

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. 2002-00437
CORPORATION FROM NOVEMBER 1,)	
2000 TO OCTOBER 31, 2002)	

O R D E R

Pursuant to Administrative Regulation 807 KAR 5:056, the Commission on December 11, 2002 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 2 years ended October 31, 2002.

As part of this review, the Commission ordered Blue Grass to submit certain information and an affidavit attesting to its compliance with Administrative Regulation 807 KAR 5:056. Blue Grass 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 that:

1. Blue Grass has complied in all material respects with the provisions of Administrative Regulation 807 KAR 5:056.

2. East Kentucky Power Cooperative, Inc. (EKPC), the wholesale supplier of Blue Grass, has been authorized to transfer (roll-in) a 2.31 mills per KWH increase in the base fuel cost to its base rates.¹

3. Blue Grass should be authorized to transfer (roll-in) a 2.45 mills per KWH increase in its base fuel costs to its base to reflect, as adjusted for line loss, the transfer of a 2.31 mills per KWH increase in EKPC s base rates. This transfer can best be accomplished by an energy adder to each KWH sold.

4. The rates and charges in Appendix A, attached hereto and incorporated herein, are fair, just, and reasonable, and reflect the transfer of fuel costs from the FAC to the base rate.

IT IS THEREFORE ORDERED that:

1. The charges and credits applied by Blue Grass through the FAC for the period November 1, 2000 to October 31, 2002 are approved.

2. Blue Grass is authorized to transfer to base rates those fuel costs (as adjusted for line-loss) rolled in by EKPC from its FAC to its base rates.

3. The rates in Appendix A are approved for service rendered by Blue Grass on and after May 1, 2003, the effective date of EKPC s change in rates.


4. Within 30 days of the date of this Order, Blue Grass shall file with the Commission revised tariff sheets setting out the rates approved herein.

¹ Case No. 2002-00432, An Examination by the Public Service Commission of the Application of the Fuel Adjustment Clause of East Kentucky Power Cooperative, Inc. from November 1, 2000 to October 31, 2002.

Done at Frankfort, Kentucky, this 23rd day of April, 2003.

By the Commission

ATTEST:

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

Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2002-00437 DATED April 23, 2003

The following rates and charges are prescribed for the customers in the area served by Blue Grass Energy Cooperative Corporation. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

SCHEDULE GS-1 RESIDENTIAL, FARM AND NON-FARM

Energy Charge per kWh	\$0.05537
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SCHEDULE GS-2 OFF-PEAK RETAIL MARKETING RATE (ETS)

Energy Charge per kWh	\$0.03322
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SCHEDULE GS-3 RESIDENTIAL FARM AND NON-FARM TIME OF DAY

Energy Charge	
On-Peak Energy per kWh	\$0.07052
Off-Peak Energy per kWh	\$0.03302

SCHEDULE C-1 COMMERCIAL AND INDUSTRIAL LIGHTING & POWER

Energy Charge per kWh	
First 3,000 kWh	\$0.05962
All Over 3,000 kWh	\$0.05482

SCHEDULE LP-1 LARGE POWER

Energy Charge per kWh	
First 10,000 kWh	\$0.04454
Next 15,000 kWh	\$0.03784
Next 50,000 kWh	\$0.03224
Next 75,000 kWh	\$0.02994
All Over 150,000 kWh	\$0.02824

SCHEDULE LP-2
LARGE POWER

Energy Charge per kWh	
First 3,500 kWh	\$.04537
Next 6,500 kWh	\$.03710
Next 140,000 kWh	\$.03197
Next 200,000 kWh	\$.03042
Next 400,000 kWh	\$.02950
Next 550,000 kWh	\$.02858
All Over 1,300,000 kWh	\$.02331

SECURITY LIGHTS

Rates Per Light Per Month:

175 Watt	\$ 4.72
400 Watt	\$ 6.91
100 Watt High Pressure Sodium	\$ 4.95
250 Watt High Pressure Sodium	\$ 7.01
400 Watt Metal Halide Directional Flood	\$ 10.63
400 Watt High Pressure Sodium Directional Flood	\$ 11.66

STREET LIGHTING

Rates Per Light Per Month:

70 Watt High Pressure Sodium (Ornamental)	\$ 5.10
100 Watt High Pressure Sodium (Ornamental)	\$ 6.56
250 Watt High Pressure Sodium (Ornamental)	\$ 8.75
70 Watt High Pressure Sodium (Colonial)	\$ 7.88

