

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)	2008-00285
NOVEMBER 1, 2007 THROUGH APRIL)	
30, 2008)	

O R D E R

Pursuant to 807 KAR 5:056, the Commission, on August 22, 2008, established this case to review and evaluate the operation of the fuel adjustment clause ("FAC") of Kentucky Utilities Company ("KU") for the 6-month period that ended on April 30, 2008. As part of this review, KU submitted certain information, pursuant to Commission Order, *concerning its compliance with 807 KAR 5:056*. A public hearing was scheduled for October 7, 2008.

On October 7, 2008, the Commission conducted a public hearing in this proceeding. Because KU failed to publish notice of this hearing in accordance with KRS 424.300, the Commission resumed the hearing on November 25, 2008 to ensure an adequate opportunity for all KU customers to comment upon the operation of KU's FAC. On October 31, 2008, KU filed its response to Commission Staff's Supplemental Data Request.

The Commission has previously established KU's base fuel cost at 25.91 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 25.81 mills in January 2008 to a high of 30.81 mills in February 2008, with a 6-month average of 27.20 mills.

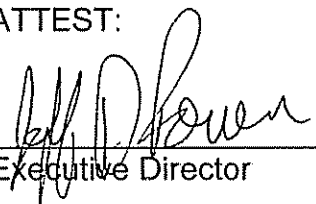
The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds no evidence of improper calculation or application of KU's FAC charges or improper fuel procurement practices.

IT IS THEREFORE ORDERED that the charges and credits billed by KU through its FAC for the period November 1, 2007 through April 30, 2008 are approved.

Done at Frankfort, Kentucky, this 8th day of January, 2009.

By the Commission

ATTEST:



Executive Director

¹ Case No. 2006-00509, An Examination of the Application of the Fuel Adjustment Clause of Kentucky Utilities Company from November 1, 2004 to October 31, 2006 (Ky. PSC July 25, 2007).

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