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November 14, 2013

RECEIVED  
NOV 15 2013  
PUBLIC SERVICE  
COMMISSION

VIA FEDEX

Mr. Jeff Derouen  
Executive Director  
Kentucky Public Service Commission  
211 Sauer Boulevard  
Frankfort, KY 40601

RE: Case No. 2013-00385

Dear Mr. Derouen:

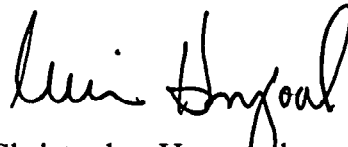
Enclosed for filing are the original and 10 copies of Response of Kenergy Corp. to Motion by Kentucky Industrial Utility Customers, Inc.

Your assistance in this matter is appreciated.

Very truly yours,

DORSEY, GRAY, NORMENT & HOPGOOD

By



J. Christopher Hopgood  
Attorney for Kenergy Corp.

JCH/cds

Encls.

COPY/w/Encls.: Mr. Gregory Starheim

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED  
NOV 15 2013  
PUBLIC SERVICE  
COMMISSION

IN THE MATTER OF NOTICE OF INTENT)  
OF KENERGY CORPORATION TO FILE )  
FLOW-THROUGH RATE APPLICATION )

Case No. 2013-00385

RESPONSE OF KENERGY CORP. TO MOTION BY  
KENTUCKY INDUSTRIAL UTILITY CUSTOMERS, INC.

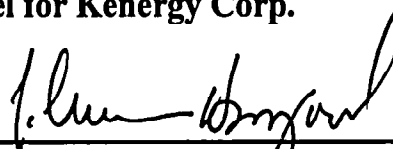
KENERGY CORP. (“Kenergy”), for its response to the motion by KENTUCKY INDUSTRIAL UTILITY CUSTOMERS, INC. (“KIUC”) regarding the reserve funds and rate procedure, states as follows:

1. Kenergy objects to KIUC’s motion regarding the proposed use of the reserve funds in *this* matter. KIUC is a party to the **BIG RIVERS ELECTRIC CORPORATION** (“BREC”) rate case, No. 2013-199. The Commission will determine in that action the fair, just and reasonable use of the reserve funds in light of BREC’s rate increase request. Although Kenergy has not yet filed its application in this matter, Kenergy only seeks to flow through whatever the Commission decides in 2013-199. In this matter Kenergy does not propose to alter the formula for the retail rate from the wholesale rate finding in 2013-199.

2. This should not be a full rate case. Kenergy seeks no increase in the retail rate that is applied to the wholesale rate received from BREC. All the decisions concerning whether BREC’s proposed use of reserve funds is appropriate will be made in

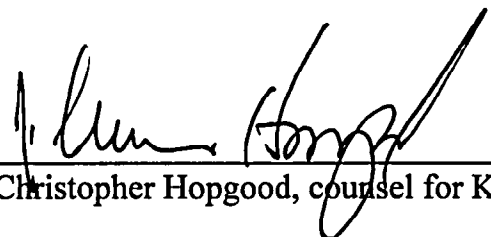
Case No. 2013-199. As such, it would be a waste of time to consider this action as anything but a flow through as Kenergy does not seek to increase its retail margin or alter the rate design on any class in this filing. Whatever the Commission decides in 2013-199, Kenergy simply wants to pass it along proportionately to the retail customer.

**DORSEY, GRAY, NORMENT & HOPGOOD**  
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Counsel for Kenergy Corp.

By   
\_\_\_\_\_  
J. Christopher Hopgood  
[chopgood@dkgnlaw.com](mailto:chopgood@dkgnlaw.com)

I hereby certify that the foregoing was served on Kentucky Utility Industrial Customers, Inc. by mailing a true and correct copy of same, postage prepaid, to its counsel, as follows, on this 14<sup>th</sup> day of November, 2013:

Michael L. Kurtz  
Boehm, Kurtz & Lowry  
36 East Seventh Street, Suite 1510  
Cincinnati, Ohio 45202

  
\_\_\_\_\_  
J. Christopher Hopgood, counsel for Kenergy Corp.