



Blue Grass Energy

A Touchstone Energy Cooperative 

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

October 28, 2014

RECEIVED

OCT 27 2014

PUBLIC SERVICE
COMMISSION

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

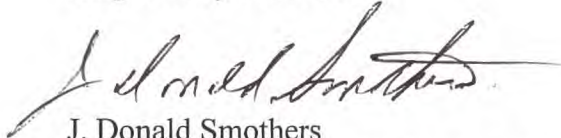
Re: PSC Case No. 2014-00051

Dear Mr. Derouen,

Please find enclosed for filing with the Commission in the above-referenced case an original and six copies of the PSC's fourth request for information concerning the "Environmental Surcharge Pass Through Mechanism". The witness responsible for responding to the questions is included. Also, included is a signed certification of the person supervising the preparation of the responses.

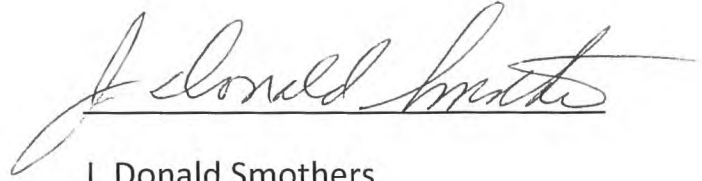
If you have any questions, please contact me at 859-885-2118.

Respectfully submitted,



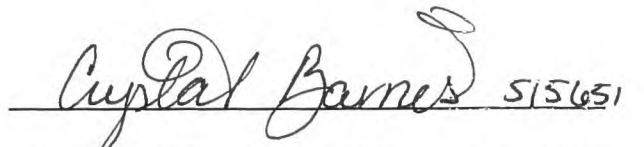
J. Donald Smothers
Vice President, Financial Services & CFO

The affiant, J. Donald Smothers, Vice President, Financial Services & CFO for Blue Grass Energy, states that the data presented in this filing is true and correct to the best of his knowledge and belief.


J. Donald Smothers

Subscribed and sworn to before me by the affiant, J. Donald Smothers, this 21 day of October 2014.

My Commission expires July 21, 2018


Notary Public, State of Kentucky at Large

Blue Grass Energy

Case No. 2014-00051

PSC 4TH REQUEST FOR INFORMATION

1. Request:

Confirm that the requested amortization period for the over- or under- recovery amounts determined in the response to the September 4, 2014 informal conference information request is six months.

Response:

Yes, the response to the September 4, 2014 informal conference information request is six months.

Witness: J. Donald Smothers

Blue Grass Energy**Case No. 2014-00051****PSC 4th request for information**

2. Request:

Based on the average residential usage amount determined in your response to item 7 of Commission Staff's First Request for information, provide the dollar impact the over-or under-recovery amount determined in your response to the September 4, 2014 informal conference information request will have on the average residential customer's monthly bill for the requested amortization period. Provide all supporting calculations.

Response:

12 months actual average Residential Customer's Months Usage ending June 30,2014

1,311

June 2014 bill calculation with actual Environmental Surcharge using 12 months actual Average Residential Customer's Monthly Usage ending June 30,2014.

Energy	\$117.35
Customer Charge	\$ 9.73
Fuel Adjustment @ \$0.00225	\$ 2.95
Environmental Surcharge @11.28% (June 2014)*	\$ 14.67
Local School Tax @ 3.0%	<u>\$ 4.34</u>
Total Bill Amount	\$149.04

*See Item 2 Page 4 of 5

Witness: J. Donald Smothers

Blue Grass Energy

Case No. 2014-00051

PSC 4th request for information

Response – continued

June 2014 bill calculation including current Recovery Period Environmental Surcharge using 12 months actual Average Residential Customer's Monthly Usage ending June 30,2014.

Energy	\$117.35
Customer Charge	\$ 9.73
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*See Item 2 Page 5 of 5

