

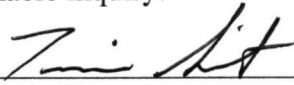
COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF KENERGY CORP.) Case No.
FOR A GENERAL ADJUSTMENT OF RATES) 2023-00276

**VERIFICATION OF KENERGY CORP.'S TRAVIS SIEWERT, VICE PRESIDENT –
ACCOUNTING AND FINANCE**

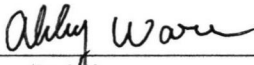
Travis Siewert, Vice President of Accounting and Finance, of Kenergy Corp., being duly sworn, states that he has supervised the preparation of the following Responses to Commission Staff's Rehearing Request for Information on behalf of Kenergy Corp. in the above-referenced case and that the matters and things set forth therein are true and accurate to the best of his knowledge, information and belief, formed after 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 4 day of October, 2024.



Notary Public
Notary ID Number: KYNP27712
My Commission Expires: 4-20-25



Kenergy Corp.
Case No. 2023-00276
Commission Staff's Rehearing Request for Information
Witness: Travis Siewert

1. Refer to Kenergy's petition for rehearing, pages 1–2, in which it is stated that both budget billing programs must use the same number of months in the budget billing calculation.

a. Explain whether Kenergy has, or is in the process, of changing its billing software.

b. Explain why both budget billing programs must use the same number of months in the budget billing calculation.

c. Explain whether it is possible to upgrade the billing software to allow the budget billing programs to utilize a different number of months in the budget billing calculation. If so, explain the extent of the upgrades that would be necessary and provide an estimated cost.

Response 1.a. Kenergy has not changed its billing software. The billing software Kenergy has utilized since 2013 does afford a certain level of customization through User Defined Options “UDO’s”. Kenergy was preparing to change the UDO’s that control the budget billing process in order to switch from the current fixed budget billing plan to levelized budget billing. However, when Kenergy received the Commission’s order requiring Kenergy to offer both fixed and levelized budget billing, Kenergy had to stop the process and request a rehearing in order to make some changes to the existing fixed budget billing tariff.

Response 1.b. Many of the UDO’s included in the budget billing module apply to all budget billing methods. Kenergy’s existing fixed budget billing tariff bills the member 12 months’ worth of bills in 11 months, then uses the 12th month as a true-up month. In order to accommodate this tariff language, when Kenergy went live with its current billing software in 2013, Kenergy entered a factor of 1.09 (which is 12 months / 11 months) for UDO number 15. This UDO applies

to all budget billing types. Therefore, if Kenergy were to leave the 1.09 factor in UDO number 15, levelized budget billing would take 12 months' worth of bills, average them, and spread the amount over 11 months rather than 12, which would not be good for the member. If Kenergy only offered levelized budget billing, as proposed in its application, Kenergy would change UDO 15 to 1.0 and spread 12 months' worth of bills over 12 months. If Kenergy is required to offer both fixed budget billing and levelized budget billing, we think it is still best to change UDO number 15 to 1.0 so that both fixed budget billing and levelized budget billing only bill a member for 1.0 month of billing each month rather than 1.09 month of billing each month.

Response 1.c. In a conference call on October 2, 2024, with representatives of Kenergy's billing software provider National Information Solutions Cooperative ("NISC"), Kenergy specifically asked if it was possible to "upgrade" or "customize" the billing software to use different numbers of months in the calculations for the different budget billing methods. As explained above, the billing program operates on a singular set of UDOs to apply to all forms of budget billing. NISC staff advised its programming staff was unable to say whether it would even be possible to create independent sets of UDOs within the two budget billing methods, as the coding and programming to even attempt it would be "complex and highly not recommended." NISC staff advised it is not possible within the programming to customize just one budget billing method. An attempt to customize the billing months for just the "fixed" budget billing method would result in programming changes to the "levelized" budget billing method. When asked if they could estimate a cost to attempt the programming change, NISC staff advised the matter would be so complex that their programmers were not able to estimate the amount of time it would take. As the programming work would be billed hourly, NISC could not provide a cost estimate.

2. Refer to Kenergy's petition for rehearing, page 4, in which the true-up mechanism for the fixed budget billing plan is explained. If a fixed budget billing customer were due a refund at the end of a budget year, explain whether it would be possible to credit the full amount to the customer at the end of the budget year instead of spreading the credit out over the next 12 months.

Response 2. No, the UDO's that control the accounts receivable true-up work the same for both credit and debit balances. Therefore, if Kenergy were to choose the option in the software to have a settle-up month, the system will bill members that owe Kenergy at that time, or the system will pay members that have a credit balance at that time. This applies to both fixed and levelized budget billing.

3. Provide a sample calculation, by month, based on a random residential customer's usage over the past 36 months showing how the customer's monthly bill will be calculated under the revised fixed budget billing plan.

Response 3. Please see the excel file titled "Item 3, Budget Billing Example.xlsx" uploaded separately, which shows 3 years of bills for one of Kenergy's members under the current fixed budget billing plan and the proposed fixed budget billing plan.