

2006-369

RECEIVED

OCT 26 2006

PUBLIC SERVICE
COMMISSION

Response of Kenergy
to SECOND Data Request
of PSC Staff

**KENERGY CORP.
RESPONSE OF KENERGY CORP.
TO SECOND DATA REQUEST OF COMMISSION STAFF**

RECEIVED

OCT 26 2006

PUBLIC SERVICE
COMMISSION

CASE NO. 2006-00369

1

2

Item 1) Refer to the Application, Exhibit 5, page 7.

3

a. Provide the workpapers showing the determination of the average hourly rates

4

as of 1/1/06 for regular and overtime wages.

5

b. Refer to response to Staff's First Data Request dated August 28, 2006 ("Staff's

6

First Request"), Item 25. Explain the differences in the number of employees found in this response,

7

page 5 of 5, with the number of employees found in the Application, Exhibit 5, page 7.

8

c. Refer to response to Staff's First Request, Item 23. Explain the difference in

9

wage rate shown in this response, page 5 of 5, with the wage rate shown in the Application, Exhibit 5,

10

page 7.

12

Response a) Item 1, pages 2-4 of 4, contain the information referenced in 1a. Kenergy is petitioning

13

the Commission to classify and protect as confidential the information in their schedule which has

14

been deleted. See response to item 29 of the PSC First Data Request.

15

16

Response b-c) As noted in Kenergy's response to Item 23 (not Item 25) of Staff's First Request, page 5

17

of 5, the \$27.11 hourly rate shown includes two employees who retired in January 2006 whose

18

positions were filled with existing employees. Therefore, the 161 employees were reduced to 159 on

19

Exhibit 5, page 7 to calculate proforma labor.

20

21

Witness) Steve Thompson

Case no. 2006-00369
PSC Information Request No. 2
Item 1a

NO.	HOURLY RATE 1/01/06	2005 O.T.HRS	2005 DBL. TIME HRS	Hours @
				1/01/06 rate @ 1.50 OR 2.00
1	\$26.92	30.0		\$1,211
2	\$26.26	191.5		\$7,543
3	\$27.14	408.0		\$16,610
4	\$27.93	60.0		\$2,514
5		0.0		\$0
6	\$18.72	12.0		\$337
7	\$22.82	159.0	2.5	\$5,557
8	\$22.15	322.0		\$10,698
9	\$22.82	745.0		\$25,501
10	\$27.57	536.0	6.5	\$22,525
11	\$26.20	27.0		\$1,061
12	\$19.27	205.0		\$5,926
13	\$26.28	429.5		\$16,931
14	\$28.57	341.5	2.5	\$14,778
15	\$26.26	582.0	3.0	\$23,083
16	\$26.92	448.5		\$18,110
17	\$24.53	576.0	5.5	\$21,464
18	\$18.63	92.5		\$2,585
19	\$19.85	19.0		\$566
20	\$21.26	598.0	1.5	\$19,134
21	\$21.48	105.0		\$3,383
22	\$27.57	666.0	2.5	\$27,680
23	\$17.11	85.5		\$2,194
24	\$22.38	119.5		\$4,012
25	\$26.26	647.5	7.0	\$25,873
26	\$19.30	387.5	3.0	\$11,334
27	\$22.69	51.5		\$1,753
28	\$30.62	417.0	3.0	\$19,337
29	\$29.82	165.5		\$7,403
30	\$30.62	287.5		\$13,205
31	\$26.28	220.0		\$8,672
32	\$28.57	459.0	4.0	\$19,899
33	\$19.85	37.0		\$1,102
34	\$21.48	95.5		\$3,077
35		0.0		\$0
36	\$22.30	115.5		\$3,863
37	\$18.67	67.5		\$1,890
38		0.0		\$0
39	\$27.57	361.5	1.0	\$15,005
40	\$27.43	0.0		\$0
41	\$30.62	422.0		\$19,382
42	\$38.05	0.0		\$0
43	\$42.89	0.0		\$0
44	\$19.85	179.0		\$5,330
45	\$23.05	432.5		\$14,954
46	\$26.26	940.5	9.0	\$37,519
47	\$42.98	0.0		\$0
48	\$28.63	497.0	1.5	\$21,430
49	\$19.30	202.5		\$5,862
50	\$19.32	339.5	3.5	\$9,974
51	\$19.87	97.5		\$2,906
52	\$31.11	0.0		\$0
53	\$33.99	127.5	3.5	\$6,739
54	\$21.48	265.0		\$8,538
55	\$25.58	118.5		\$4,547
56	\$17.76	196.5		\$5,235
57	\$23.21	165.5		\$5,762
58	\$21.48	97.5		\$3,141

Case no. 2006-00369
PSC Information Request No. 2
Item 1a

NO.	HOURLY RATE	2005	2005 DBL.	Hours @
	1/01/06	O.T.HRS	TIME HRS	1/01/06 rate @ 1.50 OR 2.00
59	\$26.61	598.5	2.5	\$24,022
60	\$18.45	116.5		\$3,224
61	\$20.76	61.0		\$1,900
62	\$19.88	712.0	3.0	\$21,351
63	\$40.92	156.0	2.0	\$9,739
64	\$22.75	25.5		\$870
65	\$42.98	0.0		\$0
66	\$28.63	444.5	3.5	\$19,289
67	\$21.48	80.0		\$2,578
68	\$23.54	329.5		\$11,635
69	\$27.65	65.5		\$2,717
70	\$23.05	449.0		\$15,524
71	\$21.48	105.0		\$3,383
72	\$18.77	65.5		\$1,844
73	\$25.73	216.0		\$8,337
74	\$30.03	0.0		\$0
75	\$17.11	112.0		\$2,874
76	\$22.82	520.5		\$17,817
77	\$22.38	77.0	1.0	\$2,630
78	\$30.62	496.5		\$22,804
79	\$20.19	42.0		\$1,272
80	\$33.99	418.0		\$21,312
81	\$27.43	109.0		\$4,485
82	\$30.60	0.0		\$0
83	\$27.41	67.0		\$2,755
84	\$19.18	496.5	4.0	\$14,438
85	\$23.93	50.0		\$1,795
86	\$26.26	468.0	2.5	\$18,566
87	\$24.83	50.5		\$1,881
88	\$30.91	0.0		\$0
89	\$30.62	429.5	5.0	\$20,033
90	\$30.50	125.5		\$5,742
91	\$23.89	141.0		\$5,053
92	\$21.48	185.0		\$5,961
93	\$24.81	124.5		\$4,633
94	\$17.11	70.5		\$1,809
95	\$30.62	655.0	2.0	\$30,207
96	\$26.92	6.5		\$262
97	\$43.46	154.0	2.5	\$10,257
98	\$22.64	37.5		\$1,274
99	\$20.25	53.5		\$1,625
100	\$24.73	27.0		\$1,002
101	\$20.59	75.5		\$2,332
102	\$23.86	49.5		\$1,772
103	\$24.45	122.5		\$4,493
104		0.0		\$0
105	\$19.85	146.0		\$4,347
106	\$19.85	245.5		\$7,310
107	\$30.03	0.0		\$0
108	\$27.05	729.0	2.5	\$29,714
109	\$24.82	82.0		\$3,053
110	\$43.46	0.0		\$0
111	\$23.86	59.5		\$2,130
112	\$26.64	472.5	5.0	\$19,148
113	\$22.35	285.0		\$9,555
114	\$26.74	12.5		\$501
115	\$30.62	714.0	8.0	\$33,284
116	\$19.89	8.5		\$254

Case no. 2006-00369
PSC Information Request No. 2
Item 1a

NO.	HOURLY RATE 1/01/06	2005 O.T.HRS	2005 DBL. TIME HRS	Hours @
				1/01/06 rate @ 1.50 OR 2.00
117	\$30.62	325.0		\$14,927
118	\$44.86	150.5		\$10,127
119	\$19.85	14.5		\$432
120	\$26.15	338.5		\$13,278
121	\$26.26	433.0	1.0	\$17,108
122	\$19.53	9.5		\$278
123	\$22.15	459.0		\$15,250
124	\$26.92	142.0		\$5,734
125	\$26.26	434.0		\$17,095
126	\$41.28	0.0		\$0
127	\$22.82	378.0	2.0	\$13,030
128	\$16.79	6.0		\$151
129	\$22.17	136.5		\$4,539
130	\$23.43	80.5		\$2,829
131	\$30.62	381.5		\$17,522
132	\$17.11	53.5		\$1,373
133	\$24.94	45.5		\$1,702
134	\$24.77	62.0		\$2,304
135	\$20.66	81.5		\$2,526
136	\$25.67	856.0	1.5	\$33,037
137	\$42.10	0.0		\$0
138	\$27.68	489.5	2.0	\$20,435
139	\$29.41	34.5		\$1,522
140	\$31.22	469.0	2.0	\$22,088
141	\$26.26	201.0		\$7,917
142	\$26.26	363.5	1.0	\$14,371
143		0.0		\$0
144	\$26.26	446.5	2.5	\$17,719
145	\$26.26	353.5		\$13,924
146	\$23.93	170.5		\$6,120
147	\$27.43	0.0		\$0
148	\$20.34	68.5		\$2,090
149	\$18.07	15.5		\$420
150	\$23.43	99.0		\$3,479
151	\$22.28	65.5		\$2,189
152	\$20.80	56.5		\$1,763
153	\$26.26	639.0	6.5	\$25,512
154	\$17.08	12.0		\$307
155	\$27.01	21.5		\$871
156	\$39.30	0.0		\$0
157	\$26.26	349.0		\$13,747
158	\$26.92	66.5		\$2,685
159	\$27.94	55.5		\$2,326
	<u>\$4,280.42</u>	<u>33,859</u>	<u>122</u>	<u>\$1,314,655</u>

\$4,280.42 Overtime Dollars \$1,314,655
divided by 159 Divided by hours 33,980 (33,859+122)
=
\$26.92 Average overtime rate \$ 38.69

**KENERGY CORP.
RESPONSE OF KENERGY CORP.
TO SECOND DATA REQUEST OF COMMISSION STAFF**

CASE NO. 2006-00369

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21

Item 2) Refer to the Application, Exhibit 5, page 8, and the response to the Staff's First Request, Item 28, page 3 of 3. Provide the workpapers showing the determination of the pro forma amounts, including premium statements or other documentation supporting the rates used for the pro forma amounts.

Response) Item 2, pages 2-20 of 20, contain the above referenced information. Kenergy is petitioning the Commission to classify and protect as confidential the information in the schedules which have been deleted. See response to Item 29 of the PSC First Data Request.

Witness) Steve Thompson

No.	Regular Wages	Monthly Premiums		Single PPO	Single/Child PPO	Single/Spouse PPO	Dental employee	Dental Dependent	Basic Life	Regular wages times 3 *		Dependent Life	Long term disability	Reg. wages Times 15.39% defined benefit (huec)	Reg. Wages/12 Times \$148,000 defined benefit (grec)	Reg. wages/12 Times 6% employer kenergy	Reg. wages/12 Times up to 5% 401-k employer match Kenergy	Reg. wages/12 Times up to 3% 401-k employer match Huec
		\$1,043.16	\$311.25							\$659.15	\$775.10							
1	\$55,994		\$311.25			\$775.10	\$31.55	\$32.73	\$55.44	\$360	\$33.04	\$279.97	\$233.31	\$136.55				
2	\$54,621	\$1,043.16					\$31.55	\$32.73	\$54.45	\$360	\$32.23							
3	\$56,451					\$775.10	\$31.55	\$32.73	\$56.43	\$360	\$33.31	\$226.82	\$235.21	\$196.55				
4	\$58,094	\$1,043.16					\$31.55	\$32.73	\$58.41	\$360	\$34.28							
5		\$1,043.16					\$31.55	\$32.73		\$360								
6	\$38,938	\$1,043.16					\$31.55	\$32.73	\$38.61	\$360	\$22.97							
7	\$47,466	\$1,043.16					\$31.55	\$32.73	\$47.52	\$360	\$28.00							
8	\$46,072	\$1,043.16					\$31.55	\$32.73	\$46.53	\$360	\$27.18							
9	\$47,466	\$1,043.16					\$31.55	\$32.73	\$47.52	\$360	\$28.00							
10	\$57,346	\$1,043.16					\$31.55	\$32.73	\$57.42	\$360	\$33.83	\$190.72	\$197.77	\$115.18				
11	\$54,496	\$1,043.16					\$31.55	\$32.73	\$54.45	\$360	\$32.15	\$230.36	\$237.33	\$119.47				
12	\$40,082	\$1,043.16					\$31.55	\$32.73	\$40.59	\$360	\$32.65	\$230.36	\$237.33	\$115.18				
13	\$54,662						\$31.55	\$32.73	\$54.45	\$360	\$32.25	\$190.72	\$197.77	\$119.47				
14	\$59,426	\$1,043.16				\$775.10	\$31.55	\$32.73	\$59.40	\$360	\$35.06	\$200.41	\$200.41	\$90.83				
15	\$54,621	\$1,043.16					\$31.55	\$32.73	\$54.45	\$360	\$32.23	\$219.64	\$227.76	\$100.20				
16	\$55,994	\$1,043.16					\$31.55	\$32.73	\$55.44	\$360	\$32.23	\$238.78	\$273.31	\$227.76				
17	\$51,022	\$1,043.16					\$31.55	\$32.73	\$51.48	\$360	\$30.10	\$700.51	\$297.13	\$247.61				
18	\$38,750					\$775.10	\$31.55	\$32.73	\$38.61	\$360	\$30.10	\$718.12		\$136.55				
19	\$41,288					\$775.10	\$31.55	\$32.73	\$41.58	\$360	\$22.86	\$496.97	\$63.78	\$139.98				
20	\$44,221					\$775.10	\$31.55	\$32.73	\$44.55	\$360	\$24.36	\$529.52		\$96.88				
21	\$44,678					\$775.10	\$31.55	\$32.73	\$44.55	\$360	\$26.09	\$221.10	\$55.28	\$103.22				
22	\$57,346	\$1,043.16					\$31.55	\$32.73	\$57.42	\$360	\$26.36	\$573.00	\$221.10	\$55.28				
23	\$35,589						\$31.55	\$32.73	\$35.64	\$360	\$33.83	\$735.46		\$111.70				
24	\$47,195						\$31.55	\$32.73	\$47.52	\$360	\$21.00	\$605.28	\$177.94	\$143.36				
25	\$46,550	\$1,043.16					\$31.55	\$32.73	\$46.53	\$360	\$27.46	\$605.28	\$44.49	\$117.99				
26	\$54,621	\$1,043.16					\$31.55	\$32.73	\$54.45	\$360	\$32.23	\$700.51	\$193.96	\$136.55				
27	\$40,144	\$1,043.16					\$31.55	\$32.73	\$40.59	\$360	\$23.68	\$514.85	\$53.07	\$100.36				
28	\$63,690	\$1,043.16					\$31.55	\$32.73	\$63.36	\$360	\$37.58	\$255.91	\$318.45	\$136.55				
29	\$2,026					\$659.15	\$31.55	\$32.73	\$2.37	\$360	\$36.60	\$249.22	\$310.13	\$265.37				
30	\$63,690	\$1,043.16					\$31.55	\$32.73	\$63.36	\$360	\$32.58	\$219.64	\$318.45	\$113.88				
31	\$54,662	\$1,043.16				\$775.10	\$31.55	\$32.73	\$54.45	\$360	\$35.06	\$238.78	\$297.13	\$247.61				
32	\$59,426	\$1,043.16					\$31.55	\$32.73	\$59.40	\$360	\$24.36	\$529.52	\$223.39	\$103.22				
33	\$41,288	\$1,043.16					\$31.55	\$32.73	\$41.58	\$360	\$26.36	\$179.52	\$111.70	\$143.36				
34	\$44,678						\$31.55	\$32.73	\$44.55	\$360	\$26.36							
35		\$1,043.16					\$31.55	\$32.73	\$44.55	\$360	\$26.36							
36	\$46,364						\$31.55	\$32.73	\$46.53	\$360	\$27.37							
37	\$38,834					\$775.10	\$31.55	\$32.73	\$38.61	\$360	\$22.91	\$231.92	\$231.92	\$159.22				
38						\$775.10	\$31.55	\$32.73		\$360								
39	\$57,346						\$31.55	\$32.73	\$57.42	\$360	\$33.83	\$735.46	\$80.90	\$143.36				
40	\$57,054					\$659.15	\$31.55	\$32.73	\$57.42	\$360	\$33.83							
41	\$63,690	\$1,043.16					\$31.55	\$32.73	\$63.36	\$360	\$33.66	\$285.27	\$237.73	\$143.36				
42	\$79,144						\$31.55	\$32.73	\$79.20	\$360	\$37.58	\$816.82	\$285.27	\$159.22				
43	\$89,211	\$1,043.16					\$31.55	\$32.73	\$89.10	\$360	\$46.69	\$395.72	\$329.77	\$159.22				
44	\$41,288					\$775.10	\$31.55	\$32.73	\$41.58	\$360	\$52.63	\$318.01	\$329.77	\$159.22				
45	\$47,944					\$775.10	\$31.55	\$32.73	\$47.52	\$360	\$24.36	\$358.46	\$329.77	\$159.22				
46	\$54,621	\$1,043.16					\$31.55	\$32.73	\$54.45	\$360	\$32.23	\$206.44	\$172.03	\$172.03				
47	\$89,988	\$1,043.16					\$31.55	\$32.73	\$89.10	\$360	\$52.75	\$239.72	\$199.77	\$199.77				
48	\$59,550	\$1,043.16					\$31.55	\$32.73	\$59.40	\$360	\$35.13	\$446.99	\$273.10	\$227.59				
49	\$40,144	\$1,043.16					\$31.55	\$32.73	\$40.59	\$360	\$23.68	\$514.85	\$372.49	\$372.49				
							\$31.55	\$32.73	\$40.59	\$360	\$23.68	\$514.85	\$248.13	\$100.36				

Case No. 2006-00369
PSC information request No. 2
Item 2

No.	Regular Wages	Monthly Premiums				Regular wages times 3 *				Reg. wages Times \$0.00059	Long term disability	Reg. wages Times defined benefit (huec)	Reg. Wages/12 defined benefit (grec)	Reg. wages/12 Times 6%	Reg. wages/12 Times up to 5% 401-k employer match Kenery	Reg. wages/12 Times up to 3% 401-k employer match Huec
		Family PPO	Single PPO	Single/Child PPO	Single/Spouse PPO	Dental employee	Dental dependent	Basic Life	Life							
50	\$40,186	\$1,043.16	\$311.25	\$659.15	\$775.10	\$31.55	\$32.73	\$40.59	\$3.60	\$23.71	\$515.38	\$148,000	\$323.54	\$161.77	\$100.46	
51	\$41,330	\$0.00		\$775.10	\$31.55	\$32.73	\$41.58	\$45.38	\$3.60	\$24.38	\$530.05	\$260.00	\$323.54	\$161.77	\$103.32	
52	\$64,709	\$1,043.16			\$31.55	\$32.73	\$64.35	\$68.15	\$3.60	\$38.18		\$284.07	\$353.50	\$294.58		
53	\$70,699	\$1,043.16		\$659.15	\$31.55	\$32.73	\$70.29	\$74.09	\$3.60	\$41.71			\$353.50	\$294.58		
54	\$44,678	\$1,043.16			\$31.55	\$32.73	\$44.55	\$48.35	\$3.60	\$26.36			\$223.39	\$55.85		
55	\$53,206	\$1,043.16			\$31.55	\$32.73	\$53.46	\$57.26	\$3.60	\$31.39			\$223.39	\$55.85		
56	\$48,277	\$1,043.16			\$31.55	\$32.73	\$48.51	\$52.31	\$3.60	\$28.48	\$619.15		\$223.39	\$55.85		
57	\$36,941		\$311.25		\$31.55	\$32.73	\$36.63	\$40.43	\$3.60	\$21.80			\$184.70	\$153.92	\$120.69	
58	\$44,678			\$775.10	\$31.55	\$32.73	\$44.55	\$48.35	\$3.60	\$26.36	\$573.00		\$184.70	\$153.92	\$111.70	
59	\$55,349			\$775.10	\$31.55	\$32.73	\$55.44	\$59.24	\$3.60	\$32.66		\$222.39	\$276.74	\$230.62		
60	\$38,376				\$31.55	\$32.73	\$38.61	\$42.41	\$3.60	\$22.64			\$191.88	\$159.90		
61	\$43,181				\$31.55	\$32.73	\$43.56	\$47.36	\$3.60	\$25.48	\$553.79		\$191.88	\$159.90		
62	\$41,350			\$659.15	\$31.55	\$32.73	\$41.58	\$45.38	\$3.60	\$24.40			\$446.99	\$372.49	\$107.95	
63	\$85,114				\$31.55	\$32.73	\$85.14	\$89.14	\$3.60	\$50.22		\$341.99	\$206.75	\$197.17		
64	\$47,320				\$31.55	\$32.73	\$47.52	\$51.52	\$3.60	\$27.92		\$190.13	\$236.60	\$372.49		
65	\$89,398				\$31.55	\$32.73	\$89.10	\$93.10	\$3.60	\$52.75	\$763.73		\$223.39	\$186.16	\$148.88	
66	\$59,550				\$31.55	\$32.73	\$59.40	\$63.40	\$3.60	\$35.13	\$627.95		\$223.39	\$186.16	\$122.41	
67	\$44,678				\$31.55	\$32.73	\$44.55	\$48.55	\$3.60	\$26.36		\$179.52	\$223.39	\$186.16		
68	\$48,963				\$31.55	\$32.73	\$48.51	\$52.51	\$3.60	\$28.89		\$231.09	\$287.56	\$199.77		
69	\$57,512				\$31.55	\$32.73	\$57.42	\$61.42	\$3.60	\$33.93		\$192.64	\$239.72	\$199.77		
70	\$47,944				\$31.55	\$32.73	\$47.52	\$51.52	\$3.60	\$28.29			\$223.39	\$186.16		
71	\$44,678				\$31.55	\$32.73	\$44.55	\$48.55	\$3.60	\$26.36			\$195.21	\$162.67		
72	\$39,042				\$31.55	\$32.73	\$39.60	\$43.60	\$3.60	\$23.03			\$267.59	\$222.99		
73	\$53,518				\$31.55	\$32.73	\$53.46	\$57.46	\$3.60	\$31.58	\$801.08		\$237.33	\$197.77	\$156.16	
74	\$62,462				\$31.55	\$32.73	\$62.37	\$66.37	\$3.60	\$26.36	\$456.43		\$232.75	\$116.38	\$88.97	
75	\$35,589				\$31.55	\$32.73	\$35.64	\$39.64	\$3.60	\$36.85			\$318.45	\$106.15		
76	\$47,466				\$31.55	\$32.73	\$47.52	\$51.52	\$3.60	\$28.00		\$255.91	\$237.33	\$197.77		
77	\$46,550				\$31.55	\$32.73	\$46.53	\$50.53	\$3.60	\$27.46			\$232.75	\$116.38		
78	\$63,690			\$659.15	\$31.55	\$32.73	\$63.36	\$67.36	\$3.60	\$37.58			\$318.45	\$106.15		
79	\$41,995		\$311.25		\$31.55	\$32.73	\$41.58	\$45.58	\$3.60	\$24.78	\$538.59		\$318.45	\$106.15		
80	\$70,699				\$31.55	\$32.73	\$70.29	\$74.29	\$3.60	\$41.71	\$906.72				\$104.99	
81	\$57,054				\$31.55	\$32.73	\$57.42	\$61.42	\$3.60	\$33.66			\$285.27	\$142.64	\$176.75	
82	\$63,648				\$31.55	\$32.73	\$63.36	\$67.36	\$3.60	\$37.55			\$318.24	\$265.20		
83	\$57,013				\$31.55	\$32.73	\$57.42	\$61.42	\$3.60	\$33.64		\$229.08	\$285.06	\$237.55		
84	\$39,894		\$311.25		\$31.55	\$32.73	\$39.60	\$43.60	\$3.60	\$23.54			\$199.47	\$63.11		
85	\$49,774				\$31.55	\$32.73	\$49.50	\$53.50	\$3.60	\$29.37			\$248.87	\$103.70		
86	\$54,621				\$31.55	\$32.73	\$54.45	\$58.45	\$3.60	\$32.23		\$219.47	\$273.10	\$215.19		
87	\$51,646				\$31.55	\$32.73	\$51.48	\$55.48	\$3.60	\$30.47			\$321.46	\$267.89		
88	\$64,293				\$31.55	\$32.73	\$64.35	\$68.35	\$3.60	\$37.93		\$258.33	\$318.45	\$265.37		
89	\$63,690				\$31.55	\$32.73	\$63.36	\$67.36	\$3.60	\$37.58	\$813.62		\$318.45	\$265.37		
90	\$63,440				\$31.55	\$32.73	\$63.36	\$67.36	\$3.60	\$37.58		\$199.66	\$318.45	\$265.37		
91	\$49,691		\$311.25		\$31.55	\$32.73	\$49.50	\$53.50	\$3.60	\$29.32			\$248.87	\$103.70	\$156.60	
92	\$44,678				\$31.55	\$32.73	\$44.55	\$48.55	\$3.60	\$26.36			\$223.39	\$186.16		
93	\$51,605				\$31.55	\$32.73	\$51.48	\$55.48	\$3.60	\$30.45	\$661.83		\$223.39	\$186.16		
94	\$35,589				\$31.55	\$32.73	\$35.64	\$39.64	\$3.60	\$30.45			\$177.94	\$148.29		
95	\$63,690				\$31.55	\$32.73	\$63.36	\$67.36	\$3.60	\$37.58		\$143.00	\$318.45	\$265.37		
96	\$1,043.16				\$31.55	\$32.73	\$1,043.16	\$1,087.16	\$3.60	\$33.04		\$255.91	\$318.45	\$265.37		
97	\$90,397				\$31.55	\$32.73	\$90.09	\$94.09	\$3.60	\$53.33		\$363.22	\$451.68	\$376.65		
98	\$47,091				\$31.55	\$32.73	\$47.52	\$51.52	\$3.60	\$27.78			\$451.68	\$376.65		

Case No. 2006-00369
PSC information request No. 2
Item 2

No.	Regular Wages	Family PPO	Single PPO	Single/Child PPO	Spouse PPO	Dental employee	Dental Dependent	Basic Life	Regular wages times 3 *	Dependent Life	Long term disability	Reg. wages defined benefit (huac)	Reg. Wages/12 defined benefit (grec)	Annual Armt. Allocated			
														Reg. Wages/12 Times 15.39%	Reg. wages/12 Times 6%	Reg. wages/12 Times up to 5% 401-k employer match	Reg. wages/12 Times up to 3% 401-k employer match
99	\$42,120					\$31.55	\$32.73	\$32.73	\$42.57	\$3.60	\$24.85	\$540.19	\$206.68	\$257.19	\$214.33	\$105.30	
100	\$51,438	\$1,043.16				\$31.55	\$32.73	\$32.73	\$51.48	\$3.60	\$30.35	\$214.33	\$206.68	\$214.14	\$71.38		
101	\$42,827	\$1,043.16				\$31.55	\$32.73	\$32.73	\$42.57	\$3.60	\$25.27	\$214.33	\$206.68	\$214.14	\$71.38		
102	\$49,629	\$1,043.16				\$31.55	\$32.73	\$32.73	\$49.50	\$3.60	\$29.28	\$636.49	\$204.34	\$254.28		\$124.07	
103	\$50,856					\$31.55	\$32.73	\$32.73	\$50.49	\$3.60	\$30.01		\$204.34	\$254.28			
104	\$41,288	\$1,043.16				\$31.55	\$32.73	\$32.73	\$41.58	\$3.60	\$24.36		\$204.34	\$254.28			
105	\$41,288	\$1,043.16				\$31.55	\$32.73	\$32.73	\$41.58	\$3.60	\$24.36		\$206.44	\$206.44	\$164.83		
106	\$62,462	\$1,043.16				\$31.55	\$32.73	\$32.73	\$62.37	\$3.60	\$36.85		\$206.44	\$206.44			
107	\$51,626					\$31.55	\$32.73	\$32.73	\$51.48	\$3.60	\$33.20	\$662.10	\$226.07	\$281.32	\$234.43		
108	\$90,397					\$31.55	\$32.73	\$32.73	\$90.09	\$3.60	\$53.33	\$636.49	\$363.22	\$451.98	\$376.65	\$129.06	
109	\$49,629	\$1,043.16				\$31.55	\$32.73	\$32.73	\$49.50	\$3.60	\$29.28	\$636.49	\$363.22	\$451.98	\$376.65	\$124.07	
110	\$55,411					\$31.55	\$32.73	\$32.73	\$55.44	\$3.60	\$32.69	\$636.49	\$363.22	\$451.98	\$376.65	\$124.07	
111	\$46,488	\$1,043.16				\$31.55	\$32.73	\$32.73	\$46.53	\$3.60	\$27.43	\$595.21	\$222.65	\$277.06	\$230.88	\$116.22	
112	\$55,619	\$1,043.16				\$31.55	\$32.73	\$32.73	\$55.44	\$3.60	\$32.82		\$222.65	\$277.06	\$230.88	\$116.22	
113	\$63,690	\$1,043.16				\$31.55	\$32.73	\$32.73	\$63.36	\$3.60	\$37.58		\$255.91	\$278.10	\$115.87		
114	\$41,371	\$1,043.16				\$31.55	\$32.73	\$32.73	\$41.58	\$3.60	\$24.41		\$255.91	\$318.45	\$132.69		
115	\$63,690	\$1,043.16				\$31.55	\$32.73	\$32.73	\$63.36	\$3.60	\$37.58	\$816.82	\$363.22	\$206.86	\$86.19		
116	\$93,309					\$31.55	\$32.73	\$32.73	\$93.06	\$3.60	\$55.05	\$1,196.69	\$363.22	\$206.86	\$86.19		
117	\$41,288					\$31.55	\$32.73	\$32.73	\$41.58	\$3.60	\$24.36		\$363.22	\$206.86	\$86.19		
118	\$54,392	\$1,043.16				\$31.55	\$32.73	\$32.73	\$54.45	\$3.60	\$32.09	\$697.58	\$165.90	\$206.44	\$86.02	\$135.98	
119	\$54,621					\$31.55	\$32.73	\$32.73	\$54.45	\$3.60	\$32.23		\$165.90	\$206.44	\$86.02	\$135.98	
120	\$47,466					\$31.55	\$32.73	\$32.73	\$47.52	\$3.60	\$28.00		\$165.90	\$206.44	\$86.02	\$135.98	
121	\$55,994					\$31.55	\$32.73	\$32.73	\$54.45	\$3.60	\$32.23		\$165.90	\$206.44	\$86.02	\$135.98	
122	\$46,072	\$1,043.16				\$31.55	\$32.73	\$32.73	\$46.53	\$3.60	\$27.18	\$590.87	\$163.22	\$273.10	\$182.07	\$159.22	
123	\$54,621					\$31.55	\$32.73	\$32.73	\$54.45	\$3.60	\$32.23		\$163.22	\$273.10	\$182.07	\$159.22	
124	\$85,862					\$31.55	\$32.73	\$32.73	\$85.14	\$3.60	\$33.04	\$700.51	\$224.99	\$279.97	\$233.31	\$115.18	
125	\$47,466					\$31.55	\$32.73	\$32.73	\$47.52	\$3.60	\$30.66		\$224.99	\$279.97	\$233.31	\$115.18	
126	\$34,923					\$31.55	\$32.73	\$32.73	\$34.65	\$3.60	\$20.60		\$224.99	\$279.97	\$233.31	\$115.18	
127	\$48,734					\$31.55	\$32.73	\$32.73	\$48.51	\$3.60	\$28.00		\$224.99	\$279.97	\$233.31	\$115.18	
128	\$63,690					\$31.55	\$32.73	\$32.73	\$63.36	\$3.60	\$37.58		\$224.99	\$279.97	\$233.31	\$115.18	
129	\$35,989					\$31.55	\$32.73	\$32.73	\$35.64	\$3.60	\$21.00		\$224.99	\$279.97	\$233.31	\$115.18	
130	\$51,875					\$31.55	\$32.73	\$32.73	\$51.48	\$3.60	\$30.61		\$224.99	\$279.97	\$233.31	\$115.18	
131	\$51,522					\$31.55	\$32.73	\$32.73	\$51.48	\$3.60	\$30.40		\$224.99	\$279.97	\$233.31	\$115.18	
132	\$42,973	\$1,043.16				\$31.55	\$32.73	\$32.73	\$42.57	\$3.60	\$25.35		\$345.00	\$429.31	\$357.76	\$136.55	
133	\$53,394					\$31.55	\$32.73	\$32.73	\$53.46	\$3.60	\$31.50		\$345.00	\$429.31	\$357.76	\$136.55	
134	\$87,568					\$31.55	\$32.73	\$32.73	\$87.12	\$3.60	\$39.97	\$1,123.06	\$195.82	\$243.67	\$203.06	\$87.31	
135	\$61,173					\$31.55	\$32.73	\$32.73	\$61.38	\$3.60	\$36.09		\$195.82	\$243.67	\$203.06	\$87.31	
136	\$64,938					\$31.55	\$32.73	\$32.73	\$64.35	\$3.60	\$32.23		\$195.82	\$243.67	\$203.06	\$87.31	
137	\$54,621					\$31.55	\$32.73	\$32.73	\$54.45	\$3.60	\$32.23		\$195.82	\$243.67	\$203.06	\$87.31	
138	\$61,173					\$31.55	\$32.73	\$32.73	\$61.38	\$3.60	\$32.23		\$195.82	\$243.67	\$203.06	\$87.31	
139	\$64,938					\$31.55	\$32.73	\$32.73	\$64.35	\$3.60	\$32.23		\$195.82	\$243.67	\$203.06	\$87.31	
140	\$54,621					\$31.55	\$32.73	\$32.73	\$54.45	\$3.60	\$32.23		\$195.82	\$243.67	\$203.06	\$87.31	
141	\$54,621					\$31.55	\$32.73	\$32.73	\$54.45	\$3.60	\$32.23		\$195.82	\$243.67	\$203.06	\$87.31	
142	\$54,621					\$31.55	\$32.73	\$32.73	\$54.45	\$3.60	\$32.23		\$195.82	\$243.67	\$203.06	\$87.31	
143	\$54,621					\$31.55	\$32.73	\$32.73	\$54.45	\$3.60	\$32.23		\$195.82	\$243.67	\$203.06	\$87.31	
144	\$54,621					\$31.55	\$32.73	\$32.73	\$54.45	\$3.60	\$32.23		\$195.82	\$243.67	\$203.06	\$87.31	
145	\$49,774	\$1,043.16				\$31.55	\$32.73	\$32.73	\$49.50	\$3.60	\$29.37	\$638.36	\$245.80	\$287.87	\$239.89	\$162.34	
146	\$57,054	\$1,043.16				\$31.55	\$32.73	\$32.73	\$57.42	\$3.60	\$36.09		\$245.80	\$305.86	\$127.44	\$136.55	
147						\$31.55	\$32.73	\$32.73	\$57.42	\$3.60	\$36.09		\$245.80	\$305.86	\$127.44	\$136.55	

Case No. 2006-00369
PSC information request No. 2
Item 2

No.	Regular Wages	Monthly Premiums				Regular wages times 3 *				Dependent Life	Long term disability	Reg. wages based on defined benefit (tuec)	Reg. Wages/12 defined benefit (grec)	Reg. wages/12 Times 6% employer kenergy	Reg. wages/12 Times up to 5% 401-k employer match Kenergy	Reg. wages/12 Times up to 3% 401-k employer match Huec
		Family PPO	Single PPO	Single/Child PPO	Single/Spouse PPO	\$775.10	\$31.55	\$32.73	0.00033							
148	\$35,526			\$659.15	\$775.10	\$31.55	\$32.73	\$35.64	\$3.60	\$20.96	\$177.63	\$148.03				
149	\$42,307				\$775.10	\$31.55	\$32.73	\$42.57	\$3.60	\$24.96	\$187.93	\$93.96				\$105.77
150	\$37,586				\$775.10	\$31.55	\$32.73	\$37.62	\$3.60	\$22.18	\$151.02	\$93.96				
151	\$48,734				\$775.10	\$31.55	\$32.73	\$48.51	\$3.60	\$28.75	\$186.21	\$203.06				
152	\$46,342	\$1,043.16			\$775.10	\$31.55	\$32.73	\$46.53	\$3.60	\$27.34	\$173.84	\$180.27				
153	\$43,264				\$775.10	\$31.55	\$32.73	\$43.56	\$3.60	\$25.53	\$225.74	\$234.09				
154	\$54,621	\$1,043.16			\$775.10	\$31.55	\$32.73	\$54.45	\$3.60	\$32.23	\$280.90	\$102.18				
155	\$56,181				\$775.10	\$31.55	\$32.73	\$56.43	\$3.60	\$33.15	\$279.97	\$233.31				
156	\$81,744			\$659.15	\$775.10	\$31.55	\$32.73	\$61.18	\$3.60	\$48.23	\$12,333.33	\$17,943.37				
157	\$54,621				\$775.10	\$31.55	\$32.73	\$54.45	\$3.60	\$32.23	\$451,684	\$215,320				
158	\$55,994				\$775.10	\$31.55	\$32.73	\$55.44	\$3.60	\$33.04	\$451,684	\$215,320				
159	\$58,115	\$1,043.16			\$775.10	\$31.55	\$32.73	\$58.41	\$3.60	\$34.29	\$12,333.33	\$17,943.37				
\$8,903,274	\$85,539.12	\$2,801.25	\$5,832.35	\$44,180.70	\$4,953.35	\$4,189.44	\$8,814.96	\$547.20	\$5,252.93	\$37,640.37	\$148,000	\$358,101				
Times 12	\$1,026,469	\$33,615	\$71,188	\$530,168	\$59,440	\$50,273	\$105,780	\$6,566	\$63,035	\$451,684	\$451,684	\$148,000				
	\$1,026,469	Family PPO			1st 50,000	\$	31,482				\$451,684	Former Henderson Union - defined benefit				
	\$33,615	Single PPO			over 50,000	\$74,288					\$148,000	Former Green River - defined benefit				
	\$71,188	Single/child PPO									\$358,101	Kenergy 401-k plan				
	\$530,168	Single/Spouse PPO									\$215,320	Kenergy 401-k plan - match				
	\$59,440	Dental employee									\$88,048	Former Henderson Union - match				
	\$50,273	Dental dependent									\$1,261,153	Application - Exhibit 5, page 8, column f, line 2.				
	\$31,482	Life insurance 1st 50,000														
	\$6,566	Dependent Life														
	\$63,035	Long term disability														
	<u>\$1,872,236</u>	Application - Exhibit 5, page 8, column f, line 1														

KENTUCKY RURAL ELECTRIC COOPERATIVE EMPLOYERS BENEFIT PLAN
SELF-FUNDED CONTRIBUTION STATEMENT
Kenergy

Admin Fee	14,155.13
Head Count	808
Total \$	14,155.13

Due Date: January 1, 2006

Contribution for Funding:	Base Rate	Plus Working Spouse Waiver	Less Monthly Admin. Fee	Adjusted Cost per Unit	# Plan Participants	MONTHLY TOTAL
PPO					166	\$42,897.72
Employee	④ ① \$327.63	③	\$69.21	\$258.42		
Employee Medicare w/PPO fee	\$225.00		\$69.21	\$155.79		
Employee Medicare w/o PPO fee	\$225.00		\$65.46	\$159.54	③ 34	\$5,424.36
Employee COBRA	\$334.18		\$69.21	\$264.97		
Spouse only	\$438.26	③		\$488.26	72	\$35,154.72
Child/Children only	\$366.20	②		\$366.20	11	\$4,028.20
Spouse & Children only	① \$720.42	①		\$770.42	82	\$63,174.44
Dependent/Medicare	\$225.00			\$225.00	10	\$2,250.00
Spouse only COBRA	\$447.03			\$497.03		
Child(ren) only COBRA	\$373.52			\$373.52		
Spouse & Children only COBRA	\$734.83			\$784.83		

① = 159
 ② = 6

Adjustments:	Family PPO	Single/Child PPO	Single/Spouse PPO	Single PPO
Total Monthly Contribution After Adjustments:	① 327.63	② 327.63	③ 327.63	④ 327.63
	① 720.42	② 366.20	③ 438.26	● (16.38)
	① 50.00	② 93.83	③ 2.00	311.25
	- 1098.05	● (34.68)	875.89	
	● (54.90)	659.15	● (40.19)	
	1043.15	775.10		
				\$152,929.44

• reduction for 5% paid by employees.

⑤ - This amount is deducted from this billing and paid to Commonwealth administrators each month.

⑥ - 166 less 2 employees who retired Jan. 06, less five retired employees who are under age 65 on nod or Medicare through disability



PAGE1
 INVOICE NO.
 6010594

PREMIUM STATEMENT FOR GROUP INSURANCE PROGRAMS

01-18065-002
 KENERGY CORP
 P O BOX 18
 6402 OLD CORYDON ROAD
 HENDERSON KY 42419

PARTICIPANT NAME SOC-SEC-NO CLASS	PLAN/OPTION DESCRIPTION	ADJUSTMENT DESCRIPTION EFFECTIVE DATE	VOLUME / COVERAGE	SALARY TP -AMOUNT-	MONTHLY -COST-	TOTAL -COST-
██████████ XXX-XX-0166 E-A	MEDICAL PPO PLAN A	WITH CANCELLATION 12/31/2005				0.00
	EMPLOYEE LIFE		162,000	BS 53,019 ✓	48.60 ✓	48.60
	AD&D EQUALS LIFE VOL		162,000			
	3 X SALARY (maxed up to 1,000)			(As of 11/05)		
	DEPENDENT LIFE		10,000		3.60 ✓	3.60
	\$10,000 AMOUNT (2: 53,019 up to 54,000 x 3: 162,000)					
	RX PPO PLAN A	WITH CANCELLATION 12/31/2005				0.00
	DENTAL PLAN				97.00 ✓	97.00
	STD DEP COVERAGE					
	LONG TERM DISABILITY				31.28 ✓	31.28
	26 WEEK/66 2/3%					
	MEDICAL PPO PLAN A	WITH CANCELLATION 12/31/2005				0.00
	RX PPO PLAN A	WITH CANCELLATION 12/31/2005				0.00
	MEDICAL PPO PLAN B	WITH CANCELLATION 12/31/2005				0.00
	RX PPO PLAN B	WITHDRAWAL 01/01/2006				0.00
	MEDICAL PPO PLAN B	WITH CANCELLATION 12/31/2005				0.00
	EMPLOYEE LIFE		162,000	BS 53,019 ✓	48.60	48.60
	AD&D EQUALS LIFE VOL		162,000			
	3 X SALARY				3.60 ✓	3.60
	DEPENDENT LIFE		10,000		0.00 ✓	0.00
	\$10,000 AMOUNT					
	RX PPO PLAN B	WITH CANCELLATION 12/31/2005				0.00
	DENTAL PLAN				97.00 ✓	97.00
	STD DEP COVERAGE					
	LONG TERM DISABILITY				31.28 ✓	31.28
	26 WEEK/66 2/3%					
	MEDICAL PPO PLAN B	WITH CANCELLATION 12/31/2005				0.00

48.60 = 10003
 162,000
 3.60 = 160036
 10,000
 Emp. paid 64.28
 31.28 = 100059
 53,019 = 180.48

① Dental employee - 31.55
 Dental dependents - 32.73
 64.28



BILL MODE MONTHLY
 STATEMENT DATE 01/01/2006
 PREMIUM DUE DATE 01/01/2006

No. 2 -
 item 2, page 2 of 30

██████████
 XXX-XX-5173 E-S

██████████
 XXX-XX-8583 D-S

██████████
 XXX-XX-1526 E-A

██████████
 XXX-XX-6213 E-A



KENERGY CORP
01-18065-002
Statement Date: 02/01/2006

Former HVEC-defined benefit

KEITH ELLIS
KENERGY CORP
P.O. BOX 18
6402 OLD CORYDON ROAD
HENDERSON, KY 42419

Total Bill Rate: 15.39
item 2, page 2 of
Employee Rate: 0.00
Employer Rate: 15.39

Plan: R&S PRODUCT

Participant Name Social Security #	Employee Status	Salary Type	Employer Contribution	Employee Contribution	Total Cost
[REDACTED] xxx-xx-0166 <i>No, 2</i> <i>item 2, page 2 of 90</i>	E-A	53,019 Base <i>(ASOF 11/05)</i>	679.97	0.00	679.97
[REDACTED] xxx-xx-1526	E-A	53,019 Base	679.97	0.00	679.97
[REDACTED] xxx-xx-6213	E-A	54,350 Base	697.04	0.00	697.04
[REDACTED] xxx-xx-8306	E-A	37,045 Base	475.10	0.00	475.10
[REDACTED] xxx-xx-6974	E-A	39,229 Base	503.11	0.00	503.11
[REDACTED] xxx-xx-4408	E-A	43,389 Base	556.46	0.00	556.46
[REDACTED] xxx-xx-0587	E-A	53,019 Base	679.97	0.00	679.97
[REDACTED] xxx-xx-6581	E-A	53,019 Base	679.97	0.00	679.97
[REDACTED] xxx-xx-5714	E-A	40,144 Base	514.85	0.00	514.85
[REDACTED] xxx-xx-8813	E-A	45,032 Base	577.54	0.00	577.54
[REDACTED] xxx-xx-6259	E-A	40,082 Base	514.05	0.00	514.05

Disclosure Under Financial Accounting Standards Nos. 87 and 132
Fiscal Year Ending December 31, 2005

The following table outlines the required information for disclosure purposes relating to the Group Pension Plan for Employees of Green River Electric Corporation

A. Net Periodic Pension Cost/(Income)	<u>Expense</u>	<u>(Income)</u>
Service Cost with Interest to Year-end	\$52,000	
Interest Cost on Projected Benefit Obligation	143,000	
Expected Return on Assets		(139,000)
Net Amortization:		
Transition Obligation/(Asset)	0	
Prior Service Cost	18,000	
(Gain)/Loss	<u>74,000</u>	
Sub-Totals	\$287,000	(139,000)
Net Periodic Pension Cost/(Income)	<u>\$148,000</u>	
Effect of Settlement	<u>\$437,000</u>	
Total Pension Cost	<u><u>\$585,000</u></u>	
		<i>item 7, page 2 of 20 Former GREC defined benefit column</i>
B. Accounting Assumptions:		
Measurement Date	12/31/2004	12/31/2005
Discount Rate	6.00%	5.50%
Expected Long Term Rate of Return on Assets	8.00%	7.50%
Rate of Increase in Compensation Levels	4.00%	4.00%
Rate of Increase in Maximum Benefit and Compensation Limits	4.50%	4.50%
Savings Plan Investment Return	8.00%	7.50%
C. Estimated Contribution for the Fiscal Year Ending December 31, 2006		\$150,000
D. Projected Benefit Payments		
Estimated Benefit Payments for the Fiscal Year Ending December 31, 2006		\$4,000
Estimated Benefit Payments for the Fiscal Year Ending December 31, 2007		\$116,000
Estimated Benefit Payments for the Fiscal Year Ending December 31, 2008		\$572,000
Estimated Benefit Payments for the Fiscal Year Ending December 31, 2009		\$2,000
Estimated Benefit Payments for the Fiscal Year Ending December 31, 2010		\$100,000
Estimated Benefit Payments for the Fiscal Years Ending December 31, 2011-2015		\$1,363,000

Case No. 2006-00369
PSC information request No. 2
Item 2
Payroll taxes

No.	Proforma wages	excess over \$ 94,200
1	\$57,205	
2	\$62,164	
3	\$73,061	
4	\$60,608	
5	[REDACTED]	[REDACTED]
6	\$39,275	
7	\$53,023	
8	\$56,770	
9	\$72,967	
10	\$79,871	
11	\$55,557	
12	\$46,008	
13	\$71,593	
14	\$74,204	
15	\$77,704	
16	\$74,104	
17	\$72,486	
18	\$41,335	
19	\$41,854	
20	\$63,355	
21	\$48,061	
22	\$85,026	
23	\$37,783	
24	\$50,562	
25	\$80,494	
26	\$51,478	
27	\$48,948	
28	\$83,027	
29	\$69,429	
30	\$76,895	
31	\$63,334	
32	\$79,325	
33	\$42,390	
34	\$47,755	
35	[REDACTED]	[REDACTED]
36	\$50,247	
37	\$40,724	
38	[REDACTED]	[REDACTED]
39	\$72,351	
40	\$57,054	
41	\$83,072	
42	\$79,144	
43	\$89,211	
44	\$46,618	
45	\$62,898	
46	\$92,140	
47	\$89,398	
48	\$80,980	

Case No. 2006-00369
PSC information request No. 2
Item 2
Payroll taxes

	Proforma wages	excess over \$ 94,200
No.		
49	\$46,006	
50	\$50,160	
51	\$44,236	
52	\$64,709	
53	\$77,438	
54	\$53,216	
55	\$57,753	
56	\$42,176	
57	\$54,039	
58	\$47,819	
59	\$79,371	
60	\$41,600	
61	\$45,081	
62	\$62,701	
63	\$94,853	653
64	\$48,190	
65	\$89,398	
66	\$78,839	
67	\$47,256	
68	\$60,598	
69	\$60,229	
70	\$63,468	
71	\$48,061	
72	\$40,886	
73	\$61,855	
74	\$62,462	
75	\$38,463	
76	\$65,283	
77	\$49,180	
78	\$86,494	
79	\$43,267	
80	\$92,011	
81	\$61,539	
82	\$63,648	
83	\$59,768	
84	\$54,332	
85	\$51,569	
86	\$73,187	
87	\$53,527	
88	\$64,293	
89	\$83,723	
90	\$69,182	
91	\$54,744	
92	\$50,639	
93	\$56,238	
94	\$37,398	
95	\$93,897	
96	\$56,256	

Case No. 2006-00369
PSC information request No. 2
Item 2
Payroll taxes

No.	Proforma wages	excess over \$ 94,200
97	\$100,654	6,454
98	\$48,365	
99	\$43,745	
100	\$52,440	
101	\$45,159	
102	\$51,401	
103	\$55,349	
104	\$██████████	██████████
105	\$45,635	
106	\$48,598	
107	\$62,462	
108	\$85,978	
109	\$54,679	
110	\$90,397	
111	\$51,759	
112	\$74,559	
113	\$56,043	
114	\$56,120	
115	\$96,974	2,774
116	\$41,625	
117	\$78,617	
118	\$103,436	9,236
119	\$41,720	
120	\$67,670	
121	\$71,729	
122	\$40,900	
123	\$61,322	
124	\$61,728	
125	\$71,716	
126	\$85,862	
127	\$60,496	
128	\$35,074	
129	\$50,653	
130	\$51,563	
131	\$81,212	
132	\$36,962	
133	\$53,577	
134	\$53,826	
135	\$45,499	
136	\$86,431	
137	\$87,568	
138	\$78,009	
139	\$62,695	
140	\$87,026	
141	\$62,538	
142	\$68,992	
143	\$██████████	██████████
144	\$72,340	

Case No. 2006-00369
PSC information request No. 2
Item 2
Payroll taxes

No.	Proforma wages	excess over \$ 94,200		
145	\$68,545			
146	\$55,894			
147	\$57,054			
148	\$44,397			
149	\$38,006			
150	\$52,213			
151	\$48,531			
152	\$45,027			
153	\$80,133			
154	\$35,833			
155	\$57,052			
156	\$81,744			
157	\$68,368			
158	\$58,679			
159	\$60,441			
	\$10,217,929			
		\$230,501	\$9,987,427 full time	(\$10,217,929-excess \$230,501)
	\$104,457		\$104,457 Part time	
	\$10,322,386		\$10,091,884	
	-\$133,192		-\$133,192	Section 125 Cafeteria
	-\$87,443		-\$87,443	Section 125 Medical
	-\$49,865		-\$49,865	Section 125 Dental
	\$48,609		\$48,609	Personal vehicle usage
	\$10,100,495		\$9,869,993	
	medicare		fica wages	
	0.0145		0.062	
	\$ 146,457	\$ 611,940	\$ 758,397	proforma social security

Case No. 2006-00369
PSC information request No. 2
Item 2
Payroll taxes

		federal	state	
Full time employees	159	\$7,000	\$8,000	
	times	159	159	
Part time employees		\$1,113,000	\$1,272,000	
		\$104,457	\$104,457	
		\$1,217,457	\$1,376,457	
	times rate	0.008	0.005	
	Proforma dollars	\$9,740	\$6,882	\$16,622

Case No. 2006-00369
PSC information request No. 2
Item 2
Worker's compensation

No.	Proforma Regular	Proforma Overtime	Overtime reduced 1/3	Wkcp wages	Class Code 7540	Class Code 8810
1	\$55,994	\$1,211	\$807	\$58,801	\$58,801	
2	\$54,621	\$7,543	\$5,029	\$59,649	\$59,649	
3	\$56,451	\$16,610	\$11,073	\$67,525	\$67,525	
4	\$58,094	\$2,514	\$1,676	\$59,770	\$59,770	
5		\$0	\$0			
6	\$38,938	\$337	\$225	\$39,162		\$39,162
7	\$47,466	\$5,557	\$3,705	\$51,170	\$51,170	
8	\$46,072	\$10,698	\$7,132	\$53,204	\$53,204	
9	\$47,466	\$25,501	\$17,001	\$64,466	\$64,466	
10	\$57,346	\$22,525	\$15,017	\$72,362	\$72,362	
11	\$54,496	\$1,061	\$707	\$55,203	\$55,203	
12	\$40,082	\$5,926	\$3,951	\$44,032	\$44,032	
13	\$54,662	\$16,931	\$11,287	\$65,950	\$65,950	
14	\$59,426	\$14,778	\$9,852	\$69,278	\$69,278	
15	\$54,621	\$23,083	\$15,389	\$70,009	\$70,009	
16	\$55,994	\$18,110	\$12,073	\$68,067	\$68,067	
17	\$51,022	\$21,464	\$14,309	\$65,332	\$65,332	
18	\$38,750	\$2,585	\$1,723	\$40,474		\$40,474
19	\$41,288	\$566	\$377	\$41,665	\$41,665	
20	\$44,221	\$19,134	\$12,756	\$56,977	\$56,977	
21	\$44,678	\$3,383	\$2,255	\$46,934		\$46,934
22	\$57,346	\$27,680	\$18,453	\$75,799	\$75,799	
23	\$35,589	\$2,194	\$1,463	\$37,051		\$37,051
24	\$46,550	\$4,012	\$2,675	\$49,225	\$49,225	
25	\$54,621	\$25,873	\$17,249	\$71,869	\$71,869	
26	\$40,144	\$11,334	\$7,558	\$47,700	\$47,700	
27	\$47,195	\$1,753	\$1,169	\$48,364		\$48,364
28	\$63,690	\$19,337	\$12,891	\$76,581	\$76,581	
29	\$62,026	\$7,403	\$4,935	\$66,961	\$66,961	
30	\$63,690	\$13,205	\$8,803	\$72,493	\$72,493	
31	\$54,662	\$8,872	\$5,781	\$60,444	\$60,444	
32	\$59,426	\$19,899	\$13,266	\$72,692	\$72,692	
33	\$41,288	\$1,102	\$735	\$42,023	\$42,023	
34	\$44,678	\$3,077	\$2,051	\$46,730		\$46,730
35		\$0	\$0			
36	\$46,384	\$3,863	\$2,575	\$48,959	\$48,959	
37	\$38,834	\$1,890	\$1,260	\$40,094	\$40,094	
38		\$0	\$0			
39	\$57,346	\$15,005	\$10,003	\$67,349	\$67,349	
40	\$57,054	\$0	\$0	\$57,054		\$57,054
41	\$63,690	\$19,382	\$12,921	\$76,611	\$76,611	
42	\$79,144	\$0	\$0	\$79,144		\$79,144
43	\$89,211	\$0	\$0	\$89,211	\$89,211	
44	\$41,288	\$5,330	\$3,553	\$44,841	\$44,841	
45	\$47,944	\$14,954	\$9,969	\$57,913	\$57,913	
46	\$54,621	\$37,519	\$25,013	\$79,633	\$79,633	
47	\$89,398	\$0	\$0	\$89,398	\$89,398	
48	\$59,550	\$21,430	\$14,287	\$73,837	\$73,837	
49	\$40,144	\$5,862	\$3,908	\$44,052	\$44,052	
50	\$40,186	\$9,974	\$6,649	\$46,835	\$46,835	
51	\$41,330	\$2,906	\$1,937	\$43,267		\$43,267
52	\$64,709	\$0	\$0	\$64,709		\$64,709
53	\$70,699	\$6,739	\$4,493	\$75,192	\$75,192	
54	\$44,678	\$8,538	\$5,692	\$50,370		\$50,370
55	\$53,206	\$4,547	\$3,031	\$56,238	\$56,238	
56	\$36,941	\$5,235	\$3,490	\$40,431	\$40,431	
57	\$48,277	\$5,762	\$3,841	\$52,118	\$52,118	
58	\$44,678	\$3,141	\$2,094	\$46,772		\$46,772
59	\$55,349	\$24,022	\$16,015	\$71,363	\$71,363	
60	\$38,376	\$3,224	\$2,149	\$40,525	\$40,525	
61	\$43,181	\$1,900	\$1,267	\$44,447	\$44,447	
62	\$41,350	\$21,351	\$14,234	\$55,584	\$55,584	
63	\$85,114	\$9,739	\$6,493	\$91,606	\$91,606	
64	\$47,320	\$870	\$580	\$47,900	\$47,900	
65	\$89,398	\$0	\$0	\$89,398	\$89,398	
66	\$59,550	\$19,289	\$12,859	\$72,410	\$72,410	
67	\$44,678	\$2,578	\$1,719	\$46,397		\$46,397

Case No. 2006-00369
PSC information request No. 2
Item 2
Worker's compensation

No.	Proforma Regular	Proforma Overtime	Overtime reduced 1/3	Wkcp wages	Class Code 7540	Class Code 8810
68	\$48,963	\$11,635	\$7,757	\$56,720	\$56,720	
69	\$57,512	\$2,717	\$1,811	\$59,323	\$59,323	
70	\$47,944	\$15,524	\$10,349	\$58,293	\$58,293	
71	\$44,678	\$3,383	\$2,255	\$46,934		\$46,934
72	\$39,042	\$1,844	\$1,229	\$40,271		\$40,271
73	\$53,518	\$8,337	\$5,558	\$59,076		\$59,076
74	\$62,462	\$0	\$0	\$62,462	\$62,462	
75	\$35,589	\$2,874	\$1,916	\$37,505		\$37,505
76	\$47,466	\$17,817	\$11,878	\$59,344	\$59,344	
77	\$46,550	\$2,830	\$1,753	\$48,304	\$48,304	
78	\$63,690	\$22,804	\$15,203	\$78,892	\$78,892	
79	\$41,995	\$1,272	\$848	\$42,843		\$42,843
80	\$70,699	\$21,312	\$14,208	\$84,907	\$84,907	
81	\$57,054	\$4,485	\$2,990	\$60,044	\$60,044	
82	\$63,648	\$0	\$0	\$63,648	\$63,648	
83	\$57,013	\$2,755	\$1,837	\$58,849	\$58,849	
84	\$39,894	\$14,438	\$9,625	\$49,520	\$49,520	
85	\$49,774	\$1,795	\$1,197	\$50,971	\$50,971	
86	\$54,821	\$18,566	\$12,377	\$66,998	\$66,998	
87	\$51,646	\$1,881	\$1,254	\$52,900		\$52,900
88	\$64,293	\$0	\$0	\$64,293		\$64,293
89	\$63,690	\$20,033	\$13,355	\$77,045	\$77,045	
90	\$63,440	\$5,742	\$3,828	\$67,268	\$67,268	
91	\$49,691	\$5,053	\$3,369	\$53,060	\$53,060	
92	\$44,678	\$5,961	\$3,974	\$48,652		\$48,652
93	\$51,605	\$4,633	\$3,089	\$54,693		\$54,693
94	\$35,589	\$1,809	\$1,206	\$36,795		\$36,795
95	\$63,690	\$30,207	\$20,138	\$83,828	\$83,828	
96	\$55,994	\$262	\$175	\$56,168	\$56,168	
97	\$90,397	\$10,257	\$6,838	\$97,235	\$97,235	
98	\$47,091	\$1,274	\$849	\$47,941	\$47,941	
99	\$42,120	\$1,825	\$1,083	\$43,203	\$43,203	
100	\$51,438	\$1,002	\$668	\$52,106		\$52,106
101	\$42,827	\$2,332	\$1,555	\$44,382		\$44,382
102	\$49,629	\$1,772	\$1,181	\$50,810	\$50,810	
103	\$50,856	\$4,493	\$2,995	\$53,851	\$53,851	
104		\$0	\$0			
105	\$41,288	\$4,347	\$2,898	\$44,186	\$44,186	
106	\$41,288	\$7,310	\$4,873	\$48,161	\$48,161	
107	\$62,462	\$0	\$0	\$62,462		\$62,462
108	\$56,264	\$29,714	\$19,809	\$76,073	\$76,073	
109	\$51,626	\$3,053	\$2,035	\$53,661		\$53,661
110	\$90,397	\$0	\$0	\$90,397	\$90,397	
111	\$49,629	\$2,130	\$1,420	\$51,049	\$51,049	
112	\$55,411	\$19,148	\$12,765	\$68,177	\$68,177	
113	\$48,488	\$9,555	\$6,370	\$52,858	\$52,858	
114	\$55,619	\$501	\$334	\$55,953	\$55,953	
115	\$63,690	\$33,284	\$22,189	\$85,879	\$85,879	
116	\$41,371	\$254	\$169	\$41,541		\$41,541
117	\$63,690	\$14,927	\$9,951	\$73,641	\$73,641	
118	\$93,309	\$10,127	\$6,751	\$100,060	\$100,060	
119	\$41,288	\$432	\$288	\$41,576	\$41,576	
120	\$54,392	\$13,278	\$8,852	\$63,244	\$63,244	
121	\$54,621	\$17,108	\$11,405	\$66,026	\$66,026	
122	\$40,622	\$278	\$185	\$40,808	\$40,808	
123	\$46,072	\$15,250	\$10,167	\$56,239	\$56,239	
124	\$55,994	\$5,734	\$3,823	\$59,816	\$59,816	
125	\$54,621	\$17,095	\$11,397	\$66,017	\$66,017	
126	\$85,862	\$0	\$0	\$85,862	\$85,862	
127	\$47,466	\$13,030	\$8,687	\$56,152	\$56,152	
128	\$34,923	\$151	\$101	\$35,024		\$35,024
129	\$46,114	\$4,539	\$3,026	\$49,140	\$49,140	
130	\$48,734	\$2,829	\$1,886	\$50,620		\$50,620
131	\$63,690	\$17,522	\$11,681	\$75,371	\$75,371	
132	\$35,589	\$1,373	\$915	\$36,504		\$36,504
133	\$51,875	\$1,702	\$1,135	\$53,010		\$53,010
134	\$51,522	\$2,304	\$1,536	\$53,058	\$53,058	

Case No. 2006-00369
PSC information request No. 2
Item 2
Worker's compensation

No.	Proforma Regular	Proforma Overtime	Overtime reduced 1/3	Wkcp wages	Class Code 7540	Class Code 8810
135	\$42,973	\$2,526	\$1,684	\$44,657	\$44,657	
136	\$53,394	\$33,037	\$22,025	\$75,418	\$75,418	
137	\$87,568	\$0	\$0	\$87,568	\$87,568	
138	\$67,574	\$20,435	\$13,623	\$71,198	\$71,198	
139	\$61,173	\$1,522	\$1,015	\$62,187		\$62,187
140	\$64,938	\$22,088	\$14,725	\$79,663	\$79,663	
141	\$54,621	\$7,917	\$5,278	\$59,899	\$59,899	
142	\$54,621	\$14,371	\$9,581	\$64,201	\$64,201	
143		\$0	\$0			
144	\$54,621	\$17,719	\$11,813	\$66,433	\$66,433	
145	\$54,621	\$13,924	\$9,283	\$63,903	\$63,903	
146	\$49,774	\$6,120	\$4,080	\$53,854	\$53,854	
147	\$57,054	\$0	\$0	\$57,054		\$57,054
148	\$42,307	\$2,090	\$1,393	\$43,701		\$43,701
149	\$37,586	\$420	\$280	\$37,866		\$37,866
150	\$48,734	\$3,479	\$2,319	\$51,054		\$51,054
151	\$46,342	\$2,189	\$1,459	\$47,802		\$47,802
152	\$43,264	\$1,763	\$1,175	\$44,439	\$44,439	
153	\$54,621	\$25,512	\$17,008	\$71,629	\$71,629	
154	\$35,526	\$307	\$205	\$35,731		\$35,731
155	\$56,181	\$871	\$581	\$56,761	\$56,761	
156	\$81,744	\$0	\$0	\$81,744		\$81,744
157	\$54,621	\$13,747	\$9,165	\$63,785	\$63,785	
158	\$55,994	\$2,685	\$1,790	\$57,784	\$57,784	
159	\$58,115	\$2,328	\$1,551	\$59,666		\$59,666
	\$8,903,274	\$1,314,655	\$876,437	\$9,779,710		

		\$7,211,756	\$2,567,955	\$9,779,710
Part time labor		\$89,993	\$14,465	\$104,457
		\$7,301,748	\$2,582,419	\$9,884,168
Rates		0.0583	0.0035	
		\$425,692	\$9,038	\$434,730
increased limits factor			1.70%	\$ 7,390
				\$442,121
experience modification			-16.00%	\$ (70,739)
				\$371,381
scheduled credit/debit			0.00%	\$0
				\$371,381
Premium discount			-5.00%	-\$18,569
				\$352,812
Ky. Special fund assessment			6.50%	\$ 22,933
				\$375,745
terrorism risk factor			0.007847	\$ 2,948
Retention program refund				\$ (88,397)
Proforma workers compensation				<u>\$290,297</u>



INFORMATION PAGE Workers' Compensation and Employers' Liability Policy

5 W. 85th Street P O Box 15147 Lanexa, KS 66285-5147 (913) 541-0150 (800) 356-8360 Facsimile (913) 541-8004

NCCI CODE: 14702

POLICY NUMBER:
16 WC 037-06

ITEM 1.
THE INSURED KENERGY Corp.
ADDRESS P.O. Box 18
Handerson, KY 42419

2006

INDIVIDUAL _____ PARTNERSHIP _____
 CORPORATION _____

OTHER WORK PLACES NOT SHOWN ABOVE:
IDENTIFICATION NUMBER: Risk ID: 160053062 FEIN 611345109

Item 2. POLICY PERIOD FROM 01/01/2006 TO 01/01/2007 12:01 A.M. Standard Time at the Insured's Mailing Address

- Item 3. A. WORKERS' COMPENSATION INSURANCE: Part One of the policy applies to the Workers' Compensation law of the states listed here KENTUCKY
- B. EMPLOYERS' LIABILITY INSURANCE Part Two of the policy applies to work in each state listed in Item 3A.
The limits of our liability under Part Two are:

BODILY INJURY BY ACCIDENT	\$500,000	EACH ACCIDENT
BODILY INJURY BY DISEASE	\$500,000	POLICY LIMIT
BODILY INJURY BY DISEASE	\$500,000	EACH EMPLOYEE
- C. OTHER STATES INSURANCE: Part Three of the policy applies to the states, if any, listed here.
All Other States Except: ND, OH, WA, WV & WY
- D. THIS POLICY INCLUDES THESE ENDORSEMENTS AND SCHEDULES
WC000000A(04/92) WC000309A(02/94) WC000420(12/02) WC 160602(10/99) MISC END(1)

Item 4. The premium for this policy will be determined by our Manuals of Rules, Classification, Rates and Rating Plans.
All information required below is subject to verification and change by audit.

Classifications	Premium Basis	Rates
Entries in this item, except as specifically provided elsewhere in this policy, do not modify any of the other provisions of the policy.	Code No	Estimated Total Annual Remuneration Per \$100 of Remuneration Estimated Annual Premium
Electric Light or Power Cooperative - Rural Electrification Administration Projects only - all employees and drivers	KY 7540	\$6,805,405 5.93 \$396,755
Clerical Office Employees NOC	KY 8810	\$2,640,666 0.35 \$9,242
Salespersons, Collectors or Messengers--Outside	KY 8742	\$177,598 0.76 \$1,350
Increased Limits Factor	1.70 % 9807	6,925
Experience Modification	840	(66,284)
Premium Discount	0063	(16,899)
Terrorism Risk Ins Act of 2002-Certified Losses	9740	2,598
KY Workers Compensation Special Fund Assessment	6.50 %	21,690
		<u>355,911</u>

*2598
321089 - 001841*

333,681
Profound!

MINIMUM PREMIUM \$0 DEPOSIT PREMIUM \$0 TOTAL ESTIMATED ANNUAL PREMIUM \$333,687
DATE OF ISSUE: 11/17/2005

NEW RENEWAL REWRITE OF
PREVIOUS POLICY NO.
16 WC 037-05

COUNTERSIGNED BY Tony W. Hermesch
Authorized Agent



ALL RISK BLANKET PREMIUM BREAKDOWN

Insured: KENERGY Corp.

16037

Policy Number: 16 ARB 037-06

Effective Date: 04-01-2006

Expiration Date: 04-01-2007

Below is a breakdown of the All Risk Blanket policy premium to fit your own accounting purposes.

SECTION I

Fire	\$1,000 Ded.	\$45,283
Allied Lines		\$71,498
Burglary and Theft of Merchandise		\$2,383
Inland Marine		\$2,571
Optional Coverages		
Rental Reimbursement		\$778
Extra Expense		\$219
Loss of Income		\$46
Valuable Papers		\$60

SECTION II

General Liability - Bodily Injury		\$31,190
- Property Damage	\$0 Ded.	\$72,778
Automobile Liability - Bodily Injury		\$43,322
- Property Damage		\$18,567
- Comprehensive	\$500 Ded.	\$3,437
- Collision	\$500 Ded.	\$11,743
Medical Payments		\$0
Optional Coverages		
Uninsured Motorist		\$5,664
Non-Owned Automobiles		\$1,162
Hired Automobiles		\$664

= 103,968
 I need to
 OH adjustment

SECTION III

Blanket Crime	\$810
Burglary and Theft	\$270

TOTAL ALL RISK BLANKET PREMIUM \$312,445

If you have any questions on these breakdowns or want further information, please let us know.



Federated Rural Electric Insurance Exchange
 11875 W. 85th Street
 P.O. Box 15147
 Lenexa, KS 66285-5147
 (913) 541-0150 (800) 356-8360 Fax: (913) 541-9004

PLEASE REMIT TO:

P.O. Box 210663
 Kansas City, MO 64121-0663

OK per 3/1

POLICY NUMBER 16 UMB 037-06	TYPE OF POLICY COMMERCIAL UMBRELLA	PREMIUM ADJUSTMENT FOR THE PERIOD				
		FROM	TO			
EXPLANATION	CHARGES			CREDIT		
	CODE	EXPOSURE	RATE	PREM CHARGES	ITEM	CREDIT
Policy Period: 04-01-2006 to 04-01-2007					DEPOSIT PREMIUM	
1st Annual Premium: \$40,113				40,113		
State Surcharge				602		
Municipal Tax				1,846		
Due: 04-01-2006				42,561		

*Traced to
 off adjustment*

TOTAL CHARGES	42,561	TOTAL CREDIT	
LESS CREDIT		LESS TOTAL CHARGES	
PAY THIS AMOUNT	42,561	CREDIT REMAINING TO YOUR ACCOUNT	



16037
 KENERGY Corp.
 P.O. Box 18
 Henderson, KY 42419

CREDIT APPLIED ON POLICY NO. _____
 REFUND CHECK ENCLOSED

**KENERGY CORP.
RESPONSE OF KENERGY CORP.
TO SECOND DATA REQUEST OF COMMISSION STAFF**

CASE NO. 2006-00369

1

2 **Item 3)** Refer to the Application, Exhibit 5, page 11.

3 a. Provide a narrative explanation with calculations explaining why the liability,
4 capital, and expense accounts were reduced during the test year.

5 b. Explain why customer service, sales, and administrative and general expenses
6 were increased.

