

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

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 July 29, 1999, ULH&P filed its GCA to be effective August 30, 1999 through November 29, 1999.

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

1. ULH&P s notice of July 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 \$3.707 per Mcf includes a take-or-pay recovery component of 0 cent per Mcf, and is an increase of 13.7 cents per Mcf from the EGC which was approved in its last filing.

2. ULH&P s notice of July 29, 1999 set out no current quarter refund adjustment. The total refund adjustment of (2.1) cents per Mcf reflects previous quarter

adjustments, and represents a .4 cent per Mcf increase in rates from the total refund adjustment previously in effect.

3. ULH&P's notice of July 29, 1999 set out a current quarter actual adjustment (AA) of (22) cents per Mcf to return over-recovered gas cost from March, April, and May 1999. The proposed total AA of (20.5) cents per Mcf reflects the current over-collection as well as under- and over-collections from three previous quarters. The total AA is 9.6 cents per Mcf lower than the previous AA.

4. ULH&P's notice of July 29, 1999 set out a current quarter balancing adjustment (BA) of (1.5) cents per Mcf to reconcile variances from previous actual, refund, and balancing adjustments. The total BA of 3 cents per Mcf reflects the current, as well as the three previous, BAs. It is 2.3 cents per Mcf lower than the previous BA.

5. ULH&P proposed a Firm Standby Rate of \$.1075 per Mcf and an Interruptible Standby Rate of \$.630 per Mcf.

6. The combined effect of the above adjustments is ULH&P's gas cost recovery rate (GCR) of \$3.511 per Mcf, which is 2.2 cents per Mcf more than its previous GCR of \$3.489 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 August 30, 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 August 30, 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 30th day of August, 1999.

By the Commission

ATTEST:

Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 92-346-X DATED AUGUST 30, 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 effective 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	\$.3511	\$.5713

RATE GS
GENERAL SERVICE

	<u>Base Rate</u>		<u>Gas Cost Adjustment</u>	<u>Total Rate</u>
Commodity Charge for All Ccf Consumed	\$.2007		\$.3511	\$.5518

RATE SS
STANDBY SERVICE

Firm Standby Service

For the volume specified in the written agreement, the customer shall pay an additional charge of 10.75 cents per Ccf.

Interruptible Standby Service

For the volume specified in the written agreement, the customer shall pay an additional charge of 6.30 cents per Ccf.

Take-or-Pay Recovery Charge

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