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COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION
CASE NO. 2005-00280

AUG 1 1 2005

PUBLIC SERVICE
COMMISSION

In the Matter of:

WALTER CALLIHAN and
GOLDHIE CALLIHAN,

COMPLAINANTS,

VS.

**RESPONSE OF GRAYSON RURAL ELECTRIC
COOPERATIVE CORPORATION**

GRAYSON RURAL ELECTRIC
COOPERATIVE CORPORATION,

RESPONDENT.

Comes now Grayson Rural Electric Cooperative Corporation and for its response to the complaint herein, pursuant to the order of the Commission of August 1, 2005, states as follows:

1. The Respondent respectfully submits that the complaint of the Complainants fails to truly state a cause of action against this Defendant and should be dismissed.
2. The Respondent, Grayson Rural Electric Cooperative Corporation (hereinafter GRECC), relies upon the Commission's adjudication of Case No. 2003-00485, as set forth in its order of March 18, 2004, as a complete bar to the Complainant's complaint.
3. The Commission's order of August 1, 2005, concludes that the complaint sets forth a *prima facie* complaint of wrongful discontinuance of electric service and wrongful refusal to provide electric service. However, the Commission has already determined that Goldie Callihan has not made any formal application or appropriate application for service and has dismissed

her complaint that she filed in 2003. GRECC states that Goldie Callihan has never, subsequent thereto, made application for service nor has she ever been a member of GRECC and accordingly her complaint should be dismissed.

4. Furthermore, GRECC states that as previously found by the Commission and as previously found by the United States District Court of the Eastern District of Kentucky in the case to which the Complainants refer in their complaint, the Complainant's owed GRECC monies for electric service received, failed to pay therefore, and properly had their electric service terminated for nonpayment.
5. The amount owed necessitating termination has never been paid.
6. GRECC further states that at no time has anyone tendered money to the GRECC for payment of the outstanding indebtedness owed by the Callihans. The assertion by Ruby Cordele that she tendered payment was incorrect, although she made inquiry and Ms. Fraley told her that Mr. Callihan would need to pay the bill or someone could pay it for him, and then Mr. Callihan could execute an application for service like any other member. That has not been done.
7. Furthermore, should anyone pay the outstanding balance that does not, in and of itself, restore electrical service. Mr. Callihan would need to execute, or his wife Goldie, would need to execute a new application for service the same as any other member of GRECC. None of the foregoing has been done, necessitating a dismissal of the complaint of the Complainants.

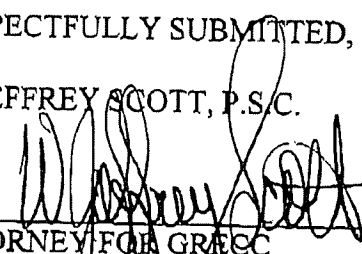
8. The version of the Ruby Cordele affidavit put forth by Complainants is not that which is set forth by Ms. Cordele in her purported April 25, 2005 statement. The Complainant, Mr. Walter Callihan, gives an interpretation that goes beyond that which was set forth by Ms. Cordele in her statement.

WHEREFORE, Grayson Rural Electric Cooperative Corporation having fully responded herein, demands dismissal of the complaint and all other relief to which it may appear to be entitled.

RESPECTFULLY SUBMITTED,

W. JEFFREY SCOTT, P.S.C.

BY:


ATTORNEY FOR GRECC
P.O. BOX 608
GRAYSON, KY 41143
(606) 474-5194

This is to certify that the foregoing has
Been served on the parties herein by
Mailing a true and correct copy of
Same to:

Mr. Walter Callihan
Ms. Goldie Callihan
P.O. Box 17
Argillite, KY, 41121

This 17th day of August, 2005.

