

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. 2009-00505
POWER COMPANY FROM MAY 1, 2009)
THROUGH OCTOBER 31, 2009)

O R D E R

Pursuant to 807 KAR 5:056, the Commission, on January 27, 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 October 31, 2009. 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 on this matter on March 23, 2010.

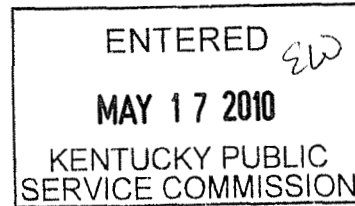
The Commission has previously established Kentucky Power's base fuel cost at 28.40 mills per kWh.¹ A review of Kentucky Power's monthly fuel clause filings shows that the actual fuel cost incurred for the six-month period under review ranged from a low of 23.67 mills in October 2009 to a high of 29.51 mills in May 2009, with a six-month average of 25.85 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).

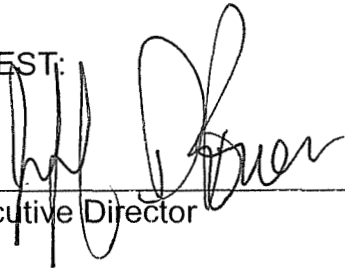
The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds no evidence of improper calculation or application of Kentucky Power's FAC charges or improper fuel procurement practices.

IT IS THEREFORE ORDERED that the charges and credits billed by Kentucky Power through its FAC for the period May 1, 2009 through October 31, 2009 are approved.

By the Commission



ATTEST:



Executive Director

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