COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF KENTUCKY UTILITIES COMPANY FOR AN ADJUSTMENT OF ITS ELECTRIC RATES AND FOR CERTIFICATES OF PUBLIC CONVENIENCE AND NECESSITY

CASE NO. 2016-00370

COMMISSION STAFF’S INITIAL REQUEST FOR INFORMATION TO SIERRA CLUB, ALICE HOWELL, AND CARL VOGEL

Sierra Club, Alice Howell, and Carl Vogel ("Sierra Club"), pursuant to 807 KAR 5:001, is to file with the Commission the original and six copies in paper medium and an electronic version of the following information. The information requested herein is due on or before March 31, 2017. Responses to requests for information in paper medium shall be appropriately bound, tabbed and indexed. Each response shall include the name of the witness responsible for responding to the questions related to the information provided.

Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person’s knowledge, information, and belief formed after a reasonable inquiry.

Sierra Club shall make timely amendment to any prior response if it obtains information which indicates that the response was incorrect when made or, though
correct when made, is now incorrect in any material respect. For any request to which Sierra Club fails or refuses to furnish all or part of the requested information, it shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations. When filing a paper containing personal information, Sierra Club shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Refer to the Testimony of Jonathan Wallach ("Wallach Testimony"), pages 5-10.

   a. State whether Sierra Club is aware that the National Association of Regulatory Utility Commissioners' Electric Utility Cost Allocation Manual ("NARUC Cost Allocation Manual") states that distribution plant accounts 364 through 370 (which includes poles, conductors, and line transformers) involve both demand and customer costs.

   b. State whether Sierra Club is aware that the NARUC Cost Allocation Manual identifies two common methodologies to determine the demand and customer components of distribution facilities, the zero-intercept methodology and the minimum-
size methodology, and states that in most instances, the zero-intercept methodology is more accurate.

2. Refer to the Wallach Testimony, page 9, lines 5–13. State whether Mr. Wallach is aware of any state public service commission approving a cost of service study in which the cost of a company's poles, conductors and secondary transformers was considered to be zero per customer. If yes, provide the name of the state, utility, and case number.

3. Refer to the Wallach Testimony, page 11, lines 22–24, which states “[i]n contrast, the basic service charge is intended to reflect the incremental costs imposed by the continued presence of a customer who uses very little energy.” Provide the basis for this statement.


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Public Service Commission  
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DATED MAR 17 2017  
cc: All parties  

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*Denotes Served by Email

Service List for Case 2016-00370