



Steven L. Beshear
Governor

Leonard K. Peters
Secretary
Energy and Environment Cabinet

Commonwealth of Kentucky
Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, Kentucky 40602-0615
Telephone: (502) 564-3940
Fax: (502) 564-3460
psc.ky.gov

David L. Armstrong
Chairman

James Gardner
Vice-Chairman

Linda Breathitt
Commissioner

March 22, 2013

PARTIES OF RECORD

Re: Case No. 2013-00071

Attached is a memorandum being filed in the case file of the case referenced above. If you wish to make any comments regarding the contents of this informal conference memorandum, please do so within five days of receipt of this letter. If you have any questions, please call Jim Livers of the Commission staff at (502)782-2655.

Sincerely,



Jeff Derouen
Executive Director

Attachment

INTRA-AGENCY MEMORANDUM

KENTUCKY PUBLIC SERVICE COMMISSION

TO: File: Case No. 2013-00071

FROM: Jim Livers, Team Leader

DATE: March 22, 2013

RE: Blue Grass Energy Cooperative Corporation - Application of Blue Grass Energy Cooperative Corporation for an Order Pursuant to KRS 278.300 and KAR 5:001, Section 11 and Related Sections Authorizing the Cooperative to Obtain a Loan in the Amount of \$1,200,000, from the National Rural Utilities Cooperative Finance Corporation

Pursuant to a Staff Notice of March 22, 2013, a telephonic informal conference ("IC") was held in the above referenced case on March 22, 2013. A copy of the attendance list is attached to this memorandum.

The purpose of the IC was to clarify the interest rate Blue Grass Energy Cooperative Corporation ("Blue Grass") will pay the Cooperative Finance Corporation ("CFC") under the proposed financing, as well as the interest rate Blue Grass will charge the United States government under an Energy Conservation Management Services contract. Blue Grass stated that under the contract they would receive a .25 percent adder on the interest rate the United States government pays it over and above the interest rate charged under the proposed CFC financing. The proposed financing of Blue Grass with CFC is a variable interest rate, with the rate as of March 6, 2013, the date Blue Grass filed a letter to cure its filing deficiencies, being 2.9%. Blue Grass stated that at the time the proposed financing is executed, the contract will reflect the variable rate charged by CFC plus the .25% adder. The contract provides for monthly payments over the 10 year period of the loan and any changes in the variable rate will be reflected in the contractual amounts between the parties.

There being no further questions or need for further questions, the IC was adjourned.

Attachment: Sign-In Sheet

2013-00071 Bluegrass Energy Finenergy
Regional Conference 2/22/13

Gregory D. Gray
Leah Faulkner
~~Finenergy~~
Aaron Ann Cole
Ferozdoon Gorjian

PSC
PSC - FA
PSC - FA
PSC - legal
PSC - Engineering

Via Teleconferences

Ralph Combs
Don Smothers
Chris Brewer
~~Chris~~

Bluegrass
Bluegrass
Bluegrass