



a PPL company

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

September 30, 2011

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PUBLIC SERVICE
COMMISSION

**Louisville Gas and
Electric Company**
State Regulation and Rates
220 West Main Street
PO Box 32010
Louisville, Kentucky 40232
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Robert M. Conroy
Director - Rates
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**Re: Louisville Gas and Electric Company -
Gas Supply Clause Effective November 1, 2011**

Dear Mr. DeRouen:

Pursuant to the provisions of the Company's Gas Supply Clause as authorized by the Commission, we file herewith an original and ten copies of the Fifth Revision of Original Sheet No. 85 of LG&E Tariff PSC Gas No. 8 setting forth a Gas Supply Cost Component of 51.602 cents per 100 cubic feet applicable to all gas sold during the period of November 1, 2011 through January 31, 2012. 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 November 1, 2011 through January 31, 2012.

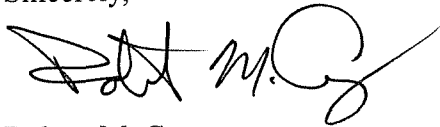
Furthermore, we are filing a petition to seek confidentiality with respect to the names of natural gas suppliers otherwise shown on Exhibit B-1, Pages 5 of 6 and 6 of 6.

This filing represents expected gas costs for the three-month period November 1, 2011 through January 31, 2012. The Gas Cost Actual Adjustment (GCAA) and the Gas Cost Balance Adjustment (GCBA) levels are changed from the levels that were implemented on August 1, 2011. These adjustment levels will remain in effect from November 1, 2011 through January 31, 2012.

Jeff DeRouen, Executive Director
Public Service Commission of Kentucky
September 30, 2011

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 "Robert M. Conroy". The signature is stylized with a large, circular flourish at the end.

Robert M. Conroy

Enclosures

Louisville Gas and Electric Company

P.S.C. Gas No. 8, Fifth Revision of Original Sheet No. 85
 Canceling P.S.C. Gas No. 8, Fourth Revision of Original Sheet No. 85

Adjustment Clause	GSC	
Gas Supply Clause		
APPLICABLE TO		
All gas sold.		
 GAS SUPPLY COST COMPONENT (GSCC)		
Gas Supply Cost	\$0.52073	R
Gas Cost Actual Adjustment (GCAA)	(0.00977)	I
Gas Cost Balance Adjustment (GCBA)	0.00067	I
Refund Factors (RF) continuing for twelve months from the effective date of each or until Company has discharged its refund obligation thereunder:		
Refund Factor Effective February 1, 2011	(0.00021)	T
Refund Factor Effective May 1, 2011	(0.00043)	T
Refund Factor Effective August 1, 2011	(0.00043)	T
Refund Factor Effective November 1, 2011	(0.00044)	T/R
Total Refund Factor	(0.00151)	R
 Performance-Based Rate Recovery Component (PBRRC)	 <u>0.00590</u>	
 Total Gas Supply Cost Component Per 100 Cubic Feet (GSCC)	 \$0.51602	 R

Date of Issue: September 30, 2011

Date Effective: November 1, 2011

Issued By: Lonnie E. Bellar, Vice-President, State Regulation and Rates, Louisville, Kentucky

LOUISVILLE GAS AND ELECTRIC COMPANY

Supporting Calculations For The

Gas Supply Clause

2011-00XXX

For the Period

November 1, 2011 through January 31, 2012

LOUISVILLE GAS AND ELECTRIC COMPANY

Derivation of Gas Supply Component Applicable to
Service Rendered On and After November 1, 2011

2011-00XXX

Gas Supply Cost - See Exhibit A for Detail

Description	Unit	Amount
Total Expected Gas Supply Cost	\$	77,538,069
Total Expected Customer Deliveries: November 1, 2011 through January 31, 2012	Mcf	14,890,364
Gas Supply Cost Per Mcf	\$/Mcf	5.2073
Gas Supply Cost Per 100 Cubic Feet	¢/Ccf	52.073

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

Description	Unit	Amount
Current Quarter Actual Adjustment Eff. November 1, 2011 (Case No 2011-00119)	¢/Ccf	(0.092)
Previous Quarter Actual Adjustment Eff. August 1, 2011 (Case No 2010-00525)	¢/Ccf	0.543
2nd Previous Qrt. Actual Adjustment Eff. May 1, 2011 (Case No 2010-00387)	¢/Ccf	0.129
3rd Previous Qrt. Actual Adjustment Eff. February 1, 2011 (Case No 2010-00263)	¢/Ccf	(1.557)
Total Gas Cost Actual Adjustment (GCAA)	¢/Ccf	(0.977)

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

Description	Unit	Amount
Balance Adjustment Amount	\$	(100,078)
Total Expected Customer Deliveries: November 1, 2011 through January 31, 2012	Mcf	14,890,364
Gas Cost Balance Adjustment (GCBA) Per Mcf	\$/Mcf	0.0067
Gas Cost Balance Adjustment (GCBA) Per 100 Cubic Feet	¢/Ccf	0.067

Refund Factors (RF) - See Exhibit D for Detail

Description	Unit	Amount
Refund Factor Effective:		
Current Quarter Refund Factor Eff. November 1, 2011	¢/Ccf	(0.044)
1st Previous Quarter Refund Factor Eff. August 1, 2011	¢/Ccf	(0.043)
2nd Previous Quarter Refund Factor Eff. May 1, 2011	¢/Ccf	(0.043)
3rd Previous Quarter Refund Factor Eff. February 1, 2011	¢/Ccf	(0.021)
Total Refund Factors Per 100 Cubic Feet	¢/Ccf	(0.151)

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

Description	Unit	Amount
Performance-Based Rate Recovery Component (PBRR)	¢/Ccf	0.590
Total of PBRR Factors Per 100 Cubic Feet	¢/Ccf	0.590

Gas Supply Cost Component (GSCC) Effective November 1, 2011 through January 31, 2012

Description	Unit	Amount
Gas Supply Cost	¢/Ccf	52.073
Gas Cost Actual Adjustment (GCAA)	¢/Ccf	(0.977)
Gas Cost Balance Adjustment (GCBA)	¢/Ccf	0.067
Refund Factors (RF)	¢/Ccf	(0.151)
Performance-Based Rate Recovery Component (PBRR)	¢/Ccf	0.590
Total Gas Supply Cost Component (GSCC)	¢/Ccf	51.602

LOUISVILLE GAS AND ELECTRIC COMPANY
Calculation of Gas Supply Costs
For The Three-Month Period From November 1, 2011 through January 31, 2012

	Total			
<u>MMBtu</u>	November	December	January	Nov11 thru Jan12
1 Expected Gas Supply Transported Under Texas' No-Notice Service	629,678	1,481,483	898,116	3,009,277
2 Expected Gas Supply Transported Under Texas' Rate FT	300,000	310,000	310,000	920,000
3 Expected Gas Supply Transported Under Texas' Rate STF	0	0	0	0
4 Expected Gas Supply Transported Under Tenn.'s Rate FT-A (Zone 0)	1,200,000	1,240,000	1,240,000	3,680,000
5 Expected Gas Supply Transported Under Tenn.'s Rate FT-A (Zone 1)	0	0	0	0
6 Total MMBtu Purchased	2,129,678	3,031,483	2,448,116	7,609,277
7 Plus: Withdrawals from Texas Gas' NNS Storage Service	690,000	601,400	1,050,900	2,342,300
8 Less: Injections into Texas Gas' NNS Storage Service	0	0	0	0
9 Expected Monthly Deliveries from TGT/TGPL to LG&E (excluding transportation volumes under LG&E Rate TS)	2,819,678	3,632,883	3,499,016	9,951,577
<u>Mcf</u>				
10 Total Purchases in Mcf	2,077,735	2,957,544	2,388,406	
11 Plus: Withdrawals from Texas Gas' NNS Storage Service	673,171	586,732	1,025,268	
12 Less: Injections Texas Gas' NNS Storage Service	0	0	0	
13 Expected Monthly Deliveries from TGT/TGPL to LG&E (excluding transportation volumes under LG&E Rate TS)	2,750,906	3,544,276	3,413,674	
14 Plus: Customer Transportation Volumes under Rate TS	8,684	9,808	11,000	
15 Total Expected Monthly Deliveries from TGT/TGPL to LG&E (Line 13 + Line 14)	2,759,590	3,554,084	3,424,674	
16 Less: Purchases for Depts Other Than Gas Dept	308	747	3,734	
17 Less: Purchases Injected into LG&E's Underground Storage	256,142	0	0	
18 Mcf Purchases Expensed during Month (Line 13 - Line 16 - Line 17)	2,494,456	3,543,529	3,409,940	9,447,925
19 LG&E's Storage Inventory - Beginning of Month	14,290,001	13,720,001	11,590,001	
20 Plus: Storage Injections into LG&E's Underground Storage (Line 17)	256,142	0	0	
21 LG&E's Storage Inventory - Including Injections	14,546,143	13,720,001	11,590,001	
22 Less: Storage Withdrawals from LG&E's Underground Storage	770,000	2,077,290	3,222,853	6,070,143
23 Less: Storage Losses	56,142	52,710	47,147	155,999
24 LG&E's Storage Inventory - End of Month	13,720,001	11,590,001	8,320,001	
25 Mcf of Gas Supply Expensed during Month (Line 18 + Line 22 + Line 23)	3,320,598	5,673,529	6,679,940	15,674,067
<u>Cost</u>				
26 Total Demand Cost - Including Transportation (Line 15 x Line 48)	\$2,263,416	\$2,915,060	\$2,808,918	
27 Less: Demand Cost Recovered thru Rate TS (Line 14 x Line 48)	7,123	8,045	9,022	
28 Demand Cost - Net of Demand Costs Recovered thru LG&E Rate TS	\$2,256,293	\$2,907,015	\$2,799,896	
29 Commodity Costs - Gas Supply Under NNS (Line 1 x Line 49)	2,490,188	6,265,932	3,931,772	
30 Commodity Costs - Gas Supply Under Rate FT (Line 2 x Line 50)	1,165,110	1,288,484	1,334,085	
31 Commodity Costs - Gas Supply Under Rate STF (Line 3 x Line 51)	0	0	0	
32 Commodity Costs - Gas Supply Under Rate FT-A Zone 0 (Line 4 x Line 52)	4,648,560	5,138,684	5,319,600	
33 Commodity Costs - Gas Supply Under Rate FT-A Zone 1 (Line 5 x Line 53)	0	0	0	
34 Total Purchased Gas Cost	\$10,560,151	\$15,600,115	\$13,385,353	\$39,545,619
35 Plus: Withdrawals from NNS Storage (Line 7 x Line 49)	2,728,743	2,543,621	4,600,630	9,872,994
36 Less: Purchases Injected into NNS Storage (Line 8 x Line 49)	0	0	0	0
37 Total Cost of Gas Delivered to LG&E	\$13,288,894	\$18,143,736	\$17,985,983	\$49,418,613
38 Less: Purchases for Depts Other Than Gas Dept (Line 16 x Line 54)	1,488	3,824	19,674	24,986
39 Less: Purchases Injected into LG&E's Storage (Line 17 x Line 54)	1,237,345	0	0	1,237,345
40 Pipeline Deliveries Expensed During Month	\$12,050,061	\$18,139,912	\$17,966,309	\$48,156,282
41 LG&E's Storage Inventory - Beginning of Month	\$67,407,364	\$64,746,062	\$54,694,379	
42 Plus: LG&E Storage Injections (Line 39 above)	1,237,345	0	0	
43 LG&E's Storage Inventory - Including Injections	\$68,644,709	\$64,746,062	\$54,694,379	
44 Less: LG&E Storage Withdrawals (Line 22 x Line 55)	3,633,707	9,802,939	15,208,966	\$28,645,612
45 Less: LG&E Storage Losses (Line 23 x Line 55)	264,940	248,744	222,491	736,175
46 LG&E's Storage Inventory - End of Month	\$64,746,062	\$54,694,379	\$39,269,922	
47 Gas Supply Expenses (Line 40 + Line 44 + Line 45)	\$15,948,708	\$28,191,595	\$33,397,766	\$77,538,069
<u>Unit Cost</u>				
48 12-Month Average Demand Cost - per Mcf (see Page 2)	\$0.8202	\$0.8202	\$0.8202	
49 Commodity Cost (per MMBtu) under Texas Gas's No-Notice Service	\$3.9547	\$4.2295	\$4.3778	
50 Commodity Cost (per MMBtu) under Texas Gas's Rate FT	\$3.8837	\$4.1564	\$4.3035	
51 Commodity Cost (per MMBtu) under Texas Gas's Rate STF	\$4.3866	\$4.6593	\$4.8064	
52 Commodity Cost (per MMBtu) under Tenn. Gas's Rate FT-A (Zone 0)	\$3.8738	\$4.1441	\$4.2900	
53 Commodity Cost (per MMBtu) under Tenn. Gas's Rate FT-A (Zone 1)	\$3.8888	\$4.1583	\$4.3037	
54 Average Cost of Deliveries (Line 37 / Line 13)	\$4.8307	\$5.1192	\$5.2688	
55 Average Cost of Inventory - Including Injections (Line 43 / Line 21)	\$4.7191	\$4.7191	\$4.7191	
<u>Gas Supply Cost</u>				
56 Total Expected Mcf Deliveries (Sales) to Customers (November 1, 2011 through January 31, 2012)				14,890,364 Mcf
57 Current Gas Supply Cost (Line 47 / Line 56)	68,644,703			\$5,2073 / Mcf

