

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF KENTUCKY	)	
POWER COMPANY FOR (1) A GENERAL	)	
ADJUSTMENT OF ITS RATES FOR ELECTRIC	)	
SERVICE; (2) APPROVAL OF TARIFFS AND	)	
RIDERS; (3) APPROVAL OF ACCOUNTING	)	CASE NO.
PRACTICES TO ESTABLISH REGULATORY	)	2020-00174
ASSETS AND LIABILITIES; (4) APPROVAL OF	)	
A CERTIFICATE OF PUBLIC CONVENIENCE	)	
AND NECESSITY; AND (5) ALL OTHER	)	
REQUIRED APPROVALS AND RELIEF	)	

**FIRST SET OF DATA REQUESTS OF JOINT INTERVENORS MOUNTAIN ASSOCIATION,  
KENTUCKIANS FOR THE COMMONWEALTH, AND KENTUCKY SOLAR ENERGY  
SOCIETY TO KENTUCKY POWER COMPANY**

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Dated: August 12, 2020

## DEFINITIONS

1. "Document" means the original and all copies (regardless of origin and whether or not including additional writing thereon or attached thereto) of any memoranda, reports, books, manuals, instructions, directives, records, forms, notes, letters, or notices, in whatever form, stored or contained in or on whatever medium, including digital media.
2. "Study" means any written, recorded, transcribed, taped, filmed, or graphic matter, however produced or reproduced, either formally or informally, a particular issue or situation, in whatever detail, whether or not the consideration of the issue or situation is in a preliminary stage, and whether or not the consideration was discontinued prior to completion.
3. "Person" means any natural person, corporation, professional corporation, partnership, association, joint venture, proprietorship, firm, or the other business enterprise or legal entity.
4. A request to identify a natural person means to state his or her full name and business address, and last known position and business affiliation at the time in question.
5. A request to identify a document means to state the date or dates, author or originator, subject matter, all addressees and recipients, type of document (e.g., letter, memorandum, telegram, chart, etc.), identifying number, and its present location and custodian. If any such document was but is no longer in the Company's possession or subject to its control, state what disposition was made of it and why it was so disposed.
6. A request to identify a person other than a natural person means to state its full name, the address of its principal office, and the type of entity.
7. "And" and "or" should be considered to be both conjunctive and disjunctive, unless specifically stated otherwise.
8. "Each" and "any" should be considered to be both singular and plural, unless specifically stated otherwise.

9. Words in the past tense should be considered to include the present, and words in the present tense include the past, unless specifically stated otherwise.

10. "You" or "your" means the person whose filed testimony is the subject of these data requests and, to the extent relevant and necessary to provide full and complete answers to any request, "you" or "your" may be deemed to include any other person with information relevant to any interrogatory who is or was employed by or otherwise associated with the witness or who assisted, in any way, in the preparation of the witness' testimony.

11. "Company" or "KPC" means Kentucky Power Company and/or any of their officers, directors, employees or agents who may have knowledge of the particular matter addressed, and affiliated companies including American Electric Power.

12. "Joint Intervenors" means the Mountain Association, Kentuckians For The Commonwealth, and Kentucky Solar Energy Society, who were granted the status of full joint intervention in this matter.

### **INSTRUCTIONS**

1. If any matter is evidenced by, referenced to, reflected by, represented by, or recorded in any document, please identify and produce for discovery and inspection each such document.

2. These requests for information are continuing in nature, and information which the responding party later becomes aware of, or has access to, and which is responsive to any request is to be made available to Joint Intervenors. Any studies, documents, or other subject matter not yet completed that will be relied upon during the course of this case should be so identified and provided as soon as they are completed. The Respondent is obliged to change, supplement and correct all answers to interrogatories to conform to available information, including such information as it first becomes available to the Respondent after the answers hereto are served.

