

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)	CASE NO. 2000-00498-B
LOUISVILLE GAS AND ELECTRIC)	
COMPANY FROM MAY 1, 2001)	
THROUGH OCTOBER 31, 2001)	

O R D E R

Pursuant to Commission Regulation 807 KAR 5:056, the Commission on December 20, 2001 established this case to review and evaluate the operation of the fuel adjustment clause (FAC) of Louisville Gas and Electric Company (LG&E) for the 6 months ended October 31, 2001.

As part of this review, LG&E, pursuant to Commission Order, submitted certain information concerning its compliance with Commission Regulation 807 KAR 5:056. A public hearing was held on February 19, 2002.

The Commission has previously approved LG&E s base fuel cost at 11.19 mills per Kwh.¹ A review of LG&E s monthly fuel clause filings shows that the actual fuel cost incurred for the 6-month period under review ranged from a low of 9.44 mills in May 2001 to a high of 10.78 mills in July 2001, with a 6-month average of 10.00 mills.

¹ Case No. 1998-00426, Application of Louisville Gas and Electric Company for Approval of an Alternative Method of Regulation of Its Rates and Services, Order dated January 7, 2000.


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

IT IS THEREFORE ORDERED that the charges and credits billed by LG&E through its FAC for the period May 1, 2001 to October 31, 2001 are approved.

Done at Frankfort, Kentucky, this 20th day of May, 2002.

By the Commission

ATTEST:


Deputy Executive Director