sections.
2. The information is designated as confidential in Exhibits “B” and “C” as it describes a specific business strategy for East Kentucky Power Cooperative, Inc. (“EKPC”) and its member systems (one of which is Fleming-Mason), which could possibly give third parties an unfair competitive advantage if publicly disclosed. Additionally, as of the date

of this filing, the document contained as Exhibit "B" has not been ratified by all member systems' Boards of Directors.

3. Fleming-Mason requests that confidentiality be maintained through December 31, 2013, or until the Commission issues a final Order in this proceeding, whichever is earlier.
4. Along with this Motion, Fleming-Mason has enclosed one copy of Exhibits "B" and "C", with the confidential information identified by highlighting or other designation, and 10 copies of Exhibits "B" and "C", with the confidential information redacted. The identified confidential information is not known outside of EKPC, Fleming-Mason, and the 15 other member systems and is distributed within those companies only to persons with a need to use it for business purposes. It is entitled to confidential treatment pursuant to 807 KAR 5:001 Section 13 and KRS 61.878(1)(c) 2 c, as records generally recognized as confidential or proprietary which are confidentially disclosed to an agency in conjunction with the regulation of a commercial enterprise.

**WHEREFORE**, Fleming-Mason respectfully requests that the Commission grant confidential treatment to the identified information and deny public disclosure of said information.

Respectfully submitted,



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Counsel for Fleming-Mason Energy Cooperative  
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Carrollton, Kentucky 41008

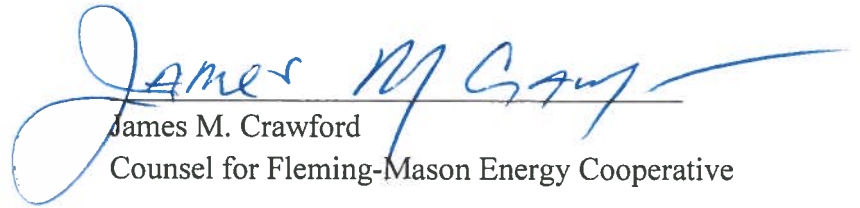
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A handwritten signature in blue ink, reading "James M. Crawford", is written over a horizontal line. The signature is stylized with a large initial "J" and a long horizontal stroke extending to the right.

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Counsel for Fleming-Mason Energy Cooperative

