

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC PURCHASED GAS ADJUSTMENT)	CASE NO.
FILING OF LOUISVILLE GAS AND ELECTRIC)	2026-00064
COMPANY)	

ORDER

On March 31, 2026, Louisville Gas and Electric Company (LG&E) filed its proposed Gas Supply Clause (GSC) report to be effective May 1, 2026. LG&E's previous GSC rate was approved in Case No. 2025-00400.¹

LEGAL STANDARD

The Commission's standard of review for GSC rates is well settled as stated in KRS 278.274(1):

In determining whether proposed natural gas utility rates are just and reasonable, the commission shall review the utility's gas purchasing practices. The commission may disallow any costs or rates which are deemed to result from imprudent purchasing practices on the part of the utility.

Further, the utility has the burden to prove the rates are just and reasonable and the Commission may reduce the purchased gas component of the utility's rates, or the rates charged by an affiliated company to the extent the amount is deemed to be unjust or unreasonable.²

¹ Case No. 2025-00400, *Electronic Purchased Gas Adjustment Filing of Louisville Gas and Electric Company* (Ky PSC Jan. 26, 2026).

² KRS 278.274(2); KRS 278.274(3)(c); and KRS 278.274(3)(d).

DISCUSSION

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that LG&E's report includes revised rates designed to pass on to its customers its expected change in gas costs. LG&E's report sets out a Gas Supply Cost of \$0.42864 per 100 cubic feet, or \$4.2864 per Mcf,³ which is an increase of \$0.0525 per Mcf from the previous Gas Supply Cost of \$4.2339 per Mcf.⁴ LG&E's report sets out no Refund Adjustment.⁵ LG&E's report sets out a current Quarter Gas Cost Actual Adjustment (GCAA) of \$1.4203 per Mcf.⁶ LG&E's total GCAA is \$1.4146 per Mcf, which is an increase of \$0.9651 per Mcf from the previous total GCAA of \$0.4495 per Mcf.⁷ LG&E's report sets out a Gas Cost Balancing Adjustment (GCBA) of (\$0.0074)⁸ per Mcf, which is a decrease of \$0.0007 per Mcf from its previous GCBA of (\$0.0067) per Mcf.⁹ LG&E's report sets out a Performance-Based Rate Recovery (PBRR) Component of \$0.0000 per Mcf, which is unchanged from its previous PBRR Component.¹⁰

³ Application, Exhibit A at 1 of 2.

⁴ Case No. 2025-00400, Jan. 26, 2026 Order at 2.

⁵ Application, Exhibit D.

⁶ Application, Exhibit B-1, at 1 of 7.

⁷ Case No. 2025-00400, Jan. 26, 2026 Order at 2.

⁸ Application, Exhibit C-1 at 1 of 3.

⁹ Case No. 2025-00400, Jan 26, 2026 Order at 2.

¹⁰ Beginning with services rendered on and after February 1, 2026, LG&E will no longer collect its portion of savings through the Performance Based Rate Recovery Component (PBRR) as operation of the gas supply cost PBR expired October 31, 2024. The PBRR Exhibit will continue to be part of LG&E's quarterly GSC filings with the Kentucky Public Service Commission through its June 30, 2026 filing. At that time, LG&E will provide support for any (over)/under recovery of the PBRR for the past year (February 1, 2025, through January 31, 2026).

Based on the calculations above, the Commission finds that LG&E's Gas Supply Cost Component (GSCC) rate is \$0.56936 per 100 cubic feet, or \$5.6936 per Mcf, which is an increase of \$1.0169 per Mcf from the prior GSCC of \$4.6767 per Mcf.¹¹ The Commission finds that the inputs, resulting components and calculation of LG&E's GSCC rate of \$5.6936 per Mcf to be reasonable. The Commission further finds that the rate as proposed by LG&E and set forth in the Appendix to this Order is fair, just and reasonable and are approved for gas supplied by LG&E on and after May 1, 2026.

For the purpose of transparency and to maintain a record of information for future use, the Commission finds that LG&E should submit all invoices it receives along with its monthly usage reports for each month of the reporting period when it files its future GSC rate reports. Should LG&E purchase sustainable natural gas from a renewable source during the reporting period of any future GSC reports, then the supplier, cost, and amount must be documented in its cover letter to the Commission.

IT IS THEREFORE ORDERED that:

1. The rates proposed by LG&E and set forth in the Appendix to this Order are approved for gas supplied by LG&E on and after May 1, 2026.
2. LG&E shall submit all invoices it receives along with its monthly usage reports for each month of the reporting period when it files its future GCR rate reports.
3. Should LG&E purchase sustainable natural gas from a renewable source during the reporting period of any future GCR reports, then the supplier, cost, and amount shall be documented in its cover letter to the Commission.

¹¹ Case No. 2025-00400, Jan 26, 2026 Order at 3.

4. Within 20 days of the date of service of this Order, LG&E shall file with this Commission, using the Commission's electronic Tariff Filing System, revised tariff sheets setting out the rate approved herein and reflecting that it was approved pursuant to this Order.

5. This case is closed and removed from the Commission's docket.

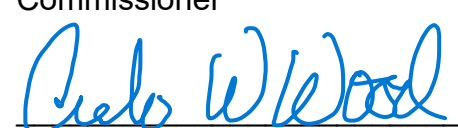
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Entered on this 29th day of April, 2026.

PUBLIC SERVICE COMMISSION



Angie Hatton
Chair

Mary Pat Regan
Commissioner

Andrew W. Wood
Commissioner

ATTEST:



Linda C. Bridwell, PE
Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2026-00064 DATED APR 29 2026

The following rates and charges are prescribed for the customers in the area served by Louisville Gas and Electric Company. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under the authority of the Commission prior to the effective date of this Order.

Gas Supply Cost Component:

The total Gas Supply Cost Component shall be \$0.56936 per 100 cubic feet for gas supplied on and after May 1, 2026.

Service List for 2026-00064

* Andrea M. Fackler
Manager, Revenue Requirement
LG&E and KU Energy LLC
220 West Main Street
Louisville, KY 40202

* Robert M Conroy
Director, Rates
Louisville Gas and Electric Company
820 West Broadway
Louisville, KY 40203

* Sara Judd
Senior Corporate Attorney
Louisville Gas and Electric Company
820 West Broadway
Louisville, KY 40203

* Louisville Gas and Electric Company
820 West Broadway
Louisville, KY 40203