

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION **RECEIVED**

In the Matter of:

APR 28 2014

PUBLIC SERVICE
COMMISSION

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) Case No.
EXCESS OF SEVEN CENTS PER KILOWATT) 2012-00503
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.)

PETITIONER, GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION'S
RESPONSE TO MOTION TO COMPEL DISCOVERY

Comes now Grayson Rural Electric Cooperative Corporation (GRAYSON) and for its response to the motion of East Kentucky Power Cooperative (EAST KENTUCKY) to compel discovery states as follows:

1. The motion of EAST KENTUCKY should be denied for the reason that GRAYSON has complied in all respects with the discovery requests of EAST KENTUCKY.
2. The motion of EAST KENTUCKY complains about certain responses wherein GRAYSON states that it has made an inquiry concerning the existence of certain documents and has responded in certain instances by stating that documents requested do not exist. EAST KENTUCKY believes that those statements are

incorrect. However, GRAYSON would not state that requested documents do not exist unless they have searched for the documents and cannot find them. The documents to which EAST KENTUCKY makes reference are ones which have been searched for but have not been found. Or they are simply documents, the non-existence of which, is known for the reason that they concern conduct that was not undertaken as suggested by EAST KENTUCKY. Therefore, if the documents do not exist, then they simply do not exist.

3. The motion should further be denied for the reason that the long scenario concerning the deposition testimony of Carl Fraley, wherein it was brought to the attention of counsel for EAST KENTUCKY, that a proposed Memorandum of Understanding had no basis in the within action proceeding, is a scenario that has no relevancy to the within action. The parties to this proceeding know full well that a document known as a Memorandum of Understanding (MOU) was attempted to be reached among the Distribution Cooperatives that own EAST KENTUCKY but that document has never been signed by any Cooperative. Boards, of the Distribution Cooperatives, have given approval to enter into that document save only one or two Boards. GRAYSON was one of those Boards but subsequently rescinded its earlier Board action. No Distribution Cooperative has actually signed the Memorandum of Understanding.
4. Following the Order entered in this case in July of 2013, GRAYSON felt it necessary to rescind its earlier Board action and believes that no MOU is necessary for it to be granted the relief that it desires in this proceeding which is simply to purchase power from a source other than EAST KENTUCKY up to fifteen (15%)

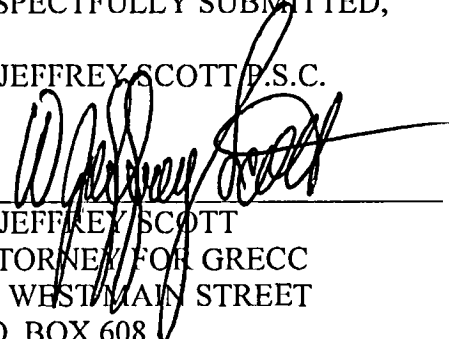
percent of its aggregate load. A provision of the Wholesale Power Contract allows for this and therefore there is no other agreement that needs to be reached in order to implement the provisions of an already existing agreement.

WHEREFORE, GRAYSON respectfully submits that the Motion to Compel should be denied and that this matter should proceed.

RESPECTFULLY SUBMITTED,

W. JEFFREY SCOTT P.S.C.

BY: _____


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

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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 28th day of April, 2014.

