

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

JOINT APPLICATION OF LOUISVILLE GAS AND)	
ELECTRIC COMPANY, METRO HUMAN NEEDS)	
ALLIANCE, PEOPLE ORGANIZED AND WORKING)	
FOR ENERGY REFORM, KENTUCKY)	CASE NO.
ASSOCIATION FOR COMMUNITY ACTION, AND)	2001-00323
JEFFERSON COUNTY GOVERNMENT FOR THE)	
ESTABLISHMENT OF A HOME ENERGY)	
ASSISTANCE PROGRAM)	

O R D E R

On May 2, 2002, Louisville Gas and Electric Company (LG&E) filed two motions seeking relief from provisions contained in the Commission s Orders dated December 27, 2001 and January 29, 2002. One motion requests a 30-day extension, from May 31, 2002 through June 30, 2002, for LG&E to file a proposed Home Energy Assistance Program (HEA) to be in effect for the 2002 heating season or beyond; the other requests that the existing 5-month pilot HEA be extended beyond its expiration date of May 31, 2002 until October 1, 2002 or until 30 days after the date that the Commission rules on the merits of LG&E s proposal for a new HEA, whichever occurs first.

In support of its motion for a 30-day extension of time, LG&E states that it has retained a consultant to compile a report by June 30, 2002 on the pilot HEA and suggests that the consultant s report may be beneficial to LG&E and its customer representatives in formulating a new HEA. Intervenor Madison opposed the motion on the basis that a delay in filing will reduce the time available for reviewing the new HEA prior to the 2002 heating season.

In support of its motion to temporarily extend the existing 5-month pilot HEA, LG&E states that maintaining the pilot on an uninterrupted basis is critical to those customers in need of financial assistance who are served by HEA. Intervenor Madison opposed this motion on the basis that LG&E has known since the January 29, 2002 Order that the existing HEA was approved on a pilot basis and would expire on May 31, 2002. He characterizes extending the pilot HEA as a significant and material change to what has been a final Order for almost 4 months.

Based on the motions and the responses thereto, and being otherwise sufficiently advised, the Commission finds that the motion to extend by 30 days the filing of a new HEA is reasonable. However, the Commission previously established May 31, 2002 as the filing date in recognition of the 4 to 5 months needed to conduct a full investigation of a new HEA proposal, have a public hearing, and issue a decision for implementation during the 2002 winter heating season. Consequently, any delay in LG&E's filing of an application for a new HEA will result in a similar delay in our ability to commence an investigation of the program's merits. To expedite the Commission's review, LG&E should include with its application the prepared direct testimony of those individuals responsible for the development and implementation of a new HEA and copies of any workpapers. The testimony should cover, at a minimum, the development and implementation of the new HEA and the results of the existing 5-month pilot, including documentation of the level of revenue collected from gas and electric customers separately and the level of assistance provided to gas and electric customers separately. In addition, documentation should be filed to show that applications for

assistance from outside Jefferson County, Kentucky are processed as promptly as those from within.

The motion to extend the pilot HEA until the Commission adjudicates the merits of a new HEA should be denied. In establishing the existing HEA, LG&E and its customer representatives proposed a 5-month program and the Commission approved the program for 5 months only. LG&E has not submitted any data to demonstrate that the pilot has been successful or that the potential for subsidization between gas and electric customers has been eliminated. Under these circumstances, it is not appropriate to extend the 5-month pilot until it has been subject to a full investigation and hearing.

IT IS THEREFORE ORDERED that:

1. The Commission's Orders dated December 27, 2001 and January 29, 2002 are modified to the limited extent that LG&E's application for a new HEA shall be filed no later than June 30, 2002.

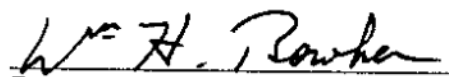
2. LG&E shall include with its application to implement a new HEA the prepared direct testimony of those individuals responsible for the development and implementation of the HEA. The testimony shall include copies of any workpapers and address the issues set forth in the findings herein.

3. LG&E's motion to continue in effect the existing pilot HEA is denied.

Done at Frankfort, Kentucky, this 22nd day of May, 2002.

By the Commission

ATTEST:


Deputy Executive Director