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Jeff DeRouen, Executive Director
Public Service Commission
211 Sower Boulevard
P. O. Box 615
Frankfort, Kentucky 40601

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APR 28 2009

PUBLIC SERVICE
COMMISSION

April 28, 2009

**Louisville Gas and
Electric Company**
State Regulation and Rates
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2009-00172

**RE: Application of Louisville Gas and Electric Company for Permanent
Approval of its Gas Weather Normalization Adjustment Clause**

Dear Mr. DeRouen:

Please find enclosed and accept for filing the original and (10) copies of Louisville Gas and Electric Company's Application requesting permanent approval of its current Weather Normalization Adjustment (WNA) Clause, as applicable to Gas Rate Schedules RGS and CGS, which was approved by the Commission in Case No. 2000-080, and extended for two consecutive three-year extensions in Case Nos. 2003-00357 and Case No. 2006-00419.

If you have any questions regarding this matter, please contact me at your convenience.

Sincerely,

Robert M. Conroy

Enclosures

cc: Office of the Attorney General

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

APPLICATION OF LOUISVILLE GAS AND)
ELECTRIC COMPANY TO EXTEND ITS GAS)
WEATHER NORMALIZATION ADJUSTMENT)
CLAUSE)

CASE NO. 2009-00172

APPLICATION OF LOUISVILLE GAS AND ELECTRIC
COMPANY FOR PERMANENT APPROVAL OF ITS WEATHER
NORMALIZATION ADJUSTMENT CLAUSE

Louisville Gas and Electric Company ("LG&E") hereby requests an order from the Commission making permanent LG&E's gas weather normalization adjustment ("WNA Clause") clause. LG&E's WNA mechanism was originally approved by the Commission in Case No. 2000-00080, and has since been extended for two consecutive three-year extensions in Case Nos. 2003-00357 and 2006-00419. The WNA Clause is currently scheduled to run through April 30, 2009. LG&E's WNA is applied to Rate Schedules RGS and CGS and covers the six-month heating season from November through April.¹ LG&E requests that its current WNA Clause be made permanent beginning July 31, 2009. In support of its application, LG&E states as follows:

1. In ruling on LG&E's rate case application in Case. No. 2000-00080, the Commission approved LG&E's proposed gas WNA Clause, applicable to customers served under Rate Schedules RGS and CGS, for an experimental period of three years. See Order, *Application of Louisville Gas and Electric Company to Adjust its Gas Rates and to*

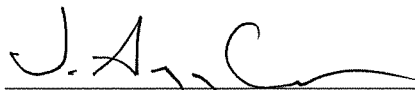
¹ The length of the WNA heating season was extended from December through April to November through April in LG&E's 2003 rate case, Case No. 2003-00433.

Increase its Charges for Disconnecting Service, Reconnecting Service and Returned Checks, Case No. 2000-00080, at pages 76-77.

2. As proposed in Case Nos. 2000-00080, 2003-00357, 2006-00419 and herein, the WNA Clause adjusts residential and commercial gas sales to reflect normal temperatures on a real-time basis. Consequently, the WNA Clause acts to mitigate the volatility of that portion of the customer's gas bill arising from LG&E's distribution charges and which are affected by variation in temperatures. Therefore, the WNA Clause can serve to dampen the impact of temperature variations on customers' bills by adjusting the LG&E portion of the customer's bill (namely the distribution charge) based on normal temperatures from November through April of the applicable winter heating season.
3. Similarly, the WNA Clause serves to mitigate fluctuations in LG&E's earnings that would otherwise result from temperature variations during the period to which the WNA Clause is applicable by facilitating some portion of LG&E's revenue recovery based on normal temperatures, regardless of variations in weather conditions.
4. LG&E is proposing herein no change to the current functioning of the WNA Clause as most recently approved by the Commission in Case No. 2006-00419, and commits to file, by each June 30 following the preceding winter season of each year, a report on the operation of the WNA Clause during the preceding winter heating season similar in all respects to reports previously filed with the Commission in this regard.
5. The Commission has previously issued orders making permanent the WNA mechanisms of Columbia Gas and Delta Natural Gas Company in Case Nos. 1997-00299 and 2001-00197, respectively.

WHEREFORE, Louisville Gas and Electric Company respectfully requests that the Commission issue an order on or before July 31, 2009 approving the Company's application as described herein.

Respectfully submitted,

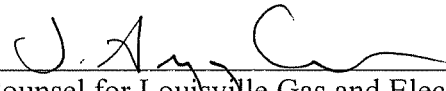


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Counsel for Louisville Gas and Electric Company

CERTIFICATE OF SERVICE

This is to certify that a true copy of the foregoing instrument was served via U.S Mail, First-Class postage prepaid on the 28th day of April, 2009, to the following:

Office of the Attorney General
Office for Rate Intervention
P.O. Box 2000
Frankfort, Kentucky 40602-2000



Counsel for Louisville Gas and Electric Company