

Grayson Rural Electric Cooperative Corporation

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

RECEIVED

MAY 27 2010

PUBLIC SERVICE
COMMISSION

May 27, 2010

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

Re: Grayson Rural Electric Pass-Through of East Kentucky Power Cooperative, Inc.
Wholesale Rate Adjustment- PSC Case No. 2010-00174

Dear Mr. Derouen:

Please find enclosed for filing with the Commission an original and 5 copies of Grayson's Filing for Pass-Through of East Kentucky Power Cooperative, Inc. ("EKPC") Wholesale Rate Adjustment in Case No. 2010-00167. This filing includes the following information as required by 807 KAR 5:007:

1. The full name and filing address of the filing cooperative is: [807 KAR 5:007, Sections 1(2) and 2(2)]

Grayson Rural Electric Cooperative Corporation
109 Bagby Park
Grayson, KY 41143

2. Grayson Rural Electric's Proposed Tariffs reflecting the new rates specifying an effective date of July 1, 2010, the effective date of EKPC's wholesale rate change are attached as Exhibit 1. [807 KAR 5:007, Section 2(1)]
3. This filing is pursuant to the provisions of KRS 278.455(2). [807 KAR 5:007, Sections 1(3) and 2(2)]
4. A comparison of the current and proposed rates of Grayson Rural Electric is attached as Exhibit 2. [807 KAR 5:007, Sections 1(4) and 2(2)]

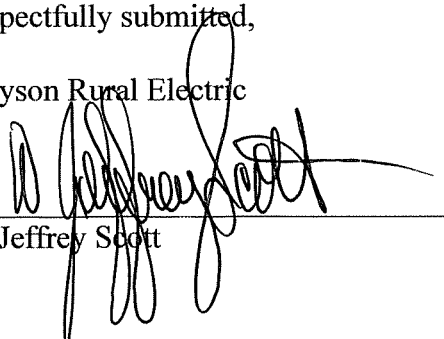
Mr. Jeff Derouen
May 27, 2010
Page 2

5. Attached as Exhibit 3 is a billing analysis which shows the existing and proposed rates for each rate class. Grayson Rural Electric hereby states that the effects of the increase in rates from its wholesale supplier, EKPC, are being passed through to its retail tariffs on a proportional basis and that the rate design structure proposed for each retail rate schedule does not change the rate design currently in effect. [807 KAR 5:007, Sections 1(5)(a), 1(5)(b), and 2(2)]
6. A certification that one complete copy of this filing has been filed with the Office of Rate Intervention, Office of the Attorney General, is attached as Exhibit 4. [807 KAR 5:007, Sections 1(6) and 2(2)]
7. Notice of the proposed rate change has been given, not more than thirty (30) days prior to May 27, 2010, by publication in a newspaper of general circulation in the affected area of Grayson Rural Electric. A copy of this notice is attached as Exhibit 5. [807 KAR 5:007, Sections 1(7)(b), 1(8), and 2(2)]
8. The notice attached as Exhibit 5 contains the required information pursuant to 807 KAR 5:007, Section 3.

Grayson Rural Electric hereby requests that the Commission accept this filing and allow the pass-through to its retail rates of the wholesale rate adjustment granted to EKPC as of the effective date of such adjustment.

Respectfully submitted,

Grayson Rural Electric



W. Jeffrey Scott

GRAYSON RURAL ELECTRIC
COOPERATIVE CORPORATION

SCHEDULE 1 CLASSIFICATION OF SERVICE

DOMESTIC – FARM & HOME SERVICE

RATE PER UNIT

AVAILABILITY-DOMESTIC

Available to members of the Cooperative for all residential farm and home uses subject to its established rules and regulations. Approval of the Cooperative must be obtained prior to the installation of any motor having a rated capacity of five horsepower or more.

TYPE OF SERVICE

Single-phase and/or three-phase, 60 cycle, alternating current at the Cooperative's standard secondary voltages.

RATE PER MONTH

Customer Charge

Energy Charge Per KWH

\$10.40 (l)

\$0.11164 (l)

FUEL ADJUSTMENT CLAUSE

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the Wholesale Power Supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve month moving average of such losses. The Fuel clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

MINIMUM CHARGE

The minimum monthly charge under the above rate shall be \$10.40 where 25 KVA or less of transformer capacity is required. For members requiring more than 25 KVA of transformer capacity, the minimum monthly charge shall be increased at a rate of \$.75 for each additional KVA or fraction thereof required. Where it is necessary to extend or reinforce existing distribution facilities, the minimum monthly charge may be increased to assure adequate compensation for the added facilities. Where the minimum charge is increased in accordance with this section, additional energy and demand shall be included in accordance with the foregoing rate schedule.

(l)

DATE OF ISSUE: May 27, 2010

Service on and after
EFFECTIVE DATE: July 1, 2010

ISSUED BY: _____
Issued by authority of P.S.C. in Case No. 2010-00174 dated _____

President & C.E.O., 109 Bagby Park, Grayson, KY

GRAYSON RURAL ELECTRIC
COOPERATIVE CORPORATION

FOR: ENTIRE AREA SERVED
PSC NO.: 4
11TH REVISED SHEET NO.: 2.00
CANCELING PSC NO.: 4
10TH REVISED SHEET NO.: 2.00

SCHEDULE 2 CLASSIFICATION OF SERVICE

COMMERCIAL AND SMALL POWER LESS THAN 50 KVA, INCLUDING PUBLIC BUILDINGS, SCHOOLS, CHURCHES, ETC.	RATE PER UNIT
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AVAILABILITY OF SERVICE

Available to members of the Cooperative for all Commercial and Small Power uses less than 50 KVA, subject to its established rules and regulations. Approval of the Cooperative must be obtained prior to the installation of any motor having a rated capacity of five horsepower or more.

TYPE OF SERVICE

Single-phase and/or three-phase, 60 cycle, alternating current at the Cooperative's standard secondary voltages.

RATE PER MONTH

Customer Charge	\$26.01 (I)
Energy Charge per KWH	\$0.10340 (I)

FUEL ADJUSTMENT CLAUSE

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the Wholesale Power Supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve month moving average of such losses. The Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

MINIMUM CHARGE

The minimum monthly charge under the above rate shall be \$26.01 where 25 KVA or less of transformer capacity is required. For members requiring more than 25 KVA of transformer capacity, the minimum monthly charge shall be increased at a rate of \$.75 for each additional KVA or fraction thereof required. Where it is necessary to extend or reinforce existing distribution facilities, the minimum monthly charge may be increased to assure adequate compensation for the added facilities. Where the minimum charge is increased in accordance with this section, additional energy and demand shall be included in accordance with the foregoing rate schedule.

(I)

DATE OF ISSUE: May 27, 2010

Service on and after
EFFECTIVE DATE: July 1, 2010

ISSUED BY: _____
Issued by authority of P.S.C. in Case No. 2010-00174 dated _____

President & C.E.O., 109 Bagby Park, Grayson, KY

GRAYSON RURAL ELECTRIC
COOPERATIVE CORPORATION

FOR: ENTIRE AREA SERVED
PSC NO.: 4
11TH REVISED SHEET NO.: 3.00
CANCELING PSC NO.: 4
10TH REVISED SHEET NO.: 3.00

SCHEDULE 3 CLASSIFICATION OF SERVICE

OFF-PEAK MARKETING RATE	RATE PER UNIT
<p><u>AVAILABILITY OF SERVICE</u></p>	
<p>Available to members of the Cooperative eligible for service under Tariff Schedule 1-- Domestic-Farm & Home Service, or Tariff Schedule 2--Commercial and Small Power Less than 50 KVA, who have installed Cooperative approved load management devices for the use of power during off-peak hours. This rate shall only apply to programs which have been expressly approved by the Public Service Commission to be offered under the Marketing Rate of East Kentucky Power Cooperative's Wholesale Rate Schedule A.</p>	
<p><u>TYPE OF SERVICE</u></p>	
<p>Single-phase and/or three-phase, 60 cycle, alternating current at the Cooperative's standard secondary voltages.</p>	
<p><u>RATE PER MONTH</u></p>	
Customer Charge	\$10.40 (l)
<p><u>ON-PEAK RATE:</u></p>	
All KWH	\$0.11164 (l)
<p><u>OFF-PEAK RATE:</u></p>	
All KWH	\$0.06698 (l)
<p><u>PEAK PERIODS</u></p>	
<p><u>WINTER SCHEDULE</u></p>	
<p>For the purpose of this tariff, the <u>on-peak billing period</u> for the months of October, November, December, January, February, March, and April is defined as 7 a.m. to 12 noon and from 5 p.m. to 10 p.m., local time, for all days of the week, including Saturday, Sunday and holidays. The <u>off-peak billing period</u> is defined as 10 p.m. to 7 a.m. and from 12 noon to 5 p.m., local time, for all days of the week, including Saturday, Sunday and holidays.</p>	
<p><u>SUMMER SCHEDULE</u></p>	
<p>For the purpose of this tariff, the <u>on-peak billing period</u> for the months of May, June, July, August, and September is defined as 10 a.m. to 10 p.m., local time, for all days of the week, including Saturdays, Sundays and holidays. The <u>off-peak billing period</u> is defined as 10 p.m. to 10 a.m., local time, for all days of the week, including Saturday, Sunday, and holidays.</p>	

DATE OF ISSUE: May 27, 2010

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EFFECTIVE DATE: July 1, 2010

ISSUED BY: _____
Issued by authority of P.S.C. in Case No. 2010-00174 dated

President & C.E.O., 109 Bagby Park, Grayson, KY

FOR: ENTIRE AREA SERVED
PSC NO.: 4
11TH REVISED SHEET NO.: 3.10
CANCELING PSC NO.: 4
10TH REVISED SHEET NO.: 3.10

GRAYSON RURAL ELECTRIC
COOPERATIVE CORPORATION

SCHEDULE 3 (con't) CLASSIFICATION OF SERVICE

OFF-PEAK MARKETING RATE	RATE PER UNIT
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FUEL ADJUSTMENT CLAUSE

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the Wholesale Power Supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve month moving average of such losses. The Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

MINIMUM CHARGE

The minimum monthly charge under the above rate shall be \$10.40 where 25 KVA or less of transformer capacity is required. For members requiring more than 25 KVA of transformer capacity, the minimum monthly charge shall be increased at a rate of \$.75 for each additional KVA or fraction thereof required. Where it is necessary to extend or reinforce existing distribution facilities, the minimum monthly charge may be increased to assure adequate compensation for the added facilities. Where the minimum charge is increased in accordance with this section, additional energy and demand shall be included in accordance with the foregoing rate schedule.

(I)

TERMS OF PAYMENT

The above rates are net, the gross being ten percent (10%) higher. In the event the current monthly bill is not paid within fifteen (15) days from the mailing date of the bill, the gross rates shall apply.

METERING

Necessary metering equipment will be furnished and maintained by the Cooperative which shall have the option of metering service supplied hereunder at either primary or secondary voltage. Energy furnished under this schedule shall be separately metered for each point of delivery.

TERMS AND CONDITIONS

This tariff is subject to the Cooperative's standard terms and conditions of service as set out in the governing tariff schedule for which the consumer is eligible for service (see Availability of Service).

DATE OF ISSUE: MAY 27, 2010

Service on and after
EFFECTIVE DATE: JULY 1, 2009

ISSUED BY: _____
Issued by authority of P.S.C. in Case No. 2010-00174 dated _____.

President & C.E.O., 109 Bagby Park, Grayson, KY

GRAYSON RURAL ELECTRIC
COOPERATIVE CORPORATION

FOR: ENTIRE AREA SERVED
PSC NO.: 4
11TH REVISED SHEET NO.: 4.00
CANCELING PSC NO.: 4
10TH REVISED SHEET NO.: 4.00

SCHEDULE 4 CLASSIFICATION OF SERVICE

LARGE POWER SERVICE-SINGLE AND THREE-PHASE	50-999 KVA	RATE PER UNIT
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AVAILABILITY

Available to consumers located on or near the Cooperative's facilities for Commercial service. Consumers shall contract for a definite amount of electrical capacity in kilovolt-amperes which shall be sufficient to meet normal maximum requirements but in no case shall the capacity contracted be less than 50 KVA. The Cooperative may not be required to supply capacity in excess multiples of 25 KVA.

TYPE OF SERVICE

Single-phase, three-phase, 60 cycles, at Cooperative's standard voltage.

RATE PER MONTH

Customer Charge	\$63.36	(l)
Demand Charge per KW	\$8.58	(l)
Energy Charge per KWH	\$0.06673	(l)

DETERMINATION OF BILLING DEMAND

The billing demand shall be the maximum kilowatt demand established by the consumer for any fifteen consecutive minutes during the month for which the bill is rendered, as indicated or recorded by a demand meter and adjusted for power factor as provided in the power factor adjustment clause.

POWER FACTOR ADJUSTMENT

The consumer agrees to maintain unity power factor as nearly as practicable. The measured demand will be demand to correct for average power factors lower than 90%, and may be so adjusted for other consumers if and when the Cooperative deems necessary. Such adjustments will be made by increasing the measured demand by 1% for each 1% by which the average power factor is less than 90% lagging.

RULES AND REGULATIONS

Service under this tariff is subject to the terms of all rules and regulations of the Cooperative that have been or may be adopted by its Board of Director's.

DATE OF ISSUE: May 27, 2010

Service on and after
EFFECTIVE DATE: July 1, 2010

ISSUED BY: _____
Issued by authority of P.S.C. in Case No. 2010-00174 dated _____

President & C.E.O., 109 Bagby Park, Grayson, KY

GRAYSON RURAL ELECTRIC
COOPERATIVE CORPORATION

SCHEDULE 4 (con't)

CLASSIFICATION OF SERVICE

LARGE POWER SERVICE-SINGLE AND THREE-PHASE

50-999 KVA

RATE PER UNIT

FUEL ADJUSTMENT CLAUSE

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per kWh equal to the fuel adjustment amount per kWh as billed by the wholesale Power supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve month moving average of such losses. The Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

MINIMUM MONTHLY CHARGE

The minimum monthly charge shall be the highest one of the following charges as determined for the consumer in question:

1. The minimum monthly charge as specified in the contract for service
2. A charge of \$63.36.

(1)

MINIMUM ANNUAL CHARGE FOR SEASONAL SERVICE

Consumer's requiring service only during certain seasons not exceeding nine (9) months per year may guarantee a minimum annual charge, in which case there shall be no minimum monthly charge. The minimum annual charge shall be sufficient to assure adequate compensation for the facilities installed to serve the consumer, and in no event shall it be less than \$9.00 per kVA of installed transformer capacity, of \$714.72, whichever is greater.

METERING

Necessary metering equipment will be furnished and maintained by the Cooperative which shall have the option of metering service supplied hereunder at either primary or secondary voltage.

SERVICE PROVISIONS

1. Motors having a rated capacity in excess of five horsepower (5 H.P.), must be three-phase unless written permission has been obtained from the cooperative.
2. Both power and lighting shall be billed at the foregoing rate. If a separate meter is required for the lighting circuit the registrations of the two watt-hour meters shall be added to obtain total kilowatt-hours used and registrations of the two demand meters shall be added

DATE OF ISSUE: MAY 27, 2010

Service on and after
EFFECTIVE DATE: JULY 1, 2010

ISSUED BY:
Issued by authority of P.S.C. in Case No. 2010-00174 dated

President & C.E.O., 109 Bagby Park, Grayson, KY

FOR: ENTIRE AREA SERVED
PSC NO.: 4
10TH REVISED SHEET NO.: 5.00
CANCELING PSC NO.: 4
9TH REVISED SHEET NO.: 5.00

GRAYSON RURAL ELECTRIC
COOPERATIVE CORPORATION

SCHEDULE 5 CLASSIFICATION OF SERVICE

STREET LIGHTING SERVICE

RATE PER UNIT

AVAILABILITY

Available to rural communities and villages for street lighting.

BASE RATE PER LIGHT PER YEAR

For dusk to dawn lighting with lights mounted on existing wooden poles with bracket attachments and connected to existing overhead secondary circuits.

For the following monthly charges the Cooperative will furnish, install and maintain the lighting fixtures and accessories including hardware, control, lamps, overhead wiring, etc.; and the energy required.

Lamp Size	Mercury Vapor	Annual Charge
<u>7,000 Lumens</u>	<u>Lamps</u>	<u>Per Lamp</u>
175 Watt	\$11.14 per Month	\$133.68

(I)

FUEL ADJUSTMENT CLAUSE

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the Wholesale Power Supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve month moving average of such losses. The Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

CONDITIONS OF SERVICE

1. Street lighting equipment including lamps, fixtures, control and the necessary street lighting circuits, transformers and additional guys and fittings will be furnished and maintained by the Cooperative.

2. Lamp replacements will be made by the Cooperative without additional charge, except that any damage to lamps and luminaries resulting from vandalism shall be charges to consumer at cost as a separate item on the monthly bill for service. Outages should be promptly reported.

3. This schedule applies to either multiple or series street lighting circuits. The Cooperative will determine the type of circuit.

REFER TO BASIS FOR THE ACCOUNTABILITY OF ENERGY USED BY SECURITY LIGHTS.

DATE OF ISSUE: May 27, 2010

Service on and after
EFFECTIVE DATE: July 1, 2010

ISSUED BY: _____
Issued by authority of P.S.C. in Case No. 2010-00174 dated

President & C.E.O., 109 Bagby Park, Grayson, KY

GRAYSON RURAL ELECTRIC
COOPERATIVE CORPORATION

FOR: ENTIRE AREA SERVED
PSC NO.: 4
11TH REVISED SHEET NO.: 6.00
CANCELING PSC NO.: 4
10TH REVISED SHEET NO.: 6.00

SCHEDULE 6 CLASSIFICATION OF SERVICE

OUTDOOR LIGHTING SERVICE – SECURITY LIGHTS

RATE PER UNIT

AVAILABILITY

Available to customers, other than towns and villages, for dusk to dawn outdoor lighting on existing overhead secondary circuits.

RATE PER LIGHT PER MONTH

7,000	Lumens Mercury Vapor Lamp	\$10.80	(I)
10,000	Lumens Mercury Vapor Lamp	\$13.46	(I)
	Flood Lighting	\$19.39	(I)

FUEL ADJUSTMENT CLAUSE

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the Wholesale Power Supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve month moving average of such losses. The Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

CONDITIONS OF SERVICE

1. The Cooperative shall furnish, install, and maintain the outdoor lighting equipment including lamp, luminaire, bracket attachment and control device on an existing pole of the Cooperative, electrically connected so that power for operation of the light does not pass through out the meter for the consumer's other usage, at a location mutually agreeable to both the Cooperative and the customer.

2. The Cooperative shall maintain the lighting equipment, including lamp replacement, at no additional cost the customer within 72 hours after the customer notifies the Cooperative of the need for maintenance of the lighting equipment.

3. The lighting equipment shall remain the property of the Cooperative. The customer shall protect the lighting equipment from deliberate damage.

DATE OF ISSUE: May 27, 2010

Service on and after
EFFECTIVE DATE: July 1, 2010

ISSUED BY: _____
Issued by authority of P.S.C. in Case No. 2010-00174 dated

President & C.E.O., 109 Bagby Park, Grayson, KY

FOR: ENTIRE AREA SERVED
 PSC NO.: 4
 10TH REVISED SHEET NO.: 7.00
 CANCELING PSC NO.: 4
 9TH REVISED SHEET NO.: 7.00

GRAYSON RURAL ELECTRIC
 COOPERATIVE CORPORATION

SCHEDULE 7

CLASSIFICATION OF SERVICE

ALL ELECTRIC SCHOOLS (A.E.S.)	RATE PER UNIT									
<p><u>APPLICABLE</u> In all territory served by Seller.</p> <p><u>AVAILABILITY</u> Available to all public or not-profit private schools whose total energy requirement, including but not limited to heating, air conditioning, lighting and water heating, is supplied electricity furnished by the Cooperative, subject to its established rules and regulations.</p> <p><u>CHARACTER OF SERVICE</u> The electric service furnished under this rate schedule will be 60 cycle, alternating current, single phase or three phase service, present facilities permitting, and at the following nominal voltages: Single Phase, 120, 102/240, 480, 204/480 volts; Three Phase, 120/240, 120/208Y, 240/280, 277/480Y volts.</p> <p><u>RATE PER MONTH</u></p> <table data-bbox="156 1042 1552 1149"> <tr> <td>Customer Charge</td> <td>\$31.21</td> <td>(I)</td> </tr> <tr> <td>Demand Charge per KW</td> <td>\$6.24</td> <td>(I)</td> </tr> <tr> <td>Energy Charge per KWH</td> <td>\$0.07659</td> <td>(I)</td> </tr> </table> <p><u>MINIMUM CHARGE</u> The minimum annual charge shall be sufficient to assure adequate compensation for the facilities installed to serve the consumer, and in no event shall it be less than \$9.00 per KVA of required transformer capacity as determined by the Cooperative, or the amount specified in the contract for service, whichever is greater.</p> <p><u>TERMS OF CONTRACT</u> Service under this rate schedule will be furnished under an "Agreement for Purchase of Power", for a term of not less than five (5) years.</p> <p><u>TERMS OF PAYMENT</u> The above rates are net, the gross being ten percents higher. In the event the current monthly bill is not paid within fifteen (15) days from the mailing date of the bill, the gross rates shall apply.</p>	Customer Charge	\$31.21	(I)	Demand Charge per KW	\$6.24	(I)	Energy Charge per KWH	\$0.07659	(I)	
Customer Charge	\$31.21	(I)								
Demand Charge per KW	\$6.24	(I)								
Energy Charge per KWH	\$0.07659	(I)								

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ISSUED BY: _____
 Issued by authority of P.S.C. in Case No. 2010-00174 dated _____

President & C.E.O., 109 Bagby Park, Grayson, KY

FOR: ENTIRE AREA SERVED
PSC NO.: 4
5th REVISED SHEET NO.: 12.00
CANCELING PSC NO.: 4
4th REVISED SHEET NO.: 12.00

GRAYSON RURAL ELECTRIC
COOPERATIVE CORPORATION

SCHEDULE 12 (a)	CLASSIFICATION OF SERVICE	RATE PER UNIT
LARGE INDUSTRIAL SERVICE – LLF	1,000 TO 4,999 KVA	
<u>AVAILABILITY</u>		
Available to all members of the Cooperative whose monthly contract demand is equal to or greater than 500 KW but less than 5,000 KW. All use is subject to the established rules and regulations of the Cooperative that have been or may be adopted by its Board of Directors.		
<u>CONDITION FOR SERVICE</u>		
An "INDUSTRIAL POWER AGREEMENT" shall be executed by the member for service under this schedule.		
<u>TYPE OF SERVICE</u>		
Three-phase, 60 hertz, alternating current as specified in the "INDUSTRIAL POWER AGREEMENT".		
<u>RATE PER MONTH</u>		
Customer Charge		\$569.17 (I)
Demand Charge per KW of Billing Demand		\$10.56 (I)
Energy Charge per KWH		\$0.05609 (I)
<u>DETERMINATION OF BILLING DEMAND</u>		
The monthly billing demand shall be the greater of (A) or (B) listed below:		
(A) The contract demand		
(B) The kilowatt demand shall be the highest average rate at which energy is used during the fifteen minute interval coincident with Grayson's wholesale power supplier's billing demand during the current month for the below listed hours:		
<u>Months</u>	<u>Hours Applicable For Demand Billing - Est</u>	
October through April	7:00a.m.to 12:00 Noon; 5:00p.m. to 10:00 p.m.	
May through September	10:00a.m.to 10:00 p.m.	

DATE OF ISSUE: May 27, 2010

Service on and after
EFFECTIVE DATE: July 1, 2010

ISSUED BY: _____
Issued by authority of P.S.C. in Case No. 2010-00174 dated _____

President & C.E.O., 109 Bagby Park, Grayson, KY

FOR: ENTIRE AREA SERVED
PSC NO.: 4
5th REVISED SHEET NO.: 12.20
CANCELING PSC NO.: 4
4th REVISED SHEET NO.: 12.20

GRAYSON RURAL ELECTRIC
COOPERATIVE CORPORATION

SCHEDULE 12 (b)	CLASSIFICATION OF SERVICE	RATE PER UNIT
LARGE INDUSTRIAL SERVICE – LLF	5,000 TO 9,999 KVA	

AVAILABILITY

Available to all members of the Cooperative whose monthly contract demand is equal to or greater than 4,999 KW but less than 10,000 KW> All use is subject to the established rules and regulations of the Cooperative that have been or may be adopted by its Board of Directors.

CONDITION FOR SERVICE

An "INDUSTRIAL POWER AGREEMENT" shall be executed by the member for service under this schedule.

TYPE OF SERVICE

Three-phase, 60 hertz, alternating current as specified in the "INDUSTRIAL POWER AGREEMENT".

RATE PER MONTH

Customer Charge	\$1,137.28	(l)
Demand Charge per KW of Billing Demand	\$10.56	(l)
Energy Charge per KWH	\$0.05077	(l)

DETERMINATION OF BILLING DEMAND

The monthly billing demand shall be the greater of (A) or (B) listed below:

- (A) The contract demand
- (B) The kilowatt demand, as metered at the load center, shall be the highest average rate at which energy is used during any fifteen minute interval during the current month during the below listed hours:

<u>Months</u>	<u>Hours Applicable For Demand Billing - EST</u>
October through April	7:00 a.m. to 12:00 Noon 5:00 p.m. to 10:00 p.m.
May through September	10:00 a.m. to 10:00 p.m.

DATE OF ISSUE: May 27, 2010

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EFFECTIVE DATE: July 1, 2010

ISSUED BY: _____
Issued by authority of P.S.C. in Case No. 2010-00174 dated _____

President & C.E.O., 109 Bagby Park, Grayson, KY

FOR: ENTIRE AREA SERVED
PSC NO.: 4
5th REVISED SHEET NO.: 12.40
CANCELING PSC NO.: 4
4th REVISED SHEET NO.: 12.40

GRAYSON RURAL ELECTRIC
COOPERATIVE CORPORATION

SCHEDULE 12 (c)	CLASSIFICATION OF SERVICE		
LARGE INDUSTRIAL SERVICE – LLF	10,000 KVA AND OVER	(T)	RATE PER UNIT
<u>AVAILABILITY</u>			
Available to all members of the Cooperative whose monthly contract demand is equal to or greater than 10,000 KW. All use is subject to the established rules and regulations of the Cooperative that have been or may be adopted by its Board of Directors.			
<u>CONDITION FOR SERVICE</u>			
An "INDUSTRIAL POWER AGREEMENT" shall be executed by the member for service under this schedule.			
<u>TYPE OF SERVICE</u>			
Three-phase, 60 hertz, alternating current as specified in the "INDUSTRIAL POWER AGREEMENT".			
<u>RATE PER MONTH</u>			
Customer Charge			\$1,137.28 (I)
Demand Charge per KW of Billing Demand			\$10.56 (I)
Energy Charge per KWH			\$0.04971 (I)
<u>DETERMINATION OF BILLING DEMAND</u>			
The monthly billing demand shall be the greater of (A) or (B) listed below:			
(A)	The contract demand		
(B)	The kilowatt demand, as metered at the load center, shall be the highest average rate at which energy is used during any fifteen minute interval during the current month during the below listed hours:		
	<u>Months</u>	<u>Hours Applicable For Demand Billing - EST</u>	
	October through April	7:00 a.m. to 12:00 Noon; 5:00 p.m. to 10:00 p.m.	
	May through September	10:00 a.m. to 10:00 p.m.	

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President & C.E.O., 109 Bagby Park, Grayson, KY

FOR: ENTIRE AREA SERVED
PSC NO.: 4
6TH REVISED SHEET NO.: 13.00
CANCELING PSC NO.: 4
5th REVISED SHEET NO.: 13.00

GRAYSON RURAL ELECTRIC
COOPERATIVE CORPORATION

SCHEDULE 13 (a)	CLASSIFICATION OF SERVICE	RATE PER UNIT															
LARGE INDUSTRIAL SERVICE – HLF	1,000 TO 4,999 KVA																
<p><u>AVAILABILITY</u> Available to all members of the Cooperative whose monthly contract demand is equal to or greater than 500 KW but less than 5,000 KW. All use is subject to the established rules and regulations of the Cooperative that have been or may be adopted by its Board of Directors.</p> <p><u>CONDITION OF SERVICE</u> An "INDUSTRIAL POWER AGREEMENT" shall be executed by the member for service under this schedule.</p> <p><u>TYPE OF SERVICE</u> Three-phase, 60 hertz, alternating current as specified in the "INDUSTRIAL POWER AGREEMENT".</p> <p><u>RATE PER MONTH</u></p> <table border="0"> <tr> <td>Customer Charge</td> <td>\$569.17</td> <td>(l)</td> </tr> <tr> <td>Demand Charge per KW of Billing Demand</td> <td>\$7.27</td> <td>(l)</td> </tr> <tr> <td>Energy charge per KWH</td> <td>\$0.05609</td> <td>(l)</td> </tr> </table> <p><u>DETERMINATION OF BILLING DEMAND</u> The monthly billing demand shall be the greater of (A) or (B) listed below:</p> <p>(A) The contract demand</p> <p>(B) The retail consumer's highest demand during the current month or preceding eleven months, coincident with Grayson's wholesale power supplier's billing demand for the below listed hours (and adjusted for power factor as provided herein):</p> <table border="0"> <thead> <tr> <th><u>Months</u></th> <th><u>Hours Applicable For Demand Billing - EST</u></th> </tr> </thead> <tbody> <tr> <td>October through April</td> <td>7:00a.m. to 12:00 Noon 5:00p.m. to 10:00 p.m.</td> </tr> <tr> <td>May through September</td> <td>10:00a.m. to 10:00 p.m.</td> </tr> </tbody> </table>		Customer Charge	\$569.17	(l)	Demand Charge per KW of Billing Demand	\$7.27	(l)	Energy charge per KWH	\$0.05609	(l)	<u>Months</u>	<u>Hours Applicable For Demand Billing - EST</u>	October through April	7:00a.m. to 12:00 Noon 5:00p.m. to 10:00 p.m.	May through September	10:00a.m. to 10:00 p.m.	
Customer Charge	\$569.17	(l)															
Demand Charge per KW of Billing Demand	\$7.27	(l)															
Energy charge per KWH	\$0.05609	(l)															
<u>Months</u>	<u>Hours Applicable For Demand Billing - EST</u>																
October through April	7:00a.m. to 12:00 Noon 5:00p.m. to 10:00 p.m.																
May through September	10:00a.m. to 10:00 p.m.																

DATE OF ISSUE: May 27, 2010

Service on and after
EFFECTIVE DATE: July 1, 2010

ISSUED BY: _____
Issued by authority of P.S.C. in Case No. 2010-00174 dated _____

President & C.E.O., 109 Bagby Park, Grayson, KY

FOR: ENTIRE AREA SERVED
PSC NO.: 4
5TH REVISED SHEET NO.: 13.20
CANCELING PSC NO.: 4
4th REVISED SHEET NO.: 13.20

GRAYSON RURAL ELECTRIC
COOPERATIVE CORPORATION

SCHEDULE 13 (b)	CLASSIFICATION OF SERVICE	RATE PER UNIT									
LARGE INDUSTRIAL SERVICE – HLF	5,000 TO 9,999 KVA										
<p><u>AVAILABILITY</u> Available to all members of the Cooperative whose monthly contract demand is equal to or greater than 5,000 KW but less than 10,000 KW. All use is subject to the established rules and regulations of the Cooperative that have been or may be adopted by its Board of Directors.</p>											
<p><u>CONDITION OF SERVICE</u> An "INDUSTRIAL POWER AGREEMENT" shall be executed by the member for service under this schedule.</p>											
<p><u>TYPE OF SERVICE</u> Three-phase, 60 hertz, alternating current as specified in the "INDUSTRIAL POWER AGREEMENT".</p>											
<p><u>RATE PER MONTH</u></p> <table border="0"> <tr> <td>Customer Charge</td> <td>\$1,137.28</td> <td>(I)</td> </tr> <tr> <td>Demand Charge per KW of Billing Demand</td> <td>\$ 7.27</td> <td>(I)</td> </tr> <tr> <td>Energy Charge per KWH</td> <td>\$0.05077</td> <td>(I)</td> </tr> </table>		Customer Charge	\$1,137.28	(I)	Demand Charge per KW of Billing Demand	\$ 7.27	(I)	Energy Charge per KWH	\$0.05077	(I)	
Customer Charge	\$1,137.28	(I)									
Demand Charge per KW of Billing Demand	\$ 7.27	(I)									
Energy Charge per KWH	\$0.05077	(I)									
<p><u>DETERMINATION OF BILLING DEMAND</u> The monthly billing demand shall be the greater of (A) or (B) listed below:</p> <p>(A) The contract demand</p> <p>(B) The ultimate consumer's highest demand, during the current month or preceding eleven months, coincident with the load center's peak demand. The load center's peak demand is the highest average rate at which energy is used during any fifteen minute interval in the below listed hours for each month (and adjusted for power factor as provided herein):</p>											
<u>Months</u>	<u>Hours Applicable For Demand Billing - EST</u>										
October through April	7:00 a.m. to 12:00 Noon 5:00 p.m. to 10:00 p.m.										
May through September	10:00 a.m. to 10:00 p.m.										

DATE OF ISSUE: May 27, 2010

Service on and after
EFFECTIVE DATE: July 1, 2010

ISSUED BY: _____
Issued by authority of P.S.C. in Case No. 2010-00174 dated _____

President & C.E.O., 109 Bagby Park, Grayson, KY

FOR: ENTIRE AREA SERVED
PSC NO.: 4
5TH REVISED SHEET NO.: 13.40
CANCELING PSC NO.: 4
4th REVISED SHEET NO.: 13.40

GRAYSON RURAL ELECTRIC
COOPERATIVE CORPORATION

SCHEDULE 13 (c)	CLASSIFICATION OF SERVICE	RATE PER UNIT
LARGE INDUSTRIAL SERVICE – HLF	10,000 KVA AND OVER	
<u>AVAILABILITY</u>		
Available to all members of the Cooperative whose monthly contract demand is equal to or greater than 10,000 KW. All use is subject to the established rules and regulations of the Cooperative that have been or may be adopted by its Board of Directors.		
<u>CONDITION OF SERVICE</u>		
An "INDUSTRIAL POWER AGREEMENT" shall be executed by the member for service under this schedule.		
<u>TYPE OF SERVICE</u>		
Three-phase, 60 hertz, alternating current as specified in the "INDUSTRIAL POWER AGREEMENT".		
<u>RATE PER MONTH</u>		
Customer Charge		\$1,137.28 (l)
Demand Charge per KW of Billing Demand		\$7.27 (l)
Energy Charge per KWH		\$0.04971 (l)
<u>DETERMINATION OF BILLING DEMAND</u>		
The monthly billing demand shall be the greater of (A) or (B) listed below:		
(A) The contract demand		
(B) The ultimate consumer's highest demand, during the current month or preceding eleven months, coincident with the load center's peak demand. The load center's peak demand is the highest average rate at which energy is used during any fifteen minute interval in the below listed hours for each month (and adjusted for power factor as provided herein):		
<u>Months</u>	<u>Hours Applicable For Demand Billing - EST</u>	
October through April	7:00 a.m. to 12:00 Noon	
	5:00 p.m. to 10:00 p.m.	
May through September	10:00 a.m. to 10:00 p.m.	

DATE OF ISSUE: May 27, 2010

Service on and after
EFFECTIVE DATE: July 1, 2010

ISSUED BY: _____
Issued by authority of P.S.C. in Case No. 2010-00174 dated _____

President & C.E.O., 109 Bagby Park, Grayson, KY

FOR: ENTIRE AREA SERVED
PSC NO.: 4
5TH REVISED SHEET NO.: 14.00
CANCELING PSC NO.: 4
4th REVISED SHEET NO.: 14.00

GRAYSON RURAL ELECTRIC
COOPERATIVE CORPORATION

SCHEDULE 14 (a) CLASSIFICATION OF SERVICE

LARGE INDUSTRIAL SERVICE – MLF	1,000 TO 4,999 KVA	RATE PER UNIT
--------------------------------	--------------------	---------------

AVAILABILITY

Available to all members of the Cooperative whose monthly contract demand is equal to or greater than 1,000 500 KW but less than 5,000 KW. All use is subject to the established rules and regulations of the Cooperative that have been or may be adopted by its Board of Directors.

CONDITION OF SERVICE

An "INDUSTRIAL POWER AGREEMENT" shall be executed by the member for service under this schedule.

TYPE OF SERVICE

Three-phase, 60 hertz, alternating current as specified in the "INDUSTRIAL POWER AGREEMENT".

RATE PER MONTH

Customer Charge	\$569.17	(I)
Demand Charge per KW of Contract Demand	\$7.27	(I)
Demand Charge per KW for Billing Demand In Excess of Contract Demand	\$10.56	(I)
Energy Charge per KWH	\$0.05609	(I)

BILLING DEMAND

The billing demand (kilowatt demand) shall be the contract demand plus any excess demand. Excess demand occurs when the ultimate consumer's highest demand during the current month, coincident with the load center's peak, exceeds the contract demand. The load center's peak demand is highest average rate at which energy is used during any fifteen-minute interval in the below listed hours for each month and adjusted for power factor as provided herein:

<u>Months</u>	<u>Hours Applicable For Demand Billing - EST</u>
October through April	7:00 a.m. to 12:00 Noon 5:00 p.m. to 10:00 p.m.
May through September	10:00a.m. to 10:00 p.m.

DATE OF ISSUE: May 27, 2010

Service on and after
EFFECTIVE DATE: July 1, 2010

ISSUED BY: _____
Issued by authority of P.S.C. in Case No. 2010-00174 dated

President & C.E.O., 109 Bagby Park, Grayson, KY

GRAYSON RURAL ELECTRIC
COOPERATIVE CORPORATION

FOR: ENTIRE AREA SERVED
PSC NO.: 4
5TH REVISED SHEET NO.: 14.20
CANCELING PSC NO.: 4
4TH REVISED SHEET NO.: 14.20

SCHEDULE 14 (b) CLASSIFICATION OF SERVICE

LARGE INDUSTRIAL SERVICE – MLF 5,000 TO 9,999 KVA RATE PER UNIT

AVAILABILITY

Available to all members of the Cooperative whose monthly contract demand is equal to or greater than 5,000 KW but less than 10,000 KW. All use is subject to the established rules and regulations of the Cooperative that have been or may be adopted by its Board of Directors.

CONDITION OF SERVICE

An "INDUSTRIAL POWER AGREEMENT" shall be executed by the member for service under this schedule.

TYPE OF SERVICE

Tree-phase, 60 hertz, alternating current as specified in the "INDUSTRIAL POWER AGREEMENT".

RATE PER MONTH

Customer Charge	\$1,142.48	(I)
Demand Charge per KW of Contract Demand	\$7.27	(I)
Demand Charge per KW for Billing Demand In Excess of Contract Demand	\$10.56	(I)
Energy Charge per KWH	\$0.05077	(I)

BILLING DEMAND

The billing demand (kilowatt demand) shall be the contract demand plus any excess demand. Excess demand occurs when the ultimate consumer's highest demand during the current month, coincident with the load center's peak, exceeds the contract demand. The load center's peak demand is highest average rate at which energy is used during any fifteen-minute interval in the below listed hours for each month and adjusted for power factor as provided herein:

<u>Months</u>	<u>Hours Applicable For Demand Billing - EST</u>
October through April	7:00 a.m. to 12:00 Noon 5:00 p.m. to 10:00 p.m.
May through September	10:00 a.m. to 10:00 p.m.

DATE OF ISSUE: May 27, 2010

Service on and after
EFFECTIVE DATE: July 1, 2010

ISSUED BY: _____
Issued by authority of P.S.C. in Case No. 2010-00174 dated _____

President & C.E.O., 109 Bagby Park, Grayson, KY

FOR: ENTIRE AREA SERVED
PSC NO.: 4
5TH REVISED SHEET NO.: 14.40
CANCELING PSC NO.: 4
4th REVISED SHEET NO.: 14.40

GRAYSON RURAL ELECTRIC
COOPERATIVE CORPORATION

SCHEDULE 14 (c)	CLASSIFICATION OF SERVICE	RATE PER UNIT												
LARGE INDUSTRIAL SERVICE – MLF	10,000 KVA AND OVER													
<p><u>AVAILABILITY</u> Available to all members of the Cooperative whose monthly contract demand is equal to or greater than 10,000 KW. All use is subject to the established rules and regulations of the Cooperative that have been or may be adopted by its Board of Directors.</p>														
<p><u>CONDITION OF SERVICE</u> An "INDUSTRIAL POWER AGREEMENT" shall be executed by the member for service under this schedule.</p>														
<p><u>TYPE OF SERVICE</u> Three-phase, 60 hertz, alternating current as specified in the "INDUSTRIAL POWER AGREEMENT".</p>														
<p><u>RATE PER MONTH</u></p> <table border="0"> <tr> <td>Customer Charge</td> <td>\$1,137.28</td> <td>(I)</td> </tr> <tr> <td>Demand Charge per KW of Contract Demand</td> <td>\$7.27</td> <td>(I)</td> </tr> <tr> <td>Demand Charge per KW for Billing Demand In Excess of Contract Demand</td> <td>\$10.56</td> <td>(I)</td> </tr> <tr> <td>Energy Charge per KWH</td> <td>\$0.04971</td> <td>(I)</td> </tr> </table>		Customer Charge	\$1,137.28	(I)	Demand Charge per KW of Contract Demand	\$7.27	(I)	Demand Charge per KW for Billing Demand In Excess of Contract Demand	\$10.56	(I)	Energy Charge per KWH	\$0.04971	(I)	
Customer Charge	\$1,137.28	(I)												
Demand Charge per KW of Contract Demand	\$7.27	(I)												
Demand Charge per KW for Billing Demand In Excess of Contract Demand	\$10.56	(I)												
Energy Charge per KWH	\$0.04971	(I)												
<p><u>BILLING DEMAND</u> The billing demand (kilowatt demand) shall be the contract demand plus any excess demand. Excess demand occurs when the ultimate consumer's highest demand during the current month, coincident with the load center's peak, exceeds the contract demand. The load center's peak demand is highest average rate at which energy is used during any fifteen-minute interval in the below listed hours for each month and adjusted for power factor as provided herein:</p>														
<u>Months</u>	<u>Hours Applicable For Demand Billing - EST</u>													
October through April	7:00 a.m. to 12:00 Noon 5:00 p.m. to 10:00 p.m.													
May through September	10:00 a.m. to 10:00 p.m.													

DATE OF ISSUE: August 10, 2009

Service on and after
EFFECTIVE DATE: September 10, 2009

ISSUED BY: _____
Issued by authority of P.S.C. in Case No. _____ dated _____

President & C.E.O., 109 Bagby Park, Grayson, KY

FOR: ENTIRE AREA
SERVED

PSC NO.: 4
3rd REVISED SHEET NO: 17.10

GRAYSON RURAL ELECTRIC
COOPERATIVE CORPORATION

CANCELLING 2nd Revised SHEET NO: 17.10

SCHEDULE 17 CLASSIFICATION OF SERVICE

WATER PUMPING SERVICE

RATE PER UNIT

Availability

Available for water pumping service in areas served by the Cooperative.

Conditions

Consumer shall have the option of service under this schedule or any other applicable rate schedule. Consumer, having selected one schedule, will continue to be billed under such schedule for not less than twelve (12) consecutive months, unless there should be a material and permanent change in Consumer's use of service.

Rate

Customer Charge Per Month – Includes No kWh Usage	\$41.61	(I)
On Peak Energy - kWh Per Month	\$0.12667	(I)
Off Peak Energy – kWh per Month	\$0.06915	(I)

On - Peak Hours and Off-Peak Hours

On Peak Hours

May through September	10:00 a.m. to 10:00 p.m. EST
October through April	7:00 a.m. to 12:00 noon EST 5:00 p.m. to 10:00 p.m. EST

Off Peak Hours

May through September	10:00 p.m. to 10:00 a.m. EST
October through April	12:00 noon to 5:00 p.m. EST
10:00 p.m. to 7:00 a.m. EST	

Minimum Monthly Charge

The minimum monthly charge shall be the minimum charge specified in the contract, or the minimum monthly customer charge, or \$.75 per **KVA** of installed transformer capacity, whichever may be greater.

Fuel Cost Adjustment Charge

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per kWh equal to the fuel adjustment amount per kWh as billed by the wholesale power supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve-month moving average of such losses. This Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

DATE OF ISSUE: May 27, 2010

Service on and after
EFFECTIVE DATE: July 1, 2010

ISSUED BY: _____
Issued by authority of P.S.C. in Case No. 2010-00174 dated

President & C.E.O., 109 Bagby Park, Grayson, KY

FOR: ENTIRE AREA SERVED
PSC NO.: 1
1st REVISED SHEET NO.: 18.00
CANCELING Original SHEET NO.: 18.00

GRAYSON RURAL ELECTRIC
COOPERATIVE CORPORATION

SCHEDULE 18	CLASSIFICATION OF SERVICE						
<p>CAMPS AND BARNES</p> <p><u>Terms of Payment</u> Available for camps and barns in areas served by the Cooperative that are not eligible to be classified as permanent residential farm and home uses subject to established rules and regulations. Approval of the Cooperative must be obtained prior to the installation of any motor having a rated capacity of five horsepower or more.</p> <p><u>TYPE OF SERVICE</u> Single-phase and/or three-phase, 60 cycle, alternating current at the Cooperative's standard secondary voltages.</p> <p><u>RATE</u></p> <table data-bbox="140 925 1503 1010"> <tr> <td>Customer Charge</td> <td>\$20.80</td> <td>(I)</td> </tr> <tr> <td>Energy Charge</td> <td>\$0.11164</td> <td>(I)</td> </tr> </table> <p><u>MINIMUM MONTHLY CHARGE</u> The minimum monthly charge shall be the minimum charge specified in the contract, or the minimum monthly customer charge, or \$0.75 per KVA or installed capacity, whichever is greater.</p> <p><u>FUEL ADJUSTMENT CHARGE</u> All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per kWh equal to the fuel adjustment amount per kWh as billed by the wholesale power supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve-month moving average of such losses. This Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.</p>	Customer Charge	\$20.80	(I)	Energy Charge	\$0.11164	(I)	<p>RATE PER UNIT</p>
Customer Charge	\$20.80	(I)					
Energy Charge	\$0.11164	(I)					

DATE OF ISSUE: May 27, 2010

Service on and after
EFFECTIVE DATE: July 1, 2010

ISSUED BY: _____
Issued by authority of P.S.C. in Case No. 2010-00174 dated _____

President & C.E.O., 109 Bagby Park, Grayson, KY

EXHIBIT 2
Page 1 of 2

The present and proposed rates structures of Grayson RECC are listed below:

<u>Schedule</u>	<u>Rate Class</u>	<u>Present</u>	<u>Proposed</u>
1	Farm, and Home Service		
	Customer Charge per month	\$10.00	\$10.40
	Energy Charge per kwh	\$0.10732	\$0.11164
2	Commercial & Small Power Less Than 50KVA		
	Customer Charge per month	\$25.00	\$26.01
	Energy Charge per kwh	\$0.09940	\$0.10340
3	Off-Peak Marketing		
	Customer Charge per Month	\$10.00	\$10.40
	On-Peak Energy Charge per kWh	\$0.10732	\$0.11164
	Off-Peak Energy Charge per kWh	\$0.06439	\$0.06698
4	Large Power Single and Three-Phase		
	Demand Charge per KW	\$8.25	\$8.58
	Customer Charge per month	\$60.91	\$63.36
	Energy Charge per kwh	\$0.06415	\$0.06673
5	Street Lighting		
	7000 Lumens 175 Watt	\$10.71	\$11.14
6	Outdoor Lighting—Security Lights		
	70,000 Lumens Mercury Vapor Lamp	\$10.38	\$10.80
	10,000 Lumens Mercury Vapor Lamp	\$12.94	\$13.46
	Flood Lighting	\$18.64	\$19.39
7	All Electric Schools (AES)		
	Customer Charge per Month	\$30.00	\$31.21
	Demand Charge per KW	\$6.00	\$6.24
	Energy Charge per kwh	\$0.07363	\$0.07659
12a	Large Industrial Service – LLF (1,000 to 4,999 KVA)		
	Customer Charge per Month	\$547.15	\$569.17
	Demand Charge per KW of Billing Demand	\$10.15	\$10.56
	Energy Charge per kwh	\$0.05392	\$0.05609
12b	Large Industrial Service – LLF (5,000 to 9,999 KVA)		
	Customer Charge per Month	\$1,093.28	\$1,137.28
	Demand Charge per KW of Billing Demand	\$10.15	\$10.56
	Energy Charge per kwh	\$0.04881	\$0.05077
12c	Large Industrial Service – LLF (10,000 KVA and over)		
	Customer Charge per Month	\$1,093.28	\$1,137.28
	Demand Charge per KW of Billing Demand	\$10.15	\$10.56
	Energy Charge per kwh	\$0.04779	\$0.04971
13a	Large Industrial Service--HLF (1,000 to 4,999 KVA)		
	Demand Charge per KW	\$6.99	\$7.27
	Customer Charge per month	\$547.15	\$569.17
	Energy Charge per kwh	\$0.05392	\$0.05609
13b	Large Industrial Service-- HLF (5,000 to 9,999 KVA)		
	Demand Charge per KW	\$6.99	\$7.27
	Customer Charge per month	\$1,093.28	\$1,137.28
	Energy Charge per kwh	\$0.04881	\$0.05077

EXHIBIT 2
Page 2 of 2

<u>Schedule</u>	<u>Rate Class</u>	<u>Present</u>	<u>Proposed</u>
13c	Large Industrial Service-- HLF (10,000 KVA and over)		
	Demand Charge per KW	\$6.99	\$7.27
	Customer Charge per month	\$1,093.28	\$1,137.28
	Energy Charge per kwh	\$0.04779	\$0.04971
14a	Large Industrial Service – MLF (1,000 to 4,999 KVA)		
	Customer Charge per month	\$547.15	\$569.17
	Demand Charge per KW of Contract Demand	\$6.99	\$7.27
	Demand Charge per KW for Billing Demand in Excess of Contract Demand	\$10.15	\$10.56
	Energy Charge per kwh	\$0.05392	\$0.05609
14b	Large Industrial Service – MLF (5,000 to 9,999 KVA)		
	Customer Charge per month	\$1,098.28	\$1,142.48
	Demand Charge per KW of Contract Demand	\$6.99	\$7.27
	Demand Charge per KW for Billing Demand in Excess of Contract Demand	\$10.15	\$10.56
	Energy Charge per kwh	\$0.04881	\$0.05077
14c	Large Industrial Service – MLF (10,000 KVA and over)		
	Customer Charge per month	\$1,093.28	\$1,137.28
	Demand Charge per KW of Contract Demand	\$6.99	\$7.27
	Demand Charge per KW for Billing Demand in Excess of Contract Demand	\$10.15	\$10.56
	Energy Charge per kwh	\$0.04779	\$0.04971
17	Water Pumping Service		
	Customer Charge per Month	\$40.00	\$41.61
	On-Peak Energy per kwh	\$0.12177	\$0.12667
	Off-Peak Energy per kwh	\$0.06647	\$0.06915
18	Camps and Barns		
	Customer Charge	\$20.00	\$20.80
	Energy Charge	\$0.10732	\$0.11164

Grayson Rural Electric Cooperative Corporation
Billing Analysis
for the 12 months ended December 31, 2009

	<u>Existing</u>	<u>% of Total</u>	<u>Proposed</u>	<u>% of Total</u>	<u>\$ Increase</u>	<u>% Increase</u>
Schedule 1	\$ 21,041,167	72%	\$ 21,887,744	72%	\$ 846,577	4.02%
Schedule 18	615,497	2%	640,202	2%	24,705	4.01%
ETS	\$56,255	0%	58,515	0%	2,260	4.02%
Schedule 2	2,092,727	7%	2,176,999	7%	84,272	4.03%
Schedule 17	1,653	0%	1,720	0%	67	4.03%
Schedule 7	\$493,525	2%	513,343	2%	19,818	4.02%
Schedule 4	3,149,435	11%	3,275,909	11%	126,474	4.02%
Schedule 13 (a)	1,314,479	4%	1,367,332	4%	52,853	4.02%
Lighting	556,316	2%	578,706	2%	22,390	4.02%
Subtotal	<u>\$ 29,321,053</u>	100%	<u>\$ 30,500,468</u>	100%	<u>\$ 1,179,415</u>	4.02%
FAC	(230,284)		(230,284)			
Environmental Surcharge	1,554,339		1,554,339			
	<u>\$ 30,645,108</u>		<u>\$ 31,824,523</u>		<u>\$ 1,179,415</u>	3.85%
					Grayson's Portion of EKPC's Wholesale Rate Increase	\$ 1,180,072
					Over(Under) Recovery Due to Rounding	\$ (657)

Note: In order to appropriately match retail rates to the forecasted test year used for wholesale rates, an escalation factor was applied to each member system's 2009 actual billing determinants. The escalation factors used in this proceeding were an outcome of preliminary load forecast projections.

Grayson Rural Electric Cooperative Corporation
Billing Analysis
for the 12 months ended December 31, 2009

Schedule 1
Domestic - Farm and Home Service

	Existing					Proposed			\$ Increase	% Increase
	Billing Determinants	Escalation %	Billing Units Escalated	Current Rate	Annualized Revenues	Billing Determinants	Rate	Annualized Revenues		
Customer Charge	157,464	0.91%	158,897	\$ 10.00	\$ 1,588,969	158,897	\$ 10.40	\$ 1,652,528	\$ 63,559	4.00%
Energy Charge	178,434,901	1.58%	181,254,172	\$0.10732	19,452,198	181,254,172	\$0.11164	20,235,216	783,018	4.03%
Total from base rates					\$ 21,041,167			\$ 21,887,744		
Fuel adjustment					(142,212)			(142,212)		
Environmental surcharge					1,133,235			1,133,235		
Total revenues					\$ 22,032,190			\$ 22,878,767	\$ 846,577	3.84%
Average Bill					\$ 138.66			\$ 143.98	\$ 5.33	3.84%

Grayson Rural Electric Cooperative Corporation
Billing Analysis
for the 12 months ended December 31, 2009

Schedule 18
Barns & Camps

	Existing					Proposed			\$ Increase	% Increase
	Billing Determinants	Escalation %	Billing Units Escalated	Current Rate	Annualized Revenues	Billing Determinants	Rate	Annualized Revenues		
Customer Charge	13,908	0.00%	13,908	\$ 20.00	\$ 278,160	13,908	\$ 20.80	\$ 289,286	\$ 11,126.40	4.00%
Energy charge per kWh	3,094,387	1.58%	3,143,278	\$0.10732	337,337	3,143,278	\$0.11164	350,916	13,579	4.03%
Total from base rates					615,497			\$ 640,202		
Fuel adjustment					(3,956)			(3,956)		
Environmental surcharge					32,716			32,716		
Total revenues					\$ 644,257			\$ 668,962	\$ 24,705	3.83%
Average Bill					\$ 46.32			\$ 48.10	\$ 1.78	3.83%

Grayson Rural Electric Cooperative Corporation

Billing Analysis

for the 12 months ended December 31, 2009

Schedule
ETS

	Existing					Proposed			\$ Increase	% Increase
	Billing Determinants	Escalation %	Billing Units Escalated	Current Rate	Annualized Revenues	Billing Determinants	Rate	Annualized Revenues		
Customer Charge	1,296	0.91%	1,308	\$ 10.00	\$ 13,078	1,308	\$ 10.40	\$ 13,601	\$ 523	4.00%
Energy Charge (off peak)	660,122	1.58%	670,552	\$0.06439	43,177	670,552	\$0.06698	44,914	1,737	4.02%
Total Baseload Charges					\$ 56,255			\$ 58,515		
Fuel Adjustment					0			0		
Environmental Surcharge					0			0		
Total Revenues					\$ 56,255			\$ 58,515	\$ 2,260	4.02%
Average Bill					\$ 43.02			\$ 44.74	\$ 1.73	4.02%

Grayson Rural Electric Cooperative Corporation

Billing Analysis

for the 12 months ended December 31, 2009

Schedule 2
Small Commercial
Rate

	Existing					Proposed			\$ Increase	% Increase
	Billing Determinants	Escalation %	Billing Units Escalated	Current Rate	Annualized Revenues	Billing Determinants	Rate	Annualized Revenues		
Customer Charge	14,556	0.78%	14,670	\$ 25.00	\$ 366,738	14,670	\$ 26.01	\$ 381,555	\$ 14,816	4.04%
Energy charge per kWh	17,090,616	1.60%	17,364,066	\$0.09940	1,725,988	17,364,066	\$0.10340	1,795,444	\$ 69,456	4.02%
Total from base rates					\$ 2,092,727			2,176,999		
Fuel adjustment					(13,289)			(13,289)		
Environmental surcharge					114,464			114,464		
Total revenues					\$ 2,193,902			\$ 2,278,174	\$ 84,272	3.84%
Average Bill					\$ 149.55			\$ 155.30	\$ 5.74	3.84%

Grayson Rural Electric Cooperative Corporation

Billing Analysis

for the 12 months ended December 31, 2009

Schedule 17

Water Pumping Service

Rate

	Existing					Proposed			\$ Increase	% Increase
	Billing Determinants	Escalation %	Billing Units Escalated	Current Rate	Annualized Revenues	Billing Determinants	Rate	Annualized Revenues		
Customer Charge	12	0.00%	12	\$ 40.00	\$ 480	12	\$ 41.61	\$ 499	\$ 19	4.03%
Energy charge per kWh										
On-Peak	6,760	0.00%	6,760	\$0.12177	823	6,760	\$0.12667	856	33	4.02%
Off-Peak	5,265	0.00%	5,265	\$0.06647	350	5,265	\$0.06915	364	14	4.03%
Total from base rates					1,653			1,720		
Fuel adjustment					(46)			(46)		
Environmental surcharge					89			89		
Total revenues					\$ 1,696			\$ 1,763	67	3.92%
Average Bill					\$ 141.34			\$ 146.89	\$ 5.55	3.92%

Grayson Rural Electric Cooperative Corporation

Billing Analysis

for the 12 months ended December 31, 2009

Schedule 7

All Electric Schools (AES)

	Existing					Proposed			\$ Increase	% Increase
	Billing Determinants	Escalation %	Billing Units Escalated	Current Rate	Annualized Revenues	Billing Determinants	Rate	Annualized Revenues		
Customer Charge	72		72	\$ 30.00	\$ 2,160	72	\$ 31.21	\$ 2,247	\$ 87	4.03%
Demand Charge	19,014	0.00%	19,014	6.00	114,084	19,014	6.24	118,647	4,563	4.00%
Energy Charge	5,043,320	1.60%	5,124,013	\$0.07363	377,281	5,124,013	\$0.07659	392,448	15,167	4.02%
Total Baseload Charges					\$ 493,525			\$ 513,343		
Fuel adjustment					(4,204)			(4,204)		
Environmental surcharge					25,539			25,539		
Total Revenues					\$ 514,860			\$ 534,678	19,818	3.85%
Average Bill					\$ 7,150.83			\$ 7,426.08	\$ 275.24	3.85%

Grayson Rural Electric Cooperative Corporation
Billing Analysis
for the 12 months ended December 31, 2009

Schedule 4
Large Power Service - Single & Three-Phase
Rate

	Existing					Proposed			\$ Increase	% Increase
	Billing Determinants	Escalation %	Billing Units Escalated	Current Rate	Annualized Revenues	Billing Determinants	Rate	Annualized Revenues		
Customer Charge	792	0.78%	798	\$ 60.91	\$ 48,617	798	\$ 63.36	\$ 50,573	\$ 1,956	4.02%
Demand charge Contract	106,189	0.00%	106,189	8.25	876,059	106,189	8.58	911,102	35,042	4.00%
Energy Charge	34,134,421	1.60%	34,680,572	\$0.06415	2,224,759	34,680,572	\$0.06673	2,314,235	89,476	4.02%
Total Baseload Charges					\$ 3,149,435			\$ 3,275,909		
Fuel adjustment					(29,406)			(29,406)		
Environmental surcharge					177,513			177,513		
Total Revenues					\$ 3,297,542			\$ 3,424,016	\$ 126,474	3.84%
Average Bill					\$ 4,131.34			\$ 4,289.79	\$ 158.45	3.84%

Grayson Rural Electric Cooperative Corporation
Billing Analysis
for the 12 months ended December 31, 2009

Schedule 13 (a)
Large Industrial Service - HLF

	Existing					Proposed			\$ Increase	% Increase
	Billing Determinants	Escalation %	Billing Units Escalated	Current Rate	Annualized Revenues	Billing Determinants	Rate	Annualized Revenues		
Customer Charge	12	0.00%	12	\$ 547.15	\$ 6,566	12	\$ 569.17	\$ 6,830	\$ 264	4.02%
Demand Charge	36,734	0.12%	36,778	6.99	257,079	36,778	7.27	267,377	10,298	4.01%
Energy Charge	18,880,808	3.22%	19,488,770	\$0.05392	1,050,834	19,488,770	\$0.05609	1,093,125	42,291	4.02%
Total Baseload Charges					\$ 1,314,479			\$ 1,367,332		
Fuel adjustment					(37,171)			(37,171)		
Environmental surcharge					70,783			70,783		
Total Revenues					\$ 1,348,091			\$ 1,400,944	\$ 52,853	3.92%
Average Bill					\$ 112,340.92			\$ 116,745.32	\$ 4,404.39	3.92%

Grayson Rural Electric Cooperative Corporation
Billing Analysis
for the 12 months ended December 31, 2009


