

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

REQUEST OF KENERGY CORP. FOR APPROVAL	)	
TO ESTABLISH A REGULATORY ASSET IN THE	)	CASE NO.
AMOUNT OF \$3,887,717 AMORTIZED OVER A	)	2015-00141
TEN (10) YEAR PERIOD	)	

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

Kenergy Corp. ("Kenergy"), pursuant to 807 KAR 5:001, 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 within ten days of 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, Kenergy 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. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations. When filing a document containing personal information, Kenergy shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the document so that personal information cannot be read.

1. Refer to Case No. 2014-00376, Kenergy's recent application for a Certificate of Public Convenience and Necessity to purchase and install an Advanced Metering Infrastructure ("AMI") System, and the Commission's Order approving Kenergy's request,<sup>1</sup> as well as Kenergy's March 11, 2015 letter to Victor Vu of the Rural Utilities Service ("RUS") filed as page 3 of the application in this proceeding.

a. Confirm that Kenergy still plans to replace all of its electro-mechanical meters currently in use.

b. What is the date for the balances contained in Account 370.0 Meters and Account 108.6 Accumulated Depreciation as referenced in the letter to RUS?

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<sup>1</sup> Case No. 2014-00376, *Application of Kenergy Corp. for an Order Issuing a Certificate of Convenience and Necessity to Install an Automated Metering and Infrastructure System* (Ky. PSC Feb. 24, 2015).

c. The letter to RUS shows accumulated depreciation of approximately 12 percent for the mechanical meters (\$525,127/\$4,409,844). Provide the remaining useful life of the mechanical meters being retired.

d. Provide Kenergy's plans for the retired mechanical meters.

e. Confirm that Kenergy still plans to purchase and install 56,000 single- and three-phase meters as replacement meters.

2. By type, provide the original depreciable life of each type of meter on Kenergy's system, including the AMI meters to be installed.

3. Refer to the letter filed as page 1 of the application, which states that Kenergy is requesting to establish a regulatory asset to write off mechanical meters and amortize the regulatory asset over ten years. Explain why Kenergy chose ten years as the proposed amortization period for the extraordinary property loss of \$3,884,717 associated with the retirement of meters. Include in the response whether a shorter or longer amortization period was considered and if so, why it was rejected.

4. Explain in detail the impact Kenergy expects the deferral to have on its financial statements.

5. By what date is Kenergy requesting that an Order be issued in this proceeding?



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Jeff Derouen  
Executive Director  
Public Service Commission  
P.O. Box 615  
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DATED     **JUN 05 2015**    

cc: Parties of Record

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