

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 THIRD 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 within ten days of the date of this request. 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 Second Request for Information ("Staff's Second Request"). The response states that "Kenergy intends to request a change to the deposit when the MRSM-1 credit runs out, expected around April 2015."

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 increase granted to Big Rivers Electric Corporation ("Big Rivers") in Case No. 2013-00199.¹ If it is not, explain the MRSM-3 reference.

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 calculation of its proposed customer deposit.

2. Refer to Kenergy's response to Item 4 of Staff's Second Request. The response states that the Alcoa Castings customer is a dedicated delivery point

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).

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.

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 the Joint Post-Hearing Brief of Kenergy Corp. and Big Rivers in Case No. 2013-00413.²

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.

4. 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

² Case No. 2013-00413, Joint Application of Kenergy Corp. and Big Rivers Electric Corporation for Approval of Contracts and for a Declaratory Order (Ky. PSC Jan. 30, 2014).

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.

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.



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cc: Parties of Record

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