



a PPL company

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

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PUBLIC SERVICE  
COMMISSION

December 30, 2014

Louisville Gas and  
Electric Company  
State Regulation and Rates  
220 West Main Street  
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Louisville, Kentucky 40232  
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Director - Rates  
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Re: *Louisville Gas and Electric Company -  
Gas Supply Clause Effective February 1, 2015*

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 Ninth Revision of Original Sheet No. 85 of LG&E Tariff PSC Gas No. 9 setting forth a Gas Supply Cost Component of 49.951 cents per 100 cubic feet applicable to all gas sold during the period of February 1, 2015 through April 30, 2015. 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, 2015 through April 30, 2015.

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, 2015 through April 30, 2015. 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, 2014. These adjustment levels will remain in effect from February 1, 2015 through April 30, 2015.

Jeff DeRouen, Executive Director  
Public Service Commission of Kentucky  
December 30, 2014

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,

Handwritten signature of Robert M. Conroy / CAF in cursive script.

Robert M. Conroy

Enclosures



**LOUISVILLE GAS AND ELECTRIC COMPANY**

**Supporting Calculations For The  
Gas Supply Clause**

**2014-00xxx**

**For the Period  
February 1, 2015 through April 30, 2015**

**LOUISVILLE GAS AND ELECTRIC COMPANY**

Derivation of Gas Supply Component Applicable to  
Service Rendered On and After February 1, 2015

2014-00xxx

Gas Supply Cost - See Exhibit A for Detail				
Line No.	Description		Unit	Amount
1	Total Expected Gas Supply Cost		\$	52,115,549
2	Total Expected Customer Deliveries: February 1, 2015 through April 30, 2015		Mcf	11,520,964
3	Gas Supply Cost Per Mcf		\$/Mcf	4.5235
4	Gas Supply Cost Per 100 Cubic Feet		¢/Ccf	45.235
Gas Cost Actual Adjustment (GCAA) - See Exhibit B for Detail				
	Description	pp	Unit	Amount
5	Current Quarter Actual Adjustment	Eff. February 1, 2015	2014-00217	¢/Ccf (2.297)
6	Previous Quarter Actual Adjustment	Eff. November 1, 2014	2014-00115	¢/Ccf (0.176)
7	2nd Previous Qrt. Actual Adjustment	Eff. August 1, 2014	2013-00486	¢/Ccf 3.672
8	3rd Previous Qrt. Actual Adjustment	Eff. May 1, 2014	2013-00361	¢/Ccf 2.942
9	Total Gas Cost Actual Adjustment (GCAA)		¢/Ccf	4.141
Gas Cost Balance Adjustment (GCBA) - See Exhibit C for Detail				
	Description		Unit	Amount
10	Balance Adjustment Amount		\$	141,210
11	Total Expected Customer Deliveries: February 1, 2015 through April 30, 2015		Mcf	11,520,964
12	Gas Cost Balance Adjustment (GCBA) Per Mcf		\$/Mcf	0.0123
13	Gas Cost Balance Adjustment (GCBA) Per 100 Cubic Feet		¢/Ccf	0.123
Refund Factors (RF) - See Exhibit D for Detail				
	Description		Unit	Amount
14	Refund Factor Effective			
15	Current Quarter Refund Factor	Eff. February 1, 2015	¢/Ccf	0.000
16	1st Previous Quarter Refund Factor	Eff. November 1, 2014	¢/Ccf	0.000
17	2nd Previous Quarter Refund Factor	Eff. August 1, 2014	¢/Ccf	0.000
18	3rd Previous Quarter Refund Factor	Eff. May 1, 2014	¢/Ccf	0.000
19	Total Refund Factors Per 100 Cubic Feet		¢/Ccf	0.000
Performance-Based Rate Recovery Component (PBRRC) - See Exhibit E for Detail				
	Description		Unit	Amount
20	Performance-Based Rate Recovery Component (PBRRC)		¢/Ccf	0.452
21	Total of PBRRC Factors Per 100 Cubic Feet		¢/Ccf	0.452
Gas Supply Cost Component (GSCC) Effective February 1, 2015				
	Description		Unit	Amount
22	Gas Supply Cost		¢/Ccf	45.235
23	Gas Cost Actual Adjustment (GCAA)		¢/Ccf	4.141
24	Gas Cost Balance Adjustment (GCBA)		¢/Ccf	0.123
25	Refund Factors (RF)		¢/Ccf	0.000
26	Performance-Based Rate Recovery Component (PBRRC)		¢/Ccf	0.452
27	Total Gas Supply Cost Component (GSCC)		¢/Ccf	49.951

LOUISVILLE GAS AND ELECTRIC COMPANY  
Calculation of Gas Supply Costs  
For the Three-Month Period From February 1, 2015 thru April 30, 2015

Line No.	MMBtu	Feb-2015	Mar-2015	Apr-2015	Total
1	Expected Gas Supply Transported Under Texas' No-Notice Service (Forward Haul)	1,932,363	968,623	1,189,756	4,090,742
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	0	590,000
4	Expected Gas Supply Transported Under Texas' Rate FT (Back Haul)	0	0	300,000	300,000
5	Expected Gas Supply Transported Under Texas' Rate STF (Forward Haul)	0	0	0	0
6	Expected Gas Supply Transported Under Texas' Rate STF (Back Haul)	0	0	498,000	498,000
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	2,772,363	1,898,623	1,987,756	6,658,742
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	500,098	500,098
11	Expected Monthly Deliveries from TGT/TGPL to LG&E (excluding transportation volumes under LG&E Rider TS/TS-2)	2,863,281	1,944,133	1,487,658	6,295,072
<b>Mcf</b>					
12	Total Purchases in Mcf	2,704,744	1,852,315	1,939,274	
13	Plus: Withdrawals from Texas Gas' NNS Storage Service	88,700	44,400	0	
14	Less: Injections Texas Gas' NNS Storage Service	0	0	487,900	
15	Expected Monthly Deliveries from TGT/TGPL to LG&E (excluding transportation volumes under LG&E Rate TS/TS-2)	2,793,444	1,896,715	1,451,374	
16	Plus: Customer Transportation Volumes Under Rider TS/TS-2	25,942	20,111	9,243	
17	Total Expected Monthly Deliveries from TGT/TGPL to LG&E (Line 15 + Line 16)	2,819,386	1,916,826	1,460,617	
18	Less: Purchases for Depts. Other Than Gas Dept.	2,645	1,128	430	
19	Less: Purchases Injected into LG&E's Underground Storage	0	0	0	
20	Mcf Purchases Expensed during Month (Line 15 + Line 18 + Line 19)	2,790,799	1,895,587	1,450,944	6,137,330
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	2,941,034	2,177,383	773,060	5,891,477
25	Less: Storage Losses	38,966	32,617	26,940	98,523
26	LG&E's Storage Inventory - End of Month	5,360,001	3,150,001	2,350,001	
27	Mcf of Gas Supply Expensed during Month (Line 20 + Line 24 + Line 25)	5,770,799	4,105,587	2,250,944	12,127,330
<b>Cost</b>					
28	Total Demand Cost Including Transportation (Line 17 x Line 52)	\$2,106,081	\$1,431,869	\$1,091,081	
29	Less: Demand Cost Recovered thru Rate TS (Line 16 x Line 52)	19,379	15,023	6,905	
30	Demand Cost - Net of Demand Costs Recovered thru LG&E Rider TS/TS-2	\$2,086,702	\$1,416,846	\$1,084,176	
31	Commodity Costs - Gas Supply Under NNS (Forward Haul) (Line 1 x Line 53)	6,539,310	3,262,903	3,861,591	
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)	930,328	1,025,232	0	
34	Commodity Costs - Gas Supply Under Rate FT (Backward Haul) (Line 4 x Line 56)	0	0	963,210	
35	Commodity Costs - Gas Supply Under Rate STF (Forward Haul) (Line 5 x Line 57)	0	0	0	
36	Commodity Costs - Gas Supply Under Rate STF (Backward Haul) (Line 6 x Line 58)	0	0	1,615,711	
37	Commodity Costs - Gas Supply Under Rate FT-A Zone 0 (Line 7 x Line 59)	1,791,888	1,974,328	0	
38	Total Purchased Gas Cost	\$11,348,228	\$7,679,309	\$7,524,688	\$26,552,225
39	Plus: Withdrawals from NNS Storage (Line 9 x Line 53)	307,676	153,305	0	460,981
40	Less: Purchases Injected into NNS Storage (Line 10 x Line 53)	0	0	1,623,168	1,623,168
41	Total Cost of Gas Delivered to LG&E	\$11,655,904	\$7,832,614	\$5,901,520	\$25,390,038
42	Less: Purchases for Depts. Other Than Gas Dept (Line 18 x Line 60)	11,037	4,658	1,748	17,443
43	Less: Purchases Injected into LG&E's Storage (Line 19 x Line 60)	0	0	0	0
44	Pipeline Deliveries Expensed During Month	\$1,644,867	\$7,827,956	\$5,899,772	\$25,372,595
45	LG&E's Storage Inventory - Beginning of Month	\$37,234,768	\$23,930,260	\$14,063,494	
46	Plus: LG&E Storage Injections (Line 43 above)	0	0	0	
47	LG&E's Storage Inventory - Including Injections	\$37,234,768	\$23,930,260	\$14,063,494	
48	Less: LG&E Storage Withdrawals (Line 24 x Line 61)	13,130,540	9,721,144	3,451,404	\$26,303,088
49	Less: LG&E Storage Losses (Line 25 x Line 61)	173,968	145,622	120,276	439,866
50	LG&E's Storage Inventory - End of Month	\$23,930,260	\$14,063,494	\$10,491,814	
51	Gas Supply Expenses (Line 44 + Line 48 + Line 49)	\$24,949,375	\$17,694,722	\$9,471,452	\$52,115,549
<b>Unit Cost</b>					
52	12-Month Average Demand Cost - per Mcf (see Page 2)	\$0.7470	\$0.7470	\$0.7470	
53	Commodity Cost (per MMBtu) under Texas Gas's No-Notice Service (Forward Haul)	\$3.3841	\$3.3686	\$3.2457	
54	Commodity Cost (per MMBtu) under Texas Gas's No-Notice Service (Back Haul)	\$3.8817	\$3.8662	\$3.3738	
55	Commodity Cost (per MMBtu) under Texas Gas's Rate FT (Forward Haul)	\$3.3226	\$3.3072	\$3.1851	
56	Commodity Cost (per MMBtu) under Texas Gas's Rate FT (Back Haul)	\$3.7027	\$3.6877	\$3.2107	
57	Commodity Cost (per MMBtu) under Texas Gas's Rate STF (Forward Haul)	\$3.3534	\$3.3380	\$3.1851	
58	Commodity Cost (per MMBtu) under Texas Gas's Rate STF (Back Haul)	\$3.7364	\$3.7214	\$3.2444	
59	Commodity Cost (per MMBtu) under Tenn Gas's Rate FT-A (Zone 0)	\$3.1998	\$3.1844	\$3.1240	
60	Average Cost of Deliveries (Line 41 - Line 15)	\$4.1726	\$4.1296	\$4.0662	
61	Average Cost of Inventory including Injections (Line 47 - Line 23)	\$4.4646	\$4.4646	\$4.4646	
<b>Gas Supply Cost</b>					
62	Total Expected Mcf Deliveries (Sales) to Customers February 1, 2015 through April 30, 2015				11,520,964 Mcf
63	Current Gas Supply Cost (Line 51 - Line 62)				\$4,5215 /Mcf

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)	\$5.6465	10,500	12	711,459
4	Texas Gas Firm Transportation (Rate STF)	\$13.1797	2,917	12	461,342
5	Tenn Gas Firm Transportation (Rate FT-A)	\$7.6445	20,000	12	1,834,680
6	Long-Term Firm Contracts with Suppliers (Annualized)				3,676,147
		<b>Total Annual Demand Costs</b>			<b>\$25,625,282</b>

Average Demand Cost per Mcf

8	Total Annual Demand Costs (Line 7)	\$25,625,282
9	Expected Annual Deliveries from Pipeline Transporters in Mcf (incl Rider TS/TS-2)	34,305,757
10	<b>Average Demand Cost per Mcf (Line 8 / Line 9)</b>	<b>\$0.7470</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)	\$0.7470
12	Refund Factor for Demand Portion of Texas Gas Refund (see Exhibit D)	0.0000
13	Performance Based Rate Recovery Demand Component (see Exhibit E)	0.0214
14	<b>PSDC Charge per Mcf</b>	<b>\$0.7684</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)	\$25,625,282
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>\$0.1577</b>

LOUISVILLE GAS AND ELECTRIC COMPANY

Gas Supply Clause: 2014-00XXX

Gas Supply Cost Effective February 1, 2015

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, 2014, the ACA charge is \$0.0014/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, 2015. The tariffed rates are as follows: (a) a daily demand charge of \$0.4190/MMBtu, and (b) a commodity charge of \$0.0628/MMBtu irrespective of the zone of receipt.

One of LG&E’s transportation agreements under Rate NNS has been extended for an additional term of 5 years, from November 1, 2015, through October 31, 2020.

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 \$0.0628/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, 2014, the ACA charge is \$0.0014/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, 2015. 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 \$0.0522/MMBtu, and (c) a commodity charge applicable to transportation from Zone 4 to Zone 4 of \$0.0374/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 \$0.0214/MMBtu applicable to transportation from Zone 1 to 4, and an annual volumetric throughput charge ("commodity charge") of \$0.0037/MMBtu applicable to transportation from Zone 4 to 4.

