

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF KENERGY CORP. FOR	)	
APPROVAL OF FLOW THROUGH RATES	)	CASE NO.
PURSUANT TO KRS 278.455	)	2013-00035

ORDER

On March 1, 2013, Kenergy Corp. ("Kenergy") submitted an application to pass through any wholesale rate adjustment granted to Big Rivers Electric Corporation ("Big Rivers") in Case No. 2012-00535.<sup>1</sup> Kenergy submitted its application pursuant to the authority of KRS 278.455(2) and 807 KAR 5:007. Kenergy proposed that its rates become effective on the same date as those rates of its wholesale supplier, Big Rivers.

On March 11, 2013, the Commission established a procedural schedule for this proceeding. Commission Staff issued, and Kenergy responded to, three information requests. There are no intervenors in this case.

On August 19, 2013, Kenergy notified the Commission of its intent to place the proposed rates into effect for service rendered on and after August 20, 2013, which is the same date that Big Rivers placed its proposed wholesale rates into effect, subject to refund. By Order issued August 20, 2013, we allowed Kenergy's proposed rates to be effective, subject to refund, for service rendered on and after August 20, 2013. We further directed Kenergy to maintain its records in such manner as will allow it, the

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<sup>1</sup> Case No. 2012-00535, *Application of Big Rivers Electric Corporation for an Adjustment of Rates* (Ky. PSC Oct. 29, 2013).

Commission, or any other customer to determine the amounts to be refunded, and to whom due, in the event a refund is ordered upon final resolution of this matter. The matter now stands submitted for a decision based on the evidentiary record.

In its application, Kenergy described how its proposed pass-through rates were developed:

Kenergy's proposed rates set forth herein allocate said increase to each class and within each tariff on a proportional basis that will result in no change in the rate design currently in effect.<sup>2</sup>

KRS 278.455(2) provides that a distribution cooperative may change its rates to reflect a change in the rate of its wholesale supplier if the effects of an increase or decrease are allocated to each class and within each tariff on a proportional basis that will result in no change in the rate design currently in effect. Further, 807 KAR 5:007, Section 1(5), provides that the distribution cooperative shall file an analysis demonstrating that the rate change does not alter the rate design currently in effect and that the revenue change has been allocated to each class and within each tariff on a proportional basis.

The Commission has reviewed the approach proposed by Kenergy to pass through the increase in the wholesale rates of Big Rivers and to allocate such increase to its retail rates. Based upon this review, the Commission finds that Kenergy's approach complies with the provisions of KRS 278.455(2) and 807 KAR 5:007, Section 1(5), and, therefore, should be accepted.

The Commission issued an Order today in Case No. 2012-00535 authorizing a \$54,227,241 million annualized increase in Big Rivers' wholesale rates effective for

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<sup>2</sup> Application, p. 2, ¶ (d), filed March 1, 2013.

service rendered on and after August 20, 2013. Using the test year information contained in its application, Kenergy will pass-through an increase in its wholesale power cost of \$38,660,558<sup>3</sup> annually.

IT IS THEREFORE ORDERED that:

1. The proposed rates submitted with Kenergy's application are denied.
2. The approach proposed by Kenergy to allocate its portion of the increase in wholesale rates authorized in Case No. 2012-00535 is accepted.
3. The rates set forth in the tariff sheets in the appendix hereto are approved for service rendered on and after August 20, 2013.
4. Within 20 days of the date of this Order, Kenergy shall file with this Commission, using the Commission's Electronic Tariff Filing System, its revised tariffs setting out the rates approved herein and stating that they were approved pursuant to this Order.
5. Within 60 days of the date of this Order, Kenergy shall refund to its customers with interest all amounts collected for service rendered from August 20, 2013 through the date of this Order that are in excess of the rates set forth in the appendix to this Order.
6. Kenergy shall pay interest on the refunded amounts at the average of the Three-Month Commercial Paper Rate as reported in the Federal Reserve Bulletin and the Federal Reserve Statistical Release on the date of this Order. Refunds shall be based on each customer's usage while the proposed rates were in effect and shall be

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<sup>3</sup> This amount excludes an amount of \$30,431 attributable to Kenergy's own use and represents a pass-through of \$14,700,527 to its non-direct served customers and \$23,960,031 to its remaining customers.

made as a one-time credit to the bills of current customers and by check to customers who have discontinued service since August 20, 2013.

