



RECEIVED

MAR 31 2014

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  
220 West Main Street  
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Louisville, Kentucky 40232  
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Director - Rates  
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March 31, 2014

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

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 Sixth Revision of Original Sheet No. 85 of LG&E Tariff PSC Gas No. 9 setting forth a Gas Supply Cost Component of 59.588 cents per 100 cubic feet applicable to all gas sold during the period of May 1, 2014 through July 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 May 1, 2014 through July 31, 2014.

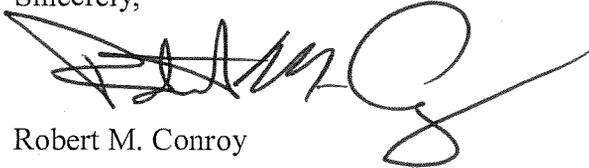
Furthermore, we are filing a petition to seek confidentiality with respect to the names of natural gas suppliers otherwise shown on Exhibit B-1, Pages 5 of 6 and 6 of 6.

This filing represents expected gas costs for the three-month period May 1, 2014 through July 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 February 1, 2014. These adjustment levels will remain in effect from May 1, 2014 through July 31, 2014.

Jeff DeRouen, Executive Director  
Public Service Commission of Kentucky  
March 31, 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,

A handwritten signature in black ink, appearing to read "R. Conroy", with a large, stylized flourish at the end.

Robert M. Conroy

Enclosures

# Louisville Gas and Electric Company

P.S.C. Gas No. 9, Sixth Revision of Original Sheet No. 85  
Canceling P.S.C. Gas No. 9, Fifth Revision Original Sheet No. 85

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Adjustment Clause

GSC  
Gas Supply Clause

## APPLICABLE TO

All gas sold.

## GAS SUPPLY COST COMPONENT (GSCC)

Gas Supply Cost	\$0.55568
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Gas Cost Actual Adjustment (GCAA)	0.03410
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Gas Cost Balance Adjustment (GCBA)	0.00107
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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 (PBRRC)	<u>0.00503</u>
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Total Gas Supply Cost Component Per 100 Cubic Feet (GSCC)	\$0.59588
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**Date of Issue:** March 31, 2014

**Date Effective:** May 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  
May 1, 2014 through July 31, 2014**

**LOUISVILLE GAS AND ELECTRIC COMPANY**

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

2014-00xxx

Gas Supply Cost - See Exhibit A for Detail			
Line No.	Description	Unit	Amount
1	Total Expected Gas Supply Cost	\$	15,374,524
2	Total Expected Customer Deliveries: May 1, 2014 through July 31, 2014	Mcf	2,766,786
3	Gas Supply Cost Per Mcf	\$/Mcf	5.5568
4	Gas Supply Cost Per 100 Cubic Feet	¢/Ccf	55.568

Gas Cost Actual Adjustment (GCAA) - See Exhibit B for Detail					
Description		Unit	Amount		
5	Current Quarter Actual Adjustment	Eff. May 1, 2014	2013-00361	¢/Ccf	2.942
6	Previous Quarter Actual Adjustment	Eff. February 1, 2014	2013-00253	¢/Ccf	(0.688)
7	2nd Previous Qrt. Actual Adjustment	Eff. November 1, 2013	2013-00126	¢/Ccf	(0.138)
8	3rd Previous Qrt. Actual Adjustment	Eff. August 1, 2013	2012-00591	¢/Ccf	1.294
9	Total Gas Cost Actual Adjustment (GCAA)			¢/Ccf	3.410

Gas Cost Balance Adjustment (GCBA) - See Exhibit C for Detail					
Description		Unit	Amount		
10	Balance Adjustment Amount			\$	29,713
11	Total Expected Customer Deliveries: May 1, 2014 through July 31, 2014			Mcf	2,766,786
12	Gas Cost Balance Adjustment (GCBA) Per Mcf			\$/Mcf	0.0107
13	Gas Cost Balance Adjustment (GCBA) Per 100 Cubic Feet			¢/Ccf	0.107

Refund Factors (RF) - See Exhibit D for Detail					
Description		Unit	Amount		
14	Refund Factor Effective:				
15	Current Quarter Refund Factor	Eff. May 1, 2014		¢/Ccf	0.000
16	1st Previous Quarter Refund Factor	Eff. February 1, 2014		¢/Ccf	0.000
17	2nd Previous Quarter Refund Factor	Eff. November 1, 2013		¢/Ccf	0.000
18	3rd Previous Quarter Refund Factor	Eff. August 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 May 1, 2014					
Description		Unit	Amount		
22	Gas Supply Cost			¢/Ccf	55.568
23	Gas Cost Actual Adjustment (GCAA)			¢/Ccf	3.410
24	Gas Cost Balance Adjustment (GCBA)			¢/Ccf	0.107
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	59.588

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

Line No.	MMBtu	May-2014	Jun-2014	Jul-2014	Total
1	Expected Gas Supply Transported Under Texas' No-Notice Service (Forward Haul)	691,294	689,291	1,376,089	2,756,674
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)	86,552	300,000	310,000	696,552
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)	0	540,000	558,000	1,098,000
7	Expected Gas Supply Transported Under Tenn.'s Rate FT-A (Zone 0)	0	600,000	620,000	1,220,000
8	Total MMBtu Purchased	1,645,846	2,969,291	3,732,089	8,347,226
9	Plus: Withdrawals from Texas Gas' NNS Storage Service	0	0	0	0
10	Less: Injections into Texas Gas' NNS Storage Service	606,595	531,873	0	1,138,468
11	Expected Monthly Deliveries from TGT/TGPL to LG&E (excluding transportation volumes under LG&E Rider TS/TS-2)	1,039,251	2,437,418	3,732,089	7,208,758
<u>Mcf</u>					
12	Total Purchases in Mcf	1,605,703	2,896,869	3,641,062	
13	Plus: Withdrawals from Texas Gas' NNS Storage Service	0	0	0	
14	Less: Injections Texas Gas' NNS Storage Service	591,800	518,900	0	
15	Expected Monthly Deliveries from TGT/TGPL to LG&E (excluding transportation volumes under LG&E Rate TS/TS-2)	1,013,903	2,377,969	3,641,062	
16	Plus: Customer Transportation Volumes under Rider TS/TS-2	8,331	3,000	3,000	
17	Total Expected Monthly Deliveries from TGT/TGPL to LG&E (Line 15 + Line 16)	1,022,234	2,380,969	3,644,062	
18	Less: Purchases for Depts. Other Than Gas Dept.	238	193	97	
19	Less: Purchases Injected into LG&E's Underground Storage	0	1,544,936	2,840,117	
20	Mcf Purchases Expensed during Month (Line 15 - Line 18 - Line 19)	1,013,665	832,840	800,848	2,647,353
21	LG&E's Storage Inventory - Beginning of Month	2,350,001	2,150,001	3,665,001	
22	Plus: Storage Injections into LG&E's Underground Storage (Line 19)	0	1,544,936	2,840,117	
23	LG&E's Storage Inventory - Including Injections	2,350,001	3,694,937	6,505,118	
24	Less: Storage Withdrawals from LG&E's Underground Storage	171,881	0	0	171,881
25	Less: Storage Losses	28,119	29,936	35,117	93,172
26	LG&E's Storage Inventory - End of Month	2,150,001	3,665,001	6,470,001	
27	Mcf of Gas Supply Expensed during Month (Line 20 + Line 24 + Line 25)	1,213,665	862,776	835,965	2,912,406
<u>Cost</u>					
28	Total Demand Cost - Including Transportation (Line 17 x Line 52)	\$778,431	\$1,813,108	\$2,774,953	
29	Less: Demand Cost Recovered thru Rate TS (Line 16 x Line 52)	6,344	2,285	2,285	
30	Demand Cost - Net of Demand Costs Recovered thru LG&E Rider TS/TS-2	\$772,087	\$1,810,823	\$2,772,668	
31	Commodity Costs - Gas Supply Under NNS (Forward Haul) (Line 1 x Line 53)	3,131,078	3,143,305	6,327,670	
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)	1,387,281	1,351,770	1,408,609	
34	Commodity Costs - Gas Supply Under Rate FT (Backward Haul) (Line 4 x Line 56)	383,382	1,337,850	1,393,915	
35	Commodity Costs - Gas Supply Under Rate STF (Forward Haul) (Line 5 x Line 57)	2,497,106	2,433,186	2,535,496	
36	Commodity Costs - Gas Supply Under Rate STF (Backward Haul) (Line 6 x Line 58)	0	2,426,328	2,527,852	
37	Commodity Costs - Gas Supply Under Rate FT-A Zone 0 (Line 7 x Line 59)	0	2,682,720	2,795,642	
38	Total Purchased Gas Cost	\$8,170,934	\$15,185,982	\$19,761,852	\$43,118,768
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)	2,747,451	2,425,447	0	5,172,898
41	Total Cost of Gas Delivered to LG&E	\$5,423,483	\$12,760,535	\$19,761,852	\$37,945,870
42	Less: Purchases for Depts. Other Than Gas Dept. (Line 18 x Line 60)	1,273	1,036	526	2,835
43	Less: Purchases Injected into LG&E's Storage (Line 19 x Line 60)	0	8,290,281	15,414,735	23,705,016
44	Pipeline Deliveries Expensed During Month	\$5,422,210	\$4,469,218	\$4,346,591	\$14,238,019
45	LG&E's Storage Inventory - Beginning of Month	\$9,666,964	\$8,844,244	\$16,995,703	
46	Plus: LG&E Storage Injections (Line 43 above)	0	8,290,281	15,414,735	
47	LG&E's Storage Inventory - Including Injections	\$9,666,964	\$17,134,525	\$32,410,438	
48	Less: LG&E Storage Withdrawals (Line 24 x Line 61)	707,050	0	0	\$707,050
49	Less: LG&E Storage Losses (Line 25 x Line 61)	115,670	138,822	174,963	429,455
50	LG&E's Storage Inventory - End of Month	\$8,844,244	\$16,995,703	\$32,235,475	
51	Gas Supply Expenses (Line 44 + Line 48 + Line 49)	\$6,244,930	\$4,608,040	\$4,521,554	\$15,374,524
<u>Unit Cost</u>					
52	12-Month Average Demand Cost - per Mcf (see Page 2)	\$0.7615	\$0.7615	\$0.7615	
53	Commodity Cost (per MMBtu) under Texas Gas's No-Notice Service (Forward Haul)	\$4.5293	\$4.5602	\$4.5983	
54	Commodity Cost (per MMBtu) under Texas Gas's No-Notice Service (Back Haul)	\$4.6189	\$4.6498	\$4.6879	
55	Commodity Cost (per MMBtu) under Texas Gas's Rate FT (Forward Haul)	\$4.4751	\$4.5059	\$4.5439	
56	Commodity Cost (per MMBtu) under Texas Gas's Rate FT (Back Haul)	\$4.4295	\$4.4595	\$4.4965	
57	Commodity Cost (per MMBtu) under Texas Gas's Rate STF (Forward Haul)	\$4.4751	\$4.5059	\$4.5439	
58	Commodity Cost (per MMBtu) under Texas Gas's Rate STF (Back Haul)	\$4.4632	\$4.4932	\$4.5302	
59	Commodity Cost (per MMBtu) under Tenn. Gas's Rate FT-A (Zone 0)	\$4.4404	\$4.4712	\$4.5091	
60	Average Cost of Deliveries (Line 41 / Line 15)	\$5.3491	\$5.3661	\$5.4275	
61	Average Cost of Inventory - Including Injections (Line 47 / Line 23)	\$4.1136	\$4.6373	\$4.9823	
<u>Gas Supply Cost</u>					
62	Total Expected Mcf Deliveries (Sales) to Customers May 1, 2014 through July 31, 2014				2,766,786 Mcf
63	Current Gas Supply Cost (Line 51 / Line 62)				\$5.5568 / Mcf

LOUISVILLE GAS AND ELECTRIC COMPANY  
Calculation Of Various Demand Charges Applicable  
For the Three-Month Period From May 1, 2014 thru July 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)	32,320,383
10	Average Demand Cost per Mcf (Line 8 / Line 9)	\$0.7615

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)	\$0.7615
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	\$0.8022

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 May 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 May 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 May 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 May 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 May 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 March 27, 2014, are \$4.538/MMBtu for May, \$4.565/MMBtu for June, and \$4.600/MMBtu for July. 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 50% lower compared to the same period one year ago;<sup>1</sup>
- 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.

During the three-month period under review, May 1, 2014, through July 31, 2014, LG&E estimates that its total purchases will be 7,208,758 MMBtu. LG&E expects that 1,618,206 MMBtu will be met with deliveries from TGT's pipeline service under Rate NNS (2,756,674 MMBtu in pipeline forwardhaul deliveries less 1,138,468 MMBtu in net storage injections); 920,000 MMBtu will be met from forwardhaul deliveries and 696,552 MMBtu backhaul deliveries under TGT's pipeline service under Rate FT; 1,656,000 MMBtu will be met from forwardhaul deliveries and 1,098,000 MMBtu backhaul deliveries under TGT's pipeline service under Rate STF; 1,220,000 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 \$4.3390 per MMBtu in May 2014, \$4.3690 in June 2014, and \$4.4060 in July 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 \$4.4260 per MMBtu in May 2014, \$4.4560 in June 2014, and \$4.4930 in July 2014. The average commodity cost of gas purchased from gas suppliers by LG&E and delivered to TGT

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<sup>1</sup> The weekly gas storage survey issued by the Energy Information Administration ("EIA") for the week ending March 21, 2014, indicated that storage inventory levels were 50% lower than last year's levels. Storage inventories across the nation are 899 Bcf (896 Bcf – 1,795 Bcf), or 50%, lower this year than the same period one year ago. Last year at this time, 1,795 Bcf was held in storage, while this year 896 Bcf is held in storage. Storage inventories across the nation are 926 Bcf (896 Bcf – 1,822 Bcf), or 51% lower this year than the five-year average. On average for the last five years at this time, 1,822 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 the forwardhaul FT service is expected to be \$4.3390 per MMBtu in May 2014, \$4.3690 in June 2014, and \$4.4060 in July 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 \$4.4260 per MMBtu in May 2014, \$4.4560 in June 2014, and \$4.4930 in July 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 \$4.3390 per MMBtu in May 2014, \$4.3690 in June 2014, and \$4.4060 in July 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 \$4.4260 per MMBtu in May 2014, \$4.4560 in June 2014, and \$4.4930 in July 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 \$4.3030 per MMBtu in May 2014, \$4.3330 in June 2014, and \$4.3700 in July 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

	<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>
May 2014	\$4.3390	2.86%	\$0.0626	\$4.5293
June 2014	\$4.3690	2.86%	\$0.0626	\$4.5602
July 2014	\$4.4060	2.86%	\$0.0626	\$4.5983

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>
May 2014	\$4.4260	2.86%	\$0.0626	\$4.6189
June 2014	\$4.4560	2.86%	\$0.0626	\$4.6498
July 2014	\$4.4930	2.86%	\$0.0626	\$4.6879

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>
May 2014	\$4.3390	2.58%	\$0.0212	\$4.4751
June 2014	\$4.3690	2.58%	\$0.0212	\$4.5059
July 2014	\$4.4060	2.58%	\$0.0212	\$4.5439

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>
May 2014	\$4.4260	0.00%	\$0.0035	\$4.4295
June 2014	\$4.4560	0.00%	\$0.0035	\$4.4595
July 2014	\$4.4930	0.00%	\$0.0035	\$4.4965

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>
May 2014	\$4.3390	2.58%	\$0.0212	\$4.4751
June 2014	\$4.3690	2.58%	\$0.0212	\$4.5059
July 2014	\$4.4060	2.58%	\$0.0212	\$4.5439

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>
May 2014	\$4.4260	0.00%	\$0.0372	\$4.4632
June 2014	\$4.4560	0.00%	\$0.0372	\$4.4932
July 2014	\$4.4930	0.00%	\$0.0372	\$4.5302

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				
May 2014	\$4.3030	2.44%	\$0.0298	\$4.4404
June 2014	\$4.3330	2.44%	\$0.0298	\$4.4712
July 2014	\$4.3700	2.44%	\$0.0298	\$4.5091

The annual demand billings covering the 12 months from May 1, 2014 through April 30, 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 May 1, 2014 through July 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 4.1  
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	0.0445
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 4.2  
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>
	Currently Effective Rates [1]	Currently Effective Rates [1]
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	\$0.2083	\$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	\$0.1981	\$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	\$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	

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 XXXVII of the General Terms and Conditions of \$0.0000.

Issued: September 30, 2013  
Effective: September 1, 2013

Docket No. RP12-887  
Accepted:

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

Eighth Revised Sheet No. 15  
Superseding  
Seventh 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	\$0.0046	\$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&I R'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: 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 2013-00361 during the three-month period of November 1, 2013 through January 31, 2014, was \$8,986,442. The calculation of the Gas Cost Actual Adjustment (GCAA) set forth in Exhibit B-1 results in a charge of 2.942¢ per 100 cubic feet, which LG&E will place in effect with service rendered on and after May 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 November 2013 through January 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 2012-00446, with service rendered through April 30, 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 May 2014.

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

Current Quarter Actual Adjustment:		
Effective May 1, 2014 from 2013-00361	2.942	cents/Ccf
Previous Quarter Actual Adjustment:		
Effective February 1, 2014 from 2013-00253	(0.688)	cents/Ccf
2nd Previous Quarter Actual Adjustment:		
Effective November 1, 2013 from 2013-00126	(0.138)	cents/Ccf
3rd Previous Quarter Actual Adjustment:		
Effective August 1, 2013 from 2012-00591	1.294	cents/Ccf
<b>Total Gas Cost Actual Adjustment (GCAA)</b>	<b>3.410</b>	<b>cents/Ccf</b>

**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 May 1, 2014

Line No.	Recovery Period	Case Number	Total Dollars of Gas Cost Recovered <sup>1</sup>	Gas Supply Cost Per Books <sup>2</sup>	(Over)/Under Recovery
(1)	(2)	(3)	(4)	(5)	(5) - (4)
1	Nov-2013	2013-00361	\$5,479,383	\$18,988,575	\$13,509,192
2	Dec-2013	2013-00361	\$24,424,587	\$28,244,756	\$3,820,169
3	Jan-2014	2013-00361	\$34,635,483	\$44,255,412	\$9,619,929
4	Feb-2014	(Note 3)	\$17,962,848	\$0	(\$17,962,848)
5			\$82,502,301	\$91,488,743	\$8,986,442
6		(Over)/Under Recovery	\$8,986,442		
7		Expected Mcf Sales for			
8		12-Month Period from Date Implemented	30,542,634		
9		GCAA Factor per Mcf	\$0.2942		
10		GCAA Factor per Ccf	\$0.02942		
11		GCAA Factor Cents per Ccf	2.942		

<sup>1</sup> See Page 2 of this Exhibit.

<sup>2</sup> See Page 4 of this Exhibit.

<sup>3</sup> 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 May 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	\$ from OSS	Total \$ Recovered (14) = (7)+(11)+(12)+(13)
(1)	(2)	(3)	(3)	(4)	(5)	(6)	(7) = (5) x (6)	(8)	(9)	(10)	(11) = (8) x (9)+(10)	(12)	(13)	(14) = (7)+(11)+(12)+(13)
1	Nov-2013	Prorated	2013-00361	2,424,351 <sup>1</sup>	1,117,897 <sup>2</sup>	\$4.7704	\$5,332,815	14,970.5	\$0.7621	\$868.87	\$12,278	\$134,290	\$0	\$5,479,383
2	Dec-2013		2013-00361	5,045,426	5,045,426	\$4.7704	\$24,068,700	18,227.7	\$0.7621	\$1,068.06	\$14,959	\$84,428	\$256,500	\$24,424,587
3	Jan-2014		2013-00361	7,164,340	7,164,340	\$4.7704	\$34,176,766	25,147.0	\$0.7621	\$1,204.46	\$20,369	\$136,079	\$302,269	\$34,635,483
4	Feb-2014	Prorated	2013-00361	7,414,287 <sup>1</sup>	3,765,480 <sup>2</sup>	\$4.7704	\$17,962,848	0.0	\$0.7621	\$0.00	\$0	\$0	\$0	\$17,962,848
5					17,093,143		\$81,541,129	58,345.2		\$3,141.39	\$47,606	\$354,797	\$558,769	\$82,502,301

<sup>1</sup> For information purposes only, volumes will be prorated

<sup>2</sup> Portion of month billed at rate effective this quarter

**LOUISVILLE GAS AND ELECTRIC COMPANY**  
**Summary of Gas Costs Recovered**  
**Under Provisions of Rate FT**  
**For Service Rendered On and After May 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	Nov-2013	2013-00361	\$ 0.1521	31,368.0	\$115,761	-	\$ -	121,824.6	\$18,530	\$0.00	\$0.00	\$134,290
2	Dec-2013	2013-00361	\$ 0.1521	13,818.5	\$54,174	-	\$ -	149,616.9	\$22,757	\$7,496.72	\$0.00	\$84,428
3	Jan-2014	2013-00361	\$ 0.1521	3,185.1	\$19,127	-	\$ -	257,114.6	\$39,107	\$77,845.62	\$0.00	\$136,079
4	Total Amount to Transfer to Exhibit B-1, Page 2											\$354,797

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 May 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	Nov-2013	3,828,331	0	(1,051)	(372,769)	828,358	48,653	4,331,522	\$ 17,036,662	\$ -	\$ (2,843)	\$ (1,659,083)	\$ 3,401,652	\$ 199,794	\$ 12,394	\$ 18,988,575
2	Dec-2013	4,237,410	58,537	(2,633)	(159,199)	2,077,785	45,784	6,257,684	\$ 20,027,900	\$ 224,400	\$ (9,504)	\$ (751,244)	\$ 8,547,176	\$ 188,337	\$ 17,692	\$ 28,244,756
3	Jan-2014	5,208,361	68,769	(3,223)	0	3,580,540	39,242	8,893,689	\$ 28,974,427	\$ 305,918	\$ (7,933)	\$ -	\$ 14,728,909	\$ 161,426	\$ 92,665	\$ 44,255,412
4								19,482,895								\$ 91,488,743

LOUISVILLE GAS AND ELECTRIC COMPANY  
SUMMARY OF GAS PURCHASES AND COSTS BY SUPPLIER  
FOR THE 3 MONTH PERIOD FROM NOVEMBER 2013 THROUGH JANUARY 2014

DELIVERED BY TEXAS GAS TRANSMISSION, LLC  
COMMODITY AND VOLUMETRIC CHARGES:

		NOVEMBER 2013			DECEMBER 2013			JANUARY 2014			
		NET MMBTU	MCF	\$	NET MMBTU	MCF	\$	NET MMBTU	MCF	\$	
NATURAL GAS SUPPLIERS:											
1.	A	612,000	597,073	\$2,154,600.00	632,400	616,976	\$2,415,210.00	632,400	616,976	\$2,805,810.00	
2.	B	29,142	28,431	\$112,050.00	0	0	\$0.00	19,428	18,954	\$86,200.00	
3.	C	0	0	\$0.00	40,000	39,024	\$181,400.00	412,850	402,780	\$3,227,425.00	
4.	D	0	0	\$0.00	0	0	\$0.00	18,457	18,007	\$88,255.00	
5.	E	10,000	9,756	\$37,450.00	0	0	\$0.00	0	0	\$0.00	
6.	F	178,736	174,377	\$696,810.00	0	0	\$0.00	0	0	\$0.00	
7.	G	0	0	\$0.00	885,216	863,626	\$3,401,563.66	513,615	501,088	\$2,290,964.48	
8.	H	0	0	\$0.00	140,000	136,585	\$607,272.56	379,621	370,362	\$1,847,560.42	
9.	I	0	0	\$0.00	0	0	\$0.00	165,138	161,110	\$767,050.00	
10.	J	0	0	\$0.00	0	0	\$0.00	9,714	9,477	\$46,400.00	
11.	K	600,000	585,366	\$2,127,960.00	620,000	604,878	\$2,387,088.66	460,432	449,202	\$2,054,490.90	
12.	L	10,000	9,756	\$36,600.00	0	0	\$0.00	0	0	\$0.00	
13.	M	53,427	52,124	\$206,050.00	0	0	\$0.00	0	0	\$0.00	
14.	N	0	0	\$0.00	(60,000)	(58,537)	(\$256,500.00)	(49,899)	(48,682)	(\$213,941.96)	
15.	O	0	0	\$0.00	19,428	18,954	\$85,150.00	355,984	347,301	\$1,624,176.40	
16.	P	456,000	444,878	\$1,702,962.30	370,500	361,464	\$1,614,671.90	666,302	650,051	\$3,238,198.49	
17.	Q	599,975	585,341	\$2,130,871.80	619,981	604,860	\$2,383,726.40	319,919	312,116	\$1,516,556.58	
18.	R	140,853	137,418	\$534,975.00	0	0	\$0.00	(20,589)	(20,087)	(\$88,326.81)	
		<u>2,690,133</u>	<u>2,624,520</u>	<u>\$9,740,349.10</u>	<u>3,267,525</u>	<u>3,187,830</u>	<u>\$12,819,583.18</u>	<u>3,883,372</u>	<u>3,788,655</u>	<u>\$19,290,818.50</u>	
NO-NOTICE SERVICE ("NNS") STORAGE:											
1.	WITHDRAWALS	643,021	627,338	\$2,334,294.83	525,252	512,441	\$2,066,709.04	802,023	782,461	\$3,942,183.65	
2.	INJECTIONS	(55,333)	(53,983)	(\$200,869.86)	(177,038)	(172,720)	(\$696,591.42)	(114,501)	(111,708)	(\$562,806.77)	
3.	ADJUSTMENTS	0	(126)	\$0.00	0	10,890	\$0.00	0	6,365	\$0.00	
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	\$0.00	
	NET NNS STORAGE	<u>587,688</u>	<u>573,229</u>	<u>\$2,133,424.97</u>	<u>348,214</u>	<u>350,611</u>	<u>\$1,370,117.62</u>	<u>687,522</u>	<u>677,118</u>	<u>\$3,379,376.88</u>	
NATURAL GAS TRANSPORTERS:											
1.	TEXAS GAS TRANSMISSION, LLC			\$191,641.77			\$211,472.07			\$265,327.46	
2.	ADJUSTMENTS	0	47,652	(\$0.08)	0	49,835	\$0.08	0	59,668	\$0.07	
3.	ADJUSTMENTS	0	0	\$0.00	0	0	\$0.00	0	0	\$0.00	
	TOTAL	<u>3,277,821</u>	<u>3,245,401</u>	<u>\$191,641.69</u>	<u>3,615,739</u>	<u>3,588,276</u>	<u>\$211,472.15</u>	<u>4,570,894</u>	<u>4,525,441</u>	<u>\$265,327.53</u>	
TOTAL COMMODITY AND VOLUMETRIC CHARGES				\$12,065,415.76					\$14,401,172.95	\$22,935,522.91	
DEMAND AND FIXED CHARGES:											
1.	TEXAS GAS TRANSMISSION, LLC			\$2,385,693.00			\$2,465,216.10			\$2,465,216.10	
2.	ADJUSTMENTS			\$0.00			\$0.00			\$0.00	
3.	SUPPLY RESERVATION CHARGES			\$178,083.59			\$336,136.13			\$332,789.01	
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				\$2,563,776.59					\$2,801,352.23	\$2,798,005.11	
TOTAL PURCHASED GAS COSTS -- TEXAS GAS TRANSMISSION, LLC				<u>\$14,629,192.35</u>					<u>\$17,202,525.18</u>	<u>\$25,733,528.02</u>	

LOUISVILLE GAS AND ELECTRIC COMPANY  
SUMMARY OF GAS PURCHASES AND COSTS BY SUPPLIER  
FOR THE 3 MONTH PERIOD FROM NOVEMBER 2013 THROUGH JANUARY 2014

DELIVERED BY TENNESSEE GAS PIPELINE COMPANY, LLC COMMODITY AND VOLUMETRIC CHARGES:		NOVEMBER 2013			DECEMBER 2013			JANUARY 2014			
		NET MMBTU	MCF	\$	NET MMBTU	MCF	\$	NET MMBTU	MCF	\$	
NATURAL GAS SUPPLIERS:											
1 .	S	0	0	\$0.00	0	0	\$0.00	9,760	9,476	\$44,875.00	
3 .	T	600,000	582,524	\$2,096,331.60	619,964	601,907	\$2,337,591.20	380,000	368,932	\$1,658,622.48	
2 .	U	0	0	\$0.00	0	0	\$0.00	9,760	9,476	\$44,825.00	
4 .	V	0	0	\$0.00	0	0	\$0.00	214,720	208,466	\$913,000.00	
		<u>600,000</u>	<u>582,524</u>	<u>\$2,096,331.60</u>	<u>619,964</u>	<u>601,907</u>	<u>\$2,337,591.20</u>	<u>614,240</u>	<u>596,350</u>	<u>\$2,661,322.48</u>	
NATURAL GAS TRANSPORTERS:											
1 .	TENNESSEE GAS PIPELINE COMPANY, LLC			\$11,340.00			\$11,717.32			\$11,609.14	
2 .	TENNESSEE GAS PIPELINE COMPANY, LLC			\$11,400.00			\$11,779.32			\$11,670.56	
3 .	ADJUSTMENTS	(431)	(13,319)	(\$1,457.23)	(591)	(8,599)	(\$1,380.10)	(219)	(10,065)	(\$1,621.77)	
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>599,569</u>	<u>569,205</u>	<u>\$21,282.77</u>	<u>619,373</u>	<u>593,308</u>	<u>\$22,116.54</u>	<u>614,021</u>	<u>586,285</u>	<u>\$21,657.93</u>	
TOTAL COMMODITY AND VOLUMETRIC CHARGES				\$2,117,614.37				\$2,359,707.74	\$2,682,980.41		
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			\$84,837.00			\$87,659.79			\$86,850.10	
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				\$249,105.00				\$251,927.79	\$251,118.10		
TOTAL PURCHASED GAS COSTS – TENNESSEE GAS PIPELINE COMPANY, LLC				<u>\$2,366,719.37</u>				<u>\$2,611,635.53</u>	<u>\$2,934,098.51</u>		
OTHER PURCHASES											
1 .	CASH-OUT OF CUSTOMER OVER-DELIVERIES		13,258	\$40,749.99		55,826	\$181,638.83		96,635	\$310,449.64	
	TOTAL		<u>13,258</u>	<u>\$40,749.99</u>		<u>55,826</u>	<u>\$181,638.83</u>		<u>96,635</u>	<u>\$310,449.64</u>	
TOTAL PURCHASED GAS COSTS – ALL PIPELINES		<u>3,877,390</u>	<u>3,827,864</u>	<u>\$17,036,661.71</u>	<u>4,235,112</u>	<u>4,237,410</u>	<u>\$19,995,799.54</u>	<u>5,184,915</u>	<u>5,208,361</u>	<u>\$28,978,076.17</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 under-recovery that must be collected under the Gas Cost Balance Adjustment (GCBA) during the period of May 1, 2014 through July 31, 2014, set forth on Page 1 of Exhibit C-1, is \$29,713. The GCBA factor required to collect this under-recovery is a charge of .107¢ per 100 cubic feet. LG&E will place this charge into effect with service rendered on and after May 1, 2014 and continue for three months.

In this filing, LG&E will also be eliminating the GCBA from Case 2013-00486, which, with service rendered through April 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 May 1, 2014.

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

Line No.	Factor	Remaining Balance
1	Remaining (Over)/Under Recovery From GCAA <sup>1</sup>	\$17,598
2	Remaining (Over)/Under Recovery From GCBA <sup>2</sup>	\$12,115
3	Remaining (Under)/Over Refund From RA <sup>3</sup>	\$0
4	Remaining (Over)/Under Recovery From PBRRC <sup>4</sup>	\$0
5	Total Remaining (Over)/Under Recovery	<u>\$29,713</u>
6	Expected Mcf Sales for 3 Month Period <sup>5</sup>	2,766,786
7	GCBA Factor Per Mcf	\$0.0107
8	GCBA Factor Per Ccf	\$0.00107

<sup>1</sup> See Exhibit C-1, page 2.

<sup>2</sup> See Exhibit C-1, page 3.

<sup>3</sup> See Exhibit D-1, page 2.

<sup>4</sup> See Exhibit E-1, page 2.

<sup>5</sup> See Exhibit A-1, page 1.

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

From Case No. 2012-00286

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	(215,287)	
2	Feb-13	Prorated	5,622,368	2,552,276	(\$0.0065)	(\$16,590)	(\$198,697)	
3	Mar-13		5,210,138	5,210,138	(\$0.0065)	(\$33,866)	(\$164,831)	
4	Apr-13		3,634,272	3,634,272	(\$0.0065)	(\$23,623)	(\$141,208)	
5	May-13		1,572,218	1,572,218	(\$0.0065)	(\$10,219)	(\$130,989)	
6	Jun-13		968,381	968,381	(\$0.0065)	(\$6,294)	(\$124,695)	
7	Jul-13		809,923	809,923	(\$0.0065)	(\$5,264)	(\$119,431)	
8	Aug-13		850,108	850,108	(\$0.0065)	(\$5,526)	(\$113,905)	
9	Sep-13		759,935	759,935	(\$0.0065)	(\$4,940)	(\$108,965)	
10	Oct-13		1,071,744	1,071,744	(\$0.0065)	(\$6,966)	(\$101,999)	
11	Nov-13		2,424,351	2,424,351	(\$0.0065)	(\$15,758)	(\$86,241)	
12	Dec-13		5,045,426	5,045,426	(\$0.0065)	(\$32,795)	(\$53,446)	
13	Jan-14		7,164,340	7,164,340	(\$0.0065)	(\$46,568)	(\$6,878)	
14	Feb-14	Prorated	7,414,287	3,765,480	(\$0.0065)	(\$24,476)	\$17,598	
15			Total Amount Recovered/(Returned) During Period				(\$232,885)	
16			Remaining Balance to Transfer to Exhibit C-1, Page 1 of 3				\$17,598	

LOUISVILLE GAS AND ELECTRIC COMPANY  
Revenue Collected Under the GCBA Factor  
For Service Rendered On and After May 1, 2014

Case No. 2013-00361

Line No.	Recovery Period	Comments	Total Mcf Sales for Month	Sales Applicable to GCBA	GCBA/Mcf Factor	Recovery/(Refund) per Month	Balance Remaining
	(1)	(2)	(3)	(4)	(5)	(6)=(4)*(5)	(7)=(Bal)-(6)
1						Beginning Balance	(\$59,676)
2	Nov-2013	Prorated	2,424,351	1,117,897	(\$0.0042)	(\$4,695)	(\$54,981)
3	Dec-2013		5,045,426	5,045,426	(\$0.0042)	(\$21,191)	(\$33,790)
4	Jan-2014		7,164,340	7,164,340	(\$0.0042)	(\$30,090)	(\$3,700)
5	Feb-2014	Prorated	7,414,287	3,765,480	(\$0.0042)	(\$15,815)	\$12,115
6						Total Amount Refunded or Recovered	(\$71,791)
7						Remaining Balance to Transfer to Exhibit C-1, Page 1 of 3	\$12,115

