

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

AN EXAMINATION BY THE PUBLIC)
SERVICE COMMISSION OF THE)
APPLICATION OF THE FUEL ADJUST-)
MENT CLAUSE OF KENTUCKY POWER) CASE NO. 8589-B
COMPANY FROM MAY 1, 1983,)
TO OCTOBER 31, 1983)

O R D E R

Pursuant to 807 KAR 5:056, Section 1(11), the Commission issued its Order on December 29, 1983, scheduling a hearing and requiring Kentucky Power Company ("Kentucky Power") to provide a list of affiliated coal suppliers, a record of scheduled, actual and forced outages, and a calculation of over- or under-recovery of fuel costs for the 6-month period under review.

Kentucky Power provided the data requested by the Commission's Order of December 29, 1983. Kentucky Power also filed its monthly fuel adjustment filings for the 6-month period under review. Following proper notice, a hearing was held on January 19, 1984.

The sole intervenor in this case was the Consumer Protection Division of the Attorney General's Office ("AG"). The AG did not offer testimony and on cross-examination did not challenge the level of actual fuel cost included in Kentucky Power's monthly fuel filings.

In its Order issued on June 8, 1983, the Commission fixed Kentucky Power's base fuel cost at 17.40 mills per KWH. The Commission's review of Kentucky Power's monthly fuel clause filings shows that the actual fuel cost incurred for the 6-month period under review ranged from a low of 15.61 mills in May 1983 to a high of 18.01 mills in October 1983. The Commission's review of the record in this case, the coal market conditions during this period and the data filed in support of the fuel adjustment clause rates indicate that the actual fuel costs included in the monthly fuel adjustment clause filing were reasonable.

The Commission, having considered the evidence of record and being advised, is of the opinion and finds that:

1. Kentucky Power has complied in all material respects with the provisions of 807 KAR 5:056.

IT IS THEREFORE ORDERED that the charges collected by Kentucky Power through the fuel adjustment clause for the period May 1, 1983, through October 31, 1983, be and they hereby are approved.

Done at Frankfort, Kentucky, this 16th day of March, 1984.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary