



February 14, 2014

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PUBLIC SERVICE COMMISSION

Mr. Jeff Derouen Executive Director Kentucky Public Service Commission 211 Sower Boulevard Frankfort, Kentucky 40601

RE: Case No. 2013-00385

Dear Mr. Derouen:

Enclosed for filing please find Kenergy's response to the Commission's Third Data Request (original plus 8 copies) in the above referenced matter.

Your assistance in this matter is appreciated.

Sincerely,

Steve Thompson

Vice President - Finance

cc: Office of Attorney General, Utility and Rate Intervention Division

Michael L. Kurtz, Esq., Attorney for KIUC

CASE NO. 2013-00385

VERIFICATION

I verify, state and affirm that the data request responses filed with this verification and for which I am listed as a witness are true and correct to the best of my knowledge, information and belief formed after a reasonable inquiry.

Steve Thompson, Vice President - Finance

STATE OF KENTUCKY

COUNTY OF: DAVIESS

The foregoing was signed, acknowledged and sworn to before me by Steve Thompson, this 14th day of February, 2014.

My commission expires Oct. 16, 2016

Besites M. Martin Notary Public, State of Kentucky at Large

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CASE NO. 2013-00385

("Staff's Second Request"). The response states that "Kenergy intends to request a change to the

a. Confirm that the MRSM-1 credit referenced in this response is the credit to offset the fuel

adjustment clause and environmental surcharge. If it is not, explain the MRSM-1 reference.

b. Confirm that MRSM-3 as used in Kenergy's application refers to the credit for the wholesale

c. State whether the April 2015 date referenced in the response refers to the date that both the

MRSM-1 and MRSM-3 credits are expected to expire. If it is not, explain. If the response is

yes, state whether the expiration of the MRSM-1 should have been used in Kenergy's

increase granted to Big Rivers Electric Corporation ("Big Rivers") in Case No. 2013-00199. If

deposit when the MRSM-I credit runs out, expected around April 2015."

it is not, explain the MRSM-3 reference.

calculation of its proposed customer deposit.

Refer to the response to Item 1 of Commission Staff's Second Request for Information

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Item 1)

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Response c) Yes. Kenergy is proposing a customer deposit of \$251.00 in its application. For full

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Witness)

Steve Thompson

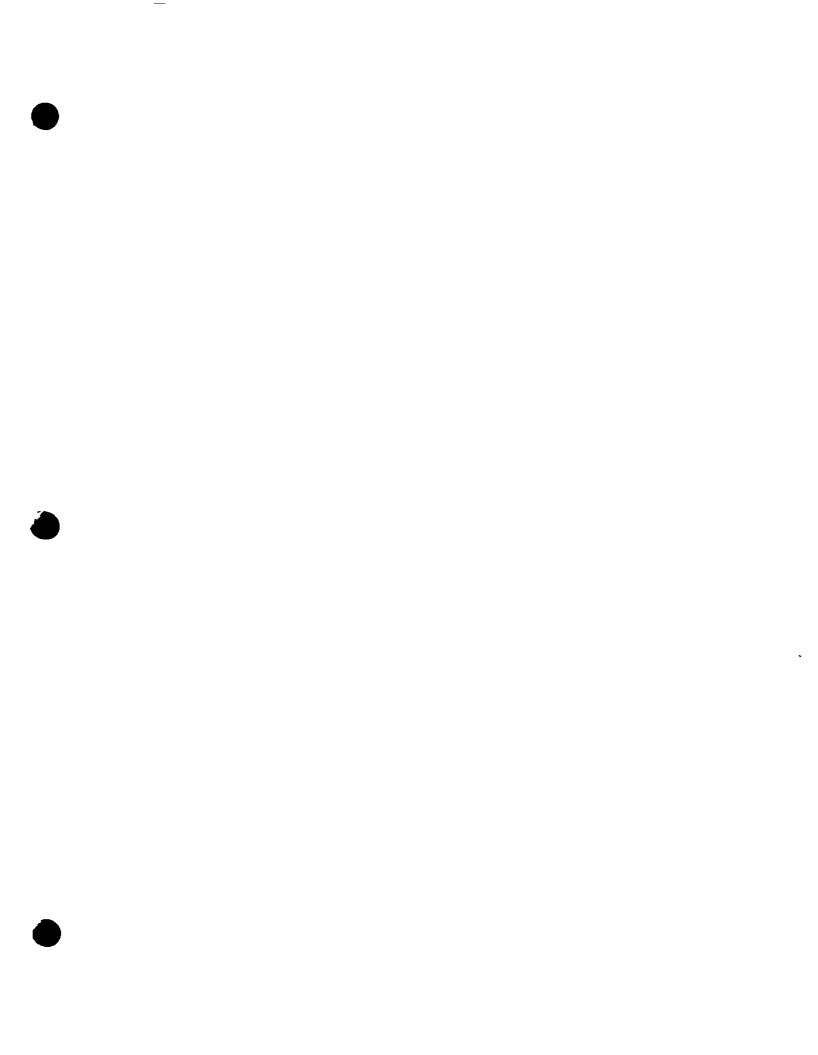
Response a) Confirmed.

Response b) Confirmed.

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Page	1	of	ļ

disclosure, Kenergy calculated the deposit before and after the accelerated MRSM and RER credit.

The deposit amount using the expiration of the MRSM-1 and MRSM-3 credits is \$355.00.



CASE NO. 2013-00385

Refer to Kenergy's response to Item 4 of Staff's Second Request. The response states

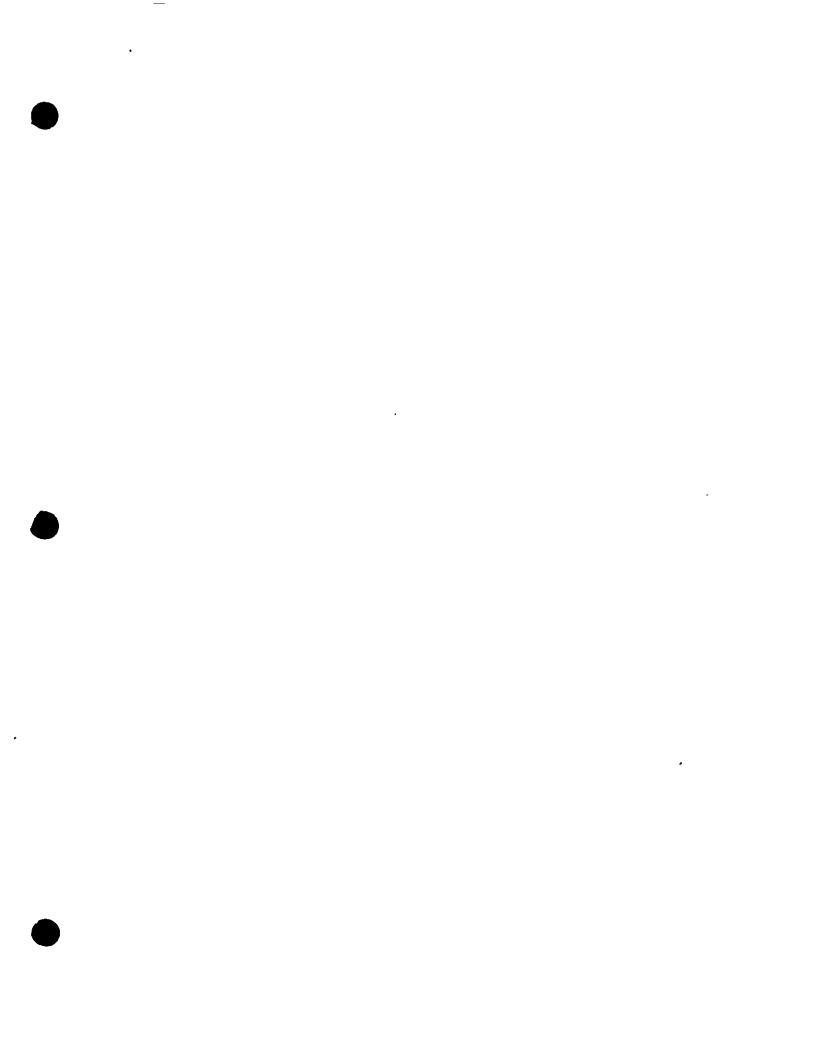
Item 2)

Witness)

that the Alcoa Castings customer is a dedicated delivery point customer. Confirm that "dedicated delivery point" means that the customer is served directly from Big Rivers' transmission line. If it is not, explain the reference.

Response) Confirmed.

