

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN INVESTIGATION OF THE UNION LIGHT, HEAT AND)	
POWER COMPANY'S TARIFF REVISIONS TO ITS)	CASE NO.
ELECTRIC RIDER NM, NET METERING RIDER)	2004-00393

ORDER

On September 23, 2004, The Union Light, Heat and Power Company ("ULH&P") filed tariff revisions to its electric rider NM, Net Metering Rider. The revised tariff was filed so that ULH&P's existing net metering rider will conform to the net metering provisions included in Senate Bill 247, enacted during the 2004 regular session of the Kentucky General Assembly. These provisions have been codified in KRS 278.465 to 278.468.

In order to conduct an appropriate review of the proposed tariff revisions, the Commission finds that this case should be established. The Commission notes that while ULH&P's revised tariffs were filed with a cover letter that referenced an application, no application was filed.

IT IS THEREFORE ORDERED that:

1. This case is established to review the reasonableness of ULH&P's proposed revisions to electric rider NM, Net Metering Rider.
2. ULH&P shall file its responses to the request for information set forth in Appendix A, attached hereto, within 14 days of the date of this Order.

Done at Frankfort, Kentucky, this 15th day of October, 2004.

By the Commission

ATTEST:

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke at the bottom.

Executive Director

Case No. 2004-00393

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2004-00393 DATED OCTOBER 15, 2004

1. KRS 278.465 defines an “eligible electric generating facility” as one that has a rated capacity of not greater than 15 kilowatts (“kW”). The proposed tariff reflects the 15 kW limit; however, it also includes a further limit of 1,000 kilowatt-hours (“kWh”), which is in its existing net metering rider, Rider NM. Given that the statute includes no limit on energy levels, explain why it is appropriate to retain the 1,000 kWh limit.

2. One requirement under “Terms and Conditions” is that “the generator must operate in parallel with the Company’s transmission and distribution facilities.” Given the nature of a net metering installation, explain why the requirement is not limited to distribution facilities only.

3. Another requirement under “Terms and Conditions” is that “the customer must sign an interconnection agreement with the Company.”

a. This requirement is not in the existing Rider NM. Explain why ULH&P proposes to add this requirement at this time.

b. Provide a copy of the proposed interconnection agreement.

c. Explain why the planned interconnection agreement should not be filed with the Commission as part of Rider NM.

4. Provide a detailed description of the “control and protective equipment required to ensure safe and reliable interconnection with the Company’s electrical system.” Explain whether such equipment is standard for all installations or if it will vary based on differences in the customer’s generation facilities.

5. Provide a detailed description of the interconnection costs for which the customer will be responsible for reimbursing ULH&P.

6. Provide a detailed description of the possible distribution costs for which the customer will be responsible.