

August 14, 2015

Mr. Jeff Derouen  
Kentucky Public Service Commission  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, Kentucky 40602

Re: Blue Grass Energy Cooperative Corporation– Interruptible Service Schedule (Revised)

Dear Mr. Derouen:

Please find enclosed for filing with the Commission, via the electronic tariff filing system, the above-referenced tariff.

Blue Grass Energy Cooperative Corporation currently administers a tariffed Interruptible Service program that provides a discount to participating end-use cooperative members (“end-use members”) who agree to reduce demand, when requested, for economic or reliability reasons.

Blue Grass Energy Cooperative Corporation’s current tariff provides for two notice periods of interruption - a 10-minute notice and a 60-minute notice - to participating end-use members. Due to East Kentucky Power Cooperative, Inc.’s (“EKPC”) participation in the PJM Interconnection, LLC (“PJM”) Demand Response Program, effective June 1, 2015, PJM requires a single, 30-minute notice period be used for all PJM required reliability interruptions. In order to accommodate this PJM requirement and for program simplicity, Blue Grass Energy Cooperative Corporation has revised its tariff to show only one, 30-minute notice period. Subsequently, the demand credits payable to participating end-use members for the contracted hours of interruption, which were calculated based on EKPC’s avoided capacity cost, have been revised by assigning the most accurate credits in the current tariff (those credits at the 10-minute notice period) to the new, 30-minute notice period. The numbers of contracted hours of interruption – 200, 300, and 400 – remain the same from the current tariff to the revised tariff. This tariff will keep Blue Grass Energy Cooperative Corporation’s Interruptible Service tariff consistent with that of EKPC’s recently amended Interruptible Service tariff.

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Upon Commission approval of this tariff, Blue Grass Energy Cooperative Corporation will attempt to facilitate the execution of amended agreements with end-use members currently participating in the Interruptible Service program.

Please contact me if you have any questions.

Very truly yours,

A handwritten signature in black ink, appearing to read "Phillip Johnson", with a long horizontal flourish extending to the right.

Phillip Johnson  
VP Finance/CFO  
Blue Grass Energy Cooperative Corporation  
PO Box 990  
1201 Lexington Road  
Nicholasville, KY 40340