

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 ) 2012-00426

ORDER

On December 26, 2012, Grayson Rural Electric Cooperative Corporation ("Grayson") tendered for filing an application for an adjustment of electric rates based on a historical test period. Grayson proposed that the new rates become effective on February 28, 2013.

By letter dated January 4, 2013, the Commission notified Grayson that its rate application was rejected as deficient. Grayson ultimately cured the deficiencies on January 29, 2013 and the Commission accepted the rate application as filed on that date. Since KRS 278.180(1) requires Grayson to provide the Commission with 30 days' notice of any change in rates, the earliest its proposed rates can become effective is February 28, 2013.

Based on a review of Grayson's rate application, the Commission finds that an investigation will be necessary to determine the reasonableness of the proposed rates and that the investigation cannot be concluded by February 28, 2013. Therefore, pursuant to KRS 278.190(2), the Commission will suspend the effective date of the proposed rates for five months.

The Commission expects the parties to use their best efforts to informally resolve any discovery disputes. Any such informal resolution should be promptly reduced to

writing and filed with the Commission and all parties of record. Absent informal resolution, an objection or motion should be filed at least four business days prior to the established due date. If this deadline is not met, the filing party should include a full and complete explanation for such failure in the written objection or motion.

IT IS THEREFORE ORDERED that:

1. Grayson's rates are suspended for five months from the February 28, 2013 effective date up to and including July 27, 2013.

2. The procedural schedule set forth in the Appendix, which is attached hereto and incorporated herein, shall be followed.

3. a. Responses to requests for information shall be appropriately bound, tabbed, and indexed and shall include the name of the witness responsible for responding to the questions related to the information provided, with copies to all parties of record and ten copies to the Commission. Any request for information by letter from Commission Staff shall be responded to as if set forth in a Commission Order.

b. Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or an association or a governmental agency, be accompanied by a signed certification of the preparer or person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

c. A party shall make timely amendment to any prior response if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect.

d. For any request to which a party fails or refuses to furnish all or part of the requested information, that party shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

4. Any party filing testimony shall file an original and ten copies with the Commission, with copies to all parties of record.

5. Grayson shall give notice of the hearing in accordance with the provisions set out in 807 KAR 5:011, Section 8(5). At the time publication is requested, Grayson shall forward a duplicate of the notice and request to the Commission.

6. At any public hearing in this matter, neither opening statements nor summarization of direct testimony shall be permitted.

7. Any objections or motions relating to discovery or procedural dates shall be filed upon four business days' notice or the filing party shall explain, in writing, why such notice was not possible.

8. Motions for extensions of time with respect to the schedule herein shall be made in writing and will be granted only upon a showing of good cause.

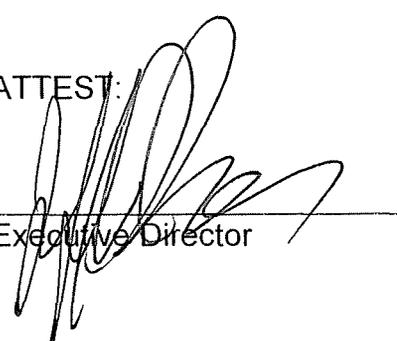
9. Nothing contained herein shall prevent the Commission from entering further Orders in this matter.

PUBLIC SERVICE COMMISSION

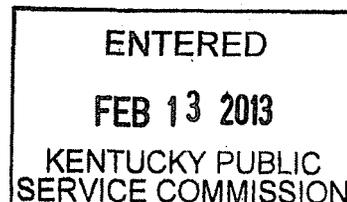


For the Commission

ATTEST:



Executive Director



APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2012-00426 DATED FEB 13 2013

- All initial requests for information to Grayson shall be filed no later than.....02/22/2013
- Grayson shall file responses to initial requests for information no later than.....03/08/2013
- All supplemental requests for information to Grayson shall be filed no later than .....03/22/2013
- Grayson shall file responses to supplemental requests for information no later than .....04/05/2013
- Intervenor testimony, if any, in verified prepared form, shall be filed no later than.....04/19/2013
- All requests for information to Intervenors shall be filed no later than .....05/03/2012
- Intervenors shall file responses to requests for information no later than .....05/17/2013
- Last day for Grayson to publish notice of hearing..... to be scheduled
- Public hearing for the purpose of cross-examination of witnesses of Grayson and Intervenors..... to be scheduled

Don M Combs  
Manager Finance & Administration  
Grayson R.E.C.C.  
109 Bagby Park  
Grayson, KY 41143

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

Honorable W. Jeffrey Scott  
Attorney At Law  
P.O. Box 608  
311 West Main Street  
Grayson, KENTUCKY 41143