

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

AN EXAMINATION BY THE PUBLIC SERVICE)
COMMISSION OF THE APPLICATION OF THE)
FUEL ADJUSTMENT CLAUSE OF KENTUCKY) CASE NO. 8057-C
UTILITIES COMPANY FROM NOVEMBER 1,)
1981, TO APRIL 30, 1982)

O R D E R

Pursuant to 807 KAR 5:056, Section 1(11), the Commission issued its Order on April 27, 1982, scheduling a hearing and requiring Kentucky Utilities Company ("KU") to provide a record of scheduled, actual and forced outages 30 days prior to the hearing date.

KU provided the data requested, and following proper notice, a hearing was held on July 15, 1982. The record was submitted for final determination by the Commission.

The sole intervenor in this case was the Consumer Protection 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 March 13, 1981, the Commission fixed KU's base fuel cost at 15.33 mills per KWH. The Commission's review of KU's monthly fuel clause filing shows that the actual fuel cost incurred for this 6-month period ranged from a low of

17.65 mills in November 1981 to a high of 21.24 mills in April 1982. The Commission's review of the data provided in response to the Commission's Order of April 27, 1982, the coal market conditions during this period and the data filed in support of the fuel adjustment clause ("FAC") rate disclosed that the actual fuel cost included in the monthly FAC filing is reasonable.

KU reported a forced outage of 436 hours in January 1982 for the purpose of cleaning the boiler on Green River Unit No. 4 to remove contaminants causing frequent water wall tube leaks. The Commission is of the opinion that KU should have classed most of the time for this outage as scheduled maintenance instead of reporting the entire 436 hours as a forced outage.

Based on an analysis of the entire record in this matter, the Commission concludes that during this period KU has complied with 807 KAR 5:056. The Commission is of the opinion that a procedure should be established for setting dates for future FAC hearings to improve the planning process for all parties. Therefore, the Commission concludes that future FAC hearings should be held on the third Thursday of the third month following the end of the period under review. Thus, since the periods under review end in April and October, hearings will be held in July and January. Further, the Commission concludes that scheduled, actual and forced outages for the period under review should be filed 30 days in advance of the date of the next hearing.

The Commission, after examining the evidence of record and being advised, finds that:

1. KU has complied in all material respects with the requirements of 807 KAR 5:056.

2. The date for the 2 - year review hearing should be fixed at the conclusion of the current FAC proceeding.

3. Thirty days prior to the hearing date fixed herein KU should file scheduled, actual and forced outages for the 6-month period May 1, 1982, to October 31, 1982.

IT IS THEREFORE ORDERED that the charges collected by KU through the FAC for the period November 1, 1981, through April 30, 1982, be and they hereby are approved.

IT IS FURTHER ORDERED that the next Fuel Adjustment Clause hearing in Case No. 8590, for the purpose of examining the application of the Fuel Adjustment Clause from November 1, 1980, to October 31, 1982, be and it hereby is set for January 20, 1983, at 9:00 a.m., Eastern Standard Time, at the Commission's offices in Frankfort, Kentucky, and KU shall give proper notice to its customers of the date, time, place and purpose of the hearing.

IT IS FURTHER ORDERED that KU shall, on or before December 21, 1982, file scheduled, actual and forced outages for the 6-month period May 1, 1982, to October 31, 1982.

Done at Frankfort, Kentucky, this 23rd day of August, 1982.

PUBLIC SERVICE COMMISSION

Merlin M. Voth
Chairman

Katherine Beadell
Vice Chairman

Don R. Carver
Commissioner

ATTEST:

Secretary