3. Unless otherwise expressly provided, each data request should be construed independently and not with reference to any other interrogatory herein for purpose of limitation.
4. The answers provided should first restate the question asked and also identify the person(s) supplying the information.
5. Please answer each designated part of each information request separately. If you do not have complete information with respect to any interrogatory, so state and give as much information as you do have with respect to the matter inquired about, and identify each person whom you believe may have additional information with respect thereto.
6. In the case of multiple witnesses, each interrogatory should be considered to apply to each witness who will testify to the information requested. Where copies of testimony, transcripts or depositions are requested, each witness should respond individually to the information request.
7. The interrogatories are to be answered under oath by the witness(es) responsible for the answer.

**FIRST SET OF DATA REQUESTS PROPOUNDED TO KENTUCKY POWER COMPANY BY  
JOINT INTERVENORS**

**Question 1-1** As of the Historical Test Year ending date, March 31, 2020, Mountain Association has supported with financing and/or technical assistance eight (8) clients taking Net Metering Service ("N.M.S.") that are General Service ("G.S.") KPC customers. These eight General Service rate class clients all received bills that show "Dlvd" kWh and "Rcvd" kWh, showing that they are taking service under N.M.S.

On Page 166 of the Section III Testimony Vol. 1 KPC states, "As of the end of the test year, the Company has 44 net metering customers, all of whom are using solar generation systems. Forty two of these are residential installations with an average installed capacity of 9.35 kW per system."

Please provide the following information regarding KPC's N.M.S. customer-generators, *for the test year and each of the years 2015 through 2019*:

a. How many kWh of excess generation were supplied back to KPC from all N.M.S. customers in each month and year? How many kWh did N.M.S. customers receive in each month and year? For customers receiving N.M.S., list the cumulative generation for each month of each year that N.M.S. customer meter reads fall within, the total delivered "Dlvd" kWh and received "Rcvd" kWh by rate class.

b. List the number of residential and commercial customers taking N.M.S. within each specific rate class.

c. List the total installed generation capacity (AC and DC) for customers receiving N.M.S. within each specific rate class tariff.

d. For a non N.M.S. that began taking N.M.S., did that require replacing the meter or was N.M.S. achieved with reprogramming the existing meter? Does that answer depend on the existing rate class of customer-generator taking N.M.S. service?

e. What was the capacity (system size in KW AC) of each N.M.S. customer for each year?

f. What was the total combined capacity by class of all N.M.S. customers, residential N.M.S. customers, and commercial N.M.S. customers for each year?

g. What percentage of KPC's single hour peak load for the previous year did N.M.S. represent for each year?

h. Please provide any additional data concerning net metering for the years 2015 through 2019 which KPC has reported to the US Energy Information Administration, FERC, the Kentucky Energy and Environment Cabinet, or any other regulatory agency.

**Question 1-2** What is KPC's projection for how N.M.S. customer cumulative capacity would expand through 2025 under two scenarios: (1) If the N.M.S. tariff remained in its current form with 1- for - 1 netting at the retail rate, and (2) Under the proposed N.M.S. II tariff. Please represent this in terms of cumulative capacity (KW) and percent of KPC's single hour peak load for the previous year.

**Question 1-3** Will N.M.S. II (the tariff that KPC proposes to replace the current N.M.S. tariff), with the introduction of time blocks, require replacing the meter with one capable of reading time blocks or will reprogramming existing meter suffice? Does that answer depend on the rate class of customer-generator that will be taking the N.M.S. II? What cost will be incurred by the customer for replacement of the meter, and how will that charge be expressed?

**Question 1-4** Explain how each surcharge will be handled for N.M.S. II customers? Will those surcharges that are reflective in some way of kWh used be treated as they are with N.M.S. now (i.e. based on the net kWh in a billing cycle)? With N.M.S. II, will monthly net excess kWh carry forward to offset future billing cycle surcharges as is done under N.M.S. now?

**Question 1-5** Explain how the N.M.S. II time blocks hours were selected?

**Question 1-6** Explain how a customer-generator taking service under N.M.S. grandfathered arrangement, that decides to increase the capacity of their generator after N.M.S. option ends, will be served? Specifically, will the compensatory rate for fed-in electricity from the customer-generator be changed, and if so, will that change affect all existing capacity or only that fraction attributable to the expanded capacity?

**Question 1-7** Explain whether a customer-generator taking service under N.M.S., who replaces a failed solar module with a newer solar module, would remain grandfathered under the N.M.S., and if not, why not?

**Question 1-8** Explain how a customer-generator taking service under N.M.S. who replaces an older failed solar module by a newer module of the same type but has larger capacity due to changes in the availability of capacity of replacement solar modules, will be served?

**Question 1-9** For each rate class with customer demand charges, list, by rate class, the percentage of fixed costs assigned to that rate class that are recovered through the demand charges within that rate class.

**Question 1-10** Define how customers taking N.M.S. II who also take, or choose to take, a T.O.D. service would be billed, particularly where the N.M.S. II proposed netting period times doesn't align with time-of-day periods.

**Question 1-11** On Page 170 of the Section III Testimony Vol. 1 KPC states that the "avoided cost rate of 0.03659 \$/KWH" includes "Avoided generation and transmission fixed costs." Provide a breakdown by category of each component of costs included in that calculation, and the methodology and data on which the cost was calculated and assigned.

**Question 1-12** The [Final Net Metering-Interconnection Guidelines](#) that came out of PSC Administrative Case [2008-0169](#) addressed aspects that utilities raised at the time concerning cost-recovery. In those very detailed 23-page Guidelines, is included (condition 2—generation capacity will not exceed transformer nameplate rating on shared secondary and condition 1—on a distribution circuit, the aggregated generation on that circuit, including the proposed will not exceed 15 percent of the Line Section's most recent annual one hour load).

Do you agree that Condition 1 was included to prevent a distributed net metering service generator from supplying transmission through a substation and limiting the resource to within the line section distribution circuit only?

Based on this, will KPC reconsider its inclusion of avoided generation and transmission fixed costs?

**Question 1-13** Do you agree that distribution losses from substation delivery points to points of use are greater than distribution losses from a distributed generation resource delivery point (e.g. meter of a customer-generator taking N.M.S.)?

**Question 1-14** Explain methodology for calculating "Distribution losses" that were included in the avoided cost rate.

**Question 1-15** On Page 166 of the Section III Testimony Vol. 1 KPC states: "The Company is proposing to... institute a new N.M.S.S tariff ("N.M.S.S II") that aligns with the changes in Kentucky law occasioned by SB 100 ("the Net Metering Act") that was enacted in 2019. The Net Metering Act ... provides for the end of, or at least a drastic reduction in, the intra class subsidies the previous net

metering statute produced. In order to accomplish those priorities of the Net Metering Act, the Company is proposing the ... changes in its N.M.S.S II tariff."

Does KPC characterize this as an accurate interpretation of the Net Metering Act? Specifically, can KPC point towards language in the statute that establishes as evidence-based fact that the existing net metering tariff or net metering statutes produced intra-class subsidies?

**Question 1-16** KPC's residential time of use on-peak hours are 7 a.m. to 9 p.m. and its off-peak hours are 9 p.m. to 7 a.m. Why does KPC's N.M.S.S II follow time of use hours (8 a.m. to 6 p.m. and 6 p.m. to 8 a.m.) that are different?

**Question 1-17** Provide the justification for KPC's proposal to maintain an avoided cost compensation rate for excess energy that is generated by distributed solar *during peak hours*?

**Question 1-18** Please explain why the Time of Use ("TOU") period for N.M.S. II does not correspond with TOU periods for other tariffs? On what basis does KPC uses the phrase Time of Use (TOU) for net metering customers and Time of Day (TOD) for standard residential service?

**Question 1-19** KPC's N.M.S. II tariff states: "BILLING: All net billing kWh and kW in each netting period, accumulated for the billing period, shall be charged at the rates applicable under the Company's standard service tariff under which the customer would otherwise be served, absent the customer's electric generating facility."

Explain what KPC considers the "standard service tariff under which the customer would otherwise be served," in light of the consideration that this is a proposed TOU tariff but the TOU periods do not correspond to any other standard tariffs?

Explain how KPC anticipates the proposed tariff and TOU approach will be implemented, considering that the time periods do not match between the N.M.S. tariff and RS-TOD tariff? Provide an example, the impact on an average residential and average commercial N.M.S. customer, of the differences between the N.M.S. tariff and the proposed N.M.S. II tariff.

**Question 1-20** Provide a detailed breakdown of the full cost for developing and administering the new N.M.S. billing system, including but not limited to legal and consultant fees and staff time for development; monies spent advocating for the new system at the PSC (and whether this rate request seeks cost recovery for lobbying and other legislative expenses associated with SB 100); ongoing administration of a new billing system for a very small number of customers; providing new meters for customer-generators. How will these costs be allocated, and what percentage of these costs will be allocated to N.M.S. II customers and to non-participating customers in each rate class? What is the cost-per-N.M.S. II customer of implementing the new metering/billing system each year through 2025?

**Question 1-21** Please provide a comparison of the costs of development and administration of N.M.S. II and the claimed net costs to KPC of provision of service under the current N.M.S. tariff?

**Question 1-22** What is the cost of a TOU meter and how does this compare to the cost of existing standard meters?

**Question 1-23** What is the cost to install a new TOU meter? Are TOU meters the same as the AMI meters that KPC proposes to install for all customers?

**Question 1-24** Does KPC implementation of TOU rates depend upon Commission approval of AMI meters? If the Commission denies approval of the installation of AMI metering, how will that affect the proposed billing system for N.M.S. II customers?

**Question 1-25** What is the cost of administering billing for existing N.M.S. customers using the standard bi-directional kWh meter?

**Question 1-26** Over the past decade the solar industry has been one of the fastest growing sectors of the U.S. economy. The job of solar installer has been one of the fastest growing jobs in the U.S. In light of this, why does KPC believe it is justified in shifting costs between customers to provide an Economic Development Rider yet it is not justifiable to shift alleged costs in order to support economic development via support of expansion of the solar industry, which assists families to increase their financial security? What is the potential cost shift of the Economic Development Rider within and among classes of customers?

How does this compare to the alleged cost shift caused by net metering customers?

**Question 1-27** What was KPC's load profile for each of the last two years, expressed in 15-minute intervals? Provide a breakdown of how KPC's cost of power changes over the course of each day for each month of the year? What is KPC's cost of power during peak demand times for each month (including all energy, demand, and transmission charges)? Identify what resources is KPC using to meet demand during times of peak demand? Identify what are KPC's costs for power and energy during on-peak and off-peak times each month.

**Question 1-28** KPC proposes to recover payments to N.M.S. II customer-generators via the Purchased Power Adjustment Rider. Please provide the cost-benefit analysis to demonstrate the net cost/benefit to KPC that will be used to determine the amount of adjustment via the Purchased Power Adjustment Rider. If the cost-benefit analysis shows a net benefit to KPC, does KPC propose to provide a refund to all customers via the Purchased Power Adjustment Rider?

**Question 1-29** Under Level 1 Interconnection (p.350), point 8, it states "No construction of facilities by the Company on its own system will be required to accommodate the generating facility." Under Metering (p.349), it states: "Net energy metering shall be accomplished using a time of use ("TOU") kilowatt-hour meter capable of measuring the flow of electricity in two (2) directions. If the existing electrical meter installed at the customer's facility is not capable of measuring the flow of electricity in two directions, the Company will provide the customer with the appropriate metering at no additional cost to the customer." Will KPC revise point 8 to make clear that installing a new meter to meet KPC's proposed tariff requirements will be provided at no cost to the customer?

**Question 1-30** On Page 353 – under Terms & Conditions for Interconnection, it states: "(1) The Company shall provide the customer net metering services, without charge for standard metering equipment, through a standard kilowatt-hour metering system capable of measuring the flow of electricity in two (2) directions. If the customer requests any additional meter or meters or distribution upgrades are needed to monitor the flow in each direction, such installations shall be at the customer's expense."

KPC's proposed tariff requires the use of a TOU meter, which is not a "standard meter." Is the company stating that Level 2 Applications would NOT require TOU metering and would therefore be under a different, non-TOU billing structure? Or will KPC provide a standard meter at no cost but charge the Level 2 customer for the necessary TOU meter? Or does KPC intend to provide a TOU meter to both Level 1 and Level 2 customers at no charge but overlooked changing this provision in the tariff?

