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Linda Breathitt
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October 30, 2013

PARTIES OF RECORD

Re: Case No. 2013-00287

Attached is a copy of a memorandum which is being filed in the record of the above-referenced case. If you have any comments you would like to make regarding the contents of the memorandum concerning the October 25, 2013 Informal Conference, please do so within five days of receipt of this letter. If you have any questions, please contact Jonathan Beyer, Staff Attorney, at 502/782-2581.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Derouen".

Jeff Derouen
Executive Director

Attachments

INTRA-AGENCY MEMORANDUM

KENTUCKY PUBLIC SERVICE COMMISSION

TO: Case File – Case No. 2013-00287

FROM: Jonathan Beyer, Staff Attorney

DATE: October 30, 2013

RE: Informal Conference of October 25, 2013

On October 25, 2013, an informal conference was held in this matter to discuss the issues presented in this case. A list of attendees is attached to this memorandum.

Beginning the conference, Mr. Short expressed his position that the manner in which Kentucky Utilities Company (“KU”) applies its low emission vehicle service tariff (“LEV”) and net metering service rider (“NMS”) compromises the consumer incentive to engage in load shifting. He also opined that KRS 278.466 does not preclude the monetization of energy credits and the policy of binning credits compels consumers, participating in rate LEV and rider NMS, to shift their load to peak periods to reap the maximum possible monetary benefits available.

Commission Staff pointed to the last sentence in KRS 278.466(3) wherein reference is made to accounting for time-of-use metering as a possible roadblock to interpreting the statute to permit applying energy credits to periods other than those in which they are generated.

KU argued that Mr. Short’s claims are hypothetical and not yet ripe because he has not suffered any harm as he has yet to begin net metering service. It also contended that the instant issues were addressed in the prior administrative case on net metering and as a decision in the instant case would impact other utilities throughout the Commonwealth, a complaint case is not the proper avenue to resolve the issues raised herein. In discussing rate LEV, KU referenced the net metering statute and its tariff to demonstrate that monetization is not permitted. It distributed a copy of Alaska’s net metering statute, attached to this memorandum, as being demonstrative that legislatures have clearly codified monetization when so desired and noted that because Kentucky’s statute is not ambiguous, the Commission is constrained from delving into the legislature’s intent in drafting the legislation. Therefore, because KRS 278.466 clearly states that credits do not have a monetary value, KU indicated it did not repeat that language in its tariff.

As to the existence of any factual questions, Mr. Short queried KU as to whether it agreed that the NMS rider and LEV rate are in conflict. KU stated that it does not believe the provisions are in conflict, but did agree that its application of the two provisions would bar an individual from maximizing their potential financial gain.

KU stated that it believes the sole outstanding issues are questions of law. KU further noted that rate LEV is not intended to promote complete load shifting or to

provide a financial gain to consumers, but is instead intended to provide a revenue neutral means of encouraging electric vehicle users to charge their cars during off-peak periods.

At Staff's request, KU agreed to draft a stipulation to the general effect that an individual with Mr. Short's load shifting pattern utilizing rate LEV and rider NMS would receive a greater financial benefit if he or she was permitted to apply energy credits generated on peak towards off peak usage. KU will submit the stipulation to Mr. Short within two weeks of the date of the informal conference for his review. If KU and Mr. Short can agree to a stipulation, it will be filed with the Commission shortly thereafter.

Staff stated it would present the case for the Commission's consideration and determination as to whether a public hearing should be held. Finally, KU reiterated its position that the case is not yet ripe for consideration and that it may file a motion to dismiss on that basis.

Finding that no party had any further questions, the conference was adjourned.

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

JEFF M. SHORT)
V.) CASE NO.
KENTUCKY UTILITIES COMPANY) 2013-00287

October 25, 2013

Please sign in:

NAME	REPRESENTING
<u>Jonathan Beyer</u>	<u>PSC</u>
<u>Cheryl Bruner</u>	<u>KU</u>
<u>Allison Sturgeon</u>	<u>KU</u>
<u>RICHARD RAFF</u>	<u>PSC-LEGAL</u>
<u>Daryl Faulstich</u>	<u>PSC</u>
<u>RICK LORIKAMP</u>	<u>KU</u>
<u>Duncan Crosby</u>	<u>B KU</u>
<u>Jeff Short</u>	<u>KY consumer</u>
<u>Cassie Short</u>	<u>KY consumer</u>
<u>Matthew Baer</u>	<u>PSC - FA</u>
<u>Leah Faulkner</u>	<u>PSC - FA</u>

ALASKA

3 AAC 50.930. Charges or credits for net electric energy

(a) An electric utility with a consumer participating in a net metering program shall measure the net electric energy during each monthly billing period, and

(1) if the electric utility supplied more electric energy to the consumer than the consumer supplied to the electric utility during the monthly billing period, the electric utility shall bill the consumer for the number of kilowatt-hours of net electric energy supplied by the electric utility to the consumer at the applicable rates contained in the electric utility's currently effective tariff; or

(2) if the consumer supplied more electric energy to the electric utility than the electric utility supplied to the consumer during the monthly billing period, **the electric utility shall credit the consumer's account with an amount derived by multiplying the kilowatt-hours of net electric energy supplied by the consumer to the electric utility by the non-firm power rate contained in the electric utility's currently effective tariff**, unless a different non-firm power rate has been established in a commission-approved contract. [Emphasis added.]

(b) Dollar amounts credited to the account of a net metering consumer for furnishing electric energy to the electric utility under (a)(2) of this section

(1) shall be used to reduce dollar amounts owed by the consumer in subsequent monthly billing periods; and

(2) do not expire or otherwise revert to the electric utility.

(c) Except as otherwise provided in (a) and (b) of this section regarding per-kilowatt hour charges, the electric utility may bill a net metering consumer for all applicable charges authorized by the electric utility's approved tariff.

(d) An electric utility administering a net metering program may not charge a consumer participating in the net metering program any additional fee for standby, capacity, interconnection, or other net metering expense unless approved by the commission.

(e) An electric utility may petition the commission to change electric rate designs, consistent with 3 AAC 48.500 - 3 AAC 48.560, to include appropriate rate classes for net metering consumers, if the utility can demonstrate an adverse material rate impact on utility consumers that do not participate in the net metering program.

⊕ **History:** Eff. 6/16/2010, Register 194

⊕ **Authority:** AS 42.05.141