

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 EAST) CASE NO. 2003-00212
KENTUCKY POWER COOPERATIVE,)
INC. FROM NOVEMBER 1, 2002 TO)
APRIL 30, 2003)

O R D E R

Pursuant to Commission Regulation 807 KAR 5:056, the Commission on June 18, 2003 established this case to review and evaluate the operation of the fuel adjustment clause (FAC) of East Kentucky Power Cooperative, Inc. (East Kentucky) for the 6 months ended April 30, 2003.

As part of this review, East Kentucky, pursuant to Commission Order, submitted certain information concerning its compliance with Commission Regulation 807 KAR 5:056. A public hearing was held on September 17, 2003.

The Commission has previously established East Kentucky's base fuel cost at 13.29 mills per Kwh.¹ During the period under review, East Kentucky's base fuel cost

¹ Case No. 2000-00496, An Examination by the Public Service Commission of the Application of the Fuel Adjustment Clause of East Kentucky Power Cooperative, Inc. from November 1, 1998 to October 31, 2000, Order dated March 15, 2001.

was reset at 15.60 mills per Kwh.² A 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 14.38 mills in December 2002 to a high of 19.53 mills in January 2003, with a 6-month average of 16.57 mills.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds no evidence of improper calculation or application of East Kentucky's FAC charges or improper fuel procurement practices.

IT IS THEREFORE ORDERED that the charges and credits billed by East Kentucky through its FAC for the period November 1, 2002 to April 30, 2003 are approved.

Done at Frankfort, Kentucky, this 22nd day of October, 2003.

By the Commission

ATTEST:


Executive Director

² Case No. 2002-00432, An Examination by the Public Service Commission of the Application of the Fuel Adjustment Clause of East Kentucky Power Cooperative, Inc. from November 1, 2000 to October 31, 2002, Order dated April 30, 2003.