

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

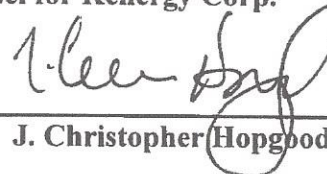
RESPONSES TO COMMISSION STAFF'S THIRD  
REQUEST FOR INFORMATION TO KENERGY CORP.  
DATED NOVEMBER 30, 2023

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

This 14th day of December, 2023.

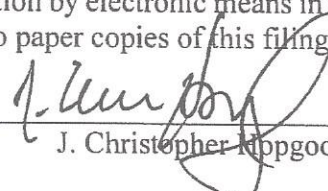
DORSEY, GRAY, NORMENT & HOPGOOD  
318 Second Street  
Henderson, KY 42420  
Telephone (270) 826-3965  
Telefax (270) 826-6672  
Counsel for Kenergy Corp.

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 December 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 PUBLIC SERVICE COMMISSION**

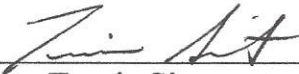
**In the Matter of:**

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

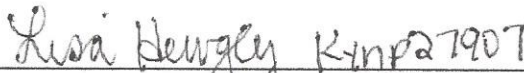
**VERIFICATION OF TRAVIS SIEWERT**

COMMONWEALTH OF KENTUCKY    )  
COUNTY OF HENDERSON            )

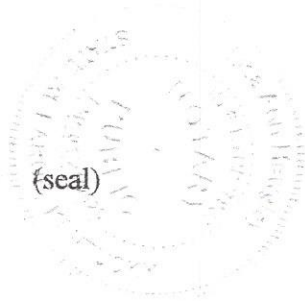
Travis Siewert, Vice President Finance of Kenergy Corp., being duly sworn, states that he has supervised or prepared certain responses to Commission Staff's Third Request for Information in the above referenced case on behalf of Kenergy Corp., and that the matters and things set forth therein are true 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<sup>th</sup> day of December, 2023, by Travis Siewert

  
\_\_\_\_\_  
Notary Public, KY. State at Large

Commission expires 4/21/25



COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC 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 Third 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 8<sup>th</sup> day of December, 2023, by Rob Stumph

  
\_\_\_\_\_  
Notary Public, KY. State at Large

Commission expires 9-27-26

(seal)

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

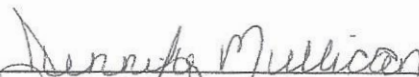
VERIFICATION OF STEPHEN THOMPSON

COMMONWEALTH OF KENTUCKY )  
COUNTY OF DAVIESS )

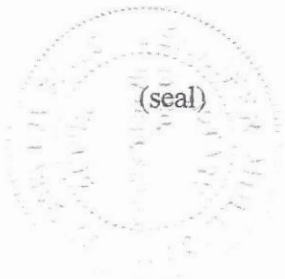
Stephen Thompson, Vice President Regulatory Affairs of Kenergy Corp., being duly sworn, states that he has supervised or prepared certain responses to Commission Staff's Third Request for Information in the above referenced case on behalf of Kenergy Corp., and that the matters and things set forth therein 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 1st day of December, 2023, by Stephen Thompson

  
Notary Public, KY. State at Large

Commission expires 8.7.25



(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        )**

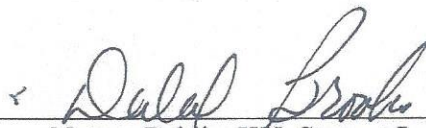
**VERIFICATION OF JOHN WOLFRAM**

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 Third 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 13 day of December, 2023, by John Wolfram

  
\_\_\_\_\_  
Notary Public, KY. State at Large

Commission expires \_\_\_\_\_

(seal)

**DALAL BROOKS**  
Notary Public - State at Large  
Kentucky  
My Commission Expires Oct. 23, 2027  
Notary ID KYNP81483

**KENERGY CORP.**

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

**Responses to Commissions Staff’s Third Request for Information**

**Item 1)**       Refer to the Application, Exhibit 4, page 31 of 35. Explain why Kenergy is removing the option for customers to pay one-half of their deposit prior to providing service and making installments for the remaining half over a period not to exceed the first two normal billing periods.

**Response)**   Kenergy now offers prepay service, at no cost, for any member that cannot pay the full deposit upfront and/or has an outstanding balance from previous Kenergy service. If a deposit is required for post-pay service and Kenergy only collects half of it, Kenergy has at least one additional month of exposure if the member never makes another payment. If this occurs during a high usage time of year, or when temperatures remain below freezing and Kenergy is not disconnecting service for non-payment, then the exposure can be even more.

**Witness:**    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 Third Request for Information**

**Item 2)**        Refer to the Application, Exhibit 4, page 32 of 35. Provide support for the increased deposit amount of \$366.

**Response)**    Refer to the excel file uploaded in the response to PSC data request no. 1 named PSC1\_Request54\_Present\_Proposed\_rates\_Feb2023. Using Column U, Row 26 amount of \$103,597,490 divided by Column R, Row 12 amount of 565,896 billing units’ times 2 = \$366.14 rounded to \$366.00. This amount represents 2 months of billing as allowed by 807 KAR 5:006 section 8 part (1) (d).

**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 Third Request for Information**

**Item 3)** Refer to the Direct Testimony of John Wolfram (Wolfram Direct Testimony), page 17, lines 8–15.

a. Explain whether Kenergy evaluated any other methodology for the classification of distribution system costs. If so, explain why the other methodology was not used.

b. Explain whether Kenergy identifies that the demand for electricity in the residential class are less elastic than the small and large commercial classes.

c. Explain in detail how Kenergy is demonstrating true cost causation by its proposed assigning of costs.

d. Explain why distribution system costs could not be classified as less than 100 percent demand related.

**Response)**

- a) Kenergy did not evaluate any other method for the classification of distribution system costs per the cited testimony. There is no reason to do so since the calculations (i) provided reasonable results, (ii) are consistent with industry-standard approach set forth in the NARUC Cost Allocation Manual (“NARUC CAM”), and (iii) adhere to the Commission precedent and preference established in numerous dockets over many years.
- b) Kenergy has not performed a demand elasticity study for the retail rate classes and thus does not have data to support or deny the identified claim.
- c) A central purpose of the cost-of-service study is to demonstrate true cost causation, by appropriately assigning costs in an industry-standard manner. The assignment of costs demonstrates “true” cost causation because the cost



of service study in which that assignment takes place is performed in a manner consistent with industry standards set forth in the NARUC CAM and accepted by the Commission many times. In the cost-of-service study, all costs are appropriately functionalized, classified and assigned such that cost-based rates (rates that show what the “true” per-unit costs to serve the customer classes) are quantified. In this way the cost-of-service study shows the actual cost to serve the customer classes based on the appropriate assignment (functionalization, classification, and allocation) of costs to the customer classes, in a manner consistent with industry standards established by NARUC.

- d) If distribution system costs were 100 percent demand related, it would follow that the costs to connect a customer to the distribution grid would be zero if that customer ends up not using any power. But this is not the case; connecting a customer to the distribution system cannot realistically be done at zero cost, even if the customer ends up not using any power. For this reason, classifying the distribution system costs for the cited accounts as 100 percent demand related is incorrect, inappropriate, and arbitrary. It is also contrary to industry-standard methods accepted by the Commission many times. The NARUC CAM specifically states on page 90 that "Distribution plant Accounts 364 through 370 involve demand *and customer* costs" (emphasis added). The manual describes two methods for classification: the zero-intercept method and the minimum system method. Neither method would be needed if it were reasonable to classify all of those costs as 100 percent demand. Notably, the NARUC CAM specifically identifies other individual accounts that should be classified as 100 percent demand, and the distribution demand accounts described in the cited testimony are not among them.

It is simply not reasonable to assume that the costs for poles, overhead conductor, underground conductor and line transformers have no customer-related component and are solely related to the demand or capacity of the consumer. Some share of those costs would remain even if the customer does not use any power. For this reason, the classification of these costs should not be 100 percent demand related and zero percent customer related. The results of the zero-intercept study should be relied upon to determine this split.

**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 Third Request for Information**

**Item 4)**       Refer to the Wolfram Direct Testimony, pages 18–19, lines 21–14. Considering Kenergy is using the 12 coincident peak (CP) methodology for the cost-of-service study, explain what efforts or programs Kenergy plans to utilize to reduce the residential customers’ 12 CP demand.

