

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

In the Matter of:

NOV 1 2013

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. )

PUBLIC SERVICE  
COMMISSION

CASE NO.  
2012-00503

**OWEN ELECTRIC COOPERATIVE, INC'S  
ANSWERS TO INTERROGATORIES OF PETITIONER**

Comes now Owen Electric Cooperative, Inc., by counsel, and for its Answers to Grayson's Interrogatories state as follows:

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

ANSWER: Mark Stallons, President and Chief Executive Officer, 8205 Highway 127 N, P.O. Box 400, Owenton, Kentucky 40359.

**INTERROGATORY NO. 2:** With respect to each distribution cooperative, please set forth what load or loads any said distribution cooperative has served on its system from a source other than East Kentucky Power Cooperative including the total megawatts utilized and the date of when said load or loads was commenced.

ANSWER: None.

**INTERROGATORY NO. 3:** Please set forth the date upon which any notice of service of any load or notice of the utilization of any power outside that purchased from East Kentucky Power Cooperative was sent to East Kentucky Power Cooperative.

ANSWER: See Answer to Interrogatory No. 2.

**INTERROGATORY NO. 4:** Please state whether any distribution co-op received any responses to any of its notices sent to East Kentucky Power Cooperative, and if so, the nature and content of each said response.

ANSWER: See Response to Interrogatory No. 2.

**INTERROGATORY NO. 5:** Please set forth any power amount or loads each distribution co-op desires to have served outside of East Kentucky Power Cooperative or by action of its Board of Directors has sought and with respect to same, please state whether notice of same has been sent to East Kentucky Power Cooperative, Inc.

ANSWER: Owen Electric Cooperative, Inc., is exploring various options for the purchase of power from a non-EKPC resource. However, Owen Electric has not made any firm decision in regard to same and cannot do so until the Amendment 3 issue is resolved.

**INTERROGATORY NO. 6:** With respect to each distribution cooperative, please set forth the coincident peak demand over the preceding thirty-six (36) months of its load.

ANSWER:

September 2010-August 2011	422.6 MW	July 2011
September 2011-August 2012	424.1 MW	June 2012
September 2012- August 2013	410.4 MW	July 2013

AVG of the 3 peaks	419.0 MW
15% of above AVG	62.9 MW

**INTERROGATORY NO. 7:** Please set forth the terms and conditions of any agreement between any distribution cooperative and East Kentucky Power concerning payment for legal expenses by East Kentucky Power for any distribution cooperative that has entered its

appearance in the within proceeding, as well as setting forth all monies paid by East Kentucky Power Cooperative for legal expenses for any distribution co-op in the within proceeding.

ANSWER: Not applicable as Owen Electric Cooperative is paying for its own legal representation.

**INTERROGATORY NO. 8:** Please set forth with respect to any distribution co-op intervening in the within proceeding the nature and term of any agreement between said distribution co-op and East Kentucky Power Cooperative concerning payment of costs for wholesale power, anything of value given or received by either party, i.e., the distribution co-op or East Kentucky Power Cooperative concerning the issues raised in the within proceeding, or anything of value for any load to be served by any entity on the distribution co-op's lines, i.e., any concession or disparity in rates charged by East Kentucky Power Cooperative for any particular load such as any industrial customer or otherwise.

ANSWER: Owen Electric Cooperative purchases wholesale power from EKPC pursuant to the Wholesale Power Contract and EKPC's tariffs and special contracts that have been approved by the Kentucky Public Service Commission.

**INTERROGATORY NO. 9:** Please state whether any of the distribution co-ops intervening in the within action believe that the purchase of power by it from a source other than East Kentucky Power Cooperative of up to 15% of its load, at any rate less than that which is currently being paid to East Kentucky Power, would be beneficial to the members of said distribution co-op.

ANSWER: This Interrogatory cannot be answered until the Amendment 3 issue has been resolved by the Public Service Commission or all 16 coops and EKPC agree to and approve

the memorandum of understanding. Once that occurs, a proper evaluation of purchasing power from a source other than EKPC can be conducted and this interrogatory can be answered.

**INTERROGATORY NO. 10:** If your answer to the proceeding Interrogatory is in the negative, then please set forth the factual basis upon which you claim that your members paying less for electric power is not in their best interest.

ANSWER: See Answer to Interrogatory No. 9.

**INTERROGATORY NO. 11:** Please set forth the name, address and title of each person which any distribution co-op intends to call as a witness at the Final Hearing in the within action setting forth the factual basis upon which each said witness is expected to testify, as well as a summary of the grounds for each opinion.

ANSWER: Not yet determined.

**INTERROGATORY NO. 12:** Please set forth the name, address, title and educational background and qualifications of any expert witness which any distribution cooperative intends to call at the Final Hearing in this action, as well as setting forth the substance of the facts and opinions to which the expert is expected to testify, as well as the basis for each said opinion and a summary of each opinion.

ANSWER: Not yet determined.

**INTERROGATORY NO. 13:** Please state whether any of the distribution cooperatives intervening in the within action believe that there is an inherent conflict of interest with the same attorney or attorneys representing East Kentucky Power in the within proceeding, and the same attorney or attorneys representing the distribution cooperatives in the within proceeding, inasmuch as the basis for the complaint filed by the Petitioner is to obtain

authorization for payment of wholesale power rates to East Kentucky Power by all of the distribution cooperatives less than the current rate, and as such, result in reduced costs to the members of each distribution cooperative and a reduction in equity to East Kentucky Power Cooperative.

ANSWER: Owen Electric Cooperative objects to this interrogatory as it seeks information that is privileged, confidential and of no relevance to this proceeding.

**INTERROGATORY NO. 14:** If the answer to the proceeding Interrogatory is in the negative, then please set forth the factual basis for the apparent contradictory answer on same.

ANSWER: See Answer to Interrogatory No. 13 above.


**INTERROGATORY NO. 15:** Please set forth the language of any waiver of any conflict of interest any distribution cooperative has signed that is connected to or is related to the representation it has in this case.

ANSWER: Not applicable to Owen Electric Cooperative.

**VERIFICATION**

By signing below, the individual answering these Interrogatories on behalf of Owen Electric Cooperative, Inc., hereby certifies that the foregoing Answers are true and correct to the best of his knowledge and belief.

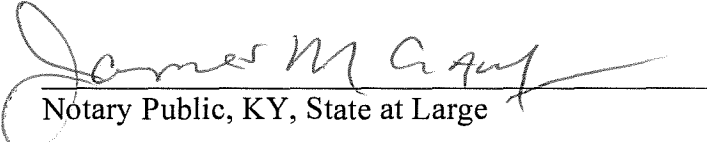
OWEN ELECTRIC COOPERATIVE, INC.

BY:   
Mark Stallons, President and CEO

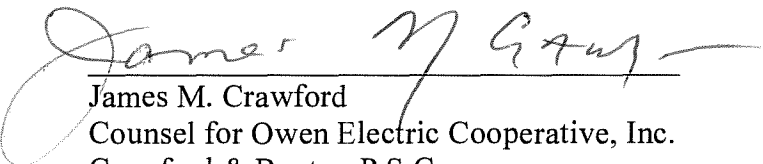
STATE OF KENTUCKY )  
COUNTY OF OWEN )

Subscribed and sworn to before me by Mark Stallons as President and CEO of Owen Electric Cooperative, Inc., on this the 31st day of October, 2013.

My commission expires: NOV 14 / 2013

  
Notary Public, KY, State at Large

Respectfully submitted,

  
James M. Crawford  
Counsel for Owen Electric Cooperative, Inc.  
Crawford & Baxter, P.S.C.  
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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 31<sup>st</sup> day of October, 2013, to:

W. JEFFREY SCOTT, P.S.C.  
ATTN: Hon. Jeffrey Scott  
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311 West Main Street  
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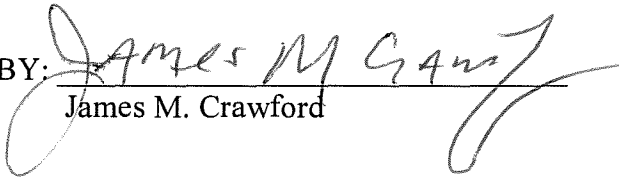
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MATHIS, RIGGS & PRATHER, P.S.C.  
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This is to further certify that the original of  
this document has been forwarded to the  
Kentucky Public Service Commission as  
follows:

Kentucky Public Service Commission  
P.O. Box 615  
Frankfort, Kentucky 40602-0615

BY:   
James M. Crawford