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

NOV 02 2005

PUBLIC SERVICE
COMMISSION

In the Matter of:

WALTER CALLIHAN and
GOLDHIE CALLIHAN,

COMPLAINANTS,

VS. *ANSWER OF GRAYSON RURAL ELECTRIC
COOPERATIVE CORPORATION TO INTERROGATORIES
AND REQUEST FOR PRODUCTION OF DOCUMENTS*

GRAYSON RURAL ELECTRIC
COOPERATIVE CORPORATION,

RESPONDENT.

Comes now Grayson Rural Electric Cooperative Corporation and for its response to the request for production of documents and for its answers to the interrogatories propounded by staff of the Commission, states as follows:

NO. 1: State the dates during which Grayson RECC provided electric service to Mr. and Mrs. Callihan's residence.

ANSWER: A small commercial account, account number 3624701, from October 21, 1991 to April 9, 2003. A pump, account number 3624702 from November 1, 1991 to April 9, 2003, terminated for nonpayment. House account 3624703 from November 22, 1995 to April 9, 2003, terminated April 9, 2003 for nonpayment. Carol Ann Fraley will provide testimony on this answer.

NO. 2: State the date on which Grayson RECC discontinued electric service to Mr. and Mrs. Callihan's residence.

ANSWER: April 9, 2003. Carol Ann Fraley will provide testimony on this answer.

NO. 3: State the reason for which Grayson RECC discontinued electric service to Mr. and Mrs. Callihan's residence.

ANSWER: For nonpayment of electrical service. Carol Ann Fraley will provide information and respond to questions on this answer.

NO. 4: Provide all correspondence that Grayson RECC has with Mr. and Mrs. Callihan regarding the provision of electric service to their residence since January 1, 1998.

ANSWER: See attached. Carol Ann Fraley will provide testimony on this answer.

NO. 5: Provide all internal memorandum, correspondence, notes, and electronic mail messages in which Grayson RECC employees discuss the provision of electric service to Mr. and Mrs. Callihan's residence since January 1, 1998.

ANSWER: See attached. Carol Ann Fraley will provide testimony on this answer.

NO. 6: Provide the minutes of all meetings of Grayson RECC's Board of Directors in which the provision of electric service to Mr. and Mrs. Callihan's residence is discussed.

ANSWER: See attached. Carol Ann Fraley will provide testimony on this answer.

NO. 7: Provide a listing of all amounts billed to Mr. and Mrs. Callihan and all amounts received from Mr. and Mrs. Callihan for electric service that Grayson RECC provided to Mr. and Mrs. Callihan's residence.

ANSWER: See attached. Carol Ann Fraley will provide testimony on this answer.

NO. 8: List and describe all offers that Mr. or Mrs. Callihan have made to Grayson RECC to resolve any unpaid indebtedness. This description should include the date of the offer and Grayson RECC's response to the offer.

ANSWER: None.

NO. 9: List and describe all instances in which a third party has offered or inquired about paying the Callihan's alleged indebtedness. This description should include the name of the third party, the date of the offer or inquiry, the terms of the offer, and Grayson RECC's response to the offer.

ANSWER: See minutes and also a couple of individuals inquired about what would have to be done to have Mr. Callihan's service restored. This was a Mr. Glenn Coffee who said that he would like to put the money in escrow with the court, having Grayson RECC file a suit over the disputed indebtedness but Mr. Coffee did not offer to pay the indebtedness to Grayson RECC. Also, a Mr. Jim Gilliam asked what it would take for the Callihan's to have their service turned back on. Carol Ann explained to him about the Winter Hardship Program or a partial payment plan, which had both been offered to Mr. Callihan previously. However, Mr. Gilliam phoned back stating that Mr. Callihan was not interested. Ruby Cordele called several times offering to help pay the outstanding indebtedness. She was told that Mr. Callihan had to make application for service but had refused. Mrs. Cordele has called several times to discuss Mrs. Callihan's health and possible ways for her to help the Callihans. However, Mr. Callihan refused to allow Ms. Cordele to pay the indebtedness and at the same time apply for service

himself. Therefore, there was no reason for Ms. Cordele to pay the outstanding indebtedness because payment alone would not restore service to Mr. Callihan without there also being an application for service and meeting the other requirements for either membership or application for service as a non-member. The synagogue from some location called the Cooperative asking if there was anything they could do for Walter but when told he owed an outstanding indebtedness the representative did not call back or make any offer to pay. Also, there have been other family members that have called wishing to discuss the matter of Mr. Callihan's electrical service, but there has been no offer of payment by them. Carol Ann Fraley will provide testimony on this answer.

NO. 10: Provide a copy of Grayson RECC's current by-laws.

ANSWER: See attached. Carol Ann Fraley will provide testimony on this answer.

NO. 11: State whether Grayson RECC's current by-laws are set forth in the tariff that Grayson RECC has filed with the Public Service Commission of Kentucky or are incorporated by reference in that tariff. If Grayson RECC's current bylaws are part of or incorporated by reference into its filed tariffs, indicate where they are located or incorporated by reference.

ANSWER: See attached Rules and Regulations of Grayson Rural Electric Cooperative Corporation showing a filing date with the Public Service Commission of October 28, 1992, with an effective date of August 23, 1992, executed by then-manager Wayne D. Carmony in response to this interrogatory. Don Combs will provide testimony on this answer.

NO. 12: Identify the Public Service Commission proceeding to which Grayson RECC refers in its Answers in which the Public Service Commission found that the Complainants owed Grayson RECC "monies for electric service received, failed to pay therefore, and properly had their electric service terminated for nonpayment" and provide a copy of the Commission Order containing such findings.

ANSWER: Attached hereto is the Order entered December 18, 2003 by the Public Service Commission in Case No. 2003-00485, which effectively adjudicates a portion of that alleged by the Complainants in this case. To the extent that the answer to the complaint herein, in paragraph 4 thereof, is read to mean that the Commission found an indebtedness owed, then same is incorrect as the finding of an indebtedness owed is in the U.S. District Court Order referred to by Defendant in its answer to the complaint. Carol Ann Fraley will provide testimony on this answer.

NO. 13: State whether the application form to which Grayson RECC refers in its Answer is the same form that is contained in the tariff that Grayson RECC has filed with the Public Service Commission of Kentucky.

ANSWER: See attached Rules and Regulations of Grayson Rural Electric Cooperative Corporation and documents attached thereto, showing a filing date with the Public Service Commission of October 28, 1992, with an effective date of August 23, 1992, executed by then-manager Wayne D. Carmony in response to this interrogatory. Please note that Number 5 on the application form is an addition to that which was previously filed. Don Combs will provide testimony on this answer.

NO. 14: State whether Grayson RECC admits that a conversation occurred between Ruby Cordele and Carol Ann Fraley in which Ms. Cordele offered to pay the Callihan's alleged debt for electric service.

ANSWER: See answer to question number 9 above.

NO. 15: Assuming arguendo that the Callihans are indebted to Grayson RECC for electric service previously received, identify and describe the actions that the Callihans, or someone acting on their behalf, must undertake for Grayson RECC to resume the provision of electric service to the Callihans' residence.

ANSWER: An application for service, payment of the application fee, and arrangements for payment of the outstanding indebtedness would have to be made. Mr. or Mrs. Callihan would need to execute the application or could apply for service as a non-member by making such a written request. That request would have to be acted upon by the Board and of course arrangements for the payment of the outstanding indebtedness would have to be paid. Carol Ann Fraley will provide testimony on this answer.

RESPECTFULLY SUBMITTED,

W. JEFFREY SCOTT, P.S.C.

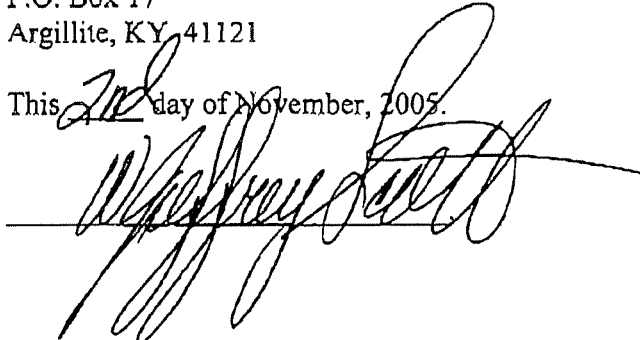
BY: 

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 2nd day of November, 2005.

A handwritten signature in cursive script, appearing to read "Jeffrey Scott", is written over a horizontal line. The signature is fluid and somewhat stylized.