

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF LOUISVILLE)	CASE NO. 2008-00246
GAS AND ELECTRIC COMPANY)	

ORDER

On June 30, 2004, in Case No. 2003-00433,¹ 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 June 30, 2008, LG&E filed its proposed GSC to be effective August 1, 2008.

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 Cost (“EGC”) is \$1.56996 per 100 cubic feet, or \$15.6996 per Mcf, which is \$4.2657 per Mcf more than the previous EGC of \$11.4339 per Mcf.
3. LG&E’s notice sets out no current Refund Adjustment (“RA”). LG&E’s notice sets out no total RA, which is no change from the previous total RA.

¹ Case No. 2003-00433, An Adjustment of the Gas and Electric Rates, Terms, and Conditions of Louisville Gas and Electric Company.

4. LG&E's notice sets out a current Actual Adjustment ("AA") of \$.5053 per Mcf. The total AA of \$.4703 per Mcf is an increase of \$.1144 per Mcf from the previous total AA.

5. LG&E's notice sets out a \$.1242 per Mcf current Balance Adjustment ("BA"), which is an increase of \$.2272 per Mcf from the previous BA.

6. LG&E's notice sets out its Performance-Based Rate ("PBR") Recovery Component of \$.0784 per Mcf, which will remain in effect to collect LG&E's portion of PBR savings until January 31, 2009.

7. LG&E's Gas Supply Cost Component ("GSCC") is \$1.63725 per 100 cubic feet or \$16.3725 per Mcf, which is \$4.6073 per Mcf more than the prior GSCC of \$11.7652 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, 2008.

IT IS THEREFORE ORDERED that:

1. The rate in the Appendix, attached hereto and incorporated herein, is approved for gas supplied on and after August 1, 2008.

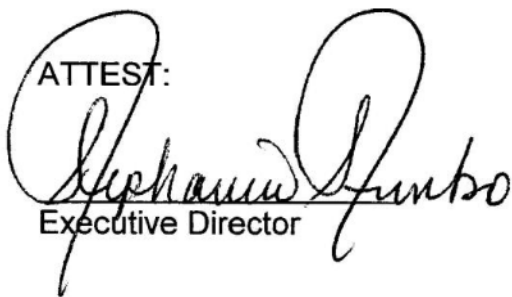
2. Within 20 days of the date of this Order, LG&E shall file with the Commission its revised tariffs setting out the rate authorized herein.

Done at Frankfort, Kentucky, this 23rd day of July, 2008.

By the Commission

Chairman Armstrong Abstains.

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2008-00246 DATED JULY 23, 2008

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 the Commission prior to the effective date of this Order.

Gas Supply Cost Component

The total Gas Supply Cost Component shall be \$1.63725 per 100 cubic feet for gas supplied on and after August 1, 2008.