

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:)
)
Application of The Union Light, Heat)
and Power Company for Approval of Fixed)
Bill Program Riders Applicable to)
Residential Customers.)

Case No. 2004-00503

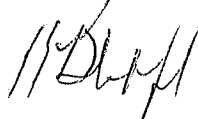
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**REPLY OF THE ATTORNEY GENERAL TO THE REQUEST
OF ULH&P TO RE-OPEN PROCEDURAL SCHEDULE**

The Attorney General objects to re-opening the procedural schedule in this case for the purposes of conducting consumer research and offering further comments following the production of that research on two grounds. First, consumer research is not cost free. If the Commission opens the matter for the conduct of consumer research, cost recovery from the ratepayers will be sought even though the fixed bill service will be a non-regulated service whose profits and loss fall below-the-line on the grounds that the primary objective of the research is to explore ways to address budget billing perceptions/problems. Second, consumer research in no way addresses the fact that conservation is so valued that the pursuit of demand side management has been legislatively authorized in Kentucky. Demand side management runs completely counter to the type of growth in use expected and anticipated in the fixed bill program regardless of what level of capacity is available. Therefore, ULH&P's Motion to re-open the procedural schedule should be denied.

Respectfully submitted,

GREGORY D. STUMBO
ATTORNEY GENERAL



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NOTICE OF FILING AND CERTIFICATION OF SERVICE

I hereby give notice that I have filed the original and ten true copies of the foregoing with the Executive Director of the Kentucky Public Service Commission at 211 Sower Boulevard, Frankfort, Kentucky, 40601 this the 20th day of May, 2005, and certify that this same day I have served the parties by mailing a true copy, postage prepaid, to the following:

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