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

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DEC 28 2006

PUBLIC SERVICE
COMMISSION

December 28, 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
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robert.conroy@eon-us.com

Re: *Louisville Gas and Electric Company - 2007-00001*
Gas Supply Clause Effective February 1, 2007

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 Twelfth Revision of Original Sheet No. 70 of LG&E Tariff PSC of Kentucky Gas No. 6 setting forth a Gas Supply Cost Component of 65.666 cents per 100 cubic feet applicable to all gas sold during the period of February 1, 2007 through April 30, 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 February 1, 2007 through April 30, 2007.

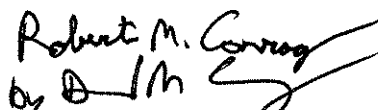
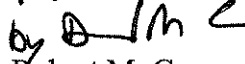
Furthermore, we are filing a petition to seek confidentiality with respect to the names of natural gas suppliers otherwise shown on Exhibit B-1, Pages 5 of 6 and 6 of 6.

This filing represents expected gas costs for the three-month period February 1, 2007 through April 30, 2007. The Gas Cost Actual Adjustment (GCAA) and the Gas Cost Balance Adjustment (GCBA) levels are changed from the levels that were implemented on November 1, 2006. These adjustment levels will remain in effect from February 1, 2007 through April 30, 2007.

Elizabeth O'Donnell, Executive Director
Public Service Commission of Kentucky
December 28, 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,


by 
Robert M. Conroy

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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PUBLIC SERVICE
COMMISSION

In the Matter of

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

CASE NO. 2007-00001

**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 August 2006 through October 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 vis-a-vis other energy suppliers that compete in LG&E's service territory, as well as other LDCs with whom LG&E competes for new and relocating industrial customers. This sensitive information identifies LG&E's natural gas suppliers for the period set forth and links those providers with specific gas volumes delivered and the costs thereof. Redacting the suppliers' names from the Summary will prevent other parties from piecing together the sensitive information which LG&E seeks to protect from disclosure. LG&E, therefore, proposes that the identity of each supplier be kept confidential.

Disclosure of the suppliers' identities will damage LG&E's competitive position and business interest in two ways. First, it will allow LG&E's competitors to know the unit price and overall cost of the gas LG&E is purchasing from each supplier. This information is valuable to LG&E's competitors because it can alert them to the identity of LG&E's low cost suppliers, and if those supply agreements are more favorable than theirs, they can attempt to outbid LG&E for those suppliers. This would raise prices to LG&E which would hurt its competitive position and harm its ratepayers. Second, it will provide competitors of LG&E's suppliers with information which will enable future gas bidding to be manipulated to the competitors'

advantage and to the detriment of LG&E and its customers. Instead of giving its best price in a bid, a gas supply competitor with knowledge of the recent pricing practices of LG&E's other suppliers could adjust its bid so that it just beats other bidders' prices or other terms. As a result, LG&E and its customers will pay a higher price for gas than they would have otherwise.

4. LG&E has filed 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 August 2006 through October 2006 and that is included in the three month filing made concurrently herewith pursuant to LG&E's Gas Supply Clause.

Respectfully submitted,



Allyson K. Sturgeon

Corporate Attorney

E.ON U.S. Services, Inc.

220 West Main Street

P. O. Box 32010

Louisville, Kentucky 40232

(502) 627-2088

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 28th day of December, 2006, to the Office of the Attorney General, Office for Rate Intervention, 1024 Capital Center Drive, Frankfort, Kentucky 40601-8204.



Allyson K. Sturgeon

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

DELIVERED BY TENNESSEE GAS PIPELINE COMPANY
COMMODITY AND VOLUMETRIC CHARGES:

	AUGUST 2006		SEPTEMBER 2006		OCTOBER 2006	
	NET MMBTU	MCF	NET MMBTU	MCF	NET MMBTU	MCF
NATURAL GAS SUPPLIERS:		\$		\$		\$
1 . O	341,000	331,088	330,000	320,388	341,000	331,088
2 . P	904,959	878,601	899,774	873,567	930,000	902,913
3 . Q	310,000	300,971	300,000	291,262	310,000	300,971
	1,555,959	1,510,640	1,529,774	1,485,217	1,581,000	1,534,962
		\$11,470,623.82		\$8,220,128.21		\$8,614,785.91
NATURAL GAS TRANSPORTERS:		\$		\$		\$
1 . TENNESSEE GAS PIPELINE COMPANY		\$329,664.00		\$329,664.00		\$329,664.00
2 . ADJUSTMENTS	(925)	(85,449.24)	(1,086)	1,224	(925)	5,499
3 . ADJUSTMENTS	0	\$0.01	0	0	0	0
TOTAL	1,555,034	\$324,214.77	1,528,688	\$322,495.73	1,580,475	\$327,265.94
TOTAL COMMODITY AND VOLUMETRIC CHARGES		\$11,794,838.59		\$8,542,623.94		\$8,942,049.85
DEMAND AND FIXED CHARGES:		\$		\$		\$
1 . TENNESSEE GAS PIPELINE COMPANY		\$27,229.28		\$26,771.05		\$27,867.50
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		\$27,229.28		\$26,771.05		\$27,867.50
TOTAL PURCHASED GAS COSTS -- TENNESSEE GAS PIPELINE COMPANY		\$11,822,067.87		\$8,569,394.99		\$8,969,917.35

OTHER PURCHASES
1 . PURCHASED FOR ELECTRIC DEPARTMENT

R	46,000	44,877	0	0	0	0
S	85,000	82,927	0	0	0	0
T	142,500	139,027	0	0	14,000	13,658
U	0	0	0	0	0	0
	0	(224)	0	(894)	0	0
ADJUSTMENTS	273,500	266,607	0	7,049	14,000	13,858
		\$2,191,960.00		\$80,083.79		\$94,150.00
2 . CASH-OUT OF CUSTOMER OVER-DELIVERIES	273,500	62,013	0	0	14,000	11,378
TOTAL		\$2,798,205.88		\$30,083.79		\$41,892.86
TOTAL PURCHASED GAS COSTS -- ALL PIPELINES	4,336,704	4,284,485	3,755,640	3,659,105	4,948,092	4,836,561
		\$33,571,973.83		\$20,731,818.36		\$29,153,312.07

Louisville Gas and Electric Company

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

STANDARD RATE SCHEDULE	GSC	
Gas Supply Clause		
APPLICABLE TO		
All gas sold.		
 GAS SUPPLY COST COMPONENT (GSCC)		
Gas Supply Cost	75.931¢	R
Gas Cost Actual Adjustment (GCAA)	(11.449)	R
Gas Cost Balance Adjustment (GCBA)	(0.376)	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>1.610</u>	I
 Total Gas Supply Cost Component Per 100 Cubic Feet (GSCC)	65.666¢	R

Date of Issue: December 28, 2006
Canceling Eleventh Revision of
Original Sheet No. 70
Issued October 30, 2006

