

**COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION**

**In the Matter of:**

**APPLICATION OF BLUE GRASS ENERGY )  
COOPERATIVE CORPORATION FOR AN ) CASE NO. 2014-00339  
ADJUSTMENT OF RATES )**

**SUPPLEMENTAL RESPONSE TO ATTORNEY GENERAL'S FIRST REQUEST FOR  
INFORMATION TO BLUE GRASS ENERGY COOPERATIVE CORPORATION**

**DATED JANUARY 21, 2015**

**[REQUESTS 2, 8(b), 31, 32, 41, 46, and 47]**

**BLUE GRASS ENERGY COOPERATIVE CORPORATION**  
**PSC CASE NO. 2014-00339**  
**SUPPLEMENTAL RESPONSE TO INFORMATION REQUEST**

**ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION DATED 1/21/15**

**RESPONSIBLE PARTY: Donald Smothers**

**Request 2.** Provide all invoices from outside experts, consultants, and legal counsel related to the current rate case. Please provide these on an ongoing basis.

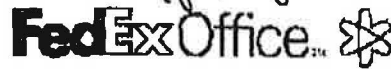
**Response 2.** Refer to PSC 2nd data request item 20.

**Supplemental Response 2.** Invoices for expenses incurred between January 1, 2015, and March 31, 2015, are included as pages 2 through 12 of this response.

SO	TR	RACCT	ITEM	ID	DEPT	WH	BH	DATE	CK/JOB/REC/TSK PJ/VHR/VND/VEH	QTY	DEBIT	CREDIT	DESCRIPTION
AP	1	232.10	OSEM	18	40		13	01/19/15	VN 181	.00	47.57 ✓	.00	COPIES-NEWSPAPER AD-RATE CASE
AP	1	232.10	OSEM	18	15		13	01/28/15	VN 266	.00	136.99 ✓	.00	RATE CASE SUPPLIES
AP	1	232.10	OSEM	18	15		13	01/28/15	VN 266	.00	148.15 ✓	.00	RATE CASE SUPPLIES
AP	1	232.10	OSEM	18	15		13	01/30/15	VN 266	.00	94.03 ✓	.00	RATE CASE SUPPLIES
AP	1	232.10	OSEM	18	15		13	01/31/15	VN 266	.00	35.44 ✓	.00	RATE CASE SUPPLIES
AP	1	232.10	OSEM	18	15		13	03/15/15	VN 16831	.00	17,312.50 ✓	.00	PROFESSIONAL SVCS/RATE CASE 2014

NUMBER OF RECORDS FOUND - 6

TOTAL QTY .00  
 TOTAL DEBIT 17,774.68  
 TOTAL CREDIT .00  
 NET BALANCE 17,774.68




FedEx Office is your destination  
for printing and shipping.

2552 Larkin Rd  
Lexington, KY 40503-3259  
Tel: (859) 276-4673

1/7/2015 2:05:20 PM EST  
Team Member: Kristina H.  
Customer: rachel settles

SALE

Quick Order	Qty 1	44.88
BW Scan/Sqft	34 @	1.1900 T
002559 Reg. Price	1.19	
BW 1S 11x17 24#	17 @	0.2600 T
000332 Reg. Price	0.26	
Price per piece	44.88	
Regular Total	44.88	
Discounts	0.00	
Sub-Total		44.88
Tax		2.69
Deposit		0.00
Total		47.57
Visa (S)		47.57
Account: 0866		
Auth: 007532 (A)		
Total Tender		47.57
Change Due		0.00
Total Discounts		0.00



*Rachel H. Settles*

ORIGINAL INVOICE

10000



Office Depot, Inc  
 PO BOX 630813  
 CINCINNATI OH  
 45263-0813

THANKS FOR YOUR ORDER

IF YOU HAVE ANY QUESTIONS  
 OR PROBLEMS, JUST CALL US  
 FOR CUSTOMER SERVICE ORDER: (888) 263-3423  
 FOR ACCOUNT: (800) 721-6592

FEDERAL ID: 59-2663954

INVOICE NUMBER	AMOUNT DUE	PAGE NUMBER
1754255173	136.99	Page 2 of 2
INVOICE DATE	TERMS	PAYMENT DUE
28-JAN-15	Net 30	05-MAR-15

BILL TO:

000860-000224  
 ATTN: ACCTS PAYABLE  
 BLUE GRASS ENERGY  
 PO BOX 990  
 NICHOLASVILLE KY 40340-0990

SHIP TO:



BLUE GRASS ENERGY  
 1201 LEXINGTON RD  
 NICHOLASVILLE KY 40356-9437

ACCOUNT NUMBER 40927534		PURCHASE ORDER		SHIP TO ID 1201LEXINGTONRD		ORDER NUMBER 1754255173		ORDER DATE 28-JAN-15		SHIPPED DATE 28-JAN-15	
BILLING ID 48282		ACCOUNT MANAGER		RELEASE A		ORDERED BY		DESKTOP		COST CENTER	
CATALOG ITEM #/ MANUF CODE			DESCRIPTION/ CUSTOMER ITEM #			U/M TAX	QTY ORD	QTY SHP	QTY B/O	UNIT PRICE	EXTENDED PRICE

*Rate case*

*Use m 18  
24250*

*[Handwritten signature]*



800000266



~1754255173

All amounts are based on USD currency

SUB-TOTAL	129.24
DELIVERY	0.00
SALES TAX	7.75
TOTAL	136.99

To return supplies, please repack in original box and insert our packing list, or copy of this invoice. Please note problem so we may issue credit or replacement, whichever you prefer. Please do not ship collect. Please do not return furniture or machines until you call us first for instructions. Shortage or damage must be reported within 3 days after delivery.

000860-000224

ORIGINAL INVOICE

**Office Depot**  
Office Depot, Inc  
PO BOX 630813  
CINCINNATI OH  
45263-0813

**THANKS FOR YOUR ORDER**  
IF YOU HAVE ANY QUESTIONS  
OR PROBLEMS, JUST CALL US  
FOR CUSTOMER SERVICE ORDER: (888) 263-3423  
FOR ACCOUNT: (800) 721-6592

FEDERAL ID: 59-2663954

PAID FEB 11 2015

INVOICE NUMBER	AMOUNT DUE	PAGE NUMBER
1754255173	136.99	Page 1 of 2
INVOICE DATE	TERMS	PAYMENT DUE
28-JAN-15	Net 30	05-MAR-15

**BILL TO:**  
ATTN: ACCTS PAYABLE  
BLUE GRASS ENERGY  
PO BOX 990  
NICHOLASVILLE KY 40340-0990

**SHIP TO:**  
BLUE GRASS ENERGY  
1201 LEXINGTON RD  
NICHOLASVILLE KY 40356-9437

000860-000224



NO 2A

ACCOUNT NUMBER	PURCHASE ORDER	SHIP TO ID	ORDER NUMBER	ORDER DATE	SHIPPED DATE		
40927534		1201LEXINGTONRD	1754255173	28-JAN-15	28-JAN-15		
BILLING ID	ACCOUNT MANAGER	RELEASE	ORDERED BY	DESKTOP	COST CENTER		
48282		A					
CATALOG ITEM #/ MANUF CODE	DESCRIPTION/ CUSTOMER ITEM #	U/M	QTY ORD	QTY SHP	QTY B/O	UNIT PRICE	EXTENDED PRICE
Note: SPC 80108029405 Date: 28-JAN-15 Location: 2768 Register: 003 Trans #: 02553							
212149 OD03103	BINDER,INP,VW,DR,1.5",WHIT	EA	4	4	0	8.090	32.36
408843 OD408843	INDEX,LGL EX,OD,LTR,26-50,	ST	5	5	0	6.110	30.55
409716 OD409716	DIVIDER,TOC,OD,1-31,BLKWH	ST	5	5	0	7.190	35.95
408753 OD408753	INDEX,LGL EXH,OD,1-25,LT,B	ST	1	1	0	6.110	6.11
212149 OD03103	BINDER,INP,VW,DR,1.5",WHIT	EA	2	2	0	8.090	16.18
212149 OD03103	BINDER,INP,VW,DR,1.5",WHIT	EA	1	1	0	8.090	8.09
212149 OD03103	BINDER,INP,VW,DR,1.5",WHIT	EA	2	2	0	8.990	17.98
212149 OD03103	Coupon Discount	EA	2	2	0	-8.990	-17.98
212149 OD03103	BINDER,INP,VW,DR,1.5",WHIT	EA	1	1	0	8.990	8.99
212149 OD03103	Coupon Discount	EA	1	1	0	-8.990	-8.99

000860-000224

Your billing format is now available for electronic delivery. To ask how you can take advantage of this feature for a Greener Environment email [billingsetup@officedepot.com](mailto:billingsetup@officedepot.com).

CONTINUED ON NEXT PAGE...

*Rate Case Supplies*  
**Office DEPOT**  
**OfficeMax**

OFFICE DEPOT STORE #2768

1021 N. Main St.

Nicholasville, KY 40356

(859) 887-2868

01/28/2015 14.5.3 3:57 PM

STR 2768 REG3 TRN 2553 EMP 534397

SALE

Product ID	Description	Total
212149	BDR, INP, VW, 1.5	
4 @ 8.99		35.96
	Promotion	
	Retail After Discounts	32.360
	Business Solutions Prc	32.36
	<b>You Pay</b>	<b>32.36S</b>
408843	INDX, LGL, 26-50	
5 @ 6.99		34.95
	Retail After Discounts	34.95
	Business Solutions Prc	30.55
	<b>You Pay</b>	<b>30.55S</b>
409716	DIV, TOC, OD, 1-3	
5 @ 8.79		43.95
	Retail After Discounts	43.95
	Business Solutions Prc	35.95
	<b>You Pay</b>	<b>35.95S</b>
408753	INDX, LGL, 1-25	
	Retail After Discounts	6.99
	Business Solutions Prc	6.11
	<b>You Pay</b>	<b>6.11S</b>
212149	BDR, INP, VW, 1.5	
2 @ 8.99		17.98
	Promotion	
	Retail After Discounts	16.180
	Business Solutions Prc	16.18
	<b>You Pay</b>	<b>16.18S</b>
212149	BDR, INP, VW, 1.5	
	Retail After Discounts	8.090S
	Business Solutions Prc	8.09
	<b>You Pay</b>	<b>8.09S</b>
212149	BDR, INP, VW, 1.5	
2 @ 8.99		17.98
	Promotion	-17.98
	Retail After Discounts	0.00
	Business Solutions Prc	16.180
	<b>You Pay</b>	<b>0.00S</b>
212149	BDR, INP, VW, 1.5	
	Promotion	8.99
	Retail After Discounts	0.00
	Business Solutions Prc	8.090
	<b>You Pay</b>	<b>0.00S</b>
	Subtotal:	129.24
	Sales Tax:	7.75
	<b>Total:</b>	<b>136.99</b>
	Account Billing 9405:	136.99

As a Business Solution Customer, billing will be equal to or less than store receipt based on price plan.

ORIGINAL INVOICE

10000



Office Depot, Inc  
 PO BOX 630813  
 CINCINNATI OH  
 45263-0813

THANKS FOR YOUR ORDER

IF YOU HAVE ANY QUESTIONS  
 OR PROBLEMS, JUST CALL US

FOR CUSTOMER SERVICE ORDER: (888) 263-3423  
 FOR ACCOUNT: (800) 721-6592

FEDERAL ID: 59-2663954

INVOICE NUMBER	AMOUNT DUE	PAGE NUMBER
1754234309	148.15	Page 2 of 2
INVOICE DATE	TERMS	PAYMENT DUE
28-JAN-15	Net 30	05-MAR-15

PAID FEB 11 2015

BILL TO:

000860-000224 ATTN: ACCTS PAYABLE  
 BLUE GRASS ENERGY  
 PO BOX 990  
 NICHOLASVILLE KY 40340-0990

SHIP TO:



BLUE GRASS ENERGY  
 1201 LEXINGTON RD  
 NICHOLASVILLE KY 40356-9437

ACCOUNT NUMBER 40927534	PURCHASE ORDER	SHIP TO ID 1201LEXINGTONRD	ORDER NUMBER 1754234309	ORDER DATE 28-JAN-15	SHIPPED DATE 28-JAN-15		
BILLING ID 48282	ACCOUNT MANAGER	RELEASE A	ORDERED BY	DESKTOP	COST CENTER		
CATALOG ITEM #/ MANUF CODE	DESCRIPTION/ CUSTOMER ITEM #	U/M TAX	QTY ORD	QTY SHP	QTY B/O	UNIT PRICE	EXTENDED PRICE

Osem18  
 24250



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000860-000224

SUB-TOTAL	139.76
DELIVERY	0.00
SALES TAX	8.39
<b>TOTAL</b>	<b>148.15</b>

All amounts are based on USD currency

To return supplies, please repack in original box and insert our packing list, or copy of this invoice. Please note problem so we may issue credit or replacement, whichever you prefer. Please do not ship collect. Please do not return furniture or machines until you call us first for instructions. Shortage or damage must be reported within 3 days after delivery.



**Office  
DEPOT.**

Office Depot, Inc  
PO BOX 630813  
CINCINNATI OH  
45263-0813

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ORIGINAL INVOICE

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THANKS FOR YOUR ORDER

IF YOU HAVE ANY QUESTIONS  
OR PROBLEMS, JUST CALL US

FOR CUSTOMER SERVICE ORDER: (888) 263-3423  
FOR ACCOUNT: (800) 721-6592

FEDERAL ID: 59-2663954

INVOICE NUMBER	AMOUNT DUE	PAGE NUMBER
1754892772	94.03	Page 1 of 1
INVOICE DATE	TERMS	PAYMENT DUE
30-JAN-15	Net 30	05-MAR-15

BILL TO:

ATTN: ACCTS PAYABLE  
BLUE GRASS ENERGY  
PO BOX 990  
NICHOLASVILLE KY 40340-0990

000860-000224

SHIP TO:

BLUE GRASS ENERGY  
1201 LEXINGTON RD  
NICHOLASVILLE KY 40356-9437



ACCOUNT NUMBER	PURCHASE ORDER	SHIP TO ID	ORDER NUMBER	ORDER DATE	SHIPPED DATE
40927534		1201LEXINGTONRD	1754892772	30-JAN-15	30-JAN-15
BILLING ID	ACCOUNT MANAGER	RELEASE	ORDERED BY	DESKTOP	COST CENTER
48282		A			

CATALOG ITEM #/ MANUF CODE	DESCRIPTION/ CUSTOMER ITEM #	U/M	QTY ORD	QTY SHP	QTY B/O	UNIT PRICE	EXTENDED PRICE
Note: SPC 80108029405 Date: 30-JAN-15 Location: 2768 Register: 003 Trans #: 02912							
666715 32021901CP4	JEWEL CASES,STNRD	PK	1	1	0	4.670	4.67
825020 32020016526	CASES,SHELL,CD	PK	3	3	0	5.390	16.17
777512 32023424	CD-RW,SPNDL,4X-12X,MEMRX,	PK	1	1	0	19.790	19.79
153226 32025541	DVD+RW,SPINDLE,MEMOREX,	PK	1	1	0	24.290	24.29
620650 32024581	CD-R,SPINDLE,80 MIN,100/PK	PK	1	1	0	23.790	23.79

000860-000224

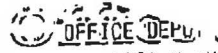
15 (SA) OF m 18  
24250

	SUB-TOTAL	88.71
	DELIVERY	0.00
	SALES TAX	5.32
	TOTAL	94.03



All amounts are based on USD currency

To return supplies, please repack in original box and insert our packing list, or copy of this invoice. . . . . replacement, whichever you prefer. Please do not ship collect. Please do not return furniture or machines until you call us first for instructions. Shortage or damage must be reported within 5 days after delivery.



1021 N. Main St.  
Nicholasville, KY 40356  
(859) 887 - 2868

01/30/2015 14.5.3 3:57 PM  
STR 2768 REG3 TRN 2912 EMP 538784

SALE  
Product ID Description Total  
666715 JEWEL CASES,ST 5.99S  
Retail After Discounts 5.99  
Business Solutions Prc 4.67  
**You Pay 4.67S**  
825020 SHELL,CD/DVD,1  
3 @ 6.29 = 18.87  
Retail After Discounts 18.87  
Business Solutions Prc 16.17  
**You Pay 16.17S**  
777512 CD-RW,4X-12X,2 19.99S  
Retail After Discounts 19.99  
Business Solutions Prc 19.79  
**You Pay 19.79S**  
153226 DVD+RW,SPNDL,2 29.99S  
Retail After Discounts 29.99  
Business Solutions Prc 24.29  
**You Pay 24.29S**  
620650 CD-R,80MIN,100 34.99S  
Retail After Discounts 34.99  
Business Solutions Prc 23.79  
**You Pay 23.79S**

Subtotal: 88.71  
Sales Tax: 5.32  
Total: 94.03  
Account Billing 9405: 94.03

As a Business Solution Customer, billing  
will be equal to or less than store  
pricing based on price plan.

**Office  
DEPOT.**

Office Depot, Inc  
PO BOX 630813  
CINCINNATI OH  
45263-0813

ORIGINAL INVOICE

10000

PAID FEB 11 2015

THANKS FOR YOUR ORDER

IF YOU HAVE ANY QUESTIONS  
OR PROBLEMS, JUST CALL US

FOR CUSTOMER SERVICE ORDER: (888) 263-3423  
FOR ACCOUNT: (800) 721-6592

FEDERAL ID: 59-2663954

1,1625.39

INVOICE NUMBER	AMOUNT DUE	PAGE NUMBER
1755228045	35.44	Page 1 of 1
INVOICE DATE	TERMS	PAYMENT DUE
31-JAN-15	Net 30	05-MAR-15

BILL TO:

ATTN: ACCTS PAYABLE  
BLUE GRASS ENERGY  
PO BOX 990  
NICHOLASVILLE KY 40340-0990

000660-000224

SHIP TO:

BLUE GRASS ENERGY  
1201 LEXINGTON RD  
NICHOLASVILLE KY 40356-9437



ACCOUNT NUMBER	PURCHASE ORDER	SHIP TO ID	ORDER NUMBER	ORDER DATE	SHIPPED DATE		
40927534		1201LEXINGTONRD	1755228045	31-JAN-15	31-JAN-15		
BILLING ID	ACCOUNT MANAGER	RELEASE	ORDERED BY	DESKTOP	COST CENTER		
48282		A					
CATALOG ITEM #/ MANUF CODE	DESCRIPTION/ CUSTOMER ITEM #	U/M	QTY ORD	QTY SHIP	QTY B/O	UNIT PRICE	EXTENDED PRICE
Note: SPC 80108029405 Date: 31-JAN-15 Location: 0422 Register: 001 Trans #: 03326							
408753 OD408753	INDEX,LGL EXH,OD,1-25,LT,B	ST	4	4	0	6.110	24.44
209692 OD02962	BINDER,ODP,VW,RR,2",WHITE	EA	1	1	0	8.990	8.99

Your billing format is now available for electronic delivery. To ask how you can take advantage of this feature for a Greener Environment email [billingsetup@officedepot.com](mailto:billingsetup@officedepot.com).

*05c m18  
24250 H15  
(100)*

 800000266   ~1755228045	SUB-TOTAL : 33.44  DELIVERY : 0.00  SALES TAX : 2.01  TOTAL : 35.44
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All quantities are in U.S. units.  
To return supplies, please repack in original box and insert our packing list, or copy of this invoice. Please note problem so we may issue credit or replacement, whichever you prefer. Please do not ship collect. Please do not return furniture or machines until you call us first for instructions. Shortage or damage must be reported within 5 days after delivery.

000660-000224



OFFICE DEPOT STORE #422  
3220 Nicholasville #185  
Lexington, KY 40503

(859) 971 - 1111  
01/31/2015 11:53 AM 422 PM  
STR 422 REG1 TRN 3326 EMP 667271

SALE

Product ID	Description	Total
408753	INDX, LGL, 1-25,	
4 @ 6.99		27.96
	Retail After Discounts	27.96
	Business Solutions Prc	24.44
	<b>You Pay</b>	<b>24.44S</b>
209692	BDR, ODP, VW, 2",	8.99S
	Retail After Discounts	8.99
	Business Solutions Prc	8.99
	<b>You Pay</b>	<b>8.99S</b>
	<b>Subtotal:</b>	<b>33.43</b>
	Sales Tax:	2.01
	<b>Total:</b>	<b>35.44</b>
	Account Billing 9405:	35.44

As a Business Solution Customer, billing  
will be equal to or less than store  
receipt-based on price plan.

*File up date with PSC*

**JAMES R. ADKINS  
 2189 ROSWELL DRIVE  
 LEXINGTON, KENTUCKY 40513-1811**

Phone: 859-224-2647  
 Cell: 859-797-7995

E-mail: [Jimadkins25@aol.com](mailto:Jimadkins25@aol.com)

Date: March 15, 2015

<b>TO: Donald Smothers                  Vice-President, Financial Services &amp; CFO                  Blue Grass Energy Cooperative                  P.O. Box 990                  Nicholasville, KY 40356</b>				
<b>INVOICE FOR SERVICES RENDERED - 2014</b>				
RATE APPLICATION 2014-00339				
<u>Month</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>	<u>Mileage</u>
January Responses for AG1 & PSC 2	54.00	\$ 125	\$ 6,750.00	160
Responses for AG1 & PSC 3	24.00	\$ 80	1,920.00	
February Responses PSC2&3, AG2&3	50.50	\$ 125	6,312.50	180
Responses PSC2&3, AG2&4	27.00	\$ 80	2,160.00	
<b>Total</b>			<b>\$ 17,142.50</b>	<b>340.00</b>
<b>Mileage Rate</b>				<b>\$ 0.50</b>
<b>Amount Owed</b>			<b>\$ 17,142.50</b>	<b>\$ 170.00</b>

AMOUNT OF INVOICE

**\$ 17,312.50**

Signature

*James R. Adkins*

*JR*

A USDVA CERTIFIED SERVICE DISABLED VETERAN OWNED BUSINESS

**BLUE GRASS ENERGY COOPERATIVE CORPORATION**  
**PSC CASE NO. 2014-00339**  
**SUPPLEMENTAL RESPONSE TO INFORMATION REQUEST**

**ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION DATED 1/21/15**

**RESPONSIBLE PARTY: Donald Smothers**

**Request 8.** Please reference BGE's application, paragraph 5. Please confirm that it is an accurate statement that BGE is requesting "this rate adjustment in order to meet the terms of the mortgage agreement...".

- a. [...]
- b. According to the application, BGE has to maintain a Net TIER of 1.25 and an OTIER of 1.10 based on an average of two of the three most current years. Please provide BGE's Net TIER for 2014, 2013, 2012, 2011, and 2010 and explain how the Net TIER is calculated.
- c. [...]

**Response 8(b).** Net Tier is Total margins plus interest expense divided by interest expense.

	<u>Total TIER</u>	<u>Total TIER Excluding G&amp;T Patronage</u>	<u>OTIER</u>
2014	Not available	Not available	Not available
2013	3.54	1.68	1.55
2012	2.75	1.46	1.30
2011	3.34	1.96	1.84
2010	2.63	1.86	1.75

**Supplemental Response 8(b).** Because 2014 TIER information is now available, Blue Grass Energy provides the following updated chart:

	<u>Total TIER</u>	<u>Total TIER Excluding G&amp;T Patronage</u>	<u>OTIER</u>
2014	3.41	1.78	1.65
2013	3.54	1.68	1.55
2012	2.75	1.46	1.30
2011	3.34	1.96	1.84
2010	2.63	1.86	1.75

**BLUE GRASS ENERGY COOPERATIVE CORPORATION**  
**PSC CASE NO. 2014-00339**  
**SUPPLEMENTAL RESPONSE TO INFORMATION REQUEST**

**ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION DATED 1/21/15**

**RESPONSIBLE PARTY:            Jim Adkins**

**Request 31.** Reference Exhibit K. For all pages in exhibit K, provide the information for calendar year 2013 and 2014.

**Response 31.** Calendar year 2013 is referenced as Actual Test Year in Exhibit K of the application. Information for 2014 calendar year is not available at this time.

**Supplemental Response 31.** A projection of the requested Exhibit K information with respect to calendar year 2014 was provided as part of Blue Grass Energy's response to Request No. 24 of the Attorney General's Second Request for Information. The projected data has since been confirmed as actual data with respect to calendar year 2014. Thus, please refer to Blue Grass Energy's response to Request No. 24 of the Attorney General's Second Request for Information.



**BLUE GRASS ENERGY COOPERATIVE CORPORATION**  
**PSC CASE NO. 2014-00339**  
**SUPPLEMENTAL RESPONSE TO INFORMATION REQUEST**

**ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION DATED 1/21/15**

**RESPONSIBLE PARTY:            Jim Adkins**

**Request 32.** Reference exhibit L. Provide the information for calendar years 2014, 2013, 2012.

**Response 32.** 2013 is the same as Test Year in Exhibit L of the application and is also on page 2 of this item. Exhibit L for 2012 is on page 2 of this item. Information for 2014 is not available at this time.

**Supplemental Response 32.** A projection of the requested Exhibit L information with respect to calendar year 2014 was provided in as part of Blue Grass Energy's response to Request No. 24 of the Attorney General's Second Request for Information. The projected data has since been confirmed as actual data with respect to calendar year 2014. Thus, please refer to Blue Grass Energy's response to Request No. 24 of the Attorney General's Second Request for Information.

**BLUE GRASS ENERGY COOPERATIVE CORPORATION**  
**PSC CASE NO. 2014-00339**  
**SUPPLEMENTAL RESPONSE TO INFORMATION REQUEST**

**ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION DATED 1/21/15**

**RESPONSIBLE PARTY:            Jim Adkins**

**Request 41.** Reference exhibit S, pages 1-2. Provide the information on pages 1-2 for the calendar year 2014.

**Response 41.** This information is not available yet.

**Supplemental Response 41.** The information contained in Exhibit S, pages 1-2, for calendar year 2014 is provided in pages 2 through 3 of this response.

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0032. The time required to complete this information collection is estimated to average 15 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE	BORROWER DESIGNATION KY0064
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION	PERIOD ENDED December, 2014
INSTRUCTIONS - See help in the online application.	BORROWER NAME Blue Grass Energy Cooperative Corporation

This information is analyzed and used to determine the submitter's financial situation and feasibility for loans and guarantees. You are required by contract and applicable regulations to provide the information. The information provided is subject to the Freedom of Information Act (5 U.S.C. 552)

**CERTIFICATION**

We recognize that statements contained herein concern a matter within the jurisdiction of an agency of the United States and the making of a false, fictitious or fraudulent statement may render the maker subject to prosecution under Title 18, United States Code Section 1001.

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

**ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1718 OF 7 CFR CHAPTER XVII**

(check one of the following)

All of the obligations under the RUS loan documents have been fulfilled in all material respects.

There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in Part D of this report.

Michael Williams

3/23/2015

DATE

**PART A. STATEMENT OF OPERATIONS**

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	128,040,379	132,742,425	130,426,587	12,287,505
2. Power Production Expense				
3. Cost of Purchased Power	96,070,322	100,047,737	98,311,682	9,035,555
4. Transmission Expense				
5. Regional Market Expense				
6. Distribution Expense - Operation	2,697,746	2,692,921	2,863,661	94,044
7. Distribution Expense - Maintenance	6,175,084	6,353,294	6,238,489	554,890
8. Customer Accounts Expense	2,862,998	2,744,931	3,048,350	260,731
9. Customer Service and Informational Expense	993,181	1,019,937	1,029,803	41,296
10. Sales Expense				
11. Administrative and General Expense	4,404,713	4,757,281	4,727,647	506,922
12. Total Operation & Maintenance Expense (2 thru 11)	113,204,044	117,616,101	116,219,632	10,493,438
13. Depreciation and Amortization Expense	8,253,042	8,384,899	8,646,000	705,941
14. Tax Expense - Property & Gross Receipts				
15. Tax Expense - Other	160	160	300	0
16. Interest on Long-Term Debt	4,219,323	4,082,638	4,418,000	340,205
17. Interest Charged to Construction - Credit				
18. Interest Expense - Other	2,879	1,715	12,000	140
19. Other Deductions	23,098	3,057	28,800	673
20. Total Cost of Electric Service (12 thru 19)	125,702,546	130,088,570	129,324,732	11,540,397
21. Patronage Capital & Operating Margins (1 minus 20)	2,337,833	2,653,855	1,101,855	747,108
22. Non Operating Margins - Interest	260,389	257,416	250,000	1,859
23. Allowance for Funds Used During Construction				
24. Income (Loss) from Equity Investments				
25. Non Operating Margins - Other	86,005	57,869	0	475
26. Generation and Transmission Capital Credits	7,776,965	6,679,392	0	6,810,393
27. Other Capital Credits and Patronage Dividends	171,273	196,129	4,650,000	0
28. Extraordinary Items				
29. Patronage Capital or Margins (21 thru 28)	10,632,465	9,844,661	6,001,855	7,559,835

