

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION OF THE)	
APPLICATION OF THE FUEL)	
ADJUSTMENT CLAUSE OF DUKE)	CASE NO. 2011-00249
ENERGY KENTUCKY, INC. 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 Duke Energy Kentucky, Inc. ("Duke Kentucky") for the six-month period that ended on April 30, 2011. As part of this review, Duke Kentucky 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.

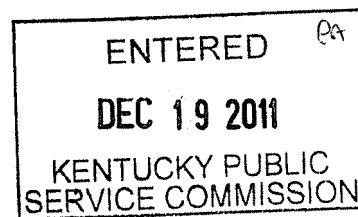
The Commission has previously established Duke Kentucky's base fuel cost as 25.747 mills per kWh.¹ A review of Duke Kentucky's monthly fuel clause filings shows that the actual fuel cost incurred for the six-month period under review ranged from a low of 24.516 mills in November 2010 to a high of 31.096 mills in December 2010, with a six-month average of 26.83 mills.

¹ Case No. 2010-00494, An Examination of the Application of the Fuel Adjustment Clause of Duke Energy Kentucky, Inc. 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 Duke Kentucky's FAC charges or improper fuel procurement practices.

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

By the Commission



ATTEST:



Executive Director

Kristen Cocanougher
Duke Energy Kentucky, Inc.
139 East 4th Street, R. 25 At II
P. O. Box 960
Cincinnati, OH 45201

Rocco D'Ascenzo
Senior Counsel
Duke Energy Kentucky, Inc.
139 East 4th Street, R. 25 At II
P. O. Box 960
Cincinnati, OH 45201