Steve Thompson



CASE NO. 2013-00385

Item 3)	Refer to the proposed tariff filed as Exhibit 3 of Kenergy's application, Fourth Revised
Sheet No. 33,	which is Schedule 33 - Smelter Customers Served Under Special Contracts - Class A.
and page 13 of	f the Joint Post-Hearing Brief of Kenergy Corp. and Big Rivers in Case No. 2013-00413.

- a. State whether Kenergy believes the Hawesville smelter to be a customer of Kenergy. If the response is no, explain why Kenergy is proposing to modify Schedule 33 to reference the new smelter contracts rather than proposing to delete Schedule 33.
- b. At the top of page 13 of the Joint Post-Hearing Brief, it states:

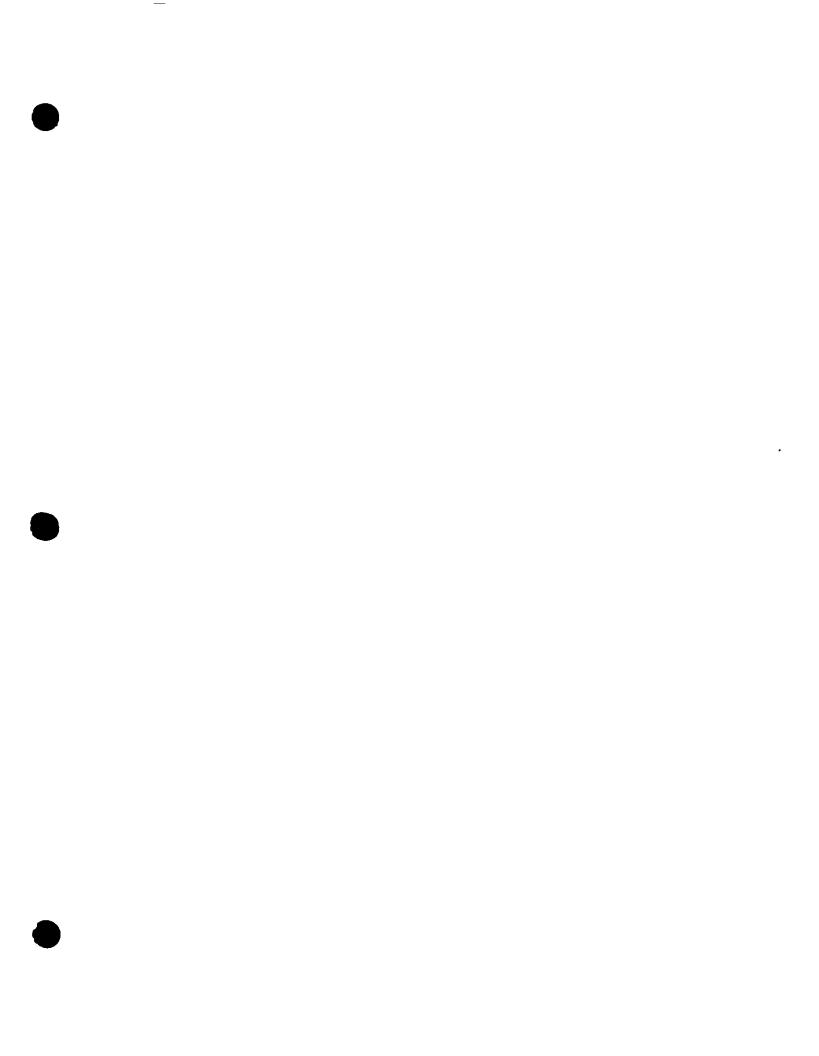
...certain rights and obligations of the parties under the 2009 smelter agreements, such as settlement of payment obligations, expressly survive the contract terminations. As a result, withdrawal of, or revision to, the smelter tariff at this time could result in abrogation of any recourse against Century for noncompliance with those portions of the parties obligations that survive termination of the smelter agreements. Consequently, the Commission should not require withdrawal or modification of the smelter tariff at this time.

Given those remarks, explain why Kenergy proposes to delete reference to the 2009 smelter agreements in Schedule 33 of its tariff in this proceeding.

Response a) Yes, Kenergy believes the Hawesville smelter is a customer.

Response b) Kenergy is proposing to leave Schedule 33 in place as is. The Schedule 33 filed under Exhibit 3 in the application should have been numbered as Original Sheet 33A.

Witness) Steve Thompson



CASE NO. 2013-00385

Refer to the response to Item 7.a. of Commission Staff's Second Request. The response states, "The monthly wholesale power bill from Big Rivers will provide separately the amounts from the reserve funds for offsetting their base rate increase and that apply as the offset to FAC and ES charges." State whether this is an assumption by Kenergy or whether Big Rivers has indicated to Kenergy that it will show the amounts separately on the power bill.

Response) The proposed Big Rivers tariff sheet numbers 65 (MRSM Mechanism) and number 70

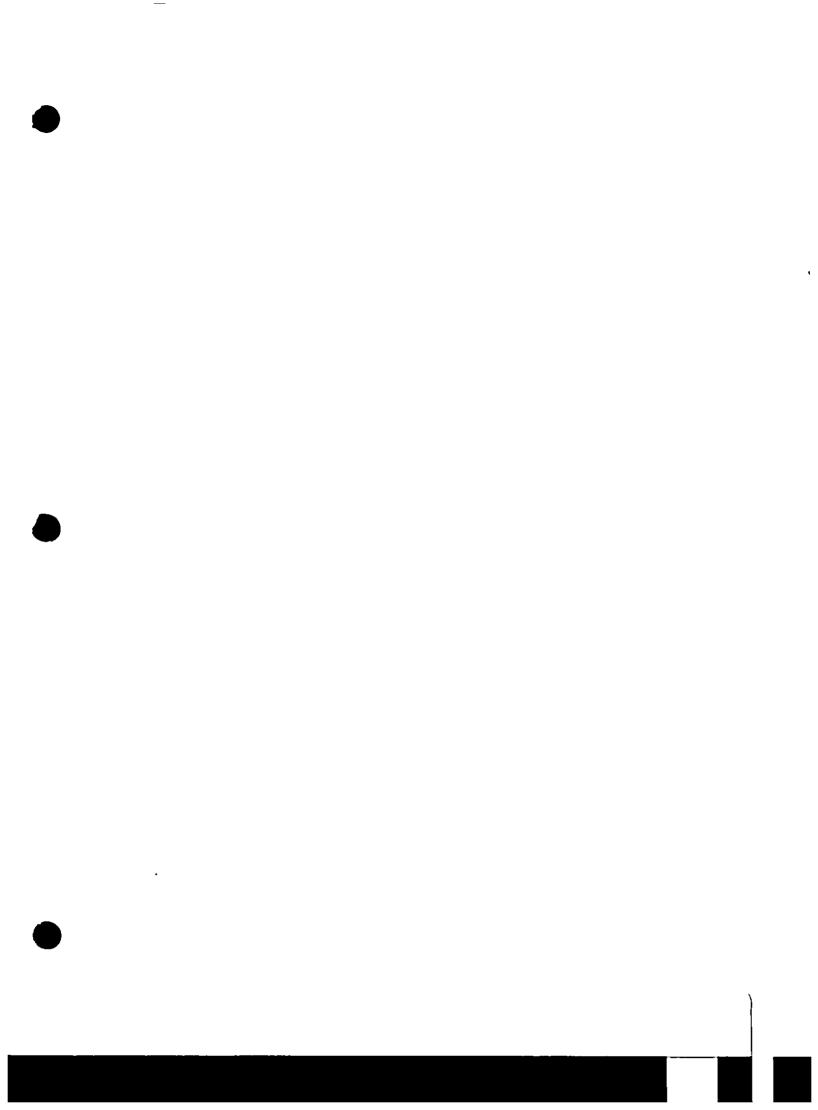
(RER Rider) have included a new line item "plus the total dollar amounts of any base rate increase

awarded by the Commission in Case No. 2013-00199". Similar to the other items shown in the

calculation (FAC, ES, Surcredit, Rebate), which are shown as a separate line on the wholesale power

bill, the base rate credit is also required by the tariff to be shown as a separate line item.

Witness) Steve Thompson



CASE NO. 2013-00385

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Item 5) Refer to page 8 of the Direct Testimony of Jack Gaines filed with the application.

Starting at line 3, Mr. Gaines states that Kenergy serves 20 Class B and Class C Direct Served customers.

- a. Confirm that the number is 20 customers.
- b. Confirm that the term "direct-served" means that the customers are served directly from Big Rivers' transmission line. If it is not, explain the reference.

Response a) Confirmed.

Response b) Confirmed.

Witness) Steve Thompson