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COMMISSION

Stephanie L. Stumbo, Executive Director
Public Service Commission of Kentucky
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Frankfort, KY 40601

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October 1, 2008

2008-00430

Re: Louisville Gas and Electric Company -
Gas Supply Clause Effective November 1, 2008

Dear Ms. Stumbo:

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 Nineteenth Revision of Original Sheet No. 70 of LG&E Tariff PSC of Kentucky Gas No. 6 setting forth a Gas Supply Cost Component of 110.867 cents per 100 cubic feet applicable to all gas sold during the period of November 1, 2008 through January 31, 2009. 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, 2008 through January 31, 2009.

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, 2008 through January 31, 2009. 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, 2008. These adjustment levels will remain in effect from November 1, 2008 through January 31, 2009.

Stephanie L. Stumbo, Executive Director
Public Service Commission of Kentucky
October 1, 2008

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". The signature is stylized with a large, looped "O" and a long, sweeping underline that extends to the left.

Robert M. Conroy

Louisville Gas and Electric Company

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

STANDARD RATE SCHEDULE	GSC	
Gas Supply Clause		
APPLICATION TO		
All gas sold.		
GAS SUPPLY COST COMPONENT (GSCC)		
Gas Supply Cost	101.049 ¢	R
Gas Cost Actual Adjustment (GCAA)	8.868	I
Gas Cost Balance Adjustment (GCBA)	0.166	R
Refund Factors (RF) continuing for twelve months from the effective date of each or until Company has discharged its refund obligation thereunder:		
None Applicable	0.000	
Performance-Base Rate Recovery Component (PBRRC)	<u>0.784</u>	
Total Gas Supply Cost Component Per 100 Cubic Feet (GSCC)	110.867 ¢	R

Date of Issue: October 1, 2008
Canceling Eighteenth Revision of
Original Sheet No. 70
Issued August 1, 2008

Issued By

Date Effective: November 1, 2008

Lonnie E. Bellar, Vice President
State Regulation and Rates
Louisville, Kentucky

Issued By Authority of an Order of the K.P.S.C. in Case No. 2008-00xxx dated _____

LOUISVILLE GAS AND ELECTRIC COMPANY

Supporting Calculations For The

Gas Supply Clause

2008-00XXX

For the Period

November 1, 2008 through January 31, 2009

LOUISVILLE GAS AND ELECTRIC COMPANYDerivation of Gas Supply Component Applicable to
Service Rendered On and After November 1, 20082008-00XXX

Gas Supply Cost - See Exhibit A for Detail

Description	Unit	Amount
Total Expected Gas Supply Cost	\$	155,975,994
Total Expected Customer Deliveries: November 1, 2008 through January 31, 2009	Mcf	15,435,648
Gas Supply Cost Per Mcf	\$/Mcf	10.1049
Gas Supply Cost Per 100 Cubic Feet	¢/Ccf	101.049

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

Description	Unit	Amount
Current Quarter Actual Adjustment	Eff. November 1, 2008 (Case No. 2008-00117)	¢/Ccf 3.024
Previous Quarter Actual Adjustment	Eff. August 1, 2008 (Case No. 2007-00559)	¢/Ccf 5.053
2nd Previous Qrt. Actual Adjustment	Eff. May 1, 2008 (Case No. 2007-00428)	¢/Ccf 2.293
3rd Previous Qrt. Actual Adjustment	Eff. February 1, 2008 (Case No. 2007-00267)	¢/Ccf (1.502)
Total Gas Cost Actual Adjustment (GCAA)	¢/Ccf	8.868

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

Description	Unit	Amount
Balance Adjustment Amount	\$	(255,483)
Total Expected Customer Deliveries: November 1, 2008 through January 31, 2009	Mcf	15,435,648
Gas Cost Balance Adjustment (GCBA) Per Mcf	\$/Mcf	0.0166
Gas Cost Balance Adjustment (GCBA) Per 100 Cubic Feet	¢/Ccf	0.166

Refund Factors (RF) - See Exhibit D for Detail

Description	Unit	Amount
Refund Factor Effective:	¢/Ccf	0.000
Total Refund Factors Per 100 Cubic Feet	¢/Ccf	0.000

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

Description	Unit	Amount
Performance-Based Rate Recovery Component (PBRR)	¢/Ccf	0.784
Total of PBRR Factors Per 100 Cubic Feet	¢/Ccf	0.784

Gas Supply Cost Component (GSCC) Effective November 1, 2008 through January 31, 2009

Description	Unit	Amount
Gas Supply Cost	¢/Ccf	101.049
Gas Cost Actual Adjustment (GCAA)	¢/Ccf	8.868
Gas Cost Balance Adjustment (GCBA)	¢/Ccf	0.166
Refund Factors (RF)	¢/Ccf	0.000
Performance-Based Rate Recovery Component (PBRR)	¢/Ccf	0.784
Total Gas Supply Cost Component (GSCC)	¢/Ccf	110.867

LOUISVILLE GAS AND ELECTRIC COMPANY
Calculation of Gas Supply Costs
For The Three-Month Period From November 1, 2008 through January 31, 2009

	November	December	January	Total Nov'08 thru Jan'09
MMBtu				
1. Expected Gas Supply Transported Under Texas' No-Notice Service	1,015,488	1,630,439	1,128,535	3,774,462
2. Expected Gas Supply Transported Under Texas' Rate FT	300,000	310,000	310,000	920,000
3. Expected Gas Supply Transported Under Texas' Rate STF	0	0	0	0
4. Expected Gas Supply Transported Under Tenn.'s Rate FT-A (Zone 0)	1,200,000	1,240,000	1,240,000	3,680,000
5. Expected Gas Supply Transported Under Tenn.'s Rate FT-A (Zone 1)	0	0	0	0
6. Total MMBtu Purchased	2,515,488	3,180,439	2,678,535	8,374,462
7. Plus: Withdrawals from Texas Gas' NNS Storage Service	502,500	798,250	1,069,500	2,370,250
8. Less: Injections into Texas Gas' NNS Storage Service	0	0	0	0
9. Expected Monthly Deliveries from TGT/TGPL to LG&E (excluding transportation volumes under LG&E Rate TS)	3,017,988	3,978,689	3,748,035	10,744,712
Mcf				
10. Total Purchases in Mcf	2,454,135	3,102,867	2,613,205	
11. Plus: Withdrawals from Texas Gas' NNS Storage Service	490,244	778,780	1,043,415	
12. Less: Injections Texas Gas' NNS Storage Service	0	0	0	
13. Expected Monthly Deliveries from TGT/TGPL to LG&E (excluding transportation volumes under LG&E Rate TS)	2,944,379	3,881,647	3,656,620	
14. Plus: Customer Transportation Volumes under Rate TS	8,860	16,363	18,009	
15. Total Expected Monthly Deliveries from TGT/TGPL to LG&E (Line 13 + Line 14)	2,953,239	3,898,010	3,674,629	
16. Less: Purchases for Depts. Other Than Gas Dept.	138	4,265	192	
17. Less: Purchases Injected into LG&E's Underground Storage	251,488	0	0	
18. Mcf Purchases Expensed during Month (Line 13 - Line 16 - Line 17)	2,692,753	3,877,362	3,656,428	10,226,563
19. LG&E's Storage Inventory - Beginning of Month	14,290,001	13,720,001	11,590,001	
20. Plus: Storage Injections into LG&E's Underground Storage (Line 17)	251,488	0	0	
21. LG&E's Storage Inventory - Including Injections	14,541,489	13,720,001	11,590,001	
22. Less: Storage Withdrawals from LG&E's Underground Storage	770,000	2,081,196	3,026,244	5,877,440
23. Less: Storage Losses	51,488	48,804	43,756	144,048
24. LG&E's Storage Inventory - End of Month	13,720,001	11,590,001	8,520,001	
25. Mcf of Gas Supply Expensed during Month (Line 18 + Line 22 + Line 23)	3,514,241	6,007,382	6,726,428	16,248,051
Cost				
26. Total Demand Cost - Including Transportation (Line 15 x Line 48)	\$2,913,075	\$3,844,997	\$3,624,654	
27. Less: Demand Cost Recovered thru Rate TS (Line 14 x Line 48)	8,740	16,140	17,764	
28. Demand Cost - Net of Demand Costs Recovered thru LG&E Rate TS	\$2,904,335	\$3,828,857	\$3,606,890	
29. Commodity Costs - Gas Supply Under NNS (Line 1 x Line 49)	7,915,018	13,305,524	9,483,644	
30. Commodity Costs - Gas Supply Under Rate FT (Line 2 x Line 50)	2,286,480	2,474,327	2,548,324	
31. Commodity Costs - Gas Supply Under Rate STF (Line 3 x Line 51)	0	0	0	
32. Commodity Costs - Gas Supply Under Rate FT-A Zone 0 (Line 4 x Line 52)	9,052,680	9,811,996	10,115,300	
33. Commodity Costs - Gas Supply Under Rate FT-A Zone 1 (Line 5 x Line 53)	0	0	0	
34. Total Purchased Gas Cost	\$22,158,513	\$29,420,704	\$25,754,158	\$77,333,375
35. Plus: Withdrawals from NNS Storage (Line 7 x Line 49)	3,916,636	6,514,279	8,987,543	19,418,458
36. Less: Purchases Injected into NNS Storage (Line 8 x Line 49)	0	0	0	0
37. Total Cost of Gas Delivered to LG&E	\$26,075,149	\$35,934,983	\$34,741,701	\$96,751,833
38. Less: Purchases for Depts. Other Than Gas Dept. (Line 16 x Line 54)	1,222	39,484	1,824	42,530
39. Less: Purchases Injected into LG&E's Storage (Line 17 x Line 54)	2,227,153	0	0	2,227,153
40. Pipeline Deliveries Expensed During Month	\$23,846,774	\$35,895,499	\$34,739,877	\$94,482,150
41. LG&E's Storage Inventory - Beginning of Month	\$146,276,737	\$140,114,526	\$118,362,114	
42. Plus: LG&E Storage Injections (Line 39 above)	2,227,153	0	0	
43. LG&E's Storage Inventory - Including Injections	\$148,503,890	\$140,114,526	\$118,362,114	
44. Less: LG&E Storage Withdrawals (Line 22 x Line 55)	7,863,548	21,254,006	30,905,214	\$60,022,768
45. Less: LG&E Storage Losses (Line 23 x Line 55)	525,816	498,406	446,854	1,471,076
46. LG&E's Storage Inventory - End of Month	\$140,114,526	\$118,362,114	\$87,010,046	
47. Gas Supply Expenses (Line 40 + Line 44 + Line 45)	\$32,236,138	\$57,647,911	\$66,091,945	\$155,975,994
Unit Cost				
48. 12-Month Average Demand Cost - per Mcf (see Page 2)	\$0.9864	\$0.9864	\$0.9864	
49. Commodity Cost (per MMBtu) under Texas Gas's No-Notice Service	\$7.7943	\$8.1607	\$8.4035	
50. Commodity Cost (per MMBtu) under Texas Gas's Rate FT	\$7.6216	\$7.9817	\$8.2204	
51. Commodity Cost (per MMBtu) under Texas Gas's Rate STF	\$8.1262	\$8.4863	\$8.7250	
52. Commodity Cost (per MMBtu) under Tenn. Gas's Rate FT-A (Zone 0)	\$7.5439	\$7.9129	\$8.1575	
53. Commodity Cost (per MMBtu) under Tenn. Gas's Rate FT-A (Zone 1)	\$7.7567	\$8.1224	\$8.3648	
54. Average Cost of Deliveries (Line 37 / Line 13)	\$8.8559	\$9.2577	\$9.5010	
55. Average Cost of Inventory - Including Injections (Line 43 / Line 21)	\$10.2124	\$10.2124	\$10.2124	
Gas Supply Cost				
56. Total Expected Mcf Deliveries (Sales) to Customers (November 1, 2008 through January 31, 2009)				15,435,648 Mcf
57. Current Gas Supply Cost (Line 47 / Line 56)				\$10.1049 / Mcf

LOUISVILLE GAS AND ELECTRIC COMPANY
Calculation Of The Average Demand Cost Per Mcf Applicable To
For The Three-Month Period From November 1, 2008 through January 31, 2009

Demand Billings:

Texas Gas No-Notice Service (Rate NNS) Monthly Demand Charge	(	\$12.7104	x	119,913	MMBtu	) x 12	\$18,289,706
Texas Gas Firm Transportation (Rate FT) Monthly Demand Charge	(	\$5.9992	x	10,000	MMBtu	) x 12	719,904
Texas Gas Firm Transportation (Rate STF) Monthly Demand Charge	(	\$6.2178	x	10,542	MMBtu	) x 12	786,577
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)							10,539,661

ANNUAL DEMAND COSTS

\$34,291,816

Expected Annual Deliveries from Pipeline Transporters	35,632,875
(Including Transportation Under Rate TS) - MMBtu	

Expected Annual Deliveries from Pipeline Transporters	34,763,780
(Including Transportation Under Rate TS) - Mcf	

AVERAGE DEMAND COST PER MCF

0.9864

Pipeline Supplier's Demand Component Applicable to Billings
Under LG&E's Gas Transportation Service/Standby - Rate TS
For The Three-Month Period From November 1, 2008 through January 31, 2009

Pipeline Supplier's Demand Component per Mcf	\$0.9864
Refund Factor for Demand Portion of Texas Gas Refund (see Exhibit D)	0.0000
Performance Based Rate Recovery Component (see Exhibit E)	<u>0.0099</u>
Pipeline Supplier's Demand Component per Mcf - Applicable to Rate TS Transportation	<u><u>0.9963</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)	\$77.58
Monthly Charge -> (Annual Charge / 12 Months)	<u><u>\$6.47</u></u>

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

(Annual Reserved Balancing Charge / 365 Days) - 100% Load Factor Rate	<u><u>\$0.2125</u></u>
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LOUISVILLE GAS AND ELECTRIC COMPANY

Gas Supply Clause: 2008-00XXX

Gas Supply Cost Effective November 1, 2008

LG&E is served by Texas Gas Transmission, LLC ("TGT") pursuant to the terms of transportation agreements under Rates NNS-4, FT-4, and STF-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 29, 2008, TGT submitted tariff sheets to the Federal Energy Regulatory Commission ("FERC") in Docket RP08-592 to implement a new ACA Unit charge of \$0.0017/MMBtu. All other rates otherwise applicable to LG&E remain unchanged from the base rates approved by FERC in Docket No. RP05-317 and restated by TGT in Docket No. RP08-495 to implement overrun, minimum, and other rates for its Fayetteville and Greenville laterals.

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 which will be applicable on and after November 1, 2008, and became effective October 1, 2008. The rates absent any 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 \$0.0631/MMBtu.

However, LG&E has negotiated discounts that result in a monthly demand charge applicable to LG&E of \$12.7104/MMBtu and a volumetric throughput charge ("commodity charge") applicable to LG&E of \$0.0606/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 on and after November 1, 2008. Page 2 contains the tariff sheet which sets forth the TGT daily demand charges which became effective September 1, 2008. Page 3 contains the tariff sheet which sets forth the commodity charges which became effective October 1, 2008. 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 \$0.0545/MMBtu.

However, LG&E has negotiated discounts that result in a monthly demand charge applicable to LG&E of \$5.9992/MMBtu and an annual volumetric throughput charge ("commodity charge") applicable to LG&E of \$0.0200/MMBtu.

Texas Gas's Short-Term Firm Service (STF-4)

Attached hereto as Exhibit A-1 (a), Page 4, is the sheet for Short-Term Firm Service under Rate STF-4 which will be applicable on and after November 1, 2008, and which became effective September 1, 2008. The rates absent the discounts negotiated by LG&E would be as follows" (a) For the winter season, a daily demand charge of \$ \$0.4701/MMBtu (or an equivalent monthly demand charge of \$14.2989/MMBtu) and (b) a commodity charge of \$0.0545/MMBtu (which includes the \$0.0017 ACA charge), and for the summer season, (a) a demand charge of \$0.2042/MMBtu (or an equivalent monthly demand charge of \$6.2178/MMBtu) and (b) a commodity charge of \$0.0545 (which includes the \$0.0017 ACA charge). The rates applicable to LG&E are as follows: a weighted-average monthly demand charge of \$6.2178/MMBtu; a winter season commodity-only rate of \$0.5246/MMBtu and a summer season commodity rate of \$0.0545/MMBtu.

Tennessee Gas Pipeline Company

On August 29, 2008, TGPL filed tariff sheets at the FERC in Docket No. RP08-569 to implement a new ACA Unit Charge of \$0.0017/MMBtu. The rates otherwise applicable to LG&E remain unchanged from those submitted by TGPL to FERC on May 30, 2008, in Docket Nos. RP91-203 and RP92-132 to extend the PCB adjustment as provided for in the associated settlement.

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

Attached hereto as Exhibit A-1 (a), Pages 5 and 6, are the tariff sheets for transportation service under Rate FT-4 applicable during the period of November 1, 2008 through January 31, 2009. Page 5 contains the tariff sheet which sets forth the monthly demand charges effective July 1, 2008. Page 6 contains the tariff sheet which sets forth the commodity charges effective October 1, 2008. 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 \$0.0897/MMBtu. The rates absent the discounts negotiated by LG&E would be as follows for delivers 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 \$0.0793/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 30, 2008, are \$7.4380/MMBtu for November, \$7.7880/MMBtu for December, and \$8.0200/MMBtu for January. The NYMEX price has been used as a general price indicator.

The wholesale natural gas market is not price-regulated and is subject to the forces of supply and demand, as well as psychological factors that can affect the market. Among the forces that are presumably affecting the price of natural gas are:

- National gas storage inventories are more than 5% lower than at the same time last year¹;
- Other commodity prices, including the prices of alternate forms of energy such as oil (currently at about \$100 per barrel) have decreased from record highs earlier in the year, driven presumably by concerns over an economic slump;
- International competition for energy, including LNG, is robust, and the U.S. natural gas market is impacted by global supply and demand;
- LNG supplies which could have provided marginal supplies to the U.S. market are moving to overseas markets which are commanding prices even higher than those in the U.S.;
- The U.S. continues to increase reliance upon gas-fired electric generation facilities;
- National restrictions have closed or limited certain areas to exploration for new gas supplies although new legislation may lift such bans;
- Despite increases in gas reserves, new pipeline infrastructure to bring new gas supply to market is lagging demand with a potential credit crunch curbing further pipeline development; and
- The 2008 hurricane season has been active thus far, with about half of natural gas production in the Gulf of Mexico still shut-in following Hurricanes Gustav and Ike according to the Minerals Management Service, and potential additional supply disruptions could adversely impact supply availability.

During the three-month period under review, November 1, 2008 through January 31, 2009, LG&E estimates that its total purchases will be 10,744,712 MMBtu. LG&E expects that 6,144,712 MMBtu will be met with deliveries from TGT's pipeline service under Rate NNS (3,774,462 MMBtu in pipeline deliveries plus 2,370,250 MMBtu in net storage withdrawals); 920,000 MMBtu will be met from deliveries under TGT's pipeline service under Rate FT; 0 MMBtu will be met from deliveries under TGT's pipeline service under Rate STF; 3,680,000 MMBtu will be met from deliveries under TGPL's pipeline service under Rate FT-A from Zone 0; 0 MMBtu will be met from deliveries under TGPL's pipeline service under Rate FT-A from Zone 1.

¹ The weekly gas storage survey issued by the Energy Information Administration ("EIA") for the week ending September 19, 2008, indicated that storage inventory levels were lower than last year's levels. Storage inventories across the nation are 162 Bcf (3,023 Bcf - 3,185 Bcf), or 5%, lower this year than the same period one year ago. Last year at this time, 3,185 Bcf was held in storage, while this year 3,023 Bcf is held in storage. Storage inventories across the nation are 35 Bcf (3,023 Bcf - 2,988 Bcf), or 1%, higher this year than the five-year average. On average for the last five years at this time, 2,988 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.

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 \$7.3880 per MMBtu in November 2008, \$7.7380 in December 2008, and \$7.9700 in January 2009. 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 \$7.3880 per MMBtu in November 2008, \$7.7380 in December 2008, and \$7.9700 in January 2009. The average commodity cost of gas purchased from gas suppliers by LG&E and delivered to TGT under the STF service is expected to be \$7.3880 per MMBtu in November 2008, \$7.7380 in December 2008, and \$7.9700 in January 2009. 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 \$7.1380 per MMBtu in November 2008, \$7.4880 in December 2008, and \$7.7200 in January 2009, 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 \$7.4080 per MMBtu in November 2008, \$7.7580 in December 2008, and \$7.9900 in January 2009.

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 Rates NNS, FT, STF, and FT-A and the applicable retention percentages:

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>
Nov 2008	\$7.3880	4.47%	\$0.0606	\$7.7943
Dec	\$7.7380	4.47%	\$0.0606	\$8.1607
Jan 2009	\$7.9700	4.47%	\$0.0606	\$8.4035

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>
Nov 2008	\$7.3880	2.81%	\$0.0200	\$7.6216
Dec	\$7.7380	2.81%	\$0.0200	\$7.9817
Jan 2009	\$7.9700	2.81%	\$0.0200	\$8.2204

RATE STF
SYSTEM SUPPLY PURCHASE PRICE PER MMBTU
UNDER TEXAS GAS'S SHORT-TERM FIRM
TRANSPORTATION SERVICE RATE

	<u>ESTIMATED PRICE AS DELIVERED TO TEXAS GAS</u>	<u>RETENTION (ZONE SL TO 4)</u>	<u>RATE STF TRANSPORT CHARGE</u>	<u>TOTAL ESTIMATED DELIVERED PRICE</u>
Nov 2008	\$7.3880	2.81%	\$0.5246	\$8.1262
Dec	\$7.7380	2.81%	\$0.5246	\$8.4863
Jan 2009	\$7.9700	2.81%	\$0.5246	\$8.7250

RATE FT-A
SYSTEM SUPPLY PURCHASE PRICE PER MMBTU
UNDER TENNESSEE 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				
Nov 2008	\$7.1380	5.16%	\$0.0175	\$7.5439
Dec	\$7.4880	5.16%	\$0.0175	\$7.9129
Jan 2009	\$7.7200	5.16%	\$0.0175	\$8.1575

Zone 1				
Nov 2008	\$7.4080	4.28%	\$0.0175	\$7.7567
Dec	\$7.7580	4.28%	\$0.0175	\$8.1224
Jan 2009	\$7.9900	4.28%	\$0.0175	\$8.3648

The annual demand billings covering the 12 months from November 1, 2008 through October 31, 2009 for the firm contracts with natural gas suppliers are currently expected to be \$10,539,661.

Rate FT, Rider RBS, and Rate PS

The demand-related supply costs applicable to the Daily Utilization Charge under Rates FT and PS-FT, and the Reserved Balancing Service under Rider RBS, applicable during the three-month period of November 1, 2008 through January 31, 2009 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

Fourteenth Revised Sheet No. 20
Superseding
Thirteenth 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	0.0017	0.0270
Overrun	0.2053	0.0017	0.2070
Zone 1			
Daily Demand	0.2782		0.2782
Commodity	0.0431	0.0017	0.0448
Overrun	0.3213	0.0017	0.3230
Zone 2			
Daily Demand	0.3088		0.3088
Commodity	0.0460	0.0017	0.0477
Overrun	0.3548	0.0017	0.3565
Zone 3			
Daily Demand	0.3543		0.3543
Commodity	0.0490	0.0017	0.0507
Overrun	0.4033	0.0017	0.4050
Zone 4			
Daily Demand	0.4190		0.4190
Commodity	0.0614	0.0017	0.0631
Overrun	0.4804	0.0017	0.4821

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

Notes:

- 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, Customer shall pay 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.

- For receipts from Duke Field Services' Carthage Plant/Gulf South Pipeline Company, LP, Enbridge Pipelines, L.P./Gulf South Pipeline Company, LP, Energy Transfer Company/Gulf South Pipeline Company, LP, and Enterprise Texas Pipeline L.P./Gulf South Pipeline Company, LP interconnects in Panola County, Texas, Customer shall pay an incremental transportation charge of:

Daily Demand	\$0.1288
Commodity	\$0.0068
Overrun	\$0.1356

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

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

Seventh Revised Sheet No. 24
Superseding
Sixth Revised 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.

Notes:

- 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, Customer shall pay 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.
- For receipts from Duke Field Services' Carthage Plant/Gulf South Pipeline Company, LP, Enbridge Pipelines, L.P./Gulf South Pipeline Company, LP, Energy Transfer Company/Gulf South Pipeline Company, LP, and Enterprise Texas Pipeline L.P./Gulf South Pipeline Company, LP interconnects in Panola County, Texas, Customer shall pay an incremental Daily Demand charge of \$0.1288. These receipt points are available to those customers agreeing to pay the incremental rate(s) applicable to such points and are not available for pooling under Rate Schedule TAPS.

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

Thirteenth Revised Sheet No. 25
Superseding
Twelfth 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	0.0017	0.0121
SL-1	0.0355	0.0017	0.0372
SL-2	0.0399	0.0017	0.0416
SL-3	0.0445	0.0017	0.0462
SL-4	0.0528	0.0017	0.0545
1-1	0.0337	0.0017	0.0354
1-2	0.0385	0.0017	0.0402
1-3	0.0422	0.0017	0.0439
1-4	0.0508	0.0017	0.0525
2-2	0.0323	0.0017	0.0340
2-3	0.0360	0.0017	0.0377
2-4	0.0446	0.0017	0.0463
3-3	0.0312	0.0017	0.0329
3-4	0.0398	0.0017	0.0415
4-4	0.0360	0.0017	0.0377

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

Backhaul rates equal fronthaul rates to zone of delivery.

Notes:

- For receipts from Enterprise Texas Pipeline, L.P./Texas Eastern Transmission, LP interconnect near Beckville, Texas, Customer shall pay 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.
- For receipts from Duke Field Services' Carthage Plant/Gulf South Pipeline Company, LP, Enbridge Pipelines, L.P./Gulf South Pipeline Company, LP, Energy Transfer Company/Gulf South Pipeline Company, LP, and Enterprise Texas Pipeline L.P./Gulf South Pipeline Company, LP interconnects in Panola County, Texas, Customer shall pay an incremental Commodity charge of \$0.0068. These receipt points are available to those customers agreeing to pay the incremental rate(s) applicable to such points and are not available for pooling under Rate Schedule TAPS.

