COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

| THE ANNUAL COST RECOVERY FILING FOR |) | |
|-------------------------------------|---|------------|
| DEMAND SIDE MANAGEMENT BY THE UNION |) | CASE NO. |
| LIGHT, HEAT AND POWER COMPANY |) | 2004-00389 |

ORDER

On September 29, 2004, The Union Light, Heat and Power Company ("ULH&P") filed its application for approval to continue its existing Demand Side Management ("DSM") programs and implement new DSM programs and revised DSM tariff riders. ULH&P requests approval to implement the revised tariff riders effective with its first billing cycle of January 2005, on January 3, 2005.

On November 12, 2004, the Northern Kentucky Community Action Commission ("NKCAC") moved to intervene in this proceeding, which was granted on November 18, 2004. Subsequent to a November 19, 2004 informal conference, at which the parties agreed upon a limited procedural schedule, an Order was issued allowing for one round of discovery on ULH&P and an opportunity for parties to request a hearing or informal conference on the merits of ULH&P's application.

Given that the procedural schedule allows until January 7, 2005 for requests for a hearing or informal conference, a final decision on ULH&P's application cannot be rendered prior to the proposed January 3, 2005 effective date of the revised tariff riders. Recognizing the need for continuity in the administration of ULH&P's DSM programs, we will, with this Order, authorize the continuation of the current DSM programs and DSM tariff riders until a final Order is issued in this proceeding.

IT IS THEREFORE ORDERED that.

1. ULH&P's proposed new DSM programs and proposed revised DSM tariff riders shall be suspended for five months from their proposed effective date, up to and including June 2, 2005.

2. ULH&P's existing DSM programs and DSM tariff riders shall remain in effect pending the Commission's final Order in this proceeding.

Done at Frankfort, Kentucky, this 13th day of December, 2004.

By the Commission

ATTEST:

Executive Director