

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

O R D E R

Based on the prefiled testimony and the responses to data requests, the Commission has determined that the following items are issues under review in this case:

1. Proposed adjustment to reflect the December cost of fuel:

a. Proposed adjustment to reflect the annualization of fuel revenue to reflect the cost of fuel included in the December 1984 purchased power cost. (Adj. No. 3.)

b. Proposed adjustment to reflect the annualization of purchased power costs which reflects the level of fuel cost included in the December 1984 purchased power cost. (Adj. No. 5.)

2. Proposed adjustment to include charitable contributions in operating expenses.

3. Institutional Advertising.

4. Wage Adjustment:

a. Annualize to December 31, 1984, wage levels.

b. Adjustment for projected 1985 increase.

5. Injuries and Damages.
6. Storm Damage.
7. Interest expense for calculation of State and Federal taxes.
8. CWIP/AFUDC.
9. Annualization of increase of Case No. 8850.
10. Calculation of rate base.
11. Other proposed adjustments not specifically mentioned herein.
12. Test year expense levels.
13. Non-recurring expenses.
14. Annualization of fuel revenues and purchased power.
15. Tariff changes.
16. The determination of marginal cost and its use in rate design.
17. The interruptible tariffs and the associated provisions and credits.
18. The embedded cost-of-service study and the implications for revenue allocation among classes.
19. The determination of avoided capacity and energy costs.
20. The cogeneration and small power production tariffs and the associated provisions and rates.
21. Appropriate cost of common equity.
22. Appropriate cost of debt.
23. Appropriate capital structure.

Done at Frankfort, Kentucky, this 17th day of July, 1985.

PUBLIC SERVICE COMMISSION



For the Commission

ATTEST:

Secretary