



a PPL company

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

December 30, 2013

**RECEIVED**

DEC 30 2013

PUBLIC SERVICE  
COMMISSION

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

Robert M. Conroy  
Director - Rates  
T 502-627-3324  
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robert.conroy@lge-ku.com

Re: *Louisville Gas and Electric Company -  
Gas Supply Clause Effective February 1, 2014*

2013-00486

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. 9 setting forth a Gas Supply Cost Component of 51.891 cents per 100 cubic feet applicable to all gas sold during the period of February 1, 2014 through April 30, 2014. 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 February 1, 2014 through April 30, 2014.

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 February 1, 2014 through April 30, 2014. The Gas Cost Actual Adjustment (GCAA) and the Gas Cost Balance Adjustment (GCBA) levels are changed from the levels that were implemented on November 1, 2013. These adjustment levels will remain in effect from February 1, 2014 through April 30, 2014.

Jeff DeRouen, Executive Director  
Public Service Commission of Kentucky  
December 30, 2013

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 that reads "Robert M. Conroy /CAF". The signature is written in a cursive style.

Robert M. Conroy

Enclosures

# Louisville Gas and Electric Company

P.S.C. Gas No. 9, Fifth Revision of Original Sheet No. 85  
Canceling P.S.C. Gas No. 9, Fourth Revision Original Sheet No. 85

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Adjustment Clause

GSC  
Gas Supply Clause

## APPLICABLE TO

All gas sold.

## GAS SUPPLY COST COMPONENT (GSCC)

Gas Supply Cost	\$0.49244	I
Gas Cost Actual Adjustment (GCAA)	0.02159	R
Gas Cost Balance Adjustment (GCBA)	(0.00015)	I

Refund Factors (RF) continuing for twelve months from the effective date of each or until Company has discharged its refund obligation thereunder:

NONE

Performance-Based Rate Recovery Component (PBRRC)	<u>0.00503</u>	R
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Total Gas Supply Cost Component Per 100 Cubic Feet (GSCC)	\$0.51891	I
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**Date of Issue:** December 30, 2013

**Date Effective:** February 1, 2014

**Issued By:** /s/ Edwin R. Staton, Vice President  
State Regulation and Rates  
Louisville, Kentucky

Issued by Authority of an Order of the  
Public Service Commission in Case No.  
dated

**LOUISVILLE GAS AND ELECTRIC COMPANY**

**Supporting Calculations For The**

**Gas Supply Clause**

**2013-00xxx**

**For the Period**

**February 1, 2014 through April 30, 2014**

**LOUISVILLE GAS AND ELECTRIC COMPANY**

Derivation of Gas Supply Component Applicable to  
Service Rendered On and After February 1, 2014

2013-00xxx

Gas Supply Cost - See Exhibit A for Detail			
Line No.	Description	Unit	Amount
1	Total Expected Gas Supply Cost	\$	51,424,874
2	Total Expected Customer Deliveries: February 1, 2014 through April 30, 2014	Mcf	10,442,788
3	Gas Supply Cost Per Mcf	\$/Mcf	4.9244
4	Gas Supply Cost Per 100 Cubic Feet	¢/Ccf	49.244

Gas Cost Actual Adjustment (GCAA) - See Exhibit B for Detail				
	Description		Unit	Amount
5	Current Quarter Actual Adjustment	Eff. February 1, 2014	2013-00253	¢/Ccf (0.688)
6	Previous Quarter Actual Adjustment	Eff. November 1, 2013	2013-00126	¢/Ccf (0.138)
7	2nd Previous Qrt. Actual Adjustment	Eff. August 1, 2013	2012-00591	¢/Ccf 1.294
8	3rd Previous Qrt. Actual Adjustment	Eff. May 1, 2013	2012-00446	¢/Ccf 1.691
9	Total Gas Cost Actual Adjustment (GCAA)		¢/Ccf	2.159

Gas Cost Balance Adjustment (GCBA) - See Exhibit C for Detail			
	Description	Unit	Amount
10	Balance Adjustment Amount	\$	(15,574)
11	Total Expected Customer Deliveries: February 1, 2014 through April 30, 2014	Mcf	10,442,788
12	Gas Cost Balance Adjustment (GCBA) Per Mcf	\$/Mcf	(0.0015)
13	Gas Cost Balance Adjustment (GCBA) Per 100 Cubic Feet	¢/Ccf	(0.015)

Refund Factors (RF) - See Exhibit D for Detail			
	Description	Unit	Amount
14	Refund Factor Effective:		
15	Current Quarter Refund Factor	Eff. February 1, 2014	¢/Ccf 0.000
16	1st Previous Quarter Refund Factor	Eff. November 1, 2013	¢/Ccf 0.000
17	2nd Previous Quarter Refund Factor	Eff. August 1, 2013	¢/Ccf 0.000
18	3rd Previous Quarter Refund Factor	Eff. May 1, 2013	¢/Ccf 0.000
19	Total Refund Factors Per 100 Cubic Feet	¢/Ccf	0.000

Performance-Based Rate Recovery Component (PBRR) - See Exhibit E for Detail			
	Description	Unit	Amount
20	Performance-Based Rate Recovery Component (PBRR)	¢/Ccf	0.503
21	Total of PBRR Factors Per 100 Cubic Feet	¢/Ccf	0.503

Gas Supply Cost Component (GSCC) Effective February 1, 2014			
	Description	Unit	Amount
22	Gas Supply Cost	¢/Ccf	49.244
23	Gas Cost Actual Adjustment (GCAA)	¢/Ccf	2.159
24	Gas Cost Balance Adjustment (GCBA)	¢/Ccf	(0.015)
25	Refund Factors (RF)	¢/Ccf	0.000
26	Performance-Based Rate Recovery Component (PBRR)	¢/Ccf	0.503
27	Total Gas Supply Cost Component (GSCC)	¢/Ccf	51.891

LOUISVILLE GAS AND ELECTRIC COMPANY  
Calculation of Gas Supply Costs  
For the Three-Month Period From February 1, 2014 thru April 30, 2014

Line No.	MMBtu	Feb-2014	Mar-2014	Apr-2014	Total
1	Expected Gas Supply Transported Under Texas' No-Notice Service (Forward Haul)	1,568,932	610,163	864,641	3,043,736
2	Expected Gas Supply Transported Under Texas' No-Notice Service (Back Haul)	0	0	0	0
3	Expected Gas Supply Transported Under Texas' Rate FT (Forward Haul)	280,000	310,000	300,000	890,000
4	Expected Gas Supply Transported Under Texas' Rate FT (Back Haul)	0	0	0	0
5	Expected Gas Supply Transported Under Texas' Rate STF (Forward Haul)	0	0	540,000	540,000
6	Expected Gas Supply Transported Under Texas' Rate STF (Back Haul)	0	0	0	0
7	Expected Gas Supply Transported Under Tenn.'s Rate FT-A (Zone 0)	560,000	620,000	0	1,180,000
8	Total MMBtu Purchased	2,408,932	1,540,163	1,704,641	5,653,736
9	Plus: Withdrawals from Texas Gas' NNS Storage Service	90,918	45,510	0	136,428
10	Less: Injections into Texas Gas' NNS Storage Service	0	0	658,050	658,050
11	Expected Monthly Deliveries from TGT/TGPL to LG&E (excluding transportation volumes under LG&E Rider TS/TS-2)	2,499,850	1,585,673	1,046,591	5,132,114
<b>Mcf</b>					
12	Total Purchases in Mcf	2,350,178	1,502,598	1,663,064	
13	Plus: Withdrawals from Texas Gas' NNS Storage Service	88,700	44,400	0	
14	Less: Injections Texas Gas' NNS Storage Service	0	0	642,000	
15	Expected Monthly Deliveries from TGT/TGPL to LG&E (excluding transportation volumes under LG&E Rate TS/TS-2)	2,438,878	1,546,998	1,021,064	
16	Plus: Customer Transportation Volumes under Rider TS/TS-2	9,259	8,968	8,259	
17	Total Expected Monthly Deliveries from TGT/TGPL to LG&E (Line 15 + Line 16)	2,448,137	1,555,966	1,029,323	
18	Less: Purchases for Depts. Other Than Gas Dept.	3,132	980	420	
19	Less: Purchases Injected into LG&E's Underground Storage	0	0	0	
20	Mcf Purchases Expended during Month (Line 15 - Line 18 - Line 19)	2,435,746	1,546,018	1,020,644	5,002,408
21	LG&E's Storage Inventory - Beginning of Month	8,340,001	5,360,001	3,150,001	
22	Plus: Storage Injections into LG&E's Underground Storage (Line 19)	0	0	0	
23	LG&E's Storage Inventory - Including Injections	8,340,001	5,360,001	3,150,001	
24	Less: Storage Withdrawals from LG&E's Underground Storage	2,943,015	2,178,673	772,126	5,893,814
25	Less: Storage Losses	36,985	31,327	27,874	96,186
26	LG&E's Storage Inventory - End of Month	5,360,001	3,150,001	2,350,001	
27	Mcf of Gas Supply Expended during Month (Line 20 + Line 24 + Line 25)	5,415,746	3,756,018	1,820,644	10,992,408
<b>Cost</b>					
28	Total Demand Cost - Including Transportation (Line 17 x Line 52)	\$1,863,522	\$1,184,401	\$783,521	
29	Less: Demand Cost Recovered thru Rate TS (Line 16 x Line 52)	7,048	6,826	6,287	
30	Demand Cost - Net of Demand Costs Recovered thru LG&E Rider TS/TS-2	\$1,856,474	\$1,177,575	\$777,234	
31	Commodity Costs - Gas Supply Under NNS (Forward Haul) (Line 1 x Line 53)	7,191,827	2,783,136	3,731,099	
32	Commodity Costs - Gas Supply Under NNS (Backward Haul) (Line 2 x Line 54)	0	0	0	
33	Commodity Costs - Gas Supply Under Rate FT (Forward Haul) (Line 3 x Line 55)	1,268,260	1,397,139	1,278,480	
34	Commodity Costs - Gas Supply Under Rate FT (Backward Haul) (Line 4 x Line 56)	0	0	0	
35	Commodity Costs - Gas Supply Under Rate STF (Forward Haul) (Line 5 x Line 57)	0	0	2,317,896	
36	Commodity Costs - Gas Supply Under Rate STF (Backward Haul) (Line 6 x Line 58)	0	0	0	
37	Commodity Costs - Gas Supply Under Rate FT-A Zone 0 (Line 7 x Line 59)	2,515,968	2,771,586	0	
38	Total Purchased Gas Cost	\$12,832,529	\$8,129,436	\$8,104,709	\$29,066,674
39	Plus: Withdrawals from NNS Storage (Line 9 x Line 53)	416,759	207,585	0	624,344
40	Less: Purchases Injected into NNS Storage (Line 10 x Line 53)	0	0	2,839,617	2,839,617
41	Total Cost of Gas Delivered to LG&E	\$13,249,288	\$8,337,021	\$5,265,092	\$26,851,401
42	Less: Purchases for Depts. Other Than Gas Dept. (Line 18 x Line 60)	17,015	5,281	2,166	24,462
43	Less: Purchases Injected into LG&E's Storage (Line 19 x Line 60)	0	0	0	0
44	Pipeline Deliveries Expended During Month	\$13,232,273	\$8,331,740	\$5,262,926	\$26,826,939
45	LG&E's Storage Inventory - Beginning of Month	\$34,248,214	\$22,010,844	\$12,935,479	
46	Plus: LG&E Storage Injections (Line 43 above)	0	0	0	
47	LG&E's Storage Inventory - Including Injections	\$34,248,214	\$22,010,844	\$12,935,479	
48	Less: LG&E Storage Withdrawals (Line 24 x Line 61)	12,085,491	8,946,721	3,170,735	\$24,202,947
49	Less: LG&E Storage Losses (Line 25 x Line 61)	151,879	128,644	114,465	394,988
50	LG&E's Storage Inventory - End of Month	\$22,010,844	\$12,935,479	\$9,650,279	
51	Gas Supply Expenses (Line 44 + Line 48 + Line 49)	\$25,469,643	\$17,407,105	\$8,548,126	\$51,424,874
<b>Unit Cost</b>					
52	12-Month Average Demand Cost - per Mcf (see Page 2)	\$0.7612	\$0.7612	\$0.7612	
53	Commodity Cost (per MMBtu) under Texas Gas's No-Notice Service (Forward Haul)	\$4.5839	\$4.5613	\$4.3152	
54	Commodity Cost (per MMBtu) under Texas Gas's No-Notice Service (Back Haul)	\$4.7136	\$4.6910	\$4.4048	
55	Commodity Cost (per MMBtu) under Texas Gas's Rate FT (Forward Haul)	\$4.5295	\$4.5069	\$4.2616	
56	Commodity Cost (per MMBtu) under Texas Gas's Rate FT (Back Haul)	\$4.5215	\$4.4995	\$4.2215	
57	Commodity Cost (per MMBtu) under Texas Gas's Rate STF (Forward Haul)	\$4.5603	\$4.5377	\$4.2924	
58	Commodity Cost (per MMBtu) under Texas Gas's Rate STF (Back Haul)	\$4.5552	\$4.5332	\$4.2552	
59	Commodity Cost (per MMBtu) under Tenn. Gas's Rate FT-A (Zone 0)	\$4.4928	\$4.4703	\$4.2336	
60	Average Cost of Deliveries (Line 41 / Line 15)	\$5.4325	\$5.3892	\$5.1565	
61	Average Cost of Inventory - Including Injections (Line 47 / Line 23)	\$4.1065	\$4.1065	\$4.1065	
<b>Gas Supply Cost</b>					
62	Total Expected Mcf Deliveries (Sales) to Customers February 1, 2014 through April 30, 2014				10,442,788 Mcf
63	Current Gas Supply Cost (Line 51 / Line 62)				<u>\$4.9244</u> / Mcf

LOUISVILLE GAS AND ELECTRIC COMPANY  
Calculation Of Various Demand Charges Applicable  
For the Three-Month Period From February 1, 2014 thru April 30, 2014

Annual Demand Costs

Line No.	Pipeline and Rate	Monthly Demand Charge	MMBtu	No. of Months	Annual Demand Costs
1	Texas Gas No-Notice Service (Rate NNS)	\$12.7104	119,913	12	\$18,289,706
2	Texas Gas Firm Transportation (Rate FT)	\$5.4329	10,000	12	651,948
3	Texas Gas Firm Transportation (Rate STF)	\$6.2427	10,500	12	786,580
4	Tenn. Gas Firm Transportation (Rate FT-A)	\$8.2134	20,000	12	1,971,216
5	Long-Term Firm Contracts with Suppliers (Annualized)				2,992,336
6		<b>Total Annual Demand Costs</b>			<b>\$24,691,786</b>

Average Demand Cost per Mcf

8	Total Annual Demand Costs (Line 7)				\$24,691,786
9	Expected Annual Deliveries from Pipeline Transporters in Mcf (incl Rider TS/TS-2)				32,437,352
10		<b>Average Demand Cost per Mcf (Line 8 / Line 9)</b>			<b>\$0.7612</b>

Pipeline Supplier's Demand Component Applicable to Billings  
Under LG&E's Gas Transportation Service/Standby - Rider TS/TS-2

11	Average Demand Cost (Line 10)				\$0.7612
12	Refund Factor for Demand Portion of Texas Gas Refund (see Exhibit D)				0.0000
13	Performance Based Rate Recovery Component (see Exhibit E)				0.0407
14		<b>PSDC Charge per Mcf</b>			<b>\$0.8019</b>

Daily Demand Charge Component of Utilization Charge  
For Daily Imbalance under Rate FT and Rider PS-FT

15	Total Annual Demand Costs (Line 7)				\$24,691,786
16	Design Day Requirements in Mcf (determined in last rate case)				445,164
17		<b>UCDI Charge (Line 15/Line 16/365 days)</b>			<b>\$0.1520</b>

LOUISVILLE GAS AND ELECTRIC COMPANY

Gas Supply Clause: 2013-00XXX

Gas Supply Cost Effective February 1, 2014

LG&E is served by Texas Gas Transmission, LLC (“TGT”) pursuant to the terms of the transportation agreements under Rate Schedules NNS-4, FT-4, and STF-4. LG&E is served by Tennessee Gas Pipeline Company, LLC (“TGPL”) pursuant to the terms of a transportation agreement under Rate Schedule FT-A-2. Both TGT and TGPL are subject to regulation by the Federal Energy Regulatory Commission (“FERC”).

**Texas Gas Transmission, LLC**

Texas Gas’s No-Notice Service (NNS-4)

On August 1, 2013, TGT submitted tariff sheets to the FERC in Docket No. RP13-1163 to comply with FERC’s Order No. 776 issued March 21, 2013, eliminating the annual filing requirements for natural gas pipelines that utilize an annual charge adjustment (“ACA”) clause to recover Commission-assessed annual charges. Order No. 776 requires pipelines that utilize an ACA clause to make a compliance filing to delete specific references to the currently effective ACA charge and instead incorporate by reference into their tariffs the ACA unit charge specified in the annual notice issued by FERC and posted on its website. Effective October 1, 2013, the ACA charge is \$0.0012/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 February 1, 2014. The tariffed rates are as follows: (a) a daily demand charge of \$0.4190/MMBtu, and (b) a commodity charge of \$0.0626/MMBtu irrespective of the zone of receipt.

LG&E has negotiated rate agreements applicable to all three NNS service agreements that result in a monthly demand charge of \$12.7104/MMBtu and a volumetric throughput charge (“commodity charge”) of \$0.0626/MMBtu irrespective of the zone of receipt.

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

On August 1, 2013, TGT submitted tariff sheets to the FERC in Docket No. RP13-1163 to comply with FERC’s Order No. 776 issued March 21, 2013, eliminating the annual filing requirements for natural gas pipelines that utilize an annual charge adjustment (“ACA”) clause to recover Commission-assessed annual charges. Order No. 776 requires pipelines that utilize an ACA clause to make a compliance filing to delete specific references to the currently effective ACA charge and instead incorporate by reference into their tariffs the ACA unit charge specified



in the annual notice issued by FERC and posted on its website. Effective October 1, 2013, the ACA charge is \$0.0012/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 which will be applicable on and after February 1, 2014. 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, (b) a commodity charge applicable to transportation from Zone 1 to Zone 4 of \$0.0520/MMBtu, and (c) a commodity charge applicable to transportation from Zone 4 to Zone 4 of \$0.0372/MMBtu.

LG&E has negotiated rate agreements that result in a monthly demand charge of \$5.4329/MMBtu, an annual volumetric throughput charge (“commodity charge”) of \$0.0212/MMBtu applicable to transportation from Zone 1 to 4, and an annual volumetric throughput charge (“commodity charge”) of \$0.0035/MMBtu applicable to transportation from Zone 4 to 4.

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

On August 1, 2013, TGT submitted tariff sheets to the FERC in Docket No. RP13-1163 to comply with FERC’s Order No. 776 issued March 21, 2013, eliminating the annual filing requirements for natural gas pipelines that utilize an annual charge adjustment (“ACA”) clause to recover Commission-assessed annual charges. Order No. 776 requires pipelines that utilize an ACA clause to make a compliance filing to delete specific references to the currently effective ACA charge and instead incorporate by reference into their tariffs the ACA unit charge specified in the annual notice issued by FERC and posted on its website. Effective October 1, 2013, the ACA charge is \$0.0012/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 February 1, 2014. The tariffed rates are as follows: for the winter season, (a) a daily demand charge of \$ \$0.4701/MMBtu, (b) a commodity charge of \$0.0520/MMBtu applicable to transportation from Zone 1 to 4; and (c) a commodity charge of \$0.0372/MMBtu applicable to transportation from Zone 4 to 4; and for the summer season, (a) a daily demand charge of \$0.2042/MMBtu, and (b) a commodity charge of \$0.0520 applicable to transportation from Zone 1 to 4; and (c) a commodity charge of \$0.0372 applicable to transportation from Zone 4 to 4.

LG&E has negotiated rate agreements that result in the following charges: a weighted-average monthly demand charge of \$6.2427/MMBtu; and for summer season deliveries up to 18,000 MMBtu/day a summer season commodity rate of \$0.0520/MMBtu applicable to transportation from Zone 1 to 4; and for summer season deliveries in excess of 18,000 MMBtu/day a summer season commodity rate of \$0.0372/MMBtu applicable to transportation from Zone 4 to 4.

## **Tennessee Gas Pipeline Company, LLC**

On September 30, 2013, TGPL submitted tariff sheets in Docket No. RP13-1374. This filing implemented the rate adjustment provision in Docket No. RP12-887 filed by TGPL at FERC on July 26, 2012, and complied with FERC's Order of May 31, 2012, in Docket Nos. CP12-489, CP12-490, and CP12-886 with respect to the abandonment of certain facilities located onshore and offshore in the Gulf of Mexico. The proposed effective date for Rate FT-A tariff sheets is September 1, 2013. TGPL did not otherwise modify its existing rates or otherwise affect the rights or duties of customers.

Pursuant to FERC's Order No. 776 pipelines that utilize an annual charge adjustment ("ACA") clause, pipelines may incorporate by reference into their tariffs the ACA unit charge specified in the annual notice issued by FERC and posted on its website. Tennessee's compliance filing was made in accordance with that Order in Docket RP13-1196. Effective October 1, 2013, the ACA charge is \$0.0012/MMBtu.

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

Attached hereto as Exhibit A-1 (a), Pages 5, and 6, are the tariff sheet for transportation service under Rate FT-A, which will be applicable on and after February 1, 2014. 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 \$16.3405/MMBtu, and (b) a commodity charge of \$0.0379/MMBtu.

LG&E has negotiated rate agreements that result in a monthly demand charge of \$8.2134/MMBtu and an annual volumetric throughput charge ("commodity charge") of \$0.0379/MMBtu for deliveries from Zone 0 to Zone 2.

### Gas Supply Costs

The New York Mercantile Exchange ("NYMEX") natural gas futures prices as of December 27, 2013, are \$4.368/MMBtu for February, \$4.336/MMBtu for March, and \$4.178/MMBtu for April. 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 16% lower compared to the same period one year ago;<sup>1</sup>
- Economic recovery could boost the demand for natural gas in the industrial sector;
- Fuel switching from coal to gas could boost natural gas prices by increasing demand;
- New domestic supplies from unconventional shale gas plays are impacting the marketplace;
- New pipeline infrastructure is being developed to deliver natural gas supplies to the marketplace;
- Imports or exports of LNG could impact the supply and demand for natural gas;
- Gas-fired electric generation loads could boost weather-driven demand for natural gas; and
- Gas supply disruptions could boost prices.

Traditionally, LG&E has purchased gas in the Gulf production areas (both onshore and offshore, including Louisiana, Texas, and Arkansas) and used its interstate pipeline capacity to deliver that gas by forwardhaul to its gas distribution system in Kentucky. Due to the increasing availability of gas supplies outside of the traditional production areas, LG&E is able to supplement traditional forwardhaul transportation of natural gas purchased in the Gulf with gas purchased at the terminus of Texas Gas's system at Lebanon, Ohio (which is north of LG&E's system). Gas purchased at the terminus of Texas Gas's system can be delivered to LG&E's system by displacement using backhaul capabilities in LG&E's existing interstate pipeline capacity.

During the three-month period under review, February 1, 2014, through April 30, 2014, LG&E estimates that its total purchases will be 5,132,114 MMBtu. LG&E expects that 2,522,114 MMBtu will be met with deliveries from TGT's pipeline service under Rate NNS (3,043,736 MMBtu in pipeline forwardhaul deliveries less 521,622 MMBtu in net storage injections); 890,000 MMBtu will be met from forwardhaul and backhaul deliveries under TGT's pipeline service under Rate FT; 540,000 MMBtu will be met from forwardhaul and backhaul deliveries under TGT's pipeline service under Rate STF; 1,180,000 MMBtu will be met from deliveries under TGPL's pipeline service under Rate FT-A from Zone 0.

The average commodity cost of gas purchased from gas suppliers by LG&E and delivered to TGT under the forwardhaul NNS service is expected to be \$4.3920 per MMBtu in February 2014, \$4.3700 in March 2014, and \$4.1310 in April 2014. The average commodity cost of gas purchased from gas suppliers by LG&E and delivered to TGT under the backhaul NNS service is expected to be \$4.5180 per MMBtu in February 2014, \$4.4960 in March 2014, and \$4.2180 in April 2014. The average commodity cost of gas purchased from gas suppliers by LG&E and

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<sup>1</sup> The weekly gas storage survey issued by the Energy Information Administration ("EIA") for the week ending December 20, 2013, indicated that storage inventory levels were 16% lower than last year's levels. Storage inventories across the nation are 591 Bcf (3,071 Bcf – 3,662 Bcf), or 16%, lower this year than the same period one year ago. Last year at this time, 3,662 Bcf was held in storage, while this year 3,071 Bcf is held in storage. Storage inventories across the nation are 313 Bcf (3,071 Bcf – 3,384 Bcf), or 9%, lower this year than the five-year average. On average for the last five years at this time, 3,384 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.

delivered to TGT under the forwardhaul FT service is expected to be \$4.3920 per MMBtu in February 2014, \$4.3700 in March 2014, and \$4.1310 in April 2014. The average commodity cost of gas purchased from gas suppliers by LG&E and delivered to TGT under the backhaul FT service is expected to be \$4.5180 per MMBtu in February 2014, \$4.4960 in March 2014, and \$4.2180 in March 2014. The average commodity cost of gas purchased from gas suppliers by LG&E and delivered to TGT under the forwardhaul STF service is expected to be \$4.3920 per MMBtu in February 2014, \$4.3700 in March 2014, and \$4.1310 in April 2014. The average commodity cost of gas purchased from gas suppliers by LG&E and delivered to TGT under the backhaul STF service is expected to be \$4.5180 per MMBtu in February 2014, \$4.4960 in March 2014, and \$4.2180 in April 2014. 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 \$4.3480 per MMBtu in February 2014, \$4.3260 in March 2014, and \$4.0950 in April 2014.

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 FORWARDHAUL 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>
February 2014	\$4.3920	2.86%	\$0.0626	\$4.5839
March 2014	\$4.3700	2.86%	\$0.0626	\$4.5613
April 2014	\$4.1310	2.86%	\$0.0626	\$4.3152

RATE NNS  
SYSTEM SUPPLY BACKHAUL 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>
February 2014	\$4.5180	2.86%	\$0.0626	\$4.7136
March 2014	\$4.4960	2.86%	\$0.0626	\$4.6910
April 2014	\$4.2180	2.86%	\$0.0626	\$4.4048

RATE FT  
SYSTEM SUPPLY FORWARDHAUL 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>
February 2014	\$4.3920	2.58%	\$0.0212	\$4.5295
March 2014	\$4.3700	2.58%	\$0.0212	\$4.5069
April 2014	\$4.1310	2.58%	\$0.0212	\$4.2616

RATE FT  
SYSTEM SUPPLY BACKHAUL 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>
February 2014	\$4.5180	0.00%	\$0.0035	\$4.5215
March 2014	\$4.4960	0.00%	\$0.0035	\$4.4995
April 2014	\$4.2180	0.00%	\$0.0035	\$4.2215

RATE STF  
SYSTEM SUPPLY FORWARDHAUL 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>
February 2014	\$4.3920	2.58%	\$0.0520	\$4.5603
March 2014	\$4.3700	2.58%	\$0.0520	\$4.5377
April 2014	\$4.1310	2.58%	\$0.0520	\$4.2924

RATE STF  
SYSTEM SUPPLY BACKHAUL 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>
February 2014	\$4.5180	0.00%	\$0.0372	\$4.5552
March 2014	\$4.4960	0.00%	\$0.0372	\$4.5332
April 2014	\$4.2180	0.00%	\$0.0372	\$4.2552

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				
February 2014	\$4.3480	2.40%	\$0.0379	\$4.4928
March 2014	\$4.3260	2.40%	\$0.0379	\$4.4703
April 2014	\$4.0950	2.40%	\$0.0379	\$4.2336

The annual demand billings covering the 12 months from February 1, 2014 through January 31, 2015, for the firm contracts with natural gas suppliers are currently expected to be \$2,992,336.

**Rate FT and Rider PS-FT**

The demand-related supply costs applicable to the Utilization Charge for Daily Imbalances under Rate FT and Rider PS-FT applicable during the three-month period of February 1, 2014 through April 30, 2014 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, 2013

Section 4.1  
Currently Effective Rates - FT  
Version 6.0.0

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, 2013

Section 4.1  
Currently Effective Rates - FT  
Version 6.0.0

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

	Base Tariff Rates
SL-SL	0.0104
SL-1	0.0355
SL-2	0.0399
SL-3	0.0445
SL-4	0.0528
1-1	0.0337
1-2	0.0385
1-3	0.0422
1-4	0.0508
2-2	0.0323
2-3	0.0360
2-4	0.0446
3-3	0.0312
3-4	0.0398
4-4	0.0360

The above rates shall be increased to include the ACA unit charge pursuant to Section 6.9[7] of the General Terms and Conditions.

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 4.12  
Currently Effective Rates - Minimum Transportation Rates  
Version 2.0.0

Currently Effective Minimum Transportation Rates (\$ per MMBtu)  
For Service Under Rate Schedules FT, STF, and IT

Receipt-Delivery Zone	Minimum Base Rate
SL-SL	0.0028
SL-1	0.0110
SL-2	0.0162
SL-3	0.0218
SL-4	0.0226
1-1	0.0087
1-2	0.0145
1-3	0.0190
1-4	0.0200
2-2	0.0071
2-3	0.0116
2-4	0.0126
3-3	0.0058
3-4	0.0068
4-4	0.0023

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.

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, L.L.C.  
FERC NGA Gas Tariff  
Sixth Revised Volume No. 1

Sixth Revised Sheet No. 14  
Superseding  
Fifth 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	\$5.7125		\$11.9375	\$16.0575	\$16.3417	\$17.9562	\$19.0597	\$23.9133	
L		\$5.0714							
1	\$8.5997		\$8.2435	\$10.9704	\$15.5407	\$15.3052	\$17.2607	\$21.2245	
2	\$16.0576		\$10.9045	\$5.6715	\$5.3018	\$6.7838	\$9.3303	\$12.0443	
3	\$16.3417		\$8.6375	\$5.7173	\$4.1246	\$6.3358	\$11.4587	\$13.2409	
4	\$20.7484		\$19.1282	\$7.2895	\$11.0779	\$5.4225	\$5.8643	\$8.3778	
5	\$24.7395		\$17.3840	\$7.6466	\$9.2524	\$6.0239	\$5.6505	\$7.3560	
6	\$28.6189		\$19.9668	\$13.7419	\$15.1387	\$10.6934	\$5.6256	\$4.8698	

Daily Base Reservation Rate 1/		DELIVERY ZONE							
RECEIPT ZONE	0	L	1	2	3	4	5	6	
0	\$0.1879		\$0.3925	\$0.5279	\$0.5373	\$0.5903	\$0.6266	\$0.7862	
L		\$0.1668							
1	\$0.2827		\$0.2710	\$0.3607	\$0.5109	\$0.5032	\$0.5675	\$0.6977	
2	\$0.5279		\$0.3585	\$0.1865	\$0.1743	\$0.2230	\$0.3068	\$0.3960	
3	\$0.5373		\$0.2840	\$0.1880	\$0.1356	\$0.2083	\$0.3768	\$0.4353	
4	\$0.6821		\$0.6289	\$0.2396	\$0.3642	\$0.1782	\$0.1928	\$0.2754	
5	\$0.8133		\$0.5716	\$0.2513	\$0.3042	\$0.1981	\$0.1857	\$0.2419	
6	\$0.9409		\$0.6564	\$0.4518	\$0.4977	\$0.3515	\$0.1849	\$0.1601	

Maximum Reservation Rates 2/, 3/		DELIVERY ZONE							
RECEIPT ZONE	0	L	1	2	3	4	5	6	
0	\$5.7125		\$11.9375	\$16.0575	\$16.3417	\$17.9562	\$19.0597	\$23.9133	
L		\$5.0714							
1	\$8.5997		\$8.2435	\$10.9704	\$15.5407	\$15.3052	\$17.2607	\$21.2245	
2	\$16.0576		\$10.9045	\$5.6715	\$5.3018	\$6.7838	\$9.3303	\$12.0443	
3	\$16.3417		\$8.6375	\$5.7173	\$4.1246	\$6.3358	\$11.4587	\$13.2409	
4	\$20.7484		\$19.1282	\$7.2895	\$11.0779	\$5.4225	\$5.8643	\$8.3778	
5	\$24.7395		\$17.3840	\$7.6466	\$9.2524	\$6.0239	\$5.6505	\$7.3560	
6	\$28.6189		\$19.9668	\$13.7419	\$15.1387	\$10.6934	\$5.6256	\$4.8698	

Notes:

- 1/ Applicable to demand charge credits and secondary points under discounted rate agreements.
- 2/ Includes a per Dth charge for the PCB Surcharge Adjustment per Article XXXII of the General Terms and Conditions of \$0.0000.
- 3/ Includes a per Dth charge for the PS/GHG Surcharge Adjustment per Article XXXVIII of the General Terms and Conditions of \$0.0000.

Issued: September 30, 2013  
Effective: September 1, 2013

Docket No. RP12-887  
Accepted:

Tennessee Gas Pipeline Company, L.L.C.  
FERC NGA Gas Tariff  
Sixth Revised Volume No. 1

Eighth Revised Sheet No. 15  
Superseding  
Seventh 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	\$0.0032		\$0.0115	\$0.0177	\$0.0219	\$0.2751	\$0.2625	\$0.3124
L		\$0.0012						
1	\$0.0042		\$0.0081	\$0.0147	\$0.0179	\$0.2339	\$0.2385	\$0.2723
2	\$0.0167		\$0.0087	\$0.0012	\$0.0028	\$0.0757	\$0.1214	\$0.1345
3	\$0.0207		\$0.0169	\$0.0026	\$0.0002	\$0.1012	\$0.1400	\$0.1528
4	\$0.0250		\$0.0205	\$0.0087	\$0.0105	\$0.0468	\$0.0662	\$0.1073
5	\$0.0284		\$0.0256	\$0.0100	\$0.0118	\$0.0659	\$0.0653	\$0.0811
6	\$0.0346		\$0.0300	\$0.0143	\$0.0163	\$0.1014	\$0.0549	\$0.0334

Minimum Commodity Rates 1/, 2/

RECEIPT ZONE	DELIVERY ZONE							
	0	L	1	2	3	4	5	6
0	\$0.0032		\$0.0115	\$0.0177	\$0.0219	\$0.2250	\$0.0284	\$0.0346
L		\$0.0012						
1	\$0.0042		\$0.0081	\$0.0147	\$0.0179	\$0.0210	\$0.0256	\$0.0300
2	\$0.0167		\$0.0087	\$0.0012	\$0.0028	\$0.0056	\$0.0100	\$0.0143
3	\$0.0207		\$0.0169	\$0.0026	\$0.0002	\$0.0081	\$0.0118	\$0.0163
4	\$0.0250		\$0.0205	\$0.0087	\$0.0105	\$0.0028	\$0.0046	\$0.0092
5	\$0.0284		\$0.0256	\$0.0100	\$0.0118	\$0.0046	\$0.0046	\$0.0066
6	\$0.0346		\$0.0300	\$0.0143	\$0.0163	\$0.0086	\$0.0041	\$0.0020

Maximum Commodity Rates 1/, 2/, 3/

RECEIPT ZONE	DELIVERY ZONE							
	0	L	1	2	3	4	5	6
0	\$0.0032		\$0.0115	\$0.0177	\$0.0219	\$0.2751	\$0.2625	\$0.3124
L		\$0.0012						
1	\$0.0042		\$0.0081	\$0.0147	\$0.0179	\$0.2339	\$0.2385	\$0.2723
2	\$0.0167		\$0.0087	\$0.0012	\$0.0028	\$0.0757	\$0.1214	\$0.1345
3	\$0.0207		\$0.0169	\$0.0026	\$0.0002	\$0.1012	\$0.1400	\$0.1528
4	\$0.0250		\$0.0205	\$0.0087	\$0.0105	\$0.0468	\$0.0662	\$0.1073
5	\$0.0284		\$0.0256	\$0.0100	\$0.0118	\$0.0659	\$0.0653	\$0.0811
6	\$0.0346		\$0.0300	\$0.0143	\$0.0163	\$0.1014	\$0.0549	\$0.0334

Notes:

- 1/ Rates stated above exclude the ACA Surcharge as revised annually and posted on the FERC website at <http://www.ferc.gov> on the Annual Charges page of the Natural Gas section. The ACA Surcharge is incorporated by reference into Transporter's Tariff and shall apply to all transportation under this Rate Schedule as provided in Article XXIV of the General Terms and Conditions.
- 2/ The applicable F&LR's and EPCR's, determined pursuant to Article XXXVII of the General Terms and Conditions, are listed on Sheet No. 32. For service that is rendered entirely by displacement and for gas scheduled and allocated for receipt at the Dracut, Massachusetts receipt point, Shipper shall render only the quantity of gas associated with Losses of 0.21%.
- 3/ Includes a per Dth charge for the PS/GHG Surcharge Adjustment per Article XXXVIII of the General Terms and Conditions of \$0.0000.

LOUISVILLE GAS AND ELECTRIC COMPANY**Gas Supply Clause: 2013-00XXX****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 2013-00253 during the three-month period of August 1, 2013 through October 31, 2013, was (\$2,108,115). The calculation of the Gas Cost Actual Adjustment (GCAA) set forth in Exhibit B-1 results in a refund of .688¢ per 100 cubic feet, which LG&E will place in effect with service rendered on and after February 1, 2014, 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 August 2013 through October 2013. [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 2012-00286, with service rendered through January 31, 2014, 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 2014.

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

Current Quarter Actual Adjustment:		
Effective February 1, 2014 from 2013-00253	(0.688)	cents/Ccf
Previous Quarter Actual Adjustment:		
Effective November 1, 2013 from 2013-00126	(0.138)	cents/Ccf
2nd Previous Quarter Actual Adjustment:		
Effective August 1, 2013 from 2012-00591	1.294	cents/Ccf
3rd Previous Quarter Actual Adjustment:		
Effective May 1, 2013 from 2012-00446	1.691	cents/Ccf
<b>Total Gas Cost Actual Adjustment (GCAA)</b>	<b>2.159</b>	<b>cents/Ccf</b>

**LOUISVILLE GAS AND ELECTRIC COMPANY**

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

Line No.	Recovery Period	Case Number	Total Dollars of Gas Cost Recovered <sup>1</sup>	Gas Supply Cost Per Books <sup>2</sup>	(Over)/Under Recovery
(1)	(2)	(3)	(4)	(5)	(4) - (5)
1	Aug-2013	2013-00253	\$1,892,504	\$3,240,579	(\$1,348,075)
2	Sep-2013	2013-00253	\$3,793,471	\$3,886,093	(\$92,622)
3	Oct-2013	2013-00253	\$5,359,266	\$8,281,452	(\$2,922,186)
4	Nov-2013	(Note 3)	\$6,470,998	\$0	\$6,470,998
5			\$17,516,239	\$15,408,124	(\$2,108,115)
6		Over/(Under) Recovery	(\$2,108,115)		
7		Expected Mcf Sales for			
8	12-Month Period from Date Implemented		30,657,793		
9		GCAA Factor per Mcf	(\$0.0688)		
10		GCAA Factor per Ccf	(\$0.00688)		
11		GCAA Factor Cents per Ccf	(0.688)		

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

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

<sup>3</sup> Current sales included in meter readings for prior month

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

Line No.	Recovery Period	Comments	Case No.	Total Mcf Sales for Month	Mcf Sales Applicable to GCAA Period	Gas Supply Cost per Mcf	Dollars Recovered Under GSC	Mcf of Customer-Owned Gas Transported Under Rate	Pipeline Suppliers' Demand Component Per Mcf	TS-2 Gas True-Up Charge Revenue	\$ Recovered Under Rate TS-2	\$ Recovered Under Rate FT	\$ from OSS	Total \$ Recovered
(1)	(2)		(3)	(4)	(5)	(6)	(7) = (5) x (6)	(8)	(9)	(10)	(11) = (8) x (9)+(10)	(12)	(13)	(14) = (7)+(11)+(12)+(13)
1	Aug-2013	Prorated	2013-00253	850,108 <sup>1</sup>	374,371 <sup>2</sup>	\$4.9531	\$1,854,297	8,484.2	\$0.6936	\$0.0000	\$5,885	\$32,322	\$0	\$1,892,504
2	Sep-2013		2013-00253	759,935	759,935	\$4.9531	\$3,764,034	14,413.2	\$0.6936	\$0.0000	\$9,997	\$19,440	\$0	\$3,793,471
3	Oct-2013		2013-00253	1,071,744	1,071,744	\$4.9531	\$5,308,454	17,993.8	\$0.6936	\$0.0000	\$12,480	\$38,332	\$0	\$5,359,266
4	Nov-2013	Prorated	2013-00253	2,424,351 <sup>1</sup>	1,306,454 <sup>2</sup>	\$4.9531	\$6,470,998	0.0	\$0.6936	\$0.0000	\$0	\$0	\$0	\$6,470,998
5					3,512,504		\$17,397,783	40,891.0		\$0.0000	\$28,362	\$90,094	\$0	\$17,516,239

<sup>1</sup> For information purposes only, volumes will be prorated

<sup>2</sup> Portion of month billed at rate effective this quarter



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

Line No.	Recovery Period	Case Number	UCDI Demand Chrg / Mcf	Cash-Out Sales (Mcf)	Cash-Out Sales (\$)	MMBTU Adjust. (Mcf)	MMBTU Adjust. (\$)	UCDI Mcf	UCDI \$ [(3) x (8)]	OFO \$	Action Alert \$	Monthly \$'s Recovered [(5)+(7)+(9)+(10)+(11)]
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)=(3) x (8)	(10)	(11)	(12)
1	Aug-2013	2013-00253	\$ 0.1500	7,122.8	\$23,576	-	\$ -	58,306.8	\$8,746	\$0.00	\$0.00	\$32,322
2	Sep-2013	2013-00253	\$ 0.1500	3,264.5	\$11,507	-	\$ -	52,884.9	\$7,933	\$0.00	\$0.00	\$19,440
3	Oct-2013	2013-00253	\$ 0.1500	7,064.3	\$25,818	-	\$ -	83,430.4	\$12,515	\$0.00	\$0.00	\$38,332
4	Total Amount to Transfer to Exhibit B-1, Page 2											\$90,094

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.

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

Line No.	Recovery Period	MCF							DOLLARS							
		Mcf Purchases	Purchases for OSS	Less: Purchases for Depts. other Than Gas Dept.	Less: Purchases Injected Into Storage	Plus: Mcf Withdrawn From Storage	Plus Storage Losses	Mcf Sendout (Gas Dept)	Purchased Gas Costs	Purchased Gas Costs for OSS	Less: Purchases for Non-Gas Departments	Less: Purchases Injected Into Storage	Plus: Cost of Gas Withdrawn From Storage	Plus Storage Losses	Plus: Gas Commodity Portion of Bad Debt Expense	Total Gas Supply Cost
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
1	Aug-2013	3,573,508	0	(134)	(2,790,552)	641	38,632	822,095	\$ 13,981,184	\$ -	\$ (781)	\$ (10,918,035)	\$ 2,605	\$ 156,981	\$ 18,625	\$ 3,240,579
2	Sep-2013	3,685,499	0	(112)	(2,777,536)	615	43,610	952,076	\$ 14,991,049	\$ -	\$ (545)	\$ (11,297,905)	\$ 2,500	\$ 177,248	\$ 13,747	\$ 3,886,093
3	Oct-2013	4,050,108	0	(127)	(2,172,502)	6,456	51,384	<u>1,935,319</u>	\$ 17,325,724	\$ -	\$ (1,552)	\$ (9,293,529)	\$ 26,453	\$ 210,433	\$ 13,922	\$ <u>8,281,452</u>
4								3,709,490								\$ 15,408,124

LOUISVILLE GAS AND ELECTRIC COMPANY  
SUMMARY OF GAS PURCHASES AND COSTS BY SUPPLIER  
FOR THE 3 MONTH PERIOD FROM AUGUST 2013 THROUGH OCTOBER 2013

DELIVERED BY TEXAS GAS TRANSMISSION, LLC

COMMODITY AND VOLUMETRIC CHARGES:

NATURAL GAS SUPPLIERS:

		AUGUST 2013			SEPTEMBER 2013			OCTOBER 2013		
		NET MMBTU	MCF	\$	NET MMBTU	MCF	\$	NET MMBTU	MCF	\$
1.	A	387,283	377,837	\$1,362,140.00	374,790	365,649	\$1,361,110.47	387,283	377,837	\$1,382,290.00
2.	B	0	0	\$0.00	0	0	\$0.00	28,000	27,317	\$107,660.00
3.	C	29,966	29,235	\$105,055.00	0	0	\$0.00	35,542	34,675	\$136,225.00
4.	D	178,684	174,326	\$632,400.00	172,247	168,046	\$629,343.00	0	0	\$0.00
5.	E	0	0	\$0.00	0	0	\$0.00	0	0	\$0.00
6.	F	0	0	\$0.00	51,873	50,608	\$184,680.00	54,754	53,419	\$211,215.00
7.	G	310,000	302,439	\$1,075,750.00	299,670	292,361	\$1,100,647.65	310,000	302,439	\$1,170,200.00
8.	H	369,922	360,900	\$1,305,042.40	769,500	750,732	\$2,802,538.44	883,256	861,713	\$3,172,223.25
9.	I	0	0	\$0.00	0	0	\$0.00	188,279	183,687	\$720,145.00
10.	J	0	0	\$0.00	0	0	\$0.00	883,175	861,634	\$3,145,416.75
11.	K	359,197	350,436	\$1,247,520.00	346,963	328,403	\$1,277,856.69	0	0	\$0.00
12.	L	2,883	2,813	\$9,810.00	57,915	56,502	\$205,200.00	0	0	\$0.00
13.	M	434,000	423,415	\$1,508,220.00	420,000	409,756	\$1,542,030.00	434,000	423,415	\$1,640,450.00
14.	N	257,995	261,459	\$948,600.00	259,350	253,024	\$947,700.00	4,803	4,686	\$19,100.00
15.	O	316,849	309,121	\$1,074,833.10	7,665	7,498	\$26,960.00	133,524	130,267	\$500,775.00
16.	P	68,482	66,812	\$234,860.00	0	0	\$0.00	142,170	138,703	\$535,755.00
17.	Q	28,911	28,206	\$98,400.00	0	0	\$0.00	0	0	\$0.00
18.	R	0	0	\$2,170.00	0	0	\$0.00	0	0	\$0.00
19.	S	359,972	351,192	\$1,247,520.00	348,360	339,863	\$1,280,640.00	0	0	\$0.00
		<u>3,114,144</u>	<u>3,038,191</u>	<u>\$10,852,320.50</u>	<u>3,108,253</u>	<u>3,032,442</u>	<u>\$11,358,706.25</u>	<u>3,484,786</u>	<u>3,399,792</u>	<u>\$12,741,455.00</u>

NO-NOTICE SERVICE ("NNS") STORAGE:

1.	WITHDRAWALS	81,401	79,416	\$285,253.52	84,652	82,587	\$308,988.27	142,632	139,153	\$520,521.22
2.	INJECTIONS	(207,046)	(201,996)	(\$725,551.30)	(79,546)	(77,606)	(\$290,350.85)	(151,823)	(148,120)	(\$554,062.86)
3.	ADJUSTMENTS	(2,919)	(4,783)	(\$11,003.75)	4,283	2,178	\$15,008.92	640	700	\$2,336.06
4.	ADJUSTMENTS	0	0	\$572.70	0	0	\$289.10	0	0	\$12.44
5.	ADJUSTMENTS	0	0	\$0.00	0	0	\$0.00	0	0	\$0.00
6.	ADJUSTMENTS	0	0	(\$9,720.14)	0	0	\$764.19	0	0	\$2,507.09
	NET NUNS STORAGE	<u>(128,564)</u>	<u>(127,363)</u>	<u>(\$460,448.97)</u>	<u>9,389</u>	<u>7,159</u>	<u>\$34,698.63</u>	<u>(8,551)</u>	<u>(8,267)</u>	<u>(\$28,686.05)</u>

NATURAL GAS TRANSPORTERS:

1.	TEXAS GAS TRANSMISSION, LLC			\$141,017.92			\$150,476.80			\$169,009.40
2.	ADJUSTMENTS	0	50,976	(\$184.76)	0	51,300	\$270.40	0	40,217	\$40.24
3.	ADJUSTMENTS	0	0	\$0.00	0	0	\$0.00	0	0	\$0.00
	TOTAL	<u>2,985,580</u>	<u>2,961,804</u>	<u>\$140,833.16</u>	<u>3,117,642</u>	<u>3,090,901</u>	<u>\$150,747.20</u>	<u>3,476,235</u>	<u>3,431,742</u>	<u>\$169,049.64</u>

TOTAL COMMODITY AND VOLUMETRIC CHARGES

\$10,532,704.69 \$11,544,153.08 \$12,881,818.59

DEMAND AND FIXED CHARGES:

1.	TEXAS GAS TRANSMISSION, LLC			\$942,883.60			\$912,468.00			\$1,683,516.38
2.	ADJUSTMENTS			\$0.00			\$0.00			\$0.00
3.	SUPPLY RESERVATION CHARGES			\$139,009.58			\$137,011.32			\$274,718.86
4.	ADJUSTMENTS			\$0.00			\$0.00			\$0.00
5.	CAPACITY RELEASE CREDITS			\$0.00			\$0.00			\$0.00
6.	ADJUSTMENTS			\$0.00			\$0.00			\$0.00

TOTAL DEMAND AND FIXED CHARGES

\$1,081,893.18 \$1,049,479.32 \$1,958,235.24

TOTAL PURCHASED GAS COSTS – TEXAS GAS TRANSMISSION, LLC

\$11,614,597.87 \$12,593,632.40 \$14,840,053.83

LOUISVILLE GAS AND ELECTRIC COMPANY  
SUMMARY OF GAS PURCHASES AND COSTS BY SUPPLIER  
FOR THE 3 MONTH PERIOD FROM AUGUST 2013 THROUGH OCTOBER 2013

DELIVERED BY TENNESSEE GAS PIPELINE COMPANY, LLC

COMMODITY AND VOLUMETRIC CHARGES:

NATURAL GAS SUPPLIERS:

		AUGUST 2013			SEPTEMBER 2013			OCTOBER 2013		
		NET MMBTU	MCF	\$	NET MMBTU	MCF	\$	NET MMBTU	MCF	\$
1 .	T	310,000	300,971	\$1,067,223.36	300,000	291,262	\$1,063,534.80	310,000	300,971	\$1,083,104.66
2 .	U	0	0	\$0.00	0	0	\$0.00	0	0	\$0.00
3 .	V	310,000	300,971	\$1,055,235.54	300,000	291,262	\$1,086,973.54	310,000	300,971	\$1,139,918.73
		<u>620,000</u>	<u>601,942</u>	<u>\$2,122,458.90</u>	<u>600,000</u>	<u>582,524</u>	<u>\$2,149,508.34</u>	<u>620,000</u>	<u>601,942</u>	<u>\$2,223,023.39</u>

NATURAL GAS TRANSPORTERS:

1 .	TENNESSEE GAS PIPELINE COMPANY, LLC			\$12,090.00			\$11,700.00			\$11,718.00
2 .	TENNESSEE GAS PIPELINE COMPANY, LLC			\$11,780.00			\$11,400.00			\$11,780.00
3 .	ADJUSTMENTS	(205)	(9,209)	\$13.78	(218)	(5,611)	(\$45.99)	3	(6,610)	\$635.09
4 .	ADJUSTMENTS	0	0	\$0.00	0	0	\$0.00	0	0	\$0.00
5 .	ADJUSTMENTS	0	0	\$0.00	0	0	\$0.00	0	0	\$0.00
	TOTAL	<u>619,795</u>	<u>592,733</u>	<u>\$23,883.78</u>	<u>599,782</u>	<u>576,913</u>	<u>\$23,054.01</u>	<u>620,003</u>	<u>595,332</u>	<u>\$24,133.09</u>

TOTAL COMMODITY AND VOLUMETRIC CHARGES \$2,146,342.68 \$2,172,562.35 \$2,247,156.48

DEMAND AND FIXED CHARGES:

1 .	TENNESSEE GAS PIPELINE COMPANY, LLC			\$164,268.00			\$164,268.00			\$164,268.00
2 .	ADJUSTMENTS			\$0.00			\$0.00			\$0.00
3 .	SUPPLY RESERVATION CHARGES			\$0.00			\$0.00			\$0.00
4 .	ADJUSTMENTS			\$0.00			\$0.00			\$0.00
5 .	CAPACITY RELEASE CREDITS			\$0.00			\$0.00			\$0.00
6 .	ADJUSTMENTS			\$0.00			\$0.00			\$0.00

TOTAL DEMAND AND FIXED CHARGES \$164,268.00 \$164,268.00 \$164,268.00

TOTAL PURCHASED GAS COSTS – TENNESSEE GAS PIPELINE COMPANY, LLC \$2,310,610.68 \$2,336,830.35 \$2,411,424.48

OTHER PURCHASES

1 .	CASH-OUT OF CUSTOMER OVER-DELIVERIES	18,971		\$55,975.09	17,685		\$60,586.00	23,034		\$74,245.96
	TOTAL	<u>18,971</u>		<u>\$55,975.09</u>	<u>17,685</u>		<u>\$60,586.00</u>	<u>23,034</u>		<u>\$74,245.96</u>

TOTAL PURCHASED GAS COSTS – ALL PIPELINES 3,605,375 3,573,508 \$13,981,183.64 3,717,424 3,685,499 \$14,991,048.75 4,096,238 4,050,108 \$17,325,724.27

**LOUISVILLE GAS AND ELECTRIC COMPANY**

**Gas Supply Clause: 2013-00XXX**

**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 over-recovery that must be returned under the Gas Cost Balance Adjustment (GCBA) during the period of February 1, 2014 through April 30, 2014, set forth on Page 1 of Exhibit C-1, is \$15,574. The GCBA factor required to return this over-recovery is a refund of .015¢ per 100 cubic feet. LG&E will place this refund into effect with service rendered on and after February 1, 2014 and continue for three months.

In this filing, LG&E will also be eliminating the GCBA from Case 2013-00361, which, with service rendered through January 2014, 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 January 1, 2014.

**LOUISVILLE GAS AND ELECTRIC COMPANY**  
**Calculation of Quarterly Gas Cost Balance Adjustment**

Line No.	Factor	Remaining Balance
1	Remaining (Over)/Under Recovery From GCAA <sup>1</sup>	\$700
2	Remaining (Over)/Under Recovery From GCBA <sup>2</sup>	(\$16,274)
3	Remaining (Under)/Over Refund From RA <sup>3</sup>	\$0
4	Remaining (Over)/Under Recovery From PBRRC <sup>4</sup>	\$0
5	Total Remaining (Over)/Under Recovery	(\$15,574)
6	Expected Mcf Sales for 3 Month Period <sup>5</sup>	10,442,788
7	GCBA Factor Per Mcf	(\$0.0015)
8	GCBA Factor Per Ccf	(\$0.00015)

<sup>1</sup> See Exhibit C-1, page 2.

<sup>2</sup> See Exhibit C-1, page 3.

<sup>3</sup> See Exhibit D-1, page 2.

<sup>4</sup> See Exhibit E-1, page 2.

<sup>5</sup> See Exhibit A, page 1.

**LOUISVILLE GAS AND ELECTRIC COMPANY**  
**Calculation of Revenue Collected Under GCAA Factor**

From Case No. 2012-00125

Line No.	Recovery Period	Comments	Total Mcf Sales for Month	Sales Applicable to GCAA Recovery	GCAA/Mcf Factor	Amount of Recovery/(Return) per Month	Balance Remaining	
	(1)	(2)	(3)	(4)	(5)	(6)=(4)*(5)	(7)=(Bal)-(6)	
1						Beginning Balance	\$20,086	
2	Nov-12	Prorated	2,550,560	1,409,392	\$0.0006	\$846	\$19,240	
3	Dec-12		3,536,106	3,536,106	\$0.0006	\$2,122	\$17,118	
4	Jan-13		5,558,991	5,558,991	\$0.0006	\$3,335	\$13,783	
5	Feb-13		5,622,368	5,622,368	\$0.0006	\$3,373	\$10,410	
6	Mar-13		5,210,138	5,210,138	\$0.0006	\$3,126	\$7,284	
7	Apr-13		3,634,272	3,634,272	\$0.0006	\$2,181	\$5,103	
8	May-13		1,572,218	1,572,218	\$0.0006	\$943	\$4,160	
9	Jun-13		968,381	968,381	\$0.0006	\$581	\$3,579	
10	Jul-13		809,923	809,923	\$0.0006	\$486	\$3,093	
11	Aug-13		850,108	850,108	\$0.0006	\$510	\$2,583	
12	Sep-13		759,935	759,935	\$0.0006	\$456	\$2,127	
13	Oct-13		1,071,744	1,071,744	\$0.0006	\$643	\$1,484	
14	Nov-13	Prorated	2,424,351	1,306,454	\$0.0006	\$784	\$700	
15			Total Amount Recovered/(Returned) During Period				\$19,386	
16			Remaining Balance to Transfer to Exhibit C-1, Page 1 of 3				\$700	

LOUISVILLE GAS AND ELECTRIC COMPANY  
Revenue Collected Under the GCBA Factor

Case No. 2013-00253

Line No.	Recovery Period	Comments	Total Mcf Sales for Month	Sales Applicable to GCBA	GCBA/Mcf Factor	Recovery/(Refund) per Month	Balance Remaining
	(1)	(2)	(3)	(4)	(5)	(6)=(4)*(5)	(7)=(Bal)-(6)
1						Beginning Balance	\$481,799
2	Aug-2013	Prorated	850,108	374,371	\$0.1418	\$53,086	\$428,714
3	Sep-2013		759,935	759,935	\$0.1418	\$107,759	\$320,955
4	Oct-2013		1,071,744	1,071,744	\$0.1418	\$151,973	\$168,981
5	Nov-2013	Prorated	2,424,351	1,306,454	\$0.1418	\$185,255	(\$16,274)
6			Total Amount Refunded or Recovered			\$498,073	
7			Remaining Balance to Transfer to Exhibit C-1, Page 1 of 3			(\$16,274)	



LOUISVILLE GAS AND ELECTRIC COMPANY**Gas Supply Clause: 2013-00XXX**

As shown on Exhibit D-1, the Company received no refunds this quarter and does not expect any more from this particular FERC case.

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 February 1, 2014	(0.000) cents/Ccf
1st Previous Quarter Refund Factor:	
Effective November 1, 2013	(0.000) cents/Ccf
2nd Previous Quarter Refund Factor:	
Effective August 1, 2013	(0.000) cents/Ccf
3rd Previous Quarter Refund Factor:	
Effective May 1, 2013	(0.000) cents/Ccf
<b>Total Refund Factor (RF)</b>	<b>(0.000) cents/Ccf</b>

**LOUISVILLE GAS AND ELECTRIC COMPANY**  
**Calculation of Refund Factor**

Line No.	Effective Date	Case Number	Total Cash Refund Related to Demand	Plus Interest on Refundable Amount	Expected Refund Obligation Including Interest	Expected Mcf Sales for the 12-month Period	Refund Factor per Mcf (\$/Mcf)	Refund Factor per Ccf (cents/Ccf)
	(1)	(2)	(3)	(4)	(5) = (3) + (4)	(6)	(7) = (5) / (6)	(8)
1	Feb-2014	2013-00xxx	\$ -	\$ -	\$ -	30,753,663	\$ -	-
2	Nov-2013	2013-00361	\$ -	\$ -	\$ -	32,911,082	\$ -	-
3	Aug-2013	2013-00253	\$ -	\$ -	\$ -	31,558,041	\$ -	-
4	May-2013	2013-00126	\$ -	\$ -	\$ -	31,579,302	\$ -	-
5						Total Refund Factor	\$0.0000	

LOUISVILLE GAS AND ELECTRIC COMPANY  
Refund Returned Under RA Factor

Case No. 2012-00446

Line No.	Recovery Period (1)	Comments (2)	Mcf Sales for Sales Customers (3)	Mcf Sales for TS Customers (4)	RA/Mcf Factor (5)	Amount Refunded per Month (6)=(3+4)*(5)	Balance (7)=(Bal)-(6)
1						Beginning Balance	\$0.00
2	Nov-12	Prorated	1,409,392	30,642	\$0.0000	\$0	\$0
3	Dec-12		3,536,106	28,156	\$0.0000	\$0	\$0
4	Jan-13		5,558,991	28,327	\$0.0000	\$0	\$0
5	Feb-13		5,622,368	30,425	\$0.0000	\$0	\$0
6	Mar-13		5,210,138	26,704	\$0.0000	\$0	\$0
7	Apr-13		3,634,272	20,274	\$0.0000	\$0	\$0
8	May-13		1,572,218	13,268	\$0.0000	\$0	\$0
9	Jun-13		968,381	13,819	\$0.0000	\$0	\$0
10	Jul-13		809,923	10,912	\$0.0000	\$0	\$0
11	Aug-13		850,108	11,230	\$0.0000	\$0	\$0
12	Sep-13		759,935	14,413	\$0.0000	\$0	\$0
13	Oct-13		1,071,744	17,994	\$0.0000	\$0	\$0
14	Nov-13	Prorated	1,306,454	0	\$0.0000	\$0	\$0
					Amount Refunded	\$0	
15			Remaining Balance to Transfer to Exhibit C-1, Page 1 of 3			\$0	

**LOUISVILLE GAS AND ELECTRIC****Gas Supply Clause: 2013-00xxx  
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 remained in effect until January 31, 2011, after which time a new adjustment level was implemented. Therefore, as shown in the following table, the PBRRC amount which became effective with gas service rendered on and after February 1, 2014, and will remain in effect until January 31, 2015, is \$0.00503 and \$0.00407 per 100 cubic feet for sales and Rate TS volumes, respectively:

	<u>Sales Volumes</u>	<u>Transportation Volumes</u>
Commodity-Related Portion	\$0.00096/Ccf	\$0.00000/Ccf
Demand-Related Portion	<u>\$0.00407/Ccf</u>	<u>\$0.00407/Ccf</u>
Total PBRRC	\$0.00503/Ccf	\$0.00407/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**

Effective February 1, 2014 with Gas Supply Clause Case No. 2013-00xxx  
Shareholder Portion of PBR Savings

PBR Year 17

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

<u>Line No.</u>		<u>Commodity</u>	<u>Demand</u>	<u>Total</u>
1	Company Share of PBR Savings or (Expenses) (CSPBR)	\$295,690	\$1,252,426	\$1,548,116
2	Expected Mcf Sales for the 12 month period beginning February 1, 2014	30,657,793	30,753,663	
3	PBRRC factor per Mcf	\$0.0096	\$0.0407	
4	PBRRC factor per Ccf	\$0.00096	\$0.00407	

**LOUISVILLE GAS AND ELECTRIC COMPANY**  
Calculation of Revenue Collected Under PBR Factor

Case No. 2011-00523

Line No.	Performance Based Ratemaking Mechanism			Transporation Rider TS			Total		Balance
	Mcf Sales Applicable to PBR Recovery	PBRRC Factor	Total Collected/ (Returned)	MCF TS Transport	TS Transport Factor	Total Collected/ (Returned)	Recovery/ (Refund)		
	(1)	(2)	(3)=(1)*(2)	(4)	(5)	(6)=(4)*(5)	(7)=(3)+(6)	(8)=(Bal)-(7)	
1							Beginning Balance		\$3,376,270
2	Feb-12 Prorated	2,344,008	\$0.1066	\$249,871	3,728.3	\$0.0715	\$266.57	\$250,138	\$3,126,132
3	Mar-12	3,524,631	\$0.1066	\$375,726	5,635.0	\$0.0715	\$402.90	\$376,129	\$2,750,004
4	Apr-12	1,438,443	\$0.1066	\$153,338	6,414.0	\$0.0715	\$458.60	\$153,797	\$2,596,207
5	May-12	1,168,380	\$0.1066	\$124,549	7,543.0	\$0.0715	\$539.32	\$125,089	\$2,471,118
6	Jun-12	858,336	\$0.1066	\$91,499	9,776.1	\$0.0715	\$698.99	\$92,198	\$2,378,921
7	Jul-12	732,114	\$0.1066	\$78,043	12,614.0	\$0.0715	\$901.90	\$78,945	\$2,299,975
8	Aug-12	669,221	\$0.1066	\$71,339	8,379.0	\$0.0715	\$599.10	\$71,938	\$2,228,037
9	Sep-12	771,935	\$0.1066	\$82,288	13,206.0	\$0.0715	\$944.23	\$83,232	\$2,144,805
10	Oct-12	1,057,708	\$0.1066	\$112,752	15,878.5	\$0.0715	\$1,135.31	\$113,887	\$2,030,918
11	Nov-12	2,550,560	\$0.1066	\$271,890	30,641.6	\$0.0715	\$2,190.87	\$274,081	\$1,756,837
12	Dec-12	3,536,106	\$0.1066	\$376,949	28,155.6	\$0.0715	\$2,013.13	\$378,962	\$1,377,875
13	Jan-13	5,558,991	\$0.1066	\$592,588	28,327.0	\$0.0715	\$2,025.38	\$594,614	\$783,262
14	Feb-13 Prorated	3,070,092	\$0.1066	\$327,272	0.0	\$0.0715	\$0.00	\$327,272	\$455,990
		<u>27,280,525.0</u>		<u>\$2,908,104</u>	<u>170,298.1</u>		<u>\$12,176</u>	<u>\$2,920,280</u>	
15							Balance to be transferred to Exhibit C-1, Page 1 of 2	\$455,989.76	

**LOUISVILLE GAS AND ELECTRIC****Gas Supply Clause: 2013-00xxx  
Gas Cost True-Up Charge Applicable to Customers Served  
Under Rate FT and Rider TS-2**

The purpose of the Gas Cost True-Up is to collect or refund any under- or over-collected gas costs incurred by transportation customers in previous quarters. Pursuant to the Order dated December 20, 2012, in Case No. 2012-00222, the charge (or credit) applies only to those transportation customers that were previously Louisville Gas and Electric Company sales customers. These under- or over-collected amounts (in the form of the GCAA, GCBA, and PBRRC) that transferring customers would have paid as sales customers will be applied for eighteen months. Therefore, as shown in the following table, the charge (or credit) which will be effective for any customers transferring from an LG&E sales rate to one of its transportation rates effective November 1, 2012 and November 1, 2013 is respectively:

<u>With Service Elected Effective</u>	<u>GCAA</u>	<u>GCBA</u>	<u>PBRRC</u>	<u>Total</u>
November 1, 2012	\$0.0000/Mcf	\$(0.0015)/Mcf	\$0.0000/Mcf	\$(0.0015)/Mcf
November 1, 2013	\$0.2159/Mcf	\$(0.0015)/Mcf	\$0.0503/Mcf	\$0.2647/Mcf

**LOUISVILLE GAS AND ELECTRIC COMPANY**

Gas Supply Clause 2013-00xxx  
Gas Cost True-Up Charge Applicable to Customers  
Served Under Rate FT and Rider TS-2

Line No.	With Service Elected Effective (1)	GCAA/Mcf (2)	GCBA/Mcf (3)	PBRRC/Mcf (4)	Total/Mcf (2)+(3)+(4)
1	November 1, 2012	\$0.0000	(\$0.0015)	\$0.0000	(\$0.0015)
2	November 1, 2013	\$0.2159	(\$0.0015)	\$0.0503	\$0.2647



LOUISVILLE GAS AND ELECTRIC COMPANY

**GAS SERVICE RATES EFFECTIVE WITH SERVICE  
RENDERED FROM  
February 1, 2014 through April 30, 2014**

	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	\$13.50				
ALL CCF		\$0.26419	\$0.51891	0.02140	\$0.80450
RATE CGS - COMMERCIAL (meter capacity < 5000 CF/HR)					
BASIC SERVICE CHARGE	\$35.00				
APRIL THRU OCTOBER					
FIRST 1000 CCF/MONTH		\$0.20999	\$0.51891	0.00098	\$0.72988
OVER 1000 CCF/MONTH		\$0.15999	\$0.51891	0.00098	\$0.67988
NOVEMBER THRU MARCH					
ALL CCF		\$0.20999	\$0.51891	0.00098	\$0.72988
RATE CGS - COMMERCIAL (meter capacity >= 5000 CF/HR)					
BASIC SERVICE CHARGE	\$175.00				
APRIL THRU OCTOBER					
FIRST 1000 CCF/MONTH		\$0.20999	\$0.51891	0.00098	\$0.72988
OVER 1000 CCF/MONTH		\$0.15999	\$0.51891	0.00098	\$0.67988
NOVEMBER THRU MARCH					
ALL CCF		\$0.20999	\$0.51891	0.00098	\$0.72988
RATE IGS - INDUSTRIAL (meter capacity < 5000 CF/HR)					
BASIC SERVICE CHARGE	\$35.00				
APRIL THRU OCTOBER					
FIRST 1000 CCF/MONTH		\$0.21452	\$0.51891	0.00000	\$0.73343
OVER 1000 CCF/MONTH		\$0.16452	\$0.51891	0.00000	\$0.68343
NOVEMBER THRU MARCH					
ALL CCF		\$0.21452	\$0.51891	0.00000	\$0.73343
RATE IGS - INDUSTRIAL (meter capacity >= 5000 CF/HR)					
BASIC SERVICE CHARGE	\$175.00				
APRIL THRU OCTOBER					
FIRST 1000 CCF/MONTH		\$0.21452	\$0.51891	0.00000	\$0.73343
OVER 1000 CCF/MONTH		\$0.16452	\$0.51891	0.00000	\$0.68343
NOVEMBER THRU MARCH					
ALL CCF		\$0.21452	\$0.51891	0.00000	\$0.73343
Rate AAGS	\$275.00	\$0.60860	\$0.51891	0.00098	\$1.12849
	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	\$35.00				
ALL CCF		\$0.03095	\$0.51891	\$ 1.14020	\$1.69006
RATE DGGS - COMMERCIAL & INDUSTRIAL (meter capacity >= 5000 CF/HR)					
BASIC SERVICE CHARGE	\$175.00				
ALL CCF		\$0.03095	\$0.51891	\$ 1.14020	\$1.69006

EFFECTIVE RATES FOR RATE TS-2 TRANSPORTATION SERVICE

GAS SERVICE RATES EFFECTIVE WITH SERVICE  
RENDERED FROM  
February 1, 2014 through April 30, 2014

	<u>RATE PER MCF</u>				
	<u>ADMIN. CHARGE (PER MONTH)</u>	<u>LG&amp;E DIST CHARGE</u>	<u>PIPELINE SUPPLIER'S DEMAND COMPONENT</u>	<u>DSM COST RECOVERY COMPONENT</u>	<u>TOTAL</u>
<b>RATE TS-2</b>					
RATE CGS - COMMERCIAL	\$400.00				
APRIL THRU OCTOBER					
FIRST 100 MCF/MONTH		\$2.0999	\$0.8019	0.0098	\$2.9116
OVER 100 MCF/MONTH		\$1.5999	\$0.8019	0.0098	\$2.4116
NOVEMBER THRU MARCH					
ALL MCF		\$2.0999	\$0.8019	0.0098	\$2.9116
RATE IGS - INDUSTRIAL	\$400.00				
APRIL THRU OCTOBER					
FIRST 100 MCF/MONTH		\$2.1452	\$0.8019	0.0000	\$2.9471
OVER 100 MCF/MONTH		\$1.6452	\$0.8019	0.0000	\$2.4471
NOVEMBER THRU MARCH					
ALL MCF		\$2.1452	\$0.8019	0.0000	\$2.9471
Rate AAGS	\$400.00	\$0.6086	\$0.8019	0.0098	\$1.4203

L G & E

Charges for Gas Transportation Services Provided Under Rate FT

February 1, 2014 through April 30, 2014

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Transportation Service:

Monthly Transportation Administrative Charge	\$400.00
Distribution Charge / Mcf Delivered	\$0.4300

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Ancillary Services:

Daily Demand Charge	\$0.1520
Daily Storage Charge	<u>\$0.1833</u>
Utilization Charge per Mcf for Daily Balancing	\$0.3353

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

Where Usage is Greater than Transported Volume - Billing:

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

Where Transported Volume is Greater than Usage - Purchase:

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

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

L G & E

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

February 1, 2014 through April 30, 2014

Transportation Service:

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

Ancillary Services:

Daily Demand Charge	\$0.1520
Daily Storage Charge	<u>\$0.1833</u>
Utilization Charge per Mcf for Daily Balancing	\$0.3353

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

Where Usage is Greater than Transported Volume - Billing:

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

Where Transported Volume is Greater than Usage - Purchase:

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

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



COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

**RECEIVED**

DEC 30 2013

PUBLIC SERVICE  
COMMISSION

In the Matter of

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

CASE NO. 2013-00486

**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 13, 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. 9), a statement setting forth the summary of the total purchased gas costs for the period of August 2013 through October 2013 (“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 13(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 similar 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. For this reason and because LG&E's contracts with supplier require that the information be kept confidential, LG&E respectfully requests that the confidential material should be treated as confidential for an indefinite period of time.

**WHEREFORE**, Louisville Gas and Electric Company respectfully requests that the Commission classify and protect as confidential for an indefinite period of time 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 August 2013 through October 2013 and that is included in the three month filing made concurrently herewith pursuant to LG&E's Gas Supply Clause.

Respectfully submitted,



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J. Greg Cornett  
Associate General Counsel  
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 \_\_\_\_ of December, 2013, to the Office of the Attorney General, Office for Rate Intervention, 1024 Capital Center Drive, Frankfort, Kentucky 40601-8204.



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Counsel for Louisville Gas and Electric Company