

Grayson Rural Electric Cooperative Corporation

109 Bagby Park • Grayson, KY 41143-1292
Telephone 606-474-5136 • 1-800-562-3532 • Fax 606-474-5862

January 15, 2015

Dear Director:

A Regular Meeting of the Board of Directors is hereby called. I do hereby fix the GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION headquarters in Grayson, Commonwealth of Kentucky, as the place, and **Friday, the twenty-third day of January, 2015 at 9:00 a.m.**, for holding of said meeting for the following purposes:

To take any and all action and to transact any and all business which may be necessary, convenient, or desirable in connection with any of the foregoing and the organization of the Corporation at said meeting or at any adjournment or adjournments thereof; and for the transaction of such other business which may come before the meeting or any adjournment or adjournments thereof, as well as consider altering, amending, or repealing the current Bylaws of the Corporation in the manner hereinafter set forth.

Sincerely,



Roger L. Trent
Chairman

GRAYSON RURAL ELECTRIC
COOPERATIVE CORPORATION

RLT/ps

Enclosures:

1. Agenda
2. Miscellaneous Analysis

Grayson Rural Electric Cooperative Corporation

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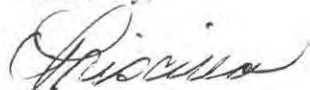
W. Jeffrey Scott,
Attorney at Law
P. O. Box 608
Grayson, KY 41143

Dear Jeffrey:

A Regular Board Meeting of GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION will be held on **Friday, January 23, 2015, at 9:00 a.m.**

We look forward to seeing you at the Board Meeting.

Sincerely,



Priscilla Sparks
Executive Assistant

GRAYSON RURAL ELECTRIC
COOPERATIVE CORPORATION

Enclosures:

1. Agenda
2. Miscellaneous Analysis

GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION
BOARD MEETING AGENDA

On January 23, 2015, the Directors of Grayson Rural Electric Cooperative Corporation were called to meet by the Chairman.

1. Sign Wavier of Notice
2. Invocation
3. Approval of the Minutes From the December Board Meeting
4. Manager of Technical Services Report – Brian Poling
5. Manager of Finance & Accounting Report and Approval of the Financial & Statistical Report for November 2014 – Don Combs, Manager of Finance & Accounting
6. Manager of Marketing & Member Services Report – Kim Bush
7. Operations & Safety Report – Kyle Clevenger, Manager of Operations
8. Approval of Sixty-Three (63) New Memberships and Retirement of Ninety-One (91) Existing Memberships for January 2015
9. Consider Approval of Accounts to be Charged Off to Reserve \$5,170.37
10. Consider Approval of President's Business Expense in the Amount of \$333.59, Director's Business Expense in the Amount of \$15,597.89 and Attorney's Business Expense in the Amount of \$2,180.97
11. President's Report – Carol Hall Fraley
12. Cooperative Legal Matters – W. Jeffrey Scott
13. KAEC Director's Report – Jimmy Whitt
14. EKPC Director's Report – Ken Arrington
15. Consider Community Service and/or Donations
16. Attendance at Meetings – Directors & Employees
17. Report of Any Meetings Held
18. No Conflict of Interest Declaration – Board of Directors
19. Confirm Date for the February Board Meeting – February 27, 2015
20. Additional Business
21. Adjourn

On December 19, 2014 at 9:09 a.m. Grayson Rural Electric Cooperative Corporation held a regular board meeting at its office in Grayson, Kentucky called by the Chairman, for the transaction of such business as outlined in the letter of call. Chairman Trent called the meeting to order pursuant to the Waiver of Notice signed by the Directors and all were present. Others present included: Carol Hall Fraley, President and CEO; W. Jeffrey Scott, Legal Counsel; and Priscilla Sparks, Executive Assistant.

INVOCATION

Director Rice gave the invocation.

APPROVAL OF MINUTES

Motion was made by Director Bentley, seconded by Director Martin and unanimously agreed to approve the minutes from the November Board Meeting for informational purposes only.

TECHNICAL SERVICES

Brian Poling, reported on the following:

The replacement of the phone system was addressed at the November Board Meeting. During a major outage on three substations, half of the incoming lines did not function. Replacement of the phone systems as soon as possible is essential. It will take 6 to 8 weeks to have a new system in place. Windstream is helping us look for compatible equipment for our MilSoft equipment. It is necessary to work closely with MilSoft to manage their system modification at the same time as the new telephone system. NetGain will be contracted to install and configure the network equipment the first week of January, with 3 to 4 days to complete and test.

The Command Center was upgraded and some alternations were made December 3rd. This runs our metering software.

Brian explained that the upfront fee of \$100 on the prepaid meters represents an administrative fee of \$10 and roughly 900-1000 kWh covered by \$90. If the member has an off-service bill, approximately 30% of any payment made goes to debt management.

President Fraley stated that NEKADC has not received the first phase of the LHEAP money yet, so we do not have a total to report. The emergency phase should start in January.

President Fraley said she and Mr. Combs have discussed placing a charge on credit card usage. Some utilities are putting convenience charges on credit card payments.

OFFICE & MEMBER
SERVICES REPORT

Don Combs, Manager of Finance and Accounting presented the Financial Statistical Report for October 2014. Mr. Combs reported on the following:

FINANCIAL & STATISTICAL
REPORT FOR OCTOBER

Kilowatt hour sales for the month of October (10/21-11/20) were .85% under budget. Purchases for the time period of 10/1-31 were 6.90 % under budget. Line loss for the last twelve months was less than 4.98%. Year to date margins were (\$234,283) compared to the budgeted amount of \$417,274.

Right of Way was \$52,000 over budget due to the way we were billed for the month; Informational Advertising was \$7,100 over; and Administrative and General was \$21,000 over budget, due mainly to labor charges for to our cleaning day in October.

APPROVAL OF FINANCIAL
& STATISTICAL REPORT
FOR OCTOBER 2014

Motion was made by Director Rice, seconded by Director Dupuy and unanimously agreed to approve the Financial and Statistical report for October 2014 as presented, for informational purposes only.

2015 PROPOSED BUDGET

Don Combs, Manager of Finance & Accounting reviewed the proposed 2015 Budget Highlights with the Board of Directors:

Work Plan Investment:

222 New Line Extensions	\$ 756,810
1920 Meters (new and replacements)	\$ 249,600
297 Transformers (new & replacement)	\$ 523,222
Line Conversions	\$1,483,775
Miscellaneous Distribution Items	\$ 851,474
Pole Replacements	\$1,409,480
Security Lights	\$ 130,758
Total	\$5,405,119

Vehicles:

Construction Bucket (Robert Brown) (trading in #140 for \$10,000)	\$ 190,000
Energy Audit (Tina Preece) (transfer #172 (Tina) to Kippy, sell #157)	\$ 35,000

Projects/Items for 2015:

<u>Capital</u>	
2015 IP Upgrades	replace \$ 225,000
	<i>capitalize over 5 years</i> \$ 45,000
<i>HP900</i>	
<i>Virtual Server and MS Server 2003</i>	
<i>Subnet</i>	
<i>Phone System</i>	

Metering:

Field Tablet	\$ 3,750 expense
OptoWand +	\$ 750 expense

IT:

Computers	replace \$ 5,000 expense
Printer (accounting) carryover	replace \$ 4,000 expense
Outage Mgmt. System Server	update \$ 1,500 expense

Construction:

Air Compressor	\$ 4,500
	<i>capitalized over 5 years</i> \$ 900

Building:

Key Card Software update	\$ 1,100 expense
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Employee Training:

Management Internship Program (2-3 employees)	\$36,000 expense
	<u>\$45,900</u>

Significant Changes in Operations in 2015:

New Right of Way Clearing Contract	5% increase
New Construction Contract	

2015 PROPOSED BUDGET
(CONTINUED)

Storm expense – plan for	\$400,000
Change in Retiree Medical Plan	21% decrease
Grayson Wages	\$117,555 increase

Cash Flows:

From Operating Activities – Margins	\$1,365,419
Depreciation	\$3,382,428
	<u>\$4,747,846</u>

From Investing Activities – Construction of Plant (Dist.)	\$5,405,119
General Plant	\$ 454,500
Receipts from investments, net	<u>\$ 160,950</u>

Net Cash Flows from Financing Activities	
Retirement of Capital Credits	(\$ 100,000)
Additional Long Term Borrowings	0
Payments on Long Term Debt	(\$1,723,484)
Short Term Borrowings	<u>\$3,096,207</u>
	<u>\$1,272,723</u>

Net increase in cash balances 0

The new Four Year Plan cost was estimated to be \$20,705,201. The proposed 2015 budget T.I.E.R. is 2.43. Our goal is to stay within the same dollar range every year, as anticipated for 2015.

President Fraley received a letter from the PSC and the plan regarding changing our meters through staging and moving up the mapping plan was approved.

A motion was made by Director Martin, seconded by Director Dupuy to accept the 2015 Budget as presented, and unanimously agreed upon.

Mike Norman, RUS Field Representative, discussed the loan applications in detail. The loan application is for \$20,000,000 should last GRECC 5-6 years even though it is a four years plan. Mr. Norman handed out a Financial Forecast for 2013-2023 as shown on RUS Form 325A-Ratios and RUS Form 325B-PRO FORMA Balance Sheet.

It is predicted that EKPC has increases coming up in the next ten years at a cumulative average of 32%. The increase from EKP is an average of 3% per year.

GO TO PAGE 4

RESOLUTION FOR APPROVAL Mike Norman presented the Resolution for Approval of Ten Year Financial
OF TEN YEAR FINANCIAL Forecast to the Board, as required by the loan:
FORECAST

Grayson Rural Electric Cooperative Corporation

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RESOLUTION

APPROVAL OF TEN YEAR FINANCIAL FORECAST

WHEREAS, The Ten (10) Year Financial Forecast for the period of 2014 through 2023 as prepared and included with this loan application is an acceptable projection of the financial trend and conditions of GRAYSON RECC; and

WHEREAS, the Board of Directors of GRAYSON RECC has reviewed the attached Long Range Financial Forecast prepared by the Cooperative's staff; and

WHEREAS, the Financial Forecast includes estimates taken from a previously Board-approved Power Requirement Study and Four-Year Construction Work Plan, both of which have been approved by the Rural Utilities Service (RUS); and


WHEREAS, the Long Range Financial Forecast is based upon Board-approved policies, operating rules and plans and sets forth appropriate management goals, all of which are acceptable to the Board of Directors as an overall plan of operations;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of GRAYSON RECC hereby approves and accepts the Ten Year Long Range Financial Forecast, as proposed, as a plan of operations, and has reviewed the projected rates which are included in the Forecast and is committed to take whatever action may be necessary to implement such rate changes as may be required, on a timely basis to achieve the goals outlined therein.

CERTIFICATION OF SECRETARY

I, Billy E. Martin, Secretary-Treasurer of Grayson Rural Electric Cooperative Corporation do hereby certify that the above is a true and correct excerpt from the minutes of the meeting of the Board of Directors of the Grayson Rural Electric Cooperative Corporation, held on the 19th day of December, 2014, at which meeting a quorum was present.



A Touchstone Energy Cooperative 

Director Rice made a motion to accept the Resolution for Approval of Ten Year Financial Forecast as presented, seconded by Director Bentley and unanimously agreed upon.

RESOLUTION REQUESTING
GUARANTEED FEDERAL
FINANCING BANK (BBK)
LOAN

Mr. Norman presented the Resolution Requesting a Guaranteed Federal Financing Bank (FFB) Loan for \$20,000,000. The ninety day rate is close to zero. Maturity is actually 34 years.

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RESOLUTION

REQUESTING GUARANTEED FEDERAL FINANCING BANK (FFB) LOAN

WHEREAS, it has been determined on the basis of the current Construction Work Plan that financing is needed for electric facilities as shown on Rural Utilities Service (RUS) Form 740c, Cost Estimates and Loan Budget for Electric Borrowers, as follows:

RUS Guaranteed Federal Financing Bank (FFB) Loan Requested for Facilities	\$20,000,000
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NOW THEREFORE BE IT RESOLVED, that Grayson Rural Electric Cooperative Corporation, Grayson, Kentucky, makes application to the RUS pursuant to 7 CFR Part 1710 for a guaranteed FFB loan in the approximate amount of \$20,000,000 to be used in accordance with the provisions of 7 CFR Part 1710 to finance the above mentioned facilities.

BE IT ALSO RESOLVED, that the RUS guaranteed FFB loan shall bear a maturity date to cover an approximate period of 34 years.

BE IT ALSO RESOLVED, that the Board of Directors of Grayson Rural Electric Cooperative Corporation authorizes its officers to execute and attest all necessary papers, documents, and applications related to the foregoing.

BE IT FURTHER RESOLVED, that the President & CEO is authorized on behalf of the Borrower (a) to execute and deliver from time to time advance requests, maturity extension election notices, prepayment election notices and refinancing election notices, in the form of such instruments attached to the note payable to FFB, and (b) to specify information and select option as provided in such instruments.


BE IT FURTHER RESOLVED, that the Grayson Rural Electric Cooperative Corporation hereby authorizes the RUS to release appropriate information and data relating to the application to the FFB and any existing supplemental lenders.

CERTIFICATION

I, Billy E. Martin, Secretary-Treasurer of Grayson Rural Electric Cooperative Corporation, do hereby certify that the above is a true and correct excerpt taken from the minutes of the meeting of the Board of Directors of Grayson Rural Electric Cooperative Corporation, on the 19th day of December 2014 at which meeting a quorum was present.

SEAL


Billy E. Martin, Secretary-Treasurer

A Touchstone Energy Cooperative 

Director Whitt made a motion, seconded by Director Dupuy to accept the Loan Resolution Requesting Guaranteed Federal Financing Bank (FFB) Loan as presented by Mr. Mike Norman, and unanimously agreed upon.

OPERATIONS REPORT Kyle Clevenger, Manager of Operations gave the Operations Report. He reported on the following:

EMPLOYEE/LOST TIME ACCIDENT There were no lost time accidents to report this month.

SAFETY REPORT The following safety meetings were held during November:

November 07—Kyle Clevenger, Manager of Operations, turned the meeting over to David White, KAEC Safety Director, who addressed “Ergonomics for Linemen”, and stretching exercises. He briefly mentioned a Kenergy contact. We had the monthly safety give-a-way.

November 10—Don Combs, Mgr. of Finance & Accounting, started with a breakfast honoring veterans. Cheyenne led the pledge to the American flag. Jack Nuckolls, a World War II veteran, told about his experience with the honor flight this year. Don and Bradley talked about insurance changes and open enrollment changes to be made this month.

November 17—Carol Fraley, Manager and CEO, was in charge of the meeting and Nancy Madden read from the Safety Manuel, pages 122-124, Vehicle Maintenance. Kyle Clevenger talked about an accident involving Bryan Rogers falling from a truck. He also reminded everyone to work on their line inspections.

Kyle continues to mention the necessity of ground chains and that a line is not dead until it is grounded.

David Holbrook went on disability December 12th to have shoulder surgery and the surgery had to be rescheduled. The Maintenance Leadman position in Rowan County was awarded to Richard Easton. Mike Reynolds and Jamey Withrow signed the posting for Construction Leadman. The job was awarded to Mike Reynolds who is the senior man.

Mike Blevins is off with elbow surgery and will be back in 3 weeks.

Joe Sargent will be having knee replacement in February.

CONSTRUCTION Construction built was one hundred thirty-five (135) new work orders for the month of November and worked zero (0) hours of overtime.

OVERTIME HOURS The Maintenance Department worked forty-eight (48) hours of overtime during the month of November. Engineering worked three (3) hours overtime during the month of November.

DELINQUENT NOTICES The Maintenance & Construction Departments collected on one hundred two (102) delinquent accounts and disconnected eighteen (18) accounts in December.

CONTRACT CREWS Our Pike crews have been working in the following areas:

Tony Seagraves--- Airport Road to Corey Ridge, Carter County and New Construction
Jody Smallwood—Maintenance and New Construction; laid off November 13, 2014

RIGHT-OF-WAY CREWS

We have ten (10) W A Kendall right-of-way crews working on random jobs and work orders at this time. Crew's trimmed 768 trees, cut 1,429 trees, and cut 48,130 feet of brush/line and sprayed 92 spans of line. The crews are working in the following areas:

- 2 cutting crews in Carter, Lewis and Greenup Counties
- 2 cutting crews in Elliott and Lawrence Counties
- 1 bucket truck crew in Lawrence and Elliott Counties
- 1 bucket truck crew in Carter County
- 1 tractor crew in Carter County
- 1 bucket crew in Lewis and Greenup Counties
- 1 spray crew in Carter County
- 1 circuit crew in Carter County

Smith Tree Service has been working in Carter County and now working in Greenup County.

ENGINEERING REPORT

The Engineering Department released one hundred five (105) prints consisting of 24,810 feet of primary line and 2,900 feet of service wire. They currently have two (2) new services to be staked, two (2) to be drawn and twelve (12) miscellaneous jobs to be staked or drawn.

APPROVAL OF NEW MEMBERSHIPS & RETIREMENT OF EXISTING MEMBERSHIPS

Motion was made by Director Rice, seconded by Director Dupuy and unanimously agreed to approve one hundred fourteen (114) new memberships and retirement of one hundred two (102) existing memberships for November 2014.

BAD DEBT WRITE-OFFS

Motion was made by Director Dupuy, seconded by Director Whitt and unanimously agreed to charge off \$2,154.84 worth of bad debts and turn them over for collection.

APPROVAL OF CEO'S, DIRECTOR'S & ATTORNEY BUSINESS EXPENSES

Motion was made by Director Rice, seconded by Director Whitt and unanimously agreed to approve the President's business expense of \$91.59, Director's business expenses of \$17,797.82 and Attorney's business expense of \$58.21.

PRESIDENT'S REPORT

President Fraley reported on the following:

RUS WORK ORDERS

Motion was made by Director Martin, seconded by Director Dupuy and unanimously agreed to approve the following 219 RUS Work Orders for the months of July, August and September 2014 in the amount of \$679,900.85:

July 2014	Work Order No. 1200	\$204,542.14
	Work Order No. 1201	\$ 8,782.49
August 2014	Work Order No. 1202	\$237,259.04
	Work Order No. 1203	\$ 13,074.48
September 2014	Work Order No. 1204	\$201,241.30
	Work Order No. 1205	\$ 15,001.40
	Total	\$679,900.85

PRESIDENT'S REPORT

President Fraley announced that Paul Embs has retired from Clark R.E. C.C. His successor is Chris Brewer who was the Engineer for Bluegrass. Greg Grissom will replace Eston Glover at Pennyryle and Kelly Nuckols has announced his retirement at Jackson Purchase. They are currently involved in a Manager search.

AEP RATE INCREASE

We are watching the AEP rate increase in the amount of 12 %, or \$22 per month on an average bill of 1320 kWh. This is supposed to be used to convert the Big Sandy Plant to gas. Our average bill is 1150 kWh per month. Representative Rocky Adkins has filed in Frankfort to intervene on the AEP rate increase. He believes the increase is more like 16%. GRECC's bill with AEP increased 22-23% last month with a rider expense due to Big Sandy plant gas switch over and right of way expense.

EMERGENCY RESPONSE PLAN

We had a review of our Emergency Response Plan yesterday, as required by RUS once a year. Several changes and updates were made. Director Whitt advised us that the Elliott County Fiscal Court met Wednesday night and someone made a motion to close the ambulance service, but no one seconded.

ADMINISTRATIVE GUIDELINES, BOARD POLICIES AND CAPITAL CREDITS

We have been working on Administrative Guidelines. In January we will be working on the Board Policies and Capital Credits. The Bylaws provides for a spouse putting an account in their name, but Capital Credits are not necessarily as simple and a court order may be required. The Capital Credit package tells us step by step how to complete. Directors Dupuy and Trent attended workshop entitled Current Issues in Policy Development and recommended that President Fraley and her staff might want to attend.

MAC ASPHALT PLANT

We have an issue with an MAC, an asphalt plant that applied for service in 2013. Joe Sargent staked and engineered for ¾ mile three-phase line, invoiced them for \$55,000, which they paid in advance. They also signed a five year Large Power Contract. They were advised that they would be billed for any additional construction costs or receive a refund if the actual cost was less than what they paid. The final cost of the job was approximately \$94,000, due to extra right of way costs of over \$12,000 and construction costs at an additional \$27,000 due to rock and other factors. The work was completed in September 2013 and they were never invoiced for the difference.

In July 2014, MAC notified us they were shutting down the plant, but would continue to pay the Large Power Contract. This issue came to President Fraley about two weeks ago when MAC called to see if we would release them from the Large Power Contract because they had sold the property. The remainder of the Large Power Contract payments is \$13,500. When President Fraley told them about the additional \$39,000 in construction charges, they took it to their legal department. President Fraley asked them \$25,000 and a release on the Large Power Contract. They called back with an offer of \$19,000 plus a forfeit of the security deposit we hold in the amount of \$6,000 and a release of the Large Power Contract. President Fraley informed the Board that she had agreed with this amount and asked Legal Counsel Scott to prepare the proper documents to finalize this issue. We will also retrieve over \$10,000 worth of 167 KV transformers at the site.

LARGE POWER CONTRACTS On Large Power Contracts, there are two estimates; one figured by the Engineer and one by computer. In the future, all Large Power Contracts that must be paid in advance by the member will be reviewed and approved by President Fraley before an invoice is issued. At least 20% will be added to the computer generated total and a refund will be given if necessary. All invoices must be paid in full before the job commences.

Director Dupuy has a new grandson. Steven Burton and Tony Brewer and their spouses are expecting babies in 2015.

MODULAR HOMES We had an issue with a modular home service that one inspector would pass and one would not. The issue was whether the mobile home service could be mounted on the outside wall of the mobile (or what the member called modular) home or if it had to be mounted on a service pole. We called the Department of Housing and Construction, Electrical Division and were advised that we should not have hooked it up mounted on the outside wall, but since it had an inspection to let it pass and not to do again. According to them, there is no such thing as a modular home. They are either mobile or manufactured homes. Only homes that are designated by HUD can have a service mounted on the outside wall. Proof of that will be available in the mobile home and must be presented to the Cooperative in order to deviate from a pole service. Our policy will have to be changed to reflect this directive.

LEGAL COUNSEL'S REPORT Legal Counsel Scott reported on the following:

GREG SHEPLER / ENERVISION He received a sample purchased power agreement for 9.3 megawatts from Morgan Stanley through Greg Shepler at EnerVision. Morgan Stanley requires confidential treatment of the agreement and would like for us to ask the Commission if they will also agree to confidential treatment. Legal Counsel dictated a request for confidential treatment from the Commission yesterday and sent it to Mr. Shepler. He asked Mr. Shepler to review it with Morgan Stanley for their comments. He suggested an attorney with expertise in purchased power agreements should be consulted at some time in the future.

**EAST KENTUCKY POWER
FUEL ADJUSTMENT CLAUSE** He has reviewed East Kentucky's case on the Fuel Adjustment Clause for November 2013 – April 2014 and has written a brief in reply. Our inquiry focused on PJM and specifically where do the charges come from. Mike McNally and others met with the Commission on February 17. The cost of the additional fuel was high and East Kentucky wanted to pass all of it through in the fuel charge. He should receive the Commission's and East Kentucky's briefs today. Legal Counsel Scott said they basically treated every PJM charge as a fuel adjustment charge.

**EAST KENTUCKY POWER
/ PJM / DALE 3 AND 4** He reported the following: In 2012-13 East Kentucky made decision to idle and winterize Dale 3 and 4. In June 2013 they entered a contract with PJM. In December 2013 they repeated their decision to winterize Dale 3 and 4. It takes 5 days to re-start the plant. On January 6, 2014, a new winter peak was established and no other plans were adopted. On January 24, 2014 another peak is set. East Kentucky argues our available generation was utilized, but he doesn't believe it was. When PJM completed their analysis

EAST KENTUCKY POWER
/ PJM / DALE 3 AND 4
(CONTINUED)

Dale, would have been the lowest cost of power production in the country. East Kentucky argues that all available power was utilized and Legal Counsel Scott feels it wasn't.

Director Arrington said they were going to try and hedge 200 megawatts this winter for insurance only. PJM has asked them to keep Dale 3 and 4 going for another year. President Fraley feels they are not serving native load with the lowest cost power.

Legal Counsel Scott said we have not received a counter proposal from East Kentucky Power.

EAST KENTUCKY POWER
ATTORNEY FEES IN LAW
SUIT

It appears that East Kentucky Power's attorney fees are being paid by their insurance company. The best that Legal Counsel can tell, under directors and officers insurance they are defending this under 'reservations of rights'. Reservation of rights is when company says we are not certain that this type of policy covers this issue, but we will defend you. They are not necessarily saying that we agree with the settlement Grayson may receive. Director Martin pointed out that the insurance company could come after us. He thinks it would be better if insurance company did get involved.

KAEC DIRECTOR'S REPORT

Director Whitt reported he attended KAEC's Board Meeting this past Tuesday. Hickman-Fulton announced plans to pursue a merger with Gibson R.E.C.C. in Tennessee for better efficiencies. They have a very small number of members and about 70% of their load is irrigation. They are not seeking a new manager as Greg Grissom moves to Pennyrile.

KENTUCKY LIVING
MAGAZINE

Kentucky Living Magazine lost their tourism contract in 2014, but regained it in 2015. President Fraley said the committee met and talked about the best way to reach members age 20-40. An electronic format is being discussed.

EKPC DIRECTOR

Director Arrington reported that most of his report was covered in other areas. EKPC is selling excess land around substations. They are trying to buy some ROW around Newfoundland, Skaggs, and Mazie.

THANK YOU NOTES

Thank you notes were received from Rowan County Senior High School Prom 2015, Elliott County High School Spanish 3 and Math classes, Carter County Community Fund, the Ronald McDonald House and Taylor Madden.

DONATIONS

President Fraley presented to the Board for their consideration the following donation request:

KSPPA Post 8 - Shop with a Cop –Elliott Co. & Rowan Co.	\$200
Sandy Hook Chamber of Commerce	\$100
Oldtown Food Pantry c/o Nancy Claxon	\$250
East Carter Youth Service – Christmas Asst. program	\$100
Girl Scout Troop #7409 –formation assistance	\$50
East Carter High School Archery Team	\$100

Motion was made by Director Rice, seconded by Director Bentley and unanimously agreed to approve the donations as presented.

The Grayson R.E.C.C. employees donated to four families for Christmas. Carol Ann noted her thanks to Andrea McCleese for heading up this and the Thanksgiving project.

MEETING ATTENDANCE	Directors Trent, Bentley and Dupuy will be attending the NRECA Annual Meeting in Orlando, Florida February 22-25.
VOTING DELEGATES NRECA NATIONAL MEETING	Chairman Trent said Director Dupuy would serve as the Voting Delegate to NRECA's National Meeting and that he would serve as the Alternate Delegate.
VOTING DELEGATE NRTC ANNUAL MEETING	The 2015 Annual Meeting Voting Delegate will be Director Jimmy Whitt and Alternate Voting Delegate, Chairman, Roger Trent.
BOARD MEETING DATE	The next board meeting will be held on Friday, January 23, 2015.
ADDITIONAL BUSINESS	President Fraley reported that Donnie Crum was very appreciative of the Resolution of Respect adopted by the Board in his honor.
ADJOURN	Chairman Trent adjourned the meeting at 11:51 a.m.

Roger L. Trent, Chairman

Billy E. (Eddie) Martin, Secretary/Treasurer

W. Jeffrey Scott, Legal Counsel

President and CEO's Expenses

November 2014

<u>Check Date</u>	<u>Check #</u>	<u>Description</u>	<u>Amount</u>
11/20/14	164497	*Priscilla Sparks – valet parking / bellhop tips reimbursed KAEC Annual Meeting, Louisville, KY 11/16-18/14	\$16.66
12/08/14	164658	VISA Charges: *10/23 RUS Meeting, Grayson, KY – meal *11/6 Budget / Staff Meeting, Grayson, KY – meal *11/16-18 KAEC Annual Meeting, L'ville, KY – meals 11/16-18 KAEC Annual Meeting, L'ville, KY– room	\$ 16.62 \$ 11.85 \$ 57.78 \$148.00
12/11/14	164681	NRECA – Renew Subscription – Rural Electric Magazine NRECA – Renew Subscription – Personnel Practice Pointer	\$ 45.58 \$ 37.10
		Total Expenses	\$333.59

* Means Prorated

DIRECTORS & ATTORNEY EXPENSES**November-14****KENNETH ARRINGTON**

Per Diem	- GRECC Special Bd. Mtg. (10/24); KAEC Annual Mtg. (11/16-18); GRECC Bd. Mtg. (11/24)	\$ 1,333.08
MISC	- Christmas Gift - Roadhouse	50.00
VISA	- KAEC Annual Mtg. & WIRE	52.79
NRECA	- Renew Subscription Rural Electric Magazine	45.58
KAEC	- KAEC Annual Mtg. & WIRE	259.00
	Cash in Lieu of Insurance	637.63
	24-Hr. Insurance	0.70
TOTAL	-	<u>\$ 2,378.78</u>

JIM BENTLEY

Per Diem	- GRECC Special Bd. Mtg. (10/24); KAEC Annual Mtg. (11/16-18); GRECC Bd. Mtg. (11/24)	\$ 1,192.64
MISC	- Christmas Gift - Roadhouse	50.00
VISA	-	0.00
NRECA	- Renew Subscription Rural Electric Magazine	45.58
KAEC	- KAEC Annual Mtg. & WIRE	259.00
	Cash in Lieu of Insurance	637.63
	24-Hr. Insurance	1.08
TOTAL	-	<u>\$ 2,185.93</u>

HAROLD DUPUY

Per Diem	- GRECC Special Bd. Mtg. (10/24); KAEC Annual Mtg. (11/16-18); GRECC Bd. Mtg. (11/24)	\$ 1,320.73
MISC	- Christmas Gift - Roadhouse	50.00
VISA	- KAEC Annual Mtg. & WIRE	52.79
NRECA	- Renew Subscription Rural Electric Magazine	45.58
KAEC	- KAEC Annual Mtg. & WIRE	259.00
	Cash in Lieu of Insurance	637.63
	24-Hr. Insurance	0.70
TOTAL	-	<u>\$ 2,366.43</u>

EDDIE MARTN

Per Diem	- GRECC Special Bd. Mtg. (10/24); GRECC Bd. Mtg. (11/24)	\$ 417.92
MISC	- Christmas Gift - Roadhouse	50.00
VISA	-	0.00
NRECA	- Renew Subscription Rural Electric Magazine	45.58
	Cash in Lieu of Insurance	637.63
	24-Hr. Insurance	1.08
TOTAL	-	<u>\$ 1,152.21</u>

WILLIAM T. RICE

Per Diem	- GRECC Special Bd. Mtg. (10/24); KAEC Annual Mtg. (11/16-18); GRECC Bd. Mtg. (11/24)	\$ 1,235.12
MISC	- Christmas Gift - Roadhouse	50.00
VISA	- KAEC Annual Mtg. & WIRE Region II & III	52.79 220.32
NRECA	- Renew Subscription Rural Electric Magazine	45.58
KAEC	- KAEC Annual Mtg. & WIRE	259.00
	Cash in Lieu of Insurance	637.63
TOTAL	- 24 – Hr. Insurance	0.49
		\$ 2,500.93

ROGER TRENT

Per Diem	- GRECC Special Bd. Mtg. (10/24); KAEC Annual Mtg. (11/16-18); GRECC Bd. Mtg. (11/24)	\$ 1,246.40
MISC	- Christmas Gift - Roadhouse	50.00
VISA	- KAEC Annual Mtg. & WIRE Region II & III	72.71 220.32
NRECA	- Renew Subscription Rural Electric Magazine	45.58
KAEC	- KAEC Annual Mtg. & WIRE	259.00
	Cash in Lieu of Insurance	637.63
TOTAL	- 24 – Hr. Insurance	0.49
		\$ 2,532.13

JIMMY WHITT

Per Diem	- GRECC Special Bd. Mtg. (10/24); KAEC Annual Mtg. (11/16-18); GRECC Bd. Mtg. (11/24)	\$ 1,047.44
MISC	- Christmas Gift - Roadhouse	50.00
VISA	- KAEC Annual Mtg. & WIRE KAEC Bd. Mtg. KAEC Annual Mtg. Region II & III	52.79 155.67 11.97 220.32
NRECA	- Renew Subscription Rural Electric Magazine	45.58
KAEC	- KAEC Annual Mtg. & WIRE	259.00
	Cash in Lieu of Insurance	637.63
TOTAL	- 24 – Hr. Insurance	1.08
		\$ 2,481.48

JEFF SCOTT

Out-of-Pocket	- Mileage - KAEC Annual Mtg. & PSC Fuel AD Clause	\$ 1,070.16
	Reimburse Postage Collection Letters	14.70
	Reimburse Postage (Noncompliance Letter)	12.74
	Reimburse Postage - PSC Documents	91.91
	Reimburse Meal - NRECA Conference	5.87
MISC	- Christmas Gift - Roadhouse	50.00
VISA	- KAEC Annual Mtg. NRECA Legal Seminar	116.07 452.24
NRECA	- Renew Subscription Rural Electric Magazine Renew Subscription Personnel Practice Pointer	45.58 206.70
KAEC	- KAEC Annual Mtg.	115.00
TOTAL	-	\$ 2,180.97

***Combs* Report**

January 23, 2015

KWH Sales & Purchases: Nov 2014 - Pages 2-5

Sales: Month: 6.61% under Budget (11/21 – 12/20)
YTD : 1.03 % under Budget
Last Year to Date: .78 % more

Purchases: Month: 5.95 % Over Budget (11/1 – 11/30)
YTD: .89 % over Budget

Line Loss : Month: .99 %
Matched: 3.69 %
YTD: 6.71 %
Last 12 Months: 6.01 %

Form 7: Nov 2014

Electric Revenue LESS Purchased Power:	\$ 422,618 Less
Operations Expense	\$ 34,661 Less
Maintenance Expense	\$ 80,541 More
Margins	\$ 477,224 Less

Form 7: Year to Date

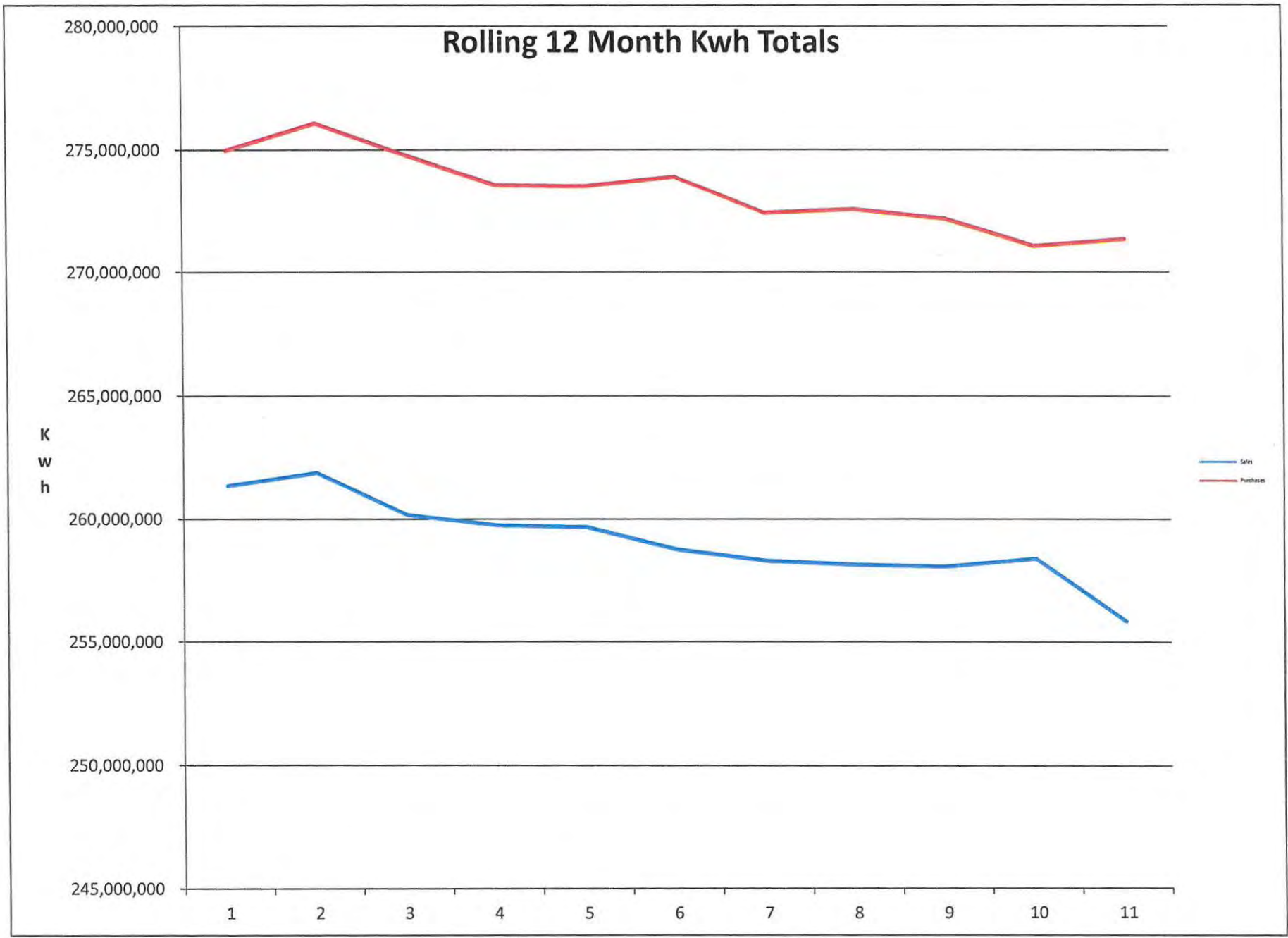
Margins :	\$ (5,136)
Budgeted:	\$ 1,125,643

Monthly Reports:

- **Financial Data** – Page 6-8
- **219 Analysis** – Page 9

Other Items:

- **PSC**
 - **Modifications to Schedules 3 & 14(b)**
 - **ESC Review**
 - **FAC EKPC- intervention**



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2014	TOTAL SALES						
	Actual			Budget			
	KWH	\$	UNIT				
JANUARY	31,244,541	\$ 3,777,343	0.1209	28,009,108	\$	3,578,595	0.1278
FEBRUARY	23,826,394	\$ 2,944,805	0.1236	21,890,454	\$	2,764,381	0.1263
MARCH	19,263,071	\$ 2,324,304	0.1207	19,207,928	\$	2,365,786	0.1232
APRIL	15,268,670	\$ 2,005,562	0.1314	15,827,212	\$	1,947,159	0.1230
MAY	18,650,959	\$ 2,399,754	0.1287	18,765,432	\$	2,344,016	0.1249
JUNE	20,191,482	\$ 2,602,552	0.1289	20,816,383	\$	2,605,635	0.1252
JULY	19,368,740	\$ 2,496,062	0.1289	22,593,137	\$	2,815,549	0.1246
AUGUST	19,401,186	\$ 2,485,238	0.1281	19,506,135	\$	2,393,154	0.1227
SEPTEMBER	15,741,901	\$ 2,046,722	0.1300	16,851,412	\$	2,047,083	0.1215
OCTOBER	20,486,774	\$ 2,565,285	0.1252	20,663,225	\$	2,559,573	0.1239
NOVEMBER	23,782,057	\$ 2,918,164	0.1227	25,465,732	\$	3,211,249	0.1261
DECEMBER	0	\$ -	#DIV/0!	28,003,462	\$	3,570,771	0.1275
	227,225,775	\$28,565,791	\$0.1257	257,599,620	\$32,202,952	\$0.1250	

Actual vs. Budget				
23,782,057	Month	2014	25,465,732	-6.61%
227,225,775	YTD		229,596,158	-1.03%
Compared to 2013				
23,782,057	Month		26,328,402	-9.67%
227,225,775	YTD		229,006,779	-0.78%

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2014	GROSS MARGINS							
	Actual	Budget	Variance	Line Loss	Fuel Adj.	Fuel Adj. \$	ESC Rate	ESC \$
JANUARY	\$1,302,248	\$ 1,471,478	(\$169,230)	8.16%	(0.001326)	(41,181)	8.54%	337,194
FEBRUARY	\$977,882	\$ 852,912	\$124,970	11.62%	0.001326	30,962	6.47%	297,536
MARCH	\$589,181	\$ 730,322	(\$141,141)	23.47%	0.000541	10,578	3.31%	75,222
APRIL	\$679,088	\$ 605,328	\$73,760	10.14%	0.002792	42,338	7.06%	131,520
MAY	\$1,043,923	\$ 936,854	\$107,069	-3.91%	0.002779	51,841	8.15%	180,505
JUNE	\$985,690	\$ 1,021,626	(\$35,936)	1.66%	0.002402	48,627	9.51%	225,526
JULY	\$843,048	\$ 1,100,394	(\$257,346)	8.36%	0.002557	49,482	9.39%	214,114
AUGUST	\$869,255	\$ 700,941	\$168,314	9.06%	0.002715	52,632	8.60%	196,851
SEPTEMBER	\$657,586	\$ 682,268	(\$24,682)	11.46%	0.002775	43,675	7.56%	143,988
OCTOBER	\$1,343,097	\$ 1,248,771	\$94,326	-15.84%	(0.000148)	(1,929)	8.05%	190,710
NOVEMBER	\$1,179,113	\$1,601,731	(\$422,618)	0.99%	(0.002381)	(55,572)	9.22%	245,467
DECEMBER	\$0	\$1,574,028	(\$1,574,028)	#DIV/0!	(0.000800)		10.02%	
			(\$482,514)	6.71%	0.001103	231,453	7.99%	2,238,633

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Monthly Operating Rev & Exp

	January 2014	February 2014	March 2014	April 2014	May 2014	June 2014	July 2014	August 2014	September 2014	October 2014	November 2014
Revenue	(3,876,546)	(3,048,089)	(2,418,497)	(2,089,942)	(2,476,940)	(2,687,648)	(2,579,178)	(2,571,883)	(2,129,236)	(2,644,213)	(3,012,795)
Purchased Power	2,475,095	1,966,923	1,735,123	1,326,474	1,355,831	1,616,862	1,653,014	1,615,983	1,389,136	1,222,188	1,739,051
Gross Margins	(1,401,451)	(1,081,166)	(683,374)	(763,468)	(1,121,109)	(1,070,786)	(926,164)	(955,900)	(740,100)	(1,422,025)	(1,273,744)
Operations	109,852	84,215	75,058	105,786	104,645	104,541	103,937	110,492	122,294	108,132	66,163
Maintenance	229,775	696,703	264,505	279,233	283,806	388,602	292,633	333,539	280,083	314,514	342,834
Customer Service	85,169	89,691	99,684	105,189	92,213	80,736	97,103	97,271	95,875	97,694	94,901
Informational Advertising	22,121	14,651	23,811	23,163	21,502	17,297	18,543	22,200	28,636	27,715	23,100
Demonstration Advertising	2,244	1,792	2,797	1,714	3,239	2,053	1,726	2,948	1,731	421	1,835
Admin & General	173,546	149,080	156,131	167,485	168,268	141,062	161,501	148,846	162,405	178,658	155,157
Depreciation	253,161	254,653	256,025	256,340	256,632	257,058	257,663	258,330	258,805	259,420	259,954
Regulatory	2,834	2,834	2,834	2,834	2,834	3,890	3,890	3,890	3,890	3,890	3,890
Interest - LTD	82,634	79,137	78,390	80,805	79,381	80,003	79,207	79,413	78,604	77,910	77,432
Interest - Deposits	131	130	130	129	128	128	130	129	128	127	126
Miscellaneous Expense	3,474	5,577	5,551	3,477	777	1,862	728	2,025	855	1,475	228
Interest Income	(2,446)	(2,450)	(2,431)	(2,595)	(2,587)	(2,616)	(2,609)	(2,551)	(2,568)	(2,485)	(2,579)
Non-Electric Revenue	10,485	(12,904)	(7,997)	11,843	(8,528)	1,669	(15,359)	1,066	8,730	(27,043)	21,557
Capital Credits	-	-	(153,986)	27,324	-	-	-	(448)	(11,788)	-	-
Margins	(428,471)	281,943	117,128	299,259	(118,799)	5,499	72,929	101,250	287,580	(381,597)	(229,146)

* ()'s = positive margins

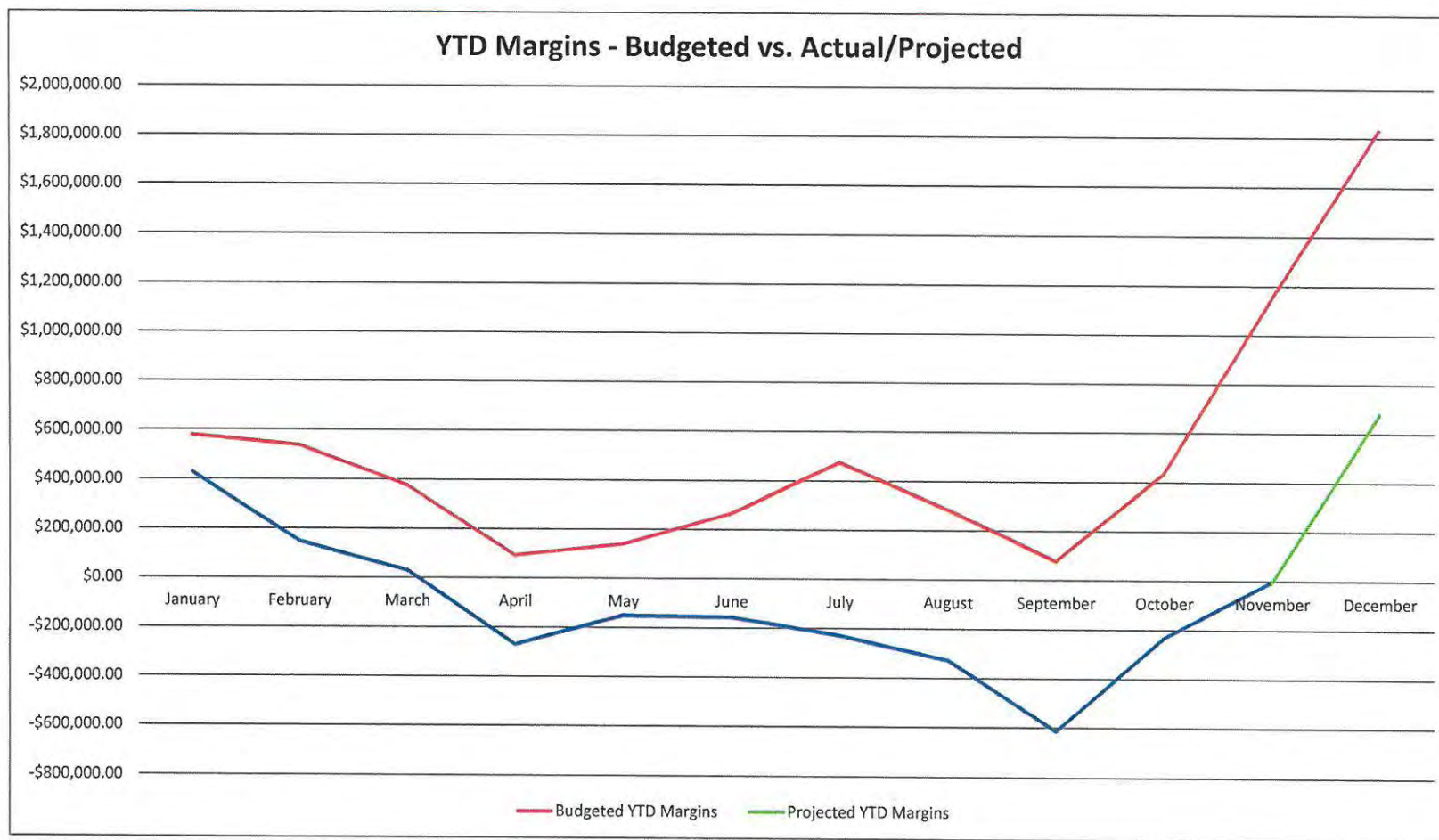
Operating Expenses	964,941	1,378,463	964,916	1,026,155	1,013,425	1,077,232	1,017,061	1,059,083	1,033,306	1,069,956	1,025,620
Monthly OTIER	6.19	(2.56)	(0.49)	(2.70)	2.50	0.93	0.08	(0.27)	(2.66)	5.90	3.96

Revenue	(32,725,189)	(32,974,790)	(32,897,147)	(33,007,984)	(33,144,052)	(33,211,198)	(33,293,861)	(33,351,245)	(33,402,613)	(33,511,774)	(33,203,203)
Purchased Power	20,109,361	20,235,372	20,124,757	20,059,031	20,007,124	20,040,725	20,036,598	20,099,569	20,128,263	20,071,174	20,099,182
Gross Margins	(12,615,828)	(12,739,418)	(12,772,390)	(12,948,953)	(13,136,928)	(13,170,473)	(13,257,263)	(13,251,676)	(13,274,350)	(13,440,600)	(13,104,021)

Operations	1,112,117	1,084,032	1,071,086	1,087,492	1,100,875	1,112,291	1,123,347	1,135,788	1,171,471	1,185,290	1,170,977
Maintenance	2,861,248	3,366,557	3,361,456	3,430,993	3,485,185	3,593,939	3,646,619	3,694,578	3,764,010	3,864,879	3,948,243
Customer Service	1,092,464	1,086,629	1,081,880	1,085,892	1,085,659	1,071,227	1,073,216	1,075,503	1,079,480	1,084,267	1,082,085
Informational Advertising	237,580	231,866	237,894	242,875	239,820	234,935	236,476	240,979	241,036	249,157	254,882
Demonstration Advertising	20,985	20,963	21,535	20,635	22,650	22,974	22,891	23,893	23,731	21,924	21,983
Admin & General	1,949,863	1,939,115	1,954,713	1,959,141	1,956,167	1,902,265	1,902,845	1,904,894	1,917,112	1,912,603	1,921,378
Depreciation	3,034,408	3,033,139	3,033,504	3,033,911	3,033,710	3,033,204	3,039,925	3,046,857	3,053,949	3,061,617	3,080,935
Regulatory	34,049	34,073	34,097	34,121	34,145	35,225	36,305	37,328	38,351	39,374	40,397
Interest - LTD	986,447	986,349	986,570	984,295	981,010	978,190	973,044	966,961	962,378	958,037	954,050
Interest - Deposits	2,292	2,222	2,152	2,082	2,011	1,939	1,869	1,797	1,721	1,646	1,573
Miscellaneous Expense	55,137	53,561	47,754	41,765	32,846	38,814	34,670	33,525	31,977	29,035	27,523
Interest Income	(29,432)	(29,439)	(29,421)	(29,565)	(29,742)	(29,901)	(30,053)	(30,135)	(30,213)	(30,244)	(30,369)
Non-Electric Revenue	(128,762)	(59,100)	(52,294)	(31,356)	(22,183)	(19,757)	(16,476)	(5,774)	6,423	(28,240)	(16,412)
Capital Credits	(160,930)	(160,930)	(166,567)	(139,243)	(139,243)	(138,092)	(138,092)	(138,540)	(149,123)	(138,898)	(138,898)
Margins	(1,548,362)	(1,150,381)	(1,188,031)	(1,225,915)	(1,354,018)	(1,333,220)	(1,350,677)	(1,264,022)	(1,162,047)	(1,230,153)	(785,674)

Operating Expense	11,386,590	11,838,506	11,832,641	11,923,202	11,974,078	12,025,003	12,091,207	12,162,103	12,285,216	12,407,829	12,504,026
Rolling 12 Month OTIER	2.57	2.17	2.20	2.25	2.38	2.36	2.39	2.31	2.21	2.28	1.82

5



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	2014 Monthly Margins			2014 YTD Margins			2014 Projected Margins
	Actual	Budgeted	Difference	Actual	Budgeted	Difference	YTD + Actual
January	\$428,469.46	\$580,616.96	-\$152,147.50	\$428,469.46	\$580,616.96	-\$152,147.50	\$428,469.46
February	-\$281,943.11	-\$40,449.04	-\$241,494.07	\$146,526.35	\$540,167.92	-\$393,641.57	\$146,526.35
March	-\$117,128.81	-\$160,540.04	\$43,411.23	\$29,397.54	\$379,627.88	-\$350,230.34	\$29,397.54
April	-\$299,259.75	-\$285,534.04	-\$13,725.71	-\$269,862.21	\$94,093.84	-\$363,956.05	-\$269,862.21
May	\$118,798.53	\$45,990.96	\$72,807.57	-\$151,063.68	\$140,084.80	-\$291,148.48	-\$151,063.68
June	-\$5,499.60	\$128,263.96	-\$133,763.56	-\$156,563.28	\$268,348.76	-\$424,912.04	-\$156,563.28
July	-\$72,927.95	\$209,531.96	-\$282,459.91	-\$229,491.23	\$477,880.72	-\$707,371.95	-\$229,491.23
August	-\$98,807.01	-\$189,921.04	\$91,114.03	-\$328,298.24	\$287,959.68	-\$616,257.92	-\$328,298.24
September	-\$287,581.90	-\$208,594.00	-\$78,987.90	-\$615,880.14	\$79,365.68	-\$695,245.82	-\$615,880.14
October	\$381,597.31	\$357,907.96	\$23,689.35	-\$234,282.83	\$437,273.64	-\$671,556.47	-\$234,282.83
November	\$229,095.96	\$710,869.96	-\$481,774.00	-\$5,186.87	\$1,148,143.60	-\$1,153,330.47	-\$5,186.87
December	\$0.00	\$683,137.44			\$1,831,281.04		\$677,950.57

NOVEMBER 2014

219 ANALYSIS

								BUDGETED
WO NOS.	DESCRIPTION		NUMBER		COST	LOAN FUNDS	UNIT COST	UNIT COST
9	RETIREMENTS		24		73.73	(73.73)		
100	NEW LINE EXTENSIONS		20		73,001.43	73,001.43	3,650.07	3,229.93
200	TIE LINES							
300	MAJOR PROJECTS		0		0.00	0.00		
602	SERVICE UPGRADES		3		4,371.45	4,371.45	1,457.15	1,920.25
603	SECTIONALIZERS		2		3,375.43	3,375.43		
604	REGULATORS							
606	POLES		20	POLES	78,954.29	78,954.29	3,947.71	2,410.75
701	SECURITY LIGHTS		20		13,095.43	13,095.43	654.77	423.50
1600	MINOR PROJECTS		6		10,475.05	10,475.05		
	TOTAL		91		183,346.81	183,199.35		
601	SPECIAL EQUIPMENT	ACCT#						
	METERS	370.00	0		0.00	0.00	0.00	160.00
	TRANSFORMERS	368.00	35		31,366.20	31,366.20	896.18	1,120.00
	TURTLES	370.10	0		0.00	0.00	0.00	
	DISCONNECT METERS	370.20	0		0.00	0.00	0.00	
	OTHER SP EQUIP	365.00	0		0.00	0.00	0.00	
	TOTAL		35		31,366.20	31,366.20		
	MATERIAL				18,532.38			
	MATERIAL OH				34,249.83			
	LABOR				14,155.86			
	LABOR OH				58,072.49			

Grayson Rural Electric Cooperative Corporation

109 Bagby Park • Grayson, KY 41143-1292
Telephone 606-474-5136 • 1-800-562-3532 • Fax 606-474-5862

February 13, 2015

Dear Director:

A Regular Meeting of the Board of Directors is hereby called. I do hereby fix the GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION headquarters in Grayson, Commonwealth of Kentucky, as the place, and **Monday, the sixteenth day of February, 2015 at 9:00 a.m.**, for holding of said meeting for the following purposes:

To take any and all action and to transact any and all business which may be necessary, convenient, or desirable in connection with any of the foregoing and the organization of the Corporation at said meeting or at any adjournment or adjournments thereof; and for the transaction of such other business which may come before the meeting or any adjournment or adjournments thereof, as well as consider altering, amending, or repealing the current Bylaws of the Corporation in the manner hereinafter set forth.

Sincerely,



Roger L. Trent
Chairman

GRAYSON RURAL ELECTRIC
COOPERATIVE CORPORATION

RLT/ps

Enclosures:

1. Agenda
2. Miscellaneous Analysis

Grayson Rural Electric Cooperative Corporation

109 Bagby Park • Grayson, KY 41143-1292
Telephone 606-474-5136 • 1-800-562-3532 • Fax 606-474-5862

February 13, 2015

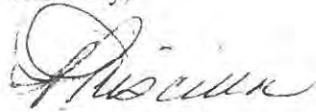
W. Jeffrey Scott,
Attorney at Law
P. O. Box 608
Grayson, KY 41143

Dear Jeffrey:

A Regular Board Meeting of GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION will be held on **Monday, February 16, 2015, at 9:00 a.m.**

We look forward to seeing you at the Board Meeting.

Sincerely,



Priscilla Sparks
Executive Assistant

GRAYSON RURAL ELECTRIC
COOPERATIVE CORPORATION

Enclosures:

1. Agenda
2. Miscellaneous Analysis

GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION

BOARD MEETING AGENDA

On February 16, 2015 at 9:00 a.m., the Directors of Grayson Rural Electric Cooperative Corporation were called to meet by the Chairman.

1. Sign Wavier of Notice
2. Invocation
3. Approval of the Minutes From the January 2015 Board Meeting
4. Approval of Minutes From the February 12, 2015 Special Board Meeting
5. Manager of Finance & Accounting Report and Approval of the Financial & Statistical Report for December 2014 – Don Combs, Manager of Finance & Accounting (Incomplete Due to Rescheduling of Board Meeting)
6. Operations Report and Safety Report – Kyle Clevenger, Manager of Operations
7. Approval of Fifty-Seven (57) New Memberships and Retirement of Seventy-Four (74) Existing Memberships for January 2015
8. Consider Approval of Accounts to be Charged Off to Reserve \$2,115.59
9. Consider Approval of President's Business Expense in the Amount of \$555.81, Director's Business Expense in the Amount of \$21,358.00 and Attorney's Business Expense in the Amount of \$2,000.14
10. President's Report – Carol Hall Fraley
11. Cooperative Legal Matters – W. Jeffrey Scott
12. KAEC Director's Report – Jimmy Whitt
13. EKPC Director's Report – Kenneth Arrington
14. Consider Community Service and/or Donations
15. Approval of Attendance at Meetings – Directors & Employees
16. Report of Any Meetings Held
17. No Conflict of Interest Declaration – Board of Directors
18. Consideration of President and CEO Contract Renewal and Compensation
19. Confirm Date for Next Regular Board Meeting – March 27, 2015
20. Additional Business
21. Adjourn

On February 12, 2015 at 1:47 p.m. Grayson Rural Electric Cooperative Corporation held a special board meeting at its office in Grayson, Kentucky called by the Chairman, for the transaction of such business as outlined in the letter of call. Chairman Trent called the meeting to order pursuant to the Waiver of Notice signed by the Directors and all were present. Others present included: Carol Hall Fraley, President and CEO; Don Combs, Manager of Finance and Accounting; Bradley Cherry, Purchasing Agent/Accounting; and Priscilla Sparks, Executive Assistant.

INVOCATION	Director Rice gave the invocation.
EXECUTIVE SESSION	Director Dupuy made a motion to go into Executive Session, seconded by Director Bentley at 1:49 p.m. Motion carried unanimously.
CONSIDER EKPC COUNTER PROPOSAL	President Fraley said the special board meeting was called to discuss East Kentucky Power's counter proposal on Charleston Bottoms and related issues. Motion was made by Director Whitt, seconded by Director Dupuy and unanimously voted to come out of Executive Session at 4:04 p.m.
ADJOURN	Chairman Trent adjourned the meeting at 4:04 p.m.

Roger L. Trent, Chairman

Billy E. (Eddie) Martin, Secretary/Treasurer

W. Jeffrey Scott, Legal Counsel

On January 23, 2015 at 9:05 a.m. Grayson Rural Electric Cooperative Corporation held a regular board meeting at its office in Grayson, Kentucky called by the Chairman, for the transaction of such business as outlined in the letter of call. Chairman Trent called the meeting to order pursuant to the Waiver of Notice signed by the Directors present. William T. Rice was absent. Others present included: Carol Hall Fraley, President and CEO; W. Jeffrey Scott, Legal Counsel; and Priscilla Sparks, Executive Assistant.

INVOCATION	Director Dupuy gave the invocation.
APPROVAL OF MINUTES	Motion was made by Director Martin, seconded by Director Bentley and unanimously agreed to approve the minutes from the December Board Meeting for informational purposes only.
MANAGER OF TECHNICAL SERVICES	Brian Poling, Manger of Technical Services reported on the following:
NETWORK UPGRADES	The networking upgrade is about completed. Eleven of the thirteen switches are installed and programmed and all the computers/servers/printers have been reprogrammed in preparation of the new telephone system.
UNIFIED TECHNOLOGIES	<p>Three bids on the new telephone system were received. Windstream, Cisco, and Unified Technologies submitted bids.</p> <p>A 5 year analysis was run and the bid was awarded to Unified Technologies. Several co-ops and EKPC have switched to Shoretel. They fit our work environment better than other brands and they are compatible with MilSoft.</p> <p>Unified Technologies has been working with us for a couple of weeks configuring data. Windsteam and Milsoft conference calls have been held for interface questions with plans to have equipment onsite in a couple of weeks.</p> <p>The new IP based system requires new wiring anywhere there isn't a network connection.</p> <p>Unified Technologies will do a complete installation of their system and run it in parallel with our existing system to ensure everything is working properly before we make the final change-over. All employees will be trained on the new system.</p>
MANAGER OF FINANCE & ACCOUNTING REPORT	Bradley Cherry, Purchasing / Accounting, presented the Financial and Statistical Report for November 2014. He reported on the following:
FINANCIAL & STATISTICAL REPORT FOR NOVEMBER	Kilowatt hour sales for the month of November (11/21-12/20) were 6.61% under budget. Purchases for the time period of 11/1-11/30 were 5.95% over budget. Line loss for the last twelve months was 6.01%. Year to date margins were (\$5,136) compared to the projected budgeted amount of \$1,125,643.
FORM 7	November 2014 For 7 showed: Electric Revenue LESS Purchased Power \$422,618 less Operations Expense \$ 34,661 less Maintenance Expense \$ 80,541 more (due to Airport Road and Pactolus, but still under budget)

- CABLE ATTACHMENTS Approximately 3,000 cable attachments belonging to Mt. Rural Telephone have been removed, so we will lose a little revenue from those. They are just about done with their project.
- EAST KENTUCKY POWER President Fraley reported that East Kentucky Power's margins are higher than predicted. The re-opening of Dale is for PJM, not for native load. Legal Counsel Scott commented they cannot sell us the power produced by Dale. The contract with PJM supersedes that. EKP produces cheaper than other providers for PJM.
- ETS TARIFF The PSC ruled that modification to ETS Tariffs be made for 4 consumers. We must notify them of the change and then certify the notification to the Commission. President Fraley sent letters to Gary Atkins garage; Frank Morgan quilting shop; John Dean storage; and Johnny Ray Holbrook. They will still receive their forty (40%) discount.
- APPROVAL OF FINANCIAL & STATISTICAL REPORT FOR NOVEMBER 2014 Motion was made by Director Whitt, seconded by Director Dupuy and unanimously agreed to approve the Financial and Statistical report for November 2014 as presented for informational purposes only.
- MANAGER OF MARKETING AND MEMBER SERVICES Kim Bush, Manager of Marketing and Member Services, gave her report:
- LIHEAP /WINTER HARDSHIP LIHEAP – From November 1 to December 31 we have received approximately \$95,000 from Northeast (Carter, Lawrence, Elliott and Greenup Counties); Gateway – \$10,000; and Licking Valley approximately \$2,500. They still have money in this crisis phase. They are paying very well on pre-pay and if they are within 10 days of running out they will pay \$200.
- Winter hardship reconnects were down to 17. They can get a 30 day extension thru LIHEAP.
Prepay accounts have an average balance of \$52 credit, and daily average usage of 56 kWh. \$65,000 was paid over the last 30 days. Debt management totaled 40 accounts.
- AIRPORT ROAD SUBSTATION METER READING The meter reading on the Airport Road Substation was finished yesterday. President Fraley stated all consumers with satellites, birdhouses, antennas, etc. are receiving a door hanger with a message about their particular violation. Meters in side and safety violations will receive a letter from her. The guidelines for a meter pole are 25' in the ground, 5' in concrete, weatherhead within 18" of the top of the pole. They cannot put anything on that pole.
- Elliott County boy's basketball won the Touchstone Energy Classic.
- BANK PAYMENTS President Fraley said that the last payment date at local banks would be March 16. We have been analyzing this situation since July and we have several very good alternative options for payments. Our main concern is the confidentiality of account information. An occasional late payment has caused a member to be disconnected. In addition, we make trips to the bank to pick up the payments cards

BANK PAYMENTS
(CONTINUED)

President Fraley reported that in 2011 we received \$22,000 in e-checks and credit cards. In 2011 we took \$28,000 in e-checks and now it has increased to \$747,000. In July 2014 the following banks collected:

Peoples Security	\$ 14,000
Citizens Bank	\$ 9,700
KY Bank Sandy Hook	\$ 105,000
1 st National Bank	\$ 42,000
City National Bank	\$ 4,300
Pinnacle Bank – Lewis County	\$ 66,000
Commercial Bank	\$ 12,000
Lockbox on post out front	\$ 45,000
Mail and Cash Register	\$1,370,623

This month we have an article in our magazine and we are giving \$5 gift cards for members who sign up for automatic draft. We will have hand-outs at the banks listing the alternatives. We are also using direct mailings.

OPERATIONS REPORT

Kyle Clevenger, Manager of Operations gave the Operations Report. He reported on the following:

EMPLOYEE/LOST TIME
ACCIDENT

There were no lost time accidents to report this month.

SAFETY REPORT

The following safety meetings were held during December 2014:

December 01—Andrea McCleese, Technical Services Supervisor, turned the meeting over to Ann Altieri with Aflac Insurance. Ann went over changes in policies and talked individually with employees following the meeting.

December 08—Brian Poling, Mgr. of Technical Services, topic was Winter Slip and Fall Safety tips, and general Fall Prevention. The annual United Way breakfast meeting was held, as was the monthly safety give-a-way. Carol Fraley reminded everyone to be careful.

December 16—Priscilla Sparks, Executive Assistant, meeting was KAEC's monthly meeting. David White, KAEC Safety, showed the video "Storm Soldiers" and did a crew visit/ride along with Mark Hutchinson. Kippy reminded everyone to change out their gloves. Kyle told everyone to be careful.

December 22—Sherry Buckler, General Accounting Supervisor, was in charge of the meeting. Andrea read a piece written by Gary Coleman, Emergency Action Plans for Remote Locations. Mike followed with a discussion session.

December 29—Kim Bush, Mgr. of Marketing & Member Services, read pages 95-100 from the safety Manual, 407- Use and Care of Rubber Gloves.

CONSTRUCTION

Construction built ninety-one (91) new work orders for the month of December and worked eight (8) hour of overtime.

OVERTIME HOURS

The Maintenance Department worked fifty (50) hours of overtime during the month of December.

DELINQUENT NOTICES The Maintenance & Construction Departments collected on thirty-six (36) delinquent accounts and disconnected twenty (20) accounts in January.

CONTRACT CREWS There is one (1) Pike crew working in the following areas:

 Tony Seagraves – Airport Road to Corey Ridge, Carter County and New Construction

RIGHT-OF-WAY CREWS We have ten (10) W A Kendall right-of-way crews working on random jobs and work orders at this time. Crew's trimmed 941 trees, cut 1,635 trees, cut 36,305 feet of brush/line and sprayed 63 spans of line. The crews are working in the following areas:

 2 cutting crews in Carter, Lewis and Greenup Counties
 2 cutting crews in Elliott and Lawrence Counties
 1 bucket truck crew in Lawrence and Elliott Counties
 1 bucket truck crew in Carter County
 1 tractor crew in Carter County
 1 bucket crew in Lewis and Greenup Counties
 1 spray crew in Carter County
 1 circuit crew in Carter County

 1 Smith Tree Service, circuit crew in Carter County and are now are Frazier in Greenup County

ENGINEERING REPORT The Engineering Department released one hundred eighteen (118) prints consisting of 5,635 feet of primary line and 2,455 feet of service wire. They currently have three (3) new services to be staked, three (3) to be drawn and twelve (12) miscellaneous jobs to be staked or drawn.

STARK AND MALONETON JOBS We have two large construction jobs to start:
Maloneton below Schultz on the sawmill job and subdivision area.
Once the Grahn - Dudley job is finished, Pike will be moving to Stark.

The road job on ST RT 519 will have 24 poles with 21 on private property, so we may have to pay for 3 poles. President Fraley said the state has to pay for moving poles on private property. Larry Carrington is helping us with the surveying of this. He is working on his third set of prints from the state. The state will be paying for the engineering work.

APPROVAL OF NEW MEMBERSHIPS & RETIREMENT OF EXISTING MEMBERSHIPS Motion was made by Director Martin, seconded by Director Bentley and unanimously agreed to approve sixty-three (63) new memberships and retirement of ninety-one (91) existing memberships for December 2014.

BAD DEBT WRITE-OFFS Motion was made by Director Dupuy, seconded by Director Whitt and unanimously agreed to charge off \$5,170.37 worth of bad debts and turn them over for collection.

APPROVAL OF CEO'S, DIRECTOR'S & ATTORNEY BUSINESS EXPENSES Motion was made by Director Dupuy, seconded by Director Bentley and unanimously agreed to approve the President's business expense of \$333.59, Director's business expenses of \$15,597.89 and Attorney's business expense of \$2,180.97.

PRESIDENT'S REPORT	President Fraley reported on the following:
INSPECTION CHECK LIST	<p>Mike Martin and Kyle Clevenger met with Legal Counsel Scott in regards to non-outage call issues from members like ½ power, low voltage, blinks and power in only part of the house.</p> <p>A check list has been prepared and will be signed and attached to the service order or written directly on the work order. This required checklist will become part of the Administrative Guidelines. Legal Counsel Scott suggested that a statement be signed by all employees involved in this work.</p>
ELECTRICAL INSPECTIONS	<p>We are having issues with inspectors having different interpretations of state and local laws and ordinances. The state does not recognize a modular home. We were told that it is either a doublewide or a stick built house. The Cabinet said we cannot set a meter on the side of a doublewide home unless the member presents HUD specifications that allow it. All services for doublewides and mobile homes must be on a pole.</p> <p>We are changing our diagrams to only what pertains to GRECC. The diagram will also state that the state does not recognize a modular home. A letter regarding this matter will be mailed to the list of inspectors we have.</p>
MILEAGE RATE	Retroactive January 1, 2015, mileage rate increased from .56 cents per mile to .575 cents per mile, per John Dean's office.
DON COMBS RETIREMENT	Don Combs will be retiring Friday, March 6, 2015. His retirement will be open to the public from 2-4 p.m. with punch and cake served. A Retirement lunch will be held for Cooperative personnel and Don's family at 11:30 a.m.
SAFETY IMPROVEMENT PLAN	<p>President Fraley went over the Safety Improvement Plan which is required by RESAP. The issues to be addressed this year are:</p> <ol style="list-style-type: none">1. Employee involvement and participation2. Expectations and accountability on safety3. Incident investigation
LEGISLATIVE BREAKFAST	The Legislative Breakfast will be held in Frankfort on February 19 th .
AIRPORT ROAD SUB-STATION METER READINGS	We have read 900 plus meters in two days on the Airport Road Substation. Several retirement have been found.
DIRECTORS UPDATE CONFERENCE	The Directors Update Conference will be held in Reno, Nevada. No one will be attending.
SPRING MANAGER MEETING	The Spring Managers Meeting is April 21-22, 2015 in Bowling Green, KY.
GRECC APRIL BOARD MEETING	The GRECC April Board Meeting will be rescheduled from the 24 th to Monday the 27 th .
CFC'S VOTING DELEGATES FOR 2015 ANNUAL MEETING	Director Whitt will serve as the voting delegate to CFC's National Meeting in February and Director Dupuy will serve as the alternate delegate.

ACRE

Grayson RECC received an award for 100% Management in the ACRE program.

LEGAL COUNSEL'S
REPORT

Legal Counsel Scott reported on the following:

He mailed to the Commission a proposal deal with Morgan Stanley on the Amendment 3 matter. The actual rate is less than what it was before, therefore the savings would be greater. He sent a motion to Commission to have that contract treated as confidential until such time as everything is approved.

Mr. Scott mailed a number of collections letters.

He also met with Kim Bush, Kyle Clevenger, Bradley Cherry and Mike Martin on procedures for electrical inspections and a checkout list was to be created from this meeting. When an employee is sent on a non-outage service call like half- power, blinking power, or power in only part of the house or structure, the employee shall use the check list to document action taken and what he observed. The check list shall be attached to or made part of the Service Order.

President Fraley texted him to say that David Crews called and said our 15% was actually 9.8 megawatts based on the last three years, rather than the original 9.3 megawatts. He asked for the specific load to be served whether the substation was 9.8 megawatts or larger and when and what date would we want to start. Mr. Scott advised her at the Board Meeting that it would be fine to answer him that we do not have a specific load, the 9.8 MGW would be spread over current load and that we could be ready to start at any time.

Director Arrington and President Fraley were at the January 6 EKPC Board Meeting and EKP decide to take up a discussion of our proposal on the October Meeting we had with them and formally looked at it. They did not handle the discussion very well and President Fraley took the opportunity to explain the situation from our point of view to the entire Board.

President Fraley and Director Arrington made it clear that we did not think the Board was getting both sides of the story and made it a point to emphasize to the Board that our Members are our main concern and our actions were taken on their behalf.

President Fraley said that a counter proposal was sent to Chairman Trent, from Paul Hawkins, Chairman of the Board for EKC dated January 15, 2015. Our other Directors received their copy on Saturday, January 17, 2015. Legal Counsel explained this proposal violated ethical standards. The letter was signed sincerely Paul Hawkins, but apparently was not prepared by him. Legal Counsel Scott telephoned David Samford to express his displeasure and what he thought was wrong.

Legal Counsel Scott asked for Executive Session. Motion was made to go into Executive Session at 11:10 a.m. The Chairman recessed the Executive Session at 11:52 a.m.

Chairman Trent recessed the meeting for lunch at 11:55 a.m.

Chairman Trent called the Meeting to order following lunch at 12:39 p.m.

KAEC DIRECTOR'S
REPORT

Director reported he attended the KAEC Board Meeting this month.

Three new board members were seated as director representatives from their respective cooperatives. They are:

- a. Rebecca Goad, Warren RECC
- b. Ronnie Smith, Farmers RECC
- c. Troy English, West Kentucky RECC.

Jennifer Smart of Stoll, Keenon and Ogden, spoke to the board about the current situation between the Department of Revenue and Warren RECC regarding sales tax on software purchases. The Department of Revenue first ruled that the software was not taxable, and then reversed its ruling to state that it is taxable because it is not "customized" software. Ms. Smart outlined steps to be taken to argue the matter, and appeal the decision.

Nominating Committee Chairman, Greg Grissom, requested that individuals interested in running for the board of NRECA notify him of their interest, and include a resume of their qualifications. The candidates will be considered and the election will be held during the July board meeting.

Greg Grissom reported on a meeting of the KAEC Board Nominating Committee held earlier that morning wherein the committee reviewed needed assignments to KAEC Board Committee.

The February Board Meeting will be held at the Holiday Inn Capital Plaza (Caucus Room) in Frankfort on the 19th at 10:15 a.m. Prior to the Board Meeting KAEC will host a breakfast from 7:30 a.m. to 9:30 a.m. at the Capitol Annex cafeteria for our legislators.

EKPC DIRECTOR'S REPORT

Director Arrington said his report had been covered in Executive Session.

THANK YOU NOTES

GRECC received thank you notes from Girl Scout Troop 7409, Rowan County Christmas, Grahn School Community Center, Elliott County Christian Community Center, Lewis County Educational Foundation, Shop with a Cop and Paul Embs.

DONATIONS

President Fraley presented to the Board for their consideration the following donation requests:

Blaine Elementary School -8 th grade field trip –Smokey Mts., TN	\$250
Paramount Arts Center – ad	\$80
Sarah's Place Women's Resource Center, Securing the Future	\$100

Motion was made by Director Dupuy, seconded by Director Whitt and unanimously agreed to approve the donations as presented.

MEETING ATTENDANCE

Kyle Clevenger and Jamey Withrow will be attending a Superintendent & Foreman Conference in Bowling Green January 28-30th.

Kyle Clevenger and Mike Martin will be attending a Storm Coordination Workshop February 6th.

Directors Trent, Whitt, Bentley, and Dupuy will be attending the NRECA Annual Meeting in Orlando, FL from February 22-25, 2015.

NO CONFLICT OF
INTEREST STATEMENT

The No Conflict of Interest Statement will be handed out to each Director at the February 2014 Board Meeting.

BOARD MEETING DATE	The next board meeting will be held on Friday, February 27, 2015.
ADDITIONAL BUSINESS	President Fraley's appraisal is due. Evaluations and her year-end report and goals will be mailed to Directors this month and should be returned to Jeff Scott before the February Board Meeting.
ADJOURN	Chairman Trent adjourned the meeting at 12:53 p.m.

Roger L. Trent, Chairman

Billy E. (Eddie) Martin, Secretary/Treasurer

W. Jeffrey Scott, Legal Counsel

Minutes of the Executive Session of the January 23, 2015 GRECC Board Meeting

On January 23, 2015 Grayson Rural Electric Cooperative Corporation held an executive session during its regular board meeting.

EXECUTIVE SESSION

Director Martin made a motion, seconded by Director Whitt, to go into Executive Session at 11:09 a.m. and unanimously agreed upon.

Matters concerning East Kentucky Power Cooperative were thoroughly discussed.

Motion was made by Director Martin, seconded by Director Arrington and unanimously voted to come out of Executive Session at 11:52 a.m.

Roger L. Trent, Chairman

Billy E. (Eddie) Martin, Secretary/Treasurer

W. Jeffrey Scott, Legal Counsel

DIRECTORS & ATTORNEY EXPENSES

December-14

KENNETH ARRINGTON

Per Diem	- GRECC Bd. Mtg. (12/19)	\$ 264.80
MISC	- Christmas Gift - Walmart	25.00
VISA	- KAEC Annual Mtg.	360.42
	Cash in Lieu of Insurance	637.63
	24 – Hr. Insurance	0.70
TOTAL	-	\$ 1,288.55

JIM BENTLEY

Per Diem	- NRECA Directors Winter School (12/15-17); GRECC Bd. Mtg. (12/19)	\$ 1,146.64
MISC	- Christmas Gift - Walmart	25.00
VISA	- NRECA Directors Winter School	300.88
	KAEC Annual Mtg.	360.42
NRECA	- Directors Winter School	1,176.00
	Cash in Lieu of Insurance	637.63
	24-Hr. Insurance	1.08
TOTAL	-	\$ 3,647.65

HAROLD DUPUY

Per Diem	- NRECA Directors Winter School (12/15-17); GRECC Bd. Mtg. (12/19)	\$ 1,762.13
MISC	- Christmas Gift - Walmart	25.00
VISA	-	0.00
NRECA	- Directors Winter School	1,176.00
	Cash in Lieu of Insurance	637.63
	24-Hr. Insurance	0.70
TOTAL	-	\$ 3,601.46

EDDIE MARTN

Per Diem	GRECC Bd. Mtg. (12/19)	\$ 208.96
MISC	- Christmas Gift - Walmart	25.00
VISA	-	0.00
	Cash in Lieu of Insurance	637.63
	24 – Hr. Insurance	1.08
TOTAL	-	\$ 872.67

WILLIAM T. RICE

Per Diem	GRECC Bd. Mtg. (12/19)	\$ 242.40
MISC	Christmas Gift - Walmart	25.00
VISA	- NRECA Directors Winter School	713.83
	- KAEC Annual Mtg.	690.84
	- Cash in Lieu of Insurance	637.63
TOTAL	24 – Hr. Insurance	0.49
-		<u><u>\$ 2,310.19</u></u>

ROGER TRENT

Per Diem	NRECA Directors Winter School (12/13-17); GRECC Bd. Mtg. (12/19)	\$ 1,693.78
MISC	Christmas Gift - Walmart	25.00
VISA	- NRECA Directors Winter School	959.68
	- KAEC Annual Mtg.	330.42
NRECA	Directors Winter School	1,176.00
	- Cash in Lieu of Insurance	637.63
TOTAL	24 – Hr. Insurance	0.49
-		<u><u>\$ 4,823.00</u></u>

JIMMY WHITT

Per Diem	NRECA Directors Winter School (12/11-13); KAEC Bd. Mtg. (12/15);	
	- GRECC Bd. Mtg. (12/19)	\$ 1,574.56
MISC	Christmas Gift - Walmart	25.00
VISA	- NRECA Directors Winter School	551.42
	- KAEC Annual Mtg.	360.42
	KAEC Bd. Mtg.	181.37
NRECA	Directors Winter School	1,483.00
	- Cash in Lieu of Insurance	637.63
TOTAL	24 – Hr. Insurance	1.08
-		<u><u>\$ 4,814.48</u></u>

JEFF SCOTT

Out-of-Pocket	Postage (44) Collection Letters	\$ 21.56
	- Postage PSC Mailing	34.24
	Court Filing Fee (A. Carper)	13.00
	Elec Coop Bar Assoc Dues	375.00
MISC	Christmas Gift - Walmart	25.00
VISA	- KAEC Annual Mtg.	365.84
NRECA	2014 G&T Legal Seminar	1,095.00
KAEC	Attorney Mtg.	70.50
TOTAL	-	<u><u>\$ 2,000.14</u></u>
-		

Combs Report – Final Edition

February 16, 2015

KWH Sales & Purchases: Dec 2014 - Pages 2-5

Sales: Month: 1.47% under Budget (12/21 – 1/20)
YTD : 1.08 % under Budget
Last Year to Date: 1.08 % less

Purchases: Month: 8.57 % Over Budget (12/1 – 12/31)
YTD: .10 % under Budget

Line Loss : Month: -7.31 %
YTD: 5.37 %
Last 12 Months: 5.37 %

Form 7: Dec 2014

Electric Revenue LESS Purchased Power:	\$ 208,496 Less
Operations Expense	\$ 35,831 Less
Maintenance Expense	\$ 65,930 More
Admin & General	\$ 26,484 More
Margins	\$ 255,875 Less

Form 7: Year to Date

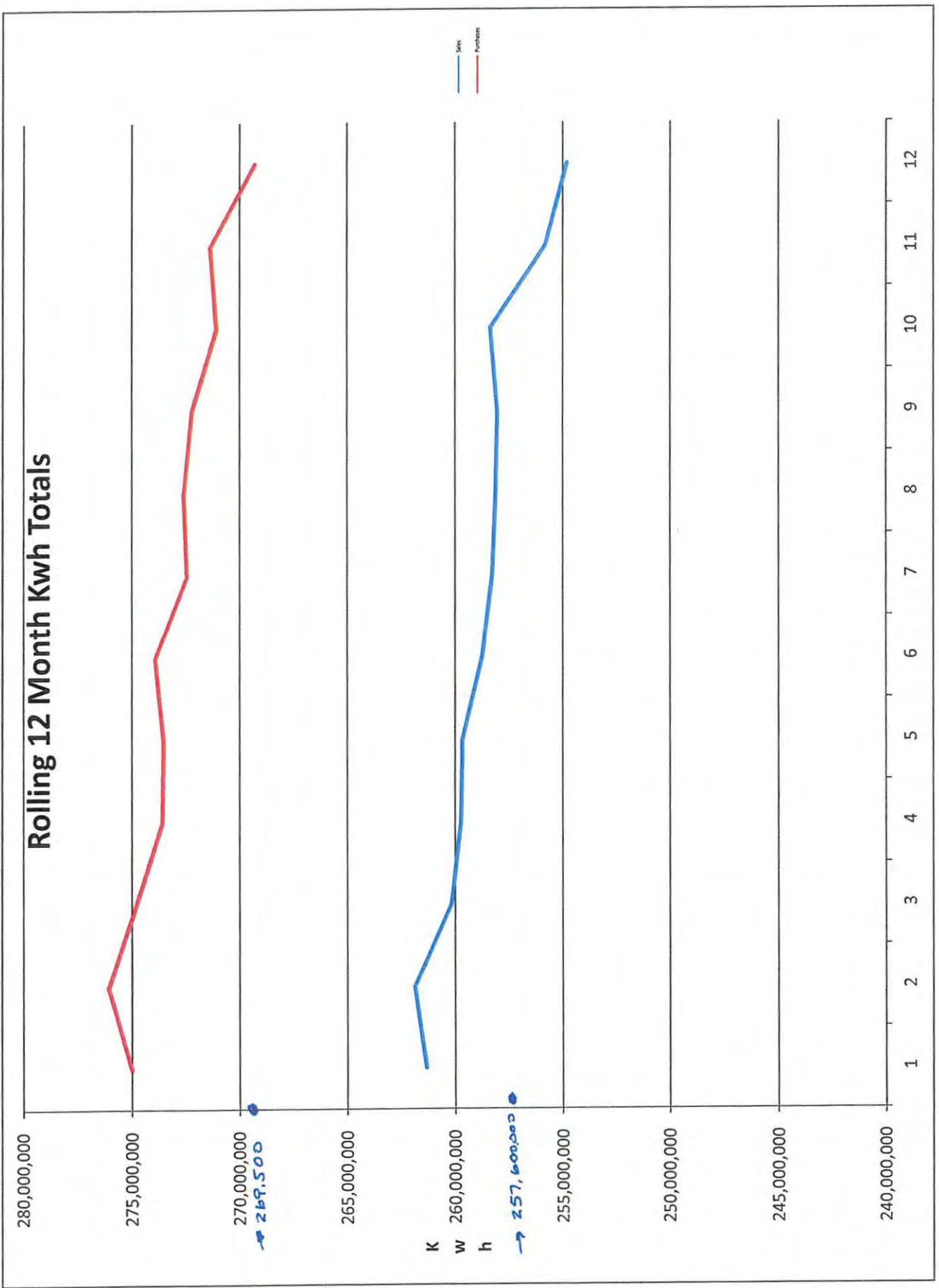
Margins :	\$ 422,,076
Budgeted:	\$ 1,831,281

Monthly & Annual Reports:

Other Items:

- PSC
 - Modifications to Schedules 3 & 14(b)
 - ESC Review
 - FAC EKPC- intervention
 - ESC EKPC - intervention

Rolling 12 Month Kwh Totals



2014	TOTAL SALES					
	Actual			Budget		
	KWH	\$	UNIT		\$	
JANUARY	31,244,541	\$ 3,777,343	0.1209	28,009,108	\$ 3,578,595	0.1278
FEBRUARY	23,826,394	\$ 2,944,805	0.1236	21,890,454	\$ 2,764,381	0.1263
MARCH	19,263,071	\$ 2,324,304	0.1207	19,207,928	\$ 2,365,786	0.1232
APRIL	15,268,670	\$ 2,005,562	0.1314	15,827,212	\$ 1,947,159	0.1230
MAY	18,650,959	\$ 2,399,754	0.1287	18,765,432	\$ 2,344,016	0.1249
JUNE	20,191,482	\$ 2,602,552	0.1289	20,816,383	\$ 2,605,635	0.1252
JULY	19,368,740	\$ 2,496,062	0.1289	22,593,137	\$ 2,815,549	0.1246
AUGUST	19,401,186	\$ 2,485,238	0.1281	19,506,135	\$ 2,393,154	0.1227
SEPTEMBER	15,741,901	\$ 2,046,722	0.1300	16,851,412	\$ 2,047,083	0.1215
OCTOBER	20,486,774	\$ 2,565,285	0.1252	20,663,225	\$ 2,559,573	0.1239
NOVEMBER	23,782,057	\$ 2,918,164	0.1227	25,465,732	\$ 3,211,249	0.1261
DECEMBER	27,592,355	\$ 3,192,923	0.1157	28,003,462	\$ 3,570,771	0.1275
	254,818,130	\$31,758,714	\$0.1246	257,599,620	\$32,202,952	\$0.1250

Actual vs. Budget				
27,592,355	Month	2014	28,003,462	-1.47%
254,818,130	YTD		257,599,620	-1.08%
Compared to 2013				
27,592,355	Month		26,328,402	4.80%
254,818,130	YTD		257,599,620	-1.08%

2014	TOTAL PURCHASES						Budget		
	DEMAND	KWH	\$	UNIT	LD.FCT				
JANUARY	80,022	34,019,417	\$ 2,475,095	0.0728	59.05%	29,677,694	\$2,107,116	0.0710	
FEBRUARY	68,166	26,958,772	\$ 1,966,923	0.0730	54.93%	26,585,095	\$1,911,468	0.0719	
MARCH	61,876	25,169,343	\$ 1,735,123	0.0689	56.50%	23,013,938	\$1,635,465	0.0711	
APRIL	47,798	16,991,826	\$ 1,326,474	0.0781	49.37%	17,891,075	\$1,341,831	0.0750	
MAY	38,216	17,949,402	\$ 1,355,831	0.0755	65.23%	18,040,542	\$1,407,162	0.0780	
JUNE	48,040	20,531,862	\$ 1,616,862	0.0787	59.36%	20,307,811	\$1,584,009	0.0780	
JULY	48,723	21,135,450	\$ 1,653,014	0.0782	60.25%	23,177,771	\$1,715,155	0.0740	
AUGUST	44,418	21,334,747	\$ 1,615,983	0.0757	66.71%	22,867,738	\$1,692,213	0.0740	
SEPTEMBER	45,904	17,779,219	\$ 1,389,136	0.0781	53.79%	18,197,539	\$1,364,815	0.0750	
OCTOBER	31,812	17,685,439	\$ 1,222,188	0.0691	77.21%	18,997,141	\$1,310,803	0.0690	
NOVEMBER	60,286	24,018,661	\$ 1,739,051	0.0724	55.33%	22,669,273	\$1,609,518	0.0710	
DECEMBER	50,873	25,712,555	\$ 1,827,391	0.0711	70.20%	28,123,137	\$1,996,743	0.0710	
		\$269,286,693	\$ 19,923,071	\$0.0740		269,548,753	\$19,676,298	\$0.0730	

Actual vs. Budget			
25,712,555	Month	2014	28,123,137 -8.57%
269,286,693	YTD		269,548,753 -0.10%

2014	GROSS MARGINS							
	Actual	Budget	Variance	Line Loss	Fuel Adj.	Fuel Adj. \$	ESC Rate	ESC \$
JANUARY	\$1,302,248	\$ 1,471,478	(\$169,230)	8.16%	(0.001326)	(41,181)	8.54%	337,194
FEBRUARY	\$977,882	\$ 852,912	\$124,970	11.62%	0.001326 -	30,962	6.47%	297,536
MARCH	\$589,181	\$ 730,322	(\$141,141)	23.47%	0.000541	10,578	3.31%	75,222
APRIL	\$679,088	\$ 605,328	\$73,760	10.14%	0.002792	42,338	7.06%	131,520
MAY	\$1,043,923	\$ 936,854	\$107,069	-3.91%	0.002779	51,841	8.15%	180,505
JUNE	\$985,690	\$ 1,021,626	(\$35,936)	1.66%	0.002402	48,627	9.51%	225,526
JULY	\$843,048	\$ 1,100,394	(\$257,346)	8.36%	0.002557	49,482	9.39%	214,114
AUGUST	\$869,255	\$ 700,941	\$168,314	9.06%	0.002715	52,632	8.60%	196,851
SEPTEMBER	\$657,586	\$ 682,268	(\$24,682)	11.46%	0.002775	43,675	7.56%	143,988
OCTOBER	\$1,343,097	\$ 1,248,771	\$94,326	-15.84%	(0.000148)	(1,929)	8.05%	190,710
NOVEMBER	\$1,179,113	\$1,601,731	(\$422,618)	0.99%	(0.002381)	(55,572)	9.22%	245,467
DECEMBER	\$1,365,532	\$1,574,028	(\$208,496)	-7.31%	(0.000800)	(217,516)	10.02%	290,093
			(\$691,011)	5.37%	0.001103	13,937	7.99%	2,528,726

2014	RESIDENTIAL							GENERAL						
	Actual			Budget				Actual			Budget			
	\$	UNIT			\$			KWH	\$	UNIT			\$	
JANUARY	23,401,857	2,939,677	0.1256	20,792,087	\$ 2,765,348	0.1330		681,215	\$ 136,246	0.2000	564,107	\$ 135,386	0.2400	
FEBRUARY	17,084,278	2,207,715	0.1292	15,622,081	\$ 2,077,737	0.1330		493,857	\$ 109,092	0.2209	439,271	\$ 105,425	0.2400	
MARCH	13,035,580	1,671,845	0.1283	12,799,237	\$ 1,689,499	0.1320		398,809	\$ 95,165	0.2386	382,294	\$ 91,751	0.2400	
APRIL	9,745,027	1,367,604	0.1403	10,232,273	\$ 1,350,660	0.1320		337,372	\$ 92,002	0.2727	331,487	\$ 79,557	0.2400	
MAY	12,024,716	1,658,367	0.1379	12,525,807	\$ 1,660,922	0.1326		443,982	\$ 110,210	0.2482	444,589	\$ 106,701	0.2400	
JUNE	13,427,647	1,845,197	0.1374	14,079,188	\$ 1,866,900	0.1326		521,563	\$ 123,111	0.2360	516,513	\$ 123,963	0.2400	
JULY	12,491,457	1,729,995	0.1385	15,238,010	\$ 2,020,560	0.1326		516,350	\$ 125,092	0.2423	538,893	\$ 129,334	0.2400	
AUGUST	12,526,297	1,723,915	0.1376	12,506,392	\$ 1,650,844	0.1320		512,774	\$ 124,651	0.2431	461,574	\$ 110,778	0.2400	
SEPTEMBER	9,685,539	1,367,012	0.1411	10,428,511	\$ 1,376,563	0.1320		400,376	\$ 107,715	0.2690	402,683	\$ 96,644	0.2400	
OCTOBER	14,074,367	1,857,204	0.1320	13,912,520	\$ 1,844,800	0.1326		491,482	\$ 119,433	0.2430	480,514	\$ 115,323	0.2400	
NOVEMBER	17,004,843	2,183,889	0.1284	18,405,624	\$ 2,444,267	0.1328		559,562	\$ 128,108	0.2289	532,848	\$ 127,884	0.2400	
DECEMBER	20,195,395	2,446,537	0.1211	20,481,433	\$ 2,725,331	0.1331		659,428	\$ 138,703	0.2103	646,457	\$ 155,150	0.2400	
	174,697,003	22,998,957	\$0.1317	177,023,164	23,473,432	\$0.1326		6,016,770	\$1,409,528	\$0.2343	5,741,230	\$1,377,895	\$0.2400	
				177,023,164		-1%					5,741,230		5%	



2014	SMALL COMMERCIAL						LARGE POWER					
	Actual			Budget			Actual			Budget		
	KWH	\$	UNIT	KWH	\$	UNIT	KWH	\$	UNIT	KWH	\$	UNIT
JANUARY	1,936,089	\$ 256,026	0.1322	1,711,915	\$ 239,668	0.1400	2,718,889	\$ 272,936	0.1004	2,752,670	\$ 289,030	0.1050
FEBRUARY	1,539,488	\$ 211,031	0.1371	1,378,502	\$ 192,990	0.1400	2,299,480	\$ 245,461	0.1067	2,303,552	\$ 241,873	0.1050
MARCH	1,293,583	\$ 176,338	0.1363	1,280,562	\$ 179,279	0.1400	2,176,208	\$ 227,550	0.1046	2,221,205	\$ 233,227	0.1050
APRIL	1,143,338	\$ 168,299	0.1472	1,124,727	\$ 157,462	0.1400	2,060,842	\$ 231,681	0.1124	2,099,745	\$ 220,473	0.1050
MAY	1,346,412	\$ 194,168	0.1442	1,341,444	\$ 187,802	0.1400	2,547,758	\$ 270,145	0.1060	2,307,840	\$ 242,323	0.1050
JUNE	1,376,789	\$ 199,317	0.1448	1,406,207	\$ 196,869	0.1400	2,435,792	\$ 258,935	0.1063	2,436,816	\$ 255,866	0.1050
JULY	1,333,914	\$ 194,402	0.1457	1,472,485	\$ 206,148	0.1400	2,376,528	\$ 257,140	0.1082	2,588,510	\$ 271,794	0.1050
AUGUST	1,347,145	\$ 194,903	0.1447	1,328,794	\$ 186,031	0.1400	2,299,679	\$ 250,367	0.1089	2,456,946	\$ 257,979	0.1050
SEPTEMBER	1,155,343	\$ 170,480	0.1476	1,158,570	\$ 162,200	0.1400	2,001,352	\$ 221,670	0.1108	2,181,826	\$ 229,092	0.1050
OCTOBER	1,330,512	\$ 187,661	0.1410	1,244,897	\$ 174,286	0.1400	2,171,522	\$ 234,235	0.1079	2,245,620	\$ 235,790	0.1050
NOVEMBER	1,556,806	\$ 211,933	0.1361	1,488,622	\$ 208,407	0.1400	2,261,155	\$ 235,361	0.1041	2,370,487	\$ 248,901	0.1050
DECEMBER	1,753,511	\$ 225,798	0.1288	1,688,552	\$ 236,397	0.1400	2,468,108	\$ 233,401	0.0946	2,724,840	\$ 286,108	0.1050
	17,112,930	\$2,390,356	\$0.1397	16,625,277	\$2,327,539	\$0.1400	27,817,313	\$2,938,882	\$0.1056	28,690,057	\$3,012,456	\$0.1050
				16,625,277	3%					28,690,057	-3%	

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2014	LARGE INDUSTRIAL						STREET LIGHTING					
	Actual			Budget			Actual			Budget		
	KWH	\$	UNIT	KWH	\$	UNIT	KWH	\$	UNIT	KWH	\$	UNIT
JANUARY	2,502,247	\$ 171,820	0.0687	2,184,084	\$ 148,518	0.0680	4,244	\$ 638	0.1503	4,244	\$ 645	0.1520
FEBRUARY	2,405,047	\$ 170,868	0.0710	2,142,803	\$ 145,711	0.0680	4,244	\$ 638	0.1503	4,244	\$ 645	0.1520
MARCH	2,354,647	\$ 152,791	0.0649	2,520,386	\$ 171,386	0.0680	4,244	\$ 615	0.1449	4,244	\$ 645	0.1520
APRIL	1,977,847	\$ 145,328	0.0735	2,034,736	\$ 138,362	0.0680	4,244	\$ 648	0.1527	4,244	\$ 645	0.1520
MAY	2,283,847	\$ 166,210	0.0728	2,141,507	\$ 145,622	0.0680	4,244	\$ 654	0.1541	4,244	\$ 645	0.1520
JUNE	2,425,447	\$ 175,331	0.0723	2,373,415	\$ 161,392	0.0680	4,244	\$ 661	0.1557	4,244	\$ 645	0.1520
JULY	2,646,247	\$ 188,772	0.0713	2,750,995	\$ 187,068	0.0680	4,244	\$ 661	0.1557	4,244	\$ 645	0.1520
AUGUST	2,711,047	\$ 190,745	0.0704	2,748,185	\$ 186,877	0.0680	4,244	\$ 657	0.1548	4,244	\$ 645	0.1520
SEPTEMBER	2,495,047	\$ 179,194	0.0718	2,675,579	\$ 181,939	0.0680	4,244	\$ 651	0.1534	4,244	\$ 645	0.1520
OCTOBER	2,414,647	\$ 166,112	0.0688	2,775,431	\$ 188,729	0.0680	4,244	\$ 640	0.1508	4,244	\$ 645	0.1520
NOVEMBER	2,395,447	\$ 158,236	0.0661	2,663,907	\$ 181,146	0.0680	4,244	\$ 637	0.1501	4,244	\$ 645	0.1520
DECEMBER	2,511,647	\$ 147,871	0.0589	2,457,937	\$ 167,140	0.0680	4,266	\$ 613	0.1437	4,244	\$ 645	0.1520
	29,123,164	\$2,013,278	\$0.0691	29,468,964	\$2,003,890	\$0.0680	50,950	\$7,713	\$0.1514	50,928	\$7,741	\$0.1520
				29,468,964		-1%						

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Month	Heating Degree Days								
	normal	2014	change from	2013	2012	2011	2010	2009	2008
January	990	1175	6%	905	850	1124	1128	1128	1004
February	787	908	15%	828	717	737	1006	757	848
March	606	714	166%	799	300	568	563	522	645
April	312	202	4%	296	284	220	196	316	319
May	111	89	161%	81	31	145	72	89	139
June	8	0	0%	0	16	0	0	9	0
July	0	2	0%	0	0	0	0	3	0
August	0	0	0%	1	0	0	0	3	0
September	51	28	-77%	17	73	82	29	27	2
October	271	219	-19%	264	327	319	205	377	273
November	562	759	-3%	642	660	450	536	502	658
December	900	815	16%	831	714	746	1158	918	899
Annual Total	<u>4598</u>	<u>4911</u>		<u>4664</u>	<u>3972</u>	<u>4391</u>	<u>4893</u>	<u>4651</u>	<u>4787</u>
Year to Date	4598	4911		4664	3972	4391	4893	4651	4787
		5.3%							

Month	Cooling Degree Days				2012	2011	2010	2009	2008
	normal	2014	change from >>>>>>2013						
January	0	0	0%		0	0	0	0	0
February	0	0	0%		0	0	0	0	0
March	0	0	0%		34	0	0	0	0
April	21	15	-50%	30	15	4	38	0	40
May	83	138	12%	123	153	121	135	80	32
June	242	305	13%	269	249	260	356	275	273
July	341	264	-12%	301	484	455	412	226	334
August	322	345	9%	316	295	326	415	266	305
September	145	166	2%	163	125	113	210	136	203
October	23	26	-41%	44	7	6	19	5	40
November	0	0	0%	0	0	1	0	0	0
December	0	0	0%	0	0	0	0	0	0
Annual Total	<u>1177</u>	<u>1259</u>		<u>1246</u>	<u>1362</u>	<u>1286</u>	<u>1585</u>	<u>988</u>	<u>1227</u>
Year to Date	1177	1259		1246	1362	1285	1585	988	1227
		1%							

Customers by Rate Class

	Dec-08 Number	Dec-10 Number	Dec-11 Number	Dec-12 Number	Dec-13 Number	Dec-14 Number	Customer Change since 12/08	Customer Change ytd
Residential								
10 Trailer-Electric	2,919	2,839	2741	2677	2662	2604	-10.79%	-2.18%
11 House-Gas	3,709	3,556	3376	3290	3225	3043	-17.96%	-5.64%
13 Trailer-Gas	934	842	789	788	761	705	-24.52%	-7.36%
14 House-Electric	5,574	5,800	5720	5680	5701	5562	-0.22%	-2.44%
20	2	0	0	0	0	0		
61 S/L only	102	107	100	100	109	102	0.00%	-6.42%
	<u>13,240</u>	<u>13,144</u>	<u>12,726</u>	<u>12,535</u>	<u>12,458</u>	<u>12,016</u>	<u>-9.24%</u>	<u>-3.55%</u>
Camps & Barns								
12 Camps & Barns (old)	1,143	1,100	816	571	521	446	-60.98%	-14.40%
15 Camps			59	184	213	261		
16 Barns			218	325	355	402		
17 Garages, Out Buildings			255	396	438	734		
18 Meters on Poles			108	134	137	167		
19 Un-inhabitable Houses			25	28	32	32		
20 Miscellaneous			0	2	4	17		
	<u>1,143</u>	<u>1,100</u>	<u>1,481</u>	<u>1,640</u>	<u>1,700</u>	<u>2,059</u>	<u>80.14%</u>	<u>21.12%</u>
Small Commercial								
18 Church (tax exempt) -	88	1						
25 Commercial	1,050	1,018	960	939	969	970	-7.62%	0.10%
26 S/L only	5	5	12	12	12	10		
28 Church (taxable)	79	163	161	158	162	161		
	<u>1,222</u>	<u>1,187</u>	<u>1133</u>	<u>1109</u>	<u>1143</u>	<u>1141</u>	<u>-6.63%</u>	<u>-0.17%</u>
Large Power								
46 Commercial	67	66	68	68	70	69	2.99%	-1.43%
47 Water Pumping Facility	1	1	1	1	1	1	0.00%	0.00%
79 All Electric School	6	7	7	8	8	7	16.67%	-12.50%
	<u>74</u>	<u>74</u>	<u>76</u>	<u>77</u>	<u>79</u>	<u>77</u>	<u>4.05%</u>	<u>-2.53%</u>
Industrial								
74 Smithfield / Prison	1	1	1	2	2	2	100.00%	0.00%
Street Lights								
57	1	1	1	1	1	1	0.00%	0.00%
	<u>15,681</u>	<u>15,507</u>	<u>15,418</u>	<u>15,364</u>	<u>15,383</u>	<u>15,296</u>	<u>-2.46%</u>	<u>-0.57%</u>

Monthly Load Factors

Purchases	DEMAND	KWH	\$	UNIT	LD.FCT	YTD.AVG
2010 January	63,341	33,424,784	\$ 2,255,038	\$ 0.0675	73%	
February	57,670	29,219,860	\$ 2,024,380	\$ 0.0693	70%	
March	56,737	23,202,333	\$ 1,533,361	\$ 0.0661	57%	67%
April	36,431	17,288,222	\$ 964,540	\$ 0.0558	66%	67%
May	42,585	18,670,712	\$ 1,080,671	\$ 0.0579	61%	65%
June	49,826	22,982,666	\$ 1,477,215	\$ 0.0643	64%	65%
July	52,282	25,442,090	\$ 1,729,418	\$ 0.0680	68%	66%
August	55,632	24,772,006	\$ 1,690,912	\$ 0.0683	62%	65%
September	47,505	18,731,845	\$ 1,291,562	\$ 0.0690	55%	64%
October	49,588	22,320,222	\$ 1,375,048	\$ 0.0616	63%	64%
November	40,027	18,111,221	\$ 1,098,058	\$ 0.0606	63%	
December	69,330	33,300,056	\$ 2,238,111	\$ 0.0672	67%	
	<u>620,954</u>	<u>287,466,017</u>	<u>\$ 18,758,314</u>	<u>\$ 0.0653</u>	<u>64%</u>	
2011 January	66,761	32,080,464	\$ 2,272,447	\$ 0.0708	67%	
February	68,052	24,655,768	\$ 1,727,830	\$ 0.0701	50%	
March	46,648	22,820,040	\$ 1,436,708	\$ 0.0630	68%	62%
April	42,991	17,435,848	\$ 1,224,685	\$ 0.0702	56%	60%
May	47,413	18,743,821	\$ 1,295,329	\$ 0.0691	55%	59%
June	48,854	20,458,633	\$ 1,536,216	\$ 0.0751	58%	59%
July	52,856	25,571,688	\$ 1,816,645	\$ 0.0710	67%	60%
August	51,273	17,974,880	\$ 1,365,353	\$ 0.0760	49%	59%
September	42,592	19,190,134	\$ 1,366,901	\$ 0.0712	63%	59%
October	42,592	19,190,134	\$ 1,366,901	\$ 0.0712	63%	60%
November	50,478	21,100,143	\$ 1,611,989	\$ 0.0764	58%	59%
December	54,190	25,977,715	\$ 1,885,258	\$ 0.0726	67%	60%
	<u>614,700</u>	<u>265,199,268</u>	<u>\$ 18,906,262</u>	<u>\$ 0.0713</u>	<u>60%</u>	<u>60%</u>
2012 January	54,266	27,569,890	\$ 1,958,185	0.0710	71%	
February	56,717	23,993,230	\$ 1,707,702	0.0712	59%	
March	48,681	19,081,833	\$ 1,353,117	0.0709	54%	61%
April	39,286	17,301,235	\$ 1,175,202	0.0679	61%	61%
May	46,817	18,903,170	\$ 1,368,279	0.0724	56%	60%
June	56,468	20,243,026	\$ 1,547,427	0.0764	50%	58%
July	56,343	24,794,000	\$ 1,770,804	0.0714	61%	59%
August	50,392	21,874,421	\$ 1,562,153	0.0714	60%	59%
September	44,985	18,054,034	\$ 1,354,759	0.0750	56%	59%
October	39,872	19,126,602	\$ 1,385,833	0.0725	67%	59%
November	51,884	23,642,618	\$ 1,800,485	0.0762	63%	59%
December	52,118	25,619,863	\$ 1,954,640	0.0763	68%	61%
	<u>597,829</u>	<u>260,203,922</u>	<u>\$ 18,938,586</u>	<u>\$ 0.0728</u>	<u>61%</u>	
2013 January	60,229	28,581,771	\$ 2,005,585	0.0702	66%	66%
February	56,994	25,865,070	\$ 1,840,912	0.0712	63%	64%
March	56,184	26,448,451	\$ 1,845,738	0.0698	65%	65%
April	47,039	18,207,168	\$ 1,392,200	0.0765	54%	62%
May	42,351	18,007,323	\$ 1,407,738	0.0782	59%	61%
June	46,826	20,149,631	\$ 1,583,261	0.0786	60%	61%
July	50,501	22,598,775	\$ 1,657,141	0.0733	62%	61%
August	48,310	21,190,754	\$ 1,553,012	0.0733	61%	61%
September	47,042	18,161,664	\$ 1,360,442	0.0749	54%	60%
October	38,294	18,822,529	\$ 1,279,277	0.0680	68%	61%
November	56,145	23,732,361	\$ 1,711,043	0.0721	59%	60%
December	56,465	27,783,236	\$ 2,003,502	0.0721	68%	62%
	<u>606,380</u>	<u>269,548,753</u>	<u>\$ 19,639,851</u>	<u>\$ 0.0729</u>	<u>62%</u>	
2014 January	80,022	34,019,417	\$ 2,475,095	0.0728	59%	59%
February	68,166	26,958,772	\$ 1,966,923	0.0730	55%	57%
March	61,876	25,169,343	\$ 1,735,123	0.0689	56%	57%
April	47,798	16,991,826	\$ 1,326,474	0.0781	49%	55%
May	38,216	17,949,402	\$ 1,355,831	0.0755	65%	57%
June	48,040	20,531,862	\$ 1,616,862	0.0787	59%	57%
July	48,723	21,135,450	\$ 1,653,014	0.0782	60%	58%
August	44,418	21,334,747	\$ 1,615,983	0.0757	67%	59%
September	45,904	17,779,219	\$ 1,389,136	0.0781	54%	58%
October	31,812	17,685,439	\$ 1,222,188	0.0691	77%	60%
November	60,286	24,018,661	\$ 1,739,051	0.0724	55%	60%
December	50,873	25,712,555	\$ 1,827,391	0.0711	70%	61%
	<u>626,134</u>	<u>269,286,693</u>	<u>\$ 19,923,071</u>	<u>\$ 0.0740</u>	<u>61%</u>	

Monthly Operating Rev & Exp

	December 2013	January 2014	February 2014	March 2014	April 2014	May 2014	June 2014	July 2014	August 2014	September 2014	October 2014	November 2014	December 2014
Revenue	(3,668,236)	(3,876,546)	(3,048,089)	(2,418,497)	(2,089,942)	(2,476,940)	(2,687,648)	(2,579,178)	(2,571,883)	(2,129,236)	(2,644,213)	(3,012,795)	(3,293,995)
Purchased Power	2,003,502	2,475,095	1,966,923	1,735,123	1,326,474	1,355,831	1,616,862	1,653,014	1,615,983	1,389,136	1,222,188	1,739,051	1,827,391
Gross Margins	(1,664,734)	(1,401,451)	(1,081,166)	(683,374)	(763,468)	(1,121,109)	(1,070,786)	(926,164)	(955,900)	(740,100)	(1,422,025)	(1,273,744)	(1,466,604)
Operations	75,862	109,852	84,215	75,058	105,786	104,645	104,541	103,937	110,492	122,294	108,132	66,163	64,997
Maintenance	242,016	229,775	696,703	264,505	279,233	283,806	388,602	292,633	333,539	280,083	314,514	342,834	328,229
Customer Service	46,559	85,169	89,691	99,684	105,189	92,213	80,736	97,103	97,271	95,875	97,694	94,901	95,654
Informational Advertising	12,143	22,121	14,651	23,811	23,163	21,502	17,297	18,543	22,200	28,636	27,715	23,100	23,536
Demonstration Advertising	(517)	2,244	1,792	1,714	3,239	2,053	1,726	2,948	1,731	421	1,835	1,576	
Admin & General	159,239	173,546	149,080	156,131	167,485	168,268	141,062	161,501	148,846	162,405	178,658	155,157	184,452
Depreciation	252,894	253,161	254,653	256,025	256,340	256,632	257,058	257,663	258,330	258,805	259,420	259,954	260,604
Regulatory	2,887	2,834	2,834	2,834	2,834	2,834	3,890	3,890	3,890	3,890	3,890	3,890	3,888
Interest - LTD	81,134	82,634	79,137	78,390	80,805	79,381	80,003	79,207	79,413	78,604	77,910	77,432	77,421
Interest - Deposits	157	131	130	130	129	128	128	130	129	128	127	126	-
Miscellaneous Expense	1,494	3,474	5,577	5,551	3,477	777	1,862	728	2,025	855	1,475	228	706
Interest Income	(2,452)	(2,446)	(2,450)	(2,431)	(2,595)	(2,587)	(2,616)	(2,609)	(2,551)	(2,568)	(2,485)	(2,579)	(2,573)
Non-Electric Revenue	69	10,485	(12,904)	(7,997)	11,843	(8,528)	1,669	(15,359)	1,066	8,730	(27,043)	21,557	851
Capital Credits	-	-	-	(153,986)	27,324	-	-	-	(448)	(11,788)	-	-	-
Margins	(793,249)	(428,471)	281,943	117,128	299,259	(118,799)	5,499	72,929	101,250	287,580	(381,597)	(229,146)	(427,263)
* ()'s = positive margins													
Operating Expenses	873,868	964,941	1,378,463	964,916	1,026,155	1,013,425	1,077,232	1,017,061	1,059,083	1,033,306	1,069,956	1,025,620	1,041,063
Monthly OTIER	10.78	6.19	(2.56)	(0.49)	(2.70)	2.50	0.93	0.08	(0.27)	(2.66)	5.90	3.96	6.52
Revenue	(32,088,761)	(32,725,189)	(32,974,790)	(32,897,147)	(33,007,984)	(33,144,052)	(33,211,198)	(33,293,861)	(33,351,245)	(33,402,613)	(33,511,774)	(33,203,203)	(32,828,962)
Purchased Power	19,639,851	20,109,361	20,235,372	20,124,757	20,059,031	20,007,124	20,040,725	20,036,598	20,099,569	20,128,263	20,071,174	20,099,182	19,923,071
Gross Margins	(12,448,910)	(12,615,828)	(12,739,418)	(12,772,390)	(12,948,953)	(13,136,928)	(13,170,473)	(13,257,263)	(13,251,676)	(13,274,350)	(13,440,600)	(13,104,021)	(12,905,891)
Operations	1,106,661	1,112,117	1,084,032	1,071,086	1,087,492	1,100,875	1,112,291	1,123,347	1,135,788	1,171,471	1,185,290	1,170,977	1,160,112
Maintenance	2,887,612	2,861,248	3,366,557	3,361,456	3,430,993	3,485,185	3,593,939	3,646,619	3,694,578	3,764,010	3,864,879	3,948,243	4,034,456
Customer Service	1,104,837	1,092,464	1,086,629	1,081,880	1,085,892	1,085,659	1,071,227	1,073,216	1,075,503	1,079,480	1,084,267	1,082,085	1,131,180
Informational Advertising	235,030	237,580	231,866	237,894	242,875	239,820	234,935	236,476	240,979	241,036	249,157	254,882	266,275
Demonstration Advertising	20,405	20,985	20,963	21,535	20,635	22,650	22,974	22,891	23,893	23,731	21,924	21,983	24,076
Admin & General	1,940,593	1,949,863	1,939,115	1,954,713	1,959,141	1,956,167	1,902,265	1,902,845	1,904,894	1,917,112	1,912,603	1,921,378	1,946,591
Depreciation	3,036,976	3,034,408	3,033,139	3,033,504	3,033,911	3,033,710	3,033,204	3,039,925	3,046,857	3,053,949	3,061,617	3,080,935	3,088,645
Regulatory	34,025	34,049	34,073	34,097	34,121	34,145	35,225	36,305	37,328	38,351	39,374	40,397	41,398
Interest - LTD	966,602	986,447	986,349	986,570	984,295	981,010	978,190	973,044	966,961	962,378	958,037	954,050	950,337
Interest - Deposits	2,361	2,292	2,222	2,152	2,082	2,011	1,939	1,869	1,797	1,721	1,646	1,573	1,416
Miscellaneous Expense	58,231	55,137	53,561	47,754	41,765	32,846	38,814	34,670	33,525	31,977	29,035	27,523	26,735
Interest Income	(29,437)	(29,432)	(29,439)	(29,421)	(29,565)	(29,901)	(29,901)	(30,053)	(30,135)	(30,213)	(30,244)	(30,369)	(30,490)
Non-Electric Revenue	(130,420)	(128,762)	(59,100)	(52,294)	(31,356)	(22,183)	(19,757)	(16,476)	(5,774)	6,423	(28,240)	(16,412)	(15,630)
Capital Credits	(160,930)	(160,930)	(160,930)	(166,567)	(139,243)	(139,243)	(138,092)	(138,092)	(138,540)	(149,123)	(138,898)	(138,898)	(138,898)
Margins	(1,356,364)	(1,548,362)	(1,150,381)	(1,188,031)	(1,225,915)	(1,354,018)	(1,333,220)	(1,350,677)	(1,264,022)	(1,162,047)	(1,230,153)	(785,674)	(419,688)
Operating Expense	11,413,333	11,386,590	11,838,506	11,832,641	11,923,202	11,974,078	12,025,003	12,091,207	12,162,103	12,285,216	12,407,829	12,504,026	12,671,221
Rolling 12 Month OTIER	2.37	2.57	2.17	2.20	2.25	2.38	2.36	2.39	2.31	2.21	2.28	1.82	1.44

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GRAYSON RECC
PRG: BUDGTSUM

BUDGET SUMMARY REPORT FROM 01/14 THRU 12/14
SUMMARY - LINE NUMBER BY ACCOUNT RUS

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LINE NO	DPT	ACCT	ITEM	DESCRIPTION	ACTUAL	ANNUAL	BUDGET	DIFFERENCE	% CHANGE FROM BUDGET
1.00		440.10		RESIDENTIAL SALES	22,998,835.43-		23,473,431.00-	474,595.57-	2.0
1.00		440.40		CAMP & BARN SALES	1,409,529.05-		1,377,896.00-	31,633.05	2.3-
1.00		442.10		SMALL COMMERCIAL SALES	2,390,524.16-		2,327,539.00-	62,985.16	2.7-
1.00		442.20		LARGE POWER SALES	2,938,881.92-		3,012,456.00-	73,574.08-	2.4
1.00		442.30		LARGE INDUSTRIAL(OVER 1,000 KVA)	2,013,278.66-		2,003,890.00-	9,388.66	.5-
1.00		444.00		STREET LIGHT SALES	7,712.74-		7,741.00-	28.26-	.4
1.00		450.00		FORFEITED DISCOUNTS	512,022.85-		500,000.00-	12,022.85	2.4-
1.00		454.00		RENT FROM ELECTRIC PROPERTY	492,438.51-		430,000.00-	62,438.51	14.5-
1.00		456.00		OTHER ELECTRIC SERVICE	65,686.38-		71,000.00-	5,313.62-	7.5
1.00				TOTAL	=====		=====	=====	=====
					32,828,909.70-		33,203,953.00-	375,043.30-	1.1
3.00		555.00		PURCHASED POWER	19,923,071.00		19,676,298.00	246,773.00-	1.3-
3.00				TOTAL	=====		=====	=====	=====
					19,923,071.00		19,676,298.00	246,773.00-	1.3-
6.00		583.00		OVERHEAD LINE EXPENSE	533,409.43		578,850.00	45,440.57	7.9
6.00		585.00		STREET LIGHT EXPENSE	47.78		301.00	253.22	84.1
6.00		586.00		METER EXPENSE	500,845.47		506,469.00	5,623.53	1.1
6.00		586.10		METER OPERATION SURVEY	35,774.48		10,220.00	25,554.48-	250.0-
6.00		586.20		AUTOMATED METER EQUIP EXPENSE	26,418.84		30,088.00	3,669.16	12.2
6.00		588.00		MISC / MAPPING EXPENSE	52,865.90		54,081.00	1,215.10	2.2
6.00		588.10		MAPPING OPERATIONS	10,749.45		29,881.00	19,131.55	64.0
6.00				TOTAL	=====		=====	=====	=====
					1,160,111.35		1,209,890.00	49,778.65	4.1
7.00		590.00		MAINTENANCE SUPERVISION	268,175.55		277,056.00	8,880.45	3.2
7.00		593.00		MAINTENANCE OF OVERHEAD LINES	1,330,301.58		1,052,916.00	277,385.58-	26.3-
7.00		593.10		MAINTENANCE OF LINE RIGHT-OF-WAY	1,838,633.69		1,746,488.00	92,145.69-	5.3-
7.00		593.20		MAINTENANCE STORM EXPENSES	485,426.59		.00	485,426.59-	100.0-

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GRAYSON RECC
PRG: BUDGTSUM

BUDGET SUMMARY REPORT FROM 01/14 THRU 12/14
SUMMARY - LINE NUMBER BY ACCOUNT

RUS

LINE NO	DPT	ACCT	ITEM	DESCRIPTION	ACTUAL ANNUAL	BUDGET	DIFFERENCE	% CHANGE FROM BUDGET
7.00		594.00		MAINTENANCE OF UNDERGROUND LINES	1,526.97	310.00	1,216.97-	392.6-
7.00		595.00		MAINTENANCE OF TRANSFORMERS	57,489.79	16,678.00	40,811.79-	244.7-
7.00		596.00		MAINTENANCE OF STREET LIGHTS	1,529.41	2,850.00	1,320.59	46.3
7.00		597.00		MAINTENANCE OF METERS	3,218.85	3,602.00	383.15	10.6
7.00		598.00		MAINTENANCE-MISC DISTRIBUTION	48,152.97	47,610.00	542.97-	1.1-
7.00				TOTAL	4,034,455.40	3,147,510.00	886,945.40-	28.2-
8.00		901.00		SUPERVISION - BILLING	132,380.98	127,225.00	5,155.98-	4.1-
8.00		902.00		METER READING EXPENSE	8,275.50	2,322.00	5,953.50-	256.4-
8.00		903.00		CUSTOMERS RECORDS & COLLECTIONS	912,947.88	871,450.00	41,497.88-	4.8-
8.00		903.10		CASH DRAWER-OVERAGES & SHORTAGES	221.20	.00	221.20-	100.0-
8.00		904.00		UNCOLLECTIBLE ACCOUNTS	77,356.74	81,852.00	4,495.26	5.5
8.00				TOTAL	1,131,182.30	1,082,849.00	48,333.30-	4.5-
9.00		909.00		INFORMATIONAL ADVERTISING	266,276.38	247,277.00	18,999.38-	7.7-
9.00				TOTAL	266,276.38	247,277.00	18,999.38-	7.7-
10.00		912.00		DEMONSTRATION & SELLING EXPENSE	19,535.65	18,067.00	1,468.65-	8.1-
10.00		913.00		ADVERTISING	4,540.83	4,800.00	259.17	5.4
10.00				TOTAL	24,076.48	22,867.00	1,209.48-	5.3-
11.00		920.00		ADMINISTRATIVE-GENERAL SALERIES	1,067,196.04	1,037,917.00	29,279.04-	2.8-
11.00		921.00		OFFICE SUPPLIES & EXPENSES	127,811.32	184,750.00	56,938.68	30.8
11.00		923.00		OUTSIDE SERIVCES	163,587.53	128,700.00	34,887.53-	27.1-
11.00		926.00		EMPLOYEE BENEFITS	.00	.00	.00	.0
11.00		926.10		EMPLOYEE PENSION & BENEFITS	.00	.00	.00	.0
11.00		928.00		REGULATORY COMMISSION EXPENSES	320.13	10,000.00	9,679.87	96.8
11.00		930.20		ANNUAL MEETING EXPENSES	58,585.71	44,493.00	14,092.71-	31.7-

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GRAYSON RECC
PRG: BUDGTSUM

BUDGET SUMMARY REPORT FROM 01/14 THRU 12/14
SUMMARY - LINE NUMBER BY ACCOUNT

RUS

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LINE NO	DPT	ACCT	ITEM	DESCRIPTION	ACTUAL ANNUAL	BUDGET	DIFFERENCE	% CHANGE FROM BUDGET
11.00		930.30		MISCELLANEOUS GENERAL EXPENSES	24,037.26	22,949.00	1,088.26-	4.7-
11.00		930.40		MISC FIELD TRAINING	30,130.77	38,671.00	8,540.23	22.1
11.00		930.60		BOARD OF DIRECTOR'S EXPENSES	163,565.41	142,848.00	20,717.41-	14.5-
11.00		930.70		DUES - NRECA & KAEC	56,961.17	58,000.00	1,038.83	1.8
11.00		932.00		MAINTENANCE OF GENERAL PLANT	251,950.36	227,177.00	24,773.36-	10.9-
11.00				TOTAL	1,944,145.70	1,895,505.00	48,640.70-	2.6-
13.00		403.60		DEPRECIATION-DISTRIBUTION PLANT	2,903,675.61	3,070,238.00	166,562.39	5.4
13.00		403.70		DEPRECIATION-GENERAL PLANT	184,970.07	176,182.00	8,788.07-	5.0-
13.00				TOTAL	3,088,645.68	3,246,420.00	157,774.32	4.9
14.00		408.60		REGULATORY COMMISSION ASSESSMENT	41,398.26	32,500.00	8,898.26-	27.4-
14.00				TOTAL	41,398.26	32,500.00	8,898.26-	27.4-
15.00		408.20		TAXES - FEDERAL UNEMPLOYMENT	.00	.00	.00	.0
15.00		408.30		TAXES - FICA	.00	.00	.00	.0
15.00		408.40		TAXES - STATE UNEMPLOYMENT	.00	.00	.00	.0
15.00				TOTAL	.00	.00	.00	.0
16.00		427.10		INTEREST-RUS	397,802.02	399,081.00	1,278.98	.3
16.00		427.20		INTEREST - COBANK	458,921.99	510,039.00	51,117.01	10.0
16.00		427.30		INTEREST-CFC	57,935.21	57,156.00	779.21-	1.4-
16.00		427.60		INTEREST - FFB	35,677.65	31,777.00	3,900.65-	12.3-
16.00				TOTAL	950,336.87	998,053.00	47,716.13	4.8
18.00		431.30		INTEREST-REFUND CUSTOMER DEPOSIT	1,416.00	10,000.00	8,584.00	85.8
18.00				TOTAL	1,416.00	10,000.00	8,584.00	85.8

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GRAYSON RECC
PRG: BUDGTSUM

BUDGET SUMMARY REPORT FROM 01/14 THRU 12/14
SUMMARY - LINE NUMBER BY ACCOUNT

RUS

RUN DATE 02/11/15 08:57 AM

LINE NO	DPT	ACCT	ITEM	DESCRIPTION	ACTUAL ANNUAL	BUDGET	DIFFERENCE	% CHANGE FROM BUDGET
19.00		426.10		MISCELLANEOUS DEDUCTION-DONATION	13,209.90	12,325.00	884.90-	7.2-
19.00		430.00		INTEREST ASSOCIATED ORGANIZATION	13,524.99	58,250.00	44,725.01	76.8
19.00				TOTAL	26,734.89	70,575.00	43,840.11	62.1
22.00		419.00		INTEREST INCOME NON-OPERATING	29,104.09-	28,700.00-	404.09	1.4-
22.00		419.20		NOW ACCOUNT INTEREST	237.05-	265.00-	27.95-	10.5
22.00		419.30		COMMERCIAL PAPER INTEREST	1,147.34-	50.00-	1,097.34	2194.7-
22.00				TOTAL	30,488.48-	29,015.00-	1,473.48	5.1-
25.00		415.00		REVENUE-MERCHANDISE, JOB, CONTRACT	572.30-	385.00-	187.30	48.6-
25.00		415.10		HOMEGUARD REVENUE	.00	60.00	60.00	100.0-
25.00		415.30		ETS REVENUE	76.40-	145.00-	68.60-	47.3
25.00		415.40		RENTAL PROPERTY - REVENUE	5,100.00-	6,000.00-	900.00-	15.0
25.00		415.50		MACED REVENUE	19,357.72	2,500.00-	21,857.72-	874.3
25.00		416.00		INCENTIVES/GEOTHERMAL, ETS, MISC	31,949.81-	48,000.00-	16,050.19-	33.4
25.00		416.10		HOMEGUARD EXPENSE	400.00-	.00	400.00	100.0-
25.00		416.20		ANCILLARY BILL SERV - EXPENSE	.00	8,471.00	8,471.00	100.0-
25.00		416.30		ETS - EXPENSE	2,695.18	65.00	2,630.18-	4046.4-
25.00		416.40		RENTAL PROPERTY - EXPENSE	473.30	650.00	176.70	27.2
25.00		416.50		MACED EXPENSE	25,005.62	9,688.00	15,317.62-	158.1-
25.00		421.00		MISC NON-OPERATING INCOME	2,045.00-	14,011.00-	11,966.00-	85.4
25.00		421.20		LOSS/GAIN DISPOSITION PROPERTY	23,018.26-	.00	23,018.26	100.0-
25.00				TOTAL	15,629.95-	52,107.00-	36,477.05-	70.0
26.00		423.00		G & T CAPITAL CREDITS	1,372,771.92-	.00	1,372,771.92	100.0-
26.00				TOTAL	1,372,771.92-	.00	1,372,771.92	100.0-
27.00		424.00		OTHER CAP CR & PATRONAGE ALLOC	166,222.37-	160,950.00-	5,272.37	3.3-

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GRAYSON RECC
PRG: BUDGTSUM

BUDGET SUMMARY REPORT FROM 01/14 THRU 12/14
SUMMARY - LINE NUMBER BY ACCOUNT

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2015 Board Materials
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LINE NO	DPT	ACCT	ITEM	DESCRIPTION	ACTUAL ANNUAL	BUDGET	DIFFERENCE	% CHANGE FROM BUDGET
27.00				TOTAL	166,222.37-	160,950.00-	5,272.37	3.3-
				TOTAL FOR 400 TO 999	1,822,172.11-	1,806,281.00-	15,891.11	.9-

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	2014 Monthly Margins			2014 YTD Margins			2014 Projected Margins
	Actual	Budgeted	Difference	Actual	Budgeted	Difference	YTD + Actual
January	\$428,469.46	\$580,616.96	-\$152,147.50	\$428,469.46	\$580,616.96	-\$152,147.50	\$428,469.46
February	-\$281,943.11	-\$40,449.04	-\$241,494.07	\$146,526.35	\$540,167.92	-\$393,641.57	\$146,526.35
March	-\$117,128.81	-\$160,540.04	\$43,411.23	\$29,397.54	\$379,627.88	-\$350,230.34	\$29,397.54
April	-\$299,259.75	-\$285,534.04	-\$13,725.71	-\$269,862.21	\$94,093.84	-\$363,956.05	-\$269,862.21
May	\$118,798.53	\$45,990.96	\$72,807.57	-\$151,063.68	\$140,084.80	-\$291,148.48	-\$151,063.68
June	-\$5,499.60	\$128,263.96	-\$133,763.56	-\$156,563.28	\$268,348.76	-\$424,912.04	-\$156,563.28
July	-\$72,927.95	\$209,531.96	-\$282,459.91	-\$229,491.23	\$477,880.72	-\$707,371.95	-\$229,491.23
August	-\$98,807.01	-\$189,921.04	\$91,114.03	-\$328,298.24	\$287,959.68	-\$616,257.92	-\$328,298.24
September	-\$287,581.90	-\$208,594.00	-\$78,987.90	-\$615,880.14	\$79,365.68	-\$695,245.82	-\$615,880.14
October	\$381,597.31	\$357,907.96	\$23,689.35	-\$234,282.83	\$437,273.64	-\$671,556.47	-\$234,282.83
November	\$229,095.96	\$710,869.96	-\$481,774.00	-\$5,186.87	\$1,148,143.60	-\$1,153,330.47	-\$5,186.87
December	\$427,262.60	\$683,137.44	-\$255,874.84	\$422,075.73	\$1,831,281.04	-\$1,409,205.31	\$422,075.73

DECEMBER 2014

219 ANALYSIS

WO NOS.	DESCRIPTION		NUMBER		COST	LOAN FUNDS	UNIT COST	BUDGETED UNIT COST
9	RETIREMENTS		37		646.69	(646.69)		
100	NEW LINE EXTENSIONS		21		49,819.93	49,819.93	2,372.38	3,229.93
200	TIE LINES							
300	MAJOR PROJECTS		0		0.00	0.00		
602	SERVICE UPGRADES		4		6,566.68	6,566.68	1,641.67	1,920.25
603	SECTIONALIZERS		1		1,026.26	1,026.26		
604	REGULATORS							
606	POLES		24	POLES	83,367.16	83,367.16	3,473.63	2,410.75
701	SECURITY LIGHTS		25		12,690.35	12,690.35	507.61	423.50
1600	MINOR PROJECTS		5		10,193.98	10,193.98		
	TOTAL		117		164,311.05	163,017.67		
601	SPECIAL EQUIPMENT	ACCT#						
	METERS	370.00	0		0.00	0.00	0.00	160.00
	TRANSFORMERS	368.00	45		42,465.72	42,465.72	943.68	1,120.00
	TURTLES	370.10	0		0.00	0.00	0.00	
	DISCONNECT METERS	370.20	0		0.00	0.00	0.00	
	OTHER SP EQUIP	365.00	1		713.96	713.96	713.96	
	TOTAL		46		43,179.68	43,179.68		
	MATERIAL				66,317.09			
	MATERIAL OH				39,099.07			
	LABOR				16,075.53			
	LABOR OH				56,646.29			

Work Plan Capital Expenditures

6th Year
Jan 2014 - Sept 2014

	<u>Number</u>	<u>Budget</u>	<u>Cost</u>	<u>Budget</u>		
Retirements			(\$7,221.08)			
New Line Extensions	235	199	\$559,946.39	648,608.00	2,382.75	3,259.34
Tie Lines			\$0.00	0.00		
Major Projects			\$448,987.85	545,850.00		
Meters	1,000	2,320	\$188,637.16	349,600.00	188.64	150.69
Transformers	243	250	\$214,386.83	300,000.00	882.25	1,200.00
(padmount)		24	\$0.00	50,000.00		
Other Special Equipment		0	\$21,600.58	0.00		
Service Upgrades	59	97	\$94,908.83	186,264.00	1,608.62	1,920.25
Sectionalizers	12	11	\$23,813.43	53,325.00		
Regulators	2	2	\$6,197.86	37,663.00		-
Pole Replacements	431	378	\$1,484,318.43	911,264.00	3,443.89	2,410.75
New Security Lights	214	200	\$113,690.48	84,600.00	531.26	423.00
Minor Items			\$152,907.23			
Total			<u>3,302,173.99</u>	<u>3,167,174.00</u>		

2014 Major Projects

<u>Work Plan</u>	<u>Budgeted</u>	<u>To date</u>	<u>Status</u>
Three Prong	\$ 243,600	\$ 307,333	In Plant
Middle Fk (Rt Fk)	\$ 175,000	\$ 142,229	Finished
Jordan Fork	\$ 136,950	\$ 124,045	Finished
Stark	\$ 410,225		R/W being cleared Phase #1 released to Construction
<u>Third Party</u>			
Hwy 7 - State	\$ 1,300,000	\$ 830,005	Still Owes \$ 1,301.72
Mountain Rural	Jobs invoiced & Paid	\$ 1,092,250	

2014 General Plant

Vehicles

4/4	2013 Chevy Silverado - Kyle - #131	\$	28,551.25
4/4	Trade - in - #163	\$	(1,000.00)
7/21	Utility Trailer	\$	2,067.00
10/3	Bucket Truck	\$	107,994.00
10/3	Trade - in - Bucket	\$	(20,000.00)
11/24	Kubota Side-by-Side	\$	9,000.00

Communications

2/12 & 3/14	(2) TS-1 Blades	\$	5,287.86
4/22	CT - Newfoundland	\$	2,775.26
9/23	Replacement Readin Collector - Airport Rd	\$	12,614.00

Tools

2/28	Ground Rod Driver	\$	2,650.70
7/7	Meter Test Board	\$	30,951.16

Office

	Signs	\$	6,431.59
	Copier (upstairs)	\$	13,727.00
	Security Cameras	\$	6,980.00
	Security Lock-Hub	\$	713.00
	Heatpump Replacement	\$	5,350.00
	Fence	\$	9,088.00
12/8	Phone System Upgrade	\$	20,166.24
10/1	Solar Project	\$	19,500.11

Grayson Rural Electric Cooperative Corporation

109 Bagby Park • Grayson, KY 41143-1292
Telephone 606-474-5136 • 1-800-562-3532 • Fax 606-474-5862

March 19, 2015

W. Jeffrey Scott,
Attorney at Law
P. O. Box 608
Grayson, KY 41143

Dear Jeffrey:

A Regular Board Meeting of GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION will be held on **Friday, March 27, 2015, at 9:00 a.m.**

We look forward to seeing you at the Board Meeting.

Sincerely,



Priscilla Sparks
Executive Assistant

GRAYSON RURAL ELECTRIC
COOPERATIVE CORPORATION

Enclosures:

1. Agenda
2. Miscellaneous Analysis

Grayson Rural Electric Cooperative Corporation

109 Bagby Park • Grayson, KY 41143-1292
Telephone 606-474-5136 • 1-800-562-3532 • Fax 606-474-5862

March 19, 2015

Dear Director:

A Regular Meeting of the Board of Directors is hereby called. I do hereby fix the GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION headquarters in Grayson, Commonwealth of Kentucky, as the place, and **Monday, the twenty-seventh day of March, 2015 at 9:00 a.m.**, for holding of said meeting for the following purposes:

To take any and all action and to transact any and all business which may be necessary, convenient, or desirable in connection with any of the foregoing and the organization of the Corporation at said meeting or at any adjournment or adjournments thereof; and for the transaction of such other business which may come before the meeting or any adjournment or adjournments thereof, as well as consider altering, amending, or repealing the current Bylaws of the Corporation in the manner hereinafter set forth.

Sincerely,



Roger L. Trent
Chairman

GRAYSON RURAL ELECTRIC
COOPERATIVE CORPORATION

RLT/ps

Enclosures:

1. Agenda
2. Miscellaneous Analysis

GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION
BOARD MEETING AGENDA

On March 27, 2015 at 9:00 a.m., the Directors of Grayson Rural Electric Cooperative Corporation were called to meet by the Chairman.

1. Sign Wavier of Notice
2. Invocation
3. Approval of the Minutes from the February 2015 Board Meeting
4. Manager of Technical Services Report – Brian Poling
5. Manager of Finance & Accounting Report and Approval of the Financial & Statistical Report for January 2015 – Bradley Cherry, Manager of Finance & Accounting
6. Manager of Marketing & Member Services Report – Kim Bush
7. Operations Report and Safety Report – Kyle Clevenger, Manager of Operations
8. Approval of Seventy-Eight (78) New Memberships and Retirement of Seventy-Two (72) Existing Memberships for February 2015
9. Consider Approval of Accounts to be Charged Off to Reserve \$2,621.87
10. Consider Approval of President's Business Expense in the Amount of \$8.39, Director's Business Expense in the Amount of \$9,544.29 and Attorney's Business Expense in the Amount of \$188.89
11. President's Report – Carol Hall Fraley
12. Cooperative Legal Matters – W. Jeffrey Scott
13. KAEC Director's Report – Jimmy Whitt
14. EKPC Director's Report – Kenneth Arrington
15. Consider Community Service and/or Donations
16. Consideration of President and CEO Contract Renewal and Compensation
17. Approval of Attendance at Meetings – Directors and Employees
18. Report of Any Meetings Held
19. Confirm Dates for Future Board Meeting – Monday, April 27, 2015
20. Additional Business
21. Adjourn

On February 16, 2015 at 9:00 a.m. Grayson Rural Electric Cooperative Corporation held a regular board meeting at its office in Grayson, Kentucky called by the Chairman, for the transaction of such business as outlined in the letter of call. Chairman Trent called the meeting to order pursuant to the Waiver of Notice signed by the Directors and all were present. Others present included: Carol Hall Fraley, President and CEO; W. Jeffrey Scott, Legal Counsel; and Priscilla Sparks, Executive Assistant.

INVOCATION	Director Whitt gave the invocation.
APPROVAL OF MINUTES	Motion was made by Director Martin, seconded by Director Bentley and unanimously agreed to approve the minutes from the January 2015 Board Meeting.
APPROVAL OF MINUTES OF SPECIAL BOARD MEETING	Motion was made by Director Rice, seconded by Director Dupuy and unanimously agreed to approve the minutes from the January 12, 2015 Special Board Meeting.
MANAGER OF FINANCE AND ACCOUNTING REPORT	Don Combs, Manager of Finance and Accounting presented the Financial and Statistical Report for December 2014. Mr. Combs reported on the following:
FINANCIAL & STATISTICAL REPORT FOR DECEMBER	Kilowatt hour sales for the month of December (12/21-1/20) were 1.47% under budget. Purchases for the time period of (12/1-12/31) were 8.57% over budget. Line loss for the last twelve months was -7.31%. Year to date margins were \$1,831,281 compared to the budgeted amount of \$422,076.
FORM 7	Form 7 showed maintenance expenses \$65,950 more for the month due to right-of-way clearing. Margins were less \$255,875 for the month. It has been a typical year for rolling kWh, with a steady decline from January thru December. Gross margins were \$700,000 less than anticipated due to line loss. December 2014 showed customers by rate and class had changed with a loss of 400 residential customers, but an increase of 300 on camps and barns. The other classes remained the same. This is due to reclassifications from the five substations we have read. The average load factor for 2014 was 61%, which means we are paying more for our power under EKPC's rate structure. T.I.E.R (operating) was 1.44 and 1.25 is required to be met. The storms in 2014 were the major reason for a lower T.I.E.R.
EKPC / PJM / PSC	East Kentucky Power Cooperative, PJM and Public Service Commission topics were addressed in great detail by President Fraley, Mr. Combs, Legal Counsel Scott and the Board. President Fraley said Dale Station is up and running. The Wholesale Power Contract says that EKPC is required to provide us with power, and native load must be served first. At what cost, is questionable. The Public Service Commission said PJM's demand did not match up to the Cooperatives' demand. President Fraley understood that everything EKPC produces is sold to PJM and EKPC buys back what they need.

SMART GRID
Legal Counsel Scott asked Mr. Combs if he received the email from Isaac Scott in regards to Smart Grid's Joint Utility Implementation of Smart Grids and Smart Metering. The paperwork has to be signed by Counsel and received by PSC this Friday.

COOPERATIVES RETIREES
President Fraley reported Wade May is resigning from the EKPC and Big Sandy's Boards due to illness. Kelly Shepherd will replace Mr. May.

Mr. Combs reported the 2014 major projects finished were Three Prong, Middle Fork (Right Fork), and Jordan Fork. The third party projects that paid were Highway 7 for the State Highway and Mountain Rural Telephone.

APPROVAL OF FINANCIAL & STATISTICAL REPORT FOR DECEMBER 2014
Motion was made by Director Dupuy, seconded by Director Rice and unanimously agreed to approve the Financial and Statistical report for December 2014 as presented for informational purposes only.

It was recognized that this is Mr. Combs last Board Meeting and report and the Board thanked him for his service to the Cooperative.

EMPLOYEE CHANGES
President Fraley announced the following promotions and changes due to the retirement of Mr. Combs:

Bradley Cherry will move to the Director of Finance, replacing Don Combs. Sherry Buckler will be promoted to Assistant Manager of Finance and Accounting.
Robert Brown will be replacing Bradley Cherry as Purchasing Agent, and will be working with Brian toward the new mapping project.
Caitlin Hutchinson will become Accounting & Financing Division Secretary. She had already taken on other duties and will be reporting to Sherry Buckler. Caitlin will be working on finishing her bachelor's degree.
Kim Bush will be working with Bradley on any Public Service Commission issue dealing with members and rates.

OPERATIONS REPORT
Kyle Clevenger, Manager of Operations, gave the Operations Report. He reported on the following:

EMPLOYEE/LOST TIME ACCIDENT
There were no lost time accidents to report this month.

SAFETY REPORT
The following safety meetings were held during February 2014:

January 5 – Bradley Cherry, Purchasing Agent, showed a video entitled "Storm Soldiers". Carol Fraley, President and C.E.O., reported 2014 had been a good safety year and the goal was to have a safe year in 2015.

January 14 – Kyle Clevenger, Mgr. of Operations, turned the meeting over to David White with KAEC. David reviewed the 2014 KY Safety Survey with Safety Manual References, and tested grounds after the meeting. Carol Fraley awarded certificates to Nancy Madden and Priscilla Sparks for the completion of Safety Coordinators' Workshop. She also went over the Safety Improvement Plan, focusing on Employee Involvement and Participation, Expectations and Accountability for Safety, and Incident Investigation for 2015.

SAFETY REPORT (CONTINUED)	<p>January 9 – Don Combs, Manager of Finance & Accounting, turned the meeting over to Carol Fraley who talked about electrical inspections, when it needs to be inspected before connecting or re-connecting, the importance of ledger books, substation readings and leaving door hangers when finding minor violations. All other violations may require letters. Meters with zero usage were also discussed.</p> <p>January 26 – Carol Fraley, President and CEO, talked about fuel charges on electric bills and the Airport Road substation meter readings. A check list was handed out and discussed for non-outage calls. Kyle reminded everyone of wet weather conditions and to watch for slips, trips, and falls.</p>
CONSTRUCTION	Construction built one hundred seventeen (117) new work orders for the month of January and worked zero (0) hours of overtime.
OVERTIME HOURS	The Maintenance Department worked one hundred sixty-six (166) hours of overtime during the month of January 2015.
DELINQUENT NOTICES	The Maintenance & Construction Departments collected on one hundred fifteen (115) delinquent accounts and disconnected thirty-one (31) accounts in February 2015.
CONTRACT CREWS	<p>We have one (1) Pike crew have working in the following areas:</p> <p style="padding-left: 40px;">Tony Seagraves – Airport Road to Corey Ridge, Carter County and New Construction</p>
RIGHT-OF-WAY CREWS	<p>We have ten (10) W A Kendall right-of-way crews working on random jobs and work orders at this time. Crew's trimmed 870 trees, cut 1,621 trees, and cut 36,175 feet of brush/line. The crews are working in the following areas:</p> <p style="padding-left: 40px;">3 cutting crews in Carter, Lewis, and Greenup Counties 2 cutting crews in Elliott and Lawrence Counties 1 bucket truck crew in Lawrence and Elliott Counties 1 bucket truck crew in Carter County 1 tractor crew in Carter County 1 bucket crew in Lewis and Greenup County 1 circuit crew in Carter County</p> <p style="padding-left: 40px;">1 Smith Tree Service doing circuit crew work in Carter County - finished and now working in Greenup County.</p>
ENGINEERING REPORT	The Engineering Department released one hundred forty (140) prints consisting of 25,845 feet of primary line and 925 feet of service wire. They currently have two (2) new services to be staked and two (2) to be drawn. They have approximately twenty-one (21) miscellaneous jobs to be staked or drawn.
JUSTIN STANIFORD	President Fraley introduced our newest employee to the Board, Justin Staniford. He is 26 years old and he and his wife Lisa have two children, Jensen and Jemma Kate.
MEADE AGENCY	The Meade Agency Family Trust in Lawrence County was disconnected due to having two residences on one meter, after repeatedly being warned that

MEADE AGENCY
(CONTINUED)

this was a violation of the Cooperative's bylaws and the National Electric Code. He now owes approximately \$3,000 for electricity used and for deposits and he wants back on. President Fraley talked to the health department and he doesn't have a sewer permit.

Based on Board Policy 509, Safety Incentive, President Fraley, Kyle Clevenger and Don Combs recommended we give the employees each \$50 due to the savings of \$11,000 for workers comp coverage for the coming year.

Motion was made by Director Martin, seconded by Director Rice and unanimously agreed to approve to pay the Workers Comp incentive of fifty dollar each employees.

President Fraley reminded the Board that according to Board Policy 509, we give each employee one day's pay for a no-lost time accident year. That will be done this month.

GLENN COFFEE

The business formerly known as Cat Daddy is considered being reopened by Keith Howard, leasing from Glen Coffee. President Fraley asked Mr. Howard for a letter of credit and advised him of other charges. She asked him to come in and apply for service as soon as possible. The transformer is 1,500 KVA and will have to be hauled to the site on a trailer. Mr. Howard must have everything in place before we will install the transformers. Mr. Coffee's partner has passed away and we will need a new right of way easement from his heirs and Mr. Coffee. Mr. Coffee said that would be done.

GEORGE EASTERLING

Former Director George Easterling is in Kings Brook.

APPROVAL OF NEW
MEMBERSHIPS &
RETIREMENT OF
EXISTING MEMBERSHIPS

Motion was made by Director Rice, seconded by Director Dupuy and unanimously agreed to approve fifty-seven (57) new memberships and retirement of seventy-four (74) existing memberships for January 2015.

BAD DEBT WRITE-OFFS

Motion was made by Director Martin, seconded by Director Dupuy and unanimously agreed to charge off \$2,115.59 worth of bad debts and turn them over for collection.

APPROVAL OF CEO'S,
DIRECTOR'S & ATTORNEY
BUSINESS EXPENSES

Motion was made by Director Rice, seconded by Director Bentley and unanimously agreed to approve the President's business expense of \$555.81, Director's business expenses of \$21,358.00 and Attorney's business expense of \$2,000.14.

PRESIDENT'S REPORT

President Fraley reported on the following:

ANNUAL MEETING

May 14, 2015, Thursday, has been set for our Annual Meeting.

POST OFFICE

We had a problem with the mailing of our bills. Kim Bush is working with SEDC and Arista to correct this problem.

LARRY HICKS

Larry Hicks, CEO at Salt River will be stepping aside. The Board is searching for a replacement.

CFC Director Whitt will be the official delegate to vote at the CFC 2014 Annual Meeting and Director Dupuy will be the alternate delegate.

LEGAL COUNSEL'S REPORT Legal Counsel Scott reported on the following:
He has prepared a joint utility brief that has to be signed.
A brief must be filed on the PSC hearing on fly ash.
He will prepare a letter for President Fraley to send to other EKPC Managers regarding our counter proposal.
He has only received 3 evaluations back for President Fraley and reminded other directors to send them in.
He has contacted the judge to set a date for a hearing.
He said that he had been advised that the W A Kendall and Eli Combs case has been settled.
The Lee McKenzie case is still pending.

KAEC DIRECTOR'S REPORT Director Whitt reported that the KAEC meeting would be held next Thursday at Frankfort after the Legislative Breakfast.

EKPC DIRECTOR'S REPORT Director Arrington reported that he and President Fraley had attended the EKPC Board of Directors Meeting and that most items had already been covered during other segments of this meeting.
Their margins are \$8.3 million dollars lower than 2013 margins. The margins include fuel adjustment.

THANK YOU GRECC received thank you notes from Youth Leadership Conference, Sarah's Place and Build a Bed at Morehead State University.

DONATIONS President Fraley presented to the Board for their consideration the following donation requests:
Carter Elementary – host Governor's Cup – donation \$400
Miss Grayson Pageant – donation \$50
Sandy Hook Chamber of Commerce- aid to replace county road signs \$400
Carter County Thunder (EKPC will Co-sponsor)

Motion was made by Director Martin, seconded by Director Bentley and unanimously agreed to approve the donations as presented.

MAC CONSTRUCTION & EXCAVATING, INC. We received a check for \$19,000 from MAC Construction & Excavating, Inc.

MEETING ATTENDANCE The following upcoming meetings were presented:
MicroSoft Excel –Priscilla Sparks, Robert Brown and Caitlin Hutchinson
Basic Skills Workshop – Tony Brewer and Justin Staniford
NRECA Legal Seminar 55 – Asheville, NC – Legal Counsel Scott

DIRECTORS CONFLICT OF INTEREST DISCLOSURES Conflict of Interest Disclosures were handed out and signed by all Directors.

BOARD MEETING DATE	The next board meeting will be held on Friday, March 27, 2015 at 9:00 a.m.
ADDITIONAL BUSINESS	There was no additional business brought before the board.
ADJOURN	Chairman Trent adjourned the meeting at 11:43 a.m.

Roger L. Trent, Chairman

Billy E. (Eddie) Martin, Secretary/Treasurer

W. Jeffrey Scott, Legal Counsel

DIRECTORS & ATTORNEY EXPENSES

January-15

KENNETH ARRINGTON

Per Diem	- GRECC Bd. Mtg. (1/23)	\$ 246.00
MISC	-	-
VISA	- Christmas Hams	131.43
	Cash in Lieu of Insurance	637.63
	24 – Hr. Insurance	0.70
TOTAL	-	\$ 1,015.76

JIM BENTLEY

Per Diem	- GRECC Bd. Mtg. (1/23)	\$ 201.15
MISC	-	-
VISA	- Christmas Hams	131.43
NRECA	- NRECA Annual Mtg.	600.00
	Cash in Lieu of Insurance	637.63
	24-Hr. Insurance	1.08
TOTAL	-	\$ 1,571.29

HAROLD DUPUY

Per Diem	- GRECC Bd. Mtg. (1/23)	\$ 234.50
MISC	-	-
VISA	- Christmas Hams	131.43
NRECA	- NRECA Annual Mtg.	600.00
	Cash in Lieu of Insurance	637.63
	24-Hr. Insurance	0.70
TOTAL	-	\$ 1,604.26

EDDIE MARTN

Per Diem	- GRECC Bd. Mtg. (1/23)	\$ 209.20
MISC	-	-
VISA	- Christmas Hams	131.43
	Cash in Lieu of Insurance	637.63
	24 – Hr. Insurance	1.08
TOTAL	-	\$ 979.34

WILLIAM T. RICE

Per Diem		\$ -
MISC		-
VISA	- Christmas Hams	131.43
	- Cash in Lieu of Insurance	637.63
TOTAL	24 – Hr. Insurance	0.49
	-	<u>\$ 769.55</u>

ROGER TRENT

Per Diem	GRECC Bd. Mtg. (1/23)	\$ 240.25
MISC		-
VISA	- Christmas Hams	131.43
NRECA	NRECA Annual Mtg.	600.00
	- Cash in Lieu of Insurance	637.63
TOTAL	24 – Hr. Insurance	0.49
	-	<u>\$ 1,609.80</u>

JIMMY WHITT

Per Diem	KAEC Bd. Mtg. (1/19); GRECC Bd. Mtg. (1/23)	\$ 624.15
MISC		-
VISA	- Christmas Hams	131.43
NRECA	NRECA Annual Mtg.	600.00
	- Cash in Lieu of Insurance	637.63
TOTAL	24 – Hr. Insurance	1.08
	-	<u>\$ 1,994.29</u>

JEFF SCOTT

Out-of-Pocket	Postage (34) Collection Letters	\$ 16.66
	- Postage PSC Fly Ash - EKPC	16.95
	Amen 3 Mailings	23.85
MISC		-
VISA	- Christmas Hams	131.43
TOTAL	-	<u>\$ 188.89</u>

Grayson Rural Electric Financial Report

March 27, 2015

KWH Sales & Purchases: January 2015

Sales:	Month:	2.44%	Over Budget	(1/21 – 2/20)
	YTD:	2.44%	Over Budget	
	2014 YTD:	3.63%	Less	
Purchases:	Month:	3.26%	Under Budget	(1/1 – 1/31)
	YTD:	3.26%	Under Budget	
Line Loss :	Month:	1.95%		
	YTD:	1.95%		
	Last 12 Months:	4.62%		

Form 7: Dec 2014

Electric Revenue LESS Purchased Power:	\$ 356,037	More
Operations Expense	\$ 7,974	More
Maintenance Expense	\$ 4,456	Less
Admin & General-	\$ 10,828	More
Margins	\$ 300,758	More

Form 7: Year to Date

Margins :	\$ 681,642
Budgeted:	\$ 381,444

Other Items:

- Insurance
 - Director's AD&D
 - Business Insurance
 - Worker's Comp
- Ice Storm

Monthly Operating Rev & Exp

	January 2014	February 2014	March 2014	April 2014	May 2014	June 2014	July 2014	August 2014	September 2014	October 2014	November 2014	December 2014	January 2015
Revenue	(3,876,546)	(3,048,089)	(2,418,497)	(2,089,942)	(2,476,940)	(2,687,648)	(2,579,178)	(2,571,883)	(2,129,236)	(2,644,213)	(3,012,795)	(3,293,995)	(3,852,755)
Purchased Power	2,475,095	1,966,923	1,735,123	1,326,474	1,355,831	1,616,862	1,653,014	1,615,983	1,389,136	1,222,188	1,739,051	1,827,391	2,094,265
Gross Margins	(1,401,451)	(1,081,166)	(683,374)	(763,468)	(1,121,109)	(1,070,786)	(926,164)	(955,900)	(740,100)	(1,422,025)	(1,273,744)	(1,466,604)	(1,758,490)
Operations	109,852	84,215	75,058	105,786	104,645	104,541	103,937	110,492	122,294	108,132	66,163	64,997	110,088
Maintenance	229,775	696,703	264,505	279,233	283,806	388,602	292,633	333,539	280,083	314,514	342,834	328,229	285,031
Customer Service	85,169	89,691	99,684	105,189	92,213	80,736	97,103	97,271	95,875	97,694	94,901	95,654	103,367
Informational Advertising	22,121	14,651	23,811	23,163	21,502	17,297	18,543	22,200	28,636	27,715	23,100	23,536	4,228
Demonstration Advertising	2,244	1,792	2,797	1,714	3,239	2,053	1,726	2,948	1,731	421	1,835	1,576	1,493
Admin & General	173,546	149,080	156,131	167,485	168,268	141,062	161,501	148,846	162,405	178,658	155,157	184,452	171,785
Depreciation	253,161	254,653	256,025	256,340	256,632	257,058	257,663	258,330	258,805	259,420	259,954	260,604	263,182
Regulatory	2,834	2,834	2,834	2,834	2,834	3,890	3,890	3,890	3,890	3,890	3,890	3,888	3,450
Interest - LTD	82,634	79,137	78,390	80,805	79,381	80,003	79,207	79,413	78,604	77,910	77,432	77,421	78,096
Interest - Deposits	131	130	130	129	128	128	130	128	128	127	126	-	-
Miscellaneous Expense	3,474	5,577	5,551	3,477	777	1,862	728	2,025	855	1,475	228	706	105
Interest Income	(2,446)	(2,450)	(2,431)	(2,587)	(2,587)	(2,616)	(2,609)	(2,551)	(2,568)	(2,485)	(2,579)	(2,573)	(2,607)
Non-Electric Revenue	10,485	(12,904)	(7,997)	11,843	(8,528)	1,669	(15,359)	1,066	8,730	(27,043)	21,557	851	58,069
Capital Credits	-	-	(153,986)	27,324	-	-	-	(448)	(11,788)	-	-	-	-
Margins	(428,471)	281,943	117,128	299,259	(118,799)	5,499	72,929	101,250	287,580	(381,597)	(229,146)	(427,263)	(682,202)
* ()'s = positive margins													
Operating Expenses	964,941	1,378,463	964,916	1,026,155	1,013,425	1,077,232	1,017,081	1,059,083	1,033,306	1,089,956	1,025,620	1,041,063	1,020,825
Monthly OTIER	6.19	(2.56)	(0.49)	(2.70)	2.50	0.93	0.08	(0.27)	(2.66)	5.90	3.96	6.52	9.74
Revenue	(32,725,186)	(32,974,790)	(32,867,147)	(33,007,984)	(33,144,052)	(33,211,198)	(33,293,861)	(33,351,245)	(33,402,613)	(33,511,774)	(33,203,203)	(32,828,962)	(32,805,171)
Purchased Power	20,109,361	20,235,372	20,124,757	20,059,031	20,007,124	20,040,725	20,036,598	20,099,569	20,128,263	20,071,174	20,099,182	19,923,071	19,542,241
Gross Margins	(12,615,828)	(12,739,418)	(12,772,390)	(12,948,953)	(13,136,928)	(13,170,473)	(13,257,263)	(13,251,676)	(13,274,350)	(13,440,600)	(13,104,021)	(12,905,891)	(13,262,930)
Operations	1,112,117	1,084,032	1,071,066	1,087,492	1,100,875	1,112,291	1,123,347	1,135,788	1,171,471	1,185,290	1,170,977	1,160,112	1,160,348
Maintenance	2,861,248	3,366,557	3,361,456	3,430,993	3,485,185	3,593,939	3,646,619	3,694,578	3,764,010	3,864,879	3,948,243	4,034,456	4,089,712
Customer Service	1,092,464	1,086,629	1,081,880	1,085,892	1,085,859	1,071,227	1,073,216	1,075,503	1,079,480	1,084,267	1,082,085	1,131,180	1,149,378
Informational Advertising	237,590	231,866	237,894	242,875	239,820	234,935	236,476	240,979	241,036	249,157	254,882	266,275	248,382
Demonstration Advertising	20,985	20,963	21,535	20,635	22,650	22,974	22,891	23,893	23,731	21,924	21,983	24,076	23,325
Admin & General	1,949,863	1,939,115	1,954,713	1,959,141	1,966,167	1,902,285	1,902,845	1,904,894	1,917,112	1,912,603	1,921,378	1,946,591	1,944,830
Depreciation	3,034,408	3,033,139	3,033,504	3,033,911	3,033,710	3,033,204	3,039,925	3,046,857	3,053,949	3,061,017	3,080,935	3,088,645	3,098,666
Regulatory	34,049	34,073	34,097	34,121	34,145	35,225	36,305	37,328	38,351	39,374	40,397	41,398	42,014
Interest - LTD	986,447	986,349	986,570	984,295	981,010	978,190	973,044	968,981	962,378	958,037	954,050	950,337	945,799
Interest - Deposits	2,292	2,222	2,082	2,011	1,939	1,869	1,797	1,721	1,646	1,573	1,503	1,416	1,285
Miscellaneous Expense	55,137	53,581	47,754	41,785	32,846	38,814	34,070	33,525	31,977	29,035	27,523	26,735	23,366
Interest Income	(29,432)	(29,439)	(29,421)	(29,585)	(29,742)	(29,901)	(30,053)	(30,135)	(30,213)	(30,244)	(30,369)	(30,490)	(30,651)
Non-Electric Revenue	(128,762)	(59,100)	(52,294)	(31,356)	(22,183)	(19,757)	(16,476)	(5,774)	6,423	(28,240)	(16,412)	(15,630)	31,954
Capital Credits	(180,930)	(180,930)	(186,567)	(139,243)	(139,243)	(138,092)	(138,092)	(138,540)	(149,123)	(138,898)	(138,898)	(138,898)	(138,898)
Margins	(1,548,362)	(1,150,381)	(1,188,031)	(1,225,915)	(1,354,018)	(1,333,220)	(1,350,677)	(1,264,022)	(1,182,047)	(1,230,153)	(785,674)	(419,688)	(673,410)
Operating Expense	11,386,590	11,838,506	11,832,641	11,923,202	11,974,078	12,025,003	12,091,207	12,162,103	12,285,216	12,407,829	12,504,026	12,671,221	12,727,105
Rolling 12 Month OTIER	2.57	2.17	2.20	2.25	2.36	2.36	2.39	2.31	2.21	2.28	1.82	1.44	1.71

	2014 Monthly Margins			2014 YTD Margins			2014 Projected Margins
	Actual	Budgeted	Difference	Actual	Budgeted	Difference	YTD + Actual
January	\$681,642.42	\$381,444.43	\$300,197.99	\$681,642.42	\$381,444.43	\$300,197.99	\$681,642.42
February	\$0.00	-\$6,321.57			\$375,122.86		\$675,320.85
March	\$0.00	-\$166,619.57			\$208,503.29		\$508,701.28
April	\$0.00	-\$291,768.57			-\$83,265.28		\$216,932.71
May	\$0.00	\$112,384.43			\$29,119.15		\$329,317.14
June	\$0.00	\$129,707.43			\$158,826.58		\$459,024.57
July	\$0.00	-\$170,407.57			-\$11,580.99		\$288,617.00
August	\$0.00	-\$145,687.57			-\$157,268.56		\$142,929.43
September	\$0.00	-\$306,473.57			-\$463,742.13		-\$163,544.14
October	\$0.00	\$335,107.43			-\$128,634.70		\$171,563.29
November	\$0.00	\$409,254.43			\$280,619.73		\$580,817.72
December	\$0.00	\$310,823.10			\$591,442.83		\$891,640.82

JANUARY 2015

219 ANALYSIS

<u>WO NOS.</u>	<u>DESCRIPTION</u>		<u>NUMBER</u>		<u>COST</u>	<u>LOAN FUNDS</u>	<u>UNIT COST</u>	<u>UNIT COST</u>	<u>BUDGETED</u>
9	RETIREMENTS		55		976.23	(976.23)			
100	NEW LINE EXTENSIONS		20		46,459.52	46,459.52	2,322.98	3,229.93	
200	TIE LINES								
300	MAJOR PROJECTS		0		0.00	0.00			
602	SERVICE UPGRADES		1		1,835.04	1,835.04	1,835.04	1,920.25	
603	SECTIONALIZERS		1		663.11	663.11			
604	REGULATORS								
606	POLES		17	POLES	81,470.21	81,470.21	4,792.37	2,410.75	
701	SECURITY LIGHTS		19		16,165.54	16,165.54	850.82	423.50	
1600	MINOR PROJECTS		6		6,954.78	6,954.78			
	TOTAL		119		154,524.43	152,571.97			
601	<u>SPECIAL EQUIPMENT</u>	<u>ACCT#</u>							
	METERS	370.00	4		4,042.18	4,042.18	1,010.55	160.00	
	TRANSFORMERS	368.00	0		0.00	0.00	0.00	1,120.00	
	TURTLES	370.10	0		0.00	0.00	0.00		
	DISCONNECT METERS	370.20	0		0.00	0.00	0.00		
	OTHER SP EQUIP	365.00	0		0.00	0.00	0.00		
	TOTAL		4		4,042.18	4,042.18			
	MATERIAL				12,436.88				
	MATERIAL OH				42,558.02				
	LABOR				10,231.54				
	LABOR OH				64,298.39				

Business Insurance	<u>2003</u>	<u>2,004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Property	11,518	12,655	12,655	14,439	11,583	11,583	11,039	11,684	12,268	12,882	13,526	11,725	
Crime	1,704	1,080	1,080	1,551	1,080	1,080	1,080	1,080	1,134	1,191	1,250	1,080	
General Liability	59,931	54,201	54,201	25,080	65,680	65,680	40,754	43,058	45,211	47,471	49,845	42,592	
Umbrella	12,833	10,190	10,190	23,189	6,174	6,174	5,798	6,380	6,699	7,034	7,386	8,026	
Automobile	33,063	33,268	33,268	36,189	Inc.	Inc.	30,309	32,305	33,920	35,616	37,397	25,282	
Directors & Officers	14,106	13,874	13,874	15,500	11,874	11,874	9,460	9,460	9,933	10,430	10,951	10,429	
Limited Pollution Liability	1,987	2,000	2,000	5,250	3,360	3,360							
Fees & Assessments							11,766	12,787	13,426	14,098	14,803	10,241	
Earthquake							6,956	6,379	6,698	7,033	7,384	7,069	
	<u>\$ 135,142</u>	<u>\$ 144,544</u>	<u>\$ 144,544</u>	<u>\$ 138,474</u>	<u>99,751</u>	<u>99,751</u>	<u>117,162</u>	<u>123,133</u>	<u>129,290</u>	<u>135,754</u>	<u>142,542</u>	<u>116,444</u>	
Change from Previous Year		7%	0%	-4%	-28%	0%	7%	5%	5%	5%	5%	5%	
Workers' Comp	\$ 105,107.00	66,983	\$ 84,015	\$ 82,566	75,129	62,478	95,869	140,754	158,633	108,688	83,380	66,704	54,812
Change from Previous Year		-36%	25%	-2%	-9%	-17%	53%	47%	13%	-31%	-23%	-20%	-18%
Experience Mod.	0.89	0.86	1.27	0.99	0.89	0.86	1.12	1.48	1.69	1.35	1.12	0.80	0.77

2015	Actual			TOTAL SALES			Budget
	KWH	\$	UNIT				
JANUARY	30,110,413	\$ 3,759,437	0.1249	29,394,021	\$ 3,543,846		0.1206
FEBRUARY	0	\$ -	#DIV/0!	23,262,082	\$ 2,873,776		0.1235
MARCH	0	\$ -	#DIV/0!	19,523,468	\$ 2,356,065		0.1207
APRIL	0	\$ -	#DIV/0!	15,484,196	\$ 2,030,313		0.1311
MAY	0	\$ -	#DIV/0!	18,655,137	\$ 2,402,013		0.1288
JUNE	0	\$ -	#DIV/0!	20,682,459	\$ 2,668,374		0.1290
JULY	0	\$ -	#DIV/0!	19,736,211	\$ 2,543,513		0.1289
AUGUST	0	\$ -	#DIV/0!	19,442,651	\$ 2,487,885		0.1280
SEPTEMBER	0	\$ -	#DIV/0!	15,803,753	\$ 2,050,119		0.1297
OCTOBER	0	\$ -	#DIV/0!	20,427,470	\$ 2,552,143		0.1249
NOVEMBER	0	\$ -	#DIV/0!	24,348,481	\$ 2,987,886		0.1227
DECEMBER	0	\$ -	#DIV/0!	27,884,262	\$ 3,225,295		0.1157
	30,110,413	\$3,759,437	\$0.1249	254,644,190	\$31,721,227		\$0.1246

Actual vs. Budget				
30,110,413	Month	2015	29,394,021	2.44%
30,110,413	YTD		29,394,021	2.44%
Compared to 2014				
30,110,413	Month		31,244,541	-3.63%
30,110,413	YTD		31,244,541	-3.63%

2015	TOTAL PURCHASES								
	DEMAND	KWH	\$	UNIT	LD:FCT	Actual	Budget		
JANUARY	70,426	30,707,957	\$ 2,094,265	0.0682	60.56%	31,743,171	\$2,309,486	0.0728	
FEBRUARY				#DIV/0!	#DIV/0!	26,334,107	\$1,921,347	0.0730	
MARCH				#DIV/0!	#DIV/0!	24,944,324	\$1,719,611	0.0689	
APRIL				#DIV/0!	#DIV/0!	17,387,370	\$1,357,352	0.0781	
MAY				#DIV/0!	#DIV/0!	18,062,155	\$1,364,348	0.0755	
JUNE				#DIV/0!	#DIV/0!	20,388,309	\$1,605,557	0.0787	
JULY				#DIV/0!	#DIV/0!	21,940,303	\$1,715,962	0.0782	
AUGUST				#DIV/0!	#DIV/0!	21,345,517	\$1,616,799	0.0757	
SEPTEMBER				#DIV/0!	#DIV/0!	17,921,434	\$1,400,248	0.0781	
OCTOBER				#DIV/0!	#DIV/0!	18,170,682	\$1,255,722	0.0691	
NOVEMBER				#DIV/0!	#DIV/0!	23,895,173	\$1,730,110	0.0724	
DECEMBER				#DIV/0!	#DIV/0!	26,324,490	\$1,870,881	0.0711	
		\$ 30,707,957	\$ 2,094,265	\$0.0682		268,457,034	\$19,867,422	\$0.0740	
=====									
Actual vs. Budget									
						30,707,957 Month	2015	31,743,171	-3.26%
						30,707,957 YTD		31,743,171	-3.26%

GROSS MARGINS								
2015	Actual	Budget	Variance	Line Loss	Fuel Adj.	Fuel Adj. \$	ESC Rate	ESC \$
JANUARY	\$1,665,172	\$ 1,234,360	\$430,812	1.95%	0.003332	93,297	8.21%	286,123
FEBRUARY	\$0	\$ 952,429	(\$952,429)	#DIV/0!	-			
MARCH	\$0	\$ 636,454	(\$636,454)	#DIV/0!				
APRIL	\$0	\$ 672,961	(\$672,961)	#DIV/0!				
MAY	\$0	\$ 1,037,665	(\$1,037,665)	#DIV/0!				
JUNE	\$0	\$ 1,062,816	(\$1,062,816)	#DIV/0!				
JULY	\$0	\$ 827,551	(\$827,551)	#DIV/0!				
AUGUST	\$0	\$ 871,086	(\$871,086)	#DIV/0!				
SEPTEMBER	\$0	\$ 649,871	(\$649,871)	#DIV/0!				
OCTOBER	\$0	\$ 1,296,421	(\$1,296,421)	#DIV/0!				
NOVEMBER	\$0	\$1,257,777	(\$1,257,777)	#DIV/0!				
DECEMBER	\$0	\$1,354,413	(\$1,354,413)	#DIV/0!				
			(\$10,188,632)	1.95%	0.003332	93,297	8.21%	286,123

2015	RESIDENTIAL						GENERAL					
	Actual			Budget			Actual			Budget		
	\$	UNIT					KWH	\$	UNIT			
JANUARY	22,051,746	\$2,870,316	0.1302	21,825,067	\$2,741,228	0.1256	701,281	\$ 149,386	0.2130	628,698	\$125,742	0.2000
FEBRUARY	-	\$0	#DIV/0!	16,633,208	\$2,149,011	0.1292			#DIV/0!	480,676	\$106,180	0.2209
MARCH	-	\$0	#DIV/0!	13,231,810	\$1,697,641	0.1283			#DIV/0!	403,301	\$96,237	0.2386
APRIL	-	\$0	#DIV/0!	9,891,377	\$1,387,760	0.1403			#DIV/0!	338,796	\$92,390	0.2727
MAY	-	\$0	#DIV/0!	12,139,354	\$1,674,017	0.1379			#DIV/0!	444,169	\$110,256	0.2482
JUNE	-	\$0	#DIV/0!	13,909,004	\$1,911,097	0.1374			#DIV/0!	520,204	\$122,790	0.2360
JULY	-	\$0	#DIV/0!	12,821,657	\$1,775,799	0.1385			#DIV/0!	503,725	\$122,034	0.2423
AUGUST	-	\$0	#DIV/0!	12,564,099	\$1,728,820	0.1376			#DIV/0!	490,538	\$119,246	0.2431
SEPTEMBER	-	\$0	#DIV/0!	9,718,629	\$1,371,299	0.1411			#DIV/0!	382,905	\$103,015	0.2690
OCTOBER	-	\$0	#DIV/0!	14,000,775	\$1,848,102	0.1320			#DIV/0!	469,609	\$114,118	0.2430
NOVEMBER	-	\$0	#DIV/0!	17,509,991	\$2,248,283	0.1284			#DIV/0!	552,460	\$126,482	0.2289
DECEMBER	-	\$0	#DIV/0!	20,456,044	\$2,477,227	0.1211			#DIV/0!	642,505	\$135,143	0.2103
	22,051,746	2,870,316	\$0.1302	174,701,016	23,010,285	\$0.1317	701,281	\$149,386	\$0.2130	5,857,585	\$1,373,633	\$0.2345
				21,825,067		1%				628,698		12%

2015	SMALL COMMERCIAL						LARGE POWER					
	Actual			Budget			Actual			Budget		
	KWH	\$	UNIT				KWH	\$	UNIT			
JANUARY	1,934,767	\$ 265,213	0.1371	1,805,813	\$238,798	0.1322	2,740,906	\$ 286,983	0.1047	2,685,075	\$269,542	0.1004
FEBRUARY			#DIV/0!	1,488,516	\$204,044	0.1371			#DIV/0!	2,329,233	\$248,637	0.1067
MARCH			#DIV/0!	1,303,646	\$177,710	0.1363			#DIV/0!	2,183,822	\$228,346	0.1046
APRIL			#DIV/0!	1,131,947	\$166,622	0.1472			#DIV/0!	2,062,587	\$231,877	0.1124
MAY			#DIV/0!	1,329,240	\$191,692	0.1442			#DIV/0!	2,422,725	\$256,887	0.1060
JUNE			#DIV/0!	1,382,251	\$200,108	0.1448			#DIV/0!	2,407,951	\$255,975	0.1063
JULY			#DIV/0!	1,335,829	\$194,681	0.1457			#DIV/0!	2,403,751	\$260,086	0.1082
AUGUST			#DIV/0!	1,332,823	\$192,831	0.1447			#DIV/0!	2,361,756	\$257,125	0.1089
SEPTEMBER			#DIV/0!	1,140,562	\$168,299	0.1476			#DIV/0!	2,042,687	\$226,248	0.1108
OCTOBER			#DIV/0!	1,303,655	\$183,873	0.1410			#DIV/0!	2,190,140	\$236,243	0.1079
NOVEMBER			#DIV/0!	1,556,855	\$211,940	0.1361			#DIV/0!	2,325,164	\$242,024	0.1041
DECEMBER			#DIV/0!	1,747,712	\$225,051	0.1288			#DIV/0!	2,546,857	\$240,848	0.0946
	1,934,767	\$265,213	\$0.1371	16,858,848	\$2,355,648	\$0.1397	2,740,906	\$286,983	\$0.1047	27,961,749	\$2,953,839	\$0.1056
				1,805,813	7%					2,685,075	2%	

2015	LARGE INDUSTRIAL						STREET LIGHTING					
	Actual			Budget			Actual			Budget		
	KWH	\$	UNIT				KWH	\$	UNIT			
JANUARY	2,677,447	\$ 186,885	0.0698	2,445,127	\$167,898	0.0687	4,266	\$ 655	0.1535	4,242	\$638	0.1503
FEBRUARY			#DIV/0!	2,326,207	\$165,267	0.0710			#DIV/0!	4,242	\$638	0.1503
MARCH			#DIV/0!	2,396,647	\$155,516	0.0649			#DIV/0!	4,242	\$615	0.1449
APRIL			#DIV/0!	2,055,247	\$151,015	0.0735			#DIV/0!	4,242	\$648	0.1527
MAY			#DIV/0!	2,315,407	\$168,507	0.0728			#DIV/0!	4,242	\$654	0.1541
JUNE			#DIV/0!	2,458,807	\$177,743	0.0723			#DIV/0!	4,242	\$661	0.1557
JULY			#DIV/0!	2,667,007	\$190,253	0.0713			#DIV/0!	4,242	\$661	0.1557
AUGUST			#DIV/0!	2,689,207	\$189,208	0.0704			#DIV/0!	4,227	\$654	0.1548
SEPTEMBER			#DIV/0!	2,514,727	\$180,607	0.0718			#DIV/0!	4,244	\$651	0.1534
OCTOBER			#DIV/0!	2,459,047	\$169,166	0.0688			#DIV/0!	4,244	\$640	0.1508
NOVEMBER			#DIV/0!	2,399,767	\$158,521	0.0661			#DIV/0!	4,244	\$637	0.1501
DECEMBER			#DIV/0!	2,486,887	\$146,413	0.0589			#DIV/0!	4,257	\$612	0.1437
	2,677,447	\$186,885	\$0.0698	29,214,084	\$2,020,115	\$0.0691	4,266	\$655	\$0.1535	50,909	\$7,707	\$0.1514
				2,445,127	10%							

Grayson Rural Electric Cooperative Corporation

109 Bagby Park • Grayson, KY 41143-1292
Telephone 606-474-5136 • 1-800-562-3532 • Fax 606-474-5862

April 17, 2015

W. Jeffrey Scott,
Attorney at Law
P. O. Box 608
Grayson, KY 41143

Dear Jeffrey:

A Regular Board Meeting of GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION will be held on **Monday, April 27, 2015, at 9:00 a.m.**

We look forward to seeing you at the Board Meeting.

Sincerely,



Priscilla Sparks
Executive Assistant

GRAYSON RURAL ELECTRIC
COOPERATIVE CORPORATION

Enclosures:

1. Agenda
2. Miscellaneous Analysis

Grayson Rural Electric Cooperative Corporation

109 Bagby Park • Grayson, KY 41143-1292
Telephone 606-474-5136 • 1-800-562-3532 • Fax 606-474-5862

April 17, 2015

Dear Director:

A Regular Meeting of the Board of Directors is hereby called. I do hereby fix the GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION headquarters in Grayson, Commonwealth of Kentucky, as the place, and **Monday, the twenty-seventh day of April, 2015 at 9:00 a.m.**, for holding of said meeting for the following purposes:

To take any and all action and to transact any and all business which may be necessary, convenient, or desirable in connection with any of the foregoing and the organization of the Corporation at said meeting or at any adjournment or adjournments thereof; and for the transaction of such other business which may come before the meeting or any adjournment or adjournments thereof, as well as consider altering, amending, or repealing the current Bylaws of the Corporation in the manner hereinafter set forth.

Sincerely,



Roger L. Trent
Chairman

GRAYSON RURAL ELECTRIC
COOPERATIVE CORPORATION

RLT/ps

Enclosures:

1. Agenda
2. Miscellaneous Analysis

GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION

BOARD MEETING AGENDA

On April 27, 2015 at 9:00 a.m., the Directors of Grayson Rural Electric Cooperative Corporation were called to meet by the Chairman.

1. Sign Wavier of Notice
2. Invocation
3. Approval of the Minutes from the March 2015 Board Meeting
4. Technical Services Report – Brian Poling, Manger of Technical Services
5. Manager of Finance & Accounting Report and Approval of the Financial & Statistical Report for February 2015 – Bradley Cherry, Manager of Finance & Accounting
6. Consider Approval of the Following RUS Work Orders and Submit Them to RUS:

October 2014	Work Order No. 1206	\$201,702.42
	Work Order No. 1207	\$9,045.25
November 2014	Work Order No. 1208	\$167,364.18
	Work Order No. 1209	\$10,475.05
December 2014	Work Order No. 1210	\$152,823.69
	Work Order No. 1211	\$10,193.98
	Total	\$551,604.57
7. Manager of Marketing & Member Services Report – Kim Bush
8. Operations and Safety Report – Kyle Clevenger, Manager of Operations
9. Approval of Sixty-Eight (68) New Memberships and Retirement of Ninety-Five (95) Existing Memberships for March 2015
10. Consider Approval of Accounts to be Charged Off to Reserve \$6,146.68
11. Consider Approval of President’s Business Expense in the Amount of \$186.83, Director’s Business Expense in the Amount of \$8,497.08 and Attorney’s Business Expense in the Amount of \$182.17
12. President’s Report – Carol Hall Fraley
13. Cooperative Legal Matters – W. Jeffrey Scott
14. KAEC Director’s Report – Jimmy Whitt
15. EKPC Director’s Report – Kenneth Arrington
16. Consider Community Service and/or Donations
17. Approval of Attendance at Meetings – Directors and Employees

GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION
BOARD MEETING AGENDA
APRIL 27, 2015

18. Confirm Date for Organizational Meeting of the Board of Directors
19. Confirm Date for Next Regular Board Meeting – Friday, May 22, 2015
20. Additional Business
21. Adjourn

On March 27, 2015 at 9:00 a.m. Grayson Rural Electric Cooperative Corporation held a regular board meeting at its office in Grayson, Kentucky called by the Chairman, for the transaction of such business as outlined in the letter of call. Chairman Trent called the meeting to order pursuant to the Waiver of Notice signed by the Directors and all were present. Others present included: W. Jeffrey Scott, Legal Counsel; Carol Hall Fraley, President and CEO; and Priscilla Sparks, Executive Assistant.

INVOCATION	Director Rice gave the invocation.
APPROVAL OF MINUTES	Motion was made by Director Rice, seconded by Director Bentley and unanimously agreed to approve the minutes from the February 2015 Board Meeting.
MANAGER OF TECHNICAL SERVICES	<p>Brian Poling reported on the following:</p> <p>I T has completed network changes. Equipment has been divided for more security. Hardware has been changed on the servers and desktops adding more storage. They have upgraded 17 desktops software/firmware only. Two servers were converted that control who can connect to our network. New storage was added for the new SEDC database upgrade. Disaster recovery server software for desktops & servers has been upgraded. A new phone system has been installed, giving us and the consumer more options. Calls for cutoff's or planned outages can be utilized on 20 lines out instead of 4. We can make web and conference calls. This will greatly shorten the notification time.</p> <p>Kentucky contracted Black & Veatch to build fiber optic backbone that will connect all schools in areas short on bandwidth options. Completion of fiber installation will be in 18 months with Kentucky attaching to approximately 1,000 poles. The planned location is along US 60, across an upper portion of Greenup County, with a branch into Elliott County coming from Morehead along Route 32. This will be a good economic boost for the state, attracting more business to Kentucky. Legal Counsel Scott is looking over the attachment contract with Carol Ann and Brian.</p> <p>Director Dupuy asked about our Work Plan mapping project. It is scheduled for the last two years of our CWP. We are currently doing as much preparatory work on a day to day basis as we can, such as fuses, etc. The PSC seems to think all Coops already have this. We expect to be finished with mapping sometime in 2017-2018.</p>
OFFICE FINANCIAL REPORT	Bradley Cherry, Manager of Finance and Accounting presented the Financial & Statistical Report for January 2015 by teleconference. Mr. Cherry reported on the following:
FINANCIAL & STATISTICAL REPORT FOR JANUARY	Kilowatt hour sales for the month of January (01/21-02/20) were 2.44% over budget. Purchases for the month of January (1/1-1/31) were 3.263% under budget. Line loss for the last twelve months was 4.62%. Year to date margins were \$681,642 compared to the budgeted amount of \$381,444.
T.I.E.R.	January's operating T.I.E.R. for the month was 9.74 due to higher margins than anticipated. The average rolling twelve month T.I.E.R. was 1.71.

ICE STORM (PRELIMINARY)
MARCH 5, 2015

The ice storm of March 5, 2015 cost to date is:

GRECC Labor	\$ 63,287
Contractor Labor (Pike and r/w):	\$ 86,899
Meals:	\$ 1,970
Work Orders:	\$ 10,608
Total:	\$162,764

There are remaining invoices for meals, work orders, Licking Valley RECC and Big Sandy RECC.

HEALTH INSURANCE
HANDOUT

Bradley told the Board the health insurance handout did not apply to Kentucky, but was required to be handed out.

WORKERS COMPENSATION

The premium for 2014 is \$54,812 compared to \$66,704; an 18% decrease. We have about the lowest worker's compensation premium in the state.

BUSINESS INSURANCE

Federated Insurance premiums were discussed in great detail. Mr. Cherry stated the proposed premium for 2015 is \$99,071, compared to the 2014 rate of \$99,134. This covers property damage, general liability, directors insurance and earthquakes. We received a capital credit check from Federated in the amount \$6,317.

Umbrella coverage is \$5 million, Directors coverage is \$7 million; and General Liability is \$2 million. The blanket deductible is \$1,000 and no deductible on property damage.

Director Martin suggested getting a quote on Umbrella coverage in the amount of \$10 million, General Liability at \$2-\$5 million and Directors at \$7 million and deductible. President Fraley and Bradley will check on this and call all directors. A voice vote at the April Board Meeting can be made retroactive April 1, 2015.

APPROVAL OF FINANCIAL
& STATISTICAL REPORT
FOR JANUARY 2015

Motion was made by Director Dupuy, seconded by Director Rice and unanimously agreed to approve the Financial and Statistical report for January 2015, as presented, for informational purposes only.

MANAGER OF MARKETING
AND MEMBER SERVICES

Kim Bush, Manager of Marketing and Member Services, reported:

LIHEAP – finishes next week and a final update will be given at the April Board Meeting.

During the month of April, deposits will be recalculated for those members with bad credit and insufficient deposits. Members can make payment arrangements to pay their new required deposits.

We have 285 Active Pre Pay accounts and 4 inactive. The average balance is \$49.03 credit. In the last 30 days, we have received \$52,671.72 from a total of 1,142 payments.

Only about 30% of the 285 Pre-Pay customers have debt management accounts. Director Arrington asked about a food bank (non-profit) that wanted debt management. If the non-profit was put in an individual name it would be okay. Director Dupuy stated you may not want to get into debt management with larger powers.

ENERGY AUDITS

Energy Efficiency – Tina Preece did audits on: How\$mart KY Audit – 1; Energy Audits – 6; Heat Pump Audits – 1; Button Up Audits – 2. President Fraley announced a new program where discarded appliances can be picked up and members are paid \$50. The recycling center is located in Louisville. WSAZ interviewed Tina Preece for SimpleSaver, paid by EKPC. Frankfort Youth Tour was Thursday, April 26th.

GRECC ANNUAL MEETING

The GRECC Annual Meeting is Thursday, May 14, 2015 at the GRECC Headquarters for the 4th year with business meeting starting at 6:00 p.m.

There will be no director elections. We do have to pay an annual \$900 permit and accounting fees at the post office annually to keep our postal permits.

The Annual Meeting Budget is the same as 2014 except money budgeted on the election will be used for ordering more buckets. A few buckets will have a certificate for an additional door prize. Members can contact us if they find a winning certificate.

Buckets will have to be purchased this year. We plan to give away \$9 smoke detectors in the bucket this year.

Director Dupuy mentioned the flat light bulb he saw at the NRECA Annual Meeting. Kim said members can go on line to the GRECC website and complete an energy audit online to receive one.

The 2015 scholarship winners and their parents have been invited to have lunch with the Board today.

Motion was made to accept the 2015 Annual Meeting Budget as presented by Director Rice, seconded by Director Dupuy and unanimously agreed upon.

DEPOSITS

Six substations have been read and accounts reclassified. President Fraley passed out a handout with proposed security deposit changes:

WITH GOOD CREDIT HISTORY & WITHOUT DEPOSIT HISTORY	
ALL ELECTRIC MOBILE HOMES	\$330
NON ELECTRIC HOMES	\$260
NON ELECTRIC MOBILE HOMES	\$260
200 AMP ALL ELECTRIC HOMES	\$360
400 AMP ALL ELECTRIC HOMES	\$720
GENERAL SERVICES	\$100
BARNS, WATER PUMPS	\$100
CAMPS	\$130
SMALL COMMERCIAL	\$370
CHURCHES	\$280
IF WE HAVE ONE YEAR'S DEPOSIT HISTORY, WE WILL USE IT.	

If members have good credit, they do not pay a deposit. If they do not, they may utilize the Pre Pay program instead of paying a big deposit. Additional deposit may be based on current usage.

On the Airport Road Substation 859 meters were read, 88 service orders were created, 64 retirements found and 24 reclassifications.

We read 5,192 meters in the five substations, opened 497 service orders, retired 209 and reclassified 181 accounts. Reading these substations has resulted in an increase in revenue, a decrease in property tax and liability and better system reliability.

