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RECEIVED

APR 0 4 2016

PUBLIC SERVICE COMMISSION

March 31, 2016

Executive Director Kentucky Public Service Commission P O Box 615 211 Sower Boulevard Frankfort, KY 40602

Dear Executive Director:

Enclosed is the affidavit of Publication of Hearing Notice from Anita Richter, Managing Editor of Kentucky Living, and two copies of the hearing notice for Blue Grass Energy.

This is for the period May 1, 2015 through October 31, 2015 for Case No. 2016-00008.

If you have any questions, please contact me at (859) 885-2117.

Sincerely,

Phillip Johnson Vice President, Finance & CFO Blue Grass Energy Cooperative Corporation



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AFFIDAVIT OF MAILING OF HEARING NOTICE

Notice is hereby given that the April issue of *KENTUCKY LIVING*, bearing official notice of hearing of PSC Case No. 2016-00008, for the purposes of examining the application of the Fuel Adjustment Clause of BLUE GRASS ENERGY COOPERATIVE CORPORATION from May 1, 2015, through October 31, 2015, was entered as direct mail at Florence, Kentucky on March 29, 2016.

Anita Travis Richter Editor *Kentucky Living*

County of Jefferson State of Kentucky

Sworn to and subscribed before me, a Notary Public, This 29^{+7} day of <u>march</u>, 2016. My commission expires <u>2-12-19</u>

Notary Public, State of Kentucky

P.O. Box 32170 Louisville, KY 40232

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4515 Bishop Lane Louisville, KY 40218

(502) 451-2430 (800) KY-LIVING (800) 595-4846 Fax: (502) 459-1611

www.kentuckyliving.com

ENERGY

Understanding 'The GRID'

Getting electricity from a power plant to your home, farm, business or industry requires a series of coordinated processes across many miles of interconnected wires. This massive system of generation, transmission and distribution is simply called "the Grid," the largest, most complicated machine ever built by man.

GENERATION

Electricity starts at a generator which can be powered by a burning fossil fuel, like coal or natural gas, by maintaining a nuclear reaction, or by collecting wind, solar or water energy.

TRANSMISSION

After it's generated, at around 26,000 volts, electricity is "stepped up" by transformers to high voltage, from 155,000 to 765,000 volts, to help avoid loss of energy from resistance as it travels long distances on transmission lines.

The newly generated power travels to transmission substations that use transformers to convert it

to extremely high voltages.

Located at key points, sensors or where and when power might go out.

Step up transformers help convert power to high voltages for transmission over long distances.

Eastern

Interconnection

DISTRIBUTION

Transmitted electricity is then stepped down to lower voltages, typically 7,200 volts, at distribution substations and is sent out over the local power lines and poles owned and maintained by your electric cooperative.

Step down transformers convert the voltage carried on distribution lines outside your home to 240/120 volts for your home or business use.

Western

Interconnection

ERCOT

INTERCONNECTIONS

The electric grid operates in three sections: the Western Interconnection, the Eastern Interconnection, and the Electric Reliability Council of Texas (ERCOT). The grid includes approximately 3,000 utilities and other entities, 7,000 power plants and 450,000 miles of transmission lines.

INTER US DEPARTMENT OF ENERGY, NRECA

HEARING NOTICE

A public hearing will be held on Thursday, April 7, 2016, at 9 a.m., Eastern Daylight Time, at the offices of the Kentucky Public Service Commission, 211 Sower Boulevard, Frankfort, Kentucky, to examine the application of the fuel adjustment clause of the following corporations for the period of May 1, 2015, through October 31, 2015. Individuals interested in attending this hearing shall notify the Public Service Commission in writing of their intent to attend no later than April 5, 2016. If no notices of intent to attend are received by this date, this hearing will be cancelled. Written notice of intent to attend this hearing should be sent to: Executive Director, Kentucky Public Service Commission, P.O. Box 615, Frankfort, Kentucky 40602.

Big Sandy RECC Case No. 2016-00007

Blue Grass Energy Cooperative Case No. 2016-00008

Clark Energy Cooperative Case No. 2016-0009

Cumberland Valley Electric Case No. 2016-00010

Farmers RECC Case No. 2016-00011

Fleming-Mason Energy Cooperative Case No. 2016-00012

Grayson RECC Case No. 2016-00013

Inter-County Energy Cooperative Case No. 2016-00014

Jackson Energy Cooperative Case No. 2016-00015

Licking Valley RECC Case No. 2016-00016

Meade County RECC Case No. 2016-00025

Nolin RECC Case No. 2016-00017

Owen Electric Cooperative Case No. 2016-00018

Salt River Electric Cooperative Case No. 2016-00019

Shelby Energy Cooperative Case No. 2016-00020 South Kentucky R

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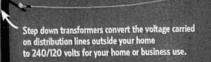
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The newly generated power travels to transmission substations that use transformers to convert it to extremely high voltages. Located at key points, sensors monitor where and when power might go out.

Step up transformers help convert power to high voltages for transmission over long distances.

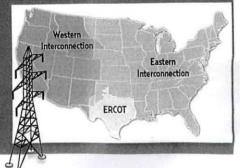
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South Kentucky RECC Case No. 2016-00021

Taylor County RECC Case No. 2015-00022