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\*ALSO ADMITTED IN GEORGIA

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(1920-1998)

ROBERT SPRAGENS, SR.

May 14, 2012

MAY 1 5 2013

RECEIVED

**PUBLIC SERVICE** COMMISSION

VIA FEDEX: 799753283764

Mr. Jeff Derouen **Executive Director Public Service Commission** 211 Sower Boulevard Frankfort, KY 40602

Re: PSC Case No. 2013-00165

Dear Mr. Derouen:

Please find enclosed for filing with the Commission in the above-referenced case an original and ten copies of the Answer of Taylor County RECC.

With kind regards, I remain,

Very truly yours,

Róbert Spragens, Jr// /Taylor County REQC

SPRAGENS & HIGDON, P.S.C.

RS,JR:js **Enclosures** 

cc: Mr. Barry L. Myers, Manager **Taylor County RECC** 

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## COMMONWEALTH OF KENTUCKY BEFORE THE PUBLIC SERVICE COMMISSION

MAY 1 5 2013

PUBLIC SERVICE

COMMISSION

IN THE MATTER OF:		
FRANK MCANINCH	)	
COM	PLAINANT )	CASE NO.
V.	)	2013-00165
TAYLOR COUNTY RURAL EL COOPERATIVE CORPORATI	,	
DEFE	NDANT )	

### ANSWER OF DEFENDANT, TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

Defendant, Taylor County Rural Electric Cooperative Corporation ("Taylor County RECC") acting by counsel, makes the following Answer to the formal Complaint filed herein by Frank McAninch ("McAninch"), of Casey County, Kentucky:

- 1. Defendant acknowledges receipt of the Complaint of McAninch, having been duly notified of its filing by the Commission's notice dated May 6, 2013, and received by Taylor County RECC on May 8, 2013.
- 2. Defendant acknowledges that, in or about November, 2012, Complainant, whose family farm is currently served by Defendant, contacted Defendant's office to inquire about additional service. Within a few days, Doug White, a representative of Defendant, visited Complainant at the property to confer with Complainant upon his additional service needs. Complainant pointed out his band mill which is currently operated by gas / diesel, and Complainant expressed his desire to create a larger

sawmill operation utilizing a series of electric motors providing an aggregate of 75 horsepower (See attached 2-Page "Exhibit A" reflecting load data). Mr. White undertook an appropriate site inspection, and procured from Complainant the information necessary to calculate load requirements, and returned that information to Defendant's engineering department for preparation of cost estimates. During that visit, Mr. White advised Complainant that the sawmill which he proposed would be characterized as "questionable permanent service", and that service installation estimates would include the probable necessary costs of removal as provided under Defendant's existing tariff.

- 3. Defendant admits that its engineering department created a proposed work order for the installation of three-phase primary service to energize Complainant's proposed sawmill, and that estimate is set forth on November 19, 2012 correspondence to Complainant which is referenced as Work Order No. 112520 and which is attached to the Complaint filed herein. Complainant's insistence that that estimate purports to charge "...a rate that is double what it should be under their tariff..." suggests that Complainant misinterprets that proposed work order, \$10,541.24 of which represents the cost of materials and installation for a three-phase primary service, and \$4,304.68 of which represents the prospective cost of removal.
- 4. Defendant attaches hereto for ready reference, 2-Page "Exhibit B", the portions of its tariff which deal with provisions of service to installations which are characterized as "Questionable Permanent Service". Such services specifically include oil wells, *sawmills* (emphasis added) and billboards. It would be inappropriate, as a part of this responsive pleading, to attempt to detail the history which led to the adoption of

this portion of its tariff as that has been approved by this Commission. The applicable portion of the subject tariff further provides that the member receiving service shall be entitled to have rebated to him / her an amount equaling 10% of the annual paid charges for this service until such time as the total advancement (including prospective retirement costs) has been recovered.

- 5. Complainant asserts that he should be entitled to preferential consideration not available to Defendant's general membership for any or all of the following reasons:
- a. Complainant suggests that his sawmill operation is "small" and "not a commercial sawmill". However, Complainant concedes that his intention is to "make the sale of lumber a larger part of our farm operation", which is clearly a commercial use. Further, Complainant's website represents that Rich Hill Farms sells lumber and does custom sawing. See attached "Exhibit C".
- b. Complainant prefers to define his sawmill operation as "permanent". Complainant suggests that no one "would invest hundreds of thousands of dollars to build a commercial sawmill" (whether or not that is his intention) without intending that such operation be permanent. Under Defendant's approved tariff, sawmills are not deemed questionably permanent based upon the intent of the owner / operator. That tariff section instead relies upon empirical evidence that suggests that sawmills, many of which are (like Complainant's) portable, come and go, often overnight. If, consistent with Complainant's intent, his sawmill operation achieves permanency, then he will ultimately recoup every penny of his investment necessary to establish desired three-phase primary service to the sawmill.

