

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF BLUE GRASS ENERGY)
COOPERATIVE CORPORATION FOR AN)
ADJUSTMENT OF ITS SECURITY DEPOSIT) CASE NO. 2010-00185
AND CABLE TELEVISION ATTACHMENT)
RATES)

ORDER

On June 1, 2010, Blue Grass Energy Cooperative Corporation ("Blue Grass Energy") tendered for filing an application for an adjustment in its residential security deposit and its Cable Television Attachment ("CATV") rates. By letters dated June 16, 2010, and June 29, 2010, the Commission notified Blue Grass Energy that its application was deficient and could not be accepted for filing.

On June 25, 2010 and July 9, 2010, Blue Grass Energy filed additional information that corrected the filing deficiencies, and its application is considered filed as of July 9, 2010.

REQUESTED WAIVERS

As part of its application, and as part of its June 25, 2010 response, Blue Grass Energy requested permission to deviate from the filing requirements of 807 KAR 5:001, Section 10(6)(a); Section 10(6)(e); Sections 10(6)(g) through 10(6)(n); Sections 10(6)(q) through 10(6)(s); Section 10(6)(u); and Section 10(7)(d).

Based on a review of the requirements requested to be waived, the Commission finds that the accounting and financial information required by these sections is not

necessary for a determination of the reasonableness of either the nonrecurring security deposit or for the costs and expenses related to CATV rates.

PROPOSED RATE ADJUSTMENTS

Pursuant to KRS 278.180(1), a utility must give the Commission 30 days' notice prior to implementing any new rates. Therefore, since Blue Grass Energy's application was not accepted for filing until July 9, 2010, the earliest possible date its proposed rates can be effective is August 8, 2010. Based on a review of Blue Grass Energy's application, the Commission finds that an investigation will be necessary to determine the reasonableness of the proposed rates and that the investigation cannot be completed by August 8, 2010. Therefore, pursuant to KRS 278.190(2), the Commission will suspend the effective dates of the proposed rates for five months from August 8, 2010 up to and including January 7, 2011.

Based upon the information provided by Blue Grass Energy and being otherwise sufficiently advised, the Commission finds that Blue Grass Energy's request for permission to deviate from the above-referenced filing requirements should be granted.

IT IS THEREFORE ORDERED that:

1. Blue Grass Energy's request for permission to deviate from the aforementioned regulatory filing requirements is hereby granted.
2. Blue Grass Energy's proposed CATV rates and the proposed residential security deposit are hereby suspended for five months, up to and including January 7, 2011.
3. The procedural schedule set forth in the Appendix attached and incorporated herein by reference shall be followed.

4. a. All requests for information and responses thereto shall be appropriately bound, tabbed, and indexed and the original and 10 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.

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

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

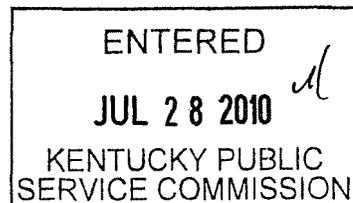
7. At any public hearing in this matter, neither opening statements nor summarization of direct testimony shall be permitted.

8. 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.

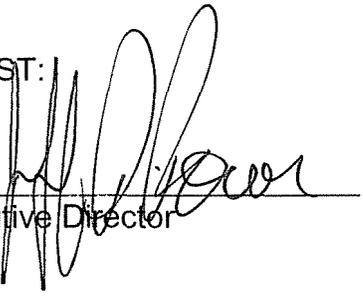
9. Motions for extension of time with respect to the schedule herein shall be made in writing and will be granted only upon a showing of good cause.

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

For the Commission



ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2010-00185 DATED JUL 28 2010

- All requests for information to Blue Grass Energy shall
be filed no later than08/13/10
- Blue Grass Energy shall file responses to
requests for information no later than08/27/10
- All supplemental requests for information to Blue Grass Energy
shall be filed no later than09/10/10
- Blue Grass Energy shall file responses to supplemental requests
for information no later than09/24/10
- Intervenor testimony, if any, in verified prepared
form shall be filed no later than10/08/10
- All requests for information to Intervenors shall
be filed no later than10/22/10
- Intervenors shall file responses to requests for
information no later than11/05/10
- Last day for Blue Grass Energy 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 Energy
and Intervenors To be scheduled

Ralph K Combs
Attorney at Law
100 United Drive, Suite 4B
Versailles, KY 40383

J. Donald Smothers
Vice President, Financial Services
Blue Grass Energy Cooperative Corp.
1201 Lexington Road
P. O. Box 990
Nicholasville, KY 40340-0990

Laurence J Zielke
Zielke Law Firm PLLC
1250 Meidinger Tower
462 South Fourth Avenue
Louisville, KY 40202-3465