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

Seventh Revised Sheet No. 28
Superseding
Sixth Revised Sheet No. 28

Currently Effective Maximum Transportation Rates (\$ per MMBtu)
For Service under Rate Schedule STF

	Peak (Winter)-Demand	Off-Peak (Summer)-Demand
	Currently Effective Rates [1]	Currently Effective Rates [1]
SL-SL	0.1188	0.0516
SL-1	0.2322	0.1009
SL-2	0.3172	0.1378
SL-3	0.3731	0.1621
SL-4	0.4701	0.2042
1-1	0.1873	0.0814
1-2	0.2723	0.1183
1-3	0.3282	0.1426
1-4	0.4252	0.1847
2-2	0.1992	0.0866
2-3	0.2551	0.1108
2-4	0.3492	0.1517
3-3	0.1766	0.0768
3-4	0.2707	0.1177
4-4	0.2056	0.0893

Notes:

- The STF commodity rate is the applicable FT commodity rate on Sheet No. 25. The STF overrun rate equals the daily demand rate plus applicable FT commodity rate. Minimum rate: Demand \$-0- The minimum commodity rate is presented on Sheet 31.
- For receipts from Enterprise Texas Pipeline, L.P./Texas Eastern Transmission, LP interconnect near Beckville, Texas, Customer shall pay 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.
- For receipts from Duke Field Services' Carthage Plant/Gulf South Pipeline Company, LP, Enbridge Pipelines, L.P./Gulf South Pipeline Company, LP, Energy Transfer Company/Gulf South Pipeline Company, LP, and Enterprise Texas Pipeline L.P./Gulf South Pipeline Company, LP interconnects in Panola County, Texas, Customer shall pay an incremental Daily Demand charge of \$0.1288. These receipt points are available to those customers agreeing to pay the incremental rate(s) applicable to such points and are not available for pooling under Rate Schedule TAPS.

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

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

RATES PER DEKATHERM

FIRM TRANSPORTATION RATES
RATE SCHEDULE FOR FT-A

Base Reservation Rates

RECEIPT ZONE	DELIVERY 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

RECEIPT ZONE	DELIVERY 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/

RECEIPT ZONE	DELIVERY 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, 2010 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.

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

Twentieth Revised Sheet No. 23A
Superseding
Nineteenth Revised Sheet No. 23A

RATES PER DEKATHERM		COMMODITY RATES RATE SCHEDULE FOR FT-A								
Base Commodity Rates		DELIVERY ZONE								
RECEIPT 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/		DELIVERY ZONE								
RECEIPT 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/		DELIVERY ZONE								
RECEIPT ZONE	0	L	1	2	3	4	5	6		
0	\$0.0456		\$0.0686	\$0.0897	\$0.0995	\$0.1135	\$0.1248	\$0.1625		
L		\$0.0303								
1	\$0.0686		\$0.0589	\$0.0793	\$0.0891	\$0.1031	\$0.1143	\$0.1520		
2	\$0.0897		\$0.0793	\$0.0450	\$0.0547	\$0.0698	\$0.0800	\$0.1176		
3	\$0.0995		\$0.0891	\$0.0547	\$0.0383	\$0.0680	\$0.0782	\$0.1159		
4	\$0.1146		\$0.1042	\$0.0698	\$0.0680	\$0.0418	\$0.0476	\$0.0851		
5	\$0.1248		\$0.1143	\$0.0800	\$0.0782	\$0.0476	\$0.0444	\$0.0782		
6	\$0.1625		\$0.1520	\$0.1176	\$0.1159	\$0.0851	\$0.0782	\$0.0659		

Notes:

1/ The above maximum rates include a per Dth charge for:
(ACA) Annual Charge Adjustment \$0.0017

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: 2008-00XXX****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 under-recovery from Case Number 2008-00117 during the three-month period of May 1, 2008 through July 31, 2008 was \$9,569,154. The calculation of the Gas Cost Actual Adjustment (GCAA) set forth in Exhibit B-1 results in a charge of 3.024¢ per 100 cubic feet, which LG&E will place in effect with service rendered on and after November 1, 2008, 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 2008 through July 2008. [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 2007-00141, with service rendered through October 31, 2008, 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 2009.

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

Current Quarter Actual Adjustment:	
Effective November 1, 2008 from 2008-00117	3.024 cents/Ccf
Previous Quarter Actual Adjustment	
Effective August 1, 2008 from 2007-00559	5.053 cents/Ccf
2nd Previous Quarter Actual Adjustment:	
Effective May 1, 2008 from 2007-00428	2.293 cents/Ccf
3rd Previous Quarter Actual Adjustment	
Effective February 1, 2008 from 2007-00267	(1.502) cents/Ccf
Total Gas Cost Actual Adjustment (GCAA)	8.868 cents/Ccf

LOUISVILLE GAS AND ELECTRIC COMPANY

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

Start Date	End Date	Case	(1)	(2)	(3)	(4)	(5)	(6)	(7)
			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 of Gas Cost 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 Mcf	GCAA Per 100 Cu. Ft.	Implemented With Service Rendered On
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
Nov-2006	Jan-2007	(Case No. 2006-00431)	117,566,789	121,616,960	(4,050,171)	33,784,429	\$0.1199	\$0.01199	5/1/2007
Feb-2007	Apr-2007	(Case No. 2007-00001)	96,196,128	109,420,254	(13,224,126)	33,829,123	\$0.3909	\$0.03909	8/1/2007
May-2007	Jul-2007	(Case No. 2007-00141)	25,771,197	22,055,021	3,716,176	32,562,833	(\$0.1141)	(\$0.01141)	11/1/2007
Aug-2007	Oct-2007	(Case No. 2007-00267)	27,831,017	22,940,375	4,890,642	32,561,210	(\$0.1502)	(\$0.01502)	2/1/2008
Nov-2007	Jan-2008	(Case No. 2007-00428)	131,149,323	138,564,724	(7,415,401)	32,334,823	\$0.2293	\$0.02293	5/1/2008
Feb-2008	Apr-2008	(Case No. 2007-00559)	103,258,883	119,589,310	(16,330,427)	32,320,126	\$0.5053	\$0.05053	8/1/2008
May-2008	Jul-2008	(Case No. 2008-00117)	33,383,585	42,952,739	(9,569,154)	31,639,729	\$0.3024	\$0.03024	11/1/2008

¹ See Page 2 of this Exhibit.

² See Page 4 of this Exhibit.

LOUISVILLE GAS AND ELECTRIC COMPANY

Calculation of Gas Costs Recovered
Under Company's Gas Supply Clause

	Monthly Mcf Sales	Nov 1, 2006 through Jan 31, 2007	Feb 1, 2007 through Apr 30, 2007	May 1, 2007 through July 31, 2007	August 1, 2007 through Oct 31, 2007	Nov 1, 2007 through Jan 31, 2008	Feb 1, 2008 through Apr 30, 2008	May 1, 2008 through July 31, 2008	
1	2007 FEB	6,903,906	3,226,318	3,677,588					
2	MAR	4,947,897		4,947,897					
3	APR	2,569,206		2,569,206					
4	MAY	1,488,291		856,431	631,859				
5	JUN	864,422			864,422				
6	JULY	764,303			764,303				
7	AUG	727,533			354,261	373,273			
8	SEPT	763,556				763,556			
9	OCT	811,984				811,984			
10	NOV	2,092,834			920,771	1,172,063			
11	DEC	4,281,656				4,281,656			
12	2008 JAN	6,009,012				6,009,012			
13	FEB	6,108,672				2,966,845	3,141,827		
14	MAR	5,425,227					5,425,227		
15	APR	3,100,020					3,100,020		
16	MAY	1,499,442					783,557	715,885	
17	JUN	1,021,526						1,021,526	
18	JULY	808,754						808,754	
19	AUG	754,483						352,462	
20	Applicable Mcf Sales During 3 Month Period		13,581,993	12,051,122	2,614,844	2,869,583	14,429,576	12,450,630	2,898,628
21	Gas Supply Clause Case No.		2006-00431	2007-00001	2007-00141	2007-00267	2007-00428	2007-00559	2008-00117
22	Gas Supply Cost Recovered Per Mcf Sold		\$8.1687	\$7.5931	\$9.7761	\$8.7448	\$8.5907	\$8.2054	\$11.4339
23	Dollars of Recovery Under GSC		\$110,947,227	\$91,505,375	\$25,562,979	\$25,093,933	\$123,960,157	\$102,162,399	\$33,142,618
24	Total Dollars Recovered During 3-Month Period								
25	Mcf of Customer-Owned Gas Transported Under Rate TS		24,855	29,958	23,416	25,541	22,610	19,435	17,711
26	Total Mcf of Customer-Owned Gas Transported Under Rate TS During 3-Month Period								
27	Pipeline Suppliers' Demand Component Per Mcf		0.9534	0.9522	0.9451	0.9455	0.9577	0.9579	0.9650
28	Dollars of Recovery Under Rate TS During 3-Month Period (Line 25 x Line 27)		\$23,697	\$28,526	\$22,130	\$24,149	\$21,653	\$18,617	\$17,091
29	Dollars of Recovery Under Rate FT (See Ex B-1, Page 3)		\$431,024	\$410,936	\$186,088	\$503,492	\$882,470	\$204,913	\$223,876
30	Revenues from Off-system Sales		\$6,164,842	\$4,251,291	\$0	\$2,209,444	\$6,285,043	\$872,953	\$0
31	Total \$'s of Gas Cost Recovered During 3-Month Period (Line 23 + Line 28 + Line 29 + Line 30)		\$117,566,789	\$96,196,128	\$25,771,197	\$27,831,017	\$131,149,323	\$103,258,883	\$33,383,585

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)]	
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	\$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	\$0.00	\$45,093.88
														Total FT Revenues			\$151,675.89
2006 Aug	2006-00335	0.2131	0	\$6.48	8,527.8	\$83,962.12	639.0	\$ 5,596.72	83,837.9	\$17,865.86	0.0	\$0.00	0.00	\$0.00	\$0.00	\$107,426.70	
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	\$0.00	\$0.00	\$99,191.91	
Oct	2006-00335	0.2131	0	\$6.48	37,260.9	\$330,424.25	203.0	\$ 1,472.93	119,422.2	\$25,448.87	0.0	\$0.00	0.00	\$0.00	\$0.00	\$357,346.05	
														0.00	\$0.00	\$0.00	\$107,426.70
														Total FT Revenues			\$563,964.66
2006 Nov	2006-00431	0.2176	0	\$6.62	1,701.4	\$14,882.56	1,373.0	\$ 9,722.79	119,184.2	\$25,934.48	0.0	\$0.00	0.00	\$0.00	\$41,367.18	\$91,907.01	
Dec	2006-00431	0.2176	0	\$6.62	4,772.4	\$41,068.57	2,411.0	\$ 15,605.21	135,286.2	\$29,438.28	0.0	\$0.00	0.00	\$0.00	\$0.00	\$136,775.48	
2007 Jan	2006-00431	0.2176	0	\$6.62	7,101.8	\$66,638.73	2,067.0	\$ 15,165.86	156,314.4	\$34,014.01	0.0	\$0.00	0.00	\$0.00	\$98,522.62	\$202,341.22	
														0.00	\$188,553.22		\$202,341.22
														Total FT Revenues			\$431,023.71
2007 Feb	2007-00001	0.2176	0	\$6.62	1,055.3	\$12,564.54	1,506.0	\$ 11,591.94	258,951.7	\$56,347.89	0.0	\$0.00	0.00	\$0.00	\$152,878.31	\$233,382.68	
Mar	2007-00002	0.2176	0	\$6.62	-	\$360.00	2,041.0	\$ 14,389.05	123,399.7	\$26,851.77	0.0	\$0.00	0.00	\$0.00	\$0.00	\$41,600.82	
Apr	2007-00003	0.2176	0	\$6.62	6,333.4	\$58,474.85	803.0	\$ 6,351.01	188,886.2	\$41,101.64	0.0	\$0.00	0.00	\$0.00	\$30,025.16	\$135,952.66	
														0.00	\$182,903.47		\$135,952.66
														Total FT Revenues			\$410,936.16
2007 May	2007-00141	0.2176	0	\$6.62	647.1	\$5,947.20	296.0	\$ 2,362.70	62,028.2	\$13,497.34	0.0	\$0.00	0.00	\$0.00	\$0.00	\$21,807.24	
Jun	2007-00141	0.2176	0	\$6.62	1,505.2	\$13,071.41	-	\$ -	43,652.3	\$9,498.74	0.0	\$0.00	0.00	\$0.00	\$0.00	\$22,570.15	
Jul	2007-00141	0.2176	0	\$6.62	17,398.1	\$125,003.30	-	\$ -	76,779.0	\$16,707.11	0.0	\$0.00	0.00	\$0.00	\$0.00	\$141,710.41	
														0.00	\$0.00	\$0.00	\$141,710.41
														Total FT Revenues			\$186,087.80
2007 Aug	2007-00267	0.2176	0	\$6.62	3,986.2	\$32,499.44	-	\$ -	78,201.7	\$17,016.69	0.0	\$0.00	0.00	\$0.00	\$0.00	\$49,516.13	
Sept	2007-00267	0.2176	0	\$6.62	29,851.7	\$204,677.70	586.0	\$ 3,921.52	96,324.2	\$20,960.15	0.0	\$0.00	0.00	\$0.00	\$0.00	\$229,559.37	
Oct	2007-00267	0.2176	0	\$6.62	27,302.0	\$208,519.29	1.0	\$ 7.39	73,021.8	\$15,889.54	0.0	\$0.00	0.00	\$0.00	\$0.00	\$224,416.22	
														0.00	\$0.00	\$0.00	\$224,416.22
														Total FT Revenues			\$503,491.72
2007 Nov	2007-00428	0.2176	0	\$6.62	37,813.1	\$313,011.02	(94.0)	\$ (758.09)	142,109.4	\$30,923.01	0.0	\$0.00	0.00	\$0.00	\$0.00	\$343,175.94	
Dec	2007-00428	0.2176	0	\$6.62	15,174.3	\$123,893.07	(190.0)	\$ (1,368.00)	156,529.3	\$34,050.78	0.0	\$0.00	0.00	\$0.00	\$36,486.90	\$193,072.75	
2008 Jan	2007-00428	0.2176	0	\$6.62	9,718.1	\$88,833.46	(129.0)	\$ (992.66)	276,318.0	\$60,126.80	0.0	\$0.00	0.00	\$0.00	\$198,253.50	\$348,221.10	
														0.00	\$234,740.40		\$348,221.10
														Total FT Revenues			\$882,469.78
2008 Feb	2007-00559	0.2115	0	\$6.43	1,540.1	\$27,701.32	2,357.0	\$ 19,961.09	147,843.4	\$31,268.88	0.0	\$0.00	0.00	\$0.00	\$0.00	\$78,931.29	
Mar	2007-00559	0.2115	0	\$6.43	2,436.2	\$25,806.10	2,725.0	\$ 26,825.16	111,721.1	\$23,629.01	0.0	\$0.00	0.00	\$0.00	\$1,076.74	\$77,337.01	
Apr	2007-00559	0.2115	0	\$6.43	715.3	\$8,661.06	1,700.0	\$ 17,284.69	107,325.7	\$22,699.39	0.0	\$0.00	0.00	\$0.00	\$0.00	\$48,645.14	
														0.00	\$1,076.74		\$48,645.14
														Total FT Revenues			\$204,913.44
2008 May	2008-00117	0.2115	0	\$6.43	944.8	\$12,353.88	1,411.0	\$ 15,546.32	71,617.5	\$15,147.10	0.0	\$0.00	0.00	\$0.00	\$0.00	\$43,047.30	
Jun	2008-00117	0.2115	0	\$6.43	4,763.5	\$78,367.27	428.0	\$ 5,139.10	52,065.2	\$11,011.79	0.0	\$0.00	0.00	\$0.00	\$0.00	\$94,518.16	
Jul	2008-00117	0.2115	0	\$6.43	4,633.0	\$70,866.81	234.0	\$ 2,392.72	61,706.6	\$13,050.95	0.0	\$0.00	0.00	\$0.00	\$0.00	\$86,310.48	
														0.00	\$0.00	\$0.00	\$86,310.48
														Total FT Revenues			\$223,875.95

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								Total Gas Supply Cost
	Mcf Purchases	Purchases for OSS	Less: Purchases for Depts. 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	Plus: Other Gas Purchase Expenses	
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)	2,066	248,384	8,545	7,720,616
September	3,659,105	0	(53,155)	(2,710,359)	362	39,097	935,050	20,731,818	0	(296,289)	(15,352,558)	2,662	289,679	7,644	5,382,955
October	4,836,561	0	(48,327)	(2,406,723)	1,164	37,664	2,420,339	29,153,312	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
November	3,016,566	149,326	(45,337)	(185,732)	673,650	38,502	3,646,966	26,430,816	1,069,124	(368,805)	(1,634,367)	4,816,395	275,278	6,730	30,595,171
December	2,895,879	0	(78,685)	(104,959)	2,153,807	35,546	4,901,588	27,955,507	0	(466,613)	(1,013,400)	15,440,427	254,826	8,949	42,179,696
January	3,231,228	743,263	(61,689)	0	2,813,340	27,026	6,753,168	24,379,913	4,342,511	(251,722)	0	20,168,553	193,747	9,091	48,842,093
Total November 2006 thru January 2007							15,301,721								121,616,960
February	4,431,420	569,422	(38,257)	(22,275)	2,904,151	27,239	7,871,700	37,145,995	3,994,833	(320,441)	(186,718)	20,828,281	195,355	8,654	61,665,960
March	1,511,359	0	(42,084)	(2,128)	1,641,479	22,896	3,131,522	15,231,795	0	(404,185)	(21,466)	11,774,329	164,233	9,751	26,754,457
April	1,409,997	0	(177,667)	(95)	1,425,492	20,115	2,677,842	12,146,435	0	(1,522,619)	(819)	10,225,197	144,287	7,357	20,999,837
Total February 2007 thru April 2007							13,681,064								109,420,254
May	752,051	0	(141,660)	(128,947)	497,347	20,094	998,885	8,106,108	0	(1,396,513)	(1,413,981)	3,653,561	147,613	9,474	9,106,261
June	2,279,433	0	(60,438)	(1,429,984)	16,669	22,015	827,695	19,695,842	0	(513,322)	(12,379,514)	130,808	172,761	9,092	7,115,667
July	3,729,293	0	(57,367)	(2,876,221)	649	26,061	822,415	26,470,490	0	(408,134)	(20,438,426)	4,883	196,062	8,218	5,833,093
Total May 2007 thru July 2007							2,648,995								22,055,021
August	4,011,754	0	(354,482)	(2,902,312)	(601)	34,572	788,931	27,519,929	0	(2,472,639)	(19,906,668)	(4,399)	253,828	8,263	5,398,315
September	3,237,536	271,061	(87,033)	(2,354,376)	412	34,704	1,102,304	20,632,234	1,478,098	(562,801)	(14,995,492)	2,937	247,412	8,157	6,810,546
October	3,972,767	73,926	(87,452)	(2,550,603)	302	38,266	1,447,206	29,732,137	478,134	(657,208)	(19,107,332)	2,173	275,278	8,333	10,731,515
Total August 2007 thru October 2007							3,338,441								22,940,375
November	3,043,907	0	(43,219)	(121,119)	715,542	38,009	3,633,120	25,955,545	0	(369,350)	(1,034,284)	5,155,623	273,862	9,606	29,991,003
December	3,087,783	0	(52,844)	(77,022)	2,406,730	34,806	5,389,453	27,502,731	0	(464,468)	(687,383)	17,364,076	251,118	9,967	43,976,042
January	4,004,398	777,550	(69,998)	(8,089)	3,315,463	40,819	8,060,143	35,395,408	5,667,051	(621,081)	(71,575)	23,924,381	294,550	8,945	64,597,678
Total November 2007 thru January 2008							17,092,716								138,564,724
February	3,542,768	98,373	(61,790)	(42,607)	2,729,438	34,390	6,300,572	34,245,510	801,614	(596,837)	(412,001)	19,731,653	248,612	8,343	54,026,895
March	2,679,353	0	(93,561)	0	1,923,034	29,366	4,538,192	29,309,488	0	(989,829)	0	13,901,805	212,290	6,564	42,440,318
April	1,220,252	0	(62,351)	0	947,762	24,645	2,130,308	16,953,378	0	(866,384)	0	6,851,466	178,161	5,476	23,122,097
Total February 2008 thru April 2008							12,969,072								119,589,310
May	1,081,443	0	(209)	0	103,443	26,655	1,211,332	17,879,722	0	(3,416)	0	747,810	192,694	4,184	18,820,994
June	2,440,847	0	(1,257)	(1,616,782)	537	28,441	851,786	37,956,895	0	(14,816)	(25,130,936)	5,809	307,683	3,451	13,128,086
July	3,710,065	0	(2)	(2,895,693)	356	35,028	849,754	48,406,651	0	(25)	(37,826,148)	4,201	413,376	5,604	11,003,659
Total May 2008 thru July 2008							2,912,872								42,952,739

LOUISVILLE GAS AND ELECTRIC COMPANY
SUMMARY OF GAS PURCHASES AND COSTS BY SUPPLIER
FOR THE 3 MONTH PERIOD FROM MAY 2008 THROUGH JULY 2008

DELIVERED BY TEXAS GAS TRANSMISSION, LLC

COMMODITY AND VOLUMETRIC CHARGES:

		MAY 2008			JUNE 2008			JULY 2008			
		NET MMBTU	MCF	\$	NET MMBTU	MCF	\$	NET MMBTU	MCF	\$	
NATURAL GAS SUPPLIERS:											
1.	A	391,282	381,739	\$4,408,820.00	302,928	295,540	\$3,619,200.00	391,282	381,739	\$5,226,910.00	
2.	B	0	0	\$0.00	0	0	\$0.00	257,765	251,478	\$2,966,542.50	
3.	C	0	0	\$0.00	0	0	\$0.00	0	0	\$0.00	
4.	D	0	0	\$0.00	0	0	\$0.00	77,648	75,754	\$957,300.00	
5.	E	0	0	\$0.00	0	0	\$0.00	24,265	23,673	\$295,125.00	
6.	F	358,897	350,143	\$4,140,188.38	0	0	\$0.00	117,442	114,578	\$1,161,260.00	
7.	G	0	0	\$0.00	0	0	\$0.00	0	0	\$0.00	
8.	H	0	0	\$0.00	0	0	\$0.00	2,524	2,462	\$30,693.00	
9.	I	303,014	295,623	\$3,478,575.00	0	0	\$0.00	24,265	23,673	\$289,375.00	
10.	J	0	0	\$0.00	644,520	628,800	\$8,300,490.00	666,562	650,304	\$7,678,110.00	
11.	K	203,826	198,855	\$2,275,350.00	194,120	189,385	\$2,299,000.00	300,886	293,548	\$3,988,150.00	
12.	L	0	0	\$0.00	0	0	\$0.00	0	0	\$0.00	
13.	M	0	0	\$0.00	174,700	170,439	\$2,073,600.00	270,785	264,180	\$3,596,310.00	
14.	N	0	0	\$0.00	0	0	\$0.00	19,412	18,939	\$193,075.00	
15.	O	759,500	740,976	\$8,630,997.06	735,000	717,073	\$8,852,369.40	269,500	262,927	\$3,626,265.72	
16.	P	0	0	\$0.00	0	0	\$0.00	154,325	150,561	\$1,579,940.00	
17.	Q	0	0	\$0.00	0	0	\$0.00	72,795	71,020	\$786,375.00	
18.	R	0	0	\$0.00	322,800	314,927	\$4,150,245.00	0	0	\$0.00	
19.	S	0	0	\$0.00	0	0	\$0.00	4,853	4,735	\$50,400.00	
		<u>2,016,519</u>	<u>1,967,336</u>	<u>\$22,933,930.44</u>	<u>2,374,068</u>	<u>2,316,164</u>	<u>\$29,294,904.40</u>	<u>2,654,309</u>	<u>2,589,571</u>	<u>\$32,425,831.22</u>	
NO-NOTICE SERVICE ("NNS") STORAGE:											
1.	WITHDRAWALS	0	0	\$0.00	0	0	\$0.00	0	0	\$0.00	
2.	INJECTIONS	(1,011,350)	(986,683)	(\$11,452,628.54)	(1,082,369)	(1,055,970)	(\$13,059,323.17)	(95,796)	(93,460)	(\$1,201,770.40)	
3.	ADJUSTMENTS	(15,541)	(13,903)	(\$153,812.38)	0	634	\$0.00	1	(864)	\$12.07	
4.	ADJUSTMENTS	0	0	\$33,158.27	0	0	\$0.00	0	0	(\$4.31)	
5.	ADJUSTMENTS			\$3,600,911.68			\$4,656,243.20			\$458,048.58	
	NET NNS STORAGE	<u>(1,026,891)</u>	<u>(1,000,586)</u>	<u>(\$7,972,370.97)</u>	<u>(1,082,369)</u>	<u>(1,055,336)</u>	<u>(\$8,403,079.97)</u>	<u>(95,795)</u>	<u>(94,324)</u>	<u>(\$743,714.06)</u>	
NATURAL GAS TRANSPORTERS:											
1.	TEXAS GAS TRANSMISSION, LLC			\$46,048.97			\$51,811.32			\$122,118.07	
2.	ADJUSTMENTS	0	(3,000)	(\$860.47)	0	(1,310)	\$0.01	0	1,903	\$863.86	
3.	ADJUSTMENTS	0	0	\$0.00	0	0	\$0.00	0	0	\$0.00	
	TOTAL	<u>989,628</u>	<u>963,750</u>	<u>\$45,188.50</u>	<u>1,291,699</u>	<u>1,259,518</u>	<u>\$51,811.33</u>	<u>2,558,514</u>	<u>2,497,150</u>	<u>\$122,981.93</u>	
TOTAL COMMODITY AND VOLUMETRIC CHARGES				\$15,006,747.97				\$20,943,635.76			
DEMAND AND FIXED CHARGES:											
1.	TEXAS GAS TRANSMISSION, LLC			\$923,800.00			\$894,000.00			\$923,800.00	
2.	ADJUSTMENTS			\$0.00			\$0.00			\$0.00	
3.	SUPPLY RESERVATION CHARGES			\$273,875.70			\$265,041.00			\$268,681.70	
4.	ADJUSTMENTS			\$0.00			\$0.00			\$0.00	
5.	CAPACITY RELEASE CREDITS			(\$17,500.00)			\$0.00			\$0.00	
TOTAL DEMAND AND FIXED CHARGES				\$1,180,175.70				\$1,159,041.00			
TOTAL PURCHASED GAS COSTS -- TEXAS GAS TRANSMISSION, LLC				<u>\$16,186,923.67</u>				<u>\$22,102,676.76</u>			

LOUISVILLE GAS AND ELECTRIC COMPANY
SUMMARY OF GAS PURCHASES AND COSTS BY SUPPLIER
FOR THE 3 MONTH PERIOD FROM MAY 2008 THROUGH JULY 2008

DELIVERED BY TENNESSEE GAS PIPELINE COMPANY

COMMODITY AND VOLUMETRIC CHARGES:

NATURAL GAS SUPPLIERS:

		MAY 2008			JUNE 2008			JULY 2008		
		NET MMBTU	MCF	\$	NET MMBTU	MCF	\$	NET MMBTU	MCF	\$
1.	T	13,762	13,361	\$158,798.91	0	0	\$0.00	0	0	\$0.00
2.	U	0	0	\$0.00	0	0	\$0.00	0	0	\$0.00
3.	V	0	0	\$0.00	0	0	\$0.00	0	0	\$0.00
4.	W	4,779	4,640	\$54,350.00	0	0	\$0.00	0	0	\$0.00
5.	X	0	0	\$0.00	300,000	291,262	\$3,606,940.80	310,000	300,971	\$4,161,846.72
6.	Y	83,259	80,834	\$949,232.77	0	0	\$0.00	0	0	\$0.00
7.	Z	0	0	\$0.00	899,982	873,769	\$11,706,802.65	929,878	902,794	\$10,833,445.82
TOTAL		101,800	98,835	\$1,162,381.68	1,199,982	1,165,031	\$15,313,743.45	1,239,878	1,203,765	\$14,995,292.54

NATURAL GAS TRANSPORTERS:

1.	TENNESSEE GAS PIPELINE COMPANY			\$1,781.50			\$20,999.69			\$21,697.87
2.	ADJUSTMENTS	(3,412)	(2,914)	(\$35,505.33)	(113)	225	(\$1,291.30)	225	2,489	\$2,890.85
3.	ADJUSTMENTS	0	0	\$0.00	0	0	\$0.02	0	0	\$0.00
4.	ADJUSTMENTS	0	0	\$0.00	0	0	\$0.00	0	0	\$0.00
TOTAL		98,388	95,921	(\$33,723.83)	1,199,869	1,165,256	\$19,708.41	1,240,103	1,206,254	\$24,588.72

TOTAL COMMODITY AND VOLUMETRIC CHARGES

\$1,128,657.85

\$15,333,451.86

\$15,019,881.26

\$329,664.00

DEMAND AND FIXED CHARGES:

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

\$329,664.00

\$329,664.00

\$329,664.00

TOTAL PURCHASED GAS COSTS -- TENNESSEE GAS PIPELINE COMPANY

\$1,458,321.85

\$15,663,115.86

\$15,349,545.26

OTHER PURCHASES

1.	CASH-OUT OF CUSTOMER OVER-DELIVERIES		21,772	\$234,476.61		16,073	\$191,101.91		6,661	\$59,525.40
TOTAL			21,772	\$234,476.61		16,073	\$191,101.91		6,661	\$59,525.40

TOTAL PURCHASED GAS COSTS -- ALL PIPELINES

1,088,016 1,081,443 \$17,879,722.13

2,491,568 2,440,847 \$37,956,894.53

3,798,617 3,710,065 \$48,406,651.45

LOUISVILLE GAS AND ELECTRIC COMPANY

Gas Supply Clause: 2008-00XXX

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 under-recovery that must be collected under the Gas Cost Balance Adjustment (GCBA) during the period of November 1, 2008 through January 31, 2009, set forth on Page 1 of Exhibit C-1 is \$255,483. The GCBA factor required to collect this under-recovery is a charge of 0.166¢ per 100 cubic feet. LG&E will place this charge into effect with service rendered on and after November 1, 2008 and continue for three months.

In this filing, LG&E will also be eliminating the GCBA from Case 2008-00246, which, with service rendered through October 31, 2008, 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, 2009.

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 ¹ (\$)	Amt. Transferred From Refund Factor & PBRRC (\$)	GCBA From Second Preceding 3 Mo. Period (\$)	Applicable Sales During 3 Mo. Period ² (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)			
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
August 1, 2004 (Case No. 2004-00271)	(648,088)	(886,051) ⁵	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. 2004-00526)	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) ⁶	(1,474,237)	14,564,142	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) ⁷	(184,848)	11,948,228	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		(15,780)	3,040,598	0.51	15,507	(273)		196,778	17,202,685	(1.14)	(0.114)
February 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)
August 1, 2006 (Case No. 2006-00335)	(1,339,631)	(270,087) ⁸	(501,914)	7,486,966	4.05	303,222	(198,692)		(1,808,410)	3,756,552	48.14	4.814
November 1, 2006 (Case No. 2006-00431)	123,552		658,193	2,752,572	(20.94)	(576,389)	81,804		205,356	15,898,032	(1.29)	(0.129)
February 1, 2007 (Case No. 2007-00001)	340,264		(1,711,456) ⁹	3,767,428	48.14	1,813,640	102,184		442,448	11,775,388 ³	(3.76)	(0.376)
May 1, 2007 (Case No. 2007-00141)	(3,153,475)		205,356	13,581,993	(1.29)	(175,208)	30,149		(3,123,326)	2,901,342	107.65	10.765
August 1, 2007 (Case No. 2007-00267)	2,151,894	(470,308) ¹⁰	442,448	12,051,122	(3.76)	(453,122)	(10,674)		1,670,912	3,349,006	(49.89)	(4.989)
November 1, 2007 (Case No. 2007-00428)	2,200,035	20,942 ¹¹	(3,123,326)	2,614,844	107.65	2,814,880	(308,446)		1,912,531	15,504,337	(12.34)	(1.234)
February 1, 2008 (Case No. 2007-00559)	8,464		1,670,912	2,869,583	(49.89)	(1,431,635)	239,277		247,741	11,191,562	(2.21)	(0.221)
May 1, 2008 (Case No. 2008-00117)	150,798		1,912,531	14,429,576	(12.34)	(1,780,610)	131,921		282,719	2,745,844	(10.30)	(1.030)
August 1, 2008 (Case No. 2008-00246)	(169,651)	(260,366) ¹²	247,741	12,450,630	(2.21)	(275,159)	(27,418)		(457,436)	3,682,115	12.42	1.242
November 1, 2008 (Case No. 2008-00xxx)	(239,644)		282,719	2,898,628	(10.30)	(298,559)	(15,839)		(255,483)	15,435,648	1.66	0.166

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 November 1, 2008 through January 31, 2009.

4 This amount represents an over-refund by LG&E from Case No. 2002-00368 of a pipeline supplier refund.

5 Reconciliation of the PBRCC from Case Nos. 2000-080-B, 2000-080-I, and 2002-00261.

6 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.

7 Reconciliation of the PBRCC from previous twelve months.

8 Reconciliation of the PBRCC from previous twelve months.

9 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).

10 Reconciliation of the PBRCC from previous twelve months.

11 This amount represents an over-refund by LG&E from the FERC settlement of the rate case filed by Texas Gas in Docket No. RP05-317 of a pipeline supplier refund.

12 Reconciliation of the PBRCC from previous twelve months.

LOUISVILLE GAS AND ELECTRIC COMPANY

Calculation of Remaining Over or (Under)
Recovery from Gas Cost Actual Adjustment

