KENTUCKY SCHOOL BOARDS ASSOCIATION
CASE NO. 2018-00294
Response to Commission Staff’s Initial Request for Information to Kentucky School Boards Association
Dated January 31, 2019
Responding Witness: Ronald L. Willhite
Question No. 1

Q1. Refer to the Direct Testimony of Ronald L. Willhite (Willhite Testimony), page 3, lines 29-30. Provide support, other than the mathematical estimation provided, that $100,000 of promised annual savings was not provided.

A1. Please see the attached representative initial prorated bill for service on Rate SPS showing the SPS rate was initiated for service on and after August 18, 2017 rather than the July 1, 2017 effective date for Rate Schedules SPS and STOD.

KSBA_Staff_1_KU Pilot Bill001
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Question No. 2

Q2. Refer to the Willhite Testimony, page 4, line 22. Provide support as to why an average coincidence factor of 5.0 percent lower is significant.

A2. In reporting results of the school pilot the Company’s presented coincident factors (CFs) averaged across the period November 2017 through October 2018. Below is a table showing the system peak hour coincident factors for the pilot and rate class. While the pilot (“SPS class”) and PS class CFs are the same in July when schools are out of session, in August the PS class CF is 21 greater than the SPS class CF. For the STOD and TODS classes the TODS class CFs are 3.5 percent greater in July and 17.3 percent in August. With over 90 percent of productions costs in the Company’s COSS assigned to the months of July (26.1%) and August (65.2%) schools impose significantly less production costs than others collectively comprising the PS and TODS classes.

<table>
<thead>
<tr>
<th>Coincident Factors</th>
</tr>
</thead>
<tbody>
<tr>
<td>KU</td>
</tr>
<tr>
<td>-----</td>
</tr>
<tr>
<td>June</td>
</tr>
<tr>
<td>July</td>
</tr>
<tr>
<td>August</td>
</tr>
<tr>
<td>September</td>
</tr>
<tr>
<td>January</td>
</tr>
<tr>
<td>February</td>
</tr>
</tbody>
</table>

Data source: KSBA_Staff_3_graphs
Q3. Refer to the Willhite Testimony, pages 6-7. Mr. Willhite provided a Loss of Load Probability analysis for the months of July and August. Provide a similar analysis for the months of January, February, June, and September.
Data source: 2018_KSBA_DR2_KU_Attach_to_Q7_Att_3_KSBA_graphs
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Question No. 4

Q4. Refer to the Willhite Testimony, page 9, lines 10-13.

a. Provide the estimated revenue that Rate Classes SPS and STOD would generate in the forecast test year if reinstated on a permanent basis without any monetary cap.

b. Provide the estimated revenue impact on Rates PS-secondary and TODS if Rates Classes SPS and STOD were reinstated.

A4.

a. At current rates

<table>
<thead>
<tr>
<th>Staff #4a.</th>
<th>SPS</th>
<th>TODS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class</td>
<td>$7,392,695</td>
<td>$13,239,970</td>
</tr>
</tbody>
</table>

b. At current rates

<table>
<thead>
<tr>
<th>Staff #4b.</th>
<th>SPS</th>
<th>TODS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class</td>
<td>$600,919</td>
<td>$579,517</td>
</tr>
</tbody>
</table>

Please see the following attachments:

KSBA_Staff_4_KU Increase Summary
KSBA_Staff_4_KU_Billings_FY2018_PS#1_SPS_TCJA
KSBA_Staff_4_KU_Billings FY2018_PS#2_SPS_TCJA
KSBA_Staff_4_KU_Billings FY2018_PS#3_SPS_TCJA
KSBA_Staff_4_KU_Billings FY2018_TODS#1_STOD_TCJA
KSBA_Staff_4_KU_Billings FY2018_TODS#2_STOD_TCJA
KSBA_Staff_4_KU_Billings_FY2018_PS#1_TCJA_Private
KENTUCKY SCHOOLS BOARD ASSOCIATION

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Question No. 5

Q5. Refer to the Willhite Testimony, page 9, lines 21-24.

a. Provide support for the 7.1 percent increase for schools.

b. Provide support for the 7.0 percent increase for schools.

A5.

a. The percentage increases were computed consistent with the Company’s calculations presented on Schedule M. However, as filed the true impact is not reflected as the Company did not reflect the impact of the current TCJA factor. The actual requested PS Secondary increase for schools is 11.6 percent, not 7.1 percent.

b. The percentage increases were computed consistent with the Company’s calculations presented on Schedule M. However, as filed the true impact is not reflected as the Company did not reflect the impact of the current TCJA factor. The actual requested PS Secondary increase for schools is 12.1 percent, not 7.0 percent.

Please see the following attachments for without and with the TCJA Credit factor:

KSBA_Staff_5_KU_Billings_FY2018_PS#1
KSBA_Staff_5_KU_Billings_FY2018_PS#1_TCJA
KSBA_Staff_5_KU_Billings_FY2018_PS#2
KSBA_Staff_5_KU_Billings_FY2018_PS#2_TCJA
KSBA_Staff_5_KU_Billings_FY2018_PS#3
KSBA_Staff_5_KU_Billings_FY2018_PS#3_TCJA
KSBA_Staff_5_KU_Billings_FY2018_TODS#1
KSBA_Staff_5_KU_Billings_FY2018_TODS#1_TCJA
KSBA_Staff_5_KU_Billings_FY2018_TODS#2
KSBA_Staff_5_KU_Billings_FY2018_TODS#2_TCJA
KSBA-Staff1_5_KU Sched M w-TCJA
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Question No. 6

Q6. Refer to the Willhite Testimony, page 10, line 2.
   a. Explain why a threshold of 200 kW was chosen.
   b. Provide the number of schools that would be moved from rate TODS to Rate PS using the proposed 200 kW threshold.
   c. Provide the average revenue impact of moving schools from Rate TODS to Rate PS.

A6.
   a. 200 kW was chosen to permit over time energy efficiency improvements such as installation of LED lighting and load control technologies.
   b. 12 TODS currently with demands between 250 and 275 kW.
   c. $4,400 annually