

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

**In the Matter of:**

**ELECTRONIC APPLICATION OF )  
KENTUCKY POWER COMPANY FOR (1) A )  
GENERAL ADJUSTMENT OF ITS RATES )  
FOR ELECTRIC SERVICE; (2) APPROVAL )  
OF TARIFFS AND RIDERS; (3) APPROVAL )  
OF ACCOUNTING PRACTICES TO )  
ESTABLISH REGULATORY ASSETS AND )  
LIABILITIES; (4) A SECURITIZATION )  
FINANCING ORDER; AND (5) ALL OTHER )  
REQUIRED APPROVALS AND RELIEF )**

**CASE NO. 2023-00159**

**DIRECT TESTIMONY AND EXHIBITS OF**

**LISA V. PERRY**

**ON BEHALF OF**

**WALMART INC.**

**October 2, 2023**

**Table of Contents**

I. Introduction .....1

II. Purpose of Testimony and Summary of Recommendations .....3

III. Revenue Requirement.....6

IV. Cost of Service, Revenue Allocation, and Rate Design .....7

    (A) Cost of Service .....7

    (B) Revenue Allocation .....8

    (C) Rate Design.....13

V. Distribution Reliability Rider and Community Solar Garden Program.....14

    (A) Proposed DRR Overview .....14

    (B) Proposed Community Solar Garden Program Overview .....16

    (C) Walmart's Position on the DRR and Community Solar Garden Program.....18

    (D) Shift of Regulatory Lag .....21

    (E) Recommendations.....23

**Exhibits**

Exhibit LVP-1 – Witness Qualifications Statement

Exhibit LVP-2 – Class Revenue Rates of Return

1     **I. Introduction**

2     **Q.     PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND OCCUPATION.**

3     A.     My name is Lisa V. Perry. My business address is 2001 SE 10th St., Bentonville, AR  
4           72716-0550. I am employed by Walmart Inc. ("Walmart") as Director, Utility  
5           Partnerships.

6     **Q.     ON WHOSE BEHALF ARE YOU TESTIFYING IN THIS CASE?**

7     A.     I am testifying on behalf of Walmart.

8     **Q.     PLEASE DESCRIBE YOUR EDUCATION AND EXPERIENCE.**

9     A.     I received a J.D. in 1999 and a LL.M. in Taxation in 2000 from the University of Florida  
10           Levin College of Law. From 2001 to 2019, I was in private practice with an emphasis  
11           from 2007 to 2019 in Energy Law. My practice included representing large commercial  
12           clients before the utility regulatory commissions in Colorado, Texas, New Mexico,  
13           Arkansas, and Louisiana in matters ranging from general rate cases to renewable energy  
14           programs. I joined the energy department at Walmart in September 2019 as Senior  
15           Manager, Energy Services. My Witness Qualifications Statement is attached as Exhibit  
16           LVP-1.

17     **Q.     HAVE YOU PREVIOUSLY SUBMITTED TESTIMONY BEFORE THE**  
18           **KENTUCKY PUBLIC SERVICE COMMISSION ("COMMISSION")?**

19     A.     Yes, I have testified in Case Nos. 2020-00174, 2020-00349, 2020-00350, and 2021-  
20           00481.

1       **Q.    HAVE YOU PREVIOUSLY SUBMITTED TESTIMONY BEFORE OTHER**  
2       **STATE REGULATORY COMMISSIONS?**

3       A.    Yes, I have submitted testimony with state regulatory commissions for Arkansas,  
4       Colorado, Connecticut, Florida, Illinois, Kansas, Louisiana, Michigan, Oklahoma,  
5       South Carolina, Texas, Virginia, and Wyoming. I have also provided legal  
6       representation for customer stakeholders before the state regulatory commissions for  
7       Colorado, Texas, Arkansas, Louisiana, and New Mexico in the cases listed under  
8       "Commission Dockets" in Exhibit LVP-1.

9       **Q.    ARE YOU SPONSORING EXHIBITS IN YOUR TESTIMONY?**

10      A.    Yes. I am sponsoring the exhibits listed in the Table of Contents.

11      **Q.    PLEASE BRIEFLY DESCRIBE WALMART'S OPERATIONS IN**  
12      **KENTUCKY.**

13      A.    As shown on Walmart's website, Walmart operates 101 retail units and employs over  
14      30,000 associates in Kentucky. In fiscal year ending 2023, Walmart purchased \$760.8  
15      million worth of goods and services from Kentucky-based suppliers, supporting over  
16      57,000 supplier jobs.<sup>1</sup>

17      **Q.    PLEASE BRIEFLY DESCRIBE WALMART'S OPERATIONS WITHIN THE**  
18      **SERVICE TERRITORY FOR KENTUCKY POWER COMPANY**  
19      **("KENTUCKY POWER" OR "COMPANY").**

20      A.    Walmart has approximately nine retail stores and related facilities in the Company's  
21      service territory. Most of these facilities are served on the Industrial General Service

---

<sup>1</sup> <http://corporate.walmart.com/about/location-facts/united-states/kentucky>

1 ("IGS") Schedule, however, two stores take service under the Large General Service  
2 ("LGS") schedule.  
3

4 **II. Purpose of Testimony and Summary of Recommendations**

5 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

6 A. The purpose of my testimony is to respond to Kentucky Power's Application filed on  
7 June 29, 2023 ("Application"), and to provide recommendations to assist the  
8 Commission in its thorough and careful consideration of the customer impact of the  
9 Company's proposed rate increase.

10 **Q. IN SETTING THE REVENUE REQUIREMENT, RETURN ON EQUITY**  
11 **("ROE"), ALLOCATION, AND RATE DESIGN CHANGES FOR THE**  
12 **COMPANY, SHOULD THE COMMISSION CONSIDER THE IMPACT OF**  
13 **THE PROPOSED RATE INCREASE ON BUSINESS CUSTOMERS?**

14 A. Yes. Electricity is a significant operating cost for retailers such as Walmart. When  
15 electric rates increase, the increased cost to retailers can put pressure on consumer  
16 prices and on the other expenses required by a business to operate. The Commission  
17 should thoroughly and carefully consider the impact on customers when examining the  
18 requested revenue requirement and ROE, in addition to all other facets of this case, to  
19 ensure that any increase in the Company's rates is the minimum amount necessary to  
20 provide safe, adequate, and reliable service, while also providing Kentucky Power the  
21 opportunity to recover its reasonable and prudent costs and earn a reasonable return on  
22 its investment.

1       **Q.    PLEASE SUMMARIZE WALMART'S RECOMMENDATIONS TO THE**  
2       **COMMISSION.**

3       **A.**    Walmart's recommendations to the Commission are as follows:

4           (1)    Walmart does not take a position on the Company's proposed cost of service  
5                    model at this time. However, to the extent that alternative cost of service  
6                    methodologies or modifications to the Company's methodology are proposed  
7                    by other parties, Walmart reserves the right to address any such changes in  
8                    accordance with the Commission's procedures in this case.

9           (2)    At the proposed revenue requirement, Walmart does not oppose the Company's  
10                   proposed revenue allocation.

11          (3)    If the Commission ultimately approves a revenue requirement less than that  
12                   proposed by the Company, the reduction in the revenue requirement increase  
13                   should be used for the dual purposes of: (1) further reducing existing class  
14                   subsidies by apportioning some of the reduction only to subsidizing rate classes;  
15                   and (2) reducing the impact to all customers by apportioning the remainder to  
16                   all rate classes.

17          (4)    For the purposes of this case, Walmart does not oppose to the Company's rate  
18                   design for rates LGS and IGS. However, to the extent that alternative rate  
19                   designs or modifications to the Company's proposed rate designs are proposed  
20                   by other parties, Walmart reserves the right to address any such changes in  
21                   accordance with the Commission's procedures in this case.

22          (5)    The Commission should reject the Distribution Reliability Rider ("DR Rider"  
23                   or "DRR") as proposed by the Company and require the Company to recover

1 investments in its distribution system, including costs associated with its DRR  
2 Work Plan (defined later in my testimony), through base rates.

3 (6) The Commission should also reject the Company's proposal to recover costs  
4 associated with generation facilities that it seeks to acquire as part of its  
5 Community Solar Garden Program through the existing Tariff Power Purchase  
6 Adjustment ("Tariff PPA"), and instead, require the Company to recover these  
7 costs in its next general rate case.

8 (7) To the extent the Commission determines that approval of the DRR is  
9 appropriate, such approval should be limited only to the recovery of approved  
10 DRR Work Plan project costs in this proceeding. All cost recovery  
11 considerations and determinations for future DRR Work Plan project expenses  
12 should be included in the Company's next general rate case.

13 (8) If the Commission approves the DRR and/or allows the Company to recover  
14 costs related to the Company's acquisition of generation assets as part of its  
15 Community Solar Garden Program through Tariff PPA, then the Commission  
16 should also require the Company to file a base rate case at the earliest possible  
17 date on which these assets can be included in the Company's test year.

18 (9) If the Commission approves the DRR and/or allows the Company to recover  
19 certain generation costs through Tariff PPA, or a modified form of those

1 recovery mechanisms, then it should reflect the shift of risk from investors to  
2 customers in the Company's authorized ROE.<sup>2</sup>

3 **Q. DOES THE FACT THAT YOU MAY NOT ADDRESS AN ISSUE OR**  
4 **POSITION ADVOCATED BY THE COMPANY INDICATE WALMART'S**  
5 **SUPPORT?**

6 A. No. The fact that an issue is not addressed herein or in related filings should not be  
7 construed as an endorsement of, agreement with, or consent to any filed position.

