

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF KENERGY CORP. FOR AN ) CASE NO.  
ADJUSTMENT IN EXISTING RATES ) 2011-00035

ORDER

On March 1, 2011, Kenergy Corp. ("Kenergy") filed an application requesting approval of an increase in its base rates of \$2,000,614 and to pass-through a proposed wholesale power increase of \$23,464,713 from Big Rivers Electric Corporation ("Big Rivers"). Kenergy, one of three member-owners of Big Rivers, is a consumer-owned rural electric cooperative organized pursuant to KRS Chapter 279 and engaged in the sale of electric energy to approximately 54,500 customers in the Kentucky counties of Breckinridge, Caldwell, Crittenden, Daviess, Hancock, Henderson, Hopkins, Livingston, Lyon, McLean, Muhlenberg, Ohio, Union and Webster.

Kenergy proposed that its requested rate increase become effective on April 1, 2011. To determine the reasonableness of Kenergy's application, the Commission suspended the proposed rates for five months from their effective date, up to and including August 31, 2011. Kentucky Industrial Utility Customers, Inc. ("KIUC") sought and was granted full intervention in this matter.

A procedural schedule was issued in this matter which provided for discovery upon Kenergy, intervenor testimony, discovery upon intervenor testimony, and a public hearing. Kenergy responded to four rounds of discovery from Commission Staff ("Staff"). No intervenor testimony was filed.

On June 27, 2011, Kenergy informed Staff that it had reached a tentative settlement with KIUC. At the request of Kenergy, an informal conference was held telephonically on June 30, 2011 to provide Commission Staff with an overview of the terms of the settlement. On July 6, 2011, Kenergy filed an executed Amended Joint Settlement Stipulation and Recommendation ("Amended Settlement") with the Commission, a copy of which is appended to this Order as Appendix A. The Commission conducted a public hearing on July 7, 2011 for the purpose of taking testimony concerning the reasonableness of the Amended Settlement.

On September 1, 2011, Kenergy notified the Commission of its intent to place the proposed rates into effect, subject to refund, given that a final order had not been issued by the end of the five-month suspension period. In response, the Commission issued an Order on September 6, 2011, directing Kenergy to maintain appropriate records of its billing to permit any necessary refunds in the event a refund is ordered upon final resolution of this matter.

The Amended Settlement contains the following provisions as agreed to by the parties:

1. Kenergy shall be granted an increase in its base rates to permit an increase in its distribution revenues of \$1,801,916, which is \$198,698 less than the amount requested in the application. The adjustments necessary to effect the reduction to the proposed revenue increase will be made only to the Schedule 1 - Residential class.
2. The residential customer charge will be reduced from the \$13.00 amount requested in the application to \$12.00

per month and the energy charge for residential customers will increase from \$.078529 to \$.078990 per kWh.<sup>1</sup>

3. Rates for commercial and industrial customers shall remain as proposed in the application.

4. The rates for nonrecurring charges and cable television attachments shall remain as proposed in the application.

5. Kenergy's proposed tariff revisions pertaining to distribution rates as reflected in Exhibit A to the Amended Settlement and in all other proposed tariffs in Kenergy's application should be adopted.

6. Kenergy will implement the depreciation rates that were proposed in the application.

7. The rate increase provided for by the Amended Settlement will result in a Times Interest Earned Ratio ("TIER") of 2.00.

The Amended Settlement requests approval of the proposed tariff revisions pertaining to the residential distribution rates as reflected in Exhibit A to the Amended Settlement and in all other proposed tariffs in Kenergy's application. The rates in those proposed tariffs include the pass-through of an increase of \$23,464,713 in wholesale power costs as a result of the \$39,953,965 rate increase requested by Big Rivers in Case No. 2011-00036.<sup>2</sup> The Commission issued an Order today in Case No. 2011-00036 authorizing a \$26,744,776 annualized increase in Big Rivers' wholesale rates effective for service rendered on and after September 1, 2011. Using the test-year

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<sup>1</sup> This energy rate includes the pass-through of Big Rivers' proposed wholesale increase of \$23,464,713. The energy rate being approved in this Order differs from the energy rate in the Amended Settlement because it is based on the wholesale increase the Commission has approved for Big Rivers.

<sup>2</sup> Case No. 2011-00036, Application of Big Rivers Electric Corporation for a General Adjustment in Rates (Ky. PSC Nov. 17, 2011).

information and allocation methodology contained in its application, Kenergy will receive an increase in its wholesale power cost of \$19,094,608<sup>3</sup> annually.

Kenergy filed a cost-of-service study (“COSS”) with its application which demonstrated that customer-related costs incurred by Kenergy would support a residential customer charge of \$20.89. However, as stated previously in this Order, the Amended Settlement recommends a residential customer charge of \$12.00, approximately \$9 less than the amount justified by the COSS.

Having reviewed the Amended Settlement and the evidence of record in this proceeding, the Commission finds that its terms are reasonable, do not violate any generally accepted ratemaking standards, are in the public interest, and should be accepted. Having also reviewed Kenergy’s COSS, the Commission finds it to be acceptable for use as a guide in determining the reasonableness of the Amended Settlement. The Commission also finds that the base rate distribution increase contained in the Amended Settlement is reasonable and should permit Kenergy a reasonable opportunity to maintain its financial integrity and comply with the requirements of its mortgage agreements.

The Commission has reviewed the approach proposed by Kenergy to pass through the increase in the wholesale rates of Big Rivers and to allocate such increase to its retail rates. Based upon this review, the Commission finds that Kenergy’s approach is reasonable and should be approved. The rates set forth in Appendix B to this Order will produce an additional \$1,801,916 in annual base rate distribution

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<sup>3</sup> This amount includes the effect of applicable riders and other charges and credits.

revenues and will also allow Kenergy to pass through to its customers the increase in Big River's wholesale power costs of \$19,094,608.

Upon review of Kenergy's depreciation study, the Commission finds that the proposed depreciation rates are reasonable and that the effective date of those rates should be the date of this Order.

The Commission finds that the rates for residential, commercial and industrial customers; nonrecurring charges; and cable television attachment charges contained in Appendix B of this Order are reasonable and should be approved. And finally, the Commission finds that the rates approved in this Order will result in fair, just, and reasonable rates for Kenergy to charge for electric service and should become effective for service rendered on and after September 1, 2011.

Our approval of the Amended Settlement is based solely on its reasonableness in toto and does not constitute approval of any ratemaking adjustment or specific ratemaking theory.

#### OTHER ISSUES

##### Energy Efficiency and Demand-Side Management

In response to Staff's data requests<sup>4</sup> and in testimony at the hearing, Kenergy stated that it does not currently offer any permanent demand-side management ("DSM") programs, but is working with Big Rivers and its other member cooperatives, Meade County Rural Electric Cooperative Corporation and Jackson Purchase Energy Corp., in developing DSM programs. Kenergy stated that it is currently participating in pilot programs in conjunction with Big Rivers, and intends to make the Energy Star

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<sup>4</sup> Response to the First Data Request of Commission Staff, Item 49, and response to the Second Data Request of Commission Staff, Item 22.

Refrigerator Program a permanent program in October 2011. However, Kenergy has no current plans to develop or establish DSM programs independent of Big Rivers.

The Commission believes that conservation, energy efficiency and DSM will become more important and cost-effective, as there will likely be more constraints placed upon utilities whose main source of supply is coal-based generation. The Governor's proposed energy plan, *Intelligent Energy Choices for Kentucky's Future, November 2008*, calls for an increase in demand-side management by 2025. In addition, the Commission stated its support for cost-effective demand-side programs in response to several recommendations included in *Electric Utility Regulation and Energy Policy in Kentucky*, the report the Commission submitted in July 2008 to the Kentucky General Assembly pursuant to Section 50 of the 2007 Energy Act. The Commission believes that it is appropriate to encourage Kenergy, and all other electric energy providers, to make a greater effort to offer cost-effective demand-side management and other energy efficiency programs.

