

RE: Case 2023-00014

AN EXAMINATION OF THE APPLICATION OF THE FUEL ADJUSTMENT CLAUSE OF BLUE GRASS ENERGY COOPERATIVE CORPORATION FROM NOVEMBER 1, 2020 THROUGH OCTOBER 31, 2022.

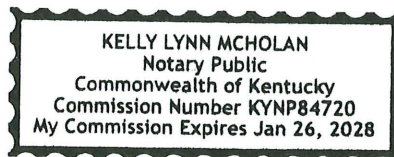
The affiant, Lauren Logan, Vice President of Financial Services for Blue Grass Energy Cooperative Corporation, states that the answers given by her to the foregoing questions are true and correct to the best of her knowledge, information, and belief formed after a reasonable inquiry.

Lauren Logan
Lauren Logan

Subscribed and sworn to before me the affiant, Lauren Logan, this 14th day of June 2024.

My commission expires 1/26/2028

Kelly Mcholan
Notary Public, State of Kentucky at Large



Request No. 1:

Provide each of the monthly Form A rate sheet filings for the two-year period under review in Excel format with all formulas, columns, and rows unprotected and fully accessible.

Response:

Blue Grass Energy provides three documents as the monthly Form A filing. The first document is the fuel adjustment calculation excluding one direct-serve customer referred to as Exhibit A in this filing. The second document is a calculation of line loss also excluding one direct-serve customer referred to as Exhibit B in this filing. The third is the fuel adjustment calculation for our direct-serve customer who has no line loss referred to as Exhibit C in this filing.

Request No. 2:

Refer to the monthly Form A rate sheet filings for the period under review and the Cooperatives' responses to Commission Staff's First Request for Information (Staff's First Request), Item 1 and Item 4.

- a. For each of the two-year period under review, reconcile the discrepancies, if any, between the two filings.
- b. If there are discrepancies, provide the impact of the discrepancy for that month. If the discrepancy results in an under-recovery or an over-recovery for the review period, provide the proposed plan the utility has to address the issue.
- c. If there are discrepancies, then provide an update to Staff's First Request, Item 1 and an updated calculation as requested in Staff's First Request, Item 4.

Response No. 2a:

Blue Grass Energy compared the line loss figures originally reported in Item 1 to the line loss figures reported on our monthly Form A and found no discrepancies in the line loss figures reported. However, we did discover the "Balance Forward" line loss figure was included in our average calculation. This resulted in a 25 month average line loss figure being reported instead of the intended 24 month average. The difference in the 24 month and 25 month average calculation was so minuscule that when corrected, it resulted in no change in to the increase in the base rate per kWh calculated.

Response No. 2b:

The only discovery made by Blue Grass Energy in reviewing our response to the Commission Staff's First Request for Information was the inclusion of the "Balance Forward" month's line loss in our average calculation. This resulted in a 25 month average being reported instead of a 24 month average. When corrected, this issue made no difference in the increase in the base rate per kWh calculated. In addition, the rates calculated in this review case have not yet been implemented by Blue Grass Energy. Therefore, there is no under-recovery or over-recovery for the review period.

Response No. 2c:

Blue Grass Energy has provided updated schedules, attached to this response, that correct the discrepancy referenced above when completing Staff's First Request, Item 1 and Staff's First Request, Item 4. Please note that this discrepancy did not change the increase in base rate per kWh requested as compared to the original response.

Blue Grass Energy
PSC Case No. 2023-00014
Response to Commision Staff's Request

Month	Purchases	Sales	Office Use	Line Loss	Percent Line Loss
Balance Forward	1,251,443,126	1,190,732,510	923,898	59,786,718	4.777%
Less 11/2019	111,547,391	92,017,587	122,313	19,407,491	
Plus 11/2020	92,452,860	83,450,431	95,534	8,906,895	
For 11/2020	1,232,348,595	1,182,165,354	897,119	49,286,122	3.999%
Less 12/2019	120,754,594	110,040,988	130,757	10,582,849	
Plus 12/2020	134,018,324	103,130,386	140,347	30,747,591	
For 12/2020	1,245,612,325	1,175,254,752	906,709	69,450,864	5.576%
Less 1/2020	122,460,915	112,022,545	130,425	10,307,945	
Plus 1/2021	140,437,439	130,098,384	147,837	10,191,218	
For 1/2021	1,263,588,849	1,193,330,591	924,121	69,334,137	5.487%
Less 2/2020	120,222,525	120,097,963	119,328	5,234	
Plus 2/2021	139,394,136	142,248,449	148,350	(3,002,663)	
For 2/2021	1,282,760,460	1,215,481,077	953,143	66,326,240	5.171%
Less 3/2020	95,837,724	105,845,112	102,467	(10,109,855)	
Plus 3/2021	99,637,975	113,231,270	106,791	(13,700,086)	
For 3/2021	1,286,560,711	1,222,867,235	957,467	62,736,009	4.876%
Less 4/2020	82,971,872	87,602,286	89,405	(4,719,819)	
Plus 4/2021	87,084,544	88,657,509	86,504	(1,659,469)	
For 4/2021	1,290,673,383	1,223,922,458	954,566	65,796,359	5.098%
Less 5/2020	86,890,047	77,389,743	82,009	9,418,295	
Plus 5/2021	86,406,444	80,108,893	77,328	6,220,223	
For 5/2021	1,290,189,780	1,226,641,608	949,885	62,598,287	4.852%
Less 6/2020	99,143,695	87,435,208	75,045	11,633,442	
Plus 6/2021	101,899,098	87,916,082	75,851	13,907,165	
For 6/2021	1,292,945,183	1,227,122,482	950,691	64,872,010	5.017%
Less 7/2020	123,404,873	102,067,525	86,202	21,251,146	
Plus 7/2021	112,184,587	101,506,830	76,931	10,600,826	
For 7/2021	1,281,724,897	1,226,561,787	941,420	54,221,690	4.230%
Less 8/2020	110,490,033	112,883,663	83,439	(2,477,069)	
Plus 8/2021	114,525,509	107,691,072	79,247	6,755,190	
For 8/2021	1,285,760,373	1,221,369,196	937,228	63,453,949	4.935%
Less 9/2020	90,385,754	102,503,210	76,576	(12,194,032)	
Plus 9/2021	90,626,416	104,938,214	74,509	(14,386,307)	
For 9/2021	1,286,001,035	1,223,804,200	935,161	61,261,674	4.764%
Less 10/2020	81,969,864	79,488,212	72,929	2,408,723	
Plus 10/2021	83,302,935	83,308,980	75,282	(81,327)	
For 10/2021	1,287,334,106	1,227,624,968	937,514	58,771,624	4.565%
Less 11/2020	92,452,860	83,450,431	95,534	8,906,895	
Plus 11/2021	106,000,432	86,816,045	104,043	19,080,344	
For 11/2021	1,300,881,678	1,230,990,582	946,023	68,945,073	5.300%
Less 12/2020	134,018,324	103,130,386	140,347	30,747,591	
Plus 12/2021	107,268,414	103,693,801	109,624	3,464,989	
For 12/2021	1,274,131,768	1,231,553,997	915,300	41,662,471	3.270%

Response to Commission Staff's Request

Less 1/2021	140,437,439	130,098,384	147,837	10,191,218	
Plus 1/2022	155,142,956	116,484,024	150,860	38,508,072	
For 1/2022	1,288,837,285	1,217,939,637	918,323	69,979,325	5.430%
Less 2/2021	139,394,136	142,248,449	148,350	(3,002,663)	
Plus 2/2022	120,371,686	144,187,730	123,872	(23,939,916)	
For 2/2022	1,269,814,835	1,219,878,918	893,845	49,042,072	3.862%
Less 3/2021	99,637,975	113,231,270	106,791	(13,700,086)	
Plus 3/2022	102,113,663	102,035,306	102,599	(24,242)	
For 3/2022	1,272,290,523	1,208,682,954	889,653	62,717,916	4.930%
Less 4/2021	87,084,544	88,657,509	86,504	(1,659,469)	
Plus 4/2022	89,289,350	95,652,614	82,932	(6,446,196)	
For 4/2022	1,274,495,329	1,215,678,059	886,081	57,931,189	4.545%
Less 5/2021	86,406,444	80,108,893	77,328	6,220,223	
Plus 5/2022	90,454,517	81,102,382	72,206	9,279,929	
For 5/2022	1,278,543,402	1,216,671,548	880,959	60,990,895	4.770%
Less 6/2021	101,899,098	87,916,082	75,851	13,907,165	
Plus 6/2022	107,316,848	93,656,099	76,570	13,584,179	
For 6/2022	1,283,961,152	1,222,411,565	881,678	60,667,909	4.725%
Less 7/2021	112,184,587	101,506,830	76,931	10,600,826	
Plus 7/2022	118,773,784	107,710,631	82,314	10,980,839	
For 7/2022	1,290,550,349	1,228,615,366	887,061	61,047,922	4.730%
Less 8/2021	114,525,509	107,691,072	79,247	6,755,190	
Plus 8/2022	112,846,190	111,590,602	81,091	1,174,497	
For 8/2022	1,288,871,030	1,232,514,896	888,905	55,467,229	4.304%
Less 9/2021	90,626,416	104,938,214	74,509	(14,386,307)	
Plus 9/2022	90,136,682	102,915,553	73,575	(12,852,446)	
For 9/2022	1,288,381,296	1,230,492,235	887,971	57,001,090	4.424%
Less 10/2021	83,302,935	83,308,980	75,282	(81,327)	
Plus 10/2022	82,874,390	81,873,816	81,357	919,217	
For 10/2022	1,287,952,751	1,229,057,071	894,046	58,001,634	4.503%

Average Line Loss for the Period from November 1, 2020 to October 31, 2022 is

4.724%

TWELVE MONTH ACTUAL LINE LOSS
FOR FUEL ADJUSTMENT CHARGE CALCULATION (EXCLUDING DIRECT SERVE)

Average Line Loss Percentage from Item 1, Page 3 of 3		4.724%
Sales as a Percent of Purchases (100% less Line Loss Percentage above)		95.276%
Change in Base Fuel Proposed by East Kentucky Power Corporation	\$	0.01125
FAC Base Increase Adjusted for Line Loss (\$0.01125 / 95.276%)	\$	0.01181
Increase in Base Rate kWh		1.181