SECURITIES AND EXCHANGE COMMISSION

FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

Filing Date: **2004-08-12** | Period of Report: **2004-06-30**
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FILER

GRAYBAR ELECTRIC CO INC

CIK:**205402**| IRS No.: **130794380** | State of Incorp.:**NY** | Fiscal Year End: **1231**
Type: **10-Q** | Act: **34** | File No.: **000-00255** | Film No.: **04968656**
SIC: **5063** Electrical apparatus & equipment, wiring supplies

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CONFORMED

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2004

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ______________ to ______________

Commission File Number 0-255

GRAYBAR ELECTRIC COMPANY, INC.
(Exact name of registrant as specified in its charter)

NEW YORK	13 - 0794380
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
34 NORTH MERAMEC AVENUE, ST. LOUIS, MO	63105
(Address of principal executive offices)	(Zip Code)
POST OFFICE BOX 7231, ST. LOUIS, MO	63177
(Mailing Address)	(Zip Code)

Registrant's telephone number, including area code: (314) 573 - 9200

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES X NO ____

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2) of the Securities Exchange Act of 1934.

YES ____ NO X

Common Stock Outstanding at July 31, 2004: 5,674,839
(Number of Shares)

Item 1. Financial Statements PART I

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<TABLE>

CONSOLIDATED BALANCE SHEETS

(Dollars Stated in Thousands)
(Except for Share and Per Share Data)

<CAPTION>

	JUNE 30, 2004	DECEMBER 31, 2003
<S>	<C>	<C>
CURRENT ASSETS		
Cash	$ 24,217	$ 19,161
Trade receivables	609,420	556,967
Merchandise inventory	497,435	483,333
Other current assets	16,806	17,815
Total current assets	1,147,878	1,077,276
PROPERTY		
Land	29,922	27,092
Buildings and permanent fixtures	241,755	237,840
Furniture and fixtures	162,583	163,932
Software	76,906	76,339
Capital leases	23,987	23,987
Less-Accumulated depreciation	237,890	223,585
Net property	297,263	305,605
DEFERRED FEDERAL INCOME TAXES	6,454	10,402
OTHER ASSETS	27,361	28,847
	$ 1,478,956	$ 1,422,130
CURRENT LIABILITIES		
Short-term borrowings	$ 75,963	$ ---
Current portion of long-term debt	32,756	22,872
Trade accounts payable	523,092	536,179
Other accrued taxes	14,985	13,684
Accrued payroll and benefit costs	30,622	36,292
Dividends payable	---	6,469
Other payables and accruals	60,114	45,168
Total current liabilities	737,532	660,664
POSTRETIREMENT BENEFITS LIABILITY	78,236	77,636
PENSION LIABILITY	40,895	40,895
LONG TERM DEBT	229,725	254,381
OTHER NON-CURRENT LIABILITIES	863	971

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<CAPTION>

CONSOLIDATED BALANCE SHEETS

(Dollars Stated in Thousands)
(Except for Share and Per Share Data)

			JUNE 30, 2004	DECEMBER 31, 2003
<S>	<C>	<C>	<C>	<C>
SHAREHOLDERS' EQUITY				
CAPITAL STOCK				
Preferred:				
Par value $20 per share				
Authorized 300,000 shares				
	SHARES			
	2004	2003		
Issued to shareholders	2,173	2,173		
In treasury, at cost	(2,173)	(52)		
Outstanding	0	2,121	0	43
Common:				
Stated value $20 per share				
Authorized 15,000,000 shares				
	SHARES			
	2004	2003		
Issued to voting trustees	5,620,612	5,609,313		
Issued to shareholders	290,435	290,389		
In treasury, at cost	(205,943)	(28,343)		
Outstanding	5,705,104	5,871,359	114,102	117,427
Advance payments on subscriptions to common stock			43	45
Retained earnings			312,807	306,030
Accumulated other comprehensive income (loss)			(35,247)	(35,962)
TOTAL SHAREHOLDERS' EQUITY			391,705	387,583
			$ 1,478,956	$ 1,422,130

See accompanying Notes to Consolidated Financial Statements
</TABLE>

<TABLE>

CONSOLIDATED STATEMENTS OF INCOME

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(Dollars Stated in Thousands)
(Except for Share and Per Share Data)

<CAPTION>

	QUARTER ENDED	
	JUNE 30, 2004	JUNE 30, 2003
<S>	<C>	<C>
GROSS SALES, net of returns and allowances	$ 1,043,845	$ 952,684
Less - Cash discounts	2,936	2,702
NET SALES	1,040,909	949,982
COST OF MERCHANDISE SOLD	836,225	769,169
Gross margin	204,684	180,813
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	179,195	164,677
DEPRECIATION AND AMORTIZATION	8,737	9,744
Income from operations	16,752	6,392
OTHER INCOME, net	742	2,729
INTEREST EXPENSE	5,555	6,287
Income before provision for income taxes	11,939	2,834
PROVISION FOR INCOME TAXES		
Current	2,722	429
Deferred	2,227	708
Total provision for income taxes	4,949	1,137
NET INCOME	$ 6,990	$ 1,697
NET INCOME PER SHARE OF COMMON STOCK	$ 1.22	$ .28
DIVIDENDS		
Preferred - $.25 per share	$ ---	$ ---
Common - $.30 per share	1,715	1,799
	$ 1,715	$ 1,799

See accompanying Notes to Consolidated Financial Statements
</TABLE>

<TABLE>

CONSOLIDATED STATEMENTS OF INCOME

(Dollars Stated in Thousands)
(Except for Share and Per Share Data)

<CAPTION>

	SIX MONTHS ENDED	
	JUNE 30, 2004	JUNE 30, 2003
<S>	<C>	<C>
GROSS SALES, net of returns and allowances	$ 1,985,960	$ 1,816,647

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Less - Cash discounts	5,742	5,321
NET SALES	1,980,218	1,811,326
COST OF MERCHANDISE SOLD	1,584,760	1,457,700
Gross margin	395,458	353,626
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	349,077	325,637
DEPRECIATION AND AMORTIZATION	18,607	17,785
Income from operations	27,774	10,204
OTHER INCOME, net	1,503	4,658
INTEREST EXPENSE	11,932	11,771
Income before provision for income taxes	17,345	3,091
PROVISION FOR INCOME TAXES		
Current	3,636	515
Deferred	3,475	721
Total provision for income taxes	7,111	1,236
NET INCOME	$ 10,234	$ 1,855
NET INCOME PER SHARE OF COMMON STOCK (NOTE 2)	$ 1.77	$ .31
DIVIDENDS		
Preferred - $.50 per share	$ 1	$ 1
Common - $.60 per share	3,456	3,619
	$ 3,457	$ 3,620

See accompanying Notes to Consolidated Financial Statements
</TABLE>

<TABLE>

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Dollars Stated in Thousands)

<CAPTION>

	SIX MONTHS ENDED JUNE 30, 2004	2003
<S>	<C>	<C>
CASH FLOWS FROM OPERATIONS		
Net Income	$ 10,234	$ 1,855
Adjustments to reconcile net income to cash provided (used) by operations:		
Depreciation and amortization	18,607	17,785
Deferred income taxes	3,475	721

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Gain on sale of property	---	(3,038)
Changes in assets and liabilities:		
Trade receivables	(52,453)	(45,835)
Merchandise inventory	(14,102)	11,405
Other current assets	1,009	(6,161)
Other assets	1,486	(3,635)
Trade accounts payable	(13,087)	87,091
Accrued payroll and benefit costs	(5,670)	(2,254)
Other accrued liabilities	17,927	2,948
	(42,808)	59,027
Net cash provided (used) by operations	(32,574)	60,882
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property	57	5,065
Capital expenditures for property	(10,322)	(40,258)
Net cash used by investing activities	(10,265)	(35,193)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net increase in short-term borrowings	75,963	---
Proceeds from long-term debt	---	---
Repayment of long-term debt	(13,573)	(9,819)
Principal payments under capital equipment leases	(1,199)	(2,556)
Sale of common stock	225	252
Purchase of treasury stock	(3,595)	(3,639)
Dividends paid	(9,926)	(10,423)
Net cash provided (used) by financing activities	47,895	(26,185)
NET INCREASE (DECREASE) IN CASH	5,056	(496)
CASH, BEGINNING OF YEAR	19,161	20,826
CASH, END OF SECOND QUARTER	$ 24,217	$ 20,330

See accompanying Notes to Consolidated Financial Statements
</TABLE>

<TABLE>

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE SIX MONTHS ENDED

JUNE 30, 2004 AND 2003

(Dollars Stated in Thousands)

<CAPTION>

	COMMON STOCK	PREFERRED STOCK	COMMON STOCK SUBSCRIBED, UNISSUED	RETAINED EARNINGS	ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)	TOTAL

