

VIA HAND DELIVERY ON 04/13/2007

April 13, 2007

Ms. Elizabeth O'Donnell
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40602-0615

RECEIVED

APR 13 2007
PUBLIC SERVICE
COMMISSION

Re: An Investigation of The Reliability Measures of Kentucky's Jurisdictional
Electric Distribution Utilities and Certain Reliability Maintenance Practices; Case
No. 2006-00494

Dear Ms. O'Donnell:

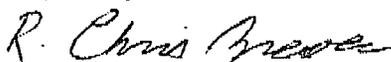
Enclosed are an original and seven copies of Blue Grass Energy Cooperative Corporation's responses to the Staffs Informal Conference set of data requests in the above-referenced case along with the testimony of Gary E. Grubbs, PE on behalf of BGE.

Please date-stamp and return the two extra copies of this letter in the enclosed envelope.

Should you have any questions, please do not hesitate to contact me, Dan Brewer or Mike Williams of this office or Gary Grubbs of Patterson and Dewar Engineers, Inc. (270-404-5030).

I certify that an original and seven photocopies of Blue Grass Energy's (BGE's) response to the Informal Conference (IC) information request and testimony were served and filed by hand delivery to Beth O'Donnell, Executive Director, Public Service Commission, 211 Sower Boulevard, Frankfort, Kentucky 40601; I further state that true and accurate copies of the foregoing were mailed via First Class U.S. Mail, postage pre-paid, to all parties of record.

Sincerely,



R. Chris Brewer, PE
Vice President, Engineering

cc: All parties of record

BLUE GRASS ENERGY COOPERATIVE CORPORATION'S
RESPONSE TO THE STAFF INFORMAL CONFERENCE OF 03/08/2007

CASE NO. 2006-00494

SERVICE LIST (PARTIES OF RECORD)

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Owensboro, KY 42302

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Gray, KY 40734

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Jackson Purchase Energy Corp.
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Paducah, KY 42002-4030

Kent Blake
Director - Rates & Regulatory
Kentucky Utilities Company
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Anthony P. Overbey
Fleming-Mason Energy Coop.
P.O. Box 328
Flemingsburg, KY 41041

Dudley Bottom, Jr.
Shelby Energy Coop, Inc.
620 Old Finchville Road
Shelbyville, KY 40065

Kerry K. Howard
Licking Valley R.E.C.C.
P.O. Box 605
West Liberty, KY 41472

Bobby D. Sexton
President /General Manager
Big Sandy R.E.C.C.
504 11th Street
Paintsville, KY 41240-1422

Daniel W. Brewer
Blue Grass Energy Coop. Corp.
P.O. Box 990
Nicholasville, KY 40340-0990

James L. Jacobus
Inter-County Energy Coop. Corp.
P.O. Box 87
Danville, KY 40423-0087

Lawrence C. Cook
Assistant Attorney General
Office of the Attorney General
Utility & Rate Intervention Div.
1024 Capital Center Dr. - Suite 200
Frankfort, KY 40601-8204

Jackie B. Browning
Farmers R.E.C.C.
P.O. Box 1298
Glasgow, KY 42141-1298

Robert M. Marshall
Owen Electric Cooperative, Inc.
P.O. Box 400
Owenton, KY 40359

Sharon K. Carson
Finance & Accounting Manager
Jackson Energy Cooperative
115 Jackson Energy Lane
McKee, KY 40447

Burns E. Mercer
Meade County R.E.C.C.
P.O. Box 489
Brandenburg, KY 40108-0489

Duke Energy Kentucky, Inc.
139 East Fourth Street
Cincinnati, OH 45202

Michael L. Miller
President & CEO
Nolin R.E.C.C.
Elizabethtown, KY 42701-8701

Paul G. Embs
Clark Energy Cooperative, Inc.
P.O. Box 748
Winchester, KY 40392-0748

Timothy C. Mosher
American Electric Power
P.O. Box 5190
Frankfort, KY 40602

BLUE GRASS ENERGY COOPERATIVE CORPORATION
RESPONSE TO STAFF INFORMAL CONFERENCE OF 03/08/2007

CASE NO. 2006-00494

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN INVESTIGATION OF THE RELIABILITY)
MEASURES OF KENTUCKY'S) ADMINISTRATIVE
JURISDICTIONAL ELECTRIC) CASE NO.: 2006-00494
DISTRIBUTION UTILITIES AND CERTAIN)
RELIABILITY MAINTENANCE PRACTICES)

RESPONSE OF

BLUE GRASS ENERGY COOPERATIVE CORPORATION ("BGE")
TO INFORMATION REQUESTED VIA STAFF INFORMAL CONFERENCE
FOR COMMISSION'S ORDER 2006-00494

DATED DECEMBER 12, 2006

FILED: APRIL 13, 2007

Witnesses for All Response Contained Hereinafter:

Chris Brewer, BGE

Mike Williams, BGE

Gary Grubbs, P&D Engineers, Inc.

BLUE GRASS ENERGY COOPERATIVE CORPORATION
RESPONSE TO STAFF INFORMAL CONFERENCE OF 03/08/2007

CASE NO. 2006-00494

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BLUE GRASS ENERGY COOPERATIVE CORPORATION
RESPONSE TO STAFF INFORMAL CONFERENCE OF 03/08/2007

CASE NO. 2006-00494

1 PSC Staff requested the following via Agenda Item 4 (Staff Summary of
2 Responses) of its prepared notes from the 03/08/2007 Informal Conference
3 ("IC"):

4 **Q. Each RECC should provide FORM 300 for the past 5 years to the staff.**

5 A. RUS Form 300 is completed on a 3-year cycle by the RUS General Field
6 Representative ("GFR") and as such was conducted on the BGE system
7 during the years of 2002 and 2005. Reports for those two years (two
8 pages per) are attached as EXHIBIT 1A and 1B.

9 **Q. Each RECC should provide any CAP {corrective action plan} developed**
10 **within the past 5 years to the PSC staff.**

11 A. Corrective actions plans were not required by results of the 2002 or
12 2005 RUS Form 300 surveys.

13 **Q. Each RECC should provide a copy of RUS Form 7, Part G for the past 5**
14 **years to the PSC staff.**

15 A. Following is a summary of RUS Form 7, Part G information from years
16 2002 through 2006. The actual data is presented in EXHIBITS 2A-E.