LOUISVILLE GAS AND ELECTRIC COMPANY
Calculation Of The Average Demand Cost Per Mcf Applicable To
For The Three-Month Period From November 1, 2011 through January 31, 2012

Demand Billings:

Texas Gas No-Notice Service (Rate NNS) Monthly Demand Charge	(	\$12,764.2	x	119,913	MMBtu	) x 12	\$18,367,122
Texas Gas Firm Transportation (Rate FT) Monthly Demand Charge	(	\$5,450.0	x	10,000	MMBtu	) x 12	654,000
Texas Gas Firm Transportation (Rate STF) Monthly Demand Charge	(	\$6,217.8	x	10,542	MMBtu	) x 12	786,577
Tenn. Gas Firm Transportation (Rate FT-A, 0-2) Monthly Demand Charge	(	\$6,464.0	x	40,000	MMBtu	) x 12	3,102,720
Tenn. Gas Firm Transportation (Rate FT-A, 1-2) Monthly Demand Charge	(	\$6,464.0	x	11,000	MMBtu	) x 12	853,248
Long-Term Firm Contracts with Suppliers (Annualized)							4,167,563

ANNUAL DEMAND COSTS

\$27,931,230

Expected Annual Deliveries from Pipeline Transporters 34,907,462
(Including Transportation Under Rate TS) - MMBtu

Expected Annual Deliveries from Pipeline Transporters 34,056,060
(Including Transportation Under Rate TS) - Mcf

AVERAGE DEMAND COST PER MCF

\$0.8202

**Pipeline Supplier's Demand Component Applicable to Billings
Under LG&E's Gas Transportation Service/Standby - Rate TS
For The Three-Month Period From November 1, 2011 through January 31, 2012**

Pipeline Supplier's Demand Component per Mcf \$0.8202

Refund Factor for Demand Portion of
Texas Gas Refund (see Exhibit D) (0.0151)

Performance Based Rate Recovery
Component (see Exhibit E) 0.0176

Pipeline Supplier's Demand Component per Mcf - Applicable to Rate TS Transportation \$0.8227

Daily Demand Charge Component of Utilization Charge For Daily Imbalances under Rates FT and PS-FT

Design Day Requirements (in Mcf) 444,861

(Annual Demand Costs / Design Day Requirements / 365 Days) - 100% Load Factor Rate \$0.1720

LOUISVILLE GAS AND ELECTRIC COMPANY

Gas Supply Clause: 2011-00XXX

Gas Supply Cost Effective November 1, 2011

LG&E is served by Texas Gas Transmission, LLC ("TGT") pursuant to the terms of transportation agreements under Rates NNS-4, FT-4, and STF-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

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

On August 17, 2011, TGT submitted tariff sheets to the FERC in Docket No. RP11-2393 to reflect the most current FERC Annual Charge Adjustment ("ACA") to be effective beginning October 1, 2011. The new ACA rate is a decrease of \$0.0001 per MMBtu from the current rate of \$0.0019 per MMBtu to \$0.0018 per MMBtu. TGT did not otherwise modify its existing rates or otherwise affect the rights or duties of customers.

Attached hereto as Exhibit A-1(a), Page 1, is the tariff sheet for No-Notice Service under Rate NNS-4 which will be applicable on and after November 1, 2011. The tariffed rates are as follows: (a) a daily demand charge of \$0.4190/MMBtu, and (b) a commodity charge of \$0.0632/MMBtu.

LG&E has negotiated rate agreements applicable to all three NNS service agreements that result in a monthly demand charge applicable to LG&E of \$12.7642/MMBtu and a volumetric throughput charge ("commodity charge") applicable to LG&E of \$0.0632/MMBtu.

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

On August 17, 2011, TGT submitted tariff sheets to the FERC in Docket No. RP11-2393 to reflect the most current FERC Annual Charge Adjustment ("ACA") to be effective beginning October 1, 2011. The new ACA rate is a decrease of \$0.0001 per MMBtu from the current rate of \$0.0019 per MMBtu to \$0.0018 per MMBtu. TGT did not otherwise modify its existing rates or otherwise affect the rights or duties of customers.

Attached hereto as Exhibit A-1(a), Pages 2 and 3, are the tariff sheets for transportation service under Rate FT-4 applicable on and after November 1, 2011. Page 2 contains the tariff sheet which sets forth the TGT daily demand charges. Page 3 contains the tariff sheet which sets forth the commodity charges. The tariffed rates are as follows: (a) a daily demand charge of \$0.3142/MMBtu, and (b) a commodity charge of \$0.0526/MMBtu.

LG&E has negotiated rate agreements that result in a monthly demand charge applicable to LG&E of \$5.4500/MMBtu and an annual volumetric throughput charge (“commodity charge”) applicable to LG&E of \$0.0218/MMBtu.

Texas Gas’s Short-Term Firm Service (STF-4)

On June 6, 2011, TGT submitted tariff sheets to the FERC in Docket No. RP11-2177 to clarify how backhaul rates are determined and the process that shippers follow to utilize segmentation of their backhaul capacity. On August 17, 2011, TGT submitted tariff sheets to the FERC in Docket No. RP11-2393 to reflect the most current FERC Annual Charge Adjustment (“ACA”) to be effective beginning October 1, 2011. The new ACA rate is a decrease of \$0.0001 per MMBtu from the current rate of \$0.0019 per MMBtu to \$0.0018 per MMBtu. TGT did not otherwise modify its existing rates or otherwise affect the rights or duties of customers

Attached hereto as Exhibit A-1 (a), Page 4, is the sheet for Short-Term Firm Service under Rate STF-4 which will be applicable on and after November 1, 2011. The tariffed rates are as follows: for the winter season, (a) a daily demand charge of \$ \$0.4701/MMBtu, and (b) a commodity charge of \$0.0526/MMBtu; and for the summer season, (a) a daily demand charge of \$0.2042/MMBtu, and (b) a commodity charge of \$0.0526.

LG&E has negotiated rate agreements that result in the following charges: a weighted-average monthly demand charge of \$6.2178/MMBtu; a winter season commodity-only rate of \$0.5247/MMBtu and a summer season commodity rate of \$0.0526/MMBtu.

Tennessee Gas Pipeline Company

On November 30, 2010, in Docket No. RP11-1566, TGPL filed for a general increase in rates and for changes to certain terms and conditions of service. On December 29, 2010, FERC issued an order suspending the effectiveness of the proposed changes in rates and terms (including the implementation of an Electric Power Cost Recovery adjustment) until June 1, 2011, subject to refund. In that same order, FERC also established hearing procedures and a technical conference on non-rate tariff proposals. In its November 30 rate case filing, TGPL submitted a proposed natural gas fuel tracker mechanism and indicative fuel retention percentages, but did not propose tariff sheets with new rates. FERC's December 29 order also accepted and suspended TGPL's new natural gas fuel tracker mechanism. In the December 29 order, FERC acknowledged TGPL's intent to make its initial filing under the new fuel tracker mechanism thirty days prior to June 1, 2011, for the purpose of implementing the anticipated reduced fuel rates effective contemporaneously with the Docket No. RP11-1566 increase in base rates. On April 29, 2011, TGPL filed revised fuel rates in Docket No. RP11-2066-000 and proposed that the tariff sheets be placed into effect on June 1, 2011, contemporaneously with the effectiveness (subject to refund) of the increase in base rates specified in the December 29 order. The Commission accepted the rates to be effective June 1, 2011, subject to refund, and established a hearing procedure. The chief judge subsequently issued an order consolidating TGPL's fuel tracker rate filing (Docket No. RP11-2066) with TGPL's rate case (Docket No. RP11-1566).

In its May 26, 2011, compliance and motion filing in Docket No. RP11-1566, TGPL filed two sets of tariff sheets. The Primary set of tariff sheets set forth the suspended base rates and TGPL's existing fuel retention percentages in effect since 1995. The Alternate set of tariff sheets set forth the suspended base rates and TGPL's fuel retention percentages proposed in Docket No. RP11-2066. Both sets of rates were proposed to become effective June 1, 2011. On August 8, 2011, FERC accepted, effective June 1, 2011, the Alternate tariff sheets, which include both the increased revised, suspended base rates and TGPL's decreased revised fuel rates as filed on April 29, 2011 in Docket No. RP11-2066.

TGPL, intervenors, and FERC Staff continued to work towards a settlement to resolve the outstanding issues. Having reached a settlement in principle, on August 26, 2011, TGPL, Commission Trial Staff and all parties actively engaged in settlement discussions filed an "Unopposed Motion to Suspend Procedural Schedule and Request for Waiver of Answer Period." In their motion, the parties requested a 45-day suspension of the procedural schedule. The parties expressed that they reached a settlement in principle that will resolve all issues in this proceeding. No party opposed their motion. FERC approved the motion, thereby allowing the parties until October 11 to either file a settlement or a status report.

On September 1, 2011, TGPL submitted tariff sheets to the FERC in Docket No. RP11-2511 to reflect the most current FERC Annual charge Adjustment ("ACA") to be effective beginning October 1, 2011. The new ACA rate is a decrease of \$0.0001 per MMBtu over the current rate of \$0.0019 per MMBtu. TGPL did not otherwise modify its existing rates or otherwise affect the rights or duties of customers.

The Electric Power Cost Recovery adjustment charges proposed by TGPL in FERC Docket No. RP11-1566 are as follows: for movements from Zone 0 to Zone 2 a charge of \$0.0177/MMBtu; and for movements from Zone 1 to Zone 2 a charge of \$0.0147/MMBtu. Therefore, the rates set forth in this filing must be modified to include the Electric Power Cost Recovery adjustment.

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

Attached hereto as Exhibit A-1 (a), Pages 5, and 6, are the tariff sheets for transportation service under Rate FT-A, which are proposed by TGPL to become effective on June 1, 2011, and would, therefore, be applicable on and after November 1, 2011. Page 5 contains the tariff sheet which sets forth the monthly demand charges and Page 6 contains the tariff sheet which sets forth the commodity charges. The tariffed rates are as follows for deliveries from Zone 0 to Zone 2: (a) a monthly demand charge of \$19.7726/MMBtu, and (b) a commodity charge of \$0.0664/MMBtu. The tariffed rates are as follows for deliveries from Zone 1 to Zone 2: (a) a monthly demand charge of \$13.9042/MMBtu, and (b) a commodity charge of \$0.0555/MMBtu.

LG&E has negotiated rate agreements that result in a monthly demand charge applicable to LG&E of \$6.4640/MMBtu and an annual commodity rate of \$0.0352/MMBtu for deliveries from Zone 0 to Zone 2, and \$0.0322/MMBtu for deliveries from Zone 1 to Zone 2.

Gas Supply Costs

The New York Mercantile Exchange (“NYMEX”) natural gas futures prices as of September 28, 2011, are \$3.799/MMBtu for November, \$4.041/MMBtu for December, and \$4.185/MMBtu for January. The average of the NYMEX close and the six preceding trading days has been used as a general price indicator.

The wholesale natural gas market is not price-regulated and is subject to the forces of supply and demand, as well as psychological factors that can affect the market. Among the forces that are presumably affecting the price of natural gas are:

- National gas storage inventories are less than 4% lower compared to the same period one year ago;¹
- Economic recovery could boost the demand for natural gas in the industrial sector;
- New domestic supplies from unconventional shale gas plays are coming on line;
- New pipelines are delivering new natural gas supplies to marketplace;
- Gas-fired electric generation loads will boost weather-driven demand for natural gas; and
- Gas supply disruptions could boost prices.

During the three-month period under review, November 1, 2011 through January 31, 2012, LG&E estimates that its total purchases will be 9,951,577 MMBtu. LG&E expects that 5,351,577 MMBtu will be met with deliveries from TGT’s pipeline service under Rate NNS (3,009,277 MMBtu in pipeline deliveries plus 2,342,300 MMBtu in net storage withdrawals); 920,000 MMBtu will be met from deliveries under TGT’s pipeline service under Rate FT; 0 MMBtu will be met from deliveries under TGT’s pipeline service under Rate STF; 3,680,000 MMBtu will be met from deliveries under TGPL’s pipeline service under Rate FT-A from Zone 0; 0 MMBtu will be met from deliveries under TGPL’s pipeline service under Rate FT-A from Zone 1.

¹ The weekly gas storage survey issued by the Energy Information Administration (“EIA”) for the week ending September 16, 2011, indicated that storage inventory levels were 4% lower than last year’s levels. Storage inventories across the nation are 129 Bcf (3,201 Bcf – 3,330 Bcf), or 4%, lower this year than the same period one year ago. Last year at this time, 3,330 Bcf was held in storage, while this year 3,201 Bcf is held in storage. Storage inventories across the nation are 35 Bcf (3,201 Bcf – 3,236 Bcf), or 1%, lower this year than the five-year average. On average for the last five years at this time, 3,236 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 tend to cause increases in the expected price of natural gas.

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 \$3.7530 per MMBtu in November 2011, \$4.0180 in December 2011, and \$4.1610 in January 2012. 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 \$3.7530 per MMBtu in November 2011, \$4.0180 in December 2011, and \$4.1610 in January 2012. The average commodity cost of gas purchased from gas suppliers by LG&E and delivered to TGT under the STF service is expected to be \$3.7530 per MMBtu in November 2011, \$4.0180 in December 2011, and \$4.1610 in January 2012. 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 \$3.7630 per MMBtu in November 2011, \$4.0280 in December 2011, and \$4.1710 in January 2012, 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 \$3.7930 per MMBtu in November 2011, \$4.0580 in December 2011, and \$4.2010 in January 2012.

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 Rates NNS, FT, STF, and FT-A and the applicable retention percentages:

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>
November 2011	\$3.7530	3.56%	\$0.0632	\$3.9547
December 2011	\$4.0180	3.56%	\$0.0632	\$4.2295
January 2012	\$4.1610	3.56%	\$0.0632	\$4.3778

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 1 TO 4)</u>	<u>RATE FT TRANSPORT CHARGE</u>	<u>TOTAL ESTIMATED DELIVERED PRICE</u>
November 2011	\$3.7530	2.82%	\$0.0218	\$3.8837
December 2011	\$4.0180	2.82%	\$0.0218	\$4.1564
January 2012	\$4.1610	2.82%	\$0.0218	\$4.3035

RATE STF
SYSTEM SUPPLY PURCHASE PRICE PER MMBTU
UNDER TEXAS GAS'S SHORT-TERM FIRM
TRANSPORTATION SERVICE RATE

	<u>ESTIMATED PRICE AS DELIVERED TO TEXAS GAS</u>	<u>RETENTION (ZONE 1 TO 4)</u>	<u>RATE STF TRANSPORT CHARGE</u>	<u>TOTAL ESTIMATED DELIVERED PRICE</u>
November 2011	\$3.7530	2.82%	\$0.5247	\$4.3866
December 2011	\$4.0180	2.82%	\$0.5247	\$4.6593
January 2012	\$4.1610	2.82%	\$0.5247	\$4.8064

RATE FT-A
SYSTEM SUPPLY PURCHASE PRICE PER MMBTU
UNDER TENNESSEE 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				
November 2011	\$3.7630	1.97%	\$0.0352	\$3.8738
December 2011	\$4.0280	1.97%	\$0.0352	\$4.1441
January 2012	\$4.1710	1.97%	\$0.0352	\$4.2900

Zone 1

November 2011	\$3.7930	1.65%	\$0.0322	\$3.8888
December 2011	\$4.0580	1.65%	\$0.0322	\$4.1583
January 2012	\$4.2010	1.65%	\$0.0322	\$4.3037

The annual demand billings covering the 12 months from November 1, 2011 through October 31, 2012, for the firm contracts with natural gas suppliers are currently expected to be \$4,167,563.

Rate FT and Rate PS-FT

The demand-related supply costs applicable to the Daily Utilization Charge under Rates FT and PS-FT applicable during the three-month period of November 1, 2011 through January 31, 2012 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 NGA Gas Tariff
Fourth Revised Volume No. 1
Effective On: October 1, 2011

Section 4.4
Currently Effective Rates - NNS
Version 4.0.0

Currently Effective Maximum Transportation Rates (\$ per MMBtu)
For Service Under Rate Schedule NNS

	Base Tariff Rates (1)	FERC ACA (2)	Currently Effective Rates (3)
Zone SL			
Daily Demand	0.1800		0.1800
Commodity	0.0253	0.0018	0.0271
Overrun	0.2053	0.0018	0.2071
Zone 1			
Daily Demand	0.2782		0.2782
Commodity	0.0431	0.0018	0.0449
Overrun	0.3213	0.0018	0.3231
Zone 2			
Daily Demand	0.3088		0.3088
Commodity	0.0460	0.0018	0.0478
Overrun	0.3548	0.0018	0.3566
Zone 3			
Daily Demand	0.3543		0.3543
Commodity	0.0490	0.0018	0.0508
Overrun	0.4033	0.0018	0.4051
Zone 4			
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

Notes:

- 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 6.16 of the General Terms and Conditions.
- For receipts from Duke Field Services' Carthage Plant/Gulf South Pipeline Company, LP, Enbridge Pipelines, L.P./Gulf South Pipeline Company, LP, Energy Transfer Company/Gulf South Pipeline Company, LP, and Enterprise Texas Pipeline L.P./Gulf South Pipeline Company, LP interconnects in Panola County, Texas, Customer shall pay an incremental transportation charge of:

Daily Demand	\$0.1288
Commodity	\$0.0068
Overrun	\$0.1356

These receipt points are available to those customers agreeing to pay the incremental rate(s) applicable to such points and are not available for pooling under Rate Schedule TAPS.

Texas Gas Transmission, LLC
FERC NGA Gas Tariff
Fourth Revised Volume No. 1
Effective On: October 1, 2011

Section 4.1
Currently Effective Rates - FT
Version 5.0.0

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 forward haul rates from Zone SL to zone of delivery; provided, however, that intra-zone rates shall apply to intra-zone transportation, whether such intra-zone transportation is forward haul or backhaul.

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

Notes:

- 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 6.16 of the General Terms and Conditions.
- For receipts from Duke Field Services' Carthage Plant/Gulf South Pipeline Company, LP, Enbridge Pipelines, L.P./Gulf South Pipeline Company, LP, Energy Transfer Company/Gulf South Pipeline Company, LP, and Enterprise Texas Pipeline L.P./Gulf South Pipeline Company, LP interconnects in Panola County, Texas, Customer shall pay an incremental Daily Demand charge of \$0.1288. These receipt points are available to those customers agreeing to pay the incremental rate(s) applicable to such points and are not available for pooling under Rate Schedule TAPS.

Texas Gas Transmission, LLC
 FERC NGA Gas Tariff
 Fourth Revised Volume No. 1
 Effective On: October 1, 2011

Section 4.1
 Currently Effective Rates - FT
 Version 5.0.0

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 in Section 4.12.

Backhaul rates equal forward haul rates from Zone SL to zone of delivery; provided, however, that intra-zone rates shall apply to intra-zone transportation, whether such intra-zone transportation is forward haul or backhaul.

Notes:

- For receipts from Duke Field Services' Carthage Plant/Gulf South Pipeline Company, LP, Enbridge Pipelines, L.P./Gulf South Pipeline Company, LP, Energy Transfer Company/Gulf South Pipeline Company, LP, and Enterprise Texas Pipeline L.P./Gulf South Pipeline Company, LP interconnects in Panola County, Texas, Customer shall pay an incremental Commodity charge of \$0.0068. These receipt points are available to those customers agreeing to pay the incremental rate(s) applicable to such points and are not available for pooling under Rate Schedule TAPS.

Texas Gas Transmission, LLC
FERC NGA Gas Tariff
Fourth Revised Volume No. 1
Effective On: July 7, 2011

Section 4.2
Currently Effective Rates - STF
Version 4.0.0

Currently Effective Maximum Transportation Rates (\$ per MMBtu)
For Service under Rate Schedule STF

	<u>Peak (Winter)-Demand</u>	<u>Off-Peak (Summer)-Demand</u>
	<u>Currently Effective Rates [1]</u>	<u>Currently Effective Rates [1]</u>
SL-SL	0.1188	0.0516
SL-1	0.2322	0.1009
SL-2	0.3172	0.1378
SL-3	0.3731	0.1621
SL-4	0.4701	0.2042
1-1	0.1873	0.0814
1-2	0.2723	0.1183
1-3	0.3282	0.1426
1-4	0.4252	0.1847
2-2	0.1992	0.0866
2-3	0.2551	0.1108
2-4	0.3492	0.1517
3-3	0.1766	0.0768
3-4	0.2707	0.1177
4-4	0.2056	0.0893

Backhaul rates equal forward haul rates from Zone SL to zone of delivery; provided, however, that intra-zone rates shall apply to intra-zone transportation, whether such intra-zone transportation is forward haul or backhaul.

Notes:

- The STF commodity rate is the applicable FT commodity rate in Section 4.1.
The STF overrun rate equals the daily demand rate plus applicable FT commodity rate.
Minimum rate: Demand \$-0- The minimum commodity rate is presented in Section 4.12.
- For receipts from Duke Field Services' Carthage Plant/Gulf South Pipeline Company, LP, Enbridge Pipelines, L.P./Gulf South Pipeline Company, LP, Energy Transfer Company/Gulf South Pipeline Company, LP, and Enterprise Texas Pipeline L.P./Gulf South Pipeline Company, LP interconnects in Panola County, Texas, Customer shall pay an incremental Daily Demand charge of \$0.1288. These receipt points are available to those customers agreeing to pay the incremental rate(s) applicable to such points and are not available for pooling under Rate Schedule TAPS.