IT IS THEREFORE ORDERED that:

1. The rates and charges proposed by Kenergy are denied.
2. The Amended Settlement appended hereto as Appendix A is incorporated into this Order as if fully set forth herein.
3. The Amended Settlement is adopted and approved with the exception that the rates agreed to in the Amended Settlement have been adjusted to reflect a wholesale increase of \$19,094,608.
4. The rates and charges set forth in Appendix B are approved for service rendered by Kenergy on and after September 1, 2011.

5. The proposed depreciation rates, as agreed upon in the Amended Settlement, are approved for implementation by Kenergy on the date of this Order.

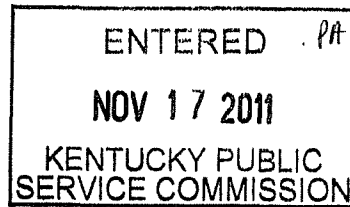
6. Within 20 days of the date of this Order, Kenergy shall file new tariff sheets setting forth the rates and charges approved herein and reflecting their effective date and that they were authorized by this Order.

7. Within 60 days of the date of this Order, Kenergy shall refund to its customers with interest all amounts collected for service rendered from September 1, 2011 through the date of this Order that are in excess of the rates set forth in Appendix B to this Order.

8. Kenergy shall pay interest on the refunded amounts at the average of the Three-Month Commercial Paper Rate as reported in the Federal Reserve Bulletin and the Federal Reserve Statistical Release on the date of this Order. Refunds shall be based on each customer's usage while the proposed rates were in effect and shall be made as a one-time credit to the bills of current customers and by check to customers who have discontinued service since September 1, 2011.

9. Within 75 days of the date of this Order, Kenergy shall submit a written report to the Commission in which it describes its efforts to refund all monies collected in excess of the rates that are set forth in Appendix B to this Order.

By the Commission



ATTEST:

  
\_\_\_\_\_  
Executive Director

Dissenting Opinion of  
Vice Chairman James W. Gardner

Although I agree with the Chairman and Commissioner with respect to the reasonableness of the level of the distribution increase in base rates, I respectfully dissent on the issue of the allocation of the revenue increase. With respect to the residential class, approximately 60 percent of the agreed-to revenue increase will be allocated to the customer charge while only 40 percent will be allocated to the energy charge.



Beginning with the base rate application of Owen Electric Cooperative, Inc. (“Owen”) in 2008,<sup>5</sup> distribution electric cooperatives that have filed base rate cases have proposed to increase their customer charge to better match their revenues with their costs of service and to align the interests of the cooperatives and their members with regard to energy innovation, efficiency, conservation, demand response, and distributed generation. While the Commission has approved of such changes in rate design in a gradual manner, we have yet to see the associated increase in energy efficiency programs being proposed by the distribution cooperatives. In the final order in Case No. 2008-00154, in the context of Owen’s request to change its rate design, we “encourage[d] . . . all . . . electric energy providers . . . to make a greater effort to offer cost-effective DSM and other energy efficiency programs.”<sup>6</sup>

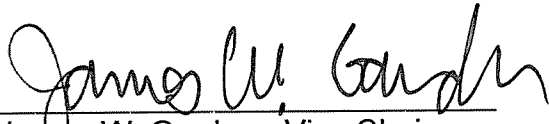
As the majority opinion noted above, although it intends to implement a permanent energy efficiency program in October of this year, Kenergy currently has no permanent DSM programs in place. In addition, it has stated that it has no current plans to develop or establish DSM programs independent of Big Rivers. In light of inevitable federal environmental mandates which will significantly drive the cost of compliance for Kentucky electric utilities, and which costs will ultimately be borne by ratepayers, it is my belief that energy efficiency and DSM programs will play a critical role in keeping our electricity bills low. In the absence of substantial DSM and energy efficiency programs, I cannot support a rate structure which increases the cost of electricity to residential customers regardless of the amount of energy consumed, particularly those customers

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<sup>5</sup> Case No. 2008-00154, Application of Owen Electric Cooperative, Inc. for Adjustment of Rates (Ky. PSC Jun. 25, 2009).

