

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)	
PRACTICES TO ESTABLISH REGULATORY ASSETS)	CASE NO. 2020-00174
AND LIABILITIES; (4) APPROVAL OF A CERTIFICATE)	
OF PUBLIC CONVENIENCE AND NECESSITY; AND)	
(5) ALL OTHER REQUIRED APPROVALS AND RELIEF)	

DIRECT TESTIMONY AND EXHIBITS OF

LISA V. PERRY

ON BEHALF OF

WALMART INC.

Filed: October 7, 2020

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Exhibits

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1 **I. Introduction**

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

3 A. My name is Lisa V. Perry. My business address is 2001 SE 10th St., Bentonville, AR
4 72716-0550. I am employed by Walmart Inc. as Senior Manager, Energy Services.

5 **Q. ON WHOSE BEHALF ARE YOU TESTIFYING IN THIS CASE?**

6 A. I am testifying on behalf of Walmart Inc. ("Walmart").

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

8 A. I received a J.D. in 1999 and a LL.M. in Taxation in 2000 from the University of Florida
9 Levin College of Law. From 2001 to 2019, I was in private practice with an emphasis
10 from 2007 to 2019 in Energy Law. My practice included representing large
11 commercial clients before the utility regulatory commissions in Colorado, Texas, New
12 Mexico, Arkansas, and Louisiana in matters ranging from general rate cases to
13 renewable energy programs. I joined the energy department at Walmart in
14 September 2019 as Senior Manager, Energy Services. My Witness Qualifications
15 Statement is attached as Exhibit LVP-1.

16 **Q. HAVE YOU PREVIOUSLY SUBMITTED TESTIMONY BEFORE THE KENTUCKY PUBLIC
17 SERVICE COMMISSION ("COMMISSION")?**

18 A. No, I have not.

1 **Q. HAVE YOU PREVIOUSLY SUBMITTED TESTIMONY BEFORE OTHER STATE**
2 **REGULATORY COMMISSIONS?**

3 A. Yes, I have submitted testimony with State Regulatory Commissions for Michigan,
4 Colorado, Florida, Virginia, Arkansas, Louisiana, Oklahoma, South Carolina, and Texas.
5 I have also provided legal representation for customer stakeholders before the State
6 Regulatory Commissions for Colorado, Texas, Arkansas, Louisiana, and New Mexico in
7 the cases listed under "Commission Dockets" in Exhibit LVP-1.

8 **Q. ARE YOU SPONSORING EXHIBITS IN YOUR TESTIMONY?**

9 A. Yes. I am sponsoring the exhibits listed in the Table of Contents.

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

11 A. As shown on Walmart's website, Walmart operates 102 retail units and employs over
12 22,000 associates in Kentucky. In fiscal year ending 2020, Walmart purchased \$506.1
13 million worth of goods and services from Kentucky-based suppliers, supporting over
14 40,000 supplier jobs.¹

15 **Q. PLEASE BRIEFLY DESCRIBE WALMART'S OPERATIONS WITHIN KENTUCKY POWER**
16 **COMPANY'S ("KENTUCKY POWER" OR "COMPANY") SERVICE TERRITORY.**

17 A. Walmart has approximately 9 retail stores and related facilities in the service territory
18 of Kentucky Power. Most of these facilities are served on the Industrial General

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

1 Service ("IGS") Schedule, however, two retail units take service under the Large
2 General Service ("LGS") schedule.

3

4 **II. Purpose of Testimony and Summary of Recommendations**

5 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

6 A. The purpose of my testimony is to respond to Kentucky Power's Application filed on
7 June 29, 2020 ("Application") and to provide recommendations to assist the
8 Commission in its thorough and careful consideration of the customer impact of the
9 Company's proposed rate increase.

10 **Q. IN SETTING THE REVENUE REQUIREMENT, RETURN ON EQUITY ("ROE"),**
11 **ALLOCATION, AND RATE DESIGN CHANGES FOR THE COMPANY, SHOULD THE**
12 **COMMISSION CONSIDER THE IMPACT OF THE PROPOSED RATE INCREASE ON**
13 **BUSINESS CUSTOMERS?**

14 A. Yes. Electricity is a significant operating cost for retailers such as Walmart. When
15 electric rates increase, the increased cost to retailers can put pressure on consumer
16 prices and on the other expenses required by a business to operate. The Commission
17 should thoroughly and carefully consider the impact on customers when examining
18 the requested revenue requirement and ROE, in addition to all other facets of this
19 case, to ensure that any increase in the Company's rates is the minimum amount
20 necessary to provide safe, adequate, and reliable service, while also providing

1 Kentucky Power the opportunity to recover its reasonable and prudent costs and earn
2 a reasonable return on its investment.

3 **Q. PLEASE SUMMARIZE WALMART'S RECOMMENDATIONS TO THE COMMISSION.**

4 A. Walmart's recommendations to the Commission are as follows:

5 1) Walmart does not take a position on the Company's proposed cost of service
6 model at this time. However, to the extent that alternative cost of service
7 methodologies or modifications to the Company's methodology are proposed
8 by other parties, Walmart reserves the right to address any such changes in
9 accordance with the Commission's procedures in this case.

10 2) At the proposed revenue requirement, Walmart does not oppose the
11 Company's proposed revenue allocation. However, if the Commission
12 ultimately approves a revenue requirement less than that proposed by the
13 Company, the reduction in the revenue requirement increase should be used
14 for the dual purposes of: (1) further reducing the currently existing class
15 subsidies by apportioning a portion of the reduction only to subsidizing rate
16 classes; and (2) reducing the impact to all customers by apportioning the
17 remainder to all rate classes.

18 3) For the purposes of this docket, Walmart does not oppose the Company's rate
19 design for rates LGS and IGS. However, to the extent that alternative rate
20 designs or modifications to the Company's proposed rate designs are

1 proposed by other parties, Walmart reserves the right to address any such
2 changes in accordance with the Commission's procedures in this Case.

3 4) The Commission should reject the Grid Modernization Rider ("GM Rider") as
4 proposed by the Company and require the Company to recover any Advanced
5 Metering Infrastructure ("AMI") expenditures approved in this case through
6 its base rates. To the extent the Commission determines that approval of a
7 GM Rider is appropriate, such approval should be limited only to the recovery
8 of approved AMI expenses in this docket. All cost recovery considerations and
9 determinations for future "grid modernization" expenses should be included
10 in the Company's next general rate case.

11 **Q. DOES THE FACT THAT YOU MAY NOT ADDRESS AN ISSUE OR POSITION ADVOCATED**
12 **BY THE COMPANY INDICATE WALMART'S SUPPORT?**

13 A. No. The fact that an issue is not addressed herein or in related filings should not be
14 construed as an endorsement of, agreement with, or consent to any filed position.

15
16 **III. Revenue Requirement**

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

19 A. Kentucky Power proposes a total increase of \$70,096,743. See Direct Testimony of
20 Brian K. West ("West Direct"), p. 5, lines 18-23. In light an upward adjustment for the
21 Company's proposed expenditure for AMI meters (\$1,105,046) and a downward

1 adjustment based on the Company's proposed discontinuance of its Capacity Charge
2 Tariff (\$6,200,000), the net proposed increase based on a test year ending March 31,
3 2020, is \$65,001,789, or 12.2 percent. *See id.* at lines 20-23.

4 **Q. WHAT IS YOUR UNDERSTANDING OF THE \$6,200,000 REDUCTION IN THE**
5 **REQUESTED REVENUE REQUIREMENT?**

6 A. As required under the terms of a Settlement Agreement reached in Case No. 2004-
7 00420, the Company removed \$6,200,000 in revenues received through its Capacity
8 Charge Tariff. *See* Direct Testimony of Alex E. Vaughan ("Vaughan Direct"), p. 42, lines
9 4-8. This adjustment is conditioned upon the Commission approving the Company's
10 rate increase as filed in its Application. *See* Direct Testimony of D. Brett Mattison
11 ("Mattison Direct"), p. 13, lines 1-3.

12 **Q. DOES THE COMPANY PROPOSE ANY ADDITIONAL OFFSETS?**

13 A. Yes; the Company proposes to offset its proposed 2021 rate increase by a portion of
14 its remaining unprotected excess accumulated deferred federal income tax ("ADFIT")
15 balance, which the Company claims will result in customers not experiencing an
16 increase in their base rates until the January 2022 billing cycle. *See* West Direct, p. 8,
17 lines 3-9. The Company estimates that it will need to apply approximately \$65 million
18 of its excess ADFIT to offset the 2021 proposed rate increase. *See id.* at lines 12-14.

19 **Q. WHAT IS THE COMPANY'S PROPOSED ROE IN THIS CASE?**

20 A. Kentucky Power proposes an ROE of 10.0 percent, based on a range of 9.4 percent to
21 10.5 percent. *See* Direct Testimony of Adrien M. McKenzie ("McKenzie Direct"), p. 9,

1 lines 12-15. The Company proposes a capital structure with 43.25% of common
2 equity. See Direct Testimony of Franz D. Messner ("Messner Direct"), p. 4, Table 1.

3

4 **IV. Cost of Service, Revenue Allocation, and Rate Design**

5 ***(A) Cost of Service***

6 **Q. WHAT IS WALMART'S POSITION ON SETTING RATES BASED ON THE UTILITY'S COST**
7 **OF SERVICE?**

8 A. Walmart advocates that rates be set based on the utility's cost of service for each rate
9 class. This produces equitable rates that reflect cost causation, sends proper price
10 signals, and minimizes price distortions.

11 **Q. HOW IS COST CAUSATION DETERMINED IN THE RATEMAKING PROCESS?**

12 A. In cost of service regulation, the Commission must determine the revenue
13 requirement that the Company is authorized to recover based on its prudently
14 incurred costs including a reasonable return on the investment required to provide
15 service. The utility's cost of service study is an analytical tool commonly used to
16 determine the total cost and equitable assignment of cost responsibility to customers.
17 This is accomplished by identifying, functionalizing, classifying, and allocating the
18 allowable costs to customer classes in the manner that customers cause those costs
19 to be incurred.

1 **Q. DOES WALMART TAKE A POSITION ON THE COMPANY'S PROPOSED COST OF**
2 **SERVICE METHODOLOGY AT THIS TIME?**

3 A. No. However, to the extent that alternative cost of service methodologies or
4 modifications to the Company's methodology are proposed by other parties, Walmart
5 reserves the right to address any such changes in accordance with the Commission's
6 procedures in this case.

7

8 ***(B) Revenue Allocation***

9 **Q. WHAT IS REVENUE ALLOCATION?**

10 A. Revenue allocation, sometimes referred to as rate spread, is the assignment of the
11 revenue responsibility to each customer class. A revenue allocation that assigns
12 revenue to each class at the cost of service is free of inter-class subsidies.

13 **Q. ARE THERE INSTANCES IN WHICH THE COMMISSION WOULD ASSIGN DIFFERENT**
14 **REVENUE TO INDIVIDUAL CLASSES THAN IS CALLED FOR WITHIN THE COST OF**
15 **SERVICE STUDY, RESULTING IN INTER-CLASS SUBSIDIES?**

16 A. Yes. At times, the Commission may find it necessary to approve a level of revenue
17 requirement to a particular class which differs from the cost responsibility amount
18 determined in the cost of service study. This is often driven by the need to ensure
19 that customers are not seriously adversely impacted by major changes to the level of
20 rates. Other reasons can include perceived differences in cost of service study results
21 and reality, relative risks assigned to classes, social goals associated with the role of

1 the prices in a particular jurisdiction, and in response to the state of the economy
2 within or external to the regulatory jurisdiction. The Commission may exercise its
3 discretion based on one or more of these concerns to adjust revenue allocation to
4 support policy or advance the public interest. However, these adjustments often
5 result in rates that are not cost-based and, as a result, not just, reasonable, and
6 equitable, and fail to provide proper price-signaling to the subsidized class of
7 customers.

8 **Q. WHAT IS THE ULTIMATE GOAL WHEN ALLOCATING REVENUE?**

9 A. To the extent possible, inter-class subsidies should be eliminated through a revenue
10 allocation that reflects the cost of service. If this is not possible in the immediate case,
11 the Commission should establish a clear path to the elimination or reduction of
12 undesired subsidies, continually moving each class closer to their respective cost of
13 service until undesired subsidies are eliminated and price signals, thus system
14 efficiency, are improved.

15 **Q. HOW DOES THE COMPANY REPRESENT THE ACCURACY OF THE PROPOSED CLASS**
16 **REVENUES IN THEIR REFLECTION OF THE UNDERLYING COSTS OF EACH CLASS?**

17 A. The Company represents this relationship in their cost of service results through the
18 use of class-specific rates of return. These are converted into a relative rate of return
19 ("RROR") for each class, which describes the relationship between each class-specific
20 rate of return and the total system rate of return. A RROR greater than one means
21 that the rate class is paying rates in excess of the costs incurred to serve that class,

1 and a RROR less than one means that the rate class is paying rates less than the costs
2 incurred to serve that class. As such, when rates are set such that a class does not
3 have a RROR equal to one there are inter-class subsidies, as those rate classes with a
4 RROR greater than one subsidize some of the revenue responsibility burden for the
5 classes with a RROR less than one.

