

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION OF THE)	
APPLICATION OF THE FUEL)	
ADJUSTMENT CLAUSE OF)	CASE NO.
LOUISVILLE GAS AND ELECTRIC)	2007-00525
COMPANY FROM MAY 1, 2007)	
THROUGH OCTOBER 31, 2007)	

O R D E R

Pursuant to Administrative Regulation 807 KAR 5:056, the Commission, on January 23, 2008, 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-month period that ended on October 31, 2007.

As part of this review, LG&E, pursuant to Commission Order, submitted certain information concerning its compliance with Administrative Regulation 807 KAR 5:056. A public hearing was held on March 18, 2008.

The Commission has previously established LG&E's base fuel cost at 17.03 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 16.85 mills in June 2007 to a high of 19.74 mills in October 2007, with a 6-month average of 18.31 mills.

¹ Case No. 2006-00510, An Examination of the Application of the Fuel Adjustment Clause of Louisville Gas and Electric Company from November 1, 2004 to October 31, 2006 (Ky. PSC Oct. 12, 2007).

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.

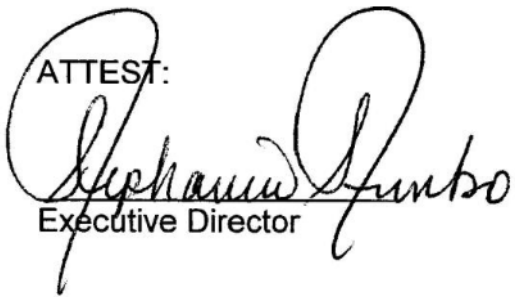
IT IS THEREFORE ORDERED that the charges and credits billed by LG&E through its FAC for the period May 1, 2007 to October 31, 2007 are approved.

Done at Frankfort, Kentucky, this 2nd day of May, 2008.

By the Commission

Commissioner Clark Abstains.

ATTEST:


Executive Director