

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

**In the Matter of:**

<b>ELECTRONIC APPLICATION OF</b>	)	
<b>KENTUCKY UTILITIES COMPANY FOR</b>	)	
<b>AN ADJUSTMENT OF ITS ELECTRIC</b>	)	
<b>RATES, A CERTIFICATE OF PUBLIC</b>	)	
<b>CONVENIENCE AND NECESSITY TO</b>	)	
<b>DEPLOY ADVANCED METERING</b>	)	<b>CASE NO. 2020-00349</b>
<b>INFRASTRUCTURE, APPROVAL OF</b>	)	
<b>CERTAIN REGULATORY AND</b>	)	
<b>ACCOUNTING TREATMENTS, AND</b>	)	
<b>ESTABLISHMENT OF A ONE-YEAR</b>	)	
<b>SURCREDIT</b>	)	

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**MOTION TO INTERVENE OF WALMART INC.**

Pursuant to K.R.S. § 278.310 and 807 KAR 5:001 Section 4(11), Walmart Inc. ("Walmart"), by its attorneys, respectfully requests that the Kentucky Public Service Commission ("Commission") permit it to intervene and become a party in the above-captioned matter. In support of its Motion to Intervene, Walmart states as follows:

1. On October 23, 2020, Kentucky Utilities Company ("KU" or "Company") filed a Notice of Intent to file an Application for a general adjustment in its electric rates, including changes to its electric tariffs, a Certificate of Public Convenience and Necessity to deploy advanced metering infrastructure, approval of certain regulatory and accounting treatments, and establishment of a one-year sur-credit ("Application").

2. The Company subsequently filed its Application on November 25, 2020.

3. Walmart has filed a timely request for intervention. As per the Commission's Procedural Order entered December 9, 2020, the deadline to file intervention requests is December 23, 2020.

4. Under 807 KAR 5:001, Section 4(11)(b), the Commission shall grant leave to intervene if it finds that "a timely motion for intervention" was made, that the party seeking intervention has "a special interest in the case that is not otherwise adequately represented," or that "intervention is likely to present issues or to develop facts that assist the commission in fully considering the matter without unduly disrupting the proceedings."

5. Walmart is a national retailer of goods and services throughout the United States. Walmart's principal office is at 2608 SE J Street, Bentonville, AR 72716.

6. Walmart has the privilege of providing its retail services in the Commonwealth of Kentucky and directly employs over 28,000 individuals and indirectly supports another 40,000 supplier jobs within this Commonwealth.<sup>1</sup> Indeed, Walmart is one of the largest employers in Kentucky.

7. Walmart is a large commercial customer of the Company. Walmart has 31 retail facilities in Kentucky that are served by the Company. Walmart purchased more than 112 million kWh in 2019 and over 94 million kWh so far in 2020 from KU, principally under the Time-of-Day Secondary Rate Schedule. In light of the significant amount of electricity purchased by Walmart, any modification to the Company's rates has the potential to substantially impact Walmart's operations and personnel in Kentucky.

8. Walmart's electricity needs -- and the impact of KU's Application on Walmart's facilities within the Company's service territory -- are unique both as compared to other commercial customers and to customers who take service from the Company under the Time-of-Day Secondary Rate Schedule. First, Walmart is a single customer that purchases substantial amounts of energy for numerous accounts across multiple locations within the Company's service

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

territory. Other customers purchasing similar amounts of energy often do so for a single or only a handful of locations whereas Walmart's energy needs are for 31 different facilities. Second, Walmart's load profile differs significantly from other customers in its rate class because it typically operates 24 hours a day<sup>2</sup> and does not have the load fluctuations often seen from other customers in its rate class who may see spikes or declines in energy usage due to manufacturing or production processes that vary with changes in economic conditions.

9. These factors make Walmart's interest in this case unique and special.

10. No other party could adequately represent Walmart's unique interests in this proceeding. While it is true that the Office of the Attorney General has a statutory mandate pursuant to KRS 367.150(8) to represent consumers' interests, it does not have a mandate to represent a subset or a single customer's interests. Moreover, when read in context, KRS 361.150(8) is part of Kentucky's Consumer Protection Act<sup>3</sup>, which focuses on protecting the individual consumer rather than an entity like Walmart. Consistent with the mandate in KRS 361.150(8) and the Kentucky Consumer Protection Act's focus on the individual consumer, the Attorney General has historically focused most closely on issues impacting residential consumers in cases of this nature.<sup>4</sup>

11. Testimony that Walmart would present in this proceeding will provide the unique perspective of a commercial customer impacted by KU's requested rate increase. Walmart's testimony will also be informed by its experience as a customer that maintains operations on a

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<sup>2</sup> Some of Walmart's operating hours have been adjusted due to the COVID-19 pandemic.

<sup>3</sup> See KRS 361.120(2).

<sup>4</sup> Indeed, in *In the Matter of Application of Big Rivers Electric Corporation for Approval to Modify MRSM Tariff, Cease Deferring Depreciation Expenses, Establish Regulatory Assets, Amortize Regulatory Assets, and Other Appropriate Relief*, Case No. 2020-00064 at Post-Hearing Brief of Attorney General, pp. 2-3, the Attorney General advocated for a "per customer" as opposed to a "per kWh" bill credit mechanism, which favored residential customers over other types of customers (e.g., commercial and industrial).

national basis and is attuned to regional and national issues and trends. Walmart's unique understanding and input will assist the Commission in adjudicating this case and evaluating the question of whether the rate increase requested by the Company or otherwise resolved through settlement is just and reasonable for all rate classes. That perspective cannot be provided or represented by the Office of the Attorney General or by any other party to these proceedings.

12. Walmart was an intervening party and active participant in the Company's 2018 rate case, Case No. 2018-00294, its 2016 rate case, Case No. 2016-00370, its 2014 rate case, Case No. 2014-00371, and its 2009 rate case, Case No. 2009-00548.<sup>5</sup> Aside from rate cases, Walmart has also actively participated in other filings made by the Company.<sup>6</sup> Walmart has also been an active participant in other proceedings filed by other utilities before this Commission.<sup>7</sup> In all of these matters, Walmart has advocated specifically on its own behalf and for other similarly situated customers, offering testimony that provided a perspective different from all other parties participating in those proceedings. Moreover, Walmart did so in a way that provided a more complete record for Commission consideration and without disrupting the proceedings. Indeed, the Commission relied, in part, on testimony provided by Walmart in awarding Kentucky Power a 9.70 percent return on equity in its 2017 rate case.<sup>8</sup>

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<sup>5</sup> Walmart has also been an intervening party and active participant before this Commission in matters filed by Louisville Gas and Electric Company ("LGE"), including its 2018 rate case, Case No. 2018-00295, its 2016 rate case, Case No. 2016-00371, and its 2014 rate case, Case No. 2014-00372. These cases were consolidated with the corresponding KU rate cases.

<sup>6</sup> For example, Walmart was an active participant in two of KU/LGE's Demand-Side Management and Energy Efficiency Programs Cases. *Joint Application of Louisville Gas and Electric Company and Kentucky Utilities Company for Review, Modification, and Continuation of Existing, and Addition of New, Demand-Side Management and Energy-Efficiency Programs*, Case No. 2014-00003; *Electronic Joint Application of Louisville Gas and Electric Company and Kentucky Utilities Company for Review, Modification, and Continuation of Certain Existing Demand-Side Management and Energy Efficiency Programs*, Case No. 2017-00441.

<sup>7</sup> Walmart was an intervening party and active participant in the Kentucky Power Company's 2020 rate case, Case No. 2020-00174, its 2017 rate case, Case No. 2017-00179, its 2014 rate case, Case No. 2014-00396, its 2013 rate case, Case No. 2013-00197, and its 2009 rate case, Case No. 2009-00459.

<sup>8</sup> *In the Matter of Electronic Application of Kentucky Power Company for (1) A General Adjustment of its Rates for Electric Service; (2) An Order Approving its 2017 Environmental Compliance Plan; (3) An Order Approving its*

13. Walmart expects to present the testimony of Lisa Perry, Walmart's Senior Manager, Energy Services, and may choose to present testimony of other witnesses not yet identified.

14. The attorneys representing Walmart in this proceeding are:

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Mr. Parker is authorized to accept service of papers in this proceeding on behalf of Walmart. Walmart also respectfully requests that Ms. Grundmann and Mr. Naum be added jointly to the service list. Walmart plans to file motions for Ms. Grundmann and/or Mr. Naum to be admitted *pro hac vice* before this Commission, and subsequent to any Commission grant of such requests, Walmart requests that Ms. Grundmann and Mr. Naum be added to the official service list as attorneys authorized to accept service of papers in this proceeding.

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*Tariffs and Riders; (4) An Order Approving Accounting Practices to Establish Regulatory Assets and Liabilities; and (5) An Order Granting All other Requested Approvals and Relief,"* Case No. 2017-00179 ("KPCO 2017 Base Rate Case"), Final Order (Entered Jan. 18, 2018) at p. 29-30, the Commission cited to specifically to Walmart Witness Greg Tillman's testimony regarding nationwide trends on ROE in awarding KPCo a 9.70 percent ROE and rejecting the 9.75 percent ROE proposed in a settlement agreement.

**WHEREFORE**, Walmart respectfully requests that it be granted leave to intervene and be made a party to the above-captioned proceeding.

Respectfully submitted,

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By



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*Counsel to Walmart Inc.*

Dated: December 15, 2020

## CERTIFICATE OF SERVICE

I hereby certify that Walmart's December 15, 2020, electronic filing is a true and accurate copy of the Motion to Intervene; and that on December 15, 2020, the electronic filing has been transmitted to the Commission. Pursuant to the Commission's Order dated March 24, 2020, in Case No. 2020-00085, and in accord with all other applicable law, counsel certifies that an electronic copy of the foregoing was served by email to the following. A physical copy of the filing will be submitted to the Commission within 30 days after the Governor lifts the current State of Emergency.

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Certificate of Service  
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