

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF LOUISVILLE)	CASE NO. 2006-00005
GAS AND ELECTRIC COMPANY)	

ORDER

On June 30, 2004, in Case No. 2003-00433,¹ the Commission approved rates for Louisville Gas and Electric Company ("LG&E") and provided for their further adjustment in accordance with LG&E's gas supply clause ("GSC").

On December 29, 2005, LG&E filed its proposed GSC to be effective February 1, 2006. On January 5, 2006, the Attorney General ("AG") requested and was later granted intervention.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. LG&E's notice includes revised rates designed to pass on to its customers its expected change in wholesale gas costs.
2. LG&E's expected gas supply cost is 120.028 cents per 100 cubic feet, or \$12.0028 per Mcf, which is \$1.1610 per Mcf less than the previous expected gas supply cost of \$13.1638.
3. LG&E's notice sets out no current refund adjustment ("RA"). LG&E's notice sets out no total RA, which is no change from the previous total RA.

¹ Case No. 2004-00433, An Adjustment of the Gas and Electric Rates, Terms, and Conditions of Louisville Gas and Electric Company, Order dated June 30, 2004.

4. LG&E's notice sets out a current actual adjustment ("AA") of 50.18 cents per Mcf. The total AA of 62.77 cents per Mcf is an increase of 64.35 cents per Mcf from the previous total AA.

5. LG&E's notice sets out a 4.05 cent per Mcf current Balance Adjustment ("BA") which is an increase of 5.19 cents per Mcf from the previous BA.

6. LG&E's notice sets out its Performance-Based Rate Recovery Component ("PBRRC") of 7.44 cents per Mcf, which will remain in effect to collect LG&E's portion of PBR savings until January 31, 2007.

7. LG&E's gas supply cost component is 127.454 cents per 100 cubic feet or \$12.7454 per Mcf, which is 45.30 cents per Mcf less than the prior gas supply cost component of \$13.1984 per Mcf.

8. The rate in the Appendix to this Order is fair, just, and reasonable, and should be approved for gas supplied by LG&E on and after February 1, 2006.

IT IS THEREFORE ORDERED that:

1. The rate in the Appendix, attached hereto and incorporated herein, is approved for gas supplied on and after February 1, 2006.

2. Within 20 days of the date of this Order, LG&E shall file with this Commission its revised tariffs setting out the rate authorized herein.

Done at Frankfort, Kentucky, this 24th day of January, 2006.

By the Commission

ATTEST:



Executive Director

Case No. 2006-00005

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2006-00005 DATED January 24, 2006.

The following rates and charges are prescribed for the customers 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 authority of this Commission prior to the effective date of this Order.

Gas Supply Cost Component

The total Gas Supply Cost Component shall be 127.454 cents per 100 cubic feet during the period covered by the bill.