

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF KENERGY CORP.)
FOR A WAIVER PURSUANT TO KRS 278.2219) Case No. 2020-00215

ATTORNEY GENERAL’S INITIAL DATA REQUESTS

Comes now the intervenor, the Attorney General of the Commonwealth of Kentucky, by and through his Office of Rate Intervention (“Attorney General”), and submits these Data Requests to Kenergy Corp. (hereinafter “Kenergy” or “company”) to be answered by August 31, 2020 and in accord with the following:

- (1) In each case where a request seeks data provided in response to a staff request, reference to the appropriate requested item will be deemed a satisfactory response.
- (2) Identify the witness who will be prepared to answer questions concerning each request.
- (3) Repeat the question to which each response is intended to refer.
- (4) These requests shall be deemed continuing so as to require further and supplemental responses if the companies receive or generate additional information within the scope of these requests between the time of the response and the time of any hearing conducted hereon.
- (5) Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association, be accompanied by a signed certification of the preparer or person supervising the preparation of the response on behalf of the entity that

the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

(6) If you believe any request appears confusing, please request clarification directly from undersigned Counsel for the Office of Attorney General.

(7) To the extent that the specific document, workpaper or information as requested does not exist, but a similar document, workpaper or information does exist, provide the similar document, workpaper, or information.

(8) To the extent that any request may be answered by way of a computer printout, please identify each variable contained in the printout which would not be self-evident to a person not familiar with the printout.

(9) If the company has objections to any request on the grounds that the requested information is proprietary in nature, or for any other reason, notify the Office of the Attorney General as soon as possible, and in accordance with Commission direction.

(10) As used herein, the words "document" or "documents" are to be construed broadly and shall mean the original of the same (and all non-identical copies or drafts thereof) and if the original is not available, the best copy available. These terms shall include all information recorded in any written, graphic or other tangible form and shall include, without limiting the generality of the foregoing, all reports; memoranda; books or notebooks; written or recorded statements, interviews, affidavits and depositions; all letters or correspondence; telegrams, cables and telex messages; contracts, leases, insurance policies or other agreements; warnings and caution/hazard notices or labels; mechanical and electronic recordings and all information so stored, or transcripts of such recordings; calendars, appointment books, schedules, agendas and diary entries; notes or memoranda

of conversations (telephonic or otherwise), meetings or conferences; legal pleadings and transcripts of legal proceedings; maps, models, charts, diagrams, graphs and other demonstrative materials; financial statements, annual reports, balance sheets and other accounting records; quotations or offers; bulletins, newsletters, pamphlets, brochures and all other similar publications; summaries or compilations of data; deeds, titles, or other instruments of ownership; blueprints and specifications; manuals, guidelines, regulations, procedures, policies and instructional materials of any type; photographs or pictures, film, microfilm and microfiche; videotapes; articles; announcements and notices of any type; surveys, studies, evaluations, tests and all research and development (R&D) materials; newspaper clippings and press releases; time cards, employee schedules or rosters, and other payroll records; cancelled checks, invoices, bills and receipts; and writings of any kind and all other tangible things upon which any handwriting, typing, printing, drawings, representations, graphic matter, magnetic or electrical impulses, or other forms of communication are recorded or produced, including audio and video recordings, computer stored information (whether or not in printout form), computer-readable media or other electronically maintained or transmitted information regardless of the media or format in which they are stored, and all other rough drafts, revised drafts (including all handwritten notes or other marks on the same) and copies of documents as hereinbefore defined by whatever means made.

(11) For any document withheld on the basis of privilege, state the following: date; author; addressee; indicated or blind copies; all persons to whom distributed, shown, or explained; and, the nature and legal basis for the privilege asserted.

(12) In the event any document called for has been destroyed or transferred beyond the

control of the company, please state: the identity of the person by whom it was destroyed or transferred, and the person authorizing the destruction or transfer; the time, place, and method of destruction or transfer; and, the reason(s) for its destruction or transfer. If destroyed or disposed of by operation of a retention policy, state the retention policy.

(13) Provide written responses, together with any and all exhibits pertaining thereto, in one or more bound volumes, separately indexed and tabbed by each response, in compliance with Kentucky Public Service Commission Regulations.

(14) “And” and “or” should be considered to be both conjunctive and disjunctive, unless specifically stated otherwise.

(15) “Each” and “any” should be considered to be both singular and plural, unless specifically stated otherwise.

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Respectfully submitted,

DANIEL J. CAMERON
ATTORNEY GENERAL



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Certificate of Service and Filing

Pursuant to the Commission's Orders dated March 16, 2020 and March 24, 2020 in Case No. 2020-00085, and in accord with all other applicable law, Counsel certifies that, on August 24, 2020, an electronic copy of the forgoing was served by e-mail to the following. A physical copy of the filing will be submitted to the Commission once the State of Emergency has ceased.

J. Christopher Hopgood
chopgood@dkgnlaw.com

this 24th day of August, 2020



Assistant Attorney General

Data Requests

1. The application request approvals for Kenergy to (1) act as guarantor for a letter of credit to be issued by Cobank on behalf of Kenect or (2) to allow Kenergy to provide \$3 million in start-up capital to Kenect.
 - a. Will the letter of credit to be issued by Cobank also be limited to \$3 million?
 - b. Will Kenergy incur any financing charges in obtaining the letter of credit? If so, will Kenect compensate Kenergy for those charges?
2. Fully discuss whether the proposed transfer of \$3 million to Kenect will increase electricity rates to be paid by Kenergy customers.
3. Provide a copy of the feasibility study, including the analysis of the current internet availability within Kenergy's service territory, as referenced in the application, at page 2. Also provide a copy of the request for proposal and contract associated with the feasibility study.
4. Describe the relationship between Kenect and Kenergy and whether this relationship could in any way impact electrical rates to be paid by Kenergy customers.
 - a. Specifically discuss any personnel that will be shared by the two companies.
5. Once Kenect is fully operational:
 - a. Will it remain an affiliate of Kenergy, and if so, for how long?
 - b. Will it return the \$3 million in start-up capital Kenergy is supplying? If so, when?
 - c. Will it in the future have any additional need for funding from Kenergy, or will Kynect be financially independent from Kenergy?
6. Refer to the application, paragraph 8, and the Testimony of Jeffrey Hohn, page 2, lines 24 – 26.
 - a. Provide a list of current grants that remedy the rural internet access issues, and provide a detailed description of each grant, including the monetary amounts of each, and whether Kenect will attempt to obtain each grant.
 - b. Provide a detailed list of all grants that Kenect has already obtained, if any, along with the monetary amounts of each.
 - c. Provide a detailed list of all grants that for which Kenect plans to apply, if any, along with the monetary amounts of each.
7. Refer to the application, paragraph 10, in which Kenergy states that it anticipates recouping its investment in 3 to 5 years or less, depending on the amount of funding Kenect receives. Provide all analyses that Kenergy relies upon to conclude that the investment should be recouped in 3 to 5 years.

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8. Refer to the application, paragraph 12, in which Kenergy asserts that if Kenect does not pursue the opportunity then the \$3 million will be returned to Kenergy. If the \$3 million is returned to Kenergy, explain in detail what Kenergy would do with the money.
9. Provide a business plan for Kenect to the extent one exists.
10. Provide a copy of powerpoint presentations presented to groups related to the Kenect proposal.
11. Provide any available documentation related to communication with potential Kenect customers.
12. Will Kenect utilize the Kentucky Wired Network? Is so, provide all documentation of communications with representatives of Kentucky Wired.
13. Define what is meant by unserved and underserved customers.
14. Discuss whether the organizers considered operating Kenect as a non-profit and why they elected not to organize as such.
15. Discuss the pricing and specifications of plans to be offered by Kenect to consumers to the extent known. Discuss the anticipated take rate and cost for the typical household.
16. Will Kenect be charged a pole attachment fee by Kenergy? If so, at what rate?
17. Will Kenect lease fiber to Kenergy? If so, on what terms?
18. Did representatives of Kenect approach other providers to discuss a potential partnership related to the provision of broadband services?
19. What sources of public or private equity have been explored related to the start-up?
20. Discuss the amount and source of matching funds that have been identified for the project, if any.
21. Please fully discuss the liability exposure of Kenergy owners for losses of Kenect if the proposal is approved.
22. What measures will be taken to ensure that Kenergy/Kenect does not utilize regulated assets to the detriment of its competitors?
23. Confirm that Kenergy is the sole shareholder of Kenect and that, derivatively, the owners of Kenergy will control all returns associated with the operation. If so, provide supporting

documentation.

24. Discuss the organization and control of Kenect. Specifically discuss who will exercise control over the compensation of directors, executives, and other employees. Discuss generally how Kenergy will ensure that Kenect operates in a responsible manner and in accord with the interests of the owners of Kenergy.