



an e-on company

Elizabeth O'Donnell, Executive Director  
Public Service Commission of Kentucky  
211 Sower Blvd.  
P.O. Box 615  
Frankfort, KY 40601

RECEIVED

JUN 30 2006

PUBLIC SERVICE  
COMMISSION

**Louisville Gas and  
Electric Company**  
State Regulation and Rates  
220 West Main Street  
PO Box 32010  
Louisville, Kentucky 40232  
www.eon-us.com

Robert M. Conroy  
Manager - Rates  
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robert.conroy@eon-us.com

June 30, 2006

Re: Louisville Gas and Electric Company - *Case No. 7006-00335*  
Gas Supply Clause Effective August 1, 2006

Dear Ms. O'Donnell:

Pursuant to the provisions of the Company's Gas Supply Clause as authorized by the Commission, we file herewith an original and four copies of the Tenth Revision of Original Sheet No. 70 of LG&E Tariff PSC of Kentucky Gas No. 6 setting forth a Gas Supply Cost Component of 79.760 cents per 100 cubic feet applicable to all gas sold during the period of August 1, 2006 through October 31, 2006. In addition, we file herewith a corresponding number of copies of "Supporting Calculations for the Gas Supply Clause."

Also enclosed herewith is a summary of our gas service rates effective for the period of August 1, 2006 through October 31, 2006.

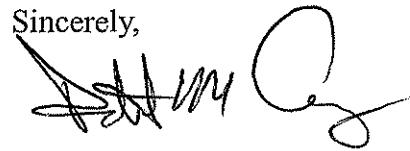
Furthermore, we are filing a petition to seek confidentiality with respect to the names of natural gas suppliers otherwise shown on Exhibit B-1, Pages 5 of 6 and 6 of 6.

This filing represents expected gas costs for the three-month period August 1, 2006 through October 31, 2006. The Gas Cost Actual Adjustment (GCAA) and the Gas Cost Balance Adjustment (GCBA) levels are changed from the levels that were implemented on May 1, 2006. These adjustment levels will remain in effect from August 1, 2006 through October 31, 2006.

Elizabeth O'Donnell, Executive Director  
Public Service Commission of Kentucky  
June 30, 2006

We respectfully request your acceptance of this filing which we believe is in full compliance with the provisions of the LG&E Gas Supply Clause approved by the Kentucky Public Service Commission.

Sincerely,

A handwritten signature in black ink, appearing to read "R. M. Conroy". The signature is stylized with a large, looped "C" at the end.

Robert M. Conroy

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

JUN 30 2006

PUBLIC SERVICE  
COMMISSION

In the Matter of

THE PETITION OF LOUISVILLE GAS AND )  
ELECTRIC COMPANY FOR CONFIDENTIAL )  
TREATMENT OF CERTAIN INFORMATION )  
CONTAINED IN ITS QUARTERLY GAS )  
SUPPLY CLAUSE FILING )

CASE NO. 2006-00335

**PETITION OF LOUISVILLE GAS AND ELECTRIC COMPANY  
FOR CONFIDENTIAL TREATMENT OF CERTAIN INFORMATION  
CONTAINED IN ITS QUARTERLY GAS SUPPLY CLAUSE FILING**

Louisville Gas and Electric Company ("LG&E"), pursuant to 807 KAR 5:001, Section 7, petitions the Commission to classify and protect as confidential certain information that is contained in its Quarterly Gas Supply Clause filing, as more fully described below:

1. LG&E is filing contemporaneously with this Petition, as required by its tariffs governing its Gas Supply Clause (Original Sheet Nos. 70.1 and 70.2 of LG&E Gas Tariff PSC of Ky. No. 6), a statement setting forth the summary of the total purchased gas costs for the period of February 2006 through April 2006 ("Summary"). Included in the Summary, which is included in the filing as two pages in Exhibit B-1, pages 5 and 6, is certain information the disclosure of which would damage LG&E's competitive position and business interests. As required by 807 KAR 5:001, Section 7(2)(b), LG&E is providing one copy of this Summary, under seal, with the material for which confidential treatment is requested highlighted, and ten copies of the Summary with the confidential material redacted.

2. The Kentucky Open Records Act exempts from disclosure certain commercial information. KRS 61.878(1)(c). To qualify for this exemption and, therefore, maintain the confidentiality of the information, a party must establish that disclosure of the commercial information would permit an unfair advantage to competitors of that party.

3. The Summary contains sensitive commercial information, the disclosure of which would injure LG&E's ability to negotiate future gas supply contracts at advantageous prices and, thereby, minimize the price of natural gas to its customers, and would unfairly advantage LG&E's competitors for both gas supplies and retail gas load. Any impairment of its ability to obtain the most advantageous price possible from natural gas producers and marketers will necessarily erode LG&E's competitive position viz-a-vis other energy suppliers that compete in LG&E's service territory, as well as other LDCs with whom LG&E competes for new and relocating industrial customers. This sensitive information identifies LG&E's natural gas suppliers for the period set forth and links those providers with specific gas volumes delivered and the costs thereof. Redacting the suppliers' names from the Summary will prevent other parties from piecing together the sensitive information which LG&E seeks to protect from disclosure. LG&E, therefore, proposes that the identity of each supplier be kept confidential.

Disclosure of the suppliers' identities will damage LG&E's competitive position and business interest in two ways. First, it will allow LG&E's competitors to know the unit price and overall cost of the gas LG&E is purchasing from each supplier. This information is valuable to LG&E's competitors because it can alert them to the identity of LG&E's low cost suppliers, and if those supply agreements are more favorable than theirs, they can attempt to outbid LG&E for those suppliers. This would raise prices to LG&E which would hurt its competitive position and harm its ratepayers. Second, it will provide competitors of LG&E's suppliers with information which will enable future gas bidding to be manipulated to the competitors'

advantage and to the detriment of LG&E and its customers. Instead of giving its best price in a bid, a gas supply competitor with knowledge of the recent pricing practices of LG&E's other suppliers could adjust its bid so that it just beats other bidders' prices or other terms. As a result, LG&E and its customers will pay a higher price for gas than they would have otherwise.

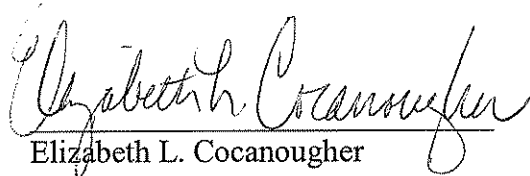
4. LG&E has filed identical requests with the Commission with regard to the same information contained in prior quarterly Gas Supply Clause filings, which the Commission has granted.

5. The information in the Summary for which LG&E is seeking confidential treatment is not known outside of LG&E and the relevant suppliers, and it is not disseminated within LG&E except to those employees with a legitimate business need to know and act upon the information.

6. The public interest will be served by granting this Petition in that competition among LG&E's prospective gas suppliers will be fostered, and the cost of gas to LG&E's customers will thereby be minimized. In addition, the public interest will be served by fostering full and fair competition between LG&E and other energy service providers within LG&E's gas service territory.

WHEREFORE, Louisville Gas and Electric Company respectfully requests that the Commission classify and protect as confidential the identity of the gas suppliers listed in the statement that sets forth the summary of the total purchased gas costs for the period of February 2006 through April 2006 and that is included in the three month filing made concurrently herewith pursuant to LG&E's Gas Supply Clause.

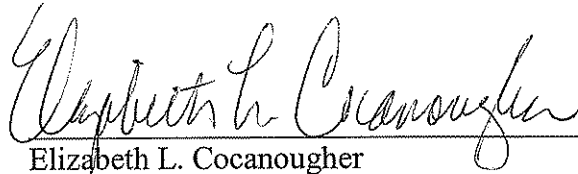
Respectfully submitted,



Elizabeth L. Cocanougher  
Senior Corporate Attorney  
E.ON U.S. LLC.  
220 West Main Street  
P. O. Box 32010  
Louisville, Kentucky 40232  
(502) 627-4850  
**Counsel for Louisville Gas and Electric Company**

**CERTIFICATE OF SERVICE**

This is to certify that a true copy of the foregoing instrument was mailed on the 30th day of June, 2006, to the Office of the Attorney General, Office for Rate Intervention, P. O. Box 2000, Frankfort, Kentucky 40602-2000.



Elizabeth L. Cocanougher

LOUISVILLE GAS AND ELECTRIC COMPANY  
SUMMARY OF GAS PURCHASES AND COSTS BY SUPPLIER  
FOR THE 3 MONTH PERIOD FROM FEBRUARY 2006 THROUGH APRIL 2006

DELIVERED BY TEXAS GAS TRANSMISSION, LLC COMMODITY AND VOLUMETRIC CHARGES:		FEBRUARY 2006			MARCH 2006			APRIL 2006			
		NET MMBTU	MCF	\$	NET MMBTU	MCF	\$	NET MMBTU	MCF	\$	
NATURAL GAS SUPPLIERS:											
1 .	A	0	0	\$0.00	0	0	\$0.00	416,500	406,341	\$3,025,754.18	
2 .	B	0	0	\$0.00	0	0	\$0.00	234,919	229,189	\$1,655,616.25	
3 .	C	59,200	57,756	\$452,328.84	0	0	\$0.00	0	0	\$0.00	
4 .	D	0	0	\$0.00	9,968	9,725	\$65,337.72	0	0	\$0.00	
5 .	E	0	0	\$0.00	4,878	4,759	\$31,975.00	0	0	\$0.00	
6 .	F	0	0	\$0.00	0	0	\$0.00	0	0	\$0.00	
7 .	G	0	0	\$0.00	0	0	\$0.00	24,194	23,604	\$170,300.00	
8 .	H	553,280	539,785	\$3,983,560.00	612,560	597,619	\$3,628,705.00	0	0	\$0.00	
9 .	I	0	0	\$0.00	0	0	\$0.00	14,517	14,163	\$102,750.00	
10 .	J	126,000	122,927	\$952,296.75	0	0	\$0.00	0	0	\$0.00	
11 .	K	0	0	\$0.00	0	0	\$0.00	0	0	\$0.00	
12 .	L	68,000	66,341	\$518,175.08	0	0	\$0.00	0	0	\$0.00	
13 .	M	0	0	\$0.00	15,435	15,059	\$102,320.00	9,677	9,441	\$66,500.00	
14 .	N	119,000	116,098	\$910,333.79	0	0	\$0.00	0	0	\$0.00	
15 .	O	0	0	\$0.00	0	0	\$0.00	377,430	368,224	\$2,566,200.00	
16 .	P	0	0	\$0.00	0	0	\$0.00	0	0	\$0.00	
		<u>925,480</u>	<u>902,907</u>	<u>\$6,816,694.46</u>	<u>642,841</u>	<u>627,162</u>	<u>\$3,828,337.72</u>	<u>1,077,237</u>	<u>1,050,962</u>	<u>\$7,587,120.43</u>	
NO-NOTICE SERVICE ("NNS") STORAGE:											
1 .	WITHDRAWALS	843,830	823,249	\$6,189,746.20	431,197	420,680	\$2,561,396.42	0	0	\$0.00	
2 .	INJECTIONS	(25,046)	(24,435)	(\$183,719.92)	0	0	\$0.00	(838,256)	(817,811)	(\$5,906,938.56)	
3 .	ADJUSTMENTS	326	(1,777)	\$3,377.13	(38,467)	(39,969)	(\$282,166.99)	(1,735)	(2,796)	(\$10,306.25)	
4 .	ADJUSTMENTS			\$0.00			(\$806.40)			\$0.00	
5 .	ADJUSTMENTS			\$0.00			\$0.00			(\$6,118,374.97)	
	NET NNS STORAGE	<u>819,110</u>	<u>797,037</u>	<u>\$6,009,403.41</u>	<u>392,730</u>	<u>380,711</u>	<u>\$2,278,423.03</u>	<u>(839,991)</u>	<u>(820,607)</u>	<u>(\$12,035,619.78)</u>	
NATURAL GAS TRANSPORTERS:											
1 .	TEXAS GAS TRANSMISSION, LLC			\$87,480.84			\$54,888.12			\$12,102.71	
2 .	ADJUSTMENTS	0	(2,294)	\$5,476.62	0	(2,901)	(\$1,873.84)	0	(1,691)	(\$89.03)	
3 .	ADJUSTMENTS	0	0	\$0.00	0	0	\$0.00	0	0	\$0.00	
	TOTAL	<u>1,744,590</u>	<u>1,697,650</u>	<u>\$92,957.46</u>	<u>1,035,571</u>	<u>1,004,972</u>	<u>\$53,014.28</u>	<u>237,246</u>	<u>228,664</u>	<u>\$12,013.68</u>	
TOTAL COMMODITY AND VOLUMETRIC CHARGES				\$12,919,055.33				\$6,159,775.03	(\$4,436,485.67)		
DEMAND AND FIXED CHARGES:											
1 .	TEXAS GAS TRANSMISSION, LLC			\$2,486,766.80			\$2,752,313.30			\$1,408,420.80	
2 .	ADJUSTMENTS			\$0.00			\$0.00			\$0.00	
3 .	SUPPLY RESERVATION CHARGES			\$846,794.90			\$254,116.46			\$244,951.65	
4 .	ADJUSTMENTS			\$0.00			\$0.00			\$0.00	
5 .	CAPACITY RELEASE CREDITS			(\$14,000.00)			(\$51,305.00)			(\$36,000.00)	
TOTAL DEMAND AND FIXED CHARGES				\$3,319,561.70				\$2,955,124.76	\$1,617,372.45		
TOTAL PURCHASED GAS COSTS -- TEXAS GAS TRANSMISSION, LLC				<u>\$16,238,617.03</u>				<u>\$9,114,899.79</u>	<u>(\$2,819,113.22)</u>		

LOUISVILLE GAS AND ELECTRIC COMPANY  
SUMMARY OF GAS PURCHASES AND COSTS BY SUPPLIER  
FOR THE 3 MONTH PERIOD FROM FEBRUARY 2006 THROUGH APRIL 2006

DELIVERED BY TENNESSEE GAS PIPELINE COMPANY

COMMODITY AND VOLUMETRIC CHARGES:	FEBRUARY 2006			MARCH 2006			APRIL 2006		
	NET MMBTU	MCF	\$	NET MMBTU	MCF	\$	NET MMBTU	MCF	\$
<b>NATURAL GAS SUPPLIERS:</b>									
1 . Q	0	0	\$0.00	17,071	16,574	\$108,540.00	0	0	\$0.00
2 . R	22,761	22,098	\$181,680.00	51,213	49,721	\$320,490.00	0	0	\$0.00
3 . S	261,000	253,398	\$1,992,462.48	0	0	\$0.00	0	0	\$0.00
4 . T	535,500	519,903	\$4,087,899.48	0	0	\$0.00	0	0	\$0.00
5 . U	0	0	\$0.00	0	0	\$0.00	0	0	\$0.00
	<u>819,261</u>	<u>795,399</u>	<u>\$6,262,041.96</u>	<u>68,284</u>	<u>66,295</u>	<u>\$429,030.00</u>	<u>0</u>	<u>0</u>	<u>\$0.00</u>
<b>NATURAL GAS TRANSPORTERS:</b>									
1 . TENNESSEE GAS PIPELINE COMPANY			\$14,337.07			\$1,194.97			\$0.00
2 . ADJUSTMENTS	(318)	(688)	(\$2,771.45)	(449)	1,236	(\$3,510.28)	(163)	(117)	(\$1,127.01)
3 . ADJUSTMENTS	0	0	(\$123,552.19)	0	0	\$0.00	0	0	\$0.00
4 . ADJUSTMENTS	0	0	\$0.00	0	0	\$0.00	0	0	\$0.00
TOTAL	<u>818,943</u>	<u>794,711</u>	<u>(\$111,986.57)</u>	<u>67,835</u>	<u>67,531</u>	<u>(\$2,315.31)</u>	<u>(163)</u>	<u>(117)</u>	<u>(\$1,127.01)</u>
TOTAL COMMODITY AND VOLUMETRIC CHARGES			\$6,150,055.39			\$426,714.69			(\$1,127.01)
<b>DEMAND AND FIXED CHARGES:</b>									
1 . TENNESSEE GAS PIPELINE COMPANY			\$329,664.00			\$329,664.00			\$329,664.00
2 . TRANSPORTATION BY OTHERS			\$0.00			\$0.00			\$0.00
3 . SUPPLY RESERVATION CHARGES			\$427,017.42			\$466,770.72			\$0.00
4 . CAPACITY RELEASE CREDITS			\$0.00			\$0.00			\$0.00
TOTAL DEMAND AND FIXED CHARGES			\$756,681.42			\$796,434.72			\$329,664.00
TOTAL PURCHASED GAS COSTS – TENNESSEE GAS PIPELINE COMPANY			<u>\$6,906,736.81</u>			<u>\$1,223,149.41</u>			<u>\$328,536.99</u>
<b>OTHER PURCHASES</b>									
1 . PURCHASED FOR ELECTRIC DEPARTMENT									
V	0	0	\$0.00	0	0	\$0.00	23,200	22,634	\$183,947.00
W	6,000	5,854	\$53,100.00	5,000	4,878	\$38,000.00	10,000	9,756	\$70,500.00
ADJUSTMENTS	0	(67)	\$0.00	0	(57)	\$0.00	0	(15)	\$0.00
	<u>6,000</u>	<u>5,787</u>	<u>\$53,100.00</u>	<u>5,000</u>	<u>4,821</u>	<u>\$38,000.00</u>	<u>33,200</u>	<u>32,375</u>	<u>\$254,447.00</u>
2 . CASH-OUT OF CUSTOMER OVER-DELIVERIES			\$460,195.70			\$118,721.49			\$147,995.75
TOTAL	<u>6,000</u>	<u>69,820</u>	<u>\$513,295.70</u>	<u>5,000</u>	<u>23,001</u>	<u>\$156,721.49</u>	<u>33,200</u>	<u>55,151</u>	<u>\$402,442.75</u>
TOTAL PURCHASED GAS COSTS -- ALL PIPELINES	<u>2,569,533</u>	<u>2,562,181</u>	<u>\$23,658,649.54</u>	<u>1,108,406</u>	<u>1,095,504</u>	<u>\$10,494,770.69</u>	<u>270,283</u>	<u>283,698</u>	<u>(\$2,088,133.48)</u>



# Louisville Gas and Electric Company

Tenth Revision of Original Sheet No. 70  
P.S.C. of Ky. Gas No. 6

STANDARD RATE SCHEDULE	GSC	
Gas Supply Clause		
<p><b>APPLICABLE TO</b> All gas sold.</p>		
<p><b>RECEIVED</b> JUN 30 2006 PUBLIC SERVICE COMMISSION</p>		
<p><b>GAS SUPPLY COST COMPONENT (GSCC)</b></p>		
Gas Supply Cost	80.336¢	R
Gas Cost Actual Adjustment (GCAA)	(6.084)	R
Gas Cost Balance Adjustment (GCBA)	4.814	I
<p>Refund Factors (RF) continuing for twelve months from the effective date of each or until Company has discharged its refund obligation thereunder:</p>		
Refund Factor Effective August 1, 2006	(0.050)	R
Performance-Based Rate Recovery Component (PBRRC)	<u>0.744</u>	
Total Gas Supply Cost Component Per 100 Cubic Feet (GSCC)	79.760¢	R

Date of Issue: June 30, 2006  
Canceling Ninth Revision of  
Original Sheet No. 70  
Issued April 27, 2006

Issued By

Date Effective: August 1, 2006

John R. McCall, Executive Vice President,  
General Counsel, and Corporate Secretary  
Louisville, Kentucky

Issued By Authority of an Order of the KPSC in Case No. 2006-00XXX dated \_\_\_\_\_

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JUN 30 2006

PUBLIC SERVICE  
COMMISSION

**LOUISVILLE GAS AND ELECTRIC COMPANY**

**Supporting Calculations For The**

**Gas Supply Clause**

**2006-00XXX**

**For the Period**

**August 1, 2006 through October 31, 2006**

LOUISVILLE GAS AND ELECTRIC COMPANY

Derivation of Gas Supply Component Applicable to  
Service Rendered On and After August 1, 2006

2006-00XXX

## Gas Supply Cost - See Exhibit A for Detail

Description	Unit	Amount
Total Expected Gas Supply Cost	\$	30,178,697
Total Expected Customer Deliveries: August 1, 2006 through October 31, 2006	Mcf	3,756,552
Gas Supply Cost Per Mcf	\$/Mcf	8.0336
Gas Supply Cost Per 100 Cubic Feet	¢/Ccf	80.336

## Gas Cost Actual Adjustment (GCAA) - See Exhibit B for Detail

Description	Unit	Amount
Current Quarter Actual Adjustment	Eff. Aug 1, 2006 from 2006-00005	¢/Ccf (5.218)
Previous Quarter Actual Adjustment	Eff. May 1, 2006 from 2005-00401	¢/Ccf (5.275)
2nd Previous Qrt. Actual Adjustment	Eff. Feb 1, 2006 from 2005-00274	¢/Ccf 5.018
3rd Previous Qrt. Actual Adjustment	Eff. Nov 1, 2005 from 2005-00143	¢/Ccf (0.609)
Total Gas Cost Actual Adjustment (GCAA)	¢/Ccf	(6.084)

## Gas Cost Balance Adjustment (GCBA) - See Exhibit C for Detail

Description	Unit	Amount
Balance Adjustment Amount	\$	(1,808,410)
Total Expected Customer Deliveries: August 1, 2006 through October 31, 2006	Mcf	3,756,552
Gas Cost Balance Adjustment (GCBA) Per Mcf	\$/Mcf	0.4814
Gas Cost Balance Adjustment (GCBA) Per 100 Cubic Feet	¢/Ccf	4.814

## Refund Factors (RF) - See Exhibit D for Detail

Description	Unit	Amount
Refund Factor Effective August 1, 2006	¢/Ccf	(0.050)
Total Refund Factors Per 100 Cubic Feet	¢/Ccf	(0.050)

## Performance-Based Rate Recovery Component (PBRRC) - See Exhibit E for Detail

Description	Unit	Amount
Performance-Based Rate Recovery Component (PBRRC)	¢/Ccf	0.744
Total of PBRRC Factors Per 100 Cubic Feet	¢/Ccf	0.744

## Gas Supply Cost Component (GSCC) Effective August 1, 2006 through October 31, 2006

Description	Unit	Amount
Gas Supply Cost	¢/Ccf	80.336
Gas Cost Actual Adjustment (GCAA)	¢/Ccf	(6.084)
Gas Cost Balance Adjustment (GCBA)	¢/Ccf	4.814
Refund Factors (RF)	¢/Ccf	(0.050)
Performance-Based Rate Recovery Component (PBRRC)	¢/Ccf	0.744
Total Gas Supply Cost Component (GSCC)	¢/Ccf	<b>79.760</b>

LOUISVILLE GAS AND ELECTRIC COMPANY  
Calculation of Gas Supply Costs  
For The Three-Month Period From August 1, 2006 through October 31, 2006

	Total			
<u>MMBtu</u>	August	September	October	Aug 06 - Oct 06
1. Expected Gas Supply Transported Under Texas' No-Notice Service	1,709,745	1,589,877	1,964,541	5,264,163
2. Expected Gas Supply Transported Under Texas' Rate FT	1,116,000	1,080,000	1,116,000	3,312,000
3. Expected Gas Supply Transported Under Tenn.'s Rate FT-A (Zone 0)	1,240,000	1,200,000	1,240,000	3,680,000
4. Expected Gas Supply Transported Under Tenn.'s Rate FT-A (Zone 1)	341,000	330,000	341,000	1,012,000
5. Total MMBtu Purchased	4,406,745	4,199,877	4,661,541	13,268,163
6. Plus: Withdrawals from Texas Gas' NNS Storage Service	0	0	0	0
7. Less: Injections into Texas Gas' NNS Storage Service	105,586	76,890	65,193	247,669
8. Expected Monthly Deliveries from TGT/TGPL to LG&E (excluding transportation volumes under LG&E Rate TS)	4,301,159	4,122,987	4,596,348	13,020,494
<u>Mcf</u>				
9. Total Purchases in Mcf	4,299,263	4,097,441	4,547,845	
10. Plus: Withdrawals from Texas Gas' NNS Storage Service	0	0	0	
11. Less: Injections Texas Gas' NNS Storage Service	103,011	75,015	63,603	
12. Expected Monthly Deliveries from TGT/TGPL to LG&E (excluding transportation volumes under LG&E Rate TS)	4,196,252	4,022,426	4,484,242	
13. Plus: Customer Transportation Volumes under Rate TS	10,297	4,970	5,989	
14. Total Expected Monthly Deliveries from TGT/TGPL to LG&E (Line 12 + Line 13)	4,206,549	4,027,396	4,490,231	
15. Less: Purchases for Depts. Other Than Gas Dept.	49,308	39,223	42,124	
16. Less: Purchases Injected into LG&E's Underground Storage	3,247,418	2,982,472	2,494,529	
17. Mcf Purchases Expensed during Month (Line 12 - Line 15 - Line 16)	899,526	1,000,731	1,947,589	3,847,846
18. LG&E's Storage Inventory - Beginning of Month	5,672,001	8,888,001	11,835,001	
19. Plus: Storage Injections into LG&E's Underground Storage (Line 16)	3,247,418	2,982,472	2,494,529	
20. LG&E's Storage Inventory - Including Injections	8,919,419	11,870,473	14,329,530	
21. Less: Storage Withdrawals from LG&E's Underground Storage	0	0	0	0
22. Less: Storage Losses	31,418	35,472	39,529	106,419
23. LG&E's Storage Inventory - End of Month	8,888,001	11,835,001	14,290,001	
24. Mcf of Gas Supply Expensed during Month (Line 17 + Line 21 + Line 22)	930,944	1,036,203	1,987,118	3,954,265
<u>Cost</u>				
25. Total Demand Cost - Including Transportation (Line 14 x Line 46)	\$3,685,358	\$3,528,402	\$3,933,891	
26. Less: Demand Cost Recovered thru Rate TS (Line 13 x Line 46)	9,021	4,354	5,247	
27. Demand Cost - Net of Demand Costs Recovered thru LG&E Rate TS	\$3,676,337	\$3,524,048	\$3,928,644	
28. Commodity Costs - Gas Supply Under NNS (Line 1 x Line 47)	10,812,256	10,489,690	13,783,809	
29. Commodity Costs - Gas Supply Under Rate FT (Line 2 x Line 48)	7,034,036	7,102,404	7,805,527	
30. Commodity Costs - Gas Supply Under Rate FT-A Zone 0 (Line 3 x Line 49)	7,170,796	7,272,240	8,040,160	
31. Commodity Costs - Gas Supply Under Rate FT-A Zone 1 (Line 4 x Line 50)	2,162,213	2,183,280	2,399,447	
32. Total Purchased Gas Cost	\$30,855,638	\$30,571,662	\$35,957,587	\$97,384,887
33. Plus: Withdrawals from NNS Storage (Line 6 x Line 47)	0	0	0	0
34. Less: Purchases Injected into NNS Storage (Line 7 x Line 47)	667,715	507,305	457,414	1,632,434
35. Total Cost of Gas Delivered to LG&E	\$30,187,923	\$30,064,357	\$35,500,173	\$95,752,453
36. Less: Purchases for Depts. Other Than Gas Dept. (Line 15 x Line 51)	354,722	293,161	333,479	981,362
37. Less: Purchases Injected into LG&E's Storage (Line 16 x Line 51)	23,361,925	22,291,592	19,748,188	65,401,705
38. Pipeline Deliveries Expensed During Month	\$6,471,276	\$7,479,604	\$15,418,506	\$29,369,386
39. LG&E's Storage Inventory - Beginning of Month	\$44,479,832	\$67,602,789	\$89,625,755	
40. Plus: LG&E Storage Injections (Line 37 above)	23,361,925	22,291,592	19,748,188	
41. LG&E's Storage Inventory - Including Injections	\$67,841,757	\$89,894,381	\$109,373,943	
42. Less: LG&E Storage Withdrawals (Line 21 x Line 52)	0	0	0	\$0
43. Less: LG&E Storage Losses (Line 22 x Line 52)	238,968	268,626	301,717	809,311
44. LG&E's Storage Inventory - End of Month	\$67,602,789	\$89,625,755	\$109,072,226	
45. Gas Supply Expenses (Line 38 + Line 42 + Line 43)	\$6,710,244	\$7,748,230	\$15,720,223	\$30,178,697
<u>Unit Cost</u>				
46. 12-Month Average Demand Cost - per Mcf (see Page 2)	\$0.8761	\$0.8761	\$0.8761	
47. Commodity Cost (per MMBtu) under Texas Gas's No-Notice Service	\$6.3239	\$6.5978	\$7.0163	
48. Commodity Cost (per MMBtu) under Texas Gas's Rate FT	\$6.3029	\$6.5763	\$6.9942	
49. Commodity Cost (per MMBtu) under Tenn. Gas's Rate FT-A (Zone 0)	\$5.7829	\$6.0602	\$6.4840	
50. Commodity Cost (per MMBtu) under Tenn. Gas's Rate FT-A (Zone 1)	\$6.3408	\$6.6160	\$7.0365	
51. Average Cost of Deliveries (Line 35 / Line 12)	\$7.1940	\$7.4742	\$7.9166	
52. Average Cost of Inventory - Including Injections (Line 41 / Line 20)	\$7.6061	\$7.5729	\$7.6328	
<u>Gas Supply Cost</u>				
53. Total Expected Mcf Deliveries (Sales) to Customers (August 1, 2006 through October 31, 2006)				3,756,552 Mcf
54. Current Gas Supply Cost (Line 45 / Line 53)				<u>\$8.0336</u> / Mcf

