

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF KENERGY)	
CORP. FOR A CERTIFICATE OF PUBLIC)	
CONVENIENCE AND NECESSITY FOR THE)	
CONSTRUCTION OF A HIGH-SPEED FIBER)	
NETWORK AND FOR APPROVAL OF THE)	CASE NO.
LEASING OF THE NETWORK'S EXCESS)	2021-00365
CAPACITY TO AN AFFILIATE TO BE)	
ENGAGED IN THE PROVISION OF)	
BROADBAND SERVICE TO UNSERVED AND)	
UNDERSERVED HOUSEHOLDS AND)	
BUSINESSES OF THE COMMONWEALTH)	

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION
TO KENERGY CORP.

Kenergy Corp. (Kenergy), pursuant to 807 KAR 5:001, is to file with the Commission an electronic version of the following information. The information requested is due on December 3, 2021. The Commission directs Kenergy to the Commission's July 22, 2021 Order in Case No. 2020-00085¹ regarding filings with the Commission. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked.

Each response shall include the question to which the response is made, and the name of the witness responsible for responding to the questions related to the information provided. Each response shall be answered under oath or, for representatives of a public

¹ Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC July 22, 2021), Order (in which the Commission ordered that for case filings made on and after March 16, 2020, filers are NOT required to file the original physical copies of the filings required by 807 KAR 5:001, Section 8).

or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Kenergy shall make timely amendment to any prior response if Kenergy obtains information that indicates the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which Kenergy fails or refuses to furnish all or part of the requested information, Kenergy shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations. When filing a paper containing personal information, Kenergy shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Refer to the Application, page 3, paragraph 8.
 - a. Provide the annual maintenance cost of Kenergy's existing microwave-based communications system.

b. Generally explain the reliability of Kenergy's existing microwave-based communications system, and provide insight into the outage rate of the system in a typical year.

c. In the event of an outage situation to the proposed fiber network, explain whether the current microwave-based communications system will remain in place and operational as a backup form of communication between Kenergy's substations and control stations.

2. Refer to the Application, page 5, paragraph 11. Provide the remaining useful life of Kenergy's existing automated meters.

3. Refer to the Application, page 5, paragraph 13 and to page 6, paragraph 15.

a. Provide the expected capacity capability of the proposed fiber network. Explain whether this will vary by location and corresponding line thickness.

b. Explain what portion of the fiber network will be used for intra-system communications.

c. Explain what proportion of the proposed fiber network's capacity is expected to be in excess of Kenergy's capacity need.

d. Describe the intra-system communications needs Kenergy plans to meet by utilizing its poles for a fiber network and explain how those intra-system communication needs are currently being met.

4. Refer to the Application, page 6, paragraph 15. Explain whether Kenergy has any plans to address the fiber becoming obsolete before the end of the 20-year cost recovery period or the 30-year lifespan of the fiber network.

5. Refer to the Application, page 6, paragraph 15. Also, refer to the Application, Exhibit A, Direct Testimony of Jeff Hohn (Hohn Direct Testimony), Exhibit 1, Fiber Optic Lease, page 1, paragraph 3. Explain whether Kenergy will receive payments from Kenect on an annual or a monthly basis.

6. Refer to the Application, pages 10–11, paragraph 30.

a. Provide a detailed explanation how instantaneous communication between substations and control offices will benefit Kenergy.

b. Explain whether any of the speed, reliability, or security benefits of a fiber network can be quantified into cost savings to Kenergy at this time, and if so, provide the estimated cost savings.

7. Refer to the Application, page 16, paragraph 49. Describe in specific detail how Kenergy identified unserved and underserved areas, as defined by KRS 278.5464, in which broadband service will be provided by Kenergy's affiliate, Kenect, Inc. (Kenect).

8. Refer to Hohn Direct Testimony, page 4, lines 7–8. Explain whether Kenergy is aware of any existing automated meters on the market that are fiber dependent or whether Kenergy is speculating that future automated meters will be fiber dependent.

