

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION BY THE PUBLIC SERVICE)	
COMMISSION OF THE APPLICATION OF THE)	
FUEL ADJUSTMENT CLAUSE OF THE UNION)	CASE NO. 10441
LIGHT, HEAT AND POWER COMPANY FROM)	
NOVEMBER 1, 1986 TO OCTOBER 31, 1988)	

O R D E R

On December 6, 1988, the Commission ordered Union Light, Heat and Power Company ("ULH&P") to submit certain information. Pursuant to Appendix A, Item 4, of the Commission's Order, ULH&P was to calculate the change, if any, in its base fuel cost per KWH as billed by its wholesale electric supplier, Cincinnati Gas and Electric ("CG&E"). Base fuel cost refers only to fuel cost included in CG&E's base rates and does not include CG&E's wholesale fuel adjustment clause charges. Currently all electric utilities which are under this Commission's jurisdiction and without generating capacity recover their wholesale base fuel costs through their retail base rates and fully recover any wholesale fuel adjustment clause charges through their retail fuel adjustment clause charges. Only a change in CG&E's wholesale base fuel rates or a material change in line loss would require ULH&P to request a change in its base rates.

After reviewing ULH&P's response, this Commission believes that ULH&P has incorrectly responded to Item 4. This Commission has no knowledge of any change in CG&E's wholesale fuel rates

approved or pending approval by the Federal Energy Regulatory Commission. Furthermore, ULH&P's application fails to indicate any material change in its line loss. Accordingly, the Commission is of the opinion that ULH&P should review its response to Item 4 and correct any errors. As its responses to Items 5 and 6 of the Commission's Order are dependent upon the response to Item 4, ULH&P should also review and, if appropriate, amend these responses.

IT IS THEREFORE ORDERED that:

1. ULH&P shall provide a schedule showing the calculation of any change in its base fuel cost per KWH proposed by CG&E adjusted for ULH&P's 12-month average line loss for November 1986 through October 1988.

2. If a change in CG&E's wholesale base fuel rate has occurred, ULH&P shall provide a copy of those portions of CG&E's tariff which reflect these changed rates.

3. The information ordered herein shall be filed within 10 days of the date of this Order. If the information cannot be provided by that date, ULH&P should submit a motion for extension of time stating the reason why the delay is necessary and including a date by which the information will be furnished. Such motion will be considered by the Commission.

4. ULH&P shall amend its responses to Items 5 and 6 of the Commission's Order of December 6, 1988, if appropriate, to be consistent with its response to paragraph 1 of this Order.

Done at Frankfort, Kentucky, this 23rd day of January, 1989.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:

Executive Director