

that to provide both billing options, both programs must use the same number of months in the budget billing calculation. The result is that NISC must change the operation of the current “fixed” budget billing method so that both programs use 12 months for the calculation. Implementing such changes will require revisions to Kenergy’s budget billing tariff. In the interest of avoiding a second and likely duplicative case, Kenergy hereby requests a rehearing on the limited issue of those necessary changes to Kenergy’s budget billing tariff as detailed below.

CHANGES TO “FIXED” BUDGET BILLING METHOD

Kenergy’s current “fixed” budget billing method fixes a member’s bill each September at a set amount and bills the customer that amount in 11 subsequent bills, beginning in October. Specifically, Schedule 165 of the Tariff states as follows:

The monthly budget plan amount will be determined by Kenergy based, under normal circumstances, on a minimum of one-eleventh (1/11th) of the estimated annual usage, subject to review and adjustment during the budget year. The budget year is the twelve months as shown below:

<u>BUDGET YEAR</u>	<u>SETTLEMENT MONTH</u>
October - September	September

At the end of the budget year, in the settlement month, appropriate adjustments shall be made with regard to any difference in the total of payments made and customer’s actual usage, with any overpayment refunded or any under-payment billed to the customer and due and payable on the date specified.

Kenergy proposed using a “levelized” budget billing method in which a 12-month rolling average of billed amounts would replace the “fixed” method.

NISC has advised Kenergy that the implementing software will require that the billing calculation use the same number of months for both budget billing options. As such, Kenergy cannot offer the “fixed” budget billing on an 11-month billing pattern and the “levelized” budget billing with a 12-month billing pattern as currently ordered to do. To carry out the Commission’s

order of offering both, Kenergy is tendering herein the proposed Schedule 155, the proposed Schedule 165, and a side-by-side comparison of Schedule 165, all collectively labeled as Exhibit 1. In short, the revisions consist of two operational changes to Schedule 165: (1) change the 11-month billing pattern to a 12-month billing pattern, and (2) revise the true-up mechanism to operate on the 12-month pattern. Each change is detailed below.

Change 11-Month Billing Pattern to 12-Month Billing Pattern

The monthly billing pattern change will change what happens in the 12th month for the customer. Currently, the estimated annual usage is divided over 11 months and the member receives 11 bills. Then in the 12th month (September), instead of a bill for usage, the customer either owes for under-payment or is owed a refund for over-payment. The revision to Schedule 165 will divide the estimated annual billed amount over 12 bills instead of 11 and generate a new 12th monthly bill for the customer. The aggregate annual amount the customer is billed for the annual period will not change (thus reducing the amount to be billed monthly from 1/11th of the total estimated annual billed amount to 1/12th of the total estimated annual billed amount). Instead of settling over-payment or under-payment in the 12th month (September), the member will receive a 12th regular bill that month as well.

True-Up Mechanism

The true-up mechanism will also be revised to fit the new 12-month budget period requirement. Under the proposed revisions, September will remain the month when the true-up amount is calculated, but as stated above the member will also receive a regular monthly bill. If the customer were to receive a regular monthly bill and also owe for the true-up amount, the dual obligation could pose a financial hardship on the customer and would frustrate the goal of giving customers the option of a monthly bill that does not change during the budget year.

Therefore, instead of settling the true-up difference in full at that time, the true-up amount will be implemented across the next 12 bills as part of calculating the aggregate annual amount to be billed. So, in Year 1 that a member participates in the program under the proposed revision, the member would receive 12 monthly bills based on the estimated annual billed amount. In Year 2, the 12 monthly bills would be calculated based on the estimated annual billed amount plus or minus 1/12th of the true-up amount from Year 1. This will maintain the goal of the fixed budget billing method where the member's monthly bill will not change during the budget year and avoid the member potentially owing 2 amounts in the true-up month.

CONCLUSION

Though unforeseen and not ordered by the Commission, these revisions to Schedule 165 of Kenergy's Tariff are necessary for Kenergy to comply with the Commission's Order of July 31, 2024, to implement both budget billing options. In the interest of efficient and economical use of Commission resources, Kenergy respectfully submits that a rehearing will properly allow Kenergy to submit its proposed revisions to Schedule 165 to conform to the Commission's Order as opposed to filing the revised Schedule 165 in a separate matter.

Wherefore, in light of the foregoing, Kenergy respectfully requests the Commission grant a partial rehearing on the limited to issue of obtaining an order on necessary revisions to its Schedule 165.

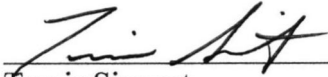
Respectfully Submitted,

/s/ Nicholas D. Kafer

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VERIFICATION

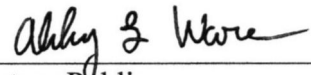
I verify, state and affirm that the factual information in the above Petition for Rehearing is true and correct to the best of my knowledge and belief formed after a reasonable inquiry.



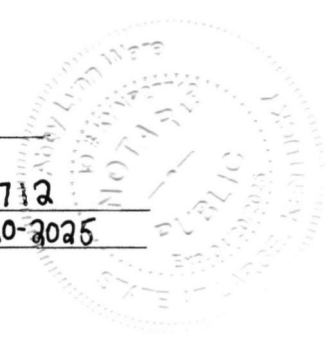
Travis Siewert
Vice President – Accounting and Finance

STATE OF KENTUCKY
COUNTY OF Henderson

The foregoing was signed, acknowledged and sworn to before me by Travis Siewert, Vice President – Accounting and Finance, this the 16 day of August, 2024.



Notary Public
Notary ID Number: KYNP27712
My Commission Expires: 4-20-2025



Certification

I hereby certify that the foregoing electronic filing was transmitted to the Kentucky Public Service Commission for filing on August 19th, 2024; and was electronically sent to Larry Cook, larry.cook@ky.gov; there are currently no parties that the Commission has excused from participation by electronic means in this proceeding; and by virtue of the Commission's Order of 2020-00085, no paper copies of this filing will be made.

/s/ Nicholas D. Kafer _____
Counsel for Kenergy Corp.