

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

REMOVAL OF RESTRICTIONS AND)
LIMITATIONS OF SALES OF NATURAL)
GAS BY THE UNION LIGHT, HEAT) CASE NO. 9588
AND POWER COMPANY)

O R D E R

On May 21, 1986, The Union Light, Heat and Power Company ("ULH&P") filed its application, including proposed tariffs, requesting that the Commission approve the removal of restrictions and limitations on the sale of natural gas. Specifically, ULH&P seeks approval to amend PSC KY No. 2, First Revised Sheet No. 3-1, Section X - Availability of Gas Service, and to terminate the filing of reports of gas service requirements and available supplies.

The Commission, having considered the Application and proposed tariff, is of the opinion and finds that:

(1) The application of ULH&P for authority to terminate existing restrictions and limitations on new and existing gas customers by amendment of certain tariff provisions should be approved with certain limitations.

(2) ULH&P should be authorized to provide gas service to new residential, commercial and industrial customers and, further, to provide gas service to meet increased requirements of existing commercial and industrial customers. Current restrictions on the

provision of this service should be suspended for a period of 3 years. This will enable the Commission to assess the changing energy situation and determine whether a further extension is justified at the end of this period.

(3) The curtailment priorities heretofore approved by the Commission should remain in effect in the event they are needed because of future supply deficiencies.

(4) The requirement that ULH&P file an annual report on gas service requirements and supply, pursuant to the June 9, 1981, Order in Case No. 7378, should also be suspended for a period of 3 years.

IT IS THEREFORE ORDERED that:

(1) The Application of ULH&P for authority to terminate existing restrictions and limitations on new and existing gas customers by amendment of certain tariff provisions shall be denied to the extent that the Application seeks approval without limitations.

(2) ULH&P is hereby authorized to provide gas service to new residential, commercial and industrial customers and that current restrictions on the provision of this service shall be terminated for a period 3 years.

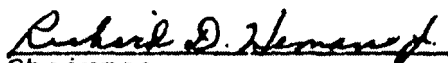
(3) The curtailment priorities heretofore approved by this Commission shall remain in effect in the event they are needed because of future supply deficiencies.

(4) The requirement that ULH&P file an annual report on gas service requirements and supply shall be suspended for a period of 3 years.


(5) Within 30 days from the date of this Order ULH&P shall file its revised tariff consistent with the provisions set out herein.

Done at Frankfort, Kentucky, this 24th day of June, 1986.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary