

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION OF THE)
APPLICATION OF THE FUEL)
ADJUSTMENT CLAUSE OF KENTUCKY)
POWER COMPANY FROM NOVEMBER) CASE NO. 2010-00264
1, 2009 THROUGH APRIL 30, 2010)

O R D E R

Pursuant to 807 KAR 5:056, the Commission, on August 13, 2010, established this case to review and evaluate the operation of the Fuel Adjustment Clause ("FAC") of Kentucky Power Company ("Kentucky Power") for the six-month period ending April 30, 2010. As part of this review, Kentucky Power submitted certain information, pursuant to Commission Order, concerning its compliance with 807 KAR 5:056. The Commission held a public hearing in this matter on October 12, 2010. On October 21, 2010, Kentucky Power filed its response to a request made at the hearing.

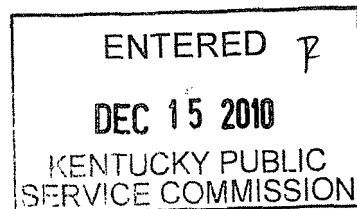
The Commission has previously established Kentucky Power's base fuel cost as 28.40 mills per kWh.¹ A review of Kentucky Power's monthly fuel clause filings shows that the actual fuel cost incurred for the six-month period under review ranged from a low of 24.00 mills in November 2009 to a high of 29.25 mills in December 2009, with a six-month average of 25.65 mills.

¹ Case No. 2008-00518, An Examination of the Application of the Fuel Adjustment Clause of Kentucky Power Company from November 1, 2006 Through October 31, 2008 (Ky. PSC May 27, 2009).

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

IT IS THEREFORE ORDERED that the charges and credits billed by Kentucky Power through its FAC for the period November 1, 2009 through April 30, 2010 are approved.

By the Commission



ATTEST:


Executive Director

Honorable Mark R Overstreet
Attorney at Law
Stites & Harbison
421 West Main Street
P. O. Box 634
Frankfort, KY 40602-0634

Ranie Wohnhas
Managing Director, Reg & Finance
American Electric Power
101 A Enterprise Drive
P. O. Box 5190
Frankfort, KY 40602