

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION OF THE APPLICATION OF THE)
FUEL ADJUSTMENT CLAUSE OF SOUTH KENTUCKY) CASE NO.
RURAL ELECTRIC COOPERATIVE CORPORATION) 2007-00541
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 South Kentucky Rural Electric Cooperative Corporation ("South Kentucky") for the 6 month period that ended on October 31, 2007.

As part of this review, South Kentucky complied with the Commission's Order to submit certain information concerning its compliance with Administrative Regulation 807 KAR 5:056. The Commission further ordered that a public hearing be held in this case but cancelled it when, after publication of notice, no interested party advised the Commission of its intention to attend.

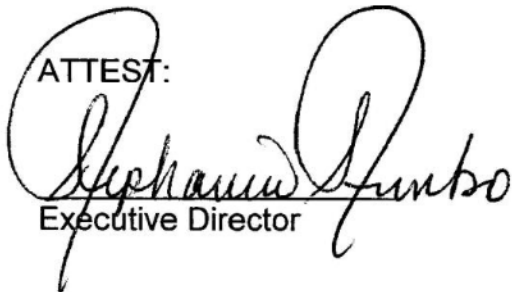
The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds no evidence that South Kentucky has improperly calculated or applied its FAC charge.

IT IS THEREFORE ORDERED that the charges and credits applied by South Kentucky through the FAC for the period May 1, 2007 through October 31, 2007 are approved.

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

By the Commission

ATTEST:


Executive Director