

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF THE UNION LIGHT,)
HEAT AND POWER COMPANY FOR AN) CASE NO. 92-346
ADJUSTMENT OF RATES)

O R D E R

On April 26, 1993, pursuant to KRS 278.190, The Union Light, Heat and Power Company ("ULH&P") placed into effect its proposed rates designed to produce an increase in annual revenues of \$8.5 million. In our final Order of July 23, 1993, ULH&P's rates were established at a level lower than the rates ULH&P implemented April 26, 1993. The rates approved therein produced an annual increase in revenues of \$3.9 million. ULH&P was directed to file a report of excess revenues collected under the rates placed in effect April 26, 1993 and a refund plan designed pursuant to KRS 278.190(4).

On August 12, 1993, ULH&P and the Attorney General, through his Utility and Rate Intervention Division, filed petitions for rehearing of our July 23, 1993 Order. On August 31, 1993, the Commission issued its final Order on rehearing granting ULH&P an increase in annual revenues of \$4.15 million.

On September 10, 1993, ULH&P filed its report of excess revenues and its proposed refund plan. ULH&P also filed its revised tariff sheets setting out the rates approved in our August 31, 1993 Order.

Upon review of the refund plan, it is apparent ULH&P continued charging the rates it had placed in effect April 26, 1993 after it received our July 23, 1993 Order which established new, lower rates. ULH&P continued to charge its proposed rates until the August 31, 1993 effective date of our Order on rehearing which indicates it never implemented the rates approved by the Commission and made effective July 23, 1993.¹

Under ULH&P's proposed refund plan, customers will be refunded the difference, with interest, between the April 26, 1993 rates and the August 31, 1993 rates for the four-month, five-day period the April 26 rates were in effect. The resulting impact is the same as if there were no July 23, 1993 Order---that the rates approved therein, and effective for more than five weeks, never existed. Irrespective of ULH&P's petition for rehearing, or our decision on rehearing, the July 23, 1993 rates were the lawful rates for service rendered from that date until the August 31, 1993 effective date of our Order on rehearing. ULH&P's refund will have to reflect the lower rates that were in effect for that period of time.

The proposed refund shall be modified to reflect two periods of time: April 26, 1993 to July 23, 1993 and July 23, 1993 to August 31, 1993. For the period ended July 23, 1993, the amount refunded shall be based on the August 31, 1993 rates. For the

¹ ULH&P did not file new tariff sheets as required by our Order reflecting the July 23, 1993 rates as its effective rates.

period July 23, 1993 to August 31, 1993, the refund shall be based on the July 23, 1993 rates. To do otherwise would have the effect of making the August 31 rates retroactive to July 23. Such effect is not permitted by law.

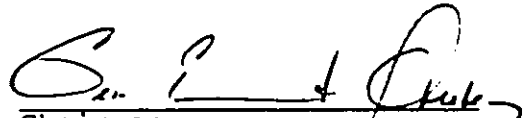
IT IS THEREFORE ORDERED that:

1. ULH&P's refund plan is acceptable with the modification prescribed herein.

2. ULH&P shall makes its refunds to customers during October 1993, as it proposed, and upon completion of the refund, submit a report of the amounts refunded no later than 90 days from the date of our Order on rehearing.

Done at Frankfort, Kentucky, this 24th day of September, 1993.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

Commissioner

ATTEST:



Executive Director