

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF GRAYSON RURAL)	
ELECTRIC COOPERATIVE CORPORATION)	
FOR A CERTIFICATE OF PUBLIC)	CASE NO.
CONVENIENCE AND NECESSITY FOR AN)	2012-00034
ADDITIONAL TWO PROJECTS TO BE ADDED)	
TO ITS FOUR-YEAR CONSTRUCTION WORK)	
PLAN (2009-2012))	

O R D E R

On September 23, 2011, the Commission issued a Final Order in Case No. 2010-00441¹ approving Grayson Rural Electric Cooperative Corporation's ("Grayson") Application for a Certificate of Public Convenience and Necessity ("CPCN") for its 2009-2012 Construction Work Plan ("CWP"). On January 27, 2012, Grayson submitted information that appeared to be amendments to its 2009-2012 CWP. The information contained maps and a project description for two additional projects to be included in Grayson's current CWP. The proposed projects will displace other projects currently in Grayson's 2009-2012 CWP and thus would not increase the total amount of capital expenditures estimated in the current CWP. The proposed amendments have been approved by the Rural Utilities Service ("RUS") and are identified as follows:

¹ Case No. 2010-00441, Application of Grayson Rural Electric Cooperative Corporation for a Certificate of Public Convenience and Necessity Pursuant to KRS 278.020 and 807 KAR 5:001, Section 9, and Related Sections Authorizing Certain Proposed Construction (Ky. PSC Sept. 23, 2011).


1. Amendment # 2012-1 – Upgrading 3.75 miles of 1/0 ACSR single phase line to 1/0 ACSR three phase. The project had been evaluated prior to the current CWP but its condition has since deteriorated significantly necessitating the upgrade. The estimated cost of this project is \$217,500.

2. Amendment # 2012-2 – Replacing approximately 5.4 miles of H-Structure transmission poles to standard three phase distribution construction poles. Grayson notes that most of the poles and cross-arms are original and have reached the end of their service lives, resulting in increased frequency of outage problems within the past few months. The estimated cost of this project is \$297,000.

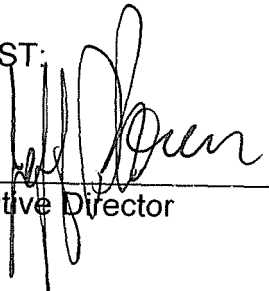
Having reviewed the filing and being otherwise sufficiently advised, the Commission deems these filings to be a request for a CPCN by Grayson to amend its 2009-2012 CWP to include the additional projects listed above and will establish this proceeding to formally address the request. The Commission finds that the proposed improvements and additions to be constructed by Grayson are necessary to provide adequate and reliable electric service to existing customers and anticipated new customers. Therefore, the Commission approves Grayson's proposed amendments to its current 2009-2012 CWP and will grant Grayson a CPCN authorizing the construction and improvements described therein.

IT IS THEREFORE ORDERED that Grayson is granted a Certificate of Public Convenience and Necessity to construct the facilities described in the above-mentioned amendments to Grayson's approved 2009-2012 Construction Work Plan.

By the Commission

ENTERED 
FEB 21 2012
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



Executive Director

Case No. 2012-00034

Carol Ann Fraley
President & CEO
Grayson R.E.C.C.
109 Bagby Park
Grayson, KY 41143