COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF KENERGY CORP.)CASE NO.FOR AN ADJUSTMENT IN EXISTING RATES2011-00035

ORDER

On March 1, 2011, Kenergy Corp. ("Kenergy") submitted for filing an application for an adjustment of electric rates based on an historic test period. The application proposed that the new rates become effective on April 1, 2011. Based on a review of Kenergy's rate application, the Commission finds that an investigation will be necessary to determine the reasonableness of the proposed rates and that the investigation cannot be concluded by April 1, 2011. Therefore, pursuant to KRS 278.190(2), the Commission will suspend the effective date of the proposed rates for five months.

Pursuant to 807 KAR 5:001, Section 14, Kenergy requests a deviation from the requirements of 807 KAR 5:001, Section 10(6)(i), which requires Kenergy to provide a reconciliation of the rate base and capital used to determine its revenue requirements. Kenergy states that such information required to be submitted under 807 KAR 5:001, Section 10(6)(i) is not applicable in this instance because Kenergy has utilized interest coverage to determine its revenue requirements.

The Commission finds that Kenergy has shown good cause to deviate from the requirements imposed by 807 KAR 5:001, Section 10(6)(i) and will allow Kenergy to deviate from this requirement.

IT IS HEREBY ORDERED that:

1. Kenergy's rates are suspended for five months from the April 1, 2011 effective date up to and including August 31, 2011.

2. Kenergy's request to deviate from the requirements of 807 KAR 5:001, Section 10(6)(i) is granted.

3. The procedural schedule set forth in the Appendix to this Order, which is attached hereto and incorporated herein, shall be followed.

4. a. All requests for information and responses thereto shall be appropriately bound, tabbed, and indexed and the original and six copies shall be filed with the Commission, with copies to all parties of record. Any request for information by letter from the Commission Staff shall be responded to as if set forth in a Commission Order. All responses shall include the name of the witness responsible for responding to questions related to the information provided.

b. Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or an 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.

c. A party 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.

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

5. Any party filing testimony shall file the original and ten copies with the Commission, with copies to all parties of record.

6. Kenergy shall give notice of the hearing in accordance with the provisions set out in 807 KAR 5:011, Section 8(5). At the time publication is requested, Kenergy shall forward a duplicate of the notice and request to the Commission.

7. At any public hearing in this matter, neither opening statements nor summarization of direct testimonies shall be permitted.

8. Any objections or motions relating to discovery or procedural dates shall be filed upon four business days' notice or the filing party shall explain, in writing, why such notice was not possible.

9. Motions for extensions of time with respect to the schedule herein shall be made in writing and will be granted only upon a showing of good cause.

10. Nothing contained herein shall prevent the Commission from entering further Orders in this matter.

By the Commission



ATTEST:

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Case No. 2011-00035

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2011-00035 DATED $\mbox{MAR}\ 1\ 6\ 2011$

All initial requests for information to Kenergy shall be filed no later than03/25/2011
Kenergy shall file responses to initial requests for information no later than04/08/2011
All supplemental requests for information to Kenergy shall be filed no later than
Kenergy shall file responses to supplemental requests for information no later than
Intervenor testimony, if any, in verified prepared form, shall be filed no later than05/19/2011
All requests for information to Intervenors shall be filed no later than
Intervenors shall file responses to requests for information no later than
Kenergy shall file, in verified form, its rebuttal testimony no later than06/28/2011
Last day for Kenergy to publish notice of hearingto be scheduled
Public Hearing to be held in Hearing Room 1 of the Commission's offices at 211 Sower Boulevard, Frankfort, Kentucky, for the purpose of cross-examination of witnesses of Kenergy and Intervenorsto be scheduled
Simultaneous Briefs, if anyto be scheduled

J. Christopher Hopgood Dorsey, King, Gray, Norment & Hopgood 318 Second Street Henderson, KENTUCKY 42420

Honorable Michael L Kurtz Attorney at Law Boehm, Kurtz & Lowry 36 East Seventh Street Suite 1510 Cincinnati, OHIO 45202

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