

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF THE)	CASE NO. 92-346-Z
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 January 28, 2000, ULH&P filed its GCA to be effective March 1, 2000 through May 26, 2000.

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

1. ULH&P's notice of January 28, 2000 proposed revised rates designed to pass on its expected decreased wholesale gas costs to its customers. ULH&P's proposed expected gas cost ("EGC") of \$3.795 per Mcf includes a take-or-pay recovery component of 0 cent per Mcf, and is a decrease of 12.1 cents per Mcf from the EGC which was approved in its last filing.

2. ULH&P's notice of January 28, 2000 set out a current quarter refund adjustment in the amount of \$279,413, including interest, or 2.8 cents per Mcf. The total

refund adjustment of 4.7 cents per Mcf reflects the current adjustment as well as previous quarter adjustments, and represents a 2.8 cent per Mcf decrease in rates from the total refund adjustment previously in effect.

3. ULH&P's notice of January 28, 2000 set out a current quarter actual adjustment ("AA") of 27.1 cents per Mcf to collect under-recovered gas cost from September, October, and November 2000. The proposed total AA of (7.2) cents per Mcf reflects the current under-collection as well as under- and over-collections from three previous quarters. The total AA is 12.8 cents per Mcf higher than the previous AA.

4. ULH&P's notice of January 28, 2000 set out a current quarter balancing adjustment ("BA") of .4 cent per Mcf to reconcile variances from previous actual, refund, and balancing adjustments. The total BA of 5.2 cents per Mcf reflects the current, as well as the three previous, BAs. It is .3 cent per Mcf higher than the previous BA.

5. ULH&P proposed a Firm Standby Rate of \$.9380 per Mcf and an Interruptible Standby Rate of \$.620 per Mcf.

6. The combined effect of the above adjustments is ULH&P's gas cost recovery rate ("GCR") of \$3.728 per Mcf, which is 1.8 cents per Mcf less than its previous GCR of \$3.746 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 March 1, 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 March 1, 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 25th day of February, 2000.

By the Commission

ATTEST:

Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 92-346-Z DATED FEBRUARY 25, 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	\$.3728	\$.5930

RATE GS
GENERAL SERVICE

	<u>Base Rate</u>		<u>Gas Cost Adjustment</u>	<u>Total Rate</u>
Commodity Charge for All Ccf Consumed	\$.2007		\$.3728	\$.5735

RATE REC
RESIDENTIAL ENERGY CONSERVATION SERVICE

	<u>Base Rate</u>	<u>Gas Cost Adjustment</u>	<u>Total Rate</u>
All Ccf Consumed	\$.2828	\$.3728	\$.6556

RATE SS
STANDBY SERVICE

Firm Standby Service

For the volume specified in the written agreement, the customer shall pay an additional charge of 9.38 cents per Ccf.

Interruptible Standby Service

For the volume specified in the written agreement, the customer shall pay an additional charge of 6.20 cents per Ccf.

Take-or-Pay Recovery Charge

The T-O-P charge to be billed during the months of March, April, and May 2000 is 0 cents per Ccf.