

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

In the Matter of:

**ELECTRONIC APPLICATION OF KENERGY CORP.)
FOR AN ADJUSTMENT OF RATES)**

CASE NO. 2023-00276

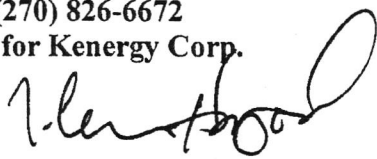
**RESPONSES TO COMMISSION STAFF'S SECOND
REQUEST FOR INFORMATION TO KENERGY CORP.
DATED OCTOBER 30, 2023**

Kenergy Corp. ("Kenergy") submits the attached Responses to Staff's Second Requests for Information dated October 30, 2023.

This 14th day of November, 2023.

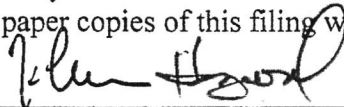
**DORSEY, GRAY, NORMENT & HOPGOOD
318 Second Street
Henderson, KY 42420
Telephone (270) 826-3965
Telefax (270) 826-6672
Counsel for Kenergy Corp.**

By _____


J. Christopher Hopgood

CERTIFICATE OF SERVICE

I hereby certify that the foregoing electronic filing was transmitted to the Kentucky Public Service Commission for filing on November 14, 2023; that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding by virtue of the Commission's Order of 2020-00085, no paper copies of this filing will be made.



J. Christopher Hopgood

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBIC SERVICE COMMISSION

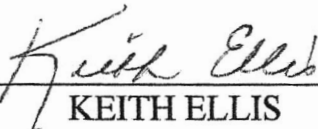
In the Matter of:

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

VERIFICATION OF KEITH ELLIS

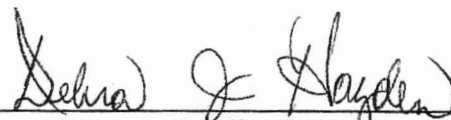
COMMONWEALTH OF KENTUCKY)
COUNTY OF DAVIESS)

Keith Ellis, Vice President Administration of Kenergy Corp., being duly sworn, states that he has supervised or prepared certain responses to Commission Staff's Second Request for Information in the above referenced case on behalf of Kenergy Corp., 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.



KEITH ELLIS

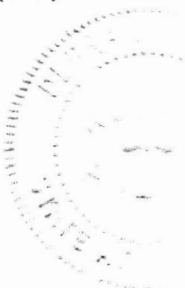
The foregoing Verification was signed, acknowledged and sworn to before me this 6th day of November, 2023, by Keith Ellis



Notary Public, KY. State at Large #RYNP71808

Commission expires 5-24-2027

(seal)



COMMONWEALTH OF KENTUCKY
BEFORE THE PUBIC SERVICE COMMISSION

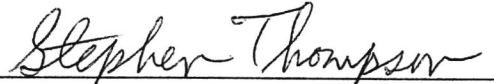
In the Matter of:

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

VERIFICATION OF STEPHEN THOMPSON

COMMONWEALTH OF KENTUCKY)
COUNTY OF DAVIESS)

Stephen Thompson, Vice President Regulatory Affairs of Kenergy Corp., being duly sworn, states that he has supervised or prepared certain responses to Commission Staff's Second Request for Information in the above referenced case on behalf of Kenergy Corp., 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.



Stephen Thompson

The foregoing Verification was signed, acknowledged and sworn to before me this 17th day of November, 2023, by Stephen Thompson

Patsy D. Finley KYNP30811
Notary Public, KY. State at Large

Commission expires 7-14-25

(seal)



COMMONWEALTH OF KENTUCKY
BEFORE THE PUBIC SERVICE COMMISSION

In the Matter of:

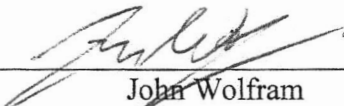
THE ELECTRONIC APPLICATION OF)
KENERGY CORP. FOR) Case No. 2023-00276
A GENERAL ADJUSTMENT OF RATES)

VERIFICATION OF JOHN WOLFRAM

COMMONWEALTH OF KENTUCKY)

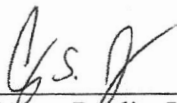
COUNTY OF JEFFERSON)

John Wolfram, Principal of Catalyst Consulting LLC, being duly sworn, states that he has supervised or prepared certain responses to Commission Staff's Second Request for Information in the above referenced case on behalf of Kenergy Corp., 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.



John Wolfram

The foregoing Verification was signed, acknowledged and sworn to before me this 6th day of November, 2023, by John Wolfram



Notary Public, KY. State at Large
Commission expires 04/08/2026

(seal)

COREY SCOTT JONES
Notary Public - State at Large
Kentucky
My Commission Expires April 08, 2026
Notary ID KYNP48750

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBIC SERVICE COMMISSION

In the Matter of:

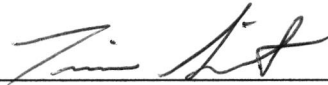
THE ELECTRONIC APPLICATION OF)
KENERGY CORP. FOR) **Case No. 2023-00276**
A GENERAL ADJUSTMENT OF RATES)

VERIFICATION OF TRAVIS SIEWERT

COMMONWEALTH OF KENTUCKY)

COUNTY OF HENDERSON)

Travis Siewert, Vice President Finance of Kenergy Corp., being duly sworn, states that he has supervised or prepared certain responses to Commission Staff's Second Request for Information in the above referenced case on behalf of Kenergy Corp., 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

The foregoing Verification was signed, acknowledged and sworn to before me this 8 day of November, 2023, by Travis Siewert

 KYNP27712
Notary Public, KY. State at Large

Commission expires 4-20-25

(seal)



COMMONWEALTH OF KENTUCKY
BEFORE THE PUBIC SERVICE COMMISSION

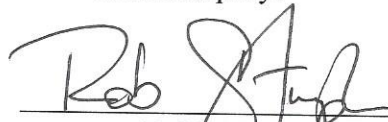
In the Matter of:

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

VERIFICATION OF ROB STUMPH

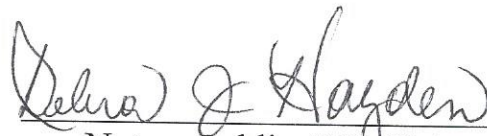
COMMONWEALTH OF KENTUCKY)
COUNTY OF HENDERSON)

Rob Stumph, Vice President Engineering and Operations of Kenergy Corp., being duly sworn, states that he has supervised or prepared certain responses to Commission Staff's Second Request for Information in the above referenced case on behalf of Kenergy Corp., 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.



ROB STUMPH

The foregoing Verification was signed, acknowledged and sworn to before me this 13 day of November, 2023, by Rob Stumph



Notary Public, KY. State at Large

Commission expires 5-24-2027

(seal)



KENERGY CORP.

THE ELECTRONIC APPLICATION)
OF KENERGY CORP. FOR A GENERAL) **CASE NO. 2023-00276**
ADJUSTMENT OF RATES)

Responses to Commissions Staff's Second Request for Information

Item 1) Refer to the Application, Exhibit 4, page 3 of 35. Explain why the current tariff page included in the side-by-side tariff does not match the tariff page currently on file with the Commission.

Response) See the Corrected Exhibit 4, page 3 of 35 attached as Item 1, page 2 of 2.

Witness: Steve Thompson

INDEX

30. Non-FAC Purchased Power Adjustment Rider 30- 30A

31. Future Use 31

32. Special Charges..... 32 – 32B
(Exhibit A, B & C)

33. Smelter Customers Served Under Special Contracts..... 33 – 33B
(Class A)

34. Large Industrial Customers Served Under Special Contracts 34 – 34C
(Dedicated Delivery Points – Class B) & (Standby Service)

35. Large Industrial Customers Served Under Special Contracts 35 – 35B
(Dedicated Delivery Points – Class C)

36. Future Use 36 – 40

41. Large Industrial Expansion..... 41 - 41F

42. Voluntary Price Curtailable Service Rider 42 – 42C

43. Small Power Production or Cogeneration (Under 100 KW) 43
(Customer Sells Power to Kenergy)

44. Small Power Production or Cogeneration (Over 100 KW) 44 – 44C
(Customer Sells Power to Big Rivers)

45. Small Power and Cogeneration (Over 100 KW) 45 – 45H
(Customer Buys Power from Kenergy)

46. Net Metering 46 – 46Z

47. Future Use 47 - 75

76. Pole Attachment Tariff 76 page 1 -
76 page 51

77. Future Use 77 - 99

RULES AND REGULATIONS

100. Residential Member Bill of Rights 100

101. Scope 101

INDEX

30. Non-FAC Purchased Power Adjustment Rider 30- 30A

31. Future Use 31

32. Special Charges 32 – 32B
(Exhibit A, B & C)

33. Smelter Customers Served Under Special Contracts 33 – 33B
(Class A)

34. Large Industrial Customers Served Under Special Contracts 34 – 34C
(Dedicated Delivery Points – Class B) & (Standby Service)

35. Large Industrial Customers Served Under Special Contracts 35 – 35B
(Dedicated Delivery Points – Class C)

36. Future Use 36 – 40

41. Large Industrial Expansion..... 41 - 41F

42. Voluntary Price Curtailable Service Rider 42 – 42C

43. Small Power Production or Cogeneration (Under 100 KW) 43
(Customer Sells Power to Kenergy)

44. Small Power Production or Cogeneration (Over 100 KW) 44 – 44C
(Customer Sells Power to Big Rivers)

45. Small Power and Cogeneration (Over 100 KW) 45 – 45H
(Customer Buys Power from Kenergy)

46. Net Metering 46 – 46Z

47. Future Use 47 - 75

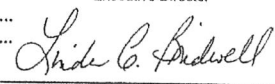
76. Pole Attachment Tariff 76

77. Future Use 77 - 99

RULES AND REGULATIONS

100. Residential Member Bill of Rights T

101. Scope T

KENTUCKY PUBLIC SERVICE COMMISSION Linda C. Bridwell Executive Director 
EFFECTIVE 12/28/2022 PURSUANT TO 807 KAR 5.011 SECTION 9 (1)

KENERGY CORP.

THE ELECTRONIC APPLICATION)
OF KENERGY CORP. FOR A GENERAL) **CASE NO. 2023-00276**
ADJUSTMENT OF RATES)

Responses to Commissions Staff’s Second Request for Information

Item 2) Refer to the Application, Exhibit 4, pages 12–14 of 35. Explain the reasoning for deleting Schedule 29 – Rural Economic Reserve Adjustment Rider from the tariff.

Response) Kenergy has not received any credits under this tariff from Big Rivers since late 2016. It is my understanding Big Rivers will request the removal of their tariff sheets when the next general rate application is filed.

Witness: Steve Thompson

KENERGY CORP.

THE ELECTRONIC APPLICATION)
OF KENERGY CORP. FOR A GENERAL) **CASE NO. 2023-00276**
ADJUSTMENT OF RATES)

Responses to Commissions Staff’s Second Request for Information

Item 3) Refer to the Application, Exhibit 4, pages 29–30 and 34 of 35. Explain why Kenergy is moving from the Fixed Budget Billing Plan to the Levelized Budget Billing Payment Plan.

Response) Kenergy’s current Fixed Budget Billing Plan uses a member’s previous 12 bills to calculate a fixed amount for the next 11 months, with a true-up in month 12. When Kenergy experiences large swings in the wholesale adjustment factors, like the swings in the fuel adjustment clause during 2022 and 2023, members can receive large true-up bills (like many members did in September 2022) and large true-up checks (like many members did in September 2023). Transitioning to levelized budget billing will result in smaller monthly incremental changes, rather than one large annual adjustment. Some of our members struggle to pay the annual adjustment when they owe a significant amount.

Witness: Travis Siewert

KENERGY CORP.

THE ELECTRONIC APPLICATION)
OF KENERGY CORP. FOR A GENERAL) **CASE NO. 2023-00276**
ADJUSTMENT OF RATES)

Responses to Commissions Staff’s Second Request for Information

- Item 4)** Refer to the Application, Exhibit 4, pages 29–30 of 35.
- a. Explain why a customer must have 12 months of service at the location in order to qualify for the Levelized Budget Billing Payment Plan.
 - b. Explain how Kenergy defines satisfactory credit history in relation to the requirements for the Levelized Budget Billing Payment Plan.
 - c. Provide a sample calculation by month based on a random residential customer’s usage over the past 12 months showing how the customer’s monthly bill under the Levelized Budget Billing Payment Plan will be calculated.
 - d. Explain why no adjustment will be calculated for a credit balance.

Response)

- a. If the account is being set up at a new electric service location, then historical data is not yet available to calculate an average for levelized budget billing. The member would have to wait until they have twelve months of history before transitioning to levelized budget billing (which is how the existing fixed budget billing works as well).

 If the account is set up at an existing service location, we encourage the member to wait until they have twelve months of

their “own” usage before transitioning to a budget billing program, however, we do allow members to transition to budget billing using historical usage data from the previous customer at the existing service location. We do stress to the member that this historical data may not accurately reflect what their usage would have been during this time-frame.

- b. If an account becomes 60 days past due, the account is automatically moved from budget billing to our standard billing.
- c. Please see the uploaded Excel file “PSC2 Item 4c (Levelized Budget Bill Example)”.
- d. Kenergy would like to remove “No adjustment will be calculated for a credit balance” from the proposed tariff. One-twelfth of the accounts receivable balance (whether debit or credit) will be included in the levelized adjustment. Kenergy would also like to remove “the members” from the first sentence of the tariff and replace it with “single phase accounts” so the proposed levelized budget billing tariff is consistent with the existing fixed budget billing tariff in this regard. A redline version of the proposed tariff with these two proposed changes is attached, Item 4 pages 3-4 of 4.

