

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF BLUE GRASS RURAL)
ELECTRIC COOPERATIVE, INC. FOR AN ORDER) CASE NO.
ISSUING A CERTIFICATE OF PUBLIC) 95-020
CONVENIENCE AND NECESSITY)

O R D E R

IT IS ORDERED that Blue Grass Rural Electric Cooperative Corporation ("Blue Grass") shall file the original and six copies of the following information with the Commission with a copy to all parties of record within 20 days from the date of this Order. Blue Grass shall furnish the name of the witness who will respond at the public hearing, if one is held, to questions concerning each item of information.

1. Blue Grass is proposing to replace 2.9 miles on the Hickory Plains No. 1 Circuit, Section 265, consisting of a three-phase 1/0 ACSR conductor with a three-phase 336.4 ACSR conductor. Further, Blue Grass stated that this work will defer \$241,304 of line conversion for 5 years for a savings of \$16,205 at the end of 30 years.

a. Is the \$241,304 for converting Sections 265, 267, and 269 to three-phase 477 ACSR?

(1) If yes, explain why Blue Grass is proposing to convert Section 265 to 336.4 ACSR in this work plan and then convert it to 477 ACSR 5 years thereafter.

(2) If no, indicate which line sections will be converted to 477 ACSR.

b. Explain how the \$16,205 was derived and provide all supporting calculations.

2. Refer to the two present-worth cost analyses; the first entitled, "Hickory Plains FD No. 1 ALT No. 1," and the second entitled, "Hickory Plains FD No. 1 Solution."

a. Both studies show under the column, "New Construction/Maintenance," that 3.9 miles was to be upgraded in 1994 and another 3.9 miles is to be upgraded in 1999. Explain why the cost is not the same in both studies. Also, provide the line sections which were to be upgraded in 1994 and those to be upgraded in 1999.

b. Why are the amounts in the columns entitled, "PK_KW Losses," equal in both studies?

c. Explain how the numbers under the column entitled, "P.W. of Inflated Cost (\$) Losses," were derived.

d. If any of the information provided in these two studies is not correct, provide a revised copy of the two studies with an explanation of the changes.

3. Refer to the voltage drop studies provided with the application. Explain why the conductor size was left blank for the following line sections. Provide a revised copy showing the conductor size.

a. Davis Feeder 3 - Section 48.

b. Hickory Plains Feeder 4 - Section 282.

- c. Nicholasville Feeder 4 - Sections 236, 156, 157, and 101.
- d. Nicholasville Feeder 3 - Section 64.
- e. West Berea Feeder 5 - Sections 313 and 372.
- f. West Nicholasville Feeder 2 - Sections 503, 150, 151, and 149.

Done at Frankfort, Kentucky, this 17th day of April, 1995.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:


Executive Director