

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT)	
FILING OF LOUISVILLE GAS AND)	CASE NO. 2011-00119
ELECTRIC COMPANY)	

ORDER

On July 30, 2010, in Case No. 2009-00549,¹ 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 March 31, 2011, LG&E filed its proposed GSC to be effective May 1, 2011.

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 Cost ("EGC") is \$.57439 per 100 cubic feet, or \$5.7439 per Mcf, which is an increase of \$.3279 per Mcf from the previous EGC of \$5.4160 per Mcf.
3. LG&E's notice sets out a current Refund Adjustment ("RA") of (\$.0043) per Mcf. LG&E's total RA is (\$.0106) per Mcf, which is \$.0043 per Mcf less than its previous total RA of (\$.0063) per Mcf.

¹ Case No. 2009-00549, Application of Louisville Gas and Electric Company for an Adjustment of Electric and Gas Base Rates (Ky. PSC Jul. 30, 2010).

4. LG&E's notice sets out a current Actual Adjustment ("AA") of \$.0129 per Mcf. The total AA of (\$.2330) per Mcf is a decrease of \$.0327 per Mcf from the previous total AA of (\$.2003) per Mcf.

5. LG&E's notice sets out a \$.0550 per Mcf current Balance Adjustment ("BA"), which is an increase of \$.0514 per Mcf from the previous BA of \$.0036 per Mcf.

6. LG&E's notice sets out a Performance-Based Rate ("PBR") Recovery Component of \$.0590 per Mcf, which will remain in effect to collect LG&E's portion of PBR savings until January 31, 2012.

7. LG&E's Gas Supply Cost Component ("GSCC") is \$.56143 per 100 cubic feet or \$5.6143 per Mcf, which is an increase of \$.3423 per Mcf from the prior GSCC of \$5.2720 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 May 1, 2011.

IT IS THEREFORE ORDERED that:

1. The rate in the Appendix, attached hereto and incorporated herein, is approved for gas supplied on and after May 1, 2011.

2. Within 20 days of the date of this Order, LG&E shall file its revised tariff sheets with this Commission setting out the rates approved herein and reflecting that they were approved pursuant to this Order.

By the Commission

ENTERED *MW*
APR 18 2011
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:

Stephanie Bell for Jeff Deraven
Executive Director

Case No. 2011-00119

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2011-00119 DATED **APR 18 2011**

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 \$.56143 per 100 cubic feet for gas supplied on and after May 1, 2011.

Robert M Conroy
Director, Rates
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