

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF BLUE GRASS)	
ENERGY COOPERATIVE)	
CORPORATION FOR PASS-THROUGH)	CASE NO. 2010-00169
OF EAST KENTUCKY POWER)	
COOPERATIVE, INC. WHOLESALE)	
RATE ADJUSTMENT)	

O R D E R

On May 27, 2010, Blue Grass Energy Cooperative Corporation ("Blue Grass") tendered for filing an application to pass through any wholesale rate adjustment granted to its wholesale supplier, East Kentucky Power Cooperative, Inc. ("EKPC"), in Case No. 2010-00167.¹ Blue Grass submitted its application pursuant to the authority of KRS 278.455(2) and proposed that the new rates become effective on July 1, 2010.

In Case No. 2010-00167, the Commission notified EKPC by letter dated June 2, 2010 that its rate application was rejected as deficient. In response to the Commission's rejection letter, EKPC filed, on June 8, 2010, the information cited in the June 2, 2010 letter. The Commission accepted the information and considered the application filed as of June 8, 2010.

Based on the June 8, 2010 filed date and the 30 days' notice requirement set forth in KRS 278.180(1), the earliest possible effective date for EKPC's proposed rates

¹ Case No. 2010-00167, Application of East Kentucky Power Cooperative, Inc. for General Adjustment of Electric Rates, filed June 8, 2010.

is July 8, 2010. KRS 278.455(2) provides that the rates of a distribution cooperative shall become effective on the same date as those of its wholesale supplier. Therefore, the earliest possible effective date for Blue Grass's proposed rates will also be July 8, 2010.

On June 21, 2010, the Commission suspended EKPC's proposed rates for six months up to and including January 7, 2011. Consequently, Blue Grass's proposed rates may not become effective until the Commission renders a decision on EKPC's proposed rates or until EKPC's rates become effective as a matter of law.

IT IS THEREFORE ORDERED that:

1. Blue Grass's proposed rates are suspended for six months, up to and including January 7, 2011, matching the suspension of EKPC's proposed wholesale rate increase to Blue Grass.

2. The procedural schedule set forth in the Appendix attached hereto and incorporated herein shall be followed.

3. a. All requests for information and responses thereto shall be appropriately bound, tabbed, and indexed and the original and seven copies shall be filed with the Commission, with copies to all parties of record. Any request for information by letter from the Commission Staff shall be responded to as if set forth in a Commission Order. All responses shall include the name of the witness who will be responsible for responding to questions related to the information provided.

b. Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or an association or a governmental agency, be accompanied by a signed certification of the preparer or

person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

c. Any party shall make timely amendment to any prior response if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect.

d. For any request to which a party fails or refuses to furnish all or part of the requested information, that party shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

4. Any party filing testimony shall file an original and 10 copies with the Commission, with copies to all parties of record.

5. Blue Grass shall give notice of the hearing in accordance with the provisions set out in 807 KAR 5:011, Section 8(5). At the time publication is requested, Blue Grass shall forward a duplicate of the notice and request to the Commission.

6. At any public hearing in this matter, neither opening statements nor summarization of direct testimony shall be permitted.

7. Any objections or motions relating to discovery or procedural dates shall be filed upon four business days' notice or the filing party shall explain in writing why such notice was not possible.

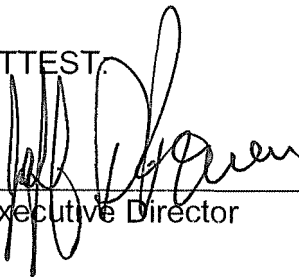
8. Motions for extension of time with respect to the schedule herein shall be made in writing and will be granted only upon a showing of good cause.

9. Nothing contained herein shall prevent the Commission from entering further Orders in this matter.

By the Commission

ENTERED *h*
JUN 29 2010
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2010-00169 DATED JUN 29 2010

- All requests for information to Blue Grass shall
be filed no later than 07/15/10
- Blue Grass shall file responses to requests for
information no later than 07/29/10
- All supplemental requests for information to Blue Grass
shall be filed no later than 08/12/10
- Blue Grass shall file responses to supplemental requests
for information no later than 08/26/10
- Intervenor testimony, if any, in verified prepared
form shall be filed no later than 09/09/10
- All requests for information to Intervenors shall
be filed no later than 09/24/10
- Intervenors shall file responses to requests for
information no later than 10/08/10
- Last day for Blue Grass to publish notice of hearing To be scheduled
- Public Hearing to be held in Hearing Room 1
of the Commission's offices at 211 Sower Boulevard,
Frankfort, Kentucky, for the purpose of cross-examination
of witnesses of Blue Grass and Intervenors To be scheduled

Daniel W Brewer
Vice President & CEO
Blue Grass Energy Cooperative Corp.
1201 Lexington Road
P. O. Box 990
Nicholasville, KY 40340-0990

Honorable Howard Downing
Attorney at Law
109 South First Street
Nicholasville, KY 40356