

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE ROGERS GROUP, INC.)	
)	
COMPLAINANT)	
)	
v.)	CASE NO. 2002-00394
)	
LOUISVILLE GAS AND ELECTRIC COMPANY)	
)	
DEFENDANT)	

ORDER

On October 30, 2002, The Rogers Group, Inc. (RG) filed a formal complaint with the Commission against Louisville Gas and Electric, Inc. (LG&E). In the complaint RG alleges that LG&E improperly imposed a penalty for violation of an interruptible service rider, improperly calculated the penalty, improperly withdrew the service rider, and unreasonably disconnected service due to RG s refusal to pay the penalty. The above allegations arise from conduct that occurred during the July 2002 billing period when LG&E requested RG to curtail its interruptible service on numerous occasions.

LG&E filed its answer, stating that it properly assessed the penalty, that it properly calculated the penalty, that it was authorized to terminate the rider, and that it had not disconnected RG s service. Moreover, LG&E claims that, in light of this complaint, it has withdrawn its termination notice to RG and continues to offer service in accordance with the tariff under which RG previously received service. LG&E also

requests that the Commission summarily dismiss RG s complaint or, in the alternative, convene an informal conference.

Despite LG&E s withdrawal of its termination notice and reinstatement of the original rate schedule, significant questions remain. The Commission finds that additional discovery is necessary.

IT IS THEREFORE ORDERED that:

1. LG&E s motion for summary judgment is denied.
2. LG&E s request for an informal conference is denied.
3. Within 15 days of the date of this Order, LG&E shall answer the request for information contained in Appendix A to this Order.

Done at Frankfort, Kentucky, this 7th day of January, 2003.

By the Commission

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2002-00394 DATED January 7, 2003

1. Pages 2 through 4 of LG&E's answer, filed November 15, 2002, refer to a number of instances when RG was requested to interrupt service but did not, and the penalties which could have been imposed were not levied.

a. Identify all instances since May 25, 2001 when RG was requested to interrupt service, other than August 8, 9, and 10, 2001, June 25, 2002, and the 12 such events in July 2002, which were identified in LG&E's answer.

b. Provide the total number of times since May 21, 2001 that LG&E has forgiven RG for failure to interrupt service. Identify individually all such instances other than those identified in LG&E's answer.

c. Provide copies of all documentation, including correspondence, notes of telephone conversations, and e-mails between LG&E and RG concerning the consequences of RG's non-compliance with LG&E's curtailment requests.

2. Pages 2 and 3 of LG&E's answer refer to LG&E's requests that RG interrupt service on August 8, 9, and 10, 2001.

a. Provide a narrative description of LG&E's operating circumstances on those dates that prompted the request that RG interrupt service.

b. For each of those three dates provide: (1) the number of customers asked by LG&E to interrupt service; (2) the number of customers that complied with the interruption request and the KW provided by curtailment; (3) the number of customers that did not comply with the interruption request, and the KW lost due to their non-

compliance; (4) the amount of penalties assessed for non-compliance; and (5) a listing and explanation of all penalties for non-compliance that were forgiven by LG&E. For confidentiality purposes, this listing can identify individual customers as Customer A, Customer B, etc.*

3. Page 3 of LG&E s answer refers to LG&E s request that RG interrupt service on June 25, 2002.

a. Provide a narrative description of LG&E s operating circumstances on that date that prompted the request that RG interrupt service.

b. For that date provide: (1) the number of customers asked by LG&E to interrupt service; (2) the number of customers that complied with the interruption request and the KW provided by curtailment; (3) the number of customers that did not comply with the interruption request, and the KW lost due to their non-compliance; (4) the amount of penalties assessed for non-compliance; and (5) a listing and explanation of all penalties for non-compliance that were forgiven by LG&E. For confidentiality purposes, this listing can identify individual customers as Customer A, Customer B, etc.*

4. For the period May 25, 2001 through July 31, 2002, provide the following information by calendar month:

a. The number of customers contacted to interrupt service.

b. The number of customers that complied with interruption requests and the KW provided by curtailment.

c. The number of customers that failed to comply with interruption requests and the penalty amounts assessed for non-compliance.

d. The number of customers failing to comply with interruption requests for whom a penalty was not assessed, with an explanation describing why each customer's penalty was forgiven. For purposes of confidentiality, individual customers may be identified as Customer A, Customer B, etc. *

5. Attachment 3 to LG&E's answer shows a monthly demand of 2,736 KW for RG on the dates identified during July 2002. However, the service contract in Attachment 2 shows a combined demand - firm and interruptible - for RG of 2,500 KW. Provide an explanation of this difference.

* To protect customers identities, LG&E should, by asterisks, footnotes or narrative statements, provide a means to identify any customer that is included in two or more of the responses so that individual customers who had penalties forgiven will be readily apparent.