

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-C
POWER COMPANY FROM NOVEMBER 1, 1991)
TO APRIL 30, 1992)

O R D E R

Pursuant to 807 KAR 5:056, Section 1(11), IT IS HEREBY ORDERED
that:

1. A public hearing shall be held on August 20, 1992, at 9:00 a.m., Eastern Daylight Time, at the Commission's offices in Frankfort, Kentucky, to examine the application of the fuel adjustment clause of Kentucky Power Company ("Kentucky Power") from November 1, 1991 through April 30, 1992. If no interested party files with the Commission by August 18, 1992 written notice of its intent to attend the hearing, this public hearing shall be canceled.

2. Kentucky Power shall publish the following notice not less than 7 days nor more than 21 days prior to the public hearing in a newspaper of general circulation in its service areas or in a trade publication or newsletter going to all customers:

A public hearing will be held on Thursday, August 20, 1992, at 9:00 a.m., Eastern Daylight Time, at the offices of the Kentucky Public Service Commission, 730 Schenkel Lane, Frankfort, Kentucky, to examine the application of the fuel adjustment clause of Kentucky Power Company for the period November 1, 1991 through April 30, 1992. Individuals interested in attending this hearing shall

notify the Public Service Commission in writing of their intent to attend no later than August 18, 1992. If no notices of intent to attend are received by that date, this hearing shall be canceled. Written notice of intent to attend this hearing should be sent to: Claude G. Rhorer, Jr., Acting Executive Director, Kentucky Public Service Commission, P.O. Box 615, Frankfort, Kentucky 40602.

3. Kentucky Power shall, on or before July 31, 1992, file the original and 10 copies of the following:

a. A schedule showing scheduled, actual, and forced outages for the 6-month period, November 1, 1992 through April 30, 1992.

b. A schedule showing the actual and projected coal inventory levels for each generating station for the period November 1, 1991 through April 30, 1992. Justify, in detail, inventory levels higher than 75 days.

c. A schedule showing the actual fuel costs for the period November 1, 1991 through April 30, 1992. The cost shall be given in total dollars, cents per KWH generated, and cents per MBTU for each type fuel. Data shall also be supplied on the actual amounts of each type of fuel used, the numbers of BTUs obtained from each type of fuel, and the KWH generated by each type of fuel.

d. A schedule showing any fuel or transportation contracts executed during the 6-month review period.

e. Coal inventory in tons and number of days as of April 30, 1992.

f. Written policies and procedures regarding its fuel procurement practices.

g. Written policies on conflicts of interest and the earning and reporting of outside income by employees, directors, etc. Whether or not written policies are in place, provide answers to the following questions.

(1) What employee classifications are covered by the utility's current conflict of interest policy? Are members of the board of directors covered?

(2) Are employees required to sign any document acknowledging the conflict policy? If so, how often are such acknowledgments signed?

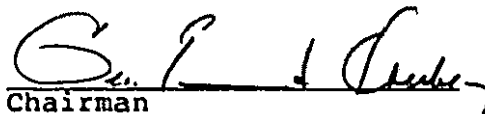
(3) What penalties, if any, are imposed for violations of the conflict of interest policies?

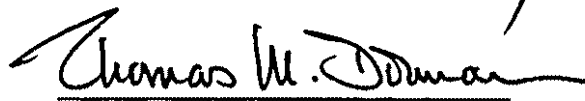
(4) To what extent is outside income earned required to be reported to the utility?

(5) Who is responsible at the utility for obtaining employee acknowledgments of the conflict of interest policy as well as reports of outside income earned (if required)?

Done at Frankfort, Kentucky, this 7th day of July, 1992.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director, Acting