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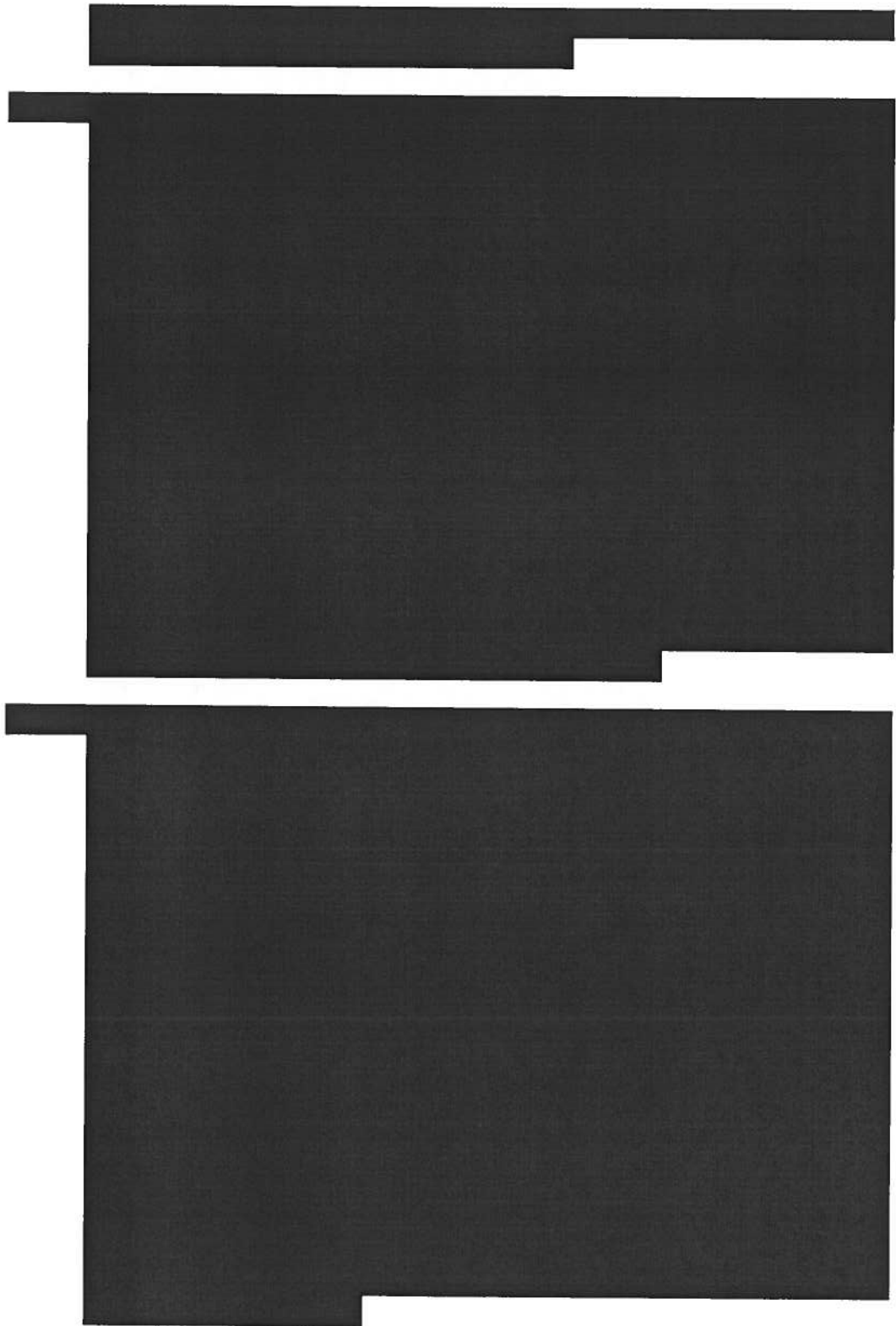
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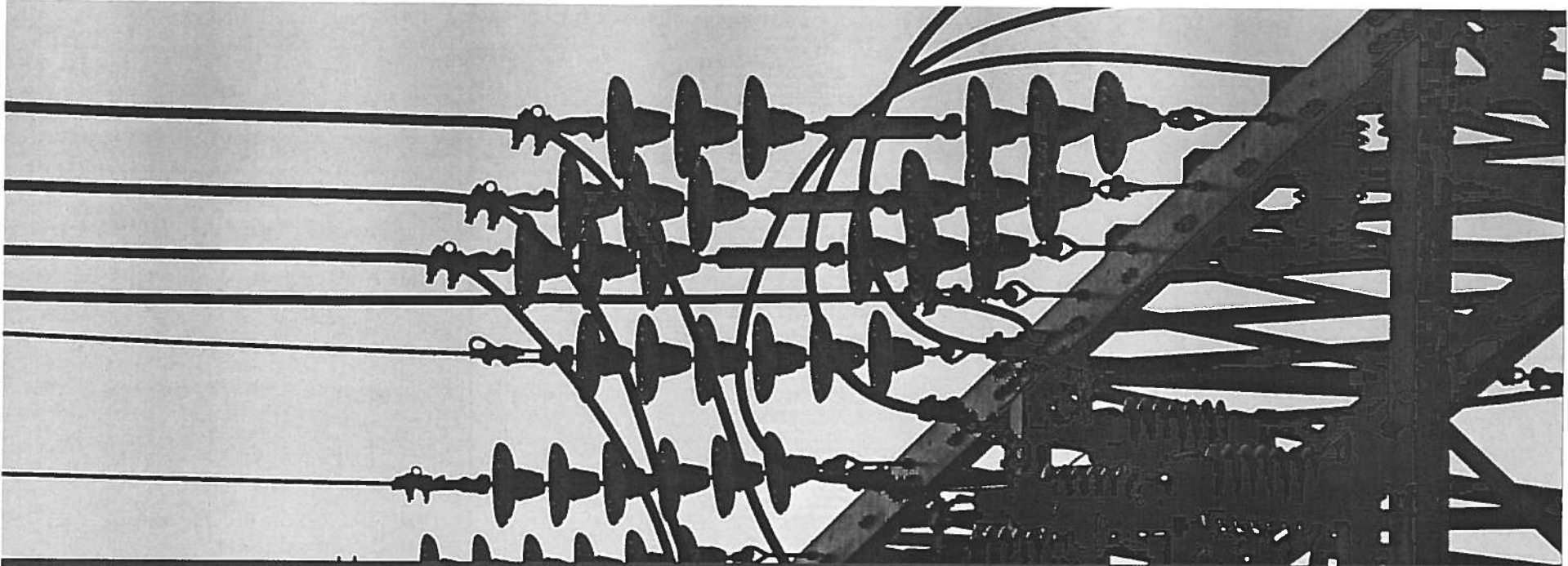
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# Amendment 3 MOU&A

