

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF PURCHASED GAS            )  
ADJUSTMENT FILING OF THE         )  
UNION LIGHT, HEAT AND POWER     )  
COMPANY                                )        CASE NO. 92-346-DD

ORDER

On August 31, 1993, in Case No. 92-346, the Commission approved certain adjusted rates for The Union Light, Heat and Power Company ("ULH&P") and provided for their further adjustment on a quarterly basis in accordance with ULH&P's gas cost adjustment ("GCA") clause.

On August 11, 2000, ULH&P filed an interim GCA to be effective September 28, 2000 through November 28, 2000. In support of its interim filing to pass along a significant and unexpected increase in wholesale gas cost, ULH&P stated that it was more prudent to revise rates now than to recover a large under-collection in the quarter beginning March 2001.

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

1. ULH&P's notice of August 11, 2000 proposed revised rates designed to pass on its expected increased wholesale gas costs to its customers. ULH&P's proposed expected gas cost ("EGC") of \$5.434 per Mcf includes a take-or-pay recovery

component of 0 cent per Mcf, and is an increase of 42.20 cents per Mcf from the EGC which was approved in its last filing.

2. ULH&P's notice of August 11, 2000 set out no current quarter refund adjustment. The total refund adjustment of 3.4 cents per Mcf reflects previous quarter adjustments.

3. ULH&P's notice of August 11, 2000 set out no current quarter actual adjustment ("AA"). The proposed total AA of (23.6) cents per Mcf reflects previous quarter adjustments.

4. ULH&P's notice of August 11, 2000 set out no current quarter balancing adjustment ("BA"). The total BA of (.8) cent per Mcf reflects previous quarter adjustments.

5. ULH&P proposed a Firm Standby Rate of \$.9310 per Mcf and an Interruptible Standby Rate of \$.544 per Mcf.

6. The combined effect of the above adjustments is ULH&P's gas cost recovery rate ("GCR") of \$5.156 per Mcf, which is 42.20 cents per Mcf more than its previous GCR of \$4.734 per Mcf.

7. ULH&P's adjustment in rates contained in the Appendix to this Order is fair, just, and reasonable, in the public interest, and should be approved effective with bills rendered on and after September 28, 2000.

IT IS THEREFORE ORDERED that:

1. The rates in the Appendix to this Order are fair, just, and reasonable, and are effective for bills rendered on and after September 28, 2000.

2. Within 30 days from 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 6<sup>th</sup> day of September, 2000.

By the Commission

ATTEST:

  
Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 92-346-DD DATED SEPTEMBER 6, 2000

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	\$ .2202	plus	\$ .5156	\$ .7358

RATE GS  
GENERAL SERVICE

	<u>Base Rate</u>		<u>Gas Cost Adjustment</u>	<u>Total Rate</u>
Commodity Charge for All Ccf Consumed	\$ .2007		\$ .5156	\$ .7163

RATE SS  
STANDBY SERVICE

Firm Standby Service

For the volume specified in the written agreement, the customer shall pay an additional charge of 9.31 cents per Ccf.

Interruptible Standby Service

For the volume specified in the written agreement, the customer shall pay an additional charge of 5.44 cents per Ccf.

Take-or-Pay Recovery Charge

The T-O-P charge to be billed during the months of October and November 2000 is 0 cents per Ccf.