COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION BY THE PUBLIC SERVICE) COMMISSION OF THE APPLICATION OF THE) FUEL ADJUSTMENT CLAUSE OF) BLUE GRASS RURAL ELECTRIC) CASE NO. 9738-B COOPERATIVE) CORPORATION FROM MAY 1, 1987,) TO OCTOBER 31, 1987)

ORDER

Pursuant to 807 KAR 5:056, Section 1(11), the Public Service Commission ("Commission") issued an Order on November 23, 1987, requiring Blue Grass Rural Electric Cooperative Corporation ("Blue Grass") to notify its customers of a hearing to be held on February 11, 1988. Blue Grass was not required to appear at the scheduled hearing unless an appearance was requested by the Attorney General's Utility and Rate Intervention Division or other interested parties, or by the Commission on its own motion. Furthermore, Blue Grass filed an affidavit stating its compliance with the provisions of the Fuel Adjustment Clause as prescribed in 807 KAR 5:056. Blue Grass also filed its monthly fuel charges for the 6-month period under review.

Following proper notice, no party of record requested Blue Grass to appear at the hearing scheduled for February 11, 1988. After reviewing Blue Grass' monthly fuel clause filings for the 6-month period under review, the Commission is of the opinion that Blue Grass has complied with the provisions of 807 KAR 5:056. IT IS THEREFORE ORDERED that the charges and credits billed by Blue Grass through the fuel adjustment clause for the period May 1, 1987, through October 31, 1987, be and they hereby are approved.

Done at Frankfort, Kentucky, this 11th day of March, 1988.

PUBLIC SERVICE COMMISSION

William)

ATTEST:

Executive Director