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

January 5, 2015

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

JAN 05 2015

PUBLIC SERVICE COMMISSION

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 Commission staff's post-hearing request for information concerning the current environmental surcharge case no. 2014-00051. Attached is a signed certification that the response is true and accurate to the best of my knowledge. I am the witness responsible for responding to the questions related to the information provided.

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 <u>5</u> day of <u>Tenvery</u> 2015.

My Commission expires

Notary Public, State of Kentucky at Large

## 12. Request:

This question is addressed to EKPC and all of the member distribution cooperatives. If the Commission approves the since inception methodology proposed by South Kentucky, does EKPC and each member distribution cooperative agree that the since inception methodology should be applied to calculate the over-/under-recovery amount for all of the member distribution cooperatives, for this proceeding only, and adopt the amortization exclusion methodology for future proceedings?

Response:

Yes

Witness:

J. Donald Smothers

## 13. Request:

This question is for all of the member distribution cooperatives. Refer to South Kentucky's response to Staff's Fourth Request, item 3.d., page 6 – 13 of 17. Should the Commission elect to approve the since inception methodology in calculating the over/under balance at December 31, 2013 do the member distribution cooperatives agree with the information in items 13.a. – 13.p. below? If not, provide the correct information along with supporting calculations in electronic format with all cells and formulas intact.

b. Blue Grass Energy Cooperative Corporation will have a net under recovery at December 31, 2013 of \$1,192,382 [\$695,796 – (\$496,586)], with an average increase in the residential bill of \$2.57 per month.

Response:

Yes.

Witness: J. Donald Smothers