

KENTUCKY UTILITIES COMPANY

CASE NO. 2014-00371

February 27, 2015 Supplemental Response to Commission Staff's Third Request for Information

Dated February 6, 2015

Question No. 15

Responding Witness: John P. Malloy / Robert M. Conroy

Q-15. Refer to KU's response to Item 62 of Staff's Second Request.

- a. Refer to the response to Item 62.c.(1). What accounts for the decline in the number of customers receiving service under industrial tariffs from 2,965 in April 2014 to 1,982 in January 2015?
- b. Refer to the response to Item 62.c.(4).
 - (1) The response refers to two criteria used in determining exemption from the DSM charge, one of the criteria being the North American Industry Classification System ("NAICS") codes. Identify the second of the criteria.
 - (2) Explain why the NAICS code is unavailable for 264 accounts and why these accounts are exempt from the DSM charge.
 - (3) KU's DSM tariff lists the following NAICS codes as being exempt from the DSM charge: 21, 22, 31, 32, and 33. This response shows a number of exempt accounts with codes that are not listed in KU's DSM tariff. Provide a description of each of those codes (those codes outside of 21, 22, 31, 32 and 33) and explain why the accounts shown with those codes are exempt from the DSM charge, in light of KU's response to Item 62.b. that "the remaining NAICS sections are comprised predominantly of customers that are not primarily engaged in a process or processes that create or change raw or unfinished materials into another form or product."
- c. Refer to the response to Item 62.c.(6). For each customer with a NAICS code other than 21, 22, 31, 32, and 33, explain how the customer qualifies to be exempt from the DSM charge.

A-15. **Original Response:** In preparing the response to this request for information, the Company has determined that the data it provided in its responses to the subparts PSC 3-62 is not accurate and should be revised. The Company is working to assemble corrected data and will file a supplemental response to PSC 3-62 no later than Friday,

February 27. The Company will file a corresponding supplemental response to this request at the same time.

February 27, 2015 Supplemental Response:

The Company is working diligently to review and assemble the accurate data responsive to this request and to PSC 2-62. To ensure the accuracy of the information and the completeness of the responses to the requests, the Company is undertaking a business process review of its records and data. This review will be completed and supplemental responses will be filed no later than March 27, 2015.

The Company acknowledges the Commission's stated intention in its November 14, 2014 Order in Case No. 2014-00003 to review the Company's definition of industrial customers by NAICS codes for reasonableness. The disposition of this issue, however, will not influence the resolution of the revenue requirement, revenue allocation, cost of service study or rate design issues presented in the Company's application. The revenues and costs associated with the DSM mechanism were removed from the calculation of the revenue requirement and cost of service study. The Company is not proposing to change the terms or conditions of its DSM mechanism in this case.