

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION OF THE)	
APPLICATION OF THE FUEL)	
ADJUSTMENT CLAUSE OF KENTUCKY)	CASE NO. 2009-00507
UTILITIES COMPANY FROM MAY 1,)	
2009 THROUGH OCTOBER 31, 2009)	

O R D E R

Pursuant to 807 KAR 5:056, the Commission, on January 27, 2010, established this case to review and evaluate the operation of the Fuel Adjustment Clause ("FAC") of Kentucky Utilities Company ("KU") for the six-month period that ended on October 31, 2009. As part of this review, KU 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 March 23, 2010.

The Commission has previously established KU's base fuel cost at 27.54 mills per kWh.¹ A review of KU's monthly fuel clause filings shows that the actual fuel cost incurred for the six-month period under review ranged from a low of 25.04 mills in May 2009 to a high of 29.54 mills in June 2009, with a six-month average of 28.09 mills.

¹ Case No. 2008-00520, An Examination of the Application of the Fuel Adjustment Clause of Kentucky Utilities Company from November 1, 2006 through October 31, 2008 (Ky. PSC Jun. 3, 2009).

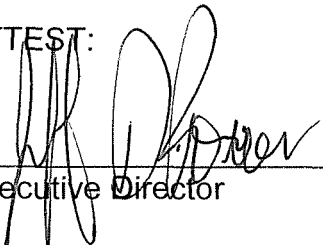
The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds no evidence of improper calculation or application of KU's FAC charges or improper fuel procurement practices.

IT IS THEREFORE ORDERED that the charges and credits billed by KU through its FAC for the period May 1, 2009 through October 31, 2009 are approved.

By the Commission

ENTERED ^{sw}
MAY 17 2010
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



Executive Director

Lonnie E Bellar
VP - State Regulation
Kentucky Utilities Company
220 W. Main Street
P. O. Box 32010
Louisville, KY 40202