



an e-on company

Elizabeth O'Donnell, Executive Director  
Public Service Commission of Kentucky  
211 Sower Blvd.  
P.O. Box 615  
Frankfort, KY 40601

RECEIVED

SEP 29 2006

PUBLIC SERVICE  
COMMISSION

September 29, 2006

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

Robert M. Conroy  
Manager - Rates  
T 502-627-3324  
F 502-627-3213  
robert.conroy@eon-us.com

Re: *Louisville Gas and Electric Company - Case No. 2006-00431*  
Gas Supply Clause Effective November 1, 2006

Dear Ms. O'Donnell:

Pursuant to the provisions of the Company's Gas Supply Clause as authorized by the Commission, we file herewith an original and four copies of the Eleventh Revision of Original Sheet No. 70 of LG&E Tariff PSC of Kentucky Gas No. 6 setting forth a Gas Supply Cost Component of 76.748 cents per 100 cubic feet applicable to all gas sold during the period of November 1, 2006 through January 31, 2007. 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 November 1, 2006 through January 31, 2007.

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 November 1, 2006 through January 31, 2007. The Gas Cost Actual Adjustment (GCAA) and the Gas Cost Balance Adjustment (GCBA) levels are changed from the levels that were implemented on August 1, 2006. These adjustment levels will remain in effect from November 1, 2006 through January 31, 2007.

Elizabeth O'Donnell, Executive Director  
Public Service Commission of Kentucky  
September 29, 2006

We respectfully request your acceptance of this filing which we believe is in full compliance with the provisions of the LG&E Gas Supply Clause approved by the Kentucky Public Service Commission.

Sincerely,

A handwritten signature in black ink, appearing to read "R. M. Conroy", with a long horizontal flourish extending to the right.

Robert M. Conroy

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

SEP 29 2006

In the Matter of

PUBLIC SERVICE  
COMMISSION

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

CASE NO. 2006-00431

**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 7, 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. 70.1 and 70.2 of LG&E Gas Tariff PSC of Ky. No. 6), a statement setting forth the summary of the total purchased gas costs for the period of May 2006 through July 2006 ("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 7(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 viz-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.

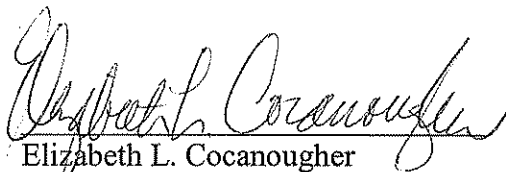
4. LG&E has filed identical requests with the Commission with regard to the same information contained in prior quarterly Gas Supply Clause filings, which the Commission has granted.

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.

WHEREFORE, Louisville Gas and Electric Company respectfully requests that the Commission classify and protect as confidential 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 May 2006 through July 2006 and that is included in the three month filing made concurrently herewith pursuant to LG&E's Gas Supply Clause.

Respectfully submitted,



Elizabeth L. Cocanougher  
Senior Corporate Attorney  
E.ON U.S. LLC.

220 West Main Street

P. O. Box 32010

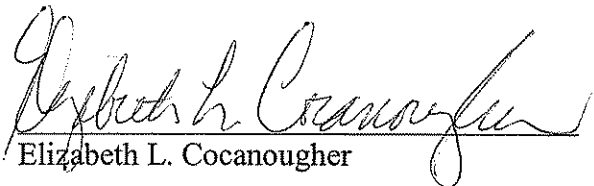
Louisville, Kentucky 40232

(502) 627-4850

**Counsel for Louisville Gas and Electric Company**

**CERTIFICATE OF SERVICE**

This is to certify that a true copy of the foregoing instrument was shipped via United Parcel Service on the 29th day of September, 2006, to the Office of the Attorney General, Office for Rate Intervention, P. O. Box 2000, Frankfort, Kentucky 40602-2000.



Elizabeth L. Cocanougher

LOUISVILLE GAS AND ELECTRIC COMPANY  
SUMMARY OF GAS PURCHASES AND COSTS BY SUPPLIER  
FOR THE 3 MONTH PERIOD FROM MAY 2006 THROUGH JULY 2006

DELIVERED BY TEXAS GAS TRANSMISSION, LLC

COMMODITY AND VOLUMETRIC CHARGES:

	MAY 2006			JUNE 2006			JULY 2006		
	NET MMBTU	MCF	\$	NET MMBTU	MCF	\$	NET MMBTU	MCF	\$
NATURAL GAS SUPPLIERS:									
1 . A	0	0	\$0.00	0	0	\$0.00	0	0	\$0.00
2 . B	0	0	\$0.00	0	0	\$0.00	0	0	\$0.00
3 . C	0	0	\$0.00	0	0	\$0.00	14,517	14,163	\$76,800.00
4 . D	14,538	14,183	\$86,700.00	0	0	\$0.00	0	0	\$0.00
5 . E	390,011	380,499	\$2,631,590.00	352,566	343,967	\$1,945,415.40	390,011	380,499	\$2,143,960.00
6 . F	0	0	\$0.00	0	0	\$0.00	0	0	\$0.00
7 . G	263,362	256,939	\$1,645,745.00	116,310	113,473	\$746,000.00	495,566	483,479	\$3,068,737.50
8 . H	412,557	402,495	\$2,625,301.20	392,952	383,368	\$2,389,493.30	549,555	536,151	\$3,248,613.86
9 . I	196,000	191,220	\$1,434,011.52	735,000	717,073	\$4,435,713.60	759,500	740,976	\$4,552,176.40
10 . J	143,995	140,483	\$910,056.00	0	0	\$0.00	0	0	\$0.00
11 . K	0	0	\$0.00	0	0	\$0.00	0	0	\$0.00
	<u>1,420,463</u>	<u>1,385,819</u>	<u>\$9,333,403.72</u>	<u>1,596,828</u>	<u>1,557,881</u>	<u>\$9,516,622.30</u>	<u>2,209,149</u>	<u>2,155,268</u>	<u>\$13,090,287.76</u>
NO-NOTICE SERVICE ("NNS") STORAGE:									
1 . WITHDRAWALS	0	0	\$0.00	5,641	5,503	\$33,117.18	176,494	172,189	\$1,033,795.96
2 . INJECTIONS	(867,758)	(846,593)	(\$5,731,888.69)	(344,500)	(336,098)	(\$2,022,490.60)	(205,991)	(200,967)	(\$1,206,571.68)
3 . ADJUSTMENTS	(789)	(934)	(\$5,559.85)	19	(660)	\$125.50	74	(96)	\$434.44
4 . ADJUSTMENTS			\$416.52			\$53.17			\$260.95
5 . ADJUSTMENTS			(\$2,428,073.66)			(\$1,202,274.16)			(\$253,667.81)
6 . ADJUSTMENTS			\$5,855,730.41			\$0.00			\$0.00
NET NNS STORAGE	<u>(868,547)</u>	<u>(847,527)</u>	<u>(\$2,309,375.27)</u>	<u>(338,840)</u>	<u>(331,255)</u>	<u>(\$3,191,468.91)</u>	<u>(29,423)</u>	<u>(28,874)</u>	<u>(\$425,748.14)</u>
NATURAL GAS TRANSPORTERS:									
1 . TEXAS GAS TRANSMISSION, LLC			\$26,993.50			\$59,452.42			\$101,562.75
2 . ADJUSTMENTS	0	249	\$2,538.92	0	1,110	\$0.99	0	743	\$3.80
3 . ADJUSTMENTS	0	0	\$0.00	0	0	(\$2,579.34)	0	0	\$0.00
TOTAL	<u>551,916</u>	<u>538,541</u>	<u>\$29,532.42</u>	<u>1,257,988</u>	<u>1,227,736</u>	<u>\$56,874.07</u>	<u>2,179,726</u>	<u>2,127,137</u>	<u>\$101,566.55</u>
TOTAL COMMODITY AND VOLUMETRIC CHARGES			<u>\$7,053,560.87</u>			<u>\$6,382,027.46</u>			<u>\$12,766,106.17</u>
DEMAND AND FIXED CHARGES:									
1 . TEXAS GAS TRANSMISSION, LLC			\$969,060.00			\$937,800.00			\$969,060.00
2 . ADJUSTMENTS			\$0.00			\$0.00			\$0.00
3 . SUPPLY RESERVATION CHARGES			\$253,116.71			\$244,951.65			\$253,116.71
4 . ADJUSTMENTS			\$0.00			\$0.00			\$0.00
5 . CAPACITY RELEASE CREDITS			(\$31,000.00)			(\$31,920.00)			\$0.00
TOTAL DEMAND AND FIXED CHARGES			<u>\$1,191,176.71</u>			<u>\$1,150,831.65</u>			<u>\$1,222,176.71</u>
TOTAL PURCHASED GAS COSTS – TEXAS GAS TRANSMISSION, LLC			<u>\$8,244,737.58</u>			<u>\$7,532,859.11</u>			<u>\$13,988,282.88</u>

LOUISVILLE GAS AND ELECTRIC COMPANY  
SUMMARY OF GAS PURCHASES AND COSTS BY SUPPLIER  
FOR THE 3 MONTH PERIOD FROM MAY 2006 THROUGH JULY 2006

DELIVERED BY TENNESSEE GAS PIPELINE COMPANY

COMMODITY AND VOLUMETRIC CHARGES:

	MAY 2006			JUNE 2006			JULY 2006		
	NET MMBTU	MCF	\$	NET MMBTU	MCF	\$	NET MMBTU	MCF	\$
<u>NATURAL GAS SUPPLIERS:</u>									
1 . L	99,209	96,319	\$604,544.08	0	0	\$0.00	310,000	300,971	\$1,840,068.24
2 . M	0	0	\$0.00	898,161	872,001	\$5,744,777.73	912,760	886,175	\$5,654,245.80
3 . N	0	0	\$0.00	0	0	\$0.00	340,941	331,011	\$2,179,356.37
	<u>99,209</u>	<u>96,319</u>	<u>\$604,544.08</u>	<u>898,161</u>	<u>872,001</u>	<u>\$5,744,777.73</u>	<u>1,563,701</u>	<u>1,518,157</u>	<u>\$9,673,670.41</u>
<u>NATURAL GAS TRANSPORTERS:</u>									
1 . TENNESSEE GAS PIPELINE COMPANY			\$1,736.16			\$15,717.82			\$27,364.77
2 . ADJUSTMENTS	1,213	1,184	\$13,357.40	(222)	(89)	(\$1,458.01)	(858)	263	(\$5,558.56)
3 . ADJUSTMENTS	0	0	\$0.00	0	0	\$0.00	0	0	\$0.00
TOTAL	<u>100,422</u>	<u>97,503</u>	<u>\$15,093.56</u>	<u>897,939</u>	<u>871,912</u>	<u>\$14,259.81</u>	<u>1,562,843</u>	<u>1,518,420</u>	<u>\$21,806.21</u>
TOTAL COMMODITY AND VOLUMETRIC CHARGES			<u>\$619,637.64</u>			<u>\$5,759,037.54</u>			<u>\$9,695,476.62</u>
<u>DEMAND AND FIXED CHARGES:</u>									
1 . TENNESSEE GAS PIPELINE COMPANY			\$329,664.00			\$329,664.00			\$329,664.00
2 . TRANSPORTATION BY OTHERS			\$0.00			\$0.00			\$0.00
3 . SUPPLY RESERVATION CHARGES			\$0.00			\$0.00			\$0.00
4 . CAPACITY RELEASE CREDITS			\$0.00			\$0.00			\$0.00
TOTAL DEMAND AND FIXED CHARGES			<u>\$329,664.00</u>			<u>\$329,664.00</u>			<u>\$329,664.00</u>
TOTAL PURCHASED GAS COSTS – TENNESSEE GAS PIPELINE COMPANY			<u>\$949,301.64</u>			<u>\$6,088,701.54</u>			<u>\$10,025,140.62</u>
<u>OTHER PURCHASES</u>									
1 . PURCHASED FOR ELECTRIC DEPARTMENT									
O	0	0	\$0.00	13,000	12,683	\$92,300.00	49,000	47,806	\$366,800.00
P	0	0	\$0.00	0	0	\$0.00	32,000	31,220	\$249,250.00
Q	35,000	34,146	\$243,580.00	200,500	195,609	\$1,403,415.00	113,000	110,244	\$760,470.00
TEXAS GAS TRANSMISSION, LLC	0	0	\$0.00	0	0	\$0.00	0	0	\$0.00
ADJUSTMENTS	0	21	\$0.00	0	80	\$0.00	0	12	\$0.00
	<u>35,000</u>	<u>34,167</u>	<u>\$243,580.00</u>	<u>213,500</u>	<u>208,372</u>	<u>\$1,495,715.00</u>	<u>194,000</u>	<u>189,282</u>	<u>\$1,376,520.00</u>
2 . CASH-OUT OF CUSTOMER OVER-DELIVERIES			\$121,894.25			\$78,037.95			\$85,487.27
TOTAL	<u>35,000</u>	<u>54,793</u>	<u>\$365,474.25</u>	<u>213,500</u>	<u>221,988</u>	<u>\$1,573,752.95</u>	<u>194,000</u>	<u>206,764</u>	<u>\$1,462,007.27</u>
TOTAL PURCHASED GAS COSTS – ALL PIPELINES	<u>687,338</u>	<u>690,837</u>	<u>\$9,559,513.47</u>	<u>2,369,427</u>	<u>2,321,636</u>	<u>\$15,195,313.60</u>	<u>3,936,569</u>	<u>3,852,321</u>	<u>\$25,475,430.77</u>



