

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)
ADJUSTMENT FILING OF LOUISVILLE) CASE NO. 2008-00430
GAS AND ELECTRIC COMPANY)

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 October 1, 2008, LG&E filed its proposed GSC to be effective November 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 \$1.01049 per 100 cubic feet, or \$10.1049 per Mcf, which is \$5.5947 per Mcf less than the previous EGC of \$15.6996 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.

¹ Case No. 2003-00433, An Adjustment of the Gas and Electric Rates, Terms, and Conditions of Louisville Gas and Electric Company.

4. LG&E's notice sets out a current Actual Adjustment ("AA") of \$3.024 per Mcf. The total AA of \$.8868 per Mcf is an increase of \$.4165 per Mcf from the previous total AA.

5. LG&E's notice sets out a \$.0166 per Mcf current Balance Adjustment ("BA"), which is a decrease of \$.1076 per Mcf from the previous BA.

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

7. LG&E's Gas Supply Cost Component ("GSCC") is \$1.10867 per 100 cubic feet or \$11.0867 per Mcf, which is \$5.2858 per Mcf less than the prior GSCC of \$16.3725 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 November 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 November 1, 2008.

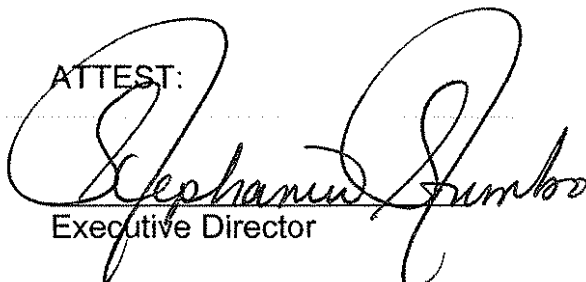
2. Within 20 days of the date of this Order, LG&E shall file with the Commission its revised tariffs setting out the rate authorized herein.

Done at Frankfort, Kentucky, this 27th day of October, 2008.

By the Commission

Chairman Armstrong Abstains.

ATTEST:


Executive Director

Case No. 2008-00430

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2008-00430 DATED OCTOBER 27, 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 \$1.10867 per 100 cubic feet during the period covered by the bill.