

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF THE)	CASE NO. 2002-00032
UNION LIGHT, HEAT AND POWER)	
COMPANY)	

ORDER

On January 31, 2002, in Case No. 2001-092, the Commission approved rates for The Union Light, Heat and Power Company (ULH&P) and provided for their further adjustment in accordance with ULH&P s gas cost adjustment (GCA) clause.

On January 29, 2002, ULH&P filed its GCA to be effective March 1, 2002.

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

1. ULH&P s notice includes rates designed to pass on to its customers its expected decrease in wholesale gas costs. ULH&P s expected gas cost (EGC) is \$3.382 per Mcf, which is a decrease of 97.9 cents per Mcf from the previous EGC of \$4.361.
2. ULH&P s notice sets out no current refund adjustment (RA). The total RA of .6 cent per Mcf is an increase of 1.9 cents per Mcf from the previous total RA.
3. ULH&P s notice sets out a current actual adjustment (AA) of (22) cents per Mcf. The total AA of 26.4 cents per Mcf is a decrease of \$1.04 per Mcf from the previous total AA.

4. ULH&P's notice sets out a current balancing adjustment (BA) of (2) cents per Mcf. The total BA of 2.4 cents per Mcf is a decrease of 1.9 cents per Mcf from the previous total BA.

5. ULH&P proposes a Firm Standby Rate of \$.903 per Mcf and an Interruptible Standby Rate of \$.394 per Mcf. ULH&P requested and the Commission approved the elimination of the Firm Standby Rate and the Interruptible Standby Rate in Case No. 2001-092.

6. ULH&P's gas cost recovery rate (GCR) is \$3.664 per Mcf, which is \$2.019 per Mcf less than its previous GCR of \$5.683.

7. The rates in the Appendix to this Order are fair, just, and reasonable, in the public interest, and should be approved for final meter readings by ULH&P on and after March 1, 2002.

IT IS THEREFORE ORDERED that:

1. The rates in the Appendix to this Order are approved for final meter readings on and after March 1, 2002.

2. Within 20 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 19th day of February, 2002.

By the Commission

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2002-00032 DATED February 19, 2002

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	\$.2320	plus	\$.3664	\$.5984

RATE GS
GENERAL SERVICE

	<u>Base Rate</u>		<u>Gas Cost Adjustment</u>	<u>Total Rate</u>
Commodity Charge for All Ccf Consumed	\$.2046		\$.3664	\$.5710