

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF LOUISVILLE)	
GAS AND ELECTRIC COMPANY FOR)	
CHANGES TO THE RECOVERY OF)	
DEMAND-SIDE MANAGEMENT)	
REVENUES FROM LOST SALES)	CASE NO. 99-121
COMPONENT OF ITS DEMAND-SIDE)	
MANAGEMENT COST RECOVERY)	
MECHANISM FOR RESIDENTIAL)	
ELECTRIC CUSTOMERS)	

O R D E R

On March 29, 1999, Louisville Gas and Electric Company (LG&E) filed a tariff to change the Recovery of Demand-Side Management Revenues from Lost Sales (DRLS) component of its Demand-Side Management Cost Recovery Mechanism (DSMRM) for its residential electric customers. The change proposed by LG&E reflected a significant decrease in the DRLS component, from \$0.00284 per Kwh to \$.00093 per Kwh.¹

LG&E proposes that its rate change be effective on April 5, 1999. Although KRS 278.180(1) requires changes in rates be made upon 30 days notice, KRS 278.180(2)

¹ This decrease occurred due to the cumulative effect of the Commission's decisions in two prior LG&E DSM cases: Case No. 93-150, A Joint Application of Demand-Side Management Programs, a DSM Cost Recovery Mechanism, and a Continuing Collaborative Process on DSM for Louisville Gas and Electric Company; and Case NO. 97-083, The Joint Application of the Members of the Louisville Gas and Electric Company Demand-Side Management Collaborative for the Review, Modification, and the Continuation of the Collaborative, DSM Programs, and Cost Recovery Mechanism.

authorizes the Commission to prescribe a shorter period of time when the change is a decrease.

Based on a review of the tariff, the supporting schedules which show the calculation of the reduced DLRS component, and the applicable statutes cited by LG&E, the Commission finds that the proposed rate decrease is reasonable and should be approved with an effective date of April 5, 1999.

IT IS THEREFORE ORDERED that:

1. LG&E's reduction in the DLRS component of its DSMRC for residential electric customers is approved.
2. The effective date of the rate reduction approved herein shall be April 5, 1999.
3. Within 10 days of the date of this Order, LG&E shall file a revised DSMRM tariff for its residential electric customers which shows the date of issue and that it was issued by authority of this Order.

Done at Frankfort, Kentucky, this 1st day of April, 1999.

By the Commission

ATTEST:

Executive Director