

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

ORDER

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 June 30, 2000, LG&E filed its GSC to be effective from August 1, 2000 through October 31, 2000.

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

1. LG&E's notice proposes revised rates designed to pass on expected increased wholesale gas costs to its customers. LG&E's proposed expected gas supply cost is 56.359 cents per 100 cubic feet, or \$5.6359 per Mcf, which is \$1.8657 per Mcf more than the previous expected gas supply cost of \$3.7702.

2. LG&E has no current supplier refunds to return to its customers.

3. LG&E's notice set out a current quarter actual adjustment ("AA") of 9.71 cents per Mcf to collect under-recovered gas cost from February, March and April

2000. The proposed total AA of 8.31 cents per Mcf reflects the current under-collection, as well as under- and over-collections from three previous quarters, and represents a decrease of 2.53 cents per Mcf over the previous total AA.

4. LG&E's notice set out a Balance Adjustment ("BA") of (30.32) cents per Mcf to return remaining over-collections from previous actual and balance adjustments. This is a decrease of 39.24 cents per Mcf from the previous BA.

5. LG&E's notice set out its Performance-Based Rate Recovery Component ("PBRRC") of \$.0534 per Mcf which is designed to collect LG&E's portion of PBR savings from the 12-month period ending October 31, 1999.

6. These adjustments produce a gas supply cost component of 54.692 cents per 100 cubic feet or \$5.4692 per Mcf, \$1.4480 per Mcf more than the prior gas supply cost component of \$4.0212 per Mcf.

7. 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 August 1, 2000.

8. LG&E filed with its notice a petition for confidential treatment of supplier information filed in Exhibit B-1, pages 5 and 6 of 6. LG&E has established that the publication of such information is likely to cause competitive injury to LG&E. Therefore, its request that the identity of each supplier be kept confidential 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 August 1, 2000.

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

3. LG&E's request for confidential treatment of Exhibit B-1, pages 5 and 6, is hereby granted.

4. LG&E shall inform the Commission in writing at any time when any of the material granted confidentiality herein becomes publicly available or no longer warrants confidential treatment.

Done at Frankfort, Kentucky, this 18th day of July, 2000.

By the Commission

ATTEST:

Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 90-158-MM DATED JULY 18, 2000

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 effective date of this Order.

Gas Supply Cost Component

The total Gas Supply Cost Component shall be 54.692 cents per 100 cubic feet during the period covered by the bill.