

JUN 21 2013

PUBLIC SERVICE
COMMISSION

P.O. Box 990 • 1201 Lexington Road • Nicholasville, Kentucky 40340-0990
Phone: 888-546-4243 • Fax: 859-885-2854 • www.bgenergy.com

June 21, 2013

Jeff Derouen, Executive Director
Kentucky Public Service Commission
P O Box 615
Frankfort Kentucky 40602

Re: PSC Case No. 2012-00260

Dear Mr. Derouen,

We are filing an original and 10 copies requesting relief from some of the data collection requirements that was included in the PSC Case No. 2012-00260 as ordered by the Commission relating to its approval of the Blue Grass Energy's Prepay Metering Program. We are seeking the same relief that was granted Nolin RECC in its PSC Case No. 2013-00037.

We started our program September 1, 2012 and have been very successful with 624 members requesting the Prepay program as of June 14, 2013. We filed the data that was requested in the Appendix of Case No. 2012-00260 (Exhibit 1) in our PSC 2012 Annual Report for 199 members participating as of December 31, 2012. This data was gathered manually for this report. Our computer service does not have the software to gather the requested data electronically. We did submit 2012 data in a timely manner but collecting and organizing the information requested in PSC Case No. 2012-00260 was extremely time-consuming and burdensome. Currently our numbers have more than tripled since the end of 2012 and continues to increase. The burdensome responsibility of tracking this data manually for each individual account including previous year information continues to increase. So, we ask to change the data requested in appendix of PSC Case NO. 2012-00260, which is approximately the same data requested from Nolin's PSC Case No. 2011-00141 appendix (Exhibit 2) to data requested similar to Nolin's PSC Case No. 2013-00037 (Exhibit 3).

We are very satisfied with the Prepay Metering Program and consider it to be very successful at this point. The impact of the program for our members has been and continues to be a much needed option for those who are unable to pay a deposit or want to manage their usage. It is not unreasonable to think that enrollment in this program will continue to grow as it has over the past 9 months. So, we ask for relief similar to

Nolin's PSC Case No. 2013-00037 stating that the Commission relieved Nolin of the filing requirements set forth in Case No. 2011-00141 but for the calendar years 2013, 2014 and 2015 Nolin should file annually with its annual report:

1. The number of new and total participants;
2. The number of participants who left the prepay tariff and the reasons they left;
and
3. The number of participants who allowed their accounts to deplete to zero and were disconnected.

As we have stated, we considered this an excellent program and have had a very good participation response. We feel the data requested from Nolin in PSC Case No. 2013-00037 would alleviate some of this burdensome and extremely time consuming responsibility as well as provide adequate data for the PSC.

If you have any questions, please contact me at 859-885-2118 or email donalds@bgenenergy.com. As always, your continued assistance and cooperation is appreciated.

Respectfully submitted,



J. Donald Smothers
Vice President, Financial Services & CFO

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2012-00260 DATED AUG 10 2012

The information and data to be maintained by Blue Grass shall, at a minimum, address the following issues:

1. The number of participants over the course of the Prepay Program, disaggregated to show how many:

- a. Remained in the program from the time they enrolled;
- b. Were terminated from the program (and the reasons for such termination); and
- c. Voluntarily left the program (and the reasons for leaving).

2. The number of participants whose enrollment resulted from having sought to resolve a past due bill, an arrearage balance, prior service disconnection, or some other service or payment problem.

3. The number of participants, by month, who permitted their purchased energy to run down to zero causing their service to shut off.

4. The number of participants who permitted their purchased energy to run down to zero multiple times, with the numbers disaggregated to show the number with two, three, and four or more such occurrences.

5. The number of participants with arrearage balances at the time of enrollment showing the number with arrearages of:

- a. \$100 or less;
- b. \$101 to \$299; and

c. \$300 or greater.

6. The number of participants that had received disconnect notices at their current residence during the 12 months immediately prior to enrolling in the program.

