

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

TIME OF DAY TARIFF FILING BY)
LOUISVILLE GAS AND ELECTRIC COMPANY) CASE NO. 8872

O R D E R

In an October 25, 1985, Order in this case, the Commission ordered on page 6 in ordering paragraph number 1 that the Large Commercial - Time-of-Day ("LC-TOD") and Industrial Power - Time-of-Day ("LP-TOD") tariffs of the Louisville Gas and Electric Company ("LG&E") shall be continued and made mandatory for all large commercial customers with demands of 2,500 kilowatts or greater and all industrial power customers with demands of 5,000 kilowatts or greater. After further review the Commission has determined that some clarification of this ordering paragraph would be useful.

The paragraph ordering the LC-TOD and LP-TOD tariffs to be continued and made mandatory clearly applies to large commercial customers with demands of 2,500 kilowatts or greater and to industrial power customers with demands of 5,000 kilowatts or greater and who also participated in the TOD experiment. Clarification is needed on how to implement time-of-day ("TOD") rates for three other types of customers. These customers are: (1) new large commercial customers with demands of 2,500 kilowatts or greater and new industrial power customers with demands of 5,000 kilowatts or greater locating in LG&E's service territory; (2)

existing large commercial customers that were not part of the TOD experiment but their demand is 2,500 kilowatts or greater and existing industrial power customers that were not part of the TOD experiment but their demand is 5,000 kilowatts or greater; and (3) existing large commercial customers that were part of the TOD experiment but their demand has been reduced below 2,500 kilowatts and existing industrial power customers that were part of the TOD experiment but their demand has been reduced below 5,000 kilowatts.

Regarding new large commercial customers with demands of 2,500 kilowatts or greater and new industrial power customers with demands of 5,000 kilowatts or greater locating in LG&E's service territory, the Commission finds that the appropriate TOD tariff should be used. Regarding existing large commercial customers with demands of 2,500 kilowatts or greater and existing industrial power customers with demands of 5,000 kilowatts or greater that were not part of the TOD experiment, the Commission finds that these customers should be placed on the appropriate TOD tariff no later than LG&E's next rate case. Prior to its next rate case, LG&E shall exercise its own discretion in applying the TOD tariffs to these customers. If the customer and LG&E are both agreeable to using the appropriate TOD tariff prior to the next rate case, it is reasonable to use the TOD tariff. If there is no agreement, then the current non-time-differentiated tariff shall be used until the next rate case. Regarding those large commercial and industrial power customers that were part of the TOD experiment but their demand has subsequently been reduced

below 2,500 kilowatts and 5,000 kilowatts, respectively, the Commission finds it is appropriate to take these customers off of the TOD tariffs for now and place them on the appropriate non-time-differentiated tariff.

IT IS THEREFORE ORDERED that LG&E shall implement the LC-TOD and LP-TOD tariffs on a permanent basis in accordance with the clarification provided herein.

Done at Frankfort, Kentucky, this 15th day of November, 1985.

PUBLIC SERVICE COMMISSION

Richard D. Hansen Jr.
Chairman

[Signature]
Vice Chairman

Spencer N. Willson
Commissioner

ATTEST:

Secretary