

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF THE UNION LIGHT,)	
HEAT AND POWER COMPANY FOR)	
AUTHORITY TO MAKE MONTHLY)	CASE NO. 2003-00386
ADJUSTMENTS TO THE EXPECTED GAS)	
COST COMPONENT OF ITS GAS COST)	
ADJUSTMENT RATE)	

FIRST DATA REQUEST OF COMMISSION STAFF TO
THE UNION LIGHT, HEAT AND POWER COMPANY

The Union Light, Heat and Power Company (ULH&P), pursuant to 807 KAR 5:001, is requested to file with the Commission the original and 8 copies of the following information, with a copy to all parties of record. The information requested herein is due October 28, 2003. When a number of sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), Sheet 2 of 6. Include with each response the name of the person who will be responsible for responding to questions relating to the information provided. Careful attention should be given to copied material to ensure that it is legible. Where information herein has been previously provided, in the format requested herein, reference may be made to the specific location of said information in responding to this information request.

1. Refer to page 3 of the application. ULH&P states that its proposed changes to its Gas Cost Adjustment (GCA) mechanisms are consistent with the Commission s orders that encourage measures to deal with price volatility.

a. Explain how filing a GCA more frequently will help control price volatility.

b. Briefly explain how ULH&P will determine the 12-month forecasted weather normalized sales.

c. Explain how storage gas is priced in ULH&P's GCA filing.

2. The Expected Gas Cost (EGC) is trued up through two quarterly adjustments, the Actual Adjustment (AA) and the Balancing Adjustment (BA). The AA is included in the GCA six months after the EGC is implemented in rates and kept in rates for 12 months. At the end of 12 months, the AA is then trued up through the BA and included in rates for another 12 months. If ULH&P's proposal is implemented for a period of 18 months, the BA will still include EGCs from periods prior to the commencement of the monthly filings.

a. Explain whether ULH&P considered a longer time frame for the pilot period. If yes, explain why a longer period was not proposed.

b. If the proposal to file monthly GCAs is approved, explain whether ULH&P will be able to file, for the period of time that the monthly GCAs will be in effect, a comparison of the actual AAs and BAs under the monthly filings and the AAs and BAs that would have existed under quarterly filings.

3. Refer to Attachment 2, page 1 of 7, Sample Gas Bill.

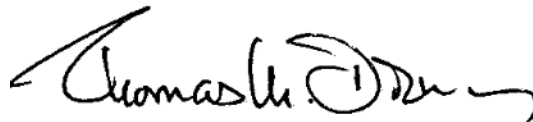
a. Explain the basis for the 10.8 Mcf used to calculate the sample bill for March through November and the 25 Mcf used to calculate the sample bill for December through February.

b. Are commercial and industrial customers included in the calculation of the average Mcf usage? If yes, provide the number of residential, commercial and industrial customers that purchase gas from ULH&P.

4. Refer to Attachment 2, page 3 of 7, Comparison of Revenue Impact of Monthly GCR vs. Quarter GCR. Explain whether the Reconciliation Adj. is the same item as the Refund Adjustment reported on ULH&P s GCR filings.

5. Refer to Attachment 2, page 4 of 7, Effect on the Actual Adjustment. Explain the negative unit book cost of gas reported under September 2002.

6. Refer to Attachment 2, page 5 of 7, Summary of GCR Components. Provide a schedule of ULH&P s billing codes.



Thomas M. Dorman
Executive Director
Public Service Commission
P. O. Box 615
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DATED October 23, 2003

cc: All Parties