



a PPL company

Jeff DeRouen, Executive Director
Public Service Commission of Kentucky
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40601

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PUBLIC SERVICE
COMMISSION

September 28, 2012

**Louisville Gas and
Electric Company**
State Regulation and Rates
220 West Main Street
PO Box 32010
Louisville, Kentucky 40232
www.lge-ku.com

Robert M. Conroy
Director - Rates
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**Re: Louisville Gas and Electric Company -
Gas Supply Clause Effective November 1, 2012**

Dear Mr. DeRouen:

Pursuant to the provisions of the Company's Gas Supply Clause as authorized by the Commission, we file herewith an original and ten copies of the Ninth Revision of Original Sheet No. 85 of LG&E Tariff PSC Gas No. 8 setting forth a Gas Supply Cost Component of 42.501 cents per 100 cubic feet applicable to all gas sold during the period of November 1, 2012 through January 31, 2013. In addition, we file herewith a corresponding number of copies of "Supporting Calculations for the Gas Supply Clause."

Also enclosed herewith is a summary of our gas service rates effective for the period of November 1, 2012 through January 31, 2013.

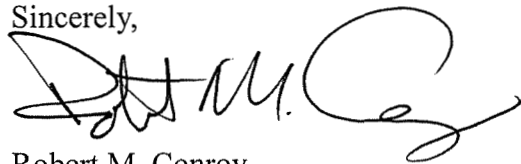
Furthermore, we are filing a petition to seek confidentiality with respect to the names of natural gas suppliers otherwise shown on Exhibit B-1, Pages 5 of 6 and 6 of 6.

This filing represents expected gas costs for the three-month period November 1, 2012 through January 31, 2013. The Gas Cost Actual Adjustment (GCAA) and the Gas Cost Balance Adjustment (GCBA) levels are changed from the levels that were implemented on August 1, 2012. These adjustment levels will remain in effect from November 1, 2012 through January 31, 2013.

Jeff DeRouen, Executive Director
Public Service Commission of Kentucky
September 28, 2012

We respectfully request your acceptance of this filing which we believe is in full compliance with the provisions of the LG&E Gas Supply Clause approved by the Kentucky Public Service Commission.

Sincerely,

A handwritten signature in black ink, appearing to read "R. M. Conroy". The signature is fluid and cursive, with a large, stylized initial "R" and "C".

Robert M. Conroy

Enclosures

Louisville Gas and Electric Company

P.S.C. Gas No. 8, Ninth Revision of Original Sheet No. 85
 Canceling P.S.C. Gas No. 8, Eighth Revision of Original Sheet No. 85

Adjustment Clause	GSC	
Gas Supply Clause		
APPLICABLE TO		
All gas sold.		
 GAS SUPPLY COST COMPONENT (GSCC)		
Gas Supply Cost	\$0.42122	I
Gas Cost Actual Adjustment (GCAA)	(0.00704)	I
Gas Cost Balance Adjustment (GCBA)	0.00146	R
Refund Factors (RF) continuing for twelve months from the effective date of each or until Company has discharged its refund obligation thereunder:		
Refund Factor Effective February 1, 2012	(0.00041)	T/I
Refund Factor Effective May 1, 2012	(0.00044)	T/R
Refund Factor Effective August 1, 2012	(0.00044)	T
Refund Factor Effective November 1, 2012	0.00000	T/I
Total Refund Factor	(0.00129)	I
 Performance-Based Rate Recovery Component (PBRRC)	 <u>0.01066</u>	
 Total Gas Supply Cost Component Per 100 Cubic Feet (GSCC)	 \$0.42501	 I

Date of Issue: September 28, 2012

Date Effective: November 1, 2012

Issued By: Lonnie E. Bellar, Vice-President, State Regulation and Rates, Louisville, Kentucky

Issued By Authority of an Order of the KPSC in Case No. _____ dated _____

LOUISVILLE GAS AND ELECTRIC COMPANY

Supporting Calculations For The

Gas Supply Clause

2012-00XXX

For the Period

November 1, 2012 through January 31, 2013

LOUISVILLE GAS AND ELECTRIC COMPANY

Derivation of Gas Supply Component Applicable to
Service Rendered On and After November 1, 2012

2012-000XX

Gas Supply Cost - See Exhibit A for Detail

Description	Unit	Amount
Total Expected Gas Supply Cost	\$	65,320,575
Total Expected Customer Deliveries: November 1, 2012 through January 31, 2013	Mcf	15,507,396
Gas Supply Cost Per Mcf	\$/Mcf	4.2122
Gas Supply Cost Per 100 Cubic Feet	¢/Ccf	42.122

Gas Cost Actual Adjustment (GCAA) - See Exhibit B for Detail

Description	Unit	Amount
Current Quarter Actual Adjustment Eff. November 1, 2012 (Case No. 2012-00125)	¢/Ccf	0.006
Previous Quarter Actual Adjustment Eff. August 1, 2012 (Case No. 2011-00523)	¢/Ccf	0.923
2nd Previous Qrt. Actual Adjustment Eff. May 1, 2012 (Case No. 2011-00402)	¢/Ccf	(0.975)
3rd Previous Qrt. Actual Adjustment Eff. February 1, 2012 (Case No. 2011-00228)	¢/Ccf	(0.658)
Total Gas Cost Actual Adjustment (GCAA)	¢/Ccf	(0.704)

Gas Cost Balance Adjustment (GCBA) - See Exhibit C for Detail

Description	Unit	Amount
Balance Adjustment Amount	\$	(225,880)
Total Expected Customer Deliveries: November 1, 2012 through January 31, 2013	Mcf	15,507,396
Gas Cost Balance Adjustment (GCBA) Per Mcf	\$/Mcf	0.0146
Gas Cost Balance Adjustment (GCBA) Per 100 Cubic Feet	¢/Ccf	0.146

Refund Factors (RF) - See Exhibit D for Detail

Description	Unit	Amount
Refund Factor Effective:		
Current Quarter Refund Factor Eff. November 1, 2012	¢/Ccf	0.000
1st Previous Quarter Refund Factor Eff. August 1, 2012	¢/Ccf	(0.044)
2nd Previous Quarter Refund Factor Eff. May 1, 2012	¢/Ccf	(0.044)
3rd Previous Quarter Refund Factor Eff. February 1, 2012	¢/Ccf	(0.041)
Total Refund Factors Per 100 Cubic Feet	¢/Ccf	(0.129)

Performance-Based Rate Recovery Component (PBRR) - See Exhibit E for Detail

Description	Unit	Amount
Performance-Based Rate Recovery Component (PBRR)	¢/Ccf	1.066
Total of PBRR Factors Per 100 Cubic Feet	¢/Ccf	1.066

Gas Supply Cost Component (GSCC) Effective November 1, 2012 through January 31, 2013

Description	Unit	Amount
Gas Supply Cost	¢/Ccf	42.122
Gas Cost Actual Adjustment (GCAA)	¢/Ccf	(0.704)
Gas Cost Balance Adjustment (GCBA)	¢/Ccf	0.146
Refund Factors (RF)	¢/Ccf	(0.129)
Performance-Based Rate Recovery Component (PBRR)	¢/Ccf	1.066
Total Gas Supply Cost Component (GSCC)	¢/Ccf	42.501

LOUISVILLE GAS AND ELECTRIC COMPANY
Calculation of Gas Supply Costs
For The Three-Month Period From November 1, 2012 through January 31, 2013

				Total	
MMBtu	November	December	January	November 12 thru January 13	
1	Expected Gas Supply Transported Under Texas' No-Notice Service (Forward Haul)	1,483,512	2,274,351	2,374,611	6,132,474
2	Expected Gas Supply Transported Under Texas' No-Notice Service (Backward Haul)	0	0	0	0
3	Expected Gas Supply Transported Under Texas' Rate FT (Forward Haul)	300,000	310,000	310,000	920,000
4	Expected Gas Supply Transported Under Texas' Rate FT (Backward Haul)	0	0	0	0
5	Expected Gas Supply Transported Under Texas' Rate STF (Forward Haul)	0	0	0	0
6	Expected Gas Supply Transported Under Texas' Rate STF (Backward Haul)	0	0	0	0
7	Expected Gas Supply Transported Under Tenn 's Rate FT-A (Zone 0)	600,000	620,000	620,000	1,840,000
8	Total MMBtu Purchased	2,383,512	3,204,351	3,304,611	8,892,474
9	Plus: Withdrawals from Texas Gas' NNS Storage Service	361,620	727,663	636,740	1,726,023
10	Less: Injections into Texas Gas' NNS Storage Service	0	0	0	0
11	Expected Monthly Deliveries from TGT/TGPL to LG&E (excluding transportation volumes under LG&E Rate TS)	2,745,132	3,932,014	3,941,351	10,618,497
Mcf					
12	Total Purchases in Mcf	2,325,378	3,126,196	3,224,011	
13	Plus: Withdrawals from Texas Gas' NNS Storage Service	352,800	709,915	621,210	
14	Less: Injections Texas Gas' NNS Storage Service	0	0	0	
15	Expected Monthly Deliveries from TGT/TGPL to LG&E (excluding transportation volumes under LG&E Rate TS)	2,678,178	3,836,111	3,845,221	
16	Plus: Customer Transportation Volumes under Rate TS	6,723	3,617	2,818	
17	Total Expected Monthly Deliveries from TGT/TGPL to LG&E (Line 15 + Line 16)	2,684,901	3,839,728	3,848,039	
18	Less: Purchases for Depts Other Than Gas Dept	806	1,069	4,060	
19	Less: Purchases Injected into LG&E's Underground Storage	251,866	0	0	
20	Mcf Purchases Expensed during Month (Line 15 - Line 18 - Line 19)	2,425,506	3,835,042	3,841,161	10,101,709
21	LG&E's Storage Inventory - Beginning of Month	14,290,001	13,720,001	11,590,001	
22	Plus: Storage Injections into LG&E's Underground Storage (Line 19)	251,866	0	0	
23	LG&E's Storage Inventory - Including Injections	14,541,867	13,720,001	11,590,001	
24	Less: Storage Withdrawals from LG&E's Underground Storage	770,000	2,080,053	3,223,658	6,073,711
25	Less: Storage Losses	51,866	49,947	46,342	148,155
26	LG&E's Storage Inventory - End of Month	13,720,001	11,590,001	8,320,001	
27	Mcf of Gas Supply Expensed during Month (Line 20 + Line 24 + Line 25)	3,247,372	5,965,042	7,111,161	16,323,575
Cost					
28	Total Demand Cost - Including Transportation (Line 17 x Line 52)	\$1,859,562	\$2,659,396	\$2,665,152	
29	Less: Demand Cost Recovered thru Rate TS (Line 16 x Line 52)	4,656	2,505	1,952	
30	Demand Cost - Net of Demand Costs Recovered thru LG&E Rate TS	\$1,854,906	\$2,656,891	\$2,663,200	
31	Commodity Costs - Gas Supply Under NNS (Forward Haul) (Line 1 x Line 53)	4,714,749	7,904,279	8,633,136	
32	Commodity Costs - Gas Supply Under NNS (Backward Haul) (Line 2 x Line 54)	0	0	0	
33	Commodity Costs - Gas Supply Under Rate FT (Forward Haul) (Line 3 x Line 55)	978,660	1,102,515	1,151,681	
34	Commodity Costs - Gas Supply Under Rate FT (Backward Haul) (Line 4 x Line 56)	0	0	0	
35	Commodity Costs - Gas Supply Under Rate STF (Forward Haul) (Line 5 x Line 57)	0	0	0	
36	Commodity Costs - Gas Supply Under Rate STF (Backward Haul) (Line 6 x Line 58)	0	0	0	
37	Commodity Costs - Gas Supply Under Rate FT-A Zone 0 (Line 7 x Line 59)	1,839,060	2,080,224	2,177,130	
38	Total Purchased Gas Cost	\$9,387,375	\$13,743,909	\$14,625,147	\$37,756,431
39	Plus: Withdrawals from NNS Storage (Line 9 x Line 53)	1,149,265	2,528,920	2,314,932	5,993,117
40	Less: Purchases Injected into NNS Storage (Line 10 x Line 53)	0	0	0	0
41	Total Cost of Gas Delivered to LG&E	\$10,536,640	\$16,272,829	\$16,940,079	\$43,749,548
42	Less: Purchases for Depts Other Than Gas Dept (Line 18 x Line 60)	3,171	4,535	17,886	25,592
43	Less: Purchases Injected into LG&E's Storage (Line 19 x Line 60)	990,916	0	0	990,916
44	Pipeline Deliveries Expensed During Month	\$9,542,553	\$16,268,294	\$16,922,193	\$42,733,040
45	LG&E's Storage Inventory - Beginning of Month	\$51,801,254	\$49,808,468	\$42,075,716	
46	Plus: LG&E Storage Injections (Line 43 above)	990,916	0	0	
47	LG&E's Storage Inventory - Including Injections	\$52,792,170	\$49,808,468	\$42,075,716	
48	Less: LG&E Storage Withdrawals (Line 24 x Line 61)	2,795,408	7,551,424	11,702,846	\$22,049,678
49	Less: LG&E Storage Losses (Line 25 x Line 61)	188,294	181,328	168,235	537,657
50	LG&E's Storage Inventory - End of Month	\$49,808,468	\$42,075,716	\$30,204,635	
51	Gas Supply Expenses (Line 44 + Line 48 + Line 49)	\$12,526,255	\$24,001,046	\$28,793,274	\$66,320,575
Unit Cost					
52	12-Month Average Demand Cost - per Mcf (see Page 2)	\$0 6926	\$0 6926	\$0 6926	
53	Commodity Cost (per MMBtu) under Texas Gas's No-Notice Service (Forward Haul)	\$3 1781	\$3 4754	\$3 6356	
54	Commodity Cost (per MMBtu) under Texas Gas's No-Notice Service (Backward Haul)	\$3 3372	\$3 6346	\$3 7947	
55	Commodity Cost (per MMBtu) under Texas Gas's Rate FT (Forward Haul)	\$3 2622	\$3 5565	\$3 7151	
56	Commodity Cost (per MMBtu) under Texas Gas's Rate FT (Backward Haul)	\$3 1311	\$3 4151	\$3 5681	
57	Commodity Cost (per MMBtu) under Texas Gas's Rate STF (Forward Haul)	\$3 1355	\$3 4298	\$3 5884	
58	Commodity Cost (per MMBtu) under Texas Gas's Rate STF (Backward Haul)	\$3 1648	\$3 4488	\$3 6018	
59	Commodity Cost (per MMBtu) under Tenn Gas's Rate FT-A (Zone 0)	\$3 0651	\$3 3552	\$3 5115	
60	Average Cost of Deliveries (Line 41 / Line 15)	\$3 9343	\$4 2420	\$4 4055	
61	Average Cost of Inventory - Including Injections (Line 47 / Line 23)	\$3 6304	\$3 6304	\$3 6303	
62	Total Expected Mcf Deliveries (Sales) to Customers (November 1, 2012 through January 31, 2013)				15,507,396 Mcf
63	Current Gas Supply Cost (Line 51 / Line 62)				\$4,2122 / Mcf

