

ORIGINAL

**BOEHM, KURTZ & LOWRY**

ATTORNEYS AT LAW  
36 EAST SEVENTH STREET  
SUITE 2110  
CINCINNATI, OHIO 45202  
TELEPHONE (513) 421-2255  
TELECOPIER (513) 421-2764



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Arizona Corporation Commission  
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Via Overnight Mail

February 3, 2004

Arizona Corporation Commission  
Attn: Docket Filing Window  
1200 Washington Street  
Phoenix, AZ 85007

**Re: Docket No. E-01345A-03-0437**

Dear Sir or Madam:

Please find enclosed the original and thirteen (13) copies of the Supplemental Response of the Kroger Co. to First Set of Data Requests of Arizona Public Service Company in the above-referenced matter. Please be advised that copies of the workpapers are being served on the Company and the Commission only, but will be available to all parties of record upon request.

Please place this document of file.

Very Truly Yours,

Michael L. Kurtz, Esq.  
**BOEHM, KURTZ & LOWRY**

## CERTIFICATE OF SERVICE

I hereby certify that true copy of the foregoing was served by regular U.S. mail (unless otherwise noted), this 3rd day of February, 2004.

Bill Murphy, Vice President AZCA  
Murphy Consulting  
2422 E. Palo Verde Drive  
Phoenix, AZ 85016

C. Webb Crockett  
Fennemore Craig, P.C.  
3003 North Central Avenue  
Suite 2600  
Phoenix, AZ 85012

Walter W. Meek, President  
Arizona Utility Investors Assoc.  
2100 N. Central Avenue, Suite 210  
Phoenix, AZ 85004

Robert W. Geake  
Vice President & General Counsel  
Arizona Water Co.  
P.O. Box 29006  
Phoenix, AZ 85038

Major Allen G. Erickson  
AFCEA/ULT  
139 Barnes Drive, Suite 1  
Tyndall AFB, FL 32403-6348

Nicholas J. Enock  
Lubin & Enoch  
349 N. Fourth Ave.  
Phoenix, AZ 85003

Jay L. Shapiro  
Patrick J. Black  
Fennemore Craig, P.C.  
3003 North Central Avenue  
Suite 2600  
Phoenix, AZ 85012

David Crabtree  
Dee Brown  
Bill Gehlen  
Teco Power Services  
P.O. Box 111  
Tampa, Florida 33601-0111

Scott S. Wakefield  
Chief Counsel  
Residential Utility Consumer Office  
1110 W. Washington St., Suite 220  
Phoenix, AZ 85007

Andrew W. Bettwy  
Bridget A. Branigan  
Southwest Gas Corp.  
5241 Spring Mountain Rd.  
Las Vegas, Nevada 89150

Jeffrey Guldner  
Snell & Wilmer  
400 E. Van Buren,  
One Arizona Center  
Phoenix, Arizona 85004-0001  
**Via electronic mail**

Arizona Reporting Service, Inc.  
2627 N. Third Street, Suite Three  
Phoenix, Arizona 85004-1104

Christopher Kempley, Chief Counsel  
Arizona Corporation Commission  
1200 W. Washington Street  
Phoenix, Arizona 85007

Ernest G. Johnson, Utilities  
Division  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

Barbara Klemstine  
Jana Van Ness  
APS  
Mail Station 9905  
P.O. Box 53999  
Phoenix, AZ 85072-3999  
**Via electronic mail**

Thomas L. Mumaw  
Karilee S. Ramaley  
Pinnacle West Capital Corp.  
P.O. Box 53999, MS 8695  
Phoenix, AZ 85072-3999  
**Via Electronic Mail**



Michael L. Kurtz, Esq.



