COMMONWEALTH OF KENTUCKY

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BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

UNION LIGHT, HEAT AND POWER COMPANY) PROPOSED TARIFF FILING RATE SCHEDULE) CASE NO. 10071 FT, FIRM TRANSPORTATION SERVICE)

ORDER

IT IS ORDERED that the Union Light, Heat and Power Company ("ULH&P") shall file an original and nine copies of the following information with the Commission within 14 days from the date of this Order. If the information requested or a motion for an extension of time is not filed by the stated date, the Commission may dismiss the case without prejudice.

1. Explain how each of the proposed charges, administrative and transportation, was determined. Relate each charge to ULH&P's approved rates.

2. Why has ULN&P imposed a minimum bill that includes the transportation charge for 1,000 Mcf delivered, in addition to the administrative charge?

3. Provide an example to show how the base cost of 8.80 cents per 100 cubic feet was derived for the pipeline supplier demand component of ULH&P's Gas Cost Adjustment.

4. For what reasons would ULH&P direct customers served under this tariff to interrupt deliveries? Possibly curtailment and/or load balancing?

5. The customer is responsible for balancing monthly

volumes. Describe the customer's responsibilities in achieving load balancing. How do the customer's actions interact with ULH&P's own efforts toward load balancing?

Done at Frankfort, Kentucky, this 13th day of November, 1987.

PUBLIC SERVICE COMMISSION

Richard D. I feman For the Commission

ATTEST:

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Executive Director