

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION BY THE PUBLIC SERVICE)
COMMISSION OF THE APPLICATION OF THE)
FUEL ADJUSTMENT CLAUSE OF KENTUCKY) CASE NO. 92-493-A
UTILITIES COMPANY FROM NOVEMBER 1,)
1992 TO APRIL 30, 1993)

O R D E R

Pursuant to Administrative Regulation 807 KAR 5:056, Section 1(11), the Commission on July 13, 1993, established this proceeding to review and evaluate the operation of the fuel adjustment clause ("FAC") of Kentucky Utilities Company ("KU") for the 6 months ended April 30, 1993.

After holding a hearing, the Commission ordered that this docket remain open until a full and complete review of the evidence and argument presented in a Federal Energy Regulatory Commission proceeding¹ on KU's depreciation practices for certain railcars and its accounting of the proceeds from the lease and subsequent sale of these railcars. On January 2, 1997, the Commission issued an Order in Case No. 92-493² addressing these issues.

¹ Kentucky Utilities Company, FERC Docket No. FA-65-001.

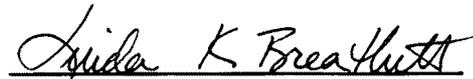
² Case No. 92-493, An Examination by the Public Service Commission of the Application of the Fuel Adjustment Clause of Kentucky Utilities Company from November 1, 1990 to October 31, 1992.

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 charge for the period under review or improper fuel procurement practices.

IT IS THEREFORE ORDERED that the charges and credits billed by KU through its FAC for the period November 1, 1992 to April 30, 1993 are approved.

Done at Frankfort, Kentucky, this 13th day of January, 1997.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director