COMMONWEALTH OF KENTUCKY BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

ORDER

On September 3, 2008, Kenergy Corp. ("Kenergy") filed an application requesting approval of: (1) an increase to rates charged to non-direct served customers in order to generate an additional \$3,230,738 in annual revenues; (2) changes to certain nonrecurring charges and pole attachment charges; (3) changes to its Class C Direct Served Customer tariff; and (4) a complete tariff revision to update and clarify the language of its existing tariff. Kenergy is a consumer-owned rural electric cooperative organized pursuant to KRS Chapter 279 and engaged in the distribution and sale of electric energy to approximately 54,337 customers in the Kentucky counties of Breckinridge, Caldwell, Crittenden, Davis, Hancock, Henderson, Hopkins, Livingston, Lyon, McLean, Muhlenburg, Ohio, Union, and Webster.

To determine the reasonableness of Kenergy's proposal, the Commission suspended the proposed rates pursuant to KRS 278.190(2) for five months from their effective date up to and including March 2, 2009. The Kentucky Industrial Utility Customers, Inc. ("KIUC") and the Attorney General of the Commonwealth of Kentucky, by and through his Office of Rate Intervention ("AG"), sought and were granted full intervention in this proceeding.

At the request of Kenergy, an informal conference was held on January 5, 2009 at the Commission's offices in Frankfort, Kentucky. Present at the conference were representatives of Kenergy, the AG, KIUC, and Commission Staff. At the conference, Kenergy and the Intervenors stated that they had reached a settlement in principle of all issues in the case. The Settlement Agreement and other supporting documentation were filed with the Commission on January 8, 2009. The Settlement Agreement, attached hereto as Appendix A, provides for the approval of all requests made in Kenergy's original application except for the amount of the revenue increase, which has been reduced from \$3,230,738 to \$3,021,448, and the rate design for the residential customers. The Commission conducted a hearing on January 21, 2009 to take testimony concerning the reasonableness of the Settlement Agreement.

After a careful review of the Settlement Agreement, an examination of the record, and being otherwise sufficiently advised, the Commission finds that the settlement terms are reasonable and that the rate design and terms of service provisions are in conformity with generally accepted rate-making standards. The Commission further finds that the Settlement Agreement is reasonable, is in the public interest, and should be accepted, including the provision that the new rates become effective for service rendered on and after February 1, 2009. Our approval of the Settlement Agreement is based solely on its reasonableness *in toto* and does not constitute approval of any rate-making adjustment.

The Commission notes that the depreciation rates used by Kenergy to determine revenue requirements in the current case were previously approved by the Commission

in Case No. 2006-00369.¹ Kenergy was also required to obtain approval of these depreciation rates from the Rural Utilities Service ("RUS") since they fell outside of RUS's generally accepted ranges. RUS's approval was obtained by letter dated October 20, 2006, and that approval expires on December 31, 2011.² After expiration, RUS will require Kenergy to submit an updated depreciation study if Kenergy wishes to continue using depreciation rates that fall outside RUS accepted ranges. Kenergy is reminded that Commission approval is required prior to any change in deprecation rates used for accounting or rate-making purposes.

MOTION TO SHORTEN SUSPENSION PERIOD

On January 20, 2009, Kenergy filed a motion requesting the Commission to shorten the suspension period and to authorize the rates to become effective on February 1, 2009. In support of its motion, Kenergy maintains that its present financial condition is such that it needs the new rates to go into effect as soon as reasonably possible. Kenergy states that by allowing the rates to become effective on February 1, 2009 instead of March 2, 2009, when the statutory suspension period ends, Kenergy would be able to recover additional revenue that would amount to approximately \$250,000. Kenergy further maintains that moving the effective date up to February 1, 2009 was an important consideration in Kenergy's agreeing to the settlement. Lastly, Kenergy is of the opinion that the Commission has the authority to shorten the suspension period and has done so in past rates cases.

¹ Case No. 2006-00369, The Application of Kenergy Corp. for an Adjustment in Existing Rates.

² Case No. 2008-00323, Kenergy's Original Application, Exhibit 5, Page 12a.

Given that the rates have been approved for service rendered on or after February 1, 2009, the Commission deems the motion to be moot.

IT IS THEREFORE ORDERED that:

- The Settlement Agreement is adopted and approved in its entirety. 1.
- 2. The rates attached hereto as Appendix B are the rates set forth in the Settlement Agreement, and those rates are approved for service rendered on and after February 1, 2009.
- 3. Kenergy shall seek approval from the Commission prior to any changes in depreciation rates for accounting or rate-making purposes.
- Within 20 days of the date of this Order, Kenergy shall file new tariffs 4. reflecting the provisions of this Order.
- 5. Kenergy's Verified Motion to Shorten Suspension Period and to Order Rates Effective February 1, 2009 is denied as moot.

Done at Frankfort, Kentucky, this 29th day of January, 2009.

By Commission

dive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2008-00323 DATED JANUARY 29, 2009

SETTLEMENT AGREEMENT

Filed January 8, 2009

COMMONWEALTH OF KENTUCKY BEFORE THE PUBLIC SERVICE COMMISSION

JAN 0 8 2009
PUBLIC SERVICE
COMMISSION

)
) CASE NO. 2008-00323
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JOINT SETTLEMENT STIPULATION AND RECOMMENDATION

It is the intent and purpose of the parties to this proceeding, being the applicant, Kenergy Corp. ("Kenergy") and the intervenors, Attorney General of the Commonwealth of Kentucky ("Attorney General") and Kentucky Industrial Utility Customers, Inc ("KIUC") to express their agreement on a mutually satisfactory resolution of all of the issues in the instant proceeding which shall hereafter be referred to as the "Stipulation" and/or the "Recommendation."

It is understood by all parties hereto that this Recommendation is not binding upon the Kentucky Public Service Commission ("Commission"), nor does it represent agreement on any specific theory supporting the appropriateness of any recommended adjustment to Kenergy's rates. Kenergy and the Attorney General have expended considerable efforts to reach the stipulation and agreements that form the basis for this Recommendation. The parties, representing diverse interests and divergent viewpoints, agree that this Recommendation, viewed in its entirety, constitutes a reasonable resolution of all issues in this proceeding.

In addition, the adoption of this Recommendation will eliminate the need for the Commission and the parties to expend considerable resources in litigation of this proceeding, and will eliminate the possibility of, and any need for, rehearing or appeals of the Commission's final order herein. Based upon the parties' participation in a settlement conference and the materials on file with the Commission, and upon the belief that these materials adequately support this Stipulation and Recommendation, the parties hereby stipulate and recommend the following:

- 1(a). Kenergy filed an application for a rate adjustment seeking a total increase in revenue in the amount of \$3,232.258.00. The parties agree that Kenergy should be permitted to adjust its rates to permit a total increase in revenue of only \$3,022,969.00, being \$209,289.00 less than sought in the application. The adjustments necessary for this reduction in revenue will be made only in Kenergy's tariff Schedule 1 (Residential—Single Phase and Three phase) by reducing the proposed Customer Charge to \$10.50 per month and increasing the proposed Energy Charge per KWH to \$0.062327. Attached as "Exhibit A" is revised tariff Schedule 1 showing these adjustments and for comparison attached as "Exhibit B" is Schedule 1 proposed in the filing.
- (b) Rates for commercial and industrial customers shall not be affected and shall remain as proposed in the application.
- 2. Kenergy's proposed tariff revisions as reflected in Schedule 1 attached as "Exhibit A" and as reflected in all other proposed tariffs in Kenergy's application should be adopted and should become effective as of February 1, 2009, or as soon thereafter as ordered by the Commission.

