

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)
ADJUSTMENT FILING OF LOUISVILLE) CASE NO. 2007-00141
GAS AND ELECTRIC COMPANY)

ORDER

On July 1, 2004, in Case No. 2003-00433,¹ the Commission approved rates for Louisville Gas and Electric Company ("LG&E") and provided for their further adjustment in accordance with LG&E's gas supply clause ("GSC").

On March 30, 2007, LG&E filed its proposed GSC to be effective May 1, 2007.

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 supply cost is 92.761 cents per 100 cubic feet, or \$9.2761 per Mcf, which is \$1.6830 per Mcf more than the previous expected gas supply cost of \$7.5931.
3. LG&E's notice sets out no current refund adjustment ("RA"). LG&E's notice sets out a total RA of (.5) cent per Mcf, which is no change from the previous total RA.

¹ Case No. 2003-00433, An Adjustment of the Gas and Electric Rates, Terms, and Conditions of Louisville Gas and Electric Company, Order dated July 1, 2004.

4. LG&E's notice sets out a current actual adjustment ("AA") of 11.99 cents per Mcf. The total AA of (49.75) cents per Mcf is an increase of 64.74 cents per Mcf from the previous total AA.

5. LG&E's notice sets out a \$1.0765 per Mcf current Balance Adjustment ("BA"), which is an increase of \$1.1141 per Mcf from the previous BA.

6. LG&E's notice sets out its performance-based rate recovery component ("PBRRC") of 16.1 cents per Mcf, which will remain in effect to collect LG&E's portion of PBRRC savings until January 31, 2008.

7. LG&E's GSC component is 100.111 cents per 100 cubic feet or \$10.0111 per Mcf, which is \$3.4445 per Mcf more than the prior GSC component of \$6.5666 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 May 1, 2007.

IT IS THEREFORE ORDERED that:

1. The rate in the Appendix, attached hereto and incorporated herein, is approved for gas supplied on and after May 1, 2007.

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

Done at Frankfort, Kentucky, this 26th day of April, 2007.

By the Commission

ATTEST:



Executive Director

Case No. 2007-00141

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2007-00141 DATED April 26, 2007.

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 100.111 cents per 100 cubic feet during the period covered by the bill.