

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF LOUISVILLE)	CASE NO. 2000-080-H
GAS AND ELECTRIC COMPANY)	

ORDER

On September 27, 2000, in Case No. 2000-080, the Commission approved rates for Louisville Gas and Electric Company ("LG&E") and provided for their further adjustment in accordance with LG&E's gas supply clause ("GSC").

On October 1, 2001, LG&E notified the Commission that it would file its GSC no later than October 12, 2001. On October 12, 2001, LG&E filed its GSC to be effective November 1, 2001. As this filing results in a rate decrease, the 30-day notice requirement set out in KRS 278.180(1) is not controlling since KRS 278.180(2) permits a rate decrease to be implemented within a lesser period of time.

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

1. LG&E's notice includes revised rates designed to pass on to its customers its expected decrease in wholesale gas costs. LG&E's expected gas supply cost is 38.989 cents per 100 cubic feet, or \$3.8989 per Mcf, which is 78.28 cents per Mcf less than the previous expected gas supply cost of \$4.6817.

2. LG&E's notice sets out no current supplier refunds.

3. LG&E's notice sets out a current actual adjustment ("AA") of (4.68) cents per Mcf. The total AA of 59.46 cents per Mcf reflects under- and over-collections from prior periods.

4. LG&E's notice sets out a current Balance Adjustment ("BA") of 1.19 cent per Mcf, which reflects under-collections remaining from previous AA and BA calculations.

5. LG&E's notice sets out its Performance-Based Rate Recovery Component ("PBRRC") of 8.10 cents per Mcf, which is designed to collect LG&E's portion of PBR savings from the 12 months ended October 31, 2000.

6. LG&E's gas supply cost component is 45.864 cents per 100 cubic feet or \$4.5864 per Mcf, which is 91.61 cents per Mcf less than the prior gas supply cost component of \$5.5025 per Mcf.

7. The rate in the Appendix to this Order is fair, just, and reasonable, in the public interest, and should be approved for gas supplied by LG&E on and after November 1, 2001.

IT IS THEREFORE ORDERED that:

1. The rate in the Appendix to this Order is approved for gas supplied on and after November 1, 2001.

2. Within 20 days of the date of this Order, LG&E shall file with this Commission its revised tariffs setting out the rate authorized herein.

Done at Frankfort, Kentucky, this 1st day of November, 2001.

By the Commission

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2000-080-H DATED November 1, 2001

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 effective date of this Order.

Gas Supply Cost Component

The total Gas Supply Cost Component shall be 45.864 cents per 100 cubic feet during the period covered by the bill.