STITES & HARBISON PLLC

ATTORNEYS

January 3, 2013

421 West Main Street Post Office Box 634 Frankfort, KY 40602-0634 [502] 223-3477 [502] 223-4124 Fax www.stites.com

Mark R. Overstreet (502) 209-1219 (502) 223-4387 FAX moverstreet@stites.com

HAND DELIVERED

Jeff R. Derouen Executive Director Public Service Commission 211 Sower Boulevard P.O. Box 615 Frankfort, KY 40602-0615

RECEIVED

JAN 03 2013

PUBLIC SERVICE COMMISSION

RE: <u>Case No. 2012-00224</u>

Dear Mr. Derouen:

Please find enclosed and accept for filing the original and ten copies of Kentucky Power Company's responses to the data requests propounded by Staff and Grayson Rural Electric Cooperative Corporation.

Ms. Munsey, who is a witness for several of the data request responses, is out of the office this week. Her verification will be filed when she returns next week.

Copies of the responses are being served on counsel for Grayson-along with a copy of this letter.

Versv trulv

Mark R. Overstree

MRO

cc:

W. Jeffrey Scott

Alexandria, VA Atlanta, GA Frankfort, KY Franklin, TN Jeffersonville, IN Lexington, KY Louisville, KY Nashville, TN

COMMONWEALTH OF KENTUCKY

BEFORE THE

PUBLIC SERVICE COMMISSION OF KENTUCKY

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IN THE MATTER OF

JAN 03 2013

PUBLIC SERVICE COMMISSION

| COMPANY FOR A DECLARATION OF ITS RIGHT PURSUANT TO KRS 278.018(1) TO SERVE THOSE PORTIONS OF THE SAND GAP ESTATES CREENUP COUNTY, KENTUCKY LYING WITHIN ITS CERTIFIED TERRITORY IN LIEU OF GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION) | PETITION AND COMPLAINT OF KENTUCKY POWER |) |
|--|---|-----------------------|
| THOSE PORTIONS OF THE SAND GAP ESTATES) CASE NO. 2012-0022 GREENUP COUNTY, KENTUCKY LYING WITHIN) ITS CERTIFIED TERRITORY IN LIEU OF) GRAYSON RURAL ELECTRIC COOPERATIVE) | COMPANY FOR A DECLARATION OF ITS |) |
| GREENUP COUNTY, KENTUCKY LYING WITHIN) ITS CERTIFIED TERRITORY IN LIEU OF GRAYSON RURAL ELECTRIC COOPERATIVE) | RIGHT PURSUANT TO KRS 278.018(1) TO SERVE |) |
| ITS CERTIFIED TERRITORY IN LIEU OF) GRAYSON RURAL ELECTRIC COOPERATIVE) | THOSE PORTIONS OF THE SAND GAP ESTATES |) CASE NO. 2012-00224 |
| GRAYSON RURAL ELECTRIC COOPERATIVE) | GREENUP COUNTY, KENTUCKY LYING WITHIN |) |
| , | ITS CERTIFIED TERRITORY IN LIEU OF |) |
| CORPORATION) | GRAYSON RURAL ELECTRIC COOPERATIVE |) |
| , | CORPORATION |) |

KENTUCKY POWER COMPANY RESPONSES TO GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION FIRST SET OF DATA REQUESTS

VERIFICATION

The undersigned Delinda K. Borden, being duly sworn, deposes and says she is the Manager, Customer and Distribution Services for the Ashland District for Kentucky Power Company, that she has personal knowledge of the matters set forth in the forgoing data requests and the information contained therein is true and correct to the best of her information, knowledge, and belief.

| | Delenda K. Borden Delinda K. Borden |
|--------------------------|--------------------------------------|
| COMMONWEALTH OF KENTUCKY |)) CASE NO. 2012-00224 |
| COUNTY OF BOYD |) CASE NO. 2012-0022+) |

Subscribed and sworn to before me, a Notary Public in and before said County and State, by, Delinda K. Borden, this the 13 day of December 2012.

Charles W. Barken Notary Public

My Commission Expires: June 11, 2013

VERIFICATION

The undersigned, Richard Howerton, being duly sworn, deposes and says he is the (Insert Title) that he has personal knowledge of the matters set forth in the forgoing testimony and the information contained therein is true and correct to the best of his information, knowledge, and belief.

| | Auchanel Homes for |
|--------------------------|----------------------------|
| | Richard Howerton |
| COMMONWEALTH OF KENTUCKY |)) Case No. 2012-00224 |
| COUNTY OF BOYD |) |

Notary Public

My Commission Expires: <u>April 6, 2013</u>

KPSC Case No. 2012-00224 Grayson RECC First Set of Data Requests Dated December 12, 2012 Item No. 1 Page 1 of 1

Kentucky Power Company

REQUEST

Please state whether Kentucky Power agrees that representatives of Kentucky Power and GRECC agreed for Kentucky Power to serve persons on the east side of the Industrial Parkway in Greenup County immediately east of Sand Gap Estates and for GRECC to serve persons or other entities located on the west side of the Industrial Parkway within the Sand Gap Estates area.

