

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

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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 )  
KILOWATT HOUR UP TO 9.4 MEGAWATTS )  
OF POWER VS. A RATE IN EXCESS OF SEVEN )  
CENTS PER KILOWATT HOUR PURCHASED )  
FROM EAST KENTUCKY POWER COOPERATIVE )  
UNDER A WHOLESALE POWER CONTRACT AS )  
AMENDED BETWEEN GRAYSON RURAL )  
ELECTRIC COOPERATIVE CORPORATION AND )  
EAST KENTUCKY POWER COOPERATIVE, )  
INC. )

CASE NO.  
2012-00503

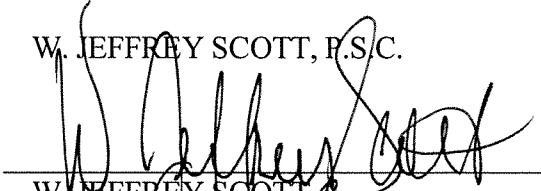
**NOTICE OF FILING**

Notice is hereby given that Grayson Rural Electric Cooperative Corporation hereby gives notice of the filing of the original of Interrogatories served upon East Kentucky Power Cooperative in the within action. These Interrogatories were served on October 2, 2013.

RESPECTFULLY SUBMITTED,

W. JEFFREY SCOTT, P.S.C.

BY:

  
W. JEFFREY SCOTT  
BRANDON M. MUSIC  
ATTORNEYS FOR PETITIONER  
311 WEST MAIN STREET  
P.O. BOX 608  
GRAYSON, KY 41143  
(606) 474-5194

This is to certify that the foregoing  
has been served upon the parties by mailing  
a true and correct copy of same to:

Hon. Mark David Goss  
Hon. David S. Samford  
Goss & Samford, PLLC  
2365 Harrodsburg Road – Suite B 325  
Lexington, KY 40504

Hon. Clayton O. Oswald  
Taylor, Keller & Oswald, PLLC  
P.O. Box 3440  
1306 West Fifth Street – Suite 100  
London, KY 40743-03440

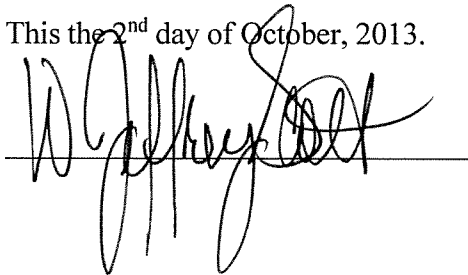
Hon. James M. Crawford  
Crawford & Baxter  
523 Highland Avenue  
P.O. Box 353  
Carrollton, KY 41008

Hon. Don Prather  
Mathis, Riggs & Prather, P.S.C.  
500 Main Street - Suite 5  
Shelbyville, KY 40065

This is to further certify that the original of this document has been forwarded to the Kentucky Service Commission as follows:

Kentucky Public Service Commission  
211 Sower Blvd.  
Frankfort, KY 40602-0615

This the 2<sup>nd</sup> day of October, 2013.



A handwritten signature in black ink, appearing to read "William J. Goss", is written over a horizontal line. The signature is stylized and cursive.

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ELECTRIC COOPERATIVE CORPORATION AND	)	
EAST KENTUCKY POWER COOPERATIVE,	)	
INC.	)	

**INTERROGATORIES TO EAST KENTUCKY POWER COOPERATIVE**

Comes now Grayson Rural Electric Cooperative Corporation and herewith submits the following Interrogatories to East Kentucky Power Cooperative, Inc. These Interrogatories should be answered under oath by a duly authorized representative of East Kentucky Power Cooperative and delivered to counsel for Grayson Rural Electric Cooperative Corporation at the address of 311 West Main Street, Grayson, Kentucky, 41143, no later than October 23, 2013, at the hour of 4:00 p.m. or at such other time as may be designated by an appropriate Order of the Kentucky Public Service Commission.

**INTERROGATORY NO. 1:** Please set forth the name, address and title of the person answering these Interrogatories.

**INTERROGATORY NO. 2:** Please set forth the factual basis that East Kentucky Power Cooperative believes must be set forth, followed, and utilized by any distribution cooperative to purchase power up to the extent of 15% of its load from a source other than East Kentucky Power.

**INTERROGATORY NO. 3:** Please state whether East Kentucky Power Cooperative has received notice of a desire to purchase power from a source other than East Kentucky Power Cooperative by any distribution cooperative within the last 18 months, and if so, set forth the extent of the power sought to be purchased by each distribution cooperative and whether same is less than 15% of its coincident peak for the preceding 36 months as defined in Amendment 3 to the Wholesale Power Contract of 1964 and whether same is less than 5% of the production of East Kentucky Power.

**INTERROGATORY NO. 4:** Please state whether you believe that the board policy of East Kentucky Power No. 305, is an authorized modification of the provisions of Amendment 3 of the Wholesale Power Contract attached to the Petition herein, and if so, please set forth the factual basis for why you believe said policy modifies the terms of Amendment 3. If not, please state what you believe East Kentucky Power Cooperative's Board Policy 305 does.

**INTERROGATORY NO. 5:** If your answer to the preceding Interrogatory is in the affirmative, then please set forth the factual basis for your belief that a board policy can modify a contract entered into between East Kentucky Power and its member owners.

**INTERROGATORY NO. 6:** Please state whether East Kentucky Power Cooperative has any agreement with any distribution cooperative to pay the legal costs of any distribution cooperative desiring legal representation and receiving legal representation in the within proceeding and if so, please set forth the terms of said contract and whether there were any disclosures as part of the agreement.

**INTERROGATORY NO. 7:** Please set forth the amount of money paid by East Kentucky Power Cooperative to its attorneys for the legal representation that it has provided in the within proceeding, not only for East Kentucky Power Cooperative, which is partly owned by Grayson Rural Electric Cooperative, but also please state any legal costs or attorney's fees East Kentucky Power Cooperative has paid or assumed responsibility for with regard to the legal representation of any distribution cooperative in the within action. For purposes of this Interrogatory "paid" shall mean any payments of attorney fees or costs in the within action that East Kentucky Power Cooperative could be held liable for in an attempt to collect a debt, has paid, will pay, or agree to indemnify any distribution co-op for..

**INTERROGATORY NO. 8:** Please state whether East Kentucky Power Cooperative, if it has paid the fees for legal representation of any distribution cooperative in the within proceeding, agrees to pay Grayson Rural Electric Cooperative Corporation for its legal fees in the within proceeding.

**INTERROGATORY NO. 9:** Please state what impact, if any there would be, upon the financial picture of East Kentucky Power Cooperative if Grayson Rural Cooperative Corporation is allowed to purchase 9.3 megawatts of power to serve its load in its defined territory from a source other than East Kentucky Power.

**INTERROGATORY NO. 10:** Please state whether there is any request or combination of requests for the purchase of power by all or any of the distribution cooperatives in the aggregate, that are owners of East Kentucky Power Cooperative, exceeding 5% of the production of East Kentucky Power.

**INTERROGATORY NO. 11:** Please set forth the method and manner of the distribution of power through the electrical grid for the amount of power utilized by any of the distribution

cooperatives from a source other than East Kentucky Power, as well as what conduct is undertaken by East Kentucky Power to accomplish same.

**INTERROGATORY NO. 12:** Please provide the name, address and title of each person authorized to give testimony to support the answer to the proceeding Interrogatory.

**INTERROGATORY NO. 13:** Please state whether East Kentucky Power Cooperative received notice from Grayson Rural Electric in June 2012, August 2012, July 2013, and in September of 2013 of the intent of Grayson Rural Electric Cooperative Corporation to purchase power from a source other than East Kentucky Power and if so, please provide copies of all documents evidencing same.

**INTERROGATORY NO. 14:** Please state whether there is anything of value that East Kentucky Power through its Board Executive Committee, full board authority, or any of its upper level management that has been promised to any distribution cooperative in exchange for allowance of a concession to any distribution cooperative for any disparity in rates to be charged for wholesale power within the last 18 months. If so, please set forth the terms and conditions of said agreement or tacit understanding.

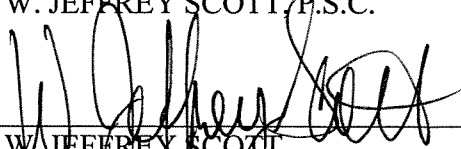
**INTERROGATORY NO. 15:** Please state the name, address and title of each person which East Kentucky Power Cooperative intends to call at the Final Hearing in this action setting forth the factual basis upon which each person would give testimony.

**INTERROGATORY NO. 16:** Please set forth the name, address, title, educational background and field of expertise of any expert witness which East Kentucky Power Cooperative intends to call at the Final Hearing in this action, including the substance of the facts and opinions to which each expert is expected to testify, as well as a summary of their testimony and the factual basis upon which any opinion is given.

RESPECTFULLY SUBMITTED,

W. JEFFREY SCOTT, P.S.C.

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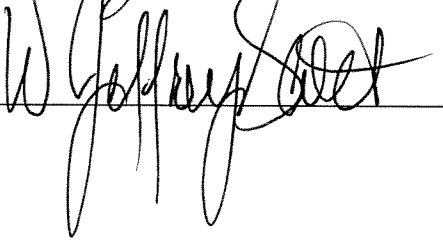
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