

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 KENTUCKY UTILITIES)	CASE NO. 98-564-C
COMPANY FROM NOVEMBER 1, 1999 TO)	
APRIL 30, 2000)	

ORDER

Kentucky Utilities Company (“KU”) having moved for certain modifications¹ to the Commission’s Order of October 30, 2000, and the Commission having reviewed the record of this proceeding and finding that cause exists to grant the motion, IT IS HEREBY ORDERED that:

1. KU’s motion to amend the October 30, 2000 Order is granted.
2. The first literal paragraph of the second page of the October 30, 2000

Order is amended to read as follows:

In Case No. 96-523,² the Commission placed KU on notice that “in future FAC proceedings the utility may be directed to update its line loss study for intersystem sales or to prepare line loss studies to determine the line loss for each intersystem sales transaction made during a review period.” The line loss study that KU submitted in that proceeding to support its use of a line loss factor of one percent for intersystem sales is approximately three years old.³ The Commission places KU on notice that such study will be requested in the next biennial review of the operation of KU’s FAC and that KU should be prepared to address the

¹ While KU has styled its request as a “Motion for Correction of Order,” it requests amendments to the Order of October 30, 2000. The Commission, therefore, regards and will treat the motion as a motion to amend the Order.

reasonableness of its continued use of a one percent line loss factor in the calculation of the cost of fuel recovered from intersystem sales.

^{FN2} An Examination by the Public Service Commission of the Application of the Fuel Adjustment Clause of Kentucky Utilities Company from November 1, 1994 to October 31, 1996 (August 30, 1999) at 8, n. 8.

^{FN3} While KU has not submitted a revised line loss study since Case No. 96-523, its sister company Louisville Gas and Electric Company ("LG&E") submitted a line loss study in March 1999 that addressed line losses for the integrated KU-LG&E transmission system. See Case No. 96-524-A, An Examination by the Public Service Commission of the Application of the Fuel Adjustment Clause of Louisville Gas and Electric Company from November 1, 1996 to April 30, 1997. This study was conducted in December 1998 and January 1999.

Done at Frankfort, Kentucky, this 25th day of January, 2001.

By the Commission

ATTEST:


Executive Director