

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF THE UNION)	
LIGHT, HEAT AND POWER COMPANY)	CASE NO. 2000-302
FOR APPROVAL TO REVISE ITS REAL)	
TIME PRICING PROGRAM)	

O R D E R

On June 15, 2000, The Union Light, Heat and Power Company (“ULH&P”) filed an application for authority to revise its Real Time Pricing Program (“Rate RTP”). Rate RTP is voluntary and offers commercial and industrial customers the opportunity to manage their electric costs by shifting load from higher cost to lower cost pricing periods, to add new load during lower cost pricing periods, or to learn about market pricing. ULH&P’s existing Rate RTP tariff terminates on December 31, 2000.¹ As proposed in ULH&P’s application, the revised Rate RTP will be in effect January 1, 2001 through December 31, 2003.

On August 23, 2000, Commission Staff requested additional information and ULH&P responded on September 6, 2000. Newport Steel Corporation, which is served under Rate RTP, requested and was granted intervention. An informal conference was held at the Commission’s offices on September 26, 2000.

The revised Rate RTP will remain a voluntary tariff open to the same customers as the current tariff. The Program Charge, which covers the additional billing, administrative and communication costs associated with the Rate RTP, will remain at \$150 per month. The Customer Baseline Load (“CBL”), as defined in the tariff, is one complete year of

¹ Tariff of The Union Light, Heat and Power Company, Ky. P.S.C. Electric No. 4, Original Sheet No. 99, page 1-4.

hourly load data reflecting the customer's electricity consumption pattern and usage level applicable under the standard rate schedule. The CBL must be mutually agreed upon by ULH&P and the customer for the customer to participate on Rate RTP. If no change occurs in the customer's usage pattern while on Rate RTP, bill neutrality (less the applicable Program Charge) will be maintained as if the customer had continued to be served on the standard tariff.

ULH&P proposes to continue Rate RTP because the participants' positive responses have allowed ULH&P to reduce its summer peak load forecast. The proposed changes in the Rate RTP pricing formula will simplify the pricing calculation and more accurately transmit pricing signals to the customer. Rate RTP will be further unbundled by separating the charge for ancillary services from the energy charge. Additionally, participants who terminate their service agreement for Rate RTP after the initial one-year term will now be eligible to return to the program twelve months following their termination date.

Based on the evidence of record and being otherwise sufficiently advised, the Commission finds that the revised Rate RTP is reasonable and should be approved. To properly monitor the benefits of Rate RTP, ULH&P should file annual reports setting forth the information specified below.

IT IS THEREFORE ORDERED that:

1. Revised Rate RTP, as shown on Exhibit B of ULH&P's application of June 15, 2000, is approved for service on and after January 1, 2001 through December 31, 2003.
2. ULH&P shall file on March 31, 2001 and annually thereafter the following information on Rate RTP for the preceding calendar year:
 - a. The average number of participants on Rate RTP for the year.
 - b. The total number of participants on Rate RTP at year end.
 - c. The total load in megawatts that ULH&P is able to divert to periods of lower usage due to the RTP Program.
 - d. Total annual dollar savings to RTP participants in a format comparing total Rate RTP billings to the total billings at the rates that would be applicable if Rate RTP did not exist.
3. Rate RTP customers shall retain their current CBL and changes shall be made only by consent of ULH&P and the customer.
4. Any customer electing service under revised Rate RTP shall sign a new contract for service occurring on and after January 1, 2001.
5. ULH&P shall file within 30 days of the date of this Order a revised Rate RTP tariff showing the date of issue and that it was issued by authority of this Order.

Done at Frankfort, Kentucky, this 30th day of October, 2000.

By the Commission

ATTEST:

Deputy W^m H. Fowler
Executive Director