

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

REQUEST OF KENTUCKY UTILITIES COMPANY)	
AND LOUISVILLE GAS AND ELECTRIC COMPANY)	CASE NO.
TO CONTINUE THEIR REAL-TIME PRICING)	2012-00010
RIDERS)	

ORDER

On February 1, 2008, the Commission issued an Order in Case No. 2007-00161¹ approving a three-year real-time pricing pilot program (“RTP”) for Kentucky Utilities Company (“KU”) and Louisville Gas and Electric Company (“LG&E”). As required by that Order, KU and LG&E submitted a detailed evaluation of the pilot RTP to the Commission on June 30, 2011.

KU and LG&E propose to continue the existing tariffs and commits to reevaluate the program when their next base rate cases are filed. KU and LG&E state that the program has drawn interest and inquiries from customers but has no participants. In asking that the program be continued, KU and LG&E state that the program provides them the opportunity to introduce a product offering to large commercial and industrial customers which assists in raising awareness for reducing peak and base load demand. In addition, KU and LG&E state that this program could also be viewed favorably by potential customers because it provides another rate option.

¹ Case No. 2007-00161, Joint Application of Louisville Gas and Electric Company and Kentucky Utilities Company for an Order Approving a Large commercial and Industrial Real-Time Pilot Program (Ky. PSC Feb.1, 2008).

Based on the June 30, 2011 request and the detailed evaluation report, the Commission finds that an investigation is necessary to determine the reasonableness of KU's and LG&E's request to continue the Pilot RTP and subject tariffs. An informal conference to discuss this case and the need to develop a procedural schedule for this case will be scheduled for January 17, 2012 at 11:00 a.m., Eastern Standard Time, in Conference Room No. 1 at the Commission's offices.

The Commission notes that, in our October 6, 2011 Order in Administrative Case No. 2008-00408,² we discussed our plans to initiate a new administrative proceeding that will focus on Smart Grid, including examining time-of-use or dynamic pricing, primarily for residential and small commercial customers. The Commission's actions in this Order, however, will narrowly examine KU's and LG&E's Real-Time Pricing Riders for large commercial and industrial customers.

IT IS HEREBY ORDERED that:

1. This proceeding is established to permit the Commission to consider the reasonableness of KU's and LG&E's request to continue the Real-Time Pricing Riders.
2. The 2009 Annual Report filed on March 1, 2010 and the detailed evaluation filed on June 30, 2011 shall be incorporated into the record of this proceeding.
3. An informal conference shall be scheduled for Tuesday, January 17, 2012 at 11:00 a.m., Eastern Standard Time, in Conference Room No. 1 at the Commission's offices in Frankfort, Kentucky.

² Case No. 2008-00408, Consideration of the New Federal Standards of the Energy Independence and Security Act of 2007 (Ky. PSC Oct. 6, 2011).

By the Commission

ENTERED ^{PA}
JAN 12 2012
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:

Asron D. Beaman
Executive Director

Case No. 2012-00010

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