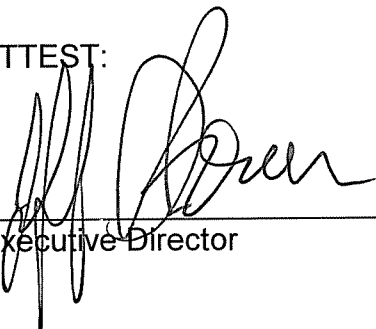
<sup>6</sup> Id., at 23-24.

who are able to reduce usage through their own energy efficiency efforts. Therefore, I respectfully dissent.

  
James W. Gardner, Vice Chairman

ENTERED *PA*  
NOV 17 2011  
KENTUCKY PUBLIC  
SERVICE COMMISSION

ATTEST:

  
Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2011-00035 DATED **NOV 17 2011**

**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

**In the Matter of:** )  
 ) **CASE NO. 2011-00035**  
**THE APPLICATION OF KENERGY CORP.** )  
**FOR AN ADJUSTMENT IN EXISTING RATES** )

**AMENDED JOINT SETTLEMENT STIPULATION AND RECOMMENDATION**  
**(DISTRIBUTION PORTION OF RATE INCREASE)**

It is the intent and purpose of the parties to this proceeding, being the applicant, Kenergy Corp. (“Kenergy”) and the intervenor, Kentucky Industrial Utility Customers, Inc. (“KIUC”) to express their agreement on a mutually satisfactory resolution of all of the distribution portion of the application for rate increase in the instant proceeding which shall hereafter be referred to as the “Stipulation” and/or the “Recommendation.”

**WHEREAS**, Kenergy has filed an Application for Adjustment of Rates which consists of a flow through increase of the proposed wholesale rate increase in the amount of \$23,464,713.00, and an increase in the distribution portion of the rate increase in the amount of \$2,000,614.00;

**WHEREAS**, the parties hereto have reached an agreement as to the distribution portion of the rate increase, reserving for subsequent resolution the wholesale flow through rate increase; and

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 has provided voluminous information in response to multiple data requests. The only public comment in the record is from one customer who objected to the increase in the Customer Charge. 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 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 an adjustment in rates due to the wholesale rate increase sought by Big Rivers Electric Corporation in 2011-00036, and in addition, an increase in Kenergy’s distribution revenue in the amount of \$2,000,614.00. The parties agree that Kenergy should be permitted to adjust its rates to permit a total increase in the distribution portion of its revenue of only \$1,801,916.00, being \$198,698.00 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 \$12.00 per month and increasing the proposed Energy Charge per KWH to \$0.078990 (after adjustment for FAC roll-in). 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 remain as proposed in the application.

(c) The rates for non-recurring charges and cable television attachments shall remain as proposed in the application.

2. Kenergy’s proposed tariff revisions as pertaining to the distribution rate only 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 September 1, 2011, or the same date as the rates in Big Rivers Electric Corporation, Case No. 2011-00036, whichever is earlier.

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 increase amount of \$1,801,916.00.

5. The depreciation rates in the depreciation study submitted by Kenergy in its application will be the rates implemented by Kenergy and will be implemented effective with the implementation of Kenergy's revised rates as set forth in paragraph 2 above.

6. As to the issues settled, 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.

7. 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. Nothing in this Recommendation waives or impairs the rights of the parties in the Big Rivers Electric Corporation rate case in 2011-00036.

8. 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.

9. 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.

10. 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.

11. 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 5<sup>th</sup> day of July, 2011.

**KENERGY CORP.**

Sandy Novick

Sandy Novick  
President and CEO

J. Christopher Hopgood

J. Christopher Hopgood  
Attorney for Kenergy Corp.

**KENTUCKY INDUSTRIAL UTILITY  
CUSTOMERS, INC.**

Michael L. Kurtz by J.C.H.  
Michael L. Kurtz, Attorney





FOR ALL TERRITORY SERVED

Community, Town or City

PSC NO. 2

Second Revised SHEET NO. 1

CANCELLING PSC NO. 2

First Revised SHEET NO. 1

**CLASSIFICATION OF SERVICE**  
**Schedule 1 – Residential Service (Single Phase & Three-Phase)**

APPLICABLE

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, pump 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

I	Customer Charge per delivery point .....	Original Filing .....	\$13.00 per month
		Settlement	\$12.00
	Plus:		
I	Energy Charge per KWH .....	Original Filing .....	\$0.067780
		Fuel Roll-In	\$0.078529
		Settlement	\$0.078990

DATE OF ISSUE March 1, 2011  
Month / Date / Year

DATE EFFECTIVE April 1, 2011  
Month / Date / Year

ISSUED BY \_\_\_\_\_  
(Signature of Officer)

TITLE President and CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION  
IN CASE NO. 2011-00035 DATED \_\_\_\_\_

Exhibit A



FOR ALL TERRITORY SERVED  
Community, Town or City  
PSC NO. 2

Second Revised SHEET NO. 1  
CANCELLING PSC NO. 2

First Revised SHEET NO. 1

**CLASSIFICATION OF SERVICE**  
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RATE

I	Customer Charge per delivery point .....		\$13.00 per month
	Plus:		
I	Energy Charge per KWH .....	<u>Original Filing</u>	<u>\$0.067780</u>
		<u>Fuel Roll-In</u>	<u>\$0.078529</u>

DATE OF ISSUE March 1, 2011  
Month / Date / Year

DATE EFFECTIVE April 1, 2011  
Month / Date / Year

ISSUED BY \_\_\_\_\_  
(Signature of Officer)

TITLE President and CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION  
IN CASE NO. 2011-00035 DATED \_\_\_\_\_

Exhibit B

KENERGY CORP  
2011 RATE APPLICATION  
RESIDENTIAL CONSUMPTION ANALYSIS

Only the rates approved in BREC  
case will be flowed-through

Line No.	(a)	(b)	(c)	(d)	(e) Adjustment to year-end level of customers	"AS FILED"		(h) Wholesale flow through proposed rate	(i) Proposed Revenue	Settlement rates and revenues for Distribution cost increase	
						(f)	(g) Normalized			(j) Distribution proposed rate	(k) Proposed Revenue
		<u>TEST YEAR DATA</u>									
1	Customer charge:		<u>\$10.50</u>				<u>\$10.50</u>				
2	Number of bills per consumption analysis	539,294									
3	adjustment to number booked	(190)			(1)	(4)					
4	Number of bills per books with customer charge	539,104		<u>\$5,660,592</u>	108	539,212	<u>\$5,661,726</u>	\$10.50	<u>\$ 5,661,726</u>	\$12.00	<u>\$ 6,470,544</u>
5	plus yard light only bills(no customer charge)	2,442									
6	Total bills issued per books	<u>541,546</u>									
7											
8	Energy Charge:										
9			<u>\$ 0.062327</u>				<u>\$ 0.0730760</u>				
10	Kwh sales per consumption analysis	739,439,862		<u>\$46,087,088</u>							
11	Adjustment to KWH booked	-1,199,432		-74,757	(2)	(5)					
12	KWH booked	<u>738,240,430</u>		<u>\$46,012,311</u>	147,893	738,388,323	53,958,465	\$0.078276	<u>\$ 57,798,084</u>	0.078990	<u>\$ 58,325,294</u>
13											
14											
15						at (6)	at (7)				
16	Riders	<u>738,240,430</u>	\$0.000000	\$0		-0.0086617	-0.0000910				
17				\$51,672,903		738,388,323	\$(6,395,714)	-0.008753	\$ (6,462,926)	-0.00875275	\$ (6,462,926)
18	Adjustment for revenue difference			\$51,672,903			\$53,224,477		\$ 56,996,885		\$ 58,332,912
19	Revenue per books			-11,297			-11,297	-0.0189%	\$ (12,024)	-0.0189%	\$ (12,277)
20				<u>\$51,661,607</u>			<u>\$53,213,180</u>		<u>\$ 56,984,861</u>		<u>\$ 58,320,635</u>
21											
22								increase	\$3,771,680	increase	\$ 1,335,774
23	(1) Customers billed June 2009	45,128	(3)							As filed	58519412
24	13 month average	45,119	(3)							reduction	\$ (198,777)
25	Increase	9	(3)							Agreed to settlement	-198698
26	Times 12 months	12	(3)							rounding difference	\$ 79
27	Increase to test year number of billings	108	(3)								
28											
29	(2) KWH Booked	738,240,430									
30	Number Bills	539,104									
31	Average KWH	1,369									
32	Times 108 billings = Increase to test year kwh billed	147,893									
33											
34	(3) See Exhibit 9, Page 11										
35											
36	(4) (Line 4, Col. b) 539,106 + (Line 27, Col. b) 108										
37											
38	(5) (Line 12, Col. b) 738,240,430 + (Line 32, Col. b) 147,893										
39											
40	(6) Wholesale tariff change effective July 2010 of .002 adjusted for normalized test year kwh sales.										
41	(7) Proposed Non FAC PPA tariff of \$(0.000963) less base rate roll-in of .0008760 adjusted for normalized test year kwh sales.										

KENERGY CORP  
Case No. 2011-00035

	KWH	Normalized Present Revenue	Proposed Revenue <sup>(1)</sup>	Settlement <sup>(1)</sup>
1 Residential KWH and Revenues from Summary of Revenue	738,388,323	\$ 53,213,180	\$ 58,519,412	\$ 58,320,635
2				
3 Number of Customers	44,934	44,934	44,934	44,934
4				
5 Test Year Averages per Month	1,369	\$ 98.69	\$ 108.53	\$ 108.16
6				
7 Present, Proposed & Settlement Rates				
8				
9 Customer charge		\$ 10.50	\$ 13.00	\$ 12.00
10 Energy Charge		\$ 0.073076	\$ 0.078529	\$ 0.078990
11 Riders		\$ (0.00866170)	\$ (0.00875275)	\$ (0.00875275)
12				
13 Rate Calculations @ Average Consumption	1,369			
14				
15 Customer charge		\$ 10.50	\$ 13.00	\$ 12.00
16 Energy Charge		\$ 100.04	\$ 107.51	\$ 108.14
17 Riders		\$ (11.86)	\$ (11.98)	\$ (11.98)
18				
19 Total		\$ 98.68	\$ 108.53	\$ 108.16

(1) Utilizing the proposed wholesale flow-through as filed.

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2011-00035 DATED NOV 17 2011

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

SCHEDULE 1  
RESIDENTIAL SERVICE - SINGLE AND THREE PHASE

Customer Charge per Delivery Point	\$ 12.00
Energy Charge per kWh	\$ .077469

SCHEDULE 3  
ALL NON-RESIDENTIAL - SINGLE PHASE

Customer Charge per Delivery Point	\$ 17.00
Energy Charge per kWh	\$ .076161

SCHEDULE 5  
THREE PHASE DEMAND – NON-RESIDENTIAL  
NON-DEDICATED DELIVERY POINTS - 0 – 1,000 kW

Customer Charge per Delivery Point	\$ 35.00
Demand Charge per kW	\$ 4.41
Energy Charge per kWh:	
First 200 kWh per kW	\$ .066898
Next 200 kWh per kW	\$ .051315
All over 400 kWh per kW	\$ .045419

SCHEDULE 7  
THREE PHASE DEMAND  
NON-DEDICATED DELIVERY POINTS – 1,001 kW And Over

Option A – High Load Factor:	
Customer Charge per Delivery Point	\$ 750.00
Demand Charge per kW	\$ 9.32
Energy Charge per kWh:	
First 200 kWh per kW	\$ .039901
Next 200 kWh per kW	\$ .036653
All over 400 kWh per kW	\$ .034694
Option B – Low Load Factor:	
Customer Charge per Delivery Point	\$ 750.00
Demand Charge per kW	\$ 5.25
Energy Charge per kWh	
First 150 kWh per kW	\$ .055298
Over 150 kWh per kW	\$ .048423

SCHEDULE 15  
PRIVATE OUTDOOR LIGHTING

Flat rate per light per month as follows:

Standard:	
175 Watt M.V.	\$ 8.46
250 Watt M.V.	\$ 10.12
400 Watt M.V.	\$ 12.34
100 Watt H.P.S.	\$ 7.97
200/250 Watt H.P.S.	\$ 11.82
400 Watt H.P.S. - Flood	\$ 13.90
100 Watt M.H.	\$ 7.50
400 Watt M.H.	\$ 16.11

Commercial and Industrial Lighting:

Flood Lighting Fixture:	
250 Watt H.P.S.	\$ 10.75
400 Watt H.P.S.	\$ 13.91
1,000 Watt H.P.S.	\$ 32.06
250 Watt M.H.	\$ 10.30
400 Watt M.H.	\$ 13.85
1,000 Watt M.H.	\$ 32.02

Contemporary (Shoebox):		
250 Watt H.P.S.	\$	12.17
400 Watt H.P.S.	\$	15.39
1,000 Watt H.P.S.	\$	32.06
250 Watt M.H.	\$	11.70
400 Watt M.H.	\$	15.09
1,000 Watt M.H.	\$	32.02

Decorative Lighting:		
100 Watt M.H. – Acorn Globe	\$	10.91
175 Watt M.H. – Acorn Globe	\$	13.44
100 Watt M.H. – Round Globe	\$	10.70
175 Watt M.H. – Round Globe	\$	12.47
175 Watt M.H. – Lantern Globe	\$	12.60
100 Watt H.P.S. – Acorn Globe	\$	12.31

Pedestal Mounted Pole:		
Steel 25 Ft. Pedestal Mt. Pole	\$	6.90
Steel 30 Ft. Pedestal Mt. Pole	\$	7.77
Steel 39 Ft. Pedestal Mt. Pole	\$	13.06
Wood 30 Ft. Direct Burial Pole	\$	4.33
Aluminum 28 Ft. Direct Burial Pole	\$	8.89
Fluted Fiberglass 15 Ft. Pole	\$	9.50
Fluted Aluminum 14 Ft. Pole	\$	10.43

SCHEDULE 16  
STREET LIGHTING SERVICE

Flat rate per light per month as follows:

175 Watt M.V.	\$	8.46
400 Watt M.V.	\$	12.38
100 Watt H.P.S.	\$	7.96
250 Watt H.P.S.	\$	11.78
100 Watt M.H.	\$	7.50
400 Watt M.H.	\$	15.89

Underground Service with Non-Standard Pole:		
Governmental Entities and Street Lighting Districts, per Pole	\$	5.56

Overhead Service to Street Lighting Districts:		
Street Lighting District, per Pole	\$	2.31

Decorative Underground With Non-standard Pole:		
70 Watt H.P.S. – Acorn Globe	\$	10.97
70 Watt H.P.S. – Lantern Globe	\$	10.97
140 Watt H.P.S.	\$	19.44
100 Watt H.P.S. – Acorn Globe	\$	21.04

SPECIAL STREET LIGHTING DISTRICTS

Flat rate per light per month as follows:

Baskett	\$	2.92
Meadow Hill	\$	2.67
Spottsville	\$	3.30

SCHEDULE 23  
RENEWABLE RESOURCE ENERGY SERVICE RIDER

Non-Direct Served Customers:		
Premium per kWh	\$	.026722
Direct Served Customers (excluding Class A):		
Premium per kWh	\$	.030495

SCHEDULE 32  
SPECIAL CHARGES

Turn-on Service Charge	\$	32.00
Reconnect Charge – Regular	\$	32.00
Reconnect Charge – After Hours	\$	95.00
Terminate Service Charge	\$	32.00
Meter Reading Charge	\$	32.00
Meter Test	\$	50.00
Returned Check Charge	\$	12.00
Unnecessary Trip - Regular	\$	32.00
Unnecessary Trip – After Hours	\$	95.00

SCHEDULE 33  
LARGE INDUSTRIAL CUSTOMERS SERVED UNDER SPECIAL CONTRACT  
DEDICATED DELIVERY POINTS (CLASS A)

Base Energy Charge per kWh	\$	.039432
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SCHEDULE 34  
LARGE INDUSTRIAL CUSTOMERS SERVED UNDER SPECIAL CONTRACT  
DEDICATED DELIVERY POINTS (CLASS B)

Demand Charge per kW	\$ 10.50
Energy Charge per kWh	\$ .024505

SCHEDULE 35  
LARGE INDUSTRIAL CUSTOMERS SERVED UNDER SPECIAL CONTRACT  
DEDICATED DELIVERY POINTS (CLASS C)

Demand Charge per kW	\$ 10.50
Energy Charge per kWh	\$ .024505

Facilities Charge per Assigned Dollars of Kenergy Investment for Facilities	1.38% per month
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SCHEDULE 43  
SMALL POWER PRODUCTION OR COGENERATION (UNDER 100 kW)  
CUSTOMER SELLS POWER TO KENERGY

Base payment per kWh	\$ .029736
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SCHEDULE 45  
SMALL POWER PRODUCTION OR COGENERATION (OVER 100 kW)  
CUSTOMER BUYS POWER FROM KENERGY

The Charges for On-peak Maintenance Service shall be the greater of:

(1) Per kW of Scheduled Maintenance Demand per Week	\$ 2.192
Plus per kWh of Maintenance Energy	\$ .029736

OR

(2) Percent of Market Price	110%
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The Charges for Off-peak Maintenance Service shall be:

Per kW of Scheduled Maintenance Demand per Week	\$ 2.192
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Excess Demand:

To Import from a Third Party: Percent of Actual Cost	110%
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Not Imported, the greater of:  
 (1) Charge per kW times the highest Excess Demand \$ 9.50

OR

(2) Percent of Highest Price received during an Off-System  
 Sales Transaction times the sum of Excess Demands 110%

SCHEDULE 76  
CABLE TELEVISION ATTACHMENT TARIFF

Annual charge as follows:

Two-party Pole Attachment	\$ 6.30
Three-party Pole Attachment	\$ 4.89
Two-party Anchor Attachment	\$ 13.30
Three-party Anchor Attachment	\$ 8.86

SCHEDULE 139  
EXTENSIONS TO PERMANENT UNDERGROUND SERVICE

Underground Cost per Foot	\$ 12.37
Overhead Cost per Foot	\$ 13.28
Differential – Customer-Installed Trench and Conduit	None
Trenching Cost if Performed by Contractor, per Foot*	\$ 8.00
Trenching Cost if Performed by Kenergy, per Foot*	\$ 12.00

\*Trenching rate does not include conduit

SCHEDULE 162  
DEPOSITS

Residential Customer Deposit	\$ 217.00
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