

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS	)	
ADJUSTMENT FILING OF LOUISVILLE	)	CASE NO. 2008-00117
GAS AND ELECTRIC COMPANY	)	

ORDER

On June 30, 2004, in Case No. 2003-00433,<sup>1</sup> 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 March 31, 2008, LG&E filed its proposed GSC to be effective May 1, 2008.

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 Cost (“EGC”) is \$1.14339 per 100 cubic feet, or \$11.4339 per Mcf, which is \$3.2285 per Mcf more than the previous EGC of \$8.2054 per Mcf.
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.

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<sup>1</sup> Case No. 2003-00433, An Adjustment of the Gas and Electric Rates, Term, and Conditions of Louisville Gas and Electric Company.

4. LG&E's notice sets out a current Actual Adjustment ("AA") of \$.2293 per Mcf. The total AA of \$.3559 per Mcf is an increase of \$.1094 per Mcf from the previous total AA.

5. LG&E's notice sets out a (\$.1030) per Mcf current Balance Adjustment ("BA"), which is a decrease of \$.0809 per Mcf from the previous BA.

6. LG&E's notice sets out its Performance-Based Rate Recovery Component ("PBRRC") of \$.0784 per Mcf, which will remain in effect to collect LG&E's portion of PBR savings until January 31, 2009.

7. LG&E's Gas Supply Cost Component ("GSCC") is \$1.17652 per 100 cubic feet or \$11.7652 per Mcf, which is \$3.257 per Mcf more than the prior GSCC of \$8.5082 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 May 1, 2008.

IT IS THEREFORE ORDERED that:

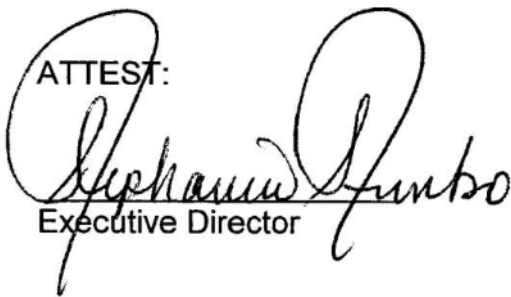
1. The rate in the Appendix, attached hereto and incorporated herein, is approved for gas supplied on and after May 1, 2008.

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

Done at Frankfort, Kentucky, this 30<sup>th</sup> day of April, 2008.

By the Commission

ATTEST:

Handwritten signature of Stephanie Gumbo in cursive script, written over a horizontal line.

Executive Director

## APPENDIX

### APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2008-00117 DATED APRIL 30, 2008

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 the Commission prior to the effective date of this Order.

#### Gas Supply Cost Component

The total Gas Supply Cost Component shall be \$1.17652 per 100 cubic feet during the period covered by the bill.