

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF KENERGY CORP. FOR)	CASE NO.
APPROVAL OF FLOW THROUGH RATES)	2013-00385
PURSUANT TO KRS 278.455)	

COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION
TO KENERGY CORP.

Kenergy Corp. ("Kenergy"), pursuant to 807 KAR 5:001, is to file with the Commission the original and eight copies of the following information, with a copy to all parties of record. The information requested herein is due no later than January 14, 2014. Responses to requests for information shall be appropriately bound, tabbed, and indexed. Each response shall include the name of the witness responsible for responding to the questions related to the information provided.

Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Kenergy shall make timely amendment to any prior response if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which Kenergy fails or refuses to furnish all or part of the requested information, it shall

provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention should be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request.

1. Refer to the response to Item 1 of Commission Staff's First Information Request ("Staff's First Request") and Exhibit JDG-3 filed with the application, page 1 of 3. The calculation provided in response to Item 1 of Staff's First Request includes only the Member Rate Stability Mechanism ("MRSM") - Section 3 offset of \$19,999,885 in the calculation. Explain why the MRSM - Section 1 offset of \$6,950,255 found on line 6 in Exhibit JDG-3 is not also included in the calculation.

2. Refer to the Excel spreadsheet filed in response to Item 2 of Staff's First Request, Tab JDG-3. Given the existence of the Expense Mitigation Factor, explain why the MRSM - Section 1 normalized and proposed credit amounts (found in cells F17 and G17, respectively) would be larger than the fuel adjustment clause and environmental surcharge normalized amounts found in cells F14 and F15 and the proposed amounts found in cells G14 and G15.

3. Refer to the response to Item 4.a. of Staff's First Request. Provide an example of the type of customer that would be a zero use customer.

4. Refer to the response to Item 5.b. of Staff's First Request. Provide the rates currently charged to Alcoa Castings.

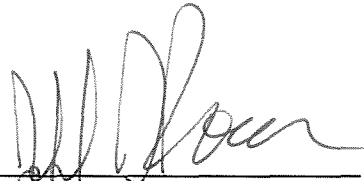
5. Provide a copy of an actual bill with customer information redacted.

6. Calculate and provide a copy of the same customer bill based on the assumption that Big Rivers is granted its full requested increase in Case No. 2013-00199¹ and receives approval of its proposal to mitigate the increase using the Economic and Rural Economic Reserve funds. The proposed sample bill should reflect the tariff changes proposed by Kenergy in this case.

7. Refer to Exhibit 3 of the application, Schedule 28, Kenergy's proposed MRSM tariff.

a. Provide a sample calculation of the W_MRSM component of the MRSM formula assuming Kenergy's proposed changes to its tariff are approved.

b. Using the W_MRSM calculated in a. above, provide a sample calculation of the MRSM calculation assuming Kenergy's proposed changes to its tariff are approved.



Jeff Derouen
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, KY 40602

DATED JAN 07 2014

cc: Parties of Record

¹ Case No. 2013-00199, Application of Big Rivers Electric Corporation for a General Adjustment in Rates Supported by Fully Forecasted Test Period (Ky. PSC filed June 28, 2013).

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