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February 14, 2014

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PUBLIC SERVICE
COMMISSION

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

RE: Case No. 2013-00385

Dear Mr. Derouen:

Enclosed for filing please find Kenergy's response to the Commission's Third Data Request (original plus 8 copies) in the above referenced matter.

Your assistance in this matter is appreciated.

Sincerely,

A handwritten signature in cursive script that reads "Steve Thompson".

Steve Thompson
Vice President - Finance

cc: Office of Attorney General, Utility and Rate Intervention Division
Michael L. Kurtz, Esq., Attorney for KIUC

CASE NO. 2013-00385

VERIFICATION

I verify, state and affirm that the data request responses filed with this verification and for which I am listed as a witness are true and correct to the best of my knowledge, information and belief formed after a reasonable inquiry.




Steve Thompson, Vice President - Finance

STATE OF KENTUCKY

COUNTY OF: DAVIESS

The foregoing was signed, acknowledged and sworn to before me by Steve Thompson, this 14th day of February, 2014.

My commission expires Oct. 16, 2016



Notary Public, State of Kentucky at Large

(seal)



**KENERGY CORP.
RESPONSE TO THE COMMISSION'S
THIRD DATA REQUEST FOR INFORMATION**

CASE NO. 2013-00385

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Item 1) Refer to the response to Item 1 of Commission Staff's Second Request for Information ("Staff's Second Request"). The response states that "Kenergy intends to request a change to the deposit when the MRSM-1 credit runs out, expected around April 2015."

- a. Confirm that the MRSM-1 credit referenced in this response is the credit to offset the fuel adjustment clause and environmental surcharge. If it is not, explain the MRSM-1 reference.
- b. Confirm that MRSM-3 as used in Kenergy's application refers to the credit for the wholesale increase granted to Big Rivers Electric Corporation ("Big Rivers") in Case No. 2013-00199. If it is not, explain the MRSM-3 reference.
- c. State whether the April 2015 date referenced in the response refers to the date that both the MRSM-1 and MRSM-3 credits are expected to expire. If it is not, explain. If the response is yes, state whether the expiration of the MRSM-1 should have been used in Kenergy's calculation of its proposed customer deposit.

Response a) Confirmed.

Response b) Confirmed.

Response c) Yes. Kenergy is proposing a customer deposit of \$251.00 in its application. For full disclosure, Kenergy calculated the deposit before and after the accelerated MRSM and RER credit. The deposit amount using the expiration of the MRSM-1 and MRSM-3 credits is \$355.00.

Witness) Steve Thompson



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2 **Item 2)** Refer to Kenergy's response to Item 4 of Staff's Second Request. The response states
3 that the Alcoa Castings customer is a dedicated delivery point customer. Confirm that "dedicated
4 delivery point" means that the customer is served directly from Big Rivers' transmission line. If it is
5 not, explain the reference.

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7 **Response)** Confirmed.

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9 **Witness)** Steve Thompson

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Item 3) Refer to the proposed tariff filed as Exhibit 3 of Kenergy's application, Fourth Revised Sheet No. 33, which is Schedule 33 – Smelter Customers Served Under Special Contracts – Class A, and page 13 of the Joint Post-Hearing Brief of Kenergy Corp. and Big Rivers in Case No. 2013-00413.

a. State whether Kenergy believes the Hawesville smelter to be a customer of Kenergy. If the response is no, explain why Kenergy is proposing to modify Schedule 33 to reference the new smelter contracts rather than proposing to delete Schedule 33.

b. At the top of page 13 of the Joint Post-Hearing Brief, it states:

...certain rights and obligations of the parties under the 2009 smelter agreements, such as settlement of payment obligations, expressly survive the contract terminations. As a result, withdrawal of, or revision to, the smelter tariff at this time could result in abrogation of any recourse against Century for noncompliance with those portions of the parties obligations that survive termination of the smelter agreements. Consequently, the Commission should not require withdrawal or modification of the smelter tariff at this time.

Given those remarks, explain why Kenergy proposes to delete reference to the 2009 smelter agreements in Schedule 33 of its tariff in this proceeding.

Response a) Yes, Kenergy believes the Hawesville smelter is a customer.

Response b) Kenergy is proposing to leave Schedule 33 in place as is. The Schedule 33 filed under Exhibit 3 in the application should have been numbered as Original Sheet 33A.

Witness) Steve Thompson



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Item 4) Refer to the response to Item 7.a. of Commission Staff's Second Request. The response states, "The monthly wholesale power bill from Big Rivers will provide separately the amounts from the reserve funds for offsetting their base rate increase and that apply as the offset to FAC and ES charges." State whether this is an assumption by Kenergy or whether Big Rivers has indicated to Kenergy that it will show the amounts separately on the power bill.

Response) The proposed Big Rivers tariff sheet numbers 65 (MRSM Mechanism) and number 70 (RER Rider) have included a new line item "plus the total dollar amounts of any base rate increase awarded by the Commission in Case No. 2013-00199". Similar to the other items shown in the calculation (FAC, ES, Surcredit, Rebate), which are shown as a separate line on the wholesale power bill, the base rate credit is also required by the tariff to be shown as a separate line item.

Witness) Steve Thompson



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2 **Item 5)** Refer to page 8 of the Direct Testimony of Jack Gaines filed with the application.

3 Starting at line 3, Mr. Gaines states that Kenergy serves 20 Class B and Class C Direct Served

4 customers.

5 a. Confirm that the number is 20 customers.

6 b. Confirm that the term "direct-served" means that the customers are served directly from

7 Big Rivers' transmission line. If it is not, explain the reference.

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9 **Response a)** Confirmed.

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11 **Response b)** Confirmed.

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13 **Witness)** Steve Thompson

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