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<S>	<C>	<C>	<C>	<C>	<C>	<C>
December 31, 2002	$123,272	$ 45	$ 50	$309,434	$ (44,958)	$387,843
Net Income				1,855		1,855
Currency Translation Adjustments					1,554	1,554
Unrealized Gain/(Loss) from Interest Rate Swap (net of tax of $514)					(560)	(560)
Comprehensive Income						2,849
Stock Issued	256					256
Stock Redeemed	(3,638)	(1)				(3,639)
Advance Payments			(4)			(4)
Dividends Declared				(3,620)		(3,620)
June 30, 2003	$119,890	$ 44	$ 46	$307,669	$ (43,964)	$383,685

<CAPTION>

	COMMON STOCK	PREFERRED STOCK	COMMON STOCK SUBSCRIBED, UNISSUED	RETAINED EARNINGS	ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)	TOTAL
<S>	<C>	<C>	<C>	<C>	<C>	<C>
December 31, 2003	$117,427	$ 43	$ 45	$306,030	$ (35,962)	$387,583
Net Income				10,234		10,234
Currency Translation Adjustments					(48)	(48)
Unrealized Gain/(Loss) from Interest Rate Swap (net of tax of $485)					763	763
Comprehensive Income						10,949
Stock Issued	227					227
Stock Redeemed	(3,552)	(43)				(3,595)
Advance Payments			(2)			(2)
Dividends Declared				(3,457)		(3,457)
June 30, 2004	$114,102	$ 0	$ 43	$312,807	$ (35,247)	$391,705

See accompanying Notes to Consolidated Financial Statements
</TABLE>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AND OTHER INFORMATION

(Dollars Stated in Thousands)
(Except for Share and Per Share Data)

Note 1

The condensed financial statements included herein have been prepared by the Company, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared

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in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations, although the Company believes that the disclosures are adequate to make the information presented not misleading. It is suggested that these condensed financial statements be read in conjunction with the financial statements and the notes thereto included in the Company's latest annual report on Form 10-K.

In the opinion of the Company, the quarterly report includes all adjustments, consisting of normal recurring accruals, necessary for the fair presentation of the financial statements presented. Such interim financial information is subject to year-end adjustments and independent audit.

Results for interim periods are not necessarily indicative of results to be expected for the full year.

Certain reclassifications of prior year presentations have been made to conform to the 2004 presentation.

Note 2

	SIX MONTHS 2004	SIX MONTHS 2003
Earnings for Six Months	$ 10,234	$ 1,855
Dividends on Preferred Stock	1	1
Available for Common Stock	$ 10,233	$ 1,854
Average Common Shares Outstanding	5,786,312	6,058,969
Earnings Per Share	$ 1.77	$ .31

Note 3

At June 30, 2004 the Company had a $200 million accounts receivable securitization program that expires in October 2006. The securitization program provides for the sale of certain of the Company's trade receivables on a revolving basis to Graybar Commerce Corporation (GCC), a wholly owned, bankruptcy remote, special purpose subsidiary. GCC sells an undivided interest in the receivables to an unrelated multi-seller commercial paper conduit. The Company accounts for the securitization as an on-balance sheet financing arrangement because the Company has maintained effective control of the accounts receivable through a call option that gives GCC the unilateral right to repurchase the undivided interests. Accordingly, the accounts receivable and related debt are included in the accompanying consolidated balance sheets. GCC has granted a security interest in its trade receivables to the commercial paper conduit. Borrowings outstanding under the securitization program were $60,000 and $0 at June 30, 2004 and December 31, 2003, respectively.

Note 4

The Company has two operating lease arrangements with an independent lessor which have provided $63,684 of off-balance sheet financing for eight of the Company's zone distribution facilities. Each of the agreements carries a five-year term. The Company has the option, with the consent of the lenders to the lessor, to renew the leases for up to two additional five-year terms or to purchase the property for a price including the outstanding lease balance. If the Company elects not to renew the lease or purchase the property, or such lenders refuse to consent to a renewal, the Company may elect to remarket the property and arrange for its sale to a third party. The Company has recorded a $863 liability for the estimated fair value of the residual value guarantee for one of these operating lease agreements which was renewed in 2003.

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The leasing structures used in these two lease arrangements qualify as variable interest entities under FASB Interpretation No. 46 and the Company's interests in the variable interest entities are required to be consolidated in the Company's financial statements beginning in the first quarter of 2005. As of June 30, 2004 the Company's maximum exposure to loss as a result of its involvement with the two lease arrangements is $54,131, the amount guaranteed by the Company as the residual fair value of the property in accordance with the lease arrangements.

Note 5

The Company has elected to defer accounting for the effects of the Medicare Prescription Drug, Improvement and Modernization Act of 2003 in accordance with FASB Staff Position (FSP) No. FAS 106-1. The accumulated postretirement benefit obligation and the net periodic postretirement benefit cost do not currently reflect the accounting impact of the Act. Authoritative guidance on accounting for the federal subsidy is pending.

Note 6

Comprehensive income is reported in the Consolidated Statements of Changes in Shareholders' Equity. Comprehensive income for the quarters ended June 30, 2004 and 2003 was $7,920 and $2,599, respectively.

Note 7

During the six months ended June 30, 2004, the Company made contributions totaling $13,200 to its defined benefit pension plan. Additional contributions totaling $15,000 are expected to be paid during the remainder of 2004.

Item 2. MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

(Dollars Stated in Thousands)

RESULTS OF OPERATIONS

The following table sets forth certain information relating to the operations of the Company expressed as a percentage of net sales:

<TABLE>
<CAPTION>

Six Months Ended June 30:	2004	2003
<S>	<C>	<C>
Net Sales	100.0%	100.0%
Cost of Merchandise Sold	(80.0)	(80.5)
Gross Margin	20.0	19.5
Selling, General and Administrative Expenses	(17.6)	(18.0)
Depreciation and amortization	(1.0)	(.9)
Income from operations	1.4	.6
Other Income, net	.1	.3
Interest Expense	(.6)	(.7)
Income Before Provision for Income Taxes	.9	.2
Provision for Income Taxes	(.4)	(.1)
Net Income	.5%	.1%

</TABLE>

Net sales in the first six months of 2004 increased $168,892, or 9.3%, to $1,980,218 compared to $1,811,326 in the first six months of 2003. The higher net sales resulted from the generally improved economic conditions that are prevalent on an industry-wide basis in the electrical and communications market sectors in which the Company operates. The Company's business in the electrical market improved significantly during the first six months of 2004 as a result of the general increase in new

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construction projects along with increased spending by commercial and industrial customers. Communications market sales showed modest improvement during the first half of 2004. Activity in the communications market served by the Company continued to be impacted by the lingering effects of the excess of infrastructure and plant and network capacity in the communications marketplace. Electrical market sales increased 13.0% and communications market sales increased 1.1% when comparing the first six months of 2004 to the first six months of 2003.

Gross margin increased $41,832, or 11.8%, from $353,626 in the first six months of 2003 to $395,458 in the first six months of 2004 primarily due to the increased sales in the electrical and communications markets.

Selling, general and administrative expenses increased $23,440, or 7.2%, when comparing the first six months of 2004 to the first six months of 2003 due largely to increases in employee compensation costs of approximately $16,600 and an increase in pension plan expense of approximately $1,900.

Depreciation and amortization increased from $17,785 in the first six months of 2003 to $18,607 in the first six months of 2004 primarily due to additional amortization expenses as a result of the implementation of the Enterprise Resource Planning system during 2003 and 2004.

Other income, net includes gains on sale of property of $0 and $3,038 and accounts receivable interest charges to customers of $1,238 and $644 in the first six months of 2004 and the first six months of 2003, respectively.

Interest expense increased $161, or 1.4%, when comparing the first six months of 2004 to the first six months of 2003 primarily due to increased levels of short-term borrowings required to finance higher levels of accounts receivable.

RESULTS OF OPERATIONS (Continued)

The combined effect of the increase in gross margin and the decrease in other income, together with the increases in selling, general and administrative expenses, depreciation and amortization and interest expense, resulted in an increase in pretax earnings of $14,254 in the first six months of 2004 compared to the same period in 2003.

FINANCIAL CONDITION AND LIQUIDITY

At June 30, 2004, current assets exceeded current liabilities by $410,346, down $6,266 from December 31, 2003. The increase in accounts receivable from December 31, 2003 to June 30, 2004 resulted primarily from the increase in sales experienced by the Company. Merchandise inventory increased when comparing June 30, 2004 to December 31, 2003 due largely to higher inventory levels required to support the overall increase in sales volume.

The Company is converting its existing computer systems to an Enterprise Resource Planning (ERP) system. Implementation of the new system began in April 2003. The total project costs are expected to be approximately $100,000. The Company is funding the project through a combination of equipment leases and working capital. Project costs through June 30, 2004 are approximately $98,000, of which $76,906 has been capitalized. The Company expects that conversion to the new ERP system will provide future benefits to its results of operations. The Company does not have any other plans or commitments that would require significant amounts of additional working capital.

At June 30, 2004, the Company had available to it unused lines of credit amounting to $207,530. These lines are available to meet short-term cash requirements of the Company. Short-term borrowings outstanding during 2004 through June 30 ranged from a minimum of $0 to a maximum of $192,223.

The Company has funded its capital requirements from operations, stock issuances to its employees and long-term debt. During the first six months of 2004, cash used by operations amounted to $32,574 compared to

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$60,882 cash provided by operations in the first six months of 2003. Cash provided from the sale of common stock and proceeds received on stock subscriptions amounted to $225 in the first six months of 2004.

FINANCIAL CONDITION AND LIQUIDITY (Continued)

Capital expenditures for property for the six-month periods ended June 30, 2004 and 2003 were $10,322 and $40,258, respectively. Purchases of treasury stock for the six-month periods ended June 30, 2004 and 2003 were $3,595 and $3,639, respectively. Dividends paid for the six-month periods ended June 30, 2004 and 2003 were $9,926 and $10,423, respectively.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no material changes in the policies, procedures, controls or risk profile from that provided in Item 7A, "Quantitative and Qualitative Disclosures About Market Risk", of the Company's Annual Report on Form 10-K for the year ended December 31, 2003.

Item 4. CONTROLS AND PROCEDURES

An evaluation was performed under the supervision and with the participation of the Company's management of the effectiveness of the design and operation of the Company's disclosure controls and procedures as of June 30, 2004. Based on that evaluation, the Company's management, including the Chief Executive Officer and Chief Financial Officer, concluded that the Company's disclosure controls and procedures were effective. On April 1, 2003, the Company began implementation of its conversion to a new ERP platform and continued implementation to various locations throughout 2004. In connection therewith, certain of the Company's disclosure controls and procedures have been modified at certain locations to reflect the new system environment.

PART II: OTHER INFORMATION

Item 4. Submission of Matters to a Vote of Security Holders.

The annual meeting of shareholders occurred on June 10, 2004. All of the nominees named in the Information Statement filed with the Commission and mailed to shareholders in accordance with the provisions of Regulation 14-C were elected. The names of the nominees elected follow; all received 5,493,774 votes, no negative votes were cast.

1. R. A. Cole
2. D. B. D'Alessandro
3. D. E. DeSousa
4. T. F. Dowd
5. L. R. Giglio
6. T. S. Gurganous
7. J. H. Hinshaw
8. G. D. Hodges
9. J. C. Loff
10. K. M. Mazzarella
11. R. D. Offenbacher
12. R. A. Reynolds, Jr.
13. K. B. Sparks

Item 6. Exhibits and Reports on Form 8-K.

(a) Exhibits furnished in accordance with provisions of Item 601 of Regulation S-K.

(31) Rule 13a-14(a)/15d-14(a) Certifications

31.1 - Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 - Principal Executive Officer.

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31.2 - Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 - Principal Financial Officer.

(32) Section 1350 Certifications

32.1 - Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 - Principal Executive Officer.

32.2 - Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 - Principal Financial Officer

(b) Reports on Form 8-K.

No reports on Form 8-K have been filed during the quarter for which this report is filed.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

August 12, 2004 GRAYBAR ELECTRIC COMPANY, INC.

(Date)

/S/ R. A. REYNOLDS, JR.

R. A. REYNOLDS, JR.
PRESIDENT AND
PRINCIPAL EXECUTIVE OFFICER

/S/ J. H. HINSHAW

J. H. HINSHAW
SENIOR VICE PRESIDENT AND
PRINCIPAL FINANCIAL OFFICER

/S/ J. H. KIPPER

J. H. KIPPER
VICE PRESIDENT
AND CONTROLLER

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Exhibit 31.1

CERTIFICATION

I, Robert A. Reynolds, Jr., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Graybar Electric Company, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected or is reasonably likely to materially affect the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the

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registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 12, 2004

/s/ ROBERT A. REYNOLDS, JR.

Robert A. Reynolds, Jr.
President and Principal Executive Officer

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Exhibit 31.2

CERTIFICATION

I, Juanita H. Hinshaw, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Graybar Electric Company, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected or is reasonably likely to materially affect the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the

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registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 12, 2004

/s/ JUANITA H. HINSHAW

Juanita H. Hinshaw
Senior Vice President and
Principal Financial Officer

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Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Robert A. Reynolds, Jr., President and Principal Executive Officer of Graybar Electric Company, Inc. ("the Company"), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

(1) The Quarterly Report on Form 10-Q of the Company for the period ended June 30, 2004 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Robert A. Reynolds, Jr.

Robert A. Reynolds, Jr.
President and Principal Executive Officer

August 12, 2004

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Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Juanita H. Hinshaw, Senior Vice President and Principal Financial Officer of Graybar Electric Company, Inc. ("the Company"), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

(1) The Quarterly Report on Form 10-Q of the Company for the period ended June 30, 2004 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Juanita H. Hinshaw

Juanita H. Hinshaw
Senior Vice President and Principal Financial Officer

August 12, 2004

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