

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF UTAH**

**Application of Rocky Mountain Power for Authority :
to Increase its Retail Electric Utility Service Rates in : Docket No. 20-035-04
Utah and for Approval of its Proposed Electric Service :
Schedules and Electric Service Regulations :**

COMMENTS OF THE KROGER CO.

Pursuant to the Commission’s December 30, 2020 Order (page 94), The Kroger Co. (“Kroger”) submits these Comments regarding the proposed scope of the collaborative stakeholder process discussed in the Commission’s Order.

The Collaborative Stakeholder Process Should Consider A Multi-Site Commercial Rate For Schedule 6 Customers.

As a part of this proceeding, Kroger recommended that the Commission consider approving a multi-site commercial rate for Schedule 6 customers. As discussed in Kroger’s Brief¹ and in the Direct Testimony of Richard Baudino,² a multi-site commercial rate allows a customer with more than one premise to combine its demand and energy at all sites into a single set of billing determinants. “Demand aggregation” measures the generation billing demand for a multi-site customer as if it were a single-site customer. This would be accomplished by determining the multi-site customer’s billing demand for generation each month based on the hour-by-hour cumulative demand of its various facilities, rather than by simply summing the maximum demands of each individual facility.

The rationale for this approach is that while each facility owned by a multi-site customer causes unique distribution costs and therefore it is appropriate to recover those costs based on the peak demand of each individual facility, that is not the case for fixed production costs. There is no cost-of-service reason why a multi-site customer's generation load should have a different cost than a single customer

¹ See pages 6-8.

² See pages 17-21.

generation load, assuming the same load characteristics and service voltage. This is best evidenced by looking at how demand is measured in retail access markets. In these markets the wholesale cost of power would be the same for a multi-site customer using the same cumulative MWs as a single-site customer assuming the same peak demand and service voltage. The cost to serve a MW of generation should be the same whether it is behind a single meter at one site or at multiple sites, again assuming similar load patterns and voltage levels. Guided by this rationale, multi-site rates like the rate proposed by Kroger in this case have been approved by public utility commission's in other jurisdictions; notably in Arizona,³ Michigan⁴ and Washington.⁵

Rocky Mountain Power has indicated that it is supportive of exploring the reasonableness of a multi-site commercial rate for Schedule 6 in the collaborative stakeholder process.⁶ Kroger proposes that a multi-site commercial rate for Schedule 6 be evaluated in the collaborative process for possible implementation in the next rate proceeding.

Respectfully submitted,

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³ Arizona Public Service Company ("APS") has an Aggregation Rate Discount that was approved by the Arizona Corporation Commission in Docket No. E-01345A-16-0036. The APS Aggregation Rate Discount is a provision included in APS' commercial Rates E-32 L and E-32TOU L.

⁴ Consumers Energy in Michigan has an approved Aggregate Peak Demand Service Provision. This program is available to any customer with 7 accounts or more who desires to aggregate its On-Peak Billing Demands for power supply billing purposes.

⁵ The Washington Utilities and Transportation Commission approved a multi-site aggregation tariff proposed by Puget Sound Energy ("PSE") in its most recent rate case. PSE's "Conjunctive Demand Service Option Pilot Program" will allow customers with multiple service locations to pay a demand charge based on the coincidental peak of all their metered locations rather than the arithmetic sum of the demand charges (in dollars) resulting from each service location's non-coincidental peak demand. PSE's proposal received broad support from customers and the Washington Commission Staff and was approved on July 8, 2020. Washington Utilities and Transportation Commission, Docket UE-190529, Order of July 8, 2020, at 168-174.

⁶ Meredith Rebuttal, p. 38. See also, Transcript of Public Hearing (November 17, 2020) p. 71.

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