

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) CASE NO. 2008-00289
ENERGY COOPERATIVE CORPORATION FROM)
NOVEMBER 1, 2007 THROUGH APRIL 30, 2008)

O R D E R

Pursuant to 807 KAR 5:056, the Commission, on August 22, 2008, 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 6-month period that ended on April 30, 2008.

As part of this review, Blue Grass complied with the Commission's Order to submit certain information concerning its compliance with 807 KAR 5:056. 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.

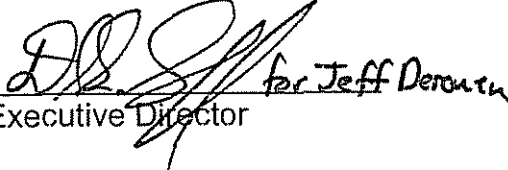
The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds no evidence that Blue Grass has improperly calculated or applied its FAC charge.

IT IS THEREFORE ORDERED that the charges and credits applied by Blue Grass through the FAC for the period November 1, 2007 through April 30, 2008 are approved.

Done at Frankfort, Kentucky, this 7th day of January, 2009.

By the Commission

ATTEST:


Executive Director

Daniel W Brewer
President and CEO
Blue Grass Energy Cooperative Corp.
P. O. Box 990
1201 Lexington Road
Nicholasville, KY 40340-0990