**KROGER SUPPLEMENTAL RESPONSE TO FIRST SET OF DATA REQUESTS  
FROM ARIZONA PUBLIC SERVICE COMPANY  
TO KROGER COMPANY  
(Docket No. E-0134SA-03-0437)  
FEBRUARY 3, 2004**

**Q.1-2 Concurrently with the filing of any testimony on behalf of Kroger Company, please provide:**

**(a) A complete curriculum vitae for the witness filing such testimony;**

**(b) A complete list of articles, presentations, publications, testimony and affidavits prepared by or on behalf of such witness;**

**(c) A copy of any prior testimony prepared in the last 10 years addressing the same subject matter as the witness's testimony in this proceeding, and a copy of any final order (i.e., not procedural or interlocutory orders) of a regulatory body in the in the proceeding involving such testimony.**

Response:

- a. See direct testimony of Stephen J. Baron and exhibit SJB-1.
- b. See attached CD.
- C. See attached CD.

**KROGER SUPPLEMENTAL RESPONSE TO FIRST SET OF DATA REQUESTS  
FROM ARIZONA PUBLIC SERVICE COMPANY  
TO KROGER COMPANY  
(Docket No. E-0134SA-03-0437)  
FEBRUARY 3, 2004**

**Q.1-3 Concurrently with the filing of any testimony on behalf of Kroger, please provide a copy of any contract or fee agreement, and all related documentation, between KROGER COMPANY and the witness to this proceeding.**

Response:

No such agreements exist.

**KROGER SUPPLEMENTAL RESPONSE TO FIRST SET OF DATA REQUESTS  
FROM ARIZONA PUBLIC SERVICE COMPANY  
TO KROGER COMPANY  
(Docket No. E-0134SA-03-0437)  
FEBRUARY 3, 2004**

**Q.1-4 Concurrently with the filing of any testimony on behalf of Kroger Company, please provide a copy of any request for proposal or solicitation that was used by KROGER COMPANY in connection with the engagement or retention of the witness providing such testimony.**

Response: No such documents exist.

**KROGER SUPPLEMENTAL RESPONSE TO FIRST SET OF DATA REQUESTS  
FROM ARIZONA PUBLIC SERVICE COMPANY  
TO KROGER COMPANY  
(Docket No. E-0134SA-03-0437)  
FEBRUARY 3, 2004**

**Q.1-5 Concurrently with the filing of any testimony on behalf of Kroger Company, please provide a firm resume of any consulting firm that employs the witness submitting such testimony. If the firm has multiple resumes, provide the resume that most closely addresses the subject matter of the testimony.**

Response: See attached.

**KROGER SUPPLEMENTAL RESPONSE TO FIRST SET OF DATA REQUESTS  
FROM ARIZONA PUBLIC SERVICE COMPANY  
TO KROGER COMPANY  
(Docket No. E-0134SA-03-0437)  
FEBRUARY 3, 2004**

**Attachment to Question 1-5**

**J. KENNEDY AND ASSOCIATES, INC.**

J. Kennedy and Associates, Inc. ("Kennedy and Associates") is an economic consulting firm specializing in the electric, gas, and telephone industries. We provide services in electric and gas utility restructuring, rates, planning, contract negotiation, and litigation services to industrial utility consumers, regulatory commissions, attorneys general, consumer counsels and other utility consumers. The firm's principals are Mr. Stephen J. Baron and Mr. Lane Kollen. In addition, the firm has a staff of professional consultants able to offer services in a broad range of disciplines.

Principals Baron and Kollen have extensive experience in utility and economic consulting, both nationally and internationally. In addition, the firm's professional consultants possess utility, commission, and consulting experience which encompasses a broad range of disciplines, including economics, engineering, planning, computer science, finance, and accounting (CPA's).

Kennedy and Associates provides consulting services to industrial consumers and regulatory commissions, utilizing skills and techniques that parallel those currently in use by progressive electric, gas, and telephone utilities. The firm employs advanced costing, rate design, and planning techniques, using models and computer programs developed by the firm's principals and associates.

The professional experience of the firm in the areas of electric and gas restructuring, cost analysis, comprehensive and focused management audits, utility affiliate transaction analysis, regulated/nonregulated cost allocation analysis, accounting and taxes, generation planning, load forecasting and finance can be employed to analyze many of the complex problems currently affecting the electric utility industry and its customers. Our extensive experience in electric utility restructuring (19 cases) provides us with a significant level of expertise and experience to assist our clients. In the gas industry, the firm has addressed issues ranging from revenue requirements and cost-of-service to gas purchasing practices audits. Recently, our firm has been involved in a number of gas retail competition proceedings.

