

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF KENERGY CORP.)
FOR AN ADJUSTMENT IN EXISTING RATES) CASE NO.
2008-00323

O R D E R

Kenergy Corp. ("Kenergy") has filed a motion requesting authorization to accelerate the time that it may begin furnishing metal halide lights pursuant to the terms of the proposed Schedules 15 and 16.¹ These new schedules, along with Kenergy's other proposed tariff changes, were suspended for 5 months pursuant to KRS 278.190(2) to provide the Commission additional time to investigate the reasonableness of Kenergy's rate application.

In support of the motion, Kenergy states that it currently provides mercury vapor lights to its customers under its present tariff.² Kenergy notes that the Federal Energy Policy Act of 2005 banned the marketing and sale of mercury vapor lights as of January 1, 2008. Under this law, Kenergy will be able to continue furnishing mercury vapor lights until its inventory is depleted but may not purchase these lights to replenish its inventory. In response to this law, Kenergy is proposing to replace its current lighting schedules by providing metal halide lights under its proposed Schedules 15 and 16.

¹ See Schedule 15 – Private Outdoor Lighting; and Schedule 16 – Street Lighting Service, attached to Kenergy's application at Exhibit 3(a).

² See Schedule 11 – Individual Customer Lighting; and Schedule 12 – Street Lighting, attached to Kenergy's application as Exhibit 3(b).

Kenergy maintains an inventory of mercury vapor lights in three sizes. Kenergy states that it has no lights in two of the sizes and only enough inventory of the third size to last until mid-January of 2009. Due to the projected depletion of its mercury vapor lights prior to the expiration of the suspension period on March 2, 2009, Kenergy has filed the instant motion seeking authorization to immediately begin furnishing metal halide lights pursuant to the terms of its proposed tariff Schedules 15 and 16. Kenergy has filed a cost-of-service study as part of its rate application and notes that "[a]ccelerating the implementation of proposed tariff Schedules 15 and 16 will be so inconsequential on the test year cost of service study that the effect is not measurable."

Having reviewed the motion and being otherwise sufficiently advised, the Commission finds that Kenergy has shown good cause to accelerate the time that it may begin furnishing metal halide lights pursuant to its proposed tariff Schedules 15 and 16. However, since the Commission is unable to determine at this time if the proposed rates for those schedules are reasonable, the rates should be implemented subject to refund pending the conclusion of the investigation in this case.

IT IS THEREFORE ORDERED that:

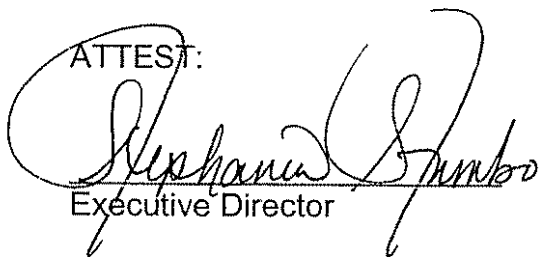
1. Kenergy's motion to accelerate the time in which it may begin furnishing metal halide lights, pursuant to the terms of its proposed tariff Schedules 15 and 16, is granted to the extent that Schedules 15 and 16 shall be implemented subject to refund for service rendered on and after the date of this Order.

2. Within 20 days of the date of this Order, Kenergy shall file its tariff Schedules 15 and 16, including the effective date and showing that the tariff was allowed to become effective, subject to refund, by authority of this Order.

Done at Frankfort, Kentucky, this 15th day of December, 2008.

By the Commission

ATTEST:


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