

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF BLUE GRASS ENERGY)	
COOPERATIVE CORPORATION FOR)	CASE NO.
APPROVAL OF A GENERAL SERVICE 0-100 KW)	2012-00384
TIME OF DAY TARIFF)	

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

Blue Grass Energy Cooperative Corporation ("Blue Grass Energy"), pursuant to 807 KAR 5:001, is to file with the Commission the original and 10 copies of the following information, with a copy to all parties of record. The information requested herein is due no later than 14 days from the date of issuance of this request. Responses to requests for information 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 the 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 Energy 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 Energy fails or refuses to furnish all or part of the requested information, it shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall 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.

1. Refer to the Application of Blue Grass Energy for approval of a SC-2 (General Service 0-100 kW Time of Day Tariff), page 2, Item 6, where it states, “[e]xhibit D provides the revenue from the current rates applicable to Schedule SC-2 (General Service 0-100 kW) and the development of the rates for the proposed tariff.” Should that paragraph have stated exhibit D provides the revenue from the current rates applicable to Schedule SC-1 (General Service 0-100 kW) and the development of the rates for the proposed tariff?

2. Refer to Exhibit B, page 1 of 1. Under the section “Design and Development of Proposed TOD Rate,” it states, “[t]he billing determinants for all customers whose demand is less than 100 kW were identified in Bluegrass’s current Schedule SC-2 – Small Commercial”. Is the correct reference Blue Grass Energy’s current Schedule SC-1 Small Commercial?

3. Explain the purpose of making available a Time of Day Tariff to the small commercial customers of Blue Grass Energy. Identify in the explanation the specific types of commercial customers that can benefit from the tariff given the specific on-peak hours selected by Blue Grass Energy.

4. Provide the time, date, and kW amount of Blue Grass Energy's winter peak for the last five years.

5. Provide the time, date, and kW amount of Blue Grass Energy's summer peak for the last five years.

6. Refer to Exhibit B, page 1 of 1. Under the section entitled "Design and Development of Proposed TOD Rate," the second paragraph states, "[t]he times chosen are the same as East Kentucky Power Cooperative with the following peak and on peak hours for weekdays and weekends." Provide support for the inclusion of weekend and holiday hours in the on-peak category.

7. Refer to Exhibit B, page 1 of 1. Under the section "Design and Development of Proposed TOD Rate," at the third paragraph, the second sentence states, "[a] customer charge of \$35.00 was selected to cover any possible costs plus some of the demand costs." Identify the following:

a. The possible costs and the associated level of each identified cost reflected in the customer charge.

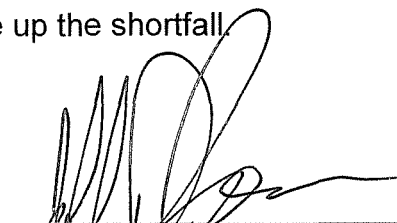
b. The demand costs and the associated level of each identified demand cost reflected in the customer charge.

8. Refer to Exhibit B, page 1 of 1. Under the section entitled "Design and Development of Proposed TOD Rate," at the third paragraph, the fifth sentence states, "[a]n off peak energy rate of \$0.07 per kWh was established and the remainder of the revenue requirements needed to maintain revenue neutrality is placed on the on-peak energy rate." Provide the support and methodology for the derivation of the \$0.07 per kWh off-peak energy charge.

9. Refer to Exhibit D, page 1 of 1, Section B., On-Peak column. What is Blue Grass Energy's goal, in kWh or percentage, to shift energy from the on-peak to the off-peak hours?

10. Refer to Exhibit D, page 1 of 1, Section C. In the event Blue Grass Energy is successful in shifting 10 percent of its on-peak energy load to its off-peak hours, would Blue Grass Energy have a revenue shortfall of approximately \$201,450 $[(35,654,990 \times .10) \times (.012650 - 0.07000)]$?

11. Does Blue Grass Energy propose making up any revenue shortfall which is a result of customers shifting energy usage from on-peak hours to off-peak hours? If yes, explain Blue Grass Energy's plan to make up the shortfall.



Jeff Derouen
Executive Director
Public Service Commission
211 Sower Boulevard
Frankfort, KY 40601

DATED SEP 19 2012

cc: Parties of Record

Case No. 2012-00384

Ralph K Combs
Attorney at Law
100 United Drive, Suite 4B
Versailles, KENTUCKY 40383