

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF LOUISVILLE)	CASE NO. 2005-00454
GAS AND ELECTRIC COMPANY)	

ORDER

On July 1, 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 November 9, 2005, LG&E filed its proposed interim GSC to be effective December 1, 2005. On November 10, 2005, the Attorney General (“AG”) requested and was later granted intervention. On November 15, 2005, the AG notified the Commission that he had submitted several interrogatories directly to LG&E. On November 22, 2005, the AG filed a motion to introduce the correspondence between LG&E and the AG into the record. In that motion, the AG states that he believes that LG&E’s proposed rate reduction should be effective as of December 1, 2005, as LG&E originally proposed.

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.

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

2. LG&E's expected gas supply cost is 131.638 cents per 100 cubic feet, or \$13.1638 per Mcf, which is \$2.2155 per Mcf less than the previous expected gas supply cost of \$15.3793.

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.

4. LG&E's notice sets out no current actual adjustment ("AA"). The total AA of (1.58) cent per Mcf is no change from the previous total AA.

5. LG&E's notice sets out no current Balance Adjustment ("BA") which is no change from 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 131.984 cents per 100 cubic feet or \$13.1984 per Mcf, which is \$2.2155 per Mcf less than the prior gas supply cost component of \$15.4139 per Mcf.

8. The Commission finds that the AG's motion to introduce the correspondence between himself and LG&E should be granted.

9. 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 December 1, 2005.

IT IS THEREFORE ORDERED that:

1. The AG's motion to introduce the correspondence between himself and LG&E is granted.

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

3. 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 30th day of November, 2005.

By the Commission

ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2005-00454 DATED NOVEMBER 30, 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 131.984 cents per 100 cubic feet during the period covered by the bill.