

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE ANNUAL COST RECOVERY FILING)
OF DEMAND SIDE MANAGEMENT BY THE) CASE NO. 2000-531
UNION LIGHT, HEAT AND POWER COMPANY)

O R D E R

On November 30, 2000, The Union Light, Heat and Power Company ("ULH&P"), on behalf of its Demand Side Management ("DSM") Collaborative, filed its annual DSM status report, a request for extension of the program period and the program evaluation period, and clarification of the required filing of tariff reconciliation schedules. The filing was made pursuant to the Commission's June 29, 2000 Order in Case No. 99-414.¹ The status report contained projected program costs for calendar year 2001, actual program expenditures for the period from July 1999 through June 2000, and a narrative description of each of the four programs approved for continuation through 2001.

ULH&P requests that the Commission extend the program evaluation period from September 1, 2001 through the end of May 2002. Three of the four ongoing DSM programs will have modifications implemented in contracts and activities scheduled to begin in January 2001; therefore, evaluations in September 2001 will reflect little of the impacts of these modifications. ULH&P states it is essential to extend the evaluation

¹ Case No. 99-414, Demand Side Management Programs and Cost Recovery Filing for Demand Side Management Programs by The Union Light, Heat and Power Company.

period in order that the evaluations capture a full 12 months of data that includes the modifications and accurately reflects the effectiveness of the redesigned programs.

ULH&P also requests that the pilot period for the ongoing DSM programs be extended for one additional year, through the end of 2002. Such an extension will allow for continuation of the programs while the Commission reviews the evaluation filing made in May 2002 without interruption of the programs. In the event the Commission determines that some programs should be terminated upon completion of its review, such an extension will allow for an orderly closure of the programs.

In addition, ULH&P requests clarification of the annual reporting requirements and the reconciliation and adjustment filings for the DSM riders contained in its tariffs. ULH&P and its Collaborative seek to confirm that the reconciliation and adjustment filings are not required annually, but only at the end of the program period. ULH&P indicates that it intends to file an interim reconciliation for informational purposes as part of its 2001 status report.

The Commission has considered the positions offered by ULH&P and its DSM Collaborative in support of the proposed modifications to the program period and the program evaluation period, along with the requested clarification of the filing of required reconciliations and adjustments of the existing DSM riders. We are persuaded that the requests are reasonable, should improve the administration of ULH&P's DSM programs and better enable the Commission to monitor and review the programs in the future.

SUMMARY

IT IS THEREFORE ORDERED that:

1. The program period for ULH&P's existing DSM programs shall be extended for an additional year, though the end of 2002.
2. The program evaluation period for ULH&P's existing DSM programs shall be extended from September 1, 2001 through the end of May 2002.
3. ULH&P shall file reconciliation and adjustment filings at the end of the program period, as established by this Order. ULH&P shall make an interim reconciliation filing as part of its 2001 status report.

Done at Frankfort, Kentucky, this 29th day of December, 2000.

By the Commission

ATTEST:


Executive Director