

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 )

THIRD 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 15 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 Grayson's response to Item 2.a. of the Second Information Request of Commission Staff ("Staff's Second Request"). Grayson was asked to provide the estimated cost to upgrade its AMR system to a Turtle 2 system. Grayson's response referred Staff to its response to Item 3.a. However, the response to Item 3.a. is represented as being the cost to upgrade to the Turtle 1 system. Provide the estimated cost to upgrade to a Turtle 2 system.

2. Refer to the response to Item 2.b. of Staff's Second Request in which Grayson states that the upgrade to a Turtle 2 system was not included in its Construction Work Plan ("CWP") because the CWP "only contains system distribution additions and improvements that will be financed by long term capital debt." Does this response indicate that Grayson has financed the upgrade from existing cash reserves rather than through long-term debt? If no, explain.

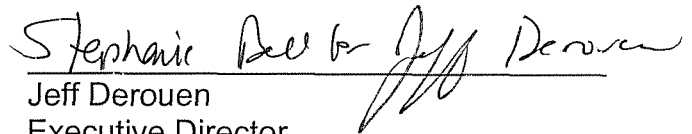
3. Refer to the response to Item 3.a. of Staff's Second Request.

a. Provide the calculations for the \$30,000 and \$825,000 that appear

in the Benefits section of the response.

b. Explain in detail why Grayson decided to upgrade its meters to the Turtle 1 AMR system given that the \$868,000 cost exceeds the \$855,000 in benefits by \$13,000.

c. State whether the \$855,000 in benefits shown in response to Item 3.a. is the total, to date, of the benefits that have been realized since the installation of the Turtle 1 system or if that figure is the total amount of expected benefits projected over the life of the Turtle 1 system.



Jeff Derouen  
Executive Director  
Public Service Commission  
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DATED APR 29 2011

cc: Parties of Record

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