

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

**KENERGY CORP.'S VERIFIED RESPONSE TO COMMISSION STAFF'S
THIRD REHEARING REQUEST FOR INFORMATION**

Kenergy Corp. (Kenergy), by counsel, hereby tenders its Verified Response to Commission Staff's Third Rehearing Request for Information entered November 12, 2024.

Respectfully Submitted,

/s/ Nicholas D. Kafer
Nicholas D. Kafer
Kenergy Corp.
General Counsel
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Certification

I hereby certify that the foregoing electronic filing was transmitted to the Kentucky Public Service Commission for filing on November 22, 2024; 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.


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**

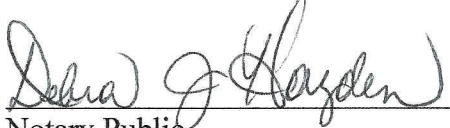
Travis Siewert, Vice President of Accounting and Finance, of Kenergy Corp., being duly sworn, states that he has supervised the preparation of the following Responses to Commission Staff's Third Rehearing Request for Information on behalf of Kenergy Corp. in the above-referenced case and that the matters 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 Harrods

The foregoing was signed, acknowledged and sworn to before me by Travis Siewert, Vice President – Accounting and Finance, this the 22nd day of November, 2024.



Notary Public
Notary ID Number: KYNP71808
My Commission Expires: 5-24-2027

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

1. Refer to 807 KAR 5:006, Section 14(2)(a). Explain how the proposed fixed budget billing plan brings each participating customer current once each 12-month period.

Response 1. Any account credit or arrearage balance accrued at the end of the year will be collected through a series of levelized adjustments over following 12-month period.

2. Refer to 807 KAR 5:006, Section 14(2)(a). Explain how the levelized budget billing plan brings each participating customer current once each 12-month period.

Response 2. Any account credit or arrearage balance accrued at the end of each month will be collected through a series of levelized adjustments over the following 12-month period.

3. Refer to Kenergy's response to Commission Staff's First Rehearing Request for Information, Item 3, Attachment, Budget_Billing_Example_xlsx. Explain, in this example, how the proposed fixed budget billing plan brings the participating customer current once each 12-month period for each of the years starting October 2021, October 2022, and October 2023.

Response 3. The arrearage balance of \$292 at August 2022 is collected through 12 level payments (\$24 added to the October 2022 through September 2023 bills). The credit balance of (\$142) at August 2023 is credited to the account through 12 level credits (\$12 subtracted from the October 2023 through September 2024 bills). It may also be helpful to note that, in the example, the accounts receivable balance is negative for several months during each of the annual periods, which indicates the account has no accounts receivable balance and is therefore current. In each of those 12-month periods, the participating member's account is brought current when the account

balance goes from an arrearage to a credit. At that point, the member is current on their obligation to Kenergy, and if the member terminated their service, Kenergy would not be owed any payments.

4. Refer to Kenergy's response to Commission Staff's Second Rehearing Request for Information, Items 1a and 1b. Reconcile Kenergy's answer to 1a of "yes," with the following statement in Item 1b, "[w]hen enabled for purposes of levelized billing, UDOs 16 and 18 will also apply to fixed billing. At that point, instead of settling a member's account receivable balance in full with a single invoice or refund in the settle-up month, the balance will be spread over the defined number of months (which is 12)."

Response 4. Request 1a specifically asked whether it is possible to have a settle-up month for fixed budget billing without also having a settle-up month for levelized budget billing. The answer to that question is "yes." Kenergy's proposed levelized billing is written to operate the same way as numerous other co-ops tariffs and does not include a settle-up month. NISC has advised Kenergy that without enabling UDO's 16 and 18, the account receivable balance on a levelized account would continually accrue and not be billed.

If UDO's 16 and 18 are checked, the arrearage or credit balance at the time of budget calculation will be spread over the number of months entered in the ADD_ON_DIVISOR UDO, which we will set to 12 months. For the proposed fixed budget billing, this calculation will occur once a year during the settlement month. For levelized budget billing, this calculation will occur every month because there is no settle up month.

If UDO's 16 and 18 are not checked, the arrearage or credit balance will never be trued up. If UDO's 16 and 18 are checked and Kenergy enters 1 in the ADD_ON_DIVISOR UDO, then the proposed fixed budget billing will settle up the entire arrearage or credit balance in a single month

and the levelized budget billing will settle up the entire arrearage or credit balance every month thereby defeating the purpose of levelized budget billing.