

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

* * * * *

In the Matter of:

AN ADJUSTMENT OF GAS RATES)
OF THE UNION LIGHT, HEAT AND)
POWER COMPANY) CASE NO. 8373

O R D E R

IT IS ORDERED that Union Light, Heat and Power Company ("Union") shall file an original and six copies of the following information with the Commission, with a copy to all parties of record, by January 27, 1982.

1. In reference to Union's response to items 25 and 26 of the Commission's staff request, provide the respective volumes and prices for each of the amounts shown. In addition, provide the respective volumes and prices for the monthly amounts for the test period shown in accounts 805-1, 805-2, 808-1 808-2 in response to item 14, pages 5 and 7. With respect to account 808, differentiate between current and non-current storage.

2. Provide an analysis of the transactions during the test period for fuel stocks-gas including a narrative of the transactions.

3. Provide a description of the property charged to extraordinary property loss during the test period in the amount of \$20,705 and the period of amortization.

4. In reference to Union's response to item 10, adjustment #1 page 4.9, provide the support and calculations of the following adjustments to sales volume: (A) the 584,360 Mcf for temperature variance, (B) the 20,860 Mcf for end-of-period customers, and (C) the 782,390 Mcf for additional customers. Provide a narrative description of the calculation and estimated assumptions.

5. Refer to the response to item 10, adjustment #1, page 4.9. Per this schedule, actual sales volume is reduced 15,030 Mcf. However, on page 4.11, supply volume is increased 67,380 Mcf. Explain this difference and provide the derivation of the 82,000 Mcf shown as an adjustment to actual supplies.

6. What maximum volume does the contract with Columbia LNG Corporation provide for? What is the current price?

7. Provide the adjustments to revenues and expenses for any escalation in gas costs subsequent to September 1, 1981, as they become available with respect to adjustment #1 and #2 to the test period operations. If applicable, provide the factors necessary to convert Mcf to Dth.

8. Provide a detailed explanation and complete analysis of the variance between the test period and the prior period for the following accounts:

(A) Account 837, in particular the abnormal transaction in September of 1980.

(B) Account 878, in particular subaccount 1 for May and June 1981.

(C) Account 892, in particular April, May and June.

(D) Account 4481, in particular subaccount 2.

(E) Account 4902, in particular subaccount 3.

9. Union's response to item 10, adjustment #6 proposed the use of a 10-year average. The amounts shown for 1977 and 1980 appear abnormally high in comparison with the remainder. Provide a detailed description of the events occurring in these years resulting in abnormally high expenditures to injuries and damages.

10. Refer to Marshall Exhibit 5, page 6 of 9. What is the source document of these daily balances? What is the relationship of these balances and the balances shown for accounts receivable-utility service in response to item 3a? Have months other than October and February been determined? If so, what were the results? If not, determine and provide the results.

11. Provide the consolidated capital structure of Cincinnati Gas & Electric Company as of December 31, 1981, when it becomes available.

12. Provide updated calculations of embedded capital costs and supporting statements for long-term debt, short-term debt, and preferred stock for the consolidated Cincinnati Gas & Electric Company as of December 31, 1981.

13. Provide a breakdown of all short-term debt for consolidated Cincinnati Gas & Electric Company as of December 31, 1981, including bank loans, commercial paper, notes payable, etc.

14. Update responses to items 34a, 35a, and 36a of the Commission's previous staff request to include all security issues through December 31, 1981.

15. Any information as soon as it is known, which would have a material effect on net operating income, rate base and the cost of capital which occurred after the test period and was not incorporated in the filed testimony and exhibits.

16. Update response to items 25 and 26 of the Commission's previous request through September 30, 1981, showing accounts, volumes and prices of each.

17. What accounting method (i.e., first-in-first-out, last-in-first-out, weighted average) is used by Union when transferring prepaid gas to operating expenses?

18. Does the accounting method used by Union result in any over or under recovery of gas purchases? If so, provide an analysis showing any over or under recovery for the test period.

19. Does Union calculate annual total productivity factors. If so, provide a description of the variables used in the calculation and the factors for the test year and the previous 5 years.

Done at Frankfort, Kentucky, this 18th day of January, 1982.

PUBLIC SERVICE COMMISSION



For the Commission

ATTEST:

Secretary