

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF THE)	
UNION LIGHT, HEAT AND POWER)	CASE NO. 90-041-M
COMPANY)	

O R D E R

On October 2, 1990, the Commission issued its Order in Case No. 90-041 approving certain adjustments in rates and providing under certain conditions for the further adjustment of such rates on a quarterly basis in accordance with the provisions of the gas cost adjustment ("GCA") clause set forth therein.

On July 30, 1993, The Union Light, Heat and Power Company ("ULH&P") filed its GCA to be effective September 1, 1993 and which is to remain in effect until December 1, 1993.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. ULH&P's notice of July 30, 1993 set out certain revisions in rates which ULH&P proposed to place into effect, said rates being designed to pass on to its customers the wholesale decrease in gas costs from its suppliers in the amount of 9.0 cents per Mcf including take-or-pay billings. ULH&P's expected gas cost ("EGC") is \$3.800 per Mcf, which includes a take-or-pay recovery component of 0 cents per Mcf.

2. ULH&P's notice set out no current quarter refund adjustment. The total refund adjustment of 4.3 cents per Mcf is composed of a previous quarter adjustment.

3. ULH&P's notice set out a current quarter actual adjustment in the amount of (26.4) cents per Mcf to compensate for previous over-recovery of gas cost through the operation of its gas cost recovery procedure during the months of March, April, and May 1993. ULH&P proposed a total actual adjustment in the amount of (2.6) cents per Mcf to reflect the current over-collection, as well as under- and over-collections from three previous quarters.

4. ULH&P's notice set out a current quarter balancing adjustment in the amount of 3.8 cents per Mcf to reconcile variances from previous actual, refund, and balance adjustments. The total balance adjustment of 2.6 cents per Mcf reflects the current as well as the three previous balance adjustments.

5. The combined effect of the above adjustments is ULH&P's gas cost recovery rate in the amount of \$3.757 per Mcf, which is a decrease of 22.4 cents per Mcf from the previously authorized rate.

6. ULH&P's adjustment in rates contained in the Appendix to this Order, pursuant to the GCA provisions approved by the Commission in its Order in Case No. 90-041 dated October 2, 1990, is fair, just, and reasonable, in the public interest, and should be effective with bills rendered on and after September 1, 1993.

7. The GCA adjustment, as reflected in the Appendix, was applied to base rates approved in the Commission's Order of

August 31, 1993 in Case No. 92-346¹ instead of those filed by ULH&P in its application.

IT IS THEREFORE ORDERED that:


1. The rates proposed by ULH&P be and they hereby are denied.

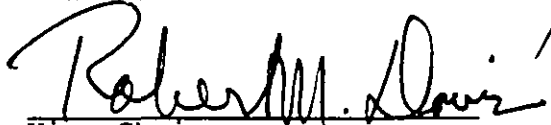
2. The rates in the Appendix, attached hereto and incorporated herein, are fair, just, and reasonable and are authorized to be effective with bills rendered on and after September 1, 1993.

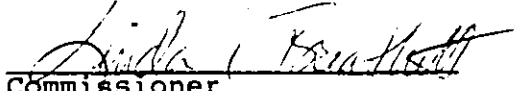
3. Within 30 days of the date of this Order, ULH&P shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 1st day of September, 1993.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:



Executive Director

¹ Case No. 92-346, In The Matter Of An Adjustment Of Gas Rates Of The Union Light, Heat and Power Company, filed September 25, 1992.

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 90-041-M DATED SEPTEMBER 1, 1993

The following rates and charges are prescribed for the customers served by The 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.

GAS SERVICE RATES

RATE RS RESIDENTIAL SERVICE

	<u>Base Rate</u>		<u>Gas Cost Adjustment</u>		<u>Total Rate</u>
Commodity Charge for All CCF Consumed	22.02¢	plus	37.57¢	equals	59.59¢ per CCF

RATE GS GENERAL SERVICE

	<u>Base Rate</u>		<u>Gas Cost Adjustment</u>		<u>Total Rate</u>
Commodity Charge for All CCF Consumed	20.07¢	plus	37.57¢	equals	57.64¢ per CCF

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

The T-O-P charge to be billed during the revenue months of September, October, and November 1993 is 0 cents per Mcf.

RATE SS
STANDBY SERVICE

Firm Standby Service

For the volume specified in the written agreement, the customer shall pay an additional charge of 17.45 cents per Ccf.

Interruptible Standby Service

For the volume specified in the written agreement, the customer shall pay an additional charge of 9.35 cents per Ccf.