

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

REVISED GAS LINE TRACKER FILING OF	)	CASE NO.
LOUISVILLE GAS AND ELECTRIC COMPANY	)	2014-00070

ORDER

On February 28, 2014, Louisville Gas and Electric Company ("LG&E") submitted a tariff filing, a copy of which is attached hereto as the Appendix, requesting to revise rates for its Gas Line Tracker Adjustment Clause ("GLT"). The Commission's Order in Case No. 2012-00222<sup>1</sup> approved the GLT program and associated rates. LG&E's current GLT rates were approved in Case No. 2013-00394.<sup>2</sup> The February 28, 2014 filing proposes revised rate effective April 1, 2014.

Having reviewed the tariff filing and being otherwise sufficiently advised, the Commission finds that an investigation is necessary to determine the reasonableness of LG&E's proposed rates, and that such investigation cannot be concluded by April 1, 2014. Therefore, pursuant to KRS 278.190(2), the Commission will suspend the effective date of the proposed tariff for up to five months. The Commission will use its best efforts to expedite the review of the revised GLT rates.

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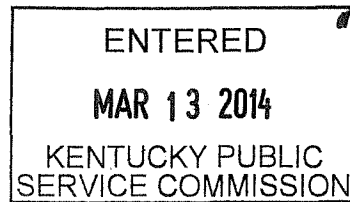
<sup>1</sup> Case No. 2012-00222, *Application of Louisville Gas and Electric Company for an Adjustment of its Electric and Gas Rates, a Certificate of Public Convenience and Necessity, Approval of Ownership of Gas Service Line and Risers, and a Gas Line Surcharge* (Ky. PSC Dec. 20, 2012).

<sup>2</sup> Case No. 2013-00394, *Revised Gas Line Tracker Filing of Louisville Gas and Electric Company* (Ky. PSC Dec. 13, 2013).

IT IS THEREFORE ORDERED that:

1. LG&E's proposed tariff is suspended for five months, up to and including August 31, 2014.
2. Nothing shall prevent the Commission from issuing further Orders prior to the end of the suspension period.

By the Commission



ATTEST:

  
Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2014-00070 DATED **MAR 13 2014**



a PPL company

Jeff DeRouen, Executive Director  
Public Service Commission of Kentucky  
211 Sower Boulevard  
Frankfort, Kentucky 40602

February 28, 2014

**RE: *Louisville Gas and Electric Company -  
Gas Line Tracker True-up for 2013***

Dear Mr. DeRouen:

Louisville Gas and Electric Company ("LG&E" or the "Company") files herewith revised sheets of its Tariff P.S.C. Gas No. 9, Second Revision of Original Sheet No. 84 setting forth Gas Line Tracker ("GLT") charges as presented below.

RGS - Residential Gas Service	\$ 1.08
VFD - Volunteer Fire Department Service	\$ 1.08
CGS - Commercial Gas Service	\$ 4.83
IGS - Industrial Gas Service	\$ 42.69
AAGS - As-Available Gas Service	\$ 235.45
DGGS - Distributed Generation Gas Service	\$ 0.0

LG&E is making revisions to reflect the balancing adjustment to true up the actual costs for the period ending December 31, 2013 to become effective with LG&E's first billing cycle for April, 2014. The Company had previously indicated in data responses that the filing schedule would be similar to the Demand Side Management ("DSM") filing and the true up filing would be April 1, 2014 with new charges to become effective June 1, 2014. However, the DSM Balance Adjustment Component filing is submitted in late February to become effective with LG&E's first billing cycle for April. Therefore, LG&E is submitting the GLT filing at this time to be consistent with the Company's

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Jeff DeRouen, Executive Director  
Public Service Commission of Kentucky  
February 28, 2014

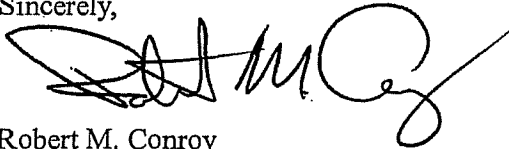
DSM filing. The earlier filing schedule is a benefit to customers since the true up is reducing GLT rates significantly.

The true up of actual costs for the period ending December 31, 2013 reflects the modification of the GLT rate base calculated on the basis of a 13-month average, rather than on an end-of-year value. In addition, as indicated in Response to Question No. 1 in Case No. 2013-00394, actual O&M expense was lower due to no activity associated with the Accelerated Customer Riser Replacement Program. The rate base modification and lower actual O&M expense primarily contributed to the significant GLT over recovery.

Supporting documentation for the proposed GLT charges is also filed herewith.

We respectfully request your acceptance of this filing for implementation with the first billing cycle for April, 2014.

Sincerely,

A handwritten signature in black ink, appearing to read 'R. M. Conroy', written over a horizontal line.

Robert M. Conroy

Enclosures

# Louisville Gas and Electric Company

P.S.C. Gas No. 9, Second Revision of Original Sheet No. 84  
Canceling P.S.C. Gas No. 9, First Revision of Original Sheet No. 84

Adjustment Clause

## GLT Gas Line Tracker

### APPLICABLE

Applicable to all customers receiving service under the Company's Rate Schedules RGS, VFD, CGS, IGS, AAGS, and DGGGS.

### CALCULATION OF THE GAS LINE TRACKER REVENUE REQUIREMENT

The GLT Revenue Requirement includes the following:

- GLT related Plant In-Service not included in base gas rates minus the associated GLT related accumulated depreciation and accumulated deferred income taxes;
- Retirement and removal of plant related to GLT construction;
- The rate of return on the net rate base is the overall rate of return on capital authorized in the Company's latest base gas rate case, grossed up for federal and state income taxes;
- Depreciation expense on the GLT-related Plant In-Service less retirement and removals; and
- Incremental Operation and Maintenance

### GLT PROGRAM FACTORS

All customers receiving service under rate schedules RGS, VFD, CGS, IGS, AAGS, and DGGGS shall be assessed an adjustment to their applicable rate schedule that will enable the Company to recover the costs associated with the GLT program. After the Company replaces a gas service riser or a gas service line under this program, it will assume ownership and responsibility for the plant and equipment. The allocation of the program cost to customers will be in proportion to their relative base revenue share approved in Case No. 2012-00222.

A filing to update the projected program costs will be submitted annually at least two (2) months prior to the beginning of the effective period. The filing will reflect the anticipated impact on the Company's revenue requirements of net plant additions expected during the upcoming year. After the completion of a plan year, the Company will submit a balancing adjustment to true up the actual costs with the projected program costs for the preceding year. Such adjustment to the GLT will become effective with the first billing cycle on or after the effective date of such change.

### GLT RATES

The charges for the respective gas service schedules for the first billing cycle of April 2014 are:

RGS – Residential Gas Service	\$ 1.08	T
VFD – Volunteer Fire Department Service	\$ 1.08	R
CGS – Commercial Gas Service	\$ 4.83	R
IGS – Industrial Gas Service	\$ 42.69	R
AAGS – As-Available Gas Service	\$ 235.45	R
DGGGS – Distributed Generation Gas Service	\$ 0.00	R

DATE OF ISSUE: February 28, 2014

DATE EFFECTIVE: With Service Rendered On and  
After April 1, 2014

ISSUED BY: /s/ Edwin R. Staton, Vice President  
State Regulation and Rates  
Louisville, Kentucky

