

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION OF THE)	
APPLICATION OF THE FUEL)	
ADJUSTMENT CLAUSE OF)	CASE NO.
LOUISVILLE GAS AND ELECTRIC)	2006-00265
COMPANY FROM NOVEMBER 1, 2005)	
THROUGH APRIL 30, 2006)	

O R D E R

Pursuant to Administrative Regulation 807 KAR 5:056, the Commission, on July 6, 2006, 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 6 months ended April 30, 2006.

As part of this review, LG&E, pursuant to Commission Order, submitted certain information concerning its compliance with Administrative Regulation 807 KAR 5:056. A public hearing was held on September 19, 2006.

The Commission has previously established LG&E's base fuel cost at 13.49 mills per kWh.¹ A review of LG&E's monthly fuel clause filings shows that the actual fuel cost incurred for the 6-month period under review ranged from a low of 12.47 mills in December 2005 to a high of 17.03 mills in March 2006, with a 6-month average of 15.17 mills.

¹ Case No. 2004-00466, An Examination by the Public Service Commission of the Application of the Fuel Adjustment Clause of Louisville Gas and Electric Company from November 1, 2002 to October 31, 2004, Order dated June 23, 2005.

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, 2005 to April 30, 2006 are approved.

Done at Frankfort, Kentucky, this 8th day of November, 2006.

By the Commission

ATTEST:



Executive Director