

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

TARIFF FILING OF BLUE GRASS ENERGY)	
COOPERATIVE CORPORATION FOR)	
CHANGES TO ITS SCHEDULE GS-3)	CASE NO.
RESIDENTIAL AND FARM TIME-OF-DAY)	2009-00224
RATE)	

INITIAL DATA REQUEST OF COMMISSION STAFF TO
BLUE GRASS ENERGY COOPERATIVE CORPORATION

Blue Grass Energy Cooperative Corporation ("Blue Grass"), pursuant to 807 KAR 5:001, is to file with the Commission the original and three copies of the following information, with a copy to all parties of record. The information requested herein is due no later than 10 days after the date of issuance of this request. Responses to requests for information shall be appropriately bound, tabbed, and indexed. Each response shall include the name of the witness responsible for responding to the questions related to the information provided.

Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Blue Grass shall make timely amendment to any prior response if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which Blue Grass fails or refuses to furnish all or part of the requested information, Blue Grass shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations.

1. Refer to page 3 of the Prepared Testimony of James R. Adkins (“Adkins Testimony”), included as Exhibit A of Blue Grass’s May 28, 2009 filing. Explain in detail how the proposed GS-3 off-peak energy rate of \$0.06067 per kWh was determined.

2. Blue Grass proposes to increase the customer charge for its GS-3 rate from \$9.36 to \$15.00, as stated on page 4 of the Adkins Testimony.

a. Explain in detail how the amount of the proposed customer charge was determined.

b. Explain whether Blue Grass believes an increase in the customer charge of this magnitude could have an effect upon initial customer acceptance of its proposed tariff.

3. Refer to page 5 of the Adkins Testimony.

a. Explain whether Blue Grass started to develop the proposed GS-3 tariff with a goal of reducing the number of on-peak hours to 40 per week or is it coincidental that 40 is the proposed number of on-peak hours.

b. Provide the ten-year billing peak data which Blue Grass has reviewed and relied upon in determining that it is “very unlikely” that a wholesale billing peak might occur in hours that are on-peak for its wholesale power supplier, East Kentucky Power Cooperative, Inc., but off-peak for Blue Grass.

4. Assume that all customers currently served under Rate Schedule GS-1 switched to the proposed GS-3 Time of Day Rate. If customers’ consumption patterns remained unchanged, what would be the effect on Blue Grass’s revenues? Explain.

5. Are any customers currently served under the existing GS-3 Time of Day rate? Have any customers been served under this rate within the past five years who are no longer served under it?


a. If yes to either question, provide the number of such customers.

b. If there were customers served under the existing rate within the past five years who chose to discontinue that service, provide the reasons given by such customers for discontinuing that service.

6. Blue Grass currently has a GS-2 Off-Peak Retail Marketing Rate (ETS). The terms of Rate Schedule GS-2 provide that all consumers under this rate will be switched to the GS-3 Time of Date rate or the GS-1 Residential and Farm rate effective January 1, 2009.

a. What was the rationale behind Blue Grass’s decision to discontinue the GS-2 ETS rate?

b. How does Blue Grass determine which GS-2 customer will be switched to the GS-3 Time of Date rate and which GS-2 customer will be switched to the GS-1 Residential and Farm rate?



Jeff Derouen
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, KY 40602

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cc: All Parties

J. Donald Smothers
Vice President, Financial Services
Blue Grass Energy Cooperative Corp.
P. O. Box 990
1201 Lexington Road
Nicholasville, KY 40340-0990