

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF PURCHASED GAS)
ADJUSTMENT FILING OF THE) CASE NO. 92-346-AA
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 April 28, 2000, ULH&P filed its GCA to be effective May 31, 2000 through August 28, 2000.

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

1. ULH&P's notice of April 28, 2000 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 \$4.239 per Mcf includes a take-or-pay recovery component of 0 cent per Mcf, and is an increase of 44.4 cents per Mcf from the EGC which was approved in its last filing.

2. ULH&P's notice of April 28, 2000 set out a current quarter refund adjustment of .2 cent per Mcf to return refunds in the amount of \$18,086, including

interest, to its customers. The total refund adjustment of 3.4 cents per Mcf reflects the current adjustment as well as previous quarter adjustments, and represents a 1.3 cent per Mcf increase in rates from the total refund adjustment previously in effect.

3. ULH&P's notice of April 28, 2000 set out a current quarter actual adjustment ("AA") of (41.4) cents per Mcf to return over-recovered gas cost from December 1999, and January and February 2000. The proposed total AA of (26.6) cents per Mcf reflects the current over-collection as well as under- and over-collections from three previous quarters. The total AA is 19.4 cents per Mcf lower than the previous AA.

4. ULH&P's notice of April 28, 2000 set out a current quarter balancing adjustment ("BA") of (.6) cent per Mcf to reconcile variances from previous actual, refund, and balancing adjustments. The total BA of (2.3) cents per Mcf reflects the current, as well as the three previous, BAs. It is 7.5 cents per Mcf lower than the previous BA.

5. ULH&P proposed a Firm Standby Rate of \$.9310 per Mcf and an Interruptible Standby Rate of \$.522 per Mcf.

6. The combined effect of the above adjustments is ULH&P's gas cost recovery rate ("GCR") of \$3.916 per Mcf, which is 18.8 cents per Mcf more than its previous GCR of \$3.728 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 May 31, 2000.

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 May 31, 2000.

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 5th day of June, 2000.

By the Commission

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 92-346-AA DATED JUNE 5, 2000

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	\$.3916	\$.6118

RATE GS
GENERAL SERVICE

	<u>Base Rate</u>		<u>Gas Cost Adjustment</u>	<u>Total Rate</u>
Commodity Charge for All Ccf Consumed	\$.2007		\$.3916	\$.5923

RATE REC
RESIDENTIAL ENERGY CONSERVATION SERVICE

	<u>Base Rate</u>	<u>Gas Cost Adjustment</u>	<u>Total Rate</u>
All Ccf Consumed	\$.2828	\$.3916	\$.6744

RATE SS
STANDBY SERVICE

Firm Standby Service

For the volume specified in the written agreement, the customer shall pay an additional charge of 9.31 cents per Ccf.

Interruptible Standby Service

For the volume specified in the written agreement, the customer shall pay an additional charge of 5.22 cents per Ccf.

Take-or-Pay Recovery Charge

The T-O-P charge to be billed during the months of June, July, and August 2000 is 0 cents per Ccf.