OPERATIONS REPORT	Kyle Clevenger, Manager of Operations gave the Operations Report with Mike Martin, Assistant Manager of Operations. Mr. Clevenger reported on the following:
EMPLOYEE/LOST TIME ACCIDENT	There were no lost time accidents to report this month.
SAFETY REPORT	<p>The following safety meetings were held during February 2014:</p> <p>February 05—Mike Martin, Asst. Manager of Operations, turned the meeting over to Kyle Clevenger. Safety investigation on Mike Reynolds was read and reminded everyone to watch for slips, trips, and falls. He also talked about the 2 year line inspection. Don Combs had “The Final” 401K sales pitch. Carol Fraley announced job changes due to Don retiring.</p> <p>February 11—Andrea McCleese, Technical Services Supervisor, turned the meeting over to David White for KAEC’s monthly safety meeting. He reviewed the Federated Strategy Lab and an incident involving a fatality in Lawrence County. An Arkansas Statewide DVD, “Empowering Guatemala”, was watched. David did a crew visit/ride-along with Herbie Steagall. Carol Fraley reminded everyone to stay diligent about safety.</p> <p>February 23—Priscilla Sparks, Executive Assistant, turned the meeting over to Carol Fraley, President and CEO, who talked about our safety incentive program. Safety incentive checks were given to employees for working a year with no lost time accidents. Kyle reminded everyone to train new employees to be safe also.</p>
CONSTRUCTION	The Construction Department built one hundred twenty (120) new work orders for the month of February and worked zero (0) hours of overtime.
OVERTIME HOURS	The Maintenance Department worked fifty-five (55) hours of overtime during the month of February 2015.
DELINQUENT NOTICES	The Maintenance and Construction Departments collected on seventy-nine (79) delinquent accounts and disconnected forty-one (41) accounts in March.
CONTRACT CREWS	<p>Two Pike Electric crews have been working in the following areas:</p> <p>Tony Seagraves – Airport Road to Corey Ridge, Carter County and New Construction Doug Rogers – Route 7 Greenup County, Unit Job</p>
RIGHT-OF-WAY CREWS	<p>We have ten (10) W A Kendall right-of-way crews working on random jobs and work orders at this time. Crew’s trimmed 558 trees, cut 1,173 trees, and cut 21,880 feet of brush/line. The crews are working in the following areas:</p> <ul style="list-style-type: none">3 cutting crews in Carter, Lewis and Greenup Counties2 cutting crews in Elliott and Lawrence Counties1 bucket truck crew in Lawrence and Elliott Counties1 bucket truck crew in Carter County1 tractor crew in Carter County1 bucket crew in Lewis and Greenup Counties1 circuit crew in Carter County

RIGHT-OF-WAY CREWS
(CONTINUED)

1 Smith Tree Service – circuit crew in Greenup County

ENGINEERING REPORT

The Engineering Department released one hundred eleven (111) prints consisting of 2,235 feet of primary line and 1,305 feet of service wire. They currently have two (2) new services to be staked and two (2) to be drawn. They have approximately twelve (12) miscellaneous jobs to be staked or drawn.

WORKORDER INSPECTIONS

President Fraley reported that in 2014, we built 896 work orders and inspected 10%. Mike Norman, RUS Field Representative, said that this was more than we were required to do, according to RUS. There is no certain number, only a good representation of the system. We are not required to inspect any retirements.

After examination of the past three years, we have determined that 5% of the day to day work orders to be built would be a fair representation. We plan to include all work orders in Rowan, Lewis and Lawrence Counties, because we often do not have one each month.

This will save us a significant amount of money. In 2012 we spent \$9,200; in 2013 we spent \$10,440.77 and \$10,611.23 in 2014. We expect to see a significant drop in our costs for 2015.

President Fraley thanked Scott Speaks for following through on this project and coordinating with her, Jim Bridges, P.E., and Mike Norman.

SECURITY DEPOSIT

We recommend that the \$95 new work order fee (deposit) be eliminated. There is \$143,000 on our books for members with good credit history and who are entitled to deposit refund. All other surrounding Cooperatives have rolled the Work Order Fee into their security deposits. She would like to take those \$95 work order fee/deposits and either return them to members who qualify in a scheduled manner, or transfer them to members who needs an additional security deposit. She proposed to pay \$25,000 per year over five years commencing in June 2015. \$10,000 would be refunded, in addition to any member requests. In December, we would refund the balance of \$25,000. This will not affect our T.I.E.R. The refunds will commence with the oldest accounts first. This should take us from 1985 through 1991. We have \$18,000 in accounts with bad credit that will not be refunded.

Director Martin made a motion to accept President Fraley's request to refund Work Order Fees/Deposits on accounts with good credit and transfer deposits to accounts requiring additional deposits, seconded by Director Rice and unanimously agreed upon.

WATSON CHURCH

President Fraley reported to the Board that Watson Church has two buildings that require a size 75 transformer. Dan Playforth from EKPC has worked with them and recommended programmable thermostats. We offered to buy the thermostats if the Church would put them in. They have refused. The tariffs state that if a consumer requires a size 75 transformer, they may be billed under a commercial rate. We will buy the thermostats and give them to the Church to install. If they do not, we will be forced to change their rate.

LINEMAN APPRECIATION
DAY

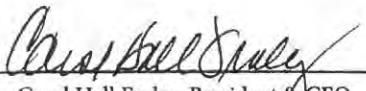
April 13, 2015 has been designated the first National Lineman's Appreciation Day. She presented to the Board a Resolution in honor of the day for them to sign and a copy will be presented to each lineman on April 13, 2015. We will have a breakfast in honor of the Linemen and the Board is invited to attend.

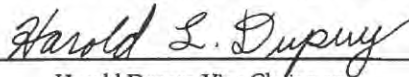
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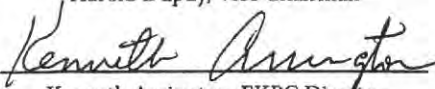
LINEMAN APPRECIATION DAY
(CONTINUED)

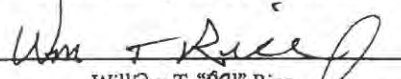
1st National Lineman Appreciation Day

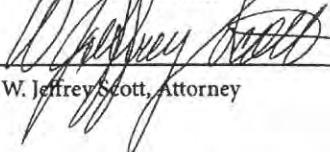
- “Whereas linemen leave their families and put their lives on the line every day to keep the power on;
- “Whereas linemen work 365 days a year under dangerous conditions to build, maintain and repair the electric infrastructure;
- “Whereas linemen are the first responders of the electric cooperative family, getting power back on and making things safe for all after storms and accidents; and
- “Whereas there would be no electric cooperatives without the brave men and women who comprise our corps of linemen;
- “Therefore be it resolved that NRECA and Grayson Rural Electric Cooperative Corporation recognize the Second Monday of April of each year as National Lineman Appreciation Day. We support and recognize the contributions of these valuable men to our members, our community and our Country.

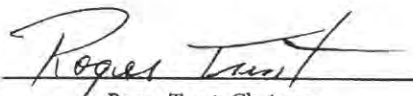

Carol Hall Fraley, President & CEO

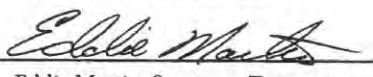

Harold Dupuy, Vice Chairman

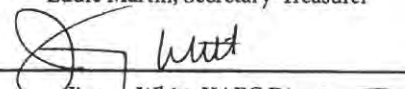

Kenneth Arrington, EKPC Director

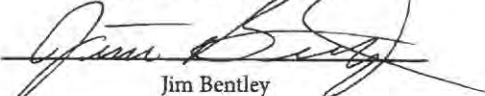

William T. "Bill" Rice


W. Jeffrey Scott, Attorney


Roger Trent, Chairman


Eddie Martin, Secretary-Treasurer


Jimmy Whitt, KAEC Director


Jim Bentley

Resolution of Respect Commencing on April 13, 2015

LINEMAN APPRECIATION DAY (CONTINUED)	Motion was made by Director Rice, seconded by Director Bentley agreeing to honor our linemen on April 13, 2015 and adopt this resolution. Motion carried unanimously.
SMITHFIELD	President Fraley, Brian Poling, Kyle Clevenger, Mike Martin and Bradley Cherry met with Smithfield on Tuesday in regards to primary metering and an unpaid \$7,000 invoice. They explained the concept of primary metering and that anything on Smithfield's side of the meter was at their expense. They offered them various programs and reminded them of the work done for them by Tina Preece and other people from EKPC. They were informed that a new contract needed to be negotiated due to new ownership. Transformers required for load will be paid for by Smithfield. The first transformers just for service were provided by Grayson RECC. Kyle made them aware of a fuse holder and switch replacement that needed to be installed. This work will be scheduled and paid for by Smithfield, along with the outstanding invoice.
PSC	A letter of notice regarding the recent snow storm was written to the PSC. A letter with the final costs will be mailed as soon as all invoices are received.
SAND GAP CASE	President Fraley asked Legal Counsel Scott about the Sand Gap case and he stated that has been submitted to Circuit Judge in Frankfort and a reply has to be done now.
APPROVAL OF NEW MEMBERSHIPS & RETIREMENT OF EXISTING MEMBERSHIPS	Motion was made by Director Martin, seconded by Director Dupuy and unanimously agreed to approve seventy-eight (78) new memberships and retirement of seventy-two (72) existing memberships for February 2014.
BAD DEBT WRITE-OFFS	Motion was made by Director Martin, seconded by Director Dupuy and unanimously agreed to charge off \$ 2,621.87 worth of bad debts and turn them over for collection.
APPROVAL OF CEO'S, DIRECTOR'S & ATTORNEY BUSINESS EXPENSES	Motion was made by Director Whitt, seconded by Director Rice and unanimously agreed to approve the President's business expense of \$8.39, Director's business expenses of \$9,544.29 and Attorney's business expense of \$188.89.
PRESIDENT'S REPORT	President Fraley reported on the following:
TELEPHONE CONTRACTS	AT&T and Windstream pole attachment contract charges will be based on the CPI (index). We will propose the same charges for the proposed broadband attachments by the state.
EAST KENTUCKY POWER COOPERATIVE	President Fraley discussed an EKPC handout regarding Costs to Member System Report from EKPC. EKPC exceeded the budgeted amount every month in 2014. Although other costs are closely monitored, the Cost to Member System Report is disregarded. She also handed out a report detailing EKPC's accomplishments for 2014. Cost to Member Systems was not part of that report. Legal Counsel Scott read a portion of the Wholesale Power Contract and how it has changed from 1964 to now, questioning how East Kentucky Power can make such changes.

EAST KENTUCKY
POWER COOPERATIVE
(CONTINUED)

Director Arrington announced that East Kentucky Power Cooperative expects to purchase a merchant plan with a 400 megawatt gas peaker, used now by L G & E. East Kentucky Power had already sent out an RFP for 300 MG and said they need additional power for cold weather.

Under our current arrangements, they will sell all power to PJM and then buy back what we need. The EKPC Board will vote in May. The cost is \$142 million. It is located off I-71, between Louisville and Cincinnati.

LEGAL COUNSEL'S REPORT

Legal Counsel Scott reported on the following:

The PSC will issue an order on the Fuel Adjustment Clause. They granted a request for fly ash removal.

Legal Counsel Scott reminded Director Arrington that he only has to be excused from Executive Session for Charleston Bottoms. He has the right to ask about the fly ash matter.

We will pursue our complaint concerning the Valley View Subdivision. Director Martin and Director Dupuy requested Legal Counsel to look at the Wholesale Power Contract last month. They would like to request a judge to make decision on whether the Wholesale Power Contract is valid now or not.

PRESIDENT AND CEO

President Fraley and Executive Assistant, Priscilla Sparks, were asked to leave the board meeting during discussion of President Fraley's annual evaluation.

Motion was made to give President Carol Fraley a \$4,000 raise for 2015, retroactive January 1, 2015 by Director Arrington, seconded by Director Rice and unanimously agreed upon.

KAEC DIRECTOR'S REPORT

Director Whitt reported the following on the KAEC Board Meeting this month:

Strategic Planning – Chris Perry did the meeting. He is going to committee type meetings.

Tim Hargrove thinks there is nothing wrong except projections.

UUS is reducing the amount of transformers manufactured.

An Executive Committee was established. They are: Chris Perry, Tommy Hill, Bill Prather, Ted Hampton, Carol Wright, and Debbie Martin

EKPC DIRECTOR'S REPORT

Director Arrington said that most of his report had been covered under related Board issues.

Big Sandy RECC sent Kelly Shepherd to replace Wade May on EKPC Board. The EKPC Vice Chairman will not be replaced before the Annual Meeting in June. Mr. Campbell will represent EKPC at the KAEC meetings.

Mr. Arrington said David Estep, Big Sandy CEO, had asked for a meeting after the last EKPC Board meeting. He wanted to know what our bottom line was in settling our law suit. Mr. Estep stated Wade May was EKPC's key man who set the agenda. Mr. Estep told Mr. Arrington that Ms. Fraley was unable to do her job and that she had a lot of baggage with family issues. He also called her incompetent. Mr. Estep said their Legal Counsel doesn't come in to their meeting unless asked or to make a report.

EKPC DIRECTOR'S REPORT
(CONTINUED)

A motion was made to seat Director Arrington on the East Kentucky Power Cooperative's Board by Director Martin, seconded by Director Rice and unanimously agreed upon.

President Fraley said she would check and see when Mr. Arrington's credentials need to be presented to EKPC.

THANK YOU'S

We received thank you notes from the following Elliott County Chamber of Commerce for road signs and Isonville 5th and 6th Graders – science project.

DONATIONS

President Fraley presented to the Board for their consideration the following donation requests:

WCHS Baseball Boosters – sign sponsorship	\$100
Project Merry Christmas of Carter County	\$100
Greenup County Firefighters – fire school	\$100
Elliott Co. 4-H Camping Program – registration & transportation fees	\$190
Olive Hill Little League – sign renewal	\$150
Grayson Meals on Wheels – 2015 donation	\$100
Greenup County Genealogical & Historical Society	\$50
Elliott County Little League – sign for fence – sponsorship	\$175
Elliott County High School – state tournament sponsor	\$500
Rudy Fest – sponsorship	\$250
Build-a-Bed – sponsorship	\$150

Motion was made by Director Rice, seconded by Director Martin and unanimously agreed to approve the donations as presented.

Director Dupuy asked if we are getting revenue from the explosive plant in the Vanceburg Territory and President Fraley said we are.

MEETING ATTENDANCE

Upcoming employee meeting attendance requests were for:

SEDC Conference, Amelia Island, FL – few employees
Lineman School – Tony Brewer and Justin Staniford

BOARD MEETING DATE

The following board meeting dates have been assigned:

Monday, April 27, 2015 at 9:00 a.m.
Friday, May 22, 2015 at 9:00 a.m.
Friday, June 26, 2015 at 9:00 a.m.
Friday, July 24, 2015 at 9:00 a.m.
Friday, August 28, 2015 at 9:00 a.m.
Friday, September 25, 2015 at 9:00 a.m.
Friday, October 23, 2015 at 9:00 a.m.
Monday, November 30, 2015 at 9:00 a.m.
Friday, December 18, 2015 at 9:00 a.m.

ADDITIONAL BUSINESS

There was no additional business.

ADJOURN

Chairman Trent adjourned the meeting at 12:38 p.m.

Roger L. Trent, Chairman

Billy E. (Eddie) Martin, Secretary/Treasurer

W. Jeffrey Scott

DIRECTORS & ATTORNEY EXPENSES

February-15

KENNETH ARRINGTON			
Per Diem	-	GRECC Special Bd. Mtg. (2/12); GRECC Bd. Mtg. (2/16)	\$ 492.00
MISC	-		-
VISA	-		-
Cash in Lieu of Insurance	-		637.63
24 - Hr. Insurance	-		0.70
TOTAL	-		\$ 1,130.33
JIM BENTLEY			
Per Diem	-	GRECC Special Bd. Mtg. (2/12); GRECC Bd. Mtg. (2/16)	\$ 402.30
MISC	-		-
VISA	-		-
Cash in Lieu of Insurance	-		637.63
24-Hr. Insurance	-		1.08
TOTAL	-		\$ 1,041.01
HAROLD DUPUY			
Per Diem	-	GRECC Special Bd. Mtg. (2/12); GRECC Bd. Mtg. (2/16)	\$ 469.00
MISC	-		-
VISA	-	NRECA Annual Mtg. Room Deposit	309.38
Cash in Lieu of Insurance	-		637.63
24-Hr. Insurance	-		0.70
TOTAL	-		\$ 1,416.71
EDDIE MARTN			
Per Diem	-	GRECC Special Bd. Mtg. (2/12); GRECC Bd. Mtg. (2/16)	\$ 418.40
MISC	-		-
VISA	-		-
Cash in Lieu of Insurance	-		637.63
24 - Hr. Insurance	-		1.08
TOTAL	-		\$ 1,057.11

Grayson Rural Electric Financial Report

April 27, 2015

KWH Sales & Purchases: February 2015

Sales:	Month:	3.48%	Over Budget	(2/21 – 3/20)
	YTD:	2.90%	Over Budget	
	2014 YTD:	1.61%	Less	
Purchases:	Month:	17.18%	Over Budget	(2/1 – 2/28)
	YTD:	6.01%	Over Budget	
Line Loss :	Month:	21.99%		
	YTD:	11.99%		
	Last 12 Months:	5.90%		

Form 7: Dec 2014

Electric Revenue LESS Purchased Power:	\$ 214,480	Less
Purchase Power	\$ 263,932	More
Maintenance Expense	\$ 36,930	Less
Admin & General	\$ 18,303	More
Margins	\$ 300,758	More

Form 7: Year to Date

Margins :	\$ 506,275
Budgeted:	\$ 375,123

Other Items:

- PSC – Schedule 3 & 14(b)
- Ice Storm

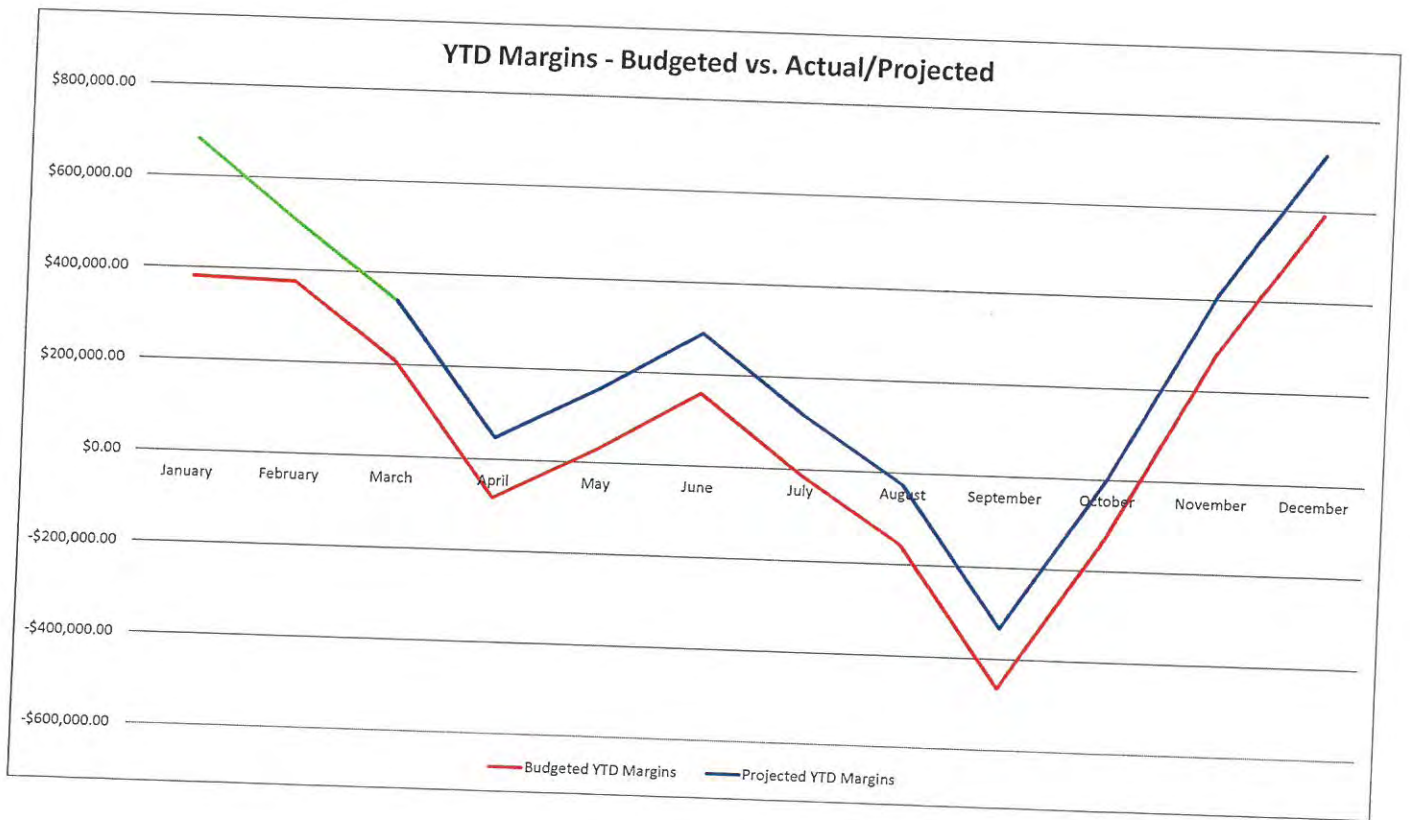
Monthly Operating Rev & Exp

	February 2014	March 2014	April 2014	May 2014	June 2014	July 2014	August 2014	September 2014	October 2014	November 2014	December 2014	January 2015	February 2015
Revenue	(3,048,089)	(2,418,497)	(2,089,942)	(2,476,940)	(2,687,648)	(2,579,178)	(2,571,883)	(2,129,236)	(2,644,213)	(3,012,795)	(3,293,995)	(3,852,755)	(3,011,463)
Purchased Power	1,966,923	1,735,123	1,326,474	1,355,831	1,616,862	1,653,014	1,615,983	1,389,136	1,222,188	1,739,051	1,827,391	2,094,265	2,211,257
Gross Margins	(1,081,166)	(683,374)	(763,468)	(1,121,109)	###	(926,164)	(955,900)	(740,100)	(1,422,025)	(1,273,744)	(1,466,604)	(1,758,490)	(800,206)
Operations	84,215	75,058	105,786	104,645	104,541	103,937	110,492	122,294	108,132	66,163	64,997	110,088	102,265
Maintenance	696,703	264,505	279,233	283,806	388,602	292,633	333,539	280,083	314,514	342,834	328,229	285,031	252,556
Customer Service	89,691	99,684	105,189	92,213	80,736	97,103	97,271	95,875	97,694	94,901	95,654	103,367	98,404
Informational Advertising	14,651	23,811	23,163	21,502	17,297	18,543	22,200	28,636	27,715	23,100	23,536	4,228	19,101
Demonstration Advertising	1,792	2,797	1,714	3,239	2,053	1,726	2,948	1,731	421	1,835	1,576	1,493	4,003
Admin & General	149,080	156,131	167,485	168,268	141,062	161,501	148,846	162,405	178,658	155,157	184,452	171,785	179,260
Depreciation	254,653	256,025	256,340	256,632	257,058	257,663	258,330	258,805	259,420	259,954	260,604	263,182	263,585
Regulatory	2,834	2,834	2,834	2,834	3,890	3,890	3,890	3,890	3,890	3,890	3,888	3,450	3,450
Interest - LTD	79,137	78,390	80,805	79,381	80,003	79,207	79,413	78,604	77,910	77,432	77,421	78,096	74,646
Interest - Deposits	130	130	129	128	128	130	129	128	127	126	706	105	124
Miscellaneous Expense	5,577	5,551	3,477	777	1,862	728	2,025	855	1,475	228	706	105	610
Interest Income	(2,450)	(2,431)	(2,595)	(2,587)	(2,616)	(2,609)	(2,551)	(2,568)	(2,485)	(2,579)	(2,573)	(2,607)	(2,566)
Non-Electric Revenue	(12,904)	(7,997)	11,843	(8,528)	1,669	(15,359)	1,066	8,730	(27,043)	21,557	851	58,069	(19,946)
Capital Credits	-	(153,986)	27,324	-	1,669	(15,359)	1,066	8,730	(27,043)	21,557	851	58,069	(19,946)
Margins	281,943	117,128	299,259	(118,799)	5,499	72,929	101,250	287,580	(381,597)	(229,146)	(427,263)	(682,202)	175,367
Operating Expenses	1,378,463	964,916	1,026,155	1,013,425	1,077,232	1,017,081	1,059,083	1,033,306	1,069,956	1,025,620	1,041,063	1,020,825	998,004
Monthly OTIER	(2,56)	(0,49)	(2,70)	2,50	0,95	0,08	(0,27)	(2,66)	5,90	3,96	6,52	9,74	(1,35)
Revenue	(32,974,790)	(32,897,147)	(33,007,984)	(33,144,052)	(33,211,198)	(33,293,861)	(33,351,245)	(33,402,613)	(33,511,774)	(33,203,203)	(32,828,962)	(32,805,171)	(32,768,544)
Purchased Power	20,235,372	20,124,757	20,059,031	20,007,124	20,040,725	20,036,598	20,099,569	20,128,263	20,071,174	20,099,182	19,923,071	19,542,241	19,786,575
Gross Margins	(12,739,418)	(12,772,390)	(12,948,953)	(13,136,928)	(13,170,473)	(13,257,263)	(13,251,676)	(13,274,350)	(13,440,600)	(13,104,021)	(12,905,891)	(13,262,930)	(12,981,969)
Operations	1,084,032	1,071,086	1,087,492	1,100,875	1,112,291	1,123,347	1,135,788	1,171,471	1,185,290	1,170,977	1,160,112	1,160,348	1,178,399
Maintenance	3,366,557	3,361,456	3,430,993	3,485,185	3,593,939	3,646,619	3,694,578	3,764,010	3,864,879	3,948,243	4,034,456	4,089,712	3,645,564
Customer Service	1,086,629	1,081,880	1,085,892	1,085,659	1,071,227	1,073,216	1,075,503	1,079,480	1,084,267	1,082,086	1,131,180	1,149,378	1,158,091
Informational Advertising	231,866	237,894	242,875	239,820	234,935	236,476	240,979	241,036	249,157	254,882	266,275	248,382	252,832
Demonstration Advertising	1,939,115	1,954,713	2,063,55	2,265,00	22,974	22,891	23,893	23,731	21,924	21,983	24,076	23,325	23,325
Depreciation	3,033,139	3,033,504	3,033,911	3,033,710	3,033,204	3,039,925	3,046,857	3,053,949	3,061,617	3,080,935	3,088,645	3,098,666	3,197,501
Regulatory	34,073	34,097	34,121	34,145	35,225	36,305	37,328	38,351	39,374	40,397	41,398	42,014	42,630
Interest - LTD	986,349	986,570	984,295	981,010	978,190	973,044	966,961	962,378	958,037	954,050	950,337	945,799	941,308
Interest - Deposits	2,222	2,152	2,082	2,011	1,939	1,869	1,797	1,721	1,646	1,573	1,416	1,285	1,279
Miscellaneous Expense	(29,439)	(29,421)	(29,565)	(29,846)	(29,814)	(29,525)	(29,525)	(29,525)	(29,035)	(27,523)	(26,735)	(23,366)	(18,399)
Interest Income	(59,100)	(62,294)	(31,356)	(22,183)	(19,757)	(16,476)	(5,774)	(6,423)	(30,244)	(30,369)	(30,490)	(30,651)	(30,787)
Non-Electric Revenue	(160,930)	(166,567)	(139,243)	(139,243)	(138,092)	(138,092)	(138,540)	(149,123)	(138,898)	(138,898)	(138,898)	(138,898)	(138,898)
Capital Credits	(1,150,381)	(1,188,031)	(1,225,915)	(1,354,018)	(1,333,220)	(1,350,677)	(1,264,022)	(1,162,047)	(1,230,153)	(785,674)	(419,688)	(673,419)	(779,996)
Margins	11,838,506	11,832,641	11,923,202	11,974,078	12,025,003	12,091,207	12,162,103	12,285,216	12,407,829	12,504,026	12,671,221	12,727,105	12,346,647
Operating Expense	2,17	2,20	2,25	2,38	2,36	2,39	2,31	2,21	2,28	1,82	1,44	1,71	1,83
Rolling 12 Month OTIER													

2015 Monthly Margins			
	Actual	Budgeted	Difference
January	\$681,642.42	\$381,444.43	\$300,197.99
February	-\$175,367.43	-\$6,321.57	-\$169,045.86
March	\$0.00	-\$166,619.57	
April	\$0.00	-\$291,768.57	
May	\$0.00	\$112,384.43	
June	\$0.00	\$129,707.43	
July	\$0.00	-\$170,407.57	
August	\$0.00	-\$145,687.57	
September	\$0.00	-\$306,473.57	
October	\$0.00	\$335,107.43	
November	\$0.00	\$409,254.43	
December	\$0.00	\$310,823.10	

2015 YTD Margins			
	Actual	Budgeted	Difference
	\$681,642.42	\$381,444.43	\$300,197.99
	\$506,274.99	\$375,122.86	\$131,152.13
		\$208,503.29	
		-\$83,265.28	
		\$29,119.15	
		\$158,826.58	
		-\$11,580.99	
		-\$157,268.56	
		-\$463,742.13	
		-\$128,634.70	
		\$280,619.73	
		\$591,442.83	

2015 Projected Margins	
	YTD + Actual
	\$681,642.42
	\$506,274.99
	\$339,655.42
	\$47,886.85
	\$160,271.28
	\$289,978.71
	\$119,571.14
	-\$26,116.43
	-\$332,590.00
	\$2,517.43
	\$411,771.86
	\$722,594.96



FEBRUARY 2015

219 ANALYSIS

<u>WO NOS.</u>	<u>DESCRIPTION</u>		<u>NUMBER</u>		<u>COST</u>	<u>LOAN FUNDS</u>	<u>UNIT COST</u>	<u>BUDGETED UNIT COST</u>
9	RETIREMENTS		71		1,222.64	(1,222.64)		
100	NEW LINE EXTENSIONS		8		28,462.96	28,462.96	3,557.87	3,229.93
200	TIE LINES							
300	MAJOR PROJECTS		0		0.00	0.00		
602	SERVICE UPGRADES		3		3,875.97	3,875.97	1,291.99	1,920.25
603	SECTIONALIZERS		1		966.25	966.25		
604	REGULATORS							
606	POLES		14	POLES	52,458.50	52,458.50	3,747.04	2,410.75
701	SECURITY LIGHTS		14		9,864.08	9,864.08	704.58	423.50
1600	MINOR PROJECTS		6		7,953.10	7,953.10		
	TOTAL		118		104,803.50	102,358.22		
601	<u>SPECIAL EQUIPMENT</u>	<u>ACCT#</u>						
	METERS	370.00	8		7,574.76	7,574.76	946.85	160.00
	TRANSFORMERS	368.00	0		0.00	0.00	0.00	1,120.00
	TURTLES	370.10	0		0.00	0.00	0.00	
	DISCONNECT METERS	370.20	0		0.00	0.00	0.00	
	OTHER SP EQUIP	365.00	0		0.00	0.00	0.00	
	TOTAL		8		7,574.76	7,574.76		
	MATERIAL				8,545.48			
	MATERIAL OH				44,880.01			
	LABOR				9,904.92			
	LABOR OH				19,512.90			

1-27-2015

2015

Current Year

	Average	HDD	CDD	HDD	CDD	Average
21-Feb	27	38	0	26	0	39
22-Feb	35	30	0	29	0	36
23-Feb	20	45	0	35	0	30
24-Feb	19	46	0	24	0	41
25-Feb	32	33	0	39	0	26
26-Feb	26	39	0	43	0	22
27-Feb	17	48	0	23	0	42
28-Feb	25	40	0	10	0	55
1-Mar	35	30	0	25	0	40
2-Mar	34	31	0	36	0	29
3-Mar	45	20	0	38	0	27
4-Mar	42	23	0	39	0	26
5-Mar	19	46	0	47	0	18
6-Mar	13	52	0	40	0	25
7-Mar	32	33	0	53	0	12
8-Mar	46	19	0	55	0	10
9-Mar	49	16	0	52	0	13
10-Mar	50	15	0	50	0	15
11-Mar	58	7	0	62	0	3
12-Mar	51	14	0	63	0	2
13-Mar	53	12	0	38	0	27
14-Mar	53	12	0	30	0	35
15-Mar	51	14	0	45	0	20
16-Mar	60	5	0	46	0	19
17-Mar	51	14	0	33	0	32
18-Mar	40	25	0	39	0	26
19-Mar	45	20	0	48	0	17
20-Mar	45	20	0	40	0	25

38.3 747 0 1108 0 25.4

1108 1108

747 747

2014

Previous Year

	Average	HDD	CDD	HDD	CDD	Average
21-Feb	54	11	0	14	0	51
22-Feb	50	15	0	21	0	44
23-Feb	44	21	0	34	0	31
24-Feb	32	33	0	34	0	31
25-Feb	33	32	0	34	0	31
26-Feb	26	39	0	39	0	26
27-Feb	27	38	0	40	0	25
28-Feb	26	39	0	41	0	24
1-Mar	37	28	0	35	0	30
2-Mar	37	28	0	43	0	22
3-Mar	16	49	0	45	0	20
4-Mar	20	45	0	41	0	24
5-Mar	31	34	0	30	0	35
6-Mar	36	29	0	25	0	40
7-Mar	44	21	0	37	0	28
8-Mar	47	18	0	37	0	35
9-Mar	42	23	0	30	0	48
10-Mar	49	16	0	17	0	51
11-Mar	60	5	0	14	0	54
12-Mar	45	20	0	11	0	54
13-Mar	28	37	0	11	0	54
14-Mar	47	18	0	15	0	50
15-Mar	54	11	0	21	0	44
16-Mar	35	30	0	33	0	32
17-Mar	33	32	0	32	0	33
18-Mar	47	18	0	39	0	26
19-Mar	54	11	0	38	0	27
20-Mar	47	18	0	39	0	26

39.3 719 0 850 0 34.6

850 850

719 719

summary

2015

Current Year

	Average	HDD	CDD	HDD	CDD	Average
21-Jan	43	22	0	35	0	30
22-Jan	36	29	0	29	0	36
23-Jan	33	32	0	16	0	49
24-Jan	31	34	0	16	0	49
25-Jan	39	26	0	36	0	29
26-Jan	32	33	0	39	0	26
27-Jan	22	43	0	50	0	15
28-Jan	24	41	0	52	0	13
29-Jan	38	27	0	42	0	23
30-Jan	27	38	0	48	0	17
31-Jan	26	39	0	40	0	25
1-Feb	39	26	0	30	0	35
2-Feb	36	29	0	37	0	28
3-Feb	30	35	0	39	0	26
4-Feb	41	24	0	37	0	28
5-Feb	26	39	0	33	0	32
6-Feb	22	43	0	26	0	39
7-Feb	42	23	0	20	0	45
8-Feb	55	10	0	24	0	41
9-Feb	40	25	0	23	0	42
10-Feb	29	36	0	22	0	43
11-Feb	27	38	0	29	0	36
12-Feb	26	39	0	32	0	33
13-Feb	18	47	0	34	0	31
14-Feb	25	40	0	26	0	39
15-Feb	12	53	0	33	0	32
16-Feb	10	55	0	43	0	22
17-Feb	13	52	0	41	0	24
18-Feb	15	50	0	27	0	38
19-Feb	3	62	0	38	0	27
20-Feb	2	63	0	39	0	26
	27.8	1153	0	1036	0	31.6
				1036		
		1153				

2014

Previous Year

	Average	HDD	CDD	HDD	CDD	Average
21-Jan	22	43	0	29	0	36
22-Jan	8	57	0	39	0	26
23-Jan	11	54	0	50	0	15
24-Jan	9	56	0	38	0	27
25-Jan	26	39	0	24	0	41
26-Jan	31	34	0	44	0	21
27-Jan	29	36	0	61	0	4
28-Jan	6	59	0	45	0	20
29-Jan	9	56	0	32	0	33
30-Jan	19	46	0	22	0	43
31-Jan	39	26	0	14	0	51
1-Feb	51	14	0	22	0	43
2-Feb	44	21	0	21	0	44
3-Feb	31	34	0	17	0	48
4-Feb	31	34	0	34	0	31
5-Feb	31	34	0	36	0	29
6-Feb	26	39	0	34	0	31
7-Feb	25	40	0	43	0	22
8-Feb	24	41	0	30	0	35
9-Feb	30	35	0	22	0	43
10-Feb	22	43	0	43	0	22
11-Feb	20	45	0	57	0	8
12-Feb	24	41	0	54	0	11
13-Feb	35	30	0	56	0	9
14-Feb	40	25	0	39	0	26
15-Feb	28	37	0	34	0	31
16-Feb	28	37	0	36	0	29
17-Feb	35	30	0	59	0	6
18-Feb	48	17	0	56	0	9
19-Feb	51	14	0	46	0	19
20-Feb	54	11	0	26	0	39
	28.6	1128	0	1163	0	27.5
				1128		
		1128				
				1163		

2015

	January	February	March	April	May	June	July	August	September	October	November	December
Sales	30,110,413.00	24,071,853.00										

Purchases:

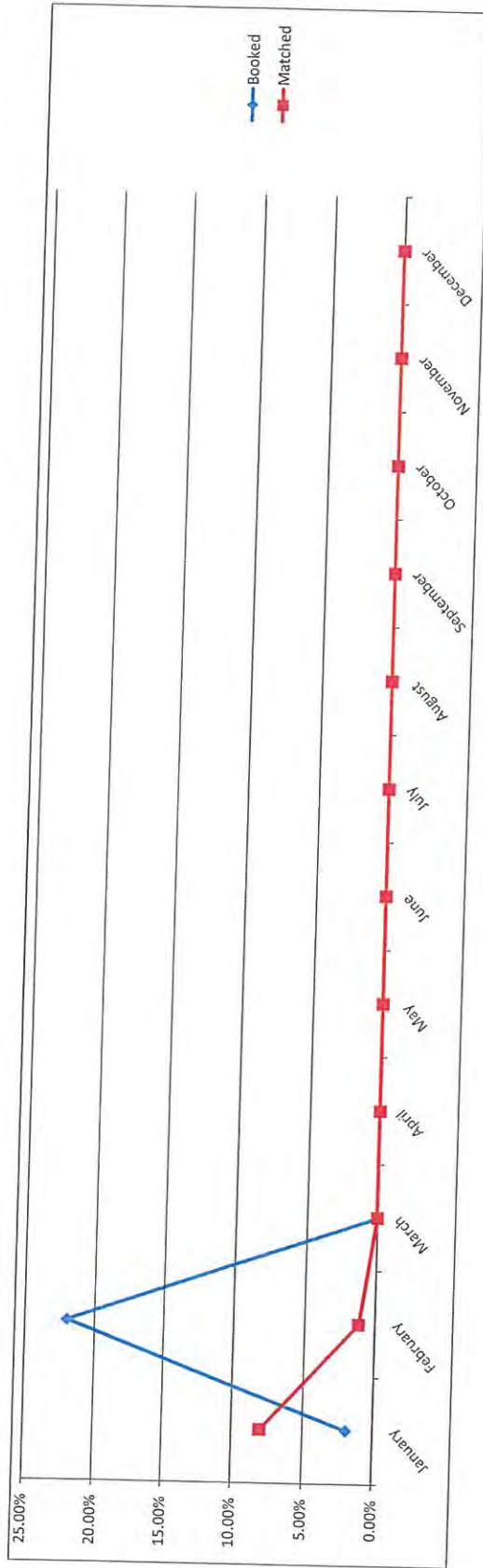
Booked	30,707,957.00	30,858,196.00										
Matched	32,729,548.84	24,351,751.40										

kWh Loss

Booked	597,544.00	6,786,343.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Matched	2,619,135.84	279,898.40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

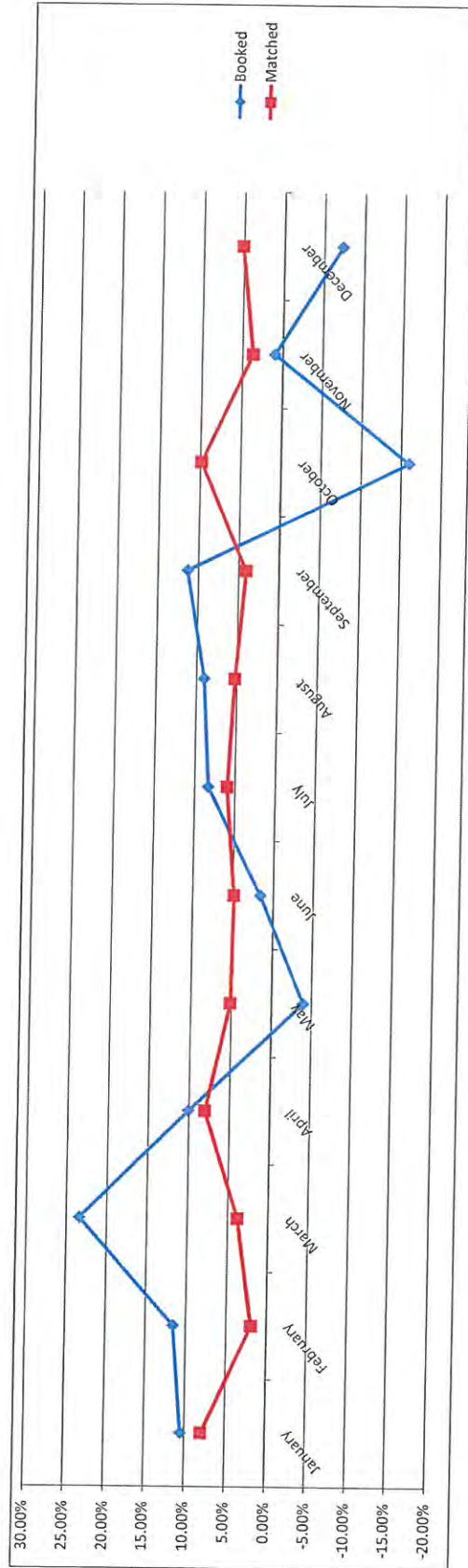
% Line Loss

Booked	1.95%	21.99%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Matched	8.00%	1.15%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!



2014

	January	February	March	April	May	June	July	August	September	October	November	December
Sales	31,244,541.00	23,826,394.00	19,263,071.00	15,268,670.00	18,650,959.00	20,191,482.00	19,368,740.00	19,401,186.00	15,741,901.00	20,486,774.00	23,782,057.00	27,592,555.00
Purchases:												
Booked	34,919,417.00	26,958,772.00	25,169,343.00	16,991,826.00	17,949,402.00	20,531,862.00	21,135,450.00	21,334,747.00	17,751,694.00	17,658,217.00	24,018,661.00	25,712,555.00
Matched	33,947,236.44	24,284,209.43	20,020,536.74	16,604,442.83	19,657,093.53	21,226,563.34	20,598,917.80	20,477,055.27	16,410,124.15	22,729,958.76	24,693,883.95	29,072,851.34
kWh Loss												
Booked	3,674,876.00	3,132,378.00	5,906,272.00	1,723,156.00	-701,557.00	340,380.00	1,766,710.00	1,933,561.00	2,009,793.00	-2,828,557.00	236,604.00	-1,880,000.00
Matched	2,702,695.44	457,815.43	757,465.74	1,335,772.83	1,006,134.53	1,035,081.34	1,230,177.80	1,075,869.27	668,223.15	2,243,184.76	911,826.95	1,480,296.34
% Line Loss												
Booked	10.52%	11.62%	23.47%	10.14%	-3.91%	1.66%	8.36%	9.06%	11.32%	-16.02%	0.99%	-7.31%
Matched	7.96%	1.89%	3.78%	8.04%	5.12%	4.88%	5.97%	5.25%	4.07%	9.87%	3.69%	5.09%



Ice Storm – March 2015

* Grayson RECC Labor:	\$ 63,287
* Contractor Labor (Pike,R/W)	\$ 123,036
* Meals	<u>\$ 4,053</u>
* Work Orders	\$ 10,608
* Total	\$ 200,984

Grayson Rural Electric Cooperative Corporation

109 Bagby Park • Grayson, KY 41143-1292
Telephone 606-474-5136 • 1-800-562-3532 • Fax 606-474-5862

May 14, 2015

Dear Director:

A Regular Meeting of the Board of Directors is hereby called. I do hereby fix the GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION headquarters in Grayson, Commonwealth of Kentucky, as the place, and **Friday, the twenty-second day of May, 2015 at 9:00 a.m.**, for holding of said meeting for the following purposes:

To take any and all action and to transact any and all business which may be necessary, convenient, or desirable in connection with any of the foregoing and the organization of the Corporation at said meeting or at any adjournment or adjournments thereof; and for the transaction of such other business which may come before the meeting or any adjournment or adjournments thereof, as well as consider altering, amending, or repealing the current Bylaws of the Corporation in the manner hereinafter set forth.

Sincerely,



Roger L. Trent
Chairman

GRAYSON RURAL ELECTRIC
COOPERATIVE CORPORATION

RLT/ps

Enclosures:

1. Agenda
2. Miscellaneous Analysis

Grayson Rural Electric Cooperative Corporation

109 Bagby Park • Grayson, KY 41143-1292
Telephone 606-474-5136 • 1-800-562-3532 • Fax 606-474-5862

May 14, 2015

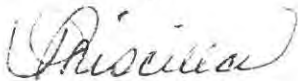
W. Jeffrey Scott,
Attorney at Law
P. O. Box 608
Grayson, KY 41143

Dear Jeffrey:

A Regular Board Meeting of GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION will be held on **Friday, May 22, 2015, at 9:00 a.m.**

We look forward to seeing you at the Board Meeting.

Sincerely,



Priscilla Sparks
Executive Assistant

GRAYSON RURAL ELECTRIC
COOPERATIVE CORPORATION

Enclosures:

1. Agenda
2. Miscellaneous Analysis

GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION
BOARD MEETING AGENDA

On May 22, 2015 at 9:00 a.m., the Directors of Grayson Rural Electric Cooperative Corporation were called to meet by the Chairman.

1. Sign Wavier of Notice
2. Invocation
3. Approval of the Minutes From the April 2015 Board Meeting
4. Approval of the Minutes From the May 2015 Organizational Meeting
5. Technical Services Report – Brian Poling, Manger of Technical Services
6. Manager of Finance & Accounting Report and Approval of the Financial & Statistical Report for March 2015– Bradley Cherry, Manager of Finance & Accounting
7. Manager of Marketing & Member Services Report – Kim Bush
8. Operations Report and Safety Report – Kyle Clevenger, Manager of Operations
9. Approval of One Hundred Five (105) New Memberships and Retirement of Eighty-Nine (89) Existing Memberships for April 2015
11. Consider Approval of Accounts to be Charged Off to Reserve \$6,146.68
12. Consider Approval of President’s Business Expense in the Amount of \$116.88, Director’s Business Expense in the Amount of \$12,724.04 and Attorney’s Business Expense in the Amount of \$25.80
13. President’s Report – Carol Hall Fraley
14. Cooperative Legal Matters – W. Jeffrey Scott
15. KAEC Director’s Report – Jimmy Whitt
16. EKPC Director’s Report – Kenneth Arrington
17. Consider Community Service and/or Donations
18. Approval of Attendance at Meetings – Directors & Employees
19. Report of Any Meetings Held
20. Confirm Date for Next Regular Board Meeting, June 26, 2015
21. Additional Business
22. Adjourn

On April 27, 2015 at 9:06 a.m. Grayson Rural Electric Cooperative Corporation held a regular board meeting at its office in Grayson, Kentucky called by the Chairman, for the transaction of such business as outlined in the letter of call. Chairman Trent called the meeting to order pursuant to the Waiver of Notice signed by the Directors and all were present. Others present included: Carol Hall Fraley, President and CEO; W. Jeffrey Scott, Legal Counsel; and Priscilla Sparks, Executive Assistant.

- INVOCATION Director Dupuy gave the invocation.
- EXECUTIVE SESSION Director Dupuy called for Executive Session, seconded by Director Martin at 9:06 a.m., excusing Carol Hall Fraley, President and CEO; W. Jeffrey Scott, Legal Counsel; and Priscilla Sparks, Executive Assistant, from the board meeting. The Board adjourned from Executive Session at 9:27 a.m.
- APPROVAL OF MINUTES Motion was made by Director Rice, seconded by Director Dupuy and unanimously agreed to approve the minutes from the March 2015 Board Meeting.
- MANAGER OF TECHNICAL SERVICES Brian Poling, Manager of Technical Services reported on the following:

The Outage Management System has been upgraded and moved to the new server. The newest software for our outage maps automatically updates the maps each time a work order is entered, instead of having to manually update the maps every month or two. The staking software will be moved soon.

The new outbound campaign for disconnects last month showed we made 1,300 calls in 55 minutes, compared to the old system – a day to a day and a half. The system was utilized several times this month for planned outages. Director Arrington suggested adding all Directors to the call list for their area. Mr. Poling said he was working on that.
- OFFICE & MEMBER SERVICES REPORT Bradley Cherry, Manager of Finance and Accounting gave the Financial & Statistical Report for February 2015. The following was reported:
- FINANCIAL & STATISTICAL REPORT FOR FEBRUARY 2015 Kilowatt hour sales for the month of February (02/21-03/20) were 3.48% over budget. Purchases for the time period of (2/1-28) were 17.18% over budget. Line loss for the last twelve months was 5.90%. Year to date margins were \$506,275 compared to budgeted \$375,123. The highest demand we have ever had was set in February at 85,194 kW's.
- MARCH 2015 ICE STORM The ice storm of March 2015 cost was \$200,984. President Fraley has submitted the final report to the Public Service Commission. We have not had a declaration from FEMA yet.
- TARIFFS We filed Schedules 3 and 13B and C Tariffs with the Public Service Commission and they have been approved.
- RUS WORK ORDERS RUS work orders for the months of October, November and December 2014 were presented to the board of directors for approval:
- | | | |
|---------------|---------------------|--------------|
| October 2014 | Work Order No. 1206 | \$201,702.42 |
| | Work Order No. 1207 | \$9,045.25 |
| November 2014 | Work Order No. 1208 | \$167,364.18 |
| | Work Order No. 1209 | \$10,475.05 |

RUS WORK ORDERS (CONTINUED)	December 2014	Work Order No. 1210	\$152,823.69
		Work Order No. 1211	\$10,193.98
		Total	\$ 551,604.56

Motion was made by Director Rice seconded by Director Martin and unanimously agreed to approve said work orders as presented and submit them to RUS.

APPROVAL OF FINANCIAL & STATISTICAL REPORT FOR FEBRUARY 2015
Motion was made by Director Martin, seconded by Director Dupuy and unanimously agreed to approve the Financial and Statistical report for February 2015 as presented for informational purposes only.

MANAGER OF MARKETING AND MEMBER SERVICES
Kim Bush, Manager of Marketing and Member Services, reported on the following:

LIHEAP
We received \$226,622.99 from LIHEAP. This amount was lower than last year.

WINTERSHIP HARDSHIP
There were 25 winter hardship reconnects and 28 thirty day extensions.

PREPAY ACCOUNTS
We have 306 active Pre-Pay accounts with an average balance of \$48.44. Average daily usage for these accounts is 28 kWh; 957 payments were received in 30 days totaling \$36,204.58. Director Dupuy said it would be interesting to see a regular bill in a given month, before and after Pre Pay usage. Debt Management is a significant part of Pre Pay and we can put up to \$500 on contract. We have 38 Pre-Pay accounts that utilize Debt Management. Total amount in Debt Management is \$10,815.72 with 3 under \$100; 11 \$100-\$199 range; 9 \$200-\$299 range; 5 \$300-\$399 range; 8 \$400-\$499 range; and 2 over \$500 (exceptions).

ENERGY AUDITS
Tina Preece completed the following audits: 8 Energy audits; 1 Button-Up; 1 Commercial audit; 1 How\$mart Audit; and 1 ETS service call.

SCHOOL PROGRAMS
Career Day was held at Elliott County High School with Robert Brown discussing Operation Preparation.

FRANKFORT YOUTH TOUR
Five high school juniors attended the Frankfort Youth Tour on March 26th, with Tina Preece and Julie Lewis. Collin Howell and Shelby Adkins from Elliott County will attend the Washington Youth Tour in June.

SIMPLE\$AVERS
Next week Kim Bush will be interview by WSAZ, prior to our annual meeting.

ANNUAL MEETING
Mrs. Bush reported the following plans for the Annual Meeting on May 14th:
Registration begins at 7:30 a.m. and concludes at 6:00 p.m.
Business Meeting commences at 6:00 p.m.
The same format as the last three years will be used.
Drive thru registration is a big hit and the consumers love it.

Several nice door prizes will be given away after the buinsess meeting. Two of them are a small refrigerator and a high efficiency clothes washer. Members do not have to be present to win the door prizes.

ENERGY EFFICIENCY FLYERS	Flyers promoting high energy efficiency appliances and rebates have been left at Lowe's in Ashland and Morehead, and Dyer's in Grayson to give to our consumers.
OPERATIONS REPORT	Kyle Clevenger, Manager of Operations, gave the Operations Report. He reported on the following:
EMPLOYEE/LOST TIME ACCIDENT	There were no lost time accidents to report this month.
SAFETY REPORT	The following safety meetings were held during March 2015:
SAFETY MEETING	<p>March 03—Robert Brown, Director of Purchasing and Stores, turned the meeting over to Clarence Greene for the KAEC monthly safety meeting. His topic was 3-phase banking and trouble shooting.</p> <p>March 12—Sherry Buckler, Manager of Accounting & Human Resources, read from the Safety Manual, Work Zone Safety, Section 505.1 – 505.3. We had the monthly safety give-a-way.</p> <p>March 16—Kim Bush, Manager of Marketing & Member Services, read from the safety manual, Tools and Equipment, Section 506.1 – 506.2. Carol Fraley presented certificates to Kyle Clevenger and Jamey Withrow for the completion of the Superintendent & Foremen's Conference.</p> <p>March 23—Bradley Cherry, Manager of Finance & Accounting discussed benefits, insurance, retirement security plans and showed how to look at this information on Cooperative.Com. Kyle Clevenger read safety investigations on accidents involving Shane McDavid and Mark Hutchinson and reminded everyone to work safe. Carol Fraley, President and CEO, asked everyone to watch for swimming pools being installed under power lines.</p> <p>Kyle continues to mention the necessity and importance of hard hats, rubber gloves and the importance of using ground chains. A line is not dead until it is grounded.</p>
CONSTRUCTION	The Construction Department built one hundred eighteen (118) work orders. Eight (8) services were added and seventy (70) services retired, for the month of March. Most of these retirements were a result of our meter reading programs and were not active accounts. Construction did not work any overtime this month.
OVERTIME HOURS	The Maintenance Department worked one thousand two hundred eighty-two (1,282) hours of overtime and the Engineering Department worked twelve (12) hour overtime during the month of March 2015.
DELINQUENT NOTICES	The Maintenance & Construction Departments collected on one hundred eighty-three (183) delinquent accounts and disconnected fifty-four (54) accounts in April.
ENGINEERING REPORT	The Engineering Department released sixty-five (65) prints consisting of 3,635 feet primary line, 1,815 feet of service wire and 0 feet of underground service. They currently have two (2) new services to be staked and two (2) to be drawn. They have approximately twelve (12) miscellaneous jobs to be staked or drawn.

CONTRACT CREWS

We have two (2) Pike crews working:

Tony Seagraves – Airport Road to Corey Ridge in Carter County and New Construction. He is now on Stark Ridge.

Doug Rogers – State Route 7, Greenup County, Schultz to Allen Chapel Church; to be completed in two weeks and then this crew will move to Montgomery.

Another Pike crew will be added this week working on poles washed out and start on RT 51 for the State Highway following those work orders.

Poles in Elliott County along new State Route 7 have started to slip where they were set. The State Highway will have to pay for the cost of relocating the poles and related expenses.

RIGHT-OF-WAY CREWS

We have nine (9) W A Kendall right-of-way crews working on random jobs and work orders at this time. Crew's trimmed 592 trees, cut 957 trees, cut 17,495 feet of brush/line and sprayed 18 spans of line. The crews are working in the following areas:

- 1 cutting crew in Carter, Lewis and Greenup Counties
- 1 cutting crew in Elliott and Lawrence Counties
- 2 cutting crews in Rowan County
- 1 bucket truck crew in Carter, Lewis and Greenup Counties
- 1 bucket truck crew in Elliott and Lawrence Counties
- 1 bucket truck crew in Rowan County
- 1 tractor crew in Carter County
- 1 dormant spray crew in Carter County

Smith Tree Service has finished a circuit in Greenup County and now working at Carter City.

UNIT COST AND COST PLUS

President Fraley reminded the Board that Work Plan projects are billed on Cost Plus or Units. The Operations Manager and Assistant Operations Manager look at every job with the contractor to determine how each individual job in the work plan should be billed. For example, Stark is eight miles long and over 50% of the poles will need to be changed out, so it will be billed as a unit job. Montgomery is a shorter job consisting mostly of wire changes and will be billed as cost plus. When Contractors bid the Work Plan, the individual jobs are unseen. It is reasonable and customary in order to be fair to the contractor and keep our costs down, to evaluate each job and determine how it will be billed before work commences.

When contractors bid our work plan, the rates they have bid are applied to three work plan jobs, chosen by the Cooperative. Each contractor's rates are applied to the same three jobs. One job will be a small work plan project; one will be a large work plan project and one will be something from day to day work like a pole change out, worked hot. Not every job we do is done the same way and costs are not the only criteria. We also evaluate safety, availability of equipment and manpower, and overtime rates among other things. The cost of the four year work plan is \$20,000,000. We look at each job to try to make sure we stay within our projected cost per job.

President Fraley wanted to remind all Directors that this is normal Work Plan procedure and this method is used by all Cooperatives and approved by RUS.

KAEC LINEMAN'S RODEO	The 2015 KAEC Lineman's Rodeo will be hosted by Pennyrile Electric and will be held on the Western Kentucky State Fairgrounds on July 30-31 in Hopkinsville, KY.
APPROVAL OF NEW MEMBERSHIPS & RETIREMENT OF EXISTING MEMBERSHIPS	Motion was made by Director Dupuy, seconded by Director Rice and unanimously agreed to approve sixty-eight (68) new memberships and retire ninety-five (95) existing memberships for March 2015.
BAD DEBT WRITE-OFFS	Motion was made by Director Rice, seconded by Director Martin and unanimously agreed to charge off \$6,146.68 worth of bad debts and turn them over for collection.
APPROVAL OF CEO'S, DIRECTOR'S & ATTORNEY BUSINESS EXPENSES	Motion was made by Director Martin, seconded by Director Dupuy and unanimously agreed to approve the President's business expense of \$186.83, Director's business expenses of \$8,497.08 and Attorney's business expense of \$182.17.
PRESIDENT'S REPORT	President Fraley reported on the following:
CAPITAL CREDITS	<p>Capital credits belonging to deceased estates are paid current. President Fraley reminded the Board that Capital Credits for members who pass away in 2015 cannot be paid until March of 2016, at which time we will know the margins, if any, for 2015.</p> <p>Director Arrington asked if we could pay 2015 Capital Credits as they are properly presented. President Fraley said that method would have to be researched and would possibly require a Bylaws change. President Fraley said that she, Bradley and Legal Counsel Scott would research this matter and report back to the Board.</p> <p>Director Whitt made a motion to do so, and the motion was seconded by Director Martin. The vote was unanimous.</p>
KY BROADBAND CONTRACT	We are working on the wording of the Kentucky Broadband Contract.
KAEC UPDATES	<p>Dennis Cannon is the new CEO for Jackson Purchase Energy.</p> <p>Kelly Nuckol's retirement reception is May 7th from 5:00 p.m. – 7:00 p.m. at 229 Madison Street, Paducah KY.</p> <p>There is a conference call this Thursday, April 30, 2015 in regards to sales tax on computer software.</p> <p>Tim Sharp is the new CEO at Salt River.</p> <p>David White, KAEC Safety Program, announced at our safety meeting last week that GRECC received the 2015 No Lost Time Award for 442,132 hours for the years 12/20/2009 through 12/31/2014. GRECC is right below the transmission cooperatives in safety achievement.</p>
VALLEY VIEW	A response was received on Valley View and Legal Counsel Scott will discuss that.
CFC FORUM	Bradley Cherry will be attending the CFC Forum on June 7-10, 2015 in Chicago, Illinois

INSURANCE Last month the Board requested we research the insurance rates with Federated. The conclusion was there is no reason to change the amount. President Fraley took a voice vote over the phone with the Board of Directors and the decision to keep the levels the same was unanimous.

IRATE CONSUMERS We have been working with Hobart Rice, Jr. GRECC has been there several times. He may be contacting some of you directors.

John and Virginia Rizk (Ann Lucas) of Trent Ridge, Morehead, KY, are new to our area and have issues. President Fraley has contacted them with offers of several solutions. They have an electric furnace.

Robie Mullins, in Director Arrington's area has issues with a guy wire on his property. We are trying to reach an agreement with him. A certified engineer was sent to take a look at the issue and he said that at least one guy wire from us and one from the telephone company was needed.

MARATHON President Fraley said that we have been approached by Marathon about a Pumping / booster station in Elliott County. This would be a 5 to 7 MW load and would be fed from the Elliottville Substation. Their timetable is within 2 years.

EKPC ANNUAL MEETING VOTING DELEGATES The upcoming EKPC Annual Meeting is scheduled for Tuesday, June 2, 2015 at EKPC Headquarters, in Winchester, Kentucky. Director Dupuy will serve as the Representative and Director Trent will serve as the Alternative Representative for GRECC.

LEGAL COUNSEL REPORT Legal Counsel Scott reported on the following:

Collection letters will go out today.

EKPC CASES UPDATES He has received a response from EKP on Amendment 3. He filed a response to the motion he had filed on a rate case. On April 7, our fuel adjustment clause case was set by Commission. The PSC inquired about certain aspects of the PJM agreement and practices. He received a call from a lady trying to find a judge to listen to the Charleston Bottoms case, and one hasn't been found to his knowledge, at this time. Director Arrington said he was told by someone that a judge had been assigned.

Mr. Scott talked to President Fraley after the March 27th Board Meeting and prepared a letter in regards to statements made by David Estep, Big Sandy RECC CEO, about her to Director Arrington, in the CEO office at Big Sandy. He mailed copies to all Directors, but was told to hold up on mailing.

OFF SITE SPECIAL GRECC BOARD MEETINGS Director Martin stated that on April 14th an off-site special board meeting was held at the Super 8 Motel, Grayson, KY. The Charleston Bottoms lawsuit was discussed. The consensus was that GRECC would not win the case and felt EKPC would negotiate the lawsuit with the Board. President and CEO, Tony Campbell was contacted and a meeting was set up to meet at the MSU ADUC, Morehead KY on April 23, 2015. Those attending the meeting from East Kentucky Power Cooperative were Tony Campbell, Paul Hawkins, Mike Adams, Joe Spalding and Don Mosier. Director Martin asked for \$175,000 cash to walk away. EKPC is not willing to pay cash but did agree to give us \$125,000 of services over the next ten year.

EKPC PROPOSAL TO GRECC Director Martin gave Mr. Scott a Memorandum of Understanding Between East Kentucky Power and Grayson Rural Electric Cooperative Corporation, Inc. for Legal Counsel to read aloud. The Memorandum reads as follows:

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EKPC PROPOSAL TO GRECC
(CONTINUED)

MEMORANDUM OF UNDERSTANDING
BETWEEN
GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION and
EAST KENTUCKY POWER COOPERATIVE INC.

This Memorandum of Understanding serves to document the understanding reached during the meeting between EKPC's Executive Committee Board Members and Grayson Board Members held on the 23rd day of April 2015. The following summarizes the key terms agreed upon between Grayson Rural Electric Cooperative Corporation ("Grayson") and East Kentucky Power Cooperative, Inc. ("EKPC"):

1. Grayson and EKPC will file appropriate motions to dismiss any and all litigation, PSC cases, pending claims and actions against one another within ten days of Grayson's and EKPC's acceptance of this offer, including: the Mason Circuit Court litigation; the Public Service Commission ("PSC") Amendment 3 Investigation; Grayson's Motion to Reopen the last EKPC rate case before the PSC; and EKPC's PSC Fuel Adjustment Clause Case. Both Grayson and EKPC will be responsible for paying its own respective costs, expenses and professional fees.
2. Upon receipt of the last Order dismissing the final pending claim against either party, EKPC will agree to provide up to 100 hours of professional services annually to each of the 16 member systems, for a total of 1,600 hours for a period not to exceed 10 years upon acceptance of this agreement. The types of services to be provided will be at the discretion of the members, provided the services are customary and reasonable. On no less than a semi-annual basis, EKPC will provide a summary of any services provided to the Owner-Member's respective Boards.
3. EKPC will use good faith efforts to re-secure adoption of the Amendment 3 Memorandum of Understanding (MOU) that was previously approved by virtually all of EKPC's Members in 2013. Grayson will approve, adopt and execute the MOU – as written at the time of adoption by other Members, and without further amendment – within thirty days of acceptance of this offer.
4. EKPC will host annual meetings for the Chief Financial Officers of its sixteen Owner-Members so that any Owner-Member might seek additional information or clarification regarding EKPC's long-term financial strategy and plans. In addition, EKPC will follow through on Mr. Anthony Campbell's offer to have annual meetings with the leadership of each Owner-Member of EKPC to discuss the company's plans and to answer any questions.
5. Grayson and EKPC agree that: a) none of the terms of this agreement may be deemed an admission, actually or implicitly, of any wrongdoing or error on the part of either party;

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EKPC PROPOSAL TO GRECC
(CONTINUED)

and b) any and all claims that either company may have against each other as of the date of Grayson's acceptance, would be forever waived and released.

Grayson and EKPC further agree as follows:

First, the focus of Grayson's Mason Circuit Court case is upon the ownership and dissolution of Charleston Bottoms RECC (Charleston Bottoms). The only significant asset of Charleston Bottoms was the Spurlock No. 1 electric generating unit. Upon Charleston Bottoms' dissolution, Spurlock No. 1 continues to be owned directly by EKPC. While EKPC's Board sincerely regrets that Grayson feels it did not have adequate time to understand the reasons for, and the timing of, the dissolution of Charleston Bottoms, there should be no disagreement that Spurlock No. 1 has continued to provide a very affordable source of power to Grayson and EKPC's other 15 Members since the dissolution of Charleston Bottoms. Moreover, the associated creation of the Trust Indenture has been recognized by the PSC as a positive sign that EKPC has, and will continue to, overcome its previous financial challenges.

Second, Grayson's perspective that EKPC's current equity target is too high is welcomed as part of the ongoing discussion of EKPC's long-term financial direction. EKPC accepted the recommendations of the PSC's management audit, by improving its financial strength and EKPC is on pace to reach the Board approved Strategic Plan's target of a 15% equity ratio this year. As Mr. Kenneth Arrington will attest, no decision has been made by EKPC's Board regarding what additional equity ratio EKPC should seek to achieve. At the 2014 Strategic Retreat, EKPC's Board adopted a more flexible approach towards future equity goals and decided to lower the minimum equity ratio in its Bylaws at which point it would be able to pay capital credits to Members to be consistent with the terms and conditions in its RUS loans. That percentage has now moved from 40% equity to 20% equity. EKPC's Board will continue to discuss and, ultimately, to decide the next steps for the company's equity plan at its 2015 Strategic Retreat for any movement above 15%. Mr. Arrington will have the opportunity to present Grayson's position as part of this discussion and EKPC will look for opportunities to have all of its Members provide input prior to the next Strategic Retreat.

Third, EKPC is continuing to seek the best path forward for mitigating the cost of the abandoned Smith No. 1 assets. To date, EKPC has not made any decision regarding the disposition of those assets, nor has it sought to recover the principal costs of the assets. EKPC

EKPC PROPOSAL TO GRECC
(CONTINUED)

understands that it is Grayson's position, in hindsight, that the Smith No. 1 assets should not have been procured in the first place. However, taking that position requires a person to ignore the information that was available to EKPC's Board at the time and forgets that Grayson, via its Director, was supportive of the assets' acquisition at the time. Regardless, any proposal for the final disposition of the Smith No. 1 assets must be approved by EKPC's Board and, ultimately, the PSC.

Fourth, EKPC assisted its Members in 2012 and 2013 in the negotiation of a MOU that would successfully resolve lingering uncertainties regarding the operation of Amendment 3 to EKPC's Wholesale Power Agreement. EKPC believes that the MOU would have greatly aided Grayson's efforts to acquire power from a non-EKPC source. As stated above, EKPC is willing, as part of this settlement, to seek new approvals of the MOU. However, no changes to the previously agreed upon draft will be permitted.

EKPC and Grayson share a common responsibility to act in the best interests of the customers at the end of the line, our Members. To do what is best for them, we need to end this litigation, bring unity and harmony back to the entire EKPC system and begin the process of restoring relationships that have been tested and broken by needless litigation.

Grayson and EKPC agree that litigation and negative PSC filings are not good for our end use members. Consequently, both parties agree to make good faith efforts in solving future issues/challenges outside of litigation and PSC filings.

On behalf of Grayson Rural Electric Cooperative Corporation and East Kentucky Power Cooperative Incorporated and after having been duly authorized, the foregoing Memorandum of Understanding is accepted.

DATE

Roger Trent, Chairman
Grayson Rural Electric Cooperative Corp.

DATE

Paul Hawkins, Chairman
East Kentucky Power Cooperative Inc.

EKPC PROPOSAL TO GRECC
(CONTINUED)

Legal Counsel read the Memorandum aloud and told the Board if that was what they wanted to do, all that was needed was for them to file an Order dismissing the case, and that further meetings with East Kentucky Power were not necessary.

GRECC and EKPC have tentatively agreed to these terms; the dissolution of the Charleston Bottoms case in the Mason Circuit Court; and there is no disagreement concerning Spurlock.

EKPC will discuss their equity target with the Board at Strategic Planning and if the Board agrees it is too high, it can be lowered to pay credits. Director Arrington will be provided information for discussion.

EKP understands Grayson has concerns about the Smith #1 assets, etc.

EKP says that the MOU / Amendment 3 would have greatly benefited GRECC.

Both EKPC and GRECC agreed the suits are not good for Grayson members.

This memorandum is to be presented at the EKPC May Board Meeting.

They agreed upon independent attorneys to meet with GRECC and EKPC at another meeting. Director Martin asked Legal Counsel Scott if Legal Counsel Brandon Music, from his office, could attend with our Board.

Legal Counsel Scott stated all they had to do is to file an Order with the court and no attorney would be needed, nor another meeting, if this Memorandum states what they want.

Director Dupuy stated that he and as far as he knew, all 7 directors felt this Charleston Bottom case should be dismissed and cannot see GRECC winning.

Motion was made to table this proposal until the May Board Meeting by Director Arrington, seconded by Director Martin and unanimously agreed upon.

It was stated that Grayson would still be entitled to their off system purchase in the amount of 9.3 MW and President Fraley told the Directors they should get that in writing.

KAEC DIRECTOR'S REPORT

Director Whitt reported there was no meeting this month due to the Manager's Spring Meeting.

EKPC DIRECTOR'S REPORT

Director Arrington said that most of his report had been covered under related Board issues.

THANK YOU NOTES

We received a thank you note from the Sarah's Place for donating a piece of art work for their fundraising event.

DONATIONS

President Fraley presented to the Board for their consideration the following donation requests:

Sarah's Place - donated artwork for silent auction – valued \$150

DONATIONS
(CONTINUED)

King's Daughters Health Foundation – 2014 Rocky Adkins Golf tournament – one hole sponsor	\$250
Grayson Area Chamber of Commerce – Golf Scramble	\$200
Elliott County Conservation District – 4 th Grade Field Day	\$50
Elliott County Little League – Field Sponsorship	\$175
Lewis County Football Team – sponsor 2 players	\$100
Elliott County Christian Community Center – office relocation	\$100
Olive Hill Historical Society – golf scramble – donation	\$100
Carter County Blue Grass Festival – donation	\$250
Rogers Scholar –JESSE STUART PROJECT- purchase books for Carter County Library	\$100
Lawrence County Historical Society – (Blaine Bank building donated to LCHS) – replacing furniture	\$100
Carter County Homemaker's – donation for 3 prizes	\$150
American Cancer Society – Elliott Co. Relay for Life – donation in memory of Juanita Rice	\$250

Motion was made by Director Rice, seconded by Director Whitt and unanimously agreed to approve the donations as presented.

MEETING ATTENDANCE

The SEDC Meeting will be held at Amelia Island, Florida. Brian Poling, Kim Bush, Anita Bellew, Peggy Skaggs, Robert Brown, Andrea McCleese and Sherry Buckler will attend.

A MilSoft Meeting will be held in Arlington, Texas. Brian Poling, Andrea McCleese and Nancy Madden will attend.

GRECC ORGANIZATIONAL MEETING

The Organizational Meeting of the Board of Directors will be held on Thursday, May 14th following the business meeting at the GRECC Annual Meeting. The regular monthly May Board Meeting will be held May 22nd.

ADDITIONAL BUSINESS

There was no additional business.

ADJOURN

There being no additional business to come before the Board, Chairman Trent adjourned the meeting at 2:09 p.m.

Roger L. Trent, Chairman

Billy E. (Eddie) Martin, Secretary/Treasurer

W. Jeffrey Scott, Legal Counsel

Minutes of the Executive Session of the April 27, 2014 GRECC Board Meeting

On April 27, 2014 Grayson Rural Electric Cooperative Corporation held an executive session during its regular board meeting.

EXECUTIVE SESSION

Director Dupuy made a motion, seconded by Director Martin, to go into Executive Session at 9:06 a.m. and unanimously agreed upon, excusing Carol Hall Fraley, President and CEO; W. Jeffrey Scott, Legal Counsel; and Priscilla Sparks, Executive Assistant, from the board meeting.

Matters concerning Grayson Rural Electric Cooperative Corporation's lawsuit against the East Kentucky Power Cooperative / Charleston Bottoms case were thoroughly discussed.

Motion was made by Director Martin, seconded by Director Dupuy and unanimously voted to come out of Executive Session at 9:27a.m.

Roger L. Trent, Chairman

Billy E. (Eddie) Martin, Secretary/Treasurer

W. Jeffrey Scott, Legal Counsel

President and CEO's Expenses

March 2015

<u>Date</u>	<u>Check</u>	<u>Description</u>	<u>Amount</u>
3/30/15	165546	RCCU - Annual Fee for Cooperative Visa Card	\$ 3.00
4/06/15	165168	VISA Expenses:	
		4/6 I-Pad Keyboard Tray for CEO	\$73.99
		*3/16-17 KAEC Board Meeting – meal, Louisville, KY	\$39.89
		Total Expenses	\$116.88

*prorated expense

DIRECTORS & ATTORNEY EXPENSES

March-15

KENNETH ARRINGTON

Per Diem - GRECC Bd. Mtg. (3/27)	\$ 246.00
MISC - Annual Fee - VISA	3.00
VISA -	-
Cash in Lieu of Insurance	637.63
24 - Hr. Insurance	0.70
TOTAL -	<u>\$ 887.33</u>

JIM BENTLEY

Per Diem - GRECC Bd. Mtg. (3/27)	\$ 201.15
MISC - Annual Fee - VISA	3.00
VISA - Credit Room Deposit - NRECA Annual Mtg.	(309.38)
Cash in Lieu of Insurance	637.63
24-Hr. Insurance	1.08
TOTAL	<u>\$ 533.48</u>

HAROLD DUPUY

Per Diem - NRECA Annual Mtg. (2/21-26); GRECC Bd. Mtg. (3/27)	\$ 2,337.18
MISC - Annual Fee - VISA	3.00
VISA - NRECA Annual Mtg.	1,010.45
Cash in Lieu of Insurance	637.63
24-Hr. Insurance	0.70
TOTAL -	<u>\$ 3,988.96</u>

EDDIE MARTN

Per Diem GRECC Bd. Mtg. (3/27)	\$ 209.20
MISC - Annual Fee - VISA	3.00
VISA -	-
Cash in Lieu of Insurance	637.63
24 - Hr. Insurance	1.08
TOTAL -	<u>\$ 850.91</u>

WILLIAM T. RICE

Per Diem GRECC Bd. Mtg. (3/27)	\$ 223.00
MISC Annual Fee - VISA	3.00
VISA -	-
Cash in Lieu of Insurance	637.63
TOTAL 24 - Hr. Insurance	0.49
-	<u>\$ 864.12</u>

ROGER TRENT

Per Diem	NRECA Annual Mtg. (2/21-26); GRECC Bd. Mtg. (3/27)	\$ 2,361.27
MISC	Annual Fee - VISA	3.00
VISA	- NRECA Annual Mtg.	1,161.13
	- Cash in Lieu of Insurance	637.63
TOTAL	24 – Hr. Insurance	0.49
-		<u>\$ 4,163.52</u>

JIMMY WHITT

Per Diem	KAEC Bd. Mtg. (3/16); GRECC Bd. Mtg. (3/27)	\$ 624.25
MISC	Annual Fee - VISA	3.00
VISA	- KAEC Bd. Mtg.	169.76
	- Cash in Lieu of Insurance	637.63
TOTAL	24 – Hr. Insurance	1.08
-		<u>\$ 1,435.72</u>

JEFF SCOTT

Out-of-Pocket	Postage (20) Collection Letters	\$ 9.80
	- Record Fee - Amber Carper Lien	13.00
MISC	Annual Fee - VISA	3.00
VISA	-	-
TOTAL	-	<u>\$ 25.80</u>

Grayson Rural Electric Financial Report

May 22, 2015

KWH Sales & Purchases: March 2015

Sales:	Month:	8.22%	Under Budget	(3/21 – 4/20)
	YTD:	0.11%	Under Budget	
	2014 YTD:	3.00%	Less	
Purchases:	Month:	6.81%	Under Budget	(3/1 – 3/31)
	YTD:	2.16%	Over Budget	
Line Loss :	Month:	22.91%		
	YTD:	14.99%		
	Last 12 Months:	5.73%		

Form 7: March 2015

Electric Revenue LESS Purchased Power:	\$ 220,621	Less
Sales	\$ 220,257	Less
Maintenance Expense	\$ 177,737	More
Margins	\$ 184,870	Less

Form 7: Year to Date

Margins :	\$ 154,785
Budgeted:	\$ 208,503

Other Items:

- 1st Quarter Review
- Audit
- Capital Credit

Monthly Operating Rev & Exp

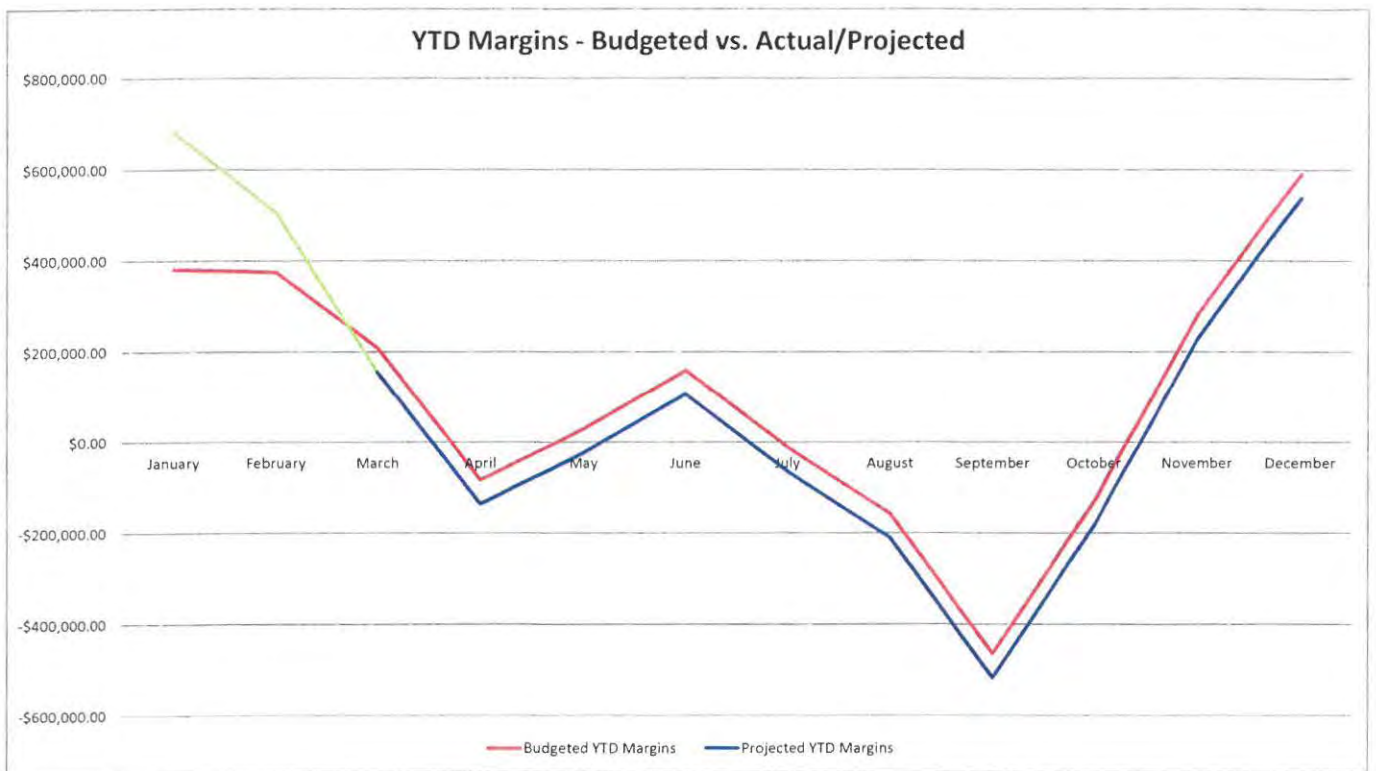
	March 2014	April 2014	May 2014	June 2014	July 2014	August 2014	September 2014	October 2014	November 2014	December 2014	January 2015	February 2015	March 2015
Revenue	(2,418,497)	(2,089,942)	(2,476,940)	(2,687,648)	(2,579,178)	(2,571,883)	(2,129,236)	(2,644,213)	(3,012,795)	(3,293,995)	(3,852,755)	(3,011,463)	(2,224,301)
Purchased Power	1,735,123	1,326,474	1,355,831	1,616,862	1,653,014	1,615,983	1,389,136	1,222,188	1,739,051	1,827,391	2,094,265	2,211,257	1,590,533
Gross Margins	(683,374)	(763,468)	(1,121,109)	(1,070,786)	(926,164)	(955,900)	(740,100)	(1,422,025)	(1,273,744)	(1,466,604)	(1,758,490)	(800,206)	(633,768)
Operations	75,058	105,786	104,645	104,541	103,937	110,492	122,294	108,132	66,163	64,997	110,088	102,265	63,795
Maintenance	264,505	279,233	283,806	388,602	292,633	333,539	280,083	314,514	342,834	328,229	285,031	252,556	467,223
Customer Service	99,684	105,189	92,213	80,736	97,103	97,271	95,875	97,694	94,901	95,654	103,367	98,404	89,864
Informational Advertising	23,811	23,163	21,502	17,297	18,543	22,200	28,636	27,715	23,100	23,536	4,228	19,101	21,170
Demonstration Advertising	2,797	1,714	3,239	2,053	1,726	2,948	1,731	421	1,835	1,576	1,493	4,003	2,661
Admin & General	156,131	167,485	168,268	141,062	161,501	148,846	162,405	178,658	155,157	184,452	171,785	179,260	158,438
Depreciation	256,025	256,340	256,632	257,058	257,663	258,330	258,805	259,420	259,954	260,604	263,182	263,585	266,108
Regulatory	2,834	2,834	2,834	3,890	3,890	3,890	3,890	3,890	3,890	3,888	3,450	3,450	3,450
Interest - LTD	78,390	80,805	79,381	80,003	79,207	79,413	78,604	77,910	77,432	77,421	78,096	74,646	74,138
Interest - Deposits	130	129	128	128	130	129	128	127	126	-	-	124	124
Miscellaneous Expense	5,551	3,477	777	1,862	728	2,025	855	1,475	228	706	105	610	1,825
Interest Income	(2,431)	(2,595)	(2,587)	(2,616)	(2,609)	(2,551)	(2,568)	(2,485)	(2,579)	(2,573)	(2,607)	(2,586)	2,650
Non-Electric Revenue	(7,997)	11,843	(8,528)	1,669	(15,359)	1,066	8,730	(27,043)	21,557	851	58,069	(19,846)	(14,025)
Capital Credits	(153,986)	27,324	-	-	-	(448)	(11,788)	-	-	-	-	-	(146,863)
Margins	117,128	299,259	(118,799)	5,499	72,929	101,250	287,580	(381,597)	(229,146)	(427,263)	(682,202)	175,367	356,790
* ()'s = positive margins													
Operating Expenses	964,916	1,026,155	1,013,425	1,077,232	1,017,061	1,059,083	1,033,306	1,069,956	1,025,620	1,041,063	1,020,825	998,004	1,148,796
Monthly OTIER	(0.49)	(2.70)	2.50	0.93	0.08	(0.27)	(2.66)	5.90	3.96	6.52	9.74	(1.35)	(3.81)
Revenue	(32,897,147)	(33,007,984)	(33,144,052)	(33,211,198)	(33,293,861)	(33,351,245)	(33,402,613)	(33,511,774)	(33,203,203)	(32,828,962)	(32,805,171)	(32,768,544)	(32,574,348)
Purchased Power	20,124,757	20,059,031	20,007,124	20,040,725	20,036,598	20,099,569	20,128,263	20,071,174	20,099,182	19,923,071	19,542,241	19,786,575	19,641,985
Gross Margins	(12,772,390)	(12,948,953)	(13,136,928)	(13,170,473)	(13,257,263)	(13,251,676)	(13,274,350)	(13,440,600)	(13,104,021)	(12,905,891)	(13,262,930)	(12,981,969)	(12,932,363)
Operations	1,071,086	1,087,492	1,100,875	1,112,291	1,123,347	1,135,788	1,171,471	1,185,290	1,170,977	1,160,112	1,160,348	1,178,399	1,167,135
Maintenance	3,361,456	3,430,993	3,485,185	3,593,939	3,646,619	3,694,578	3,764,010	3,864,879	3,948,243	4,034,456	4,089,712	3,645,564	3,848,283
Customer Service	1,081,880	1,085,892	1,085,659	1,071,227	1,073,216	1,075,503	1,079,480	1,084,267	1,082,085	1,131,180	1,149,378	1,158,091	1,148,271
Informational Advertising	237,894	242,875	239,820	234,935	236,476	240,979	241,036	249,157	254,882	266,275	248,382	252,832	250,191
Demonstration Advertising	21,535	20,635	22,650	22,974	22,891	23,893	23,731	21,924	21,983	24,076	23,325	25,536	25,400
Admin & General	1,954,713	1,959,141	1,956,167	1,902,265	1,902,845	1,904,894	1,917,112	1,912,603	1,921,378	1,946,591	1,944,830	1,975,010	1,977,317
Depreciation	3,033,504	3,033,911	3,033,710	3,033,204	3,039,925	3,046,857	3,053,949	3,061,617	3,080,935	3,088,645	3,098,666	3,107,598	3,117,682
Regulatory	34,097	34,121	34,145	35,225	36,305	37,328	38,351	39,374	40,397	41,398	42,014	42,630	43,246
Interest - LTD	986,570	984,295	981,010	978,190	973,044	966,961	962,378	958,037	954,050	950,337	945,799	941,308	937,056
Interest - Deposits	2,152	2,082	2,011	1,939	1,869	1,797	1,721	1,646	1,573	1,416	1,285	1,279	1,273
Miscellaneous Expense	47,754	41,765	32,846	38,814	34,670	33,525	31,977	29,035	27,523	26,735	23,366	18,399	14,672
Interest Income	(29,421)	(29,565)	(29,742)	(29,901)	(30,053)	(30,135)	(30,213)	(30,244)	(30,369)	(30,490)	(30,651)	(30,787)	(25,706)
Non-Electric Revenue	(52,294)	(31,356)	(22,183)	(19,757)	(16,476)	(5,774)	6,423	(28,240)	(16,412)	(15,630)	31,954	25,012	18,985
Capital Credits	(166,567)	(139,243)	(139,243)	(138,092)	(138,092)	(138,540)	(149,123)	(138,898)	(138,898)	(138,898)	(138,898)	(138,898)	(131,775)
Margins	(1,188,031)	(1,225,915)	(1,354,018)	(1,333,220)	(1,350,677)	(1,264,022)	(1,162,047)	(1,230,153)	(785,674)	(419,688)	(673,419)	(779,996)	(540,334)
Operating Expense	11,832,641	11,923,202	11,974,078	12,025,003	12,091,207	12,162,103	12,285,216	12,407,829	12,504,026	12,671,221	12,727,105	12,346,647	12,530,526
Rolling 12 Month OTIER	2.20	2.25	2.38	2.36	2.39	2.31	2.21	2.28	1.82	1.44	1.71	1.83	1.58

	2015 Monthly Margins			2015 YTD Margins			2015 Projected Margins
	Actual	Budgeted	Difference	Actual	Budgeted	Difference	YTD + Actual
January	\$681,642.42	\$381,444.43	\$300,197.99	\$681,642.42	\$381,444.43	\$300,197.99	\$681,642.42
February	-\$175,367.43	-\$6,321.57	-\$169,045.86	\$506,274.99	\$375,122.86	\$131,152.13	\$506,274.99
March	-\$351,489.86	-\$166,619.57	-\$184,870.29	\$154,785.13	\$208,503.29	-\$53,718.16	\$154,785.13
April	\$0.00	-\$291,768.57			-\$83,265.28		-\$136,983.44
May	\$0.00	\$112,384.43			\$29,119.15		-\$24,599.01
June	\$0.00	\$129,707.43			\$158,826.58		\$105,108.42
July	\$0.00	-\$170,407.57			-\$11,580.99		-\$65,299.15
August	\$0.00	-\$145,687.57			-\$157,268.56		-\$210,986.72
September	\$0.00	-\$306,473.57			-\$463,742.13		-\$517,460.29
October	\$0.00	\$335,107.43			-\$128,634.70		-\$182,352.86
November	\$0.00	\$409,254.43			\$280,619.73		\$226,901.57
December	\$0.00	\$310,823.10			\$591,442.83		\$537,724.67

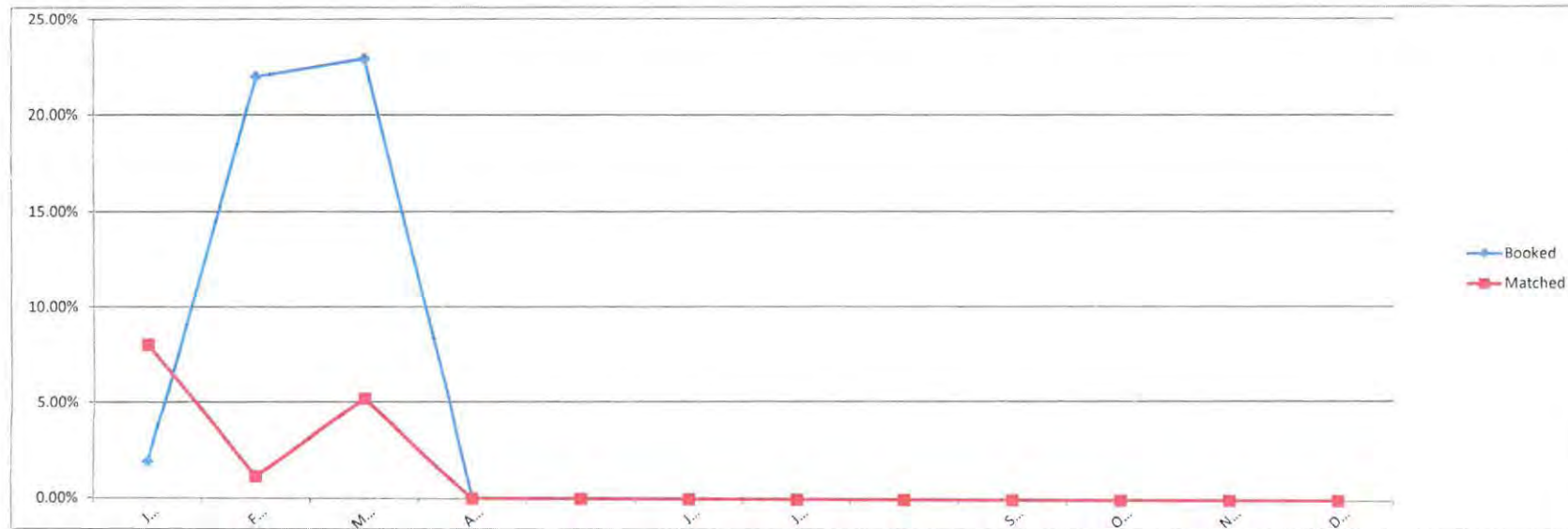
154,785.13 208,503.29
-65,114.14

1342,700.54 373,621.96
965,070.58

154,785.13



2015	January	February	March	April	May	June	July	August	September	October	November	December
Sales	30,110,413.00	24,071,853.00	17,918,995.00									
Purchases:												
Booked	30,707,957.00	30,858,196.00	23,245,192.00									
Matched	32,729,548.84	24,351,751.40	18,893,340.70									
kWh Loss												
Booked	597,544.00	6,786,343.00	5,326,197.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Matched	2,619,135.84	279,898.40	974,345.70	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
% Line Loss												
Booked	1.95%	21.99%	22.91%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Matched	8.00%	1.15%	5.16%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!



2015 Current Year							2014 Previous Year								
	Average	HDD	CDD	HDD	CDD	Average		Average	HDD	CDD	HDD	CDD	Average		
21-Mar	53	12	0	30	0	35	1-Mar	21-Mar	52	13	0	28	0	37	1-Mar
22-Mar	48	17	0	31	0	34	2-Mar	22-Mar	51	14	0	28	0	37	2-Mar
23-Mar	43	22	0	20	0	45	3-Mar	23-Mar	35	30	0	49	0	16	3-Mar
24-Mar	44	21	0	23	0	42	4-Mar	24-Mar	31	34	0	45	0	20	4-Mar
25-Mar	60	5	0	46	0	19	5-Mar	25-Mar	33	32	0	34	0	31	5-Mar
26-Mar	54	11	0	52	0	13	6-Mar	26-Mar	30	35	0	29	0	36	6-Mar
27-Mar	37	28	0	33	0	32	7-Mar	27-Mar	44	21	0	21	0	44	7-Mar
28-Mar	30	35	0	19	0	46	8-Mar	28-Mar	59	6	0	18	0	47	8-Mar
29-Mar	35	30	0	16	0	49	9-Mar	29-Mar	42	23	0	23	0	42	9-Mar
30-Mar	52	13	0	15	0	50	10-Mar	30-Mar	43	22	0	16	0	49	10-Mar
31-Mar	58	7	0	7	0	58	11-Mar	31-Mar	46	19	0	5	0	60	11-Mar
1-Apr	49	16	0	14	0	51	12-Mar	1-Apr	61	4	0	20	0	45	12-Mar
2-Apr	57	8	0	12	0	53	13-Mar	2-Apr	62	3	0	37	0	28	13-Mar
3-Apr	56	9	0	12	0	53	14-Mar	3-Apr	62	3	0	18	0	47	14-Mar
4-Apr	46	19	0	14	0	51	15-Mar	4-Apr	56	9	0	11	0	54	15-Mar
5-Apr	49	16	0	5	0	60	16-Mar	5-Apr	47	18	0	30	0	35	16-Mar
6-Apr	56	9	0	14	0	51	17-Mar	6-Apr	49	16	0	32	0	33	17-Mar
7-Apr	64	1	0	25	0	40	18-Mar	7-Apr	59	6	0	18	0	47	18-Mar
8-Apr	63	2	0	20	0	45	19-Mar	8-Apr	54	11	0	11	0	54	19-Mar
9-Apr	70	0	5	20	0	45	20-Mar	9-Apr	53	12	0	18	0	47	20-Mar
10-Apr	63	2	0	12	0	53	21-Mar	10-Apr	58	7	0	13	0	52	21-Mar
11-Apr	54	11	0	17	0	48	22-Mar	11-Apr	65	0	0	14	0	51	22-Mar
12-Apr	58	7	0	22	0	43	23-Mar	12-Apr	64	1	0	30	0	35	23-Mar
13-Apr	69	0	4	21	0	44	24-Mar	13-Apr	74	0	9	34	0	31	24-Mar
14-Apr	58	7	0	5	0	60	25-Mar	14-Apr	70	0	5	32	0	33	25-Mar
15-Apr	54	11	0	11	0	54	26-Mar	15-Apr	48	17	0	35	0	30	26-Mar
16-Apr	61	4	0	28	0	37	27-Mar	16-Apr	39	26	0	21	0	44	27-Mar
17-Apr	65	0	0	35	0	30	28-Mar	17-Apr	53	12	0	6	0	59	28-Mar
18-Apr	65	0	0	30	0	35	29-Mar	18-Apr	62	3	0	23	0	42	29-Mar
19-Apr	64	1	0	13	0	52	30-Mar	19-Apr	60	5	0	22	0	43	30-Mar
20-Apr	62	3	0	7	0	58	31-Mar	20-Apr	61	4	0	19	0	46	31-Mar
	54.7	327	9	629	0	44.7			52.4	406	14	740	0	41.1	
			336			629				420		740			

MARCH 2015
219 ANALYSIS

<u>WO NOS.</u>	<u>DESCRIPTION</u>		<u>NUMBER</u>		<u>COST</u>	<u>LOAN FUNDS</u>	<u>UNIT COST</u>	<u>BUDGETED UNIT COST</u>
9	RETIREMENTS		29		20.22	(20.22)		
100	NEW LINE EXTENSIONS		15		65,740.58	65,740.58	4,382.71	3,229.93
200	TIE LINES							
300	MAJOR PROJECTS							
602	SERVICE UPGRADES		3		2,284.09	2,284.09	761.36	1,920.25
603	SECTIONALIZERS		6		13,892.39	13,892.39		
604	REGULATORS							
606	POLES		22	POLES	67,878.58	67,878.58	3,085.39	2,410.75
701	SECURITY LIGHTS		19		11,339.72	11,339.72	596.83	423.50
1600	MINOR PROJECTS		9		10,229.54	10,229.54		
	TOTAL		100		171,385.12	171,344.68		
601	<u>SPECIAL EQUIPMENT</u>	<u>ACCT#</u>						
	METERS	370.00	396		71,644.81	71,644.81	180.92	160.00
	TRANSFORMERS	368.00	26		22,787.98	22,787.98	876.46	1,120.00
	TURTLES	370.10	0		0.00	0.00	0.00	
	DISCONNECT METERS	370.20	192		59,112.96	59,112.96	307.88	
	OTHER SP EQUIP	365.00	0		0.00	0.00	0.00	
	TOTAL		614		153,545.75	153,545.75		
	MATERIAL				19,559.68			
	MATERIAL OH				34,500.03			
	LABOR				16,030.46			
	LABOR OH				49,491.57			

2015	RESIDENTIAL						GENERAL					
	Actual			Budget			Actual			Budget		
	\$	UNIT					KWH	\$	UNIT			
JANUARY	22,051,746	\$2,870,316	0.1302	21,825,067	\$2,741,228	0.1256	701,281	\$ 149,386	0.2130	628,698	\$125,742	0.2000
FEBRUARY	17,220,823	\$2,172,777	0.1262	16,633,208	\$2,149,011	0.1292	551,122	\$ 124,904	0.2266	480,676	\$106,180	0.2209
MARCH	11,682,358	\$1,496,966	0.1281	13,231,810	\$1,697,641	0.1283	380,409	\$ 99,568	0.2617	403,301	\$96,237	0.2386
APRIL	-	\$0	#DIV/0!	9,891,377	\$1,387,760	0.1403			#DIV/0!	338,796	\$92,390	0.2727
MAY	-	\$0	#DIV/0!	12,139,354	\$1,674,017	0.1379			#DIV/0!	444,169	\$110,256	0.2482
JUNE	-	\$0	#DIV/0!	13,909,004	\$1,911,097	0.1374			#DIV/0!	520,204	\$122,790	0.2360
JULY	-	\$0	#DIV/0!	12,821,657	\$1,775,799	0.1385			#DIV/0!	503,725	\$122,034	0.2423
AUGUST	-	\$0	#DIV/0!	12,564,099	\$1,728,820	0.1376			#DIV/0!	490,538	\$119,246	0.2431
SEPTEMBER	-	\$0	#DIV/0!	9,718,629	\$1,371,299	0.1411			#DIV/0!	382,905	\$103,015	0.2690
OCTOBER	-	\$0	#DIV/0!	14,000,775	\$1,848,102	0.1320			#DIV/0!	469,609	\$114,118	0.2430
NOVEMBER	-	\$0	#DIV/0!	17,509,991	\$2,248,283	0.1284			#DIV/0!	552,460	\$126,482	0.2289
DECEMBER	-	\$0	#DIV/0!	20,456,044	\$2,477,227	0.1211			#DIV/0!	642,505	\$135,143	0.2103
	50,954,927	6,540,059	\$0.1283	174,701,016	23,010,285	\$0.1317	1,632,812	\$373,858	\$0.2290	5,857,585	\$1,373,633	\$0.2345
				51,690,085		-1.42%				1,512,675		7.94%

2015	SMALL COMMERCIAL						LARGE POWER					
	Actual			Budget			Actual			Budget		
	KWH	\$	UNIT				KWH	\$	UNIT			
JANUARY	1,934,767	\$ 265,213	0.1371	1,805,813	\$238,798	0.1322	2,740,906	\$ 286,983	0.1047	2,685,075	\$269,542	0.1004
FEBRUARY	1,605,218	\$ 214,623	0.1337	1,488,516	\$204,044	0.1371	2,321,377	\$ 239,877	0.1033	2,329,233	\$248,637	0.1067
MARCH	1,294,454	\$ 174,756	0.1350	1,303,646	\$177,710	0.1363	2,200,461	\$ 217,251	0.0987	2,183,822	\$228,346	0.1046
APRIL			#DIV/0!	1,131,947	\$166,622	0.1472			#DIV/0!	2,062,587	\$231,877	0.1124
MAY			#DIV/0!	1,329,240	\$191,692	0.1442			#DIV/0!	2,422,725	\$256,887	0.1060
JUNE			#DIV/0!	1,382,251	\$200,108	0.1448			#DIV/0!	2,407,951	\$255,975	0.1063
JULY			#DIV/0!	1,335,829	\$194,681	0.1457			#DIV/0!	2,403,751	\$260,086	0.1082
AUGUST			#DIV/0!	1,332,823	\$192,831	0.1447			#DIV/0!	2,361,756	\$257,125	0.1089
SEPTEMBER			#DIV/0!	1,140,562	\$168,299	0.1476			#DIV/0!	2,042,687	\$226,248	0.1108
OCTOBER			#DIV/0!	1,303,655	\$183,873	0.1410			#DIV/0!	2,190,140	\$236,243	0.1079
NOVEMBER			#DIV/0!	1,556,855	\$211,940	0.1361			#DIV/0!	2,325,164	\$242,024	0.1041
DECEMBER			#DIV/0!	1,747,712	\$225,051	0.1288			#DIV/0!	2,546,857	\$240,848	0.0946
	4,834,439	\$654,592	\$0.1354	16,858,848	\$2,355,648	\$0.1397	7,262,744	\$744,111	\$0.1025	27,961,749	\$2,953,839	\$0.1056
				4,597,974		5.14%				7,198,130		0.90%

2015	LARGE INDUSTRIAL						STREET LIGHTING					
	Actual			Budget			Actual			Budget		
	KWH	\$	UNIT				KWH	\$	UNIT			
JANUARY	2,677,447	\$ 186,885	0.0698	2,445,127	\$167,898	0.0687	4,266	\$ 655	0.1535	4,242	\$638	0.1503
FEBRUARY	2,369,047	\$ 153,367	0.0647	2,326,207	\$165,267	0.0710	4,266	\$ 625	0.1464	4,242	\$638	0.1503
MARCH	2,357,047	\$ 143,651	0.0609	2,396,647	\$155,516	0.0649	4,266	\$ 602	0.1410	4,242	\$615	0.1449
APRIL			#DIV/0!	2,055,247	\$151,015	0.0735			#DIV/0!	4,242	\$648	0.1527
MAY			#DIV/0!	2,315,407	\$168,507	0.0728			#DIV/0!	4,242	\$654	0.1541
JUNE			#DIV/0!	2,458,807	\$177,743	0.0723			#DIV/0!	4,242	\$661	0.1557
JULY			#DIV/0!	2,667,007	\$190,253	0.0713			#DIV/0!	4,242	\$661	0.1557
AUGUST			#DIV/0!	2,689,207	\$189,208	0.0704			#DIV/0!	4,227	\$654	0.1548
SEPTEMBER			#DIV/0!	2,514,727	\$180,607	0.0718			#DIV/0!	4,244	\$651	0.1534
OCTOBER			#DIV/0!	2,459,047	\$169,166	0.0688			#DIV/0!	4,244	\$640	0.1508
NOVEMBER			#DIV/0!	2,399,767	\$158,521	0.0661			#DIV/0!	4,244	\$637	0.1501
DECEMBER			#DIV/0!	2,486,887	\$146,413	0.0589			#DIV/0!	4,257	\$612	0.1437
	7,403,541	\$483,903	\$0.0654	29,214,084	\$2,020,115	\$0.0691	12,798	\$1,881	\$0.1470	50,909	\$7,707	\$0.1514
				7,167,981		3.29%						

2015	TOTAL SALES					
	Actual			Budget		
	KWH	\$	UNIT			
JANUARY	30,110,413	\$ 3,759,437	0.1249	29,394,021	\$ 3,543,846	0.1206
FEBRUARY	24,071,853	\$ 2,906,172	0.1207	23,262,082	\$ 2,873,776	0.1235
MARCH	17,918,995	\$ 2,132,794	0.1190	19,523,468	\$ 2,356,065	0.1207
APRIL	0	\$ -	#DIV/0!	15,484,196	\$ 2,030,313	0.1311
MAY	0	\$ -	#DIV/0!	18,655,137	\$ 2,402,013	0.1288
JUNE	0	\$ -	#DIV/0!	20,682,459	\$ 2,668,374	0.1290
JULY	0	\$ -	#DIV/0!	19,736,211	\$ 2,543,513	0.1289
AUGUST	0	\$ -	#DIV/0!	19,442,651	\$ 2,487,885	0.1280
SEPTEMBER	0	\$ -	#DIV/0!	15,803,753	\$ 2,050,119	0.1297
OCTOBER	0	\$ -	#DIV/0!	20,427,470	\$ 2,552,143	0.1249
NOVEMBER	0	\$ -	#DIV/0!	24,348,481	\$ 2,987,886	0.1227
DECEMBER	0	\$ -	#DIV/0!	27,864,262	\$ 3,225,295	0.1157
	72,101,261	\$8,798,404	\$0.1220	254,644,190	\$31,721,227	\$0.1246

Actual vs. Budget				
17,918,995	Month	2015	19,523,468	-8.22%
72,101,261	YTD		72,179,571	-0.11%
Compared to 2014				
17,918,995	Month		19,263,071	-6.98%
72,101,261	YTD		74,334,006	-3.00%

2015	GROSS MARGINS			Line Loss	Fuel Adj.	Fuel Adj. \$	ESC Rate	ESC \$
	Actual	Budget	Variance					
JANUARY	\$1,665,172	\$ 1,234,360	\$430,812	1.95%	0.003332	93,297	8.21%	286,123
FEBRUARY	\$694,915	\$ 952,429	(\$257,514)	21.99%	(0.003014)	(69,698)	8.03%	215,878
MARCH	\$542,261	\$ 636,454	(\$94,193)	22.91%	(0.005183)	(92,151)	6.82%	136,436
APRIL	\$0	\$ 672,961	(\$672,961)	#DIV/0!				
MAY	\$0	\$ 1,037,665	(\$1,037,665)	#DIV/0!				
JUNE	\$0	\$ 1,062,816	(\$1,062,816)	#DIV/0!				
JULY	\$0	\$ 827,551	(\$827,551)	#DIV/0!				
AUGUST	\$0	\$ 871,086	(\$871,086)	#DIV/0!				
SEPTEMBER	\$0	\$ 649,871	(\$649,871)	#DIV/0!				
OCTOBER	\$0	\$ 1,296,421	(\$1,296,421)	#DIV/0!				
NOVEMBER	\$0	\$1,257,777	(\$1,257,777)	#DIV/0!				
DECEMBER	\$0	\$1,354,413	(\$1,354,413)	#DIV/0!				
			(\$8,951,456)	14.99%	(0.001622)	(68,552)	7.69%	638,436

GRAYSON RECC
PRG. BUDOPBST

BUDGET TO ACTUAL COMPARISON
FROM 01/15 THRU 03/15

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PART A. STATEMENT OF OPERATIONS/BUDGET

LINE NO		ACTUAL ANNUAL AMOUNT	BUDGET AMOUNT	DIFFERENCE	% CHANGE FROM ACTUAL
1.0	OPERATING REVENUE & PATRONAGE CAPITAL....	9,088,518.26	9,038,881.95	49,636.31-	.5-
2.0	POWER PRODUCTION EXPENSE.....	.00	.00	.00	.0
3.0	COST OF PURCHASED POWER.....	5,896,055.00-	5,767,354.00-	128,701.00	2.2-
4.0	TRANSMISSION EXPENSE.....	.00	.00	.00	.0
5.0	REGIONAL MARKET OPERATIONS EXPENSE.....	.00	.00	.00	.0
6.0	DISTRIBUTION EXPENSE-OPERATION.....	276,148.48-	306,343.47-	30,194.99-	10.9
7.0	DISTRIBUTION EXPENSE-MAINTENANCE.....	1,004,809.70-	868,458.24-	136,351.46	13.6-
8.0	CONSUMER ACCOUNTS EXPENSE.....	291,634.92-	281,346.36-	10,288.56	3.5-
9.0	CUSTOMER SERVICE & INFORMATIONAL EXPENSE..	44,499.22-	59,685.30-	15,186.08-	34.1
10.0	SALES EXPENSE.....	8,157.15-	5,995.05-	2,162.10	26.5-
11.0	ADMINISTRATIVE & GENERAL EXPENSE.....	509,483.01-	482,869.86-	26,613.15	5.2-
12.0	TOTAL OPERATIONS & MAINTENANCE EXPENSE...	8,030,787.48-	7,772,052.28-	258,735.20	3.2-
13.0	DEPRECIATION & AMORTIZATION EXPENSE.....	792,875.60-	847,606.98-	54,731.38-	6.9
14.0	TAX EXPENSE - PROPERTY & GROSS RECEIPTS..	10,350.00-	9,999.99-	350.01	3.4-
15.0	TAX EXPENSE - OTHER.....	.00	.00	.00	.0
16.0	INTEREST ON LONG TERM DEBT.....	226,880.33-	238,999.98-	12,119.65-	5.3
17.0	INTEREST CHARGED TO CONSTRUCTION - CREDIT	.00	.00	.00	.0
18.0	INTEREST EXPENSE - OTHER.....	352.60-	.00	352.60	100.0-
19.0	OTHER DEDUCTIONS.....	2,994.86-	7,749.96-	4,755.10-	158.8
20.0	TOTAL COST OF ELECTRIC SERVICE.....	9,064,240.87-	8,876,409.19-	187,831.68	2.1-
21.0	PATRONAGE CAPITAL & OPERATING MARGINS....	24,277.39	162,472.76	138,195.37	569.2
22.0	NON OPERATING MARGINS - INTEREST.....	7,843.19	7,264.98	578.21-	7.4-
23.0	ALLOW. FOR FUNDS USED DURING CONSTRUCTION	.00	.00	.00	.0
24.0	INCOME (LOSS) FROM EQUITY INVESTMENTS....	.00	.00	.00	.0
25.0	NON OPERATING MARGINS - OTHER.....	24,198.65-	1,784.34-	22,414.31	92.6-
26.0	GENERATION & TRANSMISSION CAPITAL CREDITS	.00	.00	.00	.0
27.0	OTHER CAPITAL CREDITS & PATRONAGE DIVID..	146,863.20	40,549.89	106,313.31-	72.4-
28.0	EXTRAORDINARY ITEMS.....	.00	.00	.00	.0
29.0	PATRONAGE CAPITAL OR MARGINS.....	154,785.13	208,503.29	53,718.16	34.7
RATIOS					
	TIER	1.682	1.872		
	MARGINS TO REVENUE	.017	.023		
	POWER COST TO REVENUE	.649	.638		
	INTEREST EXPENSE TO REVENUE	.025	.026		
	CURRENT ASSETS : CURRENT LIABILITIES	.0000			
	MARGINS & EQUITIES AS % OF ASSETS	65.4011			
	LONG TERM DEBT AS % OF PLANT	.0000			
	TOTAL PLANT : GENERAL FUNDS	2.0935			
	QUICK ASSET RATIO	.0000			
	MARGINS & EQUITIES : LONG-TERM DEBT-RUS	.4384			
	MARGINS & EQUITIES : TOTAL DEBT	.0000			

GRAYSON RECC
PRG: BUDGTSUM

BUDGET SUMMARY REPORT FROM 01/15 THRU 03/15
SUMMARY - LINE NUMBER BY ACCOUNT

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LINE NO	DPT	ACCT	ITEM	DESCRIPTION	ACTUAL ANNUAL	BUDGET	DIFFERENCE	% CHANGE FROM BUDGET
1.00		440.10		RESIDENTIAL SALES	6,540,007.25-	6,587,880.00-	47,872.75-	.7
1.00		440.40		CAMP & BARN SALES	373,858.48-	328,149.00-	45,709.48	13.9-
1.00		442.10		SMALL COMMERCIAL SALES	654,592.10-	620,490.00-	34,102.10	5.5-
1.00		442.20		LARGE POWER SALES	744,110.74-	746,539.00-	2,428.26-	.3
1.00		442.30		LARGE INDUSTRIAL(OVER 1,000 KVA)	483,902.99-	488,683.00-	4,780.01-	1.0
1.00		444.00		STREET LIGHT SALES	1,886.96-	1,891.00-	4.04-	.2
1.00		450.00		FORFEITED DISCOUNTS	157,470.11-	129,999.99-	27,470.12	21.1-
1.00		454.00		RENT FROM ELECTRIC PROPERTY	122,907.00-	118,749.99-	4,157.01	3.5-
1.00		456.00		OTHER ELECTRIC SERVICE	9,782.63-	16,499.97-	6,717.34-	40.7
1.00				TOTAL	9,088,518.26-	9,038,881.95-	49,636.31	.5-
3.00		555.00		PURCHASED POWER	5,896,055.00	5,767,354.00	128,701.00-	2.2-
3.00				TOTAL	5,896,055.00	5,767,354.00	128,701.00-	2.2-
6.00		583.00		OVERHEAD LINE EXPENSE	144,654.93	147,362.46	2,707.53	1.8
6.00		585.00		STREET LIGHT EXPENSE	.00	81.57	81.57	100.0-
6.00		586.00		METER EXPENSE	90,900.31	125,930.82	35,030.51	27.8
6.00		586.10		METER OPERATION SURVEY	8,958.40	5,342.52	3,615.88-	67.7-
6.00		586.20		AUTOMATED METER EQUIP EXPENSE	9,686.37	7,287.45	2,398.92-	32.9-
6.00		588.00		MISC / MAPPING EXPENSE	13,008.31	13,910.58	902.27	6.5
6.00		588.10		MAPPING OPERATIONS	8,940.16	6,428.07	2,512.09-	39.1-
6.00				TOTAL	276,148.48	306,343.47	30,194.99	9.9
7.00		590.00		MAINTENANCE SUPERVISION	74,400.96	69,038.55	5,362.41-	7.8-
7.00		593.00		MAINTENANCE OF OVERHEAD LINES	337,011.89	286,577.22	50,434.67-	17.6-
7.00		593.10		MAINTENANCE OF LINE RIGHT-OF-WAY	316,639.48	393,666.45	77,026.97	19.6
7.00		593.20		MAINTENANCE STORM EXPENSES	252,874.62	96,392.61	156,482.01-	162.3-

GRAYSON RECL
PRG: BUDGTSUM

BUDGET SUMMARY REPORT FROM 01/15 THRU 03/15
SUMMARY - LINE NUMBER BY ACCOUNT

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LINE NO	DPT	ACCT	ITEM	DESCRIPTION	ACTUAL ANNUAL	BUDGET	DIFFERENCE	% CHANGE FROM BUDGET
7.00		594.00		MAINTENANCE OF UNDERGROUND LINES	.00	195.33	195.33	100.0-
7.00		595.00		MAINTENANCE OF TRANSFORMERS	8,787.18	8,313.81	473.37-	5.7-
7.00		596.00		MAINTENANCE OF STREET LIGHTS	.00	598.86	598.86	100.0-
7.00		597.00		MAINTENANCE OF METERS	.00	846.84	846.84	100.0-
7.00		598.00		MAINTENANCE-MISC DISTRIBUTION	15,095.57	12,828.57	2,267.00-	17.7-
7.00				TOTAL	1,004,809.70	868,458.24	136,351.46-	15.7-
8.00		901.00		SUPERVISION - BILLING	36,118.72	32,044.56	4,074.16-	12.7-
8.00		902.00		METER READING EXPENSE	.00	3,819.60	3,819.60	100.0-
8.00		903.00		CUSTOMERS RECORDS & COLLECTIONS	233,326.20	226,474.32	6,851.88-	3.0-
8.00		903.10		CASH DRAWER-OVERAGES & SHORTAGES	8.00	.00	8.00-	100.0-
8.00		904.00		UNCOLLECTIBLE ACCOUNTS	22,182.00	19,007.88	3,174.12-	16.7-
8.00				TOTAL	291,634.92	281,346.36	10,288.56-	3.7-
9.00		909.00		INFORMATIONAL ADVERTISING	44,499.22	59,685.30	15,186.08	25.4
9.00				TOTAL	44,499.22	59,685.30	15,186.08	25.4
10.00		912.00		DEMONSTRATION & SELLING EXPENSE	5,286.89	4,732.56	554.33-	11.7-
10.00		913.00		ADVERTISING	2,870.26	1,262.49	1,607.77-	127.3-
10.00				TOTAL	8,157.15	5,995.05	2,162.10-	36.1-
11.00		920.00		ADMINISTRATIVE-GENERAL SALERIES	286,640.47	265,227.03	21,413.44-	8.1-
11.00		921.00		OFFICE SUPPLIES & EXPENSES	41,628.30	46,901.22	5,272.92	11.2
11.00		923.00		OUTSIDE SERIVCES	31,575.16	31,271.73	303.43-	1.0-
11.00		926.00		EMPLOYEE BENEFITS	.00	.09-	.09-	100.0-
11.00		928.00		REGULATORY COMMISSION EXPENSES	.00	1,249.98	1,249.98	100.0-
11.00		930.20		ANNUAL MEETING EXPENSES	9,000.00	10,612.05	1,612.05	15.2
11.00		930.30		MISCELLANEOUS GENERAL EXPENSES	2,839.18	5,975.43	3,136.25	52.5

GRAYSON RECA
PRG: BUDGTSUM

BUDGET SUMMARY REPORT FROM 01/15 THRU 03/15
SUMMARY - LINE NUMBER BY ACCOUNT

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LINE NO	DPT	ACCT	ITEM	DESCRIPTION	ACTUAL ANNUAL	BUDGET	DIFFERENCE	% CHANGE FROM BUDGET
11.00		930.40		MISC FIELD TRAINING	4,664.25	8,473.56	3,809.31	45.0
11.00		930.60		BOARD OF DIRECTOR'S EXPENSES	35,251.71	40,590.81	5,339.10	13.2
11.00		930.70		DUES - NRECA & KAEC	14,406.00	14,749.98	343.98	2.3
11.00		932.00		MAINTENANCE OF GENERAL PLANT	83,477.94	57,818.16	25,659.78-	44.4-
11.00				TOTAL	509,483.01	482,869.86	26,613.15-	5.5-
13.00		403.60		DEPRECIATION-DISTRIBUTION PLANT	738,767.79	788,181.99	49,414.20	6.3
13.00		403.70		DEPRECIATION-GENERAL PLANT	54,107.81	59,424.99	5,317.18	8.9
13.00				TOTAL	792,875.60	847,606.98	54,731.38	6.5
14.00		408.60		REGULATORY COMMISSION ASSESSMENT	10,350.00	9,999.99	350.01-	3.5-
14.00				TOTAL	10,350.00	9,999.99	350.01-	3.5-
15.00		408.20		TAXES - FEDERAL UNEMPLOYMENT	.00	.00	.00	.0
15.00		408.30		TAXES - FICA	.00	.00	.00	.0
15.00		408.40		TAXES - STATE UNEMPLOYMENT	.00	.00	.00	.0
15.00				TOTAL	.00	.00	.00	.0
16.00		427.10		INTEREST-RUS	96,737.48	99,999.99	3,262.51	3.3
16.00		427.20		INTEREST - COBANK	108,899.25	116,499.99	7,600.74	6.5
16.00		427.30		INTEREST-CFC	12,462.48	15,000.00	2,537.52	16.9
16.00		427.60		INTEREST - FFB	8,781.12	7,500.00	1,281.12-	17.1-
16.00				TOTAL	226,880.33	238,999.98	12,119.65	5.1
18.00		431.30		INTEREST-REFUND CUSTOMER DEPOSIT	352.60	.00	352.60-	100.0-
18.00				TOTAL	352.60	.00	352.60-	100.0-
19.00		426.10		MISCELLANEOUS DEDUCTION-DONATION	2,975.00	2,749.98	225.02-	8.2-

GRAYSON RECL
PRG: BUDGTSUM

BUDGET SUMMARY REPORT FROM 01/15 THRU 03/15
SUMMARY - LINE NUMBER BY ACCOUNT

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LINE NO	DPT	ACCT	ITEM	DESCRIPTION	ACTUAL ANNUAL	BUDGET	DIFFERENCE	% CHANGE FROM BUDGET
19.00		430.00		INTEREST ASSOCIATED ORGANIZATION	19.86	4,999.98	4,980.12	99.6
19.00				TOTAL	2,994.86	7,749.96	4,755.10	61.4
22.00		419.00		INTEREST INCOME NON-OPERATING	7,237.97-	7,164.99-	72.98	1.0-
22.00		419.20		NOW ACCOUNT INTEREST	69.88-	75.00-	5.12-	6.8
22.00		419.30		COMMERCIAL PAPER INTEREST	535.34-	24.99-	510.35	2042.2-
22.00				TOTAL	7,843.19-	7,264.98-	578.21	8.0-
25.00		415.00		REVENUE-MERCHANDISE, JOB, CONTRACT	405.32-	.00	405.32	100.0-
25.00		415.40		RENTAL PROPERTY - REVENUE	1,200.00-	.00	1,200.00	100.0-
25.00		415.50		MACED REVENUE	24,542.08-	3,750.00-	20,792.08	554.5-
25.00		416.00		INCENTIVES/GEOTHERMAL, ETS, MISC	9,701.08-	.00	9,701.08	100.0-
25.00		416.20		ANCILLARY BILL SERV - EXPENSE	.00	.99	.99	100.0-
25.00		416.40		RENTAL PROPERTY - EXPENSE	480.00	.00	480.00-	100.0-
25.00		416.50		MACED EXPENSE	5,681.01	6,032.58	351.57	5.8
25.00		421.00		MISC NON-OPERATING INCOME	.00	499.23-	499.23-	100.0-
25.00		421.20		LOSS/GAIN DISPOSITION PROPERTY	53,886.12	.00	53,886.12-	100.0-
25.00				TOTAL	24,198.65	1,784.34	22,414.31-	1256.2-
27.00		424.00		OTHER CAP CR & PATRONAGE ALLOC	146,863.20-	40,549.89-	106,313.31	262.2-
27.00				TOTAL	146,863.20-	40,549.89-	106,313.31	262.2-
				TOTAL FOR 400 TO 999	154,785.13-	208,503.29-	53,718.16-	25.8

Monthly Load Factors

Purchases		DEMAND	KWH	\$	UNIT	LD FCT	YTD AVG	
2013	January	60,229	28,581,771	\$	2,005,585	0.0702	66%	66%
	February	56,994	25,865,070	\$	1,840,912	0.0712	63%	64%
	March	56,184	26,448,451	\$	1,845,738	0.0698	65%	65%
	April	47,039	18,207,168	\$	1,392,200	0.0765	54%	62%
	May	42,351	18,007,323	\$	1,407,738	0.0782	59%	61%
	June	46,826	20,149,631	\$	1,583,261	0.0786	60%	61%
	July	50,501	22,598,775	\$	1,657,141	0.0733	62%	61%
	August	48,310	21,190,754	\$	1,553,012	0.0733	61%	61%
	September	47,042	18,161,664	\$	1,360,442	0.0749	54%	60%
	October	38,294	18,822,529	\$	1,279,277	0.0680	68%	61%
	November	56,145	23,732,381	\$	1,711,043	0.0721	59%	60%
	December	56,465	27,783,236	\$	2,003,502	0.0721	68%	62%
		<u>606,380</u>	<u>269,548,753</u>	<u>\$</u>	<u>19,639,851</u>	<u>\$ 0.0729</u>	<u>62%</u>	
2014	January	80,022	34,019,417	\$	2,475,095	0.0728	59.05%	59%
	February	68,166	26,958,772	\$	1,966,923	0.0730	54.93%	57%
	March	61,876	25,169,343	\$	1,735,123	0.0689	56.50%	57%
	April	47,798	16,991,826	\$	1,326,474	0.0781	49.37%	55%
	May	38,216	17,949,402	\$	1,355,831	0.0755	65.23%	57%
	June	48,040	20,531,862	\$	1,616,862	0.0787	59.36%	57%
	July	48,723	21,135,450	\$	1,653,014	0.0782	60.25%	58%
	August	44,418	21,334,747	\$	1,615,983	0.0757	66.71%	59%
	September	45,904	17,779,219	\$	1,389,136	0.0781	53.79%	58%
	October	31,812	17,685,439	\$	1,222,188	0.0691	77.21%	60%
	November	60,286	24,018,661	\$	1,739,051	0.0724	55.33%	60%
	December	50,873	25,712,555	\$	1,827,391	0.0711	70.20%	61%
						<u>#DIV/0!</u>	<u>61%</u>	
2015	January	70,426	30,707,957	\$	2,094,265	0.0682	60.56%	61%
	February	85,194	30,858,196	\$	2,211,257	0.0717	50.31%	55%
	March	60,471	23,245,192	\$	1,590,533	0.0684	53.39%	55%
	April	0	0	\$	-	#DIV/0!	#DIV/0!	#DIV/0!
	May	0	0	\$	-	#DIV/0!	#DIV/0!	#DIV/0!
	June	0	0	\$	-	#DIV/0!	#DIV/0!	#DIV/0!
	July	0	0	\$	-	#DIV/0!	#DIV/0!	#DIV/0!
	August	0	0	\$	-	#DIV/0!	#DIV/0!	#DIV/0!
	September	0	0	\$	-	#DIV/0!	#DIV/0!	#DIV/0!
	October	0	0	\$	-	#DIV/0!	#DIV/0!	#DIV/0!
	November	0	0	\$	-	#DIV/0!	#DIV/0!	#DIV/0!
	December	0	0	\$	-	#DIV/0!	#DIV/0!	#DIV/0!
						<u>#VALUE!</u>	<u>#DIV/0!</u>	

Overtime Hours
2014

	BUDGET per Month	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Total
OFFICE	20	10	263	18	39	15	18	26	34	5	57	21	9	515
CONSTRUCTION	42	0	12	0	0	0	0	0	0	0	0	0	8	20
ENGINEERING		2	53	2	0	0	0	6	0	0	0	3	0	66
MAINTENANCE	350	286	1751	243	291	348	1150	482	308	268	423	326	252	6168
	<u>412</u>	<u>298</u>	<u>2079</u>	<u>263</u>	<u>330</u>	<u>363</u>	<u>1208</u>	<u>514</u>	<u>342</u>	<u>273</u>	<u>480</u>	<u>350</u>	<u>269</u>	<u>6769</u>

Overtime Hours
2015

	BUDGET per Month	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Total
OFFICE	20	5	10	97										112
CONSTRUCTION	42	0	0	0										0
ENGINEERING		0	0	12										12
MAINTENANCE	350	201	354	1336										1891
	<u>412</u>	<u>206</u>	<u>364</u>	<u>1445</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2015</u>

Grayson Rural Electric Cooperative Corporation

109 Bagby Park • Grayson, KY 41143-1292
Telephone 606-474-5136 • 1-800-562-3532 • Fax 606-474-5862

June 15, 2017

Dear Director:

A Regular Meeting of the Board of Directors is hereby called. I do hereby fix the JESSE STUART LODGE MEETING ROOM AT GREENBO LAKE STATE PARK, 965 Lodge Road, Greenup, KY, Commonwealth of Kentucky, as the place, and Friday, the twenty-third day of June, 2017 at 9:00 a.m., for holding of said meeting for the following purposes:

To take any and all action and to transact any and all business which may be necessary, convenient, or desirable in connection with any of the foregoing and the organization of the Corporation at said meeting or at any adjournment or adjournments thereof; and for the transaction of such other business which may come before the meeting or any adjournment or adjournments thereof, as well as consider altering, amending, or repealing the current Bylaws of the Corporation in the manner hereinafter set forth.

Sincerely,



Harold Dupuy
Chairman

GRAYSON RURAL ELECTRIC
COOPERATIVE CORPORATION

HD/pfs

Enclosures:

1. Agenda
2. Miscellaneous Analysis

Grayson Rural Electric Cooperative Corporation

109 Bagby Park • Grayson, KY 41143-1292
Telephone 606-474-5136 • 1-800-562-3532 • Fax 606-474-5862

June 15, 2017

W. Jeffrey Scott,
Attorney at Law
P. O. Box 608
Grayson, KY 41143

Dear Jeffrey:

A Regular Board Meeting of GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION will be held on Friday, June 23, 2017 at 9:00 a.m. at the Jesse Stuart Lodge meeting room at Greenbo Lake State Park.

We look forward to seeing you at the Board Meeting.

Sincerely,



Priscilla Sparks
Executive Assistant

GRAYSON RURAL ELECTRIC
COOPERATIVE CORPORATION

Enclosures:

1. Agenda
2. Miscellaneous Analysis

GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION
BOARD MEETING AGENDA

On June 23, 2017 at 9:00 a.m. the Directors of Grayson Rural Electric Cooperative Corporation were called to meet by the Chairman.

1. Sign Wavier of Notice
2. Invocation
3. Approval of the Minutes From the May 2017 Regular Board Meeting
4. EKPC Director's Report – Kenneth Arrington
5. KAEC Director's Report – Jimmy Whitt
6. President's Report – Carol Hall Fraley
7. Manager of Finance & Accounting Report and Approval of the Financial & Statistical Report for April 2017 – Bradley Cherry, Manager of Finance & Accounting
8. Cooperative Legal Matters – W. Jeffrey Scott
9. Approval of One Hundred (100) New Memberships and Retirement of Seventy-One (71) Existing Memberships for May 2017
10. Consider Approval of President's Business Expense in the Amount of \$21.19, Director's Business Expense in the Amount of \$7,439.16 and Attorney's Business Expense in the Amount of \$.00
11. Consider Community Service and/or Donations
12. Aaron Thompson, Governor Matt Biven's Field Representative
13. Technical Services Report – Andrea McCleese, Technical Services Supervisor
14. Consider Approval of Accounts to be Charged Off to Reserve \$4,827.80
15. Manager of Marketing & Member Services Report – Kim Bush
16. Operations Report and Safety Report – Kyle Clevenger, Manager of Operations
 - Copper and Ground Thefts
17. Attendance at Meetings – Directors & Employees
18. Report of Any Meetings Held
19. Confirm Board Meeting Dates for July Board Meeting – Friday, July 28, 2017
20. Additional Business
21. Adjourn

On May 26, 2017 at 9:08 a.m. Grayson Rural Electric Cooperative Corporation held a regular board meeting at its office in Grayson, Kentucky called by the Chairman, for the transaction of such business as outlined in the letter of call. Chairman Dupuy called the meeting to order pursuant to the Waiver of Notice signed by the Directors and all were present. Others present included: Carol Hall Fraley, President and CEO; W. Jeffrey Scott, Legal Counsel; and Priscilla Sparks, Executive Assistant.

INVOCATION	Director Whitt gave the invocation.
APPROVAL OF MINUTES	Motion was made by Director Trent, seconded by Director Rice and unanimously agreed to approve the minutes from the April 2017 Board Meeting for informational purposes only.
APPROVAL OF ORGANIZATIONAL BOARD MEETING	Motion was made by Director Martin, seconded by Director Bentley and unanimously agreed to approve the organizational minutes from May 11, 2017 for informational purposes only.
MANAGER OF TECHNICAL SERVICES	Brian Poling, Manager of Technical Services reported on the following:
AIR CONDITIONER UNIT	We are replacing the header system on our geo-thermal, therefore no air conditioning today. The system was installed in 1992 and the metal had eroded to the point water was seeping out of the walls of the pipes. We are replacing the galvanized pipe and black metal with a heavy-duty plastic.
DAVEY RESOURCE GROUP	Davey Resource Group (DRG) has completed 31,994 GPS points as of May 20 th , and will be finished with Pelfrey Substation soon. Crews will be moving to Leon next. Davey currently has 3 men in the field and two more will arrive in the next couple of weeks.
AT&T INTERNET	Our internet conversion to AT&T fiber is completed and working well. Things went well from our side, but some of the other parties had not prepared, as we had asked, so the conversion was longer than planned.
RANSOMWARE ATTACK	Many of you may have heard of the ransomware attack that affected many businesses and hospitals around the world on May 12-13. We were not affected by the Malware because of our combination of intrusion prevention by Silversky and our Virus protection with Sophos. We purchase both of these through NetGain Technologies and they reported that NONE of their users were affected.
RF INVESTIGATION	Concerning our Radio Frequency selection process, we talked with Grayson Utilities and Rattlesnake Ridge Water District about the possibility of utilizing a network that we would install for meter readings. Both companies took it to their Boards and wanted to be included in the studies. Our information was sent to 3 of the 4 vendors on Wednesday, so they can begin propagation studies which would then allow quotes to be generated. We did not include Sensus, because they were a tower based system that we did not believe would be of benefit to us and they charged for the study. We sent information for quotes to Eaton, Landis+Gyr and ACLARA. ACLARA also has a power line carrier option called TWACS that 7 or 8 of the Kentucky Co-ops are already using. We spoke with Buckeye Rural Electric this week and they are installing the TWACS system now and have invited us to see the product in action. We plan to visit with Buckeye Rural Electric next week.

RADIO TOWERS President Fraley told the Board we have two radio towers that need to be removed. The land owners don't want them. They are 96 feet tall towers, self-supporting, 6 feet wide at the bottom. The cost of removal will vary. One is on Friends Branch in Lawrence County and the other is in Greenup County at Oldtown. The 8x8 block buildings will need to be removed also. Director Martin said Landon Daniels Towers in Ashland may take down.

OFFICE & FINANCIAL REPORT Bradley Cherry, Manager of Finance and Accounting presented the Financial & Statistical Report for March 2017. Mr. Bradley reported on the following:

FINANCIAL & STATISTICAL REPORT FOR MARCH Kilowatt hour sales for the month of March (03/21-04/20) were (8.19%) under budget. Purchases for the time period of (3/1-31) were (8.38%) under budget. Line loss for the last twelve months was 12.77%. Year to date margins were a (\$402,230) compared to the budgeted negative amount of (\$424,877).

Revenues and sales are slipping due to weather, conservation and degree days.

FUEL ADJUSTMENT The fuel adjustment for the month was (0.007547).

ESC The environmental surcharge for the month was 6.89%.

DEGREE DAYS We had 218 degree days. The heating degree days was 178 and the cooling degree days were 40.

O.T.I.E.R. O.T.I.E.R. for this month is (4.53) with the rolling 12 month O.T.I.E.R. 1.15.

SALES/REVENUE GRAPH A sales revenue graph for 5 years was shown. We show 25 million in kWh sales January 2012 and it dropped in 2014-2017. We are down about 7.5 million in kWh sales. Revenues and sales are both slipping. Degree days play a factor. The graph showed kWh sales compared to degree days in 2014 and 2015 at 1,100 KWh compared to this year's max of 765 KWh. Our degree days have been warmer in the winter and cooler in the summer.

EK has to be able to produce, buy or import power to meet peak. Otherwise, we must utilize load shedding. Director Arrington and President Fraley explained how our savings would show up in our margins if we get anything back through the environmental surcharge and energy surcharge. If they make money we get a better surcharge. President Fraley said PJM has saved us several times, keep our cost down, and she was very pleased with them.

Chairman Dupuy feels the Board doesn't understand how the commercial power market works and asked President Fraley to have someone come from East KY Power to talk to the Board.

Conservation benefits the G & T instead of us. The Prepay program is also a conservation program.

AEP/KY POWER It was in the newspaper last week that AEP/KY Power applied for a rate increase.

RATE INCREASE

President Fraley said she has seen a difference since 1994 and it's disturbing. She again stated we will eventually have to go in for a rate increase. Our last rate increase was expected to last for 3 years, but it has been 5 years. We were fortunate to have loads from the rock crusher, Genesis Recovery Center and Columbia Gulf.

CAPITAL CREDITS

In March/April 2017 we paid 20 capital credit applications totaling \$18,675.36. To date we have paid 39 capital credits totaling \$34,104.90 and have received 18 applications and have 18 incomplete applications.

RESOLUTION OF THE
BOARD FOR THE NRECA
401 (K) PENSION PLAN
ADOPTION AGREEMENT

Last week Mr. Cherry received an amendment for the retirement plans effective July 1, 2017. IRS requires reinstatement every 5 years. He recommended that the following resolution be adopted to allow President Fraley to execute the necessary documents and to restate our participation.

GO TO PAGE 4

**RESOLUTION OF THE BOARD OF DIRECTORS AUTHORIZING the
AMENDMENT and RESTATEMENT of
THE RETIREMENT SECURITY and/or 401(K) PENSION PLAN**
For *Grayson Rural Electric Cooperative Corporation*
REA(s) 18061-001 , 18061-002

WHEREAS, *Grayson Rural Electric Cooperative Corporation* , is a participating employer in the NRECA-sponsored:

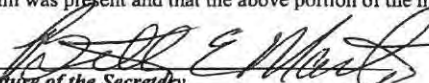
- Retirement Security (RS) Plan
 - 401(k) Pension (401(k)) Plan
- Plan(s): elect one or both, as applicable*

WHEREAS the Board of Directors of *Grayson Rural Electric Cooperative Corporation* is aware that the Plan(s) must periodically be amended to comply with new or changed regulations, rulings, legislation and plan operations, and that this restatement will be effective July 1, 2017.

THEREFORE BE IT RESOLVED that this Board authorizes the July 1, 2017 amendment, restatement and continuance of the Plan(s) to conform in its (their) entirety with all the provisions of the governing plan document(s) of the Plan(s), through the execution of the Adoption Agreement(s), which includes all of the provisions of the Cooperative's most recently executed Adoption Agreement(s) and any compliance clarifications needed to conform with plan operations; and

BE IT FURTHER RESOLVED, in the event that the timing of the restatement does not correspond with regularly scheduled meetings of the Board of Directors, the Board does hereby authorize and direct *Carol Hall Fraley, President & CEO* to execute all necessary documents and to take any and all further actions necessary to carry out the July 1, 2017 amendment and restatement of the Plan(s).

SIGNATURE OF THE SECRETARY: I *Billy E. (Eddie) Martin*, certify that I am the Secretary of the *Grayson Rural Electric Cooperative Corporation* Board of Directors. I further certify that the above is a true excerpt from the minutes of a board meeting of this Board of Directors on the *26th* day of *May*, 2017, at which a quorum was present and that the above portion of the minutes has not been modified or rescinded.


 _____ May 26, 2017
Signature of the Secretary *Date*

SEAL of the PARTICIPATING SYSTEM: Place corporate seal of Participating System in the box below:



OR
Check this box to indicate that the Participating System does not have a corporate seal:

Motion was made by Director Trent, seconded by Director Bentley to adopt said resolution and amendment as stated herein. Motion carried unanimously.

AUDITOR LETTER

We received a letter from Alan Zumestein for audit fees. There was a standard \$2,500 increase. Staff makes the recommendation to hire Mr. Zumestein.

AUDITOR LETTER
(CONTINUED)

President Fraley said there is a firm in South Shore we may use in the future. They have done work for some co-ops in Ohio.

Motion was made to accept the audit quote submitted by Mr. Alan Zumstein, by Director Trent, seconded by Director Rice and unanimously agreed upon.

FEDERATED INSURANCE
UMBRELLA COVERAGE

Bradley Cherry met with Tony Hermesch of Federated Insurance. GRECC's worker compensation EMOD was .76, the best in the state. We received rebates for \$89,454 based on our experience. Umbrella coverage for the Board is currently 4 million dollars. The average in the state is now 9-10 million dollars. The months November – January are the months to make changes, so the Board will need to think about if they would want to make any changes to the umbrella policy.

AEP/KY POWER

AEP/KY Power went in for a rate increase of 12%. Their customer charge is \$11 and they want it increased to \$17.50; they would like to increase their kWh charge from 9 cents to 10.9 cents.

Bill comparison between AEP and GRECC:

<u>AEP</u>	<u>GRECC</u>	
799 kWh \$110.39	\$105.85	4.11% comparison
1,250 kWh \$165.34	\$156.27	12.48% comparison
w/increase \$137.82	\$105.85	23.20% pending AEP rate increase

BILLING CYCLE

Last month we discussed changing the billing cycle to match EKPC. Andrea McCleese explained we anticipate the bill change to our consumers on the November bill (usage of September 20 through end of October). This would change our billing time for when members receive their bill and the due date. We anticipate one billing cycle in the north of the system and one in the south. Comparing the south and north substations there are only 100 member's difference. Smithfield and Elliott County Prison will keep the same billing cycle, a full month. We can advertise in the July KY Living about the change.

We believe there will be an increase in the prepaid program and more interest in electronic billing. Cycle billing would work with the due date staying static no matter what date they fall on. Coordination is the key to success to this between the members and the Cooperative. We can send out calls alerting / reminding members of the billing change. This will levelize the work flow, instead of everything coming due at once. Once the first month goes through we will be back on our regular flow with EKPC. Bradley would have to work with PSC, Alan Zumstein and EKPC on how to calculate the environmental surcharge and fuel adjustment

This will cut down on trip charges, enhance prepay programs and increase automatic draft. Our objective is to smooth out cash flow and help us keep from hiring more employees.

SKY GLOBAL PARTNERS

Jim Adkins and Sam Holloway, EKPC retirees, came for a visit concerning SKY Global Partners and a proposal on gas fired generation. We have checked with Fleming Mason and a couple of other Cooperatives and we plan to hear their proposal. This has been successful in Texas. Two sites have been proposed to build 750 megawatt generators.

SKY GLOBAL PARTNERS (CONTINUED)	The Coops that have been talking to Sky Global are Cumberland Valley, Fleming Mason, Licking Valley, Clark, Bluegrass and GRECC. SKP plan to join PJM. They are looking at selling to each coop. Environmental fees would have to be paid by the producers and we would buy at a set price. Information will be brought to the Board for future consideration.
APPROVAL OF FINANCIAL & STATISTICAL REPORT FOR MARCH 2017	Motion was made by Director Trent, seconded by Director Martin and unanimously agreed to approve the Financial and Statistical report for March 2017 as presented, for informational purposes only.
MANAGER OF MARKETNG & MEMBER SERVICES	Kim Bush, Manager of Marketing & Member Services presented the member services and marketing report.
PREPAY	We have 633 active prepay accounts with 7 inactive. The average balance is (\$46.73). Total number of payments in 30 days is 2,303, with an average payment of \$31.65. Total payment amount received was \$72,886.87.
DEBT MANAGEMENT	Six percent of active accounts haven debt management. We have 40 active accounts totaling \$11,285.65.
ENERGY EFFICIENCY	Tina performed the following audits: 5 energy audits and 1 Touchstone Energy Home audit. Energy Star appliance rebates were: 3 clothes washers; 2 dishwashers; 3 refrigerators; 1 commercial audit
ANNUAL MEETING	We registered 1,239 members for the GRECC Annual Meeting on May 11, 2017. The cost of the annual meeting will be presented at the June Board Meeting. Everyone appreciated the use of golf carts at the annual meeting.
SCHOOL/COMMUNITY	Lewis Central Elementary – 200 kids for the health and safety awareness on May 15.
WASHINGTON YOUTH TOUR	We are sending 3 high school juniors on the Washington Youth Tour June 9-16.
CAMP CO-OP	The first Camp Co-op will be held at GRECC June 13-15 from 8:30 a.m. – 3:30 p.m. The cost is \$10 and open to members' children/grandchildren that have completed grades 3 rd , 4 th and 5 th . The camp topics are solar, conservation and safety. Crafts will be made. We do have a medical release form that has to be signed.
BOARD ELECTION	President Fraley read the election letter from John B. Dean, CPA in regards to suggested changes to future board elections and the procedures. President Fraley stated she is working on the Bylaws. The Bylaws changes could be presented at next board meeting for the Board to study. A cost of the election will be presented next month.
OPERATIONS REPORT	Kyle Clevenger, Manager of Operations gave the Operations Report. He reported on the following:
EMPLOYEE/LOST TIME ACCIDENT	There were no lost time accidents to report this month.
SAFETY REPORT	The following safety meetings were held during April 2017: April 6 – Priscilla Sparks, Executive Assistant, turned the meeting over to Robert Thornton, KAEC safety, who talked about a vehicle fatality at Owen Electric. He discussed near misses due to distractions using phones, iPads, and other devices that make us lose our focus. He explained that it was important to keep our contact list and beneficiaries up-to-date, know your job

SAFETY REPORT
(CONTINUED)

location and if you are working in an area off of the road set a cone to show your location in case of an emergency. Personal grounds were tested. Kyle Clevenger asked everyone to work safe and remember Slips, Trips, and Falls.

April 10 – Robert Brown, Geographical Information System Technician, showed a video on the history of Kiss Of Life photo that was taken in 1967 of a utility worker giving mouth-to-mouth to co-worker after he contacted a low voltage wire. Photo was taken by Rocco Morabito who worked for the Jacksonville Journal and the photo won the 1968 Pulitzer Prize for Spot News Photography. The linemen were recognized and presented gifts for Lineman’s Day. Kyle Clevenger reminded everyone to work safe.

April 17 – Sherry Buckler, Manager of Accounting and Human Resources, turned the meeting over to Robert Brown. He showed a power point on ATV/UTV safety. President Fraley requested everyone to be careful in the wet conditions while reading the Newfoundland Substation.

April 24 – Kim Bush, Manager of Marketing and Member Services, turned the meeting over to Robert Brown. He showed a power point on the care of FR rated clothing. President Fraley let everyone know that the ballots for Greenup and Lewis Counties would be mailed on Tuesday, April 25, 2017.

CONSTRUCTION

The Construction Department built one hundred thirteen (113) new work orders for the month of April and worked zero (0) hours of overtime.

OVERTIME HOURS

The Maintenance Department worked two hundred fifteen (215) hours of overtime during the month of April 2017. Number of work order overtime hours was ninety-five (95). Engineering worked zero (0) overtime hours.

DELINQUENT NOTICES

There were 121 delinquents for May; 107 cards were issued to be disconnected and 14 accounts were disconnected by remote. Field personnel disconnected an additional 7 meters for a total of 21 disconnects and 7 accounts were reconnected on May 8. On May 9 there was 1 meter disconnected. A total of 3 meters were reconnected.

CONTRACT CREWS

Two Pike crews have been working in the following areas:

Tony Seagraves – Columbia Gulf, Carter County
Travis Grizzell – Alcorn, Greenup County

RIGHT-OF-WAY CREWS

We have ten (10) W. A. Kendall right-of-way crews working on random jobs and work orders at this time. Crew’s trimmed 1,047 trees, cut 748 trees, cut 51,500 feet of brush/line and sprayed 138 spans of line. The crews are working in the following areas:

1 cutting crew in Carter, Lewis and Greenup Counties
3 cutting crews in Rowan and Elliott Counties
1 bucket truck crew in Carter, Lewis and Greenup Counties
1 bucket truck crew in Rowan County
1 bucket truck crew in Elliott County
1 tractor crew in Greenup County
2 spray crews in Greenup County

Smith Tree Service circuit crew is in Elliott County on RT 32/ Brown Ridge.

ENGINEERING REPORT	The Engineering Department released one hundred three (103) prints consisting of 11,044 feet of primary line and 3,150 feet of service wire. They currently have three (3) new services to be staked and two (2) to be drawn. They have approximately fourteen (14) miscellaneous jobs to be staked or drawn.
PIKE ELECTRIC	Ronnie Gilbert with Pike Electric visited yesterday in regards to their wages. Pike is asking for a wage increase. President Fraley said she is not inclined to suggest the Board open the contract. Pike is going to send a proposed rate sheet. A motion was made to keep the contract as is by Director Martin, seconded by Director Trent and unanimously agreed upon.
APPROVAL OF NEW MEMBERSHIPS & RETIREMENT OF EXISTING MEMBERSHIPS	Motion was made by Director Bentley, seconded by Director Martin and unanimously agreed to approve one hundred one (101) new memberships and retirement of eighty-eight (88) existing memberships for April 2017.
BAD DEBT WRITE-OFFS	Motion was made by Director Martin, seconded by Director Trent and unanimously agreed to charge off \$ \$3,398.62 worth of bad debts and turn them over for collection.
APPROVAL OF CEO'S, DIRECTOR'S & ATTORNEY BUSINESS EXPENSES	Motion was made by Director Trent, seconded by Director Martin and unanimously agreed to approve the President's business expense of \$9.73, Director's business expenses of \$6,472.75 and Attorney's business expense of \$9.10.
PRESIDENT'S REPORT	President Fraley reported on the following:
SAND GAP	Kyle Clevenger, Scott Speaks, Mike Martin and President Fraley met with a Kentucky Power engineer this week in regards to the service at Sand Gap.
INTER-COUNTY COOP	Jim Jacobus, President and CEO at Inter-County Coop, is retiring the first of the year and the Inter County Board is looking for a new candidate for President and CEO.
COLUMBIA GULF	Jim Bridges has helped us prepared a new contract for Columbia Gulf. She will share it with Legal Counsel Scott for his review.
SAV-A-LOT	She is working on a new contract for Save-a-Lot in Elliott County. The loading information was sent to Scott Speaks today.
NEWFOUNDLAND SUBSTATION	Newfoundland Substation readings are finished. A report will be given next month.
GRECC BYLAWS	She has been spending majority of her time on GRECC's Bylaws. This is critical. She hopes to have a copy to you next month.

- BIG SANDY RECC** David Estep at Big Sandy RECC has been replaced by former Manager Bobby Sexton as an interim manager.
- Director Arrington said Velma May was defeated by Guy Spriggs during the board election this year.
- LEGAL COUNSEL'S REPORT** Legal Counsel Scott reported on the following:
- reviewed resolution;
assisted in counting of votes;
reviewed letters on codes and company policies and;
read the notice at the annual meeting.
- KAEC DIRECTOR'S REPORT** Director Whitt attended KAEC's Board Meeting this week in Louisville, KY and reported on the following:
- KAEC OFFICE BUILDINGS** Targeting a closing date of early June. Purchase price is \$2,810,000.00. There is a first-floor tenant (EnovaPremier) leasing for \$193,277.00 annually. They have the right to terminate after August 1, 2020 with notice by May 1, 2020 and payment of \$33,000.00. Motion was made and passed to pursue the purchase of the Lyndon Farm Court Building as discussed. It will cost approximately \$400,000 to remodel the building. It doesn't have a board room, so meetings will be at the hotel.
- There is also a company leasing the basement space that designs wheels and pays \$200,000-\$400,000 annually.
- Closing on the Bishop Lane Property is scheduled for of May 23, 2017. The sale price is \$3,750,000.00, which includes the real estate, furniture and equipment remaining on the premises (concession to rental rate). The leaseback to KAEC is a base rent of \$13,333 per month with the security deposit waived.
- KENTUCKY LIVING** The Kentucky Living magazine is breaking even.
- EKPC DIRECTOR'S REPORT** Director Arrington reported on the following:
- Ground breaking for the solar project.
EKPC Annual Meeting is June 6, 2017.
Michael Adams, Secretary/Treasurer died and seat will not be filled until June.
GRECC has sold 3 panels to two members. The cost is \$460 per panel. They will get credit on their power bill.
- MIV PROGRAM** Bradley Cherry completed the Robert I. Kabat Management Internship Program (MIP) earlier this year. A letter was read by President Fraley, complimenting Mr. Cherry on his hard work and participation.
- THANK YOU NOTES** President Fraley said GRECC had received thank you cards from Raccoon Freewill Baptist Church, Heather Smith and Heritage Elementary School.
- DONATIONS** President Fraley presented to the Board for their consideration the following donation requests:

DONATIONS (CONTINUED)	East Carter Youth Service Center – Camp KIDS @ CCSP	\$100
	East Carter Lady Raiders Softball – East All Star Team of KY (Montana Fouts \$50 and Eden Mayo \$50) 6/16-18/17	\$100
	Carter Christian Academy – golf scramble sponsor 7-15-17	\$50
	American Cancer Society - Relay for Life for Elliott County (in memory of Juanita Rice)	\$250
	Lewis County Extension Office – KY Youth Seminar sponsor	\$175
	East Carter Tennis Team – sponsor – Appalachian Tennis Series	\$50
	SHE Academic Team – sponsor – Sandy Hook Elem. field trip	<u>\$100</u>
		\$825

Motion was made by Director Rice, seconded by Director Bentley and unanimously agreed to approve the donations as presented.

MEETING ATTENDANCE President Fraley and some of the staff will be attending EKPC’s Annual Meeting on June 6, 2017.

VOTING DELEGATES
EKPC BOARD MEETING Chairman Dupuy appointed Director Trent to serve as the Voting Delegate to EKPC’s Board of Directors and Chairman Dupuy to serve as the Alternate Delegate.

VOTING DELEGATES TO
NCSC’S ANNUAL MEETING Bradley Cherry will serve as the Voting Delegate to NCSC’s 2017 Annual Meeting. There will be no Alternate Voting Delegate.

NRECA VOTING DELEGATE
TO DIRECTOR ELECTION Chairman Dupuy appointed Director Whitt to serve as Voting Delegate to NRECA Director’s election and Director Martin as Alternate Voting Delegate.

EKPC ANNUAL MEETING The East Kentucky Power Cooperative’s Annual meeting will be held June 6, 2017 at their headquarters in Winchester, Kentucky.

COMMITTEE MEETINGS The Planning and Review Committee and the Negotiating Committee will be the same as 2016.

BOARD MEETING DATE The Regular Board Meeting in June will be held June 23, 2017.

ADDITIONAL BUSINESS There was no additional business.

EXECUTIVE SESSION Motion was made to go into Executive Session by Director Arrington.

ADJOURN Chairman Trent adjourned the meeting at 12:09 p.m.

Harold Dupuy, Chairman

Billy E. (Eddie) Martin, Secretary/Treasurer

W. Jeffrey Scott, Legal Counsel

Minutes of the Executive Session of the May 26, 2017 GRECC Board Meeting

On May 26, 2017 Grayson Rural Electric Cooperative Corporation held an executive session during its regular board meeting.

EXECUTIVE SESSION

Director Arrington called for an Executive Session at 12:02 p.m. and unanimously agreed upon.

Per diem was discussed at a previous Board Meeting, but no action was taken. Mr. Arrington made a motion to increase the per diem rate by one hundred dollars (\$100) beginning this year. Motion was seconded by Director Whitt. The vote was unanimous to increase the per diem by one hundred dollars (\$100) for a total of \$300 per month.

Motion was made by Director Arrington, seconded by Director Bentley and unanimously voted to come out of Executive Session at 12:07 p.m.

Chairman Dupuy adjourned the meeting.

Harold Dupuy, Chairman

Billy E. (Eddie) Martin, Secretary/Treasurer

W. Jeffrey Scott, Legal Counsel

President and CEO's Expenses

April 2017

<u>Date</u>	<u>Check</u>	<u>Description</u>	<u>Amount</u>
5/04/17	171611	VISA Expenses:	
		*4/05 Collections – worked during lunch – meal	\$9.50
		*4/12 Staff Meeting, Grayson, KY lunch – meal	<u>\$11.69</u>
		Total Expenses	\$21.19

*prorated expense

DIRECTORS & ATTORNEY EXPENSES

April-17

KENNETH ARRINGTON

Per Diem - GRECC Bd. Mtg. (4/24)	\$ 242.80
MISC -	-
VISA -	-
Cash in Lieu of Insurance	637.63
24 - Hr. Insurance	0.49
TOTAL -	<u>\$ 880.92</u>

JIM BENTLEY

Per Diem - GRECC Bd. Mtg. (4/24)	\$ 201.07
MISC -	-
VISA -	-
Cash in Lieu of Insurance	637.63
24-Hr. Insurance	1.08
TOTAL	<u>\$ 839.78</u>

HAROLD DUPUY

Per Diem - GRECC Bd. Mtg. (4/24)	\$ 232.10
MISC -	-
VISA -	-
Cash in Lieu of Insurance	637.63
24-Hr. Insurance	0.70
TOTAL -	<u>\$ 870.43</u>

EDDIE MARTN

Per Diem GRECC Bd. Mtg. (4/24)	\$ 208.56
MISC -	-
VISA -	-
Cash in Lieu of Insurance	637.63
24 - Hr. Insurance	1.08
TOTAL -	<u>\$ 847.27</u>

WILLIAM T. RICE

Per Diem GRECC Bd. Mtg. (4/24)	\$ 221.40
MISC -	-
VISA -	-
Cash in Lieu of Insurance	637.63
24 - Hr. Insurance	0.49
TOTAL -	<u>\$ 859.52</u>

ROGER TRENT

Per Diem	GRECC Bd. Mtg. (4/24)	\$	237.45
MISC	-		-
VISA	-		-
	Cash in Lieu of Insurance		637.63
	24 – Hr. Insurance		0.49
TOTAL	-	\$	<u>875.57</u>

JIMMY WHITT

Per Diem	GRECC Bd. Mtg. (4/24)	\$	237.45
MISC	-		-
VISA	NRECA Summer School Registration (6/9-14)		1,218.00
	KAEC Bd. Mtg. (3/20-21)		171.51
	Cash in Lieu of Insurance		637.63
	24 – Hr. Insurance		1.08
TOTAL	-	\$	<u>2,265.67</u>

JEFF SCOTT

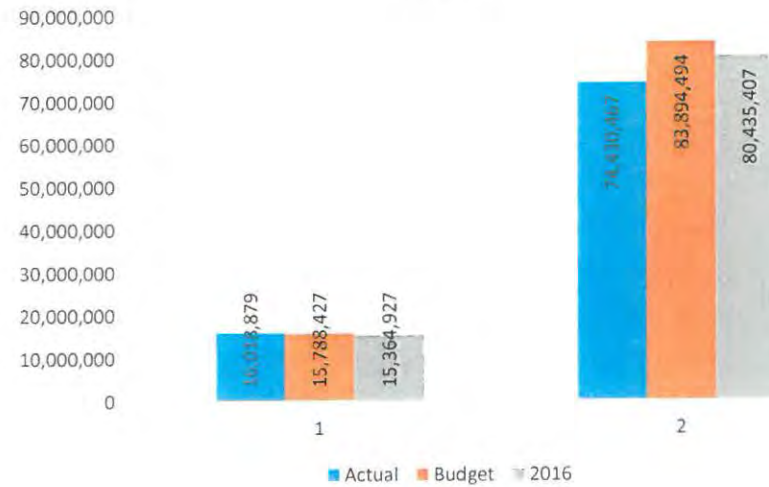
Per Diem	-	\$	-
MISC	-		-
VISA	-		-
TOTAL	-	\$	<u>-</u>

Sales

April

	2017	2016	2016-2014
Actual	16,018,879	15,364,927	15,814,092
Budget	15,788,427		
Difference	230,452 1.46%	653,952 4.26%	204,787 1.29%
<hr/>			
	YTD-2017	YTD-2016	YTD-Prev 3
Actual	74,430,467	80,435,407	86,316,008
Budget	83,894,494		
Difference	(9,464,027)	(6,004,940)	(11,885,541)
% Difference	-11.28%	-7.47%	-13.77%

Sales

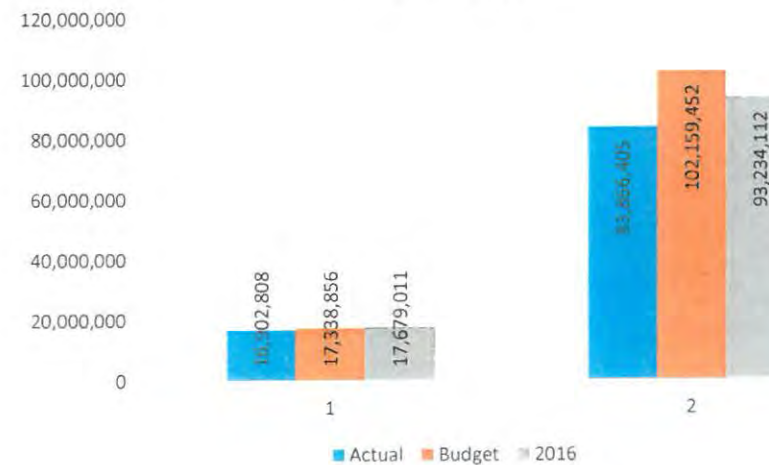


Purchases

April

	2017	2016	2016-2014
Actual	16,902,808	17,679,011	17,346,163
Budget	17,338,856		
Difference	(436,048) -2.51%	(776,203) -4.39%	(443,355) -2.56%
<hr/>			
	YTD-2017	YTD-2016	YTD-Prev 3
Actual	83,866,405	93,234,112	99,817,489
Budget	102,159,452		
Difference	(18,293,047)	(9,367,707)	(15,951,084)
% Difference	-17.91%	-10.05%	-15.98%

Purchases



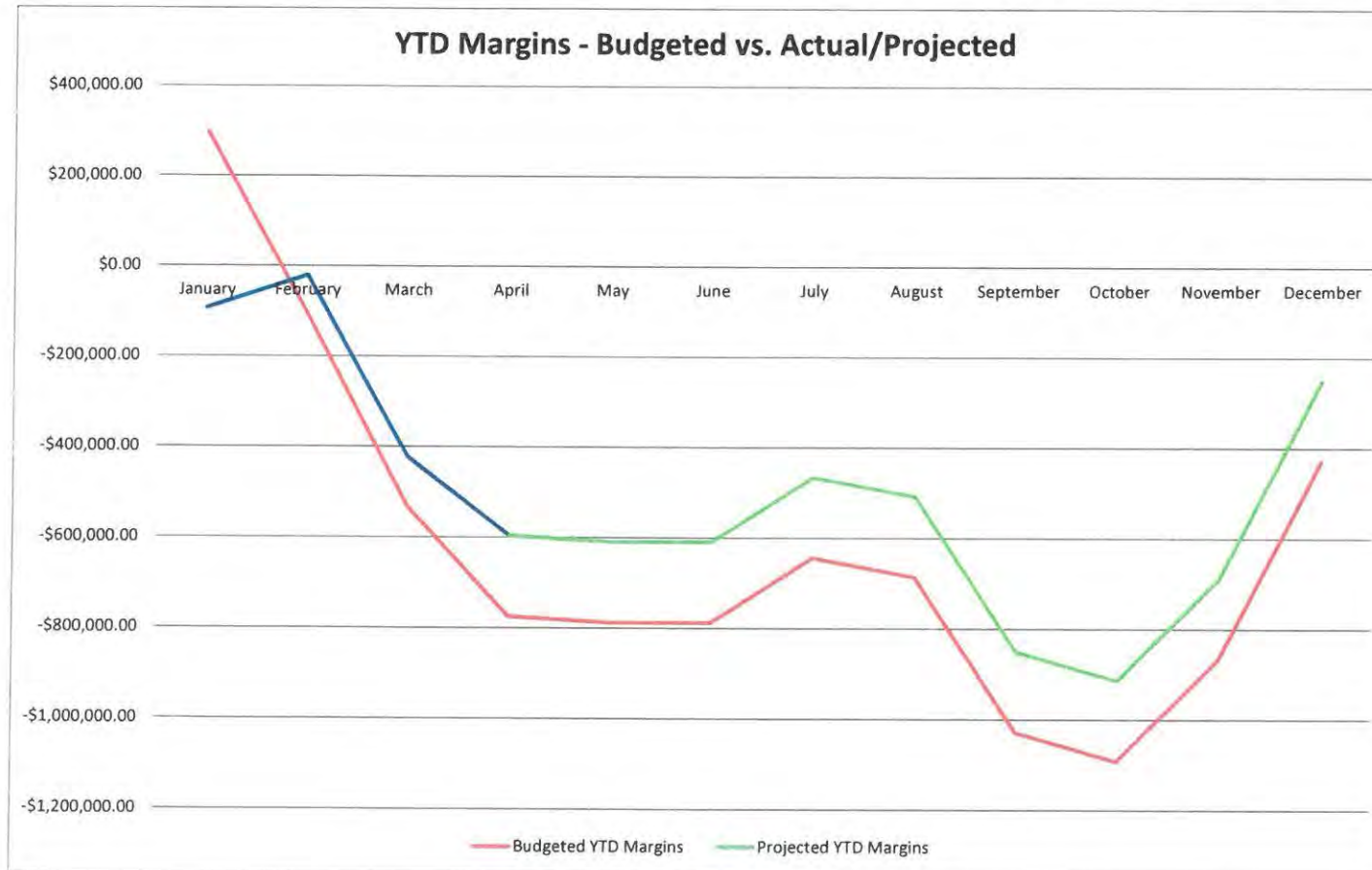
REVENUE SUMMARY APRIL 2017

ENERGY	FUEL	LIGHTS	GREEN POWER	PRE-PAY FEE	SUR-CHARGE	SUB-TOTAL	PENALTY	SALES TAX	SCHOOL TAX	# of BILLS	KWH
\$ 250,425.68	\$ (14,706.05)	\$ 5,502.75	\$ 16.50	\$ 2,414.32	\$ 20,925.89	\$ 264,579.09	\$ 6,617.60	\$ -	\$ 5,644.24	2,560	1,990,353
\$ 258,790.29	\$ (15,026.90)	\$ 10,210.12	\$ 24.75	\$ 950.65	\$ 22,360.48	\$ 277,309.39	\$ 4,332.20	\$ -	\$ 5,825.67	2,956	2,035,589
\$ 59,014.17	\$ (3,401.67)	\$ 1,585.12	\$ 5.50	\$ 495.99	\$ 4,975.48	\$ 62,674.59	\$ 1,245.06	\$ -	\$ 1,354.59	671	460,519
\$ 667,806.33	\$ (40,236.60)	\$ 18,060.85	\$ 74.25	\$ 2,394.42	\$ 56,834.99	\$ 704,934.24	\$ 11,560.79	\$ (331.44)	\$ 15,029.72	5,742	5,454,106
\$ -	\$ (68.45)	\$ 1,330.50	\$ 2.75	\$ -	\$ 112.08	\$ 1,376.88	\$ 6.30	\$ 2.62	\$ 34.32	101	9,315
\$ 1,236,036.47	\$ (73,439.67)	\$ 36,689.34	\$ 123.75	\$ 6,255.38	\$ 105,208.92	\$ 1,310,874.19	\$ 23,761.95	\$ (328.82)	\$ 27,888.54	12,030	9,949,882
\$ 18,148.34	\$ (588.28)	\$ 510.69	\$ -	\$ -	\$ 1,604.18	\$ 19,674.93	\$ 283.07	\$ -	\$ 271.57	368	79,829
\$ 17,216.81	\$ (551.79)	\$ 261.75	\$ -	\$ 51.00	\$ 1,495.45	\$ 18,473.22	\$ 363.94	\$ 9.47	\$ 202.38	352	74,822
\$ 16,128.37	\$ (380.92)	\$ 724.57	\$ -	\$ 10.00	\$ 1,460.93	\$ 17,942.95	\$ 294.34	\$ 4.30	\$ 314.83	445	51,693
\$ 36,620.92	\$ (1,084.59)	\$ 1,027.70	\$ -	\$ 31.08	\$ 3,240.42	\$ 39,835.53	\$ 355.53	\$ 158.75	\$ 909.73	818	147,052
\$ 6,779.30	\$ (219.20)	\$ 196.53	\$ -	\$ 20.00	\$ 597.28	\$ 7,373.91	\$ 59.14	\$ 39.65	\$ 121.25	138	29,727
\$ 684.31	\$ (11.36)	\$ 39.66	\$ -	\$ -	\$ 63.30	\$ 775.91	\$ 6.07	\$ -	\$ 19.62	24	1,543
\$ 654.93	\$ (7.59)	\$ 20.68	\$ -	\$ -	\$ 59.33	\$ 727.35	\$ 2.40	\$ -	\$ 17.08	25	1,031
\$ 96,232.98	\$ (2,843.73)	\$ 2,781.58	\$ -	\$ 112.08	\$ 8,520.89	\$ 104,803.80	\$ 1,364.49	\$ 212.17	\$ 1,856.46	2,170	385,697
\$ 139,800.71	\$ (8,071.49)	\$ 3,405.99	\$ 5.50	\$ 12.66	\$ 11,998.34	\$ 147,151.71	\$ 660.77	\$ 6,563.42	\$ 3,620.38	945	1,094,773
\$ -	\$ (14.79)	\$ 287.96	\$ -	\$ -	\$ 24.26	\$ 297.43	\$ 0.77	\$ 15.01	\$ 8.60	9	2,008
\$ 11,607.59	\$ (584.03)	\$ 1,615.00	\$ -	\$ -	\$ 1,122.31	\$ 13,760.87	\$ 22.59	\$ 285.25	\$ 293.50	159	79,254
\$ 151,408.30	\$ (8,670.31)	\$ 5,308.95	\$ 5.50	\$ 12.66	\$ 13,144.91	\$ 161,210.01	\$ 684.13	\$ 6,863.68	\$ 3,922.48	1,113	1,176,035
\$ 173,319.05	\$ (13,048.60)	\$ 1,000.56	\$ -	\$ -	\$ 14,320.88	\$ 175,591.89	\$ 247.16	\$ 6,967.64	\$ 4,305.58	64	1,770,266
\$ 101.37	\$ (4.13)	\$ -	\$ -	\$ -	\$ 8.63	\$ 105.87	\$ -	\$ 6.35	\$ -	1	560
\$ 35,826.80	\$ (2,669.16)	\$ 481.44	\$ -	\$ -	\$ 2,987.14	\$ 36,626.22	\$ -	\$ -	\$ 1,098.79	8	362,118
\$ 209,247.22	\$ (15,721.89)	\$ 1,482.00	\$ -	\$ -	\$ 17,316.65	\$ 212,323.98	\$ 247.16	\$ 6,973.99	\$ 5,404.37	73	2,132,944
\$ 152,216.14	\$ (17,471.09)	\$ 29.32	\$ -	\$ -	\$ 11,967.96	\$ 146,742.33	\$ -	\$ 5,916.96	\$ 4,402.27	2	2,370,247
\$ 152,216.14	\$ (17,471.09)	\$ 29.32	\$ -	\$ -	\$ 11,967.96	\$ 146,742.33	\$ -	\$ 5,916.96	\$ 4,402.27	2	2,370,247
\$ -	\$ (30.03)	\$ 610.68	\$ -	\$ -	\$ 51.56	\$ 632.21	\$ -	\$ -	\$ 18.97	1	4,074
\$ -	\$ (30.03)	\$ 610.68	\$ -	\$ -	\$ 51.56	\$ 632.21	\$ -	\$ -	\$ 18.97	1	4,074
\$ 1,845,141.11	\$ (118,176.72)	\$ 46,901.87	\$ 129.25	\$ 6,380.12	\$ 156,210.89	\$ 1,936,586.52	\$ 26,057.73	\$ 19,637.98	\$ 43,493.09	15,389	16,018,879
									TOTAL TAXES		
									\$ 63,131.07		
TOTAL REVENUE							\$ 2,025,775.32				

Monthly Operating Revenue & Expenses

	April 2016	May 2016	June 2016	July 2016	August 2016	September 2016	October 2016	November 2016	December 2016	January 2017	February 2017	March 2017	April 2017
Revenue	(1,909,544)	(2,327,241)	(2,578,481)	(2,929,676)	(2,617,477)	(2,057,493)	(2,122,157)	(2,845,855)	(3,109,471)	(2,747,100)	(2,464,532)	(2,031,622)	(2,008,830)
Purchased Power	1,154,125	1,213,145	1,449,292	1,677,929	1,686,525	1,381,234	1,109,197	1,344,264	1,840,912	1,751,480	1,411,578	1,419,615	1,138,407
Gross Margins	(755,419)	(1,114,096)	(1,129,189)	(1,251,747)	(930,952)	(676,259)	(1,012,960)	(1,501,591)	(1,268,559)	(995,620)	(1,052,954)	(612,007)	(870,423)
Operations	114,899	105,478	197,987	113,125	(17,430)	107,241	132,244	107,439	71,603	125,057	107,653	109,697	139,866
Maintenance	327,011	332,410	323,041	308,579	241,629	239,132	224,687	216,900	306,970	301,310	260,849	318,113	286,651
Customer Service	99,706	96,960	96,028	92,739	98,769	107,556	99,297	100,977	(25,625)	103,387	92,262	97,131	92,360
Informational Advertising	23,724	29,832	19,263	7,349	18,752	32,916	19,504	18,288	20,450	21,735	22,152	21,158	19,678
Demonstration Advertising	1,601	1,589	2,208	1,258	1,460	2,783	1,658	1,565	1,276	2,314	1,641	2,166	1,751
Admin & General	146,925	170,584	154,830	152,473	170,645	131,232	170,663	196,718	173,417	156,210	142,366	163,245	141,462
Depreciation	276,594	277,417	278,260	279,062	280,885	281,062	282,191	283,297	283,911	284,902	285,509	286,723	288,292
Regulatory	3,453	3,453	3,342	3,342	3,342	3,342	3,342	3,342	3,345	3,389	3,389	3,389	3,389
Interest - LTD	75,839	74,858	75,628	76,423	76,601	75,759	75,748	74,859	61,057	87,616	73,542	72,685	80,130
Interest - Deposits	380	378	377	381	379	378	375	378	369	666	665	663	665
Miscellaneous Expense	(12,190)	17,633	2,520	2,300	36,615	5,565	9,631	5,953	3,092	6,114	2,889	1,099	1,004
Interest Income	(2,490)	(2,451)	(2,444)	(2,441)	(2,449)	(2,421)	(2,441)	(2,449)	(2,338)	(2,441)	(2,967)	(5,670)	(2,684)
Non-Electric Revenue	(7,596)	(3,631)	(16,043)	(125)	(29,261)	3,675	(8,781)	(6,012)	(5,435)	(1,248)	(9,893)	(2,691)	(8,530)
Capital Credits			(312)	-	-	(4,059)	(4,884)	-	-	-	-	(53,470)	-
Margins	292,438	(9,587)	5,498	(217,284)	(51,014)	307,900	(9,726)	(500,337)	(376,467)	93,390	(72,896)	402,230	173,610
* ()s = positive margins													
Operating Expenses	1,057,943	1,110,592	1,153,485	1,037,029	911,648	986,965	1,019,340	1,009,715	899,866	1,092,699	992,918	1,076,068	1,055,247
Monthly OTIER	(2.86)	1.13	0.93	3.84	1.67	(3.06)	1.13	7.68	7.17	(0.07)	1.99	(4.53)	(1.17)
Revenue	(29,970,600)	(29,968,630)	(30,019,290)	(30,169,489)	(30,386,135)	(30,410,401)	(30,301,193)	(30,595,960)	(30,511,143)	(29,855,591)	(29,892,962)	(29,740,650)	(29,839,936)
Purchased Power	17,638,416	17,631,878	17,570,069	17,608,756	17,804,904	17,850,680	17,732,353	17,630,782	17,917,378	17,606,080	17,294,951	17,439,296	17,423,578
Gross Margins	(12,332,184)	(12,336,752)	(12,449,221)	(12,560,733)	(12,581,231)	(12,559,721)	(12,568,840)	(12,965,178)	(12,593,765)	(12,249,511)	(12,598,011)	(12,301,354)	(12,416,358)
Operations	1,173,725	1,188,094	1,277,899	1,314,347	1,197,833	1,200,403	1,280,516	1,272,254	1,262,833	1,269,871	1,274,999	1,274,991	1,299,959
Maintenance	3,205,693	3,469,608	3,502,084	3,282,030	3,191,056	3,161,822	3,117,764	3,102,169	3,500,339	3,480,167	3,472,954	3,400,630	3,360,269
Customer Service	1,131,157	1,133,813	1,132,751	1,131,331	1,130,245	1,134,529	1,132,319	1,132,784	1,080,016	1,074,344	1,064,353	1,059,187	1,051,840
Informational Advertising	243,677	252,751	259,747	252,016	251,605	257,795	257,035	255,267	256,835	256,050	254,840	255,123	251,076
Demonstration Advertising	18,440	18,352	19,780	20,264	20,801	21,695	21,784	21,801	21,391	22,083	21,753	21,520	21,670
Admin & General	2,076,895	2,065,534	2,050,415	2,045,644	2,044,129	2,007,729	1,965,556	2,005,791	2,013,640	1,972,289	1,924,758	1,929,307	1,923,844
Depreciation	3,258,142	3,268,943	3,279,320	3,289,876	3,301,456	3,312,328	3,321,945	3,332,218	3,341,887	3,354,290	3,366,733	3,379,812	3,391,510
Regulatory	41,449	41,452	41,339	41,226	41,113	41,000	40,887	40,774	40,662	40,598	40,534	40,470	40,406
Interest - LTD	905,082	903,588	902,836	903,615	904,524	905,309	906,975	907,891	895,352	905,097	903,119	900,616	904,907
Interest - Deposits	2,566	2,821	3,075	3,331	3,586	3,841	4,094	4,350	4,514	4,805	5,098	5,389	5,674
Miscellaneous Expense	(23,298)	(6,489)	(4,741)	(3,191)	31,764	33,845	42,826	46,633	78,323	83,394	82,924	81,222	94,416
Interest Income	(30,302)	(30,134)	(29,962)	(29,806)	(29,693)	(29,560)	(29,523)	(29,518)	(29,392)	(29,371)	(29,846)	(33,003)	(33,196)
Non-Electric Revenue	(54,194)	(52,931)	(55,612)	(56,722)	(56,261)	(82,128)	(87,665)	(85,138)	(114,330)	(100,115)	(94,605)	(87,041)	(87,975)
Capital Credits	(135,455)	(135,455)	(135,273)	(135,273)	(135,273)	(136,049)	(138,681)	(138,681)	(136,681)	(136,192)	(136,192)	(62,725)	(62,725)
Margins	(518,609)	(216,806)	(205,564)	(502,047)	(724,348)	(727,162)	(733,009)	(1,096,582)	(380,376)	(52,201)	(446,589)	(135,854)	(254,682)
Operating Expense	12,033,526	12,338,466	12,464,504	12,280,487	12,118,111	12,080,296	12,091,699	12,121,932	12,495,793	12,462,988	12,412,064	12,348,268	12,345,572
Rolling 12 Month OTIER	1.57	1.24	1.23	1.56	1.80	1.80	1.81	2.21	1.42	1.06	1.49	1.15	1.28

	2017 Monthly Margins			2017 YTD Margins			2017 Projected Margins
	Actual	Budgeted	Difference	Actual	Budgeted	Difference	YTD + Actual
January	-\$93,390.46	\$298,239.28	-\$391,629.74	-\$93,390.46	\$298,239.28	-\$391,629.74	-\$93,390.46
February	\$72,895.27	-\$403,953.00	\$476,848.27	-\$20,495.19	-\$105,713.72	\$85,218.53	-\$20,495.19
March	-\$402,230.47	-\$424,876.72	\$22,646.25	-\$422,725.66	-\$530,590.44	\$107,864.78	-\$422,725.66
April	-\$173,610.11	-\$243,866.72	\$70,256.61	-\$596,335.77	-\$774,457.16	\$178,121.39	-\$596,335.77
May	\$0.00	-\$13,323.72			-\$787,780.88		-\$609,659.49
June	\$0.00	-\$31.72			-\$787,812.60		-\$609,691.21
July	\$0.00	\$143,434.28			-\$644,378.32		-\$466,256.93
August	\$0.00	-\$41,828.72			-\$686,207.04		-\$508,085.65
September	\$0.00	-\$342,634.72			-\$1,028,841.76		-\$850,720.37
October	\$0.00	-\$63,695.72			-\$1,092,537.48		-\$914,416.09
November	\$0.00	\$223,335.28			-\$869,202.20		-\$691,080.81
December	\$0.00	\$439,275.94			-\$429,926.26		-\$251,804.87



Margins/Tier

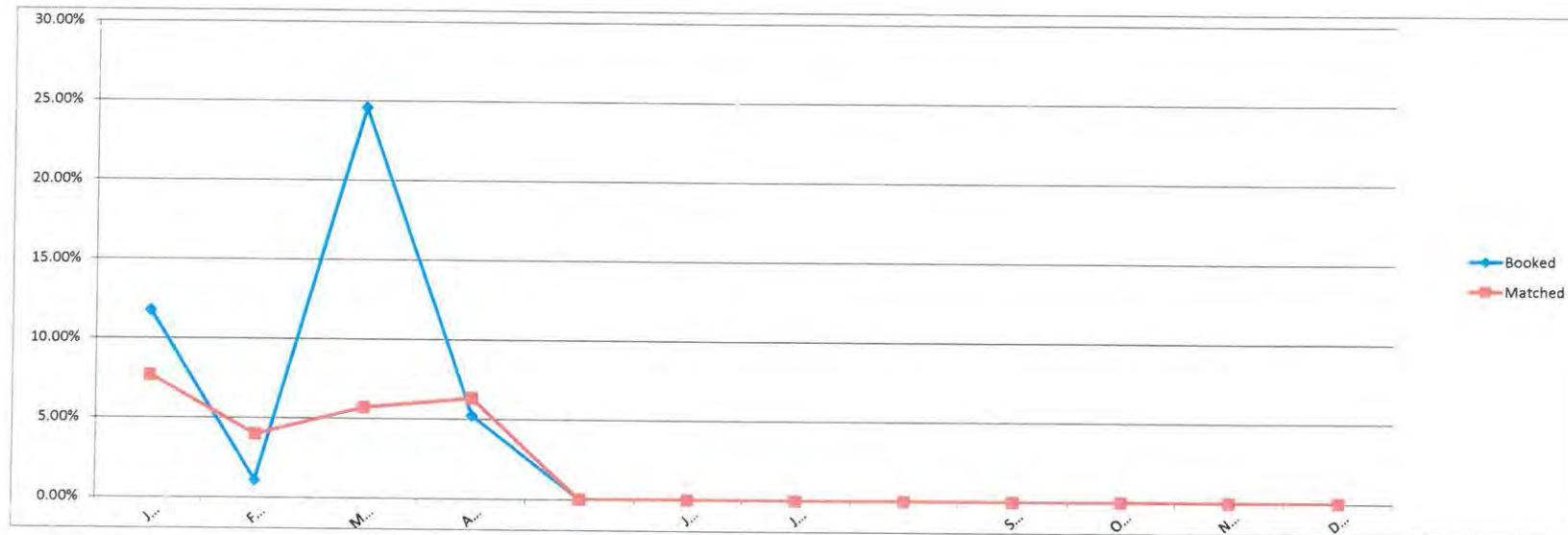
April

	2017	2016	2016-2014
Revenue	(2,008,830)	(1,909,544)	(2,015,253)
Purchase Power	1,138,407	1,154,125	1,205,431
<i>Gross Margins</i>	(870,423)	(755,419)	(809,822)
Operating Expenses	1,055,247	1,057,943	1,038,340
Margins	173,610	292,438	231,713
OTIER	(1.17)	(2.86)	(1.98)

Year to Date

	2017	2016	2016-2014
Revenue	(9,252,083)	(9,923,291)	(10,830,385)
Purchase Power	5,721,080	6,214,880	6,916,748
<i>Gross Margins</i>	(3,531,003)	(3,708,411)	(3,913,637)
Operating Expenses	4,216,932	4,367,153	4,300,058
Margins	596,335	470,641	231,299
OTIER	-0.90	-0.55	0.25

2017	January	February	March	April	May	June	July	August	September	October	November	December	Total 2016
Sales	21,747,637.00	19,980,172.00	16,683,779.00	16,018,879.00									74,430,467.00
Purchases:													
Booked	24,645,811.00	20,197,845.00	22,119,941.00	16,902,808.00									83,866,405.00
Matched	23,554,988.67	20,806,194.72	17,692,391.74	17,094,704.33									79,148,279.46
kWh Loss													
Booked	2,898,174.00	217,673.00	5,436,162.00	883,929.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9,435,938.00
Matched	1,807,351.67	826,022.72	1,008,612.74	1,075,825.33	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,717,812.46
% Line Loss													
Booked	11.76%	1.08%	24.58%	5.23%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	11.25%
Matched	7.67%	3.97%	5.70%	6.29%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	5.63%

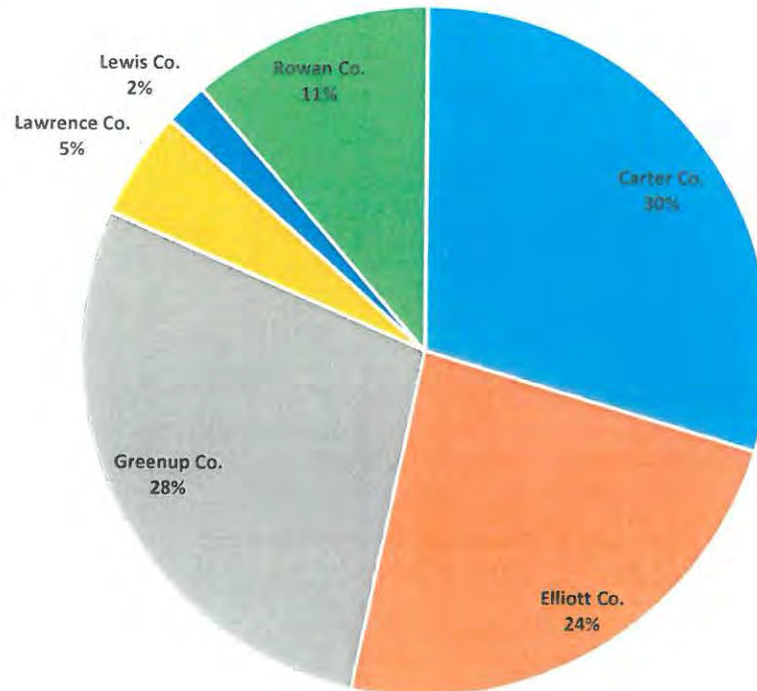


2017						2016							
Current Year			Previous Year			Current Year			Previous Year				
Average	HDD	CDD	Average	HDD	CDD	Average	HDD	CDD	Average	HDD	CDD		
21-Apr	65	0	17	0	48	1-Apr	71	0	6	3	0	62	1-Apr
22-Apr	50	15	9	0	56	2-Apr	65	0	0	18	0	47	2-Apr
23-Apr	50	15	8	0	57	3-Apr	58	7	0	20	0	45	3-Apr
24-Apr	59	6	1	0	64	4-Apr	60	5	0	12	0	53	4-Apr
25-Apr	63	2	0	0	65	5-Apr	66	0	1	26	0	39	5-Apr
26-Apr	68	0	3	16	49	6-Apr	72	0	7	17	0	48	6-Apr
27-Apr	69	0	4	21	44	7-Apr	68	0	3	18	0	47	7-Apr
28-Apr	65	0	0	17	48	8-Apr	71	0	6	23	0	42	8-Apr
29-Apr	74	0	9	7	58	9-Apr	66	0	1	30	0	35	9-Apr
30-Apr	79	0	14	0	69	10-Apr	58	7	0	21	0	44	10-Apr
1-May	67	0	2	0	70	11-Apr	69	0	4	0	1	66	11-Apr
2-May	61	4	0	2	63	12-Apr	69	0	4	15	0	50	12-Apr
3-May	55	10	0	3	62	13-Apr	58	7	0	13	0	52	13-Apr
4-May	61	4	0	0	66	14-Apr	57	8	0	7	0	58	14-Apr
5-May	56	9	0	0	71	15-Apr	51	14	0	5	0	60	15-Apr
6-May	53	12	0	0	70	16-Apr	60	5	0	2	0	63	16-Apr
7-May	52	13	0	0	69	17-Apr	60	5	0	2	0	63	17-Apr
8-May	50	15	0	0	67	18-Apr	60	5	0	0	3	68	18-Apr
9-May	51	14	0	0	68	19-Apr	60	5	0	0	4	69	19-Apr
10-May	68	0	3	0	73	20-Apr	68	0	3	0	6	71	20-Apr
11-May	69	0	4	0	65	21-Apr	71	0	6	0	6	71	21-Apr
12-May	58	7	0	15	50	22-Apr	74	0	9	0	0	65	22-Apr
13-May	62	3	0	15	50	23-Apr	63	2	0	7	0	58	23-Apr
14-May	68	0	3	6	59	24-Apr	54	11	0	5	0	60	24-Apr
15-May	68	0	3	2	63	25-Apr	52	13	0	0	1	66	25-Apr
16-May	71	0	6	0	68	26-Apr	50	15	0	0	7	72	26-Apr
17-May	76	0	11	0	69	27-Apr	51	14	0	0	3	68	27-Apr
18-May	77	0	12	0	65	28-Apr	57	8	0	0	6	71	28-Apr
19-May	72	0	7	0	74	29-Apr	59	6	0	0	1	66	29-Apr
20-May	75	0	10	0	79	30-Apr	61	4	0	7	0	58	30-Apr
	63.7	129	91	139	68	62.6	62.0	141	50	251	38	57.9	
		220		207				191		289			

Bills by County

	Apr-17	Mar-17	Feb-17	Jan-17	Dec-16	Nov-16	Oct-16	Sep-16	Aug-16	Jul-16	Jun-16	May-16	Apr-16
Carter Co.	4,565	4,579	4,573	4,546	4,559	4,562	4,551	4,560	4,588	4,574	4,558	4,550	4,531
Elliott Co.	3,638	3,640	3,668	3,653	3,645	3,679	3,650	3,644	3,672	3,651	3,649	3,650	3,651
Greenup Co.	4,342	4,300	4,323	4,287	4,283	4,326	4,311	4,335	4,332	4,333	4,332	4,325	4,311
Lawrence Co.	779	774	777	775	777	776	784	789	787	788	794	789	787
Lewis Co.	313	310	310	312	311	312	309	309	310	310	312	305	306
Rowan Co.	1,752	1,743	1,751	1,744	1,754	1,765	1,754	1,740	1,754	1,754	1,753	1,739	1,735
	15,389	15,346	15,402	15,317	15,329	15,420	15,359	15,377	15,443	15,410	15,398	15,358	15,321

of Bills
April 2017



Carter Co.

