

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF LOUISVILLE)	CASE NO. 2003-00004
GAS AND ELECTRIC COMPANY)	

ORDER

On September 27, 2000, in Case No. 2000-00080, 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 January 2, 2003, LG&E filed its proposed GSC to be effective February 1, 2003.

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 change in wholesale gas costs.
2. LG&E s expected gas supply cost is 49.304 cents per 100 cubic feet, or \$4.9304 per Mcf, which is 10.49 cents per Mcf less than the previous expected gas supply cost of \$5.0353.
3. LG&E s notice sets out a current refund adjustment (RA) of 1.70 cents per Mcf, which is 1.69 cents per Mcf less than the previous RA.
4. LG&E s notice sets out a current actual adjustment (AA) of 3.20 cents per Mcf to collect under-collections from August, September and October 2002. The total AA of 45.07 cents per Mcf is 14.02 cents per Mcf more than the previous total AA.

5. LG&E s notice sets out a current Balance Adjustment (BA) of (3.05) cents per Mcf, which is 11.75 cents per Mcf more than the previous BA.

6. LG&E s notice sets out its Performance-Based Rate Recovery Component (PBRRC) of 4.05 cents per Mcf, which is designed to collect LG&E s portion of PBR savings from the 12 months ended October 31, 2002. This is a decrease of 12.26 cents per Mcf from the previous PBRRC.

7. LG&E s gas supply cost component is 53.741 cents per 100 cubic feet or \$5.3741 per Mcf, which is 1.33 cents per Mcf more than the prior gas supply cost component of \$5.3608 per Mcf.

8. 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 February 1, 2003.

IT IS THEREFORE ORDERED that:

1. The rate in the Appendix to this Order is approved for gas supplied on and after February 1, 2003.

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 27th day of January, 2003.

By the Commission

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2003-00004 DATED January 27, 2003

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