

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION BY THE PUBLIC)
SERVICE COMMISSION OF THE)
APPLICATION OF THE FUEL ADJUST-)
MENT CLAUSE OF LOUISVILLE GAS) CASE NO. 9734-B
AND ELECTRIC COMPANY)
FROM MAY 1, 1987, TO)
OCTOBER 31, 1987)

O R D E R

Pursuant to 807 KAR 5:056, Section 1 (11), the Commission issued its Order on November 23, 1987, scheduling a hearing and requiring Louisville Gas and Electric Company ("LG&E") to provide a record of scheduled, actual and forced outages, and a calculation of over- or under-recovery of fuel costs for the 6-month period under review.

LG&E provided the data requested by the Commission's Order of November 23, 1987. LG&E also filed its monthly fuel adjustment filings for the 6-month period under review. Following proper notice, a hearing was held on February 11, 1988.

The sole intervenor in this case was the Utility and Rate Intervention Division of the Attorney General's Office ("AG"). The AG did not offer testimony and did not challenge the level of actual fuel cost included in LG&E's monthly fuel filings.

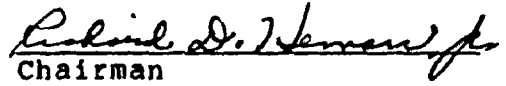
In its Order issued on April 14, 1987, the Commission fixed LG&E's base fuel cost at 15.11 mills per Kwh. The Commission's review of LG&E's monthly fuel clause filings shows that the actual fuel cost incurred for the 6-month period under review ranged from a low of 13.78 mills in October 1987 to a high of 14.35 mills in August 1987, with a 6-month average of 14.00 mills. The Commission's review of the record in this case, the coal market conditions during this period and the data filed in support of the fuel adjustment clause rates indicate that the actual fuel costs included in the monthly fuel adjustment clause filing were reasonable.


The Commission, having considered the evidence of record and being advised, is of the opinion and finds that LG&E has complied in all material respects with the provisions of 807 KAR 5:056.

IT IS THEREFORE ORDERED that the charges and credits billed by LG&E through the fuel adjustment clause for the period May 1, 1987, through October 31, 1987, be and they hereby are approved.

Done at Frankfort, Kentucky, this 4th day of March, 1988.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director