

Grayson Rural Electric Cooperative Corporation

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Elizabeth O'Donnell
Executive Director
Kentucky Public Service Commission
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PUBLIC SERVICE
COMMISSION

RE: Administrative Case No.2006-00494

Please find attached Grayson's response to the above referenced case.

Sincerely,



Don M. Combs
Mgr. Finance and Administration

Director of Engineering
Kentucky Public Service Commission
P.O. Box 615
Frankfort, KY, 40602

RE: Administrative Case No. 2006-00494

Grayson Rural Electric has, for decades, used the Right-of-Way maintenance strategy of hand cutting and side trimming, herbicide spraying, bush hogging, and bulldozing right-of-way in a planned rotation. Unfortunately, due to extremely wet, hot summers, that rotation was often interrupted by “hot “or “burning spots” that demanded immediate attention and alteration of our plans. Even the dry summer of 2007 seemed to only accelerate the right-of-way growth. After years of spending more and more money on strategy that only got further and further behind, we decided in 2007 to implement a new approach.

After careful study, we have devised a plan that will maximize our right of way budget and help us accomplish a more effective and manageable program that can be measured and recorded. We divided 40 feeders out of thirteen substations in to a seven year system cycle. This method utilizes a combination of clear cutting and side trimming a complete circuit (the main line and all side taps). Already, the transition from hourly cutting crews has resulted in significant savings in cost per mile and has demonstrated the benefits of having a feeder completely finished when we leave it. The remainder of the rotation plan should be spraying and simple management, until it is time to side trim again. It will always be necessary to use hourly cutting crews to take care of the most urgent problems, some work plan extensions and emergency situations, but we intend to work toward a goal of one or two hourly crews and feeder work bid on a project by project basis, based on our rotation plan. At the end of seven years, all circuits would have been cut and side trimmed and be ready to start a new rotation.

Constant inspection and evaluation of the right-of –way plan is necessary to insure successes. Daily inspections will be made by field personnel. Requests and reports by members and all outage reported as caused by right of way problems will be recorded and matched to field reports.

Vegetative Management Plan

<u>Year</u>		[-----Circuits Only Crews-----]		[----- Hourly Crews -----]		
		<u>Circuit</u>	<u>Circuit</u>	<u>Substations</u>	<u>Substations</u>	<u>Substations</u>
1	2008	Carter City #4	Elliottsville #2	Elliottsville # 3	Mazie (3)	Argentum (3)
2	2009	Leon #1	Pactollus #2	Airport Road (3)	Carter City (3)	
3	2010			Warnock (3)	Pactolus (3)	
4	2011			Low Gap (3)	Pelphrey (2)	
5	2012			Sandy Hook (4)		
6	2013			Newfoundland (4)		
7	2014			Leon (2)		
<u>New Cycle</u>						
1	2015	Elliottsville #1 '07	Warnock #1 '07			
2	2016	Carter City #4 '08	Elliottsville #2 '08			

The Chart above indicates complete circuits that have been completed (in green). The yellow section indicates substations (# of circuits) which are in various, but similar stages of completion. The order in which these circuits are completed and inserted in the “circuit only” rotation will be made on a yearly basis.

- Each year a determination would be made as to which circuits would be cut and which areas the hourly crews would concentrate on.
- Hopefully after 3 years or so, the transition from mostly hourly crew work to mostly circuit crew work would be made.
- And by the end of 7 years, the entire system would have been cleared and would be ready to start the 2nd cycle.

These determinations would be based upon:

- Line inspection reports compiled by field personnel
- Requests made by consumers
- Outage reports – tree caused
- Automated metering data.

The effectiveness of the plan will be determined by evaluating the same above criteria.

Reporting of Reliability Information

Although Grayson Rural Electric has provided RUS required information to RUS in the past, we do not use it as an accurate indicator of reliability, only a general indicator since we have no good means of obtaining the accurate, complete data.

We will be able to identify the worst performing circuits by analyzing outage information, line inspections and reports of danger trees by members and respond accordingly.



Carol Hall Fraley
President & CEO