



RECEIVED

FEB 29 2016

PUBLIC SERVICE
COMMISSION

Executive Director
Public Service Commission of Kentucky
211 Sower Boulevard
P. O. Box 615
Frankfort, Kentucky 40602

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

Derek A. Rahn
Manager - Revenue
Requirement
T 502-627-4127
F 502-217-4002
derek.rahn@lge-ku.com

February 29, 2016

**RE: *Louisville Gas and Electric Company -
Gas Line Tracker True-up for 2015***

Dear Executive Director:

Louisville Gas and Electric Company ("LG&E" or the "Company") pursuant to its Gas Line Tracker ("GLT") Adjustment Clause approved by the Commission on December 20, 2012¹, files herewith an Application for approval of revised sheets of its Tariff P.S.C. Gas No. 10, Second Revision of Original Sheet No. 84 setting forth GLT charges as presented below.

2016-108

RGS - Residential Gas Service	\$ 5.14
VFD - Volunteer Fire Department Service	\$ 5.14
CGS - Commercial Gas Service	\$ 27.41
IGS - Industrial Gas Service	\$ 259.54
AAGS - As-Available Gas Service	\$ 2,838.87
DGGS - Distributed Generation Gas Service	\$ 0.00

LG&E is making revisions to reflect the balancing adjustment for actual costs for the period ending December 31, 2015 to become effective with the first

¹ Case No. 2012-00222, In the Matter of: *Application of Louisville Gas and Electric Company for an Adjustment of its Electric and Gas Rates, a Certificate of Public Convenience and Necessity, Approval of Ownership of Gas Service Lines and Risers, and a Gas Line Surcharge*, Order dated December 20, 2012.

Executive Director
Public Service Commission of Kentucky
February 29, 2016

billing cycle for May 2016. Higher than forecasted capital investment and operating expenses resulted in a \$1.36 million under-recovery for 2015. LG&E has calculated each prior year's true-up separately, similar to the balancing adjustment used in the Company's Gas Supply Clause. The Company expects that the 2014 over-recovery that is currently in rates will be nearly fully refunded by the end of April 2016 when the revised rates go into effect. Any residual amount would then be incorporated into the Company's 2017 true-up filing.

Supporting documentation for the proposed GLT charges is also filed herewith.

We respectfully request your acceptance of this filing for implementation with the first billing cycle for May 2016.

Sincerely,



Derek A. Rahn

Enclosures

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF LOUISVILLE GAS AND)	
ELECTRIC COMPANY FOR APPROVAL OF)	
REVISED RATES TO BE RECOVERED)	
THROUGH ITS GAS LINE TRACKER)	CASE NO. 2016-_____
BEGINNING WITH THE FIRST BILLING)	
CYCLE FOR MAY 2016)	

APPLICATION

Louisville Gas and Electric Company (“LG&E” or the “Company”) hereby requests, pursuant to the Commission’s Orders in Case Nos. 2012-00222¹ and 2015-00360², that the Commission issue an order approving its revised rates for its Gas Line Tracker Adjustment Clause (“GLT”) effective with the first billing cycle for May 2016 (which begins April 29, 2016). In support of this Application, the Company states as follows:

1. LG&E’s full name is Louisville Gas and Electric Company. LG&E’s post office address is 220 W. Main Street, Louisville, KY 40202. LG&E was incorporated in Kentucky on July 2, 1913 and LG&E attests that it is in good standing in Kentucky. LG&E is a utility as defined by KRS 278.010(3)(a) and (b) and as of February 29, 2016, provides retail gas service to approximately 318,000 customers in seventeen counties in Kentucky.

¹ *In the Matter of: Application of Louisville Gas and Electric Company for an Adjustment of its Electric and Gas Rates, a Certificate of Public Convenience and Necessity, Approval of Ownership of Gas Service Lines and Risers, and a Gas Line Surcharge*, Case No. 2012-00222, Order of December 20, 2012.

² *In the Matter of: Application of Louisville Gas and Electric Company for approval of Revised Rates to be Recovered Through its Gas Line Tracker Beginning with the First Billing Cycle for January, 2016*, Case No. 2015-00360, Order of January 28, 2016.

2. In this filing, LG&E is submitting a tariff filing, a copy of which is attached hereto as Exhibit 1, setting forth revised rates for its GLT Adjustment Clause. The Commission's Order in Case No. 2012-00222 approved the GLT program and associated rates. Subsequently, LG&E has filed semi-annual revisions to its GLT tariff.

3. LG&E proposes to change its GLT charges to the rates presented below:

RGS - Residential Gas Service	\$5.14
VFD - Volunteer Fire Department Service	\$ 5.14
CGS - Commercial Gas Service	\$ 27.41
IGS - Industrial Gas Service	\$ 259.54
AAGS - As-Available Gas Service	\$ 2,838.87
DGGS - Distributed Generation Gas Service	\$ 0.00

LG&E's calculations and supporting documentation of the GLT charges proposed to become effective with LG&E's first billing cycle in May 2016 (which begins April 29, 2016) are attached hereto as Exhibit 2. Higher than forecasted capital investment and operating expenses resulted in a \$1.36 million under-recovery for 2015. LG&E has calculated each prior year's true-up separately, similar to the balancing adjustment used in the Company's Gas Supply Clause. The Company expects that the 2014 over-recovery that is currently in rates will be nearly fully refunded by the end of April 2016 when the revised rates go into effect. Any residual amount would then be incorporated into the Company's 2017 true-up filing.

4. **WHEREFORE**, Louisville Gas and Electric Company respectfully requests the Commission to enter an order approving the revised rates for its Gas Line Tracker Adjustment Clause ("GLT") effective with the first billing cycle for May 2016 (which begins April 29, 2016).

Dated: February 29 2016

Respectfully submitted,



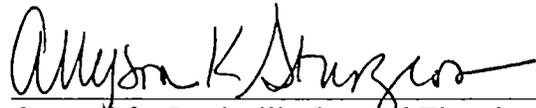
Allyson K. Sturgeon
Senior Corporate Attorney
LG&E and KU Energy LLC
220 West Main Street
Louisville, KY 40202
Telephone: (502) 627-2088
Facsimile: (502) 217-4995
Email: allyson.sturgeon@lge-ku.com

Counsel for Louisville Gas and Electric Company

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing Application was served on the following persons on the 29 day of February, 2016, U.S. mail, postage prepaid:

Lawrence W. Cook
Assistant Attorney General
Office of the Attorney General
Office of Rate Intervention
1024 Capital Center Drive, Suite 200
Frankfort, KY 40601-8204



Counsel for Louisville Gas and Electric
Company

Louisville Gas and Electric Company

P.S.C. Gas No. 10, Second Revision of Original Sheet No. 84
 Cancelling P.S.C. Gas No. 10, First Revision of Sheet No. 84

Adjustment Clause

**GLT
 Gas Line Tracker**

APPLICABLE

Applicable to all customers receiving service under the Company's Rate Schedules RGS, VFD, CGS, IGS, AAGS, and DGGS.

CALCULATION OF THE GAS LINE TRACKER REVENUE REQUIREMENT

The GLT Revenue Requirement includes the following:

- a. GLT related Plant In-Service not included in base gas rates minus the associated GLT related accumulated depreciation and accumulated deferred income taxes;
- b. Retirement and removal of plant related to GLT construction;
- c. The rate of return on the net rate base is the overall rate of return on capital authorized in the Company's latest base gas rate case, grossed up for federal and state income taxes;
- d. Depreciation expense on the GLT-related Plant In-Service less retirement and removals;
- e. Incremental Operation and Maintenance; and
- f. Property Taxes

GLT PROGRAM FACTORS

All customers receiving service under rate schedules RGS, VFD, CGS, IGS, AAGS, and DGGS shall be assessed an adjustment to their applicable rate schedule that will enable the Company to recover the costs associated with the GLT program. After the Company replaces a gas service riser or a gas service line under this program, it will assume ownership and responsibility for the plant and equipment. The allocation of the program cost to customers will be in proportion to their relative base revenue share approved in Case No. 2014-00372.

A filing to update the projected program costs will be submitted annually at least two (2) months prior to the beginning of the effective period. The filing will reflect the anticipated impact on the Company's revenue requirements of net plant additions expected during the upcoming year. After the completion of a plan year, the Company will submit a balancing adjustment to true up the actual costs with the projected program costs for the preceding year. Such adjustment to the GLT will become effective with the first billing cycle on or after the effective date of such change.

GLT RATES

The charges for the respective gas service schedules are:

RGS – Residential Gas Service	\$	5.14	
VFD – Volunteer Fire Department Service	\$	5.14	
CGS – Commercial Gas Service	\$	27.41	
IGS – Industrial Gas Service	\$	259.54	
AAGS – As-Available Gas Service	\$	2,838.87	
DGGS – Distributed Generation Gas Service	\$	0.00	

DATE OF ISSUE: February 29, 2016

DATE EFFECTIVE: April 29, 2016

ISSUED BY: /s/ Robert M. Conroy, Vice President
 State Regulation and Rates
 Louisville, Kentucky

LOUISVILLE GAS & ELECTRIC COMPANY

Supporting Calculations for the

**GLT Adjustment Clause
True-up of the Actual Costs**

GAS SERVICE

**Twelve-Month Period Beginning January 1, 2015
and Ending December 31, 2015**

**LOUISVILLE GAS AND ELECTRIC COMPANY
ANNUAL ADJUSTMENT TO THE GAS LINE TRACKER
CLASS ALLOCATION AND BILL IMPACT**

Line No.	Rate Schedule	Total Forecasted		Revenue Requirement	Number of Bills	Current Year	2015 True up	Revised
		Revenue in Case No. 2014-00372	Allocation Percent			2016 Monthly Rate Per Bill	Monthly Rate Per Bill	Monthly Rate Per Bill Reflecting True up
2016 - Forecasted								
1	Residential Gas Service - Rate RGS	\$224,938,107	67.44%	\$17,254,632	3,535,390	\$4.88	\$0.26	\$5.14
2	Commercial Gas Service - Rate CGS	\$96,486,702	28.93%	\$7,401,336	284,365	\$26.03	\$1.38	\$27.41
3	Industrial Gas Service - Rate IGS	\$9,700,703	2.91%	\$744,125	3,019	\$246.48	\$13.06	\$259.54
4	As-Available Gas Service - Rate AAGS	\$2,425,098	0.73%	\$186,025	69	\$2,696.02	\$142.85	\$2,838.87
5	Distributed Generation Gas Service - Rate DGGS	\$0	0.00%	\$0.00	-	\$0.00	\$0.00	\$0.00
6	Total	\$333,550,610	100.00%	\$25,586,119	3,822,843			
Note: Rate Schedule VFD is included in Rate RGS								
2015 - (Over)/Under recovery								
7	Residential Gas Service - Rate RGS	\$224,938,107	67.44%	\$914,231	3,535,390		\$0.26	
8	Commercial Gas Service - Rate CGS	\$96,486,702	28.93%	\$392,158	284,365		\$1.38	
9	Industrial Gas Service - Rate IGS	\$9,700,703	2.91%	\$39,427	3,019		\$13.06	
10	As-Available Gas Service - Rate AAGS	\$2,425,098	0.73%	\$9,856	69		\$142.85	
11	Distributed Generation Gas Service - Rate DGGS	\$0	0.00%	\$0.00	-		\$0.00	
12	Total	\$333,550,610	100.00%	\$1,355,673	3,822,843			

Note: Rate Schedule VFD is included in Rate RGS



GLT (Over)/Under Recovery Calculation
As of December 2015

Expense Month	(A) Revenue Requirement	(B) Collections/ (Refunds) for Prior Year	(C) Adjusted Revenue Requirement A + B	(D) Billed GLT Revenues	(E) Total (Over)/Under Collection C - D
Jan-2015	\$ 1,577,074	\$ (539,682)	\$ 1,037,392	\$ 781,591	\$ 255,801
Feb-2015	\$ 1,514,127	\$ (520,166)	\$ 993,961	\$ 1,035,046	\$ (41,086)
Mar-2015	\$ 1,471,889	\$ (549,178)	\$ 922,711	\$ 1,093,780	\$ (171,069)
Apr-2015	\$ 1,456,220	\$ (546,153)	\$ 910,067	\$ 1,065,838	\$ (155,771)
May-2015	\$ 1,682,119	\$ (263,246)	\$ 1,418,873	\$ 1,340,573	\$ 78,300
Jun-2015	\$ 2,230,175	\$ (13,264)	\$ 2,216,911	\$ 1,579,377	\$ 637,533
Jul-2015	\$ 1,925,842	\$ (12,830)	\$ 1,913,012	\$ 1,568,749	\$ 344,262
Aug-2015	\$ 1,761,382	\$ (13,128)	\$ 1,748,254	\$ 1,566,838	\$ 181,416
Sep-2015	\$ 1,662,243	\$ (13,311)	\$ 1,648,932	\$ 1,566,819	\$ 82,113
Oct-2015	\$ 1,606,000	\$ (13,139)	\$ 1,592,861	\$ 1,565,486	\$ 27,375
Nov-2015	\$ 1,578,001	\$ (13,032)	\$ 1,564,969	\$ 1,558,731	\$ 6,238
Dec-2015	\$ 1,754,223	\$ (13,355)	\$ 1,740,869	\$ 1,589,373	\$ 151,496
				Subtotal	\$ 1,396,609
				2013 Balancing Adjustment	\$ (40,936)
				TOTAL for Year, 01/15 - 12/15	<u>\$ 1,355,673</u>



