

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 RATES FOR ELECTRIC)
AND GAS SERVICE, A CERTIFICATE OF)
PUBLIC CONVENIENCE AND NECESSITY TO)
DEPLOY ADVANCED METERING) CASE NO.
INFRASTRUCTURE, APPROVAL OF CERTAIN) 2020-00349
REGULATORY AND ACCOUNTING)
TREATMENTS, AND ESTABLISHMENT OF A)
ONE-YEAR SURCREDIT)

And

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PUBLIC CONVENIENCE AND NECESSITY TO)
DEPLOY ADVANCED METERING) CASE NO.
INFRASTRUCTURE, APPROVAL OF CERTAIN) 2020-00350
REGULATORY AND ACCOUNTING)
TREATMENTS, AND ESTABLISHMENT OF A)
ONE-YEAR SURCREDIT)

**RESPONSE OF JOINT INTERVENORS MOUNTAIN ASSOCIATION, KENTUCKIANS
FOR THE COMMONWEALTH, KENTUCKY SOLAR ENERGY SOCIETY AND
METROPOLITAN HOUSING COALITION TO COMMISSION STAFF'S FOURTH
REQUEST FOR INFORMATION**

Tom FitzGerald
Kentucky Resources Council, Inc.
P.O. Box 1070
Frankfort, KY 40602
(502) 551-3675
Fitz@kyrc.org

Counsel for Joint Intervenors Mountain Association
(2020-00349), Kentucky Solar Energy Society,
Kentuckians For The Commonwealth, and
Metropolitan Housing Coalition (2020-00350)

August 6, 2021

Commission Staff's Fourth Request for Information

Commission Staff Request 4-1

Refer to the Supplemental Testimony of Karl R. Rábago, page 4, footnote 3.

- a. Explain whether Mr. Rábago is familiar with Xcel Energy's proposed updated VOS avoided distribution cost methodology (Xcel proposal) and Commission Order (Commission Order).
- b. Explain why or why not Mr. Rábago finds this method to be reasonable.

Response To Request 4-1

4-1a. Yes, Mr. Rábago was generally aware of the Value of Solar ("VOS") update proceeding cited in the request and has reviewed the Xcel proposal and Commission order.

4-1b. Mr. Rábago participated in the development of the Minnesota VOS law and methodology and continues to find the overall approach reasonable. It is important to note that the law (Minn. Stat. § 216B.164, subd. 10(e)-(f)) which created the VOS methodology gave the utilities the option of adopting a VOS-based compensation rate in lieu of a traditional net metering rate. Xcel has never chosen to use the VOS rate for that purpose. Mr. Rábago finds that giving the utilities the option of using the VOS methodology or retaining full retail net metering is reasonable.

The Minnesota Public Utilities Commission also made the VOS methodology a requirement for setting the compensation rate for subscribers to the Minnesota Community Solar Garden's program, which was created by an act of the Minnesota legislature in 2017. Mr. Rábago finds that requiring VOS-based compensation for Community Solar Garden participants is reasonable, as are associated requirements for annual updates and compliance filings.

Mr. Rábago notes that, as documented in the Xcel proposal, the original VOS methodology developed by the Minnesota Department of Commerce Division of Energy Resources has been modified on several occasions within the Minnesota Public Utilities Commission's Docket No. E-999/M-14-65. Mr. Rábago finds that the Commission's approach to such modifications is also reasonable and has improved the VOS methodology.

Mr. Rábago finds the Commission's decision regarding the Xcel proposal to modify the avoided distribution capacity component of the VOS methodology to be reasonable. That is, the modification of the avoided distribution capacity cost sub-methodology which replaces a peak demand growth method with a method based on actual distribution capacity infrastructure spending appears to

be an improvement that reduces volatility in the avoided distribution capacity cost calculation.

Mr. Rábago also finds reasonable the Minnesota Commission's rejection of Xcel's proposed 50% deferral reduction factor.

Mr. Rábago finds reasonable the Minnesota Commission's decision to initiate discussions around how to determine which distribution system projects are included in the calculation of the avoided distribution capacity cost. Mr. Rábago is not aware that that process has been concluded.

Mr. Rábago also finds reasonable the Minnesota Commission's order to Xcel that it discuss with stakeholders' ideas proposed by University of Minnesota Professor Gabriel Chan relating other methods to improve the VOS methodology.

Witness: Karl Rábago

Respectfully submitted,




Tom FitzGerald
Kentucky Resources Council
P.O. Box 1070
Frankfort, KY 40602
(502) 551-3675
FitzKRC@aol.com

*Counsel for Joint Intervenors,
Mountain Association (Case No.
2020-00349), Kentuckians for the
Commonwealth, Kentucky Solar
Energy Society, and Metropolitan
Housing Coalition (Case No 2020-
00350)*

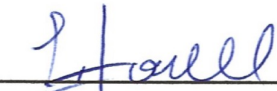
VERIFICATION

The undersigned, Karl R. Rábago, after being first duly sworn, deposes and says that he has personal knowledge of the matters set forth in his Response of Joint Intervenors to Commission Staff's Fourth Request for Information and that the information contained therein is true and correct to the best of his information, knowledge, and belief, after reasonable inquiry.



Karl R. Rábago

Subscribed and sworn to before me by Karl R. Rábago this 6th day of August 2021.



Notary Public

My commission expires: 3-27-24

LORI KRISTEN HOWELL
Notary Public
State of Colorado
Notary ID # 20204011760
My Commission Expires 03-27-2024

CERTIFICATE OF SERVICE

This is to certify that this electronic filing of the *Response of Joint Intervenors To Commission Staff's Fourth Request For Information* has been transmitted to the Commission on August 6, 2021; 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 July 22, 2021 Commission Order in Case No. 2020-00085 and notwithstanding 807 KAR 5:001 Section 8(3), no original paper copy of this filing will be filed with the Commission.

A handwritten signature in black ink, appearing to read 'Tom FitzGerald', with a horizontal line extending to the right from the end of the signature.

Tom FitzGerald