

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)	
ADJUSTMENT CLAUSE OF AMERICAN)	CASE NO. 2003-00211
ELECTRIC POWER COMPANY FROM)	
NOVEMBER 1, 2002 TO APRIL 30, 2003)	

O R D E R

Pursuant to Commission Regulation 807 KAR 5:056, the Commission on June 18, 2003 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, 2003.

As part of this review, AEP, pursuant to Commission Order, submitted certain information concerning its compliance with Commission Regulation 807 KAR 5:056. A public hearing was held on September 17, 2003.

The Commission has previously established AEP s base fuel cost at 11.45 mills per Kwh.¹ During the period under review, AEP s base fuel cost was reset at 12.00

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.

mills per Kwh.² 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 9.34 mills in November 2002 to a high of 15.69 mills in December 2002, with a 6-month average of 13.19 mills.

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, 2002 to April 30, 2003 are approved.

Done at Frankfort, Kentucky, this 22nd day of October, 2003.

By the Commission

ATTEST:


Executive Director

² 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.