Tennessee Gas Pipeline Company
FERC Gas Tariff
Sixth Revised Volume No. 1

Second Substitute Second Revised Sheet No. 14
Superseding
Second Revised Sheet No. 14

RATES PER DEKATHERM

FIRM TRANSPORTATION RATES
RATE SCHEDULE FOR FT-A

Base Reservation Rates		DELIVERY ZONE							
RECEIPT ZONE	0	L	1	2	3	4	5	6	
0	\$7.8388		\$15.0198	\$19.7726	\$20.1004	\$25.1838	\$26.6698	\$33.0885	
L		\$7.0992							
1	\$11.3219		\$10.7586	\$13.9042	\$19.1763	\$21.6140	\$24.2473	\$29.4677	
2	\$19.7726		\$13.8422	\$7.7920	\$7.3650	\$10.1388	\$13.5681	\$17.1056	
3	\$20.1004		\$11.2131	\$7.8416	\$6.0071	\$9.5356	\$16.4342	\$18.7169	
4	\$25.1838		\$23.0587	\$9.7077	\$14.0281	\$8.3057	\$8.9007	\$12.1681	
5	\$29.7879		\$21.3027	\$10.0699	\$11.9223	\$9.1155	\$8.6128	\$10.7923	
6	\$34.2674		\$24.2865	\$17.1056	\$18.7169	\$15.2862	\$8.4620	\$7.4442	

Daily Base Reservation Rate 1/		DELIVERY ZONE							
RECEIPT ZONE	0	L	1	2	3	4	5	6	
0	\$0.2577		\$0.4938	\$0.6501	\$0.6608	\$0.8280	\$0.8768	\$1.0878	
L		\$0.2334							
1	\$0.3722		\$0.3537	\$0.4571	\$0.6305	\$0.7106	\$0.7972	\$0.9688	
2	\$0.6501		\$0.4551	\$0.2562	\$0.2421	\$0.3333	\$0.4461	\$0.5624	
3	\$0.6608		\$0.3686	\$0.2578	\$0.1975	\$0.3135	\$0.5403	\$0.6154	
4	\$0.8280		\$0.7581	\$0.3192	\$0.4612	\$0.2731	\$0.2926	\$0.4000	
5	\$0.9793		\$0.7004	\$0.3311	\$0.3920	\$0.2997	\$0.2832	\$0.3548	
6	\$1.1266		\$0.7985	\$0.5624	\$0.6154	\$0.5026	\$0.2782	\$0.2447	

Maximum Reservation Rates 2/		DELIVERY ZONE							
RECEIPT ZONE	0	L	1	2	3	4	5	6	
0	\$7.8388		\$15.0198	\$19.7726	\$20.1004	\$25.1838	\$26.6698	\$33.0885	
L		\$7.0992							
1	\$11.3219		\$10.7586	\$13.9042	\$19.1763	\$21.6140	\$24.2473	\$29.4677	
2	\$19.7726		\$13.8422	\$7.7920	\$7.3650	\$10.1388	\$13.5681	\$17.1056	
3	\$20.1004		\$11.2131	\$7.8416	\$6.0071	\$9.5356	\$16.4342	\$18.7169	
4	\$25.1838		\$23.0587	\$9.7077	\$14.0281	\$8.3057	\$8.9007	\$12.1681	
5	\$29.7879		\$21.3027	\$10.0699	\$11.9223	\$9.1155	\$8.6128	\$10.7923	
6	\$34.2674		\$24.2865	\$17.1056	\$18.7169	\$15.2862	\$8.4620	\$7.4442	

Notes:

- 1/ Applicable to demand charge credits and secondary points under discounted rate agreements.
- 2/ Includes a per Dth charge of \$0.00 for the PCB Surcharge Adjustment per Article XXXII of the General Terms and Conditions.

Tennessee Gas Pipeline Company
FERC Gas Tariff
Sixth Revised Volume No. 1

Substitute Third Revised Sheet No. 15
Superseding
Second Substitute First Revised Sheet No. 15

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	\$0.0083		\$0.0305	\$0.0469	\$0.0582	\$0.0702	\$0.0797	\$0.0974
L		\$0.0031						
1	\$0.0110		\$0.0215	\$0.0390	\$0.0475	\$0.0589	\$0.0720	\$0.0845
2	\$0.0469		\$0.0231	\$0.0029	\$0.0073	\$0.0156	\$0.0281	\$0.0401
3	\$0.0582		\$0.0475	\$0.0073	\$0.0006	\$0.0226	\$0.0332	\$0.0460
4	\$0.0702		\$0.0544	\$0.0229	\$0.0278	\$0.0077	\$0.0130	\$0.0259
5	\$0.0797		\$0.0720	\$0.0281	\$0.0332	\$0.0129	\$0.0127	\$0.0187
6	\$0.0974		\$0.0845	\$0.0401	\$0.0460	\$0.0242	\$0.0115	\$0.0056

Minimum
Commodity Rates 1/, 2/ 3/

RECEIPT ZONE	DELIVERY ZONE							
	0	L	1	2	3	4	5	6
0	\$0.0131		\$0.0437	\$0.0664	\$0.0820	\$0.0986	\$0.1117	\$0.1355
L		\$0.0059						
1	\$0.0168		\$0.0313	\$0.0555	\$0.0672	\$0.0830	\$0.1011	\$0.1177
2	\$0.0664		\$0.0335	\$0.0056	\$0.0117	\$0.0232	\$0.0404	\$0.0563
3	\$0.0820		\$0.0672	\$0.0117	\$0.0024	\$0.0328	\$0.0475	\$0.0645
4	\$0.0986		\$0.0768	\$0.0333	\$0.0400	\$0.0122	\$0.0196	\$0.0367
5	\$0.1117		\$0.1011	\$0.0404	\$0.0475	\$0.0194	\$0.0192	\$0.0268
6	\$0.1355		\$0.1177	\$0.0563	\$0.0645	\$0.0344	\$0.0168	\$0.0087

Maximum
Commodity Rates 1/, 2/, 3/, 4/

RECEIPT ZONE	DELIVERY ZONE							
	0	L	1	2	3	4	5	6
0	\$0.0131		\$0.0437	\$0.0664	\$0.0820	\$0.0986	\$0.1117	\$0.1355
L		\$0.0059						
1	\$0.0168		\$0.0313	\$0.0555	\$0.0672	\$0.0830	\$0.1011	\$0.1177
2	\$0.0664		\$0.0335	\$0.0056	\$0.0117	\$0.0232	\$0.0404	\$0.0563
3	\$0.0820		\$0.0672	\$0.0117	\$0.0024	\$0.0328	\$0.0475	\$0.0645
4	\$0.0986		\$0.0768	\$0.0333	\$0.0400	\$0.0122	\$0.0196	\$0.0367
5	\$0.1117		\$0.1011	\$0.0404	\$0.0475	\$0.0194	\$0.0192	\$0.0268
6	\$0.1355		\$0.1177	\$0.0563	\$0.0645	\$0.0344	\$0.0168	\$0.0087

Notes:

- 1/ Includes a per Dth charge for:
(ACA) Annual Charge Adjustment \$0.0018
- 2/ The applicable F&LR pursuant to Article XXXVII of the General Terms and Conditions are listed on Sheet No. 32. For service that is rendered entirely by displacement, shipper shall render only the quantity of gas associated with Losses of 0.09%.
- 3/ Includes a per Dth charge for EPCR Adjustment per Article XXXVIII of the General Terms and Conditions and listed on Sheet No. 33.
- 4/ Includes a per Dth charge for the Hurricane Surcharge Adjustment per Article XXXIX of the General Terms and Conditions and listed on Sheet No. 34.

LOUISVILLE GAS AND ELECTRIC COMPANY**Gas Supply Clause: 2011-00XXX****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 2011-00119 during the three-month period of May 1, 2011 through July 31, 2011, was \$291,165. The calculation of the Gas Cost Actual Adjustment (GCAA) set forth in Exhibit B-1 results in a credit of 0.092¢ per 100 cubic feet, which LG&E will place in effect with service rendered on and after November 1, 2011, 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 May through July 2011. [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 Number 2010-00140, with service rendered through October 31, 2011, 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 February 2012.

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

Current Quarter Actual Adjustment:	
Effective November 1, 2011 from 2010-00119	(0.092) cents/Ccf
Previous Quarter Actual Adjustment:	
Effective August 1, 2011 from 2010-00525	0.543 cents/Ccf
2nd Previous Quarter Actual Adjustment:	
Effective May 1, 2011 from 2010-00387	0.129 cents/Ccf
3rd Previous Quarter Actual Adjustment:	
Effective February 1, 2011 from 2010-00263	(1.557) cents/Ccf
Total Gas Cost Actual Adjustment (GCAA)	(0.977) cents/Ccf

LOUISVILLE GAS AND ELECTRIC COMPANY

Calculation of Gas Cost Actual Adjustment
Which Compensates for Over- or Under-
Recoveries of Gas Supply Costs

	Start Date	End Date	Case Number	Total Dollars of Gas Cost Recovered ¹	Gas Supply Cost Per Books ²	Over Or (Under) Recovery (1) - (2)	(1)	(2)	(3)	(4)	(5)	(6)	(7)
									Expected Mcf Sales for 12-Month Period From Date Implemented	GCAA Per Mcf	GCAA Per 100 Cu. Ft.	Implemented With Service Rendered On	
May-2006	Jul-2006	1	(Case No. 2006-00138)	25,653,769	25,555,064	98,705			33,519,195	(\$0.0029)	(\$0.00029)	11/1/2006	
Aug-2006	Oct-2006	2	(Case No. 2006-00335)	30,851,071	27,737,106	3,113,965			33,575,288	(\$0.0927)	(\$0.00927)	2/1/2007	
Nov-2006	Jan-2007	3	(Case No. 2006-00431)	117,566,789	121,616,960	(4,050,171)			33,784,429	\$0.1199	\$0.01199	5/1/2007	
Feb-2007	Apr-2007	4	(Case No. 2007-00001)	96,196,128	109,420,254	(13,224,126)			33,829,123	\$0.3909	\$0.03909	8/1/2007	
May-2007	Jul-2007	5	(Case No. 2007-00141)	25,771,197	22,055,021	3,716,176			32,562,833	(\$0.1141)	(\$0.01141)	11/1/2007	
Aug-2007	Oct-2007	6	(Case No. 2007-00267)	27,831,017	22,940,375	4,890,642			32,561,210	(\$0.1502)	(\$0.01502)	2/1/2008	
Nov-2007	Jan-2008	7	(Case No. 2007-00428)	131,149,323	138,564,724	(7,415,401)			32,334,823	\$0.2293	\$0.02293	5/1/2008	
Feb-2008	Apr-2008	8	(Case No. 2007-00559)	103,258,883	119,589,310	(16,330,427)			32,320,126	\$0.5053	\$0.05053	8/1/2008	
May-2008	Jul-2008	9	(Case No. 2008-00117)	33,383,585	42,952,739	(9,569,154)			31,639,729	\$0.3024	\$0.03024	11/1/2008	
Aug-2008	Oct-2008	10	(Case No. 2008-00246)	50,053,758	28,898,124	21,155,634			31,498,657	(\$0.6716)	(\$0.06716)	2/1/2009	
Nov-2008	Jan-2009	11	(Case No. 2008-00430)	160,934,391	149,043,803	11,890,588			31,428,998	(\$0.3783)	(\$0.03783)	5/1/2009	
Feb-2009	Apr-2009	12	(Case No. 2008-00564)	95,581,282	87,981,656	7,599,626			31,397,214	(\$0.2420)	(\$0.02420)	8/1/2009	
May-2009	Jul-2009	13	(Case No. 2009-00140)	15,921,233	11,144,190	4,777,043			31,406,285	(\$0.1521)	(\$0.01521)	11/1/2009	
Aug-2009	Oct-2009	14	(Case No. 2009-00248)	18,715,652	14,915,016	3,800,636			31,751,457	(\$0.1197)	(\$0.01197)	2/1/2010	
Nov-2009	Jan-2010	15	(Case No. 2009-00395)	97,434,409	98,877,723	(1,443,314)			31,630,904	\$0.0456	\$0.00456	5/1/2010	
Feb-2010	Apr-2010	16	(Case No. 2009-00457)	69,543,463	67,237,660	2,305,803			31,614,470	(\$0.0729)	(\$0.00729)	8/1/2010	
May-2010	Jul-2010	17	(Case No. 2010-00140)	14,187,592	13,637,314	550,278			31,886,918	(\$0.0173)	(\$0.00173)	11/1/2010	
Aug-2010	Oct-2010	18	(Case No. 2010-00263)	18,348,910	13,370,152	4,978,758			31,985,477	(\$0.1557)	(\$0.01557)	2/1/2011	
Nov-2010	Jan-2011	19	(Case No. 2010-00387)	93,708,777	94,120,400	(411,623)			31,929,816	\$0.0129	\$0.00129	5/1/2011	
Feb-2011	Apr-2011	20	(Case No. 2010-00525)	58,344,142	60,076,947	(1,732,805)			31,915,052	\$0.0543	\$0.00543	8/1/2011	
May-2011	Jul-2011	21	(Case No. 2011-00119)	16,571,886	16,280,721	291,165			31,673,062	(\$0.0092)	(\$0.00092)	11/1/2011	

¹ See Page 2 of this Exhibit.

