



a PPL company

Executive Director
Public Service Commission of Kentucky
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40601

June 30, 2016

Re: *Louisville Gas and Electric Company -
Gas Supply Clause Effective August 1, 2016*

Dear Executive Director:

Pursuant to the provisions of the Company's Gas Supply Clause as authorized by the Commission, we file herewith an original and ten copies of the following revised tariff sheets of LG&E Tariff PSC Gas No. 10:

Fifth Revision of Original Sheet No. 5
Fifth Revision of Original Sheet No. 9
Fifth Revision of Original Sheet No. 10.1
Fifth Revision of Original Sheet No. 15.1
Fifth Revision of Original Sheet No. 20.1
Fifth Revision of Original Sheet No. 30.2
Fourth Revision of Original Sheet No. 30.6
Fifth Revision of Original Sheet No. 35.1
Fifth Revision of Original Sheet No. 51.1
Fifth Revision of Original Sheet No. 51.2
Fifth Revision of Original Sheet No. 85

The revised tariff sheets set forth a Gas Supply Cost Component of 38.216 cents per 100 cubic feet applicable to all gas sold during the period of August 1, 2016 through October 31, 2016. In addition, we file herewith a corresponding number of copies of "Supporting Calculations for the Gas Supply Clause."

**Louisville Gas and
Electric Company**
State Regulation and Rates
220 West Main Street
PO Box 32010
Louisville, Kentucky 40232
www.lge-ku.com

Derek A. Rahn
Manager Revenue
Requirement
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Derek.rahn@lge-ku.com

RECEIVED

JUN 30 2016

PUBLIC SERVICE
COMMISSION

Executive Director
Public Service Commission of Kentucky
June 30, 2016

Also enclosed herewith is a summary of our gas service rates effective for the period of August 1, 2016 through October 31, 2016.

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 6 of 7 and 7 of 7.

This filing represents expected gas costs for the three-month period August 1, 2016 through October 31, 2016. The Gas Cost Actual Adjustment (GCAA) and the Gas Cost Balance Adjustment (GCBA) levels are changed from the levels that were implemented on May 1, 2016. These adjustment levels will remain in effect from August 1, 2016 through October 31, 2016.

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,



Derek A. Rahn

Enclosures

Louisville Gas and Electric Company

P.S.C. Gas No. 10, Fifth Revision of Original Sheet No. 5
Canceling P.S.C. Gas No. 10, Fourth Revision of Sheet No. 5

Standard Rate

RGS
Residential Gas Service

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

Applicable to firm natural gas sales service to residential customers for all domestic purposes in private residences, single occupancy apartments, and common-use areas of multi-purpose occupancy buildings when supplied at a single point of delivery and where distribution mains are adjacent to the premises to be served. Such customers also include tenants billed for natural gas consumption or use by other tenants at the same premises that are metered separately.

The term "residential" customers shall include customers using gas in a single-family residential dwelling or unit for space-heating, air conditioning, cooking, water-heating, incineration, refrigeration, laundry drying, lighting, incidental heating, personal vehicle fueling, or other domestic purposes, including the use of gas in standby electric generation in domestic applications. If an additional separate point of delivery is requested by a residential customer to provide gas for use in standby electric generation, customer shall be served under Standard Rate DGS. Company shall not be obligated to install an additional service to a residential customer for the purpose of the customer installing equipment for either electric standby generation or personal vehicle fueling.

All existing and future installations of equipment for the purpose of providing gas for use in standby electric generation or personal vehicle fueling shall be reported by the Customer (or the Customer's Representative) to the Company in conjunction with the "Notice to Company of Changes in Customer's Load" set out in the Customer Responsibilities section of the Terms and Conditions of the Company's Tariff. Additionally, service for gas for use in standby electric generation and personal vehicle fueling shall be subject to the availability of adequate capacity on Company's gas system to perform such service without detriment to its other Customers.

RATE

Basic Service Charge:	\$13.50 per delivery point per month
Plus a Charge Per 100 Cubic Feet:	
Distribution Cost Component	\$ 0.28693
Gas Supply Cost Component	<u>\$ 0.38216</u>
Total Gas Charge Per 100 Cubic Feet	<u>\$ 0.66909</u>

The "Gas Supply Cost Component" as shown above is the cost per 100 cubic feet determined in accordance with the Gas Supply Clause set forth on Sheet No. 85 of this Tariff. The Performance-Based Ratemaking Mechanism, set forth on Sheet No. 87, is included as a component of the Gas Supply Clause as shown on Sheet No. 85 of this Tariff.

DATE OF ISSUE: June 30, 2016

DATE EFFECTIVE: August 1, 2016

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the
Public Service Commission in Case No.
2016-xxxxx dated xxxxx, 2016**

II

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Louisville Gas and Electric Company

P.S.C. Gas No. 10, Fifth Revision of Original Sheet No. 9
Canceling P.S.C. Gas No. 10, Fourth Revision of Sheet No. 9

Standard Rate

VFD Volunteer Fire Department Service

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

Available, in accordance with the provisions of KRS 278.172, to any volunteer fire department qualifying for aid under KRS 95A.262. Service under this rate schedule is at the option of the customer with the customer determining whether service will be provided under this schedule or any other schedule applicable to this load. If an additional separate point of delivery is requested by a volunteer fire department qualifying for aid under KRS 95A.262 to provide gas for use in standby electric generation, customer shall be served under Standard Rate DGGS.

DEFINITION

To be eligible for this rate a volunteer fire department is defined as;

- 1) having at least 12 members and a chief,
- 2) having at least one fire fighting apparatus, and
- 3) half the members must be volunteers.

RATE

Basic Service Charge: \$13.50 per delivery point per month

Plus a Charge Per 100 Cubic Feet:

Distribution Cost Component \$ 0.28693

Gas Supply Cost Component \$ 0.38216

Total Gas Charge Per 100 Cubic Feet \$ 0.66909

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The "Gas Supply Cost Component" as shown above is the cost per 100 cubic feet determined in accordance with the Gas Supply Clause set forth on Sheet No. 85 of this Tariff. The Performance-Based Ratemaking Mechanism, set forth on Sheet No. 87, is included as a component of the Gas Supply Clause as shown on Sheet No. 85 of this Tariff.

ADJUSTMENT CLAUSES

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Gas Line Tracker	Sheet No. 84
Demand Side Management Cost Recovery Mechanism	Sheet No. 86
Weather Normalization Adjustment	Sheet No. 88
Franchise Fee and Local Tax	Sheet No. 90
School Tax	Sheet No. 91

DATE OF ISSUE: June 30, 2016

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Louisville, Kentucky

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Louisville Gas and Electric Company

P.S.C. Gas No. 10, Fifth Revision of Original Sheet No. 10.1
Cancelling P.S.C. Gas No. 10, Fourth Revision of Sheet No. 10.1

Standard Rate

CGS Firm Commercial Gas Service

RATE

Basic Service Charge:

If all of the customer's meters
have a capacity < 5000 cf/hr: \$ 40.00 per delivery point per month

If any of the customer's meters
have a capacity ≥ 5000 cf/hr: \$180.00 per delivery point per month

Plus a Charge Per 100 Cubic Feet:

Distribution Cost Component \$ 0.21504

Gas Supply Cost Component 0.38216

Total Charge Per 100 Cubic Feet \$ 0.59720

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Off-Peak Pricing Provision:

The "Distribution Cost Component" applicable to monthly usage in excess of 100,000 cubic feet shall be reduced by \$0.05 per 100 cubic feet during the seven off-peak billing periods of April through October. The first 100,000 cubic feet per month during such period shall be billed at the rate set forth above.

ADJUSTMENT CLAUSES

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Gas Line Tracker	Sheet No. 84
Demand Side Management Cost Recovery Mechanism	Sheet No. 86
Weather Normalization Adjustment	Sheet No. 88
Franchise Fee and Local Tax	Sheet No. 90
School Tax	Sheet No. 91

MINIMUM CHARGE

The Basic Service Charge shall be the minimum charge.

DUE DATE OF BILL

Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

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Louisville Gas and Electric Company

P.S.C. Gas No. 10, Fifth Revision of Original Sheet No. 15.1
Canceling P.S.C. Gas No. 10, Fourth Revision of Sheet No. 15.1

Standard Rate

IGS
Firm Industrial Gas Service

RATE

Basic Service Charge:

If all of the customer's meters
have a capacity < 5000 cf/hr:

\$ 40.00 per delivery point per month

If any of the customer's meters
have a capacity ≥ 5000 cf/hr:

\$180.00 per delivery point per month

Plus a Charge Per 100 Cubic Feet:

Distribution Cost Component

\$ 0.22779

Gas Supply Cost Component

\$ 0.38216

Total Charge Per 100 Cubic Feet

\$ 0.60995

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Off-Peak Pricing Provision:

The "Distribution Cost Component" applicable to monthly usage in excess of 100,000 cubic feet shall be reduced by \$0.05 per 100 cubic feet during the seven off-peak billing periods of April through October. The first 100,000 cubic feet per month during such period shall be billed at the rate set forth above.

ADJUSTMENT CLAUSES

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Gas Line Tracker

Sheet No. 84

Demand Side Management Cost Recovery Mechanism

Sheet No. 86

Franchise Fee and Local Tax

Sheet No. 90

School Tax

Sheet No. 91

MINIMUM CHARGE

The Basic Service Charge shall be the minimum charge.

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Louisville Gas and Electric Company

P.S.C. Gas No. 10, Fifth Revision of Original Sheet No. 20.1
Canceling P.S.C. Gas No. 10, Fourth Revision of Sheet No. 20.1

Standard Rate

AAGS
As-Available Gas Service

CONTRACT TERM (continued)

November 1 and be effective through the following October 31, and year to year thereafter, unless terminated by either Company or Customer upon prior written notice on or before the April 30 preceding the October 31 termination date.

Any customer served under Rate CGS or Rate IGS shall provide notice to Company by April 30 of its request for service to be effective commencing on the following November 1.

RATE

Basic Service Charge:
\$400.00 per delivery point per month

Plus a Charge Per Mcf	
Distribution Cost Component	\$ 0.7009
Gas Supply Cost Component	<u>\$ 3.8216</u>
Total Charge Per Mcf	\$ 4.5225

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The "Gas Supply Cost Component" as shown above is the cost per Mcf determined in accordance with the Gas Supply Clause set forth on Sheet Nos. 85 of this Tariff. The Performance-Based Ratemaking Mechanism, set forth on Sheet Nos. 87, is included as a component of the Gas Supply Clause as shown on Sheet No. 85 of this Tariff.

ADJUSTMENT CLAUSES

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Gas Line Tracker	Sheet No. 84
Demand Side Management Cost Recovery Mechanism	Sheet No. 86
Franchise Fee and Local Tax	Sheet No. 90
School Tax	Sheet No. 91

PENALTY FOR FAILURE TO INTERRUPT

Company shall have the right to interrupt sales service under this rate schedule upon eighteen (18) hours' prior notice. Provision of oral notice by telephone to Customer shall be deemed proper notice of interruption of service under this rate schedule.

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Louisville Gas and Electric Company

P.S.C. Gas No. 10, Fifth Revision of Original Sheet No. 30.2
Canceling P.S.C. Gas No. 10, Fourth Revision of Sheet No. 30.2

Standard Rate

FT

Firm Transportation Service (Transportation Only)

RATE (continued)

collected gas costs as reflected in the GCAA, GCBA, and PBRRC components of the Gas Supply Clause ("GSC") applicable to gas sold during those periods when the transferring customer was a sales customer. The Gas Cost True-Up Charge amount shall be revised with each of Company's quarterly Gas Supply Clause filings.

For customers electing service under Rate FT effective November 1, 2014,
the Gas Cost True-Up Charge shall be:

\$0.0000 per Mcf for Bills Rendered On and After August 1, 2016

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For customers electing service under Rate FT effective November 1, 2015,
the Gas Cost True-Up Charge shall be:

\$(0.1148) per Mcf for Bills Rendered On and After August 1, 2016

R/T

Minimum Daily Threshold Requirement and Charge: When Customer's daily usage falls below the Minimum Daily Threshold Requirement, Customer will be charged a Minimum Daily Threshold Charge equal to the difference between the Minimum Daily Threshold Requirement and the Customer's actual consumption in Mcf for that day multiplied by the Distribution Charge hereunder. The Minimum Daily Threshold Requirement is equal to the minimum daily volume of 50 Mcf. Such Minimum Daily Threshold Charge shall be accumulated for each day of the applicable month and billed during that month in accordance with the following formula:

Minimum Daily Threshold Charge =

(Minimum Daily Threshold minus Customer Usage on Given Day) times the Distribution Charge

Such daily amount shall be accumulated for each day of the month and the total will be applied to Customer's bill.

Payment of the Minimum Daily Threshold Charge is not a remedy for Customer's failure to meet the Minimum Daily Threshold Requirement for service under Rate FT. In the event that Customer does not meet the Minimum Daily Threshold Requirement for one-hundred twenty (120) days during a given Contract Year, service to Customer under Rate FT may be discontinued by Company. Customer will receive thirty (30) days prior written notice that Customer will be removed from Rate FT and returned to firm sales service under either Rate CGS or IGS as applicable.