**LOUISVILLE GAS & ELECTRIC COMPANY**

**Supporting Calculations for the**

**GLT Adjustment Clause  
True-up of the Actual Costs**

**GAS SERVICE**

**Twelve-Month Period Beginning January 1, 2013  
and Ending December 31, 2013**

**LOUISVILLE GAS AND ELECTRIC COMPANY  
ANNUAL ADJUSTMENT TO THE GAS LINE TRACKER  
CLASS ALLOCATION AND BILL IMPACT**

Line No.	Rate Schedule	Total Current Revenue for YE 3/31/12 in Case No. 2012-00222	Allocation Percent	Revenue Requirement	Number of Bills	Current Year 2014 Monthly Rate Per Bill	Year 2013 Over-Recovery True up Monthly Rate Per Bill	Revised Monthly Rate Per Bill Reflecting True up
<b>2014</b>								
1	Residential Gas Service - Rate RGS	\$157,968,420	69.65%	\$8,196,076	3,492,362	\$2.35	(\$1.27)	\$1.08
2	Commercial Gas Service - Rate CGS	\$62,664,972	27.63%	\$3,251,326	308,576	\$10.54	(\$5.71)	\$4.83
3	Industrial Gas Service - Rate IGS	\$4,668,469	2.06%	\$242,220	2,599	\$93.20	(\$50.50)	\$42.69
4	As-Available Gas Service - Rate AAGS	\$1,505,655	0.66%	\$78,120	152	\$513.95	(\$278.50)	\$235.45
5	Distributed Generation Gas Service - Rate DGGS	\$0	0.00%	\$0.00	-	\$0.00	\$0.00	\$0.00
6	<b>Total</b>	<u>\$226,807,515</u>	<u>100.00%</u>	<u>\$ 11,767,741</u>	<u>3,803,689</u>			
Note: Rate Schedule VFD is included in Rate RGS								
<b>2013 - (Over)/Under recovery</b>								
1	Residential Gas Service - Rate RGS	\$157,968,420	69.65%	(\$4,441,344)	3,492,362		(\$1.27)	
2	Commercial Gas Service - Rate CGS	\$62,664,972	27.63%	(\$1,761,850)	308,576		(\$5.71)	
3	Industrial Gas Service - Rate IGS	\$4,668,469	2.06%	(\$131,256)	2,599		(\$50.50)	
4	As-Available Gas Service - Rate AAGS	\$1,505,655	0.66%	(\$42,332)	152		(\$278.50)	
5	Distributed Generation Gas Service - Rate DGGS	\$0	0.00%	\$0.00	-		\$0.00	
6	<b>Total</b>	<u>\$226,807,515</u>	<u>100.00%</u>	<u>\$ (6,376,782)</u>	<u>3,803,689</u>			

Note: Rate Schedule VFD is included in Rate RGS





**GLT (Over)/Under Recovery Calculation  
As of December 2013**

Expense Month	(A)	(B)	(C)
	Revenue Requirement	Billed GLT Revenues	Total (Over)/Under Collection  A - B
<b>SUMMARY:</b>			
TOTAL (Over)/Under Collection			<b>\$ (6,376,782.32)</b>
<b>MONTHLY DETAIL:</b>			
Jan-2013	\$ 347,956.15	\$ 442,006.43	\$ (94,050.28)
Feb-2013	\$ 222,761.61	\$ 971,918.25	\$ (749,156.64)
Mar-2013	\$ 371,991.60	\$ 971,192.21	\$ (599,200.61)
Apr-2013	\$ 153,733.90	\$ 977,936.59	\$ (824,202.69)
May-2013	\$ 337,374.91	\$ 972,357.35	\$ (634,982.44)
Jun-2013	\$ 344,920.25	\$ 967,142.37	\$ (622,222.12)
Jul-2013	\$ 400,286.57	\$ 964,731.89	\$ (564,445.32)
Aug-2013	\$ 392,165.50	\$ 964,058.08	\$ (571,892.58)
Sep-2013	\$ 476,308.31	\$ 959,875.17	\$ (483,566.86)
Oct-2013	\$ 528,884.15	\$ 965,298.71	\$ (436,414.56)
Nov-2013	\$ 462,770.56	\$ 962,828.76	\$ (500,058.18)
Dec-2013	\$ 675,955.85	\$ 972,545.89	\$ (296,590.04)
<b>TOTAL for Year, 01/13 - 12/13</b>	<b>\$ 4,715,109.38</b>	<b>\$ 11,091,891.70</b>	<b>\$ (6,376,782.32)</b>



**GLT Calculation of Revenue Requirement  
As of December 2013**

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
Expense Month	End of Month Net Assets on which to Recover	YTD Average Net GLT Assets	YTD Average Net Assets Applied to Year	YTD Average Net Assets Applied to Year / 12	Rate of Return	Return on Net Assets	Operating Expenses (OE)	Revenue Requirement
				C / 12		D x E		F + G
<b>MONTHLY DETAIL:</b>								
Dec-2012	\$ 14,566,622.56	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Start of Period Rate Base, 12/12								
Jan-2013	\$ 15,383,912.97	\$ 14,975,267.77	\$ 29,294,976.76	\$ 2,441,248.06	11.01%	\$ 268,781.41	\$ 79,174.74	\$ 347,956.15
Feb-2013	\$ 17,142,056.70	\$ 15,697,530.74	\$ 29,294,976.76	\$ 2,441,248.06	11.01%	\$ 268,781.41	\$ (46,019.80)	\$ 222,761.61
Mar-2013	\$ 18,538,933.76	\$ 16,407,881.50	\$ 29,294,976.76	\$ 2,441,248.06	11.01%	\$ 268,781.41	\$ 103,210.19	\$ 371,991.60
Apr-2013	\$ 21,759,018.84	\$ 17,478,108.97	\$ 29,294,976.76	\$ 2,441,248.06	11.01%	\$ 268,781.41	\$ (115,047.51)	\$ 153,733.90
May-2013	\$ 25,014,012.05	\$ 18,734,092.81	\$ 29,294,976.76	\$ 2,441,248.06	11.01%	\$ 268,781.41	\$ 68,593.50	\$ 337,374.91
Jun-2013	\$ 27,379,864.10	\$ 19,969,203.00	\$ 29,294,976.76	\$ 2,441,248.06	11.01%	\$ 268,781.41	\$ 76,138.84	\$ 344,920.25
Jul-2013	\$ 31,215,547.26	\$ 21,374,996.03	\$ 29,294,976.76	\$ 2,441,248.06	11.01%	\$ 268,781.41	\$ 131,505.16	\$ 400,286.57
Aug-2013	\$ 35,558,349.82	\$ 22,950,924.23	\$ 29,294,976.76	\$ 2,441,248.06	11.01%	\$ 268,781.41	\$ 123,384.09	\$ 392,165.50
Sep-2013	\$ 38,288,354.43	\$ 24,484,667.25	\$ 29,294,976.76	\$ 2,441,248.06	11.01%	\$ 268,781.41	\$ 207,526.90	\$ 476,308.31
Oct-2013	\$ 42,620,326.70	\$ 26,133,363.56	\$ 29,294,976.76	\$ 2,441,248.06	11.01%	\$ 268,781.41	\$ 260,102.74	\$ 528,884.15
Nov-2013	\$ 44,969,541.50	\$ 27,703,045.06	\$ 29,294,976.76	\$ 2,441,248.06	11.01%	\$ 268,781.41	\$ 193,989.17	\$ 462,770.58
Dec-2013	\$ 48,398,157.16	\$ 29,294,976.76	\$ 29,294,976.76	\$ 2,441,248.06	11.01%	\$ 268,781.41	\$ 407,174.44	\$ 675,955.85
<b>TOTAL for Year, 01/13 - 12/13</b>						<b>\$ 3,225,376.92</b>	<b>\$ 1,489,732.46</b>	<b>\$ 4,715,109.38</b>



