

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-V
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 29, 1996, LG&E filed its GSC to be effective from May 1, 1996 through July 31, 1996.

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 increased wholesale gas costs to its customers. LG&E's proposed expected gas supply cost is 31.152 cents per 100 cubic feet, or \$3.1152 per Mcf.

2. LG&E has current net quarter supplier refunds of \$2,597,146, including interest, to return to its customers. The current refund factor for sales customers is 5.61 cents per Mcf. The total refund factor for sales customers of 8.05 cents per Mcf reflects the current adjustment, as well as adjustments from

previous quarters. The current refund factor for transportation customers is 5.48 cents per Mcf, with the total refund factor for transportation customers being 7.65 cents per Mcf.

3. LG&E's notice set out a current quarter actual adjustment of 23.79 cents per Mcf to collect under-recovered gas cost from November and December 1995 and January 1996. The proposed total actual adjustment of 26.12 cents per Mcf reflects the current under-recovery as well as under- and over-collections from three previous quarters.

4. LG&E's notice set out a balance adjustment of 1.36 cents per Mcf to collect remaining under-collections from previous actual and balance adjustments.

5. These adjustments produce a gas supply cost component of 33.095 cents per 100 cubic feet or \$3.3095 per Mcf, 52.95 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 with gas supplied on and after May 1, 1996.

7. LG&E filed with its notice a petition for confidential treatment of supplier information filed in Exhibit B-1, page 5 of 5. Publication of such information is likely to cause competitive injury to LG&E. Its request should be granted.

IT IS THEREFORE ORDERED that:

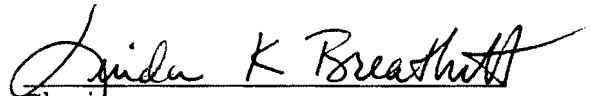
1. The rate in the Appendix to this Order is fair, just, and reasonable and is effective for gas supplied on and after May 1, 1996.

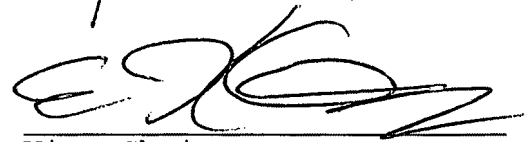
2. Within 30 days from the date of this Order, LG&E shall file with this Commission its revised tariffs setting out the rate authorized in this Order.

3. LG&E's request for confidential treatment of Exhibit B-1, page 5, is hereby approved.

Done at Frankfort, Kentucky, this 29th day of April, 1996.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 90-158-V DATED APRIL 29, 1996

The following rates and charges are prescribed for the customers served by Louisville Gas and Electric Company. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the date of this Order.

Gas Supply Cost Adjustment

The total Gas Supply Cost Component shall be 33.095 cents per 100 cubic feet during the period covered by the bill.