

# 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 21, 2013


Mr. Jeff Derouen  
Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, Kentucky 40602-0615

Re: PSC Case No. 2012-00426

Mr. Derouen:

In accordance with the Order of July 31, 2013 in the above referenced case, please find attached a copy of the Quarterly correspondence requested by RUS.

Sincerely,



Don M. Combs  
Mgr. Finance & Accounting

RECEIVED

AUG 28 2013

PUBLIC SERVICE  
COMMISSION

# Grayson Rural Electric Cooperative Corporation

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August 21, 2013

Mr. Joseph S. Badin  
Director  
Northern Regional Division  
Electric Programs  
1400 Independence Avenue, SW  
Washington, DC 20250-0700

Mr. Badin:

In response to your correspondence of March 26, 2013, we have enclosed the June 2013 Form 7, Parts A-C.

In addition, the Kentucky Public Service Commission, in Case No. 2012-00426, approved a rate adjustment, effective July 31, 2013, that would result in \$1,933,503 in addition revenue annually.

Sincerely,



Don M. Combs  
Mgr. Finance & Accounting

attachments

C: Mike Norman, General Field Representative

PART A. STATEMENT OF OPERATIONS

LINE NO	YEAR TO DATE				THIS MONTH	% FROM BUDGET	% CHANGE FROM LAST YEAR
	LAST YEAR	THIS YEAR	BUDGET				
	A	B	C	D			
1.0	OPERATING REVENUE & PATRONAGE CAPITAL,...	14,053,083.08	15,475,224.85	14,208,558.78	2,620,501.86	8.9	10.1
2.0	POWER PRODUCTION EXPENSE.....	.00	.00	.00	.00	.0	.0
3.0	COST OF PURCHASED POWER.....	9,109,912.00-	10,075,434.00-	9,315,025.00-	1,583,261.00-	8.2	10.6
4.0	TRANSMISSION EXPENSE.....	.00	.00	.00	.00	.0	.0
5.0	REGIONAL MARKET OPERATIONS EXPENSE.....	.00	.00	.00	.00	.0	.0
6.0	DISTRIBUTION EXPENSE-OPERATION.....	583,753.12-	578,467.52-	579,304.02-	93,124.55-	.1-	.9-
7.0	DISTRIBUTION EXPENSE-MAINTENANCE.....	1,570,116.94-	1,436,297.13-	1,384,602.06-	279,848.43-	3.7	8.5-
8.0	CONSUMER ACCOUNTS EXPENSE.....	559,079.40-	586,292.03-	533,957.04-	95,167.74-	9.8	4.9
9.0	CUSTOMER SERVICE & INFORMATIONAL EXPENSE..	106,855.80-	122,639.39-	109,982.82-	22,181.97-	11.5	14.8
10.0	SALES EXPENSE.....	12,645.93-	11,270.08-	12,821.64-	1,729.03-	12.1-	10.9-
11.0	ADMINISTRATIVE & GENERAL EXPENSE.....	920,523.68-	993,900.10-	918,973.08-	194,963.78-	8.2	8.0
12.0	TOTAL OPERATIONS & MAINTENANCE EXPENSE...	12,862,886.87-	13,804,300.25-	12,854,665.66-	2,270,276.50-	7.4	7.3
13.0	DEPRECIATION & AMORTIZATION EXPENSE.....	1,490,128.36-	1,537,641.02-	1,558,850.46-	257,564.25-	1.4-	3.2
14.0	TAX EXPENSE - PROPERTY & GROSS RECEIPTS..	15,228.00-	16,860.00-	16,500.00-	2,810.00-	2.2	10.7
15.0	TAX EXPENSE - OTHER.....	.00	.00	.00	.00	.0	.0
16.0	INTEREST ON LONG TERM DEBT.....	508,315.16-	488,762.73-	501,401.88-	82,822.58-	2.5-	3.8-
17.0	INTEREST CHARGED TO CONSTRUCTION - CREDIT	.00	.00	.00	.00	.0	.0
18.0	INTEREST EXPENSE - OTHER.....	38,337.00-	1,198.00-	720.00-	200.00-	66.4	96.9-
19.0	OTHER DEDUCTIONS.....	14,195.01-	40,134.69-	23,674.92-	4,106.32	69.5	182.7
20.0	TOTAL COST OF ELECTRIC SERVICE.....	14,929,090.40-	15,888,896.69-	14,955,812.92-	2,609,567.01-	6.2	6.4
21.0	PATRONAGE CAPITAL & OPERATING MARGINS....	876,007.32-	413,671.84-	747,254.14-	10,934.85	44.6-	52.8-
22.0	NON OPERATING MARGINS - INTEREST.....	14,955.16	14,660.87	14,659.80	2,457.43	.0	2.0-
23.0	ALLOW. FOR FUNDS USED DURING CONSTRUCTION	.00	.00	.00	.00	.0	.0
24.0	INCOME (LOSS) FROM EQUITY INVESTMENTS....	.00	.00	.00	.00	.0	.0
25.0	NON OPERATING MARGINS - OTHER.....	85,772.62	116,095.62	15,543.18	757.11	646.9	35.4
26.0	GENERATION & TRANSMISSION CAPITAL CREDITS	35,343.75-	.00	.00	.00	.0	100.0
27.0	OTHER CAPITAL CREDITS & PATRONAGE DIVID..	144,751.69	149,499.22	87,849.90	1,150.60	70.2	3.3
28.0	EXTRAORDINARY ITEMS.....	.00	.00	.00	.00	.0	.0
29.0	PATRONAGE CAPITAL OR MARGINS.....	665,871.60-	133,416.13-	629,201.26-	15,299.99	78.8-	80.0-
RATIOS							
TIER		.310-	.727	.255-	1.185		
MARGINS TO REVENUE		.047	.009	.044	.006		
POWER COST TO REVENUE		.648	.651	.656	.604		
INTEREST EXPENSE TO REVENUE		.036	.032	.035	.032		
CURRENT ASSETS : CURRENT LIABILITIES		1.2606					
MARGINS & EQUITIES AS % OF ASSETS		.2650					
LONG TERM DEBT AS % OF PLANT		.6445					
GENERAL FUNDS TO TOTAL PLANT		.1443					
QUICK ASSET RATIO		1.2072					