# Louisville Gas and Electric Company

Eleventh Revision of Original Sheet No. 70  
P.S.C. of Ky. Gas No. 6

STANDARD RATE SCHEDULE	GSC	
Gas Supply Clause		
<b>APPLICABLE TO</b>		
All gas sold.		
 <b>GAS SUPPLY COST COMPONENT (GSCC)</b>		
Gas Supply Cost	81.687¢	I
Gas Cost Actual Adjustment (GCAA)	(5.504)	I
Gas Cost Balance Adjustment (GCBA)	(0.129)	R
 Refund Factors (RF) continuing for twelve months from the effective date of each or until Company has discharged its refund obligation thereunder:		
Refund Factor Effective August 1, 2006	(0.050)	
Performance-Based Rate Recovery Component (PBRRC)	<u>0.744</u>	
Total Gas Supply Cost Component Per 100 Cubic Feet (GSCC)	76.748¢	R

Date of Issue: September 29, 2006  
Canceling Tenth Revision of  
Original Sheet No. 70  
Issued July 27, 2006

Issued By

Date Effective: November 1, 2006

John R. McCall, Executive Vice President,  
General Counsel, and Corporate Secretary  
Louisville, Kentucky

Issued By Authority of an Order of the KPSC in Case No. 2006-00XXX dated \_\_\_\_\_

**LOUISVILLE GAS AND ELECTRIC COMPANY**

**Supporting Calculations For The  
Gas Supply Clause**

**2006-00~~XXX~~ 431**

**For the Period  
November 1, 2006 through January 31, 2007**

LOUISVILLE GAS AND ELECTRIC COMPANY

Derivation of Gas Supply Component Applicable to  
Service Rendered On and After November 1, 2006

2006-00XXX

## Gas Supply Cost - See Exhibit A for Detail

Description	Unit	Amount
Total Expected Gas Supply Cost	\$	129,865,943
Total Expected Customer Deliveries: November 1, 2006 through January 31, 2007	Mcf	15,898,032
Gas Supply Cost Per Mcf	\$/Mcf	8.1687
Gas Supply Cost Per 100 Cubic Feet	¢/Ccf	81.687

## Gas Cost Actual Adjustment (GCAA) - See Exhibit B for Detail

Description	Unit	Amount
Current Quarter Actual Adjustment	Eff. Nov 1, 2006 from 2006-00138	¢/Ccf (0.029)
Previous Quarter Actual Adjustment	Eff. Aug 1, 2006 from 2006-00005	¢/Ccf (5.218)
2nd Previous Qrt. Actual Adjustment	Eff. May 1, 2006 from 2005-00401	¢/Ccf (5.275)
3rd Previous Qrt. Actual Adjustment	Eff. Feb 1, 2006 from 2005-00274	¢/Ccf 5.018
Total Gas Cost Actual Adjustment (GCAA)	¢/Ccf	(5.504)

## Gas Cost Balance Adjustment (GCBA) - See Exhibit C for Detail

Description	Unit	Amount
Balance Adjustment Amount	\$	205,356
Total Expected Customer Deliveries: November 1, 2006 through January 31, 2007	Mcf	15,898,032
Gas Cost Balance Adjustment (GCBA) Per Mcf	\$/Mcf	(0.0129)
Gas Cost Balance Adjustment (GCBA) Per 100 Cubic Feet	¢/Ccf	(0.129)

## Refund Factors (RF) - See Exhibit D for Detail

Description	Unit	Amount
Refund Factor Effective August 1, 2006	¢/Ccf	(0.050)
Total Refund Factors Per 100 Cubic Feet	¢/Ccf	(0.050)

## Performance-Based Rate Recovery Component (PBRRC) - See Exhibit E for Detail

Description	Unit	Amount
Performance-Based Rate Recovery Component (PBRRC)	¢/Ccf	0.744
Total of PBRRC Factors Per 100 Cubic Feet	¢/Ccf	0.744

## Gas Supply Cost Component (GSCC) Effective November 1, 2006 through January 31, 2007

Description	Unit	Amount
Gas Supply Cost	¢/Ccf	81.687
Gas Cost Actual Adjustment (GCAA)	¢/Ccf	(5.504)
Gas Cost Balance Adjustment (GCBA)	¢/Ccf	(0.129)
Refund Factors (RF)	¢/Ccf	(0.050)
Performance-Based Rate Recovery Component (PBRRC)	¢/Ccf	0.744
Total Gas Supply Cost Component (GSCC)	¢/Ccf	76.748

LOUISVILLE GAS AND ELECTRIC COMPANY  
Calculation of Gas Supply Costs  
For The Three-Month Period From November 1, 2006 through January 31, 2007

MMBtu	November	December	January	Total Nov 06 - Jan 07
1. Expected Gas Supply Transported Under Texas' No-Notice Service	325,081	1,278,696	829,701	2,433,478
2. Expected Gas Supply Transported Under Texas' Rate FT	840,000	868,000	868,000	2,576,000
3. Expected Gas Supply Transported Under Tenn.'s Rate FT-A (Zone 0)	1,200,000	1,240,000	1,240,000	3,680,000
4. Expected Gas Supply Transported Under Tenn.'s Rate FT-A (Zone 1)	330,000	341,000	341,000	1,012,000
5. Total MMBtu Purchased	2,695,081	3,727,696	3,278,701	9,701,478
6. Plus: Withdrawals from Texas Gas' NNS Storage Service	443,880	1,083,295	797,351	2,324,526
7. Less: Injections into Texas Gas' NNS Storage Service	0	0	0	0
8. Expected Monthly Deliveries from TGT/TGPL to LG&E (excluding transportation volumes under LG&E Rate TS)	3,138,961	4,810,991	4,076,052	12,026,004
<b>Mcf</b>				
9. Total Purchases in Mcf	2,629,347	3,636,777	3,198,733	
10. Plus: Withdrawals from Texas Gas' NNS Storage Service	433,054	1,056,873	777,903	
11. Less: Injections Texas Gas' NNS Storage Service	0	0	0	
12. Expected Monthly Deliveries from TGT/TGPL to LG&E (excluding transportation volumes under LG&E Rate TS)	3,062,401	4,693,650	3,976,636	
13. Plus: Customer Transportation Volumes under Rate TS	9,824	25,491	19,424	
14. Total Expected Monthly Deliveries from TGT/TGPL to LG&E (Line 12 + Line 13)	3,072,225	4,719,141	3,996,060	
15. Less: Purchases for Depts. Other Than Gas Dept.	65,430	101,112	66,374	
16. Less: Purchases Injected into LG&E's Underground Storage	240,825	0	0	
17. Mcf Purchases Expensed during Month (Line 12 - Line 15 - Line 16)	2,756,146	4,592,538	3,910,262	11,258,946
18. LG&E's Storage Inventory - Beginning of Month	14,290,001	13,725,001	12,150,001	
19. Plus: Storage Injections into LG&E's Underground Storage (Line 16)	240,825	0	0	
20. LG&E's Storage Inventory - Including Injections	14,530,826	13,725,001	12,150,001	
21. Less: Storage Withdrawals from LG&E's Underground Storage	765,000	1,534,508	3,058,320	5,357,828
22. Less: Storage Losses	40,825	40,492	36,680	117,997
23. LG&E's Storage Inventory - End of Month	13,725,001	12,150,001	9,055,001	
24. Mcf of Gas Supply Expensed during Month (Line 17 + Line 21 + Line 22)	3,561,971	6,167,538	7,005,262	16,734,771
<b>Cost</b>				
25. Total Demand Cost - Including Transportation (Line 14 x Line 46)	\$2,929,059	\$4,499,229	\$3,809,844	
26. Less: Demand Cost Recovered thru Rate TS (Line 13 x Line 46)	9,366	24,303	18,519	
27. Demand Cost - Net of Demand Costs Recovered thru LG&E Rate TS	\$2,919,693	\$4,474,926	\$3,791,325	
28. Commodity Costs - Gas Supply Under NNS (Line 1 x Line 47)	1,903,024	9,535,875	6,563,350	
29. Commodity Costs - Gas Supply Under Rate FT (Line 2 x Line 48)	4,822,776	6,354,368	6,741,582	
30. Commodity Costs - Gas Supply Under Rate FT-A Zone 0 (Line 3 x Line 49)	6,371,520	8,597,416	9,166,080	
31. Commodity Costs - Gas Supply Under Rate FT-A Zone 1 (Line 4 x Line 50)	1,942,941	2,556,341	2,711,325	
32. Total Purchased Gas Cost	\$17,959,954	\$31,518,926	\$28,973,662	\$78,452,542
33. Plus: Withdrawals from NNS Storage (Line 6 x Line 47)	2,598,474	8,078,672	6,307,445	16,984,591
34. Less: Purchases Injected into NNS Storage (Line 7 x Line 47)	0	0	0	0
35. Total Cost of Gas Delivered to LG&E	\$20,558,428	\$39,597,598	\$35,281,107	\$95,437,133
36. Less: Purchases for Depts. Other Than Gas Dept. (Line 15 x Line 51)	439,245	853,021	588,877	1,881,143
37. Less: Purchases Injected into LG&E's Storage (Line 16 x Line 51)	1,616,706	0	0	1,616,706
38. Pipeline Deliveries Expensed During Month	\$18,502,477	\$38,744,577	\$34,692,230	\$91,939,284
39. LG&E's Storage Inventory - Beginning of Month	\$99,026,849	\$95,062,250	\$84,153,485	
40. Plus: LG&E Storage Injections (Line 37 above)	1,616,706	0	0	
41. LG&E's Storage Inventory - Including Injections	\$100,643,555	\$95,062,250	\$84,153,485	
42. Less: LG&E Storage Withdrawals (Line 21 x Line 52)	5,298,543	10,628,309	21,182,536	\$37,109,388
43. Less: LG&E Storage Losses (Line 22 x Line 52)	282,762	280,456	254,053	817,271
44. LG&E's Storage Inventory - End of Month	\$95,062,250	\$84,153,485	\$62,716,896	
45. Gas Supply Expenses (Line 38 + Line 42 + Line 43)	\$24,083,782	\$49,653,342	\$56,128,819	\$129,865,943
<b>Unit Cost</b>				
46. 12-Month Average Demand Cost - per Mcf (see Page 2)	\$0.9534	\$0.9534	\$0.9534	
47. Commodity Cost (per MMBtu) under Texas Gas's No-Notice Service	\$5.8540	\$7.4575	\$7.9105	
48. Commodity Cost (per MMBtu) under Texas Gas's Rate FT	\$5.7414	\$7.3207	\$7.7668	
49. Commodity Cost (per MMBtu) under Tenn. Gas's Rate FT-A (Zone 0)	\$5.3096	\$6.9334	\$7.3920	
50. Commodity Cost (per MMBtu) under Tenn. Gas's Rate FT-A (Zone 1)	\$5.8877	\$7.4966	\$7.9511	
51. Average Cost of Deliveries (Line 35 / Line 12)	\$6.7132	\$8.4364	\$8.8721	
52. Average Cost of Inventory - Including Injections (Line 41 / Line 20)	\$6.9262	\$6.9262	\$6.9262	
<b>Gas Supply Cost</b>				
53. Total Expected Mcf Deliveries (Sales) to Customers (November 1, 2006 through January 31, 2007)				15,898,032 Mcf
54. Current Gas Supply Cost (Line 45 / Line 53)				<u>\$8.1687</u> / Mcf

**LOUISVILLE GAS AND ELECTRIC COMPANY**  
**Calculation Of The Average Demand Cost Per Mcf Applicable To**  
**The Three-Month Period From November 1, 2006 through January 31, 2007**

**Demand Billings:**

Texas Gas No-Notice Service (Rate NNS) Monthly Demand Charge	(	\$12.7446	x	119,913	MMBtu	) x 12	\$18,338,919
Texas Gas Firm Transportation (Rate FT) Monthly Demand Charge	(	\$6.6332	x	28,000	MMBtu	) x 12	2,228,755
Tenn. Gas Firm Transportation (Rate FT-A, 0-2) Monthly Demand Charge	(	\$6.4640	x	40,000	MMBtu	) x 12	3,102,720
Tenn. Gas Firm Transportation (Rate FT-A, 1-2) Monthly Demand Charge	(	\$6.4640	x	11,000	MMBtu	) x 12	853,248
Long-Term Firm Contracts with Suppliers (Annualized)							10,589,947

**ANNUAL DEMAND COSTS**

\$35,113,589

Expected Annual Deliveries from Pipeline Transporters (Including Transportation Under Rate TS) - MMBtu	37,748,737
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Expected Annual Deliveries from Pipeline Transporters (Including Transportation Under Rate TS) - Mcf	36,828,036
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**AVERAGE DEMAND COST PER MCF**

0.9534

**Pipeline Supplier's Demand Component Applicable to Billings  
Under LG&E's Gas Transportation Service/Standby - Rate TS  
The 3-Month Period from November 1, 2006 through January 31, 2007**

Pipeline Supplier's Demand Component per Mcf	\$0.9534
Refund Factor for Demand Portion of Texas Gas Refund (see Exhibit D)	(0.0050)
Performance Based Rate Recovery Component (see Exhibit E)	<u>0.0082</u>
Pipeline Supplier's Demand Component per Mcf - Applicable to Rate TS Transportation	<u><u>0.9566</u></u>

**Demand-Related Supply Costs Applicable to Daily Utilization Charge under Rates FT and PS and for Reserved Balancing Service Under Rider RBS**

Design Day Requirements (in Mcf)	442,031
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**Reserved Balancing Service Charge (per Mcf Reserved):**

Annual Charge -> (Annual Demand Costs / Design Day Requirements)	\$79.44
Monthly Charge -> (Annual Charge / 12 Months)	<u><u>\$6.62</u></u>

**Daily Utilization Charge (per Mcf of Non-Reserved Balancing):**

(Annual Reserved Balancing Charge / 365 Days) - 100% Load Factor Rate	<u><u>\$0.2176</u></u>
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LOUISVILLE GAS AND ELECTRIC COMPANY

Gas Supply Clause: 2006-00XXX

Gas Supply Cost Effective November 1, 2006

LG&E is served by Texas Gas Transmission LLC ("TGT") pursuant to the terms of transportation agreements under Rates NNS-4 and FT-4, and by Tennessee Gas Pipeline Company ("TGPL") pursuant to the terms of a transportation agreement under Rate FT-A-2.

**Texas Gas Transmission LLC**

On August 25, 2006, Texas Gas submitted to the Federal Energy Regulatory Commission ("FERC"), in Docket No. RP06-516 tariff sheets to reflect the new FERC ACA Unit Charge. That filing requested approval to place into effect the new ACA Unit Charge of \$0.0016/MMBtu on October 1, 2006. The other charges remain unaltered from the rates approved by FERC in Docket No. RP05-317.

Texas Gas's No-Notice Service (NNS-4)

Attached hereto as Exhibit A-1(a), Page 1, is the tariff sheet for No-Notice Service under Rate NNS-4 applicable during the period of November 1, 2006 through January 31, 2007 which became effective February 1, 2006. The rates absent the discounts negotiated by LG&E would be as follows: (a) a daily demand charge of \$0.4190/MMBtu (or an equivalent monthly demand charge of \$12.7446/MMBtu) and (b) a commodity charge of \$0.0630/MMBtu.

However, LG&E has negotiated discounts that result in a monthly demand charge applicable to LG&E of \$12.7446/MMBtu and a volumetric throughput charge ("commodity charge") applicable to LG&E of \$0.0554/MMBtu.

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

Attached hereto as Exhibit A-1 (a), Pages 2 and 3, are the tariff sheets for transportation service under Rate FT-4 applicable during the period of November 1, 2006 through January 31, 2007. Page 2 contains the tariff sheet which sets forth the TGT daily demand charges which became effective February 1, 2006. Page 3 contains the tariff sheet which sets forth the commodity charges effective February 1, 2006. The rates absent the discounts negotiated by LG&E would be as follows: (a) a daily demand charge of \$0.3142/MMBtu (or an equivalent monthly demand charge of \$9.5569/MMBtu) and (b) a commodity charge of \$0.0544/MMBtu.

However, LG&E has negotiated discounts that result in a monthly demand charge applicable to LG&E of \$6.6332/MMBtu and a volumetric throughput charge ("commodity charge") applicable to LG&E of \$0.0302/MMBtu during the Winter Season and \$0.0400/MMBtu during the Summer Season.

### **Tennessee Gas Pipeline Company**

On August 31, 2006, TGP filed tariff sheets at the FERC in Docket No. RP06-541 to reflect a new ACA Unit Charge as determined by FERC and recoverable by TGPL pursuant to the General Terms and Conditions of its FERC Gas Tariff. TGPL will place into effect on October 1, 2006, the new tariff sheet showing the new ACA funding unit of \$0.0016/MMBtu.

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

Attached hereto as Exhibit A-1 (a), Pages 4 and 5, are the tariff sheets for transportation service under Rate FT-4 applicable during the period of November 1, 2006 through January 31, 2007. Page 5 contains the tariff sheet which sets forth the daily demand charges. Page 5 contains the tariff sheet which sets forth the commodity charges. The rates absent the discounts negotiated by LG&E would be as follows for deliveries from Zone 0 to Zone 2: (a) a daily demand charge of \$0.2979/MMBtu (or an equivalent monthly demand charge of \$9.06/MMBtu) and (b) a commodity charge of \$0.0896/MMBtu. The rates absent the discounts negotiated by LG&E would be as follows for deliveries from Zone 1 to Zone 2: (a) a daily demand charge of \$0.2505/MMBtu (or an equivalent monthly demand charge of \$7.62/MMBtu) and (b) a commodity charge of \$0.0792/MMBtu.

However, LG&E has negotiated discounts that result in a monthly demand charge applicable to LG&E of \$6.4640/MMBtu and a volumetric throughput charge ("commodity charge") applicable to LG&E of \$0.0175/MMBtu, irrespective of the zone of receipt.

### **Gas Supply Costs**

The New York Mercantile Exchange ("NYMEX") natural gas futures prices as of September 28, 2006, are \$5.6690/MMBtu for November, \$7.2090/MMBtu for December, and \$7.664/MMBtu for January. The NYMEX price can be used as a general price indicator. Natural gas prices are currently expected to be lower for a variety of reasons.

Currently, the market for natural gas is being influenced by a number of factors which have tended to decrease natural gas wholesale prices on a short-term basis from previous record levels. The 2005/2006 winter was warmer-than-normal which significantly reduced the demand for natural gas. This lack of demand in turn has increased gas supply availability in the form of ample national gas storage inventory levels.

The Energy Information Administration's storage survey for the week ending September 22, 2006, indicated that storage inventory levels were higher than last year's levels. Storage inventories across the nation are 377 Bcf (3,254 Bcf – 2,877 Bcf), or 13%, higher this year than the same period one year ago. Last year at this time, 2,877 Bcf was held in storage, while this year 3,254 Bcf is held in storage. More significantly, storage inventories across the nation are 354 Bcf (3,254 Bcf – 2,900 Bcf), or 12%, higher this year than the five-year average. On average for the last five years at this time, 2,900 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.

Another factor influencing the supply/demand balance has been the recovery of natural gas production facilities in the Gulf of Mexico following Hurricanes Katrina and Rita. According to the last report issued by the Minerals Management Service, about 9% of OCS Gulf of Mexico production remains shut-in. Ample storage inventories this summer were also key to mitigating the impact of demand from electric generation for natural gas during the very warm 2006 summer. In addition to these factors, natural gas prices have tended to follow the prices for other forms of energy, in particular oil. However, in the longer-term, relief in the form of incremental natural gas supplies (either in the form of new gas production or LNG imports) has not been forthcoming. Weather will remain a key driver in establishing the balance of gas supply and demand during the course of the 2006/2007 winter season.

During the three-month period under review, November 1, 2006 through January 31, 2007, LG&E estimates that its total purchases will be 12,026,004 MMBtu. LG&E expects that 4,758,004 MMBtu will be met with deliveries from TGT's pipeline service under Rate NNS (2,433,478 MMBtu in pipeline deliveries, plus 2,324,526 MMBtu in storage withdrawals); 2,576,000 MMBtu will be met from deliveries under TGT's pipeline service under Rate FT; 3,680,000 MMBtu will be met from deliveries under TGPL's pipeline service under Rate FT-A from Zone 0; and 1,012,000 MMBtu will be met from deliveries under TGPL's pipeline service under Rate FT-A from Zone 1.

The average commodity cost of gas purchased from gas suppliers by LG&E and delivered to TGT under the NNS service is expected to be \$5.5690 per MMBtu in November 2006, \$7.1090 in December 2006, and \$7.5440 in January 2007. The average commodity cost of gas purchased from gas suppliers by LG&E and delivered to TGT under the FT service is expected to be \$5.5690 per MMBtu in November 2006, \$7.1090 in December 2006, and \$7.5440 in January 2007. 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 \$5.0190 per MMBtu in November 2006, \$6.5590 in December 2006, and \$6.9940 in January 2007, and the average commodity cost of gas purchased from gas suppliers by LG&E and delivered to TGPL from its Zone 1 is expected to be \$5.6190 per MMBtu in November \$7.1590 in December 2006, and \$7.5940 in January 2007.

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 Rate NNS and Rate FT, applicable retention percentages, and the applicable surcharges approved by the FERC:

RATE NNS  
SYSTEM SUPPLY 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>
November 2006	\$5.5690	3.96%	\$0.0554	\$5.8540
December	\$7.1090	3.96%	\$0.0554	\$7.4575
January 2007	\$7.5440	3.96%	\$0.0554	\$7.9105

RATE FT  
SYSTEM SUPPLY PURCHASE PRICE PER MMBTU  
UNDER TEXAS GAS'S FIRM TRANSPORTATION SERVICE RATE

	<u>ESTIMATED PRICE AS DELIVERED TO TEXAS GAS</u>	<u>RETENTION (ZONE SL TO 4)</u>	<u>RATE FT TRANSPORT CHARGE</u>	<u>TOTAL ESTIMATED DELIVERED PRICE</u>
November 2006	\$5.5690	2.49%	\$0.0302	\$5.7414
December	\$7.1090	2.49%	\$0.0302	\$7.3207
January 2007	\$7.5440	2.49%	\$0.0302	\$7.7668

RATE FT-A  
SYSTEM SUPPLY PURCHASE PRICE PER MMBTU  
UNDER TENN. GAS'S FIRM TRANSPORTATION SERVICE RATE

	<u>ESTIMATED PRICE AS DELIVERED TO TENN. GAS</u>	<u>RETENTION (TO ZONE 2)</u>	<u>RATE FT-A TRANSPORT CHARGE</u>	<u>TOTAL ESTIMATED DELIVERED PRICE</u>
Zone 0				
November 2006	\$5.0190	5.16%	\$0.0175	\$5.3096
December	\$6.5590	5.16%	\$0.0175	\$6.9334
January 2007	\$6.9940	5.16%	\$0.0175	\$7.3920
Zone 1				
November 2006	\$5.6190	4.28%	\$0.0175	\$5.8877
December	\$7.1590	4.28%	\$0.0175	\$7.4966
January 2007	\$7.5940	4.28%	\$0.0175	\$7.9511

The annual demand billings covering the 12 months from November 1, 2006 through October 31, 2007 for the long-term firm contracts with suppliers are currently expected to be \$10,589,947.

**Rate FT, Rider RBS, and Rate PS**

The demand-related supply costs applicable to the Daily Utilization Charge under Rate FT, the Reserved Balancing Service under Rider RBS, and any daily utilization charges under Rate PS applicable during the three-month period of November 1, 2006 through January 31, 2007 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 Gas Tariff  
Second Revised Volume No. 1

Eighth Revised Sheet No. 20  
Superseding  
Substitute Seventh Revised Sheet No. 20

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

	Base Tariff Rates (1)	FERC ACA (2)	Currently Effective Rates (3)
<b>Zone SL</b>			
Daily Demand	0.1800		0.1800
Commodity	0.0253	0.0016	0.0269
Overrun	0.2053	0.0016	0.2069
<b>Zone 1</b>			
Daily Demand	0.2782		0.2782
Commodity	0.0431	0.0016	0.0447
Overrun	0.3213	0.0016	0.3229
<b>Zone 2</b>			
Daily Demand	0.3088		0.3088
Commodity	0.0460	0.0016	0.0476
Overrun	0.3548	0.0016	0.3564
<b>Zone 3</b>			
Daily Demand	0.3543		0.3543
Commodity	0.0490	0.0016	0.0506
Overrun	0.4033	0.0016	0.4049
<b>Zone 4</b>			
Daily Demand	0.4190		0.4190
Commodity	0.0614	0.0016	0.0630
Overrun	0.4804	0.0016	0.4820

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

Note: 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 25 of the General Terms and Conditions.

For receipts from Enterprise Texas Pipeline, L.P./Texas Eastern Transmission, LP interconnect near Beckville, Texas, the above rates shall be increased to include an incremental transportation charge of:

Daily Demand	\$0.0621
Commodity	\$0.0155
Overrun	\$0.0776

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

Texas Gas Transmission, LLC  
FERC Gas Tariff  
Second Revised Volume No. 1

Substitute Fifth Revised Sheet No. 24  
Superseding  
Second Sub Fourth Rev Sheet No. 24

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 fronthaul rates to zone of delivery.

[1] Currently Effective Rates are equal to the Base Tariff Rates.

Note: 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 25 of the General Terms and Conditions.

For receipts from Enterprise Texas Pipeline, L.P./Texas Eastern Transmission, LP interconnect near Beckville, Texas, the above rates shall be increased to include an incremental Daily Demand charge of \$0.0621. This receipt point is available to those customers agreeing to pay the incremental rate(s) applicable to such point and is not available for pooling under Rate Schedule TAPS.

Texas Gas Transmission, LLC  
FERC Gas Tariff  
Second Revised Volume No. 1

Seventh Revised Sheet No. 25  
Superseding  
Substitute Sixth Revised Sheet No. 25

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

	Base Tariff Rates (1)	FERC ACA (2)	Currently Effective Rates (3)
SL-SL	0.0104	0.0016	0.0120
SL-1	0.0355	0.0016	0.0371
SL-2	0.0399	0.0016	0.0415
SL-3	0.0445	0.0016	0.0461
SL-4	0.0528	0.0016	0.0544
1-1	0.0337	0.0016	0.0353
1-2	0.0385	0.0016	0.0401
1-3	0.0422	0.0016	0.0438
1-4	0.0508	0.0016	0.0524
2-2	0.0323	0.0016	0.0339
2-3	0.0360	0.0016	0.0376
2-4	0.0446	0.0016	0.0462
3-3	0.0312	0.0016	0.0328
3-4	0.0398	0.0016	0.0414
4-4	0.0360	0.0016	0.0376

Minimum Rates: Commodity minimum base rates are presented on Sheet 31.

Backhaul rates equal fronthaul rates to zone of delivery.

Note: For receipts from Enterprise Texas Pipeline, L.P./Texas Eastern Transmission, LP interconnect near Beckville, Texas, the above rates shall be increased to include an incremental Commodity charge of \$0.0155. This receipt point is available to those customers agreeing to pay the incremental rate(s) applicable to such point and is not available for pooling under Rate Schedule TAPS.

Issued by: James R. Hendrix, Vice President, Rates

Issued on: August 25, 2006

Effective on: October 1, 2006

TENNESSEE GAS PIPELINE COMPANY  
FERC Gas Tariff  
FIFTH REVISED VOLUME NO. 1

Twenty-Fifth Revised Sheet No. 23  
Superseding  
Twenty-Fourth Revised Sheet No. 23

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	\$3.10		\$6.45	\$9.06	\$10.53	\$12.22	\$14.09	\$16.59		
L		\$2.71								
1	\$6.66		\$4.92	\$7.62	\$9.08	\$10.77	\$12.64	\$15.15		
2	\$9.06		\$7.62	\$2.86	\$4.32	\$6.32	\$7.89	\$10.39		
3	\$10.53		\$9.08	\$4.32	\$2.05	\$6.08	\$7.64	\$10.14		
4	\$12.53		\$11.08	\$6.32	\$6.08	\$2.71	\$3.38	\$5.89		
5	\$14.09		\$12.64	\$7.89	\$7.64	\$3.38	\$2.85	\$4.93		
6	\$16.59		\$15.15	\$10.39	\$10.14	\$5.89	\$4.93	\$3.16		
Surcharges		DELIVERY ZONE								
RECEIPT ZONE	0	L	1	2	3	4	5	6		
PCB Adjustment: 1/	\$0.00		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
L		\$0.00								
1	\$0.00		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
2	\$0.00		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
3	\$0.00		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
4	\$0.00		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
5	\$0.00		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
6	\$0.00		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Maximum Reservation Rates 2/		DELIVERY ZONE								
RECEIPT ZONE	0	L	1	2	3	4	5	6		
0	\$3.10		\$6.45	\$9.06	\$10.53	\$12.22	\$14.09	\$16.59		
L		\$2.71								
1	\$6.66		\$4.92	\$7.62	\$9.08	\$10.77	\$12.64	\$15.15		
2	\$9.06		\$7.62	\$2.86	\$4.32	\$6.32	\$7.89	\$10.39		
3	\$10.53		\$9.08	\$4.32	\$2.05	\$6.08	\$7.64	\$10.14		
4	\$12.53		\$11.08	\$6.32	\$6.08	\$2.71	\$3.38	\$5.89		
5	\$14.09		\$12.64	\$7.89	\$7.64	\$3.38	\$2.85	\$4.93		
6	\$16.59		\$15.15	\$10.39	\$10.14	\$5.89	\$4.93	\$3.16		
Minimum Base Reservation Rates The minimum FT-A Reservation Rate is \$0.00 per Dth										
Notes:										
1/ PCB adjustment surcharge originally effective for PCB Adjustment Period of July 1, 1995 - June 30, 2000, was revised and the PCB Adjustment Period has been extended until June 30, 2008 as required by the Stipulation and Agreement filed on May 15, 1995 and approved by Commission Orders issued November 29, 1995 and February 20, 1996.										
2/ Maximum rates are inclusive of base rates and above surcharges.										

Issued by: Byron S. Wright, Vice President  
Issued on: May 31, 2006

Effective on: July 1, 2006

TENNESSEE GAS PIPELINE COMPANY  
FERC Gas Tariff  
FIFTH REVISED VOLUME NO. 1

Eighteenth Revised Sheet No. 23A  
Superseding  
Seventeenth Revised Sheet No. 23A

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	\$0.0439		\$0.0669	\$0.0880	\$0.0978	\$0.1118	\$0.1231	\$0.1608
L		\$0.0286						
1	\$0.0669		\$0.0572	\$0.0776	\$0.0874	\$0.1014	\$0.1126	\$0.1503
2	\$0.0880		\$0.0776	\$0.0433	\$0.0530	\$0.0681	\$0.0783	\$0.1159
3	\$0.0978		\$0.0874	\$0.0530	\$0.0366	\$0.0663	\$0.0765	\$0.1142
4	\$0.1129		\$0.1025	\$0.0681	\$0.0663	\$0.0401	\$0.0459	\$0.0834
5	\$0.1231		\$0.1126	\$0.0783	\$0.0765	\$0.0459	\$0.0427	\$0.0765
6	\$0.1608		\$0.1503	\$0.1159	\$0.1142	\$0.0834	\$0.0765	\$0.0642

Minimum  
Commodity Rates 2/

RECEIPT ZONE	DELIVERY ZONE							
	0	L	1	2	3	4	5	6
0	\$0.0026		\$0.0096	\$0.0161	\$0.0191	\$0.0233	\$0.0268	\$0.0326
L		\$0.0034						
1	\$0.0096		\$0.0067	\$0.0129	\$0.0159	\$0.0202	\$0.0236	\$0.0294
2	\$0.0161		\$0.0129	\$0.0024	\$0.0054	\$0.0100	\$0.0131	\$0.0189
3	\$0.0191		\$0.0159	\$0.0054	\$0.0004	\$0.0095	\$0.0126	\$0.0184
4	\$0.0237		\$0.0205	\$0.0100	\$0.0095	\$0.0015	\$0.0032	\$0.0090
5	\$0.0268		\$0.0236	\$0.0131	\$0.0126	\$0.0032	\$0.0022	\$0.0069
6	\$0.0326		\$0.0294	\$0.0189	\$0.0184	\$0.0090	\$0.0069	\$0.0031

Maximum  
Commodity Rates 1/, 2/

RECEIPT ZONE	DELIVERY ZONE							
	0	L	1	2	3	4	5	6
0	\$0.0455		\$0.0685	\$0.0896	\$0.0994	\$0.1134	\$0.1247	\$0.1624
L		\$0.0302						
1	\$0.0685		\$0.0588	\$0.0792	\$0.0890	\$0.1030	\$0.1142	\$0.1519
2	\$0.0896		\$0.0792	\$0.0449	\$0.0546	\$0.0697	\$0.0799	\$0.1175
3	\$0.0994		\$0.0890	\$0.0546	\$0.0382	\$0.0679	\$0.0781	\$0.1158
4	\$0.1145		\$0.1041	\$0.0697	\$0.0679	\$0.0417	\$0.0475	\$0.0850
5	\$0.1247		\$0.1142	\$0.0799	\$0.0781	\$0.0475	\$0.0443	\$0.0781
6	\$0.1624		\$0.1519	\$0.1175	\$0.1158	\$0.0850	\$0.0781	\$0.0658

Notes:

1/ The above maximum rates include a per Dth charge for:  
(ACA) Annual Charge Adjustment

\$0.0016

2/ The applicable fuel retention percentages are listed on Sheet No. 29, provided that for service rendered solely by displacement, shipper shall render only the quantity of gas associated with losses of .5%.

**LOUISVILLE GAS AND ELECTRIC COMPANY****Gas Supply Clause: 2006-00XXX****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 2006-00138 during the three-month period of May 2006 through July 31, 2006 was \$98,705. The calculation of the Gas Cost Actual Adjustment (GCAA) set forth in Exhibit B-1 results in a credit of 0.029¢ per 100 cubic feet, which LG&E will place in effect with service rendered on and after November 1, 2006, 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 May 2006 through July 2006. [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 2005-00143, with service rendered through October 31, 2006, which will have been in effect for twelve months. Any over or under recovery of the amount originally established in this GCAA will be transferred to the Gas Cost Balance Adjustment (GCBA) which will be implemented in LG&E's next Gas Supply Clause filing with service rendered on and after the month of February 2007.

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

Current Quarter Actual Adjustment:	
Effective November 1, 2006 from 2006-00138	(0.029) cents/Ccf
Previous Quarter Actual Adjustment	
Effective August 1, 2006 from 2006-00005	(5.218) cents/Ccf
2nd Previous Quarter Actual Adjustment:	
Effective May 1, 2006 from 2005-00401 & 2005-00454	(5.275) cents/Ccf
3rd Previous Quarter Actual Adjustment	
Effective February 1, 2006 from 2005-00274	5.018 cents/Ccf
<b>Total Gas Cost Actual Adjustment (GCAA)</b>	<b>(5.504) 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

	(1) Cost Recovery Under GSC Compared to Actual Gas Supply Costs			(4) Derivation of Gas Cost Actual Adjustment (GCAA) Which Compensates for Over or Under Recoveries			
	Total Dollars of Gas Cost Recovered <sup>1</sup>	Gas Supply Cost Per Books <sup>2</sup>	Over Or (Under) Recovery (1) - (2)	Expected Mcf Sales for 12-Month Period From Date Implemented	GCAA Per Mcf	GCAA Per 100 Cu. Ft.	Implemented With Service Rendered On
Nov 2000 - Jan 2001 Case # 2000-080-A	128,334,845	166,746,237	(38,411,392)	40,502,982	\$0.9484	\$0.09484	5/1/2001
Feb 2001 - Apr 2001 Case # 2000-080-B	84,744,480	72,203,459	12,541,021	40,583,967	(\$0.3090)	(\$0.03090)	8/1/2001
May 2001 - Jul 2001 Case # 2000-080-D	17,784,983	15,885,438	1,899,545	40,602,547	(\$0.0468)	(\$0.00468)	11/1/2001
Aug 2001 - Oct 2001 Case # 2000-080-G	18,398,144	14,357,692	4,040,452	37,352,279	(\$0.1082)	(\$0.01082)	2/01/2002
Nov 2001 - Jan 2002 Case # 2000-080-H	56,558,240	58,396,260	(1,838,020)	37,610,431	\$0.0489	\$0.00489	5/01/2002
Feb 2002 - Apr 2002 Case # 2000-080-I	56,940,651	60,982,147	(12,230,238) <sup>3</sup>	37,752,063	\$0.3240	\$0.03240	8/1/2002
May 2002 - July 2002 Case # 2002-00110	13,438,971	15,122,528	(1,683,557)	36,753,737	\$0.0458	\$0.00458	11/1/2002
Aug 2002 - Oct 2002 Case #2002-00261	15,907,785	17,086,539	(1,178,754)	36,801,563	\$0.0320	\$0.00320	2/1/2003
Nov 2002 -Jan 2003 Case # 2002-00368	97,958,248	107,648,978	(9,690,730)	36,918,853	\$0.2625	\$0.02625	5/1/2003
Feb 2003-Apr 2003 Case # 2003-00004	68,860,317	89,433,601	(20,573,284)	36,900,588	\$0.5575	\$0.05575	8/1/2003
May 2003-Jul 2003 Case # 2003-000121	18,971,902	18,559,852	412,050	36,348,575	(\$0.0113)	(\$0.00113)	11/1/2003
Aug 2003 - Oct 2003 Case # 2003-00260	25,560,264	20,773,050	4,787,214	36,405,180	(\$0.1315)	(\$0.01315)	2/1/2004
Nov 2003 - Jan 2004 Case # 2003-00385	110,568,160	117,066,050	(6,497,890)	36,398,609	\$0.1785	\$0.01785	5/1/2004
Feb 2004 - Apr 2004 Case # 2003-00506	83,438,486	81,507,939	1,930,547	36,434,958	(\$0.0530)	(\$0.00530)	8/1/2004
May 2004 - Jul 2004 Case # 2004-00117	19,042,943	21,865,358	(2,822,415)	36,321,555	\$0.0777	\$0.00777	11/1/2004
Aug 2004 - Oct 2004 Case # 2004-00271	25,903,070	20,754,205	5,148,865	36,326,312	(\$0.1417)	(\$0.01417)	2/1/2005
Nov 2004 - Jan 2005 Case # 2004-00390	121,366,510	128,832,748	(7,466,238)	36,421,319	\$0.2050	\$0.02050	5/1/2005
Feb 2005 - Apr 2005 Case # 2004-00526	97,013,157	96,350,924	662,233	36,428,002	(\$0.0182)	(\$0.00182)	8/1/2005
May 2005 - Jul 2005 Case # 2005-00143	31,352,437	29,163,240	2,189,197	35,923,358	(\$0.0609)	(\$0.00609)	11/1/2005
Aug 2005 - Oct 2005 Case # 2005-00274	26,937,216	45,136,099	(18,198,883)	36,264,049	\$0.5018	\$0.05018	2/1/2006
Nov 2005 - Jan 2006 Case #s 2005-00401 & 2005-00454	195,225,843	176,113,181	19,112,662	36,235,391	(\$0.5275)	(\$0.05275)	5/1/2006
Feb 2006 - Apr 2006 Case #2006-00005	118,813,736	99,908,070	18,905,666	36,234,450	(\$0.5218)	(\$0.05218)	8/1/2006
May 2006 - Jul 2006 Case #2006-00138	25,653,769	25,555,064	98,705	33,519,195	(\$0.0029)	(\$0.00029)	11/1/2006

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

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

<sup>3</sup> This amount includes \$8,188,742 transferred from the Gas Supply Balance Adjustment (Exhibit C-1, Page 1 of 2, column 3).

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

	Monthly Mcf Sales <sup>1</sup>	Feb 1, 2005 Through April 30, 2005	May 1, 2005 Through July 31, 2005	Aug 1, 2005 Through Oct 31, 2005	Nov 1, 2005 Through Nov 30, 2005	Dec 1, 2005 Through Jan 31, 2006	Feb 1, 2006 Through Apr 30, 2006	May 1, 2006 through July 31, 2006
1	2005 FEB	5,874,728	3,014,939					
2	MAR	5,232,940	5,232,940					
3	APR	2,888,645	2,888,645					
4	MAY	1,725,429	811,705	913,725				
5	JUNE	1,399,647		924,088				
6	JULY	802,316		802,316				
7	AUG	751,741	400,469		351,272			
8	SEPT	753,898		753,898				
9	OCT	872,483		872,219				
10	NOV	1,942,084		1,027,755	914,329			
11	DEC	5,198,564			2,588,033	2,608,532		
12	2006 JAN	5,536,942				5,536,942		
13	FEB	4,705,344				2,311,427	2,393,917	
14	MAR	4,164,379					4,164,379	
15	APR	2,693,081					2,693,081	
16	MAY	1,335,505					629,507	705,997
17	JUNE	923,191						923,191
18	JULY	795,759						795,759
19	AUG	737,726						327,625
20	Applicable Mcf Sales During 3 Month Period	11,948,228	3,040,598	3,005,143	3,502,362	10,456,901	9,880,883	2,752,572
21	Gas Supply Clause Case No.	2004-00526	2005-00143	2005-00274	2005-00401	2005-00454	2006-00005	2006-00138
22	Gas Supply Cost Recovered Per Mcf Sold	\$7.2702	\$9.0435	\$8.8091	\$15.3793	\$13.1638	\$12.0028	\$ 9.2587
23	Dollars of Recovery Under GSC	\$86,866,007	\$27,497,647	\$26,472,608	\$53,863,871	\$137,652,555	\$118,598,260	\$25,485,235
24	Total Dollars Recovered During 3-Month Period					\$191,516,426		
25	Mcf of Customer-Owned Gas Transported Under Rate TS	14,815	9,911	10,547	5180	10,536	15,140	19,251
26	Total Mcf of Customer-Owned Gas Transported Under Rate TS During 3-Month Period					15,716		
27	Pipeline Suppliers' Demand Component Per Mcf	0.8905	0.8915	0.8895	0.9006	0.9006	0.8923	0.8757
28	Dollars of Recovery Under Rate TS During 3-Month Period (Line 25 x Line 27)	\$13,193	\$8,836	\$9,382		\$14,154	\$13,509	\$16,858
29	Dollars of Recovery Under Rate FT (See Ex B-1, Page 3)	\$445,793	\$265,274	\$455,227		\$610,916	\$201,966	\$151,676
30	Revenues from Off-system Sales	\$9,688,164	\$3,580,681	\$0		\$3,084,348	0	0
31	Total \$'s of Gas Cost Recovered During 3-Month Period (Line 23 + Line 28 + Line 29 + Line 30)	\$97,013,157	\$31,352,437	\$26,937,216		\$195,225,843	\$118,813,736	\$25,653,769

1. Monthly Mcf Sales include volumes for Natural Gas Vehicles (NGVs).

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)
Billing Month	Case Number	UCDI Demand Chrg / Mcf	Seasonal RBS Demand Chrg / Mcf	RBS Demand Chrg / Mcf	Cash-Out Sales (Mcf)	Cash-Out Sales (\$)	MMBTU Adjust. (Mcf)	MMBTU Adjust. (\$)	UCDI Mcf	UCDI \$ [(3) x (10)]	Seasonal RBS Mcf	Seasonal RBS \$ [(4) x (12)]	RBS Mcf	RBS \$ [(5) x (14)]	OFO \$	Monthly \$'s Recovered [(7)+(9)+(11) + (13)+(15)+(16)]
2004 May	2004-00117	0.1701	0	\$5.17	5,779.3	\$41,012.37	836.0	\$5,606.21	57,931.7	\$9,854.18	0.0	\$0.00	0.00	\$0.00	\$0.00	\$56,472.76
Jun	2004-00117	0.1701	0	\$5.17	13,146.0	\$89,424.43	3,300.0	\$21,780.00	48,361.6	\$8,226.31	0.0	\$0.00	0.00	\$0.00	\$0.00	\$119,430.74
Jul	2004-00117	0.1701	0	\$5.17	15,422.8	\$103,606.08	1,824.0	\$11,671.36	38,980.7	\$6,630.62	0.0	\$0.00	0.00	\$0.00	\$0.00	\$121,908.06
														\$0.00	\$0.00	
<b>Total FT Revenues</b>																<b>\$297,811.56</b>
2004 Aug	2004-00271	0.2105	0	\$6.40	13,946.0	\$87,896.88	2,538.0	\$15,145.96	40,216.9	\$8,465.66	0.0	\$0.00	0.00	\$0.00	\$11,464.54	\$122,973.04
Sept	2004-00271	0.2105	0	\$6.40	6,951.5	\$46,061.28	2,384.0	\$11,976.38	51,928.2	\$10,930.89	0.0	\$0.00	0.00	\$0.00	\$10,107.68	\$79,076.23
Oct	2004-00271	0.2105	0	\$6.40	7,560.2	\$65,096.68	1,164.0	\$7,062.64	56,348.9	\$11,861.44	0.0	\$0.00	0.00	\$0.00	\$0.00	\$84,020.76
														\$0.00	\$21,572.22	
<b>Total FT Revenues</b>																<b>\$286,070.03</b>
2004 Nov	2004-00390	0.2189	0	\$6.66	12,362.5	\$98,486.35	1,638.0	\$12,600.72	62,890.3	\$13,766.69	0.0	\$0.00	0.00	\$0.00	\$0.00	\$124,853.76
Dec	2004-00390	0.2189	0	\$6.66	14,489.3	\$116,723.10	4.0	\$24.98	187,758.7	\$41,100.38	0.0	\$0.00	0.00	\$0.00	\$166,963.28	\$324,811.74
2005 Jan	2004-00390	0.2189	0	\$6.66	4,204.9	\$30,950.65	3,700.0	\$21,530.78	145,686.1	\$31,890.69	0.0	\$0.00	0.00	\$0.00	\$0.00	\$84,372.12
														\$0.00	\$166,963.28	
<b>Total FT Revenues</b>																<b>\$534,037.61</b>
2005 Feb	2004-00526	0.2189	0	\$6.66	2,666.0	\$18,528.80	2,151.0	\$13,664.58	80,478.0	\$17,616.63	0.0	\$0.00	0.00	\$0.00	\$0.00	\$49,810.01
Mar	2004-00526	0.2189	0	\$6.66	19,117.3	\$162,258.89	1,286.0	\$9,399.46	85,737.1	\$18,767.85	0.0	\$0.00	0.00	\$0.00	\$0.00	\$190,426.20
Apr	2004-00526	0.2189	0	\$6.66	18,983.3	\$173,823.38	1,705.0	\$13,023.74	85,471.1	\$18,709.62	0.0	\$0.00	0.00	\$0.00	\$0.00	\$205,566.74
														\$0.00	\$0.00	
<b>Total FT Revenues</b>																<b>\$445,792.96</b>
2005 May	2005-00143	0.2189	0	\$6.66	14,123.5	\$115,673.41	0	\$0	65,820.6	\$14,408.13	0.0	\$0.00	0.00	\$0.00	\$0.00	\$130,081.54
June	2005-00143	0.2189	0	\$6.66	7,718.4	\$76,654.30	1,173.0	\$8,092.57	37,465.9	\$8,201.29	0.0	\$0.00	0.00	\$0.00	\$0.00	\$92,948.16
July	2005-00143	0.2189	0	\$6.66	1,352.6	\$11,633.92	2,637.0	\$19,476.57	50,242.7	\$10,998.13	0.0	\$0.00	0.00	\$0.00	\$135.41	\$42,244.03
														\$0.00	\$135.41	
<b>Total FT Revenues</b>																<b>\$265,273.72</b>
2005 Aug	2005-00274	0.2189	0	\$6.66	6,156.4	\$104,501.98	5,152.0	\$59,431.63	35,000.1	\$7,661.52	0.0	\$0.00	0.00	\$0.00	\$20,906.73	\$192,501.86
Sept	2005-00274	0.2189	0	\$6.66	-	\$360.00	4,601.0	\$51,600.23	100,918.2	\$22,090.99	0.0	\$0.00	0.00	\$0.00	\$42,547.83	\$116,599.05
Oct	2005-00274	0.2189	0	\$6.66	3,275.4	\$59,648.92	5,229.0	\$70,272.99	74,024.1	\$16,203.88	0.0	\$0.00	0.00	\$0.00	\$0.00	\$146,125.79
														\$0.00	\$63,454.56	
<b>Total FT Revenues</b>																<b>\$455,226.70</b>
2005 Nov	2005-00401	0.2172	0	\$6.61	9,294.4	\$123,458.59	6,392.0	\$71,717.32	89,887.7	\$19,523.61	0.0	\$0.00	0.00	\$0.00	\$29,455.10	\$244,154.62
Dec	2005-00454	0.2172	0	\$6.61	9,354.0	\$151,830.72	6,808.0	\$7,340.64	102,026.5	\$22,160.16	0.0	\$0.00	0.00	\$0.00	\$0.00	\$261,331.62
2006 Jan	2005-00454	0.2172	0	\$6.61	-	\$360.00	10,429.0	\$84,683.48	93,858.4	\$20,386.04	0.0	\$0.00	0.00	\$0.00	\$0.00	\$105,429.62
														\$0.00	\$29,455.10	
<b>Total FT Revenues</b>																<b>\$610,915.66</b>
Feb	2006-00005	0.2172	0	\$6.61	438.9	\$4,340.82	3,819.0	\$28,454.32	70,958.4	\$15,412.16	0.0	\$0.00	0.00	\$0.00	\$0.00	\$48,207.30
Mar	2006-00005	0.2172	0	\$6.61	6,397.4	\$50,368.91	3,935.0	\$28,553.86	61,532.2	\$13,364.79	0.0	\$0.00	0.00	\$0.00	(\$2,921.00)*	\$89,366.56
Apr	2006-00005	0.2172	0	\$6.61	2,818.6	\$23,627.54	3,042.0	\$23,106.61	81,299.7	\$17,658.29	0.0	\$0.00	0.00	\$0.00	\$0.00	\$84,392.44
														\$0.00	(\$2,921.00)	
<b>Total FT Revenues</b>																<b>\$201,966.31</b>
May	2006-00138	0.2131	0	\$6.48	3,991.8	\$30,063.01	20.0	\$131.94	69,915.2	\$14,898.93	0.0	\$0.00	0.00	\$0.00	\$0.00	\$45,093.88
June	2006-00138	0.2131	0	\$6.48	6,964.9	\$52,743.60	-	\$-	45,127.0	\$9,616.56	0.0	\$0.00	0.00	\$0.00	\$0.00	\$62,360.16
July	2006-00138	0.2131	0	\$6.48	3,961.3	\$30,663.94	22.0	\$117.92	63,068.9	\$13,439.98	0.0	\$0.00	0.00	\$0.00	\$0.00	\$44,221.84
														\$0.00	\$0.00	
<b>Total FT Revenues</b>																<b>\$151,675.89</b>

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.

\* OFO Charge from September 2005 Credited to customer's account in March 2006 after meter reading error discovered.



LOUISVILLE GAS AND ELECTRIC COMPANY  
SUMMARY OF GAS PURCHASES AND COSTS BY SUPPLIER  
FOR THE 3 MONTH PERIOD FROM MAY 2006 THROUGH JULY 2006

DELIVERED BY TEXAS GAS TRANSMISSION, LLC

COMMODITY AND VOLUMETRIC CHARGES:

			MAY 2006			JUNE 2006			JULY 2006			
			NET MMBTU	MCF	\$	NET MMBTU	MCF	\$	NET MMBTU	MCF	\$	
NATURAL GAS SUPPLIERS:												
1 .	A		0	0	\$0.00	0	0	\$0.00	0	0	\$0.00	
2 .	B		0	0	\$0.00	0	0	\$0.00	0	0	\$0.00	
3 .	C		0	0	\$0.00	0	0	\$0.00	14,517	14,163	\$76,800.00	
4 .	D		14,538	14,183	\$86,700.00	0	0	\$0.00	0	0	\$0.00	
5 .	E		390,011	380,499	\$2,631,590.00	352,566	343,967	\$1,945,415.40	390,011	380,499	\$2,143,960.00	
6 .	F		0	0	\$0.00	0	0	\$0.00	0	0	\$0.00	
7 .	G		263,362	256,939	\$1,645,745.00	116,310	113,473	\$746,000.00	495,566	483,479	\$3,068,737.50	
8 .	H		412,557	402,495	\$2,625,301.20	392,952	383,368	\$2,389,493.30	549,555	536,151	\$3,248,613.86	
9 .	I		196,000	191,220	\$1,434,011.52	735,000	717,073	\$4,435,713.60	759,500	740,976	\$4,552,176.40	
10 .	J		143,995	140,483	\$910,056.00	0	0	\$0.00	0	0	\$0.00	
11 .	K		0	0	\$0.00	0	0	\$0.00	0	0	\$0.00	
			<u>1,420,463</u>	<u>1,385,819</u>	<u>\$9,333,403.72</u>	<u>1,596,828</u>	<u>1,557,881</u>	<u>\$9,516,622.30</u>	<u>2,209,149</u>	<u>2,155,288</u>	<u>\$13,090,287.76</u>	
NO-NOTICE SERVICE ("NNS") STORAGE:												
1 .	WITHDRAWALS		0	0	\$0.00	5,641	5,503	\$33,117.18	176,494	172,189	\$1,033,795.96	
2 .	INJECTIONS		(867,758)	(846,593)	(\$5,731,888.69)	(344,500)	(336,098)	(\$2,022,490.60)	(205,991)	(200,967)	(\$1,206,571.68)	
3 .	ADJUSTMENTS		(789)	(934)	(\$5,559.85)	19	(660)	\$125.50	74	(96)	\$434.44	
4 .	ADJUSTMENTS				\$416.52			\$53.17			\$260.85	
5 .	ADJUSTMENTS				(\$2,428,073.66)			(\$1,202,274.16)			(\$253,667.81)	
6 .	ADJUSTMENTS				\$5,855,730.41			\$0.00			\$0.00	
	NET NNS STORAGE		<u>(868,547)</u>	<u>(847,527)</u>	<u>(\$2,309,375.27)</u>	<u>(338,840)</u>	<u>(331,255)</u>	<u>(\$3,191,468.91)</u>	<u>(29,423)</u>	<u>(28,874)</u>	<u>(\$425,748.14)</u>	
NATURAL GAS TRANSPORTERS:												
1 .	TEXAS GAS TRANSMISSION, LLC				\$26,993.50			\$59,452.42			\$101,562.75	
2 .	ADJUSTMENTS		0	249	\$2,538.92	0	1,110	\$0.99	0	743	\$3.80	
3 .	ADJUSTMENTS		0	0	\$0.00	0	0	(\$2,579.34)	0	0	\$0.00	
	TOTAL		<u>551,916</u>	<u>538,541</u>	<u>\$29,532.42</u>	<u>1,257,988</u>	<u>1,227,736</u>	<u>\$56,874.07</u>	<u>2,179,726</u>	<u>2,127,137</u>	<u>\$101,566.55</u>	
TOTAL COMMODITY AND VOLUMETRIC CHARGES					<u>\$7,053,560.87</u>						<u>\$6,382,027.46</u>	<u>\$12,766,106.17</u>
DEMAND AND FIXED CHARGES:												
1 .	TEXAS GAS TRANSMISSION, LLC				\$969,060.00			\$937,800.00			\$969,060.00	
2 .	ADJUSTMENTS				\$0.00			\$0.00			\$0.00	
3 .	SUPPLY RESERVATION CHARGES				\$253,116.71			\$244,951.65			\$253,116.71	
4 .	ADJUSTMENTS				\$0.00			\$0.00			\$0.00	
5 .	CAPACITY RELEASE CREDITS				(\$31,000.00)			(\$31,920.00)			\$0.00	
TOTAL DEMAND AND FIXED CHARGES					<u>\$1,191,176.71</u>						<u>\$1,150,831.65</u>	<u>\$1,222,176.71</u>
TOTAL PURCHASED GAS COSTS – TEXAS GAS TRANSMISSION, LLC					<u>\$8,244,737.58</u>						<u>\$7,532,859.11</u>	<u>\$13,988,282.88</u>

LOUISVILLE GAS AND ELECTRIC COMPANY  
SUMMARY OF GAS PURCHASES AND COSTS BY SUPPLIER  
FOR THE 3 MONTH PERIOD FROM MAY 2006 THROUGH JULY 2006

DELIVERED BY TENNESSEE GAS PIPELINE COMPANY

COMMODITY AND VOLUMETRIC CHARGES:

			MAY 2006			JUNE 2006			JULY 2006				
			NET MMBTU	MCF	\$	NET MMBTU	MCF	\$	NET MMBTU	MCF	\$		
<b>NATURAL GAS SUPPLIERS:</b>													
1 .	L		99,209	96,319	\$604,544.08	0	0	\$0.00	310,000	300,971	\$1,840,088.24		
2 .	M		0	0	\$0.00	898,161	872,001	\$5,744,777.73	912,760	886,175	\$5,654,245.80		
3 .	N		0	0	\$0.00	0	0	\$0.00	340,941	331,011	\$2,179,356.37		
			<u>99,209</u>	<u>96,319</u>	<u>\$604,544.08</u>	<u>898,161</u>	<u>872,001</u>	<u>\$5,744,777.73</u>	<u>1,563,701</u>	<u>1,518,157</u>	<u>\$9,673,670.41</u>		
<b>NATURAL GAS TRANSPORTERS:</b>													
1 .	TENNESSEE GAS PIPELINE COMPANY				\$1,736.16			\$15,717.82			\$27,364.77		
2 .	ADJUSTMENTS		1,213	1,184	\$13,357.40	(222)	(89)	(\$1,458.01)	(858)	263	(\$5,558.56)		
3 .	ADJUSTMENTS		0	0	\$0.00	0	0	\$0.00	0	0	\$0.00		
<b>TOTAL</b>			<u>100,422</u>	<u>97,503</u>	<u>\$15,093.56</u>	<u>897,939</u>	<u>871,912</u>	<u>\$14,259.81</u>	<u>1,562,843</u>	<u>1,518,420</u>	<u>\$21,806.21</u>		
<b>TOTAL COMMODITY AND VOLUMETRIC CHARGES</b>					<u>\$619,637.64</u>				<u>\$5,759,037.54</u>	<u>\$9,695,476.62</u>			
<b>DEMAND AND FIXED CHARGES:</b>													
1 .	TENNESSEE GAS PIPELINE COMPANY				\$329,664.00			\$329,664.00			\$329,664.00		
2 .	TRANSPORTATION BY OTHERS				\$0.00			\$0.00			\$0.00		
3 .	SUPPLY RESERVATION CHARGES				\$0.00			\$0.00			\$0.00		
4 .	CAPACITY RELEASE CREDITS				\$0.00			\$0.00			\$0.00		
<b>TOTAL DEMAND AND FIXED CHARGES</b>					<u>\$329,664.00</u>				<u>\$329,664.00</u>	<u>\$329,664.00</u>			
<b>TOTAL PURCHASED GAS COSTS – TENNESSEE GAS PIPELINE COMPANY</b>					<u>\$949,301.64</u>				<u>\$6,088,701.54</u>	<u>\$10,025,140.62</u>			
<b>OTHER PURCHASES</b>													
<b>1 . PURCHASED FOR ELECTRIC DEPARTMENT</b>													
	O		0	0	\$0.00	13,000	12,683	\$92,300.00	49,000	47,806	\$366,800.00		
	P		0	0	\$0.00	0	0	\$0.00	32,000	31,220	\$249,250.00		
	Q		35,000	34,146	\$243,580.00	200,500	195,609	\$1,403,415.00	113,000	110,244	\$760,470.00		
	TEXAS GAS TRANSMISSION, LLC		0	0	\$0.00	0	0	\$0.00	0	0	\$0.00		
	ADJUSTMENTS		0	21	\$0.00	0	80	\$0.00	0	12	\$0.00		
			<u>35,000</u>	<u>34,167</u>	<u>\$243,580.00</u>	<u>213,500</u>	<u>208,372</u>	<u>\$1,495,715.00</u>	<u>194,000</u>	<u>189,282</u>	<u>\$1,376,520.00</u>		
<b>2 . CASH-OUT OF CUSTOMER OVER-DELIVERIES</b>					<u>20,626</u>			<u>\$78,037.95</u>			<u>\$85,487.27</u>		
<b>TOTAL</b>			<u>35,000</u>	<u>54,793</u>	<u>\$365,474.25</u>	<u>213,500</u>	<u>221,988</u>	<u>\$1,573,752.95</u>	<u>194,000</u>	<u>206,764</u>	<u>\$1,462,007.27</u>		
<b>TOTAL PURCHASED GAS COSTS – ALL PIPELINES</b>					<u>687,338</u>	<u>690,837</u>	<u>\$9,559,513.47</u>	<u>2,369,427</u>	<u>2,321,636</u>	<u>\$15,195,313.60</u>	<u>3,936,589</u>	<u>3,852,321</u>	<u>\$25,475,430.77</u>