RESPONSE

No such agreement exists. Kentucky Power's service territory includes areas on both the east and west side of the Industrial Parkway in Greenup County and the majority of the eastern portion of Sand Gap Estates.

KPSC Case No. 2012-00224 Grayson RECC First Set of Data Requests Dated December 12, 2012 Item No. 2 Page 1 of 1

Kentucky Power Company

REQUEST

If the answer to the preceding request is in the affirmative, then please state all of the individuals involved in reaching that decision.

RESPONSE

N/A

KPSC Case No. 2012-00224 Grayson RECC First Set of Data Requests Dated December 12, 2012 Item No. 3 Page 1 of 1

Kentucky Power Company

REQUEST

Please state whether Kentucky Power denied electric service to any individual seeking same within the Sand Gap Estates area upon application being made, and if so, please state the individual or entity making the request and when the denial was made.

RESPONSE

Kentucky Power has not received an application or denied electrical service to any individual seeking service in the Sand Gap Estates area located within the Company's certified service territory.

KPSC Case No. 2012-00224 Grayson RECC First Set of Data Requests Dated December 12, 2012 Item No. 4 Page 1 of 1

Kentucky Power Company

REQUEST

Please provide the name, title and brief summary of the anticipated testimony of each witness which Kentucky Power intends to call at any hearing held in the within action.

RESPONSE

Kentucky Power will pre-file testimony in accordance with a procedural schedule issued by the Commission. Unless there is a subsequent Order changing the procedural schedule from the December 5, 2012 Order in this case, Kentucky Power will be pre-filing testimony no later than January 23, 2013.

WITNESS: Lila P Munsey

KPSC Case No. 2012-00224 Grayson RECC First Set of Data Requests Dated December 12, 2012 Item No. 5 Page 1 of 2

Kentucky Power Company

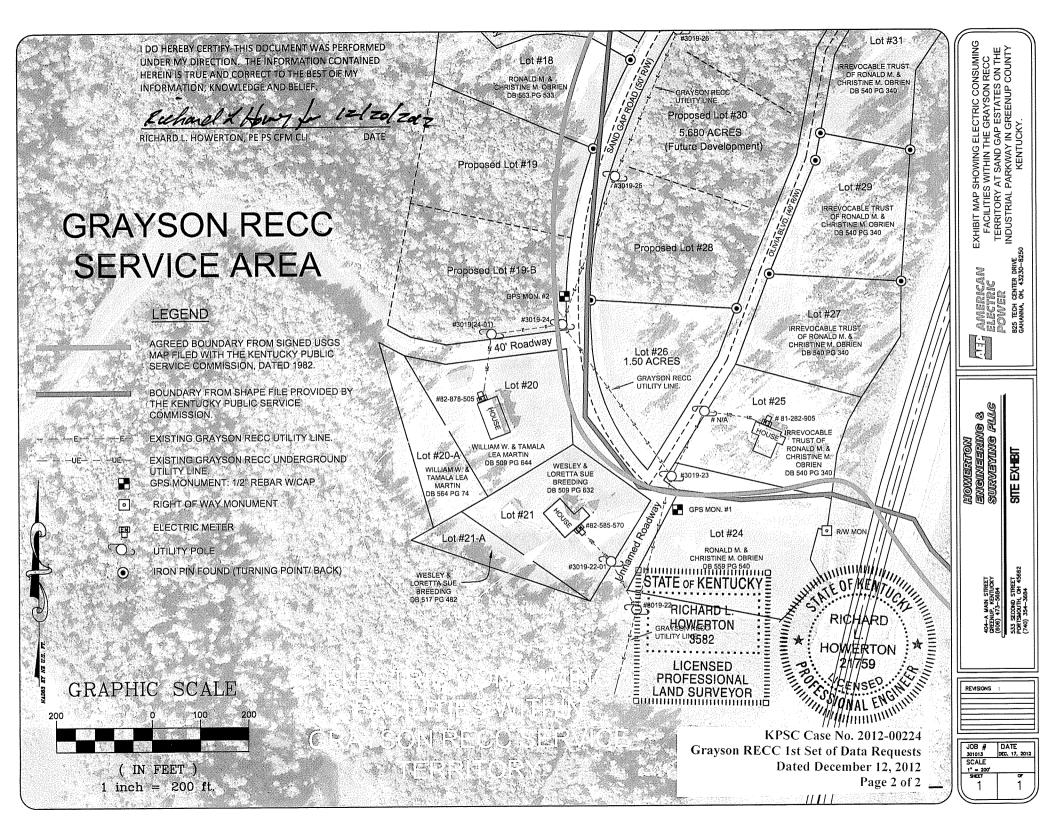
REQUEST

Please state whether Kentucky Power acknowledges that at least one electric consuming facility in Sand Gap Estates is located within a service territory of GRECC as set forth in the Territorial Map of record at the Kentucky Public Service Commission.

