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November 5, 2008

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NOV 7 2008

PUBLIC SERVICE  
COMMISSION

Ms. Stephanie Stumbo  
Kentucky Public Service Commission  
Post Office Box 615  
Frankfort, KY 40602

Re: Case No. 2008-00323

Dear Ms. Stumbo:

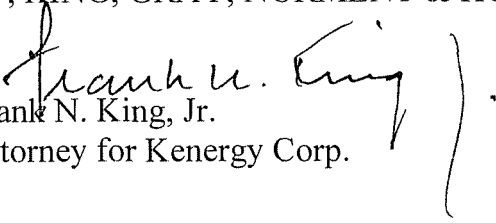
Enclosed for filing please find the original and six (6) copies of motion of Kenergy Corp. regarding the furnishing of Metal Halide lights. This motion has been discussed with Staff Counsel Quang Nguyen and a copy is being sent directly to him.

Your assistance in this matter is appreciated.

Very truly yours,

DORSEY, KING, GRAY, NORMENT & HOPGOOD

By

  
Frank N. King, Jr.  
Attorney for Kenergy Corp.

FNKJr/cds

COPY/w/encls: Attorney General of Kentucky, Office of Rate Intervention  
Hon. Michael J. Kurtz, counsel for Industrial Utility  
Customers, Inc.  
Hon. Quang Nguyen, PSC Staff Counsel  
Kenergy Corp.

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED  
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PUBLIC SERVICE  
COMMISSION

In the Matter of: )  
THE APPLICATION OF KENERGY CORP. ) CASE NO. 2008-00323  
FOR AN ADJUSTMENT IN EXISTING RATES )

MOTION OF KENERGY CORP. REGARDING  
THE FURNISHING OF METAL HALIDE LIGHTS

Now comes applicant KENERGY CORP., by counsel, and states as follows:

INTRODUCTION

Kenergy Corp. (“Kenergy”) presently furnishes Mercury Vapor lights to customers under tariff Schedule 11—Individual Customer Lighting and tariff Schedule 12—Street Lighting. These schedules do not provide for the furnishing of Metal Halide lights. In the instant case Kenergy proposes to replace these schedules with Schedule 15—Private Outdoor Lighting and Schedule 16—Street Lighting Service, respectively. See Exhibit 3B of Application. Both Mercury Vapor lights and Metal Halide lights are included in the types of lights under which service may be provided pursuant to these proposed schedules. Kenergy is including Metal Halide lights under the two (2) proposed schedules because the Federal Energy Policy Act of 2005 banned the marketing and sale of Mercury Vapor lights as of January 1, 2008. Under this law Kenergy may

continue furnishing Mercury Vapor lights until its inventory is depleted but may not purchase these lights for replenishing its inventory.

To accommodate present tariff Schedules 11 and 12 Kenergy has maintained an inventory of Mercury Vapor lights in three (3) sizes. Kenergy's present inventory of Mercury Vapor lights is low. Currently it has no lights in two (2) of the sizes and only enough inventory of the third size to last until mid January 2009, which will be before the Commission's final order in this case, expected to be handed down the first part of March 2009.

The purpose of this filing is to obtain permission from the Commission to accelerate the time that Kenergy may begin furnishing Metal Halide lights pursuant to the terms of proposed Schedules 15 and 16.

#### MOTION

Kenergy moves the Commission that it be permitted to begin furnishing Metal Halide lights pursuant to the terms of proposed Schedules 15 and 16. In support of this motion Kenergy states:

- (i) As of the end of 2007 Kenergy's customers had been furnished and were using Mercury Vapor lights under existing Schedules 11 and 12 as follows: 175W—11,565; 250W—202; and 400W—598. See Application Exhibit 9, page 6, lines 6—8, Column c. As of October 23, 2008, Kenergy had the following inventory of Mercury Vapor lights: 175W—212; 250W—0; and 400W—0. In the past Kenergy has furnished approximately 50 175W Mercury Vapor lights monthly. However, Kenergy now uses

ballasts from its inventory packages to replace defective ballasts in 175W Mercury Vapor lights already in operation, so Kenergy does not have 212 complete 175W Mercury Vapor lights, with ballasts, to furnish. Kenergy now projects that complete sets of 175W Mercury Vapor lights will be depleted by mid January 2009. At that time Kenergy will have no Mercury Vapor lights to furnish customers.

