

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION OF THE)
APPLICATION OF THE FUEL)
ADJUSTMENT CLAUSE OF KENTUCKY) CASE NO. 2011-00482
POWER COMPANY FROM MAY 1, 2011)
THROUGH OCTOBER 31, 2011)

O R D E R

Pursuant to 807 KAR 5:056, the Commission, on January 26, 2012, 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 October 31, 2011. 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 March 9, 2012. On March 14, 2012, Kentucky Power filed its response to a request made at the hearing.

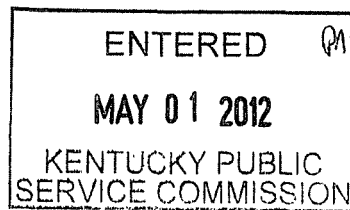
The Commission has previously established Kentucky Power’s base fuel cost as 28.40 mills per kWh.¹ A review of Kentucky Power’s monthly fuel clause filings shows that the actual fuel cost incurred for the six-month period under review ranged from a low of 28.20 mills in May 2011 to a high of 33.42 mills in July 2011, with a six-month average of 30.31 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).

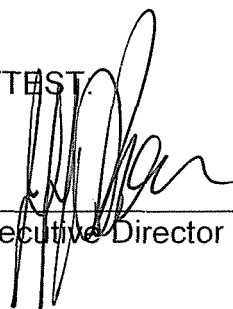
The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds no evidence of improper calculation or application of Kentucky Power's FAC charges or improper fuel procurement practices.

IT IS THEREFORE ORDERED that the charges and credits billed by Kentucky Power through its FAC for the period May 1, 2011 through October 31, 2011 are approved.

By the Commission



ATTEST



Executive Director

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