7

8 **Response a)** The three liability accounts for retirees health insurance contained a total balance of
9 \$72,600.67 at December 31, 2005 before adjustments were made reducing the liability to \$43,213.17,
10 a difference of \$29,387.50. The new liability balance of \$43,213.17 at December 31, 2005 reflects
11 January 1, 2006 health insurance premiums and updated non-active employees covered census data.
12 The \$29,587.50 reduction to the liability account was accompanied by a reduction to the capital and
13 expense accounts based on the original allocation used to book the liability. Since Kenergy does not
14 provide any post retirement benefits to active employees, the impact of this test year (credit) was
15 removed for rate making purposes per Exhibit 5, page 11 of the application. These totals were not
16 included in Exhibit 5, page 8, column e, line 1 test year amounts.

17 **Response b)** One of the three liability accounts was increased at December 31, 2005 not reduced as
18 the other two were. This liability account involved customer service, sales and administrative accounts
19 while the other two did not. This liability account had a balance of \$148.31 before it was increased to
20 \$4,592.76 reflecting actual liability based on non-active employees involved using January 1, 2006
21 health insurance premiums.

22 **Witness)** Steve Thompson

**KENERGY CORP.
RESPONSE OF KENERGY CORP.
TO SECOND DATA REQUEST OF COMMISSION STAFF**

CASE NO. 2006-00369

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21

Item 4) Refer to the Application, Exhibit 5, page 12.

a. Explain the event or events that resulted in a large lump sum benefit paid in July 2005.

b. Provide the amount of the lump sum benefit paid, including the supporting calculations.

c. Provide the supporting calculations for the \$437,000 adjustment as booked during the test year.

Response a) The retirement of former Kenergy CEO, Dean Stanley effective April 1, 2005 triggered the payment of a lump sum benefit from the former Green River Defined Benefit Plan. Mr. Stanley requested that his benefit be received in form of a lump sum, which is permitted under the plan guidelines.

Response b) The amount of the lump sum was \$1,037,853. The amount calculated was provided by Stanley, Hunt, Dupree, and Rhine, an actuarial firm engaged by Kenergy, based on Mr. Stanley's highest average five years' salary.

Witness) Keith Ellis

**KENERGY CORP.
RESPONSE OF KENERGY CORP.
TO SECOND DATA REQUEST OF COMMISSION STAFF**

CASE NO. 2006-00369

1

2 **Response c)** Item 4, pages 2-5 of 5, contain the above referenced information. These amounts
3 booked during the test year are not included in the labor overheads adjustment on Exhibit 5, Page 8,
4 column e, line 2 of the application.

5

6 **Witness)** Steve Thompson

7

8

9

10

12

13

14

15

16

17

18

19

20

21

KENERGY CORP.

NOTES TO FINANCIAL STATEMENTS

Years Ended December 31, 2005 and 2004

9. Pension Plans, Continued

Noncontributory Defined Benefit Plan, Continued

Net pension cost (income) for 2005 and 2004 included the following components:

	<u>2005</u>	<u>2004</u>
Service cost	\$ 52,000	\$ 51,837
Interest cost on projected benefit obligation	143,000	150,430
Expected return on plan assets	(139,000)	(160,353)
Net amortization and deferral	92,000	43,889
Settlement	<u>437,000</u>	-
Pension expense (income)	<u>\$ 585,000</u>	<u>\$ 85,803</u>

The following table sets forth the plan's funded status and the amount recognized in Kenergy's balance sheet at December 31:

	<u>2005</u>	<u>2004</u>
Accumulated benefit obligation:		
Vested	\$ <u>1,344,000</u>	\$ <u>2,179,297</u>
Projected benefit obligation	\$ 2,023,000	\$ 2,757,641
Plan assets at fair value	<u>1,307,000</u>	<u>2,048,827</u>
Deficiency of plan assets over projected benefit obligation	(716,000)	(708,814)
Unrecognized net loss	705,000	971,998
Unrecognized prior service cost	<u>16,000</u>	<u>33,821</u>
Net amount recognized	<u>\$ 5,000</u>	<u>\$ 297,005</u>
Amounts recognized consist of:		
Prepaid benefit cost	\$ 5,000	\$ -
Accrued pension liability	(42,000)	(130,470)
Intangible asset	16,000	33,821
Accumulated other comprehensive income	<u>26,000</u>	<u>393,654</u>
Net amount recognized	<u>\$ 5,000</u>	<u>\$ 297,005</u>

KENERGY GENERAL LEDGER

12/31/05

PAGE NO. 29

ACCOUNT NUMBER	DATE	SOURCE	J/E	DESCRIPTION	DEBIT	CREDIT	BALANCE
MO. DAY YEAR	CDR	NO.					
186.110		0010		POWER COST PREPMT/ENGY DEFERRED PMT			.00
85.200		0010		PAST SERVICE PENSION COSTS-NRREA			.00
86.210		0010		PENSION-DEFINED BEN(FORMER GR. E. HU	297,005.00		297,005.00
8478	7 31	050030		CASH DISBURSEMENTS	293,000.00		590,005.00
8479	10 31	050041		82PENSION FUND		145,666.67	444,338.33
8480	11 30	050041		46PENSION FUND		145,666.67	298,671.66
8481	12 31	050041		74PENSION FUND		145,666.66	153,005.00
8482	12 31	050200		93TRANSFER ASSET/LIABILITY-A/C TO A/C	132,685.00		20,320.00
86.300		0010		RATE CASE 2004			.00
8483	1 31	050030		CASH DISBURSEMENTS	12,651.43		12,651.43
8484	1 31	050231		44REVERSE ACCOUNTS PAYABLE		9,168.37	3,483.06
8485	1 31	050231		46REVERSE ACCOUNTS PAYABLE		2,468.75	1,014.31
8486	2 28	050200		64TRANSFER ASSET/LIABILITY-A/C TO A/C		1,014.31	.00
200.100		0010		MEMBERSHIPS ISSUED (\$5.00)		77,725.00	77,725.00CR
8487	1 31	050020		CASH RECEIPTS		1,465.00	79,190.00CR
8488	1 31	050200		51TRANSFER ASSET/LIABILITY-A/C TO A/C	925.00		79,215.00CR
8489	1 31	050400		SALES		25.00	78,290.00CR
8490	2 28	050020		CASH RECEIPTS		1,610.00	79,900.00CR
8491	2 28	050200		49TRANSFER ASSET/LIABILITY-A/C TO A/C	1,090.00		78,845.00CR
8492	2 28	050400		SALES		35.00	80,440.00CR
8493	3 31	050020		CASH RECEIPTS		1,595.00	80,440.00CR
8494	3 31	050200		92TRANSFER ASSET/LIABILITY-A/C TO A/C	1,385.00		80,440.00CR
8495	3 31	050200		93TRANSFER ASSET/LIABILITY-A/C TO A/C	1,435.00		80,445.00CR
8496	3 31	050400		SALES		10.00	80,445.00CR
8497	4 29	050400		SALES		1,710.00	77,645.00CR
8498	4 30	050020		CASH RECEIPTS		40.00	79,355.00CR
8499	4 30	050200		46TRANSFER ASSET/LIABILITY-A/C TO A/C	1,710.00		79,355.00CR

2005

PAYROLL BUDGET

USED 2006 BUDGET

DISTRIBUTION FOR EMPLOYEES	107.200	12.00	29.95%	\$	43,627.17
UNDER GR DEFINED BENEFIT PLAN	163.000		2.97%	\$	4,326.30
EXPENSE 1/3 OF \$437,000 EXPENSE	184.100		0.43%	\$	626.37
OVER OCT-DEC					
R001	416.100		0.03%	\$	43.70
L001	582.000		0.98%	\$	1,427.53
I001	583.000		1.79%	\$	2,607.43
J001	586.000		5.81%	\$	8,463.23
H001	588.000		13.79%	\$	20,087.43
L001	592.000		2.50%	\$	3,641.67
I001	593.000		13.75%	\$	20,029.17
K001	593.300		1.76%	\$	2,563.73
I001	594.000		2.07%	\$	3,015.30
I001	595.000		0.71%	\$	1,034.23
J001	596.000		1.64%	\$	2,388.93
J001	597.000		0.47%	\$	684.63
I001	598.000		0.07%	\$	101.97
F001	903.000		11.42%	\$	16,635.13
G001	908.000		0.67%	\$	975.97
G001	912.000		0.13%	\$	189.37
E001	920.000		7.12%	\$	10,371.47
E001	920.230		0.04%	\$	58.27
G001	930.200		0.47%	\$	684.63
I001	935.000		1.43%	\$	2,083.0304
			100.00%	\$	145,666.67

**KENERGY CORP.
RESPONSE OF KENERGY CORP.
TO SECOND DATA REQUEST OF COMMISSION STAFF**

CASE NO. 2006-00369

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21

Item 5) Refer to the Application, Exhibit 5, page 13.

a. How does Kenergy normally track storm damage repair expense?

b. Were there any storm repair expenses incurred in the test year? If yes, provide the amount of storm repair expenses.

c. Explain why only 3 years are included in the proposed adjustment.

d. Concerning past storm damages involving Federal Emergency Management Agency (“FEMA”), did Kenergy receive reimbursement for assets that had been damaged in the storm? If yes, describe how Kenergy accounted for the FEMA reimbursement for damaged assets.

Response a) Kenergy records storm expense classified as “major” in a sub-account of 593.000. Minor or routine storm expense is not tracked in a separate account. A “major” storm is defined as one in which outage restoration will extend more than 24 hours.

Response b) There were no storms classified as “major” during the test year.

Response c) Kenergy has utilized the previous ten years data in the proposed adjustment. There was no major storm expense recorded in seven of the ten years shown.

Response d) Yes. Kenergy reduces either the cost of the new asset installed or the maintenance expense for the funds received from FEMA. The amounts shown on the adjustment are net of FEMA reimbursement.

Witness) Steve Thompson

**KENERGY CORP.
RESPONSE OF KENERGY CORP.
TO SECOND DATA REQUEST OF COMMISSION STAFF**

CASE NO. 2006-00369

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21

Item 6) Refer to the Application, Exhibit 5, page 14. Provide a copy of the Rural Utilities Service (“RUS”) approval letter.

Response) Item 6, pages 2-3 of 3, contain the above referenced information.

Witness) Steve Thompson



**United States Department of Agriculture
Rural Development**

October 20, 2006

Mr. Mark A. Bailey
 President & Chief Executive Officer
 Kenergy Corporation
 P.O. Box 18
 Henderson, Kentucky 42419-0018

Dear Mr. Bailey:

We have reviewed the depreciation study prepared for Kenergy Corporation (Kenergy) using traditional depreciation study methodologies and actual December 31, 2005, plant and reserve balances. The study requests the Rural Utilities Service's (RUS) approval of depreciation rates as listed below. RUS approval is required since Kenergy is setting depreciation rates that vary from those prescribed in RUS Bulletin 183-1, *Depreciation Rates and Procedures*.

Based upon the information provided in the study and in response to your request, RUS hereby approves the utilization of the following depreciation rates.

	Account	Proposed Rates
362	Station Equipment Supervisory Control	2.2%
362.1	Equipment	6.7%
362.2	Microwave Equipment	6.7%
362.223	Microwave Towers	3.0%
362.4	Owenboro Tower	4.0%
364	Poles, Towers & Fixtures	4.2%
365	Overhead Conductors & Devices	3.4%
366	Underground Conduit	2.2%
367	Underground Conductors and Devices	3.1%
368	Line Transformers	2.9%
369	Services	3.8%
370	Meters	3.3%
371	Installations on Customers' Premises	4.4%
373	Street Lighting & Signal Systems	3.8%

RUS' approval is granted for a 5-year period beginning January 1, 2007, and terminating December 31, 2011. If Kenergy wishes to continue to utilize depreciation rates that fall outside of the RUS prescribed ranges of rates beyond this 5-year period, a revised depreciation study updating this information must be submitted to RUS.

1400 Independence Ave, SW - Washington, DC 20250-0700
 Web: <http://www.rurdev.usda.gov>

Committed to the future of rural communities.

USDA is an equal opportunity provider, employer and lender.
 To file a complaint of discrimination write USDA, Director, Office of Civil Rights, Room 328-W, Whitten Building, 14th and Independence Avenue, SW, Washington, DC 20250-9410 or call (202) 720-5864 (voice or TDD).

Mr. Mark A. Bailey

2

If you have any questions or if we can be of further assistance, please contact
Mr. Joseph Badin, Director, Northern Regional Division, 1400 Independence Ave. SW,
Stop 1566, Washington, D.C. 20250-1566.

Sincerely,



Nivin A. Elgohary
Deputy Assistant Administrator
Rural Development - Utilities Programs
Electric Programs

**KENERGY CORP.
RESPONSE OF KENERGY CORP.
TO SECOND DATA REQUEST OF COMMISSION STAFF**

CASE NO. 2006-00369

1

2 **Item 7)** Refer to the Application, Exhibit 5, page 16. Update the schedule reflecting the most
3 currently available interest rates and date of the interest rate used.

4

5 **Response)** Kenergy has updated the 90-day rate on the FFB loans using the October 13, 2006 rate
6 posted on the Rural Utilities Service website plus a 1/8% administrative fee. Item 7, page 2 of 2,
7 contains updated schedule.

8

9 **Witness)** Steve Thompson

10

12

13

14

15

16

17

18

19

20

21

Kenergy Corp.
Case No. 2006-00369
Updated schedule of Interest Expense Adjustment

	(a)	(b)	(c)	(on 10/13/06)	(d)	(e)	(f)	(g)	(h)
	O/S Principal at 12/31/05	Lender	Current Rates	Proforma Rates	Interest Renewal Date Starting At 8/02/04	Principal Maturity	Proforma Interest	Test Yr. Interest	Adjustment
1	\$ 63,482	RUS	2%	2%	N/A Fixed to Maturity	2003 - 2007	\$1,270		
2	\$ 18,796,897	RUS	5%	5%	N/A Fixed to Maturity	2009 - 2039	\$939,845		
3	\$ 2,410,412	RUS	5.125%	5.125%	N/A Fixed to Maturity	2033	\$123,534		
4	\$ 6,043,730	RUS	3.750%	3.750%	7 yr fixed 1/31/2012	2036	\$226,640		
5	\$ 17,815,863	RUS	2.500%	2.500%	3 yr fixed 3/31/2008	2036	\$445,397		
6	\$ 9,414,236	RUS	2.625%	2.625%	4 yr fixed 3/31/2009	2036	\$247,124		
7	\$ 11,396,831	RUS	3.000%	3.000%	5 yr fixed 4/30/2010	2036	\$341,905		
8	\$ 7,919,552	RUS	3.250%	3.250%	7 yr fixed 7/31/2012	2036	\$257,385		
9	\$ 1,388,588	RUS	3.125%	3.125%	6 yr fixed 5/31/2011	2029	\$43,393		
10	\$ 1,787,925	RUS	3.500%	3.500%	8 yr fixed 12/31/2013	2032	\$62,577		
11	\$ 1,782,601	RUS	4.50%	4.50%	Fixed until 12/31/2007	2032	\$80,217		
12	\$ 1,460,260	RUS	4.00%	4.00%	Fixed until 03/31/2007	2032	\$58,410		
13	\$ (11,860,815)	RUS	5% (Earm)		N/A (Prepaid Debt Service)				
14	\$ 68,419,562	Total RUS					\$2,827,697		
15	\$ 1,583,305	RUS Ec. Devel.							
16	\$ 21,180,174	FFB	0%	5.185%	Ec. Development Loans	2037	\$1,098,192		
17	\$ 1,311,232	CoBank	3.84%	3.84%	90 day fixed until 01/02/07	2015	\$50,351		
18	\$ 1,011,744	CoBank	4.09%	4.09%	N/A Fixed to Maturity	2017	\$41,380		
19	\$ 1,786,828	CoBank	4.17%	4.17%	N/A Fixed to Maturity	2018	\$74,511		
20	\$ 1,532,802	CoBank	3.97%	3.97%	N/A Fixed to Maturity	2016	\$60,852		
21	\$ 5,001,795	CoBank	4.14%	4.14%	N/A Fixed to Maturity	2014	\$207,074		
22	\$ 2,363,948	CoBank	5.39%	5.39%	3 Yr. Fixed until 2/16/2009	2022	\$127,417		
23	\$ 2,356,895	CoBank	5.40%	5.40%	4 Yr. Fixed until 2/16/2010	2028	\$127,272		
24	\$ 2,708,049	CoBank	5.41%	5.41%	5 Yr. Fixed until 2/16/2011	2025	\$146,505		
25	\$ 3,029,961	CoBank	5.44%	5.44%	6 Yr. Fixed until 2/16/2012	2029	\$164,830		
26	\$ 91,028	CoBank	5.37%	5.37%	2 Yr. Fixed until 2/16/2012	2010	\$4,888		
27	\$ 5,131,327	CoBank	4.89%	4.89%	3 Yr. Fixed until 10/13/2008	2032	\$250,922		
28	\$ 26,325,609	Total Supplemental					\$1,256,002		
29	\$ (3,752,161)	RUS & CoBank			principal due one year - (Line 45, Form 7-\$1,500,000 short term note payable)				
30									
31									
32									
33	\$ 113,756,489	Total Long-Term Debt (Line 41 - Form 7)					\$5,181,891	\$4,198,637	\$983,254
34									
35									
36									
37									
38									

TOTALS **\$5,181,891** **\$4,198,637** **\$983,254**

(1) Including .80% reduction for cash capital credit refunds. The Cobank capital plan provides for a 100 basis point total capital credit allocation on average loans outstanding, with a 80 basis point cash payment and a 20 basis point non-cash allocation.

**KENERGY CORP.
RESPONSE OF KENERGY CORP.
TO SECOND DATA REQUEST OF COMMISSION STAFF**

CASE NO. 2006-00369

1

2 **Item 8)** Refer to the Application, Exhibit 5, page 17.

3 a. Does Kenergy agree the current PSC Assessment rate should be used for this
4 calculation?

5 b. Does Kenergy agree that the current PSC Assessment rate is .001643?
6

7 **Response a-b)**Kenergy responds yes to both questions.
8

9 **Witness)** Steve Thompson
10

12

13

14

15

16

17

18

19

20

21

**KENERGY CORP.
RESPONSE OF KENERGY CORP.
TO SECOND DATA REQUEST OF COMMISSION STAFF**

CASE NO. 2006-00369

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21

Item 9) Refer to the Application, Exhibit 5, page 19. Explain why this adjustment only includes the normalization of the RUS Cushion of Credit interest income.

Response) The adjustment also includes interest income on overnight and 30-day investments. Please refer to lines 9-16 of Exhibit 5, page 19, reflecting a \$54,666 increase to this category. The interest on CFC CTC's is a fixed rate applied to the dollars invested which do not change.

Witness) Steve Thompson

**KENERGY CORP.
RESPONSE OF KENERGY CORP.
TO SECOND DATA REQUEST OF COMMISSION STAFF**

CASE NO. 2006-00369

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21

Item 10) Refer to the Application, Exhibit 5, page 20. Provide workpapers and calculations supporting each adjustment shown on this page.

Response) Item 10, pages 2-3 of 3, contain the above referenced information.

Witness) Steve Thompson

408730	REGULATORY ASSESSMENT TAX-CLASS B	\$	20,372.41
408740	REGULATORY ASSESSMENT TAX-CLASS C	\$	9,702.81
409100	INCOME TAX EXPENSE	\$	7,336.20
415000	REVENUES FROM GEOTHERMAL	\$	(156,932.87)
415200	REVENUE-ELECTRIC GRILLS	\$	-
415500	REVENUES FROM WATER HEATER PROGRAM	\$	-
415510	BREC REBATES - WATER HEATERS	\$	-
415600	REVENUES-SURGE PROTECTOR SALES	\$	-
415601	REVENUE-SURGE PROTECTORS LEASED	\$	(13,885.00)
415700	REVENUES-AMUSEMENT PARK TICKET	\$	(92,498.03)
416000	COSTS & EXPENSES-GEOTHERMAL	\$	153,001.68
416100	GENERAL MERCHANDISING ACTIVITIES	\$	80.26
416200	COST & EXPENSES-ELECTRIC GRILLS	\$	-
416500	COST AND EXPENSES - WATER HEATERS	\$	335.91
416600	COST & EXPENSES - SURGE PROTECTORS	\$	8,014.80
416700	COST & EXPENSES-AMUSEMENT PK TICKET	\$	94,345.81
416900	COST & EXPENSES-HOME SECURITY SYS	\$	-
417000	REVENUES-NON UTILITY OPS	\$	-
417002	REVENUE-INTERNET-LOCAL/LONG DISTANC	\$	(77,141.27)
417003	REVENUE-HOME SECURITY MONITORING	\$	(29.95)
417004	REVENUE-HOME SECURITY MAINTENANCE	\$	-
417006	POINT-TO-POINT FIBER SERVICE-REVENU	\$	(32,861.70)
417007	REVENUE-WIRELESS ISP	\$	(18,986.02)
417100	EXPENSES-NON UTILITY OPS	\$	(25.32)
417102	EXPENSES-INTERNET-LOCAL/LONG DISTAN	\$	62,414.76
417103	EXPENSES-HOME SECURITY MONITORING	\$	-
417105	EXPENSES-HOME SECURITY	\$	284.64
417106	EXPENSES-POINT TO POINT FIBER SERV	\$	27,352.94
417107	EXPESES-WIRELESS ISP	\$	43,440.05
418100	EQUITY IN EARNINGS OF SUBSIDIARY	\$	-
419000	INTEREST-DIVIDEND INCOME	\$	(857,978.26)
419100	INTEREST-COMMONWEALTH DEPOSIT	\$	(34,443.14)
419300	ERC INTEREST INCOME	\$	(882.41)
419400	INTEREST-HOME SECURITY SYS LOANS	\$	-
421000	MISC NON-OPERATING INC-DEDUCTIONS	\$	(17,896.76)
421100	GAIN ON DISPOSITION OF PROPERTY	\$	(479.13)
421200	LOSS ON DISPOSITION OF PROPERTY	\$	52,751.05
421220	NON-OPERATING INCOME CLASS A	\$	-
421230	NON-OPERATING INCOME CLASS B	\$	-
421240	NON-OPERATING INCOME CLASS C	\$	-
423000	G AND T COOP CAPITAL CREDITS	\$	-
423100	CONTRA-ACCOUNT G & T CAPITAL CR	\$	-
424000	OTHER CAPITAL CR ALLOCATIONS	\$	(194,580.10)
426100	OTHER INCOME DEDUCTIONS-DONATIONS	\$	52,091.19
426400	MISC INC DED-EXP FOR CIVIC POL ACT	\$	10,040.00
426500	MISC INC DED-OTHER DEDUCTIONS	\$	1,430.55
427100	INTEREST ON REA CONSTRUCTION LOAN	\$	2,454,675.60
427125	INTEREST RUS-CLASS C	\$	55,171.50
427200	INTEREST -LONG TERM DEBT-CFC	\$	(158.97)
427210	INTEREST ON COBANK LOANS	\$	1,087,636.34
427220	INTEREST-FEDERAL FINANCING BANK	\$	601,312.48

↑
=(3,089.31)

KENERGY GENERAL LEDGER

12/31/05

PAGE NO. 342

ACCOUNT NUMBER	DATE			SOURCE CODE	J/E NO.	DESCRIPTION	DEBIT	CREDIT	BALANCE
	MO.	DAY	YEAR						
13443	1	31	050131		30	INTEREST ACCRUAL - ERC LOANS		96.33	\$ 96.33CR
13444	2	28	050131		30	INTEREST ACCRUAL - ERC LOANS		93.35	\$ 189.68CR
13445	3	31	050131		30	INTEREST ACCRUAL - ERC LOANS		76.76	\$ 266.44CR
13446	4	30	050131		30	INTEREST ACCRUAL - ERC LOANS		63.10	\$ 329.54CR
13447	5	31	050131		30	INTEREST ACCRUAL - ERC LOANS		38.39	\$ 367.93CR
13448	6	30	050131		30	INTEREST ACCRUAL - ERC LOANS		71.21	\$ 439.14CR
13449	7	31	050131		30	INTEREST ACCRUAL - ERC LOANS		65.02	\$ 504.16CR
13450	8	31	050131		30	INTEREST ACCRUAL - ERC LOANS		70.46	\$ 574.62CR
13451	9	30	050131		30	INTEREST ACCRUAL - ERC LOANS		91.45	\$ 666.07CR
13452	10	31	050131		30	INTEREST ACCRUAL - ERC LOANS		86.68	\$ 752.75CR
13453	11	30	050131		30	INTEREST ACCRUAL - ERC LOANS		83.53	\$ 836.28CR
13454	12	31	050131		30	INTEREST ACCRUAL - ERC LOANS		46.13	\$ 882.41CR
13455	12	31	050900		156	YEAR END CLOSING ENTRY	882.41		\$.00
419.400			0010			INTEREST-HOME SECURITY SYS LOANS			\$.00
421.000			0010			MISC NON-OPERATING INC-DEDUCTIONS			\$.00
13456	2	28	050020			CASH RECEIPTS		67.00	\$ 67.00CR
13457	7	31	050020			CASH RECEIPTS		40.00	\$ 107.00CR
13458	8	31	050020			CASH RECEIPTS		405.00	\$ 512.00CR
13459	12	31	050555		61	FORFEITED CONTRIBUTION		17,364.76	\$ 17,896.76CR
13460	12	31	050900		156	YEAR END CLOSING ENTRY	17,896.76		\$.00
100			0010			GAIN ON DISPOSITION OF PROPERTY			\$.00
13461	4	30	050020			CASH RECEIPTS		13.55	\$ 13.55CR
13462	5	31	050020			CASH RECEIPTS		300.00	\$ 313.55CR
13463	5	31	050500		80	RETIREMENTS FROM GENERAL PLANT	511.98		\$ 198.43
13464	5	31	050515		17	ACCOUNTS RECEIVABLE-CUSTOMERS		677.56	\$ 479.13CR
13465	12	31	050900		156	YEAR END CLOSING ENTRY	479.13		\$.00

GENERAL LEDGER

12/31/05

PAGE NO. 343

ACCOUNT NUMBER	DATE			SOURCE CODE	J/E NO.	DESCRIPTION	DEBIT	CREDIT	BALANCE
	MO.	DAY	YEAR						
421.200			0010			LOSS ON DISPOSITION OF PROPERTY			\$.00
13466	3	31	050500		48	RETIREMENTS FROM GENERAL PLANT	488.74		\$ 488.74
13467	3	31	050500		49	RETIREMENTS FROM GENERAL PLANT	2,247.40		\$ 2,736.14
13468	3	31	050500		71	RETIREMENTS FROM GENERAL PLANT	3,901.58		\$ 6,637.72
13469	3	31	050500		71	RETIREMENTS FROM GENERAL PLANT		3,814.02	\$ 2,823.70
13470	5	31	050500		104	RETIREMENTS FROM GENERAL PLANT	37,779.22		\$ 40,602.92
13471	5	31	050500		104	RETIREMENTS FROM GENERAL PLANT	241.87		\$ 40,844.79
13472	5	31	050500		104	RETIREMENTS FROM GENERAL PLANT	42.47		\$ 40,887.26
13473	5	31	050500		104	RETIREMENTS FROM GENERAL PLANT	5,310.00		\$ 46,197.28
13474	5	31	050500		108	RETIREMENTS FROM GENERAL PLANT	5,434.74		\$ 51,632.00
13475	6	30	050231		70	REVERSE ACCOUNTS PAYABLE		5,310.00	\$ 46,322.00
13476	6	30	050572		99	CONST FROM W.I.P. TO GENERAL PLANT	5,310.00		\$ 51,632.00
13477	8	31	050062		100	DEPRECIATION OFFICE FURN/FIXTURES	182.56		\$ 51,814.56
3478	8	31	050062		101	DEPRECIATION OFFICE FURN/FIXTURES	71.18		\$ 51,885.74
3479	8	31	050500		96	RETIREMENTS FROM GENERAL PLANT	639.34		\$ 52,525.08
13480	12	31	050500		108	RETIREMENTS FROM GENERAL PLANT	225.97		\$ 52,751.05
13481	12	31	050900		156	YEAR END CLOSING ENTRY		52,751.05	\$.00
421.220			0010			NON-OPERATING INCOME CLASS A			\$.00

Item 10
 Page 3 of 3
 ① = 34,375.16
 37,779.22 = (34,406.06)

**KENERGY CORP.
RESPONSE OF KENERGY CORP.
TO SECOND DATA REQUEST OF COMMISSION STAFF**

CASE NO. 2006-00369

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21

Item 11) Refer to the Application, Exhibit 5, page 21. Explain why there were no similar proposed adjustments to Federated Electric Insurance, Kentucky Association of Electric Cooperatives (“KAEC”), United Utility, and National Rural Utilities Cooperative Financing Corporation.

Response) The amounts of capital credit allocations from these organizations for 2006 were not known and measurable when this adjustment was prepared. Amounts received since the application was prepared are as follows:

KAEC	\$ 6,255
United Utility	\$16,114
CFC	\$ 254

The Federated test year amount of \$63,527 actually represents two years of income, \$31,527 for 2004 and \$32,000 estimated for 2005. The actual 2005 allocation was \$34,272.

Witness) Steve Thompson

**KENERGY CORP.
RESPONSE OF KENERGY CORP.
TO SECOND DATA REQUEST OF COMMISSION STAFF**

CASE NO. 2006-00369

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22

- Item 12)** Refer to the Application, Exhibit 6, page 2, the testimony of Mark A. Bailey.
- a. Provide an analysis of vegetation management expenses for the test year and the two preceding calendar years.
 - b. Provide the current calendar year-to-date vegetation management expenses for 2006 and include a similar analysis of these expenses.
 - c. Provide copies of current contracts or memorandums documenting the costs incurred for vegetation management.
 - d. Explain how a 6-year cycle was determined to be the most reasonable for Kenergy.

Response a) Item 12, page 5 of 41, contains expense summaries by quarter for 2003, 2004, and 2005 (test year) as well as 2006 year-to-date expenditures through September 30 along with projected expenditures for the remainder of 2006.

Since the beginning of 2003, Kenergy has taken an aggressive position regarding our herbicide application program. Over the four years 2003-2006, Kenergy has completed treatment of a substantial portion of our rights of way with the remainder scheduled for 2007 and 2008.

Since the beginning of 2005, based upon management recommendation, Kenergy's Board of Directors has approved a substantially more aggressive approach to all other vegetation management control activities with the understanding that we must maintain a fixed cycle program for line clearance in

**KENERGY CORP.
RESPONSE OF KENERGY CORP.
TO SECOND DATA REQUEST OF COMMISSION STAFF**

CASE NO. 2006-00369

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21

order to properly maintain system reliability and ensure safety. In both of these years (2005-2006), funds have been allocated for these vegetation management purposes that are significantly higher than in year immediately prior.

Response b) Item 12, page 5 of 41, contains year-to-date expense summaries by quarter for 2006 through September 30 along with projected expenditures for the remainder of 2006.

Beginning in 2006, Kenergy transitioned its vegetation management control program from using a blend of in-house personnel and contractors to a 100% contractor based system with oversight provided by Kenergy personnel. This includes all line clearance activities through routine circuit maintenance, work orders and job orders, provided by Townsend Tree Service Co., Inc. (Townsend), as well as herbicide application provided by Progressive Solutions, LLC. Pages 27-38 of 41 contain the contracts for these activities.

Creating an agreement for the new contractor-only program proved to be a challenge for a number of reasons. We wanted to define a scope of work that now included routine circuit maintenance as well as work performed under work orders and job orders, both of the latter are reactive activities and therefore their cost is not defined ahead of time; we were implementing our first full year of a performance based contract; and we wanted to ensure that we maximized our vegetation management (VM) control activities while staying within the budget. The attached clearing contract is the result of much effort between Townsend and Kenergy. Pages 8-14 of 41, defines the types of activities

**KENERGY CORP.
RESPONSE OF KENERGY CORP.
TO SECOND DATA REQUEST OF COMMISSION STAFF**

CASE NO. 2006-00369

1
2 contained in the scope of work. Pages 15-26 of 41 outline the base cost of the routine maintenance
3 portion of the contract and the process by which activities and costs can be adjusted in order to
4 maximize clearance activities while staying within budget. In late summer 2006, after close
5 monitoring of expenses, we made adjustments to our commitments to Townsend. We added two
6 additional circuits for which routine circuit maintenance are now being performed and we adjusted the
7 cost due to work orders which were completed throughout the year. The net effect of these changes
8 was to increase the contract value by \$402,556.34.

9
10 As it turned out, this contract served its purpose well. By having this tool in place, Kenergy was able
11 to continually monitor clearing progress and budget and make adjustments as necessary.

12
13 **Response c)** Pages 6-38 of 41 contain copies of the contracts. Please note these contracts only
14 reflect costs associated with these contractors and do not include any of Kenergy's expenses for
15 oversight of the program.

16
17 **Response d)** In 2004, Kenergy focused on creating a fixed-cycle vegetation management (VM)
18 program centered on maintaining and improving reliability and controlling costs. Davey Resource
19 Group was employed as our consultant to assist in evaluating the current condition of our system as it
20 relates to VM and possible strategies to address needs. Pages 39-41 of 41 are three pages from the
21 Davey Resource Group Study. The entire study was provided in (Case No. 2004-00446, Kenergy
22 Corp. Response to the Commission's Third Data Request for Information of February 18, 2005, Item

**KENERGY CORP.
RESPONSE OF KENERGY CORP.
TO SECOND DATA REQUEST OF COMMISSION STAFF**

CASE NO. 2006-00369

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21

18a, Pages 2 – 48 of 48) that points to a five-year regular maintenance cycle. Best management practices when developing an appropriate VM maintenance cycle will consider tree species composition, re-growth rates and budget constraints. Kenergy's six-year cycle is based on these factors with projected 2006 financial constraints being the primary limiting factor to achieving the shorter five-year cycle.

Witness) Doug Hoyt

KENERGY CORP
CASE NO 2006 - 00369
ANALYSIS OF VEGETATION MANAGEMENT EXPENSES BY YEAR

	1ST QUARTER	2ND QUARTER	3RD QUARTER	4TH QUARTER	TOTAL
2003	\$262,809	\$319,911	\$532,038	\$374,811	\$1,489,568
2004	\$488,158	\$549,668	\$841,305	\$642,269	\$2,521,400
2005	\$570,574	\$1,000,314	\$1,222,915	\$858,020	\$3,651,823
2006	\$522,938	\$565,569	\$1,174,143	\$1,236,301	\$3,498,951
TOTALS	\$1,844,478	\$2,435,462	\$3,770,401	\$3,111,401	\$11,161,742

The above table provides a quarterly analysis of Kenergy's vegetation management expenditures for 2003, 2004, 2005 and 2006 including a full year projection. Vegetation management (VM) control activities are performed year round but are negatively impacted by inclement weather, most noticeably rain. It is not uncommon for wet weather and storms to occur in the spring and fall which has the tendency to slow production as work time can be lost and access to some areas can be restricted due to ground conditions. In years where weather patterns are atypical, (more rain, etc.) production can be impacted even greater than normal. As reflected in the above table, it is not always possible to predict and plan when activities and thus expenses will occur. In spite of this, it is typical for VM activities and expenditures to be greater in the second half of the year.

**FIRST AMENDMENT TO RIGHT-OF-WAY
CLEARING CONTRACT**

**THIS FIRST AMENDMENT TO RIGHT-OF-WAY CLEARING
CONTACT** is made and entered into as of the 1st day of January, 2006, by
and between **KENERGY CORP.**, Post Office Box 18, Henderson,
Kentucky 42419, hereinafter "Owner" and **TOWNSEND TREE SERVICE
CO., INC.**, Post Office Box 128, Parker City, Indiana 47368, hereinafter
"Contractor;"

WITNESSETH: WHEREAS, under Right-of-Way Clearing
Contract dated as of April 1, 2005, ("Contract") Contractor cleared Owner's
rights-of-way during the year 2005 and the parties desire to extend the
Contract for the year 2006 in accordance with the terms and conditions set
forth below;

NOW, therefore, in consideration of the mutual promises and
covenants of the parties, **IT IS AGREED** as follows:

1. Contractor shall clear Owner's rights-of-way during the
year 2006 in accordance with the terms and conditions of the Contract,
except that Exhibit B-2006, which is attached hereto, shall be substituted
for and replace Exhibit B to said Contract.

2. In all other respects the parties adopt and re-affirm the
terms and conditions of the Contract.

IN TESTIMONY WHEREOF, witness the hands of the parties

hereto as of the date and date first above

KENERGY CORP.

By Mark A. Bailey

4/28/06

Printed Name: Mark A. Bailey

Title: President and CEO

**TOWNSEND TREE SERVICE CO.,
INC.**

By Mark Kimbrough

Printed Name: Mark Kimbrough

Title: Vice President

EXHIBIT B-2006

Kenergy and Townsend Letter of Understanding (LOU) January 1, 2006

Parties

Owner Kenergy Corp. is referred to as "Kenergy" herein; Contractor Townsend Tree Service Co., Inc. is referred to as "Townsend" or "vendor" herein.

Purpose

To document key project agreements and project planning details. This document shall be an appendix to the final contract.

Relationship Covenant

- We always place safety first
- We build a seamless relationship as viewed by the customer
- We are customer focused
- Seeking the best interest of a long-term relationship
- We are honest and ethical with each other
- Develop confidence and respect in each other
- Open, timely and clear communication
- We hold ourselves accountable and follow through on commitments
- Proactively utilize historical lessons learned
- We do the right thing
- We value and build our customer and client relationships
- We align our actions around team objectives driving for results
- We welcome and give feedback
- We foster employee stability through earned incentives

Schedule

Townsend must initiate personnel and equipment mobilization on the Kenergy system no later than January 2, 2006. Townsend must complete all circuit mileage and submit all final quality assurance documentation no later than the end of day December 22, 2006. Townsend must have all remaining quality control rework identified by Kenergy completed by no later than December 29, 2006. The entire project must pass final Kenergy quality control by no later than December 29, 2006, without exception.

Scope of Work

The scope of work includes performing the following vegetation management activities on Kenergy's electric distribution facilities.

Routine Circuit Maintenance

Vegetation management control activities performed on an entire circuit. The following circuits have been identified for routine circuit maintenance in 2006:

Sub # Feeder #	Substation Name	Feeder Name	Total Miles
082-01	RACE CREEK	SPOTSVILLE	25.1
090-01	ZION	HWY.1078 NORTH	1.49
090-04	ZION	GALLOWAY CORNER	17.84
085-01	SULLIVAN	SULLIVAN	52.59
085-02	SULLIVAN	BLACKFORD	93.59
085-03	SULLIVAN	KYSTONE	48.54
015-01	WHITESVILLE	HWY 54 WEST	21.16
015-03	WHITESVILLE	RALPH	88.48
015-04	WHITESVILLE	STEVENS SCH. RD	42.63
024-01	UTICA	BROWNS VALLEY	47.76
024-02	UTICA	RED HILL	47.39
011-02	THRUSTON	WRIGHTS ACRES	42.44
026-03	PLEASANT RIDGE	POPLAR LOG BRG	28.0
			557.0

As work progresses throughout the year, Kenergy may determine it is appropriate to add additional circuits to this list for which routine circuit maintenance will be performed. If that occurs, Kenergy and Townsend will mutually agree on the cost to Kenergy for that work. It will then be added to this LOU. In no event will the time for completion be modified and all work must be completed no later than December 29, 2006.

Job Orders and Work Orders

Vegetation management control activities performed on a specific portion of a circuit identified by Kenergy through a Kenergy generated Job Order or Work Order.

Contract Pricing

Kenergy and Townsend are entering into a contract, a portion of which is performance based with incentives and penalties.

Townsend agrees to perform routine circuit maintenance and Kenergy agrees to pay the Not To Exceed Base Price (NTX Base Price) of \$1,464,771.92 for those circuits identified in the table below:

Sub # Feeder #	Substation Name	Feeder Name	Not To Exceed Price
082-01	RACE CREEK	SPOTSVILLE	\$ 100,976.56
090-01	ZION	HWY.1078 NORTH	\$ 9,540.00
090-04	ZION	GALLOWAY CORNER	\$ 45,005.70
085-01	SULLIVAN :	SULLIVAN	\$ 183,679.56
085-02	SULLIVAN :	BLACKFORD	\$ 279,969.00
085-03	SULLIVAN	KYSTONE	\$ 164,630.00
015-01	WHITESVILLE	HWY 54 West	\$ 42,188.42
015-03	WHITESVILLE	RALPH	\$ 224,099.70
015-04	WHITESVILLE	STEVENS SCHOOL ROAD	\$ 107,006.50
024-01	UTICA	BROWNS VALLEY	\$ 54,137.05
024-02	UTICA	RED HILL	\$ 106,980.70
011-02	THRUSTON	WRIGHTS ACRES	\$ 70,896.58
026-03	PLEASANT RIDGE	POPLAR LOG BRG	\$ 75,662.15
			\$1,464,771.92

In the event Kenergy determines that additional circuits should be added to this list for which routine circuit maintenance will be performed, an NTX Base Price for each added circuit will be mutually agreed upon by both Kenergy and Townsend. That amount will be added to the existing total NTX Base Price resulting in a new Total NTX Base Price for this contract. Any incentives or penalties will then be based on the new total NTX Base Price.

Additionally, Townsend agrees to perform vegetation management control activities on specific portions of circuits identified by Kenergy through a Kenergy generated Job Order or Work Order and Kenergy agrees to pay Townsend for that work based on time and materials (T&M) incurred to complete that work.

The NTX Base Price reflects the cost of performing vegetation management control activities on an entire circuit. In the event Townsend performs vegetation management control activities on a portion of a circuit under a Kenergy generated Work Order and Kenergy decides to also perform routine circuit maintenance on this same circuit in 2006, the NTX Base Price for that circuit will be reduced by the amount associated with the Work Order(s).

Specific incentives and penalties are outlined on page 8 of this LOU identified as Schedule 1 - Performance Based Contract – Incentives and Penalties. At the end of the project, a final Earned Value (EV) calculation will be performed using the formula found on page 9 of this LOU and identified as Schedule 2 – Earned Value Calculation Spreadsheet.

Specifications

This project includes vegetation management activities on all primary, secondary, neutral, service line conductors and associated overhead electrical facilities found on the circuits identified in this LOU.

Circuit single phase, multiple phase and total mileage is correct to the best of Kenergy's knowledge. Townsend is solely responsible to verify mileage notify Kenergy of any changes to the project mileage.

Townsend is solely accountable for the following activities:

Customer Notification: Townsend must consistently maintain at least two weeks advanced customer notification of field crew execution. Townsend is to supply pre-work planner(s) to conduct notification.

Pre-Work Planning: Townsend must utilize dedicated pre-work planner(s) to assess and plan work scope at least two weeks in advance of field crew execution. Townsend is responsible to manage all customer refusals and file a written notification to the Kenergy Project Manager of all cases. Kenergy Project Manager will work with Townsend pre-work planner(s) to optimize the use of Trade-A-Tree program. Townsend will be responsible to provide list of hazardous tree removals.

Quality Assurance: Townsend must complete all quality assurance activities including written certification of quality assurance per circuit following completion of each circuit. Kenergy will conduct quality control inspections and issue a quality deficiency notice, as appropriate, on circuit miles completed and submitted by Townsend within two weeks. Townsend must complete all quality control rework identified by Kenergy Project Manager within one week of the notice

Field Work: Townsend is to complete vegetation management activities as outlined in specifications section

Tree Pruning: Townsend is responsible to obtain the following tree and conductor clearances:

- Primary: All multi-phase conductors:
 - 20 feet overhead clearance
 - 20 feet side clearance
 - 14 feet under phase clearance
- Primary: All single-phase conductors:
 - 15 feet overhead
 - 10 feet side clearance
 - 14 feet under phase clearance
- Secondary: All open wire conductors:
 - 10 feet overhead
 - 10 feet of side clearance
 - 10 feet under phase clearance
- Secondary: All bundled conductors (triplex or quadraplex):
 - 6 foot radius clearance Item 12

- Service Line: All service line conductors:
 - All vegetation conditions that pose an immediate safety and/or reliability threat eliminated

Strategic Tree Removal: Townsend is responsible to remove all undesirable trees and brush that are not suitable for herbicide application. This includes all trees located within 8 feet of either side of the outside phase.

Townsend must obtain permission from customers for removals and submit to Kenergy the names and addresses for all customer refusals associated with tree removal. All trees removed must be stump treated with appropriate herbicide application. The names and address of all customers that refuse stump treatment must be submitted to Kenergy.

Herbicide Application: All undesirable trees and brush less than 10 feet in height that are located within 20 feet of either side of the multi-phase pole centerline and within 10 feet of either side of the single-phase pole centerline must be treated with an herbicide application.

Hazardous Tree Removal: Townsend is responsible to identify and remove all hazardous trees that pose a high degree of reliability risk to single-phase and multi-phase conductors. Townsend will remove 250 hazardous trees throughout the year. A hazardous tree will be defined as a large mature tree that poses imminent risk to the conductors.

Fuel Clause

The equipment rates outlined in this LOU are based on a gasoline cost of \$2.26 per gallon and diesel cost of \$2.41 per gallon based on the DOE Midwest regional index www.tonto.eia.doe.gov in effect at January 2, 2006. This fuel clause will apply when the price changes +/- 10% per gallon. This includes all project fuel except supervision vehicles. True up will occur quarterly at the end of March, June, September and December 2006.

Roles and Responsibilities

Kenergy Project Manager – Doug Hoyt

- Relationship development
- Successful administrative implementation
- Performance management

Kenergy Vegetation Management Coordinators – Eddie Arnold, Eddy Maden, Randall Turley

- Field operations
- Quality control
- Customer relations

Townsend Project Manager – Mick Saulman

- Relationship development
- Successful administrative implementation

- Performance management

Townsend Field Supervisor – Rick Kinslow

- Safety
- Field operations
- Quality assurance
- Work planning
- Customer satisfaction

Key Business Processes

- Pre-Work Planning – Work planner form; work planning process
- Quality Assurance/Quality Control – Townsend QA checklist; Kenergy QC checklist; process description
- Hazardous Tree Removal – Townsend ID's HT on each circuit and recommends which ones to remove; Kenergy approves
- Project Reporting – Timesheet data collection requirements, Process, forms, etc.
- Tree Crew Locations – Forms, process with e-mail addresses
- Performance Metrics – Metrics, process
- Safety incident - Including vendor outages procedure and safety incident reporting process and forms

Communications

- Open communication as situations arise
- Weekly
 - Regularly scheduled project meeting and performance review (GF, Eddie, Eddy, Randall)
- Monthly
 - Leadership team performance management meeting (Mick, Rick, Doug, Eddie, Eddy, Randall)

Reporting

- Weekly Project Summary Report – Kenergy must receive updates by no later than 4:00 PM Thursday of the following week
- Safety Incident – Townsend is expected to immediately notify Kenergy of any safety incidents or near misses and provide a written follow-up report within 48 hours of the occurrence detailing the event, the root cause of the event and the steps Townsend will take in the future to prevent a reoccurrence.
- Crew Locations – Every Monday by 9:00 am CST, Townsend will e-mail to Kenergy the location of all personnel performing routine circuit maintenance work. Updated notification is required when crew schedule or location changes. Townsend will also be responsible to notify Kenergy daily of the location of personnel performing work on job orders or work orders.

- Time Reporting – Townsend will use a timesheet that meets needs of both parties. Timesheet will track all of the work types identified in the reporting matrix.

Rain time

Townsend crew foreman are responsible for determining the severity of the weather and impact on crew safety. Up to one hour show-up time will be paid to on-site employees.

Debris Removal

Implementation team will determine how to minimize the overall cost of debris removal. Townsend is 100% accountable for all debris removal.

Third Party Invoicing

Townsend manages any third party invoicing and performance reporting.

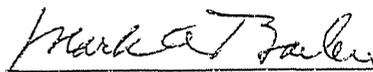
Invoicing

Townsend will invoice Kenergy monthly for all work completed using the following month-ending dates: January 28, February 25, March 25, April 29, May 27, June 24, July 29, August 26, September 30, October 28, November 25, December 30. Invoices shall accumulate costs using the rates identified in Schedule 3 - Labor, Overheads, Equipment and Herbicide Rates

Audit

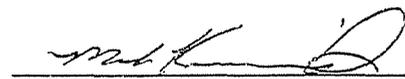
Townsend understands that Kenergy can audit all contract documents and any timesheet and reporting associated with this project for a period of 5 years after the termination of the contract.

Kenergy agrees to purchase and Townsend agrees to provide vegetation management services in accordance with the terms and conditions stated in the contract and this LOU as Exhibit B-2006. Kenergy and Townsend reserve the right to revisit the aspects of this LOU that pertain to future agreements or other forward-looking statements.



Kenergy Corp.





Townsend Tree Service Co., Inc.

**Schedule 1
Performance Based Contract – Incentives and Penalties**

Performance Area	Metric	Metric Description	Goal	Incentive	Penalty
Safety	Frequency Rate (All Personnel)	Number of OSHA Recordable Injuries divided by total number of contractor vegetation management personnel man-hours worked multiplied by 200,000; (total local incidents x 200,000) / local man-hours.	Locally, 10% better than 2005 local rate of 8.55.	\$5,000 total Kenergy Incentive and \$5,000 Townsend match paid directly to men in field if local frequency rate is better than 7.70 at end of 2006 (10% lower than 8.55 local 2005 rate)	\$5,000 penalty if local frequency rate exceeds 9.41 (10% greater than local 2005 rate)
	Vendor Caused Outages (Routine Circuit Maintenance only)	All vendor caused outages to primary, secondary or service facilities during all field operations by personnel performing routine circuit maintenance	9 or fewer for the first 500 miles plus 2 per 100 miles thereafter, prorated and rounded to the next highest number.	Every consecutive 60 calendar days with zero outages, \$20 gift cards to all employees that have worked greater than 200 hrs during the 60 day period. Combined with the following incentive, Kenergy will pay a total maximum of \$4,000 in 2006 with Townsend managing the payments.	\$1,000 penalty for every vendor caused outage over the final number established in the goal (based on total mileage).
Safety	Vendor Caused Outages (Job Orders and Work Orders only)	All vendor caused outages to primary, secondary or service facilities during all field operations by personnel performing work for job orders and work orders.	4 or less vendor caused outages for the project	Every consecutive 60 calendar days with zero outages, \$20 gift cards to all employees that have worked greater than 200 hrs during the 60 day period. Combined with the previous incentive, Kenergy will pay a total maximum of \$4,000 in 2006 with Townsend managing the payments. This incentive is to be reviewed quarterly.	\$1,000 penalty for every vendor caused outage over 4.
	Project Earned Value (Routine Circuit Maintenance only)	Project Earned Value (PEV) = Schedule Earned Value (SEV)/Cost Earned Value (CEV). A PEV greater than 1 entitles Townsend to an incentive. A PEV less than 1 will result in a penalty for Townsend.	See page 10, Schedule 2 - Earned Value Calculation Spreadsheet. Any and all actual costs over the NTX to complete the project miles must be absorbed by Townsend		
Quality	Number of Vegetation Quality Control Deficiencies per Circuit Mile (Routine Circuit Maintenance only)	All work scope deficiencies that occur on Townsend approved Quality Assurance work scope that have been identified through the Kenergy Quality Control process that do not meet specifications and/or approval of Kenergy.	0.5 or less deficiencies per mile evaluated on a circuit by circuit basis.	Payment will be made after final QA/QC has been completed on each circuit at the rate of \$20 per mile with payment to employees based on # man-hours worked on that circuit. Kenergy will pay a maximum of \$10,000 in 2006 with Townsend managing the payments to the employees.	\$5,000 due at end of project if deficiencies exceed 0.75 per mile completed.
	Number of Valid Customer Complaints (All Personnel)	A customer complaint is a Kenergy validated customer complaint regarding Townsend inappropriate workmanship and/or professionalism.	Monthly goal of 3 or fewer valid customer complaints	Townsend personnel will be entitled to a breakfast each month. If there are 2 or fewer valid complaints in a month, Kenergy will pay for the breakfast. If there are 3 or more valid complaints in a month, Townsend will pay for the breakfast. Kenergy will pay a maximum of \$5,000 in 2006 for this incentive. In either case, Townsend will manage the payment.	If the number of valid customer complaints exceeds 17, Townsend will bear the cost of all breakfasts for the remainder of 2006.
Customer Satisfaction	Number of Customer Refusals (All Personnel)	Number of documented customer refusals resulting in Townsend's inability to obtain RFP specifications	None until its determined by Kenergy as an issue that is occurring beyond reason	None	None until its determined by Kenergy as an issue that is occurring beyond reason

**Schedule 2
Earned Value Calculation Spreadsheet**

Actual Miles Completed	Planned Miles	Schedule Earned Value (SEV) - Greater Than 1.00 is Ahead Of Schedule and below 1.00 Is Behind Schedule #DIV/0!	Actual Cost - Kenergy will pay up to 10% above NTX Price with documentation	NTX Price	Cost Earned Value (CEV) - Greater Than 1.00 is Over Cost and below 1.00 Is Under Cost #DIV/0!	Project Earned Value (PEV) = Schedule Earned Value (SEV)/Cost Earned Value (CEV). A PEV greater than 1 entitles Townsend to an incentive. A PEV less than 1 will result in a penalty for Townsend. #DIV/0!	Assumed Profit on Actual Cost \$0	Resulting EV Performance Incentive or Penalty \$0.00
------------------------	---------------	---	---	-----------	--	---	--------------------------------------	---

Project Earned Value (PEV) Incentive / Penalty Rate on Profit

1.10	5.00%
1.09	4.50%
1.08	4.00%
1.07	3.50%
1.06	3.00%
1.05	2.50%
1.04	2.00%
1.03	1.50%
1.02	1.00%
1.01	0.50%
1.00	0.00%
0.99	-0.50%
0.98	-1.00%
0.97	-1.50%
0.96	-2.00%
0.95	-2.50%
0.94	-3.00%
0.93	-3.50%
0.92	-4.00%
0.92	-4.50%
0.91	-5.00%
0.90	-5.50%
0.89	-6.00%
0.88	-6.50%
0.87	-7.00%
0.86	-7.50%
0.85	-8.00%
0.84	-8.50%

Schedule 3

Labor, Overheads, Equipment and Herbicide Rates

Classification General Foreman

Effective Date of Rates January 2,
2006

Labor Rate Components	Rates		
	Straight	OT	Premium
Local Wage	\$14.75	\$22.13	\$29.50
Payroll Taxes and Insurance			
FICA	\$0.91	\$1.37	\$1.83
MED FICA	\$0.21	\$0.32	\$0.43
Federal UC Tax	\$0.06	\$0.09	\$0.12
State UC Tax	\$0.18	\$0.28	\$0.37
Workers Comp	\$2.49	\$3.74	\$4.99
General Liability	\$0.40	\$0.40	\$0.40
Sub-total Taxes and Insurance	\$4.25	\$6.20	\$8.14
Fringe Benefits			
Vacations/Holidays	\$0.89	\$0.00	\$0.00
Insurance	\$0.52	\$0.00	\$0.00
Pensions	\$0.00	\$0.00	\$0.00
Profit Sharing	\$0.00	\$0.00	\$0.00
Bonus	\$0.00	\$0.00	\$0.00
Other (list)	\$0.00	\$0.00	\$0.00
Subtotal Fringe Benefits	\$1.41	\$0.00	\$0.00
Subtotal Labor Rate	\$20.41	\$28.33	\$37.64
Overhead (% of Subtotal Labor Rate)	17.00%	14.00%	14.00%

Classification: Working Foreman

Effective Date of Rates: January 2, 2006

Labor Rate Components	Rates		
	Straight	OT	Premium
Local Wage	\$13.75	\$20.63	\$27.50
Payroll Taxes and Insurance			
FICA	\$0.85	\$1.28	\$1.71
MED FICA	\$0.20	\$0.30	\$0.40
Federal UC Tax	\$0.06	\$0.08	\$0.11
State UC Tax	\$0.17	\$0.26	\$0.34
Workers Comp	\$2.32	\$3.49	\$4.65
General Liability	\$0.37	\$0.37	\$0.37
Sub-total Taxes and Insurance	\$3.97	\$5.78	\$7.58
Fringe Benefits			
Vacations/Holidays	\$0.83	\$0.00	\$0.00
Insurance	\$0.48	\$0.00	\$0.00
Pensions	\$0.00	\$0.00	\$0.00
Profit Sharing	\$0.00	\$0.00	\$0.00
Bonus	\$0.00	\$0.00	\$0.00
Other (list)	\$0.00	\$0.00	\$0.00
Subtotal Fringe Benefits	\$1.31	\$0.00	\$0.00
Subtotal Labor Rate	\$19.03	\$26.41	\$35.08
Overhead (% of Subtotal Labor Rate)	17.00%	14.00%	14.00%
Profit (% of Subtotal Labor Rate)	4.00%	4.00%	4.00%
Total Billing Rate	\$23.03	\$31.16	\$41.39

Classification Trimmer A

Effective Date of Rates: January 2, 2006

Labor Rate Components	Rates		
	Straight	OT	Premium
Local Wage	\$12.45	\$18.68	\$24.90
Payroll Taxes and Insurance			
FICA	\$0.77	\$1.16	\$1.54
MED FICA	\$0.18	\$0.27	\$0.36
Federal UC Tax	\$0.05	\$0.07	\$0.10
State UC Tax	\$0.16	\$0.23	\$0.31
Workers Comp	\$2.10	\$3.16	\$4.21
General Liability	\$0.34	\$0.34	\$0.34
Sub-total Taxes and Insurance	\$3.60	\$5.23	\$6.86
Fringe Benefits			
Vacations/Holidays	\$0.75	\$0.00	\$0.00
Insurance	\$0.44	\$0.00	\$0.00
Pensions	\$0.00	\$0.00	\$0.00
Profit Sharing	\$0.00	\$0.00	\$0.00
Bonus	\$0.00	\$0.00	\$0.00
Other (list)	\$0.00	\$0.00	\$0.00
Subtotal Fringe Benefits	\$1.19	\$0.00	\$0.00
Subtotal Labor Rate	\$17.24	\$23.91	\$31.76
Overhead (% of Subtotal Labor Rate)	17.00%	14.00%	14.00%
Profit (% of Subtotal Labor Rate)	4.00%	4.00%	4.00%
Total Billing Rate	\$20.86	\$28.21	\$37.48

Classification Trimmer B

Effective Date of Rates: January 2, 2006

Labor Rate Components	Rates		
	Straight	OT	Premium
Local Wage	\$11.20	\$16.80	\$22.40
Payroll Taxes and Insurance			
FICA	\$0.69	\$1.04	\$1.39
MED FICA	\$0.16	\$0.24	\$0.32
Federal UC Tax	\$0.04	\$0.07	\$0.09
State UC Tax	\$0.14	\$0.21	\$0.28
Workers Comp	\$1.89	\$2.84	\$3.79
General Liability	\$0.30	\$0.30	\$0.30
Sub-total Taxes and Insurance	\$3.22	\$4.70	\$6.17
Fringe Benefits			
Vacations/Holidays	\$0.67	\$0.00	\$0.00
Insurance	\$0.39	\$0.00	\$0.00
Pensions	\$0.00	\$0.00	\$0.00
Profit Sharing	\$0.00	\$0.00	\$0.00
Bonus	\$0.00	\$0.00	\$0.00
Other (list)	\$0.00	\$0.00	\$0.00
Subtotal Fringe Benefits	\$1.06	\$0.00	\$0.00
Subtotal Labor Rate	\$15.48	\$21.50	\$28.57
Overhead (% of Subtotal Labor Rate)	17.00%	14.00%	14.00%
Profit (% of Subtotal Labor Rate)	4.00%	4.00%	4.00%
Total Billing Rate	\$18.73	\$25.37	\$33.71

Classification Trimmer C

Effective Date of Rates: January 2, 2006

Labor Rate Components	Rates		
	Straight	OT	Premium
Local Wage	\$10.20	\$15.30	\$20.40
Payroll Taxes and Insurance			
FICA	\$0.63	\$0.95	\$1.26
MED FICA	\$0.15	\$0.22	\$0.30
Federal UC Tax	\$0.04	\$0.06	\$0.08
State UC Tax	\$0.13	\$0.19	\$0.26
Workers Comp	\$1.72	\$2.59	\$3.45
General Liability	\$0.28	\$0.28	\$0.28
Sub-total Taxes and Insurance	\$2.95	\$4.29	\$5.63
Fringe Benefits			
Vacations/Holidays	\$0.61	\$0.00	\$0.00
Insurance	\$0.36	\$0.00	\$0.00
Pensions	\$0.00	\$0.00	\$0.00
Profit Sharing	\$0.00	\$0.00	\$0.00
Bonus	\$0.00	\$0.00	\$0.00
Other (list)	\$0.00	\$0.00	\$0.00
Subtotal Fringe Benefits	\$0.97	\$0.00	\$0.00
Subtotal Labor Rate	\$14.12	\$19.59	\$26.03
Overhead (% of Subtotal Labor Rate)	17.00%	14.00%	14.00%
Profit (% of Subtotal Labor Rate)	4.00%	4.00%	4.00%
Total Billing Rate	\$17.09	\$23.12	\$30.72

Classification Trimmer D

Effective Date of Rates: January 2, 2006

Labor Rate Components	Rates		
	Straight	OT	Premium
Local Wage	\$9.35	\$14.03	\$18.70
Payroll Taxes and Insurance			
FICA	\$0.58	\$0.87	\$1.16
MED FICA	\$0.14	\$0.20	\$0.27
Federal UC Tax	\$0.04	\$0.06	\$0.07
State UC Tax	\$0.12	\$0.18	\$0.23
Workers Comp	\$1.58	\$2.37	\$3.16
General Liability	\$0.25	\$0.25	\$0.25
Sub-total Taxes and Insurance	\$2.71	\$3.93	\$5.14
Fringe Benefits			
Vacations/Holidays	\$0.56	\$0.00	\$0.00
Insurance	\$0.33	\$0.00	\$0.00
Pensions	\$0.00	\$0.00	\$0.00
Profit Sharing	\$0.00	\$0.00	\$0.00
Bonus	\$0.00	\$0.00	\$0.00
Other (list)	\$0.00	\$0.00	\$0.00
Subtotal Fringe Benefits	\$0.89	\$0.00	\$0.00
Subtotal Labor Rate	\$12.95	\$17.96	\$23.84
Overhead (% of Subtotal Labor Rate)	17.00%	14.00%	14.00%
Profit (% of Subtotal Labor Rate)	4.00%	4.00%	4.00%
Total Billing Rate	\$15.67	\$21.19	\$28.13

Classification Laborer

Effective Date of Rates: January 2, 2006

Labor Rate Components	Rates		
	Straight	OT	Premium
Local Wage	\$8.80	\$13.20	\$17.60
Payroll Taxes and Insurance			
FICA	\$0.55	\$0.82	\$1.09
MED FICA	\$0.13	\$0.19	\$0.26
Federal UC Tax	\$0.04	\$0.05	\$0.07
State UC Tax	\$0.11	\$0.17	\$0.22
Workers Comp	\$1.49	\$2.23	\$2.97
General Liability	\$0.24	\$0.24	\$0.24
Sub-total Taxes and Insurance	\$2.56	\$3.70	\$4.85
Fringe Benefits			
Vacations/Holidays	\$0.53	\$0.00	\$0.00
Insurance	\$0.31	\$0.00	\$0.00
Pensions	\$0.00	\$0.00	\$0.00
Profit Sharing	\$0.00	\$0.00	\$0.00
Bonus	\$0.00	\$0.00	\$0.00
Other (list)	\$0.00	\$0.00	\$0.00
Subtotal Fringe Benefits	\$0.84	\$0.00	\$0.00
Subtotal Labor Rate	\$12.20	\$16.90	\$22.45
Overhead (% of Subtotal Labor Rate)	17.00%	14.00%	14.00%
Profit (% of Subtotal Labor Rate)	4.00%	4.00%	4.00%
Total Billing Rate	\$14.76	\$19.94	\$26.49

2006-369

**KENERGY CORP.
RESPONSE OF KENERGY CORP.
TO SECOND DATA REQUEST OF COMMISSION STAFF**

CASE NO. 2006-00369

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22

Item 28) Refer to the Application, Exhibit 13, Tab 2, page 4, the depreciation study. The narrative indicates that because there was no previous life and survivor curve information to compare results, the results of the depreciation study were benchmarked with other cooperatives and electric distribution companies. Identify all cooperatives and electric distribution companies used as the benchmark and provide the corresponding depreciation rates.

Response) The attached Table 1 shows the benchmark companies and the estimates of their depreciation rates.

Witness) Robert N. Welsh

Comparison of Depreciation Rates

Table 1

ACCT. NO.	ACCOUNT	RUS - RANGE OF RATES DISTRIBUTION PLANT	KENERGY CORP.	CLARK RECC	CUMBERLAND RECC	FARMERS RECC	FLEMING MASON	GRAYSON RECC
362	Station Equipment	2.7 - 3.2%	3.10	-	3.10	3.24	-	3.00
364	Poles, Towers & Fixtures	3.0 - 4.0%	3.10	3.00	4.00	3.24	3.96	3.00
365	OH Conductor & Devices	2.3 - 2.8%	3.10	3.00	2.80	3.24	2.87	3.00
366	Underground Conduit	1.8 - 2.3%	3.10	3.00	-	-	-	-
367	UG Conductor & Devices	2.4 - 2.9%	3.10	3.00	4.00	3.24	3.14	3.00
368	Line Transformers	2.6 - 3.1%	3.10	3.00	3.10	3.24	3.60	3.00
369	Services	3.1 - 3.6%	3.10	3.00	3.60	3.24	3.80	3.00
370	Meters	2.9 - 3.4%	3.10	3.00	3.40	3.24	4.78	3.00
371	Installation on Consumers' Property	3.9 - 4.4%	3.10	3.00	4.00	3.24	3.42	3.00
373	Street Lighting & Signal Systems	3.8 - 4.3%	3.10	3.00	-	3.24	-	-

ACCT. NO.	ACCOUNT	INTER-COUNT ECC	JACKSON ENERGY	JACKSON PURCHASE	LICKING VALLEY	MEADE COUNTY	NOLIN RECC	OWEN ELECTRIC	SALT RIVER
362	Station Equipment	-	2.76	1.53	3.00	3.36	-	-	3.00
364	Poles, Towers & Fixtures	3.35	3.78	4.19	4.23	3.36	6.68	4.70	6.00
365	OH Conductor & Devices	3.35	2.95	3.47	2.85	3.36	4.02	5.30	3.37
366	Underground Conduit	-	2.08	1.77	-	-	-	-	2.30
367	UG Conductor & Devices	3.35	3.37	3.19	2.83	3.36	2.56	5.15	2.98
368	Line Transformers	3.35	2.76	2.75	3.68	3.36	4.16	2.97	3.54
369	Services	3.35	3.82	2.23	4.75	3.36	5.92	5.50	4.20
370	Meters	3.35	2.93	4.34	3.86	3.36	3.14	3.53	4.00
371	Installation on Consumers' Property	3.35	4.52	6.42	5.36	3.36	3.50	5.35	4.20
373	Street Lighting & Signal Systems	-	4.43	1.44	-	-	4.99	5.33	-

**KENERGY CORP.
RESPONSE OF KENERGY CORP.
TO SECOND DATA REQUEST OF COMMISSION STAFF**

CASE NO. 2006-00369

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21

Item 29) Refer to the Application, Exhibit 13, Tab 2, page 12.

a. Provide the workpapers that support the amounts shown in Table 4. Include all calculations and assumptions.

b. If the depreciation rates used to calculate the depreciation expense shown for the “Proposed Rates” do not match the “Recommend” depreciation rates shown at Tab 3, page 1, explain the reason for the difference.

Response a) The work papers that support Table 4 are provided in Exhibit 13, Tab 3, pages 1 and 2. The expense amounts in Table 4 are shown on page 2 using the depreciation rates on page 1 and the investment on page 2. Each column has a formula at the top indicating the columns used.

Response b) There are no differences between the “Proposed Rates” and the “Recommended Rates”.

Witness) Robert N. Welsh

**KENERGY CORP.
RESPONSE OF KENERGY CORP.
TO SECOND DATA REQUEST OF COMMISSION STAFF**

CASE NO. 2006-00369

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21

Item 30) Refer to the Application, Exhibit 13. For each of the Iowa Curves shown in Tab 9, provide the applicable Conformance Index calculations.

Response) For each Iowa Curve shown in Tab 9, except Account 366, the supporting statistics are shown in Tab 7 except for the Conformance Index. The Conformance Index for each curve is listed in Item 30, page 2 of 2. Account 366 did not have enough historical information for a meaningful Simulated Plant Record (SPR) Analysis as stated in the Depreciation Study (Exhibit 13, Tab 2, page 5).

Witness) Robert N. Welsh

Kenergy			
Conformance Index for Selected Survivor Curves			
	Account	Survivor Curve	Conformance Index
362	Station Equipment	R1	55
364	Poles, Towers & Fixtures	R1	33
365	Ohead Conds & Devices	L3	142
367	Underground Conds & Devices	S0	47
368	Line Transformers	L0	32
369	Services	R1	32
370	Meters	01	58
371	Instal on Cons Premises	01	33
373	St. Ltg & Signal Systems	R1	34

KENERGY CORP.
RESPONSE OF KENERGY CORP.
TO SECOND DATA REQUEST OF COMMISSION STAFF

CASE NO. 2006-00369

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22

Item 31) Refer to the Application, Exhibit 13, Tab 3, page 1 of the depreciation study.

a. Given the concerns about a lack of historic net salvage data, explain in detail why it is not reasonable to use the “No Salvage” depreciation rates and recover the actual removable cost at the time of retirement.

b. Explain why it is reasonable to average the “No Salvage” and the “Depreciation Rates Salvage” for Accounts 364 to 373.

Response a) Since the implementation of FAS 143 there has been much debate about abandoning the traditional regulatory practice of accruing for removal costs in the depreciation reserve and expensing cost of removal as incurred. This is an issue of whether cost of removal should be treated on the balance sheet or on the income statement since either way the company should incur the same removal cost. That is, replacing a Pole will generate the same cash cost to company regardless of how it is reported in the financial statements. If one assumes the depreciation rates for the distribution accounts are set to accrue the proper amount of salvage, then over time both the regulator and company should be indifferent to the accounting since the expense impact should be roughly the same assuming normal retirements. However, with the expensing option the period to period impact would be more erratic as actual removal costs track operations. In an attempt to reduce this variability, some companies may feel the need to control the timing of cost of removal. Depreciation accounting should not drive operational decisions. The current regulatory practice of charging removal costs to the depreciation reserve avoids this and has worked well for many years. I see no reason to abandon this methodology. The concerns in the study concerning net salvage where there is only four years of individual

KENERGY CORP.
RESPONSE OF KENERGY CORP.
TO SECOND DATA REQUEST OF COMMISSION STAFF

CASE NO. 2006-00369

1
2 account experience and that the Company is completing a major project that had a significant impact
3 on net salvage. These concerns are fully addressed in the Depreciation Study and do not provide a
4 sufficient reason to abandon the traditional method of accruing for net salvage.

5
6 **Response b)** The “No Salvage” depreciation rates are inappropriate because the Company is
7 consistently experiencing negative net salvage. The “Depreciation Rates Salvage” reflects our best
8 estimate what the depreciation rates should be given the level of negative net salvage being
9 experienced by the Company. The depreciation rates currently being used by Kenergy only recover a
10 very small amount of the negative net salvage being experienced by the Company. Adopting the
11 “Depreciation Rates Salvages” would bring the depreciation rates in line with historical experience and
12 probable future experience. However, it would also require a substantial increase in depreciation
13 expense. Kenergy did not develop this shortfall overnight. Rather it has developed gradually over the
14 past 25 to 30 years. It makes little sense to correct this long term issue all at once. The Depreciation
15 Study takes the long term view and recommends a step toward the right long term depreciation rates.
16 This is not what we would normally recommend, but something we believe is the correct thing to do.
17 The recommended depreciation rates increase depreciation expense significantly. The increase will
18 cover the negative net salvage expected in the next few years given the expected retirement levels.
19 That is, the recommended rates will stop the current erosion of the depreciation reserve. The
20 Depreciation Study recommends that in a few years after the copper replacement project is completed
21 and the capital program stabilizes, the Company review its depreciation rates. At that time, there will
22 be more

**KENERGY CORP.
RESPONSE OF KENERGY CORP.
TO SECOND DATA REQUEST OF COMMISSION STAFF**

CASE NO. 2006-00369

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22

years of individual account salvage experience to base new depreciation rates on and the new depreciation rates can be adjusted to close the remaining gap between the recommended depreciation rates and the correct long term rates.

Witness) Robert N. Welsh

**KENERGY CORP.
RESPONSE OF KENERGY CORP.
TO SECOND DATA REQUEST OF COMMISSION STAFF**

CASE NO. 2006-00369

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22

Item 32) Refer to Exhibit 13, Tab 11 of the depreciation study.

a. Describe the sources of information for the amounts listed as “Gross Salvage” and “Cost of Removal.”

b. Provide the following information about the data for Accounts 364, 365, 367, 368, 369, 370, 371, and 373:

(1) Describe what items are included as “Gross Salvage.”

(2) Describe the types of expenses classified as “Cost of Removal.”

(3) Refer to Account 364. In 2002-2004 the Cost of Removal exceeded the Retirements amount. This situation is repeated in some of the other accounts. Explain why the “Cost of Removal” is so high.

(4) Explain what causes “Gross Salvage” to be negative.

Response a) The “Gross Salvage” and “Cost of Removal” information in the study summarize the company reports generated when work orders are closed at the end of each month.

Response b1) When assets are retired, any reusable material is put into inventory as salvage and credited on the retirement side of a work order. The junk resale value of copper wire retired under the copper wire replacement program is credited to the retirement side of the work order as salvage.

Response b2) Cost of removal consists of labor and overheads to complete retirement work order.

**KENERGY CORP.
RESPONSE OF KENERGY CORP.
TO SECOND DATA REQUEST OF COMMISSION STAFF**

CASE NO. 2006-00369

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22

Response b3) This is really not unusual. Retirements are booked at original cost and cost of removal is booked at current cost. When a unit of plant is old, it often has a cost considerably lower than a comparable new unit of plant as a result of inflation over the years. However, whether the unit is new or old the cost of removing that unit is the same. Another contribution factor is the normal overheads added to the direct labor which are also in current dollars.

Response b4) Normally Gross Salvage is positive. However, in Account 108.667 (for 2002 to 2005) and Account 108.673 (2003 only) the warehouse had material from stock that they junked. Examples include partial reels of wire that cannot be re-used, material that has become obsolete, parts/pieces from security lights used for maintenance making remainder of light not useful. This created a debit in accounts that have a normal credit balance. When salvage from retirements is infrequent, there are no credits to offset these debits creating negative gross salvage. When the company reviewed the Depreciation Study this was noted and investigated. As a result, the accounting has been changed to debit Account 107.200 instead of the depreciation reserve. In 2004, the negative gross salvage for Account 108.668 and Account 108.670 was caused by a sale of plant.

Witness) Robert N. Welsh

**KENERGY CORP.
RESPONSE OF KENERGY CORP.
TO SECOND DATA REQUEST OF COMMISSION STAFF**

CASE NO. 2006-00369

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22

Item 33) Mr. Welsh has expressed concerns about having only 4 years of actual historic net salvage data with which to determine his proposed depreciation rates. In two previous electric cooperative cases where there were concerns about the reasonableness of the net salvage data, the Commission utilized an average net salvage allowance approach to recover the net salvage component normally included in the depreciation rates. Under this approach, a 5-year average of annual net salvage was calculated, then added to the annual depreciation expense, and included in the accumulated depreciation account.

a. Was Mr. Welsh aware of these previous Commission decisions when he was preparing the depreciation study and his testimony for Kenergy?

b. Would Mr. Welsh agree that this approach could be a reasonable alternative to his approach for dealing limited net salvage data? Explain the response.

c. Assume for purposes of the following questions that an average net salvage allowance approach was used to determine the depreciation rates for Kenergy in this case. Further assume that a 4-year average of annual net salvage was utilized.

(1) Determine the average net salvage allowance. Include all assumptions, workpapers, and calculations used to determine the amount.

(2) Provide the depreciation rates that would be recommended for distribution plant if net salvage is recognized using the average net salvage allowance. Include all assumptions, workpapers, and calculations used to determine the depreciation rates.

(3) Kenergy has proposed an expense adjustment of \$731,398 that recognizes the application of its proposed depreciation rates to its test-year-end balance of plant in

**KENERGY CORP.
RESPONSE OF KENERGY CORP.
TO SECOND DATA REQUEST OF COMMISSION STAFF**

CASE NO. 2006-00369

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21

service. Calculate a similar adjustment using the depreciation rates determined in subpart (2) and the net salvage allowance determined in subpart (1). Include all assumptions, workpapers, and calculations used to determine the adjustment.

Response a) Yes, Mr. Welsh was aware of these previous Commission decisions. However, he did not believe they were pertinent to Kenergy since these orders were addressing the future net salvage estimates required for remaining life depreciation rates and the lack of account specific net salvage information to develop the estimates.

Response b) No, there is a big difference between developing account specific depreciation rates with no account specific net salvage information and developing account specific depreciation rates when account specific net salvage information is available.

In the Jackson Energy Cooperative Corporation and Fleming-Mason Energy Cooperative Corporation cases the companies were proposing remaining life depreciation rates that require estimates of Future Net Salvage when only functional level net salvage data was available. The depreciation studies underlying the depreciation rates appear to have developed account specific estimates of Future Net Salvage by allocating the total distribution plant net salvage to the individual accounts. The Commission orders provided an alternative method to address the lack of account specific net salvage.

**KENERGY CORP.
RESPONSE OF KENERGY CORP.
TO SECOND DATA REQUEST OF COMMISSION STAFF**

CASE NO. 2006-00369

1
2
3
4
5
6
7
8
9
10

12
13
14
15
16
17
18
19
20
21
22

In the case of Kenergy, this approach is not necessary since account specific net salvage data is available. Mr. Welsh's concerns with the Kenergy net salvage data was that there was only four years of data and that he expects significant net salvage changes in the future because of the completion of the copper replacement program. The difference between using four years of experience versus the normal five years is not in itself sufficient reason to abandon the traditional depreciation rate development methodology. In addition, the average net salvage ordered in the Jackson Energy and Fleming-Mason cases would not address Mr. Welsh's concern about future changes in the net salvage resulting from the completion of the copper replacement program. The approach in the Kenergy Depreciation Study addresses both of these concerns.

More importantly, in the Kenergy Depreciation Study, whole life depreciation rates are being recommended. Whole life depreciation rates require an estimate of Average Net Salvage which includes both the historical experience and an estimate of the future net salvage. The remaining life depreciation rates in the Jackson Energy and the Fleming Mason Energy cases require only an estimate of Future Net Salvage. In both companies' final order the Commission decided that an average of the company's past five years of experience is a better estimate of future net salvage than the allocation methodologies proposed by the company. In the Kenergy Depreciation Study, Mr. Welsh discussed how the copper replacement project has distorted the historical salvage (Exhibit 13, Tab 2, pages 6 and 7). Assuming that the past is a good indicator of the future would overstate the negative net salvage that will most likely occur in the future. Rather than inflate the recommended depreciation rates with this high net salvage, an adjustment factor was used to bring the net salvage estimate down to a level

**KENERGY CORP.
RESPONSE OF KENERGY CORP.
TO SECOND DATA REQUEST OF COMMISSION STAFF**

CASE NO. 2006-00369

1
2 consistent with historical experience prior to the copper replacement project. Thus, the Kenergy
3 recommended depreciation rates reflect the average of the four year individual account experience as
4 well as an estimate of future based on historical experience before the copper replacement project. We
5 believe this approach provides a conservative estimate of net salvage

6
7 There is another reason why the approach in the Kenergy Depreciation Study is preferred over the
8 Average Net Salvage allowance approach. The purpose of including net salvage in the depreciation
9 rate is to ensure that the depreciation reserve has the proper level when retirements occur. If net
10 salvage is positive then the company would accrue less than original cost because of the benefit from
the gross salvage. Similarly, if net salvage is negative then the company should accrue more than
12 original cost because of the cost of removal. The Average Net Salvage approach is dependent on
13 recent retirement activity and indifferent to the size of the accounts. That is, a small account with large
14 retirements and positive net salvage can offset a large account with small retirements and negative net
15 salvage. If the Average Net Salvage approach is used, then the period used to develop the average
16 must be sufficiently long to ensure that short term retirement trends are not impacting the result. Four
17 or five years is not a long enough period to ensure this is the case. On the hand, including net salvage
18 in the depreciation rates ensures that the activity in one account does not impact another account. For
19 example, in 2005 Kenergy's average net salvage ratio for distribution plant was a negative 40.7
20 percent. However, individual accounts experienced net salvage ratios ranging from a positive 41.5
21 percent to a negative 101.7 percent. Since the largest accounts (by investment) also have high
negative net salvage it is more likely that the Average Net Salvage approach will understate the

**KENERGY CORP.
 RESPONSE OF KENERGY CORP.
 TO SECOND DATA REQUEST OF COMMISSION STAFF**

CASE NO. 2006-00369

1
 2 necessary salvage more than the depreciation rate approach. Using the Average Net Salvage approach
 3 for Kenergy calculates a salvage allowance of \$865,789 (see response to Data Request 33c1 below).
 4 The salvage embedded in the recommended depreciation rates is \$977,567. The actual August 2006
 5 year to date net salvage for Kenergy distribution plant is a negative \$751,737 which suggests that net
 6 salvage for the entire year will be over a negative million dollars. Including the net salvage in the
 7 depreciation rate will generate a better match between what is accrued and what net salvage actually is.

8
 9 **Response c1)** In the Kenergy Depreciation Study there is a table for each account showing the Net
 10 Salvage for 2002 to 2005 (Exhibit 13, Tab 11). Below are the total net salvage values for each
 11 account. The total amount (3,463,157) divided by 4 equals the average net salvage for the period or
 12 the requested average net salvage allowance of (865,789).

Account	Total Net Salvage 2002 - 2005
362	210,049
364	(1,583,326)
365	(875,452)
366	-
367	(28,033)
368	(597,805)
369	(269,001)
370	(207,021)
371	(106,188)
373	(6,380)
Total	(3,463,157)
Four Year Average	(865,789)

**KENERGY CORP.
RESPONSE OF KENERGY CORP.
TO SECOND DATA REQUEST OF COMMISSION STAFF**

CASE NO. 2006-00369

1
2 **Response c2)** The depreciation rates that would be recommended for distribution plant assuming the
3 average net salvage allowance approach are shown in the Kenergy Depreciation Study (Exhibit 13) in
4 Tab 3, page 1, column e. These whole life depreciation rates use the lives in Tab 3, page 1, column c
5 and assume the net salvage is equal to zero. The depreciation expense associated with these rates is
6 shown on Tab 3, page 2, column k.

7
8 **Response c3)** Below is the calculation of the expense adjustment assuming the Average Net Salvage
9 Allowance approach. Tab 3 is from the Kenergy Depreciation Study (Exhibit 13).

Line 1	Depreciation Expense using Current Rates (Tab 3, page 2, column j)	\$5,836,029
Line 2	Depreciation Expense using recommended lives and average net equal to zero (Tab 3, page 2, column k)	5,589,860
Line 3	Average Net Salvage Allowance (calculated in Response above to Request 33c(1))	865,789
Line 4	Depreciation Expense using Average Net Salvage Allowance approach (Line 2 + Line3)	6,455,649
Line 5	Change in Depreciation Expense (Line 4 – Line 1)	619,620

10
11
12
13
14
15
16
17
18 **Witness)** Robert N. Welsh

**KENERGY CORP.
RESPONSE OF KENERGY CORP.
TO SECOND DATA REQUEST OF COMMISSION STAFF**

CASE NO. 2006-00369

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21

Item 34) Refer to Case No. 2006-00045, page 1 of Item 1 of Kenergy's response to the initial data requests contained in Appendix C to the Commission's Order dated February 24, 2006.

a. In the response Kenergy states that it does not offer either time-based rates or a demand response tariff. Kenergy previously offered an off-peak rider for industrial accounts and a pilot electric thermal storage tariff for residential customers, but the rates were subsequently terminated due to a lack of interest from its member-customers. Provide a narrative explanation that further describes the extent of customer participation including the actual of estimated number of customers that participated in those tariffs. The explanation should also include the extent of Kenergy's prior efforts to make its customers aware of those tariffs.

b. Explain whether Kenergy has considered offering time-based metered or demand response programs since the enactment of the Energy Policy Act of 2005.

Response a)

Of-Peak Rider

Henderson Union Electric Cooperative (HUEC) offered an off-peak rider to its industrial members prior to the consolidation of HUEC and Green River Electric Corporation (GREC) in July 1999. The tariff was developed by request for a KY Stone rock quarry, which had a low load factor and could run their operation during off-peak hours. HUEC staff verbally notified other low load factor industrial members that the off-peak tariff was available.

**KENERGY CORP.
RESPONSE OF KENERGY CORP.
TO SECOND DATA REQUEST OF COMMISSION STAFF**

CASE NO. 2006-00369

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22

A total of two industrial members were placed on the off-peak rider. One of the industrial members went out of business and the KY Stone rock quarry requested to be removed from the rider prior to the consolidation of HUEC and GREC rates in 2001.

Electric Thermal Storage (ETS) Rate

Green River Electric Corporation began a pilot Off-Peak Electric Thermal Storage (ETS) Rate in the fall of 1995. Participants for the pilot were solicited by letter and six members were selected to install Electric Thermal Storage heating units in their homes. The temporary ETS rate expired on June 1, 1997 and the pilot was discontinued at that time. Green River Electric did not continue the program due to lack of interest from those members that participated in the pilot program.

Response b) Kenergy did consider an off-peak rider for its three-phase commercial and industrial members in the current rate filing. Jack Gains developed a proposed off-peak rider, however, it was determined by management that Kenergy did not have sufficient data or load profile metering in place to determine the customers projected savings from an off-peak rider at this time.

Witness) David Hamilton

**KENERGY CORP.
RESPONSE OF KENERGY CORP.
TO SECOND DATA REQUEST OF COMMISSION STAFF**

CASE NO. 2006-00369

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22

Item 35) Refer to the Application, Exhibit 3(a), pages 5 and 6. Explain whether the weighted average costs for poles and anchors are gross costs, or if the values are net of depreciation.

Response) These are gross costs. Kenergy does not maintain accumulated depreciation records in this level of detail to determine net costs for poles or anchors.

Witness) Steve Thompson

**KENERGY CORP.
RESPONSE OF KENERGY CORP.
TO SECOND DATA REQUEST OF COMMISSION STAFF**

CASE NO. 2006-00369

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22

Item 36) Refer to the Application, Exhibit 3(a), page 7.

a. Kenergy calculated a return on investment (“ROI”) of 5.34 percent. Explain why Kenergy calculates the ROI rather than using the ROI allowed in its last rate case as prescribed by Administrative Case No. 251.

b. Does Kenergy agree that the 5.34 percent ROI it proposes is subject to change, depending upon possible disallowances of revenues and expenses in this case?

Response a) Kenergy interpreted the rate of return provision in PSC Administrative Case No. 251 to apply to a request for changes to attachment rates outside of a general rate proceeding.

Response b) Yes

Witness) Steve Thompson

**KENERGY CORP.
RESPONSE OF KENERGY CORP.
TO SECOND DATA REQUEST OF COMMISSION STAFF**

CASE NO. 2006-00369

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22

Item 37) Refer to the Direct Testimony of Jack D. Gaines (“Gaines Testimony”), page 3. Mr. Gaines states that a significant re-classification of customers from the residential rate to the non-residential rate was effective June 14, 2005.

a. Explain whether all re-classified customers were moved from Schedule 1 – Residential to Schedule 4 – All Non-Residential Single Phase and Farm Service, or were customers in other rate schedules also affected.

b. Explain the reason for the customer re-classification.

Response a) All re-classified customers were moved from Schedule 1 to Schedule 4

Response b) Schedule 4 was a new tariff designed primarily for single phase non-residential customers that at that time were being served under Schedule 1. Schedule 4 was proposed by Kenergy in PSC Case No. 2004-00446. Per the Settlement Agreement in PSC Case No. 2004-00446, Schedule 4 was approved by the PSC and became effective June 14, 2005. At that time, Kenergy transferred the affected customers from Schedule 1 to Schedule 4 pursuant to the applicable definition of Schedule 4.

Witness) Jack Gaines

**KENERGY CORP.
RESPONSE OF KENERGY CORP.
TO SECOND DATA REQUEST OF COMMISSION STAFF**

CASE NO. 2006-00369

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22

Item 38) Refer to the Gaines Testimony, page 10. Mr. Gaines refers to one “grandfathered” customer served on a transitional rate of Schedule 3 that was approved in Case No. 2004-00446 with the understanding that the transitional rate would be fully phased into Schedule 3 in this rate case. Cite the document in the record of Case No. 2004-00446 that is the source of the understanding to which Mr. Gaines refers. Include reference to the exact location within the document of the source of the understanding.

Response) The following is from page 6 of the Gaines Direct Testimony in PSC Case No. 2004-00446:

“A new, intermediate three phase tariff is proposed to accommodate a two stage transfer of a former Henderson Union customer that would qualify for Schedule 2 (1,000 kW and below) but had been grandfathered into Schedule 3 (1001 kW to 2,000; now 1,001 kW and above). The intermediate tariff structure is the same as the Schedule 2 structure but with slightly lower energy charges. Thus, that customer will see an increase of \$4,802, or 2.58% as a result of this. Kenergy plans to complete the transition in its next case.”

Per the Settlement Agreement Kenergy’s proposed rates were approved and Kenergy believes that by extension its plan for the intermediate three phase tariff was not in dispute.

Witness) Jack Gaines

**KENERGY CORP.
RESPONSE OF KENERGY CORP.
TO SECOND DATA REQUEST OF COMMISSION STAFF**

CASE NO. 2006-00369

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22

Item 39) Refer to the Application, Exhibit 10, pages 1 through 14. Provide the electronic versions of the spreadsheets included in Exhibit 10 on CD-ROM or diskette.

Response) Provided

Witness) Jack Gaines

KENERGY CORP.
RESPONSE OF KENERGY CORP.
TO SECOND DATA REQUEST OF COMMISSION STAFF

CASE NO. 2006-00369

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21

Item 40) Refer to the Application, Exhibit 16 – Cost of Service Study, page 5. The cost of service produces a consumer related cost of \$18.83 per month for Schedule 1 and Schedule 4. However, Kenergy proposes a facilities charge of \$12.00 for Schedule 1 and a facilities charge of \$15.61 for Schedule 4. Explain why Kenergy is not seeking a common facilities charge for Schedules 1 and 4.

Response) As explained in the response to No. 37, the PSC approved Schedule 4 which was specifically designed to have a higher facilities charge than that of Schedule 1 even though the related cost of service component is the same. The Schedule 4 customers, being non-residential and having a lower average consumption than residential, were recognized as more of a cost recovery problem especially in regards to the facilities charge. Thus, a higher facilities charge for the non-residential single phase class was justified and approved by the PSC. The differential approach approved in Case No. 2004-00446 is being carried forward in the present case.

Witness) Jack Gaines

2006-369

REVENUE	SALES	TOTAL INCOME	COST OF GOODS SOLD	COGS	GROSS PROFIT	EXPENSES	NET INCOME
GEOTHERMAL	\$19,157.98	\$156,932.87	\$0.00	\$0.00	\$1,739.28	\$31,868.56	-\$662.59
WATER HEATERS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	-\$1.97
SURGE PROTECTION PROGRAM	\$1,150.00	\$13,885.00	\$0.00	\$978.48	\$171.52	\$12,906.52	-\$769.71
AMUSEMENT PARK TICKET SALES	\$0.00	\$92,498.03	\$0.00	\$84,663.10	\$7,834.93	\$0.00	-\$16.15
POINT TO POINT FIBER SERVICES	\$2,901.20	\$32,861.70	\$2,901.20	\$0.00	\$2,901.20	\$32,861.70	-\$74.13
TELEPHONE SERVICES	\$7,004.28	\$77,211.27	\$7,004.28	\$0.00	\$7,004.28	\$77,211.27	\$1,534.50
WIRELESS ISP	\$2,368.69	\$23,416.02	\$2,368.69	\$0.00	\$2,368.69	\$23,416.02	-\$6,430.69
HOME SECURITY SYSTEMS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$6.23
GENERAL MERCHANDISING ACTIVITIES	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	-\$248.06
CURRENT MONTH TOTAL	\$32,582.15	\$396,804.88	\$32,582.15	\$210,605.89	\$184,184.97	\$186,199.00	-\$6,662.57
CURRENT Y-T-D TOTAL	\$396,804.88	\$3,968,048.88	\$396,804.88	\$2,183,971.81	\$1,784,076.99	\$1,810,047.99	\$3,089.31
REVENUE							
TOTAL INCOME	\$19,157.98	\$156,932.87	\$0.00	\$0.00	\$1,739.28	\$31,868.56	-\$662.59
COST OF GOODS SOLD							
COGS	\$17,418.70	\$124,964.31	\$0.00	\$978.48	\$1,739.28	\$31,868.56	-\$662.59
GROSS PROFIT	\$1,739.28	\$31,868.56	\$0.00	\$0.00	\$0.00	\$0.00	-\$1.97
EXPENSES							
ADVERTISING							
DIRECT COST							
AMORTIZATION							
DIRECT LABOR/OVERHEADS							
INSTALL FEES/MONTHLY SERVICE CHARGE							
REPAIRS TO EQUIPMENT							
POSTAGE/SHIPPING							
CONFERENCE/TRAINING/MEETING EXPENSES							
WATER HEATER PARTS RETURNED							
HOME SECURITY MONITORING							
HOME SECURITY MAINT EXPENSES							
OTHER							
SUBTOTAL-DIRECT COST	1,668.05	21,771.81	1,668.05	156.11	1,511.94	21,615.70	-\$3,931.19
INDIRECT COST							
TRANSPORTATION							
PROPERTY TAXES							
MISC OPERATING COSTS(DISPATCH, MAIL, PHONE)							
BILLING COSTS							
GENERAL ADVERTISING							
GENERAL MANAGMENT/SUPERVISION							
HUMAN RESOURCES COSTS							
BUSINESS LIABILITY							
PUBLIC RELATIONS/ECONOMIC DEVELOPMENT							
BOARD OF DIRECTORS							
BUILDINGS & GROUNDS							
GENERAL PLANT DEPRECIATION							
NON DIRECT OFFICE EQUIP/SUPPLIES/COPIER							
PRINTING							
OUTSIDE SERVICES							
GENERAL ACCOUNTING							
OTHER A & G							
REGULATORY COMM EXPENSE							
SUBTOTAL-INDIRECT COST	733.82	6,265.68	733.82	6,265.68	0.00	0.00	0.00
TOTAL EXPENSES	\$2,401.87	\$28,037.37	\$2,401.87	\$28,037.37	\$0.00	\$0.00	\$0.00
NET INCOME	\$3,931.19	\$33,895.50	\$3,931.19	\$33,895.50	\$0.00	\$0.00	\$3,931.19

KENERGY
NON-REGULATED ACTIVITIES
FOR THE MONTH ENDING DECEMBER 31, 2005

2006-369

ACORD CERTIFICATE OF LIABILITY INSURANCE		DATE (MM/DD/YYYY) 6/8/2006
PRODUCER (509) 758-5529 FAX (509) 758-5311 Stonebraker-McQuary Agency 616 5th St. PO Box 9 Clarkston WA 99403		THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.
INSURED Progressive Solutions LLC PO Box 1130 Marshall AR 72650		
		INSURERS AFFORDING COVERAGE
		INSURER A: CNA/American Cas Co of Am
		INSURER B: Scottsdale Ins Co
		INSURER C: CNA/Continental Cas Co
		INSURER D:
		INSURER E:

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR ADD'L LTR	INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A		GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> Pesticide Appl <input type="checkbox"/> Cvg Included GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC	2082498631	12/31/2005	12/31/2006	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 200,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000
A		AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS	2082435111	12/31/2005	12/31/2006	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
		GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN EA ACC \$ AUTO ONLY: AGG \$
B		EXCESS/UMBRELLA LIABILITY <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> DEDUCTIBLE <input checked="" type="checkbox"/> RETENTION \$ 10,000	UMB0019060	12/31/2005	12/31/2006	EACH OCCURRENCE \$ 5,000,000 AGGREGATE \$ 5,000,000
A		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below	2082435335 Incl Election of Officers	1/1/2006	1/1/2007	<input checked="" type="checkbox"/> WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 500,000 E.L. DISEASE - EA EMPLOYEE \$ 500,000 E.L. DISEASE - POLICY LIMIT \$ 500,000
		OTHER				

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS

Evidence of insurance, .

CERTIFICATE HOLDER

(270) 685-2279
 Kenegy Corp.
 Attn: Doug Hoyt
 PO Box 1389
 Owensboro, KY 42302

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

Item 12 ED REPRESENTATIVE
 Page 36 of 41 / DELLA

Barbara Allen



MEMORANDUM

June 13, 2006

TO: File

FROM: Doug Hoyt

RE: **2006 Herbicide Application Agreement - Progressive Solutions
Performance and Payment Bond**

It is our intention to enter into an Agreement with Progressive Solutions to perform herbicide spraying on certain Kenergy substations and rights-of-way. This memo will address the need to obtain a performance and payment bond from Progressive Solutions for this work. The following are summaries of my research and conversations regarding this matter.

Kenergy's Purchasing Procedures

Pertaining to bonding, Kenergy's Purchasing Procedures Manual reads as follows with relevant sections highlighted:

V. Contracts

Any contract over \$25,000 annually will be forwarded to the president and CEO, who will determine if legal counsel or the board will review or approve.

The contractor file checklist, found on page 14, shall be completed on each contract.

When determined by management that a surety or performance bond is required, the adequacy of the surety or bond shall be verified and updated annually.

Contracts requiring that certain tasks be performed on a regular basis should be monitored by establishing a "tickler system" for key items to be monitored annually. The applicable administrative assistant will be responsible for monitoring the tickler system.

A master listing of contracts for each department will be maintained by the departmental administrative assistant and updated semi-annually and forwarded to the president and CEO.

Nib King

He indicated that it is customary to have such an instrument in place for a construction contract but that is not typical to have that type of bond in place for a service contract, such as this. Nib's view was that we did not need a performance and payment bond for this Agreement

Steve Thompson

Steve and I reviewed the specific language offered through our internal audit process regarding bonding which states that we should "consider the need for a bond". Steve indicated that, based on the Purchasing Procedures Manual, I need to make a recommendation to Mark about the need for a bond with this contract. He also indicated that he did not require a bond for a recent meter reading contract with Luthan.

In compliance with our purchasing policy, this Agreement, valued at approximately \$199,000, was submitted to Mark Bailey for review and approval. Upon consideration of all facts, it was my recommendation with Mark's concurrence that we did not need to seek a performance and payment bond for this Agreement.

Introduction

This report describes present tree and brush control maintenance procedures and provides recommendations for maintaining and improving the routine maintenance line clearance program in the future and does not include recommendations or reviews for capitol construction and system upgrade activities. The recommendations and procedures presented in this report may serve as the basis for improving, implementing, and maintaining a cost-effective, long-range line clearance program focused on reliability.

System Overview

Kenergy Corp. is committed to maintaining uninterrupted service to customers in a safe and environmentally sound manner. This requires compliance with line clearance regulations to ensure public safety, while taking into consideration the best arboricultural practices for managing vegetation on the 6,750-mile distribution system.

Study Overview

Davey Resource Group (DRG) gathered information on Kenergy Corp.'s line clearance program during the months of September and October 2004. This information included a review of written information, on-site interviews with Kenergy Corp. personnel, and field observations of Kenergy Corp.'s system and current line clearance practices.

Information collected during the workload survey is summarized in Table 2. A sample data collection sheet is included in Appendix A. Maps illustrating all plot locations are being provided to Kenergy Corp. under separate cover.

Table 2. Summary of Information Collected During the Workload Survey

Sample location ; including region, Kenergy Corp.'s map number and pole number
Accessible or inaccessible work location
Maintained or non-maintained location
Number of individual primary trim trees
Number of individual secondary trim trees
Number of individual potential removals
Brush , in 500 square foot units, by management type (hand cut, mow, or herbicide application)
Whether or not tap fuses or protection devices were located on the sample line

Workload Survey Results

The field survey of Kenergy Corp.'s distribution system was conducted during September and October 2004 to determine the total estimated workload. Table 3 will summarize the percent sampled and estimated line miles.

Table 3. Kenergy Corp.'s Distribution System, Overhead Line Miles and Percent Sampled.

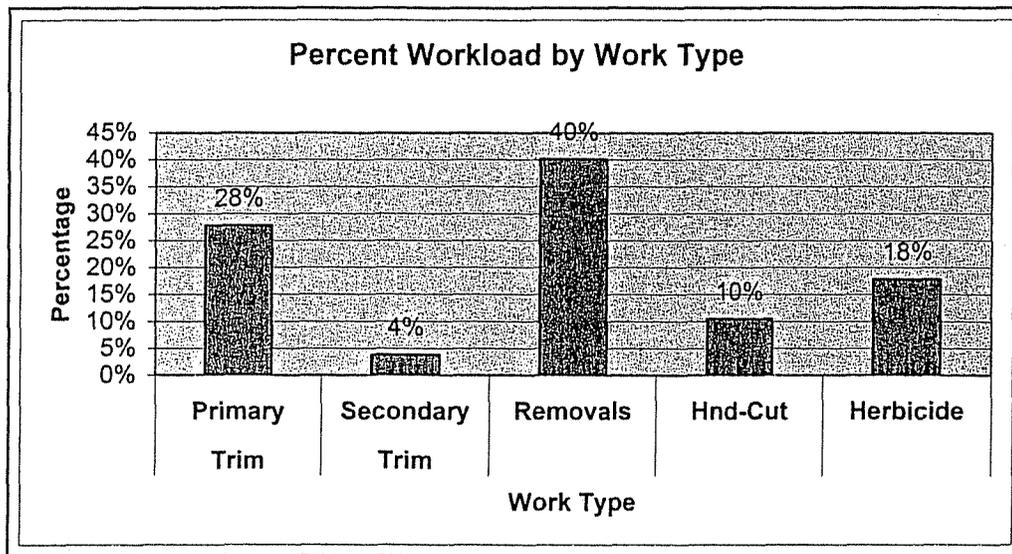
	Estimated Line Miles	Miles Sampled	Percent Line Miles Sampled
System Total	6,750	345	5.1%

Kenergy Corp.'s overhead electric right-of-ways presently contain an estimated 280,000 individual trees in need of being addressed over a five-year cycle. Also, Kenergy Corp. has approximately 1,270 acres of brush that will need either to be manually cut, or herbicide controlled. Trees represent 72% of the workload and brush represent 28%. (see Table 4).

Table 4. 2004 Estimated System Workload of Trees and Brush Acres

	Total Trees	Total Brush Acres
System Total	280,000	1,270
Percentage of Workload	72%	28%

Figure 1. Work Category Versus Total Potential Work



Man-Hour Requirements

By utilizing average man-hour expenditures by work types, Davey Resource Group has developed the following projected man-hour expenditures for a five-year cycle (Table 6). Davey Resource group feels these numbers are somewhat lower than expected due to the present man-hour expenditures being higher on the Kenergy Corp. system. However, Davey Resource Group feels that these man-hour expenditures can be experienced and surpassed with thorough implementation of the recommendations provided throughout this report.

Table 6. Projected Man-Hour Expenditures for Five-Year Cycle

Unit Type	Total Numbers of Trees And Brush Units	Projected Man-Hours Per Unit Type	Total Projected Man-Hours	Workload Percent	5-Yr Cycle Man-Years	Annual Man-Years
Primary Trims	108,400	1.1	119,265	32%	62	12
Secondary Trims	15,000	.25	3,730	<1%	2	.4
Potential Removals	157,000	1.3	203,551	54%	106	21
Brush Cut	69,500	.25	40,797	11%	21	4
Brush Spray	40,800	1	10,425	3%	5	1
Totals	390,700		377,770		196	39

As with engineered electric facility upgrades and rebuilds, vegetation management programs cannot remove every tree that is a potential removal, obtain the trim clearance we would all desire every time, nor receive the true annual budget needed. However, we can ensure that every dollar is spent in a manner that delivers the highest degree of reliability possible, reduces future workloads, and is meticulously invested. The following topics of this report will deliver recommendations along this manner of thinking and investment.

**KENERGY CORP.
RESPONSE OF KENERGY CORP.
TO SECOND DATA REQUEST OF COMMISSION STAFF**

CASE NO. 2006-00369

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22

Item 13) Refer to Exhibit 7, page 2, the testimony of Steve Thompson.

- a. What analysis was performed to determine the reasonable TIER for Kenergy?
- b. Was holding the increase to 5 or 6 percent a primary factor used in determining the TIER?
- c. What would have been the percentage increase had Kenergy proposed a 2.00 TIER?

Response a) Kenergy utilizes a ten-year financial forecast model to analyze/test different financial targets and scenarios.

Response b) Yes, as stated in my testimony, holding the increase to an acceptable percentage level was one of three factors to balance.

Response c) The overall percentage increase would have been 7.7% for the non-direct served customers. The percentage increase for the single phase customers would have been 10.1%.

Witness) Steve Thompson

**KENERGY CORP.
RESPONSE OF KENERGY CORP.
TO SECOND DATA REQUEST OF COMMISSION STAFF**

CASE NO. 2006-00369

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22

Item 14) Refer to Exhibit 9, the testimony of Robert N. Welsh.

- a. Is Kenergy Mr. Welsh's first depreciation work for an electric utility?
- b. If no, provide the names of other electric utilities for whom he has performed depreciation studies.

Response a) Yes, although Mr. Welsh has prepared dozens of depreciation studies, the Kenergy depreciation study is the first electric utility study.

Witness) Robert N. Welsh

**KENERGY CORP.
RESPONSE OF KENERGY CORP.
TO SECOND DATA REQUEST OF COMMISSION STAFF**

CASE NO. 2006-00369

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22

Item 15) Refer to Exhibit 12, page 20. In the next to last paragraph of the Internal Controls letter, the auditor states that “certain matters” had been reported to Kenergy’s management in a separate February 22, 2006 letter. Provide a copy of this separate February 22, 2006 letter.

Response) Item 15, page 2 of 2, contains the above referenced information.

Witness) Steve Thompson



Riney, Hancock & Co., PSC

Certified Public Accountants & Financial Advisors

2900 Veach Road, Suite 2
Owensboro, Kentucky 42303
270-926-4540
Fax: 270-926-1494

313 Southeast First Street
Evansville, Indiana 47713
812-423-0300
Fax: 812-423-6282

www.rineyhancock.com
E-mail: info@rineyhancock.com



Board of Directors
Kenergy Corp.
Henderson, Kentucky

In planning and performing our audit of the financial statements of Kenergy Corp. (Kenergy) for the year ended December 31, 2005, we considered Kenergy's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control.

However, during our audit, we became aware of matters that are opportunities for strengthening internal controls and operating efficiency. This letter summarizes our comments and suggestions regarding those matters. This letter does not affect our report dated February 22, 2006, on the financial statements of Kenergy.

Unbilled Revenues

Finding

In the past, Kenergy has not fully recorded unbilled revenues as required by accounting principles generally accepted in the United States of America. This item has not been material to the financial statements on an annual basis considering the rollover effect of the prior year. Kenergy has been attempting to gradually recognize unbilled revenues over time with a goal of fully recording unbilled revenues.

Recommendation

Kenergy should continue its efforts to recognize all unbilled revenues in order to more accurately reflect results of operations.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various Kenergy personnel, and we will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This report is intended solely for the information and use of the audit committee, management, and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

Riney, Hancock + Co., PSC

Owensboro, Kentucky
February 22, 2006

KENERGY CORP.
RESPONSE OF KENERGY CORP.
TO SECOND DATA REQUEST OF COMMISSION STAFF

CASE NO. 2006-00369

1
2 **Item 16)** Refer to response to Staff's First Request, Item 10. For each of the accounts listed
3 below, explain the reason(s) for the change in the December balances for the test year and the prior
4 year.

