

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)
ADJUSTMENT FILING OF LOUISVILLE) CASE NO. 90-158-N
GAS AND ELECTRIC COMPANY)

O R D E R

On December 21, 1990, in Case No. 90-158 the Commission approved certain adjusted rates for Louisville Gas and Electric Company ("LG&E") and provided for their further adjustment on a quarterly basis in accordance with its gas supply clause ("GSC").

On March 31, 1994, LG&E filed its GSC to be effective from May 1, 1994 through July 31, 1994.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. LG&E's notice proposed revised rates designed to pass on expected decreased wholesale gas costs to its customers. LG&E's proposed expected gas supply cost is 30.654 cents per 100 cubic feet, or \$3.0654 per Mcf.

2. LG&E's notice set out a current quarter refund factor of 2.71 cents per Mcf to return Texas Gas Transmission Corporation refunds of \$788,411, including interest, to sales customers. LG&E also set out a .76 cent per Mcf refund factor to return \$402,091 of refunds, including interest, to transportation customers.

3. LG&E's notice set out a current quarter actual adjustment of (4.09) cents per Mcf to return over-recovered gas cost from November and December 1993, and January 1994. The proposed total actual adjustment of 7.34 cents per Mcf reflects the current over-recovery as well as under- and over-collections from three previous quarters.

4. LG&E's notice set out a balance adjustment of (9.88) cents per Mcf to return over-collections from previous actual and balance adjustments.

5. These adjustments produce a gas supply cost component of 30.129 cents per 100 cubic feet or \$3.0129 per Mcf, 18.96 cents per Mcf more than the prior rate.

6. The rate adjustment in the Appendix to this Order is fair, just, and reasonable, in the public interest, and should be effective for gas supplied on and after May 1, 1994.

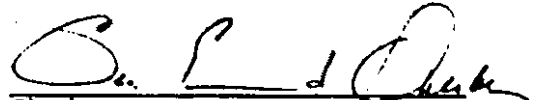
IT IS THEREFORE ORDERED that:


1. The rate in the Appendix to this Order is fair, just, and reasonable and is effective for gas supplied on and after May 1, 1994.

2. Within 30 days from the date of this Order, LG&E shall file with this Commission its revised tariffs setting out the rate authorized in this Order.

Done at Frankfort, Kentucky, this 29th day of April, 1994.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director