The firm's experience in telecommunications includes rate of return, revenue requirements, accounting issues, and separations and access charge studies. In addition, the firm's consultants have addressed issues related to alternative forms of regulation (incentive plans and price regulation) as well as competitive issues.

Kennedy and Associates, now in its nineteenth year of operation, has been a key player in many of the most significant rate proceedings and investigations litigated in recent years.

**J. KENNEDY AND ASSOCIATES, INC.**

**STATE-OF-THE-ART**

**ANALYSES AND EXPERT TESTIMONY**

**Litigation Support:** Assist counsel in development of litigation strategy, provide analysis of issues, prepare studies, prepare expert reports, affidavits, prefiled expert testimony, live expert testimony, and cross-examination.

**Rate Case Intervention:** Provide analysis of issues and studies in cost-of-service, rate design, and revenue requirements.

**Rate of Return:** Develop cost of equity capital analyses, appropriate capital structure, and overall rate of return.

**Contract Negotiation:** Assistance to clients in direct negotiations with utilities, and independent "due diligence" analysis of utility contract proposals.

**Auditing (Management, Financial, and Regulatory):** Audits of electric, telephone, and gas utilities encompassing management and organizational structure, processes, affiliate transactions, regulatory compliance, and other financial, tax, and regulatory issues.

**Impact of Major Generation Additions and Cancellations:** Critique and analyze the cost impact and rate treatment of utility generation planning and construction decisions. Determine the financial impact of alternative regulatory decisions regarding such issues as CWIP, phase-in, and write-off amortization.

**Avoided Cost:** Perform avoided cost calculations and forecasts, prepare cogeneration feasibility studies, provide assistance in negotiation of avoided cost rates. Develop standby and back-up rates.

**Utility Rate/Cost Projections:** Prepare long-term forecasts of electric utility rates and costs. Forecasts explicitly consider utility construction programs, fuel mix and costs, load growth and cost allocation techniques. These forecasts can estimate the impact, for example, of alternative acid rain proposals on a specific utility basis.

**Load Forecasting:** Perform econometric, end-use and alternative time-series load forecasting studies. Projections explicitly consider customer usage, alternative fuel prices, economic and demographic conditions, appliance saturation, and own price elasticity.

**Prudence Investigations:** Perform prospective and retrospective investigations into significant managerial and planning decisions affecting utilities' costs and revenue requirements.

**Telecommunications:** Tariff revenues, separations, access studies, market structure analysis, and revenue requirements, including rate of return.

## ELECTRIC UTILITY RESTRUCTURING

### RETAIL COMPETITION

J. Kennedy and Associates, Inc. ("Kennedy and Associates") has been at the forefront of electric utility restructuring in the U.S. during the past four years. Our firm has been involved in **nineteen (19) electric utility restructuring proceedings** since 1996. This provides us with a substantial experience base to draw upon in representing consumer groups, regulatory agencies and consumer advocates in restructuring and retail competition proceedings. In 1997 and 1998, we represented industrial consumer groups in six complete restructuring proceedings in the State of Pennsylvania involving stranded cost quantification, including market price projections, generation assets, and regulatory assets and liabilities, the development of unbundled rates (including transmission and distribution revenue requirements); and the development of regulatory policies associated with the implementation of retail competition.

We have also represented industrial consumer groups in restructuring proceedings in Maryland (two cases), West Virginia (generic proceeding involving four utilities), Arkansas, and Connecticut (six proceedings on restructuring, stranded cost quantification, unbundling, divestiture and tax issues involving two utilities). In Texas, our firm is representing a consumer group of hospitals and universities in the TXU Electric Company restructuring (stranded cost, unbundling, regulatory assets, securitization). We are also currently representing the staff of the Louisiana Public Service Commission on stranded cost and restructuring issues and the Maine Public Advocate (stranded cost, divestiture, taxes and transmission and distribution revenue requirements involving two utilities).

The members of our firm have testified in each of these proceedings. We have also presented testimony before the Maryland and Arkansas legislatures on issues related to retail competition, stranded cost and related matters.

