

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)	2026-00052
RATES EFFECTIVE FOR SERVICES RENDERED)	
ON AND AFTER MAY 1, 2026)	

ORDER

On March 2, 2026, Louisville Gas and Electric Company (LG&E) submitted an application to revise rates for its Gas Line Tracker Adjustment Clause (GLT) effective May 1, 2026,¹ pursuant to the Commission’s Order in Case No. 2012-00222² approving the GLT program and associated rates. LG&E’s previous revised GLT rates were approved by the Commission in Case No. 2025-00041.³ On March 31, 2026, the Commission issued an Order suspending LG&E’s proposed GLT rates for one day, until May 2, 2026. LG&E responded to one round of discovery from Commission Staff.⁴ On May 4, 2026, LG&E filed Notice Regarding Implementation of Proposed Gas Line Tracker Rates but

¹ Application, Exhibit 1.

² 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).

³ Case No. 2025-00041, *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, 2025*(Ky. PSC Aug. 1, 2025).

⁴ LG&E’s Response to Commission Staff’s First Request for Information (Staff’s First Request) (filed Apr. 20, 2026).

stated in the notice that it did not plan to implement its proposed GLT rates until after the Commission concludes its review and issues its final Order.

There are no intervenors in this proceeding. This matter now stands submitted for a decision based upon the evidentiary record.

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.⁵ 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.⁶ In Case No. 2024-00039, the transmission credit was reduced to zero.⁷

⁵ 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.

⁶ 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.

⁷ Case No. 2024-00039, *Electronic Application of Louisville Gas and Electric for Approval of Revised Gas Line Tracker Rates Effective for Services Rendered on and After May 1, 2024* (Ky. PSC Apr. 30, 2024), Order, at 2.

The distribution charge per month includes two parts: (1) a forecasted rate component, based on the estimated GLT revenue requirement for calendar year 2026 and (2) a true-up rate component that reconciles the actual GLT program costs for calendar year 2025 with GLT revenues collected in calendar year 2025.⁸

Based upon its application, LG&E's forecasted revenue requirement eligible for recovery under its GLT mechanism related to distribution projects for 2026 is \$17,758,732.⁹ During 2025, LG&E had a total under-collection of \$3,903,970 related to its distribution related projects.¹⁰ According to the filing, the 2025 GLT program is characterized by a continued focus on infrastructure modernization, primarily through the Leak Mitigation and Customer Service Line categories,¹¹ which represent the 2026 forecasted 13-month average \$14.8 million in capital additions.¹² LG&E stated that key additions included the replacement of existing customer service lines and gas risers as well as the installation of new service lines, alongside specialized leak mitigation efforts.¹³ According to LG&E, these investments serve as the primary driver for the increase in average net assets and the subsequent upward adjustment of monthly GLT rates for all

⁸ Application, Exhibit 2.

⁹ Application, Exhibit 2.

¹⁰ Application, Exhibit 2.

¹¹ Case No. 2025-00041, Aug. 1, 2025 Application, Exhibit 4 at 3.

¹² Case No. 2025-00041, Aug. 1, 2025 Application, Exhibit 4 at 1. See also to Application, Exhibit 4 at 1.

2026 Net Rate Base (13-month average) – 2025 Net Rate Base (thirteen-month average)

= \$99,516,665 - \$84,692,425 = \$14,824,240

¹³ Application, Exhibit 4 at 2.

customer classes.¹⁴ LG&E also stated that its application incorporates an updated GLT budget for calendar year 2026, which included additional capital spend of \$2,934,079 and \$2,349,556 (13-month average) for the existing Customer Service Line program and Leak Mitigation programs, respectively, to address existing and projected gas leaks.¹⁵

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 the date of this Order are fair, just and reasonable, and should be approved.

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 explanation of the projects for the forecasted year that LG&E planning to fulfill and a projects description of the true-up year along with an electronic version of 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.

¹⁴Application, Exhibit 4.

¹⁵ LG&E's Response to Staff's First Request, Item 3.

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 this Order.
2. LG&E's future applications for a revision in GLT rates shall include a project description of the forecasted and the true-up years along with 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.

Entered on this 8th day of May, 2026.

PUBLIC SERVICE COMMISSION



Angie Hatton
Chair



Mary Pat Regan
Commissioner



Andrew W. Wood
Commissioner

ATTEST:



Linda C. Bridwell, PE
Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2026-00052 DATED MAY 8 2026

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	\$ 3.96	\$ 0.00000
CGS, SGSS	\$ 20.26	\$ 0.00000
IGS, AAGS, DGGS, SPEC	\$ 281.93	\$ 0.00000
FT, LGDS	\$ 0.00	\$ 0.00000

Service List for 2026-00052

* Andrea M. Fackler
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