

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION OF THE )  
APPLICATION OF THE FUEL )  
ADJUSTMENT CLAUSE OF BIG )  
RIVERS ELECTRIC CORPORATION ) CASE NO. 2010-00269  
FROM NOVEMBER 1, 2009 THROUGH )  
APRIL 30, 2010 )

O R D E R

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 Big Rivers Electric Corporation ("Big Rivers") for the six-month period that ended on April 30, 2010. As part of this review, Big Rivers submitted certain information, pursuant to Commission Order, concerning its compliance with 807 KAR 5:056. On August 17, 2010, Kentucky Industrial Utility Customers, Inc. ("KIUC") filed a petition requesting full intervenor status and also requesting that the Commission establish a procedural schedule. By Order dated August 27, 2010, KIUC was granted full intervention in the case and a procedural schedule was established.

On September 8, 2010, KIUC issued its first set of data requests to Big Rivers. On September 21, 2010, Big Rivers filed its response to the data requests of KIUC.

The Commission held a public hearing on this matter on October 12, 2010. KIUC did not appear at the hearing. On October 25, 2010, Big Rivers filed its response to a request made at the hearing.

Pursuant to the Commission's Order in Case No. 2007-00455,<sup>1</sup> upon resumption of control and operation of its generating assets, Big Rivers implemented an FAC. Big Rivers made its first FAC filing on July 31, 2009 for service beginning July 17, 2009 and used a base fuel cost of 10.72 mills per kWh.<sup>2</sup> A review of Big Rivers' monthly fuel clause filings shows that the actual fuel cost incurred for the period under review ranged from a low of 19.56 mills in March 2010 to a high of 22.50 mills in November 2009, with an average for the review period of 21.07 mills.

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

IT IS THEREFORE ORDERED that the charges and credits billed by Big Rivers through its FAC for the period November 1, 2009 through April 30, 2010 are approved.

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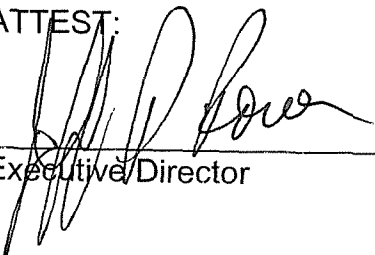
<sup>1</sup> Case No. 2007-00455, The Applications of Big Rivers Electric Corporation for: (1) Approval of Wholesale Tariff Additions for Big Rivers Electric Corporation, (2) Approval of Transactions, (3) Approval to Issue Evidences of Indebtedness, and (4) Approval of Amendments to Contracts; and of E.ON U.S., LLC, Western Kentucky Energy Corp., and LG&E Energy Marketing, Inc. for Approval of Transactions (Ky. PSC Mar. 6, 2009).

<sup>2</sup> Id., Application, Volume 8, Part A, Exhibit 25, Testimony of William Steven Seelye, at 11-16.

By the Commission

ENTERED *R*  
DEC 15 2010  
KENTUCKY PUBLIC  
SERVICE COMMISSION

ATTEST:

  
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