

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2014-00372

**Supplemental Response to Commission Staff's Second Request for Information
Dated January 8, 2015**

Question No. 8

Responding Witness: J. Clay Murphy / Robert M. Conroy

- Q-8. Refer to Tab 5 of the application, LG&E Gas tariff, proposed P.S.C. No. 10, Original Sheet Nos. 30.1,30.4, and 30.6-30.10, Firm Transportation Service ("FT").
- a. Explain why LG&E is proposing a 38 percent increase to the Administrative Charge, from \$400 to \$550. The explanation should include specific customer-related costs not currently included in the \$400 Basic Service Charge.
 - b. Explain the circumstances that caused LG&E to propose the text additions to the Cash-out Provision for Monthly Imbalances section on Original Sheet No. 30.4. Specifically, describe the historical magnitude of customers' imbalances and the impact on gas cost collection from FT customers resulting from the proposed change to the existing tariff language.
 - c. Explain the circumstances that caused LG&E to propose the text additions to the Utilization Charge for Daily Imbalances section on proposed Original Sheet No. 30.6. Specifically, describe the historical magnitude of customers failing to comply with Operational Flow Orders ("OFO") and the impact on existing FT customers of the proposed text change.
 - d. State whether there is any change to the current text of the OFO section on proposed Original Sheet Nos. 30.6 and 30.7 other than the text addition to the pricing paragraph of Sheet No. 30.7.
 - e. Explain the circumstances that caused LG&E to propose the text additions to the pricing paragraph of the OFO section on proposed Original Sheet No. 30.7. Specifically, describe the historical magnitude of customers failing to comply with an OFO and the impact on gas cost collection from FT customers resulting from the proposed change to the existing tariff language.
 - f. State whether there is any change to the current text of the Special Terms and Conditions section on proposed Original Sheet Nos. 30.8-30.10.

A-8. Original Response

- f. LG&E is not proposing any changes to the Special Terms and Conditions section on proposed Original Sheet Nos. 30.8, 30.9 and 30.10. However, “Special Term and Condition” Number 2 contains an editing error that has resulted in a portion of the original text being unnecessarily repeated. Specifically, on proposed Original Sheet No. 30.9, beginning on the eighth line under “Special Terms And Conditions (continued)”, the following language should be deleted as redundant:

“Transporter shall be provided by Customer to Company no later than 10:00 a.m. Eastern Clock Time on the day prior to the day(s) for which volumes are scheduled to flow. Only those volumes actually confirmed by Company and scheduled on the Pipeline Transporter are considered nominated volumes. Company shall not be obligated to accept from customer daily nominations, or changes thereto, that are made after the daily deadline for”

Supplemental Response

- f. See Attachment 1 for a redline version and Attachment 2 for a clean version of the proposed Original Sheet No. 30.9 with the redundant text removed.

Louisville Gas and Electric Company

P.S.C. Gas No. 10, Original Sheet No. 30.9

Standard Rate

FT

Firm Transportation Service (Transportation Only)

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SPECIAL TERMS AND CONDITIONS (continued)

system for Customer's account. Any changes in nominated volumes, as well as any other information required to effectuate the delivery of such gas to Company by the Pipeline Transporter, shall be provided by Customer to Company no later than 10:00 a.m. Eastern Clock Time on the day prior to the day(s) for which volumes are scheduled to flow. Only those volumes actually confirmed by Company and scheduled on the Pipeline Transporter are considered nominated volumes. Company shall not be obligated to accept from Customer daily nominations, or changes thereto, that are made after the daily deadline for ~~Transporter, shall be provided by Customer to Company no later than 10:00 a.m. Eastern Clock Time on the day prior to the day(s) for which volumes are scheduled to flow. Only those volumes actually confirmed by Company and scheduled on the Pipeline Transporter are considered nominated volumes. Company shall not be obligated to accept from~~ Customer daily nominations, or changes thereto, that are made after the daily deadline for such nominations as set forth above or that are made on weekend days or holidays as such are observed by Company. Company will not be obligated to utilize its underground storage capacity for purposes of this service.

3. In no case will Company be obligated to deliver gas, including both gas transported and gas sold, to Customer in greater volumes or at greater rates of flow than those specified in the written contract between Customer and Company. The maximum daily volume that Company shall be obligated to deliver shall be referred to as the Maximum Daily Quantity ("MDQ"). The MDQ is the maximum daily volume of gas, as determined by Company, based on Customer's historical daily metered volumes. In the event that historical daily metered volumes are not available, Company will determine the MDQ based upon data provided by Customer and/or monthly metered data. Once historical daily metered data becomes available, the MDQ will be subject to revision by Company on an annual basis.
4. Volumes of gas transported hereunder will be determined in accordance with Company's measurement base as set forth in the Terms and Conditions of this Tariff.
5. All volumes of natural gas received by Company for Customer shall meet the specifications established by Pipeline Transporter.
6. Company will have the right to curtail or interrupt the transportation or delivery of gas to any Customer hereunder when, in Company's judgment, such curtailment is necessary to enable Company to respond to an emergency or force majeure condition.
7. Should Customer be unable to deliver sufficient volumes of transportation gas to Company's system, Company will not be obligated hereunder to provide standby quantities for purposes of supplying such Customer requirements.

DATE OF ISSUE: November 26, 2014

DATE EFFECTIVE: January 1, 2015

ISSUED BY: /s/ Edwin R. Staton, Vice President
State Regulation and Rates
Louisville, Kentucky

Louisville Gas and Electric Company**P.S.C. Gas No. 10, Original Sheet No. 30.9****Standard Rate****FT****Firm Transportation Service (Transportation Only)****SPECIAL TERMS AND CONDITIONS** (continued)

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