

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)
ADJUSTMENT FILING OF LOUISVILLE) CASE NO. 90-158-Q
GAS AND ELECTRIC COMPANY)

O R D E R

On December 21, 1990, in Case No. 90-158 the Commission approved certain adjusted rates for Louisville Gas and Electric Company ("LG&E") and provided for their further adjustment on a quarterly basis in accordance with its gas supply clause ("GSC").

On January 3, 1995, LG&E filed its GSC to be effective from February 1, 1995 through April 30, 1995.

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

1. LG&E's notice proposed revised rates designed to pass on expected decreased wholesale gas costs to its customers. LG&E's proposed expected gas supply cost is 27.249 cents per 100 cubic feet, or \$2.7249 per Mcf.

2. LG&E's filing included adjustments to its proposed rates FT and RBS, which were originally filed as proposed tariffs on December 21, 1994. The Commission has not yet accepted these tariffs; therefore, no adjustments to the rates should be approved at this time.

3. LG&E had current quarter supplier refunds of \$4,260,599, including interest. Because the refund resulted from demand

charges paid to Texas Gas Transmission that had been collected from both sales and transportation volumes, LG&E applied the demand-related refund factor of 8.17 cents per Mcf to both sales and transportation customers, with the commodity-related portion of 1.24 cents per Mcf allocated only to sales customers. The current refund factor for sales customers is 9.41 cents per Mcf. The total refund factor for sales customers of 16.12 cents per Mcf reflects the current adjustment, as well as adjustments from previous quarters.

4. LG&E's notice set out a current quarter actual adjustment of (14.30) cents per Mcf to return over-recovered gas cost from August, September, and October 1994. The proposed total actual adjustment of (6.82) cents per Mcf reflects the current over-recovery as well as under- and over-collections from three previous quarters.

5. LG&E's notice set out a balance adjustment of (2.59) cents per Mcf to return remaining over-collections from previous actual and balance adjustments.

6. These adjustments produce a gas supply cost component of 24.696 cents per 100 cubic feet or \$2.4696 per Mcf, 39.74 cents per Mcf less than the prior rate.

7. The rate adjustment in the Appendix to this Order is fair, just, and reasonable, in the public interest, and should be effective with gas supplied on and after February 1, 1995.

IT IS THEREFORE ORDERED that:


1. The rate in the Appendix to this Order is fair, just, and reasonable and is effective for gas supplied on and after February 1, 1995.

2. Adjustments to rate FT and RBS are hereby denied pending the Commission's final decision regarding these tariff filings.

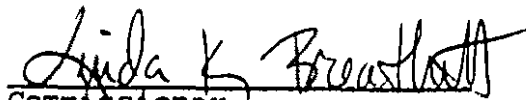
3. Within 30 days from the date of this Order, LG&E shall file with this Commission its revised tariffs setting out the rate authorized in this Order.

Done at Frankfort, Kentucky, this 1st day of February, 1995.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 90-158-Q DATED 02/01/95

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 24.696 cents per 100 cubic feet during the period covered by the bill.