LOUISVILLE GAS AND ELECTRIC COMPANY
Calculation Of The Average Demand Cost Per Mcf Applicable To
For The Three-Month Period From November 1, 2012 through January 31, 2013

Demand Billings:

Texas Gas No-Notice Service (Rate NNS) Monthly Demand Charge	(	\$12.7104	x	119,913	MMBtu) x 12	\$18,289,706
Texas Gas Firm Transportation (Rate FT) Monthly Demand Charge	(	\$5.4329	x	10,000	MMBtu) x 12	651,948
Texas Gas Firm Transportation (Rate STF) Monthly Demand Charge	(	\$6.2427	x	10,500	MMBtu) x 12	786,580
Tenn. Gas Firm Transportation (Rate FT-A, 1-2) Monthly Demand Charge	(	\$8.2134	x	20,000	MMBtu) x 12	1,971,216
Long-Term Firm Contracts with Suppliers (Annualized)						<u>2,679,473</u>

ANNUAL DEMAND COSTS \$24,378,923

Expected Annual Deliveries from Pipeline Transporters 36,080,559
(Including Transportation Under Rate TS) - MMBtu

Expected Annual Deliveries from Pipeline Transporters 35,200,545
(Including Transportation Under Rate TS) - Mcf

AVERAGE DEMAND COST PER MCF \$0.6926

Pipeline Supplier's Demand Component Applicable to Billings
Under LG&E's Gas Transportation Service/Standby - Rate TS
For The Three-Month Period From November 1, 2012 through January 31, 2013

Pipeline Supplier's Demand Component per Mcf	\$0.6926
Refund Factor for Demand Portion of Texas Gas Refund (see Exhibit D)	(0.0129)
Performance Based Rate Recovery Component (see Exhibit E)	<u>0.0715</u>
Pipeline Supplier's Demand Component per Mcf - Applicable to Rate TS Transportation	<u><u>\$0.7512</u></u>

Daily Demand Charge Component of Utilization Charge For Daily Imbalances under Rates FT and PS-FT

Design Day Requirements (in Mcf)	444,861
(Annual Demand Costs / Design Day Requirements / 365 Days) - 100% Load Factor Rate	<u><u>\$0.1501</u></u>

LOUISVILLE GAS AND ELECTRIC COMPANY

Gas Supply Clause: 2012-00XXX

Gas Supply Cost Effective November 1, 2012

LG&E is served by Texas Gas Transmission, LLC (“TGT”) pursuant to the terms of the transportation agreements under Rate Schedules NNS-4, FT-4, and STF-4. LG&E is served by Tennessee Gas Pipeline Company, LLC (“TGPL”) pursuant to the terms of a transportation agreement under Rate Schedule FT-A-2. Both TGT and TGPL are subject to regulation by the Federal Energy Regulatory Commission (“FERC”).

Texas Gas Transmission, LLC

Texas Gas’s No-Notice Service (NNS-4)

On August 17, 2011, TGT submitted tariff sheets to the FERC in Docket No. RP11-2393 to reflect the most current FERC Annual Charge Adjustment (“ACA”) to be effective beginning October 1, 2011. The new ACA rate is a decrease of \$0.0001 per MMBtu from the previous rate of \$0.0019 per MMBtu to \$0.0018 per MMBtu. TGT did not otherwise modify its existing rates or otherwise affect the rights or duties of customers.

Attached hereto as Exhibit A-1(a), Page 1, is the tariff sheet for No-Notice Service under Rate NNS-4 which will be applicable on and after November 1, 2012. The tariffed rates are as follows: (a) a daily demand charge of \$0.4190/MMBtu, and (b) a commodity charge of \$0.0632/MMBtu irrespective of the zone of receipt.

LG&E has negotiated rate agreements applicable to all three NNS service agreements that result in a monthly demand charge of \$12.7104/MMBtu and a volumetric throughput charge (“commodity charge”) of \$0.0632/MMBtu irrespective of the zone of receipt.

Texas Gas’s Firm Transportation Service (FT-4)

On August 17, 2011, TGT submitted tariff sheets to the FERC in Docket No. RP11-2393 to reflect the most current FERC Annual Charge Adjustment (“ACA”) to be effective beginning October 1, 2011. The new ACA rate is a decrease of \$0.0001 per MMBtu from the previous rate of \$0.0019 per MMBtu to \$0.0018 per MMBtu. TGT did not otherwise modify its existing rates or otherwise affect the rights or duties of customers.

Attached hereto as Exhibit A-1(a), Pages 2 and 3, are the tariff sheets for transportation service under Rate FT-4 which will be applicable on and after November 1, 2012. Page 2 contains the tariff sheet which sets forth the TGT daily demand charges. Page 3 contains the tariff sheet which sets forth the commodity charges. The tariffed rates are as follows: (a) a daily demand

charge of \$0.3142/MMBtu, (b) a commodity charge applicable to transportation from Zone 1 to Zone 4 of \$0.0526/MMBtu, and (c) a commodity charge applicable to transportation from Zone 4 to Zone 4 of \$0.0378/MMBtu.

LG&E has negotiated rate agreements that result in a monthly demand charge of \$5.4329/MMBtu, an annual volumetric throughput charge (“commodity charge”) of \$0.0218/MMBtu applicable to transportation from Zone 1 to 4, and an annual volumetric throughput charge (“commodity charge”) of \$0.0041/MMBtu applicable to transportation from Zone 4 to 4.

Texas Gas’s Short-Term Firm Service (STF-4)

On June 6, 2011, TGT submitted tariff sheets to the FERC in Docket No. RP11-2177 to clarify how backhaul rates are determined and the process that shippers follow to utilize segmentation of their backhaul capacity. On August 17, 2011, TGT submitted tariff sheets to the FERC in Docket No. RP11-2393 to reflect the most current FERC Annual Charge Adjustment (“ACA”) to be effective beginning October 1, 2011. The new ACA rate is a decrease of \$0.0001 per MMBtu from the previous rate of \$0.0019 per MMBtu to \$0.0018 per MMBtu. TGT did not otherwise modify its existing rates or otherwise affect the rights or duties of customers.

Attached hereto as Exhibit A-1 (a), Page 4, is the sheet for Short-Term Firm Service under Rate STF-4 which will be applicable on and after November 1, 2012. The tariffed rates are as follows: for the winter season, (a) a daily demand charge of \$ 0.4701/MMBtu, (b) a commodity charge of \$0.0526/MMBtu applicable to transportation from Zone 1 to 4; and (c) a commodity charge of \$0.0378/MMBtu applicable to transportation from Zone 4 to 4; and for the summer season, (a) a daily demand charge of \$0.2042/MMBtu, and (b) a commodity charge of \$0.0526 applicable to transportation from Zone 1 to 4; and (c) a commodity charge of \$0.0378 applicable to transportation from Zone 4 to 4.

LG&E has negotiated rate agreements that result in the following charges: a weighted-average monthly demand charge of \$6.2427/MMBtu; a winter season commodity-only rate of \$0.5247/MMBtu; a summer season commodity rate of \$0.0526/MMBtu applicable to transportation from Zone 1 to 4; and a summer season commodity rate of \$0.0378/MMBtu applicable to transportation from Zone 4 to 4.

Tennessee Gas Pipeline Company

On January 27, 2012, in FERC Docket RP11-1566, TGPL submitted its filing to comply with FERC’s directive in its Order of December 5, 2011, whereby TGPL was directed to submit tariffs to implement the settlement in Docket RP11-1566.

Effective November 1, 2012, LG&E has entered into new transportation service agreement with TGPL under Rate Schedule FT-A. The new agreement is effective through October 31, 2014, and has a daily contract quantity of 20,000 MMBtu/day. The new agreement provides for deliveries from TGPL’s Zone 0 to LG&E’s city gate in TGPL’s Zone 2. The old transportation

service agreement, which became effective on November 1, 2002, expires on October 31, 2012, and has a daily contract quantity of 51,000 MMBtu/day.

TGPL's Firm Transportation Service (FT-A-2)

Attached hereto as Exhibit A-1 (a), Pages 5, and 6, are the tariff sheet for transportation service under Rate FT-A, which will be applicable on and after November 1, 2012. Page 5 contains the tariff sheet which sets forth the monthly demand charges and Page 6 contains the tariff sheet which sets forth the commodity charges. The tariffed rates are as follows for deliveries from Zone 0 to Zone 2: (a) a monthly demand charge of \$16.3405/MMBtu, and (b) a commodity charge of \$0.0403/MMBtu.

LG&E has negotiated rate agreements that result in a monthly demand charge of \$8.2134/MMBtu and an annual commodity rate of \$0.0403/MMBtu for deliveries from Zone 0 to Zone 2.

Gas Supply Costs

The New York Mercantile Exchange ("NYMEX") natural gas futures prices as of September 26, 2012, are \$3.215/MMBtu for November, \$3.488/MMBtu for December, and \$3.638/MMBtu for January. The average of the NYMEX close and the six preceding trading days has been used as a general price indicator.

The wholesale natural gas market is not price-regulated and is subject to the forces of supply and demand, as well as psychological factors that can affect the market. Among the forces that are presumably affecting the price of natural gas are:

- National gas storage inventories are 10% higher compared to the same period one year ago;¹
- Economic recovery could boost the demand for natural gas in the industrial sector;
- Fuel switching from coal to gas could boost natural gas prices by increasing demand;
- New domestic supplies from unconventional shale gas plays are impacting the marketplace;
- New pipeline infrastructure is being developed to deliver natural gas supplies to the marketplace;

¹ The weekly gas storage survey issued by the Energy Information Administration ("EIA") for the week ending September 14, 2012, indicated that storage inventory levels were 10% higher than last year's levels. Storage inventories across the nation are 320 Bcf (3,496 Bcf – 3,176 Bcf), or 10%, higher this year than the same period one year ago. Last year at this time, 3,176 Bcf was held in storage, while this year 3,496 Bcf is held in storage. Storage inventories across the nation are 278 Bcf (3,496 Bcf – 3,218 Bcf), or 9%, higher this year than the five-year average. On average for the last five years at this time, 3,218 Bcf was held in storage. Higher storage inventory levels and the lack of demand for natural gas tend to drive natural gas prices lower. Conversely, lower storage levels, interruptions of gas supply, or increases in demand for natural gas tend to cause increases in the expected price of natural gas.

- Imports or exports of LNG could impact the supply and demand for natural gas;
- Gas-fired electric generation loads could boost weather-driven demand for natural gas; and
- Gas supply disruptions could boost prices.

Traditionally, LG&E has purchased gas in the Gulf production areas (both onshore and offshore, including Louisiana, Texas, and Arkansas) and used its interstate pipeline capacity to deliver that gas by forwardhaul to its gas distribution system in Kentucky. Due to the increasing availability of gas supplies outside of the traditional production areas, LG&E is now able to supplement this traditional forwardhaul transportation of natural gas purchased in the Gulf with gas purchased at the terminus of Texas Gas's system at Lebanon, Ohio (which is north of LG&E's system). Gas purchased at the terminus of Texas Gas's system can be delivered to LG&E's system by displacement using backhaul capabilities in LG&E's existing interstate pipeline capacity. LG&E's ability to supplement its traditional supplies delivered via forwardhaul transportation with these supplies delivered using backhaul transportation capabilities is reflected in this GSC filing.

During the three-month period under review, November 1, 2012, through January 31, 2013, LG&E estimates that its total purchases will be 10,618,497 MMBtu. LG&E expects that 7,858,497 MMBtu will be met with deliveries from TGT's pipeline service under Rate NNS (6,132,474 MMBtu in pipeline forwardhaul deliveries plus 1,726,023 MMBtu in net storage withdrawals); 920,000 MMBtu will be met from forwardhaul deliveries under TGT's pipeline service under Rate FT; 0 MMBtu will be met from forwardhaul deliveries under TGT's pipeline service under Rate STF; 1,840,000 MMBtu will be met from deliveries under TGPL's pipeline service under Rate FT-A from Zone 0.

The average commodity cost of gas purchased from gas suppliers by LG&E and delivered to TGT under the forwardhaul NNS service is expected to be \$2.9750 per MMBtu in November 2012, \$3.2590 in December 2012, and \$3.4120 in January 2013. The average commodity cost of gas purchased from gas suppliers by LG&E and delivered to TGT under the backhaul NNS service is expected to be \$3.1270 per MMBtu in November 2012, \$3.4110 in December 2012, and \$3.5640 in January 2013. The average commodity cost of gas purchased from gas suppliers by LG&E and delivered to TGT under the forwardhaul FT service is expected to be \$3.1270 per MMBtu in November 2012, \$3.4110 in December 2012, and \$3.5640 in January 2013. The average commodity cost of gas purchased from gas suppliers by LG&E and delivered to TGT under the backhaul FT service is expected to be \$3.1270 per MMBtu in November 2012, \$3.4110 in December 2012, and \$3.5640 in January 2013. The average commodity cost of gas purchased from gas suppliers by LG&E and delivered to TGT under the forwardhaul STF service is expected to be \$2.9750 per MMBtu in November 2012, \$3.2590 in December 2012, and \$3.4120 in January 2013. The average commodity cost of gas purchased from gas suppliers by LG&E and delivered to TGT under the backhaul STF service is expected to be \$3.1270 per MMBtu in November 2012, \$3.4110 in December 2012, and \$3.5640 in January 2013. The average commodity cost of gas purchased from gas suppliers by LG&E and delivered to TGPL under Rate FT-A from its Zone 0 is expected to be \$2.9610 per MMBtu in November 2012, \$3.2450 in December 2012, and \$3.3980 in January 2013.

Set forth below are the commodity costs as delivered to LG&E after giving effect to TGT's and TGPL's commodity charges for transporting the gas under Rates NNS, FT, STF, and FT-A and the applicable retention percentages:

RATE NNS
SYSTEM SUPPLY FORWARDHAUL PURCHASE PRICE PER MMBTU
UNDER TEXAS GAS'S NO-NOTICE SERVICE RATE

	<u>ESTIMATED PRICE AS DELIVERED TO TEXAS GAS</u>	<u>RATE NNS RETENTION (TO ZONE 4)</u>	<u>TRANSPORT CHARGE</u>	<u>TOTAL ESTIMATED DELIVERED PRICE</u>
November 2012	\$2.9750	4.49%	\$0.0632	\$3.1781
December 2012	\$3.2590	4.49%	\$0.0632	\$3.4754
January 2013	\$3.4120	4.49%	\$0.0632	\$3.6356

RATE NNS
SYSTEM SUPPLY BACKHAUL PURCHASE PRICE PER MMBTU
UNDER TEXAS GAS'S NO-NOTICE SERVICE RATE

	<u>ESTIMATED PRICE AS DELIVERED TO TEXAS GAS</u>	<u>RATE NNS RETENTION (TO ZONE 4)</u>	<u>TRANSPORT CHARGE</u>	<u>TOTAL ESTIMATED DELIVERED PRICE</u>
November 2012	\$3.1270	4.49%	\$0.0632	\$3.3372
December 2012	\$3.4110	4.49%	\$0.0632	\$3.6346
January 2013	\$3.5640	4.49%	\$0.0632	\$3.7947

RATE FT
SYSTEM SUPPLY FORWARDHAUL PURCHASE PRICE PER MMBTU
UNDER TEXAS GAS'S FIRM TRANSPORTATION SERVICE RATE

	<u>ESTIMATED PRICE AS DELIVERED TO TEXAS GAS</u>	<u>RETENTION (ZONE 1 TO 4)</u>	<u>RATE FT TRANSPORT CHARGE</u>	<u>TOTAL ESTIMATED DELIVERED PRICE</u>
November 2012	\$3.1270	3.50%	\$0.0218	\$3.2622
December 2012	\$3.4110	3.50%	\$0.0218	\$3.5565
January 2013	\$3.5640	3.50%	\$0.0218	\$3.7151

RATE FT
SYSTEM SUPPLY BACKHAUL PURCHASE PRICE PER MMBTU
UNDER TEXAS GAS'S FIRM TRANSPORTATION SERVICE RATE

	<u>ESTIMATED PRICE AS DELIVERED TO TEXAS GAS</u>	<u>RETENTION (ZONE 1 TO 4)</u>	<u>RATE FT TRANSPORT CHARGE</u>	<u>TOTAL ESTIMATED DELIVERED PRICE</u>
November 2012	\$3.1270	0.00%	\$0.0041	\$3.1311
December 2012	\$3.4110	0.00%	\$0.0041	\$3.4151
January 2013	\$3.5640	0.00%	\$0.0041	\$3.5681

RATE STF
SYSTEM SUPPLY FORWARDHAUL PURCHASE PRICE PER MMBTU
UNDER TEXAS GAS'S SHORT-TERM FIRM
TRANSPORTATION SERVICE RATE

	<u>ESTIMATED PRICE AS DELIVERED TO TEXAS GAS</u>	<u>RETENTION (ZONE 1 TO 4)</u>	<u>RATE STF TRANSPORT CHARGE</u>	<u>TOTAL ESTIMATED DELIVERED PRICE</u>
November 2012	\$2.9750	3.50%	\$0.0526	\$3.1355
December 2012	\$3.2590	3.50%	\$0.0526	\$3.4298
January 2013	\$3.4120	3.50%	\$0.0526	\$3.5884

RATE STF
SYSTEM SUPPLY BACKHAUL PURCHASE PRICE PER MMBTU
UNDER TEXAS GAS'S SHORT-TERM FIRM
TRANSPORTATION SERVICE RATE

	<u>ESTIMATED PRICE AS DELIVERED TO TEXAS GAS</u>	<u>RETENTION (ZONE 1 TO 4)</u>	<u>RATE STF TRANSPORT CHARGE</u>	<u>TOTAL ESTIMATED DELIVERED PRICE</u>
November 2012	\$3.1270	0.00%	\$0.0378	\$3.1648
December 2012	\$3.4110	0.00%	\$0.0378	\$3.4488
January 2013	\$3.5640	0.00%	\$0.0378	\$3.6018

RATE FT-A
SYSTEM SUPPLY PURCHASE PRICE PER MMBTU
UNDER TENNESSEE GAS'S FIRM
TRANSPORTATION SERVICE RATE

	<u>ESTIMATED PRICE AS DELIVERED TO TENN. GAS</u>	<u>RETENTION (TO ZONE 2)</u>	<u>RATE FT-A TRANSPORT CHARGE</u>	<u>TOTAL ESTIMATED DELIVERED PRICE</u>
Zone 0				
November 2012	\$2.9610	2.11%	\$0.0403	\$3.0651
December 2012	\$3.2450	2.11%	\$0.0403	\$3.3552
January 2013	\$3.3980	2.11%	\$0.0403	\$3.5115

The annual demand billings covering the 12 months from November 1, 2012 through October 31, 2013, for the firm contracts with natural gas suppliers are currently expected to be \$2,679,473.

Rate FT and Rate PS-FT

The demand-related supply costs applicable to the Daily Utilization Charge under Rates FT and PS-FT applicable during the three-month period of November 1, 2012 through January 31, 2013 are set forth on Exhibit A, Page 2.

Any revenue collected from the application of these charges will flow directly into the Gas Supply Cost Actual Adjustment ("GCAA") in future Gas Supply Clause filings. Therefore, the revenue collected through application of these charges will reduce the total Gas Supply Cost Component ("GSCC") charged to LG&E's sales customers.

Texas Gas Transmission, LLC
FERC NGA Gas Tariff
Fourth Revised Volume No. 1
Effective On: October 1, 2011

Section 4.1
Currently Effective Rates - FT
Version 5.0.0

Currently Effective Maximum Daily Demand Rates (\$ per MMBtu)
For Service Under Rate Schedule FT

Currently Effective Rates [1]

SL-SL	0.0794
SL-1	0.1552
SL-2	0.2120
SL-3	0.2494
SL-4	0.3142
1-1	0.1252
1-2	0.1820
1-3	0.2194
1-4	0.2842
2-2	0.1332
2-3	0.1705
2-4	0.2334
3-3	0.1181
3-4	0.1810
4-4	0.1374

Minimum Rates: Demand \$-0-

Backhaul rates equal forward haul rates from Zone SL to zone of delivery; provided, however, that Intra-zone rates shall apply to intra-zone transportation, whether such intra-zone transportation is forward haul or backhaul.

[1] Currently Effective Rates are equal to the Base Tariff Rates.

Notes:

- The maximum reservation charge component of the maximum firm volumetric capacity release rate shall be the applicable maximum daily demand rate herein pursuant to Section 6.16 of the General Terms and Conditions.
- For receipts from Duke Field Services' Carthage Plant/Gulf South Pipeline Company, LP, Enbridge Pipelines, L.P./Gulf South Pipeline Company, LP, Energy Transfer Company/Gulf South Pipeline Company, LP, and Enterprise Texas Pipeline L.P./Gulf South Pipeline Company, LP interconnects in Panola County, Texas, Customer shall pay an Incremental Daily Demand charge of \$0.1288. These receipt points are available to those customers agreeing to pay the incremental rate(s) applicable to such points and are not available for pooling under Rate Schedule TAPS.

Texas Gas Transmission, LLC
FERC NGA Gas Tariff
Fourth Revised Volume No. 1
Effective On: October 1, 2011

Section 4.1
Currently Effective Rates - FT
Version 5.0.0

Currently Effective Maximum Commodity Rates (\$ per MMBtu)
For Service Under Rate Schedule FT

	Base Tariff Rates (1)	FERC ACA (2)	Currently Effective Rates (3)
SL-SL	0.0104	0.0018	0.0122
SL-1	0.0355	0.0018	0.0373
SL-2	0.0399	0.0018	0.0417
SL-3	0.0445	0.0018	0.0463
SL-4	0.0528	0.0018	0.0546
1-1	0.0337	0.0018	0.0355
1-2	0.0385	0.0018	0.0403
1-3	0.0422	0.0018	0.0440
1-4	0.0508	0.0018	0.0526
2-2	0.0323	0.0018	0.0341
2-3	0.0360	0.0018	0.0378
2-4	0.0446	0.0018	0.0464
3-3	0.0312	0.0018	0.0330
3-4	0.0398	0.0018	0.0416
4-4	0.0360	0.0018	0.0378

Minimum Rates: Commodity minimum base rates are presented in Section 4.12.

Backhaul rates equal forward haul rates from Zone SL to zone of delivery; provided, however, that Intra-zone rates shall apply to intra-zone transportation, whether such intra-zone transportation is forward haul or backhaul.

Notes:

- For receipts from Duke Field Services' Carthage Plant/Gulf South Pipeline Company, LP, Enbridge Pipelines, L.P./Gulf South Pipeline Company, LP, Energy Transfer Company/Gulf South Pipeline Company, LP, and Enterprise Texas Pipeline L.P./Gulf South Pipeline Company, LP interconnects in Panola County, Texas, Customer shall pay an incremental Commodity charge of \$0.0068. These receipt points are available to those customers agreeing to pay the incremental rate(s) applicable to such points and are not available for pooling under Rate Schedule TAPS.

Texas Gas Transmission, LLC
FERC NGA Gas Tariff
Fourth Revised Volume No. 1
Effective On: July 7, 2011

Section 4.2
Currently Effective Rates - STF
Version 4.0.0

Currently Effective Maximum Transportation Rates (\$ per MMBtu)
For Service under Rate Schedule STF

	<u>Peak (Winter)-Demand</u>	<u>Off-Peak (Summer)-Demand</u>
	<u>Currently Effective Rates [1]</u>	<u>Currently Effective Rates [1]</u>
SL-SL	0.1188	0.0516
SL-1	0.2322	0.1009
SL-2	0.3172	0.1378
SL-3	0.3731	0.1621
SL-4	0.4701	0.2042
1-1	0.1873	0.0814
1-2	0.2723	0.1183
1-3	0.3282	0.1426
1-4	0.4252	0.1847
2-2	0.1992	0.0866
2-3	0.2551	0.1108
2-4	0.3492	0.1517
3-3	0.1766	0.0768
3-4	0.2707	0.1177
4-4	0.2056	0.0893

Backhaul rates equal forward haul rates from Zone SL to zone of delivery; provided, however, that intra-zone rates shall apply to intra-zone transportation, whether such intra-zone transportation is forward haul or backhaul.

Notes:

- The STF commodity rate is the applicable FT commodity rate in Section 4.1. The STF overrun rate equals the daily demand rate plus applicable FT commodity rate. Minimum rate: Demand \$-0- The minimum commodity rate is presented in Section 4.12.
- For receipts from Duke Field Services' Carthage Plant/Gulf South Pipeline Company, LP, Enbridge Pipelines, L.P./Gulf South Pipeline Company, LP, Energy Transfer Company/Gulf South Pipeline Company, LP, and Enterprise Texas Pipeline L.P./Gulf South Pipeline Company, LP interconnects in Panola County, Texas, Customer shall pay an Incremental Daily Demand charge of \$0.1288. These receipt points are available to those customers agreeing to pay the incremental rate(s) applicable to such points and are not available for pooling under Rate Schedule TAPS.

Tennessee Gas Pipeline Company, L.L.C.
FERC NGA Gas Tariff
Sixth Revised Volume No. 1

Fifth Revised Sheet No. 14
Superseding
Fourth Revised Sheet No. 14

RATES PER DEKATHERM

FIRM TRANSPORTATION RATES
RATE SCHEDULE FOR FT-A

Base Reservation Rates		DELIVERY ZONE							
RECEIPT ZONE	0	L	1	2	3	4	5	6	
0	\$5.7504		\$12.1229	\$16.3405	\$16.6314	\$18.3503	\$19.4843	\$24.4547	
L		\$5.0941							
1	\$8.7060		\$8.3414	\$11.1329	\$15.8114	\$15.6260	\$17.6356	\$21.6916	
2	\$16.3406		\$11.0654	\$5.7084	\$5.3300	\$6.8689	\$9.4859	\$12.2575	
3	\$16.6314		\$8.7447	\$5.7553	\$4.1249	\$6.4085	\$11.6731	\$13.4872	
4	\$21.1425		\$19.4839	\$7.3648	\$11.2429	\$5.4700	\$5.9240	\$8.4896	
5	\$25.2282		\$17.6984	\$7.7303	\$9.3742	\$6.0880	\$5.7043	\$7.4396	
6	\$29.1846		\$20.3275	\$13.9551	\$15.3850	\$10.8692	\$5.6613	\$4.8846	

Daily Base Reservation Rate 1/		DELIVERY ZONE							
RECEIPT ZONE	0	L	1	2	3	4	5	6	
0	\$0.1891		\$0.3986	\$0.5372	\$0.5468	\$0.6033	\$0.6406	\$0.8040	
L		\$0.1675							
1	\$0.2862		\$0.2742	\$0.3660	\$0.5198	\$0.5137	\$0.5798	\$0.7131	
2	\$0.5372		\$0.3638	\$0.1877	\$0.1752	\$0.2258	\$0.3119	\$0.4030	
3	\$0.5468		\$0.2875	\$0.1892	\$0.1356	\$0.2107	\$0.3838	\$0.4434	
4	\$0.6951		\$0.6406	\$0.2421	\$0.3696	\$0.1798	\$0.1948	\$0.2791	
5	\$0.8294		\$0.5819	\$0.2541	\$0.3082	\$0.2002	\$0.1875	\$0.2446	
6	\$0.9595		\$0.6683	\$0.4588	\$0.5058	\$0.3573	\$0.1861	\$0.1606	

Maximum Reservation Rates 2/, 3/		DELIVERY ZONE							
RECEIPT ZONE	0	L	1	2	3	4	5	6	
0	\$5.7504		\$12.1229	\$16.3405	\$16.6314	\$18.3503	\$19.4843	\$24.4547	
L		\$5.0941							
1	\$8.7060		\$8.3414	\$11.1329	\$15.8114	\$15.6260	\$17.6356	\$21.6916	
2	\$16.3406		\$11.0654	\$5.7084	\$5.3300	\$6.8689	\$9.4859	\$12.2575	
3	\$16.6314		\$8.7447	\$5.7553	\$4.1249	\$6.4085	\$11.6731	\$13.4872	
4	\$21.1425		\$19.4839	\$7.3648	\$11.2429	\$5.4700	\$5.9240	\$8.4896	
5	\$25.2282		\$17.6984	\$7.7303	\$9.3742	\$6.0880	\$5.7043	\$7.4396	
6	\$29.1846		\$20.3275	\$13.9551	\$15.3850	\$10.8692	\$5.6613	\$4.8846	

Notes:

- 1/ Applicable to demand charge credits and secondary points under discounted rate agreements.
- 2/ Includes a per Dth charge for the PCB Surcharge Adjustment per Article XXXII of the General Terms and Conditions of \$0.0000.
- 3/ Includes a per Dth charge for the PS/GHG Surcharge Adjustment per Article XXXVIII of the General Terms and Conditions of \$0.0000.

Tennessee Gas Pipeline Company, L.L.C.
FERC NGA Gas Tariff
Sixth Revised Volume No. 1

Seventh Revised Sheet No. 15
Superseding
Sixth Revised Sheet No. 15

RATES PER DEKATHERM

COMMODITY RATES
RATE SCHEDULE FOR FT-A

Base Commodity Rates

RECEIPT ZONE	DELIVERY ZONE							
	0	L	1	2	3	4	5	6
0	\$0.0032		\$0.0115	\$0.0177	\$0.0219	\$0.2751	\$0.2625	\$0.3124
L		\$0.0012						
1	\$0.0042		\$0.0081	\$0.0147	\$0.0179	\$0.2339	\$0.2385	\$0.2723
2	\$0.0167		\$0.0087	\$0.0012	\$0.0028	\$0.0757	\$0.1214	\$0.1345
3	\$0.0207		\$0.0169	\$0.0026	\$0.0002	\$0.1012	\$0.1400	\$0.1528
4	\$0.0250		\$0.0205	\$0.0087	\$0.0105	\$0.0468	\$0.0662	\$0.1073
5	\$0.0284		\$0.0256	\$0.0100	\$0.0118	\$0.0659	\$0.0653	\$0.0811
6	\$0.0346		\$0.0300	\$0.0143	\$0.0163	\$0.1014	\$0.0549	\$0.0334

Minimum Commodity Rates 1/, 2/

RECEIPT ZONE	DELIVERY ZONE							
	0	L	1	2	3	4	5	6
0	\$0.0050		\$0.0133	\$0.0195	\$0.0237	\$0.0268	\$0.0302	\$0.0364
L		\$0.0030						
1	\$0.0060		\$0.0099	\$0.0165	\$0.0197	\$0.0228	\$0.0274	\$0.0318
2	\$0.0185		\$0.0105	\$0.0030	\$0.0046	\$0.0074	\$0.0118	\$0.0161
3	\$0.0225		\$0.0187	\$0.0044	\$0.0020	\$0.0099	\$0.0136	\$0.0181
4	\$0.0268		\$0.0223	\$0.0105	\$0.0123	\$0.0046	\$0.0064	\$0.0110
5	\$0.0302		\$0.0274	\$0.0118	\$0.0136	\$0.0064	\$0.0064	\$0.0084
6	\$0.0364		\$0.0318	\$0.0161	\$0.0181	\$0.0104	\$0.0059	\$0.0038

Maximum Commodity Rates 1/, 2/, 3/

RECEIPT ZONE	DELIVERY ZONE							
	0	L	1	2	3	4	5	6
0	\$0.0050		\$0.0133	\$0.0195	\$0.0237	\$0.2769	\$0.2643	\$0.3142
L		\$0.0030						
1	\$0.0060		\$0.0099	\$0.0165	\$0.0197	\$0.2357	\$0.2403	\$0.2741
2	\$0.0185		\$0.0105	\$0.0030	\$0.0046	\$0.0775	\$0.1232	\$0.1363
3	\$0.0225		\$0.0187	\$0.0044	\$0.0020	\$0.1030	\$0.1418	\$0.1546
4	\$0.0268		\$0.0223	\$0.0105	\$0.0123	\$0.0486	\$0.0680	\$0.1091
5	\$0.0302		\$0.0274	\$0.0118	\$0.0136	\$0.0677	\$0.0671	\$0.0829
6	\$0.0364		\$0.0318	\$0.0161	\$0.0181	\$0.1032	\$0.0567	\$0.0352

Notes:

- 1/ Includes a per Dth charge for (ACA) Annual Charge Adjustment of \$0.0018
- 2/ The applicable F&LR's and EPCR's, determined pursuant to Article XXXVII of the General Terms and Conditions, are listed on Sheet No. 32. For service that is rendered entirely by displacement and for gas scheduled and allocated for receipt at the Dracut, Massachusetts receipt point, Shipper shall render only the quantity of gas associated with Losses of 0.21%.
- 3/ Includes a per Dth charge for the PS/GHG Surcharge Adjustment per Article XXXVIII of the General Terms and Conditions of \$0.0000.