6 **Q. WHAT IS THE RROR FOR EACH CLASS AT PRESENT RATES AND THE COMPANY'S**
7 **PROPOSED REVENUE ALLOCATION?**

8 A. The present and proposed RROR for each class is shown in Table 1. See Exhibit LVP-2.

9 **Table 1: Present and Proposed Relative Rates of Return**

Class Relative Rates of Return				
Customer Class	Present		Proposed	
	Rate of Return %	Relative Rate of Return	Rate of Return %	Relative Rate of Return
Residential (RS)	-0.11	-0.04	3.57	0.55
General Service (GS)	7.25	2.53	10.93	1.67
Large General Service (LGS)	6.38	2.23	10.06	1.54
Industrial General Service (IGS)	5.62	1.97	9.30	1.42
Municipal Waterworks (MW)	9.51	3.33	13.19	2.02
Outdoor Lighting (OL)	15.21	5.32	18.89	2.89
Street Lighting (SL)	17.35	6.07	21.03	3.22
Total Jurisdiction	2.86	1.00	6.54	1.00

Source: Direct Testimony of Jason Stegall, Ex. JMS-2, p. 1-2

10 **Q. DOES THE COMPANY'S PROPOSED REVENUE ALLOCATION MOVE RATE CLASSES**
11 **CLOSER TO THEIR RESPECTIVE COSTS OF SERVICE?**

12 A. The Company's proposed revenue allocation assigns an above average increase to
13 subsidized classes and below average increases to subsidizing classes, thus, from the

1 perspective of RROR, the Company proposes to move the classes closer towards the
2 cost of service as compared to the current RROR. However, an examination of current
3 and proposed incomes and revenues for each rate class shows that the Company
4 proposes to maintain the actual dollar amounts of the cross-subsidies currently
5 included in rates, so significant movement towards cost of service remains needed.
6 See Direct Testimony of Jason M. Stegall ("Stegall Direct"), Exhibit JMS-2, page 3.

7 **Q. AT THE PROPOSED REVENUE REQUIREMENT, DOES WALMART OPPOSE THE**
8 **COMPANY'S REVENUE ALLOCATION?**

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

11 **Q. IF THE COMMISSION ULTIMATELY APPROVES A REVENUE REQUIREMENT LESS THAN**
12 **THAT PROPOSED BY THE COMPANY, WHAT IS WALMART'S RECOMMENDATION ON**
13 **REVENUE ALLOCATION?**

14 A. If the Commission ultimately approves a revenue requirement less than that proposed
15 by the Company, the reduction in the revenue requirement increase should be used
16 for the dual purposes of: (1) further reducing the currently existing class subsidies by
17 apportioning a portion of the reduction only to subsidizing rate classes; and
18 (2) reducing the impact to all customers by apportioning the remainder to all rate
19 classes. This approach is supported by the Company. See Vaughan Direct, p. 9, lines
20 10-12.

21

1 **(C) Rate Design**

2 **Q. WHAT IS THE COMPANY'S APPROACH TO RATE DESIGN?**

3 A. According to Company witness Vaughan, the Company's underlying approach is to
4 design rates that reflect the costs to provide service to each class. *See id.* at p. 9, lines
5 17-19. It is my understanding that initial rates as informed by the cost of service study
6 are then compared to the current rates for a particular class and moderated based on
7 the impact to that class. *See id.* at p. 10, lines 7-9.

8 **Q. WHAT IS YOUR UNDERSTANDING OF THE COMPANY'S BASE RATE DESIGN**
9 **PROPOSALS FOR THE LGS AND IGS RATE CLASSES?**

10 A. I understand that the Company has proposed no change to the base rate designs
11 applicable to the LGS and IGS tariffs.

12 **Q. DOES WALMART OPPOSE THE COMPANY'S PROPOSED RATE DESIGN FOR RATES LGS**
13 **AND IGS?**

14 A. For the purposes of this docket, Walmart does not oppose the Company's rate design
15 for rates LGS and IGS. However, to the extent that alternative rate designs or
16 modifications to the Company's proposed rate designs are proposed by other parties,
17 Walmart reserves the right to address any such changes in accordance with the
18 Commission's procedures in this Case.

19

1 **V. Grid Modernization Rider**

2 **(A) Proposed GM Rider**

3 **Q. WHAT IS YOUR UNDERSTANDING OF THE PROPOSED GM RIDER?**

4 A. It is my understanding that the Company is seeking approval of the GM Rider as a
5 mechanism through which the Company can recover from its customers what the
6 Company is describing as distribution grid modernization projects. See West Direct,
7 p. 9, lines 8-11.

