COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION OF THE APPLICATION OF THE FUEL ADJUSTMENT CLAUSE OF LOUISVILLE GAS AND ELECTRIC COMPANY FROM NOVEMBER 1, 2010 THROUGH OCTOBER 31, 2012	) CASE NO. 2012-00553

ORDER

On May 17, 2013, the Commission issued an Order in this case approving a roll-in of fuel costs to Louisville Gas and Electric Company's ("LG&E") base rates. On May 22, 2013, LG&E filed a Motion for Clarification and Amendment of Order. On June 3, 2013 LG&E filed an Amended Motion for Clarification and Amendment of Order ("Amended Motion") requesting that the Commission issue an amended Order approving the use of a .5 percent incremental line loss factor for fuel adjustment clause reporting purposes effective with the July 2013 billing cycle.[1] Specifically, LG&E requests that an incremental line loss factor of .5 percent be used to determine the cost of fuel associated with line losses incurred to make intersystem sales. LG&E currently uses an incremental line loss factor of 1 percent.

In response to Item 36 of the Commission's February 13, 2013 Information Request, LG&E provided the results of a recently completed line loss study which supports the use of an incremental loss factor of .5 percent. LG&E was questioned about this study at

[1] On May 29, 2013, the Commission issued a Nunc Pro Tunc order in which we revised Finding Paragraphs 6 and 7 to state that the rates in the Appendix to the May 17, 2013 Order were approved to be effective with LG&E's first billing cycle for July 2013. The Order also revised Ordering Paragraphs 4 and 5 to state that beginning with the expense month for July 2013, LG&E shall use an FAC rate based on a base fuel cost of 27.25 mills per kWh. The May 17, 2013 Order used the month of June in the Finding and Ordering paragraphs.

the April 9, 2013 hearing in this matter. However, LG&E's proposal was not addressed in the May 17, 2013 Order.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that this case should be reopened, LG&E's Amended Motion should be granted, and the May 17, 2013 Order should be amended to approve LG&E's proposal to use a .5 percent incremental line loss factor to determine the cost of fuel associated with line losses incurred to make intersystem sales effective with the July 2013 billing cycle.

IT IS THEREFORE ORDERED that:

1. This case is reopened.

2. LG&E's Amended Motion for Clarification and Amendment of Order is granted.

3. The May 17, 2013 Order is amended to approve LG&E's proposal to use a .5 percent incremental line loss factor to determine the cost of fuel associated with line losses incurred to make intersystem sales effective with the July 2013 billing cycle.

4. This case is closed and removed from the Commission's docket.

By the Commission

ENTERED
JUN 07 2013
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:

Executive Director

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