

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

AN EXAMINATION BY THE PUBLIC SERVICE)
COMMISSION OF THE APPLICATION OF THE)
FUEL ADJUSTMENT CLAUSE OF KENTUCKY) CASE NO. 8057-B
UTILITIES COMPANY FROM MAY 1, 1981,)
TO OCTOBER 31, 1981)

O R D E R

Pursuant to 807 KAR 5:056E, Section 1(11), the Commission issued its order on November 25, 1981, scheduling a hearing and requiring Kentucky Utilities Company ("KU") to provide the following information as a part of data filed in support of the monthly Fuel Adjustment Clause ("FAC") rate: unit availability, unit performance, analysis of coal purchases, analysis of other fuel purchases, inventory analysis and the cost of gross and net generation per KWH. The order also required KU to provide scheduled, actual and forced outages 30 days prior to the hearing date.

KU provided the data requested by the Commission's order of November 25, 1981, and following proper notice, a hearing was held on February 28, 1982. The record was submitted for final determination by the Commission.

The sole intervenor in this case was the Consumer Protection Division of the Attorney General's Office ("AG"). The AG did not offer testimony and on cross-examination did not challenge the level of actual fuel cost included in KU's monthly fuel filings.

In its order issued on March 13, 1981, the Commission fixed KU's base fuel cost at 15.33 mills per KWH. The Commission's review of KU's monthly fuel clause filing shows that the actual fuel cost incurred for this 6-month period ranged from a low of 16.14 mills in May 1981 to a high of 20.23 mills in July 1981. The Commission's review of the data provided in response to the Commission's order of November 25, 1981, the long-term coal supply agreements for the Ghent II and Ghent III Units, the coal market conditions during this period and the data filed in support of the FAC rate disclosed that the actual fuel cost included in the monthly FAC filings is reasonable.

Based on an analysis of the entire record in this matter, the Commission concludes that during this period KU has complied with 807 KAR 5:056E. Further, the Commission concludes that scheduled, actual and forced outages for the period under review should be filed 30 days in advance of the date of the next hearing.

The Commission, after examining the evidence of record and being advised, finds that:

1. KU has complied in all material respects with the requirements of 807 KAR 5:056E.
2. The date for the next 6-month hearing should be fixed at the conclusion of the current FAC proceeding.
3. Thirty days prior to the hearing date fixed herein KU should file scheduled, actual and forced outages for the 6-month period under review.

IT IS THEREFORE ORDERED that the charges collected by KU through the FAC for the period May 1, 1981, through October 31, 1981, be and they hereby are approved.

IT IS FURTHER ORDERED that the next Fuel Adjustment Clause hearing in Case No. 8057-C, for the purpose of examining the application of the Fuel Adjustment Clause from November 1, 1981, to April 30, 1982, be and it hereby is set for July 15, 1982, at 9:00 a.m., Eastern Daylight Time, at the Commission's offices in Frankfort, Kentucky, and KU shall give proper notice to its customers of the date, time, place and purpose of the hearing.

IT IS FURTHER ORDERED that KU shall, on or before June 15, 1982, file scheduled, actual and forced outages for the 6-month period under review.

Done at Frankfort, Kentucky, this 27th day of April, 1982.

PUBLIC SERVICE COMMISSION

Martin M. Vohy
Chairman

Katherine Randall
Vice Chairman

Tom Cawgan
Commissioner

ATTEST:

Secretary