

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

**ATTORNEY GENERAL’S RESPONSES TO DATA REQUESTS OF KENERGY CORPORATION**

The intervenor, the Attorney General of the Commonwealth of Kentucky, through his Office of Rate Intervention [“OAG”], hereby submits his Joint Responses to Data Requests of Kenergy Corp. (“Kenergy,” or “the Company”) in the above-styled matter.

Respectfully submitted,  
**RUSSELL COLEMAN**  
**ATTORNEY GENERAL**



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*Certificate of Service and Filing*

Pursuant to the Commission's Orders in Case No. 2020-00085, and in accord with all other applicable law, Counsel certifies that an electronic copy of the forgoing was served and filed by e-mail to the parties of record. Counsel further certifies that the responses set forth herein are true and accurate to the best of their knowledge, information, and belief formed after a reasonable inquiry.

This 29<sup>th</sup> day of January, 2024



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Assistant Attorney General

Electronic Application of Kenergy Corp.  
for a General Adjustment of Rates  
Case No. 2023-00276  
AG's Responses to Data Requests of Kenergy

WITNESS / RESPONDENT RESPONSIBLE:  
RANDY FUTRAL

QUESTION No. 1  
Page 1 of 1

Has the OAG's witness, Mr. Futral, ever testified in Kentucky on behalf of a distribution cooperative in Application for a General Adjustment in Rates or in any other rate case filing?

RESPONSE:

No. Refer to the discussion on page 2 and 3 of Mr. Futral's Direct Testimony concerning the proceedings that Mr. Futral has testified on in Louisiana and Kentucky, the only two states that Mr. Futral has been involved with that actually regulate distribution cooperatives. Refer also to the qualifications further detailing Mr. Futral's experience in Exhibit\_\_\_(RAF-1). Mr. Futral assisted Mr. Lane Kollen of J. Kennedy and Associates, Inc. in Case No. 2021-00358, a Jackson Purchase Energy Corporation rate case. Mr. Futral also assisted Mr. Kollen in Case No. 2021-00407, a South Kentucky Rural Electric Cooperative Corporation rate case. These are the only two Kentucky distribution cooperative rate cases for which a J. Kennedy and Associates, Inc. expert filed testimony according to its records.

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WITNESS / RESPONDENT RESPONSIBLE:  
RANDY FUTRAL

QUESTION No. 2  
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On page six (6) of Mr. Futral's testimony, he states that for right of way (ROW), "it is a known fact that such expenses have increased considerably in Kentucky over the last several years." Please elaborate and explain the basis for this statement and provide any statistics or studies that support this statement.

RESPONSE:

Mr. Futral has not reviewed any independent studies that provide the requested statistics. Mr. Futral's statement was based on statements and expenditure details provided by various utilities within the state in various proceedings. Refer to Table 2 on page 6 of Mr. Futral's Direct Testimony, which details the large ROW cost increases experienced by Kenergy over the last several years. Refer also to the following:

In the application (paragraph 26) in the Jackson Purchase Energy Corporation rate case (Case No. 2021-00358, the statement was made that "The biggest single reason for Jackson Purchase's decision to file a general rate case rather than a 'streamlined' case is the substantial increase in ROW management expense." In that case, former ROW contractor Townsend Tree Service left the service area completely, citing increased costs and lack of profitability. That same contractor left Kenergy due to the same kinds of profitability concerns due to rising costs. According to the Direct Testimony of Jeffrey R. Williams in that case, the ramifications of Covid-19 helped to cause tremendous cost increases in ROW management due to rising rates and labor shortages in this market.

In the recent Farmers Rural Electric Cooperative Corporation ("Farmers RECC") proceeding in Case No. 2023-00158, the Commission's Order at page 3 cited Farmers RECC's contention that ROW management costs had risen by 32% since its last rate case filing in 2017.

In South Kentucky Rural Electric Cooperative Corporation ("SKRECC") Case No. 2021-00407, Kenneth Simmons at pages 5-7 of his Direct Testimony described an increase in SKRECC's ROW management expense of 11.84% from the period 2016 through 2020. He made the following statement at page 6: "Like many other cooperatives around Kentucky right-of-way management has become a significant source of increased costs."

In a Duke Energy Kentucky, Inc. rate case, Case No. 2019-00271, Thomas Christie made the following statements at page 6 of his Direct Testimony: "The market for resources eligible

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QUESTION No. 2  
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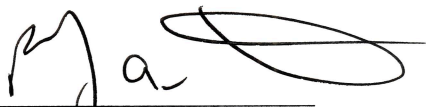
to properly engage in vegetation management activities has become constricted and extremely competitive for limited qualified resources. The scarcity of the resource locally and the need to bring in qualified contractors from outside the Kentucky territory has combined to result in higher prices for critically important compliance activities. Indeed, current, competitively bid prices for vegetation management resources are significantly higher than in years past.”

**AFFIDAVIT**

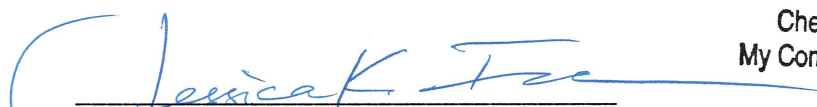
STATE OF GEORGIA            )

COUNTY OF FULTON         )

RANDY A. FUTRAL, being duly sworn, deposes and states: that the attached are his sworn responses and that the statements contained are true and correct to the best of his knowledge, information and belief.

  
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Randy A. Futral

Sworn to and subscribed before me on this  
29th day of January 2024.

  
\_\_\_\_\_  
Notary Public

Jessica K Inman  
NOTARY PUBLIC  
Cherokee County, GEORGIA  
My Commission Expires 07/31/2027