



Ernie Fletcher
Governor

Mark David Goss
Chairman

Teresa J. Hill, Secretary
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Commonwealth of Kentucky
Public Service Commission
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John W. Clay
Commissioner

Christopher L. Lilly
Commissioner
Department of Public Protection

November 22, 2006

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

CERTIFICATE OF SERVICE

RE: Case No. 2006-00491
Blue Grass Energy Cooperative Corp.

I, Beth O'Donnell, Executive Director of the Public Service Commission, hereby certify that the enclosed attested copy of the Commission's Order in the above case was served upon the addressee by U.S. Mail on November 22, 2006.

A handwritten signature in black ink, appearing to read "Beth O'Donnell", written over a horizontal line.

Executive Director

BOD/sh
Enclosure



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COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF BLUE GRASS ENERGY)	
COOPERATIVE CORPORATION FOR A)	
CERTIFICATE OF CONVENIENCE AND)	CASE NO. 2006-00491
NECESSITY FOR AN ELECTRIC FRANCHISE)	
IN THE CITY OF HARRODSBURG, KENTUCKY)	

O R D E R

On November 15, 2006, Blue Grass Energy Cooperative Corporation ("Blue Grass Energy") filed with the Commission its application seeking a Certificate of Convenience and Necessity to qualify it to bid on a franchise for electric service offered by the city of Harrodsburg, Kentucky. Under the provisions of KRS 278.020(4), no utility may apply for a franchise from any governmental agency until it has obtained a Certificate of Convenience and Necessity from this Commission based on our finding that there is a need and demand for the service sought to be rendered.

In light of the ordinance of the city of Harrodsburg creating an electric distribution franchise, the Commission determines that there is evidence of a need and demand for electric service in the above-mentioned city. Since the Commission's authority in such matters is limited by statute to finding only whether there is a need and demand for the service sought to be rendered, no finding or determination is made as to the qualifications of the bidder, the validity of any of the provisions of the franchises offered by said city, or the manner in which any franchise fee is to be treated for rate purposes.

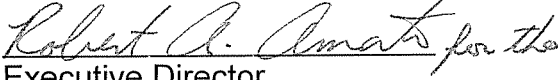
IT IS THEREFORE ORDERED that:

1. Blue Grass Energy is granted a Certificate of Convenience and Necessity that authorizes it to bid on a franchise for electric service offered by the above-mentioned city.
2. Blue Grass Energy, if it becomes the successful bidder, shall file with this Commission two copies of the franchise agreement.
3. This Order shall not be construed as granting a Certificate of Convenience and Necessity to construct utility facilities in said city.

Done at Frankfort, Kentucky, this 22nd day of November, 2006.

By the Commission

ATTEST:


Executive Director

Case No. 2006-00491