

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE UNION LIGHT, HEAT AND POWER)
COMPANY'S FILING OF A PROPOSED) CASE NO. 90-173
CONTRACT WITH CONTINENTAL PET)
TECHNOLOGIES, INC.)

O R D E R

On May 31, 1990, The Union Light, Heat and Power Company ("ULH&P") filed a proposed contract setting forth terms and conditions of electric service to Continental PET Technologies, Inc. ("Continental"). The contract provides that the load attributable to Continental's planned expansion will be billed at Rate DT, Time-Of-Day Rate for Service at Distribution Voltage, modified to include a waiver of demand charges for all demand in excess of the demand component of the base load and an energy charge equal to 110 percent of the energy rate of Rate DT for all energy in excess of the energy component of the base load. The base load is defined to be the mathematical average of the billing demand and energy during the twelve billing months prior to the first use of electric power for the planned expansion. In addition, each component of the base load will be billed in accordance with the provisions of Rate DT. The proposed billing modification will have a term of 60 billing periods effective with the period during which commercial operation of the planned

expansion occurs. Thereafter, the entire load will be billed in accordance with the then prevailing provisions of Rate DT.

By an Order dated June 22, 1990, the Commission suspended the proposed contract until November 30, 1990 and requested ULH&P to provide additional information. The requested information was filed and a hearing was held on August 1, 1990.

The Commission finds that ULH&P's responses to the Commission's information request and testimony at the hearing fully justify the reasonableness of the proposed contract. The record now clearly reflects that Continental is the same company that, as a new customer in 1987, received a demand charge discount as part of a service agreement approved by the Commission in Case No. 10134¹. Moreover, ULH&P acknowledged that the contract proposed for Continental in the instant case will supersede the contract approved in Case No. 10134.


IT IS THEREFORE ORDERED that ULH&P's contract with Continental dated May 22, 1990 and filed with the Commission on May 31, 1990 be and hereby is approved.

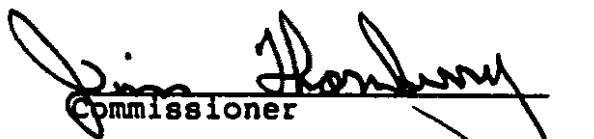
¹ Case No. 10134, An Investigation of The Union Light, Heat and Power Company's Service Agreement With the Continental Can Company, Inc.

Done at Frankfort, Kentucky, this 17th day of August, 1990.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director