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE			BORROWER DESIGNATION		
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION			KY0064		
INSTRUCTIONS - See help in the online application.			PERIOD ENDED December, 2014		
PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT					
ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	1,013	988	5. Miles Transmission		
2. Services Retired	420	424	6. Miles Distribution – Overhead	4,381.00	4,390.00
3. Total Services in Place	59,822	59,935	7. Miles Distribution - Underground	312.00	320.00
4. Idle Services (Exclude Seasonals)	3,943	3,784	8. Total Miles Energized (5 + 6 + 7)	4,693.00	4,710.00
PART C. BALANCE SHEET					
ASSETS AND OTHER DEBITS			LIABILITIES AND OTHER CREDITS		
1. Total Utility Plant in Service	226,650,228		30. Memberships	1,052,603	
2. Construction Work in Progress	2,330,155		31. Patronage Capital	85,901,035	
3. Total Utility Plant (1 + 2)	228,980,383		32. Operating Margins - Prior Years	96,485	
4. Accum. Provision for Depreciation and Amort.	73,383,237		33. Operating Margins - Current Year	9,844,661	
5. Net Utility Plant (3 - 4)	155,597,146		34. Non-Operating Margins	62,513	
6. Non-Utility Property (Net)	0		35. Other Margins and Equities	1,339,023	
7. Investments in Subsidiary Companies	0		36. Total Margins & Equities (30 thru 35)	98,296,320	
8. Invest. in Assoc. Org. - Patronage Capital	54,439,749		37. Long-Term Debt - RUS (Net)	71,691,345	
9. Invest. in Assoc. Org. - Other - General Funds	0		38. Long-Term Debt - FFB - RUS Guaranteed	36,755,182	
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	2,152,216		39. Long-Term Debt - Other - RUS Guaranteed	0	
11. Investments in Economic Development Projects	0		40. Long-Term Debt Other (Net)	9,792,568	
12. Other Investments	0		41. Long-Term Debt - RUS - Econ. Devel. (Net)	0	
13. Special Funds	0		42. Payments – Unapplied	95,985	
14. Total Other Property & Investments (6 thru 13)	56,591,965		43. Total Long-Term Debt (37 thru 41 - 42)	118,143,110	
15. Cash - General Funds	1,082,459		44. Obligations Under Capital Leases - Noncurrent	0	
16. Cash - Construction Funds - Trustee	0		45. Accumulated Operating Provisions and Asset Retirement Obligations	9,408,092	
17. Special Deposits	0		46. Total Other Noncurrent Liabilities (44 + 45)	9,408,092	
18. Temporary Investments	10,200,000		47. Notes Payable	0	
19. Notes Receivable (Net)	0		48. Accounts Payable	10,648,366	
20. Accounts Receivable - Sales of Energy (Net)	12,333,622		49. Consumers Deposits	1,695,545	
21. Accounts Receivable - Other (Net)	2,353,110		50. Current Maturities Long-Term Debt	4,150,000	
22. Renewable Energy Credits	0		51. Current Maturities Long-Term Debt - Economic Development	0	
23. Materials and Supplies - Electric & Other	1,645,176		52. Current Maturities Capital Leases	0	
24. Prepayments	638,329		53. Other Current and Accrued Liabilities	1,402,713	
25. Other Current and Accrued Assets	0		54. Total Current & Accrued Liabilities (47 thru 53)	17,896,624	
26. Total Current and Accrued Assets (15 thru 25)	28,252,696		55. Regulatory Liabilities	0	
27. Regulatory Assets	0		56. Other Deferred Credits	539,208	
28. Other Deferred Debits	3,841,547		57. Total Liabilities and Other Credits (36 + 43 + 46 + 54 thru 56)	244,283,354	
29. Total Assets and Other Debits (5+14+26 thru 28)	244,283,354				

**BLUE GRASS ENERGY COOPERATIVE CORPORATION**  
**PSC CASE NO. 2014-00339**  
**SUPPLEMENTAL RESPONSE TO INFORMATION REQUEST**

**ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION DATED 1/21/15**

**RESPONSIBLE PARTY: Donald Smothers**

**Request 46.** Reference exhibit V. Provide this information for calendar year 2014 and 2011.

**Response 46.** [Information was provided for calendar year 2011]. 2014 is not available at this time.

**Supplemental Response 46.** Because information related to calendar year 2014 is now available, Blue Grass Energy provides a version of Exhibit V reflecting 2014 figures on the attached "Supplement to Exhibit V."

Blue Grass Energy Cooperative  
Case No. 2014-00339  
Statement of Operations  
December 31, 2014

Supplement to Exhibit V  
page 1 of 3  
Witness: Jim Adkins

	<u>2014</u>	<u>2013</u>
Operating revenue	<u>\$132,742,425</u>	<u>\$128,040,379</u>
Operating expenses:		
Cost of power	100,047,737	96,070,322
Distribution-operations	2,692,921	2,697,746
Distribution-maintenance	6,353,294	6,175,084
Consumer accounts	2,744,931	2,862,998
Consumer service	1,019,937	993,181
Sales	0	0
Administrative and general	<u>4,757,281</u>	<u>4,404,713</u>
	117,616,101	113,204,044
Depreciation and amortization	8,384,899	8,253,042
Taxes-other	160	160
Interest on long term debt	4,082,638	4,219,323
Other interest expense	1,715	2,879
Other deductions	<u>3,057</u>	<u>23,098</u>
	<u>130,088,570</u>	<u>125,702,546</u>
Utility operating margins	2,653,855	2,337,833
Nonoperating margins, interest	257,416	260,389
Nonoperating margins, other	57,869	86,005
G & T capital credits	6,679,392	7,776,965
Other capital credits	<u>196,129</u>	<u>171,273</u>
Net margins	<u><u>\$9,844,661</u></u>	<u><u>\$10,632,465</u></u>
	1.78	1.68

Blue Grass Energy Cooperative  
Case No. 2014-00339  
Balance Sheet  
December 31, 2014

Supplement to Exhibit V  
page 2 of 3  
Witness: Jim Adkins

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	<u>2014</u>	<u>2013</u>
<u>ASSETS</u>		
Electric Plant:		
In service	\$226,650,228	\$220,272,384
Under construction	2,330,155	1,731,297
	<u>228,980,383</u>	<u>222,003,681</u>
Less accumulated depreciation	73,383,237	66,598,322
	<u>155,597,146</u>	<u>155,405,359</u>
Investments	<u>56,591,965</u>	<u>49,837,244</u>
Current Assets:		
Cash and temporary investments	11,282,459	8,311,060
Accounts receivable, net	14,686,732	15,616,931
Material and supplies	1,645,176	1,370,925
Prepayments	638,329	301,267
	<u>28,252,696</u>	<u>25,600,183</u>
Deferred assets	<u>3,841,547</u>	<u>4,130,265</u>
Total Assets	<u>\$244,283,354</u>	<u>\$234,973,051</u>

