

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)
ADJUSTMENT FILING OF LOUISVILLE)
GAS AND ELECTRIC COMPANY) CASE NO. 2007-00267

ORDER

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

On June 29, 2007, LG&E filed its proposed GSC to be effective August 1, 2007.

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

1. LG&E's notice includes revised rates designed to pass on to its customers its expected change in wholesale gas costs.
2. LG&E's expected gas supply cost is 87.448 cents per 100 cubic feet, or \$8.7448 per Mcf, which is 53.13 cents per Mcf less than the previous expected gas supply cost of \$9.2761 per Mcf.
3. LG&E's notice sets out no current refund adjustment ("RA"). LG&E's notice sets out no total RA, which is a .5 cent increase per Mcf from the previous total RA.

¹ Case No. 2003-00433, An Adjustment of the Gas and Electric Rates, Term, and Conditions of Louisville Gas and Electric Company, Order dated June 30, 2004.

4. LG&E's notice sets out a current actual adjustment ("AA") of 39.09 cents per Mcf. The total AA of 41.52 cents per Mcf is an increase of 91.27 cents per Mcf from the previous total AA.

5. LG&E's notice sets out a (49.89) cent per Mcf current balance adjustment ("BA"), which is a decrease of \$1.5754 per Mcf from the BA.

6. LG&E's notice sets out its performance-based rate recovery component ("PBRRC") of 16.1 cents per Mcf, which will remain in effect to collect LG&E's portion of PBR savings until January 31, 2008.

7. LG&E's gas supply cost component ("GSCC") is 88.221 cents per 100 cubic feet or \$8.8221 per Mcf, which is \$1.1890 per Mcf less than the prior GSCC of \$10.0111 per Mcf.

8. The rate in the Appendix to this Order is fair, just, and reasonable, and should be approved for gas supplied by LG&E on and after August 1, 2007.

IT IS THEREFORE ORDERED that:

1. The rate in the Appendix, attached hereto and incorporated herein, is approved for gas supplied on and after August 1, 2007.

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

Done at Frankfort, Kentucky, this 26th day of July, 2007.

By the Commission

ATTEST.


Executive Director

Case No. 2007-00267

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2007-00267 DATED JULY 26, 2007

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

Gas Supply Cost Component

The total Gas Supply Cost Component shall be 88.221 cents per 100 cubic feet during the period covered by the bill.