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**

AND

IN THE MATTER OF:

ELECTRONIC APPLICATION OF LOUISVILLE GAS AND ELECTRIC COMPANY FOR AN ADJUSTMENT OF ITS ELECTRIC AND GAS 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. 2020-00350**

DIRECT TESTIMONY AND EXHIBITS OF STEPHEN J. BARON

ON BEHALF OF

THE KENTUCKY ATTORNEY GENERAL

AND

THE KENTUCKY INDUSTRIAL UTILITY CUSTOMERS, INC.

J. KENNEDY AND ASSOCIATES, INC.
ROSWELL, GEORGIA
March 5, 2021

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DIRECT TESTIMONY OF STEPHEN J. BARON

I. QUALIFICATIONS AND SUMMARY

Q. Please state your name and business address.

A. My name is Stephen J. Baron. My business address is J. Kennedy and Associates, Inc. ("Kennedy and Associates"), 570 Colonial Park Drive, Suite 305, Roswell, Georgia 30075.

Q. What is your occupation and by who are you employed?

A. I am the President and a Principal of Kennedy and Associates, a firm of utility rate, planning, and economic consultants in Atlanta, Georgia.

Q. Please describe briefly the nature of the consulting services provided by Kennedy and Associates.

A. Kennedy and Associates provides consulting services in the electric and gas utility industries. Our clients include state agencies and industrial electricity consumers. The firm provides expertise in system planning, load forecasting, financial analysis, cost-of-service, and rate design. Current clients include the Georgia and Louisiana Public Service Commissions, and industrial consumer groups throughout the United States.

Q. Please state your educational background and experience.

A. I graduated from the University of Florida in l972 with a B.A. degree with high honors in Political Science and significant coursework in Mathematics and Computer Science. In 1974, I received a Master of Arts Degree in Economics, also from the University of Florida.

I have more than forty years of experience in the electric utility industry in the areas of cost and rate analysis, forecasting, planning, and economic analysis.

I have presented testimony as an expert witness in Arizona, Arkansas, Colorado, Connecticut, Florida, Georgia, Indiana, Kentucky, Louisiana, Maine, Michigan, Minnesota, Maryland, Missouri, Montana, New Jersey, New Mexico, New York, North Carolina, Ohio, Pennsylvania, South Carolina, Texas, Utah, Virginia, West Virginia, Wisconsin, Wyoming, the Federal Energy Regulatory Commission and in United States Bankruptcy Court.

A complete copy of my resume and my testimony appearances is contained in Baron Exhibit__(SJB-1).

Q. On whose behalf are you testifying in this proceeding?

A. I am testifying on behalf of the Office of the Attorney General of the Commonwealth of Kentucky ("AG") and the Kentucky Industrial Utility Customers, Inc. ("KIUC"), though certain parts of my testimony are on behalf of only KIUC. Specifically, I am testifying on behalf of both the AG and KIUC on net metering issues.

I am testifying on behalf of only KIUC on the following issues: 1) class cost of service, 2) the allocation of the overall revenue increase among rate classes; 3) Rate TODP and Rate RTS rate design and 4) a proposed economic development rate for the coal industry.

Q. Have you previously testified in KU and LG&E rate proceedings before the Kentucky Public Service Commission?

A. Yes. I have testified in 18 KU and LG&E cases since 1981.

Q. How have you organized your testimony with regard to LG&E and KU issues?

A. First, as I indicated, a portion of my testimony is on behalf of both the AG and KIUC. This joint AG-KIUC testimony will be in Section II of my testimony. The remaining portion of my testimony, Sections III, IV, and V is only on behalf of KIUC.

For many of the issues that I will discuss, I present common testimony that is applicable to both LG&E and KU. However, since the revenue requirement requests and the specific cost of service study results for LG&E and KU rate classes are different, I will be presenting separate analyses and discussions of the results for each Company.

For the purposes of organizing my testimony, when I am discussing an issue that is common to both LG&E and KU, I will refer to these companies as "the Companies." For a specific LG&E and KU issues I will refer to each Company by name (LG&E or KU).

Q. What is the purpose of your testimony?

A. I present testimony on the Companies' proposed modifications to the net metering tariff, primarily focusing on the proposal to modify the price that the Companies pay for excess solar energy that net metering customers export to the grid. I also testify on issues associated with class of cost of service, the allocation of the authorized revenue increase to rate classes and TODP and RTS rate design. Finally, I present a proposal to implement a special rate for large customers in the coal extraction and processing industry.

With regard to the net-metering issue, I discuss the Companies' proposed changes to their net-metering tariffs and provide support for their proposals.

With regard to class cost of service, I discuss the Companies' proposal to once again use the Loss of Load Probability methodology ("LOLP") and explain why this method should not be adopted by the Commission. The Companies' have filed a 6 CP class cost of service study ("CCOSS") which I believe provides a more reasonable method to allocate production demand costs among the Companies' rate classes. I also will propose an alternative allocation of the approved revenue increase to each rate class which considers the "nature" and "purpose" for which utility service is used as authorized by KRS 278.030(3). The Companies' have proposed a uniform percentage increase to each rate class. I will discuss and recommend an alternative approach that addresses the subsidies paid by energy intensive industrial manufacturers.

With regard to rate design issues for Rates TODP and RTS, I will discuss the Companies' proposal to substantially increase the energy charges of these rates, relative to the demand charges. All else being equal, this has the effect of substantially burdening large, high load factor customers on any given rate schedule. I will discuss the disparity between the level of variable production costs incurred by the Companies, compared to the proposed energy rates for these two rate schedules and recommend that the current energy charges not be increased in this case. Any revenue increases for these two rate schedules should be applied to the demand charges of the rate.

Finally, I will present a proposal to implement a Coal Mining Economic Development Rate for customers in the coal mining and processing industry in Kentucky. My proposal is intended to incentivize increased coal production in Kentucky. These customers have experienced, and will continue to experience, severe economic dislocations that impact the Kentucky economy, jobs and the lives of thousands of its citizens.

Q. Would you please summarize your testimony?

A. Yes. I recommend and conclude the following:

- **The Companies' proposed modifications to its net metering tariff should be accepted by the Commission. The current rate that the Companies are paying for net, exported excess solar generation pursuant to Rider NMS-1 is too high and results in subsidies of net metering customers by non-participating customers. The Companies' proposed Rider NMS-2 provides a reasonable rate for exported excess solar generation.**

- **The Companies' proposed LOLP cost of service methodology should not be adopted by the Commission. This methodology has not been adopted by any other regulator. It relies on projection of 8,760 hours of load data for each of the 16 KU rate classes and 15 LG&E rate classes (over 130,000 individual kW demands projected 18 months into the future). It is overly data intensive, especially for use in a projected test year. This raises reliability issues with the study results.**

- **The Commission should rely on the 6 CP cost of service study also filed by the Companies in this case. The 6 CP study uses a more traditional class cost of service methodology, which reasonably reflects cost causation associated with the need for generation resources. While the LOLP CCOSS requires projected class load data for 8,760 coincident peak loads for each rate class, the 6 CP study only requires 6 coincident peak loads.**

- **The approved revenue increases for LG&E and KU should be allocated to rate classes in a manner that first eliminates the subsidies currently being paid by energy intensive industrial manufacturers on rates TODP, RTS and FLS. Setting rates based on the "nature" and "purpose" for which utility service is used is explicitly authorized by KRS 278.030(3). Eliminating industrial subsidies is especially important given the increasing environmental and CO2 cost pressure on Kentucky's coal generation fleet. The remaining revenue increase should then be allocated to each rate class on a uniform percentage basis. Based on the results of the 6 CP studies, LG&E's rates TODP, RTS and KU rate FLS are paying current subsidies.**

- **The Companies' proposed rate design for rates TODP and RTS should be revised. The actual variable production cost for each of the Companies is much lower than even the current energy charges, let alone the proposed energy charges for these rates that reflect increases in the range of 17% to 22%. KIUC recommends that the energy charges for rates TODP and RTS**

be maintained at their current levels, with all of the revenue increase applied to the demand charges of these rates.

- **The Commission should implement an economic development rate for coal mining customers. KIUC is proposing a Coal Mining Economic Development Rate that would provide a discount for incremental energy usage above a baseline set at the average usage of a prior period. The specific discount would be subject to negotiation between the customer and the Company and be subject to approval by the Commission upon submission of the contract.**

II. NET METERING ISSUES

Q. Have you reviewed the Company's proposed NMS-2 net metering tariff and Mr. Steven Seelye's testimony on this issue?

A. Yes. As discussed by Mr. Seelye, the Company is proposing to significantly change the rate at which it purchases excess generation from self-generating customers. Under the current tariff, NMS-1, the Company pays residential customers who have excess generation from rooftop solar installations the average residential energy rate, which is in the range of 10 cents per kWh. As a result of the changes implemented by Senate Bill 100 ("SB 100"), the Companies are proposing to change this excess generation purchase rate for exported energy to an avoided cost rate, rather than the current embedded cost energy rate. My review has focused on the reasonableness of the Companies' proposed excess generation rate using a measure of avoided cost. As explained by Mr. Seelye, the new NMS-2 tariff would only apply to new net metering customers who connect to the system after new rates become effective in this case.

All existing net metering customers would continue under the current NMS-1 tariff for 25 years under a grandfathering provision.

Q. Does the AG-KIUC have a position on the Companies' proposal?

A. Yes. The AG-KIUC generally agrees with the Companies' proposal to modify the rate that net metering customers are paid for their excess energy that is exported to the grid. The current price paid for such exported energy is not consistent with the value of this energy or avoided cost and therefore represents a subsidy that is paid by non-participating customers to solar net metering customers.[1]

Q. Would you explain why you believe that the current payment rate for exported, excess rooftop solar energy produces a subsidy in the form of a transfer from non-participating customers to solar customers?

A. The current payment rate for excess energy based on the standard residential tariff rate reflects the embedded cost of providing full service to residential customers, as determined by the standard tariff residential energy charge. This energy charge actually reflects the cost for generation capacity, transmission capacity, distribution capacity and related fixed costs general plant, such as KU or LG&E office buildings.

[1] For the purposes of my testimony, I refer to residential net metering customers. Rider NMS-2 applies to any customer generator up to a maximum of 45 kW and is not restricted to just residential customers. However, based on the response to KSIA Q-14, Set 1 (LG&E and KU), the vast majority of net metering customers are residential customers.

Exported solar energy clearly does not avoid all such costs, but that is what is assumed in the current payment rate to solar customers for their excess energy. Excess generation payments based on the full residential energy charge creates a subsidy that must be paid for by non-net metering customers.

Q. How does the Companies' proposed NMS-2 tariff impact these subsidies?

A. By changing the current full tariff energy rate that is paid to net metering customers for excess generation exported to the grid to a rate that reflects avoided energy cost, the Companies are attempting to reduce the current subsidies that are being paid by non-net metering customers to those that have installed rooftop solar generation.

Q. You indicated in your previous answer that the Companies' proposal would reduce the current subsidies. Why won't the proposal eliminate these subsidies?

A. The total current subsidies paid to net metering customers consists of two components. The first, which is being addressed for net metering customers interconnecting after the effective date of new rates in this case, will effectively eliminate the subsidy currently being paid for excess generation that is exported to the grid. However, net metering customers also receive a subsidy for their own usage that is offset by their self-generation. A residential net metering customer's total self-generation is first used to offset the customer's own household usage. The implicit price that is paid for this portion of a customer's generation is the full residential tariff energy charge. This means that the customer is able to fully avoid the generation capacity costs, transmission capacity costs and distribution capacity costs that are likely still being incurred to serve the net metering customer. Since net metering customers will continue to be able to fully offset their own household usage with self-generated energy under the NMS-2 tariff, this portion of the current subsidy being paid to net metering customers will continue even for customers interconnecting after the effective date of new rates in the case.

Q. What would a non-subsidized rooftop solar rate look like?

A. Ideally, a solar customer should have a 100% buy/sell rate. Under such an arrangement, the customer would pay the full residential tariff rate for 100% of the customer's gross energy usage and receive an avoided cost payment for 100% of the customer's solar generation. As I discussed above, even under the Companies' revised net metering tariff, the customer will implicitly continue to receive the residential tariff rate as payment for solar generation that is available to offset the customer's own household usage each month (i.e., the portion of a customer's total solar generation that is netted against a customer's usage).

Q. Mr. Seelye discusses the use of a 3 or 4-part residential rate as a means to reduce the subsidies being paid to net metering customers for the portion of their

generation that is used to offset their own household usage. Do you agree with him?

A. Yes. If net metering customers were required to take residential service under a tariff that included both an energy charge and a demand charge, and the energy and demand charges were cost-based, I would expect that the current subsidies paid to net metering customers would be substantially corrected. In this case, the self-generated energy from a customer's rooftop solar facility would be implicitly paid the energy charge of the residential tariff, not the demand charges that recover fixed costs that are not avoided by self-generation using an intermittent solar resource. However, to the extent that the tariff energy rate reflects an average energy cost that is less than incremental energy costs (avoided energy cost), a net metering customer would actually be better off under a 100% buy-sell arrangement.

Q. Have you reviewed the Companies' proposal to use the avoided energy costs from Rider SQF as the payment rate for excess energy exported to the grid?

A. Yes. Based on my review of Rider SQF and the Companies' response to AG-KIUC 1-172, the Companies' proposed use of the non-time of day avoided energy rate from Rider SQF appears to be a reasonable basis to establish to the excess energy rate proposed for Rider NMS-2. The Companies use an avoided energy cost methodology using a production cost approach that measures the marginal cost of energy on the system.

III. CLASS COST OF SERVICE AND REVENUE APPORTIONMENT

Q. Have you reviewed the Companies' proposed class cost of service studies filed in this case?

A. Yes. The Companies have filed three class cost of service studies in this case; a loss of load probability cost study ("LOLP"), a traditional 12 coincident peak ("12 CP") study and a traditional 6 coincident peak ("6 CP") study. Though the Companies' class cost of service witness, Steven Seelye recommends adoption of the LOLP study, he also states that the 6 CP CCOSS recognizes the important factors impacting the need for generation resources. Specifically, at page 108 of his testimony, he states as follows:

> Q. Do you have a preference between the two alternative methodologies?
>
> A. Yes. The 6 CP methodology more accurately reflects the Companies' generation planning than the 12 CP methodology. The Companies' system is summer peaking but the Companies also have a large winter peak. Therefore, the Companies give considerable attention to the winter peak demands, particularly in selecting the type of generation resources needed to meet both the summer and [winter] peak demands. But very little consideration is given to the system peak demands during the spring and fall months. Because the 12 CP methodology includes monthly demands for shoulder months such as March, April, May, October, and November, the methodology gives too much weight to demands for months that play little or no role in planning. By including demands for four summer months and two winter months, the 6 CP gives an appropriate weighting to the allocation of production costs for a summer peaking utility with a winter peak that is nearly as high as

the summer peak. For these reasons, I favor the 6 CP over the 12 CP methodology.

Q. How does the LOLP methodology differ from a traditional 12 CP or 6 CP method?

A. First, all three methods allocate transmission and distribution costs in the same manner. The difference in the three studies is only in the allocation of production demand costs. The LOLP study allocates these fixed production demand costs, primarily associated with owned generation resources and purchased power demand costs, first to each hour of the year on the basis of loss of load probability and then allocates each hour's cost to rate classes based on the class contribution to the total system demand in the hour. This requires 8,760 separate demand allocation factors – one for each hour of the year. The 12 CP study allocates the same fixed production demand costs on the basis of each rate classes' monthly demand coincident with the system peak, while the 6 CP study allocates these costs on rate class coincident demand during the 4 summer months and 2 winter months. Since there are 16 rate classes on the KU system and 15 rate classes on the LG&E system, the LOLP cost study requires the Companies' to develop more than 130,000 individual kW demands on a projected test year basis ending June 2022. For most of the Companies' rate classes, the individual class load data is based on load research samples. In contrast, the 12 CP study requires 180 individual demands and the 6 CP study requires 90.[2]

[2] This is based on LG&E's 15 rate class CCOSS.

Putting aside issues associated with cost causation that differentiate the three methods, the enormous data intensity associated with the LOLP method creates significant uncertainty regarding the quality of the cost of service results, especially in light of the requirements in this case to develop projections more than 18 months in advance.

Q. Have the Companies previously utilized an LOLP CCOSS?

A. Yes. In two prior base rate cases, Mr. Seelye developed an LOLP study and recommended that the Commission adopt it, in lieu of the Base Intermediate and Peak ("BIP") methodology that had been used by the Companies for more than 30 years.[3] In the initial case in which the LOLP cost study was presented (Case Nos. 2016-0370, 371), I discovered significant problems with the projected load data that was required to develop the needed thousands of rate class demands.

Q. Has Mr. Seelye presented or sponsored the use of an LOLP class cost of service study in cases involving other utilities besides LG&E and KU?

A. No. According to the response to AG-KIUC Q-184, Set 1, Mr. Seelye have only addressed the LOLP methodology in testimony in prior LG&E and KU cases in the past 10 years. Baron Exhibit__(SJB-2) contains a copy of this response.

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[3] Specifically, LG&E introduced the BIP CCOSS study in a 1981 proceeding. KU adopted the BIP methodology after it merged with LG&E in 1998.

Q. Has the LOLP methodology been adopted or used by other utilities or adopted by other regulatory jurisdictions?

A. Based on the response to Staff 2-137, Mr. Seelye is not aware that any other utility or regulatory jurisdiction has used the LOLP methodology to allocate costs in the class cost of service study. It appears that the only electric utilities in the country that use the LOLP methodology are LG&E and KU.

Q. In prior LG&E and KU testimony, you discussed significant concerns with the use of an LOLP CCOSS methodology. Do you continue to have concerns with this methodology for use by LG&E and KU?

A. Yes. While I do not dispute the Companies' statement that they rely on an LOLP approach to develop their required target level of planning reserves, this does not mean that using relative LOLP is the best approach to allocate fixed, production demand costs among rate classes. Moreover, the analysis employed by Mr. Seelye to estimate test year LOLP by hour is not the approach used by the Companies' to actually develop their target planning reserve margin. Specifically, based on the response to AG-KIUC Q-182, Set 1, the LOLP analysis used in the CCOSS did not include any assumed emergency tie-line support from neighboring utilities (see Baron Exhibit SJB-3 for a copy of this data response). This treatment of the LG&E-KU system as an "island" is not realistic and is likely to have resulted in biased hourly LOLP results for the test year. In particular, as reported in the Companies' 2018 Reserve Margin

Study, the LOLP analysis used for actual resource planning does include the availability of support from neighboring utilities. On page 9 of the report, the Companies' state as follows:

> **4.2 Neighboring Regions**
>
> The vast majority of the Companies' off-system purchase transactions are made with counterparties in MISO, PJM, or TVA. SERVM models load and the availability of excess capacity from the portions of the MISO, PJM, and TVA control areas that are adjacent to the Companies' service territory.8 These portions of MISO, PJM, and TVA are referred to as "neighboring regions." The following neighboring regions are modeled:
>
> - MISO-Indiana – includes service territories for all utilities in Indiana as well as Big Rivers Electric Corporation in Kentucky.
> - PJM-West – refers to the portion of the PJM-West market region including American Electric Power ("AEP"), Dayton Power & Light, Duke Ohio/Kentucky, and East Kentucky Power Cooperative service territories.
> - TVA – TVA service territory.
>
> Moving forward, uncertainty exists regarding the Companies' ability to rely on neighboring regions' markets to serve load. Approximately 20 GW of capacity was retired over the past five years in PJM and an additional 3 GW of retirements have been announced for the next five years. For the purpose of developing a target reserve margin range for long-term resource planning, reserve margins in neighboring regions are assumed to be at their target levels of 17.1% (MISO), 15.8% (PJM), and 15% (TVA).

Q. Would you expect that this failure to reflect the availability of neighboring utility emergency assistance would have an impact on the LOLP results used by Mr. Seelye in his analysis?

A. Yes. The Companies' CCOSS LOLP analysis shows positive LOLP values for each month during the test year, even low load months such as April or October. Properly including neighboring utility emergency support, as the Companies' have done in their actual planning studies could very likely change these results by reducing, or even eliminating LOLP values when support from neighboring utilities is available. This would change the allocation of cost to rate classes in the LOLP cost of service study.

Q. What are some of your additional concerns with the LOLP class cost of service methodology?

A. The LOLP methodology, as used by the Companies in this case, allocates fixed, production demand related costs to rate classes based on each rate class's contribution to 8,760 hourly peaks of the Companies (these peaks are the coincident peaks of the combined loads of LG&E and KU), weighted each hour by the loss of load probability calculated by the Companies for the hour. LOLP is the probability that the Companies' generation resources will not be sufficient, after forced outages, to meet the load in the hour. It is essentially the probability that the Companies will be required to rely on its tie line capacity with other utility systems in order to meet load. LOLP weighted loads of each class are summed over all 8,760 hours to produce an allocation factor that is used in the cost of service study. The hourly LOLP values are calculated in a production cost analysis that evaluates the system load in the hour, the generating capacity and firm purchases available to meet the load, and the expected availability of these resources to operate in the hour.

Q. How do the Companies determine the hourly loads of each rate class (15 LG&E cost of service rate classes and 16 KU rate classes) for the 8,760 hours during the projected test year ending June 30, 2022?

A. The Companies have a relatively complex set of excel spreadsheets to essentially allocate the combined LG&E and KU system hourly load forecast to rate classes. To the extent that actual hourly load data for an historic period exists (for example, RTS customers that have hourly load metering) this information is used. For most rate classes, sample load research data is used. However, this means that the hourly load shapes for 8,760 hours, for each rate class is based on an adjustment of historic actual and sample data to a projected period using a variety of adjustment protocols.

Q. Have you reviewed the test year rate class hourly load data for the projected test year in this case?

A. Yes. While I have not discovered any methodological errors, the entire process of projecting hourly loads for 8,760 hours for each of the 31 LG&E/KU rate classes for a period that does not even begin until July 2021 is inherently inaccurate. When all of the process steps, such as the system load forecast of demand and energy, the translation of this forecast into hourly system loads and then the development of compatible rate class hourly loads are considered, the underlying results cannot be afforded a high degree of reliability. Because the LOLP method needs rate class loads for each of 8,760 hours, the reliability of the LOLP method must be lower than a more traditional cost of service method, such as the 6 CP methodology, that only requires rate class loads at the single hour of 6 monthly system peaks.

Q. Are these hourly loads the primary factor in determining the dollar amount of costs that are assigned to each rate class?

A. Yes. The test year hourly loads (8,760) are the basis for all of the demand allocation factors used to allocate costs in LOLP cost studies – these allocation factors thus determine the results of the cost allocation study.

Q. Should the Commission use the 6 CP cost of service studies in this case?

A. Yes. I do not believe that the LOLP cost studies are a reasonable basis to evaluate the cost to serve each of the Companies' rate classes. The alternative 6 CP studies developed by Mr. Seelye are a more reasonable approach to measuring cost of service and should be used in this case.

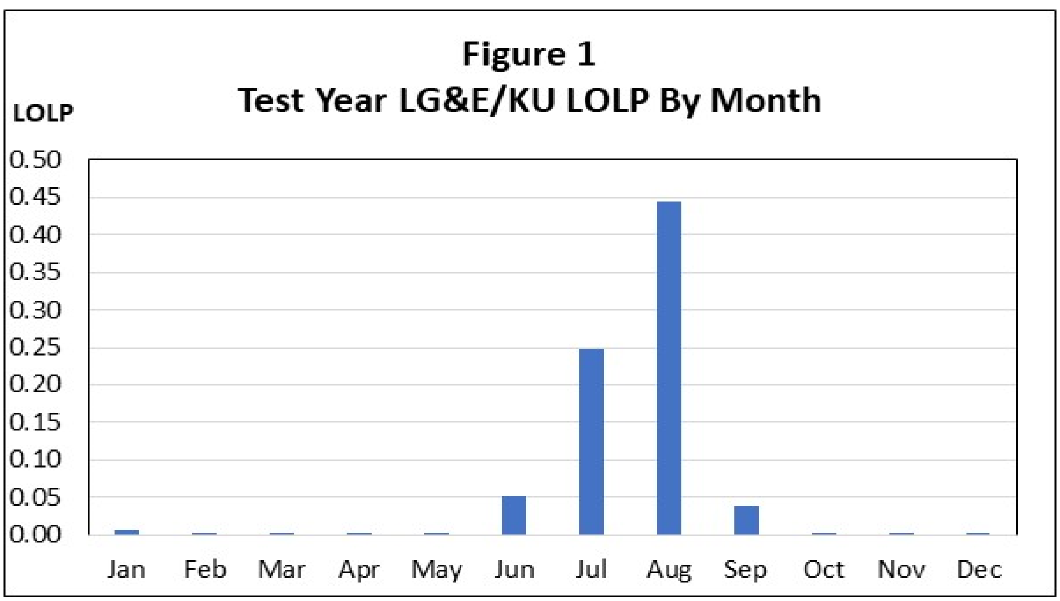
Q. Would you discuss the alternative 6 CP class cost of service studies that you are recommending?

A. Yes. These studies, which were prepared by the Companies in this case and supported as an alternative to the LOLP studies rely on the 6 CP method, which is a widely recognized cost of service approach used by many electric utilities, including AEP affiliates Appalachian Power Company in its Virginia jurisdiction, Indiana and

Michigan Power Company and East Kentucky Cooperative. As discussed by Mr. Seelye, the 6 CP cost of service study recognizes the importance of the summer and winter peaks in the Companies' resource planning process.

Q. Does the 6 CP methodology reflect resource planning attributes in a manner similar to the LOLP study proposed by the Companies?

A. Yes, I believe that it does. Though the two methodologies are significantly different from a computational standpoint, the LOLP values developed by Mr. Seelye actually support the use of a 6 CP methodology. Figure 1 below shows a chart of the test year hourly LOLP values accumulated by month.

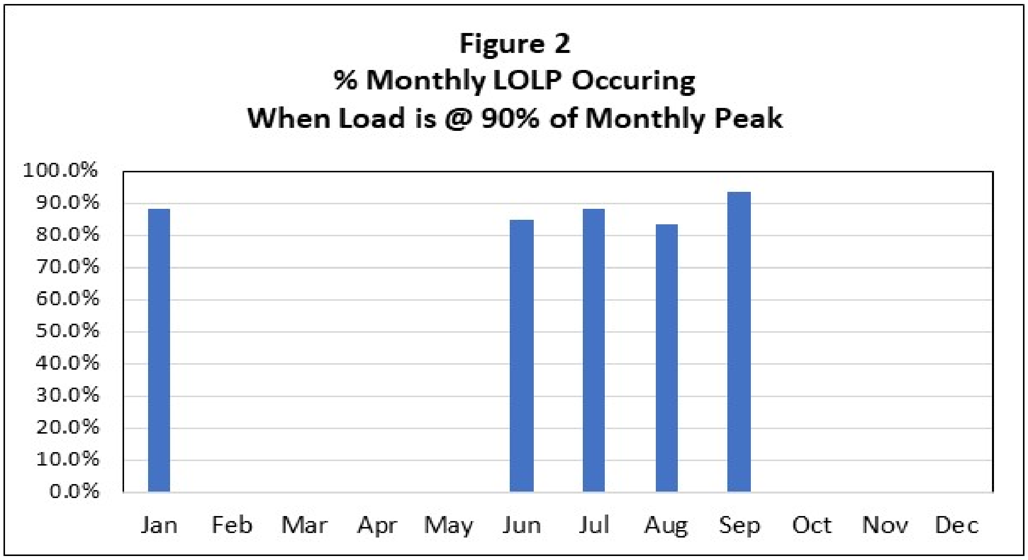


As can be seen in the chart, almost all of the LOLP values occur during the summer months, with a small amount in January.[4] These are the identical months that are used in the 6 CP study (June, July, August, September, January and February). This is consistent with Mr. Seelye's statement on page 108 of his testimony regarding the 6 CP study.

Q. The LOLP values during each of these months occur over a number of hours, while the monthly peak used in the 6 CP calculation is for a single hour. How do the hourly LOLP values is each of these key peak months correlate with the monthly peak?

A. Figure 2 below shows a chart of the percentage of LOLP values during the summer months and January that occurred in hours when the LG&E-KU system MW load was within 90% of the monthly peak.

[4] The monthly LOLP values for the other months are so small that they do not show up on the chart.



As can be seen, almost all of the LOLP values in each of these months occurred in hours when the system MW load was 90% or more of the peak in the month. For example, in August, the system peak is projected to be 6,111 MW. The chart shows that over 80% of the LOLP values for August occurred in hours when the load was at least 5,500 MW (90% of 6,111). This suggests that the monthly peak is a good proxy for LOLP during those peak months. The difference, of course, is that only six class load values are needed for the 6 CP method, rather than the 8,760 required for the LOLP study.

Q. Based on your analysis, what is your recommendation on this issue?

A. I recommend that the Commission adopt the 6 CP class cost of service studies for each Company in this case. Baron Exhibit__(SJB-4) and (SJB-5) contain summaries of the LG&E and KU 6 CP class cost of service studies developed by the Companies.[5]

Q. In prior testimony (2018 and 2016 LG&E/KU rate cases), you discussed a provision in Rate FLS that permits the Companies to interrupt the customer on 5 minutes notice. Has this interruptible provision been factored into the Companies' cost of service studies?

A. No. This provision permits the Company to interrupt 95% of a customer's FLS load upon 5 minutes notice for a period of not more than 10 minutes. This interruptible provision of Rate FLS is not connected with the Company's CRS 1 and CRS 2 interruptible riders, which are completely separate.

There is only a single customer on KU's Rate FLS [North American Stainless ("NAS")], and no customers on LG&E's Rate FLS. In response to AG-KIUC 1-185, KU reports that NAS was interrupted 92 times under this 5-minute notice provision during the period January 1, 2018 through January 11, 2021. All else being equal, to the extent that there is an interruptible benefit that is not accounted for in the cost allocation study, the resulting rate of return shown for Rate FLS would be

[5] The 6 CP cost of service studies were provided in response to PSC 1-56_LG&E and PSC 1-56_KU.

understated. KU has not factored in any recognition of this interruptible provision in its cost of service analysis.

Q. Have you made any adjustments in KU's 6 CP cost of service study to reflect this FLS interruptible provision?

A. No. Notwithstanding this, I believe that there is an unaccounted-for impact on the reported Rate FLS rate of return. This impact has the effect of understating the reported rate of return.

Q. What are the results of the Companies' 6 CP cost of service study?

A. Tables 1 and 2 summarize the rates of return and relative rates of return at present rates, as well as the current dollar subsidies. LG&E rates schedules TODP and RTS are currently paying $7.5 million and $2.8 million in subsidies, while KU rate schedule FLS is paying $771,000 in current subsidies based on the 6 CP cost of service study analysis.

Table 1
LG&E 6 CP Class Cost of Service Study Results - Current Rates

	Net Income	Rate Base	Rate of Return	Relative Rate of Return	Dollar Subsidy
Rate RS	$ 23,229,185	$ 1,752,082,376	1.33%	0.31	70,769,115
GS	$ 39,024,878	$ 403,499,096	9.67%	2.23	(28,754,115)
PS-Primary	$ 2,890,450	$ 22,814,897	12.67%	2.92	(2,540,755)
PS-Secondary	$ 34,823,112	$ 390,103,570	8.93%	2.05	(23,911,500)
TOD-Primary	$ 20,184,251	$ 335,333,050	6.02%	1.39	(7,510,820)
TOD-Secondary	$ 13,160,087	$ 296,073,020	4.44%	1.02	(395,761)
RTS - Transmission	$ 8,371,967	$ 145,226,623	5.76%	1.33	(2,758,517)
Special Contract	$ 323,914	$ 9,833,114	3.29%	0.76	138,240
Rate RLS, LS	$ 8,133,781	$ 101,461,370	8.02%	1.85	(4,983,873)
Rate LE	$ 50,943	$ 518,975	9.82%	2.26	(37,986)
Rate TLE	$ 86,668	$ 623,445	13.90%	3.20	(79,708)
Rate OSL	$ 11,873	$ 12,819	92.63%	21.32	(15,140)
Rate EV	$ (32,569)	$ 120,162	-27.10%	(6.24)	50,557
Rate SSP	$ 83,240	$ 2,314,622	3.60%	0.83	23,184
Rate BS	$ (2,655)	$ 60,677	-4.38%	(1.01)	7,079
Total	$ 150,339,128	$ 3,460,077,816	4.34%	1.00	-

Table 2
KU 6 CP Class Cost of Service Study Results - Current Rates

	Net Income	Rate Base	Rate of Return	Relative Rate of Return	Dollar Subsidy
Rate RS	$ 54,436,171	$ 2,541,156,016	2.14%	0.45	90,751,630
GS	$ 67,978,784	$ 606,159,339	11.21%	2.33	(51,991,611)
AES	$ 1,611,279	$ 43,810,334	3.68%	0.76	663,700
PS-Secondary	$ 45,905,293	$ 456,957,207	10.05%	2.09	(32,042,421)
PS-Primary	$ 3,650,943	$ 19,222,337	18.99%	3.95	(3,650,912)
TOD-Secondary	$ 19,066,478	$ 407,664,153	4.68%	0.97	721,663
TOD-Primary	$ 29,666,081	$ 695,585,317	4.26%	0.89	5,069,713
RTS - Transmission	$ 9,825,275	$ 211,483,493	4.65%	0.97	462,514
FLS	$ 4,835,172	$ 89,504,084	5.40%	1.12	(710,679)
Rate RLS, LS	$ 12,844,680	$ 121,837,130	10.54%	2.19	(9,353,618)
Rate LE	$ 71,018	$ 707,794	10.03%	2.09	(49,516)
Rate TLE	$ 78,676	$ 597,062	13.18%	2.74	(66,901)
Rate OSL	$ 52,942	$ 174,838	30.28%	6.30	(59,632)
Rate EV	$ (28,432)	$ 105,015	-27.07%	(5.63)	44,834
Rate SSP	$ (33,799)	$ 2,576,969	-1.31%	(0.27)	211,209
Rate BS	$ 13,970	$ 290,934	4.80%	1.00	28
Total	$ 249,974,531	$ 5,197,832,023	4.81%	1.00	0

Q. How are the Companies' proposing to allocate the overall revenue increases to rate classes?

A. The Companies propose to allocate their requested revenue increases ($131 million for LG&E, $170 million for KU) on a uniform percentage basis to each rate class. Each rate class would receive roughly the same percentage increase (11.8% for LG&E, 10.7% for KU), irrespective of the cost of service results or subsidies paid or received.

Q. Would it be appropriate to modify the Companies' revenue apportionment methodology to address subsidies?

A. Yes. However, it should be limited to large industrial rate schedules (TODP, RTS and FLS) that are above cost of service. As I showed in Tables 1 and 2, based on the 6 CP cost of service studies, the only large industrial rate schedules that are currently paying subsidies are Rate TODP and RTS on the LG&E system and Rate FLS on the KU system. For these industrial rate classes, whose customers must compete regionally, nationally and internationally, eliminating the current subsidies they pay in electric power rates would encourage continued operation and expansion of production facilities and help to maintain and grow jobs in Kentucky. While it is true that commercial customers on other general service rate schedules are also paying subsidies, these customers generally compete locally with other customers on the LG&E and KU system taking service on the same rate schedules. For these commercial customers, electric cost is competitively neutral.

Q. Has the Commission previously approved a similar approach that only addresses subsidies being paid by large industrial rate classes?

A. Yes. In Kentucky Power Company's 2017 base rate case (Case No. 2017-00179), the Commission approved a settlement that included a revenue apportionment methodology that I recommended that involved a two-step process that fully eliminated the subsidies being paid by large Industrial Rate IGS. In that settlement, the difference between the Company's requested revenue increase and the Commission approved revenue increase was first used to eliminate the Rate IGS subsidies. The remaining amount was then applied to all rate classes, including Rate IGS.

Q. What is your specific recommendation to address these large industrial class subsidies and allocation of the overall revenue increase to all rate classes?

A. As I indicated and showed in Tables 1 and 2, there are only two LG&E and one KU industrial rate class that are paying subsidies. The current subsidies for these three rate classes would be eliminated under my proposal. For all other KU and LG&E rate classes, the revenue increases would be on a uniform percentage basis, after adjusting for the subsidy reductions for the three industrial rate classes. Tables 3 and 4 show the increases that I am recommending assuming that the Companies received their full requested revenue increases, based on this limited subsidy reduction methodology.

Table 3
KIUC Proposed LG&E Revenue Increases*

Rate Class	Total Revenue at Current Rates	Subsidy Reduction	As-Filed Revenue Increases	Adjustment to Reflect Subsidy Reduction	Adjusted Revenue Increase	Percent Change in Total Revenue	Percent Difference Vs. LG&E As-Filed
Residential Service	450,118,941		53,134,815	4,165,816	57,300,632	12.73%	0.93%
Residential Time-of-Day	179,334		21,176	1,660	22,836	12.73%	0.93%
General Service	161,805,775		19,105,822	1,497,913	20,603,736	12.73%	0.93%
General Time-of-Day Service	-		-	-	-		
Power Service-Secondary	151,744,862		17,917,377	1,404,738	19,322,115	12.73%	0.93%
Power Service-Primary	10,376,308		1,225,601	96,088	1,321,690	12.74%	0.93%
Time-of-Day Secondary	103,388,043		12,216,545	957,788	13,174,333	12.74%	0.93%
Time-of-Day Primary Service	138,482,990	(7,510,820)	16,361,581	1,282,762	10,133,524	7.32%	-4.50%
Retail Transmission Service	65,181,428	(2,758,517)	7,690,372	602,932	5,534,787	8.49%	-3.31%
Fluctuating Load Service	-	-	-	-	-		
Curtailable Service Riders	(2,468,360)		-		-	0.00%	0.00%
Lighting Energy Service	257,440		3		3	0.00%	0.00%
Traffic Energy Service	332,730		(14)		(14)	0.00%	0.00%
Outdoor Sports Lighting Sec	16,373		(1,638)		(1,638)	-10.01%	0.00%
Outdoor Sports Lighting Pri	-		-		-		
Electric Vehicle Charging	1,672		-		-	0.00%	0.00%
Solar Capacity Charges	247,032		-		-	0.00%	0.00%
Lighting & Restricted Lighting	24,176,938		2,876,570	225,526	3,102,095	12.83%	0.93%
Special Contracts	3,688,214		435,109	34,113	469,222	12.72%	0.92%
Sales to Ultimate Customers	1,107,529,720	(10,269,337)	130,983,319	10,269,337	130,983,319	11.83%	0.00%
Other Operating Revenues:					-		
Late Payment Charges	2,706,693		-	-	-	0.00%	0.00%
Electric Service Revenue	1,545,789		84,527	-	84,527	5.47%	0.00%
Rent from Electric Property	3,799,537		498	-	498	0.01%	0.00%
Other Miscellaneous Revenue	13,212,657		4,932	-	4,932	0.04%	0.00%
Unadjusted Total	1,128,794,396		131,073,276	10,269,337	131,073,276	11.61%	0.00%
Imputed Rev for Solar and EV	-		175,526		175,526		
Total	1,128,794,396	(10,269,337)	131,248,802	10,269,337	131,248,802	11.63%	0.00%

* Assumes that the Company recieves its full requested revenue increase.

