

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF KENERGY	)	
CORP. FOR A GENERAL ADJUSTMENT OF	)	CASE NO.
RATES PURSUANT TO STREAMLINED	)	2021-00066
PROCEDURE PILOT PROGRAM	)	
ESTABLISHED IN CASE NO. 2018-00407	)	

ORDER

On March 11, 2021, Kenergy Corp. (Kenergy), pursuant to the “streamlined procedure” established in Case No. 2018-00407,<sup>1</sup> filed an application seeking a general adjustment in its rates. On March 25, 2021, pursuant to the procedure established in Case No. 2018-00407,<sup>2</sup> the Commission accepted the application for processing under the streamlined procedure, established a procedural schedule, and, pursuant to KRS 278.190 suspended Kenergy’s proposed rates from April 11, 2021, the proposed effective date, until September 11, 2021.

On March 30, 2021, Kenergy filed a motion to amend the Commission’s March 25, 2021 Order. Kenergy, in its motion, states that it should be allowed to put its rates into effect, subject to refund, on May 25, 2021, which is the date on which the 75 days for the streamlined procedure expires. Kenergy further states that “[t]his proposed procedure is consistent with past non-streamlined cases where the Commission was unable to

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<sup>1</sup> Case No. 2018-00407, *A Review of the Rate Case Procedure for Electric Distribution Cooperatives* (Ky. PSC Mar. 26, 2019).

<sup>2</sup> Case No. 2018-00407, *A Review of the Rate Case Procedure for Electric Distribution Cooperatives* (Ky. PSC Dec. 20, 2019), Appendix A at 1–2.

generate a final order at the conclusion of the five month suspension period and the utility was then allowed to place its rates into effect subject to refund at the end of the five month suspension period.”<sup>3</sup> As grounds for its motion, Kenergy states that its budgeting analysis supporting the increase did not take into account a delay in implementing the rate from May 25, 2021, until September 11, 2021. Kenergy states that the delayed implementation of the rates beyond May 25, 2021, would require additional revenue over and above Kenergy’s proposed rates.<sup>4</sup>

The Commission, as an initial matter, notes that it suspends for five months, as a matter of procedure, the proposed rates of any utility accepted for filing under the streamlined procedure.<sup>5</sup> Therefore, it should have been no surprise to Kenergy that its proposed rates were suspended for five months. The Commission, under the streamlined procedure, endeavors to issue a final Order on rates within 75 days of filing of an application and, due to extenuating circumstances, has had to extend that deadline from time to time. However, while the Commission is not obligated to issue an Order within 75 days of filing of an application, in no instance has the Commission issued a final Order on rates past the five month suspension date. The Commission has also not allowed a

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<sup>3</sup> Motion to Modify Order of March 25, 2021 (filed Mar. 30, 2021) at 1–2.

<sup>4</sup> *Id.* at 2.

<sup>5</sup> See, Case No. 2019-00053, *Electronic Application of Jackson Purchase Energy Corporation for a General Adjustment In Existing Rates* (Ky. PSC Apr. 22, 2019), Order at 1; Case No. 2020-00104, *Electronic Application of Clark Energy Cooperative, Inc. for a General Adjustment of Rates Pursuant to Streamlined Procedure Pilot Program Established in Case No. 2018-00407* (Ky. PSC May 14, 2020), Order at 3; Case No 2020-00264, *Electronic Application of Cumberland Valley Electric, Inc. for a General Adjustment of Rates Pursuant to Streamlined Procedure Pilot Program Established In Case No. 2018-00407* (Ky. PSC Oct. 14, 2020), Order at 3; and Case No. 2020-00131, *Electronic Application of Meade County Rural Electric Cooperative Corporation for an Adjustment of Rates* (June 18, 2020), Order at 3.

utility proceeding under the streamlined procedure to charge rates subject to refund after the 75 days has expired but before a final Order has been issued.

Kenergy has made only a generalized statement that it would require additional revenue if its proposed rates do not become effective on or before May 25, 2021; however, this does not provide a compelling reason to allow it to place its rates into effect, subject to refund, on that day. Kenergy makes no assertion of financial harm to itself or that its “credit or operations will be materially impaired or damaged by the failure to permit the rates to become effective”<sup>6</sup> on and after May 25, 2021. The Commission therefore finds that Kenergy’s motion should be denied.

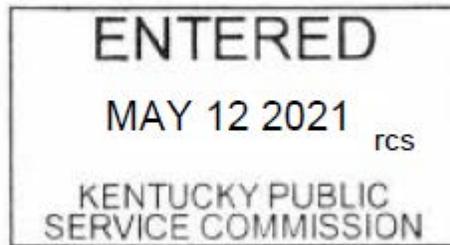
The Commission is puzzled by Kenergy’s motion. Acceptance of a rate application for the streamlined procedure is not guaranteed; therefore, it is unreasonable for Kenergy, if it believed it was in such a need of the additional revenue, to either wait this long to request a rate increase or to not request emergency rates in any application. If Kenergy’s financial situation will be stressed without the increased rates—an assertion not supported by any evidence provided in this matter—it was ill advised to seek the streamlined procedure instead of an application for an adjustment of general rates and include a request for emergency rates.

IT IS THEREFORE ORDERED that Kenergy’s motion to modify the Commission March 25, 2020 Order is denied.

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<sup>6</sup> KRS 278.190(2).

By the Commission



ATTEST:

  
Executive Director

Case No. 2021-00066

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