

Grayson Rural Electric Cooperative Corporation

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Telephone 606-474-5136 • 1-800-562-3532 • Fax 606-474-5862

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**PUBLIC SERVICE
COMMISSION**

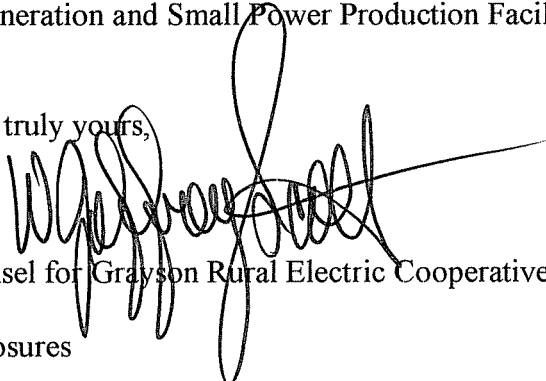
March 31, 2009

Mr. Jeff Derouen
Executive Director
Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602

Dear Mr. Derouen:

Pursuant to Commission Order in Case No. 2008-00128 dated August 20, 2008, attached for filing is an original and six copies of a updates to Grayson's Tariff for Qualified Cogeneration and Small Power Production Facilities.

Very truly yours,


Counsel for Grayson Rural Electric Cooperative Corporation

Enclosures

P.S.C. KY NO. 7

CANCELS P.S.C. KY NO. 6

GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION
OF
GRAYSON, KENTUCKY

RATES, RULES, AND REGULATIONS FOR PURCHASING
ELECTRIC POWER AND ENERGY
AT
VARIOUS LOCATIONS THROUGHOUT ITS SERVICE TERRITORY
FROM
QUALIFIED COGENERATION AND
SMALL POWER PRODUCTION FACILITIES

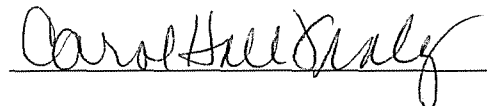
FILED WITH THE PUBLIC SERVICE COMMISSION
OF KENTUCKY

ISSUED March 31, 2009

EFFECTIVE June 1, 2009

ISSUED BY Grayson Rural Electric COOPERATIVE CORPORATION.

BY



Carol Hall Fraley
President and Chief Executive Officer

GRAYSONRURAL ELECTRIC

COGENERATION AND SMALL POWER PRODUCTION
POWER PURCHASE RATE SCHEDULE OVER 100 kW

AVAILABILITY

Available only to qualified cogeneration or small power production facilities with a design capacity of over 100 kW which have executed a contract with East Kentucky Power Cooperative and Grayson Rural Electric for the purchase of electric power by East Kentucky Power Cooperative.

RATES

The rates set forth below shall be used as the basis for negotiating a final purchase rate with qualifying facilities pursuant to Section 7 of 807 KAR 5:054.

1. Capacity

- a. \$50.36 per kW per year is applicable if cogenerator or small power producer is dispatched by East Kentucky Power Cooperative. (I)
- b. \$0.005851 per kWh is applicable if cogenerator or small power producer is not dispatched by East Kentucky Power Cooperative. (R)

2. Energy – A base payment per kWh is listed below for a time-differentiated basis or a non-time differentiated basis for the specified years.

a. Time Differentiated Rates:

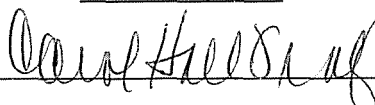
Year	<u>Winter</u>		<u>Summer</u>		
	On-Peak	Off-Peak	On-Peak	Off-Peak	
2009	\$0.06185	\$0.04866	\$0.05010	\$0.02755	(I)
2010	\$0.06360	\$0.04895	\$0.05801	\$0.03125	(I)
2011	\$0.06471	\$0.05037	\$0.06050	\$0.03358	(I)
2012	\$0.07310	\$0.05610	\$0.06526	\$0.03541	(I)
2013	\$0.06613	\$0.04911	\$0.07532	\$0.04113	(I)

b. Non-Time Differentiated Rates:

Year	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	
Rate	\$0.04876	\$0.05186	\$0.05361	\$0.05916	\$0.05847	(I)

DATE OF ISSUE March 31, 2009

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ISSUED BY 

TITLE President & Chief Executive Officer

GRAYSON RURAL ELECTRIC

The on-peak and off-peak energy rates are applicable during the hours listed below for each season:

Winter (October - April)

On-Peak 7:00 a.m. - 12:00 noon
5:00 p.m. - 10:00 p.m.

