

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE TARIFF FILING OF KENTUCKY)
UTILITIES COMPANY) CASE NO. 2001-00304
TO ADD PILOT NET METERING)
ELECTRIC SERVICE)

COMMISSION STAFF S SUPPLEMENTAL DATA
REQUEST TO KENTUCKY UTILITIES COMPANY

Pursuant to Administrative Regulation 807 KAR 5:001, Commission Staff requests that Kentucky Utilities Company (KU) file the original and 5 copies of the following information with the Commission on or before February 5, 2002, with a copy to all parties of record. Each copy of the information requested should be placed in a bound volume with each item tabbed. When a number of sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), Sheet 2 of 6. Include with each response the name of the witness who will be responsible for responding to questions relating to the information provided. Careful attention should be given to copied material to ensure its legibility. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request.

1. Refer to KU s response filed on December 3, 2001 to the Commission s first data request, Item 1. That response states that KU will not enter into a purchased power contract with customers served under the proposed Net Metering

Service tariff. However, the Net Metering Service tariff, under Metering and Billing, provides that, If electricity generated by the customer and fed back to the Companies system exceeds the electricity supplied to the customer from the system during a net metering period, the customer shall receive no compensation from the company unless the customer has entered into a purchased power contract with the Company.

(Emphasis added). If KU does not intend to enter into a purchased power contract, explain why the proposed tariff expressly provides that KU may enter into such a contract.

2. The proposed Net Metering Service tariff provides, under Metering and Billing, that if during any billing period the customer feeds back into KU s system more electricity than KU supplied, the customer shall be required to pay only the non-energy charges for that billing period. Since residential customers pay an energy rate which includes recovery of both energy and capacity costs, explain why such a customer on the proposed Net Metering Service tariff should receive a credit for the demand costs for the amount of energy fed into KU s system.

3. a. If the customer is served under a tariff that has separate charges for demand and energy, will the customer continue to pay a demand charge based upon the capacity supplied by KU to the customer?

b. If yes, will the customer pay a demand charge based on the maximum capacity supplied by KU irrespective of the capacity fed into KU s system at other times during the billing period or will the demand billing be reduced to reflect the maximum capacity fed into KU s system by the customer?

4. a. If residential Net Metering Service customers will receive a credit for both the energy and demand costs, but non-residential customers will receive a credit for only the energy costs, explain why the demand costs are being treated differently for each customer class. Assume that a residential customer under the Net Metering Service tariff feeds back to KU's system an amount of energy equal to what KU supplied to that customer during a billing period. Would that customer then pay only the customer charge for that billing period?

b. If yes, does KU's current customer charge fully recover all fixed costs incurred to provide service or are some fixed costs typically recovered through the energy charge for residential customers?

5. The Net Metering Service tariff provides, under Metering and Billing, that, net metering service shall be measured in accordance with the standard metering practices by metering equipment capable of measuring (but not necessarily displaying) power flow in both directions.

a. Does this mean that the metering equipment will measure and record the amount of power supplied by KU and separately measure and record the amount of energy fed back by the customer to KU's system?

b. If yes, will the metering equipment also be able to record the time when energy is supplied by KU and separately record the time that power flows back from the customer to KU's system?

6. If KU does not have in place metering equipment capable of separately measuring the energy supplied and the energy fed back, and the time of the energy flows, explain how KU will be able to determine whether it supplied energy during

peak or non-peak times and whether the customer fed back energy during peak or non-peak times.

7. The cover letter filed with the proposed tariff states that the tariff is to be offered for a 36-month period and will not be offered on a permanent basis until a review of the costs and benefits is completed. Explain in detail how KU can analyze the costs and benefits of the proposed tariff if it is unable to determine the amount of energy flowed back into its system and whether that energy is flowed back during peak or non-peak periods. Also explain how KU will be able to determine whether it has recovered its fixed costs and its variable costs from residential and non-residential customers served under the tariff.



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DATED: January 23, 2002

cc: Parties of Record