

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF THE UNION LIGHT,)
HEAT AND POWER COMPANY FOR AN ORDER)
AUTHORIZING ISSUE OF CAPITAL STOCK) CASE NO. 92-418

O R D E R

IT IS ORDERED that The Union Light, Heat and Power Company ("ULH&P") shall file an original and six copies of the following information with this Commission, with a copy to all parties of record, within ten days from the date of this Order. 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. Provide the amount of short-term debt outstanding for ULH&P as of September 30, 1992.

2. In ULH&P's current gas rate case, Case No. 92-346,¹ it has included a pro forma adjustment to its capitalization recognizing the issuance of \$15 million of capital stock. In this application, ULH&P is seeking authorization to issue up to \$30 million in capital stock. Provide the amount of capital stock issued by ULH&P since June 30, 1992. Indicate whether any of the capital stock issued since June 30, 1992 was related to the issuance for which ULH&P is seeking authorization.

¹ Case No. 92-346, Application of The Union Light, Heat and Power Company to Adjust Gas Rates.

3. On September 24, 1992, ULH&P filed Case No. 92-417² seeking authority to issue up to \$40 million principal amount of its First Mortgage Bonds. In both this application and that in Case No. 92-417, ULH&P states that the proceeds from the respective issuances will be used to repay ULH&P's short-term debt, for additional expenditures as contemplated by KRS 278.300, and for other lawful corporate purposes, including the possible refunding of outstanding first mortgage bonds. Provide the planned mix of bonds and capital stock ULH&P plans to use to retire its \$32 million of short-term debt.

4. The maximum amount of financing ULH&P seeks authorization for in this application and Case No. 92-417 is \$70 million. The total short-term debt as of June 30, 1992 is \$32 million. Provide a schedule describing the specific additional expenditures or debt retirements ULH&P currently plans to finance with these authorizations in addition to the retirement of short-term debt.

5. Explain the rationale for any planned debt redemptions. Provide an analysis using net present value for each series. Show the maximum rate at which the refinancing would be cost effective.

Done at Frankfort, Kentucky, this 19th day of October, 1992.

ATTEST:

Executive Director

PUBLIC SERVICE COMMISSION



For the Commission



Daniel

² Case No. 92-417, Application of The Union Light, Heat and Power Company for Order Authorizing Issue and Sale of Up To \$40,000,000 Principal Amount of First Mortgage Bonds.