

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. 2004-00526

ORDER

On June 30, 2004, in Case No. 2003-00433,¹ 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 December 30, 2004, LG&E filed its proposed GSC to be effective February 1, 2005.

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 72.702 cents per 100 cubic feet, or \$7.2702 per Mcf, which is 84.08 cents per Mcf less than the previous expected gas supply cost of \$8.1110.
3. LG&E’s notice sets out no current refund adjustment (“RA”). LG&E’s notice sets out no total RA, which is no change from the previous total RA.

¹ Case No. 2004-00433, An Adjustment of the Gas and Electric Rates, Term, and Conditions of Louisville Gas and Electric Company, Order dated June 30, 2004.

4. LG&E's notice sets out a current actual adjustment ("AA") of (14.17) cents per Mcf. The total AA of 6.15 cents per Mcf is 1.02 cent per Mcf less than the previous total AA.

5. LG&E's notice sets out a current Balance Adjustment ("BA") of (1.46) cent per Mcf, which is 10.51 cents per Mcf less than the previous BA.

6. LG&E's notice sets out its Performance-Based Rate Recovery Component ("PBRRC") of 6.18 cents per Mcf, which will remain in effect to collect LG&E's portion of PBR savings until January 31, 2006.

7. LG&E's gas supply cost component is 73.789 cents per 100 cubic feet or \$7.3789 per Mcf, which is \$1.0027 per Mcf less than the prior gas supply cost component of \$8.3816 per Mcf.

8. The rate in the Appendix to this Order is fair, just, and reasonable, and should be approved for gas supplied by LG&E on and after February 1, 2005.

IT IS THEREFORE ORDERED that:

1. The rate in the Appendix, attached hereto and incorporated herein, is approved for gas supplied on and after February 1, 2005.

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 28th day of January, 2005.

By the Commission

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2004-00526 DATED January 28, 2005

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