

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT)
FILING OF THE UNION LIGHT,) CASE NO. 9029-M
HEAT AND POWER COMPANY)

A M E N D E D O R D E R

On October 24, 1984, the Commission issued its Order in Case No. 9029, approving certain rates and providing for adjustments of these rates on a quarterly basis in accordance with the provisions of the gas cost adjustment clause set forth therein.

On December 1, 1987, The Union Light, Heat and Power Company ("Union") filed its revised quarterly gas cost adjustment which is to become effective January 1, 1988, and is to remain in effect until March 31, 1988. On December 18, 1987, Union revised its original filing of the quarterly gas cost adjustment to reflect recent increases in the cost of spot-market gas. The result is a \$0.048 per Mcf increase in the gas cost recovery rate from that originally filed.

After reviewing the record in this case and being advised, the Commission is of the opinion and finds that:

(1) Union's notice of December 18, 1987, set out certain revisions in rates which Union proposed to place into effect, said rates being designed to pass on the wholesale increase in gas costs from its suppliers in the amount of \$1,289,321 or 13.3 cents per Mcf.

(2) Union's notice set out a total refund adjustment of .5 cents per Mcf, which is the current quarter adjustment.

(3) Union's notice set out a total actual adjustment of 10.7 cents per Mcf to compensate for previous under-recovery of gas cost by the company through the operation of its gas cost recovery procedure.

(4) Union's notice set out a total balance adjustment of .4 cents per Mcf to reconcile previous actual, refund and balance adjustments.

(5) Union's gas cost recovery rate for exempt customers in the amount of \$3.246 per Mcf is an increase of 10.5 cents per Mcf from the previously authorized rate. This increase represents the combined effect of the supplier, actual, refund and balancing adjustments.

(6) Union's adjustment in rates set out in the Appendix to this Order is fair, just, and reasonable and in the public interest and should be effective with bills rendered on and after January 1, 1988, or as soon as practicable thereafter.

(7) In all future filings of Union's quarterly gas cost adjustment, Union should provide more detailed support for the producer gas portion of the expected gas cost.

(8) Union should provide detailed back-up for all volumes and costs for each supplier shown on Schedule III. This detailed back-up should become a part of all subsequent quarterly gas cost adjustment filings.

IT IS THEREFORE ORDERED that:

(1) The rates in the Appendix to this Order be and they hereby are authorized effective with bills rendered on and after January 1, 1988, or as soon as practicable thereafter.

(2) The gas cost recovery rate for exempt customers shall be \$3.246 per Mcf.

(3) Within 30 days of the date of this Order Union shall file with this Commission its revised tariffs setting out the rates and charges authorized herein.

(4) In all future filings of Union's quarterly gas cost adjustment, Union shall provide more detailed support for the producer gas portion of the expected gas cost.

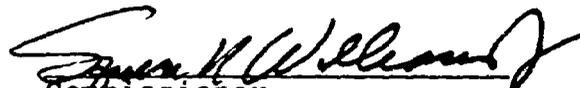
(5) Within 20 days of the date of this Order Union shall provide detailed back-up for all volumes and costs for each supplier shown on Schedule III. This detailed back-up shall become a part of all subsequent quarterly gas cost adjustment filings.

Done at Frankfort, Kentucky, this 5th day of January, 1988.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director

APPENDIX TO AN ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. 9029-M DATED 1/5/88

The following rates and charges are prescribed for the customers served by Union Light, Heat and Power Company. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the date of this Order.

RATE GS
GENERAL SERVICE

Customer Charge per month:	
Residential Service	\$4.50
Non-Residential Service	\$6.00

	<u>Base Rate</u>	<u>Gas Cost Adjustment</u>	<u>Total Rate</u>
All Gas Used	13.91¢ plus	32.46¢	equals 46.37¢ per 100 cu. ft.

Minimum Bill: The minimum monthly charge shall be the customer charge as stated above.

The "Gas Cost Adjustment" as shown above, is an adjustment per 100 cubic feet determined in accordance with the "Gas Cost Adjustment Clause" set forth on Sheet No. 19 of this tariff.

RATE F

Special Contract - Firm Use

	<u>Base Rate</u>	<u>Gas Cost Adjustment</u>	<u>Total Rate</u>
All Gas Used	7.39¢ plus	32.46¢	equals 39.85¢ per 100 cu. ft.

The "Gas Cost Adjustment" as shown above, is an adjustment per 100 cubic feet determined in accordance with the "Gas Cost Adjustment Clause" set forth on Sheet No. 19 of this tariff.

RATE OP

OFF PEAK

NET MONTHLY BILL

Computed in accordance with the following charges:

(1) Firm Use shall be billed in accordance with Rate GS, General Service;

(2) Off Peak Gas (i.e., Gas in excess of Firm Use) shall be billed in accordance with the following:

	<u>Base</u> <u>Rate</u>	<u>Gas</u> <u>Cost</u> <u>Adjustment</u>	<u>Total</u> <u>Rate</u>
All Gas Used	4.42¢	plus 32.46¢	equals 36.88¢ per 100 cu. ft.

The "Gas Cost Adjustment" as shown above, is an adjustment per 100 cubic feet determined in accordance with the "Gas Cost Adjustment Clause" set forth on Sheet No. 19 of this tariff.