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**PUBLIC SERVICE
COMMISSION**

December 15, 2010

HAND DELIVERED

Mr. Jeff Derouen
Executive Director
Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602

Re: PSC Case No. 2010-00174

Dear Mr. Derouen:

Please find enclosed for filing with the Commission in the above-referenced case an original and ten copies of revisions to the response to Request 2, Page 2 of 7 and Page 7 of 7, of Grayson Rural Electric Cooperative Corporation's responses to the Commission Staff's Information Request from East Kentucky Power Cooperative, Inc.'s Informal Conference held December 3, 2010. An electronic version the entire revised response to Request 2 is included on the attached CD.

Very truly yours,



Ann F. Wood
Manager, Regulatory Services

Enclosures

Grayson Rural Electric Cooperative Corporation
Billing Analysis
for the 12 months ended December 31, 2009

	<u>Existing</u>	<u>% of Total</u>	<u>Proposed</u>	<u>% of Total</u>	<u>\$ Increase</u>	<u>% Increase</u>
Schedule 1	\$ 21,041,167	72%	\$ 21,771,046	72%	\$ 729,879	3.47%
Schedule 18	615,497	2%	636,786	2%	21,290	3.46%
ETS	\$56,255	0%	58,208	0%	1,953	3.47%
Schedule 2	2,092,727	7%	2,165,395	7%	72,669	3.47%
Schedule 17	1,653	0%	1,710	0%	57	3.47%
Schedule 7	\$493,525	2%	510,659	2%	17,134	3.47%
Schedule 4	3,149,435	11%	3,258,905	11%	109,470	3.48%
Schedule 13 (a)	1,314,479	4%	1,359,977	4%	45,498	3.46%
Lighting	565,242	2%	584,795	2%	19,553	3.46%
Subtotal	<u>\$ 29,329,980</u>	100%	<u>\$ 30,347,483</u>	100%	<u>\$ 1,017,503</u>	3.47%
FAC	(230,284)		(230,284)			
Environmental Surcharge	1,554,339		1,554,339			
	<u>\$ 30,654,035</u>		<u>\$ 31,671,538</u>		<u>\$ 1,017,503</u>	3.32%

Grayson's Portion of EKPC's Wholesale Rate Increase \$ 1,016,775

Over(Under) Recovery Due to Rounding \$ 728

Note: In order to appropriately match retail rates to the forecasted test year used for wholesale rates, an escalation factor was applied to each member system's 2009 actual billing determinants. The escalation factors used in this proceeding were an outcome of preliminary load forecast projections.

Grayson Rural Electric Cooperative Corporation
Billing Analysis
for the 12 months ended December 31, 2009

Street Lighting and Security Lights
Outdoor Lighting

	Existing				Proposed				\$ Increase	% Increase
	Billing	Total kWh	Current	Annualized	Billing	Total kWh	Rate	Annualized		
	kWh	Determinants	Rate	Revenues	Determinants			Revenues		
Schedule 5 - Street Lighting Service	720	54,000	\$ 10.71	\$ 7,711.20	720	54,000	\$ 11.08	\$ 7,979	\$ 267.3	3.47%
7000 Lumens, 175 Watt									0	#DIV/0!
FAC Street Lights				\$ 666.00				\$ 666		
ES Street Lights				\$ 549.00				\$ 549		
				\$ 8,926.20				\$ 9,194	\$ 267.32	2.99%
				\$ 12.40				\$ 12.77	\$ 0.37	2.99%
Schedule 6 Outdoor Lighting Service - Security Lights	48,768	40,777,767	\$ 10.38	\$ 506,211.84	48,768	40,777,767	\$ 10.74	\$ 523,761	\$ 17,549	3.47%
7000 Lumens Mercury Vapor lamp									0	
				\$506,211.84				\$ 523,761	\$ 17,549	3.47%
Schedule 6 Outdoor Lighting Service - Security Lights	2,688	462,336	\$ 18.64	\$50,104.32	2,688	462,336	\$ 19.29	\$ 51,841	\$ 1,737	3.47%
Flood Lighting										
	51,456			\$50,104.32	51,456					
				\$565,242.36				\$ 584,795.35		\$ 19,552.99
										3.46%
				\$ 10.98				\$ 11.36		0.38
										3.46%