

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

**IN THE MATTER OF:** :

**ELECTRONIC APPLICATION OF DUKE ENERGY** :

**KENTUCKY, INC. FOR (1) AN ADJUSTMENT OF** :

**ELECTRIC RATES; (2) APPROVAL OF NEW** : **Case No. 2022-00372**

**TARIFFS; (3) APPROVAL OF ACCOUNTING** :

**PRACTICES TO ESTABLISH REGULATORY ASSETS** :

**AND LIABILITIES; AND (4) ALL OTHER** :

**REQUIRED APPROVALS AND RELIEF** :

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**RESPONSES OF THE KROGER CO. TO DUKE ENERGY  
KENTUCKY, INC.'S FIRST SET OF INTERROGATORIES AND  
REQUESTS FOR PRODUCTION OF DOCUMENTS**

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1. Other than Mr. Bieber, please identify any persons, including experts, whom Kroger has consulted or retained with regard to evaluating Duke Energy Kentucky's Application in this proceeding.  
**RESPONSE: Kroger has not retained other consultants with regard to evaluating the Company's Application in this proceeding.**
  
2. For each person identified in response to Interrogatory No. 1 above, please state:
  - a. the subject matter of the discussions/consultations/evaluations;
  - b. the written opinions of such persons regarding Duke Energy Kentucky's Application;
  - c. the facts to which each person relied upon; and
  - d. a summary of the person's qualifications to render such discussions, consultations, evaluations.**RESPONSE: Please see Kroger Response to Request for Information No. 1.**
  
3. For each person identified in response to Interrogatory No. 1 above, please identify all proceedings in all jurisdictions in which the witness/person has offered evidence, including but not limited to, pre-filed testimony, sworn statements, and live testimony and analysis. For each response, please provide the following:
  - a. the jurisdiction in which the testimony, statement, or analysis was pre- filed, offered, given, or admitted into the record;
  - b. the administrative agency and/or court in which the testimony, statement, or analysis was pre-filed, offered, admitted, or given;
  - c. the date(s) the testimony, statement, or analysis was pre-filed, offered, admitted, or given;

- d. the identifying number for the case or proceeding in which the testimony, statement, or analysis was pre-filed, offered, admitted, or given; and
- e. whether the person was cross-examined.

**RESPONSE: Please see Kroger Response to Request for Information No. 1.**

- 4. Identify and provide all documents or other evidence that Kroger may seek to introduce as exhibits or for purposes of witness examination in the above-captioned matter.

**RESPONSE: Kroger has not yet made determinations as to the cross-examination exhibits it may introduce in the above-captioned matter.**

- 5. Please identify all proceedings in all jurisdictions in the last three years in which Mr. Bieber has offered evidence, including but not limited to, pre-filed testimony, sworn statements, and live testimony and analysis. For each response, please provide the following:

- a. the jurisdiction in which the testimony, statement or analysis was prefiled, offered, given, or admitted into the record;
- b. the administrative agency and/or court in which the testimony, statement or analysis was pre-filed, offered, admitted, or given;
- c. the date(s) the testimony, statement or analysis was pre-filed, offered, admitted, or given;
- d. the identifying number for the case or proceeding in which the testimony, statement or analysis was pre-filed, offered, admitted, or given;
- e. whether the witness was cross-examined;
- f. the custodian of the transcripts and pre-filed testimony, statements, or analysis for each proceeding; and
- g. copies of all such testimony, statements, or analysis.

**RESPONSE: Mr. Bieber's CV as of April 5, 2023, is attached. Mr. Bieber does not maintain records concerning the identity of the custodian of transcripts and pre-filed testimony, statements or analysis for each proceeding. Copies of testimony filed in state commission proceedings can generally be found on the websites maintained by those commissions.**

- 6. Please provide copies of any and all documents, analysis, summaries, white papers, work papers, spreadsheets (electronic versions with cells intact), including drafts thereof, as well as any underlying supporting materials created by Mr. Bieber as part of his evaluation of Duke Energy Kentucky's Application or used in the creation of Mr. Bieber's testimony.

**RESPONSE: See Figure JB-1 and Figure JB-2 Excel attachments.**

7. Please provide copies of any and all documents not created by Mr. Bieber, including but not limited to, analysis, summaries, cases, reports, and evaluations, that Mr. Bieber relied upon, referred to, or used in the development of his testimony.

**RESPONSE: Mr. Bieber relied upon the Company's filing and the data provided in Kroger Response to Request for Information No. 6.**

8. Please provide any and all studies, analysis, and presentations that Mr. Bieber has created or publicly made within the last three years that involve utility regulation, ratemaking, cost of service, or use of riders that are discussed in Mr. Bieber's testimony.

**RESPONSE: Please see Kroger Response to Request for Information No. 5 and attachment "UAE COS Presentation – 08-31-2021."**

9. Please confirm that Mr. Bieber is not a Certified Public Accountant (CPA).

**RESPONSE: Mr. Bieber is not a Certified Public Accountant.**

10. Please confirm whether or not Mr. Bieber is asking the Commission to order a conjunctive billing program in this case.

**RESPONSE: Mr. Bieber is recommending that the Commission order the Company to study the feasibility of a multi-site aggregated demand commercial rate and propose a pilot program in its next rate case that would allow commercial customers to participate in a multi-site rate applicable to the portion of the demand charge associated with fixed production and transmission costs.**

11. Please confirm whether Mr. Bieber is requesting that the Commission require Duke Energy Kentucky to offer a conjunctive billing program in its next rate case even if Duke Energy Kentucky reasonably believes that upon review, there is no significant incremental benefit to such a program.

**RESPONSE: Please see Kroger Response to Request for Information No. 10. Mr. Bieber is recommending that the Company study the feasibility of a conjunctive billing program and propose a pilot program in the next rate case because Mr. Bieber believes the program would provide benefits. Specifically, a well-designed demand aggregation program places a customer with multiple locations on an equal footing with single-site customers, by charging participating multi-site customers for the amount of generation and transmission services that they actually use, thereby promoting equitable treatment of these customers and aligning with cost causation.**

12. Does Mr. Bieber agree that using individual site maximum kW demands for the demand billing determinant results in a lower \$/kW charge than would be calculated using maximum kW demands across multiple sites in a conjunctive billing framework? If Mr. Bieber does not agree, please explain why not in detail.

**RESPONSE: Yes. Since the conjunctive billing demands would be slightly lower than the sum of the individual site maximum billing demands, mathematically, all else being equal, a slightly higher \$/kW demand charge would be required in order for a conjunctive billing demand program to be**

**revenue neutral. However, based on Mr. Bieber's experience with other similar programs, there is usually not a substantial impact on the \$/kW charge.**

13. Is Mr. Bieber aware of Duke Energy Kentucky's Power Share program?

**RESPONSE: Yes.**

- a. If yes to Interrogatory No. 13, is Mr. Bieber aware of the ability for multi-site customers to participate in the Power Share Program using aggregated loads across multiple sites to achieve load reduction commitments and the corresponding Power Share incentives?

**RESPONSE: Yes.**

- b. If yes to Interrogatory No. 13(a), please describe the incremental benefits provided by a conjunctive billing program co-existing with the Power Share Program.

**RESPONSE: Duke Energy Kentucky's Power Share Program, or Peak Load Management Program Rider allows participating customers to receive a bill credit for reducing demand during peak periods. While conjunctive demand billing would provide an opportunity for multi-site customers to manage loads across multiple sites, Mr. Bieber's proposed conjunctive demand billing pilot would be a separate program from the Power Share Program that improves the alignment between rates and cost causation for power and transmission service. It is therefore reasonable for Duke to develop a conjunctive demand program in its next case.**

14. Please clarify whether Mr. Bieber is recommending that the conjunctive billing program should be offered under the Company's DSM program umbrella?

**RESPONSE: Mr. Bieber is not recommending that the conjunctive billing program be offered under the Company's DSM program umbrella. As explained above, conjunctive demand billing addresses a rate design problem and is not a DSM program. The jurisdictions that have adopted conjunctive demand billing have not categorized conjunctive demand billing as DSM-related.**

15. Under a potential future conjunctive billing pilot, confirm that Mr. Bieber would expect the Company to calculate the \$/kW demand charge(s) to collect the Commission approved revenue requirement, noting that the kW billing determinant would likely be lower.

**RESPONSE: Mr. Bieber expects that the \$/kW demand charge should be designed to recover the Commission approved revenue requirement. Since the conjunctive billing demands would be slightly lower than the sum of the individual site maximum billing demands, mathematically, all else being equal, a slightly higher \$/kW demand charge would be required in order for a conjunctive billing demand program to be revenue neutral. However, based on Mr. Bieber's experience with other similar programs, there is usually not a substantial impact on the \$/kW charge.**

16. Does Mr. Bieber believe the conjunctive billing program should be offered under the Company's DSM program umbrella?

**RESPONSE:** Please see Kroger Response to Request for Information No. 14.

17. How does Mr. Bieber propose the conjunctive billing program be administered?

**RESPONSE:** Mr. Bieber has not specified the details of how the program should be administered. Mr. Bieber expects that if the Company studies the feasibility of offering such a program and propose a pilot program in the next rate case that the Company will determine the appropriate details, such as how to administer the program. However, Mr. Bieber believes it would be productive to engage stakeholders for feedback about the program details and take that feedback into consideration.

18. How does Mr. Bieber propose Duke Energy Kentucky would know which customer accounts would be included in the conjunctive billing process as new Kroger locations are added or closed?

**RESPONSE:** Mr. Bieber proposes that multi-site customers enroll each participating account through a registration process. To the extent new locations are added or closed, the multi-site customer would be required to update its enrollment within the program.

Due to the nature of conjunctive demand billing, Mr. Bieber expects that only a limited number of customers would be eligible, due to the fact that such a program would only be applicable to customers with multiple sites or locations. Mr. Bieber believes it would be reasonable to set limits to the program with respect to the minimum and maximum number of accounts that can be enrolled per customer, the minimum size of enrolled accounts, and a cap on total program enrollment. In Mr. Bieber's direct testimony, he provides examples of other pilot programs with similar types of limitations, although Mr. Bieber expects the specific details of a pilot program for Duke Energy Kentucky would be unique to its circumstance.

19. Under this pilot, does Mr. Bieber agree that the Company should be entitled to collect their full revenue requirement from customers?

**RESPONSE:** Yes.

20. Does Mr. Bieber agree that if Kroger paid less under this program, other similarly situated customer(s) would pay more in order for the Company to collect its full revenue requirement?

**RESPONSE:** Under a conjunctive demand billing program, multi-site customers like Kroger, and other similarly situated customers, would pay for the production and transmission that they actually use. For multi-site customers that have diversity within their loads, the amount they would pay for production and transmission would be less than they pay under the current rate structure. To the extent that Duke Energy Kentucky's costs do not change, then the revenues required from other customers would be slightly higher. However, based on Mr. Bieber's experience with other

**similar programs, there is usually not a substantial impact on the \$/kW charge for other customers.**

21. Please state whether there are any agreements between Kroger and any Intervening Party to the above-captioned proceeding, or any member or affiliate of an Intervening Party to the proceeding, that concern said proceeding. For purposes of this Interrogatory, “intervening party” includes any party to have filed a motion to intervene in the above-captioned proceeding. To the extent that Kroger contends that any such documents are privileged, please provide a privilege log for the same.

**RESPONSE:** No such agreements exist.

22. Please state whether there are any agreements between the Kroger and any entity exhibiting interest in the above-captioned proceeding, or any member or affiliate of an entity exhibiting interest to the proceeding, that concern said proceeding. For purposes of this Interrogatory, “entity exhibiting interest” includes any party that has not filed a motion to intervene in the above-captioned proceeding. To the extent that the Kroger contends that any such documents are privileged, please provide a privilege log for the same.

**RESPONSE:** No such agreements exist.

/s/ Kurt J. Boehm

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