

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF KENERGY)	
CORP. FOR APPROVAL OF A PREPAID)	CASE NO.
METERING TARIFF)	2017-00161

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 an original in paper medium and an electronic version of the following information. The information requested herein is due within 14 days of this request. 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 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, it 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 paper so that personal information cannot be read.

1. Refer to the Application, Exhibit A, the Testimony of Steve Thompson ("Thompson Testimony"), page 2, line 14. Kenergy states that payment can be made by most methods used by post-pay members. Provide all methods of payment accepted by Kenergy and note those accepted by prepay.

2. Refer to the Thompson Testimony, page 2, line 20. Provide the established threshold at which an automated message will be sent and explain why this threshold was chosen.

3. Refer to the Application, Exhibit A, Attachment A.

- a. Explain why the estimated total percentage of members participating in prepay was calculated as 3 percent of Kenergy's current residential customers.

b. Given that single-phase commercial customers are allowed to participate in the prepay program, explain why no customers from this class were included in the estimate of members participating in the prepay program.

4. Refer to the Thompson Testimony, page 3, Table A.

a. Confirm that the remote switch is not currently included in Kenergy's AMI meter and must be purchased and installed separately.

b. Explain why Kenergy has purchased and capitalized 6,630 switches when it estimates only 1,384 participants.

5. Refer to the Thompson Testimony, page 3, Table B and Attachment E.

a. Explain why Kenergy believes 35 percent is a conservative estimate.

b. Provide the data Kenergy collected regarding the bad-debt reduction.

c. A reduction in bad-debt expenses has not been a component in other prepay program cost justifications. Explain why Kenergy believes it is appropriate to use here.

6. Refer to the Thompson Testimony, pages 3–4, Table C. Explain why Kenergy estimates that 30 percent of enrolled prepay members will pay in person.

7. Refer to the Application, Exhibit B.

a. Refer to page 1 of 5, Item 4 of Terms and Conditions. Explain whether texting services is mandatory to participate. If it is, explain why a member cannot participate and receive notification through e-mail.

b. Refer to page 2 of 5, Item 8. Explain whether single-phase commercial customers are subject to a minimum purchase of \$25 or a higher minimum purchase.

8. Refer to the Application, Exhibit C. The member agreement does not have the prepay balance threshold that triggers an automated message. Provide the amount and explain how the member will be made aware of this amount.

a. Explain whether the lost energy revenues, lost connection and reconnection revenues, and lost late-fee revenue should be included in the monthly prepay expense calculation.

b. If Kenergy agrees that the items in Item 8.a. should be included in the monthly prepay expense, provide an update of Tables A, B, and C of the Application.

c. If Kenergy does not agree that the above-mentioned items should be included in the monthly prepay expense calculation, provide an explanation why these revenues should be excluded, yet the reduction of bad-debt expense is included.

9. Explain whether it is Kenergy's intent to move new customers towards a Prepay Program, given that there is no fee associated with it and no deposit criteria.

10. Explain whether Kenergy's software will permit a separate transaction fee.

DATED MAY 25 2017

cc: Parties of Record



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