

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)
ADJUSTMENT CLAUSE OF KENTUCKY) CASE NO. 2003-00213
UTILITIES COMPANY FROM)
NOVEMBER 1, 2002 TO APRIL 30, 2003)

O R D E R

Pursuant to Commission Regulation 807 KAR 5:056, the Commission on June 18, 2003 established this case to review and evaluate the operation of the fuel adjustment clause (FAC) of Kentucky Utilities Company (KU) for the 6 months ended April 30, 2003.

As part of this review, KU, pursuant to Commission Order, submitted certain information concerning its compliance with Commission Regulation 807 KAR 5:056. A public hearing was held on September 17, 2003.

The Commission has previously established KU s base fuel cost at 12.59 mills per Kwh.¹ During the period under review, KU s base fuel cost was reset at 14.94 mills

¹ Case No. 2000-00497, An Examination by the Public Service Commission of the Application of the Fuel Adjustment Clause of Kentucky Utilities Company from November 1, 1998 to October 31, 2000, Order dated March 15, 2001.

per Kwh.² A review of KU s monthly fuel clause filings shows that the actual fuel cost incurred for the 6-month period under review ranged from a low of 14.48 mills in December 2002 to a high of 16.77 mills in April 2003, with a 6-month average of 15.49 mills.

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

IT IS THEREFORE ORDERED that the charges and credits billed by KU through its FAC for the period November 1, 2002 to April 30, 2003 are approved.

Done at Frankfort, Kentucky, this 22nd day of October, 2003.

By the Commission

ATTEST:


Executive Director

² Case No. 2002-00433, An Examination by the Public Service Commission of the Application of the Fuel Adjustment Clause of Kentucky Utilities Company from November 1, 2000 to October 31, 2002, Order dated April 30, 2003.