

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

FRANK MCANINCH	)	
	)	
COMPLAINANT	)	
	)	
V.	)	CASE NO.
	)	2013-00165
TAYLOR COUNTY RURAL ELECTRIC	)	
COOPERATIVE CORPORATION	)	
	)	
DEFENDANT	)	

ORDER TO SATISFY OR ANSWER

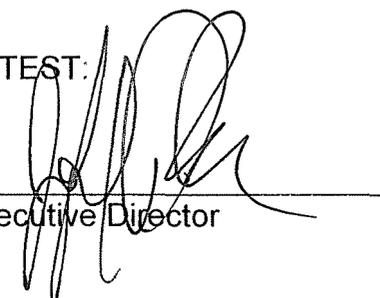
Taylor County Rural Electric Cooperative Corporation ("Taylor County RECC") is hereby notified that it has been named as defendant in a formal complaint filed on April 26, 2013, a copy of which is attached hereto.

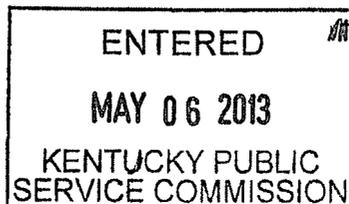
Pursuant to 807 KAR 5:001, Section 19, Taylor County RECC is HEREBY ORDERED to satisfy the matters complained of or file a written answer to the complaint within ten days of the date of service of this Order.

Should documents of any kind be filed with the Commission in the course of this proceeding, the documents shall also be served on all parties of record.

By the Commission

ATTEST:

  
Executive Director



COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

95  
RECEIVED  
APR 26 2013  
PUBLIC SERVICE  
COMMISSION

In the matter of:

FRANK McANINCH  
(Your Full Name)

COMPLAINANT

vs.

Taylor County RECC  
(Name of Utility)

DEFENDANT

Case No. 2013-00165

COMPLAINT

The complaint of FRANK McANINCH respectfully shows:  
(Your Full Name)

(a) FRANK McANINCH  
(Your Full Name)

1341 Iven Godbey Rd. Liberty, Ky. 42535  
(Your Address)

(b) Taylor County RECC  
(Name of Utility)

P.O. Box 100 Campbellsville, Ky. 42719  
(Address of Utility)

(c) That: see attached  
(Describe here, attaching additional sheets if necessary,

the specific act, fully and clearly, or facts that are the reason

and basis for the complaint.)

Continued on Next Page

Formal Complaint

FRANK McANINCH vs. Taylor County RECC

Page 2 of 2

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Wherefore, complainant asks \_\_\_\_\_  
(Specifically state the relief desired.)

See attached

Dated at Liberty, Kentucky, this 12<sup>th</sup> day  
(Your City)

of April, 2013.  
(Month)

Frank McAninch  
(Your Signature\*)

\_\_\_\_\_  
(Name and address of attorney, if any)

4-12-13  
Date

\*Complaints by corporations or associations, or any other organization having the right to file a complaint, must be signed by its attorney and show his post office address. No oral or unsigned complaints will be entertained or acted upon by the commission.

## COMPLAINT:

The Commonwealth of Kentucky asked and aided tobacco farmers to diversify their farming operations with the Passage of House Bill 611 which created the Governor's Department of Agricultural Policy and Agricultural Development Council. For a traditional beef cattle and tobacco farmer, the loss of tobacco income was quite a financial blow to our family. One of the natural resources we have on our farm is standing timber and in 2003 with the help of Agriculture Development cost share funds I purchased a small, portable band mill. We harvest the mature and damaged trees on our farm and saw them into lumber. We have increased our beef cattle herd and also raise meat goats. The NRCS has helped us implement a rotational grazing system and the Forestry Service has helped with creating a stewardship plan. Nearly all the lumber we have sawed has been used for farm projects such as hay storage and fencing.

I believe that in the future we can make the sale of lumber a larger part of our farm operation and having electric will be more efficient and environmentally friendly than the use of gas or diesel. It would also be beneficial to have lights, an air compressor, and aid in drying lumber to increase value. Because this building has a concrete floor it will be used as a farm shop and I may want to use this location to make feed with a hammer mill. This is not a commercial sawmill and it will never be one. We do not buy logs or saw logs for other people. The building where I need the electric service was originally built to house and process tobacco. It is now a multi farm use building and operating my band mill is just a small part of my diversified farm operation. Lumber is an agricultural product as defined by the KRS 154.01-001. Our cattle will always be the largest part of our farm operation.

