

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF KENERGY CORP. FOR A CERTIFICATE	)	
OF CONVENIENCE AND NECESSITY AUTHORIZING	)	CASE NO.
CERTAIN PROPOSED CONSTRUCTION IDENTIFIED AS	)	2010-00110
THE 2010-2013 CONSTRUCTION WORK PLAN	)	

ORDER

Kenergy Corp. (“Kenergy”) filed its application on March 12, 2010 for a Certificate of Public Convenience and Necessity (“CPCN”) to construct certain improvements and additions to its existing plant at an estimated cost of \$35,314,855. In support of its application, Kenergy filed its 2010-2013 work plan, which describes in detail the improvements and additions to its plant that are required over the next three years.

Kenergy seeks approval for the following extensions and additions to its plant:

1. New Construction	\$10,316,310
2. Distribution Line Conversions	8,005,400
3. Substation Items	1,073,817
4. Transformers & Meters	3,361,442
5. Service Upgrades	728,729
6. Sectionalizing Equipment	1,182,483
7. Line Regulators	350,800
8. Pole Replacements	4,552,355
9. Conductor Replacements	4,863,692
10. Security Lights	879,827
<b>TOTAL</b>	<b>\$35,314,855</b>

The Commission staff issued one data request, to which Kenergy responded on June 2, 2010. There being no intervenors, the case stands submitted for decision.

Kenergy's data response stated that it currently has two ongoing pilot programs involving Advanced Metering Infrastructure ("AMI") systems. These pilots involve 1,100 meters, some of which rely on software for a TWACS system and others which rely on software designed for a Cannon system. Implementation of the pilots was undertaken pursuant to prior construction work plans at a total cost of approximately \$355,000.

Kenergy explained that its 2010–2013 work plan includes no additional AMI deployment since it is monitoring its existing pilot programs and will continue to do so for the next three years. It also indicated that the further deployment of AMI will depend upon a future decision based on the tangible benefits of such deployment and that the value of such benefits is still in the development stage.

#### SUMMARY

The proposed construction will enable Kenergy to continue to provide adequate and dependable electric service to its customers. The system improvements recommended in this work plan will not duplicate existing facilities and are needed to correct voltage problems, improve phase balance, and provide for improved service reliability.

Based upon the application including the supporting work plan, as well as the data responses, and being otherwise sufficiently advised, the Commission finds that the proposed improvements and additions to be constructed by Kenergy are necessary to provide adequate, reliable electric service to existing customers and anticipated new customers.

IT IS THEREFORE ORDERED that Kenergy is granted a CPCN to construct the facilities described in its 2010-2013 work plan.

By the Commission

ENTERED  
JUN 22 2010 *M*  
KENTUCKY PUBLIC  
SERVICE COMMISSION

ATTEST:

*Jeff Deraven*  
Executive Director

Honorable Frank N King, Jr.  
Attorney at Law  
Dorsey, King, Gray, Norment & Hopgood  
318 Second Street  
Henderson, KY 42420

Sanford Novick  
President & CEO  
Kenergy Corp.  
P. O. Box 18  
Henderson, KY 42419