



Steven L. Beshear
Governor

Robert D. Vance, Secretary
Environmental and Public
Protection Cabinet

Timothy J. LeDonne
Commissioner
Department of Public Protection

John J. Finnigan, Jr.
Duke Energy Kentucky, Inc.
139 East Fourth Street, EX 400
Cincinnati, OH 45202

Commonwealth of Kentucky
Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, Kentucky 40602-0615
Telephone: (502) 564-3940
Fax: (502) 564-3460
psc.ky.gov

Mark David Goss
Chairman

John W. Clay
Vice Chairman

Caroline Pitt Clark
Commissioner

January 18, 2008

CERTIFICATE OF SERVICE

RE: Case No. 2007-00280
Duke Energy Kentucky, Inc.

I, Beth O'Donnell, Executive Director of the Public Service Commission, hereby certify that the enclosed attested copy of the Commission's Order in the above case was served upon the addressee by U.S. Mail on January 18, 2008.

A handwritten signature in black ink, appearing to read "Beth O'Donnell", written over a horizontal line.

Executive Director

BOD/tw
Enclosure

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.
ENERGY KENTUCKY FROM JANUARY)	2007-00280
1, 2007 THROUGH APRIL 30, 2007)	

O R D E R

Pursuant to Administrative Regulation 807 KAR 5:056, the Commission, on August 3, 2007, established this case to review and evaluate the operation of the fuel adjustment clause ("FAC") of Duke Energy Kentucky ("Duke Kentucky") for the 4-month period that ended on April 30, 2007.

As part of this review, Duke Kentucky, pursuant to Commission Order, submitted certain information concerning its compliance with Administrative Regulation 807 KAR 5:056. A public hearing was held on October 11, 2007. On October 23, 2007, Duke Kentucky filed its response to a post-hearing data request.

The Commission has previously established Duke Kentucky's base fuel cost at 21.62 mills per kWh.¹ A review of Duke Kentucky's monthly fuel clause filings shows that the actual fuel cost incurred for the 4-month period under review ranged from a low

¹ Case No. 2006-00172, An Adjustment of the Electric Rates of The Union Light, Heat and Power Company d/b/a Duke Energy Kentucky, Inc., Order dated December 21, 2006.

of 18.71 mills in March 2007 to a high of 25.67 mills in April 2007, with a 6-month average of 21.82 mills.

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 January 1, 2007 to April 30, 2007 are approved.

Done at Frankfort, Kentucky, this 18th day of January, 2008.

By the Commission

ATTEST:



Executive Director