(ii). Kenergy has filed a Cost of Service Study as Exhibit 14 to the Application in this case. Metal Halide lights for individuals and street lighting are included in the analysis set forth on page 169 of Exhibit 14. Accelerating the implementation of proposed tariff Schedules 15 and 16, as requested herein, will be so inconsequential on the test year Cost of Service Study that the effect is not measurable. See attached Verification of Rate Analyst Jack D. Gaines.

In connection with this motion Kenergy requests that the Commission permit deviations from 807 KAR 5:011 and other applicable law so that advance notice to the Commission and the public regarding Kenergy's request herein will not be required, and Kenergy may begin furnishing Metal Halide lights pursuant to the terms of proposed tariff Schedules 15 and 16 immediately.

Kenergy hereby represents to the Commission that it plans to entirely deplete its inventory of 175W Mercury Vapor lights before Metal Halide lights will be used in lieu thereof.

Verifications in support of this motion of Kenergy's Vice President of Accounting and Finance, Steve Thompson, and Rate Analyst Jack D. Gaines are attached hereto.

Counsel for intervenors Kentucky Industrial Utility Customers ("KIUC") and Attorney General of Kentucky ("AG") have been advised of this motion and have responded to the undersigned as follows: KIUC—does not take a position and will not file a response; AG—no objection.

**WHEREFORE**, Kenergy moves as follows:

1. That it be permitted to furnish Metal Halide lights pursuant to the terms of proposed tariff Schedules 15 and 16 immediately.
2. That deviations be permitted so that notice to the Commission and the public will not be required and Kenergy may begin furnishing Metal Halide lights as set forth above; and
3. That Kenergy be afforded all proper relief.

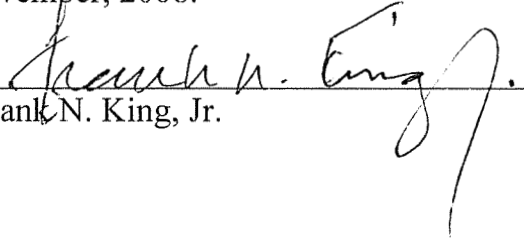
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Attorneys for Kenergy Corp.

By \_\_\_\_\_

  
**FRANK N. KING, JR.**

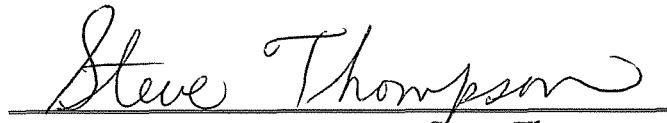
I hereby certify that the foregoing has been served upon the Attorney General of Kentucky, Office of Rate Intervention, 1024 Capital Center Drive, Frankfort, Kentucky 40601, and Michael L Kurtz, Esq., Boehm, Kurtz &

Lowry, 36 East Seventh Street, Suite 2110, Cincinnati, Ohio 45202, by mailing a true and correct copy of same on this 5<sup>th</sup> day of November, 2008.

  
Frank N. King, Jr.

**VERIFICATION**

I hereby verify that the information set forth in the foregoing motion is true and correct to the best of my knowledge and belief. My verification regarding the contents of paragraph (ii) on page 3 in support of the motion is based on the separate verification of rate analyst Jack D. Gaines, attached hereto.



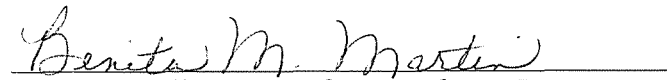
Steve Thompson,  
Vice President, Accounting and Finance, Kenergy Corp.

STATE OF KENTUCKY

COUNTY OF   Daviess  

The foregoing was signed, acknowledged and sworn to before me by STEVE THOMPSON, Vice President, Accounting and Finance, Kenergy Corp., this   30th   day of   October  , 2008.

My commission expires   October 16, 2012  

  
Notary Public, State of Kentucky at Large

(seal)

VERIFICATION

I prepared the Cost of Service Study that is Exhibit 14 to the Application in this case. I hereby verify that the information set forth in paragraph (ii) on page 3 of Kenergy Corp.'s motion regarding the furnishing of Metal Halide lights is true and correct to the best of my knowledge and belief.

Jack D. Gaines  
Jack D. Gaines

STATE OF GEORGIA

COUNTY OF DeKalb

The foregoing was signed, acknowledged and sworn to before me by JACK D. GAINES this 30 day of October, 2008.

My commission expires 9/25/11

Sandra Koff  
Notary Public,

