

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)	2008-00286
COMPANY FROM 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 Louisville Gas and Electric Company ("LG&E") for the 6-month period that ended on April 30, 2008. As part of this review, LG&E 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 LG&E had 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 LG&E customers to comment upon the operation of LG&E's FAC. On October 31, 2008, LG&E filed its response to Commission Staff's Supplemental Data Request.

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 16.84 mills in January 2008 to a high of 23.01 mills in December 2007, with a 6-month average of 19.19 mills.

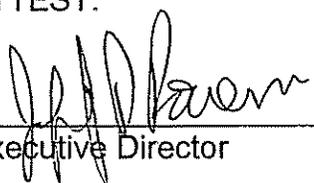
The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds no evidence of improper calculation or application of LG&E's FAC charges or improper fuel procurement practices.

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

Done at Frankfort, Kentucky, this 9th day of January, 2009.

By the Commission

ATTEST:



Executive Director

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 July 25, 2007).

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