9. Refer to Hohn Direct Testimony, page 4, lines 8–12.

a. Confirm that Kenergy will not upgrade its existing microwave-based communications system or automated meter system until completion of the Fiber Network.

b. Provide an estimated date or time period when Kenergy will upgrade its communications system or automated meter system to be online with the fiber network.

c. Provide a cost estimate for upgrading Kenergy's communications system or automated meter system to be online with the fiber network.

d. Explain how Kenergy plans to handle cybersecurity measures during the transition from the current intra-system to the fiber network and how Kenergy will handle cybersecurity with the fiber network going forward.

10. Refer to Hohn Direct Testimony, page 4, lines 23–24.

a. Explain whether Kenect will contract out the operation of the broadband retail components to any other entity that is not Conexon or Conexon Connect.

b. Explain whether the end-use customers in Kenergy's service territory will have access to other broadband services not provided by Conexon or Conexon Connect.

11. Refer to Hohn Direct Testimony, page 4, lines 29–37.

a. Provide specific details regarding the necessary "make ready work" that needs to be performed for the installation of the fiber network.

b. Confirm that the costs of the make ready work is included in the Amended Construction Work Plan (ACWP) cost estimate.

12. Refer to the Application, Exhibit B, Direct Testimony of Travis Siewert (Siewert Direct Testimony), page 1 and 2, response to Q5.

a. Explain whether Kenergy paid Conexon for its role in providing the estimated cost of installing the fiber network on Kenergy's existing poles.

b. Explain whether Kenergy provided any payment to Conexon, or Conexon Connect, for its role in the preparation of any additional material for the proposed fiber network.

c. Explain whether Conexon or Conexon Connect will own the electronics in the end-users home.

13. Refer to Siewert Direct Testimony, page 2, response to Q6.

a. Explain whether the maintenance detailed in the lease agreement will be performed by Conexon or Conexon Connect.

b. Explain in detail what Kenergy's level of maintenance would entail to "[make] the fiber cable safe during an outage situation".

14. Refer to Siewert Direct Testimony, page 2, response to Q6. Provide a detailed list of other fiber network projects Conexon has completed with electric cooperatives.

15. Refer to Siewert Direct Testimony, page 3, response to Q7. Provide the analysis of market rates performed by Conexon.

16. Refer to Siewert Direct Testimony, page 3, response to Q8.

a. Explain what roles the additional staff for Kenergy would perform that could not be performed by staff employed by Kenect.

b. Explain whether Kenergy would maintain separate books and records of Kenergy employees used for Kenect purposes as required by KRS 278.2203 and KRS 278.2207.

17. Refer to the Application, Exhibit C, Direct Testimony of Robert Stumph (Stumph Direct Testimony), page 2, lines 15–16, and footnote 1.

a. Explain whether the possible addition of new poles has been included in the Amended Construction Work Plan (ACWP) cost estimate.

b. Provide the projected costs associated with the addition of the new poles.

18. Refer to Stumph Direct Testimony, page 2, lines 19–20. Explain in detail what head end equipment entails and the purpose it will serve.

19. Refer to Stumph Direct Testimony, page 2, lines 9–20. Explain whether installing the fiber network infrastructure on Kenergy’s existing poles and substations will cause any disruption to the electric distribution service provided by Kenergy to its members.

20. Provide a detailed list of any changes that might have occurred between the fiber network plan as discussed in Case No. 2020-00215² and the fiber network plan as presented in this case.

21. Refer to Case No. 2020-00215 and Kenergy’s October 23, 2020 filing in this case. Provide a detailed list of any changes that occurred since the Chambers feasibility study was filed in Case No. 2020-00215 and in this case.

22. Describe all reasonable alternatives to the proposed fiber network project that were conducted by Kenergy.

23. Identify all entities currently having attachments on Kenergy’s poles.

24. Describe any additional work or improvements that must be made to Kenergy’s poles to accommodate the fiber network, the additional costs, and the approximate number of poles that will be replaced to accommodate the installation of the fiber network.

² Case No. 2020-00215, *Electronic Application of Kenergy Corp. For A Waiver Pursuant To KRS 278.2219* (KY PSC Oct. 22, 2020).

25. Describe the relationship between Conexon and Conexon Connect, and the roles each entity has in the fiber network proposal with Kenergy and Kenect.



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DATED NOV 16 2021

cc: Parties of Record

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