Table 4
KIUC Proposed KU Revenue Increases*

Rate Class	Total Revenue at Current Rates	Subsidy Reduction	As-Filed Revenue Increases	Adjustment to Reflect Subsidy Reduction	Adjusted Revenue Increase	Percent Change in Total Revenue	Percent Difference Vs. KU As-Filed
Residential Service	638,642,072		68,176,839	285,427	68,462,266	10.72%	0.04%
Residential Time-of-Day	181,872		19,427	81	19,508	10.73%	0.04%
General Service	250,361,615		26,734,943	111,928	26,846,871	10.72%	0.04%
General Time-of-Day Service	-		-	-	-		
All Electric School Service	13,614,526		1,453,830	6,087	1,459,916	10.72%	0.04%
Power Service-Secondary	173,816,598		18,553,034	77,674	18,630,708	10.72%	0.04%
Power Service-Primary	9,735,576		1,039,687	4,353	1,044,040	10.72%	0.04%
Time-of-Day Secondary	135,932,011		14,530,948	60,835	14,591,783	10.73%	0.04%
Time-of-Day Primary Service	252,229,557	-	26,942,083	112,795	27,054,878	10.73%	0.04%
Retail Transmission Service	82,241,312	-	8,787,141	36,788	8,823,929	10.73%	0.04%
Fluctuating Load Service	32,878,230	(710,679)	3,514,118	14,712	2,818,152	8.57%	-2.12%
Curtailable Service Riders	(18,634,070)		-	-	-	0.00%	0.00%
Lighting Energy Service	335,885		18		18	0.01%	0.00%
Traffic Energy Service	288,026		2		2	0.00%	0.00%
Outdoor Sports Lighting Sec	95,851		(4,762)		(4,762)	-4.97%	0.00%
Outdoor Sports Lighting Pri	-		-		-	0.00%	0.00%
Electric Vehicle Charging	1,672		-		-	0.00%	0.00%
Solar Capacity Charges	200,859		-		-	0.00%	0.00%
Lighting & Restricted Lighting	33,374,195		(129)		(129)	0.00%	0.00%
Sales to Ultimate Customers	1,605,295,787	(710,679)	169,747,181	710,679	169,747,181	10.57%	0.00%
Other Operating Revenues:					-		
Late Payment Charges	3,870,525		-	-	-	0.00%	0.00%
Electric Service Revenue	2,198,183		366,528	-	366,528	16.67%	0.00%
Rent from Electric Property	2,725,117		990	-	990	0.04%	0.00%
Other Miscellaneous Revenue	28,332,045		5,899	-	5,899	0.02%	0.00%
Unadjusted Total	1,642,421,657		170,120,598	710,679	170,120,598	10.36%	0.00%
Imputed Rev for Solar and EV	-		353,856		353,856	0.00%	0.00%
Total	1,642,421,657	(710,679)	170,474,454	710,679	170,474,454	10.38%	0.00%

* Assumes that the Company recieves its full requested revenue increase.

Q. In the likely event that the Commission authorizes a revenue increase for each Company that is lower than the amount requested, how would your proposal work?

A. For each Company, the subsidy elimination for the above cost industrial rates would be the same as in Step 1 of my proposal. However, the uniform percentage increase in Step 2 would be reduced to reflect the approved overall revenue increase.

Q. Why is it an appropriate regulatory policy to limit the subsidy reductions to only large industrial rate classes?

A. While moving all rates towards cost of service is an appropriate regulatory policy, there are a number of reasons to focus on the subsidies paid by large industrial customers. While cost-of-service is an important factor, it is not the only factor. First, there can be legitimate disagreements on the appropriate methodology that should be used to allocate costs to rate classes. Moreover, such factors as gradualism, state economic development goals, the impact on competitiveness of industry, and other policy factors should also be considered by the Commission.

Q. Would you elaborate further on the non-cost of service factors that should be considered in assigning the overall increase to rate classes?

A. The non-cost of service factors can be categorized into two groups: rate shock/gradualism and competitiveness issues. Gradualism recognizes that that there are reasonable limits to how high a rate class's rates can be increased, regardless of the results of a reasonable cost of service study. This is especially important in areas where there is currently significant economic hardship due to general economic conditions.

Q. How should the competitiveness of the manufacturing sector be factored into the Commission's decision?

A. Electric rates are a significant factor in the competitiveness of manufacturers that must compete regionally, nationally, and internationally. It is critically important to recognize the impact of ever-increasing electric rates on the ability of large manufacturing customers to continue to operate and to attract new, higher paying manufacturing businesses. This is especially true given increasingly strict environmental rules on Kentucky's predominately coal generation fleet and the mounting national and international pressure to reduce CO2 emissions.

Q. Does Kentucky law support the consideration of non-cost factors like economic development when allocating utility costs among the customer classes?

A. Yes, while not offering a legal opinion or interpretation, from a non-lawyer perspective, KRS 278.030(3) provides such support. KRS 278.030(3) specifically states that utilities may take into account the "nature" and "purpose" for which utility service is used when setting rates and classifications of service. That Section, entitled Rates, classifications and service of utilities to be just and reasonable states:

> Every utility may employ in the conduct of its business suitable and reasonable classifications of its service, patrons and rates. The classifications may, in any proper case, take into account the nature of the use, the quality used, the quantity used, the time when used, the purpose for which used, and any other reasonable consideration. (emphasis added)

The Kentucky General Assembly has not specifically made cost of service a criterion in setting rates. In fact, cost of service is not mentioned in the relevant statutes. But the General Assembly has specifically authorized the consideration of non-cost factors when setting rates, establishing that the "purpose" for which a customer uses power and the "nature" of use may justify different rate treatment. Given this language it would be appropriate for the Commission to consider economic development principles when determining a just and reasonable rate allocation in this case.

Energy-intensive large manufacturing customers use a relatively large amount of power in order to convert raw materials into a finished product. Such processes rely on electric power as an input into the manufacturing process. Industrial customers that compete in regional, national and international markets are greatly affected by increases in the price of power. Many industrial manufacturers located in Kentucky precisely because of historically low electric rates. But because Kentucky's generation mix is so heavily reliant on coal, that competitive advantage could easily turn into a disadvantage as stricter environmental regulations and carbon pricing policies develop.

In contrast, commercial customers primarily use electricity for lighting and cooling. These uses typically represent a relatively small portion of that customers' total expenses. Additionally, a commercial customer in Kentucky faces its primary competition from other local retailers in the same electric service territory. An increase or decrease in power rates will not confer an advantage or disadvantage on any single competitor because they are all served by the same utility at presumably the same rate.

Q. Is a consideration of the nature and purpose of electric power use, rather than pure cost-of-service, a concept that is found in the Companies' tariffs?

A. Yes. According to the Companies' tariffs, customers are considered "industrial" if "they are engaged in activities primarily using electricity in a process or processes involving either the extraction of raw materials from the earth or a change of raw or unfinished materials into another form or product." Customers considered to be "energy intensive" must be served only under "Rates RTS, FLS or TODP".

The Companies' tariffs under Classification of Customers also makes a clear distinction between "industrial" and "commercial" customers. The Companies' tariffs state:

> For purposes of rate application hereunder, non-residential Customers will be considered "industrial" if they are primarily engaged in a process or processes which create or change raw or unfinished materials into another

> form or product, and/or in accordance with the North American Industry Classification System, Sections 21, 22, 31, 32 and 33. All other non-residential Customers will be defined as "commercial."[6]

Consistent with KRS 278.030(3) and the Companies' tariffs, when allocating costs and setting rates the Commission should consider the "nature" of industrial use and the "purpose for which" industrial customers use power.

Q. Do manufacturing customers have a significant impact on the Kentucky economy that is different than other types of business?

A. Yes, unlike most commercial businesses in Kentucky, the addition of new industrial businesses represents an incremental economic gain to Kentucky's economy. In contrast, when a commercial business opens a store in Kentucky the jobs created may be offset by the jobs lost from the corresponding elimination of competing businesses. The regional economy may not enjoy any growth at all as a result of the new commercial business because its success comes at the expense of other local commercial businesses.

Q. Does State policy recognize the unique importance of the industrial manufacturing sector to the Kentucky economy?

A. It is the stated policy goal of the Commonwealth to prioritize attracting manufacturers, agribusiness, regional or national headquarters, and non-retail service and technology

[6] LG&E Electric No. 12, Original Sheet No. 101.2 ; KU No. 19, Original Sheet No. 101.2.

companies. A 2012 study by the Kentucky Energy and Environment Cabinet entitled *"The Vulnerability of Kentucky's Manufacturing Economy to Increasing Electricity Prices"* explained the extreme sensitivity of Kentucky manufacturers to electric rate increases and the potential impact of such increases on jobs in the Commonwealth. Among other findings, the study concluded that:

> Kentucky's electricity-intensive manufacturing economy is threatened by increasing electricity prices. While the price of electricity is only one of several factors influencing industrial location decisions, Kentucky's historically low and stable electricity prices have fostered the most electricity-intensive economy in the United States. In the twenty-first century, the bulwark of the Kentucky economy is clearly manufactured goods—the Commonwealth's single largest source of economic activity.

The Kentucky Cabinet for Economic Development currently cites low electricity rates as a primary advantage for Kentucky's economy. The Cabinet states:

> Kentucky features some of the lowest industrial electricity rates in the nation, one of many factors helping companies maintain a healthy bottom line in the state. The state ranked first nationally for cost of doing business in CNBC's 2019 list of America's Top States for Business, which considers each state's tax climate, available incentives for businesses, utility costs, the cost of wages and rental costs for office and industrial space.[7]

These principles guide the approach taken by the Kentucky Cabinet for Economic Development in its efforts at business attraction and retention. The state's new and expanding business incentive programs, such as the Kentucky Business Investment (KBI) program, are specifically open only to manufacturing, agribusiness, regional

[7] https://ced.ky.gov/Newsroom/Article.aspx?x=20201002_manufacturing_excellence

or national headquarters, and non-retail service and technology companies, and the job retention programs are targeted towards manufacturing. The Commonwealth's workforce training initiatives are similarly oriented, with recipients of the largest grant program required to provide training related to manufacturing, technology (life sciences, data centers), transportation (logistics and distribution), healthcare, or related construction trades.

Governor Bashear's administration has reaffirmed the importance of fostering policies that are designed to attract and retain manufacturing in the Commonwealth. In October of 2020, Gov. Bashear stated that we must "recognize how profound an impact manufacturing has on Kentucky's economy, its communities and its families…Manufacturers in Kentucky employ about 260,000 people, full-time." He noted that Kentucky's manufacturing base far outstrips the national average, with 13% of the Commonwealth's workforce employed in manufacturing versus 8.5% nationally.[8]

[8] https://kentucky.gov/Pages/Activity-stream.aspx?n=GovernorBeshear&prId=399

IV. RATE DESIGN ISSUES

Q. Have you reviewed the Companies' proposed rate design for Rates TODP and RTS?

A. Yes. The Companies' are proposing substantial increases in the energy charges of both rates. Tables 5 and 6 below summarize the proposed increases in the TODP and RTS energy and demand charges in this case. For LG&E, the TODP and RTS energy charges are being increased by about 17%, compared to an overall increase proposed for these rates of 11.80%. For KU, the Company is proposing to increase the TODP and RTS energy charges by 22%, compared to an overall increase of 10.68% for these rates. The Companies' proposals substantially disrupt the current balance among high and low load factor customers on these rates. A high load factor customer, who is energy intensive, compared to an average TODP and RTS customer, will receive a disproportionately larger rate increase as a result of the Companies' rate design proposal.

Table 5
Proposed TODP Increases

LG&E	Current	Proposed	% Change
Energy Charge	$0.02744	$0.03236	17.9%
Demand kVA Base	$ 2.34	$ 3.33	42.3%
Demand kVA Intermediate	$ 7.15	$ 7.36	2.9%
Demand kVA Peak	$ 9.32	$ 9.58	2.8%
KU			
Energy Charge	0.02573	0.03128	21.6%
Demand kVA Base	$ 2.03	$ 2.79	37.4%
Demand kVA Intermediate	$ 6.84	$ 6.71	-1.9%
Demand kVA Peak	$ 8.52	$ 8.36	-1.9%

Table 6
Proposed RTS Increases

LG&E	Current	Proposed	% Change
Energy Charge	$0.02705	$0.03183	17.7%
Demand kVA Base	$ 0.90	$ 1.93	114.4%
Demand kVA Intermediate	$ 7.11	$ 7.26	2.1%
Demand kVA Peak	$ 9.27	$ 9.47	2.2%
KU			
Energy Charge	$0.02513	$0.03066	22.0%
Demand kVA Base	$1.23000	$2.16000	75.6%
Demand kVA Intermediate	$6.74000	$6.46000	-4.2%
Demand kVA Peak	$8.39000	$8.04000	-4.2%

Q. How do the Companies' justify the very large energy charge increases for these two large industrial customer rates?

A. In responses to AG-KIUC 1-191, the Companies state that the proposed energy rates are based on the unit cost of service analyses developed by the Companies and provided in response to AG-KIUC 1-188. The Companies also justify their position by explaining that these large percentage increases proposed for TODP and RTS are due to the fact that the current TODP and RTS energy charges were set based on a settlement in Case Nos. 2018-00294, 00295.

Q. Is the Companies' justification reasonable?

A. No. First, the fact that there was a Commission approved settlement in the prior case that established the current TODP and RTS energy charges does not justify disregarding gradualism and a purported move to 100% cost of service in this case. Second, and more importantly, the Companies' unit cost of service studies assign a substantial amount of costs to the TODP and RTS energy function that do not reflect the economic cost incurred by a large customer for increases or decreases in energy usage.

Q. Are you objecting to the Companies' functional and class cost of service study results that form the basis for the TODP and RTS unit energy costs?

A. No, not for class cost of service purposes. The Companies have followed a traditional production cost classification approach in their cost of service studies (LOLP, 12 CP, 6 CP) that classifies a portion of production O&M maintenance expenses as energy related, in addition to fuel expenses and purchased power energy costs that are directly related to energy generation. The cost studies also classify a portion of cash working capital rate base that is associated with energy related expenses (primarily fuel) as energy related. I don't disagree with this treatment in the class cost of service studies. However, I don't believe that it is appropriate or economically efficient to include these maintenance costs and rate base costs in the energy charges themselves. From an economic standpoint, customers should receive price signals in their rates that better represent the economic costs of consuming an additional kWh. While over a longer term period it could be argued that additional energy usage will lead to a higher level of maintenance and cash working capital, large industrial customers on Rates TODP and RTS should make consumption decisions based on a price signal that reflects the incremental costs that will be incurred to serve that additional energy usage.

Q. Have the Companies indicated what their costs are to produce an additional kWh?

A. Yes. In response to AG-KIUC 1-61 [attached as Exhibit__(SJB-6)], the Companies state that their production costs for 2021 to 2022 are in the range of $20.14 to $23.79 per MWh. This is significantly lower than the TODP and RTS energy charges proposed by the Companies ($30.66 to $ 32.36 per MWh). This is further confirmed by Mr. Seelye in KU's response to PSC 2-108 ("KU could generate or procure the energy at a cost of only 0.02173 per kWh") and LG&E' response to PSC 2-122 ("LG&E could generate or procure the energy at a cost of only $0.02173 per kWh").

Q. Have you performed an analysis of the Companies' unit cost of service studies to determine the unit energy cost for Rates TODP and RTS based on only fuel and purchased power energy costs?

A. Yes. Tables 7 and 8 below show these results for each Company.

Table 7
LG&E - Adjusted Unit Energy Cost
(Excludes Energy-Related Non-Fuel O&M, Rate Base)

	TODP	RTS
Total Energy O&M	64,474,145	33,448,093
Less Energy-Related Non-Fuel O&M	(17,212,250)	(8,903,434)
Less Energy-Related Rate Base Revenue Req.	(1,609,515)	(928,828)
Adjusted Energy Related Cost of Service	45,652,380	23,615,831
Billing Units	1,992,826,476	1,050,890,542
Adjusted Unit Energy Cost	**0.022908**	**0.022472**

Table 8
KU - Adjusted Unit Energy Cost
(Excludes Energy-Related Non-Fuel O&M, Rate Base)

	TODP	RTS
Total Energy O&M	123,665,626	43,065,887
Less Energy-Related Non-Fuel O&M	(21,969,348)	(7,646,129)
Less Energy-Related Rate Base Revenue Req.	(1,258,861)	(463,696)
Adjusted Energy Related Cost of Service	100,437,416	34,956,062
Billing Units	3,951,918,371	1,404,629,847
Adjusted Unit Energy Cost	**0.0254149**	**0.0248863**

Q. Are you recommending that the TODP and RTS energy charges be set at the levels shown in Tables 7 and 8?

A. No. My recommendation is to maintain the current TODP and RTS energy charges at their current levels ("0%" increase in this case). The proposed TODP and RTS demand charges should be increased to account for the revenue loss from the energy charges.

Q. Would your TODP and RTS rate design proposal have any impact on any other LG&E or KU rate class?

A. No. This rate design change would only affect Rates TODP and RTS. It would not impact any other rate class.

Q. Do you have any further rate related recommendations in this case?

A. Yes. The Companies are proposing an Economic Relief Surcredit in this case to refund to customers certain amounts related to the remaining unprotected excess ADIT balances that were created by the Tax Cut and Jobs Act, remaining fees from certain refined coal facility agreements and, for LG&E, payments from the resolution of a territorial dispute. The Companies propose to provide this credit on a $/kWh basis for the electric portion of the credit. Based on the proposal, it appears that customers who are receiving a discount on a portion of their bills via an economic incentive discount would also receive this credit. Since these customers are already receiving a form of economic relief, the surcredit should not be provided to these customers.

V. PROPOSED COAL MINE ECONOMIC DEVELOPMENT RATE

Q. Would you please discuss KIUC's proposal to implement an economic development rate for the Companies' coal mining customers?

A. KIUC is proposing an economic development rate specifically focused on the Companies' coal mining customers that would provide an incentive to these customers if they can increase their energy usage above a baseline set as the average of the customer's usage during some recent historical period. The purpose of the rate is to encourage these customers to not only maintain current employment in Kentucky, but to potentially increase employment by increasing mine production.

As described by KIUC witness Heath Lovell, Vice President of Alliance Resource Partners, L.P. ("ARLP"), ARLP operates a number of mines in Kentucky, Indiana and Illinois (Illinois Basin Mines) as well as mines in the Appalachia region. These mines compete against other mines in the region, and more importantly, compete against each other for production to satisfy coal delivery contracts. Similar to the way LG&E and KU economically dispatch their generating units, ARLP dispatches its production, especially at the margin, based on the variable cost of production at each mine. These mine costs include labor, severance taxes and electric power costs. While the Commission cannot change labor costs or severance taxes, the Commission does directly determine the electric power costs that these mines pay. If ARLP can produce incremental production at a Kentucky mine at a lower cost than an alternative mine in Indiana, for example, the production would be assigned to Kentucky. All else being equal, this would create employment or prevent a loss of employment in Kentucky.

Q. Are there additional benefits to Kentucky if production is increased?

A. Yes, as discussed more extensively in Mr. Lovell's Direct Testimony, the Commonwealth benefits through higher coal severance taxes, a portion of which is allocated to local communities.

Q. Would you describe KIUC's specific coal mining economic development rate proposal?

A. The proposed economic development rate would be in the form of a $/kWh credit applied to a coal mine's incremental kWh usage above the average level for that mine during a recent historical period, perhaps the previous 2 or 3 years. The $/kWh credit would be applied to a customer's bill, calculated under the standard LG&E or KU tariff. I have attached a draft proposed "Coal Mine Economic Development Rate" to my Testimony as Baron Exhibit__(SJB-7).

Q. Has the Commission approved similar types of economic development incentives for coal mining customers?

A. Yes. The Commission approved a special contract tariff, "C.S.-Coal" for Kentucky Power Company that appears to have expired at the end of 2020. While this tariff did not specify a discount, which is subject to confidentiality protection, the tariff appears to be designed as an economic incentive to increase production of an existing customer. Kentucky Power's C.S.-Coal rate did not contemplate a credit on incremental use as KIUC is proposing. It more broadly allowed for the utility and a coal mining customer to agree on limited exceptions to tariff provisions such as demand charges and days of operation subject to Commission review and approval.

Q. Would the Commission have the ability to thoroughly evaluate any contract agreed to by a coal mining customer and the utility?

A. Yes. Like the Kentucky Power's C.S.- Coal tariff, any contract agreed to pursuant to KIUC's proposed economic Coal Mine Economic Development Rate must be filed with the Commission and is subject to Commission approval.

Q. Is it the policy of the Commonwealth to promote in-state coal mining and coal generation?

A. Yes, there are several Kentucky statutes and regulations that establish that it is the policy of Kentucky to support Kentucky's coal industry. The Kentucky environmental surcharge statute (KRS 278.183) was enacted in 1992 in order to support coal generation by allowing utilities to receive expedited recovery of costs associated with environmental requirements applicable to coal combustion waste.

KRS 278.020(1) provides that when considering a certificate to construct a base load generating facility, the Commission may "consider the policy of the General Assembly to foster and encourage use of Kentucky coal by electric utilities serving the Commonwealth."

More recently, the Commission adopted a modification to Kentucky's Fuel Adjustment Clause ("FAC") Regulation, 807 KAR 5:056, in order to ensure that

Kentucky coal is not disadvantaged in the fuel procurement process as a result of Kentucky's coal severance taxes.[9] Like KIUC's Coal Mine Economic Development Rate proposal, the Commission's recent revision to the FAC Regulation addresses the competitive disadvantage that Kentucky mines face relative to competitors that do not pay state coal severance taxes. The revised FAC provides that, when determining the reasonableness of fuel costs in procurement contracts, the Commission shall evaluate the reasonableness of fuel costs in contracts and competing bids based on the costs of the fuel less any coal severance tax imposed by any jurisdiction. This amendment puts Kentucky coal on equal footing for purposes of the least cost determination in the fuel procurement contract evaluation process with out of state coal that originates from states that do not apply coal severance taxes.

Q. Does that complete your testimony?

A. Yes.

[9] 807 KAR 5:056 §3-5.

AFFIDAVIT

STATE OF GEORGIA)

COUNTY OF FULTON)

STEPHEN J. BARON, being duly sworn, deposes and states: that the attached is his sworn testimony and that the statements contained are true and correct to the best of his knowledge, information and belief.

Stephen J. Baron

Stephen J. Baron

Sworn to and subscribed before me on this 4th day of March 2021.

Notary Public

RANDY A FUTRAL
MY COMMISSION EXPIRES
NOTARY
PUBLIC
AUGUST 26, 2024
COBB COUNTY, GEORGIA

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	**)**	**Case No. 2020-00349**
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	**)**	

AND

IN THE MATTER OF:

ELECTRONIC APPLICATION OF	**)**	
LOUISVILLE GAS AND ELECTRIC	**)**	
COMPANY FOR AN ADJUSTMENT OF ITS	**)**	**Case No. 2020-00350**
ELECTRIC AND GAS 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	**)**	

EXHIBIT__(SJB-1)

OF

STEPHEN J. BARON

Professional Qualifications

Of

Stephen J. Baron

Mr. Baron graduated from the University of Florida in l972 with a B.A. degree with high honors in Political Science and significant coursework in Mathematics and Computer Science. In 1974, he received a Master of Arts Degree in Economics, also from the University of Florida. His areas of specialization were econometrics, statistics, and public utility economics. His thesis concerned the development of an econometric model to forecast electricity sales in the State of Florida, for which he received a grant from the Public Utility Research Center of the University of Florida. In addition, he has advanced study and coursework in time series analysis and dynamic model building.

Mr. Baron has more than forty years of experience in the electric utility industry in the areas of cost and rate analysis, forecasting, planning, and economic analysis.

Following the completion of my graduate work in economics, he joined the staff of the Florida Public Service Commission in August of 1974 as a Rate Economist. His responsibilities included the analysis of rate cases for electric, telephone, and gas utilities, as well as the preparation of cross-examination material and the preparation of staff recommendations.

In December 1975, he joined the Utility Rate Consulting Division of Ebasco Services, Inc.

as an Associate Consultant. In the seven years he worked for Ebasco, he received successive promotions, ultimately to the position of Vice President of Energy Management Services of Ebasco Business Consulting Company. His responsibilities included the management of a staff of consultants engaged in providing services in the areas of econometric modeling, load and energy forecasting, production cost modeling, planning, cost-of-service analysis, cogeneration, and load management.

He joined the public accounting firm of Coopers & Lybrand in 1982 as a Manager of the Atlanta Office of the Utility Regulatory and Advisory Services Group. In this capacity he was responsible for the operation and management of the Atlanta office. His duties included the technical and administrative supervision of the staff, budgeting, recruiting, and marketing as well as project management on client engagements. At Coopers & Lybrand, he specialized in utility cost analysis, forecasting, load analysis, economic analysis, and planning.

In January 1984, he joined the consulting firm of Kennedy and Associates as a Vice President and Principal. Mr. Baron became President of the firm in January 1991.

He has presented numerous papers and published an article entitled "How to Rate Load Management Programs" in the March 1979 edition of "Electrical World." His article on "Standby Electric Rates" was published in the November 8, 1984 issue of "Public Utilities Fortnightly." In February of 1984, he completed a detailed analysis entitled "Load Data

Transfer Techniques" on behalf of the Electric Power Research Institute, which published the study.

Mr. Baron has presented testimony as an expert witness in Arizona, Arkansas, Colorado, Connecticut, Florida, Georgia, Indiana, Kentucky, Louisiana, Maine, Michigan, Minnesota, Maryland, Missouri, Montana, New Jersey, New Mexico, New York, North Carolina, South Carolina, Ohio, Pennsylvania, Tennessee, Texas, Utah, Virginia, West Virginia, Wisconsin, Wyoming, the Federal Energy Regulatory Commission and in United States Bankruptcy Court. A list of his specific regulatory appearances follows.

Expert Testimony Appearances
of
Stephen J. Baron
As of February 2021

Date	Case	Jurisdict.	Party	Utility	Subject
4/81	203(B)	KY	Louisville Gas & Electric Co.	Louisville Gas & Electric Co.	Cost-of-service.
4/81	ER-81-42	MO	Kansas City Power & Light Co.	Kansas City Power & Light Co.	Forecasting.
6/81	U-1933	AZ	Arizona Corporation Commission	Tucson Electric Co.	Forecasting planning.
2/84	8924	KY	Airco Carbide	Louisville Gas & Electric Co.	Revenue requirements, cost-of-service, forecasting, weather normalization.
3/84	84-038-U	AR	Arkansas Electric Energy Consumers	Arkansas Power & Light Co.	Excess capacity, cost-of-service, rate design.
5/84	830470-EI	FL	Florida Industrial Power Users' Group	Florida Power Corp.	Allocation of fixed costs, load and capacity balance, and reserve margin. Diversification of utility.
10/84	84-199-U	AR	Arkansas Electric Energy Consumers	Arkansas Power and Light Co.	Cost allocation and rate design.
11/84	R-842651	PA	Lehigh Valley Power Committee	Pennsylvania Power & Light Co.	Interruptible rates, excess capacity, and phase-in.
1/85	85-65	ME	Airco Industrial Gases	Central Maine Power Co.	Interruptible rate design.
2/85	I-840381	PA	Philadelphia Area Industrial Energy Users' Group	Philadelphia Electric Co.	Load and energy forecast.
3/85	9243	KY	Alcan Aluminum Corp., et al.	Louisville Gas & Electric Co.	Economics of completing fossil generating unit.
3/85	3498-U	GA	Attorney General	Georgia Power Co.	Load and energy forecasting, generation planning economics.
3/85	R-842632	PA	West Penn Power Industrial Intervenors	West Penn Power Co.	Generation planning economics, prudence of a pumped storage hydro unit.
5/85	84-249	AR	Arkansas Electric Energy Consumers	Arkansas Power & Light Co.	Cost-of-service, rate design return multipliers.
5/85		City of Santa Clara	Chamber of Commerce	Santa Clara Municipal	Cost-of-service, rate design.
6/85	84-768-E-42T	WV	West Virginia Industrial Intervenors	Monongahela Power Co.	Generation planning economics, prudence of a pumped storage hydro unit.

Expert Testimony Appearances
of
Stephen J. Baron
As of February 2021

Date	Case	Jurisdict.	Party	Utility	Subject
6/85	E-7 Sub 391	NC	Carolina Industrials (CIGFUR III)	Duke Power Co.	Cost-of-service, rate design, interruptible rate design.
7/85	29046	NY	Industrial Energy Users Association	Orange and Rockland Utilities	Cost-of-service, rate design.
10/85	85-043-U	AR	Arkansas Gas Consumers	Arkla, Inc.	Regulatory policy, gas cost-of-service, rate design.
10/85	85-63	ME	Airco Industrial Gases	Central Maine Power Co.	Feasibility of interruptible rates, avoided cost.
2/85	ER-8507698	NJ	Air Products and Chemicals	Jersey Central Power & Light Co.	Rate design.
3/85	R-850220	PA	West Penn Power Industrial Intervenors	West Penn Power Co.	Optimal reserve, prudence, off-system sales guarantee plan.
2/86	R-850220	PA	West Penn Power Industrial Intervenors	West Penn Power Co.	Optimal reserve margins, prudence, off-system sales guarantee plan.
3/86	85-299U	AR	Arkansas Electric Energy Consumers	Arkansas Power & Light Co.	Cost-of-service, rate design, revenue distribution.
3/86	85-726-EL-AIR	OH	Industrial Electric Consumers Group	Ohio Power Co.	Cost-of-service, rate design, interruptible rates.
5/86	86-081-E-GI	WV	West Virginia Energy Users Group	Monongahela Power Co.	Generation planning economics, prudence of a pumped storage hydro unit.
8/86	E-7 Sub 408	NC	Carolina Industrial Energy Consumers	Duke Power Co.	Cost-of-service, rate design, interruptible rates.
10/86	U-17378	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Excess capacity, economic analysis of purchased power.
12/86	38063	IN	Industrial Energy Consumers	Indiana & Michigan Power Co.	Interruptible rates.
3/87	EL-86-53-001 EL-86-57-001	Federal Energy Regulatory Commission (FERC)	Louisiana Public Service Commission Staff	Gulf States Utilities, Southern Co.	Cost/benefit analysis of unit power sales contract.
4/87	U-17282	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Load forecasting and imprudence damages, River Bend Nuclear unit.

Expert Testimony Appearances
of
Stephen J. Baron
As of February 2021

Date	Case	Jurisdict.	Party	Utility	Subject
5/87	87-023-E-C	WV	Airco Industrial Gases	Monongahela Power Co.	Interruptible rates.
5/87	87-072-E-G1	WV	West Virginia Energy Users' Group	Monongahela Power Co.	Analyze Mon Power's fuel filing and examine the reasonableness of MP's claims.
5/87	86-524-E-SC	WV	West Virginia Energy Users' Group	Monongahela Power Co.	Economic dispatching of pumped storage hydro unit.
5/87	9781	KY	Kentucky Industrial Energy Consumers	Louisville Gas & Electric Co.	Analysis of impact of 1986 Tax Reform Act.
6/87	3673-U	GA	Georgia Public Service Commission	Georgia Power Co.	Economic prudence, evaluation of Vogtle nuclear unit - load forecasting, planning.
6/87	U-17282	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Phase-in plan for River Bend Nuclear unit.
7/87	85-10-22	CT	Connecticut Industrial Energy Consumers	Connecticut Light & Power Co.	Methodology for refunding rate moderation fund.
8/87	3673-U	GA	Georgia Public Service Commission	Georgia Power Co.	Test year sales and revenue forecast.
9/87	R-850220	PA	West Penn Power Industrial Intervenors	West Penn Power Co.	Excess capacity, reliability of generating system.
10/87	R-870651	PA	Duquesne Industrial Intervenors	Duquesne Light Co.	Interruptible rate, cost-of-service, revenue allocation, rate design.
10/87	I-860025	PA	Pennsylvania Industrial Intervenors		Proposed rules for cogeneration, avoided cost, rate recovery.
10/87	E-015/ GR-87-223	MN	Taconite Intervenors	Minnesota Power & Light Co.	Excess capacity, power and cost-of-service, rate design.
10/87	8702-EI	FL	Occidental Chemical Corp.	Florida Power Corp.	Revenue forecasting, weather normalization.
12/87	87-07-01	CT	Connecticut Industrial Energy Consumers	Connecticut Light Power Co.	Excess capacity, nuclear plant phase-in.
3/88	10064	KY	Kentucky Industrial Energy Consumers	Louisville Gas & Electric Co.	Revenue forecast, weather normalization rate treatment of cancelled plant.
3/88	87-183-TF	AR	Arkansas Electric Consumers	Arkansas Power & Light Co.	Standby/backup electric rates.

Expert Testimony Appearances
of
Stephen J. Baron
As of February 2021

Date	Case	Jurisdict.	Party	Utility	Subject
5/88	870171C001	PA	GPU Industrial Intervenors	Metropolitan Edison Co.	Cogeneration deferral mechanism, modification of energy cost recovery (ECR).
6/88	870172C005	PA	GPU Industrial Intervenors	Pennsylvania Electric Co.	Cogeneration deferral mechanism, modification of energy cost recovery (ECR).
7/88	88-171-EL-AIR 88-170-EL-AIR Interim Rate Case	OH	Industrial Energy Consumers	Cleveland Electric/ Toledo Edison	Financial analysis/need for interim rate relief.
7/88	Appeal of PSC	19th Judicial Docket U-17282	Louisiana Public Service Commission Circuit Court of Louisiana	Gulf States Utilities	Load forecasting, imprudence damages.
11/88	R-880989	PA	United States Steel	Carnegie Gas	Gas cost-of-service, rate design.
11/88	88-171-EL-AIR 88-170-EL-AIR	OH	Industrial Energy Consumers	Cleveland Electric/ Toledo Edison. General Rate Case.	Weather normalization of peak loads, excess capacity, regulatory policy.
3/89	870216/283 284/286	PA	Armco Advanced Materials Corp., Allegheny Ludlum Corp.	West Penn Power Co.	Calculated avoided capacity, recovery of capacity payments.
8/89	8555	TX	Occidental Chemical Corp.	Houston Lighting & Power Co.	Cost-of-service, rate design.
8/89	3840-U	GA	Georgia Public Service Commission	Georgia Power Co.	Revenue forecasting, weather normalization.
9/89	2087	NM	Attorney General of New Mexico	Public Service Co. of New Mexico	Prudence - Palo Verde Nuclear Units 1, 2 and 3, load fore-casting.
10/89	2262	NM	New Mexico Industrial Energy Consumers	Public Service Co. of New Mexico	Fuel adjustment clause, off-system sales, cost-of-service, rate design, marginal cost.
11/89	38728	IN	Industrial Consumers for Fair Utility Rates	Indiana Michigan Power Co.	Excess capacity, capacity equalization, jurisdictional cost allocation, rate design, interruptible rates.
1/90	U-17282	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Jurisdictional cost allocation, O&M expense analysis.

Expert Testimony Appearances
of
Stephen J. Baron
As of February 2021

Date	Case	Jurisdict.	Party	Utility	Subject
5/90	890366	PA	GPU Industrial Intervenors	Metropolitan Edison Co.	Non-utility generator cost recovery.
6/90	R-901609	PA	Armco Advanced Materials Corp., Allegheny Ludlum Corp.	West Penn Power Co.	Allocation of QF demand charges in the fuel cost, cost-of-service, rate design.
9/90	8278	MD	Maryland Industrial Group	Baltimore Gas & Electric Co.	Cost-of-service, rate design, revenue allocation.
12/90	U-9346 Rebuttal	MI	Association of Businesses Advocating Tariff Equity	Consumers Power Co.	Demand-side management, environmental externalities.
12/90	U-17282 Phase IV	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Revenue requirements, jurisdictional allocation.
12/90	90-205	ME	Airco Industrial Gases	Central Maine Power Co.	Investigation into interruptible service and rates.
1/91	90-12-03 Interim	CT	Connecticut Industrial Energy Consumers	Connecticut Light & Power Co.	Interim rate relief, financial analysis, class revenue allocation.
5/91	90-12-03 Phase II	CT	Connecticut Industrial Energy Consumers	Connecticut Light & Power Co.	Revenue requirements, cost-of-service, rate design, demand-side management.
8/91	E-7, SUB 487	NC	North Carolina Industrial Energy Consumers	Duke Power Co.	Revenue requirements, cost allocation, rate design, demand-side management.
8/91	8341 Phase I	MD	Westvaco Corp.	Potomac Edison Co.	Cost allocation, rate design, 1990 Clean Air Act Amendments.
8/91	91-372 EL-UNC	OH	Armco Steel Co., L.P.	Cincinnati Gas & Electric Co.	Economic analysis of cogeneration, avoid cost rate.
9/91	P-910511 P-910512	PA	Allegheny Ludlum Corp., Armco Advanced Materials Co., The West Penn Power Industrial Users' Group	West Penn Power Co.	Economic analysis of proposed CWIP Rider for 1990 Clean Air Act Amendments expenditures.
9/91	91-231 -E-NC	WV	West Virginia Energy Users' Group	Monongahela Power Co.	Economic analysis of proposed CWIP Rider for 1990 Clean Air Act Amendments expenditures.
10/91	8341 - Phase II	MD	Westvaco Corp.	Potomac Edison Co.	Economic analysis of proposed CWIP Rider for 1990 Clean Air

Expert Testimony Appearances
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Stephen J. Baron
As of February 2021

Date	Case	Jurisdict.	Party	Utility	Subject
					Act Amendments expenditures.
10/91	U-17282	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Results of comprehensive management audit.
Note: No testimony was prefiled on this.					
11/91	U-17949 Subdocket A	LA	Louisiana Public Service Commission Staff	South Central Bell Telephone Co. and proposed merger with Southern Bell Telephone Co.	Analysis of South Central Bell's restructuring and
12/91	91-410-EL-AIR	OH	Armco Steel Co., Air Products & Chemicals, Inc.	Cincinnati Gas & Electric Co.	Rate design, interruptible rates.
12/91	P-880286	PA	Armco Advanced Materials Corp., Allegheny Ludlum Corp.	West Penn Power Co.	Evaluation of appropriate avoided capacity costs - QF projects.
1/92	C-913424	PA	Duquesne Interruptible Complainants	Duquesne Light Co.	Industrial interruptible rate.
6/92	92-02-19	CT	Connecticut Industrial Energy Consumers	Yankee Gas Co.	Rate design.
8/92	2437	NM	New Mexico Industrial Intervenors	Public Service Co. of New Mexico	Cost-of-service.
8/92	R-00922314	PA	GPU Industrial Intervenors	Metropolitan Edison Co.	Cost-of-service, rate design, energy cost rate.
9/92	39314	ID	Industrial Consumers for Fair Utility Rates	Indiana Michigan Power Co.	Cost-of-service, rate design, energy cost rate, rate treatment.
10/92	M-00920312 C-007	PA	The GPU Industrial Intervenors	Pennsylvania Electric Co.	Cost-of-service, rate design, energy cost rate, rate treatment.
12/92	U-17949	LA	Louisiana Public Service Commission Staff	South Central Bell Co.	Management audit.
12/92	R-00922378	PA	Armco Advanced Materials Co. The WPP Industrial Intervenors	West Penn Power Co.	Cost-of-service, rate design, energy cost rate, SO_2 allowance rate treatment.
1/93	8487	MD	The Maryland Industrial Group	Baltimore Gas & Electric Co.	Electric cost-of-service and rate design, gas rate design (flexible rates).
2/93	E002/GR-92-1185	MN	North Star Steel Co. Praxair, Inc.	Northern States Power Co.	Interruptible rates.