Among the issues that we addressed in many of these proceedings was the appropriate quantification of stranded costs or, in some cases stranded benefits associated with generating assets whose market value exceeds book value. Our firm also has significant and relevant experience with the accounting issues associated with restructuring including regulatory asset and liability stranded cost quantification and the appropriate adjustments for income taxes. Our experience in other proceedings, particularly in cases involving utilities with potentially large stranded costs associated with nuclear generation, is that regulatory assets (e.g. SFAS 109 balances) can be a substantial portion of overall stranded costs reaching into the hundreds of millions of dollars. We have addressed these issues repeatedly in recent proceedings and have successfully responded to utility witnesses from the major accounting firms on this issue.

Kennedy and Associates also has extensive experience in the area of open access transmission tariffs, independent system operator issues and transmission pricing. This experience, coupled with our retail restructuring experience will provide a strong foundation for analysis and development of testimony on electric restructuring issues that will be important in other proceedings.

In the electric utility restructuring proceedings in which members of our firm have participated, we have addressed the following major issues:

- 1. Development of market energy and capacity price forecasts.**
- 2. Quantification of "owned" generation and non-utility generation stranded costs.**
- 3. Quantification of generation-related regulatory asset and regulatory liability stranded cost.**
- 4. Rate unbundling, functional cost allocation, unbundled rate design.**
- 5. Stranded cost recovery mechanisms.**
- 6. Regulatory policies associated with implementation issues (e.g., phase-in plan, transition periods, charges to self-generators.**
- 7. Accounting protocols associated with divestiture of generation assets.**

**8. Securitization of stranded costs.**

The specific proceedings in which members of our firm have participated include the following:

- Connecticut Light and Power Standard Offer, Docket No. 99-03-36, 1999
- Connecticut Light and Power Stranded Costs, Docket No. 9-02-05, 1999
- United Illuminating Standard Offer, Docket No. 99-03-35, 1999
- United Illuminating Stranded Costs, Docket No. 99-03-04, 1999
- West Virginia Deregulation Investigation, Case No. 98-0452-E-GI, 1999
- Appalachian Power Co.
- Monongahela Power Co.
- Potomac Edison Co. (WV)
- Wheeling Power Co.(WV)
- Pennsylvania Generic Proceeding, Docket No. I-940032, 1995
- PECO Energy Qualified Restructuring Order Case, Docket No. R-973877, 1997
- PECO Energy Restructuring, Docket No. R-973877, 1997
- PP&L Restructuring, Docket No. R-973954, 1997-1998
- Metropolitan Edison Restructuring, Docket No. R-974008, 1997-1998
- Pennsylvania Electric Restructuring, Docket No. R-974009, 1997-1998
- West Penn Restructuring, Docket No. R-973981, 1997-1998
- Duquesne Light Restructuring, Docket No. R-974104 1997-1998
- Maryland Generic Proceeding, Case No. 8738, 1997

- Arkansas Power & Light Restructuring, Docket Nos. 97-451-U, 97-452-U, 95-453-U and 97-454-U, 1997-1998
- Entergy Gulf States Stranded Cost, Docket No. U-22092, 1998
- Bangor-Hydro Electric Company, Docket No. 97-596, 1998
- Maine Public Service, Docket No. 98-577, 1998
- Baltimore Gas & Electric, Case No. 8794, 1998-1999
- Potomac Edison Co. (MD), Case No. 8997, 1998-1999
- TXU Electric Company (TX), Docket No. 21527, 1999-2000

## J. KENNEDY AND ASSOCIATES, INC.

### CONTRACT NEGOTIATION SERVICES

Kennedy and Associates has assisted numerous large industrial customers in electric contract negotiations. These activities, unlike rate case litigation, are designed to assist our clients in "one-on-one" negotiations with electric utilities. This assistance ranges from direct participation in the customer negotiating team to behind the scenes analysis of utility offers. We also perform "due diligence" evaluations that are designed to provide an independent assessment of a proposed contract, prior to final client commitment to long-term contracts. Our clients find that such an independent evaluation, in cases where we have not been involved directly in the negotiations, provides an objective and comprehensive review and added assurance.

