

COMMONWEALTH OF KENTUCKY

RECEIVED

BEFORE THE KENTUCKY PUBLIC SERVICE COMMISSION

NOV 15 2006

PUBLIC SERVICE
COMMISSION

IN THE MATTER OF:

THE APPLICATION OF BLUE GRASS ENERGY COOPERATIVE CORPORATION FOR A CERTIFICATE OF CONVENIENCE AND NECESSITY FOR AN ELECTRIC FRANCHISE IN THE CITY OF HARRODSBURG, KENTUCKY

CASE 2006-00491

APPLICATION

Blue Grass Energy Cooperative Corporation, hereinafter called the Applicant, respectfully advises the Commission that:

1. Applicant is engaged in the sale of electric power over its 5,940 miles of line at retail rates to its members in Anderson, Bourbon, Bracken, Estill, Fayette, Franklin, Garrard, Grant, Harrison, Henry, Jackson, Jessamine, Madison, Mercer, Nelson, Nicholas, Pendleton, Robertson, Scott, Shelby, Spencer, Washington and Woodford Counties. In the City of Harrodsburg the Applicant serves approximately 18 meters.

2. The address of Applicant is P. O. Box 990, 1201 Lexington Road, Nicholasville, Kentucky, 40340-0990, and its Articles of Consolidation are on file with the Commission.

3. This Application is for the approval of the Corporation's bidding on a Franchise Agreement pursuant to KRS 278.020 (3).

4. The City of Harrodsburg, Kentucky is the governmental agency offering the franchise.

5. The type of franchise being offered is an electric franchise.

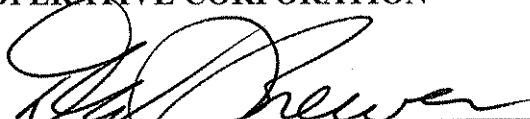
6. In this instance, there is a definite need and demand for such service, since the services are already being provided to the particular municipality in question. Applicant has served consumer-members in this area since 1938. The reason for the Application herein is that although the Applicant has been serving portions of the municipality, there has been no formal Franchise Agreement, and the municipality is preparing to accept bids for such a franchise.

WHEREFORE, the Applicant now moves the Public Service Commission of the Commonwealth of Kentucky to grant the said Certificate of Convenience and Necessity for electric franchise in those areas of the City of Harrodsburg, Kentucky within the territory of the Applicant, which the Applicant has herein requested and which the Commission has discretion to grant pursuant to KRS 278.020 (3), upon determination that there is a need and demand for the service.

WITNESS the hand of the Applicant on this the 14th day of November, 2006, by its authorized representative.

**BLUE GRASS ENERGY
COOPERATIVE CORPORATION**

BY:



DANIEL W. BREWER
President and Chief Executive Officer

BY:



RALPH K. COMBS
Attorney for Applicant
100 United Drive, Suite 4B
Versailles, Kentucky 40383
(859) 873-5427

STATE OF KENTUCKY

COUNTY OF Woodford

Subscribed, sworn to and acknowledged before me by DANIEL W. BREWER, as President and Chief Executive Officer of BLUE GRASS ENERGY COOPERATIVE CORPORATION this 14th day of November, 2006.



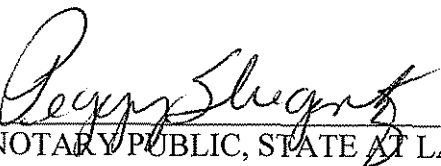
NOTARY PUBLIC, STATE AT LARGE, KY

MY COMMISSION EXPIRES: 6-14-10

STATE OF KENTUCKY

COUNTY OF WOODFORD

Subscribed, sworn to and acknowledged before me by RALPH K. COMBS, as Attorney for BLUE GRASS ENERGY COOPERATIVE CORPORATION this 14th day of November, 2006.



NOTARY PUBLIC, STATE AT LARGE, KY

MY COMMISSION EXPIRES: 6-14-10

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CONSENT

The City of Harrodsburg, Kentucky, a Municipal Corporation of the 4th class, accepts notice of the filing of the Application of Blue Grass Energy Cooperative Corporation in the above matter, and consents to the entry of an Order granting the prayer of said Application to the effect that said Corporation may be permitted to apply for an electric franchise to be offered for sale by the City of Harrodsburg for those areas of territory within the City allocated to Blue Grass Energy Cooperative Corporation and being served at this time by Blue Grass Energy Cooperative Corporation.

Dated at Harrodsburg, Kentucky on this the 13th day of November, 2006.

CITY OF HARRODSBURG

BY: 
MAYOR

ATTEST:


CITY CLERK