**Question 1-31** In determining the rate for crediting N.M.S. II customers for excess generation, how do avoided demand and transmission costs factor into KPC's calculations and what value is assigned to each?

**Question 1-32** In the final order of case 2019-00256, dated December 18, 2019, the Commission announced an intention to initiate a proceeding to update the Interconnection Guidelines "immediately in conjunction with implementing the Net Metering Act." (p. 34).

Would KPC be willing to defer Commission consideration of the proposed N.M.S. II tariff pending updating of these guidelines?

**Question 1-33** Please produce utility-specific data that substantiates any claim of non-negligible cost shifting from the 44 current net metered customers (who have used one-to-one net metering) to non-net metered rate payers. Please provide the dollar amount that KPC believes a non-participating net metered customer pays, on a monthly and yearly basis, due to service being provided to the N.M.S. customers under the current tariff. Assuming that the number of N.M.S. customers under the current tariff rose to the 1% statutory cap, what would be the dollar amount that a non-participating net metered customer pays, on a monthly and yearly basis, due to service being provided to the N.M.S. customers under the current tariff.

**Question 1-34** For each existing outdoor lighting service tariff, what is the average age of accounts with each outdoor lighting service?

**Question 1-35** For Residential Service, explain why the Service Charge and Energy Charge combined into "Rate Billing" on the bill, rather than being reported separately in order for the customer to know what they are paying for service and what they are paying for volumetric energy (kWh).

**Question 1-36** For General Service, why is the Monthly Service Charge, Energy Charge and Demand charge combined into “Rate Billing” on the bill, rather than being reported separately in order for the customer to know what they are paying for service, volumetric energy (kWh) and monthly billing demand (kW)?

**Question 1-37** For the Large General Service, why is the Service Charge per Month, Energy Charge, Demand Charge and Excess Reactive Charge per KVA charge combined into “Rate Billing” on the bill, rather than being reported separately in order for the customer to know what they are paying for service, volumetric energy (kWh), monthly billing demand (kW) and excess kilovolt-ampere (KVA) demand?

**Question 1-38** Since 2015, there has been a significant increase in demand charges, rising 366 percent since 2015 for Medium General Service, which is now General Service, and going from \$1.64 per kW-mo. to \$6.00 per kW-mo. This is burdensome to all small and medium commercial customers, but especially for churches and community centers with sporadic usage. What consideration if any has been given to users of this type with the proposed further increase from \$6.00 to \$8.65, taking the aggregate increase from 2015 for demand up to 527 percent? Please provide a breakdown of the basis and justification for the increase in demand charges by class.

**Question 1-39** In the 2017 rate case, KPC asserted that it would be contacting former Small General Service customers to help assist them in finding ways to mitigate the impact of their new demand charges as a result of them being merged with Medium General Service Customers into a new rate class “General Service.” Describe all actions taken by KPC to help those customers mitigate the new charge imposed on them?

**Question 1-40** Ratepayers in KPC’s service territory, and across the Commonwealth, are in a moment of unprecedented economic crisis due to the COVID-19 pandemic. Explain why KPC should be entitled to such a high rate of return on investment when the risks are relatively low due to the regulated business environment, and in a moment when so many Kentuckians are already struggling to make ends meet under their current bills?

**Question 1-41** On page 161 of the Section III Testimony Vol. 1, KPC discusses their proposed declining block rate for residential rates. The company states, "Because electric heating and lower income customers on average use more kWh than the class average, the reduction of the intra-class subsidy being paid through the volumetric energy charge will benefit them. To put a fine point on it, under the Company's proposed rate design electric heating and lower income customers are better off than they would be on the current rate design at any level of increase." Provide substantiation of that claim with respect to both electric heating and lower income customers consuming electricity at low, average, and high usage.

**Question 1-42** On p. 171 of the Section III Testimony Vol. 1, KPC states that externalities (which would include job creation from Kentucky's budding solar industry) from distributed solar are excluded from their calculation of costs avoided by solar, "because these do not pertain to KPs cost of electric service, which is what Kentucky's jurisdictional rates are based on."

Explain whether the incentivizing of new economic development is considered an externality for purposes of rate setting within any Industrial Class of ratepayers, and reconcile such an approach with their emphasis throughout the proposal on the "externality" of economic development in the case of the solar industry?

**Question 1-43** On p. 171 of the Section III Testimony Vol. 1, KPC states that societal costs of carbon are excluded from their calculation of costs avoided by solar, "because these do not pertain to KPs cost of electric service, which is what Kentucky's jurisdictional rates are based on." However, KPC also extensively discusses in their application how increased service interruptions due to vegetation such as "danger trees" falling on lines have contributed to the company's costs and challenges. KPC attributes the increase in vegetation fall to "significantly above average rainfall, root disease, insects, and pathogens" (p 61). Since all of these factors have been found to be consequences of carbon emissions fueling climate change, explain how KPC still maintains that "externalities" such as the environmental consequences of pollution-induced climate change do not pertain to their cost of service? Provide a reference to any application for a CPCN or for cost recovery through a surcharge or other mechanism, in which KPC has relied in any part on climate change as a basis for Commission approval of utility-constructed or utility-purchased solar capacity.

**Question 1-44** On the KPC website, it is stated that “If approved, residential customers using around 1,250 kilowatt-hours per month would see an estimated increase of about 77 cents per day” with the rate adjustment proposal. Please confirm that the rate increase would be \$23.16 more per month for such customers. Provide the justification, for framing their rate increase as 77 more cents per day—rather than \$23.16 more per month, and explain how this framing of the rate increase in cost-per-day rather than monthly, aligns with witness Mattison’s representation that KPC is committed to “ensure customers are engaged, informed, and understand their 20 electric bill and the services and program”? Does KPC agree that framing the rate increase on a per-day basis without including the monthly aggregate increase serves to obscure or diminish the impact of the rate increase on customers, who pay utility bills on a monthly, rather than daily, basis?

**Question 1-45** When the account balance of a residential customer enrolled in KPC’s proposed Flex Pay program hits zero, the customer has until the beginning of the next business day to make a payment to re-establish a positive balance—or their service will be disconnected. Given this extremely short deadline for ratepayers to remedy their zero-balance before facing disconnection, what level of regular customer disconnections does KPC anticipate through the Flex Pay system, relative to the current level of disconnections? What challenges to customers, particularly during a pandemic, would frequent service disconnection associated with Flex Pay pose? What options are available to Flex Pay-enrolled customers who cannot afford to contribute to their account balance immediately after a disconnection?

**Question 1-46** Based on past bill and usage data, please offer a tabulation summary of the number of residential customers who in recent years have used over 1,100 kWh/month from December to February, the number of residential customers who in recent years have *not* met this winter threshold, and the average monthly bill of each group, calculated both under current rates and under the proposed declining block rate structure.

**Question 1-47** On p. 156 of the Section III Testimony Vol 1, KPC justifies increasing its basic charge: “Because less of the fixed costs will be recovered through the usage-related energy charge, the average customer will see less volatility in bills in high usage months,” which will thus reduce monthly bill volatility. However,

KPC still intends to increase its usage-related energy charge. Explain how an increased service charge *and* energy charge reduce bill volatility, other than by ensuring that bills are consistently higher year-round?

**Question 1-48** Given KPC's stated concern with assisting electric heating customers who tend to experience very high usage months in the winter to heat their homes, what plans does KPC have to address such usage by re-offering or creating new energy efficiency programs—including but not limited to button up repairs, on-bill financing, or other home weatherization assistance—that could help these high winter usage customers better control their bills?

**Question 1-49** On p. 160 of the Section III Testimony Vol. 1, KPC argues that a higher kWh charge would not contribute to long-term conservation from customers, for the following reason: "Customers expect that when they use less energy, the usage-related portion of their bills will decrease. However, to the extent that the usage related portion of rates are designed to include a portion of the fixed costs as well, it is likely that as those fixed cost collections diminish because the cost savings from reduced usage are less than the loss in fixed cost collection, the Company will need to increase the usage-related portion of rates. When that happens, customers will see the usage-related portion of their bills increase even though they have conserved energy." Confirm that this is a *choice* on KPC's part to increase the usage-related portion of rates when customers begin to conserve energy. If KPC refrained from doing so, would the higher kWh charge contribute to any, more, or less, long-term conservation measures?

