Kentucky Utilities Company
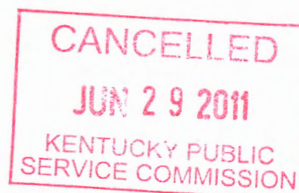
Adjustment Clause	FAC
	Fuel Adjustment Clause

(4) Sales (S) shall be all kWh's sold, excluding inter-system sales. Where, for any reason, billed system sales cannot be coordinated with fuel costs for the billing period, sales may be equated to the sum of (i) generation, (ii) purchases, (iii) interchange in, less (iv) energy associated with pumped storage operations, less (v) inter-system sales referred to in subsection (2)(d) above, less (vi) total system losses. Utility used energy shall not be excluded in the determination of sales (S).

(5) The cost of fossil fuel shall include no items other than the invoice price of fuel less any cash or other discounts. The invoice price of fuel includes the cost of the fuel itself and necessary charges for transportation of the fuel from the point of acquisition to the unloading point, as listed in Account 151 of FERC Uniform System of Accounts for Public Utilities and Licensees.

(6) Base (b) period shall be the twelve (12) months ending October 2008 and the base fuel factor is $0.02754 per kWh.

(7) Current (m) period shall be the second month preceding the month in which the Fuel Clause Adjustment Factor is billed.

(8) Pursuant to the Public Service Commission's Order in Case No. 2008-00520 dated June 3, 2009, the Fuel Adjustment Clause will become effective with bills rendered on and after the first billing cycle for July 2009, which begins June 29, 2009.

CANCELLED
JUN 2 9 2011
KENTUCKY PUBLIC
SERVICE COMMISSION

KENTUCKY
PUBLIC SERVICE COMMISSION

JEFF R. DEROUEN
EXECUTIVE DIRECTOR

TARIFF BRANCH

EFFECTIVE
6/29/2009
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

Date of Issue: **August 6, 2010**
Date Effective: **With Bills Rendered On and After June 29, 2009**
Issued By: **Lonnie E. Bellar, Vice President, State Regulation and Rates, Lexington, Kentucky**

Issued by Authority of an Order of the KPSC in Case No. 2008-00520 dated June 3, 2009