

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

PURCHASED GAS ADJUSTMENT )  
FILING OF THE UNION LIGHT, ) CASE NO. 8373-R  
HEAT AND POWER COMPANY )

O R D E R

On April 16, 1982, the Commission issued its Order in Case No. 8373, approving certain rates and providing for adjustments of these rates on a quarterly basis in accordance with the provisions of the gas cost adjustment clause set forth therein. On May 2, 1984, the Commission issued its Order in Case No. 8995 approving a revision in the gas cost adjustment clause and the methodology used to compute the gas cost recovery rates.

On June 29, 1984, the Commission issued a further Order in Case No. 8995 authorizing The Union Light, Heat and Power Company ("Union") to implement a two-phase plan for transferring outstanding balances under the former methodology to the revised methodology. A cut-off date of June 30, 1984, was established for the transfer due to the fact that the rates in effect, until that time, were developed using the former methodology. The first phase was a reconciliation for the period from July 1982, through March 1984, and was included in the actual adjustment component of the gas cost recovery rates effective June 29, 1984. The second phase was a final reconciliation through June 1984 and would be included in the actual adjustment component of the gas

cost recovery rates effective with October 1984 billings. The reconciliation amount would be computed based on actual sales as the difference between the current book unrecovered purchased gas cost and the amount that would be recorded had the revised methodology been in effect since July 1982.

On September 4, 1984, Union filed its revised quarterly gas cost adjustment which is to become effective October 1, 1984, and is to remain in effect until December 31, 1984. It included the Phase II transfer in the actual adjustment.

After reviewing the record in this case and being advised, the Commission is of the opinion and finds that:

(1) Union's notice of September 4, 1984, set out certain revisions in rates which Union proposed to place into effect, said rates being designed to pass on the wholesale increase in gas costs from its suppliers in the amount of \$1,174,383 or 9.4 cents per Mcf.

(2) Union's notice set out a total refund adjustment of 2.2 cents per Mcf, replacing the previous adjustment of 1.5 cents per Mcf. This adjustment includes a current quarter supplier refund of \$102,518 plus interest which is due Union's customers.

(3) Union's notice set out a total actual adjustment of 14.8 cents per Mcf to compensate for previous under-recovery of gas cost by the company through the operation of its gas cost recovery procedure and the Phase II transfer to the revised gas cost recovery methodology.

(4) Union's notice set out a balance adjustment of 9.8 cents per Mcf to compensate for over- and under-collections which occurred as a result of previous gas cost, refund and balance adjustments.

(5) Union's notice of September 4, 1984, in Case No. 8373-K, proposed a gas cost recovery rate for exempt customers in the amount of \$5.182 per Mcf, an increase of \$0.08 per Mcf. This increase represents the combined effect of the supplier increase, refund, actual and balancing adjustments.

(6) Union's adjustment in rates set out in the Appendix to this Order is fair, just and reasonable and in the public interest and should be effective with bills rendered on and after October 1, 1984.

IT IS THEREFORE ORDERED that the rates in the Appendix to this Order be and they hereby are authorized effective for bills rendered on and after October 1, 1984.

IT IS FURTHER ORDERED that Union's transfer of outstanding balances as authorized by Order issued June 19, 1984, in Case No. 8995, has been completed.

IT IS FURTHER ORDERED that the gas cost recovery rate for exempt customers shall be \$5.182 per Mcf effective for bills rendered on and after October 1, 1984.

IT IS FURTHER ORDERED that within 30 days of the date of this Order, Union shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 28th day of September,

1984

PUBLIC SERVICE COMMISSION

*Richard D. Deman*  
Chairman

*Robert D. Smith*  
Vice Chairman

*Sam Shue*  
Commissioner

ATTEST:

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Secretary

APPENDIX

APPENDIX TO AN ORDER OF THE PUBLIC SERVICE COMMISSION  
IN CASE NO. 8373-K DATED SEPTEMBER 28, 1984

The following rates and charges are prescribed for the customers served by 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.

RATE GS

GENERAL SERVICE

<u>Base</u> <u>Rate</u>	<u>Gas</u> <u>Cost</u> <u>Adjustment</u>	<u>Total</u> <u>Rate</u>
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All gas used 10.99¢ plus 51.82¢ equals 62.81¢ per 100 cu. ft.

The "Gas Cost Adjustment" as shown above, is an adjustment per 100 cubic feet determined in accordance with the "Gas Cost Adjustment Clause" set forth on Sheet No. 19 of this tariff.

RIDER R-ACS-1

SUMMER AIR CONDITIONING SERVICE

All additional gas use will be billed at:

<u>Base</u> <u>Rate</u>	<u>Gas</u> <u>Cost</u> <u>Adjustment</u>	<u>Total</u> <u>Rate</u>
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All gas used 6.83¢ plus 51.82¢ equals 58.65¢ per 100 cu. ft.

The "Gas Cost Adjustment" as shown above is an adjustment per 100 cubic feet determined in accordance with the "Gas Cost Adjustment Clause" set forth on Sheet No. 19 of this tariff.

RIDER G-ACS-1

SUMMER AIR CONDITIONING SERVICE

Next 10,000 cubic feet of gas per ton is installed absorption type Summer Air Conditioning equipment at:

<u>Base</u> <u>Rate</u>	<u>Gas</u> <u>Cost</u> <u>Adjustment</u>	<u>Total</u> <u>Rate</u>
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All gas used 6.83¢ plus 51.82¢ equals 58.65¢ per 100 cu. ft.

The "Gas Cost Adjustment" as shown above, is an adjustment per 100 cubic feet determined in accordance with the "Gas Cost Adjustment Clause" set forth on Sheet No. 19 of this tariff.

RATE F

Special Contract - Firm Use

<u>Base</u> <u>Rate</u>	<u>Gas</u> <u>Cost</u> <u>Adjustment</u>	<u>Total</u> <u>Rate</u>
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All gas used 7.97¢ plus 51.82¢ equals 59.79¢ per 100 cu. ft.

The "Gas Cost Adjustment" as shown above, is an adjustment per 100 cubic feet determined in accordance with the "Gas Cost Adjustment Clause" set forth on Sheet No. 19 of this tariff.

RATE OP

OFF PEAK

(2) Off Peak Gas (i.e., Gas in excess of Firm Use) shall be billed in accordance with the following:

<u>Base</u> <u>Rate</u>	<u>Gas</u> <u>Cost</u> <u>Adjustment</u>	<u>Total</u> <u>Rate</u>
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All consumption 4.68¢ plus 51.82¢ equals 56.50¢ per 100 cu. ft.

The "Gas Cost Adjustment" as shown above, is an adjustment per 100 cubic feet determined in accordance with the "Gas Cost Adjustment Clause" set forth on Sheet No. 19 of this tariff.