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March 9, 2006

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**RECEIVED**

**MAR 10 2006**

**PUBLIC SERVICE  
COMMISSION**

Ms. Elizabeth O'Donnell  
Public Service Commission  
211 Sower Boulevard  
Frankfort, Kentucky 40601

Re: Case No. 2006-00075; response of Kenergy  
Corp. to March 7, 2006, letter on behalf  
Salmon Family Farms, LLC

Dear Ms. O'Donnell:

This letter is on behalf of applicant Kenergy Corp. ("Kenergy") and is in response to the March 7, 2006, letter from Attorney Daniel N. Thomas on behalf of his client, Salmon Family Farms, LLC that has been forwarded to the Commission for filing in the above case.

The letter contains numerous inaccurate statements about the underlying facts. As stated in the application, Kenergy will not be involved in the assignment of the Kentucky Utilities Company ("KU") pole line or in providing power from the customer's substation to the construction site. In fact, Kenergy desires to reduce its power to the construction site in order to eliminate a disturbance problem. The clarification of these facts perhaps is not essential to Kenergy's argument below that the Objection should be overruled or denied, but Kenergy wanted to straighten the record on these points.

The Commission should not get involved in determining the validity or assignability of a right-of-way easement. This is for the courts to decide.

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Pursuant to KRS 278.040 the Commission regulates specified utilities (which includes Kenergy and KU) and is directed to enforce the provisions of KRS Chapter 278. KRS Chapter 278 contains the Kentucky certified territory law in KRS 278.016-.018, and it is Kenergy's belief that this law comes into play under the proposed temporary service arrangement that the Commission is being requested to approve.

There is nothing in the Kentucky certified territory law that even suggests that the Commission should determine the validity or assignability of a right-of-way easement. The Commission regulates service territories and enforces territory boundaries, but the utilities have to assure that there is an appropriate property right before entering upon the land.

Kenergy has a serious disturbance problem that it needs to eliminate promptly. A sensible plan has been developed in which Kenergy can accomplish this and the customer's construction will not be impeded so that it can be completed by the end of August 2006. After completion, the pole line in question will not be used for service to the former construction site but will be removed and disposed of, and Kenergy solely will provide permanent service for the installed fan.

The letter on behalf of Salmon Family Farms, LLC does not allege any relevant facts or give any tenable reasons why Kenergy's application should not be approved, and the Objection should be overruled or denied. Kenergy reiterates that the Commission should expedite review of its application and approve the Letter of Agreement and the temporary service arrangement set forth therein.

Your assistance in this matter is appreciated.

Very truly yours,

DORSEY, KING, GRAY, NORMENT & HOPGOOD

By

  
Frank N. King, Jr.

FNKJr/cds

COPY: Hon. Daniel N. Thomas  
Hon. J. Gregory Cornett  
Hon. A. W. Turner