

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

| | | |
|-----------------------------|---|---------------------|
| NOTICE OF PURCHASED GAS |) | |
| ADJUSTMENT FILING OF THE |) | CASE NO. 2003-00420 |
| UNION LIGHT, HEAT AND POWER |) | |
| COMPANY |) | |

ORDER

On January 31, 2002, in Case No. 2001-00092, 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 November 10, 2003, ULH&P filed its GCA to be effective December 1, 2003. This is ULH&P s initial monthly GCA filing in a 30-month trial period approved by the Commission in Case No. 2003-00386.¹

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 change in wholesale gas costs.
2. ULH&P s Expected Gas Cost (EGC) is \$5.874 per Mcf, which is a decrease of 32.7 cents per Mcf from the previous EGC of \$6.201.
3. ULH&P s notice sets out no current refund adjustment (RA). The total RA of .4 cent per Mcf represents an increase of .1 cent per Mcf from the previous total RA.

¹ Case No. 2003-00386, The Application of The Union Light, Heat and Power Company for Authority to Make Monthly Adjustments to the Expected Gas Cost Component of Its Gas Cost Adjustment Rate, Order dated November 6, 2003.

4. ULH&P's notice sets out a current quarter actual adjustment (AA) of (4.5) cents per Mcf. The total AA of 52.2 cents per Mcf represents an increase of 4.5 cents from the previous total AA.

5. ULH&P's notice sets out a current balancing adjustment (BA) of (2.2) cents per Mcf. The total BA of 1.9 cents per Mcf represents an increase of 6.6 cents from the previous total BA.

6. ULH&P's gas cost recovery rate (GCR) is \$6.411 per Mcf, which is 21.5 cents per Mcf less than its previous GCR of \$6.626.

7. The rates in the Appendix to this Order are fair, just, and reasonable, and should be approved for final meter readings by ULH&P on and after December 1, 2003.

IT IS THEREFORE ORDERED that:

1. The rates in the Appendix to this Order are approved for final meter readings on and after December 1, 2003.

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 21st day of November, 2003.

By the Commission

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2003-00420 DATED November 21, 2003

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 | \$.2334 | plus | \$.6411 | \$.8745 |

RATE GS
GENERAL SERVICE

| | <u>Base Rate</u> | | <u>Gas Cost Adjustment</u> | <u>Total Rate</u> |
|--|----------------------|--|------------------------------------|-----------------------|
| Commodity Charge for All Ccf Consumed | \$.2049 | | \$.6411 | \$.8460 |