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Louisville Gas and Electric Company

P.S.C. Gas No. 10, Fourth Revision of Original Sheet No. 30.6
Canceling P.S.C. Gas No. 10, Third Revision of Original Sheet No. 30.6

Standard Rate

FT

Firm Transportation Service (Transportation Only)

UTILIZATION CHARGE FOR DAILY IMBALANCES (continued)

Daily Demand Charge:	\$0.1662 per Mcf	R
Daily Storage Charge:	<u>\$0.1833</u>	
Utilization Charge for Daily Imbalances:	\$0.3495 per Mcf	R

Note: The Daily Demand Charge may change with each filing of the GSCC.

These charges are in addition to any other charges set forth herein. The Utilization Charge for Daily Imbalances will not be applied to daily imbalances which do not exceed $\pm 5\%$ of the delivered volume unless an OFO has been issued. If an OFO has been issued, the Utilization Charge for Daily Imbalances shall apply to daily imbalances which exceed 0% for customers in violation of the OFO directive, either "condition (a)" or "condition (b)" as applicable and further described below under "Operational Flow Orders." Customers not in violation of the OFO directive, either "condition (a)" or "condition (b)" as applicable, will continue to be assessed the Utilization Charge for Daily Imbalances on volumes which exceed the 5% daily tolerance. Company shall not have an obligation to provide balancing service for any volumes of gas hereunder.

OPERATIONAL FLOW ORDERS

Company shall have the right to issue an Operational Flow Order ("OFO") which will require actions by Customer to alleviate conditions that, in the sole judgment of Company, jeopardize the operational integrity of Company's system. Customer shall be responsible for complying with the directives contained in the OFO.

Notice of an OFO shall be provided to Customer at least twenty-four (24) hours prior to the beginning of the gas day for which the OFO is in effect and shall include information related to the OFO. Customer shall respond to an OFO by adjusting its deliveries to Company's system as directed in the OFO within the specified timeframe. If Customer is a member of an FT Pool, it is the responsibility of the FT Pool Manager, not Company, to convey OFOs to Customers in its FT Pool.

Upon issuance of an OFO, Company will direct Customer to comply with one of the following conditions: (a) Customer must take delivery of an amount of natural gas from Company that is no more than the daily amount being delivered by the Pipeline Transporter to Company for Customer; or (b) Customer must take delivery of an amount of natural gas from Company that

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Louisville, Kentucky

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Louisville Gas and Electric Company

P.S.C. Gas No. 10, Fifth Revision of Original Sheet No. 35.1
Cancelling P.S.C. Gas No. 10, Fourth Revision of Sheet No. 35.1

Standard Rate

DGGS
Distributed Generation Gas Service

RATE

In addition to any other charges set forth herein, the following charges shall apply.

Basic Service Charge:

If all of the customer's meters
have a capacity < 5000 cf/hr: \$ 40.00 per delivery point per month

If any of the customer's meters
have a capacity ≥ 5000 cf/hr: \$180.00 per delivery point per month

Demand Charge per 100 cubic feet of Monthly Billing Demand: \$1.1263

Plus a Charge Per 100 Cubic Feet:

Distribution Cost Component \$0.03329

Gas Supply Cost Component 0.38216

Total Charge Per 100 Cubic Feet \$0.41545

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The "Gas Supply Cost Component" as shown above is the cost per 100 cubic feet determined in accordance with the Gas Supply Clause set forth on Sheet No. 85 of this Tariff. The Performance-Based Ratemaking Mechanism, set forth on Sheet No. 87, is included as a component of the Gas Supply Clause as shown on Sheet No. 85 of this Tariff.

The total monthly minimum bill shall be the sum of the minimum monthly Demand Charge and the Monthly Basic Service Charge.

In no case shall Company be obligated to deliver greater volumes hereunder than those specified in the written contract between Customer and Company. Payment of any and all charges hereunder shall not be considered an exclusive remedy for takes in excess of the maximum daily quantity ("MDQ"), nor shall the payment of such charges be considered a substitute for any other remedy (including, but not limited to, physical discontinuance or suspension of service hereunder) available to Company.

ADJUSTMENT CLAUSES

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Gas Line Tracker	Sheet No. 84
Franchise Fee and Local Tax	Sheet No. 90
School Tax	Sheet No. 91

DATE OF ISSUE: June 30, 2016

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State Regulation and Rates
Louisville, Kentucky

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Louisville Gas and Electric Company

P.S.C. Gas No. 10, Fifth Revision of Original Sheet No. 51.1
Canceling P.S.C. Gas No. 10, Fourth Revision of Sheet No. 51.1

Standard Rate Rider

TS-2

Gas Transportation Service/Firm Balancing Service

CHARACTER OF SERVICE

Transportation service under this rider shall be considered firm from the Receipt Point at Company's interconnection with its Pipeline Transporter ("Receipt Point") to the Delivery Point at the Customer's place of utilization ("Delivery Point"), subject to paragraph 6 of the Special Terms and Conditions.

Due to the physical configuration of Company's system, and in order to maintain system integrity and reliability, unless otherwise permitted or directed by Company in its sole discretion, the Pipeline Transporter shall be Texas Gas Transmission, LLC.

Company will provide service to meet imbalances on a firm basis. For purposes used herein, "Imbalances" are defined as the difference between the volume of gas delivered by the Customer to the Receipt Point and the volume of gas taken by Customer at the Delivery Point.

Customers served under this rider must designate a third-party TS-2 Pool Manager and become a member of a TS-2 Pool pursuant to Rider PS-TS-2.

Company shall issue an Action Alert as set forth in Rider PS-TS-2 when, in Company's sole discretion, such Action Alert is required to manage loads served under Rider TS-2. It is the responsibility of the TS-2 Pool Manager, not Company, to convey Action Alerts to Customers in the TS-2 Pool.

Any imbalances (over- or under-deliveries) incurred by TS-2 Pool Manager on behalf of Customer shall be resolved through the application of the cash-out mechanism incorporated in Rider PS-TS-2.

RATE

In addition to any and all charges billed directly to Company by other parties related to the transportation of customer-owned gas, the following charges shall apply:

Administrative Charge: \$550.00 per Delivery Point per month

	CGS	IGS	AAGS
Distribution Charge Per Mcf	\$2.1504	\$2.2779	\$0.7009
Pipeline Supplier's Demand Component	0.8391	0.8391	0.8391
Total	\$2.9895	\$3.1170	\$1.5400

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State Regulation and Rates
Louisville, Kentucky

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Louisville Gas and Electric Company

P.S.C. Gas No. 10, Fifth Revision of Original Sheet No. 51.2
Canceling P.S.C. Gas No. 10, Fourth Revision of Sheet No. 51.2

Standard Rate Rider

TS-2

Gas Transportation Service/Firm Balancing Service

RATE (continued)

The "**Distribution Charge**" applicable to Rate CGS and IGS monthly quantities in excess of 100 Mcf shall be reduced by \$0.50 per Mcf during the seven off-peak billing periods of April through October. The first 100 Mcf per month during such period shall be billed at the rate set forth above.

Pipeline Supplier's Demand Component: Average demand cost per Mcf of all gas, including transported gas, delivered to Company by its pipeline supplier as determined from Company's Gas Supply Clause.

Gas Cost True-Up Charge: The Gas Cost True-Up Charge is applicable only to a former sales Customer that has elected transportation service hereunder and not previously served under Rate FT. Such Customer shall pay this charge for the first eighteen billing periods that Customer is served under Rider TS-2. The charge (or credit) per Mcf shall be applied to all volumes delivered by Company pursuant to Rider TS-2 in order to recover from (or refund to) transferring sales customers any under- or over-collected gas costs as reflected in the GCAA, GCBA, and PBRRC components of the Gas Supply Clause ("GSC") applicable to gas sold during those periods when the transferring customer was a sales customer. The Gas Cost True-Up Charge amount shall be revised with each of Company's quarterly Gas Supply Clause filings.

For customers electing service under Rider TS-2 effective November 1, 2014,
the Gas Cost True-Up Charge shall be:

\$0.0000 per Mcf for Bills Rendered On and After August 1, 2016

T

For customers electing service under Rider TS-2 effective November 1, 2015,
the Gas Cost True-Up Charge shall be:

\$(0.1148) per Mcf for Bills Rendered On and After August 1, 2016

R/T

Minimum Annual Threshold Requirement and Charge: When Customer's annual usage falls below the Minimum Annual Threshold Requirement, Customer will be charged a Minimum Annual Threshold Charge equal to the difference between the Minimum Annual Threshold Requirement of 15,000 Mcf and the Customer's actual consumption in Mcf during each Contract Year which difference shall be multiplied by the peak period Distribution Charge of the applicable sales rate schedule. Such Minimum Annual Threshold Charge shall be billed during the month following the close of the Contract Year in accordance with the following formula

Minimum Annual Threshold Charge =

(Minimum Annual Threshold minus Customer's Annual Usage) times the Peak Period Distribution Charge

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Louisville Gas and Electric Company

P.S.C. Gas No. 10, Fifth Revision of Original Sheet No. 85
Canceling P.S.C. Gas No. 10, Fourth Revision of Sheet No. 85

Adjustment Clause

GSC
Gas Supply Clause

APPLICABLE TO

All gas sold.

GAS SUPPLY COST COMPONENT (GSCC)

Gas Supply Cost	\$0.38917	I
Gas Cost Actual Adjustment (GCAA)	(0.00362)	I
Gas Cost Balance Adjustment (GCBA)	(0.00635)	R
Refund Factors (RF) continuing for twelve months from the effective date of each or until Company has discharged its refund obligation thereunder:		
None		
Performance-Based Rate Recovery Component (PBRRC)	<u>0.00296</u>	
Total Gas Supply Cost Component Per 100 Cubic Feet (GSCC)	\$0.38216	I

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State Regulation and Rates
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LOUISVILLE GAS AND ELECTRIC COMPANY

Supporting Calculations For The

Gas Supply Clause

2016-00xxx

For the Period

August 1, 2016 through October 31, 2016

LOUISVILLE GAS AND ELECTRIC COMPANY

Derivation of Gas Supply Component Applicable to Service Rendered On and After August 1, 2016

2016-00xxx

Gas Supply Cost - See Exhibit A for Detail				
Line No.	Description		Unit	Amount
1	Total Expected Gas Supply Cost		\$	12,512,921
2	Total Expected Customer Deliveries: August 1, 2016 through October 31, 2016		Mcf	3,215,250
3	Gas Supply Cost Per Mcf		\$/Mcf	3.8917
4	Gas Supply Cost Per 100 Cubic Feet		¢/Ccf	38.917
Gas Cost Actual Adjustment (GCAA) - See Exhibit B for Detail				
	Description		Unit	Amount
5	Current Quarter Actual Adjustment	Eff. August 1, 2016 2015-00429	¢/Ccf	0.665
6	Previous Quarter Actual Adjustment	Eff. May 1, 2016 2015-00329	¢/Ccf	(0.218)
7	2nd Previous Qrt. Actual Adjustment	Eff. February 1, 2016 2015-00218	¢/Ccf	(0.583)
8	3rd Previous Qrt. Actual Adjustment	Eff. November 1, 2015 2015-00105	¢/Ccf	(0.226)
9	Total Gas Cost Actual Adjustment (GCAA)		¢/Ccf	(0.362)
Gas Cost Balance Adjustment (GCBA) - See Exhibit C for Detail				
	Description		Unit	Amount
10	Balance Adjustment Amount		\$	(204,112)
11	Total Expected Customer Deliveries: August 1, 2016 through October 31, 2016		Mcf	3,215,250
12	Gas Cost Balance Adjustment (GCBA) Per Mcf		\$/Mcf	(0.0635)
13	Gas Cost Balance Adjustment (GCBA) Per 100 Cubic Feet		¢/Ccf	(0.635)
Refund Factors (RF) - See Exhibit D for Detail				
	Description		Unit	Amount
14	Refund Factor Effective:			
15	Current Quarter Refund Factor	Eff. August 1, 2016	¢/Ccf	0.000
16	1st Previous Quarter Refund Factor	Eff. May 1, 2016	¢/Ccf	0.000
17	2nd Previous Quarter Refund Factor	Eff. February 1, 2016	¢/Ccf	0.000
18	3rd Previous Quarter Refund Factor	Eff. November 1, 2015	¢/Ccf	0.000
19	Total Refund Factors Per 100 Cubic Feet		¢/Ccf	0.000
Performance-Based Rate Recovery Component (PBRRC) - See Exhibit E for Detail				
	Description		Unit	Amount
20	Performance-Based Rate Recovery Component (PBRRC)		¢/Ccf	0.296
21	Total of PBRRC Factors Per 100 Cubic Feet		¢/Ccf	0.296
Gas Supply Cost Component (GSCC) Effective August 1, 2016				
	Description		Unit	Amount
22	Gas Supply Cost		¢/Ccf	38.917
23	Gas Cost Actual Adjustment (GCAA)		¢/Ccf	(0.362)
24	Gas Cost Balance Adjustment (GCBA)		¢/Ccf	(0.635)
25	Refund Factors (RF)		¢/Ccf	0.000
26	Performance-Based Rate Recovery Component (PBRRC)		¢/Ccf	0.296
27	Total Gas Supply Cost Component (GSCC)		¢/Ccf	38.216

LOUISVILLE GAS AND ELECTRIC COMPANY
Calculation of Gas Supply Costs
For the Three-Month Period From August 1, 2016 thru October 31, 2016

Line No.	MMBtu	Aug-2016	Sep-2016	Oct-2016	Total
1	Expected Gas Supply Transported Under Texas' No-Notice Service (South-to-North)	797,034	880,629	666,685	2,344,348
2	Expected Gas Supply Transported Under Texas' No-Notice Service (North-to-South)	0	0	0	0
3	Expected Gas Supply Transported Under Texas' Rate FT (South-to-North)	310,000	300,000	310,000	920,000
4	Expected Gas Supply Transported Under Texas' Rate FT (North-to-South)	0	0	0	0
5	Expected Gas Supply Transported Under Texas' Rate FT (North-to-South)	1,522,100	1,449,000	1,639,900	4,611,000
6	Expected Gas Supply Transported Under Texas' Rate STF (South-to-North)	558,000	540,000	558,000	1,656,000
7	Expected Gas Supply Transported Under Texas' Rate STF (North-to-South)	0	0	0	0
8	Expected Gas Supply Transported Under Tenn.'s Rate FT-A (Zone 0)	620,000	600,000	620,000	1,840,000
9	Total MMBtu Purchased	3,807,134	3,769,629	3,794,585	11,371,348
10	Plus: Withdrawals from Texas Gas' NNS Storage Service	0	0	0	0
11	Less: Injections into Texas Gas' NNS Storage Service	20,900	13,200	66,000	100,100
12	Expected Monthly Deliveries from TGT/TGPL to LG&E (excluding transportation volumes under LG&E Rider TS-2)	3,786,234	3,756,429	3,728,585	11,271,248
<u>Mcf</u>					
13	Total Purchases in Mcf	3,714,277	3,677,687	3,702,034	
14	Plus: Withdrawals from Texas Gas' NNS Storage Service	0	0	0	
15	Less: Injections Texas Gas' NNS Storage Service	20,390	12,878	64,390	
16	Expected Monthly Deliveries from TGT/TGPL to LG&E (excluding transportation volumes under LG&E Rider TS-2)	3,693,887	3,664,809	3,637,644	
17	Plus: Customer Transportation Volumes under Rider TS-2	44,130	53,342	82,865	
18	Total Expected Monthly Deliveries from TGT/TGPL to LG&E (Line 16 + Line 17)	3,738,017	3,718,151	3,720,509	
19	Less: Purchases for Depts. Other Than Gas Dept.	1,121	602	143	
20	Less: Purchases Injected into LG&E's Underground Storage	2,891,045	2,783,959	2,069,628	
21	Mcf Purchases Expensed during Month (Line 16 - Line 19 - Line 20)	801,721	880,248	1,567,873	3,249,842
22	LG&E's Storage Inventory - Beginning of Month	6,680,001	9,530,001	12,270,001	
23	Plus: Storage Injections into LG&E's Underground Storage (Line 20)	2,891,045	2,783,959	2,069,628	
24	LG&E's Storage Inventory - Including Injections	9,571,046	12,313,960	14,339,629	
25	Less: Storage Withdrawals from LG&E's Underground Storage	0	0	0	0
26	Less: Storage Losses	41,045	43,959	49,628	134,632
27	LG&E's Storage Inventory - End of Month	9,530,001	12,270,001	14,290,001	
28	Mcf of Gas Supply Expensed during Month (Line 21 + Line 25 + Line 26)	842,766	924,207	1,617,501	3,384,474
<u>Cost</u>					
29	Total Demand Cost - Including Transportation (Line 18 x Line 54)	\$3,089,097	\$3,072,680	\$3,074,629	
30	Less: Demand Cost Recovered thru Rate TS-2 (Line 17 x Line 54)	36,469	44,082	68,480	
31	Demand Cost - Net of Demand Costs Recovered thru LG&E Rider TS-2	\$3,052,628	\$3,028,598	\$3,006,149	
32	Commodity Costs - Gas Supply Under NNS (South-to-North) (Line 1 x Line 55)	2,245,085	2,488,658	1,915,453	
33	Commodity Costs - Gas Supply Under NNS (North-to-South) (Line 2 x Line 56)	0	0	0	
34	Commodity Costs - Gas Supply Under Rate FT (South-to-North) (Line 3 x Line 57)	853,833	829,050	871,162	
35	Commodity Costs - Gas Supply Under Rate FT (North-to-South) (Line 4 x Line 58)	0	0	0	
36	Commodity Costs - Gas Supply Under Rate FT (North-to-South) (Line 5 x Line 59)	4,233,417	4,043,290	4,651,904	
37	Commodity Costs - Gas Supply Under Rate STF (South-to-North) (Line 6 x Line 60)	1,554,086	1,508,922	1,585,278	
38	Commodity Costs - Gas Supply Under Rate STF (North-to-South) (Line 7 x Line 61)	0	0	0	
39	Commodity Costs - Gas Supply Under Rate FT-A Zone 0 (Line 8 x Line 62)	1,697,994	1,648,680	1,732,590	
40	Total Purchased Gas Cost	\$13,637,043	\$13,547,198	\$13,762,536	\$40,946,777
41	Plus: Withdrawals from NNS Storage (Line 10 x Line 55)	0	0	0	0
42	Less: Purchases Injected into NNS Storage (Line 11 x Line 55)	58,871	37,303	189,625	285,799
43	Total Cost of Gas Delivered to LG&E	\$13,578,172	\$13,509,895	\$13,572,911	\$40,660,978
44	Less: Purchases for Depts. Other Than Gas Dept. (Line 19 x Line 63)	4,121	2,219	534	6,874
45	Less: Purchases Injected into LG&E's Storage (Line 20 x Line 63)	10,626,903	10,262,786	7,722,196	28,611,885
46	Pipeline Deliveries Expensed During Month	\$2,947,148	\$3,244,890	\$5,850,181	\$12,042,219
47	LG&E's Storage Inventory - Beginning of Month	\$22,357,295	\$32,842,749	\$42,951,657	
48	Plus: LG&E Storage Injections (Line 45 above)	10,626,903	10,262,786	7,722,196	
49	LG&E's Storage Inventory - Including Injections	\$32,984,198	\$43,105,535	\$50,673,853	
50	Less: LG&E Storage Withdrawals (Line 25 x Line 64)	0	0	0	\$0
51	Less: LG&E Storage Losses (Line 26 x Line 64)	141,449	153,878	175,375	470,702
52	LG&E's Storage Inventory - End of Month	\$32,842,749	\$42,951,657	\$50,498,478	
53	Gas Supply Expenses (Line 46 + Line 50 + Line 51)	\$3,088,597	\$3,398,768	\$6,025,556	\$12,512,921
<u>Unit Cost</u>					
54	12-Month Average Demand Cost - per Mcf (see Page 2)	\$0.8264	\$0.8264	\$0.8264	
55	Commodity Cost (per MMBtu) under Texas Gas's No-Notice Service (South-to-North)	\$2.8168	\$2.8260	\$2.8731	
56	Commodity Cost (per MMBtu) under Texas Gas's No-Notice Service (North-to-South)	\$2.8537	\$2.8629	\$2.9100	
57	Commodity Cost (per MMBtu) under Texas Gas's Rate FT (South-to-North)	\$2.7543	\$2.7635	\$2.8102	
58	Commodity Cost (per MMBtu) under Texas Gas's Rate FT (North-to-South)	\$2.7237	\$2.7327	\$2.7786	
59	Commodity Cost (per MMBtu) under Texas Gas's Rate FT (North-to-South)	\$2.7813	\$2.7904	\$2.8367	
60	Commodity Cost (per MMBtu) under Texas Gas's Rate STF (South-to-North)	\$2.7851	\$2.7943	\$2.8410	
61	Commodity Cost (per MMBtu) under Texas Gas's Rate STF (North-to-South)	\$2.7574	\$2.7664	\$2.8123	
62	Commodity Cost (per MMBtu) under Tenn. Gas's Rate FT-A (Zone 0)	\$2.7387	\$2.7478	\$2.7945	
63	Average Cost of Deliveries (Line 43 / Line 16)	\$3.6758	\$3.6864	\$3.7312	
64	Average Cost of Inventory - Including Injections (Line 49 / Line 24)	\$3.4462	\$3.5005	\$3.5338	
<u>Gas Supply Cost</u>					
65	Total Expected Mcf Deliveries (Sales) to Customers August 1, 2016 through October 31, 2016				3,215,250 Mcf
66	Current Gas Supply Cost (Line 53 / Line 65)				\$3,891.7 / Mcf

Annual Demand Costs

Line No.	Pipeline and Rate	Monthly Demand Charge	MMBtu	No. of Months	Annual Demand Costs
1	Texas Gas No-Notice Service (Rate NNS)	\$12.7104	119,913	12	\$18,289,706
2	Texas Gas Firm Transportation (Rate FT) 8-Year Contract	\$4.9067	2,500	12	147,201
3	Texas Gas Firm Transportation (Rate FT) 10-Year Contract	\$4.1793	60,000	12	3,009,096
4	Texas Gas Firm Transportation (Rate STF) 5-Year Contract	\$5.6641	4,500	12	305,861
5	Texas Gas Firm Transportation (Rate STF) One Month Contract	\$13.1830	2,508	12	396,756
6	Tenn. Gas Firm Transportation (Rate FT-A)	\$7.6240	20,000	12	1,829,760
7	Long-Term Firm Contracts with Suppliers (Annualized)				5,069,036
	Total Annual Demand Costs				\$29,047,416

Average Demand Cost per Mcf

8	Total Annual Demand Costs (Line 7)	\$29,047,416
9	Expected Annual Deliveries from Pipeline Transporters in Mcf (incl Rider TS-2)	35,148,080
10	Average Demand Cost per Mcf (Line 8 / Line 9)	\$0.8264

Pipeline Supplier's Demand Component Applicable to Billings
Under LG&E's Gas Transportation Service/Standby - Rider TS-2

11	Average Demand Cost (Line 10)	\$0.8264
12	Refund Factor for Demand Portion of Texas Gas Refund (see Exhibit D-1)	0.0000
13	Performance Based Rate Recovery Demand Component (see Exhibit E-1)	0.0127
14	PSDC Charge per Mcf	\$0.8391

Daily Demand Charge Component of Utilization Charge
For Daily Imbalance under Rate FT and Rider PS-FT

15	Total Annual Demand Costs (Line 7)	\$29,047,416
16	Design Day Requirements in Mcf (determined in last rate case)	478,956
17	UCDI Charge (Line 15/Line 16/365 days)	\$0.1662

LOUISVILLE GAS AND ELECTRIC COMPANY

Gas Supply Clause: 2016-00XXX

Gas Supply Cost Effective August 1, 2016

LG&E is served by Texas Gas Transmission, LLC ("TGT") pursuant to the terms of the transportation agreements under Rate Schedules NNS-4, FT-4, and STF-4. LG&E is served by Tennessee Gas Pipeline Company, LLC ("TGPL") pursuant to the terms of a transportation agreement under Rate Schedule FT-A-2. Both TGT and TGPL are subject to regulation by the Federal Energy Regulatory Commission ("FERC").

Texas Gas Transmission, LLC

Rate Schedule NNS (No-Notice Service)

On June 24, 2015, TGT submitted tariff sheets to the FERC in Docket No. RP15-1077 to reflect the expiration via abandonment of the operating lease with Gulf South Pipeline Company which required the removal of references to the incremental recourse rate applicable to the Gulf South lease. The associated revised tariff sheets were dated to be effective April 1, 2015. TGT did not otherwise modify its existing rates or otherwise affect the rights or duties of customers.

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 August 1, 2016. The tariffed rates are as follows: (a) a daily demand charge of \$0.4190/MMBtu, and (b) a commodity charge of \$0.0628/MMBtu irrespective of the zone of receipt.

The rates applicable to all three contracts for service under Rate Schedule NNS are a monthly demand charge of \$12.7104/MMBtu and a volumetric throughput charge ("commodity charge") of \$0.0628/MMBtu irrespective of the zone of receipt.

Rate Schedule FT (Firm Transportation: Annual: South-to-North)

On June 24, 2015, TGT submitted tariff sheets to the FERC in Docket No. RP15-1077 to reflect the expiration via abandonment of the operating lease with Gulf South Pipeline Company which required the removal of references to the incremental recourse rate applicable to the Gulf South lease. The associated revised tariff sheets were dated to be effective April 1, 2015. TGT did not otherwise modify its existing rates or otherwise affect the rights or duties of customers

Attached hereto as Exhibit A-1(a), Pages 2 and 3, are the tariff sheets for transportation service under Rate FT-4 which will be applicable on and after August 1, 2016. Page 2 contains the tariff sheet which sets forth the TGT daily demand charges. Page 3 contains the tariff sheet which sets forth the commodity charges. The tariffed rates are as follows: (a) a daily demand charge of \$0.3142/MMBtu, (b) a commodity charge applicable to transportation from Zone 1 to Zone 4 of \$0.0522/MMBtu, and (c) a commodity charge applicable to transportation from Zone 4 to Zone 4 of \$0.0374/MMBtu.

LG&E has negotiated rate agreements that result in a monthly demand charge of \$4.9067/MMBtu, an annual volumetric throughput charge ("commodity charge") of \$0.0214/MMBtu applicable to transportation from Zone 1 to 4, and an annual volumetric throughput charge ("commodity charge") of \$0.0037/MMBtu applicable to transportation from Zone 4 to 4. LG&E has terminated service under this contract effective November 1, 2016.

