

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)
ADJUSTMENT FILING OF LOUISVILLE)
GAS AND ELECTRIC COMPANY) CASE NO. 10064-E

ORDER

On July 1, 1988, the Commission issued its Order in Case No. 10064 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 July 3, 1989, Louisville Gas and Electric Company ("LG&E") filed its quarterly gas cost adjustment ("GCA"), which is to become effective August 1, 1989 and is to remain in effect through October 31, 1989.

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

(1) LG&E's notice of July 3, 1989 set out certain revisions in rates which LG&E proposed to place into effect, said rates being designed to pass on the wholesale increase in gas costs from its supplier in the amount of .643 cents per 100 cubic feet.

(2) LG&E's notice set out a refund factor of .005 cents per 100 cubic feet, which remains in effect from a previous GCA.

(3) LG&E proposed a total actual adjustment of (.565) cents per 100 cubic feet, a decrease of .469 cents per 100 cubic feet.

(4) LG&E proposed a balance adjustment in the amount of (.090) cents per 100 cubic feet, a decrease of .141 cents per 100 cubic feet.

(5) LG&E proposed a total gas supply cost component of 27.573 cents per 100 cubic feet, an increase of .033 cents per 100 cubic feet. This increase represents the combined effect of the supplier increase, actual, balance and refund adjustments.

(6) LG&E did not provide the 30-day notice period required by statute. Therefore, the effective date of its change in rates should be August 2, 1989.

(7) The adjustment in rates set out in the Appendix to this Order, determined under the GSCA provisions approved by the Commission in Case No. 10064 dated July 1, 1988, is fair, just, and reasonable and in the public interest and should be effective with gas supplied on and after August 2, 1989.

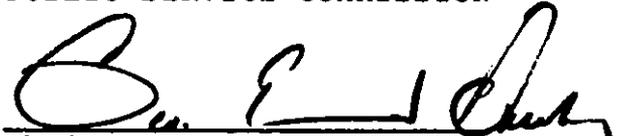
IT IS THEREFORE ORDERED that:

(1) The rates in the Appendix, attached hereto and incorporated herein, are fair, just, and reasonable and are approved effective with gas supplied on and after August 2, 1989.

(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.

Done at Frankfort, Kentucky, this 2nd day of August, 1989.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE PUBLIC SERVICE
COMMISSION IN CASE NO. 10064-E DATED 8/02/89

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 total Gas Supply Cost Component shall be 27.573 cents per 100 cubic feet 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	\$4.16	258.64¢