

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 KENTUCKY) CASE NO. 9733-A
UTILITIES COMPANY FROM)
NOVEMBER 1, 1986, TO APRIL 30,)
1987)

INTERIM ORDER

Pursuant to 807 KAR 5:056, Section 1(11), the Public Service Commission ("Commission") on May 28, 1987, ordered Kentucky Utilities Company ("KU") to provide a record of scheduled, actual and forced outages.

KU provided the data requested and also filed its monthly fuel adjustment computations for the 6-month period under review. A hearing was held on July 23, 1987.

The sole intervenor 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 KU's monthly fuel filings.

In its Order issued on April 21, 1987, in Case No. 9733, An Examination by the Public Service Commission of the Application of the Fuel Adjustment Clause of Kentucky Utilities Company from

November 1, 1984, to October 31, 1986, the Commission fixed KU's base fuel cost at 18.91 mills per KWH. A review of KU's monthly fuel clause filings shows that the actual fuel cost incurred for the 6-month period under review ranged from a low of 15.34 mills in March 1987 to a high of 19.08 mills in December 1986, with a 6-month average of 16.61 mills.

The Commission has initiated Case No. 9631, "An Investigation into the Fuel Procurement Practices of Kentucky Utilities Company." Pending resolution of that case, the findings with respect to KU's fuel procurement which would ordinarily be made at this time will be held in abeyance.

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

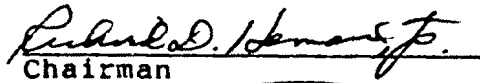
1. KU has complied with 807 KAR 5:056 regarding the calculation and application of its fuel adjustment clause.

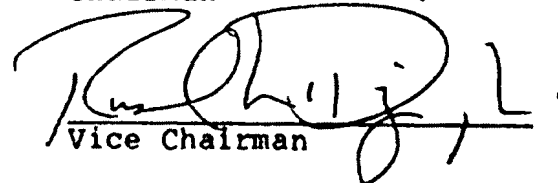
2. No findings are made at this time with respect to the propriety of KU's fuel procurement practices and this matter should be held in abeyance until the Commission has concluded its review.

IT IS THEREFORE ORDERED that this docket shall remain open until the Commission has concluded its investigation of KU's fuel procurement practices.

Done at Frankfort, Kentucky, this 3rd day of September, 1987.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director