

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF THE UNION LIGHT,)	
HEAT AND POWER COMPANY FOR)	
APPROVAL OF ITS PROPOSED RATE)	CASE NO. 2003-00133
METER DATA CHARGES)	

ORDER

On April 11, 2003, The Union Light, Heat and Power Company (ULH&P) filed an application for approval of its proposed Rate MDC, Meter Data Charges. The proposed Rate MDC will establish charges for the processing and delivery of electronic interval data to large volume users of electricity. These services, which are optional, will be offered under ULH&P s En-Focus program, which is available to all ULH&P customers that have meter pulse equipment and/or interval metering equipment. The program allows customers to access their interval load data on a monthly basis via the Internet. To participate in the program, a customer must have access to meter pulse equipment or interval metering equipment and a phone link in good working order.

The monthly charge for the service will be \$20, which is designed to recover related hardware, software and labor costs.¹ A fee of \$50 will be imposed on En-Focus customers who terminate their participation in the program and choose to resubscribe within 12 months. This fee is intended to discourage customers from subscribing to the program to receive historical load information and leave only to re-join months later, thereby burdening the program with excessive set-up costs. Revenues from the

¹ ULH&P s Response No. 1 to Commission Staff s First Data Request.

program will be directly credited to ULH&P and actual program expenses will be assigned to ULH&P pursuant to the Utility Service Agreement approved by the Securities and Exchange Commission.²

There are no intervenors in this proceeding. ULH&P responded to three data requests issued by Commission Staff. In its July 25, 2003 response to the Staff's third data request, ULH&P provided projected revenues and expenses for its En-Focus program for the years 2003 through 2012. Although ULH&P projects that total revenues will exceed total expenses during the first 10 years of the program, the Commission recognizes the possibility that customer participation levels may fall short of ULH&P's expectations. Given that ULH&P is not mandated to offer this program, if actual revenues should fall short of recovering its costs for the program, it should understand that it may be at risk for any such under-recovery.

This optional program allows customers to better understand and monitor their energy usage. Fostering customer access to this information is expected to translate into future cost savings. After considering ULH&P's proposed tariff and its data responses, the Commission finds that this new service offering and the proposed Rate MDC should be approved. Such approval is granted, however, with the caveat that ULH&P may be at risk for the recovery of the program's costs should those costs not be recovered through the revenues generated by the program. ULH&P will be required to maintain its accounting records in such a manner that the revenues and expenses attributable to Rate MDC, Meter Data Charges can be readily identified.

² Similar programs are already offered by ULH&P affiliates in other jurisdictions.

The Commission, having considered the proposed tariff and being otherwise sufficiently advised, HEREBY ORDERS that:

1. The proposed tariff is approved effective with the date of this Order with notice to ULH&P that it may be at risk for any under-recovery of program costs should the program's revenues be insufficient to recover those costs.

2. ULH&P shall maintain its accounting records in such a manner that the revenues and expenses attributable to Rate MDC, Meter Data Charges can be readily identified by the Commission.

3. ULH&P shall, within 20 days from the date of this Order, refile its Rate MDC tariff showing its effective date and that it was issued by authority of this Order.

Done at Frankfort, Kentucky, this 8th day of September, 2003.

By the Commission

ATTEST:



Executive Director