

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 ADJUST-)
MENT CLAUSE OF KENTUCKY UTILITIES) CASE NO. 8590-A
COMPANY FROM NOVEMBER 1, 1982,)
TO APRIL 30, 1983)

INTERIM ORDER

Pursuant to 807 KAR 5:056, Section 1(11), the Public Service Commission ("Commission") issued its Order on July 1, 1983, scheduling a hearing and requiring Kentucky Utilities Company ("KU") to provide a record of scheduled, actual and forced outages.

KU provided the data requested by the Commission's Order of July 1, 1983. KU also filed its monthly fuel adjustment filings for the 6-month period under review. Following proper notice, a hearing was held on September 2, 1983.

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 August 12, 1983, the Commission fixed KU's base fuel cost at 18.91 mills per KWH. The Commission's review of KU's monthly fuel clause filings shows that the actual fuel cost incurred for the 6-month period under review ranged from a low of 18.20 mills in April 1983 to a high of 20.86 mills in January 1983.

On May 19, 1983, the Commission ordered KU to provide information concerning its coal supply agreements with River Processing, Inc., and South East Coal Company. KU moved the Commission to withdraw its Order, arguing that it would require "KU to express opinions concerning legal and other questions which have been and are issues between KU and other parties" to these agreements. The AG agreed with KU's motion "to the extent that it seeks relief from the data requests." The Commission determined to hold the data requests in abeyance but not to close the docket.

The Commission is of the opinion that the findings with respect to KU's fuel procurement practices which would ordinarily be made at this time also should be held in abeyance and that this Order should be an Interim Order. A final Order will be issued upon conclusion of the Commission's review of KU's fuel procurement practices.

The Commission, having considered the evidence of record and being advised, is of the opinion and finds that:

1. KU has complied with 807 KAR 5:056 regarding the calculation and application of its fuel adjustment clause.
2. No findings are made at this time with respect to the propriety of KU's fuel procurement practices and this matter


should be held in abeyance until the Commission has concluded its review.

IT IS THEREFORE ORDERED that this docket shall remain open until the Commission has concluded its investigation of KU's fuel procurement practices.

Done at Frankfort, Kentucky, this 9th day of November, 1983.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary