

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF KENERGY CORPORATION     )  
FOR A CERTIFICATE OF PUBLIC             ) CASE NO.  
CONVENIENCE AND NECESSITY FOR THE     ) 2002-00379  
2002-2004 WORK PLAN                     )

SECOND DATA REQUEST OF COMMISSION STAFF TO  
KENERGY CORPORATION

Kenergy Corporation ( Kenergy ) is requested, pursuant to Administrative Regulation 807 KAR 5:001, Section 9, to file with the Commission the original and 10 copies, unless specifically requested otherwise herein, of the following information, with a copy to all parties of record. The information requested herein is due no later than 10 days form the date of this request.

1. Refer to RUS form 740c:

a. Code 606 for pole replacement and clearance shows that 1,096 poles will be replaced at a total estimated cost of \$2,012,195.00. The estimated cost per pole is \$1,835.95. Provide at least one detailed work order from jobs completed in the pole replacement and clearance category for the months of February and June for each of the past 5 years. Explain in detail the cost increase, if any, for each year. Provide all supporting calculations.

b. Code 702 for security light shows that 905 lights will be added at a total estimated cost of \$486,475.00. The estimated cost per light is \$537.54. Explain

what the \$537.54 covers. Provide at least one detailed work order from jobs completed in the security light category for the month of February and June for each of the past 5 years. Explain in detail the cost increase, if any, for each year. Provide all supporting calculations.

2. Refer to Appendix A of the work plan. You indicated that Kenergy has selected the following conductor sizes for overhead construction: #2 ACSR, #1/0 ACSR, #4/0 ACSR, and 336 kcmil ACSR. For each of the above conductors provide at least one detailed work order regarding new installation and/or line conversion for jobs completed for the months of February and June for each of the past 5 years. Explain in detail the cost increase for each year. Provide all supporting calculations.

3. Explain fully the overhead methodology used and the validation procedure(s) that Kenergy used to validate the overheads.

4. Provide the percentages and the workpapers developed to support the overheads used in this Construction Work Plan, 2002-2004.

5. Explain in detail the bidding/procurement procedures for the purchase and construction of all substations included in this Construction Work Plan, 2002-2004.

6. Provide all bids received for the construction of the substation.

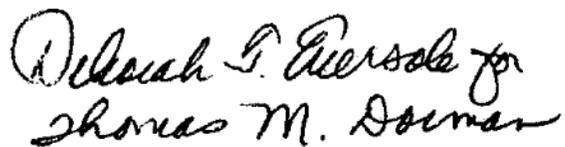
7. Substations of comparable capacity rating (11.2 MVA) and voltage rating (69/12.47 KV or 69/25 KV) have been built, or proposed for construction, by other utilities in Kentucky at a cost that is substantially less than that proposed by Kenergy in its Construction Work Plan, 2002-2004. For example, Clark Energy Cooperative, Inc.

( Clark Energy ) currently has pending before the Commission a request for approval to construct a new 69/24.9 kV, 11.2 MVA substation at a cost of \$542,400.<sup>1</sup>

a. Explain what factors, conditions and/or design criteria Kenergy believes are included in its proposed substation that differentiate it from that proposed by Clark Energy and that justify the additional cost.

b. Explain in detail why Kenergy believes it is necessary to include each factor, condition and design criteria provided in a above in the substation proposed.

c. Explain why Kenergy believes it is reasonable for the Commission to approve the construction of a substation that costs 50 to 60 percent more than substations of comparable capacity rating (11.2 MVA) and voltage rating (69/12.47 KV or 69/25 KV).

  
Thomas M. Dorman  
Thomas M. Dorman  
Executive Director  
Public Service Commission  
Post Office Box 615  
Frankfort, KY 40602

Dated: July 30, 2003

cc: Parties of Record

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<sup>1</sup> Case No. 2003-00016, The Application of Clark Energy Cooperative, Inc. of Winchester, Kentucky for Commission Approval of a Certificate of Convenience and Necessity to Construct According to the Cooperative's 2003-2005 Three Year Construction Work Plan.