

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN INVESTIGATION OF THE MULTI-FAMILY
MASTER-METERED RESIDENTIAL SERVICE
TARIFFS PROPOSED BY LOUISVILLE GAS
AND ELECTRIC COMPANY AND KENTUCKY
UTILITIES COMPANY

CASE NO. 2002-00419

O R D E R

On November 5, 2002, Louisville Gas and Electric Company (LG&E) and Kentucky Utilities Company (KU) collectively filed proposed tariffs to establish a new gas rate schedule for LG&E and new electric rate schedules, for both LG&E and KU, to provide Multi-Family, Master-Metered Residential Service (MMRS). The Commission finds that, pursuant to KRS 278.190, further proceedings are required in order to determine the reasonableness of these tariffs and that such proceedings cannot be completed prior to the proposed effective date. In order to investigate the proposed tariffs, the Commission will require additional information from LG&E and KU.

IT IS THEREFORE ORDERED that:

1. The proposed tariffs are suspended for 5 months from December 5, 2002, up to and including May 4, 2003.
2. LG&E and KU shall respond to the information requests contained in the Appendix, attached hereto, within 14 days from the date of this Order.
3. Nothing contained herein shall prevent the Commission from entering a final decision in this case prior to the termination of the suspension period.

Done at Frankfort, Kentucky, this 4th day of December, 2002.

By the Commission

ATTEST:

Deputy W^m H. Fowler
Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2002-00419 DATED December 4, 2002

LG&E and KU, pursuant to Administrative Regulation 807 KAR 5:001, shall file with the Commission the original and 8 copies of the following information, 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. Include with each response 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.

1. The proposed tariffs create new residential customer classifications for multi-family, master-metered apartments that are now served under commercial classifications. Since these new residential classifications retain the existing commercial rates, provide a detailed explanation of the reasons for creating these new residential classifications.

2. The availability of service for each of the proposed tariffs is limited to multi-family, master-metered customers where application for a building permit was made prior to May 31, 1981.

a. Provide the number of customers served by LG&E and KU, respectively, that have been granted a waiver from Administrative Regulation 807 KAR 5:046.

b. Explain why a customer that has been granted a waiver from Administrative Regulation 807 KAR 5:046 should not be eligible for the proposed tariffs.

3. Provide separately the number of multi-family, master-meter customers that will be affected by the proposed LG&E gas tariffs, LG&E electric tariffs, and KU tariff.

4. For each group of customers affected LG&E electric, LG&E gas, and KU electric provide the following:

a. The level of sales, in kilowatt-hours or Mcf, to the customers listed in the response to Item 3 herein, for each of the past three calendar years.

b. The level of revenues generated by the sales to the customers listed in the response to Item 3 herein, for each of the past three calendar years.

5. LG&E and KU both have Demand-Side Management (DSM) tariffs that provide for the recovery of DSM costs by charging different rates to residential and commercial classifications.

a. Since LG&E s and KU s DSM surcharges are based on the costs of DSM programs targeted separately to residential and commercial classes and the level of sales to those same customer classes, explain how the proposed reclassification of customers from commercial to residential will impact the levels of both companies DSM surcharges.

b. If DSM program costs remain constant, is it correct that increasing residential sales and reducing commercial sales due to the proposed tariffs will result in reduced residential DSM surcharges and increased commercial DSM surcharges?

6. If the proposed tariffs are approved, will LG&E s and KU s existing residential DSM programs be available to multi-family, master-metered customers? If no, explain why the residential DSM programs will not be available to these residential customers.

7. Provide a detailed analysis of the impact on LG&E s and KU s respective cost-of-service studies of reclassifying from commercial to residential the multi-family, master-metered customers.

8. Will the proposed tariffs be available to multi-family master-metered customers for energy used in connection with lighting of common areas, laundry facilities, and recreational facilities such as tennis courts, swimming pools, and health clubs? If yes, explain why these uses should be considered residential in nature.