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PUBLIC SERVICE
COMMISSION

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

**Louisville Gas and
Electric Company**
State Regulation and Rates
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Louisville, Kentucky 40232
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July 1, 2014

Re: **Louisville Gas and Electric Company -
Gas Supply Clause Effective August 1, 2014**

Dear Mr. DeRouen:

2014-00217

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 Seventh Revision of Original Sheet No. 85 of LG&E Tariff PSC Gas No. 9 setting forth a Gas Supply Cost Component of 62.313 cents per 100 cubic feet applicable to all gas sold during the period of August 1, 2014 through October 31, 2014. 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 August 1, 2014 through October 31, 2014.

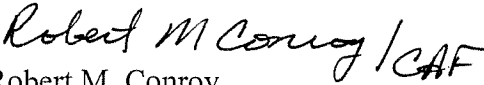
Furthermore, we are filing a petition to seek confidentiality with respect to the names of natural gas suppliers otherwise shown on Exhibit B-1, Pages 5 of 6 and 6 of 6.

This filing represents expected gas costs for the three-month period August 1, 2014 through October 31, 2014. The Gas Cost Actual Adjustment (GCAA) and the Gas Cost Balance Adjustment (GCBA) levels are changed from the levels that were implemented on May 1, 2014. These adjustment levels will remain in effect from August 1, 2014 through October 31, 2014.

Jeff DeRouen, Executive Director
Public Service Commission of Kentucky
July 1, 2014

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,


Robert M. Conroy

Enclosures



Adjustment Clause

GSC
Gas Supply Clause

APPLICABLE TO
All gas sold.

GAS SUPPLY COST COMPONENT (GSCC)

Gas Supply Cost	\$0.57884
Gas Cost Actual Adjustment (GCAA)	0.05788
Gas Cost Balance Adjustment (GCBA)	(0.01862)

Refund Factors (RF) continuing for twelve months from the effective date of each or until Company has discharged its refund obligation thereunder:

NONE

Performance-Based Rate Recovery Component (PBRR)	<u>0.00503</u>
Total Gas Supply Cost Component Per 100 Cubic Feet (GSCC)	\$0.62313

Date of Issue: July 1, 2014

Date Effective: August 1, 2014

Issued By: /s/ Edwin R. Staton, Vice President
State Regulation and Rates
Louisville, Kentucky

Issued by Authority of an Order of the
Public Service Commission in Case No.
dated

LOUISVILLE GAS AND ELECTRIC COMPANY

Supporting Calculations For The

Gas Supply Clause

2014-00xxx

For the Period

August 1, 2014 through October 31, 2014

LOUISVILLE GAS AND ELECTRIC COMPANY

Derivation of Gas Supply Component Applicable to
Service Rendered On and After August 1, 2014

2014-00xxx

Gas Supply Cost - See Exhibit A for Detail				
Line No.	Description		Unit	Amount
1	Total Expected Gas Supply Cost		\$	18,937,556
2	Total Expected Customer Deliveries: August 1, 2014 through October 31, 2014		Mcf	3,271,621
3	Gas Supply Cost Per Mcf		\$/Mcf	5.7884
4	Gas Supply Cost Per 100 Cubic Feet		¢/Ccf	57.884
Gas Cost Actual Adjustment (GCAA) - See Exhibit B for Detail				
	Description		Unit	Amount
5	Current Quarter Actual Adjustment	Eff. August 1, 2014 2013-00486	¢/Ccf	3.672
6	Previous Quarter Actual Adjustment	Eff. May 1, 2014 2013-00361	¢/Ccf	2.942
7	2nd Previous Qrt. Actual Adjustment	Eff. February 1, 2014 2013-00253	¢/Ccf	(0.688)
8	3rd Previous Qrt. Actual Adjustment	Eff. November 1, 2013 2013-00126	¢/Ccf	(0.138)
9	Total Gas Cost Actual Adjustment (GCAA)		¢/Ccf	5.788
Gas Cost Balance Adjustment (GCBA) - See Exhibit C for Detail				
	Description		Unit	Amount
10	Balance Adjustment Amount		\$	(609,022)
11	Total Expected Customer Deliveries: August 1, 2014 through October 31, 2014		Mcf	3,271,621
12	Gas Cost Balance Adjustment (GCBA) Per Mcf		\$/Mcf	(0.1862)
13	Gas Cost Balance Adjustment (GCBA) Per 100 Cubic Feet		¢/Ccf	(1.862)
Refund Factors (RF) - See Exhibit D for Detail				
	Description		Unit	Amount
14	Refund Factor Effective:			
15	Current Quarter Refund Factor	Eff. August 1, 2014	¢/Ccf	0.000
16	1st Previous Quarter Refund Factor	Eff. May 1, 2014	¢/Ccf	0.000
17	2nd Previous Quarter Refund Factor	Eff. February 1, 2014	¢/Ccf	0.000
18	3rd Previous Quarter Refund Factor	Eff. November 1, 2013	¢/Ccf	0.000
19	Total Refund Factors Per 100 Cubic Feet		¢/Ccf	0.000
Performance-Based Rate Recovery Component (PBRRC) - See Exhibit E for Detail				
	Description		Unit	Amount
20	Performance-Based Rate Recovery Component (PBRRC)		¢/Ccf	0.503
21	Total of PBRRC Factors Per 100 Cubic Feet		¢/Ccf	0.503
Gas Supply Cost Component (GSCC) Effective August 1, 2014				
	Description		Unit	Amount
22	Gas Supply Cost		¢/Ccf	57.884
23	Gas Cost Actual Adjustment (GCAA)		¢/Ccf	5.788
24	Gas Cost Balance Adjustment (GCBA)		¢/Ccf	(1.862)
25	Refund Factors (RF)		¢/Ccf	0.000
26	Performance-Based Rate Recovery Component (PBRRC)		¢/Ccf	0.503
27	Total Gas Supply Cost Component (GSCC)		¢/Ccf	62.313

LOUISVILLE GAS AND ELECTRIC COMPANY
Calculation of Gas Supply Costs
For the Three-Month Period From August 1, 2014 thru October 31, 2014