² See Page 4 of this Exhibit.

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

	Monthly Mcf Sales ¹	February 1, 2010	May 1, 2010	August 1, 2010	November 1, 2010	February 1, 2011	May 1, 2011
		through April 30, 2010	through July 31, 2010	through October 31, 2010	through January 31, 2011	through April 30, 2011	through July 31, 2011
1	2010 FEB	6,580,311	3,138,477				
2	MAR	5,395,810	5,395,810				
3	APR	2,113,814	2,113,814				
4	MAY	1,119,086	621,245				
5	JUN	876,895	876,895				
6	JULY	743,913	743,913				
7	AUG	662,686	280,915	381,771			
8	SEP	712,178		712,178			
9	OCT	881,009		881,009			
10	NOV	1,733,121		811,643	921,478		
11	DEC	4,910,152			4,910,152		
12	JAN	7,499,514			7,499,514		
13	FEB	5,965,533			3,555,852	2,409,681	
14	MAR	4,299,476				4,299,476	
15	APR	2,828,499				2,828,499	
16	MAY	1,553,116				852,724	700,392
17	JUN	1,037,087					1,037,087
18	JUL	771,444					771,444
19	AUG	770,697					345,110
20	Applicable Mcf Sales During 3 Month Period		11,145,941	2,786,602	16,886,997	10,390,380	2,854,033
21	Gas Supply Clause Case No.		2009-00457	2010-00140	2010-00263	2010-00387	2010-00525
22	Gas Supply Cost Recovered Per Mcf Sold		6.2112	5.5515	6.4243	5.4901	5.4160
23	Dollars of Recovery Under GSC		\$ 69,229,671	\$ 14,006,257	\$ 17,901,964	\$ 92,711,302	\$ 56,274,299
24	Total Dollars Recovered During 3-Month Period						\$ 16,393,278
25	Mcf of Customer-Owned Gas Transported Under Rate TS		5,325	4,773	15,197	16,446	12,963
26	Total Mcf of Customer-Owned Gas Transported Under Rate TS During 3-Month Period						
27	Pipeline Suppliers' Demand Component Per Mcf		0.9783	0.9819	0.9824	0.8755	0.8753
28	Dollars of Recovery Under Rate TS During 3-Month Period (Line 25 x Line 27)		\$ 5,209	\$ 4,687	\$ 14,930	\$ 14,398	\$ 5,407
29	Dollars of Recovery Under Rate FT (See Ex B-1, Page 3)		\$ 150,823	\$ 176,648	\$ 208,141	\$ 338,700	\$ 154,196
30	Revenues from Off-system Sales		\$ 157,760	\$ -	\$ 223,875	\$ 644,377	\$ 1,910,240
31	Total \$'s of Gas Cost Recovered During 3-Month Period (Line 23 + Line 28 + Line 29 + Line 30)		\$ 69,543,463	\$ 14,187,592	\$ 18,348,910	\$ 93,708,777	\$ 58,344,142

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)
Billing Month	Case Number	UCDI Demand Chng / Mcf	Cash-Out Sales (Mcf)	Cash-Out Sales (\$)	MMBTU Adjust. (Mcf)	MMBTU Adjust. (\$)	UCDI Mcf	UCDI \$ [(3) x (10)]	OFO \$	Monthly \$'s Recovered [(5)+(7)+(9)+(10)]
2009 May	2009-00140	0.1928	3,889.7	\$18,545.73	-	\$ -	56,224.7	\$10,840.12	\$0.00	\$29,385.85
2009 Jun	2009-00140	0.1928	5,387.0	\$24,707.84	-	\$ -	62,931.2	\$12,133.14	\$0.00	\$36,840.98
2009 Jul	2009-00140	0.1928	14,081.1	\$54,957.58	-	\$ -	51,217.7	\$9,874.77	\$0.00	\$64,832.35
Total FT Revenues \$131,059.18										
2009 Aug	2009-00248	0.1928	2,985.6	\$11,748.33	-	\$ -	53,754.8	\$10,363.93	\$0.00	\$22,112.26
2009 Sept	2009-00248	0.1928	18,592.6	\$68,106.52	-	\$ -	72,007.5	\$13,883.05	\$0.00	\$81,989.57
2009 Oct	2009-00248	0.1928	10,618.5	\$57,695.26	-	\$ -	78,674.6	\$15,168.46	\$0.00	\$72,863.72
Total FT Revenues \$176,965.54										
2009 Nov	2009-00395	0.1881	23,838.0	\$122,061.68	-	\$ -	71,325.9	\$13,416.40	\$0.00	\$135,478.08
2009 Dec	2009-00395	0.1881	6,173.7	\$40,850.44	-	\$ -	144,974.3	\$27,269.67	\$34,054.51	\$102,174.62
2010 Jan	2009-00395	0.1881	3,149.3	\$23,568.22	-	\$ -	241,661.2	\$45,456.47	\$18,982.74	\$87,997.43
Total FT Revenues \$325,650.13										
2010 Feb	2009-00457	0.1876	2,938.6	\$18,001.86	-	\$ -	194,324.7	\$36,455.31	\$323.41	\$54,780.58
2010 Mar	2009-00457	0.1876	8,347.8	\$41,989.44	-	\$ -	103,776.6	\$19,468.49	\$0.00	\$61,457.93
2010 Apr	2009-00457	0.1876	2,076.2	\$9,114.52	-	\$ -	135,766.4	\$25,469.78	\$0.00	\$34,584.30
Total FT Revenues \$150,822.81										
2010 May	2010-00140	0.1876	2,369.1	\$11,016.32	-	\$ -	89,954.0	\$16,875.37	\$0.00	\$27,891.69
2010 Jun	2010-00140	0.1876	9,675.4	\$51,424.75	-	\$ -	61,562.2	\$11,549.07	\$0.00	\$62,973.82
2010 Jul	2010-00140	0.1876	13,788.0	\$73,283.22	-	\$ -	66,628.8	\$12,499.56	\$0.00	\$85,782.78
Total FT Revenues \$176,648.29										
2010 Aug	2010-00263	0.1876	4,571.7	\$25,244.32	-	\$ -	47,201.2	\$8,854.95	\$0.00	\$35,099.27
2010 Sep	2010-00263	0.1876	11,779.6	\$50,357.79	-	\$ -	65,712.9	\$12,327.74	\$0.00	\$62,685.53
2010 Oct	2010-00263	0.1876	23,284.2	\$93,753.92	-	\$ -	88,500.8	\$16,602.75	\$0.00	\$110,356.67
Total FT Revenues \$208,141.47										
2010 Nov	2010-00387	0.1848	32,322.8	\$146,250.76	-	\$ -	95,937.2	\$17,729.19	\$0.00	\$163,979.95
2010 Dec	2010-00387	0.1848	7,184.5	\$36,533.18	-	\$ -	246,546.5	\$45,561.79	\$56,416.90	\$138,511.87
2011 Jan	2010-00387	0.1848	766.1	\$4,058.63	-	\$ -	169,885.6	\$31,394.86	\$756.29	\$36,207.78
Total FT Revenues \$338,699.60										
2011 Feb	2010-00525	0.1847	1,996.9	\$10,320.78	-	\$ -	106,431.5	\$19,657.90	\$2,596.50	\$32,575.18
2011 Mar	2010-00525	0.1847	12,438.6	\$57,279.74	-	\$ -	91,645.4	\$16,926.91	\$0.00	\$74,206.65
2011 Apr	2010-00525	0.1847	5,924.5	\$27,231.62	-	\$ -	109,274.4	\$20,182.98	\$0.00	\$47,414.60
Total FT Revenues \$154,196.43										
2011 May	2011-00119	0.1850	875.4	\$4,245.70	-	\$ -	92,563.7	\$17,124.28	\$0.00	\$21,369.98
2011 Jun	2011-00119	0.1850	7,084.7	\$36,379.94	-	\$ -	61,428.6	\$11,364.28	\$0.00	\$47,744.22
2011 Jul	2011-00119	0.1850	17,148.7	\$84,347.57	-	\$ -	74,589.0	\$13,798.97	\$0.00	\$98,146.54
Total FT Revenues \$167,260.74										

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 GCAA as revenue.

Note: Changes in billings of the Cash-out Provision 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 GCAA.

Note: Effective February 6, 2009, Rate RBS was eliminated per PSC Order dated February 5, 2009, in Case No. 2008-00252.