8  
9 **III. Revenue Requirement**

10 **Q. WHAT IS YOUR UNDERSTANDING OF THE COMPANY'S PROPOSED**  
11 **REVENUE REQUIREMENT INCREASE?**

12 A. Kentucky Power proposes a total annual revenue requirement increase of \$93,935,727  
13 for the test year ending March 31, 2023, which represents an annual increase of  
14 approximately 13.6 percent.<sup>3</sup>

15 **Q. ARE THERE ANY COSTS THAT ARE NOT INCLUDED IN THE**  
16 **COMPANY'S REQUESTED REVENUE REQUIREMENT INCREASE OF**  
17 **\$93.9 MILLION?**

18 A. Yes, there are. Based on timing issues, the requested revenue requirement increase does  
19 not include approximately \$11.5 million in purchased power expense related to Winter  
20 Storm Elliott for which the Company is seeking a prudence determination in this case.<sup>4</sup>

---

<sup>2</sup> Kentucky Power proposes an ROE of 9.9 percent and a proposed capital structure with 41.62 percent common equity. *See* Direct Testimony of Adrien M. McKenzie ("McKenzie Direct"), p. 9, lines 23-24; *see* Direct Testimony of Frank D. Messner ("Messner Direct"), p. 4, lines 5-6.

<sup>3</sup> Direct Testimony of Brian K. West ("West Direct"), p. 5, lines 11-15.

<sup>4</sup> *Id.* at p. 6, lines 15-17 and p. 7, line 22 to p. 8, line 2.



1           It is my understanding that the Company is requesting for any portion of these Winter  
2           Storm Elliott costs that are found to be prudent to be included in the revenue  
3           requirement increase requested in this case up to the requested amount.<sup>5</sup> In other words,  
4           as I understand it, in the event the Commission approves a lower revenue requirement  
5           increase than what is originally requested, *i.e.*, the \$93.9 million, the Company is  
6           seeking to recover the approved Winter Storm Elliott costs up to that difference  
7           between the Company's requested increase and the approved increase. I am aware,  
8           however, that the Commission issued an Order to Show Cause in Case No. 2021-00370  
9           concerning the Winter Storm Elliott costs.<sup>6</sup>

10  
11       **IV. Cost of Service, Revenue Allocation, and Rate Design**

12       ***(A) Cost of Service***

13       **Q.     WHAT IS WALMART'S POSITION ON SETTING RATES BASED ON THE**  
14       **UTILITY'S COST OF SERVICE?**

15       A.     Walmart advocates that rates be set based on the utility's cost of service for each rate  
16       class. This produces equitable rates that reflect cost causation, sends proper price  
17       signals, and minimizes price distortions.

---

<sup>5</sup> *Id.* at p. 7, line 20 to p. 8, line 5.

<sup>6</sup> *See In the Matter of: Electronic Investigation of the Service, Rates and Facilities of Kentucky Power Company*, Case No. 2021-00370, Show Cause Order (issued June 23, 2023).

1       **Q.    HOW IS COST CAUSATION DETERMINED IN THE RATE-MAKING**  
2       **PROCESS?**

3       A.    In cost of service regulation, the Commission must determine the revenue requirement  
4       that the Company is authorized to recover based on its prudently incurred costs  
5       including a reasonable return on the investment required to provide service. The  
6       utility's cost of service study is an analytical tool commonly used to determine the total  
7       cost and equitable assignment of cost responsibility to customers. This is accomplished  
8       by identifying, functionalizing, classifying, and allocating the allowable costs to  
9       customer classes in the manner that customers cause those costs to be incurred.

10       **Q.    DOES WALMART TAKE A POSITION ON THE COMPANY'S PROPOSED**  
11       **COST OF SERVICE METHODOLOGY AT THIS TIME?**

12       A.    No. However, to the extent that alternative cost of service methodologies or  
13       modifications to the Company's methodology are proposed by other parties, Walmart  
14       reserves the right to address any such changes in accordance with the Commission's  
15       procedures in this case.

16  
17       ***(B) Revenue Allocation***

18       **Q.    WHAT IS REVENUE ALLOCATION?**

19       A.    Revenue allocation, sometimes referred to as rate spread, is the assignment of the  
20       revenue responsibility to each customer class. A revenue allocation that assigns  
21       revenue to each class at the cost of service is free of inter-class subsidies.

1       **Q.     ARE THERE INSTANCES IN WHICH THE COMMISSION WOULD ASSIGN**  
2       **DIFFERENT REVENUE TO INDIVIDUAL CLASSES THAN IS CALLED FOR**  
3       **WITHIN THE COST OF SERVICE STUDY, RESULTING IN INTER-CLASS**  
4       **SUBSIDIES?**

5       A.     Yes. At times, the regulator may find it necessary to approve a level of revenue  
6       requirement to a particular class which differs from the cost responsibility amount  
7       determined in the cost of service study. This is often driven by the need to ensure that  
8       customers are not seriously adversely impacted by major changes to the level of rates.  
9       Other reasons can include perceived differences in cost of service study results and  
10      reality, relative risks assigned to classes, social goals associated with the role of the  
11      prices in a particular jurisdiction, and in response to the state of the economy within or  
12      external to the regulatory jurisdiction. The Commission may exercise its discretion  
13      based on one or more of these concerns to adjust revenue allocation to support policy  
14      or advance the public interest. However, these adjustments often result in rates that are  
15      not cost-based and, as a result, not just, reasonable, and equitable, and fail to provide  
16      proper price signals to the subsidized class of customers.

17      **Q.     WHAT IS THE ULTIMATE GOAL WHEN ALLOCATING REVENUE?**

18      A.     To the extent possible, inter-class subsidies should be eliminated through a revenue  
19      allocation that reflects the cost of service. If this is not possible in the immediate case,  
20      the Commission should establish a clear path to the elimination or reduction of  
21      undesired subsidies, continually moving each class closer to their respective cost of  
22      service until undesired subsidies are eliminated and price signals, thus system  
23      efficiency, are improved.

1       **Q.    HOW DOES THE COMPANY REPRESENT THE ACCURACY OF THE**  
2           **PROPOSED CLASS REVENUES IN THEIR REFLECTION OF THE**  
3           **UNDERLYING COSTS OF EACH CLASS?**

4       A.    The Company represents this relationship in their cost of service results through the  
5           use of class-specific rates of return. These are converted into a relative rate of return  
6           ("RROR") for each class, which describes the relationship between each class-specific  
7           rate of return and the total system rate of return. An RROR greater than one means that  
8           the rate class is paying rates in excess of the costs incurred to serve that class, and an  
9           RROR less than one means that the rate class is paying rates less than the costs incurred  
10          to serve that class. When rates are set such that a class does not have an RROR equal  
11          to one this means there are inter-class subsidies. Relatedly, those rate classes with an  
12          RROR greater than one subsidize some of the revenue responsibility burden for the  
13          classes with an RROR less than one.

14       **Q.    WHAT IS THE RROR FOR EACH CLASS AT PRESENT RATES AND THE**  
15           **COMPANY'S PROPOSED REVENUE ALLOCATION?**

16       A.    The present and proposed RROR for each class is shown in Table 1 below.<sup>7</sup>

---

<sup>7</sup> See Exhibit LVP-2.

1

**Table 1: Present and Proposed Relative Rates of Return**

Class Relative Rates of Return				
Customer Class	Present		Proposed	
	Rate of Return %	Relative Rate of Return	Rate of Return %	Relative Rate of Return
<b>Residential (RS)</b>	0.75	0.25	4.66	0.67
<b>General Service (GS)</b>	6.44	2.13	10.35	1.49
<b>Large General Service (LGS)</b>	12.19	4.04	16.10	2.32
<b>Industrial General Service (IGS)</b>	3.42	1.13	7.33	1.06
<b>Municipal Waterworks (MW)</b>	15.14	5.01	19.05	2.75
<b>Outdoor Lighting (OL)</b>	9.09	3.01	13.00	1.88
<b>Street Lighting (SL)</b>	14.10	4.67	18.01	2.60
<b>Total Jurisdiction</b>	<b>3.02</b>	<b>1.00</b>	<b>6.93</b>	<b>1.00</b>
<b>Source: Direct Testimony of Jaclyn N. Cost, Ex. JNC-2, pp. 1-2</b>				

2

**Q. DOES THE COMPANY'S PROPOSED REVENUE ALLOCATION MOVE RATE CLASSES CLOSER TO THEIR RESPECTIVE COSTS OF SERVICE?**

3

4

A. Per the proposed RROR results, yes. The Company's proposed revenue allocation assigns an above average increase to the residential class, which is heavily subsidized, and below average increases to subsidizing classes (except for outdoor lighting which is allocated a revenue increase slightly above the total increase). The Company's proposed revised allocation moves nearly all customer classes closer towards the cost of service as compared to current rates. However, while the RROR for each class indicates movement, this is more an artifact of the higher revenue requirement requested by the Company than an actual reduction in the dollar amount of the subsidies currently in rates.

5

6

7

8

9

10

11

12

1           The Company acknowledges that its proposed revenue allocation retains a \$31.9  
2 million subsidy of the residential class by other customer classes.<sup>8</sup> The Company does  
3 not propose to address this pre-existing subsidy in this case.<sup>9</sup> Thus, the Company's  
4 revenue allocation will perpetuate long-standing interclass rate subsidies. More is  
5 necessary to move rates closer to their respective cost of service.

6       **Q. AT THE PROPOSED REVENUE REQUIREMENT, DOES WALMART**  
7       **OPPOSE THE COMPANY'S REVENUE ALLOCATION?**

8       A. At the proposed revenue requirement, Walmart does not oppose the Company's  
9 proposed revenue allocation.

10      **Q. IF THE COMMISSION ULTIMATELY APPROVES A REVENUE**  
11      **REQUIREMENT LESS THAN THAT PROPOSED BY THE COMPANY,**  
12      **WHAT IS WALMART'S RECOMMENDATION ON REVENUE**  
13      **ALLOCATION?**

14      A. Consistent with the Company's goal of achieving cost-based rates and its stated position  
15 in this docket,<sup>10</sup> if the Commission ultimately approves a revenue requirement less than  
16 that proposed by the Company, the reduction in the revenue requirement increase  
17 should be allocated in a manner that reduces the current \$31.9 million subsidiary in  
18 rates. Specifically, the Commission should: (1) further reduce the currently existing  
19 class subsidies by apportioning an amount of the reduction only to subsidizing rate

---

<sup>8</sup> See Direct Testimony of Jaclyn N. Cost ("Cost Direct"), Ex. JNC-2, p. 3.

<sup>9</sup> See Direct Testimony of Michael M. Spaeth ("Spaeth Direct"), p. 9, lines 1-8.

<sup>10</sup> See *id.* at p. 9, lines 4-6 (stating that the Company would be in favor of removing much of the existing inter-class subsidy if a lower base rate revenue increase is approved by the Commission).

1 classes; and (2) then apply the remaining reduction to all rate classes in order to reduce  
2 the impact to all customers.

3  
4 ***(C) Rate Design***

5 **Q. WHAT IS THE COMPANY'S APPROACH TO RATE DESIGN?**

6 A. According to Company witness Spaeth, the Company's underlying approach is to  
7 design rates that reflect the costs to provide service to each class.<sup>11</sup> It is my  
8 understanding that initial rates as informed by the cost of service study are then  
9 compared to the current rates for a particular class and moderated based on the impact  
10 to that class.<sup>12</sup>

11 **Q. WHAT IS YOUR UNDERSTANDING OF THE COMPANY'S BASE RATE  
12 DESIGN PROPOSALS FOR THE LGS AND IGS RATE CLASSES?**

13 A. I understand that the Company has proposed no change to the base rate designs  
14 applicable to the LGS and IGS tariffs.<sup>13</sup>

15 **Q. DOES WALMART OPPOSE THE COMPANY'S PROPOSED RATE DESIGN  
16 FOR RATES LGS AND IGS?**

17 A. For the purposes of this case, Walmart does not oppose to the Company's rate design  
18 for rates LGS and IGS. However, to the extent that alternative rate designs or  
19 modifications to the Company's proposed rate designs are proposed by other parties,

---

<sup>11</sup> See Spaeth Direct, p. 9, lines 11-13.

<sup>12</sup> See *id.* at p. 9, line 22 to p. 10, line 2.

<sup>13</sup> See *id.* at p. 10, lines 6-7.

1 Walmart reserves the right to address any such changes in accordance with the  
2 Commission's procedures in this case.

3  
4 **V. Distribution Reliability Rider and Community Solar Garden Program**

5 **(A) Proposed DRR Overview**

6 **Q. WHAT IS YOUR UNDERSTANDING OF THE PROPOSED DRR?**

7 A. It is my understanding that the Company is seeking approval of the DRR in order to  
8 recover from customers the costs of distribution reliability projects as described in a  
9 proposed DRR Work Plan.<sup>14</sup> The Company seeks the DRR in order to make additional  
10 investments in its distribution system beyond what is included in base rates.<sup>15</sup>

11 **Q. WHAT IS THE COMPANY'S PROPOSED DRR WORK PLAN?**

12 A. The DRR Work Plan is a five-year plan of various distribution-related investments that  
13 the Company proposes to undertake, beginning in 2024, in order to improve its  
14 reliability performance.<sup>16</sup> The DRR Work Plan is divided into three priorities:  
15 (1) widening existing rights-of-way to allow for additional vegetation management  
16 activities;<sup>17</sup> (2) investing in additional distribution equipment including tie-lines,  
17 substation sources, automatic circuit reconfiguration, and modernizing reclosers;<sup>18</sup> and  
18 (3) "asset renewal," which will allow the Company to monitor and track specific  
19 equipment for defects.<sup>19</sup>

---

<sup>14</sup> See West Direct, p. 16, lines 18-22.

<sup>15</sup> *Id.*

<sup>16</sup> See West Direct, p. 17, lines 5-6.

<sup>17</sup> See Direct Testimony of Everett G. Phillips ("Phillips Direct"), p. 30, lines 6-8 and lines 13-19.

<sup>18</sup> See *id.* at p. 30, lines 20-23.

<sup>19</sup> See *id.* at p. 31, lines 1-3.



1 **Q. WHAT TYPES OF COSTS DOES THE COMPANY PROPOSE TO RECOVER**  
2 **THROUGH THE DRR?**

3 A. As mentioned above, the DRR is designed to initially recover distribution-related  
4 investments over a five-year period spanning 2024 to 2028, with a total spend for each  
5 year as listed in Table 2 below.

6 **Table 2: Estimated Annual Recovery Through DRR (in millions)**

Cost Type	2024	2025	2026	2027	2028
<b>Capital</b>	\$19.0	\$35.3	\$32.9	\$38.8	\$40.0
<b>O&amp;M</b>	\$0.4	\$0.9	\$1.1	\$0.5	\$1.1
<b>Total</b>	<b>\$19.4</b>	<b>\$36.2</b>	<b>\$34.0</b>	<b>\$39.3</b>	<b>\$41.1</b>

Source: Direct Testimony of Everett G. Phillips, p. 35, Fig. EGP-10, "Estimated DRR Capital and O&M Expenditures"

7  
8 The Company proposes to roll any DRR costs recovered through the rider into base  
9 rates as part of the Company's next general rate case filing.<sup>20</sup> Any incremental costs  
10 that are not included in base rates will be recovered through the DRR until a subsequent  
11 rate case.<sup>21</sup>

12 **Q. WHAT JUSTIFICATION DOES THE COMPANY PROVIDE FOR SEEKING**  
13 **TO COLLECT COSTS ASSOCIATED WITH INVESTMENTS IN ITS**  
14 **DISTRIBUTION SYSTEM THROUGH A RIDER AS OPPOSED TO BASE**  
15 **RATES?**

16 A. The Company claims that a rider is more appropriate because it allows the Company  
17 to invest in the projects set forth in its annual DRR Work Plan without having to wait  
18 for a base rate case.<sup>22</sup> The Company further states that the DRR will result in smaller

---

<sup>20</sup> See West Direct, p. 17, lines 22-23.

<sup>21</sup> See *id.* at p. 17, line 23 to p. 18, line 2.

<sup>22</sup> See *id.* at p. 18, lines 9-11.

1 incremental rate increases through annual true-ups, discussed below, which will  
2 smooth out rate increases for customers.<sup>23</sup>

3 **Q. YOU MENTIONED AN ANNUAL TRUE-UP, WHAT IS THE COMPANY'S**  
4 **PROPOSAL TO TRUE-UP THE DRR?**

5 A. The Company proposes to make an annual true-up filing in February of each year in  
6 which the Company will reconcile the amount actually collected through the DRR for  
7 the previous year to the actual expenditures for that year.<sup>24</sup>

8

9 *(B) Proposed Community Solar Garden Program Overview*

10 **Q. WHAT IS YOUR UNDERSTANDING OF THE COMPANY'S PROPOSED**  
11 **COMMUNITY SOLAR GARDEN PROGRAM?**

12 A. It is my understanding that the Company is seeking approval to own one or more solar  
13 facilities known as the "Solar Garden Program," that will be added to the Company's  
14 generation fleet with a capacity limit of 10 MW per facility, and an overall total  
15 capacity cap of 25 MW.<sup>25</sup> The Company is acquiring the solar facilities to meet an  
16 expected capacity need beginning in 2026.<sup>26</sup>

17 **Q. HAS THE COMPANY PROVIDED AN ESTIMATE OF THE COSTS**  
18 **ASSOCIATED WITH ITS COMMUNITY SOLAR GARDEN PROGRAM?**

19 A. No, it has not. I understand that the Company is early in this process and is seeking  
20 approval for the concept of the Community Solar Garden Program in this case, after

---

<sup>23</sup> See West Direct, p. 18, lines 18-20.

<sup>24</sup> See *id.* at p. 17, lines 13-16.

<sup>25</sup> See Direct Testimony of Alex E. Vaughan ("Vaughan Direct"), p. 27, lines 9-11.

<sup>26</sup> See *id.* at p. 27, lines 11-13.

