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ATTORNEYS FOR THE KROGER COMPANY

**BEFORE THE
PUBLIC SERVICE COMMISSION OF UTAH**

In the Matter of the Application of Rocky Mountain Power for Authority to Increase its Retail Electric Utility Service Rates in Utah and for Approval of Its Proposed Electric Service Schedules and Electric Service Regulations)	Docket No. 09-035-23
)	INITIAL BRIEF OF THE KROGER CO.

Comes now, Kroger Co. (“Kroger”) and submits this Initial Brief in support of its position on the issue of cost of service and rate spread.

1. Kroger Recommends That The Commission Adopt The Company’s Rate Spread Proposal.

Kroger supports the Company’s proposed rate spread. Kroger agrees with the Company that its proposed spread represents a middle-of-the-road approach that falls within an acceptable range of reasonableness when compared to the divergent recommendations presented by other parties.

Kroger recommends that the Commission reject the rate spread proposal of DPU. DPU proposes that rates should remain unchanged for classes that would receive a rate decrease if rates were set at cost of service given DPU's proposed revenue requirement. The \$16,673,181 rate increase recommended by DPU would then be prorated among the remaining classes with an indicated rate increase. This is an extreme position given DPU's argument that neither its own study nor the Company's study is reliable. If the Commission finds that the load forecast data is faulty and that no cost of service study based on this data is reliable, as the DPU has concluded, then the appropriate rate spread in this case would be a uniform percentage increase for all rate schedules. It does not logically follow that a party that has argued that the COS result are unreliable should support a rate spread that would move customer classes the farthest away from current rates.

Respectfully submitted,

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January 11, 2010