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Mr. Jeff DeRouen, Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
Frankfort, Kentucky 40601

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APR 08 2010

PUBLIC SERVICE  
COMMISSION

**Kentucky Utilities Company**  
State Regulation and Rates  
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Louisville, Kentucky 40232  
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April 8, 2010

**RE: *Application of Kentucky Utilities Company for an Adjustment of Its  
Base Rates – Case No. 2009-00548***

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Dear Mr. DeRouen:

Please find enclosed and accept for filing the original and ten (10) copies of the Response of Kentucky Utilities Company to the Second Set of Data Requests of The Kroger Company dated March 26, 2010, in the above-referenced matter.

Should you have any questions regarding the enclosed, please contact me at your convenience.

Sincerely,

Lonnie E. Bellar

cc: Parties of Record

**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

**In the Matter of:**

<b>APPLICATION OF KENTUCKY UTILITIES</b>	<b>)</b>	<b>CASE NO.</b>
<b>COMPANY FOR AN ADJUSTMENT OF</b>	<b>)</b>	<b>2009-00548</b>
<b>ITS BASE RATES</b>	<b>)</b>	

**RESPONSE OF**  
**KENTUCKY UTILITIES COMPANY**  
**TO THE**  
**SECOND DATA REQUEST OF**  
**THE KROGER COMPANY**  
**DATED MARCH 26, 2010**

**FILED: April 8, 2010**





**KENTUCKY UTILITIES COMPANY**

**CASE NO. 2009-00548**

**Response to Second Data Request of  
The Kroger Company  
Dated March 26, 2010**

**Question No. 1**

**Responding Witness: William Steven Seelye**

Q-1. Follow up to KU Response Kroger 1-5. Regarding Mr. Seelye's use of the term "lower effective rate:" if two customers are on the same rate schedule, can one have a lower effective rate than the other? If not, please explain.

A-1. Yes.

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**KENTUCKY UTILITIES COMPANY**

**CASE NO. 2009-00548**

**Response to Second Data Request of  
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Dated March 26, 2010**

**Question No. 2**

**Responding Witness: William Steven Seelye**

- Q-2. Follow up to KU Responses to Kroger 1-9(c) and (d). The answers appear to misconstrue the question's reference to "demand charge" and treat this term as equivalent to "demand charge revenues," and thus, fail to answer the question that was asked. (a) Given that the demand-related revenue requirement is the same irrespective of whether a CP rate or non-CP rate is used, but the billing determinants are different for a CP rate and non-CP rate, does it not follow that the demand charge (as would appear as a rate component in a rate schedule) for "Coincident peak CP demand billing" would necessarily be different than the otherwise applicable generation portion of the demand charge in the Company's tariff? (b) Does Mr. Seelye agree that the demand charge for "Coincident peak CP demand billing" would necessarily be greater than the otherwise applicable generation portion of the demand charge in the Company's tariff? (c) If not, please explain why not without repeating the answer originally provided, which did not answer the question that was asked.
- A-2. (a) A CP demand charge will almost certainly be different than a non-CP demand charge.
- (b) Yes; however, the billing units to which the CP demand charges apply would be lower, resulting in the same overall revenue requirement.
- (c) Not applicable.





**KENTUCKY UTILITIES COMPANY**

**CASE NO. 2009-00548**

**Response to Second Data Request of  
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Dated March 26, 2010**

**Question No. 3**

**Responding Witness: William Steven Seelye**

Q-3. Follow up to KU Responses to Kroger 1-10(a) and (b). Assume the loads of the two customers referenced in the question are IDENTICAL IN EVERY CONCEIVABLE WAY except end use. Now please answer the question: (a) Does Mr. Seelye believe that two customers with exactly identical loads, but different end-uses, cause different costs to be imposed on a utility? (b) If yes, please explain.

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A-3. (a) No.

(b) Not applicable.