- 3. It is the purpose and intent of the parties hereto that the revision in rates for Kenergy result in a 2.0 TIER (times interest earned ratio), and the revision in rates as proposed by this Recommendation and Stipulation will result in such a TIER rating.
- 4. Kenergy's Board of Directors has approved the stipulated and amended rate reduction amount of \$209,289.00.
- 5. Each party hereto waives all cross-examination of witnesses of the other parties hereto unless the Commission disapproves this Recommendation, and each party further stipulates and recommends that the Notice of Intent, Application, testimony, pleadings, and responses to data requests filed in this proceeding be admitted into the record.
- 6. This Recommendation is submitted for purposes of this case only and is not deemed binding upon the parties hereto in any other proceeding, nor is it to be offered or relied upon in any other proceeding involving Kenergy or any other utility.
- 7. If the Commission issues an order adopting this Recommendation in its entirety, each of the parties hereto agrees that it shall file neither an application for rehearing with the Commission, nor an appeal to the Franklin County Circuit Court with respect to such order.
- 8. If this Recommendation is not adopted in its entirety, each party reserves the right to withdraw from it and require that hearings go forward upon any and all matters involved herein, and that in such event the terms of this Recommendation shall not be deemed binding upon the parties hereto, nor shall

such Recommendation be admitted into evidence, or referred to, or relied upon in any manner by any party hereto, the Commission or its Staff in any such hearing.

- 9. Attached as "Exhibit C" is proof of revenue analysis showing that the proposed rate adjustments will generate the proposed revenue reduction to which the parties have agreed in paragraph (1) of this Stipulation.
- 10. The parties hereto agree that the foregoing Recommendation is reasonable and is in the best interests of all concerned, and urge the Commission to adopt this Recommendation in its entirety.

This 7th day of January, 2009.

KENERGY CORP.

Sandy Novick
President and CEO

Frank N. King, Jr.

Attorney for Kenergy Corp.

KENTUCKY ATTORNEY GENERAL

Lawrence W. Cook

Assistant Attorney General

KENTUCKY INDUSTRIAL UTILITY CUSTOMERS, INC.

(signature on next page)

Michael L. Kurtz, Attorney

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- 9. Attached as "Exhibit C" is proof of revenue analysis showing that the proposed rate adjustments will generate the proposed revenue reduction to which the parties have agreed in paragraph (1) of this Stipulation.
- 10. The parties hereto agree that the foregoing Recommendation is reasonable and is in the best interests of all concerned, and urge the Commission to adopt this Recommendation in its entirety.

This _____ day of January, 2009.

KENERGY CORP
Sandy Novick
President and CEO
Frank N. King, Jr.
Attorney for Kenergy Corp.
KENTUCKY ATTORNEY GENERAL
Lawrence W. Cook
Assistant Attorney General
KENTUCKY INDUSTRIAL UTILITY
CLISTOMERS INC
meny france
Michael L. Kurtz, Attorney



Henderson, Kentucky

FOR	ALL TERRITORY SERVED				
Community, Town or City					
PSC NO	2				
0	Original SHEET NO	1			
C 1) 1051	I DIO DOCUMO				
CANCELI	LING PSC NO				
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•	Schedule 1	1 — 1	Residen	tial.	(Single)	Phase	& T1	nr

CLASSIFICATION OF SERVICE ree-Phase)

APPLICABLE

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In all territory served

AVAILABILITY OF SERVICE

Available for single and three-phase single family residential service. Residential electric service is available for uses customarily associated with residential occupation, including lighting, cooking, heating, cooling. refrigeration, household appliances and other domestic purposes.

Residential rates are based on service to single family units and are not applicable to multi-family dwellings served through a single meter. Where two or more families occupy a residential building, Kenergy may require. as a condition precedent to the application of the residential rate, the wiring in the building be so arranged as to permit each family to be served through a separate meter. In those cases where such segregation of wiring would involve undue expense to the Member, at the Member's option in lieu of the foregoing, electric service rendered to a multi-family residential building through a single meter will be classified as commercial and billed on the basis of service to a Member at an appropriate non-residential rate.

If a separate meter is used to measure the consumption to remotely located buildings, such as garages, barns, nump houses, grain bins or other outbuildings, or facilities, such as electric fences, it will be considered a separate service and be billed as a separate service at the applicable non-residential rate.

RATE

\$10.50 per month T I Customer Charge per delivery point Energy Charge per KWH \$0 062327

ADJUSTMENT CLAUSES:

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Renewable Resource Energy Service Rider Sheets No. 23 - 23D

TAXES AND FEES

School Taxes added if applicable Kentucky Sales Taxes added if applicable.

DATE OF ISSUE	September 3, 2008
	Month / Date / Year
DATE EFFECTIVE	
an an analysis and a second and a	Month / Date / Year
ISSUED BY	
	(Signature of Officer)
TITLE	President and CEO
BY AUTHORITY OF ORDER	OF THE PUBLIC SERVICE COMMISSION
IN CASE NO	DATED

EXHIBIT



FOR	ALL IL	ERRITORY SERVI	<u>:D</u>
	Commu	nity, Town or City	
PSC NO.	a regularization for the National Association in the Section of th	2	
	riginal	SHEET NO	1
CANCEL	LING PSC	NO	gaggagan or arrayanig agga, i, ya katalapigan - efi aya ar q. ''
711-10-10-10-10-10-10-10-10-10-10-10-10-1		SHEET NO _	
E OFFICE	C To		

CLASSIFICATION OF SERVICE

Schedule 1 - Residential (Single Phase & Three-Phase)

<u>APPLICABLE</u>

1

In all territory served

AVAILABILITY OF SERVICE

Available for single and three-phase single family residential service. Residential electric service is available for uses customarily associated with residential occupation, including lighting, cooking, heating, cooling, refrigeration, household appliances and other domestic purposes.

Residential rates are based on service to single family units and are not applicable to multi-family dwellings served through a single meter. Where two or more families occupy a residential building, Kenergy may require, as a condition precedent to the application of the residential rate, the wiring in the building be so arranged as to permit each family to be served through a separate meter. In those cases where such segregation of wiring would involve undue expense to the Member, at the Member's option in lieu of the foregoing, electric service rendered to a multi-family residential building through a single meter will be classified as commercial and billed on the basis of service to a Member at an appropriate non-residential rate.

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RATE

1

1 | Customer Charge per delivery point | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | .

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Renewable Resource Energy Service Rider Sheets No. 23 – 23D

1AXES AND FEES

School Taxes added if applicable Kentucky Sales Taxes added if applicable

DATE OF ISSUE	September 3, 2008 Month / Date / Year
DATE EFFECTIVE	October 3, 2008
	Month / Date / Year
ISSUED BY	
	(Signature of Officer)
[111]	President and CEO
BY AUTHORITY OF ORDER	OF THE PUBLIC SERVICE COMMISSION
IN CASENO <u>2008-00323</u>	DATED

EXHIBIT

Signal B

KENERGY CORP 2008 RATE APPLICATION RESIDENTIAL CONSUMPTION AMALYSIS

(¥.)	Settlement Revenue (8)	S 5,642,721	\$ 47,262.198	\$ \$2,904.919 \$ \$52,896.453	\$ 53,105,746 \$ (209,292) \$ (209,289) \$ (209,289) \$			
0	Settlement S Rates I	\$10.50 \$	0.062327 8	0.000000 S S -0.0160% S	ited			
(0)	Normalized	55,325,654	45,464,283 S	\$50,789,937 (\$51,728) \$50,781,809	As F reduc Agreed to settlement reduction rounding difference			
(h)	S9.91	(5)	s 0.059956 (6) 758,294,134	at (7) 0.000000 758,294,134 S	Ag			
(g)	year-end fevel of customers	(2) 2,640	(3)	a r				
ε			SO.058987					
(a)	Present	\$5,007,515	544,597,056 (\$86,928)	(\$881,929) \$48,635,725 (\$8,128) \$48,627,597				
(p)	5	U -1-	at (1) \$ 0.059956 526,286,473 \$ 0.058987	(\$0.001169)				
(0)	TEST YEAR DATA	145,988 145,988	i 50.056769 229,756.283			£ £ £ £ £		
(0)		535,036 (274) 534,762 2,339 537,101	at at (1) S0.056769 \$ 0.059956 756,042,756 229,756.283 526,286,473 544,597,056 -1,473,652 at \$ 0.058987 (\$06,928)	754,569,094	(44,964 (4 44,744 (4 220 (6 12 (4	754,569,094 534,762 1,411 3,725,040	
(e)		Customer charge. Number of bills per consumption analysis adjustiment to number booked Number of bills per books with customer charge plus yard light only bills(no customer charge) Total bills issued per books	Energy Charge: Kwh sales per consumption analvsis Adjustment to KWH booked KWH booked	Wholesale discount adjustment Adjustment for revenue difference Revenue per books	(1) Rate change effective March 1, 2007	(2) Customers billed December 2007 13 month average Increase Times 12 months	(3) KWH Booked Number Bills Average KWH Times 2,640	(4) Gree Exhibit O Dage 11
	Line No.	י ומאמסו	8 9 11 12	21 21 21 21 21 21 21 21	27.0			

