

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION OF THE)	
APPLICATION OF THE FUEL)	
ADJUSTMENT CLAUSE OF)	
LOUISVILLE GAS AND ELECTRIC)	CASE NO.
COMPANY FROM MAY 1, 2003 TO)	2003-00456
OCTOBER 31, 2003)	

O R D E R

Pursuant to Administrative Regulation 807 KAR 5:056, the Commission, on December 19, 2003, established this case to review and evaluate the operation of the fuel adjustment clause (“FAC”) of Louisville Gas and Electric Company (“LG&E”) for the six months ended October 31, 2003.

As part of this review, LG&E, pursuant to Commission Order, submitted certain information concerning its compliance with Administrative Regulation 807 KAR 5:056. A public hearing was held on March 17, 2004.

The Commission has previously established LG&E’s base fuel cost at 12.81 mills per Kwh.¹ A review of LG&E’s monthly fuel clause filings shows that the actual fuel cost incurred for the six-month period under review ranged from a low of 12.45 mills in October 2003 to a high of 14.05 mills in May 2003, with a six-month average of 12.97 mills.

¹ Case No. 2002-00434, An Examination by the Public Service Commission of the Application of the Fuel Adjustment Clause of Louisville Gas & Electric Company from November 1, 2000 to October 31, 2002, Order dated April 30, 2003.

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

IT IS THEREFORE ORDERED that the charges and credits billed by LG&E through its FAC for the period May 1, 2003 to October 31, 2003 are approved.

Done at Frankfort, Kentucky, this 14th day of April, 2004.

By the Commission

ATTEST:

A handwritten signature in black ink, appearing to read "Thomas H. [unclear]", written over a horizontal line.

Executive Director