"Due diligence" evaluations have become particularly valuable in light of the actual and potential alternatives available to large customers during the term of many contracts (e.g., ten years). The fact that a special contract may produce lower rates today than the currently available tariff does not necessarily mean that it represents the best alternative in the long-run. Utility costs have been and may continue to decline over the next decade, especially for electric utilities with costly base load plants that produce depreciation in excess of other utility capital expenditures (i.e., declining rate base situations). Achieving savings from a special contract, compared to an existing tariff (or contract) rate may only provide part of the answer to the question, "should I sign this contract?" In today's rapidly evolving environment, there are many additional complexities to consider in evaluating a long-term contract. In addition, the potential for retail competition further complicates the contract evaluation process, requiring more sophisticated analytical techniques and modeling to fully evaluate their impacts.

Kennedy and Associates has developed sophisticated modeling approaches that, together with our experience and expertise in cost analysis, rate design, revenue requirement analysis and production cost simulation, provide our clients state-of-the-art evaluations of long-term power contracts. Our firm has also recently developed models to analyze market-clearing prices under retail competition arrangements.

Some examples of projects that we have undertaken in the past few years are:

**Major Gold Mining Company and Major Cement Producer:** Assisted in multiple contract negotiations over a five-year period resulting in annual power cost savings of over \$1.3 million per year on combined annual bills of \$14 million.

**Major Steel Producer:** Assisted in rate negotiations resulting in increase in interruptible power credits and reduced firm rates resulting in savings of \$1.5 million per year on annual bill of \$21 million.

**Major Agricultural Chemical Company:** Assistance in projecting power rates for evaluation of probable benefits of utility long-term contract involving energy purchases in excess of \$150 million.

**Major Manufacturer:** Assistance in projecting long-term power costs under direct access and PoolCo deregulation concepts in PJM pool.

**Major Steel Producer:** Assistance in evaluating benefits of long-term contract offer (ten years) from a utility, involving annual power purchases in excess of \$20 million.

**J. KENNEDY AND ASSOCIATES, INC.**

**QUALIFICATIONS AND EXPERIENCE**

**AUDITING**

**Cajun Electric Power Cooperative** -- Management audit of Cajun, a generation and transmission cooperative, 1995.

**Concordia Electric Distribution Cooperative** -- Comprehensive management audit, 1995.

**Washington-St. Tammany Distribution Cooperative** -- Comprehensive management audit, 1995.

**Valley Electric Distribution Cooperative** -- Comprehensive management audit, 1995.

**Teche Electric Distribution Cooperative** -- Comprehensive management audit, 1995.

**Frontier Communications** -- Financial and regulatory audit of Georgia subsidiary including affiliate transactions, 1995.

**Plant Telephone Company** -- Financial and regulatory audit including regulated/nonregulated separations, 1995.

**BellSouth Telecommunications, Inc.** -- Financial and ratemaking audit of affiliate transactions, organizational and management restructuring, and technology deployment, 1992.

**Gulf States Utilities Company** -- Comprehensive management audit, 1990.

**Georgia Power Company** -- Audit of coal purchasing practices, 1989.

**Public Service Company of New Mexico** -- Palo Verde 1, 2, and 3 prudence investigations, 1989.

**Gulf States Utilities Company** -- River Bend prudence investigations of initial and continuing decisions to construct and complete, 1987.

**Georgia Power Company** -- Vogtle I and II prudence investigations of initial and ongoing decision to construct units and "buyback" arrangement with cooperative, 1986.

## **RATE CASE INTERVENTION**

Kennedy and Associates has testified in more than 125 rate cases in the past five years, 80% of which included revenue requirements issues which we addressed. These cases included appearances before regulatory commissions in twenty-five states and the FERC.

## **ECONOMICS OF CAPACITY ADDITIONS, COAL AND PUMPED STORAGE**

**Trimble County**, Louisville Gas and Electric Co. -- Investigation into unit cancellation and delay, cost/benefit analysis of alternatives (two cases).

**Rocky Mountain Pumped Storage Unit**, Georgia Power Company -- Economic cost/benefit analysis on cancellation.

**Bath County Pumped Storage Unit**, West Penn Power Company -- Prudence, excess capacity, system reliability analysis, financial analysis.

