COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF BLUE GRASS ENERGY)COOPERATIVE CORPORATION FOR APPROVAL)COOPERATIVE CORPORATION FOR APPROVAL)CASE NO.)O ADOPT A SAMPLE METER)98-634)

Blue Grass Energy Cooperative Corporation ("Blue Grass") has applied for authority to adopt a scientific sample meter testing plan for single phase meters. Under the proposed testing plan, Blue Grass will test all single phase meters at least once every 25 years. It will divide its single phase meters into 9 groups and randomly select a minimum of 4 percent of each group for annual testing. The percentage of meters tested from each group depends upon the results from the previous year's test.

In support of its application, Blue Grass states that the proposed testing plan will achieve an annual cost reduction of approximately \$37,000.

Having considered the application and being otherwise sufficiently advised, the Commission finds that Blue Grass's proposed sample meter testing program complies with the conditions set forth in Commission Regulation 807 KAR 5:041, Section 16(4).

IT IS THEREFORE ORDERED that Blue Grass's application to adopt sample testing of its single phase meters is granted.

Done at Frankfort, Kentucky, this 9th day of March, 1999.

By the Commission

ATTEST:

Executive Director