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PUBLIC SERVICE
COMMISSION

Jeff DeRouen, Executive Director
Public Service Commission of Kentucky
211 Sower Boulevard
Frankfort, Kentucky 40602

**Louisville Gas and
Electric Company**
State Regulation and Rates
220 West Main Street
PO Box 32010
Louisville, Kentucky 40232
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February 27, 2015

Robert M. Conroy
Director - Rates
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robert.conroy@lge-ku.com

RE: *Louisville Gas and Electric Company - Gas Line Tracker True-up for 2014* Case No. 2015-00071

Dear Mr. DeRouen:

Louisville Gas and Electric Company ("LG&E" or the "Company") pursuant to its Gas Line Tracker ("GLT") Adjustment Clause approved by the Commission on December 20, 2012¹, files herewith an Application for approval of revised sheets of its Tariff P.S.C. Gas No. 9, Fourth Revision of Original Sheet No. 84 setting forth GLT charges as presented below.

RGS - Residential Gas Service	\$ 3.76
VFD - Volunteer Fire Department Service	\$ 3.76
CGS - Commercial Gas Service	\$ 16.89
IGS - Industrial Gas Service	\$ 149.35
AAGS - As-Available Gas Service	\$ 823.62
DGGS - Distributed Generation Gas Service	\$ 0.0

LG&E is making revisions to reflect the balancing adjustment for actual costs for the period ending December 31, 2014 to become effective with the first billing cycle for May, 2015. Lower than forecast operating expenses and

¹ Case No. 2012-00222, In the Matter of: *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*, Order dated December 20, 2012.

Jeff DeRouen, Executive Director
Public Service Commission of Kentucky
February 27, 2015

investment costs resulted in an over-recovery for 2014. LG&E has calculated the 2014 refund separately from the 2013 refund currently in rates, similar to the balancing adjustment used in the Company's Gas Supply Clause. The Company expects that the 2013 balancing adjustment will be nearly fully refunded by the end of April 2015 when the revised rates go into effect. Any residual amount would then be incorporated into the Company's 2016 true-up filing.

Supporting documentation for the proposed GLT charges is also filed herewith.

We respectfully request your acceptance of this filing for implementation with the first billing cycle for May, 2015.

Sincerely,



Robert M. Conroy

Enclosures

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

**APPLICATION OF LOUISVILLE GAS AND)
ELECTRIC COMPANY FOR APPROVAL OF)
REVISED RATES TO BE RECOVERED)
THROUGH ITS GAS LINE TRACKER)
BEGINNING WITH THE FIRST BILLING)
CYCLE FOR MAY, 2015)**

CASE NO. 2015-00071

APPLICATION

Louisville Gas and Electric Company (“LG&E” or the “Company”) hereby requests, pursuant to the Commission’s Orders in Case Nos. 2012-00222¹ and 2014-00070², that the Commission issue an order approving its revised rates for its Gas Line Tracker Adjustment Clause (“GLT”) effective with the first billing cycle for May, 2015 (which begins April 30, 2015). In support of this Application, the Company states as follows:

1. LG&E’s full name is Louisville Gas and Electric Company. LG&E’s post office address is 220 W. Main Street, Louisville, KY 40202. LG&E was incorporated in Kentucky on July 2, 1913 and LG&E attests that it is in good standing in Kentucky. LG&E is a utility as defined by KRS 278.010(3)(a) and (b) and as of February 27, 2015, provides retail gas service to approximately 318,000 customers in seventeen counties in Kentucky.

2. In this filing, LG&E is submitting a tariff filing, a copy of which is attached hereto as Exhibit 1, setting forth revised rates for its GLT Adjustment Clause. The

¹ *In the Matter of: 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*, Case No. 2012-00222, Order of December 20, 2012.

² *In the Matter of: Revised Gas Line Tracker Filing for Louisville Gas and Electric Company*, Case No. 2014-00070, Order of April 29, 2014.