- 5 a. Account No. 124100, Investment-CoBank, page 11 of 48.
- 6 b. Account No. 128000, Other Special Funds (Def. Comp.), page 12 of 48.
- 7 c. Account No. 131110, Cash-General Fund-US Bank, page 12 of 48.
- 8 d. Account No. 136000, Temporary Cash Investments, page 15 of 48.
- 9 e. Account No. 142175, Acc-Rec Alcan, page 18 of 48.
- 10 f. Account No. 142180, Acc-Rec Century, page 18 of 48.
- 11 g. Account No. 143100, Accounts Receivable – Other, page 21 of 48.
- 12 h. Account No. 143600, Accts Rec-Customer Billings, page 22 of 48.
- 13 i. Account No. 165120, Prepaid Insurance-Workers Comp., page 24 of 48.
- 14 j. Account No. 186210, Pension-Defined Ben (Former GR & HU), page 28 of 48.
- 15 k. Account No. 201200, Patronage Capital Assignable, page 29 of 48.
- 16 l. Account No. 217000, Retired Capital Credits-Gain-Oboro, page 29 of 48.
- 17 m. Account No. 217100, Retired Capital Credits-Gain Headqt, page 29 of 48.
- 18 n. Account No. 219400, Other Marg & Equities-Prior Periods, page 30 of 48.
- 19 o. Account No. 219500, Other Comprehensive Income, page 30 of 48.
- 20 p. Account No. 224140, Other Long-Term Debt – Miscellaneous, page 30 of 48.
- 21 q. Account No. 224330, Long-Term Debt RUS Notes Exec Various Rate, page 32 of 48.
- 22 r. Account No. 224350, RUS Notes Executed 5% (West), page 32 of 48.

KENERGY CORP.
RESPONSE OF KENERGY CORP.
TO SECOND DATA REQUEST OF COMMISSION STAFF

CASE NO. 2006-00369

- 1
- 2 s. Account No. 224470, Long-Term Debt Federal Financing Bank, page 32 of 48.
- 3 t. Account No. 224600, RUS Advance Payments Unapplied, page 32 of 48.
- 4 u. Account No. 228330, Additional Minimum Liability-Pension, page 33 of 48.
- 5 v. Account No. 228400, Accum Misc Operating Provisions, page 33 of 48.
- 6 w. Account No. 231000, Notes Payable-Short Term, page 33 of 48.
- 7 x. Account No. 232100, Accounts Payable General, page 34 of 48.
- 8 y. Account No. 235000, Consumers Deposits-Owensboro, page 34 of 48.
- 9 z. Account No. 237210, Interest Accr.-Federal Financing, page 36 of 48.
- 10 aa. Account No. 253250, Deferred Credit-BREC Hanson Lease, page 43 of 48.
- 11 bb. Account No. 362000, Dist Plant-Station Equipment, page 43 of 48.
- 12 cc. Account No. 362100, Dist Plant-Supervisory Control Eqp, page 43 of 48.
- 13 dd. Account No. 364000, Dist Plant-Poles-Towers-Fixtures, page 44 of 48.
- 14 ee. Account No. 365000, Dist Plant-Overhead Conductors, page 44 of 48.
- 15 ff. Account No. 367000, Dist Plant-Underground Conductors, page 44 of 48.
- 16 gg. Account No. 368000, Dist Plant-Line Transformers, page 44 of 48.
- 17 hh. Account No. 369000, Dist Plant-Services, page 44 of 48.
- 18 ii. Account No. 370000, Dist Plant-Meters, page 45 of 48.
- 19 jj. Account No. 390000, Gen Plant-Structures & Improvements, page 45 of 48.
- 20 kk. Account No. 391100, Computer and Related Equipment, page 45 of 48.
- 21 ll. Account No. 392000, General-Transportation Equipment, page 46 of 48.
- 22 mm. Account No. 398100, Gen Plant-GIS Equipment, page 48 of 48.

**KENERGY CORP.
RESPONSE OF KENERGY CORP.
TO SECOND DATA REQUEST OF COMMISSION STAFF**

CASE NO. 2006-00369

1
2
3
4
5
6
7
8
9
10
12
13
14
15
16
17
18
19
20
21

Response a) A non-cash capital credit allocation is received from Cobank each year, recorded as a debit to account 124.100 and a credit to account 424.000.

Response b and v) The decrease results from payments to the two retired participants in the deferred compensation plan as defined in the plan documents.

Response c-d) Result of normal activity within the cash account, recording cash disbursements and receipts, moving funds to and from temporary cash investment account, utilization of line of credit, and making advances on long-term debt as required.

Response e- f) Rates for Tier 3 energy increased over 2004.

Response g) Increase mainly due to receivable booked in connection with a broadband grant to a McLean County installation.

Response h) Due to a billing to other utilities for Kenergy crews to provide outage restoration assistance.

Response i) Timing of cash payment for annual premium renewal.

Response j) Please see application, Exhibit 12, footnote 9 – Pension Plans, page 14.

Response k) An amount of \$1,490,507.80 should have appeared as the balance at December 31, 2005, representing margins for 2005.

Response l-m) Account 217.100 was closed out and the balance was transferred to account 217.000.

Response n) Please refer to application, Exhibit 12, footnote 3, change in accounting principle, pages 8-9.

Response p-r) Principal payments made to Cobank and Rural Utilities Service.

**KENERGY CORP.
RESPONSE OF KENERGY CORP.
TO SECOND DATA REQUEST OF COMMISSION STAFF**

CASE NO. 2006-00369

1

2 **Response s and z)** New long-term debt obtained from Federal Financing Bank to finance construction
3 work plan.

4 **Response t)** Interest earned on account balance at 5%.

5 **Response w)** Normal activity in the utilization of short term line of credit to manage cash.

6 **Response x)** Mainly caused by increase in payables for power cost purchased as rates for Tier 3
7 power increased over 2004.

8 **Response y)** Normal activity that results in this area as new customers pay deposits.

9 **Response aa)** New account established to record the advance payment received for the lease of a
10 portion of the Hanson office property.

11 **Response bb and ii)** Investments made for new member extensions, system upgrades and replacement
12 of plant per the three-year construction work plan.

13 **Response jj)** Increase mainly due to the new Hanson office building.

14 **Response kk)** Retirements of equipment no longer used subsequent to a general plant inventory.

15 **Response ll)** Due to normal replacement of transportation equipment. Several large retirements were
16 made during 2006 with a balance of \$6,404,729 in account 392.000 on July 31, 2006.

17 **Response mm)** Data collection costs incurred in the development of the new GIS mapping system.

18

19 **Witness)** Steve Thompson

20

21

**KENERGY CORP.
RESPONSE OF KENERGY CORP.
TO SECOND DATA REQUEST OF COMMISSION STAFF**

CASE NO. 2006-00369

1
2 **Item 17)** Refer to response to Staff's First Request, Item 10. Describe the economic
3 development activity for the following accounts:

- 4 a. Account No. 124210, Invest-Economic Dev-RDK Hospitality (Motel), page 11 of 48.
5 b. Account No. 124230, Economic Dev-Liberty Plaza, page 11 of 48.
6 c. Account No. 124240, Economic Dev-Snow Enterprises, page 11 of 48.
7 d. Account No. 124250, Economic Dev.-DAPCO, page 11 of 48.
8 e. Account No. 124270, Economic Dev Loan-Scott Foam Tech, page 12 of 48.
9 f. Account No. 124280, ECO Loan-West KY Reg Ind Dev Author, page 12 of 48.
10 g. Account No. 224160, RUS Economic Dev Loan-West KY Poult, page 30 of 48.
11 h. Account No. 224165, RUS Economic Dev Loan-Snow Enterpri, page 31 of 48.
12 i. Account No. 224170, RUS Economic Dev Loan-RDK Hospitali, page 31 of 48.
13 j. Account No. 224175, RUS Economic Dev Loan-Scott Foam Te, page 31 of 48.
14 k. Account No. 224180, RUS Economic Dev Loan-Liberty Plaza, page 31 of 48.
15 l. Account No. 224185, RUS Economic Dev Loan-West KY Reg Ind Dev, page 31 of 48.
16 m. Account No. 224190, RUS Economic Dev Loan-DAPCO, page 31 of 48.

17
18 **Response)** In cooperation with the Rural Utilities Service (RUS), Kenergy provides zero-interest
19 loans to new or expanding businesses to create new jobs in rural areas. The program enables Kenergy
20 to assist its communities by encouraging, sponsoring and participating in local rural development
21 activities. Through the Rural Economic Development Loan and Grant (REDLEG) Program, Kenergy

**KENERGY CORP.
RESPONSE OF KENERGY CORP.
TO SECOND DATA REQUEST OF COMMISSION STAFF**

CASE NO. 2006-00369

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22

has helped create employment opportunities and improved the quality of life for rural residents in western Kentucky. The minimum loan amount is \$10,000 and the maximum loan amount is \$740,000. A project will not be selected unless supplemental funding is provided in an amount equaling at least twenty percent (20%) of the amount of the zero-interest loan funds provided by Rural Business Service. The term of the loan is ten (10) years. The RUS loans the money to Kenergy for the project and Kenergy loans the money to the ultimate recipient. All loans must be secured by an irrevocable bank letter of credit to Kenergy.

Witness) David Hamilton

**KENERGY CORP.
RESPONSE OF KENERGY CORP.
TO SECOND DATA REQUEST OF COMMISSION STAFF**

CASE NO. 2006-00369

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22

Item 18) Refer to Response to Staff's First Request, Tab 10, page 12 of 48. Describe the nature of each investment.

- a. Account No. 124400, Invest-Ohio Co Industrial Develop.
- b. Account No. 124500, Inv-Daviess Co Industrial Foundation.
- c. Account No. 124510, Inv-Hancock Co Industrial Foundation.

Response) Green River Electric Corporation purchased shares of stock in the following Industrial Foundations prior to its consolidation with Henderson Union Rural Electric Cooperative in July 1999:

- Ohio County Industrial Foundation
- Daviess County Industrial Foundation
- Hancock County Industrial Foundation

As a shareholder, Kenergy is allowed to vote at the Foundation's Annual Meeting. Kenergy does not receive a monetary dividend from the stock.

Witness) David Hamilton

**KENERGY CORP.
RESPONSE OF KENERGY CORP.
TO SECOND DATA REQUEST OF COMMISSION STAFF**

CASE NO. 2006-00369

1
2 **Item 19)** Refer to the Application, Exhibit 11. For each of the accounts listed below, explain the
3 reasons(s) for the change in the total balances for the test year and the prior year.

- 4 a. Account No. 424000, Other Capital Cr Allocations, page 8 of 34.
- 5 b. Account No. 427100, Interest on REA Construction Loan, page 8 of 34.
- 6 c. Account No. 427200, Interest-Long Term Debt-CFC, page 8 of 34.
- 7 d. Account No. 427210, Interest on CoBank Loans, page 9 of 34.
- 8 e. Account No. 427220, Interest-Federal Financing Bank, page 9 of 34.
- 9 f. Account No. 442100, Revenue-Commercial-3Phase-Under 1000kW, page 10 of 34.
- 10 g. Account No. 442102, Revenue Former HUEC 3Phase 0-50KVA, page 11 of 34.
- 11 h. Account No. 442200, Rev-Commercial-3Phase (Over 1000kW) 3, page 11 of 34.
- 12 i. Account No. 442240, Revenue-Comm-Arvin Roll Coater, page 12 of 34.
- 13 j. Account No. 442802, Revenue-American Engineering, page 12 of 34.
- 14 k. Account No. 442804, Revenue-Allied Resources, page 12 of 34.
- 15 l. Account No. 442810, Revenue-KMMC LLC, page 13 of 34.
- 16 m. Account No. 442817, Rev-Dyson Creek Mine, page 14 of 34.
- 17 n. Account No. 445000, Revenue-Public Authorities-Single P, page 14 of 34.
- 18 o. Account No. 555102, Purchased Power-Black Diamond Minin, page 17 of 34.
- 19 p. Account No. 555103, Purchased Power-Breckinridge, page 17 of 34.
- 20 q. Account No. 555104, Purchased Power-Allied Resources, page 17 of 34.
- 21 r. Account No. 555117, Purchased Power-Dyson Creek Mine, page 18 of 34.
- 22 s. Account No. 555200, Purchased Power-Commonwealth Alum, page 18 of 34.

**KENERGY CORP.
RESPONSE OF KENERGY CORP.
TO SECOND DATA REQUEST OF COMMISSION STAFF**

CASE NO. 2006-00369

- 1
- 2 t. Account No. 555300, Purchased Power-Willamette, page 18 of 34.
- 3 u. Account No. 555400, Purchased Power-LEM-Southwire, page 18 of 34.
- 4 v. Account No. 555401, Purchased Power-BREC-Southwire, page 19 of 34.
- 5 w. Account No. 555402, Purchased Power-SIGECO-Southwire, page 19 of 34.
- 6 x. Account No. 555500, Purchased Power-Alcoa Auto Castin, page 19 of 34.
- 7 y. Account No. 555600, Purchased Power-LEM-Alcan, page 19 of 34.
- 8 z. Account No. 555601, Purchased Power-Cinergy-Alcan, page 19 of 34.
- 9 aa. Account No. 555602, Purchased Power-SIGECO-Alcan, page 19 of 34.
- 10 bb. Account No. 555603, Purchased Power-BREC-Alcan, page 19 of 34.
- 11 cc. Account No. 555604, Purchased Power-Henderson Municipal, page 19 of 34.
- 12 dd. Account No. 588000, Dist Exp-Ops Miscellaneous Dist, page 22 of 34.
- 13 ee. Account No. 593000, Dist Exp-Main-Overhead Lines, page 23 of 34.
- 14 ff. Account No. 593200, Dist Exp-Main-Storm Damage, page 23 of 34.
- 15 gg. Account No. 593300, Maintenance of Overhead Lines-ROW, page 23 of 34.
- 16 hh. Account No. 594000, Dist Exp-Main-Underground Lines, page 23 of 34.
- 17 ii. Account No. 598000, Dist Exp-Misc Distribution Plt, page 24 of 34.
- 18 jj. Account No. 903000, Consumer Acct Exp-Ops Record-Collect, page 25 of 34.
- 19 kk. Account No. 913000, Member and Public Relation Expenses, page 28 of 34.
- 20 ll. Account No. 920000, Adm-Gen Exp, page 28 of 34.
- 21 mm. Account No. 920200, Adm-Gen Expense-Ops-Gen Off Salary, page 28 of 34.
- 22 nn. Account No. 928000, Regulatory Comm Expense, page 32 of 34.

**KENERGY CORP.
RESPONSE OF KENERGY CORP.
TO SECOND DATA REQUEST OF COMMISSION STAFF**

CASE NO. 2006-00369

1
2 oo. Account No. 930201, Dues Assoc. & Community Agency, page 32 of 34.

3 pp. Account No. 935000, Maintenance of General Plant, page 34 of 34.
4

5 **Response a)** Due mainly to two years of allocations booked for Federated Insurance Company.

6 **Response b)** Due mainly to interest rates on notes with variable interest rate terms rising as the
7 Federal Reserve Board raised the fed funds rate.

8 **Response c-d)** Kenergy moved notes with CFC to Cobank. Also, Cobank notes with variable interest
9 rate terms rising.

10 **Response e)** See response to Item 16, sub item s.

11 **Response f)** Due to removal of consolidation credit on September 2, 2004 and a rate increase
12 effective June 14, 2005. There was also a reclassification of approximately 2,100 customers to
13 commercial single phase from residential in July 2005.

14 **Response g)** These customers were moved to Account 442.100 pursuant to the new rate
15 classification effective June 14, 2005.

16 **Response h-i)** Due mainly to the rate decrease effective June 14, 2005 for three phase customers and
17 direct served customers.

18 **Response j, o-p)** Customer ceased operations.

19 **Response k)** New customers.

20 **Response m, q, r)** Due to removal of consolidation credit on September 2, 2004 and rate increase for
21 single phase customers effective June 14, 2005.

**KENERGY CORP.
RESPONSE OF KENERGY CORP.
TO SECOND DATA REQUEST OF COMMISSION STAFF**

CASE NO. 2006-00369

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22

- Response s)** Reduction in usage.
 - Response t)** Increase in rates paid for off system power purchased.
 - Response u, v, w, y, z, aa-cc)** Due to Tier 3 rates rising and different suppliers being used.
 - Response x)** Plant is ceasing operations.
 - Response dd, ii, jj, kk, ll, mm, pp)** Please refer to application, Exhibit 12, footnote 3, change in accounting principle, pages 8 and 9.
 - Response ee)** Decrease mainly resulted from less storm related restoration costs in 2005 compared to 2004.
 - Response ff)** No storms classified as major in 2005 with one occurring in 2004.
 - Response gg)** See application, Exhibit 6, page 2, lines 30-35.
 - Response hh)** Increased activity in the number of underground conductor failures as the conductor aged.
 - Response nn)** Less activity in 2005 for rate proceedings.
 - Response oo)** In July 2005, expenses previously charged to Account 930.201 started being charged to Account 912.000.
- Witness)** Steve Thompson

**KENERGY CORP.
RESPONSE OF KENERGY CORP.
TO SECOND DATA REQUEST OF COMMISSION STAFF**

CASE NO. 2006-00369

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22

Item 20) Refer to the response to Staff's First Request, Item 23, page 3 of 5. Explain the reduction in overtime hours between the test year and previous year.

Response) The reduction results from less overtime required to restore power due to major outages during 2004.

Witness) Steve Thompson

**KENERGY CORP.
RESPONSE OF KENERGY CORP.
TO SECOND DATA REQUEST OF COMMISSION STAFF**

CASE NO. 2006-00369

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22

Item 21) Refer to the response to Staff's First Request, Item 25, page 2 of 2.

a. Explain why the Social Security adjustment was based on year 2005 wage limit of \$90,000.00 instead of using the Social Security adjustment for 2006 of \$94,200.00.

b. Recalculate the Social Security adjustment reflecting the 2006 wage limit.

c. Recalculate the pro forma payroll taxes shown on the Application, Exhibit 5, page 8 to reflect the amount determined in part (b).

Response a) The information provided was for the test year 2005, not proforma taxes.

Response b-c) The proforma payroll taxes shown on Exhibit 5, page 8 utilized the 2006 wage limit of \$94,200. Please refer to item 2, page 13 of the response to the PSC Second Data Request.

Witness) Steve Thompson

**KENERGY CORP.
RESPONSE OF KENERGY CORP.
TO SECOND DATA REQUEST OF COMMISSION STAFF**

CASE NO. 2006-00369

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22

Item 22) Refer to the response to Staff's First Request, Item 27, pages 2 and 3 of 3. Provide an explanation for each amount in the "Transfers" column.

Response) The transfers result from a change in accounting principle. Please refer to application, Exhibit 12, footnote 3 on pages 8 and 9.

Witness) Steve Thompson

KENERGY CORP.
RESPONSE OF KENERGY CORP.
TO SECOND DATA REQUEST OF COMMISSION STAFF

CASE NO. 2006-00369

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22

Item 23) Refer to the response to the Staff's First Request, Item 29.

a. Provide the amounts for payroll, employee benefits, other compensation, and associated taxes included in the test year associated with the former President/CEO.

b. Did Kenergy propose to remove the amounts provided in part (a) from test-year operations?

(1) If yes, identify the adjustment.

(2) If no, explain why such an adjustment was not proposed.

Response a) Please see response to b below.

Response b) Yes. Please refer to application Exhibit 5, page 7 column d and page 8 column e. The proforma amounts shown in columns h and f include amounts only for the current President/CEO, and 159 full-time employees. Therefore, the corresponding adjustment dollars removes the expenses associated with the former President/CEO for rate-making purposes.

Witness) Steve Thompson

**KENERGY CORP.
RESPONSE OF KENERGY CORP.
TO SECOND DATA REQUEST OF COMMISSION STAFF**

CASE NO. 2006-00369

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22

Item 24) Refer to the response to the Staff's First Request, Item 31, pages 15 through 88 of 88. Provide the same information as shown on these pages by individual director. If an entry reflects an expense that Kenergy is proposing to exclude for rate-making purposes, include a mark identifying the entry as excluded.

Response) Item 24, pages 2-59 of 59, contain the above referenced information.

Witness) Steve Thompson

Every other page is an extension of previous page totals.

		KENNETH		CASE NO. 2006-00369		ACCOUNT 930.210 - BOARD OF DIRECTORS		FOR 12 MONTHS ENDED DECEMBER 31, 2005	
Line No.	Control Number	Vendor Name	Description	Date Paid	Check #	Dollar Amount			
1	190275	Marion Cecil	Mtg fee - bd	01/14/05	23772	\$ 100.00			
2	190275	Marion Cecil	Mileage	01/14/05	23772	\$ 24.30			
3	190275	Marion Cecil	Mtg exp - bd	01/14/05	23772	\$ 1.00			
4	191264	Marion Cecil	Mtg fee - bd	02/18/05	24535	\$ 100.00			
5	192500	Marion Cecil	Mtg fee - bd	03/18/05	25203	\$ 100.00			
6	192500	Marion Cecil	Mtg exp - bd	03/18/05	25203	\$ 1.00			
7	192500	Marion Cecil	Mileage	03/18/05	25203	\$ 24.30			
8	193838	Marion Cecil	Mtg fee - bd	04/15/05	25830	\$ 100.00			
9	195134	Marion Cecil	Mtg fee - bd	05/20/05	26645	\$ 100.00			
10	195134	Marion Cecil	Mtg exp - bd	05/20/05	26645	\$ 1.00			
11	195134	Marion Cecil	Mileage	05/20/05	26645	\$ 24.30			
12	196273	Marion Cecil	Mtg fee - bd	06/17/05	27387	\$ 100.00			
13	197930	Marion Cecil	Mtg fee - bd	07/15/05	28106	\$ 100.00			
14	197930	Marion Cecil	Mileage	07/15/05	28106	\$ 7.29			
15	199296	Marion Cecil	Mtg fee - bd	08/19/05	29001	\$ 100.00			
16	199296	Marion Cecil	Mtg exp - bd	08/19/05	29001	\$ 1.00			
17	199296	Marion Cecil	Mileage	08/19/05	29001	\$ 24.30			
18	201625	Marion Cecil	Mtg fee - bd	09/16/05	30246	\$ 100.00			
19	203252	Marion Cecil	Mtg fee - bd	10/21/05	31842	\$ 100.00			
20	203252	Marion Cecil	Mtg exp - bd	10/21/05	31842	\$ 1.00			
21	203252	Marion Cecil	Mileage	10/21/05	31842	\$ 29.10			
22	204376	Marion Cecil	Mtg fee - bd	11/18/05	32604	\$ 100.00			
23	204376	Marion Cecil	Mtg exp - bd	11/18/05	32604	\$ 1.00			
24	204376	Marion Cecil	Mileage	11/18/05	32604	\$ 29.10			
25	205806	Marion Cecil	Mtg fee - bd	12/16/05	33254	\$ 100.00			
26				Total Marion Cecil		\$ 1,368.69			
27									
28	190156	Glenn Cox	Monthly retainer	01/14/05	23782	\$ 650.00			
29	191280	Glenn Cox	Monthly retainer	02/18/05	24544	\$ 650.00			
30	191490	Glenn Cox	Mtg fee - bd	02/18/05	24544	\$ 200.00			
31	191490	Glenn Cox	WORK SESSION BD FEE	02/18/05	24544	\$ 200.00			
32	191490	Glenn Cox	Mileage	02/18/05	24544	\$ 90.00			
33	192679	Glenn Cox	Monthly retainer	03/18/05	25210	\$ 650.00			
34	192902	Glenn Cox	Mtg fee - bd	03/25/05	25356	\$ 200.00			
35	192902	Glenn Cox	NRECA ANNUAL MTG FEE	03/25/05	25356	\$ 700.00			
36	192902	Glenn Cox	NRECA Annual mtg exp	03/25/05	25356	\$ 1,199.12			
37	192902	Glenn Cox	Mileage	03/25/05	25356	\$ 145.80			
38	193733	Glenn Cox	Monthly retainer	04/15/05	25838	\$ 650.00			

Amounts in shaded areas excluded for rate-making purposes.

Every other page is an extension of previous page totals.

KENERGY												
CASE NO. 2006-00369												
ACCOUNT 930.210 - BOARD OF DIRECTORS												
FOR 12 MONTHS ENDED DECEMBER 31, 2005												
Line No.	Directors Emeritus	Chair Fee	Non Del/Ait Assoc Mtg exp	Other mtg Fee	Monthly Retainer	Director Bd fees	Del/Ait Assoc Exp	MRC	KAEC Bd Mtg Exp	Cox	Other	
1	100.00										24.30	
2											1.00	
3												
4	100.00										1.00	
5	100.00										24.30	
6												
7												
8	100.00										1.00	
9	100.00										24.30	
10												
11											1.00	
12	100.00										24.30	
13	100.00											
14												
15	100.00										7.29	
16												
17											1.00	
18	100.00										24.30	
19	100.00											
20											1.00	
21											29.10	
22	100.00										1.00	
23											29.10	
24												
25	100.00										1.00	
26	1,200.00										168.69	
27												
28					650.00							
29					650.00							
30						200.00						
31												
32												
33					650.00						90.00	
34						200.00						
35												
36												
37												
38					650.00						145.80	

Amounts in shaded areas excluded for rate-making purposes.

Every other page is an extension of previous page totals.

KEN. Y		CASE NO. 2006-00369				
ACCOUNT 930.210 - BOARD OF DIRECTORS						
FOR 12 MONTHS ENDED DECEMBER 31, 2005						
Line No.	Control Number	Vendor Name	Description	Date Paid	Check #	Dollar Amount
39	194160	Glenn Cox	Mtg fee - bd	04/22/05	25978	\$ 200.00
40	194160	Glenn Cox	KAEC monthly meeting - Cox	04/22/05	25978	\$ 12.55
41	194160	Glenn Cox	Mileage	04/22/05	25978	\$ 72.90
42	195120	Glenn Cox	Monthly retainer	05/20/05	26652	\$ 650.00
43	195321	Glenn Cox	Mtg fee - bd	05/20/05	26652	\$ 200.00
44	195321	Glenn Cox	MRC mileage	05/20/05	26652	\$ 48.60
45	195321	Glenn Cox	Mileage	05/20/05	26652	\$ 48.60
46	197466	Glenn Cox	Mtg fee - bd	07/08/05	27950	\$ 650.00
47	196266	Glenn Cox	Monthly retainer	06/17/05	27395	\$ 200.00
48	196700	Glenn Cox	Mileage	06/24/05	27571	\$ 438.79
49	196700	Glenn Cox	Mtg exp - bd	06/24/05	27571	\$ 1.00
50	197754	Glenn Cox	Monthly retainer	07/15/05	28112	\$ 200.00
51	198103	Glenn Cox	Mtg fee - bd	07/22/05	28280	\$ 650.00
52	198103	Glenn Cox	UUS MTG FEE	07/22/05	28280	\$ 200.00
53	198103	Glenn Cox	Mileage	07/22/05	28280	\$ 69.66
54	199283	Glenn Cox	Monthly retainer	08/19/05	29007	\$ 200.00
55	199496	Glenn Cox	Mtg fee - bd	08/19/05	29007	\$ 650.00
56	199496	Glenn Cox	KAEC bd mtg fee	08/19/05	29007	\$ 200.00
57	199496	Glenn Cox	KAEC bd mtg exp	08/19/05	29007	\$ 30.78
58	199496	Glenn Cox	Mileage	08/19/05	29007	\$ 243.00
59	201308	Glenn Cox	Monthly retainer	09/16/05	30276	\$ 200.00
60	202305	Glenn Cox	Mtg fee - bd	09/23/05	30861	\$ 650.00
61	202305	Glenn Cox	KAEC bd mtg fee	09/23/05	30861	\$ 200.00
62	202305	Glenn Cox	Mileage	09/23/05	30861	\$ 206.55
63	203310	Glenn Cox	Mtg fee - bd	10/21/05	31851	\$ 650.00
64	203310	Glenn Cox	BREC mtg fee	10/21/05	31851	\$ 200.00
65	203310	Glenn Cox	KAEC bd mtg exp	10/21/05	31851	\$ 10.05
66	203310	Glenn Cox	Mileage	10/21/05	31851	\$ 305.55
67	203332	Glenn Cox	Monthly retainer	10/21/05	31851	\$ 200.00
68	204605	Glenn Cox	Monthly retainer	11/18/05	32617	\$ 200.00
69	204917	Glenn Cox	Mtg fee - bd	11/18/05	32617	\$ 650.00
70	204917	Glenn Cox	special bd mtg fee	11/18/05	32617	\$ 200.00
71	204917	Glenn Cox	KAEC bd mtg exp - Cox	11/18/05	32617	\$ 23.69
72	204917	Glenn Cox	Mileage	11/18/05	32617	\$ 265.30
73	205667	Glenn Cox	Monthly retainer	12/16/05	33260	\$ 200.00
74	205911	Glenn Cox	Mtg fee - bd	12/22/05	33382	\$ 650.00
75	205911	Glenn Cox	Telephone mtg fee	12/22/05	33382	\$ 100.00
76	205911	Glenn Cox	KAEC mtg fee	12/22/05	33382	\$ 200.00

Amounts in shaded areas excluded for rate-making purposes.

KEN. JY									
CASE NO. 2006-00369									
ACCOUNT 930.210 - BOARD OF DIRECTORS									
FOR 12 MONTHS ENDED DECEMBER 31, 2005									
Line	Control	Vendor Name	Description	Date	Check #	Dollar Amount			
No.	Number			Paid					
77	205911	Glenn Cox	KAEC mtg exp	12/22/05	33382	\$ 29.58			
78	205911	Glenn Cox	Mileage	12/22/05	33382	\$ 247.35			
79	190854	NRECA	NRECA Annual Mtg reg Smith/Powell/Wood/Cox	01/27/05	24037	\$ 475.00			
80	203606	Visa	KAEC bd mtg exp - Cox	10/28/05	32179	\$ 109.26			
81	194289	Visa	KAEC bd mtg exp - Cox	04/29/05	26266	\$ 108.25			
82	197134	Visa	KAEC bd mtg exp - Cox	07/01/05	27878	\$ 108.25			
83	199793	Visa	KAEC bd mtg exp - Cox	08/26/05	29322	\$ 291.97			
84	199797	Visa	KAEC bd mtg exp - Cox	08/26/05	29322	\$ 28.35			
85	204993	Visa	KAEC bd mtg exp - Cox	11/23/05	32924	\$ 109.26			
86	192843	Visa	KAEC bd mtg exp - Cox	03/25/05	25471	\$ 108.25			
87	206232	Visa	Seminar/conf exp - Cox	12/30/05	33653	\$ 273.34			
88	206236	Visa	Service Award - Cox	12/30/05	33653	\$ 150.00			
89	192990	Visa	NRECA Annual mtg exp Cox/Powell/Smith/Wood/Elder	03/25/05	25471	\$ 49.67			
90				Total Glenn Cox		\$ 17,500.47			
91									
92	190278	Dr Royce Dawson	Mtg fee - bd	01/14/05	23786	\$ 100.00			
93	190278	Dr Royce Dawson	Mileage	01/14/05	23786	\$ 28.35			
94	190278	Dr Royce Dawson	Mtg exp - bd	01/14/05	23786	\$ 1.00			
95	191273	Dr Royce Dawson	Mtg fee - bd	02/18/05	24545	\$ 100.00			
96	191273	Dr Royce Dawson	Mtg exp - bd	02/18/05	24545	\$ 1.00			
97	191273	Dr Royce Dawson	Mileage	02/18/05	24545	\$ 28.35			
98	192503	Dr Royce Dawson	Mtg fee - bd	03/18/05	25212	\$ 100.00			
99	192503	Dr Royce Dawson	Mtg exp - bd	03/18/05	25212	\$ 1.00			
100	192503	Dr Royce Dawson	Mileage	03/18/05	25212	\$ 28.35			
101	193837	Dr Royce Dawson	Mtg fee - bd	04/15/05	25845	\$ 100.00			
102	193838	Dr Royce Dawson	Mtg exp - bd	04/15/05	25845	\$ 1.00			
103	193839	Dr Royce Dawson	Mileage	04/15/05	25845	\$ 28.35			
104	195133	Dr Royce Dawson	Mtg fee - bd	05/20/05	26655	\$ 100.00			
105	195133	Dr Royce Dawson	Mtg exp - bd	05/20/05	26655	\$ 1.00			
106	195133	Dr Royce Dawson	Mileage	05/20/05	26655	\$ 28.35			
107	196274	Dr Royce Dawson	Mtg fee - bd	06/17/05	27399	\$ 100.00			
108	196274	Dr Royce Dawson	Mtg exp - bd	06/17/05	27399	\$ 1.00			
109	196274	Dr Royce Dawson	Mileage	06/17/05	27399	\$ 28.35			
110	197931	Dr Royce Dawson	Mtg fee - bd	07/15/05	28123	\$ 100.00			
111	197931	Dr Royce Dawson	Mileage	07/15/05	28123	\$ 4.05			
112	199292	Dr Royce Dawson	Mtg fee - bd	08/19/05	29011	\$ 100.00			
113	199292	Dr Royce Dawson	Mtg exp - bd	08/19/05	29011	\$ 1.00			
114	199292	Dr Royce Dawson	Mileage	08/19/05	29011	\$ 28.35			

Amounts in shaded areas excluded for rate-making purposes.

Every other page is an extension of previous page totals.

KENERGY												
CASE NO. 2006-00369												
ACCOUNT 930.210 - BOARD OF DIRECTORS												
FOR 12 MONTHS ENDED DECEMBER 31, 2005												
Line	Directors Emeritus	Chair Fee	Non Del/Ait Assoc Mtg exp	Other mtg Fee	Monthly Retainer	Director Bd fees	Del/Ait Assoc Exp	MRC	KAEC Bd Mtg Exp Cox	Other		
77									29.58			247.35
78												
79			475.00									
80									109.26			
81									108.25			
82									108.25			
83									291.97			
84									28.35			
85									109.26			
86									108.25			
87							273.34					
88												150.00
89			49.67									
90	Cox	-	1,723.79	2,200.00	4,650.00	5,350.00	273.34	48.60	970.24			2,284.50
91												28.35
92	100.00											1.00
93												1.00
94	100.00											28.35
95												1.00
96												28.35
97												1.00
98	100.00											28.35
99												1.00
100												28.35
101	100.00											1.00
102												28.35
103												1.00
104	100.00											28.35
105												1.00
106	100.00											28.35
107												1.00
108												28.35
109												1.00
110	100.00											28.35
111												4.05
112	100.00											1.00
113												28.35
114												1.00
												28.35

Amounts in shaded areas excluded for rate-making purposes.

KENL...JY		CASE NO. 2006-00369		ACCOUNT 930.210 - BOARD OF DIRECTORS		FOR 12 MONTHS ENDED DECEMBER 31, 2005	
Line	Control	Vendor Name	Description	Date Paid	Check #	Dollar Amount	
115	201623	Dr Royce Dawson	Mtg fee - bd	09/16/05	30285	\$ 100.00	
116	201623	Dr Royce Dawson	Mtg exp - bd	09/16/05	30285	\$ 1.00	
117	201623	Dr Royce Dawson	Mileage	09/16/05	30285	\$ 33.95	
118	203254	Dr Royce Dawson	Mtg fee - bd	10/21/05	31855	\$ 100.00	
119	203254	Dr Royce Dawson	Mtg exp - bd	10/21/05	31855	\$ 1.00	
120	203254	Dr Royce Dawson	Mileage	10/21/05	31855	\$ 33.95	
121	204374	Dr Royce Dawson	Mtg fee - bd	11/18/05	32619	\$ 100.00	
122	204374	Dr Royce Dawson	Mtg exp - bd	11/18/05	32619	\$ 1.00	
123	204374	Dr Royce Dawson	Mileage	11/18/05	32619	\$ 33.95	
124	205807	Dr Royce Dawson	Mtg fee - bd	12/16/05	33265	\$ 100.00	
125	205807	Dr Royce Dawson	Mtg exp - bd	12/16/05	33265	\$ 1.00	
126	205807	Dr Royce Dawson	Mileage	12/16/05	33265	\$ 33.95	
127				Total Dr Royce Dawson		\$ 1,549.30	
128							
129	190155	William Denton	Monthly retainer	01/14/05	23788	\$ 650.00	
130	190271	William Denton	Mtg fee - bd	01/14/05	23788	\$ 200.00	
131	190271	William Denton	Evaluation mtg fee	01/14/05	23788	\$ 200.00	
132	190271	William Denton	Mileage	01/14/05	23788	\$ 20.26	
133	191266	William Denton	Mtg fee - bd	02/18/05	24546	\$ 200.00	
134	191266	William Denton	Mileage	02/18/05	24546	\$ 10.13	
135	191279	William Denton	Monthly retainer	02/18/05	24546	\$ 650.00	
136	192497	William Denton	Mtg fee - bd	03/18/05	25214	\$ 200.00	
137	192497	William Denton	Mileage	03/18/05	25214	\$ 9.72	
138	192678	William Denton	Monthly retainer	03/18/05	25214	\$ 650.00	
139	193732	William Denton	Monthly retainer	04/15/05	25847	\$ 650.00	
140	193836	William Denton	Mtg fee - bd	04/15/05	25847	\$ 200.00	
141	193836	William Denton	COMMITTEE MTG FEE	04/15/05	25847	\$ 200.00	
142	193836	William Denton	Mileage	04/15/05	25847	\$ 19.44	
143	195119	William Denton	Monthly retainer	05/20/05	26657	\$ 650.00	
144	195137	William Denton	Mtg fee - bd	05/20/05	26657	\$ 200.00	
145	195137	William Denton	Mileage	05/20/05	26657	\$ 9.72	
146	196265	William Denton	Monthly retainer	06/17/05	27401	\$ 200.00	
147	196282	William Denton	Mtg fee - bd	06/17/05	27401	\$ 650.00	
148	196282	William Denton	BAILEY/UNION REPS MTG FEE	06/17/05	27401	\$ 200.00	
149	196282	William Denton	Mileage	06/17/05	27401	\$ 34.83	
150	197753	William Denton	Monthly retainer	07/15/05	28126	\$ 200.00	
151	197929	William Denton	Mtg fee - bd	07/15/05	28126	\$ 650.00	
152	197929	William Denton	Mileage	07/15/05	28126	\$ 24.30	

Amounts in shaded areas excluded for rate-making purposes.

KENERGY

CASE NO. 2006-00369

ACCOUNT 930.210 - BOARD OF DIRECTORS
FOR 12 MONTHS ENDED DECEMBER 31, 2005

Every other page is an extension of previous page totals.

Line No.	Directors Emeritus	Chair Fee	Non Del/Alt		Other mtg Fee	Monthly Retainer	Director Bd fees	Del/Alt Assoc Exp	MRC	KAEC Bd Mtg Exp	Cox	Other
			Assoc Mtg exp	Mtg exp								
115	100.00											1.00
116												33.95
117												1.00
118	100.00											33.95
119												1.00
120												33.95
121	100.00											1.00
122												33.95
123												1.00
124	100.00											33.95
125												1.00
126												33.95
127	1,200.00											349.30
128												
129						650.00						
130					200.00		200.00					
131												
132												
133												
134												20.26
135												10.13
136												
137												9.72
138												
139												
140												
141					200.00		200.00					
142												
143												
144												
145												
146												19.44
147												
148												
149					200.00		650.00					
150												
151												
152						200.00	650.00					24.30

Amounts in shaded areas excluded for rate-making purposes.

KEN		jY		CASE NO. 2006-00369		
ACCOUNT 930.210 - BOARD OF DIRECTORS						
FOR 12 MONTHS ENDED DECEMBER 31, 2005						
Line No.	Control Number	Vendor Name	Description	Date Paid	Check #	Dollar Amount
153	199282	William Denton	Monthly retainer	08/19/05	29013	\$ 200.00
154	199297	William Denton	Mtg fee - bd	08/19/05	29013	\$ 650.00
155	199297	William Denton	Mileage	08/19/05	29013	\$ 10.53
156	201307	William Denton	Monthly retainer	09/16/05	30290	\$ 200.00
157	201622	William Denton	Mtg fee - bd	09/16/05	30290	\$ 650.00
158	201622	William Denton	Mileage	09/16/05	30290	\$ 8.73
159	203331	William Denton	Monthly retainer	10/21/05	31856	\$ 200.00
160	204381	William Denton	Mtg fee - bd	11/18/05	32624	\$ 650.00
161	204381	William Denton	special bd mtg fee	11/18/05	32624	\$ 200.00
162	204381	William Denton	Telephone mtg fee	11/18/05	32624	\$ 100.00
163	204381	William Denton	Mileage	11/18/05	32624	\$ 35.89
164	204604	William Denton	Monthly retainer	11/18/05	32624	\$ 200.00
165	205666	William Denton	Monthly retainer	12/16/05	33266	\$ 200.00
166	205808	William Denton	Mtg fee - bd	12/16/05	33266	\$ 650.00
167	205808	William Denton	BREC mtg fee	12/16/05	33266	\$ 200.00
168	205808	William Denton	Telephone mtg fee	12/16/05	33266	\$ 100.00
169	205808	William Denton	Mileage	12/16/05	33266	\$ 23.28
170			Total William Denton			\$ 10,956.83
171						
172	190153	Larry Elder	Monthly retainer	01/14/05	23795	\$ 650.00
173	190204	Larry Elder	Mtg fee - bd	01/14/05	23795	\$ 200.00
174	190204	Larry Elder	Evaluation mtg fee	01/14/05	23795	\$ 200.00
175	190204	Larry Elder	Mileage	01/14/05	23795	\$ 45.36
176	191271	Larry Elder	Mtg fee - bd	02/18/05	24549	\$ 200.00
177	191277	Larry Elder	Monthly retainer	02/18/05	24549	\$ 650.00
178	192496	Larry Elder	Mtg fee - bd	03/18/05	25217	\$ 200.00
179	192496	Larry Elder	Mileage	03/18/05	25217	\$ 22.68
180	192676	Larry Elder	Monthly retainer	03/18/05	25217	\$ 650.00
181	193730	Larry Elder	Monthly retainer	04/15/05	25851	\$ 650.00
182	193840	Larry Elder	Mtg fee - bd	04/15/05	25851	\$ 200.00
183	193840	Larry Elder	COMMITTEE MTG FEE	04/15/05	25851	\$ 200.00
184	193840	Larry Elder	Mileage	04/15/05	25851	\$ 45.36
185	195117	Larry Elder	Monthly retainer	05/20/05	26660	\$ 650.00
186	195138	Larry Elder	Mtg fee - bd	05/20/05	26660	\$ 200.00
187	195138	Larry Elder	Mileage	05/20/05	26660	\$ 22.68
188	196263	Larry Elder	Monthly retainer	06/17/05	27408	\$ 200.00
189	196278	Larry Elder	Mtg fee - bd	06/17/05	27408	\$ 650.00
190	196278	Larry Elder	Mileage	06/17/05	27408	\$ 22.68

Amounts in shaded areas excluded for rate-making purposes.

Every other page is an extension of previous page totals.

KENERGY												
CASE NO. 2006-00369												
ACCOUNT 930.210 - BOARD OF DIRECTORS												
FOR 12 MONTHS ENDED DECEMBER 31, 2005												
Line No.	Directors Emeritus	Chair Fee	Non Del/Alt Assoc Mtg exp	Other mtg Fee	Monthly Retainer	Director Bd fees	Del/Alt Assoc Exp	MRC	KAEC Bd Mtg Exp	Cox	Other	
153					200.00	650.00						
154											10.53	
155					200.00							
156						650.00						
157												
158					200.00						8.73	
159												
160						650.00						
161												
162				200.00								
163				100.00								
164					200.00							35.89
165					200.00							
166												
167				200.00		650.00						
168				100.00								
169												
170	Denton			1,200.00	4,650.00	4,900.00					23.28	
171											206.83	
172					650.00							
173						200.00						
174				200.00								
175												
176					650.00						45.36	
177						200.00						
178					650.00							
179						200.00						
180					650.00							
181					650.00							
182												
183						200.00						
184				200.00								
185					650.00						45.36	
186						200.00						
187												
188				200.00							22.68	
189						650.00						
190											22.68	

Amounts in shaded areas excluded for rate-making purposes.

Every other page is an extension of previous page totals.

KEN. 05Y									
CASE NO. 2006-00369									
ACCOUNT 930.210 - BOARD OF DIRECTORS									
FOR 12 MONTHS ENDED DECEMBER 31, 2005									
Line	Control	Vendor Name	Description	Date Paid	Check #	Dollar Amount			
No.									
191	197751	Larry Elder	Monthly retainer	07/15/05	28130	\$ 200.00			
192	197928	Larry Elder	Mtg fee - bd	07/15/05	28130	\$ 650.00			
193	197928	Larry Elder	Mileage	07/15/05	28130	\$ 6.48			
194	199280	Larry Elder	Monthly retainer	08/19/05	29015	\$ 200.00			
195	199293	Larry Elder	Mtg fee - bd	08/19/05	29015	\$ 650.00			
196	199293	Larry Elder	Mileage	08/19/05	29015	\$ 22.68			
197	201305	Larry Elder	Monthly retainer	09/16/05	30316	\$ 200.00			
198	201608	Larry Elder	Mtg fee - bd	09/16/05	30316	\$ 650.00			
199	201608	Larry Elder	Mileage	09/16/05	30316	\$ 27.16			
200	203242	Larry Elder	Mtg fee - bd	10/21/05	31858	\$ 650.00			
201	203242	Larry Elder	BREC mtg fee	10/21/05	31858	\$ 200.00			
202	203242	Larry Elder	Mileage	10/21/05	31858	\$ 51.41			
203	203329	Larry Elder	Monthly retainer	10/21/05	31858	\$ 200.00			
204	204379	Larry Elder	Mtg fee - bd	11/18/05	32634	\$ 650.00			
205	204379	Larry Elder	special bd mtg fee	11/18/05	32634	\$ 200.00			
206	204379	Larry Elder	Mileage	11/18/05	32634	\$ 38.80			
207	204602	Larry Elder	Monthly retainer	11/18/05	32634	\$ 200.00			
208	205664	Larry Elder	Monthly retainer	12/16/05	33270	\$ 200.00			
209	205803	Larry Elder	Mtg fee - bd	12/16/05	33270	\$ 650.00			
210	205803	Larry Elder	BREC mtg fee	12/16/05	33270	\$ 200.00			
211	205803	Larry Elder	Telephone mtg fee	12/16/05	33270	\$ 100.00			
212	205803	Larry Elder	Mileage	12/16/05	33270	\$ 54.32			
213	192990	Visa	NRECA Annual mtg exp Cox/Powell/Smith/Wood/Elder	03/25/05	25471	\$ 49.67			
214	205149	Visa	KAEC Annual Mtg - Smith/Powell/Elder/Mitchell	11/23/05	32924	\$ 95.07			
215			Total Larry Elder			\$ 11,804.35			
216									
217	190159	James N Grant	Monthly retainer	01/14/05	23806	\$ 650.00			
218	190269	James N Grant	Mtg fee - bd	01/14/05	23806	\$ 200.00			
219	190269	James N Grant	Evaluation mtg fee	01/14/05	23806	\$ 200.00			
220	190269	James N Grant	Mileage	01/14/05	23806	\$ 26.33			
221	190269	James N Grant	Mtg exp - bd	01/14/05	23806	\$ 1.00			
222	191270	James N Grant	Mtg fee - bd	02/18/05	24561	\$ 200.00			
223	191270	James N Grant	Mtg exp - bd	02/18/05	24561	\$ 1.00			
224	191270	James N Grant	Mileage	02/18/05	24561	\$ 54.68			
225	191283	James N Grant	Monthly retainer	02/18/05	24561	\$ 650.00			
226	193468	James N Grant	DIR CONF FEE	04/08/05	25708	\$ 900.00			
227	193468	James N Grant	DIR CONF EXP	04/08/05	25708	\$ 771.77			
228	193468	James N Grant	Mileage	04/08/05	25708	\$ 71.28			

Amounts in shaded areas excluded for rate-making purposes.

Every other page is an extension of previous page totals.

KENERGY												
CASE NO. 2006-00369												
ACCOUNT 930.210 - BOARD OF DIRECTORS												
FOR 12 MONTHS ENDED DECEMBER 31, 2005												
Line No.	Directors Emeritus	Chair Fee	Non Del/Alt Assoc Mtg exp	Other mtg Fee	Monthly Retainer	Director Bd fees	Del/Alt Assoc Exp	MRC	KAEC Bd Mtg Exp Cox	Other		
191					200.00	650.00						
192										6.48		
193					200.00	650.00						
194												
195					200.00	650.00				22.68		
196												
197					200.00	650.00						
198												
199										27.16		
200												
201				200.00								
202												
203					200.00					51.41		
204												
205				200.00								
206												
207				200.00								
208				200.00								
209												
210				200.00								
211				100.00								
212												
213				49.67								
214				95.07								
215	Elder			144.74	4,650.00	5,550.00				359.61		
216												
217					650.00							
218						200.00						
219				200.00								
220										26.33		
221										1.00		
222						200.00						
223												
224										1.00		
225					650.00					54.68		
226				900.00								
227							771.77					
228												71.28

Amounts in shaded areas excluded for rate-making purposes.

KENL...JY									
CASE NO. 2006-00369									
ACCOUNT 930.210 - BOARD OF DIRECTORS									
FOR 12 MONTHS ENDED DECEMBER 31, 2005									
Line	Control	Vendor Name	Description	Date Paid	Check #	Dollar Amount			
229	192501	James N Grant	Mtg fee - bd	03/18/05	25228	\$ 200.00			
230	192501	James N Grant	Mtg exp - bd	03/18/05	25228	\$ 1.00			
231	192501	James N Grant	Mileage	03/18/05	25228	\$ 54.68			
232	192682	James N Grant	Monthly retainer	03/18/05	25228	\$ 650.00			
233	193736	James N Grant	Monthly retainer	04/15/05	25863	\$ 650.00			
234	193839	James N Grant	Mtg fee - bd	04/15/05	25863	\$ 200.00			
235	193839	James N Grant	COMMITTEE MTG FEE	04/15/05	25863	\$ 200.00			
236	193839	James N Grant	Mtg exp - bd	04/15/05	25863	\$ 1.00			
237	193839	James N Grant	Mileage	04/15/05	25863	\$ 78.98			
238	195123	James N Grant	Monthly retainer	05/20/05	26672	\$ 650.00			
239	195131	James N Grant	Mtg fee - bd	05/20/05	26672	\$ 200.00			
240	195131	James N Grant	Mtg exp - bd	05/20/05	26672	\$ 1.00			
241	195131	James N Grant	Mileage	05/20/05	26672	\$ 54.68			
242	196269	James N Grant	Monthly retainer	06/17/05	27420	\$ 200.00			
243	196279	James N Grant	Mtg fee - bd	06/17/05	27420	\$ 650.00			
244	196279	James N Grant	Mtg exp - bd	06/17/05	27420	\$ 1.00			
245	196279	James N Grant	Mileage	06/17/05	27420	\$ 54.68			
246	197757	James N Grant	Monthly retainer	07/15/05	28137	\$ 200.00			
247	197884	James N Grant	Mtg fee - bd	07/15/05	28137	\$ 650.00			
248	197884	James N Grant	Mileage	07/15/05	28137	\$ 26.73			
249	199286	James N Grant	Monthly retainer	08/19/05	29023	\$ 200.00			
250	199303	James N Grant	Mtg fee - bd	08/19/05	29023	\$ 650.00			
251	199303	James N Grant	Add'l mtg fee - bd chair	08/16/05	29023	\$ 100.00			
252	199303	James N Grant	Mtg exp - bd	08/19/05	29023	\$ 1.00			
253	199303	James N Grant	Mileage	08/19/05	29023	\$ 54.68			
254	201311	James N Grant	Monthly retainer	09/16/05	30384	\$ 200.00			
255	201619	James N Grant	Mtg fee - bd	09/16/05	30384	\$ 650.00			
256	201619	James N Grant	Add'l mtg fee - bd chair	09/16/05	30384	\$ 100.00			
257	201619	James N Grant	Mtg exp - bd	09/16/05	30384	\$ 1.00			
258	201619	James N Grant	Mileage	09/16/05	30384	\$ 65.48			
259	202290	James N Grant	BREC Annual mtg exp	09/23/05	30929	\$ 1.00			
260	202290	James N Grant	Mileage	09/23/05	30929	\$ 65.48			
261	203241	James N Grant	Mtg fee - bd	10/21/05	31868	\$ 650.00			
262	203241	James N Grant	Add'l mtg fee - bd chair	10/21/05	31868	\$ 100.00			
263	203241	James N Grant	BREC mtg fee	10/21/05	31868	\$ 200.00			
264	203241	James N Grant	Mtg exp - bd	10/21/05	31868	\$ 1.00			
265	203241	James N Grant	Mileage	10/21/05	31868	\$ 65.48			
266	203335	James N Grant	Monthly retainer	10/21/05	31868	\$ 200.00			

Amounts in shaded areas excluded for rate-making purposes.

Every other page is an extension of previous page totals.

KENERGY										
CASE NO. 2006-00369										
ACCOUNT 930.210 - BOARD OF DIRECTORS										
FOR 12 MONTHS ENDED DECEMBER 31, 2005										
Line No.	Directors Emeritus	Chair Fee	Non Del/Alt Assoc Mtg exp	Other mtg Fee	Monthly Retainer	Director Bd fees	Del/Alt Assoc Exp	MRC	KAEC Bd Mtg Exp Cox	Other
229						200.00				
230										1.00
231					650.00					54.68
232					650.00					
233						200.00				
234										
235				200.00						
236										
237					650.00					1.00
238					650.00					78.98
239						200.00				
240										
241										1.00
242					200.00					54.68
243						650.00				
244										
245					200.00					1.00
246					200.00					54.68
247						650.00				
248										26.73
249					200.00					
250						650.00				
251		100.00								
252										
253										1.00
254					200.00					54.68
255						650.00				
256		100.00								
257										
258										1.00
259										65.48
260										1.00
261						650.00				65.48
262		100.00								
263				200.00						
264										
265					200.00					1.00
266										65.48

Amounts in shaded areas excluded for rate-making purposes.

KEN. JY

CASE NO. 2006-00369

ACCOUNT 930.210 - BOARD OF DIRECTORS
FOR 12 MONTHS ENDED DECEMBER 31, 2005

Line No.	Control No.	Vendor Name	Description	Date Paid	Check #	Dollar Amount
267	204380	James N Grant	Mtg fee - bd	11/18/05	32649	\$ 650.00
268	204380	James N Grant	Add'l mtg fee - bd chair	11/18/05	32649	\$ 100.00
269	204380	James N Grant	special bd mtg fee	11/18/05	32649	\$ 300.00
270	204380	James N Grant	Mtg exp - bd	11/18/05	32649	\$ 1.00
271	204380	James N Grant	Mileage	11/18/05	32649	\$ 97.49
272	204608	James N Grant	Monthly retainer	11/18/05	32649	\$ 200.00
273	205670	James N Grant	Monthly retainer	12/16/05	33279	\$ 200.00
274	205809	James N Grant	Seminar mtg fee	12/16/05	33279	\$ 500.00
275	205809	James N Grant	seminar mtg exp	12/16/05	33279	\$ 448.25
276	205809	James N Grant	Mileage	12/16/05	33279	\$ 162.00
277	205810	James N Grant	Mtg fee - bd	12/16/05	33279	\$ 650.00
278	205810	James N Grant	Add'l mtg fee - bd chair	12/16/05	33279	\$ 100.00
279	205810	James N Grant	BREC mtg fee	12/16/05	33279	\$ 200.00
280	205810	James N Grant	Telephone mtg fee	12/16/05	33279	\$ 100.00
281	205810	James N Grant	Mtg exp - bd	12/16/05	33279	\$ 2.00
282	205810	James N Grant	Mileage	12/16/05	33279	\$ 130.96
283	193269	NRECA	Annual Director's Conf - Mitchell/Grant	04/01/05	25608	\$ 1,200.00
284	203627	NRECA	2005 Bd Chair Wkshp - Grant	10/28/05	32136	\$ 495.00
285	192003	Visa	NRECA Director's Conf - Mitchell/Grant	02/25/05	24819	\$ 107.91
286	205492	Visa	Reservation - J Grant (did not attend)	12/09/05	33189	\$ 117.66
287			Total James N Grant			\$ 17,517.20
288						
289	190276	RC Johnson	Mtg fee - bd	01/14/05	23820	\$ 100.00
290	190276	RC Johnson	Mileage	01/14/05	23820	\$ 29.97
291	190276	RC Johnson	Mtg exp - bd	01/14/05	23820	\$ 1.00
292	191267	RC Johnson	Mtg fee - bd	02/18/05	24576	\$ 100.00
293	191267	RC Johnson	Mtg exp - bd	02/18/05	24576	\$ 2.00
294	191267	RC Johnson	Mileage	02/18/05	24576	\$ 58.32
295	192502	RC Johnson	Mtg fee - bd	03/18/05	25242	\$ 100.00
296	192502	RC Johnson	Mtg exp - bd	03/18/05	25242	\$ 1.00
297	192502	RC Johnson	Mileage	03/18/05	25242	\$ 29.97
298	193835	RC Johnson	Mtg fee - bd	04/15/05	25879	\$ 100.00
299	193835	RC Johnson	Mtg exp - bd	04/15/05	25879	\$ 2.00
300	193835	RC Johnson	Mileage	04/15/05	25879	\$ 58.32
301	195135	RC Johnson	Mtg fee - bd	05/20/05	26688	\$ 100.00
302	195135	RC Johnson	Mtg exp - bd	05/20/05	26688	\$ 1.00
303	195135	RC Johnson	Mileage	05/20/05	26688	\$ 29.97
304	196272	RC Johnson	Mtg fee - bd	06/17/05	27436	\$ 100.00

Amounts in shaded areas excluded for rate-making purposes.

Every other page is an extension of previous page totals.

KENERGY												
CASE NO. 2006-00369												
ACCOUNT 930.210 - BOARD OF DIRECTORS												
FOR 12 MONTHS ENDED DECEMBER 31, 2005												
Line No.	Directors Emeritus	Chair Fee	Non Del/Ait Assoc Mtg exp	Other mtg Fee	Monthly Retainer	Director Bd fees	Del/Ait Assoc Exp	MRC	KAEC Bd Mtg Exp Cox	Other		
267						650.00						
268		100.00										
269				300.00								
270												
271												1.00
272					200.00							97.49
273					200.00							
274				500.00								
275							448.25					
276												162.00
277						650.00						
278		100.00										
279				200.00								
280				100.00								
281												2.00
282												130.96
283							1,200.00					
284							495.00					
285							107.91					
286			117.66									
287	Grant	500.00	117.66	2,600.00	4,650.00	5,550.00	3,022.93	-	-			1,076.61
288												
289	100.00											29.97
290												1.00
291												
292	100.00											2.00
293												58.32
294												
295	100.00											1.00
296												29.97
297												
298	100.00											2.00
299												58.32
300												
301	100.00											1.00
302												29.97
303												
304	100.00											2.00
												58.32
												1.00
												29.97

Amounts in shaded areas excluded for rate-making purposes.

KEN jY		CASE NO. 2006-00369		ACCOUNT 930.210 - BOARD OF DIRECTORS		FOR 12 MONTHS ENDED DECEMBER 31, 2005	
Line	Control	Vendor Name	Description	Date Paid	Check #	Dollar Amount	
305	196272	RC Johnson	Mtg exp - bd	06/17/05	27436	\$ 2.00	
306	196272	RC Johnson	Mileage	06/17/05	27436	\$ 58.32	
307	197926	RC Johnson	Mtg fee - bd	07/15/05	28158	\$ 100.00	
308	197926	RC Johnson	Mtg exp - bd	07/15/05	28158	\$ 1.00	
309	197926	RC Johnson	Mileage	07/15/05	28158	\$ 20.25	
310	199295	RC Johnson	Mtg fee - bd	08/19/05	29037	\$ 100.00	
311	199295	RC Johnson	Mtg exp - bd	08/19/05	29037	\$ 1.00	
312	199295	RC Johnson	Mileage	08/19/05	29037	\$ 29.97	
313	201624	RC Johnson	Mtg fee - bd	09/16/05	30461	\$ 100.00	
314	201624	RC Johnson	Mtg exp - bd	09/16/05	30461	\$ 2.00	
315	201624	RC Johnson	Mileage	09/16/05	30461	\$ 69.84	
316	203253	RC Johnson	Mtg fee - bd	10/21/05	31880	\$ 100.00	
317	203253	RC Johnson	Mtg exp - bd	10/21/05	31880	\$ 1.00	
318	203253	RC Johnson	Mileage	10/21/05	31880	\$ 35.89	
319	204377	RC Johnson	Mtg fee - bd	11/18/05	32682	\$ 100.00	
320	204377	RC Johnson	Mtg exp - bd	11/18/05	32682	\$ 1.00	
321	204377	RC Johnson	Mileage	11/18/05	32682	\$ 35.89	
322	205805	RC Johnson	Mtg fee - bd	12/16/05	33292	\$ 100.00	
323	205805	RC Johnson	Mtg exp - bd	12/16/05	33292	\$ 2.00	
324	205805	RC Johnson	Mileage	12/16/05	33292	\$ 69.84	
325				Total RC Johnson		\$ 1,743.55	
326							
327	190160	Michael Maloney	Monthly retainer	01/14/05	23838	\$ 650.00	
328	190268	Michael Maloney	Mtg fee - bd	01/14/05	23838	\$ 200.00	
329	190268	Michael Maloney	Evaluation mtg fee	01/14/05	23838	\$ 200.00	
330	190268	Michael Maloney	Mileage	01/14/05	23838	\$ 44.55	
331	190268	Michael Maloney	Mtg exp - bd	01/14/05	23838	\$ 1.00	
332	191269	Michael Maloney	Mtg fee - bd	02/18/05	24588	\$ 200.00	
333	191269	Michael Maloney	Mtg exp - bd	02/18/05	24588	\$ 1.00	
334	191284	Michael Maloney	Monthly retainer	02/18/05	24588	\$ 650.00	
335	192530	Michael Maloney	Mtg fee - bd	03/18/05	103864	\$ 200.00	
336	192530	Michael Maloney	Mtg exp - bd	03/18/05	103864	\$ 1.00	
337	192530	Michael Maloney	Mileage	03/18/05	103864	\$ 44.55	
338	192683	Michael Maloney	Monthly retainer	03/18/05	103864	\$ 650.00	
339	193737	Michael Maloney	Monthly retainer	04/15/05	103909	\$ 650.00	
340	193813	Michael Maloney	Mtg fee - bd	04/15/05	103909	\$ 200.00	
341	193813	Michael Maloney	Mtg exp - bd	04/15/05	103909	\$ 1.00	
342	193813	Michael Maloney	Mileage	04/15/05	103909	\$ 32.40	

Amounts in shaded areas excluded for rate-making purposes.

Every other page is an extension of previous page totals.

KENERGY												
CASE NO. 2006-00369												
ACCOUNT 930.210 - BOARD OF DIRECTORS												
FOR 12 MONTHS ENDED DECEMBER 31, 2005												
Line No.	Directors Emeritus	Chair Fee	Non Del/Alt Assoc Mtg exp	Other mtg Fee	Monthly Retainer	Director Bd fees	Del/Alt Assoc Exp	MRC	KAEC Bd Mtg Exp	Cox	Other	
305											2.00	
306											58.32	
307	100.00											
308											1.00	
309	100.00										20.25	
310												
311											1.00	
312											29.97	
313	100.00											
314											2.00	
315	100.00										69.84	
316												
317											1.00	
318											35.89	
319	100.00											
320											1.00	
321											35.89	
322	100.00											
323											2.00	
324											69.84	
325	1,200.00										543.55	
326												
327					650.00							
328						200.00						
329				200.00								
330											44.55	
331											1.00	
332						200.00						
333											1.00	
334					650.00							
335						200.00						
336											1.00	
337											44.55	
338					650.00							
339					650.00							
340												
341						200.00						
342											1.00	
											32.40	

Amounts in shaded areas excluded for rate-making purposes.

KEN...GY

CASE NO. 2006-00369

ACCOUNT 930.210 - BOARD OF DIRECTORS
FOR 12 MONTHS ENDED DECEMBER 31, 2005

Line No.	Control Number	Vendor Name	Description	Date Paid	Check #	Dollar Amount
343	195124	Michael Maloney	Monthly retainer	05/20/05	103961	\$ 650.00
344	195128	Michael Maloney	Mtg fee - bd	05/20/05	103961	\$ 200.00
345	195128	Michael Maloney	Mtg exp - bd	05/20/05	103961	\$ 1.00
346	195128	Michael Maloney	Mileage	05/20/05	103961	\$ 32.40
347	196270	Michael Maloney	Monthly retainer	06/17/05	104000	\$ 200.00
348	197758	Michael Maloney	Monthly retainer	07/15/05	104041	\$ 200.00
349	199497	Michael Maloney	Mtg fee - bd	08/19/05	29047	\$ 650.00
350	199497	Michael Maloney	Mtg exp - bd	08/19/05	29047	\$ 1.00
351	199497	Michael Maloney	Mileage	08/19/05	29047	\$ 44.55
352	199287	Michael Maloney	Monthly retainer	08/19/05	104087	\$ 200.00
353	201312	Michael Maloney	Monthly retainer	09/16/05	104131	\$ 200.00
354	203238	Michael Maloney	Mtg fee - bd	10/21/05	104176	\$ 650.00
355	203238	Michael Maloney	Telephone mtg fee	10/21/05	104176	\$ 100.00
356	203238	Michael Maloney	Mileage	10/21/05	104176	\$ 53.35
357	203336	Michael Maloney	Monthly retainer	10/21/05	104176	\$ 200.00
358	204383	Michael Maloney	Mtg fee - bd	11/18/05	104226	\$ 650.00
359	204383	Michael Maloney	Mtg exp - bd	11/18/05	104226	\$ 1.00
360	204383	Michael Maloney	Mileage	11/18/05	104226	\$ 53.35
361	204609	Michael Maloney	Monthly retainer	11/18/05	104226	\$ 200.00
362	205671	Michael Maloney	Monthly retainer	12/16/05	104271	\$ 200.00
363	205811	Michael Maloney	Mtg fee - bd	12/16/05	104271	\$ 650.00
364	205811	Michael Maloney	Telephone mtg fee	12/16/05	104271	\$ 100.00
365	205811	Michael Maloney	Mtg exp - bd	12/16/05	104271	\$ 1.00
366				Total Michael Maloney		\$ 8,963.15
367						
368	190157	Christopher Mitchell	Monthly retainer	01/14/05	23847	\$ 650.00
369	190274	Christopher Mitchell	Mtg fee - bd	01/14/05	23847	\$ 200.00
370	190274	Christopher Mitchell	Evaluation mtg fee	01/14/05	23847	\$ 200.00
371	190274	Christopher Mitchell	Mileage	01/14/05	23847	\$ 50.22
372	191265	Christopher Mitchell	Mtg fee - bd	02/18/05	24591	\$ 200.00
373	191265	Christopher Mitchell	Mileage	02/18/05	24591	\$ 25.11
374	191281	Christopher Mitchell	Monthly retainer	02/18/05	24591	\$ 650.00
375	192499	Christopher Mitchell	Mtg fee - bd	03/18/05	25262	\$ 200.00
376	192499	Christopher Mitchell	Mileage	03/18/05	25262	\$ 25.11
377	192680	Christopher Mitchell	Monthly retainer	03/18/05	25262	\$ 650.00
378	193734	Christopher Mitchell	Monthly retainer	04/15/05	25892	\$ 650.00
379	193841	Christopher Mitchell	Mtg fee - bd	04/15/05	25892	\$ 200.00
380	193841	Christopher Mitchell	Mileage	04/15/05	25892	\$ 25.11

Amounts in shaded areas excluded for rate-making purposes.

Every other page is an extension of previous page totals.

KENERGY												
CASE NO. 2006-00369												
ACCOUNT 930.210 - BOARD OF DIRECTORS												
FOR 12 MONTHS ENDED DECEMBER 31, 2005												
Line No.	Directors Emeritus	Chair Fee	Non Del/Ait Assoc Mtg exp	Other mtg Fee	Monthly Retainer	Director Bd fees	Del/Ait Assoc Exp	MRC	KAEC Bd Mtg Exp Cox	Other		
343					650.00	200.00						
344										1.00		
345					200.00					32.40		
346					200.00							
347												
348												
349						650.00						
350										1.00		
351										44.55		
352					200.00							
353					200.00							
354												
355				100.00		650.00						
356												
357					200.00					53.35		
358						650.00						
359										1.00		
360										53.35		
361					200.00							
362					200.00							
363												
364				100.00		650.00						
365												
366	Maloney	-	-	400.00	4,650.00	3,600.00	-	-	-	1.00		
367										313.15		
368					650.00							
369						200.00						
370				200.00								
371												
372						200.00				50.22		
373												
374					650.00							
375						200.00						
376												
377					650.00					25.11		
378					650.00							
379						200.00						
380												25.11

Amounts in shaded areas excluded for rate-making purposes.

KEN. 2006-2007									
CASE NO. 2006-00369									
ACCOUNT 930.210 - BOARD OF DIRECTORS									
FOR 12 MONTHS ENDED DECEMBER 31, 2005									
Line No.	Control Number	Vendor Name	Description	Date Paid	Check #	Dollar Amount			
381	193843	Christopher Mitchell	NRECA DIR CONF FEE	04/15/05	25892	\$ 900.00			
382	193843	Christopher Mitchell	NRECA DIR CONF EXP	04/15/05	25892	\$ 1,004.52			
383	193843	Christopher Mitchell	Mileage	04/15/05	25892	\$ 50.22			
384	194112	Christopher Mitchell	NRECA DIR CONF EXP	04/22/05	26038	\$ 39.97			
385	195121	Christopher Mitchell	Monthly retainer	05/20/05	26706	\$ 650.00			
386	195132	Christopher Mitchell	Mtg fee - bd	05/20/05	26706	\$ 200.00			
387	195132	Christopher Mitchell	Mileage	05/20/05	26706	\$ 25.11			
388	196267	Christopher Mitchell	Monthly retainer	06/17/05	27457	\$ 200.00			
389	196277	Christopher Mitchell	Mtg fee - bd	06/17/05	27457	\$ 650.00			
390	196277	Christopher Mitchell	Mileage	06/17/05	27457	\$ 25.11			
391	197755	Christopher Mitchell	Monthly retainer	07/15/05	28176	\$ 200.00			
392	197925	Christopher Mitchell	Mtg fee - bd	07/15/05	28176	\$ 650.00			
393	197925	Christopher Mitchell	Mileage	07/15/05	28176	\$ 48.60			
394	199284	Christopher Mitchell	Monthly retainer	08/19/05	29052	\$ 200.00			
395	199298	Christopher Mitchell	Mtg fee - bd	08/19/05	29052	\$ 650.00			
396	199298	Christopher Mitchell	Mileage	08/19/05	29052	\$ 25.11			
397	201309	Christopher Mitchell	Monthly retainer	09/16/05	30544	\$ 200.00			
398	201618	Christopher Mitchell	Mtg fee - bd	09/16/05	30544	\$ 650.00			
399	201618	Christopher Mitchell	Mileage	09/16/05	30544	\$ 30.07			
400	203249	Christopher Mitchell	Mtg fee - bd	10/21/05	31903	\$ 650.00			
401	203249	Christopher Mitchell	BREC mtg fee	10/21/05	31903	\$ 200.00			
402	203249	Christopher Mitchell	Mileage	10/21/05	31903	\$ 30.07			
403	203333	Christopher Mitchell	Monthly retainer	10/21/05	31903	\$ 200.00			
404	204382	Christopher Mitchell	Mtg fee - bd	11/18/05	32710	\$ 650.00			
405	204382	Christopher Mitchell	special bd mtg fee	11/18/05	32710	\$ 200.00			
406	204382	Christopher Mitchell	Mileage	11/18/05	32710	\$ 93.12			
407	204606	Christopher Mitchell	Monthly retainer	11/18/05	32710	\$ 200.00			
408	205668	Christopher Mitchell	Monthly retainer	12/16/05	33307	\$ 200.00			
409	205801	Christopher Mitchell	Mtg fee - bd	12/16/05	33307	\$ 650.00			
410	205801	Christopher Mitchell	BREC mtg fee	12/16/05	33307	\$ 200.00			
411	205801	Christopher Mitchell	Telephone mtg fee	12/16/05	33307	\$ 100.00			
412	205801	Christopher Mitchell	KAEC mtg fee	12/16/05	33307	\$ 500.00			
413	205801	Christopher Mitchell	KAEC mtg exp	12/16/05	33307	\$ 278.41			
414	205801	Christopher Mitchell	Mileage	12/16/05	33307	\$ 229.90			
415	205801	Christopher Mitchell	MRC mileage	12/16/05	33307	\$ 58.20			
416	193269	NRECA	Annual Director's Conf - Mitchell/Grant	04/01/05	25608	\$ 1,200.00			
417	205149	Visa	KAEC Annual Mtg - Smith/Powell/Eider/Mitchell	11/23/05	32924	\$ 95.08			
418	192003	Visa	NRECA Director's Conf - Mitchell/Grant	02/25/05	24819	\$ 107.91			

Amounts in shaded areas excluded for rate-making purposes.

