

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF LOUISVILLE)	CASE NO. 2003-00385
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 October 1, 2003, LG&E filed its proposed GSC to be effective November 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 63.665 cents per 100 cubic feet, or \$6.3665 per Mcf, which is 75.07 cents per Mcf less than the previous expected gas supply cost of \$7.1172.
3. LG&E s notice sets out no current refund adjustment (RA). LG&E s notice sets out a total RA of 0 cent per Mcf, which is an increase of 1.7 cent per Mcf from the previous total RA. of (1.7) cent per Mcf.
4. LG&E s notice sets out a current actual adjustment (AA) of (1.13) cent per Mcf. The total AA of 84.07 cents per Mcf is 5.71 cents per Mcf less than the previous total AA.

5. LG&E s notice sets out a current Balance Adjustment (BA) of (.23) cent per Mcf, which is .34 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 72.454 cents per 100 cubic feet or \$7.2454 per Mcf, which is 78.74 per Mcf less than the prior gas supply cost component of \$8.0328 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 November 1, 2003.

IT IS THEREFORE ORDERED that:

1. The rate in the Appendix to this Order is approved for gas supplied on and after November 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 27th day of October, 2003.

By the Commission

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2003-00385 DATED October 27, 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 72.454 cents per 100 cubic feet during the period covered by the bill.