

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

| | | |
|-----------------------------|---|-------------------|
| THE NOTICE OF PURCHASED GAS |) | |
| ADJUSTMENT FILING OF THE |) | |
| UNION LIGHT, HEAT AND POWER |) | CASE NO. 92-346-Q |
| COMPANY |) | |

O R D E R

On August 31, 1993, in Case No. 92-346, the Commission approved certain adjusted rates for The Union Light, Heat and Power Company ("ULH&P") and provided for their further adjustment on a quarterly basis in accordance with its approved gas cost adjustment ("GCA") clause.

On October 30, 1997, ULH&P filed its GCA to be effective December 1, 1997 through March 2, 1998. On November 21, 1997, ULH&P revised its filing to reflect more current gas price information.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. ULH&P's notice of October 30, 1997, as revised November 21, 1997, proposed revised rates designed to pass on to its customers its wholesale increase in gas costs. ULH&P's proposed expected gas cost ("EGC") of \$3.642 per Mcf includes a take-or-pay recovery component of 0 cents per Mcf.

2. ULH&P's notice of October 30, 1997 set out a current quarter refund adjustment in the amount of 4.2 cents per Mcf to return pipeline supplier refunds of

\$466,750, including interest, to its customers. The total refund adjustment of 5.0 cents per Mcf is composed of the current adjustment and a previous quarter adjustment.

3. ULH&P's notice of October 30, 1997 set out a current quarter actual adjustment of 4.4 cents per Mcf to collect under-recovered gas cost from June, July and August 1997. The proposed total actual adjustment of 23.3 cents per Mcf reflects the current under-collection, as well as under- and over-collections from three previous quarters.

4. ULH&P's notice of October 30, 1997 set out a current quarter balancing adjustment of (.6) cent per Mcf to reconcile variances from previous actual, refund, and balance adjustments. The total balance adjustment of (5.8) cents per Mcf reflects the current, as well as the three previous, balance adjustments.

5. ULH&P proposed a Firm Standby Rate of \$2.189 per Mcf and an Interruptible Standby Rate of 69.0 cents per Mcf.

6. The combined effect of the above adjustments is ULH&P's gas cost recovery rate ("GCR") of \$3.767 per Mcf, 2.1 cents per Mcf less than the previously authorized rate.

7. ULH&P's adjustment in rates contained in the Appendix to this Order is fair, just, and reasonable, in the public interest, and should be approved effective with bills rendered on and after December 1, 1997.


IT IS THEREFORE ORDERED that:

1. The rates in the Appendix, attached hereto and incorporated herein, are fair, just, and reasonable and are authorized to be effective with bills rendered on and after December 1, 1997.

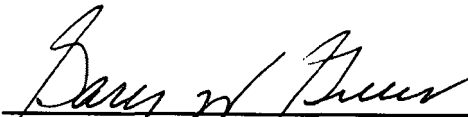
2. Within 30 days of the date of this Order, ULH&P shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 1st day of December, 1997.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 92-346-Q DATED DECEMBER 1, 1997

The following rates and charges are prescribed for the customers served by The Union Light, Heat and Power Company. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the date of this Order.

GAS SERVICE RATES RATE RESIDENTIAL SERVICE

| | <u>Base Rate</u> | <u>Gas Cost Adjustment</u> | <u>Total Rate</u> |
|--|----------------------|------------------------------------|-----------------------|
| Commodity Charge for All CCF Consumed | 22.02¢ plus | 37.67¢ equals | 59.69¢ per CCF |

RATE GS GENERAL SERVICE

| | <u>Base Rate</u> | <u>Gas Cost Adjustment</u> | <u>Total Rate</u> |
|--|----------------------|------------------------------------|-----------------------|
| Commodity Charge for All CCF Consumed | 20.07¢ plus | 37.67¢ equals | 57.74¢ per CCF |

RATE SS STANDBY SERVICE

Firm Standby Service

For the volume specified in the written agreement, the customer shall pay an additional charge of 21.89 cents per Ccf.

Interruptible Standby Service

For the volume specified in the written agreement, the customer shall pay an additional charge of 6.90 cents per Ccf.

Take-or-Pay Recovery Charge

The T-O-P charge to be billed during the months of December 1997, and January and February 1998 is 0 cents per Ccf.