COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE JOINT APPLICATION OF THE MEMBERS OF THE LOUISVILLE GAS AND ELECTRIC COMPANY DEMAND-SIDE MANAGEMENT COLLABORATIVE FOR THE REVIEW, MODIFICATION, AND CONTINUATION OF THE COLLABORATIVE, DSM PROGRAMS, AND COST RECOVERY MECHANISM	))))))	CASE NO. 97-083

O R D E R

IT IS ORDERED that Corporate Economic Strategies, Inc. ("CES") shall file an original and 10 copies of the following information with this Commission, with a copy to all parties of record. Each copy of the data requested should be placed in a bound volume with each item tabbed. When a number of sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), Sheet 2 of 6. Include with each response the name of the witness who will be responsible for responding to questions relating to the information provided. Careful attention should be given to copied material to ensure that it is legible. The information requested herein is due no later than September 16, 1997.

All of the following questions refer to volume 2 of CES' Work Papers.

1. Provide a copy of the TSP users manual.

2. a. On page 493 explain what lines 5, 10 and 12 are telling the computer to do and tie the commands to the specific output generated by each command.

b. On page 493 were either of the commands on line 13 executed? If so, explain the output.

3. Explain what is happening between the three regression outputs appearing on pages 494-495.

4. On page 493, does the dummy variable consist of zeros (0) prior to a customer joining the program and ones (1) after joining the program?

5. Compare and contrast the set of regressions appearing on pages 496-497 using HDD2, DUMMY, and C as independent variables with the set of regressions appearing on pages 497-498 using DUMHDD2 as an additional variable.

6. For the set of regressions appearing on pages 497-498, explain why there is not a collinearity problem between HDD2, DUMMY, and DUMHDD2.

7. Explain the inadequacies of the original regressions beginning on page 500 and how the updated regressions cure the problems.

Done at Frankfort, Kentucky, this 26th day of August, 1997.

PUBLIC SERVICE COMMISSION

Linda K Breathitt

For the Commission

ATTEST:

Don Mills

Executive Director