

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

TIME OF DAY TARIFF FILING BY UNION)
LIGHT, HEAT AND POWER COMPANY) CASE NO. 8870

O R D E R

On July 29, 1983, Union Light, Heat and Power Company ("ULH&P") filed time-of-day tariffs as required by the Commission's Order of February 28, 1982, in Administrative Case No. 203, The Determinations with Respect to the Ratemaking Standards Identified In Section III(d)(1)-(6) of the Public Utility Regulatory Policies Act of 1978. ULH&P filed two time-of-day ("TOD") tariffs. The Rate DS-TOD is an experimental TOD rate for service at distribution voltage. The ULH&P proposal includes 76 customer accounts under this tariff. These accounts provide approximately \$14,700,000 in revenue. The Rate TS-TOD is an experimental TOD rate for service at transmission voltage. There are six customer accounts included under this tariff. These accounts provide revenue of approximately \$8,800,000. ULH&P also filed a copy of the letter of notice to the TOD customers; workpapers supporting the proposed rate design; and the billing impact of the TOD rates on each customer account.

On August 10, 1983, the Commission suspended the tariffs and scheduled a hearing to allow full consideration of the tariffs. No motions to intervene were filed in this proceeding. A hearing was

conducted on September 13, 1983, beginning at 10:00 a.m. at the Commission's offices in Frankfort, Kentucky.

At the hearing, Mr. Donald J. Rottinghaus, rate analyst for Cincinnati Gas and Electric Company, the parent company of ULH&P, testified concerning the customer selection for the TOD group, the design of the rates, and the efforts of ULH&P to educate and inform the customers about TOD rates. At the hearing, a revised Rate DS-TOD was filed. The revision was filed to clarify the demand discount applied if the customer furnishes primary voltage transformers and appurtenances.

FINDINGS

The Commission finds the TS-TOD and revised DS-TOD tariffs proposed by ULH&P to be reasonable and equitable. The tariffs provide a better signal to customers concerning ULH&P's cost to produce electricity than non-time-differentiated tariffs. Further, the terms and conditions of the tariffs are appropriate for the 1-year experimental phase of the TOD rates as previously ordered in Administrative Case No. 203. Also, the Commission finds that ULH&P should be commended for the aggressive customer education program that it has provided and plans to continue to provide its customers. These efforts will greatly enhance the likelihood of a successful experiment.


ORDER


IT IS HEREBY ORDERED that the proposed TS-TOD tariff and the DS-TOD tariff as revised at the September 13, 1983, hearing shall become effective for bills rendered after November 1, 1983.

IT IS FURTHER ORDERED that ULH&P shall file with the Commission, within 20 days of the date of this Order, its tariff sheets as approved herein.

Done at Frankfort, Kentucky, this 28th day of October, 1983.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary