

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT)
FILING OF LOUISVILLE GAS AND)
ELECTRIC COMPANY) CASE NO. 2010-00525

O R D E R

On July 30, 2010, in Case No. 2009-00549,¹ 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 December 29, 2010, LG&E filed its proposed GSC to be effective February 1, 2011.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. LG&E's notice includes revised rates designed to pass on to its customers its expected change in wholesale gas costs.
2. LG&E's Expected Gas Cost ("EGC") is \$.54160 per 100 cubic feet, or \$5.4160 per Mcf, which is a decrease of \$.0741 per Mcf from the previous EGC of \$5.4901 per Mcf.
3. LG&E's notice sets out a current Refund Adjustment ("RA") of (\$.0021) per Mcf. LG&E's total RA is (\$.0063) per Mcf, which is \$.0043 per Mcf more than its previous total RA of (\$.0106) per Mcf.

¹ Case No. 2009-00549, Application of Louisville Gas and Electric Company for an Adjustment of Electric and Gas Base Rates (Ky. PSC Jul. 30, 2010).

4. LG&E's notice sets out a current Actual Adjustment ("AA") of (\$.1557) per Mcf. The total AA of (\$.2003) per Mcf is a decrease of \$.0360 per Mcf from the previous total AA of (\$.1643) per Mcf.

5. LG&E's notice sets out a \$.0036 per Mcf current Balance Adjustment ("BA"), which is a decrease of \$.0121 per Mcf from the previous BA of \$.0157 per Mcf.

6. LG&E's notice sets out a Performance-Based Rate Recovery Component ("PBRRC") of \$.0590 per Mcf, which will remain in effect to collect LG&E's portion of Performance-Based Rate savings until January 31, 2012. This represents an increase of \$.0041 per Mcf from the previous PBRRC of \$.0549 per Mcf

7. LG&E's Gas Supply Cost Component ("GSCC") is \$.52720 per 100 cubic feet or \$5.2720 per Mcf, which is a decrease of \$.1138 per Mcf from the prior GSCC of \$5.3858 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 February 1, 2011.

IT IS THEREFORE ORDERED that:

1. The rate in the Appendix, attached hereto and incorporated herein, is approved for gas supplied on and after February 1, 2011.

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

By the Commission

ENTERED *MR*
JAN 24 2011
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2010-00525 DATED JAN 24 2011

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 \$.52720 per 100 cubic feet for gas supplied on and after February 1, 2011.

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