

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION OF THE)	
APPLICATION OF THE FUEL)	
ADJUSTMENT CLAUSE OF KENTUCKY)	CASE NO.
UTILITIES COMPANY FROM MAY 1,)	2003-00455
2003 TO OCTOBER 31, 2003)	

O R D E R

Pursuant to Administrative Regulation 807 KAR 5:056, the Commission, on December 19, 2003, established this case to review and evaluate the operation of the fuel adjustment clause ("FAC") of Kentucky Utilities Company ("KU") for the six months ended October 31, 2003.

As part of this review, KU, pursuant to Commission Order, submitted certain information concerning its compliance with Administrative Regulation 807 KAR 5:056. A public hearing was held on March 17, 2004.

The Commission has previously established KU's base fuel cost at 14.94 mills per Kwh.¹ A review of KU's monthly fuel clause filings shows that the actual fuel cost incurred for the six-month period under review ranged from a low of 13.73 mills in June 2003 to a high of 17.03 mills in August 2003, with a six-month average of 15.89 mills.

¹ Case No. 2002-00433, An Examination by the Public Service Commission of the Application of the Fuel Adjustment Clause of Kentucky Utilities Company from November 1, 2000 to October 31, 2002, Order dated April 30, 2003.

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

IT IS THEREFORE ORDERED that the charges and credits billed by KU through its FAC for the period May 1, 2003 to October 31, 2003 are approved.

Done at Frankfort, Kentucky, this 14th day of April, 2004.

By the Commission

ATTEST:

A handwritten signature in black ink, appearing to read "Thomas H. [unclear]", written over a horizontal line.

Executive Director