COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF BLUE GRASS RURAL)		
ELECTRIC COOPERATIVE CORPORATION)		
FOR AN ADJUSTMENT TO ITS RETAIL)	CASE NO.	94-394
ELECTRIC POWER TARIFFS)		

ORDER

Blue Grass Rural Electric Cooperative Corporation ("Blue Grass") initiated this case to pass to its customers a decrease in power costs proposed by its wholesale power supplier, East Kentucky Power Cooperative, Inc. ("East Kentucky"). On July 26, 1995, the Commission approved changes in Blue Grass's retail rates designed to reflect an annual wholesale power cost decrease from East Kentucky of \$2,130,947.

The Commission has now concluded the rehearing phase of the East Kentucky rate case and has determined that its rates should be decreased further. This will result in an additional wholesale power cost decrease for Blue Grass of \$178,144, for an overall decrease of \$2,309,091. Accordingly, Blue Grass's retail rates have been reduced, as set forth in Appendix A of this Order, to pass this further reduction of \$178,144 to its customers effective with service rendered on and after March 1, 1996.

IT IS THEREFORE ORDERED that:

1. The rates in Appendix A, attached hereto and incorporated herein, are approved for service rendered on and after March 1, 1996.

2. Within 20 days of the date of this Order, Blue Grass shall file with the Commission revised tariff sheets setting out the rates approved herein.

Done at Frankfort, Kentucky this 28th day of February, 1996.

PUBLIC SERVICE COMMISSION

Chayrman

Vice Chairman

Commissioner

ATTEST:

Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 94-394 DATED FEBRUARY 28, 1996.

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

GS-1 (RESIDENTIAL, FARM AND NON-FARM)

Rate:

All KWH Per Month

\$.052300 Per KWH

C-1 - COMMERCIAL AND INDUSTRIAL LIGHTING & POWER SERVICE

Energy Charge (Under 50 KW)

First 3,000 KWH All Over 3,000 KWH \$.056550 Per KWH .051750 Per KWH

LP - #1 - LARGE POWER

Energy Charge (51-500 KW)

First	10,000	KWH	\$.041470	Per	KWH
Next	15,000	KWH	.034770	Per	KWH
Next	50,000	KWH	.029170	Per	KWH
Next	75,000	KWH	.026870	Per	KWH
All Over	150,000	KWH	.025170	Per	KWH

LP - #2 - LARGE POWER

<u>Rate:</u>

Energy Charge (Over 500 KW)

First	3,500	KWH	\$.042300	Per	KWH
Next	6,500	KWH	.034030	Per	KWH
Next	140,000	KWH	.028900	Per	KWH
Next	200,000	KWH	.027350	Per	KWH
Next	400,000	KWH	.026430	Per	KWH
Next	550,000	KWH	.025510	Per	KWH
All Over	1,300,000	KWH	.020240	Per	KWH

SECURITY LIGHTS

Rate Per Light Per Month:

175	Watt	Mercury Vapor		\$4.51
400	Watt	Mercury Vapor		6.43
100	Watt	High Pressure	Sodium	4.84
250	Watt	High Pressure	Sodium	6.69

STREET LIGHTING

Rate Per Light Per Month:

70	Watt	High	Pressure	Sodium	(ornamental)	\$5.03
100	Watt	High	Pressure	Sodium	(ornamental)	6.45
250	Watt	High	Pressure	Sodium	(ornamental)	8.43
70	Watt	High	Pressure	Sodium	(colonial)	7.81
(15' Mounting Height)						

GS-2 OFF-PEAK RETAIL MARKETING RATE (ETS)

Rate:

All KWH Per Month

\$.031380 Per KWH

LARGE INDUSTRIAL RATE SCHEDULE C-1

Monthly Rate:

Energy Charge

\$.027580 Per KWH

LARGE INDUSTRIAL RATE SCHEDULE C-2

Monthly Rate:

Energy Charge

\$.022580 Per KWH

LARGE INDUSTRIAL RATE
SCHEDULE C-3

Monthly Rate:

Energy Charge

\$.021580 Per KWH

LARGE INDUSTRIAL RATE SCHEDULE B-1

Monthly Rate:

Energy Charge

\$.027785 Per KWH

LARGE INDUSTRIAL RATE SCHEDULE B-2

Monthly Rate:

Energy Charge

\$.022785 Per KWH