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PART G: SERVICE INTERRUPTIONS					
ITEM / YEAR	AVERAGE HOURS PER CONSUMER BY CAUSE				TOTAL (e)
	POWER SUPPLIER (a)	EXTREME STORM (b)	PREARRANGED (c)	ALL OTHER (d)	
2002	0.30	0.20	0.01	1.43	1.94
2003	0.14	17.18	0.01	1.70	19.03
2004	1.16	2.45	0.02	2.05	6.58
2005	0.30	0.00	0.05	1.62	1.97
2006	0.01	0.00	0.04	2.02	2.07
5-YEAR AVG.	0.38	3.97	0.03	1.76	6.14

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BLUE GRASS ENERGY COOPERATIVE CORPORATION
RESPONSE TO STAFF INFORMAL CONFERENCE OF 03/08/2007

CASE NO. 2006-00494

1 PSC Staff requested the following via Staff Question 5 (All Utilities) of
2 its prepared notes from the 03/08/2007 IC:

3 Q. See Handout No. 1 which reflects several types of tree pruning.
4 Regardless of whether or not the Commission sets any tree trimming
5 standards, should Through or V pruning, Side pruning, Under pruning, or
6 Topping be allowed?

7 A. Yes. Tree trimming methods are like tools; the prudent choice may be
8 different depending on the type tree, the terrain, the type of line
9 construction, the line voltage, the growth contributors, the tree
10 maintenance cycle achievable, the location, the easement, the over-all
11 reliability required, etc. Utilities should be permitted to implement
12 any or all of the methods such as those illustrated in Handout No. 1.

13 Q. If the utility does not own the property over which its distribution
14 lines are located, what are the utility's legal rights as far as access
15 to the property, and ability to trim trees?

16 A. The ability to trim/cut trees beneath BGE's distribution lines, along
17 with the access for such, is normally obtained via easements from the
18 property owner. For the most part, RUS distribution cooperatives such
19 as BGE are not allowed to monetarily purchase easements but must
20 instead ask for the right to traverse the lands needed to
21 expand/maintain service. Prescriptive rights normally allow for
22 maintenance going-forward once facilities are in place; but with this
23 said, the "happiness/satisfaction" of the property owner must be
24 diligently held in reverence.

BLUE GRASS ENERGY COOPERATIVE CORPORATION
RESPONSE TO STAFF INFORMAL CONFERENCE OF 03/08/2007

CASE NO. 2006-00494

1 PSC Staff requested the following via Staff Question 5 (Blue Grass Energy)
2 of its prepared notes from the 03/08/2007 IC:

3 Q. Provide a relative sample of any reports that list the steps for
4 improvement or reasons for reliability measures being lower than
5 satisfactory as Blue Grass Energy notes in response to Item No. 2 of
6 Second Data Request in this case.

7 A. Refer to page 2 of EXHIBIT 1A and 1B as reasons for BGE's reliability
8 measures being lower than satisfactory. Refer to EXHIBIT 3 for a
9 detailed explanation of the "rating method" as noted in Item No. 2 of
10 the Second DR in this case.

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BLUE GRASS ENERGY COOPERATIVE CORPORATION
RESPONSE TO STAFF INFORMAL CONFERENCE OF 03/08/2007

CASE NO. 2006-00494

EXHIBIT 1A

Public reporting burden for this collection of information is estimated to average 4 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to Department of Agriculture, Clearance Officer, OC, OMB Control # 0572-0025, AG Box 7630, Washington, DC 20250. You are not required to respond to this collection of information unless this form displays the currently valid OMB control number.

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE REVIEW RATING SUMMARY	BORROWER DESIGNATION KY 64 DATE PREPARED 9/19/2002																																										
Ratings on form are: 0: Unsatisfactory -- No Records 2: Acceptable, but Should be Improved -- See Attached Recommendations NA: Not Applicable 1: Corrective Action Needed 3: Satisfactory -- No Additional Action Required at this Time																																											
PART I. TRANSMISSION and DISTRIBUTION FACILITIES																																											
1. Substations (Transmission and Distribution) (Rating) a. Safety, Clearance, Code Compliance <u>NA</u> b. Physical Conditions: Structure, Major Equipment, Appearance <u>NA</u> c. Inspection Records Each Substation <u>NA</u> d. Oil Spill Prevention <u>NA</u> 2. Transmission Lines a. Right-of-Way: Clearing, Erosion, Appearance, Intrusions <u>NA</u> b. Physical Condition: Structure, Conductor, Guying <u>NA</u> c. Inspection Program and Records <u>NA</u> 3. Distribution Lines - Overhead a. Inspection Program and Records <u>3</u> b. Compliance with Safety Codes: Clearances <u>3</u> Foreign Structures <u>2</u> Attachments <u>2</u> c. Observed Physical Condition from Field Checking: Right-of-Way <u>3</u> Other <u>N/A</u>	4. Distribution - Underground Cable (Rating) a. Grounding and Corrosion Control <u>3</u> b. Surface Grading, Appearance <u>3</u> c. Riser Pole: Hazards, Guying, Condition <u>3</u> 5. Distribution Line Equipment: Conditions and Records a. Voltage Regulators <u>2</u> b. Sectionalizing Equipment <u>2</u> c. Distribution Transformers <u>3</u> d. Pad Mounted Equipment Safety: Locking, Dead Front, Barriers <u>3</u> Appearance: Settlement, Condition <u>3</u> Other <u>3</u> e. Kilowatt-hour and Demand Meter Reading and Testing <u>3</u>																																										
PART II. OPERATIONS and MAINTENANCE																																											
6. Line Maintenance and Work Order Procedures (Rating) a. Work Planning & Scheduling <u>3</u> b. Work Backlogs: Right-of-Way Maintenance <u>3</u> Poles <u>3</u> Retirement of Idle Services <u>3</u> Other _____ 7. Service Interruptions a. Average Annual Hours/Consumer by Cause (Complete for each of the previous 5 years) <table border="1" style="width:100%; border-collapse: collapse; margin-top: 5px;"> <thead> <tr> <th>PREVIOUS 5 YEARS (Year)</th> <th>POWER SUPPLIER a.</th> <th>MAJOR STORM b.</th> <th>SCHEDULED c.</th> <th>ALL OTHER d.</th> <th>TOTAL e.</th> <th>(Rating)</th> </tr> </thead> <tbody> <tr> <td>1997</td> <td>0.91</td> <td>0.34</td> <td>0.01</td> <td>0.41</td> <td>1.67</td> <td>3</td> </tr> <tr> <td>1998</td> <td>0.16</td> <td>3.15</td> <td>0.01</td> <td>1.19</td> <td>4.51</td> <td>3</td> </tr> <tr> <td>1999</td> <td>0.43</td> <td>0.55</td> <td>0.01</td> <td>0.73</td> <td>1.72</td> <td>3</td> </tr> <tr> <td>2000</td> <td>0.04</td> <td>0.22</td> <td>0.03</td> <td>0.60</td> <td>0.89</td> <td>3</td> </tr> <tr> <td>2001</td> <td>0.30</td> <td></td> <td>0.03</td> <td>1.31</td> <td>1.64</td> <td>3</td> </tr> </tbody> </table> b. Emergency Restoration Plan <u>3</u>	PREVIOUS 5 YEARS (Year)	POWER SUPPLIER a.	MAJOR STORM b.	SCHEDULED c.	ALL OTHER d.	TOTAL e.	(Rating)	1997	0.91	0.34	0.01	0.41	1.67	3	1998	0.16	3.15	0.01	1.19	4.51	3	1999	0.43	0.55	0.01	0.73	1.72	3	2000	0.04	0.22	0.03	0.60	0.89	3	2001	0.30		0.03	1.31	1.64	3	8. Power Quality (Rating) a. General Freedom from Complaints <u>3</u> 9. Loading and Load Balance a. Distribution Transformer Loading <u>3</u> b. Load Control Apparatus <u>NA</u> c. Substation and Feeder Loading <u>3</u> 10. Maps and Plant Records a. Operating Maps: Accurate and Up-to-Date <u>2</u> b. Circuit Diagrams <u>3</u> c. Staking Sheets <u>3</u>
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PART III. ENGINEERING																																											
11. System Load Conditions and Losses a. Annual System Losses <u>2.60%</u> <u>3</u> b. Annual Load Factor <u>46.6%</u> <u>3</u> c. Power Factor at Monthly Peak <u>95%+</u> <u>3</u> d. Ratios of Individual Substation Annual Peak kW to kVA <u>3</u> 12. Voltage Conditions a. Voltage Surveys <u>3</u> b. Substation Transformer Output Voltage Spread <u>3</u>	13. Load Studies and Planning (Rating) a. Long Range Engineering Plan <u>1</u> b. Construction Work Plan <u>3</u> c. Sectionalizing Study <u>3</u> d. Load Data for Engineering Studies <u>3</u> e. Load Forecasting Data <u>3</u>																																										

RUS FORM 300 (2/98)

PAGE 1 OF 2 PAGES

BLUE GRASS ENERGY COOPERATIVE CORPORATION
RESPONSE TO STAFF INFORMAL CONFERENCE OF 03/08/2007

CASE NO. 2006-00494

EXHIBIT 1A

PART IV. OPERATION AND MAINTENANCE BUDGETS						
YEAR	For Previous 2 Years		For Present Year	For Future 3 Years		
	2000	2001	2002	2003	2004	2005
	Actual \$ Thousands	Actual \$ Thousands	Budget \$ Thousands	Budget \$ Thousands	Budget \$ Thousands	Budget \$ Thousands
Normal Operation	1,677	1,756	1,865	1,921	1,979	2,038
Normal Maintenance	2,917	3,269	3,546	3,652	3,762	3,875
Additional (Deferred) Maintenance						
Total	\$4,594	\$5,025	\$5,411	\$5,573	\$5,741	\$5,913

14. Budgeting: Adequacy of Budgets for Needed Work 3 (Rating)

15. Date Discussed with Board of Directors 10/17/2002 (Date)

EXPLANATORY NOTES

ITEM NO.	COMMENTS
3b.	Telephone poles left standing next to electric poles need to be removed. Cable TV attachments require constant follow-up to ensure code compliance.
5a.	A computerized maintenance program will be implemented.
5b.	A computerized maintenance program will be implemented.
10a.	A new mapping system with GPS technology will be implemented.
13a.	Preparation of a long range plan is in progress.

	TITLE	DATE
RATED BY: <i>Michelle Sullivan</i>	VICE PRESIDENT OF OPERATIONS	9/19/2002
REVIEWED BY: <i>Chris [Signature]</i>	VICE PRESIDENT OF ENGINEERING	9/19/2002
REVIEWED BY: <i>[Signature]</i>	PRESIDENT & CEO	9/19/2002
REVIEWED BY: <i>Mike [Signature]</i>	RUS GFR	9/19/2002

BLUE GRASS ENERGY COOPERATIVE CORPORATION
RESPONSE TO STAFF INFORMAL CONFERENCE OF 03/08/2007

CASE NO. 2006-00494

EXHIBIT 1B

Public reporting burden for this collection of information is estimated to average 4 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to Department of Agriculture, Clearance Officer, OC, OMB Control # 0572-0025, AG Box 7630, Washington, DC 20250. You are not required to respond to this collection of information unless this form displays the currently valid OMB control number.

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE REVIEW RATING SUMMARY	BORROWER DESIGNATION KY 64 DATE PREPARED 9/16/2005
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Ratings on form are: 0: Unsatisfactory -- No Records 2: Acceptable, but Should be Improved -- See Attached Recommendations
 NA: Not Applicable 1: Corrective Action Needed 3: Satisfactory -- No Additional Action Required at this Time

PART I. TRANSMISSION and DISTRIBUTION FACILITIES

1. Substations (Transmission and Distribution) a. Safety, Clearance, Code Compliance b. Physical Conditions: Structure, Major Equipment, Appearance c. Inspection Records Each Substation d. Oil Spill Prevention 2. Transmission Lines a. Right-of-Way: Clearing, Erosion, Appearance, Intrusions b. Physical Condition: Structure, Conductor, Guying c. Inspection Program and Records 3. Distribution Lines - Overhead a. Inspection Program and Records b. Compliance with Safety Codes: Clearances Foreign Structures Attachments c. Observed Physical Condition from Field Checking: Right-of-Way Other	(Rating) NA NA NA NA NA NA NA 3 3 2 2 2 3 2 2 2 2 NA	4. Distribution - Underground Cable a. Grounding and Corrosion Control b. Surface Grading, Appearance c. Riser Pole: Hazards, Guying, Condition 5. Distribution Line Equipment: Conditions and Records a. Voltage Regulators b. Sectionalizing Equipment c. Distribution Transformers d. Pad Mounted Equipment Safety: Locking, Dead Front, Barriers Appearance: Settlement, Condition Other e. Kilowatt-hour and Demand Meter Reading and Testing	(Rating) 3 3 3 2 2 3 NA 3 3 NA 3
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PART II. OPERATIONS and MAINTENANCE

6. Line Maintenance and Work Order Procedures a. Work Planning & Scheduling b. Work Backlogs: Right-of-Way Maintenance Poles Retirement of Idle Services Other 7. Service Interruptions a. Average Annual Hours/Consumer by Cause (Complete for each of the previous 5 years)	(Rating) 3 3 3 3 NA (Rating) 3 3 3 2 2 2 3	8. Power Quality a. General Freedom from Complaints 9. Loading and Load Balance a. Distribution Transformer Loading b. Load Control Apparatus c. Substation and Feeder Loading 10. Maps and Plant Records a. Operating Maps: Accurate and Up-to-Date b. Circuit Diagrams c. Staking Sheets	(Rating) 3 3 NA 3 2 3 3
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PREVIOUS 5 YEARS (Year)	POWER SUPPLIER	MAJOR STORM	SCHEDULED	ALL OTHER	TOTAL	(Rating)
a.	b.	c.	d.	e.		
2000	0.04	0.22	0.03	0.60	0.89	3
2001	0.30		0.03	1.31	1.64	3
2002	0.30	0.20	0.01	1.43	1.94	3
2003	0.14	17.18	0.01	1.70	19.03	2
2004	1.16	2.45	0.02	2.05	5.68	2

PART III. ENGINEERING

11. System Load Conditions and Losses a. Annual System Losses b. Annual Load Factor c. Power Factor at Monthly Peak d. Ratios of Individual Substation Annual Peak kW to kVA 12. Voltage Conditions a. Voltage Surveys b. Substation Transformer Output Voltage Spread	(Rating) 5.30% 44.5% 95+% 3 3 3 3 3 3	13. Load Studies and Planning a. Long Range Engineering Plan b. Construction Work Plan c. Sectionalizing Study d. Load Data for Engineering Studies e. Load Forecasting Data	(Rating) 3 3 3 3 3
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BLUE GRASS ENERGY COOPERATIVE CORPORATION
RESPONSE TO STAFF INFORMAL CONFERENCE OF 03/08/2007

CASE NO. 2006-00494

EXHIBIT 1B

PART IV. OPERATION AND MAINTENANCE BUDGETS						
YEAR	For Previous 2 Years		For Present Year	For Future 3 Years		
	2003	2004	2005	2006	2007	2008
	Actual \$ Thousands	Actual \$ Thousands	Budget \$ Thousands	Budget \$ Thousands	Budget \$ Thousands	Budget \$ Thousands
Normal Operation	\$1,873,203	\$1,983,184	\$2,228,650	\$2,295,510	\$2,364,375	\$2,435,306
Normal Maintenance	\$4,230,748	\$4,123,514	\$3,929,900	\$4,047,797	\$4,169,231	\$4,294,308
Additional (Deferred) Maintenance						
Total	\$6,103,951	\$6,106,698	\$6,158,550	\$6,343,307	\$6,533,606	\$6,729,614

14. Budgeting: Adequacy of Budgets for Needed Work 3 (Rating)

15. Date Discussed with Board of Directors 10/20/2005

EXPLANATORY NOTES

ITEM NO.	COMMENTS
3b.	Telephone poles left standing next to electric poles need to be removed. Cable TV attachments require constant follow-up to ensure code compliance. A program is underway to review all attachment agreements.
3c.	Non-yard trees in the right-of-way should be removed, not trimmed.
5a. and 5b.	A computerized maintenance program will be developed with the new GIS system.
7a.	There was a severe ice storm in 2003 and a lesser ice storm in 2004.
10a.	The new mapping system with GPS technology will be completed in early 2006.

	TITLE	DATE
RATED BY: <i>Chris Bragg</i>	VP ENGINEERING	9/16/2005
REVIEWED BY: <i>[Signature]</i>	PRESIDENT & CEO	9/16/2005
REVIEWED BY: <i>[Signature]</i>	RUS GFR	9/16/2005

RUS FORM 300 (2/98)

PAGE 2 OF 2 PAGES

BLUE GRASS ENERGY COOPERATIVE CORPORATION
RESPONSE TO STAFF INFORMAL CONFERENCE OF 03/08/2007

CASE NO. 2006-00494

EXHIBIT 2A FROM 2002 RUS FORM 7

PART G. SERVICE INTERRUPTIONS					
ITEM	AVERAGE HOURS PER CONSUMER BY CAUSE				TOTAL (e)
	POWER SUPPLIER (a)	EXTREME STORM (b)	PREARRANGED (c)	ALL OTHER (d)	
1. Present Year	.30	.20	.01	1.43	1.94
2. Five-Year Average	.48	1.00	.04	1.16	2.68

EXHIBIT 2B FROM 2003 RUS FORM 7

PART G. SERVICE INTERRUPTIONS					
ITEM	AVERAGE HOURS PER CONSUMER BY CAUSE				TOTAL (e)
	POWER SUPPLIER (a)	EXTREME STORM (b)	PREARRANGED (c)	ALL OTHER (d)	
1. Present Year	.14	17.18	.01	1.70	19.03
2. Five-Year Average	.41	4.23	.03	1.27	5.94

EXHIBIT 2C FROM 2004 RUS FORM 7

PART G. SERVICE INTERRUPTIONS					
ITEM	AVERAGE HOURS PER CONSUMER BY CAUSE				TOTAL (e)
	POWER SUPPLIER (a)	EXTREME STORM (b)	PREARRANGED (c)	ALL OTHER (d)	
1. Present Year	1.16	2.45	.02	2.05	5.68
2. Five-Year Average	.56	3.87	.03	1.43	5.89

EXHIBIT 2D FROM 2005 RUS FORM 7

PART G. SERVICE INTERRUPTIONS					
ITEM	AVERAGE HOURS PER CONSUMER BY CAUSE				TOTAL (e)
	POWER SUPPLIER (a)	EXTREME STORM (b)	PREARRANGED (c)	ALL OTHER (d)	
1. Present Year	.30	0.00	.05	1.62	1.97
2. Five-Year Average	.51	3.10	.03	1.47	5.11

EXHIBIT 2E FROM 2006 RUS FORM 7

PART G. SERVICE INTERRUPTIONS					
ITEM	AVERAGE HOURS PER CONSUMER BY CAUSE				TOTAL (e)
	POWER SUPPLIER (a)	EXTREME STORM (b)	PREARRANGED (c)	ALL OTHER (d)	
1. Present Year	.01	0.00	.04	2.02	2.07
2. Five-Year Average	.38	3.97	.03	1.76	6.14

BLUE GRASS ENERGY COOPERATIVE CORPORATION
RESPONSE TO STAFF INFORMAL CONFERENCE OF 03/08/2007

CASE NO. 2006-00494

EXHIBIT 3

UNITED STATES DEPARTMENT OF AGRICULTURE
Rural Utilities Service

Bulletin 1730-1

SUBJECT: Electric System Operation and Maintenance (O&M)

To: RUS Electric Borrowers and RUS Electric Staff

Effective Date: Date of Approval

Expiration Date: Seven Years from Effective Date

Office of Primary Interest: Electric Staff Division

Filing Instructions: This Bulletin supersedes REA Bulletin 161-5, Electric System Review and Evaluation, dated October, 1978. File this bulletin with 7 CFR 1730.