1           which, the Company will solicit developer bids through the request for proposal  
2           process.<sup>27</sup> Although the Company has provided an illustrative example of the economic  
3           costs/benefits test, I do not believe that it has provided any specific economics around  
4           the solar facilities it would eventually acquire as part of its Community Solar Garden  
5           Program.<sup>28</sup>

6           **Q.    WILL THE COMPANY SEEK A CPCN OR OTHER COMMISSION**  
7           **APPROVAL ONCE IT IDENTIFIES A PROJECT?**

8           A.    It does not appear that it will. The Company states that it is "seeking approval of this  
9           program so it can solicit though requests for proposals and acquire the projects without  
10          further Commission approvals if the project meets the proposed requirements."<sup>29</sup>

11          **Q.    HOW DOES THE COMPANY PROPOSE TO RECOVER COSTS**  
12          **ASSOCIATED WITH FACILITIES ACQUIRED THROUGH THE**  
13          **COMMUNITY SOLAR GARDEN PROGRAM?**

14          A.    The Company is proposing to recover the net costs of solar facilities acquired as part  
15          of its Community Solar Garden Program through its existing Tariff PPA until such  
16          costs can be included in rate base in the Company's next general rate case.<sup>30</sup>  
17          Additionally, any energy benefits will flow through the fuel adjustment clause ("FAC")  
18          as a reduction in load requirements that would otherwise need to be purchased from the  
19          PJM Interconnection, LLC ("PJM") spot energy market.<sup>31</sup>

---

<sup>27</sup> See Vaughan Direct, p. 27, lines 17-19.

<sup>28</sup> See *id.* at p. 27, lines 13-17 and p. 28, Figure AEV-9: Prudent Investment Example.

<sup>29</sup> See *id.* at p. 27, lines 17-19.

<sup>30</sup> See *id.* at p. 28, lines 1-3.

<sup>31</sup> See *id.* at p. 34, lines 9-12.

1       **Q.    DOES THE COMPANY JUSTIFY ITS PROPOSAL TO COLLECT COSTS OF**  
2           **THE COMMUNITY SOLAR GARDEN PROGRAM THROUGH AN**  
3           **EXISTING TARIFF RATHER THAN DEFERRING COST RECOVERY**  
4           **UNTIL ITS NEXT GENERAL RATE CASE?**

5       A.    I did not find any justification for the Company's proposal in this case.

7       **Q.    DOES THE TARIFF PPA INCLUDE AN ANNUAL TRUE UP MECHANISM?**

8       A.    Yes; the language for the current Tariff PPA provides for an annual adjustment that is  
9           filed with the Commission by August 15 of each year and goes into effect for rates  
10          beginning in the October billing cycle.<sup>32</sup>

11  
12       ***(C) Walmart's Position on the DRR and Community Solar Garden Program***

13       **Q.    HOW DOES THE COMPANY PROPOSE TO RECOVER COSTS FOR DRR-**  
14           **RELATED INVESTMENTS AND FOR GENERATION COSTS AS PART OF**  
15           **THE PROPOSED COMMUNITY SOLAR GARDEN PROGRAM?**

16       A.    As discussed above, it is my understanding that the Company is proposing to recover  
17           certain costs that are normally recovered in base rates through rider mechanisms that  
18           will allow the Company to recover these costs when they are incurred as opposed to  
19           deferring recovery until the Company's next general rate case. Specifically, the  
20           Company is seeking approval to recover (i) investments in the distribution system  
21           under its DRR Work Plan through a new rider, the DRR; and (ii) costs associated with

---

<sup>32</sup> See Vaughan Direct, p. 34, lines 9-10 and P.S.C. KY. NO. 21 1<sup>st</sup> Revised Sheet No. 35-1, Tariff PPA, p. 35-3, ¶ 9.

1 new generation solar facilities as part of its Community Solar Garden Program through  
2 its existing Tariff PPA.

3 **Q. DOES WALMART SUPPORT THE COMPANY'S PROPOSAL TO RECOVER**  
4 **DISTRIBUTION SYSTEM INVESTMENTS AND GENERATION**  
5 **INVESTMENTS THROUGH RIDERS AS PROPOSED BY THE COMPANY?**

6 A. No, it does not. Walmart recognizes the importance of a reliable and resilient  
7 distribution system for the Company's customers and also appreciates the Company's  
8 efforts towards transitioning its generation fleet to less carbon-emitting resources. For  
9 these reasons, Walmart does not oppose the Company's efforts to upgrade its  
10 distribution system or to acquire solar generation facilities. However, as I discuss in  
11 more detail below, Walmart does not support recovery of costs related to these efforts  
12 through riders or similar mechanisms.

13 Specifically, with regard to the solar facilities, the Company states that it has  
14 recently begun the request for proposal process in order to identify solar projects for its  
15 Community Solar Garden Program.<sup>33</sup> Given that specific projects have not yet been  
16 identified or budgeted, let alone whether it is permissible for the Company to bypass  
17 the CPCN process, it is premature for the Commission to approve the recovery  
18 mechanism of these generation costs in this proceeding or to allow for recovery of any  
19 future costs prior to when these assets can be included in the Company's test year.

---

<sup>33</sup> See Vaughan Direct, p. 27, lines 17-19.

1       **Q.     WHAT DOES WALMART BELIEVE IS THE APPROPRIATE FORUM FOR**  
2           **CONSIDERING COST RECOVERY FOR COSTS RELATED TO FUTURE**  
3           **INVESTMENTS MADE BY THE COMPANY IN ITS DISTRIBUTION**  
4           **SYSTEM AND GENERATION ASSETS?**

5       A.     Walmart believes the appropriate forum for consideration of cost recovery for  
6           distribution system upgrades and investment in the Company's generation fleet is a  
7           general rate case, as all costs, benefits, and risks – both those related to capital  
8           investments as well as those interrelated with, or related to, the Company's overall  
9           business – can be systematically considered. Further, distribution costs incurred to  
10          expand and upgrade the Company's distribution system should be recovered through  
11          base rates and not a rider. As acknowledged by Company witness West, riders are  
12          mechanisms used by utilities to recover costs that fluctuate frequently and occur over  
13          a short period of time, for example, a utility's costs to purchase fuel.<sup>34</sup> The costs  
14          associated with expanding rights-of-way, additional tie lines, storm hardening, and  
15          other upgrades to the distribution system, are not volatile in nature and should not be  
16          recovered through the DRR. In fact, these are costs that are entirely within the  
17          Company's control. Instead, these types of expenditures – along with the Company's  
18          proposed investments in new solar facilities – should be considered in a general rate  
19          case to ensure that all relevant factors that could impact the prudence of the costs and  
20          how these costs are allocated to and recovered from the various customer classes are  
21          considered.

---

<sup>34</sup> See West Direct, p. 18, lines 6-7.

1       **Q.     PLEASE EXPLAIN.**

2       A.     In a general rate case, Commission-approved rates are set through a comprehensive  
3             examination of the Company's test year rate base, rate of return, and capital structure.  
4             In contrast, only specific portions of the Company's rate base, *i.e.*, capital expenditures  
5             made in connection with upgrades to the distribution system but not the Company's rate  
6             of return or capital structure, are likely to be considered in the Company's proposed  
7             annual filings for the DRR or Tariff PPA. As discussed more below, a rider operates  
8             solely to the benefit of the Company by guaranteeing them cost recovery of a specific  
9             type of investment.

10  
11       ***(D) Shift of Regulatory Lag***

12       **Q.     DOES THE PROPOSED RECOVERY OF CERTAIN DISTRIBUTION COSTS**  
13             **THROUGH THE DRR AND CERTAIN GENERATION COSTS THROUGH**  
14             **TARIFF PPA SHIFT THE RISK OF REGULATORY LAG FROM**  
15             **SHAREHOLDERS TO CUSTOMERS?**

16       A.     Yes, it does. The proposed recovery of costs associated with upgrading the Company's  
17             distribution system under its DRR Work Plan and costs that will be incurred from the  
18             Company's acquisition of solar facilities as part of its Community Solar Garden  
19             Program through mechanisms like the DRR and Tariff PPA reduce regulatory lag as  
20             compared to deferring cost recovery until the Company's next general rate case. This  
21             reduction in regulatory lag, in turn, creates cost recovery certainty for shareholders.  
22             Additionally, both the DRR and Tariff PPA, as proposed, are subject to annual true-up,  
23             which are further risk-reducing mechanisms inapplicable to costs recovered through its

1 base rates. The Company fails to account for the shift in risk inherent in its proposals  
2 for the DRR and Community Garden Solar Program.

3 **Q. TO THE EXTENT THE COMMISSION OPTS TO APPROVE EITHER THE**  
4 **DRR OR SOLAR GARDEN PROPOSALS, CAN THE COMMISSION TAKE**  
5 **STEPS TO RECOGNIZE THE REDUCED RISK TO THE COMPANY AND**  
6 **ITS SHAREHOLDERS?**

7 A. Yes, it can. From a procedural perspective, if the Commission approves the Company's  
8 proposal to recover distribution costs under its DRR Work Plan through the DRR,  
9 and/or the Commission allows the Company to recover costs associated with the  
10 generation solar facilities that it plans to acquire as part of its Community Solar Garden  
11 Program through the existing Tariff PPA, the Commission should also require  
12 Kentucky Power to file a base rate case at the earliest possible date at which these assets  
13 can be included in the Company's test year. Additionally, the Commission can award  
14 the Company a lower ROE for these riders, reflecting the reduced cost recovery risk to  
15 the Company's shareholders. It is my understanding that the Commission has approved  
16 reduced ROEs for riders in prior cases.<sup>35</sup>

---

<sup>35</sup> See *In the Matter of the 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*, Docket No. 2020-00349, Final Order (entered June 30, 2021), p. 21 (approving an ROE of 9.425 percent applicable to base rates and a 9.35 percent ROE for Kentucky Utilities Company's Environmental Surcharge).



1     ***(E) Recommendations***

2     **Q.     WHAT IS YOUR RECOMMENDATION TO THE COMMISSION WITH**  
3     **REGARD TO THE DR RIDER AND RECOVERING GENERATION COSTS**  
4     **THROUGH TARIFF PPA?**

5     A.     Based on the foregoing, Walmart makes the following recommendations to the  
6     Commission:

7             (1)     The Commission should reject the DRR as proposed by the Company and  
8                     instead require the Company to recover investments in its distribution  
9                     system, including costs associated with its DRR Work Plan, through base  
10                    rates.

11            (2)     The Commission should also reject the Company's proposal to recover costs  
12                    associated with generation facilities that it seeks to acquire as part of its  
13                    Community Solar Garden Program through the existing Tariff PPA, and  
14                    instead, require the Company to recover these costs in its next general rate  
15                    case.

16            (3)     To the extent the Commission determines that approval of the DRR is  
17                    appropriate, such approval should be limited only to the recovery of  
18                    approved DRR Work Plan project costs in this proceeding. All cost recovery  
19                    considerations and determinations for future DRR Work Plan project  
20                    expenses should be included in the Company's next general rate case.

21            (4)     If the Commission approves the DRR and/or allows the Company to recover  
22                    costs related to the Company's acquisition of generation assets as part of its  
23                    Community Solar Garden Program through Tariff PPA, then the

1                   Commission should also require the Company to file a base rate case at the  
2                   earliest possible date on which these assets can be included in the  
3                   Company's test year.

4                   (5) If the Commission approves the DRR and/or allows the Company to recover  
5                   certain generation costs through Tariff PPA, or a modified form of those  
6                   recovery mechanisms, then it should reflect the shift of risk from investors  
7                   to customers in the Company's authorized ROE.<sup>36</sup>

8                   **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

9                   A. Yes.

---

<sup>36</sup> Kentucky Power proposes an ROE of 9.9 percent and a proposed capital structure with 41.62 percent of common equity. *See* McKenzie Direct, p. 9, lines 23-24; *see* Messner Direct, p. 4, lines 5-6.

VERIFICATION

In the Matter of:


ELECTRONIC APPLICATION OF )  
KENTUCKY POWER COMPANY FOR (1) A )  
GENERAL ADJUSTMENT OF ITS RATES )  
FOR ELECTRIC SERVICE; (2) APPROVAL )  
OF TARIFFS AND RIDERS; (3) APPROVAL )  
OF ACCOUNTING PRACTICES TO )  
ESTABLISH REGULATORY ASSETS AND )  
LIABILITIES; (4) A SECURITIZATION )  
FINANCING ORDER; AND (5) ALL OTHER )  
REQUIRED APPROVALS AND RELIEF )

CASE NO. 2023-00159

STATE OF ARKANSAS )

COUNTY OF BENTON )

The undersigned, Lisa V. Perry, being duly sworn, deposes and says that she is Director, Utility Partnerships for Walmart Inc., that she has personal knowledge of the matters set forth in the foregoing testimony, and that the answers contained therein are true and correct to the best of her information, knowledge, and belief.

  
\_\_\_\_\_  
Lisa V. Perry

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 2<sup>nd</sup> day of October 2023.

  
\_\_\_\_\_  
Notary Public (SEAL)

My Commission Expires: 4-28-2032



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

**In the Matter of:**

**ELECTRONIC APPLICATION OF )  
KENTUCKY POWER COMPANY FOR (1) A )  
GENERAL ADJUSTMENT OF ITS RATES )  
FOR ELECTRIC SERVICE; (2) APPROVAL )  
OF TARIFFS AND RIDERS; (3) APPROVAL )  
OF ACCOUNTING PRACTICES TO )  
ESTABLISH REGULATORY ASSETS AND )  
LIABILITIES; (4) A SECURITIZATION )  
FINANCING ORDER; AND (5) ALL OTHER )  
REQUIRED APPROVALS AND RELIEF )**

**CASE NO. 2023-00159**

**EXHIBITS OF  
LISA V. PERRY  
ON BEHALF OF  
WALMART INC.**

**October 2, 2023**

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

**In the Matter of:**

**ELECTRONIC APPLICATION OF )  
KENTUCKY POWER COMPANY FOR (1) A )  
GENERAL ADJUSTMENT OF ITS RATES )  
FOR ELECTRIC SERVICE; (2) APPROVAL )  
OF TARIFFS AND RIDERS; (3) APPROVAL )  
OF ACCOUNTING PRACTICES TO )  
ESTABLISH REGULATORY ASSETS AND )  
LIABILITIES; (4) A SECURITIZATION )  
FINANCING ORDER; AND (5) ALL OTHER )  
REQUIRED APPROVALS AND RELIEF )**

**CASE NO. 2023-00159**

**EXHIBIT LVP-1 OF**

**LISA V. PERRY**

**ON BEHALF OF**

**WALMART INC.**

# Lisa V. Perry

Senior Manager, Utility Partnerships – Energy Transformation  
Walmart Inc.

Business Address: 2608 SE J Street, Bentonville, Arkansas 72716

Business Phone: (479) 274-0238

---

## EXPERIENCE

September 2023 – Present

Walmart Inc., Bentonville, AR

Director, Utility Partnerships

September 2019 – September 2023

Walmart Inc., Bentonville, AR

Senior Manager, Energy Services

November 2017 – September 2019

Oram & Houghton PLLC, Round Rock, TX

Of Counsel, Energy Law

February 2016 – November 2017

Ray Quinney & Nebeker, P.C., Salt Lake City, UT

Of Counsel, Energy Law

September 2007 – February 2016

Welborn, Sullivan, Meck & Tooley, P.C., Denver, CO

Partner, Energy Law

## EDUCATION

2000 University of Florida Levin College of Law LL.M., Taxation

1999 University of Florida Levin College of Law J.D.

1996 University of South Florida B.A., Criminology

1993 University of South Florida B.A., Psychology

## FILED TESTIMONY

### 2023

Louisiana Public Service Commission Docket No. U-36625: Application of Entergy Louisiana, LLC for Approval of the Entergy Future Ready Resilience Plan (Phase I)

Issue: Recovery of costs to upgrade transmission and distribution systems.

Colorado Public Utilities Commission Proceeding No. 23A-0242E: In the Matter of the Application of Public Service Company of Colorado for Approval of its 2024-2026 Transportation Electrification Plan.

Issue: Seeking approval of utility's second transportation electrification plan.

Indiana Utility Regulatory Commission Cause No. 45919: In the Matter of the Petition of Indiana Michigan Power Company for Approval of (1) an Electric Vehicle Fast Charging Rate and Tariff and (2) Deferred Accounting Treatment for the Costs of Certain Company-Owned Electric Vehicle Fast Charging Stations and the Revenue from the Electric Vehicle Fast Charging Tariff.

Issue: Approval of an EV charging tariff for utility-owned public EV chargers.

Oklahoma Corporation Commission Cause No. PUD 2023000038: In the Matter of the Application of Oklahoma Gas and Electric Company for Commission Preapproval of New Generation Capacity Pursuant to 17 O.S. Section 286(C).

Issue: Approval to construct two CT units and recovery of costs through a rider.

State Corporation Commission of the State of Kansas Docket No. 23-EKCE-775-RTS: In the Matter of the Joint Application of Evergy Kansas Central, In., Evergy Kansas South, Inc., and Evergy Metro, Inc. for Approval to Make Certain Changes in their Charges for Electric Service.

Issue: General rate case.

Michigan Public Service Commission Case No. U-21389: In the matter of the application of CONSUMERS ENERGY COMPANY for authority to increase its rates for the generation and distribution of electricity and for other relief.

Issue: General rate case.

Public Service Commission of Wyoming Docket No. 20000-633-ER-23 (Record No. 17252): In the Matter of the Application of Rocky Mountain Power for Authority to Increase its Retail Electric Service Rates by Approximately \$140.2 Million Per Year or 21.6 Percent and to Revise the Energy Cost Adjustment Mechanism.

Issue: General Rate Case.

Public Utility Commission of Texas Docket No. 54634, SOAH Docket No. 473-23-14020: Application of Southwestern Public Service Company for Authority to Change Rates.

Issue: General Rate Case.

Commonwealth of Virginia State Corporation Commission Case No. PUR-2023-00002: Application of Appalachian Power Company for a 2023 triennial review of its base rates, terms and conditions pursuant to § 56-585.1 of the Code of Virginia.

Issue: Triennial review of rates.

Michigan Public Service Commission Case No. U-21297: In the matter of the Application of DTE ELECTRIC COMPANY for authority to increase its rates, amend its rate schedules and rules governing the distribution and supply of electric energy, and for miscellaneous accounting authority.

Issue: General rate case.

Indiana Utility Regulatory Commission Cause No. 45816: Investigation of the Indiana Utility Regulatory Commission Regarding the Public Utility Regulatory Policies Act Section 111(d) Standards as Amended by the Infrastructure Investment and Jobs Act.

Issue: Electric vehicle charging programs and tariffs.

Illinois Commerce Commission Docket No. 23-0055: Commonwealth Edison Company Petition for Approval of a Multi-Year Rate Plan under Section 16-108.18 of the Public Utilities Act.

Issue: Multi-Year Rate Plan rate case.

Illinois Commerce Commission Docket No. 23-0082: Ameren Illinois Company d/b/a Ameren Illinois Petition for Approval of a Multi-Year Rate Plan pursuant to 220 ILCS 5/16-108.18.

Issue: Multi-Year Rate Plan rate case.

Illinois Commerce Commission Docket No. 23-0067: Ameren Illinois Company d/b/a Ameren Illinois Proposed General Increase in Rates and Revisions to Other Terms and Conditions of Service. (Tariff filed January 6, 2023).

Issue: Gas general rate case.

Illinois Commerce Commission Docket No. 23-0066: Northern Illinois Gas Company d/b/a Nicor Gas Company Proposed General Increase in Rates and Revisions to Other Terms and Conditions of Service. (Tariff filed January 3, 2023).

Issue: Gas general rate case.

Indiana Utility Regulatory Commission Cause No. 45843: Verified Petition of Indianapolis Power & Light Company d/b/a AES Indiana for Commission Approval of an Electric Vehicle Portfolio, Including: (1) A Public Use Electric Vehicle Pilot Program Pursuant to Ind. Code Ch. 8-1-43; and (2) Time-Varying and Other Alternative Pricing Structures and Tariffs Pursuant to Ind. Code §8-1-2.5-6(3); and for Approval of Associated Accounting and Ratemaking.

Issue: Electric vehicle charging programs and tariffs.

Arkansas Public Service Commission Docket No. 22-065-U: In the Matter of the Application of Southwestern Electric Power Company for a Certificate of Public Convenience and Necessity to Operate the John W. Turk, Jr. Power Plant to Supply a Public Service to its Arkansas Customers and for Approval of a Generation Cost Recovery Rider to Recover its Costs in Arkansas Rates.

Issue: Cost recovery from customers of an existing generation resource.

Commonwealth of Virginia State Corporation Commission Case No. PUR-2022-00166: Petition of Appalachian Power Company for consideration of the appropriate framework for cost recovery, the allocation of costs net of benefits pursuant to Code § 56-585.5 F, and class and jurisdictional cost allocation.

Issue: Recovery methodology and cost allocation of VCEA-related costs.



Oklahoma Corporation Commission Cause No. PUD 202200093: Application of Public Service Company of Oklahoma, an Oklahoma Corporation, for an Adjustment in its Rates and Charges and the Electric Service Rules, Regulations and Conditions of Service for Electric Service in the State of Oklahoma and to Approve a Formula Base Rate Proposal.

Issue: General rate case.

Oklahoma Corporation Commission Cause No. PUD 202200121: Application of Public Service Company of Oklahoma (PSO) for Approval of the Cost Recovery of the Selected Wind and Solar Facilities (Renewable Resources); a Determination there is a Need for the Renewable Resources; Approval for Cost Recovery of Prudent Costs Incurred by PSO for the Renewable Resources; Approval of a Temporary Cost Recovery Rider; Approval of Certain Treatment of Federal Production Tax Credits; and Such Other Relief the Commission Deems PSO is Entitled.

Issue: Acquisition of renewable generation and recovery through a rider.

Arkansas Public Service Commission Docket No. 22-061-U: In the Matter of an Application into Potential Cost Shifting Associated with Net Metering.

Issue: Net metering tariff and any potential cost shifting between participating and non-participating customers.

## **2022**

Commonwealth of Virginia State Corporation Commission Case No. PUR-2022-00124: Petition of Virginia Electric and Power Company for approval of its 2022 RPS Development Plan under § 56-585.5 D 4 of the Code of Virginia and related requests.

Issue: Approval of 2022 RPS Plan, new renewable projects, PPAs, and cost recovery mechanism, Rider CE, pursuant to the VCEA.

Public Service Commission of South Carolina Docket No. 2022-254-E: In re: Application of Duke Energy Progress, LLC for Increase in Electric Rates, Adjustments in Electric Rate Schedules and Tariffs, and Request for an Accounting Order.

Issue: General rate case.

Public Utility Commission of Texas Docket No. 53719, SOAH Docket No. 473-22-04394: Application of Entergy Texas, Inc. for Authority to Change Rates.

Issue: General rate case.

Louisiana Public Service Commission Docket No. U-36350: Application of Entergy Louisiana, LLC for Recovery in Rates of Costs Related to Hurricane Ida and Related Relief

Issue: Recovery costs related to Hurricane Ida.

Illinois Commerce Commission Docket No. 22-0432 and 22-0442 (cons.): Commonwealth Edison Company Petition for Approval of Beneficial Electrification Plan under the Electric Vehicle Act, 20 ILCS 627/45 and New EV Charging Delivery Classes under the Public Utilities Act, Article IX and Illinois Commerce Commission on its own Motion vs. Commonwealth Edison Company Investigation into Commonwealth Edison Company's Beneficial Electrification Plan Filing pursuant to 20 ILCS 627/45

Issue: Approval of Beneficial Electrification Plan.

Illinois Commerce Commission Docket No. 22-0431 and 22-0443 (cons.): Ameren Illinois Company d/b/a Ameren Illinois Petition for Approval of Beneficial Electrification Plan pursuant to Section 45 of the Electric Vehicle Act and Illinois Commerce Commission on its own Motion vs. Ameren Illinois Company d/b/a Ameren Illinois Investigation into Ameren Illinois Company's Beneficial Electrification Plan Filing pursuant to 20 ILCS 627/45

Issue: Approval of Beneficial Electrification Plan.

Florida Public Service Commission Docket No. 20220010-EI: In re: Storm protection plan cost recovery clause

Issue: Seeking approval of the cost allocation and recovery methodologies used for storm protection plan cost recovery clause.

Michigan Public Service Commission Case No. U-21224: In the matter of the application of CONSUMERS ENERGY COMPANY for authority to increase its rates for the generation and distribution of electricity and for other relief.

Issue: General rate case.

Commonwealth of Virginia State Corporation Commission Case No. PUR-2021-00156: *Ex Parte*: Establishing a proceeding concerning the allocation of RPS-related costs and the determination of certain proxy values for Virginia Electric and Power Company.

Issue: Allocation methodology for VCEA-related costs and benefits.

Michigan Public Service Commission Case No. U-20836: In the matter of the Application of DTE Electric Company for authority to increase its rates, amend its rate schedules and rules governing the distribution and supply of electric energy, and for miscellaneous accounting authority.

Issue: General rate case.

Oklahoma Corporation Commission Cause No. PUD 202100164: In the Matter of the Application of Oklahoma Gas and Electric Company for an Order of the Commission Authorizing Applicant to Modify its Rates, Charges, and Tariffs for Retail Electric Service in Oklahoma.

Issue: General Rate Case.

Louisiana Public Service Commission Docket No. U-36190: Application for Certification and Approval of the 2021 Solar Portfolio, Rider Geaux Green Option, Cost Recovery and Related Relief.

Issue: Approval of a voluntary renewable program backed by utility-owned solar assets.

Commonwealth of Virginia State Corporation Commission Case No. PUR-2021-00135: Petition of Appalachian Power Company For approval of its 2021 RPS Plan under § 56-585.5 of the Code of Virginia and related requests.

Issue: Seeking approval of RPS Plan and recovery mechanisms for related costs.

Commonwealth of Kentucky Public Service Commission Case No. 2021-00481: Electronic Joint Application of American Electric Power Company, Inc., Kentucky Power Company and Liberty Utilities Co. for Approval of the Transfer of Ownership and Control of Kentucky Power Company.

Issue: Acquisition of Kentucky Power Company by Liberty Utilities Company.

Public Utility Commission of Texas Docket No. 52451, SOAH Docket No. 473-22-0816: Application of Southwestern Public Service Company for Approval of Advanced Metering System (AMS) Deployment Plan, AMS Surcharge, and Non-Standard Metering Service Fee.

Issue: Approval to implement AMS and recover costs through an additional surcharge.

Arkansas Public Service Commission Docket No. 21-070-U: In the Matter of the Application of Southwestern Electric Power Company for Approval of a General Change in Rates and Tariffs.

Issue: General rate case.

Arkansas Public Service Commission Docket No. 21-087-U: In the Matter of Oklahoma Gas and Electric Company's Request to Extend its Formula Rate Plan Rider.

Issue: Seeking extension of formula rate plan.

## **2021**

Louisiana Public Service Commission Docket No. U-36105: Application for Certification to Deploy Natural Gas-Fired Distributed Generation and Authorization to Implement Rider UODG.

Issue: Approval to implement a distributed generation program and rider recovery.

Public Utility Commission of Texas Docket No. 52389, SOAH Docket No. 473-22-0009: Application of Southwestern Electric Power Company for Advanced Metering System (AMS) Deployment Plan, AMS Surcharge, and Non-Standard Metering Service Fees.

Issue: Approval to implement AMS and recover costs through an additional surcharge.