Witness: Travis Siewert



Henderson, Kentucky

FOR ALL TERRITORY SERVED

Community, Town or City

PSC NO. 2

Original SHEET NO. 155

CANCELLING PSC NO. 1

SHEET NO. _____

RULES AND REGULATIONS

Schedule 155 – Levelized Budget Billing Payment Plan

LEVELIZED BUDGET BILLING PAYMENT PLAN

The Cooperative will offer to ~~the members~~ single phase accounts a Levelized Budget Billing Plan under the following conditions.

TERMS OF LEVELIZED BUDGET BILLING:

1. A member who qualifies may be placed on or removed from levelized budget billing in any month of the year.
2. This is a continuous plan with no catch-up month. As stated by 807 KAR 5:006 Section 14, the member’s account will be adjusted through a series of levelized adjustments on a monthly basis to bring the member’s account current once each twelve (12) month period. Upon disconnection or removal from levelized budget billing, all accumulated debits shall become due and payable at this time. Upon disconnection of service, any credits shall be refunded to the member. Upon removal from the plan, any credits shall be applied to the member’s active account.
3. Payment dates and payment terms remain the same as for normal billing. Participants in levelized billing must pay the full amount of the levelized payment each month by the due date.
4. Failure to pay the full levelized amount, failure to pay a collection fee, disconnect for nonpayment, illegal use of service or theft of service will result in removal of the account from the levelized program. Accounts removed from the levelized program are placed on the normal billing program and any levelized balance is applied to the actual current billing.
5. Requirements for levelized billing are: (1) 12 months of service at the location; (2) account is paid up-to-date; and, (3) satisfactory credit history.

CALCULATIONS FOR MONTHLY BILLING:

1. Each billing will be based on the past eleven (11) months kilowatt hour usage, and the current month kilowatt hours usage shall be added to provide a moving average based on twelve months kilowatt hour usage. In addition, a series of monthly levelized adjustments will be calculated and added to the average amount. The monthly adjustment will be one-twelfth (1/12) of the unpaid balance. ~~No adjustment will be calculated for a credit balance.~~

DATE OF ISSUE October 2, 2023
Month / Date / Year

DATE EFFECTIVE November 2, 2023
Month / Date / Year

ISSUED BY _____
(Signature of Officer)

TITLE President and CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2023-00276 DATED _____



FOR ALL TERRITORY SERVED
Community, Town or City

PSC NO. 2

Original SHEET NO. 155a

CANCELLING PSC NO. 1

SHEET NO. _____

Henderson, Kentucky

RULES AND REGULATIONS

Schedule 155 – Levelized Budget Billing Payment Plan

- 2. Each succeeding month the oldest months usage shall be dropped and current months usage added.
- 3. Since the averages shall be based on kilowatt hour usage, any taxes, security lights, fuel adjustment costs, and other monthly charges will be added.
- 4. Therefore, each month’s electric bill will not be exactly the same, and the electric bill will vary from month to month.

N

DATE OF ISSUE October 2, 2023
Month / Date / Year

DATE EFFECTIVE November 2, 2023
Month / Date / Year

ISSUED BY _____
(Signature of Officer)

TITLE President and CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2023-00276 DATED _____

KENERGY CORP.

THE ELECTRONIC APPLICATION)
OF KENERGY CORP. FOR A GENERAL) **CASE NO. 2023-00276**
ADJUSTMENT OF RATES)

Responses to Commissions Staff's Second Request for Information

Item 5) Refer to the Application, Exhibit 4, pages 32–33 of 35. Explain why the current tariff pages included in the side-by-side tariff do not match the tariff pages currently on file with the Commission.

Response) See the attached Corrected Exhibit 4 Page 32 of 35 shown as Item 5, page 2 of 6.

The tariff page shown on Exhibit 4 Page 33 of 35 was filed with the Commission on November 30, 2016. Please see the attached pages shown as Item 5, pages 3-6.

Witness: Steve Thompson



Henderson, Kentucky

FOR ALL TERRITORY SERVED
Community, Town or City
PSC NO. 2
Eighth Revised SHEET NO. 162A
CANCELLING PSC NO. 2
Seventh Revised SHEET NO. 162A

RULES AND REGULATIONS

Schedule 162 - Deposits

(Excluding Three-Phase Over 1,000 KW & Special Contracts)

Residential deposits will be retained for a period not to exceed twelve (12) months, provided the customer has met satisfactory payment and credit criteria. Non-residential deposits will be maintained as long as the customer remains on service.

If a deposit is held longer than eighteen (18) months, the deposit will be recalculated at the customer's request based on the customer's actual usage. If the deposit on account differs from the recalculated amount by more than \$10.00 for a residential customer or 10 percent for a non-residential customer, Kenergy may collect any underpayment and shall refund any overpayment by check or credit to the customer's bill. No refund will be made if the customer's bill is delinquent at the time of the calculations.

DEPOSIT AMOUNT

Residential customers, as defined under Sheet No. 1, will pay a deposit in the amount of \$366.00 which is calculated in accordance with 807 KAR 5:006, Section 8(1)(b).

Non-residential and three-phase customers under 1,000 KW deposits shall be based upon actual usage of the customer at the same or similar premises for the most recent 12-month period, if such information is available. If usage information is not available, the deposit will be based on the load information provided by customer. The deposit amount shall not exceed 2/12ths of the customer's actual or estimated annual bill where bills are rendered monthly.

DATE OF ISSUE October 2, 2023
Month / Date / Year
DATE EFFECTIVE November 2, 2023
Month / Date / Year
ISSUED BY [Signature]
(Signature of Officer)
TITLE President and CEO
BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
CASE NO. 2023-00276 DATED

Exhibit 3
Page 27 of 30



Henderson, Kentucky

FOR ALL TERRITORY SERVED
Community, Town or City
PSC NO. 2
Seventh Revised SHEET NO. 162A
CANCELLING PSC NO. 2
Sixth Revised SHEET NO. 162A

RULES AND REGULATIONS

Schedule 162 - Deposits

(Excluding Three-Phase Over 1,000 KW & Special Contracts)

Residential deposits will be retained for a period not to exceed twelve (12) months, provided the customer has met satisfactory payment and credit criteria. Non-residential deposits will be maintained as long as the customer remains on service.

If a deposit is held longer than eighteen (18) months, the deposit will be recalculated at the customer's request based on the customer's actual usage. If the deposit on account differs from the recalculated amount by more than \$10.00 for a residential customer or 10 percent for a non-residential customer, Kenergy may collect any underpayment and shall refund any overpayment by check or credit to the customer's bill. No refund will be made if the customer's bill is delinquent at the time of the calculations.

DEPOSIT AMOUNT

I/T Residential customers as defined under Sheet No. 1, will pay a deposit in the amount of \$315.00 which is calculated in accordance with 807 KAR 5:006, Section 7(1)(b).

Non-residential and three-phase customers under 1000 KW deposits shall be based upon actual usage of the customer at the same or similar premises for the most recent 12-month period, if such information is available. If usage information is not available, the deposit will be based on the load information provided by customer. The deposit amount shall not exceed 2/12ths of the customer's actual or estimated annual bill where bills are rendered monthly.

DATE OF ISSUE July 13, 2021
Month / Date / Year
DATE EFFECTIVE June 24, 2021
Month / Date / Year
ISSUED BY [Signature]
(Signature of Officer)
TITLE President and CEO
BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. 2021-00066 DATED June 24, 2021

KENTUCKY PUBLIC SERVICE COMMISSION
Linda C. Bridwell
Executive Director
EFFECTIVE 6/24/2021
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

KY PSC Electronic Tariff Filing Receipt
Documents received for Tariff filing: TFS2016-00688
Kenergy Corp.
at 11/30/2016 12:01:01 PM

Description: Revised tariff sheets related to Kenergys billing lag catch up plan, per Staffs request during November 14th telephone conversation.

Received Items:

Cover Letter

Cover_Letter.pdf

Tariff

Tariff_Sheets_-_Billing_Lag_Catch_Up_(Case_No._2015-00312).pdf



P.O. Box 18• 6402 Old Corydon Road
Henderson, Kentucky 42419
(800) 844-4832

November 29, 2016

Talina R. Matthews, Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, KY 40601

RE: Case No. 2015-00312
Application of Kenergy Corp. for a General Adjustment of Rates

Dear Dr. Matthews:

Attached please find Kenergy's tariff sheets reflecting changes to those filed on October 3, 2016 pursuant to the Staff's request made during the phone conversation on November 14, 2016.

Sincerely,


Steve Thompson
Vice President Finance
Kenergy Corp.

Your Touchstone Energy® Cooperative 

INDEX

	30.	Non-FAC Purchased Power Adjustment Rider	30- 30A
T	31.	2017 Billing Gap Recovery Plan Rider	31
	32.	Special Charges	32 – 32B
		(Exhibit A, B & C)	
	33.	Smelter Customers Served Under Special Contracts.....	33 – 33B
		(Class A)	
	34.	Large Industrial Customers Served Under Special Contracts	34 – 34B
		(Dedicated Delivery Points – Class B)	
	35.	Large Industrial Customers Served Under Special Contracts	35 – 35B
		(Dedicated Delivery Points – Class C)	
	36.	Future Use.....	36 - 41
	42.	Voluntary Price Curtailable Service Rider	42 – 42C
	43.	Small Power Production or Cogeneration (Under 100 KW)	43
		(Customer Sells Power to Kenergy)	
	44.	Small Power Production or Cogeneration (Over 100 KW)	44 – 44C
		(Customer Sells Power to Big Rivers)	
	45.	Small Power and Cogeneration (Over 100 KW)	45 – 45H
		(Customer Buys Power from Kenergy)	
	46.	Net Metering	46 – 46Z
	47.	High Efficiency Lighting Replacement Program	47
	48.	Energy Star Clothes Washer Replacement Incentive Program	48
	49.	Energy Star Refrigerator Replacement Incentive Program	49
	50.	Residential & Commercial High Efficiency HVAC Program.....	50 – 50A
	51.	Touchstone Energy New Home Program	51 - 51A
	52.	Residential & Commercial HVAC & Refrigeration Tune-Up Program .	52
	53.	Commercial/Industrial High Efficiency Lighting Replacement Incentive	53 – 53A



Henderson, Kentucky

FOR ALL TERRITORY SERVED
Community, Town or City
PSC NO. 2
Original SHEET NO. 31
CANCELLING PSC NO.
SHEET NO.

CLASSIFICATION OF SERVICE
Schedule 31 - 2017 Billing Gap Recovery Plan Rider

RATE APPLICATION

This rider shall apply to rate schedules (1) Residential Single Phase & Three-Phase, (3) All Non-Residential Single Phase, (5) Three-Phase Demand (Non-Residential) Non-Dedicated Delivery Points (0-1000 kw), (7) Three-Phase Demand Non-Dedicated Delivery Points (1,001 KW & Over), (15) Private Outdoor Lighting, (16) Street Lighting Service. This rider does not apply to rate schedules 34, 34A and 35, which are applicable to Class A, B and C direct served Industrials with special contracts.

2017 Billing Gap Recovery Plan

During 2017, Kenergy shall render an electric service statement to each customer for approximately 32 days during all months, except May and June, which will be approximately 33 days. During this period of time, the monthly customer charge and the monthly lighting charge will be determined each month by multiplying the daily rate times the number of days billed. The monthly rate shown on each applicable tariff above will be divided by 30.4 (365 days/12 months) to arrive at the daily rate. Also, during this period of time, Billing Demand, as determined under Schedule 5 and Schedule 7, will be divided by 30.4 then multiplied by the number of days billed on the electric service statement.

TERMINATION

This tariff schedule 31 will automatically terminate on December 31, 2017.

DATE OF ISSUE November 23, 2016
Month / Date / Year
DATE EFFECTIVE January 1, 2017
Month / Date / Year
ISSUED BY [Signature]
(Signature of Officer)
TITLE President & CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. DATED

KENERGY CORP.

THE ELECTRONIC APPLICATION)
OF KENERGY CORP. FOR A GENERAL) **CASE NO. 2023-00276**
ADJUSTMENT OF RATES)

Responses to Commissions Staff's Second Request for Information

Item 6) Refer to the Application, Exhibit 4, page 35 of 35. Explain how Kenergy will maintain records pertaining to partial payment agreements that are agreed to verbally.

Response) Kenergy records all calls made to and from the Member Service Representatives (MSR) phone extensions. These records have been archived 2012-present. In the phone recording the MSR will outline the requirements the member must meet to avoid disconnect for non-payment. The MSR will detail the amount due and the date/time (if applicable) the payment must be received to avoid disconnect for non-payment. These recordings can later be reviewed if the information discussed is in question.

Witness: Travis Siewert

KENERGY CORP.

**THE ELECTRONIC APPLICATION)
OF KENERGY CORP. FOR A GENERAL) CASE NO. 2023-00276
ADJUSTMENT OF RATES)**

Responses to Commissions Staff's Second Request for Information

- Item 7)** Refer to the Application, Exhibit 10, page 1.
- a. Explain how the actual test-year amounts for Direct Served customers, shown in column 3, were determined.
 - b. Explain the pro forma increase in "A&G" expenses for Direct Served customers.
 - c. Provide the Times Interest Earned Ratio (TIER) and Operating Times Interest Earned Ratio (OTIER) for Pro Forma Direct Served and Pro Forma Non-Direct Served.
 - d. Provide a breakdown of Non-Operating Margins – Other.

Response)

- a. Kenergy has separate general ledger accounts designed to capture the cost assigned to direct serve members. Amounts in these accounts were broken out separately in the Direct Serve column. Some costs are assigned directly to these accounts (PSC Assessment tax, professional services, etc.) and some costs are allocated to these accounts (billing cost, A&G cost, buildings & grounds cost, customer assistance exp. etc.) Kenergy has distribution assets in place to serve three of the direct serve members, which is not the case for all the other direct serve members. These accounts are allocated depreciation expense, O&M expense, and interest expense

- based on the assets in place to serve them.
- b. The pro forma increase in “A&G” expenses for Direct Serve members of \$218 is the portion of the labor and overhead adjustment assigned to direct serve members. This was allocated based on the proportion of actual labor and overhead dollars allocated to the direct serve members to total labor and overhead dollars in the test period.
 - c. The TIER and OTIER metrics are only meaningful on a total company comprehensive basis.
 - d. Please see the uploaded file “PSC2 Item 7d (Non Operating Margins-Other).

Witness: John Wolfram & Travis Siewert

KENERGY CORP.

THE ELECTRONIC APPLICATION)
OF KENERGY CORP. FOR A GENERAL) **CASE NO. 2023-00276**
ADJUSTMENT OF RATES)

Responses to Commissions Staff’s Second Request for Information

Item 8) Refer to the Application, exhibit 10, pages 1 and 11. Explain why Direct Served customers were not allocated any Distribution Operations expenses from the actual test year but were allocated part of the proposed adjustment for this expense.

Response) The \$962 pro forma adjustment to Direct Served customers Distribution Operations expenses was incorrect. The adjustment should be on the Depreciation line. This amount represents the portion of distribution plant depreciation expense adjustment attributable to direct serve members.

Witness: John Wolfram

KENERGY CORP.

THE ELECTRONIC APPLICATION)
OF KENERGY CORP. FOR A GENERAL) **CASE NO. 2023-00276**
ADJUSTMENT OF RATES)

Responses to Commissions Staff’s Second Request for Information

Item 9) Refer to the Application, Exhibit 10, page 11. Provide a breakdown of the test year expense of \$13,833,296 and identify any fully depreciated items.

Response) The uploaded file “PSC2 Item 9 (Test Period Depr. Detail)” shows the test period distribution plant depreciation expense broken down by asset account. Kenergy uses the composite depreciation method for distribution plant and the unit depreciation method for general plant. Unlike general plant, where assets are tracked individually and depreciation ceases once an individual asset is fully depreciated, distribution plant depreciation is calculated at the composite group (or account number) level. Distribution plant depreciation continues even if accumulated depreciation exceeds the asset account, in order to account for removal cost (or negative net salvage). Kenergy currently has 3 distribution plant accounts where accumulated depreciation exceeds the asset account 362.223 Microwave Towers, 362.400 Owensboro Fiber Loop, and 366.000 Underground Conduit. Composite method depreciation expense continues for these accounts.

Witness: John Wolfram & Travis Siewert

KENERGY CORP.

**THE ELECTRONIC APPLICATION)
OF KENERGY CORP. FOR A GENERAL)
ADJUSTMENT OF RATES)**

CASE NO. 2023-00276

Responses to Commissions Staff's Second Request for Information

Item 10) Refer to the Application, Exhibit 10, pages 12–13. Explain why Direct Served customers are not allocated general plant depreciation expenses.

Response) Kenergy normally doesn't have distribution plant assets to serve direct serve members. They are served by Big Rivers at transmission voltage. However, Kenergy does have some assets in place to serve three of the direct serve members (Tyson, Azteca, and Accuride). In these cases, Kenergy allocates distribution plant depreciation expense, O&M expense, and interest expense to these direct serve accounts. Kenergy is not aware of any general plant in place specifically to serve direct serve members.

Witness: John Wolfram

KENERGY CORP.

**THE ELECTRONIC APPLICATION)
OF KENERGY CORP. FOR A GENERAL)
ADJUSTMENT OF RATES)**

CASE NO. 2023-00276

Responses to Commissions Staff's Second Request for Information

Item 11) Refer to the Application, Exhibit 10, page 15. Explain how expenses are allocated to broadband service and where expenses and revenues from broadband are reported in the test year.

Response) Please see Exhibit 25 to Kenergy's Application which explains in detail how the broadband expenses and revenue were reported in the test period and removed for rate making purposes. Exhibit 25 also contains a copy of the Cost Allocation Manual Kenergy filed with the Commission.

Witness: John Wolfram

KENERGY CORP.

**THE ELECTRONIC APPLICATION)
OF KENERGY CORP. FOR A GENERAL)
ADJUSTMENT OF RATES)**

CASE NO. 2023-00276

Responses to Commissions Staff's Second Request for Information

- Item 12)** Refer to the Application, Exhibit 10, page 18.
- a. Explain why the "RUS Cushion of Credit" is being removed.
 - b. Explain what is included in "CFC CTC's."

Response)

- a. Kenergy no longer has funds in the RUS Cushion of Credit account.

The balance decreased to zero in September 2022.

- b. CFC CTC's stands for National Rural Utilities Cooperative Finance Corporation (CFC) Capital Term Certificates (CTC's). These are long-term fixed-rate investments that were made by electric cooperatives to help capitalize CFC. Kenergy has \$2,072,573 invested in these long-term certificates.

Witness: John Wolfram & Travis Siewert

KENERGY CORP.

THE ELECTRONIC APPLICATION)
OF KENERGY CORP. FOR A GENERAL) **CASE NO. 2023-00276**
ADJUSTMENT OF RATES)

Responses to Commissions Staff's Second Request for Information

- Item 13)** Refer to the Application, Exhibit 10, page 19.
- a. In the same format, provide the amount of the adjustment attributable to employees hired during the test year and identify when the employees were hired.
 - b. In the same format, provide the amount of the adjustment attributable to employees who left Kenergy during the test year and identify when the employees were terminated or retired.

Response)

- a. See schedule attached, Item 13 page 2 of 3
- b. See schedule attached, Item 13 page 3 of 3

Witness: John Wolfram & Travis Siewert

KENERGY CORP
Case No. 2023-00276
Response to 2nd Data Request: 13a

#	Position	Hire Date	TEST YEAR	PROFORMA	ADJUSTMENT
732	Accountant	5/30/22	Regular wages paid		
733	Apprentice Line Tech IV	9/19/22	2,320.00 hours times \$ 31.179483 (1) 72,336.40	22,880.00 hours times \$ 37.484685 (2)	857,649.60 785,313.20
734	CEO	3/13/23			
735	Apprentice Line Tech II	3/13/23			
736	Meter/AMI Tech	3/27/23			
737	Apprentice Line Tech I	3/28/23			
738	Apprentice Line Tech I	3/28/23			
739	Apprentice Line Tech I	4/7/23			
740	Apprentice Line Tech I	4/7/23			
741	System Controller	4/10/23			
743	Apprentice Line Tech I	5/8/23			

(1) Calculated rate based on actual hours/dollars for 2 employees within test period

(2) Average rate for 11 new employees

KENERGY CORP
Case No. 2023-00276
Response to 2nd Data Request: 13b

#	Position	Termination Date	TEST YEAR	PROFORMA	ADJUSTMENT
699	VP Operations	12/31/21 (2)			
388	Maintenance	1/3/22 (2)	Regular wages paid		
491	Service Tech	1/3/22 (2)	13,403.01 hours times \$ 63.151522 (1) \$ 846,420.48	hours times \$	\$ (846,420.48)
244	Crew Leader	1/25/22 (2)			
420	Line Technician	3/18/22			
496	Crew Leader	4/9/22			
199	Mgr Member Acct	6/17/22			
282	Operations Mgr	7/1/22			
701	Apprentice Line Tech IV	7/25/22			
220	Crew Leader	12/30/22			
383	Meter Shop Crew Ldr	12/30/22			
320	Office Engineer	2/11/23			
686	CEO	7/25/23			

(1) Calculated rate based on actual hours/dollars
(2) Wages for accumulated vacation paid after termination date, during test period

KENERGY CORP.

THE ELECTRONIC APPLICATION)
OF KENERGY CORP. FOR A GENERAL) **CASE NO. 2023-00276**
ADJUSTMENT OF RATES)

Responses to Commissions Staff’s Second Request for Information

Item 14) Refer to the Application, Exhibit 10, page 20. Explain how the pro forma amounts were determined and provide supporting calculations in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.

Response) Please see the separately uploaded Excel file “PSC2 Item 14 (Overheads Backup to Adjustment)” which contains the supporting calculations. Kenergy used labor overhead rates as of the end of the test period to calculate the pro forma amounts. The total pro forma amount is lower than the test period because health insurance rates decreased on January 1, 2023.

Witness: John Wolfram & Travis Siewert

KENERGY CORP.

THE ELECTRONIC APPLICATION)
OF KENERGY CORP. FOR A GENERAL) **CASE NO. 2023-00276**
ADJUSTMENT OF RATES)

Responses to Commissions Staff's Second Request for Information

Item 15) Refer to Kenergy's response to Commission Staff's First Request for Information, Item 32. Provide the response in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.

Response) Refer to the file named PSC2 Item 15 (executive salaries and benefits) uploaded separately into the Commission's electronic filing system.

Witness: Keith Ellis

KENERGY CORP.

THE ELECTRONIC APPLICATION)
OF KENERGY CORP. FOR A GENERAL) **CASE NO. 2023-00276**
ADJUSTMENT OF RATES)

Responses to Commissions Staff's Second Request for Information

Item 16) Provide Kenergy's annual reliability metrics for 2016 to the most recent available data for 2023 and separately show outages caused by ROW vegetation. Include in the response the System Average Interruption Duration, System Average Interruption Frequency, Customer Average Interruption Frequency, Customer Average Interruption Duration, and Customer Minutes of Interruption.

Response) The file named PSC2 Item 16 (2016-2023 Outage Reliability Indices) was uploaded separately into the Commission's electronic filing system.

Witness: Rob Stumph