**LOUISVILLE GAS AND ELECTRIC COMPANY**

**Gas Supply Clause: 2006-00XXX**

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

The purpose of this adjustment is to compensate for any over or under recoveries remaining from prior Gas Cost Actual Adjustments and Gas Cost Balance Adjustments. The over-recovery that must be refunded under the Gas Cost Balance Adjustment (GCBA) during the period of November 1, 2006 through January 31, 2007, set forth on Page 1 of Exhibit C-1 is \$205,356. The GCBA factor required to refund this over-recovery is 0.129¢ per 100 cubic feet. LG&E will place this charge into effect with service rendered on and after November 1, 2006 and continue for three months.

In this filing, LG&E will also be eliminating the GCBA from Case 2006-00335, which, with service rendered through October 31, 2006, 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 February 1, 2007.

LOUISVILLE GAS AND ELECTRIC COMPANY  
 Calculation of Quarterly Gas Cost Balance Adjustment  
 To Compensate for Over or (Under) Recoveries  
 From the Gas Cost Actual Adjustment (GCAA) and  
 Gas Cost Balance Adjustment (GCBA)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Implemented for Three-Month Period With Service Rendered On and After:	Remaining Over (Under) Recovery From GCAA <sup>1</sup> (\$)	Amt. Transferred From Refund Factor & PBRRC (\$)	GCBA From Second Preceding 3 Mo. Period (\$)	Applicable Sales During 3 Mo. Period <sup>2</sup> (mcf)	GCBA Factor From Second Preceding 3 Mo. Period (cents/mcf)	Recovery Under GCBA (\$)	Remaining Over (Under) Recovery (\$)	Deferred Amounts (\$)	Total Remaining Over (Under) Recovery (\$)	Expected Sales For 3 Mo. Period (mcf)	GCBA (cents/mcf)	GCBA (cents/ccf)
						(5) x (6)	(4) + (7)		(2 + 3 + 8 + 9)			
Aug 1, 2002 (Case No. 2002-00261)	(8,188,742)	8,188,742 <sup>4</sup>	(188,164)	11,586,976	1.38	159,900	(28,264)		(28,264)	3,928,057	0.72	0.072
Nov 1, 2002 (Case No. 2002-00368)	2,636,575		(74,107)	3,095,321	2.26	69,954	(4,153)		2,632,422	17,781,076	(14.80)	(1.480)
Feb 1, 2003 (Case No. 2003-00004)	398,606		(28,264)	3,668,145	0.71	26,044	(2,220)		396,386	13,009,658	(3.05)	(0.305)
May 1, 2003 (Case No. 2003-00121)	97,787		2,632,422	18,255,311	(14.80)	(2,702,631)	(70,209)		27,578	3,519,058	(0.78)	(0.078)
Aug 1, 2003 (Case No. 2003-00260)	19,949		396,386	12,976,494	(3.05)	(395,783)	603		20,552	3,691,785	(0.56)	(0.056)
Nov. 1, 2003 (Case No. 2003-00385)	35,085		27,578	2,961,852	(0.78)	(23,102)	4,476		39,561	17,166,186	(0.23)	(0.023)
Feb. 1, 2004 (Case No. 2004-00506)	40,066	(970) <sup>5</sup>	20,552	3,440,040	(0.56)	(19,608)	944		40,040	12,672,184	(0.32)	(0.032)
May 1, 2004 (Case No. 2004-00117)	(46,186)		39,561	16,014,377	(0.23)	(36,833)	2,728		(43,458)	2,869,986	1.51	0.151
Aug 1, 2004 (Case No. 2004-00271)	(648,088)	(886,051) <sup>6</sup>	40,481	12,039,509	(0.32)	(38,526)	1,955		(1,532,184)	3,663,708	41.82	4.182
Nov 1, 2004 (Case No. 2004-00390)	(1,472,569)		(43,456)	2,767,447	1.51	41,788	(1,668)		(1,474,237)	16,297,803	9.05	0.905
Feb 1, 2005 (Case No. 2004-00526)	28,123		(1,532,184)	3,154,503	41.82	1,319,213	(212,971)		(184,848)	12,678,174	1.46	0.146
May 1, 2005 (Case No. 2005-00143)	510,098	(369,696) <sup>7</sup>	(1,474,237)	14,564,142	9.05	1,318,055	(156,182)		(15,780)	3,087,349	0.51	0.051
Aug 1, 2005 (Case No. 2005-00274)	(708,364)	(432,909) <sup>8</sup>	(184,848)	11,948,228	1.46	174,444	(10,404)		(1,151,677)	3,672,564	31.36	3.136
Nov 1, 2005 (Case No. 2005-00401)	197,051		(15,780)	3,040,598	0.51	15,507	(273)		196,778	17,202,685	(1.14)	(0.114)
Feb 1, 2006 (Case No. 2006-00005)	(292,650)		(1,151,677)	3,005,143	31.36	942,413	(209,264)		(501,914)	12,384,154	4.05	0.405
May 1, 2006 (Case No. 2006-00138)	621,092		196,778	13,959,263	(1.14)	(159,677)	37,101		658,193	3,143,460	(20.94)	(2.094)
Aug 1, 2006 (Case No. 2006-00335)	(1,339,631)	(270,087) <sup>9</sup>	(501,914)	7,486,966	4.05	303,222	(198,692)		(1,808,410)	3,756,552	48.14	4.814
Nov 1, 2006 (Case No. 2006-00XXX)	123,552		658,193	2,752,572	(20.94)	(576,389)	81,804		205,356	15,898,032 <sup>3</sup>	(1.29)	(0.129)

- 1 See Exhibit C-1, page 2.
- 2 Corresponds with actual applicable sales shown on Exhibit B-1, page 2.
- 3 Forecasted 3-month period including November 1, 2006 - January 31, 2007.
- 4 This amount transferred to Gas Supply Actual Adjustment (Exhibit B-1, page 1 of 6, column 3).
- 5 This amount represents an over-refund by LG&E from Case No. 2002-00368 of a pipeline supplier refund.
- 6 Reconciliation of the PBRCC from Case Nos. 2000-080-B, 2000-080-I, and 2002-00261.
- 7 Previous Total Remaining Under-Recovery in Case No. 2005-00526 of (\$184,848) as shown in Column 10, was erroneously transferred to the Summary Sheet as an Over-Recovery and reflected as a refund factor in calculating the Gas Cost Balance Adjustment for February through April 2005. This adjustment corrects that error.
- 8 Reconciliation of the PBRCC from previous twelve months.
- 9 Reconciliation of the PBRCC from previous twelve months.



LOUISVILLE GAS AND ELECTRIC COMPANY

		GCAA Case No. 2003-00121 November 1, 2003	GCAA Case No. 2003-00260 February 1, 2004	GCAA Case No. 2003-00385 May 1, 2004	GCAA Case No. 2003-00506 August 1, 2004	GCAA Case No. 2004-00117 November 1, 2004	GCAA Case No. 2004-00271 February 1, 2005	GCAA Case No. 2004-00390 May 1, 2005	GCAA Case No. 2004-00526 August 1, 2005		
Amount of Over (Under) Recovery -- See Exhibit B-1, Page 1		\$412,050	\$4,787,214	(\$6,497,890)	\$1,930,547	(\$2,822,415)	\$5,148,865	(\$7,466,238)	\$662,233		
Total Monthly (1)	As Pro-Rated for Service Rendered During:			Amount Billed Under -1.13 cents per Mcf	Amount Billed Under -13.15 cents per Mcf	Amount Billed Under 17.85 cents per Mcf	Amount Billed Under -5.30 cents per Mcf	Amount Billed Under 7.77 cents per Mcf	Amount Billed Under -14.17 cents per Mcf	Amount Billed Under 20.50 cents per Mcf	Amount Billed Under -1.82 cents per Mcf
	Previous (2)	Current (3)	Following (4)								
2004	November	2,087,577			(12,802.74) (3)						
	December	4,861,196			(54,931.52) (1)						
	January	6,693,093			(75,631.95) (1)						
	February	7,344,817	3,327,102	4,017,715	(82,996.43) (1)	(528,329.55) (3)					
	March	4,514,128			(51,009.65) (1)	(593,607.82) (1)					
	April	2,866,544			(32,391.94) (1)	(376,950.48) (1)					
	May	1,379,481	641,122	738,359	(15,588.13) (1)	(181,401.71) (1)	131,797.03 (3)				
	June	891,921			(10,078.71) (1)	(117,287.61) (1)	159,207.90 (1)				
	July	793,150			(8,962.60) (1)	(104,299.23) (1)	141,577.28 (1)				
	August	793,351	344,017	449,334	(8,964.87) (1)	(104,325.66) (1)	141,613.15 (1)	(23,814.71) (3)			
	September	832,453			(9,406.72) (1)	(109,467.61) (1)	148,592.91 (1)	(44,120.02) (1)			
	October	1,030,809			(11,648.14) (1)	(135,551.34) (1)	183,999.35 (1)	(54,632.86) (1)			
	November	1,869,532	841,907	1,027,625	(9,513.55) (2)	(245,843.51) (1)	333,711.53 (1)	(99,085.22) (1)	79,846.49 (3)		
	December	4,359,120			(573,224.33) (1)	(778,102.99) (1)	(231,033.38) (1)	338,703.66 (1)			
2005	January	6,317,608			(830,765.47) (1)	1,127,693.05 (1)	(334,833.23) (1)	490,878.15 (1)			
	February	5,874,728	2,859,788	3,014,939	(376,062.16) (2)	1,048,638.88 (1)	(311,360.56) (1)	456,466.33 (1)	(427,216.88) (3)		
	March	5,232,940				934,079.72 (1)	(277,345.80) (1)	406,599.41 (1)	(741,507.54) (1)		
	April	2,888,645				515,623.08 (1)	(153,098.17) (1)	224,447.69 (1)	(409,320.95) (1)		
	May	1,725,429	811,705	913,725		144,889.25 (2)	(91,447.76) (1)	134,065.88 (1)	(244,493.35) (1)	187,313.60 (3)	
	June	924,088					(48,976.66) (1)	71,801.64 (1)	(130,943.27) (1)	189,438.04 (1)	
	July	802,316					(42,522.75) (1)	62,339.95 (1)	(113,688.18) (1)	164,474.78 (1)	
	August	751,741	400,469	351,272			(21,224.86) (2)	58,410.24 (1)	(106,521.63) (1)	154,106.80 (1)	(6,393.14) (3)
	September	753,898						58,577.87 (1)	(106,827.33) (1)	154,549.07 (1)	(13,720.94) (1)
	October	872,219						67,771.40 (1)	(123,593.40) (1)	178,804.85 (1)	(15,874.38) (1)
	November	1,942,084	1,027,755	914,329				79,856.57 (2)	(275,193.30) (1)	398,127.22 (1)	(35,345.93) (1)
	December	5,196,564							(736,353.18) (1)	1,065,295.70 (1)	(94,577.47) (1)
2006	January	5,536,942							(784,584.74) (1)	1,135,073.19 (1)	(100,772.35) (1)
	February	4,705,344	2,311,427	2,393,917					(327,529.22) (2)	964,595.46 (1)	(85,637.26) (1)
	March	4,164,379								853,697.59 (1)	(75,791.69) (1)
	April	2,693,081								552,081.50 (1)	(49,014.07) (1)
	May	1,335,505	629,508	705,997						129,049.16 (2)	(24,306.19) (1)
	June	923,191									(16,802.07) (1)
	July	795,759									(14,482.81) (1)
	August	719,392	327,625	391,767							(5,962.78) (2)
Total Amount Billed Under GCAA		(383,927)	(4,277,116)	5,789,526	(1,733,496)	2,529,765	(4,527,773)	6,126,607	(538,681)		
Remaining Amount of Over (Under) Recovery		28,123	510,098	(708,364)	197,051	(292,650)	621,092	(1,339,631)	123,552		

(1) GCAA Times Sales Shown in Column 1.  
(2) GCAA Times Sales Shown in Column 2.  
(3) GCAA Times Sales Shown in Column 3.  
(4) GCAA Times Sales Shown in Column 4.

