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PUBLIC SERVICE
COMMISSION

Jeff Derouen, Executive Director
Public Service Commission of Kentucky
Attention: Aaron D. Greenwell, Division of Financial Analysis
211 Sower Boulevard
P.O. Box 615
Frankfort, KY 40601

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
Director - Rates
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January 8, 2009

Re: **Louisville Gas and Electric Company -
Gas Supply Clause Effective February 1, 2009**

Dear Mr. Derouen:

On December 30, 2008, Louisville Gas and Electric Company ("LG&E") filed an original and four copies of the Twentieth Revision of Original Sheet No. 70 of LG&E Tariff PSC of Kentucky Gas No. 6 setting forth a Gas Supply Cost Component of 96.643 cents per 100 cubic feet applicable to all gas sold during the period of February 1, 2009 through April 30, 2009. In addition, a corresponding number of copies of "Supporting Calculations for the Gas Supply Clause" were filed, as well as a summary of LG&E's gas service rates effective for the period of February 1, 2009 through April 30, 2009.

It has been brought to my attention that the filing of December 30, 2008, contained an error in Exhibit E-1, Page 1 of 2. Exhibit E-1 calculates the Performance Based Rate Recovery Component to be effective from February 1, 2009 through January 31, 2010. This resulted in a filed PBR Factor of \$0.00884 for commodity sales, when, in fact, the correct factor should be \$0.00666 (\$2,145,398/32,204,739).

As a result of the correction, the total PBR factor, which is incorporated into the calculation of the total GSC factor, is \$0.00883, rather than the filed PBR factor of \$0.01101.

Jeff Derouen, Executive Director
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When the revised PBR Factor is incorporated into the Summary Sheet, the total GSC factor to be effective from February 1, 2009 through April 30, 2009, is reduced from the filed rate of \$0.96643 per Ccf to \$0.96425 per Ccf.

Therefore, please find enclosed an original and four copies of the following:

- 1) Revised Summary Sheet
- 2) Revised Twentieth Revision of Original Sheet No. 70 of LG&E Tariff PSC of Kentucky Gas No. 6 setting forth a Gas Supply Cost Component of 96.425 cents per 100 cubic feet applicable to all gas sold during the period of February 1, 2009 through April 30, 2009,
- 3) Revised Exhibit E
- 4) Revised Exhibit E-1, Page 1 of 2.
- 5) Revised Gas Service Rates Effective with Service Rendered from February 1, 2009 through April 30, 2009.

We respectfully request your acceptance of this correction to LG&E's filing of December 30, 2008.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert M. Conroy". The signature is fluid and cursive, with a large, sweeping flourish at the end.

Robert M. Conroy

Enclosures

LOUISVILLE GAS AND ELECTRIC COMPANY

Derivation of Gas Supply Component Applicable to
Service Rendered On and After February 1, 2009

2008-00XXX

Gas Supply Cost - See Exhibit A for Detail

Description	Unit	Amount
Total Expected Gas Supply Cost	\$	101,960,375
Total Expected Customer Deliveries: February 1, 2009 through April 30, 2009	Mcf	11,250,108
Gas Supply Cost Per Mcf	\$/Mcf	9.0631
Gas Supply Cost Per 100 Cubic Feet	¢/Ccf	90.631

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

Description	Unit	Amount
Current Quarter Actual Adjustment Eff. February 1, 2009 (Case No. 2008-00246)	¢/Ccf	(6,716)
Previous Quarter Actual Adjustment Eff. November 1, 2008 (Case No. 2008-00117)	¢/Ccf	3,024
2nd Previous Qrt. Actual Adjustment Eff. August 1, 2008 (Case No. 2007-00559)	¢/Ccf	5,053
3rd Previous Qrt. Actual Adjustment Eff. May 1, 2008 (Case No. 2007-00428)	¢/Ccf	2,293
Total Gas Cost Actual Adjustment (GCAA)	¢/Ccf	3,654

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

Description	Unit	Amount
Balance Adjustment Amount	\$	(1,414,502)
Total Expected Customer Deliveries: February 1, 2009 through April 30, 2009	Mcf	11,250,108
Gas Cost Balance Adjustment (GCBA) Per Mcf	\$/Mcf	0.1257
Gas Cost Balance Adjustment (GCBA) Per 100 Cubic Feet	¢/Ccf	1.257

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 (PBRRC) - See Exhibit E for Detail

Description	Unit	Amount
Performance-Based Rate Recovery Component (PBRRC)	¢/Ccf	0.883
Total of PBRRC Factors Per 100 Cubic Feet	¢/Ccf	0.883

Gas Supply Cost Component (GSCC) Effective February 1, 2009 through April 30, 2009

Description	Unit	Amount
Gas Supply Cost	¢/Ccf	90.631
Gas Cost Actual Adjustment (GCAA)	¢/Ccf	3.654
Gas Cost Balance Adjustment (GCBA)	¢/Ccf	1.257
Refund Factors (RF)	¢/Ccf	0.000
Performance-Based Rate Recovery Component (PBRRC)	¢/Ccf	0.883
Total Gas Supply Cost Component (GSCC)	¢/Ccf	96.425

