

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. 2009-00509
ENERGY KENTUCKY, INC. FROM MAY)
1, 2009 THROUGH OCTOBER 31, 2009)

O R D E R

Pursuant to 807 KAR 5:056, the Commission, on January 27, 2010, established this case to review and evaluate the operation of the Fuel Adjustment Clause ("FAC") of Duke Energy Kentucky ("Duke Kentucky") for the six-month period that ended on October 31, 2009. 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 on this matter on March 23, 2010. On April 1, 2010, Duke Kentucky filed its response to a post-hearing data request.

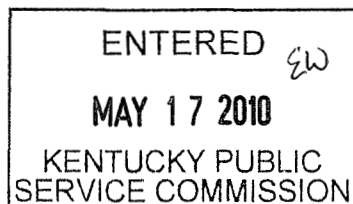
The Commission has previously established Duke Kentucky's base fuel cost at 33.76 mills per kWh.¹ A review of Duke Kentucky's monthly fuel clause filings shows that the actual fuel cost incurred for the six-month period under review ranged from a low of 25.82 mills in September 2009 to a high of 29.35 mills in May 2009, with a six-month average of 27.72 mills.

¹ Case No. 2008-00522, An Examination of the Application of the Fuel Adjustment Clause of Duke Energy Kentucky, Inc. from November 1, 2006 through October 31, 2008 (Ky. PSC Jun. 2, 2009).

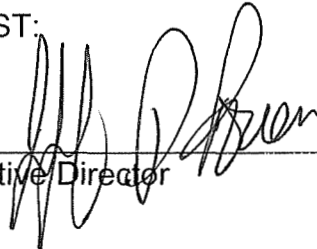
The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds no evidence of improper calculation or application of Duke Kentucky's FAC charges or improper fuel procurement practices.

IT IS THEREFORE ORDERED that the charges and credits billed by Duke Kentucky through its FAC for the period May 1, 2009 through October 31, 2009 are approved.

By the Commission



ATTEST:



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