Line No.	MMBtu	Aug-2014	Sep-2014	Oct-2014	Total
1	Expected Gas Supply Transported Under Texas' No-Notice Service (Forward Haul)	1,479,896	1,472,282	1,668,594	4,620,772
2	Expected Gas Supply Transported Under Texas' No-Notice Service (Back Haul)	0	0	0	0
3	Expected Gas Supply Transported Under Texas' Rate FT (Forward Haul)	310,000	300,000	310,000	920,000
4	Expected Gas Supply Transported Under Texas' Rate FT (Back Haul)	310,000	300,000	310,000	920,000
5	Expected Gas Supply Transported Under Texas' Rate STF (Forward Haul)	558,000	540,000	558,000	1,656,000
6	Expected Gas Supply Transported Under Texas' Rate STF (Back Haul)	558,000	540,000	558,000	1,656,000
7	Expected Gas Supply Transported Under Tenn.'s Rate FT-A (Zone 0)	620,000	600,000	620,000	1,840,000
8	Total MMBtu Purchased	3,835,896	3,752,282	4,024,594	11,612,772
9	Plus: Withdrawals from Texas Gas' NNS Storage Service	0	0	0	0
10	Less: Injections into Texas Gas' NNS Storage Service	0	0	66,010	66,010
11	Expected Monthly Deliveries from TGT/TGPL to LG&E (excluding transportation volumes under LG&E Rider TS/TS-2)	3,835,896	3,752,282	3,958,584	11,546,762
Mcf					
12	Total Purchases in Mcf	3,742,338	3,660,763	3,926,433	
13	Plus: Withdrawals from Texas Gas' NNS Storage Service	0	0	0	
14	Less: Injections Texas Gas' NNS Storage Service	0	0	64,400	
15	Expected Monthly Deliveries from TGT/TGPL to LG&E (excluding transportation volumes under LG&E Rate TS/TS-2)	3,742,338	3,660,763	3,862,033	
16	Plus: Customer Transportation Volumes under Rider TS/TS-2	5,324	9,589	10,059	
17	Total Expected Monthly Deliveries from TGT/TGPL to LG&E (Line 15 + Line 16)	3,747,662	3,670,352	3,872,092	
18	Less: Purchases for Depts. Other Than Gas Dept.	1,066	48	208	
19	Less: Purchases Injected into LG&E's Underground Storage	2,935,869	2,780,230	2,239,111	
20	Mcf Purchases Expensed during Month (Line 15 - Line 18 - Line 19)	805,403	880,485	1,622,714	3,308,602
21	LG&E's Storage Inventory - Beginning of Month	6,470,001	9,365,001	12,100,001	
22	Plus: Storage Injections into LG&E's Underground Storage (Line 19)	2,935,869	2,780,230	2,239,111	
23	LG&E's Storage Inventory - Including Injections	9,405,870	12,145,231	14,339,112	
24	Less: Storage Withdrawals from LG&E's Underground Storage	0	0	0	0
25	Less: Storage Losses	40,869	45,230	49,111	135,210
26	LG&E's Storage Inventory - End of Month	9,365,001	12,100,001	14,290,001	
27	Mcf of Gas Supply Expensed during Month (Line 20 + Line 24 + Line 25)	846,272	925,715	1,671,825	3,443,812
Cost					
28	Total Demand Cost - Including Transportation (Line 17 x Line 52)	\$2,859,091	\$2,800,112	\$2,954,019	
29	Less: Demand Cost Recovered thru Rate TS (Line 16 x Line 52)	4,062	7,315	7,674	
30	Demand Cost - Net of Demand Costs Recovered thru LG&E Rider TS/TS-2	\$2,855,029	\$2,792,797	\$2,946,345	
31	Commodity Costs - Gas Supply Under NNS (Forward Haul) (Line 1 x Line 53)	6,951,220	6,888,219	7,801,511	
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)	1,439,144	1,387,200	1,432,479	
34	Commodity Costs - Gas Supply Under Rate FT (Backward Haul) (Line 4 x Line 56)	1,423,675	1,372,350	1,417,165	
35	Commodity Costs - Gas Supply Under Rate STF (Forward Haul) (Line 5 x Line 57)	2,590,459	2,496,960	2,578,462	
36	Commodity Costs - Gas Supply Under Rate STF (Backward Haul) (Line 6 x Line 58)	2,581,420	2,488,428	2,569,702	
37	Commodity Costs - Gas Supply Under Rate FT-A Zone 0 (Line 7 x Line 59)	2,856,650	2,753,400	2,843,320	
38	Total Purchased Gas Cost	\$20,697,597	\$20,179,354	\$21,588,984	\$62,465,935
39	Plus: Withdrawals from NNS Storage (Line 9 x Line 53)	0	0	0	0
40	Less: Purchases Injected into NNS Storage (Line 10 x Line 53)	0	0	308,630	308,630
41	Total Cost of Gas Delivered to LG&E	\$20,697,597	\$20,179,354	\$21,280,354	\$62,157,305
42	Less: Purchases for Depts. Other Than Gas Dept. (Line 18 x Line 60)	5,896	265	1,146	7,307
43	Less: Purchases Injected into LG&E's Storage (Line 19 x Line 60)	16,237,411	15,325,462	12,337,726	43,900,599
44	Pipeline Deliveries Expensed During Month	\$4,454,290	\$4,853,627	\$8,941,482	\$18,249,399
45	LG&E's Storage Inventory - Beginning of Month	\$30,619,927	\$46,653,741	\$61,748,385	
46	Plus: LG&E Storage Injections (Line 43 above)	16,237,411	15,325,462	12,337,726	
47	LG&E's Storage Inventory - Including Injections	\$46,857,338	\$61,979,203	\$74,086,111	
48	Less: LG&E Storage Withdrawals (Line 24 x Line 61)	0	0	0	50
49	Less: LG&E Storage Losses (Line 25 x Line 61)	203,597	230,818	253,742	688,157
50	LG&E's Storage Inventory - End of Month	\$46,653,741	\$61,748,385	\$73,832,369	
51	Gas Supply Expenses (Line 44 + Line 48 + Line 49)	\$4,657,887	\$5,084,445	\$9,195,224	\$18,937,556
Unit Cost					
52	12-Month Average Demand Cost - per Mcf (see Page 2)	\$0.7629	\$0.7629	\$0.7629	
53	Commodity Cost (per MMBtu) under Texas Gas's No-Notice Service (Forward Haul)	\$4.6971	\$4.6786	\$4.6755	
54	Commodity Cost (per MMBtu) under Texas Gas's No-Notice Service (Back Haul)	\$4.7867	\$4.7682	\$4.7651	
55	Commodity Cost (per MMBtu) under Texas Gas's Rate FT (Forward Haul)	\$4.6424	\$4.6240	\$4.6209	
56	Commodity Cost (per MMBtu) under Texas Gas's Rate FT (Back Haul)	\$4.5925	\$4.5745	\$4.5715	
57	Commodity Cost (per MMBtu) under Texas Gas's Rate STF (Forward Haul)	\$4.6424	\$4.6240	\$4.6209	
58	Commodity Cost (per MMBtu) under Texas Gas's Rate STF (Back Haul)	\$4.6262	\$4.6082	\$4.6052	
59	Commodity Cost (per MMBtu) under Tenn. Gas's Rate FT-A (Zone 0)	\$4.6075	\$4.5890	\$4.5860	
60	Average Cost of Deliveries (Line 41 / Line 15)	\$5.5307	\$5.5123	\$5.5101	
61	Average Cost of Inventory - Including Injections (Line 47 / Line 23)	\$4.9817	\$5.1032	\$5.1667	
Gns Supply Cost					
62	Total Expected Mcf Deliveries (Sales) to Customers August 1, 2014 through October 31, 2014				3,271,621 Mcf
63	Current Gas Supply Cost (Line 51 / Line 62)				\$5,7884 / Mcf

LOUISVILLE GAS AND ELECTRIC COMPANY
Calculation Of Various Demand Charges Applicable
For the Three-Month Period From August 1, 2014 thru October 31, 2014

Annual Demand Costs

Line No.	Pipeline and Rate	Monthly Demand Charge	MMBtu	No. of Months	Annual Demand Costs
1	Texas Gas No-Notice Service (Rate NNS)	\$12.7104	119,913	12	\$18,289,706
2	Texas Gas Firm Transportation (Rate FT)	\$5.4329	10,000	12	651,948
3	Texas Gas Firm Transportation (Rate STF)	\$5.6465	10,500	12	711,459
4	Tenn. Gas Firm Transportation (Rate FT-A)	\$8.2134	20,000	12	1,971,216
5	Long-Term Firm Contracts with Suppliers (Annualized)				2,986,446
6		Total Annual Demand Costs			\$24,610,775

Average Demand Cost per Mcf

8	Total Annual Demand Costs (Line 7)	\$24,610,775
9	Expected Annual Deliveries from Pipeline Transporters in Mcf (incl Rider TS/TS-2)	32,259,355
10	Average Demand Cost per Mcf (Line 8 / Line 9)	\$0.7629

Pipeline Supplier's Demand Component Applicable to Billings
Under LG&E's Gas Transportation Service/Standby - Rider TS/TS-2

11	Average Demand Cost (Line 10)	\$0.7629
12	Refund Factor for Demand Portion of Texas Gas Refund (see Exhibit D)	0.0000
13	Performance Based Rate Recovery Demand Component (see Exhibit E)	0.0407
14	PSDC Charge per Mcf	\$0.8036

Daily Demand Charge Component of Utilization Charge
For Daily Imbalance under Rate FT and Rider PS-FT

15	Total Annual Demand Costs (Line 7)	\$24,610,775
16	Design Day Requirements in Mcf (determined in last rate case)	445,164
17	UCDI Charge (Line 15/Line 16/365 days)	\$0.1515

LOUISVILLE GAS AND ELECTRIC COMPANY

Gas Supply Clause: 2014-00XXX

Gas Supply Cost Effective August 1, 2014

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 1, 2013, TGT submitted tariff sheets to the FERC in Docket No. RP13-1163 to comply with FERC’s Order No. 776 issued March 21, 2013, eliminating the annual filing requirements for natural gas pipelines that utilize an annual charge adjustment (“ACA”) clause to recover Commission-assessed annual charges. Order No. 776 requires pipelines that utilize an ACA clause to make a compliance filing to delete specific references to the currently effective ACA charge and instead incorporate by reference into their tariffs the ACA unit charge specified in the annual notice issued by FERC and posted on its website. Effective October 1, 2013, the ACA charge is \$0.0012/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 August 1, 2014. The tariffed rates are as follows: (a) a daily demand charge of \$0.4190/MMBtu, and (b) a commodity charge of \$0.0626/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 \$0.0626/MMBtu irrespective of the zone of receipt.

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

On August 1, 2013, TGT submitted tariff sheets to the FERC in Docket No. RP13-1163 to comply with FERC’s Order No. 776 issued March 21, 2013, eliminating the annual filing requirements for natural gas pipelines that utilize an annual charge adjustment (“ACA”) clause to recover Commission-assessed annual charges. Order No. 776 requires pipelines that utilize an ACA clause to make a compliance filing to delete specific references to the currently effective ACA charge and instead incorporate by reference into their tariffs the ACA unit charge specified

in the annual notice issued by FERC and posted on its website. Effective October 1, 2013, the ACA charge is \$0.0012/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 August 1, 2014. 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 \$0.0520/MMBtu, and (c) a commodity charge applicable to transportation from Zone 4 to Zone 4 of \$0.0372/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 \$0.0212/MMBtu applicable to transportation from Zone 1 to 4, and an annual volumetric throughput charge (“commodity charge”) of \$0.0035/MMBtu applicable to transportation from Zone 4 to 4.

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

On August 1, 2013, TGT submitted tariff sheets to the FERC in Docket No. RP13-1163 to comply with FERC’s Order No. 776 issued March 21, 2013, eliminating the annual filing requirements for natural gas pipelines that utilize an annual charge adjustment (“ACA”) clause to recover Commission-assessed annual charges. Order No. 776 requires pipelines that utilize an ACA clause to make a compliance filing to delete specific references to the currently effective ACA charge and instead incorporate by reference into their tariffs the ACA unit charge specified in the annual notice issued by FERC and posted on its website. Effective October 1, 2013, the ACA charge is \$0.0012/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 August 1, 2014. The tariffed rates are as follows: for the winter season, (a) a daily demand charge of \$ \$0.4252/MMBtu, (b) a commodity charge of \$0.0520/MMBtu applicable to transportation from Zone 1 to 4; and (c) a commodity charge of \$0.0372/MMBtu applicable to transportation from Zone 4 to 4; and for the summer season, (a) a daily demand charge of \$0.1847/MMBtu, and (b) a commodity charge of \$0.0520 applicable to transportation from Zone 1 to 4; and (c) a commodity charge of \$0.0372 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 \$5.6465/MMBtu; and for summer season deliveries up to 18,000 MMBtu/day a summer season commodity rate of \$0.0212/MMBtu applicable to transportation from Zone 1 to 4; and for summer season deliveries in excess of 18,000 MMBtu/day a summer season commodity rate of \$0.0372/MMBtu applicable to transportation from Zone 4 to 4.

Tennessee Gas Pipeline Company, LLC

On September 30, 2013, TGPL submitted tariff sheets in Docket No. RP13-1374. This filing implemented the rate adjustment provision in Docket No. RP12-887 filed by TGPL at FERC on July 26, 2012, and complied with FERC's Order of May 31, 2012, in Docket Nos. CP12-489, CP12-490, and CP12-886 with respect to the abandonment of certain facilities located onshore and offshore in the Gulf of Mexico. The proposed effective date for Rate FT-A tariff sheets is September 1, 2013. TGPL did not otherwise modify its existing rates or otherwise affect the rights or duties of customers.

Pursuant to FERC's Order No. 776 pipelines that utilize an annual charge adjustment ("ACA") clause, pipelines may incorporate by reference into their tariffs the ACA unit charge specified in the annual notice issued by FERC and posted on its website. Tennessee's compliance filing was made in accordance with that Order in Docket RP13-1196. Effective October 1, 2013, the ACA charge is \$0.0012/MMBtu.

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 August 1, 2014. 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 \$16.0575/MMBtu, and (b) a commodity charge of \$0.0298/MMBtu.

LG&E has negotiated rate agreements that result in a monthly demand charge of \$8.2134/MMBtu and an annual volumetric throughput charge ("commodity charge") of \$0.0298/MMBtu for deliveries from Zone 0 to Zone 2.

Gas Supply Costs

The New York Mercantile Exchange ("NYMEX") natural gas futures prices as of June 26, 2014, are \$4.441/MMBtu for August, \$4.420/MMBtu for September, and \$4.416/MMBtu for October. 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 27% lower 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;
- 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 able to supplement 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.

In late December 2013, Texas Gas initiated an Open Season for firm pipeline capacity designed to provide its customers (such as LG&E) with firm access to gas supplies from the Marcellus and Utica Shale production areas. On January 16, 2014, Texas Gas released the results of its Open Season. LG&E was notified that it had been awarded 60,000 MMBtu/day as submitted by LG&E in its bid of December 20, 2013. The term of the capacity agreement runs from June 1, 2016, through October 31, 2026. The awards made in the Open Season by Texas Gas are subject to Texas Gas's receipt of certain approvals by the regulatory bodies having jurisdiction, including FERC, and the timely construction of the required facilities.

During the three-month period under review, August 1, 2014, through October 31, 2014, LG&E estimates that its total purchases will be 11,546,762 MMBtu. LG&E expects that 4,554,762 MMBtu will be met with deliveries from TGT's pipeline service under Rate NNS (4,620,772 MMBtu in pipeline forwardhaul deliveries less 66,010 MMBtu in net storage injections); 920,000 MMBtu will be met from forwardhaul deliveries and 920,000 MMBtu backhaul deliveries under TGT's pipeline service under Rate FT; 1,656,000 MMBtu will be met from forwardhaul deliveries and 1,656,000 MMBtu backhaul deliveries under TGT's pipeline service

¹ The weekly gas storage survey issued by the Energy Information Administration ("EIA") for the week ending June 20, 2014, indicated that storage inventory levels were 27% lower than last year's levels. Storage inventories across the nation are 690 Bcf (1,829 Bcf - 2,519 Bcf), or 27%, lower this year than the same period one year ago. Last year at this time, 2,519 Bcf was held in storage, while this year 1,829 Bcf is held in storage. Storage inventories across the nation are 822 Bcf (1,829 Bcf - 2,651 Bcf), or 31% lower this year than the five-year average. On average for the last five years at this time, 2,651 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.

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 \$4.5020 per MMBtu in August 2014, \$4.4840 per MMBtu in September 2014, and \$4.4810 per MMBtu in October 2014. 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 \$4.5890 per MMBtu in August 2014, \$4.5710 per MMBtu in September 2014, and \$4.5680 per MMBtu in October 2014. 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 \$4.5020 per MMBtu in August 2014, \$4.4840 per MMBtu in September 2014, and \$4.4810 per MMBtu in October 2014. 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 \$4.5890 per MMBtu in August 2014, \$4.5710 per MMBtu in September 2014, and \$4.5680 per MMBtu in October 2014. 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 \$4.5020 per MMBtu in August 2014, \$4.4840 per MMBtu in September 2014, and \$4.4810 per MMBtu in October 2014. 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 \$4.5890 per MMBtu in August 2014, \$4.5710 per MMBtu in September 2014, and \$4.5680 per MMBtu in October 2014. 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 \$4.4660 per MMBtu in August 2014, \$4.4480 per MMBtu in September 2014, and \$4.4450 per MMBtu in October 2014.

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

	ESTIMATED PRICE AS DELIVERED TO TEXAS GAS	RATE NNS RETENTION (TO ZONE 4)	TRANSPORT CHARGE	TOTAL ESTIMATED DELIVERED PRICE
August 2014	\$4.5020	2.86%	\$0.0626	\$4.6971
September 2014	\$4.4840	2.86%	\$0.0626	\$4.6786
October 2014	\$4.4810	2.86%	\$0.0626	\$4.6755

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>
August 2014	\$4.5890	2.86%	\$0.0626	\$4.7867
September 2014	\$4.5710	2.86%	\$0.0626	\$4.7682
October 2014	\$4.5680	2.86%	\$0.0626	\$4.7651

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>
August 2014	\$4.5020	2.58%	\$0.0212	\$4.6424
September 2014	\$4.4840	2.58%	\$0.0212	\$4.6240
October 2014	\$4.4810	2.58%	\$0.0212	\$4.6209

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>
August 2014	\$4.5890	0.00%	\$0.0035	\$4.5925
September 2014	\$4.5710	0.00%	\$0.0035	\$4.5745
October 2014	\$4.5680	0.00%	\$0.0035	\$4.5715

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>
August 2014	\$4.5020	2.58%	\$0.0212	\$4.6424
September 2014	\$4.4840	2.58%	\$0.0212	\$4.6240
October 2014	\$4.4810	2.58%	\$0.0212	\$4.6209

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>
August 2014	\$4.5890	0.00%	\$0.0372	\$4.6262
September 2014	\$4.5710	0.00%	\$0.0372	\$4.6082
October 2014	\$4.5680	0.00%	\$0.0372	\$4.6052

RATE FT-A-2
SYSTEM SUPPLY FORWARDHAUL 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-2 TRANSPORT CHARGE</u>	<u>TOTAL ESTIMATED DELIVERED PRICE</u>
Zone 0				
August 2014	\$4.4660	2.44%	\$0.0298	\$4.6075
September 2014	\$4.4480	2.44%	\$0.0298	\$4.5890
October 2014	\$4.4450	2.44%	\$0.0298	\$4.5860

The annual demand billings covering the 12 months from August 1, 2014 through July 31, 2015, for the firm contracts with natural gas suppliers are currently expected to be \$2,986,446.

Rate FT and Rider PS-FT

The demand-related supply costs applicable to the Utilization Charge for Daily Imbalances under Rate FT and Rider PS-FT applicable during the three-month period of August 1, 2014 through October 31, 2014 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, 2013

Section 4.4
Currently Effective Rates - NNS
Version 5.0.0

**Currently Effective Maximum Transportation Rates (\$ per MMBtu)
For Service Under Rate Schedule NNS**

	Base Tariff Rates
Zone SL	
Daily Demand	0.1800
Commodity	0.0253
Overrun	0.2053
Zone 1	
Daily Demand	0.2782
Commodity	0.0431
Overrun	0.3213
Zone 2	
Daily Demand	0.3088
Commodity	0.0460
Overrun	0.3548
Zone 3	
Daily Demand	0.3543
Commodity	0.0490
Overrun	0.4033
Zone 4	
Daily Demand	0.4190
Commodity	0.0614
Overrun	0.4804

The above rates shall be increased to include the ACA unit charge pursuant to Section 6.9[7] of the General Terms and Conditions.

Minimum Rate: Demand \$-0-; Commodity - Zone SL 0.0163
Zone 1 0.0186
Zone 2 0.0223
Zone 3 0.0262
Zone 4 0.0308

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 transportation charge of:

Daily Demand	\$0.1288
Commodity	\$0.0068
Overrun	\$0.1356

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, 2013

Section 4.1
 Currently Effective Rates - FT
 Version 6.0.0

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, 2013

Section 4.1
Currently Effective Rates - FT
Version 6.0.0

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

	Base Tariff Rates
SL-SL	0.0104
SL-1	0.0355
SL-2	0.0399
SL-3	0.0446
SL-4	0.0528
1-1	0.0337
1-2	0.0385
1-3	0.0422
1-4	0.0508
2-2	0.0323
2-3	0.0360
2-4	0.0446
3-3	0.0312
3-4	0.0398
4-4	0.0360

The above rates shall be increased to include the ACA unit charge pursuant to Section 6.9[7] of the General Terms and Conditions.

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 4.12
Currently Effective Rates - Minimum Transportation Rates
Version 2.0.0

Currently Effective Minimum Transportation Rates (\$ per MMBtu)
For Service Under Rate Schedules FT, STF, and IT

Receipt-Delivery Zone	Minimum Base Rate
SL-SL	0.0028
SL-1	0.0110
SL-2	0.0162
SL-3	0.0218
SL-4	0.0226
1-1	0.0087
1-2	0.0145
1-3	0.0190
1-4	0.0200
2-2	0.0071
2-3	0.0116
2-4	0.0126
3-3	0.0058
3-4	0.0068
4-4	0.0023

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.

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

Sixth Revised Sheet No. 14
Superseding
Fifth 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	\$5,7125		\$11,9375	\$16,0575	\$16,3417	\$17,9562	\$19,0597	\$23,9133	
L		\$5,0714							
1	\$8,5997		\$8,2435	\$10,9704	\$15,5407	\$15,3052	\$17,2607	\$21,2245	
2	\$16,0576		\$10,9045	\$5,6715	\$5,3018	\$6,7838	\$9,3303	\$12,0443	
3	\$16,3417		\$8,6375	\$5,7173	\$4,1246	\$6,3358	\$11,4587	\$13,2409	
4	\$20,7484		\$19,1282	\$7,2895	\$11,0779	\$5,4225	\$5,8643	\$8,3778	
5	\$24,7395		\$17,3840	\$7,6466	\$9,2524	\$6,0239	\$5,6505	\$7,3560	
6	\$28,6189		\$19,9668	\$13,7419	\$15,1387	\$10,6934	\$5,6256	\$4,8698	

Daily Base Reservation Rate 1/		DELIVERY ZONE							
RECEIPT ZONE	0	L	1	2	3	4	5	6	
0	\$0,1879		\$0,3925	\$0,5279	\$0,5373	\$0,5903	\$0,6266	\$0,7862	
L		\$0,1668							
1	\$0,2827		\$0,2710	\$0,3607	\$0,5109	\$0,5032	\$0,5675	\$0,6977	
2	\$0,5279		\$0,3585	\$0,1865	\$0,1743	\$0,2230	\$0,3068	\$0,3960	
3	\$0,5373		\$0,2840	\$0,1880	\$0,1356	\$0,2003	\$0,3768	\$0,4353	
4	\$0,6821		\$0,6289	\$0,2396	\$0,3642	\$0,1782	\$0,1928	\$0,2754	
5	\$0,8133		\$0,5716	\$0,2513	\$0,3042	\$0,1961	\$0,1857	\$0,2419	
6	\$0,9409		\$0,6564	\$0,4518	\$0,4977	\$0,3515	\$0,1849	\$0,1601	

Maximum Reservation Rates 2/, 3/		DELIVERY ZONE							
RECEIPT ZONE	0	L	1	2	3	4	5	6	
0			\$11,937						
L				\$16,0575	\$16,3417	\$17,9562	\$19,0597	\$23,9133	
1	\$5,7125								
L		\$5,0714							
1	\$8,5997		\$8,2435	\$10,9704	\$15,5407	\$15,3052	\$17,2607	\$21,2245	
2	\$16,0576		\$10,9045	\$5,6715	\$5,3018	\$6,7838	\$9,3303	\$12,0443	
3	\$16,3417		\$8,6375	\$5,7173	\$4,1246	\$6,3358	\$11,4587	\$13,2409	
4	\$20,7484		\$19,1282	\$7,2895	\$11,0779	\$5,4225	\$5,8643	\$8,3778	
5	\$24,7395		\$17,3840	\$7,6466	\$9,2524	\$6,0239	\$5,6505	\$7,3560	
6	\$28,6189		\$19,9668	\$13,7419	\$15,1387	\$10,6934	\$5,6256	\$4,8698	

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

Ninth Revised Sheet No. 15
Superseding
Eighth 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	\$0.0032		\$0.0115	\$0.0177	\$0.0219	\$0.0250	\$0.0284	\$0.0346
L		\$0.0012						
1	\$0.0042		\$0.0081	\$0.0147	\$0.0179	\$0.0210	\$0.0256	\$0.0300
2	\$0.0167		\$0.0087	\$0.0012	\$0.0028	\$0.0056	\$0.0100	\$0.0143
3	\$0.0207		\$0.0169	\$0.0026	\$0.0002	\$0.0081	\$0.0118	\$0.0163
4	\$0.0250		\$0.0205	\$0.0087	\$0.0105	\$0.0028	\$0.0046	\$0.0092
5	\$0.0284		\$0.0256	\$0.0100	\$0.0118	\$0.0046	\$0.0046	\$0.0066
6	\$0.0346		\$0.0300	\$0.0143	\$0.0163	\$0.0086	\$0.0041	\$0.0020

Maximum
Commodity Rates 1/, 2/, 3/

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

Notes:

- 1/ Rates stated above exclude the ACA Surcharge as revised annually and posted on the FERC website at <http://www.ferc.gov> on the Annual Charges page of the Natural Gas section. The ACA Surcharge is incorporated by reference into Transporter's Tariff and shall apply to all transportation under this Rate Schedule as provided in Article XXIV of the General Terms and Conditions.
- 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.
- 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: 2014-00XXX

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 2013-00486 during the three-month period of February 1, 2014 through April 30, 2014, was \$11,192,920. The calculation of the Gas Cost Actual Adjustment (GCAA) set forth in Exhibit B-1 results in a charge of 3.672¢ per 100 cubic feet, which LG&E will place in effect with service rendered on and after August 1, 2014, 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 February 2014 through April 2014. [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 2012-00591, with service rendered through July 31, 2014, 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 August 2014.

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

Current Quarter Actual Adjustment:		
Effective August 1, 2014 from 2013-00486	3.672	cents/Ccf
Previous Quarter Actual Adjustment:		
Effective May 1, 2014 from 2013-00361	2.942	cents/Ccf
2nd Previous Quarter Actual Adjustment:		
Effective February 1, 2014 from 2013-00253	(0.688)	cents/Ccf
3rd Previous Quarter Actual Adjustment:		
Effective November 1, 2013 from 2013-00126	(0.138)	cents/Ccf
Total Gas Cost Actual Adjustment (GCAA)	5.788	cents/Ccf

LOUISVILLE GAS AND ELECTRIC COMPANY

Calculation of Gas Cost Actual Adjustment
Which Compensates for Over- or Under-
Recoveries of Gas Supply Costs
For Service Rendered On and After August 1, 2014

Line No.	Recovery Period	Case Number	Total Dollars of Gas Cost Recovered ¹	Gas Supply Cost Per Books ²	(Over)/Under Recovery
(1)	(2)	(3)	(4)	(5)	(5) - (4)
1	Feb-2014	2013-00486	\$18,104,967	\$39,079,535	\$20,974,568
2	Mar-2014	2013-00486	\$27,797,953	\$25,798,381	(\$1,999,572)
3	Apr-2014	2013-00486	\$14,763,695	\$10,542,273	(\$4,221,422)
4	May-2014	(Note 3)	\$3,560,654	\$0	(\$3,560,654)
5			\$64,227,269	\$75,420,189	\$11,192,920
6		(Over)/Under Recovery	\$11,192,920		
7		Expected Mcf Sales for			
8		12-Month Period from Date Implemented	30,480,063		
9		GCAA Factor per Mcf	\$0.3672		
10		GCAA Factor per Ccf	\$0.03672		
11		GCAA Factor Cents per Ccf	3.672		

¹ See Page 2 of this Exhibit.

² See Page 4 of this Exhibit.

³ Current sales included in meter readings for prior month

LOUISVILLE GAS AND ELECTRIC COMPANY
 Calculation of Gas Costs Recovered
 Under Company's Gas Supply Clause
 For Service Rendered On and After August 1, 2014

Line No.	Recovery Period	Comments	Case No.	Total Mcf Sales for Month	Mcf Sales Applicable to GCAA Period	Gas Supply Cost per Mcf	Dollars Recovered Under GSC	Mcf of Customer-Owned Gas Transported Under Rate TS-2	Pipeline Suppliers' Demand Component Per Mcf	Rate FT Gas True-Up Charge Revenue	\$ Recovered Under Rate TS-2	\$ Recovered Under Rate FT ³	\$ from OSS	Total \$ Recovered
(1)	(2)		(3)	(4)	(5)	(6)	(7) = (5) x (6)	(8)	(9)	(10)	(11) = (8) x (9)+(10)	(12)	(13)	(14) = (7)+(11)+(12)+(13)
1	Feb-2014	Prorated	2013-00486	7,414,287 ¹	3,648,807 ²	\$4.9244	\$17,968,183	20,785.9	\$0.7612	\$1,098.87	\$16,921	\$119,863	\$0	\$18,104,967
2	Mar-2014		2013-00486	5,630,919	5,630,919	\$4.9244	\$27,728,899	17,207.6	\$0.7612	\$1,001.35	\$14,100	\$54,954	\$0	\$27,797,953
3	Apr-2014		2013-00486	2,981,428	2,981,428	\$4.9244	\$14,681,743	10,919.0	\$0.7612	\$1,012.48	\$9,324	\$72,628	\$0	\$14,763,695
4	May-2014	Prorated	2013-00486	1,395,749 ¹	723,064 ²	\$4.9244	\$3,560,654		\$0.7612		\$0	\$0		\$3,560,654
5					12,984,217		\$63,939,479	48,912.5		\$3,112.70	\$40,345	\$247,445	\$0	\$64,227,269

¹ For information purposes only, volumes will be prorated

² Portion of month billed at rate effective this quarter

³ See Page 3 of this Exhibit

LOUISVILLE GAS AND ELECTRIC COMPANY
 Summary of Gas Costs Recovered
 Under Provisions of Rate FT
 For Service Rendered On and After August 1, 2014

Line No.	Recovery Period	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 \$	Action Alert \$	Monthly \$'s Recovered [(5)+(7)+(9)+(10)+(11)]
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
1	Feb-2014	2013-00486	\$ 0.1520	7,396.9	\$63,428	-	\$ -	212,401.4	\$32,285	\$24,149.64	\$0.00	\$119,863
2	Mar-2014	2013-00486	\$ 0.1520	3,919.7	\$30,338	-	\$ -	161,902.7	\$24,609	\$5.86	\$0.00	\$54,954
3	Apr-2014	2013-00486	\$ 0.1520	10,182.3	\$45,719	-	\$ -	177,035.5	\$26,909	\$0.00	\$0.00	\$72,628
4								Total Amount to Transfer to Exhibit B-1, Page 2				\$247,445

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.

LOUISVILLE GAS AND ELECTRIC COMPANY
 Total Gas Supply Cost Per Books
 For Service Rendered On and After August 1, 2014

Line No.	Recovery Period	MCF							DOLLARS							
		Mcf Purchases	Purchases for OSS	Less: Purchases for Depts. other Than Gas Dept.	Less: Purchases Injected Into Storage	Plus: Mcf 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: Gas Commodity Portion of Bad Debt Expense	Total Gas Supply Cost
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
1	Feb-2014	4,792,576	0	(3,591)	0	2,015,403	33,826	6,838,214	\$ 30,633,091	\$ -	\$ (11,549)	\$ -	\$ 8,290,562	\$ 139,147	\$ 28,285	\$ 39,079,535
2	Mar-2014	2,989,050	0	(2,790)	0	1,968,711	28,488	4,983,459	\$ 17,548,484	\$ -	\$ (8,885)	\$ -	\$ 8,098,686	\$ 117,191	\$ 42,904	\$ 25,798,381
3	Apr-2014	790,189	0	(1,656)	0	1,060,689	24,949	1,874,171	\$ 6,044,782	\$ -	\$ (5,127)	\$ -	\$ 4,363,250	\$ 102,630	\$ 36,738	\$ 10,542,273
4								13,695,844								\$ 75,420,189

LOUISVILLE GAS AND ELECTRIC COMPANY
SUMMARY OF GAS PURCHASES AND COSTS BY SUPPLIER
FOR THE 3 MONTH PERIOD FROM FEBRUARY 2014 THROUGH APRIL 2014

DELIVERED BY TEXAS GAS TRANSMISSION, LLC

COMMODITY AND VOLUMETRIC CHARGES:

NATURAL GAS SUPPLIERS:

	FEBRUARY 2014			MARCH 2014			APRIL 2014		
	NET MMBTU	MCF	\$	NET MMBTU	MCF	\$	NET MMBTU	MCF	\$
1 . A	571,200	557,268	\$3,239,880.00	632,400	616,976	\$3,118,290.00	0	0	\$0.00
2 . B	540,000	526,829	\$3,075,364.80	279,597	272,778	\$1,385,393.32	240,000	234,146	\$1,121,688.72
3 . C	0	0	\$0.00	0	0	\$0.00	378,900	369,659	\$1,758,900.00
4 . D	769,500	750,732	\$4,388,527.62	0	0	\$0.00	0	0	\$0.00
5 . E	177,766	173,430	\$1,060,365.00	72,592	70,821	\$349,195.88	4,857	4,739	\$21,525.00
6 . F	0	0	\$0.00	0	0	\$0.00	72,897	71,119	\$334,950.00
7 . G	440,000	429,268	\$2,638,377.44	360,000	351,220	\$1,775,595.41	0	0	\$0.00
8 . H	420,000	409,756	\$2,514,637.55	459,642	448,431	\$2,214,365.10	0	0	\$0.00
9 . I	440,000	429,268	\$2,509,387.32	280,000	273,171	\$1,389,345.72	600,000	585,366	\$2,804,221.80
10 . J	109,769	107,092	\$578,260.00	80,625	78,659	\$387,060.00	84,595	82,532	\$398,030.00
11 . K	131,652	128,441	\$817,215.00	87,426	85,294	\$445,550.00	171,111	166,938	\$784,500.00
	<u>3,599,887</u>	<u>3,512,084</u>	<u>\$20,822,014.73</u>	<u>2,252,282</u>	<u>2,197,350</u>	<u>\$11,054,795.43</u>	<u>1,552,360</u>	<u>1,514,499</u>	<u>\$7,213,815.52</u>

NO-NOTICE SERVICE ("NNS") STORAGE:

1 . WITHDRAWALS	657,814	641,770	\$3,812,163.69	368,508	359,520	\$1,823,009.08	30,107	29,373	\$139,964.43
2 . INJECTIONS	(120,926)	(117,977)	(\$700,790.36)	(314,998)	(307,315)	(\$1,558,295.11)	(901,417)	(879,431)	(\$4,190,597.49)
3 . ADJUSTMENTS	(614)	11,430	(\$3,017.99)	0	9,221	\$0.00	(3,992)	(3,033)	(\$19,748.43)
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
6 . ADJUSTMENTS	0	0	\$0.00	0	0	\$0.00	0	0	\$712,115.24
NET NNS STORAGE	<u>536,274</u>	<u>535,223</u>	<u>\$3,108,355.34</u>	<u>53,510</u>	<u>61,426</u>	<u>\$264,713.97</u>	<u>(875,302)</u>	<u>(853,091)</u>	<u>(\$3,358,266.25)</u>

NATURAL GAS TRANSPORTERS:

1 . TEXAS GAS TRANSMISSION, LLC			\$247,418.81			\$131,571.60			\$35,116.67
2 . ADJUSTMENTS	0	68,019	(\$38.40)	0	61,678	\$0.06	0	39,151	(\$249.85)
3 . ADJUSTMENTS	0	0	\$0.00	0	0	\$0.00	0	0	\$0.00
TOTAL	<u>4,136,161</u>	<u>4,115,326</u>	<u>\$247,380.41</u>	<u>2,305,792</u>	<u>2,320,454</u>	<u>\$131,571.66</u>	<u>677,058</u>	<u>700,559</u>	<u>\$37,866.82</u>

TOTAL COMMODITY AND VOLUMETRIC CHARGES

\$24,177,750.48 \$11,461,081.06 \$3,893,416.09

DEMAND AND FIXED CHARGES:

1 . TEXAS GAS TRANSMISSION, LLC			\$2,226,646.80			\$2,465,216.10			\$1,383,088.80
2 . ADJUSTMENTS			\$0.00			\$0.00			\$0.00
3 . SUPPLY RESERVATION CHARGES			\$291,212.77			\$188,447.32			\$174,472.26
4 . ADJUSTMENTS			(\$30,922.50)			\$0.00			\$0.00
5 . CAPACITY RELEASE CREDITS			\$0.00			\$0.00			(\$7,650.00)
6 . ADJUSTMENTS			\$0.00			\$0.00			\$0.00

TOTAL DEMAND AND FIXED CHARGES

\$2,486,937.07 \$2,653,663.42 \$1,549,911.06

TOTAL PURCHASED GAS COSTS – TEXAS GAS TRANSMISSION, LLC

\$26,664,687.55 \$14,114,744.48 \$5,443,327.15

LOUISVILLE GAS AND ELECTRIC COMPANY
SUMMARY OF GAS PURCHASES AND COSTS BY SUPPLIER
FOR THE 3 MONTH PERIOD FROM FEBRUARY 2014 THROUGH APRIL 2014

DELIVERED BY TENNESSEE GAS PIPELINE COMPANY, LLC
COMMODITY AND VOLUMETRIC CHARGES:

	FEBRUARY 2014			MARCH 2014			APRIL 2014			
	NET MMBTU	MCF	\$	NET MMBTU	MCF	\$	NET MMBTU	MCF	\$	
NATURAL GAS SUPPLIERS:										
1 .	L	0	0	\$0.00	195,200	189,515	\$865,600.00	58,536	56,831	\$268,700.00
2 .	M	0	0	\$0.00	78,080	75,806	\$345,500.00	0	0	\$0.00
3 .	N	560,000	543,689	\$3,018,061.76	339,833	329,935	\$1,619,097.45	0	0	\$0.00
		<u>560,000</u>	<u>543,689</u>	<u>\$3,018,061.76</u>	<u>613,113</u>	<u>595,256</u>	<u>\$2,830,197.45</u>	<u>58,536</u>	<u>56,831</u>	<u>\$268,700.00</u>
NATURAL GAS TRANSPORTERS:										
1 .	TENNESSEE GAS PIPELINE COMPANY, LLC			\$10,584.00			\$11,587.84			\$1,106.33
2 .	TENNESSEE GAS PIPELINE COMPANY, LLC			\$10,640.00			\$11,649.15			\$638.04
3 .	ADJUSTMENTS	(1,456)	(13,780)	(\$738.17)	(110)	(11,989)	(\$7,561.14)	(377)	(12,105)	(\$604.09)
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	<u>558,544</u>	<u>529,909</u>	<u>\$20,485.83</u>	<u>613,003</u>	<u>583,267</u>	<u>\$15,675.85</u>	<u>58,159</u>	<u>44,726</u>	<u>\$1,140.28</u>
	TOTAL COMMODITY AND VOLUMETRIC CHARGES			<u>\$3,038,547.59</u>			<u>\$2,845,873.30</u>			<u>\$269,840.28</u>
DEMAND AND FIXED CHARGES:										
1 .	TENNESSEE GAS PIPELINE COMPANY, LLC			\$164,268.00			\$164,268.00			\$164,268.00
2 .	ADJUSTMENTS			\$0.00			\$0.00			\$0.00
3 .	SUPPLY RESERVATION CHARGES			\$79,181.20			\$86,690.63			\$0.00
4 .	ADJUSTMENTS			\$0.00			\$0.00			\$0.00
5 .	CAPACITY RELEASE CREDITS			\$0.00			\$0.00			\$0.00
6 .	ADJUSTMENTS			\$0.00			\$0.00			\$0.00
	TOTAL DEMAND AND FIXED CHARGES			<u>\$243,449.20</u>			<u>\$250,958.63</u>			<u>\$164,268.00</u>
	TOTAL PURCHASED GAS COSTS – TENNESSEE GAS PIPELINE COMPANY, LLC			<u>\$3,281,996.79</u>			<u>\$3,096,831.93</u>			<u>\$434,108.28</u>
OTHER PURCHASES										
1 .	CASH-OUT OF CUSTOMER OVER-DELIVERIES		147,341	\$686,406.61		85,329	\$336,907.61		44,904	\$167,346.41
	TOTAL		<u>147,341</u>	<u>\$686,406.61</u>		<u>85,329</u>	<u>\$336,907.61</u>		<u>44,904</u>	<u>\$167,346.41</u>
	TOTAL PURCHASED GAS COSTS – ALL PIPELINES		<u>4,694,705</u>	<u>\$30,633,090.95</u>		<u>2,918,795</u>	<u>\$17,548,484.02</u>		<u>735,217</u>	<u>\$6,044,781.84</u>

LOUISVILLE GAS AND ELECTRIC COMPANY

Gas Supply Clause: 2014-00XXX

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 over-recovery that must be returned under the Gas Cost Balance Adjustment (GCBA) during the period of August 1, 2014 through October 31, 2014, set forth on Page 1 of Exhibit C-1, is (\$609,022). The GCBA factor required to return this over-recovery is a refund of 1.862¢ per 100 cubic feet. LG&E will place this refund into effect with service rendered on and after August 1, 2014 and continue for three months.

In this filing, LG&E will also be eliminating the GCBA from Case 2014-00115, which, with service rendered through July 2014, 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 August 1, 2014.

LOUISVILLE GAS AND ELECTRIC COMPANY
Calculation of Quarterly Gas Cost Balance Adjustment
For Service Rendered On and After August 1, 2014

Line No.	Factor	Remaining Balance
1	Remaining (Over)/Under Recovery From GCAA ¹	(\$612,924)
2	Remaining (Over)/Under Recovery From GCBA ²	\$3,902
3	Remaining (Under)/Over Refund From RA ³	\$0
4	Remaining (Over)/Under Recovery From PBRRC ⁴	\$0
5	Total Remaining (Over)/Under Recovery	(\$609,022)
6	Expected Mcf Sales for 3 Month Period ⁵	3,271,621
7	GCBA Factor Per Mcf	(\$0.1862)
8	GCBA Factor Per Ccf	(\$0.01862)

¹ See Exhibit C-1, page 2.

² See Exhibit C-1, page 3.

³ See Exhibit D-1, page 2.

⁴ See Exhibit E-1, page 2.

⁵ See Exhibit A, page 1.