STANDARD RATE SCHEDULE	GSC	
Gas Supply Clause		
APPLICATION TO		
All gas sold.		
 GAS SUPPLY COST COMPONENT (GSCC)		
Gas Supply Cost	90.631 ¢	I
Gas Cost Actual Adjustment (GCAA)	3.654	R
Gas Cost Balance Adjustment (GCBA)	1.257	I
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>0.883</u>	 I
 Total Gas Supply Cost Component Per 100 Cubic Feet (GSCC)	 96.425 ¢	 R

Date of Issue: December 30, 2008
Canceling Nineteenth Revision of
Original Sheet No. 70
Issued October 31, 2008

Issued By

Date Effective: February 1, 2009

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**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. 2008-00559, became applicable to gas service rendered on and after February 1, 2008 and will remain in effect until January 31, 2009, 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, 2009, and will remain in effect until January 31, 2010, is \$0.00883 and \$0.00217 per 100 cubic feet for sales and standby transportation volumes, respectively:

	<u>Sales Volumes</u>	<u>Transportation Volumes</u>
Commodity-Related Portion	\$0.00666/Ccf	\$0.00000/Ccf
Demand-Related Portion	<u>\$0.00217/Ccf</u>	<u>\$0.00217/Ccf</u>
Total PBRRC	\$0.00883/Ccf	\$0.00217/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, 2009

	CSPBR Related to <u>Commodity</u>	CSPBR Related to <u>Demand</u>
Shareholder Portion of PBR	\$2,145,398	\$701,090
Expected Mcf Sales for the 12 month period beginning February 1, 2009	32,204,739	32,323,791
PBRRC factor per Mcf	\$0.0666	\$0.0217
PBRRC factor per Ccf	\$0.00666	\$0.00217

LOUISVILLE GAS AND ELECTRIC COMPANY

**REVISED GAS SERVICE RATES EFFECTIVE WITH SERVICE
RENDERED FROM
February 1, 2009 through April 30, 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	\$8 50				
ALL CCF		\$0 15470	\$0 96425	0.01193 *	\$1 13088
RATE CGS - COMMERCIAL (meter capacity < 5000 CF/HR)					
CUSTOMER CHARGE	\$16 50				
APRIL THRU OCTOBER					
FIRST 1000 CCF/MONTH		\$0 14968	\$0 96425	0 00105 *	\$1 11498
OVER 1000 CCF/MONTH		\$0 09968	\$0 96425	0 00105 *	\$1 06498
NOVEMBER THRU MARCH					
ALL CCF		\$0 14968	\$0 96425	0 00105 *	\$1 11498
RATE CGS - COMMERCIAL (meter capacity >= 5000 CF/HR)					
CUSTOMER CHARGE	\$117 00				
APRIL THRU OCTOBER					
FIRST 1000 CCF/MONTH		\$0 14968	\$0 96425	0 00105 *	\$1 11498
OVER 1000 CCF/MONTH		\$0 09968	\$0 96425	0 00105 *	\$1 06498
NOVEMBER THRU MARCH					
ALL CCF		\$0 14968	\$0 96425	0 00105 *	\$1 11498
RATE IGS - INDUSTRIAL (meter capacity < 5000 CF/HR)					
CUSTOMER CHARGE	\$16 50				
APRIL THRU OCTOBER					
FIRST 1000 CCF/MONTH		\$0 14968	\$0 96425	0 00000	\$1 11393
OVER 1000 CCF/MONTH		\$0 09968	\$0 96425	0 00000	\$1 06393
NOVEMBER THRU MARCH					
ALL CCF		\$0 14968	\$0 96425	0 00000	\$1 11393
RATE IGS - INDUSTRIAL (meter capacity >= 5000 CF/HR)					
CUSTOMER CHARGE	\$117 00				
APRIL THRU OCTOBER					
FIRST 1000 CCF/MONTH		\$0 14968	\$0 96425	0 00000	\$1 11393
OVER 1000 CCF/MONTH		\$0 09968	\$0 96425	0 00000	\$1 06393
NOVEMBER THRU MARCH					
ALL CCF		\$0 14968	\$0 96425	0 00000	\$1 11393
Rate AAGS	\$150 00	\$0 05252	\$0 96425	0 00105	\$1.01782

* DSM Charges effective January 5, 2009

EFFECTIVE RATES FOR RATE TS TRANSPORTATION SERVICE

REVISED GAS SERVICE RATES EFFECTIVE WITH SERVICE
 RENDERED FROM
 February 1, 2009 through April 30, 2009

RATE TS	RATE PER MCF				<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 CGS - COMMERCIAL	\$90 00				
APRIL THRU OCTOBER					
FIRST 100 MCF/MONTH		\$1 4968	\$1 0143	0 1050 *	\$2 6161
OVER 100 MCF/MONTH		\$0 9968	\$1 0143	0 1050 *	\$2 1161
NOVEMBER THRU MARCH					
ALL MCF		\$1 4968	\$1 0143	0 1050 *	\$2 6161
 RATE IGS - INDUSTRIAL	 \$90 00				
APRIL THRU OCTOBER					
FIRST 100 MCF/MONTH		\$1 4968	\$1 0143	0 0000	\$2 5111
OVER 100 MCF/MONTH		\$0 9968	\$1 0143	0 0000	\$2 0111
NOVEMBER THRU MARCH					
ALL MCF		\$1 4968	\$1 0143	0 0000	\$2 5111
 Rate AAGS	 \$90 00	 \$0 5252	 \$1 0143	 0 1050 *	 \$1 6445

* DSM Charges effective January 5, 2009.