Rate Schedule FT (Firm Transportation: Annual: North-to-South)

Traditionally, LG&E has purchased gas in the Gulf production areas (both onshore and offshore, including Louisiana, Texas, and Arkansas) and used its south-to-north interstate pipeline capacity to deliver that gas to its gas distribution system in Kentucky. Due to the increasing availability of gas supplies outside of the traditional production areas, LG&E is now able to supplement this traditional south-to-north transportation capacity for natural gas purchased in the Gulf with gas purchased at the terminus of Texas Gas's system at Lebanon, Ohio (which is north of LG&E's system). Gas purchased at the terminus of Texas Gas's system can be delivered to LG&E's system using LG&E's north-to-south pipeline capacity. LG&E's ability to supplement its traditional supplies delivered via south-to-north transportation with these supplies delivered using north-to-south transportation capabilities is reflected in this GSC filing.

In late December 2013, Texas Gas initiated an Open Season for firm pipeline capacity designed to provide its customers (such as LG&E) with firm access to gas supplies from the Marcellus and Utica Shale production areas. On January 16, 2014, Texas Gas released the results of its Open Season. LG&E was notified that it had been awarded 60,000 MMBtu/day as submitted by LG&E in its bid of December 20, 2013. The term of the capacity agreement runs from June 1, 2016, through October 31, 2026. On August 28, 2015, FERC, in Docket No. CP14-553, issued a certificate of public convenience and necessity authorizing Texas Gas to construct and operate certain facilities required in order to accommodate customers who are seeking access to new supplies on the northern end of the Texas Gas system in order to serve new markets in the Midwest and South (the "Ohio-Louisiana Access Project"). Texas Gas's OHLA Project facilities were placed in service effective June 1, 2016.

On June 24, 2015, TGT submitted tariff sheets to the FERC in Docket No. RP15-1077 to reflect the expiration via abandonment of the operating lease with Gulf South Pipeline Company which required the removal of references to the incremental recourse rate applicable to the Gulf South lease. The associated revised tariff sheets were dated to be effective April 1, 2015. TGT did not otherwise modify its existing rates or otherwise affect the rights or duties of customers

Attached hereto as Exhibit A-1(a), Pages 2 and 3, are the tariff sheets for transportation service under Rate FT-4 which will be applicable on and after August 1, 2016. Page 2 contains the tariff sheet which sets forth the TGT daily demand charges. Page 3 contains the tariff sheet which sets forth the commodity charges. The tariffed rates are as follows: (a) a daily demand charge of \$0.1374/MMBtu, and (b) a commodity charge applicable to transportation from Zone 4 to Zone 4 of \$0.0374/MMBtu.

The rates applicable to service under this agreement result in a monthly demand charge of \$4.1793/MMBtu and a volumetric throughput charge ("commodity charge") of \$0.0374/MMBtu applicable to transportation from Zone 4 to 4.

Rate Schedule STF (Short-Term Firm: Summer Season Contract: South-to-North)

On June 24, 2015, TGT submitted tariff sheets to the FERC in Docket No. RP15-1077 to reflect the expiration via abandonment of the operating lease with Gulf South Pipeline Company which required the removal of references to the incremental recourse rate applicable to the Gulf South lease. The associated revised tariff sheets were dated to be effective April 1, 2015. TGT did not otherwise modify its existing rates or otherwise affect the rights or duties of customers.

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 August 1, 2016. The tariffed rates are as follows: for the summer season, (a) a daily demand charge of \$0.1847/MMBtu, and (b) a commodity charge of \$0.0522 applicable to transportation from Zone 1 to 4; and (c) a commodity charge of \$0.0374 applicable to transportation from Zone 4 to 4.

LG&E has negotiated rate agreements that result in the following charges: a weighted-average monthly demand charge of \$5.6641/MMBtu; and for summer season deliveries up to 18,000 MMBtu/day a summer season commodity rate of \$0.0214/MMBtu applicable to transportation from Zone 1 to 4 and a summer season commodity rate of \$0.0037/MMBtu for transportation from Zone 4 to Zone 4. For summer season deliveries in excess of 18,000 MMBtu/day a summer season commodity rate of \$0.0522/MMBtu applicable to transportation from Zone 1 to Zone 4 and \$0.0374/MMBtu applicable to transportation from Zone 4 to 4. LG&E has terminated service under this contract effective November 1, 2016.

Rate Schedule STF (Short-Term Firm: December 2015 and January 2016 Only: South-to-North)

On June 24, 2015, TGT submitted tariff sheets to the FERC in Docket No. RP15-1077 to reflect the expiration via abandonment of the operating lease with Gulf South Pipeline Company which required the removal of references to the incremental recourse rate applicable to the Gulf South lease. The associated revised tariff sheets were dated to be effective April 1, 2015. TGT did not otherwise modify its existing rates or otherwise affect the rights or duties of customers.

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 August 1, 2016. The tariffed rates are as follows: for the summer season, (a) a daily demand charge of \$0.4252/MMBtu, and (b) a commodity charge of \$0.0522 applicable to transportation from Zone 1 to 4.

The composite rates under the one-month contract for service under Rate Schedule STF (as described above) are a weighted average monthly demand charge of \$13.1830/MMBtu; and a commodity charge of \$0.0522 applicable to transportation from Zone 1 to 4.

Tennessee Gas Pipeline Company, LLC

Firm Transportation Service (FT-A-2)

On September 15, 2015, TGPL submitted tariff sheets in Docket No. RP15-990 in compliance with the FERC's Order dated July 1, 2015, approving the Stipulation and Agreement dated May 15, 2015, and filed in that docket. TGPL's currently effective rates were set pursuant to a settlement that resolved its last NGA Section 4 rate case filing, which was approved by FERC on

December 5, 2011, in Docket No. RP11-1566. The settlement in RP11-1566 required TGPL to file a general rate case to be effective no later than November 1, 2015. TGPL held pre-filing settlement discussions with interested parties. After many months, the parties fully resolved their issues without litigation. The current settlement to be effective November 1, 2015, provides for a three (3) percent rate reduction from TGPL's currently effective rates. Subsequent rate reductions, and other provisions, were part of the 2015 Settlement in future years. On September 25, 2015, in Docket No. RP15-1293, TGPL established new surcharges effective November 1, 2015, to recover the costs associated with its "Pipeline Safety and Greenhouse Gas Cost Adjustment Mechanism," as provided for in its settlements approved by FERC in Docket Nos. RP11-1566 and RP15-990.

Attached hereto as Exhibit A-1 (a), Pages 5, and 6, are the tariff sheet for transportation service under Rate FT-A, which will be applicable on and after August 1, 2016. Page 5 contains the tariff sheet which sets forth the monthly demand charges and Page 6 contains the tariff sheet which sets forth the commodity charges. The tariffed rates are as follows for deliveries from Zone 0 to Zone 2: (a) a monthly demand charge of \$15.5956/MMBtu, and (b) a commodity charge of \$0.0345/MMBtu.

LG&E has negotiated rate agreements that result in a monthly demand charge of \$7.6240/MMBtu and an annual volumetric throughput charge ("commodity charge") of \$0.0345/MMBtu for deliveries from Zone 0 to Zone 2.

Gas Supply Costs

The New York Mercantile Exchange ("NYMEX") natural gas futures prices as of June 28, 2016, are \$2.890/MMBtu for August, \$2.888/MMBtu for September, and \$2.927/MMBtu for October. The average of the NYMEX close and the six preceding trading days 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 25% higher compared to the same period one year ago;¹
- Economic recovery could boost the demand for natural gas in the industrial sector;
- Fuel switching from coal to gas could boost natural gas prices by increasing demand;

¹ The weekly gas storage survey issued by the Energy Information Administration ("EIA") for the week ending June 17, 2016, indicated that storage inventory levels were 25% higher than last year's levels. Storage inventories across the nation are 618 Bcf (3,103 Bcf – 2,485 Bcf), or 25%, higher this year than the same period one year ago. Last year at this time, 2,485 Bcf was held in storage, while this year 3,103 Bcf is held in storage. Storage inventories across the nation are 678 Bcf (3,103 Bcf – 2,425 Bcf), or 28% higher this year than the five-year average. On average for the last five years at this time, 2,425 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.

- New domestic supplies from unconventional shale gas plays are impacting the marketplace;
- New pipeline infrastructure is being developed to deliver natural gas supplies to the marketplace;
- Imports or exports of LNG could impact the supply and demand for natural gas;
- Gas-fired electric generation loads could boost weather-driven demand for natural gas; and
- Gas supply disruptions could boost prices.

During the three-month period under review, August 1, 2016, through October 31, 2016, LG&E estimates that its total purchases will be 11,271,248 MMBtu. LG&E expects that 2,244,248 MMBtu will be met with deliveries from TGT's pipeline service under Rate NNS (2,344,348 MMBtu in pipeline south-to-north deliveries minus 100,100 in storage injections); 920,000 MMBtu will be met from south-to-north deliveries and 0 MMBtu from north-to-south deliveries under TGT's pipeline service under Rate FT; 4,611,000 MMBtu will be met from north-to-south deliveries under TGT's pipeline service under Rate FT; 1,656,000 MMBtu will be met from south-to-north deliveries and 0 MMBtu north-to-south from deliveries under TGT's pipeline service under Rate STF; 1,840,000 MMBtu will be met from deliveries under TGPL's pipeline service under Rate FT-A from Zone 0.

The average commodity cost of gas purchased from gas suppliers by LG&E and delivered to TGT under the south-to-north NNS service is expected to be \$2.6840 per MMBtu in August 2016, \$2.6930 per MMBtu in September 2016, and \$2.7390 per MMBtu in October 2016. The average commodity cost of gas purchased from gas suppliers by LG&E and delivered to TGT under the north-to-south NNS service is expected to be \$2.7200 per MMBtu in August 2016, \$2.7290 per MMBtu in September 2016, and \$2.7750 per MMBtu in October 2016. The average commodity cost of gas purchased from gas suppliers by LG&E and delivered to TGT under the south-to-north FT service is expected to be \$2.6840 per MMBtu in August 2016, \$2.6930 per MMBtu in September 2016, and \$2.7390 per MMBtu in October 2016. The average commodity cost of gas purchased from gas suppliers by LG&E and delivered to TGT under the north-to-south FT service is expected to be \$2.7200 per MMBtu in August 2016, \$2.7290 per MMBtu in September 2016, and \$2.7750 per MMBtu in October 2016. The average commodity cost of gas purchased from gas suppliers by LG&E and delivered to TGT under the south-to-north STF service is expected to be \$2.6840 per MMBtu in August 2016, \$2.6930 per MMBtu in September 2016, and \$2.7390 per MMBtu in October 2016. The average commodity cost of gas purchased from gas suppliers by LG&E and delivered to TGT under the north-to-south STF service is expected to be \$2.7200 per MMBtu in August 2016, \$2.7290 per MMBtu in September 2016, and \$2.7750 per MMBtu in October 2016. 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 \$2.6620 per MMBtu in August 2016, \$2.6710 per MMBtu in September 2016, and \$2.7170 per MMBtu in October 2016.

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. Effective October 1, 2016, the FERC ACA Unit Charge has been decreased from \$0.0014/MMBtu to \$0.0013/MMBtu. For simplification, the new unit charge was not reflected in the above discussion of applicable pipeline charges. However, the change in the ACA Unit Charge has been reflected in tables below and in the attached calculations.

RATE NNS
SYSTEM SUPPLY SOUTH-TO-NORTH 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>
August 2016	\$2.6840	2.54%	\$0.0628	\$2.8168
September 2016	\$2.6930	2.54%	\$0.0628	\$2.8260
October 2016	\$2.7390	2.54%	\$0.0627	\$2.8731

RATE NNS
SYSTEM SUPPLY NORTH-TO-SOUTH 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>
August 2016	\$2.7200	2.54%	\$0.0628	\$2.8537
September 2016	\$2.7290	2.54%	\$0.0628	\$2.8629
October 2016	\$2.7750	2.54%	\$0.0627	\$2.9100

RATE FT
SYSTEM SUPPLY SOUTH-TO-NORTH PURCHASE PRICE PER MMBTU
UNDER TEXAS GAS'S FIRM TRANSPORTATION SERVICE RATE

	<u>ESTIMATED PRICE AS DELIVERED TO TEXAS GAS</u>	<u>RETENTION (ZONE 1 TO 4)</u>	<u>RATE FT TRANSPORT CHARGE</u>	<u>TOTAL ESTIMATED DELIVERED PRICE</u>
August 2016	\$2.6840	1.79%	\$0.0214	\$2.7543
September 2016	\$2.6930	1.79%	\$0.0214	\$2.7635
October 2016	\$2.7390	1.79%	\$0.0213	\$2.8102

RATE FT
SYSTEM SUPPLY NORTH-TO-SOUTH PURCHASE PRICE PER MMBTU
UNDER TEXAS GAS'S FIRM TRANSPORTATION SERVICE RATE

	<u>ESTIMATED PRICE AS DELIVERED TO TEXAS GAS</u>	<u>RETENTION (ZONE 4 TO 4)</u>	<u>RATE FT TRANSPORT CHARGE</u>	<u>TOTAL ESTIMATED DELIVERED PRICE</u>
August 2016	\$2.7200	0.00%	\$0.0037	\$2.7237
September 2016	\$2.7290	0.00%	\$0.0037	\$2.7327
October 2016	\$2.7750	0.00%	\$0.0036	\$2.7786

