

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

| | | |
|---------------------------------|---|---------------------|
| THE NOTICE OF PURCHASED GAS |) | |
| ADJUSTMENT FILING OF LOUISVILLE |) | CASE NO. 2008-00564 |
| 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 December 30, 2008, LG&E filed its proposed GSC to be effective February 1, 2008. LG&E revised its application on January 8, 2009.

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 \$.90631 per 100 cubic feet, or \$9.0631 per Mcf, which is \$1.0418 per Mcf less than the previous EGC of \$10.1049 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, Term, and Conditions of Louisville Gas and Electric Company.

4. LG&E's notice sets out a current Actual Adjustment ("AA") of (\$6.716) per Mcf. The total AA of \$.3654 per Mcf is a decrease of \$.5214 per Mcf from the previous total AA of \$.8868.

5. LG&E's notice sets out a \$.1257 per Mcf current Balance Adjustment ("BA"), which is an increase of \$.1091 per Mcf from the previous BA of \$.0166.

6. LG&E's notice sets out its Performance-Based Rate Recovery Component ("PBRRC") of \$.0883 per Mcf, which will remain in effect to collect LG&E's portion of PBR savings until January 31, 2010.

7. LG&E's Gas Supply Cost Component ("GSCC") is \$.96425 per 100 cubic feet or \$9.6425 per Mcf, which is \$1.4442 per Mcf less than the prior GSCC of \$11.0867 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, 2009.

IT IS THEREFORE ORDERED that:

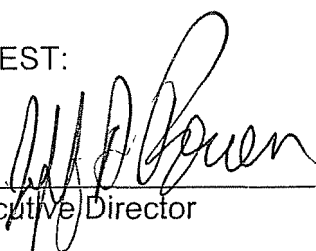
1. The rate in the Appendix, attached hereto and incorporated herein, is approved for gas supplied on and after February 1, 2009.

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 30th day of January, 2009.

By the Commission

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2008-00564 DATED JANUARY 30, 2009

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 \$.96425 per 100 cubic feet during the period covered by the bill.

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