

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

**THE KROGER CO.'S RESPONSES TO COMMISSION STAFF'S
FIRST REQUEST FOR INFORMATION**

The Kroger Co. ("Kroger"), by and through counsel, hereby submits the following responses to Commission Staff's First Request for Information.

REQUEST NO. 1: Refer to the Direct Testimony of Justin Bieber (Bieber Testimony), pages 13-16.

a. Provide the number of customer accounts that should be available to participate in the proposed Multi-Site Aggregation Commercial Rate.

RESPONSE: Mr. Bieber has not identified a specific number of customer accounts that should be eligible to participate in a multi-site commercial aggregation rate. Rather, Mr. Bieber proposed that the Company perform a study to determine the appropriate characteristics, including availability, for a pilot program, and to propose a pilot program in the Company's next general rate case.

However, Mr. Bieber believes that limiting the Peak aggregated demand for all customers to be served under an aggregated demand service option pilot program to 150,000 kVA would be a reasonable limit.

b. Provide the minimum average On-Peak Billing Demand a customer must have in order to participate in the proposed Multi-Site Aggregation Commercial Rate.

RESPONSE: Mr. Bieber has not identified a minimum average On-Peak Billing Demand for a customer account to be eligible to participate in a multi-site commercial aggregation rate. Rather, Mr. Bieber proposed that the Company perform a study to determine the appropriate characteristics, including the minimum demand, for a pilot program, and to propose a pilot program in the Company's next general rate case.

However, Mr. Bieber believes that it would be reasonable to make an aggregated demand service option pilot program available to customers with 7 or more accounts, with a minimum Peak Demand of 300 kVA for each eligible account.

c. Provide a Sample Tariff for KU for the proposed Multi-Site Aggregation Commercial Rate.

RESPONSE: Mr. Bieber has not identified specific tariff provisions for a multi-site commercial aggregation rate. Rather, Mr. Bieber proposed that the Company perform a study to determine the appropriate characteristics and tariff terms, for a pilot program, and to propose a pilot program in the Company's next general rate case.

However, in response to this request, Mr. Bieber has provided an example of tariff provisions that could be used for an Aggregate Demand Service Option for the Time-of-Day Secondary Service (TODS) rate schedule. See Kroger Response to Commission Staff's First Request for Information to the Kroger Co., Attachment 1(c)_KU Example Aggregate Demand TODS Tariff.

Further, in testimony, Mr. Bieber refers to two examples of well-designed multi-site customer rates. Links to Consumers Energy's Aggregate Peak Demand Service Provision and Puget Sound Energy's CDSO pilot program tariffs are provided below:

https://www.michigan.gov/documents/mpsc/Consumers_14_current_675992_7.pdf.

https://www.pse.com/-/media/Project/PSE/Portal/Rate-documents/Electric2/elec_sch_026.pdf?sc_lang=en

d. Provide a bill comparison using Kroger's 2020 demands under the current rate structure and a Multi-Site Aggregation Commercial rate using the current rates.

RESPONSE: Sufficient data is not available to perform the requested billing analysis. As explained in Mr. Bieber's testimony, aggregated demand billing should only apply to production and transmission costs, but not to distribution demand costs. As such, the Company's current demand charges would have to be separated into two different demand components, one for distribution costs, and the other for production and transmission costs, in order to calculate the impact of a multi-site rate. Further, Kroger does not currently have aggregated demand data for its accounts for 2020 that would be required to perform the requested billing comparison.

However, in response to this request, Kroger has provided a billing comparison for a hypothetical multi-site customer on rate schedule TODS. The hypothetical billing comparison demonstrates that under aggregated demand billing, a multi-site customer would pay the same production and transmission charges as a single large customer with the same hourly demands. See Kroger Response to Commission Staff's First Request for Information to the Kroger Co., Attachment 1(d)_KU Example Aggregate Demand TODS Billing Comparison.

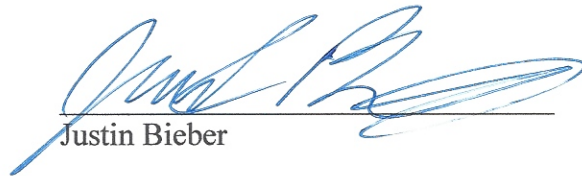
e. Provide a bill comparison using Kroger's 2020 demands under the current rate structure and a Multi-Site Aggregation Commercial rate using the proposed rates.

RESPONSE: See response to 1(d).

VERIFICATION

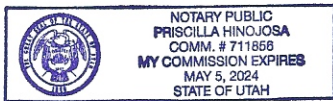
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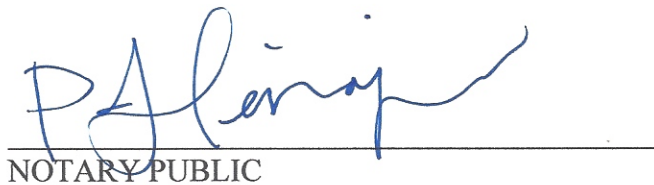
The undersigned, **Justin Bieber**, being duly sworn, deposes and says that he is a Senior Consultant in the firm of Energy Strategies, LLC, that he has personal knowledge of the matters set forth in the foregoing responses and exhibits, and that the answers contained therein are true and correct to the best of his information, knowledge and belief.


Justin Bieber

Subscribed and sworn to before me this 1st day of April, 2021, by Justin Bieber.

My commission expires: May 5, 2024




NOTARY PUBLIC

[SEAL]

April 1, 2021

Respectfully submitted,

/s/ Robert C. Moore
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COUNSEL FOR THE KROGER CO.

CERTIFICATE OF COMPLIANCE

I hereby certify that the foregoing 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 April 1, 2021; 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

**Kroger Response to Commission Staff's First Request for Information to the Kroger Co.
Attachment 1(c)_KU Example Aggregate Demand Tariff**

Standard Rate

**TODS
Time-of-Day Secondary Service**

APPLICABLE

In all territory served.

AVAILABILITY

Available for secondary service to Customers whose twelve (12) month-average monthly minimum loads exceed 250 kVA, and whose twelve (12) month-average monthly maximum loads do not exceed 5,000 kVA.

RATE

Basic Service Charge per day: \$6.58

Plus an Energy Charge per kWh: \$0.02658

Plus a Maximum Load Charge per kVA:

Peak Demand Period: \$8.79

Intermediate Demand Period: \$7.07

Base Demand Period: \$1.75

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Where:

the monthly billing demand for the Peak and Intermediate Demand Periods is the greater of:

1. the maximum measured load in the current billing period, or
2. a minimum of 50% of the highest measured load in the preceding eleven (11) monthly billing periods, and

the monthly billing demand for the Base Demand Period is the greater of:

1. the maximum measured load in the current billing period but not less than 250 kVA, or
2. the highest measured load in the preceding eleven (11) monthly billing periods, or
3. the contract capacity based on the maximum load expected on the system or on facilities specified by Customer.

ADJUSTMENT CLAUSES

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Demand-Side Management Cost Recovery Mechanism	Sheet No. 86
Fuel Adjustment Clause	Sheet No. 85
Off-System Sales Adjustment Clause	Sheet No. 88
Environmental Cost Recovery Surcharge	Sheet No. 87
Franchise Fee	Sheet No. 90
School Tax	Sheet No. 91

DETERMINATION OF MAXIMUM LOAD

The load will be measured and will be the average kVA demand delivered to Customer during the 15-minute period of maximum use during the appropriate rating period each month.

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RATING PERIODS

The rating periods applicable to the Maximum Load charges are established in Eastern Standard Time year-round by season for weekdays and weekends throughout Company's service area,

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Standard Rate

**TODS
Time-of-Day Secondary Service**

and shall be as follows:

Summer peak months of May through September

	<u>Base</u>	<u>Intermediate</u>	<u>Peak</u>
Weekdays	All Hours	10 A.M. – 10 P.M.	1 P.M. – 7 P.M.
Weekends	All Hours		

All other months of October continuously through April

	<u>Base</u>	<u>Intermediate</u>	<u>Peak</u>
Weekdays	All Hours	6 A.M. – 10 P.M.	6 A.M. – 12 Noon
Weekends	All Hours		

If a legal holiday falls on a weekday, it will be considered a weekday.

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(Example Aggregate Demand Tariff Redline)

AGGREGATE DEMAND SERVICE OPTION

This provision is available to any customer with 7 accounts or more who desires to aggregate their billing demands for power supply billing purposes. To be eligible, each account must have a minimum average Peak Demand of 300 kVA. The customer's aggregated accounts shall be billed under the same rate schedule and service provisions. The aggregate maximum Peak Aggregate Demand of all customers served under this provision shall be limited to 150,000 kVA.

Monthly Basic Charges and Energy Charges will be the same as noted in the Rate section of this schedule. A customer taking service under this Aggregate Demand Service Option will pay a Maximum Delivery Load Charge based on Maximum Load and Maximum Power Supply and Transmission Load Charge based on Aggregate Demand as noted in this section.

Maximum Delivery Load Charge per kVA of Maximum Load:

<i>Peak Demand Period:</i>	\$0.76
<i>Intermediate Demand Period:</i>	\$0.61
<i>Base Demand Period:</i>	\$0.15

Maximum Power Supply and Transmission Load Charge per kVA of Aggregate Demand:

<i>Peak Demand Period:</i>	\$8.03
<i>Intermediate Demand Period:</i>	\$6.46
<i>Base Demand Period:</i>	\$1.60

DETERMINATION OF AGGREGATE DEMAND

The aggregated accounts shall be summarized for each interval time period registered and a comparison shall be performed to determine the Base, Intermediate, and Peak time at which the summarized value of the aggregated accounts reached a maximum for the billing month. The individual aggregated accounts shall be billed for their corresponding Aggregate Demand occurring at that point in time.

DUE DATE OF BILL

Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

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Standard Rate

**TODS
Time-of-Day Secondary Service**

LATE PAYMENT CHARGE

If full payment is not received by the due date of the bill, a 1% late payment charge will be assessed on the current month's charges.

TERM OF CONTRACT

Service will be furnished under this schedule only under contract for a fixed term of not less than one (1) year, and for yearly periods thereafter until terminated by either party giving written notice to the other party ninety (90) days prior to termination. Company, however, may require a longer fixed term of contract and termination notice because of conditions associated with the Customer's requirements for service.

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TERMS AND CONDITIONS

Service will be furnished under Company's Terms and Conditions applicable hereto.