RATE FT
SYSTEM SUPPLY NORTH-TO-SOUTH PURCHASE PRICE PER MMBTU
UNDER TEXAS GAS'S FIRM TRANSPORTATION SERVICE RATE

	<u>ESTIMATED PRICE AS DELIVERED TO TEXAS GAS</u>	<u>RETENTION (ZONE 4 TO 4)</u>	<u>RATE FT TRANSPORT CHARGE</u>	<u>TOTAL ESTIMATED DELIVERED PRICE</u>
August 2016	\$2.7200	0.87%	\$0.0374	\$2.7813
September 2016	\$2.7290	0.87%	\$0.0374	\$2.7904
October 2016	\$2.7750	0.87%	\$0.0373	\$2.8367

RATE STF
SYSTEM SUPPLY SOUTH-TO-NORTH 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 1 TO 4)</u>	<u>RATE STF TRANSPORT CHARGE</u>	<u>TOTAL ESTIMATED DELIVERED PRICE</u>
August 2016	\$2.6840	1.79%	\$0.0522	\$2.7851
September 2016	\$2.6930	1.79%	\$0.0522	\$2.7943
October 2016	\$2.7390	1.79%	\$0.0521	\$2.8410

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

	ESTIMATED PRICE AS DELIVERED <u>TO TEXAS GAS</u>	RETENTION (ZONE 4 <u>TO 4</u>)	RATE STF TRANSPORT <u>CHARGE</u>	TOTAL ESTIMATED DELIVERED <u>PRICE</u>
August 2016	\$2.7200	0.00%	\$0.0374	\$2.7574
September 2016	\$2.7290	0.00%	\$0.0374	\$2.7664
October 2016	\$2.7750	0.00%	\$0.0373	\$2.8123

RATE FT-A-2
SYSTEM SUPPLY SOUTH-TO-NORTH PURCHASE PRICE PER MMBTU
UNDER TENNESSEE GAS'S FIRM
TRANSPORTATION SERVICE RATE

	ESTIMATED PRICE AS DELIVERED <u>TO TENN. GAS</u>	RETENTION (<u>TO ZONE 2</u>)	RATE FT-A-2 TRANSPORT <u>CHARGE</u>	TOTAL ESTIMATED DELIVERED <u>PRICE</u>
Zone 0				
August 2016	\$2.6620	1.56%	\$0.0345	\$2.7387
September 2016	\$2.6710	1.56%	\$0.0345	\$2.7478
October 2016	\$2.7170	1.56%	\$0.0344	\$2.7945

The annual demand billings covering the 12 months from August 1, 2016 through July 31, 2017, for the firm contracts with natural gas suppliers are currently expected to be \$5,069,036.

Rate FT and Rider PS-FT

The demand-related supply costs applicable to the Utilization Charge for Daily Imbalances under Rate FT and Rider PS-FT applicable during the three-month period of August 1, 2016, through October 31, 2016, 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.

Section 4.4
Currently Effective Rates - NNS
Version 6.0.0

	Base Tariff Rates
Zone SL	
Daily Demand	0.1800
Commodity	0.0253
Overrun	0.2053
Zone 1	
Daily Demand	0.2782
Commodity	0.0431
Overrun	0.3213
Zone 2	
Daily Demand	0.3088
Commodity	0.0480
Overrun	0.3548
Zone 3	
Daily Demand	0.3543
Commodity	0.0490
Overrun	0.4033
Zone 4	
Daily Demand	0.4190
Commodity	0.0814
Overrun	0.4804

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

- 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 6.16 of the General Terms and Conditions.

Texas Gas Transmission, LLC
 FERC NGA Gas Tariff
 Fourth Revised Volume No. 1
 Effective On: April 1, 2015

Section 4.1
 Currently Effective Rates - FT
 Version 7.0.0

**Currently Effective Maximum Daily Demand Rates (\$ per MMBtu)
 For Service Under Rate Schedule FT**

Currently Effective Rates [1]

SL-SL	0.0794
SL-1	0.1652
SL-2	0.2120
SL-3	0.2484
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 forward haul rates from Zone SL to zone of delivery; provided, however, that Intra-zone rates shall apply to Intra-zone transportation, whether such Intra-zone transportation is forward haul or backhaul.

[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 6.16 of the General Terms and Conditions.

Texas Gas Transmission, LLC
 FERC NGA Gas Tariff
 Fourth Revised Volume No. 1
 Effective On: April 1, 2015

Section 4.1
 Currently Effective Rates - FT
 Version 7.0.0

**Currently Effective Maximum Commodity Rates (\$ per MMBtu)
 For Service Under Rate Schedule FT**

	Base Tariff Rates
SL-SL	0.0104
SL-1	0.0355
SL-2	0.0399
SL-3	0.0445
SL-4	0.0528
1-1	0.0337
1-2	0.0385
1-3	0.0422
1-4	0.0508
2-2	0.0323
2-3	0.0360
2-4	0.0446
3-3	0.0312
3-4	0.0398
4-4	0.0360

The above rates shall be increased to include the ACA unit charge pursuant to Section 6.9[7] of the General Terms and Conditions.

Minimum Rates: Commodity minimum base rates are presented in Section 4.12.

Backhaul rates equal forward haul rates from Zone SL to zone of delivery; provided, however, that intra-zone rates shall apply to intra-zone transportation, whether such intra-zone transportation is forward haul or backhaul.

Tennessee Gas Pipeline Company, L.L.C.
FERC NGA Gas Tariff
Sixth Revised Volume No. 1

Ninth Revised Sheet No. 14
Superseding
Elghth Revised Sheet No. 14

RATES PER DEKATHERM

FIRM TRANSPORTATION RATES
RATE SCHEDULE FOR FT-A

Base Reservation Rates	DELIVERY ZONE								
	RECEIPT ZONE	0	L	1	2	3	4	5	6
	0	\$5.5411		\$11.5794	\$15.5758	\$15.8514	\$17.4175	\$18.4879	\$23.1959
	L		\$4.9193						
	1	\$8.3417		\$7.9962	\$10.6413	\$15.0745	\$14.8460	\$16.7429	\$20.5878
	2	\$15.5759		\$10.5774	\$5.5014	\$5.1427	\$6.5803	\$9.0504	\$11.6830
	3	\$15.8514		\$8.3784	\$5.5458	\$4.0009	\$6.1457	\$11.1149	\$12.8437
	4	\$20.1259		\$18.5544	\$7.0708	\$10.7456	\$5.2598	\$5.6884	\$8.1265
	5	\$23.9973		\$16.8625	\$7.4172	\$8.9748	\$5.8432	\$5.4810	\$7.1353
	6	\$27.7603		\$19.3678	\$13.3296	\$14.6845	\$10.3726	\$5.4568	\$4.7237

Daily Base Reservation Rate 1/	DELIVERY ZONE								
	RECEIPT ZONE	0	L	1	2	3	4	5	6
	0	\$0.1822		\$0.3807	\$0.5121	\$0.5211	\$0.5726	\$0.6078	\$0.7626
	L		\$0.1617						
	1	\$0.2742		\$0.2629	\$0.3499	\$0.4956	\$0.4881	\$0.5505	\$0.6769
	2	\$0.5121		\$0.3478	\$0.1809	\$0.1691	\$0.2163	\$0.2975	\$0.3841
	3	\$0.5211		\$0.2755	\$0.1823	\$0.1315	\$0.2021	\$0.3654	\$0.4223
	4	\$0.6617		\$0.6100	\$0.2325	\$0.3533	\$0.1729	\$0.1870	\$0.2672
	5	\$0.7890		\$0.5544	\$0.2439	\$0.2951	\$0.1921	\$0.1802	\$0.2346
	6	\$0.9127		\$0.6367	\$0.4382	\$0.4828	\$0.3410	\$0.1794	\$0.1553

Maximum Reservation Rates 2/, 3/		DELIVERY ZONE							
RECEIPT ZONE	0	L	1	2	3	4	5	6	
0	\$5.5609		\$11.5992	\$15.5956	\$15.8712	\$17.4373	\$18.5077	\$23.2157	
L		\$4.9391							
1	\$8.3615		\$8.0160	\$10.6611	\$15.0943	\$14.8658	\$16.7627	\$20.6076	
2	\$15.5957		\$10.5972	\$5.5212	\$5.1625	\$6.6001	\$9.0702	\$11.7028	
3	\$15.8712		\$8.3982	\$5.5656	\$4.0207	\$6.1655	\$11.1347	\$12.8635	
4	\$20.1457		\$18.5742	\$7.0906	\$10.7654	\$5.2796	\$5.7082	\$8.1463	
5	\$24.0171		\$16.8823	\$7.4370	\$8.9946	\$5.8630	\$5.5008	\$7.1551	
6	\$27.7801		\$19.3876	\$13.3494	\$14.7043	\$10.3924	\$5.4766	\$4.7435	

Notes:

- 1/ Applicable to demand charge credits and secondary points under discounted rate agreements.
- 2/ Includes a per Dth charge for the PCB Surcharge Adjustment per Article XXXII of the General Terms and Conditions of \$0.0000.
- 3/ Includes a per Dth charge for the PS/GHG Surcharge Adjustment per Article XXXVIII of the General Terms and Conditions of \$0.0198.

Tennessee Gas Pipeline Company, L.L.C.
FERC NGA Gas Tariff
Sixth Revised Volume No. 1

Twelveth Revised Sheet No. 15
Superseding
Eleventh Revised Sheet No. 15

RATES PER DEKATHERM

COMMODITY RATES
RATE SCHEDULE FOR FT-A

Base
Commodity Rates

RECEIPT ZONE	DELIVERY ZONE							
	0	L	1	2	3	4	5	6
0	\$0.0032		\$0.0115	\$0.0177	\$0.0219	\$0.2668	\$0.2546	\$0.3030
L		\$0.0012						
1	\$0.0042		\$0.0081	\$0.0147	\$0.0179	\$0.2269	\$0.2313	\$0.2641
2	\$0.0167		\$0.0087	\$0.0012	\$0.0028	\$0.0734	\$0.1178	\$0.1305
3	\$0.0207		\$0.0169	\$0.0026	\$0.0002	\$0.0982	\$0.1358	\$0.1482
4	\$0.0250		\$0.0205	\$0.0087	\$0.0105	\$0.0454	\$0.0642	\$0.1041
5	\$0.0284		\$0.0256	\$0.0100	\$0.0118	\$0.0639	\$0.0633	\$0.0787
6	\$0.0346		\$0.0300	\$0.0143	\$0.0163	\$0.0984	\$0.0533	\$0.0324

Minimum
Commodity Rates 1/, 2/

RECEIPT ZONE	DELIVERY ZONE							
	0	L	1	2	3	4	5	6
0	\$0.0032		\$0.0115	\$0.0177	\$0.0219	\$0.0250	\$0.0284	\$0.0346
L		\$0.0012						
1	\$0.0042		\$0.0081	\$0.0147	\$0.0179	\$0.0210	\$0.0256	\$0.0300
2	\$0.0167		\$0.0087	\$0.0012	\$0.0028	\$0.0056	\$0.0100	\$0.0143
3	\$0.0207		\$0.0169	\$0.0026	\$0.0002	\$0.0081	\$0.0118	\$0.0163
4	\$0.0250		\$0.0205	\$0.0087	\$0.0105	\$0.0028	\$0.0046	\$0.0092
5	\$0.0284		\$0.0256	\$0.0100	\$0.0118	\$0.0046	\$0.0046	\$0.0066
6	\$0.0346		\$0.0300	\$0.0143	\$0.0163	\$0.0086	\$0.0041	\$0.0020

Maximum
Commodity Rates 1/, 2/, 3/

RECEIPT ZONE	DELIVERY ZONE							
	0	L	1	2	3	4	5	6
0	\$0.0039		\$0.0122	\$0.0184	\$0.0226	\$0.2675	\$0.2553	\$0.3037
L		\$0.0019						
1	\$0.0049		\$0.0088	\$0.0154	\$0.0186	\$0.2276	\$0.2320	\$0.2648
2	\$0.0174		\$0.0094	\$0.0019	\$0.0035	\$0.0741	\$0.1185	\$0.1312
3	\$0.0214		\$0.0176	\$0.0033	\$0.0009	\$0.0989	\$0.1365	\$0.1489
4	\$0.0257		\$0.0212	\$0.0094	\$0.0112	\$0.0461	\$0.0649	\$0.1048
5	\$0.0291		\$0.0263	\$0.0107	\$0.0125	\$0.0646	\$0.0540	\$0.0794
6	\$0.0353		\$0.0307	\$0.0150	\$0.0170	\$0.0991	\$0.0540	\$0.0331

Notes:

- 1/ Rates stated above exclude the ACA Surcharge as revised annually and posted on the FERC website at <http://www.ferc.gov> on the Annual Charges page of the Natural Gas section. The ACA Surcharge is incorporated by reference into Transporter's Tariff and shall apply to all transportation under this Rate Schedule as provided in Article XXIV of the General Terms and Conditions.
- 2/ The applicable F&LR's and EPCR's, determined pursuant to Article XXXVII of the General Terms and Conditions, are listed on Sheet No. 32.
- 3/ Includes a per Dth charge for the PS/GHG Surcharge Adjustment per Article XXXVIII of the General Terms and Conditions of \$0.0007.

