

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF BLUE GRASS RURAL)
ELECTRIC COOPERATIVE CORPORATION) CASE NO.
FOR AN ORDER ISSUING A CERTIFICATE) 97-285
OF CONVENIENCE AND NECESSITY)

O R D E R

Blue Grass Rural Electric Cooperative Corporation ("Blue Grass") filed its application on June 23, 1997 for a Certificate of Public Convenience and Necessity to construct certain improvements and additions to its existing plant at a cost of \$7,718,320. In support of its application, Blue Grass filed its 1997-1999 Work Plan which describes in detail the improvements and additions to its plant that are required over the next 2 years to serve its load.

Blue Grass seeks authorization to construct extensions and additions to its plant as follows:

1.	New Distribution Lines	\$2,507,300
2.	Tie Lines	30,800
3.	Distribution Line Conversions	2,464,800
4.	Transformers and Meters	1,417,220
5.	Increased Service Capacity	66,000
6.	Sectionalizing Devices	560,500
7.	Security Lights	126,900
8.	Regulators	341,400
9.	Pole Replacements	118,300

10.	Air Break Switches	27,000
11.	Capacitors	<u>58,100</u>
	Total	\$7,718,320

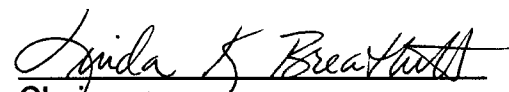
The proposed construction will enable Blue Grass to continue to provide adequate and dependable electric service to its consumers. The system improvements recommended in this Work Plan will not duplicate existing facilities and are needed to correct voltage problems, improve phase balance, and provide for improved service reliability.

Based on the application and supporting 1997-1999 Work Plan, and being advised, the Commission finds that the proposed improvements and additions to be constructed by Blue Grass are necessary to provide adequate, reliable electric service to existing customers and anticipated new customers.

IT IS THEREFORE ORDERED that Blue Grass is granted a Certificate of Public Convenience and Necessity to construct the facilities described in its 1997-1999 Work Plan.

Done at Frankfort, Kentucky, this 2nd day of September, 1997.

PUBLIC SERVICE COMMISSION


 Chairman


 Vice Chairman

ATTEST:


 Executive Director


 Commissioner