

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF KENERGY CORP. FOR A)	CASE NO.
CERTIFICATE OF PUBLIC CONVENIENCE AND)	2011-00196
NECESSITY)	

COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION
TO KENERGY CORP.

Kenergy Corp. ("Kenergy") is to file with the Commission the original and ten copies of the following information, with a copy to all parties of record. The information requested herein is due no later than 14 days from the date of this request. Responses to requests for information shall be appropriately bound, tabbed and indexed. Each response shall include the name of the witness responsible for responding to the questions related to the information provided.

Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or person supervising the preparation of the response on behalf of the entity, that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Kenergy shall make timely amendment to any prior response if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any

request to which Kenergy fails or refuses to furnish all or part of the requested information, it shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention should be given to copied material to ensure that it is legible. 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.

1. Refer to the response to Item 1 of Commission Staff's Initial Information Request ("Staff's First Request"). The question asked Kenergy to confirm whether information contained in the most recent edition of the Kentucky Association of Electric Cooperatives Directory concerning Kenergy's six office locations (two main offices and four branch offices) was accurate. The response stated that Kenergy has three locations that house construction and service crews. The response also states "All locations have customer service representatives to conduct business with customers." Does the phrase "All locations" mean all three locations that house construction and service crews, or does it refer to all Kenergy offices, including the two main offices and the four branch offices?

2. Refer to the supplemental response to Item 4 of Staff's First Request.

a. Explain why costs for land, an oil containment system, and a communication system, as well as architect and engineering fees, were not

included in the initial estimated cost for the proposed Marion branch office expansion.

b. Provide a detailed description of the communication system that is to be included with the proposed Marion branch office expansion.

c. Explain how the communication system being considered is different from the system currently in use and the reason for the change.

3. Refer to the response to Item 6 of Staff's First Request.

a. Explain what is meant by the phrase "standard cost breakdowns."

b. Provide the cost estimate and the detailed description of the "actual project" currently under construction having M/P/E systems similar to the proposed Marion branch office project.

4. Refer to the response to Item 7 of Staff's First Request. Explain how Kenergy will publicize the bidding process.

5. Refer to the response to Item 9 of Staff's First Request. Provide an explanation of all energy efficiency measures considered for the proposed facility and those incorporated into the final design.

6. State whether the proposed facility is in compliance with all applicable building codes for the city of Marion and Crittenden County.

7. Refer to the response to Item 14 of Staff's First Request. Provide the assessed value of the real estate located at the existing Marion location for property tax purposes for the most recent year available.

8. Refer to the response to Item 15 of Staff's First Request. Kenergy states that any proceeds from the sales of the present buildings "would be applied to the appropriate General Plant Accounts." Explain what is meant by this statement.

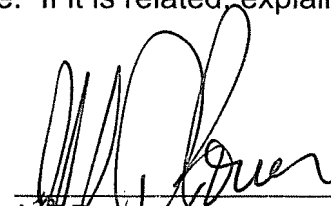
9. Refer to the original response to Item 16 and the supplemental responses to Items 4 and 16 of Staff's First Request. The supplemental response to Item 16 states that the table attached to the original response to Item 16 is correct. That table shows that \$82,107 of architect expense has been incurred through July 31, 2011. The supplemental response to Item 16 also states that an additional \$96,000 of architect's fees are expected to be incurred. The total of these two amounts is \$178,107. The supplemental response to Item 4 states that the architect's fees for the project are estimated to be \$160,000. Explain the discrepancy.

10. Refer to the supplemental response to Item 19 of Staff's First Request which shows a journal entry that debits an account called "RUS Advance Payments on Debt" for \$88,425 for the projected sale of the Marion buildings. Provide a description of the account "RUS Advance Payments on Debt" (i.e., type and purpose of the account) and state in which account it is included in the Rural Utilities Service Uniform System of Accounts.

11. Refer to the supplemental response to Item 20 of Staff's First Request which refers to the "RUS cushion of credit account."

a. Provide a description of this account (i.e., type and purpose of the account) and state in which account it is included in the Rural Utilities Service Uniform System of Accounts.

b. State whether this account is related to the "RUS Advance Payments on Debt" referred to in Item 10 above. If it is related, explain.



Jeff Derouen
Executive Director
Public Service Commission
P.O. Box 615
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DATED SEP 12 2011

cc: Parties of record

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