COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION OF THE APPLICATION OF)	
THE FUEL ADJUSTMENT CLAUSE OF BLUE)	
GRASS ENERGY COOPERATIVE)	CASE NO. 2009-00512
CORPORATION FROM MAY 1, 2009)	
THROUGH OCTOBER 31, 2009)	

ORDER

Pursuant to 807 KAR 5:056, the Commission, on January 27, 2010, established this case to review and evaluate the operation of the Fuel Adjustment Clause ("FAC") of Blue Grass Energy Cooperative Corporation ("Blue Grass") for the six-month period that ended on October 31, 2009.

As part of this review, Blue Grass complied with the Commission's Order to submit certain information concerning its compliance with 807 KAR 5:056. The Commission further ordered that a public hearing be held in this case but cancelled it when, after publication of notice, no interested party advised the Commission of its intention to attend.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds no evidence that Blue Grass has improperly calculated or applied its FAC charge.

IT IS THEREFORE ORDERED that the charges and credits applied by Blue Grass through the FAC for the period May 1, 2009 through October 31, 2009 are approved.

By the Commission

ENTERED

MAY 1 7 2010

KENTUCKY PUBLIC SERVICE COMMISSION

ATTES

Executiv

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