

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

AN ADJUSTMENT OF ELECTRIC)
RATES OF THE UNION LIGHT,) CASE NO. 9299
HEAT AND POWER COMPANY)

O R D E R

On April 10, 1985, Union Light, Heat and Power Company ("ULH&P") filed its notice with the Commission requesting an increase in rates. In its notice ULH&P requested two sets of rates, Phase I rates and Phase II rates. The annual revenue increase under the Phase I rates on a test-period basis would be approximately \$1.3 million and the Phase II rates (which include the Phase I rates) would produce a revenue increase of approximately \$5.3 million on a test-period basis.

The Phase I rate increase is based on the application of an 11.3 percent rate of return, the return found reasonable in ULH&P's last electric rate case (Case No. 8509, "An Adjustment of Rates of the Union Light, Heat and Power Company"), to the net plant for the test period, less accumulated deferred income taxes. The difference in the Phase I increase and the Phase II increase is primarily due to the increases in other expenses and the proposed increase in the rate of return.

ULH&P presented its proposed Phase I rates as a request for an interim increase in order to expedite partial rate relief.

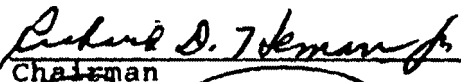
ULH&P requested that the Phase I rates be permitted to become effective April 30, 1985, subject to refund, as proposed with no suspension.

The Commission has reviewed ULH&P's notice and request for the interim Phase I rates and finds that ULH&P has not complied with the Commission's requirements as set out in the established guidelines for interim rate relief. Without the information required under the interim rate guidelines, the Commission is unable to properly evaluate ULH&P's request for Phase I interim rates.

IT IS THEREFORE ORDERED that ULH&P's request for interim rate relief through its Phase I proposed rates be and it hereby is denied.

Done at Frankfort, Kentucky, this 29th day of April, 1985.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary