

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN ELECTRONIC EXAMINATION OF THE)	
APPLICATION OF THE FUEL ADJUSTMENT)	CASE NO.
CLAUSE OF KENTUCKY UTILITIES COMPANY)	2023-00010
FROM NOVEMBER 1, 2020 THROUGH)	
OCTOBER 31, 2022)	

ORDER

The Commission, pursuant to 807 KAR 5:056, Section 3(4), established this case by Order issued on September 6, 2023, to review and evaluate the operation of the Fuel Adjustment Clause (FAC) of Kentucky Utility Company (KU), for the two-year period from November 1, 2020, through October 31, 2022. That Order also incorporated by reference the records in cases reviewing the six-month periods set forth in Case Nos. 2022-00038¹ and 2022-00265² and found that the Commission would conclude its review of these prior six-month FAC review cases in the present two-year case. Furthermore, the Order established that an evidentiary hearing would be held that would consider the record of the two-year FAC review proceeding and the ongoing Case Nos. 2022-00038 and 2022-00265. That a hearing was held in the two-year review case on January 4, 2024. There are no intervenors in these proceedings.

¹ Case No. 2022-00038, *An Electronic Examination of the Application of the Fuel Adjustment Clause of Kentucky Utilities Company from May 1, 2021 Through October 31, 2021.*

² Case No. 2022-00265, *An Electronic Examination of the Application of the Fuel Adjustment Clause of Kentucky Utilities Company from November 1, 2021 Through April 30, 2022.*

The Commission having reviewed the records of Case No. 2022-00038, Case No. 2022-00265, and the six-month periods incorporated by reference in Case No. 2023-00010 hereby, on its own motion, finds that the matter of the ongoing prior six-month FAC review cases now stands submitted for a decision on the written record. The present Order concludes Case Nos. 2022-00038 and 2022-00265 as discussed herein.

Case No. 2022-00038: May 1, 2021, through October 31, 2021

The Commission, Pursuant to 807 KAR 5:056, Section 3(3), established this case by Order issued on March 31, 2022, to review and evaluate the operation of the FACs of KU for the six-month period of May 1, 2021 through October 31, 2021.³ As part of this review, KU responded to three rounds of discovery and one post-hearing request for information. A hearing was held on August 4, 2022. On December 1, 2023, a copy of the Case No. 2023-00010 Order incorporating the record of Case No. 2022-00038 was attached and filed into the record. A review of KU's monthly FAC filings shows that the fuel costs incurred for the six months under review ranged from a low of \$0.02201 per kWh in May 2021 to a high of \$0.02620 per kWh in October 2021 with a six-month average of \$0.02403 per kWh.⁴

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

³ Case No. 2022-00038, *An Electronic Examination of the Application of the Fuel Adjustment Clause of Kentucky Utilities Company from May 1, 2021 Through October 31, 2021* (Ky. PSC Mar. 31, 2022), Order.

⁴ The FAC rates are based on the expense month for each month of the review period.

Case No. 2022-000265: November 1, 2021, through April 30, 2022

The Commission, pursuant to 807 KAR 5:056, Section 3(3), established this case by Order issued on September 13, 2022, to review and evaluate the operation of the FACs of KU for the six-month period of November 1, 2021, through April 30, 2022.⁵ As part of this review, KU responded to two requests for information from Commission Staff. On December 1, 2023, a copy of the Case No. 2023-00010 Order incorporating the record of Case No. 2022-00265 was attached and filed into the record. A review of KU's monthly FAC filings shows that the fuel costs incurred for the six months under review ranged from a low of \$0.02579 per kWh in December 2021 to a high of \$0.02860 per kWh in January 2022 with a six-month average of \$0.02731 per kWh.⁶

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


IT IS THEREFORE ORDERED that:

1. The charges and credits billed by KU through its FAC from May 1, 2021, through October 31, 2021, are approved.
2. The charges and credits billed by KU through its FAC from November 1, 2021, through April 30, 2022, are approved.
3. A copy of this Order shall be entered into the record in Case Nos. 2022-00038 and 2022-00265.

⁵ Case No. 2022-00265, *An Electronic Examination of the Application of the Fuel Adjustment Clause of Kentucky Utilities Company from November 1, 2021 Through April 30, 2022* (Ky. PSC Sept 13, 2022), Order.

⁶ The FAC rates are based on the expense month for each month of the review period.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

ENTERED
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