**LOUISVILLE GAS AND ELECTRIC COMPANY**  
**Calculation Of The Average Demand Cost Per Mcf Applicable To**  
**The Three-Month Period From August 1, 2006 through October 31, 2006**

**Demand Billings:**

Texas Gas No-Notice Service (Rate NNS) Monthly Demand Charge	(	\$12.7446	x	119,913	MMBtu ) x 12	\$18,338,919
Texas Gas Firm Transportation (Rate FT) Monthly Demand Charge	(	\$6.9904	x	36,000	MMBtu ) x 12	3,019,853
Tenn. Gas Firm Transportation (Rate FT-A, 0-2) Monthly Demand Charge	(	\$6.4640	x	40,000	MMBtu ) x 12	3,102,720
Tenn. Gas Firm Transportation (Rate FT-A, 1-2) Monthly Demand Charge	(	\$6.4640	x	11,000	MMBtu ) x 12	853,248
Long-Term Firm Contracts with Suppliers (Annualized)						9,064,739

**ANNUAL DEMAND COSTS**

\$34,379,479

Expected Annual Deliveries from Pipeline Transporters (Including Transportation Under Rate TS) - MMBtu	40,224,444
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Expected Annual Deliveries from Pipeline Transporters (Including Transportation Under Rate TS) - Mcf	39,243,360
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**AVERAGE DEMAND COST PER MCF**

0.8761

**Pipeline Supplier's Demand Component Applicable to Billings  
Under LG&E's Gas Transportation Service/Standby - Rate TS  
The 3-Month Period from August 1, 2006 through October 31, 2006**

Pipeline Supplier's Demand Component per Mcf	\$0.8761
Refund Factor for Demand Portion of Texas Gas Refund (see Exhibit D)	(0.0050)
Performance Based Rate Recovery Component (see Exhibit E)	<u>0.0082</u>
Pipeline Supplier's Demand Component per Mcf - Applicable to Rate TS Transportation	<u><u>0.8793</u></u>

**Demand-Related Supply Costs Applicable to Daily Utilization Charge under  
Rates FT and PS and for Reserved Balancing Service Under Rider RBS**

Design Day Requirements (in Mcf)	442,031
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**Reserved Balancing Service Charge (per Mcf Reserved):**

Annual Charge -> (Annual Demand Costs / Design Day Requirements)	\$77.78
Monthly Charge -> (Annual Charge / 12 Months)	<u><u>\$6.48</u></u>

**Daily Utilization Charge (per Mcf of Non-Reserved Balancing):**

(Annual Reserved Balancing Charge / 365 Days) - 100% Load Factor Rate	<u><u>\$0.2131</u></u>
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LOUISVILLE GAS AND ELECTRIC COMPANY

Gas Supply Clause: 2006-00XXX

Gas Supply Cost Effective August 1, 2006

LG&E is served by Texas Gas Transmission LLC ("TGT") pursuant to the terms of transportation agreements under Rates NNS-4 and FT-4, and by Tennessee Gas Pipeline Company ("TGPL") pursuant to the terms of a transportation agreement under Rate FT-A-2.

**Texas Gas Transmission LLC**

On April 29, 2005, Texas Gas requested the Federal Energy Regulatory Commission ("FERC"), in Docket No. RP05-317, to approve an increase in its cost of service. Texas Gas was required to file this general rate case pursuant to the FERC-approved Settlement in FERC Docket No. RP00-260. By Order dated May 31, 2005, FERC suspended Texas Gas's proposed rates until November 1, 2005. Subsequently, on October 27, 2005, Texas Gas filed with FERC to place Motion Rates into effect November 1, 2005. FERC accepted these rates for billing subject to refund by Letter Order dated November 22, 2005.

Following discovery and settlement discussions, on December 19, 2005, Texas Gas reached a settlement in principle with the active parties in the case. On January 11, 2006, Texas Gas filed an unopposed motion to suspend the procedural schedule to allow Texas Gas and the various parties to reduce the settlement to writing. Texas Gas's motion was granted by an order of the Chief Judge issued January 19, 2006.

Following further settlement discussions, Texas Gas filed on February 21, 2006, its "Offer of Settlement" setting forth rates and other terms and conditions proposed to become effective November 1, 2005. On February 24, 2006, Texas Gas filed its "Motion for Expedient Approval to Place Interim Reduced Rates into Effect Pending Action on Settlement" requesting FERC to place rates into effect beginning February 1, 2006, pending the approval of the "Offer of Settlement". The rates set forth therein are the same as the settlement rates. FERC approved the "Motion for Expedient Approval" by an "Order of the Chief Judge Granting Motion to Collect Settlement Rates on an Interim Basis" dated March 8, 2006. Pursuant to the Procedural Schedule, intervenors were permitted to file comments by March 13, 2006, with reply comments by March 23, 2006. On March 28, 2006, the ALJ issued his "Certification of Uncontested Offer of Settlement". On April 21, FERC issued an Order approving the settlement. Because there were no requests for rehearing within 30 days of the April 21 Order, the rates approved in the Settlement became effective June 1, 2006, and refunds covering the period from November 1, 2005, through January 31, 2006, were mailed on June 30, 2006.

As a result of the above Commission Orders, the only refund obligation of Texas Gas will be for the months of November 2005 through and including January 2006. Those refunds are also reflected in this filing.

#### Texas Gas's No-Notice Service (NNS-4)

Attached hereto as Exhibit A-1(a), Page 1, is the tariff sheet for No-Notice Service under Rate NNS-4 applicable during the period of August 1, 2006 through October 31, 2006, which became effective February 1, 2006. The rates absent the discounts negotiated by LG&E would be as follows: (a) a daily demand charge of \$0.4190/MMBtu (or an equivalent monthly demand charge of \$12.7446/MMBtu) and (b) a commodity charge of \$0.0632/MMBtu.

However, LG&E has negotiated discounts that result in a monthly demand charge applicable to LG&E of \$12.7446/MMBtu and a volumetric throughput charge ("commodity charge") applicable to LG&E of \$0.0513/MMBtu.

#### Texas Gas's Firm Transportation Service (FT-4)

Attached hereto as Exhibit A-1 (a), Pages 2 and 3, are the tariff sheets for transportation service under Rate FT-4 applicable during the period of August 1, 2006 through October 31, 2006. Page 2 contains the tariff sheet which sets forth the TGT daily demand charges which became effective February 1, 2006. Page 3 contains the tariff sheet which sets forth the commodity charges effective February 1, 2006. The rates absent the discounts negotiated by LG&E would be as follows: (a) a daily demand charge of \$0.3142/MMBtu (or an equivalent monthly demand charge of \$9.5569/MMBtu) and (b) a commodity charge of \$0.0546/MMBtu.

However, LG&E has negotiated discounts that result in a monthly demand charge applicable to LG&E of \$6.9904/MMBtu and a volumetric throughput charge ("commodity charge") applicable to LG&E of \$0.0350/MMBtu during the Winter Season and \$0.0400/MMBtu during the Summer Season.

#### **Tennessee Gas Pipeline Company**

On May 31, 2006, TGPL filed tariff sheets at the FERC in Docket Nos. RP91-203 and RP92-132 to extend the PCB adjustment period as provided for in that settlement as approved by FERC. This new tariff sheet is to become effective July 1, 2006.

On August 31, 2005, TGP filed tariff sheets at the FERC in Docket No. RP05-640 to reflect a new ACA Unit Charge as determined by FERC and recoverable by TGPL pursuant to the General Terms and Conditions of its FERC Gas Tariff. TGPL placed into effect the new ACA funding unit of \$0.0018/MMBtu effective October 1, 2005.

### TGPL's Firm Transportation Service (FT-A-2)

Attached hereto as Exhibit A-1 (a), Pages 4 and 5, are the tariff sheets for transportation service under Rate FT-4 applicable during the period of August 1, 2006 through October 31, 2006. Page 5 contains the tariff sheet which sets forth the daily demand charges. Page 5 contains the tariff sheet which sets forth the commodity charges. The rates absent the discounts negotiated by LG&E would be as follows for deliveries from Zone 0 to Zone 2: (a) a daily demand charge of \$0.2979/MMBtu (or an equivalent monthly demand charge of \$9.06/MMBtu) and (b) a commodity charge of \$0.0898/MMBtu. The rates absent the discounts negotiated by LG&E would be as follows for deliveries from Zone 1 to Zone 2: (a) a daily demand charge of \$0.2505/MMBtu (or an equivalent monthly demand charge of \$7.62/MMBtu) and (b) a commodity charge of \$0.0794/MMBtu.

However, LG&E has negotiated discounts that result in a monthly demand charge applicable to LG&E of \$6.4640/MMBtu and a volumetric throughput charge ("commodity charge") applicable to LG&E of \$0.0175/MMBtu, irrespective of the zone of receipt.

### Gas Supply Costs

The New York Mercantile Exchange ("NYMEX") natural gas futures prices as of June 28, 2006, are \$6.160/MMBtu for August, \$6.425/MMBtu for September, and \$6.830/MMBtu for October. The NYMEX price can be used as a general price indicator. Natural gas prices are currently expected to be lower for a variety of reasons. Storage inventory levels, among other factors, affect the demand for natural gas and hence its price. The Energy Information Administration's storage survey for the week ending June 23, 2006, indicated that storage inventory levels were higher than last year's levels. Storage inventories across the nation are 423 Bcf (2,542 Bcf - 2,119 Bcf), or 20%, higher this year than the same period one year ago. Last year at this time, 2,119 Bcf was held in storage, while this year 2,542 Bcf is held in storage. More significantly, storage inventories across the nation are 611 Bcf (2,542 Bcf - 1,931 Bcf), or 32%, higher this year than the five-year average. On average for the last five years at this time, 1,931 Bcf was held in storage. Higher storage inventory levels and the lack of demand for natural gas tend to drive natural gas prices lower. Conversely, lower storage levels, interruptions of gas supply, or increases in demand for natural gas (arising from colder weather and increased heating requirements, or warmer weather and increased electric generation requirements) tend to cause increases in the expected price of natural gas. Currently the market for natural gas is being influenced by a number of factors which have tended to decrease natural gas wholesale prices from previously record levels. A warmer-than-normal winter has significantly reduced the demand for natural gas which is primarily used for space-heating. This lack of demand in turn has increased supply availability in the form of ample national storage levels. Another factor influencing the supply/demand balance has been the recovery of natural gas production facilities in the Gulf of Mexico following Hurricanes Katrina and Rita. According to the current report by the Minerals Management Service about 9% of OCS Gulf of Mexico production remains shut in. Despite these factors which point to increased supply availability over the coming summer, other



factors can potentially increase the demand for natural gas, namely demand for natural gas used for electric generation. In addition to these factors, natural gas prices have tended to follow the prices for other forms of energy, in particular oil, creating further uncertainty in the international energy markets. Relief in the form of incremental supplies (either in the form of new gas production or LNG) has not been forthcoming.

During the three-month period under review, August 1, 2006 through October 31, 2006, LG&E estimates that its total purchases will be 13,020,494 MMBtu. LG&E expects that 5,016,494 MMBtu will be met with deliveries from TGT's pipeline service under Rate NNS (5,264,163 MMBtu in pipeline deliveries, less 247,669 MMBtu in storage injections); 3,312,000 MMBtu will be met from deliveries under TGT's pipeline service under Rate FT; 3,680,000 MMBtu will be met from deliveries under TGPL's pipeline service under Rate FT-A from Zone 0; and 1,012,000 MMBtu will be met from deliveries under TGPL's pipeline service under Rate FT-A from Zone 1.

The average commodity cost of gas purchased from gas suppliers by LG&E and delivered to TGT under the NNS service is expected to be \$6.07 per MMBtu in August 2006, \$6.335 in September 2006, and \$6.74 in October 2006. The average commodity cost of gas purchased from gas suppliers by LG&E and delivered to TGT under the FT service is expected to be \$6.07 per MMBtu in August 2006, \$6.335 in September 2006, and \$6.74 in October 2006. The average commodity cost of gas purchased from gas suppliers by LG&E and delivered to TGPL under Rate FT-A from its Zone 0 is expected to be \$5.51 per MMBtu in August 2006, \$5.775 in September 2006, and \$6.180 in October 2006, and the average commodity cost of gas purchased from gas suppliers by LG&E and delivered to TGPL from its Zone 1 is expected to be \$6.09 per MMBtu in August, \$6.355 in September 2006, and \$6.76 in October 2006.