MEMBERS' EQUITIES AND LIABILITIES

Margins and Equities:		
Memberships	\$1,052,603	\$1,044,718
Patronage capital	95,842,181	86,227,662
Other equities	1,401,536	1,203,317
	<u>98,296,320</u>	<u>88,475,697</u>
Long Term Debt	<u>122,293,110</u>	<u>121,521,400</u>
Accumulated Operating Provisions	<u>9,408,092</u>	<u>9,203,752</u>
Current Liabilities:		
Accounts payable	10,648,366	12,213,462
Short term borrowings	0	0
Consumer deposits	1,695,545	1,831,336
Accrued expenses	1,402,713	1,166,613
	<u>13,746,624</u>	<u>15,211,411</u>
Consumer advances	<u>539,208</u>	<u>560,791</u>
Total Members' Equities and Liabilities	<u>\$244,283,354</u>	<u>\$234,973,051</u>

Blue Grass Energy Cooperative  
Case No. 2014-00339  
Statement of Cash Flows  
December 31, 2014

Supplement to Exhibit V  
page 3 of 3  
Witness: Jim Adkins

	<u>2014</u>	<u>2013</u>
8 Cash Flows from Operating Activities:		
9 Net margins	\$ 9,844,661	\$ 10,632,465
10 Adjustments to reconcile to net cash provided		
11 by operating activities:		
12 Depreciation		
13 Charged to expense	8,384,899	8,253,042
14 Charged to clearing accounts	376,522	382,427
15 Patronage capital credits	(6,875,521)	(7,948,238)
16 Accumulated postretirement benefits	204,340	375,936
17 Net change in current assets and liabilities:		
18 Receivables	930,199	(871,087)
19 Material and supplies	(274,251)	94,692
20 Prepayments and deferred debits	(48,344)	(4,057,918)
21 Accounts payables	(1,565,096)	1,115,682
22 Consumer deposits	(135,791)	(60,345)
23 Accrued expenses	236,100	(61,897)
24 Consumer advances	(21,583)	(53,407)
25	<u>11,056,135</u>	<u>7,801,352</u>
26		
27 Cash Flows from Investing Activities:		
28 Plant additions	(8,944,819)	(10,084,949)
29 Additional investments, net of receipts	120,800	166,364
30	<u>(8,824,019)</u>	<u>(9,918,585)</u>
31		
32 Cash Flows from Financing Activities:		
33 Memberships	7,885	6,285
34 Refund of capital credits	(167,614)	(190,774)
35 Other equities	198,219	60,005
36 Advance payments	4,811,262	(2,142,703)
37 Additional long-term borrowings	1,000,000	10,000,000
38 Payments on long-term debt	(5,110,469)	(5,161,554)
39	<u>739,283</u>	<u>2,571,259</u>
40		
41 Net increase in cash	2,971,399	454,026
42		
43 Cash balances - beginning	<u>8,311,060</u>	<u>7,857,034</u>
44		
45 Cash balances - ending	<u>\$ 11,282,459</u>	<u>\$ 8,311,060</u>
46		



**BLUE GRASS ENERGY COOPERATIVE CORPORATION**  
**PSC CASE NO. 2014-00339**  
**SUPPLEMENTAL RESPONSE TO INFORMATION REQUEST**

**ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION DATED 1/21/15**

**RESPONSIBLE PARTY: Donald Smothers**

**Request 47.** Reference exhibit Z. Provide this information for calendar year 2014.

**Response 47.** 2014 not available at this time.

**Supplemental Response 47.** Because information related to calendar year 2014 is now available, Blue Grass Energy provides a version of Exhibit Z reflecting 2014 figures on the attached "Supplement to Exhibit Z."

Blue Grass Energy Cooperative  
Case No. 2014-00339  
December 31, 2014

8	<b><u>Capital Structure for Rate-making</u></b>		<u>\$\$</u>	
9				
10	Long Term Debt		122,293,110	72.57%
11	Equiaty			
12	Total Equity	98,296,320		
13	Less GTCCs	<u>52,068,253</u>		
14	Equity for Rate-making		<u>46,228,067</u>	<u>27.43%</u>
15				
16	Total Capital		<u>168,521,177</u>	<u>100.00%</u>
17				
18	Return			
19	Interest on Long Term Debt		4,082,638	
20	Net Margins	9,844,661		
21	Less GTCCs	<u>6,679,382</u>		
22	Margins for Rate-making		<u>3,165,279</u>	
23				
24	Total Return		<u>7,247,917</u>	
25				
26	Return on Capital		<u>4.30%</u>	
27				
28				
29	Total Capital Structure			
30				
31	Long Term Debt		122,293,110	55.44%
32	Equiaty		<u>98,296,320</u>	<u>44.56%</u>
33				
34	Total Capital		<u>220,589,430</u>	<u>100.00%</u>
35				
36	Return			
37	Interest on Long Term Debt		4,082,638	
38	Net Margins		<u>9,844,661</u>	
39				
40	Total Return		<u>13,927,299</u>	
41				
42	Return on Capital		<u>6.31%</u>	
43				