

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. 92-492-A
POWER COMPANY FROM NOVEMBER 1, 1992)	
TO APRIL 30, 1993)	

O R D E R

Pursuant to 807 KAR 5:056, Section 1(11), IT IS HEREBY ORDERED
that:

1. A public hearing shall be held on August 19, 1993 at 9:00 a.m., Eastern Daylight Time, at the Commission's offices in Frankfort, Kentucky, to examine the application of the fuel adjustment clause of Kentucky Power Company ("Kentucky Power") from November 1, 1992 through April 30, 1993. If no interested party files written notice of its intent to attend this hearing with the Commission by August 17, 1993, this public hearing shall be cancelled.

2. Kentucky Power shall publish the following notice not less than 7 days nor more than 21 days prior to the public hearing in a newspaper of general circulation in its service areas or in a trade publication or newsletter going to all customers:

A public hearing will be held on Thursday, August 19, 1993, at 9:00 a.m., Eastern Daylight Time, at the offices of the Kentucky Public Service Commission, 730 Schenkel Lane, Frankfort, Kentucky, to examine the application of the fuel adjustment clause of Kentucky Power Company for the period November 1, 1992 through April 30, 1993.

Individuals interested in attending this hearing shall notify the Public Service Commission in writing of their intent to attend no later than August 17, 1993. If no notices of intent to attend are received by that date, this hearing will be cancelled. Written notice of intent to attend this hearing should be sent to: Don Mills, Executive Director, Kentucky Public Service Commission, P.O. Box 615, Frankfort, Kentucky 40602.

3. Kentucky Power shall, on or before July 31, 1993, file an original and 10 copies of the following:

a. A schedule showing scheduled, actual, and forced outages for the 6-month period, November 1, 1992 through April 30, 1993.

b. A schedule showing the actual and projected coal inventory levels for each generating station for the period November 1, 1992 through April 30, 1993. Justify, in detail, inventory levels higher than 75 days.

c. A schedule showing the actual fuel costs for the period November 1, 1992 through April 30, 1993. The cost shall be given in total dollars, cents per KWH generated, and cents per MBTU for each type of fuel. This schedule shall also state the actual amount of each type of fuel used, the BTUs obtained for each type of fuel, and the KWH generated by each type of fuel.

d. A schedule showing any fuel or transportation contracts executed or amended during the 6-month review period.

e. Coal inventory in tons and number of days as of April 30, 1993.

f. Any changes to Kentucky Power's written policies and procedures for fuel procurement during the 6-month period under review.

g. Any changes to Kentucky Power's policies on conflicts of interest and the earning and reporting of outside income by employees, directors, or other utility personnel during the 6-month period under review.

h. (1) State whether Kentucky Power regularly performs any type of coal price comparison with other electric utilities on coal purchases.

(2) If yes, state:

(a) how Kentucky Power compares with others.

(b) how many utilities are included in the comparison.

(c) the geographical region in which these utilities are located.

(d) the utilities which are included in this comparison.

i. State the percentage of Kentucky Power's coal, as of the date of this Order, which is delivered by:

(1) rail

(2) truck

j. (1) State whether Kentucky Power is currently involved in any litigation with its current or former coal suppliers.

(2) If yes, for each litigation:

- (a) identify the coal supplier.
- (b) identify the coal contract involved.
- (c) state the potential liability or recovery to Kentucky Power.
- (d) list the issues present.
- (e) state its current status.
- (f) provide a copy of the complaint or other legal pleading which initiated the litigation.

k. (1) State whether Kentucky Power has received any customer complaints regarding its fuel adjustment clause during the period under review.

(2) If yes, for each complaint, state:

- (a) the nature of the complaint.
- (b) Kentucky Power's response.

1. (1) State whether Kentucky Power has audited any of its coal contracts during the period under review.

(2) If yes, for each audited contract:

(a) identify the contract.

(b) identify the auditor.

(c) state the results of the audit.

(d) describe the actions which Kentucky Power took as a result of the audit.

m. (1) Describe the impact the labor dispute between the United Mine Workers Union of America and the Bituminous Coal Operators' Association has had on Kentucky Power's coal inventory levels.

(2) State the potential impact of the dispute on Kentucky Power's coal inventory levels if it continues beyond August 1993.

n. Does Kentucky Power own rail cars used in the transportation of coal to its generating stations? If yes:

(1) Is rail-car depreciation passed through the fuel adjustment clause?

(2) File a copy of Kentucky Power's most recent depreciation study that includes rail cars.

Done at Frankfort, Kentucky, this 13th day of July, 1993.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director