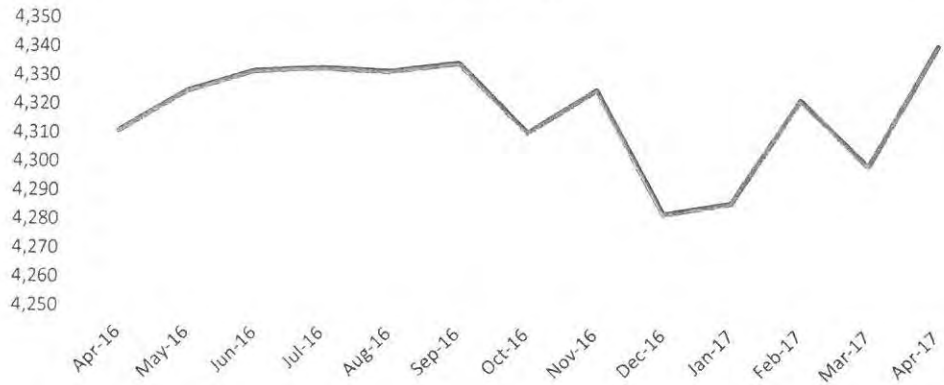


Elliott Co.

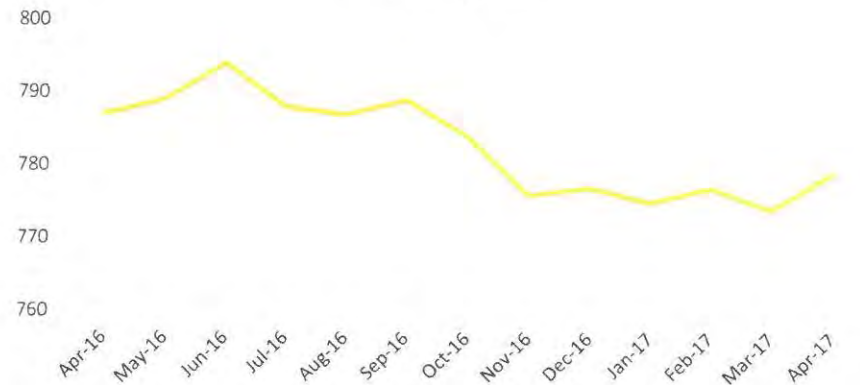
2015 Board Materials
487 of 960



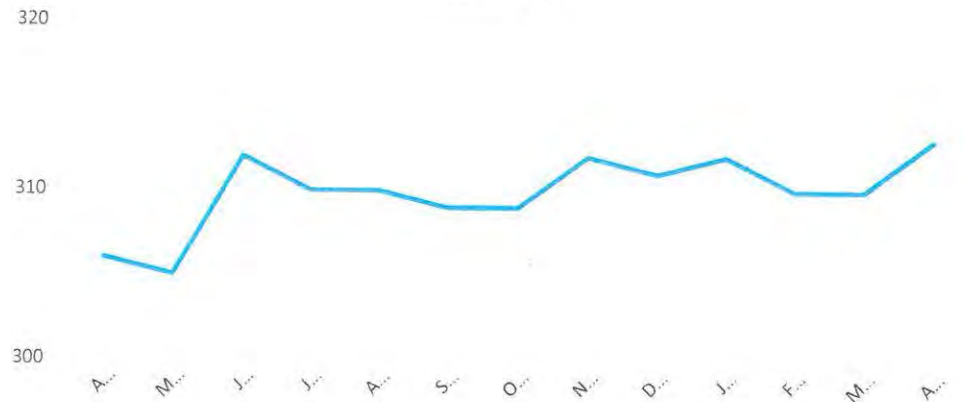
Greenup Co.



Lawrence Co.



Lewis Co.



Rowan Co.



APRIL 2017

219 ANALYSIS

W/O							BUDGETED
NBR	DESCRIPTION		NUMBER		COST	LOAN FUNDS	UNIT COST
							UNIT COST
9	RETIREMENTS		15		606.07	(606.07)	
100	NEW LINE EXTENSIONS		15		47,796.59	47,796.59	3,186.44
200	TIE LINES						
300	MAJOR PROJECTS		3		321,684.59	321,684.59	
602	SERVICE UPGRADES		0		0.00	0.00	0.00
603	SECTIONALIZERS		1		2,694.82	2,694.82	
604	REGULATORS						
606	POLES		22	POLES	108,548.18	108,548.18	4,934.01
701	SECURITY LIGHTS		24		16,026.99	16,026.99	667.79
1600	MINOR PROJECTS		1		961.87	961.87	
	TOTAL		80		498,319.11	497,106.97	
601	SPECIAL EQUIPMENT	ACCT#					
	TRANSFORMERS	368.00	25		22,483.00	22,483.00	899.32
	METERS	370.00	101		31,823.16	31,823.16	315.08
	TURTLES	370.10	0		0.00	0.00	0.00
	DISCONNECT METERS	370.20	0		0.00	0.00	0.00
	OTHER SP EQUIP	365.00	1		20,062.66	20,062.66	20,062.66
	TOTAL		127		74,368.82	74,368.82	
	MATERIAL				34,089.58		
	MATERIAL OH				37,519.39		
	LABOR				16,045.12		
	LABOR OH				50,329.85		

kWh
827

04/13-05/12

04/20-05/20

	KY Power	
Customer Charge	\$ 11.00	\$ 11.00
Energy Charge	\$ 0.08795	\$ 72.73
Fuel Adj	\$ 0.0020805	\$ 1.72
DSM Adj	\$ 0.008013	\$ 6.63
Res. HEAP	\$ 0.15	\$ 0.15
KEDS	\$ 0.15	\$ 0.15
Capacity	\$ 0.001482	\$ 1.23
Big Sand 1 Operation	\$ 0.0058	\$ 4.80
Big Sandy Retirement	3.7089%	\$ 3.65
Environmental Sur	7.0357%	\$ 6.92
School Tax	3.00%	\$ 3.29
Purchased Power Adj	0.5915%	\$ 0.58
AEP		\$ 112.85

Grayson RECC	
\$ 15.00	\$ 15.00
\$ 0.1091	\$ 90.23
\$ (0.007371)	\$ (6.10)
8.88%	\$ 8.80
3.00%	\$ 3.24
	\$ 111.17

Comparison		
kWh	827	
	<u>Total \$</u>	<u>\$/kWh</u>
Grayson	\$ 111.17	\$ 0.1344
AEP	\$ 112.85	\$ 0.1365
Difference	\$ (1.68)	\$ (0.0020)
		-1.48%

PROPOSED INCREASE

kWh
827

04/13-05/12

04/20-05/20

	KY Power	
Customer Charge	\$ 17.50	\$ 17.50
Energy Charge	\$ 0.10942	\$ 90.49
Fuel Adj	\$ 0.0024696	\$ 2.04
DSM Adj	\$ 0.008013	\$ 6.63
Res. HEAP	\$ 0.20	\$ 0.20
KEDS	\$ 0.25	\$ 0.25
Capacity	\$ 0.001482	\$ 1.23
Big Sand 1 Operation	\$ 0.0058	\$ 4.80
Big Sandy Retirement	3.7089%	\$ 4.57
Environmental Sur	7.2145%	\$ 8.88
School Tax	3.00%	\$ 4.13
Purchased Power Adj	0.9849%	\$ 1.21
AEP		\$ 141.93

	Grayson RECC	
Customer Charge	\$ 15.00	\$ 15.00
Energy Charge	\$ 0.1091	\$ 90.23
Fuel Adj	\$ (0.007371)	\$ (6.10)
DSM Adj		
Res. HEAP		
KEDS		
Capacity		
Big Sand 1 Operation		
Big Sandy Retirement		
Environmental Sur	8.88%	\$ 8.80
School Tax	3.00%	\$ 3.24
Purchased Power Adj		
AEP		\$ 111.17

Comparison		
kWh	827	
	Total \$	\$/kWh
Grayson	\$ 111.17	\$ 0.1344
AEP	\$ 141.93	\$ 0.1716
Difference	\$ (30.76)	\$ (0.0372)
		-21.67%

PHYSICAL INVENTORY FOR PERIOD 5/1/16 TO 4/30/17

PHYSICAL COUNT

AMOUNT OVER	\$	14,542.10
AMOUNT UNDER	\$	(14,460.01)
DIFFERENCE	\$	82.09

TOTALS FOR INVENTORY

BEGINNING BALANCE	\$	242,455.92
PURCHASES	\$	672,841.13
SALES	\$	(4,231.27)
ADJUSTMENTS	\$	2,432.81
PHYSICAL COUNT ADJ'S	\$	82.09
CONSTRUCTION	\$	(456,191.65)
ENDING BALANCE	\$	457,389.03

****Average material & supplies for the physical inventory year is \$284,684.34. The adjustment amount is .03% of the average material.

Grayson Rural Electric Cooperative Corporation

109 Bagby Park • Grayson, KY 41143-1292
Telephone 606-474-5136 • 1-800-562-3532 • Fax 606-474-5862

July 16, 2015

Dear Director:

A Regular Meeting of the Board of Directors is hereby called. I do hereby fix the GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION headquarters in Grayson, Commonwealth of Kentucky, as the place, and **Friday, the twenty-fourth day of July, 2015 at 9:00 a.m.**, for holding of said meeting for the following purposes:

To take any and all action and to transact any and all business which may be necessary, convenient, or desirable in connection with any of the foregoing and the organization of the Corporation at said meeting or at any adjournment or adjournments thereof; and for the transaction of such other business which may come before the meeting or any adjournment or adjournments thereof, as well as consider altering, amending, or repealing the current Bylaws of the Corporation in the manner hereinafter set forth.

Sincerely,



Roger L. Trent
Chairman

GRAYSON RURAL ELECTRIC
COOPERATIVE CORPORATION

RLT/ps

Enclosures:

1. Agenda
2. Miscellaneous Analysis

Grayson Rural Electric Cooperative Corporation

109 Bagby Park • Grayson, KY 41143-1292
Telephone 606-474-5136 • 1-800-562-3532 • Fax 606-474-5862

June 18, 2015

W. Jeffrey Scott,
Attorney at Law
P. O. Box 608
Grayson, KY 41143

Dear Jeffrey:

A Regular Board Meeting of GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION will be held on **Friday, July 24, 2015, at 9:00 a.m.**

We look forward to seeing you at the Board Meeting.

Sincerely,



Priscilla Sparks
Executive Assistant

GRAYSON RURAL ELECTRIC
COOPERATIVE CORPORATION

Enclosures:

1. Agenda
2. Miscellaneous Analysis

GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION
BOARD MEETING AGENDA

On July 24, 2015 at 9:00 a.m. the Directors of Grayson Rural Electric Cooperative Corporation were called to meet by the Chairman.

1. Sign Wavier of Notice
2. Invocation
3. Approval of the Minutes from the June 2015 Board Meeting
4. Approval of the Minutes from the July 7, 2015 Special Board Meeting
5. Manager of Technical Services Report – Brian Poling
6. Manager of Finance & Accounting Report and Approval of the Financial & Statistical Report for May 2015 – Bradley Cherry
7. 2015 – 2018 Work Plan Work Loan
8. Manager of Marketing & Member Services Report – Kim Bush
9. Operations Report and Safety Report – Kyle Clevenger, Manager of Operations
10. Approval of One Hundred (100) New Memberships and Retirement of One Hundred Thirty-Five (135) Existing Memberships for June 2015
11. Consider Approval of Accounts to be Charged Off to Reserve \$11,647.92
12. Consider Approval of President’s Business Expense in the Amount of \$46.99, Director’s Business Expense in the Amount of \$13,707.83 and Attorney’s Business Expense in the Amount of \$335.77
13. Consider Approval of the Following RUS Work Orders and Submit Them to RUS:

January 2015	Work Order No. 1212	\$145,617.19
	Work Order No. 1213	\$ 6,954.78
February 2015	Work Order No. 1214	\$94,405.12
	Work Order No. 1215	\$ 7,953.10
March 2015	Work Order No. 1216	\$161,115.14
	Work Order No. 1217	<u>\$ 10,229.54</u>
	Total	<u>\$426,274.87</u>
14. President’s Report – Carol Hall Fraley
15. Cooperative Legal Matters – W. Jeffrey Scott
16. KAEC Director’s Report – Jimmy Whitt
17. EKPC Director’s Report – Kenneth Arrington
18. Consider Community Service and/or Donations

BOARD MEETING AGENDA
(CONTINUED)

19. Attendance at Meetings – Directors & Employees
20. Report of Any Meetings Held
21. Additional Business
22. Confirm Date for the August Board Meeting – Friday, August 28, 2015
23. Adjourn

On June 26, 2015, at 9:00 a.m. Grayson Rural Electric Cooperative Corporation held a regular board meeting at its office in Grayson, Kentucky called by the Chairman, for the transaction of such business as outlined in the letter of call. Chairman Trent called the meeting to order pursuant to the Waiver of Notice signed by the Directors and all were present. Others present included: Carol Hall Fraley, President and CEO; W. Jeffrey Scott, Legal Counsel; and Priscilla Sparks, Executive Assistant.

INVOCATION	Director Rice gave the invocation.
APPROVAL OF MINUTES	Motion was made by Director Bentley, seconded by Director Rice and unanimously agreed to approve the minutes from the May Board Meeting.
MANAGER OF TECHNICAL SERVICES	Brian Poling, Manager of Technical Services reported on the following:
SEDC CONVERSION	A major update version 36 was installed to the SEDC software this week, allowing prepaid customers the ability to make automatic payments based on a preset balance; make a one-time automatic payment; or schedule a payment for a specific date such as the due date. Consumers marked "No Checks" won't be allowed to make check payments. Plus many other functionality changes for us as users.
NET METERING	<p>Net metering is where a member generates more power than they consume and sells the excess back to us. Three consumers have solar panels and one generated more power than they consumed. Scott Menix of Carter City generated more power than he consumed. The PSC tariff says a customer can carry over kWh only. If the customer generates more than used, the kWh will be credited or banked. If the customer terminates his service with a credit of kWh, they will NOT be compensated in any manner. The account kWh balance cannot be carried to the new property owner. The account kWh balance cannot be carried to the customer's new location, NOR can the balance be given in equivalent dollars.</p> <p>GRECC's solar panel is generational, and Mr. Poling will report on it at the July Board Meeting.</p>
MILSOFT USAGE GROUP CONFERENCE	Andrea McCleese, Nancy Madden and Brian Poling attended the MilSoft Users group conference this month in Texas. Nancy attended outage management classes; Andrea focused on IVR and outage management courses; and Brian attended engineering analysis and GIS classes.
SEDC USERS'S CONFERENCE	Several employees attended the SEDC's User's Conference in Amelia Island, Florida. Both classes and general sessions were attended. Software installation was one of the classes attended.
FIBER-OPTIC MEETING	Brian met with Tim Langley, Leducor Technical Services Company, this week concerning the Commonwealth's fiber-optic backbone project. Leducor has partnered with Black and Veatch to design, build and maintain the project. Leducor will be responsible for the operation and maintenance of the project for the next 30 years.
IDLE DISCONNECTS	We removed 190 idle meters in the field. This is done every six months, allowing less opportunity for meters to be stolen. One meter was stolen and found on an Olive Hill Utilities account recently.

MANAGER OF FINANCE AND ACCOUNTING	Bradley Cherry, Manager of Finance and Accounting, presented the Financial & Statistical Report for April 2015.
FINANCIAL & STATISTICAL REPORT FOR APRIL 2015	Kilowatt hour sales for the month of April (4/21-5/20) were 8.55% over budget. Purchases for the time period of (4/01-4/30) were .11% under budget. Line loss for the last twelve months was 5.29%. Year to date margins were \$24,018 compared to the budgeted amount of (\$83,265).
FORM 7	Electric revenue less purchased power was \$181,330 more than expected. Sales were \$72,461 less and purchased power was \$253,800 less contributing to our higher than normal purchase power revenue. A G&T capital credit adjustment of \$97,032 was allocated from East Kentucky Power based on their audited margins of approximately \$65,000,000.
APRIL T.I.E.R.	The monthly operating T.I.E.R. for April was (.71) with the rolling 12 month O.T.I.E.R. at 1.76.
PHYSICAL INVENTORY	For the period May 1, 2014 to April 30, 2015, the average material and supplies for the physical inventory year was \$289,731.59. The adjustment amount was 0.46%. Kippy James has done another good job this year. President Fraley is redesigning the current material sheet used for accounts payable or donations.
CFC CONFERENCE	Bradley attended the CFC Conference in Chicago, Illinois and stated it was an excellent conference. He recommended it highly to the Board.
CAPITAL CREDITS	Capital credits are paid once a month. The June list of capital credits was discussed. There are outstanding applications waiting for additional information. President Fraley pointed out that we will retain capital credits toward the payment of off service accounts. Off service accounts must be satisfied before any remaining balance can be paid. President Fraley suggested that accounts for members who die in the current year be paid whatever amount is on the records of the Cooperative, less any indebtedness. When margins for the current year are assigned the following year, any additional capital credits due the estate would be paid. At the end of every year we apply capital credits to the off service bills. Director Whitt made a motion pay to capital credits up to the amount credited to the account at that time and finalize the payment the following April. Motion was seconded by Director Martin and unanimously agreed upon.
APPROVAL OF FINANCIAL & STATISTICAL REPORT FOR APRIL 2015	Motion was made by Director Rice, seconded by Director Dupuy and unanimously agreed to approve the Financial and Statistical report for April 2015, as presented, for informational purposes only.
MANAGER OF MARKETING AND MEMBER SERVICES	Kim Bush, Manager of Marketing and Member Services, gave her report:

PREPAY ACCOUNTS

PrePay Summary: 376 active PrePay accounts; 6 inactive accounts; average balance on accounts - \$51.14 credit; average kwh usage—30 a day; total number of payments in 30 days—1,264; average payment - \$35.08; and total payment amount - \$44,335.14

DEBT MANAGEMENT

Debt Management: We have 60 active accounts with Debt Management, a total amount \$14,500.22 or 16% of those accounts.

Under \$100=14	\$100-\$199=14	\$200-\$299=9
\$300-\$399=11	\$400-\$499=11	

Our charge offs are down \$18,000 and we feel it is due to Debt Management.

The water district in Elliott County called this week and reported stealing of water and thought the same may be happening with electric. When we checked, the consumer was living in the residence but electric was in her cousin's name. She did have a \$1,900 off-service electric bill.

ENERGY AUDITS

Energy Efficiency Audits: HowSmart KY-4; Energy Star Manufactured Home-1; Energy Audits-4; Heat Pump Retrofit-1; Heat Pump Audit—1; and Touchstone Energy Audit—2

ADVERTISING

We will be doing a billboard located on the AA for energy Star Applinace rebates. EKP will pay half for 6 months at \$200 per month.

COMMUNITY SERVICES

School and community programs: May 26th—East Carter Senior Awards
May 28th—Greenup Field Days-200 students; June 23rd – KAEC Safety Program at the Elliott County Fire Department; and June 24th – KAEC Safety Program at Carter Caves State Park.

OPERATIONS REPORT

Kyle Clevenger, Manager of Operations, gave the Operations Report, along with Mike Martin, Assistant Manager of Operations. Mr. Clevenger reported on the following:

EMPLOYEE/LOST TIME
ACCIDENT

There were no lost time accidents to report this month.

SAFETY REPORT

The following safety meetings were held during May:

May 06 —Priscilla Sparks, Executive Assistant, asked Richard Easton to talk about ways to improvise during emergency outage situations to restore power temporarily. We had the monthly safety give-a-way. Kyle talked about a 10 second breaker delay when working at some of the substations.

May 11—Robert Brown, Director of Purchasing & Stores, presented a power point on primary grounding. Carol Fraley presented certificates to Tony Brewer and Justin Staniford for the completion of Basic Skills Workshop. Carol Ann discussed the upcoming Annual Meeting, also.

May 18—Sherry Buckler, Mgr. of Accounting & Human Resources, turned the meeting over to EKPC's Sha Collier who gave a presentation on Demand Side Management Programs and Energy Efficiency. Carol Ann had a clip on the meaning of Memorial Day. Peggy Wells led the pledge of allegiance to the American Flag.

SAFETY REPORT
(CONTINUED)

May 26—Kim Bush, Mgr. of Marketing & Member Services turned the meeting over to Robert Brown who had a program on Ladder Safety. Carol Ann congratulated Steven Burton on earning his Lineman Certificate. She also discussed the Safety Record and encouraged everyone to remain safe.

Kyle continues to mention the necessity and importance of hard hats, rubber gloves and the importance of using ground chains. A line is not dead until it is grounded.

CONSTRUCTION

Construction built ninety (90) new work orders for the month of May and worked zero (0) hours of overtime.

OVERTIME HOURS

Maintenance Department worked two hundred fifty-four (254) hours of overtime during the month of May.

DELINQUENT NOTICES

The Maintenance & Construction Departments collected on three hundred nine (309) delinquent accounts and disconnected twenty-two (22) accounts in June.

CONTRACT CREWS

We have three (3) Pike crews working in the following areas:

Tony Seagraves – Stark Conversion, Elliott County and New Construction
Adam Rice – Montgomery, Greenup County
Ryan Rice – Miscellaneous Pole Changes and will be starting on RT 519-
State Job

RIGHT-OF-WAY CREWS

We have nine (9) W A Kendall right-of-way crews working on random jobs and work orders at this time. Crews trimmed 688 trees, cut 1,270 trees, cut 39,115 feet of brush/line and sprayed 65 spans of line. The crews are working in the following areas:

- 1 cutting crew in Carter, Lewis and Greenup Counties
- 1 cutting crew in Elliott and Lawrence Counties
- 2 cutting crews in Rowan County
- 1 bucket truck crew in Carter, Lewis and Greenup Counties
- 1 bucket truck crew in Elliott and Lawrence Counties
- 1 bucket truck crew in Rowan County
- 1 tractor crew in Rowan County
- 1 dormant spray crew in Carter and Rowan County

- 1 Smith Tree Service circuit crew in Carter County

ENGINEERING REPORT

The Engineering Department released one hundred one (101) prints consisting of 5,435 feet of primary line and 2,965 feet of service wire. We currently have two (2) new services to be staked and one (1) to be drawn. We have approximately eight (8) miscellaneous jobs to be staked or drawn.

2014 WORK PLAN

The 4-6 years \$16 million work plan was finished in 2014 producing the following finished projects: Bens Run, Big White Oak, Elliottville Circuit 4, 3 Prong, Lower Grassy, Porter Creek, State Route 519, Culp Creek, Jordan Fork, right fork of Middle Fork, Brushy in Greenup County, H-structure, Crane Creek 600 level job, and 1600 level addendum on Middle Fork. Seven out of thirteen came in at or below budget and a few jobs were over

2014 WORK PLAN
(CONTINUED) budget due to terrain, rock or additional work. The remainder of money was for meters, equipment, sectionalizers, etc.

2015 WORK PLAN January 2015 was the start of the \$20 million work plan for 4-6 years. We have finished Dudley and RT 7 Maloneton jobs and now working on Stark. We hope to be finished in December. One crew is working on Montgomery. Joe Sargent will be having knee surgery and will be off for a few weeks, so he will be prioritizing jobs next week in order needed. The work plan will be spread out over 6 years after adding approved RUS addendums.

METERS ON MANUFACTURED HOMES President Fraley reported that we are having problems with members who want to mount their electric service on the sides of doublewides and modular homes. The Kentucky Department of Housing, Building and Construction says we must require the proper paperwork in order to do so. If the member does not have the proper paperwork to allow for installations on the side of the home, the meter base must be mounted on a pole, to the specifications of the National Electric Safety Code. After talking to the KY Department of Housing, Buildings and Construction twice, they said absolutely not to hook them up without proper documentation. There is a HUD plate under the kitchen sink if the consumer needs to contact the manufacturer to request a manual. A letter will be sent out to all inspectors stating that this information will have to be provided.

PROOF OF PERMANENT RESIDENCY Currently Administrative Guideline states you have to have 2 of the 3 requirements to qualify for service to be built:

Drilled well, cistern, or city-water district,
Permanent foundation, or
An "in-ground" septic system approved by the Health Department.

We currently require two of the three above, but plan to require evidence that a dwelling will be built at that point.

PSC INSPECTION Steve Kingsolver, PSC did an inspection on the system for three days on right-of-way, retirement, hazards and found no issues to report.

FEDERATED INSPECTION Federated Insurance spent a day with us last week and was satisfied with everything. He inspected buildings, went out to one of the crews and went over the past year's records. Workers compensation was down to .8 percent.

We will be re-paying \$10,000 in work order deposits at the end of June.

DONNIE HOWARD Mr. Donnie Howard brought the meter back that he illegally removed from Cheyenne Holbrook's residence. The meter was tested and he was given credit for it, but he was charged overtime.

RIGHT-OF-WAY Mike Martin is working with President Fraley on a new right-of-way plan to submit to the KY Public Service Commission. The winter spray needs to be added and the rotation changed. This is done about every five to six years.

NEW BUCKET TRUCK The new bucket truck will be back from Whitehouse, Tennessee next week. The truck was sent to Terex to install needed attachments. The truck was manufactured in South Dakota.

FALL OUTTING We are considering a fall outing for employees, directors and families.

APPROVAL OF NEW MEMBERSHIPS & RETIREMENT OF EXISTING MEMBERSHIPS	Motion was made by Director Dupuy, seconded by Director Martin and unanimously agreed to approve one hundred thirty-one (131) new memberships and retirement of ninety-two (92) existing memberships for May 2015.
BAD DEBT WRITE-OFFS	Motion was made by Director Martin, seconded by Director Dupuy and unanimously agreed to charge off \$12,802.35, worth of bad debts and turn them over for collection.
APPROVAL OF CEO'S, DIRECTOR'S & ATTORNEY BUSINESS EXPENSES	Motion was made by Director Rice, seconded by Director Martin and unanimously agreed to approve the President's business expense of \$67.17, Director's business expenses of \$6,122.28 and Attorney's business expense of \$12.25.
PRESIDENT'S REPORT	President Fraley reported that most of her report had been covered under other portions of the meeting. In addition she reported on the following:
CYBER SECURITY	Cyber security is getting stricter. Andrea is working on how to keep up with the changes.
CLEANING DAY	The GRECC office would like to request permission to be closed October 12, 2015 for the annual cleaning day. The Board agreed to the closure.
ZACH PHILLIPS	Sherry Conley aided Mr. Zach Phillips, who received a phone call on June 16, 2015 to be at Grayson RECC at 9:00 a.m. on June 17, 2015. He is an AEP/KY Power customer and had no reason to be at GRECC nor was he called by GRECC. Mrs. Conley telephone the KY State Police Post in Ashland to make them aware of this and possibly the safety of this elderly man. The KSP said they would send someone to his residence to meet him and check it out. His daughter, Kathy Phillips was notified of this, also. Sherry followed up with a call to his daughter on June 18, 2015 to check on Mr. Phillips. There are scams going around.
NRECA 2015 REGIONAL VOTING DELEGATES	The NRECA Voting Delegate for the 2015 Regional Meeting is Harold Dupuy and the Alternate Delegate is Roger Trent. The Regions 2 & 3 Meeting will be held in Biloxi, MS, October 27-29, 2015.
CFC COOPERATIVE SYSTEM INTEGRITY FUND	Grayson Rural Electric agreed to deduct 5% from out system's CFC patronage capital refund this year and for all future years until notified otherwise, for our contribution to the Cooperative System Integrity Fund to be used for all purposes, territorial integrity issues, as well as other challenges that threatens cooperative's ability to exist under the coop business model.
NRTC	We received two checks in the amounts of \$211.52 and \$163.56 for partial payment of capital credits. Our current patronage capital balance is \$9,957.01.
LEGAL COUNSEL'S REPORT	Legal Counsel Scott reported on the following:
COLLECTION LETTERS	He mailed thirty-nine (39) collection letters.
LEE MCKENZIE CIVIL ACTION SUIT 14-CI-00284	Federated settled with property owner Lee McKenzie in the amount of \$6,694.24. The consumer's name is Alvin Gilliam (deceased), Federated claim # 16GC106137.

ELI COMBS CIVIL ACTION
SUIT 14-CI-00292

Federated notified GRECC of Agreed Order of Dismissal of Eli Combs.
W. A. Kendall settled outside of court with Mr. Combs.

KYLE REYNOLDS

A letter was mailed to Kyle Reynolds for theft of a GRECC meter.

JOSHUA HENDERSON

We received notice of bankruptcy in Greenup County on Joshua Henderson and wife, Missy.

SETTLEMENT AGREEMENT
DISCUSSION

Legal Counsel Scott asked the Board if they received a letter from him on the order from the PSC in Case 2012-0503. He asked for direction on how to respond. The Board did receive the letter. Mr. Scott said he must include a copy of the settlement agreement. He was unsure of what to say about the rest of the order and asked for advice from the Board. Director Arrington asked what the options were on it. Legal Counsel stated they definitely want a copy of the settlement agreement. They referenced the July 2013 order. He stated that if the MOU was done, that would take care of it. The Board agreed to sign the MOU in the settlement agreement, but Taylor County and Salt River Boards have never agreed to the MOU. The MOU has never been signed by anybody, but everybody agreed to do it. MOU was agreed upon by GRECC Board but rescinded in August 2013 after the admission of July 17, 2013 order. Taylor County and Salt River Boards had never done anything on the MOU.

Director Arrington asked if the board received anything stating that EKP was not out of it with the PSC about the filing the 16 coops made and Legal Counsel said that was the order he was asking the board about. He asked if the full EKP board approved it. He wanted to know if we ever received anything back showing all the 16 coops signed and we have not. Director Arrington said we had asked for it. Director Arrington stated the full EKP Board approved the settlement agreement on May 12, 2015 at their monthly board meeting and it was signed May 15, 2015. Legal Counsel read the order stating that both EKP and GRECC have to file a response by June 29. He suggested mailing a copy of the settlement agreement and to tell them, in that settlement agreement, that we agreed to sign the MOU on Amendment 3. As of now, it is not signed; nobody signed it and there are two boards that never even approved it. Once it gets done and back to Grayson, fine, but until then, the Commission can do whatever they want to do.

Legal Counsel read the Order he received from PSC. Director Dupuy said they agreed to the MOU. Salt River is suppose to sign now. The settlement agreement done in April and signed May 15, 2015 with EKP states EKP will use good faith effort to re-secure the adoption of Amendment 3.

Legal Counsel Scott said they agreed to agree. We don't know what GRECC agrees to. Legal Counsel reads that both EKP and GRECC are to file. Director Martin suggested a copy of the last MOU version be mailed. Director Whitt pointed out that it was going from a compliant to an investigation. The PSC will decide if they will investigate Amendment 3 and the Magnum deal.

Legal Counsel Scott asked what EKP has said about getting settled. EKP said they would hand carry a copy of the MOU and get it signed. The settlement agreement was signed by all Coops. Tim Sharp is to see that the Salt River Board signs.

GRECC/AEP MAPPING FOR PSC President Fraley hasn't heard anything from the PSC on the AEP mapping information requested.

WILLIAM BURTON CASE - GRAYSON RECC ADV CARTER CAVES STATE PARK INCIDENT On May 23, 2015 William Burton was playing close to a guy wire at Carter Caves State Park camping area. Grayson RECC had installed the pole and guy wire for Carter Caves a few weeks before. The Burton family contacted Legal Counsel Will Wilhoit to file suit. President Fraley has alerted Federated to this issue.

EXECUTIVE SESSION Chairman Trent requested to go into Executive Session at 11:45 a.m. and requested to come out of Executive Session at 11:54 a.m.

KAEC DIRECTOR'S REPORT Director Whitt reported the KAEC Board of Directors did not meet in June.

EKPC DIRECTOR'S REPORT Director Arrington gave the EKPC Board Report:
Spring outage is complete.
A major overhaul was done on Spurlock's Gilbert Unit #3.
Craig Johnson was pleased the \$12.6 million Gilbert project was completed on schedule and without a single OSHA recordable incident.
Denver York said EKP invested \$22.9 million in new, upgraded or rebuilt lines and substations last year – a 64 percent increase over 2013.
The business unit is planning to budget \$32 million in infrastructure investment for each of the next several years. The Mazie Substation and purchasing right-of-way for it was mentioned.
Mike McNally said the year-to-date net margin through April of \$32.4 million was still \$23.7 million more than budgeted.
The 2015 cost to member systems through April was well below the annual budget of \$68.83 at \$66.15 per MWh.
EKPC Equity at the end of April was 15.1 percent.
Conference call on Wednesday requested approval agreement of asset for the Bluegrass Plant at Louisville, and everyone agreed to the fine print and how they pay for it. It has to be completed today.
Once they have an iron clad contract by December they could get loan funds from RUS. All recommended and it is similar to the PJM project. The price dropped to \$127 million and he told why there was a \$13 million difference. A unanimous vote was received.
Director Arrington said there are a lot of advantages to us to have the extra peaking power.
There were tax issues and the corporation agreed to pay the sales tax, as explained by Mr. Mosier. The fuel use of that plant is natural gas (Bluegrass Station). It wasn't explained who would provide gas.

THANK YOU LETTERS GRECC received a thank you note from Build-A-Bed, Grayson Area Chamber of Commerce Golf Scramble and the Lawrence County Historical Society.

DONATION REQUEST President Fraley presented to the board for their consideration the following donation requests:

Friends of the Carter County Public Library	\$100
Greenup Old Fashion Days	\$100
Lewis Co. Educational Foundation – Back to School Fair	\$100
Sandy Hook 1 st Baptist Church - Appalachian Regional Relief (backpacks) –	\$100

DONATION REQUEST
(CONTINUED) Motion was made by Director Dupuy, seconded by Director Bentley and
unanimously agreed to approve the donations as presented.

MEETING ATTENDANCE NRECA Regions 2 & 3 Meeting, Biloxi, MS – Directors Trent, Dupuy, Martin,
Rice, Whitt and Bentley, October 27-29, 2015
Power- Up Meeting, Denver, CO– Priscilla Sparks, September 2015
Interact Conference, Denver, CO - Bradley Cherry and Caitlin Hutchinson,
August 23-26, 2015
KAEC Underground Skills Workshop, London, KY – Jamey Withrow and
Steven Burton, August 19-21, 2015

ADDITIONAL BUSINESS There was no additional business.

BOARD MEETING DATE The next board meeting will be held on Friday, July 24, 2015.

ADJOURN Chairman Trent adjourned the meeting at 12:00 p.m.

Roger L. Trent, Chairman

Billy E. (Eddie) Martin, Secretary/Treasurer

W. Jeffrey Scott, Legal Counsel

Minutes of the Executive Session of the June 26, 2015 GRECC Board Meeting

On June 26, 2015 Grayson Rural Electric Cooperative Corporation held an executive session during its regular board meeting.

EXECUTIVE SESSION

The Chair called to go into Executive Session at 11:45 a.m.

Matters concerning Grayson Rural Electric Cooperative Corporation were discussed.

The Chair called to come out of Executive Session at 11:54 a.m.

Roger L. Trent, Chairman

Billy E. (Eddie) Martin, Secretary/Treasurer

W. Jeffrey Scott, Legal Counsel

President and CEO's Expenses

May 2015

<u>Date</u>	<u>Check</u>	<u>Description</u>	<u>Amount</u>
6/04/14	166103	VISA Expenses:	
		*5/4 – Charleston Bottoms Case Meeting	\$17.79
		*5/5 – EKP / Smithfield Meeting	\$11.96
		*5/15 – Charleston Bottoms Case Meeting	\$12.74
		*5/18 – Safety Meeting w/Sha Collier of EKPC	\$ <u>4.50</u>
		Total Expenses	\$46.99

*prorated expense

DIRECTORS & ATTORNEY EXPENSES**May-15****KENNETH ARRINGTON**

Per Diem	- GRECC Off-Site Special Bd. Mtg.(4/14 & 4/23); GRECC Special Bd. Mtg. EKPC Charleston Bottoms Case (5/4 & 5/15); GRECC Bd. Mtg. (5/22)	\$ 1,214.48
MISC	-	-
VISA	- Lunch Charleston Bottoms Mtg. (5/4 & 5/15)	22.83
	Cash in Lieu of Insurance	637.63
	24 – Hr. Insurance	0.70
TOTAL	-	<u>\$ 1,875.64</u>

JIM BENTLEY

Per Diem	- GRECC Off-Site Special Bd. Mtg.(4/14 & 4/23); GRECC Special Bd. Mtg. EKPC Charleston Bottoms Case (5/4 & 5/15); GRECC Bd. Mtg. (5/22)	\$ 1,140.30
MISC	-	-
VISA	- Lunch Charleston Bottoms Mtg. (5/4 & 5/15)	30.54
	Cash in Lieu of Insurance	637.63
	24-Hr. Insurance	1.08
TOTAL	-	<u>\$ 1,809.55</u>

HAROLD DUPUY

Per Diem	- GRECC Off-Site Special Bd. Mtg.(4/14 & 4/23); GRECC Special Bd. Mtg. EKPC Charleston Bottoms Case (5/4 & 5/15); GRECC Bd. Mtg. (5/22)	\$ 1,172.50
MISC	-	-
VISA	- Lunch Charleston Bottoms Mtg. (5/4 & 5/15)	30.54
	Cash in Lieu of Insurance	637.63
	24-Hr. Insurance	0.70
TOTAL	-	<u>\$ 1,841.37</u>

EDDIE MARTN

Per Diem	- GRECC Off-Site Special Bd. Mtg.(4/14 & 4/23); GRECC Special Bd. Mtg. EKPC Charleston Bottoms Case (5/4 & 5/15); GRECC Bd. Mtg. (5/22)	\$ 1,036.80
MISC	-	-
VISA	- Lunch Charleston Bottoms Mtg. (5/4 & 5/15)	30.54
	Cash in Lieu of Insurance	637.63
	24 – Hr. Insurance	1.08
TOTAL	-	<u>\$ 1,706.05</u>

WILLIAM T. RICE

Per Diem	GRECC Off-Site Special Bd. Mtg.(4/14); GRECC Special Bd.	\$ 646.00
MISC	Mtg. EKPC Charleston Bottoms Case (5/15); GRECC Bd. Mtg. (5/22)	-
VISA	- Lunch Charleston Bottoms Mtg. (5/4 & 5/15)	5.05
	- Cash in Lieu of Insurance	637.63
TOTAL	24 – Hr. Insurance	0.49
	-	<u>\$ 1,289.17</u>

ROGER TRENT

Per Diem	GRECC Off-Site Special Bd. Mtg.(4/14 & 4/23); GRECC Special Bd. Mtg. EKPC Charleston Bottoms Case (5/4 & 5/15); GRECC Bd. Mtg. (5/22)	\$ 1,138.00
MISC		-
VISA	- Lunch Charleston Bottoms Mtg. (5/4 & 5/15)	22.84
	- Cash in Lieu of Insurance	637.63
TOTAL	24 – Hr. Insurance	0.49
	-	<u>\$ 1,798.96</u>

JIMMY WHITT

Per Diem	GRECC Off-Site Special Bd. Mtg.(4/14 & 4/23); GRECC Special Bd. Mtg. EKPC Charleston Bottoms Case (5/4 & 5/15); KAEC Bd. Mtg. (5/18) GRECC Bd. Mtg. (5/22)	\$ 1,542.13
MISC		-
VISA	- Lunch Charleston Bottoms Mtg. (5/4 & 5/15)	22.84
	KAEC Bd. Mtg.	7.41
NRECA	- Summer School East	1,176.00
	- Cash in Lieu of Insurance	637.63
TOTAL	24 – Hr. Insurance	1.08
	-	<u>\$ 3,387.09</u>

JEFF SCOTT

Out-of-Pocket	Postage Collection Letters	\$ 11.27
MISC	- Mileage, Filing Fees AEP/Sand Gap	324.50
VISA	-	-
TOTAL	-	<u>\$ 335.77</u>

Grayson Rural Electric Cooperative Corporation

109 Bagby Park • Grayson, KY 41143-1292
Telephone 606-474-5136 • 1-800-562-3532 • Fax 606-474-5862

TO: Board of Directors and Legal Counsel

FROM: Carol Ann

DATE: July 15, 2015

SUBJECT: Final Draft of the MOU and Bylaws and Board Policy on Capital Credits

Attached are copies of the final draft of the MOU that was sent to me by Don Mosier some time ago. Also, I have sent copies of the language for Board Policy 204 and pertinent Bylaws that will allow us to pay capital credits upon proper application and then finalize the account after margins are assigned the following year, if necessary.

I am sending these, so that you can familiarize yourself with the content before the July Board Meeting. If you have any questions that I can help you with, please do not hesitate to call.

**MEMORANDUM OF UNDERSTANDING AND AGREEMENT
REGARDING ALTERNATE POWER SOURCES**

This Memorandum of Understanding and Agreement (“**MOU&A**”) is entered into and effective as of this [] day of [_____], 2015, by and between East Kentucky Power Cooperative, Inc. (“**EKPC**”), and each of the following Member Distribution Cooperatives (also referred to herein as “**Owner Member**”):

Member Distribution Cooperatives

Big Sandy Rural Electric Cooperative Corporation
Blue Grass Energy Cooperative Corporation
Clark Energy Cooperative, Inc.
Cumberland Valley Electric
Farmers Rural Electric Cooperative Corporation
Fleming-Mason Energy Cooperative
Grayson Rural Electric Cooperative Corporation
Inter-County Energy Cooperative Corporation
Jackson Energy Cooperative Corporation
Licking Valley Rural Electric Cooperative Corporation
Nolin Rural Electric Cooperative Corporation
Owen Electric Cooperative, Inc.
Salt River Electric Cooperative Corporation
Shelby Energy Cooperative, Inc.
South Kentucky Rural Electric Cooperative Corporation
Taylor County Rural Electric Cooperative Corporation

Factual Recitals

0.1 Each Owner Member is an electric cooperative, organized under the laws of the State of Kentucky, engaged in the business of supplying and distributing electric power and energy to its members within a certain service area, for which business the Owner Member operates an electric distribution system, among other operations.

0.2 EKPC is a generation and transmission cooperative corporation, organized under the laws of the State of Kentucky, which is owned by its Owner Members, which are certain electric cooperatives operating in the State of Kentucky (“**Owner Members**”).

0.3 EKPC and each Owner Member are parties to a Wholesale Power Contract, dated October 1, 1964, as amended, pursuant to which (among other things) EKPC sells and delivers to that Owner Member, and that Owner Member purchases and receives, electric power and energy

required for the operation of the Owner Member's electric system. Such Wholesale Power Contracts are identical in all material respects, except for the identification of the respective Owner Member that is a party to each such agreement. A reference herein to "**Wholesale Power Contract**" refers to each and every such agreement.

0.4 As of October 23, 2003, each Wholesale Power Contract was amended by the execution of that certain amendment designated and known as "**Amendment No. 3**" thereto, to provide, among other things, for the obtaining by the subject Owner Member of electric power and energy from sources other than EKPC for use in operating the Owner Member's electric system, subject to certain limitation and required procedures set forth therein. Except for the identification of the respective Owner Member that is a party to each such Amendment No. 3, all of such amendments are identical. A reference herein to "**Amendment No. 3**" refers to each and every such amendment.

0.5 EKPC and certain Owner Members have, in the past, disagreed on the interpretation of some provisions of Amendment No. 3 and, therefore, to the Wholesale Power Contract as amended thereby.

0.6 The Owner Members each have a keen interest in pursuing or investigating opportunities to develop or otherwise obtain and use sources of electric power and energy other than EKPC. Such non-EKPC sources are hereinafter referred to as "**Alternate Sources**" and further defined in Section 2(A) below.

0.7 EKPC and each Owner Member each desire to avoid litigation over the provisions of the Wholesale Power Contract that pertain to Alternate Sources, and thereby avoid the costs and uncertainty of such litigation.

NOW THEREFORE, in consideration of the mutual covenants, understandings, and undertakings set forth herein, each of the Owner Members and EKPC, agree as follows:

Understandings, Stipulations, and Agreements

1. Term

(A) This MOU&A shall become effective on the date first written above and shall continue in effect until the termination of the Wholesale Power Contract. If the Wholesale Power Contract between EKPC and one of the Owner Members terminates before the other Wholesale Power Contracts, then this MOU&A shall terminate with respect to that Owner Member, but shall remain in effect with respect to the other Owner Members.

2. Scope

(A) The purpose of this MOU&A is to memorialize EKPC's and the Owner Members' mutually agreed interpretation of Amendment No. 3 with respect to Alternate Sources. Except as provided in Section 2(B), an "**Alternate Source**" is any generating resource that is owned (directly or indirectly, in whole or in part) or controlled (directly or indirectly, in whole or in part) by an Owner Member, regardless of whether the resource is connected to the Owner

Member's distribution system, or any power purchase arrangement under which an Owner Member purchases capacity or energy (or both), if such generating resource or power purchase arrangement is used to serve any portion of the Owner Member's load.

(B) A generating resource that meets the definition of a "Behind the Meter Source" as set forth in Section 4(A)(v)(a) that is used by a Member solely to provide energy to serve interruptible retail load during times when service for such load through PJM has been interrupted pursuant to the load's participation in PJM's demand response program will not be considered an "Alternate Source" subject to the requirements of this MOU&A. If an Owner Member desires to use such a generating resource at any other time, the Owner Member must comply with the requirements of this MOU&A with respect to that generating resource.

(C) Nothing in this MOU&A is intended to modify any of the express provisions of Amendment No. 3. During the term of this MOU&A, neither EKPC nor any Owner Member shall assert that this MOU&A is invalid for the reason that it is contrary to or inconsistent with the Wholesale Power Contract. In the event of an actual conflict between the Wholesale Power Contract, as amended, including by Amendment No. 3, and this MOU&A, the Wholesale Power Contract, as amended, including by Amendment No. 3, shall control.

3. Maximum Permissible Demand Reduction.

(A) The maximum demand reduction that an Owner Member can obtain through the use of Alternate Sources shall be determined as follows:

- (i) All demand measurements, whether of EKPC aggregate demand or an Owner Member's demand, called for in this Section 3 shall be measured in megawatts in 15-minute intervals and shall be adjusted to include any interruptible load that was interrupted at the time of measurement.
- (ii) If in connection with its acquisition of new service territory the Owner Member provides evidence to EKPC and the RUS in the related acquisition agreement that the acquired service territory must continue to be served by the current power supplier as a condition of the acquisition, the acquired service territory may be supplied by such current power supplier for so long as is required under the terms of such acquisition agreement. Until such supply from the current power supplier is terminated, the load of such acquired service territory shall not be included in the calculations of the 5% and 15% limitations set forth below in this Section 3 applicable to the Owner Member that acquired the service territory or any other Owner Member. From and after the termination of such supply from the current power supplier, the load of such acquired service territory (including such load during the three (3) twelve-month (12-month) periods immediately preceding the date of termination of such supply from the current power supplier) shall be included in calculations of the 5% and 15% limitations set forth below in this Section 3 applicable to the Owner Member or any Other Member.

- (iii) If, at the time the Owner Member submits an election notice pursuant to Section 4, the aggregate amount of all Owner Members' loads being served with Alternate Sources (including the load proposed to be served by the Owner Member's new Alternate Source) would be less than two and one half percent (2.5%) of the rolling average of EKPC's coincident peak demand for the single calendar month with the highest peak demand occurring during each of the three (3) twelve-month (12-month) periods immediately preceding the date the Owner Member delivers such election notice, the Owner Member's aggregate demand reduction from Alternate Sources (including the demand reduction from the proposed new Alternate Source) may not exceed 15% of the rolling average of the Owner Member's coincident peak demand for the single calendar month with the highest average peak demand occurring during each of the three (3) twelve-month (12-month) periods immediately preceding the date the Owner Member delivers such election notice. If this 15% threshold would be exceeded, the Alternate Source shall not be permitted unless the load proposed to be served by it is reduced such that this 15% threshold is not exceeded.

- (iv) If, at the time the Owner Member submits an election notice pursuant to Section 4, the aggregate amount of all Owner Members' loads being served with Alternate Sources (including the load proposed to be served by the Owner Member's new Alternate Source) would be equal to or greater than two and one half percent (2.5%) of the rolling average of EKPC's coincident peak demand for the single calendar month with the highest peak demand occurring during each of the three (3) twelve-month (12-month) periods immediately preceding the date the Owner Member delivers such election notice, the Owner Member's aggregate demand reduction from Alternate Sources (including the demand reduction from the proposed new Alternate Source) may not exceed five percent (5%) of the rolling average of the Owner Member's coincident peak demand for the single calendar month with the highest average peak demand occurring during each of the three (3) twelve-month (12-month) periods immediately preceding the date the Owner Member delivers such election notice. If this five percent (5%) threshold would be exceeded, the Alternate Source shall not be permitted unless the load proposed to be served by it is reduced such that this five percent (5%) threshold is not exceeded.

- (v) If, at the time the Owner Member submits an election notice pursuant to Section 4, the aggregate amount of all Owner Members' loads being served with Alternate Sources (including the load proposed to be served by the Owner Member's new Alternate Source) would be greater than five percent (5%) of the rolling average of EKPC's coincident peak demand for the single calendar month with the highest peak demand occurring during each of the three (3) twelve-month (12-month) periods immediately preceding the date the Owner Member delivers such election notice, the

Alternate Source shall not be permitted unless the load proposed to be served by it is reduced such that this five percent (5%) threshold is not exceeded.

- (vi) The term of any Alternate Source (inclusive of any renewal options), whether the Alternate Source is a generating facility owned or controlled by the Owner Member or a contract with a third party, shall not exceed twenty (20) years.

- (a) Any Alternate Source that is a contract in effect at the time when the 2.5% threshold defined in Section 3(A)(iii) is reached will be honored for the remaining term of the contract (without exercise of any renewal option). However, if at the end of the existing contract's term that was in effect when the 2.5% threshold was reached, the 2.5% threshold continues to be reached or is exceeded, and the Owner Member's aggregate amount of Alternate Source elections then exceeds the 5% threshold defined in Section 3(A)(iv), then the Alternate Source contract may not be renewed unless the Owner Member reduces the aggregate amount of the Owner Member's load served by Alternate Sources such that the aggregate amount of the Owner Member's load served by Alternate Sources (taking into account the renewal of the contract) does not exceed the 5% threshold set forth in Section 3(A)(iv). The Owner Member may meet this requirement by using demand reduction available to another Owner Member, in accordance with Section 3(B).

- (b) Any Alternate Source that is a generating facility owned or controlled by the Owner Member that is in effect when the 2.5% threshold defined in Section 3(A)(iii) is reached will be honored for the remaining term of the Alternate Source as set forth in the notice provided under Section 4(A).

(B) Demand reduction available to one Owner Member may be used by another Owner Member if those two Owner Members so agree; provided, however, that in no event may a new Alternate Source proposed by an Owner Member in an election notice pursuant to Section 4 be approved if:

- (i) the aggregate amount of all Owner Members' loads being served with Alternate Sources (including the load proposed to be served by the Owner Member's new Alternate Source) would be greater than five percent (5%) of the rolling average of EKPC's coincident peak demand for the single calendar month with the highest peak demand occurring during each of the three (3) twelve-month (12-month) periods immediately preceding the date the Owner Member delivers such election notice; or

(ii) the aggregate amount of the Owner Member's load being served by Alternate Sources (including the load proposed to be served by the Owner Member's new Alternate Source) would be greater than fifteen percent (15%) of the rolling average of the Owner Member's coincident peak demand for the single calendar month with the highest average peak demand occurring during each of the three (3) twelve-month (12-month) periods immediately preceding such notice.

4. Alternate Source Notices

(A) In order for an Owner Member to reduce its purchases from EKPC by using electric power and energy from an Alternate Source, that Owner Member shall have provided EKPC with prior written notice of such reduction in accordance with the procedures and requirements set forth herein. Each such notice hereunder (an "**Alternate Source Notice**") shall set forth the following information regarding the subject Alternate Source:

- (i) the term during which the Alternate Source will be used to reduce the Owner Member's purchases from EKPC under the Wholesale Power Contract, including the date on which such use will begin, and the length of time during which such use will continue, which length may not exceed 20 years (including any renewal options for an Alternate Source that is a contract with a third party);
- (ii) the maximum electrical capacity, in kW, to be available from the Alternate Source and the corresponding amount of reduction in demands to be served by EKPC as a result of the use of the Alternate Source, appropriately taking into account expected losses, if any;
- (iii) a general description of the nature of the Alternate Source and the primary generating facilities from which the subject electric power and energy will be produced;
- (iv) the approximate, expected pattern of use or dispatching of the Alternate Source and the corresponding pattern of hourly reductions in energy to be purchased by the Owner Member from EKPC; and
- (v) a designation of whether the Alternate Source will be:
 - (a) interconnected to the Owner Member's distribution system (and not to any transmission system) and will not produce energy in any hour in excess of the Owner Member's load at the Related EKPC Point of Delivery. Such Alternate Sources are referred to in this MOU&A as "**Behind the Meter Sources**". The "**Related EKPC Point of Delivery**" with respect to any Alternate Source is the point of delivery under the Owner Member's Wholesale

Power Contract through which energy purchased from EKPC would be used to serve the load served by the Alternate Source if the Alternate Source did not exist;

(b) interconnected or delivered to EKPC's or another entity's transmission system; or

(c) interconnected to the Owner Member's distribution system and will produce energy that exceeds the Owner Member's load at the Related EKPC Point of Delivery.

(B) Except as provided in Section 4(C) below, each Alternate Source Notice shall be provided to EKPC in writing at least eighteen (18) months prior to the date on which the use of the subject Alternate Source is to begin.

(C) For each Alternate Source having a noticed demand reduction of 5,000 kW or less, the required prior written notice may be provided to EKPC up to, but not later than ninety (90) days prior to the date on which the Owner Member intends to begin using that Alternate Source.

(D) An Owner Member may change or cancel an Alternate Source Notice only by providing to EKPC prior written notice of such change or cancellation, as follows: If after three years of operation an Alternate Source has a three-year rolling average peak capacity less than the maximum capacity set forth in the initial Alternate Source Notice, the Owner Member may reduce the maximum capacity of such Alternate Source by providing written notice to EKPC. Any such reduction shall not change the term or other characteristics of the Alternate Source. Ninety (90) days' prior written notice of any other change or any cancellation shall be required for an Alternate Source having an associated demand reduction of 5,000 kW or less. Otherwise, eighteen (18) months' prior written notice to EKPC of a change or cancellation shall be required. If any change is made to the demand reduction amount of an Alternate Source, the thresholds provided in Section 3 will be re-calculated as of the date the notice of change is submitted.

(E) If the Owner Member does not implement an Alternate Source within six (6) months after the date set forth in its notice for commencement of deliveries from the Alternate Source, the Owner Member may not implement the Alternate Source without re-submitting the notice required under this Section 4 and such notice shall be subject to re-calculation of the thresholds provided in Section 3 as of the date of such re-submitted notice. During the six (6) month period described in this Section (E), EKPC shall continue to serve the load intended to be served by the Alternate Source through sales of power and energy to the Owner Member under its Wholesale Power Contract.

5. Development and Use of Alternate Sources

(A) During the noticed term of use of that Alternate Source, it shall be the responsibility of the Owner Member to use commercially reasonable efforts to develop or otherwise acquire the subject Alternate Source so that such source may be used to supply a portion of the Owner Member's requirements beginning on the noticed date. EKPC shall use

commercially reasonable efforts to cooperate with and assist the Owner Member in its development or acquisition; provided that EKPC shall not be required to make out-of-pocket expenditures or provide or facilitate financing for any Alternate Source.

(B) Except as otherwise agreed to by EKPC and an Owner Member, the owning Owner Member shall use commercially reasonable efforts to operate, maintain, and dispatch the facilities comprising each of its Alternate Sources (or to cause such operation, maintenance, and dispatching) so as to reduce the maximum electrical demand placed on EKPC's system by the corresponding noticed demand reduction.

(C) With respect to each noticed Alternate Source of an Owner Member, the obligations set forth in the foregoing two paragraphs shall continue until the end of the noticed term of the Alternate Source; provided, however, that such term may be shortened or lengthened at any time by the Owner Member by providing to EKPC prior written notice of such change, as follows: For each such change, ninety (90) days' prior written notice of such change shall be required for an Alternate Source having an associated demand reduction of 5,000 kW or less. Otherwise, eighteen (18) months' prior written notice to EKPC of such change shall be required.

(D) Other requirements for Behind the Meter Sources are as follows:

(i) To the extent that the Alternate Source does not deliver capacity or energy sufficient to serve the actual load of the Owner Member intended to be served by the Alternate Source, EKPC will charge the Owner Member for capacity and energy at the rates for electric service provided under the Wholesale Power Contract.

(ii) The Owner Member must provide to EKPC information regarding the expected generation from the Behind the Meter Source, including planned and unplanned outages, as needed by EKPC so that EKPC can include such information in its schedules of load submitted to PJM and minimize to the extent reasonably practicable any PJM penalties for deviations in load attributable to differences between the estimated and actual generation from the Behind the Meter Source.

(iii) The Alternate Sources will be metered with revenue class meters.

(E) Other requirements for Alternate Sources interconnected or delivered to EKPC's or another entity's transmission system are as follows:

(i) To the extent that the Alternate Source does not deliver capacity or energy sufficient to serve the actual load of the Owner Member intended to be served by the Alternate Source, EKPC will charge the Owner Member for capacity and energy as provided in this MOU&A, and not at the rates for electric service provided under the Wholesale Power Contract. EKPC will purchase amounts of replacement capacity and energy based on the historical amounts of capacity and energy provided by the Alternate Source.

(ii) The Owner Member must provide to EKPC a day-ahead schedule of generation. EKPC will work with the Owner Member to develop the day-ahead schedule.

(iii) The day-ahead schedule of load to be served by the Alternate Source will be deemed to equal the day-ahead generation schedule of the Alternate Source.

(iv) EKPC will pass through to the Owner Member all revenues, credits and charges from PJM associated with the Alternate Source, including without limitation PJM day-ahead and real-time energy market revenues, charges and credits, PJM capacity market revenues, charges and credits, PJM operating reserve revenues, credits and charges, and PJM operating services necessary to serve the load served by the Alternate Source (i.e. capacity, energy, ancillary services (including operating reserves), NITS transmission, RTEP, etc.).

(v) The Alternate Sources will be metered with revenue class meters.

(vi) The Owner Member will pay an administrative fee to EKPC to cover the increased operation and administrative costs.

(vii) PJM market participant activities for the Alternate Source and related load will be managed by EKPC or EKPC's agent. The Owner Member shall pay EKPC a non-discriminatory, cost-based fee for such PJM market participant services, which shall be performed in accordance with good utility practices. Any dispute regarding such fee shall be submitted to the Kentucky Public Service Commission for a determination of the appropriate fee.

(F) Other requirements for Alternate Sources interconnected to an Owner Member's distribution system that produce energy that exceeds the Owner Member's load at the Related EKPC Point of Delivery shall be developed based on the requirements set forth above in Sections 5(D) and 5(E).

6. Other Matters.

(A) EKPC shall not be entitled to charge any Owner Member for so-called "stranded costs" related to the Owner Member's implementation of its rights to use Alternate Sources. As a result, to the extent that an Owner Member's use of Alternate Sources reduces its billing demands under EKPC's rates under the Wholesale Power Contract as in effect from time to time, EKPC shall not be entitled to charge any special rate or charge to the Owner Member attributable to such billing demand reduction. EKPC will, however, be entitled to continue to set its rates for all Owner Members under the Wholesale Power Contracts to produce revenues that are sufficient to cover all of its costs, in accordance with the Wholesale Power Contracts.

(B) EKPC covenants and agrees to revise or rescind existing Board Policies so that its Board Policies are consistent with this MOU&A.

(C) This Agreement may be executed in counterpart, which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Big Sandy Rural Electric Cooperative Corporation	Date
Blue Grass Energy Cooperative Corporation	Date
Clark Energy Cooperative, Inc.	Date
Cumberland Valley Electric	Date
Farmers Rural Electric Cooperative Corporation	Date
Fleming-Mason Energy Cooperative	Date
Grayson Rural Electric Cooperative Corporation	Date
Inter-County Energy Cooperative Corporation	Date
Jackson Energy Cooperative Corporation	Date
Licking Valley Rural Electric Cooperative Corporation	Date
Nolin Rural Electric Cooperative Corporation	Date
Owen Electric Cooperative, Inc.	Date
Salt River Electric Cooperative Corporation	Date
Shelby Energy Cooperative, Inc.	Date

South Kentucky Rural Electric Cooperative Corporation

Date

Taylor County Rural Electric Cooperative Corporation

Date

GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION

BOARD POLICY NO. 204

SUBJECT: EQUITY MANAGEMENT/CAPITAL CREDITS POLICY

I. OBJECTIVE

- A. Assure the financial integrity of Grayson Rural Electric Cooperative Corporation at all times so that it can be certain of providing high quality electric service on a continuing basis to its members.
- B. Establish means whereby Grayson Rural Electric Cooperative Corporation's members will, in fact, receive electric service at cost taking into account reasonable reserves for proper operations and maintenance of the system), and as a result, enable them to clearly see the benefits of receiving service from their Cooperative as compared to an investor-owned utility or municipality.
- C. To establish the standards, rules, methodologies and procedures governing the Cooperative's retirement of capital credits.

II. POLICY

- A. Capital credit retirements will be made only upon authorization by the Board of Directors based upon its determination that such is in the best interest of the Cooperative and will not impair the Cooperative's financial condition. Such retirements shall also be subject to any applicable restrictions contained in the Cooperative's mortgages or loan contracts with the United States Rural Utilities Service (RUS), National Rural Utilities Cooperative Finance Corporation (CFC) or any other lender of funds to the Cooperative and shall also be subject to any orders or regulations of the Public Service Commission of Kentucky (PSC) as are applicable to the Cooperative.
- B. Capital credits May will be paid on a discounted basis, at the discretion of the Board of Directors, including deceased estates which shall be paid up to the date of death of the deceased member.
- C. No retirement of capital that has been separately accounted for and credited to a patron in relation to capital credits issued to the Cooperative by an affiliated organization (such as G & T) shall be authorized or made until and unless the Cooperative shall have received its own retirement of such credits in cash or by way of billing credits.
 - 1. Estates of deceased members will be paid first should Any capital credit refunds be appropriated under the guidelines of (A) above. should be first applied against the settlement of estates of deceased members.
 - 2. Capital credits will first be applied to any indebtedness owed to the Cooperative and then may be retired to Cooperative patrons paid by check or by way of billing credits, -whichever is decided to be ~~whichever is decided to be~~ most effective and in the Cooperative's best interest.
 - 3. In accordance with the Bylaws of the Cooperative, Article I., Section 1, "Upon the death of a member the membership may be transferred to the surviving spouse provided the surviving spouse requests such transfer and the transfer is not a violation of the deceased's Will." At that time the surviving spouse may apply for the capital credits accrued to the estate of the deceased member.
- D. Capital credits will be accrued to the date of death of the member. If there is no surviving spouse, application for payment of capital credits can be made by the legal representative of the estate or its' heirs. All capital credits accrued after the death of a member shall be forfeited unless the account is

transferred in accordance with Cooperative policies within six months of the death of said member to the surviving spouse. If the legal representative(s) of a deceased member's estate shall request in writing that the capital credited to the account of the deceased member be paid, the Board of Directors, acting under such terms and conditions of the Cooperative's Bylaws, shall approve the payment of capital credits assigned at the time of application, to the estate of the the deceased member. However, the finanancial condition of the Cooperative must not be impaired thereby. No account can be left in the name of the deceased member. Any additional capital credits assigned to a deceased member's account shall be paid at the next general rotation of capital credits, at the discretion of the Board.

GRECC BOARD POLICY NO. 204

PAGE 2

~~If application for capital credits for a deceased member is properly made in the same year of the death of the member, payment of capital credits for his/her accounts will be made in March of the following year. At that time, the amount of patronage will have been established for the previous year.~~

~~If application for capital credits for a deceased member who has passed away any time prior to the current year, patronage capital shall be paid, up until the date of death of the member. Payment shall be made as soon as possible after the application is processed.~~

- E. Except for the priority of settlement of estates of deceased members ~~mentioned in~~ above, any ~~other~~ other general rotations/retirements in any given year shall be made in such aggregate amounts and for all or a portion of such one or more years as the Board of Directors, in its discretion, shall determine.
- F. The discretionary powers of such capital credits repayment shall remain with the Board of Directors of Grayson Rural Electric Cooperative Corporation as stated in the Cooperative's Bylaws, Article VII, Section 2, and nothing stated in this policy will diminish that right.

III. RESPONSIBILITY

It shall be the responsibility of the Board of Directors and the President and CEO to see that this policy is adhered to. This revised policy is a combination of former policies 204, 205, and 206, thus updating Policy 204 and rescinding 205 and 206.

Roger L. Trent, Chairman

Bill E. (Eddie) Martin, Secretary/Treasurer

Date Adopted: 06/21/85
Date Revised: 07/23/93
Minute Book Page: 2287 - 2288
Date Revised: 01/24/97
Minute Book Page: 2839 - 2840

Date Revised: 04/24/03
Minute Book Page: 3502 - 3504
Date Reaffirmed: 04/19/10
Minute Book Page: 4313
Revised: 10/24/13
Minute Book Page: 4755-4757
Revised: 06/26/15
Minute Book Page:

The patrons of the Cooperative, by dealing ~~565 of 960~~ Cooperative, acknowledge that the terms and provisions of the Articles of Incorporation and bylaws shall constitute and be a contract between the Cooperative and each patron, and both the Cooperative and the patrons are bound by such contract, as fully as though each patron had individually signed a separate instrument containing such terms and provisions. The provisions of this article of the bylaws shall be called to the attention of each patron of the Cooperative by posting in a conspicuous place in the Cooperative's office. (Amended 4/24/64)

SECTION 3. PATRON'S REFUNDS IN CONNECTION WITH FURNISHING OTHER SERVICES. In the event that the Cooperative should engage in the business of furnishings goods or services with other than electric energy, all amounts received and receivable therefrom which are in excess of costs and expenses properly chargeable against the furnishing of such goods or services shall, insofar as permitted by law, be prorated annually on a patronage basis and returned to those patrons from whom such amounts were obtained.

ARTICLE VIII DISPOSITION OF PROPERTY

The Cooperative may not sell, lease or otherwise dispose of all or any substantial portion of its property other than:

- (a) property which in the judgement of the Board of Directors, neither is nor will be necessary or useful in operating and maintaining the Cooperative's system and facilities, provided, however, that all sales of such property shall not in any one (1) year exceed in value ten per centum (10%) of the value of all the property of the Cooperative;
- (b) services of all kinds, including electric energy;
- (c) personal property acquired for resale; and
- (d) merchandise;

unless such sale, lease or other disposition is authorized at a meeting of the members thereof by the affirmative vote of not less than two-thirds of all the members of the Cooperative, and unless the notice of such proposed sale, lease or otherwise disposition shall have been contained in the notice of the meeting; provided, however, that notwithstanding anything herein contained, the Board of Directors of the Cooperative, without authorization by the members thereof, shall have full power and authority to authorize the execution and delivery of a mortgage or mortgages or a deed or deeds of trust upon, or pledging or encumbering of, any or all of the property, assets, rights, privileges, licenses, franchises and permits of the Cooperative, whether acquired or to be acquired and wherever situated, as well as the revenue and income therefrom, all upon such terms and conditions as the Board shall determine, to secure any indebtedness of the Cooperative; provided further that the Board may upon the authorization of a majority of those members of the Cooperative present at a meeting of the members thereof, sell, lease, or otherwise dispose of all or a substantial portion of its property to another rural electric cooperative. (Amended 12/18/71)

ARTICLE IX SEAL

The corporate seal of the Cooperative shall have inscribed thereon the name of the Cooperative and the words "Corporate Seal Kentucky". (Amended 9/24/82)

ARTICLE X FINANCIAL TRANSACTIONS

SECTION 1. CONTRACTS. Except as otherwise provided in these bylaws, the Board may authorize any officer or officers, agent or agents to enter into any contract or execute and deliver any instrument in the name and on behalf of the Cooperative, and such authority may be general or confined to specific instances. (Amended 9/24/82)

SECTION 2. CHECKS, DRAFTS, ETC. All checks, drafts or other orders for the payment of money, and all notes, bonds or other evidences of indebtedness issued in the name of the Cooperative shall be signed and/or countersigned by such officer or officers, agent or agents, employee or

SECTION 2. PATRONAGE CAPITAL IN CONNECTION WITH FURNISHING ELECTRIC ENERGY. In the furnishing of electric energy the Cooperative's operations shall be so conducted that all patrons will, through their patronage, furnish capital for the Cooperative. In order to induce patronage and to assure that the Cooperative will operate on a non-profit basis the Cooperative is obligated to account on a patronage basis to all its patrons for all amounts received and receivable from the furnishing of electric energy in excess of operating costs and expenses properly chargeable against the furnishings of electric energy. All such amounts in excess of operating costs and expenses at the moment of receipt by the Cooperative are received with the understanding that they are furnished by the patrons as capital. The Cooperative is obligated to pay by credits to a capital account for each patron all such amounts in excess of operating costs and expenses. The books and records of the Cooperative shall be set up and kept in such a manner that at the end of each fiscal year the amount of capital, if any, so furnished by each patron is clearly reflected and credited in an appropriate record to the capital account of each patron, and the Cooperative shall upon request make available for inspection to any patron their ledger sheet showing the amount of capital credited to the account. All such amounts credited to the capital account of any patron shall have the same status as though they had been paid to the patron in cash in pursuance of a legal obligation to do so and the patron had then furnished the Cooperative corresponding amounts for capital. (Amended 9/16/77) Capital credits shall first be applied against any outstanding indebtedness owed by the member to the Cooperative. (Amended 6/26/15)

All other amounts received by the Cooperative from its operation in excess of costs and expenses shall, insofar as permitted by law, be (a) used to offset any losses incurred during the current or any prior fiscal year, and (b) to the extent not needed for that purpose, allocated to its patrons on a patronage basis and any amount so allocated shall be included as part of the capital credited to the accounts of patrons, as herein provided.

In the event of dissolution or liquidation of the Cooperative, after all outstanding indebtedness of the Cooperative shall have been paid, outstanding capital credits shall be retired without priority on pro rata basis before any payments are made on account of property rights of members. If, at any time prior to dissolution or liquidation, the Board of Directors shall determine that the financial condition of the Cooperative will not be impaired thereby, the capital credited to patrons' accounts may be retired in full, or in part. Any such retirements of capital shall be at the discretion and direction of the Board as to timing, method and type of retirement. (Amended 3/23/90)

Capital credited to the account of each patron shall be assignable only on the books of the Cooperative pursuant to written instructions from the assignor and only to successors in interest or successors in occupancy in all or a part of such patrons' premises served by the Cooperative unless the Board of Directors, acting under policies of general application, shall determine otherwise.

Any capital credit refunds appropriated under these bylaws shall first be applied against the settlement of estates of deceased members.

~~Notwithstanding any other provisions of these bylaws, the Board of Directors at its discretion, shall have the power at any time upon the death of any patron, if the legal representatives of his estate shall request in writing that the capital credited to any such patron be retired prior to the time such capital would otherwise be retired under the provisions of these bylaws, to retire capital credited to any such patron immediately upon such terms and conditions as the Board of Directors acting under policies of general application, and the legal representatives of such patron's estate shall agree upon; provided, however, that the financial condition of the Cooperative will not be impaired thereby.~~

If the legal representative(s) of a deceased member's estate shall request in writing that the capital credited to the account of the deceased patron be paid, the Board of Directors, acting under such terms and conditions of these Bylaws and the policies of general application, shall approve the payment of capital credits assigned at the time of the application, to the estate of the deceased member. However, the financial condition of the Cooperative must not be impaired thereby. Capital credits shall first be applied to any indebtedness of the Member. No account can be left in the name of the deceased member. Any additional capital credits assigned to a deceased member's account shall be paid at the next general rotation of capital credits, at the discretion of the Board. (Amended 6/26/15)

Grayson Rural Electric Financial Report

July 24, 2015

KWH Sales & Purchases: May 2015

Sales:	Month: YTD: 2014 YTD:	3.52% 1.79% .03%	Over Budget Over Budget Less	(5/21 – 6/20)
Purchases:	Month: YTD:	3.68% 2.06%	Over Budget Over Budget	(5/1 – 5/31)
Line Loss :	Month: YTD: Last 12 Months:	-3.12% 10.49% 5.32%		

Form 7: May 2015

Sales	\$ 161,000	Less
Purchased Power	\$ 137,302	Less
Right-of-Way Expense	\$ 14,421	More
Annual Meeting Expense	\$ 26,820	

Form 7: Year to Date

Margins:	\$ 135,407
Budgeted:	\$ 29,119

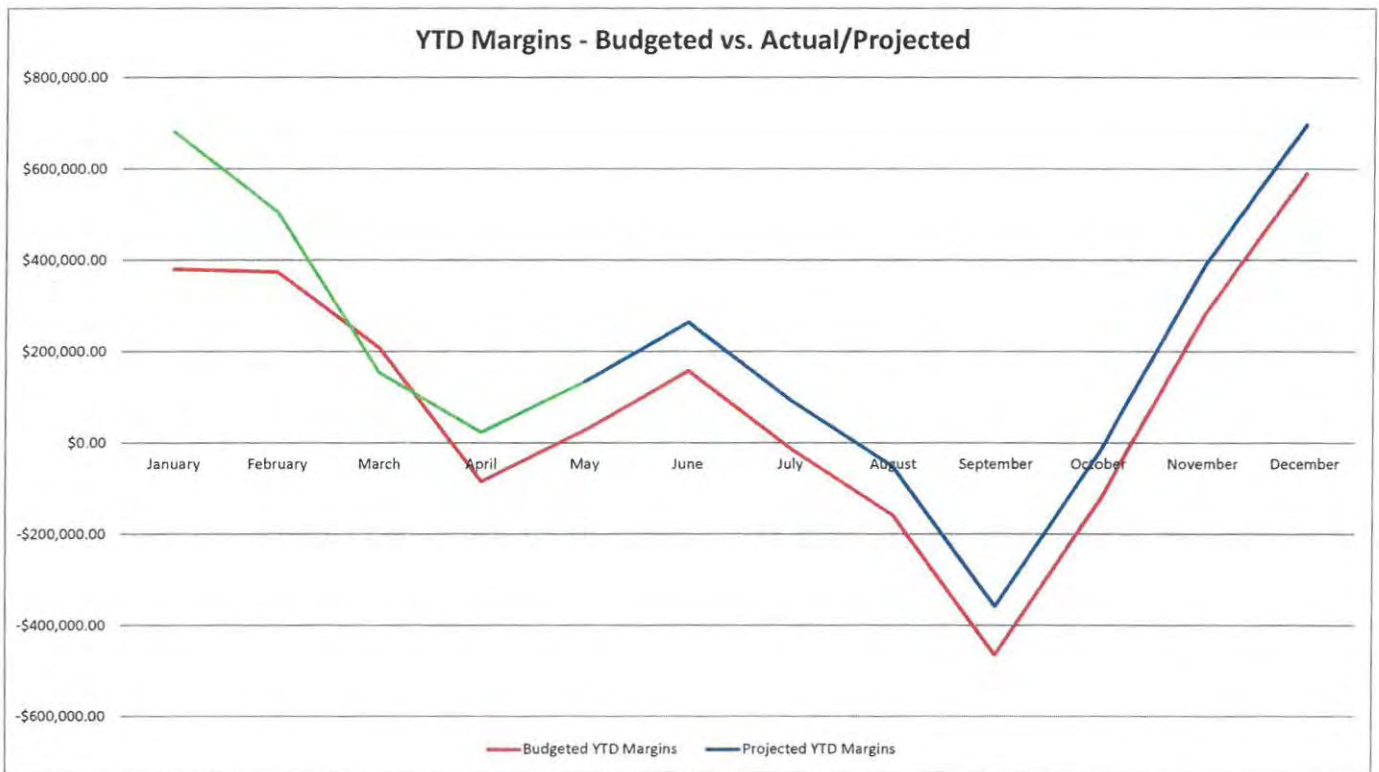
Other Items:

- Capital Credits
- Work Plan Loan

Monthly Operating Rev & Exp

	May 2014	June 2014	July 2014	August 2014	September 2014	October 2014	November 2014	December 2014	January 2015	February 2015	March 2015	April 2015	May 2015
Revenue	(2,476,940)	(2,687,648)	(2,579,178)	(2,571,883)	(2,129,236)	(2,644,213)	(3,012,795)	(3,293,995)	(3,852,755)	(3,011,463)	(2,224,301)	(2,046,272)	(2,329,211)
Purchased Power	1,355,831	1,616,862	1,653,014	1,615,983	1,389,136	1,222,188	1,739,051	1,827,391	2,094,265	2,211,257	1,590,533	1,135,694	1,219,683
Gross Margins	(1,121,109)	(1,070,786)	(926,164)	(955,900)	(740,100)	(1,422,025)	(1,273,744)	(1,466,604)	(1,758,490)	(800,206)	(633,768)	(910,578)	(1,109,528)
Operations	104,645	104,541	103,937	110,492	122,294	108,132	66,163	64,997	110,088	102,265	63,795	98,693	91,108
Maintenance	283,806	388,602	292,633	333,539	280,083	314,514	342,834	328,229	285,031	252,556	467,223	287,877	268,495
Customer Service	92,213	80,736	97,103	97,271	95,875	97,694	94,901	95,654	103,367	98,404	89,864	105,165	94,304
Informational Advertising	21,502	17,297	18,543	22,200	28,636	27,715	23,100	23,536	4,228	19,101	21,170	24,239	20,758
Demonstration Advertising	3,239	2,053	1,726	2,948	1,731	421	1,835	1,576	1,493	4,003	2,661	1,782	1,677
Admin & General	168,268	141,062	161,501	148,846	162,405	178,658	155,157	184,452	171,785	179,260	158,438	164,272	181,944
Depreciation	256,632	257,058	257,663	258,330	258,805	259,420	259,954	260,604	263,182	263,585	266,108	266,580	266,615
Regulatory	2,834	3,890	3,890	3,890	3,890	3,890	3,890	3,888	3,450	3,450	3,450	3,450	3,450
Interest - LTD	79,381	80,003	79,207	79,413	78,604	77,910	77,432	77,421	78,096	74,646	74,138	76,691	76,352
Interest - Deposits	128	128	130	129	128	127	126	-	124	124	124	124	123
Miscellaneous Expense	777	1,862	728	2,025	855	1,475	228	706	105	610	1,825	2,050	825
Interest Income	(2,587)	(2,616)	(2,609)	(2,551)	(2,568)	(2,485)	(2,579)	(2,573)	(2,607)	(2,586)	2,650	(2,680)	(2,619)
Non-Electric Revenue	(8,528)	1,669	(15,359)	1,066	8,730	(27,043)	21,557	851	58,069	(19,846)	(14,025)	13,103	(4,894)
Capital Credits	-	-	-	(448)	(11,788)	-	-	-	-	-	(146,863)	-	-
Margins	(118,799)	5,499	72,929	101,250	287,580	(381,597)	(229,146)	(427,263)	(682,202)	175,367	356,790	130,767	(111,389)
* ()'s = positive margins													
Operating Expenses	1,013,425	1,077,232	1,017,061	1,059,083	1,033,306	1,069,956	1,025,620	1,041,063	1,020,825	998,004	1,148,796	1,030,921	1,005,652
Monthly OTIER	2.50	0.93	0.08	(0.27)	(2.66)	5.90	3.96	6.52	9.74	(1.35)	(3.81)	(0.71)	2.46
Revenue	(33,144,052)	(33,211,198)	(33,293,861)	(33,351,245)	(33,402,613)	(33,511,774)	(33,203,203)	(32,828,962)	(32,805,171)	(32,768,544)	(32,574,348)	(34,620,620)	(34,859,890)
Purchased Power	20,007,124	20,040,725	20,036,598	20,099,569	20,128,263	20,071,174	20,099,182	19,923,071	19,542,241	19,786,575	19,641,985	20,777,679	20,670,888
Gross Margins	(13,136,928)	(13,170,473)	(13,257,263)	(13,251,676)	(13,274,350)	(13,440,600)	(13,104,021)	(12,905,891)	(13,262,930)	(12,981,969)	(12,932,363)	(13,842,941)	(14,189,002)
Operations	1,100,875	1,112,291	1,123,347	1,135,788	1,171,471	1,185,290	1,170,977	1,160,112	1,160,348	1,178,399	1,167,135	1,265,828	1,251,151
Maintenance	3,485,185	3,593,939	3,646,619	3,694,578	3,764,010	3,864,879	3,948,243	4,034,456	4,089,712	3,645,564	3,848,283	4,136,159	4,125,422
Customer Service	1,085,659	1,071,227	1,073,216	1,075,503	1,079,480	1,084,267	1,082,085	1,131,180	1,149,378	1,158,091	1,148,271	1,253,435	1,242,551
Informational Advertising	239,820	234,935	236,476	240,979	241,036	249,157	254,882	266,275	248,382	252,832	250,191	274,430	272,024
Demonstration Advertising	22,650	22,974	22,891	23,893	23,731	21,924	21,983	24,076	23,325	25,536	25,400	27,182	27,145
Admin & General	1,956,167	1,902,265	1,902,845	1,904,894	1,917,112	1,912,603	1,921,378	1,946,591	1,944,830	1,975,010	1,977,317	2,141,589	2,156,049
Depreciation	3,033,710	3,033,204	3,039,925	3,046,857	3,053,949	3,061,617	3,080,935	3,088,645	3,098,666	3,107,598	3,117,682	3,384,262	3,394,537
Regulatory	34,145	35,225	36,305	37,328	38,351	39,374	40,397	41,398	42,014	42,630	43,246	46,696	47,312
Interest - LTD	981,010	978,190	973,044	966,961	962,378	958,037	954,050	950,337	945,799	941,308	937,056	1,013,747	1,009,294
Interest - Deposits	2,011	1,939	1,869	1,797	1,721	1,646	1,573	1,416	1,285	1,279	1,273	1,397	1,391
Miscellaneous Expense	32,846	38,814	34,670	33,525	31,977	29,035	27,523	26,735	23,366	18,399	14,672	16,722	14,070
Interest Income	(29,742)	(29,901)	(30,053)	(30,135)	(30,213)	(30,244)	(30,369)	(30,480)	(30,651)	(30,787)	(25,706)	(28,386)	(28,410)
Non-Electric Revenue	(22,183)	(19,757)	(16,476)	(5,774)	6,423	(28,240)	(16,412)	(15,630)	31,954	25,012	18,985	32,088	15,351
Capital Credits	(166,567)	(165,416)	(165,416)	(165,864)	(176,447)	(166,222)	(166,222)	(166,222)	(166,222)	(166,222)	(159,099)	(159,099)	(159,099)
Margins	(1,381,342)	(1,360,544)	(1,378,001)	(1,291,346)	(1,189,371)	(1,257,477)	(812,998)	(447,012)	(700,743)	(807,320)	(567,658)	(436,891)	(820,215)
Operating Expense	11,974,078	12,025,003	12,081,207	12,162,103	12,285,216	12,407,829	12,504,026	12,671,221	12,727,105	12,346,647	12,530,526	13,561,448	13,540,945
Rolling 12 Month OTIER	2.41	2.39	2.42	2.34	2.24	2.31	1.85	1.47	1.74	1.86	1.61	1.43	1.81

	2015 Monthly Margins			2015 YTD Margins			2015 Projected Margins
	Actual	Budgeted	Difference	Actual	Budgeted	Difference	YTD + Actual
January	\$681,642.42	\$381,444.43	\$300,197.99	\$681,642.42	\$381,444.43	\$300,197.99	\$681,642.42
February	-\$175,367.43	-\$6,321.57	-\$169,045.86	\$506,274.99	\$375,122.86	\$131,152.13	\$506,274.99
March	-\$351,489.86	-\$166,619.57	-\$184,870.29	\$154,785.13	\$208,503.29	-\$53,718.16	\$154,785.13
April	-\$130,766.77	-\$291,768.57	\$161,001.80	\$24,018.36	-\$83,265.28	\$107,283.64	\$24,018.36
May	\$111,388.90	\$112,384.43	-\$995.53	\$135,407.26	\$29,119.15	\$106,288.11	\$135,407.26
June	\$0.00	\$129,707.43			\$158,826.58		\$265,114.69
July	\$0.00	-\$170,407.57			-\$11,580.99		\$94,707.12
August	\$0.00	-\$145,687.57			-\$157,268.56		-\$50,980.45
September	\$0.00	-\$306,473.57			-\$463,742.13		-\$357,454.02
October	\$0.00	\$335,107.43			-\$128,634.70		-\$22,346.59
November	\$0.00	\$409,254.43			\$280,619.73		\$386,907.84
December	\$0.00	\$310,823.10			\$591,442.83		\$697,730.94



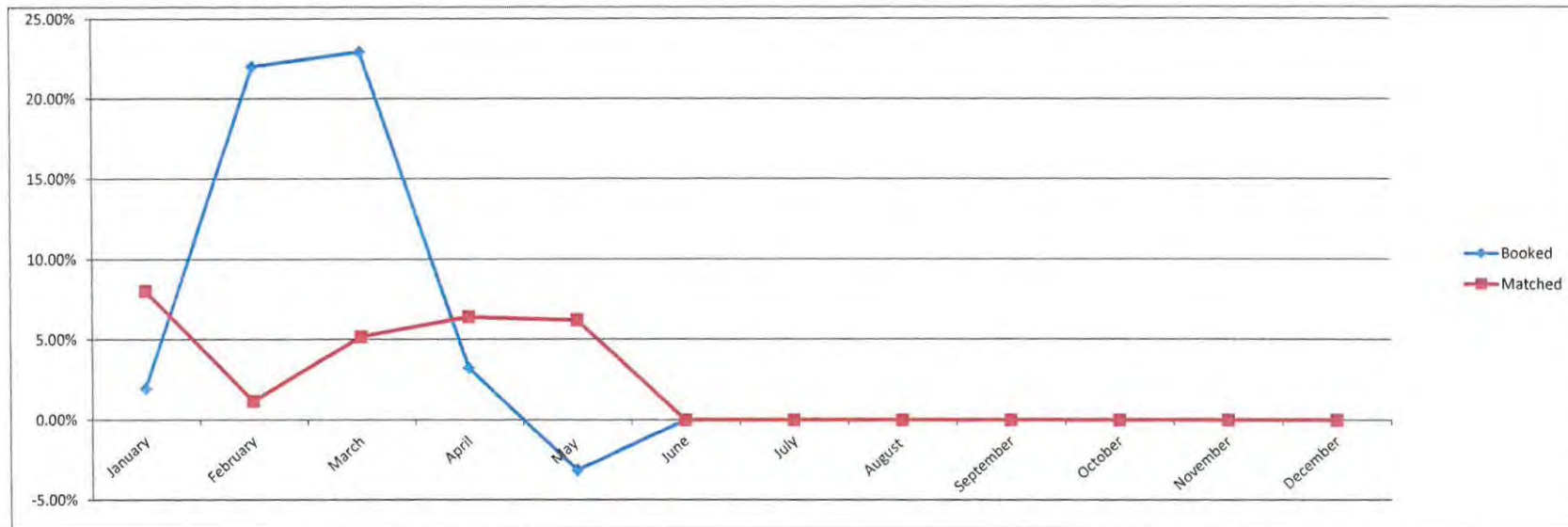
MAY 2015

219 ANALYSIS

								BUDGETED
WO NOS.	DESCRIPTION		NUMBER		COST	LOAN FUNDS	UNIT COST	UNIT COST
9	RETIREMENTS		14		0.00	0.00		
100	NEW LINE EXTENSIONS		25		71,020.08	71,020.08	2,840.80	3,229.93
200	TIE LINES							
300	MAJOR PROJECTS							
602	SERVICE UPGRADES		2		3,154.60	3,154.60	1,577.30	1,920.25
603	SECTIONALIZERS		1		481.69	481.69		
604	REGULATORS							
606	POLES		33	POLES	106,252.59	106,252.59	3,219.78	2,410.75
701	SECURITY LIGHTS		12		6,012.37	6,012.37	501.03	423.50
1600	MINOR PROJECTS		3		8,764.04	8,764.04		
	TOTAL		86		195,685.37	195,685.37		
601	<u>SPECIAL EQUIPMENT</u>	<u>ACCT#</u>						
	METERS	370.00	6		1,188.72	1,188.72	198.12	160.00
	TRANSFORMERS	368.00	45		43,152.35	43,152.35	958.94	1,120.00
	TURTLES	370.10	0		0.00	0.00	0.00	
	DISCONNECT METERS	370.20	0		0.00	0.00	0.00	
	OTHER SP EQUIP	365.00	0		0.00	0.00	0.00	
	TOTAL		51		44,341.07	44,341.07		
	MATERIAL				21,988.33			
	MATERIAL OH				36,144.66			
	LABOR				17,287.00			
	LABOR OH				55,608.55			

2015 Current Year							2014 Previous Year								
	Average	HDD	CDD	HDD	CDD	Average		Average	HDD	CDD	HDD	CDD	Average		
21-May	52	13	0	9	0	56	1-May	21-May	71	0	6	9	0	56	1-May
22-May	57	8	0	7	0	58	2-May	22-May	72	0	7	12	0	53	2-May
23-May	62	3	0	4	0	61	3-May	23-May	66	0	1	8	0	57	3-May
24-May	66	0	1	0	0	65	4-May	24-May	61	4	0	2	0	63	4-May
25-May	72	0	7	0	5	70	5-May	25-May	65	0	0	6	0	59	5-May
26-May	77	0	12	0	6	71	6-May	26-May	69	0	4	3	0	62	6-May
27-May	74	0	9	0	7	72	7-May	27-May	74	0	9	0	3	68	7-May
28-May	72	0	7	0	8	73	8-May	28-May	74	0	9	0	5	70	8-May
29-May	75	0	10	0	10	75	9-May	29-May	72	0	7	0	4	69	9-May
30-May	76	0	11	0	11	76	10-May	30-May	72	0	7	3	0	62	10-May
31-May	75	0	10	0	10	75	11-May	31-May	69	0	4	0	3	68	11-May
1-Jun	59	6	0	0	2	67	12-May	1-Jun	70	0	5	0	11	76	12-May
2-Jun	57	8	0	8	0	57	13-May	2-Jun	74	0	9	0	11	76	13-May
3-Jun	66	0	1	6	0	59	14-May	3-Jun	75	0	10	0	9	74	14-May
4-Jun	71	0	6	0	4	69	15-May	4-Jun	72	0	7	6	0	59	15-May
5-Jun	73	0	8	0	6	71	16-May	5-Jun	67	0	2	13	0	52	16-May
6-Jun	70	0	5	0	9	74	17-May	6-Jun	66	0	1	14	0	51	17-May
7-Jun	73	0	8	0	9	74	18-May	7-Jun	66	0	1	14	0	51	18-May
8-Jun	73	0	8	0	3	68	19-May	8-Jun	71	0	6	11	0	54	19-May
9-Jun	71	0	6	6	0	59	20-May	9-Jun	65	0	0	1	0	64	20-May
10-Jun	72	0	7	13	0	52	21-May	10-Jun	70	0	5	0	6	71	21-May
11-Jun	76	0	11	8	0	57	22-May	11-Jun	72	0	7	0	7	72	22-May
12-Jun	80	0	15	3	0	62	23-May	12-Jun	72	0	7	0	1	66	23-May
13-Jun	79	0	14	0	1	66	24-May	13-Jun	69	0	4	4	0	61	24-May
14-Jun	82	0	17	0	7	72	25-May	14-Jun	65	0	0	0	0	65	25-May
15-Jun	81	0	16	0	12	77	26-May	15-Jun	69	0	4	0	4	69	26-May
16-Jun	80	0	15	0	9	74	27-May	16-Jun	76	0	11	0	9	74	27-May
17-Jun	79	0	14	0	7	72	28-May	17-Jun	78	0	13	0	9	74	28-May
18-Jun	79	0	14	0	10	75	29-May	18-Jun	79	0	14	0	7	72	29-May
19-Jun	75	0	10	0	11	76	30-May	19-Jun	78	0	13	0	7	72	30-May
20-Jun	75	0	10	0	10	75	31-May	20-Jun	73	0	8	0	4	69	31-May
	71.9	38	252	64	157	68.0			70.7	4	181	106	100	64.8	
			290								185			206	

2015	January	February	March	April	May	June	July	August	September	October	November	December
Sales	30,110,413.00	24,071,853.00	17,918,995.00	16,808,679.00	19,311,724.00							
Purchases:												
Booked	30,707,957.00	30,858,196.00	23,245,192.00	17,367,652.00	18,727,031.00							
Matched	32,729,548.84	24,351,751.40	18,893,340.70	17,956,117.78	20,588,676.20							
kWh Loss												
Booked	597,544.00	6,786,343.00	5,326,197.00	558,973.00	-584,693.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Matched	2,619,135.84	279,898.40	974,345.70	1,147,438.78	1,276,952.20	0.00	0.00	0.00	0.00	0.00	0.00	0.00
% Line Loss												
Booked	1.95%	21.99%	22.91%	3.22%	-3.12%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Matched	8.00%	1.15%	5.16%	6.39%	6.20%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!



Grayson Rural Electric Cooperative Corporation

109 Bagby Park • Grayson, KY 41143-1292
Telephone 606-474-5136 • 1-800-562-3532 • Fax 606-474-5862

TO: Board of Directors and Legal Counsel
FROM: Carol Ann
DATE: July 20, 2015
SUBJECT: Amended Agenda

The GRECC Board Meeting Agenda was amended due to receiving Mr. Alan Zumstein's confirmation after preparation of the board packets. Items 18 and 19 were combined due to similarity.

If you have any questions that I can help you with, please do not hesitate to call.

AMENDED AGENDA

GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION BOARD MEETING AGENDA

On August 28, 2015, the Directors of Grayson Rural Electric Cooperative Corporation were called to meet by the Chairman.

1. Sign Wavier of Notice
2. Invocation
3. Approval of the Minutes from the July Board Meeting.
4. Manager of Technical Services Report – Brian Poling
5. Manager of Finance & Accounting Report and Approval of the Financial & Statistical Report for June 2015 – Bradley Cherry, Manager of Finance & Accounting
6. **Report on the Results of the Audit Dated June 1, 2014 to May 31, 2015 – Alan Zumstein**
7. Consideration of the Wage & Salary Plan for September 1, 2015 Through August 31, 2016 for Non-Union Employees
8. Manager of Marketing & Member Services Report – Kim Bush
9. Operations Report and Safety Report – Kyle Clevenger, Manager of Operations
10. Approval of One Hundred Four (104) New Memberships and Retirement of Ninety-Six (96) Existing Memberships for July 2015
11. Consider Approval of Accounts to be Charged Off to Reserve \$5,710.91
12. Consider Approval of President's Business Expense in the Amount of \$403.12, Director's Business Expense in the Amount of \$9,822.83, and Attorney's Business Expense in the Amount of \$39.16
13. President's Report – Carol Hall Fraley
14. Cooperative Legal Matters – W. Jeffrey Scott
15. KAEC Director's Report – Jimmy Whitt
16. EKPC Director's Report – Kenneth Arrington
17. Consider Community Service and/or Donations
18. Attendance at Meetings and Report of Any Meetings Held – Directors and Employees
19. Confirm Date for the September Board Meeting, **Monday**, September 21, 2015
20. Additional Business
21. Adjourn

Grayson Rural Electric Cooperative Corporation

109 Bagby Park • Grayson, KY 41143-1292
Telephone 606-474-5136 • 1-800-562-3532 • Fax 606-474-5862

August 20, 2015

W. Jeffrey Scott,
Attorney at Law
P. O. Box 608
Grayson, KY 41143

Dear Jeffrey:

A Regular Board Meeting of GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION will be held on **Friday, August 28, 2015, at 9:00 a.m.**

We look forward to seeing you at the Board Meeting.

Sincerely,



Priscilla Sparks
Executive Assistant

GRAYSON RURAL ELECTRIC
COOPERATIVE CORPORATION

Enclosures:

1. Agenda
2. Miscellaneous Analysis

Grayson Rural Electric Cooperative Corporation

109 Bagby Park • Grayson, KY 41143-1292
Telephone 606-474-5136 • 1-800-562-3532 • Fax 606-474-5862

August 20, 2015

Dear Director:

A Regular Meeting of the Board of Directors is hereby called. I do hereby fix the GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION headquarters in Grayson, Commonwealth of Kentucky, as the place, and **Friday, the twenty-eighth day of August, 2015 at 9:00 a.m.**, for holding of said meeting for the following purposes:

To take any and all action and to transact any and all business which may be necessary, convenient, or desirable in connection with any of the foregoing and the organization of the Corporation at said meeting or at any adjournment or adjournments thereof; and for the transaction of such other business which may come before the meeting or any adjournment or adjournments thereof, as well as consider altering, amending, or repealing the current Bylaws of the Corporation in the manner hereinafter set forth.

Sincerely,



Roger L. Trent
Chairman

GRAYSON RURAL ELECTRIC
COOPERATIVE CORPORATION

RLT/ps

Enclosures:

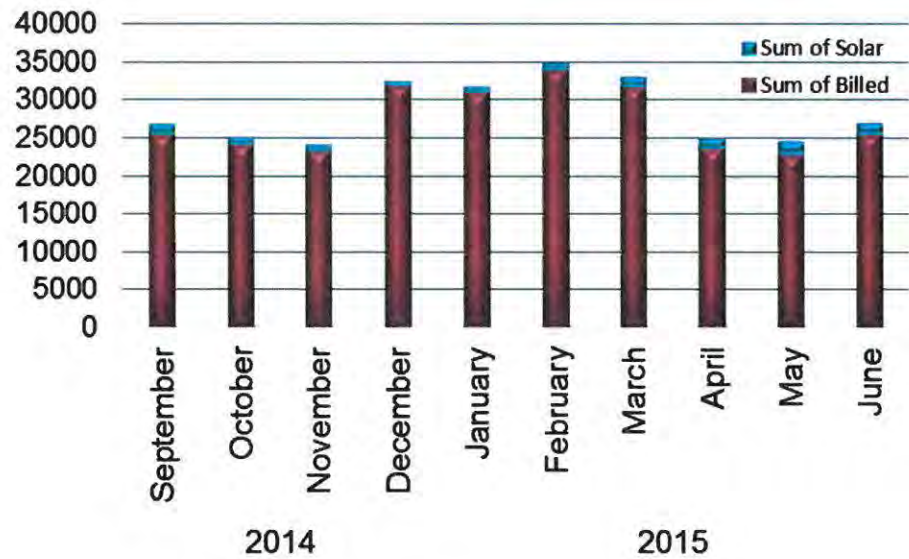
1. Agenda
2. Miscellaneous Analysis

GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION
BOARD MEETING AGENDA

On August 28, 2015, the Directors of Grayson Rural Electric Cooperative Corporation were called to meet by the Chairman.

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17. Attendance at Meetings – Directors & Employees
18. Confirm Date for the September Board Meeting, Monday, September 21, 2015
19. Additional Business
20. Adjourn

Slide 2:



The red portion of the bars represents the number of kWh we use at the office complex each month, compared to the light blue portion of each bar, which is the amount the solar panels contributed.

Data on the solar panel is accessible on our website under the Environment tab.

KY FIBER NETWORK

The “Next Generation, Kentucky Internet Project” is asking for lower attachment prices than the rate we charge the telephone companies. The governor has enlisted help from Hal Rogers. We do not feel that we can charge them a lower attachment fee because our fees are cost based. We believe other members should not have to pay the difference.

Our average span length is 350 feet. We have access to other sources for fiber, and our average investment per pole is \$1,800. This is an average of every pole ever set on our system, from the 1950’s to date. Our new work plans calls for an investment of over \$3,000 for every new pole we set over the life of the plan.

MANAGER OF FINANCE AND ACCOUNTING REPORT

Bradley Cherry, Manager of Finance and Accounting, presented the Financial & Statistical Report for May 2015. Mr. Cherry reported on the following:

FINANCIAL & STATISTICAL REPORT FOR MAY 2015

Kilowatt hour sales for the month of May (5/20-6/20) were 3.52 % over budget. Purchases for the time period of 5/1-31/15 were 3.68 % over budget. Line loss for the last twelve months was 5.32 %. Year to date margins are \$135,407 compared to the budgeted amount of \$29,119.

Sales were \$161,000 less. Purchased power was \$137,302 less. Right-of-way expense was over budget by \$14,421. Annual Meeting expense to date is \$26,820.

Bradley said he reported to FEMA a cost of approximately \$400,000 plus for the June storm. We had included \$400,000 in this year’s budget to help

cover storm expense. If we can recover part of our losses from FEMA, it will be a big help to us.

We submitted the last paper work to FEMA today for the March storm and could be reimbursed up to \$300,000. We are responsible for 15% and we could recover 85%.

Carter County most likely will receive aid for the July storm. The governor will forward a request to the President. Bradley, Sherry, Mike Martin and Kyle are working with FEMA and will be reimbursed for working with them based on their combined average wages. FEMA has been really good to work with.

Capital credits weren't paid this month due to storm, but will be caught up next month.

President Fraley stated copies of the proposed changes to (see below):
Board Policy 204, Equity Management/Capital Credits, and
Grayson Rural Electric Cooperative Corporation Bylaws, Article VII, Non-Profit Corporation, Section 2. Patronage Capital in Connection with Furnishing Electric Energy was mailed with the Board Packet. Proposed changes to Board Policy 204 and Section 2 of the Bylaws would allow the Cooperative to pay capital credits for deceased estates immediately, based on what was assigned to an account at that time. Any additional capital credited to the account would be paid when margins are assigned the following year.

BOARD POLICY 204

GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION

BOARD POLICY NO. 204

SUBJECT: EQUITY MANAGEMENT/CAPITAL CREDITS POLICY

I. OBJECTIVE

- A. Assure the financial integrity of Grayson Rural Electric Cooperative Corporation at all times so that it can be certain of providing high quality electric service on a continuing basis to its members.
- B. Establish means whereby Grayson Rural Electric Cooperative Corporation's members will, in fact, receive electric service at cost taking into account reasonable reserves for proper operations and maintenance of the system, and as a result, enable them to clearly see the benefits of receiving service from their Cooperative as compared to an investor-owned utility or municipality.
- C. To establish the standards, rules, methodologies and procedures governing the Cooperative's retirement of capital credits.

II. POLICY

- A. Capital credit retirements will be made only upon authorization by the Board of Directors based upon its determination that such is in the best interest of the Cooperative and will not impair the Cooperative's financial condition. Such retirements shall also be subject to any applicable restrictions contained in the Cooperative's mortgages or loan contracts with the United States Rural Utilities Service (RUS), National Rural Utilities Cooperative Finance Corporation (CFC) or any other lender of funds to the Cooperative and shall also be subject to any orders or regulations of the Public Service Commission of Kentucky (PSC) as are applicable to the Cooperative.

BOARD POLICY 204 (CONTINUED)

- B. Capital credits May will be paid on a discounted basis, at the discretion of the Board of Directors, including deceased estates which shall be paid up to the date of death of the deceased member.
- C. No retirement of capital that has been separately accounted for and credited to a patron in relation to capital credits issued to the Cooperative by an affiliated organization (such as G & T) shall be authorized or made until and unless the Cooperative shall have received its own retirement of such credits in cash or by way of billing credits.
1. Estates of deceased members will be paid first should Any capital credit refunds be appropriated under the guidelines of (A) above. ~~should be first applied against the settlement of estates of deceased members.~~
 2. ~~Capital credits will first be applied to any indebtedness owed to the Cooperative and then~~ may be ~~retired to Cooperative patrons~~ paid by check or by way of billing credits, ~~whichever is decided to be whichever is decided to be~~ most effective and in the Cooperative's best interest.
 3. In accordance with the Bylaws of the Cooperative, Article I., Section 1, "Upon the death of a member the membership may be transferred to the surviving spouse provided the surviving spouse requests such transfer and the transfer is not a violation of the deceased's Will." At that time the surviving spouse may apply for the capital credits accrued to the estate of the deceased member.
- D. Capital credits will be accrued to the date of death of the member. If there is no surviving spouse, application for payment of capital credits can be made by the legal representative of the estate or its' heirs. All capital credits accrued after the death of a member shall be forfeited unless the account is transferred in accordance with Cooperative policies within six months of the death of said member to the surviving spouse. If the legal representative(s) of a deceased member's estate shall request in writing that the capital credited to the account of the deceased member be paid, the Board of Directors, acting under such terms and conditions of the Cooperative's Bylaws, shall approve the payment of capital credits assigned at the time of application, to the estate of the deceased member. However, the financial condition of the Cooperative must not be impaired thereby. No account can be left in the name of the deceased member. Any additional capital credits assigned to a deceased member's account shall be paid at the next general rotation of capital credits, at the discretion of the Board.

GRECC BOARD POLICY NO. 204
PAGE 2

~~If application for capital credits for a deceased member is properly made in the same year of the death of the member, payment of capital credits for his/her accounts will be made in March of the following year. At that time, the amount of patronage will have been established for the previous year.~~

~~If application for capital credits for a deceased member who has passed away any time prior to the current year, patronage capital shall be paid, up until the date of death of the member. Payment shall be made as soon as possible after the application is processed.~~

- E. Except for the priority of settlement of estates of deceased members ~~mentioned in~~ above, any ~~other other general rotations~~/retirements in any given year shall be made in such aggregate amounts and for all or a portion of such one or more years as the Board of Directors, in its discretion, shall determine.

BOARD POLICY 204 (CONTINUED)

- F. The discretionary powers of such capital credits repayment shall remain with the Board of Directors of Grayson Rural Electric Cooperative Corporation as stated in the Cooperative's Bylaws, Article VII, Section 2, and nothing stated in this policy will diminish that right.

III. RESPONSIBILITY

It shall be the responsibility of the Board of Directors and the President and CEO to see that this policy is adhered to. This revised policy is a combination of former policies 204, 205, and 206, thus updating Policy 204 and rescinding 205 and 206.

Roger L. Trent, Chairman

Bill E. (Eddie) Martin, Secretary/Treasurer

Date Adopted: 06/21/85
Date Revised: 07/23/93
Minute Book Page: 2287 - 2288
Date Revised: 01/24/97
Minute Book Page: 2839 - 2840
Date Revised: 04/24/03
Minute Book Page: 3502 - 3504
Date Reaffirmed: 04/19/10
Minute Book Page: 4313
Revised: 10/24/13
Minute Book Page: 4755-4757
Revised: [07/24/15](#)
[Minute Book Page:](#)

**Bylaws of Grayson Rural Electric Cooperative Corporation
ARTICLE VII**

NON-PROFIT CORPORATION

SECTION 2. PATRONAGE CAPITAL IN CONNECTION WITH FURNISHING ELECTRIC ENERGY. In the furnishing of electric energy the Cooperative's operations shall be so conducted that all patrons will, through their patronage, furnish capital for the Cooperative. In order to induce patronage and to assure that the Cooperative will operate on a non-profit basis the Cooperative is obligated to account on a patronage basis to all its patrons for all amounts received and receivable from the furnishing of electric energy in excess of operating costs and expenses properly chargeable against the furnishings of electric energy. All such amounts in excess of operating costs and expenses at the moment of receipt by the Cooperative are received with the understanding that they are furnished by the patrons as capital. The Cooperative is obligated to pay by credits to a capital account for each patron all such amounts in excess of operating costs and expenses. The books and records of the Cooperative shall be set up and kept in such a manner that at the end of each fiscal year the amount of capital, if any, so furnished by each patron is clearly reflected and credited in an appropriate record to the capital account of each patron, and the Cooperative shall upon request make available for inspection to any patron their ledger sheet showing the amount of capital credited to the account. All such amounts credited to the capital account of any patron shall have the same status as though they had been paid to the patron in cash in pursuance of a legal obligation to do so and the patron had then furnished the Cooperative corresponding amounts for capital. (Amended 9/16/77) Capital credits shall first be applied against any outstanding indebtedness owed by the member to the Cooperative. (Amended 7/24/15)

All other amounts received by the Cooperative from its operation in excess of costs and expenses shall, insofar as permitted by law, be (a) used to offset any losses incurred during the current or any prior fiscal year, and (b) to the extent not needed for that purpose, allocated to its patrons on a patronage basis and any amount so allocated shall be included as part of the capital credited to the accounts of patrons, as herein provided.

GRAYSON RURAL ELECTRIC COOPERATIVE
CORPORATION BYLAWS (CONTINUED)

In the event of dissolution or liquidation of the Cooperative, after all outstanding indebtedness of the Cooperative shall have been paid, outstanding capital credits shall be retired without priority on pro-rata basis before any payments are made on account of property rights of members. If, at any time prior to dissolution or liquidation, the Board of Directors shall determine that the financial condition of the Cooperative will not be impaired thereby, the capital credited to patrons' accounts may be retired in full, or in part. Any such retirements of capital shall be at the discretion and direction of the Board as to timing, method and type of retirement. (Amended 3/23/90)

Capital credited to the account of each patron shall be assignable only on the books of the Cooperative pursuant to written instructions from the assignor and only to successors in interest or successors in occupancy in all or a part of such patrons' premises served by the Cooperative unless the Board of Directors, acting under policies of general application, shall determine otherwise.

Any capital credit refunds appropriated under these bylaws shall first be applied against the settlement of estates of deceased members. (Amended 7/24/15)

~~Notwithstanding any other provisions of these bylaws, the Board of Directors at its discretion, shall have the power at any time upon the death of any patron, if the legal representatives of his estate shall request in writing that the capital credited to any such patron be retired prior to the time such capital would otherwise be retired under the provisions of these bylaws, to retire capital credited to any such patron immediately upon such terms and conditions as the Board of Directors acting under policies of general application, and the legal representatives of such patron's estate shall agree upon; provided, however, that the financial condition of the Cooperative will not be impaired thereby.~~

If the legal representative(s) of a deceased member's estate shall request in writing that the capital credited to the account of the deceased patron be paid, the Board of Directors, acting under such terms and conditions of these Bylaws and the policies of general application, shall approve the payment of capital credits assigned at the time of the application, to the estate of the deceased member. However, the financial condition of the Cooperative must not be impaired thereby. Capital credits shall first be applied to any indebtedness of the Member. No account can be left in the name of the deceased member. Any additional capital credits assigned to a deceased member's account shall be paid at the next general rotation of capital credits, at the discretion of the Board. (Amended 7/24/15)

President and CEO Fraley asked Legal Counsel if he had any comment regarding the proposed new policy. Legal Counsel stated he had no further comment beyond those that he had previously given which expressed reservation about legality of same.

A motion was made to accept Board Policy 204 Equity Management/Capital Credits and the Bylaw's Section 2. Patronage Capital in Connection with Furnishing Electric Energy by Director Martin, seconded by Director Rice and unanimously agreed upon.

Mr. Cherry received from RUS Contract for the 2015-2018 Work Plan. We are required to read and adopt this month and sign at the August 28, 2015 Board Meeting. Bradley Cherry read the Resolutions between Grayson Rural Electric Cooperative Corporation and Federal Financing Bank (FFB).

GO TO PAGE 7

SECRETARY'S CERTIFICATE

I, Billy E. "Eddie" Martin, do hereby certify that: I am the secretary of Grayson Rural Electric Cooperative Corporation (hereinafter called the "Corporation"), the following ~~are~~ ^{are true} and correct copies of resolutions duly adopted by the Board of Directors¹ of the Corporation at the ~~special~~ ^{regular} meeting held July 24, 20 15, and entered in the minute book of the Corporation and none of the following resolutions has been rescinded or modified:

RESOLUTIONS

1. RESOLVED that the Corporation borrow from the Federal Financing Bank ("FFB") an amount not to exceed \$20,000,000.00, to be guaranteed by the United States of America (the "Government"), acting through the Administrator of the Rural Utilities Service ("RUS"); and

2. RESOLVED that the corporation accept the terms and conditions which the Administrator of RUS has established for obtaining its guarantee of the FFB loan, as such terms and conditions are set forth; and

3. RESOLVED that the Chairman is authorized on behalf of the Corporation to execute and deliver under its corporate seal, which the secretary is directed to affix and attest:

- (a) as many counterparts respectively as shall be deemed advisable of an agreement with the Government, in the form of the RUS Loan Contract submitted to this meeting; and
- (b) a note payable to FFB and guaranteed by RUS in the principal amount of \$20,000,000.00, substantially in the form of the FFB note submitted to this meeting; and
- (c) the note payable to the Government, acting through the Administrator of RUS, substantially in the form of the Reimbursement Note submitted to this meeting; and

4. RESOLVED that the officers of the Corporation be, and each of them is authorized in the name and on behalf of the Corporation, to execute all such instruments, make all such payments and do all such other acts as in the opinion of the officer or officers acting may be necessary or appropriate in order to carry out the purposes and intent of the foregoing resolutions; and

5. RESOLVED that [(title(s) of corporate official(s) authorized)], and any official(s) authorized to act in such corporate position(s) and to perform the functions of such position(s) [is]/[are] authorized on behalf of the Borrower (a) to execute and deliver from time to time advance requests, maturity extension election notices, prepayment election notices and refinancing election notices, in the form of such instruments attached to the note payable to FFB, and (b) to specify information and select options as provided in such instruments.

I FURTHER CERTIFY THAT each member of the Board of Directors of the Corporation was furnished with notice of said meeting in compliance with the bylaws of the Corporation.

I FURTHER CERTIFY THAT the date of actual execution of the documents referred to above is July 24, 20 15.

Secretary of the Board

¹If the Borrower has trustees instead of directors, substitute "trustees" for "directors" throughout.

SECRETARY'S CERTIFICATE
(CONTINUED)

I FURTHER CERTIFY THAT the following are the names and signatures, respectively, of the officers of the Corporation identified below who validly held and occupied their respective positions on said date of actual execution of the documents.

<u>Office</u>	<u>Name</u>	<u>Signature</u>
Chairman	<u>Roger L. Trent</u>	_____
Vice Chairman	<u>Harold L. Dupuy</u>	_____
Secretary	<u>Billy E. "Eddie" Martin</u>	_____
Treasurer	<u>N/A</u>	_____

IN WITNESS WHEREOF I have hereunto set my hand and affixed the seal of the Corporation this 24th day of July, 2015.

Secretary

(Corporate Seal)

NOTE: See closing instructions for details on using this form.

A motion was made to accept the Resolution as read, by Director Whitt, seconded by Director Dupuy and unanimously agreed upon.

DRIVE THRU Diebold, who installed the drive thru, said the water problem is an act of God and President Fraley thinks it was improper installation.

SALES TAX KAEC is heading up a sales tax issue with the Commonwealth. The Commonwealth wants to tax us on all things computer related and we have not had to pay tax like that before. To date, there is no defined method of paying or collecting the tax. We are waiting on the results of a hearing. This could be relatively expensive.

WAGE AND SALARY COMMITTEE President Fraley stated a Wage and Salary Committee Meeting will need to meet in August, before the 28th Board Meeting. Directors Martin, Dupuy and Rice are on the Committee with Chairman Trent, ex-officio. We will project costs of an increase based on the amount of the Union contract percentage. We will call and schedule a date with the Committee.

Legal Counsel Scott asked Bradley if he could tell the Board how much our members had saved on their power bills due to the rebate EKPC was ordered to return to the members. The total of the order was \$8.3 million. He asked if it was broken down by cooperative per month or how we knew how much our members were saving. The power bill comes in the first or second week of the next month. Bradley will check on this.

APPROVAL OF FINANCIAL & STATISTICAL REPORT FOR MAY 2015 Motion was made by Director Bentley, seconded by Director Rice and unanimously agreed to approve the Financial and Statistical report for May 2015 as presented, for informational purposes only.

MANAGER OF MARKETING & MEMBER SERVICES Kim Bush, Manager of Marketing and Member Services, gave her report.

PREPAY SUMMARY
390 Active PrePay Accounts 8 Inactive Accounts (run out of money)
Average Balance on accounts \$45.86 credit
Average kwh Usage-32 a day Total Number of Payments in 30 days-1415
Average Payment-\$34.83 Total Payment Amount-\$49,283.43
Accounts are added about everyday. We get messages about every night from CRC.

DEBT MANAGEMENT
There are 60 active accounts with debt management out of 390 accounts.
Total amount in Debt Management is \$14,837.21
15% of active accounts have Debt Management
Under \$100=12 \$100-\$199=18 \$200-\$299=9
\$300-\$399=9 \$400-\$499=10 over \$500=2

PHONE REPORT
The Member Service Representatives answered 3,388 calls in June. Our new phone system, allows a report that tells what most of these calls were concerning. Some are the calls were in regards to:

Payments: 857 Bill Inquiry: 362
PrePay Inquiry: 70 Service Man: 1

The Member Representatives are still learning to close out their calls by reporting a 'wrap' for each call. You have a 10 second window to enter a code.

SCHOOL/COMMUNITY
PROGRAMS

GRECC sponsored 2 students on the Washington Youth Tour and received thank you cards from them.
A safety demonstration was provided for 50 kids at the Carter Caves Target Camp.

ANNOUNCEMENTS

Soon, we will no longer be able to take a credit card payment over the phone or by mail. Our bill printer company will use what bill stock that we currently have with the place on the back side for credit/debit card information. Once this is used, the new stock will not have that option. This is due to new credit card laws and procedures that are meant to protect the consumer's credit card information. We will be able to accept phone payments made with checking/savings account information but not credit/debit cards. Our members will be able to use the IVR to enter their credit/debit card information or they can pay them online.
Anything that we have with credit card and debit card information has to be shredded.

President Fraley asked if credit cards and debit cards that are on draft every month can still be used. They will not be allowed and Peggy and Andrea are working on the customers that are on draft. President Fraley will ask Andrea to make a report at the August Board Meeting.

We are planning our Service Awards Dinner to be at the old Olive Hill School for Friday, December 11, 2015. Texas Road House will cater. Appetizers will be served at 6:00 p.m., followed by dinner at 7:00 p.m.

OPERATIONS REPORT

Kyle Clevenger, Manager of Operations gave the Operations Report. He reported on the following:

EMPLOYEE/LOST TIME
ACCIDENT

There were no lost time accidents to report this month.

SAFETY REPORT

The following safety meetings were held during June:

June 01 —Bradley Cherry, Mgr. of Finance & Accounting, turned the meeting over to Kippy James. Two representatives from Equipment Resources attend the meeting and went over the procedure of Rubber Glove Testing. Carol Ann addressed issues on primary metering.

June 10 —Kyle Clevenger, Mgr. of Operations, turned the meeting over to David White from KAEC. The monthly safety meeting was held at the Fleming-Mason Co-op and was on Chain Saw Safety/Tree Felling Training. The trainers were Matt Irvin, W A Kendall Co. and David White, KAEC.

June 15 —Carol Fraley, President and CEO, discussed what "Smart Grid" meant, different types of meters we have and appliance rebates. Kyle reminded everyone to work safe, hot weather temperatures and insect problems.

June 22 —Mike Martin, Asst. Mgr. of Operations, discussed heat exhaustion - the symptoms, treatment and risk factors, and safety tips during power outages was discussed. Kyle Clevenger discussed a safety investigation involving Bill Delong. Bob Layman checked all fire extinguishers.

SAFETY REPORT
(CONTINUED)

June 29—Andrea McCleese, Technical Services Supervisor, did a power point from the Safety Manual, pages 105 & 106: Office Safety.

Kyle continues to mention the necessity and importance of hard hats, rubber gloves and using ground chains. A line is not dead until it is grounded.

METERS ON DOUBLEWIDES

President Fraley said we are working to make our members informed about what can and cannot be mounted on the doublewides. In order to mount the service on the side of the home, we must have information provided from the manufacturer. We keep a copy of this information, along with their state certified electrical inspections. This information goes in their file.

Mike Martin said Bobby Smith will be cutting the three trees that fell behind the office during the recent storms. One fell on carport of a house behind Farm Bureau.

BUILDING PERMITS

Kyle said a building permit has to be purchased before your home can be set up or built in Greenup County. Gary Boyd's daughter collects the fees for these permits. The county gets nothing. The cost is approximately \$400. They are supposed to check egress, sewer and plumbing sticker permit, and electrical inspections. They charge \$.14 square foot.

Director Dupuy asked Mike Martin to look at three-phase right-of-way out of Argentum. It looks like trees are leaning.

CONSTRUCTION

Construction built ninety (90) new work orders for the month of June and worked ten (10) hours of overtime.

OVERTIME HOURS

The Maintenance Department worked four hundred thirteen (413) hours of overtime in June. The Engineering Department worked nine (9) overtime hours in June.

DELINQUENT NOTICES

The Maintenance & Construction Departments collected on two hundred twelve (212) delinquent accounts and disconnected twenty-seven (27) accounts in July.

CONTRACT CREWS

The three (3) Pike crews have been working in the following areas:
Tony Seagraves – Stark, Elliott County and New Construction
Adam Rice – Montgomery, Lewis County
Ryan Rice – Miscellaneous Pole Changes

RIGHT-OF-WAY CREWS

We have ten (10) W A Kendall right-of-way crews working on random jobs and work orders at this time. Crew's trimmed 784 trees, cut 980 trees, cut 30,425 feet of brush/line and sprayed 342 spans of line. The crews are working in the following areas:

- 1 cutting crew in Carter, Lewis and Greenup Counties
- 1 cutting crew in Elliott and Lawrence Counties
- 1 cutting crews in Rowan County
- 1 bucket truck crew in Carter, Lewis and Greenup Counties
- 1 bucket truck crew in Elliott and Lawrence Counties
- 1 bucket truck crew in Rowan County
- 1 tractor crew in Rowan County
- 2 spray crews in Carter County
- 1 spray crew in Lawrence County

One Smith Tree Service circuit crew on Smith Creek above Carter City

ENGINEERING REPORT The Engineering Department released seventy-one (71) prints consisting of 2,105 feet of primary line and 825 feet of service wire. We currently have two (2) new services to be staked and one (1) to be drawn. There are twenty-two (22) miscellaneous jobs to be staked or drawn.

APPROVAL OF NEW MEMBERSHIPS & RETIREMENT OF EXISTING MEMBERSHIPS Motion was made by Director Dupuy, seconded by Director Rice and unanimously agreed to approve one hundred (100) new memberships and retirement of one hundred thirty-five (135) existing memberships for June 2015. The number of retirements is higher because we had a six months check on meters that had been booted and not reconnected. Several of the meters were brought in to be reused.

BAD DEBT WRITE-OFFS Motion was made by Director Rice, seconded by Director Whitt and unanimously agreed to charge off \$11,647.92 worth of bad debts and turn them over for collection.

APPROVAL OF CEO'S, DIRECTOR'S & ATTORNEY'S BUSINESS EXPENSES Motion was made by Director Bentley, seconded by Director Rice and unanimously agreed to approve the President's business expense of \$46.99, Director's business expenses of \$13,707.83 and Attorney's business expense of \$335.77.

RUS WORKORDERS Motion was made by Director Rice, seconded by Director Martin and unanimously agreed to approve the following 219 RUS Work Orders for the months of January, February and March 2015 in the amount of \$426,274.87:

January 2015	Work Order No. 1212	\$145,617.19
	Work Order No. 1213	\$ 6,954.78
February 2015	Work Order No. 1214	\$94,405.12
	Work Order No. 1215	\$ 7,953.10
March 2015	Work Order No. 1216	\$161,115.14
	Work Order No. 1217	<u>\$ 10,229.54</u>
	Total	\$426,274.87

PRESIDENT'S REPORT President Fraley reported on the following:

MOU The last version of the MOU was received from Don Mosier and mailed in the board packet for Directors to review.

Legal Counsel pointed out that the proposed document contained no signature line for an East Kentucky Power representative to sign.

Motion was made to accept the East Kentucky Power Cooperative's Memorandum of Understanding and Agreement Regarding Alternate Power Sources (MOU) by Director Rice, seconded by Director Martin and unanimously agreed upon.

A sample board packet to run for a board seat will be mailed to Terry Osborne.

DIRECTORS / EMPLOYEES METERS READ Meters of all Directors, Attorney and Employees were read this week.

STRATEGIC RETREAT
ELLIOTTVILLE SUB-
STATION METER READING

Director Arrington will be attending the Strategic Retreat next week. Plans were made to read the Elliottville Substation, but will be postponed due to storm damage.

LEGAL COUNSEL'S REPORT

Legal Counsel Scott reported on the following:

His office mailed several collection letters.

He hasn't heard from the PSC on the Valley View Subdivision case.

EKP fuel clause adjustment was entered. The PSC ordered EKP to pay back the \$8.3 million to all Cooperatives. EKP may appeal the July 10 order.

Director Arrington asked about the Burton case. Legal Counsel stated nothing has been filed. There was a question brought up during the storm if we need to change out the anchor and Federated advised not to change anything related to accident. GRECC did not have to make changes.

KAEC DIRECTOR'S REPORT

Director Whitt reported:

Greg Starheim left Kenergy and went to CFC. Sandy Novick, is Kenergy Corp. Interim CEO.

Wade May, Big Sandy Cooperative Corporation passed away.

Mike Adams took his place as secretary on the EKPC Board. Kelly Shepherd is the new representative from Big Sandy to the EKPC Board.

Mike McGuirk was seated from Warren RECC.

Joseph Spalding was elected Vice Chairman and Mike Adams is the Secretary-Treasurer.

KAEC plans to sell the parking lot at the warehouse for \$300,000 to Bellarmine University.

UUS is making fewer and fewer transformers

There was no report on KY Living magazine. Anita Travis is acting editor.

Mark Stallons will finish Greg Starheim's term as secretary on the KAEC Board.

In September candidates for governor will be present at the Board Meeting.

Regions 2 & 3 will be October 28-30 in Biloxi, Mississippi

EKPC DIRECTOR'S REPORT

Director Arrington reported there was no Board Meeting in July, but a two day tour was taken to Spurlock, Dale and Smith Substations. They saw them move saturated ash out of Dale, with 40 trucks a day pumping 4 or 5 different pits. Dale is not running. They saw the Gilbert unit upgrade and where they spent several million dollars on Spurlock.

He will be attending the Strategic Meeting next week.

THANK YOU LETTER

GRECC received thank you letters from:

Lewis County Educational Foundation

Kentucky Youth Tour Students

Carter Christian Academy

Teresa Arnett at Barrett's Creek Condos - r/w crews quick response

Jimmy Paul for right-of-way work

DONATIONS

President Fraley presented to the board for their consideration the following donation requests:

Camp kids (Carter County)	\$100
Lawrence County Food Bank	\$250
Grayson Little League – golf scramble	\$100
Trooper Island Golf Tournament – sponsor boys and girls camp	\$150
Funtober Fest – Grayson Chamber of Commerce	\$100
Readi-Fest – donated school supplies	

Motion was made by Director Dupuy, seconded by Director Bentley unanimously agreed to approve the donations as presented.

MEETING ATTENDANCE

President Fraley told the Board that KAEC planned to offer the Management Certificate and Supervisory Certificates. She plans to send Bradley Cherry, Robert Brown and Andrea McCleese.

BOARD MEETING DATE

The August Board Meeting will be held on Friday the 28th.

ADDITIONAL BUSINESS

There was no additional business to bring before the board of directors.

ADJOURN

Chairman Trent adjourned the meeting at 11:40 a.m.

Roger L. Trent, Chairman

Billy E. (Eddie) Martin, Secretary/Treasurer

W. Jeffrey Scott, Legal Counsel

President & CEO's Expenses

June 2015

<u>Date</u>	<u>Check</u>	<u>Description</u>	<u>Amount</u>
06/23/15	166296	NRECA – Legal Reporting Service Subscription	\$180.20
07/02/15	166309	VISA Expenses:	
		5/18-19 KAEC Board Meeting, Louisville KY Room Expenses - \$145.09	\$180.80
		*9/02 EKPC Annual Meeting – meal expense	\$9.92
		*6/15 billing dept. working lunch – meal expense	\$9.67
06/30/15	journal entry	*5/28 Larry Holbrook funeral – meal expense	\$10.77
06/30/15	journal entry	*6/11 trip at Sam's – meal expense	\$11.76
		Total Expenses	\$403.12

*prorated expense

DIRECTORS & ATTORNEY EXPENSES

June-15

KENNETH ARRINGTON

Per Diem	- GRECC Bd. Mtg. (6/26)	\$ 246.00
MISC	-	-
VISA	-	-
	Cash in Lieu of Insurance	637.63
	24-Hr. Insurance	0.70
TOTAL	-	\$ 884.33

JIM BENTLEY

Per Diem	- GRECC Bd. Mtg. (6/26)	\$ 201.15
MISC	-	-
VISA	-	-
	Cash in Lieu of Insurance	637.63
	24-Hr. Insurance	1.08
TOTAL	-	\$ 839.86

HAROLD DUPUY

Per Diem	- EKPC Annual Mtg. (6/2); GRECC Bd. Mtg. (6/26)	\$ 565.03
MISC	-	-
VISA	-	0.00
	Cash in Lieu of Insurance	637.63
	24-Hr. Insurance	0.70
TOTAL	-	\$ 1,203.36

EDDIE MARTIN

Per Diem	GRECC Bd. Mtg. (6/26)	\$ 209.20
MISC	-	-
VISA	-	-
	Cash in Lieu of Insurance	637.63
	24-Hr. Insurance	1.08
TOTAL	-	\$ 847.91

WILLIAM T. RICE

Per Diem	GRECC Bd. Mtg. (6/26)	\$ 223.00
MISC	-	-
	-	-
VISA	Cash in Lieu of Insurance	637.63
	24-Hr. Insurance	0.49
TOTAL	-	\$ 861.12

ROGER TRENT

Per Diem	EKPC Annual Mtg. (6/2); GRECC Bd. Mtg. (6/26)	\$ 510.40
MISC	-	-
VISA	-	-
	Cash in Lieu of Insurance	637.63
TOTAL	- 24 – Hr. Insurance	0.49
		<u>\$ 1,148.52</u>

JIMMY WHITT

Per Diem	NRECA Directors Summer School (6/5-9); GRECC Bd. Mtg. (6/26)	\$ 1,998.15
MISC	-	-
VISA	NRECA Directors Summer School	1,246.51
	- KAEC Bd. Mtg.	154.36
	Cash in Lieu of Insurance	637.63
TOTAL	- 24 – Hr. Insurance	1.08
		<u>\$ 4,037.73</u>

JEFF SCOTT

Out-of-Pocket	- Postage (35) Collection Letters	\$ 19.11
	Postage Amendment 3/503	20.05
MISC	-	-
VISA	-	-
TOTAL		<u>\$ 39.16</u>

Grayson Rural Electric Financial Report

August 24, 2015

KWH Sales & Purchases: June 2015

Sales:	Month:	5.30%	Under Budget	(6/21 – 7/20)
	YTD:	.63%	Over Budget	
	2014 YTD:	.50%	Less	
Purchases:	Month:	1.73%	Over Budget	(6/1 – 6/31)
	YTD:	2.01%	Over Budget	
Line Loss :	Month:	5.57%		
	YTD:	9.77%		
	Last 12 Months:	5.61%		

Form 7: June 2015

Sales	\$ 206,890	Less
Purchased Power	\$ 95,013	Less
Right-of-Way Expense	\$ 15,000	More

Form 7: Year to Date

Margins:	\$ 141,151*
Budgeted:	\$ 158,827

Other Items:

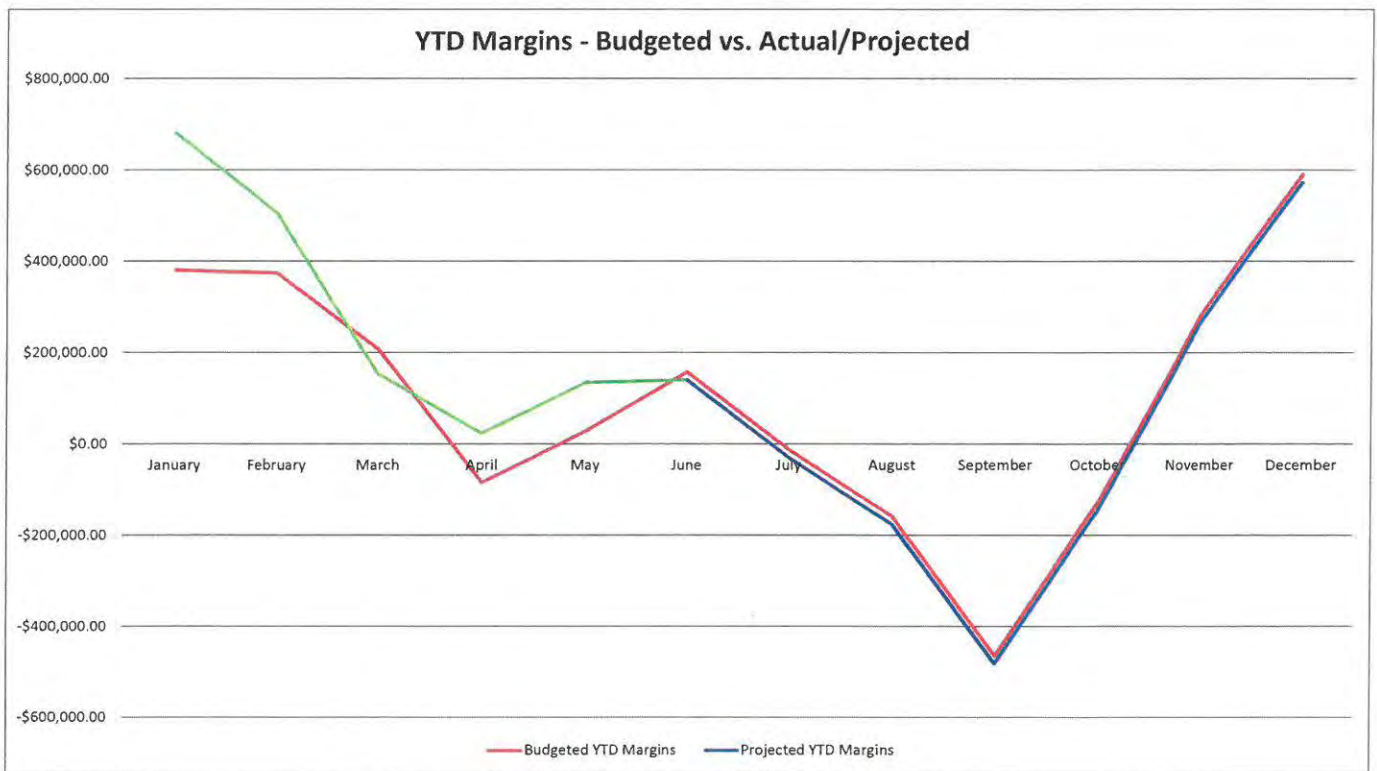
- 2nd Quarter Review
- Capital Credits
- Audit
- FEMA Update
- Insurance
 - Post-65
 - Medical/Prescription
 - RS Plan
- Work Plan Loan

Monthly Operating Rev & Exp

	June 2014	July 2014	August 2014	September 2014	October 2014	November 2014	December 2014	January 2015	February 2015	March 2015	April 2015	May 2015	June 2015
Revenue	(2,687,648)	(2,579,178)	(2,571,883)	(2,129,236)	(2,644,213)	(3,012,795)	(3,293,995)	(3,852,755)	(3,011,463)	(2,224,301)	(2,046,272)	(2,329,211)	(2,527,821)
Purchased Power	1,616,862	1,653,014	1,615,983	1,389,136	1,222,188	1,739,051	1,827,391	2,094,265	2,211,257	1,590,533	1,135,694	1,219,683	1,511,101
Gross Margins	(1,070,786)	(926,164)	(955,900)	(740,100)	(1,422,025)	(1,273,744)	(1,466,604)	(1,758,490)	(800,206)	(633,768)	(910,578)	(1,109,528)	(1,016,720)
Operations	104,541	103,937	110,492	122,294	108,132	66,163	64,997	110,088	102,265	63,795	98,693	91,108	108,182
Maintenance	388,602	292,633	333,539	280,083	314,514	342,834	328,229	285,031	252,556	467,223	287,877	268,495	290,565
Customer Service	80,736	97,103	97,271	95,875	97,694	94,901	95,654	103,367	98,404	89,864	105,165	94,304	97,090
Informational Advertising	17,297	18,543	22,200	28,636	27,715	23,100	23,536	4,228	19,101	21,170	24,239	20,758	12,266
Demonstration Advertising	2,053	1,726	2,948	1,731	421	1,835	1,576	1,493	4,003	2,661	1,782	1,677	780
Admin & General	141,062	161,501	148,846	162,405	178,658	155,157	184,452	171,785	179,260	158,438	164,272	181,944	169,949
Depreciation	257,058	257,663	258,330	258,805	259,420	259,954	260,604	263,182	263,585	266,108	266,580	266,615	267,883
Regulatory	3,890	3,890	3,890	3,890	3,890	3,890	3,888	3,450	3,450	3,450	3,450	3,450	3,455
Interest - LTD	80,003	79,207	79,413	78,604	77,910	77,432	77,421	78,096	74,646	74,138	76,691	76,352	76,381
Interest - Deposits	128	130	129	128	127	126	-	-	124	124	124	123	123
Miscellaneous Expense	1,862	728	2,025	855	1,475	228	706	105	610	1,825	2,050	825	772
Interest Income	(2,616)	(2,609)	(2,551)	(2,568)	(2,485)	(2,579)	(2,573)	(2,607)	(2,586)	2,650	(2,680)	(2,619)	(2,615)
Non-Electric Revenue	1,669	(15,359)	1,066	8,730	(27,043)	21,557	851	58,069	(19,846)	(14,025)	13,103	(4,894)	(13,362)
Capital Credits	-	-	(448)	(11,788)	-	-	-	-	-	(146,863)	-	-	(494)
Margins	5,499	72,929	101,250	287,580	(381,597)	(229,146)	(427,263)	(682,202)	175,367	356,790	130,767	(111,389)	(5,744)
* ()'s = positive margins													
Operating Expenses	1,077,232	1,017,061	1,059,083	1,033,306	1,069,956	1,025,620	1,041,063	1,020,825	998,004	1,148,796	1,030,921	1,005,652	1,027,447
Monthly OTIER	0.93	0.08	(0.27)	(2.66)	5.90	3.96	6.52	9.74	(1.35)	(3.81)	(0.71)	2.46	1.08
Revenue	(33,211,198)	(33,293,861)	(33,351,245)	(33,402,613)	(33,511,774)	(33,203,203)	(32,828,962)	(32,805,171)	(32,768,544)	(32,574,348)	(32,530,678)	(32,382,950)	(32,223,123)
Purchased Power	20,040,725	20,036,598	20,099,569	20,128,263	20,071,174	20,099,182	19,923,071	19,542,241	19,786,575	19,641,985	19,451,205	19,315,057	19,209,296
Gross Margins	(13,170,473)	(13,257,263)	(13,251,676)	(13,274,350)	(13,440,600)	(13,104,021)	(12,905,891)	(13,262,930)	(12,981,969)	(12,932,363)	(13,079,473)	(13,067,893)	(13,013,827)
Operations	1,112,291	1,123,347	1,135,788	1,171,471	1,185,290	1,170,977	1,160,112	1,160,348	1,178,399	1,167,135	1,160,042	1,146,506	1,150,147
Maintenance	3,593,939	3,646,619	3,694,578	3,764,010	3,864,879	3,948,243	4,034,456	4,089,712	3,645,564	3,848,283	3,856,926	3,841,616	3,743,579
Customer Service	1,071,227	1,073,216	1,075,503	1,079,480	1,084,267	1,082,085	1,131,180	1,149,378	1,158,091	1,148,271	1,148,246	1,150,338	1,166,692
Informational Advertising	234,935	236,476	240,979	241,036	249,157	254,882	266,275	248,382	252,832	250,191	251,267	250,522	245,492
Demonstration Advertising	22,974	22,891	23,893	23,731	21,924	21,983	24,076	23,325	25,536	25,400	25,468	23,906	22,633
Admin & General	1,902,265	1,902,845	1,904,894	1,917,112	1,912,603	1,921,378	1,946,591	1,944,830	1,975,010	1,977,317	1,974,104	1,987,781	2,016,668
Depreciation	3,033,204	3,039,925	3,046,857	3,053,949	3,061,617	3,080,935	3,088,645	3,098,686	3,107,598	3,117,682	3,127,922	3,137,905	3,148,730
Regulatory	35,225	36,305	37,328	38,351	39,374	40,397	41,398	42,014	42,630	43,246	43,862	44,478	44,043
Interest - LTD	978,190	973,044	966,961	962,378	958,037	954,050	950,337	945,799	941,308	937,056	932,942	929,913	926,291
Interest - Deposits	1,939	1,869	1,797	1,721	1,646	1,573	1,416	1,285	1,279	1,273	1,268	1,263	1,258
Miscellaneous Expense	38,814	34,670	33,525	31,977	29,035	27,523	26,735	23,366	18,399	14,672	13,245	13,293	12,203
Interest Income	(29,901)	(30,053)	(30,135)	(30,213)	(30,244)	(30,369)	(30,490)	(30,651)	(30,787)	(25,706)	(25,791)	(25,823)	(25,822)
Non-Electric Revenue	(19,757)	(16,476)	(5,774)	6,423	(28,240)	(16,412)	(15,630)	31,954	25,012	18,985	20,245	23,879	8,648
Capital Credits	(165,416)	(165,416)	(165,884)	(176,447)	(166,222)	(166,222)	(166,222)	(166,222)	(166,222)	(159,099)	(159,099)	(159,099)	(159,593)
Margins	(1,360,544)	(1,378,001)	(1,291,346)	(1,189,371)	(1,257,477)	(812,998)	(447,012)	(700,743)	(807,320)	(567,658)	(708,826)	(701,416)	(712,659)
Operating Expense	12,025,003	12,091,207	12,162,103	12,285,216	12,407,829	12,504,026	12,671,221	12,727,105	12,346,647	12,530,526	12,535,293	12,527,520	12,477,735
Rolling 12 Month OTIER	2.39	2.42	2.34	2.24	2.31	1.85	1.47	1.74	1.86	1.61	1.76	1.75	1.77



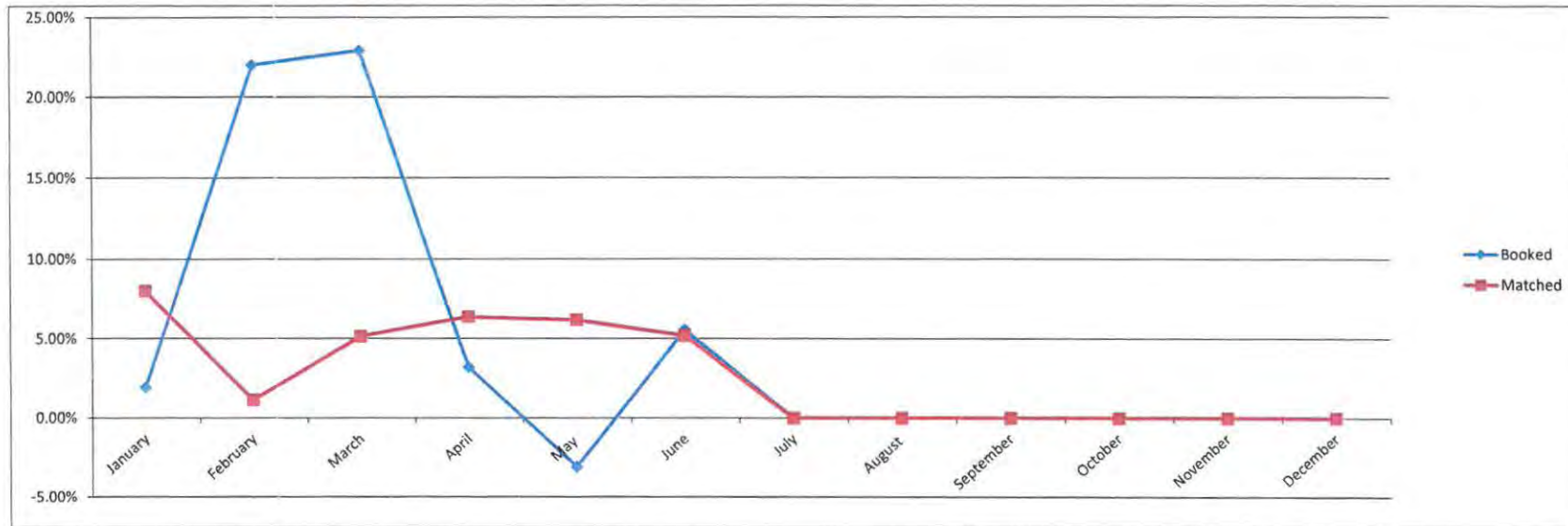
	2015 Monthly Margins			2015 YTD Margins			2015 Projected Margins
	Actual	Budgeted	Difference	Actual	Budgeted	Difference	YTD + Actual
January	\$681,642.42	\$381,444.43	\$300,197.99	\$681,642.42	\$381,444.43	\$300,197.99	\$681,642.42
February	-\$175,367.43	-\$6,321.57	-\$169,045.86	\$506,274.99	\$375,122.86	\$131,152.13	\$506,274.99
March	-\$351,489.86	-\$166,619.57	-\$184,870.29	\$154,785.13	\$208,503.29	-\$53,718.16	\$154,785.13
April	-\$130,766.77	-\$291,768.57	\$161,001.80	\$24,018.36	-\$83,265.28	\$107,283.64	\$24,018.36
May	\$111,388.90	\$112,384.43	-\$995.53	\$135,407.26	\$29,119.15	\$106,288.11	\$135,407.26
June	\$5,743.31	\$129,707.43	-\$123,964.12	\$141,150.57	\$158,826.58	-\$17,676.01	\$141,150.57
July	\$0.00	-\$170,407.57			-\$11,580.99		-\$29,257.00
August	\$0.00	-\$145,687.57			-\$157,268.56		-\$174,944.57
September	\$0.00	-\$306,473.57			-\$463,742.13		-\$481,418.14
October	\$0.00	\$335,107.43			-\$128,634.70		-\$146,310.71
November	\$0.00	\$409,254.43			\$280,619.73		\$262,943.72
December	\$0.00	\$310,823.10			\$591,442.83		\$573,766.82



2015 Current Year							2014 Previous Year							
	Average	HDD	CDD	HDD	CDD	Average		Average	HDD	CDD	HDD	CDD	Average	
21-Jun	80	0	15	6	0	59	1-Jun	21-Jun	76	0	11	0	5	70
22-Jun	78	0	13	8	0	57	2-Jun	22-Jun	75	0	10	0	9	74
23-Jun	80	0	15	0	1	66	3-Jun	23-Jun	78	0	13	0	10	75
24-Jun	74	0	9	0	6	71	4-Jun	24-Jun	79	0	14	0	7	72
25-Jun	74	0	9	0	8	73	5-Jun	25-Jun	77	0	12	0	2	67
26-Jun	75	0	10	0	5	70	6-Jun	26-Jun	77	0	12	0	1	66
27-Jun	69	0	4	0	8	73	7-Jun	27-Jun	76	0	11	0	1	66
28-Jun	68	0	3	0	8	73	8-Jun	28-Jun	75	0	10	0	6	71
29-Jun	68	0	3	0	6	71	9-Jun	29-Jun	78	0	13	0	0	65
30-Jun	71	0	6	0	7	72	10-Jun	30-Jun	77	0	12	0	5	70
1-Jul	69	0	4	0	11	76	11-Jun	1-Jul	81	0	16	0	7	72
2-Jul	68	0	3	0	15	80	12-Jun	2-Jul	78	0	13	0	7	72
3-Jul	71	0	6	0	14	79	13-Jun	3-Jul	72	0	7	0	4	69
4-Jul	72	0	7	0	17	82	14-Jun	4-Jul	69	0	4	0	0	65
5-Jul	71	0	6	0	16	81	15-Jun	5-Jul	67	0	2	0	4	69
6-Jul	75	0	10	0	15	80	16-Jun	6-Jul	70	0	5	0	11	76
7-Jul	77	0	12	0	14	79	17-Jun	7-Jul	79	0	14	0	13	78
8-Jul	73	0	8	0	14	79	18-Jun	8-Jul	81	0	16	0	14	79
9-Jul	77	0	12	0	10	75	19-Jun	9-Jul	77	0	12	0	13	78
10-Jul	77	0	12	0	10	75	20-Jun	10-Jul	73	0	8	0	8	73
11-Jul	71	0	6	0	15	80	21-Jun	11-Jul	76	0	11	0	11	76
12-Jul	72	0	7	0	13	78	22-Jun	12-Jul	77	0	12	0	10	75
13-Jul	75	0	10	0	15	80	23-Jun	13-Jul	83	0	18	0	13	78
14-Jul	75	0	10	0	9	74	24-Jun	14-Jul	75	0	10	0	14	79
15-Jul	71	0	6	0	9	74	25-Jun	15-Jul	71	0	6	0	12	77
16-Jul	71	0	6	0	10	75	26-Jun	16-Jul	64	1	0	0	12	77
17-Jul	76	0	11	0	4	69	27-Jun	17-Jul	66	0	1	0	11	76
18-Jul	80	0	15	0	3	68	28-Jun	18-Jul	68	0	3	0	10	75
19-Jul	78	0	13	0	3	68	29-Jun	19-Jul	70	0	5	0	13	78
20-Jul	78	0	13	0	6	71	30-Jun	20-Jul	70	0	5	0	12	77
	73.8	0	264	14	272	73.6			74.5	1	286	0	245	73.2
		264		286						287		245		



2015	January	February	March	April	May	June	July	August	September	October	November	December
Sales	30,110,413.00	24,071,853.00	17,918,995.00	16,808,679.00	19,311,724.00	19,585,260.00						
Purchases:												
Booked	30,707,957.00	30,858,196.00	23,245,192.00	17,367,652.00	18,727,031.00	20,740,644.00						
Matched	32,729,548.84	24,351,751.40	18,893,340.70	17,956,117.78	20,588,676.20	20,661,485.50						
kWh Loss												
Booked	597,544.00	6,786,343.00	5,326,197.00	558,973.00	-584,693.00	1,155,384.00	0.00	0.00	0.00	0.00	0.00	0.00
Matched	2,619,135.84	279,898.40	974,345.70	1,147,438.78	1,276,952.20	1,076,225.50	0.00	0.00	0.00	0.00	0.00	0.00
% Line Loss												
Booked	1.95%	21.99%	22.91%	3.22%	-3.12%	5.57%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Matched	8.00%	1.15%	5.16%	6.39%	6.20%	5.21%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!



JUNE 2015

219 ANALYSIS

<u>WO NOS.</u>	<u>DESCRIPTION</u>		<u>NUMBER</u>		<u>COST</u>	<u>LOAN FUNDS</u>	<u>UNIT COST</u>	<u>UNIT COST</u>	BUDGETED
9	RETIREMENTS		12		129.88	(129.88)			
100	NEW LINE EXTENSIONS		17		61,528.70	61,528.70	3,619.34	3,229.93	
200	TIE LINES								
300	MAJOR PROJECTS		2	**	0.00	0.00			
602	SERVICE UPGRADES		4		6,920.55	6,920.55	1,730.14	1,920.25	
603	SECTIONALIZERS		6		5,484.92	5,484.92			
604	REGULATORS								
606	POLES		41	POLES**	200,153.18	200,153.18	4,881.78	2,410.75	
701	SECURITY LIGHTS		19		8,768.07	8,768.07	461.48	423.50	
1600	MINOR PROJECTS		7		6,335.52	6,335.52			
	TOTAL		102		289,320.82	289,061.06			
601	<u>SPECIAL EQUIPMENT</u>	<u>ACCT#</u>							
	METERS	370.00	0		0.00	0.00	0.00	160.00	
	TRANSFORMERS	368.00	1		4,765.22	4,765.22	4,765.22	1,120.00	
	TURTLES	370.10	0		0.00	0.00	0.00		
	DISCONNECT METERS	370.20	0		0.00	0.00	0.00		
	OTHER SP EQUIP	365.00	0		0.00	0.00	0.00		
	TOTAL		1		4,765.22	4,765.22			
	MATERIAL				39,861.96				
	MATERIAL OH				37,374.78				
	LABOR				25,745.21				
	LABOR OH				53,220.85				

**Two major project work orders that also went to plant were the Brushy #1 & #2 jobs. Their costs of \$172,767.95 will not be included in the Form 219 being sent to RUS because they were in the prior work plan.

**Work order 51124 costs are not included in the 606 totals for June because its costs were included on the May Form 219. The job was reopened for a minor correction that did not change the cost of the job.

2015	RESIDENTIAL						GENERAL						
	Actual			Budget			Actual			Budget			
	\$	UNIT					KWH	\$	UNIT				
JANUARY	22,051,746	\$2,870,316	0.1302	21,825,067	\$2,741,228	0.1256	701,281	\$ 149,386	0.2130	628,698	\$125,742	0.2000	
FEBRUARY	17,220,823	\$2,172,777	0.1262	16,633,208	\$2,149,011	0.1292	551,122	\$ 124,904	0.2266	480,676	\$106,180	0.2209	
MARCH	11,682,358	\$1,496,966	0.1281	13,231,810	\$1,697,641	0.1283	380,409	\$ 99,568	0.2617	403,301	\$96,237	0.2386	
APRIL	10,633,965	\$1,353,904	0.1273	9,891,377	\$1,387,760	0.1403	359,670	\$ 95,960	0.2668	338,796	\$92,390	0.2727	
MAY	12,398,717	\$1,569,960	0.1266	12,139,354	\$1,674,017	0.1379	473,561	\$ 113,765	0.2402	444,169	\$110,256	0.2482	
JUNE	12,654,272	\$1,704,207	0.1347	13,909,004	\$1,911,097	0.1374	485,210	\$ 120,946	0.2493	520,204	\$122,790	0.2360	
JULY	-	\$0	#DIV/0!	12,821,657	\$1,775,799	0.1385			#DIV/0!	503,725	\$122,034	0.2423	
AUGUST	-	\$0	#DIV/0!	12,564,099	\$1,728,820	0.1376			#DIV/0!	490,538	\$119,246	0.2431	
SEPTEMBER	-	\$0	#DIV/0!	9,718,629	\$1,371,299	0.1411			#DIV/0!	382,905	\$103,015	0.2690	
OCTOBER	-	\$0	#DIV/0!	14,000,775	\$1,848,102	0.1320			#DIV/0!	469,609	\$114,118	0.2430	
NOVEMBER	-	\$0	#DIV/0!	17,509,991	\$2,248,283	0.1284			#DIV/0!	552,460	\$126,482	0.2289	
DECEMBER	-	\$0	#DIV/0!	20,456,044	\$2,477,227	0.1211			#DIV/0!	642,505	\$135,143	0.2103	
	86,641,881	11,168,130	\$0.1289	174,701,016	23,010,285	\$0.1317	2,951,253	\$704,530	\$0.2387	5,857,585	\$1,373,633	\$0.2345	
				87,629,821		-1.13%				2,815,843		4.81%	

2015	SMALL COMMERCIAL						LARGE POWER					
	Actual			Budget			Actual			Budget		
	KWH	\$	UNIT				KWH	\$	UNIT			
JANUARY	1,934,767	\$ 265,213	0.1371	1,805,813	\$238,798	0.1322	2,740,906	\$ 286,983	0.1047	2,685,075	\$269,542	0.1004
FEBRUARY	1,605,218	\$ 214,623	0.1337	1,488,516	\$204,044	0.1371	2,321,377	\$ 239,877	0.1033	2,329,233	\$248,637	0.1067
MARCH	1,294,454	\$ 174,756	0.1350	1,303,646	\$177,710	0.1363	2,200,461	\$ 217,251	0.0987	2,183,822	\$228,346	0.1046
APRIL	1,209,703	\$ 162,285	0.1342	1,131,947	\$166,622	0.1472	2,187,628	\$ 212,778	0.0973	2,062,587	\$231,877	0.1124
MAY	1,373,241	\$ 182,615	0.1330	1,329,240	\$191,692	0.1442	2,442,092	\$ 230,266	0.0943	2,422,725	\$256,887	0.1060
JUNE	1,388,761	\$ 196,616	0.1416	1,382,251	\$200,108	0.1448	2,335,704	\$ 241,611	0.1034	2,407,951	\$255,975	0.1063
JULY			#DIV/0!	1,335,829	\$194,681	0.1457			#DIV/0!	2,403,751	\$260,086	0.1082
AUGUST			#DIV/0!	1,332,823	\$192,831	0.1447			#DIV/0!	2,361,756	\$257,125	0.1089
SEPTEMBER			#DIV/0!	1,140,562	\$168,299	0.1476			#DIV/0!	2,042,687	\$226,248	0.1108
OCTOBER			#DIV/0!	1,303,655	\$183,873	0.1410			#DIV/0!	2,190,140	\$236,243	0.1079
NOVEMBER			#DIV/0!	1,556,855	\$211,940	0.1361			#DIV/0!	2,325,164	\$242,024	0.1041
DECEMBER			#DIV/0!	1,747,712	\$225,051	0.1288			#DIV/0!	2,546,857	\$240,848	0.0946
	8,806,144	\$1,196,108	\$0.1358	16,858,848	\$2,355,648	\$0.1397	14,228,168	\$1,428,766	\$0.1004	27,961,749	\$2,953,839	\$0.1056
				8,441,413		4.32%				14,091,393		0.97%

2015	LARGE INDUSTRIAL						STREET LIGHTING					
	Actual			Budget			Actual			Budget		
	KWH	\$	UNIT				KWH	\$	UNIT			
JANUARY	2,677,447	\$ 186,885	0.0698	2,445,127	\$167,898	0.0687	4,266	\$ 655	0.1535	4,242	\$638	0.1503
FEBRUARY	2,369,047	\$ 153,367	0.0647	2,326,207	\$165,267	0.0710	4,266	\$ 625	0.1464	4,242	\$638	0.1503
MARCH	2,357,047	\$ 143,651	0.0609	2,396,647	\$155,516	0.0649	4,266	\$ 602	0.1410	4,242	\$615	0.1449
APRIL	2,413,447	\$ 143,191	0.0593	2,055,247	\$151,015	0.0735	4,266	\$ 596	0.1398	4,242	\$648	0.1527
MAY	2,619,847	\$ 155,474	0.0593	2,315,407	\$168,507	0.0728	4,266	\$ 606	0.1421	4,242	\$654	0.1541
JUNE	2,717,047	\$ 183,646	0.0676	2,458,807	\$177,743	0.0723	4,266	\$ 644	0.1510	4,242	\$661	0.1557
JULY			#DIV/0!	2,667,007	\$190,253	0.0713			#DIV/0!	4,242	\$661	0.1557
AUGUST			#DIV/0!	2,689,207	\$189,208	0.0704			#DIV/0!	4,227	\$654	0.1548
SEPTEMBER			#DIV/0!	2,514,727	\$180,607	0.0718			#DIV/0!	4,244	\$651	0.1534
OCTOBER			#DIV/0!	2,459,047	\$169,166	0.0688			#DIV/0!	4,244	\$640	0.1508
NOVEMBER			#DIV/0!	2,399,767	\$158,521	0.0661			#DIV/0!	4,244	\$637	0.1501
DECEMBER			#DIV/0!	2,486,887	\$146,413	0.0589			#DIV/0!	4,257	\$612	0.1437
	15,153,882	\$966,213	\$0.0638	29,214,084	\$2,020,115	\$0.0691	25,596	\$3,727	\$0.1456	50,909	\$7,707	\$0.1514
				13,997,442	8.26%							

2015	TOTAL SALES					
	KWH	Actual \$	UNIT	Budget		
JANUARY	30,110,413	\$ 3,759,437	0.1249	29,394,021	\$ 3,543,846	0.1206
FEBRUARY	24,071,853	\$ 2,906,172	0.1207	23,262,082	\$ 2,873,776	0.1235
MARCH	17,918,995	\$ 2,132,794	0.1190	19,523,468	\$ 2,356,065	0.1207
APRIL	16,808,679	\$ 1,968,715	0.1171	15,484,196	\$ 2,030,313	0.1311
MAY	19,311,724	\$ 2,252,686	0.1166	18,655,137	\$ 2,402,013	0.1288
JUNE	19,585,260	\$ 2,447,670	0.1250	20,682,459	\$ 2,668,374	0.1290
JULY	0	\$ -	#DIV/0!	19,736,211	\$ 2,543,513	0.1289
AUGUST	0	\$ -	#DIV/0!	19,442,651	\$ 2,487,885	0.1280
SEPTEMBER	0	\$ -	#DIV/0!	15,803,753	\$ 2,050,119	0.1297
OCTOBER	0	\$ -	#DIV/0!	20,427,470	\$ 2,552,143	0.1249
NOVEMBER	0	\$ -	#DIV/0!	24,348,481	\$ 2,987,886	0.1227
DECEMBER	0	\$ -	#DIV/0!	27,884,262	\$ 3,225,295	0.1157
	127,806,924	\$15,467,474	\$0.1210	254,644,190	\$31,721,227	\$0.1246

Actual vs. Budget				
19,585,260	Month	2015	20,682,459	-5.30%
127,806,924	YTD		127,001,362	0.63%
Compared to 2014				
19,585,260	Month		20,191,482	-3.00%
127,806,924	YTD		128,445,117	-0.50%

2015	GROSS MARGINS							
	Actual	Budget	Variance	Line Loss	Fuel Adj.	Fuel Adj. \$	ESC Rate	ESC \$
JANUARY	\$1,665,172	\$ 1,234,360	\$430,812	1.95%	0.003332	93,297	8.21%	286,123
FEBRUARY	\$694,915	\$ 952,429	(\$257,514)	21.99%	(0.003014)	(69,698)	8.03%	215,878
MARCH	\$542,261	\$ 636,454	(\$94,193)	22.91%	(0.005183)	(92,151)	6.82%	136,436
APRIL	\$833,021	\$ 672,961	\$160,060	3.22%	(0.007164)	(119,841)	6.40%	118,344
MAY	\$1,033,003	\$ 1,037,665	(\$4,662)	-3.12%	(0.007582)	(146,240)	8.47%	174,576
JUNE	\$936,569	\$ 1,062,816	(\$126,248)	5.57%	(0.001915)	(39,837)	10.54%	232,091
JULY	\$0	\$ 827,551	(\$827,551)	#DIV/0!				
AUGUST	\$0	\$ 871,086	(\$871,086)	#DIV/0!				
SEPTEMBER	\$0	\$ 649,871	(\$649,871)	#DIV/0!				
OCTOBER	\$0	\$ 1,296,421	(\$1,296,421)	#DIV/0!				
NOVEMBER	\$0	\$1,257,777	(\$1,257,777)	#DIV/0!				
DECEMBER	\$0	\$1,354,413	(\$1,354,413)	#DIV/0!				
			\$108,256	9.77%	(0.003588)	(374,471)	8.08%	1,163,447

	2014	2015	Total
AZ	127666071	141646672	269312743
AR	126373013	127806924	254179937

0.056190457

Monthly Load Factors

Purchases		DEMAND	KWH	\$	UNIT	LD FCT	YTD AVG	
2013	January	60,229	28,581,771	\$	2,005,585	0.0702	66%	66%
	February	56,994	25,865,070	\$	1,840,912	0.0712	63%	64%
	March	56,184	26,448,451	\$	1,845,738	0.0698	65%	65%
	April	47,039	18,207,168	\$	1,392,200	0.0765	54%	62%
	May	42,351	18,007,323	\$	1,407,738	0.0782	59%	61%
	June	46,826	20,149,631	\$	1,583,261	0.0786	60%	61%
	July	50,501	22,598,775	\$	1,657,141	0.0733	62%	61%
	August	48,310	21,190,754	\$	1,553,012	0.0733	61%	61%
	September	47,042	18,161,664	\$	1,360,442	0.0749	54%	60%
	October	38,294	18,822,529	\$	1,279,277	0.0680	68%	61%
	November	56,145	23,732,381	\$	1,711,043	0.0721	59%	60%
	December	56,465	27,783,236	\$	2,003,502	0.0721	68%	62%
		<u>606,380</u>	<u>269,548,753</u>	<u>\$</u>	<u>19,639,851</u>	<u>\$</u>	<u>0.0729</u>	<u>62%</u>
2014	January	80,022	34,019,417	\$	2,475,095	0.0728	59.05%	59%
	February	68,166	26,958,772	\$	1,966,923	0.0730	54.93%	57%
	March	61,876	25,169,343	\$	1,735,123	0.0689	56.50%	57%
	April	47,798	16,991,826	\$	1,326,474	0.0781	49.37%	55%
	May	38,216	17,949,402	\$	1,355,831	0.0755	65.23%	57%
	June	48,040	20,531,862	\$	1,616,862	0.0787	59.36%	57%
	July	48,723	21,135,450	\$	1,653,014	0.0782	60.25%	58%
	August	44,418	21,334,747	\$	1,615,983	0.0757	66.71%	59%
	September	45,904	17,779,219	\$	1,389,136	0.0781	53.79%	58%
	October	31,812	17,685,439	\$	1,222,188	0.0691	77.21%	60%
	November	60,286	24,018,661	\$	1,739,051	0.0724	55.33%	60%
	December	50,873	25,712,555	\$	1,827,391	0.0711	70.20%	61%
					<u>#DIV/0!</u>	<u>61%</u>		
2015	January	70,426	30,707,957	\$	2,094,265	0.0682	60.56%	61%
	February	85,194	30,858,196	\$	2,211,257	0.0717	50.31%	55%
	March	60,471	23,245,192	\$	1,590,533	0.0684	53.39%	55%
	April	40,876	17,367,652	\$	1,135,694	0.0654	59.01%	56%
	May	40,514	18,727,031	\$	1,219,683	0.0651	64.20%	57%
	June	44,187	20,740,644	\$	1,511,101	0.0729	65.19%	59%
	July	0	0	\$	-	#DIV/0!	#DIV/0!	#DIV/0!
	August	0	0	\$	-	#DIV/0!	#DIV/0!	#DIV/0!
	September	0	0	\$	-	#DIV/0!	#DIV/0!	#DIV/0!
	October	0	0	\$	-	#DIV/0!	#DIV/0!	#DIV/0!
	November	0	0	\$	-	#DIV/0!	#DIV/0!	#DIV/0!
	December	0	0	\$	-	#DIV/0!	#DIV/0!	#DIV/0!
					<u>#VALUE!</u>	<u>#DIV/0!</u>		

Overtime Hours
2014

	BUDGET per Month	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Total
OFFICE	20	10	263	18	39	15	18	26	34	5	57	21	9	515
CONSTRUCTION	42	0	12	0	0	0	0	0	0	0	0	0	8	20
ENGINEERING		2	53	2	0	0	0	6	0	0	0	3	0	66
MAINTENANCE	350	286	1751	243	291	348	1190	482	308	268	423	326	252	6168
	<u>412</u>	<u>298</u>	<u>2079</u>	<u>263</u>	<u>330</u>	<u>363</u>	<u>1208</u>	<u>514</u>	<u>342</u>	<u>273</u>	<u>480</u>	<u>350</u>	<u>269</u>	<u>6769</u>

Overtime Hours
2015

	BUDGET per Month	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Total
OFFICE	20	5	10	97	12	30	9							163
CONSTRUCTION	42	0	0	0	0	0	10							10
ENGINEERING		0	0	12	0	0	0							12
MAINTENANCE	350	201	354	1336	422	297	539							3149
	<u>412</u>	<u>206</u>	<u>364</u>	<u>1445</u>	<u>434</u>	<u>327</u>	<u>558</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3334</u>



GRAYSON RECC
PRG. BUDOPBST

BUDGET TO ACTUAL COMPARISON
FROM 01/15 THRU 06/15

PAGE 1
RUN DATE 08/13/15 03:42 PM

PART A. STATEMENT OF OPERATIONS/BUDGET

LINE NO		ACTUAL ANNUAL AMOUNT	BUDGET AMOUNT	DIFFERENCE	% CHANGE FROM ACTUAL
1.0	OPERATING REVENUE & PATRONAGE CAPITAL....	15,991,822.95	16,404,822.90	412,999.95	2.6
2.0	POWER PRODUCTION EXPENSE.....	.00	.00	.00	.0
3.0	COST OF PURCHASED POWER.....	9,762,533.00-	10,119,947.00-	357,414.00-	3.7
4.0	TRANSMISSION EXPENSE.....	.00	.00	.00	.0
5.0	REGIONAL MARKET OPERATIONS EXPENSE.....	.00	.00	.00	.0
6.0	DISTRIBUTION EXPENSE-OPERATION.....	574,131.69-	612,686.94-	38,555.25-	6.7
7.0	DISTRIBUTION EXPENSE-MAINTENANCE.....	1,651,746.95-	1,736,916.48-	85,169.53-	5.2
8.0	CONSUMER ACCOUNTS EXPENSE.....	588,193.61-	562,692.72-	25,500.89	4.3-
9.0	CUSTOMER SERVICE & INFORMATIONAL EXPENSE.	101,761.97-	119,370.60-	17,608.63-	17.3
10.0	SALES EXPENSE.....	12,395.76-	11,990.10-	405.66	3.3-
11.0	ADMINISTRATIVE & GENERAL EXPENSE.....	1,025,649.07-	965,739.72-	59,909.35	5.8-
12.0	TOTAL OPERATIONS & MAINTENANCE EXPENSE...	13,716,412.05-	14,129,343.56-	412,931.51-	3.0
13.0	DEPRECIATION & AMORTIZATION EXPENSE.....	1,593,954.49-	1,695,213.96-	101,259.47-	6.4
14.0	TAX EXPENSE - PROPERTY & GROSS RECEIPTS..	20,705.00-	19,999.98-	705.02	3.4-
15.0	TAX EXPENSE - OTHER.....	.00	.00	.00	.0
16.0	INTEREST ON LONG TERM DEBT.....	456,304.29-	477,999.96-	21,695.67-	4.8
17.0	INTEREST CHARGED TO CONSTRUCTION - CREDIT	.00	.00	.00	.0
18.0	INTEREST EXPENSE - OTHER.....	722.60-	.00	722.60	100.0-
19.0	OTHER DEDUCTIONS.....	6,642.11-	15,499.92-	8,857.81-	133.4
20.0	TOTAL COST OF ELECTRIC SERVICE.....	15,794,740.54-	16,338,057.38-	543,316.84-	3.4
21.0	PATRONAGE CAPITAL & OPERATING MARGINS....	197,082.41	66,765.52	130,316.89-	66.1-
22.0	NON OPERATING MARGINS - INTEREST.....	15,757.43	14,529.96	1,227.47-	7.8-
23.0	ALLOW. FOR FUNDS USED DURING CONSTRUCTION	.00	.00	.00	.0
24.0	INCOME (LOSS) FROM EQUITY INVESTMENTS....	.00	.00	.00	.0
25.0	NON OPERATING MARGINS - OTHER.....	19,046.02-	3,568.68-	15,477.34	81.3-
26.0	GENERATION & TRANSMISSION CAPITAL CREDITS	97,031.60	.00	97,031.60-	100.0
27.0	OTHER CAPITAL CREDITS & PATRONAGE DIVID..	147,356.75	81,099.78	66,256.97-	45.0-
28.0	EXTRAORDINARY ITEMS.....	.00	.00	.00	.0
29.0	PATRONAGE CAPITAL OR MARGINS.....	438,182.17	158,826.58	279,355.59-	63.8-
RATIOS					
	TIER	1.960	1.332		
	MARGINS TO REVENUE	.027	.010		
	POWER COST TO REVENUE	.610	.617		
	INTEREST EXPENSE TO REVENUE	.029	.029		
	CURRENT ASSETS : CURRENT LIABILITIES	.0000			
	MARGINS & EQUITIES AS % OF ASSETS	64.4583			
	LONG TERM DEBT AS % OF PLANT	.0000			
	TOTAL PLANT : GENERAL FUNDS	1.4601			
	QUICK ASSET RATIO	.0000			
	MARGINS & EQUITIES : LONG-TERM DEBT-RUS	.4401			
	MARGINS & EQUITIES : TOTAL DEBT	.0000			

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LINE NO	DPT	ACCT	ITEM	DESCRIPTION	ACTUAL ANNUAL	BUDGET	DIFFERENCE	% CHANGE FROM BUDGET
1.00		440.10		RESIDENTIAL SALES	11,168,076.82-	11,560,754.00-	392,677.18-	3.4
1.00		440.40		CAMP & BARN SALES	704,530.08-	653,550.00-	50,980.08	7.8-
1.00		442.10		SMALL COMMERCIAL SALES	1,196,108.04-	1,178,939.00-	17,169.04	1.5-
1.00		442.20		LARGE POWER SALES	1,428,765.51-	1,491,148.00-	62,382.49-	4.2
1.00		442.30		LARGE INDUSTRIAL(OVER 1,000 KVA)	966,213.17-	986,078.00-	19,864.83-	2.0
1.00		444.00		STREET LIGHT SALES	3,733.29-	3,854.00-	120.71-	3.1
1.00		450.00		FORFEITED DISCOUNTS	252,482.85-	259,999.98-	7,517.13-	2.9
1.00		454.00		RENT FROM ELECTRIC PROPERTY	245,814.00-	237,499.98-	8,314.02	3.5-
1.00		456.00		OTHER ELECTRIC SERVICE	26,099.19-	32,999.94-	6,900.75-	20.9
1.00				TOTAL	15,991,822.95-	16,404,822.90-	412,999.95-	2.5
3.00		555.00		PURCHASED POWER	9,762,533.00	10,119,947.00	357,414.00	3.5
3.00				TOTAL	9,762,533.00	10,119,947.00	357,414.00	3.5
6.00		583.00		OVERHEAD LINE EXPENSE	282,650.83	294,724.92	12,074.09	4.1
6.00		585.00		STREET LIGHT EXPENSE	.00	163.14	163.14	100.0-
6.00		586.00		METER EXPENSE	228,836.30	251,861.64	23,025.34	9.1
6.00		586.10		METER OPERATION SURVEY	8,958.40	10,685.04	1,726.64	16.2
6.00		586.20		AUTOMATED METER EQUIP EXPENSE	17,578.32	14,574.90	3,003.42-	20.6-
6.00		588.00		MISC / MAPPING EXPENSE	25,497.31	27,821.16	2,323.85	8.4
6.00		588.10		MAPPING OPERATIONS	10,610.53	12,856.14	2,245.61	17.5
6.00				TOTAL	574,131.69	612,686.94	38,555.25	6.3
7.00		590.00		MAINTENANCE SUPERVISION	147,918.74	138,077.10	9,841.64-	7.1-
7.00		593.00		MAINTENANCE OF OVERHEAD LINES	654,574.72	573,154.44	81,420.28-	14.2-
7.00		593.10		MAINTENANCE OF LINE RIGHT-OF-WAY	754,807.59	787,332.90	32,525.31	4.1
7.00		593.20		MAINTENANCE STORM EXPENSES	52,930.81	192,785.22	139,854.41	72.5

LINE NO	DPT	ACCT	ITEM	DESCRIPTION	ACTUAL ANNUAL	BUDGET	DIFFERENCE	% CHANGE FROM BUDGET
7.00		594.00		MAINTENANCE OF UNDERGROUND LINES	.00	390.66	390.66	100.0-
7.00		595.00		MAINTENANCE OF TRANSFORMERS	10,804.68	16,627.62	5,822.94	35.0
7.00		596.00		MAINTENANCE OF STREET LIGHTS	195.53	1,197.72	1,002.19	83.7
7.00		597.00		MAINTENANCE OF METERS	.00	1,693.68	1,693.68	100.0-
7.00		598.00		MAINTENANCE-MISC DISTRIBUTION	30,514.88	25,657.14	4,857.74-	18.9-
7.00				TOTAL	1,651,746.95	1,736,916.48	85,169.53	4.9
8.00		901.00		SUPERVISION - BILLING	71,069.46	64,089.12	6,980.34-	10.9-
8.00		902.00		METER READING EXPENSE	.00	7,639.20	7,639.20	100.0-
8.00		903.00		CUSTOMERS RECORDS & COLLECTIONS	472,751.15	452,948.64	19,802.51-	4.4-
8.00		903.10		CASH DRAWER-OVERAGES & SHORTAGES	9.00	.00	9.00-	100.0-
8.00		904.00		UNCOLLECTIBLE ACCOUNTS	44,364.00	38,015.76	6,348.24-	16.7-
8.00				TOTAL	588,193.61	562,692.72	25,500.89-	4.5-
9.00		909.00		INFORMATIONAL ADVERTISING	101,761.97	119,370.60	17,608.63	14.8
9.00				TOTAL	101,761.97	119,370.60	17,608.63	14.8
10.00		912.00		DEMONSTRATION & SELLING EXPENSE	10,171.52	9,465.12	706.40-	7.5-
10.00		913.00		ADVERTISING	2,224.24	2,524.98	300.74	11.9
10.00				TOTAL	12,395.76	11,990.10	405.66-	3.4-
11.00		920.00		ADMINISTRATIVE-GENERAL SALERIES	571,167.55	530,454.06	40,713.49-	7.7-
11.00		921.00		OFFICE SUPPLIES & EXPENSES	86,008.69	93,802.44	7,793.75	8.3
11.00		923.00		OUTSIDE SERIVCES	60,586.93	62,543.46	1,956.53	3.1
11.00		926.00		EMPLOYEE BENEFITS	.00	.18-	.18-	100.0-
11.00		928.00		REGULATORY COMMISSION EXPENSES	.00	2,499.96	2,499.96	100.0-
11.00		930.20		ANNUAL MEETING EXPENSES	41,857.60	21,224.10	20,633.50-	97.2-
11.00		930.30		MISCELLANEOUS GENERAL EXPENSES	6,515.09	11,950.86	5,435.77	45.5

LINE NO	DPT	ACCT	ITEM	DESCRIPTION	ACTUAL ANNUAL	BUDGET	DIFFERENCE	% CHANGE FROM BUDGET
11.00		930.40		MISC FIELD TRAINING	11,764.78	16,947.12	5,182.34	30.6
11.00		930.60		BOARD OF DIRECTOR'S EXPENSES	69,544.15	81,181.62	11,637.47	14.3
11.00		930.70		DUES - NRECA & KAEC	28,812.00	29,499.96	687.96	2.3
11.00		932.00		MAINTENANCE OF GENERAL PLANT	149,392.28	115,636.32	33,755.96-	29.2-
11.00				TOTAL	1,025,649.07	965,739.72	59,909.35-	6.2-
13.00		403.60		DEPRECIATION-DISTRIBUTION PLANT	1,483,304.41	1,576,363.98	93,059.57	5.9
13.00		403.70		DEPRECIATION-GENERAL PLANT	110,650.08	118,849.98	8,199.90	6.9
13.00				TOTAL	1,593,954.49	1,695,213.96	101,259.47	6.0
14.00		408.60		REGULATORY COMMISSION ASSESSMENT	20,705.00	19,999.98	705.02-	3.5-
14.00				TOTAL	20,705.00	19,999.98	705.02-	3.5-
15.00		408.20		TAXES - FEDERAL UNEMPLOYMENT	.00	.00	.00	.0
15.00		408.30		TAXES - FICA	.00	.00	.00	.0
15.00		408.40		TAXES - STATE UNEMPLOYMENT	.00	.00	.00	.0
15.00				TOTAL	.00	.00	.00	.0
16.00		427.10		INTEREST-RUS	194,207.77	199,999.98	5,792.21	2.9
16.00		427.20		INTEREST - COBANK	218,521.57	232,999.98	14,478.41	6.2
16.00		427.30		INTEREST-CFC	25,521.29	30,000.00	4,478.71	14.9
16.00		427.60		INTEREST - FFB	18,053.66	15,000.00	3,053.66-	20.4-
16.00				TOTAL	456,304.29	477,999.96	21,695.67	4.5
18.00		431.30		INTEREST-REFUND CUSTOMER DEPOSIT	722.60	.00	722.60-	100.0-
18.00				TOTAL	722.60	.00	722.60-	100.0-
19.00		426.10		MISCELLANEOUS DEDUCTION-DONATION	6,622.25	5,499.96	1,122.29-	20.4-

LINE NO	DPT	ACCT	ITEM	DESCRIPTION	ACTUAL ANNUAL	BUDGET	DIFFERENCE	% CHANGE FROM BUDGET
19.00		430.00		INTEREST ASSOCIATED ORGANIZATION	19.86	9,999.96	9,980.10	99.8
19.00				TOTAL	6,642.11	15,499.92	8,857.81	57.1
22.00		419.00		INTEREST INCOME NON-OPERATING	14,515.93-	14,329.98-	185.95	1.3-
22.00		419.20		NOW ACCOUNT INTEREST	191.11-	150.00-	41.11	27.4-
22.00		419.30		COMMERCIAL PAPER INTEREST	1,050.39-	49.98-	1,000.41	2001.6-
22.00				TOTAL	15,757.43-	14,529.96-	1,227.47	8.4-
25.00		415.00		REVENUE-MERCHANDISE, JOB, CONTRACT	666.32-	.00	666.32	100.0-
25.00		415.40		RENTAL PROPERTY - REVENUE	2,400.00-	.00	2,400.00	100.0-
25.00		415.50		MACED REVENUE	18,426.77-	7,500.00-	10,926.77	145.7-
25.00		416.00		INCENTIVES/GEOTHERMAL, ETS, MISC	22,852.77-	.00	22,852.77	100.0-
25.00		416.20		ANCILLARY BILL SERV - EXPENSE	.00	1.98	1.98	100.0-
25.00		416.40		RENTAL PROPERTY - EXPENSE	480.00	.00	480.00-	100.0-
25.00		416.50		MACED EXPENSE	14,460.78	12,065.16	2,395.62-	19.9-
25.00		421.00		MISC NON-OPERATING INCOME	.00	998.46-	998.46-	100.0-
25.00		421.20		LOSS/GAIN DISPOSITION PROPERTY	48,451.10	.00	48,451.10-	100.0-
25.00				TOTAL	19,046.02	3,568.68	15,477.34-	433.7-
26.00		423.00		G & T CAPITAL CREDITS	97,031.60-	.00	97,031.60	100.0-
26.00				TOTAL	97,031.60-	.00	97,031.60	100.0-
27.00		424.00		OTHER CAP CR & PATRONAGE ALLOC	147,356.75-	81,099.78-	66,256.97	81.7-
27.00				TOTAL	147,356.75-	81,099.78-	66,256.97	81.7-
				TOTAL FOR 400 TO 999	438,182.17-	158,826.58-	279,355.59	175.9-

Grayson Rural Electric Cooperative Corporation

109 Bagby Park • Grayson, KY 41143-1292
Telephone 606-474-5136 • 1-800-562-3532 • Fax 606-474-5862

September 15, 2015

W. Jeffrey Scott,
Attorney at Law
P. O. Box 608
Grayson, KY 41143

Dear Jeffrey:

A Regular Board Meeting of GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION will be held on **Monday, September 21, 2015, at 9:00 a.m.**

We look forward to seeing you at the Board Meeting.

Sincerely,



Priscilla Sparks
Executive Assistant

GRAYSON RURAL ELECTRIC
COOPERATIVE CORPORATION

Enclosures:

1. Agenda
2. Miscellaneous Analysis

Grayson Rural Electric Cooperative Corporation

109 Bagby Park • Grayson, KY 41143-1292
Telephone 606-474-5136 • 1-800-562-3532 • Fax 606-474-5862

September 15, 2015

Dear Director:

A Regular Meeting of the Board of Directors is hereby called. I do hereby fix the GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION headquarters in Grayson, Commonwealth of Kentucky, as the place, and **Monday, the twenty-first day of September, 2015 at 9:00 a.m.**, for holding of said meeting for the following purposes:

To take any and all action and to transact any and all business which may be necessary, convenient, or desirable in connection with any of the foregoing and the organization of the Corporation at said meeting or at any adjournment or adjournments thereof; and for the transaction of such other business which may come before the meeting or any adjournment or adjournments thereof, as well as consider altering, amending, or repealing the current Bylaws of the Corporation in the manner hereinafter set forth.

Sincerely,



Roger L. Trent
Chairman

GRAYSON RURAL ELECTRIC
COOPERATIVE CORPORATION

RLT/ps

Enclosures:

1. Agenda
2. Miscellaneous Analysis

GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION
BOARD MEETING AGENDA

On September 21 2015, the Directors of Grayson Rural Electric Cooperative Corporation were called to meet by the Chairman.

1. Sign Wavier of Notice
2. Invocation
3. Approval of the Minutes from the August Board Meeting.
4. Manager of Technical Services Report – Brian Poling
5. Manager of Finance & Accounting Report and Approval of the Financial & Statistical Report for July 2015 – Bradley Cherry
6. Manager of Marketing & Member Services Report – Kim Bush
7. Operations Report and Safety Report – Kyle Clevenger, Manager of Operations
8. Approval of One Hundred One (101) New Memberships and Retirement of Ninety-Four (94) Existing Memberships for August 2015
9. Consider Approval of Accounts to be Charged Off to Reserve \$3,380.84
10. Consider Approval of President’s Business Expense in the Amount of \$23.07, Director’s Business Expense in the Amount of \$10,427.58 and Attorney’s Business Expense in the Amount of \$18.13
11. Consider Approval of the Following RUS Work Orders and Submit Them to RUS:

April 2015	Work Order No. 1218	\$282,725.54
	Work Order No. 1219	\$6,335.52
May 2015	Work Order No. 1220	\$155,005.37
	Work Order No. 1221	\$16,113.08
June 2015	Work Order No. 1222	\$186,921.33
	Work Order No. 1223	\$8,764.04
	Total	\$655,864.88
12. President’s Report – Carol Hall Fraley
13. Cooperative Legal Matters – W. Jeffrey Scott
14. KAEC Director’s Report – Jimmy Whitt
15. EKPC Director’s Report – Kenneth Arrington
16. Consider Community Service and/or Donations
17. Attendance at Meetings – Directors & Employees
18. Confirm Date for the October Board Meeting – Thursday, October 22, 2015

Board Meeting Agenda
September 29, 2014
Page 2

19. Additional Business
20. Adjourn

On August 28, 2015 at 9:05 a.m. Grayson Rural Electric Cooperative Corporation held a regular board meeting at its office in Grayson, Kentucky called by the Chairman, for the transaction of such business as outlined in the letter of call. Chairman Trent called the meeting to order pursuant to the Waiver of Notice signed by the Directors and all were present. Others present included: Carol Hall Fraley, President and CEO; W. Jeffrey Scott, Legal Counsel; and Priscilla Sparks, Executive Assistant.

INVOCATION

Director Whitt gave the invocation.

APPROVAL OF MINUTES

Motion was made by Director Bentley, seconded by Director Dupuy and unanimously agreed to approve the minutes from the July Board Meeting for informational purposes only.

LEGAL COUNSEL SCOTT /
BYLAWS / CAPITAL CREDITS

Legal Counsel Scott asked to speak before approval of the minutes. He referred to Bylaws changes on Capital Credits discussed last month. He called NRECA Legal Counsel Tyrus Thompson and then sent him copies of the new and old Bylaws. Mr. Thompson said that he has seen coops either estimate the amount of margins for the current year, or pay the amount of capital credits assigned to that account(s) and sign a certificate of forfeiture for additional capital credits.

President Fraley reread the suggested Bylaw change and said she had inadvertently used the term general rotation instead of next assignment of margins. With the Boards permission she will correct this language and have it ready for consideration at the September Board Meeting. That change will allow the Cooperative to pay whatever capital credits are assigned to that account(s) at that time and then issue a final check in the following year when margins are assigned.

Upon general agreement Director Bentley withdrew his motion to approve the minutes from the July Board Meeting.

A motion was then made by Director Bentley and seconded by Director Rice to approve the minutes with the exception of the action on the Bylaws relating to Capital Credits. Motion carried unanimously.

MANAGER OF
TECHNICAL SERVICES

Andrea McCleese, Assistant Manager of Technical Services reported on the following, as requested by President Fraley in July.

August 17, 2015 was the last day that we accepted credit card payments by phone. This change was made in response to SEDC's new role as a credit card service provider. Our automated IVR system is compliant with no credit card numbers being stored, expiration dates or zip codes stored in the IVR server. We have changed the telephone script of the IVR to be very straight-forward and clear and have stated in the up-front telephone greetings that payments by credit card must be made using the automated system.

PCI Compliance is the Payment Card Industry Data Security Standard. It is the security standard by which any entity that accepts credit cards that are branded with Visa, MasterCard, Discover or American Express is held. Due to SEDC becoming a service provider, we will have to begin submitting self-assessments and results from network scans and penetration testing to SEDC. The updated PCI standard states that we will implement strong access control measures. This is the reason for no longer taking credit card payments by phone, as well as not keeping a credit card number written or stored.

MANAGER OF
TECHNICAL SERVICES
(CONTINUED)

In July, we processed approximately \$662,000 in credit card payments.

President Fraley was very please to report to the Board that the Dark Fiber contract with the Commonwealth has been signed and received. We have informed KAEC and we are the first Coop to receive a signed contract.

President Fraley told the Board it has become necessary to budget for a new radio system. She plans to utilize the money and service that were pledged to Grayson as part of the May 15, 2015 Memorandum of Understanding.

ALAN ZUMSTEIN

Alan Zumstein, CPA, presented the Management Letter concerning the Fiscal Year for June 1, 2014 through May 31, 2015. He stated the following:

There was no audit adjustments made, reflecting good work on the part of the staff. He encountered no difficulties and all information requested was provided.

Equity is 32% of our assets.

T.I.E.R. was good at 1.8%

Income statement is normal, and decreasing like many other cooperatives.

Mr. Zumstein went over the audit in detail and offered answers to all questions asked.

Motion was made by Director Arrington to accept the 2014-2015 Financial Audit as presented, seconded by Director Rice and unanimously agreed upon.

MAY 2015 FORM 7

Bradley Cherry asked Alan to discuss the May 2015 Form 7 and necessary change made to it. As of May we incurred storm damage in the amount of approximately \$290,000 and we should receive approximately \$200,000 from FEMA. This is reflected on page 3 of audit. Those expenses were incurred in March.

FINANCIAL AND
STATISTICAL
REPORT FOR JUNE 2015

Bradley Cherry, Manager of Finance and Accounting, presented the Financial and Statistical Report for June 2015 as:

Kilowatt hour sales for the month were 5.3 % under budget.

Purchases for the time period of (6/1-30) were 1.73 % over budget.

Line loss for the last twelve months was 5.67 %.

Year to date margins are \$141,151 compared to the budgeted amount of \$158,827.

JUNE FORM 7

Sales were \$207,000 less than anticipated and purchase power was \$95,000 less.

QUARTERLY FINANCIALS

Mr. Cherry reviewed the second quarter financial report in detail. T.I.E.R. showing 1.96% on actual annual amount compared to the budgeted T.I.E.R. of 1.332%.

CAPITAL CREDITS

A July and August summary of capital credits payments was given:

43 accounts were paid in July and August.

To date this year we have paid 133 and paid \$132,719.99.

APPROVAL OF FINANCIAL
& STATISTICAL REPORT
FOR JUNE 2015

Motion was made by Director Dupuy, seconded by Director Rice and unanimously agreed to approve the Financial and Statistical report for June 2015 as presented, for informational purposes only.

INSURANCE (RETIRED)

Mr. Cherry reported that last year we changed to Humana for health care coverage for our retired employees. We have received a renewal proposal in the amount of 2.7 % increase. No one else has been able to provide coverage in one package as Humana can.

Motion was made to accept the health care coverage insurance proposal for retired employees by Director Rice, seconded by Director Dupuy and unanimously agreed upon.

RS RETIREMENT PLAN

Based on the average age of both inside and outside employees, NRECA is projecting a group increase in what we contribute each month. Based on the average age of our inside group, the increase is .7 percent for 2016 and the increase for the outside group is .26 percent.

FEMA

We met with FEMA last week. We will be copying receipts and in July should be reimbursed at 85 percent. We have a copy of the resolution from FEMA.

