

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ADJUSTMENTS TO THE DEMAND-SIDE)	
MANAGEMENT BALANCE ADJUSTMENT)	
COMPONENT (“DBA”) OF THE DEMAND SIDE)	CASE NO.
MANAGEMENT COST RECOVERY MECHANISM)	2003-00080
OF LOUISVILLE GAS AND ELECTRIC COMPANY)	
AND KENTUCKY UTILITIES COMPANY)	

O R D E R

On March 3, 2004, Louisville Gas and Electric Company (“LG&E”) and Kentucky Utilities Company (“KU”) filed proposed changes to the Demand-Side Management Balance Adjustment (“DBA”) component of their Demand-Side Management Cost Recovery (“DSMCR”) tariffs. The changes are based on LG&E’s and KU’s over- or under-recovery of demand-side management program costs incurred in calendar year 2003. The proposed tariffs include an effective date of April 2, 2004. The revised DBA components, with the proposed changes, will remain in effect through March 31, 2005.

LG&E’s proposed tariffs include reduced DBA charges for gas customers served under Residential Rate RGS, the Residential Summer Air Conditioning Rider, Commercial Rate CGS, Rate G-6, Rate G-7, Rate TS, Rate FT, and the Commercial Summer Air Conditioning Rider. Its proposed tariffs also include reduced DBA charges for electric customers served under Residential Rate R and increased DBA charges for electric customers served under General Service Rate GS, Large Commercial Rate LC, and Large Commercial Time-of-Day Rate LC-TOD. KU’s proposed revisions result in increased DBA charges to customers served under Residential Rates RS and FERS

and General Service Rate GS and reduced DBA charges for customers served under its Light & Power Rate LP.

Based on its review of the revised tariffs and supporting calculations of LG&E's and KU's over- and under-recoveries of costs in 2003, the Commission finds that the proposed tariff changes are reasonable and should be approved effective April 2, 2004.

IT IS THEREFORE ORDERED that:

1. LG&E's and KU's proposed changes to their DSMRC tariffs are approved effective April 2, 2004.
2. Within 20 days of the date of this Order, LG&E and KU shall file their revised DSMRC tariffs that show the date issued and that show they were issued by authority of this Order.

Done at Frankfort, Kentucky, this 25th day of March, 2004.

By the Commission

ATTEST:


Executive Director