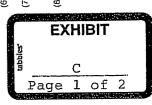
(4) See Exhibit 9, Page 11

(5) (Line 4, Col. b) 534,762 + (Line 32, Col. b) 2,640

(6) (Line 12, Col. b) 754,559,094 + (Line 37, Col. f) 3,725,040

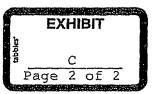
(7) Test year wholesale discount adjournent 1,403,244,11 (See Item 20, Page 2 of 5, Intormation Request Mo. 1) divided by KWH billed 1,170,730,495 (See Exhibit 9, Page 1, Line 32, Col. c)

(8) Cal. h times Cal. (



KENERGY CORP. Case No. 2008-00323

	XWX	Sag	Normalized Present Revenue	9 8	Proposed	Set	Settlement	
Residential KWH and Revenues from Summary of Revenue	758,294,134	356	\$50,781,809	89	\$53,105,745	S)	\$52,896.456	
Number of Customers	44,978		44,978		44,978		44,978	
Test Year Averages per Month	1,404	6F3	94.08	υĐ	98.39	(A)	98.00	
Present, Proposed & Settlement Rates								
Facilities Charge Energy Charge		<i></i>	9.91 0.059956	ு ⊬∋	12.00 0.061540	ശം	10.50 0.062327	
Rate Calculations @ Average Consumption	1,404							
Facilities Charge Energy Charge		s s	9.91	જ જ	12.00	க க	10.50	,
Total		S	94.08	ራ ን	98.40	ь	98.00	



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JAN 0 8 2009

PUBLIC SERVICE COMMONWEALTH OF KENTUCKY I COMMISSION 2 3 BEFORE THE PUBLIC SERVICE COMMISSION 4 5 6 7 In the Matter of: 8) CASE NO. 2008-00323 9 THE APPLICATION OF KENERGY CORP. 10 FOR AN ADJUSTMENT IN EXISTING RATES 11 12 13 SUPPLEMENTAL TESTIMONY OF SANFORD NOVICK 14 15 01. Please state your name and title. 16 17 A. My name is Sanford Novick and I am President and CEO of Kenergy Corp. 18 19 Q2. Have you previously provided testimony in this proceeding? 20 21 Yes. My direct testimony is filed as Exhibit 6 to the Application. Α. 22 23 What is the purpose of this supplemental testimony? Q3. 24 25 Α. To present evidence regarding a settlement that has been reached between 26 Kenergy and intervenors AG and KIUC. 27 28 Q4. How were settlement talks initiated? 29 Kenergy was contacted by the AG and requested to meet in Frankfort. The 30 Α. 31 meeting was held at the AG's office on December 10, 2008. 32 33 Q5. What was the AG's settlement offer? 34 35 A. The AG proposed that Kenergy reduce by \$209,289.00 its request for an 36 annual revenue increase and that the residential customer charge in Schedule 1 be lowered from \$12.00 monthly that Kenergy was requesting 37 to \$10.50 monthly. Lowering the monthly customer charge to \$10.50 38 resulted in a revenue reduction of approximately \$806,000.00 annually and 39 40 the decision was made to increase the Schedule 1 energy charge to achieve 41 the \$209,289.00 net annual revenue reduction. 42