Mr. Cherry read the following FEMA TAB V-3-2 Designation of Applicant's Agent Resolution to the Board allowing him to be the representative for GRECC to handle all financial paperwork

TAB V-3-2
DESIGNATION OF APPLICANT'S AGENT

RESOLUTION

BE IT RESOLVED BY Grayson Rural Electric Coop of 109 Bagby Park, Grayson, KY 41143
(Governing Body) Corp. (Public Entity)

THAT Bradley Cherry Manager of Finance and Accounting
(Name of Incumbent) (Official Position)

is hereby authorized to execute for and in behalf of Grayson Rural Electric Coop. Corp., 109 Bagby Park, Grayson, KY 41143, a public entity established under the laws of the Commonwealth of

Kentucky, this application and to file it in the appropriate State office for the purpose of obtaining certain Federal financial assistance under the Disaster Relief Act (Public Law 288, 93rd Congress) or otherwise available from the President's Disaster Relief Fund.

THAT Grayson Rural Electric Coop., a public entity established under the laws of the Corp.

Commonwealth of Kentucky, hereby authorizes its agent to provide to the State and to the Federal Emergency Management Agency (FEMA) for all matters pertaining to such Federal disaster assistance the assurances and agreements printed on the reverse side hereof.

Passed and approved this 28th day of August, 2015.

Roger Trent, Chairman of the Board
(Name and Title)

Harold Dupuy, Vice-Chairman of the Board
(Name and Title)

Billy E. "Eddie" Martin, Secretary-Treasurer of the Board
(Name and Title)

Carol Hall Fraley, President and CEO of Grayson Rural Electric Coop.

CERTIFICATION

I, Carol Hall Fraley, duly appointed and President and CEO of
(Title)

Grayson Rural Electric Coop., do hereby certify that the above is a true and correct copy of a Corp.

resolution passed and approved by the Grayson Rural Elec of Grayson, KY
Coop (Governing Body) Corp. (Public Entity)

on the 28th day of August, 2015.

Date: August 28, 2015

President and CEO
(Official Position)


(Signature)

KyEM Form 600
Rev. 05/00

Motion was made by to accept the FEMA TAB V-3-2 Designation of Applicant's Agent Resolution as read by Director Whitt, seconded by Director Dupuy and unanimously agreed upon.

FEMA (CONTINUED)

Following the reading of the resolution, Legal Counsel suggested that all necessary documents on both the FEMA papers and resolution and the long term Work Plan loan be signed. The Work Plan Loan was approved last month and signed by Director Martin.

Legal Counsel Scott stated he did a title search and that Grayson Rural Electric is borrowing \$20 million and these signed documents must be mailed today. His title opinion will not be mailed until after these papers are signed.

WAGE & SALARY PLAN

Consideration of the 2015-2021 Wage & Salary Adjustment for Non-Union Employees was presented.

Director Martin discussed the Planning & Review Committee Meeting held August 17, 2015 and turned it over to President Fraley to make the proposal to the Board.

President Fraley discussed storm expenses and how they have affected our finances. The first storm cost us \$290,000 and the second storm cost \$500,000. We have a reserve of \$400,000 for storm work. The county and state were declared a disaster by the President. We should receive about 85% from FEMA on each storm, leaving us with out-of-pocket expenses of approximately \$118,000, which is well within our reserve. Alan Zumstein, Auditor, made an adjustment on May 2015 Form 7 allowing for FEMA storm reimbursement.

Wage and Salary - President Fraley presented the wage and salary proposal. The calculations are based on 1%, 2% and 3% increases. Benefits are an additional 40%. The percentages with benefits are:

1%	\$17,000
2%	\$35,000
3%	\$52,000
3.96%	\$69,432 (The equivalent of the union raise for this year.)

By comparison, last year's increase was \$69,000 and this year's would be \$69,432, an increase of \$432.

President Fraley asked for \$5,000 merit to be included.

A motion to accept the Wage and Salary Plan for 2015-2016 with a 3.96% increase and a \$5,000 merit in reserve was made by Director Arrington, seconded by Director Whitt and unanimously agreed.

CHARGE-OFF ACCOUNTS

President Fraley presented to the Board the following two invoices totaling \$2,158.06 to be considered for charge off:

Bradley Cordle – car accident - \$1,080.39
Jessica Henderson – car accident - \$1,077.67

This will be held until next month.

MANAGER OF MARKETING
& MEMBER SERVICES

President Fraley gave the Manager of Marketing and Member Services report.

PREPAY SUMMARY We have 431 active PrePay Accounts with 5 inactive accounts. The average balance is (\$44.06), 1,780 payments received in 30 days averaging \$34.92 per payment with total payments received \$62,150.09.

DEBT MANAGAEMENT We have 69 active accounts with Debt Management totaling \$17,340.79. Sixteen percent of active accounts have Debt Management. We have:

Under \$100 – 12	\$100-\$199 – 15	\$200-\$299 – 14
\$300-\$399 – 19	\$400-\$499 – 7	over \$500 – 2

ENERGY EFFICIENCY Tina’s audits included 1 How\$martKY Audit, 1 Touchstone Energy Audit and 3 Commercial Audits.

SCHOOL PROGRAMS We did the Blaine Readifest with about 150 kids.

ANNOUNCEMENTS Mobile Mammography to be at GRECC on September 25th.
Honor Flight is September 26th with Sue Roberts as guardian for the trip.
Monday, October 12th closed for Columbus Day; employees clean up day.
October 13th hosting the First Responders training session with KAEC.
December 11, 6pm, Service Awards Dinner at old Olive Hill High School.
October 13 GRECC hosting Grayson Chamber - GRECC’s 65th anniversay,

OPERATIONS REPORT Kyle Clevenger, Manager of Operations, gave the Operations Report and the Safety Report. He reported on the following:

EMPLOYEE/LOST TIME ACCIDENT There were no lost time accidents to report this month.

SAFETY REPORT The following safety meetings were held during July:

July 08—Brian Poling, Mgr. of Technical Services, turned the meeting over to David White, KAEC, who did a security check. He addressed workplace violence and workplace injuries. A handout of the top ten injuries in a workplace was given to everyone. Near misses were reviewed. Carol Ann read letters from two consumers recognizing the good work done by the right-of-way crews. Kyle asked everyone to be careful and to watch out for each other as well as themselves.

July 13—Priscilla Sparks, Executive Assistant, read from the Safety Manual, pages 132 – 136, Power – Actuated Tools, Safe Supports and Scaffolds and Ladders. Steve Bush asked everyone to test their volt meters. We had the monthly safety give-a-way. Kyle reminded everyone it was wet and to be careful.

July 20—Robert Brown, Director of Purchasing & Stores, topic was “What you didn’t know about Rubber Gloves” - proper fitting, visual inspection, glove storage, cleaning, protection from perspiration and air testing. Carol Ann and Kyle talked about all the good work during recent storm outages.

July 27—Sherry Buckler, Mgr. of Accounting & Human Resources, showed a power point on Social Networking Safety. Carol Ann talked about board changes in the Capital Credit Policy. Kyle reminded everyone to be careful.

SAFETY REPORT (CONTINUED)	Kyle continues to mention the necessity and importance of hard hats, rubber gloves and use of ground chains. A line is not dead until it is grounded.
CONSTRUCTION	Construction built one hundred two (102) new work orders for the month of July and worked twenty (20) hours of overtime.
DELINQUENT NOTICES	The Maintenance & Construction Departments collected one hundred seventy-two (172) delinquent accounts and disconnected thirty-eight (38) accounts in August.
OVERTIME HOURS	The Maintenance Department worked one thousand, four hundred seven (1,407) hours of overtime. The Engineering Department worked twenty-nine (29) hours of overtime. The increase in overtime hours was due to storm outages.
CONTRACT CREWS	We have three (3) Pike crews working in the following areas: Tony Seagraves – Stark Conversion in Elliott County and New Construction Adam Rice - Kevin Hamm from 7/20/15– Montgomery, Lewis County Ryan Rice – Miscellaneous Pole Changes
RIGHT-OF-WAY CREWS	We have ten (10) W A Kendall right-of-way crews working on random jobs and work orders at this time. Crew's trimmed 461 trees, cut 616 trees, cut 23,000 feet of brush/line and sprayed 246 spans of line. The crews are working in the following areas: 1 cutting crew in Carter, Lewis and Greenup Counties 1 cutting crew in Elliott and Lawrence Counties 1 cutting crew in Rowan County 1 bucket truck crew in Carter, Lewis and Greenup Counties 1 bucket truck crew in Elliott and Lawrence Counties 1 bucket truck crew in Rowan County 1 tractor crew in Rowan County 2 spray crews in Carter County 1 spray crew in Elliott County and 1 Smith Tree Service, circuit crew at Carter City in Carter County
ENGINEERING REPORT	The Engineering Department released one hundred fifty-four (154) prints consisting of 22,270 feet of primary line and 3,735 feet of service wire. They currently have three (3) new services to be staked and two (2) to be drawn. There are nineteen (19) miscellaneous jobs to be staked or drawn.
APPROVAL OF NEW MEMBERSHIPS & RETIREMENT OF EXISTING MEMBERSHIPS	Motion was made by Director Dupuy, seconded by Director Martin and unanimously agreed to approve one hundred four (104) new memberships and retirement of ninety-six (96) existing memberships for July 2015.
BAD DEBT WRITE-OFFS	Motion was made by Director Rice, seconded by Director Martin and unanimously agreed to charge off \$5,710.91 worth of bad debts and turn them over for collection.
APPROVAL OF CEO'S, DIRECTOR'S & ATTORNEY'S BUSINESS EXPENSES	Motion was made by Director Martin, seconded by Director Rice and unanimously agreed to approve the President's business expense of \$403.12, Director's business expenses of \$9,822.83 and Attorney's business expense of \$39.16.

PRESIDENT'S REPORT	President Fraley reported on the following:
BURNS MERCER	Burns Mercer, CEO at Meade County RECC will be retiring and Martin Littrel of Henderson has been hired to replace Mr. Mercer.
KIPPY JAMES	Kippy has medical issues with his neck and may be facing surgery with short and long term disability. Robert, Willis and Caitlin are covering his duties and doing a good job. Willis is checking and receiving, Caitlin entering data and Robert ordering material.
65 TH ANNIVERSARY	October 13, 2015 is the 65 th anniversary of Grayson Rural Electric and calendars will be handed out. Julie will be designing and ordering calendars.
ANNUAL CLEAN UP	Monday, October 12 th will be the Coops annual clean-up day. The office will be closed, but all employees will be working.
CDL'S	CDL's were given on Wednesday, August 26 th and everyone passed.
VANCEBURG UTILITIES	We received a check from Electric Plant Board of the City of Vanceburg in the amount of \$2,500.39. In 2014 we received \$1,359.58. The increase is due to the new plant that went in our service territory.
GREGORY CAUDILL, CPA	We received a letter from Gregory Caudill, CPA in South Shore who is interested in doing audits for GRECC. He has done audits for Adams RECC, Madena Coop and Northwest Coop, so he is familiar with audit procedures. She will reply to his letter of interest.
PROMISSORY NOTE	We have received a paid Promissory note signed 1980 in the amount of \$238,100.
COBANK DIRECTORS	We received notice from Richard "Dickie" Sitman, Rick Wood and Wallace L. Darnelle who are running for a seat on the CoBank Board.
PRESIDENT FRALEY	President Fraley will be off work next week due to her husband having knee replacement surgery.
LEGAL COUNSEL'S REPORT	Legal Counsel Scott reported on the following: We received an order from the Commission saying we did not establish to their satisfaction the Valley View Subdivision residence that we said was on KY Power and should be GRECC. We were asked to get a better map and addresses of those who live there. We will refile. President Fraley said Brian Poling is going to the PSC next week to compare their maps with ours and Scott Speaks has all the addresses.
KAEC DIRECTOR'S REPORT	Director Whitt reported KAEC did not meet during the month of August due to the Fall Manager's Meeting.
EKPC DIRECTOR'S REPORT	Director Arrington gave a report on EKPC's August Board Meeting. June margins were 5.5, budget was .3 over and revenue expenses were under budget 1.7.

EKPC DIRECTOR'S REPORT
(CONTINUED)

The clean air act went from 18.million parts to 32.million parts. There will be 46,000 megawatts of US coal plants that will be closed between 2012 and 2022 due to EPA regulations.

EKPC's balance sheet remains healthy with equity at 15.4. If equity goes over 15 they will vote to go to 20. RUS asks for equity between 20 and 40. Cash flows are always good.

Michelle Carpenter gave the financial report. She is over governance.

They voted to buy the Bluegrass Station at Louisville, a 400 megawatt gas peaker, and have applied with RUS to get rest of the loan and get in place by December. It is \$131 million and there were some mechanical problems. It was \$137 million and they negotiated it down and the retrofit of is about \$6 million.

All G&Ts are to have a reserve until the solar and wind systems up and going or more of them goes on the grid. PJM is one of the larger ones with solar.

DONATIONS

We received thank you notes from Carter County 4-H Council for the Forest Leadership Scholarship, Office of the First Lady for the Governor's Mansion Centennial Endowment Fund 2014 for chairs, Grayson Area Chamber of Commerce & KY Christian University for goodie bag donations, Carter County Shrine Club for sponsorship and Tyler Bush for scholarship money

President Fraley presented to the Board for their consideration the following donation requests:

Greenup County 4H Livestock Committee showmanship – sponsor	\$500
Carter County 4H Youth Livestock Show - lamb	\$500
Elliott County 4H Livestock Show – 2 lambs	\$500
Carter County Crush Volleyball – tournament	\$50
Carter City Elementary School – fall festival	\$50
Carl McCoy -201 st Engineer Veterans Reunion –Nat'l Guards	\$150
Carter County Special Olympics – sponsorship	\$100
Tygart Creek Elementary – sponsorship 5K run	\$50
Community Hospice – fundraiser	\$125
Blaine Elementary School – fall festival	\$50
Blaine High School Reunion – alumni scholarship	\$125

Motion was made by Director Martin, seconded by Director Rice and unanimously agreed to approve the donations as presented.

MEETING ATTENDANCE

The following upcoming meetings were presented for attendance this month:

Bradley Cherry and Caitlin Hutchinson attended a Human Resources conference.

Priscilla Sparks attended a Federated Insurance meeting.

Priscilla Sparks will be attending the Executive Assistant meeting next week.

Joe Sargent will be attending a HAZ MAT Meeting.

Steven Brown and Jamey Withrow attended underground school.

Some Member Representatives will be attending Winter Hardship meeting in October in Louisville.

Regions 2 & 3 will be attended by Directors Trent, Dupuy, Whitt, Bentley, Martin and Rice.

The KAEC Annual Meeting is November 16-17 in Louisville.

BOARD MEETING DATE

The September Board Meeting will be held on Monday, September 21 at 9:00 a.m.

The October Board Meeting will be held on Thursday, October 22 at 9:00 a.m.

ADDITIONAL BUSINESS There was no additional business to bring before the Board of Directors.

ADJOURN Chairman Trent adjourned the meeting at 12:37 p.m.

Roger L. Trent, Chairman

Billy E. (Eddie) Martin, Secretary/Treasurer

W. Jeffrey Scott, Legal Counsel

President & CEO's Expenses

July 2015

<u>Date</u>	<u>Check</u>	<u>Description</u>	<u>Amount</u>
8/03/15	166568	*Sam's Club – out to purchase at supplies 7/6 – lunch	\$9.99
8/06/15	166608	*Visa – worked collections 7/8 – lunch	\$13.08
		Total Expenses	\$ 23.07

*Prorated

DIRECTORS & ATTORNEY EXPENSES**July-15****KENNETH ARRINGTON**

Per Diem	- GRECC Special Bd. Mtg. (7/7); GRECC Bd. Mtg. (7/24)	\$ 492.00
MISC	-	-
VISA	-	-
	Cash in Lieu of Insurance	637.63
	24 – Hr. Insurance	0.70
TOTAL	-	<u>\$ 1,130.33</u>

JIM BENTLEY

Per Diem	- GRECC Special Bd. Mtg. (7/7); GRECC Bd. Mtg. (7/24)	\$ 402.30
MISC	-	-
VISA	- Registration Fee - Region II & III	435.00
	Cash in Lieu of Insurance	637.63
	24-Hr. Insurance	1.08
TOTAL	-	<u>\$ 1,476.01</u>

HAROLD DUPUY

Per Diem	- GRECC Special Bd. Mtg. (7/7); GRECC Bd. Mtg. (7/24)	\$ 469.00
MISC	-	-
VISA	- Registration Fee - Region II & III	435.00
	Cash in Lieu of Insurance	637.63
	24-Hr. Insurance	0.70
TOTAL	-	<u>\$ 1,542.33</u>

EDDIE MARTN

Per Diem	- GRECC Special Bd. Mtg. (7/7); GRECC Bd. Mtg. (7/24)	\$ 418.40
MISC	-	-
VISA	- Registration Fee - Region II & III	435.00
	Cash in Lieu of Insurance	637.63
	24 – Hr. Insurance	1.08
TOTAL	-	<u>\$ 1,492.11</u>

WILLIAM T. RICE

Per Diem	- GRECC Bd. Mtg. (7/24)	\$ 223.00
MISC	-	-
VISA	- Registration Fee - Region II & III	435.00
	Cash in Lieu of Insurance	637.63
	24 – Hr. Insurance	0.49
TOTAL	-	<u>\$ 1,296.12</u>

ROGER TRENT

Per Diem	GRECC Special Bd. Mtg. (7/7); GRECC Bd. Mtg. (7/24)	\$ 480.50
MISC	-	-
VISA	- Registration Fee - Region II & III	435.00
	Cash in Lieu of Insurance	637.63
	24 – Hr. Insurance	0.49
TOTAL	-	<u>\$ 1,553.62</u>

JIMMY WHITT

Per Diem	GRECC Special Bd. Mtg. (7/7); KAEC Bd. Mtg. (7/20); GRECC Bd. Mtg. (7/24)	\$ 863.35
MISC	-	-
VISA	- Registration Fee - Region II & III	435.00
	Cash in Lieu of Insurance	637.63
	24 – Hr. Insurance	1.08
TOTAL	-	<u>\$ 1,937.06</u>

JEFF SCOTT

Out-of-Pocket	- Postage (37) Collection Letters	\$ 18.13
MISC	-	-
VISA	-	-
TOTAL	-	<u>\$ 18.13</u>

Grayson Rural Electric Financial Report

September 21, 2015

KWH Sales & Purchases: July 2015

Sales:	Month:	10.88% Over Budget	(7/21 – 8/20)
	YTD:	2.01% Over Budget	
	2014 YTD:	1.27% Over	
Purchases:	Month:	1.30% Over Budget	(7/1 – 7/31)
	YTD:	1.91% Over Budget	
Line Loss :	Month:	1.54%	
	YTD:	8.65%	
	Last 12 Months:	5.07%	

Form 7: July 2015

Sales	\$ 147,673	More
Purchased Power	\$ 141,961	Less
Storm Expense	\$ 414,400	

Form 7: Year to Date

Margins:	\$ 61,951*
Budgeted:	\$ (11,581)

Other Items:

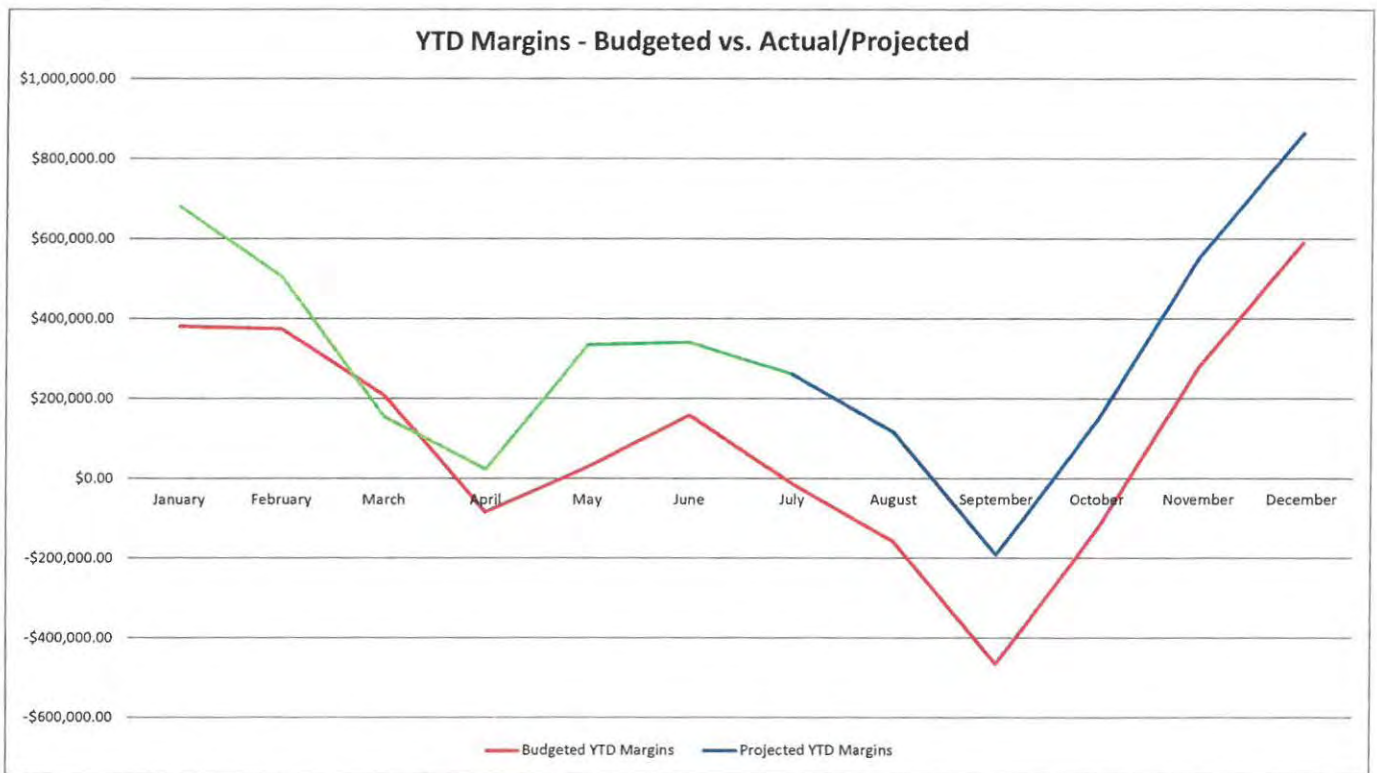
- Capital Credits
- FEMA Update

Monthly Operating Rev & Exp

	July 2014	August 2014	September 2014	October 2014	November 2014	December 2014	January 2015	February 2015	March 2015	April 2015	May 2015	June 2015	July 2015
Revenue	(2,579,178)	(2,571,883)	(2,129,236)	(2,644,213)	(3,012,795)	(3,293,995)	(3,852,755)	(3,011,463)	(2,224,301)	(2,046,272)	(2,329,211)	(2,527,821)	(2,779,477)
Purchased Power	1,653,014	1,615,983	1,389,136	1,222,188	1,739,051	1,827,391	2,094,265	2,211,257	1,590,533	1,135,694	1,219,683	1,511,101	1,639,242
Gross Margins	(926,164)	(955,900)	(740,100)	(1,422,025)	(1,273,744)	(1,466,604)	(1,758,490)	(800,206)	(633,768)	(910,578)	(1,109,528)	(1,016,720)	(1,140,235)
Operations	103,937	110,492	122,294	108,132	66,163	64,997	110,088	102,265	63,795	98,693	91,108	108,182	76,677
Maintenance	292,633	333,539	280,083	314,514	342,834	328,229	285,031	252,556	467,223	287,877	268,495	290,565	528,633
Customer Service	97,103	97,271	95,875	97,694	94,901	95,654	103,367	98,404	89,864	105,165	94,304	97,090	94,159
Informational Advertising	18,543	22,200	28,636	27,715	23,100	23,536	4,228	19,101	21,170	24,239	20,758	12,266	15,080
Demonstration Advertising	1,726	2,948	1,731	421	1,835	1,576	1,493	4,003	2,661	1,782	1,677	780	774
Admin & General	161,501	148,846	162,405	178,658	155,157	184,452	171,785	179,260	158,438	164,272	181,944	169,949	157,244
Depreciation	257,663	258,330	258,805	259,420	259,954	260,604	263,182	263,585	266,108	266,580	266,615	267,883	268,505
Regulatory	3,890	3,890	3,890	3,890	3,890	3,888	3,450	3,450	3,450	3,450	3,450	3,455	3,455
Interest - LTD	79,207	79,413	78,604	77,910	77,432	77,421	78,096	74,646	74,138	76,691	76,352	76,381	75,644
Interest - Deposits	130	129	128	127	126	-	-	124	124	124	123	123	125
Miscellaneous Expense	728	2,025	855	1,475	228	706	105	610	1,825	2,050	825	772	750
Interest Income	(2,609)	(2,551)	(2,568)	(2,485)	(2,579)	(2,573)	(2,607)	(2,586)	2,650	(2,680)	(2,619)	(2,615)	(2,598)
Non-Electric Revenue	(15,359)	1,066	8,730	(27,043)	21,557	851	58,069	(19,846)	(14,025)	13,103	(4,894)	(13,362)	986
Capital Credits	-	(448)	(11,788)	-	-	-	-	-	(146,863)	-	-	(494)	-
Margins	72,929	101,250	287,580	(381,597)	(229,146)	(427,263)	(682,202)	175,367	356,790	130,767	(111,389)	(5,744)	79,199
* ()'s = positive margins													
Operating Expenses	1,017,061	1,059,083	1,033,306	1,069,956	1,025,620	1,041,063	1,020,825	998,004	1,148,796	1,030,921	1,005,652	1,027,447	1,221,047
Monthly OTIER	0.08	(0.27)	(2.66)	5.90	3.96	6.52	9.74	(1.35)	(3.81)	(0.71)	2.46	1.08	(0.05)
Revenue	(33,293,861)	(33,351,245)	(33,402,613)	(33,511,774)	(33,203,203)	(32,828,962)	(32,805,171)	(32,768,544)	(32,574,348)	(32,530,678)	(32,382,950)	(32,223,123)	(32,423,422)
Purchased Power	20,036,598	20,099,569	20,128,263	20,071,174	20,099,182	19,923,071	19,542,241	19,786,575	19,641,985	19,451,205	19,315,057	19,209,296	19,195,524
Gross Margins	(13,257,263)	(13,251,676)	(13,274,350)	(13,440,600)	(13,104,021)	(12,905,891)	(13,262,930)	(12,981,969)	(12,932,363)	(13,079,473)	(13,067,893)	(13,013,827)	(13,227,898)
Operations	1,123,347	1,135,788	1,171,471	1,185,290	1,170,977	1,160,112	1,160,348	1,178,399	1,167,135	1,160,042	1,146,506	1,150,147	1,122,887
Maintenance	3,646,619	3,694,578	3,764,010	3,864,879	3,948,243	4,034,456	4,089,712	3,645,564	3,848,283	3,856,926	3,841,616	3,743,579	3,979,579
Customer Service	1,073,216	1,075,503	1,079,480	1,084,267	1,082,085	1,131,180	1,149,378	1,158,091	1,148,271	1,148,246	1,150,338	1,166,692	1,163,748
Informational Advertising	236,476	240,979	241,036	249,157	254,882	266,275	248,382	252,832	250,191	251,267	250,522	245,492	242,029
Demonstration Advertising	22,891	23,893	23,731	21,924	21,983	24,076	23,325	25,536	25,400	25,468	23,906	22,633	21,681
Admin & General	1,902,845	1,904,894	1,917,112	1,912,603	1,921,378	1,946,591	1,944,830	1,975,010	1,977,317	1,974,104	1,987,781	2,016,668	2,012,411
Depreciation	3,039,925	3,046,857	3,053,949	3,061,617	3,080,935	3,088,645	3,098,666	3,107,598	3,117,682	3,127,922	3,137,905	3,148,730	3,159,573
Regulatory	36,305	37,328	38,351	39,374	40,397	41,398	42,014	42,630	43,246	43,862	44,478	44,043	43,608
Interest - LTD	973,044	966,961	962,378	958,037	954,050	950,337	945,799	941,308	937,056	932,942	929,913	926,291	922,728
Interest - Deposits	1,869	1,797	1,721	1,646	1,573	1,416	1,285	1,279	1,273	1,268	1,263	1,258	1,253
Miscellaneous Expense	34,670	33,525	31,977	29,035	27,523	26,735	23,366	18,399	14,672	13,245	13,293	12,203	12,225
Interest Income	(30,053)	(30,135)	(30,213)	(30,244)	(30,369)	(30,490)	(30,651)	(30,787)	(25,706)	(25,791)	(25,823)	(25,822)	(25,811)
Non-Electric Revenue	(16,476)	(5,774)	6,423	(28,240)	(16,412)	(15,630)	31,954	25,012	18,985	20,245	23,879	8,848	25,193
Capital Credits	(165,416)	(165,864)	(176,447)	(166,222)	(166,222)	(166,222)	(166,222)	(166,222)	(159,099)	(159,099)	(159,099)	(159,593)	(159,593)
Margins	(1,378,001)	(1,291,346)	(1,189,371)	(1,257,477)	(812,998)	(447,012)	(700,743)	(807,320)	(567,658)	(708,828)	(701,416)	(712,659)	(706,389)
Operating Expense	12,091,207	12,162,103	12,285,216	12,407,829	12,504,026	12,671,221	12,727,105	12,346,647	12,530,526	12,535,293	12,527,520	12,477,735	12,681,721
Rolling 12 Month OTIER	2.42	2.34	2.24	2.31	1.85	1.47	1.74	1.86	1.61	1.76	1.75	1.77	1.77

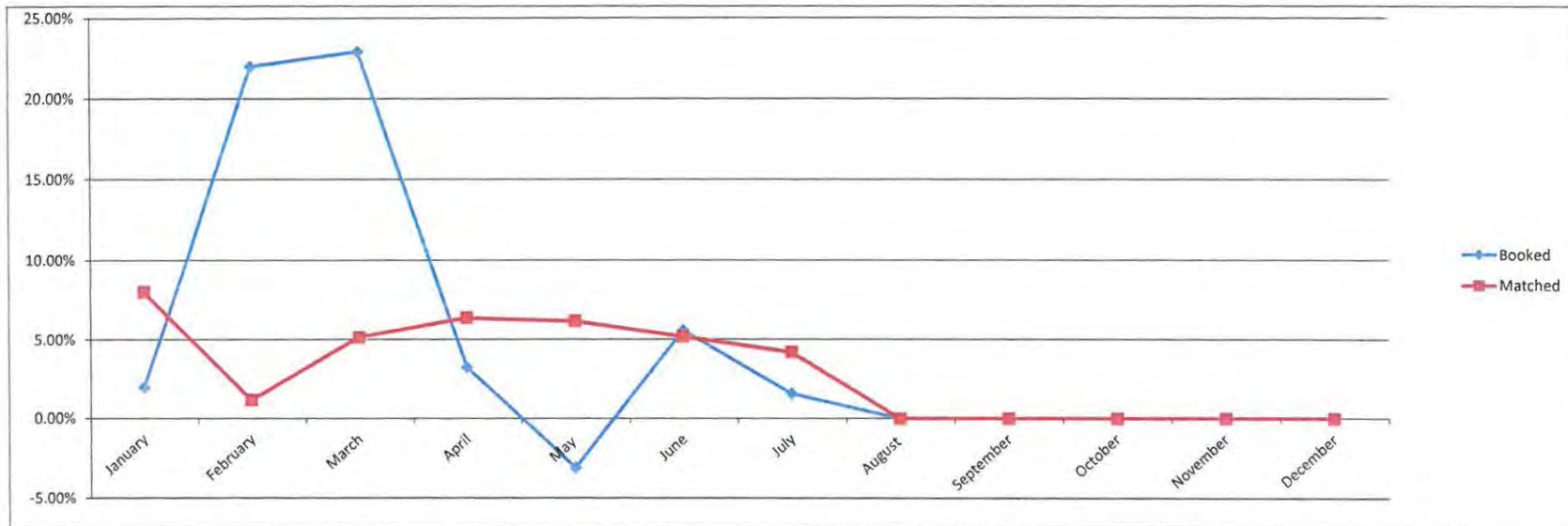
	2015 Monthly Margins			2015 YTD Margins			2015 Projected Margins
	Actual	Budgeted	Difference	Actual	Budgeted	Difference	YTD + Actual
January	\$681,642.42	\$381,444.43	\$300,197.99	\$681,642.42	\$381,444.43	\$300,197.99	\$681,642.42
February	-\$175,367.43	-\$6,321.57	-\$169,045.86	\$506,274.99	\$375,122.86	\$131,152.13	\$506,274.99
March	-\$351,489.86	-\$166,619.57	-\$184,870.29	\$154,785.13	\$208,503.29	-\$53,718.16	\$154,785.13
April	-\$130,766.77	-\$291,768.57	\$161,001.80	\$24,018.36	-\$83,265.28	\$107,283.64	\$24,018.36
May	\$311,388.90 *	\$112,384.43	\$199,004.47	\$335,407.26	\$29,119.15	\$306,288.11	\$335,407.26
June	\$5,743.31	\$129,707.43	-\$123,964.12	\$341,150.57	\$158,826.58	\$182,323.99	\$341,150.57
July	-\$79,199.15	-\$170,407.57	\$91,208.42	\$261,951.42	-\$11,580.99	\$273,532.41	\$261,951.42
August	\$0.00	-\$145,687.57			-\$157,268.56		\$116,263.85
September	\$0.00	-\$306,473.57			-\$463,742.13		-\$190,209.72
October	\$0.00	\$335,107.43			-\$128,634.70		\$144,897.71
November	\$0.00	\$409,254.43			\$280,619.73		\$554,152.14
December	\$0.00	\$310,823.10			\$591,442.83		\$864,975.24

* - Receivable booked for reimbursement of March Storm through FEMA (\$200,000)



2015 Current Year							2014 Previous Year						
Average	HDD	CDD	HDD	CDD	Average		Average	HDD	CDD	HDD	CDD	Average	
21-Jul	77	0	12	0	4	69	1-Jul	77	0	12	0	16	81
22-Jul	74	0	9	0	3	68	2-Jul	78	0	13	0	13	78
23-Jul	73	0	8	0	6	71	3-Jul	81	0	16	0	7	72
24-Jul	72	0	7	0	7	72	4-Jul	68	0	3	0	4	69
25-Jul	73	0	8	0	6	71	5-Jul	66	0	1	0	2	67
26-Jul	76	0	11	0	10	75	6-Jul	73	0	8	0	5	70
27-Jul	80	0	15	0	12	77	7-Jul	75	0	10	0	14	79
28-Jul	80	0	15	0	8	73	8-Jul	66	0	1	0	16	81
29-Jul	81	0	16	0	12	77	9-Jul	63	2	0	0	12	77
30-Jul	76	0	11	0	12	77	10-Jul	65	0	0	0	8	73
31-Jul	73	0	8	0	6	71	11-Jul	69	0	4	0	11	76
1-Aug	74	0	9	0	7	72	12-Jul	71	0	6	0	12	77
2-Aug	73	0	8	0	10	75	13-Jul	70	0	5	0	18	83
3-Aug	74	0	9	0	10	75	14-Jul	69	0	4	0	10	75
4-Aug	75	0	10	0	6	71	15-Jul	71	0	6	0	6	71
5-Aug	79	0	14	0	6	71	16-Jul	71	0	6	1	0	64
6-Aug	68	0	3	0	11	76	17-Jul	74	0	9	0	1	66
7-Aug	74	0	9	0	15	80	18-Jul	71	0	6	0	3	68
8-Aug	74	0	9	0	13	78	19-Jul	66	0	1	0	5	70
9-Aug	75	0	10	0	13	78	20-Jul	75	0	10	0	5	70
10-Aug	77	0	12	0	12	77	21-Jul	72	0	7	0	12	77
11-Aug	75	0	10	0	9	74	22-Jul	75	0	10	0	13	78
12-Aug	72	0	7	0	8	73	23-Jul	74	0	9	0	16	81
13-Aug	70	0	5	0	7	72	24-Jul	69	0	4	0	3	68
14-Aug	69	0	4	0	8	73	25-Jul	67	0	2	0	1	66
15-Aug	72	0	7	0	11	76	26-Jul	68	0	3	0	8	73
16-Aug	75	0	10	0	15	80	27-Jul	67	0	2	0	10	75
17-Aug	76	0	11	0	15	80	28-Jul	73	0	8	0	1	66
18-Aug	75	0	10	0	16	81	29-Jul	76	0	11	2	0	63
19-Aug	78	0	13	0	11	76	30-Jul	76	0	11	0	0	65
20-Aug	71	0	6	0	8	73	31-Jul	76	0	11	0	4	69
	74.5	0	296	0	297	74.6		71.4	2	199	3	236	72.5
			296		297				201		239		

2015	January	February	March	April	May	June	July	August	September	October	November	December
Sales	30,110,413.00	24,071,853.00	17,918,995.00	16,808,679.00	19,311,724.00	19,585,260.00	21,882,561.00					
Purchases:												
Booked	30,707,957.00	30,858,196.00	23,245,192.00	17,367,652.00	18,727,031.00	20,740,644.00	22,225,101.00					
Matched	32,729,548.84	24,351,751.40	18,893,340.70	17,956,117.78	20,588,676.20	20,661,485.50	22,842,486.72					
kWh Loss												
Booked	597,544.00	6,786,343.00	5,326,197.00	558,973.00	-584,693.00	1,155,384.00	342,540.00	0.00	0.00	0.00	0.00	0.00
Matched	2,619,135.84	279,898.40	974,345.70	1,147,438.78	1,276,952.20	1,076,225.50	959,925.72	0.00	0.00	0.00	0.00	0.00
% Line Loss												
Booked	1.95%	21.99%	22.91%	3.22%	-3.12%	5.57%	1.54%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Matched	8.00%	1.15%	5.16%	6.39%	6.20%	5.21%	4.20%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!



JULY 2015

219 ANALYSIS

<u>WO NOS.</u>	<u>DESCRIPTION</u>		<u>NUMBER</u>	<u>COST</u>	<u>LOAN FUNDS</u>	<u>UNIT COST</u>	<u>UNIT COST</u>	BUDGETED
9	RETIREMENTS		7	236.62	(236.62)			
100	NEW LINE EXTENSIONS		21	48,704.23	48,704.23	2,319.25	3,229.93	
200	TIE LINES							
300	MAJOR PROJECTS			0.00	0.00			
602	SERVICE UPGRADES		3	5,175.89	5,175.89	1,725.30	1,920.25	
603	SECTIONALIZERS		3	3,752.60	3,752.60			
604	REGULATORS							
606	POLES		24	61,678.99	61,678.99	2,569.96	2,410.75	
701	SECURITY LIGHTS		20	8,505.87	8,505.87	425.29	423.50	
1600	MINOR PROJECTS		3	4,438.66	4,438.66			
	TOTAL		80	132,492.86	132,019.62			
601	<u>SPECIAL EQUIPMENT</u>	<u>ACCT#</u>						
	METERS	370.00	1	883.15	883.15	883.15	160.00	
	TRANSFORMERS	368.00	85	75,957.20	75,957.20	893.61	1,120.00	
	TURTLES	370.10	0	0.00	0.00	0.00		
	DISCONNECT METERS	370.20	0	0.00	0.00	0.00		
	OTHER SP EQUIP	365.00	18	20,552.64	20,552.64	1,141.81		
	TOTAL		104	97,392.99	97,392.99			
	MATERIAL			34,964.31				
	MATERIAL OH			33,097.82				
	LABOR			21,512.40				
	LABOR OH			56,150.49				

**Work orders 51468 & 51543 that closed on 6/31/15 were reopened as of 7/1/15 to correct Pike time on the jobs. They were reclosed to plant as of 7/1/15. The total amount showing for the 606's includes only the change in costs for these two jobs since the total costs are included on the June Form 219. The poles for these two jobs are not included in the number of poles since they were counted in June and will not significantly change the average pole cost.

Grayson Rural Electric Cooperative Corporation

109 Bagby Park • Grayson, KY 41143-1292
Telephone 606-474-5136 • 1-800-562-3532 • Fax 606-474-5862

October 14, 2015

W. Jeffrey Scott,
Attorney at Law
P. O. Box 608
Grayson, KY 41143

Dear Jeffrey:

A Regular Board Meeting of GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION will be held on **Thursday, October 22, 2015, at 9:00 a.m.**

We look forward to seeing you at the Board Meeting.

Sincerely,



Priscilla Sparks
Executive Assistant

GRAYSON RURAL ELECTRIC
COOPERATIVE CORPORATION

Enclosures:

1. Agenda
2. Miscellaneous Analysis

Grayson Rural Electric Cooperative Corporation

109 Bagby Park • Grayson, KY 41143-1292
Telephone 606-474-5136 • 1-800-562-3532 • Fax 606-474-5862

October 14, 2015

Dear Director:

A Regular Meeting of the Board of Directors is hereby called. I do hereby fix the GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION headquarters in Grayson, Commonwealth of Kentucky, as the place, and **Thursday, the twenty-second day of October, 2015 at 9:00 a.m.**, for holding of said meeting for the following purposes:

To take any and all action and to transact any and all business which may be necessary, convenient, or desirable in connection with any of the foregoing and the organization of the Corporation at said meeting or at any adjournment or adjournments thereof; and for the transaction of such other business which may come before the meeting or any adjournment or adjournments thereof, as well as consider altering, amending, or repealing the current Bylaws of the Corporation in the manner hereinafter set forth.

Sincerely,



Roger L. Trent
Chairman

GRAYSON RURAL ELECTRIC
COOPERATIVE CORPORATION

RLT/ps

Enclosures:

1. Agenda
2. Miscellaneous Analysis

GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION
BOARD MEETING AGENDA

On October 22, 2015, the Directors of Grayson Rural Electric Cooperative Corporation were called to meet by the Chairman.

1. Sign Wavier of Notice
2. Invocation
3. Approval of the Minutes From the September Board Meeting.
4. Technical Services Report – Brian Poling, Manager of Technical Services
5. Financial Report and Approval of the Financial & Statistical Report for August 2015 – Bradley Chery, Manager of Finance & Accounting
 - a.) Set Date for Planning and Review Budget Meeting – Tentative, November 19 at 9:00 a.m.
6. Resolution Pertaining to NRECA 401(k) Contribution
7. Operations Report and Safety Report – Kyle Clevenger, Manager of Operations
8. Manager of Marketing & Member Services Report – Kim Bush
9. Approval of One Hundred Three (103) New Memberships and Retirement of One Hundred Two (102) Existing Memberships for September 2015
10. Consider Approval of Accounts to be Charged Off to Reserve \$3,311.10
11. Consider Approval of President’s Business Expense in the Amount of \$397.18, Director’s Business Expense in the Amount of \$7,147.95 and Attorney’s Business Expense in the Amount of \$159.22
12. President’s Report – Carol Hall Fraley
13. Cooperative Legal Matters – W. Jeffrey Scott
14. KAEC Director’s Report – Jimmy Whitt
15. EKPC Director’s Report – Kenneth Arrington
16. Consider Community Service and / or Donations
17. Attendance at Meetings – Directors and Employees
18. Review and Consider Approval of Bylaws: Article VII Non-Profit Corporation: Section 2. Patronage Capital in Connection with Furnishing Electric Energy
19. Appoint Voting Delegate and Alternate Delegate to KAEC’s Annual Meeting
20. Confirm Date for November Board Meeting – Monday, November 30, 2015
21. Additional Business
 - a.) Per Diem Increase for the Board Members
22. Adjourn

On September 21, 2015 at 9:10 a.m. Grayson Rural Electric Cooperative Corporation held a regular board meeting at its office in Grayson, Kentucky called by the Chairman, for the transaction of such business as outlined in the letter of call. Chairman Trent called the meeting to order pursuant to the Waiver of Notice signed by the Directors and all were present. Others present included: Carol Hall Fraley, President and CEO; W. Jeffrey Scott, Legal Counsel; and Priscilla Sparks, Executive Assistant.

INVOCATION	Director Rice gave the invocation.
APPROVAL OF MINUTES	Motion was made by Director Bentley, seconded by Director Martin and unanimously agreed to approve the minutes from the August Board Meeting for informational purposes only.
TECHNICAL SERVICES SUPERVISOR	Brian Poling, Technical Services Supervisor, reported on the following:
COLUMBIA GAS	Mr. Poling will be meeting with Columbia Gas to discuss installing a 1.5 megawatt pumping station in our service territory behind the I-64 East bound rest area, scheduled to go online in 2017. This will require an Engineering study and we will be using Jim Bridges who does our system inspections and signs our work orders for RUS.
GENESIS	Genesis is building a 105 bed drug rehab facility near K-mart. This is a 500 KVA load. Several jobs will be created at this facility.
JOHN CLARK OIL	Mr. Poling reported that John Clark Oil has notified the City of Olive Hill they are building a truck stop at Pleasant Valley and would be attaching to the city sewer, at a cost of approximately \$680,000. They are possibly planning for a hotel in the future.
PUBLIC SERVICE COMMISSION MAPS	Brian made a trip to the Public Service Commission to discuss 'official boundary maps'. He found that the maps we have always used are not the official boundary maps. The Commission furnished him with a set of approved maps that can be copied electronically. This will help us with cases we have pending or plan to submit to the Commission.
WIRELESS NETWORK SECURITY	We have finished up our wireless network security. We now offer employees and guests (auditors, safety personnel, etc.) access to the internet that is completely isolated from our network. As part of our PCI and credit card reader security, we have installed credit card readers at the front counter for our consumer use.
CARLY FIORINA	Brian showed a Carly Fiorina interview with Katie Couric on environmental regulations and clean coal and innovation.
FINANCIAL REPORT	Bradley Cherry, Manager of Finance and Accounting presented the Financial & Statistical Report for July 2015. Mr. Cherry reported on the following:
FINANCIAL & STATISTICAL REPORT FOR JULY 2015	Kilowatt hour sales for the month of July (7/21-8/20) were 10.88% over budget. Purchases for the time period of 7/1-31 were 1.30% over budget. Line loss for the last twelve months was 5.07 %. Year to date margins were \$61,951 even with the storm expense of \$414,400 compared to the budgeted amount of (\$11,581). We are \$655,000 to the positive, excluding FEMA money we may receive.

FORM 7 Sales for July 2015 were \$147,673 more, purchased power was \$141,961 less and storm expense was \$414,400. Even with storm expenses we are still \$52,000 to the positive.

T.I.E.R The monthly Operating T.I.E.R was (0.05) and the rolling 12 month O.T.I.E.R is 1.77.

SECURITY LIGHT TARIFF All new security lights will be changed to LED and a new tariff will be created. Bradley has been working with Jim Adkins and finalizing the new security light tariff. The new lights will have a different rate and this will save on trips and repairs.

CAPITAL CREDITS In September we paid out ten accounts totaling \$13,542.66 and we have 17 outstanding capital credit applications. This year we have paid 143 capital credit accounts totaling \$146,262.65.

FEMA We are almost finished with the July applications for FEMA. Greenup County was not declared a disaster in July. We are waiting on the March application filed with FEMA. They are paying in 6-8 months.

MONTHLY CHARGE-OFF'S Bobby Justice and Paulette Litton were on the charge-off list and Director Martin said that Bobby Justice was possibly living at another location. Director Whitt said that Paulette Litton passed away and maybe her capital credits could be applied to her charge off the next final cycle.

CFC We received from CFC a promissory note, Revolving Line of Credit Agreement, dated July 20, 2012 paid in full.

STATEWIDE PATRONAGE We received a check for 20% of the 2014 patronage dividend allocation of \$209.18 in the amount of \$41.84.

STAFF MEETING President Fraley held a staff meeting last week to begin our budgeting process and initiate some dates. We had originally planned to start the electronic mapping portion and outage reporting during the last two years of the work plan. However, we have decided this is something we can be using and refining, and we plan to have everything ready to start toward the second half of 2016. We will contact Dave Herron of LEIDOS, the firm who helped us calculate and plan our work plan. They will help us set up a timeline and guide us through this process.

A lot of work will precede selection of a contractor to map the system. President Fraley says that she plans to utilize Robert Brown to coordinate the mapping plan with the contractors and our employees. Mapping of the system must be accomplished within 18 months or sooner. There are certain aspects of the mapping program he will have to learn and we will begin to train him soon, in accordance with our needs and time line.

Willis Barker, Robert Brown and Caitlin Hutchinson are dividing Kippy's work and keeping up with checking out material, data entry and ordering material. They are doing a good job. Kippy has not been released to return to work. We will train several people in the use of the Outage Management System.

STAFF MEETING
(CONTINUED)

The new Outage Management System and Mapping will eventually lead to I-pads or other devices in all trucks, and employees will update information so that our Construction and Maintenance crews can have “real time” access to meter sets, removes, delinquents, right of way reports, directions and a host of other functions. President Fraley wanted to make the Board aware of this change in the work plan time line.

APPROVAL OF FINANCIAL
& STATISTICAL REPORT
FOR JULY 2015

Motion was made by Director Dupuy, seconded by Director Martin and unanimously agreed to approve the Financial and Statistical Report for July 2015, as presented for informational purposes only.

OPERATIONS REPORT

Kyle Clevenger, Manager of Operations gave the Operations Report. He reported on the following:

EMPLOYEE/LOST TIME
ACCIDENT

There were no lost time accidents to report this month.

SAFETY REPORT

The following safety meetings were held during August:

August 06—Kim Bush, Mgr. of Marketing & Member Services, turned the meeting over to Carol Ann who talked about credit card payments, Board Policies: 501 – Work Rules and Policy 517 Confidentiality of Personnel Files and Employee Privacy Rights. Kyle and Kippy reminded everyone to check and change out their rubber gloves and sleeves.

August 10—Bradley Cherry, Mgr. of Finance & Accounting, showed a video on Back to School Bus Safety and a power point on Bus Safety Statistics and Safety Tips for Drivers. Kyle reviewed four accidents involving Chris Mosier, Shane McDavid, Bryan Rogers and Mark Hutchinson. Carol Ann discussed turning in notes to her on service issues and having services re-inspected when needed

August 17—Kyle Clevenger, Manager of Operations, turned the meeting over to Linville Spangler from EKPC. He discussed Lock Out/Tag Out and the ten steps of switching and held a session on System Restoration Training. Kyle discussed CDL physicals due next week and di-electric truck testing. Everything passed inspection.

August 25—Carol Fraley, President and CEO, turned the meeting over to David White from KAEC, who reviewed storm work, neutral conductors/repairs and a UUS driver injury. A coop lineman accident was reviewed and made reference to Safety Manual APP: 407 – E 15, 12. He will make crew visits following the meeting. Carol Fraley reminded everyone not to be complacent and keep safety in mind.

August 31—Mike Martin, Assistant Manager of Operations, read an article written by Kelly Sparrow who previously worked as a utility safety engineer. The name of the article was “Safe by a Nose”.

Kyle continues to mention the necessity and importance of hard hats, rubber gloves and using ground chains. A line is not dead until it is grounded.

CONSTRUCTION

Construction built eighty (80) new work orders for the month of August and worked zero (0) hours of overtime.

OVERTIME HOURS The Maintenance Department worked four hundred sixty-nine (469) hours of overtime during the month of August. Engineering worked ten (10) hours of overtime during the month of August.

DELINQUENT NOTICES The Maintenance & Construction Departments collected on one hundred sixty-seven (167) delinquent accounts and disconnected twenty-five (25) accounts in September.

CONTRACT CREWS Three (3) Pike crews have been working in the following areas:

Tony Seagraves – Stark Conv. – Elliott County and new construction
Kevin Hamm – Montgomery in Lewis County
Ryan Rice –State Project on Jordan Fork and miscellaneous pole changes

RIGHT-OF-WAY CREWS We have ten (10) W A Kendall right-of-way crews working on random jobs and work orders at this time. Crews trimmed 447 trees, cut 851 trees, cut 38,740 feet of brush/line and sprayed 340 spans of line. The crews are working in the following areas:

1 cutting crew in Carter, Lewis and Greenup Counties
1 cutting crew in Elliott and Lawrence Counties
1 cutting crew in Rowan County
1 bucket truck crew in Carter, Lewis and Greenup Counties
1 bucket truck crew in Elliott and Lawrence Counties
1 bucket truck crew in Rowan County
1 tractor crew in Rowan County
2 spray crews in Carter County
1 spray crew in Elliott County
Smith Tree Service-working circuit work on Airport Road

We will be doing winter spraying through December. January is a dormant month and we don't spray in February.

ENGINEERING REPORT The Engineering Department released sixty-six (66) prints consisting of 3,280 feet of primary line and 2,890 feet of service wire. We currently have two (2) new services to be staked, two (2) to be drawn and sixteen (16) miscellaneous jobs to be staked or drawn.

MANAGER OF MARKETING & MEMBERS SERVICES Kim Bush, Manager of Marketing and Member Services reported:

WRITE-OFFS Write-offs for the period of January – September 2014 compared to the period of January – September 2015 were down \$71,214.40. In July 2015 we were down over \$18,000 as compared to the same period as 2014. We think this is due to PrePay and Debt Management.

PREPAY SUMMARY We have 450 active PrePay Accounts with 10 inactive accounts. The average balance is (\$44.72) using about 31 kwh a day. In the past 30 days we have received 1,744 payments totaling \$61, 847.25, averaging \$34.86 per payment.

DEBT MANAGAEMENT We have 77 active accounts with Debt Management and we have collected \$21,647.55. Debt Management has an outstanding balance of \$18,400.50. Seventeen percent of active accounts have Debt Management. We have:

Under \$100 – 19	\$100-\$199 – 16	\$200-\$299 – 13
\$300-\$399 – 17	\$400-\$499 –5	over \$500 – 7

ENERGY EFFICIENCY Tina Preece has audited 3 Heat Pump Retrofits, performed 4 How\$martKY Audits, 7 Energy Audits and 2 Touchstone Energy Audits. She is meeting with EKPC to discuss concerns with their rebate program process. Every week consumers call or come in about the Energy Star appliances rebates.

SCHOOL PROGRAMS We hosted “Kids in the Races” at the Greenup County Fair.

ANNOUNCEMENTS Honor Flight is scheduled September 26th and we are sponsoring Jane Waites from Lexington. Sue Roberts will serve as guardian on the trip. The office will be closed for cleaning on Monday, October 12th. We will be hosting the Chamber of Commerce Meeting at GRECC with KAEC’s David White. There will be demonstrations of the safety trailer and pole top rescue. We will also be celebrating our 65th year as a Cooperative. First Responders’s Meeting/Training with David White of KAEC will be held at 6pm October 13th in GRECC’s garage. WSAZ will be interviewing Sha Collier from EKPC and Kim Bush on SimpleSavers on October 16th. The Service Awards Dinner is December 11th at 6pm at the old Olive Hill High School. Texas Roadhouse will be catering.

CHRISTMAS BUDGET The Christmas budget is basically the same as 2014 at a cost of \$18,625. Our service awards will be less this year. We will use the same budget this year.

ANNUAL MEETING BUDGET President Fraley said we will have to increase the annual meeting budget due to the number of members who registered last year and because we gave away all the leftover items we had. We will include the Annual Meeting Budget in the 2016 overall budget. We did not buy extra bulbs and buckets for the 2015 annual meeting and literally gave away everything we had. EKP does pay half on the bulbs. We will budget for a possible election, also.

APPROVAL OF NEW MEMBERSHIPS & RETIREMENT OF EXISTING MEMBERSHIPS Motion was made by Director Rice, seconded by Director Whitt and unanimously agreed to approve one hundred one (101) new memberships and retirement of ninety-four (94) existing memberships for August 2015.

BAD DEBT WRITE-OFFS Motion was made by Director Dupuy, seconded by Director Whitt and unanimously agreed to charge off \$3,380.84 worth of bad debts and turn them over for collection.

APPROVAL OF CEO’S, DIRECTORS & ATTORNEY’S BUSINESS EXPENSES Motion was made by Director Whitt, seconded by Director Rice and unanimously agreed to approve the President’s business expense of \$23.07, Directors business expenses of \$10,427.58 and Attorney’s business expense of \$18.13.

RUS WORK ORDERS

Motion was made by Director Martin, seconded by Director Rice and unanimously agreed to approve the following 219 RUS Work Orders for the months of April, May, and June 2015 in the amount of \$655,864.88:

April 2015	Work Order No. 1218	\$282,725.54
	Work Order No. 1219	\$6,335.52
May 2015	Work Order No. 1220	\$155,005.37
	Work Order No. 1221	\$16,113.08
June 2015	Work Order No. 1222	\$186,921.33
	Work Order No. 1223	\$8,764.04
Total		\$655,864.88

JIM BRIDGES, PE

Jim Bridges, PE, of Distribution Systems Solutions, is increasing his rates to \$125 per hour. The monthly 219 signatures will increase from \$200 per month to \$250 per month. The daily inspection rate will increase from \$650 to \$800. The increase would be about \$300 a quarter. It has been several years since Mr. Bridges has increased his service fees and he does an excellent job.

PRESIDENT'S REPORT

President Fraley reported on the following:

ANNOUNCEMENTS

The drive-thru was repaired and is working.
B-Dry has fixed the water problem in the basement.
The office will be closed October 12, 2015 for annual clean up.
October 13th at 11:30 a.m. the Chamber of Commerce will be at GRECC for Coop month. KAEC's David White is doing a program on Safety and Pole Top Rescue.
The First Responder Meeting will be at October 13th 6:00 p.m. at GRECC.
We had three consumers who wanted to apply for service that requires aid to construction fees due to the length and type of service. These line extensions will require sizable aid to construction payments.
George Easterling broke his femur and will have surgery Tuesday at OLBH.
The Coop has been very busy with day to day operations.
She plans to mail the final letter to Steve Kingsolver at PSC for the last storm as soon as all invoices are in and paid.

LEGAL COUNSEL'S REPORT

Legal Counsel Scott reported on the following:

KY POWER / SAND GAP
PSC CASE

We had a court of appeals pre-hearing conference on KY Power / Sand Gap and nothing was resolved.
President Fraley told Legal Counsel Scott that Brian Poling has taken our maps to the PSC. Evidently, our maps were not copies of the official maps. The PSC provided us with electronic copies of the correct map of our system.

MOU

He checked with PSC and there are 2 or 3 orders regarding East Kentucky Power's environmental surcharge and fuel charge. As of Saturday, no other Coops have signed the Memorandum of Understanding (MOU) between GRECC and EKPC.
Director Arrington said at Tuesday's meeting the EKPC legal report stated all Coops has signed the MOU.

GRECC BYLAWS

President Fraley presented corrected language for Article VII, Section 2. Patronage Capital in Connection with Furnishing Electric Energy. Legal Counsel Scott directed that the corrected Article should be mailed with the September Board Minutes, to be placed on the agenda, considered and voted on at the October Board Meeting.

KAEC DIRECTOR'S REPORT

Director Whitt reported no meeting.

EKPC DIRECTOR'S REPORT

Director Arrington reported the following to the Board:

Current budget was over \$4.3 million at \$12.1 million.
Revenue was under at \$6.6 million and \$10.9 respectively.
Lower production in July than anticipated due to milder weather.
Equity is at 15-15.7.
Cyber security uses a multi-layer security system.
The United Nations secretary general says to move to renewable energy.
The Sierra Club will be meeting with EKPC.
The lack of concern on the political scene in regards to the coal.
The 3 governor candidates will be at KAEC tomorrow 8:30 a.m.

THANK YOU LETTERS

We received thank you notes from Ray Hall's family, Lawrence County Food Bank and Grayson Area Chamber of Commerce for KCU Goodie Bags.

DONATIONS

President Fraley presented to the Board for their consideration the following donation requests:

Greenup County Schools – Frist Book Account	\$250
Vanceburg Lions Club – 5 th Annual Heritage Fest	\$100
East Carter Raider – scramble golf – football team	\$50
Ashland Alliance Foundation -Youth Leadership –tuition	\$80
Blaine Fall Festival – donated bulbs, candy, etc.	\$1,700 plus

Motion was made by Director Rice, seconded by Director Martin and unanimously agreed to approve the donations as presented.

MEETING ATTENDANCE

Meetings presented for attendance this month:

KAEC Annual Meeting, Louisville, KY, November 16-17, 2015: Roger Trent, William Rice, Harold Dupuy, Jimmy Whitt, Eddie Martin, Kenneth Arrington, Jim Bentley, Carol Hall Fraley and some staff members.
NRECA Director's Winter School, December 11-16, 2015, Nashville, TN, Directors Trent, Dupuy, Whitt and Bentley plan on attending.

BOARD MEETING DATES

The October Board Meeting will be Thursday, October 22, 2015.

ADDITIONAL BUSINESS

Director Arrington suggested that consideration of the current Board Per Diem be placed on the Board Agenda for October.

ADJOURN

Chairman Trent adjourned the meeting at 11:56 a.m.

Roger L. Trent, Chairman

Billy E. (Eddie) Martin, Secretary/Treasurer

W. Jeffrey Scott, Legal Counsel

President & CEO's Expenses

Balance of July 2015 and
August 2015

<u>Check Date</u>	<u>Check</u>	<u>Description</u>	<u>Amount</u>
09/04/15	166832	Visa Expenses <u>July</u> *7/20-21 – KAEC Board Meeting, L`ville – hotel expense *7/20-21 – KAEC Board Meeting, L`ville – meal expense *7/24 – GRECC Board Meeting – meal expense *7/31 – Construction Employee Meeting – meal expense <u>August</u> *8/04 – Worked thru lunch – meal expense *8/06 – Collections (worked thru lunch) – meal expense *8/14 – Shop for office furniture, Grayson – meal expense *8/18 – Honor Flight Veterans Meeting, Lex`ton – meal exp.	 \$72.55 \$72.62 \$13.03 \$14.99 \$9.47 \$11.08 \$21.44 \$27.35
10/05/15	167060	Verizon Wireless – CEO cell phone charger	\$154.65
		Total Expenses	\$397.18

*Prorated

DIRECTORS & ATTORNEY EXPENSES

August-15

KENNETH ARRINGTON

Per Diem - GRECC Bd. Mtg. (8/28)	\$ 246.00
MISC -	-
VISA -	-
Cash in Lieu of Insurance	637.63
24 - Hr. Insurance	0.70
TOTAL -	\$ 884.33

JIM BENTLEY

Per Diem - GRECC Bd. Mtg. (8/28)	\$ 201.15
MISC -	-
VISA -	-
Cash in Lieu of Insurance	637.63
24-Hr. Insurance	1.08
TOTAL	\$ 839.86

HAROLD DUPUY

Per Diem - Planning & Review Committee Mtg. (8/17); GRECC Bd. Mtg. (8/28)	\$ 469.00
MISC -	-
VISA -	0.00
Cash in Lieu of Insurance	637.63
24-Hr. Insurance	0.70
TOTAL -	\$ 1,107.33

EDDIE MARTN

Per Diem - Planning & Review Committee Mtg. (8/17); GRECC Bd. Mtg. (8/28)	\$ 418.40
MISC -	-
VISA - Lunch GRECC Bd. Mtg. (7/24)	13.03
Cash in Lieu of Insurance	637.63
24 - Hr. Insurance	1.08
TOTAL -	\$ 1,070.14

WILLIAM T. RICE

Per Diem - Planning & Review Committee Mtg. (8/17); GRECC Bd. Mtg. (8/28)	\$ 446.00
MISC -	-
VISA -	-
Cash in Lieu of Insurance	637.63
24 - Hr. Insurance	0.49
TOTAL -	\$ 1,084.12

ROGER TRENT

Per Diem	Planning & Review Committee Mtg. (8/17); GRECC Bd. Mtg. (8/28)	\$ 480.50
MISC	-	-
VISA	- Lunch GRECC Bd. Mtg. (7/24)	13.03
	Cash in Lieu of Insurance	637.63
	24 – Hr. Insurance	0.49
TOTAL	-	<u>\$ 1,131.65</u>

JIMMY WHITT

Per Diem	GRECC Bd. Mtg. (8/28)	\$ 224.15
MISC	-	-
VISA	- KAEC Bd. Mtg.	167.66
	Cash in Lieu of Insurance	637.63
	24 – Hr. Insurance	1.08
TOTAL	-	<u>\$ 1,030.52</u>

JEFF SCOTT

Out-of-Pocket	- Postage Collection Letters	\$ 11.76
	- Mileage - Title Search RUS	147.46
MISC	-	-
VISA	-	-
TOTAL	-	<u>\$ 159.22</u>

Grayson Rural Electric Financial Report

October 22, 2015

KWH Sales & Purchases: August 2015

Sales:	Month:	2.58% Under Budget	(8/21 – 9/20)
	YTD:	1.47% Over Budget	
	2014 YTD:	0.85% Over	
Purchases:	Month:	.47% Under Budget	(8/1 – 8/31)
	YTD:	1.63% Over Budget	
Line Loss :	Month:	10.85%	
	YTD:	8.91%	
	Last 12 Months:	5.20%	

Form 7: August 2015

Sales	\$ 175,688 Less
Purchased Power	\$ 210,821 Less
Maintenance Expense	\$ 125,515 (31.4% MTB)
Right of Way Expense	\$ 179,100 (36.5% MTB)

Form 7: Year to Date

Margins:	\$ (109,336)*
Budgeted:	\$ (157,269)

Other Items:

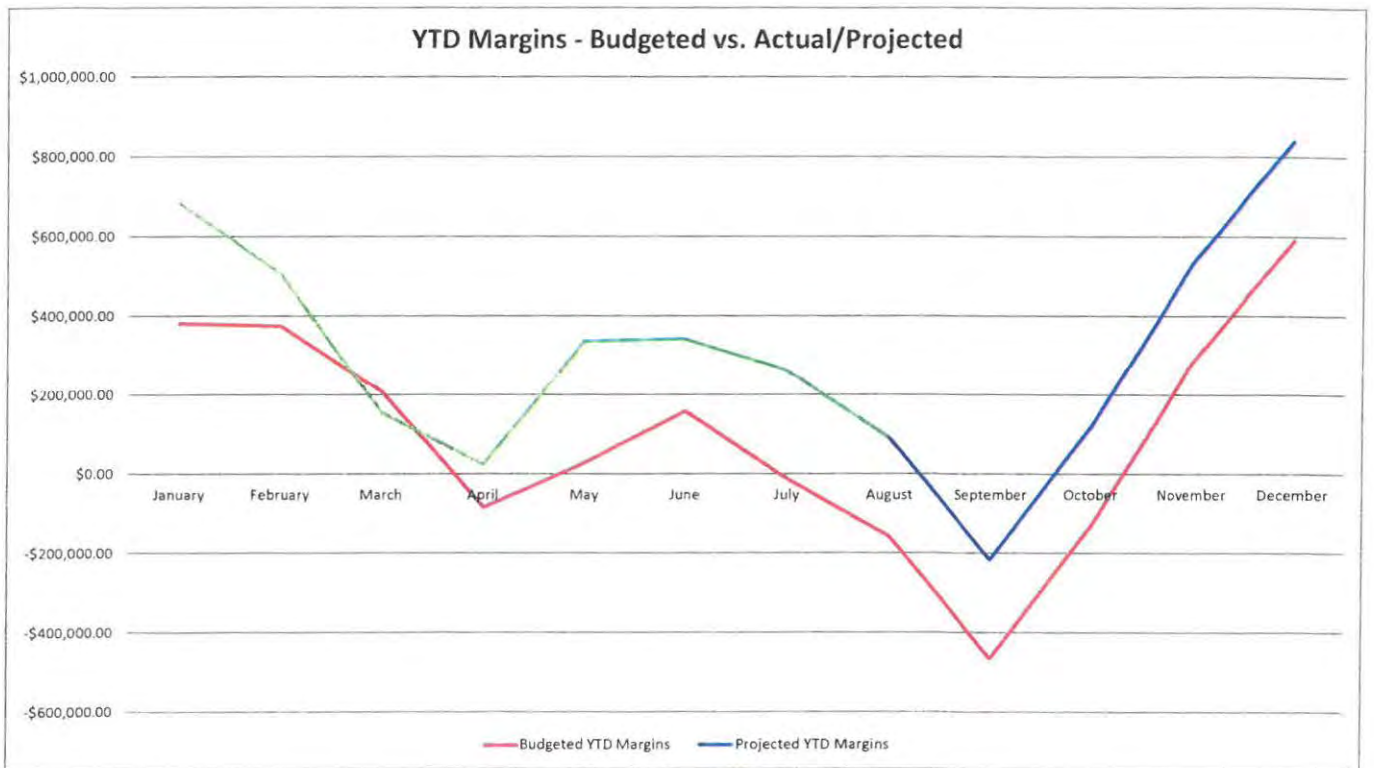
- Capital Credits
- FEMA Update
- LTD/401K Contributions

Monthly Operating Rev & Exp

	August 2014	September 2014	October 2014	November 2014	December 2014	January 2015	February 2015	March 2015	April 2015	May 2015	June 2015	July 2015	August 2015
Revenue	(2,571,883)	(2,129,236)	(2,644,213)	(3,012,795)	(3,293,995)	(3,852,755)	(3,011,463)	(2,224,301)	(2,046,272)	(2,329,211)	(2,527,821)	(2,779,477)	(2,400,830)
Purchased Power	1,615,983	1,389,136	1,222,188	1,739,051	1,827,391	2,094,265	2,211,257	1,590,533	1,135,694	1,219,683	1,511,101	1,639,242	1,490,377
Gross Margins	(955,900)	(740,100)	(1,422,025)	(1,273,744)	(1,466,604)	(1,758,490)	(800,206)	(633,768)	(910,578)	(1,109,528)	(1,016,720)	(1,140,235)	(910,453)
Operations	110,492	122,294	108,132	66,163	64,997	110,088	102,265	63,795	98,693	91,108	108,182	76,677	99,084
Maintenance	333,539	280,083	314,514	342,834	328,229	285,031	252,556	467,223	287,877	268,495	290,565	528,633	332,603
Customer Service	97,271	95,875	97,694	94,901	95,654	103,367	98,404	89,864	105,165	94,304	97,090	94,159	99,855
Informational Advertising	22,200	28,636	27,715	23,100	23,536	4,228	19,101	21,170	24,239	20,758	12,266	15,080	19,163
Demonstration Advertising	2,948	1,731	421	1,835	1,576	1,493	4,003	2,661	1,782	1,677	780	774	923
Admin & General	148,846	162,405	178,658	155,157	184,452	171,785	179,260	158,438	164,272	181,944	169,949	157,244	172,160
Depreciation	258,330	258,805	259,420	259,954	260,604	263,182	263,585	266,108	266,580	266,615	267,883	268,505	269,304
Regulatory	3,890	3,890	3,890	3,890	3,888	3,450	3,450	3,450	3,450	3,450	3,455	3,455	3,455
Interest - LTD	79,413	78,604	77,910	77,432	77,421	78,096	74,646	74,138	76,691	76,352	76,381	75,644	75,692
Interest - Deposits	129	128	127	126	-	-	124	124	124	123	123	125	124
Miscellaneous Expense	2,025	855	1,475	228	706	105	610	1,825	2,050	825	772	750	1,660
Interest Income	(2,551)	(2,568)	(2,485)	(2,579)	(2,573)	(2,607)	(2,586)	2,650	(2,680)	(2,619)	(2,615)	(2,598)	(2,561)
Non-Electric Revenue	1,066	8,730	(27,043)	21,557	851	58,069	(19,846)	(14,025)	13,103	(4,894)	(13,362)	986	10,278
Capital Credits	(448)	(11,788)	-	-	-	-	-	(146,863)	-	-	(494)	-	-
Margins	101,250	287,580	(381,597)	(229,146)	(427,263)	(682,202)	175,367	356,790	130,767	(111,389)	(5,744)	79,199	171,288
* ()'s = positive margins													
Operating Expenses	1,059,083	1,033,306	1,069,956	1,025,620	1,041,063	1,020,825	998,004	1,148,796	1,030,921	1,005,652	1,027,447	1,221,047	1,074,025
Monthly OTIER	(0.27)	(2.66)	5.90	3.96	6.52	9.74	(1.35)	(3.81)	(0.71)	2.46	1.08	(0.05)	(1.26)
Revenue	(33,351,245)	(33,402,613)	(33,511,774)	(33,203,203)	(32,828,962)	(32,805,171)	(32,768,544)	(32,574,348)	(32,530,678)	(32,382,950)	(32,223,123)	(32,423,422)	(32,252,370)
Purchased Power	20,099,569	20,128,263	20,071,174	20,099,182	19,923,071	19,542,241	19,786,575	19,641,985	19,451,205	19,315,057	19,209,296	19,195,524	19,069,918
Gross Margins	(13,251,676)	(13,274,350)	(13,440,600)	(13,104,021)	(12,905,891)	(13,262,930)	(12,981,969)	(12,932,363)	(13,079,473)	(13,067,893)	(13,013,827)	(13,227,898)	(13,182,452)
Operations	1,135,788	1,171,471	1,185,290	1,170,977	1,160,112	1,160,348	1,178,399	1,167,135	1,160,042	1,146,506	1,150,147	1,122,887	1,111,478
Maintenance	3,694,578	3,784,010	3,864,879	3,848,243	4,034,456	4,089,712	3,645,564	3,848,283	3,856,926	3,841,616	3,743,579	3,979,579	3,978,644
Customer Service	1,075,503	1,079,480	1,084,267	1,082,085	1,131,180	1,149,378	1,158,091	1,148,271	1,148,246	1,150,338	1,166,692	1,163,748	1,166,332
Informational Advertising	240,979	241,036	249,157	254,882	266,275	248,382	252,832	250,191	251,267	250,522	245,492	242,029	238,992
Demonstration Advertising	23,893	23,731	21,924	21,983	24,076	23,325	25,536	25,400	25,468	23,906	22,633	21,681	19,656
Admin & General	1,904,894	1,917,112	1,912,603	1,921,378	1,946,591	1,944,830	1,975,010	1,977,317	1,974,104	1,987,781	2,016,668	2,012,411	2,035,725
Depreciation	3,046,857	3,053,949	3,061,617	3,080,935	3,088,645	3,098,666	3,107,598	3,117,682	3,127,922	3,137,905	3,148,730	3,159,573	3,170,547
Regulatory	37,328	38,351	39,374	40,397	41,398	42,014	42,630	43,246	43,862	44,478	44,043	43,608	43,173
Interest - LTD	966,961	962,378	958,037	954,050	950,337	945,799	941,308	937,056	932,942	929,913	926,291	922,728	919,007
Interest - Deposits	1,797	1,721	1,646	1,573	1,416	1,285	1,279	1,273	1,268	1,263	1,258	1,253	1,248
Miscellaneous Expense	33,525	31,977	29,035	27,523	26,735	23,366	18,399	14,672	13,245	13,293	12,203	12,225	11,860
Interest Income	(30,135)	(30,213)	(30,244)	(30,369)	(30,490)	(30,651)	(30,787)	(25,706)	(25,791)	(25,823)	(25,827)	(25,811)	(25,821)
Non-Electric Revenue	(5,774)	6,423	(28,240)	(16,412)	(15,630)	31,954	25,012	18,985	20,245	23,879	8,848	25,193	34,404
Capital Credits	(165,864)	(176,447)	(166,222)	(166,222)	(166,222)	(166,222)	(166,222)	(159,099)	(159,099)	(159,099)	(159,593)	(159,593)	(159,145)
Margins	(1,291,346)	(1,189,371)	(1,257,477)	(812,998)	(447,012)	(700,743)	(807,320)	(567,658)	(708,826)	(701,416)	(712,659)	(706,389)	(636,351)
Operating Expense	12,162,103	12,285,216	12,407,829	12,504,026	12,671,221	12,727,105	12,346,647	12,530,526	12,535,293	12,527,520	12,477,735	12,681,721	12,696,662
Rolling 12 Month OTIER	2.34	2.24	2.31	1.85	1.47	1.74	1.86	1.81	1.76	1.75	1.77	1.77	1.69

	2015 Monthly Margins			2015 YTD Margins			2015 Projected Margins
	Actual	Budgeted	Difference	Actual	Budgeted	Difference	YTD + Actual
January	\$681,642.42	\$381,444.43	\$300,197.99	\$681,642.42	\$381,444.43	\$300,197.99	\$681,642.42
February	-\$175,367.43	-\$6,321.57	-\$169,045.86	\$506,274.99	\$375,122.86	\$131,152.13	\$506,274.99
March	-\$351,489.86	-\$166,619.57	-\$184,870.29	\$154,785.13	\$208,503.29	-\$53,718.16	\$154,785.13
April	-\$130,766.77	-\$291,768.57	\$161,001.80	\$24,018.36	-\$83,265.28	\$107,283.64	\$24,018.36
May	\$311,388.90 *	\$112,384.43	\$199,004.47	\$335,407.26	\$29,119.15	\$306,288.11	\$335,407.26
June	\$5,743.31	\$129,707.43	-\$123,964.12	\$341,150.57	\$158,826.58	\$182,323.99	\$341,150.57
July	-\$79,199.15	-\$170,407.57	\$91,208.42	\$261,951.42	-\$11,580.99	\$273,532.41	\$261,951.42
August	-\$171,287.52	-\$145,687.57	-\$25,599.95	\$90,663.90	-\$157,268.56	\$247,932.46	\$90,663.90
September	\$0.00	-\$306,473.57			-\$463,742.13		-\$215,809.67
October	\$0.00	\$335,107.43			-\$128,634.70		\$119,297.76
November	\$0.00	\$409,254.43			\$280,619.73		\$528,552.19
December	\$0.00	\$310,823.10			\$591,442.83		\$839,375.29

* - Receivable booked for reimbursement
of March Storm through FEMA (\$200,000)



2015						
Current Year						
	Average	HDD	CDD	HDD	CDD	Average
21-Aug	68	0	3	0	9	74
22-Aug	69	0	4	0	8	73
23-Aug	74	0	9	0	9	74
24-Aug	71	0	6	0	10	75
25-Aug	65	0	0	0	14	79
26-Aug	65	0	0	0	3	68
27-Aug	65	0	0	0	9	74
28-Aug	69	0	4	0	9	74
29-Aug	73	0	8	0	10	75
30-Aug	76	0	11	0	12	77
31-Aug	76	0	11	0	10	75
1-Sep	77	0	12	0	7	72
2-Sep	77	0	12	0	5	70
3-Sep	79	0	14	0	4	69
4-Sep	77	0	12	0	7	72
5-Sep	78	0	13	0	10	75
6-Sep	77	0	12	0	11	76
7-Sep	77	0	12	0	10	75
8-Sep	79	0	14	0	13	78
9-Sep	78	0	13	0	6	71
10-Sep	69	0	4	0	3	68
11-Sep	71	0	6	0	4	69
12-Sep	60	5	0	0	9	74
13-Sep	58	7	0	0	6	71
14-Sep	59	6	0	0	0	65
15-Sep	63	2	0	0	0	65
16-Sep	67	0	2	0	0	65
17-Sep	67	0	2	0	4	69
18-Sep	68	0	3	0	8	73
19-Sep	72	0	7	0	11	76
20-Sep	65	0	0	0	11	76
	70.6	20	194	0	232	72.5
			214		232	

2014						
Previous Year						
	Average	HDD	CDD	HDD	CDD	Average
21-Aug	74	0	9	0	6	71
22-Aug	77	0	12	0	5	70
23-Aug	78	0	13	0	4	69
24-Aug	78	0	13	0	6	71
25-Aug	74	0	9	0	6	71
26-Aug	73	0	8	0	9	74
27-Aug	73	0	8	0	6	71
28-Aug	75	0	10	0	1	66
29-Aug	75	0	10	0	10	75
30-Aug	81	0	16	0	7	72
31-Aug	72	0	7	0	10	75
1-Sep	79	0	14	0	9	74
2-Sep	78	0	13	0	4	69
3-Sep	76	0	11	0	2	67
4-Sep	77	0	12	0	3	68
5-Sep	76	0	11	0	2	67
6-Sep	75	0	10	0	8	73
7-Sep	67	0	2	0	11	76
8-Sep	71	0	6	0	11	76
9-Sep	73	0	8	0	11	76
10-Sep	74	0	9	0	9	74
11-Sep	68	0	3	0	12	77
12-Sep	62	3	0	0	13	78
13-Sep	58	7	0	0	13	78
14-Sep	59	6	0	0	9	74
15-Sep	60	5	0	0	8	73
16-Sep	58	7	0	0	8	73
17-Sep	61	4	0	0	10	75
18-Sep	63	2	0	0	10	75
19-Sep	64	1	0	0	16	81
20-Sep	70	0	5	0	7	72
	70.9	35	219	0	246	72.9
			254		246	

2015	January	February	March	April	May	June	July	August	September	October	November	December
Sales	30,110,413.00	24,071,853.00	17,918,995.00	16,808,679.00	19,311,724.00	19,585,260.00	21,882,561.00	18,941,610.00				

Purchases:

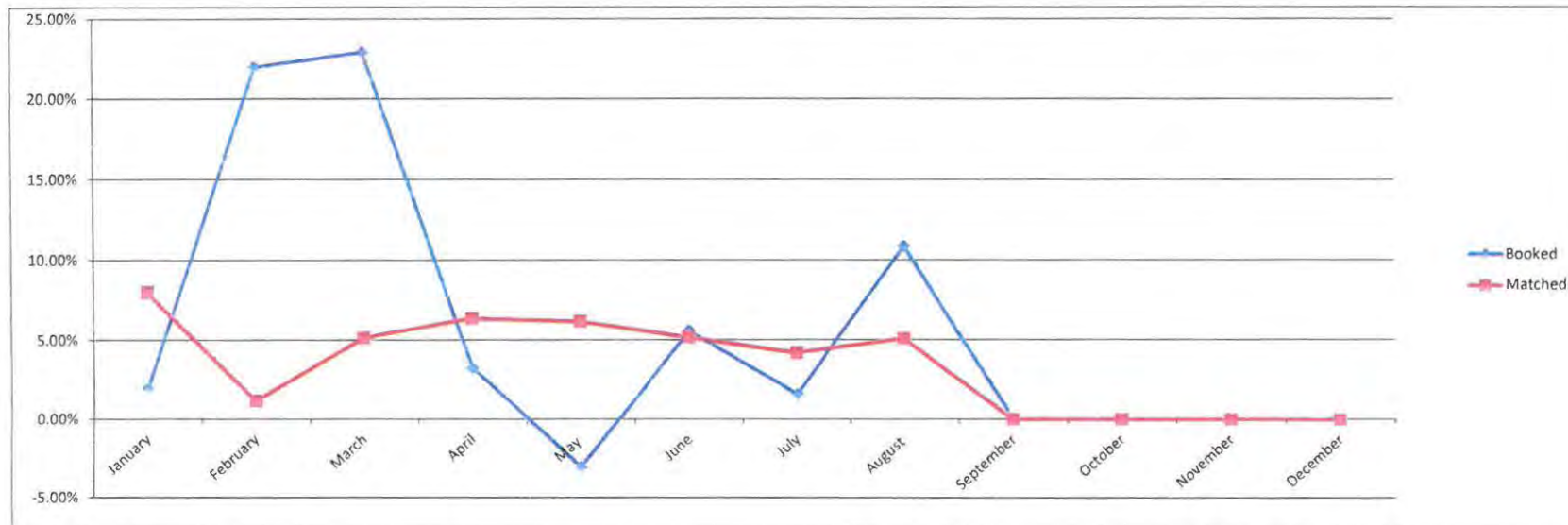
Booked	30,707,957.00	30,858,196.00	23,245,192.00	17,367,652.00	18,727,031.00	20,740,644.00	22,225,101.00	21,246,076.00				
Matched	32,729,548.84	24,351,751.40	18,893,340.70	17,956,117.78	20,588,676.20	20,661,485.50	22,842,486.72	19,961,574.14				

kWh Loss

Booked	597,544.00	6,786,343.00	5,326,197.00	558,973.00	-584,693.00	1,155,384.00	342,540.00	2,304,466.00	0.00	0.00	0.00	0.00
Matched	2,619,135.84	279,898.40	974,345.70	1,147,438.78	1,276,952.20	1,076,225.50	959,925.72	1,019,964.14	0.00	0.00	0.00	0.00

% Line Loss

Booked	1.95%	21.99%	22.91%	3.22%	-3.12%	5.57%	1.54%	10.85%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Matched	8.00%	1.15%	5.16%	6.39%	6.20%	5.21%	4.20%	5.11%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!



AUGUST 2015

219 ANALYSIS

								BUDGETED
WO NOS.	DESCRIPTION		NUMBER		COST	LOAN FUNDS	UNIT COST	UNIT COST
9	RETIREMENTS		12		25.50	(25.50)		
100	NEW LINE EXTENSIONS		33		78,918.59	78,918.59	2,391.47	3,229.93
200	TIE LINES							
300	MAJOR PROJECTS				0.00	0.00		
602	SERVICE UPGRADES		3		13,440.45	13,440.45	4,480.15	1,920.25
603	SECTIONALIZERS		4		4,424.24	4,424.24		
604	REGULATORS							
606	POLES		45	POLES	165,339.56	165,339.56	3,674.21	2,410.75
701	SECURITY LIGHTS		21		8,435.26	8,435.26	401.68	423.50
1600	MINOR PROJECTS		8		8,838.32	8,838.32		
	TOTAL		80		279,421.92	279,370.92		
601	<u>SPECIAL EQUIPMENT</u>	<u>ACCT#</u>						
	METERS	370.00	2		489.62	489.62	244.81	160.00
	TRANSFORMERS	368.00	24		22,475.68	22,475.68	936.49	1,120.00
	TURTLES	370.10	0		0.00	0.00	0.00	
	DISCONNECT METERS	370.20	0		0.00	0.00	0.00	
	OTHER SP EQUIP	365.00	0		0.00	0.00	0.00	
	TOTAL		26		22,965.30	22,965.30		
	MATERIAL				38,278.02			
	MATERIAL OH				29,434.80			
	LABOR				23,886.50			
	LABOR OH				56,134.94			

Grayson Rural Electric Cooperative Corporation

109 Bagby Park • Grayson, KY 41143-1292
Telephone 606-474-5136 • 1-800-562-3532 • Fax 606-474-5862

November 20, 2015

W. Jeffrey Scott,
Attorney at Law
P. O. Box 608
Grayson, KY 41143

Dear Jeff:

A Regular Board Meeting of GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION will be held on **Monday, November 30, 2015.**

We look forward to seeing you at the Board Meeting.

Sincerely,



Priscilla Sparks
Executive Assistant

GRAYSON RURAL ELECTRIC
COOPERATIVE CORPORATION

ps

Enclosures:

1. Agenda
2. Miscellaneous Analysis

Grayson Rural Electric Cooperative Corporation

109 Bagby Park • Grayson, KY 41143-1292
Telephone 606-474-5136 • 1-800-562-3532 • Fax 606-474-5862

November 20, 2015

Dear Director:

A Regular Meeting of the Board of Directors is hereby called. I do hereby fix the GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION headquarters in Grayson, Commonwealth of Kentucky, as the place, and **Monday, the thirtieth day of November, 2015** for holding of said meeting for the following purposes:

To take any and all action and to transact any and all business which may be necessary, convenient, or desirable in connection with any of the foregoing and the organization of the Corporation at said meeting or at any adjournment or adjournments thereof; and for the transaction of such other business which may come before the meeting or any adjournment or adjournments thereof, as well as consider altering, amending, or repealing the current Bylaws of the Corporation in the manner hereinafter set forth.

Sincerely,



Roger L. Trent
Chairman

GRAYSON RURAL ELECTRIC
COOPERATIVE CORPORATION

ps

Enclosures:

1. Agenda
2. Miscellaneous Analysis

GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION
BOARD MEETING AGENDA

On November 30, 2015, the Directors of Grayson Rural Electric Cooperative Corporation were called to meet by the Chairman.

1. Sign Wavier of Notice
2. Invocation
3. Approval of the Minutes from the October 22, 2015 Monthly Board Meeting
4. Manager of Finance & Accounting Report and Approval of the Financial & Statistical Report for September 2015 – Bradley Cherry
5. Resolution Pertaining to NRECA 401(k) Contribution
6. Consideration and Appropriate Action on the 2016 Budget
7. Manager of Marketing & Member Services Report – Kim Bush
8. Operations Report & Safety Report – Kyle Clevenger, Manager of Operations
9. Approval of One Hundred (100) New Memberships and Retirement of One Hundred Three (103) Existing Memberships for October 2015
10. Consider Approval of Accounts to be Charged Off to Reserve \$3,026.12
11. Consider Approval of President's Business Expense in the Amount of \$37.85, Director's Business Expense in the Amount of \$6,510.18 and Attorney's Business Expense in the Amount of \$9.80
12. President's Report – Carol Hall Fraley
13. Cooperative Legal Matters – W. Jeffrey Scott
14. KAEC Director's Report – Jimmy Whitt
15. EKPC Director's Report – Kenneth Arrington
16. Consider Community Services and/or Donations
17. Attendance at Meetings – Directors & Employees
18. Confirm Date for the December Board Meeting – Friday, December 18, 2015
19. Additional Business
20. Adjourn

On October 22, 2015 at 9:00 a.m. Grayson Rural Electric Cooperative Corporation held a regular board meeting at its office in Grayson, Kentucky called by the Chairman, for the transaction of such business as outlined in the letter of call. Chairman Trent called the meeting to order pursuant to the Waiver of Notice signed by the Directors and all were present. Others present included: Carol Hall Fraley, President and CEO; W. Jeffrey Scott, Legal Counsel; and Priscilla Sparks, Executive Assistant.

INVOCATION	Director Dupuy gave the invocation.
APPROVAL OF MINUTES	Motion was made by Director Bentley, seconded by Director Martin and unanimously agreed to approve the minutes from the September Board Meeting for informational purposes only.
MANAGER OF TECHNICAL SERVICES	Andrea McCleese, Assistant Manager of Technical Services gave the department report. President Fraley report on proposed loads coming onto our lines:
PROPOSED FUTURE LOADS	Columbia Gas has made application for service to 1500kw load. John Clark Oil will build a truck stop and possibly a hotel at Pleasant Valley. Mt. Enterprise will triple the size of the asphalt plant to 1500 KVA at Pleasant Valley. Sawmill rebuilt line on St. Rt. 7 in Greenup County, a 501kw load. Genesis Halfway House (100 bed facility) by Kmart will be a 500kw load.
MAPPING PROJECT	Andrea stated Dave Herron of Leidos (formerly R.W. Beck) has been here this week for an organizational meeting with Brian Poling and Robert Brown about the mapping project and time line.
METERS	The Metering Department has received one shipment of TS2 meters. One shipment of Service Disconnect (PrePay) meters has been shipped. We are still expecting another shipment of TS2 meters. We are working on the motorization of the gates, allowing key swipe entry. Silent Guard will be here Wednesday to install I.D. card readers.
NETGAIN CONTRACT	We have signed a contract with NetGain for intrusion and network monitoring services to replace DELL Secure Works. We also have a quote for risk assessment and penetration testing, in order to comply with the new PCI DSS standards. The implementation of credit card payments by telephone being processed by the IVR has been successfully completed. We now have a full month of data for comparison. Results are a comparison between July & September 2015. 54% increase in payments processed by the IVR 1% decrease in total credit card payments 25% decrease in total calls handled by the Member Services Department
IT MEETING	Brian and Andrea attended the Bowling Green IT meeting. The PSC inquired about policing these projects and seeing that IT personnel are going to these meetings and taking programs back to the Coops to be implemented. The PSC may look at these programs in future rate cases.

FINANCIAL REPORT	Bradley Cherry, Manager of Finance and Accounting, presented the Financial & Statistical Report for August 2015, as follows:
FINANCIAL & STATISTICAL REPORT FOR AUGUST	Kilowatt hour sales for the month of August (8/21-9/20) were 2.5 % under budget. Purchases for the time period of 8/1-31 were .47 % under budget. Line loss for the last twelve months was 5.20%. Year to date margins were (\$109,336) compared to the budgeted amount of (\$157,269).
Form 7	Form 7 showed our sales were \$175,688 less, purchased power \$210,821 less, maintenance expense \$125,515 (31.4% MTB) and right of way expense \$179,100 (36.5% MTB). Right-of-way and maintenance was more than budgeted due to July weather.
T.I.E.R	The monthly O.T.I.E.R is (1.26) and the rolling 12 months average has a 1.69 O.T.I.E.R.
REVENUE SUMMARY	<p>President Fraley discussed a report that she, Bradley and the Accounting Department use called the Revenue Summary. This report is prepared each month and lists totals for different fees, penalties, sales tax, school tax, number of bills mailed, kWh hours purchased and sold, and a breakdown of residential, general sales, small commercial, large power, and street lights. She pointed out that environmental surcharge fees are collected and paid directly to EKP and the school taxes are collected and mailed to the respective counties. When the fuel charge is collected, it is also collected and mailed directly to EKP. The fuel charge was a credit this month and the environmental surcharge was 9.28%.</p> <p>President Fraley and Mr. Cherry plan to make the Revenue report a part of Mr. Cherry's monthly report.</p>
FEMA	We should hear from FEMA in the next couple of weeks. The February storm will be heard from soon.
401K	A delay in mailing the paperwork of the 401(k) resolution resulted in an overpayment. After an audit last year showing overpayment of what was stated, a resolution is required that matches our LTD percentage. The issue was tabled until the November meeting and a 401(k) resolution that matches LTD percentage will be considered for approval at that meeting.
PLANNING REVIEW COMMITTEE MEETING	The Planning and Review Committee will meet November 19 at 9:00 a.m. for the 2016 Budget.
APPROVAL OF FINANCIAL & STATISTICAL REPORT FOR AUGUST 2015	Motion was made by Director Dupuy, seconded by Director Martin and unanimously agreed to approve the Financial and Statistical report for August 2015 as presented, for informational purposes only.
OPERATIONS REPORT	Kyle Clevenger, Manager of Operations, gave the Operations Report & Safety Report. Mr. Clevenger reported on the following:
LOST TIME ACCIDENT	There were no lost time accidents to report this month.
SAFETY REPORT	<p>The following safety meetings were held during September:</p> <p>September 09—Andrea McCleese, Technical Services Supervisor, read from the Safety Manual, pages 39 – 41, 115 Training and discussed what to do in</p>

SAFETY MEETING
(CONTINUED)

an emergency situation. Nancy Madden talked about CDL paper work. Carol Fraley handed out certificates to Steven Burton and Jamey Withrow for completion of Underground Workshop. We had the monthly safety give-away.

September 14—Brian Poling, Mgr. of Technical Services turned the meeting over to Robert Brown who talked about and had a video on flame retardant clothing, how to wash it and when it needs to be replaced. Carol Fraley presented Joe Sargent a certificate for completion of Haz-Mat Refresher course. Kyle reminded everyone to be careful and work safe.

September 21—Priscilla Sparks, Executive Assistant, was in charge of the meeting. A nurse from Dr. Gupta's office attended to give flu shots to all active and retired employees and their families that wanted to have the shot.

September 30—Robert Brown, Director of Purchasing and Stores, turned the meeting over to Clarence Greene for the monthly KAEC safety meeting. His topic was Open Neutrals, overhead and underground systems. He also reviewed a list of accidents that had occurred this year. Robert, Nancy and Julie did a demonstration of a safety presentation they had given to school children at Camp Webb.

Kyle continues to mention the necessity and importance of hard hats, rubber gloves and the use of ground chains. A line is not dead until it is grounded.

CONSTRUCTION

Construction built one hundred seventeen (117) new work orders for the month of September and worked zero (0) hour of overtime.

OVERTIME HOURS

The Maintenance Department worked two hundred nineteen (219) hours of overtime during the month of September. The Engineering Department worked zero (0) hours of overtime.

DELINQUENT NOTICES

The Maintenance & Construction Departments collected on two hundred thirty-four (234) delinquent accounts and disconnected thirty-seven (37) accounts in October.

