

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION OF THE)	
APPLICATION OF THE FUEL)	
ADJUSTMENT CLAUSE OF GRAYSON)	CASE NO.
RURAL ELECTRIC COOPERATIVE)	2010-00502
CORPORATION FROM NOVEMBER 1,)	
2008 THROUGH OCTOBER 31, 2010)	

O R D E R

Pursuant to 807 KAR 5:056, the Commission, on January 26, 2011, established this case to review and evaluate the application of the Fuel Adjustment Clause ("FAC") of Grayson Rural Electric Cooperative Corporation ("Grayson") for the two-year period from November 1, 2008 through October 31, 2010.

As part of this review, the Commission ordered Grayson to submit certain information and an affidavit attesting to its adherence to 807 KAR 5:056. The Commission further ordered that a public hearing be held in this case but cancelled it when, after publication of notice, no interested person advised the Commission of his or her intent to attend.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that:

1. During the period under review, Grayson has complied in all material respects with the provisions of 807 KAR 5:056.

2. East Kentucky Power Cooperative, Inc. ("East Kentucky"), the wholesale supplier of Grayson, has been authorized to transfer (roll-in) to its base energy rates a

negative 6.39 mills per kWh of fuel costs that were being credited to customers through its FAC.¹

3. Grayson should be authorized to transfer (roll-in) to its base energy rates a negative 6.77 mills per kWh to reflect, as adjusted for line loss, the transfer (roll-in) by East Kentucky of a negative 6.39 mills per kWh of fuel costs to East Kentucky's base energy rates that were being credited to customers through its FAC.

4. The rates and charges in the Appendix to this Order are fair, just, and reasonable, and reflect the reduction of fuel costs included in its base energy rates.

IT IS THEREFORE ORDERED that:

1. The charges and credits applied by Grayson through the FAC for the period from November 1, 2008 through October 31, 2010 are approved.

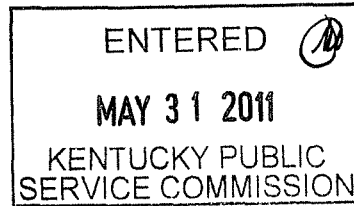
2. Grayson shall deduct 6.77 mills per kWh from its base energy rates (as adjusted for line loss) to reflect the transfer (roll-in) of a negative 6.39 mills per kWh of fuel costs by East Kentucky to its base energy rates as approved in Case No. 2010-00491.

3. The rates in the Appendix to this Order are approved for service rendered by Grayson on and after June 1, 2011, the effective date of East Kentucky's change in rates.

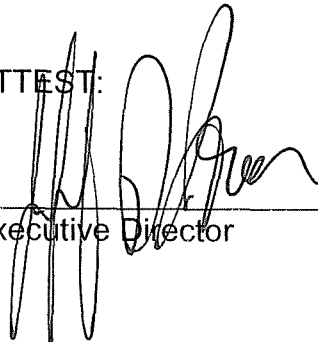
¹ Case No. 2010-00491, An Examination of the Application of the Fuel Adjustment Clause of East Kentucky Power Cooperative, Inc. from November 1, 2008 through October 31, 2010 (Ky. PSC May 31, 2011).

4. Within 20 days of the date of this Order, Grayson shall file revised tariff sheets with the Commission setting out the rates approved herein and reflecting that they were approved by this Order.

By the Commission



ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2010-00502 DATED **MAY 31 2011**

The following rates and charges are prescribed for the customers in the area served by Grayson Rural Electric Cooperative Corporation. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

SCHEDULE 1
FARM AND HOME

Energy Charge per kWh \$.10427

SCHEDULE 20
RESIDENTIAL INCLINING BLOCK RATE

Energy Charge per kWh:
First 300 kWh \$.07323
Next 200 kWh \$.08875
Over 500 kWh \$.13531

SCHEDULE 15
RESIDENTIAL DEMAND AND ENERGY RATE

Energy Charge per kWh \$.06458

SCHEDULE 10
RESIDENTIAL TIME OF DAY (TOD)

On-Peak Rate per kWh \$.19888
Off-Peak Rate per kWh \$.06128

SCHEDULE 2
COMMERCIAL AND SMALL POWER (LESS THAN 50 KVA)

Energy Charge per kWh \$.09608

SCHEDULE 16
COMMERCIAL DEMAND AND ENERGY RATE

Energy Charge per kWh	\$.06169
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SCHEDULE 11
COMMERCIAL TIME OF DAY (TOD)

On-Peak Rate per kWh	\$.18782
Off-Peak Rate per kWh	\$.06128

SCHEDULE 3
OFF-PEAK MARKETING RATE

On-Peak Rate per kWh	\$.10427
Off-Peak Rate per kWh	\$.06256

SCHEDULE 18
GENERAL SERVICE RATE

Energy Charge per kWh	\$.10427
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SCHEDULE 19
TEMPORARY SERVICE RATE

Energy Charge per kWh	\$.10427
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SCHEDULE 5
STREET LIGHTING SERVICE

Base Rate per Light per Month: 175 Watt Mercury Vapor Lamp	\$	10.57
Base Rate per Light per Year: 175 Watt Mercury Vapor Lamp	\$	126.84

SCHEDULE 6
OUTDOOR LIGHTING SERVICE – SECURITY LIGHTS

Base Rate per Light per Month:		
7,000 Lumens Mercury Vapor Lamp	\$	10.23
10,000 Lumens Mercury Vapor Lamp	\$	12.88
Flood Lights	\$	18.78

SCHEDULE 4
LARGE POWER SERVICE (50-999 KVA)

Energy Charge per kWh	\$.05960
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SCHEDULE 7
ALL ELECTRIC SCHOOLS

Energy Charge per kWh	\$.06941
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SCHEDULE 12 (a)
LARGE INDUSTRIAL SERVICE-LLF (1,000 TO 4,999 KVA)

Energy Charge per kWh	\$.04902
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SCHEDULE 12 (b)
LARGE INDUSTRIAL SERVICE-LLF (5,000 TO 9,999 KVA)

Energy Charge per kWh	\$.04373
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SCHEDULE 12 (c)
LARGE INDUSTRIAL SERVICE-LLF (10,000 KVA AND OVER)

Energy Charge per kWh	\$.04268
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SCHEDULE 13 (a)
LARGE INDUSTRIAL SERVICE-HLF (1,000 TO 4,999 KVA)

Energy Charge per kWh	\$.04902
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SCHEDULE 13 (b)
LARGE INDUSTRIAL SERVICE-HLF (5,000 TO 9,999 KVA)

Energy Charge per kWh	\$.04373
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SCHEDULE 13 (c)
LARGE INDUSTRIAL SERVICE-HLF (10,000 KVA AND OVER)

Energy Charge per kWh \$.04268

SCHEDULE 14 (a)
LARGE INDUSTRIAL SERVICE-MLF (1,000 TO 4,999 KVA)

Energy Charge per kWh \$.04902

SCHEDULE 14 (b)
LARGE INDUSTRIAL SERVICE-MLF (5,000 TO 9,999 KVA)

Energy Charge per kWh \$.04373

SCHEDULE 14 (c)
LARGE INDUSTRIAL SERVICE-MLF (10,000 KVA AND OVER)

Energy Charge per kWh \$.04268

SCHEDULE 17
WATER PUMPING SERVICE

On-Peak Rate per kWh \$.11922

Off-Peak Rate per kWh \$.06201

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