

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF KENTUCKY POWER COMPANY)
FOR (1) A GENERAL ADJUSTMENT OF ITS RATES FOR)
ELECTRIC SERVICE; (2) AN ORDER APPROVING ITS)
2014 ENVIRONMENTAL COMPLIANCE PLAN; (3)) CASE NO. 2014-00396
AN ORDER APPROVING ITS TARIFFS AND RIDERS;)
AND (4) AN ORDER GRANTING ALL OTHER)
REQUIRED APPROVALS AND RELIEF)

DIRECT TESTIMONY AND EXHIBITS OF STEVE W. CHRISS
ON BEHALF OF
WAL-MART STORES EAST, LP AND SAM'S EAST, INC.

Filed: March 23, 2015

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1 **Introduction**

2 **Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND OCCUPATION.**

3 A. My name is Steve W. Chriss. My business address is 2001 SE 10th St.,
4 Bentonville, AR 72716-0550. I am employed by Wal-Mart Stores, Inc. as Senior
5 Manager, Energy Regulatory Analysis.

6 **Q. ON WHOSE BEHALF ARE YOU TESTIFYING IN THIS DOCKET?**

7 A. I am testifying on behalf of Wal-Mart Stores East, LP and Sam's East, Inc. (collectively
8 "Walmart").

9 **Q. PLEASE DESCRIBE YOUR EDUCATION AND EXPERIENCE.**

10 A. In 2001, I completed a Master of Science in Agricultural Economics at Louisiana State
11 University. From 2001 to 2003, I was an Analyst and later a Senior Analyst at the
12 Houston office of Econ One Research, Inc., a Los Angeles-based consulting firm. My
13 duties included research and analysis on domestic and international energy and
14 regulatory issues. From 2003 to 2007, I was an Economist and later a Senior Utility
15 Analyst at the Public Utility Commission of Oregon in Salem, Oregon. My duties
16 included appearing as a witness for PUC Staff in electric, natural gas, and
17 telecommunications dockets. I joined the energy department at Walmart in July
18 2007 as Manager, State Rate Proceedings, and was promoted to my current position
19 in June 2011. My Witness Qualifications Statement is included herein as Exhibit
20 SWC-1.

1 Q. HAVE YOU PREVIOUSLY SUBMITTED TESTIMONY BEFORE THE PUBLIC SERVICE
2 COMMISSION OF KENTUCKY ("THE COMMISSION")?

3 A. Yes. I submitted testimony in Case Nos. 2009-00459, 2014-00371, and 2014-00372.

4 Q. HAVE YOU PREVIOUSLY SUBMITTED TESTIMONY BEFORE OTHER STATE
5 REGULATORY COMMISSIONS?

6 A. Yes. I have submitted testimony in over 115 proceedings before 34 other utility
7 regulatory commissions and before the Missouri House Committee on Utilities, the
8 Missouri Senate Veterans' Affairs, Emerging Issues, Pensions, and Urban Affairs
9 Committee, and the Kansas House Standing Committee on Utilities and
10 Telecommunications. My testimony has addressed topics including, but not limited
11 to, cost of service and rate design, revenue requirement, ratemaking policy,
12 qualifying facility rates, telecommunications deregulation, resource certification,
13 energy efficiency/demand side management, fuel cost adjustment mechanisms,
14 decoupling, and the collection of cash earnings on construction work in progress.

15 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

16 A. The purpose of my testimony is to respond to issues related to the rate case filing of
17 Kentucky Power Company ("KPC" or "the Company").

18 Q. ARE YOU SPONSORING ANY SCHEDULES WITH YOUR TESTIMONY?

19 A. Yes. I am sponsoring the following exhibits:

20 Exhibit SWC-1 – Witness Qualifications Statement

21 Exhibit SWC-2 – New Revenue Requirement Proposed to be Collected on

22 Riders

1 **Exhibit SWC-3** – Calculation of Revenue Requirement Impact of Inclusion
2 of Construction Work in Progress (“CWIP”) in Rate Base

3 **Exhibit SWC-4** – Reported Authorized Returns on Equity (“ROE”), Electric
4 Utility Rate Cases Completed, 2012 to Present

5 **Exhibit SWC-5** – Current and Proposed Rate of Return Index, KPC
6 Proposed Cost of Service Study Results and Revenue Allocation

7 **Q. PLEASE BRIEFLY DESCRIBE WALMART'S OPERATIONS IN KENTUCKY.**

8 A. Walmart operates 100 retail units and employs 27,924 associates in Kentucky. In
9 fiscal year ending 2014, Walmart purchased \$1 billion worth of goods and services
10 from Kentucky-based suppliers, supporting 32,800 supplier jobs.¹

11 **Q. PLEASE BRIEFLY DESCRIBE WALMART'S OPERATIONS WITHIN THE COMPANY'S**
12 **SERVICE TERRITORY.**

13 A. Walmart has approximately 10 stores and related facilities that take service from the
14 Company, primarily on the Quantity Power (“QP”) rate schedule.

15

16 **Summary of Recommendations**

17 **Q. PLEASE SUMMARIZE YOUR RECOMMENDATIONS TO THE COMMISSION.**

18 A. My recommendations to the Commission are as follows:

19 1) The Commission should consider the impact on customers thoroughly and
20 carefully in their examination of revenue requirement and ROE, in addition to
21 all other facets of this case, to ensure that any increase in the Company's

¹ <http://corporate.walmart.com/our-story/locations/united-states#/united-states/kentucky>

1 rates is only the minimum amount necessary for the utility to provide
2 adequate and reliable service, while having an opportunity to earn a
3 reasonable return.

4 2) The Commission should reject KPC's proposal to include approximately \$77.6
5 million of CWIP in rate base. If, however, the Commission determines it
6 necessary to include any CWIP in rate base, it should determine that the shift
7 of risk from the Company to ratepayers through the inclusion of CWIP be
8 reflected in the ROE approved in this docket, such that as the level of CWIP is
9 increased, ROE is accordingly decreased.

10 3) The Commission should closely examine the Company's proposed revenue
11 requirement increase and the associated proposed increase in return on
12 equity, especially when viewed in light of (a) the impact of the resulting
13 revenue requirement increase, (b) the use of risk reducing ratemaking
14 structures such as the proposed use of rider recovery for Big Sandy and
15 Mitchell flue gas desulfurization costs and the inclusion of CWIP in rate base,
16 and (c) rate case ROEs approved by commissions nationwide.

17 4) The Commission should reject the Company's proposal to combine QP and
18 Commercial and Industrial Power – Time of Day ("CIP TOD") to create the
19 Industrial General Service ("IGS") tariff. The Company's proposal is
20 completely arbitrary, not justified by the evidence presented, and creates
21 rate increases, *just from this proposal*, as high as 8.2 percent for QP
22 customers.

1 5) Walmart does not take a position on the Company's proposed cost of service
2 model at this time. However, to the extent that alternative cost of service
3 models or modifications to the Company's model are proposed by other
4 parties, Walmart reserves its rights to respond to any such proposals.

5 6) At the Company's proposed revenue requirement, Walmart does not oppose
6 the Company's revenue allocation proposal among the classes.

7 7) If the Commission determines that the appropriate level of revenue
8 requirement is lower than the level proposed by the Company, the
9 Commission should use the revenue requirement reduction to provide
10 further movement towards cost of service-based rates for the non-
11 residential rate classes.

12 The fact that an issue is not addressed herein or in related filings should not be
13 construed as an endorsement of any filed position.

14
15 **Revenue Requirement and Return on Equity**

16 **Q. WHAT IS YOUR UNDERSTANDING OF THE COMPANY'S PROPOSED REVENUE**
17 **REQUIREMENT?**

18 **A. My understanding is that the Company proposes a revenue requirement increase of**
19 **approximately \$70 million, or 12.5 percent above current retail revenues. See Direct**
20 **Testimony of Gregory G. Pauley, page 6, line 3 to line 4.**

1 **Q. WHAT IS YOUR UNDERSTANDING OF THE COMPONENTS OF THE COMPANY'S**
2 **PROPOSED INCREASE?**

3 A. My understanding is that the Company proposes the following components:

4 1) A base revenue decrease of approximately \$4.7 to \$4.8 million, depending on
5 the approved treatment of the Company's proposed Transmission
6 Adjustment;

7 2) An increase of \$21,855,982 in the proposed Big Sandy Retirement Rider,
8 pursuant to the Stipulation and Settlement Agreement in Case No. 2012-
9 00578;

10 3) An increase of \$18,245,413 in the proposed Big Sandy Unit 1 Operation
11 Rider;

12 4) An increase of \$34,391,339 in the Environmental Surcharge rider for KPC's
13 share of Mitchell flue gas desulfurization costs, pursuant to the Stipulation
14 and Settlement Agreement in Case No. 2012-00578; and

15 5) An increase of approximately \$307,000 for the proposed Kentucky Economic
16 Development Surcharge. *See* Direct Testimony of Ranie K. Wohnhas, page 6,
17 line 12 through page 8, line 18.

18 **Q. SHOULD THE COMMISSION GENERALLY CONSIDER THE IMPACT OF THE PROPOSED**
19 **RATE INCREASE ON CUSTOMERS IN SETTING THE REVENUE REQUIREMENT**
20 **CHANGE AND ROE FOR THE COMPANY?**

21 A. Yes. Electricity represents a significant portion of a retailer's operating costs. When
22 rates increase, that increase in cost to retailers puts pressure on consumer prices

1 and on the other expenses required by a business to operate. The Commission
2 should consider the impact on customers thoroughly and carefully in their
3 examination of revenue requirement and ROE, in addition to all other facets of this
4 case, to ensure that any increase in the Company's rates is only the minimum
5 amount necessary for the utility to provide adequate and reliable service, while
6 having an opportunity to earn a reasonable return.

7 **Q. WHAT IS THE COMPANY'S PROPOSED ROE IN THIS DOCKET?**

8 A. The Company is proposing an ROE of 10.62 percent. See Direct Testimony of
9 Gregory G. Pauley, page 7, line 20. This results in a proposed overall rate of return
10 of 7.71 percent. See Direct Testimony of Marc D. Reitter, page 4, line 2.

11 **Q. ARE YOU CONCERNED THAT THE PROPOSED ROE IS EXCESSIVE?**

12 A. Yes. I am concerned that the Company's proposed ROE is excessive, especially when
13 viewed in light of (a) the impact of the resulting revenue requirement increase, (b)
14 the use of risk reducing ratemaking structures such as the proposed use of rider
15 recovery for Big Sandy and Mitchell flue gas desulfurization costs and the inclusion
16 of CWIP in rate base, and (c) rate case ROEs approved by commissions nationwide.

17 **Q. DOES THE COMPANY PROPOSE RIDER RECOVERY OF ALL OF THE NEW REVENUE**
18 **REQUIREMENT PROPOSED IN THIS DOCKET?**

19 A. Yes, which reduces the risk due to regulatory lag for those revenues. In all, the
20 Company proposes that approximately \$74.8 million be collected through the
21 Economic Development Rider, Big Sandy Retirement Rider, Big Sandy Unit 1
22 Operations Rider, and the Environmental Surcharge. This constitutes approximately

1 12 percent of the Company's revenue requirement at issue in this docket, and it
2 does not include potential revenue requirements associated with the proposed PJM
3 Rider and NERC Compliance and Cybersecurity Rider. See Exhibit SWC-2.

4 **Q. HAVE ANY REGULATORY PUBLICATIONS NOTED THE REDUCTION OF RISK**
5 **AFFORDED BY THE USE OF RIDER RECOVERY?**

6 A. Yes. Regulatory Research Associates has published the following:

7 A defining characteristic of an adjustment clause is that it effectively
8 shifts the risk associated with recovery of the expense in question
9 from shareholders to customers, because if the clause operates as
10 designed, the company is able to change its rates to recover its costs
11 on a current basis, without any negative effect on the bottom line and
12 without the expense and delay that accompanies a rate case filing.²

13 **Q. ARE YOU CONCERNED WITH THE INCLUSION OF CWIP IN RATE BASE?**

14 A. Yes. The inclusion of CWIP in rate base charges ratepayers for assets that are not
15 yet used and useful in the provision of electric service. Under the Company's
16 proposal, ratepayers would pay for the assets during a period when they are not
17 receiving benefits from those assets, so the matching principle (i.e., customers
18 bearing costs only when they are receiving a benefit) is violated. In this case, KPC's
19 customers would pay for an asset that does not provide service – i.e., is not used
20 and useful – during that test year. The problem is compounded by changes in the
21 number and mix of customers during the construction process versus when the
22 asset is used and useful. For example, customers may pay for the assets during

² Regulatory Research Associates, "Themes in Energy Utility Regulation," Topical Special Report, January 16, 2015.

1 construction but leave the system before they are operational, receiving no benefit
2 from the assets for which they helped pay.

3 **Q. ARE THERE OTHER CONCERNS WITH THE INCLUSION OF CWIP IN RATE BASE THAT**
4 **THE COMMISSION SHOULD CONSIDER?**

5 A. Yes. First, including CWIP in rate base shifts the risks to ratepayers that are
6 traditionally assumed by utility investors, for which investors are compensated
7 through the rate of return elements once the plant is in service. CWIP in rate base
8 instead places the risks squarely on the shoulders of ratepayers with no offer of
9 compensation for the use of their money. Second, should the Company encounter
10 problems during construction of the plant resulting in stoppage of the construction,
11 non-completion of the project and/or substantial delay in the completion of the
12 project, ratepayers have no recourse for recovering the money they have paid for
13 the inclusion of CWIP in rate base.

14 **Q. HOW MUCH CWIP DOES KPC PROPOSE TO INCLUDE IN RATE BASE?**

15 A. KPC proposes to include approximately \$77.6 million of CWIP in rate base in their
16 forecast test year. *See* Section V, Exhibit 1, Schedule 4, line 44.

17 **Q. HOW MUCH OF KPC'S PROPOSED RATE BASE DOES CWIP CONSTITUTE?**

18 A. As proposed, CWIP would constitute approximately 6.7 percent of the Company's
19 rate base. *See* Exhibit SWC-3.

1 **Q. WHAT IS THE PROPOSED REVENUE REQUIREMENT IMPACT OF THE INCLUSION OF**
2 **CWIP IN RATE BASE?**

3 A. The inclusion of CWIP in rate base results in a revenue requirement impact of
4 approximately \$9.7 million annually. *Id.*

5 **Q. WHAT IS YOUR RECOMMENDATION TO THE COMMISSION ON THIS ISSUE?**

6 A. The Commission should reject KPC's proposal to include approximately \$77.6 million
7 of CWIP in rate base. If, however, the Commission determines it necessary to
8 include any CWIP in rate base, it should determine that the shift of risk from the
9 Company to ratepayers through the inclusion of CWIP be reflected in the ROE
10 approved in this docket, such that as the level of CWIP is increased, ROE is
11 accordingly decreased.

12 **Q. IS THE COMPANY'S PROPOSED ROE HIGHER THAN THE AVERAGES OF THOSE**
13 **APPROVED BY OTHER UTILITY REGULATORY COMMISSIONS?**

14 A. Yes. The proposed ROE is higher than the averages of ROEs approved by other utility
15 regulatory commissions in 2012, 2013, 2014, and so far in 2015.

16 **Q. WHAT IS YOUR UNDERSTANDING OF THE RETURNS ON EQUITY APPROVED FOR**
17 **ELECTRIC UTILITIES BY COMMISSIONS NATIONWIDE DURING THE TIME PERIOD?**

18 A. According to data from SNL Financial³, a financial news and reporting company, the
19 average of the 124 reported electric utility rate case ROEs authorized by
20 commissions to investor-owned electric utilities in 2012, 2013, 2014, and so far in
21 2015, is 9.88 percent. The range of reported authorized ROEs for the period is 8.72

³ Regulatory Research Associates is part of SNL Financial.

1 percent to 10.95 percent, and the median authorized ROE is 9.83 percent. See
2 Exhibit SWC-4, page 4.

3 **Q. SEVERAL OF THE REPORTED AUTHORIZED ROES ARE FOR DISTRIBUTION-ONLY**
4 **UTILITIES OR FOR ONLY A UTILITY'S DISTRIBUTION SERVICE RATES. WHAT IS THE**
5 **AVERAGE AUTHORIZED ROE IN THE REPORTED GROUP FOR THE VERTICALLY**
6 **INTEGRATED UTILITIES LIKE THE COMPANY?**

7 A. In the group reported by SNL Financial, the average authorized ROE for vertically
8 integrated utilities from 2012 to present is 10.01 percent, which is 61 basis points
9 below the Company's proposed ROE. *Id.* However, there is a declining trend for
10 vertically integrated utilities from 2012 to present.

11 **Q. PLEASE EXPLAIN.**

12 A. The average authorized ROE for vertically integrated utilities in 2012 was 10.1
13 percent, in 2013 it was 9.97 percent, in 2014 it was 9.92 percent, and so far in 2015
14 it is 9.67 percent. *Id.* It should be noted that five of the six 2014 authorized ROEs in
15 excess of 10 percent were awarded in Wisconsin, which tends to skew the resulting
16 average in favor of that jurisdiction. Excluding those five dockets results in an
17 average of 9.79 percent for the rest of the country in 2014. Additionally, there have
18 only been two reported authorized ROEs in 2015. As such, the Company's proposed
19 ROE increase in this case is a move counter to broader industry trends.

1 **Q. HAVE ANY OTHER STATES RECOGNIZED THE IMPORTANCE OF CONSIDERING**
2 **RATEPAYER IMPACTS IN THE ROE DETERMINATION PROCESS?**

3 A. Yes. While I am not an attorney, it is my understanding that the North Carolina Supreme
4 Court determined that impacts on ratepayers from any proposed utility rate increase should
5 be carefully considered in an ROE analysis for that utility. Specifically, the Court stated:

6 Given the legislature's goal of balancing customer and investor interests, the
7 customer-focused purpose of Chapter 62, and this Court's recognition that the
8 Commission must consider **all** evidence presented by interested parties, which
9 necessarily includes customers, it is apparent that customer interests cannot be
10 measured only indirectly or treated as mere afterthoughts and that Chapter 62's
11 ROE provisions cannot be read in isolation as only protecting public utilities and
12 their shareholders. Instead, it is clear that the Commission must take customer
13 interests into account when making an ROE determination. Therefore, we hold
14 that in retail electric service rate cases the Commission must make findings of
15 fact regarding the impact of changing economic conditions on customers when
16 determining the proper ROE for a public utility.

17 *See State Ex Rel. Utils. Comm'n v. Cooper*, 366 N.C. 484, 739 S.E.2d 541, 547
18 (2013) (emphasis in original).

19 **Q. GENERALLY, WHAT IS YOUR RECOMMENDATION TO THE COMMISSION ON THE**
20 **COMPANY'S PROPOSED INCREASES IN REVENUE REQUIREMENT AND ROE?**

21 A. The Commission should closely examine the Company's proposed revenue
22 requirement increase and the associated proposed increase in return on equity,
23 especially when viewed in light of (a) the impact of the resulting revenue
24 requirement increase, (b) the use of risk reducing ratemaking structures such as the
25 proposed use of rider recovery for Big Sandy and Mitchell flue gas desulfurization
26 costs and the inclusion of CWIP in rate base, and (c) rate case ROEs approved by
27 commissions nationwide.

1 **Combination of QP and CIP TOD into IGS**

2 **Q. WHAT IS YOUR UNDERSTANDING OF THE COMPANY'S RATE OFFERINGS FOR**
3 **LARGE NON-RESIDENTIAL CUSTOMERS?**

4 **A.** My understanding of the Company's rate offerings for large non-residential
5 customers are as follows:

6 1) For customers with maximum demands greater than 100 kW but not more
7 than 1,000 kW, the Company offers the Large General Service rate and the
8 optional Large General Service – Time of Day rate. *See* P.S.C. Electric No. 9,
9 First Revised Sheet No. 9-1.

10 2) For customers with maximum demands less than 7,500 kW and contract
11 capacity no less than 1,000 kW, the Company offers the QP rate. *See* P.S.C.
12 Electric No. 9, First Revised Sheet No. 10-1.

13 3) For customers with maximum demands above 7,500 kW and contract
14 capacity no less than 7,500 kW, the Company offers the CIP TOD rate. *See*
15 P.S.C. Electric No. 9, First Revised Sheet No. 11-1.

16 **Q. DOES THE COMPANY PROPOSE CHANGES TO THE RATE OFFERINGS FOR LARGE**
17 **NON-RESIDENTIAL CUSTOMERS?**

18 **A.** Yes. The Company proposes to combine the QP and CIP TOD rates into a new rate
19 called Industrial General Service ("IGS"). *See* Direct Testimony of Alex E. Vaughn,
20 page 14, line 7 to line 9.

1 **Q. WHY DOES THE COMPANY PROPOSE THIS CHANGE?**

2 A. The Company proposes this change pursuant to the Stipulation and Settlement
3 Agreement approved by the Commission in Case No. 2012-00578. *Id.*, line 6 to line
4 7. The Stipulation and Settlement Agreement states:

5 The Company agrees to propose combining, using the C.I.P.-T.O.D.
6 rate design, the C.I.P.-T.O.D. and Q.P. tariff classes in the base rate
7 case.

8 *See Stipulation and Settlement Agreement, Case No. 2012-00578, Filed July 2, 2013.*

9 **Q. DOES THE COMPANY PROVIDE ANY COST OF SERVICE-RELATED JUSTIFICATIONS**
10 **FOR THIS PROPOSED CHANGE?**

11 A. No.

12 **Q. DO THE CUSTOMERS THAT TAKE SERVICE FROM QP APPEAR TO BE SIMILARLY**
13 **SITUATED TO CUSTOMERS THAT TAKE SERVICE FROM CIP TOD?**

14 A. No, there are several notable differences. As I state above, a customer that takes
15 service from QP has maximum demands between 1,000 kW and 7,500 kW, and a
16 customer that takes service from CIP TOD will be larger than 7,500 kW. Additionally,
17 QP has customers that take service at secondary and primary voltages in addition to
18 subtransmission and transmission voltages, while CIP TOD does not have secondary
19 and primary customers. Finally, as shown in Table 1, the average kWh usage per
20 customer is significantly different for QP customers than it is for CIP TOD customers.

21

Rate Class	No. of Customers	Annual kWh	kWh/Customer
QP Secondary	6	22,355,352	3,736,856
QP Primary	40	331,170,851	8,279,271
QP Subtransmission	26	344,605,816	13,169,649
QP Transmission	5	60,749,991	13,254,543
CIP TOD Subtransmission	9	1,747,719,841	196,005,963
CIP TOD Transmission	2	316,710,702	146,174,170

Source: Exhibit JMS-1, page 2.

1
 2 As shown in Table 1, the average CIP TOD subtransmission customer uses almost 15
 3 times⁴ as much energy in a year as the average QP subtransmission customer, and
 4 the average CIP TOD transmission customer uses approximately 11 times⁵ as much
 5 energy in a year as the average QP transmission customer.

6 **Q. DOES THE COMPANY PRESENT AN ANALYSIS OF THE IMPACT TO QP CUSTOMERS**
 7 **OF JUST THIS PROPOSED CHANGE?**

8 **A.** Yes. Per the Company's analysis, customers that take service QP would see the
 9 following rate increases *just from this proposed change*:

Quantity Power Service Level	% Rate Increase from Proposed IGS
Secondary	7.0%
Primary	8.2%
Subtransmission	3.5%
Transmission	6.0%
Total	6.0%

Source: Direct Testimony of Alex E. Vaughn, page 14, line 16.

10
 11 As shown in Table 2, a customer taking service on QP Primary would see an 8.2
 12 percent rate increase for which the Company has provided no cost of service-related
 13 justification, and as confirmed by the Company, this increase does not account for

⁴ 196,005,963 kWh / 13,169,649 kWh = 14.88 times as much energy.

⁵ 146,174,170 kWh / 13,254,543 kWh = 11.02 times as much energy.

1 any of the impacts that would result from the Company's proposed new base rates
2 and riders. *Id.*, line 17 to line 19. On top of this, as I will discuss below, QP
3 customers are already paying rates that are well above cost of service levels per the
4 Company's cost of service study.

5 **Q. SHOULD THE COMMISSION APPROVE THE COMPANY'S PROPOSAL TO COMBINE**
6 **QP AND CIP TOD TO CREATE IGS?**

7 A. No. The Commission should reject the Company's proposal to combine QP and CIP
8 TOD to create IGS. The Company's proposal is completely arbitrary, not justified by
9 the evidence presented, and creates rate increases, *just from this proposal*, as high
10 as 8.2 percent for QP customers, which is clearly unreasonable.

11
12 **Revenue Allocation**

13 **Q. GENERALLY, WHAT IS WALMART'S POSITION ON SETTING RATES BASED ON THE**
14 **UTILITY'S COST OF SERVICE?**

15 A. Walmart advocates that rates be set based on the utility's cost of service. This
16 produces equitable rates that reflect cost causation, send proper price signals, and
17 minimize price distortions.

18 **Q. DOES WALMART TAKE A POSITION ON THE COMPANY'S PROPOSED COST OF**
19 **SERVICE MODEL AT THIS TIME?**

20 A. No. However, to the extent that alternative cost of service models or modifications
21 to the Company's model are proposed by other parties, Walmart reserves its rights
22 to address any such proposals.

1 Q. HOW DOES THE COMPANY REPRESENT WHETHER RATES FOR A CUSTOMER CLASS
2 ACCURATELY REFLECT THE UNDERLYING COST CAUSATION?

3 A. The Company represents this relationship in their cost of service results through the
4 use of class-specific rates of return. See Direct Testimony of Jason M. Stegall, page
5 22, line 14. These rates of return can be converted into a rate of return index
6 ("RRI"), which is an indexed measure of the relationship of the rate of return for an
7 individual rate class to the total system rate of return. A RRI greater than 1.0 means
8 that the rate class is paying rates in excess of the costs incurred to serve that class,
9 and a RRI less than 1.0 means that the rate class is paying rates less than the costs
10 incurred to serve that class. As such, those rate classes with a RRI greater than 1.0
11 shoulder some of the revenue responsibility burden for the classes with a RRI less
12 than 1.0.

13 Q. HAVE YOU CALCULATED CLASS RRIS BASED ON KPC'S COST OF SERVICE RESULTS?

14 A. Yes, as shown in Table 3 below:

Table 3. Class Rates of Return and RRIs, Current Rates, KPC Proposed Cost of Service Study Results.

Customer Class	Rate of Return	RRI
Residential	4.55%	0.58
Small General Service	14.68%	1.86
Medium General Service	15.60%	1.98
Large General Service	11.88%	1.51
Quantity Power	10.84%	1.37
CIP TOD	9.10%	1.15
Municipal Waterworks	14.41%	1.83
Outdoor Lighting	11.39%	1.44
Street Lighting	17.03%	2.16
Total Jurisdiction	7.89%	1.00

Source: Exhibit SWC-5

1 Q. WHAT IS YOUR UNDERSTANDING OF THE COMPANY'S REVENUE ALLOCATION
2 PROPOSAL?

3 A. My understanding is that the Company proposes to allocate revenue in two steps,
4 assuming approval of the proposed Transmission Adjustment. First, the Company
5 proposes a base rate decrease for each of the customer classes and, second, the
6 Transmission Adjustment itself. See Exhibit JMS-3, page 1.

7 Q. DOES THE PROPOSED BASE RATE DECREASE IMPROVE THE RELATIONSHIP OF EACH
8 CLASS TO ITS RESPECTIVE COST OF SERVICE LEVEL?

9 A. No. Using RRI as a guide, Table 4 shows that the proposed base rate decrease
10 moves each class further from its respective cost of service level.

Table 4. Comparison of Class RRIs, Current and Proposed Rates, KPC Proposed Cost of Service Study Results.

Customer Class	RRI, Current	RRI, Proposed
Residential	0.58	0.56
Small General Service	1.86	1.89
Medium General Service	1.98	2.01
Large General Service	1.51	1.52
Quantity Power	1.37	1.39
CIP TOD	1.15	1.16
Municipal Waterworks	1.83	1.85
Outdoor Lighting	1.44	1.46
Street Lighting	2.16	2.20
Total Jurisdiction	1.00	1.00

Source: Exhibit SWC-5

11

12 Q. DOES THE SECOND STEP OF THE COMPANY'S PROPOSED REVENUE ALLOCATION
13 PROVIDE SOME MITIGATION TO THE COST OF SERVICE ISSUE?

14 A. Yes. The second step uses the Company's proposed Transmission Adjustment to
15 provide some relief to the non-residential customer classes, all of whom currently

1 pay and are proposed to pay rates in excess of the Company's cost to serve them.

2 See Exhibit JMS-3, page 1.

3 **Q. WHAT IS THE COMPANY'S STATED OBJECTIVE FOR THEIR BASE REVENUE**
4 **ALLOCATION PROPOSAL?**

5 A. The Company's stated objective for their revenue allocation proposal is to make
6 slight movement towards equalizing rates of return across all customer classes while
7 avoiding significant impacts on certain customer classes. See Direct Testimony of
8 Ranie K. Wohnhas, page 10, line 1 to line 10.

9 **Q. WHAT IS YOUR RECOMMENDATION TO THE COMMISSION?**

10 A. At the Company's proposed revenue requirement, Walmart does not oppose the
11 Company's proposed revenue allocation.

12 **Q. WHAT IS YOUR RECOMMENDATION TO THE COMMISSION IF IT DETERMINES THAT**
13 **A LOWER REVENUE REQUIREMENT IS APPROPRIATE?**

14 A. If the Commission determines that the appropriate level of revenue requirement is
15 lower than the level proposed by the Company, the Commission should use the
16 revenue requirement reduction to provide further movement towards cost of
17 service-based rates for the non-residential rate classes.

18 **Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

19 A. Yes.

VERIFICATION


STATE OF ARKANSAS)
) SS:
COUNTY OF BENTON)

The undersigned, Steve W. Chriss, being duly sworn, deposes and says that he is Senior Manager, Energy Regulatory Analysis for Wal-Mart Stores, Inc., and that he has personal knowledge of the matters set forth in the foregoing testimony, and that the answers contained herein are true and correct to the best of his information, knowledge and belief.



Steve W. Chriss

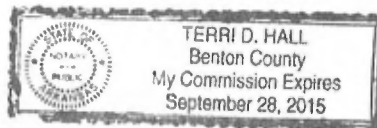
Subscribed and sworn to before me, a Notary Public in and before said County and State, this 16th day of March 2015.

 (SEAL)

Notary Public

My Commission Expires:

9-28-15



COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF KENTUCKY POWER COMPANY)
FOR (1) A GENERAL ADJUSTMENT OF ITS RATES FOR)
ELECTRIC SERVICE; (2) AN ORDER APPROVING ITS)
2014 ENVIRONMENTAL COMPLIANCE PLAN; (3)) CASE NO. 2014-00396
AN ORDER APPROVING ITS TARIFFS AND RIDERS;)
AND (4) AN ORDER GRANTING ALL OTHER)
REQUIRED APPROVALS AND RELIEF)

EXHIBITS OF STEVE W. CHRISS

ON BEHALF OF

WAL-MART STORES EAST, LP AND SAM'S EAST, INC.

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

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EXHIBIT SWC-1 OF STEVE W. CHRISS

ON BEHALF OF

WAL-MART STORES EAST, LP AND SAM'S EAST, INC.

Steve W. Chriss

Senior Manager, Energy Regulatory Analysis

Wal-Mart Stores, Inc.

Business Address: 2001 SE 10th Street, Bentonville, AR, 72716-0550

Business Phone: (479) 204-1594

EXPERIENCE

July 2007 – Present

Wal-Mart Stores, Inc., Bentonville, AR

Senior Manager, Energy Regulatory Analysis (June 2011 – Present)

Manager, State Rate Proceedings (July 2007 – June 2011)

June 2003 – July 2007

Public Utility Commission of Oregon, Salem, OR

Senior Utility Analyst (February 2006 – July 2007)

Economist (June 2003 – February 2006)

January 2003 - May 2003

North Harris College, Houston, TX

Adjunct Instructor, Microeconomics

June 2001 - March 2003

Econ One Research, Inc., Houston, TX

Senior Analyst (October 2002 – March 2003)

Analyst (June 2001 – October 2002)

EDUCATION

2001

Louisiana State University

M.S., Agricultural Economics

1997-1998

University of Florida

Graduate Coursework, Agricultural Education
and Communication

1997

Texas A&M University

B.S., Agricultural Development

B.S., Horticulture

TESTIMONY BEFORE REGULATORY COMMISSIONS

2015

Kentucky Public Service Commission Case No. 2014-00371: In the Matter of the Application of Kentucky Utilities Company for an Adjustment of its Electric Rates.

Kentucky Public Service Commission Case No. 2014-00372: In the Matter of the Application of Louisville Gas and Electric Company for an Adjustment of its Electric and Gas Rates.

2014

Ohio Public Utilities Commission Case No. 14-1297-EL-SSO: In the Matter of the Application of Ohio Edison Company, The Cleveland Electric Illuminating Company and the Toledo Edison Company for Authority to Provide for a Standard Service Offer Pursuant to R.C. 4928.143 in the Form of an Electric Security Plan.

West Virginia Case No. 14-1152-E-42T: Appalachian Power Company and Wheeling Power Company, Both d/b/a American Electric Power, Joint Application for Rate Increases and Changes in Tariff Provisions.

Oklahoma Corporation Commission Cause No. PUD 201400229: In the Matter of the Application of Oklahoma Gas and Electric Company for Commission Authorization of a Plan to Comply with the Federal Clean Air Act and Cost Recovery; and for Approval of the Mustang Modernization Plan.

Missouri Public Service Commission Case No. ER-2014-0258: In the Matter of Union Electric Company d/b/a Ameren Missouri's Tariff to Increase its Revenues for Electric Service.

Pennsylvania Public Utility Commission Docket No. R-2014-2428742: Pennsylvania Public Utility Commission v. West Penn Power Company.

Pennsylvania Public Utility Commission Docket No. R-2014-2428743: Pennsylvania Public Utility Commission v. Pennsylvania Electric Company.

Pennsylvania Public Utility Commission Docket No. R-2014-2428744: Pennsylvania Public Utility Commission v. Pennsylvania Power Company.

Pennsylvania Public Utility Commission Docket No. R-2014-2428745: Pennsylvania Public Utility Commission v. Metropolitan Edison Company.

Washington Utilities and Transportation Commission Docket No. UE-141368: In the Matter of the Petition of Puget Sound Energy to Update Methodologies Used to Allocate Electric Cost of Service and For Electric Rate Design Purposes.

Washington Utilities and Transportation Commission Docket No. UE-140762: 2014 Pacific Power & Light Company General Rate Case.

West Virginia Public Service Commission Case No. 14-0702-E-42T: Monongahela Power Company and the Potomac Edison Company Rule 42T Tariff Filing to Increase Rates and Charges.

Ohio Public Utilities Commission Case No. 14-841-EL-SSO: In the Matter of the Application of Duke Energy Ohio for Authority to Establish a Standard Service Offer Pursuant to Section 4928.143, Revised Code, in the Form of Case No. 14-841-EL-SSO an Electric Security Plan, Accounting Modifications and Tariffs for Generation Service.

Colorado Public Utilities Commission Docket No. 14AL-0660E: Re: In the Matter of the Advice Letter No. 1672-Electric Filed by Public Service Company of Colorado to Revise its Colorado PUC No. 7-Electric Tariff to Implement a General Rate Schedule Adjustment and Other Rate Changes Effective July 18, 2014.

Maryland Case No. 9355: In the Matter of the Application of Baltimore Gas and Electric Company for Authority to Increase Existing Rates and Charges for Electric and Gas Service.

Mississippi Public Service Commission Docket No. 2014-UN-132: In Re: Notice of Intent of Entergy Mississippi, Inc. to Modernize Rates to Support Economic Development, Power Procurement, and Continued Investment.

Nevada Public Utilities Commission Docket No. 14-05004: Application of Nevada Power Company d/b/a NV Energy for Authority to Increase its Annual Revenue Requirement for General Rates Charged to All Classes of Electric Customers and for Relief Properly Related Thereto.

Utah Public Service Commission Docket No. 14-035-T02: In the Matter of Rocky Mountain Power's Proposed Electric Service Schedule No. 32, Service From Renewable Energy Facilities.

Florida Public Service Commission Docket No. 140002-EG: In Re: Energy Conservation Cost Recovery Clause.

Wisconsin Docket No. 6690-UR-123: Application of Wisconsin Public Service Corporation for Authority to Adjust Electric and Natural Gas Rates.

Connecticut Docket No. 14-05-06: Application of the Connecticut Light and Power Company to Amend its Rate Schedules.

Virginia Corporation Commission Case No. PUE-2014-00026: Application of Appalachian Power Company for a 2014 Biennial Review for the Provision of Generation, Distribution and Transmission Services Pursuant to § 56-585.1 A of the Code of Virginia.

Virginia Corporation Commission Case No. PUE-2014-00033: Application of Virginia Electric and Power Company to Revise its Fuel Factor Pursuant to Va. Code § 56-249.6.

Arizona Corporation Commission Docket No. E-01345A-11-0224 (Four Corners Phase): In the Matter of Arizona Public Service Company for a Hearing to Determine the Fair Value of Utility Property of the Company for Ratemaking Purposes, to Fix and Just and Reasonable Rate of Return Thereon, to Approve Rate Schedules Designed to Develop Such Return.

Minnesota Public Utilities Commission Docket No. E-002/GR-13-868: In the Matter of the Application of Northern States Power Company, for Authority to Increase Rates for Electric Service in Minnesota.

Utah Public Service Commission Docket No. 13-035-184: In the Matter of the Application of Rocky Mountain Power for Authority to Increase its Retail Electric Utility Service Rates in Utah and for Approval of its Proposed Electric Service Schedules and Electric Service Regulations.

Missouri Public Service Commission Case No. EC-2014-0224: In the Matter of Noranda Aluminum, Inc.'s Request for Revisions to Union Electric Company d/b/a Ameren Missouri's Large Transmission Service Tariff to Decrease its Rate for Electric Service.

Oklahoma Corporation Commission Cause No. PUD 201300217: Application of Public Service Company of Oklahoma to be in Compliance with Order No. 591185 Issued in Cause No. PUD 201100106 Which Requires a Base Rate Case to be Filed by PSO and the Resulting Adjustment in its Rates and Charges and Terms and Conditions of Service for Electric Service in the State of Oklahoma.

Public Utilities Commission of Ohio Case No. 13-2386-EL-SSO: In the Matter of the Application of Ohio Power Company for Authority to Establish a Standard Service Offer Pursuant to §4928.143, Ohio Rev. Code, in the Form of an Electric Security Plan.

2013

Oklahoma Corporation Commission Cause No. PUD 201300201: Application of Public Service Company of Oklahoma for Commission Authorization of a Standby and Supplemental Service Rate Schedule.

Georgia Public Service Commission Docket No. 36989: Georgia Power's 2013 Rate Case.

Florida Public Service Commission Docket No. 130140-EI: Petition for Rate Increase by Gulf Power Company.

Public Utility Commission of Oregon Docket No. UE 267: In the Matter of PACIFICORP, dba PACIFIC POWER, Transition Adjustment, Five-Year Cost of Service Opt-Out.

Illinois Commerce Commission Docket No. 13-0387: Commonwealth Edison Company Tariff Filing to Present the Illinois Commerce Commission with an Opportunity to Consider Revenue Neutral Tariff Changes Related to Rate Design Authorized by Subsection 16-108.5 of the Public Utilities Act.

Iowa Utilities Board Docket No. RPU-2013-0004: In Re: MidAmerican Energy Company.

South Dakota Public Utilities Commission Docket No. EL12-061: In the Matter of the Application of Black Hills Power, Inc. for Authority to Increase its Electric Rates. (filed with confidential stipulation)

Kansas Corporation Commission Docket No. 13-WSEE-629-RTS: In the Matter of the Applications of Westar Energy, Inc. and Kansas Gas and Electric Company for Approval to Make Certain Changes in their Charges for Electric Service.

Public Utility Commission of Oregon Docket No. UE 263: In the Matter of PACIFICORP, dba PACIFIC POWER, Request for a General Rate Revision.

Arkansas Public Service Commission Docket No. 13-028-U: In the Matter of the Application of Entergy Arkansas, Inc. for Approval of Changes in Rates for Retail Electric Service.

Virginia State Corporation Commission Docket No. PUE-2013-00020: Application of Virginia Electric and Power Company for a 2013 Biennial Review of the Rates, Terms, and Conditions for the Provision of Generation, Distribution, and Transmission Services Pursuant to § 56-585.1 A of the Code of Virginia.

Florida Public Service Commission Docket No. 130040-EI: Petition for Rate Increase by Tampa Electric Company.

South Carolina Public Service Commission Docket No. 2013-59-E: Application of Duke Energy Carolinas, LLC, for Authority to Adjust and Increase Its Electric Rates and Charges.

Public Utility Commission of Oregon Docket No. UE 262: In the Matter of PORTLAND GENERAL ELECTRIC COMPANY, Request for a General Rate Revision.

New Jersey Board of Public Utilities Docket No. ER12111052: In the Matter of the Verified Petition of Jersey Central Power & Light Company For Review and Approval of Increases in and Other Adjustments to Its Rates and Charges For Electric Service, and For Approval of Other Proposed Tariff Revisions in Connection Therewith; and for Approval of an Accelerated Reliability Enhancement Program ("2012 Base Rate Filing")

North Carolina Utilities Commission Docket No. E-7, Sub 1026: In the Matter of the Application of Duke Energy Carolinas, LLC for Adjustment of Rates and Charges Applicable to Electric Service in North Carolina.

Public Utility Commission of Oregon Docket No. UE 264: PACIFICORP, dba PACIFIC POWER, 2014 Transition Adjustment Mechanism.

Public Utilities Commission of California Docket No. 12-12-002: Application of Pacific Gas and Electric Company for 2013 Rate Design Window Proceeding.

Public Utilities Commission of Ohio Docket Nos. 12-426-EL-SSO, 12-427-EL-ATA, 12-428-EL-AAM, 12-429-EL-WVR, and 12-672-EL-RDR: In the Matter of the Application of the Dayton Power and Light Company Approval of its Market Offer.

Minnesota Public Utilities Commission Docket No. E-002/GR-12-961: In the Matter of the Application of Northern States Power Company for Authority to Increase Rates for Electric Service in Minnesota.

North Carolina Utilities Commission Docket E-2, Sub 1023: In the Matter of Application of Progress Energy Carolinas, Inc. For Adjustment of Rates and Charges Applicable to Electric Service in North Carolina.

2012

Public Utility Commission of Texas Docket No. 40443: Application of Southwestern Electric Power Company for Authority to Change Rates and Reconcile Fuel Costs.

South Carolina Public Service Commission Docket No. 2012-218-E: Application of South Carolina Electric & Gas Company for Increases and Adjustments in Electric Rate Schedules and Tariffs and Request for Mid-Period Reduction in Base Rates for Fuel.

Kansas Corporation Commission Docket No. 12-KCPE-764-RTS: In the Matter of the Application of Kansas City Power & Light Company to Make Certain Changes in its Charges for Electric Service.

Kansas Corporation Commission Docket No. 12-GIMX-337-GIV: In the Matter of a General Investigation of Energy-Efficiency Policies for Utility Sponsored Energy Efficiency Programs.

Florida Public Service Commission Docket No. 120015-El: In Re: Petition for Rate Increase by Florida Power & Light Company.

California Public Utilities Commission Docket No. A.11-10-002: Application of San Diego Gas & Electric Company (U 902 E) for Authority to Update Marginal Costs, Cost Allocation, and Electric Rate Design.

Utah Public Service Commission Docket No. 11-035-200: In the Matter of the Application of Rocky Mountain Power for Authority to Increase its Retail Electric Utility Service Rates in Utah and for Approval of its Proposed Electric Service Schedules and Electric Service Regulations.

Virginia State Corporation Commission Case No. PUE-2012-00051: Application of Appalachian Power Company to Revise its Fuel Factor Pursuant to § 56-249.6 of the Code of Virginia.

Public Utilities Commission of Ohio Case Nos. 11-346-EL-SSO, 11-348-EL-SSO, 11-349-EL-AAM, and 11-350-EL-AAM: In the Matter of the Application of Columbus Southern Power Company and Ohio Power Company for Authority to Establish a Standard Service Offer Pursuant to Section 4928.143, Revised Code, in the Form on an Electric Security Plan and In the Matter of the Application of Columbus Southern Power Company and Ohio Power Company for Approval of Certain Accounting Authority.

New Jersey Board of Public Utilities Docket No. ER11080469: In the Matter of the Petition of Atlantic City Electric for Approval of Amendments to Its Tariff to Provide for an Increase in Rates and Charges for Electric Service Pursuant to N.J.S.A. 48:2-21 and N.J.S.A. 48:2-21.1 and For Other Appropriate Relief.

Public Utility Commission of Texas Docket No. 39896: Application of Entergy Texas, Inc. for Authority to Change Rates and Reconcile Fuel Costs.

Missouri Public Service Commission Case No. EO-2012-0009: In the Matter of KCP&L Greater Missouri Operations Notice of Intent to File an Application for Authority to Establish a Demand-Side Programs Investment Mechanism.

Colorado Public Utilities Commission Docket No. 11AL-947E: In the Matter of Advice Letter No. 1597-Electric Filed by Public Service Company of Colorado to Revise its Colorado PUC No. 7-Electric Tariff to Implement a General Rate Schedule Adjustment and Other Changes Effective December 23, 2011.

Illinois Commerce Commission Docket No. 11-0721: Commonwealth Edison Company Tariffs and Charges Submitted Pursuant to Section 16-108.5 of the Public Utilities Act.

Public Utility Commission of Texas Docket No. 38951: Application of Entergy Texas, Inc. for Approval of Competitive Generation Service tariff (Issues Severed from Docket No. 37744).

California Public Utilities Commission Docket No. A.11-06-007: Southern California Edison's General Rate Case, Phase 2.

2011

Arizona Corporation Commission Docket No. E-01345A-11-0224: In the Matter of Arizona Public Service Company for a Hearing to Determine the Fair Value of Utility Property of the Company for Ratemaking Purposes, to Fix and Just and Reasonable Rate of Return Thereon, to Approve Rate Schedules Designed to Develop Such Return.

Oklahoma Corporation Commission Cause No. PUD 201100087: In the Matter of the Application of Oklahoma Gas and Electric Company for an Order of the Commission Authorizing Applicant to Modify its Rates, Charges, and Tariffs for Retail Electric Service in Oklahoma.

South Carolina Public Service Commission Docket No. 2011-271-E: Application of Duke Energy Carolinas, LLC for Authority to Adjust and Increase its Electric Rates and Charges.

Pennsylvania Public Utility Commission Docket No. P-2011-2256365: Petition of PPL Electric Utilities Corporation for Approval to Implement Reconciliation Rider for Default Supply Service.

North Carolina Utilities Commission Docket No. E-7, Sub 989: In the Matter of Application of Duke Energy Carolinas, LLC for Adjustment of Rates and Charges Applicable to Electric Service in North Carolina.

Florida Public Service Commission Docket No. 110138: In Re: Petition for Increase in Rates by Gulf Power Company.

Public Utilities Commission of Nevada Docket No. 11-06006: In the Matter of the Application of Nevada Power Company, filed pursuant to NRS 704.110(3) for authority to increase its annual revenue requirement for general rates charged to all classes of customers to recover the costs of constructing the Harry Allen Combined Cycle plant and other generating, transmission, and distribution plant additions, to reflect changes in the cost of capital, depreciation rates and cost of service, and for relief properly related thereto.

North Carolina Utilities Commission Docket Nos. E-2, Sub 998 and E-7, Sub 986: In the Matter of the Application of Duke Energy Corporation and Progress Energy, Inc., to Engage in a Business Combination Transaction and to Address Regulatory Conditions and Codes of Conduct.

Public Utilities Commission of Ohio Case Nos. 11-346-EL-SSO, 11-348-EL-SSO, 11-349-EL-AAM, and 11-350-EL-AAM: In the Matter of the Application of Columbus Southern Power Company and Ohio Power Company for Authority to Establish a Standard Service Offer Pursuant to Section 4928.143, Revised Code, in the Form on an Electric Security Plan and In the Matter of the Application of Columbus Southern Power Company and Ohio Power Company for Approval of Certain Accounting Authority.

Virginia State Corporation Commission Case No. PUE-2011-00037: In the Matter of Appalachian Power Company for a 2011 Biennial Review of the Rates, Terms, and Conditions for the Provision of Generation, Distribution, and Transmission Services Pursuant to § 56-585.1 A of the Code of Virginia.

Illinois Commerce Commission Docket No. 11-0279 and 11-0282 (cons.): Ameren Illinois Company Proposed General Increase in Electric Delivery Service and Ameren Illinois Company Proposed General Increase in Gas Delivery Service.

Virginia State Corporation Commission Case No. PUE-2011-00045: Application of Virginia Electric and Power Company to Revise its Fuel Factor Pursuant to § 56-249.6 of the Code of Virginia.

Utah Public Service Commission Docket No. 10-035-124: In the Matter of the Application of Rocky Mountain Power for Authority to Increase its Retail Electric Utility Service Rates in Utah and for Approval of its Proposed Electric Service Schedules and Electric Service Regulations.

Maryland Public Utilities Commission Case No. 9249: In the Matter of the Application of Delmarva Power & Light for an Increase in its Retail Rates for the Distribution of Electric Energy.

Minnesota Public Utilities Commission Docket No. E002/GR-10-971: In the Matter of the Application of Northern States Power Company d/b/a Xcel Energy for Authority to Increase Rates for Electric Service in Minnesota.

Michigan Public Service Commission Case No. U-16472: In the Matter of the Detroit Edison Company for Authority to Increase its Rates, Amend its Rate Schedules and Rules Governing the Distribution and Supply of Electric Energy, and for Miscellaneous Accounting Authority.

2010

Public Utilities Commission of Ohio Docket No. 10-2586-EL-SSO: In the Matter of the Application of Duke Energy Ohio for Approval of a Market Rate Offer to Conduct a Competitive Bidding Process for Standard Service Offer Electric Generation Supply, Accounting Modifications, and Tariffs for Generation Service.

Colorado Public Utilities Commission Docket No. 10A-554EG: In the Matter of the Application of Public Service Company of Colorado for Approval of a Number of Strategic Issues Relating to its DSM Plan, Including Long-Term Electric Energy Savings Goals, and Incentives.

Public Service Commission of West Virginia Case No. 10-0699-E-42T: Appalachian Power Company and Wheeling Power Company Rule 42T Application to Increase Electric Rates.

Oklahoma Corporation Commission Cause No. PUD 201000050: Application of Public Service Company of Oklahoma, an Oklahoma Corporation, for an Adjustment in its Rates and Charges and Terms and Conditions of Service for Electric Service in the State of Oklahoma.

Georgia Public Service Commission Docket No. 31958-U: In Re: Georgia Power Company's 2010 Rate Case.

Washington Utilities and Transportation Commission Docket No. UE-100749: 2010 Pacific Power & Light Company General Rate Case.

Colorado Public Utilities Commission Docket No. 10M-254E: In the Matter of Commission Consideration of Black Hills Energy's Plan in Compliance with House Bill 10-1365, "Clean Air-Clean Jobs Act."

Colorado Public Utilities Commission Docket No. 10M-245E: In the Matter of Commission Consideration of Public Service Company of Colorado Plan in Compliance with House Bill 10-1365, "Clean Air-Clean Jobs Act."

Public Service Commission of Utah Docket No. 09-035-15 *Phase II*: In the Matter of the Application of Rocky Mountain Power for Approval of its Proposed Energy Cost Adjustment Mechanism.

Public Utility Commission of Oregon Docket No. UE 217: In the Matter of PACIFICORP, dba PACIFIC POWER Request for a General Rate Revision.

Mississippi Public Service Commission Docket No. 2010-AD-57: In Re: Proposal of the Mississippi Public Service Commission to Possibly Amend Certain Rules of Practice and Procedure.

Indiana Utility Regulatory Commission Cause No. 43374: Verified Petition of Duke Energy Indiana, Inc. Requesting the Indiana Utility Regulatory Commission to Approve an Alternative Regulatory Plan Pursuant to Ind. Code § 8-1-2.5-1, *ET SEQ.*, for the Offering of Energy Efficiency Conservation, Demand Response, and Demand-Side Management Programs and Associated Rate Treatment Including Incentives Pursuant to a Revised Standard Contract Rider No. 66 in Accordance with Ind. Code §§ 8-1-2.5-1 *ET SEQ.* and 8-1-2-42 (a); Authority to Defer Program Costs Associated with its Energy Efficiency Portfolio of Programs; Authority to Implement New and Enhanced Energy Efficiency Programs, Including the Powershare® Program in its Energy Efficiency Portfolio of Programs; and Approval of a Modification of the Fuel Adjustment Clause Earnings and Expense Tests.

Public Utility Commission of Texas Docket No. 37744: Application of Entergy Texas, Inc. for Authority to Change Rates and to Reconcile Fuel Costs.

South Carolina Public Service Commission Docket No. 2009-489-E: Application of South Carolina Electric & Gas Company for Adjustments and Increases in Electric Rate Schedules and Tariffs.

Kentucky Public Service Commission Case No. 2009-00459: In the Matter of General Adjustments in Electric Rates of Kentucky Power Company.

Virginia State Corporation Commission Case No. PUE-2009-00125: For acquisition of natural gas facilities Pursuant to § 56-265.4:5 B of the Virginia Code.

Arkansas Public Service Commission Docket No. 10-010-U: In the Matter of a Notice of Inquiry Into Energy Efficiency.

Connecticut Department of Public Utility Control Docket No. 09-12-05: Application of the Connecticut Light and Power Company to Amend its Rate Schedules.

Arkansas Public Service Commission Docket No. 09-084-U: In the Matter of the Application of Entergy Arkansas, Inc. For Approval of Changes in Rates for Retail Electric Service.

Missouri Public Service Commission Docket No. ER-2010-0036: In the Matter of Union Electric Company d/b/a AmerenUE for Authority to File Tariffs Increasing Rates for Electric Service Provided to Customers in the Company's Missouri Service Area.

Public Service Commission of Delaware Docket No. 09-414: In the Matter of the Application of Delmarva Power & Light Company for an Increase in Electric Base Rates and Miscellaneous Tariff Charges.

2009

Virginia State Corporation Commission Case No. PUE-2009-00030: In the Matter of Appalachian Power Company for a Statutory Review of the Rates, Terms, and Conditions for the Provision of Generation, Distribution, and Transmission Services Pursuant to § 56-585.1 A of the Code of Virginia.

Public Service Commission of Utah Docket No. 09-035-15 *Phase I*: In the Matter of the Application of Rocky Mountain Power for Approval of its Proposed Energy Cost Adjustment Mechanism.

Public Service Commission of Utah Docket No. 09-035-23: In the Matter of the Application of Rocky Mountain Power for Authority To Increase its Retail Electric Utility Service Rates in Utah and for Approval of Its Proposed Electric Service Schedules and Electric Service Regulations.

Colorado Public Utilities Commission Docket No. 09AL-299E: Re: The Tariff Sheets Filed by Public Service Company of Colorado with Advice Letter No. 1535 – Electric.

Arkansas Public Service Commission Docket No. 09-008-U: In the Matter of the Application of Southwestern Electric Power Company for Approval of a General Change in Rates and Tariffs.

Oklahoma Corporation Commission Docket No. PUD 200800398: In the Matter of the Application of Oklahoma Gas and Electric Company for an Order of the Commission Authorizing Applicant to Modify its Rates, Charges, and Tariffs for Retail Electric Service in Oklahoma.

Public Utilities Commission of Nevada Docket No. 08-12002: In the Matter of the Application by Nevada Power Company d/b/a NV Energy, filed pursuant to NRS §704.110(3) and NRS §704.110(4) for authority to increase its annual revenue requirement for general rates charged to all classes of customers, begin to recover the costs of acquiring the Bighorn Power Plant, constructing the Clark Peak, Environmental Retrofits and other generating, transmission and distribution plant additions, to reflect changes in cost of service and for relief properly related thereto.

New Mexico Public Regulation Commission Case No. 08-00024-UT: In the Matter of a Rulemaking to Revise NMPRC Rule 17.7.2 NMAC to Implement the Efficient Use of Energy Act.

Indiana Utility Regulatory Commission Cause No. 43580: Investigation by the Indiana Utility Regulatory Commission, of Smart Grid Investments and Smart Grid Information Issues Contained in 111(d) of the Public Utility Regulatory Policies Act of 1978 (16 U.S.C. § 2621(d)), as Amended by the Energy Independence and Security Act of 2007.

Louisiana Public Service Commission Docket No. U-30192 *Phase II (February 2009)*: Ex Parte, Application of Entergy Louisiana, LLC for Approval to Repower Little Gypsy Unit 3 Electric Generating Facility and for Authority to Commence Construction and for Certain Cost Protection and Cost Recovery.

South Carolina Public Service Commission Docket No. 2008-251-E: In the Matter of Progress Energy Carolinas, Inc.'s Application For the Establishment of Procedures to Encourage Investment in Energy

Efficient Technologies; Energy Conservation Programs; And Incentives and Cost Recovery for Such Programs.

2008

Colorado Public Utilities Commission Docket No. 08A-366EG: In the Matter of the Application of Public Service Company of Colorado for approval of its electric and natural gas demand-side management (DSM) plan for calendar years 2009 and 2010 and to change its electric and gas DSM cost adjustment rates effective January 1, 2009, and for related waivers and authorizations.

Public Service Commission of Utah Docket No. 07-035-93: In the Matter of the Application of Rocky Mountain Power for Authority to Increase its Retail Electric Utility Service Rates in Utah and for Approval of its Proposed Electric Service Schedules and Electric Service Regulations, Consisting of a General Rate Increase of Approximately \$161.2 Million Per Year, and for Approval of a New Large Load Surcharge.

Indiana Utility Regulatory Commission Cause No. 43374: Petition of Duke Energy Indiana, Inc. Requesting the Indiana Utility Regulatory Commission Approve an Alternative Regulatory Plan for the Offering of Energy Efficiency, Conservation, Demand Response, and Demand-Side Management.

Public Utilities Commission of Nevada Docket No. 07-12001: In the Matter of the Application of Sierra Pacific Power Company for authority to increase its general rates charged to all classes of electric customers to reflect an increase in annual revenue requirement and for relief properly related thereto.

Louisiana Public Service Commission Docket No. U-30192 *Phase II*: Ex Parte, Application of Entergy Louisiana, LLC for Approval to Repower Little Gypsy Unit 3 Electric Generating Facility and for Authority to Commence Construction and for Certain Cost Protection and Cost Recovery.

Colorado Public Utilities Commission Docket No. 07A-420E: In the Matter of the Application of Public Service Company of Colorado For Authority to Implement and Enhanced Demand Side Management Cost Adjustment Mechanism to Include Current Cost Recovery and Incentives.

2007

Louisiana Public Service Commission Docket No. U-30192: Ex Parte, Application of Entergy Louisiana, LLC for Approval to Repower Little Gypsy Unit 3 Electric Generating Facility and for Authority to Commence Construction and for Certain Cost Protection and Cost Recovery.

Public Utility Commission of Oregon Docket No. UG 173: In the Matter of PUBLIC UTILITY COMMISSION OF OREGON Staff Request to Open an Investigation into the Earnings of Cascade Natural Gas.

2006

Public Utility Commission of Oregon Docket No. UE 180/UE 181/UE 184: In the Matter of PORTLAND GENERAL ELECTRIC COMPANY Request for a General Rate Revision.

Public Utility Commission of Oregon Docket No. UE 179: In the Matter of PACIFICORP, dba PACIFIC POWER AND LIGHT COMPANY Request for a general rate increase in the company's Oregon annual revenues.

Public Utility Commission of Oregon Docket No. UM 1129 *Phase II*: Investigation Related to Electric Utility Purchases From Qualifying Facilities.

2005

Public Utility Commission of Oregon Docket No. UM 1129 *Phase I Compliance*: Investigation Related to Electric Utility Purchases From Qualifying Facilities.

Public Utility Commission of Oregon Docket No. UX 29: In the Matter of QWEST CORPORATION Petition to Exempt from Regulation Qwest's Switched Business Services.

2004

Public Utility Commission of Oregon Docket No. UM 1129 *Phase I*: Investigation Related to Electric Utility Purchases From Qualifying Facilities.

TESTIMONY BEFORE LEGISLATIVE BODIES

2014

Regarding Kansas House Bill 2460: Testimony Before the Kansas House Standing Committee on Utilities and Telecommunications, February 12, 2014.

2012

Regarding Missouri House Bill 1488: Testimony Before the Missouri House Committee on Utilities, February 7, 2012.

2011

Regarding Missouri Senate Bills 50, 321, 359, and 406: Testimony Before the Missouri Senate Veterans' Affairs, Emerging Issues, Pensions, and Urban Affairs Committee, March 9, 2011.

AFFIDAVITS

2015

Supreme Court of Illinois, Docket No. 118129, Commonwealth Edison Company et al., respondents, v. Illinois Commerce Commission et al. (Illinois Competitive Energy Association et al., petitioners). Leave to appeal, Appellate Court, First District.

2011

Colorado Public Utilities Commission Docket No. 11M-951E: In the Matter of the Petition of Public Service Company of Colorado Pursuant to C.R.S. § 40-6-111(1)(d) for Interim Rate Relief Effective on or before January 21, 2012.

ENERGY INDUSTRY PUBLICATIONS AND PRESENTATIONS

Mock Trial Expert Witness, The Energy Bar Association State Commission Practice and Regulation Committee and Young Lawyers Committee and Environment, Energy and Natural Resources Section of the D.C. Bar, Mastering Your First (or Next) State Public Utility Commission Hearing, February 13, 2014.

Panelist, Customer Panel, Virginia State Bar 29th National Regulatory Conference, Williamsburg, Virginia, May 19, 2011.

Chriss, S. (2006). "Regulatory Incentives and Natural Gas Purchasing – Lessons from the Oregon Natural Gas Procurement Study." Presented at the 19th Annual Western Conference, Center for Research in Regulated Industries Advanced Workshop in Regulation and Competition, Monterey, California, June 29, 2006.

Chriss, S. (2005). "Public Utility Commission of Oregon Natural Gas Procurement Study." Public Utility Commission of Oregon, Salem, OR. Report published in June, 2005. Presented to the Public Utility Commission of Oregon at a special public meeting on August 1, 2005.

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COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF KENTUCKY POWER COMPANY)
FOR (1) A GENERAL ADJUSTMENT OF ITS RATES FOR)
ELECTRIC SERVICE; (2) AN ORDER APPROVING ITS)
2014 ENVIRONMENTAL COMPLIANCE PLAN; (3)) CASE NO. 2014-00396
AN ORDER APPROVING ITS TARIFFS AND RIDERS;)
AND (4) AN ORDER GRANTING ALL OTHER)
REQUIRED APPROVALS AND RELIEF)

EXHIBIT SWC-2 OF STEVE W. CHRISS

ON BEHALF OF

WAL-MART STORES EAST, LP AND SAM'S EAST, INC.

New Revenue Requirement Proposed to be Collected on Riders

Rider	Revenue Requirement	Portion of Total
	(\$)	(%)
	(1)	(2)
		(1) / Total
Economic Development Rider	\$ 307,507	0.0%
Big Sandy Retirement Rider	\$ 21,855,922	3.5%
Big Sandy Unit 1 Operations Rider	\$ 18,243,719	2.9%
Environmental Surcharge	\$ 34,391,292	5.5%
Proposed Total Revenue Requirement	\$ 630,555,469	11.9%

Source:

KIUC_1_17_Attachment36_Stegall_Proof_of_Revenues.xlsx, Revenue Comparison Tab

COMMONWEALTH OF KENTUCKY
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REQUIRED APPROVALS AND RELIEF)

EXHIBIT SWC-3 OF STEVE W. CHRISS

ON BEHALF OF

WAL-MART STORES EAST, LP AND SAM'S EAST, INC.

Calculation of Revenue Requirement Impact of Inclusion of CWIP in Rate Base

(1)	(\$000)		Proposed CWIP Included in Rate Base	\$	77,599,950
(2)	(\$000)		Proposed Total Rate Base	\$	1,158,186,514
(3)	(%)	(1) / (2)	CWIP Percentage of Rate Base		6.7%
(4)	(%)		Proposed Rate of Return		7.71%
(5)			Gross Revenue Conversion Factor		1.6402
(6)	(\$000)	(1) x (4) x (5)	Revenue Requirement Related to CWIP	\$	9,813,245

Sources:

- (1) Section V, Schedule 4
- (2), (4) Section V, Schedule 1
- (5) Section V, Schedule 2

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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REQUIRED APPROVALS AND RELIEF)	

EXHIBIT SWC-4 OF STEVE W. CHRISS

ON BEHALF OF

WAL-MART STORES EAST, LP AND SAM'S EAST, INC.

Reported Authorized Returns on Equity ("ROE"), Electric Utility Rate Cases Completed, 2012 to Present

State	Utility	Docket	Decision Date	Vertically Integrated (V)/Distribution (D)	Return on Equity (%)
South Carolina	Duke Energy Carolinas LLC	2011-271-E	1/25/2012	V	10.50%
North Carolina	Duke Energy Carolinas LLC	E-7, Sub 989	1/27/2012	V	10.50%
Michigan	Indiana Michigan Power Co.	U-16801	2/15/2012	V	10.20%
Oregon	Idaho Power Co.	UE-233	2/23/2012	V	9.90%
Florida	Gulf Power Co.	110138-EI	2/27/2012	V	10.25%
North Dakota	Northern States Power Co.	PU-10-657	2/29/2012	V	10.40%
Minnesota	Northern States Power Co.	E-002/GR-10-971	3/29/2012	V	10.37%
Hawaii	Hawaii Electric Light Co	2009-0164	4/4/2012	V	10.00%
Colorado	Public Service Co. of CO	11AL-947E	4/26/2012	V	10.00%
Hawaii	Maui Electric Company Ltd	2009-0163	5/2/2012	V	10.00%
Washington	Puget Sound Energy Inc.	UE-111048	5/7/2012	V	9.80%
Arizona	Arizona Public Service Co.	E-01345A-11-0224	5/15/2012	V	10.00%
Illinois	Commonwealth Edison Co.	11-0721	5/29/2012	D	10.05%
Michigan	Consumers Energy Co.	U-16794	6/7/2012	V	10.30%
New York	Orange & Rockland Utlts Inc.	11-E-0408	6/14/2012	D	9.40%
Wisconsin	Wisconsin Power and Light Co	6680-UR-118	6/15/2012	V	10.40%
Wyoming	Cheyenne Light Fuel Power Co.	20003-114-ER-11	6/18/2012	V	9.60%
South Dakota	Northern States Power Co.	EL11-019	6/19/2012	V	9.25%
Michigan	Wisconsin Electric Power Co.	U-16830	6/26/2012	V	10.10%
Hawaii	Hawaiian Electric Co.	2010-0080	6/29/2012	V	10.00%
Oklahoma	Oklahoma Gas and Electric Co.	PUD201100087	7/9/2012	V	10.20%
Wyoming	PacifiCorp	20000-405-ER-11	7/16/2012	V	9.80%
Maryland	Potomac Electric Power Co.	9286	7/20/2012	D	9.31%
Maryland	Delmarva Power & Light Co.	9285	7/20/2012	D	9.81%
Texas	Entergy Texas Inc.	39896	9/13/2012	V	9.80%
Illinois	Ameren Illinois	12-0001	9/19/2012	D	10.05%
Utah	PacifiCorp	11-035-200	9/19/2012	V	9.80%
District of Columbia	Potomac Electric Power Co.	1087	9/26/2012	D	9.50%
New Jersey	Atlantic City Electric Co.	ER-11080469	10/23/2012	D	9.75%
Wisconsin	Wisconsin Public Service Corp.	6690-UR-121	10/24/2012	V	10.30%
Wisconsin	Madison Gas and Electric Co.	3270-UR-118	11/9/2012	V	10.30%
Wisconsin	Wisconsin Electric Power Co.	05-UR-106	11/28/2012	V	10.40%
Delaware	Delmarva Power & Light Co.	11-528	11/29/2012	D	9.75%
California	Liberty Utilities LLC	12-02-014	11/29/2012	V	9.88%
Illinois	Ameren Illinois	12-0293	12/5/2012	D	9.71%
Pennsylvania	PPL Electric Utilities Corp.	R-2012-2290597	12/5/2012	D	10.40%
Missouri	Union Electric Co.	ER-2012-0166	12/12/2012	V	9.80%
Kansas	Kansas City Power & Light	12-KCPE-764-RTS	12/13/2012	V	9.50%
Florida	Florida Power & Light Co.	120015-EI	12/13/2012	V	10.50%
Wisconsin	Northern States Power Co.	4220-UR-118	12/14/2012	V	10.40%
Illinois	Commonwealth Edison Co.	12-0321	12/19/2012	D	9.71%
South Carolina	South Carolina Electric & Gas	2012-218-E	12/19/2012	V	10.25%
Rhode Island	Narragansett Electric Co.	4323	12/20/2012	D	9.50%

Reported Authorized Returns on Equity ("ROE"), Electric Utility Rate Cases Completed, 2012 to Present

State	Utility	Docket	Decision Date	Vertically Integrated (V)/Distribution (D)	Return on Equity (%)
Oregon	PacifiCorp	UE-246	12/20/2012	V	9.80%
Kentucky	Kentucky Utilities Co.	2012-00221	12/20/2012	V	10.25%
Kentucky	Louisville Gas & Electric Co.	2012-00222	12/20/2012	V	10.25%
California	San Diego Gas & Electric Co.	12-04-016	12/20/2012	V	10.30%
California	Pacific Gas and Electric Co.	12-04-018	12/20/2012	V	10.40%
California	Southern California Edison Co.	12-04-015	12/20/2012	V	10.45%
North Carolina	Virginia Electric & Power Co.	E-22, Sub 479	12/21/2012	V	10.20%
Washington	Avista Corp.	UE-120436	12/26/2012	V	9.80%
Missouri	Kansas City Power & Light	ER-2012-0174	1/9/2013	V	9.70%
Missouri	KCP&L Greater Missouri Op Co	ER-2012-0175	1/9/2013	V	9.70%
Indiana	Indiana Michigan Power Co.	44075	2/13/2013	V	10.20%
Maryland	Baltimore Gas and Electric Co.	9299	2/22/2013	D	9.75%
Louisiana	Southwestern Electric Power Co	U-32220	2/27/2013	V	10.00%
New York	Niagara Mohawk Power Corp.	12-E-0201	3/14/2013	D	9.30%
Idaho	Avista Corp.	AVU-E-12-08	3/27/2013	V	9.80%
Ohio	Duke Energy Ohio Inc.	12-1682-EL-AIR	5/1/2013	D	9.84%
Michigan	Consumers Energy Co.	U-17087	5/15/2013	V	10.30%
North Carolina	Duke Energy Progress Inc.	E-2, Sub 1023	5/30/2013	V	10.20%
Hawaii	Maui Electric Company Ltd	2011-0092	5/31/2013	V	9.00%
Arizona	Tucson Electric Power Co.	E-01933A-12-0291	6/11/2013	V	10.00%
New Jersey	Atlantic City Electric Co.	ER-12121071	6/21/2013	D	9.75%
Washington	Puget Sound Energy Inc.	UE-130137	6/25/2013	V	9.80%
Maryland	Potomac Electric Power Co.	9311	7/12/2013	D	9.36%
Minnesota	Northern States Power Co.	E-002/GR-12-961	8/8/2013	V	9.83%
Connecticut	United Illuminating Co.	13-01-19	8/14/2013	D	9.15%
South Carolina	Duke Energy Carolinas LLC	2013-59-E	9/11/2013	V	10.20%
Florida	Tampa Electric Co.	130040-EI	9/11/2013	V	10.25%
North Carolina	Duke Energy Carolinas LLC	E-7, Sub 1026	9/24/2013	V	10.20%
Texas	Southwestern Electric Power Co	40443	10/3/2013	V	9.65%
Wisconsin	Wisconsin Public Service Corp.	6690-UR-122	11/6/2013	V	10.20%
Kansas	Westar Energy Inc.	13-WSEE-629-RTS	11/21/2013	V	10.00%
Virginia	Virginia Electric & Power Co.	PUE-2013-00020	11/26/2013	V	10.00%
Florida	Gulf Power Co.	130140-EI	12/3/2013	V	10.25%
Washington	PacifiCorp	UE-130043	12/4/2013	V	9.50%
Wisconsin	Northern States Power Co.	4220-UR-119	12/5/2013	V	10.20%
Illinois	Ameren Illinois	13-0301	12/9/2013	D	8.72%
Oregon	Portland General Electric Co.	UE-262	12/9/2013	V	9.75%
Maryland	Baltimore Gas and Electric Co.	9326	12/13/2013	D	9.75%
Louisiana	Entergy Gulf States LA LLC	U-32707	12/16/2013	V	9.95%
Louisiana	Entergy Louisiana LLC	U-32708	12/16/2013	V	9.95%
Nevada	Sierra Pacific Power Co.	13-06002	12/16/2013	V	10.12%
Arizona	UNS Electric Inc.	E-04204A-12-0504	12/17/2013	V	9.50%
Georgia	Georgia Power Co.	36989	12/17/2013	V	10.95%

