

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION OF THE)	
APPLICATION OF THE FUEL)	
ADJUSTMENT CLAUSE OF BLUE)	CASE NO.
GRASS ENERGY COOPERATIVE)	2010-00497
CORPORATION FROM NOVEMBER 1,)	
2008 THROUGH OCTOBER 31, 2010)	

O R D E R

Pursuant to 807 KAR 5:056, the Commission, on January 26, 2011, established this case to review and evaluate the application of the Fuel Adjustment Clause ("FAC") of Blue Grass Energy Cooperative Corporation ("Blue Grass") for the two-year period from November 1, 2008 through October 31, 2010.

As part of this review, the Commission ordered Blue Grass to submit certain information and an affidavit attesting to its adherence to 807 KAR 5:056. The Commission further ordered that a public hearing be held in this case but cancelled it when, after publication of notice, no interested person advised the Commission of his or her intent to attend.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that:

1. During the period under review, Blue Grass has complied in all material respects with the provisions of 807 KAR 5:056.

2. East Kentucky Power Cooperative, Inc. ("East Kentucky"), the wholesale supplier of Blue Grass, has been authorized to transfer (roll-in) to its base energy rates

a negative 6.39 mills per kWh of fuel costs that were being credited to customers through its FAC.¹

3. Blue Grass should be authorized to transfer (roll-in) to its base energy rates a negative 6.69 mills per kWh to reflect, as adjusted for line loss, the transfer (roll-in) by East Kentucky of a negative 6.39 mills per kWh of fuel costs to East Kentucky's base energy rates that were being credited to customers through its FAC.

4. The rates and charges in the Appendix to this Order are fair, just, and reasonable, and reflect the reduction of fuel costs included in its base energy rates.

IT IS THEREFORE ORDERED that:

1. The charges and credits applied by Blue Grass through the FAC for the period from November 1, 2008 through October 31, 2010 are approved.

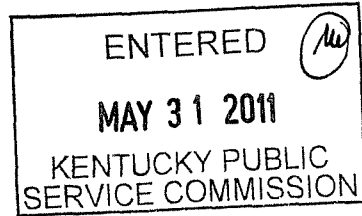
2. Blue Grass shall deduct 6.69 mills per kWh from its base energy rates (as adjusted for line loss) to reflect the transfer (roll-in) of a negative 6.39 mills per kWh of fuel costs by East Kentucky to its base energy rates as approved in Case No. 2010-00491.

3. The rates in the Appendix to this Order are approved for service rendered by Blue Grass on and after June 1, 2011, the effective date of East Kentucky's change in rates.

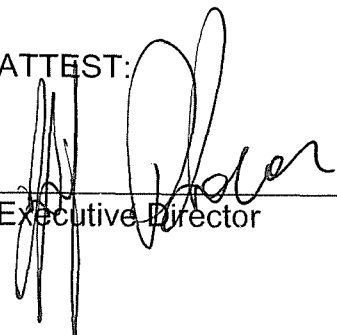
¹ Case No. 2010-00491, An Examination of the Application of the Fuel Adjustment Clause of East Kentucky Power Cooperative, Inc. from November 1, 2008 through October 31, 2010 (Ky. PSC May 31, 2011).

4. Within 20 days of the date of this Order, Blue Grass shall file revised tariff sheets with the Commission setting out the rates approved herein and reflecting that they were approved by this Order.

By the Commission



ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2010-00497 DATED **MAY 31 2011**

The following rates and charges are prescribed for the customers in the area served by Blue Grass Energy Cooperative Corporation. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

SCHEDULE GS-1
RESIDENTIAL AND FARM

Energy Charge per kWh \$.08951

SCHEDULE GS-3
RESIDENTIAL AND FARM TIME OF DAY

Energy Charge:

On-Peak Energy per kWh \$.15770

Off-Peak Energy per kWh \$.05636

SCHEDULE SC-1
GENERAL SERVICE (0 - 100 kW)

Energy Charge per kWh \$.08384

SCHEDULE LP-1
LARGE POWER (101 kW - 500 kW)

Energy Charge per kWh \$.05608

SCHEDULE LP-2
LARGE POWER (OVER 500 kW)

Energy Charge per kWh \$.04994

OUTDOOR LIGHTS

Rates Per Light Per Month:

175 Watt Mercury Vapor	\$ 10.89
400 Watt Mercury Vapor	\$ 17.81
400 Watt Metal Halide Directional Flood	\$ 16.83
400 Watt High Pressure Sodium Directional Flood	\$ 17.66
100 Watt High Pressure Sodium-Shoebox Fixture (Metal Pole)	\$ 18.84
100 Watt High Pressure Sodium-Acorn Fixture (Fiberglass Pole)	\$ 18.25
100 Watt High Pressure Sodium-Colonial Fixture	\$ 15.43
400 Watt High Pressure Sodium-Cobra Head (Aluminum Pole)	\$ 23.38
70 Watt High Pressure Sodium (Ornamental)	\$ 10.11
100 Watt High Pressure Sodium (Ornamental)	\$ 11.27
250 Watt High Pressure Sodium (Ornamental)	\$ 15.18
70 Watt High Pressure Sodium (Colonial)	\$ 9.39
200 Watt High Pressure Sodium Cobra Head (Aluminum Pole)	\$ 15.38
100 Watt High Pressure Sodium Cobra Head (Aluminum Pole)	\$ 11.27
100 Watt High Pressure Sodium Open Bottom	\$ 10.75
250 Watt High Pressure Sodium Open Bottom	\$ 16.32

SCHEDULE B-1

LARGE INDUSTRIAL RATE (1,000 kW - 3,999 kW)

Energy Charge per kWh	\$.05050
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SCHEDULE B-2

LARGE INDUSTRIAL RATE (4,000 kW AND OVER)

Energy Charge per kWh	\$.04556
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Mike Williams
President & CEO
Blue Grass Energy Cooperative Corp.
1201 Lexington Road
P. O. Box 990
Nicholasville, KY 40340-0990