

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.
ENERGY KENTUCKY FROM JANUARY)	2007-00280
1, 2007 THROUGH APRIL 30, 2007)	

O R D E R

Pursuant to Administrative Regulation 807 KAR 5:056, the Commission, on August 3, 2007, established this case to review and evaluate the operation of the fuel adjustment clause ("FAC") of Duke Energy Kentucky ("Duke Kentucky") for the 4-month period that ended on April 30, 2007.

As part of this review, Duke Kentucky, pursuant to Commission Order, submitted certain information concerning its compliance with Administrative Regulation 807 KAR 5:056. A public hearing was held on October 11, 2007. On October 23, 2007, Duke Kentucky filed its response to a post-hearing data request.

The Commission has previously established Duke Kentucky's base fuel cost at 21.62 mills per kWh.¹ A review of Duke Kentucky's monthly fuel clause filings shows that the actual fuel cost incurred for the 4-month period under review ranged from a low

¹ Case No. 2006-00172, An Adjustment of the Electric Rates of The Union Light, Heat and Power Company d/b/a Duke Energy Kentucky, Inc., Order dated December 21, 2006.

of 18.71 mills in March 2007 to a high of 25.67 mills in April 2007, with a 6-month average of 21.82 mills.

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 January 1, 2007 to April 30, 2007 are approved.

Done at Frankfort, Kentucky, this 18th day of January, 2008.

By the Commission

ATTEST:



Executive Director