

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. 90-362
POWER COMPANY FROM NOVEMBER 1,)	
1988 TO OCTOBER 31, 1990)	

O R D E R

Pursuant to Commission Regulation 807 KAR 5:056, Section 1(12), IT IS HEREBY ORDERED that:

1. Kentucky Power Company ("Kentucky Power") shall appear at the Commission's offices in Frankfort, Kentucky, on February 21, 1991, at 9:00 a.m., Eastern Standard Time, to submit itself to examination on the application of its Fuel Adjustment Clause from November 1, 1988 to October 31, 1990.

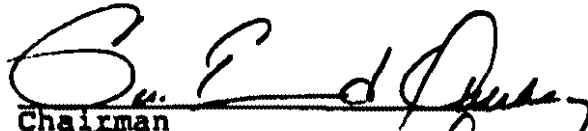
2. Kentucky Power shall notify its customers in writing of the date, time, place, and purpose of the hearing or shall publish such notice in accordance with 807 KAR 5:011, Section 8(5).

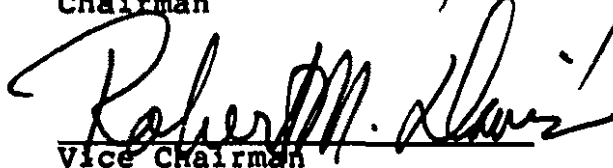
3. Kentucky Power shall, on or before December 21, 1990, file with the Commission an original and 10 copies of the information requested in Appendix A, attached hereto and incorporated herein. Each copy shall be placed in a bound volume with each item tabbed. When a number of sheets are required for an item, each sheet should be appropriately indexed; for example, Item 1(a), Sheet 2 of 6. Kentucky Power shall furnish with each

response the name of the witness who will be available at the public hearing to respond to questions concerning each area of information requested. Careful attention shall be given to copied material to ensure its legibility.

Done at Frankfort, Kentucky, this 30th day of November, 1990.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 90-362 DATED 11/30/90

1. State the month to be used as the base period (b). Include a comprehensive, detailed explanation of the factors considered in the selection of this month as being representative of the net generating cost per KWH, which Kentucky Power can reasonably expect to incur during the next 2-year period.

2. Provide a calculation of the fossil fuel costs F(b) that Kentucky Power proposes to use in calculating the base period fuel cost. This calculation should show each component of F as defined by 807 KAR 5:056. Also provide a detailed explanation of why the fuel cost in the selected base period is representative of the level of fuel cost which Kentucky Power expects to incur during the next 2-year period.

3. Provide a schedule showing each component of sales as defined by 807 KAR 5:056 in the selected base period (b). Also provide a detailed explanation of the reasons for Kentucky Power's belief that the sales in the selected base period (b) are representative of the level of KWH sales which Kentucky Power expects to derive from the level of fuel cost incurred during the selected base period (b).

4. Provide a schedule showing the calculation of Kentucky Power's proposed increase or decrease in its base fuel cost per KWH to be transferred (rolled-in) to its base rate.

5. Provide Kentucky Power's most recent projected fuel requirements for the years 1991 and 1992, both in tons and dollars.

6. Provide Kentucky Power's most recent sales projections for the years 1991 and 1992, both in KWH and dollars.

7. Provide separately the amounts of purchases and interchange-in used in the calculation of sales provided in response to Item 3.

8. Provide separately the amounts of inter-system sales and interchange-out used in the calculation of sales provided in response to Item 3.

9. Provide the planned maintenance schedule for each of Kentucky Power's generating units for the period November 1, 1990 to October 31, 1992.

10. Provide the following demand information for the system for the years ending October 31, 1989 and October 31, 1990:

- a. annual maximum demand;
- b. average annual demand;
- c. coincident peak;
- d. non-coincident peak.

11. Provide a list of firm power commitments for Kentucky Power from November 1, 1990 through October 31, 1992. (Include the electric company's name, MW and purpose -- for example, peaking, emergency, etc.)

- a. Purchases;
- b. Sales.

12. Provide a monthly billing summary for sales to all electric companies for the period November 1, 1988 through October 31, 1990.

13. Provide the following line loss information:

- a. A schedule of the calculation of the 12-month average line loss by month for November 1988 through October 1990;
- b. A discussion of the steps that have been taken to reduce line loss during these periods.

14. Provide a copy of Kentucky Power's scheduled, actual, and forced outages for the 6-month period May 1, 1990 to October 31, 1990.

15. Provide an updated list of all existing fuel contracts categorized as long-term (i.e., more than 1 year in length) and include the following information for each:

- a. name and address of supplier;
- b. name and location of production facility;
- c. date contract signed;
- d. duration of contract;
- e. date(s) of each contract revision, modification or amendment;
- f. annual tonnage requirements;
- g. actual annual tonnage received since the inception of the contract;
- h. percent of annual requirements received;
- i. base price;

- j. total amount of price escalations to date; and
- k. current price paid for coal under the contract
(i + j).

16. Provide a schedule of the present and proposed rates which Kentucky Power seeks to change pursuant to 807 KAR 5:056, shown in comparative form.

17. Provide a statement showing by cross-outs and italicized inserts all proposed changes in rates. A copy of the current tariff may be used.

18. Prepare a workpaper showing the actual and projected coal inventory levels for each generating station for the period May 1990 through February 1991. Justify, in detail, inventory levels higher than 90 days.