

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF THE UNION LIGHT, HEAT)	
AND POWER COMPANY TO IMPLEMENT A PILOT)	
PROGRAM TO EVALUATE THE USE OF A HEDGING)	CASE NO.
PROGRAM TO MITIGATE PRICE VOLATILITY IN THE)	2001-128
PROCUREMENT OF NATURAL GAS)	

O R D E R

On May 14, 2001, The Union Light, Heat and Power Company ("ULH&P") filed an application requesting approval to implement a pilot hedging program for the purchase of natural gas for the 2001-2002 and 2002-2003 winter heating seasons to mitigate price volatility for its customers. ULH&P also requested to revise its Gas Cost Adjustment ("GCA") tariff to reflect the pilot hedging program, with the revised GCA tariff to be effective twenty days after the filing of its application.

The Commission finds that, pursuant to KRS 278.190, further proceedings are necessary in order to determine the reasonableness of ULH&P's requests and that such proceedings cannot be completed prior to the proposed effective date.

IT IS THEREFORE ORDERED that:

1. ULH&P's proposed tariff is hereby suspended for 5 months from June 4, 2001 up to and including November 4, 2001.
2. The procedural schedule set forth in Appendix A shall be followed.
3. Nothing contained herein shall prevent the Commission from entering a final decision in this case prior to the termination of the suspension period.

Done at Frankfort, Kentucky, this 29th day of May, 2001.

By the Commission

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2001-128 DATED MAY 29, 2001

Initial request for information to ULH&P
shall be filed no later than.....6/01/01

ULH&P shall file responses to the original
requests for information no later than.....6/11/01

Intervenors' comments, if any, shall be filed
no later than.....6/15/01

Reply comments from ULH&P shall be filed
no later than.....6/20/01