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July 13, 2017

RECEIVED

JUL 13 2017

PUBLIC SERVICE
COMMISSION

Ms. Talina R. Mathews
Executive Director
Public Service Commission
P.O. Box 615
211 Sower Boulevard
Frankfort, KY 40602-0615

Re: Application for Certificate to Bid on
City of GEORGETOWN ELECTRIC
FRANCHISE
KRS 278.020 (5)

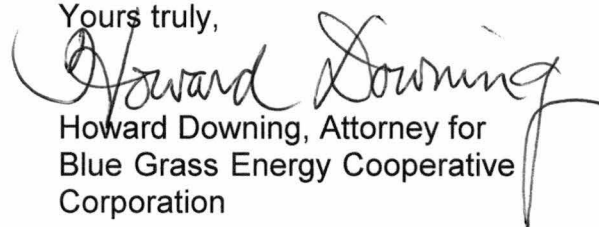
Dear Ms. Mathews:

Blue Grass Energy files an original and 10 copies of the application for certificate of convenience and necessity to bid for electric franchise of the City of Georgetown. The existing franchise ends September 17, 2017 and bidding is expected around August 1, 2017.

PSC approval under KRS 278.020 (5) is necessary for Blue Grass Energy to bid for the franchise.

Notify if there are any questions.

Yours truly,



Howard Downing, Attorney for
Blue Grass Energy Cooperative
Corporation

BEFORE THE
PUBLIC SERVICE COMMISSION OF KENTUCKY

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PUBLIC SERVICE
COMMISSION

IN THE MATTER OF THE APPLICATION)
OF BLUE GRASS ENERGY COOPERATIVE)
CORPORATION FOR A CERTIFICATE OF)
CONVENIENCE AND NECESSITY TO APPLY) CASE NO. 2017- 00276
FOR AND OBTAIN A FRANCHISE IN THE)
TERRITORIAL LIMITS OF)
CITY OF GEORGETOWN,)
KENTUCKY FOR ELECTRIC UTILITY SERVICE)

Applicant, Blue Grass Energy Cooperative Corporation, respectfully submits the following application pursuant to KRS 278.020 (5) and 807 KAR Chapter 5, as follows:

1. That applicant is an electric cooperative engaging in the business of retail electric service in portions of the City of Georgetown in Scott County, Kentucky and other areas in Kentucky with mailing address being P.O. Box 990, 1201 Lexington Road, Nicholasville, Kentucky 40340-0990.

2. That the articles of consolidation of applicant have been previously filed with the Public Service Commission of Kentucky and is incorporated by reference herein and by reference to previous application of applicant in case no. 2002-00351 (Kentucky PSC).

3. That the name of the governmental agency offering the franchise is the City of Georgetown, Scott County, Kentucky. Bids will be due after adoption of the electric franchise ordinance and advertising by the City of Georgetown. The Georgetown franchise ordinance is expected to be on the agenda for the council meeting on July 10, 2017 for first reading. The current franchise expires September 17, 2017. The actual bid date has not been scheduled, but is anticipated to be on or before August 1, 2017.

4. That the franchise offered for bid is for electric service within the territorial area now served by applicant within the city limits of the City of Georgetown in Scott County, Kentucky. The need and demand exists for retail electric service in the franchise area.

5. That applicant has certified territory pursuant to KRS 278.017 which is located within the boundary of the City of Georgetown in Scott County, Kentucky and which territory applicant is currently providing retail electric service to any and all customers who require electric energy. The map or maps of the certified territory of applicant are filed with the Public Service Commission as required by KRS 278.017. The need and demand for retail electric service exists in the franchised area because applicant has provided retail electric service to existing consumers for many years and will provide retail service for new development within the certified territory of applicant in the City of Georgetown, Kentucky.

6. That the franchise ordinance permits the City of Georgetown to assess a franchise fee of one (1) percent of gross receipts per year from the sale of electricity to electric-consuming entities (which includes businesses, industrial facilities and dwellings) within the corporate limits of Georgetown.

7. That the local government franchise fees shall be listed as a separate item on the customers' bills from which the fee is derived, showing the amount and designating the unit of government to which the fee is payable in accordance with previous orders of the Kentucky Public Service Commission and at Section 27 of the tariff of applicant. The proposed franchise ordinance further provides for a right of the bidder to terminate the franchise, as follows:

if . . . the Company is not permitted to pass through to affected customers all fees payable by it under Section 9 herein;

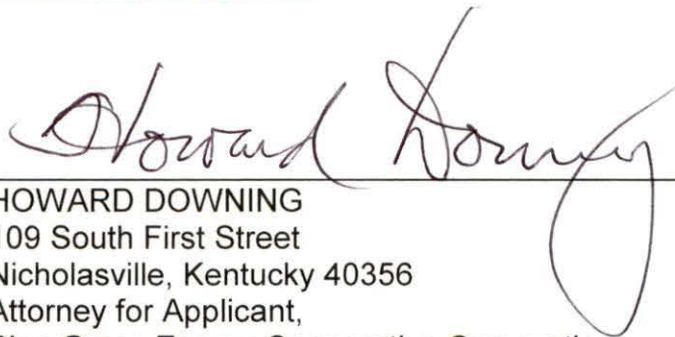
8. That applicant desires to apply for, bid and obtain the hereinbefore mentioned franchise for its duly certified territory conditioned upon this Commission issuing a certificate of convenience and necessity showing there is a demand and need for the electric service sought to be rendered pursuant to KRS 278.020(5).

WHEREFORE, applicant, Blue Grass Energy Cooperative Corporation, respectfully requests that the Public Service Commission of Kentucky grant a certificate of convenience and necessity authorizing this applicant to apply for and obtain the electric utility franchise for the territory in the City of Georgetown, Kentucky and a determination that there is a demand and need for the electric service sought to rendered. This certificate is requested at earliest possible date to permit timely bidding.

DATED: July 13, 2017.



MICHAEL I. WILLIAMS, PRESIDENT/CEO
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