8 **Q. WHAT TYPES OF COSTS DOES THE COMPANY PROPOSE TO RECOVER THROUGH THE**
9 **GM RIDER?**

10 A. In the current case, the Company is proposing to recover approximately \$1,105,046
11 for costs associated with an AMI project that includes capital costs, carrying costs, and
12 incremental operation and maintenance expenses. See *id.* at p. 10, lines 11-12. The
13 Company also anticipates using the GM Rider as a mechanism to recover future costs
14 incurred for what the Company is describing as "distribution grid modernization
15 expenses." See *id.* at lines 11-14. These expenses could include, according to
16 Company Witness Phillips, projects to extend distribution lines to remote areas, add
17 substations and circuits, and remove trees outside of rights-of-way. See Direct
18 Testimony of Everett G. Phillips ("Phillips Direct"), p. 33, lines 17-19 and p. 34, lines 2-
19 5.

1 **Q. DOES THE COMPANY ANTICIPATE EARNING A RETURN AS PART OF THE GM RIDER?**

2 A. Yes, according to the Company, the GM Rider will include a "return on plant-in-service
3 based on the cost of debt, return on common equity, and capital structure approved
4 in this case." *See* West Direct, p. 10, lines 16-18.

5 **Q. WHAT JUSTIFICATION DOES THE COMPANY PROVIDE FOR SEEKING TO COLLECT**
6 **COSTS ASSOCIATED WITH GRID MODERNIZATION EXPENSES THROUGH A RIDER AS**
7 **OPPOSED TO BASE RATES?**

8 A. The Company claims that a rider is more appropriate because it allows the Company
9 to implement what it considers advancing technology quicker than waiting for a base
10 rate case. *See id.* at p. 9, lines 19-22. The Company further states that the GM Rider
11 may increase the time period between rate cases and result in more incremental rate
12 increases. *See id.* at p. 10, lines 3-7.

13 **Q. DOES THE COMPANY PROPOSE AN ANNUAL TRUE-UP FOR THE GM RIDER?**

14 A. Yes; the Company proposes to make an annual true-up filing on June 15 of each year
15 in which the Company will reconcile the amount actually collected through the GM
16 Rider for the previous year to the actual expenditures for that year. *See id.* at p. 11,
17 lines 1-4.

18

19 ***(B) Rate Case Review***

20 **Q. HOW DOES THE COMPANY PLAN TO SEEK APPROVAL FOR FUTURE COSTS THAT IT**

1 **INTENDS TO RECOVER THROUGH THE GM RIDER?**

2 A. Based upon my reading, it appears that the Company will seek recovery of future costs
3 that the Company deems to be associated with its grid modernization efforts through
4 an annual filing with the Commission. *See Phillips Direct, p. 34, lines 13-14; see also*
5 *West Direct, p. 9, lines 21-22.* In other words, the GM Rider will act as a mechanism
6 through which the Company will seek approval of future distribution expenses outside
7 of its general rate case.

8 **Q. DOES WALMART SUPPORT RECOVERING COSTS FOR GRID MODERNIZATION AS**
9 **PROPOSED BY THE COMPANY THROUGH A RIDER?**

10 A. No.

11 **Q. WHAT DOES WALMART BELIEVE IS THE APPROPRIATE FORUM FOR CONSIDERING**
12 **COST RECOVERY FOR COSTS RELATED TO INVESTMENTS MADE BY THE COMPANY IN**
13 **ITS DISTRIBUTION SYSTEM?**

14 A. Walmart believes the appropriate forum for consideration of cost recovery for
15 distribution system upgrades is a general rate case, as all costs, benefits, and risks –
16 both those related to capital investments made as a part of the distribution system
17 expenditures as well as those interrelated with, or related to the Company's overall
18 business – can be systematically considered. Further, distribution costs incurred to
19 expand and upgrade the Company's distribution system should be recovered through
20 base rates and not a rider. As acknowledged by Company Witness West, riders are
21 mechanisms used by utilities to recover costs that fluctuate frequently and occur over

1 a short period of time, for example, a utility's costs to purchase fuel. See West Direct,
2 p. 9, lines 16-17. The costs associated with installing AMI, expanding the Company's
3 service to remote areas, and other upgrades to the distribution system, are not
4 volatile in nature and should not be recovered through the GM Rider. Instead, these
5 types of expenditures should be considered as part of a general rate case to ensure
6 that all relevant factors that could impact the prudence of the costs and how these
7 costs are allocated to and recovered from the various customer classes are
8 considered.

9 **Q. PLEASE EXPLAIN.**

10 A. In a general rate case, Commission-approved rates are set through a comprehensive
11 examination of the Company's test year rate base, rate of return, and capital
12 structure. In contrast, only specific portions of the Company's rate base, i.e., capital
13 expenditures made in connection with upgrades to the distribution system, and no
14 part of the Company's rate of return or capital structure, are likely to be considered
15 in the Company's proposed annual filing for the GM Rider, even though all are
16 implicated by the Company's proposal to upgrade its distribution system. Further,
17 capital improvements made to upgrade the utility's distribution system are properly
18 recovered through the Company's base rates.

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

20 A. The Commission should reject the GM Rider as proposed by the Company and require
21 the Company to recover any AMI expenditures approved in this case through its base

1 rates. To the extent the Commission determines that approval of a GM Rider is
2 appropriate, such approval should be limited only to the recovery of approved AMI
3 expenses in this docket. All cost recovery considerations and determinations for
4 future "grid modernization" expenses should be included in the Company's next
5 general rate case.

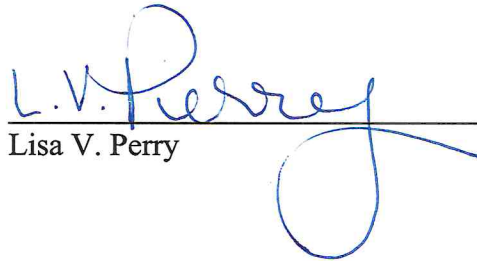
6 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

7 A. Yes.

VERIFICATION

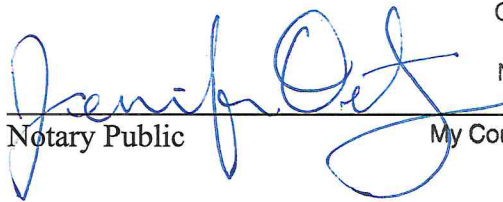
STATE OF ARKANSAS)
) SS:
COUNTY OF BENTON)

The undersigned, Lisa V. Perry, being duly sworn, deposes and says that she is Senior Manager, Energy Services for Walmart Inc., and that she 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 her information, knowledge, and belief.



Lisa V. Perry

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 6th day of October 2020.



Notary Public

Official Seal #12710747
Jennifer Ortiz
Notary Public-Arkansas
(Benton) County
My Commission Expires 05-13-2030

My Commission Expires:
05/13/2030

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EXHIBIT LVP-1 OF

LISA V. PERRY

ON BEHALF OF

WALMART INC.

Lisa V. Perry

Senior Manager, Energy Services
Walmart Inc.

Business Address: 2608 SE J Street, Bentonville, Arkansas 72716

Business Phone: (479) 274-0238

EXPERIENCE

September 2019 – Present

Walmart Inc., Bentonville, AR

Senior Manager, Energy Services

November 2017 – September 2019

Oram & Houghton PLLC, Round Rock, TX

Of Counsel, Energy Law

February 2016 – November 2017

Ray Quinney & Nebeker, P.C., Salt Lake City, UT

Of Counsel, Energy Law

September 2007 – February 2016

Welborn, Sullivan, Meck & Tooley, P.C., Denver, CO

Partner, Energy Law

EDUCATION

2000 University of Florida Levin College of Law LL.M., Taxation

1999 University of Florida Levin College of Law J.D.

1996 University of South Florida B.A., Criminology

1993 University of South Florida B.A., Psychology

FILED TESTIMONY

2020

Colorado Public Utility Commission Proceeding No. 20A-0204E: In the Matter of the Application of Public Service Company of Colorado for Approval of its 2021-2023 Transportation Electrification Plan.

Issue: Seeking approval of a comprehensive plan to increase EV adoption in the State of Colorado.

Oklahoma Corporation Commission Cause No. PUD 202000021: In the Matter of the Application of Oklahoma Gas and Electric Company for an Order of the Commission Approving a Recovery Mechanism for Expenditures Related to the Oklahoma Grid Enhancement Plan.

Issue: Seeking approval of a rider that allows for interim recovery of costs associated with expenditures made to enhance the grid.

Commonwealth of Virginia State Corporation Commission Case No. PUR-2020-00015: Application of Appalachian Power Company For a 2020 Triennial 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.

Issue: General Rate Case.

Michigan Public Service Commission Case No. U-20697: In the matter of the application of Consumers Energy Company for authority to increase its rates for the generation and distribution of electricity and for other relief.

Issue: General rate case.

Florida Public Service Commission Consolidated Docket Nos. 20200067-EI, 20200069-EI, 20200070-EI, 20200071-EI: In re: Review of 2020-2029 Storm Protection Plan pursuant to Rule 25-6.030, F.A.C., Tampa Electric Company *et al.*

Issue: Seeking approval of Storm Protection Plans submitted by Tampa Electric Company, Duke Energy Florida, LLC, Gulf Power Company, and Florida Power & Light Company.