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

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

Therefore, the Refund Factor will be as follows:

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

**LOUISVILLE GAS AND ELECTRIC COMPANY**

**Calculation of Refund Factor**  
For Service Rendered On and After May 1, 2014

Line No.	Effective Date	Case Number	Total Cash Refund Related to Demand	Plus Interest on Refundable Amount	Expected Refund Obligation Including Interest	Expected Mcf Sales for the 12-month Period	Refund Factor per Mcf (\$/Mcf)	Refund Factor per Ccf (cents/Ccf)
	(1)	(2)	(3)	(4)	(5) = (3) + (4)	(6)	(7) = (5) / (6)	(8)
1	May-2014	2014-000xx	\$ -	\$ -	\$ -	30,638,504	\$ -	-
2	Feb-2014	2013-00486	\$ -	\$ -	\$ -	32,911,082	\$ -	-
3	Nov-2013	2013-00361	\$ -	\$ -	\$ -	31,558,041	\$ -	-
4	Aug-2013	2013-00253	\$ -	\$ -	\$ -	31,579,302	\$ -	-
5						Total Refund Factor	\$0.0000	

LOUISVILLE GAS AND ELECTRIC COMPANY

Refund Returned Under RA Factor  
For Service Rendered On and After May 1, 2014

Case No. 2012-00591

Line No.	Recovery Period	Comments	Mcf Sales for Sales Customers	Mcf Sales for TS Customers	RA/Mcf Factor	Amount Refunded per Month	Balance
	(1)	(2)	(3)	(4)	(5)	(6)=(3+4)*(5)	(7)=(Bal)-(6)
1						Beginning Balance	\$0.00
2	Feb-13	Prorated	2,552,276	30,425	\$0.0000	\$0	\$0
3	Mar-13		5,210,138	26,704	\$0.0000	\$0	\$0
4	Apr-13		3,634,272	20,274	\$0.0000	\$0	\$0
5	May-13		1,572,218	13,268	\$0.0000	\$0	\$0
6	Jun-13		968,381	13,819	\$0.0000	\$0	\$0
7	Jul-13		809,923	10,912	\$0.0000	\$0	\$0
8	Aug-13		850,108	11,230	\$0.0000	\$0	\$0
9	Sep-13		759,935	14,413	\$0.0000	\$0	\$0
10	Oct-13		1,071,744	17,994	\$0.0000	\$0	\$0
11	Nov-13		2,424,351	14,971	\$0.0000	\$0	\$0
12	Dec-13		5,045,426	18,228	\$0.0000	\$0	\$0
13	Jan-14		7,164,340	25,147	\$0.0000	\$0	\$0
14	Feb-14	Prorated	3,765,480	0	\$0.0000	\$0	\$0
					Amount Refunded	\$0	
15			Remaining Balance to Transfer to Exhibit C-1, Page 1 of 3				\$0

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 COMPANY**

Effective February 1, 2014 with Gas Supply Clause Case No. 2013-00486  
Shareholder Portion of PBR Savings

PBR Year 17

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

<u>Line No.</u>		<u>Commodity</u>	<u>Demand</u>	<u>Total</u>
1	Company Share of PBR Savings or (Expenses) (CSPBR)	\$295,690	\$1,252,426	\$1,548,116
2	Expected Mcf Sales for the 12 month period beginning February 1, 2014	30,657,793	30,753,663	
3	PBRRC factor per Mcf	\$0.0096	\$0.0407	
4	PBRRC factor per Ccf	\$0.00096	\$0.00407	

**LOUISVILLE GAS AND ELECTRIC COMPANY**  
 Calculation of Revenue Collected Under PBR Factor  
 For Service Rendered On and After May 1, 2014

Case No. 2011-00523

Line No.	Performance Based Ratemaking Mechanism			Transporation Rider TS			Total	Balance
	Mcf Sales Applicable to PBR Recovery	PBRRC Factor	Total Collected/ (Returned)	MCF TS Transport	TS Transport Factor	Total Collected/ (Returned)	Recovery/ (Refund)	
	(1)	(2)	(3)=(1)*(2)	(4)	(5)	(6)=(4)*(5)	(7)=(3)+(6)	(8)=(Bal)-(7)
1							Beginning Balance	\$0
2	Feb-12 Prorated	2,344,008	\$0.0000	\$0	3,728.3	\$0.0000	\$0.00	\$0
3	Mar-12	3,524,631	\$0.0000	\$0	5,635.0	\$0.0000	\$0.00	\$0
4	Apr-12	1,438,443	\$0.0000	\$0	6,414.0	\$0.0000	\$0.00	\$0
5	May-12	1,168,380	\$0.0000	\$0	7,543.0	\$0.0000	\$0.00	\$0
6	Jun-12	858,336	\$0.0000	\$0	9,776.1	\$0.0000	\$0.00	\$0
7	Jul-12	732,114	\$0.0000	\$0	12,614.0	\$0.0000	\$0.00	\$0
8	Aug-12	669,221	\$0.0000	\$0	8,379.0	\$0.0000	\$0.00	\$0
9	Sep-12	771,935	\$0.0000	\$0	13,206.0	\$0.0000	\$0.00	\$0
10	Oct-12	1,057,708	\$0.0000	\$0	15,878.5	\$0.0000	\$0.00	\$0
11	Nov-12	2,550,560	\$0.0000	\$0	30,641.6	\$0.0000	\$0.00	\$0
12	Dec-12	3,536,106	\$0.0000	\$0	28,155.6	\$0.0000	\$0.00	\$0
13	Jan-13	5,558,991	\$0.0000	\$0	28,327.0	\$0.0000	\$0.00	\$0
14	Feb-13 Prorated	3,070,092	\$0.0000	\$0	0.0	\$0.0000	\$0.00	\$0
		<u>27,280,525.0</u>		<u>\$0</u>	<u>170,298.1</u>		<u>\$0</u>	

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Balance to be transferred to Exhibit C-1, Page 1 of 2

\$0.00

LOUISVILLE GAS AND ELECTRIC

**Gas Supply Clause: 2013-00xxx**  
**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	\$(0.0015)/Mcf	\$0.0000/Mcf	\$(0.0015)/Mcf
November 1, 2013	\$0.3410/Mcf	\$(0.0015)/Mcf	\$0.0503/Mcf	\$0.4020/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 May 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	\$0.0107	\$0.0000	\$0.0107
2	November 1, 2013	\$0.3410	\$0.0107	\$0.0503	\$0.4020

LOUISVILLE GAS AND ELECTRIC COMPANY

**GAS SERVICE RATES EFFECTIVE WITH SERVICE  
RENDERED FROM  
May 1, 2014 through July 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	\$0.59588	0.02140	\$0.88147
RATE CGS - COMMERCIAL (meter capacity < 5000 CF/HR)					
BASIC SERVICE CHARGE	\$35.00				
APRIL THRU OCTOBER					
FIRST 1000 CCF/MONTH		\$0.20999	\$0.59588	0.00098	\$0.80685
OVER 1000 CCF/MONTH		\$0.15999	\$0.59588	0.00098	\$0.75685
NOVEMBER THRU MARCH					
ALL CCF		\$0.20999	\$0.59588	0.00098	\$0.80685
RATE CGS - COMMERCIAL (meter capacity >= 5000 CF/HR)					
BASIC SERVICE CHARGE	\$175.00				
APRIL THRU OCTOBER					
FIRST 1000 CCF/MONTH		\$0.20999	\$0.59588	0.00098	\$0.80685
OVER 1000 CCF/MONTH		\$0.15999	\$0.59588	0.00098	\$0.75685
NOVEMBER THRU MARCH					
ALL CCF		\$0.20999	\$0.59588	0.00098	\$0.80685
RATE IGS - INDUSTRIAL (meter capacity < 5000 CF/HR)					
BASIC SERVICE CHARGE	\$35.00				
APRIL THRU OCTOBER					
FIRST 1000 CCF/MONTH		\$0.21452	\$0.59588	0.00000	\$0.81040
OVER 1000 CCF/MONTH		\$0.16452	\$0.59588	0.00000	\$0.76040
NOVEMBER THRU MARCH					
ALL CCF		\$0.21452	\$0.59588	0.00000	\$0.81040
RATE IGS - INDUSTRIAL (meter capacity >= 5000 CF/HR)					
BASIC SERVICE CHARGE	\$175.00				
APRIL THRU OCTOBER					
FIRST 1000 CCF/MONTH		\$0.21452	\$0.59588	0.00000	\$0.81040
OVER 1000 CCF/MONTH		\$0.16452	\$0.59588	0.00000	\$0.76040
NOVEMBER THRU MARCH					
ALL CCF		\$0.21452	\$0.59588	0.00000	\$0.81040
Rate AAGS	\$275.00	\$0.60860	\$0.59588	0.00098	\$1.20546
	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	\$0.59588	\$ 1.14020	\$1.76703
RATE DGGS - COMMERCIAL & INDUSTRIAL (meter capacity >= 5000 CF/HR)					
BASIC SERVICE CHARGE	\$175.00				
ALL CCF		\$0.03095	\$0.59588	\$ 1.14020	\$1.76703

EFFECTIVE RATES FOR RATE TS-2 TRANSPORTATION SERVICE

GAS SERVICE RATES EFFECTIVE WITH SERVICE  
RENDERED FROM  
May 1, 2014 through July 31, 2014

	RATE PER MCF				
	ADMIN. CHARGE (PER MONTH)	LG&E DIST CHARGE	PIPELINE SUPPLIER'S DEMAND COMPONENT	DSM COST RECOVERY COMPONENT	TOTAL
<b>RATE TS-2</b>					
RATE CGS - COMMERCIAL	\$400.00				
APRIL THRU OCTOBER					
FIRST 100 MCF/MONTH		\$2.0999	\$0.8022	0.0098	\$2.9119
OVER 100 MCF/MONTH		\$1.5999	\$0.8022	0.0098	\$2.4119
NOVEMBER THRU MARCH					
ALL MCF		\$2.0999	\$0.8022	0.0098	\$2.9119
RATE IGS - INDUSTRIAL	\$400.00				
APRIL THRU OCTOBER					
FIRST 100 MCF/MONTH		\$2.1452	\$0.8022	0.0000	\$2.9474
OVER 100 MCF/MONTH		\$1.6452	\$0.8022	0.0000	\$2.4474
NOVEMBER THRU MARCH					
ALL MCF		\$2.1452	\$0.8022	0.0000	\$2.9474
Rate AAGS	\$400.00	\$0.6086	\$0.8022	0.0098	\$1.4206

L G & E

Charges for Gas Transportation Services Provided Under Rate FT

May 1, 2014 through July 31, 2014

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Transportation Service:

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

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Ancillary Services:

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

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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.

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L G & E

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

May 1, 2014 through July 31, 2014

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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

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Ancillary Services:

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

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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.

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

MAR 31 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 November 2013 through January 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.

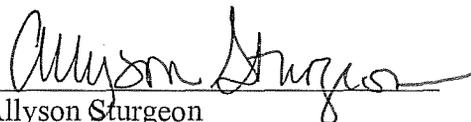
4. LG&E has filed similar requests with the Commission with regard to the same information contained in prior quarterly Gas Supply Clause filings, which the Commission has granted.

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 November 2013 through January 2014 and that is included in the three month filing made concurrently herewith pursuant to LG&E's Gas Supply Clause.

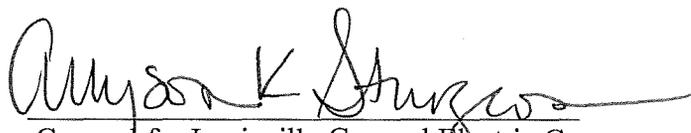
Respectfully submitted,



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 ~~31<sup>st</sup>~~ of March, 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