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PUBLIC SERVICE COMMISSION

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PETITION AND COMPLAINT OF GRAYSON )  
RURAL ELECTRIC COOPERATIVE )  
CORPORATION FOR AN ORDER AUTHORIZING )  
PURCHASE OF ELECTRIC POWER AT THE RATE )  
OF SIX CENTS PER KILOWATT HOUR UP TO 9.4 )  
MEGA WATTS OF POWER VS. A RATE IN EXCESS )  
OF SEVEN CENTS PER KILOWATT HOUR PURCHASED )  
FROM EAST KENTUCKY POWER COOPERATIVE )  
UNDER A WHOLESALE POWER CONTRACT AS )  
AMENDED BETWEEN GRAYSON RURAL ELECTRIC )  
COOPERATIVE CORPORATION AND EAST )  
KENTUCKY POWER COOPERATIVE, INC. )

CASE NO.  
2012-00503

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**JACKSON ENERGY COOPERATIVE'S ANSWERS TO  
INTERROGATORIES PROPOUNDED BY  
GRAYSON RURAL ELECTRIC COOPERATIVE**

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Comes now Jackson Energy Cooperative Corporation, by and through the undersigned counsel, and for its Answers to Interrogatories propounded by Petitioner, Grayson Rural Electric Cooperative Corporation (GRECC), states as follows:

**INTERROGATORY NO. 1:** Please state the name, address and title of the person answering these interrogatories.

**ANSWER:** Carol Wright, President and Chief Executive Officer. Jackson Energy Cooperative Corporation, 115 Jackson Energy Lane, McKee, Kentucky 40447.

**INTERROGATORY NO. 2:** With respect to each distribution cooperative, please set forth what load or loads any said distribution cooperative has served on its

system form a source other than East Kentucky Power Cooperative including the total megawatts utilized and the date of when said load or loads was commenced.

**ANSWER:** Jackson Energy currently has two distributed generation projects. The first project is for the purchase of approximately 375 kW on the McKee Substation Feeder Number 1 from Wellhead Energy Systems.

The second project is an agreement for the purchase of power generated at the Blue Ridge Landfill near Irvine, Kentucky. Production has not begun at this time, but is expected to be approximately 1.6 MW. This production will be on the Rice Substation Feeder Number 1.

**INTERROGATORY NO. 3:** Please set forth the date upon which any notice of service of any load or notice of utilization of any power outside that purchased from East Kentucky Power Cooperative was sent to East Kentucky Power Cooperative.

**ANSWER:** The notice for the Wellhead Energy Systems project was given to East Kentucky Power on June 2, 2010. The notice for the Blue Ridge Landfill project was given to East Kentucky Power on March 15, 2012.

**INTERROGATORY NO. 4:** Please state whether any distribution co-op received any responses to any of its notices sent to East Kentucky Power Cooperative, and if so, the nature and content of each said response.

**ANSWER:** None.

**INTERROGATORY NO. 5:** Please set forth any power amount or loads each distribution co-op desires to have served outside of East Kentucky Power

Cooperative or by action of its Board of Directors has sought and with respect to same, please state whether notice of same has been sent to East Kentucky Power Cooperative, Inc.

**ANSWER:** See answer to Interrogatory Number 2.

**INTERROGATORY NO. 6:** With respect to each distribution cooperative, please set forth the coincident peak demand over the preceding thirty-six (36) months of its load.

**ANSWER:**

**Jackson Energy  
36 month Coincident Peak Demand (MW)**

<b>Month</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
Jan		266.90	208.13	229.51
Feb		261.33	219.84	215.98
Mar		173.03	178.75	214.63
Apr		156.46	141.05	163.10
May		160.77	156.95	136.44
Jun		167.88	181.60	158.60
Jul		179.63	181.45	165.01
Aug		173.89	169.60	156.69
Sep		167.87	149.97	155.07
Oct		151.80	152.98	154.59
Nov	178.21	189.75	191.74	
Dec	278.84	198.03	192.58	

**INTERROGATORY NO. 7:** Please set forth the terms and conditions of any agreement between any distribution cooperative and East Kentucky Power concerning payment for legal expenses by East Kentucky Power for any distribution cooperative that has entered its appearance in the within proceeding, as well as setting forth all

monies paid by East Kentucky Power Cooperative for legal expenses for any distribution co-op in the within proceeding.

**ANSWER:** No such agreement exists.

**INTERROGATORY NO. 8:** Please set forth with respect to any distribution co-op intervening in the within proceeding the nature and term of any agreement between said distribution co-op and East Kentucky Power Cooperative concerning payment of costs for wholesale power, anything of value given or received by either party, i.e., the distribution co-op or East Kentucky Power Cooperative concerning the issues raised in the within proceeding, or anything of value for any load to be served by any entity on the distribution co-op's lines, i.e., any concession or disparity in rates charged by East Kentucky Power Cooperative for any particular load such as any industrial customer or otherwise.

