

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE JOINT APPLICATION PURSUANT)	
TO 1994 HOUSE BILL NO. 502 FOR)	
THE APPROVAL OF THE KENTUCKY)	
POWER COMPANY (KPCO))	
COLLABORATIVE DEMAND-SIDE)	
MANAGEMENT PROGRAMS, AND FOR)	
AUTHORITY TO KPCO TO IMPLEMENT)	CASE NO. 95-427
A TARIFF TO RECOVER COSTS, NET)	
LOST REVENUES AND RECEIVE)	
INCENTIVES ASSOCIATED WITH THE)	
IMPLEMENTATION OF KPCO)	
COLLABORATIVE DEMAND-SIDE)	
MANAGEMENT PROGRAMS)	

O R D E R

On February 12, 1999, American Electric Power Company (AEP) filed, on behalf of its Demand-Side Management Collaborative (Collaborative), a status report of its approved Demand-Side Management (DSM) Plan, individual evaluation reports for each DSM program, and a revised Experimental Demand-Side Management Adjustment Tariff which decreases the DSM adjustment clause factors for each customer class.

The status and evaluation reports describe, among other things, the monthly progress of individual DSM programs during calendar year 1998, year-to-date and program-to-date costs of each program through December 1998, AEP s comments on the activity level, number of participants, and cost projections agreed upon by the

Collaborative for calendar year 1999. The filing did not include proposals for any new DSM programs or modifications to programs previously approved by the Commission.

The revised tariff decreases the DSM Adjustment Clause factor (\$ per kWh) for all customers. The Residential factor is decreased from \$0.000850 to \$0.000177; the Commercial factor is decreased from \$0.000747 to \$0.000143; and the Industrial factor is decreased from \$0.000460 to \$(0.000242). The DSM programs for the Industrial sector were discontinued at the end of calendar year 1998 due to lack of participation. However, the Industrial factor will continue through calendar year 1999 in order to allow AEP the opportunity to refund the existing over-recovery.

Based on its review of the status and evaluation reports and the detailed schedules describing the calculation of the revised DSM factors, the Commission finds that AEP's request is reasonable and should be approved.

IT IS THEREFORE ORDERED that:

1. AEP's continuing DSM programs and revised Experimental Demand-Side Management Adjustment Tariff are approved.
2. The effective date of the revised tariff shall be March 30, 1999.
3. Within 10 days from the date of this Order, AEP shall file a revised Experimental Demand-Side Management Adjustment Tariff which shows the date of issue and that it was issued by authority of this Order.

Done at Frankfort, Kentucky, this 25th day of March, 1999.

By the Commission

ATTEST:

Executive Director