SCHEDULE C-1
LARGE INDUSTRIAL RATE

Energy Charge per kWh	\$.03065
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SCHEDULE C-2
LARGE INDUSTRIAL RATE

Energy Charge per kWh	\$.02565
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SCHEDULE C-3
LARGE INDUSTRIAL RATE

Energy Charge per kWh	\$.02465
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SCHEDULE B-1
LARGE INDUSTRIAL RATE

Energy Charge per kWh \$.03086

SCHEDULE B-2
LARGE INDUSTRIAL RATE

Energy Charge per kWh \$.02586

FOX CREEK DISTRICT

SCHEDULE R
RESIDENTIAL

Energy Charge per kWh \$.05843

SCHEDULE C
COMMERCIAL AND SMALL POWER

All Over 30 kWh per Month \$.06408

SCHEDULE L
LARGE POWER SERVICE (50 To 200 kw)

First 50kW of Billing Demand \$.06709

Next 100 kW of Billing Demand \$.06309

Over 150 kWh of Billing Demand \$.05319

SCHEDULE R2
RESIDENTIAL MARKETING RATE

All kWh per kWh \$.03684

SCHEDULE C1
LARGE INDUSTRIAL RATE (1,000 To 4,999 kw)

Energy Charge per kWh \$.03046

SCHEDULE C2
LARGE INDUSTRIAL RATE (5,000 To 9,999 kw)

Energy Charge per kWh \$.02546

SCHEDULE C3
LARGE INDUSTRIAL RATE (Over 10,000 kw)

Energy Charge per kWh \$.02446

SCHEDULE M
COMMERCIAL AND INDUSTRIAL POWER SERVICE

Energy Charge:
First 425 kW of Billing Demand \$.04185
All Over 425 kWh per kW of Billing Demand \$.03396

SCHEDULE N
INDUSTRIAL AND LARGE COMMERCIAL (Over 500 kW)

Energy Charge:
First 425 kW of Billing Demand \$.03785
All Over 425 kWh per kW of Billing Demand \$.02996

SCHEDULE B1
LARGE INDUSTRIAL

Energy Charge per kWh \$.03046

SECURITY LIGHTS

Rate per Light per Month

175 Watt Mercury Vapor	\$ 4.72
400 Watt Mercury Vapor	\$ 6.91
100 Watt High Pressure Sodium	\$ 4.95
250 Watt High Pressure Sodium	\$ 7.01
400 Watt Metal Halide Directional Flood	\$ 10.63
400 Watt High Pressure Sodium Directional Flood	\$ 11.66

STREET LIGHTING

Rate per Light per Month

70 Watt High Pressure Sodium (Ornamental)	\$ 5.10
100 Watt High Pressure Sodium (Ornamental)	\$ 6.56
250 Watt High Pressure Sodium (Ornamental)	\$ 8.75
70 Watt High Pressure Sodium (Colonial-15 ft. mounting height)	\$ 7.88

HARRISON DISTRICT

SCHEDULE A (RATE 1)
FARM AND HOME SERVICE

All kWh Used per kWh \$.06137

SCHEDULE A (RATE 1 ETS)
FARM AND HOME SERVICE OFF PEAK RETAIL MARKETING RATE

All kWh Used per kWh \$.03682

RATE 2
COMMERCIAL AND SMALL POWER SERVICE (0 TO 50 kWh)

All kWh Used per kWh \$.06298

RATE 8
LARGE POWER SERVICE (50 TO 500 kWh)

All kWh Used per kWh \$.03838

RATE 8
LARGE POWER SERVICE OVER 500 kW DEMAND (LPR1)

All kWh Used per kWh \$.03586

RATE 8
LARGE POWER SERVICE 1000 TO 4,999 kW DEMAND (LPR 2)

All kWh Used per kWh \$.03501

RATE 8
LARGE POWER SERVICE 5,000 TO 9,999 Kw DEMAND (LPR 2)

Energy Charge:

For the first 425 kWh per kW of Billing Demand \$.03244

All remaining kWh \$.02492

OUTDOOR LIGHTING SERVICE (SECURITY LIGHTS)

175 Watt \$ 8.45

400 Watt \$ 13.26