Arkansas Public Service Commission Docket No. 20-027-U: In the Matter of the Application of Walmart Inc. for Approval to Bid Demand Response into Wholesale Electricity Markets Through an Aggregator of Retail Customers.

Issue: Seeking approval to bid demand response into MISO through a third-party aggregator.

Public Utility Commission of Texas Docket No. 49737, SOAH Docket No. 473-19-6862: Application of Southwestern Electric Power Company for Certificate of Convenience and Necessity Authorization and Related Relief for the Acquisition of Wind Generation Facilities.

Issue: Seeking approval to acquire a wind generation facility located in Oklahoma.

Louisiana Public Service Commission Docket No. U-35324: Application of Southwestern Power Company (SWEPCO) for Certification and Approval of the Acquisition of Certain Renewable Resources in Accordance with the MBM Order and the 1983 and 1994 General Orders.

Issue: Seeking approval to acquire a wind generation facility located in Oklahoma.

Commonwealth of Virginia State Corporation Commission Case No. PUR-2019-00201: Application of Virginia Electric and Power Company for approval of its 2019 DSM Update pursuant to § 56-585.1 A 5 of the Code of Virginia.

Issue: Seek approval to implement eleven new demand-side management programs, to extend existing programs - some with updated parameters and cost/benefit results, and to continue three rate adjustment clauses.

2019

Oklahoma Corporation Commission Cause No. PUD 201900048: Application of Public Service Company of Oklahoma for Approval of the Cost Recovery of the Selected Wind Facilities; A Determination there is a Need for the SWFs; Approval for Future Inclusion in Base Rates Cost Recovery of Prudent Costs Incurred by PSO for the SWFs; Approval of a Temporary Cost

Recovery Rider; Approval of Certain Accounting Procedures Regarding Federal Production Tax Credits; and Such Other Relief the Commission Deems PSO in Entitled.

Issue: Seeking approval to acquire a wind generation facility located in Oklahoma and Wind Facility Asset Rider.

Commonwealth of Virginia State Corporation Commission Case No. PUR-2019-00094: Application of Virginia Electric and Power Company for Approval of a 100 Percent Renewable Energy Tariff, Designated Rider TRG, Pursuant to §§ 56-577 A 5 and 56-234 of the Code of Virginia.

Issue: Seek approval of a 100 percent renewable energy tariff.

Public Service Commission of South Carolina Docket No. 2019-239-E: In re: Dominion Energy South Carolina, Incorporated's Request for Approval of an Expanded Portfolio of Demand Side Management Programs, and a Modified Demand Side Management Rate Rider.

Issue: Seeking approval of an expanded Demand Side Management Plan and modified Demand Side Management Rate Rider.

Arkansas Public Service Commission Docket No. 19-035-U: In the Matter of the Application of Southwestern Electric Power Company for Approval to Acquire Wind Generating Facilities Pursuant to the Arkansas Clean Energy Development Act.

Issue: Seeking approval to acquire a wind generation facility located in Oklahoma and Wind Facility Asset Rider.

Commonwealth of Virginia State Corporation Commission Case No. PUR-2019-00154: Petition of Virginia Electric and Power Company for approval of a plan for electric distribution grid transformation projects pursuant to § 56-585.1 A 6 of the Code of Virginia, and for approval of an addition to the terms and condition applicable to electric service.

Issue: Seeking approval of certain expenditures relating to grid improvement and grid hardening.

COMMISSION DOCKETS (Appearing as Attorney of Record)

2019

Public Utility Commission of Texas Docket No. 49421: Application of CenterPoint Energy Houston Electric, LLC for Authority to Change Rates.

Issue: General rate case

Public Utility Commission of Texas Docket No. 49494: Application of AEP Texas Inc. for Authority to Change Rates.

Issue: General rate case

Public Utility Commission of Colorado Docket No. 19AL-0268E: In the Matter of Advice Letter No. 1797 Filed by Public Service Company of Colorado to Reset the Currently Effective General Rate Schedule Adjustment ("GRSA") as Applied to Base Rates for all Electric Rate Schedules as well as Implement a Base Rate kWh Charge, General Rate Schedule Adjustment-Energy ("GRSA-E") to Become Effective June 20, 2019.

Issue: General rate case, Phase I

2018

Public Utility Commission of Texas Docket No. 48371: Entergy Texas, Inc.'s Statement of Intent and Application for Authority to Change Rates.

