

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF BLUE GRASS)	
ENERGY COOPERATIVE CORPORATION FOR)	
AUTHORIZATION TO BORROW \$60,269,116)	CASE NO.
FROM THE NATIONAL RURAL UTILITIES)	2016-00291
COOPERATIVE FINANCE CORPORATION,)	
EXECUTE THE NECESSARY NOTE, AND)	
PREPAY RURAL UTILITIES SERVICE NOTES IN)	
THE AMOUNT OF \$70,269,116)	

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION TO
BLUE GRASS ENERGY COOPERATIVE CORPORATION

Blue Grass Energy Cooperative Corporation ("Blue Grass"), pursuant to 807 KAR 5:001, is to file with the Commission the original in paper medium and an electronic version of the following information. The information requested herein is due within five days of the date of this request. Responses to requests for information in paper medium shall be appropriately bound, tabbed, and indexed. Each response shall include the name of the witness responsible for responding to the questions related to the information provided.

Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry. Blue Grass shall make timely amendment to any prior response if it

obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which Blue Grass fails or refuses to furnish all or part of the requested information, Blue Grass shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention should be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations. When filing a document containing personal information, Blue Grass shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Refer to the Application, page 3, numbered paragraph 8. Explain why Blue Grass is liquidating temporary investments for the \$10,000,000 principal payment.
2. Refer to the Application, Exhibit 2, page 4. Explain why the advance date is 10/31/2016 and not 9/30/2016, the proposed closing date.
3. Refer to the Application, Exhibits 3 and 4.
 - a. Provide the "as of" date of the loan balances in Exhibit 4.
 - b. In Exhibit 4, refer to the Maturity Date of Loan Number RET-19-1 of 6/30/2030. Explain why this Maturity Date is different from the Maturity Date for Loan Number RET-19-1 on page 3 of Exhibit 3.

c. Explain why RUS note RET-21-2 has been included for refinancing, given that its current interest rate of 2.38 percent is lower than the refinancing rate of 2.95 percent.

4. Refer to the Application, Exhibit 6, page 2.

a. Confirm the interest rate for which the Net Present Value ("NPV") is calculated.

b. Provide the NPV calculation with the legal fees.

c. Provide the calculation of NPV in Excel spreadsheet format with formulas intact and unprotected and all rows and columns fully accessible.



Talina R. Mathews
Executive Director
Public Service Commission
P.O. Box 615
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DATED **AUG 19 2016**

cc: Parties of Record

Case No. 2016-00291

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