

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

DEMAND SIDE MANAGEMENT PROGRAMS)	
AND COST RECOVERY FILING FOR DEMAND)	CASE NO. 99-414
SIDE MANAGEMENT PROGRAMS BY THE)	
UNION LIGHT, HEAT AND POWER COMPANY)	

INTERIM ORDER

By Order dated December 20, 1999 in this proceeding, the Commission denied the request of The Union Light, Heat and Power Company ("ULH&P") for expedited approval of its application filed December 2, 1999. Therein, we ordered that ULH&P's existing demand side management ("DSM") programs and DSM tariff riders, scheduled to expire at the end of 1999, would remain in effect pending a final Order in this proceeding.

On March 21, 2000, ULH&P filed a request for an Interim Order that would permit it to terminate its Rate REC, Residential Energy Conservation Service, rate schedules ("REC rate schedules") for both its gas and electric service. In support of its request ULH&P explained that in its December 2, 1999 filing it had proposed to discontinue the REC rate schedules at the end of 1999 and that this had been agreed to by its DSM Collaborative. ULH&P provided an independent analysis of the impact of the REC rate schedules performed by TecMRKT Works, which concluded that the program was not affecting customer behavior by leading to reductions in energy usage, which had been the intent of the program when it was implemented in 1996.

ULH&P explained that it was nearing the time period when it would begin to enroll customers in the REC program for the next 12-month cycle and would begin to incur related administrative costs if it began such enrollment. Since it and its DSM the program at the end of 1999, ULH&P was now
Deputy *Wm H. Bowker* Commission authorizing the termination of the program and the REC rate schedules before the 2000-2001 enrollment period began.

The Commission recognizes the cost implications and related problems that ULH&P would incur if it were to begin the enrollment phase of the REC program and then have the program terminated in mid-course by issuance of a final Order in this proceeding. We also concur with the findings of ULH&P's outside consultant that the program has not resulted in reduced energy consumption as was intended when the program was implemented. Therefore, we find it reasonable to permit ULH&P to terminate the REC rate schedules effect with the date of this Order.

IT IS THEREFORE ORDERED that:

1. ULH&P's REC rate schedules for both gas and electric service shall be terminated effective with the date of this Order.
2. The remainder of ULH&P's existing DSM programs and DSM tariff riders shall continue in effect pending a final Order in this proceeding.

Done at Frankfort, Kentucky, this 31st day of March, 2000.

By the Commission

ATTEST:

Wm H. Bowker

Executive Director

Deputy