

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF LOUISVILLE	)	
GAS AND ELECTRIC COMPANY FOR	)	CASE NO.
APPROVAL OF REVISED GAS LINE TRACKER	)	2025-00041
RATES EFFECTIVE FOR SERVICES RENDERED	)	
ON AND AFTER MAY 1, 2025	)	

ORDER

On February 28, 2025, Louisville Gas and Electric Company (LG&E) submitted an application to revise rates for its Gas Line Tracker Adjustment Clause (GLT) effective May 1, 2025, pursuant to the Commission's Order in Case No. 2012-00222<sup>1</sup> approving the GLT program and associated rates. LG&E's previous revised GLT rates were approved by the Commission in Case No. 2024-00039.<sup>2</sup> On April 28, 2025, the Commission issued an Order suspending LG&E's proposed GLT rates for one day, until May 2, 2025. Pursuant to KRS 278.190(2), LG&E may begin charging the proposed GLT rates, pending a final Order and subject to refund, once it provides written notice to the Commission of its intention to do so. On April 30, 2025, LG&E filed Notice Regarding Implementation of Proposed Gas Line Tracker Rates but stated in the notice that it does not plan to implement its proposed GLT rates until after the Commission concludes its review and

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<sup>1</sup> Case No. 2012-00222, *Application of Louisville Gas and Electric Company for an Adjustment of its Electric and Gas Rates, a Certificate of Public Convenience and Necessity, Approval of Ownership of Gas Service Lines and Risers, and a Gas Line Surcharge* (Ky. PSC Dec. 20, 2012).

<sup>2</sup> Case No. 2024-00039, *Electronic Application of Louisville Gas And Electric Company For Approval Of Revised Gas Line Tracker Rates Effective For Services Rendered On And After May 1, 2024* (Ky. PSC Apr. 30, 2024).

issues its final Order. There are no intervenors in this proceeding. This case now stands submitted for decision.

### LEGAL STANDARD

KRS 278.509 states that “[n]otwithstanding any other provision of law to the contrary, upon application by a regulated utility, the commission may allow recovery of costs for investment in natural gas pipeline replacement programs which are not recovered in the existing rates of a regulated utility. No recovery shall be allowed unless the costs shall have been deemed by the commission to be fair, just and reasonable.”

### DISCUSSION

The Commission, in its June 30, 2021 Order in Case No. 2020-00350, approved the removal of completed transmission related projects from LG&E’s GLT mechanism.<sup>3</sup> In Case No. 2023-00066, LG&E’s GLT rates included only a true-up component for the transmission related portion, as there were no gas transmission projects currently eligible to be recovered through the GLT.<sup>4</sup> In Case No. 2024-00039, the transmission credit was reduced to zero.<sup>5</sup>

The distribution charge per month includes two parts: (1) a forecasted rate component, based on the estimated GLT revenue requirement for calendar year 2025 and (2) a true-up rate component that reconciles the actual GLT program costs for

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<sup>3</sup> Case No. 2020-00350, *Electronic Application of Louisville Gas and Electric Company for an Adjustment of Its Electric and Gas Rates, a Certificate of Public Convenience and Necessity to Deploy Advanced Metering Infrastructure, Approval of Certain Regulatory and Accounting Treatments, and Establishment of a One-Year Surcredit* (Ky. PSC June 30, 2021), Order at 67–68.

<sup>4</sup> Case No. 2023-00066, *Electronic Application of Louisville Gas and Electric Company for Approval of Revised Gas Line Tracker Rates Effective for Services Rendered on and After May 1, 2023* (Ky. PSC Apr. 28, 2023), Order at 2 and 3.

<sup>5</sup> Case No. 2024-00039, Apr. 30, 2024 Order.

calendar year 2024 with GLT revenues collected in calendar year 2024. Based upon its application, LG&E's forecasted revenue requirement eligible for recovery under its GLT mechanism related to distribution projects for 2025 is \$12,613,988.<sup>6</sup> During 2024, LG&E had a total under-collection of \$3,263,527 related to its distribution related projects.<sup>7</sup>

Having reviewed the evidence of record and being otherwise sufficiently advised, the Commission finds that the information contained in LG&E's filing includes sufficient detail to support the reasonableness of LG&E's revised GLT rates. The Commission finds that the GLT rates proposed by LG&E to be effective upon date of service of this Order, are fair, just and reasonable, and should be approved.

In its notice LG&E stated that it does not plan to implement its proposed GLT rates into effect following the Commission's Order suspending LG&E's proposed GLT rates for one day, up to and including May 1, 2025, and would instead wait until after the Commission concludes its review and issues its final Order in this proceeding.<sup>8</sup> LG&E's GLT mechanism allows for a true-up for the difference between actual GLT costs and collected GLT revenues for the previous year. Therefore, any revenue difference resulting from a delay in implementing new GLT rates in this proceeding may be fully addressed in LG&E's next year's GLT filing.

In order to aid in the timely review of LG&E's GLT rate application, the Commission finds that all future applications filed by LG&E for a revision in GLT rates should continue to include an electronic version of the supporting calculations and exhibits used the

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<sup>6</sup> Application, Exhibit 2.

<sup>7</sup> Application, Exhibit 2.

<sup>8</sup> Notice Regarding Implementation of Proposed Gas Line Tracker Rates (filed Apr. 30, 2025).

compute the GLT rates in Excel spreadsheet format with all formulas, rows, and columns unprotected and fully accessible.

IT IS HEREBY ORDERED that:


1. The GLT rates in the Appendix to this Order are approved for service rendered by LG&E on and after the date of service of this Order.

2. LG&E's future applications for a revision in GLT rates shall include an electronic version containing the supporting calculations and exhibits used to compute the GLT rates in Excel spreadsheet format with all formulas, rows, and columns unprotected and fully accessible.

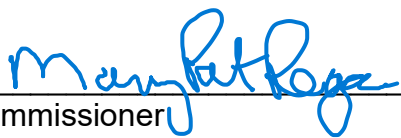
3. Within 20 days of the date of service of this Order, LG&E shall file with this Commission, using the Commission's electronic Tariff Filing System, revised tariff sheets setting out the rates approved herein and reflecting that they were approved pursuant to this Order.

4. This case is closed and removed from the Commission's docket.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Commissioner

  
Commissioner

ATTEST:

  
Executive Director



## APPENDIX

### APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2025-00041 DATED AUG 01 2025

The following rates and charges are prescribed for the customers in the area 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 the authority of the Commission prior to the effective date of the Order.

#### Gas Line Tracker Rates:

	Distribution Projects <u>(\$/delivery point)</u>	Transmission Projects <u>(\$/Ccf)</u>
RGS, VFD	\$ 2.97	\$ 0.00000
CGS, SGSS	\$ 14.84	\$ 0.00000
IGS, AAGS, DGGS, SPEC	\$ 203.04	\$ 0.00000
FT, LGDS	\$ 0.00	\$ 0.00000

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