		Case No. 2005-00143 November 1, 2005	Case No. 2005-00274 February 1, 2006	Case No. 2005-00401 May 1, 2006	Case No. 2006-00005 August 1, 2006	Case No. 2006-00138 November 1, 2006	Case No. 2006-00335 February 1, 2007	Case No. 2006-00431 May 1, 2007	Case No. 2007-00001 August 1, 2007		
Amount of Over (Under) Recovery -- See Exhibit B-1, Page 1		\$2,189,197	(\$18,198,883)	\$19,112,662	\$18,905,666	\$98,705	\$3,113,965	(\$4,050,171)	(\$13,224,126)		
Total Monthly (1)	As Pro-Rated for Service Rendered During:			Amount Billed Under -6.09 cents per Mcf	Amount Billed Under 50.18 cents per Mcf	Amount Billed Under -52.75 cents per Mcf	Amount Billed Under -52.18 cents per Mcf	Amount Billed Under -9.27 cents per Mcf	Amount Billed Under 11.99 cents per Mcf		
	Previous (2)	Current (3)	Following								
November	1,942,084	1,027,755	914,329	(55,682.63) (3)							
December	5,196,564			(316,470.77) (1)							
2006 January	5,536,942			(337,199.79) (1)							
February	4,705,344	2,311,427	2,393,917	(286,555.43) (1)	1,201,267.35 (3)						
March	4,164,379			(253,610.65) (1)	2,089,685.13 (1)						
April	2,693,081			(164,008.60) (1)	1,351,387.79 (1)						
May	1,335,505	629,508	705,997	(81,332.25) (1)	670,156.36 (1)	(372,413.31) (3)					
June	923,191			(56,222.31) (1)	463,257.04 (1)	(486,983.04) (1)					
July	795,759			(48,461.71) (1)	399,311.77 (1)	(419,762.77) (1)					
August	719,392	327,625	391,767	(43,810.99) (1)	360,991.06 (1)	(379,479.44) (1)	(204,425.02) (3)				
September	782,784			(47,671.53) (1)	392,800.86 (1)	(412,918.40) (1)	(408,456.53) (1)				
October	1,188,323			(72,368.87) (1)	596,300.48 (1)	(626,840.38) (1)	(620,066.94) (1)				
November	2,830,660	1,404,555	1,426,105	(85,537.38) (2)	1,420,425.19 (1)	(1,493,173.15) (1)	(1,477,038.39) (1)	(4,135.71) (3)			
December	4,212,884				2,114,025.19 (1)	(2,222,296.31) (1)	(2,198,282.98) (1)	(12,217.36) (1)			
2007 January	4,716,686				2,366,833.03 (1)	(2,488,051.87) (1)	(2,461,166.49) (1)	(13,678.39) (1)			
February	6,903,906	3,226,318	3,677,588		1,618,966.42 (2)	(3,641,810.42) (1)	(3,602,458.20) (1)	(20,021.33) (1)	(340,912.41) (3)		
March	4,947,897					(2,610,015.67) (1)	(2,581,812.65) (1)	(14,348.90) (1)	(458,670.05) (1)		
April	2,569,206					(1,355,256.17) (1)	(1,340,611.69) (1)	(7,450.70) (1)	(238,165.40) (1)		
May	1,488,291	856,431	631,860			(451,767.56) (2)	(776,590.14) (1)	(4,316.04) (1)	(137,964.56) (1)		
June	864,422						(451,055.24) (1)	(2,506.82) (1)	(80,131.89) (1)		
July	764,303						(398,813.10) (1)	(2,216.48) (1)	(70,850.85) (1)		
August	727,533	354,261	373,272				(2,108.85) (1)	(67,442.32) (1)	87,231.22 (1)		
September	763,556						(2,214.31) (1)	(70,781.66) (1)	91,550.39 (1)		
October	811,984						(2,354.75) (1)	(75,270.92) (1)	97,356.88 (1)		
November	2,092,834	920,771	1,172,063				(2,670.24) (2)	(194,005.72) (1)	250,930.81 (1)		
December	4,281,656							(396,909.46) (1)	513,370.49 (1)		
2008 January	6,009,012							(557,035.38) (1)	732,429.78 (1)		
February	6,108,672	2,966,845	3,141,827					(275,026.56) (2)	720,480.49 (1)		
March	5,425,227								732,429.78 (1)		
April	3,100,020								650,484.73 (1)		
May	1,499,442	783,557	715,886						2,120,721.27 (1)		
June	1,021,526								371,692.35 (1)		
July	809,754								93,948.42 (2)		
August	754,483	352,462	402,022						586,131.84 (1)		
									399,314.67 (1)		
									316,142.06 (1)		
									137,777.20 (2)		
Total Amount Billed Under GCAA				(1,848,933)	15,045,408	(16,960,768)	(16,705,631)	(90,241)	(2,963,167)	3,880,520	12,984,482
Remaining Amount of Over (Under) Recovery				340,264	(3,153,475)	2,151,894	2,200,035	8,464	150,798	(169,651)	(239,644)

(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) Revised to correct error in GCAA in filing of Case No. 2007-00001. Originally filed correctly as \$0.03909/Ccf, and incorrectly revised to \$0.04063 in the next filing (Case No. 2007-00141).

LOUISVILLE GAS AND ELECTRIC COMPANY

Gas Supply Clause: 2008-00XXX

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

All Refund Factors have expired as of July 31, 2007, and because no new refunds have been received, there will be no Refund Factor in effect and applicable to gas service rendered for the period November 1, 2008 through January 31, 2009.

	<u>Sale Volumes</u>	<u>Transportation Volumes</u>
Refund Factor Effective November 1, 2008(a)	\$0.0000/Ccf	\$0.0000/Ccf

- (a) Please note that Louisville Gas and Electric Company's Tariff Sales Volumes receive both the commodity-related and demand-related portion of the Refund Factor. Transportation volumes under the Rate TS receive only the demand-related portion of the Refund Factor

LOUISVILLE GAS AND ELECTRIC**Gas Supply Clause: 2008-00xxx****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. 2007-00001, became applicable to gas service rendered on and after February 1, 2007 and will remain in effect until January 31, 2008, 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, 2008, and will remain in effect until January 31, 2009, is \$0.00784 and \$0.00099 per 100 cubic feet for sales and standby transportation volumes, respectively:

	<u>Sales Volumes</u>	<u>Transportation Volumes</u>
Commodity-Related Portion	\$0.00685/Ccf	\$0.00000/Ccf
Demand-Related Portion	\$0.00099/Ccf	\$0.00099/Ccf
Total PBRRC	\$0.00784/Ccf	\$0.00099/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 2008-00XXX
Calculation of Performance Based Rate Recovery Component (PBRRC)
Effective February 1, 2008

	CSPBR Related to <u>Commodity</u>	CSPBR Related to <u>Demand</u>
Shareholder Portion of PBR	\$2,231,138	\$324,576
Expected Mcf Sales for the 12 month period beginning February 1, 2008	32,561,210	32,740,370
PBRRC factor per Mcf	\$0.0685	\$0.0099
PBRRC factor per Ccf	\$0.00685	\$0.00099

LOUISVILLE GAS AND ELECTRIC COMPANY

Gas Supply Clause 2008-00XXX
Shareholder Portion of PBR Savings
PBR Year 10

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)	\$2,231,138	\$324,576	\$2,555,714

LOUISVILLE GAS AND ELECTRIC COMPANY

**GAS SERVICE RATES EFFECTIVE WITH SERVICE
RENDERED FROM
November 1, 2008 through January 31, 2009**

	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	\$1.10867	0.01069	\$1.27406
RATE CGS - COMMERCIAL (meter capacity < 5000 CF/HR) CUSTOMER CHARGE APRIL THRU OCTOBER	\$16.50				
FIRST 1000 CCF/MONTH		\$0.14968	\$1.10867	0.00125	\$1.25960
OVER 1000 CCF/MONTH		\$0.09968	\$1.10867	0.00125	\$1.20960
NOVEMBER THRU MARCH ALL CCF		\$0.14968	\$1.10867	0.00125	\$1.25960
RATE CGS - COMMERCIAL (meter capacity >= 5000 CF/HR) CUSTOMER CHARGE APRIL THRU OCTOBER	\$117.00				
FIRST 1000 CCF/MONTH		\$0.14968	\$1.10867	0.00125	\$1.25960
OVER 1000 CCF/MONTH		\$0.09968	\$1.10867	0.00125	\$1.20960
NOVEMBER THRU MARCH ALL CCF		\$0.14968	\$1.10867	0.00125	\$1.25960
RATE IGS - INDUSTRIAL (meter capacity < 5000 CF/HR) CUSTOMER CHARGE APRIL THRU OCTOBER	\$16.50				
FIRST 1000 CCF/MONTH		\$0.14968	\$1.10867	0.00000	\$1.25835
OVER 1000 CCF/MONTH		\$0.09968	\$1.10867	0.00000	\$1.20835
NOVEMBER THRU MARCH ALL CCF		\$0.14968	\$1.10867	0.00000	\$1.25835
RATE IGS - INDUSTRIAL (meter capacity >= 5000 CF/HR) CUSTOMER CHARGE APRIL THRU OCTOBER	\$117.00				
FIRST 1000 CCF/MONTH		\$0.14968	\$1.10867	0.00000	\$1.25835
OVER 1000 CCF/MONTH		\$0.09968	\$1.10867	0.00000	\$1.20835
NOVEMBER THRU MARCH ALL CCF		\$0.14968	\$1.10867	0.00000	\$1.25835
Rate AAGS	\$150.00	\$0.05252	\$1.10867	0.00125	\$1.16244

EFFECTIVE RATES FOR RATE TS TRANSPORTATION SERVICE

GAS SERVICE RATES EFFECTIVE WITH SERVICE
RENDERED FROM
November 1, 2008 through January 31, 2009

	<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	\$0.9963	0.1250	\$2.6181
OVER 100 MCF/MONTH		\$0.9968	\$0.9963	0.1250	\$2.1181
NOVEMBER THRU MARCH					
ALL MCF		\$1.4968	\$0.9963	0.1250	\$2.6181
RATE IGS - INDUSTRIAL	\$90.00				
APRIL THRU OCTOBER					
FIRST 100 MCF/MONTH		\$1.4968	\$0.9963	0.0000	\$2.4931
OVER 100 MCF/MONTH		\$0.9968	\$0.9963	0.0000	\$1.9931
NOVEMBER THRU MARCH					
ALL MCF		\$1.4968	\$0.9963	0.0000	\$2.4931
Rate AAGS	\$90.00	\$0.5252	\$0.9963	0.1250	\$1.6465

L G & E

Charges for Gas Transportation Services Provided Under Rate FT

November 1, 2008 through January 31, 2009

Transportation Service:

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

Ancillary Services:

Daily Demand Charge	\$0.2125
Daily Storage Charge	<u>\$0.1200</u>
Utilization Charge per Mcf for Daily Balancing	\$0.3325
Monthly Demand Charge per Mcf of Reserved Balancing Service	\$6.4700
Monthly Balancing Charge per Mcf of Reserved Balancing Service	<u>\$3.6500</u>
	\$10.1200

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.

L G & E

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

November 1, 2008 through January 31, 2009

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	\$0.2125
Daily Storage Charge	<u>\$0.1200</u>
Utilization Charge per Mcf for Daily Balancing	\$0.3325

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.