

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

MOTION BY LOUISVILLE GAS AND)	
ELECTRIC COMPANY TO RECOGNIZE)	CASE NO.
NEW COST ELEMENT IN ITS FUEL)	8826
ADJUSTMENT CLAUSE)	

O R D E R

On June 13, 1983, the Louisville Gas & Electric Company ("LG&E") filed a petition for limited rehearing, modification and extension of the Commission's May 23, 1983, Order denying recovery of the hydro license fee through the fuel adjustment clause. The petition requests the Commission to make findings of fact with respect to LG&E's future ability to recover through rates the retroactive portion of its license fee and to establish a procedure to determine the amount of the retroactive portion and the amortization period.

On June 17, 1983, the Attorney General's Office ("A.G.") filed a response alleging that any recovery of the license fee must be on a prospective basis, not retroactively, and requesting that a hearing be held prior to the Commission making any findings of fact. LG&E filed a rejoinder to the A.G. response alleging that a hearing should not be held because there are no factual issues to be decided. The A.G. then filed a surrejoinder reemphasizing its request for a hearing.

The Commission, based upon the pleadings of record and being advised, is of the opinion and finds that:

1. LG&E has requested the Commission to make findings of fact with respect to future ratemaking treatment of contingent retroactive fees.

2. KRS 278.190 and 807 KAR 5:011 set forth the procedures whereby the Commission makes findings with respect to the rate-making treatment of an expense.

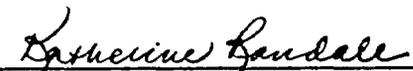
3. LG&E has not complied with the requirements of KRS 278.190 and 807 KAR 5:011.

IT IS THEREFORE ORDERED that LG&E's petition be and it hereby is denied.

Done at Frankfort, Kentucky, this 5th day of July, 1983.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary