

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF LOUISVILLE)	CASE NO. 2003-00260
GAS AND ELECTRIC COMPANY)	

ORDER

On September 27, 2000, in Case No. 2000-00080, the Commission approved rates for Louisville Gas and Electric Company (LG&E) and provided for their further adjustment in accordance with LG&E s gas supply clause (GSC).

On July 1, 2003, LG&E filed its proposed GSC to be effective August 1, 2003.

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

1. LG&E s notice includes revised rates designed to pass on to its customers its expected change in wholesale gas costs.
2. LG&E s expected gas supply cost is 71.172 cents per 100 cubic feet, or \$7.1172 per Mcf, which is 87.77 cents per Mcf more than the previous expected gas supply cost of \$6.2395.
3. LG&E s notice sets out no current refund adjustment (RA). LG&E s notice sets out a total RA of 1.7 cent per Mcf, which is no change from the previous total RA.
4. LG&E s notice sets out a current actual adjustment (AA) of 55.75 cents per Mcf. The total AA of 89.78 cents per Mcf is 23.35 cents per Mcf more than the previous total AA.

5. LG&E s notice sets out a current Balance Adjustment (BA) of (.57) cent per Mcf, which is .21 cent per Mcf more than the previous BA.

6. LG&E s notice sets out its Performance-Based Rate Recovery Component (PBRRC) of 4.05 cents per Mcf, which is designed to collect LG&E s portion of PBR savings from the 12 months ended October 31, 2002.

7. LG&E s gas supply cost component is 80.328 cents per 100 cubic feet or \$8.0328 per Mcf, which is \$1.1133 per Mcf more than the prior gas supply cost component of \$6.9195 per Mcf.

8. The rate in the Appendix to this Order is fair, just, and reasonable, and should be approved for gas supplied by LG&E on and after August 1, 2003.

IT IS THEREFORE ORDERED that:

1. The rate in the Appendix to this Order is approved for gas supplied on and after August 1, 2003.

2. Within 20 days of the date of this Order, LG&E shall file with this Commission its revised tariffs setting out the rate authorized herein.

Done at Frankfort, Kentucky, this 22nd day of July, 2003.

By the Commission

ATTEST:


Executive Director

Case No. 2003-00260

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2003-00260 DATED July 22, 2003

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 80.328 cents per 100 cubic feet during the period covered by the bill.