LOUISVILLE GAS AND ELECTRIC COMPANY**Gas Supply Clause: 2006-00XXX**

Refund Factors (RF) continuing for twelve months from the effective date of each or until LG&E has discharged its refund obligations thereunder.

The purpose of this adjustment is to pass through refunds received by Louisville Gas and Electric Company ("LG&E") associated with Texas Gas Transmission LLC ("Texas Gas").

The Federal Energy Regulatory Commission ("FERC") approved the settlement of the rate case filed by Texas Gas in Docket No. RP05-317. The rates approved became effective June 1, 2006, and refunds covering the period from November 1, 2005, through January 31, 2006, were received by LG&E from Texas Gas on July 3, 2006.

Shown on Exhibit D-1, is LG&E's total expected refund obligation to its customers. The refund, including interest, is \$182,456.22, after a reduction for the portion applicable to gas used as electric department fuel. The interest on the refundable amount is calculated at a rate equal to the average of the "3-month Commercial Paper Rate" for the immediately preceding 12 months period, less 1/2 of 1 percent to cover the cost of refunding.

Since the demand charges paid to Texas Gas are uniformly applied to both sales and standby transportation volumes in LG&E's GSC mechanism, the demand-related portion of the refundable amount should correspondingly apply to both sales volumes and standby transportation volumes under Rate TS. Therefore, we propose the refund of \$0.00050 per 100 cubic feet resulting from the demand-related portion of the total refund apply to both sales and standby transportation volumes. The commodity-related portion of the refund relates only to the volumes purchased by LG&E for resale. As such, the refund of \$0.0000 per 100 cubic feet, resulting from the commodity-related portion of the total refund applies only to sales volumes.

	<u>Sale Volumes</u>	<u>Transportation Volumes</u>
Demand-Related Portion	\$0.00050/Ccf	\$0.00050/Ccf
Commodity-Related Portion	<u>\$0.00000/Ccf</u>	<u>\$0.00000/Ccf</u>
<b>Total Refund Factor</b>		
<b>Effective August 1, 2006</b>		
<b>Through July 31, 2007 (a)</b>	\$0.00050/Ccf	\$0.00050/Ccf

Louisville Gas and Electric Company  
 Gas Supply Clause 2006-xxxxx  
 Calculation of Refund Factor  
 Effective August 1, 2006 Through July 31, 2007

	<u>Refund Related to Commodity</u>	<u>Refund Related to Demand</u>	<u>Total Refund</u>
1. Total Cash Refund	(\$563.33)	\$180,275.71	\$179,712.38
2. Volume in Mcf Purchased by Company over refund period	10,458,817	10,458,817	
3. Portion of Line 2 Applicable to Electric Department	172,479	172,479	
4. Portion of refund applicable to Electric Department (line 3 / line 2) x line 1	(\$9.29)	\$2,974.55	\$2,965.26
5. Portion of Refund Applicable to Gas Department	(\$554.04)	\$177,301.16	\$176,747.12
6. Plus estimated interest on refundable amount	\$0.00	\$5,709.10	\$5,709.10
7. Expected refund obligation including interest	(\$554.04)	\$183,010.26	\$182,456.22
8. Expected Mcf sales for 12-month period beginning August 1, 2006	36,234,450	36,412,582	
9. Refund Factor per Mcf (\$ / Mcf) (line 7 / line 8)	\$0.0000	\$0.0050	
10. Refund Factor per Ccf (cents / Ccf)	0.000	0.050	

**LOUISVILLE GAS AND ELECTRIC****Gas Supply Clause: 2006-00xxx****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. Pursuant to the gas supply cost PBR mechanism approved in Case No. 2001-00117, the PBRRC established in Case No. 2004-00271, became applicable to gas service rendered on and after February 1, 2005 and will remain in effect until January 31, 2006, after which time a new adjustment level may be implemented. Therefore, as shown in the following table, the PBRRC amount which became effective with gas service rendered on and after February 1, 2006, and will remain in effect until January 31, 2007, is \$0.00662 and \$0.00082 per 100 cubic feet for sales and standby transportation volumes, respectively:

	<u>Sales Volumes</u>	<u>Transportation Volumes</u>
Commodity-Related Portion	\$0.00662/Ccf	\$0.00000/Ccf
Demand-Related Portion	\$0.00082/Ccf	\$0.00082/Ccf
Total PBRRC	\$0.00744/Ccf	\$0.00082/Ccf

Please note that Louisville Gas and Electric Company's tariff sales volumes receive both the commodity-related and demand-related portion of the PBRRC. Transportation volumes under Rate TS receive only the demand-related portion of the PBRRC.

**LOUISVILLE GAS AND ELECTRIC COMPANY**

Gas Supply Clause 2006-00XXX  
Calculation of Performance Based Rate Recovery Component (PBRRC)  
Effective February 1, 2006

	<u>CSPBR Related to Commodity</u>	<u>CSPBR Related to Demand</u>
Shareholder Portion of PBR	\$2,401,826	\$299,891
Expected Mcf Sales for the 12 month period beginning February 1, 2006	36,264,049	36,442,103
PBRRC factor per Mcf	\$0.0662	\$0.0082
PBRRC factor per Ccf	\$0.00662	\$0.00082

**LOUISVILLE GAS AND ELECTRIC COMPANY**

Gas Supply Clause 2006-00XXX  
Shareholder Portion of PBR Savings  
PBR Year 8

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

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	<u>Commodity</u>	<u>Demand</u>	<u>Total</u>
Company Share of PBR Savings or (Expenses) (CSPBR)	\$2,401,826	\$299,891	\$2,701,717

**LOUISVILLE GAS AND ELECTRIC COMPANY**

**GAS SERVICE RATES EFFECTIVE WITH SERVICE  
RENDERED FROM AUGUST 1, 2006 THROUGH OCTOBER 31, 2006**

	RATE PER 100 CUBIC FEET				TOTAL
	CUSTOMER CHARGE (PER MONTH)	DISTRIBUTION COST COMPONENT	GAS SUPPLY COST COMPONENT (GSCC)	DSM COST RECOVERY COMPONENT	
RATE RGS - RESIDENTIAL					
CUSTOMER CHARGE	\$8.50				
ALL CCF		\$0.15470	\$0.76748	0.00863	\$0.93081
RATE CGS - COMMERCIAL (meter capacity < 5000 CF/HR)					
CUSTOMER CHARGE	\$16.50				
APRIL THRU OCTOBER					
FIRST 1000 CCF/MONTH		\$0.14968	\$0.76748	0.00004	\$0.91720
OVER 1000 CCF/MONTH		\$0.09968	\$0.76748	0.00004	\$0.86720
NOVEMBER THRU MARCH					
ALL CCF		\$0.14968	\$0.76748	0.00004	\$0.91720
RATE CGS - COMMERCIAL (meter capacity >= 5000 CF/HR)					
CUSTOMER CHARGE	\$117.00				
APRIL THRU OCTOBER					
FIRST 1000 CCF/MONTH		\$0.14968	\$0.76748	0.00004	\$0.91720
OVER 1000 CCF/MONTH		\$0.09968	\$0.76748	0.00004	\$0.86720
NOVEMBER THRU MARCH					
ALL CCF		\$0.14968	\$0.76748	0.00004	\$0.91720
RATE IGS - INDUSTRIAL (meter capacity < 5000 CF/HR)					
CUSTOMER CHARGE	\$16.50				
APRIL THRU OCTOBER					
FIRST 1000 CCF/MONTH		\$0.14968	\$0.76748	0.00000	\$0.91716
OVER 1000 CCF/MONTH		\$0.09968	\$0.76748	0.00000	\$0.86716
NOVEMBER THRU MARCH					
ALL CCF		\$0.14968	\$0.76748	0.00000	\$0.91716
RATE IGS - INDUSTRIAL (meter capacity >= 5000 CF/HR)					
CUSTOMER CHARGE	\$117.00				
APRIL THRU OCTOBER					
FIRST 1000 CCF/MONTH		\$0.14968	\$0.76748	0.00000	\$0.91716
OVER 1000 CCF/MONTH		\$0.09968	\$0.76748	0.00000	\$0.86716
NOVEMBER THRU MARCH					
ALL CCF		\$0.14968	\$0.76748	0.00000	\$0.91716
Rate AAGS	\$150.00	\$0.05252	\$0.76748	0.00004	\$0.82004

**EFFECTIVE RATES FOR RATE TS TRANSPORTATION SERVICE**

**RENDERED FROM AUGUST 1, 2006 THROUGH OCTOBER 31, 2006**

	<u>RATE PER MCF</u>				
	<u>ADMIN. CHARGE (PER MONTH)</u>	<u>LG&amp;E DIST CHARGE</u>	<u>PIPELINE SUPPLIER'S DEMAND COMPONENT</u>	<u>DSM COST RECOVERY COMPONENT</u>	<u>TOTAL</u>
<b>RATE TS</b>					
RATE CGS - COMMERCIAL	\$90.00				
APRIL THRU OCTOBER					
FIRST 100 MCF/MONTH		\$1.4968	\$0.9566	0.00040	\$2.4538
OVER 100 MCF/MONTH		\$0.9968	\$0.9566	0.00040	\$1.9538
NOVEMBER THRU MARCH					
ALL MCF		\$1.4968	\$0.9566	0.00040	\$2.4538
RATE IGS - INDUSTRIAL	\$90.00				
APRIL THRU OCTOBER					
FIRST 100 MCF/MONTH		\$1.4968	\$0.9566	0.00000	\$2.4534
OVER 100 MCF/MONTH		\$0.9968	\$0.9566	0.00000	\$1.9534
NOVEMBER THRU MARCH					
ALL MCF		\$1.4968	\$0.9566	0.00000	\$2.4534
Rate AAGS	\$90.00	\$0.5252	\$0.9566	0.00040	\$1.4822



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

(August 1, 2006 Through October 31, 2006)

Transportation Service:

Monthly Transportation Administrative Charge	\$90.00
Distribution Charge / Mcf Delivered	\$0.4300

Ancillary Services:

Daily Demand Charge	\$0.2176
Daily Storage Charge	<u>\$0.1200</u>
Utilization Charge per Mcf for Daily Balancing	\$0.3376
Monthly Demand Charge per Mcf of Reserved Balancing Service	\$6.6200
Monthly Balancing Charge per Mcf of Reserved Balancing Service	<u>\$3.6500</u>
	\$10.2700

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.

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

(August 1, 2006 Through October 31, 2006)

Transportation Service:

Monthly Transportation Administrative Charge	\$90.00
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	\$0.2176
Daily Storage Charge	<u>\$0.1200</u>
Utilization Charge per Mcf for Daily Balancing	<u>\$0.3376</u>

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.