**Response)**   Wolfram -

Kenergy’s proposed rates are designed to recover costs based on the cost-of-service study as a guide. The cost-based rates are indifferent to customer usage. The design is not based upon a goal of reducing the residential customer’s 12 CP demand. Nonetheless the proposed rates, including the 12 CP demand-based components, provide a sound price signal to the consumer. It is up to the consumers to use as much or as little energy as they desire, time their energy usage, and/or avail themselves to the above programs, if their objective is cost savings.

Finally, note that the testimony states that Kenergy uses the 12-CP allocator for allocating power supply and transmission costs, but not for all costs. Customer-related costs are allocated on the basis of the average number of customers served in each rate class during the test year, and distribution demand-related costs are allocated on the basis of the relative demand levels of each rate class. This means that lowering residential CP demand will reduce the residential share of the costs Kenergy incurs from Big Rivers for wholesale purchased power.

Stumph - Kenergy monitors, on a daily basis, the rural system KW demand. Each month, the KW demand is lowered by using a conservation voltage reduction routine at each substation.

**Witness:** John Wolfram  
Rob Stumph

**KENERGY CORP.**

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

**Responses to Commissions Staff's Third Request for Information**

**Item 5)** Refer to PSC1\_Request54\_COS\_FEB2023\_FILED.xlsx.xlsx, tab Zerint,  
Account 368 – Line Transformers.

- a. Explain, which of the line transformers listed have been fully depreciated, if any
- b. Explain how Kenergy procures the line transformers to meet customers' demands. Include in the response whether either Kenergy, Big Rivers, or a third-party procures them and distributes them on an as needed basis.
- c. Explain how Kenergy finances the line transformers.

**Response)**

- a. None
- b. Kenergy purchases transformers in such quantities to cover customer demands and equipment failures. Kenergy procures and distributes them on an as needed basis.
- c. Transformers are included in Kenergy's 4-year construction workplan and are financed with Kenergy's RUS guaranteed FFB loan.

**Witness) 5a - Travis Siewert**

5b – Rob Stumph

5c - 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 Third Request for Information**

**Item 6)**      Refer to the Application, exhibit 10, Exhibit JW-2, pages 14 and 20. Identify the amount of life insurance premiums over \$50,000 or for a spouse. Confirm that the entire amount should be removed from the test year. If this cannot be confirmed, explain.

**Response)**   The total proforma amount of life insurance premiums over \$50,000 or for a spouse was \$81,548. The portion related to fiber broadband, \$164 would be included in the adjustment to remove all broadband revenue and expenses. The remaining \$81,384 is included in the disallowed expense adjustment. Of the total \$81,384 shown on the disallowed expense adjustment, \$27,960 was charged to capital or accounts receivable accounts and \$53,424 was charged to expense accounts. The full amount charged to expense accounts, \$53,424 has been removed from the test period for rate making purposes.

**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 Third Request for Information**

**Item 7)** Refer to Kenergy's response to Commission Staff's Second Request for Information (Staff's Second Request), Item 2. Kenergy states that it has not received any credits from Big Rivers Electric Corporation (BREC) under the Rural Economic Reserve Adjustment Rider (RER Rider) since late 2016 and that it is Kenergy's understanding that BREC will request the removal of its RER Rider when it files its next general rate application. Prior to BREC filing to remove the RER Rider from its tariff, explain whether there is any possibility that Kenergy will receive credits from BREC under the RER Rider. If not, explain why not.

**Response)** The Rural Economic Reserve Rider was established on July 17, 2009 as part of the 2007-00455 Unwind Transaction case. At the date of the Unwind transaction, this account was funded with approximately \$61 million to mitigate monthly impacts of the FAC and environmental surcharge on Rural Member's bills. The fund was exhausted in 2016, so there is no reason to keep this rider. Big Rivers will remove this in their next base rate case. Kenergy continues to receive credits through the Member Rate Stability Mechanism from BREC.

**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 Third Request for Information**

**Item 8)** Refer to Kenergy's response to Staff's Second Request, Item 3. Kenergy states that some of its members on the current budget billing payment plan struggle to pay the annual true-up when they owe a significant amount. For calendar year 2022 and 2023 to date, provide the number of complaints Kenergy has received from budget bill customers struggling to pay their annual true-up and explain the nature of the complaints.

**Response)** The existing budget billing plan settles up in September. Kenergy noted 88 complaints from members during the September 2022 to December 2022 timeframe concerning either the large true-up amount owed or the large increase in their budget amount going forward. The average true-up amount owed by these 88 members was \$558.16. Ten of these members owed more than \$1,000. The average increase in the monthly budget bill amount for these 88 members was \$63.39 per month. Eleven of these members had an increase in their monthly budget billing amount of more than \$100 per month. Ten of the 88 members requested and received payment arrangements because they could not afford to pay the true-up in one payment. Thirty requested they be removed from budget billing.

Kenergy would like to eliminate the current Budget Billing tariff and

replace it with a levelized approach so the members will experience small incremental increases or decreases from month to month based on their 12-month average, rather than one true-up at the end of the year.

**Witness:** 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 Third Request for Information**

**Item 9)**      Refer to Kenergy's response to Staff's Second Request, Item 7. Explain which expense categories are allocated to direct-serve customers and the basis used for each account allocation. Include in the response a brief description of items included in the expense category.

**Response)**   Please see attached schedule Item 9, page 2 of 2.

**Witness:**    Travis Siewert

PSC REQUEST 3, ITEM 9  
 DIRECT SERVE COST ALLOCATION

| ACCOUNT | DESCRIPTION                            | METHOD OF ALLOCATION                                               |
|---------|----------------------------------------|--------------------------------------------------------------------|
| 403.25  | DEPRECIATION-DISTRIBUTION PLANT        | AVERAGE DISTRIBUTION PLANT DEPRECIATION RATE * DIRECT SERVE ASSETS |
| 408.7   | REGULATORY ASSESSMENT TAX              | ASSESSABLE REVENUES                                                |
| 427.125 | INTEREST                               | AVERAGE INTEREST RATE * DIRECT SERVE ASSETS                        |
| 592.25  | DISTRIBUTION EXPENSE-STATION EQUIPMENT | AVERAGE DISTRIBUTION O&M COST PER ASSET * DIRECT SERVE ASSETS      |
| 593.25  | DISTRIBUTION EXPENSE-OVERHEAD LINES    | AVERAGE DISTRIBUTION O&M COST PER ASSET * DIRECT SERVE ASSETS      |
| 903.0   | BILLING                                | DIRECT AND INDIRECT BASED ON NUMBER BILLED                         |
| 908.0   | CUSTOMER ASSISTANCE                    | INDIRECT BASED ON NUMBER BILLED                                    |
| 920.0   | GENERAL MANAGEMENT SUPERVISION         | DIRECT AND INDIRECT BASED ON LABOR                                 |
| 921.0   | OFFICE SUPPLIES                        | INDIRECT BASED ON MARKUP                                           |
| 923.0   | OUTSIDE SERVICES                       | DIRECT AND INDIRECT BASED ON MARKUP                                |
| 930.2   | MISC GENERAL EXPENSES                  | INDIRECT BASED ON MARKUP                                           |
| 930.21  | DIRECTORS FEES AND EXPENSES            | INDIRECT BASED ON MARKUP                                           |
| 935.0   | MAINTENANCE OF GENERAL PLANT           | INDIRECT BASED ON LABOR                                            |

**KENERGY CORP.**

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

**Responses to Commissions Staff's Third Request for Information**

**Item 10)** Refer to Kenergy's response to Staff's Second Request, Item 8, and the Application, Exhibit 10, page 13.

a. Explain why general plant depreciation expense is adjusted based on a capitalization ratio.

b. Provide the total and direct serve general plant allocation.

**Response)**

a. All fleet costs, including depreciation expense, are charged to capital and expense accounts based on how the vehicle was being used. The employee driving the vehicle enters mileage along with their hours when they fill out their timesheet. All stores expense, including depreciation, is allocated to capital and maintenance based on the dollar value of capital and maintenance material charged out of the warehouse.

b. Please see Kenergy's response to the Commission Staff's Second Request for Information Item 10. Kenergy does not allocate any general plant depreciation to direct serve accounts, so the direct serve general plant allocation is \$0. Direct serve accounts are allocated a portion of distribution plant depreciation.

**Witness:** Travis Siewert

**KENERGY CORP.**

**THE ELECTRONIC APPLICATION            )**  
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**ADJUSTMENT OF RATES                    )**

**Responses to Commissions Staff’s Third Request for Information**

**Item 11)** Refer to Kenergy’s response to Staff’s Second Request, Item 12. Explain the use of the funds Kenergy withdrew from the Rural Utilities Service cushion of credit in September 2022.