**Question 1-50** KPC frames its proposed residential rate structure as "a reduction in the intra-class subsidy (over-collection of fixed costs)" that it claims high-usage customers are currently paying to subsidize low-usage customers. Justify and explain this framing? Could another way of framing the company's proposed rate structure be that the current rate structure does not incorporate intra-class residential subsidies, and that KPC wants to shift *towards* low usage customers subsidizing high usage customers?

**Question 1-51** How many residential customers, low-income customers, and electric-heating customers average more than 1,100 kWh/month from March to November and from December to February? What are KPC's total number of customers in each rate class?

**Question 1-52** Provide the analysis demonstrating that there is an intra-class subsidy between residential customers under the current Service Charge. Demonstrate how and why higher usage and lower-income customers are disadvantaged by the current service charge and how the proposed service charge corrects this. (see Section III, Vol. 1, p.154)

**Question 1-53** How many KPC residential customers heat their homes primarily using electric heating?

**Question 1-54** What are the demographics of customers according to their monthly kWh usage? Provide data showing monthly usage based on income bracket. Within each income bracket, what is the distribution of monthly kWh usage?

**Question 1-55** If the proposed rates are designed to reduce costs for electric heating and higher usage customers while allowing KPC to increase revenue, then is it correct that the additional revenue must be derived from lower-usage customers and non-electric heating customers? What is the proposed amount of cost-shifting that would occur? Explain how KPC justifies this shift as fair, just and reasonable?

**Question 1-56** KPC is arguing that customers who use more of their product should pay less for it while those who conserve or have invested in EE and RE, should pay proportionately more. Explain how this is fair, just, and reasonable? See Sec III, Vol. 1, p 158

**Question 1-57** With reference to Sec III, Vol 1, p. 158, provide the evidence or analysis that supports the position that declining block rates will not discourage conservation? Provide the evidence showing that reducing volumetric rates by 50% for usage above 1,100 kwh/month will not impact customer's choices about investments in conservation and efficiency.

**Question 1-58** With reference to Sec II, Vol 2, Exhibit E, p. 290 – Cogeneration / Small Power Producer, provide the justification for crediting on-peak customer generation at \$0.0306/kWh when KPC on-peak charges range from \$0.157/kwh to \$0.1958/kWh? Why is customer-generation on-peak valued about 1

cent/kWh more than generation off-peak; whereas the difference between on-peak and off-peak *consumption charges* ranges from 7 to 9 cents/kWh?

**Question 1-59** With reference to Sec II, Vol 2, Ex E, p.301, Program TEE, what is the budget for Program TEE and what is the source of funds for Program TEE?

**Question 1-60** What are the goals in terms of number of customers served and energy savings per customer and for the Program TEE? What are the funding limits per household? Does the program offer services and products for free or at discounted rates?

**Question 1-61** The Program TEE tariff states that eligible customers use an average 700 kWh/month. Is that the minimum or maximum for eligibility? Why was 700 kWh/month chosen? Explain why the program is restricted to customers with electric heating or electric water heating? Does the “electric heating” restriction mean electric resistance heaters only or would homes with heat pumps also be eligible?

Respectfully submitted,



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*Counsel for Joint Intervenors, Mountain  
Association, Kentuckians for the  
Commonwealth, and Kentucky Solar  
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CERTIFICATE OF SERVICE

This is to certify that the electronic version of the foregoing is a true and accurate copy of the same document that will be filed in paper medium; that the electronic filing has been transmitted to the Commission on August 12, 2020; that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding; and that in accordance with the March 16, 2020 Commission Order in Case No. 2020-00085 an original and ten copies in paper medium of this *Statement Regarding Receipt of Electronic Transmissions* will not be mailed until after the lifting of the current state of emergency.



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Tom FitzGerald