

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

| | | |
|------------------------------|---|---------------------|
| PURCHASED GAS ADJUSTMENT |) | |
| FILING OF LOUISVILLE GAS AND |) | CASE NO. 2010-00140 |
| ELECTRIC COMPANY |) | |

ORDER

On February 5, 2009, in Case No. 2008-00252,¹ 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 March 31, 2010, LG&E filed its proposed GSC to be effective May 1, 2010.

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 \$.55515 per 100 cubic feet, or \$5.5515 per Mcf, which is a decrease of \$.6597 per Mcf from the previous EGC of \$6.2112 per Mcf.
3. LG&E's notice sets out a current Refund Adjustment ("RA") of (\$.0064) per Mcf, which is also its total RA. The total RA of (\$.0064) per Mcf represents no change from its previous total RA.

¹ Case No. 2008-00252, Application of Louisville Gas and Electric Company for an Adjustment of Its Electric and Gas Base Rates (Ky. PSC Feb. 5, 2009).

4. LG&E's notice sets out a current Actual Adjustment ("AA") of \$.0456 per Mcf. The total AA of (\$.4682) per Mcf is an increase of \$.4239 per Mcf from the previous total AA of (\$.8921) per Mcf.

5. LG&E's notice sets out a \$.0562 per Mcf current Balance Adjustment ("BA"), which is an increase of \$.0744 per Mcf from the previous BA of (\$.0182) per Mcf.

6. LG&E's notice sets out its previously approved Performance-Based Rate Recovery Component ("PBRRC") of \$.0549 per Mcf, which will remain in effect to collect LG&E's portion of PBR savings until January 31, 2011.

7. LG&E's Gas Supply Cost Component ("GSCC") is \$.51880 per 100 cubic feet or \$5.1880 per Mcf, which is a decrease of \$.1614 per Mcf from the prior GSCC of \$5.3494 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 May 1, 2010.

IT IS THEREFORE ORDERED that:

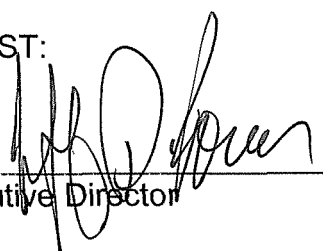
1. The rate in the Appendix attached hereto and incorporated herein is approved for gas supplied on and after May 1, 2010.

2. Within 20 days of the date of this Order, LG&E shall file its revised tariffs with this Commission setting out the rates approved herein and reflecting that they were approved pursuant to this Order.

By the Commission

ENTERED *M*
APR 29 2010
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



Executive Director

Case No. 2010-00140

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2010-00140 DATED APR 29 2010

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 \$.51880 per 100 cubic feet for gas supplied on and after May 1, 2010.

Robert M Conroy
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