Texas Gas Transmission, LLC
 FERC NGA Gas Tariff
 Fourth Revised Volume No. 1
 Effective On: November 1, 2015

Section 4.18.1
 Currently Effective Rates - Fuel Retention - General
 Version 7.0.0

**Schedule of Currently Effective Fuel Retention Percentages
 Pursuant to Section 6.9 of the General Terms and Conditions**

NNS/NNL/SGT/SQL/SNS/WNS Rate Schedules

<u>Delivery Fuel Zone</u>	<u>EFRP [1]</u>
South	2.25%
Middle	2.30%
North	2.54%

FT/STF/IT Rate Schedules

<u>Rec/Del Fuel Zone</u>	<u>EFRP</u>
South/South	0.89%
South/Middle	1.05%
South/North	1.79%
Middle/South	0.89%
Middle/Middle	0.23%
Middle/North	1.22%
North/South	0.89%
North/Middle	0.23%
North/North	0.87%

FSS/FSS-M/ISS/ISS-M Rate Schedules

<u>Injection / Withdrawal</u>
1.63%

**Swing Allocation Hybrid Rate
NNS/NNL/SGT/SQL/SNS/WNS**

<u>Delivery Fuel Zone</u>	<u>EFRP</u>
South	1.36%
Middle	1.38%
North	0.86%

[1] Effective Fuel Retention Percentage Schedule of Currently Effective Fuel Retention Percentages Pursuant to Section 6.9 of the General Terms and Conditions

Tennessee Gas Pipeline Company, L.L.C.
 FERC NGA Gas Tariff
 Sixth Revised Volume No. 1

Eleventh Revised Sheet No. 32
 Superseding
 Tenth Revised Sheet No. 32

FUEL AND EPCR

=====

F&LR 1/, 2/, 3/, 4/	RECEIPT ZONE	DELIVERY ZONE							
		0	L	1	2	3	4	5	6
	0	0.35%		1.05%	1.56%	1.91%	2.28%	2.57%	3.05%
	L		0.18%						
	1	0.44%		0.77%	1.32%	1.58%	1.93%	2.34%	2.66%
	2	1.56%		0.82%	0.18%	0.32%	0.58%	0.97%	1.30%
	3	1.91%		1.58%	0.32%	0.10%	0.80%	1.14%	1.50%
	4	2.28%		1.80%	0.81%	0.97%	0.33%	0.50%	0.85%
	5	2.64%		2.39%	0.97%	1.15%	0.49%	0.49%	0.62%
	6	3.14%		2.66%	1.31%	1.50%	0.80%	0.39%	0.21%

EPCR 3/, 4/	RECEIPT ZONE	DELIVERY ZONE							
		0	L	1	2	3	4	5	6
	0	\$0.0025		\$0.0095	\$0.0147	\$0.0183	\$0.0221	\$0.0251	\$0.0301
	L		\$0.0008						
	1	\$0.0033		\$0.0067	\$0.0122	\$0.0149	\$0.0185	\$0.0227	\$0.0260
	2	\$0.0147		\$0.0072	\$0.0008	\$0.0022	\$0.0048	\$0.0087	\$0.0120
	3	\$0.0183		\$0.0149	\$0.0022	\$0.0000	\$0.0070	\$0.0104	\$0.0138
	4	\$0.0221		\$0.0171	\$0.0071	\$0.0086	\$0.0023	\$0.0040	\$0.0075
	5	\$0.0251		\$0.0227	\$0.0087	\$0.0104	\$0.0039	\$0.0039	\$0.0052
	6	\$0.0301		\$0.0260	\$0.0120	\$0.0138	\$0.0070	\$0.0029	\$0.0011

- 1/ Included in the above F&LR is the Losses component of the F&LR equal to 0.05%.
- 2/ For service that is rendered entirely by displacement and for gas scheduled and allocated for receipt at the Dracut, Massachusetts receipt point, Shipper shall render only the quantity of gas associated with Losses of 0.05%.
- 3/ The F&LR's and EPCR's listed above are applicable to FT-A, FT-BH, FT-G, FT-GS, and IT.
- 4/ The F&LR's and EPCR's determined pursuant to Article XXXVII of the General Terms and Conditions.

LOUISVILLE GAS AND ELECTRIC COMPANY**Gas Supply Clause: 2016-00XXX****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 2015-00429 during the three-month period of February 1, 2016 through April 30, 2016 was \$2,183,705. The calculation of the Gas Cost Actual Adjustment (GCAA) set forth in Exhibit B-1 results in a charge of 0.665¢ per 100 cubic feet, which LG&E will place in effect with service rendered on and after August 1, 2016, and continue for 12 months. Also enclosed, on pages 6 and 7 of Exhibit B-1, is a breakdown of gas purchases for the three-month period from February 2016 through April 2016. [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.]

In this filing, LG&E will be eliminating the GCAA from Case Number 2014-00475 which, with service rendered through July 31, 2016, will have been in effect for twelve months. Any over- or under-recovery of the amount originally established 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 November 1, 2016.

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

Current Quarter Actual Adjustment:	
Effective August 1, 2016 from 2015-00429	0.665 cents/Ccf
Previous Quarter Actual Adjustment	
Effective May 1, 2016 from 2015-00329	(0.218) cents/Ccf
2nd Quarter Actual Adjustment:	
Effective February 1, 2016 from 2015-00218	(0.583) cents/Ccf
3rd Previous Quarter Actual Adjustment:	
Effective November 1, 2015 from 2015-00105	(0.226) cents/Ccf
Total Gas Cost Actual Adjustment (GCAA)	(0.362) cents/Ccf

LOUISVILLE GAS AND ELECTRIC COMPANY
Calculation of Gas Cost Actual Adjustment
Which Compensates for Over- or Under-
Recoveries of Gas Supply Costs
For Service Rendered On and After August 1, 2016

Line No.	Recovery Period	Case Number	Total Dollars of Gas Cost Recovered ¹	Gas Supply Cost Per Books ²	(Over)/Under Recovery
(1)	(2)	(3)	(4)	(5)	(6)=(5)-(4)
1	Feb-2016	2015-00429	\$9,676,228	\$18,453,332	\$8,777,104
2	Mar-2016	2015-00429	\$13,539,779	\$10,344,434	(\$3,195,345)
3	Apr-2016	2015-00429	\$7,844,074	\$7,042,343	(\$801,731)
4	May-2016	(Note 3)	\$2,596,323	\$0	(\$2,596,323)
5			\$33,656,404	\$35,840,109	\$2,183,705
6		(Over)/Under Recovery	\$2,183,705		
7		Expected Mcf Sales for			
8		12-Month Period from Date Implemented	32,861,229		
9		GCAA Factor per Mcf	\$0.0665		
10		GCAA Factor per Ccf	\$0.00665		
11		GCAA Factor Cents per Ccf	0.665		

¹ See Page 2 of this Exhibit.

² See Page 5 of this Exhibit.

³ Current sales included in meter readings for prior month.

LOUISVILLE GAS AND ELECTRIC COMPANY
Calculation of Gas Costs Recovered
Under Company's Gas Supply Clause
For Service Rendered On and After August 1, 2016

Line No.	Recovery Period	Comments	Case No.	Total Mcf Sales for Month	Mcf Sales Applicable to GCAA Period	Gas Supply Cost per Mcf	AAGS Interruption Penalty	Dollars Recovered Under GSC
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)=[(6)x(7)]+(8)
1	Feb-2016	Prorated	2015-00429	5,755,793.8 ¹	2,807,157.5 ²	\$3.4097	\$0	\$9,571,565
2	Mar-2016		2015-00429	3,951,842.2	3,951,842.2	\$3.4097	\$0	\$13,474,596
3	Apr-2016		2015-00429	2,284,040.8	2,284,040.8	\$3.4097	\$0	\$7,787,894
4	May-2016	Prorated	2015-00429	1,293,125.9 ¹	761,452.1 ²	\$3.4097		\$2,596,323
5					9,804,492.6		\$0	\$33,430,378

	\$ Recovered Under ³ Rider TS-2	\$ Recovered ⁴ Under Rate FT	\$ from OSS	Total \$ Recovered (13)=(9)+(10) +(11)+(12)
	(10)	(11)	(12)	
6	\$34,093	\$70,570	\$0	\$9,676,228
7	\$48,784	\$16,399	\$0	\$13,539,779
8	\$44,875	\$11,305	\$0	\$7,844,074
9				\$2,596,323
10	\$127,752	\$98,274	\$0	\$33,656,404

¹ For information purposes only, volumes will be prorated.

² Portion of month billed at rate effective this quarter.

³ See Page 3 of this Exhibit.

⁴ See Page 4 of this Exhibit.

LOUISVILLE GAS AND ELECTRIC COMPANY
Summary of Gas Costs Recovered
Under Provisions of Rider TS-2
For Service Rendered On and After August 1, 2016

Line No.	Recovery Period	Case Number	Mcf Transported Under Rider TS-2	PSDC Per Mcf	PSDC Revenue Collected from TS-2 Customers	Rider TS-2 Gas True-Up Charge Revenue	MMBtu Adjust. (Mcf)	MMBtu Adjust. (\$)	Cash-Out Sales (Mcf)	Cash-Out Sales (\$)	AAGS TS-2 Interruption Penalty	Action Alert \$	Monthly \$'s Recovered Under Rider TS-2 (13)=(5)+(6)+(8) +(10)+(11)+(12)
	(1)	(2)	(3)	(4)	(5)=(3)x(4)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	
1	Feb-2016	2015-00429	44,357.6	\$0.8238	\$36,542	(\$5,856)	0.0	\$0	1,281.6	\$3,408	\$0	\$0	\$34,093
2	Mar-2016	2015-00429	62,703.9	\$0.8238	\$51,655	(\$6,832)	0.0	\$0	2,045.9	\$3,960	\$0	\$0	\$48,784
3	Apr-2016	2015-00429	48,217.2	\$0.8238	\$39,721	(\$4,526)	11.0	\$22	4,463.2	\$9,657	\$0	\$0	\$44,875
4	Total Amount to Transfer to Exhibit B-1, Page 2												\$127,752

Note: Should a Customer served under Rider TS-2 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 Rider TS-2, 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.

LOUISVILLE GAS AND ELECTRIC COMPANY
Summary of Gas Costs Recovered
Under Provisions of Rate FT
For Service Rendered On and After August 1, 2016

Line No.	Recovery Period	Case Number	UCDI Demand Chrg / Mcf	Cash-Out Sales (Mcf)	Cash-Out Sales (\$)	MMBTU Adjust. (Mcf)	MMBTU Adjust. (\$)	UCDI Mcf	UCDI \$ [(3)x(8)]	OFO \$	Rate FT Gas True-Up Charge Revenue	Monthly \$'s Recovered [(5)+(7)+(9)+(10)+(11)]
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
1	Feb-2016	2015-00429	\$0.1662	1,301.1	\$3,079	-	\$0	166,396.0	\$27,655	\$39,947	(\$111)	\$70,570
2	Mar-2016	2015-00429	\$0.1662	43.8	\$84	-	\$0	98,904.5	\$16,438	\$0	(\$123)	\$16,399
3	Apr-2016	2015-00429	\$0.1662	637.9	\$1,297	-	\$0	60,743.4	\$10,096	\$0	(\$88)	\$11,305
4	Total Amount to Transfer to Exhibit B-1, Page 2											\$98,274

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.

Exhibit B-1

Page 6 of 7

LOUISVILLE GAS AND ELECTRIC COMPANY
SUMMARY OF GAS PURCHASES AND COSTS BY SUPPLIER
FOR THE 3 MONTH PERIOD FROM FEBRUARY 2016 THROUGH APRIL 2016

DELIVERED BY TEXAS GAS TRANSMISSION, LLC

COMMODITY AND VOLUMETRIC CHARGES:

NATURAL GAS SUPPLIERS:			FEBRUARY 2016			MARCH 2016			APRIL 2016		
			NET MMBTU	MCF	\$	NET MMBTU	MCF	\$	NET MMBTU	MCF	\$
1.	A		0	0	\$0.00	0	0	\$0.00	170,555	168,888	\$295,937.50
2.	B		0	0	\$0.00	0	0	\$0.00	0	0	\$0.00
3.	C		0	0	\$0.00	0	0	\$0.00	0	0	\$0.00
4.	D		175,000	173,267	\$383,607.84	295,835	292,906	\$491,777.52	450,000	448,545	\$844,976.88
5.	E		259,000	258,438	\$526,409.77	68,512	67,834	\$103,014.02	0	0	\$0.00
6.	F		50,000	49,505	\$109,790.56	324,080	320,871	\$542,027.18	375,000	371,287	\$704,147.40
7.	G		593,572	587,695	\$1,294,125.00	634,518	628,238	\$1,051,365.00	0	0	\$0.00
8.	H		260,219	257,843	\$527,980.00	0	0	\$0.00	0	0	\$0.00
			1,337,791	1,324,546	\$2,841,913.17	1,322,945	1,309,847	\$2,188,183.70	995,556	985,898	\$1,846,061.78
NO-NOTICE SERVICE ("NNS") STORAGE:											
1. WITHDRAWALS			467,343	462,716	\$997,356.70	191,798	189,899	\$318,940.89	89,601	88,714	\$166,057.53
2. INJECTIONS			(157,695)	(156,134)	(\$336,536.90)	(170,699)	(169,009)	(\$283,855.37)	(513,418)	(508,335)	(\$951,517.58)
3. ADJUSTMENTS			4,103	7,584	\$9,588.31	0	1,580	\$0.00	257	281	\$427.37
4. ADJUSTMENTS			0	0	\$0.00	0	0	\$0.00	0	0	\$0.00
5. ADJUSTMENTS			0	0	\$0.00	0	0	\$0.00	0	0	(\$660,438.98)
6. ADJUSTMENTS			0	0	\$0.00	0	0	\$0.00	0	0	\$0.00
NET NNS STORAGE			313,751	314,166	\$670,408.11	21,099	22,470	\$35,085.52	(423,560)	(419,340)	(\$1,445,469.61)
NATURAL GAS TRANSPORTERS:											
1. TEXAS GAS TRANSMISSION, LLC					\$95,825.52			\$71,805.90			\$35,905.15
2. ADJUSTMENTS			0	8,111	\$257.47	0	8,890	(\$0.03)	0	1,876	\$18.01
3. ADJUSTMENTS			0	0	\$0.00	0	0	\$0.00	0	0	\$0.00
TOTAL			1,651,542	1,646,823	\$98,182.99	1,344,044	1,339,207	\$71,805.87	671,995	568,234	\$35,921.16
TOTAL COMMODITY AND VOLUMETRIC CHARGES			\$3,608,504.27			\$2,294,873.09			\$435,513.33		
DEMAND AND FIXED CHARGES:											
1. TEXAS GAS TRANSMISSION, LLC					\$2,306,169.90			\$2,465,216.10			\$1,372,558.80
2. ADJUSTMENTS					\$0.00			\$0.00			\$0.00
3. SUPPLY RESERVATION CHARGES					\$581,802.72			\$275,325.28			\$282,468.40
4. ADJUSTMENTS					\$0.00			\$0.00			\$0.00
5. CAPACITY RELEASE CREDITS					\$0.00			\$0.00			\$0.00
6. ADJUSTMENTS					\$0.00			\$0.00			\$0.00
TOTAL DEMAND AND FIXED CHARGES			\$2,887,972.62			\$2,740,541.38			\$1,655,025.20		
TOTAL PURCHASED GAS COSTS - TEXAS GAS TRANSMISSION, LLC			\$6,496,476.89			\$5,035,416.47			\$2,070,538.53		

