

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

TIME OF DAY TARIFF FILING BY UNION)
LIGHT, HEAT AND POWER COMPANY) CASE NO. 8870

O R D E R

In an October 25, 1985, Order in this case, the Commission ordered on page 6 in ordering paragraph number 1 that the Distribution Service - Time-of-Day ("DS-TOD") and Transmission Service - Time-of-Day ("TS-TOD") tariffs of the Union Light, Heat and Power Company ("ULH&P") shall be continued and made mandatory for all customers with demands of 500 kilowatts or greater. After further review the Commission has determined that clarification of this ordering paragraph would be useful.

The paragraph ordering the DS-TOD and TS-TOD tariffs to be continued and made mandatory clearly applies to customers with demands of 500 kilowatts or greater and who also participated in the TOD experiment. Clarification is needed on how to implement time-of-day ("TOD") rates for three other types of customers. These customers are: (1) new customers with demands of 500 kilowatts or greater locating in ULH&P's service territory; (2) existing customers that were not part of the TOD experiment but their demand is 500 kilowatts or greater; and (3) existing customers that were part of the TOD experiment but their demand has been reduced below 500 kilowatts.

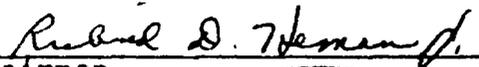
Regarding new customers with demands of 500 kilowatts or greater locating in ULH&P's service territory, the Commission

finds that the appropriate TOD tariff should be used. Regarding existing customers that were not part of the TOD experiment but their demand is 500 kilowatts or greater, the Commission finds that these customers should be placed on the appropriate TOD tariff no later than ULH&P's next rate case. Prior to the next rate case ULH&P shall exercise its own discretion in applying the TOD tariffs to these customers. If the customer and ULH&P are both agreeable to using the appropriate TOD tariff prior to the next rate case, it is reasonable to use the TOD tariff. If there is not agreement, then the current non-time-differentiated tariff shall be used until the next rate case. Regarding those customers that were part of the TOD experiment but their demand has subsequently been reduced below 500 kilowatts, the Commission finds it is appropriate to take these customers off of the TOD tariffs for now and place them on the appropriate non-time-differentiated tariff.

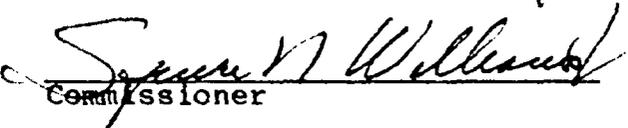
IT IS THEREFORE ORDERED that ULH&P shall implement the DS-TOD and TS-TOD tariffs on a permanent basis in accordance with the clarification provided herein.

Done at Frankfort, Kentucky, this 15th day of November, 1985.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary