

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF KENERGY CORP. FOR A)
GENERAL ADJUSTMENT IN EXISTING RATES) CASE NO. 2000-395
(RATE REDUCTION))

COMMISSION STAFF'S SECOND SET OF INTERROGATORIES
AND REQUESTS FOR PRODUCTION OF DOCUMENTS TO KENERGY CORP.

Pursuant to Administrative Regulation 807 KAR 5:001, Commission Staff requests that Kenergy Corp. ("Kenergy") file the original and 8 copies of the following information with the Commission no later than March 12, 2001, with a copy to all parties of record. Include with each response the name of the witness who will be responsible for responding to questions relating to the information provided. Careful attention shall be given to copied material to ensure its legibility. 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. When applicable, the requested information should be provided for total company operations and jurisdictional operations, separately.

1. In response to Item 1(c) of Commission Staff's First Set of Interrogatories and Requests for Production of Documents, Kenergy states: "In the test year, only one Kenergy East Customer was on Option B. That customer was shifted to Option A because of a better load factor and therefore realized a \$16,453 reduction in cost."

a. Are any Kenergy customers currently served under Option B? Have any other Kenergy customers been served under Option B in the past three years?

b. Describe the circumstances under which the customer who switched from Option B to Option A became aware that such a switch would result in cost savings.

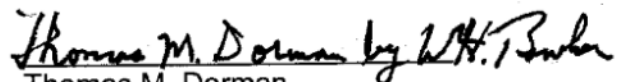
c. (1) What is the likelihood that Kenergy will in the future be serving customers under Option B? Explain.

(2) If the likelihood of Kenergy serving additional customers under Option B is not great, explain why Kenergy wishes to retain that option as part of its tariff.

2. Refer to Kenergy's Response to Commission Staff's First Set of Interrogatories and Requests for Production of Documents, Item 4(b).

a. Why did Kenergy calculate its miscellaneous charges, except for "Returned Check" Charge, using member accounting time of 20 minutes when the average member accounting time for those charges was 17.07 minutes?

b. Are the time allocations on Sheets 2 through 5 based on actual time records? If no, how were these allocations determined?



Thomas M. Dorman
Executive Director
Public Service Commission
211 Sower Boulevard
Post Office Box 615
Frankfort, Kentucky 40602

DATED: 3/1/2001

cc: Parties of Record