

HOWARD DOWNING
ATTORNEY AT LAW
109 South First Street
Nicholasville, Kentucky 40356
(859)885-4619 fax (859)885-1127

March 26, 2009

Mr. Jeff Derouen
Executive Director
Public Service Commission
211 Sower Boulevard
Frankfort, KY 40602

HAND DELIVERED

RECEIVED

MAR 26 2009

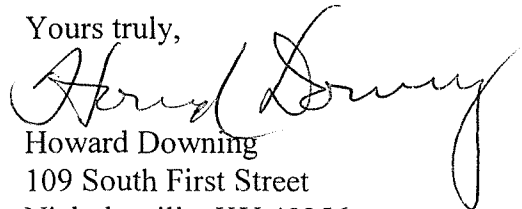
PUBLIC SERVICE
COMMISSION

Re: PSC Case No. 2008-00411

Dear Mr. Derouen:

Please find enclosed for filing with the Commission in the above-referenced case an original and five copies of the responses of Blue Grass Energy Cooperative Corporation to the Third Data Request of Commission Staff, dated March 20, 2009.

Yours truly,



Howard Downing
109 South First Street
Nicholasville, KY 40356
Phone: 859-885-4619
Attorney for Blue Grass Energy
Cooperative Corporation

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

APPLICATION OF BLUE GRASS ENERGY)	
COOPERATIVE CORPORATION TO)	CASE NO.
PASS-THROUGH AN INCREASE OF ITS)	2008-00411
WHOLESALE POWER SUPPLIER PURSUANT)	
TO KRS 278.455(2))	

CERTIFICATE

STATE OF KENTUCKY)
)
 COUNTY OF CLARK)

Ann F. Wood, being duly sworn, states that she has supervised the preparation of the responses of Blue Grass Energy Cooperative Corporation to the Public Service Commission Staff Third Data Request in the above-referenced case dated March 20, 2009, and that the matters and things set forth therein are true and accurate to the best of her knowledge, information and belief, formed after reasonable inquiry.

Ann F. Wood

Subscribed and sworn before me on this 23rd day of March, 2009.

Deanna S. Guffin
 Notary Public

My Commission expires:

December 8, 2009

BLUE GRASS ENERGY COOPERATIVE CORPORATION
PSC CASE NO. 2008-00411
THIRD DATA REQUEST RESPONSE

COMMISSION STAFF'S THIRD DATA REQUEST DATED 03/20/09
REQUEST 1

RESPONSIBLE PERSON: Ann F. Wood

COMPANY: Blue Grass Energy Cooperative Corporation

Request 1. Provide a final version of the tariff Blue Grass proposes to implement to flow through to its customers the increase in wholesale rates contained in the March 13, 2009 Settlement Agreement filed by East Kentucky Power Cooperative, Inc. in Case No. 2008-00409.¹

Response 1. Please see the final version of the tariff on pages 2 through 11 of this response.

¹ Case No. 2008-00409, General Adjustment of Electric Rates of East Kentucky Power Cooperative, Inc. (Ky. PSC, filed Oct. 31, 2008).

BLUE GRASS ENERGY
COOPERATIVE CORPORATION

FOR ENTIRE TERRITORY SERVED
P.S.C. KY NO. 2
ORIGINAL SHEET NO. 5
CANCELLING P.S.C. KY NO. 1
ORIGINAL SHEET NO, 5, 39, & 53

CLASSIFICATION OF SERVICE

GS-2 Off-Peak Retail Marketing Rate (ETS)

AVAILABILITY

Available to consumers eligible for Tariff GS-1, Residential and Farm Schedule. The electric power and energy furnished under Tariff GS-2, Off Peak Retail Marketing Rate shall be separately metered for each point of delivery. Other power and energy furnished will be billed under GS-1, Residential and Farm Schedule.

RATES

All kWh/Month: \$0.04914 kWh

SCHEDULE OF HOURS

This rate is only applicable for the below listed off-peak hours:

<u>Months</u>	<u>Hours Applicable for Demand Billing - EST</u>
October through April	12:00 noon to 5:00 p.m. 10:00 p.m. to 7:00 a.m.
May through September	10:00 p.m. to 10:00 a.m.

FUEL ADJUSTMENT CLAUSE

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by and amount per KWH equal to the fuel adjustment amount per KWH as billed by the Wholesale Power Supplier, plus an allowance for line losses. The allowance for line loss will not exceed 10% and is based on twelve-month moving average of such losses. This Fuel Clause is subject to all applicable provisions as set out in 807 KAR 5.056.

DELAYED PAYMENT CHARGE

The above rates are net, the gross rates being 7.5% higher. In the event the current monthly bill is not paid within 15 days from the date of the bill, the gross rates shall apply.

TERMS AND CONDITIONS

This Tariff is subject to the same terms and conditions as described in Tariff GS-1, Residential and Farm. This rate applies to only programs which are expressly approved by the Public Service Commission to be offered under the Marketing Rate of East Kentucky Power Cooperative's wholesale power rate. Effective January 1, 2009 all consumers under this rate will be switched to the GS-3 Residential and Farm Time-of Day Rate or the GS-1 Residential and Farm Rate. This tariff is no longer available for new installations.

DATE OF ISSUE: March 26, 2009

DATE EFFECTIVE: April 1, 2009

ISSUED BY: _____
(Name of Officer)

TITLE: Vice President & CFO

BLUE GRASS ENERGY
COOPERATIVE CORPORATION

FOR ENTIRE TERRITORY SERVED
P.S.C. KY NO. 2
ORIGINAL SHEET NO. 6
CANCELLING P.S.C. KY NO. 1
ORIGINAL SHEET NO. 6, 35, & 52

CLASSIFICATION OF SERVICE

GS-1 (Residential and Farm)

APPLICABLE

Entire Territory Served

AVAILABILITY

Available to all residential and farm consumers. The capacity on individual motors served under this schedule may not exceed ten (10) horsepower.

TYPE OF SERVICE

Single-phase, 60 cycles, at available secondary voltage.

RATES

Customer Charge	\$9.36 per meter, per month
Energy Charge per kWh	\$0.08189

FUEL ADJUSTMENT CLAUSE

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by and amount per KWH equal to the fuel adjustment amount per KWH as billed by the Wholesale Power Supplier, plus an allowance for line losses. The allowance for line loss will not exceed 10% and is based on twelve-month moving average of such losses. This Fuel Clause is subject to all applicable provisions as set out in 807 KAR 5.056.

MINIMUM MONTHLY CHARGE

The minimum monthly charge under this tariff shall be the customer charge.

DELAY PAYMENT CHARGE

The above rates are net, the gross rates being 7.5% higher. In the event the current monthly bill is not paid within 15 days from the date of the bill, the gross rates shall apply.

DATE OF ISSUE: March 26, 2009

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ISSUED BY: _____

(Name of Officer)

TITLE: Vice President & CFO

BLUE GRASS ENERGY
COOPERATIVE CORPORATION

FOR ENTIRE TERRITORY SERVED
P.S.C. KY NO. 2
ORIGINAL SHEET NO. 8
CANCELLING P.S.C. KY NO. 1
ORIGINAL SHEET NO. 8

CLASSIFICATION OF SERVICE

GS-3 (Residential and Farm Time-of-Day Rate)

APPLICABLE

Entire Territory Served

AVAILABILITY

Available to all consumers eligible for the Tariff GS-1, Residential and Farm. The capacity on individual motors served under this schedule may not exceed ten (10) horsepower.

TYPE OF SERVICE

Single-phase, 60 cycles, at available secondary voltage.

RATES:

Customer Charge	\$9.36 per meter, per month
<u>Energy Charge per kWh</u>	
<u>On-peak energy</u>	\$0.10028
<u>Off-peak energy</u>	\$0.06139

On-Peak Hours and Off-Peak Hours

<u>Months</u>	<u>On-Peak Hours</u>	<u>Off-Peak Hours</u>
<u>May through September</u>	<u>10:00 a.m. to 10:00 p.m.</u>	<u>10:00 p.m. to 10:00 a.m.</u>
<u>October through April</u>	<u>7:00 a.m. to 12:00 noon</u> <u>5:00 p.m. to 10:00 p.m.</u>	<u>10:00 p.m. to 7:00 a.m.</u> <u>12:00 noon to 5:00 p.m.</u>

FUEL ADJUSTMENT CLAUSE

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by and amount per KWH equal to the fuel adjustment amount per KWH as billed by the Wholesale Power Supplier, plus an allowance for line losses. The allowance for line loss will not exceed 10% and is based on twelve-month moving average of such losses. This Fuel Clause is subject to all applicable provisions as set out in 807 KAR 5.056.

MINIMUM MONTHLY CHARGES

The minimum monthly charge under this tariff shall be the customer charge.

DELAY PAYMENT CHARGE

The above rates are net, the gross rates being 7.5% higher. In the event the current monthly bill is not paid within 15 days from the date of the bill, the gross rates shall apply.

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(Name of Officer)

TITLE: Vice President & CFO

BLUE GRASS ENERGY
COOPERATIVE CORPORATION

FOR ENTIRE TERRITORY SERVED
P.S.C. KY NO. 2
ORIGINAL SHEET NO. 9
CANCELLING P.S.C. KY NO. 1
ORIGINAL SHEET NO. 9, 36, 54, & 55

CLASSIFICATION OF SERVICE

SC-1 Commercial and Industrial (0-100 KW)

APPLICABLE

Entire territory served

AVAILABILITY

Available for single phase or three-phase commercial and industrial; and three-phase farm service up to 100 kW.

TYPE OF SERVICE

Single-phase and three-phase, 60 cycles, at available secondary voltages. Motors having a rated capacity in excess of 10 horsepower must be three-phase unless specially approved by the Cooperative. Consumer's equipment shall operate in such a way that it does not cause electrical disturbances to other consumers.

RATE

Demand Charge

First 10 KW of Billing Demand	No charge
Over 10 KW of Billing Demand	\$7.49

Energy Charge

All KWH	\$0.07644
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Customer Charge	\$26.74
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FUEL ADJUSTMENT CLAUSE

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the Wholesale Power Supplier, plus an allowance for line losses. The allowance for line loss will not exceed 10% and is based on a twelve-month moving average of such losses. This Fuel Clause is subject to all applicable provisions as set out in 807 KAR 5.056.

DETERMINATION OF BILLING DEMAND

The billing demand shall be the maximum kilowatt demand established by the consumer for any period of fifteen consecutive minutes during the month for which the bill is rendered, as indicated or recorded by a demand meter and adjusted for power factor.

DATE OF ISSUE: March 26, 2009

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(Name of Officer)

TITLE: Vice President & CFO

BLUE GRASS ENERGY
COOPERATIVE CORPORATION

FOR ENTIRE TERRITORY SERVED
P.S.C. KY NO. 2
ORIGINAL SHEET NO. 13
CANCELLING P.S.C. KY NO. 1
ORIGINAL SHEET NO. 13, 48, & 58

CLASSIFICATION OF SERVICE

LP-2 Large Power (over 500)

APPLICABLE

Entire territory served

AVAILABILITY

Available to all commercial and industrial consumers whose contracted kilowatt demand shall exceed 500 kW for all usage subject to the established rules and regulations.

CONDITIONS

An "Agreement for Purchase of Power" shall be executed by the consumer for service under this schedule.

TYPE OF SERVICE

Three-phase, 60 cycles, at available primary or secondary voltages. Consumer's equipment shall operate in such a way that it does not cause electrical disturbances to other consumers.

RATE

Maximum Demand Charge

\$8.02 per month per kW of billing demand

Energy Charge (over 500 kW)

Customer Charge _____ \$106.94

ALL KWH _____ \$0.04382

Special facilities charge as specified in the contract

DETERMINATION OF BILLING DEMAND

The billing demand shall be the maximum kilowatt demand established by the consumer for any period of fifteen consecutive minutes during the month for which the bill is rendered, as indicated or recorded by a demand meter and adjusted for power factor as provided below.

POWER FACTOR ADJUSTMENT

The consumer agrees to maintain unity power factor as nearly as practical. Power Factor may be measured at any time. Should such measurements indicate that the power factor at the time of the maximum demand is less than the wholesale power factor, the demand for billing purposes shall be demand as indicated or recorded by the demand meter multiplied by the wholesale power factor and divided by the measured power factor.

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TITLE: Vice President & CFO

BLUE GRASS ENERGY
COOPERATIVE CORPORATION

FOR ENTIRE TERRITORY SERVED
P.S.C. KY NO. 2
ORIGINAL SHEET NO. 15
CANCELLING P.S.C. KY NO. 1
ORIGINAL SHEET NO. 15, 16, & 64

CLASSIFICATION OF SERVICE

OUTDOOR LIGHTS

APPLICABLE

Entire territory served

AVAILABILITY

Available to all consumers of the Cooperative subject to its established rules and regulations.

RATE PER LIGHT PER MONTH

<u>175 Watt Mercury Vapor*</u>	<u>\$10.17</u>
<u>400 Watt Mercury Vapor*</u>	<u>\$16.46</u>
<u>400 Watt Metal Halide Directional Flood</u>	<u>\$15.51</u>
<u>400 Watt High Pressure Sodium Directional Flood*</u>	<u>\$16.31</u>
<u>100 Watt High Pressure Sodium – Shoebox Fixture (Metal Pole)</u>	<u>\$17.98</u>
<u>100 Watt High Pressure Sodium – Acorn Fixture (Fiberglass Pole)</u>	<u>\$17.41</u>
<u>100 Watt High Pressure Sodium – Colonial Fixture</u>	<u>\$14.70</u>
<u>400 Watt High Pressure Sodium Cobra Head (Aluminum Pole)</u>	<u>\$21.82</u>
<u>70 Watt High Pressure Sodium (Ornamental)*</u>	<u>\$ 9.62</u>
<u>100 Watt High Pressure Sodium (Ornamental)*</u>	<u>\$10.69</u>
<u>250 Watt High Pressure Sodium (Ornamental)*</u>	<u>\$14.17</u>
<u>70 Watt High Pressure (Colonial) (15-foot mounting height)*</u>	<u>\$ 8.93</u>
<u>200 Watt High Pressure Sodium Cobra Head (Aluminum Pole)</u>	<u>\$14.44</u>
<u>100 Watt High Pressure Sodium Cobra Head (Aluminum Pole)</u>	<u>\$10.69</u>
<u>100 Watt High Pressure Sodium Open Bottom</u>	<u>\$10.19</u>
<u>250 Watt High Pressure Sodium Open Bottom</u>	<u>\$15.27</u>

*Not available for new installation

ADDITIONAL ORNAMENTAL SERVICE

The Cooperative may, upon request, furnish ornamental poles/fixtures not listed in our current rates of the Cooperative's choosing, together with overhead wiring and all other equipment as needed. The Member will pay this additional cost prior to installation.

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BLUE GRASS ENERGY
COOPERATIVE CORPORATION

FOR ENTIRE TERRITORY SERVED
P.S.C. KY NO. 2
ORIGINAL SHEET NO. 23
CANCELLING P.S.C. KY NO. 1
ORIGINAL SHEET NO. 23 & 50

CLASSIFICATION OF SERVICE

Large Industrial Rate - Schedule B-1

AVAILABILITY

Applicable to contracts with demands of 1,000 KW to 3,999 KW with a monthly energy usage equal to or greater than 425 hours per kW of billing demand.

MONTHLY RATE

Consumer Charge	\$1,069.40
Demand Charge per kW of Contract Demand	\$ 6.65
Demand Charge per kW for Billing Demand in Excess of Contract Demand	\$ 9.25
Energy Charge per kWh	\$0.04436

BILLING DEMAND

The monthly billing demand (kilowatt demand) shall be the contract demand plus any excess demand. Excess demand occurs when the consumer's peak demand, during the current month, exceeds the contract demand. The load center's peak demand is highest average rate at which energy is used during any fifteen-minute interval, in the below listed hours for each month, and adjusted for power factor as provided herein:

<u>Months</u>	<u>Hours Applicable for Demand Billing - EST</u>
October through April	7:00 a.m. to 12:00 noon 5:00 p.m. to 10:00 p.m.
May through September	10:00 a.m. to 10:00 p.m.

MINIMUM MONTHLY CHARGE

The minimum monthly charge shall not be less than the sum of (a) through (d) below:

- Customer Charge
- The product of the contract demand multiplied by the contract demand charge, plus the product of the demand in excess of the contract demand, multiplied by the in excess of contract demand charge.
- The product of the contract demand multiplied by 425 hours and the energy charge per KWH.
- Contract provisions that reflect special facilities requirements.

POWER FACTOR ADJUSTMENT

The consumer agrees to maintain unity power factor as nearly as practicable. Power factor may be measured at any time. Should such measurements indicate that the power factor at the time of the maximum demand is less than the minimum required wholesale power factor, the demand for billing purposes shall be demand as indicated or recorded, multiplied by the minimum required wholesale power factor and divided by the measured power factor.

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(Name of Officer)

TITLE: Vice President & CFO

BLUE GRASS ENERGY
COOPERATIVE CORPORATION

FOR ENTIRE TERRITORY SERVED
P.S.C. KY NO. 2
ORIGINAL SHEET NO. 25
CANCELLING P.S.C. KY NO. 1
ORIGINAL SHEET NO. 25 & 62

CLASSIFICATION OF SERVICE

Large Industrial Rate - Schedule B-2

AVAILABILITY

Applicable to contracts with demands of 4,000 KW and greater with a monthly energy usage equal to or greater than 425 hours per KW of contract demand.

TYPE OF SERVICE

Three-phase, 60 cycles, at available primary voltages. Consumer's equipment shall operate in such a way that it does not cause electrical disturbances to other consumers.

MONTHLY RATE

Customer Charge	\$2,138.80
Demand Charge per kW of Contract Demand	\$6.65
Demand Charge per kW for Billing Demand in Excess of Contract Demand	\$9.25
Energy Charge per kWh	\$0.03960

BILLING DEMAND

The monthly billing demand (kilowatt demand) shall be the contract demand plus any excess demand. Excess demand occurs when the consumer's peak demand, during the current month, exceeds the contract demand. The load center's peak demand is highest average rate at which energy is used during any fifteen-minute interval, in the below listed hours for each month, and adjusted for power factor as provided herein:

<u>Months</u>	<u>Hours Applicable for Demand Billing - EST</u>
October through April	7:00 a.m. to 12:00 noon 5:00 p.m. to 10:00 p.m.
May through September	10:00 a.m. to 10:00 p.m.

MINIMUM MONTHLY CHARGE

The minimum monthly charge shall not be less than the sum of (a) through (d) below:

- Customer Charge
- The product of the contract demand multiplied by the contract demand charge, plus the product of the demand in excess of the contract demand, multiplied by the in excess of contract demand charge.
- The product of the contract demand multiplied by 425 hours and the energy charge per kWh.
- Contract provisions that reflect special facilities requirements.

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BLUE GRASS ENERGY
COOPERATIVE CORPORATION

FOR ENTIRE TERRITORY SERVED
P.S.C. KY NO. 2
ORIGINAL SHEET NO. 33
CANCELLING P.S.C. KY NO. 1
ORIGINAL SHEET NO. 33

CLASSIFICATION OF SERVICE

Interruptible Service

STANDARD RIDER

This Interruptible Rate is a rider to the Schedule LP-1 Large Power Rate, LP-2 Large Power Rate, B-1 Large Industrial Rate and B-2 Large Industrial Rate.

APPLICABLE

In all territory served by the Cooperative.

AVAILABILITY OF SERVICE

This schedule shall be made available at any load center, to any member who will contract for an interruptible demand of not less than 250 KW and not more than 20,000 KW, subject to a maximum number of hours of interruption per year and a notice period as listed below.

MONTHLY RATES

A monthly demand credit per KW is to be based on the following matrix:

Notice Minutes	Annual Hours of Interruption		
	200	300	400
10	\$4.20	\$4.90	\$5.60
60	\$3.50	\$4.20	\$4.90

DETERMINATION OF MEASURED LOAD - BILLING DEMAND

The monthly billing demand shall be the highest average rate at which energy is used during any fifteen consecutive minute periods during the below listed hours:

Months	Hours Applicable for Demand Billing - EST
October through April	7:00 a.m. to 12:00 noon 5:00 p.m. to 10:00 p.m.
May through September	10:00 a.m. to 10:00 p.m.

The interruptible billing demand shall be equal to the amount by which the monthly billing demand exceeds the minimum billing demand as specified in the contract.

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(Name of Officer)

TITLE: Vice President & CFO