

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

AN EXAMINATION BY THE PUBLIC)
SERVICE COMMISSION OF THE)
APPLICATION OF THE FUEL ADJUST-) CASE NO. 9175-B
MENT CLAUSE OF UNION LIGHT, HEAT)
AND POWER COMPANY FROM MAY 1,)
1985, TO OCTOBER 31, 1985)

O R D E R

Pursuant to 807 KAR 5:056, Section 1(11), the Public Service Commission ("Commission") issued an Order on December 4, 1985, requiring Union Light, Heat and Power Company ("ULH&P") to notify its customers of a hearing to be held on January 28, 1986. ULH&P was not required to appear at the scheduled hearing unless an appearance was requested by the Attorney General's Division of Consumer Protection or other interested parties, or by the Commission on its own motion. Furthermore, ULH&P filed an affidavit stating its compliance with the provisions of the Fuel Adjustment Clause as prescribed in 807 KAR 5:056. ULH&P also filed its monthly fuel charges for the 6-month period under review.

Following proper notice, no party of record requested ULH&P to appear at the hearing scheduled for January 28, 1986. After reviewing ULH&P's monthly fuel clause filings for the 6-month period under review, the Commission is of the opinion that ULH&P has complied with the provisions of 807 KAR 5:056.

An additional Order was issued on January 9, 1986, proposing a revision to ULH&P's monthly fuel clause report and requesting comments. The effect of this revision will be to go from a FAC that may continually over- or under-collect to one that will true-up every month. Since this revision will eliminate any future over/under collection of FAC revenues, the Commission must now determine the most appropriate method of dealing with ULH&P's cumulative overrecovery of \$738,538.00 of FAC revenue as of October 31, 1985.¹ It is the opinion of the Commission that ULH&P should update this figure through March 1, 1986, and present evidence why the amount should not be refunded to its customers over a 6-month period. It is also the opinion of the Commission that ULH&P's proposal to eliminate the embedded base cost of fuel from its base energy charge and state all fuel costs separately in its fuel clause would be in violation of Commission regulations, 807 KAR 5:056.

IT IS THEREFORE ORDERED that:

(1) The charges and credits billed by ULH&P through the fuel adjustment clause for the period May 1, 1985, through October 31, 1985, be and they hereby are approved.

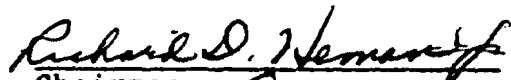
(2) The revised monthly fuel clause report shown at Appendix A be implemented with the fuel clause filing which applies to bills for May 1986.

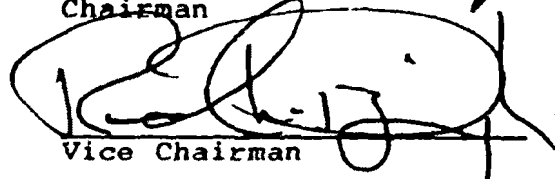
¹ULH&P's response to PSC data request of December 4, 1985.

(3) Within 20 days of the date of this Order ULH&P shall file a schedule of accumulated fuel adjustment over-recoveries through March 1, 1986, and present evidence why this amount should not be refunded to its customers over a 6-month period.

Done at Frankfort, Kentucky, this 1st day of April, 1986.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary

MONTHLY FUEL ADJUSTMENT CLAUSE (FAC) REPORT

COMPANY: _____

POWER SUPPLIER: _____

Disposition of Energy (KWH) - Month of: _____		Purchased Power - Month of: _____	
1. Total Purchases	_____	17. Fuel Adjustment Charge (Credit):	_____
2. Sales (Ultimate Customer)	_____	A. Billed by CG&E	_____
3. Company Use	_____	B. Billed by Other Suppliers	_____
4. Intersystem Sales	_____	C. Total Fuel Costs (L17A + L17B)	_____
5. Other:	_____	18. Energy Charge	_____
6. Current Month Sales - S(m)	_____	A. CG&E	_____
(L2 + L3)	_____	B. Other:	_____
7. Total Sales (L2 + L3 + L4 + L5)	_____	C. Total Energy Charges	_____
8. Line Loss & Unaccounted for (L1 Less L7)	_____	19. Demand Charge	_____
	_____	A. CG&E	_____
	_____	B. Other:	_____
	_____	C. Total Demand Charges	_____
Line Loss	_____	20. Total Power Costs (L17C + L18C + L19C)	_____
9. Last 12 Months Actual (8)	_____	21. Energy (KWH)	_____
10. Last Month Used to Compute L9	_____	22. Demand (KW)	_____
11. Line Loss for Month on L10 (8) (L8 + L1)	_____	23. Supplier's FAC:	_____
	_____	A. Fuel Cost Per KWH (L17c + L21)	_____
	_____	B. Current Base Fuel Cost per FERC	_____
	_____	C. FAC Rate Per KWH (L23A - L23B)	_____

Over or (Under) Recovery - Month of: _____		Calculation of FAC Billed Consumers	
12. Last FAC Rate Billed Consumers	_____	24. Current Month Fuel Cost [F(m)]:	_____
13. Net KWH Billed at the Rate on L12	_____	A. Total FAC Charges (From L17C)	_____
14. FAC Revenue (Refund Resulting From L12 (Net of Billing Adjustments))	_____	B. Inter System Sales Fuel Cost Recovery	_____
15. Fuel Charge (Credit) Used to Compute L12 (for Month used to Derive L14)	_____	C. Unrecoverable - Schedule 1	_____
16. Total (Over) or Under Recovery (L14 Less L15)	_____	D. Over/Under Recovery (L16)	_____
	_____	E. Recoverable Fuel Cost - F(m) (L24 A-B-C-D)	_____
	_____	25. F(m)+S(m) (L24E+L6)	_____
	_____	26. Current Base Period Fuel Cost	_____
	_____	27. FAC - \$ per KWH	_____

Line 27 Reflects a Fuel Adjustment Charge (Credit) of _____ \$ per KWH to be applied to bills rendered on and after _____, 19____.

Issued By: _____ Title: _____
 Address: _____ Telephone: _____