

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT)	
FILING OF LOUISVILLE GAS AND)	CASE NO. 2010-00387
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 September 30, 2010, LG&E filed its proposed GSC to be effective November 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 \$.54901 per 100 cubic feet, or \$5.4901 per Mcf, which is a decrease of \$.9342 per Mcf from the previous EGC of \$6.4243 per Mcf.
3. LG&E's notice sets out a current Refund Adjustment ("RA") of (\$.0021) per Mcf. LG&E's total RA is (\$.0106) per Mcf, which is \$.0021 less than its previous total RA of (\$.0085) 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 (\$.0173) per Mcf. The total AA of (\$.1643) per Mcf is an increase of \$.1348 per Mcf from the previous total AA of (\$.2991) per Mcf.

5. LG&E's notice sets out a \$.0157 per Mcf current Balance Adjustment ("BA"), which is an increase of \$.0379 per Mcf from the previous BA of (\$.0222) 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 \$.53858 per 100 cubic feet or \$5.3858 per Mcf, which is a decrease of \$.7636 per Mcf from the prior GSCC of \$6.1494 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, 2010.

IT IS THEREFORE ORDERED that:

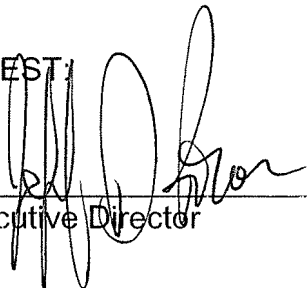
1. The rate in the Appendix attached hereto and incorporated herein is approved for gas supplied on and after November 1, 2010.

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

By the Commission

ENTERED *EW*
OCT 26 2010
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



Executive Director

Case No. 2010-00387

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2010-00387 DATED **OCT 26 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 \$.53858 per 100 cubic feet for gas supplied on and after November 1, 2010.

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