

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

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 ("GCA") clause set forth therein.

On February 1, 1989, The Union Light, Heat and Power Company ("ULH&P") filed its quarterly gas cost adjustment which is to become effective March 1, 1989 and is to remain in effect until June 1, 1989. On February 23, 1989, ULH&P filed a further revision to the instant filing to reflect more current gas costs.

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

(1) ULH&P's notice of February 1, 1989 and revision of February 23, 1989 set out certain revisions in rates which ULH&P proposed to place into effect, said rates being designed to pass on the wholesale decrease in gas costs from its suppliers in the amount of \$5,275,824 or 49.2 cents per Mcf.

(2) ULH&P's notice set out a total refund adjustment of .9 cents per Mcf, which is a combination of previous quarters' adjustments and the current quarter's adjustment of .2 cents per Mcf.

(3) ULH&P's notice set out a total actual adjustment of 8 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) ULH&P's notice set out a total balance adjustment of .9 cents per Mcf to reconcile previous actual, refund and balance adjustments.

(5) ULH&P set out an annualized take-or-pay charge of 7.2 cents per Mcf.

(6) ULH&P's gas cost recovery rate for exempt customers in the amount of \$3.281 per Mcf, which includes the fixed charge recovery component, is a decrease of 37.9 cents per Mcf from the previously authorized rate. This decrease represents the combined effect of the supplier decrease, actual, refund and balancing adjustments.

(7) ULH&P's adjustment in rates, including fixed charge recovery, set out in the Appendix, attached and incorporated hereto, is fair, just, and reasonable and in the public interest and should be effective with bills rendered on and after March 1, 1989 or as soon as practicable thereafter.

IT IS THEREFORE ORDERED that:

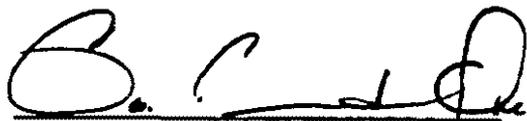
(1) The rates proposed by ULH&P be and they hereby are authorized effective with bills rendered on and after March 1, 1989 or as soon as practicable thereafter.

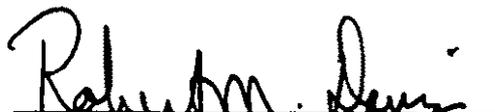
(2) The gas cost recovery rate for exempt customers shall be \$3.281 per Mcf.

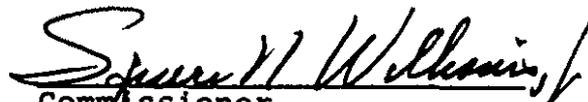
(3) Within 30 days of the date of this Order, ULH&P shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 24th day of February, 1989.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director

APPENDIX TO AN ORDER OF THE PUBLIC SERVICE COMMISSION
 IN CASE NO. 9029-R DATED February 24, 1989.

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

	Gas Cost Adjustment	Total Rate
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All Gas Used 13.91¢ plus 32.81¢ equals 46.72¢ 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

	Gas Cost Adjustment	Total Rate
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All Gas Used 7.39¢ plus 32.81¢ equals 40.20¢ 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 OF
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:

Base Rate	Gas Cost Adjustment	Total Rate
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All Gas Used 4.42¢ plus 32.81¢ equals 37.23¢ 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.

RIDER T-O-P
TAKE-OR-PAY RECOVERY CHARGE

The T-O-P charge to be billed during the revenue months of March, April and May 1989 is 7.2 cents per 1,000 cubic feet.