Commission's Order in Case No. 2012-00222 approved the GLT program and associated rates. Subsequently, LG&E filed its original GLT tariff on January 31, 2013, with an effective date of January 1, 2013. LG&E made an October 31, 2013 filing proposing revised rates effective December 31, 2013. On December 13, 2013, the Commission approved revised GLT rates for service rendered by LG&E on and after December 31, 2013. Following the filing of revised GLT rates on February 28, 2014, the Commission approved a revised GLT tariff filing effective April 29, 2014. On December 16, 2014, the Commission approved revised rates for service rendered by LG&E on and after December 31, 2014.³

3. LG&E proposes to change its GLT charges to the rates presented below:

RGS - Residential Gas Service	\$3.76
VFD - Volunteer Fire Department Service	\$ 3.76
CGS - Commercial Gas Service	\$ 16.89
IGS - Industrial Gas Service	\$ 149.35
AAGS - As-Available Gas Service	\$ 823.62
DGGS - Distributed Generation Gas Service	\$ 0.00

4. LG&E's calculations and supporting documentation of the GLT charges proposed to become effective with LG&E's first billing cycle in May 2015 (which begins April 30, 2015) are attached hereto as Exhibit 2. LG&E has calculated its balance adjustment for the year 2014 separately from the 2013 balance adjustment for bills rendered during 2014; the refund for 2013 will continue in rates until the revised rates in this application are approved. The Company expects that by the end of April 2015, when revised rates go into effect, the 2013 refund will be nearly fully applied; any residual balance will then be incorporated into the 2016 true-up filing, similar to the balancing adjustment in LG&E's Gas Supply Clause.

³ *In the Matter of: Application of Louisville Gas and Electric Company for Approval of Revised Rates to be Recovered Through its Gas Line Tracker Beginning with the First Billing Cycle for January, 2015, Case No. 2014-00381, Order of December 16, 2014.*

WHEREFORE, Louisville Gas and Electric Company respectfully requests the Commission to enter an order approving the revised rates for its Gas Line Tracker Adjustment Clause ("GLT") effective with the first billing cycle for May, 2015 (which begins April 30, 2015).

Dated: February ^{27th}7, 2015

Respectfully submitted,



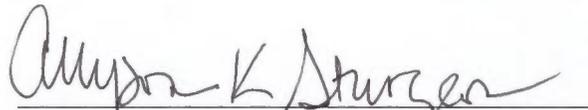
Allyson K. Sturgeon
Senior Corporate Attorney
LG&E and KU Energy LLC
220 West Main Street
Louisville, KY 40202
Telephone: (502) 627-2088

Counsel for Louisville Gas and Electric Company

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing Application was served on the following persons on the 21st day of February, 2015, U.S. mail, postage prepaid:

Lawrence W. Cook
Assistant Attorney General
Office of the Attorney General
Office of Rate Intervention
1024 Capital Center Drive, Suite 200
Frankfort, KY 40601-8204


Counsel for Louisville Gas and Electric
Company

Louisville Gas and Electric Company

P.S.C. Gas No. 9, Fourth Revision of Original Sheet No. 84
 Canceling P.S.C. Gas No. 9, Third Revision of Original Sheet No. 84

Adjustment Clause

GLT Gas Line Tracker

APPLICABLE

Applicable to all customers receiving service under the Company's Rate Schedules RGS, VFD, CGS, IGS, AAGS, and DGGS.

CALCULATION OF THE GAS LINE TRACKER REVENUE REQUIREMENT

The GLT Revenue Requirement includes the following:

- a. GLT related Plant In-Service not included in base gas rates minus the associated GLT related accumulated depreciation and accumulated deferred income taxes;
- b. Retirement and removal of plant related to GLT construction;
- c. The rate of return on the net rate base is the overall rate of return on capital authorized in the Company's latest base gas rate case, grossed up for federal and state income taxes;
- d. Depreciation expense on the GLT-related Plant In-Service less retirement and removals; and
- e. Incremental Operation and Maintenance
- f. Property Taxes

GLT PROGRAM FACTORS

All customers receiving service under rate schedules RGS, VFD, CGS, IGS, AAGS, and DGGS shall be assessed an adjustment to their applicable rate schedule that will enable the Company to recover the costs associated with the GLT program. After the Company replaces a gas service riser or a gas service line under this program, it will assume ownership and responsibility for the plant and equipment. The allocation of the program cost to customers will be in proportion to their relative base revenue share approved in Case No. 2012-00222.