Louisiana Public Service Commission Docket No. U-35991: Application for Recovery in Rates of Costs Related to Hurricanes Laura, Delta, Zeta and Winter Storm Uri and for Related Relief.

Issue: Securitization of system restoration costs due to extreme weather conditions.

Oklahoma Corporation Commission Cause No. PUD 202100076: Application of Public Service Company of Oklahoma ("PSO") for Approval of a Financing Order for the Collection of Increased Costs Caused by the Extreme Winter Weather and Contained in the Regulatory Asset Authorized by Order 717625, Including an Appropriate Carrying Cost, and Such Other Relief as the Commission Deems PSO is Entitled.

Issue: Securitization of excessive fuel costs due to extreme weather conditions.

**Walmart Inc.**  
**Exhibit LVP-1**

**Kentucky Public Service Commission Case No. 2023-00159**

Colorado Public Utilities Commission Proceeding No. 21A-0141E: In the Matter of the Application of Public Service Company of Colorado for Approval of its 2021 Electric Resource Plan and Clean Energy Plan.

Issue: Seeking approval of utility's plan to meet legislative renewable and carbon reduction goals.

Arkansas Public Service Commission Docket No. 21-054-TF: In the Matter of the Application of Entergy Arkansas, LLC for a Proposed Tariff Revision Regarding a Green Promise Tariff.

Issue: Seeking approval for a voluntary renewable energy tariff.

Commonwealth of Virginia State Corporation Commission Case No. PUR-2021-00058: Application of Virginia Electric and Power Company for a 2021 triennial review of the rates, terms and conditions for the provision of generation, distribution and transmission services pursuant to § 56-585.1 A of the Code of Virginia.

Issue: General Rate Case.

Public Utility Commission of Texas Docket No. 52040, SOAH Docket No. 473-21-2607: Application of El Paso Electric Company for Advanced Metering System (AMS) Deployment Plan, AMS Surcharge, and Non-Standard Metering Service Fees.

Issue: Approval to implement AMS and recover costs through an additional surcharge.

Oklahoma Corporation Commission Cause No. PUD 202100072: In the Matter of the Application of Oklahoma Gas and Electric Company for a Financing Order Pursuant to the February 2021 Regulated Utility Consumer Protection Act Approving Securitization of Costs Arising from the Winter Weather Event of February 2021.

Issue: Securitization of excessive fuel costs due to extreme weather conditions.

Public Utility Commission of Texas Docket No. 51802, SOAH Docket No. 473-21-1892: Application of Southwestern Public Service Company for Authority to Change Rates.

Issue: General rate case.

Oklahoma Corporation Commission Cause No. PUD 202100055: Application of Public Service Company of Oklahoma, an Oklahoma Corporation, for an Adjustment in its Rates and Charges and the Electric Service Rules, Regulations and Conditions of Service for Electric Service in the State of Oklahoma.

Issue: General rate case.

Louisiana Public Service Commission Docket No. U-35441: Application of Southwestern Power Company (SWEPCO) for Approval of a Change in Rates, Extension of Formula Rate Plan and Other Related Relief.

Issue: General rate case and extension of formula rate plan.

Michigan Public Service Commission Case No. U-20963: In the matter of the application of Consumers Energy Company for authority to increase its rates for the generation and distribution of electricity and for other relief.

Issue: General rate case.

Florida Public Service Commission Docket No. 20210010-EI: In re: Storm protection plan cost recovery clause

Issue: Seeking approval of the cost allocation and recovery methodologies used for storm protection plan cost recovery clause.

Arkansas Public Service Commission Docket No. 19-008-U: In the Matter of the Application of Southwestern Electric Power Company for Approval of a General Change in Rates and Tariffs.

Issue: Seeking approval for amortization period and carrying costs for extraordinary fuel costs related to Winter Storm Uri.

Public Utility Regulatory Authority of Connecticut Docket No. 17-12-03RE11: PURA Investigation into Distribution System Planning of the Electric Distribution Companies – New Rate Designs and Rates Review.

Issue: Investigation into low-income rates and economic development rates.

Public Utility Commission of Texas Docket No. 51415, SOAH Docket No. 473-21-0538: Application of Southwestern Electric Power Company for Authority to Change Rates.

Issue: General rate case.

Commonwealth of Virginia State Corporation Commission Case No. PUR-2020-00170: Petition of Virginia Electric and Power Company for approval of a rate adjustment clause, designated Rider RPS, under § 56-585.1 A 5 d of the Code of Virginia.

Issue: Seeking approval of a Rider RPS to recover costs associated with REC purchases made to comply with the Virginia Clean Economy Act.

Commonwealth of Kentucky Public Service Commission Case No. 2020-00350: 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.

Issue: General rate case.

Commonwealth of Kentucky Public Service Commission Case No. 2020-00349: 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.

Issue: General rate case.

Commonwealth of Virginia State Corporation Commission Case No. PUR-2020-00164: *Ex Parte*: Allocating RPS costs to certain customers of Virginia Electric and Power Company.

Issue: Determining which costs and benefits of Virginia Clean Economy Act-related assets should be allocated to non-utility customers and seeking approval of a Rider NBC to recover/credit some of those costs and/or benefits.

Oklahoma Corporation Commission Cause No. PUD 202000097: Application of Public Service Company of Oklahoma (“PSO”) for Approval of the Cost Recovery of Facilities to be Located at Ft. Sill; a Determination there is a Need for the Facilities; Approval for Future Inclusion in Base Rates for Cost Recovery of Prudent Costs Incurred by PSO for the Facilities; Approval of a Temporary Cost Recovery Rider; and Such Other Relief the Commission Deems PSO is Entitled.  
Issue: Seeking approval to acquire a solar facility and gas facility sited at Fort Sill.

Commonwealth of Virginia State Corporation Commission Case No. PUR-2020-00134: *Ex Parte*: Establishing 2020 RPS Proceeding for Virginia Electric and Power Company.  
Issue: Seeking approval of a Renewable Portfolio Standard Plan and rider pursuant to the Virginia Clean Economy Act (VCEA).

### **2020**

Commonwealth of Virginia State Corporation Commission Case No. PUR-2020-00135: *Ex Parte*: Establishing 2020 RPS Proceeding for Appalachian Power Company.  
Issue: Seeking approval of a Renewable Portfolio Standard Plan pursuant to the Virginia Clean Economy Act (VCEA).

Public Service Commission of South Carolina Docket No. 2019-209-E: In re: South Carolina Energy Freedom Act (House Bill 3659) Proceeding Related to Dominion Energy South Carolina, Incorporated and S.C. Code Ann. Section 58-41-30 Related to Electrical Utilities and Their Current Voluntary Renewable Energy Program, and Such Other Proceedings Required By the Commission.  
Issue: Seeking approval of a Voluntary Renewable Energy Rider.

Public Service Commission of South Carolina Docket No. 2020-125-E: In re: Application of Dominion Energy South Carolina, Incorporated for Adjustment of Rates and Charges.  
Issue: General rate case.

Arkansas Public Service Commission Docket No. 16-036-FR: In the Matter of Formula Rate Plan Filings of Entergy Arkansas, Inc., Pursuant to APSC Docket No. 15-015-U.  
Issue: Seeking five-year extension of Formula Rate Plan.

Colorado Public Utilities Commission Proceeding No. 20A-0204E: In the Matter of the Application of Public Service Company of Colorado for Approval of its 2021-2023 Transportation Electrification Plan.  
Issue: Seeking approval of utility’s plan to encourage EV adoption in its service territory.

Commonwealth of Kentucky Public Service Commission Case No. 2020-00174: Electronic Application of Kentucky Power Company for (1) a General Adjustment of its Rates for Electric Service; (2) Approval of Tariffs and Riders; (3) Approval of Accounting Practices to Establish Regulatory Assets and Liabilities; (4) Approval of a Certificate of Public Convenience and Necessity; and (5) All Other Required Approvals and Relief.  
Issue: General rate case.

Oklahoma Corporation Commission Cause No. PUD 202000021: In the Matter of the Application of Oklahoma Gas and Electric Company for an Order of the Commission Approving a Recovery Mechanism for Expenditures Related to the Oklahoma Grid Enhancement Plan.

Issue: Seeking approval of a rider that allows for interim recovery of costs associated with expenditures made to enhance the grid.

Commonwealth of Virginia State Corporation Commission Case No. PUR-2020-00015: Application of Appalachian Power Company For a 2020 Triennial Review of the Rates, Terms and Conditions for the Provision of Generation, Distribution and Transmission Services Pursuant to § 56-585.1 A of the Code of Virginia.

Issue: General Rate Case.

Michigan Public Service Commission Case No. U-20697: In the matter of the application of Consumers Energy Company for authority to increase its rates for the generation and distribution of electricity and for other relief.

Issue: General rate case.

Florida Public Service Commission Consolidated Docket Nos. 20200067-EI, 20200069-EI, 20200070-EI, 20200071-EI: In re: Review of 2020-2029 Storm Protection Plan pursuant to Rule 25-6.030, F.A.C., Tampa Electric Company *et al.*

Issue: Seeking approval of Storm Protection Plans submitted by Tampa Electric Company, Duke Energy Florida, LLC, Gulf Power Company, and Florida Power & Light Company.

Arkansas Public Service Commission Docket No. 20-027-U: In the Matter of the Application of Walmart Inc. for Approval to Bid Demand Response into Wholesale Electricity Markets Through an Aggregator of Retail Customers.

Issue: Seeking approval to bid demand response into MISO through a third-party aggregator.

Public Utility Commission of Texas Docket No. 49737, SOAH Docket No. 473-19-6862: Application of Southwestern Electric Power Company for Certificate of Convenience and Necessity Authorization and Related Relief for the Acquisition of Wind Generation Facilities.

Issue: Seeking approval to acquire a wind generation facility located in Oklahoma.

Louisiana Public Service Commission Docket No. U-35324: Application of Southwestern Power Company (SWEPCO) for Certification and Approval of the Acquisition of Certain Renewable Resources in Accordance with the MBM Order and the 1983 and 1994 General Orders.

Issue: Seeking approval to acquire a wind generation facility located in Oklahoma.

Commonwealth of Virginia State Corporation Commission Case No. PUR-2019-00201: Application of Virginia Electric and Power Company for approval of its 2019 DSM Update pursuant to § 56-585.1 A 5 of the Code of Virginia.

Issue: Seek approval to implement eleven new demand-side management programs, to extend existing programs - some with updated parameters and cost/benefit results, and to continue three rate adjustment clauses.

**2019**

Oklahoma Corporation Commission Cause No. PUD 201900048: Application of Public Service Company of Oklahoma for Approval of the Cost Recovery of the Selected Wind Facilities; A Determination there is a Need for the SWFs; Approval for Future Inclusion in Base Rates Cost Recovery of Prudent Costs Incurred by PSO for the SWFs; Approval of a Temporary Cost Recovery Rider; Approval of Certain Accounting Procedures Regarding Federal Production Tax Credits; and Such Other Relief the Commission Deems PSO in Entitled.

Issue: Seeking approval to acquire a wind generation facility located in Oklahoma and Wind Facility Asset Rider.

Commonwealth of Virginia State Corporation Commission Case No. PUR-2019-00094: Application of Virginia Electric and Power Company for Approval of a 100 Percent Renewable Energy Tariff, Designated Rider TRG, Pursuant to §§ 56-577 A 5 and 56-234 of the Code of Virginia.

Issue: Seek approval of a 100 percent renewable energy tariff.

Public Service Commission of South Carolina Docket No. 2019-239-E: In re: Dominion Energy South Carolina, Incorporated's Request for Approval of an Expanded Portfolio of Demand Side Management Programs, and a Modified Demand Side Management Rate Rider.

Issue: Seeking approval of an expanded Demand Side Management Plan and modified Demand Side Management Rate Rider.

Arkansas Public Service Commission Docket No. 19-035-U: In the Matter of the Application of Southwestern Electric Power Company for Approval to Acquire Wind Generating Facilities Pursuant to the Arkansas Clean Energy Development Act.

Issue: Seeking approval to acquire a wind generation facility located in Oklahoma and Wind Facility Asset Rider.

Commonwealth of Virginia State Corporation Commission Case No. PUR-2019-00154: Petition of Virginia Electric and Power Company for approval of a plan for electric distribution grid transformation projects pursuant to § 56-585.1 A 6 of the Code of Virginia, and for approval of an addition to the terms and condition applicable to electric service.

Issue: Seeking approval of certain expenditures relating to grid improvement and grid hardening.

**COMMISSION DOCKETS (Appearing as Attorney of Record)**

**2019**

Public Utility Commission of Texas Docket No. 49421: Application of CenterPoint Energy Houston Electric, LLC for Authority to Change Rates.

Issue: General rate case

Public Utility Commission of Texas Docket No. 49494: Application of AEP Texas Inc. for Authority to Change Rates.

Issue: General rate case



Public Utility Commission of Colorado Docket No. 19AL-0268E: In the Matter of Advice Letter No. 1797 Filed by Public Service Company of Colorado to Reset the Currently Effective General Rate Schedule Adjustment (“GRSA”) as Applied to Base Rates for all Electric Rate Schedules as well as Implement a Base Rate kWh Charge, General Rate Schedule Adjustment-Energy (“GRSA-E”) to Become Effective June 20, 2019.

Issue: General rate case, Phase I

**2018**

Public Utility Commission of Texas Docket No. 48371: Entergy Texas, Inc.’s Statement of Intent and Application for Authority to Change Rates.

Issue: General rate case

Public Utility Commission of Colorado Docket No. 18M-0074EG: In the Matter of the Commission’s Consideration of the Impact of the Federal Tax Cuts and Jobs Act of 2017 on the Rates of Colorado Investor-Owned Electric and Natural Gas Utilities.

Issue: Commenced by the Commission to consider the impacts of the Tax Cut and Jobs Act of 2017 on the revenue requirements and rates of all Colorado investor-owned electric and natural gas utilities.

**2017**

Public Utility Commission of Texas Docket No. 47461: Application of Southwestern Electric Power Company for Certificate of Convenience and Necessity Authorization and Related Relief for the Wind Catcher Energy Connection Project in Oklahoma.

Issue: Purchase of a wind generation facility and generation tie line.

Public Utility Commission of Texas Docket No. 47527: Application of Southwestern Public Service Company for Authority to Change Rates.

Issue: General rate case

Public Utility Commission of Colorado Docket No. 17A-0462EG: In the Matter of the Application of Public Service Company of Colorado for Approval of a Number of Strategic Issues Relating to its Electric and Gas Demand-Side Management Plan.

Issue: Seek Commission re-examination and approval of the overall objectives and structure of Public Service’s DSM initiatives to guide the Company in designing future DSM plans.

Public Utility Commission of Colorado Docket No. 17AL-0649E: In the Matter of Advice Letter No. 1748-Electric Filed by Public Service Company of Colorado to Revise its PUC No. 8-Electric Tariff to Implement a General Rate Schedule Adjustment and Other Rate Changes Effective on Thirty Days’ Notice.

Issue: General rate case, Phase I

Arkansas Public Service Commission Docket No. 17-038-U: In the Matter of the Application of Southwestern Electric Power Company for Approval to Acquire a Wind Generating Facility and to Construct a Dedicated Generation Tie Line.

Issue: Purchase of a wind generation facility and generation tie line.

Louisiana Public Service Commission Docket No. U-34619: Application for Expedited Certification and Approval of the Acquisition of Certain Renewable Resources and the Construction of a Generation Tie Pursuant to the 1983 and/or 1994 General Orders.

Issue: Purchase of a wind generation facility and generation tie line.

**2016**

Public Utility Commission of Colorado Docket No. 16AL-0048E: In the Matter of Advice Letter No. 1712-Electric Filed by Public Service Company of Colorado to Replace Colorado PUC No. 7-Electric Tariff with Colorado PUC No. 8-Electric Tariff.

Issue: General rate case, Phase II

Public Utility Commission of Colorado Docket No. 16A-0055E: In the Matter of the Application of Public Service Company of Colorado for Approval of its Solar\*Connect Program.

Issue: Implement a voluntary solar program offering participating customers the ability to offset their current supply of energy from the Public Service system with solar energy produced at a dedicated facility or facilities.

New Mexico Public Regulation Commission Docket No. 16-00276-UT: In the Matter of the Application of Public Service Company of New Mexico for Revision of its Retail Electric Rates Pursuant to Advice Notice No. 533.

Issue: General rate case

**INDUSTRY TRAINING**

- 2020 Practical Regulatory Training for the Electric Industry, Center for Public Utilities, New Mexico State University College of Business
- 2020 IPU Accounting and Ratemaking Course, Michigan State University
- 2016 and 2022 Western NARUC Utility Rate School
- EUCI Courses on the utility industry, cost allocation, and rate design.

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

**In the Matter of:**

**ELECTRONIC APPLICATION OF )  
KENTUCKY POWER COMPANY FOR (1) A )  
GENERAL ADJUSTMENT OF ITS RATES )  
FOR ELECTRIC SERVICE; (2) APPROVAL )  
OF TARIFFS AND RIDERS; (3) APPROVAL )  
OF ACCOUNTING PRACTICES TO )  
ESTABLISH REGULATORY ASSETS AND )  
LIABILITIES; (4) A SECURITIZATION )  
FINANCING ORDER; AND (5) ALL OTHER )  
REQUIRED APPROVALS AND RELIEF )**

**CASE NO. 2023-00159**

**EXHIBIT LVP-2 OF**

**LISA V. PERRY**

**ON BEHALF OF**

**WALMART INC.**

Class Relative Rates of Return					
Customer Class	Present			Proposed	
	Rate of Return %	Relative Rate of Return		Rate of Return %	Relative Rate of Return
Residential (RS)	0.75	0.25		4.66	0.67
General Service (GS)	6.44	2.13		10.35	1.49
Large General Service (LGS)	12.19	4.04		16.10	2.32
Industrial General Service (IGS)	3.42	1.13		7.33	1.06
Municipal Waterworks (MW)	15.14	5.01		19.05	2.75
Outdoor Lighting (OL)	9.09	3.01		13.00	1.88
Street Lighting (SL)	14.10	4.67		18.01	2.60
<b>Total Jurisdiction</b>	<b>3.02</b>	<b>1.00</b>		<b>6.93</b>	<b>1.00</b>
Source: Direct Testimony of Jaclyn N. Cost, Ex. JNC-2, pp. 1-2					