**Bath County Pumped Storage Unit**, Monongahela Power Company -- Economic cost/benefit analysis, prudence, phase-in plan.

**Independence I and II**, Arkansas Power and Light Company -- Excess capacity.

**Boswell IV**, Minnesota Power and Light Company -- Excess capacity, sale of generating plant, rate treatment of gain on sale.

**Wilson**, Big Rivers Electric Corp. -- Excess capacity, system reliability.

**Scherer Units 3 and 4** -- Cancellation vs. completion, economics of scrubbers vs. low sulfur coal, economics of unit power sales.

## ECONOMICS OF CAPACITY ADDITIONS, NUCLEAR

**Vogtle I and II**, Georgia Power Co. -- Investigation on continuing construction of both units, need for power, cost of alternatives.

**Susquehanna II**, Pennsylvania Power and Light Co., Excess capacity, disallowance of "buyback" from cooperative, phase-in plan.

**Limerick II**, Philadelphia Electric Co. -- Investigation into cancellation of unit, need for capacity, economic cost/benefit analysis.

**Limerick I**, Philadelphia Electric Co. -- Excess capacity, phase-in plan.

**Catawba I**, Duke Power Co. -- Excess capacity, disallowance and levelization of "buybacks."

**Perry and Beaver Valley 2**, Cleveland Electric and Toledo Edison -- Excess capacity, reliability.

**Millstone III**, Connecticut Light & Power Co. -- Cost/benefit, economic excess capacity, phase-in plan, (multiple proceedings).

**Grand Gulf**, Arkansas Power and Light Co. -- Excess capacity, prudence, phase-in and inventory plans.

**Crystal River 3**, Florida Power Corporation -- Operating performance standards, O&M expense and operations, incentive pricing plan, cost allocation issues.

**Beaver Valley 2**, Duquesne Light Co. -- Cost/benefit analysis related to cost allocation method.

**South Texas Project**, Houston Lighting and Power Co. -- Cost/benefit analysis related to cost allocation method.

**Seabrook**, Northeast Utilities Co. -- Economic evaluation of cost cap proposal.

**INCOME TAXES**

Atlanta Gas Light Co.  
Cleveland Electric Co.  
Connecticut Power & Light Co.  
Florida Power Corp.  
General Telephone Co.  
Gulf States Utilities Co.  
Louisville Gas & Electric Co.

Minnesota Power Co.  
Monongahela Power Co.  
Philadelphia Electric Co.  
Savannah Electric Co.  
South Central Bell Telephone Co.  
Toledo Edison Co.

**RATE OF RETURN ON EQUITY**

American Telephone & Telegraph  
Arkansas Western Gas Co.  
Cleveland Electric Co.  
Florida Power Corp.  
Gulf States Utilities Co.  
Indiana--Michigan Power Co.  
Louisville Gas & Electric Co.  
Minnesota Power Co.

Monongahela Power Co.  
Ohio Edison Co.  
Philadelphia Electric Co.  
Public Service New Mexico  
South Central Bell Co.  
Southwestern Bell Telephone Co.  
Texas New Mexico Power Co.  
Toledo Edison Co.

