

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

ORDER

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 gas cost adjustment ( GCA ) clause.

On April 29, 1999, ULH&P filed its GCA to be effective June 1, 1999 through August 27, 1999.

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

1.     ULH&P s notice of April 29, 1999 proposed revised rates designed to pass on its expected increased wholesale gas costs to its customers. ULH&P s proposed expected gas cost ( EGC ) of \$3.570 per Mcf includes a take-or-pay recovery component of 0 cent per Mcf, and is an increase of 35.6 cents per Mcf from the EGC which was approved in its last filing.

2.     ULH&P s notice of April 29, 1999 set out a current quarter refund adjustment of 1.5 cents per Mcf to return to its customers refunds in the amount of

\$142,816, including interest. The total refund adjustment of 2.5 cents per Mcf reflects the current refund adjustment as well as previous quarter adjustments, and represents a 1.5 cent per Mcf decrease in rates from the total refund adjustment previously in effect.

3. ULH&P's notice of April 29, 1999 set out a current quarter actual adjustment ( AA ) of (22) cents per Mcf to return over-recovered gas cost from December 1998, and January and February 1999. The proposed total AA of (10.9) cents per Mcf reflects the current over-collection as well as under- and over-collections from three previous quarters. The total AA is 7.1 cents per Mcf higher than the previous AA.

4. ULH&P's notice of April 29, 1999 set out a current quarter balancing adjustment ( BA ) of 6.9 cents per Mcf to reconcile variances from previous actual, refund, and balancing adjustments. The total BA of 5.3 cents per Mcf reflects the current, as well as the three previous, BAs. It is 1.3 cents per Mcf higher than the previous BA.

5. ULH&P proposed a Firm Standby Rate of \$.1074 per Mcf and an Interruptible Standby Rate of \$.624 per Mcf.

6. The combined effect of the above adjustments is ULH&P's gas cost recovery rate ( GCR ) of \$3.489 per Mcf, which is 42.5 cents per Mcf more than its previous GCR of \$3.064 per Mcf.

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 June 1, 1999.

IT IS THEREFORE ORDERED that:

1. The rates in the Appendix to this Order are fair, just, and reasonable, and are effective for bills rendered on and after June 1, 1999.

2. Within 30 days from 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 24<sup>th</sup> day of May, 1999.

By the Commission

ATTEST:

\_\_\_\_\_  
Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN  
CASE NO. 92-346-W DATED MAY 24, 1999

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 RS  
RESIDENTIAL SERVICE

	<u>Base Rate</u>		<u>Gas Cost Adjustment</u>	<u>Total Rate</u>
Commodity Charge for All Ccf Consumed	\$ .2202	plus	\$ .3489	\$ .5691

RATE GS  
GENERAL SERVICE

	<u>Base Rate</u>		<u>Gas Cost Adjustment</u>	<u>Total Rate</u>
Commodity Charge for All Ccf Consumed	\$ .2007		\$ .3489	\$ .5496

RATE SS  
STANDBY SERVICE

Firm Standby Service

For the volume specified in the written agreement, the customer shall pay an additional charge of 10.74 cents per Ccf.

Interruptible Standby Service

For the volume specified in the written agreement, the customer shall pay an additional charge of 6.24 cents per Ccf.

Take-or-Pay Recovery Charge

The T-O-P charge to be billed during the months of June, July, and August 1999 is 0 cents per Ccf.