

Grayson Rural Electric Cooperative Corporation

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

RECEIVED

SEP 20 2018

PUBLIC SERVICE
COMMISSION

September 20, 2018

Ms. Gwen R. Pinson, Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40602

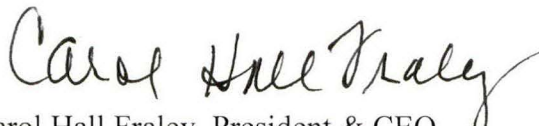
RE: In the Matter of Application of Grayson Rural Electric Cooperative
Corporation for an Adjustment of Rates Case No. 2018-00272

Ms. Pinson:

Please find enclosed and accept for filing in the above referenced case an original and ten (10) copies of Grayson Rural Electric's Application for an adjustment of its existing rates.

If there are any questions concerning this matter, please contact me at your convenience.

Respectfully submitted,


Carol Hall Fraley, President & CEO

Copy to:
Attorney General's Office of Rate Intervention

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SEP 20 2018

PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF GRAYSON RURAL ELECTRIC)	
COOPERATIVE CORPORATION FOR AN)	CASE NO.
ADJUSTMENT OF RATES)	2018-00272

APPLICATION

Grayson Rural Electric Cooperative Corporation (herein designated as “Grayson”) hereby makes application for an adjustment of rates, as follows:

1. Grayson is a non-profit electric cooperative organized under KRS Chapter 279 and is engaged in the business of distributing retail electric power to member customers in the Kentucky counties of Carter, Elliott, Greenup, Lawrence, Lewis, and Rowan.
2. The street address for Grayson is 109 Bagby Park, Grayson, Kentucky, 41143. Grayson’s email address is bradley.cherry@graysonrecc.com.
3. The current Articles of Incorporation for Grayson were previously filed in Case No. 2010-00489. Grayson is incorporated in the Commonwealth of Kentucky and states that it is in good standing. [807 KAR 5:001, Section 14(2)]. Grayson requests an adjustment of its existing rates that will result in additional annual revenues in the amount of \$1,424,078, pursuant to KRS 278.280 and 807 KAR 5:001, Section 16. This will be a 5.7% increase in total annual revenues and will result in a times interest earned ratio (“TIER”) of approximately 2.0x. Grayson requires this adjustment of its rates to offset the increased costs in the cost of power, materials, equipment, labor and other fixed and variable costs. Grayson last received a rate adjustment in Case No. 2012-00426 and the aforementioned costs have increased since that time.

In addition, Grayson is not meeting its mortgage requirements with the current revenue that it receives.

4. This application is supported by a twelve-month historical test period ending December 31, 2017 and includes adjustments for known and measurable changes [807 KAR 5:001, Section 16(1)(a)1].

5. The annual reports of Grayson are on file with the Commission in accordance with 807 KAR 5:006, Section 4(1).
6. A Certificate of Good Standing is attached as Exhibit A. 807 KAR 5:001, Section 14(2).
7. Grayson has not filed a Certificate of Assumed Name [807 KAR 5:001, Section 16(1)(b)2].
8. Grayson filed with the Commission a written Notice of Intent to file a rate application at least thirty (30) days prior to filing this application. Said Notice of Intent, stated that the rate application would be supported by a historical test period and was served upon the Office of the Attorney General, utility intervention and rate division, as shown on Exhibit E. 807 KAR 5:001, Section 16(2) and 807 KAR 5:001, Section 16(2)(a) and Section 16(2)(c).
9. All affected member/customers will be notified of the filing of this application by publishing a notice as required under 807 KAR 5:01, Section 16(1)(b)(9). This notice includes the information required under 807 KAR 5:001, Section 17 and the subparts thereof. A copy of said notice is attached as Exhibit D. Affidavits from the publisher verifying that the notice has been published will be filed with the Commission no later than forty-five (45) days of the filing date thereof.
10. The Board of Directors of Grayson has reviewed the current financial condition of the Cooperative and the need for a rate adjustment to maintain the financial stability and integrity of the Cooperative. The Board of Directors adopted a Motion directing the administrative staff and consultants to proceed with the necessary application and filings with the Public Service Commission to adjust the rates of the Cooperative. A copy of the motion is attached hereto as Exhibit F.
11. Grayson is neither a limited partnership nor a limited liability company [807 KAR 5:001, Section 14(3) and Section 14(4)].
12. The proposed tariff in a form that complies with 807 KAR 5:001 is attached as Exhibit B. See 807 KAR 5:001, Section 16(1)(b)(3).
13. The proposed tariff changes, identified in compliance with 807 KAR 5:011, are shown by providing the present and proposed tariffs in comparative form on the same sheet, side by side, or on facing sheets, side by side, as Exhibit C. 807 KAR 5:001, Section 16(1)(b)4a.

14. A complete description and explanation for all proposed adjustments with proper support thereof for any proposed changes in price or activity levels, and any other factors which may affect the adjustment, including a Revenue Analysis is filed herewith as Exhibit J. 807 KAR 5:001, Section (16)(4)(a).
15. The prepared testimony of each witness supporting the application are attached as Exhibits H. 807 KAR 5:001, Section 16(4)(b).
16. A statement estimating the effect the new rates will have upon the revenues of Grayson, including, at a minimum, the total amount of revenues resulting from the increase or decrease and the percentage of the increase or decrease is shown by Exhibit G. 807 KAR 5:001, Section 16(4)(d). The effect upon the average bill for each customer classification to which the proposed rate change will apply is shown by Exhibit I. 807 KAR 5:001, Section 16(4)(e).
17. An analysis of customers' bills in such detail that revenues from present and proposed rates can be readily determined for each customer class is shown by Exhibit J. 807 KAR 5:001, Section 16(4)(g).
18. A summary of Grayson's determination of its revenue requirements based on return on net investment rate base, return on capitalization, interest coverage, debt service coverage or operating ratio, with supporting schedules is shown by Exhibit K. 807 KAR 5:001, Section 16(4)(h).
19. A reconciliation of the rate base and capital used to determine its revenue requirements is shown by Exhibit L. 807 KAR 5:001, Section 16(4)(i).
20. A current chart of accounts is shown by Exhibit M. 807 KAR 5:001, Section 16(4)(j).
21. The independent auditor's report is attached as Exhibit N. 807 KAR 5:001, Section 16(4)(k).
22. The Federal Energy Regulatory Commission or Federal Communications Commission have not audited Grayson and no audit reports exist. 807 KAR 5:001, Section 16(4)(l).
23. No Federal Energy Regulatory Commission Form 1 exists for Grayson. 807 KAR 5:001, Section 16(4)(m).
24. Grayson had a depreciation study performed as of December 31, 2010 and was approved in Case No. 2008-00254. 807 KAR 5:001, Section 16(4)(n).
25. A list of commercially available or in-house developed computer software, programs, and models used in the development of the schedules and work papers associated

with the filing of this application are attached as Exhibit O. 807 KAR 5:001, Section 16(4)(o).

26. No stock or bond offerings have been made by Grayson. 807 KAR 5:001, Section 16(4)(p).

27. Annual Reports to members for 2017 and 2016 are attached as Exhibit P. 807 KAR 5:001, Section 16(4)(q).

28. The monthly managerial reports providing financial results of operations for the twelve (12) months in the test period are attached as Exhibit Q. 807 KAR 5:001, Section 16(4)(r).

29. No Securities and Exchange Commission Annual Reports exist as for Grayson because it is not regulated by that regulated body. 807 KAR 5:001, Section 16(4)(s).

30. Grayson had no amounts charged or allocated to it by an affiliate or general or home office and did not pay monies to an affiliate or general or home office during the test period or during the previous three (3) calendar years. 807 KAR 5:001, Section 16(4)(t).

31. A cost of service study based on a methodology generally accepted within the electric industry and based on current and reliable data for the test period is attached as Exhibit R. 807 KAR 5:001, Section 16(4)(u).

32. Grayson is not a Local Exchange Carrier or Company as set forth in 807 KAR 5:001, Section 16(4)(v).

33. A detailed income statement and balance sheet reflecting the impact of all proposed adjustments is attached as Exhibit S. 807 KAR 5:001, Section 16(5)(a).

34. No "proposed pro forma adjustments reflecting plant additions" exist or apply to Grayson. 807 KAR 5:001, Section 16(5)(b) and Section 16(5)(c).

35. The operating budget for each month of the period encompassing the pro forma adjustments is attached as Exhibit T. 807 KAR 5:001, Section (16)(8)(d).

36. Additional financial exhibits required by 807 KAR 5:001, Section 16, financial information covering twelve (12) month historical test period ending December 31, 2017, and other information required to be filed is attached by exhibits, as follows:

Exhibit U By-Laws

Exhibit V Detailed comparative income statement, statement of cash flows and balance sheet

Exhibit W	Schedule showing monthly comparison of balance sheet accounts from test year to preceding year.
Exhibit X	Monthly comparison on income statement accounts from test year to proceeding year
Exhibit Y	Trial Balance at end of test year
Exhibit Z	Capital structure
Exhibit 1	Adjustments for salaries and wages
Exhibit 2	Adjustments for payroll taxes
Exhibit 3	Adjustment for depreciation
Exhibit 4	Adjustment for property taxes
Exhibit 5	Adjustment for long term and short term interest
Exhibit 6	Adjustment for pension cost
Exhibit 7	Adjustment for donations
Exhibit 8	Adjustment for professional fees
Exhibit 9	Adjustment for director fees and expenses
Exhibit 10	Adjustment for miscellaneous and annual meeting costs
Exhibit 11	Adjustment for rate case expenses
Exhibit 12	Adjustment for advertising costs
Exhibit 13	Adjustment for G&T capital credits
Exhibit 14	Adjustment for change in billing cycl
Exhibit 15	Adjustment for purchase power
Exhibit 16	Adjustment for normalized revenue
Exhibit 17	End of year customer adjustment

Exhibit 18 KAEC Statistical Comparison

Exhibit 19 Union contract

Exhibit 20 Equity Management Plan

Exhibit 21 Capitalization policies

37. Grayson requests that the rate adjustments proposed herein be allowed to become effective as contemplated by this filing.

38. Grayson requests that a copy of any documents served in this matter be served upon each of the following persons:

Bradley Cherry, Manager of Finance & Accounting

bradley.cherry@graysonrecc.com

109 Bagby Park

Grayson, KY 41143

Carol Hall Fraley, President & CEO

carol.fraley@graysonrecc.com

109 Bagby Park St.

Grayson, KY 41143

W. Jeffrey Scott, Attorney at Law

wjscott@windstream.net

P.O. Box 608

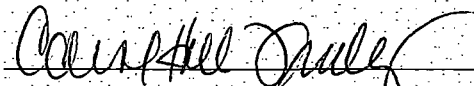
Grayson, KY 41143

WHEREFORE, Grayson Rural Electric Cooperative Corporation requests that the Public Service Commission of the Commonwealth of Kentucky issue an Order approving of the adjustment of rates as set forth in this application and authorizing the new rates to take effect at the earliest possible date. For any and all other proper relief to which Grayson Rural Electric Cooperative Corporation may be entitled.

Dated: 09/18/2018

I, Carol Hall Fraley, President & CEO for Grayson Rural Electric Cooperative Corporation, state that the statements contained in the foregoing application are true to the best of my information and belief.

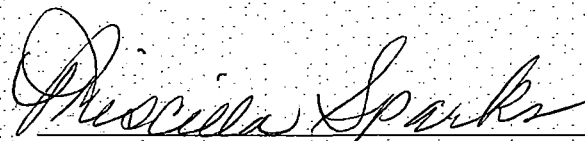
Grayson Rural Electric Cooperative Corporation



Carol Hall Fraley, President & CEO

STATE OF KENTUCKY
COUNTY OF CARTER

I, the undersigned, a Notary Public, do hereby certify that on this 18th day of September, 2018, personally appeared before me CAROL HALL FRALEY, who being by me first duly sworn, subscribed to and acknowledged that he is the President & CEO for Grayson Rural Electric Cooperative Corporation, a Kentucky corporation, that she signed the foregoing document as President & CEO for the Corporation, and that the statements therein contained are true.

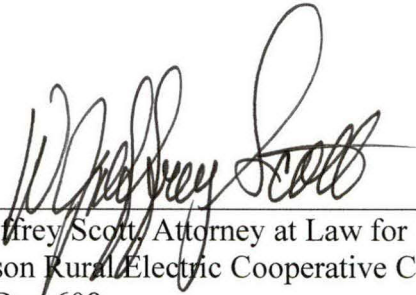


NOTARY PUBLIC, State of Kentucky, At Large

My commission expires March 22, 2012

COUNSEL:

I hereby certify that the foregoing and its attachments, exhibits, and testimony has been submitted to the Commission along with ten (10) copies with the paper originals hand-delivered and further that the Attorney General of Kentucky, Office of Rate Intervention, 1024 Capital Center Drive, Frankfort, Kentucky, 40601 has been hand-delivered.

A handwritten signature in black ink, appearing to read "W. Jeffrey Scott", is written over a horizontal line.

W. Jeffrey Scott, Attorney at Law for
Grayson Rural Electric Cooperative Corporation
P.O. Box 608
Grayson, KY 41143
(606) 474-5194
wjscott@windstream.net

Commonwealth of Kentucky
Alison Lundergan Grimes, Secretary of State

Alison Lundergan Grimes
Secretary of State
P. O. Box 718
Frankfort, KY 40602-0718
(502) 564-3490
<http://www.sos.ky.gov>

Certificate of Existence

Authentication number: 206098
Visit <https://app.sos.ky.gov/ftshow/certvalidate.aspx> to authenticate this certificate.

I, Alison Lundergan Grimes, Secretary of State of the Commonwealth of Kentucky, do hereby certify that according to the records in the Office of the Secretary of State,

GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION

is a corporation duly incorporated and existing under KRS Chapter 14A and KRS Chapter 279, whose date of incorporation is October 13, 1950 and whose period of duration is perpetual.

I further certify that all fees and penalties owed to the Secretary of State have been paid; that Articles of Dissolution have not been filed; and that the most recent annual report required by KRS 14A.6-010 has been delivered to the Secretary of State.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal at Frankfort, Kentucky, this 23rd day of August, 2018, in the 227th year of the Commonwealth.



Alison Lundergan Grimes

Alison Lundergan Grimes
Secretary of State
Commonwealth of Kentucky
206098/0020454

Grayson Rural Electric Cooperative
Case No. 2018-001272
Proposed Tariffs

The existing tariffs are included with the present and proposed tariffs in comparative form. There are no other changes proposed to any of the rates or wording, other than those that are attached.

GRAYSON RURAL ELECTRIC
COOPERATIVE CORPORATION

FOR: ENTIRE AREA SERVED
PSC NO.: 6
14TH REVISED SHEET NO.: 1.00
CANCELING PSC NO.: 5
13TH REVISED SHEET NO.: 1.00

SCHEDULE 1

CLASSIFICATION OF SERVICE

DOMESTIC – FARM & HOME SERVICE

RATE PER UNIT

AVAILABILITY-DOMESTIC

Available to members of the Cooperative for all residential farm and home uses subject to its established rules and regulations. Approval of the Cooperative must be obtained prior to the installation of any motor having a rated capacity of five horsepower or more.

TYPE OF SERVICE

Single-phase and/or three-phase, 60 cycle, alternating current at the Cooperative's standard secondary voltages.

RATE PER MONTH

Customer Charge

\$22.50 (I)

Energy Charge Per KWH

.10636 (R)

FUEL ADJUSTMENT CLAUSE

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the Wholesale Power Supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve month moving average of such losses. The Fuel clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

MINIMUM CHARGE

The minimum monthly charge under the above rate shall be equal to the customer charge where 25 KVA or less of transformer capacity is required. For members requiring more than 25 KVA of transformer capacity, the minimum monthly charge shall be increased at a rate of \$.75 for each additional KVA or fraction thereof required. Where it is necessary to extend or reinforce existing distribution facilities, the minimum monthly charge may be increased to assure adequate compensation for the added facilities. Where the minimum charge is increased in accordance with this section, additional energy and demand shall be included in accordance with the foregoing rate schedule.

(T)

DATE OF ISSUE: September 20, 2018
Month / Date / Year

DATE EFFECTIVE: Service Rendered on and after October 25, 2018
Month / Date / Year

ISSUED BY: Carol Hill Tracy
(Signature of Officer)

TITLE: President and Chief Executive Officer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO.: 2018-00272 DATED: _____

GRAYSON RURAL ELECTRIC
COOPERATIVE CORPORATION

FOR: ENTIRE AREA SERVED
PSC NO.: 6
14TH REVISED SHEET NO.: 2.00
CANCELING PSC NO.: 5
13TH REVISED SHEET NO.: 2.00

SCHEDULE 2

CLASSIFICATION OF SERVICE

COMMERCIAL AND SMALL POWER LESS THAN 50 KVA, INCLUDING PUBLIC BUILDINGS, SCHOOLS, CHURCHES, ETC.

RATE PER UNIT

AVAILABILITY OF SERVICE

Available to members of the Cooperative for all Commercial and Small Power uses less than 50 KVA, subject to its established rules and regulations. Approval of the Cooperative must be obtained prior to the installation of any motor having a rated capacity of five horsepower or more.

TYPE OF SERVICE

Single-phase and/or three-phase, 60 cycle, alternating current at the Cooperative's standard secondary voltages.

RATE PER MONTH

Customer Charge
Energy Charge per KWH

\$30.00 (I)
.10441 (R)

FUEL ADJUSTMENT CLAUSE

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the Wholesale Power Supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve month moving average of such losses. The Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

MINIMUM CHARGE

The minimum monthly charge under the above rate shall be equal to the customer charge where 25 KVA or less of transformer capacity is required. For members requiring more than 25 KVA of transformer capacity, the minimum monthly charge shall be increased at a rate of \$.75 for each additional KVA or fraction thereof required. Where it is necessary to extend or reinforce existing distribution facilities, the minimum monthly charge may be increased to assure adequate compensation for the added facilities. Where the minimum charge is increased in accordance with this section, additional energy and demand shall be included in accordance with the foregoing rate schedule.

(I)

DATE OF ISSUE: September 20, 2018
Month / Date / Year

DATE EFFECTIVE: Service Rendered on and after October 25, 2018
Month / Date / Year

ISSUED BY: Carol Hill Inley
(Signature of Officer)

President and Chief Executive Officer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO.: 2018-00272 DATED: _____

GRAYSON RURAL ELECTRIC
COOPERATIVE CORPORATION

FOR: ENTIRE AREA SERVED
PSC NO.: 6
14TH REVISED SHEET NO.: 3.00
CANCELING PSC NO.: 5
13TH REVISED SHEET NO.: 3.00

SCHEDULE 3

CLASSIFICATION OF SERVICE

OFF-PEAK MARKETING RATE

RATE PER UNIT

AVAILABILITY OF SERVICE

Available to members of the Cooperative eligible for service under Tariff Schedule 1-- Domestic-Farm & Home Service, or Tariff Schedule 2--Commercial and Small Power Less than 50 KVA, who have installed Cooperative approved load management devices for the use of power during off-peak hours. This rate shall only apply to programs which have been expressly approved by the Public Service Commission to be offered under the Marketing Rate of East Kentucky Power Cooperative's Wholesale Rate Schedule A.

TYPE OF SERVICE

Single-phase and/or three-phase, 60 cycle, alternating current at the Cooperative's standard secondary voltages.

RATE PER MONTH

OFF PEAK RATE: ALL KWH used by approved load management devices

(D)

PEAK PERIODS

WINTER SCHEDULE

For the purpose of this tariff, the on-peak billing period for the months of October, November, December, January, February, March, and April is defined as 7 a.m. to 12 noon and from 5 p.m. to 10 p.m., local time, for all days of the week, including Saturday, Sunday and holidays. The off-peak billing period is defined as 10 p.m. to 7 a.m. and from 12 noon to 5 p.m., local time, for all days of the week, including Saturday, Sunday and holidays.

SUMMER SCHEDULE

For the purpose of this tariff, the on-peak billing period for the months of May, June, July, August, and September is defined as 10 a.m. to 10 p.m., local time, for all days of the week, including Saturdays, Sundays and holidays. The off-peak billing period is defined as 10 p.m. to 10 a.m., local time, for all days of the week, including Saturday, Sunday, and holidays.

DATE OF ISSUE: _____
Month / Date / Year

DATE EFFECTIVE: _____
Month / Date / Year

ISSUED BY: Carol Hill Tracy
(Signature of Officer)

President and Chief Executive Officer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO.: 2018-00272 DATED: _____

SCHEDULE 4

CLASSIFICATION OF SERVICE

LARGE POWER SERVICE-SINGLE AND THREE-PHASE

50-999 KVA

RATE PER UNIT

AVAILABILITY

Available to members located on or near the Cooperative's facilities for Commercial service. Members shall contract for a definite amount of electrical capacity in kilovolt-amperes which shall be sufficient to meet normal maximum requirements but in no case shall the capacity contracted be less than 50 KVA. The Cooperative may not be required to supply capacity in excess multiples of 25 KVA.

(T)
(T)

TYPE OF SERVICE

Single-phase, three-phase, 60 cycles, at Cooperative's standard voltage.

RATE PER MONTH

Customer Charge
Demand Charge per KW
Energy Charge per KWH

\$67.50 (I)
8.54
.05968

DETERMINATION OF BILLING DEMAND

The billing demand shall be the maximum kilowatt demand established by the consumer for any fifteen consecutive minutes during the month for which the bill is rendered, as indicated or recorded by a demand meter and adjusted for power factor as provided in the power factor adjustment clause.

POWER FACTOR ADJUSTMENT

The consumer agrees to maintain unity power factor as nearly as practicable. The measured demand will be demand to correct for average power factors lower than 90%, and may be so adjusted for other consumers if and when the Cooperative deems necessary. Such adjustments will be made by increasing the measured demand by 1% for each 1% by which the average power factor is less than 90% lagging.

RULES AND REGULATIONS

Service under this tariff is subject to the terms of all rules and regulations of the Cooperative that have been or may be adopted by its Board of Director's.

DATE OF ISSUE: September 20, 2018

Month / Date / Year

DATE EFFECTIVE: Service Rendered on and after October 25, 2018

Month / Date / Year

ISSUED BY:

Carol Hill Emley
(Signature of Officer)

TITLE: President and Chief Executive Officer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO.: 2018-00272 DATED: _____

SCHEDULE 4 (con't)

CLASSIFICATION OF SERVICE

LARGE POWER SERVICE-SINGLE AND THREE-PHASE

50-999 KVA

RATE PER UNIT

FUEL ADJUSTMENT CLAUSE

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per kWh equal to the fuel adjustment amount per kWh as billed by the wholesale Power supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve month moving average of such losses. The Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

MINIMUM MONTHLY CHARGE

The minimum monthly charge shall be the highest one of the following charges as determined for the consumer in question:

1. The minimum monthly charge as specified in the contract for service
2. The customer charge.

(T)

MINIMUM ANNUAL CHARGE FOR SEASONAL SERVICE

Consumer's requiring service only during certain seasons not exceeding nine (9) months per year may guarantee a minimum annual charge, in which case there shall be no minimum monthly charge. The minimum annual charge shall be sufficient to assure adequate compensation for the facilities installed to serve the consumer, and in no event shall it be less than \$9.00 per kVA of installed transformer capacity, of \$714.72, whichever is greater.

METERING

Necessary metering equipment will be furnished and maintained by the Cooperative which shall have the option of metering service supplied hereunder at either primary or secondary voltage.

SERVICE PROVISIONS

1. Motors having a rated capacity in excess of five horsepower (5 H.P.), must be three-phase unless written permission has been obtained from the cooperative.
2. Both power and lighting shall be billed at the foregoing rate. If a separate meter is required for the lighting circuit the registrations of the two watt-hour meters shall be added to obtain total kilowatt-hours used and registrations of the two demand meters shall be added

DATE OF ISSUE: September 20, 2018
Month / Date / Year

DATE EFFECTIVE: Service Rendered on and after October 25, 2018
Month / Date / Year

ISSUED BY: Carol Hill Finley
(Signature of Officer)
President and Chief Executive Officer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO.: 2018-00272 DATED: _____

GRAYSON RURAL ELECTRIC
COOPERATIVE CORPORATION

SCHEDULE 5 CLASSIFICATION OF SERVICE

STREET LIGHTING SERVICE RATE PER UNIT

AVAILABILITY
Available to rural communities and villages for street lighting.

BASE RATE PER LIGHT PER YEAR
For dusk to dawn lighting with lights mounted on existing wooden poles with bracket attachments and connected to existing overhead secondary circuits.
For the following monthly charges the Cooperative will furnish, install and maintain the lighting fixtures and accessories including hardware, control, lamps, overhead wiring, etc.; and the energy required.

Lamp Size <u>7,000 Lumens</u> 175 Watt	Mercury Vapor <u>Lamps</u> \$ per Month	Annual Charge <u>Per Lamp</u> \$
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(D)

FUEL ADJUSTMENT CLAUSE
All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the Wholesale Power Supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve month moving average of such losses. The Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

- CONDITIONS OF SERVICE
1. Street lighting equipment including lamps, fixtures, control and the necessary street lighting circuits, transformers and additional guys and fittings will be furnished and maintained by the Cooperative.
 2. Lamp replacements will be made by the Cooperative without additional charge, except that any damage to lamps and luminaries resulting from vandalism shall be charges to consumer at cost as a separate item on the monthly bill for service. Outages should be promptly reported.
 3. This schedule applies to either multiple or series street lighting circuits. The Cooperative will determine the type of circuit.

REFER TO BASIS FOR THE ACCOUNTABILITY OF ENERGY USED BY SECURITY LIGHTS.

DATE OF ISSUE: _____
Month / Date / Year

DATE EFFECTIVE: _____
Service Rendered on and after
Month / Date / Year

ISSUED BY: Carol Hill Traley
(Signature of Officer)

TITLE: _____
President and Chief Executive Officer

SCHEDULE 6

CLASSIFICATION OF SERVICE

OUTDOOR LIGHTING SERVICE – SECURITY LIGHTS

RATE PER UNIT

AVAILABILITY

Available to members for dusk to dawn outdoor lighting on existing overhead secondary circuits.

RATE PER LIGHT PER MONTH

LIGHTING

7,000 Lumens
10,000 Lumens
Flood Lighting

\$12.50 (I)
\$15.00 (I)
\$21.50 (I)

LED LIGHTING

3,600 LED Yard Light
19,176 LED Flood Light

\$12.50 (I)
\$26.00 (I)

STREET LIGHTING

7,000 Lumens

\$12.75 (N)

FUEL ADJUSTMENT CLAUSE

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased an amount per KWH equal to the fuel adjustment amount per KWH as billed by the Wholesale Power Supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve month moving average of such losses. The Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

CONDITIONS OF SERVICE

1. The Cooperative shall furnish, install, and maintain the outdoor lighting equipment including lamp, luminaire, bracket attachment and control device on an existing pole of the Cooperative, electrically connected so that power for operation of the light does not pass through out the meter for the consumer's other usage, at a location mutually agreeable to both the Cooperative and the customer.
2. The Cooperative shall maintain the lighting equipment, including lamp replacement, at no additional cost the customer within 72 hours after the customer notifies the Cooperative of the need for maintenance of the lighting equipment.
3. The lighting equipment shall remain the property of the Cooperative. The customer shall protect the lighting equipment from deliberate damage.

DATE OF ISSUE: September 20, 2018
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SIGNED BY: Carol Bill Traley
(Signature of Officer)

TITLE: President and Chief Executive Officer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO.: 2018-00272 DATED: _____

SCHEDULE 7

CLASSIFICATION OF SERVICE

ALL ELECTRIC SCHOOLS (A.E.S.)

RATE PER UNIT

APPLICABLE

In all territory served by Seller.

AVAILABILITY

Available to all public or not-profit private schools whose total energy requirement, including but not limited to heating, air conditioning, lighting and water heating, is supplied electricity furnished by the Cooperative, subject to its established rules and regulations.

CHARACTER OF SERVICE

The electric service furnished under this rate schedule will be 60 cycle, alternating current, single phase or three phase service, present facilities permitting, and at the following nominal voltages: Single Phase: 120, 120/240, 480, 240/480 volts; Three Phase: 120/240, 120/208Y, 240/480, 277/480Y volts.

(T)
(T)

RATE PER MONTH

Customer Charge
Demand Charge per KW
Energy Charge per KWH

\$35.00 (I)
6.50 (I)
.07310 (I)

MINIMUM CHARGE

The minimum annual charge shall be sufficient to assure adequate compensation for the facilities installed to serve the consumer, and in no event shall it be less than \$9.00 per KVA of required transformer capacity as determined by the Cooperative, or the amount specified in the contract for service, whichever is greater.

TERMS OF CONTRACT

Service under this rate schedule will be furnished under an "Agreement for Purchase of Power", for a term of not less than five (5) years.

TERMS OF PAYMENT

The above rates are net, the gross being ten percents higher. In the event the current monthly bill is not paid within fifteen (15) days from the mailing date of the bill, the gross rates shall apply.

DATE OF ISSUE: September 20, 2018

Month / Date / Year

DATE EFFECTIVE: Service Rendered on and after October 25, 2018

Month / Date / Year

SIGNED BY: *Carol Hall Jolley*
(Signature of Officer)

TITLE: President and Chief Executive Officer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO.: 2018-00272 DATED: _____

GRAYSON RURAL ELECTRIC
COOPERATIVE CORPORATION

FOR: ENTIRE AREA SERVED
PSC NO.: 3
4th REVISED SHEET NO.: 10.10
CANCELING PSC NO.: 2
3rd REVISED SHEET NO.: 10.10

Schedule 10

CLASSIFICATION OF SERVICE

RESIDENTIAL TIME OF DAY (TOD)

RATE PER UNIT

AVAILABILITY

Available to members of the Cooperative for all residential farm and home uses subject to its established rules and regulations. Approval of the Cooperative must be obtained prior to the installation of any motor having a rated capacity of five horsepower or more.

TYPE OF SERVICE

Single-phase and/or three-phase, 60 cycle, alternating current at the Cooperative's standard secondary voltages.

RATE

Customer Charge
On-Peak Energy per kWh
Off-Peak Energy per kWh

\$22.50 (I)
.19748
.06500 (I)

WINTER SCHEDULE

For the purpose of this tariff, the on-peak billing period for the months of October, November, December, January, February, March, & April is defined as 7:00 am to 11:00 am and 5:00 pm to 9:00 pm, Monday through Friday. The off-peak billing period is defined as 9:00 pm to 7:00 am and 11:00 am to 5:00 pm, Monday through Friday. All weekends and holidays are off-peak.

SUMMER SCHEDULE

For the purpose of this tariff, the on-peak billing period for the months of May, June, July, August, & September is defined as 1:00 pm to 9:00 pm, Monday through Friday. The off-peak billing period is defined as 9:00 pm to 1:00 pm, Monday through Friday. All weekends and holidays are off-peak.

MINIMUM MONTHLY CHARGE

The minimum monthly charge shall be the minimum charge specified in the contract, or the minimum monthly customer charge, or \$0.75 per KVA or installed capacity, whichever is greater.

FUEL ADJUSTMENT CHARGE

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per kWh equal to the fuel adjustment amount per kWh as billed by the wholesale power supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve-month moving average of such losses. This Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

DATE OF ISSUE: September 20, 2018
Month / Date / Year

DATE EFFECTIVE: Service Rendered on and after October 25, 2018
Month / Date / Year

APPROVED BY: Carol Hill Spaley
(Signature of Officer)

TITLE: President and Chief Executive Officer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO.: 2018-00272 DATED: _____

SCHEDULE 11

CLASSIFICATION OF SERVICE

SMALL COMMERCIAL TIME OF DAY (TOD)

RATE PER UNIT

AVAILABILITY

Available to members of the Cooperative for all Small Commercial uses less than 50 KVA, subject to established rules and regulations. Approval of the Cooperative must be obtained prior to the installation of any motor having a rated capacity of five horsepower or more.

TYPE OF SERVICE

Single-phase and/or three-phase, 60 cycle, alternating current at the Cooperative's standard secondary voltages.

RATE

Customer Charge
On-peak Energy per kWh
Off-peak Energy per kWh

\$30.00 (I)
.19748
.06500 (I)

WINTER SCHEDULE

For the purpose of this tariff, the on-peak billing period for the months of October, November, December, January, February, March, & April is defined as 7:00 am to 11:00 am and 5:00 pm to 9:00 pm, Monday through Friday. The off-peak billing period is defined as 9:00 pm to 7:00 am and 11:00 am to 5:00 pm, Monday through Friday. All weekends and holidays are off-peak.

SUMMER SCHEDULE

For the purpose of this tariff, the on-peak billing period for the months of May, June, July, August, & September is defined as 1:00 pm to 9:00 pm, Monday through Friday. The off-peak billing period is defined as 9:00 pm to 1:00 pm, Monday through Friday. All weekends and holidays are off-peak.

MINIMUM MONTHLY CHARGE

The minimum monthly charge shall be the minimum charge specified in the contract, or the minimum monthly customer charge, or \$0.75 per KVA or installed capacity, whichever is greater.

DATE OF ISSUE: September 20, 2018
Month / Date / Year

DATE EFFECTIVE: Service Rendered on and after October 25, 2018
Month / Date / Year

ISSUED BY: Carol Hill Draley
(Signature of Officer)

TITLE: President and Chief Executive Officer

AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO.: 2018-00272 DATED: _____

SCHEDULE 15 CLASSIFICATION OF SERVICE

RESIDENTIAL DEMAND & ENERGY RATE	RATE PER UNIT
<p><u>Availability</u> Available to members of the Cooperative for all residential farm and home uses subject to established rules and regulations. Approval of the Cooperative must be obtained prior to the installation of any motor having a rated capacity of five horsepower or more.</p> <p><u>TYPE OF SERVICE</u> Single-phase and/or three-phase, 60 cycle, alternating current at the Cooperative's standard secondary voltages.</p> <p><u>RATE</u> Customer Charge Energy Charge per kWh Demand Charge per kW</p> <p><u>MINIMUM MONTHLY CHARGE</u> The minimum monthly charge shall be the minimum charge specified in the contract, or the minimum monthly customer charge, or \$0.75 per KVA or installed capacity, whichever is greater.</p> <p><u>FUEL ADJUSTMENT CHARGE</u> All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per kWh equal to the fuel adjustment amount per kWh as billed by the wholesale power supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve-month moving average of such losses. This Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.</p>	<p>\$22.50 (I) .06548 4.61</p>

DATE OF ISSUE: September 20, 2018
Month / Date / Year

DATE EFFECTIVE: Service Rendered on and after October 25, 2018
Month / Date / Year

ISSUED BY: *Carol Hill Stanley*
(Signature of Officer)
President and Chief Executive Officer

SCHEDULE 16

CLASSIFICATION OF SERVICE

SMALL COMMERCIAL DEMAND & ENERGY RATE

RATE PER UNIT

AVAILABILITY

Available to members of the Cooperative for Small Commercial uses less than 50 KVA, subject to established rules and regulations. Approval of the Cooperative must be obtained prior to the installation of any motor having a rated capacity of five horsepower or more.

TYPE OF SERVICE

Single-phase and/or three-phase, 60 cycle, alternating current at the Cooperative's standard secondary voltages.

RATE

Customer Charge
Energy Charge per kWh
Demand Charge per kW

(D)

MINIMUM MONTHLY CHARGE

The minimum monthly charge shall be the minimum charge specified in the contract, or the minimum monthly customer charge, or \$0.75 per KVA or installed capacity, whichever is greater.

FUEL ADJUSTMENT CHARGE

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per kWh equal to the fuel adjustment amount per kWh as billed by the wholesale power supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve-month moving average of such losses. This Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

DATE OF ISSUE: _____
Month / Date / Year

DATE EFFECTIVE: _____
Month / Date / Year

ISSUED BY: Carl Hill Truly
(Signature of Officer)

President and Chief Executive Officer

SCHEDULE 17

CLASSIFICATION OF SERVICE

WATER PUMPING SERVICE

RATE PER UNIT

Availability

Available for water pumping service in areas served by the Cooperative.

Conditions

Consumer shall have the option of service under this schedule or any other applicable rate schedule. Consumer, having selected one schedule, will continue to be billed under such schedule for not less than twelve (12) consecutive months, unless there should be a material and permanent change in Consumer's use of service.

Rate

Customer Charge Per Month – Includes No kWh Usage
On Peak Energy – per kWh per Month
Off Peak Energy – per kWh per Month

\$45.00 (I)
.14000 (I)
.07000 (I)

On - Peak Hours and Off-Peak Hours

On Peak Hours

May through September 10:00 a.m. to 10:00 p.m. EST
October through April 7:00 a.m. to 12:00 noon EST
5:00 p.m. to 10:00 p.m. EST

Peak Hours

May through September 10:00 p.m. to 10:00 a.m. EST
October through April 12:00 noon to 5:00 p.m. EST
10:00 p.m. to 7:00 a.m. EST

Minimum Monthly Charge

The minimum monthly charge shall be the minimum charge specified in the contract, or the minimum monthly customer charge, or \$.75 per **KVA** of installed transformer capacity, whichever may be greater.

Fuel Cost Adjustment Charge

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per kWh equal to the fuel adjustment amount per kWh as billed by the wholesale power supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve-month moving average of such losses. This Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

DATE OF ISSUE: September 20, 2018

Month / Date / Year

DATE EFFECTIVE: Service Rendered on and after October 25, 2018

Month / Date / Year

ISSUED BY: 

(Signature of Officer)

TITLE: President and Chief Executive Officer

GRAYSON RURAL ELECTRIC
COOPERATIVE CORPORATION

FOR: ENTIRE AREA SERVED
PSC NO.: 4
5th REVISED SHEET NO.: 18.10
CANCELING PSC NO.: 3
4th REVISED SHEET NO.: 18.10

SCHEDULE 18

CLASSIFICATION OF SERVICE

GENERAL SERVICE RATE

RATE PER UNIT

AVAILABILITY

Available for camps, barns, garages, outbuildings, domestic pumping stations, and unoccupied dwellings in areas served by the Cooperative, that are not eligible to be classified as permanent residential and small commercial uses subject to established rules and regulations. Approval of the Cooperative must be obtained prior to the installation of any motor having a rated capacity of five horsepower or more.

TYPE OF SERVICE

Single-phase and/or three-phase, 60 cycle, alternating current at the Cooperative's standard secondary voltages.

RATE

Customer Charge
Energy Charge per kWh

\$27.50 (I)
.14000 (I)

MINIMUM MONTHLY CHARGE

Minimum monthly charge shall be the minimum charge specified in the contract, or the minimum monthly customer charge, or \$0.75 per KVA of installed capacity, whichever is greater.

FUEL ADJUSTMENT CHARGE

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per kWh equal to the fuel adjustment amount per kWh as billed by the wholesale power supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve-month moving average of such losses. This Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

DATE OF ISSUE: September 20, 2018

Month / Date / Year

DATE EFFECTIVE: Service Rendered on and after October 25, 2018

Month / Date / Year

ISSUED BY: *Carol Hall Dickey*

(Signature of Officer)

E: President and Chief Executive Officer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO.: 2018-00272 DATED: _____

SCHEDULE 19

CLASSIFICATION OF SERVICE

TEMPORARY SERVICE RATE	RATE PER UNIT
<p><u>AVAILABILITY-DOMESTIC</u> Available to members of the Cooperative for all temporary service purposes subject to its established rules and regulations. Approval of the Cooperative must be obtained prior to the installation of any motor having a rated capacity of five horsepower or more.</p> <p><u>TYPE OF SERVICE</u> Single-phase and/or three-phase, 60 cycle, alternating current at the Cooperative's standard secondary voltages.</p> <p><u>RATE PER MONTH</u> Customer Charge Energy Charge Per KWH</p> <p><u>FUEL ADJUSTMENT CLAUSE</u> All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the Wholesale Power Supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve month moving average of such losses. The Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.</p> <p><u>MINIMUM CHARGE</u> The minimum monthly charge under the above rate shall be equal to the customer charge where 25 KVA or less of transformer capacity is required. For members requiring more than 25 KVA of transformer capacity, the minimum monthly charge shall be increased at a rate of \$.75 for each additional KVA or fraction thereof required. Where it is necessary to extend or reinforce existing distribution facilities, the minimum monthly charge may be increased to assure adequate compensation for the added facilities. Where the minimum charge is increased in accordance with this section, additional energy and demand shall be included in accordance with the foregoing rate schedule.</p>	<p>\$55.00 (I) .10175</p> <p>(T)</p>

DATE OF ISSUE: September 20, 2018
Month / Date / Year

DATE EFFECTIVE: Service Rendered on and after October 25, 2018
Month / Date / Year

ISSUED BY: *Carol Hill Dancy*
(Signature of Officer)

TITLE: President and Chief Executive Officer

AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

CASE NO.: 2018-00272 DATED: _____

SCHEDULE 20

CLASSIFICATION OF SERVICE

RESIDENTIAL INCLINING BLOCK RATE

RATE PER UNIT

AVAILABILITY

Available to members of the Cooperative for all residential farm and home uses subject to established rules and regulations. Approval of the Cooperative must be obtained prior to the installation of any motor having a rated capacity of five horsepower or more.

TYPE OF SERVICE

Single-phase and/or three-phase, 60 cycle, alternating current at the Cooperative's standard secondary voltages.

RATE

Customer Charge		\$22.50 (I)
First 300 kWh	per kWh	.07700 (I)
Next 200 kWh	per kWh	.09500 (I)
All Over 500 kWh	per kWh	.14000 (I)

MINIMUM MONTHLY CHARGE

The minimum monthly charge shall be the minimum charge specified in the contract, or the minimum monthly customer charge, or \$0.75 per KVA or installed capacity, whichever is greater.

FUEL ADJUSTMENT CHARGE

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per kWh equal to the fuel adjustment amount per kWh as billed by the wholesale power supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve-month moving average of such losses. This Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

DATE OF ISSUE: September 20, 2018
Month / Date / Year

DATE EFFECTIVE: Service Rendered on and after October 25, 2018
Month / Date / Year

ISSUED BY: *Carol Hill Orley*
(Signature of Officer)

TITLE: President and Chief Executive Officer

GRAYSON RURAL ELECTRIC
COOPERATIVE CORPORATION

SCHEDULE 1

CLASSIFICATION OF SERVICE

DOMESTIC – FARM & HOME SERVICE

RATE PER UNIT

AVAILABILITY-DOMESTIC

Available to members of the Cooperative for all residential farm and home uses subject to its established rules and regulations. Approval of the Cooperative must be obtained prior to the installation of any motor having a rated capacity of five horsepower or more.

TYPE OF SERVICE

Single-phase and/or three-phase, 60 cycle, alternating current at the Cooperative's standard secondary voltages.

RATE PER MONTH

Customer Charge
Energy Charge Per KWH

\$15.00 22.50 (I)
~~10658~~ 10636
(~~DR~~)

FUEL ADJUSTMENT CLAUSE

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the Wholesale Power Supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve month moving average of such losses. The Fuel clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

MINIMUM CHARGE

The minimum monthly charge under the above rate shall be equal to the customer charge \$15.00 where 25 KVA or less of transformer capacity is required. For members requiring more than 25 KVA of transformer capacity, the minimum monthly charge shall be increased at a rate of \$.75 for each additional KVA or fraction thereof required. Where it is necessary to extend or reinforce existing distribution facilities, the minimum monthly charge may be increased to assure adequate compensation for the added facilities. Where the minimum charge is increased in accordance with this section, additional energy and demand shall be included in accordance with the foregoing rate schedule.

(T)

DATE OF ISSUE: August 7, 2017 ~~September 20, 2018~~

Month / Date / Year

DATE EFFECTIVE: Service Rendered on and after September 1, 2017
2018

Month / Date / Year

SIGNED BY: _____
(Signature of Officer)

TITLE: President and Chief Executive Officer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO.: 2017-000132018-00272 DATED: August 7, 2017

GRAYSON RURAL ELECTRIC
COOPERATIVE CORPORATION

SCHEDULE 2

CLASSIFICATION OF SERVICE

COMMERCIAL AND SMALL POWER LESS THAN 50 KVA, INCLUDING PUBLIC BUILDINGS, SCHOOLS, CHURCHES, ETC.

RATE PER UNIT

AVAILABILITY OF SERVICE

Available to members of the Cooperative for all Commercial and Small Power uses less than 50 KVA, subject to its established rules and regulations. Approval of the Cooperative must be obtained prior to the installation of any motor having a rated capacity of five horsepower or more.

TYPE OF SERVICE

Single-phase and/or three-phase, 60 cycle, alternating current at the Cooperative's standard secondary voltages.

RATE PER MONTH

Customer Charge
Energy Charge per KWH

\$27.5030.00 (I)
-10444.10441

FUEL ADJUSTMENT CLAUSE

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the Wholesale Power Supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve month moving average of such losses. The Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

(RD)

MINIMUM CHARGE

The minimum monthly charge under the above rate shall be equal to the customer charge \$27.50 where 25 KVA or less of transformer capacity is required. For members requiring more than 25 KVA of transformer capacity, the minimum monthly charge shall be increased at a rate of \$.75 for each additional KVA or fraction thereof required. Where it is necessary to extend or reinforce existing distribution facilities, the minimum monthly charge may be increased to assure adequate compensation for the added facilities. Where the minimum charge is increased in accordance with this section, additional energy and demand shall be included in accordance with the foregoing rate schedule.

(T)

DATE OF ISSUE: August 7, 2017 ~~September 20, 2018~~

Month / Date / Year

DATE EFFECTIVE: Service Rendered on and after September 1, 2017 ~~October 25, 2018~~

Month / Date / Year

SIGNED BY: _____
(Signature of Officer)

TITLE: President and Chief Executive Officer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO.: 2017-000432018-00272 DATED: August 7, 2017

GRAYSON RURAL ELECTRIC
COOPERATIVE CORPORATION

SCHEDULE 3

CLASSIFICATION OF SERVICE

OFF-PEAK MARKETING RATE

RATE PER UNIT

AVAILABILITY OF SERVICE

Available to members of the Cooperative eligible for service under Tariff Schedule 1-- Domestic-Farm & Home Service, or Tariff Schedule 2--Commercial and Small Power Less than 50 KVA, who have installed Cooperative approved load management devices for the use of power during off-peak hours. This rate shall only apply to programs which have been expressly approved by the Public Service Commission to be offered under the Marketing Rate of East Kentucky Power Cooperative's Wholesale Rate Schedule A.

TYPE OF SERVICE

Single-phase and/or three-phase, 60 cycle, alternating current at the Cooperative's standard secondary voltages.

RATE PER MONTH

OFF PEAK RATE: ALL KWH used by approved load management devices

.05973 (D)

PEAK PERIODSWINTER SCHEDULE

For the purpose of this tariff, the on-peak billing period for the months of October, November, December, January, February, March, and April is defined as 7 a.m. to 12 noon and from 5 p.m. to 10 p.m., local time, for all days of the week, including Saturday, Sunday and holidays. The off-peak billing period is defined as 10 p.m. to 7 a.m. and from 12 noon to 5 p.m., local time, for all days of the week, including Saturday, Sunday and holidays.

SUMMER SCHEDULE

For the purpose of this tariff, the on-peak billing period for the months of May, June, July, August, and September is defined as 10 a.m. to 10 p.m., local time, for all days of the week, including Saturdays, Sundays and holidays. The off-peak billing period is defined as 10 p.m. to 10 a.m., local time, for all days of the week, including Saturday, Sunday, and holidays.

DATE OF ISSUE: August 7, 2017
Month / Date / Year

DATE EFFECTIVE: Service Rendered on and after September 1, 2017
Month / Date / Year

ISSUED BY: _____
(Signature of Officer)

E: _____
President and Chief Executive Officer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO.: 2017-000132018-00272 DATED: August 7, 2017

GRAYSON RURAL ELECTRIC
COOPERATIVE CORPORATION

SCHEDULE 4

CLASSIFICATION OF SERVICE

LARGE POWER SERVICE-SINGLE AND THREE-PHASE

50-999 KVA

RATE PER UNIT

AVAILABILITY

Available to ~~members~~ consumers located on or near the Cooperative's facilities for Commercial service. ~~Members~~ Consumers shall contract for a definite amount of electrical capacity in kilovolt-amperes which shall be sufficient to meet normal maximum requirements but in no case shall the capacity contracted be less than 50 KVA. The Cooperative may not be required to supply capacity in excess multiples of 25 KVA.

(T)
(T)

TYPE OF SERVICE

Single-phase, three-phase, 60 cycles, at Cooperative's standard voltage.

RATE PER MONTH

Customer Charge
Demand Charge per KW
Energy Charge per KWH

\$~~63.02~~67.50 (I)
8.54
____.05968 (+)

DETERMINATION OF BILLING DEMAND

The billing demand shall be the maximum kilowatt demand established by the consumer for any fifteen consecutive minutes during the month for which the bill is rendered, as indicated or recorded by a demand meter and adjusted for power factor as provided in the power factor adjustment clause.

POWER FACTOR ADJUSTMENT

The consumer agrees to maintain unity power factor as nearly as practicable. The measured demand will be demand to correct for average power factors lower than 90%, and may be so adjusted for other consumers if and when the Cooperative deems necessary. Such adjustments will be made by increasing the measured demand by 1% for each 1% by which the average power factor is less than 90% lagging.

RULES AND REGULATIONS

Service under this tariff is subject to the terms of all rules and regulations of the Cooperative that have been or may be adopted by its Board of Director's.

DATE OF ISSUE: August 7, 2017 ~~September 20, 2018~~

Month / Date / Year

DATE EFFECTIVE: Service Rendered on and after September 1, 2018 ~~September 25, 2017~~

Month / Date / Year

SIGNED BY: _____

(Signature of Officer)

TITLE: President and Chief Executive Officer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO.: 2017-000132018-00272 DATED: August 7, 2017

GRAYSON RURAL ELECTRIC
COOPERATIVE CORPORATION

SCHEDULE 4 (con't)

CLASSIFICATION OF SERVICE

LARGE POWER SERVICE-SINGLE AND THREE-PHASE	50-999 KVA (T)	RATE PER UNIT
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FUEL ADJUSTMENT CLAUSE

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per kWh equal to the fuel adjustment amount per kWh as billed by the wholesale Power supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve month moving average of such losses. The Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

MINIMUM MONTHLY CHARGE

The minimum monthly charge shall be the highest one of the following charges as determined for the consumer in question:

1. The minimum monthly charge as specified in the contract for service
2. The customer charge. ~~A charge of \$63.02.~~

(T)

MINIMUM ANNUAL CHARGE FOR SEASONAL SERVICE

Consumer's requiring service only during certain seasons not exceeding nine (9) months per year may guarantee a minimum annual charge, in which case there shall be no minimum monthly charge. The minimum annual charge shall be sufficient to assure adequate compensation for the facilities installed to serve the consumer, and in no event shall it be less than \$9.00 per kVA of installed transformer capacity, of \$714.72, whichever is greater.

METERING

Necessary metering equipment will be furnished and maintained by the Cooperative which shall have the option of metering service supplied hereunder at either primary or secondary voltage.

SERVICE PROVISIONS

1. Motors having a rated capacity in excess of five horsepower (5 H.P.), must be three-phase unless written permission has been obtained from the cooperative.
2. Both power and lighting shall be billed at the foregoing rate. If a separate meter is required for the lighting circuit the registrations of the two watt-hour meters shall be added to obtain total kilowatt-hours used and registrations of the two demand meters shall be added

DATE OF ISSUE: July 31, 2013 ~~September 20, 2018~~

Month / Date / Year

DATE EFFECTIVE: Service Rendered on and after July 30 October 25, 2013 ~~2018~~

Month / Date / Year

ISSUED BY: _____

(Signature of Officer)

TITLE: President and Chief Executive Officer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO.: 2012-004262018-00272 DATED: July 31, 2013

GRAYSON RURAL ELECTRIC
COOPERATIVE CORPORATION

SCHEDULE 5

CLASSIFICATION OF SERVICE

STREET LIGHTING SERVICE

RATE PER UNIT

AVAILABILITY

Available to rural communities and villages for street lighting.

BASE RATE PER LIGHT PER YEAR

For dusk to dawn lighting with lights mounted on existing wooden poles with bracket attachments and connected to existing overhead secondary circuits.

For the following monthly charges the Cooperative will furnish, install and maintain the lighting fixtures and accessories including hardware, control, lamps, overhead wiring, etc.; and the energy required.

<u>Lamp Size</u>	<u>Mercury Vapor Lamps</u>	<u>Annual Charge Per Lamp</u>
7,000 Lumens 175 Watt	\$10.49 per Month	\$125.88

(D)

FUEL ADJUSTMENT CLAUSE

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the Wholesale Power Supplier plus an allowance for line losses. The allowance for line losses will not exceed 5% and is based on a twelve month moving average of such losses. The Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

CONDITIONS OF SERVICE

1. Street lighting equipment including lamps, fixtures, control and the necessary street lighting circuits, transformers and additional guys and fittings will be furnished and maintained by the Cooperative.

2. Lamp replacements will be made by the Cooperative without additional charge, except that any damage to lamps and luminaries resulting from vandalism shall be charges to consumer at cost as a separate item on the monthly bill for service. Outages should be promptly reported.

3. This schedule applies to either multiple or series street lighting circuits. The Cooperative will determine the type of circuit.

REFER TO BASIS FOR THE ACCOUNTABILITY OF ENERGY USED BY SECURITY LIGHTS.

DATE OF ISSUE: August 7, 2017
Month / Date / Year

DATE EFFECTIVE: Service Rendered on and after September 1, 2017
Month / Date / Year

ISSUED BY: _____
(Signature of Officer)

TITLE: President and Chief Executive Officer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO.: 2018-00272 2017-00043 DATED: August 7, 2017

GRAYSON RURAL ELECTRIC
COOPERATIVE CORPORATION

SCHEDULE 6

CLASSIFICATION OF SERVICE

OUTDOOR LIGHTING SERVICE – SECURITY LIGHTS

RATE PER UNIT

AVAILABILITY

Available to members customers, other than towns and villages, for dusk to dawn outdoor lighting on existing overhead secondary circuits.

RATE PER LIGHT PER MONTH

MERCURY VAPOR LIGHTING

7,000 Lumens High Pressure Sodium Lamp
10,000 Lumens High Pressure Sodium
Flood Lighting

~~\$40.15~~12.50 (ID)
~~\$42.83~~15.00 (ID)
~~\$48.79~~21.50 (I)

LED LIGHTING

3,600 LED Yard Light
19,176 LED Flood Light

~~\$40.22~~12.50 (ID)
~~\$23.00~~26.00 (ID)

STREET LIGHTING

7,000 Lumens

\$12.75 (N)

FUEL ADJUSTMENT CLAUSE

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased an amount per KWH equal to the fuel adjustment amount per KWH as billed by the Wholesale Power Supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve month moving average of such losses. The Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

CONDITIONS OF SERVICE

1. The Cooperative shall furnish, install, and maintain the outdoor lighting equipment including lamp, luminaire, bracket attachment and control device on an existing pole of the Cooperative, electrically connected so that power for operation of the light does not pass through out the meter for the consumer's other usage, at a location mutually agreeable to both the Cooperative and the customer.

2. The Cooperative shall maintain the lighting equipment, including lamp replacement, at no additional cost the customer within 72 hours after the customer notifies the Cooperative of the need for maintenance of the lighting equipment.

3. The lighting equipment shall remain the property of the Cooperative. The customer shall protect the lighting equipment from deliberate damage.

DATE OF ISSUE: August 7, 2017 - September 20, 2018
Month / Date / Year

DATE EFFECTIVE: Service Rendered on and after October 25, 2018 ~~September 1, 2017~~
Month / Date / Year

SIGNED BY: _____
(Signature of Officer)

TITLE: President and Chief Executive Officer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO.: 2018-00272 2017-00013 DATED: _____

GRAYSON RURAL ELECTRIC
COOPERATIVE CORPORATION

FOR: ENTIRE AREA SERVED
PSC NO.: 6
132TH REVISED SHEET NO.: 7.00
CANCELING PSC NO.: 5
124TH REVISED SHEET NO.: 7.00

SCHEDULE 7

CLASSIFICATION OF SERVICE

ALL ELECTRIC SCHOOLS (A.E.S.)

RATE PER UNIT

APPLICABLE

In all territory served by Seller.

AVAILABILITY

Available to all public or not-profit private schools whose total energy requirement, including but not limited to heating, air conditioning, lighting and water heating, is supplied electricity furnished by the Cooperative, subject to its established rules and regulations.

CHARACTER OF SERVICE

The electric service furnished under this rate schedule will be 60 cycle, alternating current, single phase or three phase service, present facilities permitting, and at the following nominal voltages: Single Phase: 120, 12002/240, 480, 24004/480 volts; Three Phase: 120/240, 120/208Y, 240/480280, 277/480Y volts.

(T)
(T)

RATE PER MONTH

Customer Charge
Demand Charge per KW
Energy Charge per KWH

\$31,0435.00 (I)
6,486.50

(I)
____.07110,07310
(ID)

MINIMUM CHARGE

The minimum annual charge shall be sufficient to assure adequate compensation for the facilities installed to serve the consumer, and in no event shall it be less than \$9.00 per KVA of required transformer capacity as determined by the Cooperative, or the amount specified in the contract for service, whichever is greater.

TERMS OF CONTRACT

Service under this rate schedule will be furnished under an "Agreement for Purchase of Power", for a term of not less than five (5) years.

TERMS OF PAYMENT

The above rates are net, the gross being ten percents higher. In the event the current monthly bill is not paid within fifteen (15) days from the mailing date of the bill, the gross rates shall apply.

DATE OF ISSUE: August 7, 2017 September 20, 2018

Month / Date / Year

DATE EFFECTIVE: Service Rendered on and after September 1, 2017 October 25, 2018

Month / Date / Year

JED BY: _____
(Signature of Officer)

TITLE: President and Chief Executive Officer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO.: 2017-00043 2018-00272 DATED: August 7, 2017

GRAYSON RURAL ELECTRIC
COOPERATIVE CORPORATION

Schedule 10

CLASSIFICATION OF SERVICE

RESIDENTIAL TIME OF DAY (TOD)

RATE PER UNIT

AVAILABILITY

Available to members of the Cooperative for all residential farm and home uses subject to its established rules and regulations. Approval of the Cooperative must be obtained prior to the installation of any motor having a rated capacity of five horsepower or more.

TYPE OF SERVICE

Single-phase and/or three-phase, 60 cycle, alternating current at the Cooperative's standard secondary voltages.

RATE

Customer Charge
On-Peak Energy per kWh
Off-Peak Energy per kWh

\$19.00 ~~22.50~~ (I)
.19748 ~~(D)~~
.05973.06500
(ID)

WINTER SCHEDULE

For the purpose of this tariff, the on-peak billing period for the months of October, November, December, January, February, March, & April is defined as 7:00 am to 11:00 am and 5:00 pm to 9:00 pm, Monday through Friday. The off-peak billing period is defined as 9:00 pm to 7:00 am and 11:00 am to 5:00 pm, Monday through Friday. All weekends and holidays are off-peak.

SUMMER SCHEDULE

For the purpose of this tariff, the on-peak billing period for the months of May, June, July, August, & September is defined as 1:00 pm to 9:00 pm, Monday through Friday. The off-peak billing period is defined as 9:00 pm to 1:00 pm, Monday through Friday. All weekends and holidays are off-peak.

MINIMUM MONTHLY CHARGE

The minimum monthly charge shall be the minimum charge specified in the contract, or the minimum monthly customer charge, or \$0.75 per KVA or installed capacity, whichever is greater.

FUEL ADJUSTMENT CHARGE

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per kWh equal to the fuel adjustment amount per kWh as billed by the wholesale power supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve-month moving average of such losses. This Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

DATE OF ISSUE: August 7, 2017 September 20, 2018

Month / Date / Year

DATE EFFECTIVE: Service Rendered on and after October 25, 2018 September 1, 2017

Month / Date / Year

SIGNED BY: _____

(Signature of Officer)

TITLE: President and Chief Executive Officer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO.: 2017-00013 2018-00272 DATED: August 7, 2017

SCHEDULE 11

CLASSIFICATION OF SERVICE

SMALL COMMERCIAL TIME OF DAY (TOD)

RATE PER UNIT

AVAILABILITY

Available to members of the Cooperative for all Small Commercial uses less than 50 KVA, subject to established rules and regulations. Approval of the Cooperative must be obtained prior to the installation of any motor having a rated capacity of five horsepower or more.

TYPE OF SERVICE

Single-phase and/or three-phase, 60 cycle, alternating current at the Cooperative's standard secondary voltages.

RATE

Customer Charge
On-peak Energy per kWh
Off-peak Energy per kWh

\$27.5030.00 (I)
.19748 (D)
~~.05973~~ .06500
(ID)

WINTER SCHEDULE

For the purpose of this tariff, the on-peak billing period for the months of October, November, December, January, February, March, & April is defined as 7:00 am to 11:00 am and 5:00 pm to 9:00 pm, Monday through Friday. The off-peak billing period is defined as 9:00 pm to 7:00 am and 11:00 am to 5:00 pm, Monday through Friday. All weekends and holidays are off-peak.

SUMMER SCHEDULE

For the purpose of this tariff, the on-peak billing period for the months of May, June, July, August, & September is defined as 1:00 pm to 9:00 pm, Monday through Friday. The off-peak billing period is defined as 9:00 pm to 1:00 pm, Monday through Friday. All weekends and holidays are off-peak.

MINIMUM MONTHLY CHARGE

The minimum monthly charge shall be the minimum charge specified in the contract, or the minimum monthly customer charge, or \$0.75 per KVA or installed capacity, whichever is greater.

DATE OF ISSUE: August 7, 2017 September 20, 2018
Month / Date / Year

DATE EFFECTIVE: Service Rendered on and after October 25, 2018 September 1, 2017
Month / Date / Year

ISSUED BY: _____
(Signature of Officer)

President and Chief Executive Officer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO.: 2017-00043 2018-00272 DATED: August 7, 2017

GRAYSON RURAL ELECTRIC
COOPERATIVE CORPORATION

FOR: ENTIRE AREA SERVED
PSC NO.: 3
~~4th~~ ~~3rd~~ REVISED SHEET NO.: 15.10
CANCELING PSC NO.: 2
~~3rd~~ ~~2nd~~ REVISED SHEET NO.: 15.10

SCHEDULE 15

CLASSIFICATION OF SERVICE

RESIDENTIAL DEMAND & ENERGY RATE

RATE PER UNIT

Availability

Available to members of the Cooperative for all residential farm and home uses subject to established rules and regulations. Approval of the Cooperative must be obtained prior to the installation of any motor having a rated capacity of five horsepower or more.

TYPE OF SERVICE

Single-phase and/or three-phase, 60 cycle, alternating current at the Cooperative's standard secondary voltages.

RATE

Customer Charge
Energy Charge per kWh
Demand Charge per kW

~~\$20.00~~ 22.50 (I)
.06548 (D)
4.61

MINIMUM MONTHLY CHARGE

The minimum monthly charge shall be the minimum charge specified in the contract, or the minimum monthly customer charge, or \$0.75 per KVA or installed capacity, whichever is greater.

FUEL ADJUSTMENT CHARGE

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per kWh equal to the fuel adjustment amount per kWh as billed by the wholesale power supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve-month moving average of such losses. This Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

DATE OF ISSUE: August 7, 2017 ~~September 20, 2018~~
Month / Date / Year

DATE EFFECTIVE: Service Rendered on and after October 25, 2018 ~~September 1, 2017~~
Month / Date / Year

ISSUED BY: _____
(Signature of Officer)

TITLE: President and Chief Executive Officer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO.: 2017-00013 2018-00272 DATED: August 7, 2017

GRAYSON RURAL ELECTRIC
COOPERATIVE CORPORATION

FOR: ENTIRE AREA SERVED
PSC NO.: 3
3rd-4th REVISED SHEET NO.: 16.10
CANCELING PSC NO.: 2
2nd-3rd REVISED SHEET NO.: 16.10

SCHEDULE 16 CLASSIFICATION OF SERVICE

SMALL COMMERCIAL DEMAND & ENERGY RATE RATE PER UNIT

AVAILABILITY

Available to members of the Cooperative for Small Commercial uses less than 50 KVA, subject to established rules and regulations. Approval of the Cooperative must be obtained prior to the installation of any motor having a rated capacity of five horsepower or more.

TYPE OF SERVICE

Single-phase and/or three-phase, 60 cycle, alternating current at the Cooperative's standard secondary voltages.

RATE

Customer Charge	\$27.50
Energy Charge per kWh	.06284 (D)
Demand Charge per kW	6.10

MINIMUM MONTHLY CHARGE

The minimum monthly charge shall be the minimum charge specified in the contract, or the minimum monthly customer charge, or \$0.75 per KVA or installed capacity, whichever is greater.

FUEL ADJUSTMENT CHARGE

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per kWh equal to the fuel adjustment amount per kWh as billed by the wholesale power supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve-month moving average of such losses. This Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

DATE OF ISSUE: August 7, 2017
Month / Date / Year

DATE EFFECTIVE: Service Rendered on and after September 1, 2017
Month / Date / Year

ISSUED BY: _____
(Signature of Officer)

E: _____
President and Chief Executive Officer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO.: 2017-00043 2018-00272 DATED: August 7, 2017

SCHEDULE 17

CLASSIFICATION OF SERVICE

WATER PUMPING SERVICE

RATE PER UNIT

Availability

Available for water pumping service in areas served by the Cooperative.

Conditions

Consumer shall have the option of service under this schedule or any other applicable rate schedule. Consumer, having selected one schedule, will continue to be billed under such schedule for not less than twelve (12) consecutive months, unless there should be a material and permanent change in Consumer's use of service.

Rate

Customer Charge Per Month – Includes No kWh Usage
On Peak Energy – per kWh per Month
Off Peak Energy – per kWh per Month

\$41,3945.00 (I)
-13244.14000
(ID)
-06748.07000
(ID)

On - Peak Hours and Off-Peak Hours

On Peak Hours

May through September 10:00 a.m. to 10:00 p.m. EST
October through April 7:00 a.m. to 12:00 noon EST
5:00 p.m. to 10:00 p.m. EST

Peak Hours

May through September 10:00 p.m. to 10:00 a.m. EST
October through April 12:00 noon to 5:00 p.m. EST
10:00 p.m. to 7:00 a.m. EST

Minimum Monthly Charge

The minimum monthly charge shall be the minimum charge specified in the contract, or the minimum monthly customer charge, or \$.75 per KVA of installed transformer capacity, whichever may be greater.

Fuel Cost Adjustment Charge

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per kWh equal to the fuel adjustment amount per kWh as billed by the wholesale power supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve-month moving average of such losses. This Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

DATE OF ISSUE: August 7, 2017 September 20, 2018

Month / Date / Year

DATE EFFECTIVE: Service Rendered on and after October 25, 2018 ~~September 1, 2017~~

Month / Date / Year

SIGNED BY: _____

(Signature of Officer)

TITLE: President and Chief Executive Officer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO.: 2018-002722917-00013 DATED: August 7, 2017

GRAYSON RURAL ELECTRIC
COOPERATIVE CORPORATION

FOR: ENTIRE AREA SERVED
PSC NO.: 4
~~5th~~ 4th REVISED SHEET NO.: 18.10
CANCELING PSC NO.: 3
4th 3rd REVISED SHEET NO.: 18.10

SCHEDULE 18

CLASSIFICATION OF SERVICE

GENERAL SERVICE RATE

RATE PER UNIT

AVAILABILITY

Available for camps, barns, garages, outbuildings, domestic pumping stations, and unoccupied dwellings in areas served by the Cooperative, that are not eligible to be classified as permanent residential and small commercial uses subject to established rules and regulations. Approval of the Cooperative must be obtained prior to the installation of any motor having a rated capacity of five horsepower or more.

TYPE OF SERVICE

Single-phase and/or three-phase, 60 cycle, alternating current at the Cooperative's standard secondary voltages.

RATE

Customer Charge
Energy Charge per kWh

\$22.5027.50 (I)
~~.12795.14000~~
(ID)

MINIMUM MONTHLY CHARGE

The minimum monthly charge shall be the minimum charge specified in the contract, or the minimum monthly customer charge, or \$0.75 per KVA of installed capacity, whichever is greater.

FUEL ADJUSTMENT CHARGE

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per kWh equal to the fuel adjustment amount per kWh as billed by the wholesale power supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve-month moving average of such losses. This Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

DATE OF ISSUE: August 7, 2017 September 20, 2018

Month / Date / Year

DATE EFFECTIVE: Service Rendered on and after October 25, 2018 September 1, 2017

Month / Date / Year

ISSUED BY: _____
(Signature of Officer)

TITLE: President and Chief Executive Officer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO.: 2018-002722017-00013 DATED: August 7, 2017

GRAYSON RURAL ELECTRIC
COOPERATIVE CORPORATION

FOR: ENTIRE AREA SERVED
PSC NO.: 2
2nd-3rd REVISED SHEET NO.: 19.10
CANCELING PSC NO.: 1
4st-2nd REVISED SHEET NO.: 19.10

SCHEDULE 19

CLASSIFICATION OF SERVICE

TEMPORARY SERVICE RATE

RATE PER UNIT

AVAILABILITY-DOMESTIC

Available to members of the Cooperative for all temporary service purposes subject to its established rules and regulations. Approval of the Cooperative must be obtained prior to the installation of any motor having a rated capacity of five horsepower or more.

TYPE OF SERVICE

Single-phase and/or three-phase, 60 cycle, alternating current at the Cooperative's standard secondary voltages.

RATE PER MONTH

Customer Charge
Energy Charge Per KWH

\$51.7355.00 (I)
.10175 (D)

FUEL ADJUSTMENT CLAUSE

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the Wholesale Power Supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve month moving average of such losses. The Fuel use is subject to all other applicable provisions as set out in 807 KAR 5:056.

MINIMUM CHARGE

The minimum monthly charge under the above rate shall be \$50 equal to the customer charge where 25 KVA or less of transformer capacity is required. For members requiring more than 25 KVA of transformer capacity, the minimum monthly charge shall be increased at a rate of \$.75 for each additional KVA or fraction thereof required. Where it is necessary to extend or reinforce existing distribution facilities, the minimum monthly charge may be increased to assure adequate compensation for the added facilities. Where the minimum charge is increased in accordance with this section, additional energy and demand shall be included in accordance with the foregoing rate schedule.

(T)

DATE OF ISSUE: August 7, 2017 September 20, 2018

Month / Date / Year

DATE EFFECTIVE: Service Rendered on and after September 1, 2017 October 25, 2018

Month / Date / Year

ISSUED BY: _____

(Signature of Officer)

TITLE: President and Chief Executive Officer

AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO.: 2017-000132018-00272 DATED: August 7, 2017

GRAYSON RURAL ELECTRIC
COOPERATIVE CORPORATION

FOR: ENTIRE AREA SERVED
PSC NO.: 3
~~4th 3rd~~-REVISED SHEET NO.: 20.10
CANCELING PSC NO.: 2
~~3rd 2nd~~-REVISED SHEET NO.: 20.10

SCHEDULE 20

CLASSIFICATION OF SERVICE

RESIDENTIAL INCLINING BLOCK RATE

RATE PER UNIT

AVAILABILITY

Available to members of the Cooperative for all residential farm and home uses subject to established rules and regulations. Approval of the Cooperative must be obtained prior to the installation of any motor having a rated capacity of five horsepower or more.

TYPE OF SERVICE

Single-phase and/or three-phase, 60 cycle, alternating current at the Cooperative's standard secondary voltages.

RATE

Customer Charge
First 300 kWh per kWh
Next 200 kWh per kWh
All Over 500 kWh per kWh

\$15.0022.50 (I)
-07180.07700
(ID)
-08754.09500
(ID)
-13482.14000
(ID)

MINIMUM MONTHLY CHARGE

The minimum monthly charge shall be the minimum charge specified in the contract, or the minimum monthly customer charge, or \$0.75 per KVA or installed capacity, whichever is greater.

FUEL ADJUSTMENT CHARGE

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per kWh equal to the fuel adjustment amount per kWh as billed by the wholesale power supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve-month moving average of such losses. This Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

DATE OF ISSUE: August 7, 2017 September 20, 2018

Month / Date / Year

DATE EFFECTIVE: Service Rendered on and after October 25, 2018 September 1, 2017

Month / Date / Year

ISSUED BY: _____

(Signature of Officer)

President and Chief Executive Officer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO.: 2018-002722017-00043

DATED: August 7, 2017

Official Notice

Grayson Rural Electric Cooperative Corporation ("Grayson Rural Electric"), with its principal office at Grayson, Kentucky and its address at 109 Bagby Park, Grayson Kentucky 41143, intends to file with the Kentucky Public Service Commission in Case No. 2018-00272 an application to adjust its retail rates and charges. This adjustment will result in a general rate increase to the member-consumers of Grayson Rural Electric. The proposed effective date of these new rates is October 25, 2018 and these rates are to be filed with the Commission on September 20, 2018.

Grayson Rural Electric gives notice that it is requesting approval to discontinue Schedule 3, Off-Peak Marketing Rate that is available as a rider to eligible members under Schedule 1, Domestic Farm & Home, Schedule 2, Commercial and Small Power Less than 50 KVA, and Schedule 18, General Service Rate, which includes the rate under which their Electric Thermal Storage ("ETS") heater program has been sold and operated. Members who continue to use the ETS heater program will no longer receive any repair services or the 40% discounted rate on the electricity the heater uses. Members will be reclassified to their respective rate schedules where they will no longer receive the discount.

Grayson Rural Electric gives notice that it is requesting to discontinue Schedule 16, Small Commercial Demand & Energy Rate. Members on this rate will be served using Schedule 2, Commercial and Small Power Less than 50 KVA, which does not include a demand charge.

Grayson Rural Electric gives notice that it is requesting to move Schedule 5, Street Lighting Service to Schedule 6, Outdoor Lighting Service since the lighting is the same for both schedules.

The present and proposed rates for each customer classification are provided below:

	Rates	
	Present	Proposed
Schedule 1 Domestic Farm & Home		
Customer Charge	\$15.00	\$22.50
Energy charge Per KWH	\$0.10658	\$0.10636
Schedule 2, Commercial and Small Power		
Customer Charge	\$27.50	\$30.00
Energy charge Per KWH	\$0.10444	\$0.10441
Schedule 3, Off-Peak Marketing Rate		
Customer charge	\$15.00	\$0.00
Energy Charge per KWH- On-Peak	\$0.10658	\$0.00000
Energy Charge per KWH- Off-Peak	\$0.05973	\$0.00000
Schedule 4, Large Power Service-Single and Three-Phase		
Customer Charge	\$63.02	\$67.50
Demand Charge per KW	\$8.54	\$8.54
Primary Meter Credit per KW	(\$0.15)	(\$0.15)
Energy charge Per KWH	\$0.05968	\$0.05968
Schedule 5, Street Lighting Service		
7,000 Lumens	\$10.49	\$0.00
Schedule 6, Outdoor Lighting Service		
Mercury Vapor Lighting		
7,000 Lumens HPS	\$10.15	\$12.50
10,000 Lumens HPS	\$12.83	\$15.00
Flood Lighting	\$18.79	\$21.50

LED Lighting		
3,600 LED Yard Light	\$10.22	\$12.50
19,176 LED Flood Light	\$23.00	\$26.00
Street Lighting		
7,000 Lumens HPS	\$10.49	\$12.75
Schedule 7, All electric Schools		
Customer Charge	\$31.04	\$35.00
Demand Charge per KW	\$6.48	\$6.50
Energy charge Per KWH	\$0.07110	\$0.07310
Schedule 10, Residential Time-of-Day		
Customer Charge	\$19.00	\$22.50
Energy Charge per KWH- On-Peak	\$0.19748	\$0.19748
Energy Charge per KWH- Off-Peak	\$0.05973	\$0.06500
Schedule 11, Small Commercial Time-of-Day		
Customer Charge	\$27.50	\$30.00
Energy Charge per KWH- On-Peak	\$0.19748	\$0.19748
Energy Charge per KWH- Off-Peak	\$0.05973	\$0.06500
Schedule 14(a), Large Industrial Service		
Customer Charge	\$566.12	\$566.12
Demand Charge per KW of Contract	\$7.23	\$7.23
Demand Charge per KW of Excess	\$10.50	\$10.50
Energy charge Per KWH	\$0.04650	\$0.04650
Schedule 15, Residential Demand & Energy Rate		
Customer Charge	\$20.00	\$22.50
Demand Charge per KW	\$4.61	\$4.61
Energy charge Per KWH	\$0.06548	\$0.06548
Schedule 16, Small Commercial Demand & Energy Rate		
Customer Charge	\$27.50	\$0.00
Demand Charge per KW	\$6.10	\$0.00
Energy charge Per KWH	\$0.06281	\$0.00000
Schedule 17, Water Pumping Service		
Customer Charge	\$41.39	\$45.00
Energy Charge per KWH- On-Peak	\$0.13241	\$0.14000
Energy Charge per KWH- Off-Peak	\$0.06748	\$0.07000
Schedule 18, General Service Rate		
Customer Charge	\$22.50	\$27.50
Energy Charge per KWH	\$0.12795	\$0.14000
Schedule 19, Temporary Service Rate		
Customer Charge	\$51.73	\$55.00
Energy Charge per KWH	\$0.10175	\$0.10175
Schedule 20, Inclining Block Rate		
Customer Charge	\$15.00	\$22.50
Energy Charge per KWH-First 300	\$0.07180	\$0.07700
Energy Charge per KWH-Next 200	\$0.08754	\$0.09500
Energy Charge per KWH-All Over 500	\$0.13482	\$0.14000

Schedule 21, Prepay Metering Program (Residential)		
Customer Charge	\$15.00	\$22.50
Energy Charge per KWH	\$0.10658	\$0.10636
Monthly Program Fee	\$10.00	\$10.00
Schedule 22, Prepay Metering Program (General Service)		
Customer Charge	\$22.50	\$27.50
Energy Charge per KWH	\$0.12795	\$0.14000
Monthly Program Fee	\$10.00	\$10.00
Schedule Net Metering, Residential		
Customer Charge	\$15.00	\$22.50
Energy Charge per KWH	\$0.10658	\$0.10636
Received KWH	\$0.10658	\$0.10636
Schedule Net Metering, General Service Rate		
Customer Charge	\$22.50	\$27.50
Energy Charge per KWH	\$0.12795	\$0.14000
Received KWH	\$0.12795	\$0.14000

The amount of the change requested in dollar amounts and percentage change for each customer classification is presented below:

	Increase	
	Dollar	Percent
Schedule 1, Domestic - Farm & Home Service	\$982,559	5.7%
Schedule 2, Commercial and Small Power	\$58,285	3.0%
Schedule 3, Off-Peak Marketing Rate	\$0	0.0%
Schedule 4, Large Power Service-Single and Three-Phase	\$3,530	0.2%
Schedule 5, Street Lighting Service	(\$5,780)	-100.0%
Schedule 6, Outdoor Lighting Service	\$124,732	22.3%
Schedule 7, All Electric Schools	\$10,630	2.3%
Schedule 10, Residential Time of Day	\$253	4.9%
Schedule 11, Small Commercial Time of Day (TOD)	\$0	0.0%
Schedule 14(a), Large Industrial Service	\$0	0.0%
Schedule 15, Residential Demand & energy Rate	\$0	0.0%
Schedule 16, Small Commercial Demand & Energy Rate	(\$18,538)	-100.0%
Schedule 17, Water Pumping Service	\$77	6.8%
Schedule 18, General Service Rate	\$196,560	15.3%
Schedule 19, Temporary Service Rate	\$2,560	2.4%
Schedule 20, Inclining Block Rate	\$4,280	24.1%
Schedule 21, Prepay Metering Program (Residential)	\$62,333	5.4%
Schedule 22, Prepay Metering Program (General Service)	\$1,440	11.8%
Schedule Net Metering, Residential	\$369	9.7%
Schedule Net Metering, General Service Rate	\$25	22.2%

The amount of the average usage and the effect upon the average bill for each customer classification is provided below:

	Ave Monthly kWh Usage	Increase	
		Dollar	Percent
Schedule 1, Domestic - Farm & Home Service	1,063	\$7.35	5.7%
Schedule 2, Commercial and Small Power	1,160	\$4.42	3.0%
Schedule 3, Off-Peak Marketing Rate	0	\$0.00	0.0%
Schedule 4, Large Power Service-Single and Three-Phase	29,121	\$4.48	0.2%
Schedule 5, Street Lighting Service	0	\$0.00	0.0%
Schedule 6, Outdoor Lighting Service	70	\$2.39	22.3%
Schedule 7, All Electric Schools	45,556	\$98.42	2.3%
Schedule 10, Residential Time of Day	1,912	\$10.53	4.9%
Schedule 11, Small Commercial Time of Day (TOD)	0	\$0.00	0.0%
Schedule 14(a), Large Industrial Service	1,293,750	\$0.00	0.0%
Schedule 15, Residential Demand & energy Rate	0	\$0.00	0.0%
Schedule 16, Small Commercial Demand & Energy Rate	3,735	\$0.00	0.0%
Schedule 17, Water Pumping Service	476	\$6.44	6.8%
Schedule 18, General Service Rate	212	\$7.57	15.3%
Schedule 19, Temporary Service Rate	850	\$3.27	2.4%
Schedule 20, Inclining Block Rate	225	\$9.07	24.1%
Schedule 21, Prepay Metering Program (Residential)	1,042	\$7.27	5.4%
Schedule 22, Prepay Metering Program (General Service)	483	\$10.83	11.8%
Schedule Net Metering, Residential	832	\$7.37	9.7%
Schedule Net Metering, General Service Rate	23	\$5.00	22.2%

A person may examine this application at the offices of Grayson Rural Electric located at 109 Bagby Park, Grayson, Kentucky, 41143. A person may examine the application at the Commission's office located at 211 Sower Boulevard, Frankfort, KY, Monday through Friday at 8:00 a.m. to 4:30 p.m., or through the Commission's Web site at <http://psc.ky.gov>.

Comments regarding this application may be submitted to the Kentucky Public Service Commission through its Web site or by mail to the Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602.

The rates contained in this notice are the rates proposed by Grayson Rural Electric but, that the Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice.

A person may submit a timely written request for intervention to the Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602, establishing the grounds for the request, including the status and interest of the party. If the Commission does not receive a written request for intervention within thirty (30) days of initial publication or mailing of the notice, the Commission may take final action on the application.

Grayson Rural Electric Cooperative Corporation

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

August 13, 2018

Ms. Gwen R. Pinson
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40602

RE: In the Matter of Adjustment of Rates of Grayson Rural Electric Cooperative
Corporation Case No. 2018-00272

Ms. Pinson:

This is to advise, in accordance with the Commission's Administrative Regulation 807 KAR 5:001, Section 16(2), that, no sooner than thirty (30) days and no later than sixty (60) days from your receipt of this letter, Grayson Rural Electric Cooperative Corporation ("Grayson") intends to file an application for an increase in its retail rates. Pursuant to 807 KAR 5:001 Section 16(2)(a), Grayson states that its rate application will be based on a historical test year ending December 31, 2017.

If there are any questions concerning this matter, please contact me at your convenience.

Respectfully submitted,


Carol Hall Fraley
President & CEO

Copy to:

Attorney General's Office of Rate Intervention
Via email: rateintervention@ag.ky.gov

05283

T.I.E.R. January 2018's monthly O.T.I.E.R. was 7.37 with the rolling 12 month O.T.I.E.R. of (0.41).

BILLS BY COUNTY There were 15,389 bills for January 2018. Bills per county were Carter 4,590, Elliott 3,666, Greenup 4,281, Lawrence 774, Lewis 313 and Rowan 1,765.

APPROVAL OF FINANCIAL & STATISTICAL REPORT FOR JANUARY 2018 Motion was made by Director Trent, seconded by Director Martin and unanimously agreed to approve the Financial and Statistical Report for January 2018, as presented for informational purposes only.

RATE INCREASE President Fraley addressed a rate increase for GRECC. Bradley gave a presentation of the past 3-4 years financial reports. She explained that we could expect a letter from RUS concerning T.I.E.R. and that a rate increase would be a recommended part of the reply to that answer.

The chart on page 3 explains data from 2014-2017. Degree days have decreased by 1,400 days, dropping our revenue by almost \$5.4 million. Even though our expenses have decreased by \$3.5 million, we are at the point where our revenue is insufficient. A good portion of the increase appears to be due to weather. We have to make T.I.E.R. of 2.25 and O.T.I.E.R of 1.1, for two out of three years.

Our rate case will be based on the following reasons:

- A decrease in kWh sales, resulting in diminished operating revenue.
- A decrease in member accounts.
- An increase in debt coverage.
- Inability to meet T.I.E.R. in 2017.
- Budgeted financials that indicate Grayson R.E.C.C. will be unable to meet T.I.E.R. in 2018.



1 Grayson Rural Electric Cooperative Corporation
 2 Case No. 2018-00272
 3 Billing Summary
 4 December 31, 2017

Ehibit G
 page 1 of 1
 Witness: James Adkins

Rate Schedule	KWH Usage		Test Year Revenue	% of Total	Normalized Case No. 2017-00013		Proposed Revenue	% of Total	Increase	
	Test Year	Proposed			Total	Total			Amount	Percent
1 - Domestic - Farm & Home Service	142,343,499	142,343,499	\$ 17,419,799	64%	\$ 17,145,343	64%	\$ 18,127,902	64%	\$ 982,559	5.7%
2 - Commercial and Small Power	15,322,451	15,546,553	1,988,490	7%	1,961,059	7%	2,019,344	7%	58,285	3.0%
4 - Large Power Service-Single and Three-Phase	22,947,105	22,947,105	2,241,141	8%	2,199,471	8%	2,203,001	8%	3,530	0.2%
5 - Street Lighting Service	-	-	5,859	0%	5,780	0%	-	0%	(5,780)	0.0%
6 - Outdoor Lighting Service	3,713,787	3,713,787	561,082	2%	559,431	2%	684,162	2%	124,732	22.3%
7 - All Electric Schools	4,920,047	4,920,047	479,167	2%	470,417	2%	481,046	2%	10,630	2.3%
10 - Residential Time of Day	45,888	45,888	4,819	0%	5,108	0%	5,361	0%	253	4.9%
14(a) - Large Industrial Service	31,050,000	31,050,000	1,926,119	7%	1,873,737	7%	1,873,737	7%	-	0.0%
16 - Small Commercial Demand & Energy Rate	224,102	-	18,957	0%	18,538	0%	-	0%	(18,538)	-100.0%
17 - Water Pumping Service	5,710	5,710	1,144	0%	1,133	0%	1,211	0%	77	6.8%
18 - General Service Rate	5,503,290	5,503,290	1,293,882	5%	1,284,013	5%	1,480,573	5%	196,560	15.3%
19 - Temporary Service Rate	665,686	665,686	108,089	0%	106,953	0%	109,514	0%	2,560	2.4%
20 - Inclining Block Rate	131,477	131,477	17,962	0%	17,750	0%	22,030	0%	4,280	24.1%
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22 - Prepay Metering Program (General Service)	64,302	64,302	12,251	0%	12,159	0%	13,599	0%	1,440	11.8%
NM - Residential	41,614	41,614	3,824	0%	3,782	0%	4,151	0%	369	9.7%
NM - General Service Rate	113	113	113	0%	113	0%	138	0%	25	22.2%
Envirowatts			1,568	0%	1,568	0%	1,568	0%	-	0.0%
Rounding							764		764	
	<u>235,909,658</u>	<u>235,909,658</u>	<u>27,251,259</u>	100%	<u>\$ 26,819,694</u>	100%	<u>\$ 28,243,772</u>	100%	<u>\$ 1,424,078</u>	5.3%
Fuel Adjustment Billed			(1,341,554)							
Environmental Surcharge Billed			2,248,780							
Net Fuel/Environmental			907,226							
Total Revenue			28,158,485		\$ (431,565)		\$ 1,424,078			
					-1.6%		5.3%			
Test year revenues			<u>26,471,422</u>							
Adjust for billing			<u>\$ 1,687,063</u>							

**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

In the Matter of:

APPLICATION OF GRAYSON RURAL ELECTRIC)	
COOPERATIVE CORPORATION FOR AN)	CASE NO.
ADJUSTMENT OF RATES)	2018-00272

PREPARED TESTIMONY OF CAROL H. FRALEY

- Q1. Would you please state your name and business address.
- R1. Carol H. Fraley, with a business address of 109 Bagby Park, Grayson, KY 41143.
- Q2. What is your occupation?
- R2. President and CEO of Grayson Rural Electric Cooperative ("GRECC").
- Q3. How long have you been employed by GRECC?
- R3. I have been employed by GRECC since January 1979 as the Manager of Marketing and Member Services. I was promoted to my current position in July 1994.
- Q4. What is your educational background?
- R4. I received a Master of Science in Education Degree from the University of Kentucky in 1980.
- Q5. Why is GRECC filing this application?
- R5. GRECC is filing this application because it was in violation of its mortgage agreement for 2017 Operating Times Interest Earned Ratio ("OTIER") of 1.10X and with the potential of not meeting this ratio for 2018.

Q6. When was GRECC's last rate application?

R6. GRECC's last rate application was filed in 2012 in Case No. 2012-00426.

Q7. Are you familiar with the contents of this application?

R7. Yes, I am familiar with the contents as I have worked closely with Mr. Bradley Cherry of GRECC and Mr. James Adkins, rate consultant, in the development of this application.

Q8. What are the reasons for GRECC's need for an increase in revenue from rates?

R8. GRECC needs a level of margins that provides for its operating needs, to maintain its mortgage agreements and to pay capital credits.

Q9. What is the basis for the amount of increase that GRECC is requesting?

R9. The amount of increase GRECC is seeking is based on its normalized test year revenues and expenses to obtain a TIER of 2.0X.

Q10. What is GRECC doing to assist its members in the areas of rates and rate design?

R10. GRECC continues to try to establish contracts with outside power suppliers at lower prices than those rates offered by our power supplier, East Kentucky Power Cooperative ("EKPC"). We are also working closely with EKPC's Solar Program to offer blocks of solar power to our members. We have carefully considered our rate structure and have identified several rate classes that we are proposing to combine or eliminate for the benefit of our members.

Q11. What is GRECC doing to assist its members in the area of paying their bills?

R11. GRECC offers budget or levelized billing payment plans and billing contracts. We continue to offer PrePay as a way for members to obtain service without paying high deposits. We work closely with Community Action Programs such as LIHEAP to make our members aware of available assistance in paying their bills.

Q12. What costs savings measures has GRECC implemented or are implementing?

R12. We did not replace an employee upon retirement in 2017 and will not replace another in 2018. We have instituted the use of tablets in service vehicles, which allows efficient routing of our work. We are taking advantage of programs available to us through our CIS vendor, SEDC, which will help us in increasing the automation of work. We use "just in time" purchasing, blanket purchasing, and carefully select our suppliers based on price and reliability. We have started using pole top covers to increase the life span of our poles and have instituted a pole testing program that should help us prevent service interruptions and lengthy outage times. We retrieve and reuse electric meters on a scheduled basis.

Q13. What is the basis for the allocation of the increase to GRECC's rate classes?

R13. The basis for the allocation of increase to GRECC's various rate classes is based on a Cost of Service Study ("COSS") included in this application as Exhibit R.


Q14. What is GRECC's test year in this application?

R14. The test year for this application is the twelve month period ending December 31, 2017. The Board of Directors and the management of GRECC constantly monitor the Cooperative's finances and operations on a monthly basis. After careful review of the 2017 financial reports, the Board of Directors determined that GRECC should file a rate application with the Kentucky Public Service Commission.

Q15. Does this conclude your testimony?

R15. Yes, it does.

Affiant, Carol H. Fraley, states that the answers given by her to the foregoing questions are true and correct to the best of her knowledge and belief.



Carol Hall Fraley, President and CEO

Subscribed and sworn to before me by the affiant, Carol Hall Fraley, this 18th day of September 2018.

My Commission expires March 22, 2021.



Notary Public, State at Large

**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

In the Matter of:

APPLICATION OF GRAYSON RURAL ELECTRIC)	
COOPERATIVE CORPORATION FOR AN)	CASE NO.
ADJUSTMENT OF RATES)	2018-00272

Q1. Would you please state your name and business address?

R1. James Bradley Cherry, with a business address of 109 Bagby Park Street, Grayson, KY 41143.

Q2. What is your occupation?

R2. I am currently the Manager of Finance & Accounting for Grayson Rural Electric.

Q3. How long have you been employed by Grayson Rural Electric?

R3. I have been employed by Grayson Rural Electric since January of 2011. I was hired in the position of Purchasing Agent and was later promoted in 2016 to my current position as Manager of Finance & Accounting.

Q4. What is your education and work experience?

R4. I graduated from the University of Kentucky in 2004 with a Bachelor of Business Administration in Decision Science and Information Systems and minor in Economics. Upon graduation, I was employed by the University of Kentucky and Chandler Medical Hospital as an IS Tech Support assistant in the Clinical Engineering department and later promoted to the Manager of the same department until leaving in 2011 for Grayson Rural Electric. While working for the University of Kentucky, I obtained my Masters of Business Administration in 2009.

Q5. Why is Grayson filing this application?

R5. Grayson is filing this application due to deteriorating financial conditions of the cooperative. Due to declining sales and increased operating costs, margins have not been sufficient in meeting financial ratios key to Grayson's mortgage agreements with RUS and CFC.

Q6. When was Grayson's last rate application?

R6. Grayson's last rate application was filed in 2012 in Case No. 2012-00426.

Q7. Are you familiar with the contents of this application and the accounting process and procedures in regards to electric cooperatives?

R7. Yes, I am familiar with the contents of this application and have assisted in the preparation of exhibits and overall supervision of the preparation of this application. I have worked closely with our rate consultants through the preparation of our Application and its Exhibits.

Q8. Is the information contained in the notice true and factual?

R8. Yes, the information contained in the notice is true and factual.

Q9. What is the basis for the allocation of the increase to Grayson's rate classes?

R9. The basis for the allocation of the increase to Grayson's various rate classes is based on a Cost of Service Study included in the application as Exhibit R. This cost of service study indicates that most rate classes are not providing revenue sufficient to recover the revenue requirements for those classes while some are providing revenue in excess of their revenue requirements. Grayson has chosen to concentrate the majority of their requested increase towards the customer service charge, as a way of mitigating no load growth, decreased sales due to weather and efficiencies, and continued rising costs.

Q10. Is Grayson providing any other changes in its rates?

R10. Grayson is requesting to discontinue two schedules that are currently available: Schedule 3, Off-Peak Marketing Rate and Schedule 16, Small Commercial Demand & Energy Rate. Grayson also requests to combine Schedule 5, Street Lighting Service and Schedule 6, Outdoor Lighting Service into one schedule encompassing all Lighting services.

Q11. Is the amount of increase requested sufficient for Grayson's present and future needs?

R11. Yes, Grayson's staff feels that the increase requested will be sufficient for present and future needs.

Q12. Does this conclude your testimony?

R12. Yes, this concludes my testimony.

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

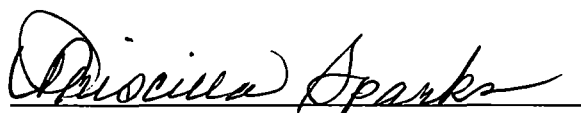
APPLICATION OF GRAYSON RURAL ELECTRIC)
COOPERATIVE CORPORATION FOR AN) CASE NO.
ADJUSTMENT OF RATES) 2018-00272

Affiant, James Bradley Cherry, states that the answers given by him to the foregoing questions are true and correct to the best of his knowledge and belief.


James Bradley Cherry, Manager of Finance & Accounting

Subscribed and sworn to before me by the affiant, James Bradley Cherry, this 18th day of September 2018.

My Commission expires March 22, 2021


Notary Public, State at Large

**GRAYSON RURAL ELECTRIC COOPERATIVE, INC.
APPLICATION FOR AN INCREASE IN ELECTRIC UTILITY RATES
CASE NO. 2018-00272**

DIRECT TESTIMONY OF JAMES R. ADKINS

Q1. State your name and business address.

A1. My name is James R. Adkins and my address is 2189 Roswell Dr., Lexington, KY 40513.

Q2. What is your past experience in cost of service studies and rate design for electric utilities?

A2. I have been dealing with electric utility cost of service studies, rate design, revenue requirements and many different types of projects in the accounting and financial aspects of an electric utility for over forty years.

Q3. What is your experience in the electric utility industry?

A3. I spent twenty-five years as the rate/pricing manager for East Kentucky Power Cooperative ("EKPC"). For the last fifteen years, I have provided similar consulting services to electric cooperatives.

Q4. Have you ever appeared as a witness before this Commission?

A4. I have appeared as a witness before this Commission many times for East Kentucky Power Cooperative and for all the distribution cooperatives of EKPC and for two of the distribution cooperatives of Big Rivers Electric Corporation.

Q5. What is your education background?

A5. I have a Bachelor of Science Degree in Finance and a Master's Degree in Accounting. Both of my degrees are from the University of Kentucky.

Q6. What has been your role in the preparation of this Application?

A6. My role in this application has been to assist and support to Grayson Rural Electric Cooperative, Inc. ("Grayson") in the development of revenue requirements and the completion of the cost of service study, and the rate design proposed in this Application.

Q7. What is the basis for the proposed rates and increase amounts for each rate class in this Application?

A7. Guidance on the proposed rate design has been provided by the senior management and the board of directors of Grayson. The general guidance in the proposed rates and increase amounts were the following ones:

- Use the results of the Cost of Service Study (“COSS”) as a general guide in the development of the proposed rates and in the determination of the increase amounts for each rate class;
- Increase the customer charge for all rate classes to better reflect the customer related costs for each rate class; and
- The increase amount for the residential rate class is to be kept at a reasonable amount.

Q8. The results of the COSS indicate that only a few rate classes are providing revenue that exceeds the costs to serve and many rate classes are providing revenues less than the costs to serve. Why are those rate classes with revenues more than the cost to service receiving an increase in their proposed rates?

A8. These classes are receiving some type of increased in the proposed rates primarily to keep the proposed increase for the residential rate class to the stated goal. See the table provided below which indicates the percentage the total increase proposed for each rate class

Q9. What are the major proposals in rate design that are being proffered in this application?

A9. It is very apparent that over fifty percent of the requested increase is going to

Rate 1 – Domestic * Farm & Home Service. A large amount of the proposed increase is being placed on the customer charge. Emphasis is also being placed on the customer charge in the other rate classes as well.

Q10. What is the purpose for placing most of the proposed increase on the customer charge?

A10. The rationale for placing most of the requested increase on the customer charge is the following ones.

- It better matches the customer/member related costs with the customer charge but it is still very significantly less than full cost recovery,
- With energy conservation and energy efficiency being promoted by all facets of society, increasing the customer charge raises the revenue floor for Grayson and better insures that members pay a larger amount toward their total customer related costs.
- It lessens somewhat but does not eliminate the revenue volatility for Grayson that it now experiences especially during extreme weather seasons of summer and winter.
- And, it is the better approach to take for the future rate and revenue stability of the Cooperative.

Q11. Do the proposed rates and increase meet the needs of Grayson?

A11. It meets the immediate needs of Grayson based on the guidance laid out by the senior management of the Cooperative and it has been approved by its Board of Directors.

Q12. Are you responsible for the Cost of Service Study (“COSS”)?

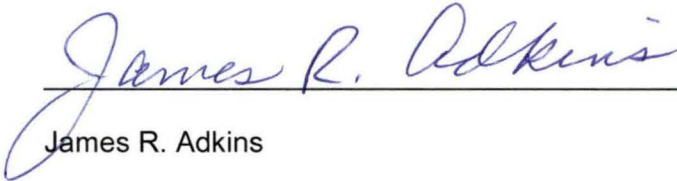
A12. I am responsible for the COSS. The COSS is used in two primary ways in this Application. One, it is used to assist in the determination of the amount of proposed increase for each rate class and the proposed rate design. The COSS is comprised of three (3) major components: functionalization of costs with functions being based on type of plant, classification of costs into a demand, energy, and consumer components, and the allocation of costs to each rate class. The results of the COSS do indicate that some rate classes are providing revenue greater than the cost to serve while others are providing revenue less than the cost to serve.

Q14. Does this conclude your testimony?

A14. Yes, this concludes my testimony.

Affiant, James R. Adkins, states that the answers given by him in the foregoing questions are true and correct to the best of his knowledge and belief.

Affiant, James R. Adkins, states that the answers given by him in the foregoing questions are true and correct to the best of his knowledge and belief.


James R. Adkins

Subscribed and sworn to before me by the affiant, James R. Adkins, this 18th
of September, 2018.



Notary Public, Kentucky State at Large

My Commission Expires March 22, 2021

Grayson Rural Electric Cooperative Corporation
Case No. 2018-00272
Average Bill for Residential Rate Class
Schedule 1 - Domestic - Farm & Home Service

	<u>Present</u>	<u>Proposed</u>
Customer charge	\$ 15.00	\$ 22.50
Energy charge	\$0.10658	\$0.10636

<u>kwh Usage</u>	<u>Existing Rate</u>	<u>Proposed Rate</u>	<u>Increase</u>	
			<u>Amount</u>	<u>Percent</u>
0	\$15.00	\$22.50	\$7.50	50.0%
25	17.66	25.16	7.49	42.4%
50	20.33	27.82	7.49	36.8%
100	25.66	33.14	7.48	29.1%
150	30.99	38.45	7.47	24.1%
200	36.32	43.77	7.46	20.5%
250	41.65	49.09	7.45	17.9%
300	46.97	54.41	7.43	15.8%
350	52.30	59.73	7.42	14.2%
400	57.63	65.04	7.41	12.9%
450	62.96	70.36	7.40	11.8%
500	68.29	75.68	7.39	10.8%
600	78.95	86.32	7.37	9.3%
700	89.61	96.95	7.35	8.2%
800	100.26	107.59	7.32	7.3%
900	110.92	118.22	7.30	6.6%
1,000	121.58	128.86	7.28	6.0%
1,100	132.24	139.50	7.26	5.5%
1,200	142.90	150.13	7.24	5.1%
1,300	153.55	160.77	7.21	4.7%
1,400	164.21	171.40	7.19	4.4%
1,500	174.87	182.04	7.17	4.1%
1,600	185.53	192.68	7.15	3.9%
1,700	196.19	203.31	7.13	3.6%
1,800	206.84	213.95	7.10	3.4%
1,900	217.50	224.58	7.08	3.3%
2,000	228.16	235.22	7.06	3.1%
The average monthly usage				
1,063	128.31	135.57	7.27	5.7%

1 Grayson Rural Electric Cooperative Corporation
 2 Case No. 2018-00272
 3 Billing Summary
 4 December 31, 2017

Rate Schedule	KWH Usage		Test Year Revenue	% of Total	Normalized Case No. 2017-00013	% of Total	Proposed Revenue	% of Total	Increase	
	Test Year	Proposed							Amount	Percent
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Rounding							764		764	
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Net Fuel/Environmental			<u>907,226</u>							
Total Revenue			28,158,485		\$ (431,565)		\$ 1,424,078			
					-1.6%		5.3%			
Test year revenues			<u>26,471,422</u>							
Adjust for billing			<u>\$ 1,687,063</u>							

Schedule 1 - Domestic - Farm & Home Service

Description	Billing Determinants	Test Year Revenue	Normalized Case No. 2017-00013		Proposed	
			Rates	Revenues	Rates	Revenues
Customer Charge	133,664	\$ 2,004,960	\$ 15.00	2,004,960	\$ 22.50	\$ 3,007,440
Energy Charge Per KWH	142,100,290	15,418,719	\$ 0.10658	15,145,049		
Energy Charge Per KWH - Off-Peak	243,209	15,313	\$ 0.05973	14,527		
Total KWH	<u>142,343,499</u>				\$ 0.10636	15,139,655
Prorate Customer Charge		(19,193)		(19,193)		(19,193)
Total from base rates		<u>17,419,799</u>		<u>\$ 17,145,343</u>		<u>\$ 18,127,902</u>
Fuel Adjustment		(806,420)				
Environmental Surcharge		<u>1,479,469</u>				
Total Revenues		<u>\$ 18,092,848</u>				
Change:						
Amount				\$ (274,456)		\$ 982,559
Percent				-1.6%		5.7%
Average monthly usage		1,063				
Average monthly bill		\$ 130.33		\$ 128.27		\$ 135.62
Amount of change				\$ (2.05)		\$ 7.35
Percent of change				-1.6%		5.7%

(Schedule 16 Combined for Proposed)

Schedule 2 - Commercial and Small Power

Description	Billing Determinants	Test Year Revenue	Normalized Case No. 2017-00013		Proposed	
			Rates	Revenues	Rates	Revenues
Customer Charge	13,197	\$ 362,917	\$ 27.50	362,918		
Customer Charge	13,257				\$ 30.00	\$ 397,710
Energy Charge Per KWH	15,310,066	1,626,379	\$ 0.10444	1,598,983		
Energy Charge Per KWH - Off-Peak	12,385	776	\$ 0.05973	740		
Total KWH	<u>15,322,451</u>					
Total KWH	<u>15,546,553</u>				\$ 0.10441	1,623,216
Prorate Customer Charge		(1,582)		(1,582)		(1,582)
Total from base rates		1,988,490		<u>\$ 1,961,059</u>		<u>\$ 2,019,344</u>
Fuel Adjustment		(89,051)				
Environmental Surcharge		<u>168,946</u>				
Total Revenues		<u>\$ 2,068,385</u>				
Change:						
Amount				\$ (27,431)		\$ 58,285
Percent				-1.4%		3.0%
Average monthly usage		1,160				
Average monthly bill		\$ 150.68		\$ 148.60		\$ 153.02
Amount of change				\$ (2.08)		\$ 4.42
Percent of change				-1.4%		3.0%

Schedule 4 - Large Power Service-Single and Three-Phase

Description	Billing Determinants	Test Year Revenue	Normalized Case No. 2017-00013		Proposed	
			Rates	Revenues	Rates	Revenues
Customer Charge	788	\$ 49,659	\$ 63.02	49,660	\$ 67.50	\$ 53,190
Demand Charge per KW	89,717	766,187	\$ 8.54	766,183	\$ 8.54	766,183
Primary Meter Credit per KW	19,453	(2,918)	\$ (0.15)	(2,918)	\$ (0.15)	(2,918)
Energy Charge Per KWH	22,947,105	1,404,551	\$ 0.05968	1,369,483	\$ 0.05968	1,369,483
Difference to Contract Minimum		23,662		17,063		17,063
Total from base rates		<u>2,241,141</u>		<u>\$ 2,199,471</u>		<u>\$ 2,203,001</u>
Fuel Adjustment		(132,764)				
Environmental Surcharge		<u>181,692</u>				
Total Revenues		<u>\$ 2,290,069</u>				
Change:						
Amount				\$ (41,670)		\$ 3,530
Percent				-1.9%		0.2%
Average monthly usage		29,121				
Average monthly bill		\$ 2,844.09		\$ 2,791.21		\$ 2,795.69
Amount of change				\$ (52.88)		\$ 4.48
Percent of change				-1.9%		0.2%

(Combined with Outdoor Lighting)

Schedule 5 - Street Lighting Service

Description	Billing Determinants	Test Year Revenue	Normalized Case No. 2017-00013		Proposed	
			Rates	Revenues	Rates	Revenues
7,000 Lumens	551	\$ 5,859	\$ 10.49	5,780	\$	-
KWH usage						
Total from base rates		<u>5,859</u>		<u>\$ 5,780</u>	<u>\$</u>	<u>-</u>
Fuel Adjustment						
Environmental Surcharge						
Total Revenues		<u>\$ 5,859</u>				
Change:						
Amount				\$ (79)	\$	(5,780)
Percent						

Average monthly usage
Average monthly bill
Amount of change
Percent of change

Schedule 6 - Outdoor Lighting Service
Street Lighting included

Description	Billing Determinants	Test Year Revenue	Normalized Case No. 2017-00013		Proposed	
			Rates	Revenues	Rates	Revenues
Mercury Vapor Lighting						
7,000 Lumens HPS	41,320	\$ 425,370	\$ 10.15	419,398	\$ 12.50	\$ 516,500
10,000 Lumens HPS			\$ 12.83	-	\$ 15.00	\$ -
Flood Lighting	3,253	\$ 61,582	\$ 18.79	61,124	\$ 21.50	\$ 69,940
LED Lighting						
3,600 LED Yard Light	7,703	\$ 79,726	\$ 10.22	78,725	\$ 12.50	\$ 96,288
19,176 LED Flood Light	2	\$ 46	\$ 23.00	46	\$ 26.00	\$ 52
Street Lighting						
7,000 Lumens HPS	551		\$ 10.49	5,780	\$ 12.75	\$ 7,025
KWH Usage	<u>3,713,787</u>					
Prorate monthly lighting		<u>(5,642)</u>		<u>(5,642)</u>		<u>(5,642)</u>
Total from base rates		561,082		<u>\$ 559,431</u>		<u>\$ 684,162</u>
Fuel Adjustment		(1,013)				
Environmental Surcharge		<u>2,150</u>				
Total Revenues		<u>\$ 562,219</u>				
Change:						
Amount				\$ (1,651)		\$ 124,732
Percent				-0.3%		22.3%
Average monthly bill		\$ 10.73		\$ 10.70		\$ 13.09
Amount of change				\$ (0.03)		\$ 2.39
Percent of change				-0.3%		22.3%

Schedule 7 - All Electric Schools

Description	Billing Determinants	Test Year Revenue	Normalized Case No. 2017-00013		Proposed	
			Rates	Revenues	Rates	Revenues
Customer Charge	108	\$ 3,352	\$ 31.04	3,352	\$ 35.00	\$ 3,780
Demand Charge per KW	18,094	117,250	\$ 6.48	117,249	\$ 6.50	117,611
Energy Charge Per KWH	4,920,047	358,565	\$ 0.07110	349,815	\$ 0.07310	359,655
				-		-
Total from base rates		<u>479,167</u>		<u>\$ 470,417</u>		<u>\$ 481,046</u>
Fuel Adjustment		(28,289)				
Environmental Surcharge		<u>38,980</u>				
Total Revenues		<u>\$ 489,858</u>				
Change:						
Amount				\$ (8,750)		\$ 10,630
Percent				-1.8%		2.3%
Average monthly usage		45,556				
Average monthly bill		\$ 4,436.73		\$ 4,355.71		\$ 4,454.13
Amount of change				\$ (81.02)		\$ 98.42
Percent of change				-1.8%		2.3%

Schedule 10 - Residential Time of Day

Description	Billing Determinants	Test Year Revenue	Normalized Case No. 2017-00013		Proposed	
			Rates	Revenues	Rates	Revenues
Customer Charge	24	\$ 456	\$ 19.00	456	\$ 22.50	\$ 540
Energy Charge Per KWH - On-Peak	13,875	2,763	\$ 0.19748	2,740	\$ 0.19748	2,740
Energy Charge Per KWH - Off-Peak	32,013	1,973	\$ 0.05973	1,912	\$ 0.06500	2,081
Total KWH	<u>45,888</u>					
Billing adjustment, prior to test year		(373)		-		-
Total from base rates		<u>4,819</u>		<u>\$ 5,108</u>		<u>\$ 5,361</u>
Fuel Adjustment		(260)				
Environmental Surcharge		<u>394</u>				
Total Revenues		<u>\$ 4,953</u>				
Change:						
Amount			\$	289	\$	253
Percent				6.0%		4.9%
Average monthly usage		1,912				
Average monthly bill	\$	200.79	\$	212.84	\$	223.37
Amount of change			\$	12.05	\$	10.53
Percent of change				6.0%		4.9%

Schedule 14(a) - Large Industrial Service

Description	Billing Determinants	Test Year Revenue	Normalized Case No. 2017-00013		Proposed	
			Rates	Revenues	Rates	Revenues
Customer Charge	24	\$ 13,587	\$ 566.12	13,587	\$ 566.12	\$ 13,587
Demand Charge per KW of Contract	55,650	402,350	\$ 7.23	402,350	\$ 7.23	402,350
Demand Charge per KW of Excess	1,331	13,976	\$ 10.50	13,976	\$ 10.50	13,976
Energy Charge Per KWH	31,050,000	1,496,206	\$ 0.04650	1,443,825	\$ 0.04650	1,443,825
Total from base rates		<u>1,926,119</u>		<u>\$ 1,873,737</u>		<u>\$ 1,873,737</u>
Fuel Adjustment		(191,656)				
Environmental Surcharge		<u>161,410</u>				
Total Revenues		<u>\$ 1,895,873</u>				
Change:						
Amount				\$ (52,382)		\$ -
Percent				-2.7%		0.0%
Average monthly usage		1,293,750				
Average monthly bill		\$ 80,254.96		\$ 78,072.37		\$ 78,072.37
Amount of change				\$ (2,182.59)		\$ -
Percent of change				-2.7%		0.0%

(Combining with Schedule 2)

Schedule 16 - Small Commercial Demand & Energy Rate

Description	Billing Determinants	Test Year Revenue	Normalized Case No. 2017-00013		Proposed	
			Rates	Revenues	Rates	Revenues
Customer Charge	60	\$ 1,650	\$ 27.50	1,650	\$ -	-
Demand Charge per KW	461	2,812	\$ 6.10	2,812	-	-
Energy Charge Per KWH	224,102	14,495	\$ 0.06281	14,076	-	-
				-		-
Total from base rates		<u>18,957</u>		<u>\$ 18,538</u>	<u>\$ -</u>	
Fuel Adjustment		(1,302)				
Environmental Surcharge		<u>1,511</u>				
Total Revenues		<u>\$ 19,166</u>				
Change:						
Amount				\$ (419)	\$ (18,538)	
Percent				-2.2%	-100.0%	
Average monthly usage		3,735				
Average monthly bill		\$ 315.95		\$ 308.97	\$ -	
Amount of change				\$ (6.98)	\$ (308.97)	
Percent of change				-2.2%	-100.0%	

Schedule 17 - Water Pumping Service

Description	Billing Determinants	Test Year Revenue	Normalized Case No. 2017-00013		Proposed	
			Rates	Revenues	Rates	Revenues
Customer Charge	12	\$ 497	\$ 41.39	497	\$ 45.00	\$ 540
Energy Charge Per KWH - On-Peak	3,870	518	\$ 0.13241	512	\$ 0.14000	542
Energy Charge Per KWH - Off-Peak	1,840	129	\$ 0.06748	124	\$ 0.07000	129
Total KWH	<u>5,710</u>			-		-
Total from base rates		<u>1,144</u>		<u>\$ 1,133</u>		<u>\$ 1,211</u>
Fuel Adjustment		(34)				
Environmental Surcharge		<u>95</u>				
Total Revenues		<u>\$ 1,205</u>				
Change:						
Amount				\$ (11)		\$ 77
Percent				-0.9%		6.8%
Average monthly usage		476				
Average monthly bill		\$ 95.33		\$ 94.44		\$ 100.88
Amount of change				\$ (0.89)		\$ 6.44
Percent of change				-0.9%		6.8%

Schedule 18 - General Service Rate

Description	Billing Determinants	Test Year Revenue	Normalized Case No. 2017-00013		Proposed	
			Rates	Revenues	Rates	Revenues
Customer Charge	25,959	\$ 584,078	\$ 22.50	584,078	\$ 27.50	\$ 713,873
Energy Charge Per KWH - On-Peak	5,496,694	713,148	\$ 0.12795	703,302		
Energy Charge Per KWH - Off-Peak	6,596	416	\$ 0.05973	394		
Total KWH	<u>5,503,290</u>				\$ 0.14000	770,461
Prorate Customer Charge		(3,760)		(3,760)		(3,760)
Total from base rates		<u>1,293,882</u>		<u>\$ 1,284,013</u>		<u>\$ 1,480,573</u>
Fuel Adjustment		(32,337)				
Environmental Surcharge		<u>111,354</u>				
Total Revenues		<u>\$ 1,372,899</u>				
Change:						
Amount				\$ (9,869)		\$ 196,560
Percent				-0.8%		15.3%
Average monthly usage		212				
Average monthly bill		\$ 49.84		\$ 49.46		\$ 57.04
Amount of change				\$ (0.38)		\$ 7.57
Percent of change				-0.8%		15.3%

Schedule 19 - Temporary Service Rate

Description	Billing Determinants	Test Year Revenue	Normalized Case No. 2017-00013		Proposed	
			Rates	Revenues	Rates	Revenues
Customer Charge	783	\$ 40,505	\$ 51.73	40,505	\$ 55.00	\$ 43,065
Energy Charge Per KWH	665,686	68,869	\$ 0.10175	67,734	\$ 0.10175	67,734
Prorate Customer Charge		(1,285)		(1,285)		(1,285)
Total from base rates		<u>108,089</u>		<u>\$ 106,953</u>		<u>\$ 109,514</u>
Fuel Adjustment		(3,788)				
Environmental Surcharge		<u>9,255</u>				
Total Revenues		<u>\$ 113,556</u>				
Change:						
Amount				\$ (1,136)		\$ 2,560
Percent				-1.1%		2.4%
Average monthly usage		850				
Average monthly bill		\$ 138.04		\$ 136.59		\$ 139.86
Amount of change				\$ (1.45)		\$ 3.27
Percent of change				-1.1%		2.4%

Schedule 20 - Inclining Block Rate

Description	Billing Determinants	Test Year Revenue	Normalized Case No. 2017-00013		Proposed	
			Rates	Revenues	Rates	Revenues
Customer Charge	472	\$ 7,080	\$ 15.00	7,080	\$ 22.50	\$ 10,620
Energy Charge Per KWH - First 300	93,020	6,835	\$ 0.07180	6,679	\$ 0.07700	7,163
Energy Charge Per KWH - Next 200	25,246	2,250	\$ 0.08754	2,210	\$ 0.09500	2,398
Energy Charge Per KWH - All Over 500	13,211	1,797	\$ 0.13482	1,781	\$ 0.14000	1,850
Total KWH	<u>131,477</u>					
Total from base rates		<u>17,962</u>		<u>\$ 17,750</u>		<u>\$ 22,030</u>
Fuel Adjustment		(842)				
Environmental Surcharge		<u>1,653</u>				
Total Revenues		<u>\$ 18,773</u>				
Change:						
Amount				\$ (212)		\$ 4,280
Percent				-1.2%		24.1%
Average monthly usage		225				
Average monthly bill		\$ 38.06		\$ 37.61		\$ 46.67
Amount of change				\$ (0.45)		\$ 9.07
Percent of change				-1.2%		24.1%

Schedule 21 - Prepay Metering Program (Residential)

Description	Billing Determinants	Test Year Revenue	Normalized Case No. 2017-00013		Proposed	
			Rates	Revenues	Rates	Revenues
Customer Charge	8,573	\$ 128,595	\$ 15.00	128,595	\$ 22.50	\$ 192,893
Energy Charge Per KWH	8,930,587	965,475	\$ 0.10658	951,822	\$ 0.10636	949,857
Monthly Program Fee		74,208	\$ 10.00	74,208	\$ 10.00	74,208
Prorate Customer Charge		(1,285)		(1,285)		(1,285)
Total from base rates		<u>1,166,993</u>		<u>\$ 1,153,340</u>		<u>\$ 1,215,673</u>
Fuel Adjustment		(53,161)				
Environmental Surcharge		<u>90,570</u>				
Total Revenues		<u>\$ 1,204,402</u>				
Change:						
Amount				\$ (13,653)		\$ 62,333
Percent				-1.2%		5.4%
Average monthly usage		1,042				
Average monthly bill		\$ 136.12		\$ 134.53		\$ 141.80
Amount of change				\$ (1.59)		\$ 7.27
Percent of change				-1.2%		5.4%

Schedule 21 - Prepay Metering Program (General Service).

Description	Billing Determinants	Test Year Revenue	Normalized Case No. 2017-00013		Proposed	
			Rates	Revenues	Rates	Revenues
Customer Charge	133	\$ 2,993	\$ 22.50	2,993	\$ 27.50	\$ 3,658
Energy Charge Per KWH	64,302	8,319	\$ 0.12795	8,227	\$ 0.14000	9,002
Monthly Program Fee		1,122	\$ 10.00	1,122	\$ 10.00	1,122
Prorate Customer Charge		(183)		(183)		(183)
Total from base rates		<u>12,251</u>		<u>\$ 12,159</u>		<u>\$ 13,599</u>
Fuel Adjustment		(406)				
Environmental Surcharge		<u>961</u>				
Total Revenues		<u>\$ 12,806</u>				
Change:						
Amount				\$ (92)		\$ 1,440
Percent				-0.8%		11.8%
Average monthly usage		483				
Average monthly bill		\$ 92.11		\$ 91.42		\$ 102.25
Amount of change				\$ (0.69)		\$ 10.83
Percent of change				-0.8%		11.8%

Schedule NM - Residential

Description	Billing Determinants	Test Year Revenue	Normalized Case No. 2017-00013		Proposed	
			Rates	Revenues	Rates	Revenues
Customer Charge	50	\$ 750	\$ 15.00	750	\$ 22.50	\$ 1,125
Energy Charge Per KWH	41,614	4,503	\$ 0.10658	4,435	\$ 0.10636	4,426
Received KWH	13,163	(1,429)	\$ 0.10658	(1,403)	\$ 0.10636	(1,400)
Total from base rates		<u>3,824</u>		<u>\$ 3,782</u>		<u>\$ 4,151</u>
Fuel Adjustment		(229)				
Environmental Surcharge		<u>331</u>				
Total Revenues		<u>\$ 3,926</u>				
Change:						
Amount				\$ (42)		\$ 369
Percent				-1.1%		9.7%
Average monthly usage		832				
Average monthly bill		\$ 76.48		\$ 75.65		\$ 83.02
Amount of change				\$ (0.83)		\$ 7.37
Percent of change				-1.1%		9.7%

Schedule NM - General Service Rate

Description	Billing Determinants	Test Year Revenue	Normalized Case No. 2017-00013		Proposed	
			Rates	Revenues	Rates	Revenues
Customer Charge	5	\$ 113	\$ 22.50	113	\$ 27.50	\$ 138
Energy Charge Per KWH	113	12	\$ 0.10658	12	\$ 0.14000	16
Received KWH	113	(12)	\$ 0.10658	(12)	\$ 0.14000	(16)
Total from base rates		<u>113</u>		<u>\$ 113</u>		<u>\$ 138</u>
Fuel Adjustment		(1)				
Environmental Surcharge		<u>9</u>				
Total Revenues		<u>\$ 121</u>				
Change:						
Amount			\$	(1)	\$	25
Percent				-0.4%		22.2%
Average monthly usage		23				
Average monthly bill		\$ 22.60	\$	22.50	\$	27.50
Amount of change			\$	(0.10)	\$	5.00
Percent of change				-0.4%		22.2%

Envirowatts

Description	Billing Determinants	Test Year Revenue	Normalized Case No. 2017-00013		Proposed	
			Rates	Revenues	Rates	Revenues
Energy Charge Per KWH	57,000	\$ 1,568	\$ 0.02750	1,568	\$ 0.02750	\$ 1,568
Total from base rates		<u>1,568</u>		<u>\$ 1,568</u>		<u>\$ 1,568</u>
Fuel Adjustment		-				
Environmental Surcharge		-				
Total Revenues		<u>\$ 1,568</u>				
Change:						
Amount			\$	(1)	\$	-
Percent				0.0%		0.0%

Grayson Rural Electric Cooperative
Case No. 2018-00272
Computation of Rate of Return
December 31, 2017

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	<u>Actual Test Year</u>	<u>Adjusted Test Year</u>
Net margins	\$ 143,504	\$ 1,146,335
G&T capital credits	504,926	-
Interest on long-term debt	<u>980,167</u>	<u>1,146,335</u>
Total	<u>\$ 1,628,597</u>	<u>\$ 2,292,670</u>
Net rate base	<u>\$ 55,669,419</u>	<u>\$ 55,584,018</u>
Rate of return	<u>2.93%</u>	<u>4.12%</u>
Equity Capitalization	<u>\$ 52,523,346</u>	<u>\$ 55,213,240</u>
Rate of return	<u>3.10%</u>	<u>4.15%</u>

Grayson Rural Electric Cooperative
Case No. 2018-00272
Determination of Rate Base
December 31, 2017

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	<u>Actual</u> <u>Test Year</u>	<u>Adjusted</u> <u>Test Year</u>
Gross rate base:		
Total electric plant	\$ 77,910,578	\$ 77,910,578
Material and supplies (13 months average for test year)	267,646	267,646
Prepayments (13 months average for test year)	328,343	328,343
Working capital: 12.5% of operating expense less cost of power	<u>1,004,141</u>	<u>1,001,485</u>
	79,510,709	79,508,053
Deductions from rate base:		
Accumulated depreciation	23,474,155	23,556,900
Consumer advances	<u>367,135</u>	<u>367,135</u>
Net rate base	<u>\$ 55,669,419</u>	<u>\$ 55,584,018</u>

	<u>Material</u>	<u>Prepayments</u>
December, 2016	287,319	49,217
January, 2017	289,004	375,345
February	336,848	367,554
March	261,770	355,351
April	244,114	464,382
May	251,223	470,303
June	236,654	467,124
July	260,026	455,091
August	236,480	445,851
September	270,914	354,908
October	256,547	260,900
November	264,896	151,000
December	283,605	51,439
Average	267,646	328,343

Grayson Rural Electric Cooperative

Exhibit K

Case No. 2018-00272

page 3 of 7

Computation of Rate of Return

Witness: James Adkins

December 31, 2017

Test Year	Calendar Year					
	1st	2nd	3rd	4th	5th	
2017	2016	2015	2014	2013	2012	
Net margins	\$143,504	\$1,592,008	\$2,265,283	\$1,822,172	\$2,995,430	\$414,579
Interest on long-term debt	980,167	895,352	904,235	950,337	986,603	1,011,489
Total	1,123,671	2,487,360	3,169,518	2,772,509	3,982,033	1,426,068
Net rate base	55,669,419	55,200,765	53,931,146	53,202,842	52,549,274	52,268,566
Rate of return	<u>2.02%</u>	<u>4.51%</u>	<u>5.88%</u>	<u>5.21%</u>	<u>7.58%</u>	<u>2.73%</u>

Test Year	Calendar Year					
	1st	2nd	1st	2nd	3rd	
2017	2016	2015	2014	2013	2012	
Return excluding G & T patronage dividends:						
Net margins	\$143,504	\$1,592,008	\$2,265,283	\$1,822,172	\$2,995,430	\$414,579
G & T patronage dividends	504,926	1,223,640	1,252,016	1,372,772	1,646,121	1,245,975
Interest on long-term debt	980,167	895,352	904,235	950,337	986,603	1,011,489
Total	618,745	1,263,720	1,917,502	1,399,737	2,335,912	180,093
Net rate base	55,669,419	55,200,765	53,931,146	53,202,842	52,549,274	52,268,566
Rate of return, excluding G & T	<u>1.11%</u>	<u>2.29%</u>	<u>3.56%</u>	<u>2.63%</u>	<u>4.45%</u>	<u>0.34%</u>

Grayson Rural Electric Cooperative
Case No. 2018-00272
Determination of Rate Base
December 31, 2017

Test Year 2017	Calendar Year					
	1st 2016	2nd 2015	3rd 2014	4th 2013	5th 2012	
Gross rate base:						
Total electric plant	\$77,910,578	\$75,303,183	\$72,596,431	\$69,884,453	\$67,874,905	\$65,808,223
Material and supplies (13 mo. ave t	267,646	287,319	505,089	295,860	304,238	259,087
Prepayments (13 mo. ave test year	328,343	49,217	29,189	46,456	39,236	37,351
Working capital:						
12.5% of operating expense						
less cost of power	1,004,141	1,016,880	963,717	1,070,031	912,859	950,094
	<u>79,510,709</u>	<u>76,656,599</u>	<u>74,094,426</u>	<u>71,296,800</u>	<u>69,131,238</u>	<u>67,054,755</u>
Deductions from rate base:						
Accumulated depreciation	23,474,155	21,285,230	19,929,296	17,874,497	16,400,827	14,617,837
Consumer advances	367,135	170,604	233,984	219,461	181,137	168,352
Net rate base	<u>\$55,669,419</u>	<u>\$55,200,765</u>	<u>\$53,931,146</u>	<u>\$53,202,842</u>	<u>\$52,549,274</u>	<u>\$52,268,566</u>

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Witness: James Adkins

Grayson Rural Electric Cooperative
Case No. 2018-00272
TIER and DSC Calculations
December 31, 2017

	<u>Actual</u> <u>Test Year</u>	<u>Adjusted</u> <u>Test Year</u>
TIER:		
Margins, excluding G&T capital credits	(\$361,422)	\$1,146,335
Interest on long term debt	980,167	1,146,335
TIER (Margins +Interest) / Interest	0.63	2.00
DSC:		
Margins, excluding G&T capital credits	(\$361,422)	\$1,146,335
Depreciation expense	3,477,092	3,560,191
Interest on long term debt	980,167	1,146,335
Principal payment on long term debt	1,343,678	1,343,678
DSC	1.76	2.35

DSC = (Margins + depreciation + interest)
/ (interest + principal payments)

Grayson Rural Electric Cooperative
Case No. 2018-00272
TIER and DSC Calculations
December 31, 2017

Exhibit K
page 6 of 7
Witness: James Adkins

Test Year	Calendar Year					
	1st 2016	2nd 2015	3rd 2014	4th 2013	5th 2012	
TIER calculations:						
Margins, excluding G&T capital credits	(361,422)	368,368	1,013,267	449,400	1,349,309	(831,396)
Interest on long term debt	980,167	895,352	904,235	950,337	986,603	1,011,489
TIER, excluding G&T capital credi	0.63	1.41	2.12	1.47	2.37	0.18
Margins, including G&T capital credits	143,504	1,592,008	2,265,283	1,822,172	2,995,430	414,579
Interest on long term debt	980,167	895,352	904,235	950,337	986,603	1,011,489
TIER	1.15	2.78	3.51	2.92	4.04	1.41
DSC calculations:						
DSC = ((Margins + depreciation + interest) / (interest + principal payments))						
Margins, excluding G&T capital credits	(361,422)	368,368	1,013,267	449,400	1,349,309	(831,396)
Depreciation expense	3,477,092	3,341,888	3,221,794	3,088,646	3,036,976	2,889,514
Interest on long term debt	980,167	895,352	904,235	950,337	986,603	1,011,489
Principal payment on long term debt	2,264,892	1,944,363	2,096,343	2,133,467	1,883,798	1,666,506
DSC,excluding G&T capital credit	<u>1.26</u>	<u>1.62</u>	<u>1.71</u>	<u>1.46</u>	<u>1.87</u>	<u>1.15</u>
Margins, including G&T capital credits	143,504	1,592,008	2,265,283	1,822,172	2,995,430	414,579
Depreciation expense	3,477,092	3,341,888	3,221,794	3,088,646	3,036,976	2,889,514
Interest on long term debt	980,167	895,352	904,235	950,337	986,603	1,011,489
Principal payment on long term debt	2,264,892	1,944,363	2,096,343	2,133,467	1,883,798	1,666,506
DSC	<u>1.42</u>	<u>2.05</u>	<u>2.13</u>	<u>1.90</u>	<u>2.45</u>	<u>1.61</u>

Grayson Rural Electric Cooperative
Case No. 2018-00272
Equity Capitalization
December 31, 2017

Exhibit K
page 7 of 7
Witness: James Adkins

	Test Year 2017	Calendar Year					
		2016	2015	2014	2013	2012	
Proposed							
Equity Capitalization:							
<u>without G&T patronage capital</u>							
Total margins and equities	28,299,078	25,609,184	26,881,486	25,391,897	23,274,521	21,537,118	18,650,329
Less G&T Patronage capital	14,872,945	14,872,945	13,649,305	12,397,289	11,024,517	9,378,396	8,132,421
	13,426,133	10,736,239	13,232,181	12,994,608	12,250,004	12,158,722	10,517,908
Long-term debt	41,787,107	41,787,107	40,051,998	42,230,385	44,326,727	42,022,194	39,176,030
Total	55,213,240	52,523,346	53,284,179	55,224,993	56,576,731	54,180,916	49,693,938

Equity capitalization ratio 24% 20% 25% 24% 22% 22% 21%

Equity Capitalization:
with G&T patronage capital

Total margins and equities	28,299,078	25,609,184	26,881,486	25,391,897	23,274,521	21,537,118	18,650,329
Long-term debt	41,787,107	41,787,107	40,051,998	42,230,385	44,326,727	42,022,194	39,176,030
Total	70,086,185	67,396,291	66,933,484	67,622,282	67,601,248	63,559,312	57,826,359

Equity capitalization ratio 40% 38% 40% 38% 34% 34% 32%

Equity to Total Assets:
with G&T patronage capital

Total margins and equities	28,299,078	25,609,184	26,881,486	25,391,897	23,274,521	21,537,118	18,650,329
Total assets	79,989,005	77,299,111	77,808,837	75,985,062	75,116,227	72,893,358	68,429,726

Equity to total asset ratio 35% 33% 35% 33% 31% 30% 27%

Grayson Rural Electric Cooperative
Case No. 2018-00272
Reconciliation of Rate Base and Capital
December 31, 2017

Reconciliation of Rate Base and Capital used to determine revenue requirements are as follows:

Equity Capitalization, with G&T capital credits	\$ 67,396,291
G&T capital credits	<u>(14,872,945)</u>
Equity, excluding G&T capital credits	52,523,346
Reconciling items:	
Capital credits from associated organizations (Allocated but unpaid)	(1,469,022)
Working capital requirements	1,004,141
Material and supplies, 13 month average	267,646
Prepayments, 13 month average	328,343
Cash and temporary investments	(213,727)
Accounts receivable	(4,497,022)
Material and supplies	(283,605)
Prepayments	(58,987)
Deferred charges	(1,467,380)
Accumulated operating provisions	3,085,624
Accounts payable	2,496,842
Short term borrowings	2,185,000
Consumer deposits	1,197,900
Accrued expenses	570,319
	<hr/>
Net Rate Base	<u><u>\$ 55,669,419</u></u>

ACCOUNT	DESCRIPTION	---RUS---		---TVA---		MARGIN ACCT	INACTIVE	BANK TRANSIT ABA NBR	BANK NAME BANK ACCOUNT	ACCT LENGTH
		B/S LINE	INC LINE	B/S LINE	INC LINE					
107.20	CONSTRUCTION WORK IN PROGRESS	2.00				107.20				
107.21	CONST WORK IN PROG-OVERHEAD	2.00				107.21				
107.22	2007 REMODELING WORK IN PROGRESS	2.00				107.22				
107.23	AID TO CONSTRUCTION	2.00				107.23				
107.24	PAYMENTS TO BE REIMBURSED	2.00				107.24				
107.30	CONST WORK IN PROG-SPECIAL EQUIP	2.00				107.30				
108.60	ACCUM PROV DEPR DISTRIBUTION PL	4.00				108.60				
108.61	SCRAP SALES	4.00				108.61				
108.70	ACCUM PROV DEPR COMM EQUIP - MAP	4.00				108.70				
108.71	ACCUM PROV DEPR OFFICE FURNITURE	4.00				108.71				
108.72	ACCUM PROV DEPR TRANSPORTATION	4.00				108.72				
108.73	ACCUM PROV DEPR STORES EQUIP	4.00				108.73				
108.74	ACCUM PROV DEPR SMALL TOOLS	4.00				108.74				
108.75	ACCUM PROV DEPR LAB EQUIP	4.00				108.75				
108.76	ACCUM PROV DEPR LARGE TOOLS	4.00				108.76				
108.77	ACCUM PROV DEPR COMMUNICATION EQ	4.00				108.77				
108.78	ACCUM PROV DEPR MISCELLANEOUS EQ	4.00				108.78				
108.79	ACCUM PROV DEPR STRUCTURE/IMPROV	4.00				108.79				
108.80	RETIREMENT WORK IN PROGRESS	2.00				108.80				
108.81	RETIRE WORK IN PROGRESS-OVERHEAD	2.00				108.81				
108.82	UNCOMPLETED RETIREMENT WORKORDER	2.00				108.82				
121.00	LEASED HOMEGUARD SYSTEMS	6.00				121.00				
121.10	NONUTILITY PROPERTY	6.00				121.10				
122.00	ACCUM PROV DEPR HOMEGUARD SYSTEM	6.00				122.00				
122.10	ACCUM PROV DEPR NON-UTILITY PROP	6.00				122.10				
123.10	INV ASSOC ORG-PATRONAGE CAPITAL	8.00				123.10				

ACCOUNT	DESCRIPTION	----RUS----		----TVA----		MARGIN ACCT	INACTIVE	BANK TRANSIT ABA NBR	BANK NAME BANK ACCOUNT	ACCT LENGTH
		B/S LINE	INC LINE	B/S LINE	INC LINE					
123.11	KTI INVESTMENT		7.00			123.11				
123.22	INV-CAPITAL TERM CERTIFICATE-CFC		10.00			123.22				
123.23	OTHER INVESTMENT-ASSOC ORG		10.00			123.23				
123.24	BUSINESS DEVELOPMENT CORP OF KY		12.00			123.24				
123.25	KTI NOTES RECEIVABLE		12.00			123.25				
123.26	INV - COOPERATIVE RESONSE CENTER		10.00			123.26				
124.00	OTHER INVESTMENTS		12.00			124.00				
131.10	GENERAL FUNDS ACCOUNT		15.00			131.10		042103473	FIRST NATIONAL BANK/GRAYSON 120375	
131.11	PEOPLES SECURITY BANK/BLAINE		15.00			131.11		042104401	PEOPLES SECURITY BANK 0008664	
131.12	FIRST & PEOPLES BANK/GREENUP		15.00			131.12		042105882	FIRST & PEOPLES BANK/GREENUP 90 100 8	
131.13	THE CITIZENS BANK/MOREHEAD		15.00			131.13		042107673	THE CITIZENS BANK/MOREHEAD 024 21 5	
131.14	KENTUCKY BANK / SANDY HOOK		15.00			131.14		042107592	PEOPLES BANK/SANDY HOOK 07 150 3	
131.15	FIRST NATIONAL BANK/GRAYSON		15.00			131.15		042103473	FIRST NATIONAL/GRAYSON 0118486	
131.16	CITY NATIONAL BANK/GRAYSON		15.00			131.16		042102092	CITIZENS NATIONAL BANK 06 0067 9	
131.17	FIRST STAR BANK / MOREHEAD		15.00			131.17		042102953	TRANS FINANCIAL BANK 02 284 5	
131.18	PINNACLE BANK / LEWIS		15.00			131.18		042101886	FIRST NATIONAL BANK/LEWIS 09 9632 7	
131.19	THE COMMERCIAL BANK/GRAYSON		15.00			131.19		042103460	THE COMMERCIAL BANK/GRAYSON 01 202 5	
131.20	CASH - CONSTRUCTION FUND		16.00			131.20		042103473	FIRST NATIONAL BANK/GRAYSON 0120391	
131.30	PAYROLL ACCOUNT		15.00			131.30		042103473	FIRST NATIONAL BANK/GRAYSON 0120383	
131.31	PAYROLL-DIRECT DEPOSIT		15.00			131.31		042103473	FIRST NATIONAL BANK/GRAYSON 0120383	
131.40	TRANSFER OF CASH		15.00			131.40		042103473	FIRST NATIONAL BANK/GRAYSON 0120391	
131.50	CAPITAL CREDIT ACCOUNT		15.00			131.50		042103473	FIRST NATIONAL BANK/GRAYSON 0120405	
135.00	WORKING FUNDS		15.00			135.00				
136.00	TEMPORARY CASH INVESTMENTS		18.00			136.00				
136.20	KAEC CERTIFICATE OF DEPOSIT		18.00			136.20				
136.40	CERTIFICATE OF DEPOSITS-SAVINGS		18.00			136.40				

ACCOUNT	DESCRIPTION	---RUS---		---TVA---		MARGIN ACCT	INACTIVE	BANK TRANSIT ABA NBR	BANK NAME BANK ACCOUNT	ACCT LENGTH
		B/S LINE	INC LINE	B/S LINE	INC LINE					
141.10	NOTES RECEIVALBE					19.00				
142.10	ACCOUNTS RECEIVABLE - ELECTRIC					20.00				
142.11	ACCOUNTS RECEIVABLE - CONTRACTS					20.00				
142.12	ACCOUNTS RECV - MACED CONTRACTS					20.00				
142.13	A/C RECV-MACED CONTRACT PENDING					20.00				
142.15	ACCTS RECV - DEBT MGMNT/PREPAY					20.00				
142.20	ACCOUNTS RECEIVABLE - OTHER					21.00				
142.21	OTHER A/C RECEIVABLE					21.00				
142.30	ANCILLARY BILLING SERVICES					20.00				
142.40	A/C RECEIVABLE - RENTAL PROPERTY					21.00				
142.50	ELECTRIC ASSIST - NORTHEAST					20.00				
142.51	ELECTRIC ASSIST - GATEWAY					20.00				
142.52	ELECTRIC ASSIST - LICKING VALLEY					20.00				
142.53	ELECTRIC ASSIST - SALVATION ARMY					20.00				
142.60	DIRECT LOAD CONTROL PROGRAM					20.00				
142.65	COOPERATIVE SOLAR					20.00				
143.00	ACCOUNTS RECEIVABLE-EMP & DIRECT					21.00				
143.01	ACCOUNTS RECV - UNION ALLOWANCE					21.00				
143.02	ACCOUNTS RECV - OFFICE ALLOWANCE					21.00				
143.10	ACCOUNTS RECEIVABLE-24 HR INS					21.00				
143.30	ACCOUNTS RECEIVABLE-LTD INS					21.00				
143.31	OTHER A/C RECEIVE EMP & DIRECT					21.00				
143.40	ACCOUNTS RECEIVABLE-UNION DUES					21.00				
143.50	C O B R A INSURANCE					21.00				
143.60	EMPLOYEE LOAN PROGRAM					21.00				
143.70	EMPLOYEE CHILD SUPPORT PAYMENTS					21.00				

ACCOUNT	DESCRIPTION	---RUS---		---TVA---		MARGIN ACCT	INACTIVE	BANK TRANSIT ABA NBR	BANK NAME BANK ACCOUNT	ACCT LENGTH
		B/S LINE	INC LINE	B/S LINE	INC LINE					
143.80	ACRE(ACTION COMM FOR RURAL ELEC)	21.00				143.80				
143.90	UNITED WAY CONTRIBUTIONS	21.00				143.90				
144.10	ACCUM PROV UNCOLLECT ELECTRIC	20.00				144.10				
144.20	ACCUM PROV UNCOLLECT - OTHER	21.00				144.20				
144.30	ACCUM PROV UNOLLECT - MACED	21.00				144.30				
146.00	KY TELECOMMUNICATIONS INC	21.00				146.00				
146.10	FEMA REIMBURSEMENT	21.00				146.10				
154.10	MATERIALS & SUPPLIES - ELECTRIC	23.00				154.10				
154.12	TRANSPORTATION INVENTORY	23.00				154.12				
154.13	MATERIALS & SUPPLIES - ETS	23.00				154.13	Y			
154.14	MATERIALS & SUPPLIES - ETS	23.00				154.14				
154.15	MATERIALS & SUPPLIES - HOMEGUARD	23.00				154.15				
155.00	APPLIANCES & EQUIPMENT FOR SALE	23.00				155.00				
155.10	EMERGENCY TEMPORARY SERVICES	23.00				155.10				
155.20	HOMEGUARD INVENTORY	23.00				155.20	Y			
163.00	STORES CLEARING	23.00				163.00				
163.10	MINOR MATERIAL CLEARING	23.00				163.10				
165.10	MONUMENTAL LIFE INSRUANCE CO	24.00				165.10				
165.11	PREPAID INS-WORKERS COMPENSATION	24.00				165.11				
165.12	PREPAID INS-VARIOUS	24.00				165.12				
165.13	PREPAID INS-METLIFE/NRECA	24.00				165.13				
165.14	PREPAID INS-COLONIAL INSURANCE	24.00				165.14				
165.15	PREPAID INS-LONG TERM DISABILITY	24.00				165.15				
165.16	PREPAID INS-EMPLOYEES	24.00				165.16				
165.17	PREPAID INS-AMERCIAN FAMILY	24.00				165.17				
165.18	PREPAID INS-RETIRED EMPLOYEES	24.00				165.18				

ACCOUNT	DESCRIPTION	----RUS----		----TVA----		MARGIN ACCT	INACTIVE	BANK TRANSIT ABA NBR	BANK NAME BANK ACCOUNT	ACCT LENGTH
		B/S LINE	INC LINE	B/S LINE	INC LINE					
165.19	PREPAID INS-CAPITOL AMERICAN		24.00			165.19				
165.20	PREPAID DUES-KAEC,NRECA, & OTHERS		24.00			165.20				
165.21	KAEC ANNUAL SAFETY ASSESSMENT		24.00			165.21				
165.22	PREPAID - CONTRACT SERVICES		24.00			165.22				
165.23	PREPAID INS-SUPPLEMENTAL LIFE		24.00			165.23				
165.30	PREPAID RETIREMENT-EMPLOYER PART		24.00			165.30				
165.31	PREPAID INS - HSA EMPLOYER		24.00			165.31				
165.32	PREPAID INS - HSA EMPLOYEE		24.00			165.32				
165.40	PREPAID INS-M O D L		24.00			165.40				
165.50	PREPAID SERVICE AGREEMENTS		24.00			165.50				
165.60	PREPAID INS - EXCESS CATASTROPHE		24.00			165.60				
165.70	PREPAID INS-DIRECTORS & ATTORNEY		24.00			165.70				
165.80	PREPAID - 401(K) EMPLOYEES		24.00			165.80				
165.81	PREPAID - 401(K) EMPLOYEE LOANS		24.00			165.81				
165.82	PREPAID-401(K) EMPLOYERS PORTION		24.00			165.82				
165.90	PREPAID-PAD MNT TRANSFORMER PROG		24.00			165.90				
165.91	PREPAID - LEASE AGREEMENTS		24.00			165.91				
171.00	INTEREST & DIVIDENDS RECEIVABLE		25.00			171.00				
183.10	LONG RANGE WORK PLAN		28.00			183.10				
184.10	TRANSPORTATION EXPENSE		28.00			184.10				
184.11	TRANSPORTATION OVERHEAD EXPENSE		28.00			184.10				
184.20	CLEARING ACCOUNT - OTHER		28.00			184.20				
184.21	CLEARING A/C OTHER A/R		28.00			184.21				
184.31	CLEARING A/C OTHER A/R EMP & DIR		28.00			184.31				
186.00	MISC DEFERRED DEBITS		28.00			186.00				
186.10	DEF DEBIT-CFC NRECA ADV PAY RS		28.00			186.10				

ACCOUNT	DESCRIPTION	----RUS----		----TVA----		MARGIN ACCT	INACTIVE	BANK TRANSIT ABA NBR	BANK NAME BANK ACCOUNT	ACCT LENGTH
		B/S LINE	INC LINE	B/S LINE	INC LINE					
186.20	DEF DEBIT - MAPPING					186.20				
200.10	MEMBERSHIPS ISSUED					200.10				
200.20	MEMBERSHIPS SUBSCRIBED-UNISSUED					200.20				
201.10	PATRONAGE CAPITAL CREDITS					201.10				
201.11	REFUND DECEASED EST-CAPITAL CR					201.11				
201.12	REFUND GEN ROTATION-CAPITAL CR					201.12				
201.13	VOIDED CHKS/GEN ROTATION-CAP CR					201.13				
201.14	KTI ASSIGNABLE CAPITAL CREDITS					201.14				
201.20	PATRONAGE CAPITAL ASSIGNABLE					201.20				
201.30	DEFICIT MARGINS-PRIOR YEARS					201.30				
208.00	VOIDED CHECKS-DONATED CAPITAL					208.00				
208.10	DISCOUNT DECEASED EST-CAPITAL CR					208.10				
208.20	VOIDED CAPITAL CR CHKS/UNCLAIMED					208.20				
214.00	ACCUM OTHER COMPREHENSIVE INCOME					214.00				
215.00	KTI RETAINED EARNINGS					215.00				
217.00	GAIN - RETIRED CAPITAL CREDITS					217.00				
218.00	CAPITAL GAINS & LOSSES					218.00				
219.10	OPERATING MARGINS					219.10				
219.20	NON-OPERATING MARGINS					219.20				
219.30	OTHER MARGINS					219.30				
224.11	OTHER LONG-TERM DEBT-SUBSCRIPT					224.11				
224.12	CFC NOTES EXECUTED					224.12				
224.13	CFC NOTES EXECUTED-CONST-DEBIT					224.13				
224.14	ZERO %LOAN CTC					224.14				
224.20	COBANK NOTES EXECUTED					224.20				
224.25	CFC - NRECA ADV PYMNT RS					224.25				

ACCOUNT	DESCRIPTION	----RUS----	----TVA----	MARGIN	INACTIVE	BANK TRANSIT	BANK NAME	
		B/S	INC	ACCT		ABA NBR	BANK ACCOUNT	ACCT LENGTH
		LINE	LINE					
224.30	RUS NOTES EXECUTED	37.00		224.30				
224.40	RUS NOTES EXECUTED-CONST-DEBIT	37.00		224.40				
224.50	FFB NOTES EXECUTED	38.00		224.50				
224.60	FFB NOTES EXECUTED-CONST-DEBIT	38.00		224.60				
228.30	ACCUM PROV PENSIONS & BENEFITS	45.00		228.30				
228.40	LIMITED USE FLEX PLAN	45.00		228.40				
231.00	NOTES PAYABLE/OTHER	47.00		231.00				
232.00	ACCOUNTS PAYABLE	48.00		232.00				
232.01	WHOLESALE POWER BILL	48.00		232.01				
232.10	VOIDED CHECKS	48.00		232.10				
232.11	ACCOUNTS PAYABLE-MISCELLANEOUS	48.00		232.11				
232.12	ACCOUNTS PAYABLE - MACED	48.00		232.12				
232.23	ACCOUNTS PAYABLES - CREDIT UNION	48.00		232.23				
232.30	ACCTS PAY-ANCILLARY BILLING SERV	48.00		232.30				
232.31	EMPLOYEES KITTY FUND	48.00		232.31				
232.32	KITTY FUND (RELAY FOR LIFE)	48.00		232.32				
232.33	KITTY FUND (COMMUNITY SERVICE)	48.00		232.33				
232.34	KITTY FUND (BIRTHDAY FUND)	48.00		232.34				
232.35	KITTY FUND (UNION KITTY)	48.00		232.35				
232.36	KITTY FUND (OFFICE EMPLOYEES)	48.00		232.36				
233.00	NOTES PAYABLE/ASSOCIATED COMPANY	47.00		233.00				
235.00	CUSTOMER DEPOSITS	49.00		235.00				
235.10	CONTRACTS - CUSTOMER DEPOSITS	49.00		235.10				
236.10	ACCRUED PROPERTY TAX	53.00		236.10				
236.20	ACCR US SOC SEC TAX-UNEMPLOYMENT	53.00		236.20				
236.30	ACCR US SOC SEC TAX-FICA	53.00		236.30				



ACCOUNT	DESCRIPTION	----RUS----		----TVA----		MARGIN ACCT	INACTIVE	BANK TRANSIT ABA NBR	BANK NAME BANK ACCOUNT	ACCT LENGTH
		B/S LINE	INC LINE	B/S LINE	INC LINE					
236.40	ACCR STATE UNEMPLOYMENT TAX		53.00			236.40				
236.50	ACCRUE STATE SALES TAX-CUSTOMERS		53.00			236.50				
237.10	INTEREST ACCRUED - RUS		53.00			237.10				
237.20	INTEREST ACCRUED - COBANK		53.00			237.20				
237.30	INTEREST ACCRUED - CFC		53.00			237.30				
237.40	INTEREST ACCRUED-CFC SHORT TERM		53.00			237.40				
237.50	INTEREST ACCR-CUSTOMER DEPOSITS		53.00			237.50				
237.60	INTEREST ACCRUED - FFB		53.00			237.60				
241.00	FEDERAL INCOME TAX PAYABLE		53.00			241.00				
241.10	STATE INCOME TAX PAYABLE		53.00			241.10				
241.20	ROWAN CO OCCUPATIONAL TAX		53.00			241.20				
241.30	GRAYSON CITY PAYROLL TAX		53.00			241.30				
242.00	ACCRUED PAYROLL		53.00			242.00				
242.20	ACCRUED VACATION		53.00			242.20				
242.30	ACCRUED EMPLOYEE SICK LEAVE		53.00			242.30				
242.40	ACCRUE WORKER'S COMP INSURANCE		53.00			242.40				
242.50	PAST SERVICE - PENSION		53.00			242.50				
242.52	ACCRUED LIABILITY-ANNUAL AUDIT		53.00			242.52				
242.53	ACCRUED LIABILITY-P S C		53.00			242.53				
242.55	WEATHERIZATION LOAN		53.00			242.55				
242.60	ACCRUED ANNUAL MEETING EXPENSE		53.00			242.60				
252.00	CUSTOMER ADV FOR CONSTRUCTION		56.00			252.00				
253.30	CUSTOMER ENERGY PP-CR FROM 14210		56.00			253.30				
253.40	CUSTOMERS DEFERRED NOTES RECEIV.		56.00			253.40				
253.50	WINTERCARE ENERGY FUND		56.00			253.50				
360.00	LAND RIGHTS		1.00			360.00				

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ACCOUNT	DESCRIPTION	----RUS----		----TVA----		MARGIN ACCT	INACTIVE	BANK TRANSIT ABA NBR	BANK NAME BANK ACCOUNT	ACCT LENGTH
		B/S LINE	INC LINE	B/S LINE	INC LINE					
362.00	SUB-STATION EQUIPMENT	1.00				362.00				
364.00	POLES, TOWERS & FIXTURES	1.00				364.00				
365.00	OVERHEAD CONDUCTORS & DEVICES	1.00				365.00				
367.00	UNDERGROUND CONDUCTORS & DEVICES	1.00				367.00				
368.00	LINE TRANSFORMERS	1.00				368.00				
369.00	SERVICES	1.00				369.00				
370.00	METERS	1.00				370.00				
370.10	AUTOMATED METERING EQUIPMENT	1.00				370.10				
370.20	DISCONNECT METER EQUIPMENT	1.00				370.20				
371.00	INSTALLATION CUSTOMER PREMISES	1.00				371.00				
384.00	COMMUNICATION EQUIP - MAPPING	1.00				384.00				
389.00	LAND & LAND RIGHTS	1.00				389.00				
390.00	STRUCTURES & IMPROVEMENTS	1.00				390.00				
390.10	LEASE HOLD IMPROVEMENTS	1.00				390.10				
391.00	OFFICE FURNITURE & EQUIPMENT	1.00				391.00				
392.00	TRANSPORTATION EQUIPMENT	1.00				392.00				
393.00	STORES EQUIPMENT	1.00				393.00				
394.00	TOOLS, SHOP & GARAGE EQUIPMENT	1.00				394.00				
395.00	LABORATORY EQUIPMENT	1.00				395.00				
396.00	LARGE TOOLS	1.00				396.00				
397.00	COMMUNICATIONS EQUIPMENT	1.00				397.00				
397.05	COMM EQUIP - REPLACE EQUIP SUBS	1.00				397.05				
397.10	COMM EQUIP - PACTOLUS SUB	1.00				397.10				
397.20	COMM EQUIP - ELLIOTTVILLE SUB	1.00				397.20				
397.30	COMM EQUIP - WARNOCK SUB	1.00				397.30				
397.40	COMM EQUIP - ARGENTUM SUB	1.00				397.40				

ACCOUNT	DESCRIPTION	---RUS---		---TVA---		MARGIN ACCT	INACTIVE	BANK TRANSIT ABA NBR	BANK NAME BANK ACCOUNT	ACCT LENGTH
		B/S LINE	INC LINE	B/S LINE	INC LINE					
397.50	COMM EQUIP - CARTER CITY SUB	1.00				397.50				
397.60	COMM EQUIP - PELFREY SUB	1.00				397.60				
397.70	COMM EQUIP - AIRPORT ROAD SUB	1.00				397.70				
397.80	COMM EQUIP - LOW GAP SUB	1.00				397.80				
397.90	COMM EQUIP - LEON SUB	1.00				397.90				
397.91	COMM EQUIP - SANDY HOOK SUB	1.00				397.91				
397.92	COMM EQUIP - MAZIE	1.00				397.92				
397.93	COMM EQUIP - NEWFOUNDLAND	1.00				397.93				
398.00	MISCELLANEOUS EQUIPMENT	1.00				398.00				
403.60	DEPRECIATION-DISTRIBUTION PLANT	33.00	13.00			219.10				
403.70	DEPRECIATION-GENERAL PLANT	33.00	13.00			219.10				
408.10	TAXES - PROPERTY	33.00	14.00			219.10				
408.20	TAXES - FEDERAL UNEMPLOYMENT	33.00	15.00			219.10				
408.30	TAXES - FICA	33.00	15.00			219.10				
408.40	TAXES - STATE UNEMPLOYMENT	33.00	15.00			219.10				
408.60	REGULATORY COMMISSION ASSESSMENT	33.00	14.00			219.10				
415.00	REVENUE-MERCHANDISE, JOB, CONTRACT	34.00	25.00			219.20				
415.10	HOMEGUARD REVENUE	34.00	25.00			219.20				
415.20	ANCILLARY BILLING SERV - REVENUE	34.00	25.00			219.20				
415.30	ETS REVENUE	34.00	25.00			219.20				
415.40	RENTAL PROPERTY - REVENUE	34.00	25.00			219.20				
415.50	MACED REVENUE	34.00	25.00			219.20				
416.00	INCENTIVES/GEOTHERMAL, ETS, MISC	34.00	25.00			219.20				
416.10	HOMEGUARD EXPENSE	34.00	25.00			219.20				
416.20	ANCILLARY BILL SERV - EXPENSE	34.00	25.00			219.20				
416.30	ETS - EXPENSE	34.00	25.00			219.20				

ACCOUNT	DESCRIPTION	----RUS----		----TVA----		MARGIN ACCT	INACTIVE	BANK TRANSIT ABA NBR	BANK NAME BANK ACCOUNT	ACCT LENGTH
		B/S LINE	INC LINE	B/S LINE	INC LINE					
416.40	RENTAL PROPERTY - EXPENSE	34.00	25.00			219.20				
416.50	MACED EXPENSE	34.00	25.00			219.20				
417.00	KTI REVENUE	34.00	25.00			219.20				
417.10	KTI EXPENSES	34.00	25.00			219.20				
418.10	KTI EQUITY	34.00	24.00			219.20				
419.00	INTEREST INCOME NON-OPERATING	34.00	22.00			219.20				
419.10	INTEREST INCOME - KTI	34.00	22.00			219.20				
419.20	NOW ACCOUNT INTEREST	34.00	22.00			219.20				
419.30	COMMERCIAL PAPER INTEREST	34.00	22.00			219.20				
421.00	MISC NON-OPERATING INCOME	34.00	25.00			219.20				
421.20	LOSS/GAIN DISPOSITION PROPERTY	34.00	25.00			219.20				
423.00	G & T CAPITAL CREDITS	33.00	26.00			219.10				
424.00	OTHER CAP CR & PATRONAGE ALLOC	33.00	27.00			219.10				
426.00	MISCELLANEOUS INCOME DEDUCTIONS	33.00	19.00			219.10				
426.10	MISCELLANEOUS DEDUCTION-DONATION	33.00	19.00			219.10				
426.30	PENALTIES OR FINES	33.00	19.00			219.10				
426.50	OTHER DEDUCTIONS-LOSS ON INVEST	33.00	19.00			219.10				
427.10	INTEREST-RUS	33.00	16.00			219.10				
427.15	INTEREST - RUS NRECA ADV PAY RS	33.00	16.00			427.15				
427.20	INTEREST - COBANK	33.00	16.00			219.10				
427.30	INTEREST-CFC	33.00	16.00			219.10				
427.40	INTEREST - TREASURY RATE	33.00	16.00			219.10	Y			
427.60	INTEREST - FFB	33.00	16.00			219.10				
430.00	INTEREST ASSOCIATED ORGANIZATION	33.00	19.00			219.10				
431.00	OTHER INTEREST EXPENSE	33.00	18.00			219.10				
431.30	INTEREST-REFUND CUSTOMER DEPOSIT	33.00	18.00			219.10				

ACCOUNT	DESCRIPTION	----RUS----		----TVA----		MARGIN ACCT	INACTIVE	BANK TRANSIT ABA NBR	BANK NAME BANK ACCOUNT	ACCT LENGTH
		B/S LINE	INC LINE	B/S LINE	INC LINE					
435.10	FASB 106-EFFECT ON PRIOR YEARS	33.00	28.00			219.10				
440.10	RESIDENTIAL SALES	33.00	1.00			219.10				
440.40	CAMP & BARN SALES	33.00	1.00			219.10				
442.10	SMALL COMMERCIAL SALES	33.00	1.00			219.10				
442.20	LARGE POWER SALES	33.00	1.00			219.10				
442.30	LARGE INDUSTRIAL(OVER 1,000 KVA)	33.00	1.00			219.10				
444.00	STREET LIGHT SALES.	33.00	1.00			219.10				
450.00	FORFEITED DISCOUNTS	33.00	1.00			219.10				
451.00	MISCELLANEOUS SERVICE REVENUE	33.00	1.00			219.10				
454.00	RENT FROM ELECTRIC PROPERTY	33.00	1.00			219.10				
456.00	OTHER ELECTRIC SERVICE	33.00	1.00			219.10				
555.00	PURCHASED POWER	33.00	3.00			219.10				
583.00	OVERHEAD LINE EXPENSE	33.00	6.00			219.10				
585.00	STREET LIGHT EXPENSE	33.00	6.00			219.10				
586.00	METER EXPENSE	33.00	6.00			219.10				
586.10	METER OPERATION SURVEY	33.00	6.00			219.10				
586.20	AUTOMATED METER EQUIP EXPENSE	33.00	6.00			219.10				
588.00	MAPPING EXPENSE	33.00	6.00			219.10				
588.10	MAPPING OPERATIONS	33.00	6.00			219.10				
588.30	EASEMENT RECORDING	33.00	6.00			219.10				
590.00	MAINTENANCE SUPERVISION	33.00	7.00			219.10				
593.00	MAINTENANCE OF OVERHEAD LINES	33.00	7.00			219.10				
593.10	MAINTENANCE OF LINE RIGHT-OF-WAY	33.00	7.00			219.10				
593.20	MAINTENANCE STORM EXPENSES	33.00	7.00			219.10				
594.00	MAINTENANCE OF UNDERGROUND LINES	33.00	7.00			219.10				
595.00	MAINTENANCE OF TRANSFORMERS	33.00	7.00			219.10				

ACCOUNT	DESCRIPTION	---RUS---		---TVA---		MARGIN ACCT	INACTIVE	BANK TRANSIT ABA NBR	BANK NAME BANK ACCOUNT	ACCT LENGTH
		B/S LINE	INC LINE	B/S LINE	INC LINE					
596.00	MAINTENANCE OF STREET LIGHTS	33.00	7.00			219.10				
597.00	MAINTENANCE OF METERS	33.00	7.00			219.10				
598.00	MAINTENANCE-MISC DISTRIBUTION	33.00	7.00			219.10				
901.00	SUPERVISION - BILLING	33.00	8.00			219.10				
902.00	METER READING EXPENSE	33.00	8.00			219.10				
903.00	CUSTOMERS RECORDS & COLLECTIONS	33.00	8.00			219.10				
903.10	CASH DRAWER-OVERAGES & SHORTAGES	33.00	8.00			219.10				
904.00	UNCOLLECTIBLE ACCOUNTS	33.00	8.00			219.10				
909.00	INFORMATIONAL ADVERTISING	33.00	9.00			219.10				
912.00	DEMONSTRATION & SELLING EXPENSE	33.00	10.00			219.10				
913.00	ADVERTISING	33.00	10.00			219.10				
920.00	ADMINISTRATIVE-GENERAL SALERIES	33.00	11.00			219.10				
921.00	OFFICE SUPPLIES & EXPENSES	33.00	11.00			219.10				
923.00	OUTSIDE SERVICES	33.00	11.00			219.10				
924.00	PROPERTY INSURANCE	33.00	11.00			219.10				
925.00	INJURIES & DAMAGES	33.00	11.00			219.10				
926.00	EMPLOYEE BENEFITS	33.00	11.00			219.10				
926.10	EMPLOYEE PENSION & BENEFITS	33.00	11.00			219.10				
928.00	REGULATORY COMMISSION EXPENSES	33.00	11.00			219.10				
930.20	ANNUAL MEETING EXPENSES	33.00	11.00			219.10				
930.21	CAPITAL CREDIT EXPENSES	33.00	11.00			219.10				
930.30	MISCELLANEOUS GENERAL EXPENSES	33.00	11.00			219.10				
930.40	MISC FIELD TRAINING	33.00	11.00			219.10				
930.60	BOARD OF DIRECTOR'S EXPENSES	33.00	11.00			219.10				
930.70	DUES - NRECA & KAEC	33.00	11.00			219.10				
932.00	MAINTENANCE OF GENERAL PLANT	33.00	11.00			219.10				

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ACCOUNT	DESCRIPTION	----RUS----		----TVA----		MARGIN ACCT	INACTIVE	BANK TRANSIT ABA NBR	BANK NAME BANK ACCOUNT	ACCT LENGTH
		B/S LINE	INC LINE	B/S LINE	INC LINE					
999.99	FIXED JOURNAL ACCOUNT	99.99	99.99			999.99				
	TOTAL ACCOUNTS		339							
	INCOME		96							
	BAL/SHEET		243							

Kentucky 61
Grayson Rural Electric
Cooperative Corporation
Grayson, Kentucky
Audited Financial Statements
May 31, 2018 and 2017

Alan M. Zumstein
Certified Public Accountant
Lexington, Kentucky 40509

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MEMBER
• AMERICAN INSTITUTE OF CPA'S
• KENTUCKY SOCIETY OF CPA'S
• INDIANA SOCIETY OF CPA'S
• AICPA DIVISION FOR FIRMS

Independent Auditor's Report

To the Board of Directors
Grayson Rural Electric Cooperative Corporation
Grayson, Kentucky

Report on the Financial Statements

I have audited the accompanying financial statements of Grayson Rural Electric Cooperative Corporation, which comprise the balance sheets as of May 31, 2018 and 2017, and the related statements of revenue and comprehensive income, changes in equities, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

To the Board of Directors
Grayson Rural Electric Cooperative Corporation

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Grayson Rural Electric Cooperative Corporation as of May 31, 2018 and 2017, and the results of their operations and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued a report dated July 26, 2018, on my consideration of Grayson Rural Electric Cooperative Corporation's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance.

Alan M. Zumstein

Alan M. Zumstein, CPA
July 26, 2018

Grayson Rural Electric Cooperative Corporation
Balance Sheets, May 31, 2018 and 2017

<u>Assets</u>	<u>2018</u>	<u>2017</u>
Electric Plant, at original cost:		
In service	\$ 77,640,285	\$ 75,024,322
Under construction	1,392,058	1,646,210
	<u>79,032,343</u>	<u>76,670,532</u>
Less accumulated depreciation	24,528,610	22,235,894
	<u>54,503,733</u>	<u>54,434,638</u>
Investments in Associated Organizations and Others	<u>16,453,749</u>	<u>15,821,119</u>
Current Assets:		
Cash and cash equivalents	87,012	137,627
Accounts receivable, less allowance for 2018 of \$81,820 and 2017 of \$117,180	2,827,061	4,438,313
Other receivables	260,539	256,869
Material and supplies, at average cost	254,114	251,223
Other current assets	475,683	475,233
	<u>3,904,409</u>	<u>5,559,265</u>
Deferred Debits	<u>1,405,170</u>	<u>1,377,795</u>
Total	<u>\$ 76,267,061</u>	<u>\$ 77,192,817</u>
<u>Members' Equities and Liabilities</u>		
Members' Equities:		
Memberships	\$ 154,415	\$ 154,375
Patronage capital	26,455,325	26,794,300
Other equities	215,590	206,425
Accumulated comprehensive income	(432,236)	(861,246)
	<u>26,393,094</u>	<u>26,293,854</u>
Long Term Debt	<u>38,612,114</u>	<u>40,991,467</u>
Accumulated Postretirement Benefits	<u>3,123,011</u>	<u>3,404,391</u>
Current Liabilities:		
Short term borrowings	1,609,000	310,000
Accounts payable	1,820,638	1,746,914
Current portion of long term debt	2,357,000	2,225,000
Consumer deposits	1,229,769	1,220,440
Accrued expenses	1,030,019	910,505
	<u>8,046,426</u>	<u>6,412,859</u>
Consumer Advances	<u>92,416</u>	<u>90,246</u>
Total	<u>\$ 76,267,061</u>	<u>\$ 77,192,817</u>

The accompanying notes are an integral part of the financial statements.

Grayson Rural Electric Cooperative Corporation
Statements of Revenue and Comprehensive Income
for the years ended May 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Operating Revenues:		
Sale of electric energy	\$ 28,991,469	\$ 28,826,971
Other electric revenues	1,053,601	959,784
	<u>30,045,070</u>	<u>29,786,755</u>
Operating Expenses:		
Cost of power	18,146,334	17,413,418
Distribution - operations	1,371,826	1,296,442
Distribution - maintenance	3,360,487	3,315,246
Consumer accounts	1,105,770	1,050,899
Customer services	230,186	248,229
Sales	21,415	22,348
Administrative and general	2,102,218	1,919,955
Depreciation, excluding \$211,301 in 2018 and \$231,804 in 2017 charged to clearing accounts	3,534,829	3,403,080
Taxes, other than income	41,105	40,342
Interest on long-term debt	1,040,077	909,237
Other interest expense	54,695	39,279
Other deductions	15,240	44,169
Total cost of electric service	<u>31,024,182</u>	<u>29,702,644</u>
Operating margins (deficits)	<u>(979,112)</u>	<u>84,111</u>
Nonoperating Margins:		
Interest income	29,854	33,363
Others	78,841	74,578
	<u>108,695</u>	<u>107,941</u>
Patronage Capital Credits:		
G&T	504,926	1,223,640
Others	216,063	62,725
	<u>720,989</u>	<u>1,286,365</u>
Net Margins	(149,428)	1,478,417
Accumulated comprehensive income:		
Postretirement benefits	429,010	85,087
Net Margins and Comprehensive Income	<u>\$ 279,582</u>	<u>\$ 1,563,504</u>

The accompanying notes are an integral part of the financial statements.

Grayson Rural Electric Cooperative Corporation
Statement of Changes in Members' Equities
for the years ended May 31, 2017 and 2018

	Memberships	Patronage Capital				Total	Other Equities	Accumulated Comprehensive Income	Total Members' Equities
		Assignable	Assigned	Prior Losses	Retirements				
Balance - May 31, 2016	\$ 152,995	\$ (461,054)	\$ 28,807,495	\$ (180,361)	\$ (2,656,785)	\$ 25,509,295	\$ 200,716	\$ (946,333)	\$ 24,916,673
Assign patronage		(1,592,010)	1,460,311	131,699		-			
Comprehensive income:									
Net margins		1,478,417				1,478,417			1,478,417
Postretirement benefit obligation									
Amortization							85,087		
Adjustments							-		85,087
Total comprehensive income									1,563,504
Net change in memberships	1,380								1,380
Refunds to estates					(193,412)	(193,412)			(193,412)
Other equities							5,709		5,709
Balance - May 31, 2017	154,375	(574,647)	30,267,806	(48,662)	(2,850,197)	26,794,300	206,425	(861,246)	26,293,854
Assign patronage		574,647	1,473,837	(2,048,484)		-			
Comprehensive income:									
Net margins		(149,428)				(149,428)			(149,428)
Postretirement benefit obligation									
Amortization							14,586		
Adjustments							414,424		429,010
Total comprehensive income									279,582
Net change in memberships	40								40
Refunds to estates					(189,547)	(189,547)			(189,547)
Other equities							9,165		9,165
Balance - May 31, 2018	\$ 154,415	\$ (149,428)	\$ 31,741,643	\$ (2,097,146)	\$ (3,039,744)	\$ 26,455,325	\$ 215,590	\$ (432,236)	\$ 26,393,094

The accompanying notes are an integral part of the financial statements.

Grayson Rural Electric Cooperative Corporation
Statements of Cash Flows
for the years ended May 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Cash Flows from Operating Activities:		
Net margins (loss)	\$ (149,428)	\$ 1,478,417
Adjustments to reconcile to net cash provided by operating activities:		
Depreciation:		
Charged to expense	3,534,829	3,403,080
Charged to clearing accounts	211,301	231,804
Patronage capital assigned	(720,989)	(1,286,365)
Accumulated postretirement benefits	147,630	255,043
Change in assets and liabilities:		
Receivables	1,607,582	60,808
Material and supplies	(2,891)	19,870
Other assets	(450)	4,653
Prepaid pension costs	(27,375)	(195,641)
Payables	73,724	(20,044)
Consumer deposits and advances	11,499	(55,195)
Accrued expenses	119,514	46,893
	<u>4,804,946</u>	<u>3,943,323</u>
Cash Flows from Investing Activities:		
Plant additions	(3,365,404)	(4,393,933)
Plant removal costs	(469,732)	(500,564)
Salvage recovered from retired plant	19,911	55,389
Receipts from other investments, net	88,359	90,119
	<u>(3,726,866)</u>	<u>(4,748,989)</u>
Cash Flows from Financing Activities:		
Net increase in memberships	40	1,380
Refund of patronage capital to members	(189,547)	(193,412)
Increase in other equities	9,165	5,709
Payments on long term debt	(2,247,353)	(2,205,424)
Advances of long term debt	-	4,000,000
Short term borrowings	1,299,000	(765,000)
	<u>(1,128,695)</u>	<u>843,253</u>
Net increase (decrease) in cash	(50,615)	37,587
Cash and cash equivalents, beginning of year	<u>137,627</u>	<u>100,040</u>
Cash and cash equivalents, end of year	<u>\$ 87,012</u>	<u>\$ 137,627</u>
Supplemental cash flows information:		
Interest paid on long-term debt	\$ 1,002,409	\$ 884,823

The accompanying notes are an integral part of the financial statements.

Grayson Rural Electric Cooperative Corporation
Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

Grayson Rural Electric Cooperative Corporation (“Grayson”) maintains its records in accordance with the policies prescribed or permitted by the Kentucky Public Service Commission (“PSC”) and the United States Department of Agriculture, Rural Utilities Service (“RUS”), which conform in all material respects with generally accepted accounting principles. The more significant of these policies are as follows:

Electric Plant Electric plant is stated at original cost, which is the cost when first dedicated to public service. Such amount includes applicable supervisory and overhead cost including any construction period interest and taxes. There was no interest required to be capitalized during the year.

The cost of maintenance and repairs, including renewals of minor items of property, is charged to operating expense. The cost of replacement of depreciable property units, as distinguished from minor items, is charged to electric plant. The units of property replaced or retired, including cost of removal, net of any salvage value, is charged to accumulated depreciation for distribution plant. Gain or loss is recognized on disposition of general plant items. Electric plant consists of:

	<u>2018</u>	<u>2017</u>
Distribution plant	\$70,949,688	\$68,332,686
General plant	<u>6,690,597</u>	<u>6,691,636</u>
Total	<u>\$77,640,285</u>	<u>\$75,024,322</u>

Depreciation Provision has been made for depreciation on the basis of the estimated lives of assets, using the straight-line method. In Depreciation rates are as follows:

Distribution plant	2.89% - 6.67%
Structures and improvements	2%
Transportation equipment	16%
Other general plant items	6% - 16%

Cash and Cash Equivalents Grayson considers all short-term, highly liquid investments with original maturities of three months or less to be cash equivalents.

Off Balance Sheet Risk Grayson maintains its cash balances, which may exceed the federally insured limit, with several financial institutions. These financial institutions have strong credit ratings and management believes that the credit risk related to the accounts is minimal.

Revenue Grayson records revenue as billed to its consumers based on meter-readings taken on the 20th of each month using Automated Metering Information (“AMI”) technology. All consumers are required to pay a refundable customer deposit; however, it may be waived under certain circumstances. Grayson’s sales are concentrated in a six county area of eastern Kentucky. Consumers must pay their bill within 20 days of billing, then are subject to disconnect after another 10 days. Accounts are written off when they are deemed to be uncollectible. The allowance for uncollectible accounts is based on the aging of receivables. There were no customers whose individual account balance exceeded 10% of outstanding accounts receivable at May 31, 2018 or 2017.

Grayson is required to collect, on behalf of the Commonwealth of Kentucky, sales taxes based on 6 percent of gross sales from non-residential consumers, a 3 percent school tax from certain counties on most gross sales, and franchise fees in certain cities. Grayson’s policy is to exclude these taxes from revenue when collected and expenses when paid and instead, record collection and payment of taxes through a liability account.

Grayson Rural Electric Cooperative Corporation
Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies, continued

Cost of Power Grayson is one of sixteen (16) members of East Kentucky Power Cooperative (“East Kentucky”). Under a wholesale power agreement, Grayson is committed to purchase its electric power and energy requirements from East Kentucky until 2051. The rates charged by East Kentucky are subject to approval of the PSC. The cost of purchased power is recorded monthly during the period in which energy is consumed, based upon billings from East Kentucky.

Fair Value Measurements The Fair Value Measurements and Disclosures Topic of the FASB ASC 820, *Fair Value Measurements and Disclosures*, defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal, or most advantageous, market for the asset or liability in an orderly transaction between market participants at the measurement date. The Fair Values Measurements Topic establishes a three-level fair value hierarchy that prioritizes the inputs used to measure fair value. This hierarchy requires entities to maximize the use of observable inputs when possible. The three levels of inputs used to measure fair value are as follows:

Level 1: Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities

Level 2: Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly.

Level 3: Prices or valuations that require inputs that are both significant to the fair value measure and unobservable.

A financial instrument’s level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The carrying amounts of Grayson’s cash and cash equivalents, other receivables, inventories, accounts payable, accrued expenses and liabilities, approximate fair value due to their short maturity. Investments in associated organizations are not considered a financial instrument because they represent nontransferable interests in associated organizations. Other assets are not considered financial instruments because they represent activities specifically related to Grayson. Long term debt cannot be traded in the market, and is specifically for electric cooperatives and, therefore, a value other than its outstanding principal cannot be determined.

Grayson may, and also does, invest idle funds in local banks and in National Rural Utilities Cooperative Finance Corporation (“CFC”) commercial paper. These investments are classified as held-to-maturity in accordance with provisions of the *Financial Instruments Topic* of FASB ASC 320. Held-to-maturity securities are presented at amortized cost. The fair value of held-to-maturity securities approximates cost at 2018 and 2017.

Risk Management Grayson is exposed to various forms of losses of assets associated with, but not limited to, fire, personal liability, theft, vehicular accidents, errors and omissions, fiduciary responsibility, workers compensation, etc. Each of these areas is covered through the purchase of commercial insurance.

Estimates The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates used in the preparation of the financial statements.

Grayson Rural Electric Cooperative Corporation
Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies, continued

Advertising Grayson expenses advertising costs as incurred.

Income Tax Status Grayson is exempt from federal and state income taxes under provisions of Section 501(c)(12). Accordingly, the financial statements for Grayson include no provision for income taxes. Grayson's accounting policy provides that a tax expense/benefit from an uncertain tax position may be recognized when it is more likely than not that the position will be sustained upon examination, including resolutions of any related appeals or litigation processes, based on the technical merits. Management believes Grayson has no uncertain tax positions resulting in an accrual of tax expense or benefit. Grayson recognizes interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses. Grayson did not recognize any interest or penalties during the years ended May 31, 2018 and 2017. Grayson's income tax return is subject to possible examination by taxing authorities until the expiration of related statutes of limitations on the return, which is generally three years.

Comprehensive Income Comprehensive income includes both net margin and other comprehensive income. Other comprehensive income represents the change in funded status of the accumulated postretirement benefit obligation.

Significant Event During the audit period Grayson changed recognizing revenue to a billing cycle basis to more closely match revenue to power cost and to close its books on a more timely basis. This resulted in a reduction of revenues during the year in the amount of approximately \$1,687,000.

Subsequent Events Management has evaluated subsequent events through July 26, 2018, the date the financial statements were available to be issued. There were no significant subsequent events to report.

Note 2. Investments in Associated Organizations

Investments in associated organizations consist of:

	<u>2018</u>	<u>2017</u>
East Kentucky, patronage capital	\$14,872,945	\$14,368,019
CFC, patronage capital	178,656	169,283
CFC, CTC's	622,441	624,107
Others	<u>779,707</u>	<u>659,710</u>
Total	<u>\$16,453,749</u>	<u>\$15,821,119</u>

Grayson records patronage capital assigned by associated organizations in the year in which such assignments are received. The CTC's from CFC are a condition of borrowing loan funds.

Note 3. Patronage Capital

Under provisions of the long-term debt agreement, return to patrons of capital contributed by them is limited to amounts which would not allow the total equities and margins to be less than 30% of total assets, except that distributions may be made to estates of deceased patrons. The debt agreement provides, however, that should such distributions to estates not exceed 25% of the net margins for the next preceding year, Grayson may distribute the difference between 25% and the payments made to such estates. At May 31, 2018, the equities and margins were 35% of total assets.

Grayson Rural Electric Cooperative Corporation
Notes to Financial Statements

Note 4. Long Term Debt

All assets, except vehicles, are pledged as collateral on the long term debt to Federal Financing Bank (FFB), National Bank for Cooperative's (CoBank), and CFC under a joint mortgage agreement

First mortgage notes consist of:

	<u>2018</u>	<u>2017</u>
FFB, 1.738% (0.203% in 2017)	\$23,854,431	\$24,782,359
CoBank (refinance RUS loans) 4.62%	7,515,844	8,066,662
CFC, 3.10% to 3.25%	458,878	543,786
CFC (refinance RUS loans) 2.90% to 3.70%	8,963,329	9,299,534
CFC, Finance NRECA benefits 2.20%	<u>176,632</u>	<u>524,126</u>
	40,969,114	43,216,467
Less current portion	<u>2,357,000</u>	<u>2,225,000</u>
Long term portion	<u>\$38,612,114</u>	<u>\$40,991,467</u>

The long term debt payable to FFB, CoBank, and CFC are due in quarterly and monthly installments of varying amounts through 2039. RUS assess 12.5 basis points to administer the FFB loans. During 2011 and 2017 Grayson refinanced RUS loans with proceeds from CoBank and CFC, respectively. During 2013, Grayson advanced the 2.2% interest rate notes from CFC to finance the accelerated pension payment to NRECA. Grayson has unadvanced loan funds in the amount of \$14,325,000 from FFB. These funds will be used for future construction projects.

As of May 31, 2018, annual current principal due for the next five years are as follows: 2019 - \$2,357,000; 2020 - \$2,335,000; 2021 - \$2,146,000; 2022 - \$2,092,000; 2023 - \$2,101,000.

Note 5. Short Term Borrowings

Grayson has executed a short term line of credit agreement with CFC in the amount of \$6,000,000 and from CoBank in the amount of \$2,000,000. At May 31, 2018, Grayson advanced \$334,000 from CFC at an interest rate of 3.25% and from CoBank of \$1,275,000 at an interest rate of 4.09%.

Note 6. Pension Plan

All eligible employees of Grayson participate in the NRECA Retirement and Security Plan ("R&S Plan"), a defined benefit pension plan qualified under section 401 and tax exempt under section 501(a) of the Internal Revenue Code. It is a multiemployer plan under the accounting standards. The Plan sponsor's identification number is 53-0116145 and the Plan Number is 333. A unique characteristic of a multiemployer plan compared to a single employer plan is that all plan assets are available to pay benefits of any plan participant. Separate asset accounts are not maintained for participating employers. This means that assets contributed by one employer may be used to provide benefits to employees of other participating employers.

Grayson's contributions to the R&S Plan in 2018 and 2017 represent less than 5 percent of the total contributions made to the plan by all participating employers. Grayson made contributions to the plan of \$715,904 in 2018 and \$653,479 in 2017. There have been no significant changes that affect the comparability of 2018 and 2017.

Grayson Rural Electric Cooperative Corporation
Notes to Financial Statements

Note 6. Pension Plan, continued

In the R&S Plan, a “zone status” determination is not required, and therefore not determined, under the Pension Protection Act (“PPA”) of 2006. In addition, the accumulated benefit obligations and plan assets are not determined or allocated separately by individual employer. In total, the R&S Plan was over 85 percent funded at January 1, 2018 and 2017 based on the PPA funding target and PPA actuarial value of assets on those dates. Because the provisions of the PPA do not apply to the R&S Plan, funding improvement plans and surcharges are not applicable. Future contribution requirements are determined each year as part of the actuarial valuation of the plan and may change as a result of plan experience.

At the December 2012 meeting of the I&FS Committee of the NRECA Board of Directors, the Committee approved an option to allow participating cooperatives in the Retirement Security (“R&S”) Plan (a defined benefit multiemployer pension plan) to make a prepayment and reduce future required contributions. The prepayment amount is a cooperative share, as of January 1, 2013, of future contributions required to fund the R&S Plan’s unfunded value of benefits earned to date using Plan actuarial valuation assumptions. The prepayment amount will typically equal approximately 2.5 times a cooperative’s annual R&S Plan required contribution as of January 1, 2013. After making the prepayment, for most cooperatives the billing rate is reduced by approximately 25%, retroactive to January 1, 2013. The 25% differential in billing rates is expected to continue for approximately 15 years. However, changes in interest rates, asset returns and other plan experience different from that expected, plan assumptions changes, and other factors may have an impact on the differential in billing rates and the 15 year period.

Two prepayment options were available to participating cooperatives:

1. Use current assets to make the prepayment over a period of not more than 4 years, or,
2. Borrow funds sufficient to make the prepayment in a lump sum, with the prepayment of the borrowed amount determined by the loan’s amortization schedule.

On February 14, 2013, RUS issued a memorandum to all of its borrowers regarding the proper accounting treatment of the R&S Plan prepayment. RUS stipulated that the prepayment shall be recorded as a long term prepayment in Account 186, Miscellaneous Deferred Debits. This prepaid expense shall be amortized to Account 926, Employee Pensions and Benefits, over a ten year period. Alternatively, RUS borrowers may calculate the amortization period by subtracting the cooperative’s average age of its workforce as provided by NRECA from the cooperative’s normal retirement age under the R&S Plan, up to a maximum period of 20 years. If the entity chooses to finance the prepayment, interest expense associated with the loan shall be recorded in the year incurred as is required under the RUS Uniform System of Accounts (“USoA”).

Section 6.13(e) of the RUS Loan Contract limits the amount of unsecured debt that a borrower may incur to 15% on Net Utility Plant if the equity level of the borrower, after considering such unsecured debt, is below 30% of its Total Assets, unless the borrower obtains RUS consent. RUS will consider any unsecured debt associated with the R&S Plan prepayment to be “Permitted Debt” and accordingly, it will be excluded from the application of Section 6.13(e). On March 15, 2013, the Cooperative made a prepayment of \$1,701,130 to the R&S Plan. The amount is being amortized over 15 years.

Note 7. Postretirement Benefits

Grayson sponsors a defined benefit plan that provides medical insurance coverage for retired employees and their spouses. Grayson pays all the premiums for retirees and their dependents. For measurement purposes, an annual rate of increase of 5% in 2018, then decreasing by 0.25% per year until 3% per year, in the per capita cost of covered health care benefit was assumed. The discount rate used in determining the accumulated postretirement benefit obligation was 4.5% in 2018 and 2017. There have been no significant changes that affect the comparability of 2018 and 2017.

Grayson Rural Electric Cooperative Corporation
Notes to Financial Statements

Note 7. Postretirement Benefits, continued

The funded status of the plan is as follows:

	<u>2018</u>	<u>2017</u>
Projected benefit obligation	(3,123,011)	(\$3,404,391)
Plan assets at fair value	<u>-</u>	<u>-</u>
Total	<u><u>(\$3,123,011)</u></u>	<u><u>(\$3,404,391)</u></u>

The components of net periodic postretirement benefit cost are as follows:

	<u>2018</u>	<u>2017</u>
Benefit obligation at beginning of year	<u>\$3,404,391</u>	<u>\$3,234,435</u>
Components of net periodic benefit cost:		
Service cost	147,347	189,903
Interest cost	<u>146,867</u>	<u>182,568</u>
Net periodic benefit cost	294,214	372,471
Benefits paid	(180,600)	(202,515)
Actuarial gain/loss	<u>(394,994)</u>	<u>-</u>
Benefit obligation at end of year	<u><u>\$3,123,011</u></u>	<u><u>\$3,404,391</u></u>

Amounts included in accumulated comprehensive income:

Unrecognized actuarial gain (loss)	(\$432,236)	(\$861,246)
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Effect of 1% increase in the health care trend:

Postemployment benefit obligation	\$3,326,000
Net periodic benefit cost	\$313,300

Projected retiree benefit payments for the next five years are expected to be as follows: 2019 - \$174,876; 2020 - \$165,569; 2021 - \$136,731; 2022 - \$111,246; 2023 - \$108,388.

Note 8. Commitments

Grayson has various other agreements outstanding with local contractors. Under these agreements, the contractors will perform certain construction and maintenance work at specified hourly rates or unit cost, or on an as needed basis. The duration of these contracts are one to two years.

Note 9. Environmental Contingency

Grayson from time to time is required to work with and handle PCBs, herbicides, automotive fluids, lubricants, and other hazardous materials in the normal course of business. As a result, there is the possibility that environmental conditions may arise which would require Grayson to incur cleanup costs. The likelihood of such an event, or the amount of such costs, if any, cannot be determined at this time. However, management does not believe such costs, if any, would materially affect Grayson's financial position or its future cash flows.

Grayson Rural Electric Cooperative Corporation
Notes to Financial Statements

Note 10. Related Party Transactions

Several of the Directors of Grayson, its President & CEO, and another employee, are on the Boards of Directors of various associated organizations.

Note 11. Contingencies

Grayson is involved in litigation arising in the normal course of business. While the results of such litigation cannot be predicted with certainty, management, based upon advice of counsel, believes that the final outcome will not have a material adverse effect on the financial statements.

Note 12. Labor Force

Approximately 45% of Grayson's labor force is subject to a collective bargaining agreement. A five (5) year agreement was negotiated and approved for the period starting January 1, 2018 between Grayson and the International Brotherhood of Electric Workers ("IBEW").

* * * * *

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• AICPA DIVISION FOR FIRMS

Independent Auditor's Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial
Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Directors
Grayson Rural Electric Cooperative Corporation
Grayson, Kentucky

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Grayson Rural Electric Cooperative Corporation, which comprise the balance sheets as of May 31, 2018 and 2017, and the related statements of revenue and comprehensive income, members' equities and cash flows for the years then ended, and related notes to the financial statements, and have issued my report thereon dated July 26, 2018.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered Grayson's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Grayson's internal control. Accordingly, we do not express an opinion on the effectiveness of Grayson's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

To the Board of Directors
Grayson Rural Electric Cooperative Corporation

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Grayson's financial statements are free of material misstatement, I performed test of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Alan M. Zumstein

Alan M. Zumstein, CPA
July 26, 2018

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**Independent Auditor's Report on Compliance with Aspects of Contractual
Agreements and Regulatory Requirements for Electric Borrowers**

To the Board of Directors
Grayson Rural Electric Cooperative Corporation
Grayson, Kentucky

I have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Grayson Rural Electric Cooperative Corporation ("the Cooperative"), which comprise the balance sheet as of May 31, 2018, and the related statements of revenue and comprehensive income, patronage capital, and changes in cash flows for the year then ended, and the related notes to the financial statements, and have issued my report thereon dated July 26, 2018. In accordance with *Government Auditing Standards*, we have also issued my report dated July 26, 2018, on my consideration of the Cooperative's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. No reports other than the reports referred to above and my schedule of findings and recommendations related to my audit have been furnished to management.

In connection with my audit, nothing came to my attention that caused me to believe that the Cooperative failed to comply with the terms, covenants, provisions, or conditions of their loan, grant, and security instruments as set forth in 7 CFR Part 1773, *Policy on Audits of Rural Utilities Service Borrowers*, §1773.33 and clarified in the RUS policy memorandum dated February 7, 2013, insofar as they relate to accounting matters as enumerated below. However, my audit was not directed primarily toward obtaining knowledge of noncompliance. Accordingly, had I performed additional procedures, other matters may have come to my attention regarding the Cooperative's noncompliance with the above-referenced terms, covenants, provisions, or conditions of the contractual agreements and regulatory requirements, insofar as they relate to accounting matters. In connection with my audit, I noted no matters regarding the Cooperative's accounting and records to indicate that the Cooperative did not:

- Maintain adequate and effective accounting procedures;
- Utilize adequate and fair methods for accumulating and recording labor, material, and overhead costs, and the distribution of these costs to construction, retirement, and maintenance or other expense accounts;
- Reconcile continuing property records to the controlling general ledger plant accounts;
- Clear construction accounts and accrue depreciation on completed construction;
- Record and properly price the retirement of plant;

Board of Directors
Grayson Rural Electric Cooperative Corporation

- Seek approval of the sale, lease, or transfer of capital assets and disposition of proceeds for the sale or lease of plant, material, or scrap;
- Maintain adequate control over material and supplies;
- Prepare accurate and timely Financial and Operating Reports;
- Obtain written RUS approval to enter into any contract for the management, operation, or maintenance of the borrower's system if the contract covers all or substantially all of the electric system;
- Disclose material related party transactions in the financial statements, in accordance with requirements for related parties in generally accepted accounting principles;
- Record depreciation in accordance with RUS requirements ("See RUS Bulletin 183-1, Depreciation Rates and Procedures");
- Comply with the requirements for the detailed schedule of deferred debits and deferred credits; and
- Comply with the requirements for the detailed schedule of investments, of which there were none.

My audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The detailed schedule of deferred debits and deferred credits required by 7 CFR Part 1773(h) and provided below is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information has been subjected to the auditing procedures applied in my audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The deferred debits are as follows:

Accelerated pension payment	\$836,170
System mapping costs	<u>569,000</u>
	<u>\$1,405,170</u>

The deferred credits are as follows:

Consumer advances for construction	<u>\$92,416</u>
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This report is intended solely for the information and use of the board of directors, management, RUS, and supplemental lenders and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distributions is not limited.

Alan Zumstein

Alan M. Zumstein, CPA
July 26, 2018

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Grayson Rural Electric Cooperative
Case No. 2018-00272
Computer Software Programs
December 31, 2017

The Cooperative used Microsoft Excel, Word, and Adobe in the preparation of this Application.

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Grayson Rural Electric Cooperative
Case No. 2018-00272
Annual Meeting Information
December 31, 2017

The most recent annual meeting was held May 11, 2017. The results of the previous annual meeting's are attached.

Data for the last five (5) annual meetings are as follows:

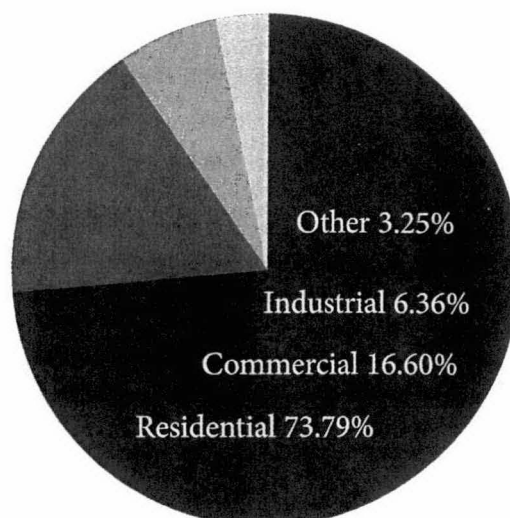
<u>Year</u>	<u>Members Attending</u>	<u>Members Voting</u>	<u>Cost</u>
2017	1,239	815	\$ 69,925
2016	1,312	-	\$ 89,361
2015	1,310	-	\$ 55,832
2014	868	744	\$ 58,586
2013	682	-	\$ 43,638
2012	689	-	\$ 29,500

STATEMENT OF OPERATIONS

For the Year Ending December 31, 2015

Operating Revenue	\$31,182,099.00
Operating Expense	
Purchased Power	\$18,455,285.00
Operation & Maintenance	\$7,709,739.00
Depreciation	\$3,221,794.00
Taxes	\$41,436.00
Interest on Loans	\$905,778.00
Other Deductions	-\$13,265.00
Total Cost of Electric Service	\$30,320,767.00
Operating Margins	\$861,332.00
Non Operating Margins	-\$958.00
G&T Capital Credits	\$1,252,016.00
Other Capital Credits	\$152,893.00
Patronage Capital or Margins	\$2,265,283.00

REVENUE SOURCES



Residential	\$23,009,195.00
Commercial	\$5,175,936.00
Industrial	\$1,984,197.00
Other	\$1,012,772.00

BALANCE SHEET

For the Year Ending December 31, 2015

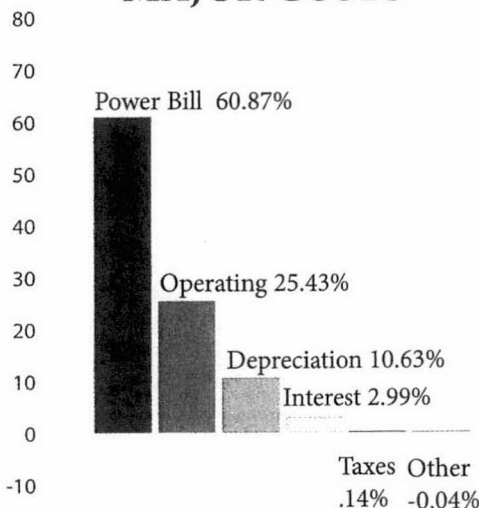
ASSETS

Total Utility Plant	\$72,596,431.00
Less Depreciation	\$19,929,296.00
Net Utility Plant	\$52,667,135.00
Investment in Assoc Organization	\$14,572,339.00
Cash	\$405,740.00
Notes Receivable	\$5,000.00
Accounts Receivable	\$6,538,683.00
Inventory	\$505,089.00
Expenses Paid in Advance	\$36,842.00
Deferred Debits and Other Assets	\$1,254,234.00
Total Assets	\$75,985,062.00

LIABILITIES

Consumer Deposits	\$1,217,042.00
Membership and Other Equities	\$25,391,897.00
Long-Term Debt	\$42,230,385.00
Noncurrent Liabilities	\$3,168,835.00
Notes and Accounts Payable	\$3,175,343.00
Deferred Credits	\$233,984.00
Other Current Liabilities	\$567,576.00
Total Liabilities	\$75,985,062.00

MAJOR COSTS



Power Bill	\$18,455,285.00
Operating	\$7,709,739.00
Depreciation	\$3,221,794.00
Interest	\$905,778.00
Taxes	\$41,436.00
Other	-\$13,265.00

Accounts Billed	15,361
Average kWh Use (Residential per month)	1,014.80
Miles of Line	2,465.24
Consumers Per Mile	6.23

15,361 Members Served in 2015

Carter County 4,559
 Elliott County 3,651
 Greenup County 4,296
 Lawrence County 803
 Lewis County 303
 Rowan County 1,749

Grayson Rural Electric Cooperative Corporation

WORK PROJECTS

The following were either completed or begun during 2016.

Major Projects

- Stark
- RT 173
- RT 519
- Iron Hill
- RT 7

Routine Work

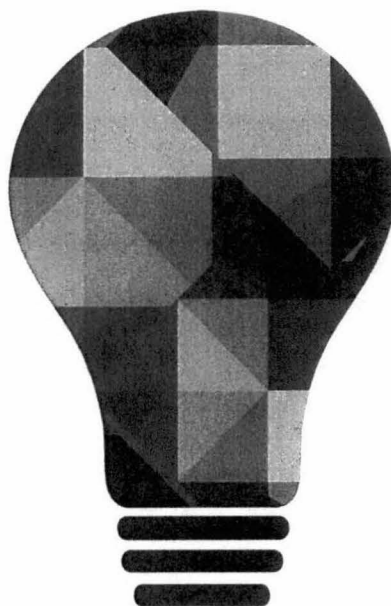
- Grayson Rural Electric built 8.16 miles of line to serve 257 new services
- Upgraded 29 services
- Replaced 369 poles
- Installed 80 new security lights

RIGHT OF WAY PROJECTS

Removed.....	8,814 trees
Trimmed.....	9,117 trees
Re-Cleared.....	120 miles
Bush Hogged.....	44 miles
Sprayed.....	53 miles
Circuit Clearing.....	109 miles

Finished 158 miles of Feeder 1 Newfoundland in Elliott County.

Annual Report



2016

15,329 Accounts Billed in 2016

- Carter County 4,559
- Elliott County 3,645
- Greenup County 4,283
- Lawrence County 777
- Lewis County 311
- Rowan County 1,754

Members Served 11,273

Average kWh Use (Residential per month) 998.75

Miles of Line 2473.4

Consumers Per Mile 6.2

MISSION STATEMENT

Grayson Rural Electric Cooperative Corporation exists to provide safe, efficient electricity and related services to our members, our communities and others who may be affected by our actions and decisions.

STATEMENT OF OPERATIONS

For the Year Ending December 31, 2016

Operating Revenue	\$30,511,143.00
Operating Expense	
Purchased Power	\$17,917,378.00
Operation & Maintenance	\$8,135,039.00
Depreciation	\$3,341,888.00
Taxes	\$899,865.00
Interest on Loans	\$40,662.00
Other Deductions	\$78,323.00
Total Cost of Electric Service	\$30,413,155.00
Operating Margins	\$97,988.00
Non Operating Margins	\$131,699.00
G&T Capital Credits	\$1,223,640.00
Other Capital Credits	\$138,681.00
Patronage Capital or Margins	\$1,592,008.00

BALANCE SHEET

For the Year Ending December 31, 2016

ASSETS

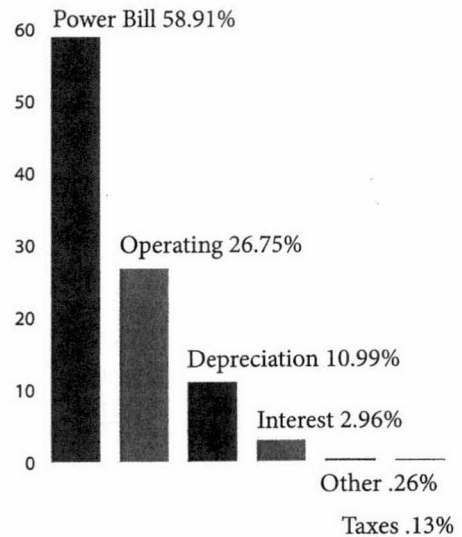
Total Utility Plant	\$75,303,183.00
Less Depreciation	\$21,285,230.00
Net Utility Plant	\$54,017,953.00
Investment in Assoc Organization	\$15,849,671.00
Cash	\$139,462.00
Notes Receivable	\$0.00
Accounts Receivable	\$6,148,793.00
Inventory	\$287,319.00
Expenses Paid in Advance	\$49,217.00
Deferred Debits and Other Assets	\$1,316,422.00
Total Assets	\$77,808,837.00

LIABILITIES

Consumer Deposits	\$1,210,055.00
Membership and Other Equities	\$26,881,486.00
Long-Term Debt	\$40,051,998.00
Noncurrent Liabilities	\$5,629,543.00
Notes and Accounts Payable	\$3,330,597.00
Deferred Credits	\$170,604.00
Other Current Liabilities	\$534,554.00
Total Liabilities	\$77,808,837.00

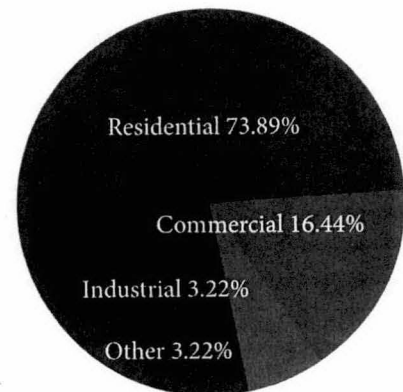
MAJOR COSTS

Power Bill	\$17,917,378.00
Operating	\$8,135,039.00
Depreciation	\$3,341,888.00
Interest	\$899,865.00
Other	\$78,323.00
Taxes	\$40,662.00



REVENUE SOURCES

Residential	\$22,545,309.00
Commercial	\$5,015,628.00
Industrial	\$1,968,298.00
Other	\$981,908.00
Total	\$30,511,143.00



Grayson Rural Electric is an equal opportunity provider and employer.

Grayson Rural Electric
A Touchstone Energy Cooperative

PART A. STATEMENT OF OPERATIONS

LINE NO	YEAR TO DATE				% FROM BUDGET	% CHANGE FROM LAST YEAR
	LAST YEAR A	THIS YEAR B	BUDGET C	THIS MONTH D		
1.0	OPERATING REVENUE & PATRONAGE CAPITAL....	3,402,652.49	2,747,100.22	3,525,587.14	2,747,100.22	22.1- 19.3-
2.0	POWER PRODUCTION EXPENSE.....	.00	.00	.00	.00	.0 .0
3.0	COST OF PURCHASED POWER.....	2,062,778.00-	1,751,480.00-	2,138,362.00-	1,751,480.00-	18.1- 15.1-
4.0	TRANSMISSION EXPENSE.....	.00	.00	.00	.00	.0 .0
5.0	REGIONAL MARKET OPERATIONS EXPENSE.....	.00	.00	.00	.00	.0 .0
6.0	DISTRIBUTION EXPENSE-OPERATION.....	118,019.76-	125,057.21-	104,828.35-	125,057.21-	19.3 6.0
7.0	DISTRIBUTION EXPENSE-MAINTENANCE.....	321,480.98-	301,309.52-	326,235.65-	301,309.52-	7.6- 6.3-
8.0	CONSUMER ACCOUNTS EXPENSE.....	109,059.81-	103,386.96-	96,156.48-	103,386.96-	7.5 5.2-
9.0	CUSTOMER SERVICE & INFORMATIONAL EXPENSE.....	22,519.40-	21,734.58-	21,786.53-	21,734.58-	.2- 3.5-
10.0	SALES EXPENSE.....	1,621.63-	2,314.20-	1,876.60-	2,314.20-	23.3 42.7
11.0	ADMINISTRATIVE & GENERAL EXPENSE.....	197,560.73-	156,209.52-	181,678.36-	156,209.52-	14.0- 20.9-
12.0	TOTAL OPERATIONS & MAINTENANCE EXPENSE...	2,833,040.31-	2,461,491.99-	2,870,923.97-	2,461,491.99-	14.3- 13.1-
13.0	DEPRECIATION & AMORTIZATION EXPENSE.....	272,499.52-	284,902.31-	284,478.91-	284,902.31-	.1 4.6
14.0	TAX EXPENSE - PROPERTY & GROSS RECEIPTS..	3,453.00-	3,389.00-	3,458.33-	3,389.00-	2.0- 1.9-
15.0	TAX EXPENSE - OTHER.....	.00	.00	.00	.00	.0 .0
16.0	INTEREST ON LONG TERM DEBT.....	77,871.66-	87,616.41-	77,916.66-	87,616.41-	12.4 12.5
17.0	INTEREST CHARGED TO CONSTRUCTION - CREDIT	.00	.00	.00	.00	.0 .0
18.0	INTEREST EXPENSE - OTHER.....	375.00-	666.00-	250.00-	666.00-	166.4 77.6
19.0	OTHER DEDUCTIONS.....	1,043.00-	6,113.77-	3,062.49-	6,113.77-	99.6 486.2
20.0	TOTAL COST OF ELECTRIC SERVICE.....	3,188,282.49-	2,844,179.48-	3,240,090.36-	2,844,179.48-	12.2- 10.8-
21.0	PATRONAGE CAPITAL & OPERATING MARGINS....	214,370.00	97,079.26-	285,496.78	97,079.26-	134.0- 145.3-
22.0	NON OPERATING MARGINS - INTEREST.....	2,462.47	2,440.91	2,418.73	2,440.91	.9 .9-
23.0	ALLOW. FOR FUNDS USED DURING CONSTRUCTION	.00	.00	.00	.00	.0 .0
24.0	INCOME (LOSS) FROM EQUITY INVESTMENTS....	.00	.00	.00	.00	.0 .0
25.0	NON OPERATING MARGINS - OTHER.....	15,463.35	1,247.89	584.54-	1,247.89	313.5- 91.9-
26.0	GENERATION & TRANSMISSION CAPITAL CREDITS	.00	.00	.00	.00	.0 .0
27.0	OTHER CAPITAL CREDITS & PATRONAGE DIVID..	2,488.82	.00	10,908.31	.00	100.0- 100.0-
28.0	EXTRAORDINARY ITEMS.....	.00	.00	.00	.00	.0 .0
29.0	PATRONAGE CAPITAL OR MARGINS.....	234,784.64	93,390.46-	298,239.28	93,390.46-	131.3- 139.8-
RATIOS						
	TIER	4.015	.066-	4.828	.066-	
	MARGINS TO REVENUE	.069	.034	.085	.034	
	POWER COST TO REVENUE	.606	.638	.607	.638	
	INTEREST EXPENSE TO REVENUE	.023	.032	.022	.032	
	CURRENT ASSETS : CURRENT LIABILITIES	1.6374				
	MARGINS & EQUITIES AS % OF ASSETS	.3409				
	LONG TERM DEBT AS % OF PLANT	.5811				
	GENERAL FUNDS TO TOTAL PLANT	.5156				
	QUICK ASSET RATIO	1.5720				

PART C. BALANCE SHEET

LINE NO	ASSETS AND OTHER DEBITS	LIABILITIES AND OTHER CREDITS
1.0	TOTAL UTILITY PLANT IN SERVICE 74,053,394.39	30.0 MEMBERSHIPS 153,120.00-
2.0	CONSTRUCTION WORK IN PROGRESS 1,624,411.13	31.0 PATRONAGE CAPITAL 25,828,992.43-
3.0	TOTAL UTILITY PLANT 75,677,805.52	32.0 OPERATING MARGINS - PRIOR YEAR 1,460,308.28-
4.0	ACCUM PROV FOR DEP & AMORT 21,483,322.53-	33.0 OPERATING MARGINS-CURRENT YEAR 97,079.26
5.0	NET UTILITY PLANT 54,194,482.99	34.0 NON-OPERATING MARGINS 135,388.04-
6.0	NON-UTILITY PROPERTY (NET) .00	35.0 OTHER MARGINS & EQUITIES 685,643.53
7.0	INVEST IN SUBSIDIARY COMPANIES .00	36.0 TOTAL MARGINS & EQUITIES 26,795,085.96-
8.0	INV IN ASSOC ORG - PAT CAPITAL 15,210,342.55	37.0 LONG TERM DEBT - RUS (NET) .00
9.0	INV IN ASSOC ORG OTHR GEN FND .00	(PAYMENTS-UNAPPLIED .00)
10.0	INV IN ASSOC ORG - NON GEN FND 637,607.50	38.0 LNG-TERM DEBT-FFB-RUS GUAR 25,001,510.16-
11.0	INV IN ECON DEVEL PROJECTS .00	39.0 LONG-TERM DEBT OTHER-RUS GUAR .00
12.0	OTHER INVESTMENTS 98.65	40.0 LONG TERM DEBT - OTHER (NET) 18,971,161.85-
13.0	SPECIAL FUNDS .00	41.0 LNG-TERM DEBT-RUS-ECON DEV NET .00
14.0	TOT OTHER PROP & INVESTMENTS 15,848,048.70	42.0 PAYMENTS - UNAPPLIED .00
15.0	CASH - GENERAL FUNDS 90,111.53	43.0 TOTAL LONG TERM DEBT 43,972,672.01-
16.0	CASH - CONSTRUCTION FUND TRUST .00	44.0 OBLIGATION UNDER CAPITAL LEASE .00
17.0	SPECIAL DEPOSITS .00	45.0 ACCUM OPERATING PROVISIONS 3,343,561.69-
18.0	TEMPORARY INVESTMENTS 300,000.00	46.0 TOTAL OTHER NONCURR LIABILITY 3,343,561.69-
19.0	NOTES RECEIVABLE (NET) .00	47.0 NOTES PAYABLE 14,524.64-
20.0	ACCTS RECV - SALES ENERGY (NET) 6,077,251.83	48.0 ACCOUNTS PAYABLE 2,563,726.22-
21.0	ACCTS RECV - OTHER (NET) 91,724.37	49.0 CONSUMER DEPOSITS 1,208,830.31-
22.0	RENEWABLE ENERGY CREDITS .00	50.0 CURR MATURITIES LONG-TERM DEBT .00
23.0	MATERIAL & SUPPLIES-ELEC & OTH 289,004.21	51.0 CURR MATURIT LT DEBT ECON DEV .00
24.0	PREPAYMENTS 375,345.12	52.0 CURR MATURITIES CAPITAL LEASES .00
25.0	OTHER CURRENT & ACCR ASSETS 9,963.44	53.0 OTHER CURRENT & ACCRUED LIAB 630,593.47-
26.0	TOTAL CURRENT & ACCR ASSETS 7,233,400.50	54.0 TOTAL CURRENT & ACCRUED LIAB 4,417,674.64-
27.0	REGULATORY ASSETS .00	55.0 REGULATORY LIABILITIES .00
28.0	OTHER DEFERRED DEBITS 1,331,442.39	56.0 OTHER DEFERRED CREDITS 78,380.28-
29.0	TOTAL ASSETS & OTHER DEBITS 78,607,374.58	57.0 TOTAL LIABILITIES & OTH CREDIT 78,607,374.58-
=====		=====
		ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION
		58.0 BALANCE BEGINNING OF YEAR .00
		59.0 AMOUNT RECEIVED THIS YEAR (NET) 5,250.63-
		60.0 TOTAL CONTRIBUTIONS IN AID OF CONST 5,250.63-

C E R T I F I C A T I O N

WE HEREBY CERTIFY THAT THE ENTRIES IN THIS REPORT ARE IN ACCORDANCE WITH THE ACCOUNTS AND OTHER RECORDS OF THE SYSTEM AND REFLECT THE STATUS OF THE SYSTEM TO THE BEST OF OUR KNOWLEDGE AND BELIEF. ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, REA, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.

SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT

DATE

SIGNATURE OF MANAGER

DATE

GRAYSON R
PRG. OPERBSHT (OBSA)

FINANCIAL AND STATISTICAL REPORT
FROM 01/17 THRU 02/17

PAGE 1
RUN DATE 06/20/18 08:06 AM

PART A. STATEMENT OF OPERATIONS

LINE NO	YEAR TO DATE				THIS MONTH	% FROM BUDGET	% CHANGE FROM LAST YEAR
	LAST YEAR	THIS YEAR	BUDGET				
	A	B	C	D			
1.0	OPERATING REVENUE & PATRONAGE CAPITAL....	5,829,813.52	5,211,631.87	6,210,600.28	2,464,531.65	16.1-	10.6-
2.0	POWER PRODUCTION EXPENSE.....	.00	.00	.00	.00	.0	.0
3.0	COST OF PURCHASED POWER.....	3,785,485.00-	3,163,058.00-	4,138,343.00-	1,411,578.00-	23.6-	16.4-
4.0	TRANSMISSION EXPENSE.....	.00	.00	.00	.00	.0	.0
5.0	REGIONAL MARKET OPERATIONS EXPENSE.....	.00	.00	.00	.00	.0	.0
6.0	DISTRIBUTION EXPENSE-OPERATION.....	220,544.61-	232,710.42-	209,656.70-	107,653.21-	11.0	5.5
7.0	DISTRIBUTION EXPENSE-MAINTENANCE.....	589,543.46-	562,158.55-	652,471.30-	260,849.03-	13.8-	4.6-
8.0	CONSUMER ACCOUNTS EXPENSE.....	211,312.26-	195,649.41-	192,312.96-	92,262.45-	1.7	7.4-
9.0	CUSTOMER SERVICE & INFORMATIONAL EXPENSE.	45,881.58-	43,886.52-	43,573.06-	22,151.94-	.7	4.3-
10.0	SALES EXPENSE.....	3,592.93-	3,955.65-	3,753.20-	1,641.45-	5.4	10.1
11.0	ADMINISTRATIVE & GENERAL EXPENSE.....	387,457.55-	298,575.03-	363,356.72-	142,365.51-	17.8-	22.9-
12.0	TOTAL OPERATIONS & MAINTENANCE EXPENSE...	5,243,817.39-	4,499,993.58-	5,603,466.94-	2,038,501.59-	19.7-	14.2-
13.0	DEPRECIATION & AMORTIZATION EXPENSE.....	545,565.67-	570,411.37-	568,957.82-	285,509.06-	.3	4.6
14.0	TAX EXPENSE - PROPERTY & GROSS RECEIPTS..	6,906.00-	6,778.00-	6,916.66-	3,389.00-	2.0-	1.9-
15.0	TAX EXPENSE - OTHER.....	.00	.00	.00	.00	.0	.0
16.0	INTEREST ON LONG TERM DEBT.....	153,392.03-	161,158.88-	155,833.32-	73,542.47-	3.4	5.1
17.0	INTEREST CHARGED TO CONSTRUCTION - CREDIT	.00	.00	.00	.00	.0	.0
18.0	INTEREST EXPENSE - OTHER.....	747.00-	1,331.00-	500.00-	665.00-	166.2	78.2
19.0	OTHER DEDUCTIONS.....	4,403.00-	9,003.13-	6,124.98-	2,889.36-	47.0	104.5
20.0	TOTAL COST OF ELECTRIC SERVICE.....	5,954,831.09-	5,248,675.96-	6,341,799.72-	2,404,496.48-	17.2-	11.9-
21.0	PATRONAGE CAPITAL & OPERATING MARGINS....	125,017.57-	37,044.09-	131,199.44-	60,035.17	71.8-	70.4-
22.0	NON OPERATING MARGINS - INTEREST.....	4,954.55	5,407.87	4,837.46	2,966.96	11.8	9.1
23.0	ALLOW. FOR FUNDS USED DURING CONSTRUCTION	.00	.00	.00	.00	.0	.0
24.0	INCOME (LOSS) FROM EQUITY INVESTMENTS....	.00	.00	.00	.00	.0	.0
25.0	NON OPERATING MARGINS - OTHER.....	30,866.18	11,141.03	1,169.08-	9,893.14	53.0-	63.9-
26.0	GENERATION & TRANSMISSION CAPITAL CREDITS	.00	.00	.00	.00	.0	.0
27.0	OTHER CAPITAL CREDITS & PATRONAGE DIVID..	2,488.82	.00	21,816.62	.00	100.0-	100.0-
28.0	EXTRAORDINARY ITEMS.....	.00	.00	.00	.00	.0	.0
29.0	PATRONAGE CAPITAL OR MARGINS.....	86,708.02-	20,495.19-	105,714.44-	72,895.27	80.6-	76.4-

RATIOS

TIER	.435	.873	.322	1.991
MARGINS TO REVENUE	.015	.004	.017	.030
POWER COST TO REVENUE	.649	.607	.666	.573
INTEREST EXPENSE TO REVENUE	.026	.031	.025	.030

CURRENT ASSETS : CURRENT LIABILITIES	1.6864
MARGINS & EQUITIES AS % OF ASSETS	.3444
LONG TERM DEBT AS % OF PLANT	.5770
GENERAL FUNDS TO TOTAL PLANT	.3696
QUICK ASSET RATIO	1.6005

GRAYSON
PRG. OPEL (OBSA)

FINANCIAL AND STATISTICAL REPORT
FROM 01/17 THRU 02/17

PAGE 1
RUN DATE 06/20/18 08:06 AM

PART C. BALANCE SHEET

LINE NO	ASSETS AND OTHER DEBITS	LIABILITIES AND OTHER CREDITS
1.0	TOTAL UTILITY PLANT IN SERVICE 74,177,786.42	30.0 MEMBERSHIPS 153,265.00-
2.0	CONSTRUCTION WORK IN PROGRESS 1,699,353.19	31.0 PATRONAGE CAPITAL 25,812,735.97-
3.0	TOTAL UTILITY PLANT 75,877,139.61	32.0 OPERATING MARGINS - PRIOR YEAR 1,460,308.28-
4.0	ACCUM PROV FOR DEP & AMORT 21,682,936.48-	33.0 OPERATING MARGINS-CURRENT YEAR 37,044.09
5.0	NET UTILITY PLANT 54,194,203.13	34.0 NON-OPERATING MARGINS 148,248.14-
		35.0 OTHER MARGINS & EQUITIES 677,567.26
6.0	NON-UTILITY PROPERTY (NET) .00	36.0 TOTAL MARGINS & EQUITIES 26,859,946.04-
7.0	INVEST IN SUBSIDIARY COMPANIES .00	
8.0	INV IN ASSOC ORG - PAT CAPITAL 15,210,342.55	37.0 LONG TERM DEBT - RUS (NET) .00
9.0	INV IN ASSOC ORG OTHR GEN FND .00	(PAYMENTS-UNAPPLIED .00)
10.0	INV IN ASSOC ORG - NON GEN FND 637,607.50	38.0 LNG-TERM DEBT-FFB-RUS GUAR 25,001,510.16-
11.0	INV IN ECON DEVEL PROJECTS .00	39.0 LONG-TERM DEBT OTHER-RUS GUAR .00
12.0	OTHER INVESTMENTS 98.65	40.0 LONG TERM DEBT - OTHER (NET) 18,782,166.23-
13.0	SPECIAL FUNDS .00	41.0 LNG-TERM DEBT-RUS-ECON DEV NET .00
14.0	TOT OTHER PROP & INVESTMENTS 15,848,048.70	42.0 PAYMENTS - UNAPPLIED .00
		43.0 TOTAL LONG TERM DEBT 43,783,676.39-
15.0	CASH - GENERAL FUNDS 5,357.54	
16.0	CASH - CONSTRUCTION FUND TRUST .00	44.0 OBLIGATION UNDER CAPITAL LEASE .00
17.0	SPECIAL DEPOSITS .00	45.0 ACCUM OPERATING PROVISIONS 3,357,264.62-
18.0	TEMPORARY INVESTMENTS 275,000.00	46.0 TOTAL OTHER NONCURR LIABILITY 3,357,264.62-
19.0	NOTES RECEIVABLE (NET) .00	
20.0	ACCTS RECV - SALES ENERGY(NET) 5,478,206.86	47.0 NOTES PAYABLE 15,475.36
21.0	ACCTS RECV - OTHER (NET) 140,041.47	48.0 ACCOUNTS PAYABLE 2,023,992.18-
22.0	RENEWABLE ENERGY CREDITS .00	49.0 CONSUMER DEPOSITS 1,205,345.31-
23.0	MATERIAL & SUPPLIES-ELEC & OTH 336,847.62	50.0 CURR MATURITIES LONG-TERM DEBT .00
24.0	PREPAYMENTS 367,553.92	51.0 CURR MATURIT LT DEBT ECON DEV .00
25.0	OTHER CURRENT & ACCR ASSETS 11,979.05	52.0 CURR MATURITIES CAPITAL LEASES .00
26.0	TOTAL CURRENT & ACCR ASSETS 6,614,986.46	53.0 OTHER CURRENT & ACCRUED LIAB 708,693.44-
		54.0 TOTAL CURRENT & ACCRUED LIAB 3,922,555.57-
27.0	REGULATORY ASSETS .00	
28.0	OTHER DEFERRED DEBITS 1,344,584.61	55.0 REGULATORY LIABILITIES .00
		56.0 OTHER DEFERRED CREDITS 78,380.28-
29.0	TOTAL ASSETS & OTHER DEBITS 78,001,822.90	57.0 TOTAL LIABILITIES & OTH CREDIT 78,001,822.90-

ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION		
58.0	BALANCE BEGINNING OF YEAR	.00
59.0	AMOUNT RECEIVED THIS YEAR (NET)	4,231.47-
60.0	TOTAL CONTRIBUTIONS IN AID OF CONST	4,231.47-

C E R T I F I C A T I O N

WE HEREBY CERTIFY THAT THE ENTRIES IN THIS REPORT ARE IN ACCORDANCE WITH THE ACCOUNTS AND OTHER RECORDS OF THE SYSTEM AND REFLECT THE STATUS OF THE SYSTEM TO THE BEST OF OUR KNOWLEDGE AND BELIEF.
ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, REA, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.

SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT

DATE

SIGNATURE OF MANAGER

DATE

GRAYSON R
PRG. OPERBSHT (OBSA)

FINANCIAL AND STATISTICAL REPORT
FROM 01/17 THRU 03/17

PAGE 1
RUN DATE 06/20/18 08:06 AM

PART A. STATEMENT OF OPERATIONS

LINE NO	YEAR TO DATE				THIS MONTH	% FROM BUDGET	% CHANGE FROM LAST YEAR
	LAST YEAR	THIS YEAR	BUDGET				
	A	B	C	D			
1.0	8,013,747.24	7,243,253.46	8,411,290.42	2,031,621.59	13.9-	9.6-	
2.0	.00	.00	.00	.00	.0	.0	
3.0	5,060,755.00-	4,582,673.00-	5,674,924.00-	1,419,615.00-	19.2-	9.4-	
4.0	.00	.00	.00	.00	.0	.0	
5.0	.00	.00	.00	.00	.0	.0	
6.0	330,248.89-	342,407.24-	314,485.05-	109,696.82-	8.9	3.7	
7.0	979,979.79-	880,271.22-	978,706.95-	318,112.67-	10.1-	10.2-	
8.0	313,609.54-	292,780.25-	288,469.44-	97,130.84-	1.5	6.6-	
9.0	66,757.36-	65,044.99-	65,359.59-	21,158.47-	.5-	2.6-	
10.0	5,991.45-	6,121.44-	5,629.80-	2,165.79-	8.7	2.2	
11.0	546,152.38-	461,819.56-	545,035.08-	163,244.53-	15.3-	15.4-	
12.0	7,303,494.41-	6,631,117.70-	7,872,609.91-	2,131,124.12-	15.8-	9.2-	
13.0	819,209.26-	857,133.93-	853,436.73-	286,722.56-	.4	4.6	
14.0	10,359.00-	10,167.00-	10,374.99-	3,389.00-	2.0-	1.9-	
15.0	.00	.00	.00	.00	.0	.0	
16.0	228,579.84-	233,843.95-	233,749.98-	72,685.07-	.0	2.3	
17.0	.00	.00	.00	.00	.0	.0	
18.0	1,119.00-	1,994.00-	750.00-	663.00-	165.9	78.2	
19.0	7,203.31-	10,102.28-	9,187.47-	1,099.15-	10.0	40.2	
20.0	8,369,964.82-	7,744,358.86-	8,980,109.08-	2,495,682.90-	13.8-	7.5-	
21.0	356,217.58-	501,105.40-	568,818.66-	464,061.31-	11.9-	40.7	
22.0	7,467.66	11,077.93	7,256.19	5,670.06	52.7	48.3	
23.0	.00	.00	.00	.00	.0	.0	
24.0	.00	.00	.00	.00	.0	.0	
25.0	41,120.93	13,831.90	1,753.62-	2,690.87	888.8-	66.4-	
26.0	.00	.00	.00	.00	.0	.0	
27.0	129,425.53	53,469.91	32,724.93	53,469.91	63.4	58.7-	
28.0	.00	.00	.00	.00	.0	.0	
29.0	178,203.46-	422,725.66-	530,591.16-	402,230.47-	20.3-	137.2	

RATIOS

TIER	.220	.808-	1.270-	4.534-
MARGINS TO REVENUE	.022	.058	.063	.198
POWER COST TO REVENUE	.632	.633	.675	.699
INTEREST EXPENSE TO REVENUE	.029	.032	.028	.036
CURRENT ASSETS : CURRENT LIABILITIES	1.4542			
MARGINS & EQUITIES AS % OF ASSETS	.3423			
LONG TERM DEBT AS % OF PLANT	.5699			
GENERAL FUNDS TO TOTAL PLANT	.2820			
QUICK ASSET RATIO	1.3874			

GRAYSON
PRG. OPER (OBSA)

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PART C. BALANCE SHEET

LINE NO	ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS		
1.0	TOTAL UTILITY PLANT IN SERVICE	74,461,071.48	30.0	MEMBERSHIPS	153,630.00-
2.0	CONSTRUCTION WORK IN PROGRESS	1,835,567.58	31.0	PATRONAGE CAPITAL	27,404,743.49-
3.0	TOTAL UTILITY PLANT	76,296,639.06	32.0	OPERATING MARGINS - PRIOR YEAR	.00
4.0	ACCUM PROV FOR DEP & AMORT	21,856,119.78-	33.0	OPERATING MARGINS-CURRENT YEAR	447,635.49
5.0	NET UTILITY PLANT	54,440,519.28	34.0	NON-OPERATING MARGINS	24,909.83-
			35.0	OTHER MARGINS & EQUITIES	670,199.02
6.0	NON-UTILITY PROPERTY (NET)	.00	36.0	TOTAL MARGINS & EQUITIES	26,465,448.81-
7.0	INVEST IN SUBSIDIARY COMPANIES	.00			
8.0	INV IN ASSOC ORG - PAT CAPITAL	15,183,413.16	37.0	LONG TERM DEBT - RUS (NET)	.00
9.0	INV IN ASSOC ORG OTHR GEN FND	.00		(PAYMENTS-UNAPPLIED	.00)
10.0	INV IN ASSOC ORG - NON GEN FND	637,607.50	38.0	LNG-TERM DEBT-FFB-RUS GUAR	24,782,359.44-
11.0	INV IN ECON DEVEL PROJECTS	.00	39.0	LONG-TERM DEBT OTHER-RUS GUAR	.00
12.0	OTHER INVESTMENTS	98.65	40.0	LONG TERM DEBT - OTHER (NET)	18,702,289.40-
13.0	SPECIAL FUNDS	.00	41.0	LNG-TERM DEBT-RUS-ECON DEV NET	.00
14.0	TOT OTHER PROP & INVESTMENTS	15,821,119.31	42.0	PAYMENTS - UNAPPLIED	.00
			43.0	TOTAL LONG TERM DEBT	43,484,648.84-
15.0	CASH - GENERAL FUNDS	65,073.27			
16.0	CASH - CONSTRUCTION FUND TRUST	.00	44.0	OBLIGATION UNDER CAPITAL LEASE	.00
17.0	SPECIAL DEPOSITS	.00	45.0	ACCUM OPERATING PROVISIONS	3,373,628.27-
18.0	TEMPORARY INVESTMENTS	150,000.00	46.0	TOTAL OTHER NONCURR LIABILITY	3,373,628.27-
19.0	NOTES RECEIVABLE (NET)	.00			
20.0	ACCTS RECV - SALES ENERGY (NET)	4,673,692.81	47.0	NOTES PAYABLE	15,475.36
21.0	ACCTS RECV - OTHER (NET)	180,600.39	48.0	ACCOUNTS PAYABLE	2,013,626.45-
22.0	RENEWABLE ENERGY CREDITS	.00	49.0	CONSUMER DEPOSITS	1,209,411.31-
23.0	MATERIAL & SUPPLIES-ELEC & OTH	261,769.97	50.0	CURR MATURITIES LONG-TERM DEBT	.00
24.0	PREPAYMENTS	355,350.18	51.0	CURR MATURIT LT DEBT ECON DEV	.00
25.0	OTHER CURRENT & ACCR ASSETS	14,394.66	52.0	CURR MATURITIES CAPITAL LEASES	.00
26.0	TOTAL CURRENT & ACCR ASSETS	5,700,881.28	53.0	OTHER CURRENT & ACCRUED LIAB	712,788.45-
			54.0	TOTAL CURRENT & ACCRUED LIAB	3,920,350.85-
27.0	REGULATORY ASSETS	.00			
28.0	OTHER DEFERRED DEBITS	1,359,937.18	55.0	REGULATORY LIABILITIES	.00
			56.0	OTHER DEFERRED CREDITS	78,380.28-
29.0	TOTAL ASSETS & OTHER DEBITS	77,322,457.05	57.0	TOTAL LIABILITIES & OTH CREDIT	77,322,457.05-

ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION		
58.0	BALANCE BEGINNING OF YEAR	.00
59.0	AMOUNT RECEIVED THIS YEAR (NET)	3,778.59-
60.0	TOTAL CONTRIBUTIONS IN AID OF CONST	3,778.59-

C E R T I F I C A T I O N

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ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, REA, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.

SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT

DATE

SIGNATURE OF MANAGER

DATE

GRAYSON RES
PRG. OPERBSHT (OBSA)

FINANCIAL AND STATISTICAL REPORT
FROM 01/17 THRU 04/17

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PART A. STATEMENT OF OPERATIONS

LINE NO	YEAR TO DATE			THIS MONTH	% FROM BUDGET	% CHANGE FROM LAST YEAR
	LAST YEAR A	THIS YEAR B	BUDGET C			
1.0	9,923,290.93	9,252,083.21	10,388,328.56	2,008,829.75	10.9-	6.8-
2.0	.00	.00	.00	.00	.0	.0
3.0	6,214,880.00-	5,721,080.00-	6,806,843.00-	1,138,407.00-	16.0-	7.9-
4.0	.00	.00	.00	.00	.0	.0
5.0	.00	.00	.00	.00	.0	.0
6.0	445,147.60-	482,273.19-	419,313.40-	139,865.95-	15.0	8.3
7.0	1,306,991.19-	1,166,921.75-	1,304,942.60-	286,650.53-	10.6-	10.7-
8.0	413,315.84-	385,140.36-	384,625.92-	92,360.11-	.1	6.8-
9.0	90,481.65-	84,722.77-	87,146.12-	19,677.78-	2.8-	6.4-
10.0	7,592.69-	7,872.12-	7,506.40-	1,750.68-	4.9	3.7
11.0	693,077.70-	603,281.17-	726,713.44-	141,461.61-	17.0-	13.0-
12.0	9,171,486.67-	8,451,291.36-	9,737,090.88-	1,820,173.66-	13.2-	7.9-
13.0	1,095,803.48-	1,145,426.21-	1,137,915.64-	288,292.28-	.7	4.5
14.0	13,812.00-	13,556.00-	13,833.32-	3,389.00-	2.0-	1.9-
15.0	14,590.45	.00	.00	.00	.0	100.0-
16.0	304,418.59-	313,974.14-	311,666.64-	80,130.19-	.7	3.1
17.0	.00	.00	.00	.00	.0	.0
18.0	1,499.00-	2,659.00-	1,000.00-	665.00-	165.9	77.4
19.0	9,603.31-	11,105.81-	12,249.96-	1,003.53-	9.3-	15.6
20.0	10,582,032.60-	9,938,012.52-	11,213,756.44-	2,193,653.66-	11.4-	6.1-
21.0	658,741.67-	685,929.31-	825,427.88-	184,823.91-	16.9-	4.1
22.0	9,958.04	13,761.75	9,674.92	2,683.82	42.2	38.2
23.0	.00	.00	.00	.00	.0	.0
24.0	.00	.00	.00	.00	.0	.0
25.0	48,717.20	22,361.88	2,338.16-	8,529.98	56.4-	54.1-
26.0	.00	.00	.00	.00	.0	.0
27.0	129,425.53	53,469.91	43,633.24	.00	22.5	58.7-
28.0	.00	.00	.00	.00	.0	.0
29.0	470,640.90-	596,335.77-	774,457.88-	173,610.11-	23.0-	26.7

RATIOS

TIER	.546-	.899-	1.485-	1.167-
MARGINS TO REVENUE	.047	.064	.075	.086
POWER COST TO REVENUE	.626	.618	.655	.567
INTEREST EXPENSE TO REVENUE	.031	.034	.030	.040

CURRENT ASSETS : CURRENT LIABILITIES	1.3966
MARGINS & EQUITIES AS % OF ASSETS	.3413
LONG TERM DEBT AS % OF PLANT	.5676
GENERAL FUNDS TO TOTAL PLANT	.1169
QUICK ASSET RATIO	1.3329

GRAYSON
PRG. OPE (OBSA)

FINANCIAL AND STATISTICAL REPORT
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PART C. BALANCE SHEET

LINE NO	ASSETS AND OTHER DEBITS	LIABILITIES AND OTHER CREDITS
1.0	TOTAL UTILITY PLANT IN SERVICE 74,845,139.60	30.0 MEMBERSHIPS 153,930.00-
2.0	CONSTRUCTION WORK IN PROGRESS 1,621,840.42	31.0 PATRONAGE CAPITAL 27,381,120.98-
3.0	TOTAL UTILITY PLANT 76,466,980.02	32.0 OPERATING MARGINS - PRIOR YEAR .00
4.0	ACCUM PROV FOR DEP & AMORT 22,006,161.27-	33.0 OPERATING MARGINS-CURRENT YEAR 632,459.40
5.0	NET UTILITY PLANT 54,460,818.75	34.0 NON-OPERATING MARGINS 36,123.63-
		35.0 OTHER MARGINS & EQUITIES 662,113.63
6.0	NON-UTILITY PROPERTY (NET) .00	36.0 TOTAL MARGINS & EQUITIES 26,276,601.58-
7.0	INVEST IN SUBSIDIARY COMPANIES .00	
8.0	INV IN ASSOC ORG - PAT CAPITAL 15,183,413.16	37.0 LONG TERM DEBT - RUS (NET) .00
9.0	INV IN ASSOC ORG OTHR GEN FND .00	(PAYMENTS-UNAPPLIED .00)
10.0	INV IN ASSOC ORG - NON GEN FND 637,607.50	38.0 LNG-TERM DEBT-FFB-RUS GUAR 24,782,359.44-
11.0	INV IN ECON DEVEL PROJECTS .00	39.0 LONG-TERM DEBT OTHER-RUS GUAR .00
12.0	OTHER INVESTMENTS 98.65	40.0 LONG TERM DEBT - OTHER (NET) 18,621,025.44-
13.0	SPECIAL FUNDS .00	41.0 LNG-TERM DEBT-RUS-ECON DEV NET .00
14.0	TOT OTHER PROP & INVESTMENTS 15,821,119.31	42.0 PAYMENTS - UNAPPLIED .00
		43.0 TOTAL LONG TERM DEBT 43,403,384.88-
15.0	CASH - GENERAL FUNDS 89,327.28	
16.0	CASH - CONSTRUCTION FUND TRUST .00	44.0 OBLIGATION UNDER CAPITAL LEASE .00
17.0	SPECIAL DEPOSITS .00	45.0 ACCUM OPERATING PROVISIONS 3,389,157.49-
18.0	TEMPORARY INVESTMENTS .00	46.0 TOTAL OTHER NONCURR LIABILITY 3,389,157.49-
19.0	NOTES RECEIVABLE (NET) .00	
20.0	ACCTS RECV - SALES ENERGY(NET) 4,326,694.32	47.0 NOTES PAYABLE 164,524.64-
21.0	ACCTS RECV - OTHER (NET) 222,470.59	48.0 ACCOUNTS PAYABLE 1,650,410.49-
22.0	RENEWABLE ENERGY CREDITS .00	49.0 CONSUMER DEPOSITS 1,230,934.81-
23.0	MATERIAL & SUPPLIES-ELEC & OTH 244,113.53	50.0 CURR MATURITIES LONG-TERM DEBT .00
24.0	PREPAYMENTS 464,382.11	51.0 CURR MATURIT LT DEBT ECON DEV .00
25.0	OTHER CURRENT & ACCR ASSETS 2,514.61	52.0 CURR MATURITIES CAPITAL LEASES .00
26.0	TOTAL CURRENT & ACCR ASSETS 5,349,502.44	53.0 OTHER CURRENT & ACCRUED LIAB 784,479.79-
		54.0 TOTAL CURRENT & ACCRUED LIAB 3,830,349.73-
27.0	REGULATORY ASSETS .00	
28.0	OTHER DEFERRED DEBITS 1,358,298.88	55.0 REGULATORY LIABILITIES .00
		56.0 OTHER DEFERRED CREDITS 90,245.70-
29.0	TOTAL ASSETS & OTHER DEBITS 76,989,739.38	57.0 TOTAL LIABILITIES & OTH CREDIT 76,989,739.38-
		ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION
		58.0 BALANCE BEGINNING OF YEAR .00
		59.0 AMOUNT RECEIVED THIS YEAR (NET) 203.28-
		60.0 TOTAL CONTRIBUTIONS IN AID OF CONST 203.28-

C E R T I F I C A T I O N

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SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT

DATE

SIGNATURE OF MANAGER

DATE

GRAYSON RESO
PRG. OPERBSHT (OBSA)

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PART A. STATEMENT OF OPERATIONS

LINE NO	YEAR TO DATE			THIS MONTH	% FROM BUDGET	% CHANGE FROM LAST YEAR
	LAST YEAR	THIS YEAR	BUDGET			
	A	B	C	D		
1.0	12,250,532.29	11,526,143.05	12,731,781.70	2,274,059.84	9.5-	5.9-
2.0	.00	.00	.00	.00	.0	.0
3.0	7,428,025.00-	6,924,065.00-	8,074,634.00-	1,202,985.00-	14.2-	6.8-
4.0	.00	.00	.00	.00	.0	.0
5.0	.00	.00	.00	.00	.0	.0
6.0	550,625.48-	584,233.71-	524,141.75-	101,960.52-	11.5	6.1
7.0	1,639,401.29-	1,454,308.71-	1,631,178.25-	287,386.96-	10.8-	11.3-
8.0	510,276.33-	481,159.34-	480,782.40-	96,018.98-	.1	5.7-
9.0	120,313.27-	111,707.45-	108,932.65-	26,984.68-	2.5	7.2-
10.0	9,181.45-	10,139.12-	9,383.00-	2,267.00-	8.1	10.4
11.0	863,661.25-	769,991.44-	908,391.80-	166,710.27-	15.2-	10.8-
12.0	11,121,484.07-	10,335,604.77-	11,737,443.85-	1,884,313.41-	11.9-	7.1-
13.0	1,373,220.04-	1,434,412.83-	1,422,394.55-	288,986.62-	.8	4.5
14.0	17,265.00-	16,945.00-	17,291.65-	3,389.00-	2.0-	1.9-
15.0	.00	.00	.00	.00	.0	.0
16.0	379,276.75-	393,161.85-	389,583.30-	79,187.71-	.9	3.7
17.0	.00	.00	.00	.00	.0	.0
18.0	1,877.00-	3,336.00-	1,250.00-	677.00-	166.9	77.7
19.0	12,646.31-	11,798.81-	15,312.45-	693.00-	22.9-	6.7-
20.0	12,905,769.17-	12,195,259.26-	13,583,275.80-	2,257,246.74-	10.2-	5.5-
21.0	655,236.88-	669,116.21-	851,494.10-	16,813.10	21.4-	2.1
22.0	12,410.19	16,379.65	12,093.65	2,617.90	35.4	32.0
23.0	.00	.00	.00	.00	.0	.0
24.0	.00	.00	.00	.00	.0	.0
25.0	52,347.89	24,620.13	2,922.70-	2,258.25	942.4-	53.0-
26.0	.00	.00	.00	.00	.0	.0
27.0	129,425.53	53,469.91	54,541.55	.00	2.0-	58.7-
28.0	.00	.00	.00	.00	.0	.0
29.0	461,053.27-	574,646.52-	787,781.60-	21,689.25	27.1-	24.6

RATIOS

TIER	.216-	.462-	1.022-	1.274
MARGINS TO REVENUE	.038	.050	.062	.010
POWER COST TO REVENUE	.606	.601	.634	.529
INTEREST EXPENSE TO REVENUE	.031	.034	.031	.035
CURRENT ASSETS : CURRENT LIABILITIES	1.3275			
MARGINS & EQUITIES AS % OF ASSETS	.3406			
LONG TERM DEBT AS % OF PLANT	.5637			
GENERAL FUNDS TO TOTAL PLANT	.1796			
QUICK ASSET RATIO	1.2675			

GRAYSON
PRG. OPER (OBSA)

FINANCIAL AND STATISTICAL REPORT
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PART C. BALANCE SHEET

LINE NO	ASSETS AND OTHER DEBITS	LIABILITIES AND OTHER CREDITS
1.0	TOTAL UTILITY PLANT IN SERVICE 75,024,322.19	30.0 MEMBERSHIPS 154,375.00-
2.0	CONSTRUCTION WORK IN PROGRESS 1,646,209.98	31.0 PATRONAGE CAPITAL 27,368,945.71-
3.0	TOTAL UTILITY PLANT 76,670,532.17	32.0 OPERATING MARGINS - PRIOR YEAR .00
4.0	ACCUM PROV FOR DEP & AMORT 22,235,894.24-	33.0 OPERATING MARGINS-CURRENT YEAR 615,646.30
5.0	NET UTILITY PLANT 54,434,637.93	34.0 NON-OPERATING MARGINS 40,999.78-
6.0	NON-UTILITY PROPERTY (NET) .00	35.0 OTHER MARGINS & EQUITIES 654,820.63
7.0	INVEST IN SUBSIDIARY COMPANIES .00	36.0 TOTAL MARGINS & EQUITIES 26,293,853.56-
8.0	INV IN ASSOC ORG - PAT CAPITAL 15,183,413.16	37.0 LONG TERM DEBT - RUS (NET) .00
9.0	INV IN ASSOC ORG OTHR GEN FND .00	(PAYMENTS-UNAPPLIED .00)
10.0	INV IN ASSOC ORG - NON GEN FND 637,607.50	38.0 LNG-TERM DEBT-FFB-RUS GUAR 24,782,359.44-
11.0	INV IN ECON DEVEL PROJECTS .00	39.0 LONG-TERM DEBT OTHER-RUS GUAR .00
12.0	OTHER INVESTMENTS 98.65	40.0 LONG TERM DEBT - OTHER (NET) 18,434,107.17-
13.0	SPECIAL FUNDS .00	41.0 LNG-TERM DEBT-RUS-ECON DEV NET .00
14.0	TOT OTHER PROP & INVESTMENTS 15,821,119.31	42.0 PAYMENTS - UNAPPLIED .00
15.0	CASH - GENERAL FUNDS 137,626.72	43.0 TOTAL LONG TERM DEBT 43,216,466.61-
16.0	CASH - CONSTRUCTION FUND TRUST .00	44.0 OBLIGATION UNDER CAPITAL LEASE .00
17.0	SPECIAL DEPOSITS .00	45.0 ACCUM OPERATING PROVISIONS 3,404,390.69-
18.0	TEMPORARY INVESTMENTS .00	46.0 TOTAL OTHER NONCURR LIABILITY 3,404,390.69-
19.0	NOTES RECEIVABLE (NET) .00	47.0 NOTES PAYABLE 294,524.64-
20.0	ACCTS RECV - SALES ENERGY (NET) 4,438,313.35	48.0 ACCOUNTS PAYABLE 1,762,389.48-
21.0	ACCTS RECV - OTHER (NET) 256,868.62	49.0 CONSUMER DEPOSITS 1,220,439.81-
22.0	RENEWABLE ENERGY CREDITS .00	50.0 CURR MATURITIES LONG-TERM DEBT .00
23.0	MATERIAL & SUPPLIES-ELEC & OTH 251,222.71	51.0 CURR MATURIT LT DEBT ECON DEV .00
24.0	PREPAYMENTS 470,303.18	52.0 CURR MATURITIES CAPITAL LEASES .00
25.0	OTHER CURRENT & ACCR ASSETS 4,930.22	53.0 OTHER CURRENT & ACCRUED LIAB 910,506.14-
26.0	TOTAL CURRENT & ACCR ASSETS 5,559,264.80	54.0 TOTAL CURRENT & ACCRUED LIAB 4,187,860.07-
27.0	REGULATORY ASSETS .00	55.0 REGULATORY LIABILITIES .00
28.0	OTHER DEFERRED DEBITS 1,377,794.59	56.0 OTHER DEFERRED CREDITS 90,245.70-
29.0	TOTAL ASSETS & OTHER DEBITS 77,192,816.63	57.0 TOTAL LIABILITIES & OTH CREDIT 77,192,816.63-

ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION		
58.0	BALANCE BEGINNING OF YEAR	.00
59.0	AMOUNT RECEIVED THIS YEAR (NET)	14,925.03
60.0	TOTAL CONTRIBUTIONS IN AID OF CONST	14,925.03

C E R T I F I C A T I O N

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ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, REA, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.

SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT

DATE

SIGNATURE OF MANAGER

DATE

GRAYSON RE
PRG. OPERBSHT (OBSA)

FINANCIAL AND STATISTICAL REPORT
FROM 01/17 THRU 06/17

PAGE 1
RUN DATE 06/20/18 08:07 AM

PART A. STATEMENT OF OPERATIONS

LINE NO	YEAR TO DATE				THIS MONTH	% FROM BUDGET	% CHANGE FROM LAST YEAR
	LAST YEAR A	THIS YEAR B	BUDGET C				
1.0	OPERATING REVENUE & PATRONAGE CAPITAL....	14,829,013.50	14,122,884.03	15,261,520.84	2,596,740.98	7.5-	4.8-
2.0	POWER PRODUCTION EXPENSE.....	.00	.00	.00	.00	.0	.0
3.0	COST OF PURCHASED POWER.....	8,877,317.00-	8,334,665.00-	9,515,419.00-	1,410,600.00-	12.4-	6.1-
4.0	TRANSMISSION EXPENSE.....	.00	.00	.00	.00	.0	.0
5.0	REGIONAL MARKET OPERATIONS EXPENSE.....	.00	.00	.00	.00	.0	.0
6.0	DISTRIBUTION EXPENSE-OPERATION.....	748,612.21-	686,835.96-	628,970.10-	102,602.25-	9.2	8.3-
7.0	DISTRIBUTION EXPENSE-MAINTENANCE.....	1,962,442.68-	1,757,677.48-	1,957,413.90-	303,368.77-	10.2-	10.4-
8.0	CONSUMER ACCOUNTS EXPENSE.....	606,304.65-	576,203.64-	576,938.88-	95,044.30-	.1-	5.0-
9.0	CUSTOMER SERVICE & INFORMATIONAL EXPENSE..	139,576.12-	128,097.80-	130,719.18-	16,390.35-	2.0-	8.2-
10.0	SALES EXPENSE.....	11,389.94-	11,627.75-	11,259.60-	1,488.63-	3.3	2.1
11.0	ADMINISTRATIVE & GENERAL EXPENSE.....	1,018,476.45-	968,787.38-	1,090,070.16-	198,795.94-	11.1-	4.9-
12.0	TOTAL OPERATIONS & MAINTENANCE EXPENSE...	13,364,119.05-	12,463,895.01-	13,910,790.82-	2,128,290.24-	10.4-	6.7-
13.0	DEPRECIATION & AMORTIZATION EXPENSE.....	1,651,479.92-	1,724,114.97-	1,706,873.46-	289,702.14-	1.0	4.4
14.0	TAX EXPENSE - PROPERTY & GROSS RECEIPTS..	20,607.00-	20,967.00-	20,749.98-	4,022.00-	1.0	1.7
15.0	TAX EXPENSE - OTHER.....	.00	.00	.00	.00	.0	.0
16.0	INTEREST ON LONG TERM DEBT.....	454,905.20-	472,616.34-	467,499.96-	79,454.49-	1.1	3.9
17.0	INTEREST CHARGED TO CONSTRUCTION - CREDIT	.00	.00	.00	.00	.0	.0
18.0	INTEREST EXPENSE - OTHER.....	2,254.00-	4,007.00-	1,500.00-	671.00-	167.1	77.8
19.0	OTHER DEDUCTIONS.....	15,166.31-	13,563.25-	18,374.94-	1,764.44-	26.2-	10.6-
20.0	TOTAL COST OF ELECTRIC SERVICE.....	15,508,531.48-	14,699,163.57-	16,125,789.16-	2,503,904.31-	8.8-	5.2-
21.0	PATRONAGE CAPITAL & OPERATING MARGINS....	679,517.98-	576,279.54-	864,268.32-	92,836.67	33.3-	15.2-
22.0	NON OPERATING MARGINS - INTEREST.....	14,853.72	18,978.45	14,512.38	2,598.80	30.8	27.8
23.0	ALLOW. FOR FUNDS USED DURING CONSTRUCTION	.00	.00	.00	.00	.0	.0
24.0	INCOME (LOSS) FROM EQUITY INVESTMENTS....	.00	.00	.00	.00	.0	.0
25.0	NON OPERATING MARGINS - OTHER.....	68,390.71	30,514.38	3,507.24-	5,894.25	970.0-	55.4-
26.0	GENERATION & TRANSMISSION CAPITAL CREDITS	.00	.00	.00	.00	.0	.0
27.0	OTHER CAPITAL CREDITS & PATRONAGE DIVID..	129,737.61	53,993.86	65,449.86	523.95	17.5-	58.4-
28.0	EXTRAORDINARY ITEMS.....	.00	.00	.00	.00	.0	.0
29.0	PATRONAGE CAPITAL OR MARGINS.....	466,535.94-	472,792.85-	787,813.32-	101,853.67	40.0-	1.3
RATIOS							
	TIER	.026-	.000	.685-	2.282		
	MARGINS TO REVENUE	.031	.033	.052	.039		
	POWER COST TO REVENUE	.599	.590	.623	.543		
	INTEREST EXPENSE TO REVENUE	.031	.033	.031	.031		
	CURRENT ASSETS : CURRENT LIABILITIES	1.3003					
	MARGINS & EQUITIES AS % OF ASSETS	.3407					
	LONG TERM DEBT AS % OF PLANT	.5598					
	GENERAL FUNDS TO TOTAL PLANT	.0783					
	QUICK ASSET RATIO	1.2491					

GRAYSON
PRG. OPER (OBSA)

FINANCIAL AND STATISTICAL REPORT
FROM 01/17 THRU 06/17

PAGE 1
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PART C. BALANCE SHEET

LINE NO	ASSETS AND OTHER DEBITS	LIABILITIES AND OTHER CREDITS
1.0	TOTAL UTILITY PLANT IN SERVICE 75,161,793.17	30.0 MEMBERSHIPS 154,770.00-
2.0	CONSTRUCTION WORK IN PROGRESS 1,473,545.91	31.0 PATRONAGE CAPITAL 27,335,433.04-
3.0	TOTAL UTILITY PLANT 76,635,339.08	32.0 OPERATING MARGINS - PRIOR YEAR .00
4.0	ACCUM PROV FOR DEP & AMORT 22,449,012.40-	33.0 OPERATING MARGINS-CURRENT YEAR 522,285.68
5.0	NET UTILITY PLANT 54,186,326.68	34.0 NON-OPERATING MARGINS 49,492.83-
6.0	NON-UTILITY PROPERTY (NET) .00	35.0 OTHER MARGINS & EQUITIES 646,409.78
7.0	INVEST IN SUBSIDIARY COMPANIES .00	36.0 TOTAL MARGINS & EQUITIES 26,371,000.41-
8.0	INV IN ASSOC ORG - PAT CAPITAL 15,183,779.92	37.0 LONG TERM DEBT - RUS (NET) .00
9.0	INV IN ASSOC ORG OTHR GEN FND .00	(PAYMENTS-UNAPPLIED .00)
10.0	INV IN ASSOC ORG - NON GEN FND 637,607.50	38.0 LNG-TERM DEBT-FFB-RUS GUAR 24,542,116.55-
11.0	INV IN ECON DEVEL PROJECTS .00	39.0 LONG-TERM DEBT OTHER-RUS GUAR .00
12.0	OTHER INVESTMENTS 98.65	40.0 LONG TERM DEBT - OTHER (NET) 18,361,131.74-
13.0	SPECIAL FUNDS .00	41.0 LNG-TERM DEBT-RUS-ECON DEV NET .00
14.0	TOT OTHER PROP & INVESTMENTS 15,821,486.07	42.0 PAYMENTS - UNAPPLIED .00
15.0	CASH - GENERAL FUNDS 59,881.01	43.0 TOTAL LONG TERM DEBT 42,903,248.29-
16.0	CASH - CONSTRUCTION FUND TRUST .00	44.0 OBLIGATION UNDER CAPITAL LEASE .00
17.0	SPECIAL DEPOSITS .00	45.0 ACCUM OPERATING PROVISIONS 3,420,599.69-
18.0	TEMPORARY INVESTMENTS .00	46.0 TOTAL OTHER NONCURR LIABILITY 3,420,599.69-
19.0	NOTES RECEIVABLE (NET) .00	47.0 NOTES PAYABLE 672,000.00-
20.0	ACCTS RECV - SALES ENERGY (NET) 4,942,162.43	48.0 ACCOUNTS PAYABLE 1,896,592.21-
21.0	ACCTS RECV - OTHER (NET) 304,734.30	49.0 CONSUMER DEPOSITS 1,214,159.81-
22.0	RENEWABLE ENERGY CREDITS .00	50.0 CURR MATURITIES LONG-TERM DEBT .00
23.0	MATERIAL & SUPPLIES-ELEC & OTH 236,653.94	51.0 CURR MATURIT LT DEBT ECON DEV .00
24.0	PREPAYMENTS 467,124.35	52.0 CURR MATURITIES CAPITAL LEASES .00
25.0	OTHER CURRENT & ACCR ASSETS 7,345.83	53.0 OTHER CURRENT & ACCRUED LIAB 845,483.37-
26.0	TOTAL CURRENT & ACCR ASSETS 6,017,901.86	54.0 TOTAL CURRENT & ACCRUED LIAB 4,628,235.39-
27.0	REGULATORY ASSETS .00	55.0 REGULATORY LIABILITIES .00
28.0	OTHER DEFERRED DEBITS 1,387,614.87	56.0 OTHER DEFERRED CREDITS 90,245.70-
29.0	TOTAL ASSETS & OTHER DEBITS 77,413,329.48	57.0 TOTAL LIABILITIES & OTH CREDIT 77,413,329.48-

ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION	
58.0	BALANCE BEGINNING OF YEAR .00
59.0	AMOUNT RECEIVED THIS YEAR (NET) 247,223.76
60.0	TOTAL CONTRIBUTIONS IN AID OF CONST 247,223.76

C E R T I F I C A T I O N

WE HEREBY CERTIFY THAT THE ENTRIES IN THIS REPORT ARE IN ACCORDANCE WITH THE ACCOUNTS AND OTHER RECORDS OF THE SYSTEM AND REFLECT THE STATUS OF THE SYSTEM TO THE BEST OF OUR KNOWLEDGE AND BELIEF.
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SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT

DATE

SIGNATURE OF MANAGER

DATE

GRAYSON F.
PRG. OPERBSHT (OBSA)

FINANCIAL AND STATISTICAL REPORT
FROM 01/17 THRU 07/17

PAGE 1
RUN DATE 06/20/18 08:08 AM

PART A. STATEMENT OF OPERATIONS

LINE NO	YEAR TO DATE				THIS MONTH	% FROM BUDGET	% CHANGE FROM LAST YEAR
	LAST YEAR A	THIS YEAR B	BUDGET C				
1.0	17,758,689.78	16,671,284.58	18,072,514.98		2,548,400.55	7.8-	6.1-
2.0	.00	.00	.00		.00	.0	.0
3.0	10,555,246.00-	9,897,429.00-	11,093,993.00-		1,562,764.00-	10.8-	6.2-
4.0	.00	.00	.00		.00	.0	.0
5.0	.00	.00	.00		.00	.0	.0
6.0	861,736.87-	802,919.64-	733,798.45-		116,083.68-	9.4	6.8-
7.0	2,271,021.54-	2,112,308.93-	2,283,649.55-		354,631.45-	7.5-	7.0-
8.0	699,043.19-	670,283.27-	673,095.36-		94,079.63-	.4-	4.1-
9.0	146,925.08-	144,589.90-	152,505.71-		16,492.10-	5.2-	1.6-
10.0	12,647.60-	12,968.47-	13,136.20-		1,340.72-	1.3-	2.5
11.0	1,170,949.80-	1,119,410.53-	1,271,748.52-		150,623.15-	12.0-	4.4-
12.0	15,717,570.08-	14,759,909.74-	16,221,926.79-		2,296,014.73-	9.0-	6.1-
13.0	1,930,541.74-	2,014,403.76-	1,991,352.37-		290,288.79-	1.2	4.3
14.0	23,949.00-	24,989.00-	24,208.31-		4,022.00-	3.2	4.3
15.0	.00	.00	.00		.00	.0	.0
16.0	531,327.74-	558,145.54-	545,416.62-		85,529.20-	2.3	5.0
17.0	.00	.00	.00		.00	.0	.0
18.0	2,635.00-	4,675.00-	1,750.00-		668.00-	167.1	77.4
19.0	17,466.31-	15,113.25-	21,437.43-		1,550.00-	29.5-	13.5-
20.0	18,223,489.87-	17,377,236.29-	18,806,091.52-		2,678,072.72-	7.6-	4.6-
21.0	464,800.09-	705,951.71-	733,576.54-		129,672.17-	3.8-	51.9
22.0	17,294.69	21,512.09	16,931.11		2,533.64	27.1	24.4
23.0	.00	.00	.00		.00	.0	.0
24.0	.00	.00	.00		.00	.0	.0
25.0	68,515.60	33,853.61	4,091.78-		3,339.23	927.4-	50.6-
26.0	.00	.00	.00		.00	.0	.0
27.0	129,737.61	53,993.86	76,358.17		.00	29.3-	58.4-
28.0	.00	.00	.00		.00	.0	.0
29.0	249,252.19-	596,592.15-	644,379.04-		123,799.30-	7.4-	139.4
RATIOS							
TIER	.531	.069-	.181-		.447-		
MARGINS TO REVENUE	.014	.036	.036		.049		
POWER COST TO REVENUE	.594	.594	.614		.613		
INTEREST EXPENSE TO REVENUE	.030	.033	.030		.034		
CURRENT ASSETS : CURRENT LIABILITIES	1.2491						
MARGINS & EQUITIES AS % OF ASSETS	.3378						
LONG TERM DEBT AS % OF PLANT	.5580						
GENERAL FUNDS TO TOTAL PLANT	.0582						
QUICK ASSET RATIO	1.1979						

GRAYSON
PRG. OPE (OBSA)

FINANCIAL AND STATISTICAL REPORT
FROM 01/17 THRU 07/17

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PART C. BALANCE SHEET

LINE NO	ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS		
1.0	TOTAL UTILITY PLANT IN SERVICE	75,277,052.49	30.0	MEMBERSHIPS	154,785.00-
2.0	CONSTRUCTION WORK IN PROGRESS	1,478,030.21	31.0	PATRONAGE CAPITAL	27,323,062.86-
3.0	TOTAL UTILITY PLANT	76,755,082.70	32.0	OPERATING MARGINS - PRIOR YEAR	.00
4.0	ACCUM PROV FOR DEP & AMORT	22,647,501.90-	33.0	OPERATING MARGINS-CURRENT YEAR	651,957.85
5.0	NET UTILITY PLANT	54,107,580.80	34.0	NON-OPERATING MARGINS	55,365.70-
6.0	NON-UTILITY PROPERTY (NET)	.00	35.0	OTHER MARGINS & EQUITIES	638,598.64
7.0	INVEST IN SUBSIDIARY COMPANIES	.00	36.0	TOTAL MARGINS & EQUITIES	26,242,657.07-
8.0	INV IN ASSOC ORG - PAT CAPITAL	15,183,779.92	37.0	LONG TERM DEBT - RUS (NET)	.00
9.0	INV IN ASSOC ORG OTHR GEN FND	.00		(PAYMENTS-UNAPPLIED	.00)
10.0	INV IN ASSOC ORG - NON GEN FND	637,607.50	38.0	LNG-TERM DEBT-FFB-RUS GUAR	24,542,116.55-
11.0	INV IN ECON DEVEL PROJECTS	.00	39.0	LONG-TERM DEBT OTHER-RUS GUAR	.00
12.0	OTHER INVESTMENTS	98.65	40.0	LONG TERM DEBT - OTHER (NET)	18,289,003.15-
13.0	SPECIAL FUNDS	.00	41.0	LNG-TERM DEBT-RUS-ECON DEV NET	.00
14.0	TOT OTHER PROP & INVESTMENTS	15,821,486.07	42.0	PAYMENTS - UNAPPLIED	.00
15.0	CASH - GENERAL FUNDS	44,571.69	43.0	TOTAL LONG TERM DEBT	42,831,119.70-
16.0	CASH - CONSTRUCTION FUND TRUST	.00	44.0	OBLIGATION UNDER CAPITAL LEASE	.00
17.0	SPECIAL DEPOSITS	.00	45.0	ACCUM OPERATING PROVISIONS	3,437,164.63-
18.0	TEMPORARY INVESTMENTS	.00	46.0	TOTAL OTHER NONCURR LIABILITY	3,437,164.63-
19.0	NOTES RECEIVABLE (NET)	.00	47.0	NOTES PAYABLE	770,000.00-
20.0	ACCTS RECV - SALES ENERGY (NET)	5,216,140.12	48.0	ACCOUNTS PAYABLE	2,325,540.06-
21.0	ACCTS RECV - OTHER (NET)	356,357.58	49.0	CONSUMER DEPOSITS	1,218,020.81-
22.0	RENEWABLE ENERGY CREDITS	.00	50.0	CURR MATURITIES LONG-TERM DEBT	.00
23.0	MATERIAL & SUPPLIES-ELEC & OTH	260,026.27	51.0	CURR MATURIT LT DEBT ECON DEV	.00
24.0	PREPAYMENTS	455,091.38	52.0	CURR MATURITIES CAPITAL LEASES	.00
25.0	OTHER CURRENT & ACCR ASSETS	9,761.44	53.0	OTHER CURRENT & ACCRUED LIAB	763,520.34-
26.0	TOTAL CURRENT & ACCR ASSETS	6,341,948.48	54.0	TOTAL CURRENT & ACCRUED LIAB	5,077,081.21-
27.0	REGULATORY ASSETS	.00	55.0	REGULATORY LIABILITIES	.00
28.0	OTHER DEFERRED DEBITS	1,407,252.96	56.0	OTHER DEFERRED CREDITS	90,245.70-
29.0	TOTAL ASSETS & OTHER DEBITS	77,678,268.31	57.0	TOTAL LIABILITIES & OTH CREDIT	77,678,268.31-

ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION		
58.0	BALANCE BEGINNING OF YEAR	.00
59.0	AMOUNT RECEIVED THIS YEAR (NET)	268,689.75
60.0	TOTAL CONTRIBUTIONS IN AID OF CONST	268,689.75

C E R T I F I C A T I O N

WE HEREBY CERTIFY THAT THE ENTRIES IN THIS REPORT ARE IN ACCORDANCE WITH THE ACCOUNTS AND OTHER RECORDS OF THE SYSTEM AND REFLECT THE STATUS OF THE SYSTEM TO THE BEST OF OUR KNOWLEDGE AND BELIEF.
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GRAYSON I.
PRG. OPERBSHT (OBSA)

FINANCIAL AND STATISTICAL REPORT
FROM 01/17 THRU 08/17

PAGE 1
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PART A. STATEMENT OF OPERATIONS

LINE NO	YEAR TO DATE				THIS MONTH	% FROM BUDGET	% CHANGE FROM LAST YEAR
	LAST YEAR A	THIS YEAR B	BUDGET C				
1.0	20,376,166.54	18,910,123.68	20,591,539.12		2,238,839.10	8.2-	7.2-
2.0	.00	.00	.00		.00	.0	.0
3.0	12,241,771.00-	11,359,431.00-	12,565,860.00-		1,462,002.00-	9.6-	7.2-
4.0	.00	.00	.00		.00	.0	.0
5.0	.00	.00	.00		.00	.0	.0
6.0	844,306.50-	907,075.10-	838,626.80-		104,155.46-	8.2	7.4
7.0	2,512,651.03-	2,362,397.77-	2,609,885.20-		250,088.84-	9.5-	6.0-
8.0	797,812.56-	761,954.28-	769,251.84-		91,671.01-	.9-	4.5-
9.0	165,677.53-	163,421.67-	174,292.24-		18,831.77-	6.2-	1.4-
10.0	14,107.99-	14,842.48-	15,012.80-		1,874.01-	1.1-	5.2
11.0	1,341,595.11-	1,280,137.33-	1,453,426.88-		160,726.80-	11.9-	4.6-
12.0	17,917,921.72-	16,849,259.63-	18,426,355.76-		2,089,349.89-	8.6-	6.0-
13.0	2,211,426.45-	2,302,141.86-	2,275,831.28-		287,738.10-	1.2	4.1
14.0	27,291.00-	29,011.00-	27,666.64-		4,022.00-	4.9	6.3
15.0	.00	.00	.00		.00	.0	.0
16.0	607,928.88-	643,821.96-	623,333.28-		85,676.42-	3.3	5.9
17.0	.00	.00	.00		.00	.0	.0
18.0	3,014.00-	5,345.00-	2,000.00-		670.00-	167.3	77.3
19.0	54,081.31-	19,072.93-	24,499.92-		3,959.68-	22.2-	64.7-
20.0	20,821,663.36-	19,848,652.38-	21,379,686.88-		2,471,416.09-	7.2-	4.7-
21.0	445,496.82-	938,528.70-	788,147.76-		232,576.99-	19.1	110.7
22.0	19,743.55	24,037.72	19,349.84		2,525.63	24.2	21.7
23.0	.00	.00	.00		.00	.0	.0
24.0	.00	.00	.00		.00	.0	.0
25.0	97,777.05	57,330.35	4,676.32-		23,476.74	326.0-	41.4-
26.0	.00	.00	.00		.00	.0	.0
27.0	129,737.61	53,993.86	87,266.48		.00	38.1-	58.4-
28.0	.00	.00	.00		.00	.0	.0
29.0	198,238.61-	803,166.77-	686,207.76-		206,574.62-	17.0	305.2
RATIOS							
TIER	.674	.247-	.101-		1.411-		
MARGINS TO REVENUE	.010	.042	.033		.092		
POWER COST TO REVENUE	.601	.601	.610		.653		
INTEREST EXPENSE TO REVENUE	.030	.034	.030		.038		
CURRENT ASSETS : CURRENT LIABILITIES	1.1423						
MARGINS & EQUITIES AS % OF ASSETS	.3407						
LONG TERM DEBT AS % OF PLANT	.5540						
GENERAL FUNDS TO TOTAL PLANT	.1049						
QUICK ASSET RATIO	1.0978						

GRAYSON
PRG. OPERBSA1 (OBSA)

FINANCIAL AND STATISTICAL REPORT
FROM 01/17 THRU 08/17

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PART C. BALANCE SHEET

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS		
LINE NO				
1.0	TOTAL UTILITY PLANT IN SERVICE	75,456,014.76	30.0 MEMBERSHIPS	155,155.00-
2.0	CONSTRUCTION WORK IN PROGRESS	1,535,153.34	31.0 PATRONAGE CAPITAL	27,301,057.63-
3.0	TOTAL UTILITY PLANT	76,991,168.10	32.0 OPERATING MARGINS - PRIOR YEAR	.00
4.0	ACCUM PROV FOR DEP & AMORT	22,804,115.26-	33.0 OPERATING MARGINS-CURRENT YEAR	884,534.84
5.0	NET UTILITY PLANT	54,187,052.84	34.0 NON-OPERATING MARGINS	81,368.07-
			35.0 OTHER MARGINS & EQUITIES	240,443.01
6.0	NON-UTILITY PROPERTY (NET)	.00	36.0 TOTAL MARGINS & EQUITIES	26,412,602.85-
7.0	INVEST IN SUBSIDIARY COMPANIES	.00		
8.0	INV IN ASSOC ORG - PAT CAPITAL	15,183,779.92	37.0 LONG TERM DEBT - RUS (NET)	.00
9.0	INV IN ASSOC ORG OTHR GEN FND	.00	(PAYMENTS-UNAPPLIED	.00)
10.0	INV IN ASSOC ORG - NON GEN FND	637,607.50	38.0 LNG-TERM DEBT-FFB-RUS GUAR	24,542,116.55-
11.0	INV IN ECON DEVEL PROJECTS	.00	39.0 LONG-TERM DEBT OTHER-RUS GUAR	.00
12.0	OTHER INVESTMENTS	98.65	40.0 LONG TERM DEBT - OTHER (NET)	18,109,486.28-
13.0	SPECIAL FUNDS	.00	41.0 LNG-TERM DEBT-RUS-ECON DEV NET	.00
14.0	TOT OTHER PROP & INVESTMENTS	15,821,486.07	42.0 PAYMENTS - UNAPPLIED	.00
			43.0 TOTAL LONG TERM DEBT	42,651,602.83-
15.0	CASH - GENERAL FUNDS	80,687.21		
16.0	CASH - CONSTRUCTION FUND TRUST	.00	44.0 OBLIGATION UNDER CAPITAL LEASE	.00
17.0	SPECIAL DEPOSITS	.00	45.0 ACCUM OPERATING PROVISIONS	3,049,784.18-
18.0	TEMPORARY INVESTMENTS	.00	46.0 TOTAL OTHER NONCURR LIABILITY	3,049,784.18-
19.0	NOTES RECEIVABLE (NET)	.00		
20.0	ACCTS RECV - SALES ENERGY(NET)	4,889,873.74	47.0 NOTES PAYABLE	1,215,000.00-
21.0	ACCTS RECV - OTHER (NET)	403,082.39	48.0 ACCOUNTS PAYABLE	2,006,185.65-
22.0	RENEWABLE ENERGY CREDITS	.00	49.0 CONSUMER DEPOSITS	1,220,906.81-
23.0	MATERIAL & SUPPLIES-ELEC & OTH	236,479.67	50.0 CURR MATURITIES LONG-TERM DEBT	.00
24.0	PREPAYMENTS	445,851.16	51.0 CURR MATURIT LT DEBT ECON DEV	.00
25.0	OTHER CURRENT & ACCR ASSETS	12,177.05	52.0 CURR MATURITIES CAPITAL LEASES	.00
26.0	TOTAL CURRENT & ACCR ASSETS	6,068,151.22	53.0 OTHER CURRENT & ACCRUED LIAB	870,109.75-
			54.0 TOTAL CURRENT & ACCRUED LIAB	5,312,202.21-
27.0	REGULATORY ASSETS	.00		
28.0	OTHER DEFERRED DEBITS	1,439,747.64	55.0 REGULATORY LIABILITIES	.00
			56.0 OTHER DEFERRED CREDITS	90,245.70-
29.0	TOTAL ASSETS & OTHER DEBITS	77,516,437.77	57.0 TOTAL LIABILITIES & OTH CREDIT	77,516,437.77-

ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION		
58.0	BALANCE BEGINNING OF YEAR	.00
59.0	AMOUNT RECEIVED THIS YEAR (NET)	277,661.83
60.0	TOTAL CONTRIBUTIONS IN AID OF CONST	277,661.83

C E R T I F I C A T I O N

WE HEREBY CERTIFY THAT THE ENTRIES IN THIS REPORT ARE IN ACCORDANCE WITH THE ACCOUNTS AND OTHER RECORDS OF THE SYSTEM AND REFLECT THE STATUS OF THE SYSTEM TO THE BEST OF OUR KNOWLEDGE AND BELIEF.
ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, REA, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.

SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT

DATE

SIGNATURE OF MANAGER

DATE

PART A. STATEMENT OF OPERATIONS

LINE NO	YEAR TO DATE			THIS MONTH	% FROM BUDGET	% CHANGE FROM LAST YEAR
	LAST YEAR	THIS YEAR	BUDGET			
	A	B	C	D		
1.0	22,433,659.94	19,726,210.96	22,629,514.26	816,087.28	12.8-	12.1-
2.0	.00	.00	.00	.00	.0	.0
3.0	13,623,005.00-	12,495,949.00-	13,857,484.00-	1,136,518.00-	9.8-	8.3-
4.0	.00	.00	.00	.00	.0	.0
5.0	.00	.00	.00	.00	.0	.0
6.0	951,547.52-	1,006,988.59-	943,455.15-	99,913.49-	6.7	5.8
7.0	2,751,782.54-	2,608,925.42-	2,936,120.85-	246,527.65-	11.1-	5.2-
8.0	905,368.22-	856,260.70-	865,408.32-	94,306.42-	1.1-	5.4-
9.0	198,593.23-	190,388.78-	196,078.77-	26,967.11-	2.9-	4.1-
10.0	16,890.53-	16,332.25-	16,889.40-	1,489.77-	3.3-	3.3-
11.0	1,472,827.39-	1,463,918.01-	1,635,105.24-	183,780.68-	10.5-	.6-
12.0	19,920,014.43-	18,638,762.75-	20,450,541.73-	1,789,503.12-	8.9-	6.4-
13.0	2,492,488.26-	2,594,346.90-	2,560,310.19-	292,205.04-	1.3	4.1
14.0	30,633.00-	33,033.00-	31,124.97-	4,022.00-	6.1	7.8
15.0	.00	.00	.00	.00	.0	.0
16.0	683,687.67-	728,852.26-	701,249.94-	85,030.30-	3.9	6.6
17.0	.00	.00	.00	.00	.0	.0
18.0	3,392.00-	6,016.00-	2,250.00-	671.00-	167.4	77.4
19.0	59,646.59-	23,152.75-	27,562.41-	4,079.82-	16.0-	61.2-
20.0	23,189,861.95-	22,024,163.66-	23,773,039.24-	2,175,511.28-	7.4-	5.0-
21.0	756,202.01-	2,297,952.70-	1,143,524.98-	1,359,424.00-	101.0	203.9
22.0	22,164.83	26,551.96	21,768.57	2,514.24	22.0	19.8
23.0	.00	.00	.00	.00	.0	.0
24.0	.00	.00	.00	.00	.0	.0
25.0	94,101.82	88,091.66	5,260.86-	30,761.31	774.5-	6.4-
26.0	.00	.00	.00	.00	.0	.0
27.0	133,797.06	87,794.87	98,174.79	33,801.01	10.6-	34.4-
28.0	.00	.00	.00	.00	.0	.0
29.0	506,138.30-	2,095,514.21-	1,028,842.48-	1,292,347.44-	103.7	314.0

RATIOS

TIER	.260	1.875-	.467-	14.199-
MARGINS TO REVENUE	.023	.106	.045	1.584
POWER COST TO REVENUE	.607	.633	.612	1.393
INTEREST EXPENSE TO REVENUE	.030	.037	.031	.104

CURRENT ASSETS : CURRENT LIABILITIES	.7921
MARGINS & EQUITIES AS % OF ASSETS	.3301
LONG TERM DEBT AS % OF PLANT	.5472
GENERAL FUNDS TO TOTAL PLANT	.1565
QUICK ASSET RATIO	.7425

GRAYSON
PRG. OPERBLANT (OBSA)

FINANCIAL AND STATIST REPORT
FROM 01/17 THRU 09/17

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PART C. BALANCE SHEET

LINE NO	ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS		
1.0	TOTAL UTILITY PLANT IN SERVICE	75,811,560.97	30.0	MEMBERSHIPS	155,045.00-
2.0	CONSTRUCTION WORK IN PROGRESS	1,580,806.89	31.0	PATRONAGE CAPITAL	27,291,089.90-
3.0	TOTAL UTILITY PLANT	77,392,367.86	32.0	OPERATING MARGINS - PRIOR YEAR	.00
4.0	ACCUM PROV FOR DEP & AMORT	22,930,333.98-	33.0	OPERATING MARGINS-CURRENT YEAR	2,210,157.83
5.0	NET UTILITY PLANT	54,462,033.88	34.0	NON-OPERATING MARGINS	114,643.62-
			35.0	OTHER MARGINS & EQUITIES	238,208.00
6.0	NON-UTILITY PROPERTY (NET)	.00	36.0	TOTAL MARGINS & EQUITIES	25,112,412.69-
7.0	INVEST IN SUBSIDIARY COMPANIES	.00			
8.0	INV IN ASSOC ORG - PAT CAPITAL	15,205,008.40	37.0	LONG TERM DEBT - RUS (NET)	.00
9.0	INV IN ASSOC ORG OTHR GEN FND	.00		(PAYMENTS-UNAPPLIED	.00)
10.0	INV IN ASSOC ORG - NON GEN FND	637,607.50	38.0	LNG-TERM DEBT-FFB-RUS GUAR	24,311,590.17-
11.0	INV IN ECON DEVEL PROJECTS	.00	39.0	LONG-TERM DEBT OTHER-RUS GUAR	.00
12.0	OTHER INVESTMENTS	98.65	40.0	LONG TERM DEBT - OTHER (NET)	18,035,761.29-
13.0	SPECIAL FUNDS	.00	41.0	LNG-TERM DEBT-RUS-ECON DEV NET	.00
14.0	TOT OTHER PROP & INVESTMENTS	15,842,714.55	42.0	PAYMENTS - UNAPPLIED	.00
			43.0	TOTAL LONG TERM DEBT	42,347,351.46-
15.0	CASH - GENERAL FUNDS	121,045.48			
16.0	CASH - CONSTRUCTION FUND TRUST	.00	44.0	OBLIGATION UNDER CAPITAL LEASE	.00
17.0	SPECIAL DEPOSITS	.00	45.0	ACCUM OPERATING PROVISIONS	3,057,568.94-
18.0	TEMPORARY INVESTMENTS	.00	46.0	TOTAL OTHER NONCURR LIABILITY	3,057,568.94-
19.0	NOTES RECEIVABLE (NET)	.00			
20.0	ACCTS RECV - SALES ENERGY (NET)	3,087,407.60	47.0	NOTES PAYABLE	1,620,000.00-
21.0	ACCTS RECV - OTHER (NET)	478,209.93	48.0	ACCOUNTS PAYABLE	2,116,158.90-
22.0	RENEWABLE ENERGY CREDITS	.00	49.0	CONSUMER DEPOSITS	1,213,759.81-
23.0	MATERIAL & SUPPLIES-ELEC & OTH	270,914.38	50.0	CURR MATURITIES LONG-TERM DEBT	.00
24.0	PREPAYMENTS	354,908.06	51.0	CURR MATURIT LT DEBT ECON DEV	.00
25.0	OTHER CURRENT & ACCR ASSETS	14,631.90	52.0	CURR MATURITIES CAPITAL LEASES	.00
26.0	TOTAL CURRENT & ACCR ASSETS	4,327,117.35	53.0	OTHER CURRENT & ACCRUED LIAB	512,954.88-
			54.0	TOTAL CURRENT & ACCRUED LIAB	5,462,873.59-
27.0	REGULATORY ASSETS	.00			
28.0	OTHER DEFERRED DEBITS	1,438,586.60	55.0	REGULATORY LIABILITIES	.00
			56.0	OTHER DEFERRED CREDITS	90,245.70-
29.0	TOTAL ASSETS & OTHER DEBITS	76,070,452.38	57.0	TOTAL LIABILITIES & OTH CREDIT	76,070,452.38-

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ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION		
58.0	BALANCE BEGINNING OF YEAR	.00
59.0	AMOUNT RECEIVED THIS YEAR (NET)	258,140.72
60.0	TOTAL CONTRIBUTIONS IN AID OF CONST	258,140.72

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C E R T I F I C A T I O N

WE HEREBY CERTIFY THAT THE ENTRIES IN THIS REPORT ARE IN ACCORDANCE WITH THE ACCOUNTS AND OTHER RECORDS OF THE SYSTEM AND REFLECT THE STATUS OF THE SYSTEM TO THE BEST OF OUR KNOWLEDGE AND BELIEF. ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, REA, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.

SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT

DATE

SIGNATURE OF MANAGER

DATE

GRAYSON
PRG. OPERBSHT (OBSA)

FINANCIAL AND STATISTICAL REPORT
FROM 01/17 THRU 10/17

PAGE 1
RUN DATE 06/20/18 08:09 AM

PART A. STATEMENT OF OPERATIONS

LINE NO	YEAR TO DATE				THIS MONTH	% FROM BUDGET	% CHANGE FROM LAST YEAR
	LAST YEAR	THIS YEAR	BUDGET				
	A	B	C	D			
1.0	24,555,816.59	21,747,311.29	24,844,101.40	2,021,100.33	12.5-	11.4-	
2.0	.00	.00	.00	.00	.0	.0	
3.0	14,732,202.00-	13,760,013.00-	15,046,781.00-	1,264,064.00-	8.6-	6.6-	
4.0	.00	.00	.00	.00	.0	.0	
5.0	.00	.00	.00	.00	.0	.0	
6.0	1,083,791.62-	1,133,137.61-	1,048,283.50-	126,149.02-	8.1	4.6	
7.0	2,976,469.33-	2,862,537.50-	3,262,356.50-	253,612.08-	12.3-	3.8-	
8.0	1,004,665.06-	948,823.85-	961,564.80-	92,563.15-	1.3-	5.6-	
9.0	218,096.95-	215,978.81-	217,865.30-	25,590.03-	.9-	1.0-	
10.0	18,548.99-	18,020.22-	18,766.00-	1,687.97-	4.0-	2.9-	
11.0	1,643,490.26-	1,648,987.01-	1,816,783.60-	185,069.00-	9.2-	.3	
12.0	21,677,264.21-	20,587,498.00-	22,372,400.70-	1,948,735.25-	8.0-	5.0-	
13.0	2,774,679.49-	2,887,004.37-	2,844,789.10-	292,657.47-	1.5	4.0	
14.0	33,975.00-	37,055.00-	34,583.30-	4,022.00-	7.1	9.1	
15.0	.00	.00	.00	.00	.0	.0	
16.0	759,435.57-	812,838.54-	779,166.60-	83,986.28-	4.3	7.0	
17.0	.00	.00	.00	.00	.0	.0	
18.0	3,767.00-	6,684.00-	2,500.00-	668.00-	167.4	77.4	
19.0	69,277.47-	25,401.75-	30,624.90-	2,249.00-	17.1-	63.3-	
20.0	25,318,398.74-	24,356,481.66-	26,064,064.60-	2,332,318.00-	6.6-	3.8-	
21.0	762,582.15-	2,609,170.37-	1,219,963.20-	311,217.67-	113.9	242.1	
22.0	24,606.17	29,016.53	24,187.30	2,464.57	20.0	17.9	
23.0	.00	.00	.00	.00	.0	.0	
24.0	.00	.00	.00	.00	.0	.0	
25.0	102,882.96	90,315.79	5,845.40-	2,224.13	645.1-	12.2-	
26.0	.00	.00	.00	.00	.0	.0	
27.0	138,680.76	87,794.87	109,083.10	.00	19.5-	36.7-	
28.0	.00	.00	.00	.00	.0	.0	
29.0	496,412.26-	2,402,043.18-	1,092,538.20-	306,528.97-	119.9	383.9	
RATIOS							
TIER	.346	1.955-	.402-	2.650-			
MARGINS TO REVENUE	.020	.110	.044	.152			
POWER COST TO REVENUE	.600	.633	.606	.625			
INTEREST EXPENSE TO REVENUE	.031	.037	.031	.042			
CURRENT ASSETS : CURRENT LIABILITIES	.7145						
MARGINS & EQUITIES AS % OF ASSETS	.3276						
LONG TERM DEBT AS % OF PLANT	.5447						
GENERAL FUNDS TO TOTAL PLANT	.0775						
QUICK ASSET RATIO	.6674						

GRAYSON
PRG. OPER (OBSA)

FINANCIAL AND STATISTICAL REPORT
FROM 01/17 THRU 10/17

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PART C. BALANCE SHEET

LINE NO	ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS		
1.0	TOTAL UTILITY PLANT IN SERVICE	75,923,225.56	30.0	MEMBERSHIPS	155,035.00-
2.0	CONSTRUCTION WORK IN PROGRESS	1,693,454.23	31.0	PATRONAGE CAPITAL	27,274,391.41-
3.0	TOTAL UTILITY PLANT	77,616,679.79	32.0	OPERATING MARGINS - PRIOR YEAR	.00
4.0	ACCUM PROV FOR DEP & AMORT	23,125,350.94-	33.0	OPERATING MARGINS-CURRENT YEAR	2,521,375.50
5.0	NET UTILITY PLANT	54,491,328.85	34.0	NON-OPERATING MARGINS	119,332.32-
			35.0	OTHER MARGINS & EQUITIES	234,782.25
6.0	NON-UTILITY PROPERTY (NET)	.00	36.0	TOTAL MARGINS & EQUITIES	24,792,600.98-
7.0	INVEST IN SUBSIDIARY COMPANIES	.00			
8.0	INV IN ASSOC ORG - PAT CAPITAL	15,205,008.40	37.0	LONG TERM DEBT - RUS (NET)	.00
9.0	INV IN ASSOC ORG OTHR GEN FND	.00		(PAYMENTS-UNAPPLIED	.00)
10.0	INV IN ASSOC ORG - NON GEN FND	637,607.50	38.0	LNG-TERM DEBT-FFB-RUS GUAR	24,311,590.17-
11.0	INV IN ECON DEVEL PROJECTS	.00	39.0	LONG-TERM DEBT OTHER-RUS GUAR	.00
12.0	OTHER INVESTMENTS	98.65	40.0	LONG TERM DEBT - OTHER (NET)	17,962,861.98-
13.0	SPECIAL FUNDS	.00	41.0	LNG-TERM DEBT-RUS-ECON DEV NET	.00
14.0	TOT OTHER PROP & INVESTMENTS	15,842,714.55	42.0	PAYMENTS - UNAPPLIED	.00
			43.0	TOTAL LONG TERM DEBT	42,274,452.15-
15.0	CASH - GENERAL FUNDS	60,069.76			
16.0	CASH - CONSTRUCTION FUND TRUST	.00	44.0	OBLIGATION UNDER CAPITAL LEASE	.00
17.0	SPECIAL DEPOSITS	.00	45.0	ACCUM OPERATING PROVISIONS	3,066,751.19-
18.0	TEMPORARY INVESTMENTS	.00	46.0	TOTAL OTHER NONCURR LIABILITY	3,066,751.19-
19.0	NOTES RECEIVABLE (NET)	.00			
20.0	ACCTS RECV - SALES ENERGY(NET)	2,821,008.92	47.0	NOTES PAYABLE	1,785,000.00-
21.0	ACCTS RECV - OTHER (NET)	489,205.63	48.0	ACCOUNTS PAYABLE	1,793,915.06-
22.0	RENEWABLE ENERGY CREDITS	.00	49.0	CONSUMER DEPOSITS	1,207,919.81-
23.0	MATERIAL & SUPPLIES-ELEC & OTH	256,547.17	50.0	CURR MATURITIES LONG-TERM DEBT	.00
24.0	PREPAYMENTS	260,900.10	51.0	CURR MATURIT LT DEBT ECON DEV	.00
25.0	OTHER CURRENT & ACCR ASSETS	2,712.61	52.0	CURR MATURITIES CAPITAL LEASES	.00
26.0	TOTAL CURRENT & ACCR ASSETS	3,890,444.19	53.0	OTHER CURRENT & ACCRUED LIAB	657,955.44-
			54.0	TOTAL CURRENT & ACCRUED LIAB	5,444,790.31-
27.0	REGULATORY ASSETS	.00			
28.0	OTHER DEFERRED DEBITS	1,444,352.74	55.0	REGULATORY LIABILITIES	.00
			56.0	OTHER DEFERRED CREDITS	90,245.70-
29.0	TOTAL ASSETS & OTHER DEBITS	75,668,840.33	57.0	TOTAL LIABILITIES & OTH CREDIT	75,668,840.33-

ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION		
58.0	BALANCE BEGINNING OF YEAR	.00
59.0	AMOUNT RECEIVED THIS YEAR (NET)	259,567.59
60.0	TOTAL CONTRIBUTIONS IN AID OF CONST	259,567.59

C E R T I F I C A T I O N

WE HEREBY CERTIFY THAT THE ENTRIES IN THIS REPORT ARE IN ACCORDANCE WITH THE ACCOUNTS AND OTHER RECORDS OF THE SYSTEM AND REFLECT THE STATUS OF THE SYSTEM TO THE BEST OF OUR KNOWLEDGE AND BELIEF. ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, REA, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.

SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT

DATE

SIGNATURE OF MANAGER

DATE

GRAYSON R...
PRG. OPERBSHT (OBSA)

FINANCIAL AND STATISTICAL REPORT
FROM 01/17 THRU 11/17

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RUN DATE 06/20/18 08:10 AM

PART A. STATEMENT OF OPERATIONS

LINE NO		YEAR TO DATE			THIS MONTH	% FROM BUDGET	% CHANGE FROM LAST YEAR
		LAST YEAR A	THIS YEAR B	BUDGET C			
1.0	OPERATING REVENUE & PATRONAGE CAPITAL....	27,401,672.00	24,194,872.08	27,587,947.54	2,447,560.79	12.3-	11.7-
2.0	POWER PRODUCTION EXPENSE.....	.00	.00	.00	.00	.0	.0
3.0	COST OF PURCHASED POWER.....	16,076,466.00-	15,244,961.00-	16,478,306.00-	1,484,948.00-	7.5-	5.2-
4.0	TRANSMISSION EXPENSE.....	.00	.00	.00	.00	.0	.0
5.0	REGIONAL MARKET OPERATIONS EXPENSE.....	.00	.00	.00	.00	.0	.0
6.0	DISTRIBUTION EXPENSE-OPERATION.....	1,191,230.13-	1,240,916.56-	1,153,111.85-	107,778.95-	7.6	4.2
7.0	DISTRIBUTION EXPENSE-MAINTENANCE.....	3,193,369.17-	3,133,006.60-	3,588,592.15-	270,469.10-	12.7-	1.9-
8.0	CUSTOMER ACCOUNTS EXPENSE.....	1,105,641.59-	1,038,086.38-	1,057,721.28-	89,262.53-	1.9-	6.1-
9.0	CUSTOMER SERVICE & INFORMATIONAL EXPENSE.	236,384.77-	239,390.04-	239,651.83-	23,411.23-	.1-	1.3
10.0	SALES EXPENSE.....	20,114.06-	19,749.43-	20,642.60-	1,729.21-	4.3-	1.8-
11.0	ADMINISTRATIVE & GENERAL EXPENSE.....	1,840,208.65-	1,805,440.69-	1,998,461.96-	156,453.68-	9.7-	1.9-
12.0	TOTAL OPERATIONS & MAINTENANCE EXPENSE...	23,663,414.37-	22,721,550.70-	24,536,487.67-	2,134,052.70-	7.4-	4.0-
13.0	DEPRECIATION & AMORTIZATION EXPENSE.....	3,057,976.18-	3,180,469.47-	3,129,268.01-	293,465.10-	1.6	4.0
14.0	TAX EXPENSE - PROPERTY & GROSS RECEIPTS..	37,317.00-	39,064.47-	38,041.63-	2,009.47-	2.7	4.7
15.0	TAX EXPENSE - OTHER.....	.00	.00	.00	.00	.0	.0
16.0	INTEREST ON LONG TERM DEBT.....	834,294.75-	896,733.12-	857,083.26-	83,894.58-	4.6	7.5
17.0	INTEREST CHARGED TO CONSTRUCTION - CREDIT	.00	.00	.00	.00	.0	.0
18.0	INTEREST EXPENSE - OTHER.....	4,145.00-	7,348.00-	2,750.00-	664.00-	167.2	77.3
19.0	OTHER DEDUCTIONS.....	75,230.60-	30,363.31-	33,687.39-	4,961.56-	9.9-	59.6-
20.0	TOTAL COST OF ELECTRIC SERVICE.....	27,672,377.90-	26,875,529.07-	28,597,317.96-	2,519,047.41-	6.0-	2.9-
21.0	PATRONAGE CAPITAL & OPERATING MARGINS....	270,705.90-	2,680,656.99-	1,009,370.42-	71,486.62-	165.6	890.2
22.0	NON OPERATING MARGINS - INTEREST.....	27,055.12	31,470.60	26,606.03	2,454.07	18.3	16.3
23.0	ALLOW. FOR FUNDS USED DURING CONSTRUCTION	.00	.00	.00	.00	.0	.0
24.0	INCOME (LOSS) FROM EQUITY INVESTMENTS....	.00	.00	.00	.00	.0	.0
25.0	NON OPERATING MARGINS - OTHER.....	96,870.78	90,507.16	6,429.94-	191.37	507.6-	6.6-
26.0	GENERATION & TRANSMISSION CAPITAL CREDITS	.00	.00	.00	.00	.0	.0
27.0	OTHER CAPITAL CREDITS & PATRONAGE DIVID..	138,680.76	87,794.87	119,991.41	.00	26.8-	36.7-
28.0	EXTRAORDINARY ITEMS.....	.00	.00	.00	.00	.0	.0
29.0	PATRONAGE CAPITAL OR MARGINS.....	8,099.24-	2,470,884.36-	869,202.92-	68,841.18-	184.3	407.6

RATIOS

TIER	.990	1.755-	.014-	.179
MARGINS TO REVENUE	.000	.102	.032	.028
POWER COST TO REVENUE	.587	.630	.597	.607
INTEREST EXPENSE TO REVENUE	.030	.037	.031	.034
CURRENT ASSETS : CURRENT LIABILITIES	.6830			
MARGINS & EQUITIES AS % OF ASSETS	.3261			
LONG TERM DEBT AS % OF PLANT	.5407			
GENERAL FUNDS TO TOTAL PLANT	.1526			
QUICK ASSET RATIO	.6370			

GRAYSON J
PRG. OPE (OBSA)

FINANCIAL AND STATISTICAL REPORT
FROM 01/17 THRU 11/17

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PART C. BALANCE SHEET

LINE NO	ASSETS AND OTHER DEBITS	LIABILITIES AND OTHER CREDITS
1.0	TOTAL UTILITY PLANT IN SERVICE 76,142,471.84	30.0 MEMBERSHIPS 155,155.00-
2.0	CONSTRUCTION WORK IN PROGRESS 1,701,604.50	31.0 PATRONAGE CAPITAL 27,241,265.83-
3.0	TOTAL UTILITY PLANT 77,844,076.34	32.0 OPERATING MARGINS - PRIOR YEAR .00
4.0	ACCUM PROV FOR DEP & AMORT 23,372,876.50-	33.0 OPERATING MARGINS-CURRENT YEAR 2,592,862.12
5.0	NET UTILITY PLANT 54,471,199.84	34.0 NON-OPERATING MARGINS 121,977.76-
6.0	NON-UTILITY PROPERTY (NET) .00	35.0 OTHER MARGINS & EQUITIES 231,465.73
7.0	INVEST IN SUBSIDIARY COMPANIES .00	36.0 TOTAL MARGINS & EQUITIES 24,694,070.74-
8.0	INV IN ASSOC ORG - PAT CAPITAL 15,205,008.40	37.0 LONG TERM DEBT - RUS (NET) .00
9.0	INV IN ASSOC ORG OTHR GEN FND .00	(PAYMENTS-UNAPPLIED .00)
10.0	INV IN ASSOC ORG - NON GEN FND 637,607.50	38.0 LNG-TERM DEBT-FFB-RUS GUAR 24,311,590.17-
11.0	INV IN ECON DEVEL PROJECTS .00	39.0 LONG-TERM DEBT OTHER-RUS GUAR .00
12.0	OTHER INVESTMENTS 98.65	40.0 LONG TERM DEBT - OTHER (NET) 17,780,855.41-
13.0	SPECIAL FUNDS .00	41.0 LNG-TERM DEBT-RUS-ECON DEV NET .00
14.0	TOT OTHER PROP & INVESTMENTS 15,842,714.55	42.0 PAYMENTS - UNAPPLIED .00
15.0	CASH - GENERAL FUNDS 118,719.98	43.0 TOTAL LONG TERM DEBT 42,092,445.58-
16.0	CASH - CONSTRUCTION FUND TRUST .00	44.0 OBLIGATION UNDER CAPITAL LEASE .00
17.0	SPECIAL DEPOSITS .00	45.0 ACCUM OPERATING PROVISIONS 3,076,217.49-
18.0	TEMPORARY INVESTMENTS .00	46.0 TOTAL OTHER NONCURR LIABILITY 3,076,217.49-
19.0	NOTES RECEIVABLE (NET) .00	47.0 NOTES PAYABLE 1,900,000.00-
20.0	ACCTS RECV - SALES ENERGY (NET) 2,874,787.96	48.0 ACCOUNTS PAYABLE 1,911,282.83-
21.0	ACCTS RECV - OTHER (NET) 523,305.45	49.0 CONSUMER DEPOSITS 1,205,294.81-
22.0	RENEWABLE ENERGY CREDITS .00	50.0 CURR MATURITIES LONG-TERM DEBT .00
23.0	MATERIAL & SUPPLIES-ELEC & OTH 264,895.87	51.0 CURR MATURIT LT DEBT ECON DEV .00
24.0	PREPAYMENTS 151,000.13	52.0 CURR MATURITIES CAPITAL LEASES .00
25.0	OTHER CURRENT & ACCR ASSETS 5,128.22	53.0 OTHER CURRENT & ACCRUED LIAB 749,255.85-
26.0	TOTAL CURRENT & ACCR ASSETS 3,937,837.61	54.0 TOTAL CURRENT & ACCRUED LIAB 5,765,833.49-
27.0	REGULATORY ASSETS .00	55.0 REGULATORY LIABILITIES .00
28.0	OTHER DEFERRED DEBITS 1,467,061.00	56.0 OTHER DEFERRED CREDITS 90,245.70-
29.0	TOTAL ASSETS & OTHER DEBITS 75,718,813.00	57.0 TOTAL LIABILITIES & OTH CREDIT 75,718,813.00-

ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION		
58.0	BALANCE BEGINNING OF YEAR	.00
59.0	AMOUNT RECEIVED THIS YEAR (NET)	264,313.79
60.0	TOTAL CONTRIBUTIONS IN AID OF CONST	264,313.79

C E R T I F I C A T I O N

WE HEREBY CERTIFY THAT THE ENTRIES IN THIS REPORT ARE IN ACCORDANCE WITH THE ACCOUNTS AND OTHER RECORDS OF THE SYSTEM AND REFLECT THE STATUS OF THE SYSTEM TO THE BEST OF OUR KNOWLEDGE AND BELIEF.
ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, REA, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.

SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT

DATE

SIGNATURE OF MANAGER

DATE

PART A. STATEMENT OF OPERATIONS

LINE NO	YEAR TO DATE				THIS MONTH	% FROM BUDGET	% CHANGE FROM LAST YEAR
	LAST YEAR A	THIS YEAR B	BUDGET C				
1.0	OPERATING REVENUE & PATRONAGE CAPITAL....	30,511,143.33	27,461,142.02	30,767,685.00	3,266,269.94	10.7-	10.0-
2.0	POWER PRODUCTION EXPENSE.....	.00	.00	.00	.00	.0	.0
3.0	COST OF PURCHASED POWER.....	17,917,378.00-	17,151,603.00-	18,129,754.00-	1,906,642.00-	5.4-	4.3-
4.0	TRANSMISSION EXPENSE.....	.00	.00	.00	.00	.0	.0
5.0	REGIONAL MARKET OPERATIONS EXPENSE.....	.00	.00	.00	.00	.0	.0
6.0	DISTRIBUTION EXPENSE-OPERATION.....	1,262,833.34-	1,299,965.41-	1,257,944.98-	59,048.85-	3.3	2.9
7.0	DISTRIBUTION EXPENSE-MAINTENANCE.....	3,500,338.80-	3,424,805.08-	3,914,835.00-	291,798.48-	12.5-	2.2-
8.0	CONSUMER ACCOUNTS EXPENSE.....	1,080,016.39-	1,070,976.91-	1,153,881.00-	32,890.53-	7.2-	.8-
9.0	CUSTOMER SERVICE & INFORMATIONAL EXPENSE.	256,835.05-	260,150.32-	261,440.00-	20,760.28-	.5-	1.3
10.0	SALES EXPENSE.....	21,390.50-	22,103.03-	22,520.00-	2,353.60-	1.9-	3.3
11.0	ADMINISTRATIVE & GENERAL EXPENSE.....	2,013,625.29-	1,955,130.16-	2,180,150.00-	149,689.47-	10.3-	2.9-
12.0	TOTAL OPERATIONS & MAINTENANCE EXPENSE...	26,052,417.37-	25,184,733.91-	26,920,524.98-	2,463,183.21-	6.4-	3.3-
13.0	DEPRECIATION & AMORTIZATION EXPENSE.....	3,341,887.56-	3,477,091.67-	3,413,747.00-	296,622.20-	1.9	4.0
14.0	TAX EXPENSE - PROPERTY & GROSS RECEIPTS..	40,662.40-	41,073.93-	41,500.00-	2,009.46-	1.0-	1.0
15.0	TAX EXPENSE - OTHER.....	.00	.00	.00	.00	.0	.0
16.0	INTEREST ON LONG TERM DEBT.....	895,351.85-	980,167.29-	935,000.00-	83,434.17-	4.8	9.5
17.0	INTEREST CHARGED TO CONSTRUCTION - CREDIT	.00	.00	.00	.00	.0	.0
18.0	INTEREST EXPENSE - OTHER.....	4,513.52-	7,941.33-	3,000.00-	593.33-	164.7	75.9
19.0	OTHER DEDUCTIONS.....	78,323.00-	35,148.34-	36,750.00-	4,785.03-	4.4-	55.1-
20.0	TOTAL COST OF ELECTRIC SERVICE.....	30,413,155.70-	29,726,156.47-	31,350,521.98-	2,850,627.40-	5.2-	2.3-
21.0	PATRONAGE CAPITAL & OPERATING MARGINS....	97,987.63	2,265,014.45-	582,836.98-	415,642.54	288.6	2411.5-
22.0	NON OPERATING MARGINS - INTEREST.....	29,393.38	33,944.30	29,025.00	2,473.70	16.9	15.5
23.0	ALLOW. FOR FUNDS USED DURING CONSTRUCTION	.00	.00	.00	.00	.0	.0
24.0	INCOME (LOSS) FROM EQUITY INVESTMENTS....	.00	.00	.00	.00	.0	.0
25.0	NON OPERATING MARGINS - OTHER.....	102,305.86	94,790.49	7,015.00-	4,283.33	451.3-	7.3-
26.0	GENERATION & TRANSMISSION CAPITAL CREDITS	1,223,639.89	504,925.70	.00	504,925.70	100.0	58.7-
27.0	OTHER CAPITAL CREDITS & PATRONAGE DIVID..	138,680.76	87,794.87	130,900.00	.00	32.9-	36.7-
28.0	EXTRAORDINARY ITEMS.....	.00	.00	.00	.00	.0	.0
29.0	PATRONAGE CAPITAL OR MARGINS.....	1,592,007.52	1,543,559.09-	429,926.98-	927,325.27	259.0	197.0-
RATIOS							
	TIER	2.778	.575-	.540	12.114		
	MARGINS TO REVENUE	.052	.056	.014	.284		
	POWER COST TO REVENUE	.587	.625	.589	.584		
	INTEREST EXPENSE TO REVENUE	.029	.036	.030	.026		
	CURRENT ASSETS : CURRENT LIABILITIES	.7835					
	MARGINS & EQUITIES AS % OF ASSETS	.3313					
	LONG TERM DEBT AS % OF PLANT	.5363					
	GENERAL FUNDS TO TOTAL PLANT	.2745					
	QUICK ASSET RATIO	.7395					

GRAYSON
PRG. OPER (OBSA)

FINANCIAL AND STATISTICAL REPORT
FROM 01/17 THRU 12/17

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PART C. BALANCE SHEET

LINE NO	ASSETS AND OTHER DEBITS	LIABILITIES AND OTHER CREDITS
1.0	TOTAL UTILITY PLANT IN SERVICE 76,908,489.76	30.0 MEMBERSHIPS 154,655.00-
2.0	CONSTRUCTION WORK IN PROGRESS 1,002,088.68	31.0 PATRONAGE CAPITAL 27,226,701.71-
3.0	TOTAL UTILITY PLANT 77,910,578.44	32.0 OPERATING MARGINS - PRIOR YEAR .00
4.0	ACCUM PROV FOR DEP & AMORT 23,474,155.52-	33.0 OPERATING MARGINS-CURRENT YEAR 1,672,293.88
5.0	NET UTILITY PLANT 54,436,422.92	34.0 NON-OPERATING MARGINS 128,734.79-
6.0	NON-UTILITY PROPERTY (NET) .00	35.0 OTHER MARGINS & EQUITIES 228,613.22
7.0	INVEST IN SUBSIDIARY COMPANIES .00	36.0 TOTAL MARGINS & EQUITIES 25,609,184.40-
8.0	INV IN ASSOC ORG - PAT CAPITAL 15,704,261.10	37.0 LONG TERM DEBT - RUS (NET) .00
9.0	INV IN ASSOC ORG OTHR GEN FND .00	(PAYMENTS-UNAPPLIED .00)
10.0	INV IN ASSOC ORG - NON GEN FND 637,607.50	38.0 LNG-TERM DEBT-FFB-RUS GUAR 24,079,670.62-
11.0	INV IN ECON DEVEL PROJECTS .00	39.0 LONG-TERM DEBT OTHER-RUS GUAR .00
12.0	OTHER INVESTMENTS 98.65	40.0 LONG TERM DEBT - OTHER (NET) 17,707,435.90-
13.0	SPECIAL FUNDS .00	41.0 LNG-TERM DEBT-RUS-ECON DEV NET .00
14.0	TOT OTHER PROP & INVESTMENTS 16,341,967.25	42.0 PAYMENTS - UNAPPLIED .00
15.0	CASH - GENERAL FUNDS 213,727.09	43.0 TOTAL LONG TERM DEBT 41,787,106.52-
16.0	CASH - CONSTRUCTION FUND TRUST .00	44.0 OBLIGATION UNDER CAPITAL LEASE .00
17.0	SPECIAL DEPOSITS .00	45.0 ACCUM OPERATING PROVISIONS 3,085,623.87-
18.0	TEMPORARY INVESTMENTS .00	46.0 TOTAL OTHER NONCURR LIABILITY 3,085,623.87-
19.0	NOTES RECEIVABLE (NET) .00	47.0 NOTES PAYABLE 2,185,000.00-
20.0	ACCTS RECV - SALES ENERGY (NET) 4,001,469.03	48.0 ACCOUNTS PAYABLE 2,496,841.76-
21.0	ACCTS RECV - OTHER (NET) 495,553.33	49.0 CONSUMER DEPOSITS 1,197,899.81-
22.0	RENEWABLE ENERGY CREDITS .00	50.0 CURR MATURITIES LONG-TERM DEBT .00
23.0	MATERIAL & SUPPLIES-ELEC & OTH 283,605.27	51.0 CURR MATURIT LT DEBT ECON DEV .00
24.0	PREPAYMENTS 51,438.63	52.0 CURR MATURITIES CAPITAL LEASES .00
25.0	OTHER CURRENT & ACCR ASSETS 7,547.83	53.0 OTHER CURRENT & ACCRUED LIAB 570,319.49-
26.0	TOTAL CURRENT & ACCR ASSETS 5,053,341.18	54.0 TOTAL CURRENT & ACCRUED LIAB 6,450,061.06-
27.0	REGULATORY ASSETS .00	55.0 REGULATORY LIABILITIES .00
28.0	OTHER DEFERRED DEBITS 1,467,379.61	56.0 OTHER DEFERRED CREDITS 367,135.11-
29.0	TOTAL ASSETS & OTHER DEBITS 77,299,110.96	57.0 TOTAL LIABILITIES & OTH CREDIT 77,299,110.96-
=====		=====
		ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION
		58.0 BALANCE BEGINNING OF YEAR .00
		59.0 AMOUNT RECEIVED THIS YEAR (NET) 265,606.55
		60.0 TOTAL CONTRIBUTIONS IN AID OF CONST 265,606.55

C E R T I F I C A T I O N

WE HEREBY CERTIFY THAT THE ENTRIES IN THIS REPORT ARE IN ACCORDANCE WITH THE ACCOUNTS AND OTHER RECORDS OF THE SYSTEM AND REFLECT THE STATUS OF THE SYSTEM TO THE BEST OF OUR KNOWLEDGE AND BELIEF.
ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, REA, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.

SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT

DATE

SIGNATURE OF MANAGER

DATE

GRAYSON RECC

Case No. 2018-00272

Cost of Service Study

Acct No.	Description	Actual \$\$\$\$	Test Year Adjustments					Adjusted \$\$\$\$
			Adjustment 1, 2 & 6	Adjustment 3, 4 & 5	Adjustment 7,8,9,10,&11	Adjustment 12 & 13	Adjustment 15	
555	Demand Charges	3,498,227					-	3,498,227
	Energy Charges	11,905,793					(393,645)	11,512,148
	Metering Point	22,464						22,464
	Load Center Charges	473,592						473,592
	DLC	(28,472)					28,472	-
	FAC & ESC	1,279,999					(1,279,999)	-
	Total Purchased Power	17,151,603	-	-	-	-	(1,645,172)	15,506,431
580	Operations Supv & Eng							-
583	Overhead Line Exp.	538,051	818					538,869
586	Meter Expense	432,008	10,061					442,069
586.1	Meter Operation Survey	63,359	2,888					66,247
586.2	Automated Meter Equip Exp	39,473						39,473
588	Misc. Distribution Exp	227,073		13,476				240,549
	Total Operations	1,299,965	13,767	13,476	-	-	-	1,327,208
590	Maint Supv & Eng	289,988	5,439					295,428
592	Maint of Station Equip	-						-
593	Maint. Overhead Lines	3,082,346	21,769					3,104,115
594	Maint of Underground Lines	1,000						1,000
595	Maint Line Transformers	17,149						17,149
596	Maint of St Lg & Signal Sys	36						36
597	Maintenance of Meters	-						-
598	Maint Misc Distrib Plant	34,286	222	(215)				34,293
	Total Distribut Maintenance	3,424,805	27,430	(215)	-	-	-	3,452,021

Acct	Description	Actual \$\$\$\$	Test Year Adjustments				Adjusted \$\$\$\$
			Adjustment 1, 2 & 6	Adjustment 3, 4 & 5	Adjustment 7,8,9,10,&11	Adjustment 12 & 13	
901	Supervision	138,233	2,574				140,808
902	Meter Reading Expense	-					-
903	Cons Recds & Collections	914,613	11,497	(17)			926,093
904	Uncollectible Accounts	18,130	-				18,130
	Total Consumer Accounts	1,070,976	14,071	(17)			1,085,030
907	Supervision						-
909	Customer Information Exp	260,150	2,722				262,872
910	Misc Customer Service Exp			(17)			(17)
912	Demonstration & Selling Exp	20,264	368		(783)		19,849
913	Advertising	1,839					1,839
	Total Customer Service	282,253	3,090	(17)	-	(783)	284,543
	Total of Distrib. Expenses	6,078,000	58,358	13,227	-	(783)	6,148,802
920	Administrative Salaries	1,093,003	23,411				1,116,414
921	Office Supplies	155,682	1				155,683
923	Outside Services	70,864			(34,778)		36,086
928	Regulatory Commission Exp	49					49
930.2	Annual Meeting Expenses	69,925			(31,868)		38,057
930.3	Miscellaneous General Exp	34,063	1,371	584	30,000		66,018
930.4	Misc Field Training	35,280					35,280
930.6	Directors Fees	158,827			(82,125)		76,702
930.7	Dues - NRECA & KAEC	48,727					48,727
932	Maint of General Plant	288,711	1,348				290,059
	Total Admin & General	1,955,130	26,132	584	(118,771)	-	1,863,075

Acct	Description	Actual \$\$\$\$	Test Year Adjustments					Adjusted \$\$\$\$
			Adjustment 1, 2 & 6	Adjustment 3, 4 & 5	Adjustment 7,8,9,10,&11	Adjustment 12 & 13	Adjustment 15	
403.6	Deprec. Distribution Plant	3,224,205		83,099				3,307,304
403.7	Deprec. General Plant	252,887						252,887
	Total Depreciation	3,477,092	-	83,099	-	-	-	3,560,191
408.6	Reg. Commission Assess.	41,074						41,074
426.1	Donations	35,148		(20,343)	(14,805)			0
	Total Miscellaneous	76,222	-	(20,343)	(14,805)	-	-	41,074
427	Total Interest on LTD	980,167	-	166,168	-	-	-	1,146,335
431	Total Short Term Interest	7,941						7,941
	TOTAL COSTS TO SERVE	29,726,156	84,490	242,735	(133,576)	(783)	(1,645,172)	28,273,850
	Margin Requirements	980,167	-	166,168	-	-	-	1,146,335
	TOTA REVENUE REQUIRED	30,706,323	84,490	408,903	(133,576)	(783)	(1,645,172)	29,420,185
	Less: Misc Income							
	CATV & Non-Recurring Chrgs							
450	Forfeited Discounts	426,628						426,628
454	Rent from Electric Prop.	507,748						507,748
456	Other Electric Property	55,343					(22,894)	32,449
	Total Misc Income	989,720	-	-	-	-	(22,894)	966,826

Acct	Description	Actual \$\$\$\$	Test Year Adjustments				Adjusted \$\$\$\$		
			Adjustment 1, 2 & 6	Adjustment 3, 4 & 5	Adjustment 7,8,9,10,&11	Adjustment 12 & 13			
	Less: Other Income						-		
417	Other non-operating margins	94,790					94,790		
419	Interest Income	33,946					33,946		
423	G&T Capital Credits	504,926			(504,926)		-		
424	Other Capital Credits	87,795					87,795		
	Total Other Income	721,457	-	-	(504,926)	-	216,531		
	REVENUE REQUIREMENTS FROM BASE RATES	28,995,147			(133,576)	504,143	(1,645,172)	22,894	28,236,828

FOOTNOTES

	Wages & Salaries	Payroll Taxes	Retirement	Total	(a) See Exhibit S, Page 3 of 5, Adjustments 1, 2, & 7.
	<u>1</u>	<u>2</u>	<u>7</u>		
Adjustments 1, 2 and 7 (a)					
Distribution - operations	5,993	1,232	6,545	13,770	
Distribution - maintenance	11,942	2,455	13,041	27,438	
Consumer accounts	6,126	1,260	6,690	14,076	
Customer service	1,185	244	1,294	2,723	
Sales	160	33	175	368	
Administrative and general	11,366	2,337	12,412	26,115	
Total operating expenses	36,772	7,561	40,157	84,490	

Acct	Description	Actual \$\$\$\$	Test Year Adjustments				Adjusted \$\$\$\$
			Adjustment 1, 2 & 6	Adjustment 3, 4 & 5	Adjustment 7,8,9,10,&11	Adjustment 12 & 13	
			Actual				
Allocation of Adjustments to Accounts			Wage & Sal. Expenses	Percent of Total	Allocation Adjustments		
583.00	Overhead line		20,240	0.97%	818		
586.00	Meter		248,905	11.91%	10,061		
588.00	Miscellaneous distribution		71,443	3.42%	2,888		
590.00	Maintenance		134,567	6.44%	5,439		
593.00	Overhead line		538,571	25.77%	21,769		
598.00	Miscellaneous maintenance		5,498	0.26%	222		
901.00	Supervision		63,691	3.05%	2,574		
903.00	Consumer records		284,433	13.61%	11,497		
909.00	Information expense		67,342	3.22%	2,722		
912.0	Demonstration & selling		9,103	0.44%	368		
920.0	Administrative & generak		547,378	26.19%	22,125		
921.0	Office supplies expense		34	0.00%	1		
926.0	Employee benefits		31,826	1.52%	1,286		
930.0	Miscellaneous General exp		33,926	1.62%	1,371		
932.0	Maintenace of general plant		33,346	1.60%	1,348		
			<u>2,090,303</u>	<u>100.00%</u>	<u>84,490</u>		
			Depreciation	Property Taxes	Interest Expense	Total	
			<u>3 (b)</u>	<u>4 ©</u>	<u>5 (d)</u>		
Operating Expenses:							
Cost of power:							
Base rates							
Fuel and surcharge							
	Distribution - operations	(86)	13,562		13,476		
	Distribution - maintenance	(215)			(215)		
	Consumer accounts	(17)			(17)		
	Customer service	(17)			(17)		
	Sales	-			-		
	Administrative and general	(19)	603		584		
	Depreciation	83,099			83,099		
	Taxes - other				-		
	Interest on long-term debt			166,168	166,168		
	Interest expense - other				-		
	Other deductions			(20,343)	(20,343)		
Total		<u>82,745</u>	<u>14,165</u>	<u>145,825</u>	<u>242,735</u>		

(b) See Exhibit S, Page 3 of 5, Adjustment 3
(c) See Exhibit S, Page 3 of 5, Adjustment 4
(d) See Exhibit S, Page 3 of 5, Adjustment 5

Acct No.	Description		Adjusted \$\$\$\$	Power Supply	Lines	Trans former	Services	Meters	Cons. & Acct Services	Outdoor Lighting
555	Demand Charges		3,498,227	3,498,227						
0	Energy Charges		11,512,148	11,512,148						
0	Metering Point		22,464	22,464						
0	Load Center Charges		473,592	473,592						
0	DLC		-	-						
0	FAC & ESC		-	-						
0										
0	Total Purchased Power		15,506,431	15,506,431						
0										
580	Operations Supv & Eng		-	-						-
583	Overhead Line Exp.	a	538,869	-	465,773		73,096			
586	Meter Expense	b	442,069	-				442,069		
586.1	Meter Operation Survey	b	66,247	-				66,247		
586.2	Automated Meter Equip Exp	b	39,473	-				39,473		
588	Misc. Distribution Exp	c	240,549	-	103,106	-	16,181	121,262	-	-
0										
0	Total Operations		1,327,208	-	568,879	-	89,277	669,051		
0										
590	Maint Supv & Eng	d	295,428	-	253,948	1,623	39,854			3
592	Maint of Station Equip		-	-			-			
593	Maint. Overhead Lines	a	3,104,115	-	2,683,049		421,066			
594	Maint of Underground Lines	a	1,000	-	864		136			
595	Maint Line Transformers	b	17,149	-		17,149				
596	Maint of St Lg & Signal Sys	b	36	-						36
597	Maintenance of Meters		-	-					-	
598	Maint Misc Distrib Plant	d	34,293	-	29,478	188	4,626			0.39
	Total Distribut Maintenance		3,452,021	-	2,967,339	18,960	465,682	-	-	40

Acct	Description		Adjusted \$\$\$\$	Power Supply	Lines	Trans former	Services	Meters	Cons. & Acct Services	Outdoor Lighting
0			-						-	
901	Supervision	b	140,808						140,808	
902	Meter Reading Expense	b	-	-	-	-	-	-	-	
903	Cons Recds & Collections	b	926,093						926,093	
904	Uncollectible Accounts	b	18,130						18,130	
0			-						-	
0	Total Consumer Accounts		1,085,030						1,085,030	
0			-						-	
907	Supervision	b	-						-	
909	Customer Information Exp	b	262,872						262,872	-
910	Misc Customer Service Exp	b	(17)						(17)	
912	Demonstration & Selling Exp	b	19,849	-		-			19,849	
913	Advertising		1,839						1,839	
0			-						-	
0	Total Customer Service		284,543	-	-	-	-	-	284,543	-
0			-						-	
0	Total of Distrib. Expenses		6,148,802	-	3,536,219	18,960	554,959	669,051	1,369,574	40
0			-						-	
920	Administrative Salaries		1,116,414		642,057	3,443	100,762	121,477	248,668	7
921	Office Supplies		155,683		89,535	480	14,051	16,940	34,677	1
923	Outside Services		36,086		20,753	111	3,257	3,927	8,038	0
928	Regulatory Commission Exp		49		28	0	4	5	11	0
930.2	Annual Meeting Expenses		38,057		21,887	117	3,435	4,141	8,477	0
930.3	Miscellaneous General Exp		66,018		37,968	204	5,958	7,183	14,705	0
930.4	Misc Field Training		35,280	-	20,290	109	3,184	3,839	7,858	0
930.6	Directors Fees		76,702		44,112	237	6,923	8,346	17,085	0
930.7	Dues - NRECA & KAEC		48,727		28,023	150	4,398	5,302	10,853	0
932	Maint of General Plant		290,059		166,815	894	26,179	31,561	64,607	2
0			-						-	
0	Total Admin & General		1,863,075	-	1,071,467	5,745	168,152	202,721	414,978	12

Acct	Description	Adjusted \$\$\$\$	Power Supply	Lines	Trans former	Services	Meters	Cons. & Acct Services	Outdoor Lighting
0		-	-	-	-	-	-	-	-
403.6	Deprec. Distribution Plant	3,307,304		2,271,987	358,873	349,598	185,088	54,744	87,015
403.7	Deprec. General Plant	252,887	-	173,723	27,441	26,731	14,152	4,186	6,653
0		-							
0	Total Depreciation	3,560,191	-	2,445,710	386,314	376,329	199,240	58,930	93,668
0		-							
408.6	Reg. Commission Assess.	41,074		28,223	4,463	4,343	2,295	668	1,082
426.1	Donations	0							
0		-							
0	Total Miscellaneous	41,074	-	28,223	4,463	4,343	2,295	668	1,082
0		-							
427	Total Interest on LTD	1,146,335		787,672	124,563	121,199	64,065	18,633	30,204
0		-							
431	Total Short Term Interest	7,941		5,456	863	840	444	129	209
0		-							
0	TOTAL COSTS TO SERVE	28,273,850	15,506,431	7,874,747	540,908	1,225,820	1,137,817	1,862,911	125,215
0									

FOOTNOTES

a	Allocation on Plant Balance	Amount	Percent	Alloc Line Oper Exp	Alloc Line Maint Exp	Alloc Line UDG Line Exp
	Poles, Towers & Fixtures	26,372,044				
	Overhead Conductor	21,682,973				
	Underground Conductor	460,150				
	Subtotal	48,515,167	86.4%	465,773	2,683,049	864
	Services	7,613,763	13.6%	73,096	421,066	136
	Total	56,128,930	100.0%	538,869	3,104,115	1,000

Acct	Description	Adjusted \$\$\$\$	Power Supply	Lines	Trans former	Services	Meters	Cons. & Acct Services	Outdoor Lighting
b	Direct Assignment								
c	Proportional on all Other Operation Expenses								
		<u>Amount</u>	<u>Percent</u>	<u>Allocated Misc Oper Exp</u>					
	Lines	465,773	42.9%	103,106					
	Services	73,096	6.7%	16,181					
	Meters	547,789	50.4%	121,262					
	Total	<u>1,086,658</u>	<u>100%</u>	<u>240,549</u>					
d	Proportional on all Other Maintenance Expenses								
		<u>Amount</u>	<u>Percent</u>	<u>Allocated Sup Main Exp</u>		<u>Allocated Mis Main Exp</u>			
	Lines	2,683,913	85.96%	253,948		29,478			
	Transformers	17,149	0.55%	1,623		188			
	Services	421,202	13.49%	39,854		4,626			
	Meters	36	0.001%	3		0.39			
	Total	<u>3,122,300</u>	<u>100%</u>	<u>295,428</u>		<u>34,293</u>			
e	Allocation of Administrative & Generak Expense								
	Total of All Other Distrib Exp	6,148,802	-	3,536,219	18,960	554,959	669,051	1,369,574	40
	Allocatio Percent	100.000%	0.00%	57.51%	0.31%	9.03%	10.88%	22.27%	0.001%
	Allocated Amount	<u>1,863,075</u>	<u>-</u>	<u>1,071,467</u>	<u>5,745</u>	<u>168,152</u>	<u>202,721</u>	<u>414,978</u>	<u>12</u>

Net Investment Rate Base by Funtion

Description	\$\$\$\$	<u>Lines</u>	<u>Transformers</u>	<u>Services</u>	<u>Meters Consumer</u>	<u>Consumer & Accounting Services</u>	<u>Outdoor Lighting</u>
362 Substation Equipment	31,054	31,054					
364 Poles, Towers and Fixtures	27,372,044	27,372,044					-
365 Overhead Conductor	21,682,973	21,682,973					
367 UG Conductor	460,150	460,150					
368 Line Transformers	8,327,678		8,327,678				
369 Services	7,613,763			7,613,763			-
370 Meters	3,682,175				3,682,175		
371 Install. On Consumer Prem.	2,023,425						2,023,425
373 Street Ltg & Signal Systems	-						-
Total Distribution Plant	71,193,262	49,546,221	8,327,678	7,613,763	3,682,175	-	2,023,425
		69.59%	11.70%	10.69%	5.17%	0.00%	2.84%
Total General Plant	5,715,308	3,286,913	17,623	515,834	621,883	1,273,018	37
		57.5%	0.3%	9.0%	10.9%	22.3%	0.0%
Total Utility Plant In Service	76,908,570	52,833,134	8,345,301	8,129,597	4,304,058	1,273,018	2,023,461
		68.7%	10.9%	10.6%	5.6%	1.7%	2.6%

Description	\$\$\$\$	<u>Lines</u>	<u>Transformers</u>	<u>Services</u>	<u>Meters Consumer</u>	<u>Consumer & Accounting Services</u>	<u>Outdoor Lighting</u>
Accum. Depreciation	23,474,155	16,125,813	2,547,166	2,481,328	1,313,691	388,553	617,604
Net Plant	53,434,415	36,707,322	5,798,135	5,648,268	2,990,367	884,465	1,405,857
		68.70%	10.85%	10.57%	5.60%	1.66%	2.63%
CWIP	1,002,008	697,337	117,208	107,160	51,825	-	28,479
Net Utility Plant	54,436,423	37,404,659	5,915,343	5,755,428	3,042,191	884,465	1,434,336
Plus							
Cash Working Capital	1,004,141	689,805	108,959	106,142	56,195	16,621	26,419
Materials & Supplies	267,646	183,862	29,042	28,291	14,978	4,430	7,042
Prepayments	328,343	225,559	35,628	34,707	18,375	5,435	8,639
Minus: Consumer Advances	367,135	252,207	39,838	38,808	20,546	6,077	9,659
Net Investment Rate Base	55,669,418	38,251,678	6,049,134	5,885,762	3,111,194	904,874	1,466,776
Percentage		68.71%	10.87%	10.57%	5.59%	1.63%	2.63%

Acct No.	Description	Pro Forma \$\$\$\$	Power Supply		Lines		
			Demand	Energy	Load Center	Demand	Consumer
555	Demand Charges	3,498,227	3,498,227				
	Energy Charges	11,512,148	-	11,512,148			
	Metering Point	22,464			22,464		
	Load Center Charges	473,592			473,592		
	DLC	-					
	FAC & ESC	-					
580							
583	Total Purchased Power	15,506,431	3,498,227	11,512,148	496,056	-	-
584							
585	Operations Supv & Eng	-					
586	Overhead Line Exp.	538,869				257,031	208,741
587	Meter Expense	442,069					
588	Meter Operation Survey	66,247					
589	Automated Meter Equip Exp	39,473					
	Misc. Distribution Exp	240,549				56,898	46,208
	Total Operations	1,327,208	-	-	-	313,929	254,950
590							
	Maint Supv & Eng	295,428				140,138	113,810
593	Maint of Station Equip	-					
594	Maint. Overhead Lines	3,104,115				1,480,610	1,202,439
595	Maint of Underground Lines	1,000				477	387
596	Maint Line Transformers	17,149					
597	Maint of St Lg & Signal Sys	36					
598	Maintenance of Meters	-					
599	Maint Misc Distrib Plant	34,293				16,267	13,211
	Total Distribut Maintenance	3,452,021	-	-	-	1,637,492	1,329,847

Acct	Description	Pro Forma \$\$\$\$	Power Supply				Lines	
			Demand	Energy	Load Center	Demand	Consumer	
901	0	-						
	Supervision	140,808						
902	Meter Reading Expense	-						
903	Cons Recds & Collections	926,093						
904	Uncollectible Accounts	18,130						
	0	-						
	Total Consumer Accounts	1,085,030						
	0	-						
907	Supervision	-						
908	Customer Information Exp	262,872						
909	Misc Customer Service Exp	(17)						
910	Demonstration & Selling Exp	19,849						
912	Advertising	1,839						
	Total Customer Service	284,543						
	Total of Distrib. Expenses	6,148,802	-			1,951,422	1,584,797	
920	Total Admin & General	1,863,075				591,277	480,190	
	Total Depreciation	3,560,191				1,349,637	1,096,073	
	Total Miscellaneous	41,074	-			15,574	12,648	
	Total Interest on LTD	1,146,335				434,668	353,004	
	Total Short Term Interest	7,941				3,011	2,445	
	TOTAL COSTS TO SERVE	28,273,850	3,498,227	11,512,148	496,056	4,345,589	3,529,158	

Description Acct	Pro Forma \$\$\$\$	Power Supply			Lines	
		<u>Demand</u>	<u>Energy</u>	<u>Load Center</u>	<u>Demand</u>	<u>Consumer</u>
Purchased Power Costs		3,498,227	11,512,148	496,056		
Distribution O&M Demand Related					1,951,422	
Distribution O&M Consumer Related						1,584,797
Admin & Gen Demand Related					591,277	
Admin & Gen Consumer Related						480,190
Deprec, Taxes & Misc Demand Related					1,368,222	
Deprec, Taxes & Misc Consumer Related						1,111,167
Interest Demand Related					434,668	
Interest Customer Related						353,004
Total Costs by Function		3,498,227	11,512,148	496,056	4,345,589	3,529,158
Margins Demand Related						
Margins Consumer Related						
Total Revenue Requirements						
Credits Demand Related						
Credits Consumer Related						

Revenue Requirements-Rates

Acct No.	Description	Transformers		Services	Meters	Cons & Acct	Outdoor
		<u>Demand</u>	<u>Consumer</u>	<u>Consumer</u>	<u>Consumer</u>	<u>Consumer</u>	<u>Lighting</u>
555	Demand Charges						
	Energy Charges						
	Metering Point						
	Load Center Charges						
	DLC						
	FAC & ESC						
580		<hr/>					
583	Total Purchased Power	-	-	-	-	-	-
584							
585	Operations Supv & Eng						-
586	Overhead Line Exp.			73,096	-		
587	Meter Expense				442,069		
588	Meter Operation Survey				66,247		
589	Automated Meter Equip Exp				39,473		
	Misc. Distribution Exp			16,181	121,262		
		<hr/>					
	Total Operations	-	-	89,277	669,051		-
590							
	Maint Supv & Eng	1,058	564	39,854			3
593	Maint of Station Equip						
594	Maint. Overhead Lines			421,066			
595	Maint of Underground Lines			136			
596	Maint Line Transformers	11,184	5,965				
597	Maint of St Lg & Signal Sys						36
598	Maintenance of Meters					-	-
599	Maint Misc Distrib Plant	123	66	4626.15553			
		<hr/>					
	Total Distribut Maintenance	12,365	6,595	465,682	-	-	39

Acct	Description	Transformers		Services	Meters	Cons & Acct	Outdoor
		<u>Demand</u>	<u>Consumer</u>	<u>Consumer</u>	<u>Consumer</u>	<u>Consumer</u>	<u>Lighting</u>
901	0 Supervision					- 140,808	
902	Meter Reading Expense					-	
903	Cons Recds & Collections					926,093	
904	Uncollectible Accounts					18,130	
	U Total Consumer Accounts	-	-	-	-	1,085,030	-
907	0 Supervision					-	
908	Customer Information Exp					262,872	
909	Misc Customer Service Exp					(17)	
910	Demonstration & Selling Exp					19,849	
912	Advertising					1,839	
	Total Customer Service	-	-	-	-	284,543	-
	Total of Distrib. Expenses	12,365	6,595	554,959	669,051	1,369,574	39
920	Total Admin & General	3,747	1,998	168,152	202,721	414,978	12
	Total Depreciation	251,939	134,375	376,329	199,240	58,930	93,668
	Total Miscellaneous	2,911	1,552	4,343	2,295	668	1,082
	Total Interest on LTD	81,235	43,328	121,199	64,065	18,633	30,204
	Total Short Term Interest	563	300	840	444	129	209
	TOTAL COSTS TO SERVE	352,760	188,148	1,225,820	1,137,817	1,862,911	125,215

Description Acct	Transformers		Services	Meters	Cons & Acct	Outdoor
	<u>Demand</u>	<u>Consumer</u>	<u>Consumer</u>	<u>Consumer</u>	<u>Consumer</u>	<u>Lighting</u>
Purchased Power Costs						
Distribution O&M Demand Related	12,365					
Distribution O&M Consumer Related		6,595	554,959	669,051	-	39
Admin & Gen Demand Related	3,747					
Admin & Gen Consumer Related		1,998	168,152	202,721	1,784,552	12
Deprec, Taxes & Misc Demand Related	255,413					
Deprec, Taxes & Misc Consumer Related		136,227	381,511	201,979	59,726	94,960
Interest Demand Related	81,235					
Interest Customer Related		43,328	121,199	64,065	18,633	30,204
Total Costs by Function	352,760	188,148	1,225,820	1,137,817	1,862,911	125,215
Margins Demand Related						
Margins Consumer Related						
Total Revenue Requirements						
Credits Demand Related						
Credits Consumer Related						

Revenue Requirements-Rates

Determination of Demand and Customer Related Expenses

Witness: James Adkins

Account 364 - Poles

Pole	Investment	Number of Units	Unit Cost	Size	Number of Units		
					(SQRT2*3)	(SQRT2)	(SQRT2*4)
25' & 30'	2,658,806	10,376	256.25	27.50	26,101.87	101.86265	2,801.22
35'	633,563	3,831	165.38	35.00	10,236.08	61.895073	2,166.33
40'	9,286,013	16,578	560.14	40.00	72,121.24	128.75558	5,150.22
45'	3,355,596	5,339	628.51	45.00	45,924.00	73.068461	3,288.08
50' & 55'	1,385,466	1,634	847.90	52.50	34,274.40	40.422766	2,122.20
60' thru 75'	151,069	161	938.32	65.00	11,905.89	12.688578	824.76
Total for Sample	17,470,513	37,919					
X Variable - (Size)	26.43						
Zero Intercept	(444.86)						
Use Minimum Size Pole			165.38				
Number of poles			37,919.00				
Consumer Related Investment			6,270,965.23				
Total Investment for sample			17,470,513				
Percent Customer Related			35.89%				
Percent Demand Related			64.11%				

Determination of Demand and Customer Related Expenses

Witness: James Adkins

Account 365 - Overhead Conductor

<u>Conductor</u>	<u>Investment</u>	<u>Number of Units</u>	<u>Unit Cost</u>	<u>Amps</u>	<u>Number of Units (SQRT2*3)</u>	<u>(SQRT2)</u>	<u>(SQRT2*4)</u>
8ACWC	35,928	552,127	\$ 0.0651	100	48.35	743.05	74,305.25
1/0 ACSR	4,129,449	7,996,836	\$ 0.5164	230	1,460.27	2,827.87	650,409.58
2 ACSR	2,933,511	13,866,148	\$ 0.2116	180	787.79	3,723.73	670,270.99
336 ACSR	386,380	348,109	\$ 1.1099	519	654.87	590.01	306,213.96
1/0 Strand Copper	37,607	201,461	\$ 0.1867	310	83.79	448.84	139,141.66
#4 ACWC	4,506	23,697	\$ 0.1902	180	29.27	153.94	27,708.89
#2 HD Solid	12,469	131,839	0.09		34.34	363.10	#VALUE!
4/0 CU Stranded	658	340	\$ 1.9356	519	35.69	18.44	9,569.89
397 Hendrix	103,773	39,731	\$ 2.6119		520.62	199.33	#VALUE!
Total for Sample	7,644,281	23,160,288	\$ 0.3301				
X Variable - (Size)	0.00337						
Zero Intercept	-0.32108						
Total Amount of Conductor in Feet		23,160,288					
Use Minimum Size		0.21156					
Minimum Size Investment -Consumer Related		4,899,772	64.10%				
Demand Related		2,744,509	35.90%				
Investment in Conductor		\$ 7,644,281	100.00%				

Determination of Demand and Customer Related Expenses

Witness: James Adkins

Account 367 - Underground Conductor

<u>Conductor</u>	<u>Investment</u>	<u>Number of Units</u>	<u>Unit Cost</u>	<u>Amps</u>	<u>Number of Units</u>	<u>(SQRT2*3)</u>	<u>(SQRT2)</u>	<u>(SQRT2*4)</u>
#2 Primary AL URD	182,903	37,140	4.92	180				
1/0 15KV URD	37,554	9,650	3.89	310	382.29	98.23	30,452.67	
#4 CU Solid	77	590	0.13	179	3.16	24.29	4,347.89	
1000 MCM PRIM UG	8,703	795	10.95	320	308.65	28.20	9,022.64	
Total for Sample	229,236	48,175	4.76					
X Variable - (Size)	0.0866							
Zero Intercept	-25.44957							
Total Amount of Conductor in Feet		48,175						
Use Minimum Size		3,89165						
Minimum Size Investment -Consumer Related		187,480	81.78%					
Demand Related		41,756	18.22%					
Investment in Conductor		229,236.37	100.00%					

Breakdown of Lines into Demand Related and Consumer Related Components

	<u>Total Sample Investment</u>	<u>Percent Consumer</u>	<u>Amount Consumer</u>	<u>Percent Demand</u>	<u>Amount Demand</u>	
Underground Conductor	229,236	81.78%	187,480.28	18.22%	41,756	#####
Overhead Conductor	7,644,281	64.10%	4,899,771.94	35.90%	2,744,509	
Poles	17,470,513	35.89%	6,270,965.23	64.11%	11,199,547	
	25,344,030		11,358,217		13,985,812	
Percentage Allocations For Overhead Lines			44.82%		55.18%	
	25,344,030		11,358,217		13,985,812	
Percentage Allocation for All Lines			44.82%		55.18%	

Determination of Demand and Customer Related Expenses

Witness: James Adkins

Pole	Account 368-Transformers				Number of Units (SQRT2*3)	(SQRT2)	(SQRT2*4)
	Investment	Number of Units	Unit Cost	Size			
25 KVA PDMT	22,235	18.00	1,235.28	25.00	5,240.84	4.24	106.07
50 KVA PDMT	32,470	20.00	1,623.50	50.00	7,260.51	4.47	223.61
10 KVA CONVENTIONAL	24,651	83.00	297.00	10.00	2,705.76	9.11	91.10
15 KVA CONVENTIONAL	111,792	204.00	548.00	15.00	7,827.03	14.28	214.24
25 KVA CONV	59,279	120.00	493.99	25.00	5,411.44	10.95	273.86
37.5 KVA CONV	20,292	33.00	614.91	37.50	3,532.37	5.74	215.42
50 KVA CONV	89,172	90.00	990.80	50.00	9,399.56	9.49	474.34
5 KA CSP	32,689	216.00	151.34	5.00	2,224.20	14.70	73.48
10 KVA CSP	1,462,040	3,955.00	369.67	10.00	23,248.02	62.89	628.89
15 KVA CSP	2,882,871	5,471.00	526.94	15.00	38,975.52	73.97	1,109.49
25 KVA CSP	2,493,024	3,612.00	690.21	25.00	41,481.32	60.10	1,502.50
37.5 KVA CSP	220,519	257.00	858.05	37.50	13,755.59	16.03	601.17
50 KVA CSP	35,029	34.00	1,030.27	50.00	6,007.48	5.83	291.55
45 KVA 3 PH PDMT	4,765	1.00	4,765.22	45.00	4,765.22	1.00	45.00
1, 3 & 5 CONV	19,513	243.00	80.30	3.00	1,251.73	15.59	46.77
75 KVA PDMT	20,672	10.00	2,067.16				
75 KVA 3PH PDMT	9,546	3.00	3,181.86				
100-1000 KVA PDMT	113,253	18.00	6,291.83				
2500 KVA PDMT	83,416	3.00	27,805.27				
500 KVA CONV	38,638	7.00	5,519.70				
75 KVA CONV	41,948	41.00	1,023.11				
100 KVA CONV	58,881	40.00	1,472.02				
167 KVA CONV	89,630	30.00	2,987.65				
250 KVA CONV	65,277	21.00	3,108.43				
1500 KVA PDMT	24,019	1.00	24,019.27				
Total Sample Investment	8,055,619	14,531	554.37				
X Variable - (Size)	20.40						
Zero Intercept	192.83						



Determination of Demand and Customer Related Expenses

Number of Transformers	14,531
Zero Intercept	\$ 192.83
Consumer Related Investment	\$ 2,802,048.88
Total Investment	\$ 8,055,619.07
Percentage of Investment Consumer Related	34.78%
Percentage of Investment Demand Related	65.22%

GRA RECC
Case No. 2018-00272
Allocation of Expenses to Rate Classes

<u>Catengory</u>	<u>Total Amount</u>	<u>Sched 1 Domestic Farm & Home Service</u>	<u>Sched 2 Commercial & Small Power</u>	<u>Sched 3 Off-Peak Marketing Rate</u>	<u>Sched 4 Large Power Service 1 &3 PH</u>	<u>Sched5 Street Lighting Service</u>
<u>Purchased Power Costs</u>						
Demand - EKPC Sched E-2	3,095,195	2,314,041	140,218	-	291,908	-
Demand - EKPC Sched B	403,032					
Load Center Charges	\$496,056	324,624	19,670	-	40,950	-
Total Purchased Power Demand	3,994,283	2,638,666	159,888	-	332,859	-
<u>Energy - EKPC Sched E-2</u>	\$10,254,710	7,124,334	778,109	-	1,148,509	-
<u>Energy - EKPC Sched B</u>	\$1,257,438					
<u>Distribution Costs</u>						
<u>Demand Related</u>						
Lines	4,345,589	2,888,037	286,742	-	514,796	-
Transformers	352,760	277,610	17,714	-	15,986	-
Total Demand Realated	4,698,349	3,165,647	304,455	-	530,782	-
<u>Consumer Related</u>						
Lines	3,529,158	2,539,572	252,787	-	15,369	-
Transformers	188,148	126,351	20,919	-	4,180	-
Services	1,225,820	884,458	88,038	-	2,230	-
Meters	1,137,817	790,021	78,638	-	10,856	-
Consumer Svc & Accouting	1,862,911	1,264,576	94,406	-	9,566	-
Total Consumer Related	7,943,855	5,604,978	534,789	-	42,202	-
Outdoor Lighting	125,215					
Total Costs	28,273,849	18,533,625	1,777,241	-	2,054,352	-

<u>Catengory</u>	Sched 6 Outdoor <u>Lighting Serv</u>	Sched 7 All Electric <u>Schools</u>	Sched 10 Residential <u>Time of Day</u>	Sched 16 Sml Com <u>kW & kWh</u>	Sched 17 Water Pumping <u>Service</u>	Sched 18 General <u>Service Rate</u>
Purchased Power Costs						
Demand - EKPC Sched E-2	20,038	76,721	783	-	135	107,366
Demand - EKPC Sched B						
Load Center Charges	2,811	10,763	110	-	19	15,062
Total Purchased Power Demand	22,850	87,484	893	-	154	122,428
Energy - EKPC Sched E-2	185,876	246,250	2,297	-	286	275,441
Energy - EKPC Sched B						
Distribution Costs						
Demand Related						
Lines	66,861	132,099	1,195	-	292	156,890
Transformers	2,070	4,683	71	-	19	13,699
Total Demand Related	68,931	136,782	1,266	-	311	170,589
Consumer Related						
Lines	25,462	2,065	459	-	229	494,334
Transformers	646	561	23	-	11	24,595
Services	8,868	719	160	-	80	172,162
Meters	-	1,458	252	-	71	153,780
Consumer Svc & Accouting	189,969	1,285	200	-	100	215,384
Total Consumer Related	224,945	6,088	1,093	-	492	1,060,255
Outdoor Lighting	125,215					
Total Costs	627,816	476,604	5,549	-	1,242	1,628,713

GRA RECC
Case No. 2018-00272
Allocation of Expenses to Rate Classes

<u>Category</u>	<u>Sched 19 Temporary Service Rate</u>	<u>Sched 20 Inclining Block Rate</u>	<u>Sched 21 Prepay Residential</u>	<u>Sched 22 Prepay General Serv</u>	<u>Net Metering Residential</u>	<u>Net Metering General Service Rate</u>
Purchased Power Costs						
Demand - EKPC Sched E-2	8,457	8,444	119,711	5,627	1,700	45
Demand - EKPC Sched B						
Load Center Charges	1,186	1,185	16,794	789	239	6
Total Purchased Power Demand	9,643	9,629	136,505	6,417	1,939	51
Energy - EKPC Sched E-2	33,318	6,580	446,978	3,218	2,083	6
Energy - EKPC Sched B						
Distribution Costs						
Demand Related						
Lines	10,948	10,500	149,108	6,239	2,148	114
Transformers	1,170	1,025	14,587	200	215	8
Total Demand Related	12,118	11,525	163,694	6,438	2,364	122
Consumer Related						
Lines	15,369	9,634	169,519	2,753	918	229
Transformers	1,272	479	8,434	137	46	11
Services	5,353	3,355	59,038	959	320	80
Meters	4,781	2,997	92,827	1,507	502	126
Consumer Svc & Accounting	6,696	4,797	73,860	1,199	400	100
Total Consumer Related	33,471	21,264	403,678	6,555	2,185	546
Outdoor Lighting						
Total Costs	88,550	48,997	1,150,856	22,628	8,570	725

Catengory	Total for EKPC Schedule E=2	Envirowatts	Sched 14a Large Indust EKPC Sched B	Total for All Rate Classes
Purchased Power Costs				-
Demand - EKPC Sched E-2	3,095,195			3,095,195
Demand - EKPC Sched B	-		403,032	403,032
Load Center Charges	434,208		61,848	496,056
Total Purchased Power Demand	3,529,403		464,880	3,994,283
Energy - EKPC Sched E-2	10,253,285	\$1,425		10,254,710
Energy - EKPC Sched B	-		\$1,257,438	1,257,438
Distribution Costs	-			-
Demand Related	-			-
Lines	4,225,968		119,621	4,345,589
Transformers	349,056		3,703	352,760
Total Demand Related	4,575,024		123,325	4,698,349
Consumer Related	-			-
Lines	3,528,699		459	3,529,158
Transformers	187,665		484	188,148
Services	1,225,820		-	1,225,820
Meters	1,137,817			1,137,817
Consumer Svc & Accouting	1,862,540		371	1,862,911
Total Consumer Related	7,942,541		1,314	7,943,855
Outdoor Lighting	125,215		-	125,215
Total Costs	26,425,468	1,425	1,846,956	28,273,849

Determination of Interst Expense by Rate Class

Catengory	Determination of Interst Expense by Rate Class					
	Total Amount	Sched 1 Domestic Farm & Home Service	Sched 2 Commercial & Small Power	Sched 3 Off-Peak Marketing Rate	Sched 4 Large Power Service 1 & 3 PH	Sched5 Street Lighting Service
Lines - Demand Related	434,668	288,876	28,681	-	51,492	-
Lines - Consumer Related	353,004	254,021	25,285	-	1,537	-
	<u>787,672</u>	<u>542,897</u>	<u>53,966</u>	-	<u>53,030</u>	-
Transmission - Demand Related	81,235	63,929	4,079	-	3,681	-
Transmission - Consumer Related	43,328	29,097	4,817	-	963	-
	<u>124,563</u>	<u>93,026</u>	<u>8,896</u>	-	<u>4,644</u>	-
Services	121,199	87,448	8,704	-	221	-
Meters	64,065	44,482	4,428	-	611	-
Consumer & Accounting Service	18,633	12,648	944	-	96	-
Outdoor Lighting	30,204					
	<u>1,146,335</u>	<u>780,501</u>	<u>76,939</u>	-	<u>58,601</u>	-

Determination of Interest Expense by Rate Class

Catengory	Sched 6 Outdoor Lighting Serv	Sched 7 All Electric Schools	Sched 10 Residential Time of Day	Sched 16 Sml Com kW & kWh	Sched 17 Water Pumping Service	Sched 18 General Service Rate
Lines - Demand Related	6,688	13,213	120	-	29	15,693
Lines - Consumer Related	2,547	207	46	-	23	49,446
	9,235	13,420	165	-	52	65,139
-						
Transmission - Demand Related	477	1,078	16	-	4	3,155
Transmission - Consumer Related	149	129	5	-	3	5,664
	625	1,208	22	-	7	8,818
Services	877	71	16	-	8	17,022
Meters	-	82	14	-	4	8,659
Consumer & Accounting Service	1,900	13	2	-	1	2,154
	-					
Outdoor Lighting	30,204					
	42,840	14,793	219	-	72	101,792

Allocation of Expenses to Rate Classes

Category	Determination of Interest Expense by Rate Class					
	Sched 19 Temporary Service Rate	Sched 20 Inclining Block Rate	Sched 21 Prepay Residential	Sched 22 Prepay General Serv	Net Metering Residential	Net Metering General Service Rate
Lines - Demand Related	1,095	1,050	14,915	624	215	11
Lines - Consumer Related	1,537	964	16,956	275	92	23
	<u>2,632</u>	<u>2,014</u>	<u>31,871</u>	<u>899</u>	<u>307</u>	<u>34</u>
Transmission - Demand Related	269	236	3,359	46	50	2
Transmission - Consumer Related	293	110	1,942	32	11	3
	<u>562</u>	<u>346</u>	<u>5,301</u>	<u>78</u>	<u>60</u>	<u>4</u>
Services	529	332	5,837	95	32	8
Meters	269	169	5,227	85	28	7
Consumer & Accounting Service	67	48	739	12	4	1
Outdoor Lighting						
	<u>4,060</u>	<u>2,909</u>	<u>48,975</u>	<u>1,169</u>	<u>431</u>	<u>55</u>

Allocation of Expenses to Rate Classes
Determination of Interest Expense by Rate Class

<u>Catengory</u>	<u>Envirowatts</u>	<u>Sched 14a Large Indust EKPC Sched B</u>	<u>Total for All Rate Classes</u>
Lines - Demand Related		11,965	434,668
Lines - Consumer Related		46	353,004
		<u>12,011</u>	<u>787,672</u>
-			
Transmission - Demand Related		853	81,235
Transmission - Consumer Related		111	43,328
		<u>964</u>	<u>124,563</u>
Services		-	121,199
Meters		-	64,065
Consumer & Accounting Service		4	18,633
Outdoor Lighting			-
		<u>30,204</u>	
		12,979	1,146,335

Sched 20 Inclining Block Rate	Sched 21 Prepay Residential	Sched 22 Prepay General Serv	Net Metering Residential	Net Metering General Service Rate	Total for EKPC Schedule E=2
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Lines

Number of Consumers	42	739	12	4	1	15,383
Percent of Total	0.27%	4.80%	0.08%	0.03%	0.01%	100%

Transformers

Number of Consumers	42	739	12	4	1	15,383
Minimum Size Transform	10 KVA%	10 KVA%	10 KVA%	10 KVA%	10 KVA%	
Transformer Cost	\$ 297.00	\$ 297.00	\$ 297.00	\$ 297.00	\$ 297.00	
Weight	12,474.00	219,483.00	3,564.00	1,188.00	297.00	4,883,678
Percent of Total	0.25%	4.48%	0.07%	0.02%	0.01%	1

Services

Number of Consumers	42	739	12	4	1	15,383
Type of Service	1/0 Triplex	1/0 Triplex	1/0 Triplex	1/0 Triplex	1/0 Triplex	
Service Cost	1.2434	1.2434	1.2434	1.2434	1.2434	
Average Length	120	120	120	120	120	
Cost of Service	149.208	149.208	149.208	149.208	149.208	
Weight	6,267	110,265	1,790	597	149	2,289,435
Percent of Total	0.27%	4.82%	0.08%	0.03%	0.01%	100.00%

Meters

Number of Consumers	42	739	12	4	1	15,383
Cost of Meter	55.56	97.80	97.80	97.80	97.80	
Weight	2,334	72,274	1,174	391	98	885,896
Percent of Total	0.26%	8.16%	0.13%	0.04%	0.01%	100.00%

Consumer Account & Serv

Number of Consumers	42	739	12	4	1	19,707
Factor	8	7	7	7	7	
Weight	336	5,173	84	28	7	130,448
Percent of Total	0.26%	3.96%	0.06%	0.02%	0.01%	99.98%

Schedule 14a Large Indust EKPC Sched B	Total for All Rate Classes
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Lines

Number of Consumers	2	15,385
Percent of Total	0.01%	100.00%

Transformers

Number of Consumers	2	15,385
Minimum Size Transform	1000 KVA	
Transformer Cost	\$ 6,291.83	
Weight	12,583.66	4,896,261
Percent of Total	0.26%	100%

Services

Number of Consumers	2	15,385
Type of Service	No	
Service Cost	0	
Cost of Service	0	
Weight	0	2,289,435
Percent of Total	0	100%

Meters

Number of Consumers	2	15,385
Cost of Meter	0	
Weight	0	885,896.160
Percent of Total	0	1.000

Consumer Account & Serv

Number of Consumers	2	
Factor	13	
Weight	26	130,474
Percent of Total	0.02%	1.000

Results from the Cost of Service Study

	Total Amount	Sched 1 Domestic Farm & Home Service	Sched 2 Commercial & Small Power	Sched 3 Off-Peak Marketing Rate	Sched 4 Large Power Service 1 & 3 PH	Sched 5 Street Lighting Service
Revenue from Rates	26,819,694	17,145,343	1,979,596	-	2,199,471	-
Purchase Power Demand	3,994,283	2,638,666	159,888	-	332,859	-
Purchase Power Energy	11,512,148	7,124,334	778,109	-	1,148,509	-
Gross Margin	11,313,263	7,382,343	1,041,600	-	718,103	-
Distribution Demand Costs	4,698,349	3,165,647	304,455	-	530,782	-
Distribution Consumer Costs	7,943,855	5,604,978	534,789	-	42,202	-
Outdoor Lighting	125,215	-	-	-	-	-
Total Distribution Costs	12,767,418	8,770,625	839,244	-	572,984	-
Margin (Loss)	(1,454,155)	(1,388,282)	202,356	-	145,119	-
Allocation of Other Elect Revenue	966,826	695,725	69,252	-	4,210	-
Allocation of Other Revenue	216,531	155,815	15,510	-	943	-
Margin (Loss)	(270,798)	(536,742)	287,117	-	150,273	-

Results from the Cost of Service Study

	Sched 6 Outdoor Lighting Serv	Sched 7 All Electric Schools	Sched 10 Residential Time of Day	Sched 16 Sml Com kW & kWh	Sched 17 Water Pumping Service	Sched 18 General Service Rate
Revenue from Rates	565,211	470,417	5,108	-	1,133	1,284,013
Purchase Power Demand	22,850	87,484	893	-	154	122,428
Purchase Power Energy	185,876	246,250	2,297	-	286	275,441
Gross Margin	356,485	136,683	1,919	-	694	886,145
Distribution Demand Costs	68,931	136,782	1,266	-	311	170,589
Distribution Consumer Costs	224,945	6,088	1,093	-	492	1,060,255
Outdoor Lighting	125,215					
Total Distribution Costs	419,090	142,870	2,359	-	803	1,230,844
Margin (Loss)	(62,605)	(6,187)	(441)	-	(109)	(344,700)
Allocation of Other Elect Revenue	6,975	566	126	-	63	135,425
Allocation of Other Revenue	1,562	127	28	-	14	30,330
Margin (Loss)	(54,067)	(5,495)	(287)	-	(32)	(178,945)
Increase Amount						

Results from the Cost of Service Study

	Sched 19 Temporary Service Rate	Sched 20 Inclining Block Rate	Sched 21 Prepay Residential	Sched 22 Prepay General Serv	Net Metering Residential	Net Metering General Service Rate
Revenue from Rates	106,953	17,750	1,153,340	12,159	3,782	113
Purchase Power Demand	9,643	9,629	136,505	6,417	1,939	51
Purchase Power Energy	33,318	6,580	446,978	3,218	2,083	6
Gross Margin	63,992	1,541	569,857	2,524	(239)	56
Distribution Demand Costs	12,118	11,525	163,694	6,438	2,364	122
Distribution Consumer Costs Outdoor Lighting	33,471	21,264	403,678	6,555	2,185	546
Total Distribution Costs	45,589	32,788	567,373	12,993	4,549	668
Margin (Loss)	18,403	(31,247)	2,484	(10,469)	(4,788)	(612)
Allocation of Other Elect Revenue	4,210	2,639	46,440	754	251	63
Allocation of Other Revenue	943	591	10,401	169	56	14
Margin (Loss)	23,557	(28,017)	59,325	(9,546)	(4,480)	(535)

Results from the Cost of Service Study

	Total for EKPC Schedule E=2	Envirowatts	Sched 14a Large Indust EKPC Sched B	Total for All Rate Classes
Revenue from Rates	24,944,390	1,568	1,873,737	26,819,694
Purchase Power Demand	3,529,403		464,880	3,994,283
Purchase Power Energy	10,253,285	1,425	1,257,438	11,512,148
Gross Margin	11,161,702	143	151,419	11,313,263
Distribution Demand Costs	4,575,024		123,325	4,698,349
Distribution Consumer Costs	7,942,541		1,314	7,943,855
Outdoor Lighting	125,215			125,215
Total Distribution Costs	12,642,780		124,638	12,767,418
Margin (Loss)	(1,481,078)	143	26,781	(1,454,155)
Allocation of Other Elect Revenue	966,700		126	966,826
Allocation of Other Revenue	216,503		28	216,531
Margin (Loss)	(297,875)	143	26,934	(270,798)

TIER and Return on Net Investment RATE Base for Each Rate Class

Witness: James Adkins

Total Amount	Sched 1 Domestic Farm & Home Service	Sched 2 Commercial & Small Power	Sched 3 Off-Peak Marketing Rate	Sched 4 Large Power Service 1 & 3 PH	Sched 5 Street Lighting Service
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Actual for Test Year

Margins	(270,798)	(536,742)	287,117	-	150,273	-
Interest Expense	1,146,335	780,501	76,939	-	58,601	-
Total Margin & Int	875,537	243,759	364,057	-	208,874	-
Rate Base	55,669,418 \$	37,903,447 \$	3,736,400 \$	- \$	2,845,848 \$	-

Proposed Test Year

Total Margin & Int	875,537	243,759	364,057	-	208,874	-
Increase Proposed	1,424,078	982,559	58,285	-	3,530	-
Total All	2,299,615	1,226,318	422,342	-	212,404	-

Ratios

Actual TIER	0.76	0.31	4.73	3.56
Proposed TIER	2.01	1.57	5.49	3.62
Actual Return	1.6%	0.6%	9.7%	7.3%
Proposed Return	4.1%	3.2%	11.3%	7.5%

TIER and Return on Net Investment RATE Base for Each Rate Class

Witness: James Adkins

Sched 6 Outdoor Lighting Serv	Sched 7 All Electric Schools	Sched 10 Residential Time of Day	Sched 16 Sml Com kW & kWh	Sched 17 Water Pumping Service	Sched 18 General Service Rate
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Actual for Test Year

Margins	(54,067)	(5,495)	(287)	-	(32)	(178,945)
Interest Expense	42,840	14,793	219	-	72	101,792
Total Margin & Int	(11,227)	9,298	(68)		40	(77,153)

Rate Base	2,080,455	718,414	10,639	-	3,498	4,943,321
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Proposed Test Year

Total Margin & Int	(11,227)	9,298	(68)		40	(77,153)
Increase Proposed	118,862	10630	313		77	178,022
Total All	107,635	19,928	245		117	100,869

Ratios

Actual TIER	(0.26)	0.63	(0.31)		0.56	(0.76)
Proposed TIER	2.51	1.35	1.12		1.63	0.99

Classification of Net Investment Rate Base

Classification of Net Investment Rate Base

Description	Total \$\$\$\$	Lines		Transformers		Consumer Related			Outdoor Lighting
		Demand	Consumer	Demand	Consumer	Services	Meters	& Accounting Services	
Substation Equipment	31,054	17,137	13,917	-	-	-	-	-	-
Poles, Towers and Fixtures	27,372,044	15,104,949	12,267,095	-	-	-	-	-	-
Overhead Conductor	21,682,973	11,965,500	9,717,473	-	-	-	-	-	-
UG Conductor	460,150	253,928	206,221	-	-	-	-	-	-
Line Transformers	8,327,678	-	-	5,430,996	2,896,681	-	-	-	-
Services	7,613,763	-	-	-	-	7,613,763	-	-	-
Meters	3,682,175	-	-	-	-	-	3,682,175	-	-
Install. On Consumer Prem.	2,023,425	-	-	-	-	-	-	-	2,023,425
Street Ltg & Signal Systems	-	-	-	-	-	-	-	-	-
Total Distribution Plant	71,193,262	27,341,514	22,204,707	5,430,996	2,896,681	7,613,763	3,682,175	-	2,023,425
Total General Plant	5,715,308	1,813,845	1,473,068	11,493	6,130	515,834	621,883	1,273,018	37
Total Utility Plant In Service	76,908,570	29,155,359	23,677,775	5,442,490	2,902,811	8,129,597	4,304,058	1,273,018	2,023,461
Accum. Depreciation	23,474,155	8,898,845	7,226,968	1,661,165	886,001	2,481,328	1,313,691	388,553	617,604
Net Plant	53,434,415	20,256,515	16,450,807	3,781,324	2,016,811	5,648,268	2,990,367	884,465	1,405,857
CWIP	1,002,008	384,818	312,520	76,438	40,769	107,160	51,825	-	28,479
Net Utility Plant	54,436,423	20,641,332	16,763,327	3,857,763	2,057,580	5,755,428	3,042,191	884,465	1,434,336
Cash Working Capital	1,004,141	380,661	309,144	71,059	37,900	106,142	56,195	16,621	26,419
Materials & Supplies	267,646	101,462	82,400	18,940	10,102	28,291	14,978	4,430	7,042
Prepayments	328,343	124,472	101,087	23,235	12,393	34,707	18,375	5,435	8,639
Minus: Consumer Advances	367,135	139,178	113,030	25,981	13,857	38,808	20,546	6,077	9,659
Net Investment Rate Base	55,669,418	21,108,750	17,142,928	3,945,017	2,104,118	5,885,762	3,111,194	904,874	1,466,776

Catengory	Sched 1 Domestic Farm & Home Service	Sched 2 Commercial & Small Power	Sched 3 Off-Peak Marketing Rate	Sched 4 Large Power Service 1 &3 PH	Sched 5 Street Lighting Service	Sched 6 Outdoor Lighting Serv
<u>Demand Related</u>						
Lines	14,028,676	1,392,850	-	2,500,627	-	324,776
Transformers	3,104,593	198,096	-	178,780	-	23,149
Total Demand	\$ 17,133,268	\$ 1,590,947	\$ -	\$ 2,679,407	\$ -	\$ 347,925
<u>Consumer Related</u>						
Lines	12,336,000	1,227,917	-	74,656	-	123,683
Transformers	1,413,021	233,940	-	46,745	-	7,219
Services	4,246,717	422,715	-	10,709	-	42,578
Meters	2,160,197	215,025	-	29,685	-	-
Accounting & Service	614,244	45,856	-	4,647	-	92,274
Lighting						\$ 1,466,776
Total Consumer	\$ 20,770,179	\$ 2,145,454	\$ -	\$ 166,441	\$ -	\$ 1,732,530
Total All	\$ 37,903,447	\$ 3,736,400	\$ -	\$ 2,845,848	\$ -	\$ 2,080,455

Catengory	Sched 7 All Electric Schools	Sched 10 Residential Time of Day	Sched 16 Sml Com kW & kWh	Sched 17 Water Pumping Service	Sched 18 General Service Rate	Sched 19 Temporary Service Rate
<u>Demand Related</u>						
Lines	641,674	5,805	-	1,417	762,096	53,179
Transformers	52,369	798	-	212	153,200	13,085
Total Demand	694,043	6,603	-	1,629	915,296	66,265
<u>Consumer Related</u>						
Lines	10,028	2,229	-	1,114	2,401,236	74,656
Transformers	6,279	255	-	128	275,048	14,223
Services	3,452	767	-	384	826,635	25,700
Meters	3,988	688	-	195	420,488	13,073
Accounting & Service	624	97	-	49	104,619	3,253
Lighting						
Total Consumer	24,372	4,036	-	1,869	4,028,026	130,905
Total All	718,414	10,639	-	3,498	4,943,321	197,170

Catengory	Sched 20 Inclining Block Rate	Sched 21 Prepay Residential	Sched 22 Prepay General Serv	Net Metering Residential	Net Metering General Service Rate	Total for EKPC Schedule E=2
<u>Demand Related</u>						
Lines	51,002	724,293	30,304	10,435	553	20,527,688
Transformers	11,465	163,126	2,234	2,409	86	3,903,601
Total Demand	62,467	887,419	32,538	12,844	639	24,431,288
<u>Consumer Related</u>						
Lines	46,799	823,440	13,371	4,457	1,114	17,140,699
Transformers	5,361	94,321	1,532	511	128	2,098,710
Services	16,111	283,472	4,603	1,534	384	5,885,762
Meters	8,195	253,821	4,122	1,374	343	3,111,194
Accounting & Service	2,330	35,876	583	194	49	904,694
Lighting						1,466,776
Total Consumer	78,796	1,490,930	24,210	8,070	2,017	30,607,835
Total All	141,263	2,378,349	56,748	20,914	2,657	55,039,123

GRA... RECC
Case No. 2018-00272
Allocation of Net Investment Rate Base

Catengory	Envirowatts	Sched 14a Large Indust EKPC Sched B	Total for All Rate Classes
<u>Demand Related</u>			
Lines		581,062	21,108,750
Transformers		41,416	3,945,017
Total Demand		622,478	25,053,766
<u>Consumer Related</u>			
Lines		2,229	17,142,928
Transformers		5,408	2,104,118
Services		-	5,885,762
Meters		-	3,111,194
Accounting & Service		180	904,874
Lighting			1,466,776
Total Consumer		7,817	30,615,651
Total All		622,658	55,669,418

Breakdown of the Costs to Serve Each Rate Class

Witness: James Adkins

	Purchased Power		Distribution Costs	
	Demand Cost kWh	Energy Cost kWh	Demand Cost kWh	Consumer Cost Month
1 - Domestic - Farm & Home Service	\$ 0.01854	\$ 0.05005	\$ 0.02224	\$ 41.93
2 - Commercial and Small Power	\$ 0.01028	\$ 0.05005	\$ 0.01958	\$ 40.34
4 - Large Power Service-Single and Three-Phase	\$ 0.01451	\$ 0.05005	\$ 0.02313	\$ 53.56
5 - Street Lighting Service				
6 - Outdoor Lighting Service	\$ 0.00615	\$ 0.05005	\$ 0.01856	\$ 4.26
7 - All Electric Schools	\$ 0.01778	\$ 0.05005	\$ 0.02780	\$ 56.37
10 - Residential Time of Day	\$ 0.01945	\$ 0.05005	\$ 0.02760	\$ 45.54
14(a) - Large Industrial Service	\$ 0.01497	\$ 0.04050	\$ 0.00397	\$ 54.73
16 - Small Commercial Demand & Energy Rate				
17 - Water Pumping Service	\$ 0.02691	\$ 0.05005	\$ 0.05440	\$ 41.00
18 - General Service Rate	\$ 0.02225	\$ 0.05005	\$ 0.03100	\$ 40.84
19 - Temporary Service Rate	\$ 0.01449	\$ 0.05005	\$ 0.01820	\$ 42.75
20 - Inclining Block Rate	\$ 0.07323	\$ 0.05005	\$ 0.08766	\$ 45.05
21 - Prepay Metering Program (Residential)	\$ 0.14974	\$ 0.05005	\$ 0.01833	\$ 47.09
22 - Prepay Metering Program (General Service)	\$ 0.09979	\$ 0.05005	\$ 0.10013	\$ 49.29
NM - Residential	\$ 0.04659	\$ 0.05005	\$ 0.05680	\$ 43.70
NM - General Service Rate	\$ 0.45324	\$ 0.05005	\$ 1.07545	\$ 49.29

Grayson Rural Electric Cooperative
Case No. 2018-00272
Statement of Operations, Adjusted

Exhibit S
page 1 of 4
Witness: James Adkins

	<u>Actual Test Year</u>	<u>Normalized Adjustments</u>	<u>Normalized Test Year</u>	<u>Proposed Increase</u>	<u>Proposed Test Year</u>
Operating Revenues:					
Base rates	\$ 25,564,196	\$ 1,249,718	\$ 26,813,914	\$ 1,424,078	\$ 28,237,992
Fuel and surcharge	907,226	(907,226)	-		-
Other electric revenue	989,720	(22,894)	966,826		966,826
	<u>27,461,142</u>	<u>319,598</u>	<u>27,780,740</u>	<u>1,424,078</u>	<u>29,204,818</u>
Operating Expenses:					
Cost of power:					
Base rates	15,900,076	(393,645)	15,506,431		15,506,431
Fuel and surcharge	1,251,527	(1,251,527)	-		-
Distribution - operations	1,299,965	27,436	1,327,401		1,327,401
Distribution - maintenance	3,424,805	27,601	3,452,406		3,452,406
Consumer accounts	1,070,977	14,252	1,085,229		1,085,229
Customer service	260,150	2,744	262,894		262,894
Sales	22,103	(410)	21,693		21,693
Administrative and general	1,955,130	(91,714)	1,863,416		1,863,416
	<u>25,184,733</u>	<u>(1,665,263)</u>	<u>23,519,470</u>	<u>-</u>	<u>23,519,470</u>
Depreciation	3,477,092	83,099	3,560,191		3,560,191
Taxes - other	41,074	-	41,074		41,074
Interest on long-term debt	980,167	166,168	1,146,335		1,146,335
Interest expense - other	7,941	-	7,941		7,941
Other deductions	35,148	(35,148)	-		-
	<u>29,726,155</u>	<u>(1,451,144)</u>	<u>28,275,011</u>	<u>-</u>	<u>28,275,011</u>
Utility operating margins	<u>(2,265,013)</u>	<u>1,770,742</u>	<u>(494,271)</u>	<u>1,424,078</u>	<u>929,807</u>
Nonoperating margins, interest	33,944	-	33,944		33,944
Nonoperating margins, other	94,790	-	94,790		94,790
G&T capital credits	504,926	(504,926)	-		-
Other capital credits	87,794	-	87,794		87,794
	<u>\$ (1,543,559)</u>	<u>\$ 1,265,816</u>	<u>\$ (277,743)</u>	<u>\$ 1,424,078</u>	<u>\$ 1,146,335</u>
TIER	(0.57)		0.76		2.00
excluding G&T	(1.09)				
OTIER	(1.23)		0.64		1.88
(+Operating margins + Cash receipts from lenders + Interest on long-term debt) / Interest on long-term debt					

Grayson Rural Electric Cooperative
Case No. 2018-00272
Balance Sheet, Adjusted
December 31, 2017

Exhibit S
page 2 of 4
Witness: James Adkins

	Actual <u>Test Year</u>	Adjustments <u>to Test Year</u>	Adjusted <u>Test Year</u>
<u>Assets</u>			
Electric Plant:			
In service	\$ 76,908,490		\$ 76,908,490
Under construction	1,002,088		1,002,088
	<u>77,910,578</u>		<u>77,910,578</u>
Less accumulated depreciation	23,474,155	82,745	23,556,900
	<u>54,436,423</u>	<u>(82,745)</u>	<u>54,353,678</u>
Investments	<u>16,341,967</u>		<u>16,341,967</u>
Current Assets:			
Cash and temporary investments	213,727		213,727
Accounts receivable, net	4,497,022		4,497,022
Material and supplies	283,605		283,605
Prepayments and current assets	58,987		58,987
	<u>5,053,341</u>		<u>5,053,341</u>
Deferred debits	1,467,380		1,467,380
Net change in assets		<u>2,772,639</u>	<u>2,772,639</u>
Total	<u>\$ 77,299,111</u>	<u>\$ 2,689,894</u>	<u>\$ 79,989,005</u>
<u>Liabilities and Other Credits</u>			
Margins:			
Memberships	\$ 154,655		\$ 154,655
Patronage capital	25,454,529	2,689,894	28,144,423
	<u>25,609,184</u>	<u>2,689,894</u>	<u>28,299,078</u>
Long Term Debt	<u>41,787,107</u>		<u>41,787,107</u>
Accumulated postretirement benef	<u>3,085,624</u>		<u>3,085,624</u>
Current Liabilities:			
Notes payable	2,185,000		2,185,000
Accounts payable	2,496,842		2,496,842
Consumer deposits	1,197,900		1,197,900
Accrued expenses	570,319		570,319
	<u>6,450,061</u>		<u>6,450,061</u>
Consumer advances for constructio	<u>367,135</u>		<u>367,135</u>
Total	<u>\$ 77,299,111</u>	<u>\$ 2,689,894</u>	<u>\$ 79,989,005</u>

Grayson Rural Electric Cooperative
Case No. 2018-00272
Summary of Adjustments to Test Year

Exhibit 5
page 3 of 4
Witness: James Adkins

	Exhibit 1	Exhibit 2	Exhibit 3	Exhibit 4	Exhibit 5	Exhibit 6	Exhibit 7	Exhibit 8	Exhibit 9	Exhibit 10	Exhibit 11	Exhibit 12	Exhibit 13	Exhibit 14	Exhibit 15	Exhibit 16	Exhibit 17			
	Salaries	Payroll Taxes	Depreciation	Property Tax	Interest	R&S	Donations	Professional Fees	Directors	Annual & Misc Expenses	Rate Case	Ads	EKPC	Cycle Billing	Normalize Purchase Power	Revenue	Additional Revenue	Total		
Operating Revenues:																				
Base rates														1,687,063		(437,345)			1,249,718	
Fuel and surcharge																(907,226)			(907,226)	
Other electric revenue																	(22,894)		(22,894)	
	0	0	0	0	0	0	0	0	0	0	0	0	0	1,687,063	0	(1,344,571)	(22,894)		319,598	
Operating Expenses:																				
Cost of power:																				
Base rates																(393,645)			(393,645)	
Fuel and surcharge															(1,251,527)				(1,251,527)	
Distribution - operations	6,036	1,379	(86)	13,562		6,545													27,436	
Distribution - maintenance	12,027	2,748	(215)			13,041													27,601	
Consumer accounts	6,170	1,409	(17)			6,690													14,252	
Customer service	1,194	273	(17)			1,294													2,744	
Sales	161	37	0			175						(783)							(410)	
Administrative and general	11,447	2,615	(19)	603		12,412		(34,778)	(82,126)	(31,868)	30,000								(91,714)	
Total operating expenses	37,035	8,461	(354)	14,165	0	40,157	0	(34,778)	(82,126)	(31,868)	30,000	(783)	0	0	(1,645,172)	0	0		(1,665,263)	
Depreciation			83,099																	83,099
Taxes - other																				0
Interest on long-term debt					166,168															166,168
Interest expense - other																				0
Other deductions					(20,343)		(14,805)													(35,148)
Total cost of electric service	37,035	8,461	82,745	14,165	145,825	40,157	(14,805)	(34,778)	(82,126)	(31,868)	30,000	(783)	0	0	(1,645,172)	0	0		(1,451,144)	
Utility operating margins	(37,035)	(8,461)	(82,745)	(14,165)	(145,825)	(40,157)	14,805	34,778	82,126	31,868	(30,000)	783	0	1,687,063	1,645,172	(1,344,571)	(22,894)		1,770,742	
Nonoperating margins, interest																				0
Nonoperating margins, other																				0
G&T capital credits													(504,926)							(504,926)
Other capital credits																				0
	0	0	0	0	0	0	0	0	0	0	0	0	(504,926)	0	0	0	0		(504,926)	
Net Margins	(37,035)	(8,461)	(82,745)	(14,165)	(145,825)	(40,157)	14,805	34,778	82,126	31,868	(30,000)	783	(504,926)	1,687,063	1,645,172	(1,344,571)	(22,894)		1,265,816	

Grayson Rural Electric Cooperative
Case No. 2018-00272
Proposed Revenues
December 31, 2017

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Interest on long term debt	<u>1,146,335</u>
Proposed increase in revenues over normalized revenues to generate a TIER of 2.00x	<u><u>\$1,424,078</u></u>

Grayson Rural Electric Cooperative Corporation
Case No. 2018-00272
Monthly Operating Budget
December 31, 2017

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	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>	<u>Total</u>
Operating revenue	3,525,587	2,685,013	2,200,690	1,977,039	2,343,453	2,529,739	2,810,994	2,519,024	2,037,975	2,214,587	2,743,847	3,179,737	30,767,685
Operating expenses:													
Cost of power	2,138,362	1,999,981	1,536,581	1,131,919	1,267,791	1,440,785	1,578,574	1,471,867	1,291,624	1,189,297	1,431,525	1,651,448	18,129,754
Distribution-operations	104,828	104,829	104,828	104,828	104,829	104,828	104,828	104,829	104,828	104,829	104,828	104,833	1,257,945
Distribution-maintenance	326,236	326,235	326,236	326,236	326,235	326,236	326,236	326,235	326,236	326,236	326,235	326,243	3,914,835
Consumer accounts	96,156	96,157	96,156	96,157	96,156	96,157	96,156	96,157	96,156	96,157	96,156	96,160	1,153,881
Customer services	21,787	21,786	21,787	21,786	21,787	21,786	21,787	21,786	21,787	21,786	21,787	21,788	261,440
Sales	1,877	1,876	1,877	1,876	1,877	1,877	1,876	1,877	1,876	1,877	1,877	1,877	22,520
Administrative and general	181,678	181,679	181,678	181,678	181,679	181,678	181,679	181,678	181,678	181,679	181,678	181,688	2,180,150
Total operation and mainten	2,870,924	2,732,543	2,269,143	1,864,480	2,000,354	2,173,347	2,311,136	2,204,429	2,024,185	1,921,861	2,164,086	2,384,037	26,920,525
Depreciation	284,479	284,479	284,479	284,479	284,479	284,478	284,479	284,479	284,479	284,479	284,479	284,479	3,413,747
Taxes-other	3,458	3,459	3,458	3,458	3,459	3,458	3,458	3,459	3,458	3,458	3,459	3,458	41,500
Interest on long term debt	77,917	77,916	77,917	77,917	77,916	77,917	77,917	77,916	77,917	77,917	77,916	77,917	935,000
Interest expense - other	250	250	250	250	250	250	250	250	250	250	250	250	3,000
Other deductions	3,062	3,063	3,062	3,063	3,062	3,063	3,062	3,063	3,062	3,063	3,062	3,063	36,750
Total cost of electric service	3,240,090	3,101,710	2,638,309	2,233,647	2,369,520	2,542,513	2,680,302	2,573,596	2,393,351	2,291,028	2,533,252	2,753,204	31,350,522
Utility operating margins	285,497	(416,697)	(437,619)	(256,608)	(26,067)	(12,774)	130,692	(54,572)	(355,376)	(76,441)	210,595	426,533	(582,837)
Nonoperating margins, interest	2,419	2,418	2,419	2,419	2,419	2,418	2,419	2,419	2,419	2,418	2,419	2,419	29,025
Nonoperating margins, other	(585)	(584)	(584)	(585)	(585)	(584)	(585)	(584)	(585)	(584)	(585)	(585)	(7,015)
Patronage capital:													
G & T	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	10,908	10,909	10,908	10,908	10,909	10,908	10,908	10,908	10,909	10,908	10,908	10,909	130,900
	10,908	10,909	10,908	10,908	10,909	10,908	10,908	10,908	10,909	10,908	10,908	10,909	130,900
Net margins	298,239	(403,954)	(424,876)	(243,866)	(13,324)	(32)	143,434	(41,829)	(342,633)	(63,699)	223,337	439,276	(429,927)

Exhibit U

Summary Changes to Bylaws

Article 7 Section 2

Addition

Capital Credits shall first be applied against any outstanding indebtedness owed by the member to the Cooperative.

Any capital credit refunds appropriated under these bylaws shall first be applied against the settlement of estates of deceased members.

If the legal representative(s) of a deceased member's estate shall request in writing that the capital credited to the account of the deceased patron be paid, the Board of Directors, acting under such terms and conditions of these Bylaws and the policies of general application, shall approve the payment of capital credits assigned at the time of the application to the estate of the deceased member. However, the financial conditions of the Cooperative must not be impaired thereby. Capital credits shall first be applied to any indebtedness of the Member. No account can be left in the name of the deceased member. Any additional capital credits assigned to a deceased member's account shall be paid when the next yearly margin is assigned in March or April of the following year, at the discretion of the Board.

Article 7 Section 2

Deletion

Notwithstanding any other provisions of these bylaws, the Board of Directors at its discretion, shall have the power at any time upon the death of any patron, if the legal representatives of his estate shall request in writing that the capital credited to any such patron be retired prior to the time such capital would otherwise be retired under the provisions of these bylaws, to retire capital credited to any such patron immediately upon such terms and conditions as the Board of Directors acting under policies of general applications, and the legal representatives of such patron's estate shall agree upon; provided, however, that the financial condition of the Cooperative will not be impaired today.

Bylaws of Grayson Rural Electric Cooperative Corporation

ARTICLE I MEMBERSHIP

SECTION 1. REQUIREMENTS FOR MEMBERSHIP. Any natural person, firm, association, corporation or body politic or subdivision thereof will become a member of Grayson Rural Electric Cooperative Corporation (hereinafter called the "Cooperative") upon receipt of electric services from the Cooperative, provided that he, she or it has first:

- (a) Made a written application for membership therein;
- (b) Agreed to purchase from the Cooperative electric energy as hereinafter specified;
- (c) Agreed to comply with and be bound by the Cooperative's Articles of Incorporation, bylaws, and all rules, rate schedules and regulations adopted by the Board of Directors pursuant thereto (the obligation embraced such agreement being hereinafter called "membership obligations"), as all the same shall then exist or may thereafter be duly adopted or amended by the Board of Directors.
- (d) Paid the membership fee together with any service security deposit, service connection deposit or fee, facility extension fee or contribution in aid of construction (hereinafter referred to as other deposits or fees) that may be required by the Cooperative, which membership fee and other deposits or fee shall be refunded in the event the application is denied by the Board. Provided, however, that the Board of Directors may, by resolution, deny an application and refuse to end service upon its determination that the applicant is not willing or is not able to satisfy and abide by the Cooperative's terms and conditions of membership or that such application should be denied for other good cause; provided further, however, that any person whose application, for 60 days or longer, has been submitted, but not denied by the Board of Directors and who has not been connected by the Cooperative for electric service may, by filing written requests therefore with the Cooperative at least 30 days prior to the next meeting of the Board of Directors, have his application submitted to and approved or disapproved by the vote of the Directors at such meeting.

No member may hold more than one membership in the Cooperative, and no membership in the Cooperative shall be transferrable, except as provided in these bylaws. Upon death of a member the membership may be transferred to the surviving spouse provided the surviving spouse requests such transfer and the transfer is not a violation of the deceased's Will. (Amended 1/26/96)

SECTION 2. JOINT MEMBERSHIP. A husband and wife may apply for a joint membership and, both spouses must sign the completed application and, subject to their compliance with the requirements set forth in Section 1 of this Article, may be accepted for such membership. The term "member" as used in these bylaws shall be deemed to include a husband and wife holding a joint membership and any provisions relating to the rights and liabilities of membership shall apply equally with respect to the holders of a joint membership. Without limiting the generality of the foregoing, the effect of the hereinafter specified actions by or in respect of the holders of a joint membership shall be as follows:

- (a) The presence at a meeting of either or both shall be regarded as the presence of one member and shall constitute a joint waiver of notice of the meeting;
- (b) The vote of either separately or both jointly shall constitute one joint vote;
- (c) A waiver of notice signed by either or both shall constitute a joint waiver;
- (d) Notice to either shall constitute notice to both;

- (e) Expulsion of either shall terminate the joint membership;
- (f) Withdrawal of either shall terminate the joint membership;
- (g) Either, but not both, may be elected or appointed as an officer or board member, provided that both meet the qualifications for such office;
- (h) Neither will be permitted to have any additional service connections except through their one joint membership. (Amended 1/26/96)

SECTION 3. CONVERSION OF MEMBERSHIP.

- (a) A membership may be converted to a joint membership upon the written request of the holder thereof and the agreement by such holder and his or her spouse to comply with the Articles of Incorporation, bylaws and rules and regulations adopted by the Board. (Amended 1/26/96)
- (b) Upon the death of either spouse who is a party to the joint membership, such membership shall be held solely by the survivor. However, the estate of the deceased shall not be released from any debts due the Cooperative. (Amended 1/26/96)

SECTION 4. PURCHASE OF ELECTRIC ENERGY. Each member shall, as soon as electric energy shall be available, purchase from the Cooperative all electric energy used on the premises specified in his application for membership, and shall pay therefore at rates which shall from time-to-time be fixed by the Board. It is expressly understood that amounts paid for electric energy in excess of the cost of service are furnished by members as capital and each member shall be credited with the capital so furnished as provided in these bylaws. Each member shall pay to the Cooperative such minimum amount regardless of the amount of electric energy consumed, as shall be fixed by the Board from time-to-time. Each member shall also pay all amounts owed by him to the Cooperative as and when the same shall become due and payable. (Amended 1/26/96)

A member may have more than one (1) bill for electric service monthly. Any payment for electric service that does not specify a specific account number to be paid shall be prorated proportionately to all existing accounts, currently receiving service under that membership, based upon the outstanding balances due at the time payment is received, with the exception that all past due balances shall be credited up to the amount of the payment. Any remaining credit shall then be prorated to any current balances due. (Amended 6/21/85)

SECTION 5. TERMINATION OF MEMBERSHIP.

- (a) Any member may withdraw from membership upon compliance with such uniform terms and conditions as the Board may prescribe. The Board may, by the affirmative vote of not less than two-thirds of all members of the Board, expel any member who fails to comply with any of the provisions of the Articles of Incorporation, bylaws or rules and regulations adopted by the Board, but only if such member shall have been given written notice by the Cooperative that such failure makes him liable to expulsion and such failure shall have continued for at least ten (10) days after such notice was given. Any expelled member may be reinstated by vote of the Board or by vote of the members at any annual or special meeting. The membership of a member who for a period of six (6) months after service is available to him, has not purchased electric energy from the Cooperative, or of a member who has ceased to purchase energy from the Cooperative, may be cancelled by resolution of the Board.
- (b) Termination of membership in any manner shall not release a member or his estate from any debts due the Cooperative. (Amended 1/26/96.)
- (c) In case of withdrawal or termination of membership in any manner, the Cooperative shall repay to the member the amount of the membership fee paid by him, provided, however, that the Cooperative shall deduct from the amount of the membership fee the amount of any debts or obligations owed by the member to the Cooperative. (Amended 9/24/82)

¹ The word(s) "board" or "board members" used herein to refer to the board of directors.

SECTION 6. ACCESS TO LANDS AND PREMISES. In order to obtain electric service, and without being paid compensation therefore, each member shall grant and give to the Cooperative free access onto his, her or its lands and premises for the purpose of placing, locating, building, construction, operations, replacing, rebuilding, relocating, repairing, improving, enlarging, extending and maintaining on, over or under such lands and premises, or removing therefrom its electric distribution system, new or existing lines, wires, poles, anchors and other necessary appurtenant parts thereof. The Board of Directors may expel from membership and/or discontinue or refuse electric service to any member who fails or refuses to comply with the provisions of this bylaw. (Amended 1/26/96)

SECTION 7. SERVICE TO NON-MEMBERS. The Cooperative shall render service to its members only; provided, however, that service may be rendered with Board approval upon the same terms and conditions as are applicable to members, to governmental agencies and political subdivisions, and to other persons not in excess of ten per centum (10%) of the number of its members; and provided further, that should the Cooperative acquire any electric facilities dedicated or devoted to the public use it may, for the purpose of continuing service and avoiding hardship and to an extent which together with all other persons served by the Cooperative on a non-member basis shall not exceed forty per centum (40%) of the total number of persons served by the Cooperative, continue to serve the persons served directly from such facilities at the time of such acquisition without requiring that such persons become members; and provided further that such non-members shall have the right to become members upon nondiscriminatory terms. (Amended 1/26/96)

ARTICLE II RIGHTS AND LIABILITIES OF MEMBERS

SECTION 1. PROPERTY INTEREST OF MEMBERS. Upon dissolution, after:

- a) All debts and liabilities of the Cooperative shall have been paid, and;
- b) All capital furnished through patronage shall have been retired as provided in these bylaws, the remaining property and assets of the Cooperative shall be distributed among the members and former members in the proportion which the aggregate patronage of each bears to the total patronage of all members during the ten years next preceding the date of the filing of the certificate of dissolution, or, if the Cooperative shall not have been in existence for such period, during the period of its existence. (Amended 9/24/82)

SECTION 2. NON-LIABILITY FOR DEBTS OF THE COOPERATIVE. The private property of members shall be exempt from execution or other liability for the debts of the Cooperative and no members shall be liable or responsible for any debts or liabilities of the Cooperative.

ARTICLE III MEETING OF MEMBERS

SECTION 1. ANNUAL MEETING. The annual meeting of the members shall be held during the month of May, June or July of each year, at such place within a county served by the Cooperative, as selected by the Board and which shall be designated in the notice of the meeting, for the purposes of announcing the election of board members, passing upon reports for the previous fiscal year and transacting such other business as may come before the meeting. It shall be the responsibility of the Board to make adequate plans and preparations for the annual meeting. Failure to hold the annual meeting at the designated time shall not work a forfeiture of dissolution of the Cooperative. In the event of inclement weather or the occurrence of a catastrophic event, the meeting of the members may be postponed by the Chairman in any media of general circulation or broadcast serving the area. (Amended 1/26/96)

SECTION 2. SPECIAL MEETINGS. Special meeting of the members may be called by resolution of the Board, by the Chairman, or by thirty per centum or more of all the members, and it shall thereupon be the duty of the secretary to cause notice of such meeting to be given as hereinafter provided. Such a meeting shall be held at the Cooperative headquarters at 109 Bagby

Park, Grayson, Kentucky, not sooner than sixty days before a meeting is made or a petition therefore is filed, and beginning at such hour as shall be designated by him/her or those calling or petitioning for the same. (Amended 1/26/96)

SECTION 3. NOTICE OF MEMBERS' MEETINGS. Written or printed notice stating the place, day and hour of the meeting and, in case of a special meeting or an annual meeting at which business requiring special notice is to be transacted, the purpose or purposes for which the meeting is called, shall be delivered not less than ten days nor more than forty-five days before the date of the meeting, either personally or by mail, by or at the direction of the secretary, or upon a default in duty by the secretary, by the persons calling the meeting, to each member. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member at his address as it appears on the records of the Cooperative, with postage thereon prepaid. Any such notice delivered by mail may be included with member service billings or as an integral part of or with the Cooperative's monthly newsletter and/or its monthly insert, if any, in the Kentucky Living magazine. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the member at his address as it appears on the records of the Cooperative, with postage thereon prepaid and postmarked at least ten days prior to the meeting date. The failure of any member to receive notice of an annual or special meeting of the members shall not invalidate any action which may be taken by the members at any such meeting. (Amended 12/21/94)

SECTION 4. QUORUM. Quorum shall be 50 members, present and in person. If less than a quorum is present at any meeting, a majority of those present in person may adjourn the meeting from time-to-time without further notice. (Amended 4/23/98)

SECTION 5. VOTING. Each member shall be entitled to only one vote upon each matter submitted to a vote at a meeting of the members. All questions shall be decided by a vote of a majority of the members voting thereon in person, except that voting for members of the Board of Directors shall be by mail in accordance with Article IV of these bylaws. The vote of a member who is a firm, association, church, school, corporation or body politic, shall be cast by the ranking officer of such member, unless such member shall have elected another person to represent it at such meeting. Such officer or representative shall at said meeting present at the registration desk either credentials of his authority or sign a statement that he is the authorized officer or representative. Members may not cumulate their votes. Voting by proxy is prohibited by these bylaws. (Amended 12/21/94)

Each member at an annual meeting or other duly called meeting shall be required to present identification to the duly designated employees of the Cooperative in charge of the membership roster. After it is ascertained that he, she or it is a member in good standing, official identification credentials indicating same will be issued. Only those persons identifying themselves by the use of proper credentials may vote. (Amended 9/16/88)

SECTION 6. ORDER OF BUSINESS. The order of business at the annual meeting of the members and, so as far as possible, at all other meetings of the members, shall be essentially as follows, except as otherwise determined by the members at such meeting:

1. Report on the number of members present in person in order to determine the existence of a quorum;
2. Reading of the notice of the meeting and proof of the due publication or mailing thereof, or the waiver or waivers of notice of the meeting, as the case may be;
3. Reading of unapproved minutes of previous meeting of the members and the taking of necessary action thereon;
4. Presentation and consideration of report of officers, trustees and committees;
5. Report on the election of board members;
6. Unfinished business;
7. New business;
8. Adjournment.

No proposal shall be voted upon at the annual meeting unless it has been placed on the agenda at least forty days prior to such meeting. Any legitimate proposal may be placed on the agenda by any member by filing a copy of the proposal with the secretary within the time allowed, with a request that it be submitted to the annual meeting for consideration. (Amended 12/21/94)

SECTION 7. PARLIAMENTARY PROCEDURES. Unless otherwise directed by the Board prior to the membership meeting or meetings, Roberts Rule of Order shall apply. (Amended 9/24/82)

**ARTICLE IV
BOARD MEMBERS**

SECTION 1. GENERAL POWERS. The business and affairs of the Cooperative shall be managed by a board of seven (7) members, which shall exercise all of the powers of the Cooperative except such as are by law, the Articles of Incorporation or these bylaws conferred upon or reserved to the members.

SECTION 2. ELECTION AND TENURE OF OFFICE. The persons named as Directors in the Articles of Incorporation shall be elected at the annual meeting of the members in the year 1951 by and from the members. These elected directors shall serve on the staggered term basis as three directors shall serve one year, two directors shall serve two years and two directors shall serve three years. The elected directors of 1951 shall decide which directors will serve the different terms. Thereafter each director elected shall serve a term of four (4) years. At the time specified herein each year no more than two (2) directors shall be elected by mail ballot by and from the members to serve for a period of four (4) years or until successors shall have been elected and qualified. Two of said directors shall be elected from Greenup and/or Lewis Counties and two of said directors shall be elected from Elliott County and one of said directors shall be elected from Carter County and one of said directors shall be elected from Rowan County and one of said directors shall be elected from Lawrence County. (Amended 8/28/03)

Beginning in the year 2004, one director shall be elected from Lawrence County and one director shall be elected from Elliott County. In 2005, two directors shall be elected from Greenup and/or Lewis Counties. In 2006, a director will be elected from Carter County, one director will be elected from Elliott County and one director will be elected from Rowan County. Every fourth year will be a vacant election year. This will establish director rotation beginning in 2004 as allowed by Legislative action in July 2003. (Adopted 8/28/03)

Only members with service located in the county from which a director is to be elected will be eligible to vote. (Amended 12/18/98)

No one county of the counties served by the Cooperative may have more than two (2) directors on the Board of Directors at any one time. The results of such elections shall be reported at each annual meeting of members. (Amended 5/29/98)

SECTION 3. QUALIFICATIONS. Any person who desires to be eligible to become or remain a board member of the Cooperative must:

- (a) be a member of the Cooperative;
- (b) be a natural person;
- (c) reside on Grayson RECC lines in the county from which he or she is seeking election and be a resident of that county as of January 1 of the year in which he or she is seeking election; (Amended 4/24/03)
- (d) not be in any way, employed by the Cooperative nor in the past have been employed by the Cooperative, nor financially interested in a competing enterprise or a business selling electric energy, or business primarily engaged in selling electrical or plumbing appliances, fixtures or supplies to the members of the Cooperative;
- (e) not be a close relative of an incumbent director or of an employee of the Cooperative. A "close relative" is defined as either a spouse, child, parent, brother or sister of the principal;
- (f) be of the age of majority as determined by the law of the Commonwealth of Kentucky;
- (g) not be employed by East Kentucky Power Cooperative, or any member Cooperative of East Kentucky Power Cooperative or a competing utility company;
- (h) not holding an elective public office of any governmental body or political subdivision thereof for which he or she shall receive a salary for serving; (Amended 09/27/96) (Amended 07/23/10)
- (i) sign and acknowledge receipt of an agreement with the Cooperative's Confidentiality and Non Disclosure Agreement; (Amended 7/22/11)

- (j) be required to and therefore able to represent the membership on an impartial basis for the good of and in the best interests of the COOPERATIVE while meeting the standards set forth in the Cooperative's Administrative Guidelines regarding good credit and having no more than two (2) delinquent payments during the past year and not being on the delinquent list at all with no returned checks. (Amended 07/22/11)

Notwithstanding the foregoing provisions of (c) above regarding close relative relationships, no incumbent director shall lose eligibility to remain a director or to be reelected as a director if he/she becomes a close relative of another incumbent director or of a cooperative employee because of a marriage to which he was not a party.

Upon establishment of the fact that a board member is holding the office in violation of any of the foregoing provisions, the Board shall remove such board member from office.

Nothing contained in this section shall affect in any manner whatsoever the validity of any action taken at any meeting of the Board. (Amended 1/26/96)

SECTION 4. NOMINATIONS. An incumbent director may choose to seek re-election and must notify the full Board of his/her intentions to do so in writing, no later than 120 days prior to the date set for the Annual Meeting. (Adopted 6/27/02)

If a Director chooses not to seek re-election, it shall be the duty of the Board of Directors to appoint, not less than ninety (90) days nor more than one hundred and twenty (120) days before the date of the Annual Meeting of the members, a committee on nominations consisting of not less than three (3) nor more than five (5) members who shall be selected from the county or counties in which the election is to be held. No member of the Board of Directors nor any employee or former director or former employee may serve on the Nominating Committee. The Cooperative Legal Counsel will conduct the business of the meeting and act as advisor to the committee. It shall be the responsibility of the committee on nominations to select candidates to run for the office of director to fill the vacancy caused by the expiration of director's terms. The committee on nominations shall prepare and post its nominations in a conspicuous manner in the lobby of the Cooperative's Headquarters Building not less than forty (40) days prior to the date set for the annual meeting, at which the election of directors shall be announced. (Amended 6/27/02)

If an incumbent Director stands for re-election, his/her name shall also be posted in the lobby of the Cooperative's Headquarters Building not less than sixty (60) days prior to the date set for the annual meeting, at which the election of directors shall be announced (Amended 6/27/02) (Amended 06/22/05)

Any member who intends to become a candidate for the Board of Directors of GRECC shall make a written declaration on such forms as are supplied by the Cooperative, of his or her intention to seek a seat on the Board of Directors. Said forms shall be obtained by the member from the office of the President & CEO of GRECC and shall be completed and returned to Headquarters by January 15 of the year in which said person seeks election to the Board. Upon completion of said declaration form, the candidate shall receive from the office of the President & CEO a packet of information containing board policies, copy of the Cooperative Bylaws, timeline for the election procedure deadlines, and official nominating petition. The only nominating petition authorized to be used by a potential candidate is the petition issued by the office of the President & CEO. This Bylaw shall be effective with the election year of 2009. (Adopted 02/20/08)

Any two hundred (200) or more qualified members from the county/counties from which a director is to be elected may, by official Cooperative petition, make other nominations from the membership for the office of director. Any petition shall bear the date of the signature of all petitioners which in no event shall be more than one hundred twenty (120) days prior to the date fixed for the annual meeting. (Amended 6/27/02) (Amended 02/20/08)

Petitions by qualified members nominating candidates for the office of directors shall be filed with the secretary of the Cooperative or the office of the President & CEO not later than seventy five (75) days prior to the date set for the annual meeting. Such filing will be deemed legitimate if said petition(s) are delivered to the Secretary of the Board of Directors or the office of the President & CEO either by certified mail or by hand by the date set forth in these bylaws. If after examination by the duly appointed Provost and the Cooperative's legal counsel, said petition or petitions meet the requirements of the bylaws, Articles of Incorporation and the laws of the

Commonwealth of Kentucky, the results of said nominating petitions shall be posted in a conspicuous manner in the lobby of the Cooperative's Headquarters Building not less than sixty (60) days prior to the date set for the annual meeting. (Amended 11/24/99) (Amended 06/22/05) (Amended 02/20/08)

Only actual members of record at the close of business thirty (30) days prior to the scheduled annual meeting date are qualified for the purpose of voting in the election of the directors or voting on any matter properly presented at the meeting of the members. (Amended 1/26/96)

Should the committee on nominations nominate only one candidate to run for the office of director to fill each vacancy caused by the expiration of director's terms in accordance with Article IV, Section 4, of these bylaws and should no candidate be nominated from the membership by written or printed petition as set forth in Article IV, Section 4, of the bylaws, then the secretary of the Board shall certify to the Board that no petition has been filed pursuant to the bylaws and that the candidates nominated by the committee on nominations are therefore officially without opposition; thereupon, the candidates nominated by the committee on nominations shall be deemed elected to the Board without the necessity of mailing official ballots through United States mail and following the election procedures as set forth in these bylaws and the secretary of the Board will so announce or cause to be announced at the Annual Membership Meeting candidates elected to the Board of Directors. All of the remaining provisions of Article IV not in conflict herewith shall remain in full force and effect. (Amended 6/24/77)

It shall be the duty of the Chairman of the Board of Directors to appoint a Provost to take charge of Director elections. He/she shall be a certified public accountant, licensed by the Commonwealth of Kentucky and shall be responsible for all duties regarding said elections, including telling of nomination petitions. Said duties shall be as follows: (Amended 12/18/98)

1. The provost will examine and audit the petitions filed by candidates for the office of director to determine if the petition or petitions comply with the requirements of the Kentucky Revised Statutes, the Articles of Incorporation and these bylaws. (Amended 12/18/98)
2. The provost is granted the power and authority to pass upon and determine the validity of each of the signatures and addresses on the petition or petitions to determine if those signing are qualified members in good standing at the Cooperative and entitled to vote in the election of directors. (Amended 12/18/98)
3. If the provost disapproves a signature and/or address on a petition or petitions, he shall list same in writing giving the reason or reasons why said signature and/or address was not approved. (Amended 12/18/98)
4. The provost shall determine if the required number of qualified voting members have signed the petition or petitions after having deducted from the petition or petitions the names disapproved by the provost because the names and/or addresses on said petition or petitions fail to comply with the Kentucky Revised Statutes, the Articles of Incorporation of the Cooperative and the bylaws. If the petition or petitions do not contain the signatures and addresses of the required number, then the provost shall not certify to the secretary of the Cooperative the name or names of the candidates on said petition or petitions to be placed upon the Official Ballot. (Amended 12/18/98)
5. The provost shall certify to the Secretary of the Board of Directors the names of the candidates nominated by petition or petitions to be placed on the official ballot. The provost shall have responsibilities and duties regarding nominating petitions as well as votes and the counting of votes as set out hereinafter. The provost shall oversee preparation of a printed ballot of those persons duly nominated either by the committee on nominations or by nominating petition, and/or incumbent directors who seek re-election. The printed ballots shall list separately persons nominated by the nominating committee, persons nominated by petition, or incumbent directors who seek re-election. Qualified candidates shall be listed in alphabetical order and labeled in such a manner as to note which candidates appear on the ballot as incumbent, nominated by the committee on nominations, or nominated by petition. (Amended 6/27/02)
6. In computing any period of time prescribed or allowed by these bylaws, the day of the act, event or date after which the designated period of time begins to run is not included. The last day of the period so computed is to be included, unless it is a Saturday, Sunday, or a legal holiday, in which event the period runs until the

end of the next day which is not a Saturday or a legal holiday.

It shall also be the duty of the provost to see that the official ballots are mailed to each active and qualified member at his or her last address shown on the Cooperative records. Ballots will be mailed not less than fourteen (14) days prior to said annual meeting. Only members whose membership is listed in the county from which a director is to be elected will be eligible to vote. Results of said election will be announced at the Annual Membership Meeting. (Amended 07/22/04)

The official ballot shall be inscribed with instructions by the provost of the Cooperative as to how many candidates may be voted for on each official ballot by the members and with instructions that all official ballots must be returned to the Cooperative only by U.S. mail and received by the Cooperative not later than 9:00 a.m. on the morning of the third (3) day prior to the said annual meeting. (Amended 11/24/99)

SECTION 4A. COUNTING OF BALLOTS. The provost shall take charge of director elections and shall count the ballots as expeditiously as may be possible following the placement in his hands of said ballots. During the counting of the ballots no persons other than the provost or the candidates or their duly authorized representative may be present in the counting room other than the President & CEO of the Cooperative, Cooperative Legal Counsel and any other Cooperative personnel the provost deems necessary to assist with the counting of the ballots. After the ballots have been duly counted the result of such election shall be announced at the subsequent annual meeting of the members. (Amended 1/26/96)

The following ballots shall not be counted:

1. A ballot marked for a greater number of candidates than there are vacancies to be filled;
2. Ballots other than the Official Ballot;
3. Ballots not received through the United States mail;
4. Ballots received by the Cooperative after 9:00 a.m. on the morning of the third day prior to the date of annual meeting; (Amended 11-24-99)
5. Certification on outer envelope not signed by member; or authorized agent. (Amended 12/18/98)
6. Ballots from members voting more than one ballot, and the reason for rejection shall be noted thereon and placed in the ballot box containing rejected ballots. (Amended 1/26/96.)

These duties of the provost regarding votes and counting shall be as follows:

1. No later than 10:00 a.m. on the morning of the third day prior to the annual meeting of the members the provost shall remove the ballots from the ballot box and examine each ballot to ascertain if the ballot has been voted in accordance with the rules as outlined on the ballot under instruction for voting and these bylaws.
2. Any and all official ballots which are deemed invalid by the provost for reasons set forth in the aforementioned rules or these bylaws shall not be counted and shall immediately be placed in a ballot box for rejected ballots and shall be retained by the provost of the Cooperative in safekeeping until sixty (60) days after the date of the completion of the counting of the ballots.

When the ballot is found to meet the requirements as set out in the instruction for voting and is in conformity with the provisions and requirements of these bylaws, said ballot shall be declared an official ballot and all valid votes cast thereon shall be tabulated.

If the counting of the official ballots has not been completed at the time of adjournment of the counting, all official ballots, counted and uncounted, shall be safely kept by the provost until the counting of official ballots has again begun by the provost and this procedure shall continue until all valid official ballots have been counted and tabulated.

For safekeeping all official and valid ballots which have been counted shall be placed in the hands of the provost for (60) days from the date of the completion of the official counting and tabulation.

The provost shall promptly upon completion of the counting of the membership votes, certify in writing to the secretary of the Cooperative the names of the candidates and the votes received by each and shall also certify the names of the candidates receiving the highest number of votes taking into account the number of vacancies to be filled and the fact that no more than two (2) directors may be residents of the same county at any one time as having been elected directors by the membership.

In the case of a tie, this fact shall be certified in writing by the provost to the secretary of the Cooperative. The tie shall be broken and winner determined by a coin toss conducted by Cooperative Legal counsel. If a

candidate requests a recount or contests the election results, he or she shall submit a written request to the Cooperative's Legal Counsel before noon of the next business day. A detailed explanation for the request must be included. The decision of the Cooperative's Legal Counsel shall be final. (Amended 11/24/99)

SECTION 5. REMOVAL OF BOARD MEMBER BY MEMBERS.

Any member may bring charges for cause against a board member and, by filing with the secretary a written statement of the specifics of each charge together with a petition signed by at least ten per centum (10%) of the members or 500, whichever is the lesser, may request the removal of such board member by reason thereof. Such board member shall be informed in writing of the charges at least twenty (20) days prior to the meeting of the members at which the charges are to be considered and shall have opportunity at the meeting to be heard in person or by counsel and to present evidence in respect of the charges; and the member or members bringing the charges against him shall have the same opportunity. The question of the removal of such board member shall be considered and voted upon at the meeting of the members and any vacancy created by such removal may be filled by vote of the members at such meeting without compliance with the foregoing provisions with respect to nominations. (Amended 12/21/94)

SECTION 6. VACANCIES. Subject to the provisions of these bylaws with respect to the filling of vacancies created for any reason, a vacancy occurring in the Board may be filled by the affirmative vote of a majority of the remaining board members for the unexpired portion of the term. (Amended 12/18/98)

SECTION 7. COMPENSATION. Directors shall not receive any salary for their services as directors, except that by resolution of the Board of Directors a fixed sum and actual expenses of attendance, if any, may be allowed for attendance at each meeting of the Board of Directors, each committee meeting attended by them officially, each NRECA Regional or National Meeting and for each day spent attending any other activity of interest to the Cooperative so designated by Board resolution. No director shall receive compensation for serving the Cooperative in any other capacity nor shall any close relative of a director receive compensation for serving the Cooperative, unless the payment and amount of compensation shall be specifically authorized by a vote of the members of the service of such director or close relative shall have been certified by the Board of Directors as an emergency measure. (Amended 3/26/65)

SECTION 8. INSURANCE. The Board of Directors shall have power to purchase and maintain insurance on behalf of any person who is a director, officer, employee or agent of the Cooperative. The Board of Directors shall have the power to maintain any liability insurance necessary for the protection of the Cooperative or any person who is serving at the request of the Cooperative as a director, officer, employee, or agent of another corporation against any liability asserted against him and incurred by him in any such capacity or arising out of his status as such. (Amended 1/30/76)

SECTION 9. INDEMNIFICATION OF OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS.

- (a) The Cooperative shall indemnify any person who was or is a party, or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than by an action by, or in the right of, the Cooperative) by reason of the fact that such person is or was a director, officer, employee or agent of the Cooperative or who is or was serving at the request of the Cooperative as a director, officer, employee or agent of another cooperative, association, corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgements, fines and amount paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding, if such person acted in good faith and in a manner such person reasonably believed to be in, or not opposed to, the best interest of the Cooperative, and, with respect to any criminal action or proceeding, has no reasonable cause to believe the conduct of such person was unlawful. The termination of any action, suit or proceeding by judgement, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not of itself create a presumption that the person did not act in good faith and in a manner which such person reasonably

believed to be in, or not opposed to, the best interests of the Cooperative, and with respect to any criminal action or proceeding, had reasonable cause to believe that the conduct of such person was unlawful.

- (b) The Cooperative shall indemnify any person who was or is a party, or is threatened to be made a party to, any threatened, pending or completed action or suit by, or in the right of, the Cooperative to procure a judgement in its favor by reason of the fact that such person is, or was, a director, officer, employee or agent of the Cooperative, or is, or was, serving at the request of the Cooperative as a director, officer, employee or agent of another Cooperative, association, corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit, if such person acted in good faith and in a manner such person reasonably believed to be in, or not opposed to the best interest of the Cooperative, and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of the duty of such person to the Cooperative, unless, and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability, but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity of such expenses as the court shall deem proper.
- (c) To the extent that a director, officer, employee or agent of the Cooperative has been successful, on the merits or otherwise, in the defense of any action, suit or proceeding referred to in Paragraphs (a) and (b), in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorneys' fee) actually and reasonably incurred by such person in connection therewith.
- (d) Any indemnification under Paragraphs (a) and (b), unless ordered by a court, shall be made by the Cooperative only as authorized in the specific case, upon determination that indemnification of the director, officer, employee or agent is proper in the circumstances because such person has met the applicable standard of conduct set forth in Paragraphs (a) and (b). Such determination shall be made (1) by the Board of Directors by a majority vote of a quorum consisting of Directors who were not parties to such action, suit, or proceeding, or (2) if such a quorum is not obtainable, or, even if obtainable, a quorum of disinterested Directors so directs by independent legal counsel in a written opinion or, (3) by the members.
- (e) Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Cooperative in advance of the final disposition of such action, suit or proceeding, as authorized by the Board of Directors in the specific case, upon receipt of an undertaking by or on behalf of the director, officer, employee or agent to repay such amount, unless it shall ultimately be determined that he is entitled to be indemnified by the Cooperative, as authorized in this Article.

The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any bylaw, agreement, vote of members or disinterested directors, or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee or agent, and shall inure to the benefit of the heirs, executors and administrators of such a person.

The Cooperative may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, or agent of the Cooperative, or who is or was serving at the request of the Cooperative as a director, officer, employee, or agent of another cooperative, association, corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against such person and incurred by such person in any such capacity, or arising out of the status of such person as such, whether or not the Cooperative would have the power to indemnify such person against such liability under the provisions of this Article. (Adopted 1/28/83)

**ARTICLE V
MEETINGS OF BOARD**

SECTION 1. REGULAR MEETINGS. A regular meeting of the Board shall be held without notice, within 24 hours or as soon as practical, and at the same place as, the annual meeting of the members. A regular meeting of the Board shall also be held monthly at such time and place within one of the counties served by the Cooperative as designated by the Board. Such regular monthly meeting may be held without notice other than such resolution fixing the time and place thereof. (Amended 1/26/96)

SECTION 2. SPECIAL MEETING. Special meetings of the Board may be called by the Chairman or by any three board members, and it shall thereupon be the duty of the secretary to cause notice of such meeting to be given as hereinafter provided. The Chairman or board members calling the meeting shall fix the time and place for the holding of the meeting. (Amended 1/26/96)

SECTION 3. NOTICE OF BOARD MEETING. Written notice of the time, place and purpose of any special meeting of the Board shall be delivered to each board members either personally or by mail, by or at the direction of the secretary, or upon a default in duty by the secretary, by the chairman or the board member calling the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the board member at his address as it appears on the records of the Cooperative, with postage thereon prepaid, at least five days before the date set for the meeting. (Amended 1/26/96)

SECTION 4. QUORUM. A majority of the Board shall constitute a quorum, provided, that if less than such majority of the Board is present, the Board may adjourn the meeting from time-to-time; and provided further, that the secretary shall notify any absent board members of the time and place of such adjourned meeting. The act of a majority of the board members present at a meeting at which a quorum is present shall be the act of the Board, except as otherwise provided in these bylaws. (Amended 12/21/94)

**ARTICLE VI
OFFICERS**

SECTION 1. NUMBER. The officers of the Cooperative shall be chairman, vice-chairman, secretary, treasurer, and such other officers as may be determined by the Board from time-to-time. The offices of secretary and treasurer may be held by the same person. (Amended 12/21/94)

SECTION 2. ELECTION AND TERM OF OFFICE. The officers shall be elected by ballot, annually by and from the Board at the meeting of the Board held after the annual meeting of the members. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Each officer shall hold office until the first meeting of the Board following the next succeeding annual meeting of the members or until his successor shall have been elected and shall have qualified. A vacancy in any office may be filled by the Board for the unexpired portion of the term. (Amended 12/18/98)

SECTION 3. REMOVAL OF OFFICERS AND AGENTS BY THE BOARD. Any officer or agent elected or appointed by the Board may be removed by the Board whenever in its judgement the best interests of the Cooperative will be served thereby. (Amended 9/24/82)

SECTION 4. CHAIRMAN. The chairman shall:

- (a) be the principal executive officer of the Cooperative and unless otherwise determined by the members of the Board, shall preside at all meetings of the members and the Board;
- (b) sign, with the secretary, any deeds, mortgages, deeds of trust, notes, bonds, contracts or other instruments authorized by the Board to be executed, except in cases in which the signing and execution thereof shall be expressly delegated by the Board or by these bylaws to some other office or agent of the Cooperative, or shall be required by law to be otherwise signed or executed; and
- (c) in general perform all duties incident to the office of president and such other duties as may be prescribed by the Board from time-to-time. (Amended 1/26/96)

SECTION 5. VICE CHAIRMAN. In the absence of the chairman, or in the event of his inability or refusal to act, the vice-chairman shall perform the duties of the chairman, and when so acting shall have all the powers of and be subject to all the restrictions upon the chairman. The vice-chairman shall also perform such other duties as from time-to-time may be assigned to him by the Board. (Amended 4/30/96)

SECTION 6. SECRETARY. The secretary shall be responsible for:

- (a) keeping the minutes of the meetings of the members and of the Board in books provided for that purpose;
- (b) seeing that all notices are duly given in accordance with these bylaws or as required by law;
- (c) the safekeeping of the corporate books and records and the seal of the Cooperative and to all documents, the execution of which on behalf of the Cooperative under its seal is duly authorized in accordance with the provisions of these bylaws;
- (d) keeping a register of the names and post office addresses of all members;
- (e) keeping on file at all times a complete copy of the Articles of Incorporation and bylaws of the Cooperative containing all amendments thereto (which copy shall always be open to the inspection of any member) and at the expense of the Cooperative, furnishing a copy of the bylaws and of all amendments thereto any member upon request; and
- (f) in general performing all duties incident to the office of secretary and such other duties as from time-to-time may be assigned to him by the Board;
- (g) forward all amendments to bylaws to each member at Cooperative's expense. (Amended 4/26/96)

SECTION 7. TREASURER. The treasurer shall be responsible for:

- (a) custody of all funds and securities of the Cooperative;
- (b) the receipt of and the issuance of receipt for all monies due and payable to the Cooperative and for the deposit of all such monies in the name of the Cooperative in such bank or banks as shall be selected in accordance with the provisions of these bylaws; and
- (c) the general performance of all the duties incident to the office of treasurer and such other duties as from time-to-time may be assigned to him by the Board. (Amended 9/24/82)

SECTION 8. PRESIDENT & CHIEF EXECUTIVE OFFICER (CEO). The Board may appoint a president and chief executive officer (CEO) who shall be required to be a member of the Cooperative and reside in the Cooperative territory or become a member and reside within the Cooperative territory within ninety (90) days after becoming employed as president and chief executive officer. (Amended 12/21/94)

SECTION 9. BONDS OF OFFICERS. The treasurer and any other officer or agent of the Cooperative charged with responsibility for the custody of any of its fund or property shall be bonded in such sum and with such surety as the Board shall determine. The Board in its discretion may also require any other officer, agent or employee of the Cooperative to be bonded in such amount and with such surety as it shall determine. (Amended 9/24/82)

SECTION 10. COMPENSATION. The powers, duties and compensation of officers, agents and employees shall be fixed by the Board subject to the provisions of these bylaws with respect to compensation for a board member and close relatives of the board member. (Amended 9/24/82)

SECTION 11. REPORTS. The officers of the Cooperative shall submit at each annual meeting of the members reports covering the business of the Cooperative for the previous fiscal year. Such reports shall set forth the condition of the Cooperative at the close of such fiscal year.

**ARTICLE VII
NON-PROFIT CORPORATION**

SECTION 1. INTEREST OR DIVIDENDS ON CAPITAL PROHIBITED. The Cooperative shall at all times be operated on a Cooperative non-profit basis for the mutual benefit of its patrons. No interest or dividends shall be paid or payable by the Cooperative on any capital furnished by its patrons. (Amended 4/24/64)

SECTION 2. PATRONAGE CAPITAL IN CONNECTION WITH FURNISHING ELECTRIC ENERGY. In the furnishing of electric energy the Cooperative's operations shall be so conducted that all patrons will, through their patronage, furnish capital for the Cooperative. In order to induce patronage and to assure that the Cooperative will operate on a non-profit basis the Cooperative is obligated to account on a patronage basis to all its patrons for all amounts received and receivable from the furnishing of electric energy in excess of operating costs and expenses properly chargeable against the furnishings of electric energy. All such amounts in excess of operating costs and expenses at the moment of receipt by the Cooperative are received with the understanding that they are furnished by the patrons as capital. The Cooperative is obligated to pay by credits to a capital account for each patron all such amounts in excess of operating costs and expenses. The books and records of the Cooperative shall be set up and kept in such a manner that at the end of each fiscal year the amount of capital, if any, so furnished by each patron is clearly reflected and credited in an appropriate record to the capital account of each patron, and the Cooperative shall upon request make available for inspection to any patron their ledger sheet showing the amount of capital credited to the account. All such amounts credited to the capital account of any patron shall have the same status as though they had been paid to the patron in cash in pursuance of a legal obligation to do so and the patron had then furnished the Cooperative corresponding amounts for capital. (Amended 9/16/77) Capital credits shall first be applied against any outstanding indebtedness owed by the member to the Cooperative. (Amended 10/22/15)

All other amounts received by the Cooperative from its operation in excess of costs and expenses shall, insofar as permitted by law, be (a) used to offset any losses incurred during the current or any prior fiscal year, and (b) to the extent not needed for that purpose, allocated to its patrons on a patronage basis and any amount so allocated shall be included as part of the capital credited to the accounts of patrons, as herein provided.

In the event of dissolution or liquidation of the Cooperative, after all outstanding indebtedness of the Cooperative shall have been paid, outstanding capital credits shall be retired without priority on pro rata basis before any payments are made on account of property rights of members. If, at any time prior to dissolution or liquidation, the Board of Directors shall determine that the financial condition of the Cooperative will not be impaired thereby, the capital credited to patrons' accounts may be retired in full, or in part. Any such retirements of capital shall be at the discretion and direction of the Board as to timing, method and type of retirement. (Amended 3/23/90)

Capital credited to the account of each patron shall be assignable only on the books of the Cooperative pursuant to written instructions from the assignor and only to successors in interest or successors in occupancy in all or a part of such patrons' premises served by the Cooperative unless the Board of Directors, acting under policies of general application, shall determine otherwise.

Any capital credit refunds appropriated under these bylaws shall first be applied against the settlement of estates of deceased members. (Amended 10/22/15)

If the legal representative(s) of a deceased member's estate shall request in writing that the capital credited to the account of the deceased patron be paid, the Board of Directors, acting under such terms and conditions of these Bylaws and the policies of general application, shall approve the payment of capital credits assigned at the time of the application to the estate of the deceased member. However, the financial condition of the Cooperative must not be impaired thereby. Capital credits shall first be applied to any indebtedness of the Member. No account can be left in the name of the deceased member. Any additional capital credits assigned to a deceased member's account shall be paid when the next yearly margin is assigned in March or April of the following year, at the discretion of the Board. (Amended 10/22/15)

The patrons of the Cooperative, by dealing with the Cooperative, acknowledge that the terms and provisions of the Articles of Incorporation and bylaws shall constitute and be a contract between the Cooperative and each patron, and both the Cooperative and the patrons are bound by such contract, as fully as though each patron had individually signed a separate instrument containing such terms and provisions. The provisions of this

article of the bylaws shall be called to the attention of each patron of the Cooperative by posting in a conspicuous place in the Cooperative's office. (Amended 4/24/64)

SECTION 3. PATRON'S REFUNDS IN CONNECTION WITH FURNISHING OTHER SERVICES. In the event that the Cooperative should engage in the business of furnishing goods or services with other than electric energy, all amounts received and receivable therefrom which are in excess of costs and expenses properly chargeable against the furnishing of such goods or services shall, insofar as permitted by law, be prorated annually on a patronage basis and returned to those patrons from whom such amounts were obtained.

ARTICLE VIII DISPOSITION OF PROPERTY

The Cooperative may not sell, lease or otherwise dispose of all or any substantial portion of its property other than:

- (a) property which in the judgement of the Board of Directors, neither is nor will be necessary or useful in operating and maintaining the Cooperative's system and facilities, provided, however, that all sales of such property shall not in any one (1) year exceed in value ten per centum (10%) of the value of all the property of the Cooperative;
- (b) services of all kinds, including electric energy;
- (c) personal property acquired for resale; and
- (d) merchandise;

unless such sale, lease or other disposition is authorized at a meeting of the members thereof by the affirmative vote of not less than two-thirds of all the members of the Cooperative, and unless the notice of such proposed sale, lease or otherwise disposition shall have been contained in the notice of the meeting; provided, however, that notwithstanding anything herein contained, the Board of Directors of the Cooperative, without authorization by the members thereof, shall have full power and authority to authorize the execution and delivery of a mortgage or mortgages or a deed or deeds of trust upon, or pledging or encumbering of, any or all of the property, assets, rights, privileges, licenses, franchises and permits of the Cooperative, whether acquired or to be acquired and wherever situated, as well as the revenue and income therefrom, all upon such terms and conditions as the Board shall determine, to secure any indebtedness of the Cooperative; provided further that the Board may upon the authorization of a majority of those members of the Cooperative present at a meeting of the members thereof, sell, lease, or otherwise dispose of all or a substantial portion of its property to another rural electric cooperative. (Amended 12/18/71)

ARTICLE IX SEAL

The corporate seal of the Cooperative shall have inscribed thereon the name of the Cooperative and the words "Corporate Seal Kentucky". (Amended 9/24/82)

ARTICLE X FINANCIAL TRANSACTIONS

SECTION 1. CONTRACTS. Except as otherwise provided in these bylaws, the Board may authorize any officer or officers, agent or agents to enter into any contract or execute and deliver any instrument in the name and on behalf of the Cooperative, and such authority may be general or confined to specific instances. (Amended 9/24/82)

SECTION 2. CHECKS, DRAFTS, ETC. All checks, drafts or other orders for the payment of money, and all notes, bonds or other evidences of indebtedness issued in the name of the Cooperative shall be signed and/or countersigned by such officer or officers, agent or agents, employee or employees of the Cooperative and in such manner as shall from time-to-time be determined by resolution of the Board. (Amended 9/24/82)

SECTION 3. DEPOSITS. All funds except petty cash of the Cooperative shall be deposited from time-to-time to the credit of the Cooperative in such bank or banks as the Board may select. (Amended 9/24/82)

SECTION 4. CHANGE IN RATES. Written notice shall be given to the Administrator of the Rural Utilities Services of the United States of America not less than ninety (90) days prior to the date upon which any proposed change in the rates charged by the Cooperative for electric energy becomes effective. (Amended 12/21/94)

SECTION 5. FISCAL YEAR. The fiscal year of the Cooperative shall begin on the first day of January of each year and shall end on the thirty-first day of December of the same year.

ARTICLE XI MISCELLANEOUS

SECTION 1. MEMBERSHIP IN OTHER ORGANIZATIONS. The Cooperative shall not become a member of or purchase stock in any other organization without an affirmative vote of not less than two-thirds (2/3) of the directors at any regular or special meeting. (Amended 1/27/89)

SECTION 2. WAIVER OF NOTICE. Any member or board member may waive in writing any notice of a meeting required to be given by these bylaws. The attendance of a member or board member at any meeting shall constitute a waiver of notice of such meeting by such member or board member, except in case a member or board member shall attend a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting has not been lawfully called or convened. (Amended 9/24/82)

SECTION 3. POLICIES, RULES AND REGULATIONS. The Board shall have power to make and adopt such policies, rules and regulations, not inconsistent with law, the Articles of Incorporation or these bylaws, as it may deem advisable for the management of the business and affairs of the Cooperative. (Amended 9/24/82)

SECTION 4. ACCOUNT SYSTEM AND REPORTS. The Board shall cause to be established and maintained a complete accounting system

which, among other things, and subject to applicable rules and regulations of any regulatory body, shall conform to such accounting system as may from time-to-time be designated by the Administrator of the Rural Utilities Service of the United States of America. The Board shall also after the close of each fiscal year cause to be made by a certified public accountant a full and complete audit of the accounts, books and financial condition of the Cooperative as of the end of such fiscal year. A report of such audit shall be submitted to the members at the next following annual meeting. (Amended 12/21/94)

SECTION 5. AREA COVERAGE. The Board shall make diligent effort to see that electric service is extended to all unserved persons within the Cooperative service area who (a) desire such service and (b) meet all reasonable requirements established by the Cooperative as a condition of such service. (Adopted 9/24/82)

ARTICLE XII AMENDMENTS

The bylaws may be altered, amended or repealed by the affirmative vote of not less than two-thirds (2/3) of all the directors at any regular or special meeting, provided a notice of such meeting shall have contained a copy of the proposed alteration, amendment or repeal.

Notwithstanding any other provisions of these bylaws, an affirmative vote of at least two-thirds (2/3) of the membership shall be required to alter, amend or repeal Article VIII - DISPOSITION OF PROPERTY or Article XII - AMENDMENTS. (Adopted 9/24/82)

STATEMENT OF NONDISCRIMINATION

Grayson Rural Electric Cooperative Corporation is the recipient of Federal financial assistance from the Rural Utilities Service (RUS), an agency of the U.S. Department of Agriculture, and is subject to the provisions of Title VI of the Civil Rights Act of 1964, as amended, Section 504 of the Rehabilitation Act of 1973, as amended, the Age Discrimination Act of 1975, as amended, and the rules of the U. S. Department of Agriculture which provide that no person in the United States on the basis of race, color, national origin, age or handicap shall be excluded from participation in, admission or access to, denied the benefits of, or otherwise be subjected to discrimination under any of this organization's programs or activities.

The person responsible for coordinating this organization's nondiscrimination compliance efforts is Kim Bush, Manager of Marketing and Member Services. Any individual, or specific class of individuals, who feels that this organization has subjected them to discrimination may obtain further information about the statutes and regulations listed above from and/or file a written complaint with this organization; or the Secretary, U.S. Department of Agriculture, Washington, DC 20250. Complaints must be filed within 180 days after the alleged discriminatory action, or by such later date to which the Secretary of Agriculture or the Administrator of RUS extends the time for filing. Identity of complainants will be kept confidential except to the extent necessary to carry out the purposes of the rules and regulations of the U.S. Department of Agriculture.

Grayson Rural Electric Cooperative

Exhibit V

Case No. 2018-00272

page 1 of 3

Statement of Operations

Witness: James Adkins

December 31, 2017

	<u>2017</u>	<u>2016</u>
Operating revenue	\$ 29,148,205	\$ 30,511,143
Operating expenses:		
Cost of power	17,151,603	17,917,378
Distribution-operations	1,299,965	1,262,833
Distribution-maintenance	3,424,805	3,500,339
Consumer accounts	1,070,977	1,080,016
Consumer service	260,150	256,835
Sales	22,103	21,391
Administrative and general	1,955,130	2,013,625
	<u>25,184,733</u>	<u>26,052,417</u>
Depreciation and amortization	3,477,092	3,341,888
Taxes-other	41,074	40,662
Interest on long term debt	980,167	895,352
Other interest expense	7,941	4,513
Other deductions	35,148	78,323
	<u>29,726,155</u>	<u>30,413,155</u>
Utility operating margins (deficit)	(577,950)	97,988
Nonoperating margins, interest	33,944	29,393
Nonoperating margins, other	94,790	102,306
G & T capital credits	504,926	1,223,640
Other capital credits	87,794	138,681
Net margins (deficits)	<u>\$ 143,504</u>	<u>\$ 1,592,008</u>
TIER excluding C & T capital credits	0.63	1.41

Grayson Rural Electric Cooperative

Case No. 2018-00272

Balance Sheet

December 31, 2017

Exhibit V

page 2 of 3

Witness: James Adkins

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ASSETS

2017

2016

Electric Plant:

In service	\$ 76,908,490	\$ 73,873,883
Under construction	1,002,088	1,429,300
	<u>77,910,578</u>	<u>75,303,183</u>
Less accumulated depreciation	23,474,155	21,285,230
	<u>54,436,423</u>	<u>54,017,953</u>

Investments	<u>16,341,967</u>	<u>15,849,671</u>
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Current Assets:

Cash and temporary investments	213,727	139,462
Accounts receivable, net	4,497,022	6,148,793
Material and supplies	283,605	287,319
Prepayments	58,987	56,765
	<u>5,053,341</u>	<u>6,632,339</u>

Deferred debits	<u>1,467,380</u>	<u>1,308,874</u>
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Total Assets	<u>\$ 77,299,111</u>	<u>\$ 77,808,837</u>
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MEMBERS' EQUITIES AND LIABILITIES

Margins and Equities:

Memberships	\$ 154,655	\$ 153,285
Patronage capital	25,683,142	27,421,138
Other equities	(228,613)	(692,937)
	<u>25,609,184</u>	<u>26,881,486</u>

Long Term Debt	<u>41,787,107</u>	<u>40,051,998</u>
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Accumulated Operating Provisions	<u>3,085,624</u>	<u>3,330,597</u>
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Current Liabilities:

Notes payable	2,185,000	3,149,525
Accounts payable	2,496,842	2,480,018
Consumer deposits	1,197,900	1,210,055
Accrued expenses	570,319	534,554
	<u>6,450,061</u>	<u>7,374,152</u>

Consumer advances	<u>367,135</u>	<u>170,604</u>
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Total Members' Equities and Liabilities	<u>\$ 77,299,111</u>	<u>\$ 77,808,837</u>
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Grayson Rural Electric Cooperative

Exhibit V

Case No. 2018-00272

page 3 of 3

Statement of Cash Flows

Witness: James Adkins

December 31, 2017

	<u>2017</u>	<u>2016</u>
Cash Flows from Operating Activities:		
Net margins	\$ 143,504	\$ 1,592,008
Adjustments to reconcile to net cash provided by operating activities:		
Depreciation		
Charged to expense	3,477,092	3,341,888
Charged to clearing accounts	211,301	231,801
Patronage capital credits	(592,720)	(1,362,321)
Accumulated postretirement benefits	(244,973)	161,762
Net change in current assets and liabilities:		
Receivables	1,651,771	389,890
Material and supplies	3,714	217,770
Prepayments and deferred debits	(160,728)	(74,563)
Accounts payables	16,824	444,199
Consumer deposits	(12,155)	(6,987)
Accrued expenses	35,765	(33,022)
Consumer advances	196,531	(63,380)
	<u>4,725,926</u>	<u>4,839,045</u>
Cash Flows from Investing Activities:		
Plant additions	(4,180,689)	(4,897,470)
Additional investments, net of receipts	100,424	84,989
	<u>(4,080,265)</u>	<u>(4,812,481)</u>
Cash Flows from Financing Activities:		
Memberships	1,370	270
Refund of capital credits	(189,547)	(194,759)
Other equities	(1,153,803)	92,070
Notes payable	(964,525)	2,010,001
Additional long-term borrowings	4,000,000	-
Payments on long-term debt	(2,264,891)	(2,205,424)
	<u>(571,396)</u>	<u>(297,842)</u>
Net increase (decrease) in cash	74,265	(271,278)
Cash balances - beginning	<u>139,462</u>	<u>410,740</u>
Cash balances - ending	<u>\$ 213,727</u>	<u>\$ 139,462</u>

Grayson Rural Electric Cooperative
 Comparison of Test Year Account Balances with
 those of the Preceding Year - Balance Sheet

Case No. 2018-00272

Acct #	Description	January Month 1	February Month 2	March Month 3	April Month 4	May Month 5	June Month 6	July Month 7	August Month 8	September Month 9	October Month 10	November Month 11	December Month 12
	Change	-	-	-	-	-	-	-	-	-	-	-	-
391	Office furniture	1,017,825	1,021,787	1,019,396	1,014,810	1,011,301	1,007,933	1,004,620	1,001,154	998,309	994,748	992,463	990,052
	Prior year	960,089	960,089	960,089	971,519	971,999	984,924	984,924	984,924	972,340	1,002,039	1,003,890	1,003,890
	Change	57,736	61,698	59,307	43,291	39,302	23,009	19,696	16,230	25,969	(7,291)	(11,427)	(13,838)
392	Transportation	2,119,215	2,119,215	2,119,215	2,121,565	2,121,565	2,121,565	2,121,565	2,121,565	2,181,143	2,181,143	2,181,143	2,181,143
	Prior year	1,942,341	2,083,425	2,083,425	2,083,425	2,083,425	2,089,199	2,089,199	2,119,215	2,119,215	2,119,215	2,119,215	2,119,215
	Change	176,874	35,790	35,790	38,140	38,140	32,366	32,366	2,350	61,928	61,928	61,928	61,928
393	Stores equipment	22,403	22,403	22,403	22,403	22,403	22,403	22,403	22,403	22,403	22,403	22,403	22,403
	Prior year	22,403	22,403	22,403	22,403	22,403	22,403	22,403	22,403	22,403	22,403	22,403	22,403
	Change	-	-	-	-	-	-	-	-	-	-	-	-
394	Tools, shop & gara	67,146	67,146	67,146	67,146	67,146	67,146	67,146	67,146	67,146	67,146	67,146	67,146
	Prior year	47,515	47,515	47,515	67,146	67,146	67,146	67,146	67,146	67,146	67,146	67,146	67,146
	Change	19,631	19,631	19,631	-	-	-	-	-	-	-	-	-
395	Laboratory	211,080	211,080	211,080	211,080	210,097	210,097	210,097	210,097	210,097	210,097	210,097	210,097
	Prior year	205,984	205,984	205,984	205,984	205,984	205,984	205,984	205,984	205,984	205,984	211,080	211,080
	Change	5,096	5,096	5,096	5,096	4,113	4,113	4,113	4,113	4,113	4,113	(983)	(983)
396	Power operated	43,723	43,723	43,723	43,723	43,723	43,723	43,723	43,723	43,723	43,723	43,723	43,723
	Prior year	48,448	48,448	48,448	48,448	48,448	48,448	43,723	43,723	43,723	43,723	43,723	43,723
	Change	(4,725)	(4,725)	(4,725)	(4,725)	(4,725)	(4,725)	-	-	-	-	-	-
397	Communication	870,233	870,231	872,360	872,359	872,360	872,359	846,670	846,669	848,985	848,988	848,988	848,986
	Prior year	1,036,895	1,036,895	1,036,893	1,036,895	1,036,894	1,037,083	1,037,083	1,037,085	1,037,081	1,037,083	859,197	870,232
	Change	(166,662)	(166,664)	(164,533)	(164,536)	(164,534)	(164,724)	(190,413)	(190,416)	(188,096)	(188,095)	(10,209)	(21,246)
398	Miscellaneous	253,486	253,486	330,651	342,351	342,351	349,988	349,988	349,988	349,988	349,988	349,988	349,988
	Prior year	254,986	254,986	254,986	254,986	254,986	253,486	253,486	253,486	253,486	253,486	253,486	253,486
	Change	(1,500)	(1,500)	75,665	87,365	87,365	96,502	96,502	96,502	96,502	96,502	96,502	96,502
****	Total Electric Plant	74,053,394	74,177,786	74,461,071	74,845,140	75,024,322	75,161,793	75,277,052	75,456,015	75,811,561	75,923,226	76,142,472	76,908,490
	Prior year	71,340,568	71,627,270	71,778,147	72,500,346	72,674,535	72,884,439	73,106,372	73,444,981	73,492,210	73,688,158	73,731,000	73,873,883
	Change	2,712,826	2,550,516	2,682,924	2,344,794	2,349,787	2,277,354	2,170,680	2,011,034	2,319,351	2,235,068	2,411,472	3,034,607
***107.20	Construction work	1,422,418	1,493,452	1,638,266	1,454,570	1,474,027	1,299,176	1,302,691	1,356,117	1,403,136	1,508,890	1,514,614	855,862
	Prior year	956,380	919,714	973,754	666,321	724,591	923,078	913,828	877,429	867,441	984,686	1,109,528	1,236,472
	Change	466,038	573,738	664,512	788,249	749,436	376,098	388,863	478,688	535,695	524,204	405,086	(380,610)
108.6	Res - distribution p	17,993,577	18,152,342	18,290,369	18,405,393	18,601,290	18,778,232	18,966,319	19,090,309	19,284,549	19,442,606	19,652,327	19,715,889
	Prior year	16,399,803	16,518,610	16,660,783	16,718,008	16,832,752	16,960,817	17,063,716	17,180,411	17,295,752	17,498,842	17,682,697	17,831,472
	Change	1,593,774	1,633,732	1,629,586	1,687,385	1,768,538	1,817,415	1,902,603	1,909,898	1,988,797	1,943,764	1,969,630	1,884,417

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Acct #	Description	January Month 1	February Month 2	March Month 3	April Month 4	May Month 5	June Month 6	July Month 7	August Month 8	September Month 9	October Month 10	November Month 11	December Month 12
108.70	Res - Mapping	4,587	5,352	6,116	6,881	7,645	8,410	9,175	9,939	10,704	11,468	12,233	12,997
	Prior year	-	-	-	-	-	-	-	765	1,529	2,294	3,058	3,823
	Change	4,587	5,352	6,116	6,881	7,645	8,410	9,175	9,174	9,175	9,174	9,175	9,174
108.71	Res - office equipr	547,402	554,043	556,282	559,392	563,448	567,597	571,884	576,102	580,724	584,971	590,061	595,063
	Prior year	513,276	518,950	524,623	530,354	536,087	541,885	547,682	553,480	526,832	533,075	539,350	545,624
	Change	34,126	35,093	31,659	29,038	27,361	25,712	24,202	22,622	53,892	51,896	50,711	49,439
108.72	Res - Transportatic	1,404,294	1,424,141	1,442,356	1,459,516	1,476,676	1,493,836	1,510,762	1,527,533	1,450,004	1,467,831	1,485,658	1,503,485
	Prior year	1,236,662	1,217,839	1,238,654	1,259,469	1,280,284	1,300,440	1,320,110	1,304,928	1,324,906	1,344,753	1,364,600	1,384,447
	Change	167,632	206,302	203,702	200,047	196,392	193,396	190,652	222,605	125,098	123,078	121,058	119,038
108.73	Res - Stores	12,757	12,825	12,893	12,961	13,029	13,096	13,164	13,232	13,300	13,368	13,436	13,504
	Prior year	11,942	12,009	12,077	12,145	12,213	12,281	12,349	12,417	12,485	12,553	12,621	12,689
	Change	815	816	816	816	816	815	815	815	815	815	815	815
108.74	Res - Small tools	35,846	36,104	36,363	36,621	36,880	37,139	37,397	37,656	37,914	38,173	38,432	38,690
	Prior year	32,906	33,083	33,260	33,518	33,777	34,035	34,294	34,553	34,811	35,070	35,328	35,587
	Change	2,940	3,021	3,103	3,103	3,103	3,104	3,103	3,103	3,103	3,103	3,104	3,103
108.75	Res - Laboratory	118,332	119,022	119,712	120,403	118,967	119,659	120,352	121,044	121,736	122,429	123,121	123,813
	Prior year	109,189	109,858	110,527	111,196	111,865	112,534	113,204	113,873	114,542	115,211	116,951	117,641
	Change	9,143	9,164	9,185	9,207	7,102	7,125	7,148	7,171	7,194	7,218	6,170	6,172
108.76	Res - Power equip	43,723	43,723	43,723	43,723	43,723	43,723	43,723	43,723	43,723	43,723	43,723	43,723
	Prior year	48,448	48,448	48,448	48,448	48,448	48,448	43,723	43,723	43,723	43,723	43,723	43,723
	Change	(4,725)	(4,725)	(4,725)	(4,725)	(4,725)	(4,725)	-	-	-	-	-	-
108.77	Res - communicati	473,178	479,845	486,530	493,215	499,900	506,585	487,581	494,266	490,966	497,670	504,374	511,079
	Prior year	613,171	619,532	625,892	632,253	638,614	638,728	645,090	651,452	657,815	664,177	459,843	466,510
	Change	(139,993)	(139,687)	(139,362)	(139,038)	(138,714)	(132,143)	(157,509)	(157,186)	(166,849)	(166,507)	44,531	44,569
108.78	Res - miscellaneou	119,108	121,676	124,566	127,503	130,438	133,493	136,548	139,602	142,657	145,711	148,766	151,820
	Prior year	88,261	90,836	93,410	95,985	98,559	101,128	103,697	106,265	108,834	111,402	113,971	116,539
	Change	30,847	30,840	31,156	31,518	31,879	32,365	32,851	33,337	33,823	34,309	34,795	35,281
108.79	Res - Structures	730,520	733,864	737,209	740,553	743,898	747,242	750,598	750,709	754,055	757,400	760,746	764,091
	Prior year	690,386	693,731	697,075	700,420	703,764	707,109	710,453	713,798	717,142	720,487	723,831	727,176
	Change	40,134	40,133	40,134	40,133	40,134	40,133	40,145	36,911	36,913	36,913	36,915	36,915
108.80	RWIP - force accou	(201,993)	(205,901)	(197,302)	(167,271)	(172,183)	(174,370)	(175,339)	(179,037)	(177,670)	(184,564)	(186,991)	(146,227)
	Prior year	(142,140)	(132,467)	(135,789)	(109,565)	(127,651)	(158,934)	(157,160)	(146,304)	(142,755)	(163,954)	(171,287)	(192,828)
	Change	(59,853)	(73,434)	(61,513)	(57,706)	(44,532)	(15,436)	(18,179)	(32,733)	(34,915)	(20,610)	(15,704)	46,601
****	Total Reserve for C	21,281,331	21,477,036	21,658,817	21,838,890	22,063,711	22,274,642	22,472,164	22,625,078	22,752,662	22,940,786	23,185,886	23,327,927
	Prior year	19,601,904	19,730,429	19,908,960	20,032,231	20,168,712	20,298,471	20,437,158	20,569,361	20,695,616	20,917,633	20,924,686	21,092,403

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Acct #	Description	January Month 1	February Month 2	March Month 3	April Month 4	May Month 5	June Month 6	July Month 7	August Month 8	September Month 9	October Month 10	November Month 11	December Month 12
	Change	1,679,427	1,746,607	1,749,857	1,806,659	1,894,999	1,976,171	2,035,006	2,055,717	2,057,046	2,023,153	2,261,200	2,235,524
123.11	Invest in assoc com	15,210,343	15,210,343	15,183,413	15,183,413	15,183,413	15,183,780	15,183,780	15,183,780	15,205,008	15,205,008	15,205,008	15,704,261
	Prior year	13,933,924	13,933,924	13,985,544	13,985,544	13,985,544	13,985,762	13,985,762	13,985,762	13,989,010	13,991,452	13,991,452	15,210,343
	Change	1,276,419		1,197,869	1,197,869	1,197,869	1,198,018	1,198,018	1,198,018	1,215,998	1,213,556	1,213,556	493,918
123.1	Invest in CTC's	624,108	624,108	624,108	624,108	624,108	624,108	624,108	624,108	624,108	624,108	624,108	624,108
	Prior year	627,305	627,305	625,730	625,730	625,730	625,730	625,730	625,730	625,730	625,730	625,730	625,730
	Change	(3,197)	(3,197)	(1,622)	(1,622)	(1,622)	(1,622)	(1,622)	(1,622)	(1,622)	(1,622)	(1,622)	(1,622)
123.22	Others	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500
	Prior year	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500
	Change	-	-	-	-	-	-	-	-	-	-	-	-
124.00	Other investmets	99	99	99	99	99	99	99	99	99	99	99	99
	Prior year	99	99	99	99	99	99	99	99	99	99	99	99
	Change	-	-	-	-	-	-	-	-	-	-	-	-
****	Total investments	15,848,050	15,848,050	15,821,120	15,821,120	15,821,120	15,821,487	15,821,487	15,821,487	15,842,715	15,842,715	15,842,715	16,341,968
	Prior year	14,574,828	14,574,828	14,624,873	14,624,873	14,624,873	14,625,091	14,625,091	14,625,091	14,628,339	14,630,781	14,630,781	15,849,672
	Change	1,273,222	1,273,222	1,196,247	1,196,247	1,196,247	1,196,396	1,196,396	1,196,396	1,214,376	1,211,934	1,211,934	492,296
131.10	Cash - General fun	89,662	4,905	64,623	88,877	125,402	59,431	44,122	70,422	120,595	59,620	118,270	213,277
	Prior year	219,037	111,974	617,680	96,279	99,590	216,366	100,121	164,885	105,761	101,783	62,746	139,012
	Change	(129,375)	(107,069)	(553,057)	(7,402)	25,812	(156,935)	(55,999)	(94,463)	14,834	(42,163)	55,524	74,265
131.5	Capital credit					11,774			9,815				
	Prior year		(1,240)	8,986			13,520		10,933				
	Change	-	1,240	(8,986)	-	11,774	(13,520)	-	(1,118)	-	-	-	-
135.00	Working funds	450	450	450	450	450	450	450	450	450	450	450	450
	Prior year	450	450	450	450	450	450	450	450	450	450	450	450
	Change	-	-	-	-	-	-	-	-	-	-	-	-
****	Total Cash	90,112	5,355	65,073	89,327	137,626	59,881	44,572	80,687	121,045	60,070	118,720	213,727
	Prior year	219,487	111,184	627,116	96,729	100,040	230,336	100,571	176,268	106,211	102,233	63,196	139,462
	Change	(129,375)	(105,829)	(562,043)	(7,402)	37,586	(170,455)	(55,999)	(95,581)	14,834	(42,163)	55,524	74,265
**** 136.1	Temporary investn	300,000	275,000	150,000									
	Prior year	5,000	5,000										
	Change	295,000	270,000	150,000	-	-	-	-	-	-	-	-	-
142.1	Accounts receivabl	6,062,454	5,534,590	4,762,342	4,428,778	4,553,383	5,056,894	5,331,275	5,011,430	3,217,483	2,956,416	2,944,239	4,057,031
	Prior year	6,830,846	6,184,415	5,123,611	4,496,519	4,606,876	5,172,898	5,788,977	5,851,323	4,998,162	4,496,831	5,129,629	6,131,386
	Change	(768,392)	(649,825)	(361,269)	(67,741)	(53,493)	(116,004)	(457,702)	(839,893)	(1,780,679)	(1,540,415)	(2,185,390)	(2,074,355)

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Acct #	Description	January Month 1	February Month 2	March Month 3	April Month 4	May Month 5	June Month 6	July Month 7	August Month 8	September Month 9	October Month 10	November Month 11	December Month 12
****	Total Capital Credit	27,327,609	27,384,248	26,982,017	26,784,785	26,794,298	26,862,640	26,726,471	26,497,890	25,195,576	24,872,348	24,770,382	25,683,142
	Prior year	26,249,513	25,914,817	25,823,319	25,506,477	25,509,295	25,480,856	25,663,366	25,714,268	25,371,963	25,357,939	25,846,202	27,421,138
	Change	1,078,096	1,469,431	1,158,698	1,278,308	1,285,003	1,381,784	1,063,105	783,622	(176,387)	(485,591)	(1,075,820)	(1,737,996)
208.00	Donated capital	41,794	41,999	42,074	42,164	42,164	42,230	42,362	42,343	42,343	43,204	43,204	43,392
	Prior year	40,499	41,147	41,147	41,147	41,147	41,357	41,357	41,357	41,640	41,595	41,595	41,794
	Change	1,295	852	927	1,017	1,017	873	1,005	986	703	1,609	1,609	1,598
208.10	Donated capital - c	49,989	50,578	50,578	51,283	51,283	52,420	52,811	54,057	54,357	54,978	56,373	57,095
	Prior year	44,286	44,696	44,679	45,526	45,526	46,232	46,954	46,954	48,440	49,223	49,223	49,990
	Change	5,703	5,882	5,899	5,757	5,757	6,188	5,857	7,103	5,917	5,755	7,150	7,105
215.30	Accum comp incon	(890,418)	(883,125)	(875,832)	(868,539)	(861,246)	(853,953)	(846,660)	(449,723)	(447,780)	(445,837)	(443,894)	(441,951)
	Prior year	(974,117)	(967,171)	(960,225)	(953,279)	(946,333)	(939,387)	(932,441)	(925,495)	(918,549)	(911,603)	(904,657)	(897,711)
	Change	83,699	84,046	84,393	84,740	85,087	85,434	85,781	475,772	470,769	465,766	460,763	455,760
217.00	Retired gains	63,986	63,976	63,976	63,973	63,973	63,889	63,884	63,875	63,867	63,867	63,846	63,846
	Prior year	65,039	63,799	65,039	65,038	65,038	64,067	64,067	64,067	64,027	64,027	64,027	63,986
	Change	(1,053)	177	(1,063)	(1,065)	(1,065)	(178)	(183)	(192)	(160)	(160)	(181)	(140)
217.10	Retired gains - disc	49,005	49,005	49,005	49,005	49,005	49,005	49,005	49,005	49,005	49,005	49,005	49,005
	Prior year	49,005	49,005	49,005	49,005	49,005	49,005	49,005	49,005	49,005	49,005	49,005	49,005
	Change	-	-	-	-	-	-	-	-	-	-	-	-
****	Total Other Equitie	(685,644)	(677,567)	(670,199)	(662,114)	(654,821)	(646,409)	(638,598)	(240,443)	(238,208)	(234,783)	(231,466)	(228,613)
	Prior year	(775,288)	(768,524)	(760,355)	(752,563)	(745,617)	(738,726)	(731,058)	(724,112)	(715,437)	(707,753)	(700,807)	(692,936)
	Change	89,644	90,957	90,156	90,449	90,796	92,317	92,460	483,669	477,229	472,970	469,341	464,323
*****	Total Margins & Ec	26,795,085	26,859,946	26,465,448	26,276,601	26,293,852	26,371,001	26,242,658	26,412,602	25,112,413	24,792,600	24,694,071	25,609,184
	Prior year	25,626,760	25,298,578	25,215,474	24,906,579	24,916,673	24,895,485	25,085,698	25,143,686	24,809,916	24,803,666	25,298,995	26,881,487
	Change	1,168,325	1,561,368	1,249,974	1,370,022	1,377,179	1,475,516	1,156,960	1,268,916	302,497	(11,066)	(604,924)	(1,272,303)
224.30	RUS notes	-	-	-	-	-	-	-	-	-	-	-	-
	Prior year	9,695,667	9,672,968	9,652,320	9,630,560	9,609,778	9,588,143	9,567,502	9,546,784	9,524,957	9,504,117	9,482,160	-
	Change	(9,695,667)	(9,672,968)	(9,652,320)	(9,630,560)	(9,609,778)	(9,588,143)	(9,567,502)	(9,546,784)	(9,524,957)	(9,504,117)	(9,482,160)	-
224.5	FFB notes	40,326,510	40,326,510	40,107,359	40,107,359	40,107,359	39,867,117	39,867,117	39,867,117	39,636,590	39,636,590	39,636,590	39,404,671
	Prior year	41,223,507	41,223,507	40,998,604	40,998,604	40,998,604	40,773,294	40,773,294	40,773,294	40,549,621	40,549,621	40,549,621	40,326,510
	Change	(896,997)	(896,997)	(891,245)	(891,245)	(891,245)	(906,177)	(906,177)	(906,177)	(913,031)	(913,031)	(913,031)	(921,839)
224.6	FFB unadvanced	(15,325,000)	(15,325,000)	(15,325,000)	(15,325,000)	(15,325,000)	(15,325,000)	(15,325,000)	(15,325,000)	(15,325,000)	(15,325,000)	(15,325,000)	(15,325,000)
	Prior year	(19,325,000)	(19,325,000)	(19,325,000)	(19,325,000)	(19,325,000)	(19,325,000)	(19,325,000)	(19,325,000)	(19,325,000)	(19,325,000)	(19,325,000)	(19,325,000)
	Change	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
224.12	CFC notes	10,029,981	9,973,049	9,936,827	9,900,520	9,843,320	9,815,667	9,787,949	9,739,190	9,711,340	9,683,423	9,634,299	9,606,249
	Prior year	705,757	676,001	676,001	676,001	646,022	646,022	646,022	615,818	615,818	615,818	585,387	10,066,035

Grayson Rural Electric Cooperative
 Comparison of Test Year Account Balances with
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Acct #	Description	January Month 1	February Month 2	March Month 3	April Month 4	May Month 5	June Month 6	July Month 7	August Month 8	September Month 9	October Month 10	November Month 11	December Month 12
	Change	9,324,224	9,297,048	9,260,826	9,224,519	9,197,298	9,169,645	9,141,927	9,123,372	9,095,522	9,067,605	9,048,912	(459,786)
224.20	CoBank notes	8,941,181	8,809,117	8,765,463	8,720,506	8,590,787	8,545,464	8,501,054	8,370,296	8,324,421	8,279,439	8,146,557	8,101,187
	Prior year	9,868,841	9,722,222	9,680,766	9,637,944	9,492,488	9,449,319	9,407,144	9,260,437	9,216,743	9,174,023	9,027,541	8,984,452
	Change	(927,660)	(913,105)	(915,303)	(917,438)	(901,701)	(903,855)	(906,090)	(890,141)	(892,322)	(894,584)	(880,984)	(883,265)
****	Total long term del	43,972,672	43,783,676	43,484,649	43,403,385	43,216,466	42,903,248	42,831,120	42,651,603	42,347,351	42,274,452	42,092,446	41,787,107
	Prior year	42,168,772	41,969,698	41,682,691	41,618,109	41,421,892	41,131,778	41,068,962	40,871,333	40,582,139	40,518,579	40,319,709	40,051,997
	Change	1,803,900	1,813,978	1,801,958	1,785,276	1,794,574	1,771,470	1,762,158	1,780,270	1,765,212	1,755,873	1,772,737	1,735,110
**** 228.3	Postretirement ben	3,343,562	3,357,265	3,373,628	3,389,157	3,404,391	3,420,600	3,437,165	3,049,784	3,057,569	3,066,751	3,076,217	3,085,624
	Prior year	3,179,005	3,192,637	3,205,937	3,220,148	3,234,435	3,247,242	3,260,608	3,272,310	3,286,242	3,300,039	3,315,738	3,330,597
	Change	164,557	164,628	167,691	169,009	169,956	173,358	176,557	(222,526)	(228,673)	(233,288)	(239,521)	(244,973)
**** 231.00	Notes payable - sh	14,525	(15,475)	(15,475)	164,525	294,525	672,000	770,000	1,215,000	1,620,000	1,785,000	1,900,000	2,185,000
	Prior year	1,234,525	1,384,525	1,319,525	824,525	1,059,525	1,764,525	2,214,525	2,804,525	2,734,525	2,714,525	3,019,525	3,149,525
	Change	(1,220,000)	(1,400,000)	(1,335,000)	(660,000)	(765,000)	(1,092,525)	(1,444,525)	(1,589,525)	(1,114,525)	(929,525)	(1,119,525)	(964,525)
232.1	AP - general	2,253,161	1,732,458	1,713,427	1,372,610	1,488,466	1,604,271	2,031,977	1,743,961	1,861,431	1,608,591	1,668,046	2,248,987
	Prior year	2,334,780	1,948,241	1,503,931	1,367,155	1,494,267	1,997,827	2,157,375	1,958,216	1,705,791	1,563,895	1,605,035	2,171,680
	Change	(81,619)	(215,783)	209,496	5,455	(5,801)	(393,556)	(125,398)	(214,255)	155,640	44,696	63,011	77,307
232.11	Other payable	313,526	294,348	295,219	273,662	274,866	285,414	286,579	263,007	249,758	188,034	245,929	244,363
	Prior year	333,173	326,328	311,130	294,475	288,885	299,141	304,194	311,480	304,994	285,765	286,672	303,703
	Change	(19,647)	(31,980)	(15,911)	(20,813)	(14,019)	(13,727)	(17,615)	(48,473)	(55,236)	(97,731)	(40,743)	(59,340)
232.23	Credit union	(7,656)	(7,598)			(7,633)			(7,682)		(7,733)	(7,758)	
	Prior year	(574)	(574)	(7,552)	(574)	(7,799)	(7,789)	(574)	(8,001)	(574)		(7,558)	
	Change	(7,082)	(7,024)	7,552	574	166	7,789	574	319	574	(7,733)	(200)	-
232.30	Employee funds	4,695	4,785	4,980	4,139	6,689	6,906	6,984	6,900	4,970	5,023	5,065	3,493
	Prior year	6,779	6,697	6,910	6,932	7,080	7,106	7,203	7,219	7,277	4,634	4,607	4,636
	Change	(2,084)	(1,912)	(1,930)	(2,793)	(391)	(200)	(219)	(319)	(2,307)	389	458	(1,143)
****	Total Payables	2,563,726	2,023,993	2,013,626	1,650,411	1,762,388	1,896,591	2,325,540	2,006,186	2,116,159	1,793,915	1,911,282	2,496,843
	Prior year	2,674,158	2,280,692	1,814,419	1,667,988	1,782,433	2,296,285	2,468,198	2,268,914	2,017,488	1,854,294	1,888,756	2,480,019
	Change	(110,432)	(256,699)	199,207	(17,577)	(20,045)	(399,694)	(142,658)	(262,728)	98,671	(60,379)	22,526	16,824
**** 235	Customer deposits	1,208,830	1,205,345	1,209,411	1,230,935	1,220,440	1,214,160	1,218,021	1,220,907	1,213,760	1,207,920	1,205,295	1,197,900
	Prior year	1,207,613	1,205,665	1,232,024	1,226,699	1,223,903	1,237,123	1,229,218	1,225,381	1,216,856	1,212,422	1,218,844	1,210,055
	Change	1,217	(320)	(22,613)	4,236	(3,463)	(22,963)	(11,197)	(4,474)	(3,096)	(4,502)	(13,549)	(12,155)
236.1	Acc property taxes	52,240	104,490	156,740	208,990	261,240	313,490	181,976	234,226	(2,267)	16,886	69,136	
	Prior year	50,657	101,324	151,991	202,658	253,325	303,992	174,466	225,133	275,800	51,306	56,222	
	Change	1,583	3,166	4,749	6,332	7,915	9,498	7,510	9,093	(278,067)	(34,420)	12,914	-

Grayson Rural Electric Cooperative
 Comparison of Test Year Account Balances with
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Acct #	Description	January Month 1	February Month 2	March Month 3	April Month 4	May Month 5	June Month 6	July Month 7	August Month 8	September Month 9	October Month 10	November Month 11	December Month 12
236.2	Acc FUTA tax	1,473	1,828		6	23		37	60		1	1	
	Prior year	1,548	1,819		8	16		51	75		2	3	
	Change	(75)	9	-	(2)	7	-	(14)	(15)	-	(1)	(2)	-
236.3	Acc FICA tax							1					
	Prior year												
	Change	-	-	-	-	-	-	1	-	-	-	-	-
236.4	Acc SUTA tax	2,127	3,315		70	94		49	81		1	1	
	Prior year	3,601	5,218		184	202		147	198		4	7	
	Change	(1,474)	(1,903)	-	(114)	(108)	-	(98)	(117)	-	(3)	(6)	-
236.5	Sales tax	80,622	72,280	63,353	63,131	69,729	78,762	78,979	71,279	28,451	79,904	72,695	92,859
	Prior year	95,514	72,613	65,534	60,521	70,290	77,472	86,246	79,504	64,696	65,725	82,894	89,594
	Change	(14,892)	(333)	(2,181)	2,610	(561)	1,290	(7,267)	(8,225)	(36,245)	14,179	(10,199)	3,265
237.10	CFC interest	7,979	2,068	2,811	5,972	368	2,636	5,772	2,461	2,424	6,000	4,742	2,033
	Prior year	7,882	2,893	3,581	8,862	3,400	8,457	13,514	11,540	3,132	11,691	6,390	2,624
	Change	97	(825)	(770)	(2,890)	(3,032)	(5,821)	(7,742)	(9,079)	(708)	(5,691)	(1,648)	(591)
237.20	Interest on custom	661	1,315	1,965	2,570	3,228	3,856	4,485	5,087	5,679	6,270	6,887	7,406
	Prior year	654	714	1,070	1,435	1,796	2,142	2,495	2,840	3,172	3,510	3,852	4,168
	Change	7	601	895	1,135	1,432	1,714	1,990	2,247	2,507	2,760	3,035	3,238
237.30	FFB interest	12,162	24,818		18,099	36,198		24,600	49,200		24,307	48,614	
	Prior year	6,153	12,306		5,892	11,784		7,009	14,018		7,328	14,656	
	Change	6,009	12,512	-	12,207	24,414	-	17,591	35,182	-	16,979	33,958	-
241.00	Federal withholding												
	Prior year												
	Change	-	-	-	-	-	-	-	-	-	-	-	-
241.10	State tax withholding												
	Prior year												
	Change	-	-	-	-	-	-	-	-	-	-	-	-
241.20	Rowan Co withhol	153	249		91	202		121	221		98	228	
	Prior year	160	374		138	199		121	270		84	213	
	Change	(7)	(125)	-	(47)	3	-	-	(49)	-	14	15	-
241.30	Grayson Ciy withh	1,477	2,759		1,298	2,635		1,357	2,693		1,299	2,729	
	Prior year	1,593	2,812		1,620	2,926		1,664	2,997		1,320	2,823	
	Change	(116)	(53)	-	(322)	(291)	-	(307)	(304)	-	(21)	(94)	-
242.0	Accrued payroll	83,669	86,745	62,666	61,808	108,815	62,247	85,454	111,694	60,987	83,970	116,987	63,686
	Prior year	58,226	89,447	106,263	65,319	83,047	122,998	64,226	98,574	59,934	70,222	94,963	65,483

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Acct #	Description	January Month 1	February Month 2	March Month 3	April Month 4	May Month 5	June Month 6	July Month 7	August Month 8	September Month 9	October Month 10	November Month 11	December Month 12
	Change	25,443	(2,702)	(43,597)	(3,511)	25,768	(60,751)	21,228	13,120	1,053	13,748	22,024	(1,797)
242.2	Accrued vacation	146,720	160,697	170,983	169,850	169,375	152,289	143,516	153,174	163,361	167,889	145,474	159,278
	Prior year	146,651	161,156	168,803	168,471	169,822	146,671	143,338	151,606	154,422	161,164	134,258	137,870
	Change	69	(459)	2,180	1,379	(447)	5,618	178	1,568	8,939	6,725	11,216	21,408
242.3	Sick leave	232,922	232,525	230,662	236,917	243,518	250,212	259,750	263,495	269,849	277,838	285,019	245,059
	Prior year	240,717	246,222	249,424	254,382	263,301	270,218	277,977	285,920	292,550	300,072	305,573	234,814
	Change	(7,795)	(13,697)	(18,762)	(17,465)	(19,783)	(20,006)	(18,227)	(22,425)	(22,701)	(22,234)	(20,554)	10,245
242.52	Annual audit	833	1,666	2,499	3,332	4,165	4,998	5,831	(3,336)	(2,503)	(1,670)	(837)	
	Prior year	808	1,616	2,424	3,232	4,040	4,848	5,656	(3,275)	(2,456)	(1,637)	(818)	
	Change	25	50	75	100	125	150	175	(61)	(47)	(33)	(19)	-
242.53	PSC tax	3,389	6,778	10,167	13,556	16,945	(20,107)	(16,085)	(12,063)	(8,041)	(4,018)	(2,009)	
	Prior year	3,453	6,906	10,359	13,812	17,265	(20,055)	(16,713)	(13,371)	(10,029)	(6,687)	(3,345)	
	Change	(64)	(128)	(192)	(256)	(320)	(52)	628	1,308	1,988	2,669	1,336	-
242.6	Annual meeting	4,167	7,159	10,942	(1,211)	(6,029)	(2,898)	(12,321)	(8,154)	(4,987)	(820)	(410)	
	Prior year	(7,253)	(3,602)	166	(367)	(17,802)	(13,191)	(10,141)	(14,505)	(11,227)	(6,557)	(3,279)	
	Change	11,420	10,761	10,776	(844)	11,773	10,293	(2,180)	6,351	6,240	5,737	2,869	-
****	Total Current & Ac	630,594	708,692	712,788	784,479	910,506	845,485	763,522	870,118	512,953	657,955	749,257	570,321
	Prior year	610,364	701,818	759,615	786,167	863,611	903,552	750,056	841,524	829,994	657,547	694,412	534,553
	Change	20,230	6,874	(46,827)	(1,688)	46,895	(58,067)	13,466	28,594	(317,041)	408	54,845	35,768
**** 252.00	Consumer advance	78,380	78,380	78,380	90,246	90,246	90,246	90,246	90,246	90,246	90,246	90,246	367,135
	Prior year	141,978	141,978	141,978	141,978	141,978	141,978	141,978	141,978	90,370	90,370	90,370	170,603
	Change	(63,598)	(63,598)	(63,598)	(51,732)	(51,732)	(51,732)	(51,732)	(51,732)	(124)	(124)	(124)	196,532
*****	Total Equities & Li	78,607,374	78,001,822	77,322,455	76,989,739	77,192,814	77,413,331	77,678,272	77,516,446	76,070,451	75,668,839	75,718,814	77,299,114
	Prior year	76,843,175	76,175,591	75,371,663	74,392,193	74,644,450	75,617,968	76,219,243	76,569,651	75,567,530	75,151,442	75,846,349	77,808,836
	Change	1,764,199	1,826,231	1,950,792	2,597,546	2,548,364	1,795,363	1,459,029	946,795	502,921	517,397	(127,535)	(509,722)

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 Balances with those of the Preceding Year

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Acct #	Description	January Month 1	February Month 2	March Month 3	April Month 4	May Month 5	June Month 6	July Month 7	August Month 8	September Month 9	October Month 10	November Month 11	December Month 12	Total
440.10	Residential	1,950,558	1,742,650	1,328,855	1,310,850	1,518,712	1,776,939	1,702,344	1,444,834	429,385	1,307,801	1,703,230	2,384,692	18,600,850
	Prior year	2,525,985	1,651,107	1,481,119	1,221,545	1,584,111	1,774,958	2,070,933	1,772,095	1,313,242	1,407,595	2,067,739	2,261,600	21,132,029
	Change	(575,427)	91,543	(152,264)	89,305	(65,399)	1,981	(368,589)	(327,261)	(883,857)	(99,794)	(364,509)	123,092	(2,531,179)
440.4	Camp and Barns	121,108	109,355	101,105	104,804	120,644	134,108	129,587	119,714	32,706	99,208	119,102	140,293	1,331,734
	Prior year	134,293	105,128	102,171	98,358	120,162	127,924	126,725	128,349	109,026	105,495	122,372	133,278	1,413,281
	Change	(13,185)	4,227	(1,066)	6,446	482	6,184	2,862	(8,635)	(76,320)	(6,287)	(3,270)	7,015	(81,547)
442.10	Small commercial	192,363	175,164	161,101	161,210	176,548	192,104	188,211	177,950	50,743	156,000	173,432	225,942	2,030,768
	Prior year	236,831	179,311	165,584	152,100	177,676	187,004	204,043	189,122	165,201	155,721	193,172	215,078	2,220,843
	Change	(44,468)	(4,147)	(4,483)	9,110	(1,128)	5,100	(15,832)	(11,172)	(114,458)	279	(19,740)	10,864	(190,075)
442.20	Large Power	240,395	216,309	212,048	212,324	226,748	241,648	258,786	238,145	67,564	209,448	222,241	259,183	2,604,839
	Prior year	251,954	223,796	201,184	207,762	225,539	236,697	263,313	260,272	225,456	220,581	233,263	244,965	2,794,782
	Change	(11,559)	(7,487)	10,864	4,562	1,209	4,951	(4,527)	(22,127)	(157,892)	(11,133)	(11,022)	14,218	(189,943)
442.20	Large commercial	154,603	140,154	150,406	146,742	159,616	175,478	184,973	178,404	160,595	153,529	142,632	149,089	1,896,221
	Prior year	165,000	174,516	156,073	154,300	148,713	170,772	177,350	180,130	162,612	158,437	153,606	166,788	1,968,297
	Change	(10,397)	(34,362)	(5,667)	(7,558)	10,903	4,706	7,623	(1,726)	(2,017)	(4,908)	(10,974)	(17,699)	(72,076)
444.0	Street Light	651	627	620	632	640	658	644	643	151	469	614	658	7,007
	Prior year	628	624	597	603	614	626	658	650	637	635	642	662	7,576
	Change	23	3	23	29	26	32	(14)	(7)	(486)	(166)	(28)	(4)	(569)
450.00	Forfeit Discounts	42,881	35,068	31,097	26,058	25,067	28,415	34,905	32,679	28,128	44,693	39,383	58,254	426,628
	Prior year	44,684	49,171	32,026	27,498	24,972	32,439	37,580	41,470	33,756	25,223	28,193	40,212	417,224
	Change	(1,803)	(14,103)	(929)	(1,440)	95	(4,024)	(2,675)	(8,791)	(5,628)	19,470	11,190	18,042	9,404
454.00	Rent form electric proj	41,520	41,520	41,520	41,520	41,520	41,520	41,520	41,520	41,520	44,737	44,654	44,677	507,748
	Prior year	41,058	41,058	41,058	41,058	41,058	41,058	41,058	41,058	41,058	42,904	43,379	42,919	498,724
	Change	462	462	462	462	462	462	462	462	462	1,833	1,275	1,758	9,024
456.00	Other electric revenue	3,020	3,685	4,868	4,690	4,565	5,871	7,431	4,950	5,295	5,215	2,273	3,481	55,344
	Prior year	2,220	2,450	4,122	6,320	4,394	7,002	8,017	4,330	6,504	5,565	3,490	3,968	58,382
	Change	800	1,235	746	(1,630)	171	(1,131)	(586)	620	(1,209)	(350)	(1,217)	(487)	(3,038)
***	Total Revenues	2,747,099	2,464,532	2,031,620	2,008,830	2,274,060	2,596,741	2,548,401	2,238,839	816,087	2,021,100	2,447,561	3,266,269	27,461,139
	Prior year	3,402,653	2,427,161	2,183,934	1,909,544	2,327,239	2,578,480	2,929,677	2,617,476	2,057,492	2,122,156	2,845,856	3,109,470	30,511,138
	Change	(655,554)	37,371	(152,314)	99,286	(53,179)	18,261	(381,276)	(378,637)	(1,241,405)	(101,056)	(398,295)	156,799	(3,049,999)
***555	Total Purchase Power	1,751,480	1,411,578	1,419,615	1,138,407	1,202,985	1,410,600	1,562,764	1,462,002	1,136,518	1,264,064	1,484,948	1,906,642	17,151,603
	Prior year	2,062,778	1,722,707	1,275,270	1,154,125	1,213,145	1,449,292	1,677,929	1,686,525	1,381,234	1,109,197	1,344,264	1,840,912	17,917,378
	Change	(311,298)	(311,129)	144,345	(15,718)	(10,160)	(38,692)	(115,165)	(224,523)	(244,716)	154,867	140,684	65,730	(765,775)

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580.00	Operations - Supervision & engineering													0
	Prior year													0
	Change	0	0	0	0	0	0	0	0	0	0	0	0	0
583.00	Overhead Line Exp	51,809	49,487	45,284	50,643	44,284	50,205	49,833	47,573	45,732	51,290	41,900	10,011	538,051
	Prior year	47,457	46,984	47,196	49,582	40,263	47,985	40,451	50,837	42,824	51,782	43,181	19,717	528,259
	Change	4,352	2,503	(1,912)	1,061	4,021	2,220	9,382	(3,264)	2,908	(492)	(1,281)	(9,706)	9,792
586.00	Meter	54,766	35,230	46,219	71,532	40,041	36,776	45,734	38,793	36,975	47,462	56,054	25,258	534,840
	Prior year	57,947	47,549	48,182	48,383	33,888	42,706	33,344	42,789	44,980	61,883	45,287	34,780	541,718
	Change	(3,181)	(12,319)	(1,963)	23,149	6,153	(5,930)	12,390	(3,996)	(8,005)	(14,421)	10,767	(9,522)	(6,878)
587.00	Consumer Installation													0
	Prior year													0
	Change	0	0	0	0	0	0	0	0	0	0	0	0	0
588.00	Miscellaneous Distribu	18,481	22,937	18,195	17,690	17,636	15,622	20,516	17,789	17,206	27,398	9,825	23,780	227,075
	Prior year	12,615	7,992	14,325	16,933	31,327	107,296	39,329	(111,055)	19,437	18,579	18,971	17,107	192,856
	Change	5,866	14,945	3,870	757	(13,691)	(91,674)	(18,813)	128,844	(2,231)	8,819	(9,146)	6,673	34,219
***	Total Operations	125,056	107,654	109,698	139,865	101,961	102,603	116,083	104,155	99,913	126,150	107,779	59,049	1,299,966
	Prior year	118,019	102,525	109,703	114,898	105,478	197,987	113,124	(17,429)	107,241	132,244	107,439	71,604	1,262,833
	Change	7,037	5,129	(5)	24,967	(3,517)	(95,384)	2,959	121,584	(7,328)	(6,094)	340	(12,555)	37,133
590.00	Engineering & supervis	27,422	15,752	26,024	21,388	25,724	26,544	25,872	26,337	24,249	23,958	19,129	27,589	289,988
	Prior year	27,804	28,060	27,039	20,336	24,357	24,373	25,530	22,308	27,401	24,315	18,613	23,942	294,078
	Change	(382)	(12,308)	(1,015)	1,052	1,367	2,171	342	4,029	(3,152)	(357)	516	3,647	(4,090)
593.00	Maintenance of overh	126,863	93,436	101,525	90,726	131,000	104,401	145,890	106,450	98,357	98,999	120,411	124,527	1,342,585
	Prior year	108,662	109,322	100,409	116,701	83,229	131,752	140,629	101,224	102,775	82,752	102,864	95,443	1,275,762
	Change	18,201	(15,886)	1,116	(25,975)	47,771	(27,351)	5,261	5,226	(4,418)	16,247	17,547	29,084	66,823
593.10	Right-of-way maintanc	142,800	149,129	131,415	172,482	128,585	138,795	179,380	111,157	117,684	123,935	122,747	135,579	1,653,688
	Prior year	180,654	126,211	136,980	147,743	200,964	162,558	137,865	111,654	103,989	113,549	83,050	179,024	1,684,241
	Change	(37,854)	22,918	(5,565)	24,739	(72,379)	(23,763)	41,515	(497)	13,695	10,386	39,697	(43,445)	(30,553)
593.20	Other Maintenance			53,886	54		32,133							86,073
	Prior year			121,069	37,337	16,308		58			503			175,275
	Change	0	0	(67,183)	(37,283)	(16,308)	32,133	(58)	0	0	(503)	0	0	(89,202)
595.00	Transformer maintena	1,223		3,070				1,949			2,407	6,122	606	15,377
	Prior year					5,369		2,005				9,048	5,931	22,353
	Change	1,223	0	3,070	0	(5,369)	0	(56)	0	0	2,407	(2,926)	(5,325)	(6,976)

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597.00	Meter maintenance									2,807				2,807
	Prior year				99					2,515				2,614
	Change	0	0	0	(99)	0	0	0	0	292	0	0	0	193
598.00	Miscellaneous distribu	3,001	2,531	2,192	2,000	2,078	1,496	1,541	6,145	3,430	4,313	2,061	3,497	34,285
	Prior year	4,361	4,469	4,939	4,795	2,183	4,358	2,492	6,442	2,452	3,568	3,324	2,629	46,012
	Change	(1,360)	(1,938)	(2,747)	(2,795)	(105)	(2,862)	(951)	(297)	978	745	(1,263)	868	(11,727)
***	Total Maintenance	301,309	260,848	318,112	286,650	287,387	303,369	354,632	250,089	246,527	253,612	270,470	291,798	3,424,803
	Prior year	321,481	268,062	390,436	327,011	332,410	323,041	308,579	241,628	239,132	224,687	216,899	306,969	3,500,335
	Change	(20,172)	(7,214)	(72,324)	(40,361)	(45,023)	(19,672)	46,053	8,461	7,395	28,925	53,571	(15,171)	(75,532)
901.0	Billing Supervision	12,708	11,219	12,266	11,731	9,966	10,752	12,723	11,553	11,650	10,907	11,722	11,036	138,233
	Prior year	12,753	13,392	12,257	10,552	9,158	11,767	9,201	12,271	12,991	12,343	13,103	10,706	140,494
	Change	(45)	(2,173)	9	1,179	808	(1,015)	3,522	(718)	(1,341)	(1,436)	(1,381)	330	(2,261)
902.00	Meter reading													0
	Prior year				199									199
	Change	0	0	0	(199)	0	0	0	0	0	0	0	0	(199)
903.00	Consumer records & c	84,009	74,384	78,234	73,991	79,401	77,743	74,706	73,462	76,006	75,006	70,890	76,874	914,706
	Prior year	86,159	78,713	79,882	78,763	77,593	74,194	73,380	76,360	84,411	76,790	77,715	72,624	936,584
	Change	(2,150)	(4,329)	(1,648)	(4,772)	1,808	3,549	1,326	(2,898)	(8,405)	(1,784)	(6,825)	4,250	(21,878)
903.10	Cash short/over	20	10	(20)	(11)	3	(100)		6					(92)
	Prior year	(10)	(10)		35	52	(91)		(20)	(5)	6		54	11
	Change	30	20	(20)	(46)	(49)	(9)	0	26	5	(6)	0	(54)	(103)
904.00	Uncollectibles	6,650	6,650	6,650	6,650	6,650	6,650	6,650	6,650	6,650	6,650	6,650	(55,019)	18,131
	Prior year	10,158	10,158	10,158	10,158	10,158	10,158	10,158	10,158	10,158	10,158	10,158	(109,008)	2,730
	Change	(3,508)	(3,508)	(3,508)	(3,508)	(3,508)	(3,508)	(3,508)	(3,508)	(3,508)	(3,508)	(3,508)	53,989	15,401
***	Total Consumer Accou	103,387	92,263	97,130	92,361	96,020	95,045	94,079	91,671	94,306	92,563	89,262	32,891	1,070,978
	Prior year	109,060	102,253	102,297	99,707	96,961	96,028	92,739	98,769	107,555	99,297	100,976	(25,624)	1,080,018
	Change	(5,673)	(9,990)	(5,167)	(7,346)	(941)	(983)	1,340	(7,098)	(13,249)	(6,734)	(11,714)	58,515	(9,040)
909.0	Informational Advertis	21,735	22,152	21,158	19,678	26,985	16,390	16,492	18,832	26,967	25,590	23,411	20,760	260,150
	Prior year	22,519	23,362	20,876	23,724	29,832	19,263	7,349	18,752	32,916	19,504	18,288	20,450	256,835
	Change	(784)	(1,210)	282	(4,046)	(2,847)	(2,873)	9,143	80	(5,949)	6,086	5,123	310	3,315
***	Total Customer Service	21,735	22,152	21,158	19,678	26,985	16,390	16,492	18,832	26,967	25,590	23,411	20,760	260,150
	Prior year	22,519	23,362	20,876	23,724	29,832	19,263	7,349	18,752	32,916	19,504	18,288	20,450	256,835
	Change	(784)	(1,210)	282	(4,046)	(2,847)	(2,873)	9,143	80	(5,949)	6,086	5,123	310	3,315

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912.0	Demonstration and Se	1,814	1,641	2,038	1,748	1,730	1,489	1,341	1,874	1,490	1,688	1,729	1,683	20,265
	Prior year	1,453	1,821	1,771	1,727	1,452	1,764	1,303	1,838	2,476	1,658	1,565	1,526	20,354
	Change	361	(180)	267	21	278	(275)	38	36	(986)	30	164	157	(89)
913.00	Advertising	500		128	3	537							671	1,839
	Prior year	168	150	628	(126)	137	445	(45)	(378)	307			(250)	1,036
	Change	332	(150)	(500)	129	400	(445)	45	378	(307)	0	0	921	803
***	Total Sales	2,314	1,641	2,166	1,751	2,267	1,489	1,341	1,874	1,490	1,688	1,729	2,354	22,104
	Prior year	1,621	1,971	2,399	1,601	1,589	2,209	1,258	1,460	2,783	1,658	1,565	1,276	21,390
	Change	693	(330)	(233)	150	678	(720)	83	414	(1,293)	30	164	1,078	714
920.00	Administrative salaries	95,150	89,790	82,898	83,958	87,876	94,615	92,666	95,624	94,226	87,652	99,816	88,733	1,093,004
	Prior year	105,597	101,075	95,039	87,842	85,552	97,004	90,064	95,450	91,011	87,121	97,273	86,194	1,119,222
	Change	(10,447)	(11,285)	(12,141)	(3,884)	2,324	(2,389)	2,602	174	3,215	531	2,543	2,539	(26,218)
921.00	Office supplies & exp	10,372	15,012	8,954	11,019	7,780	27,210	12,373	7,293	20,551	15,231	12,644	7,743	156,182
	Prior year	26,476	19,996	19,581	9,386	8,255	13,273	10,570	16,691	(10,446)	6,801	11,632	14,289	146,504
	Change	(16,104)	(4,984)	(10,627)	1,633	(475)	13,937	1,803	(9,398)	30,997	8,430	1,012	(6,546)	9,678
923.00	Outside services	11,268	4,058	4,002	4,618	4,000	4,194	4,020	5,993	6,993	3,993	5,105	12,620	70,864
	Prior year	11,702	4,980	3,912	4,534	3,909	4,089	3,909	3,920	3,925	6,483	5,189	6,655	63,207
	Change	(434)	(922)	90	84	91	105	111	2,073	3,068	(2,490)	(84)	5,965	7,657
926.00	Employee benefits													0
	Prior year						(15)	15						0
	Change	0	0	0	0	0	15	(15)	0	0	0	0	0	0
928.0	Regulatory											24	25	49
	Prior year													0
	Change	0	0	0	0	0	0	0	0	0	0	24	25	49
930.2	Annual Meeting	4,167	4,167	4,167	4,955	30,813	4,167	4,167	4,167	4,167	4,167	410	410	69,924
	Prior year	6,042	6,042	6,042	6,139	31,820	6,042	6,042	6,080	3,278	3,278	3,278	5,279	89,362
	Change	(1,875)	(1,875)	(1,875)	(1,184)	(1,007)	(1,875)	(1,875)	(1,913)	889	889	(2,868)	(4,869)	(19,438)
930.3	Miscellaneous general	133	737	858	1,296	356	12,355	1,823	8,500	1,459	2,712	1,923	1,912	34,064
	Prior year	923	2,296	769	798	2,081	1,751	1,748	5,433	1,718	3,239	2,753	1,643	25,152
	Change	(790)	(1,559)	89	498	(1,725)	10,604	75	3,067	(259)	(527)	(830)	269	8,912
930.4	Employee Training	317		2,125	3,535	632			2,089	13,163	9,283	3,376	760	35,280
	Prior year	2,780	6,858	3,220				1,527	11,103	11,711	4,490	1,506	479	43,674
	Change	(2,463)	(6,858)	(1,095)	3,535	632	0	(1,527)	(9,014)	1,452	4,793	1,870	281	(8,394)

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930.6	Directors expenses	8,347	8,479	8,092	9,059	8,242	16,705	9,054	8,566	12,295	24,811	21,898	23,278	158,826
	Prior year	8,304	7,780	7,943	7,619	8,192	8,777	14,139	8,582	8,024	12,649	32,739	18,930	143,678
	Change	43	699	149	1,440	50	7,928	(5,085)	(16)	4,271	12,162	(10,841)	4,348	15,148
930.7	Association Dues	4,808	4,808	4,808	4,808	4,808	4,808	4,808	4,808	4,808	4,808	322	325	48,727
	Prior year	4,806	4,806	4,806	4,806	4,806	4,806	4,806	4,806	4,806	4,806	4,806	4,812	57,678
	Change	2	2	2	2	2	2	2	2	2	2	(4,484)	(4,487)	(8,951)
935.00	Maintenance of gener:	21,649	15,314	47,341	18,213	22,204	34,742	21,711	23,688	26,119	32,410	10,936	13,884	288,211
	Prior year	30,930	36,064	17,385	25,801	25,970	19,088	19,653	18,580	17,205	41,795	37,541	35,137	325,149
	Change	(9,281)	(20,750)	29,956	(7,588)	(3,766)	15,654	2,058	5,108	8,914	(9,385)	(26,605)	(21,253)	(36,938)
***	Total Administrative &	156,211	142,365	163,245	141,461	166,711	198,796	150,622	160,728	183,781	185,067	156,454	149,690	1,955,131
	Prior year	197,560	189,897	158,697	146,925	170,585	154,815	152,473	170,645	131,232	170,662	196,717	173,418	2,013,626
	Change	(41,349)	(47,532)	4,548	(5,464)	(3,874)	43,981	(1,851)	(9,917)	52,549	14,405	(40,263)	(23,728)	(58,495)
403.60	Distribution depreciati	263,966	264,507	265,357	266,904	267,614	268,227	268,820	269,531	270,759	271,229	272,060	275,230	3,224,204
	Prior year	253,630	254,198	254,777	257,588	258,408	259,191	259,993	261,052	261,245	261,912	262,753	263,276	3,108,023
	Change	10,336	10,309	10,580	9,316	9,206	9,036	8,827	8,479	9,514	9,317	9,307	11,954	116,181
403.70	General depreciation	20,936	21,002	21,365	21,388	21,372	21,475	21,469	18,207	21,446	21,429	21,405	21,392	252,886
	Prior year	18,869	18,868	18,867	19,006	19,008	19,068	19,068	19,833	19,816	20,279	20,544	20,635	233,861
	Change	2,067	2,134	2,498	2,382	2,364	2,407	2,401	(1,626)	1,630	1,150	861	757	19,025
***	Total Depreciation	284,902	285,509	286,722	288,292	288,986	289,702	290,289	287,738	292,205	292,658	293,465	296,622	3,477,090
	Prior year	272,499	273,066	273,644	276,594	277,416	278,259	279,061	280,885	281,061	282,191	283,297	283,911	3,341,884
	Change	12,403	12,443	13,078	11,698	11,570	11,443	11,228	6,853	11,144	10,467	10,168	12,711	135,206
408.60	PSC Assessment	3,389	3,389	3,389	3,389	3,389	4,022	4,022	4,022	4,022	4,022	2,009	2,009	41,073
	Prior year	3,453	3,453	3,453	3,453	3,453	3,342	3,342	3,342	3,342	3,342	3,342	3,345	40,662
	Change	(64)	(64)	(64)	(64)	(64)	680	680	680	680	680	(1,333)	(1,336)	411
408.30	Payroll Tax													0
	Prior year				(14,590)	14,590								0
	Change	0	0	0	14,590	(14,590)	0	0	0	0	0	0	0	0
***408.7	PSC Assessment	3,389	3,389	3,389	3,389	3,389	4,022	4,022	4,022	4,022	4,022	2,009	2,009	41,073
	Prior year	3,453	3,453	3,453	(11,137)	18,043	3,342	3,342	3,342	3,342	3,342	3,342	3,345	40,662
	Change	(64)	(64)	(64)	14,526	(14,654)	680	680	680	680	680	(1,333)	(1,336)	411
427.10	RUS interest													0
	Prior year	32,761	30,578	32,630	31,517	32,495	31,903	32,898	32,820	31,711	32,699	31,581	20,379	373,972
	Change	(32,761)	(30,578)	(32,630)	(31,517)	(32,495)	(31,903)	(32,898)	(32,820)	(31,711)	(32,699)	(31,581)	(20,379)	(373,972)

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Acct #	Description	January Month 1	February Month 2	March Month 3	April Month 4	May Month 5	June Month 6	July Month 7	August Month 8	September Month 9	October Month 10	November Month 11	December Month 12	Total
427.20	CoBank interest	33,083	32,911	29,583	32,552	31,336	32,211	30,993	31,843	31,672	30,475	31,306	30,124	378,089
	Prior year	35,427	35,259	32,826	34,849	33,561	34,477	33,158	34,090	33,907	32,589	33,499	32,239	405,881
	Change	(2,344)	(2,348)	(3,243)	(2,297)	(2,225)	(2,266)	(2,165)	(2,247)	(2,235)	(2,114)	(2,193)	(2,115)	(27,792)
427.30	CFC interest	42,371	27,975	30,447	29,479	29,753	29,145	29,937	29,233	28,736	29,205	28,282	29,002	363,565
	Prior year	3,530	3,530	3,581	3,581	2,910	3,357	3,357	2,682	3,132	3,132	2,451	1,112	36,355
	Change	38,841	24,445	26,866	25,898	26,843	25,788	26,580	26,551	25,604	26,073	25,831	27,890	327,210
427.4	FFB interest	12,162	12,656	12,655	18,099	18,099	18,099	24,600	24,600	24,623	24,307	24,307	24,307	238,514
	Prior year	6,153	6,153	6,152	5,892	5,892	5,891	7,009	7,009	7,008	7,328	7,328	7,327	79,142
	Change	6,009	6,503	6,503	12,207	12,207	12,208	17,591	17,591	17,615	16,979	16,979	16,980	159,372
***	Total Interest on Long-	87,616	73,542	72,685	80,130	79,188	79,455	85,530	85,676	85,031	83,987	83,895	83,433	980,168
	Prior year	77,871	75,520	75,189	75,839	74,858	75,628	76,422	76,601	75,758	75,748	74,859	61,057	895,350
	Change	9,745	(1,978)	(2,504)	4,291	4,330	3,827	9,108	9,075	9,273	8,239	9,036	22,376	84,818
431.00	Interest - customer de	666	665	663	665	677	671	668	670	671	668	664	593	7,941
	Prior year	375	372	372	380	378	377	381	379	378	375	378	369	4,514
	Change	291	293	291	285	299	294	287	291	293	293	286	224	3,427
431.10	Short-term loans	5,535	1,254	(382)	350	18	18	500	1,961	1,962	1,474	3,268	4,385	20,343
	Prior year	668	2,225	2,225	1,700	1,700	1,700	1,700	4,740	4,740	6,745	4,153	2,753	35,049
	Change	4,867	(971)	(2,607)	(1,350)	(1,682)	(1,682)	(1,200)	(2,779)	(2,778)	(5,271)	(885)	1,632	(14,706)
431.20	Other interest													0
	Prior year													0
	Change	0	0	0	0	0	0	0	0	0	0	0	0	0
***	Total Interest - Other	6,201	1,919	281	1,015	695	689	1,168	2,631	2,633	2,142	3,932	4,978	28,284
	Prior year	1,043	2,597	2,597	2,080	2,078	2,077	2,081	5,119	5,118	7,120	4,531	3,122	39,563
	Change	5,158	(678)	(2,316)	(1,065)	(1,383)	(1,388)	(913)	(2,488)	(2,485)	(4,978)	(599)	1,856	(11,279)
***426.0	Donations	578	1,635	1,481	654	675	1,746	1,050	1,999	2,118	775	1,694	400	14,805
	Prior year	375	1,135	575	700	1,343	820	600	31,875	825	2,886	1,800	339	43,273
	Change	203	500	906	(46)	(668)	926	450	(29,876)	1,293	(2,111)	(106)	61	(28,468)
****	Total Cost of Electric S	2,844,178	2,404,495	2,495,682	2,193,653	2,257,249	2,503,906	2,678,072	2,471,417	2,175,511	2,332,318	2,519,048	2,850,626	29,726,155
	Prior year	3,188,279	2,766,548	2,415,136	2,212,067	2,323,738	2,602,761	2,714,957	2,598,172	2,368,197	2,128,536	2,353,977	2,740,779	30,413,147
	Change	(344,101)	(362,053)	80,546	(18,414)	(66,489)	(98,855)	(36,885)	(126,755)	(192,686)	203,782	165,071	109,847	(686,992)
****	Operating Margins	(97,079)	60,037	(464,062)	(184,823)	16,811	92,835	(129,671)	(232,578)	(1,359,424)	(311,218)	(71,487)	415,643	(2,265,016)
	Prior year	214,374	(339,387)	(231,202)	(302,523)	3,501	(24,281)	214,720	19,304	(310,705)	(6,380)	491,879	368,691	97,991
	Change	(311,453)	399,424	(232,860)	117,700	13,310	117,116	(344,391)	(251,882)	(1,048,719)	(304,838)	(563,366)	46,952	(2,363,007)

Grayson Rural Electric Cooperative
 Comparison of Test Year Income Statement Account
 Balances with those of the Preceding Year

Case No. 2018-00272

Exhibit X
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Acct #	Description	January Month 1	February Month 2	March Month 3	April Month 4	May Month 5	June Month 6	July Month 7	August Month 8	September Month 9	October Month 10	November Month 11	December Month 12	Total
*** 419.0	Interest income	2,441	2,967	5,670	2,684	2,618	2,599	2,534	2,526	2,514	2,465	2,454	2,474	33,946
	Prior year	2,462	2,492	2,513	2,490	2,452	2,444	2,441	2,449	2,421	2,441	2,449	2,338	29,392
	Change	(21)	475	3,157	194	166	155	93	77	93	24	5	136	4,554
415.00	Miscellaneous		(89)	(30)			(38)	(29)	(30)	(48)	(100)	(112)	(50)	(526)
	Prior year		(58)	(74)			(52)	(7)	(82)	(56)	(13)		(1)	(343)
	Change	0	(31)	44	0	0	14	(22)	52	8	(87)	(112)	(49)	(183)
415.40	Rental Property Reven	(400)	(400)	(400)	(400)	(400)	(400)	(400)	(400)	(400)	(400)	(400)	(400)	(4,800)
	Prior year	(400)	(400)	(400)	(400)	(400)	(400)	(400)	(400)	(400)	(400)	(400)	(400)	(4,800)
	Change	0	0	0	0	0	0	0	0	0	0	0	0	0
415.50	MACED Revenue	0		50					150					200
	Prior year	(15,266)	(802)	(454)										(16,522)
	Change	15,266	802	504	0	0	0	0	150	0	0	0	0	16,722
416.00	Incentives	(2,855)	(9,404)	(3,347)	(9,184)	(4,090)	(6,366)	(3,920)	(5,600)	(5,082)	(2,905)	(363)	(4,742)	(57,858)
	Prior year	(8,156)	(6,862)	(9,327)	(7,196)	(3,524)	(21,828)	(5,275)	(20,858)	3,635	(8,458)	(4,478)	(4,285)	(96,612)
	Change	5,301	(2,542)	5,980	(1,988)	(566)	15,462	1,355	15,258	(8,717)	5,553	4,115	(457)	38,754
416.50	MACED Expense	0				243			(23,708)					(23,465)
	Prior year	1,591	358			293			578	474	90		(749)	2,635
	Change	(1,591)	(358)	0	0	(50)	0	0	(24,286)	(474)	(90)	0	749	(26,100)
421.10	Gain (Loss) on Disposit	2,007		1,037	1,054	1,988	909	1,010	6,112	(25,232)	1,181	683	909	(8,342)
	Prior year	6,767	(7,639)				6,238	5,557	(8,500)	22		10,890		13,335
	Change	(4,760)	7,639	1,037	1,054	1,988	(5,329)	(4,547)	14,612	(25,254)	1,181	(10,207)	909	(21,677)
***	Total Other Deduction	(1,248)	(9,893)	(2,690)	(8,530)	(2,259)	(5,895)	(3,339)	(23,476)	(30,762)	(2,224)	(192)	(4,283)	(94,791)
	Prior year	(15,464)	(15,403)	(10,255)	(7,596)	(3,631)	(16,042)	(125)	(29,262)	3,675	(8,781)	6,012	(5,435)	(102,307)
	Change	14,216	5,510	7,565	(934)	1,372	10,147	(3,214)	5,786	(34,437)	6,557	(6,204)	1,152	7,516
*** 424.4	Patonage capital - East KY												504,926	504,926
	Prior year												1,223,640	1,223,640
	Change	0	0	0	0	0	0	0	0	0	0	0	(718,714)	(718,714)
*** 424.1	Patronage capital - other			53,470			524			33,801				87,795
	Prior year	2,489		126,937			312			4,059	4,884			138,681
	Change	(2,489)	0	(73,467)	0	0	212	0	0	29,742	(4,884)	0	0	(50,886)
*****	Net Margins	(93,390)	72,897	(402,232)	(173,609)	21,688	101,853	(123,798)	(206,576)	(1,292,347)	(306,529)	(68,841)	927,326	(1,543,558)
	Prior year	234,789	(321,492)	(91,497)	(292,437)	9,584	(5,483)	217,286	51,015	(307,900)	9,726	488,316	1,600,104	1,592,011
	Change	(328,179)	394,389	(310,735)	118,828	12,104	107,336	(341,084)	(257,591)	(984,447)	(316,255)	(557,157)	(672,778)	(3,135,569)

ACCOUNT	DESCRIPTION	AMOUNT
107.20	CONSTRUCTION WORK IN PROGRESS	855,861.52
107.21	CONST WORK IN PROG-OVERHEAD	0.00
107.22	2007 REMODELING WORK IN PROGRESS	0.00
107.23	AID TO CONSTRUCTION	0.00
107.24	PAYMENTS TO BE REIMBURSED	0.00
107.30	CONST WORK IN PROG-SPECIAL EQUIP	0.00
108.60	ACCUM PROV DEPR DISTRIBUTION PL	19,495,083.37-
108.61	SCRAP SALES	220,806.04-
108.70	ACCUM PROV DEPR COMM EQUIP - MAP	12,997.18-
108.71	ACCUM PROV DEPR OFFICE FURNITURE	595,062.84-
108.72	ACCUM PROV DEPR TRANSPORTATION	1,503,485.41-
108.73	ACCUM PROV DEPR STORES EQUIP	13,504.12-
108.74	ACCUM PROV DEPR SMALL TOOLS	38,690.22-
108.75	ACCUM PROV DEPR LAB EQUIP	123,813.38-
108.76	ACCUM PROV DEPR LARGE TOOLS	43,722.69-
108.77	ACCUM PROV DEPR COMMUNICATION EQ	511,078.77-
108.78	ACCUM PROV DEPR MISCELLANEOUS EQ	151,820.08-
108.79	ACCUM PROV DEPR STRUCTURE/IMPROV	764,091.42-
108.80	RETIREMENT WORK IN PROGRESS	146,227.16
108.81	RETIRE WORK IN PROGRESS-OVERHEAD	0.00
108.82	UNCOMPLETED RETIREMENT WORKORDER	0.00
121.00	LEASED HOMEGUARD SYSTEMS	0.00
121.10	NONUTILITY PROPERTY	0.00
122.00	ACCUM PROV DEPR HOMEGUARD SYSTEM	0.00
122.10	ACCUM PROV DEPR NON-UTILITY PROP	0.00
123.10	INV ASSOC ORG-PATRONAGE CAPITAL	15,704,261.10
123.11	KTI INVESTMENT	0.00
123.22	INV-CAPITAL TERM CERTIFICATE-CFC	624,107.50
123.23	OTHER INVESTMENT-ASSOC ORG	1,000.00
123.24	BUSINESS DEVELOPMENT CORP OF KY	0.00
123.25	KTI NOTES RECEIVABLE	0.00
123.26	INV - COOPERATIVE RESONSE CENTER	12,500.00
124.00	OTHER INVESTMENTS	98.65
131.10	GENERAL FUNDS ACCOUNT	213,277.09
131.11	PEOPLES SECURITY BANK/BLAINE	0.00
131.12	FIRST & PEOPLES BANK/GREENUP	0.00
131.13	THE CITIZENS BANK/MOREHEAD	0.00
131.14	KENTUCKY BANK / SANDY HOOK	0.00
131.15	FIRST NATIONAL BANK/GRAYSON	0.00
131.16	CITY NATIONAL BANK/GRAYSON	0.00
131.17	FIRST STAR BANK / MOREHEAD	0.00
131.18	PINNACLE BANK / LEWIS	0.00
131.19	THE COMMERCIAL BANK/GRAYSON	0.00
131.20	CASH - CONSTRUCTION FUND	0.00
131.30	PAYROLL ACCOUNT	0.00
131.31	PAYROLL-DIRECT DEPOSIT	0.00
131.40	TRANSFER OF CASH	0.00
131.50	CAPITAL CREDIT ACCOUNT	0.00
135.00	WORKING FUNDS	450.00

ACCOUNT	DESCRIPTION	AMOUNT
136.00	TEMPORARY CASH INVESTMENTS	0.00
136.20	KAEC CERTIFICATE OF DEPOSIT	0.00
136.40	CERTIFICATE OF DEPOSITS-SAVINGS	0.00
141.10	NOTES RECEIVABLE	0.00
142.10	ACCOUNTS RECEIVABLE - ELECTRIC	3,874,014.22
142.11	ACCOUNTS RECEIVABLE - CONTRACTS	12,663.84
142.12	ACCOUNTS RECV - MACED CONTRACTS	157,669.74
142.13	A/C RECV-MACED CONTRACT PENDING	0.00
142.15	ACCTS RECV - DEBT MGMNT/PREPAY	12,683.23
142.20	ACCOUNTS RECEIVABLE - OTHER	454,508.85
142.21	OTHER A/C RECEIVABLE	14,989.48
142.30	ANCILLARY BILLING SERVICES	0.00
142.40	A/C RECEIVABLE - RENTAL PROPERTY	0.00
142.50	ELECTRIC ASSIST - NORTHEAST	15,603.00
142.51	ELECTRIC ASSIST - GATEWAY	8,134.00
142.52	ELECTRIC ASSIST - LICKING VALLEY	686.00
142.53	ELECTRIC ASSIST - SALVATION ARMY	0.00
142.60	DIRECT LOAD CONTROL PROGRAM	15.00
142.65	COOPERATIVE SOLAR	0.00
143.00	ACCOUNTS RECEIVABLE-EMP & DIRECT	0.00
143.01	ACCOUNTS RECV - UNION ALLOWANCE	2,771.20-
143.02	ACCOUNTS RECV - OFFICE ALLOWANCE	4,680.67-
143.10	ACCOUNTS RECEIVABLE-24 HR INS	0.00
143.30	ACCOUNTS RECEIVABLE-LTD INS	399.48
143.31	OTHER A/C RECEIVE EMP & DIRECT	4,421.19
143.40	ACCOUNTS RECEIVABLE-UNION DUES	1,050.00-
143.50	C O B R A INSURANCE	0.00
143.60	EMPLOYEE LOAN PROGRAM	16,591.73
143.70	EMPLOYEE CHILD SUPPORT PAYMENTS	13.84
143.80	ACRE(ACTION COMM FOR RURAL ELEC)	0.00
143.90	UNITED WAY CONTRIBUTIONS	0.00
144.10	ACCUM PROV UNCOLLECT ELECTRIC	80,000.00-
144.20	ACCUM PROV UNCOLLECT - OTHER	20,410.49-
144.30	ACCUM PROV UNOLLECT - MACED	22,118.45-
146.00	KY TELECOMMUNICATIONS INC	0.00
146.10	FEMA REIMBURSEMENT	55,659.57
154.10	MATERIALS & SUPPLIES - ELECTRIC,	279,254.42
154.12	TRANSPORTATION INVENTORY	4,350.85
154.13	MATERIALS & SUPPLIES - ETS	0.00
154.14	MATERIALS & SUPPLIES - ETS	0.00
154.15	MATERIALS & SUPPLIES - HOMEGUARD	0.00
155.00	APPLIANCES & EQUIPMENT FOR SALE	0.00
155.10	EMERGENCY TEMPORARY SERVICES	0.00
155.20	HOMEGUARD INVENTORY	0.00
163.00	STORES CLEARING	0.00
163.10	MINOR MATERIAL CLEARING	0.00
165.10	MONUMENTAL LIFE INSURANCE CO	0.00
165.11	PREPAID INS-WORKERS COMPENSATION	0.00
165.12	PREPAID INS-VARIOUS	25,010.33

ACCOUNT	DESCRIPTION	AMOUNT
165.13	PREPAID INS-METLIFE/NRECA	27.65-
165.14	PREPAID INS-COLONIAL INSURANCE	0.00
165.15	PREPAID INS-LONG TERM DISABILITY	0.00
165.16	PREPAID INS-EMPLOYEES	0.00
165.17	PREPAID INS-AMERICIAN FAMILY	244.79-
165.18	PREPAID INS-RETIRED EMPLOYEES	0.00
165.19	PREPAID INS-CAPITOL AMERICAN	392.14-
165.20	PREPAID DUES-KAEC,NRECA, & OTHERS	0.00
165.21	KAEC ANNUAL SAFETY ASSESSMENT	0.00
165.22	PREPAID - CONTRACT SERVICES	0.00
165.23	PREPAID INS-SUPPLEMENTAL LIFE	0.00
165.30	PREPAID RETIREMENT-EMPLOYER PART	0.00
165.31	PREPAID INS - HSA EMPLOYER	0.00
165.32	PREPAID INS - HSA EMPLOYEE	0.00
165.40	PREPAID INS-M O D L	3,128.00
165.50	PREPAID SERVICE AGREEMENTS	0.00
165.60	PREPAID INS - EXCESS CATASTROPHE	2,299.00
165.70	PREPAID INS-DIRECTORS & ATTORNEY	0.00
165.80	PREPAID - 401(K) EMPLOYEES	0.00
165.81	PREPAID - 401(K) EMPLOYEE LOANS	0.00
165.82	PREPAID-401(K) EMPLOYERS PORTION	16,100.39
165.90	PREPAID-PAD MNT TRANSFORMER PROG	5,565.49
165.91	PREPAID - LEASE AGREEMENTS	0.00
171.00	INTEREST & DIVIDENDS RECEIVABLE	7,547.83
183.10	LONG RANGE WORK PLAN	0.00
184.10	TRANSPORTATION EXPENSE	0.00
184.11	TRANSPORTATION OVERHEAD EXPENSE	0.00
184.20	CLEARING ACCOUNT - OTHER	1,800.00
184.21	CLEARING A/C OTHER A/R	0.00
184.31	CLEARING A/C OTHER A/R EMP & DIR	0.00
186.00	MISC DEFERRED DEBITS	0.00
186.10	DEF DEBIT-CFC NRECA ADV PAY RS	908,250.00
186.20	DEF DEBIT - MAPPING	557,329.61
200.10	MEMBERSHIPS ISSUED	154,655.00-
200.20	MEMBERSHIPS SUBSCRIBED-UNISSUED	0.00
201.10	PATRONAGE CAPITAL CREDITS	30,121,591.50-
201.11	REFUND DECEASED EST-CAPITAL CR	2,685,571.49
201.12	REFUND GEN ROTATION-CAPITAL CR	160,656.60
201.13	VOIDED CHKS/GEN ROTATION-CAP CR	0.00
201.14	KTI ASSIGNABLE CAPITAL CREDITS	0.00
201.20	PATRONAGE CAPITAL ASSIGNABLE	0.00
201.30	DEFICIT MARGINS-PRIOR YEARS	48,661.70
208.00	VOIDED CHECKS-DONATED CAPITAL	43,392.32-
208.10	DISCOUNT DECEASED EST-CAPITAL CR	57,094.75-
208.20	VOIDED CAPITAL CR CHKS/UNCLAIMED	0.00
214.00	ACCUM OTHER COMPREHENSIVE INCOME	441,951.00
215.00	KTI RETAINED EARNINGS	0.00
217.00	GAIN - RETIRED CAPITAL CREDITS	63,845.61-
218.00	CAPITAL GAINS & LOSSES	0.00

ACCOUNT	DESCRIPTION	AMOUNT
219.10	OPERATING MARGINS	0.00
219.20	NON-OPERATING MARGINS	0.00
219.30	OTHER MARGINS	49,005.10-
224.11	OTHER LONG-TERM DEBT-SUBSCRIPT	0.00
224.12	CFC NOTES EXECUTED	9,606,249.18-
224.13	CFC NOTES EXECUTED-CONST-DEBIT	0.00
224.14	ZERO %LOAN CTC	0.00
224.20	COBANK NOTES EXECUTED	7,749,854.82-
224.25	CFC - NRECA ADV PYMNT RS	351,331.90-
224.30	RUS NOTES EXECUTED	0.00
224.40	RUS NOTES EXECUTED-CONST-DEBIT	0.00
224.50	FFB NOTES EXECUTED	39,404,670.62-
224.60	FFB NOTES EXECUTED-CONST-DEBIT	15,325,000.00
228.30	ACCUM PROV PENSIONS & BENEFITS	3,080,644.61-
228.40	LIMITED USE FLEX PLAN	4,979.26-
231.00	NOTES PAYABLE/OTHER	0.00
232.00	ACCOUNTS PAYABLE	342,344.51-
232.01	WHOLESALE POWER BILL	1,906,642.00-
232.10	VOIDED CHECKS	0.00
232.11	ACCOUNTS PAYABLE-MISCELLANEOUS	88,177.30-
232.12	ACCOUNTS PAYABLE - MACED	156,185.28-
232.23	ACCOUNTS PAYABLES - CREDIT UNION	0.00
232.30	ACCTS PAY-ANCILLARY BILLING SERV	0.00
232.31	EMPLOYEES KITTY FUND	3,326.79-
232.32	KITTY FUND (RELAY FOR LIFE)	72.74
232.33	KITTY FUND (COMMUNITY SERVICE)	238.62-
232.34	KITTY FUND (BIRTHDAY FUND)	0.00
232.35	KITTY FUND (UNION KITTY)	0.00
232.36	KITTY FUND (OFFICE EMPLOYEES)	0.00
233.00	NOTES PAYABLE/ASSOCIATED COMPANY	2,185,000.00-
235.00	CUSTOMER DEPOSITS	1,197,899.81-
235.10	CONTRACTS - CUSTOMER DEPOSITS	0.00
236.10	ACCRUED PROPERTY TAX	0.00
236.20	ACCR US SOC SEC TAX-UNEMPLOYMENT	0.00
236.30	ACCR US SOC SEC TAX-FICA	0.00
236.40	ACCR STATE UNEMPLOYMENT TAX	0.00
236.50	ACCRUE STATE SALES TAX-CUSTOMERS	92,858.82-
237.10	INTEREST ACCRUED - RUS	0.00
237.20	INTEREST ACCRUED - COBANK	0.00
237.30	INTEREST ACCRUED - CFC	2,032.54-
237.40	INTEREST ACCRUED-CFC SHORT TERM	0.00
237.50	INTEREST ACCR-CUSTOMER DEPOSITS	7,405.90-
237.60	INTEREST ACCRUED - FFB	0.00
241.00	FEDERAL INCOME TAX PAYABLE	0.00
241.10	STATE INCOME TAX PAYABLE	0.00
241.20	ROWAN CO OCCUPATIONAL TAX	0.00
241.30	GRAYSON CITY PAYROLL TAX	0.00
242.00	ACCRUED PAYROLL	63,685.61-
242.20	ACCRUED VACATION	159,278.05-

ACCOUNT	DESCRIPTION	AMOUNT
242.30	ACCRUED EMPLOYEE SICK LEAVE	245,058.57-
242.40	ACCUE WORKER'S COMP INSURANCE	0.00
242.50	PAST SERVICE - PENSION	0.00
242.52	ACCRUED LIABILITY-ANNUAL AUDIT	0.00
242.53	ACCRUED LIABILITY-P S C	0.00
242.55	WEATHERIZATION LOAN	0.00
242.60	ACCRUED ANNUAL MEETING EXPENSE	0.00
252.00	CUSTOMER ADV FOR CONSTRUCTION	90,245.70-
253.30	CUSTOMER ENERGY PP-CR FROM 14210	276,889.41-
253.40	CUSTOMERS DEFERRED NOTES RECEIV	0.00
253.50	WINTERCARE ENERGY FUND	0.00
360.00	LAND RIGHTS	0.00
362.00	SUB-STATION EQUIPMENT	31,054.20
364.00	POLES, TOWERS & FIXTURES	26,372,044.04
365.00	OVERHEAD CONDUCTORS & DEVICES	21,682,973.17
367.00	UNDERGROUND CONDUCTORS & DEVICES	460,149.88
368.00	LINE TRANSFORMERS	8,327,677.61
369.00	SERVICES	7,613,762.71
370.00	METERS	2,248,760.09
370.10	AUTOMATED METERING EQUIPMENT	1,128,106.95
370.20	DISCONNECT METER EQUIPMENT	305,808.36
371.00	INSTALLATION CUSTOMER PREMISES	2,023,424.53
384.00	COMMUNICATION EQUIP - MAPPING	45,863.62
389.00	LAND & LAND RIGHTS	232,210.00
390.00	STRUCTURES & IMPROVEMENTS	1,711,879.97
390.10	LEASE HOLD IMPROVEMENTS	11,235.83
391.00	OFFICE FURNITURE & EQUIPMENT	990,051.63
392.00	TRANSPORTATION EQUIPMENT	2,181,142.50
393.00	STORES EQUIPMENT	22,402.82
394.00	TOOLS, SHOP & GARAGE EQUIPMENT	67,145.88
395.00	LABORATORY EQUIPMENT	210,097.35
396.00	LARGE TOOLS	43,722.69
397.00	COMMUNICATIONS EQUIPMENT	106,222.75
397.05	COMM EQUIP - REPLACE EQUIP SUBS	10,913.57
397.10	COMM EQUIP - PACTOLUS SUB	78,249.60
397.20	COMM EQUIP - ELLIOTTVILLE SUB	78,878.71
397.30	COMM EQUIP - WARNOCK SUB	67,798.31
397.40	COMM EQUIP - ARGENTUM SUB	63,304.70
397.50	COMM EQUIP - CARTER CITY SUB	64,349.98
397.60	COMM EQUIP - PELFREY SUB	57,820.87
397.70	COMM EQUIP - AIRPORT ROAD SUB	52,937.98
397.80	COMM EQUIP - LOW GAP SUB	53,927.86
397.90	COMM EQUIP - LEON SUB	45,424.14
397.91	COMM EQUIP - SANDY HOOK SUB	55,295.75
397.92	COMM EQUIP - MAZIE	55,627.67
397.93	COMM EQUIP - NEWFOUNDLAND	58,236.41
398.00	MISCELLANEOUS EQUIPMENT	349,987.63
403.60	DEPRECIATION-DISTRIBUTION PLANT	3,224,204.67
403.70	DEPRECIATION-GENERAL PLANT	252,887.00

ACCOUNT	DESCRIPTION	AMOUNT
408.10	TAXES - PROPERTY	0.00
408.20	TAXES - FEDERAL UNEMPLOYMENT	0.00
408.30	TAXES - FICA	0.00
408.40	TAXES - STATE UNEMPLOYMENT	0.00
408.60	REGULATORY COMMISSION ASSESSMENT	41,073.93
415.00	REVENUE-MERCHANDISE, JOB, CONTRACT	525.58-
415.10	HOMEGUARD REVENUE	0.00
415.20	ANCILLARY BILLING SERV - REVENUE	0.00
415.30	ETS REVENUE	0.00
415.40	RENTAL PROPERTY - REVENUE	4,800.00-
415.50	MACED REVENUE	199.50
416.00	INCENTIVES/GEOTHERMAL, ETS, MISC	57,859.69-
416.10	HOMEGUARD EXPENSE	0.00
416.20	ANCILLARY BILL SERV - EXPENSE	0.00
416.30	ETS - EXPENSE	0.00
416.40	RENTAL PROPERTY - EXPENSE	400.90
416.50	MACED EXPENSE	23,865.68-
417.00	KTI REVENUE	0.00
417.10	KTI EXPENSES	0.00
418.10	KTI EQUITY	0.00
419.00	INTEREST INCOME NON-OPERATING	31,671.67-
419.10	INTEREST INCOME - KTI	0.00
419.20	NOW ACCOUNT INTEREST	493.20-
419.30	COMMERCIAL PAPER INTEREST	1,779.43-
421.00	MISC NON-OPERATING INCOME	0.00
421.20	LOSS/GAIN DISPOSITION PROPERTY	8,339.94-
423.00	G & T CAPITAL CREDITS	504,925.70-
424.00	OTHER CAP CR & PATRONAGE ALLOC	87,794.87-
426.00	MISCELLANEOUS INCOME DEDUCTIONS	0.00
426.10	MISCELLANEOUS DEDUCTION-DONATION	14,805.33
426.30	PENALTIES OR FINES	0.00
426.50	OTHER DEDUCTIONS-LOSS ON INVEST	0.00
427.10	INTEREST-RUS	0.00
427.15	INTEREST - RUS NRECA ADV PAY RS	0.00
427.20	INTEREST - COBANK	378,088.79
427.30	INTEREST-CFC	363,564.23
427.40	INTEREST - TREASURY RATE	0.00
427.60	INTEREST - FFB	238,514.27
430.00	INTEREST ASSOCIATED ORGANIZATION	20,343.01
431.00	OTHER INTEREST EXPENSE	0.00
431.30	INTEREST-REFUND CUSTOMER DEPOSIT	7,941.33
435.10	FASB 106-EFFECT ON PRIOR YEARS	0.00
440.10	RESIDENTIAL SALES	18,600,850.15-
440.40	CAMP & BARN SALES	1,331,734.18-
442.10	SMALL COMMERCIAL SALES	2,030,768.78-
442.20	LARGE POWER SALES	2,604,840.27-
442.30	LARGE INDUSTRIAL(OVER 1,000 KVA)	1,896,222.50-
444.00	STREET LIGHT SALES	7,006.48-
450.00	FORFEITED DISCOUNTS	426,628.11-

ACCOUNT	DESCRIPTION	AMOUNT
451.00	MISCELLANEOUS SERVICE REVENUE	0.00
454.00	RENT FROM ELECTRIC PROPERTY	507,748.08-
456.00	OTHER ELECTRIC SERVICE	55,343.47-
555.00	PURCHASED POWER	17,151,603.00
583.00	OVERHEAD LINE EXPENSE	538,051.11
585.00	STREET LIGHT EXPENSE	0.00
586.00	METER EXPENSE	432,008.23
586.10	METER OPERATION SURVEY	63,359.17
586.20	AUTOMATED METER EQUIP EXPENSE	39,473.41
588.00	MAPPING EXPENSE	223,229.61
588.10	MAPPING OPERATIONS	3,843.88
588.30	EASEMENT RECORDING	0.00
590.00	MAINTENANCE SUPERVISION	289,988.36
593.00	MAINTENANCE OF OVERHEAD LINES	1,342,583.93
593.10	MAINTENANCE OF LINE RIGHT-OF-WAY	1,653,689.34
593.20	MAINTENANCE STORM EXPENSES	86,072.84
594.00	MAINTENANCE OF UNDERGROUND LINES	1,000.00
595.00	MAINTENANCE OF TRANSFORMERS	17,149.08
596.00	MAINTENANCE OF STREET LIGHTS	35.83
597.00	MAINTENANCE OF METERS	0.00
598.00	MAINTENANCE-MISC DISTRIBUTION	34,285.70
901.00	SUPERVISION - BILLING	138,233.25
902.00	METER READING EXPENSE	0.00
903.00	CUSTOMERS RECORDS & COLLECTIONS	914,705.26
903.10	CASH DRAWER-OVERAGES & SHORTAGES	92.40-
904.00	UNCOLLECTIBLE ACCOUNTS	18,130.80
909.00	INFORMATIONAL ADVERTISING	260,150.32
912.00	DEMONSTRATION & SELLING EXPENSE	20,264.05
913.00	ADVERTISING	1,838.98
920.00	ADMINISTRATIVE-GENERAL SALERIES	1,093,002.61
921.00	OFFICE SUPPLIES & EXPENSES	156,181.84
923.00	OUTSIDE SERVICES	70,864.25
924.00	PROPERTY INSURANCE	0.00
925.00	INJURIES & DAMAGES	0.00
926.00	EMPLOYEE BENEFITS	0.00
926.10	EMPLOYEE PENSION & BENEFITS	0.00
928.00	REGULATORY COMMISSION EXPENSES	48.55
930.20	ANNUAL MEETING EXPENSES	69,924.64
930.21	CAPITAL CREDIT EXPENSES	0.00
930.30	MISCELLANEOUS GENERAL EXPENSES	34,063.09
930.40	MISC FIELD TRAINING	35,279.69
930.60	BOARD OF DIRECTOR'S EXPENSES	158,827.47
930.70	DUES - NRECA & KAEC	48,726.69
932.00	MAINTENANCE OF GENERAL PLANT	288,211.33
999.99	FIXED JOURNAL ACCOUNT	0.00

ACCOUNT	DESCRIPTION	AMOUNT
	ACCOUNTS 000.00 TO 399.99	1,543,559.09-
	ACCOUNTS 400.00 TO 999.99	1,543,559.09

Grayson Rural Electric Cooperative
Case No. 2018 - 00272
Comparative Capital Structure (Excluding JDIC)
For the Periods as Shown
"000" Omitted

Line No.	Type of Capital	2007 8th Year		2008 7th Year		2009 6th Year		2010 5th Year		2011 6th Year		2012 5th Year	
		Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
1	Long Term Debt	31,664	63%	35,953	67%	34,621	62%	36,262	63%	37,843	55%	39,176	56%
2	Short Term Debt	1,730	3%	1,230	2%	4,612	8%	3,329	6%	2,873	4%	3,250	5%
3	Memberships	151	0%	152	0%	152	0%	153	0%	152	0%	152	0%
4	Patronage Capital	16,993	34%	16,622	31%	16,173	29%	17,722	31%	18,215	26%	18,498	27%
5	Other (Itemize by type)												
6	Total Capitalization	50,538	100%	53,957	100%	55,558	100%	57,466	100%	59,083	86%	61,076	87%

Line No.	Type of Capital	2013 2nd Year		2014 1st Year		2015 2nd Year		2016 1st Year		2017 Test year		Latest Quarter December 31, 2017		Average Test Year	
		Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
1	Long Term Debt	42,022	64%	44,326	66%	42,230	61%	40,052	57%	41,787	60%	42,051	61%	42,677	61%
2	Short Term Debt	1,625	2%	0	0%	1,140	2%	3,150	4%	2,185	3%	1,957	3%	1,057	2%
3	Memberships	151	0%	152	0%	153	0%	153	0%	155	0%	155	0%	154	0%
4	Patronage Capital	21,386	33%	23,123	34%	25,239	37%	26,728	38%	25,454	37%	24,877	36%	25,915	37%
5	Other (Itemize by type)														
6	Total Capitalization	65,184	100%	67,601	100%	68,762	100%	70,083	100%	69,581	100%	69,040	100%	69,804	100%

Grayson Rural Electric Cooperative
Case No. 2018 - 00272
Calculation of Average Test Period Capital Structure
12 months ended December 31, 2017

Line No.	Item (a)	Total Capital (b)	Long-Term Debt (c)	Short-Term Debt (d)	Memberships (e)	Common Stock (f)	Patronage Capital (g)	Total Common Equity (h)
1	Balance Beginning of Test year	70,083	40,052	3,150	153		26,728	
2	1st month	70,768	43,973		153		26,642	
3	2nd month	70,644	43,784		153		26,707	
4	3rd month	69,950	43,485		154		26,311	
5	4th month	69,930	43,403	150	154		26,223	
6	5th month	69,805	43,216	295	154		26,140	
7	6st month	69,946	42,903	672	155		26,216	
8	7th month	69,844	42,831	770	155		26,088	
9	8th month	70,280	42,652	1,215	155		26,258	
10	9th month	69,079	42,347	1,620	155		24,957	
11	10th month	68,852	42,274	1,785	155		24,638	
12	11th month	68,686	42,092	1,900	155		24,539	
13	12th month	69,581	41,787	2,185	155		25,454	
14	Total (Line 1 through Line 13)	907,448	554,799	13,742	2,006	0	336,901	0
15	Average balance (Line 14/13)	69,804	42,677	1,057	154	0	25,915	0
16	Average capitalization ratios	100%	61%	2%	0%	0%	37%	0%
17	End of period capitalization ratios	100%	60%	3%	0%	0%	37%	0%

Grayson Rural Electric Cooperative

Case No. 2018-00272

December 31, 2017

Payroll Adjustment

To reflect the increase granted by the Board of Directors, the step increases and promotions during the year. To give recognition to employees terminated, retired, and employed during the test year. Increases are granted on the anniversary date of each non-bargaining employees. Wage increases for bargaining unit employees are January 1st of each year. Overtime pay is calculated at 1-½ times regular pay.

The Vacation Policy allows for payment after an employee becomes eligible for fifteen (15) or more annual vacation days. At the option of the Cooperative, an employee may receive pay at their base hourly rate in lieu of five (5) work days (40 hours) of vacation time, not to exceed two (2) weeks per year. If Grayson would not make payment for excess hours, employees would take the medical day and be absent from work instead of forfeiting the hours. This would cause a disruption in the work force and the timing of work crews, customer service representatives, and other departments. To ensure continuity of work, Grayson has elected to pay employees for the hours rather than allowing employees to take time off just to keep from forfeiting hours. The payment for excess hours during the test year will be representative of future years' payments for excess medical leave hours.

Grayson has always hired summer and part-time employees, and anticipates this will continue into future years. These employees were normalized at the same rate and hours during the test year.

The amount of increase was allocated based on the actual test year.

Normalized wages	\$3,469,505
Test year wages	<u>3,409,077</u>
Adjustment	<u>\$60,428</u>

Witness: Carol Fraley

Wage and salary increases for the test year and previous five (5) years are as follows:

	Bargaining	Non- Bargaining
2018	\$0.50 / hr	\$0.50 / hr
2017	\$1.25 / hr	3.67%
2016	\$1.25 / hr	3.81%
2015	\$1.25 / hr	3.96%
2014	\$1.25 / hr	4.12%
2013	\$1.25 / hr	3.29%

Employee Number 610 retired during the test year, there were not employees hired.

The allocation is on the following page.

1 Grayson Rural Electric Cooperative
 2 Case No. 2018-00272
 3 Payroll Adjustment
 4

Exhibit 1
 3 page of 9
 Witness: James Adkins

5	Account		Test Year		Allocation of
6	Number	Description	Amount	Percent	Increase
7	107.0	Construction work in progress	\$ 518,122	15%	\$ 9,184
8	108.0	Retirement work in progress	167,284	5%	2,965
9	143.0	Other receivable	35,111	1%	622
10	163.0	Stores	246,181	7%	4,364
11	184.1	Transportation	46,170	1%	818
12	242.2	Sick/Vacation	306,536	9%	5,434
13	583.0	Overhead line expense	20,240	1%	359
14	586.0	Meter expense	248,905	7%	4,412
15	588.0	Mapping expense	71,443	2%	1,266
16	590.0	Maintenance, supervision	134,567	4%	2,385
17	593.0	Maintenance, right-of-way	538,571	16%	9,547
18	598.0	Miscellaneous distribution	5,498	0%	97
19	901.0	Billing, supervision	63,691	2%	1,129
20	903.0	Customer record and collections	284,433	8%	5,042
21	909.0	Informational expense	67,342	2%	1,194
22	912.0	Demonstration and selling	9,103	0%	161
23	920.0	Administration and general	547,378	16%	9,703
24	921.0	Office supplies and expenses	34	0%	1
25	926.0	Employee benefits	31,826	1%	564
26	930.0	Miscellaneous general expenses	33,296	1%	590
27	932.0	Maintenance of general plant	33,346	1%	591
28			<u>\$ 3,409,077</u>	<u>100%</u>	<u>\$ 60,428</u>
29					

Employee Number	Position	Hours				Test Year Wages						Normalized Wages					Increase/ (Decrease)			
		Regular	Overtime	Vacation Payout	Safety Incentive	Total	Regular	Overtime	Vacation Payout	Safety Incentive	Christmas/ n Lieu Of	Total	January 1, 2018 Wage Rate	Regular	Overtime	Vacation Payout		Safety Incentive	Total	
100	Mgr of Mktg/Mbr Svcs	2,080.0		80.0	8.0	2,168.0	75,835		1,413	283	100	77,631	\$36.62	76,170	-	2,930	293	79,392	1,762	2.27%
205	Executive Assistant	2,080.0		89.0	8.0	2,177.0	72,937		1,711	269	150	75,067	\$34.94	72,675	-	3,110	280	76,064	997	1.33%
212	Manager of Operations	2,080.0		125.0	8.0	2,213.0	102,116		6,196	391	150	108,853	\$50.72	105,498	-	6,340	406	112,243	3,390	3.11%
226	Mgr of Technical Servc	2,080.0		128.0	8.0	2,216.0	103,858		4,376	383	150	108,767	\$49.73	103,438	-	6,365	398	110,202	1,435	1.32%
232	Asst Mgr of Operations	2,080.0		80.0	8.0	2,168.0	97,521		3,734	373	150	101,778	\$48.39	100,642	-	3,871	387	104,900	3,122	3.07%
249	GIS Technician	2,080.0		43.0	8.0	2,131.0	76,830		1,594	297	150	78,871	\$38.43	79,934	-	1,652	307	81,394	3,023	3.83%
602	Mgr Acctg/Human Resc	2,080.0		-	8.0	2,088.0	75,224		-	291	150	75,665	\$37.65	78,312	-	-	301	78,613	2,948	3.90%
622	Technical Svc Supervisc	2,080.0		84.0	8.0	2,172.0	59,795		2,420	230	150	62,595	\$29.87	62,130	-	2,509	239	64,878	2,283	3.65%
643	Mgr of Finance & Acctg	2,080.0		-	8.0	2,088.0	82,145	Bonus	-	317	150	82,612	\$41.10	85,488	-	-	329	85,817	3,205	3.88%
900	President & CEO	2,048.0		24.0	8.0	2,080.0	143,473	1,500	1,645	548	150	147,316	\$69.22	143,978	-	1,661	554	146,193	(1,123)	-0.76%
Subtotal Salary		20,768.0	-	653.0	80.0	21,501.0	889,734	1,500	23,089	3,382	1,450	919,155		908,264	-	28,438	3,493	940,196	21,041	
225	Energy Advisor	2,080.0	17.0		8.0	2,105.0	61,744	764		237	100	62,845	\$30.67	63,794	782	-	245	64,821	1,976	3.14%
605	Div Asst-Mbr Services	2,080.0	38.0		8.0	2,126.0	43,647	1,202		168	100	45,117	\$21.72	45,178	1,238	-	174	46,589	1,472	3.26%
609	Plant Accountant	2,080.0		40.0	8.0	2,128.0	55,491		1,084	209	100	56,884	\$27.09	56,347	-	1,084	217	57,648	764	1.34%
611	Member Service Rep	2,080.0	13.0		8.0	2,101.0	41,512	387		155	100	42,154	\$20.81	43,285	406	-	166	43,857	1,703	4.04%
615	Admin Assistant	2,080.0	2.0	110.0	8.0	2,200.0	43,487	62	2,358	166	100	46,173	\$21.80	45,344	65	2,398	174	47,982	1,809	3.92%
616	Billing Administration	2,080.0	4.0	17.0	8.0	2,109.0	40,426	115	341	154	100	41,136	\$20.07	41,746	120	341	161	42,368	1,232	2.99%
617	Customer Service Rep	2,080.0	17.0		8.0	2,105.0	36,504	447		141	100	37,192	\$18.30	38,064	467	-	146	38,677	1,485	3.99%
618	Payroll/Bookkeeper	2,080.0		125.0	8.0	2,213.0	60,818		3,656	234	100	64,808	\$29.24	60,819	-	3,655	234	64,708	(100)	-0.15%
619	Customer Service Rep	2,080.0	8.0	1.0	8.0	2,097.0	38,114	218	18	145	100	38,595	\$18.81	39,125	226	19	150	39,520	925	2.40%
632	Division Asst - Operatic	2,080.0	3.0		8.0	2,091.0	35,599	77		137	100	35,913	\$17.76	36,941	80	-	142	37,163	1,250	3.48%
634	Customer Service Rep	2,080.0	9.0		8.0	2,097.0	35,162	227		134	100	35,623	\$17.32	36,026	234	-	139	36,398	775	2.18%
638	Customer Service Rep	2,080.0	16.0	46.0	8.0	2,150.0	30,571	353	676	118	100	31,818	\$15.24	31,699	366	701	122	32,888	1,070	3.36%
640	Div Assist-Acctg/Financ	2,080.0	6.0		8.0	2,094.0	33,335	143		129	100	33,707	\$16.68	34,694	150	-	133	34,978	1,271	3.77%
Subtotal Hourly/Non-Bargaining		27,040.0	133.0	339.0	104.0	27,616.0	556,410	3,995	8,133	2,127	1,300	571,965		573,061	4,134	8,198	2,204	587,596	15,631	
200	1st Class Lineman	2,080.0	362.0	48.0	8.0	2,498.0	73,546	19,197	1,697	283	100	94,823	\$35.85	74,568	19,467	1,721	287	96,042	1,219	1.29%
201	1st Class Lineman	2,080.0	164.0	16.0	8.0	2,268.0	69,847	8,261		269	100	78,477	\$35.85	74,568	8,819	574	287	84,248	5,771	7.35%
204	Apprentice Lineman-4t	2,053.0	345.0	39.0	8.0	2,445.0	63,858	16,366	1,273	255	100	81,852	\$34.06	69,925	17,626	1,328	272	89,152	7,300	8.92%
210	Maintenance Leadman	2,080.0	289.0	112.0	8.0	2,489.0	76,378	15,918	4,112	294	100	96,802	\$37.22	77,418	16,135	4,169	298	98,019	1,217	1.26%
211	Maintenance Leadman	2,080.0	461.0	36.0	8.0	2,585.0	76,340	25,380	1,322	294	100	103,436	\$37.22	77,418	25,738	1,340	298	104,793	1,357	1.31%
215	Maintenance Leadman	2,080.0	519.0	126.0	8.0	2,733.0	75,858	28,394	4,595	292	100	109,239	\$36.97	76,898	28,781	4,658	296	110,633	1,394	1.28%
217	Engineering Party Chief	2,080.0	10.0		8.0	2,098.0	74,131	535		285	100	75,051	\$36.14	75,171	542	-	289	76,002	951	1.27%
219	Warehousemn	2,080.0	103.0	27.0	8.0	2,218.0	76,149	5,657	988	293	100	83,187	\$37.11	77,189	5,733	1,002	297	84,221	1,034	1.24%
220	Engineering Party Chief	2,080.0	44.0	68.0	8.0	2,200.0	73,845	2,352	2,424	285	100	79,006	\$36.14	75,171	2,385	2,458	289	80,303	1,297	1.64%
221	Maintenance Leadman	2,080.0	261.0	28.0	8.0	2,377.0	75,858	14,279	1,021	292	100	91,550	\$36.97	76,898	14,474	1,035	296	92,702	1,152	1.26%
223	Maintenance Leadman	2,080.0	200.0	38.0	8.0	2,326.0	75,657	10,942	1,386	292	100	88,377	\$36.97	76,898	11,091	1,405	296	89,689	1,312	1.48%
227	Meterman, 1st Class	2,080.0	28.0	80.0	8.0	2,196.0	72,531	1,465	2,789	279	100	77,164	\$35.37	73,570	1,486	2,830	283	78,168	1,004	1.30%
229	Maintenance Leadman	2,080.0	277.0	72.0	8.0	2,437.0	76,378	15,257	2,644	294	100	94,673	\$37.22	77,418	15,465	2,680	298	95,860	1,187	1.25%
237	Construction Leadman	1,973.0	496.0		8.0	2,477.0	74,903	27,898		300	100	103,201	\$37.97	74,915	28,250	-	304	103,468	267	0.26%
239	Construction Leadman	2,080.0	329.0	104.0	8.0	2,521.0	78,459	18,615	3,922	302	100	101,398	\$38.22	79,498	18,862	3,975	306	102,640	1,242	1.22%
251	1st Class Lineman	2,080.0	345.0	37.0	8.0	2,470.0	74,376	18,410	1,308	283	100	94,477	\$35.85	74,568	18,552	1,326	287	94,734	257	0.27%
253	Mechanic	2,080.0	115.0	34.0	8.0	2,237.0	69,354	5,681	1,120	263	100	76,518	\$34.43	71,614	5,939	1,171	275	79,000	2,482	3.24%
254	1st Class Lineman	2,052.0	472.0	32.0	8.0	2,564.0	72,778	25,054	1,131	283	100	99,346	\$35.85	73,564	25,382	1,147	287	100,380	1,034	1.04%
257	Meterman, 2nd Class	2,080.0	40.0	38.0	8.0	2,166.0	66,875	1,913	1,251	251	100	70,390	\$33.43	69,534	2,006	1,270	267	73,078	2,688	3.82%
258	1st Class Lineman	2,052.0	524.0	36.0	8.0	2,620.0	72,538	27,805	1,273	283	100	101,999	\$35.85	73,564	28,178	1,291	287	103,320	1,321	1.29%
620	Groundman (15 Yr Svc)	2,080.0	90.0	20.0	8.0	2,198.0	66,345	4,289	656	251	100	71,641	\$33.30	69,264	4,496	666	266	74,692	3,051	4.26%
Subtotal Bargaining		43,490.0	5,474.0	991.0	168.0	50,123.0	1,536,004	293,668	34,911	5,923	2,100	1,872,606		1,569,629	299,405	36,045	6,064	1,911,143	38,537	
648	Summer/Part time	42.0				42.0	305					305	\$7.25	305	-	-	-	305	(1)	-0.16%

Employee Number	Position	Hours				Test Year Wages						January 1, 2018 Wage Rate	Normalized Wages					Increase/ (Decrease)		
		Regular	Overtime	Vacation Payout	Safety Incentive	Total	Regular	Overtime	Vacation Payout	Safety Incentive	Christmas/ n Lieu Of		Total	Regular	Overtime	Vacation Payout	Safety Incentive		Total	
650	Summer/Part time	455.0				455.0	3,299					3,299	\$7.25	3,299	-	-	-	3,299	(0)	-0.01%
651	Summer/Part time	2.0				2.0	14				14	\$7.25	15	-	-	-	15	1	3.57%	
652	Summer/Part time	700.0				700.0	5,075				5,075	\$7.25	5,075	-	-	-	5,075	-	0.00%	
653	Summer/Part time	296.0				296.0	2,146				2,146	\$7.25	2,146	-	-	-	2,146	-	0.00%	
654	Summer/Part time	651.0				651.0	4,720				4,720	\$7.25	4,720	-	-	-	4,720	(0)	-0.01%	
655	Summer/Part time	697.0				697.0	5,053				5,053	\$7.25	5,053	-	-	-	5,053	0	0.00%	
656	Summer/Part time	442.0	4.0			446.0	3,205	43			3,248	\$7.25	3,205	44	-	-	3,248	-	0.00%	
657	Summer/Part time	433.0	4.0			437.0	3,139	43			3,182	\$7.25	3,139	44	-	-	3,183	1	0.02%	
658	Summer/Part time	485.0	1.0			486.0	3,516	11			3,527	\$7.25	3,516	11	-	-	3,527	0	0.00%	
Subtotal Summer/Part-time		4,203.0	9.00	-	-	4,212.00	30,472	97	-	-	30,569		30,472	98	-	-	30,570	1		
Retired																				
610		24.0		515.0	8.0	547.0	865		13,917		14,782	\$0.00	-	-	-	-	-	(14,782)	-100.00%	
Total		95,525.0	5,616.0	2,498.0	360.0	103,999.0	3,013,485	299,260	80,050	11,432	4,850	3,409,077		3,081,426	303,637	72,681	11,761	3,469,505	60,428	1.77%

Employee Number	Position	January 1, 2015 Wage Rate	January 1, 2016 Wage Rate	Percent Change	January 1, 2017 Wage Rate	Percent Change	January 1, 2018 Wage Rate	Percent Change
100	Mgr of Mktg/Mbr Svcs	\$ 32.73	\$ 34.03	3.96%	\$ 35.33	3.81%	\$ 36.62	3.66%
205	Executive Assistant	\$ 31.09	\$ 32.37	4.12%	\$ 33.65	3.96%	\$ 34.94	3.82%
212	Manager of Operations	\$ 45.33	\$ 47.13	3.96%	\$ 48.92	3.81%	\$ 50.72	3.68%
226	Mgr of Technical Services	\$ 44.25	\$ 46.08	4.12%	\$ 47.90	3.96%	\$ 49.73	3.82%
232	Asst Mgr of Operations	\$ 43.25	\$ 44.96	3.96%	\$ 46.67	3.81%	\$ 48.39	3.67%
249	GIS Technician	\$ 33.65	\$ 35.71	6.10%	\$ 37.07	3.81%	\$ 38.43	3.67%
602	Mgr Acctg/Human Resources	\$ 33.65	\$ 34.99	3.96%	\$ 36.32	3.81%	\$ 37.65	3.66%
622	Technical Svc Supervisor	\$ 26.60	\$ 27.76	4.34%	\$ 28.81	3.81%	\$ 29.87	3.67%
643	Mgr of Finance & Acctg	\$ 36.74	\$ 38.19	3.96%	\$ 39.65	3.81%	\$ 41.10	3.66%
900	President & CEO	\$ 64.00	\$ 65.93	3.00%	\$ 68.54	3.96%	\$ 69.22	1.00%
Subtotal Salary								
225	Energy Advisor	\$ 27.40	\$ 28.49	3.98%	\$ 29.58	3.83%	\$ 30.67	3.68%
605	Div Asst-Mbr Services	\$ 19.41	\$ 20.18	3.97%	\$ 20.95	3.82%	\$ 21.72	3.68%
609	Plant Accountant	\$ 24.12	\$ 25.11	4.10%	\$ 26.10	3.94%	\$ 27.09	3.79%
611	Member Service Rep	\$ 18.59	\$ 19.33	3.98%	\$ 20.07	3.83%	\$ 20.81	3.69%
615	Admin Assistant	\$ 19.28	\$ 20.04	3.94%	\$ 20.80	3.79%	\$ 21.80	4.81%
616	Billing Administration	\$ 17.79	\$ 18.49	3.93%	\$ 19.19	3.79%	\$ 20.07	4.59%
617	Customer Service Rep	\$ 16.35	\$ 17.00	3.98%	\$ 17.65	3.82%	\$ 18.30	3.68%
618	Payroll/Bookkeepr	\$ 26.15	\$ 27.01	3.29%	\$ 28.13	4.15%	\$ 29.24	3.95%
619	Customer Service Rep	\$ 16.80	\$ 17.47	3.99%	\$ 18.14	3.84%	\$ 18.81	3.69%
632	Division Asst - Operations	\$ 15.25	\$ 15.85	3.93%	\$ 17.13	8.08%	\$ 17.76	3.68%
634	Customer Service Rep	\$ 15.25	\$ 16.10	5.57%	\$ 16.71	3.79%	\$ 17.32	3.65%
638	Customer Service Rep	\$ 13.62	\$ 14.16	3.96%	\$ 14.70	3.81%	\$ 15.24	3.67%
640	Div Assist-Acctg/Finance	\$ 14.71	\$ 15.50	5.37%	\$ 16.09	3.81%	\$ 16.68	3.67%
Subtotal Hourly/Non-Bargaining								
200	1st Class Lineman	\$ 32.85	\$ 34.10	3.81%	\$ 35.35	3.67%	\$ 35.85	1.41%
201	1st Class Lineman	\$ 30.69	\$ 32.40	5.57%	\$ 33.58	3.64%	\$ 35.85	6.76%
204	Apprentice Lineman-4th Yr	\$ 24.64	\$ 27.28	10.71%	\$ 31.82	16.64%	\$ 34.06	7.04%
210	Maintenance Leadman	\$ 34.22	\$ 35.47	3.65%	\$ 36.72	3.52%	\$ 37.22	1.36%
211	Maintenance Leadman	\$ 33.97	\$ 35.22	3.68%	\$ 36.72	4.26%	\$ 37.22	1.36%
215	Maintenance Leadman	\$ 34.97	\$ 36.22	3.57%	\$ 36.47	0.69%	\$ 36.97	1.37%
217	Engineering Party Chief	\$ 33.14	\$ 34.39	3.77%	\$ 35.64	3.63%	\$ 36.14	1.40%
219	Warehouseman	\$ 32.62	\$ 35.36	8.40%	\$ 36.61	3.54%	\$ 37.11	1.37%
220	Engineering Party Chief	\$ 32.44	\$ 34.39	6.01%	\$ 35.64	3.63%	\$ 36.14	1.40%
221	Maintenance Leadman	\$ 33.72	\$ 35.22	4.45%	\$ 36.47	3.55%	\$ 36.97	1.37%
223	Maintenance Leadman	\$ 33.97	\$ 35.22	3.68%	\$ 36.47	3.55%	\$ 36.97	1.37%
227	Meterman, 1st Class	\$ 32.37	\$ 33.62	3.86%	\$ 34.87	3.72%	\$ 35.37	1.43%
229	Maintenance Leadman	\$ 34.22	\$ 35.47	3.65%	\$ 36.72	3.52%	\$ 37.22	1.36%
237	Construction Leadman	\$ 34.10	\$ 36.22	6.22%	\$ 37.47	3.45%	\$ 37.97	1.33%
239	Construction Leadman	\$ 35.47	\$ 36.47	2.82%	\$ 37.72	3.43%	\$ 38.22	1.33%
251	1st Class Lineman	\$ 32.85	\$ 34.10	3.81%	\$ 35.35	3.67%	\$ 35.85	1.41%
253	Mechanic	\$ 31.68	\$ 32.93	3.95%	\$ 33.43	1.52%	\$ 34.43	2.99%
254	1st Class Lineman	\$ 32.85	\$ 34.10	3.81%	\$ 35.35	3.67%	\$ 35.85	1.41%
257	Meterman, 2nd Class	\$ 30.18	\$ 31.43	4.14%	\$ 32.93	4.77%	\$ 33.43	1.52%
258	1st Class Lineman	\$ -	\$ 34.10		\$ 35.35	3.67%	\$ 35.85	1.41%
620	Groundman (15 Yr Svc)	\$ 30.18	\$ 31.43	4.14%	\$ 32.80	4.36%	\$ 33.30	1.52%
Subtotal Bargaining								
648	Summer/Part time				\$ 7.25		\$ 7.25	0.00%
650	Summer/Part time				\$ 7.25		\$ 7.25	0.00%
651	Summer/Part time				\$ 7.25		\$ 7.25	0.00%
652	Summer/Part time				\$ 7.25		\$ 7.25	0.00%
653	Summer/Part time				\$ 7.25		\$ 7.25	0.00%
654	Summer/Part time				\$ 7.25		\$ 7.25	0.00%
655	Summer/Part time				\$ 7.25		\$ 7.25	0.00%
656	Summer/Part time				\$ 7.25		\$ 7.25	0.00%
657	Summer/Part time				\$ 7.25		\$ 7.25	0.00%
658	Summer/Part time				\$ 7.25		\$ 7.25	0.00%

Grayson Rural Electric Cooperative
Case No. 2018-00272

Exhibit 1
page 7 of 9
Witness: Jim Adkins

Analysis of Salaries and Wages
For the calendar years 2007 through 2009
and the Test Year ended December 31, 2017

Line No	Item (a)	Twelve Months Ended						Test year 2017	
		2014		2015		2016		Amount (l)	% (m)
		Amount (f)	% (g)	Amount (h)	% (i)	Amount (j)	% (k)		
1	Wages charged to expense:								
2	Distribution expense	960	27%	974	1%	975	0%	1,019	5%
3	Customer accounts expense	359	4%	369	3%	360	-2%	348	-3%
4	Customer service and and info	68	10%	67	-1%	74	10%	76	3%
5	Sales expense								
6	Administrative and general expenses:								
	(a) Administrative and general	559	2%	597	7%	598	0%	579	-3%
	(b) Office supplies and expense								
	(h) Miscellaneous general	26	0%	21	-19%	33	57%	33	0%
	(i) Maintenance of general pla	35	25%	54	54%	41	-24%	33	-20%
7	Total administrative and gener: expenses L6(a) to L6(i)	620	11%	672	-3%	672	0%	645	-3%
8	Charged to clearing and others	588	7%	657	12%	583	-11%	636	9%
9	Total salaries and wages charged to expense and other L2 to L6 + L7 + L8	2,595	-2%	2,739	6%	2,664	-3%	2,724	2%
10	Wages capitalized	588	-3%	600	2%	670	12%	685	2%
11	Total salaries and wages	3,183	-3%	3,339	5%	3,334	0%	3,409	2%
12	Ratio of salaries and wages charged to expense to total wages L9 /	82%		82%		80%		80%	
13	Ratio of salaries and wages capitalized to total wages L10 / L11	18%		18%		20%		20%	
14	Overtime wages	313	64%	329	5%	276	-16%	299	8%
15	Overtime hours	6,769	61%	6,843	1%	5,454	-20%	5,616	3%

Witness: Carol Fraley

Gryason Rural Electric Cooperative
Case No. 2018-00272
Compensation of Executive Officers
December 31, 2017

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	<u>Test Year</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
President/CEO	143,984	142,558	137,128	133,128
Percent Increase	1.0%	4.0%	3.0%	3.0%
Mgr of Operations	105,491	101,757	98,024	94,290
Percent Increase	3.7%	3.8%	4.0%	4.1%
Manager of Finance & Accounting	85,498	82,471	79,445	76,418
Percent Increase	3.7%	3.8%	4.0%	22.7%
Manager of Marketing/Member Svc	76,174	73,478	70,781	68,085
Percent Increase	3.7%	3.8%	4.0%	4.1%

Witness: Carol Fraley

Grayson Rural Electric Cooperative
Case No. 2018-00272
Duties and Responsibilities of Officers

General Manager & CEO It is the responsibility of the General Manager & CEO to report directly to the Board of Directors in implementing the Board policies and directives.

Manager of Operations Collaborates with Construction and Maintenance Supervisors, and contractors, on a daily basis for operational needs. Prepares and presents the General Manager & CEO an annual capital budget. Plans and organizes to serve members with efficient work. Promotes fast, dependable electric service to the members and maintain power quality. Maintains a knowledge of local and national laws and regulations governing the operations of Grayson. Reports directly to the General Manager & CEO.

Manager of Finance & Accounting Coordinates all audit efforts by various agencies. Maintains the financial status of Grayson by developing budgets and financial statements. Collaborates with supervisors to fill any vacant positions. Assists and advises other departments as requested in the preparation of departmental budgets. Maintains all information related to accounting, as needed. Develops short term cash investments and long term cash requirements. Assists in the development of information necessary for filing loan applications. Reviews the financial information to ensure compliance with regulatory agencies. Ensures that taxes are properly prepared and filed on a timely basis. Analyzes electric sales revenues, collections, delinquents, write-offs, and penalty charges for efficiencies. Maintains knowledge of laws and regulations governing the administration of Grayson. Directs in the preparation of daily cash transactions. Reports directly to the General Manager & CEO.

Manager of Marketing/Member Services Plans and organizes to serve member/owners with efficient work. Works with demand-side management, conservation and energy efficiency programs for consumers. Investigates member concerns that have not been satisfied by other employees. Encourages in economic development in the region. Maintains knowledge of laws and regulations governing the operations of Grayson. Participates in community events and programs. Reports directly to the General Manager & CEO.

Grayson Rural Electric Cooperative

Case No. 2018-00272

December 31, 2017

Payroll Taxes

The employer's portion of FICA and Medicare rates remain the same for 2018 as they were for 2017. The FICA rate is 6.20% and the Medicare rate is 1.45%. The wage limit for 2018 is \$128,400; the wage limit for 2017 was \$127,200.

The Federal unemployment rate is 0.80% for the first \$7,000 of wages. The State unemployment rate decreased from 0.80% to 0.50% for 2018. The wage limit of \$10,200 remained the same.

The adjustment is as follows:

	Medicare	Social Security	FUTA	SUTA	Total
Normalized	50,308	214,006	2,709	2,397	\$269,419
Test Year	47,804	203,262	2,082	3,940	257,088
Adjustment					<u>\$12,331</u>

The allocation of the adjustments is as follows:

Construction and retirement	20%	\$2,479
Others	19%	2,295
Distribution, operations	10%	1,232
Distribution, maintenance	20%	2,454
Customer accounts expense	10%	1,259
Customer service and information	2%	244
Sales	0%	33
Administration and general	19%	2,336
	100%	<u>\$12,331</u>

The state unemployment tax rates for the last 5 years are as follows:

2018	0.50%
2017	0.80%
2016	1.05%
2015	1.05%
2014	1.05%
2013	1.05%

Grayson Rural Electric Cooperative
Case No. 2018-00272
Payroll Adjustment

Employee Number	Position	Total Normalized Wages	Medicare		Social Security		FUTA		SUTA	
			Limit	Rate	Limit	Rate	Limit	Rate	Limit	Rate
			All	1.45%	\$ 128,400	6.20%	\$ 7,000	0.80%	\$ 10,200	0.50%
100	Mgr of Mktg/Mbr Svcs	79,392	79,392	1,151	79,392	4,922	7,000	56	10,200	51
205	Executive Assistant	76,064	76,064	1,103	76,064	4,716	7,000	56	10,200	51
212	Manager of Operation:	112,243	112,243	1,628	112,243	6,959	7,000	56	10,200	51
226	Mgr of Technical Servic	110,202	110,202	1,598	110,202	6,833	7,000	56	10,200	51
232	Asst Mgr of Operations	104,900	104,900	1,521	104,900	6,504	7,000	56	10,200	51
249	GIS Technician	81,894	81,894	1,187	81,894	5,077	7,000	56	10,200	51
602	Mgr Acctg/Human Reso	78,613	78,613	1,140	78,613	4,874	7,000	56	10,200	51
622	Technical Svc Supervisor	64,878	64,878	941	64,878	4,022	7,000	56	10,200	51
643	Mgr of Finance & Acctg	85,817	85,817	1,244	85,817	5,321	7,000	56	10,200	51
900	President & CEO	146,193	146,193	2,120	128,400	7,961	7,000	56	10,200	51
Subtotal Salary		940,196		13,633		57,189		560		510
225	Energy Advisor	64,821	64,821	940	64,821	4,019	7,000	56	10,200	51
605	Div Asst-Mbr Services	46,589	46,589	676	46,589	2,889	7,000	56	10,200	51
609	Plant Accountant	57,648	57,648	836	57,648	3,574	7,000	56	10,200	51
611	Member Service Rep	43,857	43,857	636	43,857	2,719	7,000	56	10,200	51
615	Admin Assistant	47,982	47,982	696	47,982	2,975	7,000	56	10,200	51
616	Billing Administration	42,368	42,368	614	42,368	2,627	7,000	56	10,200	51
617	Customer Service Rep	38,677	38,677	561	38,677	2,398	7,000	56	10,200	51
618	Payroll/Bookkeepr	64,708	64,708	938	64,708	4,012	7,000	56	10,200	51
619	Customer Service Rep	39,520	39,520	573	39,520	2,450	7,000	56	10,200	51
632	Division Asst - Operatic	37,163	37,163	539	37,163	2,304	7,000	56	10,200	51
634	Customer Service Rep	36,398	36,398	528	36,398	2,257	7,000	56	10,200	51
638	Customer Service Rep	32,888	32,888	477	32,888	2,039	7,000	56	10,200	51
640	Div Assist-Acctg/Financ	34,978	34,978	507	34,978	2,169	7,000	56	10,200	51
Subtotal Hourly/Non-Bargaining		587,596		8,520		36,431		728		663
200	1st Class Lineman	96,042	96,042	1,393	96,042	5,955	7,000	56	10,200	51
201	1st Class Lineman	84,248	84,248	1,222	84,248	5,223	7,000	56	10,200	51
204	Apprentice Lineman-4t	89,152	89,152	1,293	89,152	5,527	7,000	56	10,200	51
210	Maintenance Leadman	98,019	98,019	1,421	98,019	6,077	7,000	56	10,200	51
211	Maintenance Leadman	104,793	104,793	1,519	104,793	6,497	7,000	56	10,200	51
215	Maintenance Leadman	110,633	110,633	1,604	110,633	6,859	7,000	56	10,200	51
217	Engineering Party Chie	76,002	76,002	1,102	76,002	4,712	7,000	56	10,200	51
219	Warehouseman	84,221	84,221	1,221	84,221	5,222	7,000	56	10,200	51
220	Engineering Party Chie	80,303	80,303	1,164	80,303	4,979	7,000	56	10,200	51
221	Maintenance Leadman	92,702	92,702	1,344	92,702	5,748	7,000	56	10,200	51
223	Maintenance Leadman	89,689	89,689	1,300	89,689	5,561	7,000	56	10,200	51
227	Meterman, 1st Class	78,168	78,168	1,133	78,168	4,846	7,000	56	10,200	51
229	Maintenance Leadman	95,860	95,860	1,390	95,860	5,943	7,000	56	10,200	51
237	Construction Leadman	103,468	103,468	1,500	103,468	6,415	7,000	56	10,200	51
239	Construction Leadman	102,640	102,640	1,488	102,640	6,364	7,000	56	10,200	51
251	1st Class Lineman	94,734	94,734	1,374	94,734	5,873	7,000	56	10,200	51
253	Mechanic	79,000	79,000	1,145	79,000	4,898	7,000	56	10,200	51
254	1st Class Lineman	100,380	100,380	1,456	100,380	6,224	7,000	56	10,200	51
257	Meterman, 2nd Class	73,078	73,078	1,060	73,078	4,531	7,000	56	10,200	51
258	1st Class Lineman	103,320	103,320	1,498	103,320	6,406	7,000	56	10,200	51
620	Groundman (15 Yr Svc)	74,692	74,692	1,083	74,692	4,631	7,000	56	10,200	51
Subtotal Bargaining		1,911,143		27,712		118,491		1,176		1,071
648	Summer/Part time	305	305	4	305	19	305	2	305	2
650	Summer/Part time	3,299	3,299	48	3,299	205	3,299	26	3,299	16
651	Summer/Part time	15	15	0	15	1	15	0	15	0
652	Summer/Part time	5,075	5,075	74	5,075	315	5,075	41	5,075	25
653	Summer/Part time	2,146	2,146	31	2,146	133	2,146	17	2,146	11
654	Summer/Part time	4,720	4,720	68	4,720	293	4,720	38	4,720	24
655	Summer/Part time	5,053	5,053	73	5,053	313	5,053	40	5,053	25
656	Summer/Part time	3,248	3,248	47	3,248	201	3,248	26	3,248	16
657	Summer/Part time	3,183	3,183	46	3,183	197	3,183	25	3,183	16
658	Summer/Part time	3,527	3,527	51	3,527	219	3,527	28	3,527	18
Subtotal Summer/Part-time		30,570		443		1,895		245		153
Retired										
610										
Total		3,469,505		50,308		214,006		2,709		2,397

Grayson Rural Electric Cooperative

Case No. 2018-00272

December 31, 2017

Depreciation Expense

Depreciation is computed on a composite basis. The ending plant balance is multiplied by rates that are within RUS approved guidelines. Depreciation rates and procedures follow RUS Bulletin 183-1. Grayson has had a depreciation study performed as of December 31, 2007, and was submitted and approved by this Commission in Case No. 2008-00254.

Depreciation on transportation equipment is charged to a clearing account. Transportation costs are then cleared to various accounts based on time used for each vehicle from the daily time sheets of employees driving the vehicles.

Items of general plant that are fully-depreciated have been removed from the calculations in order to determine the normalized depreciation cost. These amounts have been separated on the right hand column of the normalized calculation.

Witness: James Adkins

Grayson Rural Electric Cooperative
Case No. 2018-00272
December 31, 2017
Depreciation Adjustment

Normalized depreciation accrual:

Distribution plant	\$ 3,303,315	
General plant	470,743	
Less charged to clearing	<u>(213,869)</u>	3,560,189

Test year depreciation accrual:

Distribution plant	3,224,205	
General plant	467,279	
Less charged to clearing	<u>(214,394)</u>	3,477,090
		<u>\$ 83,099</u>

Transportation clearing:

Normalized	\$ 213,869
Test year	<u>214,394</u>
	<u>\$ (525)</u>

The allocation of the increase in depreciation on transportation equipment is based on actual test year transportation clearing.

<u>Account</u>	<u>Percent</u>	<u>Amount</u>
Construction and retirement WIP	32.4%	\$ (170)
Others	0.1%	(1)
Distribution - operations	16.4%	(86)
Distribution - maintenance	41.0%	(215)
Consumer accounts	3.2%	(17)
Consumer service and information	3.3%	(17)
Sales	0.0%	-
Administrative and general	3.6%	<u>(19)</u>
Total	<u>100.0%</u>	<u>\$ (525)</u>

Grayson Rural Electric Cooperative
Case No. 2018-00272
December 31, 2017

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Account Number	Description	Test Year Balance	Rate	Normalized Expense	Test Year Accrual	Exclude Items Fully Depreciated
Distribution plant:						
362	Station equipment	31,054	2.86%	888	888	
364	Poles, towers & fixtures	26,372,044	4.99%	1,315,965	1,159,791	
365	Overhead conductors & devices	21,682,973	4.84%	1,049,456	924,741	
366	Underground conduit	-	3.13%	-	-	
367	Underground conductor & devices	460,150	3.13%	14,403	14,033	
368	Line transformers	8,327,678	3.46%	288,138	298,542	
369	Services	7,613,763	4.02%	306,073	448,947	
370	Meters	3,682,675	6.67%	245,634	209,960	
371	Installations on customer premises	2,023,425	4.09%	82,758	167,303	
		<u>70,193,762</u>		<u>3,303,315</u>	<u>3,224,205</u>	
General plant:						
389	Land	232,210				
390	Structures and improvements	1,723,116	2.50%	39,649	36,915	137,167
391	Office furn and eqt	990,052	10.18%	78,084	79,034	222,644
392	Transportation	2,181,143	15.50%	213,869	214,394	801,342
393	Stores	22,403	4.80%	815	815	5,418
394	Tools, shop and garage	67,146	7.20%	3,594	3,103	17,235
395	Laboratory	210,097	5.00%	8,573	8,300	38,645
396	Power operated	43,723	12.00%	-	-	43,723
397	Communications	894,851	10.00%	89,485	89,437	-
398	Miscellaneous	349,987	11.30%	36,675	35,281	25,432
		<u>6,714,728</u>		<u>470,743</u>	<u>467,279</u>	
	Total electric plant	<u>\$ 76,908,490</u>		<u>\$ 3,774,058</u>	<u>\$ 3,691,484</u>	

Items that are fully depreciated are removed from the ending balance to compute test year depreciation.

Grayson Rural Electric Cooperative
Case No. 2018-00272
December 31, 2017

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Changes in electric plant:		<u>Begin</u> <u>Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfer</u>	<u>End</u> <u>Balance</u>
362	Station equipment	31,054	-	-		31,054
364	Poles, towers and fixtures	25,305,547	1,354,600	288,103		26,372,044
365	Overhead conductor and devices	20,798,325	1,157,670	273,022		21,682,973
366	Underground conduit	-	-			-
367	Underground conductor and devices	444,260	17,532	1,642		460,150
368	Line transformers	8,184,430	214,862	71,614		8,327,678
369	Services	7,351,781	316,415	54,433		7,613,763
370	Meters	3,319,223	412,155	48,703		3,682,675
371	Security lights	1,847,398	319,383	143,356		2,023,425
	Subtotal distribution plant	67,282,018	3,792,617	880,873	-	70,193,762
389	Land	232,210	-			232,210
390	Structures and improvements	1,722,616	5,500	5,000		1,723,116
391	Office furn and eqt	1,003,890	27,376	41,214		990,052
392	Transportation	2,119,215	157,663	95,735		2,181,143
393	Stores	22,403	-			22,403
394	Tools, shop and garage	67,146	-			67,146
395	Laboratory	211,080	2,192	3,175		210,097
396	Power operated	43,723	-			43,723
397	Communication	916,096	29,581	50,826		894,851
398	Miscellaneous	253,486	96,501			349,987
	Subtotal general plant	6,591,865	318,813	195,950	-	6,714,728
	Total electric plant in service	73,873,883	4,111,430	1,076,823	-	76,908,490

Grayson Rural Electric Cooperative
Case No. 2018-00272
December 31, 2017

Exhibit 3
page 5 of 6

Changes in reserve for depreciation:

	<u>Begin Balance</u>	<u>Accrual</u>	<u>Original Cost</u>	<u>Removal Cost</u>	<u>Prior Deprec/ Salvage</u>	<u>Net Charge</u>	<u>End Balance</u>
Distribution plant	17,831,472	3,224,205	880,873	492,872	33,957	1,339,788	19,715,889
Land							
Structures and improvements	727,176	36,915				-	764,091
Office furn and eqt	545,624	79,034	41,214		11,619	29,595	595,063
Transportation	1,384,447	214,394	95,735		379	95,356	1,503,485
Stores	12,689	815	-			-	13,504
Tools, shop and garage	35,587	3,103	-			-	38,690
Laboratory	117,641	8,300	3,175		1,047	2,128	123,813
Power operated	43,723		-			-	43,723
Communication	470,333	89,437	50,826		15,132	35,694	524,076
Miscellaneous	116,539	35,281	-			-	151,820
Subtotal general plant	3,453,759	467,279	190,950	-	28,177	162,773	3,758,265
Retirement WIP	805,947			(659,720)		(659,720)	146,227
Total accumulated depreciation	20,479,284	3,691,484	1,071,823	1,152,592	62,134	2,162,281	23,327,927

Grayson Rural Electric Cooperative
Case No. 2018-00272
Depreciation Guideline Curve
December 31, 2017

Year Ended	Distribution Plant in Service	Accumulated Deprec for Distribution	Reserve Ratio	Ratio of Current Distribution Plant to Distribution Plant 10 Years Prior
2017	70,193,762	19,715,889	28.09%	1.45
2016	67,282,018	17,831,472	26.50%	1.45
2015	65,160,340	16,615,790	25.50%	1.47
2014	62,668,711	14,942,545	23.84%	1.47
2013	60,727,744	13,586,069	22.37%	1.50
2007	48,409,428	6,198,876	12.81%	
2006	46,394,887	5,590,267	12.05%	
2005	44,262,045	5,069,767	11.45%	
2004	42,495,016	4,829,766	11.37%	
2003	40,429,086	4,605,714	11.39%	

Grayson Rural Electric Cooperative

Case No. 2018-00272

December 31, 2017

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	<u>2016</u>	<u>2017</u>
Payments:		
Ky State Treas	\$ 10.00	\$ 10.00
Ky State Treas, Public Service Company	180,192.82	183,763.83
Greenup County	154,278.57	158,975.72
Carter County	103,537.33	104,108.87
Elliott County	69,369.79	74,757.21
Rowan County	33,403.66	33,097.25
Lawrence County	17,345.56	19,021.55
Lewis County	6,595.86	6,637.02
City of Grayson	5,750.71	5,182.55
	<u>\$ 570,484.30</u>	<u>\$ 585,554.00</u>

Amount of Adjustment \$ 15,069.70

Allocation of adjustment:

Construction work in progress	107.2	2%	\$ 301
Clearing accounts	163-184	4%	603
Overhead line expense	583	85%	12,809
Meter expense	586	2%	301
AMI meter expense	586.2	3%	452
Maintenance of general plant	932	4%	603
		<u>100%</u>	<u>\$ 15,069</u>

Grayson Rural Electric Cooperative
Case No. 2018-00272
Analysis of Other Operating Taxes
12 Months Ended
December 31, 2017

Line No.	Item (a)	Charged Expense (b)	Charged to Construction (c)	Charged to Other Accounts (d)	Amounts Accrued (e)	Amount Paid (f)
1.	Kentucky Retail:					
	(a) State Income					
	(b) Franchise Fees					
	(c) Ad Valorem	585,554			585,554	585,554
	(d) Payroll (Employer's Portion)	145,732	50,225	15,045	211,002	211,002
	(e) Other Taxes	41,074			41,074	41,074
2.	Total Retail (L1(a) through L1(e))	772,360	50,225	15,045	837,630	837,630
3.	Other Jurisdictions					
	Total Per Books (L2 and L3)	772,360	50,225	15,045	837,630	837,630

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Grayson Rural Electric Cooperative
Case No. 2018-00272
December 31, 2017

Adjustment for Interest on Long Term Debt

The adjustment for interest on long-term debt results in a increase of \$166,168.

Interest on short term borrowings of \$20,343 has been removed.

This adjustment has been calculated by multiplying the test year end debt amounts by the interest rates in effect at the end of the test year for each loan.

RUS loans	0
FFB loans	448,604
CFC loans	339,686
CoBank loans	<u>358,043</u>
Total annualized interest	1,146,334
Test year interest expense	<u>980,166</u>
Adjustment	<u><u>166,168</u></u>

Grayson Rural Electric Cooperative

Exhibit 5

Case No. 2018-00272

page 2 of 3

Schedule of Outstanding Long-Term Debt

December 31, 2017

Type of Debt Issued (a)	Date of Issue (b)	Date of Maturity (c)	Outstanding Amount (d)	Cost Rate to Maturity (g)	Annualized Cost Col (d)x(g) (j)	Test Year Interest Cost
FFB loans						
H0010	09/21/00	9/13/35	649,338	1.863%	12,097	7,774
H0015	01/08/01	12/31/35	324,669	1.863%	6,049	3,887
H0020	03/26/01	3/17/36	541,115	1.863%	10,081	6,478
H0025	11/30/01	11/21/36	701,031	1.863%	13,060	8,393
H0030	08/30/02	8/21/37	553,742	1.863%	10,316	6,630
H0035	03/28/03	3/19/38	1,402,365	1.863%	26,126	16,790
H0040	12/22/03	12/13/38	572,945	1.863%	10,674	6,859
H0045	07/01/04	6/23/39	585,252	1.863%	10,903	7,007
H0050	10/01/04	9/23/39	986,484	1.863%	18,378	11,811
H0055	07/22/10	7/13/45	2,433,686	1.863%	45,340	28,909
H0060	02/25/11	2/16/46	2,433,686	1.863%	45,340	28,909
H0065	01/31/12	1/22/47	2,471,881	1.863%	46,051	29,363
H0070	05/14/13	5/5/48	2,572,120	1.863%	47,919	30,554
H0075	03/18/14	3/9/49	2,636,588	1.863%	49,120	31,320
H0080	10/28/14	10/19/49	1,296,300	1.863%	24,150	12,260
H0085	01/18/17	1/10/52	3,918,470	1.863%	73,001	1,569
			<u>24,079,670</u>		<u>448,604</u>	<u>238,514</u>
CFC loans						
9015	02/26/87	2/17/22	68,080	3.10%	2,110	2,510
9016	12/11/89	12/2/24	163,809	3.00%	4,914	5,361
9017	02/16/94	2/7/29	269,781	3.00%	8,093	8,516
9019	05/01/13	4/22/48	351,332	2.20%	7,729	11,510
9020001	12/19/16	12/11/51	-	2.80%	-	16,050
9020002	12/19/16	12/11/51	141,249	2.85%	4,026	6,804
9020003	12/19/16	12/11/51	345,522	2.90%	10,020	10,020
9020004	12/19/16	12/11/51	354,532	3.00%	10,636	10,636
9020005	12/19/16	12/11/51	366,007	3.25%	11,895	11,895
9020006	12/19/16	12/11/51	377,581	3.30%	12,460	12,460
9020007	12/19/16	12/11/51	389,703	3.35%	13,055	13,055
9020008	12/19/16	12/11/51	401,734	3.40%	13,659	13,659
9020009	12/19/16	12/11/51	415,692	3.45%	14,341	14,341
9020010	12/19/16	12/11/51	429,549	3.45%	14,819	14,819
9020011	12/19/16	12/11/51	443,962	3.50%	15,539	15,539
9020012	12/19/16	12/11/51	458,469	3.50%	16,046	16,046
9020013	12/19/16	12/11/51	474,571	3.55%	16,847	16,847
9020014	12/19/16	12/11/51	490,838	3.55%	17,425	17,425
9020015	12/19/16	12/11/51	507,768	3.60%	18,280	18,280
9020016	12/19/16	12/11/51	525,105	3.60%	18,904	18,904
9020017	12/19/16	12/11/51	543,764	3.65%	19,847	19,847
9020018	12/19/16	12/11/51	562,907	3.65%	20,546	20,546
9020019	12/19/16	12/11/51	582,714	3.65%	21,269	21,269
9020020	12/19/16	12/11/51	603,136	3.65%	22,014	22,014
9020021	12/19/16	12/11/51	624,411	3.65%	22,791	22,791
9020022	12/19/16	12/11/51	65,364	3.70%	2,418	2,418
			<u>9,957,581</u>		<u>339,686</u>	<u>363,564</u>
CoBank loans						
2468194	1/14/11	7/17/93	7,749,855	4.620%	358,043	378,089
			<u>7,749,855</u>		<u>358,043</u>	<u>378,089</u>
Total long term debt and annualized interest cost			<u>41,787,106</u>		<u>1,146,334</u>	<u>980,166</u>
Annualized cost rate [Total Col. (j) / Total Col. (d)]					2.74%	
Actual test year cost rate [Total Col (k) / Total Reported in Col (d)]					2.35%	

Grayson Rural Electric Cooperative
 Case No. 2018-00272
 Schedule of Short Term Debt
 December 31, 2017

Exhibit 5
 page 3 of 3
 : JimAdkins

Adjustment for Short Term Interest

This adjustment is to remove interest on short term borrowings. It is presumed that the short term borrowings will be repaid as a result of additional revenues generated from this Application.

Type of Debt <u>Instrument</u> (a)	Date of <u>Issue</u> (b)	Date of <u>Maturity</u> (c)	Amount <u>Outstanding</u> (d)	Interest <u>Rate</u> (e)	Annualized <u>Cost</u> (f)
CFC	5/16/2017	7/31/2018	2,185,000	3.00%	65,550
Annualized cost rate [Total col. (f) / Total col. (d)]					3.00%
Actual interest paid, or accrued on Short Term Debt during the Test Year					<u>\$20,343.01</u>

Other interest expense during the test year is as follows:

430.00, CFC line of credit	\$14,505.41
430.00, CoBank line of credit	5,837.60
431.00, Customer deposits	7,941.33
	<u>\$28,284.34</u>

Witness: Jim Adkins

Grayson Rural Electric Cooperative
Case No. 2018-00272
Retirement and Security ("R&S") and 401(k) Plans

Grayson provides pension benefits for all non-union employees through participation in the National Rural Electric Cooperative Association ("NRECA") Retirement and Security ("R&S") Program. It is the policy of Grayson to fund pension costs accrued. R&S contributions are calculated on "base salary" at a rate determined by NRECA. Contribution rates are as follows:

Contribution rates:	Bargaining	Non-Bargaining
2017 rates	22.73%	25.01%
2018 rates	22.86%	25.62%

The calculation of the normalization is as follows:

	Total
Normalized	\$738,333
Test Year	672,811
	<u>\$65,522</u>

The allocation of the adjustment is as follows:

Allocation:		
Construction and retirement	20%	\$13,171
Others	19%	12,193
Distribution, operations	10%	6,545
Distribution, maintenance	20%	13,041
Customer accounts expense	10%	6,690
Customer service and information	2%	1,294
Sales	0%	175
Administration and general	19%	12,412
	100%	<u>\$65,522</u>

R&S Pension

Employee Number	Position	Normalized Regular Wages	Rate	Amount
100	Mgr of Mktg/Mbr Svcs	76,170	25.62%	19,515
205	Executive Assistant	72,675	25.62%	18,619
212	Manager of Operations	105,498	25.62%	27,028
226	Mgr of Technical Services	103,438	25.62%	26,501
232	Asst Mgr of Operations	100,642	25.62%	25,784
249	GIS Technician	79,934	25.62%	20,479
602	Mgr Acctg/Human Resources	78,312	25.62%	20,064
622	Technical Svc Supervisor	62,130	25.62%	15,918
643	Mgr of Finance & Acctg	85,488	25.62%	21,902
900	President & CEO	143,978	25.62%	36,887
Subtotal Salary		908,264		232,697
225	Energy Advisor	63,794	25.62%	16,344
605	Div Asst-Mbr Services	45,178	25.62%	11,575
609	Plant Accountant	56,347	25.62%	14,436
611	Member Service Rep	43,285	25.62%	11,090
615	Admin Assistant	45,344	25.62%	11,617
616	Billing Administration	41,746	25.62%	10,695
617	Customer Service Rep	38,064	25.62%	9,752
618	Payroll/Bookkeeper	60,819	25.62%	15,582
619	Customer Service Rep	39,125	25.62%	10,024
632	Division Asst - Operations	36,941	25.62%	9,464
634	Customer Service Rep	36,026	25.62%	9,230
638	Customer Service Rep	31,699	25.62%	8,121
640	Div Assist-Acctg/Finance	34,694	25.62%	8,889
Subtotal Hourly/Non-Bargaining		573,061		146,818
200	1st Class Lineman	74,568	22.86%	17,046
201	1st Class Lineman	74,568	22.86%	17,046
204	Apprentice Lineman-4th Yr	69,925	22.86%	15,985
210	Maintenance Leadman	77,418	22.86%	17,698
211	Maintenance Leadman	77,418	22.86%	17,698
215	Maintenance Leadman	76,898	22.86%	17,579
217	Engineering Party Chief	75,171	22.86%	17,184
219	Warehouseman	77,189	22.86%	17,645
220	Engineering Party Chief	75,171	22.86%	17,184
221	Maintenance Leadman	76,898	22.86%	17,579
223	Maintenance Leadman	76,898	22.86%	17,579
227	Meterman, 1st Class	73,570	22.86%	16,818
229	Maintenance Leadman	77,418	22.86%	17,698
237	Construction Leadman	74,915	22.86%	17,126
239	Construction Leadman	79,498	22.86%	18,173
251	1st Class Lineman	74,568	22.86%	17,046
253	Mechanic	71,614	22.86%	16,371
254	1st Class Lineman	73,564	22.86%	16,817
257	Meterman, 2nd Class	69,534	22.86%	15,896
258	1st Class Lineman	73,564	22.86%	16,817
620	Groundman (15 Yr Svc)	69,264	22.86%	15,834
Subtotal Bargaining		1,569,629		358,817
648	Summer/Part time	305		
650	Summer/Part time	3,299		
651	Summer/Part time	15		
652	Summer/Part time	5,075		
653	Summer/Part time	2,146		
654	Summer/Part time	4,720		
655	Summer/Part time	5,053		
656	Summer/Part time	3,205		
657	Summer/Part time	3,139		
658	Summer/Part time	3,516		
Subtotal Summer/Part-time		30,472		
Retired				
610				
Total		3,081,426		738,333

Grayson Rural Electric Cooperative
Case No. 2018-00272
Donations

Amounts included in Account 426, Donations have been removed for rate-making purposes. The list is attached.

	VENDOR NAME	DESCRIPTION	CHECK DATE	CHECK NUMBER	AMOUNT
5					
6					
7	ROWAN COUNTY HIGH SCHOOL	DONATION-2017 PROJECT PROM	1/12/2017	170804	\$ 50.00
8	GREENUP CO HIGH AFTER PROM	DONATION-AFTER PROM	1/23/2017	170887	50.00
9	CARTER CHRISTIAN ACADEMY	DONATION-RENOVATION OF GYM FLOOR	1/27/2017	170910	100.00
10	GREENUP CO FIRE FIGHTERS	EDUCATION/TRAINING DONATION	1/27/2017	170913	100.00
11	RAIDER CHEER CLUB	BASKETBALL DISTRICT PROGRAM AD	2/3/2017	170952	60.00
12	ALL AMERICAN GRAPHICS	TSHIRTS-ELL CO ALL A CLASSIC	1/23/2017	170957	278.78
13	CARTER COUNTY SHRINE CLUB	SPONSOR BLUEGRASS FESTIVAL-2017	2/23/2017	171082	250.00
14	BLAINE ELEMENTARY SCHOOL	DONATION-8TH GRADE TRIP	2/22/2017	171118	250.00
15	GCHS HOMERUN CLUB	SPONSORSHIP-NEW SIGN	2/22/2017	171123	300.00
16	GRAYSON AREA LITTLE LEAGUE	LITTLE LEAGUE TEAM SPONSOR	2/22/2017	171124	300.00
17	LITTLE SANDY RACEWAY	SPONSORSHIP	2/22/2017	171128	100.00
18	MAGIC 14U03 TRAVEL BALL TEA	M SPONSORSHIP OF TEAM	2/22/2017	171129	100.00
19	RUDYFEST BLUEGRASS FESTIVAL	SPONSOR RUDY FEST '17	2/22/2017	171133	275.00
20	ELL. CO. LADY LIONS SOFTBAL	L SPONSORSHIP-SOFTBALL EQUIPMENT	3/6/2017	171200	50.00
21	PENNY MART	DONATION-16TH REG BOY BASKETBALL	3/8/2017	171209	200.00
22	EAST CARTER JROTC	DONATION	3/24/2017	171310	100.00
23	ELLIOTT CO 4-H COUNCIL	SPONSOR CHILD TO 4-H CAMP	3/24/2017	171311	185.00
24	GRAYSON MEALS ON WHEELS	DONATION	3/24/2017	171312	100.00
25	GREENUP CO GENEALOGY SOCIET	Y DONATION	3/24/2017	171313	50.00
26	RACCOON BAPTIST CHURCH	DONATION-CLOTHING PANTRY	3/24/2017	171316	100.00
27	CARTER COUNTY HOMEMAKERS	DONATION-EXT OFFICE QUILT SHOW	3/24/2017	171441	100.00
28	LEWIS CO HIGH SCH GOLF PROG	SPONSOR BOYS/GIRLS GOLF TEAMS	4/18/2017	171488	100.00
29	ELLIOTT CO CONSERVATION DIS	T ANNUAL 4TH GRADE FIELD TRIP	4/20/2017	171502	50.00
30	CHRISTMAS IN JULY 5K RUN	SPONSORSHIP-5K RUN	4/24/2017	171542	100.00
31	KING'S DAUGHTERS HEALTH FOU	N HOLE SPONSOR-BENEFIT GOLF TOURN.	4/24/2017	171547	250.00
32	LEWIS COUNTY FOOTBALL TEAM	SPONSOR GOLF SCRAMBLE 5/13	4/24/2017	171548	100.00
33	ROCKY J ADKINS ELLIOTT	DONATION-SUMMER READING PROGRAM	4/24/2017	171551	100.00
34	SHE ACADEMIC TEAM	DONATION-ACADEMIC FIELD TRIP	4/26/2017	171552	100.00
35	EAST CARTER TENNIS TEAM	SPONSOR TENNIS TOURNAMENT	5/18/2017	171706	50.00
36	LEWIS CO EXTENSION OFFICE	DONATON-KY YOUTH SEMINAR	5/18/2017	171708	175.00
37	GRAYSON HE"ART" OF THE PARK	S DONATION ART IN THE PARK	5/18/2017	171739	150.00
38	CARTER CHRISTIAN ACADEMY	DONATION-GOLF SCRAMBLE	5/26/2017	171772	100.00
39	EAST CARTER YOUTH SERV CNTR	DONATION-CAMP KIDS;CCSP 7/10-14	5/26/2017	171782	100.00
40	FOUTS MONTANA	DONATION-KY EAST ALL STAR GAME	5/26/2017	171784	50.00
41	MAYO EDEN	DONATION-KY EAST ALL STAR TEAM	5/26/2017	171791	50.00
42	SOFTBALL PARENTS CLUB	SPONSOR TEAM ADVANCE TO STATE	6/2/2017	171825	200.00
43	4. J. C. COMMITTEE	DONATION-JULY 4TH FIREWORKS	6/7/2017	171828	100.00
44	CARTER COUNTY THUNDER,INC.	GOLD SPONSOR-JULY 4TH FIREWORKS	6/7/2017	171831	250.00
45	ELLIOTT CO FAMILY RESOURCE	& DONATION (REDI-FEST)	6/23/2017	171988	100.00
46	GRAYSON AREA CHAMBER OF	GOLD SPONSOR-FUNTOBER FEST	6/23/2017	171990	150.00
47	GRAYSON FIRE DEPARTMENT	DONATION-CLEAN LOT AFTER FLOODNG	6/23/2017	171991	600.00
48	GRAYSON SLUGGERS	SPONSOR TEAM-TOURNAMENT COSTS	6/23/2017	171992	150.00
49	LEWIS COUNTY ED. FOUNDATION	SPONSOR-BACK TO SCHOOL FAIR	6/23/2017	171994	100.00
50	OLD FASHIONED DAYS COMMITTE	E DONATION-52ND ANNL CELEBRATION	6/23/2017	171998	100.00
51	ECHS CROSS COUNTRY	SPONSOR 5K TOBACCO FEST RUN	7/28/2017	172254	100.00
52	ELLIOTT CO. TOBACCO FESTIVA	L DONATION-TOBACCO FESTIVAL	7/28/2017	172255	150.00
53	GREENUP CO LIVESTOCK COMM	SPONSOR 4-H YOUTH LIVESTOCK(FAIR	7/28/2017	172256	500.00
54	PATHWAYS INC	SPONSOR GOLF SCRAMBLE-AUTISM SER	7/28/2017	172258	100.00
55	TROOPER ISLAND GOLF TOURNAM	E DONATION-HIDDEN COVE TOURNAMENT	7/28/2017	172259	100.00
56	GREENUP CO CHEERLEADERS	SPONSOR ANNUAL GOLF SCRAMBLE	8/15/2017	172399	100.00
57	KAEC	SPONSORSHIP 2017 LINEMAN RODEO	8/17/2017	172420	400.00
58	BLAINE HIGH SCHOOL REUNION	DONATION-BLAINE ALUMNI SCHOLARSH	8/25/2017	172472	125.00
59	HOPE'S PLACE	HOLE SPONSORSHIP-GOLF SCRAMBLE	8/25/2017	172475	100.00
60	HUNTINGTON ROAD RUNNERS CLU	B DONATION-BELIEVE TO BREATHE 5K	8/28/2017	172476	50.00
61	KENTUCKY CHRISTIAN COLLEGE	DONATION-KCU GOLF INVITATIONAL	8/25/2017	172477	50.00
62	LAWRENCE COUNTY FOOD BANK	DONATION TO FOOD PANTRY	8/25/2017	172480	250.00
63	THE GALAXY PROJECT	DONATION-MONSTER DASH	8/25/2017	172484	50.00

	VENDOR NAME	DESCRIPTION	CHECK DATE	CHECK NUMBER	AMOUNT
64	UNITY BAPTIST CH AUTUMN FES	T DONATION-2017 BLAINE AUTUMN FEST	8/25/2017	172485	100.00
65	CARTER CITY ELEMENTARY	DONATION-FALL FESTIVAL	8/24/2017	172489	50.00
66	CARTER CO. QUILTS OF VALOR	DONATION-QUILTS OF VALOR(VETS)	7/28/2017	172490	100.00
67	GRAYSON FIRE DEPARTMENT	SPONSOR RESCUE/RECOVER DIVE TEAM	8/29/2017	172491	50.00
68	MCCOY CARL	DONATION-201ST ENG VET REUNION	8/30/2017	172494	150.00
69	BIG SANDY RECC	DONATION-WADE MAY GOLF SCRAMBLE	9/6/2017	172527	50.00
70	LEWIS COUNTY SOFTBALL	DONATION-LEWIS CO OPEN GOLF SCR.	9/6/2017	172539	50.00
71	VISA	EMP MTG/MISC EXP-PRISCILLA	8/31/2017	172553	123.68
72	EAST CARTER FFA	FARM SAFETY KICKOFF-ECHS/WCHS	9/8/2017	172576	250.00
73	ELLIOTT CO 4-H COUNCIL	DONATION-(1) GOAT PURCHASED	8/31/2017	172577	400.00
74	NICHOLAS Y NISCHAN	SPONSOR/REG FEE-FUNTOBERFEST 5K	9/13/2017	172612	125.00
75	ELLIOTT CO. ATHLETIC FUND	DONATION-LAKESIDE BASEBALL FIELD	9/25/2017	172705	200.00
76	GERALD MAGGARD TOY DRIVE	DONATION-TOY DRIVE	9/25/2017	172707	50.00
77	KIWANIS	DONATION-ESTABLISH LOCAL KIWANIS	9/26/2017	172710	200.00
78	LEWIS COUNTY PUBLIC LIBRARY	DONATION-IMAGINATION LIBRARY PRG	9/25/2017	172711	100.00
79	ROWAN CO CHRISTMAS	DONATION-2017 CHRISTMAS	9/25/2017	172714	100.00
80	VANCEBURG LIONS CLUB	DONATION-7TH ANNL HERITAGE FEST	9/25/2017	172716	100.00
81	CARTER CO FAIR YTH LIVESTOC	K SPONSOR/PURCH GR CHAMP RABBITS	9/30/2017	172934	300.00
82	AMERICAN CANCER SOCIETY	DONATION IN MEMORY JUANITA RICE	10/31/2017	172977	250.00
83	FIRST BAPTIST CHURCH	DONATION-HOLIDAY MEALS FOR NEEDY	10/31/2017	172990	125.00
84	FRIENDS OF THE PROGRAM	DONATION-ECHS TURKEY TROT 5K RUN	10/30/2017	172991	100.00
85	PROJECT MERRY CHRISTMAS	DONATION PROJECT MERRY CHRISTMAS	10/30/2017	173004	200.00
86	ELLIOTT CO ARCHERY BOOSTERS	SPONSORSHIP-ECHS ARCHERY TEAM	10/30/2017	173017	100.00
87	WEST CARTER BOYS BASKETBALL	DONATION-JACK FULTZ CLASSIC	11/7/2017	173068	100.00
88	SANDY HOOK 1ST BAPT CHURCH	DONATION CHRISTMAS BACK PACK PRG	11/15/2017	173118	150.00
89	EAST CARTER BOYS BASKETBALL	DONATION HEART OF PARKS TIPOFF	11/10/2017	173124	250.00
90	GRAHN SCHOOL COMM. CENTER	DONATION-CARTER CO COMM CHORUS	11/27/2017	173160	50.00
91	ELLIOTT PRIDE CHEER TEAM	DONATION TO CHEER TEAM	11/29/2017	173180	100.00
92	GRAHN SCHOOL COMM. CENTER	DONATION-FAM CHRISTMAS GIVEAWAY	11/29/2017	173181	100.00
93	GREENUP CO HIGH AFTER PROM	DONATION-AFTER PROM EVENT	11/29/2017	173183	50.00
94	KCU	DONATION-KCU MENS' BASKETBALL	11/29/2017	173184	100.00
95	KSPPA CHAPTER 8	DONATION-SHOP WITH A TROOPER	11/29/2017	173187	200.00
96	VISA	EMP MTG/MISC EXP-PRISCILLA	11/30/2017	173280	105.96
97	VISA	EMP MTG/MISC EXP-CAITLIN H.	11/30/2017	173280	213.06
98	ELLIOTT CO CHRISTIAN CENTER	DONATION-2017 FOOD ASSISTANCE PR	12/21/2017	173385	100.00
99	PATHWAYS TO BRIGHT FUTURES	DONATION-YTH SUB ABUSE PROGRAM	12/21/2017	173386	100.00
100	RACCOON BAPTIST CHURCH	DONATION-CLOTHING PANTRY	12/21/2017	173387	100.00
101	ROWAN COUNTY REG QUILT SHOW	DONATION	12/21/2017	173388	100.00
102	MATERIAL AND SUPPLIES	DONATION	VAR	VAR	1,313.85
103					<u>\$ 14,805.33</u>
104					
105	Total to remove for rate-making purposes				

Witness: James Adkins

Grayson Rural Electric Cooperative
Case No. 2018-00272
Professional Services

The Board of Directors has a responsibility to select an attorney to represent the board and cooperative to maintain the legal entity. The duties and responsibilities of the attorney are to perform routine services, special services, and other services for the cooperative. The attorney also attends the monthly and special board meetings. Services are billed at the normal hourly billing rates for the attorney and his staff.

The Board of Directors hires the outside auditor to perform the annual audit.

Adjustments are to remove items that are normally excluded or rate-making purposes. Among the expenses excluded are costs for attending legal seminars, health insurance premiums, Christmas gifts, and costs for one-time events.

The list of \$34,778 of costs that have been removed for rate-making purposes is attached.

1 Grayson Rural Electric Cooperative
 2 Case No. 2018-00272
 3 ACCOUNT 923.00, OUTSIDE SERVICES
 4

Exhibit 8
 2 page of 6
 Witness: Jim Adkins

VENDOR INVOICE	VENDOR NAME	DESCRIPTION	DATE	NUMBER	AMOUNT	
335 294365	SCOTT W JEFFREY	JANUARY RETAINER LESS HSA	1/23/17	170894	920.87	
365 0117MM	VISA	CHRISTMAS GIFT	1/31/17	170983	74.18	x
335 22217	SCOTT W JEFFREY	FEBRUARY RETAINER LESS HSA	2/17/17	171071	920.83	
335 032417	SCOTT W JEFFREY	MARCH RETAINER LESS HSA	3/21/17	171294	920.83	
365 0317COMP8339	VISA	BD MTG MEAL	3/31/17	171372	6.10	
310 00119	RURAL COOPERATIVE CREDIT UN	ANNUAL FEES-COMPANY VISA CARDS	3/24/17	171401	3.00	
335 042417	SCOTT W JEFFREY	APRIL RETAINER LESS HSA	4/19/17	171494	920.83	
335 295112	SCOTT W JEFFREY	MAY RETAINER LESS HSA	5/16/17	171712	920.83	
4760 295118	CHEROKEE FREEWILL BAPTIST CH	DONATION FOR PARKING LOT (MEALS)	5/24/17	171742	7.00	
335 295131	SCOTT W JEFFREY	JUNE RETAINER LESS HSA	6/20/17	171939	920.83	
284 1881801	NRECA	RENEW SUBSCRIPTION-LEGAL REP SER	6/15/17	171997	170.00	
335 22024	SCOTT W JEFFREY	MILEAGE-JUNE BD MTG @GREENBO	6/30/17	172136	20.65	
335 294654	SCOTT W JEFFREY	JULY RETAINER LESS HSA	7/17/17	172174	920.83	
153 294679	GREENBO LAKE STATE PARK	BD MTG MEAL	7/31/17	172384	26.86	
335 082117	SCOTT W JEFFREY	AUGUST RETAINER LESS HSA	8/21/17	172431	920.83	
335 091517	SCOTT W JEFFREY	SEPTEMBER RETAINER LESS HSA	9/15/17	172652	920.83	
335 102017	SCOTT W JEFFREY	OCTOBER RETAINER LESS HSA	10/20/17	172952	920.83	
335 112717	SCOTT W JEFFREY	NOV. RETAINER/PER DIEM LESS HSA	11/27/17	173171	1,755.78	
284 1988901	NRECA	RENEW SUBSCRIPTIONS-RE MAGAZINE	11/17/17	173190	43.00	
284 112717	NRECA	RENEW PERSONNEL PRACTICE POINTER	11/17/17	173190	195.00	
329 1117SAMS	SAM'S CLUB	CHRISTMAS GIFT	11/30/17	173272	25.00	X
335 121917	SCOTT W JEFFREY	DECEMBER RETAINER LESS HSA	12/19/17	173362	920.83	
223 11596156	KAEC	2017 KAEC ANNL MTG	12/13/17	173458	63.96	X
365 1217ATTY	VISA	ATTY EXP TO MTG-JEFF SCOTT	12/31/17	173659	453.29	X
		HEALTH INSURANCE PREMIUMS	VAR	VAR	34,161.63	X
285 NCG 1781-001	NRECA	COMPENSATE WAGE & SALARY PLAN'17	12/14/17	173528	8,104.63	
377 990-2016	ZUMSTEIN ALAN M.	PREPARATION 2016 FORM 990	4/14/17	171501	625.00	
377 083017	ZUMSTEIN ALAN M.	NRECA PARTICIPANT REVIEW AUDIT	8/30/17	172500	2,000.00	
377 3189-SFAS158	DUDLEY SHRYOCK, CPA	PREPARATION OF SFAS 158	9/26/17	172767	3,000.00	
	ZUMSTEIN ALAN M.	ANNUAL AUDIT	8/24/17	172454	10,000.00	
TOTAL					<u>70,864.25</u>	
REMOVE FOR RATE MAKING						
PURPOSES INDICATED WITH AN X					<u>(34,778.06)</u>	

44
45

AGREEMENT

This agreement made and entered into this 27th day of April, 2018, by and between W. Jeffrey Scott and W. Jeffrey Scott, P.S.C., of 311 West Main Street, Grayson, Kentucky, 41143, hereinafter referred to as Attorney, and Grayson Rural Electric Cooperative Corporation, Inc., a Kentucky corporation authorized and existing under the laws of the Commonwealth of Kentucky with its principal place of business located at 109 Bagby Park, Grayson, Kentucky, 41143, hereinafter referred to as Client;

WHEREAS, Attorney and Client have entered into a contract for legal services heretofore with various dates of effectiveness and amendments to said contracts from time to time over a period of years; and

WHEREAS, the last Agreement between the parties provided for the establishment of, and existence of, a further attorney/client relationship continuing through December 31, 2016; and

WHEREAS, the parties have been operating under the terms of said Agreement last executed on April 29, 2014, expiring by its terms on December 31, 2016; and

WHEREAS, the parties are desirous of reducing to writing their agreement concerning continuation of the services to be provided to Client by Attorney and the compensation to be paid Attorney by Client for same, **NOW, THEREFORE**, in consideration of all of the foregoing and other good and valuable consideration the parties do hereby agree as follows:

1. The attorney/client relationship established by the Agreement of September 25, 2009, shall remain in effect in accordance with the terms thereof through January 31, 2019.
2. The terms of compensation and the work to be provided through the terms of this contract, i.e. January 31, 2019, shall be the same as that set forth in the Agreement executed between the parties on April 29, 2014.

3. The Client shall pay to Attorney for work in accordance with the previous April 29, 2014, Contract as follows:
- a. The insurance heretofore paid in accordance with the Contract and Board Policies and Board Resolutions previously adopted;
 - b. A monthly retainer payment of \$1,250.00;
 - c. Payment of \$200 per hour for all work performed or portion of an hour above ten (10) hours per month;
 - d. All other terms and conditions of the previous Contract shall remain in full force and effect except as modified herein;
 - e. The *per diem* payment for attendance at the Kentucky Association of Electric Cooperative meeting shall be \$200.00;
 - f. All compensation as previously set forth shall be in accordance with the prior arrangements between the parties except as modified herein and shall also be paid in accordance with the prior Board Policies applicable to the Attorney and other resolutions previously adopted by the Board from time to time.
 - g. The parties will review this Contract in January of 2019 for purposes of determining any successive contract to commence February 1, 2019.
4. Although this Agreement is dated April 27, 2018, the parties agree that the effective date is February 1, 2018.

WITNESS OUR HANDS this the 27th day of April, 2018.

ATTORNEY:

W. JEFFREY SCOTT, P.S.C.

BY:


W. JEFFREY SCOTT

CLIENT:

GRAYSON RURAL ELECTRIC
COOPERATIVE CORPORATION, INC.

BY:


HAROLD DUPUY, CHAIRMAN
BOARD OF DIRECTORS

ATTEST:


EDDIE MARTIN, SECRETARY/TREASURER

STATE OF KENTUCKY

COUNTY OF CARTER

The foregoing Agreement was acknowledged, subscribed and sworn to before me by *W.*

JEFFREY SCOTT, W. Jeffrey Scott, P.S.C., this the 27th day of April, 2018.

My commission expires: March 22, 2021

Priscilla Sparks
NOTARY PUBLIC, KENTUCKY STATE AT LARGE # 575772

STATE OF KENTUCKY

COUNTY OF CARTER

The foregoing Agreement was acknowledged, subscribed and sworn to before me by

HAROLD DUPUY, Chairman of the Board of Grayson Rural Electric Cooperative Corporation,

this the 27th day of April, 2018.

My commission expires: March 22, 2021

Priscilla Sparks
NOTARY PUBLIC, KENTUCKY STATE AT LARGE # 575772

STATE OF KENTUCKY

COUNTY OF CARTER

The foregoing Agreement was acknowledged, subscribed and sworn to before me by

EDDIE MARTIN, Secretary/Treasurer of the Board of Grayson Rural Electric Cooperative

Corporation, this the 27th day of April, 2018.

My commission expires: March 22, 2021

Priscilla Sparks
NOTARY PUBLIC, KENTUCKY STATE AT LARGE # 575772

Grayson Rural Electric Cooperative
Case No. 2018-00272
Director Fees and Expenses

Certain director expenses are removed for rate-making purposes. These costs include director health insurance, directors' per diems, Christmas gifts, attending the Legislative conference, directors attending either the KAEC annual meeting or EKPC annual meeting, when the director is not the representative for the respective organization. The 2017 NRECA Annual Meeting was held in San Diego. No directors attended that meeting.

Expenses that are not removed for rate-making purposes include costs of attending NRECA director training/education seminars. These seminars are critical for directors to be updated on events and activities related to the electric industry. Also included is D-O-M Liability Insurance that protects the directors for decisions they make on a monthly basis. Without DOM insurance, directors would be hesitant to make any decisions as members, consumers, or any person could file a legal claim against the director(s).

A copy of the Board Policy No. 110 regarding "Compensation, Expenses, and Travel of Directors" is attached.

Costs removed for rate-making purposes of \$82,126 are detailed on the following pages.

Directors are as follows:

Harold Dupuy, Chairman	10596 St Rt 7	Maloneton KY 41175
Jim Bentley, Vice Chairman	10813 St Rt 9	Grayson KY 41143
Eddie Martin, Secretary/Treasurer	947 Darby Hollow	Grayson KY 41143
Kenneth Arrington	PO Box 9	Blaine KY 41124
East Kentucky Power Cooperative representative		
Roger Trent	275 KY 173	Morehead KY 40351
William T. Rice	PO Box 493	Sandy Hook KY 41171
Jimmy Whitt	PO Box 754	Sandy Hook KY 41171
KAEC representative		

VENDOR NAME	DESCRIPTION	Meeting Fees						Other		Total	
		Regular	Special	Per Diem	Mileage	Registration	Hotel	Meals	Allow		Disallow
ARRINGTON KENNETH	PER DIEM & MILEAGE FEES	300.00			42.80						342.80
ARRINGTON KENNETH	PER DIEM & MILEAGE FEES	300.00			42.80						342.80
ARRINGTON KENNETH	PER DIEM & MILEAGE FEES	300.00			42.80						342.80
ARRINGTON KENNETH	PER DIEM & MILEAGE FEES	300.00			42.80						342.80
ARRINGTON KENNETH	PER DIEM & MILEAGE FEES	300.00			42.80						342.80
GENERAL INFORMATION SERVICE	BACKGROUND CHECK								64.00		64.00
ARRINGTON KENNETH	PER DIEM & MILEAGE FEES	300.00			42.80						342.80
ARRINGTON KENNETH	PER DIEM & MILEAGE FEES	300.00			52.97						352.97
ARRINGTON KENNETH	PER DIEM & MILEAGE FEES	300.00			42.80						342.80
ARRINGTON KENNETH	PER DIEM & MILEAGE FEES	300.00			42.80						342.80
VISA	ARRINGTON NRECA REGION II & III CONFERENCE					1,044.00					1,044.00
ARRINGTON KENNETH	PER DIEM/MILEAGE/MISC.	300.00			42.80						342.80
ARRINGTON KENNETH	NRECA REGION I & II CONFERENCE CHATTANOOGA TN			1,200.00	349.89			26.50			1,576.39
ARRINGTON KENNETH	KAEC RODEO SAFETY TRAINING			900.00	206.51						1,106.51
VISA	ARRINGTON KAEC RODEO SAFETY TRAINING						268.40				268.40
VISA	ARRINGTON NRECA REGION II & III CONFERENCE						610.84	90.21			701.05
ARRINGTON KENNETH	PER DIEM/MILEAGE/MISC.	300.00			42.80						342.80
ARRINGTON KENNETH	NRECA DIRECTOR CONFERENCE LOUISVILLE KY			1,200.00	238.05						1,438.05
ARRINGTON KENNETH	NEGOTIATING COMMITTEE			300.00	42.80						342.80
ARRINGTON KENNETH	ARRINGTON KAEC ANNUAL MTG							48.05			48.05
ARRINGTON KENNETH	PER DIEM & MILEAGE FEES	300.00			42.80						342.80
KAEC	ARRINGTON KAEC ANNUAL MTG					200.00		84.37			284.37
VISA	ARRINGTON KAEC ANNUAL MTG						544.38	109.28			653.66
ARRINGTON KENNETH	HEALTH INSURANCE									7,651.56	7,651.56
TOTAL ARRINGTON		3,600.00	-	3,600.00	1,361.02	1,244.00	1,423.62	358.41	64.00	7,651.56	19,302.61
BENTLEY JIM	PER DIEM & MILEAGE FEES	300.00			1.07						301.07
BENTLEY JIM	PER DIEM & MILEAGE FEES	300.00			1.07						301.07
BENTLEY JIM	PER DIEM & MILEAGE FEES	300.00			1.07						301.07
BENTLEY JIM	PER DIEM & MILEAGE FEES	300.00			1.07						301.07
BENTLEY JIM	PER DIEM & MILEAGE FEES	300.00			1.07						301.07
BENTLEY JIM	PER DIEM & MILEAGE FEES	300.00			1.07						301.07
BENTLEY JIM	PER DIEM & MILEAGE FEES	300.00			1.07						301.07
BENTLEY JIM	PER DIEM & MILEAGE FEES	300.00			1.07						301.07
BENTLEY JIM	PER DIEM & MILEAGE FEES	300.00			1.07						301.07
BENTLEY JIM	PER DIEM & MILEAGE FEES	300.00			1.07						301.07
VISA	BENTLEY NRECA REGION II & III CONFERENCE					1,044.00					1,044.00
BENTLEY JIM	PER DIEM & MILEAGE FEES	300.00			1.07						301.07
BENTLEY JIM	NRECA REGION I & II CONFERENCE			1,200.00	377.71						1,577.71
VISA	BENTLEY NRECA REGION II & III CONFERENCE						643.62	24.58			668.20
BENTLEY JIM	PER DIEM & MILEAGE FEES	300.00			1.07						301.07
BENTLEY JIM	NEGOTIATING COMMITTEE			300.00	1.07						301.07
VISA	BENTLEY NRECA WINTER SCHOOL - NASHVILLE TN					1,525.00					1,525.00
VISA	BENTLY NRECA WINTER SCHOOL - NASHVILLE TN						217.82				217.82
BENTLEY JIM	PER DIEM & MILEAGE FEES			300.00	1.07						301.07
BENTLEY JIM	NRECA WINTER SCHOOL NASHVILLE TN			1,200.00	330.63						1,530.63
VISA	BENTLEY NRECA WINTER SCHOOL - NASHVILLE TN						479.47	55.94			535.41
BENTLEY JIM	HEALTH INSURANCE									7,651.56	7,651.56

VENDOR NAME	DESCRIPTION	Meeting Fees						Other		Total	
		Regular	Special	Per Diem	Mileage	Registration	Hotel	Meals	Allow		Disallow
TOTAL BENTLEY		3,300.00	-	3,300.00	819.63	2,569.00	1,340.91	80.52	-	7,651.56	19,061.62
DUPUY HAROLD	PER DIEM & MILEAGE FEES	300.00			32.10						332.10
DUPUY HAROLD	PER DIEM & MILEAGE FEES	300.00			32.10						332.10
DUPUY HAROLD	PER DIEM & MILEAGE FEES	300.00			32.10						332.10
DUPUY HAROLD	PER DIEM & MILEAGE FEES	300.00			32.10						332.10
DUPUY HAROLD	PER DIEM & MILEAGE FEES	300.00			32.10						332.10
DUPUY HAROLD	PER DIEM & MILEAGE FEES	300.00			32.10						332.10
DUPUY HAROLD	EKPC ANNUAL MTG			300.00	141.24						441.24
DUPUY HAROLD	PER DIEM & MILEAGE FEES	300.00			26.75						326.75
DUPUY HAROLD	PER DIEM & MILEAGE FEES	300.00			32.10						332.10
DUPUY HAROLD	PER DIEM & MILEAGE FEES	300.00			32.10						332.10
VISA	DUPUY NRECA REGION II & III CONFERENCE					435.00					435.00
DUPUY HAROLD	PER DIEM/MILEAGE MISC.	300.00			32.10						332.10
DUPUY HAROLD	NRECA REGION I & II CHATTANOOGA TN			900.00	411.95			13.28			1,325.23
DUPUY HAROLD	KAEC RODEO SAFETY TRAINING			900.00	206.51						1,106.51
VISA	DUPUY KAEC RODEO SAFETY TRAINING						268.40	16.53			284.93
VISA	DUPUY NRECA REGION II & III CONFERENCE						429.08	93.70			522.78
DUPUY HAROLD	PLANNING & REVIEW COMMITTEE		300.00		32.10						332.10
DUPUY HAROLD	NEGOTIATING COMMITTEE			300.00	32.10						332.10
DUPUY HAROLD	KAEC ANNUAL MTG			900.00	216.68						1,116.68
DUPUY HAROLD	PER DIEM & MILEAGE FEES	300.00			32.10						332.10
VISA	DUPUT NRECA WINTER SCHOOL - NASHVILLE TN					1,218.00					1,218.00
VISA	DUPUY NRECA WINTER SCHOOL - NASHVILLE TN						217.82				217.82
DUPUY HAROLD	PER DIEM/MILEAGE/MISC.	300.00			32.10						332.10
DUPUY HAROLD	NRECA WINTER SCHOOL NASHVILLE TN		300.00		32.10						332.10
DUPUY HAROLD	PLANNING & REVIEW COMMITTEE			1,500.00	358.45			16.06			1,874.51
KAEC	DUPUY KAEC ANNUAL MTG					200.00		84.37			284.37
VISA	DUPUY KAEC ANNUAL MTG						442.29	23.85			466.14
VISA	DUPUY NRECA WINTER SCHOOL - NASHVILLE TN						749.78	210.00			959.78
DUPUY HAROLD	HEALTH INSURANCE									7,651.56	7,651.56
TOTAL DUPUY		3,600.00	600.00	4,800.00	1,810.98	1,853.00	2,107.37	457.79	-	7,651.56	22,880.70
MARTIN EDDIE	PER DIEM & MILEAGE FEES	300.00			8.56						308.56
MARTIN EDDIE	PER DIEM & MILEAGE FEES	300.00			8.56						308.56
MARTIN EDDIE	PER DIEM & MILEAGE FEES	300.00			8.56						308.56
MARTIN EDDIE	PER DIEM & MILEAGE FEES	300.00			8.56						308.56
MARTIN EDDIE	PER DIEM & MILEAGE FEES	300.00			8.56						308.56
MARTIN EDDIE	PER DIEM & MILEAGE FEES	300.00			8.56						308.56
MARTIN EDDIE	PER DIEM & MILEAGE FEES	300.00			8.56						308.56
MARTIN EDDIE	PER DIEM & MILEAGE FEES	300.00			8.56						308.56
MARTIN EDDIE	PER DIEM & MILEAGE FEES	300.00			8.56						308.56
MARTIN EDDIE	PER DIEM & MILEAGE FEES	300.00			8.56						308.56
MARTIN EDDIE	NOMINATING COMMITTEE			300.00	8.56						308.56
MARTIN EDDIE	PER DIEM & MILEAGE FEES	300.00			8.56						308.56
MARTIN EDDIE	PLANNING & REVIEW COMMITTEE		300.00		8.56						308.56

VENDOR NAME	DESCRIPTION	Meeting Fees						Other		Total		
		Regular	Special	Per Diem	Mileage	Registration	Hotel	Meals	Allow			Disallow
MARTIN EDDIE	HEALTH INSURANCE									7,651.56	7,651.56	X
	TOTAL MARTIN	3,600.00	300.00	300.00	119.84	-	-	-	-	7,651.56	11,971.40	
RICE WILLIAM T	PER DIEM & MILEAGE FEES	300.00			21.40						321.40	
RICE WILLIAM T	PER DIEM & MILEAGE FEES	300.00			21.40						321.40	
RICE WILLIAM T	PER DIEM & MILEAGE FEES	300.00			21.40						321.40	
RICE WILLIAM T	PER DIEM & MILEAGE FEES	300.00			21.40						321.40	
RICE WILLIAM T	PER DIEM & MILEAGE FEES	300.00			21.40						321.40	
RICE WILLIAM T	PER DIEM & MILEAGE FEES	300.00			21.40						321.40	
RICE WILLIAM T	EKPC ANNUAL MTG			300.00	27.82						327.82	X
RICE WILLIAM T	PER DIEM & MILEAGE FEES	300.00			31.57						331.57	
RICE WILLIAM T	PER DIEM & MILEAGE FEES	300.00			21.40						321.40	
RICE WILLIAM T	PER DIEM & MILEAGE FEES	300.00			21.40						321.40	
RICE WILLIAM T	PER DIEM & MILEAGE FEES	300.00			21.40						321.40	
RICE WILLIAM T	PER DIEM & MILEAGE FEES	300.00			21.40						321.40	
RICE WILLIAM T	NEGOTIATING COMMITTEE			300.00	21.40						321.40	
RICE WILLIAM T	PER DIEM & MILEAGE FEES	300.00			21.40						321.40	
RICE WILLIAM T	PLANNING & REVIEW COMMITTEE		300.00		21.40						321.40	
RICE WILLIAM T	HEALTH INSURANCE									7,651.56	7,651.56	X
	TOTAL RICE	3,600.00	300.00	600.00	337.59	-	-	-	-	7,651.56	12,489.15	
TRENT ROGER L	PER DIEM & MILEAGE FEES	300.00			37.45						337.45	
TRENT ROGER L	PER DIEM & MILEAGE FEES	300.00			37.45						337.45	
TRENT ROGER L	PER DIEM & MILEAGE FEES	300.00			37.45						337.45	
TRENT ROGER L	PER DIEM & MILEAGE FEES	300.00			37.45						337.45	
TRENT ROGER L	PER DIEM & MILEAGE FEES	300.00			37.45						337.45	
TRENT ROGER L	PER DIEM & MILEAGE FEES	300.00			37.45						337.45	
TRENT ROGER L	PER DIEM & MILEAGE FEES	300.00			37.45						337.45	
TRENT ROGER L	EKPC ANNUAL MTG			300.00	65.27						365.27	X
TRENT ROGER L	PER DIEM & MILEAGE FEES	300.00			47.62						347.62	
TRENT ROGER L	PER DIEM & MILEAGE FEES	300.00			37.45						337.45	
TRENT ROGER L	PER DIEM & MILEAGE FEES	300.00			37.45						337.45	
VISA	TRENT NRECA REGION II & III CONFERENCE					435.00					435.00	
TRENT ROGER L	PER DIEM/MILEAGE/MISC.	300.00			37.45						337.45	
TRENT ROGER L	NRECA REGION I & II CONFERENCE CHATTANOOGA TN			900.00	366.48			7.48			1,273.96	
TRENT ROGER L	KAEC LINEMAN RODEO SAFETY TRAINING			900.00	148.73						1,048.73	
TRENT ROGER L	TRENT KAEC RODEO SAFETY TRAINING						268.40				268.40	
VISA	TRENT NRECA REGION II & III CONFERENCE						429.08	21.41			450.49	
TRENT ROGER L	PLANNING & REVIEW COMMITTEE		300.00		37.45						337.45	
TRENT ROGER L	KAEC ANNUAL MTG			900.00	160.50						1,060.50	X
TRENT ROGER L	PER DIEM & MILEAGE FEES	300.00			37.45						337.45	
VISA	TRENT NRECA WINTER SCHOOL - NASHVILLE TN						217.82				217.82	
VISA	TRENT NRECA WINTER SCHOOL - NASHVILLE TN					1,218.00					1,218.00	
TRENT ROGER L	NRECA WINTER SCHOOL NASHVILLE TN			1,500.00	321.00			26.36			1,847.36	
TRENT ROGER L	PLANNING & REVIEW COMMITTEE		300.00		37.45						337.45	
TRENT ROGER L	PER DIEM/MILEAGE/MISC.	300.00			37.45						337.45	
KAEC	TRENT KAEC ANNUAL MTG					200.00		84.37			284.37	X
VISA	TRENT KAEC ANNUAL MTG						417.54	22.51			440.05	X

VENDOR NAME	DESCRIPTION	Meeting Fees						Other		Total	
		Regular	Special	Per Diem	Mileage	Registration	Hotel	Meals	Allow		Disallow
VISA	TRENT NRECA WINTER SCHOOL - NASHVILLE TN						746.46	124.00			870.46
TRENT ROGER L	HEALTH INSURANCE									7,651.56	7,651.56 X
TOTAL TRENT		3,600.00	600.00	4,500.00	1,596.45	1,853.00	2,079.30	286.13	-	7,651.56	22,166.44
WHITT JIMMY	PER DIEM & MILEAGE FEES	300.00			22.47						322.47
VISA	WHITT KAEC BD MTG						146.25	25.54			171.79
WHITT JIMMY	PER DIEM & MILEAGE FEES	300.00			22.47						322.47
WHITT JIMMY	KAEC BD MTG			300.00	135.89						435.89
WHITT JIMMY	PER DIEM & MILEAGE FEES	300.00			22.47						322.47
WHITT JIMMY	KAEC BD MTG			300.00	186.18						486.18
VISA	WHITT KAEC BD MTG MEAL							30.90			30.90
WHITT JIMMY	PER DIEM & MILEAGE FEES	300.00			37.45						337.45
VISA	WHITT KAEC BD MTG HOTEL						146.25	25.26			171.51
VISA	WHITT NRECA SUMMER SCHOOL CHARLESTON SC					1,218.00					1,218.00
WHITT JIMMY	PER DIEM & MILEAGE FEES	300.00			22.47						322.47
WHITT JIMMY	KAEC BD MTG			300.00	194.74						494.74
VISA	WHITT KAEC BD MTG							33.15			33.15
WHITT JIMMY	KAEC BD MTG			300.00	-						300.00
WHITT JIMMY	EKPC ANNUAL MTG			300.00	95.23						395.23 X
WHITT JIMMY	NRECA SUMMER SCHOOL CHARLESTON SC			1,200.00	602.41						1,802.41
WHITT JIMMY	PER DIEM & MILEAGE FEES	300.00			22.47						322.47
VISA	WHITT NRECA SUMMER SCHOOL CHARLESTON SC						679.10	152.47			831.57
WHITT JIMMY	PER DIEM & MILEAGE FEES	300.00			32.64						332.64
WHITT JIMMY	KAEC BD MTG			300.00	184.04						484.04
VISA	WHITT KAEC BD MTG							22.50			22.50
WHITT JIMMY	PER DIEM & MILEAGE FEES	300.00			22.47						322.47
VISA	WHITT KAEC BD MTG						146.25	20.16			166.41
WHITT JIMMY	PER DIEM & MILEAGE FEES	300.00			22.47						322.47
WHITT JIMMY	KAEC BD MTG			300.00	184.04						484.04
VISA	WHITT NRECA REGION II & III CONFERENCE					435.00					435.00
WHITT JIMMY	PER DIEM/MILEAGE/MISC.	300.00			22.47						322.47
WHITT JIMMY	KAEC LINEMAN RODEO SAFETY TRAINING			900.00	153.55						1,053.55
WHITT JIMMY	NRECA REGION I & II CONFERENCE CHATTANOOGA TN			900.00	371.29			20.00			1,291.29
WHITT JIMMY	KAEC BD MTG			300.00	184.04						484.04
VISA	WHITT KAEC BD MTG						148.57	26.02			174.59
VISA	WHITT KAEC BD MTG						148.57	16.64			165.21
VISA	WHITT KAEC SAFETY RODEO TRAINING						268.40	15.78			284.18
VISA	WHITT NRECA REGION II & III CONFERENCE						429.08	71.75			500.83
WHITT JIMMY	NEGOTIATING COMMITTEE			300.00	22.47						322.47
WHITT JIMMY	KAEC ANNUAL MTG			300.00	371.29			10.00			681.29
WHITT JIMMY	PER DIEM/MILEAGE/MISC.	300.00			22.47						322.47
VISA	WHITT NRECA WINTER SCHOOL - NASHVILLE TN						217.82				217.82
VISA	WHITT NRECA WINTER SCHOOL - NASHVILLE TN					1,218.00					1,218.00
WHITT JIMMY	KAEC ANNUAL MTG			300.00							300.00
WHITT JIMMY	NRECA WINTER SCHOOL NASHVILLE TN			1,200.00	371.29						1,571.29
WHITT JIMMY	KAEC BD MTG			300.00	181.90						481.90
WHITT JIMMY	PER DIEM & MILEAGE FEES	300.00			22.47						322.47
KAEC	WHITT KAEC ANNUAL MTG					200.00		84.37			284.37

	Meeting Fees					Other			Total	
	Regular	Special	Per Diem	Mileage	Registration	Hotel	Meals	Allow		Disallow
8 Kenneth Arrington	\$ 3,600.00	\$ -	\$ 3,600.00	\$ 1,361.02	\$ 1,244.00	\$ 1,423.62	\$ 358.41	\$ 64.00	\$ 7,651.56	\$ 19,302.61
9 Jim Bentley	3,300.00	-	3,300.00	819.63	2,569.00	1,340.91	80.52	-	7,651.56	\$ 19,061.62
10 Harold Dupuy	3,600.00	600.00	4,800.00	1,810.98	1,853.00	2,107.37	457.79	-	7,651.56	\$ 22,880.70
11 Eddie Martin	3,600.00	300.00	300.00	119.84	-	-	-	-	7,651.56	\$ 11,971.40
12 William T. Rice	3,600.00	300.00	600.00	337.59	-	-	-	-	7,651.56	\$ 12,489.15
13 Roger Trent	3,600.00	600.00	4,500.00	1,596.45	1,853.00	2,079.30	286.13	-	7,651.56	\$ 22,166.44
14 Jimmy Whitt	3,600.00	-	7,800.00	3,533.15	3,071.00	3,264.68	742.51	-	7,651.56	\$ 29,662.90
15 General Expenses	-	-	-	-	-	-	-	982.18	854.26	\$ 1,836.44
16 Total	\$ 24,900.00	\$ 1,800.00	\$ 24,900.00	\$ 9,578.66	\$ 10,590.00	\$ 10,215.88	\$ 1,925.36	\$ 1,046.18	\$ 54,415.18	\$ 139,371.26

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GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION
GRAYSON, KENTUCKY

BOARD POLICY NO. 110

SUBJECT: COMPENSATION, EXPENSES AND TRAVEL OF DIRECTORS

I. OBJECTIVE

To ensure that Directors of GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION are fairly compensated for their efforts on behalf of the Cooperative.

II. POLICY

A. Per Diem and Travel

1. Directors shall, as determined by resolution of the Board of Directors, receive on a per diem basis a fixed fee for attending meetings of the Board of Directors. If a Director is unable to attend a regularly scheduled meeting or a specially called meeting due to circumstances beyond his/her control such as jury duty or a family medical emergency. It must be recognized that a board member would have invested time toward the studying and preparation of board meeting material for the subsequent meeting. Therefore, he or she shall be compensated up to two times per year under such circumstances. If a Director chooses to be absent for any other reason, compensation will not be paid.
2. Attendance at meetings other than regular monthly board meetings requires the prior approval of the Board.
3. Directors shall observe the following guidelines when determining representation of the Cooperative at necessary functions.
 - A. All Directors are eligible to attend the NRECA Annual Meeting, NRECA Region II & III Meeting, KAEC Annual Meeting, and EKP Annual meeting and any other meeting to which the Chair shall appoint them to attend as a representative of the Cooperative.
 - B. Directors may choose 10 optional days of meetings or classes per year that will strengthen their ability to serve the Cooperative in an effective manner. Travel time to and from meetings will count as optional days. Every effort will be made to insure that the Cooperative is represented at a wide variety of functions to utilize information and technologies available to us.
 - C. Directors who are seeking Board Certification will be encouraged to do so as quickly as their personal schedules permit. Additional certification is also encouraged, but requires prior approval of the Board.
 - D. Directors may, from time to time, be called upon or appointed by the Chair to attend additional functions as a representative of the full Board.
4. Directors will receive a per diem for (1) day each of travel time, both before and after the meeting(if necessary), a total of two (2) days per diem allowed for travel.

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B. Travel and Out-of-Pocket Expenses

1. Directors shall also receive advancement or reimbursement of any travel and out-of-pocket expenses actually, necessarily and reasonably incurred in performing their duties.
2. Normal expenses incurred during travel time will be paid by the Cooperative but the per diem for travel is limited to the two (2) days stated above. Receipts for expenses must be presented for reimbursement and receipts for charges to Cooperative credit cards must be presented to verify charges as billed.
3. Prior approval of the Board is required in the event of a spouse of a Director or employee attending an official function on behalf of the Cooperative. In those cases, expenses incurred by him/her shall be paid by the Cooperative.

C. Insurance Compensation

Active Directors, Attorney and Dependents

The medical insurance coverage for the Attorney and his family shall be a part of his contract with the Cooperative.

MEDICAL INSURANCE

Active Directors and their Dependents are entitled to medical insurance coverage under the current plan carried by the Cooperative in the capped amount of \$814.80 per month for a family plan or \$327.24 for a single participant. If a Director or their Dependents participate in the medical insurance program, any increase in premiums as of January 1, 2002 will be paid by the participant.

If a director leaves the board for any reason, he/she and his/her dependants forfeit paid medical insurance coverage.

CASH IN LIEU OF INSURANCE

Active Directors may elect to receive cash in lieu of insurance at the rate of \$637.63.

WHEN A DIRECTOR LEAVES THE BOARD

If a Director leaves the Board for any reason he/she can voluntarily purchase medical insurance coverage at the rate charged by the insurance carrier. This shall also apply to spouses and dependents. In the event of the death of a Director, spouses and dependents will still be eligible to purchase medical insurance, at the rate being charged by the insurance carrier.

Certain Directors are exempt from this policy due to Board action taken January 2000. A list of those exempted is a part of the minutes of the November 2001 Board meeting.

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Past Directors and Dependents

If a Director leaves the Board for any reason, he/she can voluntarily purchase medical insurance coverage at the rate charged by the insurance carrier. Spouses and dependents are also eligible to purchase medical insurance coverage. No cash in lieu of insurance will be paid for any reason after a Director leaves the Board with the exception of those Directors who were exempted by Board action January 2000. A list of those exempted is a part of the minutes of the November 2001 Board meeting.

If a past Director returns to the board for any reason, he or she will be considered a new director. He or she will be eligible for medical insurance benefits only as long as they serve on the Board. Once they leave the Board of Directors for any reason, they are not eligible to receive any medical benefits as outlined above.

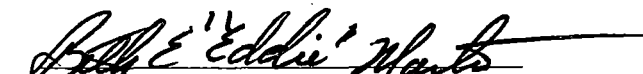
D. Other Compensation

1. Directors will not receive compensation for serving the Cooperative in any other capacity, unless the employment or the service of such Director is temporary and shall be specifically authorized by a vote of the Board upon their resolved determination that such was an emergency measure; provided, that a Director who is also an officer of the Board, and who as such officer performs regular or periodic duties of a substantial nature for the Cooperative in its fiscal affairs, may be compensated in such amount as shall be fixed and authorized in advance of such service by the Board of Directors.

III. RESPONSIBILITY

It shall be the responsibility of the Chairman of the Board of Directors to see that this policy is adhered to.


Roger L. Trent, Chairman


Bill E. (Eddie) Martin, Secretary/Treasurer

Date Adopted: 2/21/86
Minute Book Page: 1554-1555
Date Revised: 12/19/86
Minute Book Page: 1615
Date Revised: 03/23/1990
Minute Book Page: 1923-1924
Date Revised: 02/27/96
Minute Book Page: 2556-2558
Date Revised: 02/28/97
Minute Book Page: 2879-2881
Date Revised: 09/25/98
Minute Book Page: 3044-3046

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Date Revised: 02/25/2000
Minute Book Page: 3176-3178
Date Revised: 12/20/2001
Minute Book Page: 3348-3350
Date Reviewed: 07/22/04
Minute Book Page: 3638-3641
Date Revised: 11/29/07
Minute Book Page: 4034-4037
Date Revised: 05/23/08
Minute Book Page: 4102-4105
Date Revised: 03/29/10
Minute Book Page: 4295-4298

Grayson Rural Electric Cooperative
Case No. 2018-00272
Miscellaneous Expenses

Amounts removed from Account 930.30, Miscellaneous Expenses for rate-making purposes include employee meals and picnics, gifts, flower funds for death in families, amounts paid for nominating committee, and others

Annual meeting scholarships, prizes, and giveaways have been removed for rate-making purposes. These costs are included in Account 930.20, Annual Meeting.

Amounts included in Account 930.40, Employee Training Expenses has no expenses to remove.

The amounts have been removed as follows:

930.20	Annual Meeting Expenses	\$21,643.32
930.30	Miscellaneous General	10,225.05
930.40	Employee Training	<u>0.00</u>
	Total to remove	<u>\$31,868.37</u>

	<u>VENDOR NAME</u>	<u>DESCRIPTION</u>	<u>DATE</u>	<u>NUMBER</u>	<u>AMOUNT</u>	<u>X = REMOVE</u>
8	GRAYSON POSTMASTER	POSTAGE FOR MAILINGS	2/20/17	171125	910.00	
9	RALPH'S FOODFAIR	MEALS AND DRINKS	2/28/17	171192	16.26	
10	VISA	ANNUAL MTG SUPPLIES	2/28/17	171198	89.72	
11	VISA	ANNUAL MTG SUPPLIES	2/28/17	171198	158.58	
12	L & M TROPHY SHOP	(10) SCHOLARSHIP PLAQUES	3/15/17	171289	159.00	
13	VISA	ANNUAL MTG SUPPLIES	3/31/17	171372	7.20	
14	RALPH'S FOODFAIR	MEALS AND DRINKS	3/31/17	171432	217.47	
15	CHOICE CONCEPTS	1500 FOLDING RULERS-ANNL MTG	4/20/17	171507	9,691.99	X
16	KAESER & BLAIR INC	(2,500) PENS FOR ANNUAL MTG.	4/12/17	171510	1,087.43	X
17	SAM'S CLUB	MEALS AND DRINKS	4/30/17	171601	1,899.16	
18	SIMMONS KAYLEANA & KCTCS	2017 ANNL MTG SCHOLARSHIP	5/2/17	171602	1,000.00	X
19	VISA	ANNUAL MTG SUPPLIES	4/30/17	171611	80.34	
20	VISA	ANNUAL MTG SUPPLIES	4/30/17	171611	169.71	
21	ALL AMERICAN GRAPHICS	ANNL MTG SHIRTS/CAPS	5/8/17	171656	828.92	X
22	KCU PRINT SHOP	GIVEAWAYS	5/10/17	171663	18.02	X
23	SOUTHLAND PRINTING	BALLOTS/ENVELOPES-DIR ELECTION	4/5/17	171672	1,215.62	
24	PURCHASE POWER	POSTAGE FOR MAILINGS	4/19/17	171693	1,597.00	
25	BAKER'S SEPTIC SERVICE &	PORT-A-JOHN RENTAL-ANNL MTG	5/11/17	171700	240.00	
26	ALL AMERICAN GRAPHICS	ANNL MTG SHIRTS	5/23/17	171764	16.96	X
27	DEAN JOHN B CPA	PROVOST FEE/REIMB. POSTAGE	5/22/17	171780	2,137.50	
28	MAY HEATHER & MSU	ANNL MTG SCHOLARSHIP-2017	5/31/17	171822	1,000.00	X
29	SAM'S CLUB	MEALS AND DRINKS	5/31/17	171824	1,671.25	
30	VISA	FOOD AND SUPPLIES	5/31/17	171826	699.94	
31	VISA	DOOR PRIZES	5/31/17	171826	1,196.83	
32	RALPH'S FOODFAIR	MEALS AND DRINKS	5/31/17	171885	173.74	
33	EAST KY POWER COOP	ANNUAL REPORTS	6/15/17	171987	977.50	
34	BOYD HAYLEY & MSU	2017 ANNL MTG SCHOLARSHIP	7/20/17	172202	1,000.00	X
35	CHOICE CONCEPTS	BREAKER BOX LABELS FOR SAFETY-ANL MTG	7/1/17	172204	1,199.96	
36	DICKERSON EMMA & MSU	2017 ANNL MTG SCHOLARSHIP	7/20/17	172205	1,000.00	X
37	ELKINS JANA & MSU	2017 ANNL MTG SCHOLARSHIP	7/20/17	172207	1,000.00	X
38	MEADOWS SARAH & MSU	2017 ANNL MTG SCHOLARSHIP	7/20/17	172210	1,000.00	X
39	SPRADLIN AUSTIN & MSU	2017 ANNL MTG SCHOLARSHIP	7/20/17	172212	1,000.00	X
40	TUSSEY DESTINY & ACTCS	2017 ANNL MTG SCHOLARSHIP	7/21/17	172214	1,000.00	X
41	BROWN DALTON & MSU	2017 ANNL MTG SCHOLARSHIP	7/25/17	172219	1,000.00	X
42	KAEC	ANNUAL MTG SETUPS	7/24/17	172348	5,317.92	
43	DEAN DILLON & ALICE LLOYD	2017 ANNL MTG SCHOLARSHIP	9/25/17	172704	1,000.00	X
44		EMPLOYEE LABOR, BENEFITS, TRANSPORTATION	VAR	VAR	28,146.62	
45						
46					<u>69,924.64</u>	
47						
48		REMOVE FOR RATE MAKING PURPOSES				
49		AS INDICATED WITH AN "X"			<u>21,643.32</u>	
50						
51						

VENDOR NAME	DESCRIPTION	DATE	NUMBER	AMOUNT	EXCLUDE
ASHLAND ALLIANCE	2017 ANNUAL DUES	2/1/17	170920	150.00	X
KAEC	2017 MANAGERS ASSOC. DUES	2/8/17	171067	300.00	
KAEC	2017 KY CHAMBER DUES	3/27/17	171426	195.55	X
GRAYSON AREA CHAMBER OF	2017 MEMBERSHIP DUES	4/14/17	171485	300.00	X
LEWIS JULIE RHEA	CASH ADVANCE-WASHINGTON YTH TOUR	6/5/17	171840	150.00	X
ALL AMERICAN GRAPHICS	CAMP COOP - ELECTRIC SAFETY	6/12/17	171927	548.02	
JMB BIOLOGICAL SERVICES LLC	CAMP COOP - ELECTRIC SAFETY	6/13/17	171893	250.00	
VISA	CAMP COOP - ELECTRIC SAFETY MEALS AND SUPPLIE	6/30/17	172044	1,371.29	
VISA	CAMP COOP - ELECTRIC SAFETY SUPPLIES	6/30/17	172044	505.86	
VERIZON WIRELESS	CEO CELL/MOBILE WORKFORCE CHGS	7/19/17	172302	432.92	
JMB BIOLOGICAL SERVICES LLC	ENVIRO. PROG-MSU GOV. SCHOLAR	7/31/17	172284	83.33	X
VISA	iPADS and CASES	7/31/17	172341	503.61	
EAST KY POWER COOP	HONOR FLIGHT-2 VETS/2 GUARDIANS	8/8/17	172397	1,000.00	X
KAEC	WASHINGTON YTH TOUR LESS NCSC CR	8/30/17	172648	4,960.00	X
VISA	BUSH-KCU WELCOME BAGS	8/31/17	172553	1,738.78	X
VISA	HUTCHINSON-CONSTRUCTION SAW	8/31/17	172553	352.65	
VISA	EMP MTG/MISC EXP-JULIE LEWIS	9/30/17	172804	376.08	
FELTY ALICE	DESSERTS FOR CHAMBER MEETING	10/10/17	172808	134.00	X
VISA	BUSH-CHRISTMAS MEAL	10/31/17	173033	259.34	X
SAM'S CLUB	OFFICE SUPPLIES AND EXPENSES	10/31/17	173028	700.93	
VISA	BUSH-MEALS LINEMAN SAFETY RODEO	10/31/17	173033	627.79	
RALPH'S FOODFAIR	EMPLOYEE TRAINING MEALS	10/31/17	173058	352.84	
VISA	CEO-HOTEL/MEALS SEPT KAEC BD MTG	10/31/17	173033	268.28	
PERRYVILLE EMBROIDERY	108 CAPS FOR CONTRACTORS/MEN	11/13/17	173239	467.99	X
GRAYSON AREA CHAMBER OF	2017 CHAMBER AWARDS DINNER	11/27/17	173161	30.00	X
SAM'S CLUB	OFFICE SUPPLIES AND EXPENSES	11/30/17	173272	875.00	
ZZ'S BAR & GRILL	CONTRACTOR/EMP CHRISTMAS BRKFT	12/13/17	173336	550.00	X
JIFFY FASTENING SYSTEMS, INC	24PR GLOVES-R/W CHRISTMAS GIFTS	12/15/17	173514	206.06	X
VISA	CEO-KAEC ANNUAL MTG HOTEL/MEALS	12/31/17	173659	416.33	
	Amounts individually less than \$250.00			7,078.36	
	LABOR AND BENEFITS	Monthly		8,877.88	
				<u>34,062.89</u>	
	X = Remove for rate-making purposes			<u>10,225.05</u>	

1 Grayson Rural Electric Coeoprative
2 Case No. 2018-00272
3 Account 930.40, Employee Training Expenses

Exhibit 10
4 page of 5
Witness: James Adkins

	<u>VENDOR NAME</u>	<u>DESCRIPTION</u>	<u>DATE</u>	<u>NUMBER</u>	<u>AMOUNT</u>
6					
7	KAEC	NESC 2017 WORKSHOP REGISTRATION	3/15/17	171359	310.00
8	VISA	SPEAKS-HOTEL/MEALS NESC MTG	3/31/17	171372	398.23
9	KAEC	HOTLINE SKILL WKSHOP-SHANE/RYAN	5/17/17	171788	213.00
10	VISA	KAEC HOTLINE SKILLS WORKSHOP-HOTEL/MEALS	5/31/17	171826	419.06
11	VISA	HAZMAT TRAINING-HOTEL/MEALS OWENSBORO	9/30/17	172804	90.68
12	VISA	U/G WORKSHOP-HOTEL/MEALS FLORENCE	9/30/17	172804	397.76
13	KAEC	HOTLINE SKILL WORKSHOP FEES	9/28/17	172848	112.05
14	VISA	EMP MTG/MISC EXP-ROBERT BROWN	10/31/17	173033	136.21
15	VISA	LINEMAN SAFETY RODEO MEALS	10/31/17	173033	656.41
16	VISA	LINEMAN SAFETY RODEO HOTEL	10/31/17	173033	1,342.00
17	VISA	KAEC PROPERTY/STAKING MTG-HOTEL/MEALS	11/30/17	173280	1,100.65
18	KAEC	2017 SAFETY COORD. CONFERENCE FEES	12/21/17	173458	410.00
19	JACKSON ENERGY	CPR/WO TRAINING-FEES	12/31/17	173512	200.00
20	VISA	KAEC SAFETY COORDINATOR CONF-HOTEL	12/31/17	173659	149.73
21		EMPLOYEE LABOR AND BENEFITS	Monthly		<u>29,343.91</u>
22					
23					<u>35,279.69</u>
24					
25					

GRAYSON RURAL ELECTRIC COOPERATIVE
CASE NO. 2018-00272
ACCOUNT 913.00, ADVERTISING

WITNESS: JIM ADKINS

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<u>VENDOR NAME</u>	<u>DESCRIPTION</u>	<u>CHECK</u>		<u>AMOUNT</u>	<u>X = REMOVE</u>
		<u>DATE</u>	<u>NUMBER</u>		
GREENUP CO PARK & FAIR BOARD	SPONSOR 2017 KIDS IN THE RACES	1/26/17	170931	500.00	X
ELLIOTT CO HIGH SCHOOL	ELLIOTT COUNTY BAND AD	3/2/17	171181	250.00	X
THE INDEPENDENT	NON-DISCRIMINATION STATEMENT	3/31/17	171515	128.00	
THE INDEPENDENT	NON-DISCRIMINATION STATEMENT	4/30/17	171714	128.00	
VISA	ANNUAL MEMBERSHIP	5/31/17	171826	33.08	X
VISA	COOPERATIVE CONTACT AD	5/31/17	171826	504.00	
COURIER PUBLISHING COMPANY	NEWSPAPER AD-SOLAR GENERATION	12/31/17	173556	198.40	
THE INDEPENDENT	SOLAR NEWSPAPER AD	12/31/17	173592	472.50	
	EKPC REIMBURSEMENTS			<u>(375.00)</u>	
	TOTAL FOR ACCOUNT			<u>1,838.98</u>	
	REMOVE FOR RATE MAKING PURPOSES = X			<u>(783.08)</u>	

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Grayson Rural Electric Cooperative
Case No. 2018-00272
Rate Case Expenses
December 31, 2017

Estimated rate case costs:

Legal	\$	5,000
Consulting		68,000
Advertising		15,000
Supplies and miscellaneous		<u>2,000</u>
Total		90,000
Number of years		<u>3</u>
Adjustment	\$	<u><u>30,000</u></u>

In-house labor was not included in the above adjustment as the labor would be incurred in other accounts.

This amount is approximately the same as other rate requests filed before this Commission.

The monthly amounts filed for rate case expenses will include the labor, however, this amount is not included in the above adjustment.

GRAYSON RURAL ELECTRIC COOPERATIVE
CASE NO. 2018-00272
ACCOUNT 913.00, ADVERTISING

WITNESS: JIM ADKINS

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<u>VENDOR NAME</u>	<u>DESCRIPTION</u>	<u>CHECK</u>		<u>AMOUNT</u>	<u>X = REMOVE</u>
		<u>DATE</u>	<u>NUMBER</u>		
GREENUP CO PARK & FAIR BOARD	SPONSOR 2017 KIDS IN THE RACES	1/26/17	170931	500.00	X
ELLIOTT CO HIGH SCHOOL	ELLIOTT COUNTY BAND AD	3/2/17	171181	250.00	X
THE INDEPENDENT	NON-DISCRIMINATION STATEMENT	3/31/17	171515	128.00	
THE INDEPENDENT	NON-DISCRIMINATION STATEMENT	4/30/17	171714	128.00	
VISA	ANNUAL MEMBERSHIP	5/31/17	171826	33.08	X
VISA	COOPERATIVE CONTACT AD	5/31/17	171826	504.00	
COURIER PUBLISHING COMPANY	NEWSPAPER AD-SOLAR GENERATION	12/31/17	173556	198.40	
THE INDEPENDENT	SOLAR NEWSPAPER AD	12/31/17	173592	472.50	
	EKPC REIMBURSEMENTS			<u>(375.00)</u>	
	TOTAL FOR ACCOUNT			<u>1,838.98</u>	
				-	
	REMOVE FOR RATE MAKING PURPOSES = X			<u>(783.08)</u>	

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Grayson Rural Electric Cooperative
Case No. 2018-00272
December 31, 2017

This adjustment is to remove G&T capital credits allocated during the test year.

East Kentucky Power Cooperative	<u>\$ 504,926</u>
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1 Rayson Rural Electric Cooperative
 2 Case No. 2018-00272
 3 Revenue Adjustment for Change in Billing Cycles

	<u>Purchases</u>	<u>Sales</u>	<u>Line Loss</u>	<u>Percent</u>
7 2017	250,857,783	223,362,793	27,494,990	10.96%
8 2016	261,944,284	245,076,512	16,867,772	6.44%
9 2015	263,079,445	247,930,543	15,148,902	5.76%
10 2014	270,186,693	254,818,330	15,368,363	5.69%
11 2013	269,548,753	257,598,620	11,950,133	4.43%

12
 13 Average of 3 Year summary from 2016 to 2014

14 2014-2016	265,070,141	249,275,128	15,795,012	5.96%
16 2017	250,857,783	235,909,657	14,948,126	5.96%

17 Adjusted sales based on line loss

19 Total projected sales			235,909,657	
20 Less:				
21 Smithfield			20,109,600	
22 Little Sandy Correctional Inst			<u>10,940,400</u>	
23 Remaining			<u><u>204,859,657</u></u>	
24				
25 Total actually billed			235,909,658	
26 Less:				
27 Smithfield			20,109,600	
28 Little Sandy Correctional Inst			<u>10,940,400</u>	
29 Remaining			<u><u>204,859,658</u></u>	
30				
31 Total unbilled kwh			<u><u>0</u></u>	

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1 Rayson Rural Electric Cooperative
 2 Case No. 2018-00272
 3 Revenue Adjustment for Change in Billing Cycles

Witness: James Adkins

34				
35	1	Residential	141,125,800	68.89%
36	2	Small Commerical	15,282,375	7.46%
37	3	ETS Rider Sch 1	1,217,699	0.59%
38	4	Large Power	18,667,299	9.11%
39	6	Yard Light Only	3,713,787	1.81%
40	5	Street Light Only		0.00%
41	7	All Electric Schools	4,920,047	2.40%
42	3	ETS Rider Sch Small Comm	40,076	0.02%
43	10	Residential T-O-D	45,888	0.02%
44	11	Small Commerical T-O-D	-	0.00%
45	3	ETS Rider Sch Gen Svc	27,100	0.01%
46	4	Primary Meter-demand credit	4,279,806	2.09%
47	15	Residential Demand	-	0.00%
48	16	Small Commerical Demand	224,102	0.11%
49	17	T-O-D Water Pumping	5,710	0.00%
50	18	General Service	5,476,190	2.67%
51	19	Temporary Service	665,686	0.32%
52	20	Residential Inclining Block	131,477	0.06%
53	21	Prepay-Residential	8,930,587	4.36%
54	NM	Net Metering-Residential	41,614	0.02%
55	NM	Net Metering-Gen Svc	113	0.00%
56	14a	Industrial Smithfield	20,109,600	
57	14a	Industrial Little Sandy Correctional	10,940,400	
58	21	Prepay-Gen Svc	64,302	0.03%
59				
60			-	235,909,658
61	Less:			
62		Smithfield	20,109,600	
63		Little Sandy Correctional Inst	<u>10,940,400</u>	
64				
65				204,859,658
66				

	Billing Demand				Total kwh Billing				Green Power	Metering Point	Substation Charge			Fuel Adjustment	DLC	Enviromental Surcharge	Total
	Schedule B		Schedule E2	Total	Schedule B	Schedule E2		Total			3,000	7,500	Total				
	Contract	Excess				On-Peak	Off-Peak										
January	\$30,473	\$0	\$326,886	\$357,359	\$103,261	\$530,136	\$547,462	\$1,180,859	\$128	\$1,872	\$16,422	\$23,044	\$39,466	(\$79,605)	(\$2,389)	\$253,791	\$1,751,480
February	\$30,473	\$0	\$313,678	\$344,151	\$96,776	\$427,432	\$441,909	\$966,118	\$123	\$1,872	\$16,422	\$23,044	\$39,466	(\$80,388)	(\$2,272)	\$142,507	\$1,411,576
March	\$30,473	\$449	\$300,585	\$331,506	\$110,842	\$463,572	\$482,711	\$1,057,125	\$120	\$1,872	\$16,422	\$23,044	\$39,466	(\$163,467)	(\$2,288)	\$155,277	\$1,419,611
April	\$30,473	\$1,347	\$187,204	\$219,024	\$101,602	\$355,849	\$349,949	\$807,400	\$118	\$1,872	\$16,422	\$23,044	\$39,466	(\$82,147)	(\$2,359)	\$155,035	\$1,138,409
May	\$30,473	\$2,106	\$208,557	\$241,135	\$108,524	\$464,523	\$282,432	\$855,479	\$118	\$1,872	\$16,422	\$23,044	\$39,466	(\$93,571)	(\$2,352)	\$160,836	\$1,202,983
June	\$35,850	\$0	\$238,609	\$274,459	\$116,787	\$560,516	\$284,881	\$962,184	\$118	\$1,872	\$16,422	\$23,044	\$39,466	(\$99,169)	(\$2,443)	\$234,112	\$1,410,598
July	\$35,850	\$120	\$252,081	\$288,051	\$128,300	\$680,035	\$339,820	\$1,148,155	\$118	\$1,872	\$16,422	\$23,044	\$39,466	(\$152,689)	(\$2,407)	\$240,196	\$1,562,762
August	\$35,850	\$0	\$252,244	\$288,094	\$125,256	\$596,891	\$302,856	\$1,025,003	\$118	\$1,872	\$16,422	\$23,044	\$39,466	(\$110,882)	(\$2,401)	\$220,731	\$1,462,001
September	\$35,850	\$0	\$213,812	\$249,662	\$109,433	\$455,439	\$250,596	\$815,468	\$118	\$1,872	\$16,422	\$23,044	\$39,466	(\$123,847)	(\$2,363)	\$156,138	\$1,136,514
October	\$35,850	\$0	\$220,284	\$256,134	\$109,540	\$363,709	\$355,554	\$828,803	\$118	\$1,872	\$16,422	\$23,044	\$39,466	(\$48,810)	(\$2,399)	\$188,881	\$1,264,064
November	\$35,850	\$0	\$248,241	\$284,091	\$103,457	\$435,496	\$440,459	\$979,412	\$118	\$1,872	\$16,422	\$23,044	\$39,466	(\$70,698)	(\$2,433)	\$253,121	\$1,484,948
December	\$31,548	\$0	\$333,014	\$364,562	\$93,130	\$582,876	\$602,354	\$1,278,361	\$115	\$1,872	\$16,422	\$23,044	\$39,466	(\$64,758)	(\$2,366)	\$289,405	\$1,906,658
Total	\$399,011	\$4,022	\$3,095,195	\$3,498,227	\$1,306,908	\$5,916,474	\$4,680,985	\$11,904,368	\$1,425	\$22,464	\$197,064	\$276,528	\$473,592	(\$1,170,031)	(\$28,472)	\$2,450,030	\$17,151,603
Normalized	\$399,011	\$4,022	\$3,095,195	\$3,498,227	\$1,257,438	\$5,734,266	\$4,519,019	\$11,510,723	\$1,425	\$22,464	\$197,064	\$276,528	\$473,592	\$0	\$0	\$0	\$15,506,431
Adjustment	\$0	\$0	\$0	\$0	(\$49,471)	(\$182,209)	(\$161,965)	(\$393,645)	\$0	\$0	\$0	\$0	\$0				(\$393,645)

1 Grayson Rural Electric Cooperative
 2 Case No. 2018-00272
 3 Purchase Power Billing Units
 4

Exhibit 15
 page 2 of 3
 Witness: James Adkins

	Billing Demand			Total kwh Billing				Green Power	Metering Point	Substation Charge	
	Schedule B		Schedule E2	Schedule B	Schedule E2		Total			3,000	7,500
	Contract	Excess			On-Peak	Off-Peak					
8 January	4,250		54,300	2,408,023	9,950,183	12,287,605	24,645,811	5,100	13	6	7
9 February	4,250		52,106	2,256,802	8,022,530	9,918,513	20,197,845	4,900	13	6	7
10 March	4,250	45	49,931	2,584,809	8,700,834	10,834,298	22,119,941	4,800	13	6	7
11 April	4,250	135	31,097	2,369,339	6,678,980	7,854,489	16,902,808	4,700	13	6	7
12 May	4,250	211	34,644	2,530,751	8,718,692	6,339,097	17,588,540	4,700	13	6	7
13 June	5,000		39,636	2,723,456	10,520,389	6,394,063	19,637,908	4,700	13	6	7
14 July	5,000	12	41,874	2,991,934	12,763,660	7,627,154	23,382,748	4,700	13	6	7
15 August	5,000		41,901	2,920,956	11,203,123	6,797,496	20,921,575	4,700	13	6	7
16 September	5,000		35,517	2,701,910	8,947,896	5,941,966	17,591,772	4,700	13	6	7
17 October	5,000		36,592	2,704,546	7,145,699	8,430,652	18,280,897	4,700	13	6	7
18 November	5,000		41,236	2,554,377	8,556,075	10,443,854	21,554,306	4,700	13	6	7
19 December	4,400		55,318	2,299,404	11,451,628	14,282,600	28,033,632	4,600	13	6	7
20	55,650	403	514,152	31,046,307	112,659,689	107,151,787	250,857,783	57,000	156	72	84

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	<u>Sales to Customers</u>		<u>Purchase Power</u>	
	Fuel	Enviromental	Fuel	Enviromental
	Adjustment	Surcharge /	Adjustment	Surcharge /
		DLC		DLC
8				
9				
10	January	\$ (74,431)	\$ 224,221	\$ (79,605) \$ 251,402
11	February	(89,180)	134,944	(80,388) 140,235
12	March	(124,262)	124,883	(163,467) 152,989
13	April	(118,177)	156,211	(82,147) 152,676
14	May	(102,783)	177,115	(93,571) 158,484
15	June	(99,266)	252,526	(99,169) 231,669
16	July	(131,614)	227,033	(152,689) 237,789
17	August	(111,324)	193,435	(110,882) 218,330
18	September	(17,160)	15,213	(123,847) 153,775
19	October	(178,832)	202,233	(48,810) 186,482
20	November	(209,345)	207,230	(70,698) 250,688
21	December	(85,181)	333,737	(64,758) 287,039
22				
23		<u>\$ (1,341,554)</u>	<u>\$ 2,248,780</u>	<u>\$ (1,170,031)</u> <u>\$ 2,421,558</u>
24				
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Grayson Rural Electric Cooperative
Case No. 2018-00272
Normalized Adjustment

Exhibit 16
page 1 of 1
Witness: James Adkins

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Revenue from base rates	
Normalized	26,819,694
Test year	<u>27,251,259</u>
Adjustment	<u><u>(431,565)</u></u>

Refer to Exhibit G of the application for the above referenced numbers.

**KENTUCKY ELECTRIC COOPERATIVES
OPERATING EXPENSE STATISTICAL COMPARISONS
AVERAGE ANNUAL BASIS**

COOPERATIVE NAME	DISTRIBUTION OPERATION PER CONSUMER	DISTRIBUTION MAINTENANCE PER CONSUMER	TOTAL OP. & MAINT. PER CONSUMER	CONSUMER ACCOUNTING PER CONSUMER	CONSUMER INFORMATION PER CONSUMER	ADM. & GEN. EXPENSE PER CONSUMER	TOTAL EXPENSE PER CONSUMER	NUMBER OF EMPLOYEES	MILES OF LINE	NUMBER OF CONSUMERS BILLED	MILES OF LINE PER EMPLOYEE	CONSUMERS PER EMPLOYEE	DENSITY CONSUMERS PER MILE
BIG SANDY RECC	77	130	207	68	2	103	380	39	1,038	12,987	27.0	333	13.0
BLUE GRASS ENERGY COOP	50	102	152	44	13	78	287	95	4,742	57,319	49.9	603	12.1
CLARK ENERGY COOP	87	136	223	55	8	53	339	52	3,103	26,246	60.0	505	8.5
CUMBERLAND VALLEY ELECTRIC	67	134	201	80	2	71	354	47	2,655	23,620	56.5	503	8.9
FARMERS RECC	70	113	183	42	8	76	309	61	3,648	25,122	59.8	412	6.9
FLEMING-MASON ENERGY	80	126	206	61	4	65	336	49	3,594	24,219	73.4	494	6.7
GRAYSON RECC	82	228	310	70	18	131	529	47	2,473	15,366	52.6	327	6.2
INTER-COUNTY ENERGY	113	93	206	70	13	84	373	65	3,935	25,908	61.0	399	6.5
JACKSON ENERGY COOP	93	128	221	59	16	92	388	119	5,714	51,356	48.0	432	9.0
LICKING VALLEY RECC	102	149	251	53	-1	79	382	44	2,070	17,339	47.0	394	8.4
NOLIN RECC	119	162	281	73	20	134	508	96	3,025	34,891	31.5	363	11.5
OWEN EC	78	64	142	65	12	85	304	129	4,562	60,120	35.4	466	13.2
SALT RIVER ELECTRIC	54	59	113	34	4	63	214	73	4,185	50,051	57.3	686	12.0
SHELBY ENERGY COOP	107	222	329	44	28	62	463	41	2,129	15,941	51.9	389	7.5
SOUTH KENTUCKY RECC	61	125	186	52	2	63	303	143	6,836	67,067	47.8	469	9.8
TAYLOR COUNTY RECC	73	78	151	45	-9	58	249	54	3,264	26,290	60.0	487	8.0
EKPC GROUP AVERAGE	82	128	210	57	9	81	357	72	3,561	33,385	49.5	463	9.4
JACKSON PURCHASE ENERGY	87	118	205	46	3	84	338	64	2,957	29,622	46.2	463	10.0
KENERGY CORP	74	146	220	67	5	74	366	143	7,135	56,832	49.9	397	8.0
MEADE COUNTY RECC	92	110	202	56	7	54	319	63	3,223	29,400	51.0	467	9.1
BIG RIVERS GROUP AVERAGE	84	125	209	56	5	71	341	90	4,438	38,618	49.3	429	8.7
GIBSON EMC	106	118	224	57	16	82	379	97	3,588	38,613	37.0	398	10.8
PENNYRILE RECC	109	114	223	54	12	76	365	112	5,142	47,665	45.9	426	9.6
TRI-COUNTY EMC	96	121	217	50	13	45	325	128	5,488	51,567	42.9	403	9.4
WARREN RECC	85	91	176	53	13	97	339	153	5,682	63,603	37.1	416	11.2
WEST KENTUCKY RECC	94	176	270	74	2	83	429	92	4,055	38,611	44.1	420	9.5
TVA GROUP AVERAGE	98	124	222	58	11	77	388	116	4,791	48,012	41.3	414	10.0
OVERALL AVERAGE	86	127	213	57	9	79	358	84	3,927	37,073	46.8	441	9.4

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**KENTUCKY ELECTRIC COOPERATIVES
OPERATING EXPENSE STATISTICAL COMPARISONS
AVERAGE ANNUAL BASIS**

COOPERATIVE NAME	DISTRIBUTION OPERATION PER CONSUMER	DISTRIBUTION MAINTENANCE PER CONSUMER	TOTAL OP. & MAINT. PER CONSUMER	CONSUMER ACCOUNTING PER CONSUMER	CONSUMER INFORMATION PER CONSUMER	ADM. & GEN. EXPENSE PER CONSUMER	TOTAL EXPENSE PER CONSUMER	NUMBER OF EMPLOYEES	MILES OF LINE	NUMBER OF CONSUMERS BILLED	MILES OF LINE PER EMPLOYEE	CONSUMERS PER EMPLOYEE	DENSITY CONSUMERS PER MILE
BIG SANDY RECC	82	131	213	69	5	118	405	38	1,037	12,939	27.0	341	12.0
BLUE GRASS ENERGY COOP	54	103	157	42	12	78	289	95	4,762	57,912	50.1	610	12.2
CLARK ENERGY COOP	64	130	194	55	8	52	309	50	2,908	26,400	58.2	528	9.1
CUMBERLAND VALLEY ELECTRIC	66	93	159	78	2	69	308	47	2,666	23,636	56.7	503	8.9
FARMERS RECC	63	113	176	43	7	75	301	60	3,659	25,294	61.0	422	6.9
FLEMING-MASON ENERGY	77	115	192	59	5	62	318	49	3,612	24,355	73.7	497	6.7
GRAYSON RECC	92	242	334	76	20	138	568	45	2,477	14,158	55.0	315	5.7
INTER-COUNTY ENERGY	110	99	209	69	15	93	386	64	3,978	26,138	62.2	408	6.6
JACKSON ENERGY COOP	87	122	209	58	15	92	374	122	5,728	51,391	47.0	421	9.0
LICKING VALLEY RECC	100	172	272	51	-1	77	399	43	2,071	17,342	48.2	403	8.4
NOLIN RECC	112	131	243	71	19	111	444	93	3,058	36,186	32.9	389	11.8
OWEN EC	79	66	145	66	12	89	312	131	4,516	60,886	34.5	465	13.5
SALT RIVER ELECTRIC	52	55	107	35	3	67	212	71	4,232	50,935	59.6	717	12.0
SHELBY ENERGY COOP	117	198	315	38	17	68	438	40	2,139	16,136	53.5	403	7.5
SOUTH KENTUCKY RECC	62	113	175	56	-2	64	293	138	6,866	67,436	49.8	489	9.8
TAYLOR COUNTY RECC	74	69	143	40	1	56	240	56	3,273	26,418	58.0	472	8.0
EKPC GROUP AVERAGE	81	122	203	57	9	82	351	71	3,561	33,598	50.2	473	9.4
JACKSON PURCHASE ENERGY	91	117	208	43	3	71	325	65	2,963	30,002	45.6	462	10.1
KENERGY CORP	78	146	224	61	6	72	363	135	7,151	57,319	53.0	425	8.0
MEADE COUNTY RECC	101	100	201	56	9	53	319	63	3,228	29,579	51.0	470	9.2
BIG RIVERS GROUP AVERAGE	90	121	211	53	6	65	335	88	4,447	38,967	50.5	443	8.8
GIBSON EMC	110	115	225	57	17	83	382	97	3,588	38,719	37.0	399	10.8
PENNYRILE RECC	114	97	211	56	10	83	360	116	5,146	47,953	44.4	413	9.3
TRI-COUNTY EMC	94	105	199	51	14	47	311	125	5,504	51,844	44.0	415	9.4
WARREN RECC	93	91	184	51	9	91	335	154	5,710	64,895	37.1	421	11.4
WEST KENTUCKY RECC	98	145	243	65	3	79	390	93	4,145	38,796	44.6	417	9.4
TVA GROUP AVERAGE	102	111	213	56	11	77	357	117	4,819	48,441	41.2	414	10.1
OVERALL AVERAGE	86	120	206	56	9	79	350	83	3,934	37,361	47.4	450	9.5

GRECC UNION CONTRACT

JANUARY 1, 2018 – JANUARY 1, 2024

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AGREEMENT

THIS AGREEMENT, made and entered into this 1st day of January, 2018, by and between the GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION OF GRAYSON, KENTUCKY, hereinafter referred to as the COOPERATIVE, and LOCAL UNION NO. 317 of the INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, AFL-CIO, hereinafter referred to as the UNION, as the collective bargaining representative for the employees of the COOPERATIVE in the classifications listed in Article VIII, Section 5 of this Agreement.

WITNESSETH:

WHEREAS, the COOPERATIVE and the UNION have a common and sympathetic interest in the electrical industry, and together with the Public will benefit from harmonious working arrangements for the adjustments of differences by rational and common sense methods, and therefore, for the purpose of facilitating the peaceful adjustments of differences that may arise from time to time, and to promote harmony and efficiency to the end that the COOPERATIVE, the UNION and the GENERAL PUBLIC may be benefited, the parties hereto contract and agree with each other as follows:

TO WIT:

ARTICLE I SCOPE

This Agreement shall constitute the complete agreement between the parties hereto with reference to wages, hours, working conditions and conditions of employment. Any additions, waivers, deletions, changes, amendments or modifications that may be made to this Agreement shall be effected through the collective bargaining process between authorized representatives of the COOPERATIVE and the UNION, subject to ratification by the employees of the COOPERATIVE covered by this Agreement. All other understandings between the parties not incorporated herein by reference or otherwise, at the effective date of this Agreement, are hereby terminated, with the exception of existing policies of the COOPERATIVE covering health and sanitation of employees while at work, which may or may not be incorporated in this Agreement. Any interpretation of this Agreement or of amendments hereto can be a proper subject for the grievance procedure.

ARTICLE II RECOGNITION

Section 1. In conformity with the Labor Management Relations Act of 1947, as amended, the COOPERATIVE recognizes the UNION as the sole and exclusive bargaining agent for those hourly employees, excluding salaried, supervisory and office personnel, included in the National Labor Relations Board Certification No. 9 RC-4683 with respect to rates of pay, wages, hours of employment, and other conditions of employment. The COOPERATIVE will bargain with no other UNION for the representation of employees within the bargaining unit during the life of this Agreement.

Section 2. The term "employee" as used herein shall mean any person represented by the UNION as set forth in Article II, Section 1 of this Agreement.

Section 3. As a means of informing all employees as to their rights, privileges and obligations under this Agreement, the UNION agrees to furnish a copy of this Agreement to each employee.

Section 4.

- (a) The parties recognize that Kentucky Statute KRS 336.130 (3) (a) prohibits a union or agency shop agreement. Consequently, for as long as laws prohibiting a union or agency shop are in effect, the provisions of subsection 4 (b) below shall not be effective. However, if during the life of this Agreement, Federal or State Statutes are changed by act of a legislative body or by popular vote, such that union or agency shop provisions are no longer prohibited, or if laws prohibiting union or agency shop provisions are declared unlawful, then the provisions of subsection 4(b) will become effective where so permitted.

- (b) All employees who are members of the UNION on the effective date of this Agreement shall be required to remain members of the UNION in good standing as a condition of employment during the term of this Agreement. Local Union 317 will provide the COOPERATIVE a complete and current membership list, updated as necessary. Huntington Local 317 will provide the COOPERATIVE with an enrollment card for any new UNION member before the 31st day of employment, so that UNION dues can be added to his/her payroll deduction. The COOPERATIVE agrees to collect UNION dues and remit them to Huntington Local 317 on a quarterly basis, and also to collect kitty fund dues and remit them to Local 317 treasurer on a monthly basis. New employees and employees who are not now members of the UNION shall be required to become and remain members of the UNION in good standing as a condition of employment within thirty-one (31) days following the date of their employment or the effective date of the Agreement, whichever is later. The terms of this Agreement shall apply to all such employees prior to their becoming members of the UNION.

Section 5. The COOPERATIVE agrees not to discriminate against any employee on account of UNION membership or UNION activity. The Employer shall, for the term of this Agreement, deduct, in addition to union dues, initiation fees, as authorized, arrears, assessments, or service fees, in an amount authorized by the Union from the weekly wages of employees covered by this Agreement who individually and voluntarily certify in writing authorization for such deductions. The Employer shall promptly remit all sums deducted in this matter to Local Union 317 or Huntington Local 317.

Section 6. The COOPERATIVE will recognize the following number of properly certified UNION representatives for the purpose of representing employees in the manners specified in this Agreement.

- (a) Business Manager of Local Union No. 317.
- (b) Assistant Business Manager of Local Union No. 317.
- (c) Immediate I.B.E.W. International Representative.
- (d) The Joint Conference Committee Consisting of three (3) representatives of the UNION.
- (e) President.

When a properly certified UNION representative is unable to participate as specified by this Agreement for any reason, the UNION will notify the COOPERATIVE within twenty-four (24) hours and the COOPERATIVE will recognize an alternate, certified by the UNION, who may act for him.

ARTICLE III MANAGEMENT CLAUSE

President and CEO of the COOPERATIVE has the exclusive authority to execute all of the various functions and responsibilities incident hereto which are vested in the COOPERATIVE. The direction of the workforce, the establishment of plant policies; the determination of the processes and means of operations, the units of personnel required to perform such processes and other responsibilities incidental to the operation and maintenance of the electrical system are vested in the COOPERATIVE. Such duties, functions, and responsibilities shall include the management of the work: the direction of the work, the supervision, direction and control of the working force, the right to hire, the right to discharge, right to discipline for just cause or place employees, and are vested exclusively in the COOPERATIVE. The UNION shall not abridge this right provided there is no discrimination and nothing is done in violation of this Agreement. Nothing in this Agreement shall be construed to in any way restrict the installation, use, or application of labor saving devices, or equipment, provided safety of employees is not jeopardized. The UNION will be notified of any changes in **Board Policy # 504 Sick Leave, Disability Workers' Compensation, Board Policy # 505 Payment of Sick Leave Upon Retirement or Termination, Board Policy # 510 Vacations, Board Policy # 511 Jury Duty, Board Policy # 512 Family Leave, Military Leave, Etc., Board Policy # 514 Insurance Benefits and Board Policy # 530, Cell Phone Policy.**

The exercise of such authority shall not conflict with the rights of the UNION under the terms of this Agreement.

ARTICLE IV CONTINUITY OF OPERATION

Section 1. The UNION agrees that it will not authorize a strike, work stoppage, picket line, slow down or secondary boycott for the life of this Agreement. The COOPERATIVE agrees that it will not engage in a lockout.

Section 2. All questions, disputes or controversies under this Agreement shall be settled and determined solely and exclusively by the grievance and arbitration procedures provided in this Agreement.

Section 3. When an employee or employees participate in an act violating this article, the UNION agrees that the COOPERATIVE shall have the right to suspend, discipline or discharge, at its discretion, the employee or employees responsible for participating in the strike, work stoppage, picket line, slow down or secondary boycott.

ARTICLE V GRIEVANCE PROCEDURE

Section 1. Any complaint, grievance or dispute that may arise with respect to the application or performance of this Agreement between the COOPERATIVE and the UNION or its members shall be taken up for settlement in the simplest and most direct manner. Any such complaint, grievance or dispute must be filed in Step 1 within five (5) days of the occurrence of such complaint, grievance, or dispute exclusive of Saturdays, Sundays or Holidays. If a complaint, grievance or dispute is not filed within the time limit set forth herein for filing or an appeal is not taken within the time limits set forth in Steps 1 through 4, it shall be barred and shall not be subject to further appeal. Except where by mutual consent another procedure is agreed upon, such matters shall be handled in accordance with the following steps:

Step 1. Between the employee or employees concerned together with the UNION'S President and the Department Head of the aggrieved employee.

Step 2. Should any matter not be adjusted in the first step above within forty-eight (48) hours, exclusive of Sundays and holidays, it shall be reduced to writing and referred to the President and CEO of the COOPERATIVE and the Business Manager of the UNION.

Step 3. All questions or disputes which are not adjusted within ten (10) days as a result of the above procedure shall then be referred to a Joint Conference Committee of three (3) representatives of the UNION and three (3) representatives of the COOPERATIVE. Each party shall have the privilege of changing representatives upon the proper notice to the other party. The Joint Conference Committee shall meet within forty-eight (48) hours after such notice is given either party. It shall select its own secretary and chairman.

Step 4. If not satisfactorily adjusted after exhausting all of the above steps, the grievance or complaint shall be referred to arbitration provided such grievance involves an interpretation of the meaning or application of the terms of this Agreement, according to the following procedures:

- (a) The COOPERATIVE and the UNION will each appoint an arbitrator to represent them.
- (b) Within five (5) days, the parties shall jointly request the American Arbitration Association to appoint a third member, both parties to be bound by such appointment.
- (c) Each party shall defray the expenses of its members of the Board of Arbitration and the fee and expenses of the third member shall be borne equally by the parties, together with any incidental or general expenses in connection with the arbitration mutually agreed upon in advance.
- (d) The Arbitration Board's decision must be in accordance with the terms of this Agreement and has no authority to change, subtract from, or add to, its terms in any way. The majority decision of the Board shall be final and binding on both parties.

Section 2. If, after investigation, the employee or employees are found to have been unjustly terminated or suspended, such employee or employees shall be reinstated without loss of seniority or pay for all time lost. In any case which results in arbitration, the arbitrator shall have the discretion to determine the seniority

ARTICLE VI VACATIONS

Section 1. An employee will be entitled to a vacation with pay in each calendar year, based upon the length of his/her continuous service in accordance with the following schedule:

- (a) One (1) year but less than eight (8) years of continuous service - ten (10) workdays of vacation.
- (b) Eight (8) years or more of continuous service – one (1) additional day of vacation for each additional year of continuous service, including the eighth (8th) year, not to exceed twenty-six (26) workdays of vacation.
- (c) An employee must complete the full minimum continuous service requirements before becoming eligible to take vacation or additional vacation.

Section 2. The vacation period shall be on a calendar year basis from January 1 to December 31, inclusive.

- (a) An employee may carry forward into the succeeding year a maximum of thirty (30) days of vacation earned, but not taken, or after twelve (12) years of service may sell back to the COOPERATIVE vacation time in accordance with **Board Policy # 510 Vacations**.
- (b) No employee may be credited at the beginning of any calendar year with more than thirty (30) days of previously accumulated vacation. All vacation earned in excess of the thirty (30) day carry over will be taken within the vacation period.

Section 3. If a day observed as a holiday occurs during an employee's vacation such employee shall receive an additional day of vacation.

Section 4. Vacations are scheduled by the COOPERATIVE to be taken during the vacation period. Preference within a department as to dates will be given on the basis of seniority, provided such preference is indicated prior to February 1st.

An employee entitled to ten (10) workdays of vacation shall take at least one full work week of vacation at one time. The remaining balance of vacation may be taken or carried over in accordance with **Board Policy 510 Vacation**.

No pay will be made to an employee in lieu of vacation time, except after an employee becomes eligible for fifteen (15) workdays or more annual vacation in accordance with **Board Policy # 510 Vacation**. For the purpose of this sub-section overtime rules applicable to vacation time are hereby suspended.

Section 5. An employee who is laid off, released or discharged or who resigns will be paid for vacation earned but not taken at the time his/her employment is terminated.

Section 6. In the event an employee who is entitled to a vacation dies before he/she has taken that vacation, the person designated as beneficiary of his/her Group Life Insurance shall be entitled to his/her vacation pay.

ARTICLE VII HOURS OF WORK-OVERTIME

Section 1. Definitions:

Standard Workday means the continuous eight (8) hour period, excluding an interval of thirty (30) minutes for lunch, between the hours of 7:30 a.m. and 4:00 p.m., in any given day.

Standard Workweek means five (5) standard workdays, Monday through Friday inclusive within a workweek,

amounting to a total of forty (40) hours.

Section 2. Employees will have a non-paid meal period of thirty (30) minutes to begin not earlier than three and one-half (3½) hours or later than five (5) hours after the start of the standard workdays. For a meal period outside of these hours required by the COOPERATIVE, a premium of thirty (30) minutes of straight time will be paid. If such employees are not permitted a meal period due to emergency conditions, they will be paid at one and one-half (1½) times their base hourly rate for the time worked in excess of eight (8) hours, as provided elsewhere in this Agreement.

Section 3. For all established work requiring twenty-four (24) hour periods to cover, shifts will be established provided such work continues for a minimum of five (5) consecutive days. The following schedule shall apply for all such shift work:

<u>SHIFT</u>	<u>HOURS</u>	<u>HOURS TO BE PAID</u>	<u>AT BASE HOURLY RATE</u>
1st	Standard workday as defined in Section 1 above.		8
2nd	Starting at the end of the standard workday and continuing for eight (8) hours including a meal period.		8
3rd	Commencing seven and one-half (7½) hours prior to the start of the standard workday and continuing for seven and one-half (7½) hours including a meal period.		8

For the purpose of Section 6 of this article, the shift an employee is assigned to shall be considered as his/her standard workday.

Section 4. Employees shall not be required to work outside during inclement weather as determined by the COOPERATIVE except to restore service because of emergency conditions. Employees shall be assigned to work inside or under shelter during such weather. Such assignments shall not be for more than the standard workday or workweek. Thus the employee is assured a full week's pay unless conditions warrant a reduction in force during the standard workweek. Due to the fact that construction and maintenance, are the only classifications directly affected by inclement weather, they shall not be required to climb poles or towers in temperatures of 0 degrees to 10 degrees above zero. This does not, restrict the line crew from doing other kinds of line work.

Section 5.

- (a) Overtime at the rate of one and one-half (1½) times his/her base hourly rate will be paid to an employee for all hours worked in excess of the hours in the standard workday or work week.
- (b) An employee will not be required to take off a corresponding amount of time in any of his/her subsequent standard workdays to offset any overtime worked.
- (c) Overtime will not be paid to an employee for travel to and from meetings and conferences held outside of the COOPERATIVE'S service area. Pay for such attendance shall be at the employee's base hourly rate for each standard workday employee is in attendance.

Section 6. An employee required to report for work before his/her regularly scheduled starting time shall receive not less than two (2) hours pay at one and one-half (1½) times his/her base hourly rate, or one and one half (1½) his/her regular rate for such work performed, whichever is greater. Such employee shall not be required to take off a corresponding amount of time before the end of his/her standard workweek.

Section 7. An employee who IS REQUIRED TO WORK PAST 4:30 P.M. DURING THE REGULAR

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WORKDAY will receive not less than two (2) hours pay at one and one-half (1½) times his/her base hourly rate, or one and one-half (1½) times his/her regular rate for such work performed, whichever is greater.

Section 8. Holidays not worked, jury duty time, vacations and funeral absences, which are compensated for under other appropriate provisions of this Agreement, will be credited as hours worked in computing overtime except that, to avoid duplication, there will be credited only eight (8) hours for any one (1) calendar day.

Section 9.

- (a) An employee required to work overtime shall be allowed time to eat in accordance with applicable state laws.
- (b) An employee who is required to work overtime and who works ten (10) or more continuous and successive hours will be paid a meal allowance, by attaching a receipt for the meal with the names of all workers who ate written on back, unless the meal is provided by the COOPERATIVE. If the meal is paid by the Cooperative, the senior employee will see that all names of those who ate are listed on the back of the charge ticket. Any meal allowance will be paid within seven (7) days of the submission of a receipt.
- (c) No time will be deducted for meal periods during such overtime work, it being understood that they will be made as short as possible.

Section 10.

- (a) The following holidays will be observed: New Year's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, the day after Thanksgiving Day, Christmas Eve and Christmas Day. Any employee who has served in the United States Military will be entitled to a holiday on Veteran's Day. (In accordance with Board Policy # 513 Holidays.)
- (b) Should Christmas fall on a Saturday, the preceding Thursday and Friday will be observed as holidays. Should Christmas fall on Sunday, Monday and Tuesday will be observed as holidays.
- (c) Should one of these holidays fall on a Saturday, it will be observed on the Friday preceding. Should one of these holidays fall on a Sunday, it shall be observed on the Monday following. Work on such Saturdays or Sundays shall not be compensated for under the holiday pay rules.
- (d) An employee who works on a day observed as a holiday will be paid at the rate of one and one-half (1½) times his/her base hourly rate for all such time worked, plus an amount equal to eight (8) times his/her base hourly rate, provided he/she meets the requirements.

Section 11. In cases of emergencies, an employee on vacation may be recalled from vacation, and in such event, he/she shall be paid one and one-half (1½) times his/her base hourly rate for actual time worked in addition to vacation pay as provided in Article VI, Section 1, or with the approval of the employee's Department Head, equivalent hours may be taken off in lieu thereof.

Section 12. An employee who is required to serve on a municipal, county, state or federal petit, or grand jury, or who is subpoenaed as a witness in any case to testify as to facts observed by him/her shall be paid for such service at his/her base hourly rate for the time lost from his/her standard workday by reason of such service in accordance with Board Policy # 511 Jury Duty, subject to the following provisions:

- (a) An employee called for jury duty or as a witness and who is temporarily excused from attendance at court must report for work if a four hour period of time remains to be worked in his/her standard workday.

Section 13. Employees may not trade days off except with the prior approval of their respective Department Heads, and provided further that no overtime premium is involved.

Section 14. It shall be the responsibility of the Accounting/Payroll Clerk to keep a record of overtime worked. Weekly reports shall be posted on the Cooperative's bulletin boards by the Manager of Operations

There shall be six (6) maintenance areas currently based on the following:

Rowan County and West Elliott County
Lawrence County and Eastern Elliott County
Elliott County and West Carter County
Middle Carter County and North Elliott County
North Carter County and South Greenup County
North Greenup County and Lewis County

There shall be two (2) overtime areas, north of Grayson Lake and south of Grayson Lake. The boundaries of these areas shall be defined exclusively by the President and CEO and shall be based on the changing demographics of the COOPERATIVE.

Maintenance personnel assigned to each section of these areas shall be first called for overtime. He/she shall be assisted by the next available Construction Department employee who is qualified for the necessary work, with consideration given to the fair and equitable distribution of available overtime work. A record of all employees called, available and unavailable, shall be kept by the Dispatcher and by the Accounting/Payroll Clerk. In fairness to all employees, every effort shall be made to equitably distribute overtime among employees in each classification within each service area. This does not, however, restrict qualified employees from working where ever necessary. Maintenance Leadmen should make every effort to call the classification necessary to perform the job safely.

It should be recognized that some departments offer very little overtime, but should be allowed to share in overtime in other departments on work they are qualified to do and make themselves available for.

Distribution of overtime shall be considered equitable if employees who live in the sections/areas defined by the COOPERATIVE are within one week (40 hours) of each other.

The goal of the COOPERATIVE is to minimize the length of time any member is out of power. Every effort will be made, consistent with COOPERATIVE policy, to balance fairness of overtime with minimal response time.

- (a) Applicable overtime lists which have been established shall be posted and kept up-to-date as overtime occurs.
- (b) When determined during a standard workday that additional personnel are needed for a period of time after the end of the standard workday, the overtime will be offered to those employees who are working.
- (c) If a new employee is hired or if an employee moves to a new department he/she shall be put on the Called Overtime list according to his/her seniority and charged with the same hours as the person of the same classification having the maximum hours charged on the list.
- (d) Employees who miss overtime because they are absent for any reason, or who refuse when offered, or who are not readily available by telephone, will be charged overtime as having been offered the overtime. The Department Head or Dispatcher shall maintain a record of telephone contacts and such record will be made available to the President on request. Time shall be charged against an employee who is unavailable due to worker's compensation, sick leave, vacation or personal leave, or any other reason.

Excessive refusal or unavailability for overtime can cause undue hardship on other employees and will not be tolerated by management. Excessive unavailability may subject an employee to disciplinary measures. It is the responsibility of every employee to make themselves available for work during times of emergency, and in such cases, to contact COOPERATIVE personnel for instruction.

(e) Overtime of less than thirty (30) minutes will not be charged.

(f) On the effective date of this Agreement all prior records of overtime are null and void.

Section 15. Overtime shall not be duplicated for the same hours under any of the terms of this Agreement, and to the extent that hours are compensated for as overtime under one provision they shall not be counted as hours worked in determining overtime compensation under the same or any other provisions, except as specifically provided therefore.

Section 16. An employee who has completed his/her probationary period and is a member of a reserve component of the Armed Forces and who is required to enter upon active annual temporary training duty, shall be paid the difference between the amount of pay he/she received from the Federal or State government for such duty and his/her base hourly rate for the time lost while on such duty up to a maximum period of two (2) weeks per year, subject to the following provisions:

- (a) An employee must submit to his/her Department Head, as soon as possible after receipt, evidence of orders to report for training.
- (b) When the employee returns to work he/she must submit to his/her Department Head a statement supporting payment for such duty.
- (c) Time off from work paid for under this section will not be counted as hours worked in the computation of overtime or premium pay.

Section 17. It is the intention of the Cooperative to offer overtime to all qualified employees. Certain employee classifications such as Metering, Engineering, Mechanic, Warehouseman, Groundmen and Apprentices should be considered for all overtime work for which they are qualified. When calling CRC, Maintenance Leadman and Crew Foremen should be specific when asking for help as needed. The 40 hour differential shall be considered at all times. However, restoration of power and service to our member shall remain our top priority.

ARTICLE VIII WAGES

Section 1. The base hourly rates, labor grades and job classifications as set forth in Section 6 of this Article shall have been fixed on a permanent basis which remains in effect for the duration of this Agreement.

Section 2. An employee who moves to a classification having a higher labor grade shall begin at the starting rate of the higher labor grade. However, if such starting rate is the same or less than his/her existing rate, he/she shall begin at the next step rate of the higher labor grade above his/her existing rate, but not to exceed the maximum.

Section 3. An employee who at the request of the COOPERATIVE is temporarily required to do the work in a classification other than his/her own shall suffer no reduction in his/her rate of pay. An employee assigned temporarily to do work in a job classification in a higher labor grade will be paid at the starting rate for the higher labor grade.

Section 4. An employee recalled to a classification will assume a rate at the same relative position in the rate range as he/she had established when placed on the recall list for such classification.

Section 5. The COOPERATIVE agrees to pay Maintenance Leadman's pay to at least one person in the north area and the south area at all times. It shall be at the discretion of the COOPERATIVE whether to substitute a Maintenance Leadman on a daily basis, in accordance with the work load. If an employee is designated to substitute for a Maintenance Leadman, he/she shall be paid Maintenance Leadman's pay for regular or overtime work.

<u>Effective:</u>	<u>01/01/18</u>	<u>01/01/19</u>	<u>01/01/20</u>	<u>01/01/21</u>	<u>01/01/22</u>	<u>01/01/23</u>
Construction Leadman	\$37.97	\$38.47	\$38.97	\$39.47	\$40.22	\$40.97
Maintenance Leadman	\$36.97	\$37.47	\$37.97	\$38.47	\$39.22	\$39.97
Lineman 1 st Class	\$35.85	\$36.35	\$36.85	\$37.35	\$38.10	\$38.85
Apprentice/Fourth Year	Ninety-five percent (95%) of the then existing wage rate for Lineman 1 st Class					
Apprentice/Third Year	Ninety percent (90%) of the then existing wage rate for Lineman 1 st Class					
Apprentice/Second Year	Eighty percent (80%) of the then existing wage rate for Lineman 1 st Class					
Apprentice/First Year	Seventy-five percent (75%) of the then existing wage rate for Lineman 1 st Class					
Warehouseman	\$36.86	\$37.36	\$37.86	\$38.36	\$39.11	\$39.86
Engineering Party Chief	\$36.14	\$36.64	\$37.14	\$37.64	\$38.39	\$39.14
Assist. Eng. Party Chief	\$34.19	\$34.69	\$35.19	\$35.69	\$36.44	\$37.19
Meterman 1 st Class	\$35.37	\$35.87	\$36.37	\$36.87	\$37.62	\$38.37
Meterman 2 nd Class	\$33.43	\$33.93	\$34.43	\$34.93	\$35.68	\$36.43
Meterman 3 rd Class	\$31.93	\$32.43	\$32.93	\$33.43	\$34.18	\$34.93
Mechanic 1 st Class	\$34.43	\$34.93	\$35.43	\$35.93	\$36.68	\$37.43
Mechanic 2 nd Class	\$30.98	\$31.48	\$31.98	\$32.48	\$33.23	\$33.98
Mechanic 3 rd Class	\$25.82	\$26.32	\$26.82	\$27.32	\$28.07	\$28.82
Groundman						
15+ years of service	\$33.30	\$33.80	\$34.30	\$34.80	\$35.55	\$36.30
1-15 years of service	\$31.93	\$32.43	\$32.93	\$33.43	\$34.18	\$34.93
0-1 years of service	\$31.06	\$31.56	\$32.06	\$32.56	\$33.31	\$34.06

3rd Class Mechanic = 75% of Grade 1.

2nd Class Mechanic = 90% of Grade 1.

Entry level is for 90 days Probationary Period.

2nd and 1st Class will be based on competencies and determined by the Manager of Operations and the Union President.

**** THE FOLLOWING CLASSIFICATIONS ARE CURRENTLY VACANT** Page 14 of 51

Effective	01/01/18	01/01/19	01/01/20	01/01/21	01/01/22	01/01/23
Truck Driver/Groundman	\$32.67	\$33.17	\$33.67	\$34.17	\$34.92	\$35.67
With 8 years of service	\$33.11	\$33.61	\$34.11	\$34.61	\$35.36	\$36.11
With 15 years of service	\$33.98	\$34.48	\$34.98	\$35.48	\$36.23	\$36.98
Groundman/Right-of-way Supervisor	\$34.30	\$34.80	\$35.30	\$35.80	\$36.55	\$37.30
Laborer	\$29.89	\$30.39	\$30.89	\$31.39	\$32.14	\$32.89
Transit Man	\$33.11	\$33.61	\$34.11	\$34.61	\$35.36	\$36.11

25 CENT PER HOUR BONUS-UNION EMPLOYEES WITH OVER 20 YEARS OF SERVICE

Section 7. Effective July 1, 1975, all employees covered by this Agreement shall be paid on Friday of each week following one week's preparation time, from Sunday 12:01 a.m. to Saturday 12:00 p.m. In order to implement policy of paying on Friday of each week, the first payday will fall on July 13, 1975. When payday falls on a holiday, employees will be paid on the preceding day. (Amended 5/1/98)

In the event of a voluntary termination of employment an employee's final pay will be mailed or otherwise delivered on the regular scheduled payday. In the event of involuntary termination of employment the final pay will be mailed or otherwise delivered at the earliest practicable date.

Section 8. If a full-time employee is required to cut right-of-way, he/she will be paid at his/her regular rate of pay, plus fringes.

Section 9. Apprenticeship Program

The Apprenticeship Program for the position of (Lineman) shall be approved by the Kentucky Labor Cabinet and administered by the COOPERATIVE. The determination of whether or not there is a need for a person in the Apprenticeship Program shall be made independently and exclusively by the COOPERATIVE. Such person or persons shall be selected by the COOPERATIVE and eligibility for entry into the Apprenticeship Program shall be that established by the Apprenticeship Program as now exists or which may hereafter be adopted by the COOPERATIVE. Selection of such apprentices by the COOPERATIVE will be on the basis of qualifications and all applications will be afforded equal opportunity without regard to race, color, national origin, age or handicap so long as the applicants meet the qualifications established by the Apprenticeship Program.

Training which takes place as part of the Apprenticeship Program and shall be established and outlined in such Apprenticeship Program or such other program as may be adopted by the COOPERATIVE. The term of the Apprenticeship Program, training, schooling, responsibilities and obligations of the apprentice, standards of performance and other such matters shall be that which are contained in the Apprenticeship Program or other program as may be adopted by the COOPERATIVE.

The term of apprenticeship shall not be less than four (4) years of continuous employment. Apprentices will be paid at the following hourly rates of pay:

Apprentice/First Year - Seventy-five percent (75%) of the then existing wage rate for Lineman First Class.

Apprentice/Second Year - Eighty percent (80%) of the then-existing wage rate for Lineman First Class.

Apprentice/Third Year - Ninety percent (90%) of the then-existing wage rate for Lineman First Class.

Apprentice/Fourth Year - Ninety-five percent (95%) of the then-existing wage rate for First Class Lineman.

First Class Lineman

An apprentice shall be on probation throughout the entire period of the Apprenticeship Program and shall accrue no seniority until such time as he/she has completed the full Apprenticeship Program. At the point in time when an Apprentice completes the entire Apprenticeship Program and is accepted as a regular employee of the COOPERATIVE, then his/her seniority shall date from the first day of employment in the Apprenticeship program. In the event of a reduction of force in the Lineman classification, Apprentices shall be laid off first and, in the event more than one (1) Apprentice is involved in the Apprenticeship Program, such Apprentices shall be laid off in such order as the COOPERATIVE shall determine in its sole discretion.

An employee who leaves the Apprenticeship Program prior to completion shall have no transfer of other rights under the Agreement and his/her employment shall terminate. Further, the employment of any such Apprentice shall automatically terminate upon (1) failure of such Apprentice to comply or carry out any term or condition of the Apprenticeship Program; (2) failure to pass any periodic written, practical or other examination or (3) for such other reasons as may be determined by the COOPERATIVE. Under no circumstances, shall such termination of employment be subject to the grievance-arbitration procedure set forth in Article V of the Agreement. (Formerly Addendum # 1 dated May 1, 1978).

ARTICLE IX SENIORITY

Section 1. Definitions:

- (a) Seniority - An employee shall become eligible for UNION membership on the thirty-first (31st) day of his/her employment and his/her seniority shall commence on the ninety-first (91st) day of his/her employment.
- (b) Vacancy - Shall be declared when it becomes necessary to place an employee in an existing or newly created position.
- (c) Surplus - A reduction of employees within a classification.

Section 2. An employee's continuous service with the COOPERATIVE shall consist of time actually spent on the payroll plus properly approved absences from work, to be determined under the following rules:

- (a) An employee may be granted a leave of absence not to exceed one (1) year for military service. All other requests for leave of absence are covered in various Board Policies, including Family Medical Leave and personal illness. If the leave of absence is granted, the employee shall not accumulate seniority, sick leave days, vacation days or holidays during that time, but will not lose prior seniority. The terms and conditions of **Board Policy # 512 Leave of Absence, Military Leave, etc.**, shall prevail.
- (b) An employee who leaves the employment of the COOPERATIVE to enter the Armed Forces, either by enlistment or by draft, shall be reinstated as provided by Federal Law upon application within ninety (90) days after honorable discharge, provided he/she qualified under the seniority rules and is physically capable of performing the work required. Upon reinstatement, such employee will be given credit for continuous service prior to entering the Armed Forces plus credit for time spent in such service.
- (c) If any employee is laid off because of a reduction in force he/she must notify the COOPERATIVE in writing every ninety (90) days of his/her willingness to remain on the recall list to be given credit for continuous service prior to such layoff. If such layoff continues for more than two (2) years, he/she will not be given credit for continuous service prior to layoff.
- (d) An employee shall lose his/her continuous service when he/she is discharged, when he/she resigns, or when he/she is on the recall list and declines or fails to report or make satisfactory

arrangements within five (5) working days after being notified of a re-employment opportunity. If such employee is later rehired, he/she shall be considered a new employee and his/her continuous service shall date from the date of his/her most recent hire.

An employee shall be considered to be notified of a re-employment opportunity when an offer of re-employment has been sent by registered mail to his/her address as recorded in his/her employee records.

Section 3. A new employee shall be considered a probationary employee and shall have no seniority rights for the first ninety (90) days of his/her employment. A probationary employee shall be subject to layoff, discipline, or discharge at the sole discretion of the COOPERATIVE provided there is no discrimination and nothing is done in violation of this Agreement.

Section 4. Reduction in force.

- (a) When a reduction in force is to be made in a classification, those having the least amount of classification seniority shall be the first to be declared surplus.
- (b) In accordance with (a), the employee with the least classification seniority may exercise one of the following options:
 - 1. Transfer to another department and/or classification for which he/she is qualified and displace any employee with less seniority.
 - 2. Accept a layoff.
- (c) An employee physically handicapped by reason of occupational injury while employed by the COOPERATIVE shall be given special consideration, subject to his/her qualifications and seniority if a vacancy occurs. Under no circumstances will the Cooperative be obligated to create a position to accommodate a handicapped/disabled employee.

An employee will be expected to return to work after extended sick leave upon receipt of a medical release from an attending physician and approved by the Cooperative's Workers Compensation Plan. Extended medical leave is defined as ten (10) weeks. The Cooperative reserves the right to review each individual situation with the Cooperative's Workers Compensation Plan administrators and attending physician. If it is determined that an employee is not likely to reach one hundred percent (100%) recovery and is unable to meet the demands of his/her current position, that employee shall rely on the remedy available to them through Worker's Compensation and/or Long Term Disability.

- (d) In the event of a surplus, the President will be given a list of the names of employees who are surplus.
- (e) In the event of a layoff, the COOPERATIVE will mail to the UNION office a list of the names of the employees laid off.
- (f) When a reduction in force is necessary, the COOPERATIVE will notify employees who are affected as far in advance as possible.

Section 5. Filling a vacancy.

- (a) When the COOPERATIVE has determined that a vacancy exists in a classification, qualified employees on recall to that classification will be recalled in order of classification seniority, whether they have displaced other employees at the COOPERATIVE or have left the COOPERATIVE and are on the recall list.
- (b) When a vacancy cannot be filled by the procedures in (a) above, it will be posted for seven (7) calendar days at mutually agreed upon COOPERATIVE locations.
- (c) Vacancies will be awarded to the employee with the most seniority in another classification,

who is qualified, and who has signed the posting subject to approval by the COOPERATIVE President and CEO. In the event a grievance is filed concerning qualifications under the preceding sentence, it shall be initiated at Step 2 of the grievance procedure. The hearing may be attended by the aggrieved employee and a representative of the UNION. If the grievance is not settled satisfactorily, it may be appealed to the Third Step in the grievance procedure. In the event a dispute concerning qualifications is referred by either party to arbitration, the Arbitration Board, as defined in Article V, Section 1, Step 4, of the Agreement shall have the authority to render a decision based on the criteria established by the COOPERATIVE.

1. An employee who has been awarded a vacancy will be transferred as soon as possible but not later than thirty (30) days after being notified of the award.
 2. An employee who has been awarded a vacancy will be required to accept the vacancy.
 3. An employee awarded a vacancy will be given up to thirty (30) days with proper instructions to learn the job. If he/she is unable to learn the job he/she may return to his/her base classification and displace the employee with the least classification seniority.
 4. When a vacancy cannot be filled by the procedure outlined above, consideration will be given to a qualified employee not on the active payroll but on an active recall list.
 5. Employees awarded vacancies will be advised by letter by the COOPERATIVE.
 6. After vacancies have been awarded, a list of the employees awarded such vacancies will be posted at each posting location. These lists will be identified, showing the classification in which the award was made. Copies of these lists will be sent to the UNION.
- (d) Pending the filling of a vacancy or in the assignment of an employee to temporarily fill a vacancy, the procedure below will be followed:
1. The classification from which supervision determines an assignment can be made will be canvassed in order of their seniority; if no one desires to move, the least senior employee is assigned temporarily to fill a vacancy. He/she will be returned to his/her prior assignment when the vacancy is permanently filled.

Section 6.

- (a) Within thirty (30) days after the date of this Agreement, the COOPERATIVE shall furnish the Business Manager of the UNION a seniority list and shall further post such list on the COOPERATIVE bulletin boards as shall be mutually agreed upon. This list shall be open for correction for a period of thirty (30) days thereafter and, if any employee does not make a protest in writing to his/her Department Head with a copy to the UNION within such thirty (30) day period, his/her seniority shall be as shown on the list.
- (b) Each six (6) months, current copies of seniority lists will be furnished by the COOPERATIVE for use by certified UNION representatives.

Section 7. The COOPERATIVE and the UNION agree not to discriminate against employees because of a "disability" as that term is defined and as is prohibited by the Americans with Disabilities Act and Kentucky law.

ARTICLE X SICKNESS AND ACCIDENT PLAN

Non-Occupational Disability Pay

Non occupational disability shall be handled in accordance with **Board Policy # 504 Sick Leave Upon**

Section 1. Eligibility: Provided the "Conditions of Payment" outlined in Section 2 below are met, an employee will be eligible to receive non-occupational disability payments if:

- (a) He/she has completed ninety days (90) of continuous service as determined in accordance with the rules set forth in Article IX, Section 2.
- (b) He/she provides the COOPERATIVE, if it feels there is misuse of the sickness and accident plan and so requests, with a doctor's certificate subject to confirmation by a doctor selected by the COOPERATIVE.

Section 2. Conditions for payment: Non-occupational disability payments shall not be made for:

- (a) Any sickness or injury caused indirectly by war or riot; or
- (b) Any intentionally self-inflicted injury.
- (c) Any employee who is absent from work because of an occupational disability arising out of and in the course of his employment, or purposely self-inflicted, or due to willful misconduct, violation of plant rules, or refusal to use safety appliances.

Section 3. Accrual and Amount of Payment.

- (a) Payments at the employee's base hourly rate shall be made for non-occupational disability not to exceed the number of days of sick leave accrued to the employees credit.
- (b) Employees shall accrue sick leave at the rate of one (1) working day per month, with a maximum limitation of one hundred twenty (120) days that can be accumulated. Employees shall be required to furnish a doctor's certificate to substantiate all illness claims that exceed three (3) days. Any sick days which an employee has in excess of one hundred twenty (120) days will be paid by December 31 of the year involved. Further, employees will be permitted to use up to three (3) days of accumulated sick leave per year in accordance with **Board Policy # 504 Sick Leave Upon Retirement or Termination** earned as personal days. In order to take such days, an employee must notify, and obtain approval of the employee's immediate supervisor before the employee's shift begins.
- (c) Payments are applicable only for the standard working schedule of forty (40) hours per week or eight (8) hours per day, Saturdays, Sundays and holidays excluded.
- (d) An employee shall not be required to furnish a doctor's slip for a three (3) day absence from work due to illness. In the event an employee is found to be abusing the leave of absence clause by substantial proof, the COOPERATIVE upon written notification to the UNION President and Local Union 317 of the I.B.E.W. may immediately suspend the said employee three (3) working days without pay. The employee will be subject to immediate dismissal upon second violation. (Amended 5/1/75)
- (e) An employee shall be paid all accumulated sick leave at age 62 and upon retirement from the COOPERATIVE.

Section 4. All disability payments provided for in this Agreement shall be reduced by the amount or amounts of any other benefit which might provide through state or federal legislation or workmen's compensation from the same type of disability and for the same period of absence. Such period of absence to be deducted from accrued sick leave.

Section 5. For any accident or sickness which qualifies for weekly benefits under the NRECA Comprehensive Major Medical Coverage Program, the employee will be required to exhaust all days of sick leave accrued to the employee's credit prior to being eligible for any such accident and sickness weekly

benefits. Such checks which are received by an employee prior to exhausting days of sick leave accrued to his/her credit will be endorsed payable to the COOPERATIVE. **Board Policy # 504 Sick Leave Upon Retirement or Termination.**

Section 6. Occupational Disability

Occupational disability shall be handled in accordance with **Board Policy # 504 Sick Leave, Accrual of Sick Leave and Accounting of Sick Leave Earned** and in compliance with all state and federal laws.

ARTICLE XI LEAVE OF ABSENCE

Section 1. Leave of Absence Without Pay

- (a) An employee may be granted a leave of absence for personal reasons without pay up to fifteen (15) consecutive calendar days upon application to the COOPERATIVE in writing, provided the employee presents evidence acceptable to the COOPERATIVE that such leave of absence is for a reasonable purpose and provided further that such leave of absence will not unreasonably interfere with operations. Such leave may be extended where necessary upon application for extension in writing and upon presentation of evidence satisfactory to the COOPERATIVE that such extensions is necessary, provided such extension does not unreasonably interfere with operations.
- (b) An employee will be granted a leave of absence for the period of a medical disability upon presentation of evidence satisfactory to the COOPERATIVE. An employee who returns to work after a leave of absence for medical disability will be reinstated in the classification which he/she left, provided he/she first obtains a medical clearance from his/her personal doctor, subject to the confirmation by a doctor, selected by the COOPERATIVE. (The doctor selected by the COOPERATIVE will be paid directly by the COOPERATIVE.)
- (c) Leave of Absence with Pay:
 - (1) An employee will be granted a reasonable leave of absence with pay in accordance with **Board Policy # 512 Family Leave, Military Leave, Etc.**

Section 2. An employee who is absent from work for three (3) of his/her successive scheduled workdays, without notifying the COOPERATIVE, unless physically unable, will be considered to have resigned voluntarily. If the employee claims that such absence was because he/she was physically unable to work, then he/she shall be required to provide to the COOPERATIVE a doctor's certificate to substantiate that he/she was physically unable to work. The COOPERATIVE reserves the right to require the employee to be examined by a doctor selected by the COOPERATIVE to prove that his/her absence was because he/she was physically unable to work.

Section 3. An employee who does not return to work on his/her first scheduled workday following the expiration of his/her leave of absence or any extension thereof without notifying the COOPERATIVE, unless physically unable, will be considered to have resigned voluntarily. If the employee claims that such absence was because he/she was physically unable to work, then he/she shall be required to provide to the COOPERATIVE a doctor's certificate to substantiate that he/she was physically unable to work. The COOPERATIVE reserves the right to require the employee to be examined by a doctor selected by it to prove that his/her absence was because he/she was physically unable to work.

ARTICLE XII HEALTH AND SAFETY

Section 1. The UNION and the COOPERATIVE will cooperate to further improve the safety program. Employees may present to appropriate supervisor recommendations in writing, on matters relative to safe, sanitary and healthful working conditions. Employees will be advised in writing of any action taken on said recommendations by the COOPERATIVE.

Section 2. The UNION President in addition to his/her representative functions shall be designated as the Employees' Safety Representative. If an employee feels that he/she is being required to work under conditions which are unsafe, beyond the normal hazards of the operation in question, the employee may, after discussing the matter with his/her Department Head, contact the Employees' Safety Representative to discuss the problem. If the problem is not resolved with the employee's Department Head, the Employee's Safety Representative may contact the President and CEO of the COOPERATIVE for a final decision. Any discipline for safety reasons shall be reviewed with the IBEW Business Manager.

Section 3. The COOPERATIVE will continue to make provision for the safety and health of the employees while at work. The COOPERATIVE will provide safety equipment, flame retardant clothing and other devices according to applicable safety codes. Employees will be required to wear FR clothing and use all safety equipment for their own protection, including fall restraint devices.

The COOPERATIVE will furnish all union employees with OSHA rated flame retardant clothing. Each year, all union employees will receive 5 pairs of FR jeans, 5 FR short sleeved tee shirts, 5 long sleeved FR tee shirts, and 5 FR long sleeved button up shirts. The Cooperative will also furnish FR coveralls, coats/jackets and sweatshirts as needed. The Cooperative will pay for employee's safety straps and/or pole climber gaffs and will furnish fall restraint harnesses when it has been determined by the Safety Committee they are worn to the point they are unsafe to use. Pole climber gaff replacement is limited to pole climbers with replaceable gaffs. Old safety straps and/or pole climber gaffs will become property of the COOPERATIVE for disposal.

The COOPERATIVE will pay one hundred twenty-five dollars (\$125) per year toward the purchase of prescription eyeglasses that meet OSHA standards for safety. The COOPERATIVE will not pay for eye examinations or medical treatment other than that covered by the COOPERATIVE'S medical insurance or workers compensation coverage. The COOPERATIVE will pay the difference in regular license and a Commercial Driver's License for employees required to have CDL licenses, upon presentation of proper receipt of same.

The Cooperative will pay for the use of employee's personal cell phones in accordance with Board Policy # 530, Cell Phone Policy.

The COOPERATIVE will credit each UNION employee's personal 143.01 account in the amount of \$250.00 on January 1st of each year of this agreement for the purchase of approved boots and tools necessary to the job.

Section 4. The COOPERATIVE and the UNION agree to abide by and follow explicitly the safety rules set forth by the National Electrical Safety Code and the National Fire Code-Electrical, safety codes specified by the Rural Utilities Services of the United States Department of Agriculture, safety codes established by the State of Kentucky and its political subdivisions, safety manual for rural electrical systems, and the rules and procedures established by the COOPERATIVE. Copies of these safety codes, rules and procedures will be made available by the COOPERATIVE so that employees may familiarize themselves with same.

In case of conflict between the rules of the various agencies listed above, the one affording the greatest protection to the employees shall apply.

Section 5. When a journeyman lineman is working on energized lines or equipment of 750 volts or above, the journeymen performing the work and the Dispatcher, or other representative designated by the COOPERATIVE, shall determine if and when he/she needs assistance and should be supplied same. At least two (2) qualified workmen shall be provided where work is performed on live circuits of more than 750 volts between conductors. It is hereby agreed and expressly understood that the above does not restrict a qualified workman from working alone, from setting and removing meters, connecting or disconnecting services, opening and closing fuse disconnects, operating OCR's and OCB's (opening and closing) and also CSP or conventional transformers or other routine work. It is agreed that the above does not restrict a qualified workman working alone, from performing the necessary work of restoring service in the sub-station.

Section 6. No less than five (5) employees will be used when erecting poles of greater length than twenty-five (25) feet by hand. This does not include poles erected with mechanized equipment.

ARTICLE XIII INSURANCE & RETIREMENT

Section 1. The current retirement plan will remain in effect during the term of this Agreement under the following conditions:

Effective May 1, 1989 eligible employees shall be entitled to retire upon attaining age 62 in accordance with the retirement plan provided for the UNION by the COOPERATIVE through the National Rural Electric Cooperative Association as set out in Article XIII of this Agreement.

Section 2. The COOPERATIVE shall have the right to change insurance carriers for any of the group insurance programs as set forth in this Agreement and in Board Policies at any time and modify and change coverage's at any time. The COOPERATIVE will, however, make reasonable effort to meet with the UNION'S President(s) before any changes as described are considered and voted upon by the Plan Representatives. The COOPERATIVE will also meet with the UNION'S President(s) after any changes to the Plan are considered, voted upon by the Plan Representatives and made. Nothing in this Agreement will change any of the terms or provisions of the contract or contracts existing between the insurance carrier and the COOPERATIVE, nor require the COOPERATIVE to continue the contract or contracts now existing between the insurance carrier(s) and the COOPERATIVE.

Section 3. The sole purpose of this article is to define those policies for which the COOPERATIVE and the employee will share the cost on the basis stated in Section 4 below.

Section 4. BENEFITS

PROGRAM	ELIGIBILITY	BENEFIT	PAID BY
RS&I	Employees	NRECA – Age 62 Benefit Level 2.0	Cooperative
401K	Employees	NRECA SelectRE – The Cooperative will contribute an amount equal to that portion formerly paid for LTD to a 401K Plan for each employee, in lieu of that contribution. (Effective May 1, 1996)	Cooperative
	Employee		Emp./Voluntary
Major Medical/Hospitalization	Employees, and Eligible Dependents, Attorney & Dependents	Hospitalization/Prescription Drug Health Savings Account, \$3,000/\$6,000 deductible, with a Contribution from the Cooperative of \$3,250 per employee per year.	Cooperative
	Retired Employees & Eligible Dependents	If Medicare eligible, a Medicare supplement plan with prescription drug coverage will be provided. Retired employees under 65 will have coverage the same as an active employee until Medicare eligible. Employees and dependents who are Medicare eligible will not pay for coverage unless they elect to purchase enhanced Drug Coverage. An employee on LTD could become Medicare eligible after 2 years and coverage shall be provided accordingly.	Cooperative

Spouse/Dependents Of a Deceased Active Employee, Retired Employee and Deceased Active Director
 At the death of an active employee or retired employee or deceased employee, coverage selected by the Cooperative will be provided to the Spouse and eligible dependents until other coverage is available to the Spouse/Dependents through an employer, remarriage, or until the dependent child is no longer eligible for coverage. Some contribution to the cost of coverage may be necessary, according to the participant's choice of plan.

Term Life Insurance	Employees	NRECA Group Term Life of two (2) Times your Salary	Cooperative
	Employees	Additional NRECA Group Life and AD&D coverage for self and dependents.	Cooperative will pay \$50 annually. Additional coverage can be purchased by employee.
	Retirees	NRECA Retired Life Plan	Rtr. Voluntary
Business Travel	Employees	NRECA BTA \$100,000.	Cooperative
Long Term Disability	Employees	NRECA ElectREWAGE begins after 13 weeks of sick leave and or STD until Employee's normal retirement date.	Employee
Short Term Disability	Employees	Cooperative Self-Funded Short Term Disability 66 2/3% (.6667) Board Policy # 504.	Cooperative

DISCONTINUANCE OF BENEFITS

Coverage under each type of benefit will cease on the earliest to occur of the following dates:

1. The date the Plan is discontinued.
2. The date you are no longer eligible for the type of benefit either because of an amendment to the Plan or because you have become a member of an ineligible group of employees.
3. The date that any required contribution on your part is due and unpaid.
4. The date you enter the Armed Forces on full-time active duty.
5. The date an employee becomes eligible for Long Term Disability and Medicare, they will be treated as retired and no longer a part of the Bargaining Unit.

6. The COOPERATIVE recognizes that an employee might have to take temporary long term disability in order to completely recover from an injury or illness and will be treated in accordance with **Board Policy # 524 Reinstatement After Extended Sick Leave**.

The above is subject to the terms and conditions as stated and explained in the individual policies.

Section 5.

- (a) The insurance program stated in Section 4 above will be made available to the employee during the entire period of any approved leave of absence.
- (b) Subject to the limitations of any of the insurance plans, an employee, while on unpaid leave of absence in excess of thirty (30) days, may continue coverage provided he/she makes arrangements to pay the full monthly premium at the time an invoice for such premium is presented to the COOPERATIVE by the insurance carrier. An employee on leave of absence for occupational disability or long-term disability shall not be required to pay any premiums other than those specified in Section 4 above.

Section 6. Whenever the insurance carrier notifies the COOPERATIVE of an increase or decrease in the cost of insurance to the employees, such announcement, immediately upon receipt by the COOPERATIVE, will be placed on all COOPERATIVE bulletin boards and a copy will be forwarded to the Business Manager of the UNION.

ARTICLE XIV MISCELLANEOUS

Section 1. Non-bargaining unit personnel shall not be prevented from performing necessary functions such as instruction or assistance to employees, provided the assistance rendered does not displace any of their personnel doing the work, or from operating equipment or processes in emergencies or for experimental, developmental, statistical and engineering purposes.

Section 2.

- (a) The COOPERATIVE will contract as it deems necessary with experienced professional engineering firms registered in Kentucky, to perform work of a developmental, experimental, statistical or engineering nature, and such firm may perform manual work as required by professional employees within its employment, or the COOPERATIVE may assign employees of the bargaining unit to work with employees of the firm as shall be arranged between the COOPERATIVE and the firm so contracted with.
- (b) The COOPERATIVE agrees that in its notice to Bidders for the construction, erection and/or purchasing of electric utility plant, a statement will be made that this agreement exists between the UNION and the COOPERATIVE.
- (c) The COOPERATIVE will contract, as it deems necessary, for the construction and/or erection of electric transmission, generation and/or distribution plant, building and equipment, and single-phase, membership extensions. The COOPERATIVE will discuss with employees prior to executing such contract, whenever cost analysis indicate the need to contract for labor. It is agreed that Local Union No. 317 of International Brotherhood of Electric Workers may place on file with the COOPERATIVE a list of contractor's signatory to an agreement with I.B.E.W. The COOPERATIVE agrees to send notice to bid on proposed contracts to the contractors on said list. Contracts for construction of single-phase membership extensions will not be executed to replace any employee presently on the active recall list.

Section 3. No employee shall be discriminated against by reason of race, color, or national origin, age or handicap.

Section 4. The UNION shall be permitted the use of exclusive bulletin space in the main office and garage readily accessible to employees for the purpose of posting notices and announcements of official

Section 5. The UNION agrees to furnish the COOPERATIVE with a current list of its accredited representatives. The COOPERATIVE agrees to furnish the UNION with a current list of supervisors concerned with the administration of the provisions of this Agreement. Revisions to such lists are to be furnished as changes are made by either party.

Section 6. The COOPERATIVE will give the UNION prior written notice, where practicable, of changes in policies contained in the COOPERATIVE's Policy Manual which directly affect employees of the bargaining unit.

Section 7. In the event that any of the provisions of this Agreement are found to be in conflict with any valid Federal or State laws now existing or hereinafter enacted, it is agreed that such law shall supersede the conflicting provisions without in any way affecting the remainder of these provisions.

Section 8. Should any job classification be omitted from Article VIII, Section 6, or created after the signing of this Agreement, the UNION and the COOPERATIVE shall meet and negotiate to amend this Agreement to include such classification.

Section 9. The COOPERATIVE acknowledges receipt of a copy of the constitution of the INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS and the UNION agrees to notify the COOPERATIVE of any changes or amendments thereof within sixty (60) days after they become effective.

Section 10. Dues Deduction. Effective First day of July 1975. (Amended 5/1/75) Subject to applicable laws and upon receipt of a written authorization from an employee within the bargaining unit, written on a form approved by the COOPERATIVE, the COOPERATIVE shall deduct from each weekly pay due such employee union dues not to exceed an amount certified by the UNION. Such authorization shall continue in effect for the duration of this agreement, or until receipt by the COOPERATIVE of a written notice of revocation of such authorization by the employee, or when the employee ceases to be represented by the UNION in the bargaining unit, whichever occurs earlier.

The COOPERATIVE shall have no obligation to collect UNION dues for any week in which the employee's pay (after all other deductions) is less than the amount of such dues.

The UNION shall indemnify and save the COOPERATIVE harmless against any and all claims, demands, lawsuits, or other forms of liability that may arise out of or by reason of action taken by the COOPERATIVE in making payroll deductions of UNION membership dues as hereinabove defined.

The sum of UNION dues so collected shall be paid quarterly by the COOPERATIVE to the Financial Secretary of Local Union #317 of the INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, AFL-CIO. The Financial Secretary will issue a receipt in the name of the Local Union for each payment. The COOPERATIVE shall prepare and submit to the Financial Secretary quarterly a list of employees from whom UNION dues deductions were designating the amount deducted from each employee, plus a list of the names of employees removed from or added to the payroll during the current quarter.

ARTICLE XV EMPLOYEES' COOPERATION

Section 1. It is understood by both parties hereto that a greater part of the COOPERATIVE's lines are rural lines and that the revenue from said lines does not justify the paying of the same rate of pay as urban utilities' rates of pay, and that the workmen of the COOPERATIVE shall not follow the usual strict lines of demarcation of limited services usually specified to each class of workmen. It is therefore agreed by the UNION that all employees regardless of their classification, shall assist fellow employees in any work they are capable of doing or may be called on to perform that tends to expedite the business of the COOPERATIVE and on the particular job to which they have been assigned.

ARTICLE XVI TERM OF AGREEMENT

Section 1. This Agreement shall become effective as of January 1, 2018. Except as provided in Section 3 below, it shall continue in effect for a term of approximately five (5) years until 12:01 a.m., January 1, 2024, and shall automatically be renewed thereafter from year to year unless written notice is given by either party sixty (60) days prior to the expiration date that it is desired to terminate or amend this Agreement.

Section 2. Both notice of request for re-negotiation and lists of items to be amended will be sent by registered mail to the following:

- (a) INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL UNION NO. 317, 550 Adams Avenue, Huntington, West Virginia
- (b) GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION, 109 Bagby Park, Grayson, Kentucky.

Section 3. Successor Clause

This agreement shall be binding upon the parties hereto, their successors and assigns. In the event that the employer sells or transfers that part of its operations covered by this Agreement, such part of its operations shall continue to be subject to the terms and conditions of this Agreement for the term of said Agreement. The employer shall give notice of the existence of this Agreement to any purchaser or transferee of that part of the Employer's operation covered by this Agreement.

ARTICLE XVII APPROVAL

This Agreement between the UNION and the COOPERATIVE is subject to ratification by the employees covered by this agreement and to the approval of the International Office of the UNION and shall be effective only if so approved.

IN WITNESS WHEREOF the duly chosen representatives of the parties to this Agreement have hereunto set their hands this 21st day of December 2018.

GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION

LOCAL UNION NO. 317 OF THE INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS

By Carol Hal Fraley
Carol Hal Fraley, President and CEO

By James L. Gillette
James L. Gillette, Business Manager

Harold L. Dupuy
Harold Dupuy, Board Chairman

Roger Kitchen
Roger Kitchen, Union President

James 'Jim' Bentley
James 'Jim' Bentley, Vice Chairman

Herbie Steagall
Herbie Steagall, Union Vice President

Billy E. 'Eddie' Martin
Billy E. 'Eddie' Martin, Sec. Treas.

Willis Barker
Willis Barker, Union Secretary

International Brotherhood of Electrical Workers

LOCAL UNION NO. 317

afl - cio



JIM GILLETTE, Business Manager
Location: 1848 Madison Avenue, Suite A
Huntington, West Virginia 25704



Mailing Address: P.O. Box 9275
Huntington, West Virginia 25704
Telephone: (304) 429-5013
Fax: (304) 429- 5015

March 18, 2013

Ms. Carol Fraley
Grayson RECC
109 Bagby Park
Grayson, KY 41142

Dear Ms. Fraley:

Enclosed you will find the Agreement between Grayson Rural Electric Cooperative Corporation of Grayson, Kentucky, and Local Union No. 317 of the International Brotherhood of Electrical Workers, AFL-CIO, dated January 1, 2013 to January 1, 2018.

If you have any questions, please call this office.

Sincerely,

Jim Gillette
Business Manager

JG:cpl

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AGREEMENT

THIS AGREEMENT, made and entered into this 1st day of January, 2013, by and between the GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION OF GRAYSON, KENTUCKY, hereinafter referred to as the COOPERATIVE, and LOCAL UNION NO. 317 of the INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, AFL-CIO, hereinafter referred to as the UNION, as the collective bargaining representative for the employees of the COOPERATIVE in the classifications listed in Article VIII, Section 5 of this Agreement.

WITNESSETH:

WHEREAS, the COOPERATIVE and the UNION have a common and sympathetic interest in the electrical industry, and together with the Public will benefit from harmonious working arrangements for the adjustments of differences by rational and common sense methods, and therefore, for the purpose of facilitating the peaceful adjustments of differences that may arise from time to time, and to promote harmony and efficiency to the end that the COOPERATIVE, the UNION and the GENERAL PUBLIC may be benefited, the parties hereto contract and agree with each other as follows:

TO WIT:

ARTICLE I SCOPE

This Agreement shall constitute the complete agreement between the parties hereto with reference to wages, hours, working conditions and conditions of employment. Any additions, waivers, deletions, changes, amendments or modifications that may be made to this Agreement shall be effected through the collective bargaining process between authorized representatives of the COOPERATIVE and the UNION, subject to ratification by the employees of the COOPERATIVE covered by this Agreement. All other understandings between the parties not incorporated herein by reference or otherwise, at the effective date of this Agreement, are hereby terminated, with the exception of existing policies of the COOPERATIVE covering health and sanitation of employees while at work, which may or may not be incorporated in this Agreement. Any interpretation of this Agreement or of amendments hereto can be a proper subject for the grievance procedure.

ARTICLE II RECOGNITION

Section 1. In conformity with the Labor Management Relations Act of 1947, as amended, the COOPERATIVE recognizes the UNION as the sole and exclusive bargaining agent for those hourly employees, excluding salaried, supervisory and office personnel, included in the National Labor Relations Board Certification No. 9 RC-4683 with respect to rates of pay, wages, hours of employment, and other conditions of employment. The COOPERATIVE will bargain with no other UNION for the representation of employees within the bargaining unit during the life of this Agreement.

Section 2. The term "employee" as used herein shall mean any person represented by the UNION as set forth in Article II, Section 1 of this Agreement.

Section 3. As a means of informing all employees as to their rights, privileges and obligations under this Agreement, the UNION agrees to furnish a copy of this Agreement to each employee.

Section 4. All employees who are members of the UNION on the effective date of this Agreement shall be required to remain members of the UNION in good standing as a condition of employment during the term of this Agreement. Local Union 317 will provide the COOPERATIVE a complete and current membership list, updated as necessary. Huntington Local 317 will provide the COOPERATIVE with an enrollment card for any new UNION member before the 31st day of employment, so that UNION dues can be added to his/her payroll deduction. The COOPERATIVE agrees to collect UNION dues and remit them to Huntington Local 317 on a quarterly basis, and also to collect kitty fund dues and remit them to Local 317 treasurer on a monthly basis. New employees and employees who are not now members of the UNION shall be required to become and remain members of the UNION in good standing as a condition of employment within thirty-one (31) days following the date of their employment or the effective date of the Agreement, whichever is later. The terms of this Agreement shall apply to all such employees prior to their becoming members of the UNION.

Section 5. The COOPERATIVE agrees not to discriminate against any employee on account of UNION membership or UNION activity. The COOPERATIVE agrees to withhold UNION dues through the weekly payroll deduction plan and submit them to the Union Hall.

Section 6. The COOPERATIVE will recognize the following number of properly certified UNION representatives for the purpose of representing employees in the manners specified in this Agreement.

- (a) Business Manager of Local Union No. 317.
- (b) Assistant Business Manager of Local Union No. 317.
- (c) Immediate I.B.E.W. International Representative.
- (d) The Joint Conference Committee Consisting of three (3) representatives of the UNION.
- (e) Steward.

When a properly certified UNION representative is unable to participate as specified by this Agreement for any reason, the UNION will notify the COOPERATIVE within twenty-four (24) hours and the COOPERATIVE will recognize an alternate, certified by the UNION, who may act for him.

ARTICLE III MANAGEMENT CLAUSE

President & CEO of the COOPERATIVE has the exclusive authority to execute all of the various functions and responsibilities incident hereto which are vested in the COOPERATIVE. The direction of the workforce, the establishment of plant policies; the determination of the processes and means of operations, the units of personnel required to perform such processes and other responsibilities incidental to the operation and maintenance of the electrical system are vested in the COOPERATIVE. Such duties, functions, and responsibilities shall include the management of the work; the direction of the work, the supervision, direction and control of the working force, the right to hire, the right to discharge, right to discipline for just cause, or place employees, and are vested exclusively in the COOPERATIVE. The UNION shall not abridge this right provided there is no discrimination and nothing is done in violation of this Agreement. Nothing in this Agreement shall be construed to in any way restrict the installation, use, or application of labor saving devices, or equipment, provided safety of employees is not jeopardized. The UNION will be notified of any changes in **Board Policy # 504 Sick Leave, Accrual of Sick Leave and Accounting of Sick Leave Earned, Board Policy # 505 Payment of Sick Leave Upon Retirement or Termination, Board Policy # 510 Vacation, Board Policy # 511 Jury Duty, Board Policy # 512 Family Leave, Military Leave, etc., and Board Policy # 514 Insurance Benefits.**

The exercise of such authority shall not conflict with the rights of the UNION under the terms of this Agreement.

ARTICLE IV CONTINUITY OF OPERATION

Section 1. The UNION agrees that it will not authorize a strike, work stoppage, picket line, slow down or secondary boycott for the life of this Agreement. The COOPERATIVE agrees that it will not engage in a lockout.

Section 2. All questions, disputes or controversies under this Agreement shall be settled and determined solely and exclusively by the grievance and arbitration procedures provided in this Agreement.

Section 3. When an employee or employees participate in an act violating this article, the UNION agrees that the COOPERATIVE shall have the right to suspend, discipline or discharge, at its discretion, the employee or employees responsible for participating in the strike, work stoppage, picket line, slow down or secondary boycott.

ARTICLE V GRIEVANCE PROCEDURE

Section 1. Any complaint, grievance or dispute that may arise with respect to the application or performance of this Agreement between the COOPERATIVE and the UNION or its members shall be taken up for settlement in the simplest and most direct manner. Any such complaint, grievance or dispute must be filed in Step 1 within five (5) days of the occurrence of such complaint, grievance, or dispute exclusive of Saturdays, Sundays or Holidays. If a complaint, grievance or dispute is not filed within the time limit set forth herein for filing or an appeal is not taken within the time limits set forth in Steps 1 through 4, it shall be barred and shall not be subject to further appeal. Except where by mutual consent another procedure is agreed upon, such matters shall be handled in accordance with the following steps:

Step 1. Between the employee or employees concerned together with the UNION'S Steward and the Department Head of the aggrieved employee.

Step 2. Should any matter not be adjusted in the first step above within forty-eight (48) hours, exclusive of Sundays and holidays, it shall be reduced to writing and referred to the President & CEO of the COOPERATIVE and the Business Manager of the UNION.

Step 3. All questions or disputes which are not adjusted within ten (10) days as a result of the above procedure shall then be referred to a Joint Conference Committee of three (3) representatives of the UNION and three (3) representatives of the COOPERATIVE. Each party shall have the privilege of changing representatives upon the proper notice to the other party. The Joint Conference Committee shall meet within forty-eight (48) hours after such notice is given either party. It shall select its own secretary and chairman.

Step 4. If not satisfactorily adjusted after exhausting all of the above steps, the grievance or complaint shall be referred to arbitration provided such grievance involves an interpretation of the meaning or application of the terms of this Agreement, according to the following procedures:

- (a) The COOPERATIVE and the UNION will each appoint an arbitrator to represent them.
- (b) Within five (5) days, the parties shall jointly request the American Arbitration Association to appoint a third member, both parties to be bound by such appointment.
- (c) Each party shall defray the expenses of its members of the Board of Arbitration and the fee and expenses of the third member shall be borne equally by the parties, together with any incidental or general expenses in connection with the arbitration mutually agreed upon in advance.
- (d) The Arbitration Board's decision must be in accordance with the terms of this Agreement and has no authority to change, subtract from, or add to, its terms in any way. The majority decision of the Board shall be final and binding on both parties.

Section 2. If, after investigation, the employee or employees are found to have been unjustly terminated or suspended, such employee or employees shall be reinstated without loss of seniority or pay for all time lost. In any case which results in arbitration, the arbitrator shall have the discretion to determine the seniority and/or pay, if any, which an employee shall receive if he/she has been terminated or suspended.

ARTICLE VI VACATIONS

Section 1. An employee will be entitled to a vacation with pay in each calendar year, based upon the length of his/her continuous service in accordance with the following schedule:

- (a) One year but less than eight years of continuous service - ten workdays of vacation.
- (b) Eight years or more of continuous service - one additional day of vacation for each additional year of continuous service, including the eighth year, not to exceed twenty-six (26) workdays of vacation.
- (c) An employee must complete the full minimum continuous service requirements before becoming eligible to take vacation or additional vacation.

Section 2. The vacation period shall be on a calendar year basis from January 1, to December 31, inclusive.

- (a) An employee may carry forward into the succeeding year a maximum of 30 days of vacation earned, but not taken, or after 12 years of service may sell back to the COOPERATIVE vacation time in accordance with **Board Policy # 510 Vacation**.
- (b) No employee may be credited at the beginning of any calendar year with more than 30 days of previously accumulated vacation. All vacation earned in excess of the 30 day carry over will be taken within the vacation period.

Section 3. If a day observed as a holiday occurs during an employee's vacation such employee shall receive an additional day of vacation.

Section 4. Vacations are scheduled by the COOPERATIVE to be taken during the vacation period. Preference within a department as to dates will be given on the basis of seniority, provided such preference is indicated prior to February 1st.

An employee entitled to ten (10) workdays of vacation shall take at least one full work week of vacation at one time. The remaining balance of vacation may be taken or carried over in accordance with **Board Policy 510 Vacation**.

No pay will be made to an employee in lieu of vacation time, except after an employee becomes eligible for fifteen (15) workdays or more annual vacation in accordance with **Board Policy # 510 Vacation**. For the purpose of this sub-section overtime rules applicable to vacation time are hereby suspended.

Section 5. An employee who is laid off, released or discharged or who resigns will be paid for vacation earned but not taken at the time his/her employment is terminated.

Section 6. In the event an employee who is entitled to a vacation dies before he/she has taken that vacation, the person designated as beneficiary of his/her Group Life Insurance shall be entitled to his/her vacation pay.

ARTICLE VII HOURS OF WORK-OVERTIME

Section 1. Definitions:

Standard Workday means the continuous eight (8) hour period, excluding an interval of thirty (30) minutes for lunch, between the hours of 7:30 a.m. and 4:00 p.m., in any given day.

Standard Workweek means five (5) standard workdays, Monday through Friday inclusive within a workweek, amounting to a total of forty (40) hours.

Section 2. Employees will have a non-paid meal period of thirty (30) minutes to begin not earlier than three and one-half (3½) hours or later than five (5) hours after the start of the standard workdays. For a meal period outside of these hours required by the COOPERATIVE, a premium of thirty (30) minutes of straight time will be paid. If such employees are not permitted a meal period due to emergency conditions, they will be paid at one and one-half (1½) times their base hourly rate for the time worked in excess of eight (8) hours, as provided elsewhere in this Agreement.

Section 3. For all established work requiring twenty-four (24) hour periods to cover, shifts will be established provided such work continues for a minimum of five (5) consecutive days. The following schedule shall apply for all such shift work:

<u>SHIFT</u>	<u>HOURS</u>	<u>HOURS TO BE PAID</u>	<u>AT BASE HOURLY RATE</u>
1st	Standard workday as defined in Section 1 above.		8
2nd	Starting at the end of the standard workday and continuing for eight (8) hours including a meal period.		8
3rd	Commencing seven and one-half (7½) hours prior to the start of the standard workday and continuing for seven and one-half (7½) hours including a meal period.		8

For the purpose of Section 6 of this article, the shift an employee is assigned to shall be considered as his/her standard workday.

Section 4. Employees shall not be required to work outside during inclement weather as determined by the COOPERATIVE except to restore service because of emergency conditions. Employees shall be assigned to work inside or under shelter during such weather. Such assignments shall not be for more than the standard workday or workweek. Thus the employee is assured a full week's pay unless conditions warrant a reduction in force during the standard workweek. Due to the fact that construction and maintenance, are the only classifications directly affected by inclement weather, they shall not be required to climb poles or towers in temperatures of 0 degrees to 10 degrees above zero. This does not, restrict the line crew from doing other kinds of line work.

Section 5.

- (a) Overtime at the rate of one and one-half (1½) times his/her base hourly rate will be paid to an employee for all hours worked in excess of the hours in the standard work day or work week.
- (b) An employee will not be required to take off a corresponding amount of time in any of his/her subsequent standard workdays to offset any overtime worked.
- (c) Overtime will not be paid to an employee for travel to and from meetings and conferences held outside of the COOPERATIVE'S service area. Pay for such attendance shall be at the employee's base hourly rate for each standard workday employee is in attendance.

Section 6. An employee required to report for work before his/her regularly scheduled starting time shall receive not less than two (2) hours pay at one and one-half (1½) times his/her base hourly rate, or one and one half (1½) his/her regular rate for such work performed, whichever is greater. Such employee shall not be required to take off a corresponding amount of time before the end of his/her standard workweek.

Section 7. An employee who IS REQUIRED TO WORK PAST 4:30 P.M. DURING THE REGULAR WORK DAY will receive not less than two (2) hours pay at one and one-half (1½) time his/her base hourly rate, or one and one-half (1½) times his/her regular rate for such work performed, whichever is greater.

Section 8. Holidays not worked, jury duty time, vacations, and funeral absences, which are compensated for under other appropriate provisions of this Agreement, will be credited as hours worked in computing overtime except that, to avoid duplication, there will be credited only eight (8) hours for any one (1) calendar day.

Section 9.

- (a) An employee required to work overtime shall be allowed time to eat in accordance with applicable state laws.
- (b) An employee who is required to work overtime and who works ten (10) or more continuous and successive hours will be paid a meal allowance, by attaching a receipt for the meal with the names of all workers who ate written on back, unless the meal is provided by the COOPERATIVE. If the meal is paid by the Cooperative, the senior employee will see that all names of those who ate are listed on the back of the charge ticket. Any meal allowance will be paid within seven (7) days of the submission of a receipt
- (c) No time will be deducted for meal periods during such overtime work, it being understood that they will be made as short as possible.

Section 10.

- (a) The following holidays will be observed: New Year's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, the day after Thanksgiving Day, Christmas Eve, and Christmas Day. Any employee who has served in the United States Military will be entitled to a holiday on Veteran's Day. **(In accordance with Board Policy # 513 Holidays)**
- (b) Should Christmas fall on a Saturday, the preceding Thursday and Friday will be observed as holidays. Should Christmas fall on Sunday, Monday and Tuesday will be observed as holidays.
- (c) Should one of these holidays fall on a Saturday, it will be observed on the Friday preceding. Should one of these holidays fall on a Sunday, it shall be observed on the Monday following. Work on such Saturdays or Sundays shall not be compensated for under the holiday pay rules.
- (d) An employee who works on a day observed as a holiday will be paid at the rate of one and one-half (1½) times his/her base hourly rate for all such time worked, plus an amount equal to eight (8) times his/her base hourly rate, provided he/she meets the requirements.

Section 11. In cases of emergencies, an employee on vacation may be recalled from vacation, and in such event, he/she shall be paid one and one-half (1½) times his/her base hourly rate for actual time worked in addition to vacation pay as provided in Article VI, Section 1, or, with the approval of the employee's Department Head, equivalent hours may be taken off in lieu thereof.

Section 12. An employee who is required to serve on a municipal, county, state or federal petit, or grand jury, or who is subpoenaed as a witness in any case to testify as to facts observed by him/her shall be paid for such service at his/her base hourly rate for the time lost from his/her standard workday by reason of such service in accordance with **Board Policy # 511 Jury Duty**, subject to the following provisions:

- (a) An employee called for jury duty or as a witness and who is temporarily excused from attendance at court must report for work if a four hour period of time remains to be worked in his/her standard workday.

Section 13. Employees may not trade days off except with the prior approval of their respective Department Heads, and provided further that no overtime premium is involved.

Section 14. It shall be the responsibility of the Accounting/Payroll Clerk to keep a record of overtime worked. Weekly reports shall be posted on the Cooperative's bulletin boards by the Manager of Operations

There shall be six (6) maintenance areas currently based on the following:

Rowan County and West Elliott County
Lawrence County and South Elliott County
North Elliott County and South Carter County
Middle Carter County and North Elliott County
Carter County and South Greenup County
North Greenup County and Lewis County

There shall be two (2) overtime areas, north of Grayson Lake and south of Grayson Lake. The boundaries of these areas shall be defined exclusively by the President & CEO and shall be based on the changing demographics of the COOPERATIVE.

Maintenance personnel assigned to each section of these areas shall be first called for overtime. He /she shall be assisted by the next available Construction Department employee who is qualified for the necessary work, with consideration given to the fair and equitable distribution of available overtime work. A record of all employees called, available and unavailable, shall be kept by the Dispatcher and by the Accounting/Payroll Clerk. In fairness to all employees, every effort shall be made to equitably distribute overtime among employees in each classification within each service area. This does not, however, restrict qualified employees from working where ever necessary. Maintenance Leadmen should make every effort to call the classification necessary to perform the job safely.

It should be recognized that some departments offer very little overtime, but should be allowed to share in overtime in other departments on work they are qualified to do and make themselves available for.

Distribution of overtime shall be considered equitable if employees who live in the sections/areas defined by the **COOPERATIVE** are within one week (40 hours) of each other.

The goal of the COOPERATIVE is to minimize the length of time any member is out of power. Every effort will be made, consistent with COOPERATIVE policy, to balance fairness of overtime with minimal response time.

- (a) Applicable overtime lists which have been established shall be posted and kept up-to-date as overtime occurs.
- (b) When determined during a standard workday that additional personnel are needed for a period of time after the end of the standard workday, the overtime will be offered to those employees who are working.
- (c) If a new employee is hired or if an employee moves to a new department he/she shall be put on the Called Overtime list according to his/her seniority and charged with the same hours as the person of the same classification having the maximum hours charged on the list.
- (d) Employees who miss overtime because they are absent for any reason, or who refuse when offered, or who are not readily available by telephone, will be charged overtime as having been offered the overtime. The Department Head or Dispatcher shall maintain a record of telephone contacts and such record will be made available to the Steward on request. Time shall be charged against an employee who is unavailable due to worker's compensation, sick leave, vacation or personal leave or any other reason.

Excessive refusal or unavailability for overtime can cause undue hardship on other employees and will not be tolerated by management. Excessive unavailability may subject an employee to disciplinary measures. It is the responsibility of every employee to make themselves available for work during times of emergency, and in such cases, to contact COOPERATIVE personnel for instruction.

- (e) Overtime of less than thirty (30) minutes will not be charged.
- (f) On the effective date of this Agreement all prior records of overtime are null and void.

Section 15. Overtime shall not be duplicated for the same hours under any of the terms of this Agreement, and to the extent that hours are compensated for as overtime under one provision they shall not be counted as hours worked in determining overtime compensation under the same or any other provisions, except as specifically provided therefore.

Section 16. An employee who has completed his/her probationary period and is a member of a reserve component of the Armed Forces and who is required to enter upon active annual temporary training duty, shall be paid the difference between the amount of pay he/she received from the Federal or State government for such duty and his/her base hourly rate for the time lost while on such duty up to a maximum period of two (2) weeks per year, subject to the following provisions:

- (a) An employee must submit to his/her Department Head, as soon as possible after receipt, evidence of orders to report for training.
- (b) When the employee returns to work he/she must submit to his/her Department Head a statement supporting payment for such duty.
- (c) Time off from work paid for under this section will not be counted as hours worked in the computation of overtime or premium pay.

ARTICLE VIII WAGES

Section 1. The base hourly rates, labor grades and job classifications as set forth in Section 6 of this Article shall have been fixed on a permanent basis which remains in effect for the duration of this Agreement.

Section 2. An employee who moves to a classification having a higher labor grade shall begin at the starting rate of the higher labor grade. However, if such starting rate is the same or less than his/her existing rate, he/she shall begin at the next step rate of the higher labor grade above his/her existing rate, but not to exceed the maximum.

Section 3. An employee who at the request of the COOPERATIVE is temporarily required to do the work in a classification other than his/her own shall suffer no reduction in his/her rate of pay. An employee assigned temporarily to do work in a job classification in a higher labor grade will be paid at the starting rate for the higher labor grade.

Section 4. An employee recalled to a classification will assume a rate at the same relative position in the rate range as he/she had established when placed on the recall list for such classification.

Section 5. The COOPERATIVE agrees to pay Maintenance Leadman's pay to at least one person in the north area and the south area at all times. It shall be at the discretion of the COOPERATIVE whether to substitute a Maintenance Leadman on a daily basis, in accordance with the work load. If an employee is designated to substitute for a Maintenance Leadman, he/she shall be paid Maintenance Leadman's pay for regular or overtime work.

WAGES

Effective:	01/01/13	01/01/14	01/01/15	01/01/16	01/01/17
Construction Leadman	\$32.47	\$33.72	\$34.97	\$36.22	\$37.47
Maintenance Leadman	\$31.47	\$32.72	\$33.97	\$35.22	\$36.47
Lineman 1 st Class	\$30.35	\$31.60	\$32.85	\$34.10	\$35.35
Apprentice/Fourth Year	Ninety-five percent (95%) of the then existing wage rate for Lineman 1 st Class				
Apprentice/Third Year	Ninety percent (90%) of the then existing wage rate for Lineman 1 st Class				
Apprentice/Second Year	Eighty percent (80%) of the then existing wage rate for Lineman 1 st Class				
Apprentice/First Year	Seventy-five percent (75%) of the then existing wage rate for Lineman 1 st Class				
Warehouseman	\$31.36	\$32.61	\$33.86	\$35.11	\$36.36
Engineering Party Chief	\$30.64	\$31.89	\$33.14	\$34.39	\$35.64
Assist. Eng. Party Chief	\$28.69	\$29.94	\$31.19	\$32.44	\$33.69
Transit Man	\$27.61	\$28.86	\$30.11	\$31.36	\$32.61
Meterman 1 st Class	\$29.87	\$31.12	\$32.37	\$33.62	\$34.87
Meterman 2 nd Class	\$27.93	\$29.18	\$30.43	\$31.68	\$32.93
Meterman 3 rd Class	\$26.43	\$27.68	\$28.93	\$30.18	\$31.43
Mechanic	\$27.93	\$29.18	\$30.43	\$31.68	\$32.93
Groundman 15 years service	\$27.80	\$29.05	\$30.30	\$31.55	\$32.80
With 1-15 years service	\$26.43	\$27.68	\$28.93	\$30.18	\$31.43
With 0-1 years of service	\$25.56	\$26.81	\$28.06	\$29.31	\$30.56

**** THE FOLLOWING CLASSIFICATIONS ARE CURRENTLY VACANT**

Effective	01/01/13	01/01/14	01/01/15	01/01/16	01/01/17
Truck Driver/Groundman	\$27.17	\$28.42	\$29.67	\$30.92	\$32.17
With 8 years of service	\$27.61	\$28.86	\$30.11	\$31.36	\$32.61
With 15 years of service	\$28.48	\$29.73	\$30.98	\$32.23	\$33.48
Groundman/Right-of-way Supervisor	\$28.80	\$30.05	\$31.30	\$32.55	\$33.80
Laborer	\$24.39	\$25.64	\$26.89	\$28.14	\$29.39

25 CENT PER HOUR BONUS-UNION EMPLOYEES WITH OVER 20 YEARS OF SERVICE

Section 7. Effective July 1, 1975, all employees covered by this Agreement shall be paid on Friday of each week following one week's preparation time, from Sunday 12:01 a.m. to Saturday 12:00 p.m. In order to implement policy of paying on Friday of each week, the first payday will fall on July 13, 1975. When payday falls on a holiday, employees will be paid on the preceding day. (Amended 5/1/98)

In the event of a voluntary termination of employment an employee's final pay will be mailed or otherwise delivered on the regular scheduled payday. In the event of involuntary termination of employment the final pay will be mailed or otherwise delivered at the earliest practicable date.

Section 8. If a full-time employee (member of the UNION) is required to cut right-of-way, he/she will be paid at his/her regular rate of pay, plus fringes.

Section 9. Apprenticeship Program

The Apprenticeship Program for the position of (Lineman) shall be approved by the Kentucky Labor Cabinet and administered by the COOPERATIVE. The determination of whether or not there is a need for a person in the Apprenticeship Program shall be made independently and exclusively by the COOPERATIVE. Such person or persons shall be selected by the COOPERATIVE and eligibility for entry into the Apprenticeship Program shall be that established by the Apprenticeship Program as now exists or which may hereafter be adopted by the COOPERATIVE. Selection of such apprentices by the COOPERATIVE will be on the basis of qualifications and all applications will be afforded equal opportunity without regard to race, color, national origin, age or handicap so long as the applicants meet the qualifications established by the Apprenticeship Program.

Training which takes place as part of the Apprenticeship Program and shall be established and outlined in such Apprenticeship Program or such other program as may be adopted by the COOPERATIVE. The term of the Apprenticeship Program, training, schooling, responsibilities and obligations of the apprentice, standards of performance and other such matters shall be that which are contained in the Apprenticeship Program or other program as may be adopted by the COOPERATIVE.

The term of apprenticeship shall not be less than four (4) years of continuous employment. Apprentices will be paid at the following hourly rates of pay:

Apprentice/First Year - Seventy-five percent (75%) of the then existing wage rate for Lineman First Class.

Apprentice/Second Year - Eighty percent (80%) of the then-existing wage rate for Lineman First Class.

Apprentice/Third Year - Ninety percent (90%) of the then-existing wage rate for Lineman First Class.

Apprentice/Fourth Year - Ninety-five percent (95%) of the then-existing wage rate for First Class Lineman

First Class Lineman

An apprentice shall be on probation throughout the entire period of the Apprenticeship Program and shall accrue no seniority until such time as he/she has completed the full Apprenticeship Program. At the point in time when an Apprentice completes the entire Apprenticeship Program and is accepted as a regular employee of the COOPERATIVE, then his/her seniority shall date from the first day of employment in the Apprenticeship program. In the event of a reduction of force in the Lineman classification, Apprentices shall be laid off first and, in the event more than one (1) Apprentice is involved in the Apprenticeship Program, such Apprentices shall be laid off in such order as the COOPERATIVE shall determine in its sole discretion.

An employee who leaves the Apprenticeship Program prior to completion shall have no transfer of other rights under the Agreement and his/her employment shall terminate. Further, the employment of any such Apprentice shall automatically terminate upon (1) failure of such Apprentice to comply or carry out any term or condition of the Apprenticeship Program; (2) failure to pass any periodic written, practical or other examination or (3) for such other reasons as may be determined by the COOPERATIVE. Under no circumstances, shall such termination of employment be subject to the grievance-arbitration procedure set forth in Article V of the Agreement. (Formerly Addendum #1 dated May 1, 1978).

ARTICLE IX SENIORITY

Section 1. Definitions:

- (a) Seniority - An employee shall become eligible for UNION membership on the thirty-first day of his/her employment and his/her seniority shall commence on the ninety-first day of his/her employment.
- (b) Vacancy - Shall be declared when it becomes necessary to place an employee in an existing or newly created position.
- (c) Surplus - A reduction of employees within a classification.

Section 2. An employee's continuous service with the COOPERATIVE shall consist of time actually spent on the payroll plus properly approved absences from work, to be determined under the following rules:

- (a) An employee may be granted a leave of absence not to exceed one (1) year for military service. All other requests for leave of absence are covered in various Board Policies, including Family Medical Leave and personal illness. If the leave of absence is granted, the employee shall not accumulate seniority, sick leave days, vacation days or holidays during that time, but will not lose prior seniority. The terms and conditions of **Board Policy 512 Leave of Absence, Military Leave, etc.,** shall prevail.
- (b) An employee who leaves the employment of the COOPERATIVE to enter the Armed Forces, either by enlistment or by draft, shall be reinstated as provided by Federal Law upon application within ninety (90) days after honorable discharge, provided he/she qualified under the seniority rules and is physically capable of performing the work required. Upon reinstatement, such employee will be given credit for continuous service prior to entering the Armed Forces plus credit for time spent in such service.
- (c) If any employee is laid off because of a reduction in force he/she must notify the COOPERATIVE in writing every ninety (90) days of his/her willingness to remain on the recall list to be given credit for continuous service prior to such layoff. If such layoff continues for more than two (2) years, he/she will not be given credit for continuous service prior to layoff.
- (d) An employee shall lose his/her continuous service when he/she is discharged, when he/she resigns, or when he/she is on the recall list and declines or fails to report or make satisfactory arrangements within five (5) working days after being notified of a re-employment opportunity. If such employee is later rehired, he/she shall be considered a new employee and his/her continuous service shall date from the date of his/her most recent hire.

An employee shall be considered to be notified of a re-employment opportunity when an offer of re-employment has been sent by registered mail to his/her address as recorded in his/her employee records.

Section 3. A new employee shall be considered a probationary employee and shall have no seniority rights for the first ninety (90) days of his/her employment. A probationary employee shall be subject to layoff, discipline, or discharge at the sole discretion of the COOPERATIVE provided there is no discrimination and nothing is done in violation of this Agreement.

Section 4. Reduction in force.

- (a) When a reduction in force is to be made in a classification, those having the least amount of classification seniority shall be the first to be declared surplus.
- (b) In accordance with (a), the employee with the least classification seniority may exercise one of the following options:
 - 1. Transfer to another department and/or classification for which he/she is qualified and displace any employee with less seniority.
 - 2. Accept a layoff.
- (c) An employee physically handicapped by reason of occupational injury while employed by the COOPERATIVE shall be given special consideration, subject to his/her qualifications and seniority if a vacancy occurs. Under no circumstances will the Cooperative be obligated to create a position to accommodate a handicapped/disabled employee.

An employee will be expected to return to work after extended sick leave upon receipt of a medical release from an attending physician and approved by the Cooperative's Workers Compensation Plan. Extended medical leave is defined as 10 weeks. The Cooperative reserves the right to review each individual situation with the Cooperative's Workers Compensation Plan administrators and attending physician. If it is determined that an employee is not likely to reach 100 percent recovery and is unable to meet the demands of his/her current position, that employee shall rely on the remedy available to them through Worker's Compensation and/or Long Term Disability.

- (d) In the event of a surplus, the Steward will be given a list of the names of employees who are surplus.
- (e) In the event of a layoff, the COOPERATIVE will mail to the UNION office a list of the names of the employees laid off.
- (f) When a reduction in force is necessary, the COOPERATIVE will notify employees who are affected as far in advance as possible.

Section 5. Filling a vacancy.

- (a) When the COOPERATIVE has determined that a vacancy exists in a classification, qualified employees on recall to that classification will be recalled in order of classification seniority, whether they have displaced other employees at the COOPERATIVE or have left the COOPERATIVE and are on the recall list.
- (b) When a vacancy cannot be filled by the procedures in (a) above, it will be posted for seven (7) calendar days at mutually agreed upon COOPERATIVE locations.
- (c) Vacancies will be awarded to the employee with the most seniority in another classification, who is qualified, and who has signed the posting subject to approval by the COOPERATIVE President & CEO. In the event a grievance is filed concerning qualifications under the preceding sentence, it shall be initiated at Step 2 of the grievance procedure. The hearing may be attended by the aggrieved employee and a representative of the UNION. If the grievance is not settled satisfactorily, it may be appealed to the Third Step in the grievance procedure. In the event a dispute concerning qualifications is referred by either party to arbitration, the Arbitration Board, as defined in Article V, Section 1, Step 4, of the Agreement shall have the authority to render a decision based on the criteria established by the COOPERATIVE.
 - 1. An employee who has been awarded a vacancy will be transferred as soon as possible but not later than thirty (30) days after being notified of the award.

2. An employee who has been awarded a vacancy will be required to accept the vacancy.
 3. An employee awarded a vacancy will be given up to thirty (30) days with proper instructions to learn the job. If he/she is unable to learn the job he/she may return to his/her base classification and displace the employee with the least classification seniority.
 4. When a vacancy cannot be filled by the procedure outlined above, consideration will be given to a qualified employee not on the active payroll but on an active recall list.
 5. Employees awarded vacancies will be advised by letter by the COOPERATIVE.
 6. After vacancies have been awarded, a list of the employees awarded such vacancies will be posted at each posting location. These lists will be identified, showing the classification in which the award was made. Copies of these lists will be sent to the UNION.
- (d) Pending the filling of a vacancy or in the assignment of an employee to temporarily fill a vacancy, the procedure below will be followed:
1. The classification from which supervision determines an assignment can be made will be canvassed in order of their seniority; if no one desires to move, the least senior employee is assigned temporarily to fill a vacancy. He/she will be returned to his/her prior assignment when the vacancy is permanently filled.

Section 6.

- (a) Within thirty (30) days after the date of this Agreement, the COOPERATIVE shall furnish the Business Manager of the UNION a seniority list and shall further post such list on the COOPERATIVE bulletin boards as shall be mutually agreed upon. This list shall be open for correction for a period of thirty (30) days thereafter and, if any employee does not make a protest in writing to his/her Department Head with a copy to the UNION within such thirty (30) day period, his/her seniority shall be as shown on the list.
- (b) Each six (6) months, current copies of seniority lists will be furnished by the COOPERATIVE for use by certified UNION representatives.

Section 7. The COOPERATIVE and the UNION agree not to discriminate against employees because of a "disability" as that term is defined and as is prohibited by the Americans with Disabilities Act and Kentucky law.

ARTICLE X SICKNESS AND ACCIDENT PLAN

Non-Occupational Disability Pay

Non occupational disability shall be handled in accordance with **Board Policy 504 Sick Leave, Accrual of Sick Leave and Accounting of Sick Leave Earned** and in accordance with all federal and state laws.

Section 1. Eligibility: Provided the "Conditions of Payment" outlined in Section 2 below are met, an employee will be eligible to receive non- occupational disability payments if:

- (a) He/she has completed ninety days (90) of continuous service as determined in accordance with the rules set forth in Article IX, Section 2.
- (b) He/she provides the COOPERATIVE, if it feels there is misuse of the sickness and accident plan and so requests, with a doctor's certificate subject to confirmation by a doctor selected by the COOPERATIVE.

Section 2. Conditions for payment: Non-occupational disability payments shall not be made for:

- (a) Any sickness or injury caused indirectly by war or riot; or
- (b) Any intentionally self-inflicted injury.
- (c) Any employee who is absent from work because of an occupational disability arising out of and in the course of his employment, or purposely self-inflicted, or due to willful misconduct, violation of plant rules, or refusal to use safety appliances.

Section 3. Accrual and Amount of Payment.

- (a) Payments at the employee's base hourly rate shall be made for non-occupational disability not to exceed the number of days of sick leave accrued to the employees credit.
- (b) Employees shall accrue sick leave at the rate of one (1) working day per month, with a maximum limitation of one hundred twenty (120) days that can be accumulated. Employees shall be required to furnish a doctor's certificate to substantiate all illness claims that exceed three (3) days. Any sick days which an employee has in excess of one hundred twenty (120) days will be paid by December 31 of the year involved. Further, employees will be permitted to use up to three (3) days of accumulated sick leave per year in accordance with **Board Policy # 504 Sick Leave, Accrual of Sick Leave and Accounting of Sick Leave** earned as personal days. In order to take such days, an employee must notify, and obtain approval of the employee's immediate supervisor before the employee's shift begins.
- (c) Payments are applicable only for the standard working schedule of forty (40) hours per week or eight (8) hours per day, Saturdays, Sundays, and holidays excluded.
- (d) An employee shall not be required to furnish a doctor's slip for a three (3) day absence from work due to illness. In the event an employee is found to be abusing the leave of absence clause by substantial proof, the COOPERATIVE upon written notification to the UNION Steward and Local Union 317 of the I.B.E.W. may immediately suspend the said employee three (3) working days without pay. The employee will be subject to immediate dismissal upon second violation. (Amended 5/1/75)
- (e) An employee shall be paid all accumulated sick leave at age 62 and upon retirement from the COOPERATIVE.

Section 4. All disability payments provided for in this Agreement shall be reduced by the amount or amounts of any other benefit which might provide through state or federal legislation or workmen's compensation from the same type of disability and for the same period of absence. Such period of absence to be deducted from accrued sick leave.

Section 5. For any accident or sickness which qualifies for weekly benefits under the NRECA Comprehensive Major Medical Coverage Program, the employee will be required to exhaust all days of sick leave accrued to the employee's credit prior to being eligible for any such accident and sickness weekly benefits. Such checks which are received by an employee prior to exhausting days of sick leave accrued to his/her credit will be endorsed payable to the COOPERATIVE. **Board Policy 504 Sick Leave, Accrual of Sick Leave and Accounting of Sick Leave Earned.**

Section 6. Occupational Disability

Occupational disability shall be handled in accordance with **Board Policy # 504 Sick Leave, Accrual of Sick Leave and Accounting of Sick Leave Earned** and in compliance with all state and federal laws.

ARTICLE XI LEAVE OF ABSENCE

Section 1. Leave of Absence Without Pay

- (a) An employee may be granted a leave of absence for personal reasons without pay up to fifteen (15) consecutive calendar days upon application to the COOPERATIVE in writing, provided the employee presents evidence acceptable to the COOPERATIVE that such leave of absence is for a reasonable purpose and provided further that such leave of absence will not unreasonably interfere with operations. Such leave may be extended where necessary upon application for extension in writing and upon presentation of evidence satisfactory to the COOPERATIVE that such extensions is necessary, provided such extension does not unreasonably interfere with operations.
- (b) An employee will be granted a leave of absence for the period of a medical disability upon presentation of evidence satisfactory to the COOPERATIVE. An employee who returns to work after a leave of absence for medical disability will be reinstated in the classification which he/she left, provided he/she first obtains a medical clearance from his/her personal doctor, subject to the confirmation by a doctor, selected by the COOPERATIVE. (The doctor selected by the COOPERATIVE will be paid directly by the COOPERATIVE.)
- (c) Leave of Absence with Pay:
 - (1) An employee will be granted a reasonable leave of absence with pay in accordance with **Board Policy # 512 Leave of Absence, Military Leave, etc.**

Section 2. An employee who is absent from work for three (3) of his/her successive scheduled workdays, without notifying the COOPERATIVE, unless physically unable, will be considered to have resigned voluntarily. If the employee claims that such absence was because he/she was physically unable to work, then he/she shall be required to provide to the COOPERATIVE a doctor's certificate to substantiate that he/she was physically unable to work. The COOPERATIVE reserves the right to require the employee to be examined by a doctor selected by the COOPERATIVE to prove that his/her absence was because he/she was physically unable to work.

Section 3. An employee who does not return to work on his/her first scheduled workday following the expiration of his/her leave of absence or any extension thereof without notifying the COOPERATIVE, unless physically unable, will be considered to have resigned voluntarily. If the employee claims that such absence was because he/she was physically unable to work, then he/she shall be required to provide to the COOPERATIVE a doctor's certificate to substantiate that he/she was physically unable to work. The COOPERATIVE reserves the right to require the employee to be examined by a doctor selected by it to prove that his/her absence was because he/she was physically unable to work.

ARTICLE XII HEALTH AND SAFETY

Section 1. The UNION and the COOPERATIVE will cooperate to further improve the safety program. Employees may present to appropriate supervisor recommendations in writing, on matters relative to safe, sanitary and healthful working conditions. Employees will be advised in writing of any action taken on said recommendations by the COOPERATIVE.

Section 2. The UNION Steward in addition to his/her representative functions shall be designated as the Employees' Safety Representative. If an employee feels that he/she is being required to work under conditions which are unsafe, beyond the normal hazards of the operation in question, the employee may, after discussing the matter with his/her Department Head, contact the Employees' Safety Representative to discuss the problem. If the problem is not resolved with the employee's Department Head, the Employee's Safety Representative may contact the President & CEO of the COOPERATIVE for a final decision. Any discipline for safety reasons shall be reviewed with the IBEW Business Manager.

Section 3. The COOPERATIVE will continue to make provision for the safety and health of the employees while at work. The COOPERATIVE will provide safety equipment, flame retardant clothing and other devices according to applicable safety codes. Employees will be required to wear FR clothing and use all

safety equipment for their own protection, including fall restraint devices.

The COOPERATIVE will furnish all union employees with OSHA rated flame retardant clothing. Each year, all union employees will receive 5 pairs of FR jeans, 5 FR short sleeved tee shirts, 5 long sleeved FR tee shirts, and 5 FR long sleeved button up shirts. The Cooperative will also furnish FR coveralls, coats/jackets and sweatshirts as needed. The Cooperative will pay for employee's safety straps and/or pole climber gaffs and will furnish fall restraint harnesses when it has been determined by the Safety Committee they are worn to the point they are unsafe to use. Pole climber gaff replacement is limited to pole climbers with replaceable gaffs. Old safety straps and/or pole climber gaffs will become property of the COOPERATIVE for disposal.

The COOPERATIVE will pay one hundred twenty-five dollars (\$125) per year toward the purchase of prescription eyeglasses that meet OSHA standards for safety. The COOPERATIVE will not pay for eye examinations or medical treatment other than that covered by the COOPERATIVE'S medical insurance or workers compensation coverage. The COOPERATIVE will pay the difference in regular license and a Commercial Driver's License for Union members required to have CDL licenses, upon presentation of proper receipt of same.

The Cooperative will pay for the use of employee's personal cell phones in accordance with Board Policy 530, Cell Phone Policy.

The COOPERATIVE will credit each UNION employee's personal 143.00 account in the amount of \$250.00 on January 1st of each year of this agreement for the purchase of approved boots and tools necessary to the job.

Section 4. The COOPERATIVE and the UNION agree to abide by and follow explicitly the safety rules set forth by the National Electrical Safety Code and the National Fire Code-Electrical, safety codes specified by the Rural Utilities Services of the United States Department of Agriculture, safety codes established by the State of Kentucky and its political subdivisions, safety manual for rural electrical systems, and the rules and procedures established by the COOPERATIVE. Copies of these safety codes, rules and procedures will be made available by the COOPERATIVE so that employees may familiarize themselves with same.

In case of conflict between the rules of the various agencies listed above, the one affording the greatest protection to the employees shall apply.

Section 5. When a journeyman lineman is working on energized lines or equipment of 750 volts or above, the journeymen performing the work and the Dispatcher, or other representative designated by the COOPERATIVE, shall determine if and when he/she needs assistance and should be supplied same. At least two qualified workmen shall be provided where work is performed on live circuits of more than 750 volts between conductors. It is hereby agreed and expressly understood that the above does not restrict a qualified workman from working alone, from setting and removing meters, connecting or disconnecting services, opening and closing fuse disconnects, operating OCR's and OCB's (opening and closing) and also CSP or conventional transformers or other routine work. It is agreed that the above does not restrict a qualified workman working alone, from performing the necessary work of restoring service in the sub-station.

Section 6. No less than five (5) employees will be used when erecting poles of greater length than twenty-five (25) feet by hand. This does not include poles erected with mechanized equipment.

ARTICLE XIII INSURANCE & RETIREMENT

Section 1. The current retirement plan will remain in effect during the term of this Agreement under the following conditions:

Effective May 1, 1989 the members of the UNION shall be entitled to retire upon attaining age 62 in accordance with the retirement plan provided for the UNION by the COOPERATIVE through the National Rural Electric Cooperative Association as set out in Article XIII of this Agreement.

Section 2. The COOPERATIVE shall have the right to change insurance carriers for any of the group insurance programs as set forth in this Agreement and in Board Policies at any time and modify and change coverage's at any time. The COOPERATIVE will, however, make reasonable effort to meet with the UNION'S Steward(s) before any changes as described are considered and voted upon by the Plan Representatives. The COOPERATIVE will also meet with the UNION'S Steward(s) after any changes to the Plan are considered, voted upon by the Plan Representatives and made. Nothing in this Agreement will change any of the terms or provisions of the contract or contracts existing between the insurance carrier and the COOPERATIVE, nor require the COOPERATIVE to continue the contract or contracts now existing between the insurance carrier(s) and the COOPERATIVE.

Section 3. The sole purpose of this article is to define those policies for which the COOPERATIVE and the employee will share the cost on the basis stated in Section 4 below.

Section 4. BENEFITS

PROGRAM	ELIGIBILITY	BENEFIT	PAID BY
RS&I	Employees	NRECA – Age 62 Benefit Level 2.0	Cooperative
401K	Employees	NRECA SelectRE – The Cooperative will contribute an amount equal to that portion formerly paid for LTD to a 401K Plan for each employee, in lieu of that contribution. (Effective May 1, 1996)	Cooperative
	Employee		Emp./Voluntary
Major Medical/Hospitalization	Employees, and Eligible Dependents, Attorney & Dependents	Hospitalization/Prescription Drug Health Savings Account, \$3,000/\$6,000 deductible, with a Contribution from the Cooperative of \$3,250 per employee per year.	Cooperative
	Retired Employees & Eligible Dependents	If Medicare eligible, a Medicare supplement plan with prescription drug coverage will be provided. Retired employees under 65 will have coverage the same as an active employee until Medicare eligible. Employees and dependents who are Medicare eligible will not pay for coverage unless they elect to purchase enhanced Drug Coverage. An employee on LTD could become Medicare eligible after 2 years and coverage shall be provided accordingly.	Cooperative
	Spouse/Dependents Of a Deceased Active Employee, Retired Employee and Deceased Active Director	At the death of an active employee or retired employee or deceased employee, coverage selected by the Cooperative will be provided to the Spouse and eligible dependents until other coverage is available to the Spouse/Dependents through an employer, remarriage, or until the dependent child is no longer eligible for coverage. Some contribution to the cost of coverage may be	Cooperative

necessary, according to the participant's choice of plan.

Term Life Insurance	Employees	NRECA Group Term Life of two (2) Times your Salary	Cooperative
	Employees	Additional NRECA Group Life and AD&D coverage for self and dependents.	Cooperative will pay \$50 annually. Additional coverage can be purchased by employee.
	Retirees	NRECA Retired Life Plan	Rtr. Voluntary
Business Travel	Employees	NRECA BTA \$100,000.	Cooperative
Long Term Disability	Employees	NRECA ElectREWAGE begins after 13 weeks of sick leave and or STD until Employee's normal retirement date.	Employee
Short Term Disability	Employees	Cooperative Self- Funded Short Term Disability 66 2/3% (.6667) Board Policy # 504.	Cooperative

DISCONTINUANCE OF BENEFITS

Coverage under each type of benefit will cease on the earliest to occur of the following dates:

1. The date the Plan is discontinued.
2. The date you are no longer eligible for the type of benefit either because of an amendment to the Plan or because you have become a member of an ineligible group of employees.
3. The date that any required contribution on your part is due and unpaid.
4. The date you enter the Armed Forces on full-time active duty.
5. The date an employee becomes eligible for Long Term Disability and Medicare, they will be treated as retired and no longer a part of the Bargaining Unit.
6. The COOPERATIVE recognizes that an employee might have to take temporary long term disability in order to completely recover from an injury or illness and will be treated in accordance with **Board Policy # 524 Reinstatement After Extended Sick Leave**.

The above is subject to the terms and conditions as stated and explained in the individual policies.

Section 5.

- (a) The insurance program stated in Section 4 above will be made available to the employee during the entire period of any approved leave of absence.

- (b) Subject to the limitations of any of the insurance plans, an employee, while on unpaid leave of absence in excess of thirty (30) days, may continue coverage provided he/she makes arrangements to pay the full monthly premium at the time an invoice for such premium is presented to the COOPERATIVE by the insurance carrier. An employee on leave of absence for occupational disability or long-term disability shall not be required to pay any premiums other than those specified in Section 4 above.

Section 6. Whenever the insurance carrier notifies the COOPERATIVE of an increase or decrease in the cost of insurance to the employees, such announcement, immediately upon receipt by the COOPERATIVE, will be placed on all COOPERATIVE bulletin boards and a copy will be forwarded to the Business Manager of the UNION.

ARTICLE XIV MISCELLANEOUS

Section 1. Non-bargaining unit personnel shall not be prevented from performing necessary functions such as instruction or assistance to employees, provided the assistance rendered does not displace any of their personnel doing the work, or from operating equipment or processes in emergencies or for experimental, developmental, statistical and engineering purposes.

Section 2.

- (a) The COOPERATIVE will contract as it deems necessary with experienced professional engineering firms registered in Kentucky, to perform work of a developmental, experimental, statistical or engineering nature, and such firm may perform manual work as required by professional employees within its employment, or the COOPERATIVE may assign employees of the bargaining unit to work with employees of the firm as shall be arranged between the COOPERATIVE and the firm so contracted with.
- (b) The COOPERATIVE agrees that in its notice to Bidders for the construction, erection and/or purchasing of electric utility plant, a statement will be made that this agreement exists between the UNION and the COOPERATIVE.
- (c) The COOPERATIVE will contract, as it deems necessary, for the construction and/or erection of electric transmission, generation and/or distribution plant, building and equipment, and single-phase, membership extensions. The COOPERATIVE will discuss with employees prior to executing such contract, whenever cost analysis indicate the need to contract for labor. It is agreed that Local Union No. 317 of International Brotherhood of Electric Workers may place on file with the COOPERATIVE a list of contractor's signatory to an agreement with I.B.E.W. The COOPERATIVE agrees to send notice to bid on proposed contracts to the contractors on said list. Contracts for construction of single-phase membership extensions will not be executed to replace any employee presently on the active recall list.

Section 3. No employee shall be discriminated against by reason of race, color, or national origin, age or handicap.

Section 4. The UNION shall be permitted the use of exclusive bulletin space in the main office and garage readily accessible to employees for the purpose of posting notices and announcements of official UNION business. The COOPERATIVE will be advised of all such notices before posting.

Section 5. The UNION agrees to furnish the COOPERATIVE with a current list of its accredited representatives. The COOPERATIVE agrees to furnish the UNION with a current list of supervisors concerned with the administration of the provisions of this Agreement. Revisions to such lists are to be furnished as changes are made by either party.

Section 6. The COOPERATIVE will give the UNION prior written notice, where practicable, of changes in policies contained in the COOPERATIVE's Policy Manual which directly affect employees of the bargaining unit.

Section 7. In the event that any of the provisions of this Agreement are found to be in conflict with any valid Federal or State laws now existing or hereinafter enacted, it is agreed that such law shall supersede the conflicting provisions without in any way affecting the remainder of these provisions.

Section 8. Should any job classification be omitted from Article VIII, Section 6, or created after the signing of this Agreement, the UNION and the COOPERATIVE shall meet and negotiate to amend this Agreement to include such classification.

Section 9. The COOPERATIVE acknowledges receipt of a copy of the constitution of the INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS and the UNION agrees to notify the COOPERATIVE of any changes or amendments thereof within sixty (60) days after they become effective.

Section 10. Dues Deduction. Effective First day of July, 1975. (Amended 5/1/75) Subject to applicable laws and upon receipt of a written authorization from an employee within the bargaining unit, written on a form approved by the COOPERATIVE, the COOPERATIVE shall deduct from each weekly pay due such employee union dues not to exceed an amount certified by the UNION. Such authorization shall continue in effect for the duration of this agreement, or until receipt by the COOPERATIVE of a written notice of revocation of such authorization by the employee, or when the employee ceases to be represented by the UNION in the bargaining unit, whichever occurs earlier.

The COOPERATIVE shall have no obligation to collect UNION dues for any week in which the employee's pay (after all other deductions) is less than the amount of such dues.

The UNION shall indemnify and save the COOPERATIVE harmless against any and all claims, demands, lawsuits, or other forms of liability that may arise out of or by reason of action taken by the COOPERATIVE in making payroll deductions of UNION membership dues as hereinabove defined.

The sum of UNION dues so collected shall be paid quarterly by the COOPERATIVE to the Financial Secretary of Local Union #317 of the INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, AFL-CIO. The Financial Secretary will issue a receipt in the name of the Local Union for each payment. The COOPERATIVE shall prepare and submit to the Financial Secretary quarterly a list of employees from whom UNION dues deductions were designating the amount deducted from each employee, plus a list of the names of employees removed from or added to the payroll during the current quarter.

ARTICLE XV EMPLOYEES' COOPERATION

Section 1. It is understood by both parties hereto that a greater part of the COOPERATIVE's lines are rural lines and that the revenue from said lines does not justify the paying of the same rate of pay as urban utilities' rates of pay, and that the workmen of the COOPERATIVE shall not follow the usual strict lines of demarcation of limited services usually specified to each class of workmen. It is therefore agreed by the UNION that all employees regardless of their classification, shall assist fellow employees in any work they are capable of doing or may be called on to perform that tends to expedite the business of the COOPERATIVE and on the particular job to which they have been assigned.

ARTICLE XVI TERM OF AGREEMENT

Section 1. This Agreement shall become effective as of January 1, 2013. Except as provided in Section 3 below, it shall continue in effect for a term of approximately five (5) years until 12:01 a.m., January 1, 2018, and shall automatically be renewed thereafter from year to year unless written notice is given by either party sixty (60) days prior to the expiration date that it is desired to terminate or amend this Agreement.

Section 2. Both notice of request for re-negotiation and lists of items to be amended will be sent by registered mail to the following:

- (a) INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL UNION NO. 317,

550 Adams Avenue, Huntington, West Virginia

(b) GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION, Grayson, KY.

Section 3. Successor Clause

This agreement shall be binding upon the parties hereto, their successors and assigns. In the event that the Employer sells or transfers that part of its operations covered by this Agreement, such part of its operations shall continue to be subject to the terms and conditions of this Agreement for the term of said Agreement. The employer shall give notice of the existence of this Agreement to any purchaser or transferee of that part of the Employer's operation covered by this Agreement.

ARTICLE XVII APPROVAL

This Agreement between the UNION and the COOPERATIVE is subject to ratification by the employees covered by this agreement and to the approval of the International Office of the UNION and shall be effective only if so approved.

IN WITNESS WHEREOF the duly chosen representatives of the parties to this Agreement have hereunto set their hands this 20th day of December 2012.

GRAYSON RURAL ELECTRIC
COOPERATIVE CORPORATION

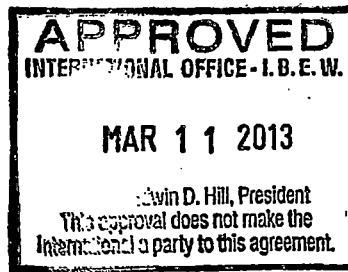
LOCAL UNION NO. 317 OF THE
INTERNATIONAL BROTHERHOOD
OF ELECTRICAL WORKERS

By *Campbell*
President & CEO

By *James J. Lilette*
Business Manager

Roger L. Hunt
Bill E. Martin
Joan C. ...

Christopher M. ...
Richard Eustace
Joseph M. ...



Grayson Rural Electric Cooperative Corporation


Presceda

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

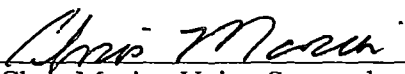
TO: IBEW LOCAL 317 GRAYSON
FROM: CAROL HALL FRALEY, PRESIDENT AND CEO
SUBJECT: STORM WORK OUT OF STATE COOPERATIVES AND NON -
COOPERATIVE UTILITIES
DATE: FEBURAY 13, 2013

We hereby agree to add Section 6 to Article VIII, Wages, in the 2013-2018 IBEW Grayson Union Contract as follows:

If a union employee is called upon and accepts the assignment to assist an out-of-state Cooperative or a non-Cooperative Utility, he or she shall be paid time and one/half wages for travel time to the Cooperative from Grayson and from the Cooperative back to Grayson, and double time during work hours.



Carol Hall Fraley, President and CEO



Chris Mosier, Union Steward

**All instate sister Cooperatives will be at the normal contract rate.

Witness: Bradley Cherry

Grayson Rural Electric Cooperative
Case No. 2018-00272
December 31, 2017

Grayson's equity management plan is attached. Grayson follows this Plan.

	<u>General</u>	<u>Estates</u>	<u>Total</u>
2017	\$ -	\$ 165,452	\$ 165,452
2016	-	155,239	155,239
2015	-	190,451	190,451
2014	-	130,973	130,973
2013	-	149,490	149,490
Prior years	<u>160,657</u>	<u>1,893,966</u>	<u>2,054,623</u>
Total	<u>\$ 160,657</u>	<u>\$ 2,685,571</u>	<u>\$ 2,846,228</u>

GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION

BOARD POLICY NO. 204

SUBJECT: EQUITY MANAGEMENT/CAPITAL CREDITS POLICY

I. OBJECTIVE

- A. Assure the financial integrity of Grayson Rural Electric Cooperative Corporation at all times so that it can be certain of providing high quality electric service on a continuing basis to its members.
- B. Establish means whereby Grayson Rural Electric Cooperative Corporation's members will, in fact, receive electric service at cost taking into account reasonable reserves for proper operations and maintenance of the system), and as a result, enable them to clearly see the benefits of receiving service from their Cooperative as compared to an investor-owned utility or municipality.
- C. To establish the standards, rules, methodologies and procedures governing the Cooperative's retirement of capital credits.

II. POLICY

- A. Capital credit retirements will be made only upon authorization by the Board of Directors based upon its determination that such is in the best interest of the Cooperative and will not impair the Cooperative's financial condition. Such retirements shall also be subject to any applicable restrictions contained in the Cooperative's mortgages or loan contracts with the United States Rural Utilities Service (RUS), National Rural Utilities Cooperative Finance Corporation (CFC) or any other lender of funds to the Cooperative and shall also be subject to any orders or regulations of the Public Service Commission of Kentucky (PSC) as are applicable to the Cooperative.
- B. Capital credits will be paid on a discounted basis, at the discretion of the Board of Directors, including deceased estates which shall be paid up to the date of death of the deceased member.
- C. No retirement of capital that has been separately accounted for and credited to a patron in relation to capital credits issued to the Cooperative by an affiliated organization (such as G & T) shall be authorized or made until and unless the Cooperative shall have received its own retirement of such credits in cash or by way of billing credits.
 - 1. Estates of deceased members will be paid first should capital credit refunds be appropriated under the guidelines of (A) above.
 - 2. Capital credits will first be applied to any indebtedness owed to the Cooperative and then may be paid by check or by way of billing credits, whichever is decided to be most effective and in the Cooperative's best interest.
 - 3. In accordance with the Bylaws of the Cooperative, Article I., Section 1, "Upon the death of a member the membership may be transferred to the surviving spouse provided the surviving spouse requests such transfer and the transfer is not a violation of the deceased's Will." At that time the surviving spouse may apply for the capital credits accrued to the estate of the deceased member.
- D. Capital credits will be accrued to the date of death of the member. If there is no surviving spouse, application for payment of capital credits can be made by the legal representative of the estate or its heirs. All capital credits accrued after the death of a member shall be forfeited unless the account is transferred in accordance with Cooperative policies within six months of the death of said member to

GRECC BOARD POLICY NO. 204
PAGE 2

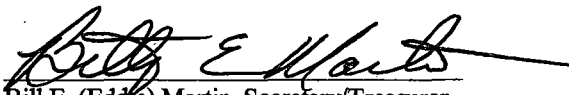
the surviving spouse. If the legal representative(s) of a deceased member's estate shall request in writing that the capital credited to the account of the deceased member be paid, the Board of Directors, acting under such terms and conditions of the Cooperative's Bylaws, shall approve the payment of capital credits assigned at the time of application, to the estate of the deceased member. However, the financial condition of the Cooperative must not be impaired thereby. No account can be left in the name of the deceased member. Any additional capital credits assigned to a deceased member's account shall be paid at the next general rotation of capital credits, at the discretion of the Board.

- E. Except for the priority of settlement of estates of deceased members, any other general rotations/retirements in any given year shall be made in such aggregate amounts and for all or a portion of such one or more years as the Board of Directors, in its discretion, shall determine.
- F. The discretionary powers of such capital credits repayment shall remain with the Board of Directors of Grayson Rural Electric Cooperative Corporation as stated in the Cooperative's Bylaws, Article VII, Section 2, and nothing stated in this policy will diminish that right.

III. RESPONSIBILITY

It shall be the responsibility of the Board of Directors and the President and CEO to see that this policy is adhered to. This revised policy is a combination of former policies 204, 205, and 206, thus updating Policy 204 and rescinding 205 and 206.


Roger L. Trent, Chairman


Bill E. (Eddie) Martin, Secretary/Treasurer

Date Adopted: 06/21/85
Date Revised: 07/23/93
Minute Book Page: 2287 - 2288
Date Revised: 01/24/97
Minute Book Page: 2839 - 2840
Date Revised: 04/24/03
Minute Book Page: 3502 - 3504
Date Reaffirmed: 04/19/10
Minute Book Page: 4313
Revised: 10/24/13
Minute Book Page: 4755-4757
Revised: 07/24/15
Minute Book Page: 5015-5018

Account Number	Description	Percent	Allocation of Benefits
107.0	Construction work in progress	15%	\$ 249,485
108.0	Retirement work in progress	5%	80,550
143.0	Other receivable	1%	16,907
163.0	Stores	7%	118,540
184.1	Transportation	1%	22,232
242.2	Sick/Vacation	9%	147,844
583.0	Overhead line expense	1%	9,746
586.0	Meter expense	7%	119,852
588.0	Mapping expense	2%	34,401
590.0	Maintenance, supervision	4%	64,796
593.0	Maintenance, right-of-way	16%	259,331
598.0	Miscellaneous distribution	0%	2,647
901.0	Billing, supervision	2%	30,668
903.0	Customer record and collections	8%	136,960
909.0	Informational expense	2%	32,426
912.0	Demonstration and selling	0%	4,383
920.0	Administration and general	16%	263,572
921.0	Office supplies and expenses	0%	16
926.0	Employee benefits	1%	15,325
930.0	Miscellaneous general expenses	1%	16,033
932.0	Maintenance of general plant	1%	16,057
		<u>100%</u>	<u>\$ 1,641,771</u>

Employee Benefits

Retirement and Security	672,811
Employer portion 401(k)	21,130
Health, Life, and Disability Insurance	947,831
	<u>1,641,772</u>