

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

MODIFICATIONS TO LOUISVILLE GAS)
AND ELECTRIC COMPANY'S GAS)
SUPPLY CLAUSE TO INCORPORATE) CASE NO. 97-171
AN EXPERIMENTAL PERFORMANCE-)
BASED RATEMAKING MECHANISM)

O R D E R

On September 13, 2000, Louisville Gas and Electric Company ("LG&E") filed a letter with the Commission requesting that the Commission extend the term of LG&E's experimental Rate Schedule PBR beyond the October 31, 2000 scheduled termination date. LG&E states that it will be preparing its report on the three-year experimental term of Rate Schedule PBR for filing by the end of December 2000 as ordered by the Commission. LG&E notes that the Commission's September 30, 1997 Order approving the experimental rate schedule made no provision for continuance of the PBR mechanism between the end of the three-year period and the conclusion of the Commission's review of the three-year experiment. LG&E maintains that it is important for the PBR mechanism to continue during the interim period when it will be preparing its report on the results of the experimental term of the program and when the Commission will be reviewing those results.

For purposes of this proceeding, the Commission will treat LG&E's letter as a motion to continue the experimental PBR program until such time as the Commission completes its review of the three-year approved term of the program and issues an

Order containing its findings thereon. The Commission considers this a reasonable request and will allow the experimental Rate Schedule PBR to continue until such time as a final Order containing the Commission's findings on the three-year experimental term of the program is issued.

IT IS THEREFORE ORDERED that LG&E's experimental Rate Schedule PBR, which had been scheduled to terminate on October 31, 2000, shall be continued beyond that date until the Commission concludes its review of the three-year experimental term of the program and issues a final Order containing its findings thereon.

Done at Frankfort, Kentucky, this 2nd day of November, 2000.

By the Commission

ATTEST:


Executive Director