

# Grayson Rural Electric Cooperative Corporation

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March 3, 2009

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

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**MAR 11 2009**

**PUBLIC SERVICE  
COMMISSION**

Re: PSC Case No. 2008-00254  
Grayson Rural Electric Cooperative

Dear Ms. Stumbo:

Please find in Case No. 2008-00254 the original and seven (7) copies of Applicant's corrected response to Item 5 of the "Third Data Request of Commission Staff to Grayson Rural Electric Cooperative, Inc". This relates to the application for adjustment of rates by Grayson Rural Electric Cooperative Corporation.

Contact me at (606) 474-5194 or Don Combs at (606) 474-5136 if there are any questions.

Thanks for your assistance in this matter.

Yours truly,

  
W. Jeffrey Scott  
Counsel for Grayson Rural Electric Cooperative Corporation

Enclosures

The undersigned, Don Combs, as Manager of Finance and Accounting of Grayson Rural Electric Cooperative Corporation., being first duly sworn, states that the responses herein are true and accurate to the best of my knowledge and belief formed after reasonable inquiry.

Dated: March 3, 2009

GRAYSON RURAL ELECTRIC COOPERATIVE

By: 

DON COMBS

MANAGER OF FINANCE AND ACCOUNTING

Subscribed, sworn to, and acknowledged before me by Don Combs, as Manager Finance and Accounting of Corporate Services for Grayson Rural Electric Cooperative Corporation on behalf of said Corporation this 3rd day of March, 2009.



Notary Public, Kentucky State At Large

My Commission Expires: Jan 9, 2011

CERTIFICATE OF SERVICE

The undersigned counsel certifies that the foregoing responses have been served upon the following:

Original and Seven Copies

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

Copy

Paul D. Adams  
Office of the Attorney General Utility and Rate  
1024 Capital Center Drive, Suite 200  
Frankfort, Kentucky 40601

This 3rd day of March, 2009

  
\_\_\_\_\_  
ATTORNEY FOR GRAYSON RURAL RURAL  
ELECTRIC COOPERATIVE CORPORATION

Revised Response to Item 5

Item 5

Page 1 of 1

Witness: Alan Zumstein

Grayson Rural Electric Cooperative  
Case No. 2008-00254  
Third Data Request of Commission Staff

5. Refer to Grayson's response to the Commission Staff's Second Information Request, item 14.
- a. Grayson indicated that it inadvertently inserted an incorrect depreciation amount in Exhibit S, page 2, of the application. Provide a revised Exhibit S and all other exhibits that may need to be revised as a result of this error.
  - b. Provide the impact the error in depreciation will have on Grayson's proposed rates.
  - c. Will Grayson propose to amend its application to reflect the corrected rates?

**Responses**

- 5.a. As part of the review of the Application, Grayson's management and directors were concerned about the amount of proposed increase in rates to its members. As a result, it was proposed to include one-half (1/2) of the increase in depreciation adjustment in the Application. Therefore, the Exhibit S and other exhibits do not need to be revised. Grayson requests that the Commission grant the increase in depreciation rates that will equal the depreciation expense of \$1,985,711. This will result in matching revenues with expenses. When the next rate application, and depreciation study are performed, it will be proposed to adjust the depreciation adjustment and rates to that study.
- 5.b. Since Grayson is not proposing to revise its depreciation adjustment in the application, there will not be an impact.
- 5.c. No.