

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF BLUE GRASS ENERGY)	Case No.
COOPERATIVE CORPORATION FOR APPROVAL)	2012-00260
OF A PREPAY METERING PROGRAM)	

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION
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 six copies of the following information, with a copy to all parties of record. The information requested herein is due within 10 days of the 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, it 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.

1. Refer to Exhibit A, page 1 of 3, Terms & Condition section, Item 1. Blue Grass states the term of the agreement for the program is one year. Another utility offering a similar tariff has stated that, in special circumstances in which the tariff is simply not working out for the customer, exceptions could be made in which the customer could be returned to the standard residential tariff. Explain whether Blue Grass has considered whether exceptions could be made to the one-year requirement.

2. Refer to Exhibit A, page 1 of 3, Terms & Condition section, Item 2. The tariff states that member must confirm that he/she can receive electronic communications in order to participate in the program.

a. List the types of electronic communications to which the tariff refers.

b. Could an in-home electronic display eventually become part of this program? Explain.

c. Explain whether all of the residential meters that Blue Grass currently has in service are compatible with the hardware and software Blue Grass will deploy for the prepay metering program.

d. Provide a screen print of all screens available on the computers of participants in the prepay metering program, or, in the alternative, provide a list of all

information available via internet to participants, including a description of available actions prepay metering participants can take via internet connection.

3. Refer to Exhibit A, page 1 of 3, Terms & Condition section, Item 4. The tariff states, “[m]embers may apply funds to their prepay account(s) by all the same methods as post pay and listed on Blue Grass Energy’s website.” Levelized budget billing and automatic payment draft listed on the Blue Grass Energy’s website as a method for post pay account to apply funds to their accounts.

a. Reconcile the statement on Exhibit B, page 1 of 2, paragraph 10, where it states, “[l]evelized budget billing, automatic payment draft and net metering are not eligible for Prepay.”

b. How does Blue Grass Energy plan to change its website to reflect the prepay metering program?

4. Refer to Exhibit A, page 3 of 3, paragraph 19. The tariff states that the account will be disconnected regardless of weather/temperature. Explain whether there are any exceptions to this rule during periods of extreme temperature, such as for the elderly or dependent children. Include in the explanation whether any attempt will be made to help the customer obtain aid in such a situation, or whether Blue Grass would discourage participation in such instances.

5. Refer to Exhibit A, page 3 of 3, paragraph 19, and Exhibit B, page 2 of 2, paragraph 14, wherein Blue Grass states, “[a] prepay account will be disconnected if the balance of the account becomes negative.” On Exhibit B, page 1 of 2, paragraph 9, and Exhibit C, page 1 of 5, paragraph 1, Blue Grass states, “. . . disconnection without any written notification from the Cooperative to the member once the balance of the account

reaches zero (\$0.00).” Explain which statement is correct and why the tariff language, the contract language, and the explanation of the tariff and program are not the same.

6. Refer to Exhibit C, page 1 of 5, Section 2. Blue Grass estimates that 1,500 members will use this program.

a. Explain how Blue Grass arrived at the 1,500 member participation level. Include all calculations and worksheets used in determining this level of participation. Also include whether Blue Grass polled other utilities that offer a similar program concerning their participation levels.

b. If Blue Grass is optimistic in its participation level assumption, since 1,500 participants are included in the basis for the prepay rate calculation, could non-participants eventually be responsible for the costs not recovered from participants? Explain. Include the potential for unrecovered costs if, at the proposed rates, only 500 customers participate.

7. Refer to Exhibit C, page 2 of 5. Explain the type of operation and maintenance expenses included in the following categories listed on the table titled Exhibit B:

- a. Software; and
- b. Hardware.

8. Refer to Exhibit C, pages 3-4 of 5, paragraph 5, explain the following:

a. The statement, “[a] prepay account will be disconnected if the balance of the account becomes negative.” Should that read negative or zero?

b. The statement, “[i]f the balance falls to zero over a weekend, service will continue until noon the following Monday.”

(1) What if the following Monday is a holiday?

(2) If the account balance falls to zero on a holiday, will service continue until noon of the following normal work day?

9. Refer to Exhibit D, page 1 of 3, the Tariff Document section.

a. Is the transaction fee a separate fee or is the per-transaction fee included in the monthly program fee?

b. Where in the Prepay Metering tariff is the per-transaction fee discussed?

10. a. Identify any major differences in the Blue Grass prepay metering program with the program of Jackson Energy Cooperative Corporation, or any other prepay metering program with which Blue Grass is familiar.

b. Explain whether the Blue Grass prepay metering program was modeled from any existing program.

11. Explain whether the installed hardware and software at the premises of a prepay metering participant will be removed if a participant either leaves or is removed from the program.

12. Explain whether Blue Grass will receive any grant money pertaining to the prepay metering program and, if so, provide the amount to be received.

DATED JUL 10 2012

Cc: Parties of Record



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