7. Within 75 days of the date of this Order, Kenergy shall submit a written report to the Commission in which it describes its efforts to refund all monies collected in excess of the rates that are set forth in the appendix to this Order.

By the Commission

ENTERED   
OCT 29 2013  
KENTUCKY PUBLIC  
SERVICE COMMISSION

ATTEST:

  
\_\_\_\_\_  
Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2013-00035 DATED **OCT 29 2013**

The following rates and charges are prescribed for the customers in the area served by Kenergy Corp. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

SCHEDULE 1  
RESIDENTIAL SERVICE - SINGLE AND THREE PHASE

Customer Charge per Delivery Point	\$ 13.83
Energy Charge per kWh	\$ .089782

SCHEDULE 3  
ALL NON-RESIDENTIAL - SINGLE PHASE

Customer Charge per Delivery Point	\$ 19.59
Energy Charge per kWh	\$ .08826

SCHEDULE 5  
THREE PHASE DEMAND – NON-RESIDENTIAL  
NON-DEDICATED DELIVERY POINTS - 0 – 1,000 kW

Customer Charge per Delivery Point	\$ 40.34
Demand Charge per kW	\$ 5.12
Primary Discount	\$ .58
Energy Charge per kWh:	
First 200 kWh per kW	\$ .07754
Next 200 kWh per kW	\$ .05947
All over 400 kWh per kW	\$ .05264

SCHEDULE 7  
THREE PHASE DEMAND  
NON-DEDICATED DELIVERY POINTS – 1,001 kW And Over

Option A – High Load Factor:	
Customer Charge per Delivery Point	\$ 864.35
Demand Charge per kW	\$ 10.81
Energy Charge per kWh:	
First 200 kWh per kW	\$ .04625
Next 200 kWh per kW	\$ .04249
All over 400 kWh per kW	\$ .04022
Option B – Low Load Factor:	
Customer Charge per Delivery Point	\$ 864.35
Demand Charge per kW	\$ 6.09
Energy Charge per kWh	
First 150 kWh per kW	\$ .06409
Over 150 kWh per kW	\$ .05613
Primary Discount	\$ .58

SCHEDULE 15  
PRIVATE OUTDOOR LIGHTING

Flat rate per light per month as follows:

Standard:	
175 Watt M.V.	\$ 9.80
250 Watt M.V.	\$ 11.73
400 Watt M.V.	\$ 14.35
100 Watt H.P.S.	\$ 9.23
100 Watt M.H.	\$ 8.70
400 Watt M.H.	\$ 18.67
60 Watt LED NEMA	\$ 7.88
200/250 Watt H.P.S.	\$ 13.70
400 Watt H.P.S. - Flood	\$ 16.11

Commercial and Industrial Lighting:

Flood Lighting Fixture:	
250 Watt H.P.S.	\$ 12.46
400 Watt H.P.S.	\$ 16.12
1,000 Watt H.P.S.	\$ 37.17
250 Watt M.H.	\$ 11.93

400 Watt M.H.	\$ 16.05
1,000 Watt M.H.	\$ 37.11

Contemporary (Shoebox):

250 Watt H.P.S.	\$ 14.09
400 Watt H.P.S.	\$ 17.84
1,000 Watt H.P.S.	\$ 37.17
250 Watt M.H.	\$ 13.55
400 Watt M.H.	\$ 17.49
1,000 Watt M.H.	\$ 37.11

Decorative Lighting:

100 Watt M.H. – Acorn Globe	\$ 12.64
175 Watt M.H. – Acorn Globe	\$ 15.57
100 Watt M.H. – Round Globe	\$ 12.40
175 Watt M.H. – Round Globe	\$ 14.45
175 Watt M.H. – Lantern Globe	\$ 14.60
100 Watt H.P.S. – Acorn Globe	\$ 14.26

Pedestal Mounted Pole:

Steel 25 Ft. Pedestal Mt. Pole	\$ 8.00
Steel 30 Ft. Pedestal Mt. Pole	\$ 9.00
Steel 39 Ft. Pedestal Mt. Pole	\$ 15.13
Wood 30 Ft. Direct Burial Pole	\$ 5.01
Aluminum 28 Ft. Direct Burial Pole	\$ 10.30
Fluted Fiberglass 15 Ft. Pole	\$ 11.01
Fluted Aluminum 14 Ft. Pole	\$ 12.09

SCHEDULE 16  
STREET LIGHTING SERVICE

Flat rate per light per month as follows:

175 Watt M.V.	\$ 9.80
400 Watt M.V.	\$ 14.35
100 Watt H.P.S.	\$ 9.23
250 Watt H.P.S.	\$ 13.70
100 Watt M.H.	\$ 8.70
400 Watt M.H.	\$ 18.42

Underground Service with Non-Standard Pole:

Governmental Entities and Street Lighting Districts, per Pole	\$ 6.44
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Overhead Service to Street Lighting Districts:	
Street Lighting District, per Pole	\$ 2.69

Decorative Underground With Non-standard Pole:	
70 Watt H.P.S. – Acorn Globe	\$ 12.72
70 Watt H.P.S. – Lantern Globe	\$ 12.72
140 Watt H.P.S.	\$ 22.54
100 Watt H.P.S. – Acorn Globe	\$ 24.39

SPECIAL STREET LIGHTING DISTRICTS

Flat rate per light per month as follows:

Baskett	\$ 3.39
Meadow Hill	\$ 3.09
Spottsville	\$ 3.83

SCHEDULE 23  
RENEWABLE RESOURCE ENERGY SERVICE RIDER

Non-Direct Served Customers:	
Premium per kWh	\$ .02087
Direct Served Customers (excluding Class A):	
Premium per kWh	\$ .0250

SCHEDULE 33  
SMELTER CUSTOMERS SERVED UNDER SPECIAL CONTRACT  
DEDICATED DELIVERY POINTS (CLASS A)

Base Energy Charge per kWh	\$ .045228 <sup>4</sup>
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SCHEDULE 34  
LARGE INDUSTRIAL CUSTOMERS SERVED UNDER SPECIAL CONTRACT  
DEDICATED DELIVERY POINTS (CLASS B)

Demand Charge per kW	\$ 10.715
Energy Charge per kWh	\$ .030166

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<sup>4</sup> Kenenergy charges a retail adder of \$.000045 on top of this rate.

SCHEDULE 35  
LARGE INDUSTRIAL CUSTOMERS SERVED UNDER SPECIAL CONTRACT  
DEDICATED DELIVERY POINTS (CLASS C)

Demand Charge per kW	\$ 10.715
Energy Charge per kWh	\$ .0330

SCHEDULE 43  
SMALL POWER PRODUCTION OR COGENERATION (UNDER 100 kW)  
CUSTOMER SELLS POWER TO KENERGY

Base payment per kWh	\$ .0350
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SCHEDULE 45  
SMALL POWER PRODUCTION OR COGENERATION (OVER 100 kW)  
CUSTOMER BUYS POWER FROM KENERGY

The Charges for On-peak Maintenance Service shall be the greater of:

(1) Per kW of Scheduled Maintenance Demand per Week	\$ 3.01
Plus per kWh of Maintenance Energy	\$ .0350

OR

(2) Percent of Market Price	110%
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The Charges for Off-peak Maintenance Service shall be:

Per kW of Scheduled Maintenance Demand per Week	\$ 3.01
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Excess Demand:

To Import from a 3 <sup>rd</sup> Party: Percent of Actual Cost	110%
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Not Imported, the greater of:

(1) Charge per kW times the highest Excess Demand	\$ 12.914
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OR

(2) Percent of Highest Price received during an Off-System Sales Transaction times the sum of Excess Demands	110%
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SCHEDULE 162  
DEPOSITS

Residential Customer Deposit

\$ 251.00

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