Issue: General rate case

Public Utility Commission of Colorado Docket No. 18M-0074EG: In the Matter of the Commission's Consideration of the Impact of the Federal Tax Cuts and Jobs Act of 2017 on the Rates of Colorado Investor-Owned Electric and Natural Gas Utilities.

Issue: Commenced by the Commission to consider the impacts of the Tax Cut and Jobs Act of 2017 on the revenue requirements and rates of all Colorado investor-owned electric and natural gas utilities.

2017

Public Utility Commission of Texas Docket No. 47461: Application of Southwestern Electric Power Company for Certificate of Convenience and Necessity Authorization and Related Relief for the Wind Catcher Energy Connection Project in Oklahoma.

Issue: Purchase of a wind generation facility and generation tie line.

Public Utility Commission of Texas Docket No. 47527: Application of Southwestern Public Service Company for Authority to Change Rates.

Issue: General rate case

Public Utility Commission of Colorado Docket No. 17A-0462EG: In the Matter of the Application of Public Service Company of Colorado for Approval of a Number of Strategic Issues Relating to its Electric and Gas Demand-Side Management Plan.

Issue: Seek Commission re-examination and approval of the overall objectives and structure of Public Service's DSM initiatives to guide the Company in designing future DSM plans.

Public Utility Commission of Colorado Docket No. 17AL-0649E: In the Matter of Advice Letter No. 1748-Electric Filed by Public Service Company of Colorado to Revise its PUC No. 8-Electric Tariff to Implement a General Rate Schedule Adjustment and Other Rate Changes Effective on Thirty Days' Notice.

Issue: General rate case, Phase I

Arkansas Public Service Commission Docket No. 17-038-U: In the Matter of the Application of Southwestern Electric Power Company for Approval to Acquire a Wind Generating Facility and to Construct a Dedicated Generation Tie Line.

Issue: Purchase of a wind generation facility and generation tie line.

Louisiana Public Service Commission Docket No. U-34619: Application for Expedited Certification and Approval of the Acquisition of Certain Renewable Resources and the Construction of a Generation Tie Pursuant to the 1983 and/or 1994 General Orders.

Issue: Purchase of a wind generation facility and generation tie line.

2016

Public Utility Commission of Colorado Docket No. 16AL-0048E: In the Matter of Advice Letter No. 1712-Electric Filed by Public Service Company of Colorado to Replace Colorado PUC No. 7-Electric Tariff with Colorado PUC No. 8-Electric Tariff.

Issue: General rate case, Phase II

Public Utility Commission of Colorado Docket No. 16A-0055E: In the Matter of the Application of Public Service Company of Colorado for Approval of its Solar*Connect Program.

Issue: Implement a voluntary solar program offering participating customers the ability to offset their current supply of energy from the Public Service system with solar energy produced at a dedicated facility or facilities.

New Mexico Public Regulation Commission Docket No. 16-00276-UT: In the Matter of the Application of Public Service Company of New Mexico for Revision of its Retail Electric Rates Pursuant to Advice Notice No. 533.

Issue: General rate case

INDUSTRY TRAINING

2020 IPU Accounting and Ratemaking Course, Michigan State University

2016 Western NARUC Utility Rate School

EUCI Courses on the utility industry, cost allocation, and rate design.

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)	
PRACTICES TO ESTABLISH REGULATORY ASSETS)	CASE NO. 2020-00174
AND LIABILITIES; (4) APPROVAL OF A CERTIFICATE)	
OF PUBLIC CONVENIENCE AND NECESSITY; AND)	
(5) ALL OTHER REQUIRED APPROVALS AND RELIEF)	

EXHIBIT LVP-2 OF

LISA V. PERRY

ON BEHALF OF

WALMART INC.

Class Relative Rates of Return					
Customer Class	Present			Proposed	
	Rate of Return %	Relative Rate of Return		Rate of Return %	Relative Rate of Return
Residential (RS)	-0.11	-0.04		3.57	0.55
General Service (GS)	7.25	2.53		10.93	1.67
Large General Service (LGS)	6.38	2.23		10.06	1.54
Industrial General Service (IGS)	5.62	1.97		9.30	1.42
Municipal Waterworks (MW)	9.51	3.33		13.19	2.02
Outdoor Lighting (OL)	15.21	5.32		18.89	2.89
Street Lighting (SL)	17.35	6.07		21.03	3.22
Total Jurisdiction	2.86	1.00		6.54	1.00
Source: Direct Testimony of Jason Stegall, Ex. JMS-2, p. 1-2					