Expert Testimony Appearances
of
Stephen J. Baron
As of February 2021

Date	Case	Jurisdict.	Party	Utility	Subject
4/93	EC92 21000 ER92-806-000 (Rebuttal)	Federal Energy Regulatory Commission	Louisiana Public Service Commission Staff	Gulf States Utilities/Entergy agreement.	Merger of GSU into Entergy System; impact on system
7/93	93-0114-E-C	WV	Airco Gases	Monongahela Power Co.	Interruptible rates.
8/93	930759-EG	FL	Florida Industrial Power Users' Group	Generic - Electric Utilities	Cost recovery and allocation of DSM costs.
9/93	M-009 30406	PA	Lehigh Valley Power Committee	Pennsylvania Power & Light Co.	Ratemaking treatment of off-system sales revenues.
11/93	346	KY	Kentucky Industrial Utility Customers	Generic - Gas Utilities	Allocation of gas pipeline transition costs - FERC Order 636.
12/93	U-17735	LA	Louisiana Public Service Commission Staff	Cajun Electric Power Cooperative	Nuclear plant prudence, forecasting, excess capacity.
4/94	E-015/ GR-94-001	MN	Large Power Intervenors	Minnesota Power Co.	Cost allocation, rate design, rate phase-in plan.
5/94	U-20178	LA	Louisiana Public Service Commission	Louisiana Power & Light Co.	Analysis of least cost integrated resource plan and demand-side management program.
7/94	R-00942986	PA	Armco, Inc.; West Penn Power Industrial Intervenors	West Penn Power Co.	Cost-of-service, allocation of rate increase, rate design, emission allowance sales, and operations and maintenance expense.
7/94	94-0035-E-42T	WV	West Virginia Energy Users Group	Monongahela Power Co.	Cost-of-service, allocation of rate increase, and rate design.
8/94	EC94 13-000	Federal Energy Regulatory Commission	Louisiana Public Service Commission	Gulf States Utilities/Entergy	Analysis of extended reserve shutdown units and violation of system agreement by Entergy.
9/94	R-00943 081 R-00943 081C0001	PA	Lehigh Valley Power Committee	Pennsylvania Public Utility Commission	Analysis of interruptible rate terms and conditions, availability.
9/94	U-17735	LA	Louisiana Public Service Commission	Cajun Electric Power Cooperative	Evaluation of appropriate avoided cost rate.
9/94	U-19904	LA	Louisiana Public Service Commission	Gulf States Utilities	Revenue requirements.

Expert Testimony Appearances
of
Stephen J. Baron
As of February 2021

Date	Case	Jurisdict.	Party	Utility	Subject
10/94	5258-U	GA	Georgia Public Service Commission	Southern Bell Telephone & Telegraph Co.	Proposals to address competition in telecommunication markets.
11/94	EC94-7-000 ER94-898-000	FERC	Louisiana Public Service Commission	El Paso Electric and Central and Southwest	Merger economics, transmission equalization hold harmless proposals.
2/95	941-430EG	CO	CF&I Steel, L.P.	Public Service Company of Colorado	Interruptible rates, cost-of-service.
4/95	R-00943271	PA	PP&L Industrial Customer Alliance	Pennsylvania Power & Light Co.	Cost-of-service, allocation of rate increase, rate design, interruptible rates.
6/95	C-00913424 C-00946104	PA	Duquesne Interruptible Complainants	Duquesne Light Co.	Interruptible rates.
8/95	ER95-112 -000	FERC	Louisiana Public Service Commission	Entergy Services, Inc.	Open Access Transmission Tariffs - Wholesale.
10/95	U-21485	LA	Louisiana Public Service Commission	Gulf States Utilities Company	Nuclear decommissioning, revenue requirements, capital structure.
10/95	ER95-1042 -000	FERC	Louisiana Public Service Commission	System Energy Resources, Inc.	Nuclear decommissioning, revenue requirements.
10/95	U-21485	LA	Louisiana Public Service Commission	Gulf States Utilities Co.	Nuclear decommissioning and cost of debt capital, capital structure.
11/95	I-940032	PA	Industrial Energy Consumers of Pennsylvania	State-wide - all utilities	Retail competition issues.
7/96	U-21496	LA	Louisiana Public Service Commission	Central Louisiana Electric Co.	Revenue requirement analysis.
7/96	8725	MD	Maryland Industrial Group	Baltimore Gas & Elec. Co., Potomac Elec. Power Co., Constellation Energy Co.	Ratemaking issues associated with a Merger.
8/96	U-17735	LA	Louisiana Public Service Commission	Cajun Electric Power Cooperative	Revenue requirements.
9/96	U-22092	LA	Louisiana Public Service Commission	Entergy Gulf States, Inc.	Decommissioning, weather normalization, capital structure.
2/97	R-973877	PA	Philadelphia Area Industrial Energy Users Group	PECO Energy Co.	Competitive restructuring policy issues, stranded cost, transition charges.

Expert Testimony Appearances
of
Stephen J. Baron
As of February 2021

Date	Case	Jurisdict.	Party	Utility	Subject
6/97	Civil Action No. 94-11474	US Bank-ruptcy Court Middle District of Louisiana	Louisiana Public Service Commission	Cajun Electric Power Cooperative	Confirmation of reorganization plan; analysis of rate paths produced by competing plans.
6/97	R-973953	PA	Philadelphia Area Industrial Energy Users Group	PECO Energy Co.	Retail competition issues, rate unbundling, stranded cost analysis.
6/97	8738	MD	Maryland Industrial Group	Generic	Retail competition issues
7/97	R-973954	PA	PP&L Industrial Customer Alliance	Pennsylvania Power & Light Co.	Retail competition issues, rate unbundling, stranded cost analysis.
10/97	97-204	KY	Alcan Aluminum Corp. Southwire Co.	Big River Electric Corp.	Analysis of cost of service issues - Big Rivers Restructuring Plan
10/97	R-974008	PA	Metropolitan Edison Industrial Users	Metropolitan Edison Co.	Retail competition issues, rate unbundling, stranded cost analysis.
10/97	R-974009	PA	Pennsylvania Electric Industrial Customer	Pennsylvania Electric Co.	Retail competition issues, rate unbundling, stranded cost analysis.
11/97	U-22491	LA	Louisiana Public Service Commission	Entergy Gulf States, Inc.	Decommissioning, weather normalization, capital structure.
11/97	P-971265	PA	Philadelphia Area Industrial Energy Users Group	Enron Energy Services Power, Inc./ PECO Energy	Analysis of Retail Restructuring Proposal.
12/97	R-973981	PA	West Penn Power Industrial Intervenors	West Penn Power Co.	Retail competition issues, rate unbundling, stranded cost analysis.
12/97	R-974104	PA	Duquesne Industrial Intervenors	Duquesne Light Co.	Retail competition issues, rate unbundling, stranded cost analysis.
3/98	U-22092 (Allocated Stranded Cost Issues)	LA	Louisiana Public Service Commission	Gulf States Utilities Co.	Retail competition, stranded cost quantification.
3/98	U-22092	LA	Louisiana Public Service Commission	Gulf States Utilities, Inc.	Stranded cost quantification, restructuring issues.
9/98	U-17735	LA	Louisiana Public Service Commission	Cajun Electric Power Cooperative, Inc.	Revenue requirements analysis, weather normalization.

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Date	Case	Jurisdict.	Party	Utility	Subject
12/98	8794	MD	Maryland Industrial Group and Millennium Inorganic Chemicals Inc.	Baltimore Gas and Electric Co.	Electric utility restructuring, stranded cost recovery, rate unbundling.
12/98	U-23358	LA	Louisiana Public Service Commission	Entergy Gulf States, Inc.	Nuclear decommissioning, weather normalization, Entergy System Agreement.
5/99 (Cross- Answering Testimony)	EC-98-40-000	FERC	Louisiana Public Service Commission	American Electric Power Co. & Central South West Corp.	Merger issues related to market power mitigation proposals.
5/99 (Response Testimony)	98-426	KY	Kentucky Industrial Utility Customers, Inc.	Louisville Gas & Electric Co.	Performance based regulation, settlement proposal issues, cross-subsidies between electric. And gas services.
6/99	98-0452	WV	West Virginia Energy Users Group	Appalachian Power, Monongahela Power, & Potomac Edison Companies	Electric utility restructuring, stranded cost recovery, rate unbundling.
7/99	99-03-35	CT	Connecticut Industrial \Energy Consumers	United Illuminating Company	Electric utility restructuring, stranded cost recovery, rate unbundling.
7/99	Adversary Proceeding No. 98-1065	U.S. Bankruptcy Court	Louisiana Public Service Commission	Cajun Electric Power Cooperative	Motion to dissolve preliminary injunction.
7/99	99-03-06	CT	Connecticut Industrial Energy Consumers	Connecticut Light & Power Co.	Electric utility restructuring, stranded cost recovery, rate unbundling.
10/99	U-24182	LA	Louisiana Public Service Commission	Entergy Gulf States, Inc.	Nuclear decommissioning, weather normalization, Entergy System Agreement.
12/99	U-17735	LA	Louisiana Public Service Commission	Cajun Electric Power Cooperative, Inc.	Ananlysi of Proposed Contract Rates, Market Rates.
03/00	U-17735	LA	Louisiana Public Service Commission	Cajun Electric Power Cooperative, Inc.	Evaluation of Cooperative Power Contract Elections
03/00	99-1658-EL-ETP	OH	AK Steel Corporation	Cincinnati Gas & Electric Co.	Electric utility restructuring, stranded cost recovery, rate Unbundling.

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Date	Case	Jurisdict.	Party	Utility	Subject
08/00	98-0452 E-GI	WV	West Virginia Energy Users Group	Appalachian Power Co. American Electric Co.	Electric utility restructuring rate unbundling.
08/00	00-1050 E-T 00-1051-E-T	WV	West Virginia Energy Users Group	Mon Power Co. Potomac Edison Co.	Electric utility restructuring rate unbundling.
09/00	00-1178-E-T	WV	West Virginia Energy Users Group	Appalachian Power Co. Wheeling Power Co.	Electric utility restructuring rate unbundling
10/00	SOAH 473-00-1020 PUC 2234	TX	The Dallas-Fort Worth Hospital Council and The Coalition of Independent Colleges And Universities	TXU, Inc.	Electric utility restructuring rate unbundling.
12/00	U-24993	LA	Louisiana Public Service Commission	Entergy Gulf States, Inc.	Nuclear decommissioning, revenue requirements.
12/00	EL00-66-000 & ER00-2854 EL95-33-002	LA	Louisiana Public Service Commission	Entergy Services Inc.	Inter-Company System Agreement: Modifications for retail competition, interruptible load.
04/01	U-21453, U-20925, U-22092 (Subdocket B) Addressing Contested Issues	LA	Louisiana Public Service Commission	Entergy Gulf States, Inc.	Jurisdictional Business Separation - Texas Restructuring Plan
10/01	14000-U	GA	Georgia Public Service Commission Adversary Staff	Georgia Power Co.	Test year revenue forecast.
11/01	U-25687	LA	Louisiana Public Service Commission	Entergy Gulf States, Inc.	Nuclear decommissioning requirements transmission revenues.
11/01	U-25965	LA	Louisiana Public Service Commission	Generic .	Independent Transmission Company ("Transco"). RTO rate design.
03/02	001148-EI	FL	South Florida Hospital and Healthcare Assoc.	Florida Power & Light Company	Retail cost of service, rate design, resource planning and demand side management.
06/02	U-25965	LA	Louisiana Public Service Commission	Entergy Gulf States Entergy Louisiana	RTO Issues
07/02	U-21453	LA	Louisiana Public Service Commission	SWEPCO, AEP	Jurisdictional Business Sep. - Texas Restructuring Plan.

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08/02	U-25888	LA	Louisiana Public Service Commission	Entergy Louisiana, Inc. Entergy Gulf States, Inc.	Modifications to the Inter-Company System Agreement, Production Cost Equalization.
08/02	EL01-88-000	FERC	Louisiana Public Service Commission	Entergy Services Inc. and the Entergy Operating Companies	Modifications to the Inter-Company System Agreement, Production Cost Equalization.
11/02	02S-315EG	CO	CF&I Steel & Climax Molybdenum Co.	Public Service Co. of Colorado	Fuel Adjustment Clause
01/03	U-17735	LA	Louisiana Public Service Commission	Louisiana Coops	Contract Issues
02/03	02S-594E	CO	Cripple Creek and Victor Gold Mining Co.	Aquila, Inc.	Revenue requirements, purchased power.
04/03	U-26527	LA	Louisiana Public Service Commission	Entergy Gulf States, Inc.	Weather normalization, power purchase expenses, System Agreement expenses.
11/03	ER03-753-000	FERC	Louisiana Public Service Commission Staff	Entergy Services, Inc. and the Entergy Operating Companies	Proposed modifications to System Agreement Tariff MSS-4.
11/03	ER03-583-000 ER03-583-001 ER03-583-002 ER03-681-000, ER03-681-001 ER03-682-000, ER03-682-001 ER03-682-002	FERC	Louisiana Public Service Commission	Entergy Services, Inc., the Entergy Operating Companies, EWO Market-Ing, L.P, and Entergy Power, Inc.	Evaluation of Wholesale Purchased Power Contracts.
12/03	U-27136	LA	Louisiana Public Service Commission	Entergy Louisiana, Inc.	Evaluation of Wholesale Purchased Power Contracts.
01/04	E-01345-03-0437	AZ	Kroger Company	Arizona Public Service Co.	Revenue allocation rate design.
02/04	00032071	PA	Duquesne Industrial Intervenors	Duquesne Light Company	Provider of last resort issues.
03/04	03A-436E	CO	CF&I Steel, LP and Climax Molybedenum	Public Service Company of Colorado	Purchased Power Adjustment Clause.

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04/04	2003-00433 2003-00434	KY	Kentucky Industrial Utility Customers, Inc.	Louisville Gas & Electric Co. Kentucky Utilities Co.	Cost of Service Rate Design
0-6/04	03S-539E	CO	Cripple Creek, Victor Gold Mining Co., Goodrich Corp., Holcim (U.S.,), Inc., and The Trane Co.	Aquila, Inc.	Cost of Service, Rate Design Interruptible Rates
06/04	R-00049255	PA	PP&L Industrial Customer Alliance PPLICA	PPL Electric Utilities Corp.	Cost of service, rate design, tariff issues and transmission service charge.
10/04	04S-164E	CO	CF&I Steel Company, Climax Mines	Public Service Company of Colorado	Cost of service, rate design, Interruptible Rates.
03/05	Case No. 2004-00426 Case No. 2004-00421	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Utilities Louisville Gas & Electric Co.	Environmental cost recovery.
06/05	050045-EI	FL	South Florida Hospital and Healthcare Assoc.	Florida Power & Light Company	Retail cost of service, rate design
07/05	U-28155	LA	Louisiana Public Service Commission Staff	Entergy Louisiana, Inc. Entergy Gulf States, Inc.	Independent Coordinator of Transmission – Cost/Benefit
09/05	Case Nos. 05-0402-E-CN 05-0750-E-PC	WV	West Virginia Energy Users Group	Mon Power Co. Potomac Edison Co.	Environmental cost recovery, Securitization, Financing Order
01/06	2005-00341	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Power Company	Cost of service, rate design, transmission expenses. Congestion Cost Recovery Mechanism
03/06	U-22092	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Separation of EGSI into Texas and Louisiana Companies.
03/06	05-1278-E-PC -PW-42T	WV	West Virginia Energy Users Group	Appalachian Power Co. Wheeling Power Co.	Retail cost of service, rate design.
04/06	U-25116	LA	Louisiana Public Service Commission Staff	Entergy Louisiana, Inc.	Transmission Prudence Investigation
06/06	R-00061346 C0001-0005	PA	Duquesne Industrial Intervenors & IECPA	Duquesne Light Co.	Cost of Service, Rate Design, Transmission Service Charge, Tariff Issues
06/06	R-00061366 R-00061367 P-00062213 P-00062214		Met-Ed Industrial Energy Users Group and Penelec Industrial Customer Alliance	Metropolitan Edison Co. Pennsylvania Electric Co.	Generation Rate Cap, Transmission Service Charge, Cost of Service, Rate Design, Tariff Issues
07/06	U-22092 Sub-J	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Separation of EGSI into Texas and Louisiana Companies.

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07/06	Case No. 2006-00130 Case No. 2006-00129	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Utilities Louisville Gas & Electric Co.	Environmental cost recovery.
08/06	Case No. PUE-2006-00065	VA	Old Dominion Committee For Fair Utility Rates	Appalachian Power Co.	Cost Allocation, Allocation of Rev Incr, Off-System Sales margin rate treatment
09/06	E-01345A-05-0816	AZ	Kroger Company	Arizona Public Service Co.	Revenue allocation, cost of service, rate design.
11/06	Doc. No. 97-01-15RE02	CT	Connecticut Industrial Energy Consumers	Connecticut Light & Power United Illuminating	Rate unbundling issues.
01/07	Case No. 06-0960-E-42T	WV	West Virginia Energy Users Group	Mon Power Co. Potomac Edison Co.	Retail Cost of Service Revenue apportionment
03/07	U-29764	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc. Entergy Louisiana, LLC	Implementation of FERC Decision Jurisdictional & Rate Class Allocation
05/07	Case No. 07-63-EL-UNC	OH	Ohio Energy Group	Ohio Power, Columbus Southern Power	Environmental Surcharge Rate Design
05/07	R-00049255 Remand	PA	PP&L Industrial Customer Alliance PPLICA	PPL Electric Utilities Corp.	Cost of service, rate design, tariff issues and transmission service charge.
06/07	R-00072155	PA	PP&L Industrial Customer Alliance PPLICA	PPL Electric Utilities Corp.	Cost of service, rate design, tariff issues.
07/07	Doc. No. 07F-037E	CO	Gateway Canyons LLC	Grand Valley Power Coop.	Distribution Line Cost Allocation
09/07	Doc. No. 05-UR-103	WI	Wisconsin Industrial Energy Group, Inc.	Wisconsin Electric Power Co.	Cost of Service, rate design, tariff Issues, Interruptible rates.
11/07	ER07-682-000	FERC	Louisiana Public Service Commission Staff	Entergy Services, Inc. and the Entergy Operating Companies	Proposed modifications to System Agreement Schedule MSS-3. Cost functionalization issues.
1/08	Doc. No. 20000-277-ER-07	WY	Cimarex Energy Company	Rocky Mountain Power (PacifiCorp)	Vintage Pricing, Marginal Cost Pricing Projected Test Year
1/08	Case No. 07-551	OH	Ohio Energy Group	Ohio Edison, Toledo Edison Cleveland Electric Illuminating	Class Cost of Service, Rate Restructuring, Apportionment of Revenue Increase to Rate Schedules
2/08	ER07-956	FERC	Louisiana Public Service Commission Staff	Entergy Services, Inc. and the Entergy Operating Companies	Entergy's Compliance Filing System Agreement Bandwidth Calculations.
2/08	Doc No. P-00072342	PA	West Penn Power Industrial Intervenors	West Penn Power Co.	Default Service Plan issues.
3/08	Doc No. E-01933A-05-0650	AZ	Kroger Company	Tucson Electric Power Co.	Cost of Service, Rate Design

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Date	Case	Jurisdict.	Party	Utility	Subject
05/08	08-0278 E-GI	WV	West Virginia Energy Users Group	Appalachian Power Co. American Electric Power Co.	Expanded Net Energy Cost "ENEC" Analysis.
6/08	Case No. 08-124-EL-ATA	OH	Ohio Energy Group	Ohio Edison, Toledo Edison Cleveland Electric Illuminating	Recovery of Deferred Fuel Cost
7/08	Docket No. 07-035-93	UT	Kroger Company	Rocky Mountain Power Co.	Cost of Service, Rate Design
08/08	Doc. No. 6680-UR-116	WI	Wisconsin Industrial Energy Group, Inc.	Wisconsin Power and Light Co.	Cost of Service, rate design, tariff Issues, Interruptible rates.
09/08	Doc. No. 6690-UR-119	WI	Wisconsin Industrial Energy Group, Inc.	Wisconsin Public Service Co.	Cost of Service, rate design, tariff Issues, Interruptible rates.
09/08	Case No. 08-936-EL-SSO	OH	Ohio Energy Group	Ohio Edison, Toledo Edison Cleveland Electric Illuminating	Provider of Last Resort Competitive Solicitation
09/08	Case No. 08-935-EL-SSO	OH	Ohio Energy Group	Ohio Edison, Toledo Edison Cleveland Electric Illuminating	Provider of Last Resort Rate Plan
09/08	Case No. 08-917-EL-SSO 08-918-EL-SSO	OH	Ohio Energy Group	Ohio Power Company Columbus Southern Power Co.	Provider of Last Resort Rate Plan
10/08	2008-00251 2008-00252	KY	Kentucky Industrial Utility Customers, Inc.	Louisville Gas & Electric Co. Kentucky Utilities Co.	Cost of Service, Rate Design
11/08	08-1511 E-GI	WV	West Virginia Energy Users Group	Mon Power Co. Potomac Edison Co.	Expanded Net Energy Cost "ENEC" Analysis.
11/08	M-2008-2036188, M-2008-2036197	PA	Met-Ed Industrial Energy Users Group and Penelec Industrial Customer Alliance	Metropolitan Edison Co. Pennsylvania Electric Co.	Transmission Service Charge
01/09	ER08-1056	FERC	Louisiana Public Service Commission	Entergy Services, Inc. and the Entergy Operating Companies	Entergy's Compliance Filing System Agreement Bandwidth Calculations.
01/09	E-01345A-08-0172	AZ	Kroger Company	Arizona Public Service Co.	Cost of Service, Rate Design
02/09	2008-00409	KY	Kentucky Industrial Utility Customers, Inc.	East Kentucky Power Cooperative, Inc.	Cost of Service, Rate Design
5/09	PUE-2009 -00018	VA	VA Committee For Fair Utility Rates	Dominion Virginia Power Company	Transmission Cost Recovery Rider
5/09	09-0177-E-GI	WV	West Virginia Energy Users Group	Appalachian Power Company	Expanded Net Energy Cost "ENEC" Analysis
6/09	PUE-2009 -00016	VA	VA Committee For Fair Utility Rates	Dominion Virginia Power Company	Fuel Cost Recovery Rider

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6/09	PUE-2009 -00038	VA	Old Dominion Committee For Fair Utility Rates	Appalachian Power Company	Fuel Cost Recovery Rider
7/09	080677-EI	FL	South Florida Hospital and Healthcare Assoc.	Florida Power & Light Company	Retail cost of service, rate design
8/09	U-20925 (RRF 2004)	LA	Louisiana Public Service Commission Staff	Entergy Louisiana LLC	Interruptible Rate Refund Settlement
9/09	09AL-299E	CO	CF&I Steel Company Climax Molybdenum	Public Service Company of Colorado	Energy Cost Rate issues
9/09	Doc. No. 05-UR-104	WI	Wisconsin Industrial Energy Group, Inc.	Wisconsin Electric Power Co.	Cost of Service, rate design, tariff Issues, Interruptible rates.
9/09	Doc. No. 6680-UR-117	WI	Wisconsin Industrial Energy Group, Inc.	Wisconsin Power and Light Co.	Cost of Service, rate design, tariff Issues, Interruptible rates.
10/09	Docket No. 09-035-23	UT	Kroger Company	Rocky Mountain Power Co.	Cost of Service, Allocation of Rev Increase
10/09	09AL-299E	CO	CF&I Steel Company Climax Molybdenum	Public Service Company of Colorado	Cost of Service, Rate Design
11/09	PUE-2009 -00019	VA	VA Committee For Fair Utility Rates	Dominion Virginia Power Company	Cost of Service, Rate Design
11/09	09-1485 E-P	WV	West Virginia Energy Users Group	Mon Power Co. Potomac Edison Co.	Expanded Net Energy Cost “ENEC” Analysis.
12/09	Case No. 09-906-EL-SSO	OH	Ohio Energy Group	Ohio Edison, Toledo Edison Cleveland Electric Illuminating	Provider of Last Resort Rate Plan
12/09	ER09-1224	FERC	Louisiana Public Service Commission	Entergy Services, Inc. and the Entergy Operating Companies	Entergy’s Compliance Filing System Agreement Bandwidth Calculations.
12/09	Case No. PUE-2009-00030	VA	Old Dominion Committee For Fair Utility Rates	Appalachian Power Co.	Cost Allocation, Allocation of Rev Increase, Rate Design
2/10	Docket No. 09-035-23	UT	Kroger Company	Rocky Mountain Power Co.	Rate Design
3/10	Case No. 09-1352-E-42T	WV	West Virginia Energy Users Group	Mon Power Co. Potomac Edison Co.	Retail Cost of Service Revenue apportionment
3/10	E015/ GR-09-1151	MN	Large Power Intervenors	Minnesota Power Co.	Cost of Service, rate design
4/10	EL09-61	FERC	Louisiana Public Service Service Commission	Entergy Services, Inc. and the Entergy Operating Companies	System Agreement Issues Related to off-system sales
4/10	2009-00459	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Power Company	Cost of service, rate design, transmission expenses.

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4/10	2009-00548 2009-00549	KY	Kentucky Industrial Utility Customers, Inc.	Louisville Gas & Electric Co. Kentucky Utilities Co.	Cost of Service, Rate Design
7/10	R-2010-2161575	PA	Philadelphia Area Industrial Energy Users Group	PECO Energy Company	Cost of Service, Rate Design
09/10	2010-00167	KY	Kentucky Industrial Utility Customers, Inc.	East Kentucky Power Cooperative, Inc.	Cost of Service, Rate Design
09/10	10M-245E	CO	CF&I Steel Company Climax Molybdenum	Public Service Company of Colorado	Economic Impact of Clean Air Act
11/10	10-0699-E-42T	WV	West Virginia Energy Users Group	Appalachian Power Company	Cost of Service, Rate Design, Transmission Rider
11/10	Doc. No. 4220-UR-116	WI	Wisconsin Industrial Energy Group, Inc.	Northern States Power Co. Wisconsin	Cost of Service, rate design
12/10	10A-554EG	CO	CF&I Steel Company Climax Molybdenum	Public Service Company	Demand Side Management Issues
12/10	10-2586-EL-SSO	OH	Ohio Energy Group	Duke Energy Ohio	Provider of Last Resort Rate Plan Electric Security Plan
3/11	20000-384-ER-10	WY	Wyoming Industrial Energy Consumers	Rocky Mountain Power Wyoming	Electric Cost of Service, Revenue Apportionment, Rate Design
5/11	2011-00036	KY	Kentucky Industrial Utility Customers, Inc.	Big Rivers Electric Corporation	Cost of Service, Rate Design
6/11	Docket No. 10-035-124	UT	Kroger Company	Rocky Mountain Power Co.	Class Cost of Service
6/11	PUE-2011-00045	VA	VA Committee For Fair Utility Rates	Dominion Virginia Power Company	Fuel Cost Recovery Rider
07/11	U-29764	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc. Entergy Louisiana, LLC	Entergy System Agreement - Successor Agreement, Revisions, RTO Day 2 Market Issues
07/11	Case Nos. 11-346-EL-SSO 11-348-EL-SSO	OH	Ohio Energy Group	Ohio Power Company Columbus Southern Power Co.	Electric Security Rate Plan, Provider of Last Resort Issues
08/11	PUE-2011-00034	VA	Old Dominion Committee For Fair Utility Rates	Appalachian Power Co.	Cost Allocation, Rate Recovery of RPS Costs
09/11	2011-00161 2011-00162	KY	Kentucky Industrial Utility	Louisville Gas & Electric Co. Kentucky Utilities Company	Environmental Cost Recovery
09/11	Case Nos. 11-346-EL-SSO 11-348-EL-SSO	OH	Ohio Energy Group	Ohio Power Company Columbus Southern Power Co.	Electric Security Rate Plan, Stipulation Support Testimony
10/11	11-0452 E-P-T	WV	West Virginia Energy Users Group	Mon Power Co. Potomac Edison Co.	Energy Efficiency/Demand Reduction Cost Recovery

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11/11	11-1272 E-P	WV	West Virginia Energy Users Group	Mon Power Co. Potomac Edison Co.	Expanded Net Energy Cost "ENEC" Analysis
11/11	E-01345A-11-0224	AZ	Kroger Company	Arizona Public Service Co.	Decoupling
12/11	E-01345A-11-0224	AZ	Kroger Company	Arizona Public Service Co.	Cost of Service, Rate Design
3/12	Case No. 2011-00401	KY	Kentucky Industrial Utility Consumers	Kentucky Power Company	Environmental Cost Recovery
4/12	2011-00036 Rehearing Case	KY	Kentucky Industrial Utility Customers, Inc.	Big Rivers Electric Corporation	Cost of Service, Rate Design
5/12	2011-346 2011-348	OH	Ohio Energy Group	Ohio Power Company	Electric Security Rate Plan Interruptible Rate Issues
6/12	PUE-2012 -00051	VA	Old Dominion Committee For Fair Utility Rates	Appalachian Power Company	Fuel Cost Recovery Rider
6/12	12-00012 12-00026	TN	Eastman Chemical Co. Air Products and Chemicals, Inc.	Kingsport Power Company	Demand Response Programs
6/12	Docket No. 11-035-200	UT	Kroger Company	Rocky Mountain Power Co.	Class Cost of Service
6/12	12-0275-E-GI	WV	West Virginia Energy Users Group	Appalachian Power Company	Energy Efficiency Rider
6/12	12-0399-E-P	WV	West Virginia Energy Users Group	Appalachian Power Company	Expanded Net Energy Cost ("ENEC")
7/12	120015-EI	FL	South Florida Hospital and Healthcare Assoc.	Florida Power & Light Company	Retail cost of service, rate design
7/12	2011-00063	KY	Kentucky Industrial Utility Customers, Inc.	Big Rivers Electric Corporation	Environmental Cost Recovery
8/12	Case No. 2012-00226	KY	Kentucky Industrial Utility Consumers	Kentucky Power Company	Real Time Pricing Tariff
9/12	ER12-1384	FERC	Louisiana Public Service Commission	Entergy Services, Inc.	Entergy System Agreement, Cancelled Plant Cost Treatment
9/12	2012-00221 2012-00222	KY	Kentucky Industrial Utility Customers, Inc.	Louisville Gas & Electric Co. Kentucky Utilities Co.	Cost of Service, Rate Design
11/12	12-1238 E-GI	WV	West Virginia Energy Users Group	Mon Power Co. Potomac Edison Co.	Expanded Net Energy Cost Recovery Issues
12/12	U-29764	LA	Louisiana Public Service Commission Staff	Entergy Gulf States Louisiana	Purchased Power Contracts
12/12	EL09-61	FERC	Louisiana Public Service Service Commission	Entergy Services, Inc. and the Entergy Operating	System Agreement Issues Related to off-system sales

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				Companies	Damages Phase
12/12	E-01933A-12-0291	AZ	Kroger Company	Tucson Electric Power Co.	Decoupling
1/13	12-1188 E-PC	WV	West Virginia Energy Users Group	Appalachian Power Company	Securitization of ENEC Costs
1/13	E-01933A-12-0291	AZ	Kroger Company	Tucson Electric Power Co.	Cost of Service, Rate Design
4/13	12-1571 E-PC	WV	West Virginia Energy Users Group	Mon Power Co. Potomac Edison Co.	Generation Resource Transition Plan Issues
4/13	PUE-2012 -00141	VA	Old Dominion Committee For Fair Utility Rates	Appalachian Power Company	Generation Asset Transfer Issues
6/13	12-1655 E-PC/11-1775 -E-P	WV	West Virginia Energy Users Group	Appalachian Power Company	Generation Asset Transfer Issues
06/13	U-32675	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc. Entergy Louisiana, LLC	MISO Joint Implementation Plan Issues
7/13	130040-EI	FL	WCF Health Utility Alliance	Tampa Electric Company	Cost of Service, Rate Design
7/13	13-0467-E-P	WV	West Virginia Energy Users Group	Appalachian Power Company	Expanded Net Energy Cost (“ENEC”)
7/13	13-0462-E-GI	WV	West Virginia Energy Users Group	Appalachian Power Company	Energy Efficiency Issues
8/13	13-0557-E-P	WV	West Virginia Energy Users Group	Appalachian Power Company	Right-of-Way, Vegetation Control Cost Recovery Surcharge Issues
10/13	2013-00199	KY	Kentucky Industrial Utility Customers, Inc.	Big Rivers Electric Corporation	Ratemaking Policy Associated with Rural Economic Reserve Funds
10/13	13-0764-E-CN	WV	West Virginia Energy Users Group	Appalachian Power Company	Rate Recovery Issues – Clinch River Gas Conversion Project
11/13	R-2013-2372129	PA	United States Steel Corporation	Duquesne Light Company	Cost of Service, Rate Design
11/13	13A-0686EG	CO	CF&I Steel Company Climax Molybdenum	Public Service Company of Colorado	Demand Side Management Issues
11/13	13-1064-E-P	WV	West Virginia Energy Users Group	Mon Power Co. Potomac Edison Co.	Right-of-Way, Vegetation Control Cost Recovery Surcharge Issues
4/14	ER-432-002	FERC	Louisiana Public Service Service Commission	Entergy Services, Inc. and the Entergy Operating Companies	System Agreement Issues Related to Union Pacific Railroad Litigation Settlement
5/14	2013-2385 2013-2386	OH	Ohio Energy Group	Ohio Power Company	Electric Security Rate Plan Interruptible Rate Issues

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5/14	14-0344-E-GI	WV	West Virginia Energy Users Group	Appalachian Power Company	Expanded Net Energy Cost ("ENEC")
5/14	14-0345-E-PC	WV	West Virginia Energy Users Group	Appalachian Power Company	Energy Efficiency Issues
5/14	Docket No. 13-035-184	UT	Kroger Company	Rocky Mountain Power Co.	Class Cost of Service
7/14	PUE-2014-00007	VA	Old Dominion Committee For Fair Utility Rates	Appalachian Power Company	Renewable Portfolio Standard Rider Issues
7/14	ER13-2483	FERC	Bear Island Paper WB LLC	Old Dominion Electric Cooperative	Cost of Service, Rate Design Issues
8/14	14-0546-E-PC	WV	West Virginia Energy Users Group	Appalachian Power Company	Rate Recovery Issues – Mitchell Asset Transfer
8/14	PUE-2014-00026	VA	Old Dominion Committee	Appalachian Power Company	Biennial Review Case - Cost of Service Issues
9/14	14-841-EL-SSO	OH	Ohio Energy Group	Duke Energy Ohio	Electric Security Rate Plan Standard Service Offer
10/14	14-0702-E-42T	WV	West Virginia Energy Users Group	Mon Power Co. Potomac Edison Co.	Cost of Service, Rate Design
11/14	14-1550-E-P	WV	West Virginia Energy Users Group	Mon Power Co. Potomac Edison Co.	Expanded Net Energy Cost ("ENEC")
12/14	EL14-026	SD	Black Hills Power Industrial Intervenors	Black Hills Power, Inc.	Cost of Service Issues
12/14	14-1152-E-42T	WV	West Virginia Energy Users Group	Appalachian Power Company	Cost of Service, Rate Design transmission, lost revenues
2/15	14-1297 EI-SS0	OH	Ohio Energy Group	Ohio Edison, Toledo Edison Cleveland Electric Illuminating	Electric Security Rate Plan Standard Service Offer
3/15	2014-00396	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Power Company	Cost of service, rate design, transmission expenses.
3/15	2014-00371 2014-00372	KY	Kentucky Industrial Utility Customers, Inc.	Louisville Gas & Electric Co. Kentucky Utilities Co.	Cost of Service, Rate Design
5/15	EL10-65	FERC	Louisiana Public Service Service Commission	Entergy Services, Inc. and the Entergy Operating Companies	System Agreement Issues Related to Interruptible load
5/15	15-0301-E-GI	WV	West Virginia Energy Users Group	Appalachian Power Company	Expanded Net Energy Cost ("ENEC")
5/15	15-0303-E-P	WV	West Virginia Energy Users Group	Appalachian Power Company, Wheeling Power Co.	Energy Efficiency/Demand Response

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Date	Case	Jurisdict.	Party	Utility	Subject
6/15	14-1580-EL-RDR	OH	Ohio Energy Group	Duke Energy Ohio	Energy Efficiency Rider Issues
7/15	EL10-65	FERC	Louisiana Public Service Service Commission	Entergy Services, Inc. and the Entergy Operating Companies	System Agreement Issues Related to Off-System Sales and Bandwidth Tariff
8/15	PUE-2015 -00034	VA	Old Dominion Committee For Fair Utility Rates	Appalachian Power Company	Renewable Portfolio Standard Rider Issues
8/15	87-0669-E-P	WV	West Virginia Energy Users Group	Mon Power Co. Potomac Edison Co.	Cost of Service, Rate Design
11/15	D2015-6.51	MT	Montana Large Customer Group	Montana Dakota Utilities Co.	Class Cost of Service, Rate Design
11/15	15-1351-E-P	WV	West Virginia Energy Users Group	Mon Power Co. Potomac Edison Co.	Expanded Net Energy Cost (“ENEC”)
3/16	EL01-88 Remand	FERC	Louisiana Public Service Service Commission	Entergy Services, Inc. and the Entergy Operating Companies	System Agreement Issues Related to Bandwidth Tariff
5/16	16-0239-E-ENEC	WV	West Virginia Energy Users Group	Appalachian Power Company	Expanded Net Energy Cost (“ENEC”)
6/16	E-01933A-15-0322	AZ	Kroger Company	Tucson Electric Power Co.	Cost of Service, Rate Design
6/16	16-00001	TN	East Tennessee Energy Consumers	Kingsport Power Co.	Cost of Service, Rate Design
6/16	14-1297-EL-SS0-Rehearing	OH	Ohio Energy Group	Ohio Edison, Toledo Edison Cleveland Electric Illuminating	Electric Security Rate Plan Standard Service Offer
06/16	15-1734-E-T-PC	WV	West Virginia Energy Users Group	Appalachian Power Company, Wheeling Power Co.	Demand Response Rider
7/16	160021-EI	FL	South Florida Hospital and Healthcare Assoc.	Florida Power & Light Company	Retail cost of service, rate design
7/16	16AL-0048E	CO	CF&I.Steel LP Climax Molybdenum	Public Service Company of Colorado	Cost of Service, Rate Design
7/16	16-0403-E-P	WV	West Virginia Energy Users Group	Mon Power Co. Potomac Edison Co.	Energy Efficiency/Demand Response
10/16	16-1121-E-ENEC	WV	West Virginia Energy Users Group	Mon Power Co. Potomac Edison Co.	Expanded Net Energy Cost (“ENEC”)
11/16	16-0395-EL-SSO	OH	Ohio Energy Group	Dayton Power & Light	Electric Security Rate Plan
11/16	EL09-61-004 Remand	FERC	Louisiana Public Service Service Commission	Entergy Services, Inc. and the Entergy Operating Companies	System Agreement Issues Related to off-system sales Damages Phase

Expert Testimony Appearances
of
Stephen J. Baron
As of February 2021

Date	Case	Jurisdict.	Party	Utility	Subject
12/16	1139	D.C.	Healthcare Council of the National Capital Area	Potomac Electric Power Co.	Cost of Service, Rate Design
1/17	E-01345A-16-0036	AZ	Kroger	Arizona Public Service Co.	Cost of Service, Rate Design
2/17	16-1026-E-PC	WV	West Virginia Energy Users Group	Appalachian Power Co.	Wind Project Purchase Power Agreement
3/17	2016-00370 2016-00371	KY	Kentucky Industrial Utility Customers, Inc.	Louisville Gas & Electric Co. Kentucky Utilities Co.	Cost of Service, Rate Design
5/17	16-1852	OH	Ohio Energy Group	Ohio Power Company	Electric Security Rate Plan Interruptible Rate Issues
7/17	17-00032	TN	East Tennessee Energy Consumers	Kingsport Power Co.	Vegetation Management Cost Recovery
8/17	17-0631-E-P	WV	West Virginia Energy Users Group	Monongahela Power Co.	Electric Energy Purchase Agreement
8/17	17-0296-E-PC	WV	West Virginia Energy Users Group	Monongahela Power Co.	Generation Resource Asset Transfer
9/17	2017-0179	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Power Company	Cost of service, rate design, transmission cost recover.
9/17	17-0401 E-P	WV	West Virginia Energy Users Group	Appalachian Power Company	Energy Efficiency Issues
12/17	17-0894-E-PC	WV	West Virginia Energy Users Group	Appalachian Power Co.	Wind Project Asset Purchase
5/18	1150/ 1151	D.C.	Healthcare Council of the National Capital Area	Potomac Electric Power Co.	Cost of Service, Rate Design Tax Cut and Jobs Act Issues
6/18	17-00143	TN	East Tennessee Energy Consumers	Kingsport Power Co.	Storm Damage Rider Cost Recovery
7/18	18-0503-E-ENEC	WV	West Virginia Energy Users Group	Appalachian Power Company	Expanded Net Energy Cost ("ENEC")
7/18	18-0504-E-P	WV	West Virginia Energy Users Group	Appalachian Power Company	Vegetation Management Cost Recovery
7/18	G.O.236.1	WV	West Virginia Energy Users Group	Appalachian Power Company	Tax Cut and Jobs Act Issues
7/18	G.O.236.1	WV	West Virginia Energy Users Group	Mon Power Co. Potomac Edison Co.	Tax Cut and Jobs Act Issues
10/18	18-0646-E-42T	WV	West Virginia Energy Users Group	Appalachian Power Company	Cost of Service, Rate Design TCJA issues
10/18	18-00038	TN	East Tennessee Energy Consumers	Kingsport Power Co.	Tax Cut and Jobs Act Issues

Expert Testimony Appearances
of
Stephen J. Baron
As of February 2021

Date	Case	Jurisdict.	Party	Utility	Subject
11/18	18-1231-E-ENEC	WV	West Virginia Energy Users Group	Mon Power Co. Potomac Edison Co.	Expanded Net Energy Cost ("ENEC")
11/18	2018-00054	VA	Old Dominion Committee For Fair Utility Rates	Appalachian Power Company	Tax Cut and Jobs Act Issues
12/18	2018-00134	VA	Collegiate Clean Energy	Appalachian Power Company	Competitive Service Provider Issues
1/19	2018-00294 2018-00295	KY	Kentucky Industrial Utility Customers, Inc.	Louisville Gas & Electric Co. Kentucky Utilities Co.	Cost of Service, Rate Design
1/19	2018-00101	VA	VA Committee For Fair Utility Rates	Dominion Virginia Power Company	Cost of Service
2/19	UD-18-07	City of New Orleans	Crescent City Power Users Group	Entergy New Orleans	Cost of Service, Rate Design
4/19	42310	GA	Georgia Public Service Commission Staff	Georgia Power Company	2019 Integrated Resource Plan Optimal Reserve Margin Issues
7/19	19-0396 E-P	WV	West Virginia Energy Users Group	Appalachian Power Company	Energy Efficiency Issues
10/19	19-0387 E-PC	WV	West Virginia Energy Users Group	Appalachian Power Company	Economic Development Fund
10/19	19-0564 E-T	WV	West Virginia Energy Users Group	Appalachian Power Company	Mitchell Generating Plant Surcharge
10/19	E-01933A-19-0028	AZ	Kroger Company	Tucson Electric Power Co.	Cost of Service, Rate Design
11/19	19-0785 E-ENEC	WV	West Virginia Energy Users Group	Mon Power Co. Potomac Edison Co.	Expanded Net Energy Cost ("ENEC")
11/19	2018-00101	VA	VA Committee For Fair Utility Rates	Dominion Virginia Power Company	Cost of Service
11/22	2019-00170-UT	NM	COG Operating, LLC	Southwestern Public Service Co.	Cost of Service, Rate Design
12/19	19-1028 E-PC	WV	West Virginia Energy Users Group	Mon Power Co. Potomac Edison Co.	PURPA Contract Buy-out
4/20	20-00064	KY	Kentucky Industrial Utility Customers, Inc.	Big Rivers Electric Cooperative, Inc.	Rate Design
7/20	2019-226-E	SC	The South Carolina Office of Regulatory Staff	Dominion Energy South Carolina	2020 Integrated Resource Plan Load Forecasting, Reserve Margin Issue
7/20	2020-00015	VA	Old Dominion Committee For Fair Utility Rates	Appalachian Power Company	2020 Triennial Review Case - Cost Allocation, Revenue Apportionment
8/20	E-01345A-19-0236	AZ	Kroger Company	Arizona Public Service Co	Cost of Service, Rate Design

Expert Testimony Appearances
of
Stephen J. Baron
As of February 2021

Date	Case	Jurisdict.	Party	Utility	Subject
10/20	2020-00174	KY	Kentucky Industrial Utility Customers, Inc., KY AG	Kentucky Power Company	Cost of service, net metering, transmission costs.
11/20	20-0665 E-ENEC	WV	West Virginia Energy Users Group	Mon Power Co. Potomac Edison Co	Expanded Net Energy Cost ("ENEC")
2/21	2019-224-E 2019-225-E	SC	The South Carolina Office of Regulatory Staff	Duke Energy Carolinas Duke Energy Progress	2020 Integrated Resource Plan Load Forecasting, Reserve Margin Issue

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**

AND

IN THE MATTER OF:

ELECTRONIC APPLICATION OF LOUISVILLE GAS AND ELECTRIC COMPANY FOR AN ADJUSTMENT OF ITS ELECTRIC AND GAS 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. 2020-00350**

EXHIBIT__(SJB-2)

OF

STEPHEN J. BARON

KENTUCKY UTILITIES COMPANY

Response to Joint Initial Data Requests of the Attorney General and KIUC
Dated January 8, 2021

Case No. 2020-00349

Question No. 184

Responding Witness: William Steven Seelye

Q-184. Please provide any testimony, papers or presentations prepared by Mr. Seelye or any other employee of the Prime Group in the past ten years which addresses the LOLP cost of service methodology. This would include all testimony (other than prior LGE/KU proceedings), papers or presentations supporting the LOLP method and testimony opposing the LOLP method.

A-184. The only documents prepared by Mr. Seelye in the last ten years that addresses the LOLP cost of service methodology are his direct and rebuttal testimony in prior LG&E and KU proceedings.

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**

AND

IN THE MATTER OF:

ELECTRONIC APPLICATION OF LOUISVILLE GAS AND ELECTRIC COMPANY FOR AN ADJUSTMENT OF ITS ELECTRIC AND GAS 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. 2020-00350**

EXHIBIT__(SJB-3)

OF

STEPHEN J. BARON

KENTUCKY UTILITIES COMPANY

Response to Joint Initial Data Requests of the Attorney General and KIUC
Dated January 8, 2021

Case No. 2020-00349

Question No. 182

Responding Witness: William Steven Seelye

Q-182. With regard to the LOLP analysis used in the class cost of service study, please provide the following:

a. an explanation of how tie line capacity to other utilities was treated in the analysis.

b. an explanation of whether there were any adjustments to hourly loads in the development of the LOLP analysis.

c. a detailed description of the methodology used to calculate the hourly LOLP results.

A-182.

a. No purchases from other utilities were included in the analysis.

b. There were no adjustments to the 2021 Business Plan's hourly loads in the development of the LOLP analysis.

c. See the response to Question No. 121.

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**

AND

IN THE MATTER OF:

ELECTRONIC APPLICATION OF LOUISVILLE GAS AND ELECTRIC COMPANY FOR AN ADJUSTMENT OF ITS ELECTRIC AND GAS 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. 2020-00350**

EXHIBIT__(SJB-4)

OF

STEPHEN J. BARON

LOUISVILLE GAS AND ELECTRIC COMPANY
Cost of Service Study
Class Allocation

12 Months Ended June 30, 2022

6 Coincident Peak Methodology

Description	Ref	Name	Allocation Vector	Total System	Residential Rate RS	General Service Rate GS	Rate PS Primary	Rate PS Secondary	Rate TOD Primary	Rate TOD Secondary	Rate RTS Transmission	Special Contract Customer
Cost of Service Summary -- Pro-Forma												
Operating Revenues												
Total Pro-Forma Operating Revenue				$ 1,120,075,935	$ 456,088,660	$ 154,024,277	$ 10,498,582	$ 154,494,942	$ 144,335,454	$ 107,299,333	$ 65,914,798	$ 3,860,045
Operating Expenses												
Operation and Maintenance Expenses				$ 643,436,661	$ 279,169,341	$ 73,712,329	$ 5,054,507	$ 78,034,587	$ 89,086,310	$ 63,831,849	$ 44,246,360	$ 2,539,898
Depreciation and Amortization Expenses				277,122,836	133,022,359	32,983,253	2,010,425	33,860,880	29,569,360	25,784,891	13,443,611	858,380
Property and Other Taxes			NPT	42,336,722	21,495,210	4,947,499	278,602	4,782,658	4,063,071	3,619,015	1,750,624	119,216
Amortization of Investment Tax Credit				(916,996)	(459,460)	(105,453)	(5,918)	(101,677)	(86,275)	(76,915)	(37,082)	(2,533)
State and Federal Income Taxes			TAXINC	7,757,584	(1,449,343)	3,159,761	250,051	2,758,683	1,357,274	721,827	318,297	12,449
Specific Assignment of Interruptible Credit				(2,468,360)	-	-	-	-	(142,467)	-	(2,325,893)	-
Allocation of Interruptible Credits			INTCRE	2,468,360	1,081,368	302,010	20,465	336,699	303,928	258,578	146,912	8,721
Total Operating Expenses		TOE		$ 969,736,807	$ 432,859,475	$ 114,999,399	$ 7,608,132	$ 119,671,830	$ 124,151,203	$ 94,139,245	$ 57,542,830	$ 3,536,131
Net Operating Income -- Pro-Forma				$ 150,339,128	$ 23,229,185	$ 39,024,878	$ 2,890,450	$ 34,823,112	$ 20,184,251	$ 13,160,087	$ 8,371,967	$ 323,914
Cost of Service Summary -- Pro-Forma												
Net Operating Income -- Pro-Forma				$ 150,339,128	$ 23,229,185	$ 39,024,878	$ 2,890,450	$ 34,823,112	$ 20,184,251	$ 13,160,087	$ 8,371,967	$ 323,914
Adjusted Net Cost Rate Base				$ 3,460,077,816	$ 1,752,082,376	$ 403,499,096	$ 22,814,897	$ 390,103,570	$ 335,333,050	$ 296,073,020	$ 145,226,623	$ 9,833,114
Rate of Return				**4.34%**	**1.33%**	**9.67%**	**12.67%**	**8.93%**	**6.02%**	**4.44%**	**5.76%**	**3.29%**
Taxable Income Pro-Forma												
Total Operating Revenue				$ 1,120,075,935	$ 456,088,660	$ 154,024,277	$ 10,498,582	$ 154,494,942	$ 144,335,454	$ 107,299,333	$ 65,914,798	$ 3,860,045
Operating Expenses				$ 961,979,223	$ 434,308,818	$ 111,839,638	$ 7,358,081	$ 116,913,147	$ 122,793,929	$ 93,417,419	$ 57,224,533	$ 3,523,682
Interest Expense		INTEXP		$ 75,433,705	$ 38,305,070	$ 8,816,974	$ 496,482	$ 8,522,616	$ 7,240,192	$ 6,448,875	$ 3,119,582	$ 212,435
Interest Syncronization Adjustment			INTEXP	$ 6,215,728	$ 3,156,333	$ 726,518	$ 40,910	$ 702,262	$ 596,591	$ 531,386	$ 257,053	$ 17,505
Taxable Income		TXINCPF		$ 76,447,279	$ (19,681,561)	$ 32,641,148	$ 2,603,109	$ 28,356,917	$ 13,704,742	$ 6,901,653	$ 5,313,629	$ 106,423

LOUISVILLE GAS AND ELECTRIC COMPANY
Cost of Service Study
Class Allocation

12 Months Ended June 30, 2022

6 Coincident Peak Methodology

Description	Ref	Name	Allocation Vector	Street Lighting Rate RLS, LS	Street Lighting Rate LE	Traffic Street Lighting Rate TLE	Outdoor Sports Lighting Rate OSL	Electric Vehicle Charging Rate EV	Solar Share Rate SSP	Business Solar Rate BS
Cost of Service Summary -- Pro-Forma										
Operating Revenues										
Total Pro-Forma Operating Revenue				$ 22,694,716	$ 258,660	$ 331,051	$ 15,691	$ 12,695	$ 237,096	$ 9,936
Operating Expenses										
Operation and Maintenance Expenses				$ 7,312,285	$ 159,179	$ 179,675	$ 1,862	$ 26,576	$ 71,903	$ 10,000
Depreciation and Amortization Expenses				5,395,594	38,014	49,213	604	19,228	83,870	3,154
Property and Other Taxes			NPT	1,260,711	6,177	7,614	153	2,870	3,190	111
Amortization of Investment Tax Credit				(27,256)	(132)	(163)	(3)	(4)	(13,728)	(399)
State and Federal Income Taxes			TAXINC	610,663	4,168	7,614	1,201	(3,406)	8,621	(275)
Specific Assignment of Interruptible Credit				-	-	-	-	-	-	-
Allocation of Interruptible Credits			INTCRE	8,938	311	429	0	-	-	-
Total Operating Expenses		TOE		$ 14,560,934	$ 207,717	$ 244,383	$ 3,817	$ 45,264	$ 153,856	$ 12,591
Net Operating Income -- Pro-Forma				$ 8,133,781	$ 50,943	$ 86,668	$ 11,873	$ (32,569)	$ 83,240	$ (2,655)
Cost of Service Summary -- Pro-Forma										
Net Operating Income -- Pro-Forma				$ 8,133,781	$ 50,943	$ 86,668	$ 11,873	$ (32,569)	$ 83,240	$ (2,655)
Adjusted Net Cost Rate Base				$ 101,461,370	$ 518,975	$ 623,445	$ 12,819	$ 120,162	$ 2,314,622	$ 60,677
Rate of Return				**8.02%**	**9.82%**	**13.90%**	**92.63%**	**-27.10%**	**3.60%**	**-4.38%**
Taxable Income Pro-Forma										
Total Operating Revenue				$ 22,694,716	$ 258,660	$ 331,051	$ 15,691	$ 12,695	$ 237,096	$ 9,936
Operating Expenses				$ 13,950,271	$ 203,549	$ 236,769	$ 2,616	$ 48,670	$ 145,235	$ 12,866
Interest Expense		INTEXP		$ 2,246,300	$ 11,008	$ 13,576	$ 273	$ 322	$ -	$ -
Interest Syncronization Adjustment			INTEXP	$ 185,095	$ 907	$ 1,119	$ 22	$ 27	$ -	$ -
Taxable Income		TXINCPF		$ 6,313,049	$ 43,196	$ 79,587	$ 12,780	$ (36,323)	$ 91,861	$ (2,930)

LOUISVILLE GAS AND ELECTRIC COMPANY
Cost of Service Study
Class Allocation

12 Months Ended June 30, 2022

6 Coincident Peak Methodology

Description	Ref	Name	Allocation Vector	Total System	Residential Rate RS	General Service Rate GS	Rate PS Primary	Rate PS Secondary	Rate TOD Primary	Rate TOD Secondary	Rate RTS Transmission	Special Contract Customer
Cost of Service Summary -- Pro-Forma (Adjusted for Proposed Increase)												
Operating Revenues												
Total Operating Revenue -- Actual				$ 1,120,075,935	$ 456,088,660	$ 154,024,277	$ 10,498,582	$ 154,494,942	$ 144,335,454	$ 107,299,333	$ 65,914,798	$ 3,860,045
Pro-Forma Adjustments:												
Proposed Increase				$ 130,962,989	$ 53,155,992	$ 19,105,822	$ 1,225,601	$ 17,917,377	$ 16,361,581	$ 12,216,545	$ 7,690,372	$ 435,109
Revenue Adjustment for Solar Share and EV				$ 175,526	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Changes in Late Payment Fees			FDIS	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Changes to EVSE-R				$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Changes in Rent on Electric Property			RFEP	$ 5,112	$ 2,590	$ 597	$ 34	$ 577	$ 496	$ 438	$ 215	$ 15
Changes in Miscellaneous Charges			MISCR	$ 89,459	$ 85,361	$ 3,390	$ 14	$ 562	$ 27	$ 102	$ 3	$ -
Total Pro-Forma Operating Revenue				$ 1,251,309,021	$ 509,332,604	$ 173,134,086	$ 11,724,231	$ 172,413,458	$ 160,697,557	$ 119,516,417	$ 73,605,387	$ 4,295,169
Operating Expenses												
Total Operating Expenses				$ 969,736,807	$ 432,859,475	$ 114,999,399	$ 7,608,132	$ 119,671,830	$ 124,151,203	$ 94,139,245	$ 57,542,830	$ 3,536,131
Total Pro-Forma Adjustments												
Incremental Uncollectible Accounts Expense			0.182%	238,844	96,904	34,780	2,231	32,612	29,779	22,235	13,997	792
Incremental Commission Fees			0.200%	262,466	106,488	38,220	2,451	35,837	32,724	24,434	15,381	870
Incremental Income Taxes			24.85%	32,610,703	13,230,828	4,748,683	304,567	4,452,653	4,065,893	3,035,879	1,911,069	108,126
Total Pro-forma Operating Expenses				$ 1,002,848,820	$ 446,293,695	$ 119,821,081	$ 7,917,381	$ 124,192,932	$ 128,279,599	$ 97,221,793	$ 59,483,278	$ 3,645,919
Net Operating Income -- Pro-Forma				$ 248,460,201	$ 63,038,909	$ 53,313,005	$ 3,806,850	$ 48,220,527	$ 32,417,958	$ 22,294,624	$ 14,122,109	$ 649,250
Net Cost Rate Base				$ 3,460,077,816	$ 1,752,082,376	$ 403,499,096	$ 22,814,897	$ 390,103,570	$ 335,333,050	$ 296,073,020	$ 145,226,623	$ 9,833,114
Rate of Return				**7.18%**	**3.60%**	**13.21%**	**16.69%**	**12.36%**	**9.67%**	**7.53%**	**9.72%**	**6.60%**

LOUISVILLE GAS AND ELECTRIC COMPANY
Cost of Service Study
Class Allocation

12 Months Ended June 30, 2022

6 Coincident Peak Methodology

Description	Ref	Name	Allocation Vector	Street Lighting Rate RLS, LS	Street Lighting Rate LE	Traffic Street Lighting Rate TLE	Outdoor Sports Lighting Rate OSL	Electric Vehicle Charging Rate EV	Solar Share Rate SSP	Business Solar Rate BS
Cost of Service Summary -- Pro-Forma (Adjusted for Proposed Increase)										
Operating Revenues										
Total Operating Revenue -- Actual				$ 22,694,716	$ 258,660	$ 331,051	$ 15,691	$ 12,695	$ 237,096	$ 9,936
Pro-Forma Adjustments:										
Proposed Increase				$ 2,856,239	$ 3	$ (14)	$ (1,638)	$ -	$ -	$ -
Revenue Adjustment for Solar Share and EV				$ -	$ -	$ -	$ -	$ 55,206	$ 110,942	$ 9,378
Changes in Late Payment Fees			FDIS	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Changes to EVSE-R				$ -	$ -	$ -	$ -	$ -	$ -	$ -
Changes in Rent on Electric Property			RFEP	$ 150	$ 1	$ 1	$ 0	$ -	$ -	$ -
Changes in Miscellaneous Charges			MISCR	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Pro-Forma Operating Revenue				$ 25,551,105	$ 258,663	$ 331,038	$ 14,053	$ 67,901	$ 348,038	$ 19,314
Operating Expenses										
Total Operating Expenses				$ 14,560,934	$ 207,717	$ 244,383	$ 3,817	$ 45,264	$ 153,856	$ 12,591
Total Pro-Forma Adjustments										
Incremental Uncollectible Accounts Expense			0.182%	5,199	0	(0)	(3)	100	202	17
Incremental Commission Fees			0.200%	5,713	0	(0)	(3)	110	222	19
Incremental Income Taxes			24.85%	709,797	1	(3)	(407)	13,718	27,568	2,330
Total Pro-forma Operating Expenses				$ 15,281,643	$ 207,718	$ 244,380	$ 3,404	$ 59,193	$ 181,848	$ 14,957
Net Operating Income -- Pro-Forma				$ 10,269,462	$ 50,946	$ 86,658	$ 10,649	$ 8,708	$ 166,190	$ 4,357
Net Cost Rate Base				$ 101,461,370	$ 518,975	$ 623,445	$ 12,819	$ 120,162	$ 2,314,622	$ 60,677
Rate of Return				**10.12%**	**9.82%**	**13.90%**	**83.07%**	**7.25%**	**7.18%**	**7.18%**

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	**)**	**Case No. 2020-00349**
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	**)**	

AND

IN THE MATTER OF:

ELECTRONIC APPLICATION OF	**)**	
LOUISVILLE GAS AND ELECTRIC	**)**	
COMPANY FOR AN ADJUSTMENT OF ITS	**)**	**Case No. 2020-00350**
ELECTRIC AND GAS 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	**)**	

EXHIBIT__(SJB-5)

OF

STEPHEN J. BARON

KENTUCKY UTILITIES COMPANY
Cost of Service Study
Class Allocation
12 Months Ended June 30, 2022

6 Coincident Peak Methodology

Description	Ref	Name	Allocation Vector	Total System	Residential Rate RS	General Service GS	All Electric Schools AES	Power Service PS-Secondary	Power Service PS-Primary	Time of Day TOD-Secondary	Time of Day TOD-Primary
Cost of Service Summary -- Pro-Forma											
Operating Revenues											
Total Pro-Forma Operating Revenue				$ 1,586,186,238	$ 633,487,644	$ 229,944,924	$ 12,346,514	$ 174,077,579	$ 9,617,918	$ 137,901,319	$ 255,915,177
Operating Expenses											
Operation and Maintenance Expenses				$ 892,295,073	$ 372,921,075	$ 102,600,171	$ 6,804,312	$ 80,134,678	$ 3,669,211	$ 79,379,226	$ 159,361,442
Depreciation and Amortization Expenses				370,531,145	172,247,385	41,853,901	3,204,579	35,256,109	1,470,058	31,731,278	55,248,784
Regulatory Credits and Accretion Expenses				-	-	-	-	-	-	-	-
Property Taxes			NPT	35,914,758	17,500,358	4,169,280	302,947	3,198,681	133,722	2,846,536	4,855,618
Other Taxes				13,649,179	6,652,126	1,584,884	115,152	1,215,876	50,839	1,081,982	1,845,659
Gain Disposition of Allowances				-	-	-	-	-	-	-	-
State and Federal Income Taxes			TAXINC	23,821,553	$ 1,557,358	$ 9,723,576	$ 144,322	$ 6,458,431	$ 563,877	$ 2,056,435	$ 2,870,092
Specific Assignment of Curtailable Service Rider Credit				(18,634,070)	-	-	-	-	-	-	(1,032,456)
Total Operating Expenses		TOE		$ 1,336,211,708	$ 579,051,474	$ 161,966,139	$ 10,735,234	$ 128,172,286	$ 5,966,976	$ 118,834,841	$ 226,249,096
Net Operating Income (Adjusted)				$ 249,974,531	$ 54,436,171	$ 67,978,784	$ 1,611,279	$ 45,905,293	$ 3,650,943	$ 19,066,478	$ 29,666,081
Adjusted Net Cost Rate Base				$ 5,197,832,023	$ 2,541,156,016	$ 606,159,339	$ 43,810,334	$ 456,957,207	$ 19,222,337	$ 407,664,153	$ 695,585,317
Rate of Return				**4.81%**	**2.14%**	**11.21%**	**3.68%**	**10.05%**	**18.99%**	**4.68%**	**4.26%**
Taxable Income Pro-Forma											
Total Operating Revenue				$ 1,586,186,238	$ 633,487,644	$ 229,944,924	$ 12,346,514	$ 174,077,579	$ 9,617,918	$ 137,901,319	$ 255,915,177
Operating Expenses				$ 1,312,390,155	$ 577,494,115	$ 152,242,563	$ 10,590,912	$ 121,713,855	$ 5,403,098	$ 116,778,406	$ 223,379,004
Interest Expense		INTEXP		$ 109,640,429	$ 53,434,858	$ 12,730,977	$ 924,990	$ 9,766,825	$ 408,377	$ 8,691,290	$ 14,825,712
Interest Syncronization Adjustment			INTEXP	$ 6,243,936	$ 3,043,073	$ 725,019	$ 52,677	$ 556,213	$ 23,257	$ 494,962	$ 844,313
Taxable Income		TXINCPF		$ 157,911,719	$ (484,402)	$ 64,246,365	$ 777,934	$ 42,040,686	$ 3,783,186	$ 11,936,660	$ 16,866,148

KENTUCKY UTILITIES COMPANY
Cost of Service Study
Class Allocation
12 Months Ended June 30, 2022

6 Coincident Peak Methodology

Description	Ref	Name	Allocation Vector	Retail Transmission Service RTS - Transmission	Fluctuating Load Service FLS - Transmission	Outdoor Lighting LS & RLS	Lighting Energy LE	Traffic Energy TE	Outdoor Sports Lighting OSL	Electric Vehicle Charging EV	Solar Share SSP	Business Solar BS
Cost of Service Summary -- Pro-Forma												
Operating Revenues												
Total Pro-Forma Operating Revenue				$ 81,101,916	$ 20,021,119	$ 30,877,963	$ 316,674	$ 274,777	$ 95,109	$ 6,746	$ 162,504	$ 38,355
Operating Expenses												
Operation and Maintenance Expenses				$ 53,642,716	$ 23,238,286	$ 10,079,794	$ 181,319	$ 139,888	$ 22,998	$ 21,441	$ 91,514	$ 7,000
Depreciation and Amortization Expenses				17,468,019	6,805,793	5,015,585	45,832	37,448	8,939	16,504	106,487	14,444
Regulatory Credits and Accretion Expenses				-	-	-	-	-	-	-	-	-
Property Taxes			NPT	1,478,883	609,493	802,683	4,707	4,035	1,133	2,072	4,039	569
Other Taxes				562,145	231,669	305,060	1,789	1,535	431	32	-	-
Gain Disposition of Allowances				-	-	-	-	-	-	-	-	-
State and Federal Income Taxes			TAXINC	$ 498,411	$ (1,846,605)	$ 1,773,948	$ 9,963	$ 11,543	$ 8,439	$ (4,870)	$ (5,737)	$ 2,371
Specific Assignment of Curtailable Service Rider Credit				(3,386,120)	(14,215,494)	-	-	-	-	-	-	-
Total Operating Expenses		TOE		$ 71,276,642	$ 15,185,947	$ 18,033,283	$ 245,656	$ 196,102	$ 42,167	$ 35,178	$ 196,303	$ 24,385
Net Operating Income (Adjusted)				$ 9,825,275	$ 4,835,172	$ 12,844,680	$ 71,018	$ 78,676	$ 52,942	$ (28,432)	$ (33,799)	$ 13,970
Adjusted Net Cost Rate Base				$ 211,483,493	$ 89,504,084	$ 121,837,130	$ 707,794	$ 597,062	$ 174,838	$ 105,015	$ 2,576,969	$ 290,934
Rate of Return				**4.65%**	**5.40%**	**10.54%**	**10.03%**	**13.18%**	**30.28%**	**-27.07%**	**-1.31%**	**4.80%**
Taxable Income Pro-Forma												
Total Operating Revenue				$ 81,101,916	$ 20,021,119	$ 30,877,963	$ 316,674	$ 274,777	$ 95,109	$ 6,746	$ 162,504	$ 38,355
Operating Expenses				$ 70,778,230	$ 17,032,552	$ 16,259,335	$ 235,693	$ 184,559	$ 33,729	$ 40,048	$ 202,040	$ 22,013
Interest Expense		INTEXP		$ 4,515,573	$ 1,860,937	$ 2,450,469	$ 14,373	$ 12,331	$ 3,459	$ 257	$ -	$ -
Interest Syncronization Adjustment			INTEXP	$ 257,158	$ 105,979	$ 139,552	$ 819	$ 702	$ 197	$ 15	$ -	$ -
Taxable Income		TXINCPF		$ 5,550,954	$ 1,021,651	$ 12,028,607	$ 65,789	$ 77,185	$ 57,725	$ (33,574)	$ (39,536)	$ 16,342

KENTUCKY UTILITIES COMPANY
Cost of Service Study
Class Allocation
12 Months Ended June 30, 2022

6 Coincident Peak Methodology

Description	Ref	Name	Allocation Vector	Total System	Residential Rate RS	General Service GS	All Electric Schools AES	Power Service PS-Secondary	Power Service PS-Primary	Time of Day TOD-Secondary	Time of Day TOD-Primary
Cost of Service Summary -- Adjusted for Proposed Increase											
Operating Revenue											
Total Operating Revenue				$ 1,586,186,238	$ 633,487,644	$ 229,944,924	$ 12,346,514	$ 174,077,579	$ 9,617,918	$ 137,901,319	$ 255,915,177
Proposed Increase				$ 169,747,179	$ 68,196,266	$ 26,734,943	$ 1,453,830	$ 18,553,034	$ 1,039,687	$ 14,530,948	$ 26,942,083
Revenue Adjustment for Solar Share and EV				$ 353,856	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Changes to EVSE-R					$ -	$ -	$ -	$ -	$ -	$ -	$ -
Changes in Other Service Revenues			MISCSERV	$ 366,528	$ 38,188	$ 71,491	$ 17,684	$ 185,297	$ 8,503	$ 31,975	$ 10,663
Changes in Miscellaneous Charges			MISCSERV	$ 5,899	$ 615	$ 1,151	$ 285	$ 2,982	$ 137	$ 515	$ 172
Total Pro-Forma Operating Revenue				$ 1,756,659,700	$ 701,722,713	$ 256,752,508	$ 13,818,313	$ 192,818,893	$ 10,666,245	$ 152,464,756	$ 282,868,094
Operating Expenses											
Total Operating Expenses				$ 1,336,211,708	$ 579,051,474	$ 161,966,139	$ 10,735,234	$ 128,172,286	$ 5,966,976	$ 118,834,841	$ 226,249,096
Pro-Forma Adjustments											
Increase in Uncollectible Expense			0.316%	$ 538,696	$ 215,623	$ 84,712	$ 4,651	$ 59,223	$ 3,313	$ 46,020	$ 85,171
Increase in PSC Fees			0.200%	$ 340,947	$ 136,470	$ 53,615	$ 2,944	$ 37,483	$ 2,097	$ 29,127	$ 53,906
Incremental Income Taxes			24.83%	$ 42,323,441	$ 16,940,718	$ 6,655,518	$ 365,403	$ 4,652,905	$ 260,268	$ 3,615,664	$ 6,691,600
Total Pro-Forma Operating Expenses				$ 1,379,414,792	$ 596,344,285	$ 168,759,985	$ 11,108,232	$ 132,921,896	$ 6,232,653	$ 122,525,652	$ 233,079,773
Net Operating Income				$ 377,244,908	$ 105,378,428	$ 87,992,524	$ 2,710,080	$ 59,896,997	$ 4,433,592	$ 29,939,104	$ 49,788,321
Net Cost Rate Base				$ 5,197,832,023	$ 2,541,156,016	$ 606,159,339	$ 43,810,334	$ 456,957,207	$ 19,222,337	$ 407,664,153	$ 695,585,317
Rate of Return				**7.26%**	**4.15%**	**14.52%**	**6.19%**	**13.11%**	**23.06%**	**7.34%**	**7.16%**

KENTUCKY UTILITIES COMPANY
Cost of Service Study
Class Allocation
12 Months Ended June 30, 2022

6 Coincident Peak Methodology

Description	Ref	Name	Allocation Vector	Retail Transmission Service RTS - Transmission	Fluctuating Load Service FLS - Transmission	Outdoor Lighting LS & RLS	Lighting Energy LE	Traffic Energy TE	Outdoor Sports Lighting OSL	Electric Vehicle Charging EV	Solar Share SSP	Business Solar BS
Cost of Service Summary -- Adjusted for Proposed Increase												
Operating Revenue												
Total Operating Revenue				$ 81,101,916	$ 20,021,119	$ 30,877,963	$ 316,674	$ 274,777	$ 95,109	$ 6,746	$ 162,504	$ 38,355
Proposed Increase				$ 8,787,141	$ 3,514,118	$ (129)	$ 18	$ 2	$ (4,762)	$ -	$ -	$ -
Revenue Adjustment for Solar Share and EV				$ -	$ -	$ -	$ -	$ -	$ -	$ 48,431	$ 295,846	$ 9,579
Changes to EVSE-R				$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Changes in Other Service Revenues			MISCSERV	$ 835	$ 42	$ 1,850	$ -	$ -	$ -	$ -	$ -	$ -
Changes in Miscellaneous Charges			MISCSERV	$ 13	$ 1	$ 30	$ -	$ -	$ -	$ -	$ -	$ -
Total Pro-Forma Operating Revenue				$ 89,889,905	$ 23,535,280	$ 30,879,714	$ 316,692	$ 274,779	$ 90,347	$ 55,178	$ 458,350	$ 47,934
Operating Expenses												
Total Operating Expenses				$ 71,276,642	$ 15,185,947	$ 18,033,283	$ 245,656	$ 196,102	$ 42,167	$ 35,178	$ 196,303	$ 24,385
Pro-Forma Adjustments												
Increase in Uncollectible Expense			0.316%	$ 27,770	$ 11,105	$ 6	$ 0	$ 0	$ (15)	$ 153	$ 935	$ 30
Increase in PSC Fees			0.200%	$ 17,576	$ 7,028	$ 4	$ 0	$ 0	$ (10)	$ 97	$ 592	$ 19
Incremental Income Taxes			24.83%	$ 2,181,794	$ 872,460	$ 435	$ 4	$ 0	$ (1,182)	$ 12,024	$ 73,450	$ 2,378
Total Pro-Forma Operating Expenses				$ 73,503,781	$ 16,076,541	$ 18,033,727	$ 245,660	$ 196,102	$ 40,961	$ 47,452	$ 271,279	$ 26,812
Net Operating Income				$ 16,386,124	$ 7,458,739	$ 12,845,988	$ 71,031	$ 78,677	$ 49,387	$ 7,725	$ 187,071	$ 21,121
Net Cost Rate Base				$ 211,483,493	$ 89,504,084	$ 121,837,130	$ 707,794	$ 597,062	$ 174,838	$ 105,015	$ 2,576,969	$ 290,934
Rate of Return				**7.75%**	**8.33%**	**10.54%**	**10.04%**	**13.18%**	**28.25%**	**7.36%**	**7.26%**	**7.26%**

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**

AND

IN THE MATTER OF:

ELECTRONIC APPLICATION OF LOUISVILLE GAS AND ELECTRIC COMPANY FOR AN ADJUSTMENT OF ITS ELECTRIC AND GAS 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. 2020-00350**

EXHIBIT__(SJB-6)

OF

STEPHEN J. BARON

KENTUCKY UTILITIES COMPANY

**Response to Joint Initial Data Requests of the Attorney General and KIUC
Dated January 8, 2021**

Case No. 2020-00349

Question No. 61

Responding Witness: Robert M. Conroy / David S. Sinclair

Q-61. Please refer to the LG&E/KU 2021 Business Plan: Generation & OSS Forecast.

a. On page 2, please break out the Native Load Production Costs for LG&E and KU separately.

b. On page 9, please explain how the $8-12 million of projected annual CCR revenue is being handled in this case. Is it an off-set to base revenue requirements, or will it be flowed through the ECR?

A-61.

a. 2021 Business Plan Production Costs ($/MWh)

	2021	2022	2023	2024	2025
KU	20.80	20.14	20.62	19.99	21.03
LG&E	22.89	23.79	23.37	24.95	23.71

b. The CCR revenues are flowed back to customers through the ECR mechanism on a monthly basis.

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**

AND

IN THE MATTER OF:

ELECTRONIC APPLICATION OF LOUISVILLE GAS AND ELECTRIC COMPANY FOR AN ADJUSTMENT OF ITS ELECTRIC AND GAS 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. 2020-00350**

EXHIBIT__(SJB-7)

OF

STEPHEN J. BARON

Proposed Coal Mine Economic Development Rate

AVAILABILITY OF SERVICE.

Available for service to customers engaged in the extraction or processing of coal. This tariff is available for new customers and for load expansions of existing customers who contract for service with the Company. The Company reserves the right to limit the total contract capacity for all customers served under this Tariff to 25,000 kW.

CONDITIONS OF SERVICE.

The Company will offer eligible customers the option to receive service pursuant to a contract agreed to by the Company and the Customer. Any such contract will be filed with the Commission and is subject to approval by the Commission. The Company will work with the Customer to development a $/kWh credit applied to the customer's incremental kWh usage above a baseline of recent historic usage.

Upon receipt of a request from the Customer for new or additional service, the Company will provide the Customer with a written offer containing the rates and related terms and conditions of service under which such service will be provided by the Company. If the parties reach an agreement based upon the offer provided to the Customer by the Company, such written contract will be filed with the Commission. The contract shall provide full disclosure of all rates, terms and conditions of service under this Tariff, and any an all agreements related thereto, subject to the designation of the terms and conditions of the contract as confidential, as set forth herein. The contract will become effective only upon approval by the Commission.

The Customer shall contract for capacity sufficient to meet normal maximum, power requirements.

RATE.

Charges for service under this Tariff will be set forth in the written agreement between the Company and the Customer.