Purpose: This bulletin contains guidelines related to electric borrowers' operation and maintenance (O&M) and outlines the Rural Utilities Service's (RUS) standard practices with respect to review and evaluation of O&M practices.

/s/
Assistant Administrator - Electric Program

January 1/26/98
Date

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8 **INDEX:** Inspection
9 Maintenance
10 Operations and Maintenance
11 Records

12 **ABBREVIATIONS**

13 **ANSI** American National Standards Institute
14 **CAP** Corrective Action Plan
15 **CFR** Code of Federal Regulations
16 **CT** Current Transformer
17 **EMF** Electric and Magnetic Fields
18 **EPA** Environmental Protection Agency
19 **GFR** General Field Representative
20 **IFT** Interfacial Tension
21 **kVA** Kilovolt-Ampere
22 **kW** Kilowatt
23 **kWh** kilowatt-hour
24 **NESC** National Electrical Safety Code
25 **O&M** Operations and Maintenance
26 **OCR** Oil Circuit Recloser
 PCB Polychlorinated Biphenyl
 PSD Power Supply Division
 PT Potential Transformer
 REA Rural Electrification Administration
 RUS Rural Utilities Service

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1
2
3 **1. Purpose:** This bulletin contains guidelines related to electric borrowers' operation and
4 maintenance (O&M) and outlines the Rural Utilities Service's (RUS) standard practices with
5 respect to review and evaluation of O&M practices. 7 CFR 1730 contains the policies and
6 procedures of RUS related to electric borrowers' O&M practices and RUS' review and evaluation
7 thereof.

8 **2. Borrower Guidelines**

9
10 **2.1 Records:** Each borrower is responsible for maintaining records of the physical and electrical
11 condition of its electric system. Any or all of these records may be reviewed by RUS during its
12 review and evaluation. Such records include, but are not limited to:

- 13 (a) Service interruption reports and summaries of experience (including power supply
14 outages.)
- 15 (b) Overhead and underground line inspection and maintenance records, including pole
16 inspection and line patrol records.
- 17 (c) Substation inspection and maintenance records.
- 18 (d) Recloser and sectionalizer records.
- 19 (e) Line Voltage regulator records.
- 20 (f) Distribution transformer records.
- 21 (g) Watt-hour and demand meter records.
- 22 (h) Right-of-way maintenance records.
- 23 (i) Line Voltage and current records.
- 24 (j) Up-to-date system maps.
- 25
- 26

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3 (k) System losses.

4 (l) Idle services.

5 (m) External system impacts (including EMF questions, stray voltage, radio and television
6 interference, etc.)--records of inquiries and resulting actions.

7
8 **2.2 Emergency Restoration Plan:** Each borrower should have a written plan detailing how to
9 restore its system in the event of a system wide outage resulting from a major natural disaster or
10 other causes. This plan should include how to contact emergency agencies, borrower
11 management and other key personnel, contractors and equipment suppliers, other utilities, and
12 any others that might need to be reached in an emergency. It should also include recovery from
13 loss of power to the headquarters, key offices, and/or operation center facilities. It should be
14 readily accessible at all times under any and all circumstances.

15
16 **2.3 System Ratings:** RUS Form 300, Review Rating Summary, includes a numerical rating
17 system as follows:

18 0: Unsatisfactory - no records

19 1: Unsatisfactory - corrective action needed

20 2: Acceptable, but could be improved - see attached recommendations

21 3: Satisfactory - no additional action required at this time

22 N/A: Not applicable

23 Exhibit A provides a guide for the conditions normally needed to justify a rating of 3 for each of
24 the items on RUS Form 300. The explanatory notes section of RUS Form 300 should include a
25 list of all items rated as unsatisfactory (ratings 0 or 1) along with comments indicating the action
26 or implementation that is proposed. This is in addition to the corrective action plan (CAP)
required by 7 CFR 1730. Additional expenditures required for deferred maintenance should be

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1
2 indicated in the O&M Budgets, Part IV of RUS Form 300. These may be distributed over a
3 period of 2 or 3 years as indicated on the form.
4

5
6 **3. Review and Evaluation of O&M Practices by RUS**

7 **3.1.** RUS will conduct a periodic review and evaluation of each borrower's operation and
8 maintenance programs and practices. The purpose of this review is to assess loan security and to
9 determine borrower compliance with RUS policy as outlined in part 7 CFR 1730.
10

11 **3.2. Distribution Borrowers:** The General Field Representative (GFR) is responsible, within
12 the GFR's assigned territory, for initiating and conducting a periodic review and evaluation of
13 each distribution borrower's operation and maintenance programs, practices, and records. This
14 review and evaluation is to be done at least once every 3 years.

15 **3.2.1** The GFR may inspect facilities as well as records, and may also observe construction and
16 maintenance work in the field. Key borrower personnel responsible for the facilities being
17 inspected should accompany the GFR during such inspections.

18 **3.2.2** If adequate information is available, the GFR will complete the review and evaluation and
19 consult with the borrower regarding its programs and records for operation, maintenance, and
20 system improvements. The GFR's signature on the Form 300 signifies concurrence with the
21 borrower's analysis, ratings, and explanatory notes unless indicated otherwise.

22 **3.2.3** If adequate information is not available, the GFR's review and evaluation will be deferred
23 until the borrower has remedied the deficiencies identified by the GFR.

24 **3.2.4** Upon completion of the O&M review and evaluation, the GFR will communicate his/her
25 findings to the borrower.
26

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3 **3.3 Power Supply Borrowers:** The Power Supply Division (PSD) is responsible for initiating
4 and conducting a periodic review and evaluation of each power supply borrower's operation and
5 maintenance programs, practices, and records . PSD will consult with the borrower and arrange a
6 scheduled time for the review and evaluation. PSD will determine the frequency of this review
7 and evaluation.

8 **3.3.1** The GFR will, upon request by PSD, assist in the review and evaluation, particularly with
9 respect to transmission, subtransmission, and substation facilities.
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3 EXHIBIT A
4 RUS FORM 300 RATING GUIDE
5 CONDITIONS NORMALLY NEEDED TO JUSTIFY A RATING OF 3
6

7 PART I - TRANSMISSION and DISTRIBUTION FACILITIES
8

9 1. Substations (Transmission and Distribution)

- 10 a. Safety, Clearance, Code Compliance: No violations of RUS or NESC requirements
11 including clearance or separations in any substation. All substations accessible by
12 authorized personnel only. Operating manual available for each substation.
- 13 b. Physical Condition: Structure, Major Equipment, Appearance: Rare instances of rust,
14 weeds, dangerous insects, and bird nesting. No leaks, no temporary bus being used on
15 an ongoing basis, only minor material associated with maintenance of the substation
16 equipment stored in yard. No debris, no openings under fence greater than 3 inches
17 (76 mm), no broken insulators, parallel power transformers properly fault protected.
Circuit, phases & airbreak switch handles are properly identified.
- 18 c. Inspection Records Each Substation: Written monthly inspection reports completed and
19 reviewed by responsible personnel for all substations. Infrared inspection of all
20 connectors at least every five years. Dielectric, dissolved gas, and interfacial tension
21 (IFT) tests of oil filled equipment performed at least every five years or within one year
22 of exposure to a through fault which causes the transformer protective devices to
23 de-energize the transformer. Annual power factor test of all equipment rated 230 kV or
24 above. Relays are functionally tested annually and cleaned, calibrated, and tested every
25 three years.
- 26 d. Oil Spill Prevention: Oil spill prevention and mitigation plans prepared and available for
all substations.

1 **Bulletin 1730-1**
2 **Exhibit A**
3 **Page 8**

4 **CONDITIONS NORMALLY NEEDED TO JUSTIFY A RATING OF 3**

5 **2. Transmission Lines**

- 6 a. Right-of-Way - Clearing, Erosion, Appearance, Intrusions: No uncontrolled erosion.
7 Gates or gaps at all fence crossings. Structures and lines not impacted by untrimmed
8 right of way. Structures generally accessible by service vehicles.
- 9 b. Physical Condition - Structure, Conductor, Guying: All structures vertical and guys taut.
10 No broken insulators or crossarms, and no unauthorized attachments. Essentially all
11 structures numbered. Structures and attachments conform to NESC requirements.
- 12 c. Inspection Program and Records: Walking, riding, or aerial line patrol of all lines
13 (including those on private right-of-way) performed at least annually. Records
14 maintained for pole inspection and line patrol and deficiencies corrected on a timely
15 basis. Above and below ground pole inspection performed on cycle based upon decay
16 zone using experienced inspectors.

17 **3. Distribution Lines - Overhead**

- 18 a. Inspection and Maintenance - Program and Records: Above and below ground pole
19 inspection performed on cycle based upon decay zone using experienced inspectors.
20 Records of all poles inspected, treated, rejected and changed out readily available in
21 summary form. All overhead lines (including those on private right-of-way) patrolled
22 annually (walking, riding, or aerial); more frequently if experience dictates. Records
23 maintained for pole inspection and line patrol with deficiencies corrected in a timely
24 manner. Pole and equipment changeout program in place to keep rejected poles and
25 failed equipment to a minimum.
- 26 b. Compliance with Safety Codes - Clearances: All facilities staked prior to construction by
personnel familiar with NESC requirements. Line patrols identify changed conditions
requiring greater clearances.

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3 **CONDITIONS NORMALLY NEEDED TO JUSTIFY A RATING OF 3**
4

5 Compliance with Safety Codes - Foreign Structures: Utility has policy and practice of
6 immediately remedying foreign structures which conflict with primary lines upon
7 observation.

8 Compliance with Safety Codes - Attachments: All overhead attachments meet NESC
9 separation and clearance requirements. Up-to-date joint-use and pole rental agreements
10 are in effect. Unauthorized attachments and violations of the NESC promptly remedied.

- 11 c. Observed Physical Condition from Field Checking - Right-of-way: Structures and lines
12 not impacted by untrimmed right-of-way. Right-of-way re-trimming cycles to be
13 dictated by local conditions.

14 Observed Physical Condition from Field Checking - Other: Rare instances of leaning
15 poles, slack guys, broken grounds, loose hardware and superfluous material on
16 structures. No broken crossarms or insulators, and no pole steps on wood poles.
17 Installation of miscellaneous distribution equipment meets NESC requirements. Neutral
18 properly identified when located on crossarm.

19 **4. Distribution - Underground Cable**

- 20 a. Grounding and Corrosion Control: Ground rods located at each transformer plus at
21 least four per mile (1.6 km), not including grounds at individual services, in accordance
22 with the NESC. Record system kept of visible cable condition when excavated.
23 Periodic testing at selected locations of underground cable and grounding points for
24 evidence of corrosion. Appropriate and timely actions taken to correct any
25 unsatisfactory conditions.
- 26 b. Surface Grading, Appearance: Rare instances of earth settling which could create
hazards to the general public and timely action taken to correct any deficiency.

1 **Bulletin 1730-1**
2 **Exhibit A**
3 **Page 10**

4 **CONDITIONS NORMALLY NEEDED TO JUSTIFY A RATING OF 3**

- 5 c. Riser Poles: Hazards, Guying, Condition: Cut-outs mounted per RUS requirements.
6 Riser cable covered with conduit to within 4 feet (1.2m) of the bottom of the potheads.
7 Adequate surge protection installed.

8 **5. Distribution Line Equipment: Conditions and Records**

- 9 a. Voltage Regulators: Voltage regulators inspected and maintained in accordance with the
10 manufacturer's recommended timetable. Regulators checked for proper operation at
11 least semi-annually. Knowledge of and compliance with EPA requirements with respect
12 to PCB contaminated oil and equipment. Dielectric, dissolved gas, and IFT tests of oil
13 filled equipment performed every five years or within one year of exposure to a through
14 fault which causes the protective devices to de-energize the regulator.

- 15 b. Sectionalizing Equipment: Oil circuit reclosers (OCR's) and breakers inspected and
16 maintained in accordance with the manufacturer's recommended timetable. Records
17 reflect inspection results, maintenance performed, and date.

- 18 c. Distribution Transformers: Complete records kept as to size, location, and date
19 installed. Knowledge of and compliance with EPA requirements with respect to PCB
20 contaminated oil and equipment. Transformer loading analysis performed periodically as
21 needed.

- 22 d. Pad Mounted Equipment - Safety - Locking, Dead Front, Barriers: All padmount
23 enclosures meet RUS dead-front requirements (secondary barriers, recessed penta-head
24 nut, and separate pad-lock.) Grounding in accordance with RUS and NESC
25 requirements. "Danger" signs inside all enclosures and "Warning" signs on the exterior
26 in accordance with ANSI Z535.

Pad Mounted Equipment - Appearance - Settlement, Condition: Rare instances of
leaning or undermined enclosures. Prompt action taken to correct deficiencies.

