

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

**ELECTRONIC APPLICATION OF LOUISVILLE
GAS AND ELECTRIC COMPANY FOR AN
ADJUSTMENT OF ITS ELECTRIC RATES**

CASE NO. 2018-00295

**WALMART INC.'S RESPONSES TO LOUISVILLE/JEFFERSON COUNTY METRO
GOVERNMENT'S REQUEST FOR INFORMATION TO WALMART INC.**

REQUEST:

1. Refer to page 22 the testimony of Gregory W. Tillman, at which he proposes that one quarter of any reduction in the revenue requirement increase should be applied to proportionately reduce the Company's proposed increase on the non-lighting classes with a current RROR greater than 100 percent.
 - a. Precisely identify what classes of customers are considered "lighting classes" for the purposes of Mr. Tillman's testimony (e.g., Lighting Energy, Traffic Energy, Lighting Service, Restricted Lighting Service, Outdoor Sports Lighting, etc.).
 - b. Explain the rationale for Mr. Tillman's proposal in which he suggests that twenty-five percent of any reduction in the revenue requirement increase should not be applied to reduce the Company's proposed increase on the nonlighting classes.

RESPONSE:

1.
 - a. For purposes of Mr. Tillman's testimony, the "lighting classes" include Lighting Energy Service or Rate, Traffic Energy Service or Rate, Lighting and Restricted Lighting, and Outdoor Sports Lighting.
 - b. The purpose in Mr. Tillman's proposal is to provide a meaningful reduction in intraclass subsidies that presently exist between rate classes. Lighting classes were not specifically included in Mr. Tillman's proposal for a variety of reasons, including the fact that as a percentage of the Company's total revenue requirement, the lighting classes make up only a small percentage of the total. By applying 25 percent of any reduction in the revenue requirement to the major, non-lighting

classes with a RROR greater than 100 percent, the Commission can make a greater impact on reducing intra-class subsidies.

Additional reasons supported Mr. Tillman's proposal to apply 25 percent of a reduction in the revenue requirement to the major, non-lighting rate classes. Of the lighting classes, only the Outdoor Sports Lighting Secondary rate class has a RROR significantly above 100 percent *and* is receiving a rate increase, however, as the increase is only \$272.00 it has a negligible impact in reducing intra-class subsidies. The Company proposes no rate increase for the Lighting Energy Rate, Traffic Energy Rate, and Outdoor Sports Lighting Service Primary, thus there is no reason to apply any reduction in the revenue requirement to these rate classes. Finally, under the Company's as-filed proposal, the Lighting and Restricted Lighting Service Rates are moving closer to their cost of service, which is the overarching point of Mr. Tillman's proposal.

RESPONDENT: Counsel and Gregory W. Tillman, Senior Manager, Energy Regulatory Analysis

VERIFICATION

STATE OF ARKANSAS

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) SS:

COUNTY OF BENTON

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The undersigned, Gregory W. Tillman, being duly sworn, deposes and says that he is Senior Manager, Energy Regulatory Analysis for Walmart Inc., and that he has personal knowledge of the matters set forth in the foregoing Responses, and that the answers contained herein is true and correct to the best of his information, knowledge, and belief.

Gregory W. Tillman

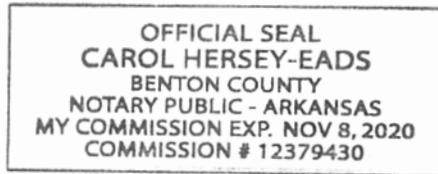
Gregory W. Tillman

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 4th day of February, 2019.

Carol Hersey-Eads (SEAL)

Notary Public

My Commission Expires: 11/08/2020



CERTIFICATE OF SERVICE

I hereby certify that Walmart Inc.'s February 14, 2019, electronic filing is a true and accurate copy of the Walmart Inc.'s Responses to Louisville/Jefferson County Metro Government's Request for Information to Walmart Inc. to be filed in paper medium; and that on February 14, 2019, the electronic filing has been transmitted to the Commission, and that an original and one (1) 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:

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