

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

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 in accordance with ULH&P's gas cost adjustment ("GCA") clause.

On May 14, 2001, ULH&P filed its GCA to be effective May 31, 2001. ULH&P submitted a request on March 20, 2001 for a waiver of the 30-day notice for three GCA filings that will be effective March 30, 2001, May 1, 2001 and May 31, 2001. After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. ULH&P's notice of May 14, 2001 proposes rates designed to pass on its expected decreased wholesale gas costs to its customers. ULH&P's proposed expected gas cost ("EGC") of \$5.364 per Mcf includes a take-or-pay recovery component of 0 cent per Mcf, and is a decrease of \$1.401 per Mcf from the previous EGC of \$6.765.

2. ULH&P's notice of May 14, 2001 sets out no current refund adjustment ("RA"). The total RA of 1.9 cents per Mcf reflects previous quarter adjustments.

3. ULH&P's notice of May 14, 2001 sets out a current actual adjustment ("AA") of 98.3 cents per Mcf. The total AA of \$1.764 per Mcf also reflects previous adjustments.

4. ULH&P's notice of May 14, 2001 sets out a current balancing adjustment ("BA") of 2.9 cents per Mcf. The total BA of (3.1) cents per Mcf also reflects previous adjustments.

5. ULH&P proposes a Firm Standby Rate of \$.888 per Mcf and an Interruptible Standby Rate of \$.396 per Mcf.

6. The combined effect of the above adjustments is ULH&P's gas cost recovery rate ("GCR") of \$7.078 per Mcf, which is 2.5 cents per Mcf less than its previous GCR of \$7.103 per Mcf.

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 May 31, 2001. ULH&P requested a waiver of the 30-day notice requirement for the GCA filings effective on March 30, May 1 and May 31, 2001 on the basis that it could more accurately calculate the EGC if the filing date were closer to the effective date. The Commission granted ULH&P's request in a previous GCA Order. KRS 278.180(2) also permits an effective date less than 20 days from the filing date in the case of a reduction in rates. Therefore, the rates approved herein should be effective for final meter readings on and after May 31, 2001.

IT IS THEREFORE ORDERED that:

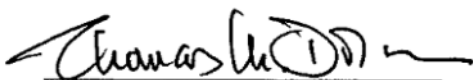
1. The rates in the Appendix to this Order are fair, just, and reasonable, and are effective for final meter readings on and after May 31, 2001.

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 24th day of May, 2001.

By the Commission

ATTEST:

A handwritten signature in black ink, appearing to read "Thomas M. O'Donnell", written over a horizontal line.

Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 92-346-JJ DATED MAY 24, 2001

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	\$.7078	\$.9280

RATE GS
GENERAL SERVICE

	<u>Base Rate</u>		<u>Gas Cost Adjustment</u>	<u>Total Rate</u>
Commodity Charge for All Ccf Consumed	\$.2007		\$.7078	\$.9085

RATE SS
STANDBY SERVICE

Firm Standby Service

For the volume specified in the written agreement, the customer shall pay an additional charge of 8.88 cents per Ccf.

Interruptible Standby Service

For the volume specified in the written agreement, the customer shall pay an additional charge of 3.96 cents per Ccf.

Take-or-Pay Recovery Charge

The T-O-P charge to be billed during the month of June 2001 is 0 cents per Ccf.