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October 16, 2007

VIA HAND DELIVERY

Elizabeth O'Donnell
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40601

RE: **An Examination of the Application of the Fuel Adjustment Clause of
Kentucky Utilities Company From November 1, 2004 Through October 31,
2006**
KPSC Case No. 2006-00509

Dear Ms. O'Donnell:

Enclosed please find and accept for filing the original and ten copies of Kentucky Utilities Company's Motion to Correct Order in the above-referenced matter. Please confirm your receipt of this filing by placing the stamp of your Office with the date received on the enclosed additional copies and return them to me in the enclosed self-addressed stamped envelope.

Should you have any questions or need any additional information, please contact me at your convenience.

Very truly yours,

W. Duncan Crosby III

WDC/ec
Enclosures
cc: Parties of Record

400001.125784/495508.1

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
NOVEMBER 1, 2004 THROUGH OCTOBER 31,
2006**

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CASE NO. 2006-00509

MOTION OF KENTUCKY UTILITIES COMPANY TO CORRECT ORDER

Kentucky Utilities Company (“KU”) hereby respectfully moves the Public Service Commission (“Commission”) to issue an Order *nunc pro tunc* correcting its October 12, 2007 Order (“Final Order”) in this proceeding. In ordering paragraphs 3 and 4 of the Final Order, the Commission states:

3. The rates in Appendix A are approved to be effective with KU’s first billing cycle for November 2007.

4. Beginning with its first billing cycle for November 2007, KU shall use an FAC rate based on a base fuel cost of 25.91 mills per kWh.¹

KU respectfully moves the Commission to issue an Order correcting the Final Order in this proceeding to replace the above-underlined words with “December”. As KU stated in its January 22, 2007 response to the Commission Staff’s December 18, 2006 Data Request No. 34, KU’s practice since its last two-year FAC proceeding has been to implement changes in base fuel costs beginning with the first billing cycle in the second month following the month in which the Commission issues an order changing base fuel costs. Implementation of the changes in base rates beginning with the first billing cycle in the second month following the month in

¹ Final Order at 11 (emphases added).

which the Commission issues an order changing base fuel costs is necessary because the fuel adjustment clause billings are based on the expenses incurred in the second prior month. Because KU bills customers each month for the fuel costs incurred in the second prior month, billing customers according to new base fuel costs beginning in November would create a mismatch between fuel costs as filed with the Commission and the billed rates. Thus, to prevent such a mismatch and in accord with KU's current and Commission-approved approach to implementing new base fuel costs, such costs should be implemented beginning with KU's December 2007 billing cycle.

WHEREFORE, Kentucky Utilities Company respectfully moves the Commission to enter an Order *nunc pro tunc* correcting the Commission's Final Order in this proceeding, dated October 12, 2007, by replacing the third and fourth ordering paragraphs, which currently read (with emphases added):

3. The rates in Appendix A are approved to be effective with KU's first billing cycle for November 2007.

4. Beginning with its first billing cycle for November 2007, KU shall use an FAC rate based on a base fuel cost of 25.91 mills per kWh.²

with the following text:

3. The rates in Appendix A are approved to be effective with KU's first billing cycle for December 2007.

4. Beginning with its first billing cycle for December 2007, KU shall use an FAC rate based on a base fuel cost of 25.91 mills per kWh.

² Final Order at 11 (emphases added).

Dated: October 16, 2007

Respectfully submitted,



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Counsel for Kentucky Utilities Company

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the above and foregoing Motion was served, via United States mail, postage prepaid, to the following persons on the 16th day of October 2007:

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Assistant Attorney General
Office of the Kentucky Attorney General
Office of Rate Intervention
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