

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 EAST)	CASE NO. 96-522-C
KENTUCKY POWER COOPERATIVE, INC. FROM)	
NOVEMBER 1, 1997 TO APRIL 30, 1998)	

O R D E R

Pursuant to Commission Regulation 807 KAR 5:056, the Commission on June 17, 1998 established this case to review and evaluate the operation of the fuel adjustment clause ("FAC") of East Kentucky Power Cooperative, Inc. ("East Kentucky") for the 6 months ended April 30, 1998.

As part of this review, East Kentucky, pursuant to Commission Order, submitted certain information concerning its compliance with Commission Regulation 807 KAR 5:056. A public hearing was held on August 27, 1998.

The Commission has previously established East Kentucky's base fuel cost at 12.48 mills per Kwh.¹ A 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

¹ Case No. 96-522, An Examination by the Public Service Commission of the Application of the Fuel Adjustment Clause of East Kentucky Power Cooperative, Inc. from November 1, 1994 to October 31, 1996, Order dated August 20, 1997.

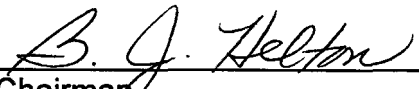
10.95 mills in February 1998 to a high of 14.15 mills in November 1997, with a 6-month average of 11.76 mills.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds no evidence of improper calculation or application of East Kentucky's FAC charge or improper fuel procurement practices.

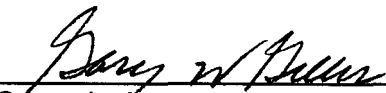
IT IS THEREFORE ORDERED that the charges and credits billed by East Kentucky through its FAC for the period November 1, 1997 to April 30, 1998 are approved.

Done at Frankfort, Kentucky, this 18th day of November, 1998.

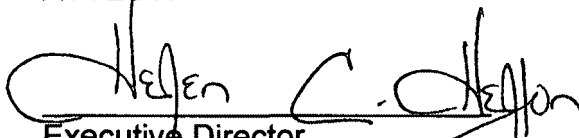
PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director