

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. 2011-00486
ENERGY KENTUCKY, INC. FROM MAY)
1, 2011 THROUGH OCTOBER 31, 2011)

O R D E R

Pursuant to 807 KAR 5:056, the Commission, on January 26, 2012, 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 October 31, 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 March 9, 2012. On March 21, 2012, Duke Kentucky filed its response to requests made at the hearing.

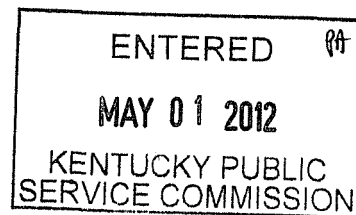
The Commission has previously established Duke Kentucky's base fuel cost as 25.747 mills per kWh.¹ A review of Duke Kentucky's monthly fuel clause filings shows that the actual fuel cost incurred for the six-month period under review ranged from a low of 28.871 mills in October 2011 to a high of 29.985 mills in July 2011, with a six-month average of 29.218 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).

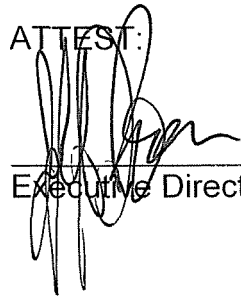
The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds no evidence of improper calculation or application of Duke Kentucky's FAC charges or improper fuel procurement practices.

IT IS THEREFORE ORDERED that the charges and credits billed by Duke Kentucky through its FAC for the period May 1, 2011 through October 31, 2011 are approved.

By the Commission



ATTEST:



Executive Director

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