

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF THE UNION)	CASE NO.
LIGHT, HEAT AND POWER COMPANY)	2006-00001

O R D E R

On December 21, 2005, in Case No. 2005-00529, the Commission approved a Gas Cost Adjustment (“GCA”) filing for The Union Light, Heat and Power Company (“ULH&P”) to be effective January 3, 2006.¹ Subsequent to receiving that approval, ULH&P submitted a new GCA filing intended to replace and supersede the GCA approved in Case No. 2005-00529. This interim or “out-of-time” GCA filing is being made by ULH&P to pass on to its customers, effective January 3, 2006, recent reductions reflected in wholesale natural gas prices for the month of January 2006.

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

1. ULH&P’s GCA filing includes rates designed to pass on to its customers its expected change in wholesale gas costs.
2. ULH&P’s Expected Gas Cost (“EGC”) is \$12.135 per Mcf, which is a decrease of \$2.607 per Mcf from its previously approved EGC of \$14.742.
3. ULH&P’s notice sets out no current refund adjustment (“RA”). ULH&P’s notice sets out a total RA of (.6) cent per Mcf, which is no change from its previous total RA.

¹ Case No. 2005-00529, Notice of Purchased Gas Adjustment Filing of The Union Light, Heat and Power Company, Order dated December 21, 2005.

4. ULH&P's notice sets out no current quarter actual adjustment ("AA"). ULH&P's notice sets out a total AA of (.1) cent per Mcf which is no change from its previous total AA.

5. ULH&P's notice sets out no current quarter balancing adjustment ("BA"). ULH&P's notice sets out a total BA of 3.5 cents per Mcf which is no change from its previous total BA.

6. ULH&P's gas cost recovery rate ("GCR") is \$12.163 per Mcf, which is a decrease of \$2.607 per Mcf from its previously approved GCR of \$14.770.

7. The rates in the Appendix to this Order are fair, just, and reasonable, and should be approved for final meter readings by ULH&P on and after January 3, 2006.

IT IS THEREFORE ORDERED that:

1. The rates in the Appendix to this Order are approved for final meter readings by ULH&P on and after January 3, 2006 and replace and supersede the rates established in the Commission's December 21, 2005 Order in Case No. 2005-00529.

2. Within 20 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 3rd day of January, 2006.

By the Commission

ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2006-00001 DATED JANUARY 3, 2006

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 effective 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	\$0.26840	plus	\$1.21630	equals	\$1.48470

RATE GS
GENERAL SERVICE

	<u>Base Rate</u>		<u>Gas Cost Adjustment</u>		<u>Total Rate</u>
Commodity Charge for All Ccf Consumed	\$0.21010	plus	\$1.21630	equals	\$1.42640