

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF BIG RIVERS ELECTRIC )  
CORPORATION FOR AN ORDER APPROVING )  
FUEL ADJUSTMENT CLAUSE PASSTHROUGH ) CASE NO. 90-055  
OF THE DELTA MINING CORPORATION )  
ARBITRATION AWARD )

O R D E R

On July 20, 1990, the Commission authorized Big Rivers Electric Corporation ("Big Rivers") to pass an arbitration award to Delta Mining Corporation ("Delta") through the fuel adjustment clause ("FAC"). In addition, the Commission required Big Rivers to report monthly in its FAC report the amount of the arbitration award recovered through the FAC in that month.

On April 12, 1991, Big Rivers applied for approval to discontinue the separate identification of the arbitration award in its monthly FAC report. Big Rivers asserts that collection of the full amount of the award is impossible as collection is based on the weighted average cost from the coal inventory. To date, Big Rivers has collected all but \$16,731.91 of the original award in the sum of \$2,557,674.82.

In the July 20, 1990 Order, the Commission determined that Big Rivers was to maintain the special reporting for the arbitration award until the full amount of the award was recovered. As Big Rivers has stated, the use of the weighted average cost methodology will not allow the full recovery of the

award. The remaining amount to be recovered constitutes less than 1 percent of the total award. The Commission believes it is appropriate for Big Rivers to recover the full amount of the award.

Based on the evidence of record and being otherwise sufficiently advised, the Commission hereby finds that Big Rivers should be allowed to recover the June 30, 1991 balance remaining of the arbitration award through its FAC and should report this recovery in its June 1991 FAC report. The special reporting requirement of the July 20, 1990 Order will have been satisfied.

IT IS THEREFORE ORDERED that Big Rivers' application for permission to discontinue monthly reporting of collections of the Delta award is granted to the extent that Big Rivers shall recover the remaining award balance in its June 1991 FAC and show the recovery in its June 1991 FAC report.

Done at Frankfort, Kentucky, this 24th day of May, 1991.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

  
Executive Director