

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, INC. FROM)	2009-00289
NOVEMBER 1, 2008 THROUGH APRIL)	
30, 2009)	

O R D E R

Pursuant to 807 KAR 5:056, the Commission, on August 20, 2009, established this case to review and evaluate the operation of the Fuel Adjustment Clause (“FAC”) of Duke Energy Kentucky (“Duke Kentucky”) for the six-month period that ended on April 30, 2009. As part of this review, Duke Kentucky submitted certain information, pursuant to Commission Order, concerning its compliance with 807 KAR 5:056. The Commission held a public hearing on this matter on October 13, 2009. On October 26, 2009, Duke Kentucky filed its response to a post-hearing data request.

The Commission has previously established Duke Kentucky’s base fuel cost at 33.76 mills per kWh.¹ A review of Duke Kentucky’s monthly fuel clause filings shows that the actual fuel cost incurred for the six-month period under review ranged from a low of 26.38 mills in January 2009 to a high of 32.94 mills in November 2008, with a six-month average of 29.50 mills.

¹ Case No. 2008-00522, An Examination of the Application of the Fuel Adjustment Clause of Duke Energy Kentucky, Inc. from November 1, 2006 Through October 31, 2008 (Ky. PSC June 2, 2009).

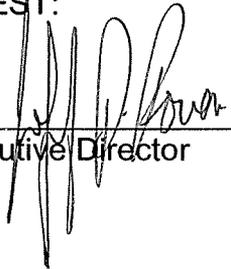
The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds no evidence of improper calculation or application of Duke Kentucky's FAC charges or improper fuel procurement practices.

IT IS THEREFORE ORDERED that the charges and credits billed by Duke Kentucky through its FAC for the period November 1, 2008 through April 30, 2009 are approved.

By the Commission

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NOV 23 2009
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



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