Street Lighting and Security Lights
Outdoor Lighting

	Existing				Proposed				\$ Increase	% Increase	
	kWh	Billing Determinants	Total kWh	Current Rate	Annualized Revenues	Billing Determinants	Total kWh	Rate			Annualized Revenues
Schedule 5 - Street Lighting Service		720	54,000	\$ 10.71	\$ 7,711.20	720	54,000	\$ 11.14	\$ 8,022	\$ 310.30	4.02%
7000 Lumens, 175 Watt					\$ 666.00				\$ 666		#DIV/0!
FAC Street Lights					\$ 549.00				\$ 549		
ES Street Lights					\$ 8,926.20				\$ 9,237	\$ 310.35	3.48%
					\$ 12.40				\$ 12.83	\$ 0.43	3.48%
Schedule 6 Outdoor Lighting Service - Security Lights		48,768	40,777,767	\$ 10.38	\$ 506,211.84	48,768	40,777,767	\$ 10.80	\$ 526,585	\$ 20,373.00	4.02%
7000 Lumens Mercury Vapor lamp					\$506,211.84				\$ 526,585	\$ 20,373.00	4.02%
Schedule 6 Outdoor Lighting Service - Security Lights		2,688	462,336	\$ 18.64	\$50,104.32	2,688	462,336	\$ 19.39	\$ 52,121	\$ 2,017.00	4.02%
Flood Lighting		51,456			\$50,104.32	51,456					
					\$ 556,316.16				\$ 578,705.98		\$ 22,389.82 4.02%
					\$ 10.81				\$ 11.25		0.44 4.02%

GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION

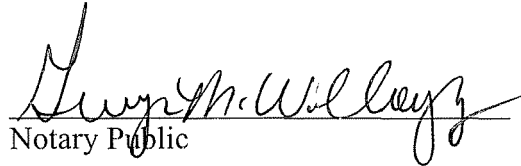
CASE NO. 2010-00174

I, Ann F. Wood, hereby certify that one complete copy of the materials filed with the Kentucky Public Service Commission has been sent to the Office of Rate Intervention, Office of the Attorney General.



Ann F. Wood
East Kentucky Power Cooperative, Inc.

Subscribed and sworn before me on this 27th day of May, 2010.


Notary Public

MY COMMISSION EXPIRES NOVEMBER 30, 2013
NOTARY ID #409352

NOTICE OF PROPOSED RATE CHANGE

In accordance with the requirements of the Public Service Commission of the Commonwealth of Kentucky as set forth in 807 KAR 5:007, Section 3, of the Rules and Regulations of the Public Service Commission, notice is hereby given to the member consumers of Grayson RECC of a proposed rate adjustment. An Application for Approval of Adjustment to Rates will be filed with the Public Service Commission on May 27, 2010, Case No. 2010-00174. The rates are being revised to reflect a change in wholesale rates pursuant to KRS 278.455(2). This adjustment will result in a general rate increase to the member-consumers of Grayson RECC. The amount and percent of increase by rate class are listed below.

<u>Schedule</u>	<u>Rate Class</u>	<u>Increase</u>	<u>Percent</u>
1	Farm, and Home Service	\$846,577	3.84%
2	Commercial & Small Power Less Than 50KVA	\$84,272	3.84%
3	Off-Peak Marketing	\$2,260	4.02%
4	Large Power Single and Three-Phase	\$126,474	3.84%
5	Street Lighting Service	\$310	3.48%
6	Outdoor Lighting Service—Security Lights	\$20,373	4.02%
7	All Electric Schools (AES)	\$19,818	3.85%
13a	Large Industrial Service-- HLF (1,000 to 4,999 KVA)	\$52,853	3.92%
17	Water Pumping Service	\$67	3.92%
18	Camps and Barns	\$24,705	3.83%

The effect of the proposed rates on the average monthly bill by rate class are listed below:

<u>Schedule</u>	<u>Rate Class</u>	<u>\$ Increase</u>	<u>Percent Increase</u>
1	Farm, and Home Service	\$5.33	3.84%
2	Commercial & Small Power Less Than 50KVA	\$5.74	3.84%
3	Off-Peak Marketing	\$1.73	4.02%
4	Large Power Single and Three-Phase	\$158.45	3.84%
5	Street Lighting Service	\$.43	3.48%
6	Outdoor Lighting Service—Security Lights	\$.44	4.02%
7	All Electric Schools (AES)	\$275.24	3.85%
13a	Large Industrial Service -- HLF (1,000 to 4,999 KVA)	\$4,404.39	3.92%
17	Water Pumping Service	\$5.55	3.92%
18	Camps and Barns	\$1.78	3.83%

The present and proposed rates structures of Grayson RECC are listed below:

<u>Schedule</u>	<u>Rate Class</u>	<u>Present</u>	<u>Proposed</u>
1	Farm, and Home Service		
	Customer Charge per month	\$10.00	\$10.40
	Energy Charge per kwh	\$0.10732	\$0.11164
2	Commercial & Small Power Less Than 50KVA		
	Customer Charge per month	\$25.00	\$26.01
	Energy Charge per kwh	\$0.09940	\$0.10340
3	Off-Peak Marketing		
	Customer Charge per Month	\$10.00	\$10.40
	On-Peak Energy Charge per kWh	\$0.10732	\$0.11164
4	Off-Peak Energy Charge per kWh	\$0.06439	\$0.06698
	Large Power Single and Three-Phase		
	Demand Charge per KW	\$8.25	\$8.58
	Customer Charge per month	\$60.91	\$63.36
	Energy Charge per kwh	\$0.06415	\$0.06673

EXHIBIT 5**Page 2 of 3**

<u>Schedule</u>	<u>Rate Class</u>	<u>Present</u>	<u>Proposed</u>
5	Street Lighting 7000 Lumens 175 Watt	\$10.71	\$11.14
6	Outdoor Lighting—Security Lights 70,000 Lumens Mercury Vapor Lamp 10,000 Lumens Mercury Vapor Lamp Flood Lighting	\$10.38 \$12.94 \$18.64	\$10.80 \$13.46 \$19.39
7	All Electric Schools (AES) Customer Charge per Month Demand Charge per KW Energy Charge per kwh	\$30.00 \$6.00 \$0.07363	\$31.21 \$6.24 \$0.07659
12a	Large Industrial Service – LLF (1,000 to 4,999 KVA) Customer Charge per Month Demand Charge per KW of Billing Demand Energy Charge per kwh	\$547.15 \$10.15 \$0.05392	\$569.17 \$10.56 \$0.05609
12b	Large Industrial Service – LLF (5,000 to 9,999 KVA) Customer Charge per Month Demand Charge per KW of Billing Demand Energy Charge per kwh	\$1,093.28 \$10.15 \$0.04881	\$1,137.28 \$10.56 \$0.05077
12c	Large Industrial Service – LLF (10,000 KVA and over) Customer Charge per Month Demand Charge per KW of Billing Demand Energy Charge per kwh	\$1,093.28 \$10.15 \$0.04779	\$1,137.28 \$10.56 \$0.04971
13a	Large Industrial Service--HLF (1,000 to 4,999 KVA) Demand Charge per KW Customer Charge per month Energy Charge per kwh	\$6.99 \$547.15 \$0.05392	\$7.27 \$569.17 \$0.05609
13b	Large Industrial Service-- HLF (5,000 to 9,999 KVA) Demand Charge per KW Customer Charge per month Energy Charge per kwh	\$6.99 \$1,093.28 \$0.04881	\$7.27 \$1,137.28 \$0.05077
13c	Large Industrial Service-- HLF (10,000 KVA and over) Demand Charge per KW Customer Charge per month Energy Charge per kwh	\$6.99 \$1,093.28 \$0.04779	\$7.27 \$1,137.28 \$0.04971
14a	Large Industrial Service – MLF (1,000 to 4,999 KVA) Customer Charge per month Demand Charge per KW of Contract Demand Demand Charge per KW for Billing Demand in Excess of Contract Demand Energy Charge per kwh	\$547.15 \$6.99 \$10.15 \$0.05392	\$569.17 \$7.27 \$10.56 \$0.05609
14b	Large Industrial Service – MLF (5,000 to 9,999 KVA) Customer Charge per month Demand Charge per KW of Contract Demand Demand Charge per KW for Billing Demand in Excess of Contract Demand Energy Charge per kwh	\$1,098.28 \$6.99 \$10.15 \$0.04881	\$1,142.48 \$7.27 \$10.56 \$0.05077

EXHIBIT 5
Page 3 of 3

<u>Schedule</u>	<u>Rate Class</u>	<u>Present</u>	<u>Proposed</u>
14c	Large Industrial Service – MLF (10,000 KVA and over)		
	Customer Charge per month	\$1,093.28	\$1,137.28
	Demand Charge per KW of Contract Demand	\$6.99	\$7.27
	Demand Charge per KW for Billing Demand in Excess of Contract Demand	\$10.15	\$10.56
	Energy Charge per kwh	\$0.04779	\$0.04971
17	Water Pumping Service		
	Customer Charge per Month	\$40.00	\$41.61
	On-Peak Energy per kwh	\$0.12177	\$0.12667
	Off-Peak Energy per kwh	\$0.06647	\$0.06915
18	Camps and Barns		
	Customer Charge	\$20.00	\$20.80
	Energy Charge	\$0.10732	\$0.11164

The rates contained in this notice are the rates proposed by Grayson RECC. However, the Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice. Such actions may result in rates for consumers other than the rates in this notice.

Any person may examine the rate application at the main office of Grayson RECC at the following address:

Grayson RECC
109 Bagby Park
Grayson, Kentucky 41143
(606) 747-5136

Any person may also examine the rate application at the office of the Public Service Commission, 211 Sower Boulevard, Frankfort, Kentucky.