A filing to update the projected program costs will be submitted annually at least two (2) months prior to the beginning of the effective period. The filing will reflect the anticipated impact on the Company's revenue requirements of net plant additions expected during the upcoming year. After the completion of a plan year, the Company will submit a balancing adjustment to true up the actual costs with the projected program costs for the preceding year. Such adjustment to the GLT will become effective with the first billing cycle on or after the effective date of such change.

GLT RATES

The charges for the respective gas service schedules are:

RGS – Residential Gas Service	\$ 3.76	↓
VFD – Volunteer Fire Department Service	\$ 3.76	
CGS – Commercial Gas Service	\$ 16.89	
IGS – Industrial Gas Service	\$ 149.35	
AAGS – As-Available Gas Service	\$ 823.62	
DGGS – Distributed Generation Gas Service	\$ 0.00	

DATE OF ISSUE: February 27, 2015

DATE EFFECTIVE: April 30, 2015

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

LOUISVILLE GAS & ELECTRIC COMPANY

Supporting Calculations for the

**GLT Adjustment Clause
True-up of the Actual Costs**

GAS SERVICE

**Twelve-Month Period Beginning January 1, 2014
and Ending December 31, 2014**

**LOUISVILLE GAS AND ELECTRIC COMPANY
ANNUAL ADJUSTMENT TO THE GAS LINE TRACKER
CLASS ALLOCATION AND BILL IMPACT**

Line No.	Rate Schedule	Total Current Revenue for YE 3/31/12 in Case No. 2012-00222	Allocation Percent	Revenue Requirement	Number of Bills	Current Year 2014 Monthly Rate Per Bill	2014 True up Monthly Rate Per Bill	Revised Monthly Rate Per Bill Reflecting True up
2015								
1	Residential Gas Service - Rate RGS	\$157,968,420	69.65%	\$13,287,144	3,492,362	\$3.80	(\$0.04)	\$3.76
2	Commercial Gas Service - Rate CGS	\$62,664,972	27.63%	\$5,270,917	308,576	\$17.08	(\$0.20)	\$16.89
3	Industrial Gas Service - Rate IGS	\$4,668,469	2.06%	\$392,677	2,599	\$151.09	(\$1.74)	\$149.35
4	As-Available Gas Service - Rate AAGS	\$1,505,655	0.66%	\$126,645	152	\$833.19	(\$9.57)	\$823.62
5	Distributed Generation Gas Service - Rate DGGS	\$0	0.00%	\$0.00	-	\$0.00	\$0.00	\$0.00
6	Total	<u>\$226,807,515</u>	<u>100.00%</u>	<u>\$ 19,077,383</u>	<u>3,803,689</u>			

Note: Rate Schedule VFD is included in Rate RGS

2014 - (Over)/Under recovery								
1	Residential Gas Service - Rate RGS	\$157,968,420	69.65%	(\$152,631)	3,492,362		(\$0.04)	
2	Commercial Gas Service - Rate CGS	\$62,664,972	27.63%	(\$60,548)	308,576		(\$0.20)	
3	Industrial Gas Service - Rate IGS	\$4,668,469	2.06%	(\$4,511)	2,599		(\$1.74)	
4	As-Available Gas Service - Rate AAGS	\$1,505,655	0.66%	(\$1,455)	152		(\$9.57)	
5	Distributed Generation Gas Service - Rate DGGS	\$0	0.00%	\$0.00	-		\$0.00	
6	Total	<u>\$226,807,515</u>	<u>100.00%</u>	<u>\$ (219,144)</u>	<u>3,803,689</u>			

Note: Rate Schedule VFD is included in Rate RGS



**GLT (Over)/Under Recovery Calculation
As of December 2014**

Expense Month	(A) Revenue Requirement	(B) Collections/ (Refunds) for Prior Year	(C) Adjusted Revenue Requirement A + B	(D) Billed GLT Revenues	(E) Total (Over)/Under Collection C - D
SUMMARY:					
TOTAL (Over)/Under Collection					\$ (219,144.40)
Jan-2014	\$ 953,350.05	\$ 0.00	\$ 953,350.05	\$ 982,959.94	\$ (29,609.89)
Feb-2014	\$ 887,325.79	\$ 0.00	\$ 887,325.79	\$ 983,752.35	\$ (96,426.56)
Mar-2014	\$ 863,257.09	\$ 0.00	\$ 863,257.09	\$ 982,704.78	\$ (119,447.69)
Apr-2014	\$ 779,099.49	\$ (1,987.97)	\$ 777,111.52	\$ 978,039.37	\$ (200,927.85)
May-2014	\$ 950,119.42	\$ (242,408.38)	\$ 707,711.04	\$ 680,387.11	\$ 27,323.93
Jun-2014	\$ 835,332.74	\$ (528,028.27)	\$ 307,304.47	\$ 447,763.85	\$ (140,459.38)
Jul-2014	\$ 939,678.36	\$ (527,356.72)	\$ 412,321.64	\$ 447,621.74	\$ (35,300.10)
Aug-2014	\$ 971,161.49	\$ (525,945.03)	\$ 445,216.46	\$ 446,683.71	\$ (1,467.25)
Sep-2014	\$ 1,048,407.67	\$ (524,167.78)	\$ 524,239.89	\$ 444,292.44	\$ 79,947.45
Oct-2014	\$ 1,111,319.39	\$ (526,620.97)	\$ 584,698.42	\$ 447,063.44	\$ 137,634.98
Nov-2014	\$ 1,047,983.44	\$ (520,716.13)	\$ 527,267.31	\$ 442,017.31	\$ 85,250.00
Dec-2014	\$ 1,069,248.91	\$ (538,068.69)	\$ 531,180.22	\$ 456,842.26	\$ 74,337.96
TOTAL for Year, 01/14 - 12/14					\$ (219,144.40)



**GLT Calculation of Revenue Requirement
As of December 2014**

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)
Expense Month	End of Month Net Assets on which to Recover	YTD Average Net GLT Assets	YTD Average Net Assets Applied to Year	YTD Average Net Assets Applied to Year / 12	Rate of Return	Return on Net Assets	Operating Expenses (OE)	Revenue Requirement	Collections/ (Refunds) for Prior Years	Adjusted Revenue Requirement
				C / 12		D x E		F + G		H + I
MONTHLY DETAIL:										
Dec-2013	\$ 48,398,157.16	\$ 29,294,976.76	\$ 29,294,976.76	\$ 2,441,248.06	11.01%	\$ 268,781.41	\$ 407,174.44	\$ 675,955.85	\$ 0.00	\$ 675,955.85
Start of Period Rate Base, 12/13										
Jan-2014	\$ 49,863,557.18	\$ 49,130,857.17	\$ 70,408,702.13	\$ 5,867,391.84	11.01%	\$ 645,999.84	\$ 307,350.21	\$ 953,350.05	\$ 0.00	\$ 953,350.05
Feb-2014	\$ 54,857,926.26	\$ 51,039,880.20	\$ 70,408,702.13	\$ 5,867,391.84	11.01%	\$ 645,999.84	\$ 241,325.95	\$ 887,325.79	\$ 0.00	\$ 887,325.79
Mar-2014	\$ 59,157,304.56	\$ 53,069,236.29	\$ 70,408,702.13	\$ 5,867,391.84	11.01%	\$ 645,999.84	\$ 217,257.25	\$ 863,257.09	\$ 0.00	\$ 863,257.09
Apr-2014	\$ 61,270,028.19	\$ 54,709,394.67	\$ 70,408,702.13	\$ 5,867,391.84	11.01%	\$ 645,999.84	\$ 133,099.65	\$ 779,099.49	\$ (1,987.97)	\$ 777,111.52
May-2014	\$ 65,910,361.38	\$ 56,576,222.46	\$ 70,408,702.13	\$ 5,867,391.84	11.01%	\$ 645,999.84	\$ 304,119.58	\$ 950,119.42	\$ (242,408.38)	\$ 707,711.04
Jun-2014	\$ 70,436,024.10	\$ 58,556,194.12	\$ 70,408,702.13	\$ 5,867,391.84	11.01%	\$ 645,999.84	\$ 189,332.90	\$ 835,332.74	\$ (528,028.27)	\$ 307,304.47
Jul-2014	\$ 75,025,649.06	\$ 60,614,875.99	\$ 70,408,702.13	\$ 5,867,391.84	11.01%	\$ 645,999.84	\$ 293,678.52	\$ 939,678.36	\$ (527,356.72)	\$ 412,321.64
Aug-2014	\$ 79,509,100.39	\$ 62,714,234.25	\$ 70,408,702.13	\$ 5,867,391.84	11.01%	\$ 645,999.84	\$ 325,161.65	\$ 971,161.49	\$ (525,945.03)	\$ 445,216.46
Sep-2014	\$ 83,299,044.38	\$ 64,772,715.27	\$ 70,408,702.13	\$ 5,867,391.84	11.01%	\$ 645,999.84	\$ 402,407.83	\$ 1,048,407.67	\$ (524,167.78)	\$ 524,239.89
Oct-2014	\$ 87,862,071.37	\$ 66,871,747.64	\$ 70,408,702.13	\$ 5,867,391.84	11.01%	\$ 645,999.84	\$ 465,319.55	\$ 1,111,319.39	\$ (526,620.97)	\$ 584,698.42
Nov-2014	\$ 89,677,560.01	\$ 68,772,232.00	\$ 70,408,702.13	\$ 5,867,391.84	11.01%	\$ 645,999.84	\$ 401,983.60	\$ 1,047,983.44	\$ (520,716.13)	\$ 527,267.31
Dec-2014	\$ 90,046,343.66	\$ 70,408,702.13	\$ 70,408,702.13	\$ 5,867,391.84	11.01%	\$ 645,999.84	\$ 423,249.07	\$ 1,069,248.91	\$ (538,068.69)	\$ 531,180.22
TOTAL for Year, 01/14 - 12/14						\$ 7,751,998.10	\$ 3,704,285.76	\$ 11,456,283.86		\$ 7,520,983.92



**GLT Calculation of Net Assets
As of December 2014**

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
Expense Month	End of Month Rate Base (Gross) (RB)	End of Month Acc. Depreciation (AD)	End of Month Cost of Removal (CoR)	End of Month Deferred Tax on GLT RB & CoR	End of Month Retirements from Base Rates	End of Month Acc. Depreciation on Retirements	End of Month Deferred Tax on Retirements	End of Month Net Assets on which to Recover
	A + B + C + D - E - F - G							
MONTHLY DETAIL:								
Dec-2013	\$ 59,042,438.20	\$ (923,186.66)	\$ 729,383.37	\$ (8,693,034.17)	\$ 3,375,560.49	\$ (1,409,434.54)	\$ (208,682.37)	\$ 48,398,157.16
Start of Period Rate Base, 12/13								
Jan-2014	\$ 60,334,764.57	\$ (1,079,023.48)	\$ 1,330,494.51	\$ (8,965,234.84)	\$ 4,076,788.02	\$ (2,110,662.07)	\$ (208,682.37)	\$ 49,863,557.18
Feb-2014	\$ 65,544,104.41	\$ (1,242,757.02)	\$ 1,379,043.66	\$ (9,065,021.21)	\$ 4,076,788.02	\$ (2,110,662.07)	\$ (208,682.37)	\$ 54,857,926.26
Mar-2014	\$ 70,050,743.44	\$ (1,418,457.57)	\$ 1,518,158.10	\$ (9,235,695.83)	\$ 4,076,788.02	\$ (2,110,662.07)	\$ (208,682.37)	\$ 59,157,304.56
Apr-2014	\$ 72,443,987.61	\$ (1,603,058.73)	\$ 1,562,316.11	\$ (9,375,773.22)	\$ 4,076,788.02	\$ (2,110,662.07)	\$ (208,682.37)	\$ 61,270,028.19
May-2014	\$ 77,387,179.93	\$ (1,797,049.46)	\$ 1,737,672.76	\$ (9,659,998.27)	\$ 4,076,788.02	\$ (2,110,662.07)	\$ (208,682.37)	\$ 65,910,361.38
Jun-2014	\$ 82,251,585.74	\$ (2,002,967.12)	\$ 1,878,843.57	\$ (9,933,994.51)	\$ 4,076,788.02	\$ (2,110,662.07)	\$ (208,682.37)	\$ 70,436,024.10
Jul-2014	\$ 87,149,621.77	\$ (2,221,358.87)	\$ 1,945,176.20	\$ (10,090,346.46)	\$ 4,076,788.02	\$ (2,110,662.07)	\$ (208,682.37)	\$ 75,025,649.06
Aug-2014	\$ 92,191,687.00	\$ (2,452,417.20)	\$ 2,058,278.53	\$ (10,531,004.36)	\$ 4,076,788.02	\$ (2,110,662.07)	\$ (208,682.37)	\$ 79,509,100.39
Sep-2014	\$ 96,451,263.85	\$ (2,695,001.51)	\$ 2,153,714.01	\$ (10,853,488.39)	\$ 4,076,788.02	\$ (2,110,662.07)	\$ (208,682.37)	\$ 83,299,044.38
Oct-2014	\$ 101,580,116.14	\$ (2,949,105.32)	\$ 2,226,552.61	\$ (11,238,048.47)	\$ 4,076,788.02	\$ (2,110,662.07)	\$ (208,682.37)	\$ 87,862,071.37
Nov-2014	\$ 105,272,958.66	\$ (3,222,549.20)	\$ 2,282,418.55	\$ (11,620,789.78)	\$ 8,387,044.01	\$ (4,567,456.68)	\$ (785,109.11)	\$ 89,677,560.01
Dec-2014	\$ 111,522,101.01	\$ (3,517,787.55)	\$ 2,420,095.57	\$ (17,343,587.15)	\$ 8,387,044.01	\$ (4,567,456.68)	\$ (785,109.11)	\$ 90,046,343.66
TOTAL for Year, 01/14 - 12/14								



**GLT Calculation of Operating Expenses
As of December 2014**

Expense Month	(A)	(B)	(C)	(D)
	Incremental O&M Expense	Depreciation Expense	Depreciation Savings from Retirements	Operating Expenses (OE)
				A + B + C
Jan-2014	\$ 162,962.54	\$ 155,836.82	\$ (11,449.15)	\$ 307,350.21
Feb-2014	\$ 89,829.56	\$ 163,733.54	\$ (12,237.15)	\$ 241,325.95
Mar-2014	\$ 53,793.85	\$ 175,700.55	\$ (12,237.15)	\$ 217,257.25
Apr-2014	\$ (39,264.36)	\$ 184,601.16	\$ (12,237.15)	\$ 133,099.65
May-2014	\$ 122,366.00	\$ 193,990.73	\$ (12,237.15)	\$ 304,119.58
Jun-2014	\$ (4,347.61)	\$ 205,917.66	\$ (12,237.15)	\$ 189,332.90
Jul-2014	\$ 87,523.92	\$ 218,391.75	\$ (12,237.15)	\$ 293,678.52
Aug-2014	\$ 106,340.47	\$ 231,058.33	\$ (12,237.15)	\$ 325,161.65
Sep-2014	\$ 172,060.67	\$ 242,584.31	\$ (12,237.15)	\$ 402,407.83
Oct-2014	\$ 223,452.89	\$ 254,103.81	\$ (12,237.15)	\$ 465,319.55
Nov-2014	\$ 147,222.06	\$ 273,443.88	\$ (18,682.34)	\$ 401,983.60
Dec-2014	\$ 153,138.25	\$ 295,238.35	\$ (25,127.53)	\$ 423,249.07
TOTAL for Year, 01/14 - 12/14	\$ 1,275,078.24	\$ 2,594,600.89	\$ (165,393.37)	\$ 3,704,285.76