

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION OF THE	)	
APPLICATION OF THE FUEL	)	
ADJUSTMENT CLAUSE OF AMERICAN	)	CASE NO.
ELECTRIC POWER COMPANY FROM	)	2003-00453
MAY 1, 2003 TO OCTOBER 31, 2003	)	

O R D E R

Pursuant to Administrative Regulation 807 KAR 5:056, the Commission, on December 19, 2003, established this case to review and evaluate the operation of the fuel adjustment clause ("FAC") of American Electric Power Company ("AEP") for the six months ended October 31, 2003.

As part of this review, AEP, pursuant to Commission Order, submitted certain information concerning its compliance with Administrative Regulation 807 KAR 5:056. A public hearing was held on March 17, 2004.

The Commission has previously established AEP's base fuel cost at 12.00 mills per Kwh.<sup>1</sup> A review of AEP's monthly fuel clause filings shows that the actual fuel cost incurred for the six-month period under review ranged from a low of 12.41 mills in July 2003 to a high of 14.08 mills in May 2003, with a six-month average of 12.88 mills.

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<sup>1</sup> Case No. 2002-00431, An Examination by the Public Service Commission of the Application of the Fuel Adjustment Clause of American Electric Power Company from November 1, 2000 to October 31, 2002, Order dated April 30, 2003.

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 charges or improper fuel procurement practices.

IT IS THEREFORE ORDERED that the charges and credits billed by AEP through its FAC for the period May 1, 2003 to October 31, 2003 are approved.

Done at Frankfort, Kentucky, this 14<sup>th</sup> day of April, 2004.

By the Commission

ATTEST:

A handwritten signature in black ink, appearing to read "Thomas H. [unclear]", written over a horizontal line.

Executive Director