**GLT Calculation of Net Assets  
As of December 2013**

Expense Month	(A) End of Month Rate Base (Gross) (RB)	(B) End of Month Acc. Depreciation (AD)	(C) End of Month Cost of Removal (CoR)	(D) End of Month Deferred Tax on GLT RB & CoR	(E) End of Month Retirements from Base Rates	(F) End of Month Acc. Depreciation on Retirements	(G) End of Month Deferred Tax on Retirements	(H) End of Month Net Assets on which to Recover  A+B+C+D-E-F-G
<b>MONTHLY DETAIL:</b>								
Dec-2012	\$ 15,355,903.00	\$ (74,306.50)	\$ 549,445.44	\$ (1,264,419.38)	\$ 0.00	\$ 0.00	\$ 0.00	\$ 14,566,622.56
Start of Period Rate Base, 12/12								
Jan-2013	\$ 16,266,015.19	\$ (90,061.06)	\$ 562,993.46	\$ (1,355,034.62)	\$ 0.00	\$ 0.00	\$ 0.00	\$ 15,383,912.97
Feb-2013	\$ 18,141,793.66	\$ (123,394.65)	\$ 593,604.97	\$ (1,469,947.28)	\$ 0.00	\$ 0.00	\$ 0.00	\$ 17,142,056.70
Mar-2013	\$ 19,685,215.71	\$ (160,197.09)	\$ 671,359.75	\$ (1,657,444.61)	\$ 0.00	\$ 0.00	\$ 0.00	\$ 18,538,933.76
Apr-2013	\$ 23,148,314.72	\$ (201,627.21)	\$ 757,994.64	\$ (1,945,663.31)	\$ 0.00	\$ 0.00	\$ 0.00	\$ 21,759,018.84
May-2013	\$ 26,798,988.34	\$ (250,691.03)	\$ 806,659.83	\$ (2,340,945.09)	\$ 0.00	\$ 0.00	\$ 0.00	\$ 25,014,012.05
Jun-2013	\$ 29,634,770.50	\$ (308,196.38)	\$ 837,901.10	\$ (2,784,611.12)	\$ 0.00	\$ 0.00	\$ 0.00	\$ 27,379,864.10
Jul-2013	\$ 34,231,314.77	\$ (375,127.24)	\$ 956,524.42	\$ (3,597,164.69)	\$ 0.00	\$ 0.00	\$ 0.00	\$ 31,215,547.26
Aug-2013	\$ 39,503,462.95	\$ (454,031.89)	\$ 1,008,389.76	\$ (4,499,471.00)	\$ 0.00	\$ 0.00	\$ 0.00	\$ 35,558,349.82
Sep-2013	\$ 43,229,342.95	\$ (544,594.73)	\$ 1,073,931.06	\$ (5,470,324.85)	\$ 0.00	\$ 0.00	\$ 0.00	\$ 38,288,354.43
Oct-2013	\$ 48,512,916.03	\$ (647,361.43)	\$ 1,121,907.02	\$ (6,367,134.92)	\$ 0.00	\$ 0.00	\$ 0.00	\$ 42,620,326.70
Nov-2013	\$ 54,224,127.03	\$ (774,031.32)	\$ 633,285.64	\$ (7,356,396.27)	\$ 3,375,560.49	\$ (1,409,434.54)	\$ (208,682.37)	\$ 44,969,541.50
Dec-2013	\$ 59,042,438.20	\$ (923,186.66)	\$ 729,383.37	\$ (8,693,034.17)	\$ 3,375,560.49	\$ (1,409,434.54)	\$ (208,682.37)	\$ 48,398,157.16



**GLT Calculation of Operating Expenses  
As of December 2013**

Expense Month	(A)	(B)	(C)	(D)
	Incremental O&M Expense	Depreciation Expense	Depreciation Savings from Retirements	Operating Expenses (OE)  A+B+C
<b>MONTHLY DETAIL:</b>				
Jan-2013	\$ 63,420.18	\$ 15,754.56	\$ 0.00	\$ 79,174.74
Feb-2013	\$ (79,353.39)	\$ 33,333.59	\$ 0.00	\$ (46,019.80)
Mar-2013	\$ 66,407.75	\$ 36,802.44	\$ 0.00	\$ 103,210.19
Apr-2013	\$ (156,477.63)	\$ 41,430.12	\$ 0.00	\$ (115,047.51)
May-2013	\$ 19,529.68	\$ 49,063.82	\$ 0.00	\$ 68,593.50
Jun-2013	\$ 18,633.49	\$ 57,505.35	\$ 0.00	\$ 76,138.84
Jul-2013	\$ 64,574.30	\$ 66,930.86	\$ 0.00	\$ 131,505.16
Aug-2013	\$ 44,479.44	\$ 78,904.65	\$ 0.00	\$ 123,384.09
Sep-2013	\$ 116,964.06	\$ 90,562.84	\$ 0.00	\$ 207,526.90
Oct-2013	\$ 157,336.04	\$ 102,766.70	\$ 0.00	\$ 260,102.74
Nov-2013	\$ 72,649.85	\$ 126,689.89	\$ (5,330.57)	\$ 193,989.17
Dec-2013	\$ 268,680.25	\$ 149,155.34	\$ (10,661.15)	\$ 407,174.44
<b>TOTAL for Year, 01/13 - 12/13</b>	<b>\$ 656,844.02</b>	<b>\$ 848,880.16</b>	<b>\$ (15,991.72)</b>	<b>\$ 1,489,732.46</b>

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