**GLT Calculation of Revenue Requirement
As of December 2015**

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)
Expense Month	End of Month Net Assets on which to Recover	YTD Average Net GLT Assets	YTD Average Net Assets Applied to Year	YTD Average Net Assets Applied to Year / 12	Rate of Return	Return on Net Assets	Operating Expenses (OE)	Revenue Requirement	Collections/ (Refunds) for Prior Years	Adjusted Revenue Requirement
				C / 12		D x E		F + G		H + I
MONTHLY DETAIL:										
Dec-2014	\$ 90,046,344	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Start of Period Rate Base, 12/14										
Jan-2015	\$ 93,697,914	\$ 91,872,129	\$ 113,138,614	\$ 9,428,218	11.01%	\$ 1,038,047	\$ 539,027	\$ 1,577,074	\$ (539,682)	\$ 1,037,392
Feb-2015	\$ 96,806,039	\$ 93,516,766	\$ 113,138,614	\$ 9,428,218	11.01%	\$ 1,038,047	\$ 476,080	\$ 1,514,127	\$ (520,166)	\$ 993,961
Mar-2015	\$ 100,430,401	\$ 95,245,174	\$ 113,138,614	\$ 9,428,218	11.01%	\$ 1,038,047	\$ 433,842	\$ 1,471,889	\$ (549,178)	\$ 922,711
Apr-2015	\$ 104,410,628	\$ 97,078,265	\$ 113,138,614	\$ 9,428,218	11.01%	\$ 1,038,047	\$ 418,173	\$ 1,456,220	\$ (546,153)	\$ 910,067
May-2015	\$ 109,602,037	\$ 99,165,561	\$ 113,138,614	\$ 9,428,218	11.01%	\$ 1,038,047	\$ 644,072	\$ 1,682,119	\$ (263,246)	\$ 1,418,873
Jun-2015	\$ 114,057,587	\$ 101,292,993	\$ 113,138,614	\$ 9,428,218	11.01%	\$ 1,038,047	\$ 1,192,128	\$ 2,230,175	\$ (13,264)	\$ 2,216,911
Jul-2015	\$ 118,613,009	\$ 103,457,995	\$ 113,138,614	\$ 9,428,218	10.44%	\$ 984,306	\$ 941,536	\$ 1,925,842	\$ (12,830)	\$ 1,913,012
Aug-2015	\$ 122,862,337	\$ 105,614,033	\$ 113,138,614	\$ 9,428,218	10.44%	\$ 984,306	\$ 777,076	\$ 1,761,382	\$ (13,128)	\$ 1,748,254
Sep-2015	\$ 126,551,113	\$ 107,707,741	\$ 113,138,614	\$ 9,428,218	10.44%	\$ 984,306	\$ 677,937	\$ 1,662,243	\$ (13,311)	\$ 1,648,932
Oct-2015	\$ 130,461,775	\$ 109,776,289	\$ 113,138,614	\$ 9,428,218	10.44%	\$ 984,306	\$ 621,694	\$ 1,606,000	\$ (13,139)	\$ 1,592,861
Nov-2015	\$ 132,364,181	\$ 111,658,614	\$ 113,138,614	\$ 9,428,218	10.44%	\$ 984,306	\$ 593,695	\$ 1,578,001	\$ (13,032)	\$ 1,564,969
Dec-2015	\$ 130,898,615	\$ 113,138,614	\$ 113,138,614	\$ 9,428,218	10.44%	\$ 984,306	\$ 769,917	\$ 1,754,223	\$ (13,355)	\$ 1,740,869
TOTAL for Year, 01/15 - 12/15						\$ 12,134,116	\$ 8,085,178	\$ 20,219,294	\$ (2,510,484)	\$ 17,708,810



