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COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

NOV 19 2013

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 RESPONSES TO  
REQUEST FOR PRODUCTION 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 Responses to the Request for Production propounded by Petitioner, Grayson Rural Electric Cooperative Corporation (GRECC), states as follows:

**REQUEST NO. 1:** Please set forth a copy of any and all documents or agreements between any of the distribution cooperatives and East Kentucky Power Cooperative concerning the use of common, legal representation in the within action.

**RESPONSE:** None.

**REQUEST NO. 2:** Please provide copies of any and all documents evidencing notice sent to or received by East Kentucky Power Cooperative, regarding a distribution

cooperat5ive's purchase or use of power from a source other than East Kentucky Power Cooperative, Inc., by any of the distribution cooperatives as well any other.

**RESPONSE:** See attached notices.

**REQUEST NO. 3:** Please set forth any other document concerning the purchase or use of power by any distribution cooperative from a source other than East Kentucky Power either in utilization at the present time or contemplated in the future, that has been authorized by a distributions co-op's Board as a result of any board action authorizing same.

**RESPONSE:** Jackson Energy objects to this request on the grounds that it seeks discovery of information that is not reasonably calculated to lead to relevant evidence. Jackson Energy further objects to this request on the grounds that the documents requested are protected from disclosure pursuant to the terms of a non-disclosure agreement executed between Jackson Energy and third parties, such that the documents requested are confidential in nature.

**REQUEST NO. 4:** Please provide copies of any and all documents evidencing the extent of the electric power purchase or use from a source other than East Kentucky Power by any distribution cooperative.

**RESPONSE:** See Response to Request Number 3.

**REQUEST NO. 5:** Please provide a copy of any document which any distribution cooperative herein or East Kentucky Power Cooperative intends to use at the Final Hearing in the within action, as well as the name, address and title of the person intending to offer said document into evidence.

**RESPONSE:** Jackson Energy has made no decision at this time with regard to which documents or other items it may use as exhibits at the Final Hearing in this matter, other than the proposed Memorandum of Understanding pertaining to Amendment 3 to the Wholesale Power Contract. This Response will be supplemented in accordance with a scheduling order or when a decision has been made as to exhibits that may be introduced.

**REQUEST NO. 6:** With respect to East Kentucky Power Cooperative only, please provide copies of any and all documents evidencing any internal audit, investigation, analysis, study, or any other undertaking evidencing the effect of Grayson Rural Electric cooperative Corporation upon East Kentucky Power Cooperative's financial status should Grayson Rural Electric Cooperative Corporation purchase 9.3 megawatts of power from a source other than East Kentucky Power Cooperative.

**RESPONSE:** Not applicable.

**REQUEST NO. 7:** Please set forth any and all documents evidencing the power purchased by East Kentucky Power from sources other than its own generating plants within the last eighteen months.

**RESPONSE:** Not applicable.

**REQUEST NO. 8:** Please provide copies of any and all documents evidencing East Kentucky Power's request for proposals for the sale of power to East Kentucky Power within the last eighteen months.

**RESPONSE:** Not applicable.

**REQUEST NO. 9:** With respect to East Kentucky Power Cooperative, please set forth any and all documents evidencing the agreement, if any there be, between East

Kentucky Power Cooperative and any distribution cooperative concerning the sale of power to any distribution cooperative for an amount of money less than that which is charged or exacted from any other cooperative.

**RESPONSE:** None. Jackson Energy has entered into the same wholesale power contract, as amended, as have the other fifteen distribution cooperatives of East Kentucky Power.

Respectfully submitted by,



Clayton O. Oswald  
Taylor, Keller & Oswald, PLLC  
1306 W. 5th St., Suite 100  
P.O. Box 3440  
London, KY 40743-3440  
(606) 878-8844  
Fax: (606) 878-8850  
Attorney for Jackson Energy Cooperative

**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  
211 Sower Blvd.  
Frankfort, KY 40602-0615

**COPIES TO:**

Hon. Mark David Goss  
Hon. David S. Samford  
Goss Samford, PLLC  
2365 Harrodsburg Rd., Ste. B130  
Lexington, KY 40504


Hon. James Crawford  
Crawford & Baxter, PSC  
P.O. Box 353  
Carrollton, KY 41008

Hon. W. Jeffrey Scott  
Hon. Brandon M. Music  
311 West Main St.  
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Grayson, KY 41143

Hon. Don Prather  
Mathis, Riggs & Prather, P.S.C.  
500 Main St., Ste. #5  
Shelbyville, KY 40065


Hon. Marvin W. Suit  
Suit, Price, Price & Ruark, PLLC  
207 Court Square  
Flemingsburg, KY 41041

DATED this the 15 day of November 2013.

  
\_\_\_\_\_  
Hon. Clayton O. Oswald



# JACKSON ENERGY COOPERATIVE

A Jackson Energy Company 

115 Jackson Energy Lane  
McKee, Kentucky 40447  
Telephone (606) 364-1000 • Fax (606) 364-1007



**TO:** Paul Hawkins, Chairman of the EKPC Board of Directors

**FROM:** Jackson Energy Cooperative Board of Directors

**DATE:** August 7, 2013

**SUBJECT:** Withdrawal of Jackson Energy Cooperative Amendment #3 Elections  
Wellhead Fall Rock and Campground Projects

Mr. Hawkins:

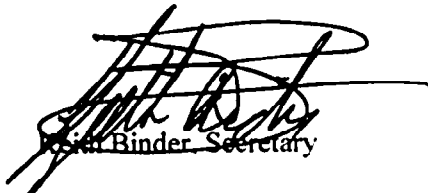
Jackson Energy Cooperative is withdrawing the two projects previously submitted for election under Amendment #3 in 2012. The Wellhead Fall Rock and Campground distributed generation projects have been delayed due to funding issues and are tentatively placed on hold by the third party purchaser. The Fall Rock and Campground projects were 1MW units each.

Jackson Energy Cooperative withdraws our request for these two units under the language in the MOU for Amendment #3 due to the lengthy delay in implementation. If these projects move forward in the future, Jackson Energy Cooperative will re-submit our notice of election under the terms of the MOU for Amendment #3.

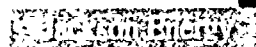
Sincerely,



Phil Thompson, Chairman




Foster Binder, Secretary



**Working for You**



# JACKSON ENERGY COOPERATIVE

A Touchstone Energy Cooperative 

115 Jackson Energy Lane  
McKee, Kentucky 40447  
Telephone (606) 364-1000 • Fax (606) 364-1007

**TO:** Paul Hawkins, Chairman of the EKPC Board of Directors

**FROM:** Jackson Energy Cooperative Board of Directors

**DATE:** March 15, 2012

**SUBJECT:** Approval of Jackson Energy Cooperative utilizing Amendment #3 of the Wholesale Power Contract for the Blue Ridge Landfill Gas Project of 1.6 MW

## Background

Jackson Energy Cooperative (Jackson Energy) was approached by North American Natural Resources (NANR) regarding a landfill gas project in Jackson Energy's service territory. NANR has developed, constructed, and operated landfill gas systems since 1995 and has proven experience in landfill gas operations.

## Justification and Strategic Analysis

Jackson Energy would like to purchase the power from the landfill gas generation unit owned and operated by NANR and utilize Amendment #3 of the Wholesale Power Contract. The Blue Ridge Landfill is located in Estill County and the flare is approximately 100 feet from Jackson Energy's three phase distribution line. The three phase distribution feeder is from the Rice substation. The initial capacity of this site will be 1.6 MW and could increase to 3.2 MW, depending on availability of methane gas and future expansion of the landfill.

Jackson Energy has obtained an engineering consultant to perform a voltage regulating study and perform a system protection coordination study.

Jackson Energy will be completing contract negotiations, construction, and the operation at this site should commence by the end of 2012.

## Recommendation

Jackson Energy Cooperative Board of Directors recommends that the EKPC Board of Directors approve Jackson Energy Cooperative utilizing Amendment #3 of the Wholesale Power Contract for this Landfill Gas Project of 1.6 MW.

Jackson Energy

*Working for You*



*Fred Callahan*

Fred Callahan, Chairman

*Karl Binder*

Karl Binder, Secretary