Issued By

Date Effective: February 1, 2007

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 _____

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**PUBLIC SERVICE
COMMISSION**

LOUISVILLE GAS AND ELECTRIC COMPANY

Supporting Calculations For The

Gas Supply Clause

2006-00XXX

For the Period

February 1, 2007 through April 30, 2007

LOUISVILLE GAS AND ELECTRIC COMPANY

Derivation of Gas Supply Component Applicable to
Service Rendered On and After February 1, 2007

2006-00XXX

Gas Supply Cost - See Exhibit A for Detail

Description	Unit	Amount
Total Expected Gas Supply Cost	\$	89,411,426
Total Expected Customer Deliveries: February 1, 2007 through April 30, 2007	Mcf	11,775,388
Gas Supply Cost Per Mcf	\$/Mcf	7.5931
Gas Supply Cost Per 100 Cubic Feet	¢/Ccf	75.931

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

Description	Unit	Amount
Current Quarter Actual Adjustment Eff. February 1, 2007 (Case No. 2006-00335)	¢/Ccf	(0.927)
Previous Quarter Actual Adjustment Eff. November 1, 2006 (Case No. 2006-00138)	¢/Ccf	(0.029)
2nd Previous Qrt. Actual Adjustment Eff. August 1, 2006 (Case No. 2006-00005)	¢/Ccf	(5.218)
3rd Previous Qrt. Actual Adjustment Eff. May 1, 2006 (Case No. 2005-00401)	¢/Ccf	(5.275)
Total Gas Cost Actual Adjustment (GCAA)	¢/Ccf	(11.449)

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

Description	Unit	Amount
Balance Adjustment Amount	\$	442,448
Total Expected Customer Deliveries: February 1, 2007 through April 30, 2007	Mcf	11,775,388
Gas Cost Balance Adjustment (GCBA) Per Mcf	\$/Mcf	(0.0376)
Gas Cost Balance Adjustment (GCBA) Per 100 Cubic Feet	¢/Ccf	(0.376)

Refund Factors (RF) - See Exhibit D for Detail

Description	Unit	Amount
Refund Factor Effective: November 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	1.610
Total of PBRRC Factors Per 100 Cubic Feet	¢/Ccf	1.610

Gas Supply Cost Component (GSCC) Effective February 1, 2007 through April 30, 2007

Description	Unit	Amount
Gas Supply Cost	¢/Ccf	75.931
Gas Cost Actual Adjustment (GCAA)	¢/Ccf	(11.449)
Gas Cost Balance Adjustment (GCBA)	¢/Ccf	(0.376)
Refund Factors (RF)	¢/Ccf	(0.050)
Performance-Based Rate Recovery Component (PBRRC)	¢/Ccf	1.610
Total Gas Supply Cost Component (GSCC)	¢/Ccf	65.666

LOUISVILLE GAS AND ELECTRIC COMPANY
Calculation of Gas Supply Costs
For The Three-Month Period From February 1, 2007 through April 30, 2007

MMBtu	Total			
	February	March	April	Feb 07 thru Apr 07
1. Expected Gas Supply Transported Under Texas' No-Notice Service	760,260	601,855	1,744,928	3,107,043
2. Expected Gas Supply Transported Under Texas' Rate FT	0	0	840,000	840,000
3. Expected Gas Supply Transported Under Tenn.'s Rate FT-A (Zone 0)	1,120,000	983,000	0	2,103,000
4. Expected Gas Supply Transported Under Tenn.'s Rate FT-A (Zone 1)	0	0	0	0
5. Total MMBtu Purchased	1,880,260	1,584,855	2,584,928	6,050,043
6. Plus: Withdrawals from Texas Gas' NNS Storage Service	862,064	27,683	0	889,747
7. Less: Injections into Texas Gas' NNS Storage Service	0	0	911,250	911,250
8. Expected Monthly Deliveries from TGT/TGPL to LG&E (excluding transportation volumes under LG&E Rate TS)	2,742,324	1,612,538	1,673,678	6,028,540
Mcf				
9. Total Purchases in Mcf	1,834,400	1,546,200	2,521,881	
10. Plus: Withdrawals from Texas Gas' NNS Storage Service	841,038	27,008	0	
11. Less: Injections Texas Gas' NNS Storage Service	0	0	889,024	
12. Expected Monthly Deliveries from TGT/TGPL to LG&E (excluding transportation volumes under LG&E Rate TS)	2,675,438	1,573,208	1,632,857	
13. Plus: Customer Transportation Volumes under Rate TS	19,443	19,813	10,406	
14. Total Expected Monthly Deliveries from TGT/TGPL to LG&E (Line 12 + Line 13)	2,694,881	1,593,021	1,643,263	
15. Less: Purchases for Depts. Other Than Gas Dept.	65,383	74,805	121,170	
16. Less: Purchases Injected into LG&E's Underground Storage	0	0	0	
17. Mcf Purchases Expensed during Month (Line 12 - Line 15 - Line 16)	2,610,055	1,498,403	1,511,687	5,620,145
18. LG&E's Storage Inventory - Beginning of Month	9,055,001	6,290,001	3,180,001	
19. Plus: Storage Injections into LG&E's Underground Storage (Line 16)	0	0	0	
20. LG&E's Storage Inventory - Including Injections	9,055,001	6,290,001	3,180,001	
21. Less: Storage Withdrawals from LG&E's Underground Storage	2,732,252	3,083,070	879,017	6,694,339
22. Less: Storage Losses	32,748	26,930	20,983	80,661
23. LG&E's Storage Inventory - End of Month	6,290,001	3,180,001	2,280,001	
24. Mcf of Gas Supply Expensed during Month (Line 17 + Line 21 + Line 22)	5,375,055	4,608,403	2,411,687	12,395,145
Cost				
25. Total Demand Cost - Including Transportation (Line 14 x Line 46)	\$2,566,066	\$1,516,875	\$1,564,715	
26. Less: Demand Cost Recovered thru Rate TS (Line 13 x Line 46)	18,514	18,866	9,909	
27. Demand Cost - Net of Demand Costs Recovered thru LG&E Rate TS	\$2,547,552	\$1,498,009	\$1,554,806	
28. Commodity Costs - Gas Supply Under NNS (Line 1 x Line 47)	4,801,270	3,872,937	11,298,409	
29. Commodity Costs - Gas Supply Under Rate FT (Line 2 x Line 48)	0	0	5,377,092	
30. Commodity Costs - Gas Supply Under Rate FT-A Zone 0 (Line 3 x Line 49)	6,446,272	5,776,894	0	
31. Commodity Costs - Gas Supply Under Rate FT-A Zone 1 (Line 4 x Line 50)	0	0	0	
32. Total Purchased Gas Cost	\$13,795,094	\$11,147,840	\$18,230,307	\$43,173,241
33. Plus: Withdrawals from NNS Storage (Line 6 x Line 47)	5,444,193	178,140	0	5,622,333
34. Less: Purchases Injected into NNS Storage (Line 7 x Line 47)	0	0	5,900,344	5,900,344
35. Total Cost of Gas Delivered to LG&E	\$19,239,287	\$11,325,980	\$12,329,963	\$42,895,230
36. Less: Purchases for Depts. Other Than Gas Dept. (Line 15 x Line 51)	470,176	538,544	914,979	1,923,699
37. Less: Purchases Injected into LG&E's Storage (Line 16 x Line 51)	0	0	0	0
38. Pipeline Deliveries Expensed During Month	\$18,769,111	\$10,787,436	\$11,414,984	\$40,971,531
39. LG&E's Storage Inventory - Beginning of Month	\$64,741,446	\$44,972,249	\$22,736,371	
40. Plus: LG&E Storage Injections (Line 37 above)	0	0	0	
41. LG&E's Storage Inventory - Including Injections	\$64,741,446	\$44,972,249	\$22,736,371	
42. Less: LG&E Storage Withdrawals (Line 21 x Line 52)	19,535,055	22,043,334	6,284,796	\$47,863,185
43. Less: LG&E Storage Losses (Line 22 x Line 52)	234,142	192,544	150,024	576,710
44. LG&E's Storage Inventory - End of Month	\$44,972,249	\$22,736,371	\$16,301,551	
45. Gas Supply Expenses (Line 38 + Line 42 + Line 43)	\$38,538,308	\$33,023,314	\$17,849,804	\$89,411,426
Unit Cost				
46. 12-Month Average Demand Cost - per Mcf (see Page 2)	\$0.9522	\$0.9522	\$0.9522	
47. Commodity Cost (per MMBtu) under Texas Gas's No-Notice Service	\$6.3153	\$6.4350	\$6.4750	
48. Commodity Cost (per MMBtu) under Texas Gas's Rate FT	\$6.1957	\$6.3137	\$6.4013	
49. Commodity Cost (per MMBtu) under Tenn. Gas's Rate FT-A (Zone 0)	\$5.7556	\$5.8768	\$5.9367	
50. Commodity Cost (per MMBtu) under Tenn. Gas's Rate FT-A (Zone 1)	\$6.3819	\$6.5020	\$6.5661	
51. Average Cost of Deliveries (Line 35 / Line 12)	\$7.1911	\$7.1993	\$7.5512	
52. Average Cost of Inventory - Including Injections (Line 41 / Line 20)	\$7.1498	\$7.1498	\$7.1498	
Gas Supply Cost				
53. Total Expected Mcf Deliveries (Sales) to Customers (February 1, 2007 through April 30, 2007)				11,775,388 Mcf
54. Current Gas Supply Cost (Line 45 / Line 53)				\$7.5931 / Mcf