LOUISVILLE GAS AND ELECTRIC COMPANY
SUMMARY OF GAS PURCHASES AND COSTS BY SUPPLIER
FOR THE 3 MONTH PERIOD FROM FEBRUARY 2016 THROUGH APRIL 2016

Exhibit B-1
Page 7 of 7

DELIVERED BY TENNESSEE GAS PIPELINE COMPANY, LLC

COMMODITY AND VOLUMETRIC CHARGES:

NATURAL GAS SUPPLIERS:

		FEBRUARY 2016		
		NET MMBTU	MCF	\$
1.	I	240,000	224,299	\$518,765.78
2.	J	180,000	149,533	\$299,873.40
3.	K	490,000	457,944	\$906,650.00
		890,000	831,776	\$1,725,289.18

NATURAL GAS TRANSPORTERS:

1.	TENNESSEE GAS PIPELINE COMPANY, LLC			\$7,640.00
2.	TENNESSEE GAS PIPELINE COMPANY, LLC			\$11,690.00
3.	TENNESSEE GAS PIPELINE COMPANY, LLC			\$290.00
4.	ADJUSTMENTS	51	5,131	(\$124.20)
5.	ADJUSTMENTS	0	0	\$0.00
6.	ADJUSTMENTS	0	0	\$0.00
	TOTAL	890,051	836,907	\$19,475.80

TOTAL COMMODITY AND VOLUMETRIC CHARGES

\$1,744,764.96

MARCH 2016		
NET MMBTU	MCF	\$
80,000	74,766	\$132,329.92
140,000	130,841	\$212,194.68
0	0	\$0.00
220,000	205,607	\$344,524.60

		\$4,202.00
		\$6,424.00
		\$154.00
(731)	(2,143)	\$511.31
0	0	\$0.00
0	0	\$0.00
219,269	203,464	\$11,291.31

\$355,815.91

APRIL 2016		
NET MMBTU	MCF	\$
0	0	\$0.00
0	0	\$0.00
0	0	\$0.00
0	0	\$0.00

		\$0.00
		\$0.00
		\$0.00
761	(342)	(\$1,091.24)
0	0	\$0.00
0	0	\$0.00
761	(342)	(\$1,091.24)

(\$1,091.24)

DEMAND AND FIXED CHARGES:

1.	TENNESSEE GAS PIPELINE COMPANY, LLC	\$152,480.00	\$152,480.00	\$152,480.00
2.	ADJUSTMENTS	\$0.00	\$0.00	\$0.00
3.	SUPPLY RESERVATION CHARGES	\$147,213.88	\$133,554.58	\$0.00
4.	ADJUSTMENTS	\$0.00	(\$0.08)	\$0.00
5.	CAPACITY RELEASE CREDITS	\$0.00	\$0.00	\$0.00
6.	ADJUSTMENTS	\$0.00	\$0.00	\$0.00

TOTAL DEMAND AND FIXED CHARGES

\$299,693.88

\$288,034.48

\$152,480.00

TOTAL PURCHASED GAS COSTS - TENNESSEE GAS PIPELINE COMPANY, LLC

\$2,044,458.64

\$641,850.39

\$151,388.76

OTHER PURCHASES

1.	CASH-OUT OF CUSTOMER OVER-DELIVERIES	47,613	\$93,345.04	26,867	\$46,402.30	16,392	\$30,295.17
	TOTAL	47,613	\$93,345.04	26,867	\$46,402.30	16,392	\$30,295.17

TOTAL PURCHASED GAS COSTS - ALL PIPELINES

2,541,593 2,531,343 \$8,634,280.57

1,563,313 1,569,538 \$5,723,669.18

572,756 584,284 \$2,252,222.46

LOUISVILLE GAS AND ELECTRIC COMPANY

Gas Supply Clause: 2016-00XXX

Calculation of Gas Cost Balance Adjustment (GCBA)

The purpose of this adjustment is to compensate for any over- or under-recoveries remaining from prior Gas Cost Actual Adjustments and Gas Cost Balance Adjustments. The over-recovery that must be returned under the Gas Cost Balance Adjustment (GCBA) during the period of August 1, 2016 through October 31, 2016, set forth on Page 1 of Exhibit C-1, is \$204,112. The GCBA factor required to return this over-recovery is a refund of .635¢ per 100 cubic feet. LG&E will place this refund into effect with service rendered on and after August 1, 2016 and continue for three months.

In this filing, LG&E will be eliminating the GCBA from Case 2016-00137, which, with service rendered through July 31, 2016, 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 November 1, 2016.

LOUISVILLE GAS AND ELECTRIC COMPANY
Calculation of Quarterly Gas Cost Balance Adjustment
For Service Rendered On and After August 1, 2016

Line No.	Factor	Remaining Balance
1	Remaining (Over)/Under Recovery From GCAA ¹	(\$268,639)
2	Remaining (Over)/Under Recovery From GCBA ²	(\$18,205)
3	Remaining (Under)/Over Refund From RA ³	\$0
4	Remaining (Over)/Under Recovery From PBRRC ⁴	<u>\$82,732</u>
5	Total Remaining (Over)/Under Recovery	(\$204,112)
6	Expected Mcf Sales for 3 Month Period ⁵	3,215,250
7	GCBA Factor Per Mcf	(\$0.0635)
8	GCBA Factor Per Ccf	(\$0.00635)

¹ See Exhibit C-1, page 2.

² See Exhibit C-1, page 3.

³ See Exhibit D-1, page 2. LG&E is not receiving any pipeline refunds at this time.

⁴ See Exhibit E-1, page 2. Only done for August filing.

⁵ See Exhibit A, page 1.

LOUISVILLE GAS AND ELECTRIC COMPANY
Calculation of Revenue Collected or Refunded Under GCAA Factor
For Service Rendered On and After 1, 2016

From Case No. 2014-00348

Line No.	Recovery Period	Comments	Total Mcf Sales for Month	Sales Applicable to GCAA Recovery	GCAA/Mcf Factor	Recovery/(Refund) per Month	Balance Remaining
	(1)	(2)	(3)	(4)	(5)	(6)=(4)x(5)	(7)=(Bal)-(6)
1						Beginning Balance	(\$1,840,078)
2	May-15	Prorated	1,228,564.9	548,270.0	(\$0.0570)	(\$31,251)	(\$1,808,827)
3	Jun-15		874,302.5	874,302.5	(\$0.0570)	(\$49,835)	(\$1,758,992)
4	Jul-15		712,691.3	712,691.3	(\$0.0570)	(\$40,623)	(\$1,718,369)
5	Aug-15		755,644.0	755,644.0	(\$0.0570)	(\$43,072)	(\$1,675,297)
6	Sep-15		780,404.8	780,404.8	(\$0.0570)	(\$44,483)	(\$1,630,814)
7	Oct-15		939,620.8	939,620.8	(\$0.0570)	(\$53,558)	(\$1,577,256)
8	Nov-15		1,706,623.8	1,706,623.8	(\$0.0570)	(\$97,278)	(\$1,479,978)
9	Dec-15		3,396,567.1	3,396,567.1	(\$0.0570)	(\$193,604)	(\$1,286,374)
10	Jan-16		5,101,870.0	5,101,870.0	(\$0.0570)	(\$290,807)	(\$995,567)
11	Feb-16		5,755,793.8	5,755,793.8	(\$0.0570)	(\$328,080)	(\$667,487)
12	Mar-16		3,951,842.2	3,951,842.2	(\$0.0570)	(\$225,255)	(\$442,232)
13	Apr-16		2,284,040.8	2,284,040.8	(\$0.0570)	(\$130,190)	(\$312,042)
14	May-16	Prorated	1,293,125.9	761,452.1	(\$0.0570)	(\$43,403)	(\$268,639)
15			Total Amount Recovered/(Refunded) During Period			(\$1,571,439)	
16			Remaining Balance to Transfer to Exhibit C-1, Page 1 of 3			(\$268,639)	

LOUISVILLE GAS AND ELECTRIC COMPANY
Revenue Collected Under the GCBA Factor
For Service Rendered On and After August 1, 2016

Case No. 2015-00429

Line No.	Recovery Period	Comments	Total Mcf Sales for Month	Sales Applicable to GCBA	GCBA/Mcf Factor	Recovery/(Refund) per Month	Balance Remaining
	(1)	(2)	(3)	(4)	(5)	(6)=(4)x(5)	(7)=(Bal)-(6)
1						Beginning Balance	(\$107,426)
2	Feb-2016	Prorated	5,755,793.8	2,807,157.5	(\$0.0091)	(\$25,545)	(\$81,881)
3	Mar-2016		3,951,842.2	3,951,842.2	(\$0.0091)	(\$35,962)	(\$45,919)
4	Apr-2016		2,284,040.8	2,284,040.8	(\$0.0091)	(\$20,785)	(\$25,134)
5	May-2016	Prorated	1,293,125.9	761,452.1	(\$0.0091)	(\$6,929)	(\$18,205)
6			Total Amount Recovered/(Refunded) During Period			(\$89,221)	
7			Remaining Balance to Transfer to Exhibit C-1, Page 1 of 3			(\$18,205)	

LOUISVILLE GAS AND ELECTRIC COMPANY

Gas Supply Clause: 2016-00XXX

The Company has received no refunds this quarter and has completed refunding all previous obligations.

Therefore, the Refund Factor will be as follows:

None

LOUISVILLE GAS AND ELECTRIC COMPANY

Effective February 1, 2016 with Gas Supply Clause Case No. 2015-00429
Shareholder Portion of PBR Savings

PBR Year 19

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

<u>Line No.</u>		<u>Commodity</u>	<u>Demand</u>	<u>Total</u>
1	Company Share of PBR Savings or (Expenses) (CSPBR)	\$556,852	\$424,904	\$981,756
2	Expected Mcf Sales for the 12 month period beginning February 1, 2016	32,963,363	33,538,955	
3	PBRRC factor per Mcf	\$0.0169	\$0.0127	\$0.0296
4	PBRRC factor per Ccf	\$0.00169	\$0.00127	\$0.00296

LOUISVILLE GAS AND ELECTRIC**Gas Supply Clause: 2016-00XXX****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. In accordance with the Order of the Commission in Case No. 2009-00550, LG&E is making this filing. Therefore, as shown in the following table, the PBRRC amount which became effective with gas service rendered on and after February 1, 2016, and will remain in effect until January 31, 2017, is \$0.00296 and \$0.00127 per 100 cubic feet for sales and Rider TS-2 volumes, respectively:

	<u>Sales Volumes</u>	<u>Transportation Volumes</u>
Commodity-Related Portion	\$0.00169/Ccf	\$0.00000/Ccf
Demand-Related Portion	<u>\$0.00127/Ccf</u>	<u>\$0.00127/Ccf</u>
Total PBRRC	\$0.00296/Ccf	\$0.00127/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 Rider TS-2 receive only the demand-related portion of the PBRRC.