- 1 Q6. What increase needed to be made to the Schedule 1 energy charge to accomplish a net annual reduction of \$209,289.00?
- 4 A. The energy charge needed to be increased from the originally proposed \$0.061540 per KWH to \$0.062327 per KWH.
- 7 Q.7 Did the AG explain how it arrived at the proposed annual reduction amount set forth in its offer?
- 10 A Not exactly. Kenergy was informed that the AG's expert Robert Henkes
 11 had reviewed Kenergy's filing and was of the opinion that Kenergy had
 12 listed some expenses that should not be included for rate making purposes,
 13 and that this reduction would result in a fair resolution of the matter
 14 Kenergy was not given the details of how the expert arrived at this specific
 15 amount.
- 17 Q8. How does this affect Kenergy's TIER?

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- 19 A. Kenergy's TIER remains at 2.0 which is the level requested in the 20 Application.
- Q9. Does the settlement include any other terms?
- Yes. It is important to Kenergy to get the new rates in effect as soon as reasonably possible. Presently Kenergy's proposed rates have been suspended for five (5) months which means new rates would not be effective until March 1, 2009. The AG agreed to cooperate with Kenergy in attempting to get the new rates in effect February 1, 2009.
- 29
 30 Q10. Why is it important to Kenergy to accelerate the effective date of the new rates in this manner?
- Kenergy's test year for adjustments in its rates is 2007. However, in 2008 33 Α. Kenergy has incurred unanticipated expenses due in part to extreme 34 weather conditions. Kenergy is going to barely meet its operating TIER for 35 2008 and its equity/total capital ratio is now at the minimum 30% level per 36 the board of directors' approved capital management policy. The additional 37 revenue generated by moving the effective date forward one month will 38 strengthen Kenergy's TIER level and will help build equity back to the 39 40 desired 35% level.
- 42 Q11. What is KIUC's position in this settlement?

A. KIUC acquiesces in this settlement. Counsel for KIUC has requested that an affirmative statement be included in the settlement stipulation that the rates of commercial and industrial customers are not affected by the settlement, and this is being done.

5

Q12 Has the AG's settlement offer been accepted by Kenergy?

7

Yes, Kenergy's management favored the settlement and recommended acceptance to the board of directors. At a special meeting held telephonically on December 15, 2008, the board of directors unanimously voted to accept the offer.

12

13 Q13 Under the terms of the settlement are you still of the opinion that Kenergy's rates will be fair, just and reasonable and that they will be nondiscriminatory?

16

17 A. Yes, I am still of that opinion.

18

19 Q14. Does this conclude your supplemental testimony at this time?

20

21 A. Yes.

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2008-00323 DATED JANUARY 29, 2009

The following rates and charges are prescribed for the customers in the area serviced by Kenergy Corp. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

Service Rates

Residential Service (Single & Three – Phase) Customer Charge per Delivery Point Energy Charge per kWh	\$ \$	10.50 0.062327	per month
All Non-Residential Single Phase Customer Charge per Delivery Point Energy Charge per kWh	\$ \$	16.00 0.060740	per month
Three-Phase Demand, Non-Dedicated Delivery Points (0 – 1,000 kW) Customer Charge per Delivery Point Demand Charge, All kW During Month Energy Charge:	\$ \$	30.00 4.05	per month
First 200 kWh per kW, per kWh Next 200 kWh per kW, per kWh All over 400 kWh per kW, per kWh Primary Discount per kW	\$ \$ \$	0.05320 0.03800 0.03300 (0.50)	
Three-Phase Demand, Non-Dedicated Delivery Points (1,001 kW and Over) Option A – High Load Factor (above 50%) Customer Charge per Delivery Point Demand Charge, All kW During Month	\$ \$	575.00 8.65	per month
Energy Charge: First 200 kWh per kW, per kWh Next 200 kWh per kW, per kWh All Over 400 kWh per kW, per kWh Primary Discount per kW	\$ \$ \$	0.0275 0.0250 0.0230 (0.50)	

