

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 ELETRIC)
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

**RESPONSE OF GRAYSON RURAL ELECTRIC TO
MOTION OF SHELBY ENERGY COOPERATIVE**

Comes now Grayson Rural Electric Cooperative Corporation (GRECC) and for its response to the Motion of Shelby Energy Cooperative Corporation to seek an order narrowing the scope of the issues as previously set forth by the Commission and to dismiss all aspects of the within action relating to GRECC contract with Magnum and its attempted contract with Duke Energy states as follows:

1. GRECC respectfully submits that it has a viable, meaningful, arrangement with Duke Energy for the purchase of power at a significantly reduced rate than that which it must currently pay to East Kentucky Power and as such the purchase of that power up to 9.3 megawatts is in the best interests of the members of GRECC and, therefore, is appropriate to be adopted.
2. The Motion of Shelby sets forth no appropriate basis upon which the Commission should amend its July 2013 Order. As a matter of fact the purchase of power by each of the

distribution cooperatives that are a party to the within proceeding as well as those who are not a party, at a rate offered by Duke Energy, up to the maximum allowable under the terms of the Wholesale Power Contract with East Kentucky Power, as amended, is something which the Kentucky Public Service Commission should readily adopt, embrace wholeheartedly, and direct be implemented as soon as practicable.

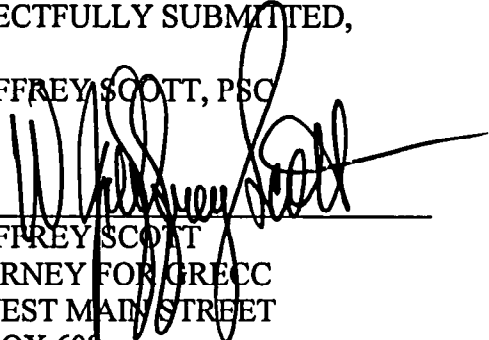
3. GRECC intends to pursue the within matter to a satisfactory conclusion to the best interest of its members and believes that going forward with this action in the manner and scope set forth by the Commission in its July 2013 Order is appropriate.
4. GRECC simply believes that it is beyond any reasonable interpretation for any person or entity to challenge the sale of electric power at a reduced rate than that which is otherwise to be paid if same is within the parameters of an existing contract, which GRECC believes it is.
5. The Motion of Shelby refers to “bitterness, hostility, and what appears to be personal vendetta(s) that are obviously presently poisoning the Grayson and EKPC relationship”. GRECC believes that such language is misplaced and is unaware of any personal vendetta(s), bitterness, or hostility that exists in a manner referenced in the Motion of Shelby.

WHEREFORE, GRECC respectfully submits that the Motion should be denied, that this matter proceed as set forth in the July 2013 Order, and that all other and appropriate relief be granted.

RESPECTFULLY SUBMITTED,

W. JEFFREY SCOTT, PSC

BY: _____


W. JEFFREY SCOTT
ATTORNEY FOR GRECC
311 WEST MAIN STREET
P.O. BOX 608
GRAYSON, KY 41143
(606) 474-5194

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

Hon. James M. Crawford
Crawford & Baxter, PSC
Counsel for Fleming-Mason & Owen Rural Electric
P.O. Box 353
Carrollton, KY 41008

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
P.O. Box 3440
1306 West 5th Street, Suite 100
London, KY 40743-00344

Hon. Don Prather
Mathis Riggs & Prather, PSC
500 Main Street, Suite 5
Shelbyville, KY 40065

This is to further certify that the original plus
10 copies 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 ^{25th} day of October, 2013.

