

RECEIVED

DEC 30 2004

PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF THE UNION LIGHT,)	
HEAT AND POWER COMPANY FOR)	
APPROVAL OF A SPECIAL CONTRACT)	Case No. 2004-00082
WITH INSIGHT KENTUCKY PARTNERS)	
II, L.P. AND FOR DEVIATION FROM)	
ADMINISTRATIVE REGULATION 807)	
KAR 5:022, SECTION 8(2)(a))	

* * * * *

THE UNION LIGHT, HEAT AND POWER COMPANY'S
 NOTICE OF FILING OF METER READING SAMPLE PLAN RESULTS
 AND REQUEST FOR EXTENSION OF DEVIATION
 UNDER 807 KAR 5:022, SECTION 8(2)(a)

* * * * *

The Union Light, Heat and Power Company (ULH&P) hereby provides notice of filing of the results of its attached meter reading sample plan, and renews its request for a deviation from the requirements of 807 KAR 5:022, Section 8(2)(a), as previously requested.

At issue in this proceeding is ULH&P's application for approval of a special contract between ULH&P and Insight Kentucky Partners, 11, L.P. The contract provides for ULH&P to provide gas and electric service for Insight's gas-operated back-up generators. These generators provide back-up service for Insight's communication equipment. The contract provides for ULH&P to provide service under its existing rate schedules; however, the usage is so sporadic that ULH&P requests approval to provide the

service on an unmetered basis. This would require the Commission to approve a waiver from the requirements of 807 KAR 5:022, Section 8(2)(a).

The Commission's May 12, 2004 order granted ULH&P a deviation from the requirements of 807 KAR 5:022, Section 8(2)(a) through December 31, 2004. The Commission also required ULH&P to complete its sample meter plan by October 1, 2004. ULH&P encountered delays in implementing the sample meter plan and did not complete the plan until November, 2004. ULH&P therefore requests the Commission's indulgence for this late filing of the plan results. ULH&P also requests that the Commission extend its previously-granted deviation from the requirements of 807 KAR 5:022, Section 8(2)(a) until such time as the Commission rules on ULH&P's application for approval of the deviation and the special contract.

The attached meter reading sample plan results are based on actual meter readings of the gas usage for Insight's back-up generators over a period of three months at five different locations. At four of the five sites, total gas usage over the three month period was 1 ccf. At the Carrie Way site, consumption was 2 ccf. The average gas usage for all locations over the three-month period was 0.4 ccf/month.

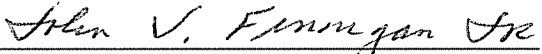
The special contract provides for ULH&P to provide unmetered gas service to Insight (subject to the Commission's approval of ULH&P's request for a deviation) and for ULH&P to charge Insight under Rate GS, using an estimated consumption of 1 ccf per month at each location. Rate GS provides for a customer charge of \$15.35, and also provides for billing in units of 1 ccf. This is the minimum billing amount under Rate GS, and it is consistent with the test results showing an average monthly usage of 0.4

ccf/month at the test locations. Additionally, it would be burdensome for ULH&P to read meters in a situation such as this, where the meters would be in remote locations and only minimal usage is expected. ULH&P therefore submits that, based on these factors, it would be reasonable for the Commission to grant a deviation allowing ULH&P to provide unmetered gas service to Insight pursuant to the terms of the special contract.

WHEREFORE, ULH&P respectfully requests that the Commission accept the special contract for filing, and grant a deviation from the requirements of 807 KAR 5:022, Section 8(2)(a), during the pendency of this application, and during the term of the special contract, as previously requested.

Respectfully submitted,

THE UNION LIGHT, HEAT AND POWER
COMPANY



John J. Finnigan, Jr. (86659) *RMW*
Senior Counsel
Cinergy Services, Inc.
P. O. Box 960
139 East Fourth Street, Room 25 ATII
Cincinnati, Ohio 45201-0960
Phone: (513) 287-3601

**Insight Kentucky Partners 11, L. P.
 Gas-operated Back-up Power Generators
 Load Study**

In order to evaluate the appropriateness of providing unmetered gas service to Insight Kentucky Partners 11, L. P.'s (Insight) gas-operated back-up generators, The Union Light, Heat and Power Company (ULH&P) conducted a metering study on 10% of Insight's generators located in ULH&P's service territory. Meters were installed on five of Insight's 52 back-up generators on July 12, 2004 and the meters were read monthly for the subsequent three months. The locations of the generators that were metered, the meter numbers and the meter reads are provided in the table below. At four of the five sites, total gas usage over the three month period was 1 ccf. At the Carrie Way site, consumption was 2 ccf. Therefore, average gas usage was 0.4 ccf/month.

Table 1. Results of Insight Gas-operated Back-up Generator Metering Study

Site Name	Grandview	Carrie Way	Starboard	Dudley Pk.	Dudley Merk
Meter Number	781794	776185	782164	769349	795358
Date/Read					
Set -7/12/04	2288	3217	2516	6699	817
Read-8/16/04	2288	3217	2516	6699	817
Read -9/16/04	2289	3218	2516	6700	818
Read -10/15/04	2289	3219	2517	6700	818
Total Usage, ccf	1	2	1	1	1

These results demonstrate that gas usage by the back-up generators is minimal under normal conditions.