LOUISVILLE GAS AND ELECTRIC COMPANY
Calculation Of The Average Demand Cost Per Mcf Applicable To
For The Three-Month Period From February 1, 2007 through April 30, 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

37,796,309

(Including Transportation Under Rate TS) - MMBtu

Expected Annual Deliveries from Pipeline Transporters

36,874,448

(Including Transportation Under Rate TS) - Mcf

AVERAGE DEMAND COST PER MCF

0.9522

Pipeline Supplier's Demand Component Applicable to Billings
Under LG&E's Gas Transportation Service/Standby - Rate TS
For The Three-Month Period From February 1, 2007 through April 30, 2007

Pipeline Supplier's Demand Component per Mcf	\$0.9522
Refund Factor for Demand Portion of Texas Gas Refund (see Exhibit D)	(0.0050)
Performance Based Rate Recovery Component (see Exhibit E)	<u>0.0259</u>
Pipeline Supplier's Demand Component per Mcf - Applicable to Rate TS Transportation	<u><u>0.9731</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
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>

LOUISVILLE GAS AND ELECTRIC COMPANY

Gas Supply Clause: 2006-00XXX

Gas Supply Cost Effective February 1, 2007

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 February 1, 2007 through April 30, 2007 which became effective October 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 February 1, 2007 through April 30, 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 October 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 \$0.0329/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 placed 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 February 1, 2007 through April 30, 2007. Page 5 contains the tariff sheet which sets forth the monthly demand charges effective February 1, 2006. Page 5 contains the tariff sheet which sets forth the commodity charges effective October 1, 2006. 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 December 27, 2006, are \$6.142/MMBtu for February, \$6.257/MMBtu for March, and \$6.357/MMBtu for April. The NYMEX price can be used as a general price indicator. 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 increased national gas supply inventories compared to previous levels. The weekly gas storage survey issued by the Energy Information Administration ("EIA") for the week ending December 15, 2006, indicated that storage inventory levels were higher than last year's levels. Storage inventories across the nation are 342 Bcf (3,167 Bcf – 2,825 Bcf), or 12%, higher this year than the same period one year ago. Last year at this time, 2,825 Bcf was held in storage, while this year 3,167 Bcf is held in storage. More significantly, storage inventories across the nation are 274 Bcf (3,167 Bcf – 2,893 Bcf), or 9% higher this year than the five-year average. On average for the last five years at this time, 2,893 Bcf was held in storage. Ample gas storage inventories following the warmer-than-normal 2005/2006 winter season were also key to mitigating the impact of demand from electric generation for natural gas during the very warm 2006 summer. 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.

Other factors also influence the supply/demand balance. 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 been slow in coming, but the EIA has reported that proved reserves of U.S. natural gas rose 6% in 2005. The increase marked the biggest annual jump in proved gas reserves since 1970. However, the EIA also pointed out that total U. S. gas production declined 4% in 2005, primarily because of Hurricanes Katrina and Rita, which cut gas output in the Gulf by 80% at one point. That production slowly returned, and is expected to reach roughly 90% of 2005's pre-hurricane production rate. Additionally, natural gas prices have tended to follow the prices for other forms of energy, in particular oil, which has also experienced some price mitigation.

Of course, weather will remain a key driver in establishing the balance of gas supply and demand during the course of the remainder of the 2006/2007 winter season.

During the three-month period under review, February 1, 2007 through April 30, 2007, LG&E estimates that its total purchases will be 6,028,540 MMBtu. LG&E expects that 3,085,540 MMBtu will be met with deliveries from TGT's pipeline service under Rate NNS (3,107,043 MMBtu in pipeline deliveries, plus 889,747 MMBtu in storage withdrawals, less 911,250 MMBtu in storage injections; 840,000 MMBtu will be met from deliveries under TGT's pipeline service under Rate FT; 2,103,000 MMBtu will be met from deliveries under TGPL's pipeline service under Rate FT-A from Zone 0.

