

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. 2011-00247
UTILITIES COMPANY FROM)	
NOVEMBER 1, 2010 THROUGH APRIL)	
30, 2011)	

O R D E R

Pursuant to 807 KAR 5:056, the Commission, on August 23, 2011, established this case to review and evaluate the operation of the Fuel Adjustment Clause ("FAC") of Kentucky Utilities Company ("KU") for the six-month period that ended on April 30, 2011. As part of this review, KU 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 18, 2011.

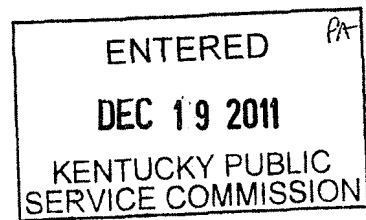
The Commission has previously established KU's base fuel cost as 26.68 mills per kWh.¹ A review of KU's monthly fuel clause filings shows that the actual fuel cost incurred for the six-month period under review ranged from a low of 25.39 mills in November 2010 to a high of 29.14 mills in December 2010, with a six-month average of 27.37 mills.

¹ Case No. 2010-00492, An Examination of the Application of the Fuel Adjustment Clause of Kentucky Utilities Company from November 1, 2008 Through October 31, 2010 (Ky. PSC May 31, 2011).

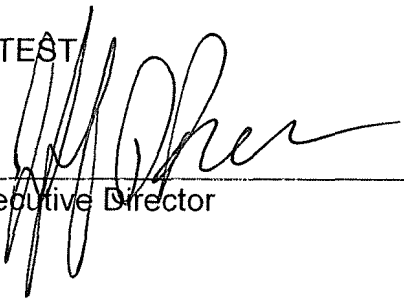
The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds no evidence of improper calculation or application of KU's FAC charges or improper fuel procurement practices.

IT IS THEREFORE ORDERED that the charges and credits billed by KU through its FAC for the period November 1, 2010 through April 30, 2011 are approved.

By the Commission



ATTEST



Executive Director

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