Non-Dedicated Delivery Points (1,001 kW and Over)

Option B – Low Load Factor (below 50%)

p		
Customer Charge per Delivery Point	\$ 575.00	per month
Demand Charge, All kW During Month	\$ 4.80	
Energy Charge:		
First 150 kWh per kW, per kWh	\$ 0.0420	
Over 150 kWh per kW, per kWh	\$ 0.0360	
Primary Discount per kW	\$ (0.50)	

Large Industrial Customers Served Under Special Contract Dedicated Delivery Points (Class C)

Facilities Charge per Assigned Dollars of Kenergy Investment for Facilities

1.30% per month

Outdoor Lighting:

		Tariff		Monthly
Type	Watts	Schedule		Charge
High Pressure Sodium	100	11	\$	6.95
High Pressure Sodium	250	11	\$	9.98
High Pressure Sodium	400	11	\$	11.39
Metal Halide	100	11	\$	6.53
Metal Halide	400	11	\$	13.45
Mercury Vapor	175	11	\$	7.16
Mercury Vapor	250	11	\$	8.45
Mercury Vapor	400	11	\$	9.98
High Pressure Sodium	100	12	\$	6.95
High Pressure Sodium	250	12	\$	10.10
Metal Halide	100	12	\$ \$	6.53
Metal Halide	400	12	\$	13.24
Mercury Vapor	175	12	\$	7.16
Mercury Vapor	400	12	\$	10.02
Mercury Vapor	400	12	\$	10.00
High Pressure Sodium	100	13	\$	18.98
High Pressure Sodium	140	13	\$	17.36
High Pressure Sodium	70	13	\$	9.83
Mercury Vapor	70	13	\$	9.83
High Pressure Sodium	1,000	14	\$	26.17
High Pressure Sodium	1,000	14	\$	26.17
High Pressure Sodium	250	14	\$	8.99
High Pressure Sodium	250	14	\$	10.27
High Pressure Sodium	400	14	\$	11.39
High Pressure Sodium	400	14	\$	12.75

Outdoor Lighting: (Continued)

		Tariff	Monthly
Type	Watts	Schedule	Charge
Metal Halide	1,000	14	\$ 26.17
Metal Halide	1,000	14	\$ 26.17
Metal Halide	250	14	\$ 8.61
Metal Halide	250	14	\$ 9.91
Metal Halide	400	14	\$ 11.36
Metal Halide	400	14	\$ 12.50
High Pressure Sodium	100	14	\$ 10.95
Metal Halide	100	14	\$ 9.67
Metal Halide	100	14	\$ 9.48
Metal Halide	175	14	\$ 10.84
Metal Halide	175	14	\$ 10.96
Metal Halide	175	14	\$ 11.74
Basket			\$ 2.49
Meadow Hill			\$ 2.25
Spottsville			\$ 2.83
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Poles:

Туре	Description	Tariff Schedule	Monthly Charge
Steel	25 ft.	14	\$ 6.35
Steel	30 ft.	14	\$ 7.15
Steel	39 ft.	14	\$ 12.02
Wood	30 ft.	14	\$ 3.98
Aluminum	28 ft.	14	\$ 8.18
Fl. Fiberglass	15 ft.	14	\$ 8.74
FI. Aluminum	14 ft.	14	\$ 9.60
Wood	30 ft.	12	\$ 2.13
Aluminum	28 ft.	12	\$ 5.12

Cable Television Attachment Tariff:

		Yearly Charge
Two-Party Pole Attachment Three-Party Pole Attachment Two-Party Anchor Attachment Three-Party Anchor Attachment	\$ \$ \$ \$ \$ \$	5.24 4.12 10.25 6.83

SPECIAL CHARGES

Turn on, reconnect, termination – After regular hours \$90.00 per trip

Residential Deposit \$190.00

Extensions to Permanent Underground Service
Installation of Trench and Conduit Provided by Customer

Differential (Underground Minus Overhead) \$3.54 per foot (if Kenergy provides Trench & Conduit) for usual conditions

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