## **OTHER REVENUE REQUIREMENT ISSUES**

**Florida Power Corp.** -- O&M expense growth, sales and revenue forecasts, capital structure, affiliate transactions.

**Minnesota Power Co.** -- O&M expense growth, capital structure.

**Monongahela Power Co.** -- O&M expenses, capital structure, working capital, state taxes.

**Georgia Power Co.** -- Sales and revenue forecast, coal procurement disallowance.

**Gulf States Utilities Co.** -- All revenue requirements and accounting issues, including affiliate transactions.

**Connecticut Light and Power Co.** -- Depreciation accounting, financial impact of phase--in.

**Cleveland Electric/Toledo Edison** -- O&M expenses, income taxes.

**Louisville Gas and Electric Co.** -- Sales and revenues, O&M adjustments, CWIP in rate base.

**Duke Power Co.** -- Weather normalization, customer growth, depreciation, fuel costs.

## **COST ALLOCATION/RATE DESIGN/SPECIAL RATES**

**Niagara Mohawk** -- Avoided cost and cogeneration rate design.

**Duke Power Co.** -- Cost-of-service, revenue distribution, rate design, interruptible rates.

**Arkansas Power and Light Co.** -- Cost-of-service, rate design, CAPSUB rebuttal, business risk.

**Monongahela Power Co.** -- Interruptible rates.

**Ohio Power Co.** -- Cost-of-service, revenue distribution, rate design and interruptible rates.

**Indiana Michigan Power Co.** -- Interruptible rates.

**Central Maine Power Co.** -- Interruptible rates.

**Duquesne Light Co.** -- Cost-of-service, revenue distribution, rate design, interruptible rates.

**Florida Power Corp.** -- Cost-of-service, CAPSUB rebuttal, interruptible rates.

**Houston Lighting and Power Co.** -- CAPSUB and marginal cost rebuttal.

**Minnesota Power Co.** -- Cost-of-service, rate design, revenue distribution, interruptible rates, industrial power marketing rates.

**Jersey Central Power and Light Co.** -- Off-peak rate.

**Orange and Rockland Utilities** -- Cost-of-service, rate design, revenue distribution.

**Louisville Gas and Electric Co.** -- Cost-of-service.

**Florida Public Utilities** -- Rate design.

**Union Light** -- Interruptible rates.

**Utah Power & Light Co.** -- Vintage pricing.

**West Penn Power Co.** -- Cost-of-service, rate design, interruptible rates.

**Monongahela Power Co.** -- Cost-of-service, rate design, interruptible rates.

**Potomac Edison Co.** -- Cost-of-service, rate design, interruptible rates.

**Baltimore Gas & Electric Co.** -- Cost-of-service, rate design, interruptible rates.

## GAS

**Atlanta Gas Light Co.** -- Revenue requirements, taxes, evaluation of gas procurement practices.

**Arkansas Louisiana Gas Co.** -- Cost-of-service, rate design.

**Arkansas Energy Resources** -- Cost allocation, rate design.

**Carnegie Gas Co.** -- Cost-of-service, rate design.

**Orange and Rockland** -- Gas rate design.

**West Florida Natural Gas Co.** -- Cost-of-service, rate design.

**Yankee Gas Company** -- Rate design.

**Baltimore Gas and Electric Company** -- Cost-of-service, rate design, 636 transition costs.

**Generic Proceeding in Kentucky** -- 636 transition costs.

## TELEPHONE

**AT&T** -- Revenue requirements, rate of return, accounting practices, depreciation, rates and tariffs, jurisdictional separations, affiliate transactions, accounting for regulated/nonregulated joint costs, NTS cost allocation, access charges.

**General Telephone Co.** -- Revenue requirements, income taxes.

**Mountain Bell Telephone Co.** -- Revenue requirements, jurisdictional separations, affiliate transactions, accounting for regulated/nonregulated joint costs, NTS cost allocation, access charges.

**South Central Bell Telephone Co.** -- Revenue requirements, rate of return, accounting practices, incentive regulation, rates and tariffs, access charges.

**Southern Bell Telephone Co.** -- Rates and tariffs, toll calling plans, regulatory policy.

**Southern Bell Telephone Co.** -- Review of Incentive Rate Plan, analysis and recommendations regarding a price regulation proposal. Competitive issues and price flexibility.

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FROM ARIZONA PUBLIC SERVICE COMPANY  
TO KROGER COMPANY  
(Docket No. E-0134SA-03-0437)  
FEBRUARY 3, 2004**

**Q.1-6 Please provide a copy of all data requests served by Kroger Company on any party other than APS in this proceeding. Please consider this an ongoing data request throughout this proceeding.**

Response: No such requests have yet been made by other parties.

**KROGER SUPPLEMENTAL RESPONSE TO FIRST SET OF DATA REQUESTS  
FROM ARIZONA PUBLIC SERVICE COMPANY  
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FEBRUARY 3, 2004**

**Q.I- 7 Please provide a copy of all data request responses prepared by Kroger Company in response to any data request of any party other than APS in this proceeding. Please consider this an ongoing data request throughout this proceeding.**

Response: No such requests have yet been made by other parties.