

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF BLUE GRASS ENERGY)	
COOPERATIVE CORPORATION FOR A)	
CERTIFICATE OF CONVENIENCE AND)	CASE NO.
NECESSITY TO APPLY FOR AND OBTAIN A)	2012-00255
FRANCHISE IN THE TERRITORIAL LIMITS OF)	
LEXINGTON-FAYETTE URBAN COUNTY)	
GOVERNMENT OF FAYETTE COUNTY,)	
KENTUCKY FOR ELECTRIC UTILITY SERVICE)	

O R D E R

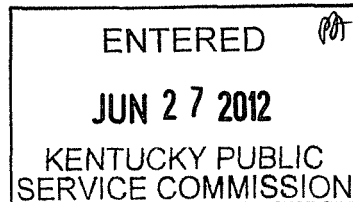
On June 18, 2012, Blue Grass Energy Cooperative Corporation (“Blue Grass”) filed its application with the Commission seeking a Certificate of Public Convenience and Necessity to qualify it to bid on a franchise for electric services offered by the Lexington-Fayette Urban County Government. Under the provisions of KRS 278.020(4), no utility may apply for a franchise from any governmental agency until it has obtained a Certificate of Public Convenience and Necessity from this Commission based on our finding that there is a need and demand for the service sought to be rendered.

In light of the ordinance of Lexington-Fayette Urban County Government creating an electric distribution franchise, the Commission determines that there is evidence of a need and demand for electric service for the Lexington-Fayette Urban County Government. Since the Commission’s authority in such matters is limited by statute to finding only whether there is a need and demand for the service sought to be rendered, no finding or determination is made as to the qualifications of the bidder, the validity of any of the provisions of the franchises offered by the Lexington-Fayette Urban County Government, or the manner in which any franchise fee is to be treated for rate purposes.

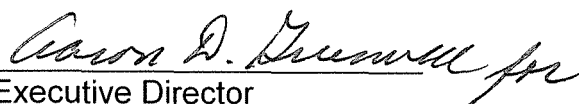
IT IS THEREFORE ORDERED that:

1. Blue Grass is granted a Certificate of Public Convenience and Necessity that authorizes it to bid on a franchise for electric services offered by the Lexington-Fayette Urban County Government.
2. Blue Grass, if it becomes the successful bidder, shall file two copies of the franchise agreement with the Commission's tariff branch.
3. This Order shall not be construed as granting a Certificate of Public Convenience and Necessity to construct utility facilities for the Lexington-Fayette Urban County Government.

By the Commission



ATTEST:


Executive Director

Honorable Howard Downing
Attorney at Law
109 South First Street
Nicholasville, KENTUCKY 40356