

**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

In the Matter of:

**ELECTRONIC APPLICATION OF)
KENERGY CORP. FOR A CERTIFICATE)
OF PUBLIC CONVENIENCE AND)
NECESSITY FOR THE CONSTRUCTION)
OF A HIGH-SPEED FIBER NETWORK)
AND FOR APPROVAL OF THE LEASING) Case No. 2021-00365
OF THE NETWORK'S EXCESS CAPACITY)
TO AN AFFILIATE TO BE ENGAGED)
IN THE PROVISION OF BROADBAND)
SERVICE TO UNSERVED AND UNDERSERVED)
HOUSEHOLDS AND BUSINESSES OF)
THE COMMONWEALTH)**

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 October 25, 2021, or alternatively by the date specified in any applicable revised procedural schedule issued by the Commission, 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

A handwritten signature in blue ink that reads "J. Michael West". The signature is fluid and cursive, with a horizontal line extending from the end of the name.

J. MICHAEL WEST
LAWRENCE W. COOK
ANGELA M. GOAD
JOHN G. HORNE II
ASSISTANT ATTORNEYS GENERAL
700 CAPITAL AVE, SUITE 20
FRANKFORT, KY 40601-8204
PHONE: (502) 696-5433
FAX: (502) 573-1005
Michael.West@ky.gov
Larry.Cook@ky.gov
Angela.Goad@ky.gov
John.Horne@ky.gov

Certificate of Service and Filing

Pursuant to the Commission's Orders and in accord with all other applicable law, Counsel certifies that, on October 12, 2021, an electronic copy of the forgoing was served by e-mail to the following.

J. Christopher Hopgood
chopgood@dkgnlaw.com

this 11th day of October, 2021.

A handwritten signature in blue ink, appearing to read "J. Michael West". The signature is fluid and cursive, with a long horizontal stroke at the end.

Assistant Attorney General

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Data Requests

1. Discuss how this proposal will impact electric rates for Kenergy rate-payers.
2. Discuss how this proposal will impact reliability and service for electric ratepayers.
3. Provide any additional support, beyond the analysis provided on pages 8-13 of the Application, which may be necessary to determine whether the proposal complies with all provisions of KRS 278.5464.
4. Explain how installation of a fiber optic network will allow it to better incorporate DSM / Demand Response, DER, and EV technologies respectively.
5. Discuss the life cycle of AMI meters and provide a detailed schedule for the replacement of the existing meters as discussed in paragraph 11 of the Application. Please include the type and age of the meter at the time of the proposed replacement, together with the projected amount of stranded costs.
 - a. Explain whether the proposed fiber-based network infrastructure would eliminate the need for a separate radio frequency communications network with regard to the future roll-out of smart-meter and/or smart grid (“SM/SG”) infrastructure.
 - b. Explain how O&M costs related to SM/SG operations of the proposed fiber-based infrastructure would be accounted for separately from O&M costs related to the telecommunications / broadband services to be provided by the same fiber-based infrastructure. Explain also the ratepayer responsibilities for both such operations. Include in your explanation: (i) whether customers of telecommunications / broadband services would receive a separate bill for those services, and (ii) how the O&M costs related to the telecommunications / broadband services would be reflected in bills for telecommunications / broadband services.
 - c. Provide a discussion regarding the cybersecurity measures that will be deployed to prevent users of telecommunications / broadband services from potentially interfering with or otherwise interrupting the SM/SG-related operations of the fiber-based network infrastructure.
6. Discuss whether future additions of SM/SG infrastructure will reduce the bandwidth of the fiber-based infrastructure intended to be devoted to telecommunications / broadband services. If so, discuss cost implication for both ratepayers and users of the telecommunication / broadband services.
 - a. Include in your discussion whether any future expansions of SM/SG infrastructure that in any manner diminish the bandwidth of the fiber-based infrastructure will

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include a CPCN for a separate communications infrastructure (such as radio frequency), and if so whether a cost-benefit analysis will be included in the Company's CPCN filing supporting the future SM/SG infrastructure expansion.

7. Provide detailed cost estimates for the installation of 7,200 miles of fiber optic cable across the Kenergy service territory over the next four to six years.
8. Discuss the status of financing the project with RUS or any other lender and provide copies of all correspondence exchanged related to that financing.
9. Discuss whether the fiber optic cable industry has been impacted by supply chain issues of late and, if so, whether that could or will impact the timing of the proposed installation.
10. Provide detailed schedules for projected installation costs as compared to revenues generated by lease payments.
11. Discuss whether the terms discussed in paragraph 18 of the application fully protect Kenergy's member-owners from risk of loss related to the project.
12. Provide detailed proof supporting Conexon's financial stability and ability to meet the terms of its sublease.
13. Describe the due diligence Kenergy has completed related to its operations with Conexon and provide copies of all documentation related thereto.
14. Describe whether Conexon has obtained or will be required to obtain any form of financial assurance which would protect Kenergy's member-owners from risk of loss.
15. Provide a projection of revenues related to the broadband installation for the initial lease term of thirty years. Compare those projected revenues to the lease payments Kenergy will receive.
16. Discuss what rights, if any, Conexon will have to continue to operate the system after the initial lease term. Discuss specifically whether Kenergy will have the opportunity to terminate the lease at that time and lease the operation to an alternative lessor who would be willing to provide greater consideration for the opportunity to operate the system should it prove more lucrative than anticipated.
17. Provide a detailed description of Conexon's organization, ownership, and management team.

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18. Identify whether any person who holds an ownership stake in, or is in a management role with, Conexon or a Conexon affiliate, has a personal and/or legal connection to management personnel employed by Kenergy.
19. Discuss the process undertaken by Conexon to select Ervin Cable Construction as its prime contractor?
20. Provide the basis for the statement in the Testimony of Jonathan Chambers at page 4 that, “the fiber optic infrastructure will last for decades.”