

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF KENERGY CORP. FOR AN) CASE NO.
ADJUSTMENT IN EXISTING RATES) 2011-00035

ORDER

On November 17, 2011, the Commission issued an Order in this proceeding authorizing Kenergy Corp. ("Kenergy") to pass on to its members a wholesale rate adjustment granted to Kenergy's wholesale power supplier, Big Rivers Electric Corporation ("Big Rivers"), in Case No. 2011-00036.¹ Using the test-year information and allocation methodology contained in Kenergy's application, the Commission granted it an increase in its wholesale power cost of \$19,094,608 annually.

On December 6, 2011, Big Rivers filed a Petition for Rehearing in Case No. 2011-00036 which was granted on December 8, 2011. On December 22, 2011, the Commission issued an Order in this case which granted the petition of Kenergy that any relief granted in the Big Rivers case flow through to Kenergy. The record is complete and the matter now stands submitted for a decision.

On September 12, 2012, a rehearing in Big Rivers' Case No. 2011-00036 was conducted at the Commission's offices in Frankfort, Kentucky. The Commission issued an Order today in that case authorizing an additional \$1,042,535 annual increase in Big Rivers' wholesale rates effective for service rendered on and after September 1, 2011.

¹ Case No. 2011-00036, Application of Big Rivers Electric Corporation for a General Adjustment in Rates (Ky. PSC Nov. 17, 2011).

As a result, using the test-year information and allocation methodology contained in its application, Kenergy will receive an additional increase of \$519,376 in its wholesale power cost for a total of \$19,613,984² annually.

Revenue Recovery Mechanism

In today's Order in Case No. 2011-00036, the Commission accepted Big Rivers' recommendation for recovering the difference between what it has collected since September 1, 2011 and what it would have collected had the rates approved today been in effect since September 1, 2011 ("Revenue Difference"). Big Rivers recommended that the Revenue Difference be divided by the number of months remaining between the date of the Commission's Rehearing Order and August 1, 2013, and that its members be billed this monthly amount on a revenue proportionate basis through July of 2013. The Commission accepted the recommendation ordering that the Revenue Difference be billed over the five-month period from March 2013 through July 2013.

In conjunction with the Commission's acceptance of Big Rivers' recommendation, Big Rivers was ordered to submit certain information to the Commission no later than February 8, 2013. Likewise, Kenergy should submit the following information to the Commission no later than February 8, 2013:

1. The Revenue Difference allocated to Kenergy by Big Rivers for each month of the five-month period, from March 2013 through July 2013, for each direct-served customer, smelter, and customer class;
2. The methodology Kenergy proposes using to bill the Revenue Difference to its retail customers for each month of the five-month period from March 2013 through July 2013; and

² This amount includes the effect of applicable riders and other charges and credits.

3. The kWh sales, by month, to each customer class from September 1, 2011 through the date of this Order.

After it verifies Kenergy's calculations, the Commission will issue a final order in this case which will authorize both the amounts Kenergy is to collect from its customers and the length of time over which it will collect these amounts.

IT IS THEREFORE ORDERED that:

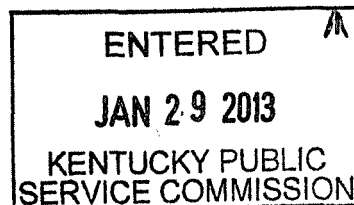
1. Kenergy is granted an increase in annual revenues of \$519,376 over and above the increase previously granted in our November 17, 2011 Order.

2. The rates set forth in the Appendix attached hereto are approved for service rendered on and after September 1, 2011.

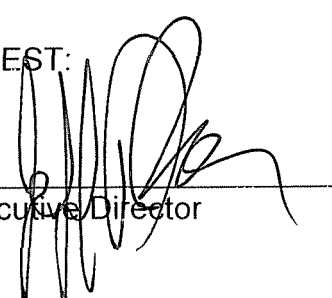
3. Within 20 days of the date of this Order, Kenergy shall file with this Commission, using the Commission's electronic Tariff Filing System, its revised tariff sheets setting out the rates approved herein and stating that they were approved pursuant to this Order.

4. Not later than February 8, 2013, Kenergy shall file with this Commission the information described in the Revenue Recovery Mechanism section of this Order.

By the Commission



ATTEST:



Executive Director

Case No. 2011-00035

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2011-00035 DATED **JAN 29 2013**

The following rates and charges are prescribed for the customers in the area served by Kenergy Corp. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

SCHEDULE 1
RESIDENTIAL SERVICE - SINGLE AND THREE PHASE

Customer Charge per Delivery Point	\$ 12.00
Energy Charge per kWh	\$.077904

SCHEDULE 3
ALL NON-RESIDENTIAL - SINGLE PHASE

Customer Charge per Delivery Point	\$ 17.00
Energy Charge per kWh	\$.076587

SCHEDULE 5
THREE PHASE DEMAND – NON-RESIDENTIAL
NON-DEDICATED DELIVERY POINTS – 0 - 1,000 kW

Customer Charge per Delivery Point	\$ 35.00
Demand Charge per kW	\$ 4.44
Energy Charge per kWh:	
First 200 kWh per kW	\$.067279
Next 200 kWh per kW	\$.051605
All over 400 kWh per kW	\$.045679

SCHEDULE 7
THREE PHASE DEMAND
NON-DEDICATED DELIVERY POINTS – 1,001 kW And Over

Option A – High Load Factor:	
Customer Charge per Delivery Point	\$ 750.00
Demand Charge per kW	\$ 9.38
Energy Charge per kWh:	
First 200 kWh per kW	\$.040129
Next 200 kWh per kW	\$.036866
All over 400 kWh per kW	\$.034895
Option B – Low Load Factor:	
Customer Charge per Delivery Point	\$ 750.00
Demand Charge per kW	\$ 5.28
Energy Charge per kWh:	
First 150 kWh per kW	\$.055613
Over 150 kWh per kW	\$.048702

SCHEDULE 15
PRIVATE OUTDOOR LIGHTING

Flat rate per light per month as follows:

Standard:	
175 Watt M.V.	\$ 8.50
250 Watt M.V.	\$ 10.18
400 Watt M.V.	\$ 12.45
100 Watt H.P.S.	\$ 8.01
200/250 Watt H.P.S.	\$ 11.89
400 Watt H.P.S. - Flood	\$ 13.98
100 Watt M.H.	\$ 7.55
400 Watt M.H.	\$ 16.20

Commercial and Industrial Lighting:

Flood Lighting Fixture:	
250 Watt H.P.S.	\$ 10.81
400 Watt H.P.S.	\$ 13.99
1,000 Watt H.P.S.	\$ 32.25
250 Watt M.H.	\$ 10.35
400 Watt M.H.	\$ 13.93
1,000 Watt M.H.	\$ 32.20

Contemporary (Shoebox):		
250 Watt H.P.S.	\$	12.23
400 Watt H.P.S.	\$	15.48
1,000 Watt H.P.S.	\$	32.25
250 Watt M.H.	\$	11.76
400 Watt M.H.	\$	15.18
1,000 Watt M.H.	\$	32.20

Decorative Lighting:		
100 Watt M.H. – Acorn Globe	\$	10.97
175 Watt M.H. – Acorn Globe	\$	13.51
100 Watt M.H. – Round Globe	\$	10.76
175 Watt M.H. – Round Globe	\$	12.54
175 Watt M.H. – Lantern Globe	\$	12.67
100 Watt H.P.S. – Acorn Globe	\$	12.37

Pedestal Mounted Pole:		
Steel 25 Ft. Pedestal Mt. Pole	\$	6.94
Steel 30 Ft. Pedestal Mt. Pole	\$	7.81
Steel 39 Ft. Pedestal Mt. Pole	\$	13.13
Wood 30 Ft. Direct Burial Pole	\$	4.35
Aluminum 28 Ft. Direct Burial Pole	\$	8.94
Fluted Fiberglass 15 Ft. Pole	\$	9.55
Fluted Aluminum 14 Ft. Pole	\$	10.49

SCHEDULE 16
STREET LIGHTING SERVICE

Flat rate per light per month as follows:

175 Watt M.V.	\$	8.50
400 Watt M.V.	\$	12.45
100 Watt H.P.S.	\$	8.01
250 Watt H.P.S.	\$	11.89
100 Watt M.H.	\$	7.55
400 Watt M.H.	\$	15.98

Underground Service with Non-Standard Pole:		
Governmental Entities and Street Lighting Districts, per Pole	\$	5.59

Overhead Service to Street Lighting Districts:		
Street Lighting District, per Pole	\$	2.33

Decorative Underground With Non-standard Pole:		
70 Watt H.P.S. – Acorn Globe	\$	11.04
70 Watt H.P.S. – Lantern Globe	\$	11.04
140 Watt H.P.S.	\$	19.56
100 Watt H.P.S. – Acorn Globe	\$	21.16

SPECIAL STREET LIGHTING DISTRICTS

Flat rate per light per month as follows:

Baskett	\$	2.94
Meadow Hill	\$	2.68
Spottsville	\$	3.32

SCHEDULE 33

LARGE INDUSTRIAL CUSTOMERS SERVED UNDER SPECIAL CONTRACT
DEDICATED DELIVERY POINTS (CLASS A)

Base Energy Charge per kWh	\$.039435
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SCHEDULE 34

LARGE INDUSTRIAL CUSTOMERS SERVED UNDER SPECIAL CONTRACT
DEDICATED DELIVERY POINTS (CLASS B)

Demand Charge per kW	\$	10.50
Energy Charge per kWh	\$.024674

SCHEDULE 35

LARGE INDUSTRIAL CUSTOMERS SERVED UNDER SPECIAL CONTRACT
DEDICATED DELIVERY POINTS (CLASS C)

Demand Charge per kW	\$	10.50
Energy Charge per kWh	\$.027508

SCHEDULE 45
SMALL POWER PRODUCTION OR COGENERATION (OVER 100 kW)
CUSTOMER BUYS POWER FROM KENERGY

The Charges for On-peak Maintenance Service shall be the greater of:

(1) Per kW of Scheduled Maintenance Demand per Week	\$	2.238
Plus per kWh of Maintenance Energy	\$.029736

OR

(2) Percent of Market Price	110%
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The Charges for Off-peak Maintenance Service shall be:

Per kW of Scheduled Maintenance Demand per Week	\$	2.238
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Excess Demand:

To Import from a Third Party: Percent of Actual Cost	110%
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Not Imported, the greater of:

(1) Charge per kW times the highest Excess Demand	\$	9.697
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OR

(2) Percent of Highest Price received during an Off-System Sales Transaction times the sum of Excess Demands	110%
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