

October 26, 2012

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

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PUBLIC SERVICE  
COMMISSION

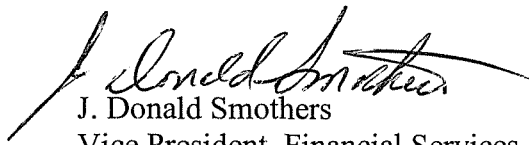
Case No. 2012-00384

Dear Mr. Derouen,

We are filing an original and ten (10) copies of the information requested by the Kentucky Public Service Commission in their Second Request for Information dated October 24, 2012 concerning the Application of Blue Grass Energy for Approval of a General Service 0-100 KW Time of Day Tariff. Included is a signed certification of the person supervising the preparation of the responses on behalf of Blue Grass Energy.

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 & CFO

**COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION**

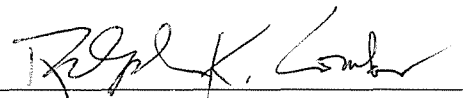
**In the Matter of the Application of  
Blue Grass Energy Cooperative Corporation  
For approval of a General Service 0-100 KW  
Time of Day Tariff**

**Case No. 2012-00384**

**APPLICANT'S RESPONSES TO  
COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION**

The Applicant, Blue Grass Energy Cooperative Corporation, makes the following Responses to the "Commission Staff's Second Request for Information", as follows:

1. The witnesses who are prepared to answer questions concerning each request are J. Donald Smothers and James R. Adkins.
2. J. Donald Smothers, Vice President and CFO of Blue Grass Energy Cooperative Corporation, is the person supervising the preparation of the Responses on behalf of the Applicant.
3. The Responses and Exhibits are attached hereto and incorporated by reference herein.



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Ralph K. Combs, Attorney-at-Law  
100 United Drive, Suite 4B  
Versailles, Kentucky 40383  
Attorney for Blue Grass Energy  
Cooperative Corporation  
Telephone: 859-873-5427

The undersigned, J. Donald Smothers, as Vice President and CFO of Blue Grass Energy Cooperative Corporation, being duly sworn, states that the Responses herein are true and accurate to the best of my knowledge and belief formed after reasonable inquiry.

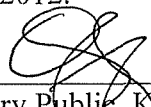
Dated: October 26, 2012

BLUE GRASS ENERGY  
COOPERATIVE CORPORATION

By:

  
J. DONALD SMOTHERS  
VICE PRESIDENT AND CFO

Subscribed, sworn to, and acknowledged before me by J. Donald Smothers, as Vice President and CFO for Blue Grass Energy Cooperative Corporation on behalf of said Corporation this 26<sup>th</sup> day of October, 2012.

  
Notary Public, Kentucky State At Large  
My Commission Expires: 9/18/13

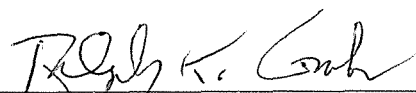
CERTIFICATE OF SERVICE

The undersigned counsel certifies that the foregoing responses have been served upon the following:

Original and Ten Copies:

Mr. Jeff Derouen, Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
Frankfort, Kentucky 40601

This 26<sup>th</sup> day of October, 2012.

  
Ralph K. Combs, Attorney for Blue Grass  
Energy Cooperative Corporation

Misc7\BGEapplicantsresponse

1. Explain whether those customers who choose to participate in Blue Grass Energy's proposed SC-2 General Service Time of Day ("TOD") rate currently have the necessary metering and related equipment to provide the information needed for billing the new rate.

Response:

Yes, they have the necessary metering and related equipment to provide the information needed for billing the new rate.

- a. If new equipment will be required, what is the cost differential between Blue Grass Energy's standard meter and new meter, including all associated equipment, that Blue Grass Energy intends to use for customers taking service under the proposed TOD tariff? Include all necessary calculations needed to support the cost differential.

Response:

No new equipment will be required. The current meter can bill Time of Day.

- b. How does Blue Grass Energy propose recovering this cost differential, if any? Include whether there is any provision for recovery in the customer charge that Blue Grass Energy proposes.

Response:

No cost to recover.

Witness: Donald Smothers