

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 January 29, 2013, the Commission issued an Order in this proceeding authorizing Kenergy Corp. ("Kenergy") to pass on to its members a wholesale rate adjustment granted to Kenergy's wholesale supplier, Big Rivers Electric Corporation ("Big Rivers"), in Case No. 2011-00036.¹ On the same date, the Commission issued an Order in Case No. 2011-00036 ("Rehearing Order") granting Big Rivers an additional annual increase of \$1,042,535. For the reasons set forth in the Rehearing Order, the Commission granted the additional increase effective for service rendered on and after September 1, 2011, the effective date of the initial increase granted Big Rivers.

In its Rehearing Order, the Commission approved Big Rivers' methodology for recovering the difference between the revenue it collected under the rates in effect since September 1, 2011, and the revenue it would have collected had the rates approved in the Rehearing Order been in effect. In conjunction with this approval, the Commission ordered Big Rivers and Kenergy to submit certain information to the Commission no later than February 8, 2013, indicating how the additional revenue would be recovered from customers. The January 29, 2013 Order in this proceeding stated that, after verification of Kenergy's calculations, the Commission would issue a

¹ Case No. 2011-00036, Application of Big Rivers Electric Corporation for a General Adjustment in Rates (Ky. PSC Jan. 29, 2013).

final Order which would authorize both the amount Kenergy is to collect from its customers and the length of time over which it would collect that amount.

On February 8, 2013, Kenergy submitted a filing which showed that it will be billed the following by Big Rivers related to the retroactive treatment of the additional increase:

Big Rivers Rate Class	Amount
Rural	\$677,363.01
Large Industrial	\$3,830.55
Smelters	\$29,563.68
	<u>\$710,757.24</u>

For Kenergy's non-direct served classes, (those served under Big Rivers' Rural class), Kenergy proposes to divide \$677,363.01 by the actual number of kWh sold to its customers from March 2012 through July 2012. This calculation results in a factor of \$.0015499 per kWh, which Kenergy proposes to bill starting in March 2013. Under Kenergy's proposal, at the end of four months, any over- or under-recovery amount would be used to adjust the per kWh factor for the fifth month. If, after the fifth month, the over- and under-recovery amount is less than 1 percent of \$677,363.01, the recovery factor would terminate. Otherwise, a final charge or credit will be calculated for use in a sixth month, based on the balance to be recovered or credited and the estimated kWh sales to be sold in the sixth month. The factor would terminate thereafter.

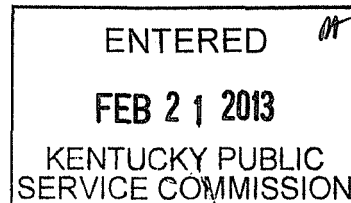
For Kenergy's direct-served classes (those served under Big Rivers' Large Industrial and Smelter classes), Kenergy will bill the exact dollar amount that appears on the wholesale bill prepared by Big Rivers for each customer.

The Commission, after consideration of the evidence of record and being otherwise sufficiently advised, finds that the amounts submitted by Kenergy to be billed to its customers and the time period over which the amounts will be billed should be approved.

IT IS THEREFORE ORDERED that:

1. Kenergy is authorized to bill its customers a total of \$710,757.24 as detailed in its February 8, 2013 filing.
2. Within 20 days of the date of this Order, Kenergy shall file with the Commission, using the Commission's electronic Tariff Filing System, new tariff sheets setting forth the details of the billings approved in ordering paragraph 1 above and reflecting their effective date and that they were authorized by this Order.

By the Commission



ATTEST:


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