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January 29, 2013

Director of Engineering Public Service Commission P.O. Box 615 Frankfort, Kentucky 40602

RE: Administrative Case No. 2006-00494

With this letter Kenergy is filing its annual reliability reports as described in the October 26, 2007 order.

If you have further questions, please feel free to call.

Sincerely,

Thereto A Storf

Ken Stock Vice President of Operations

Enclosures



Electric Distribution Utility Annual Reliability Report

SECTION 1: CONTACT INFORMATION

| UTILITY NAME | 1.1 | Kenergy Corp |
|----------------------------|-----|-------------------------|
| REPORT PREPARED BY | 1.2 | Robert Hayden |
| E-MAIL ADDRESS OF PREPARER | 1.3 | rhayden@kenergycorp.com |
| PHONE NUMBER OF PREPARER | 1.4 | 800-844-4832 |

SECTION 2: REPORT YEAR

CALENDAR YEAR OF REPORT 2.1 2012

SECTION 3: MAJOR EVENT DAYS

| τ _{med} | 3.1 | 18.997 |
|---|-----|------------|
| FIRST DATE USED TO DETERMINE T _{MED} | 3.2 | 1/1/2008 |
| LAST DATE USED TO DETERMINE T _{MED} | 3.3 | 12/31/2012 |
| NUMBER OF MED IN REPORT YEAR | 3.4 | 1 |

NOTE: Per IEEE 1366 T_{MED} should be calculated using the daily SAIDI values for the five prior years. If five years of data are not available, then utilities should use what is available until five years are accumulated.

SECTION 4: SYSTEM RELIABILITY RESULTS Excluding MED

| SAIDI | 4.1 | 130.35 | |
|-------|-----|--------|--|
| SAIFI | 4.2 | 1.98 | |
| CAIDI | 4.3 | 65.847 | |

Including MED (Optional)

| SAIDI | 4.4 | 171.513 | |
|-------|-----|---------|--|
| SAIFI | 4.5 | 2.156 | |
| CAIDI | 4.6 | 79.554 | |

| Notes: | |
|---|--|
| 1) All duration indices (SAIDI, CAIDI) are to be reported in units of minutes. | |
| 2) Reports are due on the first business day of April of each year | |
| 3) Reports cover the calendar year ending in the December before the reports are due. | |
| 4) IEEE 1366 (latest version) is used to define SAIDI, SAIFI, CAIDI, and T _{MED} | |

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SECTION 5: OUTAGE CAUSE CATEGORIES Excluding MED

| CAUSE CODE DESCRIPTION | | SAIDI VALUE |
|------------------------------|--------|----------------|
| Right Of Way all causes | 5.1.1 | 22.92 |
| Big Rivers (power supply) | 5.1.2 | 20.34 |
| other cause | 5.1.3 | 12.78 |
| Pole Broken (wind) | 5.1.4 | 12.52 |
| Fuse Blown (M5-10 lightning) | 5.1.5 | 11.56 |
| Equipment Failure (overhead) | 5.1.6 | 5.587 |
| Conductor Failure ACSR | 5.1.7 | 5.325 |
| Unknown | 5.1.8 | 4.284 |
| Pole Broken (public) | 5.1.9 | 4.239 |
| Public (tore wire down) | 5.1.10 | 2.957 |

| CAUSE CODE DESCRIPTION | | SAIFI VALUE |
|------------------------------|--------|----------------|
| Big Rivers (power supply) | 5.2.1 | 0.78745 |
| Right Of Way all causes | 5.2.2 | 0.21861 |
| other cause | 5.2.3 | 0.19747 |
| Fuse Blown (M5-10 lightning) | 5.2.4 | 0.09558 |
| Unknown | 5.2.5 | 0.06811 |
| Equipment Failure (overhead) | 5.2.6 | 0.06274 |
| Pole Broken (public) | 5.2.7 | 0.06031 |
| Public (tore wire down) | 5.2.8 | 0.05187 |
| Pole Broken (wind) | 5.2.9 | 0.05103 |
| Conductor Failure ACSR | 5.2.10 | 0.03497 |

SECTION 6: WORST PERFORMING CIRCUITS

| | Excluding MED | | | | | | |
|--------------------|---------------|----------------|---------------------------------|--|--|--|--|
| CIRCUIT IDENTIFIER | | SAIDI VALUE | MAJOR OUTAGE CATEGORY | | | | |
| 081-01 | 6.1.1 | 543.2 | 103 Conductor Failure ACSR | | | | |
| 024-05 | 6.1.2 | | 153 Jumper(loose,broken) | | | | |
| 028-03 | 6.1.3 | 510.2 | 170 Right Of Way all causes | | | | |
| 071-02 | 6.1.4 | 507.8 | 137 Equipment Failure(overhead) | | | | |
| 031-01 | 6.1.5 | | 161 Pole Broken (wind) | | | | |
| 020-04 | 6.1.6 | 418 | 161 Pole Broken (wind) | | | | |
| 020-05 | 6.1.7 | 416.1 | 161 Pole Broken (wind) | | | | |
| 058-02 | 6.1.8 | 381.4 | 161 Pole Broken (wind) | | | | |
| 081-02 | 6.1.9 | 377.5 | 108 Big Rivers (Power Supply) | | | | |
| 014-02 | 6.1.10 | 367.4 | 199 other cause | | | | |

| | | SAIFI | |
|--------------------|--------|-------|------------------------------------|
| CIRCUIT IDENTIFIER | | VALUE | |
| 014-03 | 6.2.1 | 7.363 | 108 Big Rivers (Power Supply) |
| 014-02 | 6.2.2 | | 108 Big Rivers (Power Supply) |
| 014-01 | 6.2.3 | | 108 Big Rivers (Power Supply) |
| 013-02 | 6.2.4 | 5.705 | 152 Guy Wire/Anchor (loose,broken) |
| 071-02 | 6.2.5 | | 108 Big Rivers (Power Supply) |
| 013-01 | 6.2.6 | | 108 Big Rivers (Power Supply) |
| 013-05 | 6.2.7 | | 108 Big Rivers (Power Supply) |
| 013-03 | 6.2.8 | | 108 Big Rivers (Power Supply) |
| 013-04 | 6.2.9 | | 108 Big Rivers (Power Supply) |
| 015-03 | 6.2.10 | 4.708 | 108 Big Rivers (Power Supply) |

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Additional pages may be attached as necessary SECTION 7: VEGETATION MANAGEMENT PLAN REVIEW

Kenergy's vegetation management efforts are continually evaluated to ensure adequacy and effectiveness. During 2012, approximately 1,150 miles of line were cleared which is consistent with the cycle length outlined in Kenergy's Vegetation Management Plan (not to exceed six years). The 2013 scope of work has been developed and is also consistent with Kenergy's cycle length. At this point, Kenergy does not anticipate any significant modifications to the vegetation management program in 2013.

SECTION 8: UTILITY COMMENTS