

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 KENTUCKY) CASE NO. 8058-C
POWER COMPANY FROM NOVEMBER 1, 1981,)
TO APRIL 30, 1982)

O R D E R

Pursuant to 807 KAR 5:056, Section 1(11), the Commission issued its Order on April 27, 1982, scheduling a hearing and requiring Kentucky Power Company ("KPC") to provide a record of scheduled, actual and forced outages 30 days prior to the hearing date.

KPC provided the data requested, and following proper notice, a hearing was held on July 15, 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 KPC's monthly fuel filings.

In its Order issued on March 13, 1981, the Commission fixed KPC's base fuel cost at 14.33 mills per KWH. The Commission's review of KPC's monthly fuel clause filing shows that the actual fuel cost incurred for this 6-month period ranged from

a low of 15.42 mills in December 1981 to a high of 17.57 mills in November 1981. The Commission's review of the data provided in response to the Commission's Order of April 27, 1982, the coal market conditions during this period and the data filed in support of the fuel adjustment clause ("FAC") rate disclosed that the actual fuel cost included in the monthly FAC filing is reasonable.

Based on an analysis of the entire record in this matter, the Commission concludes that during this period KPC has complied with 807 KAR 5:056. The Commission is of the opinion that a procedure should be established for setting dates for future FAC hearings to improve the planning process for all parties. Therefore, the Commission concludes that future FAC hearings should be held on the third Thursday of the third month following the end of the period under review. Thus, since the periods under review end in April and October, hearings will be held in July and January. 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. KPC has complied in all material respects with the requirements of 807 KAR 5:056.
2. The date for the 2-year review hearing should be fixed at the conclusion of the current FAC proceeding.

3. Thirty days prior to the hearing date fixed herein KPC should file scheduled, actual and forced outages for the 6-month period May 1, 1982, to October 31, 1982.

IT IS THEREFORE ORDERED that the charges collected by KPC through the FAC for the period November 1, 1981, through April 30, 1982, be and they hereby are approved.

IT IS FURTHER ORDERED that the next Fuel Adjustment Clause hearing in Case No. 8589, for the purpose of examining the application of the Fuel Adjustment Clause from November 1, 1980, to October 13, 1982, be and it hereby is set for January 20, 1983, at 9:00 a.m., Eastern Standard Time at the Commission's offices in Frankfort, Kentucky, and KPC shall give proper notice to its customers of the date, time, place and purpose of the hearing.

IT IS FURTHER ORDERED that KPC shall, on or before December 21, 1982, file scheduled, actual and forced outages for the 6-month period May 1, 1982, to October 31, 1982.

Done at Frankfort, Kentucky, this 23rd day of August, 1982.

PUBLIC SERVICE COMMISSION

Marlin M. Vohz
Chairman

Kathleen Randall
Vice Chairman

Jim Carigan
Commissioner

ATTEST:

Secretary