

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE EFFECTS OF THE TAX REFORM ACT) ADMINISTRATIVE
OF 1986 ON CONTRIBUTIONS IN AID OF) CASE NO. 313
CONSTRUCTION AND CUSTOMER ADVANCES)

O R D E R

IT IS ORDERED that Kentucky Utilities Company; Louisville Gas and Electric Company; Kentucky Power Company; The Union Light, Heat and Power Company; Western Kentucky Gas Company; Delta Natural Gas Company, Inc.; Columbia Gas of Kentucky, Inc.; and Kentucky American Water Company shall file an original and 10 copies of the following information with this Commission, with a copy to all parties of record. Include with each response the name of the witness who will be responsible for responding to questions relating to the information provided. Careful attention should be given to copied material to insure that it is legible. The information requested herein is due no later than October 21, 1987. If the information cannot be provided by this date, you 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.

1. With reference to page 4 of the Commission's Order dated August 12, 1987, Rate-Making Options a., b., and c., provide the following information:

a. Under each option, provide the initial journal entries to record a contribution.

b. Under each option, provide the initial journal entries to record a customer advance.

c. Under each option, provide the periodic journal entries necessary to account for the contribution in a. above.

d. Under each option, provide the periodic journal entries necessary to account for the customer advance in b. above.

e. Explain how the amounts in the above entries should be determined.

2. Explain any adjustments that would be necessary in a general rate case to reflect proper treatment of a customer advance/contribution under each rate-making option.

Done at Frankfort, Kentucky, this 12th day of October, 1987.

PUBLIC SERVICE COMMISSION

Richard D. Herman, Jr.
For the Commission

ATTEST:

Executive Director