

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN APPLICATION OF THE UNION LIGHT, HEAT)
AND POWER COMPANY FOR APPROVAL OF ITS) CASE NO. 2002-00240
PROPOSED RIDER NM, NET METERING RIDER)

O R D E R

On June 10, 2002, The Union Light, Heat and Power Company (ULH&P) filed with the Commission a proposal to add a pilot net metering tariff rider, Rider NM. ULH&P did not include in its proposal an effective date for the proposed tariff rider.

The Commission finds that, pursuant to KRS 278.190, further investigation is necessary in order to determine the reasonableness of the proposed tariff rider.

IT IS THEREFORE ORDERED that:

1. The procedural schedule set forth in Appendix A, attached hereto and incorporated herein, shall be followed in this proceeding.
2. All requests for information and responses thereto shall be appropriately indexed and an original and eight copies shall be filed with the Commission and a copy shall be served on all parties.
3. Any requests from the Commission Staff for information shall be responded to as if set forth in a Commission Order. All responses 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. Each response shall include the name of the person 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. Where the requested information has been previously provided in the record of this case, reference may be made to the specific location of the information in responding to the request.

4. ULH&P shall give notice of any hearing in accordance with the provisions set out in 807 KAR 5:011, Section 8(5). At the time publication is requested, ULH&P shall forward a duplicate of the notice and request to the Commission.

5. At any public hearing in this matter, neither opening statements nor summarization of direct testimony shall be permitted.

6. Motions for extension of time with respect to the schedule herein shall be made in writing and will granted only upon a showing of good cause.

7. Nothing contained herein shall prevent the Commission from entering further Orders in this matter.

Done at Frankfort, Kentucky, this 3rd day of July, 2002.

By the Commission

ATTEST:

Deputy W^m H. Fowler
Executive Director

APPENDIX A

AN APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2002-00240 DATED JULY 3, 2002

ULH&P shall file its responses to interrogatories
and requests for production of documents contained in
Appendix B no later than 7/12/2002

Intervenors and Commission Staff may serve supplemental
interrogatories and requests for production of documents upon
ULH&P no later than 7/23/2002

ULH&P shall file responses to supplemental interrogatories and
requests for production of documents no later than 8/05/2002

Intervenors' comments, if any, shall be filed in
verified prepared form no later than 8/15/2002

Public Hearing, if necessary, for the purpose
of cross-examination of witnesses To be scheduled

APPENDIX B

AN APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2002-00240 DATED

1. The description of the proposed tariff, included as Attachment B to the application, states that ULH&P is proposing to implement Rider NM as a pilot program to gain understanding about its technical and marketing aspects. Nowhere else in the application is there any mention of the pilot nature of the proposal or the intended term of the pilot.

a. Clarify whether Rider NM is or is not being proposed as a pilot.

b. If Rider NM is being proposed as a pilot, identify the proposed term of the pilot, and explain how that term was selected.

2. Clarify whether customer-generated power will be purchased at the customer's tariffed rates including customer charges and demand charges, if applicable. Identify the level of fixed costs recovered through customer, demand and usage-based rates and describe the effect the proposed tariff rider will have on such recovery.

3. The proposed rider will be available to customers using solar or wind energy systems. Explain why customers using hydro systems are not also eligible for the proposed rider.

4. For both solar and wind systems provide the typical pay back period for the investment required to purchase and install the systems.

5. The last sentence in the Billing section of the proposed rider indicates that unused credits at the end of the contract year will be granted to the company.

a. Define the term contract year and explain whether this means that a customer will be required to enter into a contract in order to participate in the program.

b. Explain whether the proposal that unused credits will be granted to the company means that such credits will be lost by the customer.

c. Explain why a customer will not be compensated at the end of the contract year in the event it generates more power than it consumes.

6. Describe the extent to which ULH&P has investigated the level of accuracy of a metering device when energy flow is reversed.

7. Explain whether the accuracy requirements for metering devices under the proposed program will be consistent with ULH&P's approved testing programs.

8. The Metering section of the proposed rider indicates that, under the program, ULH&P will install a single bi-directional meter at the customer's expense but may, at its option and expense, install additional metering equipment.

a. Explain whether the bi-directional meter proposed will measure and record the amount of energy supplied by ULH&P and separately measure and record the amount of energy provided to ULH&P by the customer.

b. Explain whether the proposed metering equipment will also be able to record when energy is supplied by ULH&P and separately record when a customer is providing energy to ULH&P.

c. Identify and describe the types of additional metering equipment that ULH&P anticipates it might install.

d. If the response to part (b) is negative, explain how ULH&P will determine whether the program has any impact on peak demand or whether it might be

purchasing power at its average rates when that power is being produced during ULH&P's off-peak periods.

e. If the response to part (b) is negative, explain why ULH&P has not proposed that metering equipment which measures and records the time during which energy is used be installed as standard equipment for this program.

9. Provide the percentage of historic peak load that ULH&P projects will be customer-generated through this program.

10. Provide copies of all reports available to ULH&P on the results of net metering programs operated by either of its regulated affiliates.