LOUISVILLE GAS AND ELECTRIC COMPANY
Calculation of Revenue Collected or Refunded Under GCAA Factor
For Service Rendered On and After August 1, 2014

From Case No. 2012-00446

Line No.	Recovery Period	Comments	Total Mcf Sales for Month	Sales Applicable to GCAA Recovery	GCAA/Mcf Factor	Amount of Recovery/(Return) per Month	Balance Remaining	
	(1)	(2)	(3)	(4)	(5)	(6)=(4)*(5)	(7)=(Bal)-(6)	
1						Beginning Balance	5,550,436	
2	May-13	Prorated	1,572,218	604,118	\$0.1691	\$102,156	\$5,448,280	
3	Jun-13		968,381	968,381	\$0.1691	\$163,753	\$5,284,527	
4	Jul-13		809,923	809,923	\$0.1691	\$136,958	\$5,147,569	
5	Aug-13		850,108	850,108	\$0.1691	\$143,753	\$5,003,816	
6	Sep-13		759,935	759,935	\$0.1691	\$128,505	\$4,875,311	
7	Oct-13		1,071,744	1,071,744	\$0.1691	\$181,232	\$4,694,079	
8	Nov-13		2,424,351	2,424,351	\$0.1691	\$409,958	\$4,284,121	
9	Dec-13		5,045,426	5,045,426	\$0.1691	\$853,182	\$3,430,939	
10	Jan-14		7,164,340	7,164,340	\$0.1691	\$1,211,490	\$2,219,449	
11	Feb-14		7,414,287	7,414,287	\$0.1691	\$1,253,756	\$965,693	
12	Mar-14		5,630,919	5,630,919	\$0.1691	\$952,188	\$13,505	
13	Apr-14		2,981,428	2,981,428	\$0.1691	\$504,159	(\$490,654)	
14	May-14	Prorated	1,395,749	723,064	\$0.1691	\$122,270	(\$612,924)	
15			Total Amount Recovered/(Returned) During Period				\$6,163,360	
16			Remaining Balance to Transfer to Exhibit C-1, Page 1 of 3				(\$612,924)	

LOUISVILLE GAS AND ELECTRIC COMPANY

Revenue Collected Under the GCBA Factor

For Service Rendered On and After August 1, 2014

Case No. 2013-00486

Line No.	Recovery Period (1)	Comments (2)	Total Mcf Sales for Month (3)	Sales Applicable to GCBA (4)	GCBA/Mcf Factor (5)	Recovery/(Refund) per Month (6)=(4)*(5)	Balance Remaining (7)=(Bal)-(6)
1						Beginning Balance	(\$15,574)
2	Feb-2014	Prorated	7,414,287	3,648,807	(\$0.0015)	(\$5,473)	(\$10,101)
3	Mar-2014		5,630,919	5,630,919	(\$0.0015)	(\$8,446)	(\$1,654)
4	Apr-2014		2,981,428	2,981,428	(\$0.0015)	(\$4,472)	\$2,818
5	May-2014	Prorated	1,395,749	723,064	(\$0.0015)	(\$1,085)	\$3,902
6			Total Amount Refunded or Recovered			(\$19,476)	
7			Remaining Balance to Transfer to Exhibit C-1, Page 1 of 3			\$3,902	

LOUISVILLE GAS AND ELECTRIC COMPANY**Gas Supply Clause: 2014-00XXX**

The Company has received no refunds this quarter and has completed refunding all previous obligations.

Therefore, the Refund Factor will be as follows:

Current Quarter Refund Factor: Effective August 1, 2014	(0.000) cents/Ccf
1st Previous Quarter Refund Factor: Effective May 1, 2014	(0.000) cents/Ccf
2nd Previous Quarter Refund Factor: Effective February 1, 2014	(0.000) cents/Ccf
3rd Previous Quarter Refund Factor: Effective November 1, 2013	(0.000) cents/Ccf
Total Refund Factor (RF)	(0.000) cents/Ccf

LOUISVILLE GAS AND ELECTRIC**Gas Supply Clause: 2014-00XXX
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, 2014, and will remain in effect until January 31, 2015, is \$0.00503 and \$0.00407 per 100 cubic feet for sales and Rate TS volumes, respectively:

	<u>Sales Volumes</u>	<u>Transportation Volumes</u>
Commodity-Related Portion	\$0.00096/Ccf	\$0.00000/Ccf
Demand-Related Portion	<u>\$0.00407/Ccf</u>	<u>\$0.00407/Ccf</u>
Total PBRRC	\$0.00503/Ccf	\$0.00407/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

Gas Supply Clause: 2014-00XXX
Gas Cost True-Up Charge Applicable to Customers Served
Under Rate FT and Rider TS-2

The purpose of the Gas Cost True-Up is to collect or refund any under- or over-collected gas costs incurred by transportation customers in previous quarters. Pursuant to the Order dated December 20, 2012, in Case No. 2012-00222, the charge (or credit) applies only to those transportation customers that were previously Louisville Gas and Electric Company sales customers. These under- or over-collected amounts (in the form of the GCAA, GCBA, and PBRRC) that transferring customers would have paid as sales customers will be applied for eighteen months. Therefore, as shown in the following table, the charge (or credit) which will be effective for any customers transferring from an LG&E sales rate to one of its transportation rates effective November 1, 2012 and November 1, 2013 is respectively:

<u>With Service</u> <u>Elected Effective</u>	<u>GCAA</u>	<u>GCBA</u>	<u>PBRRC</u>	<u>Total</u>
November 1, 2012	\$0.0000/Mcf	\$(0.1862)/Mcf	\$0.0000/Mcf	\$(0.1862)/Mcf
November 1, 2013	\$0.5788/Mcf	\$(0.1862)/Mcf	\$0.0503/Mcf	\$0.4429/Mcf

LOUISVILLE GAS AND ELECTRIC COMPANY

Gas Supply Clause 2014-00xxx
Gas Cost True-Up Charge Applicable to Customers
Served Under Rate FT and Rider TS-2
For Service Rendered On and After August 1, 2014

Line No.	With Service Elected Effective (1)	GCAA/Mcf (2)	GCBA/Mcf (3)	PBRRC/Mcf (4)	Total/Mcf (2)+(3)+(4)
1	November 1, 2012	\$0.0000	(\$0.1862)	\$0.0000	(\$0.1862)
2	November 1, 2013	\$0.5788	(\$0.1862)	\$0.0503	\$0.4429

LOUISVILLE GAS AND ELECTRIC COMPANY

**GAS SERVICE RATES EFFECTIVE WITH SERVICE
RENDERED FROM
August 1, 2014 through October 31, 2014**

	RATE PER 100 CUBIC FEET				TOTAL
	BASIC SERVICE CHARGE (PER MONTH)	DISTRIBUTION COST COMPONENT	GAS SUPPLY COST COMPONENT (GSCC)	DSM COST RECOVERY COMPONENT	
RATE RGS - RESIDENTIAL					
BASIC SERVICE CHARGE	\$13.50				
ALL CCF		\$0.26419	\$0.62313	0.01623	\$0.90355
RATE CGS - COMMERCIAL (meter capacity < 5000 CF/HR)					
BASIC SERVICE CHARGE	\$35.00				
APRIL THRU OCTOBER					
FIRST 1000 CCF/MONTH		\$0.20999	\$0.62313	0.00093	\$0.83405
OVER 1000 CCF/MONTH		\$0.15999	\$0.62313	0.00093	\$0.78405
NOVEMBER THRU MARCH					
ALL CCF		\$0.20999	\$0.62313	0.00093	\$0.83405
RATE CGS - COMMERCIAL (meter capacity >= 5000 CF/HR)					
BASIC SERVICE CHARGE	\$175.00				
APRIL THRU OCTOBER					
FIRST 1000 CCF/MONTH		\$0.20999	\$0.62313	0.00093	\$0.83405
OVER 1000 CCF/MONTH		\$0.15999	\$0.62313	0.00093	\$0.78405
NOVEMBER THRU MARCH					
ALL CCF		\$0.20999	\$0.62313	0.00093	\$0.83405
RATE IGS - INDUSTRIAL (meter capacity < 5000 CF/HR)					
BASIC SERVICE CHARGE	\$35.00				
APRIL THRU OCTOBER					
FIRST 1000 CCF/MONTH		\$0.21452	\$0.62313	0.00000	\$0.83765
OVER 1000 CCF/MONTH		\$0.16452	\$0.62313	0.00000	\$0.78765
NOVEMBER THRU MARCH					
ALL CCF		\$0.21452	\$0.62313	0.00000	\$0.83765
RATE IGS - INDUSTRIAL (meter capacity >= 5000 CF/HR)					
BASIC SERVICE CHARGE	\$175.00				
APRIL THRU OCTOBER					
FIRST 1000 CCF/MONTH		\$0.21452	\$0.62313	0.00000	\$0.83765
OVER 1000 CCF/MONTH		\$0.16452	\$0.62313	0.00000	\$0.78765
NOVEMBER THRU MARCH					
ALL CCF		\$0.21452	\$0.62313	0.00000	\$0.83765
Rate AAGS	\$275.00	\$0.60860	\$0.62313	0.00093	\$1.23266
	BASIC SERVICE CHARGE (PER MONTH)	DISTRIBUTION COST COMPONENT	GAS SUPPLY COST COMPONENT (GSCC)	DEMAND CHARGE COMPONENT	TOTAL
RATE DGGS - COMMERCIAL & INDUSTRIAL (meter capacity < 5000 CF/HR)					
BASIC SERVICE CHARGE	\$35.00				
ALL CCF		\$0.03095	\$0.62313	\$ 1.14020	\$1.79428
RATE DGGS - COMMERCIAL & INDUSTRIAL (meter capacity >= 5000 CF/HR)					
BASIC SERVICE CHARGE	\$175.00				
ALL CCF		\$0.03095	\$0.62313	\$ 1.14020	\$1.79428

EFFECTIVE RATES FOR RATE TS-2 TRANSPORTATION SERVICE

GAS SERVICE RATES EFFECTIVE WITH SERVICE
RENDERED FROM
August 1, 2014 through October 31, 2014

	<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-2					
RATE CGS - COMMERCIAL	\$400.00				
APRIL THRU OCTOBER					
FIRST 100 MCF/MONTH		\$2.0999	\$0.8036	0.0093	\$2.9128
OVER 100 MCF/MONTH		\$1.5999	\$0.8036	0.0093	\$2.4128
NOVEMBER THRU MARCH					
ALL MCF		\$2.0999	\$0.8036	0.0093	\$2.9128
RATE IGS - INDUSTRIAL	\$400.00				
APRIL THRU OCTOBER					
FIRST 100 MCF/MONTH		\$2.1452	\$0.8036	0.0000	\$2.9488
OVER 100 MCF/MONTH		\$1.6452	\$0.8036	0.0000	\$2.4488
NOVEMBER THRU MARCH					
ALL MCF		\$2.1452	\$0.8036	0.0000	\$2.9488
Rate AAGS	\$400.00	\$0.6086	\$0.8036	0.0093	\$1.4215

L G & E

Charges for Gas Transportation Services Provided Under Rate FT

August 1, 2014 through October 31, 2014

Transportation Service:

Monthly Transportation Administrative Charge	\$400.00
Distribution Charge / Mcf Delivered	\$0.4300

Ancillary Services:

Daily Demand Charge	\$0.1515
Daily Storage Charge	<u>\$0.1833</u>
Utilization Charge per Mcf for Daily Balancing	\$0.3348

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.

L G & E

Charges for Gas Transportation Services Provided Under Rate FT
(for Special Contract Customers)

August 1, 2014 through October 31, 2014

Transportation Service:

Monthly Transportation Administrative Charge	As Per Special Contract
Monthly Customer Charge	As Per Special Contract
Distribution Charge / Mcf Delivered	As Per Special Contract
Monthly Demand Charge/Mcf	As Per Special Contract

Ancillary Services:

Daily Demand Charge	\$0.1515
Daily Storage Charge	<u>\$0.1833</u>
Utilization Charge per Mcf for Daily Balancing	\$0.3348

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

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.

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

JUL 01 2014

PUBLIC SERVICE
COMMISSION

In the Matter of

THE PETITION OF LOUISVILLE GAS AND
ELECTRIC COMPANY FOR CONFIDENTIAL)
TREATMENT OF CERTAIN INFORMATION) CASE NO. 2014-00 ____
CONTAINED IN ITS QUARTERLY GAS)
SUPPLY CLAUSE FILING)

**PETITION OF LOUISVILLE GAS AND ELECTRIC COMPANY
FOR CONFIDENTIAL TREATMENT OF CERTAIN INFORMATION
CONTAINED IN ITS QUARTERLY GAS SUPPLY CLAUSE FILING**

Louisville Gas and Electric Company (“LG&E”), pursuant to 807 KAR 5:001, Section 13, petitions the Commission to classify and protect as confidential certain information that is contained in its Quarterly Gas Supply Clause filing, as more fully described below:

1. LG&E is filing contemporaneously with this Petition, as required by its tariffs governing its Gas Supply Clause (Original Sheet Nos. 85.1 and 85.2 of LG&E Gas Tariff PSC No. 9), a statement setting forth the summary of the total purchased gas costs for the period of February 2014 through April 2014 (“Summary”). Included in the Summary, which is included in the filing as two pages in Exhibit B-1, pages 5 and 6, is certain information the disclosure of which would damage LG&E’s competitive position and business interests. As required by 807 KAR 5:001, Section 13(2)(b), LG&E is providing one copy of this Summary, under seal, with the material for which confidential treatment is requested highlighted, and ten copies of the Summary with the confidential material redacted.

2. The Kentucky Open Records Act exempts from disclosure certain commercial information. KRS 61.878(1)(c). To qualify for this exemption and, therefore, maintain the confidentiality of the information, a party must establish that disclosure of the commercial information would permit an unfair advantage to competitors of that party.

3. The Summary contains sensitive commercial information, the disclosure of which would injure LG&E's ability to negotiate future gas supply contracts at advantageous prices and, thereby, minimize the price of natural gas to its customers, and would unfairly advantage LG&E's competitors for both gas supplies and retail gas load. Any impairment of its ability to obtain the most advantageous price possible from natural gas producers and marketers will necessarily erode LG&E's competitive position vis-a-vis other energy suppliers that compete in LG&E's service territory, as well as other LDCs with whom LG&E competes for new and relocating industrial customers. This sensitive information identifies LG&E's natural gas suppliers for the period set forth and links those providers with specific gas volumes delivered and the costs thereof. Redacting the suppliers' names from the Summary will prevent other parties from piecing together the sensitive information which LG&E seeks to protect from disclosure. LG&E, therefore, proposes that the identity of each supplier be kept confidential.

Disclosure of the suppliers' identities will damage LG&E's competitive position and business interest in two ways. First, it will allow LG&E's competitors to know the unit price and overall cost of the gas LG&E is purchasing from each supplier. This information is valuable to LG&E's competitors because it can alert them to the identity of LG&E's low cost suppliers, and if those supply agreements are more favorable than theirs, they can attempt to outbid LG&E for those suppliers. This would raise prices to LG&E which would hurt its competitive position and harm its ratepayers. Second, it will provide competitors of LG&E's suppliers with information which will enable future gas bidding to be manipulated to the competitors'

advantage and to the detriment of LG&E and its customers. Instead of giving its best price in a bid, a gas supply competitor with knowledge of the recent pricing practices of LG&E's other suppliers could adjust its bid so that it just beats other bidders' prices or other terms. As a result, LG&E and its customers will pay a higher price for gas than they would have otherwise.

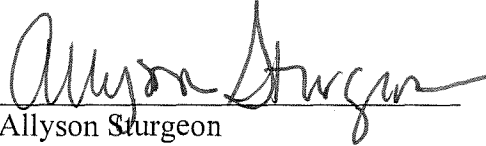
4. LG&E has filed similar requests with the Commission with regard to the same information contained in prior quarterly Gas Supply Clause filings, which the Commission has granted.

5. The information in the Summary for which LG&E is seeking confidential treatment is not known outside of LG&E and the relevant suppliers, and it is not disseminated within LG&E except to those employees with a legitimate business need to know and act upon the information.

6. The public interest will be served by granting this Petition in that competition among LG&E's prospective gas suppliers will be fostered, and the cost of gas to LG&E's customers will thereby be minimized. In addition, the public interest will be served by fostering full and fair competition between LG&E and other energy service providers within LG&E's gas service territory. For this reason and because LG&E's contracts with supplier require that the information be kept confidential, LG&E respectfully requests that the confidential material should be treated as confidential for an indefinite period of time.

WHEREFORE, Louisville Gas and Electric Company respectfully requests that the Commission classify and protect as confidential for an indefinite period of time the identity of the gas suppliers listed in the statement that sets forth the summary of the total purchased gas costs for the period of February 2014 through April 2014 and that is included in the three month filing made concurrently herewith pursuant to LG&E's Gas Supply Clause.

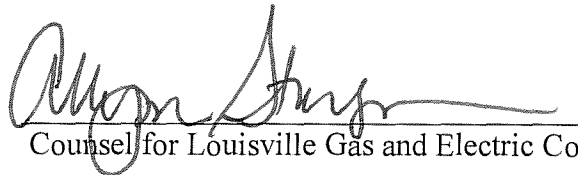
Respectfully submitted,



Allyson Sturgeon
Senior Corporate Attorney
LG&E and KU Services Company
220 West Main Street
P. O. Box 32010
Louisville, Kentucky 40232
(502) 627-2088
Counsel for Louisville Gas and Electric Company

CERTIFICATE OF SERVICE

This is to certify that a true copy of the foregoing instrument was shipped via United Parcel Service on the 16th of July, 2014, to the Office of the Attorney General, Office for Rate Intervention, 1024 Capital Center Drive, Frankfort, Kentucky 40601-8204.



Counsel for Louisville Gas and Electric Company