




# Blue Grass Energy

A Touchstone Energy Cooperative 

P.O. Box 990 • 1201 Lexington Road • Nicholasville, Kentucky 40340-0990  
Phone: 888-546-4243 • Fax: 859-885-2854 • [www.bgenergy.com](http://www.bgenergy.com)

July 9, 2010

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

**RECEIVED**

**JUL 09 2010**

**PUBLIC SERVICE  
COMMISSION**

RE: PSC Case No. 2010-00185

Dear Mr. Derouen,

Please find enclosed information requested in the Kentucky Public Service Commission's June 29, 2010 letter concerning a public notice for the proposed customer deposit increase and new tariff effective date. Included is a copy of the Official Notice for the deposit increase and a copy of the deposit tariff with a new proposed effective date. Hopefully, this will satisfy the remaining deficiency.

I am sorry for any inconvenience this may have caused. If you have any questions, please contact me at (859) 885-2118. As always, your continued assistance and cooperation is appreciated.

Sincerely,



J. Donald Smothers

Vice President, Financial Services

**Official Notice**

Blue Grass Energy Cooperative Corporation with its principal office at Nicholasville, Kentucky, and with its address as P.O. Box 990, Nicholasville, Kentucky 40340, intends to file with the Kentucky Public Service Commission in Case No. 2010-00185 an application to adjust its residential security deposit. This Adjustment will not result in a general rate increase to the member-consumers of Blue Grass Energy Cooperative Corporation.

The residential security deposit proposed in this application is a residential security deposit proposed by Blue Grass Energy Cooperative Corporation. However, the Kentucky Public Service Commission may order a deposit to be charged that differ from the one proposed. Such action may result in a deposit for consumers other than the deposit in this application.

Any corporation, association, body politic, or person may by motion within thirty (30) days after publication or mailing of notice of the proposed rate changes request leave to intervene. The motion shall be submitted to the Public Service Commission, 211 Sower Boulevard, P.O. Box 615, Frankfort, Kentucky 40602, and shall set forth the grounds for the request including the status and interest of the party. Any person who has been granted intervention by the Commission may obtain copies of the rate application and any other filings made by the utility by contacting Donald Smothers, Blue Grass Energy Cooperative Corporation, P.O. Box 990, Nicholasville, Kentucky 40340, phone 859-885-4191.

Any person may examine the rate application and any other filings made by the utility at the office of Blue Grass Energy Cooperative Corporation or at the Commission's office.

Blue Grass Energy Cooperative Corp.  
P.O. Box 990  
Nicholasville, Kentucky 40340  
859-885-4191

Kentucky Public Service Commission  
211 Sower Boulevard  
Frankfort, Kentucky 40602  
502-564-3940

The present and proposed residential security deposit of Blue Grass Energy Cooperative Corporation is listed below:

<u>Description</u>	<u>Rates</u>	
	<u>Existing</u>	<u>Proposed</u>
Residential Security Deposit	\$175.00	\$225.00

**BLUE GRASS ENERGY  
COOPERATIVE CORPORATION**

For Entire Territory Served  
P.S.C. KY No. 1  
Original SHEET NO 4  
CANCELLING P.S.C.NO.       
     SHEET NO.     

**RULES AND REGULATIONS**

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government. A locked entrance, dog or other problem may prevent the meter reader from reading the meter at times. The reading may then be estimated, based on the electricity previously used. When the reading is estimated, it will be noted on the bill. After the next actual reading, the bill will be adjusted automatically if the estimated reading was too high or too low. Failure to receive a statement will not release the member from payment obligation.

**(14) DEPOSITS**

Blue Grass Energy may require a minimum cash deposit to secure payment of bills except for customers qualifying for service connection pursuant to 807 KAR 5:006, Section 15, Winter Hardship Reconnection. Service may be refused or discontinued for failure to pay the requested deposit. Residential customers, where applicable, will pay a deposit in the amount of \$225.00. (I) This amount does not exceed the average bill of residential customers served by Blue Grass Energy and is equal to 2/12 of the average bill. Interest, as prescribed by KRS 278.460, will be paid annually either by refund or credit to the customer's bill, except that no refund or credit will be made if the customer's bill is delinquent on the anniversary date of the deposit.

The deposit may be waived upon a customer's showing of satisfactory credit. Required deposits will be returned after one year if the customer has established a satisfactory payment record for that period. If a deposit has been waived or returned and the customer fails to maintain a satisfactory payment record, a deposit may then be required. The cooperative may require a deposit in addition to the initial deposit if the customer's classification of service changes or if there is a substantial change in usage. Upon termination of service, the deposit, any principal amounts and any interest earned and owing, will be credited to the final bill with any remainder refunded to the customer.

A deposit will be required or waived, based on the credit report received from the credit agency as determined by Blue Grass Energy at the time the service is requested by the customer. If the customer has a satisfactory credit report the deposit may be waived.

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DATE OF ISSUE: July 9, 2010

DATE EFFECTIVE: August 9, 2010

ISSUED BY: J. Donald Smothers J. Donald Smothers, Vice President and CFO

ADDRESS: P. O. Box 990, Nicholasville KY 40340-0990

Issued by authority of an Order of the Public Service Commission of Kentucky

In Case No.:

Dated: