COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF BLUE GRASS ENERGY COOPERATIVE CORPORATION FOR PASS-THROUGH OF EAST KENTUCKY POWER COOPERATIVE, INC. WHOLESALE RATE ADJUSTMENT

) CASE NO. 2010-00169

COMMISSION STAFF'S FIRST INFORMATION REQUEST TO BLUE GRASS ENERGY COOPERATIVE CORPORATION

Pursuant to 807 KAR 5:001, Blue Grass Energy Cooperative Corporation ("Blue Grass") is to file with the Commission the original and ten copies of the following information, with a copy to all parties of record. The information requested herein is due on or before July 29, 2010. Responses to requests for information shall be appropriately bound, tabbed and indexed. Each response shall include the name of the witness responsible for responding to the questions related to the information provided.

Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Blue Grass shall make timely amendment to any prior response if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which Blue Grass fails or refuses to furnish all or part of the requested information, Blue Grass shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention should be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations.

1. Provide the workpapers, spreadsheets, etc. which show the calculation of the increase, by individual wholesale rate schedule, in Blue Grass's cost of power from East Kentucky Power Cooperative, Inc. that Blue Grass is proposing to flow through to its customers. Provide the information in hard copy as well as electronic format with the formulas intact and unprotected. Include a brief narrative description of the data being provided.

2. Refer to Exhibit 3 of the application.

a. Provide this exhibit in electronic format with the formulas intact and unprotected.

b. The billing analysis shows various rate schedules with escalation percentages applied to the billing determinants. Provide workpapers, spreadsheets, etc. for the calculation of the percentages, as well as a narrative explanation of how the percentages were determined.

-2-

Jeff Derovien Executive Director Public Service Commission P.O. Box 615 Frankfort, KY 40602

DATED: JUL 1 5 2010

cc: Parties of Record

Daniel W Brewer Vice President & CEO Blue Grass Energy Cooperative Corp. 1201 Lexington Road P. O. Box 990 Nicholasville, KY 40340-0990

Honorable Howard Downing Attorney at Law 109 South First Street Nicholasville, KY 40356