CONTRACT CREWS

We have three (3) Pike crews working in the following areas:

Tony Seagraves – Stark Conversion, Elliott Co. and new construction
Kevin Ham – Lewis Co. on Montgomery
Ryan Rice – Miscellaneous pole changes

RIGHT-OF-WAY CREWS

We have ten (10) W A Kendall right-of-way crews working on random jobs and work orders at this time. Crew's trimmed 517 trees, cut 779 trees, and cut 24,925 feet of brush/line and sprayed 264 spans of line. The crews are working in the following areas:

1 cutting crew in Carter, Lewis and Greenup Counties
1 cutting crew in Elliott and Lawrence Counties
1 cutting crews in Rowan County
1 bucket truck crew in Carter, Lewis and Greenup Counties
1 bucket truck crew in Elliott and Lawrence Counties
1 bucket truck crew in Rowan County
1 tractor crew in Rowan County

RIGHT-OF-WAY CREWS
(CONTINUED) 2 spray crews in Carter County
1 spray crew in Elliott County
Bobby Smith's crew is cutting in Carter County.

ENGINEERING REPORT The Engineering Department released ninety-two (92) prints consisting of 36,115 feet of primary line and 3,400 feet of service wire. We currently have two (2) new services to be staked and two (2) to be drawn. There are approximately twelve (12) miscellaneous jobs to be staked or drawn.

JOE SARGENT Joe Sargent will be off work after October 23, 2015 thru January 12, 2015 due to a knee replacement.

CLIFFORD JAMES Kippy James is seeing a doctor in Columbus, Ohio today with his back injury.

EAST KY POWER East Kentucky has a new program to pay half of the costs of any LED security lights we install. The LED lights have a 25 year warranty, saving us money in maintenance trips, repairs and energy usage. We will not hang any more of the lights we use now.

SMITHFIELD We received a letter from Norman Cox regarding the transformers at Smithfield. The original transformers were paid for by the Cooperative as part of an economic development incentive to attract the plant. The first transformer was to provide power for the plant and the second transformer was a spare, if the first one was disabled. At some point, Smithfield started using both transformers. We paid to replace one transformer, because they were unaware of the primary metering point and the tariff that governs primary metering.

Our records show that they have exceeded their 25kva limit, and are switching between transformers to meet their demand. They have also added a smoking unit onto the plant. Our primary metering tariff says that they are responsible for any equipment and operations beyond the primary metering point.

We met in March and explained once again the definition of primary metering and that we had made every effort to fulfill our obligations to them, including semi-annual testing of their connections by Envision. We also explained again that we would not pay for any equipment beyond the primary metering point. We explained that we belong to an organization that will send us transformers for them within a 24 hour period. Everyone seemed in agreement when we left the meeting. Mr. Cox attended by phone.

We are responding to Mr. Cox's letter, once again explaining primary meter and referencing our tariffs on file with the Kentucky Public Service Commission. Smithfield has changed ownership and they have asked for a new Industrial Power Contract, which we plan to complete and have ready for them before the end of the year. We are currently on our second industrial power contract.

WINTER HARDSHIP PROGRAM President Fraley gave the Member Services Report. Peggy Skaggs, Peggy Wells and Sherry Conley attended the Winter Hardship program. They have a pre-winter program that starts November 11 and members do not have to be delinquent. In January we hope crisis money will be available to members who are delinquent.

ELLIOTTVILLE SUBSTATION We will start reading the Elliottville Substation on Monday, October 26th.

APPROVAL OF NEW MEMBERSHIPS & RETIREMENT OF EXISTING MEMBERSHIPS Motion was made by Director Rice, seconded by Director Dupuy and unanimously agreed to approve one hundred three (103) new memberships and retirement of one hundred two (102) existing memberships for September 2015.

BAD DEBT WRITE-OFFS Motion was made by Director Bentley, seconded by Director Martin and unanimously agreed to charge off \$3,311.10 worth of bad debts and turn them over for collection.

APPROVAL OF CEO'S, DIRECTOR'S & ATTORNEY BUSINESS EXPENSES Motion was made by Director Rice, seconded by Director Whitt and unanimously agreed to approve the President's business expense of \$397.18, Director's business expenses of \$7,147.95 and Attorney's business expense of \$159.22.

PRESIDENT'S REPORT President Fraley reported on the following:

COMPANY EMPLOYEES CLOTHING ALLOWANCE President Fraley proposed to the board a clothing allowance of \$150 for each inside employee of the company.

A motion was made for \$150 clothing allowance for each inside company employee by Director Martin, seconded by Director Rice and unanimously agreed upon.

CLEAN-UP DATE The designated cleanup day, October 12, 2015 was very successful.

FIRST RESPONDER The First Responder Meeting was a success with a big attendance. President Fraley sent a note to Chris Perry commending David White on a job well done.

BROWNSTOWN LUNCH Brownstown will be having lunch for the Cooperative today.

LEGAL COUNSEL'S REPORT Legal Counsel Scott reported on the following:

MOU East Kentucky sent a copy of the MOU signed by all the Cooperatives.

SAND GAP Sand Gap appellate brief of ours has to be filed in the middle of the month.

KAEC DIRECTOR'S REPORT Director Whitt reported following on the KAEC Board Meeting held Tuesday:

There have been two meetings since October, including the debate between Jack Conway and Matt Bevins.
Joe Arnold has been hired to work with Kentucky Living, Member Services, and with the magazine. The magazine may soon provide a digital format.
The KAEC Board will be meeting six times per year and will rely on committees.
They settled the sales tax issue.
A meeting of the Member & External Relations committee meeting was held following the monthly meeting. Chairman Carol Wright asked what the committee thought of selling liquor and guns. They are looking at seeing how much money they can make from firearms, tobacco and liquor. Magazine sales are less.

VOTING DELEGATES Our KAEC voting delegates are Harold Dupuy and Roger Trent. They will stay the same for the 2015 Annual Meeting.

EKPC DIRECTOR'S REPORT Director Arrington gave the EKPC report as follows:

EKPC is selling excess property close to some substations. LG&E is trying to block the transmission of power out of our recently purchased Bluegrass station. A meeting will be held at the Kentucky PSC on November 4th to discuss this issue.

EKPC is conducting research on a solar farm.

In the budget meeting, EKPC talked about keeping everything the same and building a gas unit at Smith.

We have been using Wall Street financing, and now EKPC is looking to RUS financing at 3%. They would like for all the EKPC Cooperatives that would, to change all their financing to RUS at the same rate.

Interest rates are CFC 6%; 4.62% down to .50%.

EKPC wants all the Cooperatives to send them a list of their outstanding loans, who they are with and how much is the payoff and when it is due. Nolin bought out of RUS.

Board Policy 305 will be rescinded when the MOU is signed.

Fred Callihan resigned from the Jackson Energy Board.

Fred Brown, former Jackson Energy Board Director died.

William Nelson Curry, former Clark Energy Board Director died.

THANK YOU We received thank you letters from Blaine Autumn Fest, Blaine High School, Vanceburg Lions Club's 5th Annual Heritage Fest donation, Lady Raiders Softball Teams for the golf scramble, Grayson Area Chamber for Funtober Fest, Cooperative System Integrity Fund, Somerset Community College and Tygart Creek Elementary for \$100 sponsorship.

DONATIONS President Fraley presented to the Board for their consideration the following donation requests:

East Carter Boys Basketball –	
Heart of the Park Tipoff Classic	\$250
Senior Grad/College Night ECHS and WCHS	Texas Roadhouse Gift Certificate
Isonville Elementary School PTO – fall festival	\$ 50
Greenup County Cheerleaders – annual golf scramble	\$100
East Carter Boys & Girls Golf Team – hole sponsor	\$50
Rowan County Christmas	\$100

Motion was made by Director Martin, seconded by Director Rice and unanimously agreed to approve the donations as presented.

GRECC BYLAWS Motion made by Director Whitt, seconded by Director Bentley to change the Grayson RECC Bylaws concerning payment of capital credits on deceased estates.

ADDITIONAL BUSINESS There was no additional business.

HEALTH FAIR Our Health Fair will be held October 29 and 30.

BOARD MEETING DATES The November Board Meeting will be on Monday, November 30th.

PER DIEM

This issue was tabled until the next meeting.

ADJOURN

Chairman Trent adjourned the meeting at 11:12 a.m.

Roger L. Trent, Chairman

Billy E. (Eddie) Martin, Secretary/Treasurer

W. Jeffrey Scott, Legal Counsel

President and CEO's Expenses

September 2015

<u>Check Date</u>	<u>Check</u>	<u>Description</u>	<u>Amount</u>
10/08/15	167078	Visa Expenses	
		*8/28 – GRECC Board Meeting – meal expense	\$12.78
		*9/08 – Collections – worked lunch – meal expense	\$11.56
		*9/11 – Collections – worked lunch – meal expense	\$13.51
		Total Expenses	\$37.85

*Prorated

DIRECTORS & ATTORNEY EXPENSES

September-15

KENNETH ARRINGTON

Per Diem	- GRECC Bd. Mtg. (9/21)	\$ 246.00
MISC	-	-
VISA	- Lunch GRECC Bd. Mtg. (8//28)	12.79
	Cash in Lieu of Insurance	637.63
	24 - Hr. Insurance	0.70
TOTAL	-	\$ 897.12

JIM BENTLEY

Per Diem	- GRECC Bd. Mtg. (9/21)	\$ 201.15
MISC	-	-
VISA	- Lunch GRECC Bd. Mtg. (8//28)	12.79
	Cash in Lieu of Insurance	637.63
	24-Hr. Insurance	1.08
TOTAL	-	\$ 852.65

HAROLD DUPUY

Per Diem	- GRECC Bd. Mtg. (9/21)	\$ 234.50
MISC	-	-
VISA	- Lunch GRECC Bd. Mtg. (8//28)	12.79
	Cash in Lieu of Insurance	637.63
	24-Hr. Insurance	0.70
TOTAL	-	\$ 885.62

EDDIE MARTN

Per Diem	GRECC Bd. Mtg. (9/21)	\$ 209.20
MISC	-	-
VISA	-	-
	Cash in Lieu of Insurance	637.63
	24 - Hr. Insurance	1.08
TOTAL	-	\$ 847.91

WILLIAM T. RICE

Per Diem	GRECC Bd. Mtg. (9/21)	\$ 223.00
MISC	-	-
VISA	- Lunch GRECC Bd. Mtg. (8//28)	12.79
	Cash in Lieu of Insurance	637.63
	24 - Hr. Insurance	0.49
TOTAL	-	\$ 873.91

ROGER TRENT

Per Diem	GRECC Bd. Mtg. (9/21)	\$	240.25
MISC	-		-
VISA	- Lunch GRECC Bd. Mtg. (8/28)		12.79
	Cash in Lieu of Insurance		637.63
	24 – Hr. Insurance		0.49
TOTAL	-	\$	<u>891.16</u>

JIMMY WHITT

Per Diem	KAEC Bd. Mtg. Travel (9/21); GRECC Bd. Mtg. (9/21)	\$	623.10
MISC	-		-
VISA	-		0.00
	Cash in Lieu of Insurance		637.63
	24 – Hr. Insurance		1.08
TOTAL	-	\$	<u>1,261.81</u>

JEFF SCOTT

Out-of-Pocket	- Postage Collection Letters	\$	9.80
MISC	-		-
VISA	-		-
TOTAL	-	\$	<u>9.80</u>

Grayson Rural Electric Financial Report

November 30, 2015

KWH Sales & Purchases: September 2015

Sales:	Month:	0.17% Under Budget	(9/21 – 10/20)
	YTD:	1.33% Over Budget	
	2014 YTD:	0.79% Over	
Purchases:	Month:	2.77% Over Budget	(9/1 – 9/30)
	YTD:	1.73% Over Budget	
	Line Loss :	Month:	14.34%
	YTD:	9.40%	
	Last 12 Months:	5.42%	

Form 7: September 2015

Sales	\$ 105,374	Less
Purchased Power	\$ 88,609	Less
Customer Records & Collections	\$ 9,315	More
<i>Cooperative Month Calendars - \$4,800</i>		

Form 7: Year to Date

Margins:	\$ (420,049)*
Budgeted:	\$ (463,742)

Other Items:

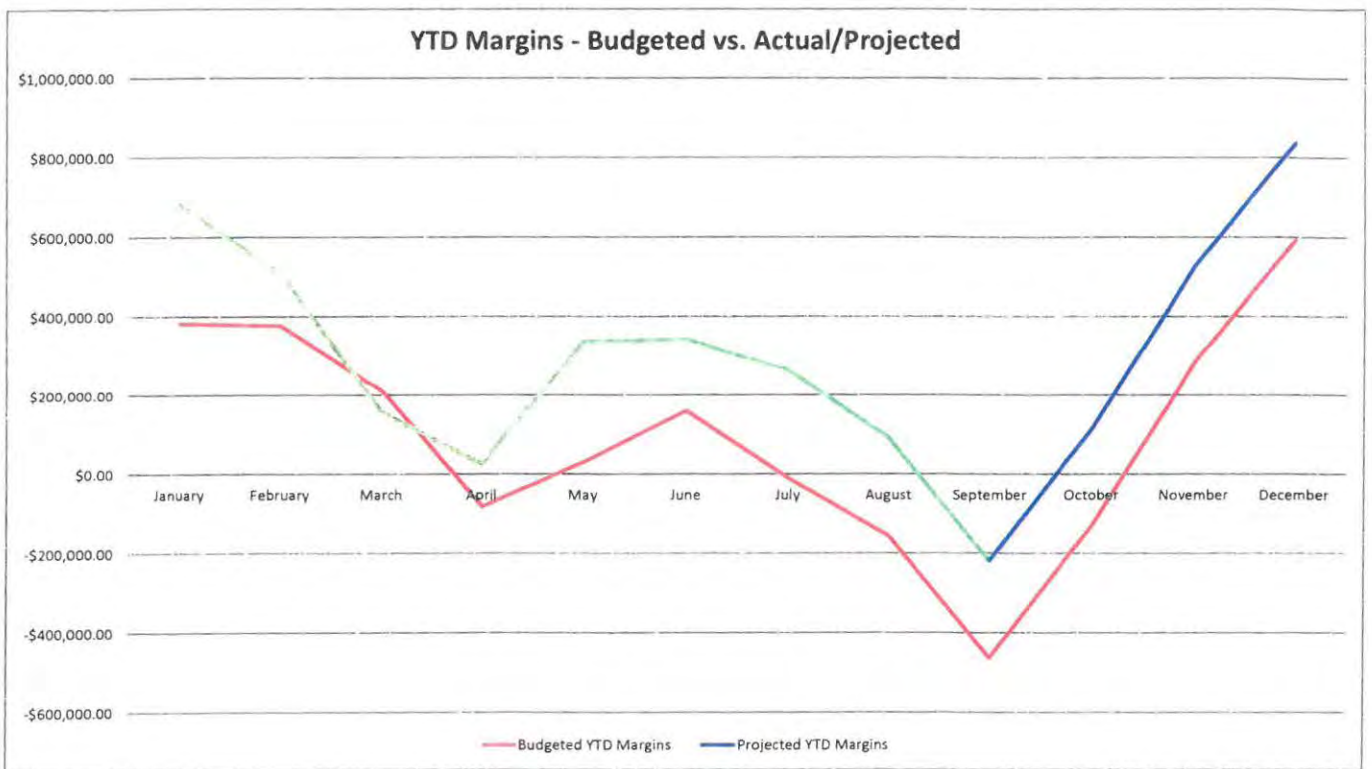
- Capital Credits
- FEMA Update

Monthly Operating Rev & Exp

	September 2014	October 2014	November 2014	December 2014	January 2015	February 2015	March 2015	April 2015	May 2015	June 2015	July 2015	August 2015	September 2015
Revenue	(2,129,236)	(2,644,213)	(3,012,795)	(3,293,995)	(3,852,755)	(3,011,463)	(2,224,301)	(2,046,272)	(2,329,211)	(2,527,821)	(2,779,477)	(2,400,830)	(2,033,228)
Purchased Power	1,389,136	1,222,188	1,739,051	1,827,391	2,094,265	2,211,257	1,590,533	1,135,694	1,219,683	1,511,101	1,639,242	1,490,377	1,335,458
Gross Margins	(740,100)	(1,422,025)	(1,273,744)	(1,466,604)	(1,758,490)	(800,206)	(633,768)	(910,578)	(1,109,528)	(1,016,720)	(1,140,235)	(910,453)	(697,770)
Operations	122,294	108,132	66,163	64,997	110,088	102,265	63,795	98,693	91,108	108,182	76,677	99,084	104,671
Maintenance	280,083	314,514	342,834	328,229	285,031	252,556	467,223	287,877	268,495	290,565	528,633	332,603	268,365
Customer Service	95,875	97,694	94,901	95,654	103,367	98,404	89,864	105,165	94,304	97,090	94,159	99,855	103,271
Informational Advertising	28,636	27,715	23,100	23,536	4,228	19,101	21,170	24,239	20,758	12,266	15,080	19,163	26,726
Demonstration Advertising	1,731	421	1,835	1,576	1,493	4,003	2,661	1,782	1,677	780	774	923	1,889
Admin & General	162,405	178,658	155,157	184,452	171,785	179,260	158,438	164,272	181,944	169,949	157,244	172,160	167,633
Depreciation	258,805	259,420	259,954	260,604	263,182	263,585	266,108	266,580	266,615	267,883	268,505	269,304	270,190
Regulatory	3,890	3,890	3,890	3,888	3,450	3,450	3,450	3,450	3,455	3,455	3,455	3,455	3,455
Interest - LTD	78,604	77,910	77,432	77,421	78,096	74,646	74,138	76,691	76,352	76,381	75,644	75,692	74,973
Interest - Deposits	128	127	126	-	-	124	124	124	123	123	123	124	123
Miscellaneous Expense	855	1,475	228	706	105	610	1,825	2,050	825	772	750	1,660	3,484
Interest Income	(2,568)	(2,485)	(2,579)	(2,573)	(2,607)	(2,586)	2,650	(2,680)	(2,619)	(2,615)	(2,598)	(2,561)	(2,554)
Non-Electric Revenue	8,730	(27,043)	21,557	851	58,069	(19,846)	(14,025)	13,103	(4,894)	(13,362)	986	10,278	(10,458)
Capital Credits	(11,788)	-	-	-	-	-	(146,863)	-	-	(494)	-	-	(3,284)
Margins	287,580	(381,597)	(229,146)	(427,263)	(682,202)	175,367	356,790	130,767	(111,389)	(5,744)	79,199	171,288	310,713
* ()s = positive margins													
Operating Expenses	1,033,306	1,069,956	1,025,620	1,041,063	1,020,825	996,004	1,148,796	1,030,921	1,005,652	1,027,447	1,221,047	1,074,025	1,024,779
Monthly OTIER	(2.66)	5.90	3.96	6.52	9.74	(1.35)	(3.81)	(0.71)	2.46	1.08	(0.05)	(1.26)	(3.14)
Revenue	(83,402,613)	(33,511,774)	(33,203,203)	(32,828,962)	(32,805,171)	(32,768,544)	(32,574,348)	(32,530,678)	(32,382,950)	(32,223,123)	(32,423,422)	(32,252,370)	(32,156,362)
Purchased Power	20,128,263	20,071,174	20,099,182	19,923,071	19,542,241	19,786,575	19,641,985	19,451,205	19,315,057	19,209,296	19,195,524	19,069,918	19,016,240
Gross Margins	(13,274,350)	(13,440,600)	(13,104,021)	(12,905,891)	(13,262,930)	(12,981,969)	(12,932,363)	(13,079,473)	(13,067,893)	(13,013,827)	(13,227,898)	(13,182,452)	(13,140,122)
Operations	1,171,471	1,185,290	1,170,977	1,160,112	1,160,348	1,178,399	1,167,135	1,160,042	1,146,506	1,150,147	1,122,887	1,111,478	1,093,855
Maintenance	3,764,010	3,864,879	3,948,243	4,034,456	4,089,712	3,645,564	3,848,283	3,856,926	3,841,616	3,743,579	3,979,579	3,978,644	3,966,926
Customer Service	1,079,480	1,084,267	1,082,085	1,131,180	1,149,378	1,158,091	1,148,271	1,148,246	1,150,338	1,166,692	1,163,748	1,166,332	1,173,728
Informational Advertising	241,036	249,157	254,882	266,275	248,382	252,832	250,191	251,267	250,522	245,492	242,029	238,992	237,082
Demonstration Advertising	23,731	21,924	21,983	24,076	23,325	25,536	25,400	25,468	23,906	22,633	21,681	19,656	19,814
Admin & General	1,917,112	1,912,603	1,921,378	1,946,591	1,944,830	1,975,010	1,977,317	1,974,104	1,987,781	2,016,668	2,012,411	2,035,725	2,040,953
Depreciation	3,053,949	3,061,617	3,080,935	3,088,645	3,098,666	3,107,598	3,117,682	3,127,922	3,137,905	3,148,730	3,159,573	3,170,547	3,181,932
Regulatory	38,351	39,374	40,397	41,398	42,014	42,630	43,246	43,862	44,478	44,043	43,608	43,173	42,738
Interest - LTD	962,378	958,037	954,050	950,337	945,799	941,308	937,056	932,942	929,913	926,291	922,728	919,007	915,376
Interest - Deposits	1,721	1,646	1,573	1,416	1,285	1,279	1,273	1,268	1,263	1,258	1,253	1,248	1,243
Miscellaneous Expense	31,977	29,035	27,523	26,735	23,366	18,399	14,672	13,245	13,293	12,203	12,225	11,860	14,489
Interest Income	(30,213)	(30,244)	(30,369)	(30,490)	(30,651)	(30,787)	(25,706)	(25,791)	(25,822)	(25,822)	(25,811)	(25,821)	(25,807)
Non-Electric Revenue	6,423	(28,240)	(16,412)	(15,630)	31,954	25,012	18,985	20,245	23,879	8,848	25,193	34,404	15,216
Capital Credits	(176,447)	(166,222)	(166,222)	(166,222)	(166,222)	(166,222)	(159,099)	(159,099)	(159,099)	(159,593)	(159,593)	(159,145)	(150,641)
Margins	(1,189,371)	(1,257,477)	(812,988)	(447,012)	(700,743)	(807,320)	(567,658)	(708,826)	(701,416)	(712,659)	(706,389)	(636,351)	(613,218)
Operating Expense	12,285,216	12,407,829	12,504,026	12,671,221	12,727,105	12,346,647	12,530,526	12,535,293	12,527,520	12,477,735	12,681,721	12,696,662	12,688,136
Rolling 12 Month OTIER	2.24	2.31	1.85	1.47	1.74	1.86	1.61	1.76	1.75	1.77	1.77	1.69	1.67

	2015 Monthly Margins			2015 YTD Margins			2015 Projected Margins
	Actual	Budgeted	Difference	Actual	Budgeted	Difference	YTD + Actual
January	\$681,642.42	\$381,444.43	\$300,197.99	\$681,642.42	\$381,444.43	\$300,197.99	\$681,642.42
February	-\$175,367.43	-\$6,321.57	-\$169,045.86	\$506,274.99	\$375,122.86	\$131,152.13	\$506,274.99
March	-\$351,489.86	-\$166,619.57	-\$184,870.29	\$154,785.13	\$208,503.29	-\$53,718.16	\$154,785.13
April	-\$130,766.77	-\$291,768.57	\$161,001.80	\$24,018.36	-\$83,265.28	\$107,283.64	\$24,018.36
May	\$311,388.90 *	\$112,384.43	\$199,004.47	\$335,407.26	\$29,119.15	\$306,288.11	\$335,407.26
June	\$5,743.31	\$129,707.43	-\$123,964.12	\$341,150.57	\$158,826.58	\$182,323.99	\$341,150.57
July	-\$79,199.15	-\$170,407.57	\$91,208.42	\$261,951.42	-\$11,580.99	\$273,532.41	\$261,951.42
August	-\$171,287.52	-\$145,687.57	-\$25,599.95	\$90,663.90	-\$157,268.56	\$247,932.46	\$90,663.90
September	-\$310,713.54	-\$306,473.57	-\$4,239.97	-\$220,049.64	-\$463,742.13	\$243,692.49	-\$220,049.64
October	\$0.00	\$335,107.43			-\$128,634.70		\$115,057.79
November	\$0.00	\$409,254.43			\$280,619.73		\$524,312.22
December	\$0.00	\$310,823.10			\$591,442.83		\$835,135.32

* - Receivable booked for reimbursement of March Storm through FEMA (\$200,000)



2015 Current Year							2014 Previous Year							
	Average	HDD	CDD	HDD	CDD	Average		Average	HDD	CDD	HDD	CDD	Average	
21-Sep	64	1	0	0	12	77	1-Sep	21-Sep	69	0	4	0	14	79
22-Sep	68	0	3	0	12	77	2-Sep	22-Sep	59	6	0	0	13	78
23-Sep	69	0	4	0	14	79	3-Sep	23-Sep	57	8	0	0	11	76
24-Sep	67	0	2	0	12	77	4-Sep	24-Sep	60	5	0	0	12	77
25-Sep	63	2	0	0	13	78	5-Sep	25-Sep	65	0	0	0	11	76
26-Sep	66	0	1	0	12	77	6-Sep	26-Sep	66	0	1	0	10	75
27-Sep	67	0	2	0	12	77	7-Sep	27-Sep	67	0	2	0	2	67
28-Sep	72	0	7	0	14	79	8-Sep	28-Sep	66	0	1	0	6	71
29-Sep	69	0	4	0	13	78	9-Sep	29-Sep	70	0	5	0	8	73
30-Sep	63	2	0	0	4	69	10-Sep	30-Sep	68	0	3	0	9	74
1-Oct	58	7	0	0	6	71	11-Sep	1-Oct	67	0	2	0	3	68
2-Oct	53	12	0	5	0	60	12-Sep	2-Oct	68	0	3	3	0	62
3-Oct	51	14	0	7	0	58	13-Sep	3-Oct	63	2	0	7	0	58
4-Oct	63	2	0	6	0	59	14-Sep	4-Oct	49	16	0	6	0	59
5-Oct	65	0	0	2	0	63	15-Sep	5-Oct	49	16	0	5	0	60
6-Oct	64	1	0	0	2	67	16-Sep	6-Oct	55	10	0	7	0	58
7-Oct	65	0	0	0	2	67	17-Sep	7-Oct	56	9	0	4	0	61
8-Oct	66	0	1	0	3	68	18-Sep	8-Oct	59	6	0	2	0	63
9-Oct	68	0	3	0	7	72	19-Sep	9-Oct	53	12	0	1	0	64
10-Oct	57	8	0	0	0	65	20-Sep	10-Oct	55	10	0	0	5	70
11-Oct	56	9	0	1	0	64	21-Sep	11-Oct	54	11	0	0	4	69
12-Oct	59	6	0	0	3	68	22-Sep	12-Oct	58	7	0	6	0	59
13-Oct	63	2	0	0	4	69	23-Sep	13-Oct	68	0	3	8	0	57
14-Oct	58	7	0	0	2	67	24-Sep	14-Oct	67	0	2	5	0	60
15-Oct	53	12	0	2	0	63	25-Sep	15-Oct	59	6	0	0	0	65
16-Oct	53	12	0	0	1	66	26-Sep	16-Oct	57	8	0	0	1	66
17-Oct	44	21	0	0	2	67	27-Sep	17-Oct	62	3	0	0	2	67
18-Oct	42	23	0	0	7	72	28-Sep	18-Oct	54	11	0	0	1	66
19-Oct	46	19	0	0	4	69	29-Sep	19-Oct	49	16	0	0	5	70
20-Oct	53	12	0	2	0	63	30-Sep	20-Oct	48	17	0	0	3	68
	60.2	172	27	25	161	69.5		59.9	179	26	54	120	67.2	
		199			186				205			174		

2015

	January	February	March	April	May	June	July	August	September	October	November	December
Sales	30,110,413.00	24,071,853.00	17,918,995.00	16,808,679.00	19,311,724.00	19,585,260.00	21,882,561.00	18,941,610.00	15,777,494.00			

Purchases:

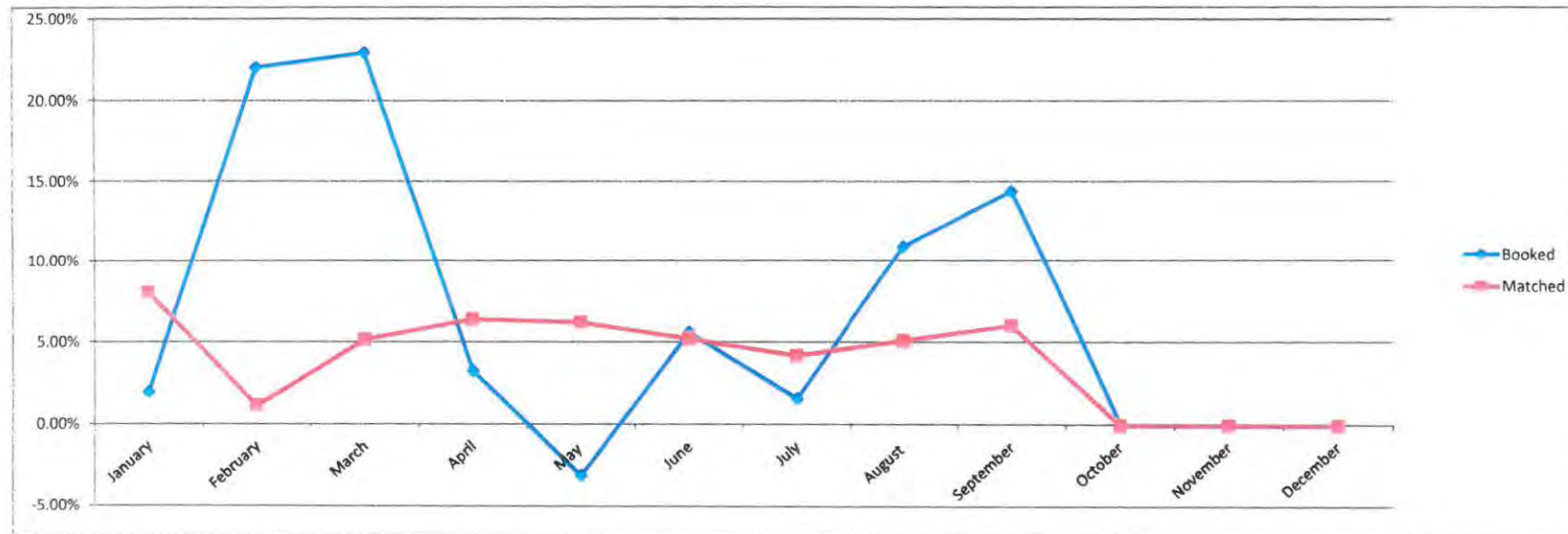
Booked	30,707,957.00	30,858,196.00	23,245,192.00	17,367,652.00	18,727,031.00	20,740,644.00	22,225,101.00	21,246,076.00	18,418,554.00			
Matched	32,729,548.84	24,351,751.40	18,893,340.70	17,956,117.78	20,588,676.20	20,661,485.50	22,842,486.72	19,961,574.14	16,787,899.01			

kWh Loss

Booked	597,544.00	6,786,343.00	5,326,197.00	558,973.00	-584,693.00	1,155,384.00	342,540.00	2,304,466.00	2,641,060.00	0.00	0.00	0.00
Matched	2,619,135.84	279,898.40	974,345.70	1,147,438.78	1,276,952.20	1,076,225.50	959,925.72	1,019,964.14	1,010,405.01	0.00	0.00	0.00

% Line Loss

Booked	1.95%	21.99%	22.91%	3.22%	-3.12%	5.57%	1.54%	10.85%	14.34%	#DIV/0!	#DIV/0!	#DIV/0!
Matched	8.00%	1.15%	5.16%	6.39%	6.20%	5.21%	4.20%	5.11%	6.02%	#DIV/0!	#DIV/0!	#DIV/0!



SEPTEMBER 2015

219 ANALYSIS

WO NOS.	DESCRIPTION		NUMBER	COST	LOAN FUNDS	UNIT COST	BUDGETED UNIT COST
9	RETIREMENTS		10	0.00	0.00		
100	NEW LINE EXTENSIONS		36	79,542.30	79,542.30	2,209.51	3,229.93
200	TIE LINES						
300	MAJOR PROJECTS			0.00	0.00		
602	SERVICE UPGRADES		2	2,865.07	2,865.07	1,432.54	1,920.25
603	SECTIONALIZERS		3	5,792.13	5,792.13		
604	REGULATORS						
606	POLES		35	126,387.78	126,387.78	3,611.08	2,410.75
701	SECURITY LIGHTS		19	10,391.22	10,391.22	546.91	423.50
1600	MINOR PROJECTS		5	8,191.06	8,191.06		
	TOTAL		102	233,169.56	233,169.56		
601	<u>SPECIAL EQUIPMENT</u>	<u>ACCT#</u>					
	METERS	370.00	0	0.00	0.00	0.00	160.00
	TRANSFORMERS	368.00	30	26,109.60	26,109.60	870.32	1,120.00
	TURTLES	370.10	0	0.00	0.00	0.00	
	DISCONNECT METERS	370.20	0	0.00	0.00	0.00	
	OTHER SP EQUIP	365.00	0	0.00	0.00	0.00	
	TOTAL		30	26,109.60	26,109.60		
	MATERIAL			28,344.64			
	MATERIAL OH			35,241.00			
	LABOR			21,034.35			
	LABOR OH			78,845.17			

REVENUE SUMMARY
SEPTEMBER 2015

	ENERGY	FUEL	LIGHTS	GREEN POWER	PRE-PAY FEE	SUR-CHARGE	SUB-TOTAL	PENALTY	SALES TAX	SCHOOL TAX	# of BILLS	KWH
44010 RESIDENTIAL												
Class 10 (All Electric Mobile Home)	\$ 255,924.68	\$ (8,247.91)	\$ 5,665.46	\$ 19.25	\$ 1,711.22	\$ 21,754.93	\$ 276,827.63	\$ 7,851.87	\$ -	\$ 5,779.94	2,821	2,036,771
Class 11 (Non-Electric House)	\$ 257,967.49	\$ (8,282.63)	\$ 10,834.57	\$ 34.01	\$ 579.46	\$ 22,269.26	\$ 283,402.16	\$ 5,831.03	\$ -	\$ 5,703.40	3,007	2,034,234
Class 13 (Non-Electric Mobile Home)	\$ 59,187.15	\$ (1,870.27)	\$ 1,644.52	\$ 8.25	\$ 333.88	\$ 5,056.85	\$ 64,360.38	\$ 1,847.38	\$ -	\$ 1,364.16	698	461,152
Class 14 (All Electric House)	\$ 821,631.46	\$ (20,557.42)	\$ 17,303.97	\$ 85.25	\$ 1,685.48	\$ 52,891.86	\$ 673,040.60	\$ 14,721.22	\$ -	\$ 13,861.61	5,638	5,053,241
Class 61 (Security Light)	\$ -	\$ (41.37)	\$ 1,346.65	\$ 2.75	\$ -	\$ 111.82	\$ 1,419.85	\$ 8.68	\$ 1.36	\$ 1.99	104	10,066
44010 TOTALS	\$ 1,194,710.78	\$ (38,999.60)	\$ 36,795.17	\$ 149.51	\$ 4,310.04	\$ 102,084.72	\$ 1,299,050.62	\$ 30,260.18	\$ 1.36	\$ 26,711.10	12,068	9,595,464
44040 GENERAL SALES												
Class 12 (Camps & Barns)	\$ 21,496.17	\$ (379.72)	\$ 584.28	\$ -	\$ -	\$ 1,851.83	\$ 23,552.56	\$ 367.27	\$ -	\$ 345.20	443	93,059
Class 15 (Camps)	\$ 16,878.39	\$ (321.08)	\$ 206.80	\$ -	\$ 18.66	\$ 1,433.62	\$ 18,217.39	\$ 575.27	\$ 4.18	\$ 171.30	314	78,813
Class 16 (Barns)	\$ 15,600.52	\$ (215.48)	\$ 691.89	\$ -	\$ 9.33	\$ 1,371.84	\$ 17,456.10	\$ 345.53	\$ 3.59	\$ 295.36	418	52,816
Class 17 (Garages, Out-buildings)	\$ 31,809.13	\$ (499.71)	\$ 921.61	\$ -	\$ 12.08	\$ 2,750.34	\$ 34,993.45	\$ 431.00	\$ 176.77	\$ 777.10	744	122,438
Class 18 (Motors on Poles)	\$ 7,519.93	\$ (133.32)	\$ 211.96	\$ -	\$ 9.33	\$ 649.11	\$ 8,257.01	\$ 220.76	\$ 53.83	\$ 133.56	156	32,718
Class 19 (Un-Inhabitable Houses)	\$ 1,251.73	\$ (22.72)	\$ 70.68	\$ -	\$ -	\$ 110.90	\$ 1,410.59	\$ 8.58	\$ -	\$ 35.88	30	5,588
Class 20 (Miscellaneous)	\$ 492.47	\$ (2.62)	\$ 39.29	\$ -	\$ -	\$ 45.51	\$ 574.65	\$ 2.42	\$ -	\$ 10.16	20	645
44040 TOTALS	\$ 95,049.34	\$ (1,574.65)	\$ 2,726.51	\$ -	\$ 49.40	\$ 8,213.15	\$ 104,463.75	\$ 1,950.83	\$ 238.37	\$ 1,768.54	2,125	386,157
44210 SMALL COMMERCIAL												
Class 25 (Small Commercial<50KVA)	\$ 140,480.64	\$ (4,437.84)	\$ 3,275.11	\$ 5.50	\$ -	\$ 11,885.54	\$ 151,208.95	\$ 893.20	\$ 6,725.21	\$ 3,590.78	984	1,087,923
Class 26 (Security Light)	\$ -	\$ (9.60)	\$ 318.84	\$ -	\$ -	\$ 26.41	\$ 335.65	\$ 5.49	\$ 14.36	\$ 0.50	10	2,347
Class 28 (Churches)	\$ 11,994.29	\$ (337.30)	\$ 1,530.01	\$ -	\$ -	\$ 1,124.94	\$ 14,311.94	\$ 71.93	\$ 295.76	\$ 273.86	162	82,640
44210 TOTALS	\$ 152,474.93	\$ (4,784.74)	\$ 5,123.96	\$ 5.50	\$ -	\$ 13,036.89	\$ 165,856.54	\$ 970.62	\$ 7,035.33	\$ 3,865.14	1,156	1,172,910
44220 LARGE POWER												
Class 46 (Large Commercial<50KVA)	\$ 176,102.62	\$ (7,191.68)	\$ 1,216.00	\$ -	\$ -	\$ 14,519.55	\$ 184,646.49	\$ 532.61	\$ 7,108.84	\$ 4,638.76	69	1,764,023
Class 47 (Pumping Station)	\$ 140.16	\$ (4.24)	\$ -	\$ -	\$ -	\$ 11.59	\$ 147.51	\$ -	\$ 8.85	\$ -	1	1,040
Class 79 (All Electric School)	\$ 34,913.22	\$ (1,389.24)	\$ 450.28	\$ -	\$ -	\$ 2,898.00	\$ 36,872.26	\$ -	\$ -	\$ 1,092.66	7	340,587
44220 TOTALS	\$ 211,156.00	\$ (8,585.16)	\$ 1,666.28	\$ -	\$ -	\$ 17,429.14	\$ 221,666.26	\$ 532.61	\$ 7,117.69	\$ 5,731.42	77	2,105,650
44230 LARGE POWER OVER 1,000KVA												
Class 74 (Smithfield & Elliott Co. Prison)	\$ 159,872.59	\$ (10,250.72)	\$ 29.32	\$ -	\$ -	\$ 12,765.25	\$ 162,416.44	\$ -	\$ 6,625.55	\$ 4,871.61	2	2,513,047
44230 TOTALS	\$ 159,872.59	\$ (10,250.72)	\$ 29.32	\$ -	\$ -	\$ 12,765.25	\$ 162,416.44	\$ -	\$ 6,625.55	\$ 4,871.61	2	2,513,047
44400 STREET LIGHTS												
Class 57 (Sandy Hook Street Lights)	\$ -	\$ (17.40)	\$ 590.94	\$ -	\$ -	\$ 48.92	\$ 622.46	\$ -	\$ -	\$ 0.95	1	4,266
44400 TOTALS	\$ -	\$ (17.40)	\$ 590.94	\$ -	\$ -	\$ 48.92	\$ 622.46	\$ -	\$ -	\$ 0.95	1	4,266
TOTALS	\$ 1,813,263.64	\$ (64,212.27)	\$ 46,932.18	\$ 155.01	\$ 4,359.44	\$ 153,578.07	\$ 1,954,076.07	\$ 33,714.24	\$ 21,018.30	\$ 42,948.76	15,429	15,777,494
										TOTAL SALES TAX		
										\$ 63,967.06		
							TOTAL REVENUE					
								\$ 2,051,757.37				

Grayson Rural Electric Cooperative Corporation

109 Bagby Park • Grayson, KY 41143-1292
Telephone 606-474-5136 • 1-800-562-3532 • Fax 606-474-5862

December 10, 2015

W. Jeffrey Scott,
Attorney at Law
P. O. Box 608
Grayson, KY 41143

Dear Jeffrey:

A Regular Board Meeting of GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION will be held on **Thursday, December 17, 2015, at 9:00 a.m.**

We look forward to seeing you at the Board Meeting.

Sincerely,



Priscilla Sparks
Executive Assistant

GRAYSON RURAL ELECTRIC
COOPERATIVE CORPORATION

Enclosures:

1. Agenda
2. Miscellaneous Analysis

Grayson Rural Electric Cooperative Corporation

109 Bagby Park • Grayson, KY 41143-1292
Telephone 606-474-5136 • 1-800-562-3532 • Fax 606-474-5862

December 10, 2015

Dear Director:

A Regular Meeting of the Board of Directors is hereby called. I do hereby fix the GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION headquarters in Grayson, Commonwealth of Kentucky, as the place, and **Thursday, the seventeenth day of December, 2015 at 9:00 a.m.**, for holding of said meeting for the following purposes:

To take any and all action and to transact any and all business which may be necessary, convenient, or desirable in connection with any of the foregoing and the organization of the Corporation at said meeting or at any adjournment or adjournments thereof; and for the transaction of such other business which may come before the meeting or any adjournment or adjournments thereof, as well as consider altering, amending, or repealing the current Bylaws of the Corporation in the manner hereinafter set forth.

Sincerely,



Roger L. Trent
Chairman

GRAYSON RURAL ELECTRIC
COOPERATIVE CORPORATION

RLT/ps

Enclosures:

1. Agenda
2. Miscellaneous Analysis

GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION
BOARD MEETING AGENDA

On December 17, 2015 the Directors of Grayson Rural Electric Cooperative Corporation were called to meet by the Chairman.

1. Sign Wavier of Notice
2. Invocation
3. Approval of the Minutes from the November Board Meeting
4. Technical Services Report – Brian Poling, Manager of Technical Services
5. Manager of Finance & Accounting Report and Approval of the Financial & Statistical Report for October 2015 – Bradley Cherry, Manager of Finance & Accounting
6. Manager of Marketing & Member Services Report – Kim Bush
7. Operations and Safety Reports – Kyle Clevenger, Manager of Operations
8. Approval of Seventy-Eight (78) New Memberships and Retirement of Eighty-Four (84) Existing Memberships for November
9. Consider Approval of Accounts to be Charged Off to Reserve \$3,911.73
10. Consider Approval of President’s Business Expense in the Amount of \$115.54, Director’s Business Expense in the Amount of \$14,986.71 and Attorney’s Business Expense in the Amount of \$-0-
11. President’s Report – Carol Hall Fraley
12. Cooperative Legal Matters – W. Jeffrey Scott
13. KAEC Director’s Report – Jimmy Whitt
14. EKPC Director’s Report – Kenneth Arrington
15. Consider Community Service and/or Donations (EKPC Has Donated \$500 to be Distributed for Christmas)
16. Attendance at Meetings – Directors & Employees
17. Confirm Date for the January 2016 Board Meeting – Friday, January 22
18. Additional Business – Declaration of Directors Intent to Run for Re-election for Board of Director
19. Adjourn

Mike McNalley Will Join Us Around 10:30 A.M. to Discuss the Proposed RUS Loan for EKPC.

On November 30, 2015 at 9:00 a.m. Grayson Rural Electric Cooperative Corporation held a regular board meeting at its office in Grayson, Kentucky called by the Chairman, for the transaction of such business as outlined in the letter of call. Chairman Trent called the meeting to order pursuant to the Waiver of Notice signed by the Directors and all were present. Others present included: Carol Hall Fraley, President and CEO; W. Jeffrey Scott, Legal Counsel; and Priscilla Sparks, Executive Assistant.

INVOCATION	Director Whitt gave the invocation.
APPROVAL OF MINUTES - REGULAR BOARD MEETING	Motion was made by Director Rice, seconded by Director Bentley and unanimously agreed to approve the minutes from the October Board Meeting, for informational purposes only.
FINANCIAL REPORT	Bradley Cherry, Manager of Finance and Accounting presented the Financial & Statistical Report for August 2015. Mr. Cherry reported on the following:
FINANCIAL & STATISTICAL REPORT FOR SEPTEMBER	Sales for the month of September (9/21-10/20) were .17 % under budget. Purchases for the month of September (9/1-9/30) were 2.77 % over budget. Line loss for the last 12 months was 5.42%. Year to date margins were a deficit of (\$420,049) compared to the budgeted amount of (\$463,742).
FORM 7	Sales were \$105,374 less, purchased power was \$88,609 less and customer records and collections was \$9,315 more, very similar to last year.
CAPITAL CREDITS	Capital Credits – 21 accounts have been refunded, and year to date, we have paid out \$166,272.57. Twenty-two (22) accounts are outstanding, 8 are ready to be paid and we are waiting on the paper work on 13. We budgeted \$120,000-\$125,000 for 2015. However, with the policy change in July, and we are over budget.
T.I.E.R	The monthly T.I.E.R was a negative 3.144%.
FEMA STORM MONEY	We received a letter from the state and we were awarded \$290,000 on the March storm. We get 87% and 13% is considered our contribution. Therefore, we will receive approximately \$250,000. We have some paper work to complete on the second storm. When it is completed and submitted, we should receive money for the second storm after the first of the year.
RUS/WORK PLAN	We received a letter from RUS stating we were approved for the twenty million dollar work plan and we will be making the first draw down on it soon.
EKPC LOAN REQUEST	Director Arrington asked if we submitted to EKP the figures of our outstanding loans, balance, who they are with and due date. President Fraley said she was not comfortable with giving out that information. EKPC had indicated last year that they would be moving away from RUS financing. We do banking with other lenders and investors, and have been able to pick and choose to our advantage. Bradley gave a handout showing all the loans. Director Martin asked for someone from EKP to come up and talk to the Board. Carol said it has never been the way of Cooperatives to let EK borrow for us. Legal Counsel Scott made a suggestion to have a list of questions prepared for whoever comes up from EKP to talk to us. President Fraley said we have a good relationship with RUS.

EKPC LOAN REQUEST
(CONTINUED)

The Board suggested that Mike McNalley be invited to a Board Meeting to explain and discuss this matter. President Fraley will take care of this.

APPROVAL OF FINANCIAL
& STATISTICAL REPORT
FOR SEPTEMBER 2015

Motion was made by Director Martin, seconded by Director Whitt and unanimously agreed to approve the Financial and Statistical report for September 2015 as presented, for informational purposes only.

401K RESOLUTION

Bradley Cherry presented the 401K Plan Resolution Authorizing the Amendment of the NRECA 401(k) Pension Plan Adoption Agreement 'A' 18061-001 and 18061-002 to the Board for their approval, a carryover from last month.

GO TO PAGE 3

401K PLAN RESOLUTION
(CONTINUED)

**RESOLUTION
AUTHORIZING THE AMENDMENT OF THE
NRECA 401(k) PENSION PLAN
Adoption Agreement "A"
18061-001 and 18061-002**

WHEREAS, Grayson Rural Electric Cooperative Corporation is participating in the NRECA sponsored defined contribution plan, the 401(k) Pension Plan (the "401(k) Plan"), and;

WHEREAS, The Board of Directors of Grayson Rural Electric Cooperative Corporation ("the Board") now desires to amend the 401(k) Plan pursuant to Section 18.2 of the pension plan document, and does hereby authorize the amendment effective January 1, 2016, by executing the appropriate Adoption Agreement;

BE IT RESOLVED, that the amendment to the 401(k) Plan is as follows:

Effective January 1, 2016, the Employer Base Contribution not condition on Employee Contributions shall increase from 0.4115% to 0.7800% of the Participant's Base Compensation.


BE IT FURTHER RESOLVED, that the Board does hereby authorize and direct Carol Hall Fraley, President and CEO, to execute all necessary documents and to take any and all further actions necessary to carry out the intentions of the Board as indicated in this resolution.

CERTIFICATE OF SECRETARY

I, Billy E. Martin, certify that I am Secretary of the Grayson Rural Electric Cooperative Corporation Board of Directors and that the above is a true excerpt from the minutes of a regular board meeting of the Board of Directors of Grayson Rural Electric Cooperative Corporation, held on the 30th day of November, 2015 at which a quorum was present and that the above portion of the minutes has not been modified nor rescinded.

IN WITNESS WHEREOF, I have set my hand and affixed the seal of Grayson Rural Electric Cooperative Corporation this 30th day of November, 2015.

(Seal)


(Signature of Secretary)

Motion was made by Director Rice to adopt the Resolution Authorizing The Amendment of the NRECA 401K Pension Plan Adoption Agreement "A" 18061-001 and 18061-002 as read, seconded by Director Whitt and unanimously agreed upon.

PSC – LIGHT TARIFF	President Fraley said the PSC had challenged our tariff we filed on LED security lights. Bradley worked with them Tuesday and Wednesday on the calculation of numbers. The new rate is \$10.41 and we requested \$10.47. The flood lights are \$23.19.
2016 BUDGET	<p>Director Martin stated the Planning and Review Committee met on November 19th for the proposed 2016 budget. He turned over the presentation over to President Fraley.</p> <p>President Fraley told the Board that, as usual, the 2016 budget was based on zero growth. We have some good projects in the works, but we are still struggling to maintain our residential numbers. EKP has indicated projections for another year with positive margins and hopefully will not have a rate increase. One variable we must watch is the resolution of the cost of the cancelled Smith project. Fuel and environmental charges continue to be volatile. Environmental has been high and fuel has been a credit. PJM continues to serve us well and the Bluegrass Generating Station will provide additional generation.</p> <p>President Fraley and Staff sat down with last year’s budget and a list of needs for the coming year. Bradley applies consideration of sales and purchases. He handed out highlights of the 2016 budget. Our Operating Revenue projections were based on a 3 year weighted average and the 2016 budget was based on actual costs from October 2014 to September 2015. Revenue of \$32.2 million was up slightly. Purchased Power cost showed a slight decrease of \$10,000, giving us gross margins of \$13.2 million.</p> <p>Director Martin made a motion to recommend the budget as presented, seconded by Director Dupuy and unanimously agreed upon.</p>
MANAGER OF MARKETING AND MEMBER SERVICES	President Fraley gave the Manager of Marketing and Member Services report as follows:
LIHEAP	LIHEAP has paid \$63,212 as of Friday.
ANNUAL MEETING	Kim included the Annual Meeting expenses in Bradley’s budget.
ANNUAL AWARDS DINNER	The annual Service Awards / Christmas company dinner will be Friday, December 11 th at the old Olive Hill High School.
ENERGY AUDITS	Tina Preece is doing several energy audits and request for winterization. MACED and Tina are working together.
OPERATIONS REPORT	Mike Martin, Assistant Manager of Operations gave the Operations Report. He reported on the following:
LOST TIME ACCIDENTS	There were no lost time accidents to report this month.
SAFETY REPORT	<p>The following safety meetings were held during October:</p> <p>September 09—Andrea McCleese, Technical Services Supervisor, read from the Safety Manual about “Training” and talked about what to do in an emergency situation. Nancy talked about CDL paper work. Carol Fraley</p>

SAFETY REPORT
(CONTINUED)

handed out certificates to Steven Burton and Jamey Withrow for completion of Underground Workshop. We had the monthly safety give-a-way.

September 14—Brian Poling, Mgr. of Technical Services, turned the meeting over to Robert Brown who talked about and had a video on FR clothing, care and replacement. Carol Fraley presented Joe Sargent a certificate for completion of Haz-Mat Refresher course. Kyle reminded everyone to be careful and work safe.

September 21 —Priscilla Sparks, Executive Assistant, turned the meeting over to a nurse from Dr. Gupta's office who attended to give flu shots to all active and retired employees and their families that wanted to have the shot.

September 30—Robert Brown, Director of Purchasing and Stores, turned the meeting over to Clarence Greene from KAEC for the monthly safety meeting. His topic was open neutrals, overhead and underground systems and he reviewed a list of 2016 accidents. Robert, Nancy and Julie did a safety presentation of what they give at Camp Webb.

Mr. Clevenger continues to mention the necessity of ground chains and that a line is not dead until it is grounded.

CONSTRUCTION

Construction built one hundred two (102) new work orders for the month of October and worked zero (0) hours of overtime.

OVERTIME HOURS

The Maintenance Department worked three hundred thirty-seven (337) hours of overtime during the month of October. The Engineering Department worked zero (0) hours of overtime during the month of October.

DELINQUENT NOTICES

The Maintenance & Construction Departments collected on two hundred one (201) delinquent accounts and disconnected twenty-eight (28) accounts in November.

CONTRACT CREWS

Our three (3) Pike crews; 2 crews after October 15, 2015; have been working in the following areas:

Tony Seagraves – Stark Conversion, Elliott County and New Construction
Chris Tackett – Lewis County, Montgomery –last day was 10-15-15
Ryan Rice – Miscellaneous pole changes and Montgomery, Lewis County

RIGHT-OF-WAY CREWS

We have ten (10) W A Kendall right-of-way crews working on random jobs and work orders at this time. Crew's trimmed 670 trees, cut 1,104 trees, cut 39,330 feet of brush/line and sprayed 257 spans of line. The crews are working in the following areas:

1 cutting crew in Carter, Lewis and Greenup Counties
1 cutting crew in Elliott and Lawrence Counties
1 cutting crews in Rowan County
1 bucket truck crew in Carter, Lewis and Greenup Counties
1 bucket truck crew in Elliott and Lawrence Counties
1 bucket truck crew in Rowan County
1 tractor crew in Rowan County
3 spray crews in Greenup County

Smith Tree Service has one circuit crew in Carter County

ENGINEERING REPORT

The Engineering Department released one hundred thirteen (113) prints consisting of 3,360 primary line and 2,190 feet of service wire. They currently have ten (10) new services to be staked, six (6) to be drawn and twenty (20) miscellaneous jobs to be staked or drawn.

TECHNICAL SERVICES
SUPERVISOR

Brian Poling, Technical Services Supervisor, reported on the following:

We hired Leidos (formerly RW Beck) to guide us in the GPS'ing project and they estimated it will take from now until around April of 2018 to complete.

As part of our new mapping, we will change our staking software to Futura which is owned by SEDC. This will allow integration with SEDC's UPN system to streamline some current processes and to help control our warehouse inventory. It allows newly staked jobs to be imported to the mapping system, making the outage management system more accurate.

We are working on the next phase of physical security by adding gate openers to the upper gates using our ID cards. The gates will close after entry. The gates will automatically open when exiting.

We are changing our intrusion service to BAE Systems, a multinational defense, security and aerospace company and the world's largest defense contractor. Netgain Technologies is one of their partners and they know our network. Netgain is here today changing equipment for security.

APPROVAL OF NEW
MEMBERSHIPS &
RETIREMENT OF
EXISTING MEMBERSHIPS

Motion was made by Director Rice, seconded by Director Martin and unanimously agreed to approve one hundred (100) new memberships and retirement of one hundred three (103) existing memberships for October 2015.

BAD DEBT WRITE-OFFS

Motion was made by Director Whitt, seconded by Director Bentley and unanimously agreed to charge off \$3,026.12 worth of bad debts and turn them over for collection.

APPROVAL OF CEO'S,
DIRECTOR'S & ATTORNEY
BUSINESS EXPENSES

Motion was made by Director Rice, seconded by Director Dupuy and unanimously agreed to approve the President's business expense of \$37.85, Director's business expenses of \$6,510.18 and Attorney's business expense of \$9.80. Motion carried.

PRESIDENT'S REPORT

President Fraley reported on the following:

ELLIOTTVILLE SUB-
SUBSTATION READINGS

We finished reading 2,200 meters on the Elliottville Substation.

A & C WOOD PRODUCTS

A & C Wood Products will be signing a 5 year contract @ \$250 month plus a \$100 on deposit each month. The deposit will be recalculated in December 2016.

RECLAMATIONS

There are three reclamation services coming in to perform work on various streams. Two are in Elliott County and one in Greenup.

CHAD FRALEY President Fraley reported that she was off last week while Chad had his vagal nerve stimulator replaced.

LIHEAP LIHEAP has helped to cut down on collections.

LEGAL COUNSEL'S REPORT Legal Counsel Scott reported on the following:

A brief was filed on Sand Gap appeal.
He talked to Carol Ann about easement recordings on the Womack property.
Kentucky Power will have 60 days to file briefs.

KAEC DIRECTOR'S REPORT Director Whitt reported KAEC's Annual Meeting was good and he was glad to see most of our board in attendance.

The morning meeting Tony Campbell, Big Rivers and TVA discussed today issues.
Cumberland Valley Electric went in for a rate increase. They have suffered loss of a lot of load. Jackson has also had issues.

EKPC DIRECTOR'S REPORT Director Arrington gave the EKPC report as follows:

The Board continues to review the clean power plan.
CEO Campbell says we have to make choices before it is implemented.
Mr. Campbell wants to see the state file plan first.
Don Mosier said the Cooper retrofit project went well at \$15m.
The purchase of the Bluegrass is complete and approval is hoped for by the end of the year.
Mike McNalley reported that the year to date September net margins at EK was \$60.8 million which is \$23.6 million over budget. The average year to date is \$66.60 per megawatt hour with the year's final average to come in below \$66.
David Crews said building a 10 megawatt solar project on Coop property or Smith Station would be one way to meet the Clean Power Plan Rule requirements and receive a 30% federal tax incentive if completed by the end of 2016.
The CFC meeting is January 15th at the Louisville Marriott East.

THANK YOU LETTERS GRECC received thank you notes or cards from the Greenup County First Book program and the East Carter Golf Tournament.

DONATIONS President Fraley presented to the Board for their consideration the following donation requests:

West Carter Boys Basketball – Jack Fultz Classic	\$100
First Baptist Church c/o Women's Circle-meals for needy	\$125
Elliott County High School Volleyball team –MSU Satellite Corp	\$100
East Carter Baseball Field – dugout (in memory of Johnny Fankell)	\$500
Project Merry Christmas of Carter Co.	\$100
KSPPA Chapter 8 – Shop with a Cop (Elliott & Rowan Counties)	\$200

Motion was made by Director Martin, seconded by Director Whitt and unanimously agreed to approve the donations as presented.

NRECA ANNUAL MEETING The NRECA Annual Meeting will be in New Orleans, Louisiana. Director Trent said he would be attending.

BOARD MEETING DATES The December Board Meeting will be on Friday, December 18, 2015 and we will have our annual Christmas dinner following the adjournment of the board meeting.

ADDITIONAL BUSINESS Director Martin stated he drove Don Mosier with EKP, and showed him some of the GRECC line system.

ADJOURN Chairman Trent adjourned the meeting at 11:43 a.m.

Roger L. Trent, Chairman

Billy E. (Eddie) Martin, Secretary/Treasurer

W. Jeffrey Scott, Legal Counsel

President and CEO's Expenses

October 2015

<u>Check Date</u>	<u>Check</u>	<u>Description</u>	<u>Amount</u>
11/05/15	167324	Visa Expenses Meal expenses: *9/17 – Staff Meeting *9/22 – 2016 Calendar Workshop *9/24 – Shopping for Supplies	 \$14.93 \$16.23 \$6.86
11/07/15	167361	Visa Expenses *9/21 – GRECC Board Meeting *9/25 – Columbia Gas Consult Meeting *10/12 – Cleaning / Columbus Day – office closed *10/13 – October Chamber Meeting / safety demo	 \$14.08 \$14.20 \$2.12 \$2.12
10/31/15	journal entry	Sam's Club – membership fee – CEO	\$45.00
		Total Expenses	\$115.54

*Prorated

DIRECTORS & ATTORNEY EXPENSES

October-15

KENNETH ARRINGTON

Per Diem - GRECC Bd. Mtg. (10/22)	\$ 246.00
MISC -	-
VISA -	-
Cash in Lieu of Insurance	637.63
24-Hr. Insurance	0.70
TOTAL -	\$ 884.33

JIM BENTLEY

Per Diem - GRECC Bd. Mtg. (10/22)	\$ 201.15
MISC -	-
VISA - Room Deposit Region II & III	154.11
Registration NRECA Winter School	829.00
Cash in Lieu of Insurance	637.63
24-Hr. Insurance	1.08
TOTAL	\$ 1,822.97

HAROLD DUPUY

Per Diem - GRECC Bd. Mtg. (10/22)	\$ 234.50
MISC -	-
VISA - Room Deposit Region II & III	154.11
Registration NRECA Winter School	1,176.00
Cash in Lieu of Insurance	637.63
24-Hr. Insurance	0.70
TOTAL -	\$ 2,202.94

EDDIE MARTN

Per Diem GRECC Bd. Mtg. (10/22)	\$ 209.20
MISC -	-
VISA - Room Deposit Region II & III	154.11
Cash in Lieu of Insurance	637.63
24-Hr. Insurance	1.08
TOTAL -	\$ 1,002.02

WILLIAM T. RICE

Per Diem GRECC Bd. Mtg. (10/22); Region II & III (10/25-30)	\$ 2,721.99
MISC	-
VISA - Room Deposit Region II & III	154.11
Cash in Lieu of Insurance	637.63
24-Hr. Insurance	0.49
TOTAL -	\$ 3,514.22

ROGER TRENT

Per Diem	GRECC Bd. Mtg. (10/22)	\$ 240.25
MISC	-	-
VISA	Room Deposit Region II & III	154.11
	Registration NRECA Winter School	1,176.00
	Lunch GRECC Bd. Mtg. (9/21)	14.07
	Cash in Lieu of Insurance	637.63
	24 – Hr. Insurance	0.49
TOTAL	-	<u>\$ 2,222.55</u>

JIMMY WHITT

Per Diem	KAEC Bd. Mtg. Travel (10/19); GRECC Bd. Mtg. (10/22)Region II & III (10/26-29)	\$ 2,370.00
MISC	-	-
VISA	KAEC Bd. Mtg.	174.86
	Room Deposit Region II & III	154.11
	Cash in Lieu of Insurance	637.63
	24 – Hr. Insurance	1.08
TOTAL	-	<u>\$ 3,337.68</u>

JEFF SCOTT

Out-of-Pocket	-	\$ -
MISC	-	-
VISA	-	-
TOTAL	-	<u>\$ -</u>

President and CEO's Expenses

October 2015

<u>Check Date</u>	<u>Check</u>	<u>Description</u>	<u>Amount</u>
11/05/15	167324	Visa Expenses	
		Meal expenses:	
		*9/17 – Staff Meeting	\$14.93
		*9/22 – 2016 Calendar Workshop	\$16.23
		*9/24 – Shopping for Supplies	\$6.86
11/07/15	167361	Visa Expenses	
		*9/21 – GRECC Board Meeting	\$14.08
		*9/25 – Columbia Gas Consult Meeting	\$14.20
		*10/12 – Cleaning / Columbus Day – office closed	\$2.12
		*10/13 – October Chamber Meeting / safety demo	\$2.12
10/31/15	journal entry	Sam's Club – membership fee – CEO	\$45.00
		Total Expenses	\$115.54

*Prorated

DIRECTORS & ATTORNEY EXPENSES

October-15

KENNETH ARRINGTON

Per Diem - GRECC Bd. Mtg. (10/22)	\$ 246.00
MISC -	-
VISA -	-
Cash in Lieu of Insurance	637.63
24-Hr. Insurance	0.70
TOTAL -	\$ 884.33

JIM BENTLEY

Per Diem - GRECC Bd. Mtg. (10/22)	\$ 201.15
MISC -	-
VISA - Room Deposit Region II & III	154.11
Registration NRECA Winter School	829.00
Cash in Lieu of Insurance	637.63
24-Hr. Insurance	1.08
TOTAL	\$ 1,822.97

HAROLD DUPUY

Per Diem - GRECC Bd. Mtg. (10/22)	\$ 234.50
MISC -	-
VISA - Room Deposit Region II & III	154.11
Registration NRECA Winter School	1,176.00
Cash in Lieu of Insurance	637.63
24-Hr. Insurance	0.70
TOTAL -	\$ 2,202.94

EDDIE MARTN

Per Diem GRECC Bd. Mtg. (10/22)	\$ 209.20
MISC -	-
VISA - Room Deposit Region II & III	154.11
Cash in Lieu of Insurance	637.63
24-Hr. Insurance	1.08
TOTAL -	\$ 1,002.02

WILLIAM T. RICE

Per Diem GRECC Bd. Mtg. (10/22); Region II & III (10/25-30)	\$ 2,721.99
MISC	-
VISA - Room Deposit Region II & III	154.11
Cash in Lieu of Insurance	637.63
24-Hr. Insurance	0.49
TOTAL -	\$ 3,514.22

ROGER TRENT

Per Diem	GRECC Bd. Mtg. (10/22)	\$ 240.25
MISC -		-
VISA -	Room Deposit Region II & III	154.11
	Registration NRECA Winter School	1,176.00
	Lunch GRECC Bd. Mtg. (9/21)	14.07
	Cash in Lieu of Insurance	637.63
	24 – Hr. Insurance	0.49
TOTAL -		<u>\$ 2,222.55</u>

JIMMY WHITT

Per Diem	KAEC Bd. Mtg. Travel (10/19); GRECC Bd. Mtg. (10/22)Region II & III (10/26-29)	\$ 2,370.00
MISC -		-
VISA -	KAEC Bd. Mtg.	174.86
	Room Deposit Region II & III	154.11
	Cash in Lieu of Insurance	637.63
	24 – Hr. Insurance	1.08
TOTAL -		<u>\$ 3,337.68</u>

JEFF SCOTT

Out-of-Pocket -		\$ -
MISC -		-
VISA -		-
TOTAL -		<u>\$ -</u>

Grayson Rural Electric Financial Report

December 17, 2015

KWH Sales & Purchases: October 2015

Sales:	Month:	12.72% Under Budget	(10/21 – 11/20)
	YTD:	0.09% Under Budget	
	2014 YTD:	0.59% Under	
Purchases:	Month:	2.38% Under Budget	(10/1 – 10/31)
	YTD:	1.39% Over Budget	
Line Loss :	Month:	-.52%	
	YTD:	8.60%	
	Last 12 Months:	6.42%	

Form 7: October 2015

Sales	\$ 412,222	Less
Purchased Power	\$ 59,947	Less
Maintenance of General Plant <i>Cleaning Day – Columbus Day</i>	\$ 45,493	More

Form 7: Year to Date

Margins:	\$ (416,171)*
Budgeted:	\$ (128,635)

Other Items:

- Capital Credits
- Workers Comp

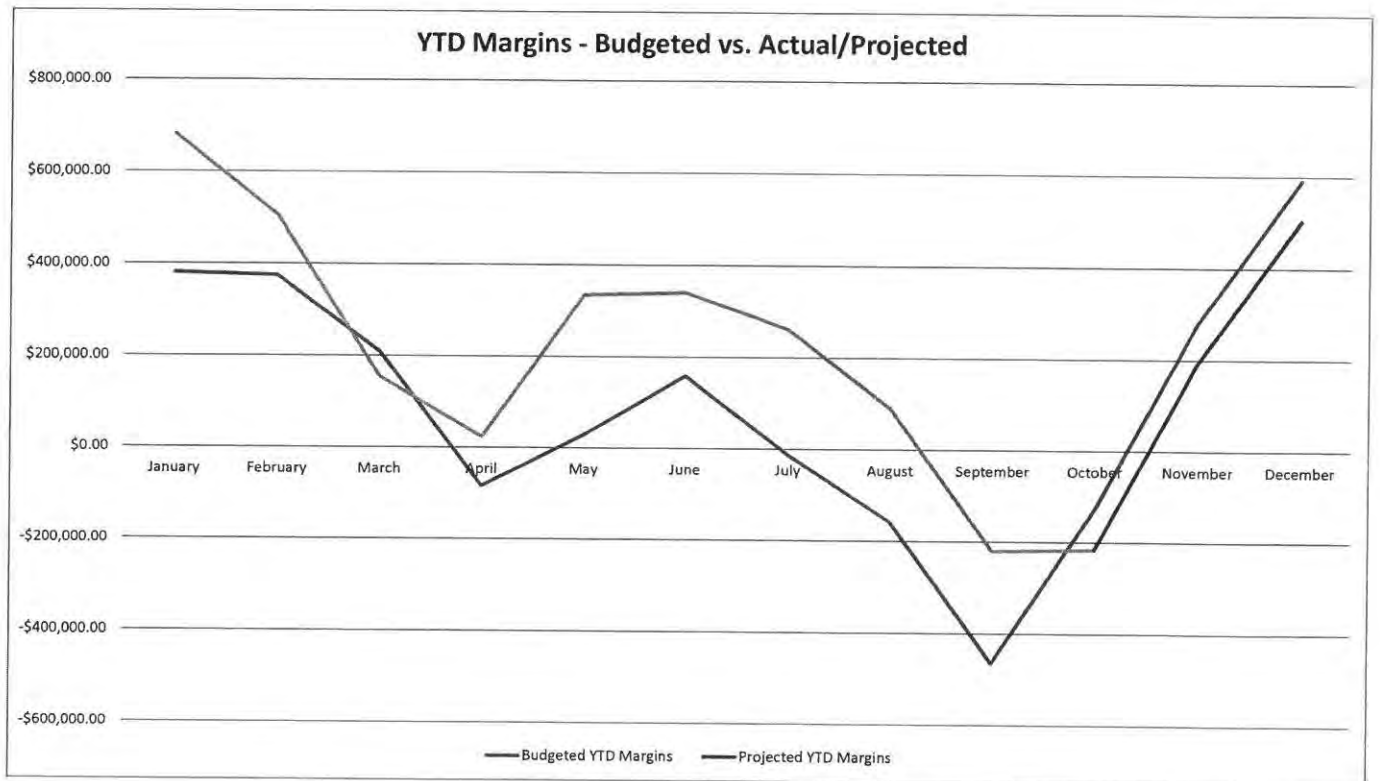
Monthly Operating Rev & Exp

	October 2014	November 2014	December 2014	January 2015	February 2015	March 2015	April 2015	May 2015	June 2015	July 2015	August 2015	September 2015	October 2015
Revenue	(2,644,213)	(3,012,795)	(3,293,995)	(3,852,755)	(3,011,463)	(2,224,301)	(2,046,272)	(2,329,211)	(2,527,821)	(2,779,477)	(2,400,830)	(2,033,228)	(2,231,365)
Purchased Power	1,222,188	1,739,051	1,827,391	2,094,265	2,211,257	1,590,533	1,135,694	1,219,683	1,511,101	1,639,242	1,490,377	1,335,458	1,227,524
Gross Margins	(1,422,025)	(1,273,744)	(1,466,604)	(1,758,490)	(800,206)	(633,768)	(910,578)	(1,109,528)	(1,016,720)	(1,140,235)	(910,453)	(697,770)	(1,003,841)
Operations	108,132	66,163	64,997	110,088	102,265	63,795	98,693	91,108	108,182	76,677	99,084	104,671	52,131
Maintenance	314,514	342,834	328,229	285,031	252,556	467,223	287,877	268,495	290,565	528,633	332,603	268,365	268,746
Customer Service	97,694	94,901	95,654	103,367	98,404	89,864	105,165	94,304	97,090	94,159	99,855	103,271	101,507
Informational Advertising	27,715	23,100	23,536	4,228	19,101	21,170	24,239	20,758	12,266	15,080	19,163	26,726	20,264
Demonstration Advertising	421	1,835	1,576	1,493	4,003	2,661	1,782	1,677	780	774	923	1,889	1,569
Admin & General	178,658	155,157	184,452	171,785	179,260	158,438	164,272	181,944	169,949	157,244	172,160	167,633	212,836
Depreciation	259,420	259,954	260,604	263,182	263,585	266,108	266,580	266,615	267,883	268,505	269,304	270,190	272,574
Regulatory	3,890	3,890	3,888	3,450	3,450	3,450	3,450	3,450	3,455	3,455	3,455	3,455	3,455
Interest - LTD	77,910	77,432	77,421	78,096	74,646	74,138	76,691	76,352	76,381	75,644	75,692	74,973	74,082
Interest - Deposits	127	126	-	-	124	124	124	123	123	125	124	123	122
Miscellaneous Expense	1,475	228	706	105	610	1,825	2,050	825	772	750	1,660	3,484	650
Interest Income	(2,485)	(2,579)	(2,573)	(2,607)	(2,586)	2,650	(2,680)	(2,619)	(2,615)	(2,598)	(2,561)	(2,554)	(2,479)
Non-Electric Revenue	(27,043)	21,557	851	58,069	(19,846)	(14,025)	13,103	(4,894)	(13,362)	986	10,278	(10,458)	(3,244)
Capital Credits	-	-	-	-	-	(146,863)	-	(494)	-	-	-	(3,284)	(2,252)
Margins	(381,597)	(229,146)	(427,263)	(682,202)	175,367	356,790	130,767	(111,389)	(5,744)	79,199	171,288	310,713	(3,878)
* ()'s = positive margins													
Operating Expenses	1,069,956	1,025,620	1,041,063	1,020,825	998,004	1,148,796	1,030,921	1,005,652	1,027,447	1,221,047	1,074,026	1,024,779	1,007,936
Monthly OTIER	5.90	3.96	6.52	9.74	(1.35)	(3.81)	(0.71)	2.46	1.08	(0.05)	(1.26)	(3.14)	1.05

Revenue	(33,511,774)	(33,203,203)	(32,828,962)	(32,805,171)	(32,768,544)	(32,574,348)	(32,530,678)	(32,382,950)	(32,223,123)	(32,423,422)	(32,252,370)	(32,156,362)	(31,743,513)
Purchased Power	20,071,174	20,099,182	19,923,071	19,542,241	19,786,575	19,641,985	19,451,205	19,315,057	19,209,296	19,195,524	19,069,918	19,016,240	19,021,576
Gross Margins	(13,440,600)	(13,104,021)	(12,905,891)	(13,262,930)	(12,981,969)	(12,932,363)	(13,079,473)	(13,067,893)	(13,013,827)	(13,227,898)	(13,182,452)	(13,140,122)	(12,721,937)
Operations	1,185,290	1,170,977	1,160,112	1,160,348	1,178,399	1,167,135	1,160,042	1,146,506	1,150,147	1,122,887	1,111,474	1,093,855	1,037,855
Maintenance	3,864,879	3,948,243	4,034,456	4,089,712	3,845,564	3,848,283	3,856,926	3,841,616	3,743,579	3,979,579	3,978,644	3,966,926	3,921,157
Customer Service	1,084,267	1,082,085	1,131,180	1,149,378	1,158,091	1,148,271	1,148,246	1,150,338	1,168,692	1,163,748	1,166,332	1,173,728	1,177,541
Informational Advertising	249,157	254,882	266,275	248,382	252,832	250,191	251,267	250,522	245,492	242,029	238,992	237,082	229,631
Demonstration Advertising	21,924	21,983	24,076	23,325	25,538	25,400	25,468	23,906	22,633	21,881	19,656	19,814	20,962
Admin & General	1,912,603	1,921,378	1,946,591	1,944,830	1,975,010	1,977,317	1,974,104	1,987,781	2,016,668	2,012,411	2,035,725	2,040,953	2,075,131
Depreciation	3,061,617	3,080,935	3,088,645	3,098,666	3,107,598	3,117,692	3,127,922	3,137,905	3,148,730	3,159,573	3,170,547	3,181,932	3,195,086
Regulatory	39,374	40,397	41,398	42,014	42,630	43,246	43,862	44,478	44,043	43,608	43,173	42,738	42,303
Interest - LTD	958,037	954,050	950,337	945,799	941,308	937,056	932,942	929,913	926,291	922,728	919,007	915,376	911,548
Interest - Deposits	1,646	1,573	1,416	1,285	1,279	1,273	1,268	1,263	1,258	1,253	1,248	1,243	1,238
Miscellaneous Expense	29,035	27,523	26,735	23,366	18,399	14,672	13,245	13,293	12,203	12,225	11,880	14,489	13,664
Interest Income	(30,244)	(30,369)	(30,490)	(30,651)	(30,787)	(25,706)	(25,791)	(25,823)	(25,822)	(25,811)	(25,821)	(25,801)	(25,801)
Non-Electric Revenue	(28,240)	(16,412)	(15,830)	31,954	25,012	18,985	20,245	23,879	8,848	25,193	34,404	15,216	39,015
Capital Credits	(166,222)	(166,222)	(166,222)	(166,222)	(166,222)	(166,222)	(166,222)	(166,222)	(166,222)	(166,222)	(166,222)	(166,222)	(166,222)
Margins	(1,257,477)	(812,998)	(447,012)	(700,743)	(807,320)	(567,658)	(708,826)	(701,416)	(712,659)	(706,389)	(636,351)	(613,218)	(235,500)
Operating Expense	12,407,829	12,504,026	12,671,221	12,727,105	12,346,847	12,530,526	12,535,293	12,527,520	12,477,735	12,681,721	12,696,662	12,688,136	12,626,116
Rolling 12 Month OTIER	2.31	1.85	1.47	1.74	1.86	1.61	1.78	1.75	1.77	1.77	1.69	1.67	1.26

	2015 Monthly Margins			2015 YTD Margins			2015 Projected Margins
	Actual	Budgeted	Difference	Actual	Budgeted	Difference	YTD + Actual
January	\$681,642.42	\$381,444.43	\$300,197.99	\$681,642.42	\$381,444.43	\$300,197.99	\$681,642.42
February	-\$175,367.43	-\$6,321.57	-\$169,045.86	\$506,274.99	\$375,122.86	\$131,152.13	\$506,274.99
March	-\$351,489.86	-\$166,619.57	-\$184,870.29	\$154,785.13	\$208,503.29	-\$53,718.16	\$154,785.13
April	-\$130,766.77	-\$291,768.57	\$161,001.80	\$24,018.36	-\$83,265.28	\$107,283.64	\$24,018.36
May	\$311,388.90 *	\$112,384.43	\$199,004.47	\$335,407.26	\$29,119.15	\$306,288.11	\$335,407.26
June	\$5,743.31	\$129,707.43	-\$123,964.12	\$341,150.57	\$158,826.58	\$182,323.99	\$341,150.57
July	-\$79,199.15	-\$170,407.57	\$91,208.42	\$261,951.42	-\$11,580.99	\$273,532.41	\$261,951.42
August	-\$171,287.52	-\$145,687.57	-\$25,599.95	\$90,663.90	-\$157,268.56	\$247,932.46	\$90,663.90
September	-\$310,713.54	-\$306,473.57	-\$4,239.97	-\$220,049.64	-\$463,742.13	\$243,692.49	-\$220,049.64
October	\$3,878.37	\$335,107.43	-\$331,229.06	-\$216,171.27	-\$128,634.70	-\$87,536.57	-\$216,171.27
November	\$0.00	\$409,254.43			\$280,619.73		\$193,083.16
December	\$0.00	\$310,823.10			\$591,442.83		\$503,906.26

* - Receivable booked for reimbursement of March Storm through FEMA (\$200,000)



2015 Current Year							2014 Previous Year								
	Average	HDD	CDD	HDD	CDD	Average		Average	HDD	CDD	HDD	CDD	Average		
21-Oct	55	10	0	7	0	58	1-Oct	21-Oct	50	15	0	0	2	67	1-Oct
22-Oct	63	2	0	12	0	53	2-Oct	22-Oct	48	17	0	0	3	68	2-Oct
23-Oct	63	2	0	14	0	51	3-Oct	23-Oct	50	15	0	2	0	63	3-Oct
24-Oct	61	4	0	2	0	63	4-Oct	24-Oct	52	13	0	16	0	49	4-Oct
25-Oct	58	7	0	0	0	65	5-Oct	25-Oct	54	11	0	16	0	49	5-Oct
26-Oct	52	13	0	1	0	64	6-Oct	26-Oct	56	9	0	10	0	55	6-Oct
27-Oct	51	14	0	0	0	65	7-Oct	27-Oct	59	6	0	9	0	56	7-Oct
28-Oct	61	4	0	0	1	66	8-Oct	28-Oct	65	0	0	6	0	59	8-Oct
29-Oct	55	10	0	0	3	68	9-Oct	29-Oct	53	12	0	12	0	53	9-Oct
30-Oct	42	23	0	8	0	57	10-Oct	30-Oct	43	22	0	10	0	55	10-Oct
31-Oct	48	17	0	9	0	56	11-Oct	31-Oct	42	23	0	11	0	54	11-Oct
1-Nov	56	9	0	6	0	59	12-Oct	1-Nov	40	25	0	7	0	58	12-Oct
2-Nov	59	6	0	2	0	63	13-Oct	2-Nov	39	26	0	0	3	68	13-Oct
3-Nov	61	4	0	7	0	58	14-Oct	3-Nov	44	21	0	0	2	67	14-Oct
4-Nov	67	0	2	12	0	53	15-Oct	4-Nov	56	9	0	6	0	59	15-Oct
5-Nov	67	0	2	12	0	53	16-Oct	5-Nov	54	11	0	8	0	57	16-Oct
6-Nov	65	0	0	21	0	44	17-Oct	6-Nov	52	13	0	3	0	62	17-Oct
7-Nov	53	12	0	23	0	42	18-Oct	7-Nov	39	26	0	11	0	54	18-Oct
8-Nov	47	18	0	19	0	46	19-Oct	8-Nov	41	24	0	16	0	49	19-Oct
9-Nov	44	21	0	12	0	53	20-Oct	9-Nov	47	18	0	17	0	48	20-Oct
10-Nov	45	20	0	10	0	55	21-Oct	10-Nov	50	15	0	15	0	50	21-Oct
11-Nov	44	21	0	2	0	63	22-Oct	11-Nov	54	11	0	17	0	48	22-Oct
12-Nov	57	8	0	2	0	63	23-Oct	12-Nov	44	21	0	15	0	50	23-Oct
13-Nov	48	17	0	4	0	61	24-Oct	13-Nov	32	33	0	13	0	52	24-Oct
14-Nov	43	22	0	7	0	58	25-Oct	14-Nov	28	37	0	11	0	54	25-Oct
15-Nov	46	19	0	13	0	52	26-Oct	15-Nov	28	37	0	9	0	56	26-Oct
16-Nov	47	18	0	14	0	51	27-Oct	16-Nov	38	27	0	6	0	59	27-Oct
17-Nov	56	9	0	4	0	61	28-Oct	17-Nov	31	34	0	0	0	65	28-Oct
18-Nov	65	0	0	10	0	55	29-Oct	18-Nov	21	44	0	12	0	53	29-Oct
19-Nov	55	10	0	23	0	42	30-Oct	19-Nov	30	35	0	22	0	43	30-Oct
20-Nov	42	23	0	17	0	48	31-Oct	20-Nov	34	31	0	23	0	42	31-Oct
	54.1	343	4	273	4	56.3			44.3	641	0	303	10	55.5	
			347			277				641			313		

2015	January	February	March	April	May	June	July	August	September	October	November	December
Sales	30,110,413.00	24,071,853.00	17,918,995.00	16,808,679.00	19,311,724.00	19,585,260.00	21,882,561.00	18,941,610.00	15,777,494.00	17,829,642.00		

Purchases:

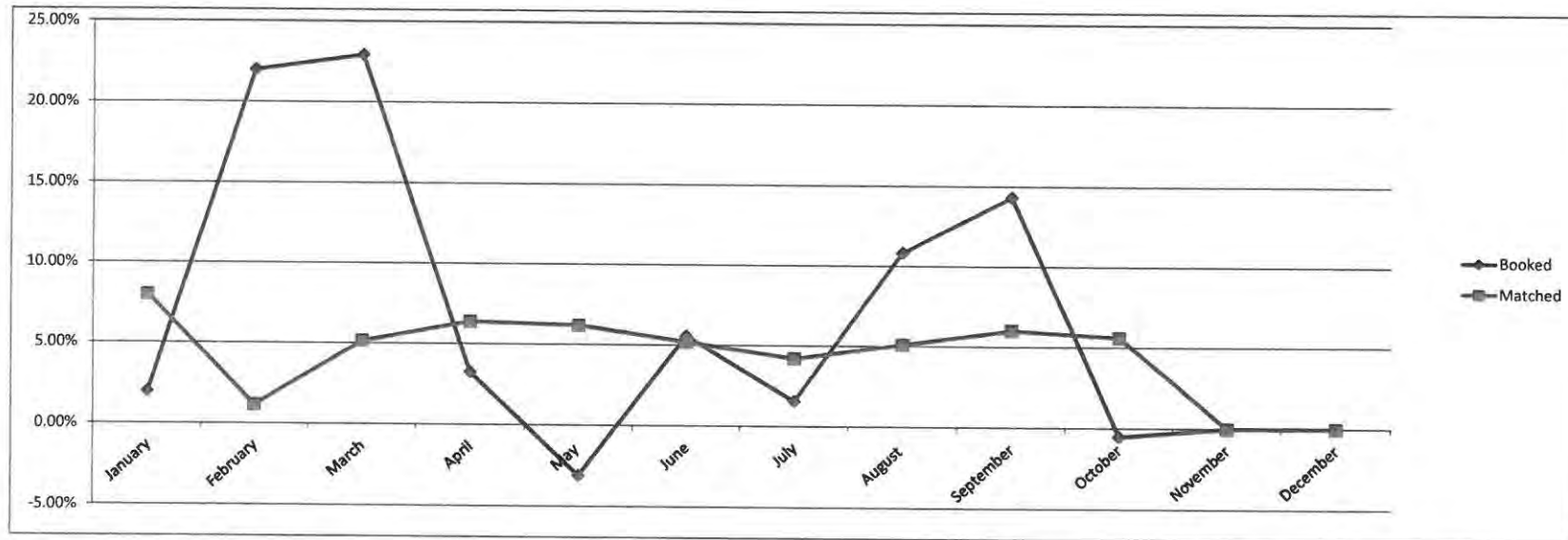
Booked	30,707,957.00	30,858,196.00	23,245,192.00	17,367,652.00	18,727,031.00	20,740,644.00	22,225,101.00	21,246,076.00	18,418,554.00	17,737,770.00		
Matched	32,729,548.84	24,351,751.40	18,893,340.70	17,956,117.78	20,588,676.20	20,661,485.50	22,842,486.72	19,961,574.14	16,787,899.01	18,890,122.61		

kWh Loss

Booked	597,544.00	6,786,343.00	5,326,197.00	558,973.00	-584,693.00	1,155,384.00	342,540.00	2,304,466.00	2,641,060.00	-91,872.00	0.00	0.00
Matched	2,619,135.84	279,898.40	974,345.70	1,147,438.78	1,276,952.20	1,076,225.50	959,925.72	1,019,964.14	1,010,405.01	1,060,480.61	0.00	0.00

% Line Loss

Booked	1.95%	21.99%	22.91%	3.22%	-3.12%	5.57%	1.54%	10.85%	14.34%	-0.52%	#DIV/0!	#DIV/0!
Matched	8.00%	1.15%	5.16%	6.39%	6.20%	5.21%	4.20%	5.11%	6.02%	5.61%	#DIV/0!	#DIV/0!



OCTOBER 2015

219 ANALYSIS

								BUDGETED
WO NOS.	DESCRIPTION		NUMBER		COST	LOAN FUNDS	UNIT COST	UNIT COST
9	RETIREMENTS		12		278.60	(278.60)		
100	NEW LINE EXTENSIONS		25		91,358.30	91,358.30	3,654.33	3,229.93
200	TIE LINES							
300	MAJOR PROJECTS		2		266,424.66	266,424.66		
602	SERVICE UPGRADES		2		4,259.71	4,259.71	2,129.86	1,920.25
603	SECTIONALIZERS		5		6,476.98	6,476.98		
604	REGULATORS							
606	POLES		20	POLES	69,044.99	69,044.99	3,452.25	2,410.75
701	SECURITY LIGHTS		23		15,979.38	15,979.38	694.76	423.50
1600	MINOR PROJECTS		4		5,710.75	5,710.75		
	TOTAL		92		459,533.37	458,976.17		
601	SPECIAL EQUIPMENT	ACCT#						
	METERS	370.00	771		132,752.67	132,752.67	172.18	160.00
	TRANSFORMERS	368.00	24		26,003.20	26,003.20	1,083.47	1,120.00
	TURTLES	370.10	0		0.00	0.00	0.00	
	DISCONNECT METERS	370.20	192		59,112.96	59,112.96	307.88	
	OTHER SP EQUIP	365.00	0		0.00	0.00	0.00	
	TOTAL		987		217,868.83	217,868.83		
	MATERIAL				28,344.64			
	MATERIAL OH				35,241.00			
	LABOR				14,513.17			
	LABOR OH				45,719.37			

REVENUE SUMMARY OCTOBER 2015

ENERGY	FUEL	LIGHTS	GREEN POWER	PRE-PAY FEE	SUR-CHARGE	SUB-TOTAL	PENALTY	SALES TAX	SCHOOL TAX	# of BILLS	KWH
\$ 314,748.90	\$ (12,929.39)	\$ 5,545.20	\$ 19.25	\$ 2,156.83	\$ 27,548.21	\$ 337,089.00	\$ 6,418.49	\$ -	\$ 7,129.02	2,604	2,570,760
\$ 287,777.09	\$ (11,794.13)	\$ 10,708.28	\$ 33.00	\$ 691.79	\$ 25,795.33	\$ 313,211.36	\$ 4,050.00	\$ -	\$ 6,386.10	2,986	2,308,697
\$ 68,673.64	\$ (2,759.77)	\$ 1,710.71	\$ 8.25	\$ 422.55	\$ 6,067.35	\$ 74,122.73	\$ 1,348.01	\$ -	\$ 1,552.77	698	546,556
\$ 724,859.18	\$ (30,574.82)	\$ 17,368.36	\$ 85.25	\$ 2,132.74	\$ 63,984.06	\$ 777,854.77	\$ 10,559.31	\$ (76.26)	\$ 16,231.91	5,593	6,003,780
\$ -	\$ (50.84)	\$ 1,329.25	\$ 2.75	\$ -	\$ 115.41	\$ 1,396.57	\$ 3.56	\$ 1.36	\$ 1.89	102	9,837
\$ 1,396,058.81	\$ (58,108.95)	\$ 36,661.80	\$ 148.50	\$ 5,403.91	\$ 123,510.36	\$ 1,503,674.43	\$ 22,377.37	\$ (74.90)	\$ 31,301.69	11,983	11,439,620
\$ 22,264.09	\$ (527.23)	\$ 562.91	\$ -	\$ 8.33	\$ 2,009.13	\$ 24,317.23	\$ 295.57	\$ -	\$ 353.74	420	102,673
\$ 16,870.09	\$ (415.38)	\$ 206.80	\$ -	\$ 22.66	\$ 1,500.36	\$ 18,184.53	\$ 338.85	\$ 4.76	\$ 196.46	304	81,300
\$ 16,442.94	\$ (298.51)	\$ 703.26	\$ -	\$ 11.33	\$ 1,517.73	\$ 18,376.75	\$ 261.79	\$ 3.52	\$ 313.66	421	58,161
\$ 32,731.27	\$ (656.11)	\$ 851.07	\$ -	\$ 14.08	\$ 2,966.70	\$ 35,907.01	\$ 287.46	\$ 180.47	\$ 802.97	749	127,550
\$ 7,456.51	\$ (170.33)	\$ 208.52	\$ -	\$ 11.33	\$ 674.91	\$ 8,180.94	\$ 179.56	\$ 48.86	\$ 131.87	149	33,272
\$ 1,115.66	\$ (23.05)	\$ 70.68	\$ -	\$ -	\$ 104.81	\$ 1,268.10	\$ 5.67	\$ -	\$ 31.50	28	4,485
\$ 493.85	\$ (2.34)	\$ 31.02	\$ -	\$ -	\$ 47.08	\$ 569.61	\$ -	\$ -	\$ 11.59	21	452
\$ 97,374.41	\$ (2,092.95)	\$ 2,634.26	\$ -	\$ 67.73	\$ 8,820.72	\$ 106,804.17	\$ 1,368.90	\$ 237.61	\$ 1,841.79	2,092	407,893
\$ 145,138.74	\$ (5,827.06)	\$ 3,269.60	\$ 5.50	\$ -	\$ 12,846.08	\$ 155,432.86	\$ 994.55	\$ 6,733.12	\$ 3,705.40	969	1,134,741
\$ -	\$ (12.09)	\$ 318.84	\$ -	\$ -	\$ 27.65	\$ 334.40	\$ 5.44	\$ 14.31	\$ 0.48	10	2,347
\$ 13,895.74	\$ (514.35)	\$ 1,527.48	\$ -	\$ -	\$ 1,343.31	\$ 16,252.18	\$ 58.68	\$ 357.39	\$ 320.29	162	100,123
\$ 159,034.48	\$ (6,353.50)	\$ 5,115.92	\$ 5.50	\$ -	\$ 14,217.04	\$ 172,019.44	\$ 1,058.67	\$ 7,104.82	\$ 4,026.17	1,141	1,237,211
\$ 172,224.61	\$ (9,050.65)	\$ 1,216.00	\$ -	\$ -	\$ 14,811.51	\$ 179,201.47	\$ 305.44	\$ 6,971.91	\$ 4,570.10	68	1,762,875
\$ 89.96	\$ (1.85)	\$ -	\$ -	\$ -	\$ 7.94	\$ 96.05	\$ -	\$ 5.76	\$ -	1	360
\$ 37,158.55	\$ (1,903.81)	\$ 450.28	\$ -	\$ -	\$ 3,217.02	\$ 38,922.04	\$ -	\$ -	\$ 1,154.15	7	370,827
\$ 209,473.12	\$ (10,956.31)	\$ 1,666.28	\$ -	\$ -	\$ 18,036.47	\$ 218,219.56	\$ 305.44	\$ 6,977.67	\$ 5,724.25	76	2,134,062
\$ 161,071.47	\$ (13,382.53)	\$ 29.32	\$ -	\$ -	\$ 13,309.41	\$ 161,027.67	\$ -	\$ 6,688.89	\$ 4,829.95	2	2,606,647
\$ 161,071.47	\$ (13,382.53)	\$ 29.32	\$ -	\$ -	\$ 13,309.41	\$ 161,027.67	\$ -	\$ 6,688.89	\$ 4,829.95	2	2,606,647
\$ -	\$ (21.61)	\$ 590.60	\$ -	\$ -	\$ 51.27	\$ 620.26	\$ -	\$ -	\$ 0.89	1	4,209
\$ -	\$ (21.61)	\$ 590.60	\$ -	\$ -	\$ 51.27	\$ 620.26	\$ -	\$ -	\$ 0.89	1	4,209
\$ 2,023,012.29	\$ (90,915.85)	\$ 46,698.18	\$ 154.00	\$ 5,471.64	\$ 177,945.27	\$ 2,162,365.53	\$ 25,110.38	\$ 20,934.09	\$ 47,724.74	15,295	17,829,642
									TOTAL SALES TAX		
									\$ 68,658.83		
TOTAL REVENUE							\$ 2,256,134.74				

