COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

DECREASE IN RATES OF BLUE GRASS ENERGY COOPERATIVE CORPORATION

CASE NO. 99-311

<u>O R D E R</u>

On August 25, 1999, Blue Grass Energy Cooperative Corporation (Blue Grass) filed an application with the Commission proposing revisions to the rates and charges for residential consumers in the Fox Creek District. Blue Grass proposes that the revisions become effective on and after October 1, 1999.

Having considered the application and being otherwise sufficiently advised, the Commission finds that, pursuant to KRS 278.190, further proceedings are necessary to determine the reasonableness of the proposed revisions.

IT IS THEREFORE ORDERED that:

1. Blue Grass s proposed rates are suspended for five months from October

1, 1999 up to and including February 29, 2000.

2. Nothing contained herein shall prevent the Commission from entering a

final decision in this case prior to the termination of the suspension period.

Done at Frankfort, Kentucky, this 21st day of September, 1999.

By the Commission

ATTEST:

Executive Director