The dollar impact \$0.00

Witness: J. Donald Smothers

Blue Grass Energy - Calculation of (Over)/Under

Mo/Yr	EKPC Invoice Month recorded Member's Books	Amortization of Previous (Over)/Under Recoveries		Net EKPC Invoice and Amortization of Previous (Over)/Under Recoveries	Billed to Retail Consumer & recorded on Member's Books	Monthly (Over) or Under	Cumulative (Over) or Under
		CN 2012-00486	CN 2013-00140				
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Jul-13	\$ 1,174,321			\$ 1,174,321	\$ 1,260,553	\$ (86,232)	\$ (86,232)
Aug-13	\$ 1,078,891			\$ 1,078,891	\$ 1,206,446	\$ (127,555)	\$ (213,787)
Sep-13	\$ 930,331	\$ (206,518)		\$ 723,813	\$ 857,634	\$ (133,821)	\$ (347,608)
Oct-13	\$ 830,013	\$ (206,518)	\$ 55,512	\$ 679,007	\$ 744,618	\$ (65,611)	\$ (413,219)
Nov-13	\$ 1,155,358	\$ (206,518)	\$ 55,512	\$ 1,004,352	\$ 778,842	\$ 225,510	\$ (187,709)
Dec-13	\$ 1,436,079	\$ (206,518)	\$ 55,512	\$ 1,285,073	\$ 1,098,832	\$ 186,241	\$ (1,468)
Jan-14	\$ 1,521,555	\$ (206,518)	\$ 55,512	\$ 1,370,549	\$ 1,361,922	\$ 8,627	\$ 7,159
Feb-14	\$ 972,154	\$ (206,518)	\$ 55,512	\$ 821,148	\$ 1,312,461	\$ (491,313)	\$ (484,154)

Cumulative 6-months (Over)/Under Recovery \$ (1,468)

Monthly Recovery (per month for six months) \$ (245)

Response to Staff's First Request, Request 2a:	
Cumulative 6-months (Over)/Under Recovery	\$658,068
Monthly Recovery	\$109,678

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East Kentucky Power Cooperative, Inc. - Distribution Cooperatives
Pass Through Mechanism Report for Blue Grass Energy

For the Month Ending August 2014

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)*	(10)	(11)	(12)	(13)	(14)	(15)
Surcharge Factor Expense Month	EKPC CESF %	EKPC BESF %	EKPC MESF %	EKPC Monthly Revenues from Sales to Blue Grass	On-peak Revenue Adjustment	EKPC Net Monthly Sales to Blue Grass	EKPC 12-months Ended Average Monthly Revenue from Sales to Blue Grass	Blue Grass Revenue Requirement	Amortization of (Over)/Under Recovery	Cooperative Net Revenue Requirement	Cooperative Total Monthly Retail Revenues	On-Peak Retail Revenue Adjustment	Blue Grass Net Monthly Retail Revenues	12-months ended Avg. Retail Revenues, Net	Cooperative Pass Through Mechanism Factor
			Col. (1) - Col. (2)			Col. (4) - Col. (5)		Col (3) x Col (7)		Col (8) + Col (9)			Col. (11) - Col. (12)		Col (10) / Col (14)
Sep-12	16.23%	0.00%	16.23%	\$ 5,595,764		\$ 5,595,764	\$ 6,292,390	\$ 1,021,255	\$ -	\$ 1,021,255	\$ 8,607,615		\$ 8,607,615	\$ 8,644,019	11.76%
Oct-12	17.57%	0.00%	17.57%	\$ 5,386,462		\$ 5,386,462	\$ 6,294,510	\$ 1,105,945	\$ -	\$ 1,105,945	\$ 6,944,443		\$ 6,944,443	\$ 8,621,274	12.79%
Nov-12	18.23%	0.00%	18.23%	\$ 6,671,756		\$ 6,671,756	\$ 6,342,213	\$ 1,156,186	\$ -	\$ 1,156,186	\$ 8,045,873		\$ 8,045,873	\$ 8,644,495	13.41%
Dec-12	14.61%	0.00%	14.61%	\$ 7,655,389		\$ 7,655,389	\$ 6,379,484	\$ 932,043	\$ -	\$ 932,043	\$ 8,831,469		\$ 8,831,469	\$ 8,650,224	10.78%
Jan-13	13.49%	0.00%	13.49%	\$ 8,368,011		\$ 8,368,011	\$ 6,409,219	\$ 864,604	\$ -	\$ 864,604	\$ 11,063,252		\$ 11,063,252	\$ 8,687,592	10.00%
Feb-13	12.61%	0.00%	12.61%	\$ 7,697,908		\$ 7,697,908	\$ 6,473,392	\$ 816,295	\$ -	\$ 816,295	\$ 12,122,858		\$ 12,122,858	\$ 8,800,546	9.40%
Mar-13	14.37%	0.00%	14.37%	\$ 7,889,481		\$ 7,889,481	\$ 6,661,039	\$ 957,191	\$ -	\$ 957,191	\$ 10,266,295		\$ 10,266,295	\$ 8,906,831	10.88%
Apr-13	14.27%	0.00%	14.27%	\$ 5,946,116		\$ 5,946,116	\$ 6,763,109	\$ 965,096	\$ -	\$ 965,096	\$ 9,816,419		\$ 9,816,419	\$ 9,123,868	10.84%
May-13	17.97%	0.00%	17.97%	\$ 6,135,147		\$ 6,135,147	\$ 6,795,833	\$ 1,221,211	\$ -	\$ 1,221,211	\$ 7,490,320		\$ 7,490,320	\$ 9,164,848	13.38%
Jun-13	17.09%	0.00%	17.09%	\$ 6,778,528		\$ 6,778,528	\$ 6,831,433	\$ 1,167,492	\$ -	\$ 1,167,492	\$ 8,294,725		\$ 8,294,725	\$ 9,201,911	12.74%
Jul-13	15.77%	0.00%	15.77%	\$ 6,871,407		\$ 6,871,407	\$ 6,797,874	\$ 1,072,025	\$ (206,518)	\$ 865,507	\$ 9,420,694		\$ 9,420,694	\$ 9,216,988	9.41%
Aug-13	15.49%	0.00%	15.49%	\$ 6,841,413		\$ 6,841,413	\$ 6,819,782	\$ 1,056,384	\$ (151,006)	\$ 905,378	\$ 9,481,504		\$ 9,481,504	\$ 9,198,789	9.82%
Sep-13	14.93%	0.00%	14.93%	\$ 6,006,002		\$ 6,006,002	\$ 6,853,968	\$ 1,023,297	\$ (151,006)	\$ 872,291	\$ 9,113,907		\$ 9,113,907	\$ 9,240,980	9.48%
Oct-13	16.69%	0.00%	16.69%	\$ 5,559,349		\$ 5,559,349	\$ 6,868,376	\$ 1,146,332	\$ (151,006)	\$ 995,326	\$ 7,582,559		\$ 7,582,559	\$ 9,294,156	10.77%
Nov-13	17.43%	0.00%	17.43%	\$ 6,922,465		\$ 6,922,465	\$ 6,889,268	\$ 1,200,799	\$ (151,006)	\$ 1,049,793	\$ 8,215,783		\$ 8,215,783	\$ 9,308,315	11.30%
Dec-13	14.54%	0.00%	14.54%	\$ 8,239,120		\$ 8,239,120	\$ 6,937,912	\$ 1,008,772	\$ (151,006)	\$ 857,766	\$ 10,201,567		\$ 10,201,567	\$ 9,422,490	9.22%
Jan-14	10.92%	0.00%	10.92%	\$ 10,453,485		\$ 10,453,485	\$ 7,111,702	\$ 776,598	\$ 55,512	\$ 832,110	\$ 12,051,908		\$ 12,051,908	\$ 9,504,878	8.83%
Feb-14	5.44%	0.00%	5.44%	\$ 8,869,716		\$ 8,869,716	\$ 7,209,352	\$ 392,189	\$ -	\$ 392,189	\$ 14,235,141		\$ 14,235,141	\$ 9,680,902	4.13%
Mar-14	11.62%	0.00%	11.62%	\$ 8,065,739		\$ 8,065,739	\$ 7,224,041	\$ 839,434	\$ (41,681)	\$ 797,753	\$ 10,918,286		\$ 10,918,286	\$ 9,735,234	8.24%
Apr-14	13.47%	0.00%	13.47%	\$ 5,920,462		\$ 5,920,462	\$ 7,221,903	\$ 972,790	\$ (41,681)	\$ 931,109	\$ 9,441,379		\$ 9,441,379	\$ 9,703,981	9.56%
May-14	15.84%	0.00%	15.84%	\$ 6,227,017		\$ 6,227,017	\$ 7,229,559	\$ 1,145,162	\$ (41,681)	\$ 1,103,481	\$ 7,523,213		\$ 7,523,213	\$ 9,706,722	11.37%
Jun-14	15.67%	0.00%	15.67%	\$ 7,076,703		\$ 7,076,703	\$ 7,254,407	\$ 1,136,765	\$ (41,681)	\$ 1,095,084	\$ 8,742,957		\$ 8,742,957	\$ 9,744,075	11.28%
Jul-14	14.38%	0.00%	14.38%	\$ 7,184,707		\$ 7,184,707	\$ 7,280,515	\$ 1,046,938	\$ (41,681)	\$ 1,005,257	\$ 9,663,683		\$ 9,663,683	\$ 9,764,324	10.32%
Aug-14	12.62%	0.00%	12.62%	\$ 7,420,439		\$ 7,420,439	\$ 7,328,767	\$ 924,890	\$ (41,681)	\$ 883,209	\$ 9,406,626		\$ 9,406,626	\$ 9,758,084	9.05%

Notes:
Blue Grass Total Monthly Retail Revenues in Column (11) includes demand and energy charges, customer charges, and FAC revenues.
Revenues reported in Columns (4), (6), (7), (11), (13), and (14) are net of Green Power Revenues.

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