

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)	CASE NO. 2002-00222
ADJUSTMENT CLAUSE OF AMERICAN)	
ELECTRIC POWER COMPANY FROM)	
NOVEMBER 1, 2001 TO APRIL 30, 2002)	

O R D E R

Pursuant to Administrative Regulation 807 KAR 5:056, the Commission on June 27, 2002, 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, 2002.

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 August 29, 2002.

The Commission has previously established AEP s base fuel cost at 11.45 mills per Kwh.¹ 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 10.12 mills in April 2002 to a high of 11.80 mills in November 2001, with a 6-month average of 10.90 mills.

¹ Case No. 2000-00495, An Examination by the Public Service Commission of the Application of the Fuel Adjustment Clause of American Electric Power Company from November 1, 1998 to October 31, 2000, Order dated March 15, 2001.

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 November 1, 2001 to April 30, 2002 are approved.

Done at Frankfort, Kentucky, this 24th day of October, 2002.

By the Commission

ATTEST:


Executive Director