

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

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PUBLIC SERVICE  
COMMISSION

In the Matter of:

INVESTIGATION OF GRAYSON RURAL )  
ELECTRIC COOPERATIVE CORPORATION'S ) CASE NO.  
REQUEST TO MODIFY SCHEDULE 14(b) AND ) 2014-00083  
SCHEDULE 3 OF ITS TARIFF PROVISIONS )

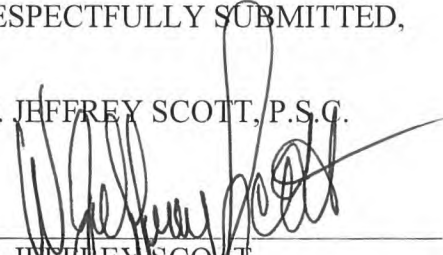
GRAYSON RURAL ELECTRIC'S RESPONSE TO COMMISSION  
STAFF'S THIRD REQUEST FOR INFORMATION

Comes now, Grayson Rural Electric Cooperative Corporation and attaches hereto its response to Staff's Third Request for Information. The response content is sworn to by Don M. Combs, Manager of Finance and Accounting of Grayson Rural Electric Cooperative Corporation.

RESPECTFULLY SUBMITTED,

W. JEFFREY SCOTT, P.S.G.

BY:

  
\_\_\_\_\_  
W. JEFFREY SCOTT  
ATTORNEY FOR GRECC  
311 WEST MAIN STREET  
P.O. BOX 608  
GRAYSON, KY 41143  
(606) 474-5194

I hereby certify that the original, plus ten (10) copies, of the foregoing was served by mail, postage prepaid on September 4, 2014, to:

- 1) Kentucky Public Service Commission, 211 Sower Boulevard, Frankfort, Kentucky, 40601.

  
\_\_\_\_\_  
W. JEFFREY SCOTT

The undersigned, Don M. Combs, as Manager of Finance and Accounting of Grayson Rural Electric, being first duly sworn, states that the responses herein supplied in Case No. 2014-00083, 3rd Request for Information requested by Commission Staff, dated July 24, 2014, are true to the best of my knowledge and belief formed after reasonable inquiry.

Dated: September 4, 2014

Grayson Rural Electric

By: 

Don M. Combs  
Manager of Finance and Acct.

Subscribed, sworn to, and acknowledged before me by Don M. Combs, as Manager of Finance and Acct. for Grayson Rural Electric on behalf of said Corporation this 4th day of September, 2014.

My Commission expires 9th day of January, 2015.  
Witness my hand and official seal this

4th day of September  
2014.  
Marilyn A. Shacker  
Notary Public in and for State-at-large Co., KY.

COMMISSION STAFF'S THIRD REQUEST FOR INFORMATION  
TO GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION

1. Refer to Grayson's response to Item 1.a. of Commission Staff's Second Request for Information ("Staff's Second Request"). The response states that 93 customers are currently taking service under Schedule 3, but identifies the rate classes to which only four customers would be transferred if Grayson's request to make Schedule 3 a rider is approved. Confirm that the remaining 89 customers would be transferred to Schedule 1 – Farm and Home rate class. If this cannot be confirmed, state the classes to which the 89 customers would be transferred and the number of customers transferring to each class.

**Response:**

Yes, 89 customers would be transferred to Schedule 1 – Farm and Home.

COMMISSION STAFF'S THIRD REQUEST FOR INFORMATION  
TO GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION

2. Refer to Grayson's response to Item 1.b. of Staff's Second Request.

- a. Identify the two customers referenced in the response that would be transferred to the Small Commercial rate class.

**Response:**

Hannah Lane Mini Storage (personal storage units)  
Gary Atkins (operating a mechanic's garage)

- b. Identify the two customers referenced in the response that would be transferred to the General Service rate class.

**Response:**

Johnny Ray Holbrook (personal garage)  
Frank Morgan (personal garage)

- c. Using 2013 billing determinates, provide the amount and percentage of increase of the four customers would receive if transferred. Include in the response supporting calculations.

**Response:**

See page 3 of 3, following.

- d. Explain why each increase calculated in 2.c. above is reasonable.

**Response:**

The increases are due primarily to the difference in Customer Charges of residential and non-residential classes, which is consistent with accounts without ETS equipment.

Both on-peak and off-peak kwh rates are slightly lower to offset the higher customer charges for Small Commercial customers. General rate customers generally use less energy and their total cost will be higher, which is consistent with other general rate customers.

		<u>Current Rates</u>		2013 <u>Billing Determinates</u>		<u>Annual Bill</u>	<u>Proposed Rates</u>		<u>Annual Bill</u>	<u>Increase</u>	
<b><u>Small Commercial Services</u></b>											
<u>Hannah Lane Mini Storage</u> (Personal Storage Units)		Customer Charge	\$ 15.00	Months	12	\$ 180.00	Customer Charge	\$ 27.50	\$ 330.00		
		On - Peak Kwh	\$ 0.1091	On - Peak Kwh	5,607	\$ 611.72	On - Peak Kwh	\$ 0.10696	\$ 599.72		
		Off - Peak Kwh	\$ 0.0654	Off - Peak Kwh	1,417	\$ 92.67	Off - Peak Kwh	\$ 0.06225	\$ 88.21		
						\$ 884.40			\$ 1,017.93	\$ 133.54	15%
<u>Gary Atkins</u> (auto mechanic's garage)		Customer Charge	\$ 15.00	Months	12	\$ 180.00	Customer Charge	\$ 27.50	\$ 330.00		
		On - Peak Kwh	\$ 0.1091	On - Peak Kwh	27,956	\$ 3,050.00	On - Peak Kwh	\$ 0.10696	\$ 2,990.17		
		Off - Peak Kwh	\$ 0.0654	Off - Peak Kwh	16,263	\$ 1,063.60	Off - Peak Kwh	\$ 0.06225	\$ 1,012.37		
						\$ 4,293.60			\$ 4,332.55	\$ 38.95	1%
<b><u>General Services</u></b>											
<u>Johnny Ray Holbrook</u> (personal garage)		Customer Charge	\$ 15.00	Months	12	\$ 180.00	Customer Charge	\$ 22.50	\$ 270.00		
		On - Peak Kwh	\$ 0.1091	On - Peak Kwh	9,767	\$ 1,065.58	On - Peak Kwh	\$ 0.13047	\$ 1,274.30		
		Off - Peak Kwh	\$ 0.0654	Off - Peak Kwh	3,317	\$ 216.93	Off - Peak Kwh	\$ 0.06225	\$ 206.48		
						\$ 1,462.51			\$ 1,750.78	\$ 288.27	20%
<u>Frank Morgan</u> (personal garage)		Customer Charge	\$ 15.00	Months	12	\$ 180.00	Customer Charge	\$ 22.50	\$ 270.00		
		On - Peak Kwh	\$ 0.1091	On - Peak Kwh	6,055	\$ 660.60	On - Peak Kwh	\$ 0.13047	\$ 790.00		
		Off - Peak Kwh	\$ 0.0654	Off - Peak Kwh	2,104	\$ 137.60	Off - Peak Kwh	\$ 0.06225	\$ 130.97		
						\$ 978.20			\$ 1,190.97	\$ 212.77	22%