

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, Section 1(12), IT IS HEREBY ORDERED that:

1. A public hearing shall be held on March 22, 2011 at 10:00 a.m., Eastern Daylight Time, at the Commission's offices in Frankfort, Kentucky, to examine the application of the Fuel Adjustment Clause of Grayson Rural Electric Cooperative Corporation ("Grayson") from November 1, 2008 through October 31, 2010. If no interested party files written notice of its intent to attend this hearing with the Commission by March 18, 2011, the public hearing shall be cancelled and the matter shall be considered submitted for decision based on the evidence in the record.

2. Grayson shall file an affidavit with the Commission no later than 21 days from the date of this Order attesting to its compliance or noncompliance with the requirements of 807 KAR 5:056.

3. All documents that Grayson filed with the Commission pursuant to 807 KAR 5:056, Section 1 (7) and (9), during the period under review are incorporated by reference into the record of this proceeding.

4. Grayson shall publish the following notice not less than 7 days or more than 21 days prior to the public hearing in a newspaper of general circulation in its service areas or in a trade publication or newsletter going to all customers. Grayson shall also file an Affidavit of Publication of Hearing Notice with the Commission no later than March 18, 2011.

A public hearing will be held on Tuesday, March 22, 2011, at 10:00 a.m., Eastern Daylight Time, at the offices of the Kentucky Public Service Commission, 211 Sower Boulevard, Frankfort, Kentucky, to examine the application of the Fuel Adjustment Clause of Grayson Rural Electric Cooperative Corporation for the period November 1, 2008 through October 31, 2010. Individuals interested in attending this hearing shall notify the Public Service Commission in writing of their intent to attend no later than March 18, 2011. If no notices of intent to attend are received by that date, this hearing will be cancelled and the matter shall be considered submitted for decision based on the evidence in the record. Written notice of intent to attend this hearing should be sent to: Executive Director, Kentucky Public Service Commission, P.O. Box 615, Frankfort, Kentucky 40602.

5. The official record of the proceeding shall be by video only.

6. Grayson shall file with the Commission, no later than 30 days from the date of this Order, the original and 10 copies of the information requested in the Appendix attached to this Order and incorporated herein by reference.

a. Responses shall be appropriately bound, tabbed and indexed and shall include the name of the witness responsible for responding to the questions related to the information provided. When numerous sheets are required for an item, each sheet should be appropriately indexed; e.g., Item 1(a), Sheet 2 of 6.

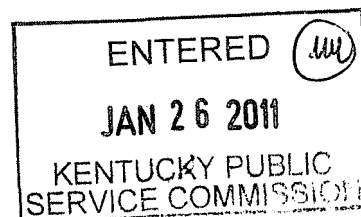
b. Careful attention should be given to copied material to ensure that it is legible.

c. 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.

d. A party 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.

e. For any request to which a party fails or refuses to furnish all or part of the requested information, that party shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

By the Commission



ATTEST:

Executive Director

## APPENDIX

### APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2010-00502 DATED JAN 26 2011

1. a. Provide a schedule of the calculation of the 12-month average line loss by month for November 2008 through October 2010.
- b. Describe the measures that Grayson has taken to reduce line loss during this period.
2. Provide a schedule showing the calculation of monthly over- or under-recovery of fuel costs from November 1, 2008 through October 31, 2010.
3. Provide Grayson's monthly revenue reports (monthly billing summaries) showing the total revenue collected, including adjustments under the Fuel Adjustment Clause, reported in Grayson's monthly filings required by the Commission from November 1, 2008 through October 31, 2010.
4. Provide a schedule showing the calculation of the increase or decrease in Grayson's base fuel costs per kWh as proposed by its wholesale electric supplier adjusted for Grayson's 12-month average line loss for November 2008 through October 2010.
5. Provide a schedule of the present and proposed rates that Grayson seeks to change pursuant to 807 KAR 5:056 as calculated in Item 4 above, shown in comparative form.
6. Provide a statement showing, by cross-outs and italicized inserts, all proposed changes in rates. A copy of the current tariff may be used.

Carol Ann Fraley  
President & CEO  
Grayson R.E.C.C.  
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