The average commodity cost of gas purchased from gas suppliers by LG&E and delivered to TGT under the NNS service is expected to be \$6.0120 per MMBtu in February 2007, \$6.1270 in March 2007, and \$6.2270 in April 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 \$6.0120 per MMBtu in February 2007, \$6.1270 in March 2007, and \$6.2270 in April 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 \$5.4420 per MMBtu in February 2007, \$5.5570 in March 2007, and \$5.6570 in April 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 \$6.0920 per MMBtu in February 2007, \$6.2070 in March 2007, and \$6.3070 in April 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>
February 2007	\$6.0120	3.96%	\$0.0554	\$6.3153
March	\$6.1270	3.96%	\$0.0554	\$6.4350
April	\$6.2270	3.00%	\$0.0554	\$6.4750

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>
February 2007	\$6.0120	2.49%	\$0.0302	\$6.1957
March	\$6.1270	2.49%	\$0.0302	\$6.3137
April	\$6.2270	2.22%	\$0.0329	\$6.4013

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				
February 2007	\$5.4420	5.16%	\$0.0175	\$5.7556
March	\$5.5570	5.16%	\$0.0175	\$5.8768
April	\$5.6570	4.43%	\$0.0175	\$5.9367
Zone 1				
February 2007	\$6.0920	4.28%	\$0.0175	\$6.3819
March	\$6.2070	4.28%	\$0.0175	\$6.5020
April	\$6.3070	3.69%	\$0.0175	\$6.5661

The annual demand billings covering the 12 months from February 1, 2007 through January 31, 2008 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 February 1, 2007 through April 30, 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)
Zone SL			
Daily Demand	0.1800		0.1800
Commodity	0.0253	0.0016	0.0269
Overrun	0.2053	0.0016	0.2069
Zone 1			
Daily Demand	0.2782		0.2782
Commodity	0.0431	0.0016	0.0447
Overrun	0.3213	0.0016	0.3229
Zone 2			
Daily Demand	0.3088		0.3088
Commodity	0.0460	0.0016	0.0476
Overrun	0.3548	0.0016	0.3564
Zone 3			
Daily Demand	0.3543		0.3543
Commodity	0.0490	0.0016	0.0506
Overrun	0.4033	0.0016	0.4049
Zone 4			
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.			

Issued by: James R. Hendrix, Vice President, Rates
Issued on: August 25, 2006

Effective on: October 1, 2006

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	
L		\$0.00							
1	\$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	
3	\$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	
5	\$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	
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

RP06-541 ACCEPTED 9/22/06

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 2006-00335 during the three-month period of August 2006 through October 31, 2006 was \$3,113,965. The calculation of the Gas Cost Actual Adjustment (GCAA) set forth in Exhibit B-1 results in a credit of 0.927¢ per 100 cubic feet, which LG&E will place in effect with service rendered on and after February 1, 2007, and continue for 12 months. Also enclosed, on pages 5 and 6 of Exhibit B-1, is a breakdown of gas purchases for the three-month period from August 2006 through October 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 2005-00274, with service rendered through January 31, 2007, which will have been in effect for twelve months. Any over or under recovery of the amount originally established in this GCAA will be transferred to the Gas Cost Balance Adjustment (GCBA) which will be implemented in LG&E's next Gas Supply Clause filing with service rendered on and after the month of May 2007.

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

Current Quarter Actual Adjustment:	
Effective February 1, 2007 from 2006-00335	(0.927) cents/Ccf
Previous Quarter Actual Adjustment	
Effective November 1, 2006 from 2006-00138	(0.029) cents/Ccf
2nd Previous Quarter Actual Adjustment:	
Effective August 1, 2006 from 2006-00005	(5.218) cents/Ccf
3rd Previous Quarter Actual Adjustment	
Effective May 1, 2006 from 2005-00401 & 2005-00454	(5.275) cents/Ccf
Total Gas Cost Actual Adjustment (GCAA)	(11.449) cents/Ccf

LOUISVILLE GAS AND ELECTRIC COMPANY

Calculation of Gas Cost Actual Adjustment
Which Compensates for Over- or Under-
Recoveries of Gas Supply Costs

(1)	(2)	(3)	(4)	(5)	(6)	(7)			
Start Date	End Date	Case	Cost Recovery Under GSC Compared to Actual Gas Supply Costs	Derivation of Gas Cost Actual Adjustment (GCAA) Which Compensates for Over or Under Recoveries					
			Total Dollars Recovered ¹	Gas Supply Cost Per Books ²	Over Or (Under) Recovery (1) - (2)	Expected Mcf Sales for 12-Month Period From Date Implemented	GCAA Per 100 Cu. Ft.	GCAA Per Mcf	Implemented With Service Rendered On
Feb-2002	Apr-2002	(Case No. 2000-080-1)	56,940,651	60,982,147	(12,230,238) ³	37,752,063	\$0.3240	\$0.03240	8/1/2002
May-2002	Jul-2002	(Case No. 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 No. 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 No. 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 No. 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 No. 2003-00121)	18,971,902	18,559,852	412,050	36,348,575	(\$0.0113)	(\$0.00113)	11/1/2003
Aug-2003	Oct-2003	(Case No. 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 No. 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 No. 2004-00506)	83,438,486	81,507,939	1,930,547	36,434,958	(\$0.0530)	(\$0.00530)	8/1/2004
May-2004	Jul-2004	(Case No. 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 No. 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 No. 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 No. 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 No. 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 No. 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 No. 2005-00401)	195,225,843	176,113,181	19,112,662	36,235,391	(\$0.5275)	(\$0.05275)	5/1/2006
Feb-2006	Apr-2006	(Case No. 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 No. 2006-00138)	25,653,769	25,555,064	98,705	33,519,195	(\$0.0029)	(\$0.00029)	11/1/2006
Aug-2006	Oct-2006	(Case No. 2006-00335)	30,851,071	27,737,106	3,113,965	33,575,288	(\$0.0927)	(\$0.00927)	2/1/2007

¹ See Page 2 of this Exhibit.

² See Page 4 of this Exhibit.

³ 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

	Month)	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	Aug 1, 2006 through Oct 31, 2006
1	MAY	913,725						
2	JUNE	1,399,647						
3	JULY	802,316						
4	AUG	400,469	351,272					
5	SEPT	753,898	753,898					
6	OCT	872,219	872,219					
7	NOV	1,027,755	1,027,755	914,329				
8	DEC	5,196,564	2,588,033	2,588,033	2,608,532			
9	JAN	4,705,344			5,536,942			
10	FEB	5,536,942			2,311,427			
11	MAR	4,164,379			2,393,917			
12	APR	2,693,081			4,164,379			
13	MAY	1,336,505			2,693,081			
14	JUNE	923,191			629,507			
15	JULY	795,759			705,997			
16	AUG	719,392			923,191			391,767
17	SEPT	782,784			795,759			782,784
18	OCT	1,188,323			327,625			1,188,323
19	NOV	2,830,660						1,404,555
20	Applicable Mcf Sales During 3 Month Period	3,040,598	3,005,143	3,502,362	10,456,901	9,880,883	2,752,572	3,767,428
21	Gas Supply Clause Case No.	2005-00143	2005-00274	2005-00401	2005-00454	2006-00005	2006-00138	2006-00335
22	Gas Supply Cost Recovered Per Mcf Sold	\$9.0435	\$8.8091	\$15.3793	\$13.1638	\$12.0028	\$9.2587	\$8.0336
23	Dollars of Recovery Under GSC	\$27,487,647	\$26,472,608	\$53,863,871	\$137,652,555	\$118,598,260	\$25,485,235	\$30,266,013
24	Total Dollars Recovered During 3-Month Period				\$191,516,426			
25	Mcf of Customer-Owned Gas Transported Under Rate TS	9,911	10,547	5180	10,536	15,140	19,251	24,076
26	Total Mcf of Customer-Owned Gas Transported Under Rate TS During 3-Month Period				15,716			
27	Pipeline Suppliers' Demand Component Per Mcf	0.8915	0.8895	0.9006	0.9006	0.8923	0.8757	0.8761
28	Dollars of Recovery Under Rate TS During 3-Month Period (Line 25 x Line 27)	\$8,836	\$9,382	\$14,154	\$14,154	\$13,509	\$16,858	\$21,093
29	Dollars of Recovery Under Rate FT (See Ex B-1, Page 3)	\$265,274	\$455,227	\$610,916	\$201,966	\$151,676	\$563,955	\$563,955
30	Revenues from Off-system Sales	\$3,580,681	\$0	\$3,084,348	0	0	0	0
31	Total \$'s of Gas Cost Recovered During 3-Month Period (Line 23 + Line 28 + Line 29 + Line 30)	\$31,352,437	\$26,937,216	\$195,225,843	\$118,813,736	\$25,653,769	\$30,851,071	\$30,851,071

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 [(4) x (12)]	RBS Mcf	RBS \$ [(5) x (14)]	OFO \$	Monthly \$'s Recovered [(7)+(9)+(11) + (13)+(15)+(16)]	
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	\$11,464.54	\$122,973.04		
2004 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	\$10,107.68	\$79,076.23		
2004 Oct	2004-00271	0.2105	0	\$6.40	7,560.2	\$65,096.88	1,164.0	\$7,062.64	56,348.9	\$11,861.44	0.0	\$0.00	\$0.00	\$64,020.76		
																\$21,572.22
																\$286,070.03
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	\$124,653.76		
2004 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	\$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	\$84,372.12		
																\$166,963.28
																\$534,037.61
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	\$49,810.01		
2005 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	\$130,426.26		
2005 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	\$205,556.74		
																\$0.00
																\$445,792.96
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	\$130,081.54		
2005 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	\$32,948.16		
2005 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	\$42,214.03		
																\$135.41
																\$445,792.96
2005 Aug	2005-00274	0.2189	0	\$6.66	8,158.4	\$104,501.98	5,152.0	\$ 59,431.63	35,000.1	\$7,661.52	0.0	\$0.00	\$0.00	\$20,906.73		
2005 Sept	2005-00274	0.2189	0	\$6.66	-	\$360.00	4,601.0	\$1,600.23	100,918.2	\$22,090.99	0.0	\$0.00	\$0.00	\$42,547.83		
2005 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	\$116,599.05		
																\$0.00
																\$455,226.70
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	\$29,455.10		
2005 Dec	2005-00454	0.2172	0	\$6.61	9,354.0	\$151,830.72	6,908.0	\$ 87,340.64	102,026.5	\$22,160.16	0.0	\$0.00	\$0.00	\$281,331.52		
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	\$105,429.52		
																\$0.00
																\$610,916.66
2006 Feb	2006-00005	0.2172	0	\$6.61	438.9	\$4,340.82	3,619.0	\$ 28,454.32	70,958.4	\$15,412.16	0.0	\$0.00	\$0.00	\$48,207.30		
2006 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	\$39,366.56		
2006 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	\$64,392.44		
																\$0.00
																\$201,966.31
2006 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	\$45,093.88		
2006 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	\$62,360.16		
2006 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	\$44,221.84		
																\$0.00
																\$151,675.89
2006 Aug	2006-00335	0.2131	0	\$6.48	8,527.8	\$63,962.12	639.0	\$ 5,598.72	83,837.9	\$17,665.86	0.0	\$0.00	\$0.00	\$107,426.70		
2006 Sept	2006-00335	0.2131	0	\$6.48	12,487.2	\$76,440.14	1,423.0	\$ 7,930.73	69,549.7	\$14,821.04	0.0	\$0.00	\$0.00	\$99,191.91		
2006 Oct	2006-00335	0.2131	0	\$6.48	37,260.9	\$350,424.25	203.0	\$ 1,472.93	119,422.2	\$25,448.87	0.0	\$0.00	\$0.00	\$357,346.05		
																\$0.00
																\$563,964.66

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
Total Gas Supply Cost Per Books

