

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 EAST) CASE NO. 9171-B
KENTUCKY POWER COOPERATIVE, INC., FROM)
MAY 1, 1985, TO OCTOBER 31, 1985)

O R D E R

Pursuant to 807 KAR 5:056, Section 1(11), the Commission issued its Order on December 6, 1985, scheduling a hearing and requiring East Kentucky Power Cooperative, Inc., ("East Kentucky") to provide a record of scheduled, actual and forced outages, and a calculation of over- or under-recovery of fuel costs for the 6-month period under review.

East Kentucky provided the data requested by the Commission's Order of December 6, 1985. East Kentucky also filed its monthly fuel adjustment filings for the 6-month period under review. Following proper notice, a hearing was held on January 28, 1986.

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 East Kentucky's monthly fuel filings.

In its Order issued on May 8, 1985, the Commission fixed East Kentucky's base fuel cost at 14.74 mills per Kwh. The Commission's review of East Kentucky's monthly fuel clause filings shows that the actual fuel cost incurred for the 6-month period under review ranged from a low of 12.60 mills in October 1985 to a high of 15.66 mills in May 1985. The Commission's review of the record in this case, the coal market conditions during this period and the data filed in support of the fuel adjustment clause rates indicate that the actual fuel costs included in the monthly fuel adjustment clause filings were reasonable.

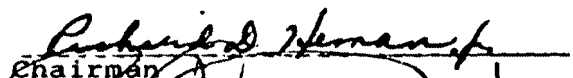
The Commission, having considered the evidence of record and being advised, is of the opinion and finds that:

1. East Kentucky has complied in all material respects with the provisions of 807 KAR 5:056.

IT IS THEREFORE ORDERED that the charges collected by East Kentucky through the fuel adjustment clause for the period May 1, 1985, through October 31, 1985, be and they hereby are approved.

Done at Frankfort, Kentucky, this 18th day of March, 1986.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary