

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 AMERICAN	)	CASE NO. 96-520-C
ELECTRIC POWER COMPANY FROM	)	
NOVEMBER 1, 1997 TO APRIL 30, 1998	)	

O R D E R

Pursuant to Commission Regulation 807 KAR 5:056, the Commission on June 17, 1998 established this case to review and evaluate the operation of the fuel adjustment clause ("FAC") of American Electric Power Company ("AEP") for the 6 months ended April 30, 1998.

As part of this review, AEP, pursuant to Commission Order, submitted certain information concerning its compliance with Commission Regulation 807 KAR 5:056. A public hearing was held on August 27, 1998.

The Commission has previously established AEP's base fuel cost of 11.45 mills per Kwh.<sup>1</sup> A review of AEP's monthly fuel clause filings shows that the actual fuel cost incurred for the 6-month period under review ranged from a low of 10.08 mills in March 1998 to a high of 11.05 mills in January 1998, with a 6-month average of 10.57 mills.

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

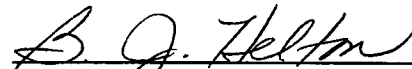
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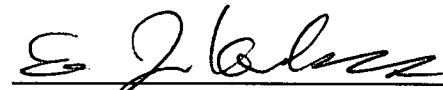
<sup>1</sup> Case No. 94-460, An Examination by the Public Service Commission of the Application of the Fuel Adjustment Clause of Kentucky Power Company from November 1, 1992 to October 31, 1994, Order dated April 5, 1995.

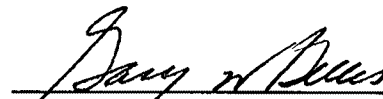
IT IS THEREFORE ORDERED that the charges and credits billed by AEP through its FAC for the period November 1, 1997 to April 30 1998 are approved.

Done at Frankfort, Kentucky, this 18th day of November, 1998.


PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST

  
Executive Director

