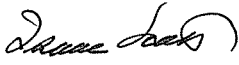


KENTUCKY PUBLIC SERVICE COMMISSION

INTRA-AGENCY MEMORANDUM

TO: Case File, Case No. 2008-00019
FROM: Isaac Scott 
DATE: January 16, 2008
RE: Filing Deficiencies

Attached is a copy of an e-mail message sent to Mr. Donald Smothers, Vice President of Blue Grass Energy Cooperative Corporation ("Blue Grass"), concerning the deficiencies identified in Case No. 2008-00019. Blue Grass has requested that this application be processed on an expedited basis, so this information has been sent to assist with that processing. A deficiency letter will also be issued, in accordance with regular operating procedure.

Attachment

Scott, Isaac S (PSC)

To: donalds@bgenergy.com
Subject: Case No. 2008-00019 - Filing Deficiencies

Mr. Smothers,

The Commission has received your January 15, 2008 letter requesting expedited processing of this application. The Staff have completed checking the application for deficiencies, and we have identified a few items. As part of our attempt to expedite the processing of this case, I am sending this message identifying the deficient items. You can respond by e-mail, but Bluegrass will also need to file the responses in the case record. Bluegrass will still get a letter notifying it of the deficiencies, but hopefully this message will speed up the overall process.

The noted deficiencies are:

807 KAR 5:001, Section 11(2)(b) - Copies of all trust deeds or mortgages. If previously filed, state case number.

The required copies or reference were not included. In your previous case, Case No. 2004-00371, the mortgage was part of the application.

807 KAR 5:001, Section 11(2)(a) - Financial Exhibit.

The specific deficiencies are listed below.

807 KAR 5:001, Section 6(1) - 6(3) - Amount and type of stock authorized, issued, and outstanding and detail of preference terms of preferred stock.

No information was provided about any stock, or a statement provided noting the questions were not applicable to Bluegrass.

807 KAR 5:001, Section 6(6) - Interest paid in last fiscal year on notes outstanding.

The provided amount for interest paid was for the 12 months ending November 30, 2007, which did not appear to be Bluegrass' fiscal year end.

807 KAR 5:001, Section 6(8) - Rate and amount of dividends paid during the 5 previous fiscal years and the amount of capital stock on which dividends were paid each year.

No information was provided about dividends, or a statement provided noting the questions were not applicable to Bluegrass.

807 KAR 5:001, Section 6(9) - Detailed income statement and balance sheet.

While the balance sheet was acceptable, the income statement only covers 11 months, rather than a full 12-month period.

Isaac S. Scott
Manager, Electric & Gas Revenue Requirements
Financial Analysis Division
211 Sower Boulevard
P. O. Box 615
Frankfort, Kentucky 40601
502.564.3940 x444

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