LOUISVILLE GAS AND ELECTRIC COMPANY
Total Gas Supply Cost Per Books

	MCF				DOLLARS				Plus: Other Gas Purchase Expenses	Total Gas Supply Cost	
	Mcf Purchases	Purchases for Depts. other Than Gas Dept.	Less: Purchases Injected Into Storage	Plus: Mcf Withdrawn From Storage	Purchased Gas Costs for OSS	Less: Purchases for Non-Gas Departments	Plus: Cost of Gas Withdrawn From Storage	Plus: Storage Losses			
May	774,989	0	(422)	279,160	1,015,515	0	0	2,810,555	273,454	5,622	4,100,866
June	2,436,319	0	(5,309)	1,707	9,930,387	0	(6,604,021)	12,896	214,858	5,665	3,504,991
July	3,670,873	0	4,074	399	14,734,132	0	(11,457,291)	2,415	213,256	4,906	3,538,303
Total May 2009 thru July 2009				2,805,744							11,144,190
August	3,661,260	0	(131)	358	13,261,843	0	(10,543,807)	1,905	217,376	4,247	2,940,271
September	3,620,531	0	(55)	361	897,859	0	(640)	1,768	219,095	3,081	3,013,697
October	4,042,331	0	(137)	1,040	18,748,639	0	(1,285)	5,057	238,656	5,050	8,961,048
Total August 2009 thru October 2009				3,653,614							14,915,016
November	2,167,654	0	(150)	659,461	12,355,375	0	(151)	3,210,982	263,897	2,143	15,252,807
December	3,994,643	228,847	(25)	2,257,089	23,563,956	1,036,791	(947,996)	11,018,657	228,815	2,326	34,922,305
January	4,877,608	0	(3,522)	2,982,982	34,079,518	0	(30,903)	14,572,165	201,193	2,351	48,702,612
Total November 2009 thru January 2010				17,031,453							98,877,723
February	3,878,520	28,293	(4,362)	2,927,676	25,271,789	151,670	(33,146)	14,321,020	176,474	2,441	39,671,672
March	2,032,205	0	(2,568)	3,566,908	13,343,493	0	11,572	7,750,909	152,689	3,279	20,908,546
April	374,174	0	(915)	962,557	1,799,288	0	(4,492)	4,724,615	135,030	3,000	6,657,442
Total February 2010 thru April 2010				11,783,198							67,237,660
May	380,442	0	(525)	812,417	1,843,701	0	(2,619)	3,987,749	135,003	2,645	5,966,479
June	2,347,475	0	(1,899)	727	12,306,697	0	(9,849)	3,694	147,900	2,624	3,889,863
July	3,673,725	0	(90)	397	19,289,947	0	(401)	2,057	180,461	2,508	3,780,972
Total May 2010 thru July 2010				2,738,425							13,637,314
August	3,568,417	0	(489)	238	17,905,651	0	(2,495)	1,228	217,072	2,985	3,617,390
September	3,548,147	58,536	(101)	29,316	15,241,633	214,200	(575)	145,994	225,654	2,780	3,735,177
October	3,254,524	0	(97)	818	14,655,268	0	(477)	4,029	244,630	2,757	6,017,585
Total Aug 2010 thru Oct 2010				3,044,212							13,370,152
November	3,296,004	167,011	(878)	75,345	15,060,953	551,219	(4,201)	370,893	267,013	2,483	15,695,942
December	5,706,876	0	(3,167)	2,251,740	29,210,860	0	(15,987)	11,099,502	235,931	3,356	38,449,080
January	4,481,843	0	(3,063)	3,276,581	23,651,981	0	(15,099)	16,151,251	204,487	2,859	39,975,378
Total November 2010 thru January 2011				18,868,774							94,120,400
February	2,377,796	144,081	(2,134)	2,844,904	13,803,133	630,606	(10,516)	14,023,385	173,373	3,109	28,623,091
March	1,863,975	298,154	(2,492)	4,173,849	10,777,227	1,141,207	(12,285)	9,778,424	150,030	3,039	21,837,642
April	681,011	0	(1,336)	1,017,732	4,537,396	0	(6,585)	5,021,999	131,879	2,782	9,616,214
Total February 2011 thru April 2011				11,287,548							60,076,947
May	929,868	0	(725)	380,093	5,806,168	0	(3,575)	1,875,569	137,376	2,579	7,818,118
June	2,079,283	0	(528)	367	11,235,936	0	(3,130)	1,869	151,691	2,877	4,608,276
July	3,404,192	0	(740)	423	17,047,849	0	(3,703)	2,139	173,966	2,445	3,854,327
Total May 2011 thru July 2011				2,961,203							16,280,721

LOUISVILLE GAS AND ELECTRIC COMPANY
SUMMARY OF GAS PURCHASES AND COSTS BY SUPPLIER
FOR THE 3 MONTH PERIOD FROM MAY 2011 THROUGH JULY 2011

DELIVERED BY TEXAS GAS TRANSMISSION, LLC
COMMODITY AND VOLUMETRIC CHARGES:

	MAY 2011			JUNE 2011			JULY 2011		
	NET MMBTU	MCF	\$	NET MMBTU	MCF	\$	NET MMBTU	MCF	\$
NATURAL GAS SUPPLIERS:									
1 . A	388,771	379,289	\$1,701,667.50	376,230	367,054	\$1,631,175.00	388,689	379,209	\$1,693,250.30
2 . B	0	0	\$0.00	192,880	188,176	\$851,800.00	201,502	196,587	\$877,339.06
3 . C	0	0	\$0.00	0	0	\$0.00	391,623	382,071	\$1,751,750.00
4 . D	0	0	\$0.00	0	0	\$0.00	0	0	\$0.00
5 . E	92,760	90,498	\$419,800.00	0	0	\$0.00	0	0	\$0.00
6 . F	14,577	14,221	\$84,100.00	0	0	\$0.00	0	0	\$0.00
7 . G	0	0	\$0.00	437,310	426,644	\$2,019,150.00	451,885	440,863	\$2,021,250.00
8 . H	42,508	41,471	\$184,300.00	0	0	\$0.00	0	0	\$0.00
9 . I	287,887	280,865	\$1,237,530.87	0	0	\$0.00	0	0	\$0.00
10 . J	38,576	37,635	\$166,700.00	0	0	\$0.00	0	0	\$0.00
11 . K	369,908	360,886	\$1,643,820.75	826,500	806,341	\$3,642,284.00	882,006	860,494	\$3,905,184.01
12 . L	0	0	\$0.00	0	0	\$0.00	182,280	177,834	\$791,532.00
13 . M	189,965	185,332	\$807,503.38	28,932	28,226	\$126,300.00	0	0	\$0.00
14 . N	40,505	39,517	\$169,470.00	0	0	\$0.00	0	0	\$0.00
15 . O	0	0	\$0.00	0	0	\$0.00	0	0	\$0.00
16 . P	38,650	37,707	\$169,940.00	0	0	\$0.00	0	0	\$0.00
	<u>1,504,107</u>	<u>1,467,421</u>	<u>\$6,564,832.50</u>	<u>1,861,852</u>	<u>1,816,441</u>	<u>\$8,270,709.00</u>	<u>2,497,985</u>	<u>2,437,058</u>	<u>\$11,040,305.37</u>
NO-NOTICE SERVICE ("NNS") STORAGE:									
1 . WITHDRAWALS	10,281	10,030	\$44,781.98	0	0	\$0.00	119,191	116,284	\$523,617.98
2 . INJECTIONS	(628,705)	(613,371)	(\$2,738,513.24)	(538,918)	(525,774)	(\$2,365,526.67)	(415,641)	(405,503)	(\$1,825,952.48)
3 . ADJUSTMENTS	0	(9,530)	\$0.00	0	(11,313)	\$0.00	(3)	(9,840)	(\$13.17)
4 . ADJUSTMENTS	0	0	\$0.00	0	0	\$0.00	0	0	\$0.89
5 . ADJUSTMENTS	0	0	\$164,810.71	0	0	\$159,896.97	0	0	\$98,946.20
	<u>(618,424)</u>	<u>(612,871)</u>	<u>(\$2,528,920.55)</u>	<u>(538,918)</u>	<u>(537,087)</u>	<u>(\$2,205,629.70)</u>	<u>(296,453)</u>	<u>(299,059)</u>	<u>(\$1,203,400.56)</u>
NET NNS STORAGE									
NATURAL GAS TRANSPORTERS:									
1 . TEXAS GAS TRANSMISSION, LLC	0	20,863	\$49,264.31	0	27,490	\$89,603.10	0	33,937	\$120,806.11
2 . ADJUSTMENTS	0	0	(\$0.23)	0	0	(\$0.35)	0	0	\$189.37
3 . ADJUSTMENTS	885,683	875,403	\$49,264.31	1,322,934	1,306,844	\$69,602.52	2,201,532	2,171,936	\$120,995.48
			\$4,085,176.26			\$6,134,681.82			\$9,957,900.27
TOTAL COMMODITY AND VOLUMETRIC CHARGES									
DEMAND AND FIXED CHARGES:									
1 . TEXAS GAS TRANSMISSION, LLC			\$942,883.60			\$912,468.00			\$942,883.60
2 . ADJUSTMENTS			\$0.00			\$0.00			\$0.00
3 . SUPPLY RESERVATION CHARGES			\$251,094.76			\$247,942.24			\$256,077.64
4 . ADJUSTMENTS			\$0.00			\$0.00			\$0.00
5 . CAPACITY RELEASE CREDITS			(\$43,935.00)			\$0.00			\$0.00
6 . ADJUSTMENTS			\$0.00			\$0.00			\$0.00
			\$1,150,043.36			\$1,160,410.24			\$1,198,961.24
TOTAL DEMAND AND FIXED CHARGES									
			\$5,235,219.62			\$7,295,092.06			\$11,156,861.51
TOTAL PURCHASED GAS COSTS -- TEXAS GAS TRANSMISSION, LLC									

LOUISVILLE GAS AND ELECTRIC COMPANY
SUMMARY OF GAS PURCHASES AND COSTS BY SUPPLIER
FOR THE 3 MONTH PERIOD FROM MAY 2011 THROUGH JULY 2011

DELIVERED BY TENNESSEE GAS PIPELINE COMPANY
COMMODITY AND VOLUMETRIC CHARGES:

	MAY 2011		JUNE 2011		JULY 2011		\$
	NET MMBTU	MCF	NET MMBTU	MCF	NET MMBTU	MCF	
NATURAL GAS SUPPLIERS:							
1 . Q	0	0	0	0	310,000	300,971	\$1,343,881.75
2 . R	0	0	0	0	322,214	312,829	\$1,424,142.03
3 . S	0	0	294,090	285,524	303,041	294,215	\$1,340,342.55
4 . T	0	0	19,608	19,037	0	0	\$0.00
5 . U	0	0	0	0	0	0	\$0.00
6 . V	0	0	294,090	285,524	303,893	295,042	\$1,343,925.00
7 . W	21,121	20,506	151,960	147,534	0	0	\$0.00
	21,121	20,506	759,748	737,619	1,239,148	1,203,057	\$5,452,391.33
NATURAL GAS TRANSPORTERS:							
1 . TENNESSEE GAS PIPELINE COMPANY							\$21,685.09
2 . ADJUSTMENTS	0	0	(179)	288	(319)	15,633	(\$1,483.58)
3 . ADJUSTMENTS	0	0	0	0	0	0	\$0.00
4 . ADJUSTMENTS	0	0	0	0	0	0	\$0.00
TOTAL	21,121	20,506	759,569	737,907	1,238,829	1,218,690	\$20,201.51
TOTAL COMMODITY AND VOLUMETRIC CHARGES		\$100,154.62		\$3,493,369.69			\$5,472,592.84

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		\$0.00		\$0.00		\$0.00
4 . CAPACITY RELEASE CREDITS		\$0.00		\$0.00		\$0.00
TOTAL DEMAND AND FIXED CHARGES		\$329,664.00		\$329,664.00		\$329,664.00
TOTAL PURCHASED GAS COSTS -- TENNESSEE GAS PIPELINE COMPANY		\$429,818.62		\$3,823,033.69		\$5,802,256.84

OTHER PURCHASES

1 . CASH-OUT OF CUSTOMER OVER-DELIVERIES	33,959	\$141,130.23		34,532		13,566	\$88,730.89
TOTAL	33,959	\$141,130.23		34,532		13,566	\$88,730.89
TOTAL PURCHASED GAS COSTS -- ALL PIPELINES	906,604	\$5,806,168.47	2,082,503	2,079,283	3,440,361	3,404,192	\$17,047,849.24

LOUISVILLE GAS AND ELECTRIC COMPANY

Gas Supply Clause: 2011-00XXX

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 November 1, 2011 through January 31, 2012, set forth on Page 1 of Exhibit C-1, is \$(100,078). The GCBA factor required to collect this under-recovery is a charge of 0.067¢ per 100 cubic feet. LG&E will place this charge into effect with service rendered on and after November 1, 2011 and continue for three months.

In this filing, LG&E will also be eliminating the GCBA from Case 2011-00228, which, with service rendered through October 31, 2011, 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 February 1, 2012.

