



Blue Grass Energy Cooperative Corporation

PO Box 990
1201 Lexington Road
Nicholasville, Kentucky 40340-0990
Phone: (859) 885-4191
Fax: (859) 885-2854

September 14, 2005

Beth O'Donnell Executive Director
Kentucky Public Service Commission
P O Box 615
Frankfort Kentucky 40602

RECEIVED

SEP 14 2005

PUBLIC SERVICE
COMMISSION

Dear Ms. O'Donnell,

We are requesting approval to increase our CATV attachment charges. Please find enclosed an application to adjust rates, revised tariff and cost justification for the CATV attachment charges. All financial information is based on December 2004. We are filing an original and 10 copy.

If you have any questions, please contact me at (859) 885-2114. As always, your continued assistance and cooperation is appreciated.

Sincerely,

A handwritten signature in cursive script that reads "J. Donald Smothers".

J. Donald Smothers
Vice President, Financial Services

CC: Ken Carpenter

RECEIVED

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

SEP 14 2005

PUBLIC SERVICE
COMMISSION

In the Matter of:

BLUE GRASS ENERGY COOPERATIVE)
CORPORATION THAT ON NOVEMBER 1, 2005) CASE NO. 2005-00330
IT WILL ADJUST ITS CATV ATTACHMENT)
RATES)

APPLICATION

Comes Blue Grass Energy Cooperative Corporation (hereafter referred to as "Blue Grass Energy") for an Application to adjust rates and charges for the CATV attachments on November 1, 2005, or such other time as the Commission allows.

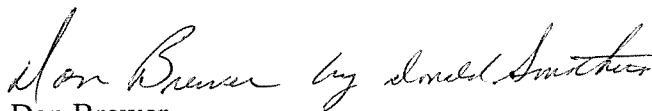
1. Blue Grass Energy is filing this Application for the purpose of requesting permission from the Commission to increase its rates and charges for the CAV attachments.
2. The full name of Blue Grass Energy is "Blue Grass Energy Cooperative Corporation" and its address is 1201 Lexington Road, Nicholasville, Kentucky 40356, (807 KAR 5:001, section 8(1)).
3. The Articles of Incorporation and all amendments thereto for Blue Grass Energy were filed with the Commission in PSC Case No. 2001-246, (807 KAR 5:001, Section 8(3)).
4. This Application is supported by a 12 month historical test period ending December 31, 2004. There are no proposed adjustments or changes. (807 KAR 5:001, Section 10(1)).
5. Blue Grass Energy's annual reports, including the annual report for the most recent calendar year are on file with the Commission in accordance with 807 KAR 5:006, Section 3(1). (807 KAR 5:001, Section 10(1)(b)2).
6. Blue Grass Energy is not a limited partnership (807 KAR 5:001, Section 10(1)(b)4).
7. Blue Grass Energy has requested a waiver for providing a Certificate of Good Standing with this Application since Blue Grass Energy is only requesting to increase CATV attachment charges. (807 KAR 5:001, Section 10(1)(b)6).

8. Blue Grass Energy does not conduct business under an assumed name and thus no Certificate of Assumed Name is needed for this Application. (807 KAR 5:001, Section 10(1)(b)6).
9. Blue Grass Energy has attached the proposed Tariff as Exhibit 1. (807 KAR 5:001, Section 10(1)(b)7).
10. Blue Grass Energy has attached the present and proposed tariffs in comparative form as Exhibit 3. (807 KAR 5:001, Section 10(1)(b)8).
11. Blue Grass Energy states that its Cable TV customers have been given notice of the filing of this Application in compliance with 807 KAR 5:001, Section 3-10(3)-(4). We request a waiver to notify our members since our Cable TV customers are the only ones affected. A copy of the notice is attached as Exhibit 7. (807 KAR 5:001, Section 10(1)(b)9).
12. Blue Grass Energy requests a waiver from providing written notice of intent to file this application since it is only proposing to increase its CATV attachment charges. Blue Grass Energy's Application is based on a fiscal year of December 31, 2004 (807 KAR 5:001, Section 10(2)). Blue Grass Energy's reasons for filing this Application is to increase CATV attachment charges to recover the cost of providing these services pursuant to the requirements of 807 KAR 5:001, Section 10(1)(s)1, are as follows:
 - a. Blue Grass Energy has not filed a general rate increase in the past 20 years but did receive an increase in its CATV TV rates in April 2001 case no. 2000-414. The Board of Directors has decided to review these rates again due to a continuing increase in operating cost, and if necessary, propose an increase in the rates to recover the cost of providing these services.
 - b. It could be possible to defer these proposed changes to the next general rate increase, however, since the cost to provide these services is more than the revenues received, this reduces the financial stability of Blue Grass Energy by delaying implementation of these rates.
13. A complete description and quantified explanation for proposed adjustments with support for changes in price and activity levels and other factors affecting the adjustment are presented as Exhibit 2. The installed cost used for poles is net cost. The only adjustments are for the CATV Attachment charges. (807 KAR 5:001, Section 10(6)(a)).
14. Blue Grass Energy is requesting a waiver from providing prepared testimony since the CATV attachments charges are the only rates being requested to increase. (807 KAR 5:001, Section 10(6)(b)).

15. The estimate of effect that new rates will have on revenues including total revenues resulting from increases or decreases and percentage of increase or decrease is shown as Exhibit 3. (807 KAR 5:001, Section 10(6)(d)).
16. The requirement to show the effect upon the average bill for each customer classification does not apply since the proposed changes are only for CATV attachment charges. (807 KAR 5:001, Section 10(6)(e)).
17. Blue Grass Energy has not included an analysis of customer's bill since the proposed changes are for CATV attachment charges. (807 KAR 5:001, Section 10(6)(g)).
18. Blue Grass Energy requests a waiver from providing schedules displaying its determination of its revenue requirements based on return on net investment rate base, return on capitalization, interest coverage, debt service coverage or operating ratio, with supporting schedules. However, an impact statement showing the proposed increase on margins and TIER are shown as Exhibit 6. (807 KAR 5:001, Section 10(6)(h)).
19. Blue Grass Energy requests a waiver from providing a calculation of its rate base and capital used to determine its revenue requirements. (807 KAR 5:001, Section 10(6)(i)).
20. Blue Grass Energy has not included a current chart of accounts since no adjustments were proposed. (807 KAR 5:001, Section 10(6)(j)).
21. Blue Grass Energy has not included the independent auditor's annual report since no adjustments were proposed. (807 KAR 5:001 Section 10(6)(k)).
22. Blue Grass Energy states that the Federal Energy Regulatory Commission or Federal Communications Commission has not conducted any audits, and therefore, no reports are available. (807 KAR 5:001, Section 10(6)(l)).
23. Blue Grass Energy requests a waiver from providing a depreciation study since no adjustments are proposed. (807 KAR 5:001, Section 10(6)(n)).
24. Blue Grass Energy uses Excel for all schedules. (807 KAR 5:001, Section 10(6)(o)).
25. Blue Grass Energy has made no stock or bond offerings. (807 KAR 5:001, Section 10(6)(p)).
26. Blue Grass Energy has not attached its annual report to members since no adjustments were proposed. (807 KAR 5:001, Section 10(6)(q)).

27. Blue Grass Energy has not included its monthly managerial reports providing financial results of operations since no adjustments were proposed. (807 KAR 5:001, Section 10(6)(r)).
28. Blue Grass Energy requests a waiver of the requirement for filing Securities and Exchange Commission reports because Blue Grass Energy is not regulated by the SEC. (807 KAR 5:001, Section 10(6)(s)).
29. Blue Grass Energy requests a waiver for any amounts charged or allocated to it by an affiliate or general or home office or paid any moneys to an affiliate or general or home office during the test period or during the previous three (3) calendar years since no adjustments was proposed. (Section KAR 54:001, Section 10(6)(t)).
30. Blue Grass Energy has not included a cost of service study since there are no proposed changes to the revenues, rates or usages other than the Cable TV rates. (807 KAR 5:001, Section 10(6)(u)).
31. Blue Grass Energy states that the requirements of 807 KAR 5:001, Section 10(6)(f) and (v) are not applicable to Blue Grass Energy.
32. The detailed income statement and balance sheet reflecting impact of all proposed adjustments and impact statement are shown as Exhibits 4, 5 and 6. (807 KAR 5:001, Section 10 (7)(a)).
33. Blue Grass Energy requests a waiver from providing its capital construction budget since no adjustments are being proposed. (807 KAR 5:001, Section 10(7)(b)).
34. Blue Grass Energy states that the requirements of 807 KAR 5:001, Section 10(7)(c) are not applicable.

Blue Grass Energy Cooperative Corporation



Dan Brewer
President & CEO

August 22, 2005

**BLUE GRASS ENERGY
COOPERATIVE CORPORATION**

FOR Nicholasville & Madison Districts
P.S.C. KY NO. 1
ORIGINAL SHEET NO. 43

**CLASSIFICATION OF SERVICE
Cable Television Attachment Rate**

APPLICABILITY

In all territory served by the company on poles owned and used by the company for their electric plant.

AVAILABILITY

To all qualified CATV operators having the right to receive service.

RENTAL CHARGE

The yearly rental charges shall be as follows:

Two-party pole attachment	\$ 7.40	(I)
Three-party pole attachment	\$ 5.34	(I)
Two-party anchor attachment	\$18.17	(I)
Three-party anchor attachment	\$12.10	(I)
Two-party grounding attachment	\$ 1.47	(I)
Three-party grounding attachment	\$ 0.91	(I)

Pedestal attachment = Same as respective pole charges.

DATE OF ISSUE: August 22, 2005

DATE EFFECTIVE: November 1, 2005

ISSUED BY: *Don Brewer* TITLE: President/CEO
(Name of Officer)

by Donald Amick

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No.: 2004-00469 Dated: April 24, 2005

BLUE GRASS ENERGY
CATV POLE, ANCHOR AND
ATTACHMENT
12/31/04

1. EQUATION - ANNUAL CHARGE - TWO PARTY POLE

Annual charge = weighted average cost 35' and 40' poles
X annual fixed cost X .1224 =

2. EQUATION - ANNUAL CHARGE - THREE PARTY POLE

Annual charge = weighted average cost 40' and larger poles
X annual fixed cost X .0759 =

Two Party Charge = $\$237.96 \times .2541 \times .1224 =$ \$7.40

Three Party Charge = $\$277.08 \times .2541 \times .0759 =$ \$5.34

ANCHORS

Two Party Charges = $\$143.00 \times .2541 \times 50\% =$ \$ 18.17

Three Party Charges = $\$143.00 \times .2541 \times 33.3\% =$ \$ 12.10

Grounding Attachments

Two Party = $\$47.22 \times .2541 \times .1224 =$ \$ 1.47

Three Party = $\$47.22 \times .2541 \times .0759 =$ \$ 0.91

CONTACT: KEN CARPENTER

BLUE GRASS ENERGY
CATV POLE ATTACHMENTS

Fixed Charges on Investments from PSC Annual Report (12/31/04)

1. Operations and Maintenance Expense	\$6,106,698	
2. Consomer Accounts Expense	2,317,352	
3. Customer Service and Information Expense	190,094	
4. Administrative and General Expense	3,408,849	
5. Depreciation Expense	4,330,680	
6. Taxes Other Than Income Taxes	3,376	
Subtotal	16,357,049	
Net Utility Plant	111,453,838	14.68%
7. Cost of Money		10.73%
Rate of return on Investment Allowed in the last General Rate Increase, Case No. 2000-414.		
Annual Carrying Charges		25.41%

BLUE GRASS ENERGY
INSTALLED COST FOR
BARE POLE, ANCHOR,
and GROUND
12/31/04

<u>POLE</u>	<u>QUANTITY</u>		<u>COSTS</u>	<u>AVERAGE</u>
35'	40692	45.76%	\$ 6,782,296	
40' - 45'	22908	25.76%	8,351,799	
	<u>63600</u>	<u>71.53%</u>	<u>15,134,095</u>	\$ 237.96
45' 50' +	25316	28.47%	9,502,315	
	<u>88916</u>	<u>100.00%</u>	<u>\$ 24,636,410</u>	\$ 277.08

<u>ANCHORS</u>	<u>QUANTITY</u>	<u>TOTAL COST</u>	
	50443	\$ 7,213,462	\$ 143.00

<u>GROUNDS</u>	<u>QUANTITY</u>	<u>TOTAL COST</u>	
	88,788	\$ 4,192,831	47.22

**BLUE GRASS ENERGY
ANCHOR/GUY and GROUNDS
COST DATA
1995-2004**

Blue Grass Energy Gross Anchor/Guy Account Cost										Blue Grass Energy Gross Grounds Account Cost				
Anchor		Total \$	Avg Cost	Annual %	Cumulative	Grounds		Total \$	Avg Cost	Annual %	Cumulative			
Guy		Acct. #364	Per Anchor	Increase	% Increase			Acct. #365	Per Ground	Increase	% Increase			
1995	24,963	2,139,738	85.72			1995	29,111	848,364	29.14					
1996	25,728	2,302,430	89.49	4.40%	4.40%	1996	29,928	902,936	30.17	3.53%	3.53%			
1997	26,497	2,477,035	93.48	4.46%	9.05%	1997	30,841	975,817	31.64	4.87%	8.58%			
1998	44,086	4,843,821	109.87	17.53%	28.17%	1998	50,060	2,192,204	43.79	38.40%	50.27%			
1999	45,360	5,214,610	114.96	4.63%	34.11%	1999	51,496	2,334,767	45.34	3.54%	55.59%			
2000	46,296	5,514,297	119.11	3.61%	38.95%	2000	52,962	2,492,629	47.06	3.79%	61.50%			
2001	47,150	5,856,672	124.21	4.28%	44.90%	2001	54,219	2,658,222	49.03	4.19%	68.26%			
2002	48,162	6,246,693	129.70	4.42%	51.31%	2002	85,621	3,740,499	43.69	-10.89%	49.93%			
2003	49,127	6,605,700	134.46	3.67%	56.86%	2003	86,879	3,922,492	45.15	3.34%	54.94%			
2004	50,443	7,213,462	143.00	6.35%	66.82%	2004	88,788	4,192,831	47.22	4.58%	62.05%			

**Blue Grass Energy
Pole Investment Data
1994 - 2004**

	Blue Grass Energy Gross Pole Account Cost				Blue Grass Energy Net Value Pole Account Cost					
	Poles	Total \$ Acct. #364	Avg Cost Per Pole	Annual % Increase	Cumulative % Increase	Acc Depr Acct 364	Net Value Acct 364	Avg Cost Per Pole	Annual % Increase	Cumulative % Increase
1990										
1991										
1992										
1993										
1994										
1995	27,613	8,925,672	323.24			2,148,513	6,777,159	245.43	208.62	0.00%
1996	28,259	9,524,112	337.03	4.27%	4.27%	2,408,125	7,115,987	251.81	214.04	2.60%
1997	28,936	10,222,121	353.27	4.82%	9.29%	2,651,534	7,570,587	261.63	222.39	3.90%
1998	50,902	18,328,780	360.08	1.93%	11.40%	4,117,845	14,210,935	279.18	237.30	6.70%
1999	52,118	19,594,970	375.97	4.41%	16.31%	4,319,491	15,275,479	293.09	249.13	4.99%
2000	52,821	20,579,882	389.62	3.63%	20.54%	4,687,997	15,891,885	300.86	255.73	2.65%
2001	53,658	21,844,717	407.11	4.49%	25.95%	4,983,024	16,861,693	314.24	267.10	4.45%
2002	86,864	35,982,935	414.24	1.75%	28.15%	8,046,250	27,936,685	321.61	273.37	2.35%
2003	87,706	37,215,281	424.32	2.43%	31.27%	8,906,277	28,309,004	322.77	274.35	0.36%
2004	88,917	39,305,251	442.04	4.18%	36.75%	9,421,161	29,884,090	336.09	285.68	4.13%

Blue Grass Energy
 CATV Pole Attachments
 December 31, 2004

Additional revenues generated

Description	Number	Charges		Revenue		Increase	
		Existing	Proposed	Existing	Proposed	Amount	Percent
2 party Pole Attachments	6542	\$4.77	\$7.40	\$31,205	\$48,411	\$17,205	55%
3 party Pole Attachments	1242	\$4.21	\$5.34	\$5,229	\$6,632	\$1,403	27%
2 party Anchor Attachments	651	\$7.58	\$18.17	\$4,935	\$11,829	\$6,894	140%
3 party Anchor Attachments	271	\$5.00	\$12.10	\$1,355	\$3,279	\$1,924	142%
2 party Ground Attachments	5252	\$0.31	\$1.47	\$1,628	\$7,720	\$6,092	374%
3 party Ground Attachments	76	\$0.19	\$0.91	\$14	\$69	\$55	379%
Total				\$44,366	\$77,940	\$33,574	76%

