

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE JOINT APPLICATION PURSUANT TO 1994 )  
HOUSE BILL NO. 501 FOR THE APPROVAL OF )  
THE PRINCIPLES OF AGREEMENT, DEMAND SIDE )  
MANAGEMENT, THE UNION LIGHT, HEAT AND )  
POWER COMPANY, AND FOR AUTHORITY FOR THE ) CASE NO. 95-312  
UNION LIGHT, HEAT AND POWER COMPANY TO )  
IMPLEMENT VARIOUS TARIFFS TO RECOVER )  
COSTS, LOST REVENUES AND RECEIVE )  
INCENTIVES ASSOCIATED WITH DEMAND SIDE )  
MANAGEMENT PROGRAMS )

O R D E R

IT IS ORDERED that The Union Light, Heat and Power Company ("ULH&P") shall file the original and 12 copies of the following information with the Commission no later than September 22, 1995, with a copy to all parties of record. Each copy of the data requested should be placed in a bound volume with each item tabbed. 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 witness 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.

1. Provide the following information concerning the Residential Conservation and Energy Education program:

a. The cost and benefit analysis of the program. If such an analysis was not performed, explain why.

b. Explain how the program's \$1.5 million funding level for the next four years was determined. Include any workpapers, assumptions, calculations or other supporting documents.

2. Provide the following information concerning the Experimental Energy Conservation Rate:

a. The estimated annual impact on ULH&P's revenues due to this rate option. Provide the electric and gas revenue impacts separately by calendar year (include any 1995 amounts as part of 1996). Include any workpapers, assumptions, calculations or other supporting documents.

b. Quantify any associated benefits or cost savings anticipated from the implementation of this rate option. If available, include any workpapers, assumptions, calculations or other supporting documents.

c. Explain why the proposed gas rate does not include an inclining block rate design as does the proposed electric rate.

4. An objective of several of the proposed demand side management ("DSM") programs is stabilizing or reducing customer usage levels. In light of this, explain why it is necessary or appropriate for the residential decoupling mechanism to include a usage growth factor component. Is this type of mechanism consistent with programs aimed at reducing usage (or usage growth)?

5. Concerning the usage growth factor included in the residential decoupling mechanism:

a. Is it correct that the positive usage growth factor proposed for electric rates could offset revenue reductions resulting from the proposed DSM programs? Explain the response.

b. Is it correct that the negative usage growth factor proposed for gas rates could compound revenue reductions resulting from the proposed DSM programs? Explain the response.

6. Refer to the data filed August 8, 1995 in response to oral data requests made at the July 26, 1995 informal conference. The status in Ohio of ten of the twelve DSM programs contained in the Principles of Agreement, attached as Exhibit 1 to the application, is referenced to the 1995 CInergy Integrated Resource Plan ("IRP"), a copy of which has been filed with the Commission.

a. Provide a reference list of all pertinent DSM information and data related to the 12 Initial DSM Programs in ULH&P's Application contained in CInergy's 1995 IRP and ULH&P's 1993 IRP filed in Case No. 93-381<sup>1</sup>.

b. The Short-Term Implementation Plan, at page STIP-15, refers to "Ohio Forms" IRP-3 through IRP-6 which contain data on DSM program participation, costs, savings, etc. The forms are referenced to the General Appendix in Volume I of the IRP; however, the General Appendix does not contain the forms but rather a statement that the forms are voluminous in nature and a complete copy is available for viewing at CInergy offices. Provide 1 copy

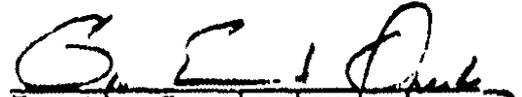
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<sup>1</sup> Case No. 93-381, A Review Pursuant to 807 KAR 5:058 of the 1993 Integrated Resource Plan of the Union Light, Heat and Power Company.

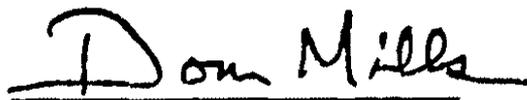
of these forms, for only the CG&E system and for only the ten programs proposed for Kentucky that are already in place in Ohio.

Done at Frankfort, Kentucky, this 8th day of September, 1995.

PUBLIC SERVICE COMMISSION

  
For the Commission

ATTEST:

  
Executive Director