Set forth below are the commodity costs as delivered to LG&E after giving effect to TGT's and TGPL's commodity charges for transporting the gas under Rate NNS and Rate FT, applicable retention percentages, and the applicable surcharges approved by the FERC:

RATE NNS  
SYSTEM SUPPLY PURCHASE PRICE PER MMBTU  
UNDER TEXAS GAS'S NO-NOTICE SERVICE RATE

	<u>ESTIMATED PRICE AS DELIVERED TO TEXAS GAS</u>	<u>RATE NNS RETENTION (TO ZONE 4)</u>	<u>TRANSPORT CHARGE</u>	<u>TOTAL ESTIMATED DELIVERED PRICE</u>
August 2006	\$6.0700	3.23%	\$0.0513	\$6.3239
September	\$6.3350	3.23%	\$0.0513	\$6.5978
October	\$6.7400	3.23%	\$0.0513	\$7.0163

RATE FT  
SYSTEM SUPPLY PURCHASE PRICE PER MMBTU  
UNDER TEXAS GAS'S FIRM TRANSPORTATION SERVICE RATE

	<u>ESTIMATED PRICE AS DELIVERED TO TEXAS GAS</u>	<u>RETENTION (ZONE SL TO 4)</u>	<u>RATE FT TRANSPORT CHARGE</u>	<u>TOTAL ESTIMATED DELIVERED PRICE</u>
August 2006	\$6.0700	3.08%	\$0.0400	\$6.3029
September	\$6.3350	3.08%	\$0.0400	\$6.5763
October	\$6.7400	3.08%	\$0.0400	\$6.9942

RATE FT-A  
SYSTEM SUPPLY PURCHASE PRICE PER MMBTU  
UNDER TENN. GAS'S FIRM TRANSPORTATION SERVICE RATE

	<u>ESTIMATED PRICE AS DELIVERED TO TENN. GAS</u>	<u>RETENTION (TO ZONE 2)</u>	<u>RATE FT-A TRANSPORT CHARGE</u>	<u>TOTAL ESTIMATED DELIVERED PRICE</u>
Zone 0				
August 2006	\$5.5100	4.43%	\$0.0175	\$5.7829
September	\$5.7750	4.43%	\$0.0175	\$6.0602
October	\$6.1800	4.43%	\$0.0175	\$6.4840
Zone 1				
August 2006	\$6.0900	3.69%	\$0.0175	\$6.3408
September	\$6.3550	3.69%	\$0.0175	\$6.6160
October	\$6.7600	3.69%	\$0.0175	\$7.0365

The annual demand billings covering the 12 months from August 2006 through July 2007 for the long-term firm contracts with suppliers are currently expected to be \$9,064,739.

**Rate FT, Rider RBS, and Rate PS**

The demand-related supply costs applicable to the Daily Utilization Charge under Rate FT, the Reserved Balancing Service under Rider RBS, and any daily utilization charges under Rate PS applicable during the three-month period of August 1, 2006 through October 31, 2006 are set forth on Exhibit A, Page 2.

Any revenue collected from the application of these charges will flow directly into the Gas Supply Cost Actual Adjustment ("GCAA") in future Gas Supply Clause filings. Therefore, the revenue collected through application of these charges will reduce the total Gas Supply Cost Component ("GSCC") charged to LG&E's sales customers.

Texas Gas Transmission, LLC  
FERC Gas Tariff  
Second Revised Volume No. 1

Substitute Seventh Revised Sheet No. 20  
Superseding  
Second Sub Sixth Rev Sheet No. 20

Currently Effective Maximum Transportation Rates (\$ per MMBtu) For Service Under Rate Schedule NNS									
	Base Tariff Rates (1)	FERC ACA (2)	Currently Effective Rates (3)						
<b>Zone SL</b>									
Daily Demand	0.1800		0.1800						
Commodity	0.0253	0.0018	0.0271						
Overrun	0.2053	0.0018	0.2071						
<b>Zone 1</b>									
Daily Demand	0.2782		0.2782						
Commodity	0.0431	0.0018	0.0449						
Overrun	0.3213	0.0018	0.3231						
<b>Zone 2</b>									
Daily Demand	0.3088		0.3088						
Commodity	0.0460	0.0018	0.0478						
Overrun	0.3548	0.0018	0.3566						
<b>Zone 3</b>									
Daily Demand	0.3543		0.3543						
Commodity	0.0490	0.0018	0.0508						
Overrun	0.4033	0.0018	0.4051						
<b>Zone 4</b>									
Daily Demand	0.4190		0.4190						
Commodity	0.0614	0.0018	0.0632						
Overrun	0.4804	0.0018	0.4822						
Minimum Rate: Demand \$-0-; Commodity - Zone SL 0.0163									
Zone 1 0.0186									
Zone 2 0.0223									
Zone 3 0.0262									
Zone 4 0.0308									
<p>Note: The maximum reservation charge component of the maximum firm volumetric capacity release rate shall be the applicable maximum daily demand rate herein pursuant to Section 25 of the General Terms and Conditions.</p> <p>For receipts from Enterprise Texas Pipeline, L.P./Texas Eastern Transmission, LP interconnect near Beckville, Texas, the above rates shall be increased to include an incremental transportation charge of:</p> <table> <tr> <td>Daily Demand</td> <td>\$0.0621</td> </tr> <tr> <td>Commodity</td> <td>\$0.0155</td> </tr> <tr> <td>Overrun</td> <td>\$0.0776</td> </tr> </table> <p>This receipt point is available to those customers agreeing to pay the incremental rate(s) applicable to such point and is not available for pooling under Rate Schedule TAPS.</p>				Daily Demand	\$0.0621	Commodity	\$0.0155	Overrun	\$0.0776
Daily Demand	\$0.0621								
Commodity	\$0.0155								
Overrun	\$0.0776								

Issued by: James R. Hendrix, Vice President, Rates  
 Issued on: May 30, 2006 Effective on: February 1, 2006  
 Filed to comply with order of the Federal Energy Regulatory Commission, Docket  
 No. RP05-317, issued April 21, 2006, 15 FERC ¶ 61,092

Texas Gas Transmission, LLC  
FERC Gas Tariff  
Second Revised Volume No. 1

Substitute Fifth Revised Sheet No. 24  
Superseding  
Second Sub Fourth Rev Sheet No. 24

Currently Effective Maximum Daily Demand Rates (\$ per MMBtu)  
For Service Under Rate Schedule FT

	Currently Effective Rates [1]
SL-SL	0.0794
SL-1	0.1552
SL-2	0.2120
SL-3	0.2494
SL-4	0.3142
1-1	0.1252
1-2	0.1820
1-3	0.2194
1-4	0.2842
2-2	0.1332
2-3	0.1705
2-4	0.2334
3-3	0.1181
3-4	0.1810
4-4	0.1374

Minimum Rates: Demand \$-0-

Backhaul rates equal fronthaul rates to zone of delivery.

[1] Currently Effective Rates are equal to the Base Tariff Rates.

Note: The maximum reservation charge component of the maximum firm volumetric capacity release rate shall be the applicable maximum daily demand rate herein pursuant to Section 25 of the General Terms and Conditions.

For receipts from Enterprise Texas Pipeline, L.P./Texas Eastern Transmission, LP interconnect near Beckville, Texas, the above rates shall be increased to include an incremental Daily Demand charge of \$0.0621. This receipt point is available to those customers agreeing to pay the incremental rate(s) applicable to such point and is not available for pooling under Rate Schedule TAPS.

Issued by: James R. Hendrix, Vice President, Rates  
Issued on: May 30, 2006 Effective on: February 1, 2006  
Filed to comply with order of the Federal Energy Regulatory Commission, Docket  
No. RP05-317, issued April 21, 2006, 15 FERC ¶ 61,092

Texas Gas Transmission, LLC  
FERC Gas Tariff  
Second Revised Volume No. 1

Substitute Sixth Revised Sheet No. 25  
Superseding  
Second Sub Fifth Rev Sheet No. 25

Currently Effective Maximum Commodity Rates (\$ per MMBtu)  
For Service Under Rate Schedule FT

	Base Tariff Rates (1)	FERC ACA (2)	Currently Effective Rates (3)
SL-SL	0.0104	0.0018	0.0122
SL-1	0.0355	0.0018	0.0373
SL-2	0.0399	0.0018	0.0417
SL-3	0.0445	0.0018	0.0463
SL-4	0.0528	0.0018	0.0546
1-1	0.0337	0.0018	0.0355
1-2	0.0385	0.0018	0.0403
1-3	0.0422	0.0018	0.0440
1-4	0.0508	0.0018	0.0526
2-2	0.0323	0.0018	0.0341
2-3	0.0360	0.0018	0.0378
2-4	0.0446	0.0018	0.0464
3-3	0.0312	0.0018	0.0330
3-4	0.0398	0.0018	0.0416
4-4	0.0360	0.0018	0.0378

Minimum Rates: Commodity minimum base rates are presented on Sheet 31.

Backhaul rates equal fronthaul rates to zone of delivery.

Note: For receipts from Enterprise Texas Pipeline, L.P./Texas Eastern Transmission, LP interconnect near Beckville, Texas, the above rates shall be increased to include an incremental Commodity charge of \$0.0155. This receipt point is available to those customers agreeing to pay the incremental rate(s) applicable to such point and is not available for pooling under Rate Schedule TAPS.

Issued by: James R. Hendrix, Vice President, Rates

Issued on: May 30, 2006

Effective on: February 1, 2006

Filed to comply with order of the Federal Energy Regulatory Commission, Docket No. RP05-317, issued April 21, 2006, 15 FERC ¶ 61,092

TENNESSEE GAS PIPELINE COMPANY  
FERC Gas Tariff  
FIFTH REVISED VOLUME NO. 1

Twenty-Fifth Revised Sheet No. 23  
Superseding  
Twenty-Fourth Revised Sheet No. 23

RATES PER DEKATHERM

FIRM TRANSPORTATION RATES  
RATE SCHEDULE FOR FT-A

Base Reservation Rates

RECEIPT ZONE	DELIVERY ZONE							
	0	L	1	2	3	4	5	6
0	\$3.10		\$6.45	\$9.06	\$10.53	\$12.22	\$14.09	\$16.59
L		\$2.71						
1	\$6.66		\$4.92	\$7.62	\$9.08	\$10.77	\$12.64	\$15.15
2	\$9.06		\$7.62	\$2.86	\$4.32	\$6.32	\$7.89	\$10.39
3	\$10.53		\$9.08	\$4.32	\$2.05	\$6.08	\$7.64	\$10.14
4	\$12.53		\$11.08	\$6.32	\$6.08	\$2.71	\$3.38	\$5.89
5	\$14.09		\$12.64	\$7.89	\$7.64	\$3.38	\$2.85	\$4.93
6	\$16.59		\$15.15	\$10.39	\$10.14	\$5.89	\$4.93	\$3.16

Surcharges

RECEIPT ZONE	DELIVERY ZONE							
	0	L	1	2	3	4	5	6
PCB Adjustment: 1/ 0	\$0.00		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
L		\$0.00						
1	\$0.00		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2	\$0.00		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
3	\$0.00		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
4	\$0.00		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5	\$0.00		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
6	\$0.00		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

Maximum Reservation Rates 2/

RECEIPT ZONE	DELIVERY ZONE							
	0	L	1	2	3	4	5	6
0	\$3.10		\$6.45	\$9.06	\$10.53	\$12.22	\$14.09	\$16.59
L		\$2.71						
1	\$6.66		\$4.92	\$7.62	\$9.08	\$10.77	\$12.64	\$15.15
2	\$9.06		\$7.62	\$2.86	\$4.32	\$6.32	\$7.89	\$10.39
3	\$10.53		\$9.08	\$4.32	\$2.05	\$6.08	\$7.64	\$10.14
4	\$12.53		\$11.08	\$6.32	\$6.08	\$2.71	\$3.38	\$5.89
5	\$14.09		\$12.64	\$7.89	\$7.64	\$3.38	\$2.85	\$4.93
6	\$16.59		\$15.15	\$10.39	\$10.14	\$5.89	\$4.93	\$3.16

Minimum Base Reservation Rates The minimum FT-A Reservation Rate is \$0.00 per Dth

Notes:

- 1/ PCB adjustment surcharge originally effective for PCB Adjustment Period of July 1, 1995 - June 30, 2000, was revised and the PCB Adjustment Period has been extended until June 30, 2008 as required by the Stipulation and Agreement filed on May 15, 1995 and approved by Commission Orders issued November 29, 1995 and February 20, 1996.
- 2/ Maximum rates are inclusive of base rates and above surcharges.

TENNESSEE GAS PIPELINE COMPANY  
FERC Gas Tariff  
FIFTH REVISED VOLUME NO. 1

Seventeenth Revised Sheet No.23A  
Superseding  
Sixteenth Revised Sheet No. 23A

RATES PER DEKATHERM

COMMODITY RATES  
RATE SCHEDULE FOR FT-A

Base Commodity Rates

RECEIPT ZONE	DELIVERY ZONE							
	0	L	1	2	3	4	5	6
0	\$0.0439		\$0.0669	\$0.0880	\$0.0978	\$0.1118	\$0.1231	\$0.1608
L		\$0.0286						
1	\$0.0669		\$0.0572	\$0.0776	\$0.0874	\$0.1014	\$0.1126	\$0.1503
2	\$0.0880		\$0.0776	\$0.0433	\$0.0530	\$0.0681	\$0.0783	\$0.1159
3	\$0.0978		\$0.0874	\$0.0530	\$0.0366	\$0.0663	\$0.0765	\$0.1142
4	\$0.1129		\$0.1025	\$0.0681	\$0.0663	\$0.0401	\$0.0459	\$0.0834
5	\$0.1231		\$0.1126	\$0.0783	\$0.0765	\$0.0459	\$0.0427	\$0.0765
6	\$0.1608		\$0.1503	\$0.1159	\$0.1142	\$0.0834	\$0.0765	\$0.0642

Minimum Commodity Rates 2/

RECEIPT ZONE	DELIVERY ZONE							
	0	L	1	2	3	4	5	6
0	\$0.0026		\$0.0096	\$0.0161	\$0.0191	\$0.0233	\$0.0268	\$0.0326
L		\$0.0034						
1	\$0.0096		\$0.0067	\$0.0129	\$0.0159	\$0.0202	\$0.0236	\$0.0294
2	\$0.0161		\$0.0129	\$0.0024	\$0.0054	\$0.0100	\$0.0131	\$0.0189
3	\$0.0191		\$0.0159	\$0.0054	\$0.0004	\$0.0095	\$0.0126	\$0.0184
4	\$0.0237		\$0.0205	\$0.0100	\$0.0095	\$0.0015	\$0.0032	\$0.0090
5	\$0.0268		\$0.0236	\$0.0131	\$0.0126	\$0.0032	\$0.0022	\$0.0069
6	\$0.0326		\$0.0294	\$0.0189	\$0.0184	\$0.0090	\$0.0069	\$0.0031

Maximum Commodity Rates 1/, 2/

RECEIPT ZONE	DELIVERY ZONE							
	0	L	1	2	3	4	5	6
0	\$0.0457		\$0.0687	\$0.0898	\$0.0996	\$0.1136	\$0.1249	\$0.1626
L		\$0.0304						
1	\$0.0687		\$0.0590	\$0.0794	\$0.0892	\$0.1032	\$0.1144	\$0.1521
2	\$0.0898		\$0.0794	\$0.0451	\$0.0548	\$0.0699	\$0.0801	\$0.1177
3	\$0.0996		\$0.0892	\$0.0548	\$0.0384	\$0.0681	\$0.0783	\$0.1160
4	\$0.1147		\$0.1043	\$0.0699	\$0.0681	\$0.0419	\$0.0477	\$0.0852
5	\$0.1249		\$0.1144	\$0.0801	\$0.0783	\$0.0477	\$0.0445	\$0.0783
6	\$0.1626		\$0.1521	\$0.1177	\$0.1160	\$0.0852	\$0.0783	\$0.0660

Notes:

- 1/ The above maximum rates include a per Dth charge for:  
(ACA) Annual Charge Adjustment \$0.0018
- 2/ The applicable fuel retention percentages are listed on Sheet No. 29, provided that for service rendered solely by displacement, shipper shall render only the quantity of gas associated with losses of .5%.