**GLT Calculation of Net Assets
As of December 2015**

Expense Month	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
	End of Month Rate Base (Gross) (RB)	End of Month Acc. Depreciation (AD)	End of Month Cost of Removal (CoR)	End of Month Deferred Tax on GLT RB & CoR	End of Month Retirements from Base Rates	End of Month Acc. Depreciation on Retirements	End of Month Deferred Tax on Retirements	End of Month Net Assets on which to Recover
	A + B + C + D - E - F - G							
MONTHLY DETAIL:								
Dec-2014	\$ 111,522,101	\$ (3,517,788)	\$ 2,420,096	\$ (17,343,587)	\$ 8,387,044	\$ (4,567,457)	\$ (785,109)	\$ 90,046,344
Start of Period Rate Base, 12/14								
Jan-2015	\$ 115,487,493	\$ (3,824,403)	\$ 2,523,274	\$ (17,453,971)	\$ 8,387,044	\$ (4,567,457)	\$ (785,109)	\$ 93,697,914
Feb-2015	\$ 118,976,148	\$ (4,140,211)	\$ 2,618,802	\$ (17,614,222)	\$ 8,387,044	\$ (4,567,457)	\$ (785,109)	\$ 96,806,039
Mar-2015	\$ 123,019,190	\$ (4,465,033)	\$ 2,704,701	\$ (17,793,978)	\$ 8,387,044	\$ (4,567,457)	\$ (785,109)	\$ 100,430,401
Apr-2015	\$ 127,526,289	\$ (4,799,790)	\$ 2,768,463	\$ (18,049,856)	\$ 8,387,044	\$ (4,567,457)	\$ (785,109)	\$ 104,410,628
May-2015	\$ 133,320,824	\$ (5,147,254)	\$ 2,850,659	\$ (18,387,714)	\$ 8,387,044	\$ (4,567,457)	\$ (785,109)	\$ 109,602,037
Jun-2015	\$ 138,357,845	\$ (5,508,284)	\$ 3,004,400	\$ (18,761,896)	\$ 8,387,044	\$ (4,567,457)	\$ (785,109)	\$ 114,057,587
Jul-2015	\$ 143,579,317	\$ (5,882,519)	\$ 3,170,850	\$ (19,220,160)	\$ 8,387,044	\$ (4,567,457)	\$ (785,109)	\$ 118,613,009
Aug-2015	\$ 148,669,136	\$ (6,270,098)	\$ 3,239,038	\$ (19,741,260)	\$ 8,387,044	\$ (4,567,457)	\$ (785,109)	\$ 122,862,337
Sep-2015	\$ 153,143,566	\$ (6,669,825)	\$ 3,291,247	\$ (20,179,396)	\$ 8,387,044	\$ (4,567,457)	\$ (785,109)	\$ 126,551,113
Oct-2015	\$ 157,910,193	\$ (7,091,161)	\$ 3,377,403	\$ (20,696,577)	\$ 9,263,364	\$ (5,437,877)	\$ (787,404)	\$ 130,461,775
Nov-2015	\$ 162,140,203	\$ (7,533,940)	\$ 3,484,019	\$ (21,204,663)	\$ 12,638,925	\$ (7,103,179)	\$ (1,014,308)	\$ 132,364,181
Dec-2015	\$ 166,381,907	\$ (7,987,506)	\$ 3,628,305	\$ (26,602,654)	\$ 12,638,925	\$ (7,103,179)	\$ (1,014,308)	\$ 130,898,615
TOTAL for Year, 01/15 - 12/15								



**GLT Calculation of Operating Expenses
As of December 2015**

Expense Month	(A) Incremental O&M Expense	(B) Depreciation Expense	(C) Depreciation Savings from Retirements	(D) Property Tax Expense	(E) Operating Expenses (OE) A + B + C + D
Jan-2015	\$ 138,895	\$ 306,616	\$ (25,128)	\$ 118,644	\$ 539,027
Feb-2015	\$ 66,755	\$ 315,808	\$ (25,128)	\$ 118,644	\$ 476,080
Mar-2015	\$ 15,504	\$ 324,822	\$ (25,128)	\$ 118,644	\$ 433,842
Apr-2015	\$ (10,100)	\$ 334,757	\$ (25,128)	\$ 118,644	\$ 418,173
May-2015	\$ 203,091	\$ 347,464	\$ (25,128)	\$ 118,644	\$ 644,072
Jun-2015	\$ 737,582	\$ 361,030	\$ (25,128)	\$ 118,644	\$ 1,192,128
Jul-2015	\$ 473,784	\$ 374,235	\$ (25,128)	\$ 118,644	\$ 941,536
Aug-2015	\$ 295,981	\$ 387,579	\$ (25,128)	\$ 118,644	\$ 777,076
Sep-2015	\$ 184,693	\$ 399,727	\$ (25,128)	\$ 118,644	\$ 677,937
Oct-2015	\$ 109,202	\$ 421,336	\$ (27,488)	\$ 118,644	\$ 621,694
Nov-2015	\$ 70,422	\$ 442,779	\$ (38,149)	\$ 118,644	\$ 593,695
Dec-2015	\$ 235,856	\$ 453,566	\$ (38,149)	\$ 118,644	\$ 769,917
TOTAL for Year, 01/15 - 12/15	\$ 2,521,666	\$ 4,469,718	\$ (329,934)	\$ 1,423,728	\$ 8,085,178