RESPONSE

Page 2 of this response provides a map of the area, showing that two of the four existing electric consuming facilities in Sand Gap Estates are located within the GRECC service territory.

WITNESS: Richard Howerton



KPSC Case No. 2012-00224 Grayson RECC First Set of Data Requests Dated December 12, 2012 Item No. 6 Page 1 of 1

Kentucky Power Company

REQUEST

If the answer to the preceding request is in the affirmative, then please state which service and the name of the electric consuming facility owner.

RESPONSE

As these are not customers of Kentucky Power, the Company does not have customer records for the consuming facilities.

KPSC Case No. 2012-00224 Grayson RECC First Set of Data Requests Dated December 12, 2012 Item No. 7 Page 1 of 1

Kentucky Power Company

REQUEST

Please state what effort, if any, Kentucky Power made to reach an agreement with GRECC regarding the issues raised in the within proceeding.

RESPONSE

Kentucky Power objects to this data request to the extent it is irrelevant and requires the disclosure of information protected by KRE 408. Kentucky Power further objects to the data request on the ground that the information is equally available to GRECC. Notwithstanding these objections, Kentucky Power discussed the issues raised in this proceeding on the following, occasions:

- Ms. Munsey wrote a letter to GRECC's President & CEO Carol Fraley dated October 21, 2011.
- Ms. Munsey, Everett Phillips, Delinda Borden, and Steve Martin attended a meeting with Ms. Fraley, Ronnie Evans, Scott Speaks and 2 other representatives of GRECC on November 8, 2011.
- Ms. Munsey wrote a second letter to Carol Fraley dated December 5, 2011.
- Communications between counsel for Kentucky Power and GRECC in the fall of 2012.

WITNESS: Lila P Munsey

KPSC Case No. 2012-00224 Grayson RECC First Set of Data Requests Dated December 12, 2012 Item No. 8 Page 1 of 1

Kentucky Power Company

REQUEST

Please provide copies of all maps, surveys or other documents which Kentucky Power contends support its allegations in the within complaint.

RESPONSE

In addition to the map provided in Item No. 5 of this set of data requests, please see the responses to Item No. 8 and Item No. 15 of the Commission Staff's First Set of Data Requests in this case.

WITNESS: Richard Howerton

KPSC Case No. 2012-00224 Grayson RECC First Set of Data Requests Dated December 12, 2012 Item No. 9 Page 1 of 1

Kentucky Power Company

REQUEST

Please state whether Kentucky Power acknowledges that there are electric consuming facilities in the Valley View Subdivision near Grayson, Kentucky served by Kentucky Power when same is located within the certified territory of GRECC.

RESPONSE

There are no claims at issue in this proceeding pertaining to electrical service in the Valley View Subdivision. Accordingly, Kentucky Power objects to this data request as irrelevant under KRE 401 and 402 because a response will not make the existence of any fact that is of consequence to the determination of this action more probable or less probable than it would be without the evidence.

Notwithstanding that objection, Kentucky Power states that it serves homes located in the Valley View Subdivision. Kentucky Power installed the services to these homes in the 1970s and has been providing electrical service continuously from that time through the present. No formal determination has been made as to whether any of the homes are located within the certified territory of GRECC.

KPSC Case No. 2012-00224 Grayson RECC First Set of Data Requests Dated December 12, 2012 Item No. 10 Page 1 of 1

Kentucky Power Company

REQUEST

If the answer to the preceding request is in the affirmative, please set forth the name and address of those persons and the usage of power by each in the last fifteen years.

RESPONSE

Kentucky Power objects to this data request as irrelevant under KRE 401 and 402 because Kentucky Power's service to electric consuming facilities in the Valley View Subdivision will not make the existence of any fact that is of consequence to the determination of this action more probable or less probable than it would be without the evidence. Additionally, the request to provide customer identification and usage information for a period of fifteen years is overly broad and unduly burdensome.

KPSC Case No. 2012-00224 Grayson RECC First Set of Data Requests Dated December 12, 2012 Item No. 11 Page 1 of 1

Kentucky Power Company

REQUEST

Please set forth a factual basis for the assertion that service by GRECC to the area complained of in the Complaint and Petition of Kentucky Power will result in inconvenience, diminished deficiency and higher costs in serving the area.

RESPONSE

The facilities constructed by GRECC in Kentucky Power's service territory in contravention of Kentucky's certified territory statute occupy certain of the rights of way and thereby impair Kentucky Power's ability to construct and maintain its distribution facilities in its certified territory. In addition, GRECC's facilities used to supply residences in Kentucky Power's service territory duplicate the necessary Kentucky Power facilities.