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3 **CONDITIONS NORMALLY NEEDED TO JUSTIFY A RATING OF 3**
4

- 5 e. Watt-hour and Demand Meter Reading and Testing: All meters tested in accordance
6 with state regulations (where applicable) or ANSI C12.1. PT, CT and demand meters
7 are generally tested on at least a 3 year cycle. Complete records kept as to size, location,
8 and date installed.
9

10 **PART II - OPERATION AND MAINTENANCE**
11

12 **6. Line Maintenance and Work Order Procedures**

- 13 a. Work Planning and Scheduling: All lines staked prior to construction by personnel
14 familiar with NESC requirements. Work order inspections performed in accordance
15 with 7 CFR 1724, Electric Engineering, Architectural Services and Design Policies and
16 Procedures (i.e., within 6 months of completion of construction.) Utility promptly
17 provides inspector with written notice that clean-up work has been completed.
18 Construction Work Plan projects completed in time to meet load level requirements.
19 New service connections completed in reasonable time frames.

19 Work Backlogs - Right-of-way Maintenance: Adequate resources being provided to
20 address re-clearing on timely basis. Right-of-way re-trimming cycles to be dictated by
21 local conditions.

22 Work Backlogs - Poles: All reject poles replaced within 6 months of inspection.
23 "Danger" and "Hazard" poles replaced as soon as possible.

24 Work Backlogs - Idle Services - Retirement of: Policy and procedures in place to
25 address retirement of idle services so that ratio of idle services to total is less than 10%
26 unless specific local conditions dictate otherwise.

1 **Bulletin 1730-1**
2 **Exhibit A**
3 **Page 12**

4 **CONDITIONS NORMALLY NEEDED TO JUSTIFY A RATING OF 3**

5 Work Backlogs - Other: Job orders from line inspection completed in reasonable time
6 frames.

7 **7. Service Interruptions**

- 8 a. Average Annual Hours/Consumer by Cause: Rating to consider the effect of all types of
9 outages, including planned. Evidence of concern would be when total outages exceed 5
10 hours or power supply outages exceed 1 hour per consumer per year. Outages
11 accounted for in accordance with RUS Bulletin 161-1.
- 12 b. Emergency Restoration Plan: Emergency restoration plan readily available and covers
13 multiple scenarios, including loss of power to the headquarters, key offices, and/or
14 operations centers.

15 **8. Power Quality**

16 General Freedom from Complaints: Minimal complaints with respect to television and
17 radio interference, voltage flicker, neutral-to-earth voltage, harmonics, and EMF.
18 Complaints generally resolved quickly and effectively. Summary of complaints
19 maintained and analyzed periodically.

20 **9. Loading and Load Balance**

- 21 a. Distribution Transformer Loading: Loading ratio (kVA to peak kW) may range from 2
22 to 4, depending upon levels of load management, seasonal customers, as well as other
23 factors.
- 24 b. Load Control Apparatus: Have records of individual controllers showing location, type
25 of load being controlled, and any maintenance. Load control results summarized.
26

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3 **CONDITIONS NORMALLY NEEDED TO JUSTIFY A RATING OF 3**
4

- 5 c. Substation and Feeder Loading: All feeders balanced at each substation to within 20%
6 during peak loads.

7 **10. Maps and Plant Records**
8

- 9 a. Operating Maps - Accurate and Up-to-Date: Consumers can be identified by location
10 with a set of maps carried by all service personnel. Maps depict roads, grid lines,
11 waterways, railroads, and other landmarks necessary to locate consumers. Maps are of a
12 functional size and permit location of consumers irrespective of date of service. Detail
13 maps are current and up to date, generally 1 year old or less.
- 14 b. Circuit Diagrams: Current and up-to-date map (generally 2 years old or less) depicting a
15 multiple line layout of distribution facilities of the utility. The location and sizes of
16 substations, line regulators, reclosers, capacitors, and substation boundaries are clearly
17 shown. Primary voltage drops are indicated at the ends of primary feeder lines. All
18 transmission lines are located and identified as to voltage and ownership.
- 19 d. Staking Sheets: Staking sheets are prepared for projects prior to construction. The
20 sketch and construction units are consistent. North arrow and grid reference are present.
21 Spans lengths are correctly listed and all line angles and guy lead lengths are stated.
22 Final staking sheets are consistent with the "as-built" conditions.

23 **PART III - ENGINEERING**

24 **11. System Load Conditions and Losses**

- 25 a. Annual System Losses: System losses are appropriate for the conditions encountered.
26 Reasonable efforts made to reduce system losses.

1 **Bulletin 1730-1**
2 **Exhibit A**
3 **Page 14**

4 **CONDITIONS NORMALLY NEEDED TO JUSTIFY A RATING OF 3**

- 5 b. Annual Load Factor: Load factor is appropriate for the conditions encountered,
6 generally at least 45%. Reasonable efforts made to improve load factor, where possible.
- 7 c. Power Factor at Monthly Peak: Each distribution substation maintains a power factor
8 between 0.95 lagging and 0.95 leading at time of power supply coincident peak demand.

9 **12. Voltage Conditions**

- 10 a. Voltage Surveys: Sufficient number of recording and/or indicating voltmeters are
11 available and utilized to monitor specific locations where voltage conditions warrant
12 special attention. Annual graphs or statistical analyses are kept for each meter for the
13 most recent 5 year period.
- 14 b. Substation Transformer Output Voltage Spread: All substations include automatic
15 voltage regulators or voltage regulating transformers. Each substation has continuous
16 voltage recording which is monitored monthly by computer analysis. Regulated
17 substation output voltage and line regulators are maintained so that Range A service
18 voltage per RUS Bulletin 169-4 is provided to all consumers.

19 **13. Load Studies and Planning**

- 20 a. Long Range Engineering Plan: System planning study is current, meets the requirements
21 of 7 CFR 1710, can be used as a guide for preparing the next Construction Work Plan,
22 and is prepared in accordance with RUS Bulletin 1724D-101A.
- 23 b. Construction Work Plan: Work Plan is up-to-date, meets the requirements of
24 7 CFR 1710, and is prepared in accordance with RUS Bulletin 1724D-101B.
- 25 c. Sectionalizing Study: System sectionalizing is reviewed and updated as needed
26 concurrently with each Construction Work Plan and with significant change in fault
current conditions.

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3 **CONDITIONS NORMALLY NEEDED TO JUSTIFY A RATING OF 3**
4

- 5 d. Load Data for Engineering Studies: A completely integrated data base automatically
6 assigns consumers, and their load (kWh or kW) to specific geographical locations that
7 are associated with specific distribution line sections. Data is sufficiently accurate that
8 the difference between the calculated and measured substation kW is less than 5%.
- 9 e. Power Requirements Data: Power requirements study is current and completed in
10 compliance with the requirements stated in 7 CFR 1710.
11

12 **PART IV - OPERATION AND MAINTENANCE BUDGETS**
13

14 **14. Budgeting**

15 Adequacy of Budgets For Needed Work: Utility prepares an annual budget with specific
16 item quantities and dollars prior to the beginning of each year for each department. The
17 O&M budget is broken down to show each program, the quantities of work to be
18 accomplished and the timing during the year when the proposed work is to be
19 performed.
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BLUE GRASS ENERGY COOPERATIVE CORPORATION
RESPONSE TO STAFF INFORMAL CONFERENCE OF 03/08/2007

CASE NO. 2006-00494

COMMONWEALTH OF KENTUCKY

RECEIVED

BEFORE THE PUBLIC SERVICE COMMISSION

APR 13 2007

**PUBLIC SERVICE
COMMISSION**

In the Matter of:

5)
6) ADMINISTRATIVE
7) CASE NO.: 2006-00494
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AN INVESTIGATION OF THE RELIABILITY
MEASURES OF KENTUCKY'S
JURISDICTIONAL ELECTRIC
DISTRIBUTION UTILITIES AND CERTAIN
RELIABILITY MAINTENANCE PRACTICES

TESTIMONY ON BEHALF OF

BLUE GRASS ENERGY COOPERATIVE CORPORATION ("BGE")

FOR COMMISSION'S ORDER 2006-00494

DATED DECEMBER 12, 2006

FILED: APRIL 13, 2007

WITNESS: Gary Grubbs, PE

By:

Ralph K. Combs

Counsel for BGE
100 United Drive, Suite 4B
Versailles, Kentucky 40383
(859) 873-5427

BLUE GRASS ENERGY COOPERATIVE CORPORATION
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1 Q1. Please state your name, position, and business address.

2 A1. My name is Gary E. Grubbs; I am a professional engineer ("PE") with
3 the consulting firm of *Patterson and Dewar Engineers, Inc.*
4 headquartered in Norcross, Georgia. I work from my home/office
5 located at 121 Hidden Forest Road in Glasgow, Kentucky.

6 Q2. Please provide an overview of your professional qualifications.

7 A2. I received my BSEE from the University of Kentucky and my
8 Professional Engineer's license from the Commonwealth of Kentucky. I
9 have been employed for the last 32 years in various positions within
10 the electric utility industry. Said positions have held direct
11 responsibility for both electric distribution and vegetation
12 management from the role of utility management, governmental
13 regulatory management and private consulting in the electric utility
14 industry.

15 Q3. Have you previously testified before the Kentucky Public Service
16 Commission (the "Commission")?

17 A3. No

18 Q4. What is the purpose of your testimony?

19 A4. My firm is retained by Blue Grass Energy Cooperative Corporation
20 ("BGE") to provide various professional services. The purpose of my
21 testimony is to discuss issues and questions put forth by Commission
22 staff's guidance for testimony as outlined in the Informal Conference
23 ("IC") notes for Case 2006-00494 on March 8th, 2007.

24

25

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BLUE GRASS ENERGY COOPERATIVE CORPORATION
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1 Q5. With respect to reliability reporting requirements; is it appropriate
2 for the Public Service Commission to require regular reporting of
3 reliability information from all distribution utilities?

4 A5. Present requirements for reporting portions of RUS Form 7 information
5 could be expanded to include RUS Form 7, Part G outage data; such is
6 also available during yearly PSC inspections. Reporting requirements
7 of greater detail or frequency would greatly increase workloads for
8 utility as well as Commission staff.

9 Q6. With respect to reliability reporting requirements; is it appropriate
10 for the Commission to require reporting at a level smaller than the
11 entire system (i.e. by substation or circuit)

12 A6. As stated in A5 above it would greatly increase workloads for utility
13 and Commission staff if reporting of detailed outage information is
14 required. Yearly reviews of system wide reliability indices and
15 basic guidelines/expectations by Commission staff would prove more
16 beneficial as compared to a cumbersome and costly "micro-management"
17 approach.

18 Q7. With respect to reliability reporting requirements; are there any
19 concerns about sharing this information within the industry or with
20 the public?

21 A7. Public disclosure of system outage information by RUS utilities
22 exists at present via RUS and Commission open-records laws.
23 Disclosure of such information on a more localized basis could have
24 undesirable consequences based upon the fact that reliability factors
25 for each specific customer/area will always be different and for
26 comparison purposes must be evaluated on an "apple-to-apple" basis.

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1 Q8. With respect to reliability performance standards; please comment on
2 the appropriateness of a reliability performance standard. An example
3 of a performance standard is found in the RUS requirement of no more
4 than five hours outage for the average customer for any reason, and
5 no more than one hour caused by power supply.

6 A8. Performance guidelines for system indices could be a viable option if
7 used as only one facet of an overall system/utility review. The
8 Commission presently has the option of management and/or operational
9 audits and such could be triggered by a less than reasonable review.

10 Q9. With respect to reliability performance standards; comment on an
11 appropriate requirement to respond to non-attainment of a performance
12 standard, or in the alternative explain why a response to non-
13 attainment is not necessary.

14 A9. An appropriate response to non-attainment exists at present as stated
15 in A8 above; use of the existing management/operational audit.

16 Q10. With respect to right-of-way ("ROW") management; please provide
17 comments regarding the appropriateness of a PSC defined ROW
18 management minimum standard.

19 A10. ROW management methods are like tools; the prudent choice may be
20 different depending on the type tree, the terrain, the type of line
21 construction, the line voltage, the growth contributors, the tree
22 maintenance cycle achievable, the location, the easement, the over-
23 all reliability required, etc. Utilities should be permitted to
24 implement any or all of the prudent methods available at the time of
25 action and thus minimum standards would prove cumbersome with
26 possible negative results.

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1 Q11. With respect to right-of-way ("ROW") management; if such a standard
2 were created, to what level of detail should it be defined?

3 A11. Refer to A10; possible guidelines should be the extent of any
4 Commission initiative.

5 Q12. With respect to right-of-way ("ROW") management; does a PSC
6 requirement give the utility any advantage when performing ROW
7 maintenance?

8 A12. As eluded to in A10 - A12 above Commission ROW requirements are a
9 step in the wrong direction. However, Commission support in such
10 areas as strengthening the ability of utility ROW clearing and
11 increasing public awareness of the needs for such could be of great
12 benefit.

13 Q13. With respect to right-of-way ("ROW") management; are there
14 disadvantages {to a PSC requirement that gives the utility possible
15 advantages when performing ROW maintenance}?

16 A13. Yes. Most rural facilities in place at present are on private land
17 without written easements. The cutting/trimming of privately owned
18 trees is a very delicate undertaking and is best conducted on case-
19 by-case or landowner-by-landowner basis. Ill will impressed upon a
20 property owner not only interferes with vegetation management on said
21 owners property but on any future need for additional facilities
22 across the property.