

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE JOINT APPLICATION PURSUANT TO 1994)
HOUSE BILL NO. 501 FOR THE APPROVAL OF)
THE PRINCIPLES OF AGREEMENT, DEMAND SIDE)
MANAGEMENT, THE UNION LIGHT, HEAT AND)
POWER COMPANY, AND FOR AUTHORITY FOR) CASE NO. 95-312
THE UNION LIGHT, HEAT AND POWER COMPANY)
TO IMPLEMENT VARIOUS TARIFFS TO RECOVER)
COSTS, LOST REVENUES AND RECEIVE)
INCENTIVES ASSOCIATED WITH DEMAND SIDE)
MANAGEMENT PROGRAMS)

O R D E R

On December 1, 1995, the Commission approved The Union Light, Heat and Power Company's ("ULH&P") demand-side management ("DSM") plan. The DSM plan included the implementation of specific DSM programs, a collaborative process to consider and develop additional DSM programs, and tariffs which would permit ULH&P to recover DSM program and administrative costs, lost revenues, and incentives. The DSM plan will be in effect through December 31, 1999.

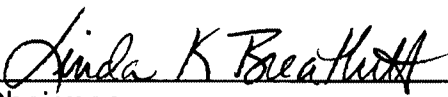
On September 30, 1996, ULH&P filed a motion for the Commission to establish February 1, 1997 as the date for ULH&P to file its 1997 Annual Demand-Side Management Cost Recovery Mechanism Adjustment. ULH&P's approved DSM plan originally specified October 1, 1996 as the filing date of the annual cost recovery adjustment. In its motion, ULH&P stated that the DSM tariffs have been in place less than six months and that the DSM Collaborative is still in the planning process for additional DSM programs. ULH&P

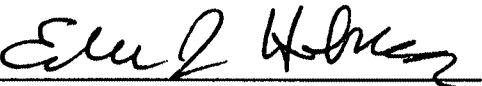
contends that waiting until February 1, 1997 will allow time for additional program development, development of a more specific budget, and more experience with DSM programs. Having considered the motion and being otherwise sufficiently advised, the Commission finds that ULH&P's motion should be granted.

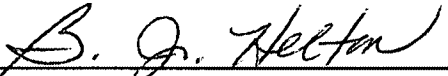
IT IS THEREFORE ORDERED that ULH&P shall file on or before February 1, 1997 its 1997 Annual Demand-Side Management Cost Recovery Mechanism Adjustment.

Done at Frankfort, Kentucky, this 10th day of October, 1996.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director