#### Texas Gas's Short-Term Firm Service (STF-4): Summer Season Contract

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, 2014, the ACA charge is \$0.0014/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, 2015. The tariffed rates are as follows: for the summer season, (a) a daily demand charge of \$0.1847/MMBtu, and (b) a commodity charge of \$0.0522 applicable to transportation from Zone 1 to 4; and (c) a commodity charge of \$0.0374 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 \$5.6465/MMBtu; and for summer season deliveries up to 18,000 MMBtu/day a summer season commodity rate of \$0.0214/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 \$0.0374/MMBtu applicable to transportation from Zone 4 to 4.

Texas Gas's Short-Term Firm Service (STF-4): One-Month Contract for January 2015

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, 2014, the ACA charge is \$0.0014/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, 2015. The tariffed rates are as follows: for the winter season, (a) a daily demand charge of \$ \$0.4252/MMBtu, and (b) a commodity charge of \$0.0522/MMBtu applicable to transportation from Zone 1 to 4.

The applicable tariff sheet is included as Exhibit A-1(a), page 4.

Therefore, the composite rates under the one-month contract for service under Rate Schedule STF (as described above) are a weighted-average monthly demand charge of \$13.1797/MMBtu (as calculated and set forth on Exhibit 12); and the Winter Season commodity charges as described immediately above.

**Tennessee Gas Pipeline Company, LLC**

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

On September 30, 2014, TGPL submitted tariff sheets in Docket No. RP14-1306. This filing provided for the recovery of certain pipeline safety and greenhouse gas ("PS&GIIG") costs via demand and commodity surcharges pursuant to the settlement approved by FERC in RP11-1566. The effective date for the Rate FT-A tariff sheets is November 1, 2014. 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, 2014, the ACA charge is \$0.0014/MMBtu.

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, 2015. 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 \$16.0575/MMBtu, and (b) a commodity charge of \$0.0177/MMBtu.

LG&E has negotiated rate agreements that result in a monthly demand charge of \$7.6445/MMBtu and an annual volumetric throughput charge (“commodity charge”) of \$0.0315/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 30, 2014, are \$3.199/MMBtu for February 2015, \$3.192/MMBtu for March 2015, and \$3.119/MMBtu for April 2015. 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 5% higher 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

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<sup>1</sup> The weekly gas storage survey issued by the Energy Information Administration (“EIA”) for the week ending December 19, 2014, indicated that storage inventory levels were 5% higher than last year’s levels. Storage inventories across the nation are 150 Bcf (3,246 Bcf – 3,096 Bcf), or 5%, higher this year than the same period one year ago. Last year at this time, 3,096 Bcf was held in storage, while this year 3,246 Bcf is held in storage. Storage inventories across the nation are 169 Bcf (3,246 Bcf – 3,415 Bcf), or 5% lower this year than the five-year average. On average for the last five years at this time, 3,415 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.

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.

In late December 2013, Texas Gas initiated an Open Season for firm pipeline capacity designed to provide its customers (such as LG&E) with firm access to gas supplies from the Marcellus and Utica Shale production areas. On January 16, 2014, Texas Gas released the results of its Open Season. LG&E was notified that it had been awarded 60,000 MMBtu/day as submitted by LG&E in its bid of December 20, 2013. The term of the capacity agreement runs from June 1, 2016, through October 31, 2026. The awards made in the Open Season by Texas Gas are subject to Texas Gas's receipt of certain approvals by the regulatory bodies having jurisdiction, including FERC, and the timely construction of the required facilities.

During the three-month period under review, February 1, 2015, through April 30, 2015, LG&E estimates that its total purchases will be 6,295,072 MMBtu. LG&E expects that 3,727,072 MMBtu will be met with deliveries from TGT's pipeline service under Rate NNS (4,090,742 MMBtu in pipeline forwardhaul deliveries minus 500,098 in storage injections plus 136,428 MMBtu in storage withdrawals); 590,000 MMBtu will be met from forwardhaul deliveries and 300,000 MMBtu backhaul deliveries under TGT's pipeline service under Rate FT; 0 MMBtu will be met from forwardhaul deliveries and 498,000 MMBtu 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 \$3.2170 per MMBtu in February 2015, \$3.2020 per MMBtu in March 2015, and \$3.0830 per MMBtu in April 2015. 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 \$3.6990 per MMBtu in February 2015, \$3.6840 per MMBtu in March 2015, and \$3.2070 per MMBtu in April 2015. The average commodity cost of gas purchased from gas suppliers by LG&E and delivered to TGT under the forwardhaul FT service is expected to be \$3.2170 per MMBtu in February 2015, \$3.2020 per MMBtu in March 2015, and \$3.0830 per MMBtu in April 2015. 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 \$3.6990 per MMBtu in February 2015, \$3.6840 per MMBtu in March 2015, and \$3.2070 per MMBtu in April 2015. 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 \$3.2170 per MMBtu in February 2015, \$3.2020 per MMBtu in March 2015, and \$3.0830 per MMBtu in April 2015. 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 \$3.6990 per MMBtu in February 2015, \$3.6840 per MMBtu in March 2015, and \$3.2070 per MMBtu in April 2015. The average commodity cost of gas purchased from gas suppliers by LG&E and delivered to TGPL under Rate FT-A from its Zone 0 is expected to be \$3.0910 per MMBtu in February 2015, \$3.0760 per MMBtu in March 2015, and \$3.0170 per MMBtu in April 2015.

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 2015	\$3.2170	3.14%	\$0.0628	\$3.3841
March 2015	\$3.2020	3.14%	\$0.0628	\$3.3686
April 2015	\$3.0830	3.14%	\$0.0628	\$3.2457

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 2015	\$3.6990	3.14%	\$0.0628	\$3.8817
March 2015	\$3.6840	3.14%	\$0.0628	\$3.8662
April 2015	\$3.2070	3.14%	\$0.0628	\$3.3738

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 2015	\$3.2170	2.55%	\$0.0214	\$3.3226
March 2015	\$3.2020	2.55%	\$0.0214	\$3.3072
April 2015	\$3.0830	2.55%	\$0.0214	\$3.1851

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 2015	\$3.6990	0.00%	\$0.0037	\$3.7027
March 2015	\$3.6840	0.00%	\$0.0037	\$3.6877
April 2015	\$3.2070	0.00%	\$0.0037	\$3.2107

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 2015	\$ 3.2170	2.55%	\$0.0522	\$ 3.3534
March 2015	\$ 3.2020	2.55%	\$0.0522	\$ 3.3380
April 2015	\$ 3.0830	2.55%	\$0.0214	\$ 3.1851

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 2015	\$ 3.6990	0.00%	\$0.0374	\$ 3.7364
March 2015	\$ 3.6840	0.00%	\$0.0374	\$ 3.7214
April 2015	\$ 3.2070	0.00%	\$0.0374	\$ 3.2444

RATE FT-A-2  
SYSTEM SUPPLY FORWARDHAUL 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-2 TRANSPORT CHARGE</u>	<u>TOTAL ESTIMATED DELIVERED PRICE</u>
Zone 0				
February 2015	\$ 3.0910	2.44%	\$0.0315	\$ 3.1998
March 2015	\$ 3.0760	2.44%	\$0.0315	\$ 3.1844
April 2015	\$ 3.0170	2.44%	\$0.0315	\$ 3.1240

The annual demand billings covering the 12 months from February 1, 2015 through January 31, 2016, for the firm contracts with natural gas suppliers are currently expected to be \$3,676,147.

**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, 2015 through April 30, 2015 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 4.4  
 Currently Effective Rates - NNS  
 Version 5.0.0

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

	Base Tariff Rates
Zone SL	
Daily Demand	0.1800
Commodity	0.0253
Overrun	0.2053
Zone 1	
Daily Demand	0.2782
Commodity	0.0431
Overrun	0.3213
Zone 2	
Daily Demand	0.3088
Commodity	0.0460
Overrun	0.3548
Zone 3	
Daily Demand	0.3543
Commodity	0.0490
Overrun	0.4033
Zone 4	
Daily Demand	0.4190
Commodity	0.0614
Overrun	0.4804

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 Rate: Demand \$-0-; Commodity - Zone SL 0.0163  
 Zone 1 0.0186  
 Zone 2 0.0223  
 Zone 3 0.0262  
 Zone 4 0.0308

Notes:

- The maximum reservation charge component of the maximum firm volumetric capacity release rate shall be the applicable maximum daily demand rate herein pursuant to Section 6.16 of the General Terms and Conditions.
- For receipts from Duke Field Services' Carthage Plant/Gulf South Pipeline Company, LP, Enbridge Pipelines, L.P./Gulf South Pipeline Company, LP, Energy Transfer Company/Gulf South Pipeline Company, LP, and Enterprise Texas Pipeline L.P./Gulf South Pipeline Company, LP Interconnects In Panola County, Texas, Customer shall pay an incremental transportation charge of:

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

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



Texas Gas Transmission, LLC  
 FERC NGA Gas Tariff  
 Fourth Revised Volume No. 1  
 Effective On: October 1, 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 4.2  
 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

Seventh Revised Sheet No. 14  
 Superseding  
 Sixth 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		\$11,0375	\$16,0575	\$16,3417	\$17,9562	\$19,0597	\$23,9133	
L		\$5,0714							
1	\$8,5997		\$0,2435	\$10,9704	\$15,5407	\$15,3052	\$17,2607	\$21,2245	
2	\$16,0576		\$10,9045	\$5,6715	\$5,3018	\$6,7830	\$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	\$5,7520		\$11,9778	\$16,0978	\$16,3820	\$17,9965	\$19,1000	\$23,9536	
L		\$5,1117							
1	\$8,6400		\$0,2838	\$11,0107	\$15,5810	\$15,3455	\$17,3010	\$21,2648	
2	\$16,0979		\$10,9448	\$5,7118	\$5,3421	\$6,8241	\$9,3706	\$12,0846	
3	\$16,3820		\$8,6778	\$5,7576	\$4,1649	\$6,3761	\$11,4990	\$13,2812	
4	\$20,7887		\$19,1685	\$7,3298	\$11,1102	\$5,4628	\$5,9046	\$8,4181	
5	\$24,7798		\$17,4243	\$7,6869	\$9,2927	\$6,0642	\$5,6908	\$7,3963	
6	\$28,6592		\$20,0071	\$13,7822	\$15,1780	\$10,7337	\$5,6659	\$4,9101	

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 \$0,0403.

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

Tenth Revised Sheet No. 15  
 Superseding  
 Ninth 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	\$0.0250	\$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	\$0.0047		\$0.0130	\$0.0192	\$0.0234	\$0.2766	\$0.2640	\$0.3139	
L		\$0.0027							
1	\$0.0057		\$0.0096	\$0.0162	\$0.0194	\$0.2354	\$0.2400	\$0.2738	
2	\$0.0182		\$0.0102	\$0.0027	\$0.0043	\$0.0772	\$0.1229	\$0.1360	
3	\$0.0222		\$0.0184	\$0.0041	\$0.0017	\$0.1027	\$0.1415	\$0.1543	
4	\$0.0265		\$0.0220	\$0.0102	\$0.0120	\$0.0483	\$0.0677	\$0.1088	
5	\$0.0299		\$0.0271	\$0.0115	\$0.0133	\$0.0674	\$0.0668	\$0.0826	
6	\$0.0361		\$0.0315	\$0.0158	\$0.0178	\$0.1029	\$0.0564	\$0.0349	

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.
- 3/ Includes a per Dth charge for the PS/GHG Surcharge Adjustment per Article XXXVIII of the General Terms and Conditions of \$0.0015.

LOUISVILLE GAS AND ELECTRIC COMPANY**Gas Supply Clause: 2014-00XXX****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 2014-00217 during the three-month period of August 1, 2014 through October 31, 2014, was \$5,050,498. The calculation of the Gas Cost Actual Adjustment (GCAA) set forth in Exhibit B-1 results in a refund of 2.297¢ per 100 cubic feet, which LG&E will place in effect with service rendered on and after February 1, 2015, 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 2014 through October 2014. [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 2013-00253, with service rendered through January 31, 2015, 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 May 2015.

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

Current Quarter Actual Adjustment:		
Effective February 1, 2015 from 2014-00217	(2.297)	cents/Ccf
Previous Quarter Actual Adjustment:		
Effective November 1, 2014 from 2014-00115	(.176)	cents/Ccf
2nd Previous Quarter Actual Adjustment:		
Effective August 1, 2014 from 2013-00486	3.672	cents/Ccf
3rd Previous Quarter Actual Adjustment:		
Effective May 1, 2014 from 2013-00361	2.942	cents/Ccf
<b>Total Gas Cost Actual Adjustment (GCAA)</b>	<b>4.141</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  
 For Service Rendered On and After February 1, 2015

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)	(5) - (4)
1	Aug-2014	2014-00217	\$2,422,634	\$4,030,189	\$1,607,555
2	Sep-2014	2014-00217	\$4,703,208	\$4,492,108	(\$211,100)
3	Oct-2014	2014-00217	\$6,342,178	\$7,711,028	\$1,368,850
4	Nov-2014	(Note 3)	\$7,815,803	\$0	(\$7,815,803)
5			\$21,283,823	\$16,233,325	(\$5,050,498)
6		(Over)/Under Recovery	(\$5,050,498)		
7		Expected Mcf Sales for			
8	12-Month Period from Date Implemented		21,990,652		
9		GCAA Factor per Mcf	(\$0.2297)		
10		GCAA Factor per Ccf	(\$0.02297)		
11		GCAA Factor Cents per Ccf	(2.297)		

<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**  
**For Service Rendered On and After February 1, 2015**

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 TS-2	Pipeline Suppliers' Demand Component Per Mcf	Rate FT Gas True-Up Charge Revenue	\$ Recovered Under Rate TS-2	\$ Recovered Under Rate FT <sup>1</sup>	\$ 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-2014	Prorated	2014-00217	779,547 <sup>1</sup>	392,067 <sup>2</sup>	\$5 7884	\$2,269,438	10,480.9	\$0.7629	\$828.30	\$8,824	\$144,372	\$0	\$2,422,634
2	Sep-2014		2014-00217	782,498	782,498	\$5 7884	\$4,529,409	13,776.4	\$0.7629	\$863.59	\$11,374	\$162,425	\$0	\$4,703,208
3	Oct-2014		2014-00217	1,071,671	1,071,671	\$5 7884	\$6,203,258	17,344.4	\$0.7629	\$1,025.23	\$14,257	\$124,663	\$0	\$6,342,178
4	Nov-2014	Prorated	2014-00217	2,590,843 <sup>1</sup>	1,350,253 <sup>2</sup>	\$5 7884	\$7,815,803		\$0.7629		\$0	\$0		\$7,815,803
5					3,596,487		\$20,817,908	41,601.7		\$2,717.12	\$34,455	\$431,460	\$0	\$21,283,823

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

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

<sup>3</sup> See Page 3 of this Exhibit



LOUISVILLE GAS AND ELECTRIC COMPANY  
 Summary of Gas Costs Recovered  
 Under Provisions of Rate FT  
 For Service Rendered On and After February 1, 2015

Line No.	Recovery Period	Case Number	UCDI Demand		Cash-Out Sales (Mcf)	Cash-Out Sales (\$)	MMBTU		UCDI Mcf	UCDI \$ [(3) x (8)]	OFO \$	Action Alert \$	Monthly \$'s Recovered [(5)+(7)+(9)+(10)+(11)]
			Chrg	Mcf			Adjust. (Mcf)	Adjust. (\$)					
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	
1	Aug-2014	2014-00217	\$	0.1515	48,137.5	\$130,378	-	\$ -	92,372.5	\$13,994	\$0.00	\$0.00	\$144,372
2	Sep-2014	2014-00217	\$	0.1515	51,187.4	\$150,522	-	\$ -	78,568.2	\$11,903	\$0.00	\$0.00	\$162,425
3	Oct-2014	2014-00217	\$	0.1515	42,589.2	\$110,995	-	\$ -	90,221.9	\$13,669	\$0.00	\$0.00	\$124,663
4	Total Amount to Transfer to Exhibit B-1, Page 2											\$431,460	

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  
 For Service Rendered On and After February 1, 2015

Line No	Receipts Period	MCF											DOLLARS										
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)						
		Mcf Purchases	Mcf Purchases for Dept's other Than Gas Dept	Purchases for OSS	Less: Purchases for Dept's other Than Gas Dept	Less: Purchases Injected Into Storage	Plus: Mcf Withdrawn From Storage	Plus: Storage Losses	Mcf Standby (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 Total Debt Expense	Total Gas Supply Cost						
1	Aug-2014	3,753,750	0	0	(480)	(2,870,212)	598	40,447	924,103	\$ 16,168,147	\$ -	\$ (630)	\$ (12,362,577)	\$ 2,680	\$ 181,255	\$ 41,315	\$ 4,030,180						
2	Sep-2014	3,627,593	0	0	(552)	(2,655,857)	631	43,328	1,015,143	\$ 18,913,610	\$ -	\$ (658)	\$ (11,650,713)	\$ 2,814	\$ 192,256	\$ 33,800	\$ 4,492,108						
3	Oct-2014	3,939,108	0	0	(770)	(2,265,172)	1,590	48,038	1,722,794	\$ 17,556,539	\$ -	\$ (773)	\$ (10,095,872)	\$ 7,091	\$ 214,240	\$ 29,803	\$ 7,711,028						
																	\$ 16,233,325						
									3,662,040														

LOUISVILLE GAS AND ELECTRIC COMPANY  
SUMMARY OF GAS PURCHASES AND COSTS BY SUPPLIER  
FOR THE 3 MONTH PERIOD FROM AUGUST 2014 THROUGH OCTOBER 2014

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

	AUGUST 2014			SEPTEMBER 2014			OCTOBER 2014		
	NET MMBTU	MCF	\$	NET MMBTU	MCF	\$	NET MMBTU	MCF	\$
<b>NATURAL GAS SUPPLIERS:</b>									
1 . A	391,530	381,980	\$1,491,100.00	378,900	369,659	\$1,509,300.00	391,530	381,980	\$1,571,700.00
2 . B	0	0	\$0.00	19,429	18,954	\$74,850.00	0	0	\$0.00
3 . C	620,000	604,878	\$2,380,706.07	180,000	175,610	\$722,573.90	260,000	253,658	\$1,051,892.01
4 . D	692,602	675,709	\$2,727,340.00	670,260	653,912	\$2,652,130.00	692,602	675,709	\$2,632,350.00
5 . E	0	0	\$0.00	85,652	83,563	\$338,110.00	347,152	338,685	\$1,303,775.00
6 . F	0	0	\$0.00	0	0	\$0.00	90,000	87,805	\$336,300.00
7 . G	0	0	\$0.00	554,157	550,407	\$2,215,931.00	476,450	464,658	\$1,781,525.00
8 . H	619,853	604,774	\$2,430,070.53	596,570	582,020	\$2,345,375.11	0	0	\$0.00
9 . I	0	0	\$0.00	72,237	70,475	\$282,472.50	29,167	28,456	\$105,600.00
10 . J	0	0	\$0.00	8,769	8,554	\$35,415.00	0	0	\$0.00
11 . K	0	0	\$0.00	0	0	\$0.00	0	0	\$0.00
12 . L	271,169	264,555	\$1,064,645.20	253,040	256,624	\$1,037,760.00	271,838	255,179	\$1,030,050.00
13 . M	520,000	604,878	\$2,374,346.42	120,000	117,073	\$480,495.60	200,000	195,122	\$806,996.20
14 . N	0	0	\$0.00	0	0	\$0.00	0	0	\$0.00
15 . O	0	0	\$0.00	0	0	\$0.00	310,000	302,439	\$1,168,550.00
16 . P	0	0	\$0.00	16,542	16,139	\$64,430.00	0	0	\$0.00
17 . Q	0	0	\$0.00	75,910	74,059	\$299,285.00	274,161	267,474	\$1,009,000.00
	<u>3,215,194</u>	<u>3,138,774</u>	<u>\$12,468,209.62</u>	<u>3,051,474</u>	<u>2,977,049</u>	<u>\$12,058,258.14</u>	<u>3,342,910</u>	<u>3,251,375</u>	<u>\$12,797,728.21</u>
<b>NO-NOTICE SERVICE ("NNS") STORAGE:</b>									
1 WITHDRAWALS	22,100	21,561	\$85,575.62	51,927	50,660	\$205,823.05	197,992	193,163	\$762,229.60
2 INJECTIONS	(53,955)	(52,639)	(\$208,924.55)	(33,623)	(32,803)	(\$133,271.49)	(160,755)	(156,835)	(\$618,878.45)
3 . ADJUSTMENTS	0	(3,294)	\$0.00	0	(501)	\$0.00	1,647	1,902	\$6,528.22
4 . ADJUSTMENTS	0	0	\$1.00	0	0	\$0.00	0	0	\$1,025.27
5 . ADJUSTMENTS	0	0	\$0.00	0	0	\$0.00	0	0	\$0.00
6 . ADJUSTMENTS	0	0	(\$27,881.94)	0	0	\$7,054.19	0	0	\$4,574.10
NET NNS STORAGE	<u>(31,855)</u>	<u>(34,372)</u>	<u>(\$151,230.87)</u>	<u>18,304</u>	<u>17,356</u>	<u>\$79,615.75</u>	<u>38,883</u>	<u>38,230</u>	<u>\$155,478.74</u>
<b>NATURAL GAS TRANSPORTERS:</b>									
1 . TEXAS GAS TRANSMISSION, LLC			\$137,279.98			\$132,315.81			\$155,962.91
2 . ADJUSTMENTS	0	49,058	\$6,156.23	0	50,282	(\$140.61)	0	45,054	\$103.02
3 . ADJUSTMENTS	0	0	\$0.00	0	0	\$1,080.72	0	0	\$0.00
TOTAL	<u>3,183,339</u>	<u>3,151,500</u>	<u>\$143,436.21</u>	<u>3,069,778</u>	<u>3,044,687</u>	<u>\$133,255.92</u>	<u>3,381,793</u>	<u>3,344,659</u>	<u>\$156,065.93</u>
TOTAL COMMODITY AND VOLUMETRIC CHARGES			<u>\$12,460,413.96</u>			<u>\$12,271,129.78</u>			<u>\$13,109,272.89</u>
<b>DEMAND AND FIXED CHARGES:</b>									
1 . TEXAS GAS TRANSMISSION, LLC			\$932,002.60			\$901,938.00			\$1,672,635.38
2 . ADJUSTMENTS			\$0.00			\$0.00			\$0.00
3 . SUPPLY RESERVATION CHARGES			\$181,652.56			\$172,201.53			\$178,540.57
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			<u>\$1,113,655.16</u>			<u>\$1,074,139.53</u>			<u>\$1,851,175.95</u>
TOTAL PURCHASED GAS COSTS -- TEXAS GAS TRANSMISSION, LLC			<u>\$13,574,069.12</u>			<u>\$13,345,269.31</u>			<u>\$14,960,448.83</u>

LOUISVILLE GAS AND ELECTRIC COMPANY  
SUMMARY OF GAS PURCHASES AND COSTS BY SUPPLIER  
FOR THE 3 MONTH PERIOD FROM AUGUST 2014 THROUGH OCTOBER 2014

DELIVERED BY TENNESSEE GAS PIPELINE COMPANY, LLC  
COMMODITY AND VOLUMETRIC CHARGES:

	AUGUST 2014			SEPTEMBER 2014			OCTOBER 2014		
	NET MMBTU	MCF	\$	NET MMBTU	MCF	\$	NET MMBTU	MCF	\$
<b>NATURAL GAS SUPPLIERS:</b>									
1 . R	310,000	300,971	\$1,168,525.63	300,000	291,262	\$1,183,106.25	310,000	300,971	\$1,225,720.63
2 . S	310,000	300,971	\$1,203,350.00	300,000	291,262	\$1,166,040.00	310,000	300,971	\$1,158,199.75
	620,000	601,942	\$2,371,875.63	600,000	582,524	\$2,349,146.25	620,000	601,942	\$2,383,919.38
<b>NATURAL GAS TRANSPORTERS:</b>									
1 . TENNESSEE GAS PIPELINE COMPANY, LLC			\$11,718.00			\$11,340.00			\$11,842.00
2 . TENNESSEE GAS PIPELINE COMPANY, LLC			\$6,758.00			\$6,540.00			\$6,758.00
3 . ADJUSTMENTS	(590)	(18,074)	(\$1,112.84)	(282)	(17,439)	(\$1,793.60)	(143)	(19,832)	(\$478.60)
4 . ADJUSTMENTS	0	0	\$0.01	0	0	\$0.00	0	0	\$0.00
5 . ADJUSTMENTS	0	0	\$0.00	0	0	\$0.00	0	0	\$0.00
TOTAL	619,420	583,868	\$17,363.17	599,718	565,085	\$16,086.40	619,857	582,110	\$18,121.40
<b>TOTAL COMMODITY AND VOLUMETRIC CHARGES</b>			<b>\$2,389,238.80</b>			<b>\$2,365,232.65</b>			<b>\$2,402,040.78</b>
<b>DEMAND AND FIXED CHARGES:</b>									
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
<b>TOTAL DEMAND AND FIXED CHARGES</b>			<b>\$164,268.00</b>			<b>\$164,268.00</b>			<b>\$164,268.00</b>
<b>TOTAL PURCHASED GAS COSTS - TENNESSEE GAS PIPELINE COMPANY, LLC</b>			<b>\$2,553,506.80</b>			<b>\$2,529,500.65</b>			<b>\$2,566,308.78</b>
<b>OTHER PURCHASES</b>									
1 . CASH-OUT OF CUSTOMER OVER-DELIVERIES		18,382	\$40,570.61		17,821	\$38,839.60		12,339	\$29,781.37
TOTAL		18,382	\$40,570.61		17,821	\$38,839.60		12,339	\$29,781.37
<b>TOTAL PURCHASED GAS COSTS - ALL PIPELINES</b>	<b>3,802,759</b>	<b>3,753,750</b>	<b>\$16,168,146.53</b>	<b>3,669,496</b>	<b>3,627,593</b>	<b>\$15,913,609.56</b>	<b>4,001,650</b>	<b>3,539,108</b>	<b>\$17,556,538.98</b>

**LOUISVILLE GAS AND ELECTRIC COMPANY**

**Gas Supply Clause: 2014-00XXX**

**Calculation of Gas Cost Balance Adjustment (GCBA)**

The purpose of this adjustment is to compensate for any over- or under-recoveries remaining from prior Gas Cost Actual Adjustments and Gas Cost Balance Adjustments. The under-recovery that must be collected under the Gas Cost Balance Adjustment (GCBA) during the period of February 1, 2015 through April 30, 2015, set forth on Page 1 of Exhibit C-1, is \$141,210. The GCBA factor required to collect this under-recovery is a charge of .123¢ per 100 cubic feet. LG&E will place this charge into effect with service rendered on and after February 1, 2015 and continue for three months.

In this filing, LG&E will also be eliminating the GCBA from Case 2014-00348, 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 May 1, 2015.

LOUISVILLE GAS AND ELECTRIC COMPANY  
Calculation of Quarterly Gas Cost Balance Adjustment  
For Service Rendered On and After February 1, 2015

Line No.	Factor	Remaining Balance
1	Remaining (Over)/Under Recovery From GCAA <sup>1</sup>	\$80,566
2	Remaining (Over)/Under Recovery From GCBA <sup>2</sup>	\$60,644
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	\$141,210
6	Expected Mcf Sales for 3 Month Period <sup>5</sup>	11,520,964
7	GCBA Factor Per Mcf	\$0.0123
8	GCBA Factor Per Ccf	\$0.00123

<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. LG&E is not receiving any pipeline refunds at this time.

<sup>4</sup> See Exhibit E-1, page 2. Next PBRRC factor will be calculated in August 2015.

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

LOUISVILLE GAS AND ELECTRIC COMPANY  
Calculation of Revenue Collected or Refunded Under GCAA Factor  
For Service Rendered On and After February 1, 2015

From Case No. 2013-00126

Line No.	Recovery Period	Comments	Total Mef Sales for Month	Sales Applicable to GCAA Recovery	GCAA/Mef Factor	Amount of Recovery/(Return) per Month	Balance Remaining
	(1)	(2)	(3)	(4)	(5)	(6)=(4)*(5)	(7)=(Bal)-(6)
1						Beginning Balance	(423,481)
2	Nov-13	Prorated	2,424,351	1,117,897	(\$0.0138)	(\$15,427)	(\$408,054)
3	Dec-13		5,045,426	5,045,426	(\$0.0138)	(\$69,627)	(\$338,427)
4	Jan-14		7,164,340	7,164,340	(\$0.0138)	(\$98,868)	(\$239,559)
5	Feb-14		7,414,287	7,414,287	(\$0.0138)	(\$102,317)	(\$137,242)
6	Mar-14		5,630,919	5,630,919	(\$0.0138)	(\$77,707)	(\$59,535)
7	Apr-14		2,981,428	2,981,428	(\$0.0138)	(\$41,144)	(\$18,391)
8	May-14		1,395,749	1,395,749	(\$0.0138)	(\$19,261)	\$870
9	Jun-14		962,564	962,564	(\$0.0138)	(\$13,283)	\$14,153
10	Jul-14		828,656	828,656	(\$0.0138)	(\$11,435)	\$25,588
11	Aug-14		779,547	779,547	(\$0.0138)	(\$10,758)	\$36,346
12	Sep-14		782,498	782,498	(\$0.0138)	(\$10,798)	\$47,144
13	Oct-14		1,071,671	1,071,671	(\$0.0138)	(\$14,789)	\$61,933
14	Nov-14	Prorated	2,590,843	1,350,253	(\$0.0138)	(\$18,633)	\$80,566
15			Total Amount Recovered/(Returned) During Period			(\$504,047)	
16			Remaining Balance to Transfer to Exhibit C-1, Page 1 of 3			\$80,566	

LOUISVILLE GAS AND ELECTRIC COMPANY  
Revenue Collected Under the GCBA Factor  
For Service Rendered On and After February 1, 2015

Case No. 2014-00217

Line No.	Recovery Period (1)	Comments (2)	Total Mef Sales for Month (3)	Sales Applicable to GCBA (4)	GCBA/Mef Factor (5)	Recovery/(Refund) per Month (6)=(4)*(5)	Balance Remaining (7)=(Bal)-(6)
1						Beginning Balance	(\$609,022)
2	Aug-2014	Prorated	779,547	392,067	(\$0.1862)	(\$73,003)	(\$536,019)
3	Sep-2014		782,498	782,498	(\$0.1862)	(\$145,701)	(\$390,318)
4	Oct-2014		1,071,671	1,071,671	(\$0.1862)	(\$199,545)	(\$190,773)
5	Nov-2014	Prorated	2,590,843	1,350,253	(\$0.1862)	(\$251,417)	\$60,644
6			Total Amount Refunded or Recovered			(\$669,666)	
7			Remaining Balance to Transfer to Exhibit C-1, Page 1 of 3			\$60,644	



**LOUISVILLE GAS AND ELECTRIC COMPANY**

**Gas Supply Clause: 2014-00XXX**

The Company has received no refunds this quarter and has completed refunding all previous obligations.

Therefore, the Refund Factor will be as follows:

None

LOUISVILLE GAS AND ELECTRIC

**Gas Supply Clause: 2014-00XXX**  
**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 Order of the Commission in Case No. 2009-00550, LG&E is making this filing. Therefore, as shown in the following table, the PBRRC amount which became effective with gas service rendered on and after February 1, 2015, and will remain in effect until January 31, 2016, is \$0.00452 and \$0.00214 per 100 cubic feet for sales and Rider TS-2 volumes, respectively:

	<u>Sales Volumes</u>	<u>Transportation Volumes</u>
Commodity-Related Portion	\$0.00238/Ccf	\$0.00000/Ccf
Demand-Related Portion	<u>\$0.00214/Ccf</u>	<u>\$0.00214/Ccf</u>
Total PBRRC	\$0.00452/Ccf	\$0.00214/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 Rider TS-2 receive only the demand-related portion of the PBRRC.

LOUISVILLE GAS AND ELECTRIC COMPANY

Effective February 1, 2015 with Gas Supply Clause Case No. 2013-00xxx  
Shareholder Portion of PBR Savings  
PBR Year 18  
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)	\$767,412	\$696,556	\$1,463,968
2	Expected Mcf Sales for the 12 month period beginning February 1, 2015	32,299,717	32,589,289	
3	PBRRC factor per Mcf	\$0.0238	\$0.0214	
4	PBRRC factor per Ccf	\$0.00238	\$0.00214	

LOUISVILLE GAS AND ELECTRIC

**Gas Supply Clause: 2014-00XXX**  
**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, 2013 and November 1, 2014 is respectively:

<u>With Service</u> <u>Elected Effective</u>	<u>GCAA</u>	<u>GCBA</u>	<u>PBRRC</u>	<u>Total</u>
November 1, 2013	\$0.0000/Mcf	\$0.0123/Mcf	\$0.0000/Mcf	\$0.0123/Mcf
November 1, 2014	\$0.4141/Mcf	\$0.0123/Mcf	\$0.0452/Mcf	\$0.4716/Mcf

**LOUISVILLE GAS AND ELECTRIC COMPANY**

Gas Supply Clause 2014-00xxx  
Gas Cost True-Up Charge Applicable to Customers  
Served Under Rate FT and Rider TS-2  
For Service Rendered On and After February 1, 2015

Line No.	With Service Elected Effective (1)	GCAA/Mcf (2)	GCBA/Mcf (3)	PBRRC/Mcf (4)	Total/Mcf (2)+(3)+(4)
1	November 1, 2013	\$0.0000	\$0.0123	\$0.0000	\$0.0123
2	November 1, 2014	\$0.4141	\$0.0123	\$0.0452	\$0.4716

LOUISVILLE GAS AND ELECTRIC COMPANY

**GAS SERVICE RATES EFFECTIVE WITH SERVICE  
RENDERED FROM  
February 1, 2015 through April 30, 2015**

	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	\$0.49951	0.01941	\$0.78311
RATE CGS - COMMERCIAL (meter capacity <= 5000 CF/HR)					
BASIC SERVICE CHARGE	\$35.00				
APRIL THRU OCTOBER					
FIRST 1000 CCF/MONTH		\$0.20999	\$0.49951	0.00093	\$0.71043
OVER 1000 CCF/MONTH		\$0.15999	\$0.49951	0.00093	\$0.66043
NOVEMBER THRU MARCH					
ALL CCF		\$0.20999	\$0.49951	0.00093	\$0.71043
RATE CGS - COMMERCIAL (meter capacity > 5000 CF/HR)					
BASIC SERVICE CHARGE	\$175.00				
APRIL THRU OCTOBER					
FIRST 1000 CCF/MONTH		\$0.20999	\$0.49951	0.00093	\$0.71043
OVER 1000 CCF/MONTH		\$0.15999	\$0.49951	0.00093	\$0.66043
NOVEMBER THRU MARCH					
ALL CCF		\$0.20999	\$0.49951	0.00093	\$0.71043
RATE IGS - INDUSTRIAL (meter capacity <= 5000 CF/HR)					
BASIC SERVICE CHARGE	\$35.00				
APRIL THRU OCTOBER					
FIRST 1000 CCF/MONTH		\$0.21452	\$0.49951	0.00000	\$0.71403
OVER 1000 CCF/MONTH		\$0.16452	\$0.49951	0.00000	\$0.66403
NOVEMBER THRU MARCH					
ALL CCF		\$0.21452	\$0.49951	0.00000	\$0.71403
RATE IGS - INDUSTRIAL (meter capacity > 5000 CF/HR)					
BASIC SERVICE CHARGE	\$175.00				
APRIL THRU OCTOBER					
FIRST 1000 CCF/MONTH		\$0.21452	\$0.49951	0.00000	\$0.71403
OVER 1000 CCF/MONTH		\$0.16452	\$0.49951	0.00000	\$0.66403
NOVEMBER THRU MARCH					
ALL CCF		\$0.21452	\$0.49951	0.00000	\$0.71403
Rate AAGS	\$275.00	\$0.60860	\$0.49951	0.00093	\$1.10904
	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	\$0.49951	\$ 1.14020	\$1.67066
RATE DGGS - COMMERCIAL & INDUSTRIAL (meter capacity > 5000 CF/HR)					
BASIC SERVICE CHARGE	\$175.00				
ALL CCF		\$0.03095	\$0.49951	\$ 1.14020	\$1.67066

EFFECTIVE RATES FOR RATE TS-2 TRANSPORTATION SERVICE

GAS SERVICE RATES EFFECTIVE WITH SERVICE  
 RENDERED FROM  
 February 1, 2015 through April 30, 2015

	RATE PER MCF				<u>TOTAL</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>	
<b>RATE TS-2</b>					
RATE CGS - COMMERCIAL	\$400.00				
APRIL THRU OCTOBER					
FIRST 100 MCF MONTH		\$2.0999	\$0.7684	0.0093	\$2.8776
OVER 100 MCF MONTH		\$1.5999	\$0.7684	0.0093	\$2.3776
NOVEMBER THRU MARCH					
ALL MCF		\$2.0999	\$0.7684	0.0093	\$2.8776
RATE IGS - INDUSTRIAL	\$400.00				
APRIL THRU OCTOBER					
FIRST 100 MCF MONTH		\$2.1452	\$0.7684	0.0000	\$2.9136
OVER 100 MCF MONTH		\$1.6452	\$0.7684	0.0000	\$2.4136
NOVEMBER THRU MARCH					
ALL MCF		\$2.1452	\$0.7684	0.0000	\$2.9136
Rate AAGS	\$400.00	\$0.6086	\$0.7684	0.0093	\$1.3863

L G & E

**Charges for Gas Transportation Services Provided Under Rate FT**

February 1, 2015 through April 30, 2015

Transportation Service:

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

Ancillary Services:

Daily Demand Charge	\$0.1577
Daily Storage Charge	\$0.1833
Utilization Charge per Mcf for Daily Balancing	\$0.3410

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, 2015 through April 30, 2015

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	\$0.1577
Daily Storage Charge	\$0.1833
Utilization Charge per Mcf for Daily Balancing	\$0.3410

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

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PUBLIC SERVICE  
COMMISSION

In the Matter of

THE PETITION OF LOUISVILLE GAS AND )  
ELECTRIC COMPANY FOR CONFIDENTIAL )  
TREATMENT OF CERTAIN INFORMATION ) CASE NO. 2014-00\_\_\_\_  
CONTAINED IN ITS QUARTERLY GAS )  
SUPPLY CLAUSE FILING )

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

Louisville Gas and Electric Company (“LG&E”), pursuant to 807 KAR 5:001, Section 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 2014 through October 2014 (“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 2014 through October 2014 and that is included in the three month filing made concurrently herewith pursuant to LG&E's Gas Supply Clause.

Respectfully submitted,

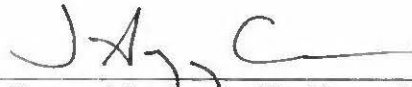


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J. Gregory Cornett  
Associate General Counsel  
LG&E and KU Services Company  
220 West Main Street  
P. O. Box 32010  
Louisville, Kentucky 40232  
(502) 627-2756  
**Counsel for Louisville Gas and Electric Company**

**CERTIFICATE OF SERVICE**

This is to certify that a true copy of the foregoing instrument was delivered by hand on the 30 of December, 2014, 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