	MCF										DOLLARS									
	Mcf Purchases	Purchases for OSS	Purchases for other than Gas Dept.	Less: Purchases for Dep'ts. other than Gas Dept.	Less: Purchases injected into Storage	Plus: Mcf Withdrawn From Storage	Plus Storage Losses	Mcf Sendout (Gas Dept.)	Purchased Gas Costs	Purchased Gas Costs for OSS	Less: Purchases for Non-Gas Departments	Less: Purchases injected into Storage	Plus: Cost of Gas Withdrawn From Storage	Plus Storage Losses	Other Gas Purchase Expenses	Total Gas Supply Cost				
November	2,693,955	0	(65,065)	(235,151)	717,790	310,197	3,421,717	22,663,078	0	(541,447)	(1,989,813)	4,573,694	1,967,089	7,810	26,600,411					
December	4,899,058	0	(100,509)	(2,625)	1,759,282	37,067	6,592,313	40,906,913	0	(641,777)	(21,918)	11,210,673	236,202	6,003	51,696,096					
January	4,143,304	443,046	(150,988)	0	2,646,393	33,427	7,115,181	31,758,225	2,641,343	(948,459)	0	16,863,610	213,007	8,515	50,536,241					
Total November 2004 thru January 2005							17,129,211								128,832,748					
February	2,248,550	208,831	(36,228)	0	2,878,943	29,436	5,329,532	18,581,411	1,230,349	(298,849)	0	18,345,488	187,002	5,970	38,051,371					
March	2,638,425	1,253,931	(51,600)	0	2,655,926	23,759	6,420,441	20,249,323	7,839,950	(396,407)	0	16,924,623	151,402	10,025	44,778,956					
April	666,152	0	(51,903)	0	1,265,249	20,240	1,899,748	5,773,216	0	(449,998)	0	8,062,546	128,975	5,859	13,520,598					
Total February through April 2005							13,649,721								96,350,524					
May	904,733	0	(52,323)	0	460,254	20,621	1,333,285	9,084,815	0	(525,323)	0	2,932,877	131,403	7,537	11,631,309					
June	1,730,044	475,559	(135,306)	(721,426)	958	21,220	1,371,049	14,177,685	2,973,433	(1,087,946)	(5,921,825)	6,560	145,085	9,065	10,301,047					
July	4,089,736	0	(374,889)	(2,853,446)	958	25,827	898,184	33,360,576	0	(3,073,668)	(23,263,876)	7,183	193,651	7,019	7,230,885					
Total May through July 2005							3,592,518								29,163,240					
August	4,441,772	0	(465,623)	(3,123,913)	0	35,231	887,467	40,807,521	0	(4,525,997)	(28,504,769)	0	282,210	9,506	8,068,471					
September	4,168,470	0	(281,801)	(3,035,470)	32	42,766	891,987	50,442,143	0	(3,611,064)	(36,593,198)	291	339,273	7,989	10,635,434					
October	4,373,525	0	(149,682)	(2,541,563)	433	30,349	1,712,782	67,898,779	0	(2,390,896)	(38,446,155)	4,436	319,924	6,105	26,432,193					
Total August thru October 2005							3,492,226								45,136,099					
November	2,843,827	0	(90,276)	(114,312)	762,039	38,831	3,439,907	35,309,438	0	(1,112,797)	(1,419,795)	7,819,587	398,460	7,494	41,002,428					
December	5,432,487	271,147	(59,599)	(131,579)	1,509,373	36,224	7,058,053	66,638,346	3,079,420	(741,978)	(1,613,580)	15,517,260	372,404	9,585	83,281,458					
January	2,182,703	0	(46,779)	0	2,422,043	33,268	4,591,236	27,180,824	0	(582,098)	0	24,900,055	342,025	8,489	51,849,295					
Total November 2005 thru January 2006							15,089,196								176,113,181					
February	2,562,181	0	(45,805)	0	2,675,013	29,138	5,220,527	23,658,650	0	(422,841)	0	27,500,739	299,556	7,184	51,043,287					
March	1,095,504	0	(85,846)	0	2,769,947	24,262	3,803,887	10,494,771	0	(959,441)	0	28,476,994	249,430	9,680	38,371,434					
April	283,698	0	(120,961)	0	1,316,732	19,559	1,499,028	(2,088,133)	0	(1,165,164)	0	13,536,795	201,078	8,773	10,493,349					
Total February 2006 thru April 2006							10,523,422								99,908,070					
May	690,837	0	(113,117)	0	613,673	20,836	1,212,234	9,559,513	0	(1,363,612)	0	6,308,978	214,207	9,116	14,728,202					
June	2,321,656	0	(282,268)	(1,175,760)	843	22,373	896,834	15,195,314	0	(1,981,610)	(7,622,035)	7,559	200,601	10,036	5,809,964					
July	3,852,321	0	(288,065)	(2,834,969)	(154)	26,961	756,114	25,476,431	0	(2,026,423)	(18,651,545)	(1,213)	212,510	8,238	5,016,998					
Total May 2006 thru July 2006							2,855,182								25,655,064					
August	4,284,495	0	(351,859)	(2,976,908)	263	31,622	987,613	33,571,974	0	(2,860,404)	(23,249,949)	2,056	248,384	8,545	7,720,616					
September	3,659,105	0	(51,155)	(2,710,359)	362	39,097	595,050	20,731,818	0	(296,289)	(15,352,658)	2,662	289,679	7,644	5,382,955					
October	4,938,561	0	(48,327)	(2,406,723)	1,164	37,064	2,420,389	29,159,312	0	(303,062)	(14,500,987)	8,297	268,473	7,502	14,633,535					
Total August thru October 2006							4,343,002								27,737,106					

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

DELIVERED BY TENNESSEE GAS PIPELINE COMPANY
COMMODITY AND VOLUMETRIC CHARGES:
NATURAL GAS SUPPLIERS:

	AUGUST 2006		SEPTEMBER 2006		OCTOBER 2006	
	NET MMBTU	MCF	NET MMBTU	MCF	NET MMBTU	MCF
1 . O	341,000	331,066	330,000	320,388	341,000	331,066
2 . P	904,959	876,601	899,774	873,567	930,000	902,913
3 . Q	310,000	300,971	300,000	291,262	310,000	300,971
	1,555,959	1,510,640	1,529,774	1,485,217	1,581,000	1,534,952
		\$11,470,623.82		\$9,220,128.21		\$8,614,763.91
		\$2,637,908.44		\$1,670,150.04		\$1,992,679.06
		\$6,609,874.02		\$4,499,491.67		\$5,343,343.07
		\$2,222,841.36		\$2,050,486.50		\$1,278,761.78
		\$11,470,623.82		\$8,220,128.21		\$8,614,763.91
		\$329,664.00		\$329,664.00		\$329,664.00
		(\$5,449.24)		(\$7,168.30)		(\$2,388.06)
		\$0.01		\$0.03		\$0.00
		\$324,214.77		\$322,495.73		\$327,265.94
		1,510,575		1,486,441		1,540,451
		\$11,794,838.59		\$8,542,623.94		\$8,942,049.85

DEMAND AND FIXED CHARGES:
1 . TENNESSEE GAS PIPELINE COMPANY
2 . TRANSPORTATION BY OTHERS
3 . SUPPLY RESERVATION CHARGES
4 . CAPACITY RELEASE CREDITS

	\$27,229.28	\$26,771.05	\$27,667.50
	\$0.00	\$0.00	\$0.00
	\$0.00	\$0.00	\$0.00
	\$0.00	\$0.00	\$0.00
	\$27,229.28	\$26,771.05	\$27,667.50
	\$11,822,087.87	\$8,569,394.99	\$8,989,717.35

OTHER PURCHASES
1 . PURCHASED FOR ELECTRIC DEPARTMENT

R	46,000	44,877	0	0	0	0
S	85,000	82,927	0	0	0	0
T	142,500	139,027	0	0	14,000	13,658
U	0	0	0	0	0	0
	0	(224)	0	(894)	0	0
	273,500	266,807	0	0	14,000	13,658
		\$2,181,860.00		\$0.00		\$94,150.00
		\$604,245.88		\$30,083.79		11,378
		\$2,786,205.88		\$30,083.79		\$41,892.86
		328,620		6,155		25,036
		\$33,571,973.83		\$20,731,818.36		\$29,153,312.07

2 . CASH-OUT OF CUSTOMER OVER-DELIVERIES
TOTAL

	4,356,704	4,284,495	3,755,640	3,659,105	4,948,092	4,836,561

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 February 1, 2007 through April 30, 2007, set forth on Page 1 of Exhibit C-1 is \$442,448. The GCBA factor required to refund this over-recovery is a credit of 0.376¢ per 100 cubic feet. LG&E will place this charge into effect with service rendered on and after February 1, 2007 and continue for three months.

In this filing, LG&E will also be eliminating the GCBA from Case 2006-00431, which, with service rendered through January 31, 2007, will have been in effect for three months. Any over- or under-recovery of the amount originally established will be transferred to the GCBA which will be implemented in LG&E's next Gas Supply Clause filing with service rendered on and after May 1, 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) Implemented for Three-Month Period With Service Rendered On and After:	(2) Remaining Over (Under) Recovery From GCAA ¹ (\$)	(3) Amt. Transferred From Refund Factor & PBRRCC (\$)	(4) GCBA From Second Preceding 3 Mo. Period (\$)	(5) Applicable Sales During 3 Mo. Period ² (mcf)	(6) GCBA Factor From Second Preceding 3 Mo. Period (cents/mcf)	(7) Recovery Under GCBA (\$)	(8) Remaining Over (Under) Recovery (\$)	(9) Deferred Amounts Recovery (\$)	(10) Total Remaining Over (Under) Recovery (\$)	(11) Expected Sales For 3 Mo. Period (mcf)	(12) GCBA (cents/mcf)	(13) GCBA (cents/ccf)
						(5) x (6)	(4) + (7)		(2) + (3) + (8) + (9)			
August 1, 2002 (Case No. 2002-00261)	(8,188,742)	8,188,742 ⁴	(188,164)	11,586,976	1.38	159,900	(28,264)		(28,264)	3,928,057	0.72	0.072
November 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)
February 1, 2003 (Case No. 2003-00094)	398,606		(28,264)	3,688,145	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)
August 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)
November 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)
February 1, 2004 (Case No. 2004-00506)	40,066		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)	(970) ⁵	39,561	16,014,377	(0.23)	(36,833)	2,728		43,458	2,869,986	1.51	0.151
August 1, 2004 (Case No. 2004-00271)	(648,088)	(886,051) ⁶	40,481	12,039,509	(0.32)	(38,526)	1,955		(1,532,184)	3,663,708	41.82	4.182
November 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
February 1, 2005 (Case No. 2004-00529)	28,123		(1,474,237)	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) ⁷	(184,848)	11,948,228	9.05	1,318,055	(156,182)		(15,780)	3,087,349	0.51	0.051
August 1, 2005 (Case No. 2005-00274)	(708,364)	(432,909) ⁸	(15,780)	3,040,598	1.46	174,444	(10,404)		(1,151,677)	3,672,564	31.36	3.136
November 1, 2005 (Case No. 2005-00401)	197,051		(1,151,677)	3,005,143	31.36	942,413	(209,264)		196,778	17,202,685	(1.14)	(0.114)
February 1, 2006 (Case No. 2006-00005)	(292,650)		(1,151,677)	13,959,263	(1.14)	(159,677)	37,101		(501,914)	12,384,154	4.05	0.405
May 1, 2006 (Case No. 2006-00136)	621,092	(270,087) ⁹	196,778	7,486,966	4.05	303,222	(198,692)		(1,808,410)	3,756,552	(20.94)	(2.094)
August 1, 2006 (Case No. 2006-00335)	(1,339,631)		(501,914)	2,752,572	(20.94)	(576,389)	81,804		205,356	15,898,032	(1.29)	(0.129)
November 1, 2006 (Case No. 2006-00431)	123,552		658,193	3,767,428	48.14	1,813,640	102,184		442,448	11,775,388 ³	(3.76)	(0.376)
February 1, 2007 (Case No. 2006-00XXX)	340,264		(1,711,456) ¹⁰									

1 See Exhibit C-1, page 2.
2 Corresponds with actual applicable sales shown on Exhibit B-1, page 2.
3 For The Three-Month Period From February 1, 2007 through April 30, 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 PBRRCC 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 PBRRCC from previous twelve months.
9 Reconciliation of the PBRRCC from previous twelve months.
10 Correction of Total Remaining Over(Under) Recovery (Col. 10) for August 1, 2006. Applicable Sales used in this calculation should have been 9,880,883 Mcf, instead of 7,486,966 Mcf, resulting in a Total Remaining Over(Under) Recovery of (\$1,711,456), instead of (\$1,808,410).

LOUISVILLE GAS AND ELECTRIC COMPANY

2004	Total Monthly (1)	As Pro-Rated for Service Rendered During:		Amount Billed Under (3)	Amount Billed Under (4)	GCAA Case No. 2003-00385 May 1, 2004 (\$6,497,890)	GCAA Case No. 2003-00506 August 1, 2004 (\$1,930,547)	GCAA Case No. 2004-00117 November 1, 2004 (\$2,822,415)	GCAA Case No. 2004-00271 February 1, 2005 (\$5,148,865)	GCAA Case No. 2004-00380 May 1, 2005 (\$7,466,238)	GCAA Case No. 2004-00526 August 1, 2005 (\$662,233)	GCAA Case No. 2005-00143 November 1, 2005 (\$2,189,197)
		Previous (2)	Current (3)										Following (4)
February	7,344,817	3,327,102	4,017,715	(528,329.55) (3)	(528,329.55) (3)							
March	4,514,128			(593,607.82) (1)	(593,607.82) (1)							
April	2,866,544			(376,950.48) (1)	(376,950.48) (1)							
May	1,379,481	641,122	738,359	(181,401.71) (1)	(181,401.71) (1)	131,797.03 (3)						
June	891,921			(117,287.61) (1)	(117,287.61) (1)	159,207.90 (1)						
July	793,150			(104,299.23) (1)	(104,299.23) (1)	141,577.28 (1)						
August	793,351	344,017	449,334	(104,325.66) (1)	(104,325.66) (1)	141,613.15 (1)						
September	832,463			(109,467.61) (1)	(109,467.61) (1)	148,592.91 (1)						
October	1,030,809			(135,951.34) (1)	(135,951.34) (1)	183,989.35 (1)						
November	1,869,532	841,907	1,027,625	(245,843.51) (1)	(245,843.51) (1)	333,711.53 (1)						
December	4,369,120			(673,224.33) (1)	(673,224.33) (1)	778,102.99 (1)						
2005	6,317,608	2,859,788	3,014,939	(830,765.47) (1)	(830,765.47) (1)	1,127,693.05 (1)						
January	5,874,728			(1,048,638.86) (1)	(1,048,638.86) (1)	934,079.72 (1)						
February	5,232,940			(376,062.16) (2)	(376,062.16) (2)	515,623.08 (1)						
March	2,888,645					144,889.25 (2)						
April	1,725,429	811,705	913,725			57,771.40 (1)						
May	924,088					91,447.76 (1)						
June	802,316	400,469	351,272			(21,224.86) (2)						
July	751,741					67,771.40 (1)						
August	753,898					79,856.57 (2)						
September	872,219					79,856.57 (2)						
October	1,942,084	1,027,755	914,329			106,521.63 (1)						
November	5,196,564					58,410.24 (1)						
December	5,536,942	2,311,427	2,393,917			58,410.24 (1)						
2006	4,164,379					67,771.40 (1)						
January	2,693,081	629,508	705,997			67,771.40 (1)						
February	1,335,505					79,856.57 (2)						
March	923,191					79,856.57 (2)						
April	795,759					79,856.57 (2)						
May	718,392					79,856.57 (2)						
June	782,784					79,856.57 (2)						
July	1,188,323					79,856.57 (2)						
August	2,830,660	1,404,555	1,426,105			79,856.57 (2)						
September						79,856.57 (2)						
October						79,856.57 (2)						
November						79,856.57 (2)						
Total Amount Billed Under GCAA												
510,098												
Remaining Amount of Over (Under) Recovery												
510,098												
5,789,526												
(708,364)												
197,051												
(1,733,496)												
2,529,765												
(4,527,773)												
621,092												
(1,339,631)												
6,126,607												
(538,881)												
123,552												
340,264												
(1,848,933)												

