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. |
| ENERGY KENTUCKY, INC. FROM NOVEMBER 1,) | 2013-00265 |
| 2012 THROUGH APRIL 30, 2013 | |

ORDER

Pursuant to 807 KAR 5:056, the Commission established this case on August 8, 2013, 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, 2013. 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 16, 2013.

The Commission has previously established Duke Kentucky's base fuel cost as 27.466 mills per kWh.¹ A review of Duke Kentucky's monthly FAC filings shows that the fuel cost billed for the six-month period under review ranged from a low of 23.52 mills in December 2012 to a high of 34.19 mills in April 2013, with a six-month average of 29.20 mills.

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.

¹ Case No. 2012-00554, An Examination of the Application of the Fuel Adjustment Clause of Duke Energy Kentucky, Inc. from November 1, 2010 through October 31, 2012 (Ky. PSC May 17, 2013).

IT IS THEREFORE ORDERED that the charges and credits billed by Duke Kentucky through its FAC for the period November 1, 2012, through April 30, 2013, are approved.

By the Commission

ENTERED

NOV 1 5 2013

KENTUCKY PUBLIC SERVICE COMMISSION

ATTEST

Executive Director

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