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 ¹	Armt. Transferred From Refund Factor & PBRRC	GCBA From Second Preceding 3 Mo. Period	Applicable Sales During 3 Mo. Period ²	GCBA Factor From Second Preceding 3 Mo. Period	Recovery Under GCBA	Remaining Over (Under) Recovery	Deferred Amounts	Total Remaining Over (Under) Recovery	Expected Sales For 3 Mo. Period	GCBA (cents/mcf)	GCBA (cents/ccf)
	(\$)	(\$)	(\$)	(mcf)	(cents/mcf)	(\$)	(\$)	(\$)	(\$)	(mcf)	(cents/mcf)	(cents/ccf)
					(5) x (6)	(4) + (7)	(2) + (3) + (8) + (9)					
November 1, 2006 (Case No. 2006-00431)	123,552		658,193	2,752,572	(20.94)	(576,389)	81,804		205,356	15,898,032	(1.29)	(0.129)
February 1, 2007 (Case No. 2007-00001)	340,264		(1,711,456) ⁵	3,767,428	48.14	1,813,640	102,184		442,448	11,775,388	(3.76)	(0.376)
May 1, 2007 (Case No. 2007-00141)	(3,153,475)		205,356	13,581,993	(1.29)	(175,208)	30,149		(3,123,326)	2,901,342	107.65	10.765
August 1, 2007 (Case No. 2007-00267)	2,151,894	(470,308) ⁴	442,448	12,051,122	(3.76)	(463,122)	(10,674)		1,670,912	3,349,006	(49.89)	(4.989)
November 1, 2007 (Case No. 2007-00428)	2,200,035	20,942 ⁶	(3,123,326)	2,614,844	107.65	2,814,880	(308,446)		1,912,531	15,504,337	(12.34)	(1.234)
February 1, 2008 (Case No. 2007-00559)	8,464		1,670,912	2,869,583	(49.89)	(1,431,635)	239,277		247,741	11,191,562	(2.21)	(0.221)
May 1, 2008 (Case No. 2008-00117)	150,798		1,912,531	14,429,576	(12.34)	(1,780,610)	131,921		282,719	2,745,844	(10.30)	(1.030)
August 1, 2008 (Case No. 2008-00246)	(169,651)		247,741	12,450,630	(2.21)	(275,159)	(27,418)		(457,436)	3,682,115	12.42	1.242
November 1, 2008 (Case No. 2008-00430)	(239,644)		282,719	2,898,628	(10.30)	(298,559)	(15,839)		(255,483)	15,435,648	1.66	0.166
February 1, 2009 (Case No. 2008-00564)	(42,473)		(457,436)	3,162,873	12.42	392,829	(64,607)		(1,414,502)	11,250,108	12.57	1.257
May 1, 2009 (Case No. 2009-00140)	(277,968)	(1,307,422) ⁷	(255,483)	15,899,387	1.66	263,930	8,446		(269,522)	2,870,045	9.39	0.939
August 1, 2009 (Case No. 2009-00248)	34,233		(1,414,502)	10,527,702	12.57	1,323,332	(91,170)		85,845	3,348,186	(2.56)	(0.256)
November 1, 2009 (Case No. 2009-00395)	(61,729)		(269,522)	2,606,156	9.39	244,718	(24,804)		(86,533)	15,002,877	0.58	0.058
February 1, 2010 (Case No. 2009-00457)	207,342		85,845	3,296,439	(2.56)	(84,389)	1,456		208,798	11,471,206	(1.82)	(0.182)
May 1, 2010 (Case No. 2010-00140)	(158,970)		(86,533)	15,306,756	0.58	88,779	2,246		(156,724)	2,789,591	5.62	0.562
August 1, 2010 (Case No. 2010-00263)	(349,419)		208,798	11,145,941	(1.82)	(202,856)	5,942		72,719	3,277,139	(2.22)	(0.222)
November 1, 2010 (Case No. 2010-00387)	(210,223)		(156,724)	2,522,968	5.62	141,791	(14,933)		(225,156)	14,305,587	1.57	0.157
February 1, 2011 (Case No. 2010-00525)	(53,998)		72,719	2,786,602	(2.22)	(61,863)	10,856		(43,142)	12,001,853	0.36	0.036
May 1, 2011 (Case No. 2011-00119)	(190,462)		(225,156)	16,886,997	1.57	265,126	39,970		(160,548)	2,917,118	5.50	0.550
August 1, 2011 (Case No. 2011-00228)	42,651		(43,142)	10,390,380	0.36	37,405	(5,737)		122,651	3,181,360	(3.86)	(0.386)
November 1, 2011 (Case No. 2011-00xxx)	(93,920)		(160,548)	2,854,033	5.50	156,972	(3,576)		(100,078)	14,890,364 ³	0.67	0.067

1 See Exhibit C-1, page 2.
2 Corresponds with actual applicable sales shown on Exhibit B-1, page 2.
3 For The Three-Month Period From November 1, 2011 through January 31, 2012.
4 Reconciliation of the PBRRC from previous twelve months.
5 Correction of Total Remaining Over(Under) Recovery (Col. 10) for August 1, 2006. Applicable Sales used in this calculation should have been 9,880,883 Mcf, instead of 7,486,966 Mcf, resulting in a Total Remaining Over(Under) Recovery of (\$1,711,456), instead of (\$1,808,410).
6 This amount represents an over-refund by LG&E from the FERC settlement of the rate case filed by Texas Gas in Docket No. RP05-317 of a pipeline supplier refund.
7 This amount represents an over-refund by LG&E from Case No. 2007-00141 due to an input error as explained in Exhibit B in Case No. 2007-00559. This adjustment corrects that error.
8 Of the total of \$416,195, \$(42,762) represents the reconciliation of the PBRRC from previous twelve months, and \$458,957 represents the total over-recovery related to misstated sales as corrected in this filing.
9 This amount represents the (Over)Under refund by LG&E from the Tennessee Gas Pipeline Company Refund from the previous twelve months.

LOUISVILLE GAS AND ELECTRIC COMPANY

	Amount of Over (Under) Recovery — See Exhibit B-1, Page 1																		
	Total Monthly		As Pro-Rated for Service Rendered During:		GCAA Case No. 2008-00117		GCAA Case No. 2008-00246		GCAA Case No. 2008-00564		GCAA Case No. 2009-00140		GCAA Case No. 2009-00248		GCAA Case No. 2009-00395		GCAA Case No. 2009-00457		
	(1)	(2)	Current	Following	Amount Billed	Amount Under	Amount Billed	Amount Under	Amount Billed	Amount Under	Amount Billed	Amount Under	Amount Billed	Amount Under	Amount Billed	Amount Under	Amount Billed	Amount Under	
November 2009	2,158,532	1,119,734	1,038,797		314,132.33 (3)														
December 2009	5,214,230				1,576,783.24 (1)														
January 2009	6,465,823				1,955,264.88 (1)														
February 2009	5,911,463	3,180,556	2,730,927		1,787,626.41 (1)	(1,834,030.44) (3)													
March 2009	4,228,050				1,278,562.17 (1)	(2,839,558.04) (1)													
April 2009	2,732,278				826,240.87 (1)	(1,834,997.90) (1)													
May 2009	1,365,407	836,448	528,959		412,899.08 (1)	(917,007.34) (1)													
June 2009	970,692				293,537.26 (1)	(651,916.75) (1)													
July 2009	742,923				224,659.92 (1)	(498,947.09) (1)													
August 2009	747,644	363,582	384,062		226,087.45 (1)	(502,117.51) (1)													
September 2009	721,539				218,193.27 (1)	(484,585.32) (1)													
October 2009	1,091,546				327,059.39 (1)	(726,366.02) (1)													
November 2009	1,956,901	1,109,292	847,608		335,450.02 (2)	(1,314,254.44) (1)													
December 2009	4,083,605					(2,742,549.25) (1)													
January 2010	6,933,709	3,441,834	3,138,477			(4,656,678.63) (1)													
February 2010	6,580,311					(2,311,535.65) (2)													
March 2010	5,395,810																		
April 2010	2,113,814																		
May 2010	1,119,086	497,841	621,245																
June 2010	876,895																		
July 2010	743,913																		
August 2010	662,686	280,915	381,771																
September 2010	712,178																		
October 2010	881,009																		
November 2010	1,733,121	811,643	921,478																
December 2010	4,910,152																		
January 2011	7,499,514	3,555,852	2,409,681																
February 2011	5,965,533																		
March 2011	4,299,476																		
April 2011	2,828,499																		
May 2011	1,553,116	852,724	700,392																
June 2011	1,037,087																		
July 2011	771,444	345,110	425,587																
August 2011	770,697																		
Total Amount Billed Under GCAA					9,776,496	(21,314,604)	(7,809,849)	(12,240,007)	(1,485,965)	(4,831,041)	(3,991,098)	(1,485,965)	(2,399,723)						
Remaining Amount of Over (Under) Recovery		207,342				(158,970)	(349,419)	(210,223)	(53,999)	(190,462)	(42,651)	(93,920)							

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

LOUISVILLE GAS AND ELECTRIC COMPANY

Gas Supply Clause: 2011-00XXX

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 Tennessee Gas Pipeline Company ("Tennessee").

The Federal Energy Regulatory Commission ("FERC") approved the settlement filed by Tennessee in Docket Nos. RP91-203 and RP92-132 regarding refunds related to amounts collected by Tennessee to cover certain of its PCB remediation costs. Such amounts have been over-collected by Tennessee and are now being refunded to its customers in installments through April 2012. The refunds approved became effective December 3, 2009, covering the period from November 1, 1996 (when LG&E first began taking firm service from Tennessee under Rate Schedule FT-A) through June 30, 2000 (when the surcharge was reduced by Tennessee to zero with FERC approval).

As shown on Exhibit D-1, the expected refund obligation, including interest, from the refund received July 5, 2011, is \$139,275.70. The estimated 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. Estimated interest, calculated pursuant to Commission direction, is estimated to be zero for the current 12-month refund period.

Since the amounts were charged to and allocated from LG&E's demand customers on a demand basis, the refunds must now also be credited on a demand basis. Therefore, the Refund Factor will be as follows:

Current Quarter Refund Factor:	
Effective November 1, 2011	0.044 cents/Ccf
1st Previous Quarter Refund Factor:	
Effective August 1, 2011	0.043 cents/Ccf
2nd Previous Quarter Refund Factor:	
Effective May 1, 2011	0.043 cents/Ccf
3rd Previous Quarter Refund Factor:	
Effective February 1, 2011	0.021 cents/Ccf
Total Refund Factor (RF)	0.151 cents/Ccf

LOUISVILLE GAS AND ELECTRIC COMPANY

Gas Supply Clause 2011-00XXXX

Calculation of Refund Factor

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Start Date	End Date	Case Number	Total Cash Refund Related to Demand	Plus Interest on Refundable Amount	Expected Refund Obligation Including Interest (4) + (5)	Expected Mcf Sales for the 12- month Period	Refund Factor per Mcf (\$/Mcf) (6) / (7)	Refund Factor per Ccf (cents/Ccf)
Feb-2011	Jan-2012	(Case No. 2010-00525)	\$ 66,652.38	\$ -	\$ 66,652.38	32,129,284	\$ 0.0021	0.021 ¢
May-2011	Apr-2012	(Case No. 2011-00119)	\$ 139,275.70	\$ -	\$ 139,275.70	32,077,208	\$ 0.0043	0.043 ¢
Aug-2011	Jul-2012	(Case No. 2011-00228)	\$ 139,275.70	\$ -	\$ 139,275.70	32,062,600	\$ 0.0043	0.043 ¢
Nov-2011	Oct-2012	(Case No. 2011-00xxx)	\$ 139,275.70	\$ -	\$ 139,275.70	31,769,852	\$ 0.0044	0.044 ¢

LOUISVILLE GAS AND ELECTRIC**Gas Supply Clause: 2011-00xxx****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. In accordance with the Orders of the Commission in Case No. 2001-00017 dated October 26, 2001, and Case No. 2005-00031 dated May 27, 2005, LG&E is making this filing, the PBRRC established in Case No. 2008-00564, became applicable to gas service rendered on and after February 1, 2010 and will remain in effect until January 31, 2011, after which time a new adjustment level may be implemented. Therefore, as shown in the following table, the PBRRC amount which will become effective with gas service rendered on and after February 1, 2011, and will remain in effect until January 31, 2012, is \$0.00414 and \$0.00176 per 100 cubic feet for sales and standby transportation volumes, respectively:

	<u>Sales Volumes</u>	<u>Transportation Volumes</u>
Commodity-Related Portion	\$0.00414/Ccf	\$0.00000/Ccf
Demand-Related Portion	<u>\$0.00176/Ccf</u>	<u>\$0.00176/Ccf</u>
Total PBRRC	\$0.00590/Ccf	\$0.00176/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 2011-00XXX
Calculation of Performance Based Rate Recovery Component (PBRRC)
Effective February 1, 2011

