

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE NOTICE OF PURCHASED GAS            )  
ADJUSTMENT FILING OF LOUISVILLE    )    CASE NO. 8924-I  
GAS AND ELECTRIC COMPANY             )

O R D E R

On June 25, 1984, the Commission issued its Order in Case No. 8924 approving certain adjustments in rates and providing under certain conditions for the further adjustment of such rates when the wholesale cost of gas is increased or decreased or a refund is received. On January 7, 1985, the Commission issued its Order in Case No. 9133 providing for further adjustment of these rates on a quarterly basis in accordance with the provisions of the Gas Supply Cost Adjustment ("GSCA") clause set forth therein.

On January 9, 1986, Louisville Gas and Electric Company ("LG&E") filed its quarterly gas cost adjustment which is to become effective February 1, 1986, and is to remain in effect through April 30, 1986.

After reviewing the record in this case and being advised, the Commission is of the opinion and finds that:

1. LG&E's notice of January 9, 1986, set out certain revisions in rates which LG&E proposed to place into effect, said rates being designed to pass on the wholesale decrease in gas costs from its supplier in the amount of 2.874 cents per 100 cubic feet.

2. LG&E's notice set out a total refund factor of 0.154 cents per 100 cubic feet, which has remained in effect from the last filing.

3. LG&E proposed a total adjustment in the amount of (1.788) cents per 100 cubic feet, a decrease of 2.874 cents per 100 cubic feet. This decrease represents the combined effect of the supplier decrease and refund adjustments.

4. The adjustment in rates set out in the Appendix to this Order, determined under the GSCA provisions approved by the Commission in Case No. 8924 dated June 25, 1984, and Case No. 9133 dated January 7, 1985, is fair, just and reasonable and in the public interest and should be effective with gas supplied on and after February 1, 1986.

5. LG&E should submit copies of each gas purchase contract and all other agreements, options or similar such documents, and all amendments and modifications thereof related to the procurement of gas supply. Any changes in the documents, including price escalations or any new agreements entered into after the initial submission, should be submitted at the time they are entered into. Where fuel is purchased from utility-owned or controlled sources, or the contract contains a price escalation clause, those facts should be noted and LG&E should explain and justify them in writing.

IT IS THEREFORE ORDERED that:

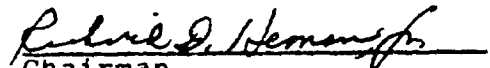
1. The rates in the Appendix to this Order be and they hereby are authorized effective with gas supplied on and after February 1, 1986.

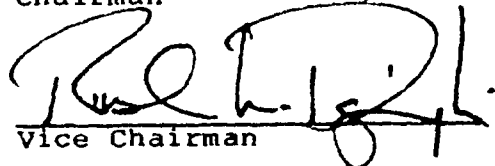
2. Within 30 days from the date of this Order LG&E shall file with this Commission its revised tariffs setting out the rates authorized herein.

3. Within 20 days of the date of this Order LG&E shall supply the contract information requested herein and comply with all provisions of that request.

Done at Frankfort, Kentucky, this 20th day of January, 1986.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

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Secretary

APPENDIX A

APPENDIX TO AN ORDER OF THE PUBLIC SERVICE  
COMMISSION IN CASE NO. 8924-I DATED 1/20/86

The following rates and charges are prescribed for the customers served by Louisville Gas and Electric Company. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the date of this Order.

Gas Supply Cost Adjustment:

The monthly amount computed at the charge specified in each of the rate schedules to which this Gas Supply Cost Adjustment is applicable shall be increased (or decreased) by the following charge:

(1.788¢) per 100 cubic feet of gas used during the period covered by the bill

The base rates for the future application of the gas supply cost adjustment clause of Louisville Gas and Electric Company shall be:

	<u>Monthly Demand Charge</u>	<u>Commodity Charge</u>
Texas Gas Transmission Corporation		
Rate G-4	\$7.17	283.03¢