

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)
ADJUSTMENT FILING OF THE UNION) CASE NO. 90-041-G
LIGHT, HEAT AND POWER 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 May 1, 1992, The Union Light, Heat and Power Company ("ULH&P") filed its quarterly GCA to be effective June 1, 1992 and which is to remain in effect until September 1, 1992. On May 22, 1992, ULH&P revised its filing to reflect the most recent prices of its suppliers.

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

1. ULH&P's notice of May 22, 1992 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 expected wholesale increase in gas costs from its suppliers in the amount of 45.9 cents per Mcf including take-or-pay billings. ULH&P's expected gas cost ("EGC") is \$3.357 per Mcf, which includes a take-or-pay recovery component of 4.5 cents per Mcf.

2. ULH&P's notice set out a total refund adjustment of 3 cents per Mcf. This adjustment is composed of previous adjustments with no current quarter adjustment.

3. ULH&P's notice set out a current quarter actual adjustment in the amount of (58.5) 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 December 1991 and January and February 1992. ULH&P proposed a total actual adjustment in the amount of (37.5) cents per Mcf to reflect the current overcollection as well as under- and overcollections from three previous quarters.

4. ULH&P's notice set out a current quarter balancing adjustment in the amount of 1.1 cents per Mcf to reconcile variances from previous actual, refund, and balance adjustments. The total balance adjustment of (.1) 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 \$2.951 per Mcf, which is an increase of 28.7 cents per Mcf from the previously authorized rate.

6. ULH&P's revision of May 22, 1992 represented an increase over the rates originally proposed in the May 1, 1992 filing. ULH&P requested a waiver of the statutory notice requirement pursuant to KRS 278.180. ULH&P's request for waiver should be granted.

7. 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 the date of this Order.

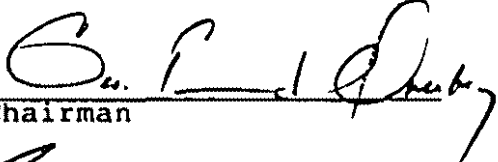
IT IS THEREFORE ORDERED that:

1. 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 the date of this Order.

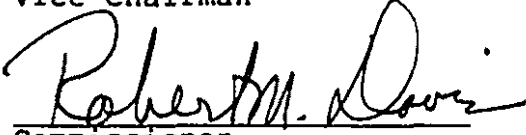
2. Within 30 days of the date of this Order, ULH&P shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 15th day of June, 1992.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 90-041-G DATED June 15, 1992.

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 | 18.63¢ | plus | 29.51¢ | equals | 48.14¢ 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 | 16.79¢ | plus | 29.51¢ | equals | 46.30¢ per CCF |

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

The T-O-P charge to be billed during the revenue months of June, July, and August 1992 is .45 cents per 100 cubic feet.

RATE SS
STANDBY SERVICE

Firm Standby Service

For the volume specified in the written agreement, the customer shall pay an additional charge of 16.05 cents per CcF.

Interruptible Standby Service

For the volume specified in the written agreement, the customer shall pay an additional charge of 9.80 cents per CcF.