Last November, 2012, I contacted the Taylor County RECC (TCRECC) for an on farm general purpose electric service, described on page 46 of the TCRECC Tariff. I was told that a person from engineering would visit me to help with my needs and answer questions. A week later, a TCRECC employee named Doug came to see me and visit the location where I need an electric service. I never learned Doug's last name. Doug told me as soon as he got out of the truck that I would not like what he had to tell me. He said, "You have a saw mill and it will cost a whole lot for a service here." I asked him why and he told me because it was a questionable permanent service. I asked Doug to tell me what a service would cost and to explain what he was talking about. He did not know how much it would cost but he could get a measurement of the line and materials needed. Doug said, "It doesn't cost so much to put up the service, where they get you is by making you pay to take it down before they put it up." I said to Doug, "that doesn't make any sense." He said, "we had a couple of saw mills close after we gave them service and now the rule has changed and you pay double if you're a saw mill." Doug finished his visit by measuring the service line at 740 feet with two poles.

I explained to Doug that I was a full time family farmer and the seventh generation on the same family farm. I currently have 3 services with the TCRECC and have been a member for twenty years. I was in no way a large commercial saw mill nor would I ever want to be and the small portable band mill I have didn't use electric. Doug said, "He could see that and he would talk to his boss Mike and try to help me but he doubted that it would make any difference to TCRECC." The TCRECC sent me a letter on November the 19<sup>th</sup> 2012 stating \$14,845.92 as cost of service. (The letter is attached)

I am in disbelief that anyone could be asked to pay for the removal of an electric service at the same time they were paying to install the service. I cannot believe anyone would question that I would go to the expense of buying the materials to install the service and think it was not permanent. Where do they think I am going? My family has been here for over two hundred years.

I did some research. I contacted the other two electric companies that serve Casey County to see what their rules said. First, I called KU and they said they had no such rule asking customers to pay for removal cost. I then contacted South KY RECC from Somerset and they had no such policy and sent their cost for a similar service to me. They would run the first 300 feet free and charge \$6.60 for each additional foot. (See attached) That's \$2904.00 with South KY versus \$14,845.92 with Taylor County.

The TCRECC tariff states; Page 20 Rules and Regulations, Distribution Line Extensions to mobile homes (continued)

##### 5. Questionable Permanent Service

For distribution line extensions to questionable permanent services (including but not limited to oil wells, saw mills, and bill boards, etc.), the cooperative may charge an advance equal to the cost of construction and estimated cost to remove the lines 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 the service. No payment shall be made to any consumer who did not make the advance originally.

Saw mills and mobile homes are not similar or related. A saw mill is not similar or related to a bill board. An oil well is not similar or related to saw mill. I do not think anyone would invest hundreds of thousands of dollars to build a commercial saw mill and not have the intention of it being permanent. It seems very little thought was used in creating this rule and applying it to sawmills, or other business, as all businesses are subject to closure.

The rules stated that the cooperative may charge, not shall charge. It is the choice of the cooperative to decide which customers pay for the removal charge. Who made this decision to charge me double? Was this employee aware that my portable band mill does not use electric? Was the employee aware that a non-commercial, on farm band mill for the production of a value added product, lumber, is defined, by law, as a farm enterprise as stated in KRS154.01-001? Was the TCRECC Board of Directors involved in this decision? I doubt the board was involved because Taylor County RECC Manager Barry L. Myers recently stated in the April edition of Kentucky Living magazine, "I want you to know that TCRECC remains committed to providing affordable, reliable power," and "The TCRECC was created because rural Kentuckians recognized that access to electric power dramatically improves lives. It still does. That's why Taylor County RECC remains committed to energy innovation. We want to work closely with you to meet the challenges ahead." I appreciate Mr. Myers service but doubt that he knows about my need for help and would be disappointed to hear about the service I received.

The Taylor County RECC chose to charge me a rate that is double what it should be under their tariff, and five times what South KY RECC would charge. The Taylor County RECC did not contact me and ask how we can help a full time farmer who has been a TCRECC member for twenty years and currently is paying for three services.

The TCRECC's choice is contrary to everything the Commonwealth of Kentucky and the United States are trying to achieve. Their choice is contrary to job creation, economic development, rural development, helping Kentucky's farm families diversify and stay on the family farm producing food and products for our Country. Their choice is self-serving and not in the interest of serving the cooperative members.

I am asking the Public Service Commission to find as the evidence confirms that I be given a General Purpose electric service at a fair price based on the attached information from all three cooperatives and delete the removal service charge.

Sincerely,

Frank McAninch

Taylor County  
Rural Electric Cooperative  
Corporation

P. O. BOX 100

CAMPBELLVILLE, KENTUCKY 42719

(270) 465-4101 • Fax (270) 789-3625  
(800) 931-4551

November 19, 2012

Mr. Frank McAninch  
1341 Iven Godbey Rd  
Liberty KY 42539

Ref: wo#112520

The staking to provide 3-phase electric service to a sawmill has been drawn. Sawmills are considered questionable/permanent on our system, and construction/retirement fees are collected up front and refunded at 10% of the annual power bill. The charges for the work order drawn up are as follow:

Installation of 3phs primary	\$ 7,303.88
Retirement of 3phs primary	4,304.68
Material	<u>3,237.36</u>
	\$14,845.92

We did receive the load data information today.

Please contact our office with any questions.

Sincerely,



Erin Wise  
Engineering Dept.

/ew

renee mcaninch

Search email New Reply Delete Archive Forward Print Sweep Move to Categories

Frank McAni

View contact

### Folders

INBOX 4

Junk 269

Drafts 2

Sent

Deleted 279

New folder

### Quick views

Documents

Flagged

Photos

Shipping updates

New category



Frank McAninch (richhillfarm@windstream.net)  
To: renee mcaninch

**From:** Kevin Newton [mailto:knewton@skrecc.com]  
**Sent:** Thursday, December 13, 2012 8:21 AM  
**To:** richhillfarm@windstream.net  
**Cc:** Mitch Robertson  
**Subject:** RE: 3 phase service

Mr. McAninch,

We will allow 300 feet at no charge to your mill. The charge for any footage over that would be \$6.60/foot. (Example: 800 feet less the free 300 feet= 500X \$6.60=\$3300.

The account would have a monthly consumer charge of \$23.79 plus the cost for all energy used. If the account was not being used, the minimum bill would be the consumer charge plus a minimum of \$32 (based on the transformer sizes required). This would total approximately \$55.79.

If you have any other questions, feel free to call or email.

Content from Learn more



by Barry L. Myers,  
Manager

## Taylor County RECC is managing costs and committed to energy innovation

The electric-power marketplace is changing rapidly. At Taylor County RECC, we and utilities nationwide are struggling with what experts call the “perfect storm” of challenges.

I want you to know that Taylor County RECC remains committed to providing affordable, reliable power and keeping your monthly bill as low as possible, even as we face rising costs and expensive federal environmental regulations.

Although times are tough, the good news is that Taylor County RECC provides reliable service at low rates that most people around the nation would envy. Overall, Kentucky has the 5th lowest electric rates of the 50 states.

One of the biggest challenges ahead is meeting future demand for power. State officials predict that Kentucky will need

the equivalent of 10 new power plants by 2025—but construction costs have soared in recent years.

To provide you with affordable power well into the future and meet new EPA regulations, our power supplier has added two state-of-the-art, clean-coal electric generating units in recent years.

We also offer an innovative, voluntary program called SimpleSaver to make your electric bills more affordable. When you enroll in SimpleSaver, we install a remote switch on your electric water heater(s) and/or your central air-conditioning unit(s).

When electric demand reaches its peak, we manage the units in the SimpleSaver program for short periods. In return for participating, you receive a \$10 credit annually on your February bill for each qualified water heater that you

enroll. You also receive a \$5 credit on your monthly bills during June, July, August, and September for each central air-conditioning unit in the program. That’s \$20 annually you can save for each AC unit.

To sign up for SimpleSaver just call (800) 305-5493, or go to [www.simplesaver.coop](http://www.simplesaver.coop).

We offer you programs to increase your home’s energy efficiency, including Button-Up. And Taylor County RECC has given away hundreds of free compact fluorescent bulbs.

Taylor County RECC was created because rural Kentuckians recognized that access to electric power dramatically improves lives. It still does. That’s why Taylor County RECC remains committed to energy innovation. We want to work closely with you to meet the challenges ahead.

# SimpleSaver

1-800-305-5493 • [www.simplesaver.coop](http://www.simplesaver.coop)

Frank McAninch  
1341 Iven Godbey Road  
Liberty, KENTUCKY 42539

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Taylor County R.E.C.C.  
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P. O. Box 100  
Campbellsville, KY 42719