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John W. Clay
Commissioner

January 24, 2007

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

RE: Case No 2007-00031
Filing Deficiencies

The Commission staff has reviewed your application in the above case. This filing is rejected for the reasons set forth below.

1. Filing deficiencies pursuant to 807 KAR 5:011:

807 KAR 5:011: Section 10(1)(c) Statement explaining why proposed changes could not have been included in last rate case and why current conditions prevent deferring change until next rate case.

The statutory time period in which the Commission must process this case will not commence until the above-mentioned information is filed with the Commission. If your filing contains a proposed effective date, the rejection of your filing for reasons of deficiencies voids that proposed effective date. When you file the required information to correct the deficiencies, you may refile your proposed tariff with a new proposed effective date that is at least 30 days from the date you file the required information. You are requested to file 10 copies of this information within 15 days of this letter. If you need further assistance, please contact my staff at 502/564-3940.

Sincerely,

Mike Burford
Director Division of Filings

MB/MB