

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF THE UNION)
LIGHT, HEAT AND POWER COMPANY) CASE NO. 89-198
TO MODIFY ITS OFF-PEAK SALES AND)
TRANSPORTATION SERVICE TARIFFS)

O R D E R

IT IS ORDERED that The Union Light, Heat and Power Company ("ULH&P") shall file the original and 12 copies of the following information with the Commission within 20 days of the date of this order. Each copy of the data requested should 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. 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 ensure that it is legible. Where information requested herein has been provided along with the original application, in the format requested herein, reference may be made to the specific location of said information in responding to this information request.

1. On what date did ULH&P commence offering gas transportation services to its customers? What has now precipitated the statements from gas transportation customers that they cannot pursue their least cost supply options? Have such statements been

received primarily from gas transportation customers with alternative fuels?

2. Provide the names of the customers who have expressed dissatisfaction with the current minimum bill requirement. When and how did they express this dissatisfaction? Provide copies of any correspondence with customers regarding the current minimum bill.

3. How has ULH&P eliminated the D-2 demand volumes for TS service?

4. Have D-2 volumes been eliminated for OP customers who are not taking TS service?

5. Is OP service interruptible?

6. Provide a copy of the "Off-Peak Service Agreement" that is required for service under Rate OP.

7. Explain how the current minimum monthly bill provisions prevent ULH&P's customers from pursuing the "least cost supply option" and, in the alternative, how the modifications will allow these customers to do so.

8. How was the current minimum bill rate established (on what is it based)?

9. Does ULH&P offer any form of stand-by or back-up service to Rate OP customers?

10. For customers served under Rate TS, what is the effect of the additional language concerning volumes in excess of nominations? When and how will excess volumes be determined?

11. Does ULH&P still contract D-2 demand volumes for Rate FT, Firm Transportation Customers? If not, were any changes to the minimum bill of Rate FT considered?

12. Provide a list of all customers served under each of the OP, TS, and CF rate schedules.

13. If gas service under the GS Rate schedule is eligible for the combined deliveries, doesn't ULH&P contract D-2 demand volumes in order to assure that GS gas supply will be available? If not, how does ULH&P determine that customers who request gas service under the GS Rate schedule will be assured that the gas will be available when needed?

14. Describe the nature of the "unwarranted subsidy" of the system supply customers by the off-peak/transportation customer group. What is the extent of the subsidy? What is the approximate dollar amount?

15. Do any members of ULH&P's transportation customer group purchase gas under the GS Rate schedule to satisfy any part of their end-use needs?

a. If yes, what percentage of the total group do such members represent?

b. Of the total volumes purchased by this group, what percentage is represented by gas volumes purchased under the GS Rate schedule?

16. How does an unwarranted subsidy of the system supply customers occur when a member of the transportation customer group purchases gas under the GS Rate Schedule to satisfy in part the combined deliveries of the proposed volumetric throughput minimum?

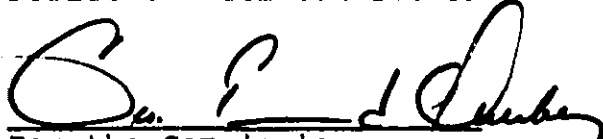
17. ULH&P states that "no customer receiving service under Rate OP, TS, or CF will experience an increase in rates" If the proposal is approved by the Commission, will such customers pay less for service under Rate OP, TS, or CF?

18. To the extent that ULH&P's revenues decrease from the OP, TS, and CF customer groups if the Commission approves the proposal, how does ULH&P expect to makeup the lost revenue?

19. Will it be necessary to increase rates charged to other customer groups? If not, explain.

Done at Frankfort, Kentucky, this 21st day of September, 1989.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:

Executive Director