

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

GENERAL ADJUSTMENT IN GAS RATES)
OF UNION LIGHT, HEAT AND POWER) CASE NO. 9029
COMPANY)

O R D E R

IT IS ORDERED that Union Light, Heat and Power Company ("ULH&P") shall file an original and 12 copies of the following information with the Commission by June 22, 1984. Each copy of the data requested should be placed in a bound volume with each item tabbed. When a number of sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), Sheet 2 of 6. Include with each response the name of the witness who will be responsible for responding to questions relating to the information provided. Careful attention should be given to copied material to insure that it is legible. Where information requested herein has been provided along with the original application, in the format requested herein, reference may be made to the specific location of said information in responding to this information request. When applicable, the information requested herein should be provided for total company operations and jurisdictional operations, separately. If neither

the requested information nor a motion for an extension of time is filed by the stated date, the case may be dismissed.

Issue: Capitalization

1. In Case Nos. 8373 and 8419 the Commission calculated the jurisdictional capitalization for gas operations based on the ratio of the gas operations rate base to the total company rate base. Provide the calculation of the total company rate base for the test year ended December 31, 1983.

2. Through the end of the test year ULH&P had written off \$262,500 related to the abandonment of the Eagle Creek Aquifer. Indicate how much of that amount represents the return of capital, in the amount of \$1,361,080, which was deducted from total capitalization in Case Nos. 8373 and 8419. Include all necessary calculations.

Issue: Pro Forma Expense Adjustments

3. The balance of Construction Work in Progress applicable to jurisdictional gas operations at the end of the test year is \$401,054. Show how much of this amount is eligible for AFUDC and provide the basis for this eligibility determination.

4. Provide an explanation of how the company's donations improve, or contribute to, the utility service provided to its customers.

5. Provide a detailed analysis of the expense levels incurred during calendar years 1981 and 1982 for injuries and damages expense. This analysis should show the date, vendor, reference (i.e., voucher number), dollar amount and brief description of each expenditure of \$500 or more.

6. The calculation of the adjustment to interest expense is shown in Item 16, page 48, of the response to the Commission's Order of April 27, 1984. Provide the derivation of the test year interest expense of \$1,396,213 charged to gas operations from the total company interest expense.

Issue: Rate Base Determination

7. Provide the following related to ULH&P Exhibit No. 5:

a. Explain the selection of February and October balances of accounts receivable for the determination of the average daily balance in accounts receivable.

b. Explain why no recognition has been given to the cash available to the company due to the lag between the receipt of services from vendors and the company's payment for those services.

c. Explain why purchased gas cost was the only specific expense for which lag days were calculated.

Issue: The Appropriate Return on Common Equity for ULH&P

8. Provide a copy of the results published by the Financial Analysts Research Foundation, referred to on page 14, lines 1 through 3, of Mr. Mosley's prefiled testimony.

9. Provide a copy of "Utility Data Sheet - Electric and Combination Utility Companies," published by Merrill Lynch White Weld Capital Markets Group, referred to on page 6, lines 5 through 8, of Mr. Mosley's prefiled testimony.

Issue: The Appropriate Capital Structure for ULH&P

10. Provide an update of Item 2, Format 2b, sheet 4, of the staff request dated 4/27/84, through the first quarter of 1984.

11. Furnish a complete billing analysis so that the total normalized revenue and the total proposed revenue can be verified.

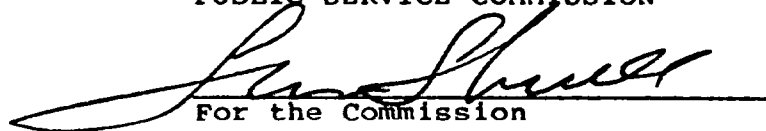
a. Furnish calculations for all adjustments to the billing analysis. (Such as weather normalization, year end customers, etc.)

12. Furnish a copy of all company workpapers supporting the Cost of Service Study (Van Curren Testimony, Exhibit No. 13).

13. Provide cost support for the rate in proposed Transportation Service Schedule, Rate TS.

Done at Frankfort, Kentucky, this 12th day of June, 1984.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:

Secretary