

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

**In The Matter of:**

**ELECTRONIC APPLICATION OF  
KENTUCKY UTILITIES COMPANY  
FOR AN ADJUSTMENT OF ITS ELECTRIC RATES**

**CASE NO. 2018-00294**

**PETITION FOR FULL INTERVENTION**  
**OF**  
**THE KROGER COMPANY**

Pursuant to K.R.S. §278.310 and 807 KAR 5:001 Section 4(11), The Kroger Company (“Kroger”) requests that it be granted full intervenor status in the above captioned proceeding and states in support thereof as follows:

1. As set forth in more detail below, Kroger operates a substantial number of retail stores throughout the service territory of Kentucky Utilities Company (“KU”) and purchases electric energy for these retail stores from KU. Kroger also owns a dairy facility operating in KU’s service territory. Electric service represents a significant cost of doing business for Kroger. Kroger therefore has a special interest in this proceeding in that the Application may have a significant impact on the rates paid by Kroger to KU. The position of Kroger cannot be adequately represented by any existing party. Kroger intends to play a constructive role in the Commission’s decision making process herein and its participation will not unduly prejudice any party or unduly complicate or disrupt the proceedings.

2. Kroger is one of the largest grocery retailers in the Commonwealth of Kentucky, employs approximately 21,224 associates in Kentucky, and is one of KU’s largest customers. Kroger operates over thirty (30) stores and other facilities in the territory served by KU, and

purchased approximately 105 million kWh from KU in 2017 at a cost exceeding \$7,800,000, primarily under the Time of Day Secondary tariff rate.

3. The purchase of electricity is one of the largest operating costs of Kroger's numerous grocery stores. Grocery stores generally operate on very low margins, and the cost of electricity is of significant interest to Kroger. Any increase in KU's rates may result in the increase in food-related costs, which would impact not only Kroger, but also its customers and suppliers.

4. Kroger also owns Winchester Farms Dairy, a producer of cheese, milk and liquid dairy products, yogurt and sour cream. Winchester Farms Dairy is located in Winchester, Kentucky, and its electricity is provided by KU.

5. Kroger, as a grocery retailer and the owner of Winchester Farms Dairy, is required to meet numerous federal and state food safety laws and regulations. Significant electric usage is required to comply with these food safety laws and regulations.

6. Any modification to KU's rates has the potential to significantly impact Kroger's operations in KU's service territory. Any increase in KU's rates has the potential to cause a commensurate increase in the cost of the basic food supply to Kroger's customers.

7. Kroger has actively participated in a number of rate cases filed with the Kentucky Public Service Commission and in a many other jurisdictions. With respect to KU, Kroger participated in the following rate cases recently filed by KU with the Kentucky Public Service Commission, including participating in discovery, offering the direct testimony of Kevin C. Higgins or Neal Townsend with Energy Strategies, LLC, participating in settlement negotiations, and in the briefing of issues: Case nos. 2012-00221, 2014-00371 and 2016-00370.

8. Due to the number of Kroger stores at different locations in KU's service territory, the fact that it is one of the largest grocery retailer in Kentucky, Kroger's ownership of

a dairy operation, and the fact that electricity is one of its largest costs, Kroger has a unique interest in this rate case. Any rate increase resulting from the rate case will potentially impact Kroger, as well as its numerous customers, suppliers and employees. In many of the communities that it serves, Kroger is not only the primary source of retail groceries, but is also one of the larger employers. Accordingly, based on the factors set forth above, there is no other party that will adequately represent Kroger's unique interests in this proceeding.

9. As it has done in previous rate cases, Kroger will present evidence that will assist the Commission in fully considering the impact of any proposed rate increases. The evidence offered by Kroger will generally relate to fair and reasonable rates of return and return on equity, rate design, and cost and revenue allocation between the various rate classes. In prior rate cases, Kroger has also presented evidence that has enabled the interested parties to negotiate a reduced revenue requirement for utilities.

10. Kroger's interest in managing its electricity costs is reflected not only in its participation in rate cases, but also by its efforts to manage its energy use. Kroger earned the 2018 ENERGY STAR Partner of the Year Award for its prioritization of ENERGY STAR best practices in its energy management strategy. Additionally, since 2000 Kroger has reduced its overall energy use by over thirty-five percent (35%).

11. The attorney for Kroger authorized to represent it in this proceeding and to take service of all documents is:

Robert C. Moore, Esq.  
Stites & Harbison, PLLC  
421 W. Main Street  
P.O. Box 634  
Frankfort, KY 40602-0634  
Phone: (502) 209-1218  
Fax: (502) 223-4391  
E-mail: rmoore@stites.com

**WHEREFORE**, Kroger requests that it be granted full intervenor status in the above captioned proceeding.

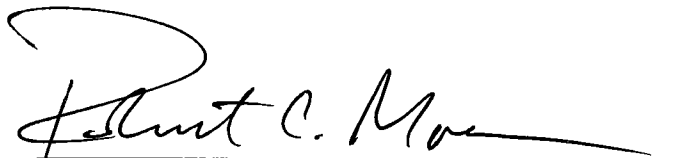
Respectfully submitted,



Robert C. Moore, Esq.  
Stites & Harbison, PLLC  
421 West Main Street  
P.O. Box 634  
Frankfort, KY 40602-00634  
Phone: (502) 209-1218  
Fax: (502) 223-4391  
E-mail: rmoore@stites.com  
**Counsel for The Kroger Company**

**CERTIFICATE**

It is hereby certified that the attached Petition for Full Intervention is a true and accurate copy of the document being filed with the Commission in paper medium; that the electronic filing was transmitted to the Commission on October 1, 2018; that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding; and that a copy of the filing in paper medium is being hand delivered to the Commission within two (2) business days.



Robert C. Moore