Off-Peak 12:00 noon - 5:00 p.m.
10:00 p.m. - 7:00 a.m.

Summer (May - September)

On-Peak 10:00 a.m. - 10:00 p.m.

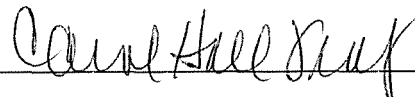
Off-Peak 10:00 p.m. - 10:00 a.m.

TERMS AND CONDITIONS

1. All power from a Qualifying Facility (QF) will be sold only to East Kentucky Power Cooperative.
2. Seller must provide good quality electric power within a reasonable range of voltage, frequency, flicker, harmonic currents, and power factor.
3. Qualifying Facility (QF) shall provide reasonable protection for EKPC and the member cooperative's system.
4. Qualifying Facility (QF) shall design, construct, install, own, operate, and maintain the Qualifying Facility in accordance with all applicable codes, laws, regulations, and generally accepted utility practices.
5. Qualifying Facility shall reimburse EKPC and its member cooperative for all costs incurred as a result of interconnecting with the QF, including operation, maintenance, administration, and billing.

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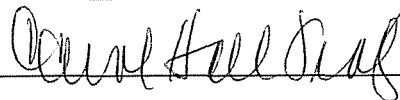
GRAYSON RURAL ELECTRIC

6. Qualifying Facility shall obtain insurance in the following minimum amounts for each occurrence:
 - a. Public Liability for Bodily Injury - \$1,000,000.00
 - b. Property Damage - \$500,000.00
7. Initial contract term shall be for a minimum of five years.
8. Qualifying Facilities proposing to supply as available (non-firm) electric power shall not be entitled to a capacity payment.
9. Qualifying cogeneration and small power production facilities must meet the definition set forth in 807 KAR 5:054 to be eligible for this tariff.
10. Updated rates will be filed with the Public Service Commission of Kentucky by March 31 of each year.

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TITLE President & Chief Executive Officer

GRAYSON RURAL ELECTRIC

COGENERATION AND SMALL POWER PRODUCTION
POWER PURCHASE RATE SCHEDULE
LESS THAN 100 kW

AVAILABILITY

Available only to qualified cogeneration or small power production facilities with a design capacity of less than 100 kW which have executed a contract with East Kentucky Power Cooperative and Grayson Rural Electric for the purchase of electric power by East Kentucky Power Cooperative.

RATES

1. Capacity

- a. \$50.36 per kW per year is applicable if cogenerator or small power producer is dispatched by East Kentucky Power Cooperative. (I)
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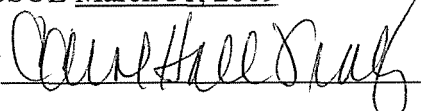
Year	Winter		Summer		
	On-Peak	Off-Peak	On-Peak	Off-Peak	
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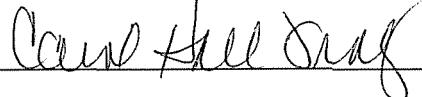
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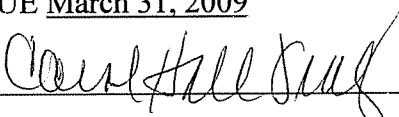
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GRAYSON RURAL ELECTRIC

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Issued by authority of an Order of the Public Service Commission of Kentucky in
Case No. 2008-00128 Dated August 20, 2008