Reported Authorized Returns on Equity ("ROE"), Electric Utility Rate Cases Completed, 2012 to Present

State	Utility	Docket	Decision Date	Vertically Integrated (V)/Distribution (D)	Return on Equity (%)
Illinois	Commonwealth Edison Co.	13-0318	12/18/2013	D	8.72%
Oregon	PacifiCorp	UE-263	12/18/2013	V	9.80%
Michigan	Upper Peninsula Power Co.	U-17274	12/19/2013	V	10.15%
New York	Consolidated Edison Co. of NY	13-E-0030	2/20/2014	D	9.20%
North Dakota	Northern States Power Co.	PU-12-813	2/26/2014	V	9.75%
New Hampshire	Liberty Utilities Granite St	DE-13-063	3/17/2014	D	9.55%
District of Columbia	Potomac Electric Power Co.	1103-2013-E	3/26/2014	D	9.40%
New Mexico	Southwestern Public Service Co	12-00350-UT	3/26/2014	V	9.96%
Delaware	Delmarva Power & Light Co.	13-115	4/2/2014	D	9.70%
Texas	Entergy Texas Inc.	41791	5/16/2014	V	9.80%
Massachusetts	Fitchburg Gas & Electric Light	13-90	5/30/2014	D	9.70%
Wisconsin	Wisconsin Power and Light Co	6680-UR-119	6/6/2014	V	10.40%
Maine	Emera Maine	2013-00443	6/30/2014	D	9.55%
Maryland	Potomac Electric Power Co.	9336	7/2/2014	D	9.62%
Louisiana	Entergy Louisiana LLC (New Orleans)	UD-13-01	7/10/2014	V	9.95%
New Jersey	Rockland Electric Company	ER-13111135	7/23/2014	D	9.75%
Maine	Central Maine Power Co.	2013-00168	7/29/2014	D	9.45%
Wyoming	Cheyenne Light Fuel Power Co.	20003-132-ER-13	7/31/2014	V	9.90%
Arkansas	Entergy Arkansas Inc.	13-028-U ¹	8/15/2014	V	9.50%
New Jersey	Atlantic City Electric Co.	ER-14030245	8/20/2014	D	9.75%
Vermont	Green Mountain Power Corp	8190, 8191	8/25/2014	V	9.60%
Utah	PacifiCorp	13-035-184	8/29/2014	V	9.80%
Florida	Florida Public Utilities Co.	140025-EI	9/15/2014	V	10.25%
Nevada	Nevada Power Co.	14-05004	10/9/2014	V	9.80%
Illinois	MidAmerican Energy Co.	14-0066	11/6/2014	V	9.56%
Wisconsin	Wisconsin Public Service Corp.	6690-UR-123	11/6/2014	V	10.20%
Wisconsin	Wisconsin Electric Power Co.	05-UR-107	11/14/2014	V	10.20%
Virginia	Appalachian Power Co.	PUE-2014-00026	11/26/2014	V	9.70%
Wisconsin	Madison Gas and Electric Co.	3270-UR-120	11/26/2014	V	10.20%
Oregon	Portland General Electric Co.	UE-283	12/4/2014	V	9.68%
Illinois	Commonwealth Edison Co.	14-0312	12/10/2014	D	9.25%
Illinois	Ameren Illinois	14-0317	12/10/2014	D	9.25%
Mississippi	Entergy Mississippi Inc.	2014-UN-0132	12/11/2014	V	10.07%
Wisconsin	Northern States Power Co.	4220-UR-120	12/12/2014	V	10.20%
Connecticut	Connecticut Light & Power Co.	14-05-06	12/17/2014	D	9.17%
Colorado	Black Hills Colorado Electric	14AL-0393E	12/18/2014	V	9.83%
Wyoming	PacifiCorp	20000-446-ER-14	1/23/2015	V	9.50%
Colorado	Public Service Co. of CO	14AL-0660E	2/24/2015	V	9.83%

¹ The Arkansas Public Service Commission originally approved a 9.3% ROE, but increased it to 9.5% on rehearing. See Order No. 35, Arkansas Docket 13-028-U.

Reported Authorized Returns on Equity ("ROE"), Electric Utility Rate Cases Completed, 2012 to Present

State	Utility	Docket	Decision Date	Vertically Integrated (V)/Distribution (D)	Return on Equity (%)
Entire Period					
# of Decisions		124			
Average (All Utilities)					9.88%
Average (Distribution Only)					9.55%
Average (Vertically Integrated Only)					10.01%
Median					9.83%
Minimum					8.72%
Maximum					10.95%
2012					
# of Decisions		51			
Average (All Utilities)					10.02%
Average (Distribution Only)					9.75%
Average (Distribution Only, exc. IL FRP)					9.75%
Average (Vertically Integrated Only)					10.10%
2013					
# of Decisions		38			
Average (All Utilities)					9.83%
Average (Distribution Only)					9.37%
Average (Distribution Only, exc. IL FRP)					9.56%
Average (Vertically Integrated Only)					9.97%
2014					
# of Decisions		35			
Average (All Utilities)					9.75%
Average (Distribution Only)					9.49%
Average (Distribution Only, exc. IL FRP)					9.53%
Average (Vertically Integrated Only)					9.92%
2015					
# of Decisions		2			
Average (All Utilities)					9.67%
Average (Distribution Only)					N/A
Average (Distribution Only, exc. IL FRP)					N/A
Average (Vertically Integrated Only)					9.67%

Source: SNL Financial LC, March 16, 2014

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AND (4) AN ORDER GRANTING ALL OTHER)
REQUIRED APPROVALS AND RELIEF)

EXHIBIT SWC-5 OF STEVE W. CHRISS

ON BEHALF OF

WAL-MART STORES EAST, LP AND SAM'S EAST, INC.

Current and Proposed Rate of Return Index, KPC Proposed Cost of Service Study Results and Revenue Allocation

Rate Class	Current		Proposed	
	Class Rate of Return	RRI	Class Rate of Return	RRI
	(%)		(%)	
	(1)	(2) (1) / Total	(3)	(4) (3) / Total
Residential	4.55%	0.58	4.30%	0.56
Small General Service	14.68%	1.86	14.43%	1.89
Medium General Service	15.60%	1.98	15.36%	2.01
Large General Service	11.88%	1.51	11.64%	1.52
Quantity Power	10.84%	1.37	10.59%	1.39
CIP TOD	9.10%	1.15	8.85%	1.16
Municipal Waterworks	14.41%	1.83	14.16%	1.85
Outdoor Lighting	11.39%	1.44	11.14%	1.46
Street Lighting	17.03%	2.16	16.78%	2.20
Total Jurisdiction	7.89%	1.00	7.64%	1.00

Source:

(1) Direct Testimony of Jason M. Stegall, page 22, line 14.

(3) Exhibit JMS-3, page 1.

CERTIFICATE OF SERVICE

I hereby certify that Walmart's March 23, 2015, electronic filing is a true and accurate copy of the Direct Testimony and Exhibits of Steve W. Chriss to be filed in paper medium; and that on March 23, 2015, the electronic filing has been transmitted to the Commission, and that an original and one copy of the filing will be delivered to the Commission, that no participants have been excused from electronic filing at this time, and served upon the following via Electronic Mail:

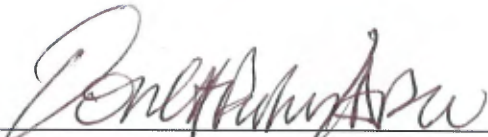
Kenneth Gish
Stites & Harbison PLLC
kgish@stites.com

Mark R. Overstreet
R. Benjamin Crittenden
Stites & Harbison PLLC
moverstreet@stites.com
rcrittenden@stites.com

Matthew R. Malone
William H. May, III
Hurt, Crosbie & May PLLC
mmalone@hcm-law.com
bmay@hcm-law.com

Michael L. Kurtz
Kurt J. Boehm
Jody Kyler Cohn
Boehm, Kurtz & Lowry
mkurtz@BKLawfirm.com
kboehm@BKLawfirm.com
jkylercohn@BKLawfirm.com

Jennifer B. Hans
Lawrence W. Cook
Angela M. Goad
Assistant Attorneys General
Jennifer.Hans@ag.ky.gov
Larry.Cook@ag.ky.gov
Angela.Goad@ag.ky.gov



Don C. A. Parker (Kentucky I.D. No. 94113)