

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

|                                            |   |            |
|--------------------------------------------|---|------------|
| APPLICATION OF GRAYSON RURAL ELECTRIC      | ) |            |
| COOPERATIVE CORPORATION FOR A              | ) |            |
| CERTIFICATE OF CONVENIENCE AND NECESSITY   | ) |            |
| PURSUANT TO KRS 278.020 AND 807 KAR 5:001, | ) | CASE NO.   |
| SECTION 9, AND RELATED SECTIONS            | ) | 2010-00441 |
| AUTHORIZING CERTAIN PROPOSED               | ) |            |
| CONSTRUCTION                               | ) |            |

SECOND INFORMATION REQUEST OF COMMISSION STAFF TO  
GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION

Pursuant to 807 KAR 5:001, Grayson Rural Electric Cooperative Corporation (“Grayson”) is to file with the Commission the original and seven copies of the following information, with a copy to all parties of record. The information requested herein shall be received no later than 14 days from the date of this Order. Responses to requests for information shall be appropriately bound, tabbed and indexed. Each response shall include the name of the witness responsible for responding to the questions related to the information provided.

Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person’s knowledge, information, and belief formed after a reasonable inquiry.

Grayson shall make timely amendment to any prior response if it obtains

information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which Grayson fails or refuses to furnish all or part of the requested information, Grayson shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention should be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations.

1. Refer to Item 4 of Grayson's response to Commission Staff's First Information Request.

- a. Provide the actual construction start dates for each project listed.
- b. Define the terms "In Plant" and "Finished" as used in Grayson's response to Item 4.

2. Refer to Item 7 of Grayson's response to Commission Staff's First Information Request. You state that Grayson is currently upgrading its AMR to a Turtle 2 system.

- a. Fully describe the upgrade and provide the estimated cost, along with all supporting documentation.
- b. Indicate where the upgrade is included in the 2009-2012 Work Plan ("Work Plan").

c. If the upgrade to a Turtle 2 system is not included as part of this Work Plan, explain whether Grayson requested and received a Certificate of Public Convenience and Necessity (“CPCN”) to upgrade its AMR to a Turtle 2 system.

d. If Grayson has not obtained a CPCN for the upgrade and not included the upgrade in its Work Plan, does Grayson plan to file an amendment to the Work Plan?

e. Provide Grayson’s feasibility study related to the upgrade to a Turtle 2 system.

f. What AMR/AMI systems other than the Turtle 2 system were considered? Provide the reason they were rejected and their estimated costs.

g. Would mechanical meters be used when Grayson upgrades to the Turtle 2 system? If yes, would the mechanical meters accommodate optional inclining-block and off-peak rate structures?

h. Is Grayson purchasing any new mechanical meters? If yes, provide how many will be purchased, the estimated cost of each meter, and the estimated cost for the upgrade to be used in the Turtle 2 system.

i. Provide the estimated cost for a digital residential meter which will be used for the Turtle 2 system.

j. Is Grayson installing all new meters for its new Turtle 2 system? Provide the type of meter and the estimated cost of each meter.

3. Refer to Item 7 of Grayson’s response to Commission Staff’s first information request. You state that Grayson installed a Landys & Gyr Turtle 1 AMR in 2001 and did not request a CPCN.

a. Provide Grayson's feasibility study related to the upgrade to the Turtle1 system, including a cost-benefit analysis. If not included in a cost-benefit analysis, identify the cost of each meter or module, the cost of any Turtle 1-related hardware and software and the total installed cost of the Turtle 1 system.

b. What AMR systems other than the Turtle 1 system were considered? Provide the reasons they were rejected and their estimated costs.

c. When was the installation of the Turtle1 system completed?

d. As part of its plan to install the Turtle 1 system, did Grayson plan to change from mechanical to digital meters? If no, explain why not.

e. How many digital meters are on Grayson's system?

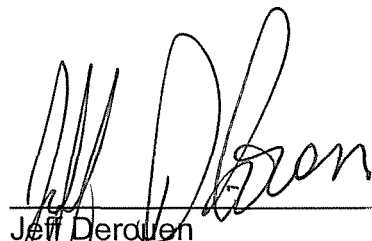
f. How many mechanical meters are on Grayson's system?

g. Provide a detailed explanation of the capabilities of the Turtle 1 system.

h. Provide the reason Grayson decided to install the Turtle 2 system. Provide the functions that the Turtle 2 system can provide that cannot be provided by the Turtle 1 system. Explain why those additional functions are needed for Grayson's system.

i. Explain whether the installation of the Turtle 1 system was included in a previous Work Plan and if it was approved by the Commission. Provide the case number or the relevant Work Plan.

j. When was the last CPCN requested by Grayson for its Work Plan? If there are any Work Plans for which Grayson did not request a CPCN, explain why it did not do so.



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DATED MAR 22 2011

cc: Parties of Record

Case No. 2010-00441

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