

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN APPLICATION OF THE UNION LIGHT, HEAT)	
AND POWER COMPANY FOR APPROVAL TO)	CASE NO.
MODIFY AND EXTEND THE AVAILABILITY OF ITS)	2004-00509
RATE RTP, REAL TIME PRICING PROGRAM)	

O R D E R

On December 17, 2004, The Union Light, Heat and Power Company ("ULH&P") filed its application requesting to modify and extend its pilot real time pricing program, Rate RTP, for two years, through December 31, 2006. Rate RTP, which has been offered as a pilot program since 1999, was scheduled to terminate January 1, 2005. If the Commission could not act on ULH&P's request prior to the scheduled termination date, ULH&P requested that it be permitted to continue the existing Rate RTP program until such time as we could act on its application.¹

There are no intervenors in this proceeding. On January 27, 2005, Commission Staff issued a data request to which ULH&P filed its response on February 10, 2005. With that response, the record is complete and the case stands submitted for decision.

ULH&P proposes two changes to its Rate RTP tariff. The first change allows ULH&P to recognize significant changes in a customer's consumption pattern and renegotiate the customer's baseline load to reflect those changes. The second change

¹ By Order of December 22, 2004, ULH&P was permitted to continue its existing Rate RTP program until its application could be acted upon.

modifies the calculation of the commodity charge such that it is based on the expected market prices for capacity and energy for the next day rather than on the lesser of ULH&P's marginal costs or wholesale power prices.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that ULH&P's modifications and extension of its Rate RTP program are reasonable and should be approved. If it proposes any modifications or extensions of the program in the future, ULH&P should file its application for Commission approval thereof at least 90 days prior to its proposed effective date.

IT IS THEREFORE ORDERED that:

1. ULH&P's requested modifications to and its extension of Rate RTP through December 31, 2006, are approved.

2. Within 20 days of the date of this Order, ULH&P shall file with the Commission its revised Rate RTP tariff. The tariff shall show the date of issue and that it was issued by authority of this Order.

Done at Frankfort, Kentucky, this 4th day of March, 2005.

By the Commission

ATTEST:


Executive Director