

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF BLUEGRASS)
RURAL ELECTRIC COOPERATIVE)
CORPORATION FOR AN ORDER) CASE NO. 10225
AUTHORIZING AN ADDITIONAL LARGE)
POWER RATE TARIFF)

O R D E R

On April 18, 1988, Bluegrass Rural Electric Cooperative Corporation ("Bluegrass") filed its application to establish additional Large Power Rate Tariff Schedules C1, C2, and C3 for qualifying consumers. The proposed new tariffs would serve as an incentive to keep and attract high load factor consumers to the Bluegrass service area. The proposed retail rates pass through the East Kentucky Power Cooperative ("EKPC") wholesale rates which were accepted by the Commission in Case No. 9582, The Notice of East Kentucky Power Cooperative, Inc., of a Revision to its Wholesale Electric Power Tariff. Currently, none of Bluegrass' existing customers qualify for the proposed new rate schedules.

Schedule C1 would be applicable to all contracts with demands of 1,000 to 4,999 kilowatts ("kw") with a monthly energy usage equal to or greater than 425 hours per kw of billing demand. Schedule C1 rates track EKPC Wholesale Power Rate C with an 8 mill adder to the energy charge.

Schedule C2 would be applicable to contracts with demands of 5,000 to 9,999 kw with a monthly energy usage equal to or greater

than 425 hours per kw of billing demand. Schedule C2 rates track EKPC's Wholesale Power Rate C with a 3 mill adder to the energy charge.

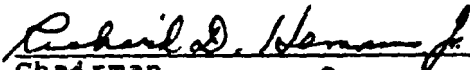
Schedule C3 would be applicable to contracts with monthly demands equal to or greater than 10,000 kw, with a monthly energy usage equal to or greater than 425 hours per kw of billing demand. Schedule C3 rates track EKPC's Wholesale Power Rate C with a 2 mill adder to the energy charge.

The Commission, having considered the evidence of record and being advised, is of the opinion and finds that the proposed Schedules C1, C2, and C3 are reasonable and just and should be approved.

IT IS THEREFORE ORDERED that Bluegrass's Rate Schedules C1, C2, and C3 be and they hereby are approved. Bluegrass shall file with the Commission a signed copy of Schedules C1, C2, and C3 within 20 days of the date of this Order.

Done at Frankfort, Kentucky, this 7th day of June, 1988.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director