	CSPBR Related to <u>Commodity</u>	CSPBR Related to <u>Demand</u>
Shareholder Portion of PBR	\$1,323,461	\$566,928
Expected Mcf Sales for the 12 month period beginning February 1, 2011	31,985,477	32,129,284
PBRRC factor per Mcf	\$0.0414	\$0.0176
PBRRC factor per Ccf	\$0.00414	\$0.00176

LOUISVILLE GAS AND ELECTRIC COMPANY

Gas Supply Clause 2011-00XXX
Shareholder Portion of PBR Savings
PBR Year 13

Split between Demand (Fixed) and Commodity (Volumetric) Components
As Determined in LG&E's Fourth Quarterly PBR Filing

	<u>Commodity</u>	<u>Demand</u>	<u>Total</u>
Company Share of PBR Savings or (Expenses) (CSPBR)	\$1,323,461	\$566,928	\$1,890,389

LOUISVILLE GAS AND ELECTRIC COMPANY

**GAS SERVICE RATES EFFECTIVE WITH SERVICE
RENDERED FROM
November 1, 2011 through January 31, 2012**

	RATE PER 100 CUBIC FEET				TOTAL
	BASIC SERVICE CHARGE (PER MONTH)	DISTRIBUTION COST COMPONENT	GAS SUPPLY COST COMPONENT (GSCC)	DSM COST RECOVERY COMPONENT	
RATE RGS - RESIDENTIAL					
BASIC SERVICE CHARGE	\$12.50				
ALL CCF		\$0.22396	\$0.51602	0.01887	\$0.75885
RATE CGS - COMMERCIAL (meter capacity < 5000 CF/HR)					
BASIC SERVICE CHARGE	\$30.00				
APRIL THRU OCTOBER					
FIRST 1000 CCF/MONTH		\$0.18722	\$0.51602	0.00096	\$0.70420
OVER 1000 CCF/MONTH		\$0.13722	\$0.51602	0.00096	\$0.65420
NOVEMBER THRU MARCH					
ALL CCF		\$0.18722	\$0.51602	0.00096	\$0.70420
RATE CGS - COMMERCIAL (meter capacity >= 5000 CF/HR)					
BASIC SERVICE CHARGE	\$170.00				
APRIL THRU OCTOBER					
FIRST 1000 CCF/MONTH		\$0.18722	\$0.51602	0.00096	\$0.70420
OVER 1000 CCF/MONTH		\$0.13722	\$0.51602	0.00096	\$0.65420
NOVEMBER THRU MARCH					
ALL CCF		\$0.18722	\$0.51602	0.00096	\$0.70420
RATE IGS - INDUSTRIAL (meter capacity < 5000 CF/HR)					
BASIC SERVICE CHARGE	\$30.00				
APRIL THRU OCTOBER					
FIRST 1000 CCF/MONTH		\$0.19022	\$0.51602	0.00000	\$0.70624
OVER 1000 CCF/MONTH		\$0.14022	\$0.51602	0.00000	\$0.65624
NOVEMBER THRU MARCH					
ALL CCF		\$0.19022	\$0.51602	0.00000	\$0.70624
RATE IGS - INDUSTRIAL (meter capacity >= 5000 CF/HR)					
BASIC SERVICE CHARGE	\$170.00				
APRIL THRU OCTOBER					
FIRST 1000 CCF/MONTH		\$0.19022	\$0.51602	0.00000	\$0.70624
OVER 1000 CCF/MONTH		\$0.14022	\$0.51602	0.00000	\$0.65624
NOVEMBER THRU MARCH					
ALL CCF		\$0.19022	\$0.51602	0.00000	\$0.70624
Rate AAGS	\$275.00	\$0.05252	\$0.51602	0.00096	\$0.56950
	BASIC SERVICE CHARGE (PER MONTH)	DISTRIBUTION COST COMPONENT	GAS SUPPLY COST COMPONENT (GSCC)	DEMAND CHARGE COMPONENT	TOTAL
RATE DGGS - COMMERCIAL & INDUSTRIAL (meter capacity < 5000 CF/HR)					
BASIC SERVICE CHARGE	\$30.00				
ALL CCF		\$0.02744	\$0.51602	\$ 1.01100	\$1.55446
RATE DGGS - COMMERCIAL & INDUSTRIAL (meter capacity >= 5000 CF/HR)					
BASIC SERVICE CHARGE	\$170.00				
ALL CCF		\$0.02744	\$0.51602	\$ 1.01100	\$1.55446

EFFECTIVE RATES FOR RATE TS TRANSPORTATION SERVICE

GAS SERVICE RATES EFFECTIVE WITH SERVICE
RENDERED FROM
November 1, 2011 through January 31, 2012

	<u>RATE PER MCF</u>				
	<u>ADMIN. CHARGE (PER MONTH)</u>	<u>LG&E DIST CHARGE</u>	<u>PIPELINE SUPPLIER'S DEMAND COMPONENT</u>	<u>DSM COST RECOVERY COMPONENT</u>	<u>TOTAL</u>
RATE TS					
RATE CGS - COMMERCIAL	\$153.00				
APRIL THRU OCTOBER					
FIRST 100 MCF/MONTH		\$1.8722	\$0.8227	0.0960	\$2.7909
OVER 100 MCF/MONTH		\$1.3722	\$0.8227	0.0960	\$2.2909
NOVEMBER THRU MARCH					
ALL MCF		\$1.8722	\$0.8227	0.0960	\$2.7909
RATE IGS - INDUSTRIAL	\$153.00				
APRIL THRU OCTOBER					
FIRST 100 MCF/MONTH		\$1.9022	\$0.8227	0.0000	\$2.7249
OVER 100 MCF/MONTH		\$1.4022	\$0.8227	0.0000	\$2.2249
NOVEMBER THRU MARCH					
ALL MCF		\$1.9022	\$0.8227	0.0000	\$2.7249
Rate AAGS	\$153.00	\$0.5252	\$0.8227	0.0960	\$1.4439

LG & E

Charges for Gas Transportation Services Provided Under Rate FT

November 1, 2011 through January 31, 2012

Transportation Service:

Monthly Transportation Administrative Charge	\$230.00
Distribution Charge / Mcf Delivered	\$0.4300

Ancillary Services:

Daily Demand Charge	\$0.1720
Daily Storage Charge	<u>\$0.1833</u>
Utilization Charge per Mcf for Daily Balancing	\$0.3553

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

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.

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

SEP 30 2011

PUBLIC SERVICE
COMMISSION

In the Matter of

THE PETITION OF LOUISVILLE GAS AND)
ELECTRIC COMPANY FOR CONFIDENTIAL)
TREATMENT OF CERTAIN INFORMATION) CASE NO. _____
CONTAINED IN ITS QUARTERLY GAS)
SUPPLY CLAUSE FILING)

**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. 85.1 and 85.2 of LG&E Gas Tariff PSC No. 8), a statement setting forth the summary of the total purchased gas costs for the period of May 2011 through July 2011 (“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 vis-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.

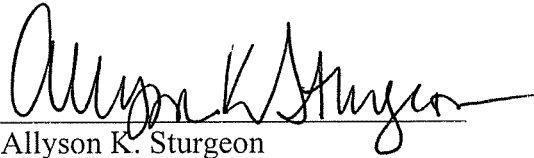
4. LG&E has filed identical requests with the Commission with regard to the same information contained in prior quarterly Gas Supply Clause filings, which the Commission has granted.

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 May 2011 through July 2011 and that is included in the three month filing made concurrently herewith pursuant to LG&E's Gas Supply Clause.

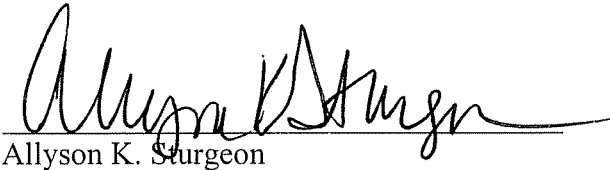
Respectfully submitted,



Allyson K. Sturgeon
Senior Corporate Attorney
LG&E and KU Services Company
220 West Main Street
P. O. Box 32010
Louisville, Kentucky 40232
(502) 627-2088
Counsel for Louisville Gas and Electric Company

CERTIFICATE OF SERVICE

This is to certify that a true copy of the foregoing instrument was shipped via United Parcel Service on the 30th of September, 2011, to the Office of the Attorney General, Office for Rate Intervention, 1024 Capital Center Drive, Frankfort, Kentucky 40601-8204.



Allyson K. Sturgeon

LOUISVILLE GAS AND ELECTRIC COMPANY
SUMMARY OF GAS PURCHASES AND COSTS BY SUPPLIER
FOR THE 3 MONTH PERIOD FROM MAY 2011 THROUGH JULY 2011

COMMODITY AND VOLUMETRIC CHARGES:	MAY 2011			JUNE 2011			JULY 2011		
	NET MMBTU	MCF	\$	NET MMBTU	MCF	\$	NET MMBTU	MCF	\$
NATURAL GAS SUPPLIERS:									
1 . Q	0	0	\$0.00	0	0	\$0.00	310,000	300,971	\$1,343,981.75
2 . R	0	0	\$0.00	0	0	\$0.00	322,214	312,829	\$1,424,142.03
3 . S	0	0	\$0.00	294,090	285,524	\$1,349,600.00	303,041	294,215	\$1,340,342.55
4 . T	0	0	\$0.00	19,608	19,037	\$84,300.00	0	0	\$0.00
5 . U	0	0	\$0.00	0	0	\$0.00	0	0	\$0.00
6 . V	0	0	\$0.00	294,090	285,524	\$1,349,600.00	303,893	295,042	\$1,343,925.00
7 . W	21,121	20,506	\$99,785.00	151,960	147,534	\$697,375.00	0	0	\$0.00
	21,121	20,506	\$99,785.00	759,748	737,619	\$3,480,875.00	1,239,148	1,203,057	\$5,452,391.33
NATURAL GAS TRANSPORTERS:									
1 . TENNESSEE GAS PIPELINE COMPANY			\$369.62			\$13,295.59			\$21,685.09
2 . ADJUSTMENTS	0	0	\$0.00	(179)	288	(\$800.90)	(319)	15,633	(\$1,483.58)
3 . ADJUSTMENTS	0	0	\$0.00	0	0	\$0.00	0	0	\$0.00
4 . ADJUSTMENTS	0	0	\$0.00	0	0	\$0.00	0	0	\$0.00
TOTAL	21,121	20,506	\$369.62	759,569	737,907	\$12,494.69	1,238,829	1,218,690	\$20,201.51
TOTAL COMMODITY AND VOLUMETRIC CHARGES			\$100,154.62			\$3,493,369.69			\$5,472,592.84
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			\$0.00			\$0.00			\$0.00
4 . CAPACITY RELEASE CREDITS			\$0.00			\$0.00			\$0.00
TOTAL DEMAND AND FIXED CHARGES			\$329,664.00			\$329,664.00			\$329,664.00
TOTAL PURCHASED GAS COSTS -- TENNESSEE GAS PIPELINE COMPANY			\$429,818.62			\$3,823,033.69			\$5,802,256.84
OTHER PURCHASES									
1 . CASH-OUT OF CUSTOMER OVER-DELIVERIES	33,959		\$141,130.23	34,532		\$117,810.01		13,566	\$88,730.89
TOTAL	33,959		\$141,130.23	34,532		\$117,810.01		13,566	\$88,730.89
TOTAL PURCHASED GAS COSTS -- ALL PIPELINES	906,804	929,868	\$5,806,168.47	2,082,503	2,079,283	\$11,235,935.76	3,440,361	3,404,192	\$17,047,849.24