LOUISVILLE GAS AND ELECTRIC COMPANY**Gas Supply Clause: 2012-00XXX****Calculation of Gas Cost Actual Adjustment (GCAA)**

The purpose of this adjustment is to compensate for over- or under-recoveries which result from differences between various quarters' revenues collected to recover expected gas costs and the actual gas costs incurred during each such quarter. As shown on Page 1 of Exhibit B-1, the amount of under-recovery from Case Number 2012-00125 during the three-month period of May 1, 2012 through July 31, 2012, was \$18,460. The calculation of the Gas Cost Actual Adjustment (GCAA) set forth in Exhibit B-1 results in a charge of 0.006¢ per 100 cubic feet, which LG&E will place in effect with service rendered on and after November 1, 2012, and continue for 12 months. Also enclosed, on pages 5 and 6 of Exhibit B-1, is a breakdown of gas purchases for the three-month period from May through July 2012. [Please note that the names of the suppliers have been redacted from this page, in accordance with LG&E's petition for confidentiality filed this quarter.]

Also in this filing, LG&E will be eliminating the GCAA from Case Number 2011-00119, with service rendered through October 31, 2012, which will have been in effect for twelve months. Any over- or under-recovery of the amount originally established in this GCAA will be transferred to the Gas Cost Balance Adjustment (GCBA) which will be implemented in LG&E's next Gas Supply Clause filing with service rendered on and after the month of November 2012.

Therefore, the Gas Cost Actual Adjustment will be as follows:

Current Quarter Actual Adjustment:		
Effective November 1, 2012 from 2012-00523	0.006	cents/Ccf
Previous Quarter Actual Adjustment:		
Effective August 1, 2012 from 2012-00286	0.923	cents/Ccf
2nd Previous Quarter Actual Adjustment:		
Effective May 1, 2012 from 2012-00125	(0.975)	cents/Ccf
3rd Previous Quarter Actual Adjustment:		
Effective February 1, 2012 from 2011-00523	(0.658)	cents/Ccf
Total Gas Cost Actual Adjustment (GCAA)	(0.704)	cents/Ccf

LOUISVILLE GAS AND ELECTRIC COMPANY

Calculation of Gas Cost Actual Adjustment
Which Compensates for Over- or Under-
Recoveries of Gas Supply Costs

Start Date	End Date	Case Number	(1) (2) (3) Cost Recovery Under GSC Compared to Actual Gas Supply Costs			(4) (5) (6) (7) Derivation of Gas Cost Actual Adjustment (GCAA) Which Compensates for Over or Under Recoveries			
			Total Dollars of Gas Cost Recovered ¹	Gas Supply Cost Per Books ²	Over Or (Under) Recovery (1) - (2)	Expected Mcf Sales for 12- Month Period From Date Implemented	GCAA Per Mcf	GCAA Per 100 Cu. Ft.	Implemented With Service Rendered On
Feb-2007	Apr-2007	(Case No. 2007-00001)	96,196,128	109,420,254	(13,224,126)	33,829,123	\$0.3909	\$0.03909	8/1/2007
May-2007	Jul-2007	(Case No. 2007-00141)	25,771,197	22,055,021	3,716,176	32,562,833	(\$0.1141)	(\$0.01141)	11/1/2007
Aug-2007	Oct-2007	(Case No. 2007-00267)	27,831,017	22,940,375	4,890,642	32,561,210	(\$0.1502)	(\$0.01502)	2/1/2008
Nov-2007	Jan-2008	(Case No. 2007-00428)	131,149,323	138,564,724	(7,415,401)	32,334,823	\$0.2293	\$0.02293	5/1/2008
Feb-2008	Apr-2008	(Case No. 2007-00559)	103,258,883	119,589,310	(16,330,427)	32,320,126	\$0.5053	\$0.05053	8/1/2008
May-2008	Jul-2008	(Case No. 2008-00117)	33,383,585	42,952,739	(9,569,154)	31,639,729	\$0.3024	\$0.03024	11/1/2008
Aug-2008	Oct-2008	(Case No. 2008-00246)	50,053,758	28,898,124	21,155,634	31,498,657	(\$0.6716)	(\$0.06716)	2/1/2009
Nov-2008	Jan-2009	(Case No. 2008-00430)	160,934,391	149,043,803	11,890,588	31,428,998	(\$0.3783)	(\$0.03783)	5/1/2009
Feb-2009	Apr-2009	(Case No. 2008-00564)	95,581,282	87,981,656	7,599,626	31,397,214	(\$0.2420)	(\$0.02420)	8/1/2009
May-2009	Jul-2009	1 (Case No. 2009-00140)	15,921,233	11,144,190	4,777,043	31,406,285	(\$0.1521)	(\$0.01521)	11/1/2009
Aug-2009	Oct-2009	2 (Case No. 2009-00248)	18,715,652	14,915,016	3,800,636	31,751,457	(\$0.1197)	(\$0.01197)	2/1/2010
Nov-2009	Jan-2010	3 (Case No. 2009-00395)	97,434,409	98,877,723	(1,443,314)	31,630,904	\$0.0456	\$0.00456	5/1/2010
Feb-2010	Apr-2010	4 (Case No. 2009-00457)	69,543,463	67,237,660	2,305,803	31,614,470	(\$0.0729)	(\$0.00729)	8/1/2010
May-2010	Jul-2010	5 (Case No. 2010-00140)	14,187,592	13,637,314	550,278	31,886,918	(\$0.0173)	(\$0.00173)	11/1/2010
Aug-2010	Oct-2010	6 (Case No. 2010-00263)	18,348,910	13,370,152	4,978,758	31,985,477	(\$0.1557)	(\$0.01557)	2/1/2011
Nov-2010	Jan-2011	7 (Case No. 2010-00387)	93,708,777	94,120,400	(411,623)	31,929,816	\$0.0129	\$0.00129	5/1/2011
Feb-2011	Apr-2011	8 (Case No. 2010-00525)	58,344,142	60,076,947	(1,732,805)	31,915,052	\$0.0543	\$0.00543	8/1/2011
May-2011	Jul-2011	9 (Case No. 2011-00119)	16,571,886	16,280,721	291,165	31,673,062	(\$0.0092)	(\$0.00092)	11/1/2011
Aug-2011	Oct-2011	10 (Case No. 2011-00228)	19,148,513	17,069,244	2,079,269	31,617,677	(\$0.0658)	(\$0.00658)	2/1/2012
Nov-2011	Jan-2012	11 (Case No. 2011-00402)	65,125,536	62,055,305	3,070,230	31,482,775	(\$0.0975)	(\$0.00975)	5/1/2012
Feb-2012	Apr-2012	12 (Case No. 2011-00523)	37,124,046	40,028,735	(2,904,689)	31,461,514	\$0.0923	\$0.00923	8/1/2012
May-2012	Jul-2012	13 (Case No. 2012-00125)	9,109,083	9,129,169	(20,086)	32,859,996	\$0.0006	\$0.00006	11/1/2012

¹ See Page 2 of this Exhibit.

² See Page 4 of this Exhibit.

LOUISVILLE GAS AND ELECTRIC COMPANY
Calculation of Gas Costs Recovered
Under Company's Gas Supply Clause

		Monthly Mcf Sales	May 1, 2011 through July 31, 2011	August 1, 2011 through October 31, 2011	November 1, 2011 through January 31, 2012	February 1, 2012 through April 30, 2012	May 1, 2012 through July 31, 2012
1	FEB	5,965,533					
2	MAR	4,299,476					
3	APR	2,828,499					
4	MAY	1,553,116	700,392				
5	JUN	1,037,087	1,037,087				
6	JUL	771,444	771,444				
7	AUG	770,697	345,110	425,587			
8	SEP	798,228		798,228			
9	OCT	1,080,900		1,080,900			
10	NOV	2,056,028		1,015,706	1,040,323		
11	DEC	3,544,651			3,544,651		
12	2012 JAN	5,249,746			5,249,746		
13	FEB	4,984,372			2,640,364	2,344,008	
14	MAR	3,524,631				3,524,631	
15	APR	1,438,443				1,438,443	
16	MAY	1,168,380				648,366	520,014
17	JUNE	858,336					858,336
18	JULY	732,114					732,114
19	AUG	669,221					322,483
20	Applicable Mcf Sales During 3 Month Period		2,854,033	3,320,420	12,475,084	7,955,448	2,432,947
21	Gas Supply Clause Case No.		2011-00119	2011-00228	2011-00402	2011-00523	2012-00125
22	Gas Supply Cost Recovered Per Mcf Sold		5.7439	5.7032	5.2073	4.6572	3.6785
23	Dollars of Recovery Under GSC	\$	16,393,278	\$ 18,937,020	\$ 64,961,505	\$ 37,050,114	\$ 8,949,597
24	Total Dollars Recovered During 3-Month Period						
25	Mcf of Customer-Owned Gas Transported Under Rate TS		12,963	12,585	11,951	15,777	29,933
26	Total Mcf of Customer-Owned Gas Transported Under Rate TS During 3-Month Period						
27	Pipeline Suppliers' Demand Component Per Mcf		0.8753	0.8735	0.8202	0.8222	0.8257
28	Dollars of Recovery Under Rate TS During 3-Month Period (Line 25 x Line 27)	\$	11,347	\$ 10,993	\$ 9,802	\$ 12,972	\$ 24,716
29	Dollars of Recovery Under Rate FT (See Ex B-1, Page 3)	\$	167,261	\$ 200,499	\$ 154,228	\$ 60,960	\$ 134,770
30	Revenues from Off-system Sales	\$	-	\$ -	\$ -	\$ -	\$ -
31	Total \$'s of Gas Cost Recovered During 3-Month Period (Line 23 + Line 28 + Line 29 + Line 30)	\$	16,571,886	\$ 19,148,513	\$ 65,125,536	\$ 37,124,046	\$ 9,109,083

1. Monthly Mcf Sales include volumes for Natural Gas Vehicles (NGVs).

LOUISVILLE GAS AND ELECTRIC COMPANY
Summary of Gas Costs Recovered
Under Provisions of Rate FT

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Billing Month	Case Number	UCDI Demand Chrg / Mcf	Cash-Out Sales (Mcf)	Cash-Out Sales (\$)	MMBTU Adjust. (Mcf)	MMBTU Adjust. (\$)	UCDI Mcf	UCDI \$ [(3) x (8)]	OFO \$	Monthly \$'s Recovered [(5)+(7)+(9)+(10)]
2010 Nov	2010-00387	0.1848	32,322.8	\$146,250.76	-	\$ -	95,937.2	\$17,729.19	\$0.00	\$163,979.95
Dec	2010-00387	0.1848	7,184.5	\$36,533.18	-	\$ -	246,546.5	\$45,561.79	\$56,416.90	\$138,511.87
2011 Jan	2010-00387	0.1848	766.1	\$4,056.63	-	\$ -	169,885.6	\$31,394.86	\$756.29	\$36,207.78
									\$57,173.19	
									Total FT Revenues	\$338,699.60
2011 Feb	2010-00525	0.1847	1,996.9	\$10,320.78	-	\$ -	106,431.5	\$19,657.90	\$2,596.50	\$32,575.18
Mar	2010-00525	0.1847	12,438.6	\$57,279.74	-	\$ -	91,645.4	\$16,926.91	\$0.00	\$74,206.65
Apr	2010-00525	0.1847	5,924.5	\$27,231.62	-	\$ -	109,274.4	\$20,182.98	\$0.00	\$47,414.60
									\$2,596.50	
									Total FT Revenues	\$154,196.43
2011 May	2011-00119	0.1850	875.4	\$4,245.70	-	\$ -	92,563.7	\$17,124.28	\$0.00	\$21,369.98
Jun	2011-00119	0.1850	7,084.7	\$36,379.94	-	\$ -	61,428.6	\$11,364.28	\$0.00	\$47,744.22
Jul	2011-00119	0.1850	17,148.7	\$84,347.57	-	\$ -	74,589.0	\$13,798.97	\$0.00	\$98,146.54
									\$0.00	
									Total FT Revenues	\$167,260.74
2011 Aug	2011-00228	0.1846	5,121.2	\$23,353.91	-	\$ -	52,449.1	\$9,682.10	\$0.00	\$33,036.01
Sep	2011-00228	0.1846	10,008.4	\$42,551.13	-	\$ -	79,839.2	\$14,738.32	\$0.00	\$57,289.45
Oct	2011-00228	0.1846	22,100.0	\$85,924.96	-	\$ -	131,359.1	\$24,248.89	\$0.00	\$110,173.85
									\$0.00	
									Total FT Revenues	\$200,499.31
2011 Nov	2011-00402	0.1720	11,160.6	\$41,260.73	-	\$ -	99,379.8	\$17,093.33	\$0.00	\$58,354.06
Dec	2011-00402	0.1720	11,431.0	\$43,698.79	-	\$ -	121,592.1	\$20,913.84	\$0.00	\$64,612.63
2012 Jan	2011-00402	0.1720	2,506.6	\$8,307.52	-	\$ -	133,454.6	\$22,954.19	\$0.00	\$31,261.71
									\$0.00	
									Total FT Revenues	\$154,228.40
2012 Feb	2011-00523	0.1722	2,124.4	\$5,753.30	-	\$ -	53,626.8	\$9,234.53	\$0.00	\$14,987.83
Mar	2011-00523	0.1722	598.1	\$1,483.29	-	\$ -	72,359.3	\$12,460.27	\$0.00	\$13,943.56
Apr	2011-00523	0.1722	6,686.2	\$15,371.50	-	\$ -	96,728.5	\$16,656.65	\$0.00	\$32,028.15
									\$0.00	
									Total FT Revenues	\$60,959.54
2012 May	2012-00125	0.1722	15,439.8	\$41,541.50	-	\$ -	77,103.3	\$13,277.19	\$0.00	\$54,818.69
Jun	2012-00125	0.1722	9,911.1	\$29,337.18	-	\$ -	75,259.8	\$12,959.74	\$0.00	\$42,296.92
Jul	2012-00125	0.1722	7,232.3	\$23,210.69	-	\$ -	83,879.2	\$14,444.00	\$0.00	\$37,654.69
									\$0.00	
									Total FT Revenues	\$134,770.30

Note: Should a Customer served under Rate FT under-nominate its monthly gas supply needs, a Cash-Out Sale is made to the Customer. This sale, which is based upon the cash-out price established in Rate FT, is also flowed through the GCAA as revenue.

Note: Changes in billings of the Cash-out Provision caused by variations in the MMBTU content of the gas are corrected on the following month's bill. Should such change occur as a charge to the customer, such revenue is flowed through the GCAA.

Note: Effective February 6, 2009, Rate RBS was eliminated per PSC Order dated February 5, 2009, in Case No. 2008-00252.

LOUISVILLE GAS AND ELECTRIC COMPANY
Total Gas Supply Cost Per Books

	MCF							DOLLARS							Total Gas Supply Cost
	Mcf Purchases	Purchases for OSS	Less: Purchases for Depts. other Than Gas Dept.	Less: Purchases Injected Into Storage	Plus: Withdrawn From Storage	Plus Storage Losses	Mcf Sendout (Gas Dept)	Purchased Gas Costs	Purchased Gas Costs for OSS	Less: Purchases for Non-Gas Departments	Less: Purchases Injected Into Storage	Plus: Cost of Gas Withdrawn From Storage	Plus Storage Losses	Plus: Other Gas Purchase Expenses	
February	2,377,796	144,081	(2,134)	0	2,844,904	35,172	5,399,819	13,803,133	630,606	(10,516)	0	14,023,385	173,373	3,109	28,623,091
March	1,863,975	298,154	(2,492)	0	1,983,775	30,437	4,173,849	10,777,227	1,141,207	(12,285)	0	9,778,424	150,030	3,039	21,837,642
April	681,011	0	(1,336)	(10,253)	1,017,732	26,726	<u>1,713,880</u>	4,537,396	0	(6,585)	(71,256)	5,021,999	131,879	2,782	<u>9,616,214</u>
Total February 2011 thru April 2011							11,287,548								60,076,947
May	929,868	0	(725)	0	380,093	27,840	1,337,076	5,806,168	0	(3,575)	0	1,875,569	137,376	2,579	7,618,118
June	2,079,283	0	(528)	(1,253,597)	367	29,784	855,309	11,235,936	0	(3,130)	(6,780,957)	1,869	151,681	2,877	4,608,276
July	3,404,192	0	(740)	(2,669,456)	423	34,399	<u>768,818</u>	17,047,849	0	(3,703)	(13,368,369)	2,139	173,966	2,445	<u>3,854,327</u>
Total May 2011 thru July 2011							2,961,203								16,280,721
August	3,808,843	0	(72)	(3,006,615)	461	40,448	843,065	17,862,107	0	(406)	(13,028,865)	2,224	195,166	3,183	5,033,408
September	3,640,987	0	(74)	(2,782,756)	429	49,402	907,988	15,916,960	0	(356)	(12,057,960)	2,021	233,285	2,802	4,096,752
October	4,022,515	0	(131)	(2,224,981)	1,253	49,335	<u>1,847,991</u>	17,236,506	0	(1,261)	(9,534,044)	5,821	229,191	2,871	<u>7,939,084</u>
Total Aug 2011 thru Oct 2011							3,599,044								17,069,244
November	2,204,565	0	(709)	(108,435)	815,869	49,872	2,961,162	10,771,688	0	(4,211)	(529,824)	3,791,670	231,775	2,822	14,263,920
December	2,746,051	0	(1,252)	(6,025)	1,975,679	46,841	4,761,294	12,848,161	0	(5,820)	(28,190)	9,181,771	217,689	2,689	22,216,299
January	3,289,894	0	(2,256)	(34,846)	2,632,319	41,911	<u>5,927,022</u>	13,299,803	0	(10,482)	(140,868)	12,228,701	194,702	3,230	<u>25,575,086</u>
Total Nov 2011 thru Jan 2012							13,649,478								62,055,305
February	1,854,300	0	(2,217)	(17,366)	2,940,906	36,456	4,812,079	8,224,463	0	(10,302)	(77,023)	13,661,097	169,345	3,213	21,970,792
March	677,188	0	(1,711)	0	1,490,039	31,298	2,196,814	4,839,431	0	(7,397)	0	6,921,380	145,382	5,232	11,904,029
April	547,886	0	(523)	0	956,038	27,924	<u>1,531,325</u>	1,578,109	0	(2,427)	0	4,440,892	129,710	7,631	<u>6,153,914</u>
Total Nov 2011 thru Jan 2012							8,540,218								40,028,735
May	369,464	0	(3,916)	0	542,371	28,208	936,127	1,199,258	0	(13,152)	0	2,519,368	131,029	7,528	3,844,030
June	2,158,756	0	(7,178)	(1,411,096)	34,137	29,490	804,109	6,783,685	0	(22,579)	(4,434,228)	141,344	122,103	7,196	2,597,523
July	2,998,902	0	(1,597)	(2,246,379)	377	34,740	<u>786,043</u>	10,162,551	0	(5,309)	(7,612,529)	1,461	134,652	6,789	<u>2,687,616</u>
Total Feb 2012 thru Apr 2012							2,526,279								9,129,169

LOUISVILLE GAS AND ELECTRIC COMPANY
SUMMARY OF GAS PURCHASES AND COSTS BY SUPPLIER
FOR THE 3 MONTH PERIOD FROM MAY 2012 THROUGH JULY 2012

DELIVERED BY TEXAS GAS TRANSMISSION, LLC

COMMODITY AND VOLUMETRIC CHARGES:				MAY 2012			JUNE 2012			JULY 2012		
				NET MMBTU	MCF	\$	NET MMBTU	MCF	\$	NET MMBTU	MCF	\$
NATURAL GAS SUPPLIERS:												
1 .	A	380,134	370,862	\$778,734.61	372,660	363,571	\$911,625.00	385,082	375,690	\$1,075,002.50		
2 .	B	0	0	\$0.00	6,755	6,590	\$16,800.00	0	0	\$0.00		
3 .	C	0	0	\$0.00	0	0	\$0.00	0	0	\$0.00		
4 .	D	0	0	\$0.00	33,617	32,797	\$77,325.00	0	0	\$350.00		
5 .	E	0	0	\$0.00	12,496	12,191	\$27,950.00	0	0	\$0.00		
6 .	F	0	0	\$0.00	173,700	169,463	\$410,400.00	180,516	176,113	\$493,290.00		
7 .	G	883,797	862,241	\$1,831,579.20	541,678	528,466	\$1,330,947.96	887,353	865,710	\$2,475,176.60		
8 .	H	0	0	\$0.00	0	0	\$0.00	310,000	302,439	\$918,675.00		
9 .	I	0	0	\$0.00	70,000	68,293	\$160,200.00	0	0	\$0.00		
10 .	J	0	0	\$0.00	0	0	\$0.00	0	0	\$0.00		
11 .	K	0	0	\$0.00	0	0	\$0.00	80,220	78,263	\$219,240.00		
12 .	L	0	0	\$0.00	86,523	84,413	\$195,300.00	0	0	\$0.00		
13 .	M	0	0	\$0.00	9,551	9,318	\$21,300.00	0	0	\$0.00		
				1,263,931	1,233,103	\$2,610,313.81	1,306,980	1,275,102	\$3,151,847.96	1,843,171	1,798,215	\$5,181,734.10
NO-NOTICE SERVICE ("NNS") STORAGE:												
1 .	WITHDRAWALS	0	0	\$0.00	130,291	127,113	\$317,897.01	49,417	48,212	\$136,978.98		
2 .	INJECTIONS	(917,856)	(895,469)	(\$1,896,290.50)	(152,098)	(148,388)	(\$371,103.91)	(116,085)	(113,254)	(\$321,776.01)		
3 .	ADJUSTMENTS	0	(14,785)	\$0.00	0	(17,044)	\$0.00	0	(402)	\$0.00		
4 .	ADJUSTMENTS	(4,188)	(4,156)	(\$10,260.60)	0	0	\$0.00	0	0	\$0.00		
5 .	ADJUSTMENTS	0	0	(\$2,828.16)	0	0	\$0.00	0	0	\$0.00		
6 .	ADJUSTMENTS	0	0	(\$972,284.85)	0	0	(\$38,563.29)	0	0	(\$25,197.60)		
NET NNS STORAGE				(922,044)	(914,410)	(\$2,881,664.11)	(21,807)	(38,319)	(\$91,770.19)	(66,668)	(65,444)	(\$209,994.63)
NATURAL GAS TRANSPORTERS:												
1 .	TEXAS GAS TRANSMISSION, LLC			\$20,334.39			\$63,559.77			\$75,677.77		
2 .	ADJUSTMENTS	0	20,674	(\$0.01)	0	23,445	(\$0.09)	0	24,067	(\$0.14)		
3 .	ADJUSTMENTS	0	0	(\$264.67)	0	0	\$0.00	0	0	\$0.00		
TOTAL				341,887	339,367	\$20,069.71	1,285,173	1,260,228	\$63,559.68	1,776,503	1,756,838	\$75,677.63
TOTAL COMMODITY AND VOLUMETRIC CHARGES						(\$251,280.59)			\$3,123,637.45			\$5,047,417.10
DEMAND AND FIXED CHARGES:												
1 .	TEXAS GAS TRANSMISSION, LLC			\$942,883.60			\$912,468.00			\$942,883.60		
2 .	ADJUSTMENTS			\$0.00			\$0.00			\$0.00		
3 .	SUPPLY RESERVATION CHARGES			\$143,381.20			\$136,006.46			\$142,612.09		
4 .	ADJUSTMENTS			\$0.00			\$0.00			\$0.00		
5 .	CAPACITY RELEASE CREDITS			(\$24,800.00)			\$0.00			(\$8,060.00)		
6 .	ADJUSTMENTS			\$0.00			\$0.00			\$0.00		
TOTAL DEMAND AND FIXED CHARGES						\$1,061,464.80			\$1,048,474.46			\$1,077,435.69
TOTAL PURCHASED GAS COSTS – TEXAS GAS TRANSMISSION, LLC						\$810,184.21			\$4,172,111.91			\$6,124,852.79

LOUISVILLE GAS AND ELECTRIC COMPANY
SUMMARY OF GAS PURCHASES AND COSTS BY SUPPLIER
FOR THE 3 MONTH PERIOD FROM MAY 2012 THROUGH JULY 2012

DELIVERED BY TENNESSEE GAS PIPELINE COMPANY
COMMODITY AND VOLUMETRIC CHARGES:

	MAY 2012			JUNE 2012			JULY 2012		
	NET MMBTU	MCF	\$	NET MMBTU	MCF	\$	NET MMBTU	MCF	\$
<u>NATURAL GAS SUPPLIERS:</u>									
1 . N	0	0	\$0.00	450,000	436,893	\$1,091,840.43	0	0	\$0.00
2 . O	0	0	\$0.00	450,000	436,893	\$1,091,840.43	462,527	449,055	\$1,364,463.76
3 . P	0	0	\$0.00	0	0	\$0.00	310,000	300,971	\$852,703.98
4 . Q	0	0	\$0.00	0	0	\$0.00	465,000	451,456	\$1,371,485.24
5 . R	0	0	\$0.00	0	0	\$0.00	0	0	\$0.00
	0	0	\$0.00	900,000	873,786	\$2,183,680.86	1,237,527	1,201,482	\$3,588,652.98
<u>NATURAL GAS TRANSPORTERS:</u>									
1 . TENNESSEE GAS PIPELINE COMPANY			\$0.00			\$15,750.00			\$21,656.72
2 . TENNESSEE GAS PIPELINE COMPANY			\$0.00			\$18,720.00			\$25,740.56
3 . ADJUSTMENTS	2,731	6,331	\$5,643.19	0	0	\$0.00	1,207	15,935	\$2,989.67
4 . ADJUSTMENTS	0	0	\$0.00	0	0	\$0.00	0	0	\$0.00
5 . ADJUSTMENTS	0	0	\$0.00	0	0	\$0.00	0	0	\$0.00
TOTAL	2,731	6,331	\$5,643.19	0	0	\$0.00	0	0	\$0.00
TOTAL COMMODITY AND VOLUMETRIC CHARGES			\$5,643.19	900,000	873,786	\$34,470.00	1,238,734	1,217,417	\$50,386.95
						\$2,218,150.86			\$3,639,039.93
<u>DEMAND AND FIXED CHARGES:</u>									
1 . TENNESSEE GAS PIPELINE COMPANY			\$329,664.00			\$329,664.00			\$329,664.00
2 . TENNESSEE GAS PIPELINE COMPANY			\$0.00			\$0.00			\$0.00
3 . TRANSPORTATION BY OTHERS			\$0.00			\$0.00			\$0.00
4 . SUPPLY RESERVATION CHARGES			\$0.00			\$0.00			\$0.00
5 . CAPACITY RELEASE CREDITS			\$0.00			\$0.00			\$0.00
TOTAL DEMAND AND FIXED CHARGES			\$329,664.00			\$329,664.00			\$329,664.00
TOTAL PURCHASED GAS COSTS -- TENNESSEE GAS PIPELINE COMPANY			\$335,307.19			\$2,547,814.86			\$3,968,703.93
<u>OTHER PURCHASES</u>									
1 . CASH-OUT OF CUSTOMER OVER-DELIVERIES		23,766	\$53,766.92		24,742	\$63,758.70		24,647	\$68,994.70
TOTAL		23,766	\$53,766.92		24,742	\$63,758.70		24,647	\$68,994.70
TOTAL PURCHASED GAS COSTS -- ALL PIPELINES	344,618	369,464	\$1,199,258.32	2,185,173	2,158,756	\$8,783,685.47	3,015,237	2,998,902	\$10,162,551.42

LOUISVILLE GAS AND ELECTRIC COMPANY

Gas Supply Clause: 2012-00XXX

Calculation of Gas Cost Balance Adjustment (GCBA)

The purpose of this adjustment is to compensate for any over- or under-recoveries remaining from prior Gas Cost Actual Adjustments and Gas Cost Balance Adjustments. The under-recovery that must be collected under the Gas Cost Balance Adjustment (GCBA) during the period of November 1, 2012 through January 31, 2013, set forth on Page 1 of Exhibit C-1, is \$225,880. The GCBA factor required to return this under-recovery is a charge of .146¢ per 100 cubic feet. LG&E will place this charge into effect with service rendered on and after November 1, 2012 and continue for three months.

In this filing, LG&E will also be eliminating the GCBA from Case 2012-00286, which, with service rendered through October 2012, will have been in effect for three months. Any over- or under-recovery of the amount originally established will be transferred to the GCBA which will be implemented in LG&E's next Gas Supply Clause filing with service rendered on and after November 1, 2012.

LOUISVILLE GAS AND ELECTRIC COMPANY

Calculation of Quarterly Gas Cost Balance Adjustment
To Compensate for Over or (Under) Recoveries
From the Gas Cost Actual Adjustment (GCAA) and
Gas Cost Balance Adjustment (GCBA)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Implemented for Three-Month Period With Service Rendered On and After:	Remaining Over (Under) Recovery From GCAA ¹ (\$)	Amt. Transferred From Refund Factor & PBRRC (\$)	GCBA From Second Preceding 3 Mo. Period (\$)	Applicable Sales During 3 Mo. Period ² (mcf)	GCBA Factor From Second Preceding 3 Mo. Period (cents/mcf)	Recovery Under GCBA (\$)	Remaining Over (Under) Recovery (\$)	Deferred Amounts (\$)	Total Remaining Over (Under) Recovery (\$)	Expected Sales For 3 Mo. Period (mcf)	GCBA (cents/mcf)	GCBA (cents/ccf)
						(5) x (6)	(4) + (7)		(2 + 3 + 8 + 9)			
February 1, 2009 (Case No. 2008-00564)	(42,473)	(1,307,422) ⁵	(457,436)	3,162,873	12.42	392,829	(64,607)		(1,414,502)	11,250,108	12.57	1.257
May 1, 2009 (Case No. 2009-00140)	(277,968)		(255,483)	15,899,387	1.66	263,930	8,446		(269,522)	2,870,045	9.39	0.939
August 1, 2009 (Case No. 2009-00248)	34,233	142,782 ⁴	(1,414,502)	10,527,702	12.57	1,323,332	(91,170)		85,845	3,348,186	(2.56)	(0.256)
November 1, 2009 (Case No. 2009-00395)	(61,729)		(269,522)	2,606,156	9.39	244,718	(24,804)		(86,533)	15,002,877	0.58	0.058
February 1, 2010 (Case No. 2009-00457)	207,342		85,845	3,296,439	(2.56)	(84,389)	1,456		208,798	11,471,206	(1.82)	(0.182)
May 1, 2010 (Case No. 2010-00140)	(158,970)		(86,533)	15,306,756	0.58	88,779	2,246		(156,724)	2,789,591	5.62	0.562
August 1, 2010 (Case No. 2010-00263)	(349,419)	416,195 ⁶	208,798	11,145,941	(1.82)	(202,856)	5,942		72,719	3,277,139	(2.22)	(0.222)
November 1, 2010 (Case No. 2010-00387)	(210,223)		(156,724)	2,522,968	5.62	141,791	(14,933)		(225,156)	14,305,587	1.57	0.157
February 1, 2011 (Case No. 2010-00525)	(53,998)		72,719	2,786,602	(2.22)	(61,863)	10,856		(43,142)	12,001,853	0.36	0.036
May 1, 2011 (Case No. 2011-00119)	(190,462)	(10,056) ⁷	(225,156)	16,886,997	1.57	265,126	39,970		(160,548)	2,917,118	5.50	0.550
August 1, 2011 (Case No. 2011-00228)	42,651	85,738 ⁴	(43,142)	10,390,380	0.36	37,405	(5,737)		122,651	3,181,360	(3.86)	(0.386)
November 1, 2011 (Case No. 2011-00402)	(93,920)	(2,582) ⁷	(160,548)	2,854,033	5.50	156,972	(3,576)		(100,078)	14,890,364	0.67	0.067
February 1, 2012 (Case No. 2011-00523)	(28,439)	(3,698) ⁷	122,651	3,320,420	(3.86)	(128,168)	(5,517)		(37,654)	11,202,749	0.34	0.034
May 1, 2012 (Case No. 2012-00125)	457,243	5,577 ⁷	(100,078)	12,475,084	0.67	83,583	(16,495)		446,325	2,802,261	(15.93)	(1.593)
August 1, 2012 (Case No. 2012-00286)	(68,419)	(151,620) ^{4,7}	(37,654)	7,955,448	0.34	27,049	(10,605)		(230,643)	3,354,003	6.88	0.688
November 1, 2012 (Case No. 2012-00xxx)	(311,019)	26,383 ⁷	446,325	2,432,947	(15.93)	(387,569)	58,756		(225,880)	15,507,396 ³	1.46	0.146

1 See Exhibit C-1, page 2.

2 Corresponds with actual applicable sales shown on Exhibit B-1, page 2.

3 For The Three-Month Period From November 1, 2012 through January 31, 2013.

4 Reconciliation of the PBRCC from previous twelve months.

5 This amount represents an over-refund by LG&E from Case No. 2007-00141 due to an input error as explained in Exhibit B in Case No. 2007-00559. This adjustment corrects that error.

6 Of the total of \$416,195, \$(42,762) represents the reconciliation of the PBRCC from previous twelve months, and \$458,957 represents the total over-recovery related to misstated sales as corrected in this filing.

7 Of the total of \$416,195, \$(42,762) represents the reconciliation of the PBRCC from previous twelve months, and \$458,957 represents the total over-recovery related to misstated sales as corrected in this filing.

7 This amount represents the (Over)Under refund by LG&E from the Tennessee Gas Pipeline Company Refund from the previous twelve months.

LOUISVILLE GAS AND ELECTRIC COMPANY

		GCAA Case No. 2009-00457 August 1, 2010	GCAA Case No. 2010-00140 November 1, 2010	GCAA Case No. 2010-00263 February 1, 2011	GCAA Case No. 2010-00387 May 1, 2011	GCAA Case No. 2010-00525 August 1, 2011				
Amount of Over (Under) Recovery – See Exhibit B-1, Page 1		\$2,305,803	\$550,278	\$4,978,758	(\$411,623)	(\$1,732,805)				
	Total Monthly (1)	As Pro-Rated for Service Rendered During:			Amount Billed Under -7.29 cents per Mcf	Amount Billed Under -1.73 cents per Mcf	Amount Billed Under -15.57 cents per Mcf	Amount Billed Under 1.29 cents per Mcf	Amount Billed Under 5.43 cents per Mcf	
		Previous (2)	Current (3)	Following						
2011	January	7,499,514			(1)	(546,714.57) (1)	(129,741.59) (1)			
	February	5,965,533	3,555,852	2,409,681	(2)	(434,887.38) (1)	(103,203.73) (1)	(375,187.32) (3)		
	March	4,299,476				(313,431.82) (1)	(74,380.94) (1)	(669,428.46) (1)		
	April	2,828,499				(206,197.59) (1)	(48,933.04) (1)	(440,397.33) (1)		
	May	1,553,116	852,724	700,392		(113,222.12) (1)	(26,868.90) (1)	(241,820.08) (1)	9,035.05 (3)	
	June	1,037,087				(75,603.67) (1)	(17,941.61) (1)	(161,474.51) (1)	13,378.43 (1)	
	July	771,444				(56,238.26) (1)	(13,345.98) (1)	(120,113.82) (1)	9,951.63 (1)	
	August	770,697	345,110	425,587		(25,158.49) (2)	(13,333.05) (1)	(119,997.45) (1)	9,941.98 (1)	
	September	798,228				(13,809.34) (1)	(124,284.07) (1)	10,297.14 (1)	43,343.77 (1)	
	October	1,080,900				(18,699.57) (1)	(168,296.13) (1)	13,943.61 (1)	58,692.87 (1)	
	November	2,056,028	1,015,706	1,040,323		(17,571.71) (2)	(320,123.59) (1)	26,522.76 (1)	111,642.33 (1)	
	December	3,544,651					(551,902.15) (1)	45,726.00 (1)	192,474.54 (1)	
2012	January	5,249,746					(817,385.48) (1)	67,721.73 (1)	285,061.22 (1)	
	February	4,984,372	2,640,364	2,344,008			(411,104.71) (2)	64,298.40 (1)	270,651.42 (1)	
	March	3,524,631						45,467.74 (1)	191,387.46 (1)	
	April	1,438,443						18,555.92 (1)	78,107.47 (1)	
	May	1,168,380	648,366	520,014				8,363.92 (2)	63,443.04 (1)	
	June	858,336							46,607.62 (1)	
	July	732,114							39,753.81 (1)	
	August	669,221	322,483	346,738					17,510.83 (2)	
Total Amount Billed Under GCAA						(2,399.723)	(578,717)	(4,521,515)	343,204	1,421,786
Remaining Amount of Over (Under) Recovery						<u>(93,920)</u>	<u>(28,439)</u>	<u>457,243</u>	<u>(68,419)</u>	<u>(311,019)</u>

(1) GCAA Times Sales Shown in Column 1.
(2) GCAA Times Sales Shown in Column 2.
(3) GCAA Times Sales Shown in Column 3.

LOUISVILLE GAS AND ELECTRIC COMPANY

Gas Supply Clause: 2012-00XXX

Refund Factors (RF) continuing for twelve months from the effective date of each or until LG&E has discharged its refund obligations thereunder.

The purpose of this adjustment is to pass through refunds received by Louisville Gas and Electric Company (“LG&E”) associated with Tennessee Gas Pipeline Company (“Tennessee”).

The Federal Energy Regulatory Commission (“FERC”) approved the settlement filed by Tennessee in Docket Nos. RP91-203 and RP92-132 regarding refunds related to amounts collected by Tennessee to cover certain of its PCB remediation costs. Such amounts have been over-collected by Tennessee and are now being refunded to its customers in installments through April 2012. The refunds approved became effective December 3, 2009, covering the period from November 1, 1996 (when LG&E first began taking firm service from Tennessee under Rate Schedule FT-A) through June 30, 2000 (when the surcharge was reduced by Tennessee to zero with FERC approval).

As shown on Exhibit D-1, the Company received no refunds this quarter and does not expect any more from this particular FERC case.

Since the amounts were charged to and allocated from LG&E’s demand customers on a demand basis, the refunds must now also be credited on a demand basis. Therefore, the Refund Factor will be as follows:

Current Quarter Refund Factor:	
Effective November 1, 2012	(0.000) cents/Ccf
1st Previous Quarter Refund Factor:	
Effective August 1, 2012	(0.044) cents/Ccf
2nd Previous Quarter Refund Factor:	
Effective May 1, 2012	(0.044) cents/Ccf
3rd Previous Quarter Refund Factor:	
Effective February 1, 2012	(0.041) cents/Ccf
Total Refund Factor (RF)	(0.129) cents/Ccf

LOUISVILLE GAS AND ELECTRIC COMPANY

Gas Supply Clause 2012-000XX

Calculation of Refund Factor

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Start Date	End Date	Case Number	<u>Total Cash Refund Related to Demand</u>	<u>Plus Interest on Refundable Amount</u>	<u>Expected Refund Obligation Including Interest</u>	<u>Expected Mcf Sales for the 12- month Period</u>	<u>Refund Factor per Mcf (\$/Mcf)</u>	<u>Refund Factor per Ccf (cents/Ccf)</u>
					(4) + (5)		(6) / (7)	
Feb-2012	Jan-2013	(Case No. 2011-00523)	\$ 139,275.70	\$ -	\$ 139,275.70	34,000,081	\$ 0.0041	0.041 ¢
May-2012	Apr-2013	(Case No. 2012-00125)	\$ 139,275.70	\$ -	\$ 139,275.70	31,579,302	\$ 0.0044	0.044 ¢
Aug-2012	Jul-2013	(Case No. 2012-00286)	\$ 139,275.70	\$ -	\$ 139,275.70	31,558,041	\$ 0.0044	0.044 ¢
Nov-2012	Oct-2013	(Case No. 2012-00xxx)	\$ -	\$ -	\$ -	32,911,082	\$ -	- ¢

LOUISVILLE GAS AND ELECTRIC

Gas Supply Clause: 2012-00xxx

Calculation of Performance Based Rate Recovery Component (PBRRC)

The purpose of the PBRRC is to collect Louisville Gas and Electric Company's portion of the savings created under the gas supply cost PBR. In accordance with the Orders of the Commission in Case No. 2001-00017 dated October 26, 2001, and Case No. 2005-00031 dated May 27, 2005, LG&E is making this filing, the PBRRC established in Case No. 2008-00564, became applicable to gas service rendered on and after February 1, 2010 and remained in effect until January 31, 2011, after which time a new adjustment level was implemented. Therefore, as shown in the following table, the PBRRC amount which became effective with gas service rendered on and after February 1, 2012, and will remain in effect until January 31, 2013, is \$0.00351 and \$0.00715 per 100 cubic feet for sales and standby transportation volumes, respectively:

	<u>Sales Volumes</u>	<u>Transportation Volumes</u>
Commodity-Related Portion	\$0.00351/Ccf	\$0.00000/Ccf
Demand-Related Portion	\$0.00715/Ccf	\$0.00715/Ccf
Total PBRRC	\$0.01066/Ccf	\$0.00715/Ccf

Please note that Louisville Gas and Electric Company's tariff sales volumes receive both the commodity-related and demand-related portion of the PBRRC. Transportation volumes under Rate TS receive only the demand-related portion of the PBRRC.

LOUISVILLE GAS AND ELECTRIC COMPANY

Gas Supply Clause 2012-000XX
Calculation of Performance Based Rate Recovery Component (PBRRC)
Effective February 1, 2012

	<u>CSPBR Related to Commodity</u>	<u>CSPBR Related to Demand</u>
Shareholder Portion of PBR	\$1,108,429	\$2,267,841
Expected Mcf Sales for the 12 month period beginning February 1, 2012	31,617,677	31,714,204
PBRRC factor per Mcf	\$0.0351	\$0.0715
PBRRC factor per Ccf	\$0.00351	\$0.00715

LOUISVILLE GAS AND ELECTRIC COMPANY

Gas Supply Clause 2012-000XX
Shareholder Portion of PBR Savings
PBR Year 15

Split between Demand (Fixed) and Commodity (Volumetric) Components
As Determined in LG&E's Fourth Quarterly PBR Filing

	<u>Commodity</u>	<u>Demand</u>	<u>Total</u>
Company Share of PBR Savings or (Expenses) (CSPBR)	\$1,108,429	\$2,267,841	\$3,376,270

LOUISVILLE GAS AND ELECTRIC COMPANY
**GAS SERVICE RATES EFFECTIVE WITH SERVICE
 RENDERED FROM**
November 1, 2012 through January 31, 2013

	<u>RATE PER 100 CUBIC FEET</u>				<u>TOTAL</u>
	<u>BASIC SERVICE CHARGE (PER MONTH)</u>	<u>DISTRIBUTION COST COMPONENT</u>	<u>GAS SUPPLY COST COMPONENT (GSCC)</u>	<u>DSM COST RECOVERY COMPONENT</u>	
RATE RGS - RESIDENTIAL					
BASIC SERVICE CHARGE	\$12 50				
ALL CCF		\$0.22396	\$0 42501	0.01709	\$0.66606
RATE CGS - COMMERCIAL (meter capacity < 5000 CF/HR)					
BASIC SERVICE CHARGE	\$30.00				
APRIL THRU OCTOBER					
FIRST 1000 CCF/MONTH		\$0.18722	\$0 42501	0.00137	\$0.61360
OVER 1000 CCF/MONTH		\$0.13722	\$0 42501	0.00137	\$0.56360
NOVEMBER THRU MARCH					
ALL CCF		\$0.18722	\$0 42501	0.00137	\$0.61360
RATE CGS - COMMERCIAL (meter capacity >= 5000 CF/HR)					
BASIC SERVICE CHARGE	\$170.00				
APRIL THRU OCTOBER					
FIRST 1000 CCF/MONTH		\$0.18722	\$0 42501	0.00137	\$0.61360
OVER 1000 CCF/MONTH		\$0.13722	\$0 42501	0.00137	\$0.56360
NOVEMBER THRU MARCH					
ALL CCF		\$0.18722	\$0 42501	0.00137	\$0.61360
RATE IGS - INDUSTRIAL (meter capacity < 5000 CF/HR)					
BASIC SERVICE CHARGE	\$30.00				
APRIL THRU OCTOBER					
FIRST 1000 CCF/MONTH		\$0.19022	\$0 42501	0.00000	\$0.61523
OVER 1000 CCF/MONTH		\$0.14022	\$0 42501	0.00000	\$0.56523
NOVEMBER THRU MARCH					
ALL CCF		\$0.19022	\$0 42501	0.00000	\$0.61523
RATE IGS - INDUSTRIAL (meter capacity >= 5000 CF/HR)					
BASIC SERVICE CHARGE	\$170.00				
APRIL THRU OCTOBER					
FIRST 1000 CCF/MONTH		\$0.19022	\$0 42501	0.00000	\$0.61523
OVER 1000 CCF/MONTH		\$0.14022	\$0 42501	0.00000	\$0.56523
NOVEMBER THRU MARCH					
ALL CCF		\$0.19022	\$0 42501	0.00000	\$0.61523
Rate AAGS	\$275.00	\$0.05252	\$0 42501	0.00137	\$0.47890
	<u>BASIC SERVICE CHARGE (PER MONTH)</u>	<u>DISTRIBUTION COST COMPONENT</u>	<u>GAS SUPPLY COST COMPONENT (GSCC)</u>	<u>DEMAND CHARGE COMPONENT</u>	<u>TOTAL</u>
RATE DGGS - COMMERCIAL & INDUSTRIAL (meter capacity < 5000 CF/HR)					
BASIC SERVICE CHARGE	\$30.00				
ALL CCF		\$0.02744	\$0 42501	\$ 1.01100	\$1.46345
RATE DGGS - COMMERCIAL & INDUSTRIAL (meter capacity >= 5000 CF/HR)					
BASIC SERVICE CHARGE	\$170.00				
ALL CCF		\$0.02744	\$0 42501	\$ 1.01100	\$1.46345

EFFECTIVE RATES FOR RATE TS TRANSPORTATION SERVICE

**GAS SERVICE RATES EFFECTIVE WITH SERVICE
RENDERED FROM
November 1, 2012 through January 31, 2013**

	<u>RATE PER MCF</u>				
	<u>ADMIN. CHARGE (PER MONTH)</u>	<u>LG&E DIST CHARGE</u>	<u>PIPELINE SUPPLIER'S DEMAND COMPONENT</u>	<u>DSM COST RECOVERY COMPONENT</u>	<u>TOTAL</u>
RATE TS					
RATE CGS - COMMERCIAL	\$153.00				
APRIL THRU OCTOBER					
FIRST 100 MCF/MONTH		\$1.8722	\$0.7512	0.1370	\$2.7604
OVER 100 MCF/MONTH		\$1.3722	\$0.7512	0.1370	\$2.2604
NOVEMBER THRU MARCH					
ALL MCF		\$1.8722	\$0.7512	0.1370	\$2.7604
RATE IGS - INDUSTRIAL	\$153.00				
APRIL THRU OCTOBER					
FIRST 100 MCF/MONTH		\$1.9022	\$0.7512	0.0000	\$2.6534
OVER 100 MCF/MONTH		\$1.4022	\$0.7512	0.0000	\$2.1534
NOVEMBER THRU MARCH					
ALL MCF		\$1.9022	\$0.7512	0.0000	\$2.6534
Rate AAGS	\$153.00	\$0.5252	\$0.7512	0.1370	\$1.4134

L G & E

Charges for Gas Transportation Services Provided Under Rate FT

November 1, 2012 through January 31, 2013

Transportation Service:

Monthly Transportation Administrative Charge	\$230.00
Distribution Charge / Mcf Delivered	\$0.4300

Ancillary Services:

Daily Demand Charge	\$0.1501
Daily Storage Charge	<u>\$0.1833</u>
Utilization Charge per Mcf for Daily Balancing	\$0.3334

Cash-Out Provision for Monthly Imbalances	Percentage to be Multiplied by Cash-Out Price *
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Cash-Out Provision for Monthly Imbalances:

Where Usage is Greater than Transported Volume - Billing:

First 5% or less	100%
next 5%	110%
next 5%	120%
next 5%	130%
> than 20%	140%

Where Transported Volume is Greater than Usage - Purchase:

First 5% or less	100%
next 5%	90%
next 5%	80%
next 5%	70%
> than 20%	60%

* The Cash-Out Price for customer over-deliveries is the lowest mid-point price posted in "Gas Daily" for Dominion - South Point during the month; the Cash-Out Price for customer under-deliveries is the highest mid-point price posted in "Gas Daily" for Dominion - South Point during the month.