

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

ORDER

On August 19, 2024, Kenergy Corp. (Kenergy) filed a petition, pursuant to KRS 278.400, requesting a partial rehearing of the Order entered July 31, 2024, regarding Kenergy's Tariff Schedule 165, which pertains to its "fixed" budget billing method.

LEGAL STANDARD

KRS 278.400, which establishes the standard of review for motions for rehearing, limits rehearing to new evidence not readily discoverable at the time of the original hearings, to correct any material errors or omissions, or to correct findings that are unreasonable or unlawful. A Commission Order is deemed unreasonable only when "the evidence presented leaves no room for difference of opinion among reasonable minds."¹ An order can only be unlawful if it violates a state or federal statute or constitutional provision.²

By limiting rehearing to correct material errors or omissions, and findings that are unreasonable or unlawful, or to weigh new evidence not readily discoverable at the time

¹ *Energy Regulatory Comm'n v. Kentucky Power Co.*, 605 S.W.2d 46 (Ky. App. 1980).

² *Public Service Comm'n v. Conway*, 324 S.W.3d 373, 377 (Ky. 2010); *Public Service Comm'n v. Jackson County Rural Elec. Coop. Corp.*, 50 S.W.3d 764, 766 (Ky. App. 2000); *National Southwire Aluminum Co. v. Big Rivers Elec. Corp.*, 785 S.W.2d 503, 509 (Ky. App. 1990).

of the original hearings, KRS 278.400 is intended to provide closure to Commission proceedings. Rehearing does not present parties with the opportunity to relitigate a matter fully addressed in the original Order.

MOTION

Kenergy requested a partial rehearing on the limited issue of changes to its Tariff Schedule 165- Budget Billing.³ In its July 31, 2024 Order, the Commission denied Kenergy’s proposal to terminate its “fixed” budget billing method and ordered Kenergy to implement the proposed “levelized” budget billing method, thereby having both “fixed” and “levelized” budget billing methods.⁴ During implementation, Kenergy consulted with its payment software provider, National Information Solutions Cooperative (NISC), and learned that both billing options must use the same number of months in the budget billing calculation.⁵ To establish the two billing methods, Kenergy stated that NISC must change the operation of the current “fixed” budget billing method so that both programs use 12 months for the calculation, which would require revisions to Kenergy’s budget billing tariff.⁶ Kenergy stated that its current “fixed” budget billing method fixes a member’s bill each September at a set amount and bills the customer that amount in 11 subsequent bills beginning in October.⁷ Kenergy further stated that the proposed “levelized” budget billing method involved a 12-month rolling average of billed amounts.⁸ NISC advised

³ Kenergy’s Petition for Partial Rehearing (Petition for Rehearing) (filed Aug. 19, 2024) at 1.

⁴ Order (Ky. PSC July 31, 2024) at 32.

⁵ Petition for Rehearing at 1–2.

⁶ Petition for Rehearing at 2.

⁷ Petition for Rehearing at 2.

⁸ Petition for Rehearing at 2.

Kenergy that the implementing software will require that the billing calculation use the same number of months for both budget billing options.⁹ Kenergy argued that it cannot offer the “fixed” budget billing on an 11-month billing pattern and the “levelized” budget billing with a 12-month billing pattern as currently ordered to do so.¹⁰ Kenergy proposed two operational changes to Schedule 165: (1) change the 11-month billing pattern to a 12-month billing pattern, and (2) revise the true-up mechanism to operate on the 12-month pattern.¹¹

Kenergy stated that currently for its “fixed” budget billing, the annual usage is divided over 11 months, and the member receives 11 bills, then on the 12th month, instead of receiving a bill for usage, the customer receives a bill for under-payment or receives a refund for over-payment.¹² Kenergy’s proposed revision for the “fixed” budget billing would divide the estimated annual billed amount over 12 bills instead of 11 and thereby create a 12th monthly bill for the customer, however, the aggregate annual amount would not change.¹³ Kenergy also proposed that any true-up amount be implemented across the next 12 bills as part of calculating the aggregate annual amount to be billed instead of being billed on the 12th month.¹⁴ Kenergy’s proposal would result in the customer receiving 12 monthly bills in Year 1 and then in Year 2, receiving 12 monthly bills plus or

⁹ Petition for Rehearing at 2.

¹⁰ Petition for Rehearing at 2.

¹¹ Petition for Rehearing at 3.

¹² Petition for Rehearing at 3.

¹³ Petition for Rehearing at 3.

¹⁴ Petition for Rehearing at 4.

minus one twelfth of the true-up amount from Year 1.¹⁵ Kenergy argued that requiring customers to pay a regular monthly bill and the true-up amount in the 12th month would frustrate the goal of giving customers the option of a monthly bill that does not change during the budget year.¹⁶ Kenergy also argued that implementing the true-up amount over the 12 subsequent bills would maintain the goal of the fixed budget billing method where the customer's monthly bill would not change during the budget year and would avoid the customer potentially owing two amounts in the true-up month.¹⁷

DISCUSSION AND FINDINGS

Having reviewed the relevant record, the rehearing pleadings, and being otherwise sufficiently advised, the Commission finds that Kenergy's request for rehearing should be granted in order to obtain additional information before issuing a decision on the issues.

IT IS THEREFORE ORDERED that:

1. Kenergy's petition for rehearing is granted.
2. The procedural schedule set forth in the Appendix to this Order shall be followed.
3. Kenergy shall respond to all requests for information propounded by Commission Staff, whether identified on the procedural schedule or otherwise, as provided in those requests.
4. The remainder of the July 31, 2024 Order not in conflict with this Order remains in effect.

¹⁵ Petition for Rehearing at 4.

¹⁶ Petition for Rehearing at 3.

¹⁷ Petition for Rehearing at 4.

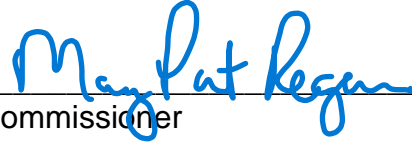
PUBLIC SERVICE COMMISSION

Chairman



Vice Chairman

Commissioner



ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2023-00276 DATED SEP 05 2024

All initial requests for information to
Kenergy shall be filed no later than09/30/2024

Kenergy shall file responses to requests
for information no later than10/15/2024

Kenergy or any Intervenor shall request either a hearing
or that the case be submitted for decision based on the
record no later than11/04/2024

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