

**KENERGY CORP.
RESPONSE TO THE COMMISSION'S
DATA REQUEST FOR INFORMATION**

RECEIVED

MAR 11 2009

PUBLIC SERVICE
COMMISSION

CASE NO. 2009-00071

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Item 1) Kenergy's February 18, 2009 letter to the Commission states that, initially, approximately 42,000 of its 55,000 customers were without power due to the ice storms of the last week of January 2009. The letter also states that Kenergy does not have the ability to determine how long any one customer was without power.

a. Explain whether Kenergy has the capability to readily determine which customers did not lose power due to the ice storms of the last week of January 2009.

b. If the answer to part a. of the response is yes, provide the number of non-direct serve customers that did not lose power due to the ice storms.

Response) a. Kenergy cannot readily identify each customer that did not lose power during the ice storm. However, the number of customers that did not lose power can be determined.

b. The total number of Kenergy non-direct served customers that did not lose power during the ice storm is 4,789.

Witness) Gerald Ford

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Item 2) Direct serve customers, who receive service directly from the transmission system of Kenergy's wholesale power supplier, are not to receive the proposed one-time reduction in customer charges.

a. Explain whether any Kenergy direct serve customer lost power at any time due to the ice storms of the last week of January. If no direct serve customer lost power, explain if this is why they will not receive the customer charge reduction that is planned for the non-direct serve customers.

b. If the response to part a. of this request does not do so, explain why direct serve customers will not receive a reduction in their customer charges under Kenergy's proposal.

Response) a. See Item 2, page 2 of 2 for the above referenced information.

b. Based on the calculation on page 2 of 2, Kenergy has no objection to these customers receiving a credit on their March bill for the amount shown in column h.

Witness) Steve Thompson

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ITEM 2A

Line No.	(a)	Report of Kenergy direct served outage time					(e)	(f)	(g)	(h)
		(b) Outage hours	(c) Outage Min.	(d) Equivalent hours	Total Hrs January	outage hrs./ Jan. hrs.				
1	Big Run Mine	105	8	105.13	744	14.13%	\$ 100	\$ 14		
2	Hudson(Tyson)	30	2	30.03	744	4.04%	\$ 100	\$ 4		
3	KBI	30	18	30.30	744	4.07%	\$ 100	\$ 4		
4	Kimberly Clark	9	16	9.27	744	1.25%	\$ 1,028	\$ 13		
5	KMMC	68	2	68.03	744	9.14%	\$ 100	\$ 9		
6	Midway Mine	105	8	105.13	744	14.13%	\$ 100	\$ 14		
7	Patriot Mine	54	43	54.72	744	7.35%	\$ 100	\$ 7		
8	Riverport(Valley Grain)	23	43	23.72	744	3.19%	\$ 100	\$ 3		
9	Smith Coal	39	45	39.75	744	5.34%	\$ 100	\$ 5		
10	Steamport	110	4	110.07	744	14.79%	\$ 100	\$ 15		
11	Webster Co. Coal(Dotiki #3)	39	45	39.75	744	5.34%	\$ 100	\$ 5		

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Item 3) Provide an estimate of the total lost sales in kilowatt hours and total lost revenue experienced by Kenergy as a result of the prolonged outages due to the ice storm.

Response) See Item 3, page 2 of 3, line 31, columns c and e, for the above referenced information.

Witness) John Newland

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 ITEMS 3 AND 4

	(a)			(b)			(c)			(d)			(e)		(f)	(g)	(h)	(i)
	Date	High	Low	High	Low	Avg	Comparable Date	High	Low	Avg	Temperature	Variance	MWH Purchased	Estimated Potential MWH Purchases from Comp. Date				
1	1/27/2009	31	23	27.0	33	20	1/8/2009	33	20	26.5	0.5	3,089,835	3,913,476	823,641	-21.0%			
2	1/28/2009	31	20	25.5	33	20	1/8/2009	33	20	26.5	-1.0	271,761	3,913,476	3,641,715	-93.1%			
3	1/29/2009	30	21	25.5	33	20	1/8/2009	33	20	26.5	-1.0	587,340	3,913,476	3,326,136	-85.0%			
4	1/30/2009	31	14	22.5	30	15	1/19/2008	30	15	22.5	0.0	734,982	4,764,641	4,029,659	-84.6%			
5	1/31/2009	39	8	23.5	30	15	1/24/2009	30	15	22.5	1.0	1,060,275	4,273,350	3,213,076	-75.2%			
6	January Totals																	
7	5,744,191																	
8	20,778,419																	
9	2/1/2009	51	32	41.5	51	31	1/10/2009	51	31	41.0	0.5	1,444,986	3,561,932	2,116,946	-59.4%			
10	2/2/2009	40	23	31.5	38	21	1/16/2008	38	21	29.5	2.0	1,960,896	4,220,472	2,259,576	-53.5%			
11	2/3/2009	29	11	20.0	28	8	1/24/2008	28	8	18.0	2.0	2,681,666	5,062,898	2,381,232	-47.0%			
12	2/4/2009	19	8	13.5	22	5	12/22/2008	22	5	13.5	0.0	2,955,038	5,336,967	2,381,929	-44.6%			
13	2/5/2009	35	6	20.5	29	6	1/25/2008	29	6	17.5	3.0	2,944,052	5,053,705	2,109,653	-41.7%			
14	2/6/2009	56	31	43.5	53	30	12/8/2008	53	30	41.5	2.0	2,397,053	3,832,034	1,434,981	-37.4%			
15	2/7/2009	63	49	56.0	65	52	1/6/2008	65	52	58.5	-2.5	2,098,341	2,744,062	645,721	-23.5%			
16	2/8/2009	58	39	48.5	59	42	12/14/2008	59	42	50.5	-2.0	2,011,182	3,511,106	1,499,924	-42.7%			
17	2/9/2009	70	40	55.0	67	46	2/26/2009	67	46	56.5	-1.5	2,283,062	2,654,375	371,313	-14.0%			
18	2/10/2009	63	54	58.5	67	46	2/26/2009	67	46	56.5	2.0	2,398,427	2,654,375	255,948	-9.6%			
19	2/11/2009	64	43	53.5	64	43	1/8/2008	64	43	53.5	0.0	2,540,378	2,649,256	108,878	-4.1%			
20	2/12/2009	56	33	44.5	58	35	2/6/2008	58	35	46.5	-2.0	2,826,607	3,362,379	535,772	-15.9%			
21	2/13/2009	49	31	40.0	48	31	2/8/2008	48	31	39.5	0.5	3,093,325	3,547,610	454,286	-12.8%			
22	2/14/2009	43	30	36.5	42	26	2/16/2008	42	26	34.0	2.5	3,276,428	3,324,014	47,587	-1.4%			
23	2/15/2009	43	26	34.5	42	24	1/13/2008	42	24	33.0	1.5	3,521,373	3,766,400	245,027	-6.5%			
24	2/16/2009	41	24	32.5	44	22	1/4/2008	44	22	33.0	-0.5	3,809,751	4,264,775	455,024	-10.7%			
25	2/17/2009	46	21	33.5	44	21	12/23/2008	44	21	32.5	1.0	3,842,794	4,711,015	868,221	-18.4%			
26	2/18/2009	63	34	48.5	64	35	12/19/2008	64	35	49.5	-1.0	3,017,907	3,102,575	84,668	-2.7%			
27																		
28	February Totals																	
28	49,103,266																	
28	67,359,950																	
29	Estimated Lost KWH Purchased																	
29	33,290,911																	
29	Rate																	
29	0.0204																	
29	Dollars																	
29	\$ 679,135																	
30	Times 2008 Line Loss Factor																	
30	0.9529																	
31	Estimated Lost KWH Sold																	
31	31,722,909																	
31	Rate																	
31	0.0674																	
31	Dollars																	
31	\$ 2,136,538																	

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KW Demand Impact Due to the Ice Storm

1 January was not affected by the ice storm. An all-time rural system peak occurred on the 16th at 282.7 MW.
 2 The temperatures during the ice storm were somewhat warmer. February's peak demand was impacted by
 3 the ice storm. February 3rd and 4th were both cold and windy. The 4th recorded a max. temp of 19 and a
 4 low of 8 degrees. Based upon historical data (December 2008, 32 degree high, 7 degree low, 259.2 MW) an
 5 estimate of 260 MW would be a conservative guess.

6 (a)	7 (b)	8 (c)	9 (d)
Feb-09	kW Demand	Rate	Demand Charge
8 Actual Demand	217,738	7.37	\$ 1,604,732
9 Estimated Demand	260,000	7.37	\$ 1,916,200
10			
11		Difference	\$ (311,468)
12			

13 **Note: It is difficult, if not impossible, to estimate the revenue loss due to kW demand meters not peaking**
 14 **on the 4th of February.**

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Item 4) Based upon Kenergy's estimate of lost sales, provide the approximate cost of the additional power that Kenergy estimates it would have purchased if the storm outages had not occurred.

Response) See Item 3, page 2 of 3, line 29, columns c and e and Item 3, page 3 of 3, line 11, column d for the above referenced information.

Witness) John Newland

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Item 5) Explain the reasoning by which Kenergy decided on a 50-percent reduction in the customer charge.

Response) Kenergy wanted to use a mechanism that was simple, easy to understand and required minimal administrative time to implement. The reduced customer charge was selected as the best way to pass through the reduced rate service for the purpose of providing relief in case of a calamity, since it is not based on energy consumption. Kenergy considered using a 25%, 50%, 75% or 100% reduction for simplicity purposes. After reviewing the total number of customers estimated to be without power by day, Kenergy decided to propose a 50% reduction. Additionally, although even the proposed reduction is not substantial for an individual customer, it was obvious that if even administratively achievable, trying to prorate based on actual days off would result in reductions to some customers of such a small amount as to be possibly offensive.

Witness) Sanford Novick/Steve Thompson