

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN ADJUSTMENT OF ELECTRIC RATES)
OF THE UNION LIGHT, HEAT AND) CASE NO. 8850
POWER COMPANY)

O R D E R

On June 29, 1983, the Union Light, Heat and Power Company ("ULH&P") filed its Notice with the Commission wherein it proposed to increase its rates for electric service rendered on and after the 19th day of July, 1983. The filing was designed to increase annual revenues by \$8,240,388 to track the proposed increase in the wholesale electric rate to ULH&P by the Cincinnati Gas & Electric Company ("CG&E") in a pending proceeding before the Federal Energy Regulatory Commission ("FERC").

On July 13, 1983, the FERC suspended CG&E's proposed rates for 5 months to be effective December 20, 1983. On July 18, 1983, this Commission suspended ULH&P's proposed rates for 5 months on and after July 19, 1983.

On December 15, 1983, ULH&P filed a motion requesting authorization to collect, subject to refund, interim rates for retail electric service rendered on and after December 20, 1983, until such time as the FERC authorizes a final wholesale electric rate for ULH&P. The interim rates are designed to increase annual

revenues by \$773,704. The basis for the motion is that a settlement agreement has been entered into by all parties to CG&E's wholesale rate proceeding and the agreement has been filed with the FERC. The retail interim rates will produce only the revenues authorized by that settlement agreement.

The interim rates provide a uniform percentage increase in energy and demand charges to reflect the increased wholesale electric settlement rate based on actual data for the 12 months ending December 31, 1982, the test year in this proceeding. The interim rates should be collected subject to refund in the event the FERC authorizes a lower wholesale rate for ULH&P.

Intervenors Newport Steel Corporation and the Attorney General's Office filed notices that they have no objection to ULH&P's motion to collect interim rates.


IT IS THEREFORE ORDERED that the interim rates filed by ULH&P on December 15, 1983, be and they hereby are approved, subject to refund, for service rendered on and after December 20, 1983.


IT IS FURTHER ORDERED that ULH&P shall maintain its records in such manner as will enable a determination of the amounts to be refunded and to whom due in the event a refund is ordered.


IT IS FURTHER ORDERED that within 30 days from the date of this Order, ULH&P shall file with the Commission the tariff sheets as set out in the docket filing of December 15, 1983.

Done at Frankfort, Kentucky, this 20th day of December, 1983.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary