

Grayson Rural Electric Cooperative Corporation

109 Bagby Park • Grayson, KY 41143-1292
Telephone 606-474-5136 • 1-800-562-3532 • Fax 606-474-5862

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COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

PUBLIC SERVICE
COMMISSION

IN THE MATTER OF:

APPLICATION OF GRAYSON RURAL ELECTRIC)
COOPERATIVE CORPORATION FOR AUTHORIZATION)
TO BORROW \$11,904,064.62 FROM COBANK AND)
EXECUTE NECESSARY NOTES AND TO REPAY RURAL)
UTILITIES SERVICES 5% NOTES IN THE SAME AMOUNT)

) CASE NO. 2010-00489

December 20, 2010

Mr. Jeff Derouen
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, KY 40601

Mr. Derouen:

Please find attached the original and ten (10) copies of Exhibit 4 in Grayson Rural Electric's application in the above referenced case.

If there are any questions, please feel free to inquire at (606) 474-5136.

Sincerely,



Don M. Combs
Grayson Rural Electric

Grayson Rural Electric Cooperative Corporation

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GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION
RESOLUTION OF BOARD OF DIRECTORS
REFINANCING OF RURAL UTILITIES SERVICE 5% NOTES

WHEREAS, a refinancing of Rural Utilities Service (RUS) secured debt is permitted under Article II, Section 2.02 of the RUS mortgage,

WHEREAS, Grayson Rural Electric Cooperative Corporation (GRECC) has approximately \$12 million of RUS fixed 5% notes with maturities ranging from 1 to 20 years,

WHEREAS, in the current interest rate environment it appears that GRECC will realize a savings if it replaces said RUS 5% notes with CoBank notes,


WHEREAS, the interest rate changes daily and the exact date of the loan closing is undeterminable because Kentucky Public Service Commission (KPSC) approval is required.

NOW THEREFORE BE IT RESOLVED, that Board Chairman Roger L. Trent, or Carol Hall Fraley, GRECC President & CEO, is authorized to execute the forward setting of a fixed interest rate less than 5% exclusive of capital credit retirements.

BE IT FURTHER RESOLVED, that Carol Hall Fraley, President & CEO, is authorized and directed, on behalf of GRECC to seek KPSC approval for refinancing all or a portion of said RUS 5% notes, as determined by the President & CEO and approved by KPSC.

I, Bill (E.) Eddie Martin, Secretary of the Grayson Rural Electric Cooperative Corporation, do hereby certify that the above is a true and correct copy of a resolution adopted at the meeting of the Board of Directors of Grayson Rural Electric Cooperative Corporation on December 17, 2010, at which a quorum was present and voted.

(Seal)


Bill (E.) Eddie Martin, Secretary/Treasurer