

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION BY THE PUBLIC SERVICE)
COMMISSION OF THE APPLICATION OF THE)
FUEL ADJUSTMENT CLAUSE OF BLUE GRASS) CASE NO. 2002-00207
ENERGY COOPERATIVE CORPORATION FROM)
NOVEMBER 1, 2001 TO APRIL 30, 2002)

ORDER

Pursuant to Administrative Regulation 807 KAR 5:056, the Commission on July 1, 2002, established this case to review and evaluate the operation of the fuel adjustment clause (FAC) of Blue Grass Energy Cooperative Corporation (BlueGrass) for the six months ended April 30, 2002.

As part of this review, the Commission ordered BlueGrass to submit certain information concerning its compliance with Administrative Regulation 807 KAR 5:056. BlueGrass has complied with this Order. 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.

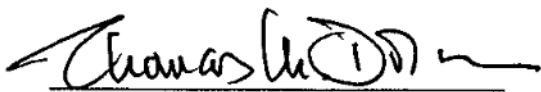
The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds no evidence that BlueGrass has improperly calculated or applied its FAC charge.

IT IS THEREFORE ORDERED that the charges and credits applied by BlueGrass through the FAC for the period November 1, 2001 through April 30, 2002 are approved.

Done at Frankfort, Kentucky, this 24th day of October, 2002.

By the Commission

ATTEST:

A handwritten signature in black ink, appearing to read "Thomas H. [unclear]", written over a horizontal line.

Executive Director