

DORSEY, KING, GRAY, NORMENT & HOPGOOD

2010-00110

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March 11, 2010

FEDERAL EXPRESS

RECEIVED

Mr. Jeff DeRouen
Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40601

MAR 12 2010

PUBLIC SERVICE
COMMISSION

Re: Kenergy Corp.
2010-2013 Construction Work Plan

Dear Mr. DeRouen:

Enclosed please find an original and 10 copies of an application for a certificate of convenience and necessity authorizing Kenergy to perform its 2010-2013 construction work plan. Kenergy proposes to commence this work on July 1, 2010, and respectfully requests the Commission's issuance of the certificate prior to that time, if at all possible.

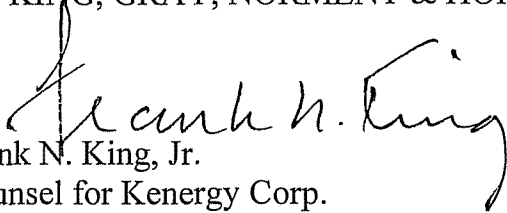
We request notification that this application meets minimum filing requirements and has been assigned a case number.

Your assistance in this matter is appreciated.

Very truly yours,

DORSEY, KING, GRAY, NORMENT & HOPGOOD

By


Frank N. King, Jr.
Counsel for Kenergy Corp.

FNKJr/cds

Encls.

COPY/w/encls.:

Mr. Sanford Novick, Kenergy Corporation
Mr. John Newland, Kenergy Corporation
Mr. Steve Thompson, Kenergy Corporation

RECEIVED

MAR 12 2010

BEFORE THE
KENTUCKY PUBLIC SERVICE COMMISSION

PUBLIC SERVICE
COMMISSION

IN THE MATTER OF THE APPLICATION)
OF KENERGY CORP. FOR CERTIFICATE)
OF CONVENIENCE AND NECESSITY)
AUTHORIZING CERTAIN PROPOSED)
CONSTRUCTION IDENTIFIED AS THE)
2010-2013 CONSTRUCTION WORK PLAN)

CASE NO. 2010- 00110

APPLICATION

(a) The applicant Kenergy Corp. ("Kenergy") is a nonprofit electric cooperative organized under KRS Chapter 279 and is engaged in the business of distributing retail electric power to member consumers in the Kentucky counties of Daviess, Hancock, Henderson, Hopkins, McLean, Muhlenberg, Ohio, Webster, Breckinridge, Union, Crittenden, Caldwell, Lyon, and Livingston.

(b) The post office address of Kenergy is Post Office Box 18, Henderson, Kentucky 42419-018.

(c) Kenergy's Articles of Consolidation are on file with the Commission in Case No. 99-136.

(d) The applicant seeks a certificate of convenience and necessity authorizing the construction of the facilities set forth in applicant's 2010-2013 Construction Work Plan ("CWP"). R. W. Beck, Inc. ("Beck") was retained as consultant in connection with the CWP and submitted herewith in separate binder as "Exhibit A" is

Beck's final report which contains the CWP (three (3) sets are submitted as required under 807 KAR 5:001, Section 9(2)(d)).

(e) The facts relied upon to show that the proposed new construction is or will be required by public convenience or necessity are included in the Executive Summary set forth in the Beck final report. (The Executive Summary follows tab "E" of "Exhibit A.") As stated therein on page 2 the CWP was prepared to provide adequate and dependable service to 57,565 customers with a total annual sales of 1,272,838 MWh in 2013.

(f) Franchises or permits from public authorities are not required for the proposed new construction or extension.

(g) A full description of the proposed location, route, or routes of the new construction or extension, including a description of the manner in which same will be constructed is set forth on the maps that are part of the CWP ("Exhibit A"). The proposed new construction or extension will not compete with any other public utility, corporation or person. There are no like facilities owned by others located anywhere within the map area.

(h) As set forth on page 3 of the Executive Summary the estimated cost of the CWP is \$35,314,855.00. Kenergy is proposing to finance the portion of the new construction costs deemed necessary with a 35 year loan through the Rural Utilities Service ("RUS") program. A formal loan application is expected to be made within the next few months after this filing. However, Kenergy will consider all of the available options under the RUS lending program, including utilizing a supplemental lender for a portion of the loan. If Commission approval is required for issuance of evidences of indebtedness, an application will be filed with the Commission for that purpose.

(i) Section 3, page 1 of the CWP lists in Table 3-1 a summary of the Assumed Fixed Annual Charge Rates to be applied to the plant investment dollars in order to arrive at the estimated cost of operation after the proposed facilities are completed. Kenergy maintains an updated long range financial forecast incorporating its major goals and objectives and a 2% inflation rate, and has inputted into that forecast the proposed construction costs of the CWP, along with the revenues from new customers projected. The forecast results indicate general revenue increases of approximately 10% (excluding power cost increases) over the period 2010-2018.

(j) The system improvements and construction referenced herein are necessary and desirable to furnish reliable and adequate service to the applicant's member customers, to serve new customers within the applicant's service area which applicant is obligated to serve, and are in the best interest of the applicant, its member customers and potentially new customers within said service area. There should be issued by this Commission a certificate that convenience and necessity require such construction.

WHEREFORE, applicant asks that the Public Service Commission of the Commonwealth of Kentucky make its order issuing a certificate of convenience and necessity authorizing the applicant to proceed with the construction outlined in the CWP and applicant further requests all proper relief.

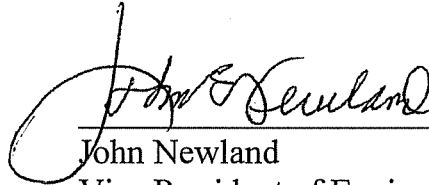
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Henderson, Kentucky 42420
Telephone 270 - 826-3965
Telefax 270 - 826-6672
counsel for Kenergy Corp.

By _____


Frank N. King, Jr.

VERIFICATION

The undersigned hereby verifies that the statements and information set forth in the foregoing Application are true and correct to the best of my knowledge and belief.



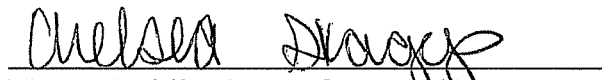
John Newland
Vice President of Engineering,
Kenergy Corp.

STATE OF KENTUCKY

COUNTY OF HENDERSON

The foregoing was signed, acknowledged and sworn to before me by **JOHN NEWLAND, Vice President of Engineering, Kenergy Corp.**, this 11th day of March, 2010.

My commission expires 1/14/14



Chelsea Drayton
Notary Public, State of Kentucky at Large

