## COMMONWEALTH OF KENTUCKY

## BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

| AN EXAMINATION OF THE         | )                     |
|-------------------------------|-----------------------|
| APPLICATION OF THE FUEL       | )                     |
| ADJUSTMENT CLAUSE OF          | )                     |
| LOUISVILLE GAS AND ELECTRIC   | ) CASE NO. 2010-00267 |
| COMPANY FROM NOVEMBER 1, 2009 | )                     |
| THROUGH APRIL 30, 2010        | )                     |

## ORDER

Pursuant to 807 KAR 5:056, the Commission, on August 13, 2010, 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 six-month period that ended on April 30, 2010. As part of this review, LG&E submitted certain information, pursuant to Commission Order, concerning its compliance with 807 KAR 5:056. The Commission held a public hearing in this matter on October 12, 2010. On October 21, 2010, LG&E filed its response to a request made at the hearing.

The Commission has previously established LG&E's base fuel cost as 20.58 mills per kWh.<sup>1</sup> A review of LG&E's monthly fuel clause filings shows that the actual fuel cost incurred for the six-month period under review ranged from a low of 19.76 mills

<sup>&</sup>lt;sup>1</sup> Case No. 2008-00521, An Examination of the Application of the Fuel Adjustment Clause of Louisville Gas and Electric Company from November 1, 2006 through October 31, 2008 (Ky. PSC May 28, 2009 and Ky. PSC June 11, 2009).

in November 2009 to a high of 22.15 mills in March 2010, with a six-month average of 21.19 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, 2009 through April 30, 2010 are approved.

By the Commission

DEC 15 2010

ATTE

Executive Director

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