REDACTED FOR PUBLIC FILING

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE COMMONWEALTH OF KENTUCKY

In the Matter of:	)	
	)	
THE ELECTRONIC FILING OF BIG RIVERS ELECTRIC CORPORATION AND KENERGY CORP.TO REVISE THE LARGE INDUSTRIAL CUSTOMER STANDBY SERVICE TARIFF.	))))	**CASE NO. 2023-00312**

KIMBERLY-CLARK CORPORATION'S CONFIDENTIAL RESPONSE TO COMMISSION STAFF'S POST-HEARING DATA REQUEST

Kimberly-Clark Corporation ("Kimberly-Clark") hereby submits the following response to a question posed by a staff member of the Kentucky Public Service Commission ("Commission") during the testimony of Mr. Timothy Honadle ("Response").

During the hearing in the above-captioned matter, which took place before the Commission on May 1, 2024, Mr. Honadle was made available for cross-examination at approximately 2:01 p.m. During the course of his cross examination, Mr. Honadle was asked by Commission staff to provide, via a post-hearing data request, "specific financial data or examples that illustrate the scale of those cost increases" resulting from the Large Industrial Customer Standby Service ("LICSS") Pilot Tariff approved by the Commission via its March 3, 2022 Order in the related matter docketed at 2021-00289. *See* 2023-00312 Hearing Video at 2:09:49 p.m.

Pursuant to that request, Kimberly-Clark hereby provides the following response:

> During the 12-month calendar year of 2023, Kimberly-Clark received service under the LICSS Pilot Tariff for back-up and maintenance service. If Kimberly-Clark had not received service under the LICSS Pilot Tariff, it would have received such service pursuant to the Large Industrial Customer ("LIC") Tariff rate.
>
> [redacted] If Kimberly-Clark had not received service under the LICSS Pilot Tariff, Kimberly-Clark would have paid the LIC

demand rates for load not served by its onsite generation during [redacted] in which Kimberly-Clark experienced outages of varying periods of its self-generation, including its planned maintenance period. If Kimberly-Clark had been receiving service under the LIC Tariff during this period, Kimberly-Clark would have worked to limit each of its planned maintenance outages to start and end [redacted], to minimize its demand charges under the LIC Tariff. No such incentive to schedule planned maintenance exists under the Pilot.

The demand charge cost increase to Kimberly-Clark as a result of imposition of the LICSS Pilot Tariff instead of the LIC Tariff can be calculated as follows: 12 months at the Net LICSS Pilot Demand Charge ($10.715/kW/month charge - $3.80/kW/month credit = $6.915/kw/month) [redacted] at the LIC Demand Charge ($10.715/kW/month). Based on approximately 14,000 kW (14 MW)[1] of Back-up/Maintenance power, the following are calculations of that amount for the LICSS Pilot Tariff and the LIC Tariff:

- [redacted]
- [redacted]
- [redacted]

The difference between these two approaches is approximately [redacted]. Thus, Kimberly-Clark paid approximately [redacted] more under the LICSS Pilot during the twelve-month calendar year of 2023 than it would have paid if the LICSS Pilot Tariff had not gone into effect. This is approximately [redacted] per month. If Kimberly-Clark had appropriate incentives to limit its planned maintenance outage to one month, the cost difference between the LICSS Pilot and LIC Tariff would have been greater, with Kimberly-Clark paying approximately [redacted] more under LICSS Pilot in 2023, or [redacted] more each month, than it would have paid if the LICSS Pilot Tariff had not gone into effect.

The LICSS Pilot Tariff has been in effect since March 3, 2022, or [redacted], and extrapolating through the entire period the Pilot has been in effect, the total approximate demand charge expense incurred by Kimberly-Clark as a result of the LICSS Pilot Tariff is [redacted] higher than it would have been under [redacted]f the LICSS Pilot Tariff had been structured to support efficient scheduling of Kimberly-Clark's planned maintenance outage.

[1]It warrants noting that the volume for which Kimberly-Clark is being charged for Back-up/Maintenance Power increased in early 2024 without explanation, likely due to an interpretation of "Self-Supply Capacity." Consequently, using a volume of 14,000 kW in these calculations conservatively understates the full adverse impact of the LICSS Pilot Tariff on Kimberly-Clark.

This approximation of the demand charge cost increase borne by Kimberly-Clark under the Pilot does not include the effect of the "first through the meter issue" when the Pilot imposes the LICSS tariff energy rate (i.e., higher of LIC energy charge or market price) on Kimberly-Clark's energy consumption when Kimberly-Clark has backed-down its cogeneration system, including as necessary to avoid Kimberly-Clark exporting power to the Kenergy system, or due to weather dynamics affecting Kimberly-Clark's cogeneration output vis-á-vis the determination of Kimberly-Clark's Self-Supply Capacity value. Kimberly-Clark approximates this cost to be approximately $32,000 for the period January 2023 through March 2024.

The rate impacts of the LICSS Pilot Tariff are also layered on to increases in other charges that, while they may apply to other customers, also combine to adversely impact the competitiveness of the Owensboro facility.

Respectfully Submitted,

/s/Daniel E. Danford
Daniel E. Danford
STITES & HARBISON LLC
250 W. Main Street, Suite 2300
Lexington, KY 40507
Telephone: (859) 226-2292
Email: ddanford@stites.com

Susan E. Bruce (Pa. Bar No. 80146)
Robert A. Weishaar, Jr. (Pa. Bar No. 74678)
Brigid L. Khuri (Pa. Bar No. 315274)
Admitted Pro Hac Vice
McNEES WALLACE & NURICK
100 Pine Street
Harrisburg, PA 17101
Email: sbruce@mcneeslaw.com
bweishaar@mcneeslaw.com
bkhuri@mcneeslaw.com
Counsel for Kimberly-Clark Corporation

Certification

I hereby certify that a copy of this Response has been served electronically on all parties of record through the use of the Commission's electronic filing system, and there are currently no parties that the Commission has excused from participation by electronic means. Pursuant to the Commission's July 22, 2021 Order in Case No. 2020-00085, a paper copy of this filing has not been transmitted to the Commission.

/s/ *Daniel E. Danford*
Counsel for Kimberly-Clark Corporation