

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION OF THE)	
APPLICATION OF THE FUEL)	
ADJUSTMENT CLAUSE OF EAST)	CASE NO.
KENTUCKY POWER COOPERATIVE,)	2005-00495
INC. FROM MAY 1, 2005 TO OCTOBER)	
31, 2005)	

O R D E R

Pursuant to Administrative Regulation 807 KAR 5:056, the Commission, on December 27, 2005, 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 October 31, 2005.

As part of this review, East Kentucky, pursuant to Commission Order, submitted certain information concerning its compliance with Administrative Regulation 807 KAR 5:056 and, on February 23, 2006, filed supplemental information in response to a Commission Staff data request. A public hearing was held on March 16, 2006.

The Commission has previously established East Kentucky's base fuel cost at 20.25 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

¹ Case No. 2004-00464, An Examination by the Public Service Commission of the Application of the Fuel Adjustment Clause of East Kentucky Power Cooperative, Inc. from November 1, 2002 to October 31, 2004, Order dated June 23, 2005.

of 21.90 mills in May 2005 to a high of 31.34 mills in August 2005, with a 6-month average of 26.93 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 charges or improper fuel procurement practices.

IT IS THEREFORE ORDERED that the charges and credits billed by East Kentucky through its FAC for the period May 1, 2005 to October 31, 2005 are approved.

Done at Frankfort, Kentucky, this 26th day of April, 2006.

By the Commission

ATTEST:



Executive Director