Contact:
 Donald Smothers

FINANCIAL AND STATISTICAL REPORT

BORROWER DESIGNATION

KY0064

EXHIBIT 4

PAGE 1

PERIOD ENDED

OF 1

INSTRUCTIONS-See RUS Bulletin 1717B-2

12/2004

Part A. Statement of Operations

ITEM	Year-to-date Last Year (a)	Year-to-date This Year (b)	Year-to-date Budget (c)	This Month (d)
1. Operating Revenue and Patronage Capital	64,561,666	70,881,605	67,876,360	6,924,663
2. Power Production Expense	0	0	0	0
3. Cost of Purchased Power	44,737,984	50,444,868	46,728,677	5,486,581
4. Transmission Expense	0	0	0	0
5. Distribution Expense - Operation	1,873,203	1,983,184	2,226,546	124,640
6. Distribution Expense - Maintenance	4,230,748	4,123,514	3,942,214	176,232
7. Customer Accounts Expense	2,087,207	2,317,353	2,216,500	178,244
8. Customer Service and Informational Expense	766,457	819,654	860,656	29,976
9. Sales Expense	0	0	0	0
10. Administrative and General Expense	3,582,638	3,408,849	3,635,401	236,035
11. Total Operation & Maintenance Expense (2 thru 10)	57,278,237	63,097,422	59,609,994	6,231,708
12. Depreciation and Amortization Expense	4,061,407	4,330,680	4,219,500	377,682
13. Tax Expense - Property & Gross Receipts	0	0	0	0
14. Tax Expense - Other	(17,537)	3,376	(6,000)	0
15. Interest on Long-Term Debt	2,900,592	2,744,950	3,078,300	256,935
16. Interest Charged to Construction - Credit	0	0	0	0
17. Interest Expense - Other	65,431	92,625	75,000	17,514
18. Other Deductions	21,496	15,818	23,000	908
19. Total Cost of Electric Service (11 thru 18)	64,309,626	70,284,871	66,999,794	6,884,747
20. Patronage Capital & Operating Margins (1 minus 19)	252,040	596,734	876,566	39,916
21. Non Operating Margins - Interest	101,938	88,626	47,400	439
22. Allowance for Funds Used During Construction	0	0	0	0
23. Income (Loss) from Equity Investments	0	0	0	0
24. Non Operating Margins - Other	(13,760)	(19,829)	0	(23,962)
25. Generation and Transmission Capital Credits	3,205,316	165,041	1,841,100	5,082
26. Other Capital Credits and Patronage Dividends	89,476	0	0	0
27. Extraordinary Items	10,000	0	0	0
28. Patronage Capital or Margins (20 thru 27)	3,645,010	830,572	2,765,066	21,475

Part B. Data on Transmission and Distribution Plant

ITEM	Year-to-date Last Year (a)	Year-to-date This Year (b)
1. New Services Connected	1,509	1,809
2. Services Retired	78	92
3. Total Services in Place	53,908	55,625
4. Idle Services (Exclude Seasonal)	2,965	3,059
5. Miles Transmission	0.00	0.00
6. Miles Distribution - Overhead	5,491.00	5,532.00
7. Miles Distribution - Underground	356.00	380.00
8. Total Miles Energized (5 + 6 + 7)	5,847.00	5,912.00

Part C. Balance Sheet

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	142,802,598	29. Memberships	959,960
2. Construction Work in Progress	1,490,225	30. Patronage Capital	38,596,437
3. Total Utility Plant (1 + 2)	144,292,823	31. Operating Margins - Prior Years	96,485
4. Accum. Provision for Depreciation and Amort.	32,838,985	32. Operating Margins - Current Year	830,572
5. Net Utility Plant (3 - 4)	111,453,838	33. Non-Operating Margins	62,513
6. Non-Utility Property (Net)	0	34. Other Margins and Equities	3,116,759
7. Investments in Subsidiary Companies	0	35. Total Margins & Equities (29 thru 34)	43,662,726
8. Invest. in Assoc. Org. - Patronage Capital	18,899,061	36. Long-Term Debt - RUS (Net)	13,125,060
9. Invest. in Assoc. Org. - Other - General Funds	0	(Payments - Unapplied)	0
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	2,660,603	37. Long-Term Debt - RUS - Econ. Devel. (Net)	0
11. Investments in Economic Development Projects	0	38. Long-Term Debt - FFB - RUS Guaranteed	33,764,197
12. Other Investments	0	39. Long-Term Debt - Other - RUS Guaranteed	0
13. Special Funds	0	40. Long-Term Debt Other (Net)	30,038,329
14. Total Other Property & Investments (6 thru 13)	21,559,664	41. Total Long-Term Debt (36 thru 40)	76,927,586
15. Cash - General Funds	1,556,352	42. Obligations Under Capital Leases - Noncurrent	0
16. Cash - Construction Funds - Trustee	0	43. Accumulated Operating Provisions and Asset Retirement	
17. Special Deposits	0	Obligations	5,138,927
18. Temporary Investments	0	44. Total Other Noncurrent Liabilities (42 + 43)	5,138,927
19. Notes Receivable (Net)	0	45. Notes Payable	5,850,000
20. Accounts Receivable - Sales of Energy (Net)	3,812,046	46. Accounts Payable	6,717,552
21. Accounts Receivable - Other (Net)	1,263,069	47. Consumers Deposits	932,904
22. Materials and Supplies - Electric & Other	929,951	48. Current Maturities Long-Term Debt	0
23. Prepayments	517,207	49. Current Maturities Long-Term Debt-Economic	
24. Other Current and Accrued Assets	0	Development	0
25. Total Current and Accrued Assets (15 thru 24)	8,078,625	50. Current Maturities Capital Leases	0
26. Regulatory Assets	0	51. Other Current and Accrued Liabilities	1,482,232
27. Other Deferred Debits	406,144	52. Total Current & Accrued Liabilities (45 thru 51)	14,982,688
28. Total Assets and Other Debits (5+14+25 thru 27)	141,498,271	53. Regulatory Liabilities	0
		54. Other Deferred Credits	786,344
		55. Total Liabilities and Other Credits (35+ 41 + 44 + 52 thru	
		54)	141,498,271

Blue Grass Energy
Statement of Additional Revenues
31-Dec-04

Exhibit 6
Page 1
of 1

Computation of Miscellaneous and Non-Recurring Charge limitation amount:

Other Electric Revenues		\$1,603,630
Percentage Limitation		<u>5%</u>
Limitation amount		<u>\$80,182</u>

Net Margins	<u>Existing</u>	<u>Proposed</u>
	\$830,572	\$864,146
Interest on long-term debt	\$2,744,950	\$2,744,950
TIER	<u>1.3</u>	<u>1.3</u>

As indicated by the results of the increases to the CATV attachments, the effect on the TIER is only minimal and the proposed TIER has not changed.

Contact:
Donald Smothers

NOTICE OF PROPOSED RATE CHANGE

In accordance with the requirements of the Public Service Commission of the Commonwealth of Kentucky as set forth in 807 KAR 5:001, Section 10, of the Rules and Regulations of the Public Service Commission, notice is hereby given to the Cable TV customers of Blue Grass Energy Cooperative Corporation of a proposed rate adjustment in CATV Attachment charges. An Application for Approval of Adjustment of Rates will be filed with the Public Service Commission On November 1, 2005, Case No. 2005-00330. This adjustment will not result in a rate increase to any of the member-owners of Blue Grass Energy Cooperative Corporation. The amount and percent of increase by rate class are below:

<u>Rate Class</u>	Dollar <u>Increase</u>	Percent of <u>Increase</u>
CATV Attachments:		
2 - Party Pole	\$17,205	55%
3 - Party Pole	\$1,403	27%
2 - Party Anchors	\$6,894	140%
3 - Party Anchors	\$1,924	142%
2 - Party Pole Grounds	\$6,092	374%
3 - Party Pole Grounds	\$55	379%

The present and proposed rate structures of Blue Grass Energy Cooperative Corporation, Inc. are listed below:

<u>Rate Class</u>	<u>Present</u>	<u>Proposed</u>
CATV Attachments:		
2 - Party Pole	\$4.77	\$7.40
3 - Party Pole	\$4.21	\$5.34
2 - Party Anchors	\$7.58	\$18.17
3 - Party Anchors	\$5.00	\$12.10
2 - Party Pole Grounds	\$0.31	\$1.47
3 - Party Pole Grounds	\$0.19	\$0.91

The rates contained in this notice are the rates proposed by Blue Grass Energy Cooperative Corporation. However, the Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice. Such action may result in rates other than the rates in this notice.

Any corporation, association, or person with a substantial interest in the matter may request to intervene, by written request, within thirty (30) days after publication or mailing of this notice of the proposed rate changes. Intervention may be granted beyond the thirty (30) days after publication or mailing of this notice of the proposed rate changes. Intervention may be granted beyond the thirty (30) day period for good cause shown.

Any person who has been granted intervention by the Commission may obtain copies of the rate application and any other filings made by Blue Grass Energy Cooperative Corporation by contacting:

Dan Brewer, President & CEO
Blue Grass Energy Cooperative Corporation
1201 Lexington Road
P. O. Box 990
Nicholasville, Kentucky 40340
Phone: 859-885-4191

Any person may examine the rate application and any other filings made by Blue Grass Energy Cooperative Corporation at the main office at the above listed address or by contacting the Public Service Commission Office at the below listed address:

Kentucky Public Service Commission
211 Sower Boulevard
P. O. Box 615
Frankfort, Kentucky 40601
Phone: 502-564-3940