

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,)	2005-00496
2005 TO OCTOBER 31, 2005)	

O R D E R

Pursuant to Administrative Regulation 807 KAR 5:056, the Commission, on December 27, 2005, established this case to review and evaluate the operation of the fuel adjustment clause (“FAC”) of Kentucky Utilities Company (“KU”) for the 6 months ended October 31, 2005.

As part of this review, KU, pursuant to Commission Order, submitted certain information concerning its compliance with Administrative Regulation 807 KAR 5:056, and, on February 23, 2006, filed supplemental information in response to a Commission Staff data request. A public hearing was held on March 16, 2006.

The Commission has previously established KU’s base fuel cost at 18.10 mills per kWh.¹ A review of KU’s monthly fuel clause filings shows that the actual fuel cost incurred for the 6-month period under review ranged from a low of 19.28 mills in May 2005 to a high of 25.70 mills in August 2005, with a 6-month average of 23.77 mills.

¹ Case No. 2004-00465, An Examination by the Public Service Commission of the Application of the Fuel Adjustment Clause of Kentucky Utilities Company from November 1, 2002 to October 31, 2004, Order dated June 23, 2005.

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, 2005 to October 31, 2005 are approved.

Done at Frankfort, Kentucky, this 26th day of April, 2006.

By the Commission

ATTEST:



Executive Director