**ANSWER:** Jackson Energy Cooperative objects to the vague and incomprehensible nature of this Interrogatory. Without waiving that objection, Jackson Energy states that it purchases power from East Kentucky Power Cooperative pursuant to the terms of a wholesale power contract as amended.

**INTERROGATORY NO. 9:** Please state whether any of the distribution co-ops intervening in the within action believe that the purchase of power by it from a source other than East Kentucky Power Cooperative of up to 15% of its load, at any rate less than that which is currently being paid to East Kentucky Power, would be beneficial to the members of said distribution co-op.

**ANSWER:** Assuming that the cost of power from a source other than East Kentucky Power, including all other charges, is less than the cost of power purchased from East Kentucky Power, then yes.

**INTERROGATORY NO. 10:** If your answer to the proceeding Interrogatory is in the negative, then please set forth the factual basis upon which you claim that your members paying less for electric power is not in their best interest.

**ANSWER:** Not applicable.

**INTERROGATORY NO. 11:** Please set forth the name, address and title of each person which any distribution co-op intends to call as a witness at the Final Hearing

in the within action setting forth the factual basis upon which each said witness is expected to testify, as well as a summary of the grounds for each opinion.

**ANSWER:** At this time, Jackson Energy has not made a decision as to who it may call to testify as a witness in this matter. This Answer will be supplemented pursuant to a scheduling order or once a decision has been made.

**INTERROGATORY NO. 12:** Please set forth the name, address, title and educational background and qualifications of any expert witness which any distribution cooperative intends to call at the Final Hearing in this action, as well as setting forth the substance of the facts and opinions to which the expert is expected to testify, as well as the basis for each said opinion and a summary of each opinion.

**ANSWER:** See Answer to Interrogatory No. 11.

**INTERROGATORY NO. 13:** Please state whether any of the distribution cooperatives intervening in the within action believe that there is an inherent conflict of interest with the same attorney or attorneys representing East Kentucky Power in the within proceeding, and the same attorney or attorneys representing the distribution cooperatives in the within proceeding, inasmuch as the basis for the complaint filed by the Petitioner is to obtain authorization for payment of wholesale power rates to East Kentucky Power by all of the distribution cooperatives less than the current rate, and as such, result in reduced costs to the members of each distribution cooperative and a reduction in equity to East Kentucky Power Cooperative.

**ANSWER:** Jackson Energy objects to this interrogatory on the grounds that it is not reasonably calculated to lead to the discovery of relevant evidence, and Jackson Energy further objects to this Interrogatory on the grounds that it seeks a legal conclusion.

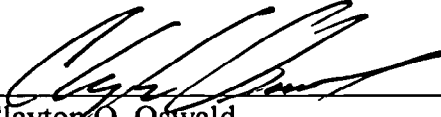
**INTERROGATORY NO. 14:** If the answer to the proceeding Interrogatory is in the negative then please set forth the factual basis for the apparent contradictory answer on same.

**ANSWER:** Not applicable.

**INTERROGATORY NO. 15:** Please set forth the language of any waiver of any conflict of interest any distribution cooperative has signed that is connected to or is related to the representation it has in this case.

**ANSWER:** Not applicable.

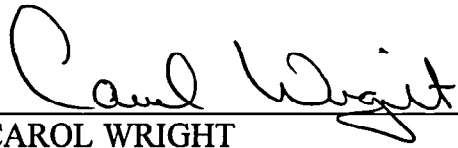
Respectfully submitted by,



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Attorney for Jackson Energy Cooperative

**VERIFICATION**

I, Carol Wright, President and CEO of Jackson Energy, state that I have reviewed the foregoing Answers to Interrogatories and they are true and correct to the best of my knowledge and belief.



CAROL WRIGHT

COMMONWEALTH OF KENTUCKY  
COUNTY OF JACKSON

Subscribed and sworn to before me by Carol Wright on this 7<sup>th</sup> day of November 2013.



Notary Public

My Comm. Expires:

1/19/14

**CERTIFICATE OF SERVICE**

The undersigned counsel hereby certifies that a true and correct copy of the foregoing Answers to Interrogatories was served by mailing a copy of same by first class mail, postage prepaid, to the following:

**ORIGINAL TO:**

Kentucky Public Service Commission  
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Frankfort, KY 40602-0615

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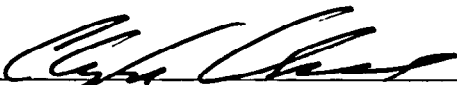
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Flemingsburg, KY 41041

DATED this the 15 day of November 2013.





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Hon. Clayton O. Oswald