Exhibit C  
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EAST KENTUCKY POWER COOPERATIVE

A Touchstone Energy Cooperative



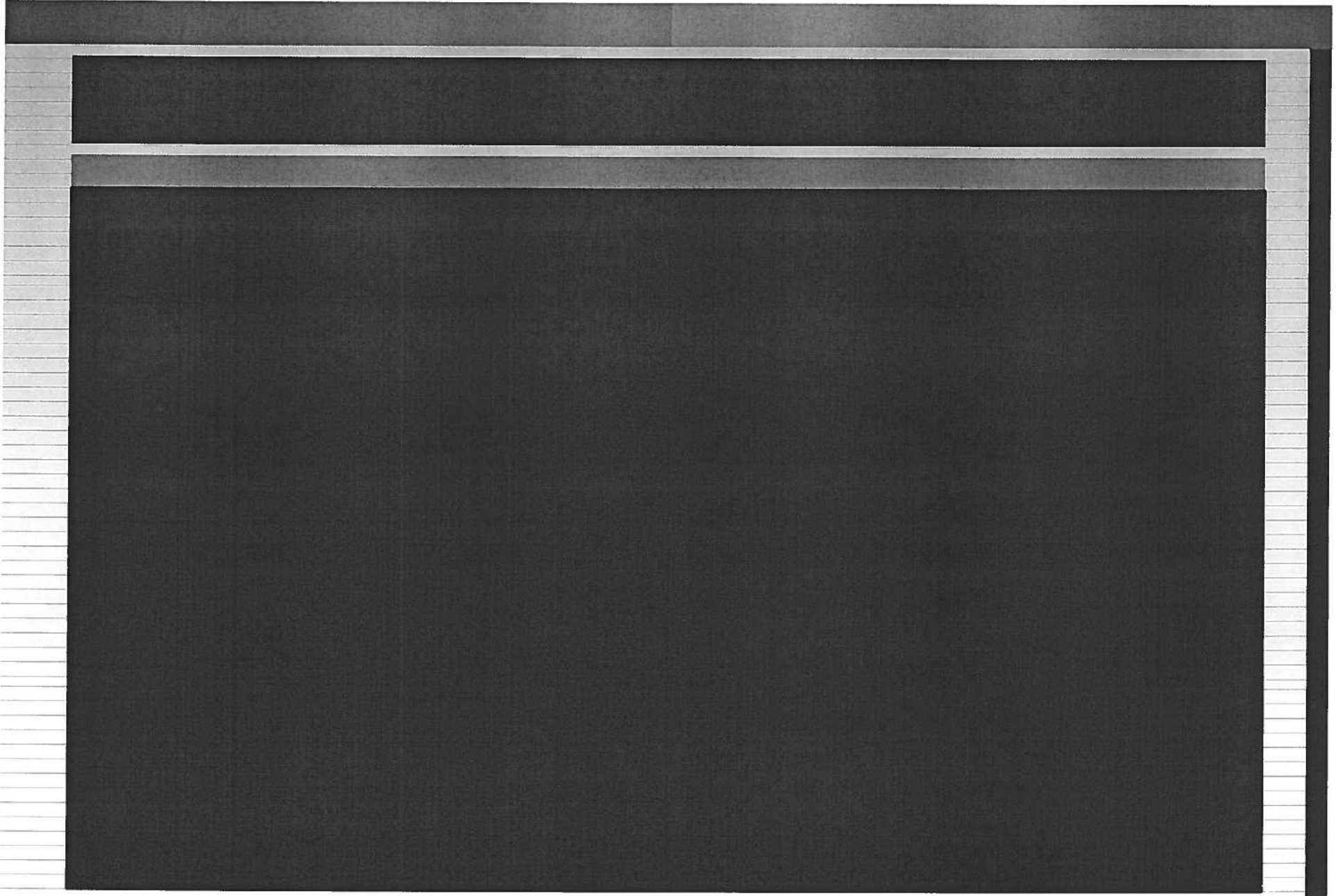
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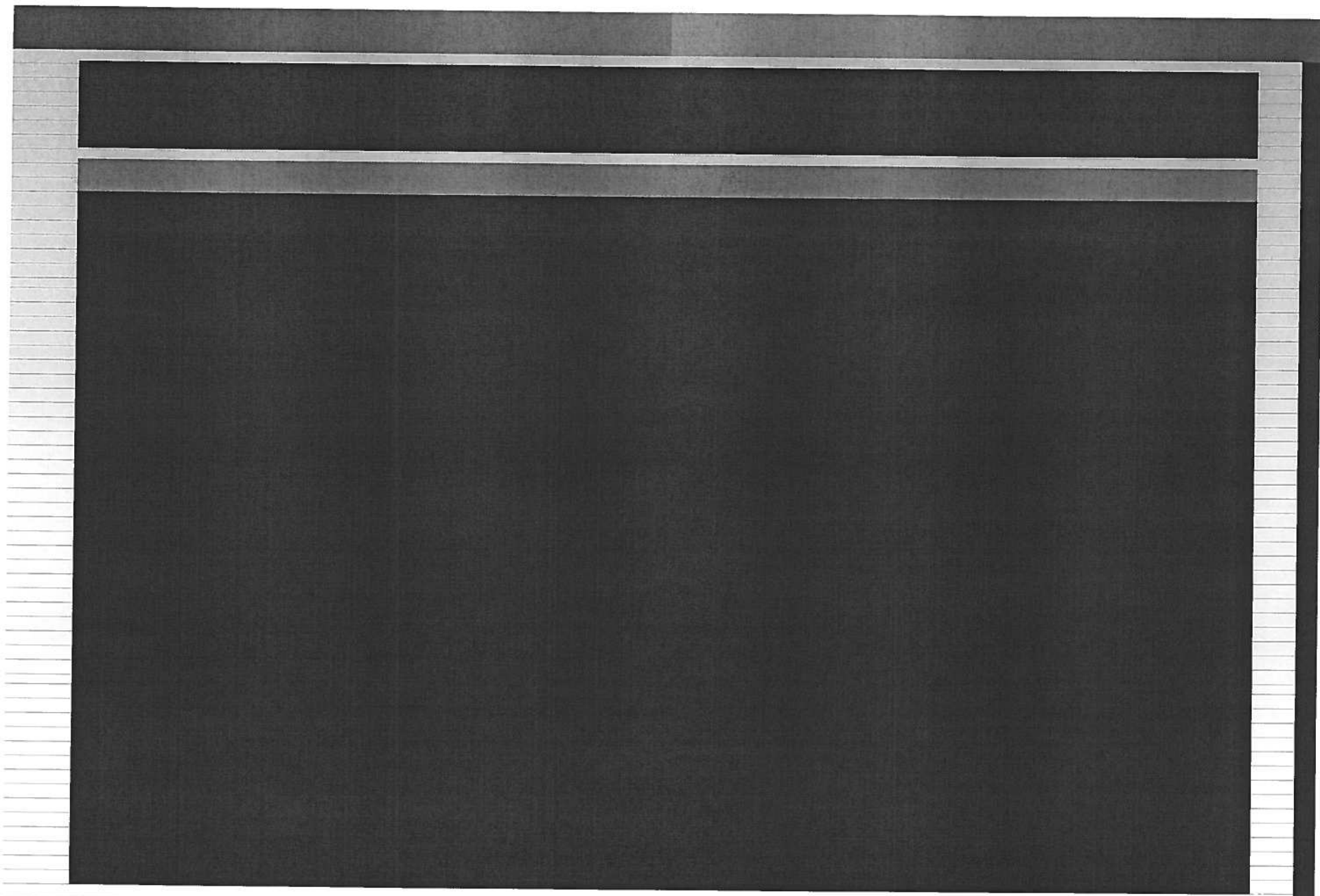
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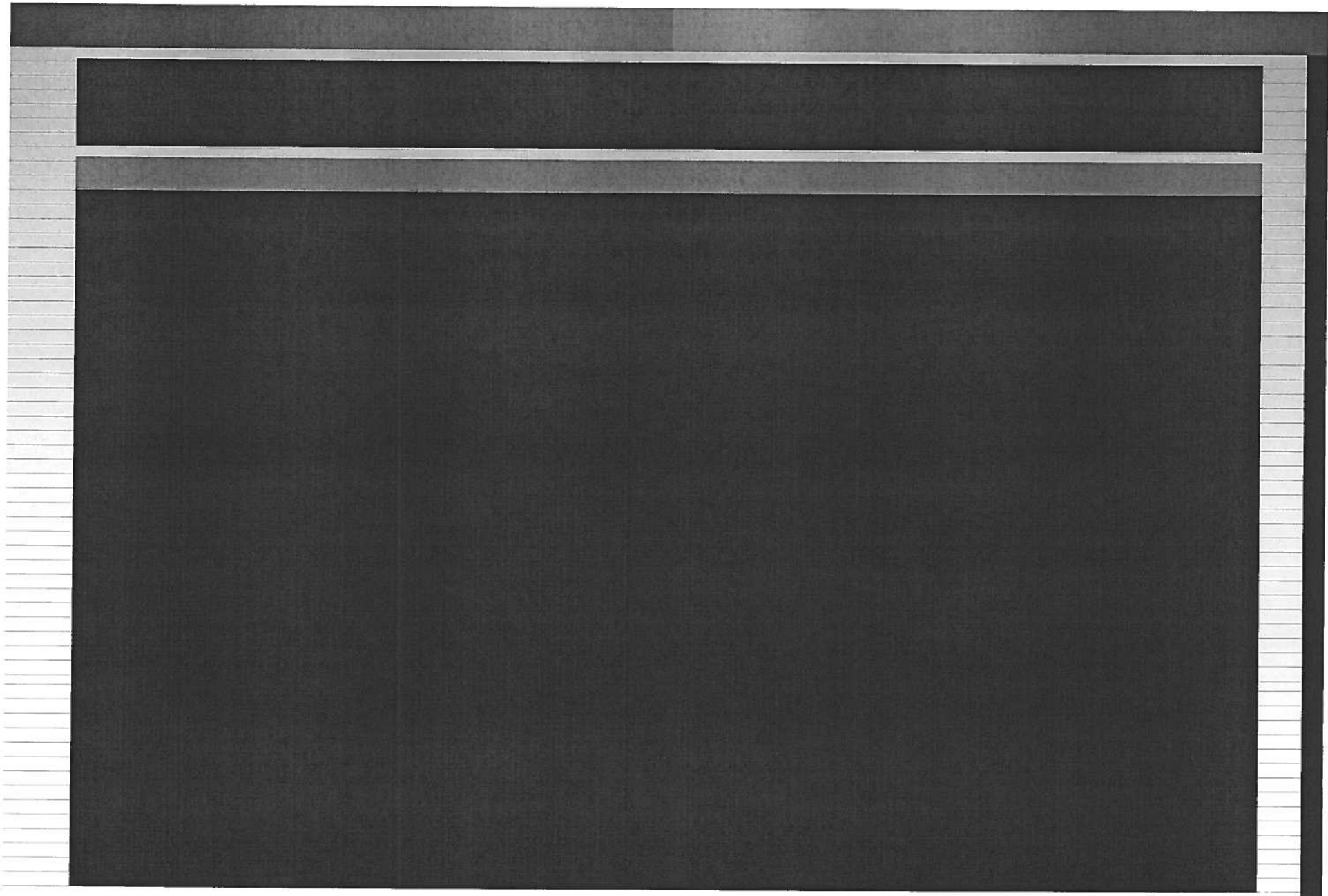
East Kentucky Power Cooperative



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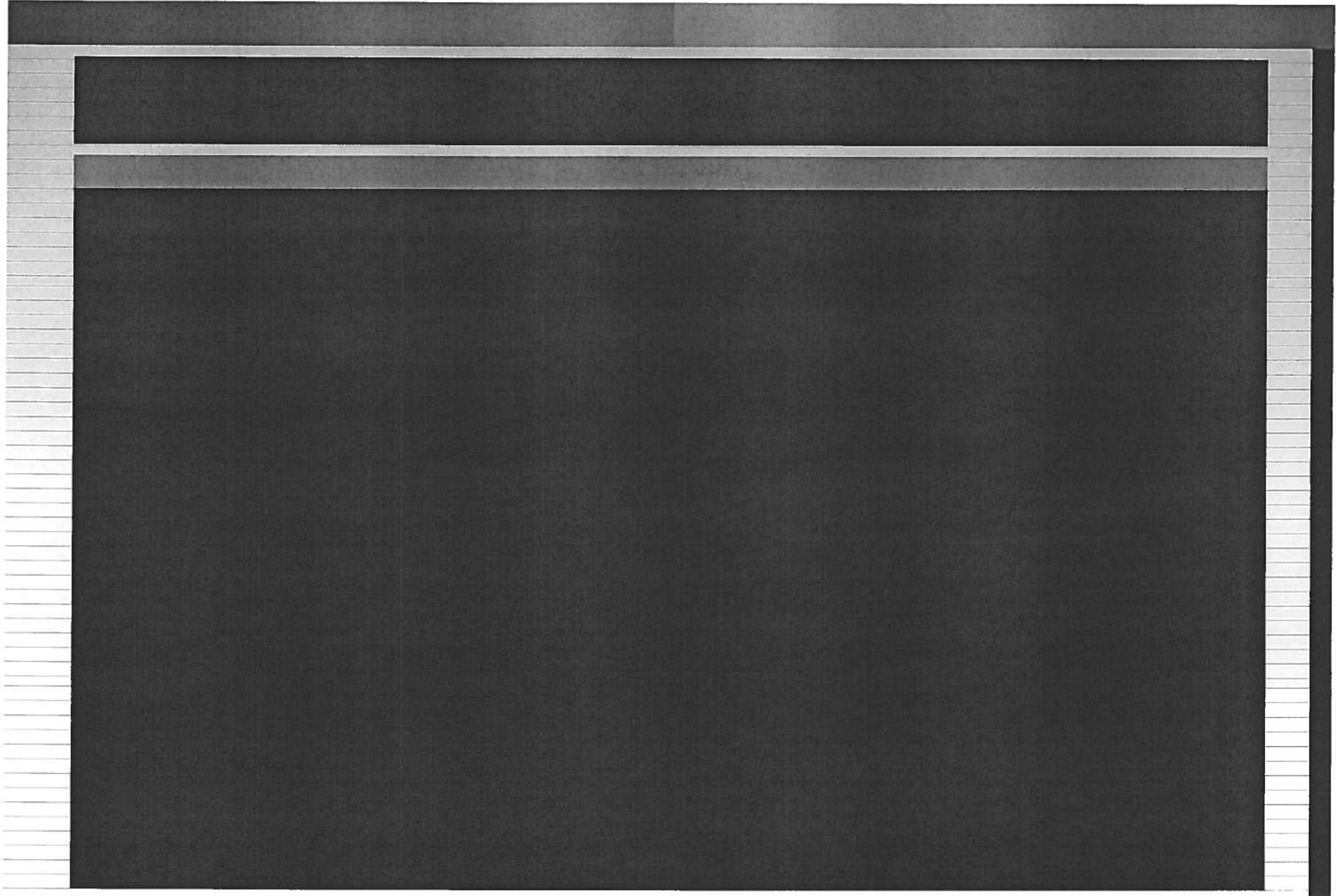
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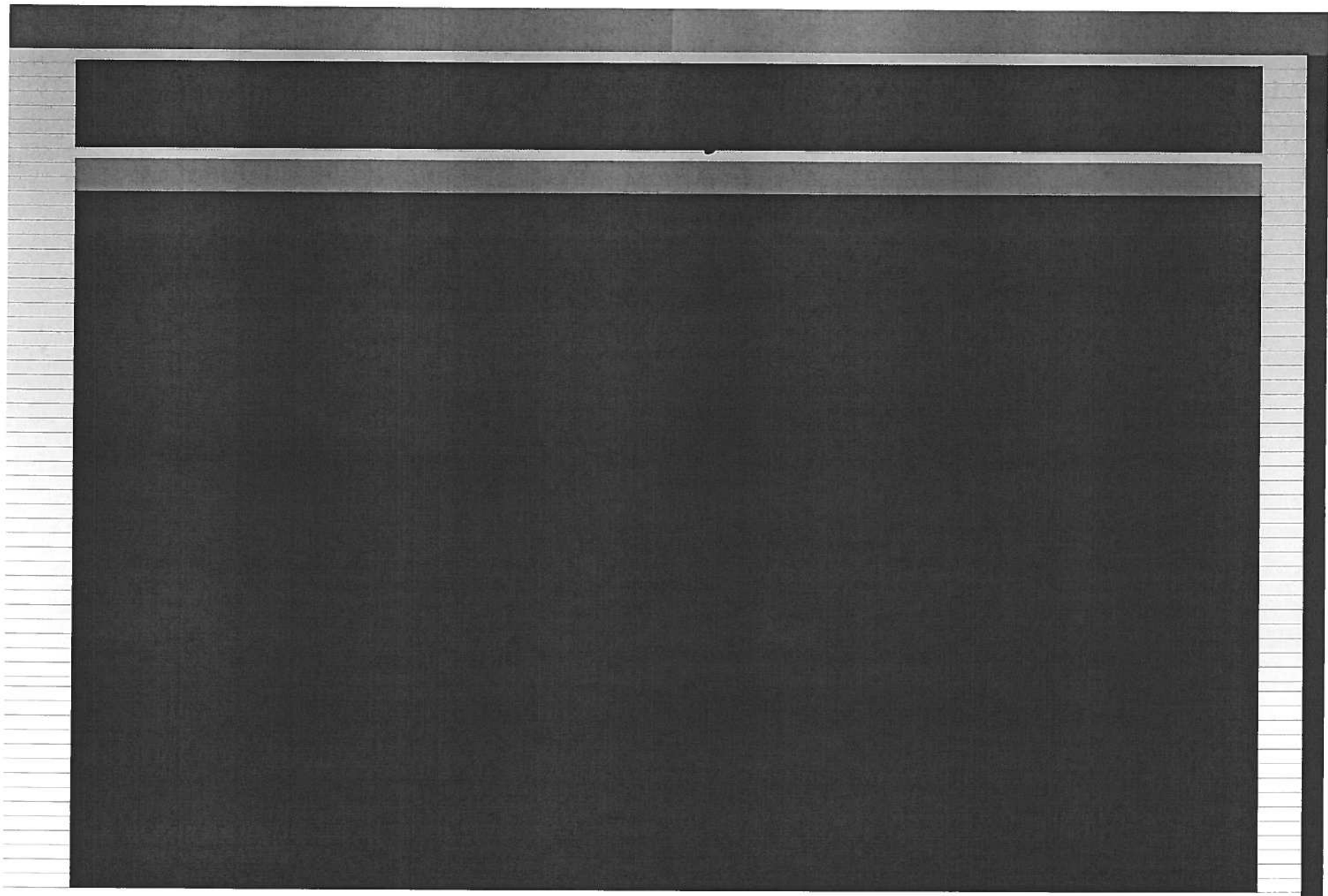




EAST KENTUCKY POWER COOPERATIVE

A Touchstone Energy Cooperative

Exhibit C



EAST KENTUCKY POWER COOPERATIVE

A Touchstone Energy Cooperative

Exhibit C



# Questions and Discussion



EAST KENTUCKY POWER COOPERATIVE

A Touchstone Energy Cooperative