

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

A JOINT APPLICATION FOR THE APPROVAL OF)
DEMAND-SIDE MANAGEMENT PROGRAMS, A DSM)
COST RECOVERY MECHANISM, AND A CONTINUING) CASE NO. 93-150
COLLABORATIVE PROCESS ON DSM FOR)
LOUISVILLE GAS AND ELECTRIC COMPANY)

O R D E R

To facilitate the hearing scheduled on March 14, 1996 the Commission has developed a non-inclusive list of issues it expects to raise at the hearing. The list of issues is set forth in the appendix to this Order. Louisville Gas & Electric Company ("LG&E") and its Demand-Side Management Collaborative ("Collaborative") should be prepared to address these issues and should endeavor to have the individuals who can best answer questions on these issues in attendance at the hearing.

IT IS THEREFORE ORDERED that LG&E and its Collaborative shall have present at the March 14, 1996 hearing witnesses qualified to address the non-inclusive list of issues set forth in Appendix A, attached hereto and incorporated herein by reference.

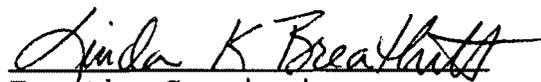
Done at Frankfort, Kentucky, this 22nd day of February, 1996.

PUBLIC SERVICE COMMISSION

ATTEST:



Executive Director


For the Commission

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 93-150 DATED FEBRUARY 22, 1996.

The following is a non-inclusive list of potential issues for the March 14, 1996 hearing.

EXISTING PROGRAMS

1. Issue - The proposed changes to the commercial conservation program to include new construction and financing. Whether these changes should be considered "new" programs subject to cost/benefit analysis.

2. Issue - The degree of fiscal responsibility and control by the Collaborative in the administration of the three initial DSM programs and the conclusions in the EDS April 1995 Report.

3. Issue - Reconciliation of EDS' conclusion regarding Project Warm's lack of "experience in the operation of a full-time weatherization program" with the statement in Item 20 of the response to the January 5, 1996 Order which states "they (Project Warm) had experience with the scope of weatherization measures called for"

4. Issue - Explanation of the basis for selecting the evaluation measures used in the Energy Partners Program. This should include the report on the "Virginia program" cited at the January 22, 1996 informal conference.

5. Issue - Comparison of Linda Wigington's comments in January 1994 with the conclusions reached by EDS regarding audit design and process, coordination, program evaluation, monitoring and data collection.

6. Issue - Comparison and clarification of differences in the responsibilities of Project Warm's in-house auditors and those of contract auditors.

7. Issue - Explanation of selection process and criteria for choosing vendors that participate in the Energy Partners program.

8. Issue - Reasons for why program development and administration costs, and the recovery thereof, were not requested in the initial joint application filed in 1993.

NEW PROGRAMS

1. Issue - Reasons why new programs, other than direct load control, were not individually screened, and the apparent conflict with:

- a. The directives in KRS 278.285.
- b. The Collaborative's assurances in 1993 that future programs would be screened.
- c. The Commission's finding in its November 12, 1993 Order, regarding the need to screen future programs.

2. Issue - Explanation for new programs being screened in a package which reflects the benefits/savings associated with only the direct load control program considering:

- a. The dissimilarities among programs.
- b. The application of programs to multiple customer classes.
- c. The implication of such analysis that six new programs produce no benefits/savings.

3. Issue - Rationale for proposed residential bill redesign to emphasize LG&E's inverted block rate structure and its status as a new DSM program when:

- a. The proposed information disclosure is an option available under existing regulation.
- b. The inverted block rate structure has been in effect since January 1991.