

**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 COMMISSION STAFF'S SECOND REQUEST FOR
INFORMATION TO BLUE GRASS ENERGY COOPERATIVE CORPORATION**

DATED JANUARY 21, 2015

[REQUESTS 6(b) and 20]

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

COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION DATED 1/21/15

RESPONSIBLE PARTY: Jim Adkins

Request 6. Refer to the response to question 9 in the Direct Testimony of James R. Adkins in Exhibit H where it states, "Since the FFB loan rates are... variable ones, management thought it to be appropriate to use a longer term interest rate for these loan [sic]."

- a. [...]
- b. Provide a schedule that shows the 2014 FFB loans' interest rate and interest paid.

Consider this an ongoing request and provide updates on a monthly basis.

Response 6(b). Please see pages 2 – 4 of this response. [These pages have been omitted for purposes of this supplemental response].

Supplemental Response 6(b). Blue Grass Energy pays interest on its FFB variable loans quarterly. With respect to the five (5) most recent quarters, the following information is provided:

PSC Request 6
Supplemental Response Page 2 of 2

QUARTER	INTEREST RATE	INTEREST PAID
March 31, 2014	0.0410%	\$111,612
June 30, 2014	0.0320%	\$109,949
September 30, 2014	0.0200%	\$109,787
December 31, 2014	0.0300%	\$108,218
March 31, 2015	0.0410%	\$128,720

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RESPONSIBLE PARTY: Donald Smothers

Request 20. Refer to Exhibit 11 of the Application where Blue Grass estimates the expenses associated with this rate case. On a monthly basis, beginning in January 2014, provide the amount of Blue Grass's actual rate expenses, by category, as was done in the estimate. Consider this an ongoing request which is to be updated monthly.

Response 20. As of December 31, 2014:

Consulting: \$50,248

Advertising: \$99,938

Supplies and miscellaneous: \$439

Total: \$150,624

Supplemental Response 20. Between January 1, 2015, and March 31, 2015, Blue Grass Energy incurred the following expenses associated with this case:

PSC Request 20
Supplemental Response Page 2 of 2

Consulting: \$17,313

Advertising: \$48

Supplies and miscellaneous: \$414

Total: \$17,775

In total, as of March 31, 2015, Blue Grass Energy incurred the following expenses associated with this case:

Consulting: \$67,561

Advertising: \$99,986

Supplies and miscellaneous: \$853

Total: \$168,400