LOUISVILLE GAS AND ELECTRIC COMPANY
Calculation of Revenue Collected Under PBR Factor
For Service Rendered On and After August 1, 2016

Case No. 2014-00475

Line No.	Performance Based Ratemaking Mechanism			Transporation Rider TS			Total	Balance
	Mcf Sales Applicable to PBR Recovery	PBRRC Factor	Total Collected/ (Returned)	MCF TS Transport	TS Transport Factor	Total Collected/ (Returned)	Recovery/ (Refund)	
	(1)	(2)	(3)=(1)x(2)	(4)	(5)	(6)=(4)x(5)	(7)=(3)+(6)	(8)=(Bal)-(7)
1							Beginning Balance	\$1,463,968
2	Feb-15 Prorated	3,215,355	\$0.0452	\$145,334	40,053.0	\$0.0214	\$857.13	\$1,317,777
3	Mar-15	6,227,552	\$0.0452	\$281,485	46,083.4	\$0.0214	\$986.18	\$1,035,305
4	Apr-15	2,395,537	\$0.0452	\$108,278	62,130.4	\$0.0214	\$1,329.59	\$925,697
5	May-15	1,228,565	\$0.0452	\$55,531	38,797.8	\$0.0214	\$830.27	\$869,336
6	Jun-15	874,303	\$0.0452	\$39,518	46,645.7	\$0.0214	\$998.22	\$828,819
7	Jul-15	712,691	\$0.0452	\$32,214	52,580.5	\$0.0214	\$1,125.22	\$795,480
8	Aug-15	755,644	\$0.0452	\$34,155	48,097.8	\$0.0214	\$1,029.29	\$760,296
9	Sep-15	780,405	\$0.0452	\$35,274	48,747.6	\$0.0214	\$1,043.20	\$723,979
10	Oct-15	939,621	\$0.0452	\$42,471	48,234.4	\$0.0214	\$1,032.22	\$680,475
11	Nov-15	1,706,624	\$0.0452	\$77,139	59,109.5	\$0.0214	\$1,264.94	\$602,071
12	Dec-15	3,396,567	\$0.0452	\$153,525	51,325.4	\$0.0214	\$1,098.36	\$447,448
13	Jan-16	5,101,870	\$0.0452	\$230,605	38,913.6	\$0.0214	\$832.75	\$216,011
14	Feb-16 Prorated	2,948,636	\$0.0452	\$133,278		\$0.0214	\$0.00	\$133,278
		30,283,369.7		\$1,368,808	580,719.1		\$12,427	\$1,381,236
15				Balance to be transferred to Exhibit C-1, Page 1 of 3			\$82,732	

LOUISVILLE GAS AND ELECTRIC

Gas Supply Clause: 2016-00XXX
Gas Cost True-Up Charge Applicable to Customers Served
Under Rate FT and Rider TS-2

The purpose of the Gas Cost True-Up is to collect or refund any under- or over-collected gas costs incurred by transportation customers in previous quarters. Pursuant to the Order dated December 20, 2012, in Case No. 2012-00222, the charge (or credit) applies only to those transportation customers that were previously Louisville Gas and Electric Company sales customers. These under- or over-collected amounts (in the form of the GCAA, GCBA, and PBRRC) that transferring customers would have paid as sales customers will be applied for eighteen months. Therefore, as shown in the following table, the charge (or credit) which will be effective for any customers transferring from an LG&E sales rate to one of its transportation rates effective November 1, 2014 and November 1, 2015 is respectively:

<u>With Service Elected Effective</u>	<u>Applicable Components of GCAA</u>	<u>Applicable Components of GCBA</u>	<u>Applicable Components of PBRRC</u>	<u>Total</u>
November 1, 2014	\$0.00/Mcf	\$0.00/Mcf	\$0.00/Mcf	\$0.00/Mcf
November 1, 2015	\$(0.0809)/Mcf	\$(0.0635)/Mcf	\$0.0296/Mcf	\$(0.1148)/Mcf

LOUISVILLE GAS AND ELECTRIC COMPANY

Gas Supply Clause 2016-00xxx
 Gas Cost True-Up Charge Applicable to Customers
 Served Under Rate FT and Rider TS-2
 For Service Rendered On and After August 1, 2016

Line No.	With Service Elected Effective	Applicable Components of GCAA/Mcf	Applicable Components of GCBA/Mcf	Applicable Components of PBRRC/Mcf	Total/Mcf
	(1)	(2)	(3)	(4)	(5)=(2)+(3)+(4)
1	November 1, 2014	\$0.0000	\$0.0000	\$0.0000	\$0.0000
2	November 1, 2015	(\$0.0809)	(\$0.0635)	\$0.0296	(\$0.1148)

LOUISVILLE GAS AND ELECTRIC COMPANY

**GAS SERVICE RATES EFFECTIVE WITH SERVICE
RENDERED FROM
August 1, 2016 through October 31, 2016**

	RATE PER 100 CUBIC FEET					TOTAL
	BASIC SERVICE CHARGE (PER MONTH)	GAS LINE TRACKER CHARGE (PER MONTH)	DISTRIBUTION COST COMPONENT	GAS SUPPLY COST COMPONENT (GSCC)	DSM COST RECOVERY COMPONENT	
RATE RGS - RESIDENTIAL						
BASIC SERVICE CHARGE	\$13.50	\$5.14				
ALL CCF			\$0.28693	\$0.38216	\$0.01084	\$0.67993
RATE CGS - COMMERCIAL (meter capacity < 5000 CF/HR)						
BASIC SERVICE CHARGE	\$40.00	\$27.41				
APRIL THRU OCTOBER						
FIRST 1000 CCF/MONTH			\$0.21504	\$0.38216	\$0.00057	\$0.59777
OVER 1000 CCF/MONTH			\$0.16504	\$0.38216	\$0.00057	\$0.54777
NOVEMBER THRU MARCH						
ALL CCF			\$0.21504	\$0.38216	\$0.00057	\$0.59777
RATE CGS - COMMERCIAL (meter capacity >= 5000 CF/HR)						
BASIC SERVICE CHARGE	\$180.00	\$27.41				
APRIL THRU OCTOBER						
FIRST 1000 CCF/MONTH			\$0.21504	\$0.38216	\$0.00057	\$0.59777
OVER 1000 CCF/MONTH			\$0.16504	\$0.38216	\$0.00057	\$0.54777
NOVEMBER THRU MARCH						
ALL CCF			\$0.21504	\$0.38216	\$0.00057	\$0.59777
RATE IGS - INDUSTRIAL (meter capacity < 5000 CF/HR)						
BASIC SERVICE CHARGE	\$40.00	\$259.54				
APRIL THRU OCTOBER						
FIRST 1000 CCF/MONTH			\$0.22779	\$0.38216	\$0.00000	\$0.60995
OVER 1000 CCF/MONTH			\$0.17779	\$0.38216	\$0.00000	\$0.55995
NOVEMBER THRU MARCH						
ALL CCF			\$0.22779	\$0.38216	\$0.00000	\$0.60995
RATE IGS - INDUSTRIAL (meter capacity >= 5000 CF/HR)						
BASIC SERVICE CHARGE	\$180.00	\$259.54				
APRIL THRU OCTOBER						
FIRST 1000 CCF/MONTH			\$0.22779	\$0.38216	\$0.00000	\$0.60995
OVER 1000 CCF/MONTH			\$0.17779	\$0.38216	\$0.00000	\$0.55995
NOVEMBER THRU MARCH						
ALL CCF			\$0.22779	\$0.38216	\$0.00000	\$0.60995
Rate AAGS						
BASIC SERVICE CHARGE	\$400.00	\$2,838.87				
ALL MCF			\$0.70090	\$3.8216	\$0.0057	\$4.52820
RATE DGGS - COMMERCIAL & INDUSTRIAL						
(meter capacity < 5000 CF/HR)						
BASIC SERVICE CHARGE	\$40.00	\$0.00				
ALL CCF			\$0.03329	\$0.38216	\$ 1.12630	\$1.54175
RATE DGGS - COMMERCIAL & INDUSTRIAL						
(meter capacity >= 5000 CF/HR)						
BASIC SERVICE CHARGE	\$180.00	\$0.00				
ALL CCF			\$0.03329	\$0.38216	\$ 1.12630	\$1.54175

EFFECTIVE RATES FOR RIDER TS-2 TRANSPORTATION SERVICE

**GAS SERVICE RATES EFFECTIVE WITH SERVICE
RENDERED FROM**

August 1, 2016 through October 31, 2016

		<u>RATE PER MCF</u>
Charges in addition to Customer's Retail Rate	ADMIN. CHARGE (PER MONTH)	PIPELINE SUPPLIER'S DEMAND COMPONENT
Rider TS-2		
RATE CGS - COMMERCIAL	\$550.00	
APRIL THRU OCTOBER		
FIRST 100 MCF/MONTH		\$0.8391
OVER 100 MCF/MONTH		\$0.8391
NOVEMBER THRU MARCH		
ALL MCF		\$0.8391
 RATE IGS - INDUSTRIAL	 \$550.00	
APRIL THRU OCTOBER		
FIRST 100 MCF/MONTH		\$0.8391
OVER 100 MCF/MONTH		\$0.8391
NOVEMBER THRU MARCH		
ALL MCF		\$0.8391
 Rate AAGS	 \$550.00	 \$0.8391

L G & E

Charges for Gas Transportation Services Provided Under Rate FT

August 1, 2016 through October 31, 2016

Transportation Service:

Monthly Transportation Administrative Charge	\$550.00
Distribution Charge / Mcf Delivered	\$0.4302

Ancillary Services:

Daily Demand Charge	\$0.1662
Daily Storage Charge	\$0.1833
Utilization Charge per Mcf for Daily Balancing	\$0.3495

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)**

August 1, 2016 through October 31, 2016

Transportation Service:

Monthly Transportation Administrative Charge	As Per Special Contract
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	\$0.1662
Daily Storage Charge	\$0.1833
Utilization Charge per Mcf for Daily Balancing	\$0.3495

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.

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

JUN 30 2016

PUBLIC SERVICE
COMMISSION

In the Matter of

THE PETITION OF LOUISVILLE GAS AND)
ELECTRIC COMPANY FOR CONFIDENTIAL)
TREATMENT OF CERTAIN INFORMATION) CASE NO. 2016-00____
CONTAINED IN ITS QUARTERLY GAS)
SUPPLY CLAUSE FILING)

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

Louisville Gas and Electric Company ("LG&E"), pursuant to 807 KAR 5:001, Section 13, petitions the Commission to classify and protect as confidential certain information that is contained in its Quarterly Gas Supply Clause filing, as more fully described below:

1. LG&E is filing contemporaneously with this Petition, as required by its tariffs governing its Gas Supply Clause (Original Sheet Nos. 85.1 and 85.2 of LG&E Gas Tariff PSC No. 10), a statement setting forth the summary of the total purchased gas costs for the period of February 2016 through April 2016 ("Summary"). Included in the Summary, which is included in the filing as two pages in Exhibit B-1, pages 6 and 7, is certain information the disclosure of which would damage LG&E's competitive position and business interests. As required by 807 KAR 5:001, Section 13(2)(b), LG&E is providing one copy of this Summary, under seal, with the material for which confidential treatment is requested highlighted, and ten copies of the Summary with the confidential material redacted.

2. The Kentucky Open Records Act exempts from disclosure certain commercial information. KRS 61.878(1)(c). To qualify for this exemption and, therefore, maintain the confidentiality of the information, a party must establish that disclosure of the commercial information would permit an unfair advantage to competitors of that party.

3. The Summary contains sensitive commercial information, the disclosure of which would injure LG&E's ability to negotiate future gas supply contracts at advantageous prices and, thereby, minimize the price of natural gas to its customers, and would unfairly advantage LG&E's competitors for both gas supplies and retail gas load. Any impairment of its ability to obtain the most advantageous price possible from natural gas producers and marketers will necessarily erode LG&E's competitive position vis-a-vis other energy suppliers that compete in LG&E's service territory, as well as other LDCs with whom LG&E competes for new and relocating industrial customers. This sensitive information identifies LG&E's natural gas suppliers for the period set forth and links those providers with specific gas volumes delivered and the costs thereof. Redacting the suppliers' names from the Summary will prevent other parties from piecing together the sensitive information which LG&E seeks to protect from disclosure. LG&E, therefore, proposes that the identity of each supplier be kept confidential.

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

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

4. LG&E has filed similar requests with the Commission with regard to the same information contained in prior quarterly Gas Supply Clause filings, which the Commission has granted.

5. The information in the Summary for which LG&E is seeking confidential treatment is not known outside of LG&E and the relevant suppliers, and it is not disseminated within LG&E except to those employees with a legitimate business need to know and act upon the information.

6. The public interest will be served by granting this Petition in that competition among LG&E's prospective gas suppliers will be fostered, and the cost of gas to LG&E's customers will thereby be minimized. In addition, the public interest will be served by fostering full and fair competition between LG&E and other energy service providers within LG&E's gas service territory. For this reason and because LG&E's contracts with supplier require that the information be kept confidential, LG&E respectfully requests that the confidential material should be treated as confidential for an indefinite period of time.

WHEREFORE, Louisville Gas and Electric Company respectfully requests that the Commission classify and protect as confidential for an indefinite period of time the identity of the gas suppliers listed in the statement that sets forth the summary of the total purchased gas costs for the period of February 2016 through April 2016 and that is included in the three month filing made concurrently herewith pursuant to LG&E's Gas Supply Clause.

Respectfully submitted,

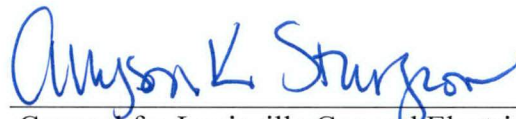


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Counsel for Louisville Gas and Electric Company

CERTIFICATE OF SERVICE

30 ^{4th} This is to certify that a true copy of the foregoing instrument was delivered by hand on the 30 of June, 2016, to the Office of the Attorney General, Office for Rate Intervention, 1024 Capital Center Drive, Frankfort, Kentucky 40601-8204.



Counsel for Louisville Gas and Electric Company