**Response)** Please see the attached page out of the federal register, Item 11 page 2 of 2. Kenergy used \$16 million of its Cushion of Credit (“CoC”) funds to prepay RUS and FFB notes with an interest rate of 5% or higher in 2019. Then, prior to the CoC interest rate dropping from 5% to 4% on October 1, 2020, Kenergy used \$18 million of its CoC funds to pay off RUS and FFB notes with an average interest rate of 4%. This was also the final date the CoC funds could be used to prepay RUS and FFB notes without prepayment penalty. The CoC interest rate decreased from 4% to the 1-year treasury rate on October 1, 2021. Kenergy used its remaining CoC balance to make regular RUS and FFB debt service payments until Kenergy’s CoC was depleted in September 2022.

**Witness:** Travis Siewert



Telephone: (202) 690-4492. Email: [Thomas.Dickson@usda.gov](mailto:Thomas.Dickson@usda.gov).

• **Federal eRulemaking Portal:** Go to <https://www.regulations.gov>. Follow the instructions for submitting comments.

**Title:** Rural Cooperative Development Grants.

**OMB Number:** 0570-0006.

**Expiration Date of Approval:** December 31, 2019.

**Type of Request:** Intent to extend the clearance for collection of information under RD Instruction 4284-F, Rural Cooperative Development Grants.

**Abstract:** The primary purpose of the Rural Business-Cooperative Service (RBS) is to promote understanding, use, and development of the cooperative form of business as a viable option for enhancing the income of agricultural producers and other rural residents. The primary objective of the Rural Cooperative Development Grants program is to improve the economic condition of rural areas through cooperative development. Grants will be awarded on a competitive basis to nonprofit corporations and institutions of higher education based on specific selection criteria.

**Estimate of Burden:** Public reporting burden for this collection of information is estimated to average 15 minutes to 96 hours per response.

**Respondents:** Nonprofit corporations and institutions of higher education.

**Estimated Number of Respondents:** 55.

**Estimated Number of Responses per Respondent:** 8.56.

**Estimated Number of Responses:** 471.

**Estimated Total Annual Burden on Respondents:** 7,264 hours.

Copies of this information collection can be obtained from Robin M. Jones, Innovation Center, at (202) 772-1172. Email: [robin.m.jones@usda.gov](mailto:robin.m.jones@usda.gov).

All responses to this notice will be summarized and included in the request for OMB approval. All comments will also become a matter of public record.

**Bette B. Brand,**

*Administrator, Rural Business-Cooperative Service.*

[FR Doc. 2019-11983 Filed 6-6-19; 8:45 am]

**BILLING CODE 3410-XY-P**

## DEPARTMENT OF AGRICULTURE

### Rural Utilities Service

#### Announcement of New Cushion of Credit Program Provisions

**AGENCY:** Rural Utilities Service, USDA.

**ACTION:** Notice.

**SUMMARY:** The Rural Utilities Service (RUS), a Rural Development agency of

the United States Department of Agriculture, is issuing this notice regarding the new provisions affecting RUS borrower participation in the Cushion of Credit (CoC) program pursuant to the Agriculture Improvement Act of 2018, (the 2018 Farm Bill).

**DATES:** Effective December 20, 2018, all future deposits into CoC accounts have been prohibited; however, withdrawal from these accounts is permitted for prepayment on RUS direct or guaranteed loans, and without penalty.

**FOR FURTHER INFORMATION CONTACT:** If you have other questions or concerns, please send your questions or comments to: [rd.nfaoc.tesb@stl.usda.gov](mailto:rd.nfaoc.tesb@stl.usda.gov), or you can contact Steven Tempia, telephone number: (314) 457-4088. A Rural Development representative will follow up with a response by email or phone. Additionally, RUS will maintain FAQs on its web page with respect to CoC prepayments.

**SUPPLEMENTARY INFORMATION:** Effective December 20, 2018, all future deposits into CoC accounts have been prohibited; however, withdrawal from these accounts is permitted for prepayment on RUS direct or guaranteed loans, and without penalty. Pursuant to Section 6503 of the 2018 Farm Bill (H.R. 2 (115th)), no new CoC deposits could be accepted as of December 20, 2018. With respect to existing CoC deposits, Section 6503 altered the prior, fixed interest rate with phased in interest rate reductions over the next two years. The current 5 percent rate will be paid until the end of fiscal year 2020, September 30, 2020. Beginning on October 1, 2020, CoC deposits will earn 4 percent interest until September 30, 2021. Starting on October 1, 2021 and thereafter, account balances will earn the applicable, variable 1-year Treasury rate.