7. For all program participants, the month each participant enrolled in the program and their individual monthly electric usage and bill amounts, comparing the month in the current year with the same month in the prior year (i.e. August 2012 with August 2011, September 2012 with September 2011, etc.)

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2011-00141 DATED JUN 20 2011

The information and data to be maintained by Nolin, shall, at a minimum, address the following issues:

1. The number of participants over the course of the Prepay Program, disaggregated to show how many: (1) remained in the program from the time they enrolled; (2) were terminated from the program (and the reasons for such termination); and (3) voluntarily left the program (and the reasons for leaving).
2. The number of participants whose enrollment resulted from having sought to resolve a past-due bill, an arrearage balance, prior service disconnection, or some other billing or payment problem.
3. The number of participants, by month, who permitted their purchased energy to run down to zero, causing their service to shut off.
4. The number of participants who permitted their purchased energy to run down to zero multiple times, with the numbers disaggregated to show the number with two, three, and four or more such occurrences.
5. The number of participants with arrearage balances at the time of enrollment showing the number with arrearages of: (a) \$100 or less; (b) \$101 to \$299; and (c) \$300 or greater.
6. The number of participants that had received disconnect notices at their current residence during the 12 months immediately prior to enrolling in the program.

7. For all program participants, the month each participant enrolled in the program and individual monthly electric usage and bill amounts, comparing the month in the current year with the same month in the prior year (i.e. August 2011 with August 2010, September 2011 with September 2010, etc.).

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

FILING OF NOLIN RURAL ELECTRIC)	
COOPERATIVE CORPORATION FOR)	
APPROVAL TO ELIMINATE ITS PILOT PREPAY)	CASE NO.
PROGRAM AND FOR APPROVAL OF A)	2013-00037
PERMANENT PREPAY PROGRAM)	
REGULATORY TARIFF)	

ORDER

The Commission, on its own motion, HEREBY ORDERS that the Findings and Orders paragraphs and the Ordering paragraphs of its April 19, 2013 Order are amended, *nunc pro tunc*, to read as follows:

FINDINGS

Having reviewed the evidence and being otherwise sufficiently advised, the Commission finds that Nolin's proposed tariff should be approved as of the date of this Order. The Commission also finds that Nolin should be relieved of the filing requirements set forth in Case No. 2011-00141,¹ but that for calendar years 2013, 2014, and 2015, Nolin should file the following information annually with its annual report:

1. The number of new and total participants;
2. The number of participants who left the prepay tariff and the reasons they left; and
3. The number of participants who allowed their accounts to deplete to zero and were disconnected.

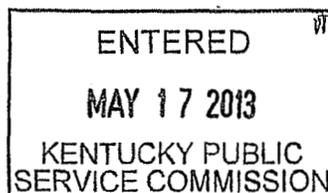
¹ Case No. 2011-00141, *Application of Nolin Rural Electric Cooperative Corporation for Approval of a Prepay Metering Pilot Program Tariff* (Ky. PSC Jun. 20, 2011).

Thereafter, Nolin should maintain records in such a way so as to be able to provide the above information upon request.

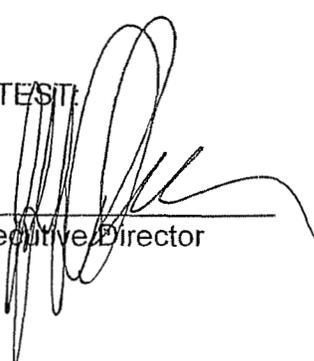
IT IS THEREFORE ORDERED THAT:

1. Nolin's proposed tariff is approved for service on and after the date of this Order.
2. Nolin is relieved of the filing requirements set forth in Case No. 2011-00141.
3. Nolin shall make annual filings for calendar years 2013, 2014, and 2015 as set forth in the Findings above, and thereafter, maintain its records so as to be able to provide the same information upon request.
4. Within ten days of the date of this Order, Nolin shall file with the Commission, using the Commission's electronic Tariff Filing System, its revised tariff sheets indicating the date of issue, the effective date, and that they were issued by authority of this Order.

By the Commission



ATTEST:



Executive Director