

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   | ) | 2005-00105 |
| OF KENTUCKY UTILITIES COMPANY        | ) |            |

O R D E R

On March 4, 2005, Kentucky Utilities Company (“KU”) filed proposed changes to the Demand-Side Management Balance Adjustment (“DBA”) component of its Demand-Side Management Cost Recovery (“DSMCR”) tariff. The changes are based on KU’s over- or under-recovery of demand-side management program costs incurred in calendar year 2004. The proposed tariff includes an effective date of April 4, 2005. The revised DBA components, with the proposed changes, will remain in effect for 12 months.

KU’s proposed revisions result in reduced DBA charges to customers served under Residential Rate RS, Volunteer Fire Department Service Rate VFD and General Service Rate GS. Its proposed revisions result in increased DBA charges for customers served under Large Power Rate LP and Small Time-of-Day Service Rate STOD.

Based on a review of the revised tariff and supporting calculations of KU’s over- and under-recoveries of DSM costs in 2004, the Commission finds that the proposed tariff changes are reasonable and should be approved effective April 4, 2005.

IT IS THEREFORE ORDERED that:

1. KU's proposed changes to its DSMCR tariff are approved effective April 4, 2005.
2. Within 10 days of the date of this Order, KU shall file its revised DSMCR tariff that shows the date issued and that it was issued by authority of this Order.

Done at Frankfort, Kentucky, this 23<sup>rd</sup> day of March, 2005.

By the Commission

ATTEST:



Executive Director