

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF KENERGY	)	CASE NO.
CORP. FOR A GENERAL ADJUSTMENT OF	)	2023-00276
RATES	)	

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

Kenergy Corp. (Kenergy), pursuant to 807 KAR 5:001, shall file with the Commission an electronic version of the following information. The information requested is due on December 15, 2023. The Commission directs Kenergy to the Commission's July 22, 2021 Order in Case No. 2020-00085<sup>1</sup> regarding filings with the Commission. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked.

Each response shall include the question to which the response is made and 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

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<sup>1</sup> Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC July 22, 2021), Order (in which the Commission ordered that for case filings made on and after March 16, 2020, filers are NOT required to file the original physical copies of the filings required by 807 KAR 5:001, Section 8).

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 Kenergy obtains information that indicates the response was incorrect or incomplete when made or, though correct or complete when made, is now incorrect or incomplete 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 shall be given to copied and scanned 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 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 the Application, Exhibit 4, page 31 of 35. Explain why Kenergy is removing the option for customers to pay one-half of their deposit prior to providing service and making installments for the remaining half over a period not to exceed the first two normal billing periods.

2. Refer to the Application, Exhibit 4, page 32 of 35. Provide support for the increased deposit amount of \$366.

3. Refer to the Direct Testimony of John Wolfram (Wolfram Direct Testimony), page 17, lines 8–15.

a. Explain whether Kenergy evaluated any other methodology for the classification of distribution system costs. If so, explain why the other methodology was not used.

b. Explain whether Kenergy identifies that the demand for electricity in the residential class are less elastic than the small and large commercial classes.

c. Explain in detail how Kenergy is demonstrating true cost causation by its proposed assigning of costs.

d. Explain why distribution system costs could not be classified as less than 100 percent demand related.

4. Refer to the Wolfram Direct Testimony, pages 18–19, lines 21–14. Considering Kenergy is using the 12 coincident peak (CP) methodology for the cost of service study, explain what efforts or programs Kenergy plans to utilize to reduce the residential customers' 12 CP demand.

5. Refer to PSC1\_Request54\_COS\_FEB2023\_FILED.xlsx.xlsx, tab ZeroInt, Account 368 – Line Transformers.

a. Explain, which of the line transformers listed have been fully depreciated, if any.

b. Explain how Kenergy procures the line transformers to meet customers' demands. Include in the response whether either Kenergy, East Kentucky Power Cooperative, Inc. (EKPC), or a third-party procures them and distributes them on an as needed basis.

c. Explain how Kenergy finances the line transformers.

6. Refer to the Application, Exhibit 10, Exhibit JW-2, pages 14 and 20. Identify the amount of life insurance premiums over \$50,000 or for a spouse. Confirm that the entire amount should be removed from the test year. If this cannot be confirmed, explain.

7. Refer to Kenergy's response to Commission Staff's Second Request for Information (Staff's Second Request), Item 2. Kenergy states that it has not received any credits from Big Rivers Electric Corporation (BREC) under the Rural Economic Reserve Adjustment Rider (RER Rider) since late 2016 and that it is Kenergy's understanding that BREC will request the removal of its RER Rider when it files its next general rate application. Prior to BREC filing to remove the RER Rider from its tariff, explain whether there is any possibility that Kenergy will receive credits from BREC under the RER Rider. If not, explain why not.

8. Refer to Kenergy's response to Staff's Second Request, Item 3. Kenergy states that some of its members on the current budget billing payment plan struggle to pay the annual true-up when they owe a significant amount. For calendar year 2022 and 2023 to date, provide the number of complaints Kenergy has received from budget bill customers struggling to pay their annual true-up and explain the nature of the complaints.

9. Refer to Kenergy's response to Staff's Second Request, Item 7. Explain which expense categories are allocated to direct-serve customers and the basis used for each account allocation. Include in the response a brief description of items included in the expense category.

10. Refer to Kenergy's response to Staff's Second Request, Item 8, and the Application, Exhibit 10, page 13.

a. Explain why general plant depreciation expense is adjusted based on a capitalization ratio.

b. Provide the total and direct serve general plant allocation.

11. Refer to Kenergy's response to Staff's Second Request, Item 12. Explain the use of the funds Kenergy withdrew from the Rural Utilities Service cushion of credit in September 2022.

12. Refer to Kenergy's response to Staff's Second Request, Item 16. Provide a schedule showing only the System Average Interruption Duration, System Average Interruption Frequency, Customer Average Interruption Frequency, Customer Average Interruption Duration, and Customer Minutes of Interruption for 2016 to the most recent available data for 2023. Also provide the total outage minutes and the outage minutes caused by right-of-way vegetation.



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DATED NOV 30 2023

cc: Parties of Record

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