

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF KENERGY CORP. FOR) CASE NO.
A GENERAL ADJUSTMENT IN RATES) 2015-00312

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

Kenergy Corp. ("Kenergy"), pursuant to 807 KAR 5:001, is to file with the Commission the original in paper medium and an electronic version of the following information. The information requested herein is due on or before March 28, 2016. Responses to requests for information in paper medium 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 the 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 responses 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, it shall

provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall 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 filing a paper containing personal information, Kenergy shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Refer to Kenergy's response to Commission Staff's First Request for Information ("Staff's First Request"), Item 8.a.

a. For Account 136000 – Temporary Cash Investments, explain why the balance increased from \$1,674,970.56 in May 2015 to \$6,547,046.72 in June 2015, and provide the offsetting account(s).

b. The balance in Account 144102 – Unclaimed Consumer Advance Payments, appears not to have changed in two years. If the account was to be cleared, explain what account(s) would be credited.

c. Explain the December 2015 transaction involving Account 237410 – Acc Int Expense – 4 Yr Rev Guarantees and provide the offsetting-account(s).

d. For the following accounts, describe the transactions in the balance of the account, provide the offsetting account(s), and if the account was to be cleared, provide the account(s) that would be charged.

(1) Account 142000 – Acc Rec – Clearing for Cust Refunds

(2) Account 144100 – Acc Prov – Uncoll Accts Bankruptcy

- (3) Account 144101 – Unclaimed Consumer Deposits
- (4) Account 144111 – Acc Prov for Uncoll - Collect Fees
- (5) Account 154999 – Material – Uninvoiced
- (6) Account 253000 – Advance Joint-Use Rental
- (7) Account 253200 – Other Deferred Credits – BREC – Eco

Dev.

2. Refer to Kenergy's response to Commission Staff's Third Request for Information ("Staff's Third Request"), Item 1.a. Explain why the number of meters removed from the books in the test year was much larger than in previous years.

3. Refer to Kenergy's response to Staff's Third Request, Item 1.b.

a. Explain why the physical removal of meters doesn't coincide with the year that meters are removed from the books.

b. Provide the actual and standard labor amounts to remove meters. If the rates are different, explain why that is the case.

c. Provide the calculations showing how the standard rate was developed.

4. Refer to Kenergy's response to Staff's Third Request, Item 2.

a. Provide the actual cost incurred for National Information Solutions Cooperative to process the September 2015 refund of capital credits. Provide a copy of the invoice for the service supporting the 2015 expense, and indicate the amount allocated to Big Rivers.

b. Explain why Kenergy chose to base its adjustment on the cost for the previous year, rather than using the most recent cost incurred.

c. Provide the month in which Kenergy recorded the June 30, 2014 invoice from National Information Solutions Cooperative.

5. Refer to Kenergy's response to Staff's Third Request, Item 6.i.

a. On page 21, amounts are indicated for \$67.92 and \$261.68 which appear to be an allocation of expenses for David Hamilton. Explain why these amounts should be included for ratemaking purposes.

b. Refer to page 22 of the response.

(1) Provide a detailed schedule of the total cost of the strategic planning meeting by attendee, indicating any costs that Kenergy has removed for ratemaking purposes. Include the accounts to which the meeting costs were charged.

(2) Explain Kenergy's rationale for holding the strategic planning meeting in Louisville rather than an offsite location closer to Kenergy's offices in the Henderson or Owensboro area, thereby minimizing travel and overnight stay expenses.

c. Refer to page 34 of the response. The information provided is a copy of an e-mail exchange that has the right portion cut off. Provide a copy of the complete e-mail message.

d. Refer to pages 34 and 45 of the response. Confirm that all expenses related to board members' spouses attending the KAEC annual meeting or strategic planning meeting in Louisville have been removed for ratemaking purposes. If this cannot be confirmed, provide an explanation for their inclusion.

e. Refer to pages 64–74 of the response. Explain whether the general purpose of this conference was primarily for training purposes or a general

business conference. Provide any documentation or agenda for the conference, if available.

6. Refer to Kenergy's response to Staff's Third Request, Item 6.k. Describe in detail the topic of Mr. Sheldon Peterson's presentation and why it should be considered as continuing-education expense.

7. Refer to Kenergy's response to Staff's Third Request, Item 6.l.

a. Confirm that Kenergy paid Survey & Ballot Systems, Inc. in advance for the 2015 board of directors' election, as evidenced by their invoice dated September 30, 2014, attached to the response.

b. Explain whether Kenergy has paid Survey & Ballot Systems, Inc. subsequent to the September 30, 2014 billing. Provide copies of all invoices paid and explain the purpose of the invoice and payment.

c. Explain why it is reasonable for Kenergy to include \$5,688 in test-year expense for administration of the board of directors' election if an election was not held.

8. Refer to Kenergy's Application, Exhibit 5A, page 9c.

a. Describe the factors that in general contributed to the increase in Substation Maintenance expenses when compared to the years 2010-2014, resulting in Kenergy's decision to base its adjustment on a five-year average.

b. Explain the annual change in labor and overhead expense from 2010 to the test year.

c. Explain the annual change in the remaining expense from 2010 to the test year.

9. Refer to Kenergy's response to Staff's Second Request, Item 3, Excel file "PSC 2 Item 3 – 930 all accounts transaction detail test year.xlsx," Tab "930.210detail." In the format submitted, provide a summary schedule showing all expenses by director and indicating the expenses excluded for ratemaking purposes.



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DATED **MAR 21 2016**

cc: Parties of Record

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