

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE JOINT APPLICATION BY KENTUCKY)
UTILITIES COMPANY AND BLUE GRASS RURAL) CASE NO.
ELECTRIC COOPERATIVE CORPORATION FOR) 10294
COMMISSION APPROVAL OF REVISION TO)
CERTIFIED BOUNDARIES)

O R D E R

On June 13, 1988, Kentucky Utilities Company ("KU") and Blue Grass Electric Cooperative Corporation ("Blue Grass RECC") filed a joint application for approval of a contract to revise their certified service area as permitted by KRS 278.018(6).

On July 13, 1988, this Commission ordered the utilities to provide certain information on the contractual arrangement. KU and Blue Grass RECC provided this information on July 21 and July 22, 1988, respectively.

After review of the evidence of record and being advised, this Commission is of the opinion and finds that:

1. Blue Grass RECC and KU have agreed to revise their certified service areas to permit Blue Grass RECC to serve two sirens on the property of the Bluegrass Ordnance. These sirens are located approximately 1.5 and 3.0 miles from Kentucky Route 52, near Moberly, Kentucky.

2. The agreement between Blue Grass RECC and KU concerns only service to the two sirens and will have no effect on either

utility's service rights for any other existing or future customers.

3. If KU provides service to the 2 sirens, approximately 11,200 feet of 7200 volt single phase primary line must be strung and 2 10 KVA 7200/120-240 volt transformers installed at an estimated total cost of \$36,705.

4. Blue Grass RECC can provide service to the 2 proposed sirens by installing a single 5 KVA 7200/120-240 volt transformer and stringing a limited amount of 7200 volt single phase primary line. Total cost to Blue Grass RECC to provide service is approximately \$1050.

5. The Blue Grass Ordnance has requested that Blue Grass RECC provide electric service to the two proposed sirens.

6. The contract between Blue Grass RECC and KU will avoid wasteful duplication of distribution facilities, will avoid unnecessary encumbering of the landscape, and will prevent the waste of materials and natural resources.

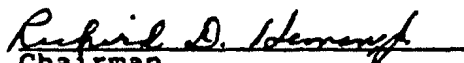
7. The contract will promote the purposes of KRS 278.016 and will provide adequate and reasonable service to the Blue Grass Ordnance property.

8. The contract between Blue Grass RECC and KU which revises their respective certified territories should be approved.

IT IS THEREFORE ORDERED that the contract between Blue Grass RECC and KU authorizing Blue Grass RECC to provide service to two proposed sirens on Blue Grass Ordnance property be, and it hereby is, approved.

Done at Frankfort, Kentucky, this 9th day of August, 1988.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director