

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN INVESTIGATION OF THE PURCHASED POWER)	CASE NO.
COSTS OF KENTUCKY POWER COMPANY)	9325

O R D E R

On December 4, 1984, the Commission entered an Order in Case No. 9061, "General Adjustment In Electric Rates of Kentucky Power Company," wherein the Commission found that it would be less costly for Kentucky Power Company ("KPC") to continue purchasing power from the American Electric Power pool ("AEP pool") rather than purchase Rockport unit power. The Commission concluded, at page 18 of that Order, by stating that:

Kentucky Power can recover through its retail rates its actual cost of purchased power not to exceed the cost which would be incurred if power is purchased from the AEP pool rather than Rockport unit power.

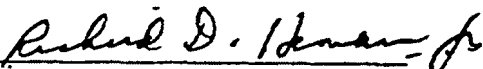
On April 4, 1985, in Case No. 9172, "An Examination of the Application of the Fuel Adjustment Clause of Kentucky Power Company from November 1, 1982, to October 31, 1984," KPC testified that since February 1, 1985, its customer billings have included fuel costs associated with the purchase of Rockport unit power.

The Commission is of the opinion and hereby finds that KPC's billing of Rockport fuel costs is in violation of the Commission's Order in Case No. 9061¹ unless KPC can demonstrate that the Rockport fuel costs are less expensive than those which would have been billed if power had been purchased from the AEP pool.


IT IS THEREFORE ORDERED that a hearing be and it hereby is scheduled for May 6, 1985, at 9:30 A.M., E.D.T., at the Commission's office in Frankfort, Kentucky, to provide KPC the opportunity to present evidence to demonstrate that it is not in violation of the Commission's Order entered December 4, 1984, in Case No. 9061.

Done at Frankfort, Kentucky, this 22nd day of April, 1985.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary

¹ While the Commission recognizes that this Order is on appeal to both state and federal courts, said Order has not been stayed and continues in effect pursuant to KRS 278.390.