

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ADJUSTMENTS TO THE DEMAND-SIDE	)	
MANAGEMENT COST RECOVERY MECHANISMS	)	CASE NO.
OF LOUISVILLE GAS AND ELECTRIC COMPANY	)	2003-00470
AND KENTUCKY UTILITIES COMPANY	)	

O R D E R

On December 5, 2003, Louisville Gas and Electric Company ( LG&E ) and Kentucky Utilities Company ( KU ) filed proposed changes to the Demand-Side Management ( DSM ) cost recovery, revenues from lost sales, and incentive sub-parts of their Demand-Side Management Cost Recovery ( DSMCR ) tariffs. The proposed adjustments reflect LG&E s and KU s program budgets and projected sales levels for calendar year 2004 and incorporate the resulting changes into the calculation of customers bills on a going-forward basis. Subsequent to their original filings, on December 8, 2003, LG&E and KU revised their proposed tariffs to correctly state the Balance Adjustment component, which is not being changed as part of this filing. The proposed changes will be applicable to LG&E s gas and electric rates and KU s electric rates for service beginning January 5, 2004.

The changes proposed for LG&E s gas service rates result in increased rates for customers served under Residential Rate RGS or Residential Summer Air Conditioning Rider. The changes proposed for LG&E s electric service rates result in increased rates for customers served under its Residential Rate R, General Service Rate GS, Large Commercial Rate LC, and Large Commercial Time-of-Day Rate LC-TOD. The changes

proposed for KU result in increased rates for customers served under Residential Rate RS, Full Electric Residential Rate FERS, and General Service Rate GS.

LG&E and KU filed their revised tariffs with an effective date of January 5, 2004. Based on its review of the revised DSMRC tariffs and supporting schedules that show the calculation of the cost recovery, revenues from lost sales, and incentive sub-parts of the tariffs, the Commission finds that the proposed tariff changes are reasonable and should be approved effective January 5, 2004.

IT IS THEREFORE ORDERED that:

1. LG&E's and KU's proposed changes to their DSMRC tariffs are approved effective January 5, 2004.

2. Within 20 days of the date of this Order, LG&E and KU shall file revised DSMRC tariffs that show the date issued and that they were issued by authority of this Order.

Done at Frankfort, Kentucky, this 18<sup>th</sup> day of December, 2003.

By the Commission

ATTEST:

  
Executive Director