

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF THE)	CASE NO. 92-346-EE
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 ULH&P's gas cost adjustment ("GCA") clause.

On October 27, 2000, ULH&P filed its GCA to be effective November 29, 2000 through February 28, 2001.

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

1. ULH&P's notice of October 27, 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 \$5.975 per Mcf includes a take-or-pay recovery component of 0 cent per Mcf, and is an increase of 54.1 cents per Mcf from the EGC which was approved in its last filing.

2. ULH&P's notice of October 27, 2000 set out no current quarter refund adjustment. The total refund adjustment of 3 cents per Mcf reflects previous quarter adjustments.

3. ULH&P's notice of October 27, 2000 set out a current quarter actual adjustment ("AA") of 15.1 cents per Mcf. The proposed total AA of (18.2) cents per Mcf reflects previous quarter adjustments.

4. ULH&P's notice of October 27, 2000 set out a current quarter balancing adjustment ("BA") of (.1) cent per Mcf. The total BA of (.3) cent per Mcf reflects previous quarter adjustments.

5. ULH&P proposed a Firm Standby Rate of \$.899 per Mcf and an Interruptible Standby Rate of \$.415 per Mcf.

6. The combined effect of the above adjustments is ULH&P's gas cost recovery rate ("GCR") of \$5.760 per Mcf, which is 60.4 cents per Mcf more than its previous GCR of \$5.156 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 November 29, 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 November 29, 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 28th day of November, 2000.

By the Commission

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 92-346-EE DATED NOVEMBER 28, 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	\$.5760	\$.7962

RATE GS
GENERAL SERVICE

	<u>Base Rate</u>		<u>Gas Cost Adjustment</u>	<u>Total Rate</u>
Commodity Charge for All Ccf Consumed	\$.2007		\$.5760	\$.7767

RATE SS
STANDBY SERVICE

Firm Standby Service

For the volume specified in the written agreement, the customer shall pay an additional charge of 8.99 cents per Ccf.

Interruptible Standby Service

For the volume specified in the written agreement, the customer shall pay an additional charge of 4.15 cents per Ccf.

Take-or-Pay Recovery Charge

The T-O-P charge to be billed during the months of December 2000, January and February 2001 is 0 cents per Ccf.

SUMMARY OF PURCHASED GAS ADJUSTMENT FILING

Case No. 92-346-EE

Filing Date October 27, 2000

Utility The Union Light, Heat and Power Company

Proposed Effective Date Calendar Quarter Beginning November 29, 2000

Wholesale Gas Supplier Dynegy Marketing, Texaco Gas Marketing, Southern Co.
Energy Marketing, Anadarko

Wholesale Rate Change 54.1 cents/Mcf Increase

Total filing reflects an increase in retail rates due to changes in the refund, actual, and balance adjustments.

Retail Rate Change 60.4 cents/Mcf Increase – Net effect of all adjustments

Gas Cost Recovery Rate Components:	EGC (wholesale cost)	\$5.975
	Refund Adjustment	(.030)
	Actual Adjustment	(.182)
	Balance Adjustment	<u>(.003)</u>
	GCR (retail)	\$5.760
	Previous GCR	\$5.156

Prepared by: Dawn McGee

Date: November 20, 2000