

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

ELECTRONIC APPLICATION OF  
KENTUCKY UTILITIES COMPANY FOR  
AN ADJUSTMENT OF ITS ELECTRIC  
RATES, 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  
SURCREDIT

CASE NO. 2020-00349

**PETITION FOR FULL INTERVENTION**  
**OF**  
**THE KROGER CO.**

Pursuant to K.R.S. §278.310 and 807 KAR 5:001 Section 4(11), The Kroger Co. (“Kroger”) requests that it be granted full intervenor status in the above captioned proceeding and states in support thereof as follows:

1. On November 25, 2020, Kentucky Utilities Company (“KU”) filed its application with the Kentucky Public Service Commission (“Commission”) for authority to adjust its electric rates and to establish an Economic Relief Surcredit, a Certificate of Public Convenience and Necessity for the full deployment of Advanced Metering Infrastructure across its service territory and approval of certain regulatory and accounting treatments. On December 2, 2020, Commission Staff issued its finding that the application meets the minimum filing requirements and has been accepted for filing.

2. As set forth in more detail below, Kroger operates a substantial number of retail grocery stores throughout KU’s service territory. Kroger also owns a dairy facility operating in

KU's service territory. KU purchases electric energy for these retail grocery stores and its dairy facility from KU. Electric service represents a significant cost of doing business for Kroger. Kroger therefore has a special interest in this proceeding in that the Application may have a significant impact on the rates paid by Kroger to KU. The position of Kroger cannot be adequately represented by any existing party. Kroger will play a constructive role in the Commission's decision making process herein and its participation will not unduly prejudice any party or unduly complicate or disrupt the proceedings.

3. Kroger is one of the largest grocery retailers in the Commonwealth of Kentucky, employs approximately 21,225 associates in Kentucky, and is one of KU's largest customers. Kroger operates over thirty-seven (30) stores and other facilities in the territory served by KU, and purchased approximately 97 million kWh from KU from November 2019 through October 2020 at a cost exceeding \$7,000,000, primarily under the Time of Day Secondary tariff rate.

4. The purchase of electricity is one of the largest operating costs of Kroger's numerous grocery stores. Grocery stores generally operate on very low margins, and the cost of electricity is of significant interest to Kroger. Any increase in KU's rates may result in the increase in food-related costs, which would impact not only Kroger, but also its customers and suppliers.

5. Kroger also owns Winchester Farms Dairy, a producer of cheese, milk and liquid dairy products, yogurt and sour cream. Winchester Farms Dairy is located in Winchester, Kentucky, and its electricity is provided by KU.

6. Kroger, as a grocery retailer and the owner of Winchester Farms Dairy, is required to meet numerous federal and state food safety laws and regulations. Significant electric usage is required to comply with these food safety laws and regulations.

7. Any modification to KU's rates has the potential to significantly impact Kroger's operations in KU's service territory. Additionally, any increase in KU's rates has the potential to cause a commensurate increase in the cost of the basic food supply to Kroger's customers.

8. Kroger has actively participated in a number of rate cases filed with the Kentucky Public Service Commission and in a many other jurisdictions. With respect to KU, Kroger participated in the following rate cases recently filed by KU with the Kentucky Public Service Commission, including participating in discovery, offering the direct testimony of Kevin C. Higgins, Neal Townsend and Justin Bieber with Energy Strategies, LLC, participating in settlement negotiations, and in the briefing of issues: Case nos. 2012-00221, 2014-00371, 2016-00370, and 2018-00294.

9. Due to the approximately thirty-seven (37) Kroger stores at different locations in KU's service territory, the fact that it is one of the largest grocery retailers in Kentucky, Kroger's ownership of a dairy operation, and the fact that electricity is one of its largest costs, Kroger has a unique interest in this rate case. Any rate increase resulting from the rate case will potentially impact Kroger, as well as its numerous customers, suppliers and employees. In many of the communities that it serves, Kroger is not only the primary source of retail groceries, but is also one of the larger employers. Kroger also has a unique interest in this rate case as a grocery retailer and owner of a dairy farm requiring substantial electricity to satisfy its refrigeration and lighting needs, as well as to comply with the applicable federal and state food safety laws and regulations. Accordingly, based on the factors set forth above, there is no other party that will adequately represent Kroger's unique interests in this proceeding.

10. As it has done in previous rate cases, Kroger will present evidence that will assist the Commission in fully considering the impact of any proposed rate increases. The evidence

offered by Kroger will generally relate to fair and reasonable rates of return and return on equity, rate design, and cost and revenue allocation between the various rate classes. In prior rate cases, Kroger has also presented evidence that has enabled the interested parties to negotiate a reduced revenue requirement for utilities.

11. Kroger's interest in managing its electricity costs is reflected not only in its participation in rate cases, but also by its efforts to manage its energy use. Kroger earned the 2018 ENERGY STAR Partner of the Year Award for its prioritization of ENERGY STAR best practices in its energy management strategy. In 2019 Kroger applied ENERGY STAR tools and resources to achieve a 2.3 percent energy intensity reduction across its portfolio. It received an Energy Star Award in 2020. Since 2000 Kroger has reduced its overall energy use by over thirty-five percent (35%). In 2019, Kroger initiated a carbon risk analysis and it has reduced its carbon emissions every year since 2016.

12. The attorney for Kroger authorized to represent it in this proceeding and to take service of all documents is:

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**WHEREFORE**, Kroger requests that it be granted full intervenor status in the above captioned proceeding.

Respectfully submitted,

*/s/ Robert C. Moore*  
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**Counsel for The Kroger Co.**

**CERTIFICATE**

It is hereby certified that the attached Petition for Full Intervention is a true and accurate copy of the document being filed with the Commission in paper medium; that the electronic filing was transmitted to the Commission on December 11, 2020; that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding. Pursuant to the Commission's Orders entered in Case No. 2020-00085, Electronic Emergency Docket Related to the Novel Coronavirus COVID-19, a deviation has been granted excusing this party from filing with the Commission an original copy of this filing as normally required by 807 KAR 5:001, Section 8(12)(a)(2). However, the original copy shall be filed with the Commission within 30 days of the lifting of the state of emergency..

*/s/ Robert C. Moore*  
Robert C. Moore