

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION OF THE )  
APPLICATION OF THE FUEL )  
ADJUSTMENT CLAUSE OF KENTUCKY )  
UTILITIES COMPANY FROM ) CASE NO. 2010-00266  
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 Kentucky Utilities Company ("KU") for the six-month period that ended on April 30, 2010. As part of this review, KU submitted certain information, pursuant to Commission Order, concerning its compliance with 807 KAR 5:056. A supplemental data request was issued to KU on August 25, 2010 to which KU responded on September 7, 2010. The Commission held a public hearing in this matter on October 12, 2010. On October 21, 2010, KU filed its response to a request made at the hearing.

The Commission has previously established KU's base fuel cost as 27.54 mills per kWh.<sup>1</sup> 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 26.16 mills in November 2009 to a high of 30.00 mills in January 2010, with a six-month average of 27.68 mills.

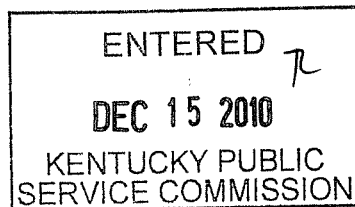
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<sup>1</sup> Case No. 2008-00520, An Examination of the Application of the Fuel Adjustment Clause of Kentucky Utilities Company from November 1, 2006 Through October 31, 2008 (Ky. PSC Jun. 3, 2009).

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, 2009 through April 30, 2010 are approved.

By the Commission



ATTEST:

A handwritten signature in black ink, written over a horizontal line. The signature is cursive and appears to be "M. D. [unclear]".

Executive Director

Lonnie E Bellar  
VP - State Regulation  
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