

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. 2009-00506
KENTUCKY POWER COOPERATIVE,)
INC. FROM MAY 1, 2009 THROUGH)
OCTOBER 31, 2009)

O R D E R

Pursuant to 807 KAR 5:056, the Commission, on January 27, 2010, 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 six-month period that ended on October 31, 2009. As part of this review, East Kentucky submitted certain information, pursuant to Commission Order, concerning its compliance with 807 KAR 5:056. The Commission held a public hearing on this matter on March 23, 2010. On March 31, 2010, East Kentucky filed its response to a post-hearing data request.

The Commission has previously established East Kentucky's base fuel cost at 36.53 mills per kWh.¹ A review of East Kentucky's monthly fuel clause filings shows that the actual fuel cost incurred for the six-month period under review ranged from a

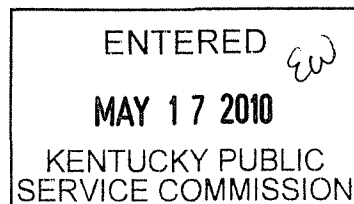
¹ Case No. 2008-00519, An Examination of the Application of the Fuel Adjustment Clause of East Kentucky Power Cooperative, Inc. from November 1, 2006 through October 31, 2008 (Ky. PSC Jul. 15, 2009).

low of 25.50 mills in September 2009 to a high of 29.06 mills in August 2009, with a six-month average of 26.97 mills.

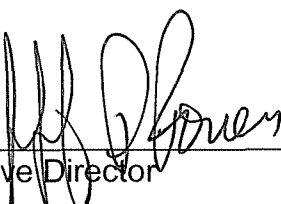
The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds no evidence of improper calculation or application of East Kentucky's FAC charges or improper fuel procurement practices.

IT IS THEREFORE ORDERED that the charges and credits billed by East Kentucky through its FAC for the period May 1, 2009 through October 31, 2009 are approved.

By the Commission



ATTEST:



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