(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 \$0.00000 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>
Total Refund Factor		
Effective August 1, 2006		
Through July 31, 2007 (a)	\$0.00050/Ccf	\$0.00050/Ccf

LOUISVILLE GAS AND ELECTRIC COMPANY
Gas Supply Clause 2006-00XXX
 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	6	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	(\$16,193,765.85)	\$2,972.97	(\$16,190,792.87)
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. 2006-00005, became applicable to gas service rendered on and after February 1, 2006 and will remain in effect until January 31, 2007, after which time a new adjustment level may be implemented. Therefore, as shown in the following table, the PBRRC amount which will become effective with gas service rendered on and after February 1, 2007, and will remain in effect until January 31, 2008, is \$0.01610 and \$0.00259 per 100 cubic feet for sales and standby transportation volumes, respectively:

	<u>Sales Volumes</u>	<u>Transportation Volumes</u>
Commodity-Related Portion	\$0.01351/Ccf	\$0.00000/Ccf
Demand-Related Portion	\$0.00259/Ccf	\$0.00259/Ccf
Total PBRRC	\$0.01610/Ccf	\$0.00259/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, 2007

	<u>CSPBR Related to Commodity</u>	<u>CSPBR Related to Demand</u>
Shareholder Portion of PBR	\$4,535,766	\$873,615
Expected Mcf Sales for the 12 month period beginning February 1, 2007	33,575,288	33,707,441
PBRRC factor per Mcf	\$0.1351	\$0.0259
PBRRC factor per Ccf	\$0.01351	\$0.00259

LOUISVILLE GAS AND ELECTRIC COMPANY

Gas Supply Clause 2006-00XXX
Shareholder Portion of PBR Savings
PBR Year 9

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

	<u>Commodity</u>	<u>Demand</u>	<u>Total</u>
Company Share of PBR Savings or (Expenses) (CSPBR)	\$4,535,766	\$873,615	\$5,409,381

LOUISVILLE GAS AND ELECTRIC COMPANY

**GAS SERVICE RATES EFFECTIVE WITH SERVICE
RENDERED FROM
February 1, 2007 through April 30, 2007**

	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 ALL CCF	\$8.50	\$0.15470	\$0.65666	0.00904	\$0.82040
RATE CGS - COMMERC (meter capacity < 5000 CF/HR) CUSTOMER CHARGE	\$16.50				
APRIL THRU OCTOBER					
FIRST 1000 CCF/MONTH		\$0.14968	\$0.65666	0.00006	\$0.80640
OVER 1000 CCF/MONTH		\$0.09968	\$0.65666	0.00006	\$0.75640
NOVEMBER THRU MARCH ALL CCF		\$0.14968	\$0.65666	0.00006	\$0.80640
RATE CGS - COMMERC (meter capacity >= 5000 CF/HR) CUSTOMER CHARGE	\$117.00				
APRIL THRU OCTOBER					
FIRST 1000 CCF/MONTH		\$0.14968	\$0.65666	0.00006	\$0.80640
OVER 1000 CCF/MONTH		\$0.09968	\$0.65666	0.00006	\$0.75640
NOVEMBER THRU MARCH ALL CCF		\$0.14968	\$0.65666	0.00006	\$0.80640
RATE IGS - INDUSTRIAL (meter capacity < 5000 CF/HR) CUSTOMER CHARGE	\$16.50				
APRIL THRU OCTOBER					
FIRST 1000 CCF/MONTH		\$0.14968	\$0.65666	0.00000	\$0.80634
OVER 1000 CCF/MONTH		\$0.09968	\$0.65666	0.00000	\$0.75634
NOVEMBER THRU MARCH ALL CCF		\$0.14968	\$0.65666	0.00000	\$0.80634
RATE IGS - INDUSTRIAL (meter capacity >= 5000 CF/HR) CUSTOMER CHARGE	\$117.00				
APRIL THRU OCTOBER					
FIRST 1000 CCF/MONTH		\$0.14968	\$0.65666	0.00000	\$0.80634
OVER 1000 CCF/MONTH		\$0.09968	\$0.65666	0.00000	\$0.75634
NOVEMBER THRU MARCH ALL CCF		\$0.14968	\$0.65666	0.00000	\$0.80634
Rate AAGS	\$150.00	\$0.05252	\$0.65666	0.00006	\$0.70924

EFFECTIVE RATES FOR RATE TS TRANSPORTATION SERVICE

**GAS SERVICE RATES EFFECTIVE WITH SERVICE
RENDERED FROM
February 1, 2007 through April 30, 2007**

	<u>RATE PER MCF</u>				<u>TOTAL</u>
	<u>ADMIN. CHARGE (PER MONTH)</u>	<u>LG&E DIST CHARGE</u>	<u>PIPELINE SUPPLIER'S DEMAND COMPONENT</u>	<u>DSM COST RECOVERY COMPONENT</u>	
RATE TS					
RATE CGS - COMMERCIAL	\$90.00				
APRIL THRU OCTOBER					
FIRST 100 MCF/MONTH		\$1.4968	\$0.9731	0.00060	\$2.4705
OVER 100 MCF/MONTH		\$0.9968	\$0.9731	0.00060	\$1.9705
NOVEMBER THRU MARCH					
ALL MCF		\$1.4968	\$0.9731	0.00060	\$2.4705
RATE IGS - INDUSTRIAL	\$90.00				
APRIL THRU OCTOBER					
FIRST 100 MCF/MONTH		\$1.4968	\$0.9731	0.00000	\$2.4699
OVER 100 MCF/MONTH		\$0.9968	\$0.9731	0.00000	\$1.9699
NOVEMBER THRU MARCH					
ALL MCF		\$1.4968	\$0.9731	0.00000	\$2.4699
Rate AAGS	\$90.00	\$0.5252	\$0.9731	0.00060	\$1.4989

L G & E

Charges for Gas Transportation Services Provided Under Rate FT

February 1, 2007 through April 30, 2007

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)**

February 1, 2007 through April 30, 2007

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	\$0.3376

Cash-Out Provision for Monthly Imbalances	Percentage to be Multiplied by Cash-Out Price *
---	---

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.