PART C. BALANCE SHEET

LINE NO	ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS		
1.0	TOTAL UTILITY PLANT IN SERVICE	66,021,322.85	30.0	MEMBERSHIPS	151,250.00-
2.0	CONSTRUCTION WORK IN PROGRESS	774,357.40	31.0	PATRONAGE CAPITAL	19,455,869.17-
3.0	TOTAL UTILITY PLANT	66,795,680.25	32.0	OPERATING MARGINS - PRIOR YEAR	.00
4.0	ACCUM PROV FOR DEP & AMORT	15,434,141.78-	33.0	OPERATING MARGINS-CURRENT YEAR	264,172.62
5.0	NET UTILITY PLANT	51,361,538.47	34.0	NON-OPERATING MARGINS	130,756.49-
			35.0	OTHER MARGINS & EQUITIES	999,945.89
6.0	NON-UTILITY PROPERTY (NET)	.00	36.0	TOTAL MARGINS & EQUITIES	18,473,757.15-
7.0	INVEST IN SUBSIDIARY COMPANIES	.00			
8.0	INV IN ASSOC ORG - PAT CAPITAL	9,520,279.93	37.0	LONG TERM DEBT - RUS (NET)	12,050,337.87-
9.0	INV IN ASSOC ORG OTHR GEN FND	.00		(PAYMENTS-UNAPPLIED	.00 )
10.0	INV IN ASSOC ORG - NON GEN FND	643,779.38	38.0	LNG-TERM DEBT-FFB-RUS GUAR	19,607,234.65-
11.0	INV IN ECON DEVEL PROJECTS	.00	39.0	LONG-TERM DEBT OTHER-RUS GUAR	.00
12.0	OTHER INVESTMENTS	98.65	40.0	LONG TERM DEBT - OTHER (NET)	11,394,962.64-
13.0	SPECIAL FUNDS	.00	41.0	LNG-TERM DEBT-RUS-ECON DEV NET	.00
14.0	TOT OTHER PROP & INVESTMENTS	10,164,157.96	42.0	PAYMENTS - UNAPPLIED	.00
			43.0	TOTAL LONG TERM DEBT	43,052,535.16-
15.0	CASH - GENERAL FUNDS	91,311.14			
16.0	CASH - CONSTRUCTION FUND TRUST	.00	44.0	OBLIGATION UNDER CAPITAL LEASE	.00
17.0	SPECIAL DEPOSITS	.00	45.0	ACCUM OPERATING PROVISIONS	2,901,898.44-
18.0	TEMPORARY INVESTMENTS	5,000.00	46.0	TOTAL OTHER NONCURR LIABILITY	2,901,898.44-
19.0	NOTES RECEIVABLE (NET)	.00			
20.0	ACCTS RECV - SALES ENERGY (NET)	5,399,284.83	47.0	NOTES PAYABLE	872,448.96-
21.0	ACCTS RECV - OTHER (NET)	344,638.18	48.0	ACCOUNTS PAYABLE	2,160,723.26-
22.0	RENEWABLE ENERGY CREDITS	.00	49.0	CONSUMER DEPOSITS	1,335,319.43-
23.0	MATERIAL & SUPPLIES-ELEC & OTH	275,695.51	50.0	CURR MATURITIES LONG-TERM DEBT	.00
24.0	PREPAYMENTS	381,618.60	51.0	CURR MATURIT LT DEBT ECON DEV	.00
25.0	OTHER CURRENT & ACCR ASSETS	7,451.33	52.0	CURR MATURITIES CAPITAL LEASES	.00
26.0	TOTAL CURRENT & ACCR ASSETS	6,504,999.59	53.0	OTHER CURRENT & ACCRUED LIAB	791,640.44-
			54.0	TOTAL CURRENT & ACCRUED LIAB	5,160,132.09-
27.0	REGULATORY ASSETS	.00			
28.0	OTHER DEFERRED DEBITS	1,686,714.00	55.0	REGULATORY LIABILITIES	.00
			56.0	OTHER DEFERRED CREDITS	129,087.18-
29.0	TOTAL ASSETS & OTHER DEBITS	69,717,410.02	57.0	TOTAL LIABILITIES & OTH CREDIT	69,717,410.02-

ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION

58.0	BALANCE BEGINNING OF YEAR	.00
59.0	AMOUNT RECEIVED THIS YEAR (NET)	100,900.27
60.0	TOTAL CONTRIBUTIONS IN AID OF CONST	100,900.27

C E R T I F I C A T I O N

WE HEREBY CERTIFY THAT THE ENTRIES IN THIS REPORT ARE IN ACCORDANCE WITH THE ACCOUNTS AND OTHER RECORDS OF THE SYSTEM AND REFLECT THE STATUS OF THE SYSTEM TO THE BEST OF OUR KNOWLEDGE AND BELIEF.  
ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, REA, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.

SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT

*Christopher J. [Signature]*  
SIGNATURE OF MANAGER

*8/20/13*  
DATE

*8/20/13*  
DATE