Additionally, pursuant to Section 6503, from December 20, 2018 until September 30, 2020, RUS borrowers, may, at their sole discretion, apply their CoC balances to prepay their outstanding loans made or guaranteed under the Rural Electrification Act, 7 U.S.C. 901 *et seq.*, whether direct RUS loans or Federal Financing Bank guaranteed loans. The principal portion of the loan that is prepaid with CoC balances during this period will not be subject to a prepayment premium. With respect to RUS direct loans that prepay using CoC accounts during the period, all terms and conditions of the loan, or a prepayment agreement, if any, that restrict or qualify such prepayment shall be waived. Prepayments using funds not in CoC accounts will remain subject to existing agreements.

**Instructions:** Unless otherwise directed, borrowers requesting to prepay loan balances with CoC accounts will have the amount specified applied first to outstanding interest and fees, and then to outstanding principal, pursuant to their loan agreements. Borrowers must also indicate which accounts they would like to prepay, otherwise such amounts will be applied to the oldest debt accounts first. If a borrower requests an entire prepayment to outstanding principal but does not provide for an additional payment to cover outstanding interest and fees, such payment will be applied first to interest and fees. At the borrower's request, a prepayment calculation will be provided to confirm the amount due for individual accounts.

Should borrowers choose to supplement additional non-CoC funds to prepay additional loan accounts, or portions thereof, the associated premium will be applied to that portion of the prepayment.

In order that borrower's prepayments are fulfilled as requested, borrowers should submit the following information to: [rd.nfaoc.tesb@stl.usda.gov](mailto:rd.nfaoc.tesb@stl.usda.gov) with the subject line title "CUSHION OF CREDIT PREPAY REQUEST" and the following:

(1) The dollar amount of the CoC to be applied;

(2) The specific loan advance accounts to be prepaid;

(3) The method in which they wish CoC balances to be applied (optional);

(4) Whether the borrower intends to supplement the prepayment with additional funds and the amount of such supplemental funds; and

(5) Contact information to coordinate prepayment, and for any necessary correspondence (*i.e.* notice as to whether any amounts are missing pursuant to their specific request).

All requests will be promptly processed, and the transactions will be reflected on the next Statement of Account and Transactions (Statement) after the prepayment is made. If the Statement does not reflect the correct application, please contact [rd.nfaoc.tesb@stl.usda.gov](mailto:rd.nfaoc.tesb@stl.usda.gov) immediately.

**Chad Rupe,**

*Acting Administrator, Rural Utilities Service.*

[FR Doc. 2019-11924 Filed 6-6-19; 8:45 am]

**BILLING CODE P**

**KENERGY CORP.**

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

**Responses to Commissions Staff’s Third Request for Information**

**Item 12)** Refer to Kenergy’s response to Staff’s Second Request, Item 16. Provide a schedule showing only the System Average Interruption Duration, System Average Interruption Frequency, Customer Average Interruption Frequency, Customer Average Interruption Duration, and Customer Minutes of Interruption for 2016 to the most recent available data for 2023. Also provide the total outage minutes and the outage minutes caused by right-of-way vegetation.

**Response)**

|                                  | 2016      | 2017      | 2018      | 2019      | 2020      | 2021      | 2022      | 2023 (As of Dec-6) |
|----------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|--------------------|
| SAIDI                            | 83.565    | 72.149    | 107.297   | 116.799   | 86.36     | 83.381    | 110.398   | 129.27             |
| SAIFI                            | 1.15      | 1.145     | 1.526     | 1.566     | 1.189     | 1.201     | 1.516     | 1.47               |
| CAIDI                            | 72.657    | 62.958    | 70.335    | 74.561    | 72.622    | 69.44     | 72.8      | 87.46              |
| Customer minutes of Interruption | 4,727,114 | 4,099,810 | 6,119,166 | 6,689,738 | 4,985,918 | 4,845,705 | 6,458,370 | 7,605,778          |
| ROW Outage minutes               | 581,412   | 396,768   | 690,685   | 790,615   | 694,516   | 1,000,832 | 785,035   | 559,742            |

**Witness:** Rob Stumph