

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF KENERGY )  
CORP. FOR A GENERAL ADJUSTMENT OF )  
RATES PURSUANT TO STREAMLINED PROCEDURE ) Case No. 2021-00066  
PILOT PROGRAM ESTABLISHED IN )  
CASE NO. 2018-00407 )

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**INITIAL DATA REQUESTS OF THE ATTORNEY GENERAL**

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The Attorney General of the Commonwealth of Kentucky, through his Office of Rate Intervention (“Attorney General”), submits these Data Requests to Kenergy Corporation (hereinafter “Kenergy” or the “Company”) to be answered by April 29, 2021 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 company receives or generates 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.

Respectfully submitted,

DANIEL J. CAMERON  
ATTORNEY GENERAL



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*Certificate of Service and Filing*

Pursuant to the Commission's Order 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 April 13, 2021, 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 13th day of April, 2021.

A handwritten signature in blue ink, appearing to read "J. Christopher Hopgood".

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Assistant Attorney General

**ELECTRONIC APPLICATION OF KENERGY CORP. FOR A GENERAL ADJUSTMENT OF RATES PURSUANT TO STREAMLINED PROCEDURE PILOT PROGRAM ESTABLISHED IN CASE NO. 2018-00407**

**First Set of Data Requests**

1. Please provide all work papers, in electronic spreadsheet format with formulas intact, where available, supporting each of the figures, tables, and exhibits accompanying the Companies' filing and supporting testimony.
2. The Company states that it provides, “retail electric power to approximately 58,000 active accounts in the Kentucky counties of: Daviess, Hancock, Henderson, Hopkins, McLean, Muhlenberg, Ohio, Webster, Breckinridge, Union, Crittenden, Caldwell, Lyon, and Livingston.”
  - a. Provide a detailed account of the economic issues that the above-referenced counties were suffering from before the COVID-19 pandemic.
  - b. Provide a detailed account of the economic situation that the above-referenced counties are battling during the COVID-19 pandemic.
  - c. Explain in detail whether the Company has experienced a higher amount of uncollectible bills/accounts during the COVID-19 pandemic.
  - d. Provide demographic data about the income and household size of the Company’s ratepayers to the extent available.
3. The Company states that, since its last base rate case, “Kenergy's margins from energy sales have declined, while costs of conducting business have increased, especially Vegetation Management costs and Depreciation Expense.”
  - a. Provide detailed analytical information supporting the decline in margins and increasing costs.
  - b. Provide detailed analytical information supporting the assertion that vegetation management costs and depreciation expenses have increased since the last base rate case.
  - c. Provide a list of all pro forma adjustments, the monetary amount of each adjustment, and a description of why each adjustment is being requested.
  - d. Explain in detail and provide all examples of how management has attempted to minimize cost escalation.
4. See Application at 3. Explain why an OTIER of 1.85 is necessary.
  - a. Provide the TIER and OTIER that are required by all loan contract terms.

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- b. Confirm or deny that normally loans that an RECC enters into only requires a TIER of 1.25. If denied, explain in full detail what TIER is generally required.
  - c. If (b) is confirmed, then provide the justification in requesting a higher TIER than what is required by the loan contract terms.
  - d. If the Company is requesting a TIER and OTIER that is higher than the loan contract requirements, explain why it is making such requests.
  - e. Explain how the Company utilizes the additional funds that the Commission awards that is above and beyond the required TIER and OTIER amounts per the loan contract terms, and how the Company accounts for these funds.
  - f. Provide the Company's TIER and OTIER for the historical test years ending on December 31<sup>st</sup> for each of the past five years.
5. See Application at 3. Explain why revenues associated with direct-served industrial customers are not proposed to increase.
6. Explain why it is necessary to increase the customer charge for residential service from \$18.20 per month to \$20.60 per month.
7. Explain in detail why the charges for residential service should increase by 4.3% while each of the following classes remain unchanged:
  - a. All Non-Residential Single Phase \$0 0.0%.
  - b. Three-Phase (less than 1,000 KW) \$0 0.0%
  - c. Three-Phase (1,001 KW & Over) \$0 0.0
  - d. Unmetered Lighting \$0 0.0%
8. Provide a detailed analysis listing each employee along with his or her salary and the total cost of benefits, including but not limited to health insurance, life insurance, dental and vision insurance, allowances for a car and/or housing, bonuses, and any other benefits received by an employee.
9. As discussed in the testimony of Hohn at 7, when the Board approved the 2.8% rate adjustment, did the Board have knowledge that the rate increase would be borne almost entirely by the residential class and not proportionally across the classes, or was that

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- decision made by someone else? If it was made by someone else, identify that person or persons.
10. As discussed by Thompson at 5-6, precisely identify the adjustments to miscellaneous revenues and discuss why each is necessary.
  11. Explain why expenses of the Member Rate Stability Mechanism (MRSM) exceed its revenues and result in a net margin of (427,230) based on JW-2 at 2.
    - a. Provide a detailed list of all expenses and revenues associated with the MRSM.
  12. Provide a detailed list of all donations funded by the Company and membership dues paid by the Company, including the amounts of each.
  13. Provide a general description of all marketing and promotional activities conducted by the Company.
    - a. Identify the amount spent for each of these activities and discuss the value derived by the Company and the ratepayer respectively for those activities.
  14. Confirm that the Company no longer intends to provide broadband service through its affiliate consistent with the media release found at <https://www.kenergycorp.com/2021/02/media-release-kenergy-provides-update-on-broadband/>.
    - a. Provide a detailed accounting for all costs accrued in filing a “short form application” for the RDOF.
    - b. Discuss whether Conexon’s award of \$21,396,303.60 will be for areas exclusively within the Kenergy footprint?
    - c. Discuss how Kenergy plans to “work closely with Conexon for the buildout.”
      - i. In particular, what assistance will Kenergy provide to Conexon?
      - ii. What compensation will it receive for that assistance?
  15. Discuss whether HB 320 of the 2021 Regular Session of the Kentucky General Assembly impacts Kenergy’s abstention from broadband deployment.