

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION BY THE PUBLIC)
SERVICE COMMISSION OF THE)
APPLICATION OF THE FUEL ADJUST-)
MENT CLAUSE OF UNION LIGHT,) CASE NO. 9735
HEAT AND POWER COMPANY)
FROM NOVEMBER 1, 1984,)
TO OCTOBER 31, 1986)

O R D E R

Under the provisions of Kentucky Public Service Commission Regulation 807 KAR 5:056 (12), an in-depth review of fuel adjustment clause charges is to be held every 2 years. The purpose of this review is to evaluate past operation of the clause, disallow improper expenses and to the extent appropriate reestablish the fuel clause charge in accordance with Subsection (2) of the Regulation.

The Public Service Commission ("Commission") has determined that the evidence of record included in the three previous fuel adjustment cases (Case Nos. 9175-A, 9175-B and 9175-C) established pursuant to 807 KAR 5:056, Section 1(11), is essential to the consideration of this case. However, the refiling of that evidence in this case would be duplicative, expensive and time-consuming and to the ultimate detriment of the ratepayer. Accordingly, the Commission is of the opinion and finds that the

most expeditious procedure is to incorporate the record of the three previous fuel adjustment cases into this case by reference only.

IT IS THEREFORE ORDERED that:

(1) The evidence of record in the three previous fuel adjustment cases instituted pursuant to 807 KAR 5:056, Section 1(11), (Case Nos. 9175-A, 9175-B and 9175-C) be and they hereby are incorporated into the record of this case by reference.

(2) Pursuant to 807 KAR 5:056, Section 1(11) and (12), Union Light, Heat and Power Company ("ULH&P") shall appear at the Commission's offices in Frankfort, Kentucky, on February 10, 1987, at 9:00 a.m., Eastern Standard Time, for the purpose of examining the application of the Fuel Adjustment Clause from November 1, 1984, to October 31, 1986.

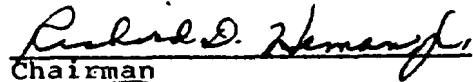
(3) ULH&P shall give proper notice to its customers of the date, time, place, and purpose of the hearing.

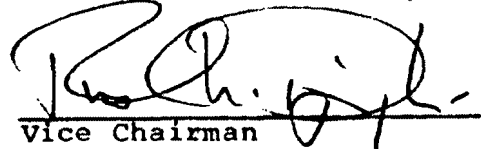
(4) ULH&P shall file an original and six copies of the information requested in Appendix A with the Commission by December 12, 1986. Each copy of the data requested shall be placed in a bound volume with each item tabbed. When a number of sheets is required for an item, each sheet should be appropriately indexed; for example, Item 1(a), Sheet 2 of 6. ULH&P shall furnish with each response the name of the witness who will be available at the public hearing to respond to questions concerning each area of information requested. Careful attention shall be given to copied material to insure that it is legible.

If the information cannot be provided by the due date, ULH&P should submit a motion for an extension of time, stating the reason a delay is necessary and include a date by which it will be furnished. Such motion will be considered by the Commission.

Done at Frankfort, Kentucky, this 14th day of November, 1986.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director

APPENDIX A

1. Provide the following line loss information:
 - (a) A schedule of the calculation of the 12-month average line loss by month for November 1984 through October 1986.
 - (b) A discussion of the steps that have been taken to reduce line loss during these periods.
2. Provide a schedule showing the calculation of ULH&P's monthly and cumulative over- or under-recovery of fuel bills from November 1, 1984, through October 31, 1986.
3. Provide a copy of ULH&P's monthly revenue reports (monthly billing summaries) showing the total revenue collected, including adjustments, under the fuel adjustment clause reported in ULH&P's monthly filings required by the Commission from November 1, 1984, through October 31, 1986.
4. Provide a schedule showing the calculation of the increase or decrease in ULH&P's base fuel cost per KWH as billed by Cincinnati Gas and Electric Company ("CG&E") adjusted for ULH&P's 12-month average line-loss for November 1984 through October 1986.
5. Provide a schedule of the present and proposed rates which ULH&P seeks to charge pursuant to 807 KAR 5:056 as calculated in Item 4 above, shown in comparative form.
6. Provide a statement showing by cross-outs and italicized inserts all proposed changes in rates. A copy of current tariff may be used.

7. Provide a copy of CG&E's most recent fuel clause filings with the Federal Energy Regulatory Commission pertaining to the determination of CG&E's fuel adjustment clause rate to ULH&P. Only two copies need be provided for this item.

8. Provide a list of firm power commitments for ULH&P from November 1, 1986, through October 31, 1988. (Include the electric company's name, MW and purpose; for example, peaking, emergency, etc.)

(a) Purchases

(b) Sales

9. Present testimony on changing the reporting of your monthly FAC adjustment to agree with the other non-generating distribution companies in Kentucky as ordered in Cases 9299 and 9175-B.