- c. Complainant suggests that a seventh generation family farmer should be treated differently than an ordinary sawmill operator. Unfortunately, Taylor County RECC's tariff cannot be applied in such a way as to provide preference based upon ancestral history or cultural background.
- d. Complainant suggest that a neighboring co-op would allegedly provide this installation at a lesser cost. Defendant has no idea of the circumstances pursuant to which a representative of South Kentucky Rural Electric Cooperative Corporation would, obviously in the absence of on-site inspection of Complainant's property and his proposed service needs, offer an installation estimate for a location which lies beyond South Kentucky's certified territory. South Kentucky's appropriate response to inquiry from someone whom South Kentucky could not possibly serve should have been just that.
- e. Complainant suggests that Taylor County RECC proposes to charge a rate which is double what it should be under their tariff. As Defendant's November 19, 2012 written advice regarding this proposed work order sets out, the proposal includes retirement costs of \$4,304.68, which is a charge specifically allowable under Defendant's approved tariff.
- 6. To the extent that the property to which this proposed service is to be provided is owned by other co-tenants, then such other persons would be parties indispensable to any final, enforceable, and appealable determination / adjudication made in this proceeding. To the extent that the subject property is owned by a separate legal entity (See "Exhibit D") Complainant may not be a proper party to this proceeding and may require legal representation.

Wherefore, Defendant, Taylor County Rural Electric Cooperative Corporation prays as follows:

1. That the Complaint of McAninch herein be dismissed;

2. That to the extent that this matter is permitted to proceed, then any owner / co-owner of the subject property be required to join as a necessary and indispensable party to this proceeding, and be bound by any administrative and/or judicial adjudication made herein;

3. That no party to this proceeding be permitted to engage in the unauthorized practice of law.

4. To the extent that this matter proceeds to resolution by Order of the Commission, that the Commission conduct an evidentiary hearing sufficient to provide for judicial review; and

5. All proper relief.

Respectfully submitted,

SPRAGENS& HIGDON, P.S.C. Attorneys at Law 15 Court Square - P. O. Box 681 Lebanon, Kentucky 40033 Telephone (270) 692-3141

Bγ

Robert Spragens, Jr , Course for

Taylor County Rural Electric Cooperative Corporation I hereby certify that a true copy of the foregoing was mailed this /// day of May, 2013, to:

Frank McAninch 1341 Ivan Godbey Rd. Liberty, KY 42539 Complainant

Robert Spragens, Jr,

frank McAninch

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#### FOR ALL TERRITORY SERVED

P.S.C. KY No. 5

Sheet No. 15

TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

Cancelling P.S.C. No. 4

Sheet No. 11

RULES AND REGULATIONS

#### DISTRIBUTION LINE EXTENSIONS TO MOBILE HOMES

- extensions of up to 150 feet from the nearest facility All shall be made without charge.
- Extensions greater than 150 feet from the nearest facility and up to 300 feet shall be made provided the consumer shall pay the utility a "customer advance for construction" of fifty dollars (\$50.00) in addition to any other charges required by the Cooperative for all consumers. This advance shall be refunded at the end of one (1) year if the service to the mobile home continues for that length of time.
- For extensions greater than 300 feet and less than 1000 feet from the nearest facility, the utility may charge an equal to the reasonable costs incurred by it for that protion of the service beyond 300 feet plus fifty dollars (\$50.). 1,000 feet the extensions policies set forth in Line Extension For New Service apply.
- This advance shall be refunded to the customer over a (a) four (4) year period in equal amounts for each year the service is continued.
- If the service is discontinued for a period of sixty (60) days, or should the mobile home be removed and another not take its place within sixty (60) days, or be replaced by a permanent structure, the remainder of the advance shall be forfeited.
- No refunds shall be made to any customer who did not make the advance originally.
- 4. Mobile Homes which meet the following criteria shall be considered permanent structures and no advance charges:
  - (a) The axle and tongue are removed.
  - Sitting on a permanent foundation (concrete BUBLIC SERVICE COMMISSION the way around). OF KENTUCKY
  - There is a permanent water and sewer system.

EFFECTIVE (CONT. d.)

A permanent road is built. 

OCT 2 8 1992

DATE OF ISSUE DATE EFFECTIVE

P.O. Box 100

ISSUED BY William Harris (Name of Officer)

(Title)

President Campbeldswiller KV 80427AR 5:011. ( Addression 9 (1)

PUBLIC SER. "

S. S. Wiras

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#### FOR ALL TERRITORY SERVED

P.S.C. KY No. 5

Sheet No. 16

TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

Cancelling P.S.C. No. 4

Sheet No. 11

RULES AND REGULATIONS

#### <u>DISTRIBUTION LINE EXTENSIONS TO MOBILE HOMES</u> (cont'd)

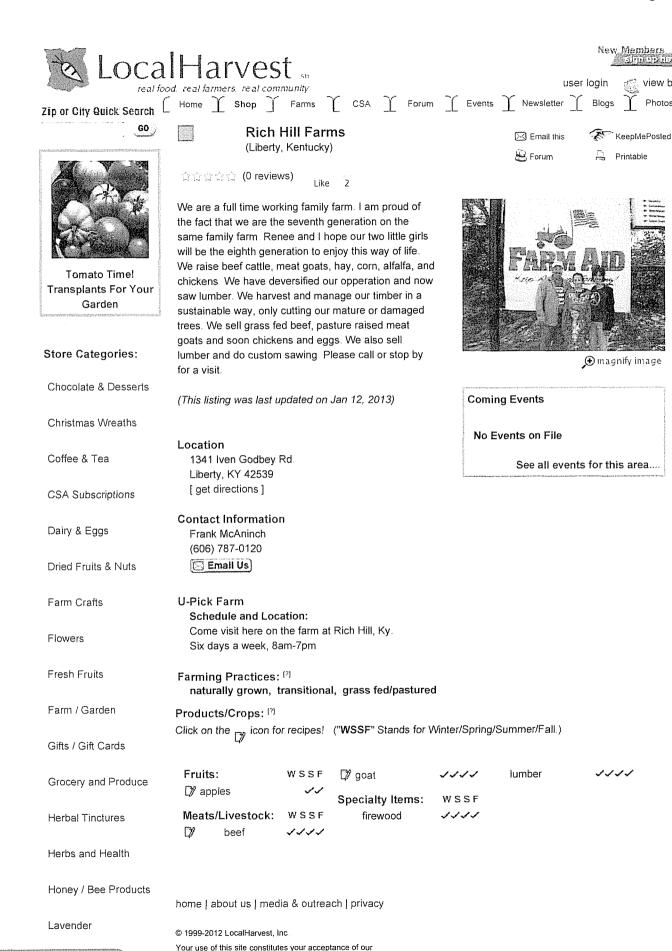
5. Questionable Permanent Service
For distribution line extensions to questionable permanent services
(including but not limited to oil wells, saw mills, billboards,
etc.), the Cooperative may charge an advance equal to the costs
for construction and estimated cost to remove the line if service
is discontinued. Refunds of the advance shall be made at ten
percent (10%) of the consumer's yearly power bills thereafter,
until such advance is retired. No refund shall be made to the
Consumer of any portion of the advance remaining upon termination
of service. No refund shall be made to any Consumer who did not
make the advance originally.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

OCT 2 8 1992

PURSUANT TO 807 KAR 5:011, SECTION 9 (1)

PUBLIC SEN. TE COOTSCOMMAND





# Casey County Property Valuation Administrator

Recent Sales in Area	Previous Parcel	<u>Next Parcel</u>	Field Definitions	Return to Main Search Page	Subscription Home	Casey Home	
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Owner Name	MCANINCH M F & VIVIEN TRUST		Today's Date	e	May 13, 2013		
Mailing Address	122 LONGVIEW DR		Parcel Numb	per/Account Number	120-55 /29194		
A ST THE STATE OF	RICHMOND, KY 40475		Tax District		00 00		
Description			2012 Rate P	er Thousand	8.39		
Land Characteristics:	TABLE TABLE TO THE PARTY OF THE						
Location Address	IVEN GODBEY RD 1341		Parcel Map		Maps available with subscription		
Condition			Topography				
Plat Book/Page			Drainage				
Subdivision			Flood Hazar	d			
Lot			Zoning				
Block			Electric		No		
Acres	44.00		Water	Water No		No	
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More detailed information is available via subscription service. Details here

The Casey County Assessor's Office makes every effort to produce the most accurate information possible. No warranties, expressed or implied, are provided for the data herein, its use or interpretation. Website Updated: May 7, 2013

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