

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC INVESTIGATION INTO THE)	
MANAGEMENT AND OPERATION OF)	CASE NO.
GRAYSON RURAL ELECTRIC COOPERATIVE)	2019-00101
CORPORATION)	

**RESPONSE OF GRAYSON RURAL ELECTRIC COOPERATIVE
CORPORATION TO THE ATTORNEY GENERAL'S MOTION
TO CONTEMPORANEOUSLY RECEIVE ACCESS TO
WORKPAPERS AND RESPONSES TO THE AUDIT
CONSULTANT'S DATA REQUESTS**

Comes now Grayson Rural Electric Cooperative Corporation, by and through the undersigned counsel, and for its response to the Attorney General's motion to contemporaneously receive access to workpapers and responses to the audit consultant's data requests, states as follows:

This matter concerns an audit of the management of Grayson Rural Electric Cooperative, with said audit being conducted in the context of a Commission proceeding. On April 29, 2019, the Commission entered an order granting the Attorney General's motion to intervene in this matter. However, the Commission noted that it was "necessary to establish a framework for the Attorney General's participation in this matter."¹ Furthermore, in its prior order, the Commission noted that it has previously declined to allow other entities to participate in a management audit due to the risk that an audit could become adversarial in nature and unduly complicate and disrupt the audit and increase its length and cost. Despite those concerns, the Commission allowed the intervention of the Attorney General in this case, to the following extent:

¹ See PSC Order dated April 29, 2019 in Case No. 2019-00101.

Towards that end, the Commission will permit the Attorney General to have access to all material evidence and information that is filed into the record of this matter, including all workpapers and documents reviewed by the independent consultant, consistent with the requirements of KRS 367.160(2); the Attorney General will be allowed an opportunity to file written comments or documents at any time during the pendency of this proceeding; and a meeting will be scheduled to allow the Attorney General to be interviewed by the independent consultant.²

In its motion before the Commission, the Attorney General seeks access to all materials requested by or provided to the consultant by Grayson RECC at the time such materials are provided, rather than in the ordinary course of the audit such that the materials will be filed in the record upon the timeline established by the Commission and the consultant.


If the Commission is inclined to grant the Attorney General's motion, Grayson would request that the Commission include two provisions in any order that is issued. First, Grayson and the consultant have entered into a comprehensive protective order. If the Attorney General is allowed contemporaneous access to Grayson's documents and other information, the parties must be able to agree on the terms of a protective order. If the parties are unable to agree to the terms of such an order, the Commission should decide the specifics of the order.

Second, if there are any materials in particular that Grayson would object to providing to the Attorney General, Grayson should have the right to object to the production of those materials. If the Attorney General disagrees with Grayson's objection, the merits of the objection should be resolved by the Commission.

Finally, Grayson asks that the Commission be guided by the concern in its original order that the participation of the Attorney participation in this matter not complicate, disrupt, lengthen or increase the cost of this process – a cost that is ultimately borne by the members of Grayson.

² Id.

Respectfully submitted by,


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CERTIFICATE OF SERVICE

The undersigned counsel certifies that this document was served via hand delivery as follows:

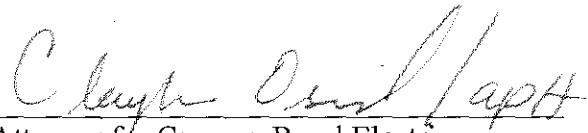
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On this 15 day of October 2019.


Attorney for Grayson Rural Electric