

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT)
FILING OF LOUISVILLE GAS AND) CASE NO. 2010-00263
ELECTRIC COMPANY)

ORDER

On February 5, 2009, in Case No. 2008-00252,¹ 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 June 30, 2010, LG&E filed its proposed GSC to be effective August 1, 2010.

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 \$.64243 per 100 cubic feet, or \$6.4243 per Mcf, which is an increase of \$.8728 per Mcf from the previous EGC of \$5.5515 per Mcf.
3. LG&E's notice sets out a current Refund Adjustment ("RA") of (\$.0021) per Mcf. LG&E's total RA is (\$.0085) per Mcf, which is \$.0021 less than its previous total RA of (\$.0064) per Mcf.

¹ Case No. 2008-00252, Application of Louisville Gas and Electric Company for an Adjustment of Its Electric and Gas Base Rates (Ky. PSC Feb. 5, 2009).

4. LG&E's notice sets out a current Actual Adjustment ("AA") of (\$.0729) per Mcf. The total AA of (\$.2991) per Mcf is an increase of \$.1691 per Mcf from the previous total AA of (\$.4682) per Mcf.

5. LG&E's notice sets out a (\$.0222) per Mcf current Balance Adjustment ("BA"), which is a decrease of \$.0784 per Mcf from the previous BA of \$.0562 per Mcf.

6. LG&E's notice sets out its previously approved Performance-Based Rate Recovery Component ("PBRRC") of \$.0549 per Mcf, which will remain in effect to collect LG&E's portion of PBR savings until January 31, 2011.

7. LG&E's Gas Supply Cost Component ("GSCC") is \$.61494 per 100 cubic feet or \$6.1494 per Mcf, which is an increase of \$.9614 per Mcf from the prior GSCC of \$5.1880 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 August 1, 2010.

IT IS THEREFORE ORDERED that:

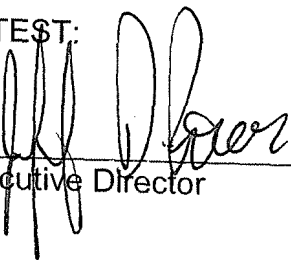
1. The rate in the Appendix attached hereto and incorporated herein is approved for gas supplied on and after August 1, 2010.

2. Within 20 days of the date of this Order, LG&E shall file its revised tariffs with this Commission setting out the rate approved herein and reflecting that it was approved pursuant to this Order.

By the Commission

ENTERED
JUL 28 2010 *M*
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2010-00263 DATED **JUL 28 2010**

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 \$.61494 per 100 cubic feet for gas supplied on and after August 1, 2010.

Robert M Conroy
Director, Rates
Louisville Gas and Electric Company
220 W. Main Street
P. O. Box 32010
Louisville, KY 40202