

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 ADJUST-)
MENT CLAUSE OF EAST KENTUCKY) CASE NO. 9731-A
POWER COOPERATIVE, INC.,)
FROM NOVEMBER 1, 1986, TO)
APRIL 30, 1987)

O R D E R

Pursuant to 807 KAR 5:056, Section 1 (11), the Commission issued its Order on May 28, 1987, scheduling a hearing and requiring East Kentucky Power Cooperative, Inc., ("East Kentucky") to provide 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.

East Kentucky provided the data requested by the Commission's Order of May 28, 1987. East Kentucky also filed its monthly fuel adjustment filings for the 6-month period under review. Following proper notice, a hearing was held on July 23, 1987.

The sole intervenor in this case was the Utility and Rate Intervention 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 East Kentucky's monthly fuel filings.

In its Order issued on April 28, 1987, the Commission fixed East Kentucky's base fuel cost at 13.28 mills per Kwh. The Commission's 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 11.39 mills in December 1986 to a high of 12.32 mills in April 1987, with a 6-month average of 11.94 mills. 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:

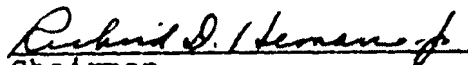
1. East Kentucky has complied in all material respects with the provisions of 807 KAR 5:056.


IT IS THEREFORE ORDERED that the charges and credits billed by East Kentucky through the fuel adjustment clause for the period November 1, 1986, through April 30, 1987, be and they hereby are approved.

Done at Frankfort, Kentucky, this

21st day of August, 1987.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director