LOUISVILLE GAS AND ELECTRIC COMPANY**Gas Supply Clause: 2006-00XXX****Calculation of Gas Cost Actual Adjustment (GCAA)**

The purpose of this adjustment is to compensate for over- or under-recoveries which result from differences between various quarters' revenues collected to recover expected gas costs and the actual gas costs incurred during each such quarter. As shown on Page 1 of Exhibit B-1, the amount of over-recovery from Case Number 2006-00005 during the three-month period of February 2006 through April 30, 2006 was \$18,905,666. The calculation of the Gas Cost Actual Adjustment (GCAA) set forth in Exhibit B-1 results in a credit of 5.218¢ per 100 cubic feet, which LG&E will place in effect with service rendered on and after August 1, 2006, and continue for 12 months. Also enclosed, on pages 5 and 6 of Exhibit B-1, is a breakdown of gas purchases for the three-month period from February 2006 through April 2006. [Please note that the names of the suppliers have been redacted from this page, in accordance with LG&E's petition for confidentiality filed this quarter.]

Also in this filing, LG&E will be eliminating the GCAA from Case 2004-00526, with service rendered through July 31, 2006, which will have been in effect for twelve months. Any over or under recovery of the amount originally established in this GCAA will be transferred to the Gas Cost Balance Adjustment (GCBA) which will be implemented in LG&E's next Gas Supply Clause filing with service rendered on and after the month of November 2006.

Therefore, the Gas Cost Actual Adjustment will be as follows:

Current Quarter Actual Adjustment:	
Effective August 1, 2006 from 2006-00005	(5.218) cents/Ccf
Previous Quarter Actual Adjustment	
Effective May 1, 2006 from 2005-00401 & 2005-00454	(5.275) cents/Ccf
2nd Previous Quarter Actual Adjustment:	
Effective February 1, 2006 from 2005-00274	5.018 cents/Ccf
3rd Previous Quarter Actual Adjustment	
Effective November 1, 2005 from 2005-00143	(0.609) cents/Ccf
<b>Total Gas Cost Actual Adjustment (GCAA)</b>	<b>(6.084) cents/Ccf</b>

**LOUISVILLE GAS AND ELECTRIC COMPANY**

Calculation of Gas Cost Actual Adjustment

Which Compensates for Over- or Under-

Recoveries of Gas Supply Costs

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Cost Recovery Under GSC Compared to Actual Gas Supply Costs			Derivation of Gas Cost Actual Adjustment (GCAA) Which Compensates for Over or Under Recoveries			
	Total Dollars of Gas Cost Recovered <sup>1</sup>	Gas Supply Cost Per Books <sup>2</sup>	Over Or (Under) Recovery (1) - (2)	Expected Mcf Sales for 12- Month Period From Date Implemented	GCAA Per Mcf	GCAA Per 100 Cu. Ft.	Implemented With Service Rendered On
Nov 2000 - Jan 2001 Case # 2000-080-A	128,334,845	166,746,237	(38,411,392)	40,502,982	\$0.9484	\$0.09484	5/1/2001
Feb 2001 - Apr 2001 Case # 2000-080-B	84,744,480	72,203,459	12,541,021	40,583,967	(\$0.3090)	(\$0.03090)	8/1/2001
May 2001 - Jul 2001 Case # 2000-080-D	17,784,983	15,885,438	1,899,545	40,602,547	(\$0.0468)	(\$0.00468)	11/1/2001
Aug 2001 - Oct 2001 Case # 2000-080-G	18,398,144	14,357,692	4,040,452	37,352,279	(\$0.1082)	(\$0.01082)	2/01/2002
Nov 2001 - Jan 2002 Case # 2000-080-H	56,558,240	58,396,260	(1,838,020)	37,610,431	\$0.0489	\$0.00489	5/01/2002
Feb 2002 - Apr 2002 Case # 2000-080-I	56,940,651	60,982,147	(12,230,238) <sup>3</sup>	37,752,063	\$0.3240	\$0.03240	8/1/2002
May 2002 - July 2002 Case # 2002-00110	13,438,971	15,122,528	(1,683,557)	36,753,737	\$0.0458	\$0.00458	11/1/2002
Aug 2002 - Oct 2002 Case # 2002-00261	15,907,785	17,086,539	(1,178,754)	36,801,563	\$0.0320	\$0.00320	2/1/2003
Nov 2002 - Jan 2003 Case # 2002-00368	97,958,248	107,648,978	(9,690,730)	36,918,853	\$0.2625	\$0.02625	5/1/2003
Feb 2003-Apr 2003 Case # 2003-00004	68,860,317	89,433,601	(20,573,284)	36,900,588	\$0.5575	\$0.05575	8/1/2003
May 2003-Jul 2003 Case # 2003-000121	18,971,902	18,559,852	412,050	36,348,575	(\$0.0113)	(\$0.00113)	11/1/2003
Aug 2003 - Oct 2003 Case # 2003-00260	25,560,264	20,773,050	4,787,214	36,405,180	(\$0.1315)	(\$0.01315)	2/1/2004
Nov 2003 - Jan 2004 Case # 2003-00385	110,568,160	117,066,050	(6,497,890)	36,398,609	\$0.1785	\$0.01785	5/1/2004
Feb 2004 - Apr 2004 Case # 2003-00506	83,438,486	81,507,939	1,930,547	36,434,958	(\$0.0530)	(\$0.00530)	8/1/2004
May 2004 - Jul 2004 Case # 2004-00117	19,042,943	21,865,358	(2,822,415)	36,321,555	\$0.0777	\$0.00777	11/1/2004
Aug 2004 - Oct 2004 Case # 2004-00271	25,903,070	20,754,205	5,148,865	36,326,312	(\$0.1417)	(\$0.01417)	2/1/2005
Nov 2004 - Jan 2005 Case # 2004-00390	121,366,510	128,832,748	(7,466,238)	36,421,319	\$0.2050	\$0.02050	5/1/2005
Feb 2005 - Apr 2005 Case # 2004-00526	97,013,157	96,350,924	662,233	36,428,002	(\$0.0182)	(\$0.00182)	8/1/2005
May 2005 - Jul 2005 Case # 2005-00143	31,352,437	29,163,240	2,189,197	35,923,358	(\$0.0609)	(\$0.00609)	11/1/2005
Aug 2005 - Oct 2005 Case # 2005-00274	26,937,216	45,136,099	(18,198,883)	36,264,049	\$0.5018	\$0.05018	2/1/2006
Nov 2005 - Jan 2006 Case #s 2005-00401 & 2005-00454	195,225,843	176,113,181	19,112,662	36,235,391	(\$0.5275)	(\$0.05275)	5/1/2006
Feb 2006 - Apr 2006 Case #2006-00005	118,813,736	99,908,070	18,905,666	36,234,450	(\$0.5218)	(\$0.05218)	8/1/2006

<sup>1</sup> See Page 2 of this Exhibit.

<sup>2</sup> See Page 4 of this Exhibit.

<sup>3</sup> This amount includes \$8,188,742 transferred from the Gas Supply Balance Adjustment (Exhibit C-1, Page 1 of 2, column 3).

LOUISVILLE GAS AND ELECTRIC COMPANY  
Calculation of Gas Costs Recovered  
Under Company's Gas Supply Clause

	Monthly Mcf Sales <sup>1</sup>	Nov 1, 2004 Through Jan 31, 2005	Feb 1, 2005 Through April 30, 2005	May 1, 2005 Through July 31, 2005	Aug 1, 2005 Through Oct 31, 2005	Nov 1, 2005 Through Nov 30, 2005	Dec 1, 2005 Through Jan 31, 2006	Feb 1, 2006 Through Apr 30, 2006
1	2004 NOV	1,869,532	1,027,625					
2	DEC	4,359,120	4,359,120					
3	2005 JAN	6,317,608	6,317,608					
4	FEB	5,874,728	2,859,788	3,014,939				
5	MAR	5,232,940	5,232,940					
6	APR	2,888,645	2,888,645					
7	MAY	1,725,429	811,705	913,725				
8	JUNE	1,399,647		924,088				
9	JULY	802,316		802,316				
10	AUG	751,741		400,469	351,272			
11	SEPT	753,898			753,898			
12	OCT	872,483			872,219			
13	NOV	1,942,084			1,027,755	914,329		
14	DEC	5,196,584				2,588,033	2,608,532	
15	2006 JAN	5,536,942					5,536,942	
16	FEB	4,705,344					2,311,427	2,393,917
17	MAR	4,164,379						4,164,379
18	APR	2,693,081						2,693,081
19	MAY	1,335,505						629,507
20	Applicable Mcf Sales During 3 Month Period	14,564,142	11,948,228	3,040,598	3,005,143	3,502,362	10,456,901	9,880,883
21	Gas Supply Clause Case No.	2004-00390	2004-00526	2005-00143	2005-00274	2005-00401	2005-00454	2006-00005
22	Gas Supply Cost Recovered Per Mcf Sold	\$8.1110	\$7.2702	\$9.0435	\$8.8091	\$15.3793	\$13.1638	\$12.0028
23	Dollars of Recovery Under GSC	\$118,129,757	\$86,866,007	\$27,497,647	\$26,472,606	\$53,863,871	\$137,652,555	\$118,598,260
24	Total Dollars Recovered During 3-Month Period						\$191,516,426	
25	Mcf of Customer-Owned Gas Transported Under Rate TS	15,508	14,815	9,911	10,547	5180	10,536	15,140
26	Total Mcf of Customer-Owned Gas Transported Under Rate TS During 3-Month Period						15,716	
27	Pipeline Suppliers' Demand Component Per Mcf	0.8935	0.8905	0.8915	0.8895	0.9006	0.9006	0.8923
28	Dollars of Recovery Under Rate TS During 3-Month Period (Line 25 x Line 27)	\$13,856	\$13,193	\$8,836	\$9,382		\$14,154	\$13,509
29	Dollars of Recovery Under Rate FT (See Ex B-1, Page 3)	\$534,038	\$445,793	\$265,274	\$455,227		\$610,916	\$201,966
30	Revenues from Off-system Sales	\$2,688,858	\$9,688,164	\$3,580,681	\$0		\$3,084,348	\$0
31	Total \$'s of Gas Cost Recovered During 3-Month Period (Line 23 + Line 28 + Line 29 + Line 30)	\$121,366,510	\$97,013,157	\$31,352,437	\$26,937,216		\$195,225,843	\$118,813,736

1. Monthly Mcf Sales include volumes for Natural Gas Vehicles (NGVs).

LOUISVILLE GAS AND ELECTRIC COMPANY  
 Summary of Gas Costs Recovered  
 Under Provisions of Rate FT

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)
Billing Month	Case Number	UCDI Demand / Mct	Seasonal Demand / Mct	RBS Demand / Mct	Cash-Out Sales / Mct	Cash-Out Sales (\$)	Adjust. (MMBTU)	MMBTU Adjust. (\$)	UCDI Mct	UCDI \$	Seasonal RBS Mct	Seasonal RBS \$	RBS Mct	RBS \$	OFO \$	Monthly \$'s Recovered
		(3) / (4)	(4) / (5)	(5) / (6)	(6) / (7)	(7) / (8)	(8) / (9)	(9) / (10)	(10) / (11)	(11) / (12)	(12) / (13)	(13) / (14)	(14) / (15)	(15) / (16)	(16) / (17)	
2004 Feb	2003-00506	0.2072	0.2072	\$6.30	\$34,341.62	\$34,341.62	4,270.0	\$24,642.17	62,988.2	\$17,585.13	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$546,967.07
2004 Mar	2003-00506	0.2072	0.2072	\$6.30	\$36,547.71	\$36,547.71	6,288.0	\$35,889.70	112,940.4	\$36,954.10	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$109,091.51
2004 Apr	2003-00506	0.2072	0.2072	\$6.30	\$55,019.43	\$55,019.43	1,992.0	\$12,292.63	75,573.1	\$24,727.52	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$92,039.58
2004 May	2004-00117	0.1701	0.1701	\$5.17	\$41,012.37	\$41,012.37	836.0	\$5,606.21	57,931.7	\$9,854.18	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$56,472.76
2004 Jun	2004-00117	0.1701	0.1701	\$5.17	\$69,424.43	\$69,424.43	3,300.0	\$21,780.00	48,361.6	\$8,226.31	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$119,430.74
2004 Jul	2004-00117	0.1701	0.1701	\$5.17	\$15,422.8	\$15,422.8	1,824.0	\$11,671.36	38,980.7	\$6,630.62	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$121,908.06
2004 Aug	2004-00271	0.2105	0.2105	\$6.40	\$87,896.86	\$87,896.86	2,538.0	\$15,145.96	40,216.9	\$8,465.86	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$122,973.04
2004 Sept	2004-00271	0.2105	0.2105	\$6.40	\$46,011.26	\$46,011.26	2,384.0	\$11,876.38	51,928.2	\$10,930.89	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$79,076.23
2004 Oct	2004-00271	0.2105	0.2105	\$6.40	\$65,096.66	\$65,096.66	1,164.0	\$7,062.64	56,348.9	\$11,861.44	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$84,020.76
2004 Nov	2004-00390	0.2189	0.2189	\$6.66	\$98,486.36	\$98,486.36	1,638.0	\$12,800.72	62,890.3	\$13,766.69	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$286,070.03
2004 Dec	2004-00390	0.2189	0.2189	\$6.66	\$116,723.10	\$116,723.10	4.0	\$24.98	187,758.7	\$41,100.38	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$324,811.74
2005 Jan	2004-00390	0.2189	0.2189	\$6.66	\$30,950.65	\$30,950.65	3,700.0	\$21,530.78	145,866.1	\$31,890.69	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$84,372.12
2005 Feb	2004-00526	0.2189	0.2189	\$6.66	\$18,528.80	\$18,528.80	2,151.0	\$13,664.58	80,478.0	\$17,816.63	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$49,810.01
2005 Mar	2004-00526	0.2189	0.2189	\$6.66	\$162,258.89	\$162,258.89	1,286.0	\$9,399.46	\$18,767.85	\$8,737.1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$190,426.20
2005 Apr	2004-00526	0.2189	0.2189	\$6.66	\$173,823.36	\$173,823.36	1,705.0	\$13,023.74	85,471.1	\$18,709.62	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$205,556.74
2005 May	2005-00143	0.2189	0.2189	\$6.66	\$115,673.41	\$115,673.41	0	\$0.00	65,820.6	\$14,408.13	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$130,081.54
2005 June	2005-00143	0.2189	0.2189	\$6.66	\$76,643.30	\$76,643.30	1,173.0	\$8,025.57	37,456.9	\$8,201.29	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$92,948.16
2005 July	2005-00143	0.2189	0.2189	\$6.66	\$11,633.92	\$11,633.92	2,637.0	\$19,476.57	50,242.7	\$10,998.13	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$42,244.03
2005 Aug	2005-00274	0.2189	0.2189	\$6.66	\$104,501.98	\$104,501.98	5,152.0	\$9,431.63	35,000.1	\$7,661.52	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$192,501.88
2005 Sept	2005-00274	0.2189	0.2189	\$6.66	\$360.00	\$360.00	4,601.0	\$1,600.23	100,918.2	\$22,090.99	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$116,599.05
2005 Oct	2005-00274	0.2189	0.2189	\$6.66	\$59,648.92	\$59,648.92	5,229.0	\$7,272.99	74,024.1	\$16,203.88	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$146,125.79
2005 Nov	2005-00401	0.2172	0.2172	\$6.61	\$123,458.59	\$123,458.59	6,392.0	\$1,717.32	89,887.7	\$19,523.61	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$29,455.10
2005 Dec	2005-00454	0.2172	0.2172	\$6.61	\$151,830.72	\$151,830.72	6,888.0	\$7,340.64	102,026.5	\$22,160.16	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$261,331.52
2006 Jan	2005-00454	0.2172	0.2172	\$6.61	\$360.00	\$360.00	10,429.0	\$4,683.48	93,858.4	\$20,366.04	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$105,429.52
2006 Feb	2006-00005	0.2172	0.2172	\$6.61	\$438.9	\$438.9	3,819.0	\$28,454.32	70,958.4	\$15,412.16	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$48,207.30
2006 Mar	2006-00005	0.2172	0.2172	\$6.61	\$50,368.91	\$50,368.91	3,935.0	\$8,563.86	61,532.2	\$13,364.79	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$69,566.66
2006 Apr	2006-00005	0.2172	0.2172	\$6.61	\$23,627.54	\$23,627.54	3,042.0	\$23,106.61	81,299.7	\$17,658.29	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$64,392.44
																\$201,966.31
																\$610,915.66
																\$201,966.31

Note: Should a Customer served under Rate FT under-nominate its monthly gas supply needs, a Cash-Out Sale is made to the Customer. This sale, which is based upon the cash-out price established in Rate FT, is also flowed through the GCA as revenue.

Note: Changes in billings of the Cash-out Provisions caused by variations in the MMBTU content of the gas are corrected on the following month's bill. Should such change occur as a charge to the customer, such revenue is flowed through the GCA.

\* OFO Charge from September 2005 Credited to customer's account in March 2006 after meter reading error discovered.

**LOUISVILLE GAS AND ELECTRIC COMPANY**  
Total Gas Supply Cost Per Books

	MCF							DOLLARS							
	Mcf Purchases	Purchases for OSS	Less: Purchases for Depts. other Than Gas Dept.	Less: Purchases Injected Into Storage	Plus: Mcf Withdrawn From Storage	Plus Storage Losses	Mcf Sendout (Gas Dept)	Purchased Gas Costs	Purchased Gas Costs for OSS	Less: Purchases for Non-Gas Departments	Less: Purchases Injected Into Storage	Plus: Cost of Gas Withdrawn From Storage	Plus Storage Losses	Plus: Other Gas Purchase Expenses	Total Gas Supply Cost
May	570,966	0	(108,345)	0	652,509		1,115,130	6,285,267	0	(1,137,911)	0	3,538,556	0	5,709	5,691,622
June	1,947,287	0	(95,412)	(1,007,868)	690		944,697	16,148,732	0	(656,098)	(8,363,087)	4,314	0	5,630	7,139,491
July	3,599,624	0	(66,985)	(2,665,412)	(198)	11,360	878,389	24,722,772	0	(452,623)	(18,314,579)	(1,291)	74,068	5,899	6,034,245
<b>Total May thru July 2004</b>							<b>2,838,216</b>								<b>21,865,358</b>
August	4,277,749	0	(94,370)	(3,310,454)	402	14,548	887,875	26,877,573	0	(586,294)	(20,755,884)	2,586	93,579	6,628	5,638,187
September	3,755,188	0	(82,928)	(2,816,331)	347	21,431	897,707	21,141,125	0	(350,740)	(15,856,507)	2,156	134,703	4,341	5,075,078
October	3,989,247	62,439	(41,431)	(2,538,467)	940	19,085	1,490,813	27,038,369	359,040	(280,902)	(17,209,791)	5,959	120,937	7,277	10,040,939
<b>Total August thru October 2004</b>							<b>3,276,395</b>								<b>20,754,205</b>
November	2,693,956	0	(65,065)	(235,151)	717,780	310,197	3,421,717	22,563,078	0	(541,447)	(1,969,813)	4,573,694	1,967,089	7,810	26,600,411
December	4,899,098	0	(100,509)	(2,625)	1,759,282	37,067	6,592,313	40,906,913	0	(641,777)	(21,918)	11,210,673	236,202	6,003	51,696,096
January	4,143,304	443,046	(150,989)	0	2,646,393	33,427	7,115,181	31,758,225	2,641,343	(948,459)	0	16,863,610	213,007	8,515	50,536,241
<b>Total November 2004 thru January 2005</b>							<b>17,129,211</b>								<b>128,832,748</b>
February	2,248,550	208,831	(36,228)	0	2,878,943	29,436	5,329,532	18,581,411	1,230,349	(298,849)	0	18,345,488	187,002	5,970	38,051,371
March	2,538,425	1,253,931	(51,600)	0	2,655,926	23,759	6,420,441	20,249,323	7,839,990	(396,407)	0	16,924,623	151,402	10,025	44,778,956
April	666,162	0	(51,903)	0	1,265,249	20,240	1,899,748	5,773,216	0	(449,999)	0	8,062,546	128,975	5,859	13,520,598
<b>Total February through April 2005</b>							<b>13,649,721</b>								<b>96,350,924</b>
May	904,733	0	(52,323)	0	460,254	20,821	1,333,285	9,084,815	0	(525,323)	0	2,932,877	131,403	7,537	11,631,309
June	1,730,044	475,559	(135,306)	(721,426)	958	21,220	1,371,049	14,177,685	2,973,433	(1,087,946)	(5,921,825)	6,550	145,085	8,065	10,301,047
July	4,089,736	0	(374,889)	(2,853,448)	958	25,827	888,184	33,360,576	0	(3,073,668)	(23,263,876)	7,183	193,651	7,019	7,230,895
<b>Total May through July 2005</b>							<b>3,592,518</b>								<b>29,163,240</b>
August	4,441,772	0	(465,623)	(3,123,913)	0	35,231	887,467	40,807,521	0	(4,525,997)	(28,504,769)	0	282,210	9,506	8,068,471
September	4,166,470	0	(281,801)	(3,035,470)	32	42,766	891,997	50,442,143	0	(3,611,064)	(36,593,198)	291	389,273	7,989	10,635,434
October	4,373,525	0	(149,682)	(2,541,863)	433	30,349	1,712,762	67,938,779	0	(2,390,896)	(39,446,155)	4,436	319,924	6,105	26,432,193
<b>Total August thru October 2005</b>							<b>3,492,226</b>								<b>45,136,099</b>
November	2,843,627	0	(90,278)	(114,312)	762,039	38,831	3,439,907	35,309,438	0	(1,112,797)	(1,419,755)	7,819,587	398,460	7,494	41,002,428
December	5,432,487	271,147	(59,599)	(131,579)	1,509,373	36,224	7,058,053	66,638,346	3,079,420	(741,978)	(1,613,590)	15,517,260	372,404	9,585	83,261,458
January	2,182,703	0	(46,779)	0	2,422,043	33,269	4,591,236	27,180,824	0	(582,099)	0	24,900,055	342,025	8,489	51,849,295
<b>Total November 2005 thru January 2006</b>							<b>15,089,196</b>								<b>176,113,181</b>
February	2,562,181	0	(45,805)	0	2,675,013	29,138	5,220,527	23,658,650	0	(422,841)	0	27,500,739	299,556	7,184	51,043,287
March	1,095,504	0	(85,846)	0	2,769,947	24,262	3,803,867	10,494,771	0	(858,441)	0	28,476,994	249,430	8,680	38,371,434
April	283,698	0	(120,961)	0	1,316,732	19,559	1,499,028	(2,088,133)	0	(1,165,164)	0	13,536,795	201,078	8,773	10,493,349
<b>Total February 2006 thru April 2006</b>							<b>10,523,422</b>								<b>99,998,070</b>

LOUISVILLE GAS AND ELECTRIC COMPANY  
SUMMARY OF GAS PURCHASES AND COSTS BY SUPPLIER  
FOR THE 3 MONTH PERIOD FROM FEBRUARY 2006 THROUGH APRIL 2006

DELIVERED BY TEXAS GAS TRANSMISSION, LLC

COMMODITY AND VOLUMETRIC CHARGES:

		FEBRUARY 2006			MARCH 2006			APRIL 2006			
		NET MMBTU	MCF	\$	NET MMBTU	MCF	\$	NET MMBTU	MCF	\$	
NATURAL GAS SUPPLIERS:											
1 .	A	0	0	\$0.00	0	0	\$0.00	416,500	406,341	\$3,025,754.18	
2 .	B	0	0	\$0.00	0	0	\$0.00	234,919	229,189	\$1,655,616.25	
3 .	C	59,200	57,756	\$452,328.84	0	0	\$0.00	0	0	\$0.00	
4 .	D	0	0	\$0.00	9,968	9,725	\$65,337.72	0	0	\$0.00	
5 .	E	0	0	\$0.00	4,878	4,759	\$31,975.00	0	0	\$0.00	
6 .	F	0	0	\$0.00	0	0	\$0.00	0	0	\$0.00	
7 .	G	0	0	\$0.00	0	0	\$0.00	24,194	23,604	\$170,300.00	
8 .	H	553,280	539,785	\$3,983,560.00	612,560	597,619	\$3,628,705.00	0	0	\$0.00	
9 .	I	0	0	\$0.00	0	0	\$0.00	14,517	14,163	\$102,750.00	
10 .	J	126,000	122,927	\$952,296.75	0	0	\$0.00	0	0	\$0.00	
11 .	K	0	0	\$0.00	0	0	\$0.00	0	0	\$0.00	
12 .	L	68,000	66,341	\$518,175.08	0	0	\$0.00	0	0	\$0.00	
13 .	M	0	0	\$0.00	15,435	15,059	\$102,320.00	9,677	9,441	\$66,500.00	
14 .	N	119,000	116,098	\$910,333.79	0	0	\$0.00	0	0	\$0.00	
15 .	O	0	0	\$0.00	0	0	\$0.00	377,430	368,224	\$2,566,200.00	
16 .	P	0	0	\$0.00	0	0	\$0.00	0	0	\$0.00	
		<u>925,480</u>	<u>902,907</u>	<u>\$6,816,694.46</u>	<u>642,841</u>	<u>627,162</u>	<u>\$3,828,337.72</u>	<u>1,077,237</u>	<u>1,050,962</u>	<u>\$7,587,120.43</u>	
NO-NOTICE SERVICE ("NNS") STORAGE:											
1 .	WITHDRAWALS	843,830	823,249	\$6,189,746.20	431,197	420,680	\$2,561,396.42	0	0	\$0.00	
2 .	INJECTIONS	(25,046)	(24,435)	(\$183,719.92)	0	0	\$0.00	(838,256)	(817,811)	(\$5,908,938.56)	
3 .	ADJUSTMENTS	326	(1,777)	\$3,377.13	(38,467)	(39,969)	(\$282,166.99)	(1,735)	(2,796)	(\$10,306.25)	
4 .	ADJUSTMENTS			\$0.00			(\$806.40)			\$0.00	
5 .	ADJUSTMENTS			\$0.00			\$0.00			(\$6,118,374.97)	
	NET NNS STORAGE	<u>819,110</u>	<u>797,037</u>	<u>\$6,009,403.41</u>	<u>392,730</u>	<u>380,711</u>	<u>\$2,278,423.03</u>	<u>(839,991)</u>	<u>(820,607)</u>	<u>(\$12,035,619.78)</u>	
NATURAL GAS TRANSPORTERS:											
1 .	TEXAS GAS TRANSMISSION, LLC			\$87,480.84			\$54,888.12			\$12,102.71	
2 .	ADJUSTMENTS	0	(2,294)	\$5,476.62	0	(2,901)	(\$1,873.84)	0	(1,691)	(\$89.03)	
3 .	ADJUSTMENTS	0	0	\$0.00	0	0	\$0.00	0	0	\$0.00	
	TOTAL	<u>1,744,590</u>	<u>1,697,650</u>	<u>\$92,957.46</u>	<u>1,035,571</u>	<u>1,004,972</u>	<u>\$53,014.28</u>	<u>237,246</u>	<u>228,664</u>	<u>\$12,013.68</u>	
TOTAL COMMODITY AND VOLUMETRIC CHARGES				<u>\$12,919,055.33</u>					<u>\$6,159,775.03</u>	<u>(\$4,436,485.67)</u>	
DEMAND AND FIXED CHARGES:											
1 .	TEXAS GAS TRANSMISSION, LLC			\$2,486,766.80			\$2,752,313.30			\$1,408,420.80	
2 .	ADJUSTMENTS			\$0.00			\$0.00			\$0.00	
3 .	SUPPLY RESERVATION CHARGES			\$846,794.90			\$254,116.46			\$244,951.65	
4 .	ADJUSTMENTS			\$0.00			\$0.00			\$0.00	
5 .	CAPACITY RELEASE CREDITS			(\$14,000.00)			(\$51,305.00)			(\$38,000.00)	
TOTAL DEMAND AND FIXED CHARGES				<u>\$3,319,561.70</u>					<u>\$2,955,124.76</u>	<u>\$1,617,372.45</u>	
TOTAL PURCHASED GAS COSTS -- TEXAS GAS TRANSMISSION, LLC				<u>\$16,238,617.03</u>					<u>\$9,114,899.79</u>	<u>(\$2,819,113.22)</u>	

LOUISVILLE GAS AND ELECTRIC COMPANY  
SUMMARY OF GAS PURCHASES AND COSTS BY SUPPLIER  
FOR THE 3 MONTH PERIOD FROM FEBRUARY 2006 THROUGH APRIL 2006

DELIVERED BY TENNESSEE GAS PIPELINE COMPANY COMMODITY AND VOLUMETRIC CHARGES:			FEBRUARY 2006			MARCH 2006			APRIL 2006		
			NET MMBTU	MCF	\$	NET MMBTU	MCF	\$	NET MMBTU	MCF	\$
NATURAL GAS SUPPLIERS:											
1 .	Q		0	0	\$0.00	17,071	16,574	\$108,540.00	0	0	\$0.00
2 .	R		22,761	22,098	\$181,680.00	51,213	49,721	\$320,490.00	0	0	\$0.00
3 .	S		261,000	253,398	\$1,992,462.48	0	0	\$0.00	0	0	\$0.00
4 .	T		535,500	519,903	\$4,087,899.48	0	0	\$0.00	0	0	\$0.00
5 .	U		0	0	\$0.00	0	0	\$0.00	0	0	\$0.00
			<u>819,261</u>	<u>795,399</u>	<u>\$6,262,041.96</u>	<u>68,284</u>	<u>66,295</u>	<u>\$429,030.00</u>	<u>0</u>	<u>0</u>	<u>\$0.00</u>
NATURAL GAS TRANSPORTERS:											
1 .	TENNESSEE GAS PIPELINE COMPANY				\$14,337.07			\$1,194.97			\$0.00
2 .	ADJUSTMENTS		(318)	(688)	(\$2,771.45)	(449)	1,236	(\$3,510.28)	(163)	(117)	(\$1,127.01)
3 .	ADJUSTMENTS		0	0	(\$123,552.19)	0	0	\$0.00	0	0	\$0.00
4 .	ADJUSTMENTS		0	0	\$0.00	0	0	\$0.00	0	0	\$0.00
	TOTAL		<u>818,943</u>	<u>794,711</u>	<u>(\$111,986.57)</u>	<u>67,835</u>	<u>67,531</u>	<u>(\$2,315.31)</u>	<u>(163)</u>	<u>(117)</u>	<u>(\$1,127.01)</u>
TOTAL COMMODITY AND VOLUMETRIC CHARGES					\$6,150,055.39			\$426,714.69			(\$1,127.01)
DEMAND AND FIXED CHARGES:											
1 .	TENNESSEE GAS PIPELINE COMPANY				\$329,664.00			\$329,664.00			\$329,664.00
2 .	TRANSPORTATION BY OTHERS				\$0.00			\$0.00			\$0.00
3 .	SUPPLY RESERVATION CHARGES				\$427,017.42			\$466,770.72			\$0.00
4 .	CAPACITY RELEASE CREDITS				\$0.00			\$0.00			\$0.00
	TOTAL DEMAND AND FIXED CHARGES				<u>\$756,681.42</u>			<u>\$796,434.72</u>			<u>\$329,664.00</u>
TOTAL PURCHASED GAS COSTS – TENNESSEE GAS PIPELINE COMPANY					<u>\$6,906,736.81</u>			<u>\$1,223,149.41</u>			<u>\$328,536.99</u>
OTHER PURCHASES											
1 .	PURCHASED FOR ELECTRIC DEPARTMENT										
	V		0	0	\$0.00	0	0	\$0.00	23,200	22,634	\$183,947.00
	W		6,000	5,854	\$53,100.00	5,000	4,878	\$38,000.00	10,000	9,756	\$70,500.00
	ADJUSTMENTS		0	(67)	\$0.00	0	(57)	\$0.00	0	(15)	\$0.00
			<u>6,000</u>	<u>5,787</u>	<u>\$53,100.00</u>	<u>5,000</u>	<u>4,821</u>	<u>\$38,000.00</u>	<u>33,200</u>	<u>32,375</u>	<u>\$254,447.00</u>
2 .	CASH-OUT OF CUSTOMER OVER-DELIVERIES			64,033	\$460,195.70		18,180	\$118,721.49		22,776	\$147,895.75
	TOTAL		<u>6,000</u>	<u>69,820</u>	<u>\$513,295.70</u>	<u>5,000</u>	<u>23,001</u>	<u>\$156,721.49</u>	<u>33,200</u>	<u>55,151</u>	<u>\$402,442.75</u>
TOTAL PURCHASED GAS COSTS – ALL PIPELINES			<u>2,569,533</u>	<u>2,562,181</u>	<u>\$23,658,649.54</u>	<u>1,108,406</u>	<u>1,095,504</u>	<u>\$10,494,770.69</u>	<u>270,283</u>	<u>283,698</u>	<u>(\$2,088,133.48)</u>

**LOUISVILLE GAS AND ELECTRIC COMPANY**

**Gas Supply Clause: 2006-00XXX**

**Calculation of Gas Cost Balance Adjustment (GCBA)**

The purpose of this adjustment is to compensate for any over or under recoveries remaining from prior Gas Cost Actual Adjustments and Gas Cost Balance Adjustments. The under-recovery that must be collected under the Gas Cost Balance Adjustment (GCBA) during the period of August 1, 2006 through October 31, 2006, set forth on Page 1 of Exhibit C-1 is \$1,808,410. The GCBA factor required to collect this under-recovery is 4.814¢ per 100 cubic feet. LG&E will place this charge into effect with service rendered on and after August 1, 2006 and continue for three months.

In this filing, LG&E will also be eliminating the GCBA from Case 2006-00138, which, with service rendered through July 31, 2006, will have been in effect for three months. Any over- or under-recovery of the amount originally established will be transferred to the GCBA which will be implemented in LG&E's next Gas Supply Clause filing with service rendered on and after November 1, 2006.



LOUISVILLE GAS AND ELECTRIC COMPANY  
 Calculation of Quarterly Gas Cost Balance Adjustment  
 To Compensate for Over or (Under) Recoveries  
 From the Gas Cost Actual Adjustment (GCAA) and  
 Gas Cost Balance Adjustment (GCBA)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Implemented for Three-Month Period With Service Rendered On and After:	Remaining Over (Under) Recovery From GCAA <sup>1</sup> (\$)	Amt. Transferred From Refund Factor & PBRRC (\$)	GCBA From Second Preceding 3 Mo. Period (\$)	Applicable Sales During 3 Mo. Period <sup>2</sup> (mcf)	GCBA Factor From Second Preceding 3 Mo. Period (cents/mcf)	Recovery Under GCBA (\$)	Remaining Over (Under) Recovery (\$)	Deferred Amounts (\$)	Total Remaining Over (Under) Recovery (\$)	Expected Sales For 3 Mo. Period (mcf)	GCBA (cents/mcf)	GCBA (cents/ccf)
						(5) x (6)	(4) + (7)		(2 + 3 + 8 + 9)			
Aug 1, 2001 (Case No. 2000-080-G)	80,430		(46,419)	9,271,406	0.34	31,523	(14,896)		65,534	4,314,643	(1.52)	(0.152)
Nov 1, 2001 (Case No. 2000-080-H)	(215,729)		(19,406)	2,905,333	0.56	16,270	(3,136)		(218,865)	18,683,795	1.17	0.117
Feb 1, 2002 (Case No. 2000-080-I)	(196,171)		65,534	3,650,012	(1.52)	(55,479)	10,055		(188,164)	13,597,583	1.38	0.138
May 1, 2002 (Case No. 2002-00110)	(15,777)		(218,865)	13,720,912	1.17	160,535	(58,330)		(74,107)	3,280,770	2.26	0.226
Aug 1, 2002 (Case No. 2002-00261)	(8,188,742)	8,188,742 <sup>4</sup>	(188,164)	11,586,976	1.38	159,900	(28,264)		(28,264)	3,928,057	0.72	0.072
Nov 1, 2002 (Case No. 2002-00368)	2,636,575		(74,107)	3,095,321	2.26	69,918	(4,189)		2,632,386	17,781,076	(14.80)	(1.480)
Feb 1, 2003 (Case No. 2003-00004)	398,606		(28,264)	3,668,145	0.71	26,044	(2,220)		396,386	13,009,658	(3.05)	(0.305)
May 1, 2003 (Case No. 2003-00121)	97,787		2,632,386	18,255,311	(14.80)	(2,702,594)	(70,208)		27,579	3,519,058	(0.78)	(0.078)
Aug 1, 2003 (Case No. 2003-00260)	19,949		396,386	12,976,494	(3.05)	(395,783)	603		20,552	3,691,785	(0.56)	(0.056)
Nov. 1, 2003 (Case No. 2003-00385)	35,085		27,579	2,961,852	(0.78)	(23,102)	4,477		39,562	17,166,186	(0.23)	(0.023)
Feb. 1, 2004 (Case No. 2004-00506)	40,066	(970) <sup>5</sup>	20,552	3,440,040	(0.56)	(19,608)	944		40,040	12,672,184	(0.32)	(0.032)
May 1, 2004 (Case No. 2004-00117)	(46,186)		39,562	16,014,377	(0.23)	(36,833)	2,729		(43,457)	2,869,986	1.51	0.151
Aug 1, 2004 (Case No. 2004-00271)	(648,088)	(886,051) <sup>6</sup>	40,481	12,039,509	(0.32)	(38,526)	1,955		(1,532,184)	3,663,708	41.82	4.182
Nov 1, 2004 (Case No. 2004-00390)	(1,472,569)		(43,456)	2,767,447	1.51	41,788	(1,668)		(1,474,237)	16,297,803	9.05	0.905
Feb 1, 2005 (Case No. 2004-00526)	28,123		(1,532,184)	3,154,503	41.82	1,319,213	(212,971)		(184,848)	12,678,174	1.46	0.146
May 1, 2005 (Case No. 2005-00143)	510,098	(369,696) <sup>7</sup>	(1,474,237)	14,564,142	9.05	1,318,055	(156,182)		(15,780)	3,087,349	0.51	0.051
Aug 1, 2005 (Case No. 2005-00274)	(708,364)	(432,909) <sup>8</sup>	(184,848)	11,948,228	1.46	174,444	(10,404)		(1,151,677)	3,672,564	31.36	3.136
Nov 1, 2005 (Case No. 2005-00401)	197,051		(15,780)	3,040,598	0.51	15,507	(273)		196,778	17,202,685	(1.14)	(0.114)
Feb 1, 2006 (Case No. 2006-00005)	(292,650)		(1,151,677)	3,005,143	31.36	942,413	(209,264)		(501,914)	12,384,154	4.05	0.405
May 1, 2006 (Case No. 2006-00138)	621,092		196,778	13,959,263	(1.14)	(159,677)	37,101		658,193	3,143,460	(20.94)	(2.094)
Aug 1, 2006 (Case No. 2006-00XXX)	(1,339,631)	(270,087) <sup>9</sup>	(501,914)	7,486,966	4.05	303,222	(198,692)		(1,808,410)	3,756,552 <sup>3</sup>	48.14	4.814

1 See Exhibit C-1, page 2.

2 Corresponds with actual applicable sales shown on Exhibit B-1, page 2.

3 Forecasted 3-month period including August 1, 2006 - October 31, 2006.

4 This amount transferred to Gas Supply Actual Adjustment (Exhibit B-1, page 1 of 6, column 3).

5 This amount represents an over-refund by LG&E from Case No. 2002-00368 of a pipeline supplier refund.

6 Reconciliation of the PBRCC from Case Nos. 2000-080-B, 2000-080-I, and 2002-00261.

7 Previous Total Remaining Under-Recovery in Case No. 2005-00526 of (\$184,848) as shown in Column 10, was erroneously transferred to the Summary Sheet as an Over-Recovery and reflected as a refund factor in calculating the Gas Cost Balance Adjustment for February through April 2005. This adjustment corrects that error.

8 Reconciliation of the PBRCC covering the period from February 1, 2004, through January 31, 2005.

9 Reconciliation of the PBRCC covering the period from February 1, 2005, through January 31, 2006.

**LOUISVILLE GAS AND ELECTRIC COMPANY**

		GC Case No. 2003-0004 August 1, 2003	GC Case No. 2003-00121 November 1, 2003	GC Case No. 2003-00260 February 1, 2004	GC Case No. 2003-00385 May 1, 2004	GC Case No. 2003-00506 August 1, 2004	GC Case No. 2004-00117 November 1, 2004	GC Case No. 2004-00271 February 1, 2005	GC Case No. 2004-00390 May 1, 2005		
Amount of Over (Under) Recovery -- See Exhibit B-1, Page 1		(\$20,573,284)	\$412,050	\$4,787,214	(\$6,497,890)	\$1,930,547	(\$2,822,415)	\$5,148,865	(\$7,466,238)		
Total Monthly (1)	As Pro-Rated for Service Rendered During:			Amount Billed Under 55.75 cents per Mcf	Amount Billed Under -1.13 cents per Mcf	Amount Billed Under -13.15 cents per Mcf	Amount Billed Under 17.85 cents per Mcf	Amount Billed Under -5.30 cents per Mcf	Amount Billed Under 7.77 cents per Mcf	Amount Billed Under -14.17 cents per Mcf	Amount Billed Under 20.50 cents per Mcf
	Previous (2)	Current (3)	Following (4)								
2004	August	776,397	334,307	442,090	(1) 246,464.95 (3)	(1) 467,289.03 (1)	(1) 671,883.33 (1)				
	September	838,187									
	October	1,205,172									
	November	2,087,577	954,592	1,132,986	(1) 1,163,824.34 (1)	(12,802.74) (3)	(1) 2,710,116.99 (1)	(54,931.52) (1)			
	December	4,861,196			(1) 3,731,399.07 (1)	(75,631.95) (1)	(1) 4,094,735.53 (1)	(82,996.43) (1)	(528,329.55) (3)		
	January	6,693,093			(1) 2,516,626.30 (1)	(51,009.65) (1)	(1) 1,598,098.06 (1)	(32,391.94) (1)	(376,950.48) (1)		
	February	7,344,817	3,327,102	4,017,715	(2) 769,060.49 (1)	(15,588.13) (1)	(1) 497,245.96 (1)	(10,078.71) (1)	(117,287.61) (1)	131,797.03 (3)	
	March	4,514,126									
	April	2,866,544									
	May	1,379,481	641,122	738,359							
	June	891,921									
	July	793,150									
	August	793,351	344,017	449,334							
	September	832,453									
	October	1,030,809									
	November	1,869,532	841,907	1,027,625							
	December	4,359,120									
2005	January	6,317,608									
	February	5,874,728	2,659,788	3,014,939							
	March	5,232,940									
	April	2,888,645									
	May	1,725,429	811,705	913,725							
	June	924,088									
	July	802,316									
	August	751,741	400,469	351,272							
	September	753,898									
	October	872,219									
	November	1,942,084	1,027,755	914,329							
	December	5,196,564									
2006	January	5,536,942									
	February	4,705,344	2,311,427	2,393,917							
	March	4,164,379									
	April	2,693,081									
	May	1,335,505	629,508	705,997							
Total Amount Billed Under GCAA		19,100,715	(383,927)	(4,277,116)	5,789,526	(1,733,496)	2,529,765	(4,527,773)	6,126,607		
Remaining Amount of Over (Under) Recovery		<u>(1,472,569)</u>	<u>28,123</u>	<u>510,098</u>	<u>(708,364)</u>	<u>197,051</u>	<u>(292,650)</u>	<u>621,092</u>	<u>(1,339,631)</u>		

(1) GCAA Times Sales Shown in Column 1.  
(2) GCAA Times Sales Shown in Column 2.  
(3) GCAA Times Sales Shown in Column 3.  
(4) GCAA Times Sales Shown in Column 4.

**LOUISVILLE GAS AND ELECTRIC COMPANY**

**Gas Supply Clause: 2006-00XXX**

Refund Factors (RF) continuing for twelve months from the effective date of each or until LG&E has discharged its refund obligations thereunder.

The purpose of this adjustment is to pass through refunds received by Louisville Gas and Electric Company ("LG&E") associated with Texas Gas Transmission LLC ("Texas Gas").

As further discussed in Exhibit A-1, the Federal Energy Regulatory Commission ("FERC") has approved the settlement of the rate case filed by Texas Gas in Docket No. RP05-317. The rates approved became effective June 1, 2006, and refunds covering the period from November 1, 2005, through January 31, 2006, were mailed on June 30, 2006.

Shown on Exhibit D-1, is LG&E's total expected refund obligation to its customers. The refund, including interest, is \$182,456.22, after a reduction for the portion applicable to gas used as electric department fuel. The interest on the refundable amount is calculated at a rate equal to the average of the "3-month Commercial Paper Rate" for the immediately preceding 12 months period, less 1/2 of 1 percent to cover the cost of refunding.

Since the demand charges paid to Texas Gas are uniformly applied to both sales and standby transportation volumes in LG&E's GSC mechanism, the demand-related portion of the refundable amount should correspondingly apply to both sales volumes and standby transportation volumes under Rate TS. Therefore, we propose the refund of \$0.00050 per 100 cubic feet resulting from the demand-related portion of the total refund apply to both sales and standby transportation volumes. The commodity-related portion of the refund relates only to the volumes purchased by LG&E for resale. As such, the refund of \$0.00000 per 100 cubic feet, resulting from the commodity-related portion of the total refund applies only to sales volumes.

	<u>Sale Volumes</u>	<u>Transportation Volumes</u>
Demand-Related Portion	\$0.00050/Ccf	\$0.00050/Ccf
Commodity-Related Portion	<u>\$0.00000/Ccf</u>	<u>\$0.00000/Ccf</u>
<b>Total Refund Factor</b>		
<b>Effective August 1, 2006 (a)</b>	\$0.00050/Ccf	\$0.00050/Ccf

Louisville Gas and Electric Company  
 Gas Supply Clause 2006-xxxxx  
 Calculation of Refund Factor Effective August 1, 2006

	<u>Refund Related to Commodity</u>	<u>Refund Related to Demand</u>	<u>Total Refund</u>
1. Total Cash Refund	(\$563.33)	\$180,275.71	\$179,712.38
2. Volume in Mcf Purchased by Company over refund period	10,458,817	10,458,817	
3. Portion of Line 2 Applicable to Electric Department	172,479	172,479	
4. Portion of refund applicable to Electric Department (line 3 / line 2) x line 1	(\$9.29)	\$2,974.55	\$2,965.26
5. Portion of Refund Applicable to Gas Department	(\$554.04)	\$177,301.16	\$176,747.12
6. Plus estimated interest on refundable amount	\$0.00	\$5,709.10	\$5,709.10
7. Expected refund obligation including interest	(\$554.04)	\$183,010.26	\$182,456.22
8. Expected Mcf sales for 12-month period beginning August 1, 2006	36,234,450	36,412,582	
9. Refund Factor per Mcf (\$ / Mcf) (line 7 / line 8)	\$0.0000	\$0.0050	
10. Refund Factor per Ccf (cents / Ccf)	0.000	0.050	

**LOUISVILLE GAS AND ELECTRIC****Gas Supply Clause: 2006-00xxx  
Calculation of Performance Based Rate Recovery Component (PBRRC)**

The purpose of the PBRRC is to collect Louisville Gas and Electric Company's portion of the savings created under the gas supply cost PBR. Pursuant to the gas supply cost PBR mechanism approved in Case No. 2001-00117, the PBRRC established in Case No. 2004-00271, became applicable to gas service rendered on and after February 1, 2005 and will remain in effect until January 31, 2006, after which time a new adjustment level may be implemented. Therefore, as shown in the following table, the PBRRC amount which became effective with gas service rendered on and after February 1, 2006, and will remain in effect until January 31, 2007, is \$0.00662 and \$0.00082 per 100 cubic feet for sales and standby transportation volumes, respectively:

	<u>Sales Volumes</u>	<u>Transportation Volumes</u>
Commodity-Related Portion	\$0.00662/Ccf	\$0.00000/Ccf
Demand-Related Portion	<u>\$0.00082/Ccf</u>	<u>\$0.00082/Ccf</u>
Total PBRRC	\$0.00744/Ccf	\$0.00082/Ccf

Please note that Louisville Gas and Electric Company's tariff sales volumes receive both the commodity-related and demand-related portion of the PBRRC. Transportation volumes under Rate TS receive only the demand-related portion of the PBRRC.

**LOUISVILLE GAS AND ELECTRIC COMPANY**

Gas Supply Clause 2005-00XXX  
Calculation of Performance Based Rate Recovery Component (PBRRC)  
Effective February 1, 2006

	CSPBR Related to <u>Commodity</u>	CSPBR Related to <u>Demand</u>
Shareholder Portion of PBR	\$2,401,826	\$299,891
Expected Mcf Sales for the 12 month period beginning February 1, 2006	36,264,049	36,442,103
PBRRC factor per Mcf	\$0.0662	\$0.0082
PBRRC factor per Ccf	\$0.00662	\$0.00082

Gas Supply Clause 2005-00XXX  
Shareholder Portion of PBR Savings  
PBR Year 8  
Split between Demand (Fixed) and Commodity (Volumetric) Components  
As Determined in LG&E's Fourth Quarterly PBR Filing

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	<u>Commodity</u>	<u>Demand</u>	<u>Total</u>
Company Share of PBR Savings or (Expenses) (CSPBR)	\$2,401,826	\$299,891	\$2,701,717

**LOUISVILLE GAS AND ELECTRIC COMPANY**

**GAS SERVICE RATES EFFECTIVE WITH SERVICE  
RENDERED FROM AUGUST 1, 2006 THROUGH OCTOBER 31, 2006**

	<u>RATE PER 100 CUBIC FEET</u>				
	<u>CUSTOMER CHARGE (PER MONTH)</u>	<u>DISTRIBUTION COST COMPONENT</u>	<u>GAS SUPPLY COST COMPONENT (GSCC)</u>	<u>DSM COST RECOVERY COMPONENT</u>	<u>TOTAL</u>
RATE RGS - RESIDENTIAL					
CUSTOMER CHARGE	\$8.50				
ALL CCF		\$0.15470	\$0.79760	0.00863	\$0.96093
RATE CGS - COMMERCIAL (meter capacity < 5000 CF/HR)					
CUSTOMER CHARGE	\$16.50				
APRIL THRU OCTOBER					
FIRST 1000 CCF/MONTH		\$0.14968	\$0.79760	0.00004	\$0.94732
OVER 1000 CCF/MONTH		\$0.09968	\$0.79760	0.00004	\$0.89732
NOVEMBER THRU MARCH					
ALL CCF		\$0.14968	\$0.79760	0.00004	\$0.94732
RATE CGS - COMMERCIAL (meter capacity >= 5000 CF/HR)					
CUSTOMER CHARGE	\$117.00				
APRIL THRU OCTOBER					
FIRST 1000 CCF/MONTH		\$0.14968	\$0.79760	0.00004	\$0.94732
OVER 1000 CCF/MONTH		\$0.09968	\$0.79760	0.00004	\$0.89732
NOVEMBER THRU MARCH					
ALL CCF		\$0.14968	\$0.79760	0.00004	\$0.94732
RATE IGS - INDUSTRIAL (meter capacity < 5000 CF/HR)					
CUSTOMER CHARGE	\$16.50				
APRIL THRU OCTOBER					
FIRST 1000 CCF/MONTH		\$0.14968	\$0.79760	0.00000	\$0.94728
OVER 1000 CCF/MONTH		\$0.09968	\$0.79760	0.00000	\$0.89728
NOVEMBER THRU MARCH					
ALL CCF		\$0.14968	\$0.79760	0.00000	\$0.94728
RATE IGS - INDUSTRIAL (meter capacity >= 5000 CF/HR)					
CUSTOMER CHARGE	\$117.00				
APRIL THRU OCTOBER					
FIRST 1000 CCF/MONTH		\$0.14968	\$0.79760	0.00000	\$0.94728
OVER 1000 CCF/MONTH		\$0.09968	\$0.79760	0.00000	\$0.89728
NOVEMBER THRU MARCH					
ALL CCF		\$0.14968	\$0.79760	0.00000	\$0.94728
Rate AAGS	\$150.00	\$0.05252	\$0.79760	0.00004	\$0.85016



EFFECTIVE RATES FOR RATE TS TRANSPORTATION SERVICE

RENDERED FROM AUGUST 1, 2006 THROUGH OCTOBER 31, 2006

	<u>RATE PER MCF</u>				
	<u>ADMIN. CHARGE (PER MONTH)</u>	<u>LG&amp;E DIST CHARGE</u>	<u>PIPELINE SUPPLIER'S DEMAND COMPONENT</u>	<u>DSM COST RECOVERY COMPONENT</u>	<u>TOTAL</u>
<b>RATE TS</b>					
RATE CGS - COMMERCIAL	\$90.00				
APRIL THRU OCTOBER					
FIRST 100 MCF/MONTH		\$1.4968	\$0.8793	0.00040	\$2.3765
OVER 100 MCF/MONTH		\$0.9968	\$0.8793	0.00040	\$1.8765
NOVEMBER THRU MARCH					
ALL MCF		\$1.4968	\$0.8793	0.00040	\$2.3765
RATE IGS - INDUSTRIAL	\$90.00				
APRIL THRU OCTOBER					
FIRST 100 MCF/MONTH		\$1.4968	\$0.8793	0.00000	\$2.3761
OVER 100 MCF/MONTH		\$0.9968	\$0.8793	0.00000	\$1.8761
NOVEMBER THRU MARCH					
ALL MCF		\$1.4968	\$0.8793	0.00000	\$2.3761
Rate AAGS	\$90.00	\$0.5252	\$0.8793	0.00040	\$1.4049

L G & E

**Charges for Gas Transportation Services Provided Under Rate FT**

(August 1, 2006 Through October 31, 2006)

Transportation Service:

Monthly Transportation Administrative Charge	\$90.00
Distribution Charge / Mcf Delivered	\$0.4300

Ancillary Services:

Daily Demand Charge	\$0.2131
Daily Storage Charge	<u>\$0.1200</u>
Utilization Charge per Mcf for Daily Balancing	\$0.3331
Monthly Demand Charge per Mcf of Reserved Balancing Service	\$6.4800
Monthly Balancing Charge per Mcf of Reserved Balancing Service	<u>\$3.6500</u>
	\$10.1300

Cash-Out Provision for Monthly Imbalances	Percentage to be Multiplied by Cash-Out Price *
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Cash-Out Provision for Monthly Imbalances:

Where Usage is Greater than Transported Volume - Billing:

First 5% or less	100%
next 5%	110%
next 5%	120%
next 5%	130%
> than 20%	140%

Where Transported Volume is Greater than Usage - Purchase:

First 5% or less	100%
next 5%	90%
next 5%	80%
next 5%	70%
> than 20%	60%

\* The Cash-Out Price for customer over-deliveries is the lowest mid-point price posted in "Gas Daily" for Dominion - South Point during the month; the Cash-Out Price for customer under-deliveries is the highest mid-point price posted in "Gas Daily" for Dominion - South Point during the month.

L G & E

**Charges for Gas Transportation Services Provided Under Rate FT  
(for Special Contract Customers)**

(August 1, 2006 Through October 31, 2006)

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Transportation Service:

Monthly Transportation Administrative Charge	\$90.00
Monthly Customer Charge	As Per Special Contract
Distribution Charge / Mcf Delivered	As Per Special Contract
Monthly Demand Charge/Mcf	As Per Special Contract

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Ancillary Services:

Daily Demand Charge	\$0.2131
Daily Storage Charge	<u>\$0.1200</u>
Utilization Charge per Mcf for Daily Balancing	\$0.3331

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Cash-Out Provision for Monthly Imbalances	Percentage to be Multiplied by Cash-Out Price *
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Cash-Out Provision for Monthly Imbalances:

Where Usage is Greater than Transported Volume - Billing:

First 5% or less	100%
next 5%	110%
next 5%	120%
next 5%	130%
> than 20%	140%

Where Transported Volume is Greater than Usage - Purchase:

First 5% or less	100%
next 5%	90%
next 5%	80%
next 5%	70%
> than 20%	60%

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\* The Cash-Out Price for customer over-deliveries is the lowest mid-point price posted in "Gas Daily" for Dominion - South Point during the month; the Cash-Out Price for customer under-deliveries is the highest mid-point price posted in "Gas Daily" for Dominion - South Point during the month.

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