

JAN 28 2011
PUBLIC SERVICE
COMMISSION

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

January 28, 2011

Re: Gas Supply Clause - Case No. 2010-00525

Dear Mr. DeRouen:

Louisville Gas and
Electric Company
State Regulation and Rates
220 West Main Street
PO Box 32010

Robert M. Conroy Director - Rates T 502-627-3324 F 502-627-3213 robert.conroy@lge-ku.com

Louisville, Kentucky 40232

www.lge-ku.com

Pursuant to ordering paragraph (2) of the Commission's Order dated January 24, 2011, in Case No. 2010-00525, filed herewith are an original and four copies of the following sheets of LG&E Tariff P.S.C. Gas No. 8, reflecting the Gas Supply Cost Component established in such Order.

New Revision

Third Revision of Original Sheet No. 1 Second Revision of Original Sheet No. 5 Second Revision of Original Sheet No. 7 Second Revision of Original Sheet No. 10 Second Revision of Original Sheet No. 15 Second Revision of Original Sheet No. 20.1 Second Revision of Original Sheet No. 30.3 Second Revision of Original Sheet No. 35.1 Second Revision of Original Sheet No. 50 Second Revision of Original Sheet No. 85

Superseding

Second Revision of Original Sheet No. 1
First Revision of Original Sheet No. 5
First Revision of Original Sheet No. 7
First Revision of Original Sheet No. 10
First Revision of Original Sheet No. 15
First Revision of Original Sheet No. 20.1
First Revision of Original Sheet No. 30.3
First Revision of Original Sheet No. 35.1
First Revision of Original Sheet No. 50
First Revision of Original Sheet No. 85

Please contact me if you have any questions concerning this filing.

Sincerely,

Robert M. Conroy

Enclosures

P.S.C. Gas No. 8, Third Revision of Original Sheet No. 1 Canceling P.S.C. Gas No. 8, Second Revision of Original Sheet No. 1

	GENERAL INDEX Standard Gas Rate Schedules – Terms and Co	nditions		
	<u>Title</u>	Sheet <u>Number</u>	Effective Date	
General Index	(1	02-01-11	
SECTION 1 - RGS VFD CGS IGS AAGS FT DGGS	Residential Gas Service Volunteer Fire Department Service Firm Commercial Gas Service Firm Industrial Gas Service As-Available Gas Service Firm Transportation Service (Non-Standby) Distributed Generation Gas Service Special Charges Returned Payment Charge Meter Test Charge Disconnect/Reconnect Service Charge Inspection Charge Charge for Temporary and Short Term Service	5 7 10 15 20 30 35 45	02-01-11 02-01-11 02-01-11 02-01-11 02-01-11 02-01-11 08-01-10	
SECTION 2 - TS GMPS PS-TS PS-FT EF	Riders to Standard Rate Schedules Gas Transportation Service/Standby Gas Meter Pulse Service Pooling Service - Rate TS Pooling Service - Rate FT Excess Facilities	50 52 60 61 62	02-01-11 08-01-10 08-01-10 08-01-10 08-01-10	
SECTION 3 - GSC DSM PBR WNA FF ST HEA	Adjustment Clauses Gas Supply Clause Demand-Side Management Cost Recovery Mechanism Performance-Based Ratemaking Mechanism Weather Normalization Adjustment - WNA Franchise Fee and Local Tax School Tax Home Energy Assistance Program	85 86 87 88 90 91 92	02-01-11 12-30-10 11-01-10 09-27-00 02-06-09 08-01-10 02-06-09	

Date of Issue: January 28, 2011 Date Effective: February 1, 2011

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

Issued by Authority of an Order of the KPSC in Case No. 2010-00525 dated January 24, 2011

P.S.C. Gas No. 8, Second Revision of Original Sheet No. 5 Canceling P.S.C. Gas No. 8, First Revision of Original 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, 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 ninety (90) days or more after the effective date of Rate DGGS, customer shall be served under Standard Rate DGGS.

RATE

Basic Service Charge: \$12.50 per delivery point per month

Plus a Charge Per 100 Cubic Feet:

Distribution Cost Component \$ 0.22396 Gas Supply Cost Component \$ 0.52720 Total Gas Charge Per 100 Cubic Feet \$ 0.75116

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:

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
Home Energy Assistance Program	Sheet No. 92

MINIMUM CHARGE

The Basic Service Charge shall be the minimum charge.

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P.S.C. Gas No. 8, Second Revision of Original Sheet No. 7 Canceling P.S.C. Gas No. 8, First Revision of Original Sheet No. 7

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 ninety (90) days or more after the effective date of Rate DGGS, 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:

\$12.50 per delivery point per month

Plus a Charge Per 100 Cubic Feet:

Distribution Cost Component \$ 0.22396 Gas Supply Cost Component \$ 0.52720 Total Gas Charge Per 100 Cubic Feet \$ 0.75116

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:

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

MINIMUM CHARGE

The Basic Service Charge shall be the minimum charge.

DUE DATE OF BILL

Customer's payment will be due within twelve (12) calendar days from the date of the bill.

LATE PAYMENT CHARGE

If full payment is not received within three (3) calendar days from the due date of the bill, a 5% late payment charge will be assessed on the current month's charges.

TERMS AND CONDITIONS

Service will be furnished under Company's Terms and Conditions applicable hereto.

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P.S.C. Gas No. 8, Second Revision of Original Sheet No. 10 Canceling P.S.C. Gas No. 8, First Revision of Original Sheet No. 10

Standard Rate CGS

Firm Commercial Gas Service

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

Applicable to firm natural gas sales service to customers engaged in commercial activities such as apartment buildings, rooming and boarding dwellings, residential hotels, multi-family row housing, duplexes, other situations where gas is supplied to consumers in two or more dwelling units designed for the primary purposes of residences, and other commercial activities when supplied at a single point of delivery and where distribution mains are adjacent to the premises to be served.

Combination commercial and residential accounts shall be considered commercial if usage for commercial purposes is half or more than half of the total service over the course of a year.

The term "commercial" customers shall include customers using gas in activities related to warehousing, distributing, or selling commodities, providing professional services, wholesale and retail stores, offices, office buildings, hotels, retail bakeries, hospitals, schools, churches, religious or charitable institutions, governmental agencies, other institutions or the like (including local, state, and federal governmental agencies) and for uses other than those involved in manufacturing. Applications related to the use of gas in standby or other electric generation in commercial applications shall not be served under this rate schedule unless such facilities were installed and operating under this Standard Rate CGS before ninety (90) days after the effective date of Rate DGGS.

This schedule is also applicable to natural gas service for street lighting to such entities as certificated homeowners associations, businesses, and local, state, and federal governmental agencies.

RATE

Basic Service Charge:

If all of the customer's meters have a capacity < 5000 cf/hr: \$ 30.00 per delivery point per month

If any of the customer's meters have a capacity ≥ 5000 cf/hr: \$170.00 per delivery point per month

Plus a Charge Per 100 Cubic Feet:

Distribution Cost Component \$ 0.18722
Gas Supply Cost Component 0.52720
Total Charge Per 100 Cubic Feet \$ 0.71442

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.

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P.S.C. Gas No. 8, Second Revision of Original Sheet No. 15 Canceling P.S.C. Gas No. 8, First Revision of Original Sheet No. 15

Standard Rate

IGS

Firm Industrial Gas Service

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

Applicable to firm natural gas sales service to customers engaged in industrial activities that involve manufacturing or other activities that process, create or change raw or unfinished materials into another form or product when supplied at a single point of delivery and where distribution mains are adjacent to the premises to be served.

Combination industrial and commercial accounts shall be considered industrial if usage for industrial purposes is half or more than half of the total service over the course of a year.

The term "industrial" customers shall include customers involved in activities using gas *primarily* in a process or processes which either involve the extraction of raw materials from the earth, or a change of raw or unfinished materials into another form or product through the application of heat or heat treating, steam agitation, evaporation, baking, extraction, drying, distilling, asphalt production, and for other similar uses. Applications related to the use of gas in standby or other electric generation in industrial applications shall not be served under this rate schedule unless such facilities were installed and operating under this Standard Rate IGS before ninety (90) days after the effective date of Rate DGGS.

RATE

Basic Service Charge:

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

\$ 30.00 per delivery point per month

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

\$170.00 per delivery point per month

Plus a Charge Per 100 Cubic Feet:

Distribution Cost Component
Gas Supply Cost Component
Total Charge Per 100 Cubic Feet

\$ 0.19022 \$ 0.52720 \$ 0.71742

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.

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.

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P.S.C. Gas No. 8, Second Revision of Original Sheet No. 20.1 Canceling P.S.C. Gas No. 8, First Revision of Original Sheet No. 20.1

STANDARD RATE SCHEDULE

AAGS

As-Available Gas Service

RATE

Basic Service Charge:

\$275.00 per delivery point per month

Plus a Charge Per Mcf

Distribution Cost Component \$ 0.5252 Gas Supply Cost Component \$ 5.2720 Total Charge Per Mcf \$ 5.7972

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:

Demand Side Management Cost Recovery Mechanism

Sheet No. 86
Franchise Fee and Local Tax

School Tax

Sheet No. 90
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.

In addition to the charges set forth above, if the Customer fails to discontinue the consumption of natural gas at its facility at the conclusion of the eighteen- (18-) hour notice period, Company may charge the Customer the following penalty for each Mcf used during the period of interruption in addition to any other remedy available to Company, including, but not limited to, immediate termination of service under this rate schedule, irrespective of the provisions set forth on "Contract Term", and immediate transfer by Company to either Rate CGS or Rate IGS, as applicable.

Customer shall be charged a per Mcf penalty charge equal to \$15.00 plus the mid-point price posted in "Gas Daily" for Dominion--South Point on the day to which such interruption of service is applicable, plus any other charges under this rate schedule for such unauthorized usage by Customer that occurs following the conclusion of the eighteen- (18-) hour notice of interruption by Company to Customer.

If Customer is delivering quantities of gas to Company pursuant to Rate TS during such period of interruption, the charge described in the immediately preceding paragraph shall be applicable only to those quantities used by customer in excess of those being delivered by Customer to Company.

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R R

P.S.C. Gas No. 8, Second Revision of Original Sheet No. 30.3 Canceling P.S.C. Gas No. 8, First Revision of Original Sheet No. 30.3

Standard Rate FT

Firm Transportation Service (Non-Standby)

Daily Demand Charge:

\$0.1847 per Mcf

Daily Storage Charge:

\$0.1833

Utilization Charge for Daily Imbalances:

\$0.3680 per Mcf

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 ±10% of the delivered volume. 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 required to maintain system reliability. Customer shall be responsible for complying with the directives contained in the OFO.

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 is no less than the daily amount being delivered by the Pipeline Transporter to Company for Customer. Provision of oral notice by telephone to Customer shall be deemed as proper notice of an OFO. Customer shall respond to an OFO by either adjusting its deliveries to Company's system or its consumption at its facility.

All volumes taken by Customer in excess of volumes delivered by Pipeline Transporter to Company for Customer in violation of the above "condition (a)" OFO shall constitute an unauthorized receipt by Customer from Company. All volumes taken by Customer less than volumes delivered by Pipeline Transporter to Company for Customer in violation of "condition (b)" OFO shall constitute an unauthorized delivery by Customer to Company. Customer shall be charged a per Mcf charge equal to \$15.00 plus the mid-point price posted in "Gas Daily" for Dominion South Point on the day for which the OFO was violated, plus any other charges under this rate schedule for such unauthorized receipts or deliveries that occur twenty-four (24) hours after notice of the OFO is provided to the Customer or that fall outside the ±10 percent imbalance tolerance regardless of the notice.

Company will not be required to provide service under this rate schedule for any Customer that does not comply with the terms or conditions of an OFO. Payment of charges hereunder shall not be considered an exclusive remedy for failure to comply with the OFO, nor shall the payment of such charges be considered a substitute for any other remedy available to Company.

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Issued By: Lonnig E. Bellar, Vice President, State Regulation and Rates, Louisville, Kentucky

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P.S.C. Gas No. 8, Second Revision of Original Sheet No. 35.1 Canceling P.S.C. Gas No. 8, First Revision of Original Sheet No. 35.1

Standard Rate DGGS	
Distributed Generatio	n Gas Service
Demand Charge per 100 cubic feet of Monthly Bi	lling Demand: \$1.0110
Plus a Charge Per 100 Cubic Feet:	
Distribution Cost Component	\$0.02744
Gas Supply Cost Component	<u>0.5</u> 2720
Total Charge Per 100 Cubic Feet	\$0.55464

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:

Franchise Fee and Local Tax Sheet No. 90 School Tax Sheet No. 91

DUE DATE OF BILL

Customer's payment will be due within twelve (12) calendar days from the date of the bill.

LATE PAYMENT CHARGE

If full payment is not received within three (3) calendar days from the due date of the bill, a 1% late payment charge will be assessed on the current month's charges.

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Issued By: Longie E. Bellar, Vice President, State Regulation and Rates, Louisville, Kentucky

R R

P.S.C. Gas No. 8, Second Revision of Original Sheet No. 50 Canceling P.S.C. Gas No. 8, First Revision of Original Sheet No. 50

Standard Rate Rider	TS	
	Gas Transportation Service/Standby	

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

Available to commercial and industrial customers served under Rate CGS and Rate IGS who consume either (a) an average of at least 50 Mcf each day during the billing cycle at each individual Delivery Point, or (b) 50,000 Mcf annually at each individual Delivery Point. Also available to customers served under Rate AAGS who consume at least 50 Mcf each day during the billing cycle at each individual Delivery Point. Customer shall have purchased natural gas elsewhere, and request Company to utilize its system to transport, by displacement, such customer-owned gas to place of utilization. Any transportation service hereunder will be conditioned on Company being able to retain or secure adequate standby quantities of natural gas. In addition, transportation service hereunder will be subject to the terms and conditions herein set forth and to the availability of adequate capacity on Company's system to perform such service without detriment to its other customers.

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: \$153.00 per Delivery Point per month

	CGS	IGS	AAGS
Distribution Charge Per Mcf	\$1.8722	\$1.9022	\$0.5252
Pipeline Supplier's Demand Component	0.8839	0.8839	0.8839
Total	\$2.7561	\$2.7861	\$1.4091

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.

ADJUSTMENT CLAUSES

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

Demand Side Management Cost Recovery Mechanism

Franchise Fee and Local Tax

Sheet No. 86

Sheet No. 90

School Tax

Sheet No. 91

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P.S.C. Gas No. 8, Second Revision of Original Sheet No. 85 Canceling P.S.C. Gas No. 8, First Revision of Original Sheet No. 85

Adjustment Clause GSC Gas Supply Clause		-
Cus cupply chause		
APPLICABLE TO All gas sold.		
GAS SUPPLY COST COMPONENT (GSCC)		
Gas Supply Cost	\$0.54160	
Gas Cost Actual Adjustment (GCAA)	(0.02003)	
Gas Cost Balance Adjustment (GCBA)	0.00036	
Refund Factors (RF) continuing for twelve months from the effective date of each or until Company has discharged its refund obligation thereunder:		
Refund Factor Effective August 1, 2010 Refund Factor Effective November 1, 2010 Refund Factor Effective February 1, 2011 Total Refund Factor	(0.00021) (0.00021) (0.00021) (0.00063)	district indications and constraint entire to
Performance-Based Rate Recovery Component (PBRRC)	<u>0.00590</u>	desired a desired desi
Total Gas Supply Cost Component Per 100 Cubic Feet (GSCC)	\$0.52720	

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