KEN. 2Y									
CASE NO. 2006-00369									
ACCOUNT 930.210 - BOARD OF DIRECTORS									
FOR 12 MONTHS ENDED DECEMBER 31, 2005									
Line	Control	Vendor Name	Description	Date	Check #	Dollar			
No.	Number			Paid		Amount			
419							Total Christopher Mitchell		\$ 15,966.95
420									
421	190854	NRECA	NRECA Annual Mtg reg Smith/Powell/Wood/Cox	01/27/05	24037	\$ 475.00			
422	190158	S Randolph Powell	Monthly retainer	01/14/05	23865	\$ 650.00			
423	190270	S Randolph Powell	Mtg fee - bd	01/14/05	23865	\$ 200.00			
424	190270	S Randolph Powell	Evaluation mtg fee	01/14/05	23865	\$ 200.00			
425	190270	S Randolph Powell	Mileage	01/14/05	23865	\$ 25.92			
426	191263	S Randolph Powell	Mtg fee - bd	02/18/05	24602	\$ 200.00			
427	191263	S Randolph Powell	Mileage	02/18/05	24602	\$ 12.96			
428	191282	S Randolph Powell	Monthly retainer	02/18/05	24602	\$ 650.00			
429	192681	S Randolph Powell	Monthly retainer	03/18/05	25271	\$ 650.00			
430	192699	S Randolph Powell	Mtg fee - bd	03/18/05	25271	\$ 200.00			
431	192699	S Randolph Powell	NRECA ANNUAL MTG FEE	03/18/05	25271	\$ 700.00			
432	192699	S Randolph Powell	Mileage	03/18/05	25271	\$ 178.20			
433	192699	S Randolph Powell	NRECA ANNUAL MTG EXP	03/18/05	25271	\$ 1,160.60			
434	193735	S Randolph Powell	Monthly retainer	04/15/05	25909	\$ 650.00			
435	193834	S Randolph Powell	Mtg fee - bd	04/15/05	25909	\$ 200.00			
436	193834	S Randolph Powell	COMMITTEE MTG FEE	04/15/05	25909	\$ 200.00			
437	193834	S Randolph Powell	Mileage	04/15/05	25909	\$ 25.92			
438	195122	S Randolph Powell	Monthly retainer	05/20/05	26721	\$ 650.00			
439	195136	S Randolph Powell	Mtg fee - bd	05/20/05	26721	\$ 200.00			
440	195136	S Randolph Powell	Mileage	05/20/05	26721	\$ 12.96			
441	196268	S Randolph Powell	Monthly retainer	06/17/05	27475	\$ 200.00			
442	196281	S Randolph Powell	Mtg fee - bd	06/17/05	27475	\$ 650.00			
443	196281	S Randolph Powell	Mileage	06/17/05	27475	\$ 12.96			
444	197756	S Randolph Powell	Monthly retainer	07/15/05	28200	\$ 200.00			
445	197927	S Randolph Powell	Mtg fee - bd	07/15/05	28200	\$ 650.00			
446	197927	S Randolph Powell	UUS MTG FEE	07/15/05	28200	\$ 200.00			
447	197927	S Randolph Powell	UUS MTG EXP	07/15/05	28200	\$ 7.37			
448	197927	S Randolph Powell	Mileage	07/15/05	28200	\$ 117.04			
449	199285	S Randolph Powell	Monthly retainer	08/19/05	29065	\$ 200.00			
450	199291	S Randolph Powell	Mtg fee - bd	08/19/05	29065	\$ 650.00			
451	199291	S Randolph Powell	Mileage	08/19/05	29065	\$ 12.96			
452	201310	S Randolph Powell	Monthly retainer	09/16/05	30612	\$ 200.00			
453	201621	S Randolph Powell	Mtg fee - bd	09/16/05	30612	\$ 650.00			
454	201621	S Randolph Powell	Weyerhaeuser mtg fee	09/16/05	30612	\$ 200.00			
455	201621	S Randolph Powell	Mileage	09/16/05	30612	\$ 66.45			
456	203251	S Randolph Powell	Mtg fee - bd	10/21/05	31919	\$ 650.00			

Amounts in shaded areas excluded for rate-making purposes.

Every other page is an extension of previous page totals.

KENERGY												
CASE NO. 2006-00369												
ACCOUNT 930.210 - BOARD OF DIRECTORS												
FOR 12 MONTHS ENDED DECEMBER 31, 2005												
Line No.	Director Emeritus	Chair Fee	Non Del/Alt Assoc Mtg exp	Other mtg Fee	Monthly Retainer	Director Bd fees	Del/Alt Assoc Exp	MRC	KAEC Bd Mtg Exp Cox	Other		
419	Mitchell	-	373.49	2,300.00	4,650.00	5,550.00	2,352.40	58.20	-	682.86		
420												
421					650.00		475.00					
422						200.00						
423				200.00								
424												
425										25.92		
426						200.00						
427												
428					650.00					12.96		
429					650.00							
430												
431				700.00		200.00						
432												
433							1,160.60			178.20		
434					650.00							
435						200.00						
436				200.00								
437												
438					650.00					25.92		
439						200.00						
440												
441					200.00					12.96		
442												
443						650.00						
444					200.00							
445					200.00							
446				200.00								
447							7.37					
448												
449					200.00					117.04		
450						650.00						
451					200.00							
452												
453					200.00					12.96		
454				200.00								
455												
456						650.00				66.45		

Amounts in shaded areas excluded for rate-making purposes.

KENL...3Y

CASE NO. 2006-00369

ACCOUNT 930.210 - BOARD OF DIRECTORS
FOR 12 MONTHS ENDED DECEMBER 31, 2005

Line No.	Control Number	Vendor Name	Description	Date Paid	Check #	Dollar Amount
457	203251	S Randolph Powell	Mileage	10/21/05	31919	\$ 15.52
458	203334	S Randolph Powell	Monthly retainer	10/21/05	31919	\$ 200.00
459	204375	S Randolph Powell	Mtg fee - bd	11/18/05	32733	\$ 650.00
460	204375	S Randolph Powell	special bd mtg fee	11/18/05	32733	\$ 200.00
461	204375	S Randolph Powell	Mileage	11/18/05	32733	\$ 66.44
462	204607	S Randolph Powell	Monthly retainer	11/18/05	32733	\$ 200.00
463	205669	S Randolph Powell	Monthly retainer	12/16/05	33322	\$ 200.00
464	205802	S Randolph Powell	Mtg fee - bd	12/16/05	33322	\$ 650.00
465	205802	S Randolph Powell	BREC mtg fee	12/16/05	33322	\$ 200.00
466	205802	S Randolph Powell	Telephone mtg fee	12/16/05	33322	\$ 100.00
467	205802	S Randolph Powell	KAEC mtg fee	12/16/05	33322	\$ 500.00
468	205802	S Randolph Powell	KAEC mtg exp	12/16/05	33322	\$ 285.48
469	205802	S Randolph Powell	Mileage	12/16/05	33322	\$ 182.36
470	205832	S Randolph Powell	MRC mileage	12/16/05	33322	\$ 47.53
471	205149	Visa	KAEC Annual Mtg - Smith/Powell/Elder/Mitchell	11/23/05	32924	\$ 95.08
472	199052	Visa	NRECA Regional Mtg Reserv - VWood/Powell	08/05/05	28799	\$ 147.06
473	192990	Visa	NRECA Annual mtg exp Cox/Powell/Smith/VWood/Elder	03/25/05	25471	\$ 74.52
474	206718	Visa	Service Award - Powell	01/06/06	33812	\$ 100.00
475	206238	Visa	Service Award - Powell	12/30/05	33653	\$ 400.00
476			Total S Randolph Powell			\$ 16,222.33
477						
478	190152	William Reid	Monthly retainer	01/14/05	23871	\$ 650.00
479	191276	William Reid	Monthly retainer	02/18/05	24604	\$ 650.00
480	192504	William Reid	Mtg fee - bd	03/18/05	25278	\$ 200.00
481	192504	William Reid	EVALUATION MTG FEE	03/18/05	25278	\$ 200.00
482	192504	William Reid	Mileage	03/18/05	25278	\$ 34.43
483	192675	William Reid	Monthly retainer	03/18/05	25278	\$ 650.00
484	193729	William Reid	Monthly retainer	04/15/05	25916	\$ 650.00
485	193842	William Reid	Mtg fee - bd	04/15/05	25916	\$ 200.00
486	193842	William Reid	Mileage	04/15/05	25916	\$ 34.42
487	195116	William Reid	Monthly retainer	05/20/05	26727	\$ 650.00
488	195130	William Reid	Mtg fee - bd	05/20/05	26727	\$ 200.00
489	196262	William Reid	Monthly retainer	06/17/05	27480	\$ 200.00
490	196280	William Reid	Mtg fee - bd	06/17/05	27480	\$ 650.00
491	197750	William Reid	Monthly retainer	07/15/05	28206	\$ 200.00
492	197885	William Reid	Mtg fee - bd	07/15/05	28206	\$ 650.00
493	199279	William Reid	Monthly retainer	08/19/05	29070	\$ 200.00
494	199294	William Reid	Mtg fee - bd	08/19/05	29070	\$ 650.00

Amounts in shaded areas excluded for rate-making purposes.

Every other page is an extension of previous page totals.

ENERGY												
CASE NO. 2006-00369												
ACCOUNT 930.210 - BOARD OF DIRECTORS												
FOR 12 MONTHS ENDED DECEMBER 31, 2005												
Line No.	Directors Emeritus	Chair Fee	Non Del/Alt Assoc Mtg exp	Other mtg Fee	Monthly Retainer	Director Bd fees	Del/Alt Assoc Exp	MRC	KAEC Bd Mtg Exp Cox	Other		
457					200.00					15.52		
458					200.00	650.00						
459				200.00								
460					200.00					66.44		
461					200.00							
462					200.00							
463					200.00							
464					200.00	650.00						
465				200.00								
466				100.00								
467				500.00								
468			285.48									
469												
470								47.53		182.36		
471			95.08									
472							147.06					
473							74.52					
474										100.00		
475										400.00		
476	Powell		380.56	2,500.00	4,650.00	5,550.00	1,864.55	47.53	-	1,229.69		
477												
478					650.00							
479					650.00							
480						200.00						
481				200.00								
482												
483					650.00					34.43		
484					650.00							
485						200.00						
486					650.00							
487										34.42		
488					650.00							
489					200.00							
490					200.00							
491					200.00							
492					200.00							
493					200.00							
494					200.00							

Amounts in shaded areas excluded for rate-making purposes.

KENL...Y									
CASE NO. 2006-00369									
ACCOUNT 930.210 - BOARD OF DIRECTORS									
FOR 12 MONTHS ENDED DECEMBER 31, 2005									
Line	Control	Vendor Name	Description	Date	Check #	Dollar			
No.	Number			Paid		Amount			
495	201304	William Reid	Monthly retainer	09/16/05	30624	\$ 200.00			
496	201620	William Reid	Mtg fee - bd	09/16/05	30624	\$ 650.00			
497	201620	William Reid	Mileage	09/16/05	30624	\$ 41.23			
498	203250	William Reid	Mtg fee - bd	10/21/05	31924	\$ 650.00			
499	203250	William Reid	BREC mtg fee	10/21/05	31924	\$ 200.00			
500	203328	William Reid	Monthly retainer	10/21/05	31924	\$ 200.00			
501	204378	William Reid	Mtg fee - bd	11/18/05	32738	\$ 650.00			
502	204378	William Reid	special bd mtg fee	11/18/05	32738	\$ 200.00			
503	204378	William Reid	Mileage	11/18/05	32738	\$ 41.22			
504	204601	William Reid	Monthly retainer	11/18/05	32738	\$ 200.00			
505	205663	William Reid	Monthly retainer	12/16/05	33326	\$ 200.00			
506	205804	William Reid	Mtg fee - bd	12/16/05	33326	\$ 650.00			
507	205804	William Reid	BREC mtg fee	12/16/05	33326	\$ 200.00			
508	205804	William Reid	Telephone mtg fee	12/16/05	33326	\$ 100.00			
509	205804	William Reid	Mileage	12/16/05	33326	\$ 41.22			
510			Total William Reid			\$ 10,892.52			
511									
512	190151	Dr HM Smith	Monthly retainer	01/14/05	23884	\$ 650.00			
513	190272	Dr HM Smith	Mtg fee - bd	01/14/05	23884	\$ 200.00			
514	190272	Dr HM Smith	Evaluation mtg fee	01/14/05	23884	\$ 200.00			
515	190272	Dr HM Smith	Mileage	01/14/05	23884	\$ 34.02			
516	191275	Dr HM Smith	Monthly retainer	02/17/05	103822	\$ 650.00			
517	191465	Dr HM Smith	Mtg fee - bd	02/17/05	103822	\$ 200.00			
518	191465	Dr HM Smith	Mileage	02/17/05	103822	\$ 17.01			
519	192673	Dr HM Smith	Mtg fee - bd	03/18/05	103862	\$ 200.00			
520	192673	Dr HM Smith	NRECA ANNUAL MTG FEE	03/18/05	103862	\$ 900.00			
521	192673	Dr HM Smith	NRECA Annual mtg exp	03/18/05	103862	\$ 1,011.26			
522	192673	Dr HM Smith	Mileage	03/18/05	103862	\$ 53.47			
523	192674	Dr HM Smith	Monthly retainer	03/18/05	103862	\$ 650.00			
524	193950	Dr HM Smith	NRECA Annual Mtg - Spouse	05/20/05	103960	\$ (28.00)			
525	193728	Dr HM Smith	Monthly retainer	04/15/05	103907	\$ 650.00			
526	193815	Dr HM Smith	Mtg fee - bd	04/15/05	103907	\$ 200.00			
527	193815	Dr HM Smith	COMMITTEE MTG FEE	04/15/05	103907	\$ 200.00			
528	193815	Dr HM Smith	Mileage	04/15/05	103907	\$ 34.02			
529	194894	Dr HM Smith	Legislative Conf Fee	05/20/05	103960	\$ 600.00			
530	194894	Dr HM Smith	Legislative conf exp	05/20/05	103960	\$ 1,064.54			
531	194894	Dr HM Smith	Mileage	05/20/05	103960	\$ 36.46			
532	195115	Dr HM Smith	Monthly retainer	05/20/05	103960	\$ 650.00			

Amounts in shaded areas excluded for rate-making purposes.

Every other page is an extension of previous page totals.

^ENERGY												
CASE NO. 2006-00369												
ACCOUNT 930.210 - BOARD OF DIRECTORS												
FOR 12 MONTHS ENDED DECEMBER 31, 2005												
Line No.	Directors Emeritus	Chair Fee	Non Del/Alt Assoc Mtg exp	Other mtg Fee	Monthly Retainer	Director Bd fees	Del/Alt Assoc Exp	MRC	KAEC Bd Mtg Exp	Cox	Other	
495					200.00	650.00						
496						650.00					41.23	
497												
498				200.00								
499					200.00							
500						650.00						
501												
502												
503											41.22	
504					200.00							
505					200.00							
506						650.00						
507												
508				200.00							41.22	
509				100.00								
510	Reid			900.00	4,650.00	5,150.00					192.52	
511												
512					650.00							
513						200.00						
514				200.00								
515											34.02	
516					650.00							
517						200.00						
518											17.01	
519						200.00						
520				900.00								
521			1,011.26									
522											53.47	
523			(28.00)									
524					650.00							
525					650.00							
526						200.00						
527												
528				200.00							34.02	
529				600.00								
530							1,064.54					
531												
532					650.00						36.46	

Amounts in shaded areas excluded for rate-making purposes.

KENE. Y						
CASE NO. 2006-00369						
ACCOUNT 930.210 - BOARD OF DIRECTORS						
FOR 12 MONTHS ENDED DECEMBER 31, 2005						
Line	Control	Vendor Name	Description	Date Paid	Check #	Dollar Amount
533	195126	Dr HM Smith	Mtg fee - bd	05/20/05	103960	\$ 200.00
534	195126	Dr HM Smith	Mileage	05/20/05	103960	\$ 17.01
535	196260	Dr HM Smith	Monthly retainer	06/17/05	103997	\$ 200.00
536	196276	Dr HM Smith	Mtg fee - bd	06/17/05	103997	\$ 650.00
537	196276	Dr HM Smith	Mileage	06/17/05	103997	\$ 17.01
538	197749	Dr HM Smith	Monthly retainer	07/15/05	104042	\$ 200.00
539	197924	Dr HM Smith	Mtg fee - bd	07/15/05	104042	\$ 650.00
540	197924	Dr HM Smith	Mileage	07/15/05	104042	\$ 64.80
541	199278	Dr HM Smith	Monthly retainer	08/19/05	104085	\$ 200.00
542	199300	Dr HM Smith	Mtg fee - bd	08/19/05	104085	\$ 650.00
543	199300	Dr HM Smith	Mileage	08/19/05	104085	\$ 17.01
544	201605	Dr HM Smith	Mileage	09/16/05	104128	\$ 20.37
545	201303	Dr HM Smith	Monthly retainer	09/16/05	104128	\$ 200.00
546	201605	Dr HM Smith	Mtg fee - bd	09/16/05	104128	\$ 650.00
547	203239	Dr HM Smith	Mtg fee - bd	10/21/05	104174	\$ 650.00
548	203239	Dr HM Smith	BREC mtg fee	10/21/05	104174	\$ 200.00
549	203239	Dr HM Smith	Mileage	10/21/05	104174	\$ 40.74
550	203327	Dr HM Smith	Monthly retainer	10/21/05	104174	\$ 200.00
551	204385	Dr HM Smith	Mtg fee - bd	11/18/05	104225	\$ 650.00
552	204385	Dr HM Smith	special bd mtg fee	11/18/05	104225	\$ 200.00
553	204385	Dr HM Smith	Mileage	11/18/05	104225	\$ 73.72
554	204600	Dr HM Smith	Monthly retainer	11/18/05	104225	\$ 200.00
555	204915	Dr HM Smith	KAEC Annual Mtg fee	11/18/05	104225	\$ 500.00
556	204915	Dr HM Smith	KAEC Annual Mtg exp	11/18/05	104225	\$ 300.60
557	204915	Dr HM Smith	Mileage	11/18/05	104225	\$ 155.20
558	205662	Dr HM Smith	Monthly retainer	12/16/05	104269	\$ 200.00
559	205813	Dr HM Smith	Mtg fee - bd	12/16/05	104269	\$ 650.00
560	205813	Dr HM Smith	BREC mtg fee	12/16/05	104269	\$ 200.00
561	205813	Dr HM Smith	Telephone mtg fee	12/16/05	104269	\$ 100.00
562	205813	Dr HM Smith	Mileage	12/16/05	104269	\$ 40.74
563	205813	Dr HM Smith	MRC mileage	12/16/05	104269	\$ 53.35
564	197344	KAEC	Congressional Brkfst - Smith/Wood	07/15/05	28159	\$ 35.00
565	190561	NRECA	Adv Rate Decisions - HM Smith	01/21/05	23991	\$ 475.00
566	190854	NRECA	NRECA Annual Mtg reg Smith/Powell/Wood/Cox	01/27/05	24037	\$ 503.00
567	194017	Sturgis Chamber of Commerce	Dinner Banquet - Smith	04/22/05	26075	\$ 15.00
568	205149	Visa	KAEC Annual Mtg - Smith/Powell/Elder/Mitchell	11/23/05	32924	\$ 95.08
569	192990	Visa	NRECA Annual mtg exp Cox/Powell/Smith/Wood/Elder	03/25/05	25471	\$ 49.67
570	195757	Visa	NRECA Legis Conf - Smith	05/27/05	26972	\$ 188.41

Amounts in shaded areas excluded for rate-making purposes.

Every other page is an extension of previous page totals.

KENERGY												
CASE NO. 2006-00369												
ACCOUNT 930.210 - BOARD OF DIRECTORS												
FOR 12 MONTHS ENDED DECEMBER 31, 2005												
Line No.	Directors Emeritus	Chair Fee	Non Del/Alt Assoc Mtg exp	Other mtg Fee	Monthly Retainer	Director Bd fees	Del/Alt Assoc Exp	MRC	KAEC Bd Mtg Exp Cox	Other		
533					200.00	200.00				17.01		
534					200.00	650.00				17.01		
535					200.00	650.00				64.80		
536					200.00	650.00				17.01		
537					200.00	650.00				20.37		
538					200.00	650.00						
539					200.00	650.00						
540					200.00	650.00						
541					200.00	650.00						
542					200.00	650.00						
543					200.00	650.00						
544					200.00	650.00						
545					200.00	650.00						
546					200.00	650.00						
547					200.00	650.00						
548				200.00	200.00	650.00						
549					200.00	650.00						
550					200.00	650.00						
551					200.00	650.00						
552					200.00	650.00						
553					200.00	650.00						
554					200.00	650.00						
555				500.00	200.00	650.00						
556			300.60		200.00	650.00						
557					200.00	650.00						
558					200.00	650.00						
559					200.00	650.00						
560				200.00	200.00	650.00						
561				100.00	200.00	650.00						
562					200.00	650.00						
563					200.00	650.00		53.35				
564					200.00	650.00	35.00					
565					200.00	650.00	475.00					
566			503.00		200.00	650.00						
567					200.00	650.00						
568			95.08		200.00	650.00						
569			49.67		200.00	650.00						
570					200.00	650.00	188.41					

Amounts in shaded areas excluded for rate-making purposes.

KENE...r						
CASE NO. 2006-00369						
ACCOUNT 930.210 - BOARD OF DIRECTORS						
FOR 12 MONTHS ENDED DECEMBER 31, 2005						
Line No.	Control Number	Vendor Name	Description	Date Paid	Check #	Dollar Amount
571				Total Dr	HM Smith	\$ 17,684.49
572						
573	190161	George Warren	Monthly retainer	01/14/05	23906	\$ 650.00
574	190203	George Warren	Mtg fee - bd	01/14/05	23906	\$ 200.00
575	190203	George Warren	Evaluation mtg fee	01/14/05	23906	\$ 200.00
576	190203	George Warren	Mileage	01/14/05	23906	\$ 58.32
577	191272	George Warren	Mtg fee - bd	02/18/05	24628	\$ 200.00
578	191272	George Warren	Mtg exp - bd	02/18/05	24628	\$ 1.00
579	191272	George Warren	Mileage	02/18/05	24628	\$ 29.16
580	191285	George Warren	Monthly retainer	02/18/05	24628	\$ 650.00
581	192498	George Warren	Mtg fee - bd	03/18/05	103865	\$ 200.00
582	192684	George Warren	Monthly retainer	03/18/05	103865	\$ 650.00
583	193738	George Warren	Monthly retainer	04/15/05	103910	\$ 650.00
584	193812	George Warren	Mtg fee - bd	04/15/05	103910	\$ 200.00
585	193812	George Warren	Mileage	04/15/05	103910	\$ 29.16
586	195125	George Warren	Monthly retainer	05/20/05	103959	\$ 650.00
587	195129	George Warren	Mtg fee - bd	05/20/05	103959	\$ 200.00
588	195129	George Warren	Mileage	05/20/05	103959	\$ 29.16
589	196271	George Warren	Monthly retainer	06/17/05	103998	\$ 200.00
590	196275	George Warren	Mtg fee - bd	06/17/05	103998	\$ 650.00
591	196275	George Warren	Mileage	06/17/05	103998	\$ 29.16
592	197759	George Warren	Monthly retainer	07/15/05	104043	\$ 200.00
593	197922	George Warren	Mtg fee - bd	07/15/05	104043	\$ 650.00
594	199288	George Warren	Monthly retainer	08/19/05	104088	\$ 200.00
595	199299	George Warren	Mtg fee - bd	08/19/05	104088	\$ 650.00
596	199299	George Warren	Mileage	08/19/05	104088	\$ 29.16
597	201313	George Warren	Monthly retainer	09/16/05	104130	\$ 200.00
598	201607	George Warren	Mtg fee - bd	09/16/05	104130	\$ 650.00
599	201607	George Warren	Mileage	09/16/05	104130	\$ 34.92
600	303237	George Warren	Mtg fee - bd	10/21/05	104177	\$ 650.00
601	303237	George Warren	BREC mtg fee	10/21/05	104177	\$ 200.00
602	303337	George Warren	Monthly retainer	10/21/05	104177	\$ 200.00
603	204610	George Warren	Monthly retainer	11/18/05	104227	\$ 200.00
604	204916	George Warren	Mtg fee - bd	11/18/05	104227	\$ 650.00
605	204916	George Warren	special bd mtg fee	11/18/05	104227	\$ 200.00
606	204916	George Warren	Mileage	11/18/05	104227	\$ 34.92
607	205672	George Warren	Monthly retainer	12/16/05	104268	\$ 200.00
608	205814	George Warren	Mtg fee - bd	12/16/05	104268	\$ 650.00

Amounts in shaded areas excluded for rate-making purposes.

Every other page is an extension of previous page totals.

ENERGY											
CASE NO. 2006-00369											
ACCOUNT 930.210 - BOARD OF DIRECTORS											
FOR 12 MONTHS ENDED DECEMBER 31, 2005											
Line No.	Directors Emeritus	Chair Fee	Non Del/Alt Assoc Mtg exp	Other mtg Fee	Monthly Retainer	Director Bd fees	Del/Alt Assoc Exp	MRC	KAEC Bd Mtg Exp Cox	Other	
571	Smith	-	1,931.61	3,100.00	4,650.00	5,550.00	1,762.95	53.35	-	636.58	
572					650.00						
573						200.00					
574				200.00							
575										58.32	
576						200.00					
577											
578					650.00					1.00	
579										29.16	
580					650.00						
581						200.00					
582					650.00						
583					650.00						
584						200.00					
585					650.00					29.16	
586											
587					650.00						
588						200.00				29.16	
589											
590					200.00						
591						650.00					
592					200.00						
593						650.00					
594					200.00						
595						650.00					
596					200.00					29.16	
597											
598						650.00					
599						650.00					
600						650.00				34.92	
601					200.00						
602											
603					200.00						
604					200.00						
605						650.00					
606											
607					200.00					34.92	
608						650.00					

Amounts in shaded areas excluded for rate-making purposes.

KENENY									
CASE NO. 2006-00369									
ACCOUNT 930.210 - BOARD OF DIRECTORS									
FOR 12 MONTHS ENDED DECEMBER 31, 2005									
Line No.	Control No.	Vendor Name	Description	Date Paid	Check #	Dollar Amount			
609	205814	George Warren	BREC mtg fee	12/16/05	104268	\$ 200.00			
610	205814	George Warren	Telephone mtg fee	12/16/05	104268	\$ 100.00			
611	205814	George Warren	Mileage	12/16/05	104268	\$ 69.84			
612			Total George Warren			\$ 11,444.80			
613									
614	197344	KAEC	Congressional Brkfst - Smith/Wood	07/15/05	28159	\$ 35.00			
615	190854	NRECA	NRECA Annual Mtg reg Smith/Powell/Wood/Cox	01/27/05	24037	\$ 475.00			
616	199415	NRECA	Regional Mtg Registration - Wood	08/19/05	29055	\$ 365.00			
617	190154	Sandra Wood	Monthly retainer	01/14/05	23914	\$ 650.00			
618	190273	Sandra Wood	Mtg fee - bd	01/14/05	23914	\$ 200.00			
619	190273	Sandra Wood	Add'l mtg fee - bd chair	01/14/05	23914	\$ 100.00			
620	190273	Sandra Wood	COMMITTEE MTG FEE	01/14/05	23914	\$ 200.00			
621	190273	Sandra Wood	Mileage	01/14/05	23914	\$ 81.00			
622	191268	Sandra Wood	Mtg fee - bd	02/18/05	24637	\$ 200.00			
623	191268	Sandra Wood	Add'l mtg fee - bd chair	02/18/05	24637	\$ 100.00			
624	191268	Sandra Wood	Mileage	02/18/05	24637	\$ 40.50			
625	191278	Sandra Wood	Monthly retainer	02/18/05	24637	\$ 650.00			
626	192671	Sandra Wood	Mtg fee - bd	03/18/05	103863	\$ 200.00			
627	192671	Sandra Wood	Add'l mtg fee - bd chair	03/18/05	103863	\$ 100.00			
628	192671	Sandra Wood	Mileage	03/18/05	103863	\$ 40.50			
629	192672	Sandra Wood	NRECA ANNUAL MTG exp	03/18/05	103863	\$ 637.00			
630	192672	Sandra Wood	NRECA Annual mtg fee	03/18/05	103863	\$ 700.00			
631	192672	Sandra Wood	Mileage	03/18/05	103863	\$ 50.22			
632	192677	Sandra Wood	Monthly retainer	03/18/05	103863	\$ 650.00			
633	193731	Sandra Wood	Monthly retainer	04/15/05	103908	\$ 650.00			
634	193814	Sandra Wood	Mtg fee - bd	04/15/05	103908	\$ 200.00			
635	193814	Sandra Wood	Add'l mtg fee - bd chair	04/15/05	103908	\$ 100.00			
636	193814	Sandra Wood	COMMITTEE MTG FEE	04/15/05	103908	\$ 200.00			
637	193814	Sandra Wood	Mileage	04/15/05	103908	\$ 81.00			
638	195118	Sandra Wood	Monthly retainer	05/20/05	103958	\$ 650.00			
639	195127	Sandra Wood	Mtg fee - bd	05/20/05	103958	\$ 200.00			
640	195127	Sandra Wood	Add'l mtg fee - bd chair	05/20/05	103958	\$ 100.00			
641	195127	Sandra Wood	Mileage	05/20/05	103958	\$ 40.50			
642	195139	Sandra Wood	Legislative Conf Fee	05/20/05	103958	\$ 700.00			
643	195139	Sandra Wood	Legislative Conf Exp	05/20/05	103958	\$ 125.18			
644	195139	Sandra Wood	Mileage	05/20/05	103958	\$ 50.22			
645	196927	Sandra Wood	Mtg fee - bd	06/24/05	27787	\$ 650.00			
646	196927	Sandra Wood	Add'l mtg fee - bd chair	06/24/05	27787	\$ 100.00			

Amounts in shaded areas excluded for rate-making purposes.

Every other page is an extension of previous page totals.

ENERGY											
CASE NO. 2006-00369											
ACCOUNT 930.210 - BOARD OF DIRECTORS											
FOR 12 MONTHS ENDED DECEMBER 31, 2005											
Line No.	Directors Emeritus	Chair Fee	Non Del/Alt Assoc Mtg exp	Other mtg Fee	Monthly Retainer	Director Bd fees	Del/Alt Assoc Exp	MRC	KAEC Bd Mtg Exp Cox	Other	
609			200.00								
610			100.00								
611										69.84	
612	Warren			900.00	4,650.00	5,550.00				344.80	
613							35.00				
614							475.00				
615							365.00				
616											
617					650.00	200.00					
618		100.00									
619											
620				200.00							
621											
622						200.00				81.00	
623		100.00									
624					650.00						
625											
626											
627		100.00									
628											
629											
630				700.00							
631							637.00				
632					650.00					50.22	
633					650.00						
634						200.00					
635		100.00									
636				200.00							
637											
638					650.00					81.00	
639						200.00					
640											
641		100.00									
642				700.00							
643							125.18				
644											
645						650.00					
646		100.00									

Amounts in shaded areas excluded for rate-making purposes.

KENE. /						
CASE NO. 2006-00369						
ACCOUNT 930.210 - BOARD OF DIRECTORS						
FOR 12 MONTHS ENDED DECEMBER 31, 2005						
Line No.	Control Number	Vendor Name	Description	Date Paid	Check #	Dollar Amount
647	196927	Sandra Wood	Mileage	06/24/05	27787	\$ 40.50
648	196264	Sandra Wood	Monthly retainer	06/17/05	103999	\$ 200.00
649	197752	Sandra Wood	Monthly retainer	07/15/05	104044	\$ 200.00
650	197923	Sandra Wood	Mtg fee - bd	07/15/05	104044	\$ 650.00
651	197923	Sandra Wood	Add'l mtg fee - bd chair	07/15/05	104044	\$ 100.00
652	197923	Sandra Wood	Mileage	07/15/05	104044	\$ 26.33
653	199281	Sandra Wood	Monthly retainer	08/19/05	104086	\$ 200.00
654	199301	Sandra Wood	Mtg fee - bd	08/19/05	104086	\$ 650.00
655	199301	Sandra Wood	Mileage	08/19/05	104086	\$ 40.50
656	201306	Sandra Wood	Monthly retainer	09/16/05	104129	\$ 200.00
657	201606	Sandra Wood	Mtg fee - bd	09/16/05	104129	\$ 650.00
658	201606	Sandra Wood	Mileage	09/16/05	104129	\$ 48.50
659	203240	Sandra Wood	Mtg fee - bd	10/21/05	104175	\$ 650.00
660	203240	Sandra Wood	BREC mtg fee	10/21/05	104175	\$ 200.00
661	203240	Sandra Wood	Telephone mtg fee	10/21/05	104175	\$ 100.00
662	203240	Sandra Wood	Mileage	10/21/05	104175	\$ 97.00
663	203330	Sandra Wood	Monthly retainer	10/21/05	104175	\$ 200.00
664	203359	Sandra Wood	Regional Mtg fee	10/21/05	104175	\$ 700.00
665	203359	Sandra Wood	Regional Mtg exp	10/21/05	104175	\$ 62.01
666	203359	Sandra Wood	Mileage	10/21/05	104175	\$ 310.40
667	204384	Sandra Wood	Mtg fee - bd	11/18/05	104224	\$ 650.00
668	204384	Sandra Wood	special bd mtg fee	11/18/05	104224	\$ 200.00
669	204384	Sandra Wood	Mileage	11/18/05	104224	\$ 80.03
670	204603	Sandra Wood	Monthly retainer	11/18/05	104224	\$ 200.00
671	205665	Sandra Wood	Monthly retainer	12/16/05	104270	\$ 200.00
672	205812	Sandra Wood	Mtg fee - bd	12/16/05	104270	\$ 650.00
673	205812	Sandra Wood	BREC mtg fee	12/16/05	104270	\$ 200.00
674	205812	Sandra Wood	Telephone mtg fee	12/16/05	104270	\$ 100.00
675	205812	Sandra Wood	Mileage	12/16/05	104270	\$ 97.00
676	205812	Sandra Wood	MRC mileage	12/16/05	104270	\$ 31.53
677	200877	Trophy House	Plaque engraving	09/09/05	30113	\$ 7.42
678	200876	Trophy House	Plaque for board member	09/09/05	30113	\$ 567.03
679	192990	Visa	NRECA Annual mtg exp Cox/Powell/Smith/Wood/Elder	03/25/05	25471	\$ 74.51
680	194507	Visa	NRECA Legis Conf - Wood	04/29/05	26267	\$ 223.80
681	195757	Visa	NRECA Legis Conf - Wood	05/27/05	26972	\$ 179.93
682	198646	Visa	Gift for outgoing board chair	07/29/05	28588	\$ 21.20
683	199052	Visa	NRECA Regional Mtg Reserv - Wood/Powell	08/05/05	28799	\$ 147.06
684	203609	Visa	Reg II & III Mtg exp - Wood	10/28/05	32179	\$ 110.54

Amounts in shaded areas excluded for rate-making purposes.

KENE... /						
CASE NO. 2006-00369						
ACCOUNT 930.210 - BOARD OF DIRECTORS						
FOR 12 MONTHS ENDED DECEMBER 31, 2005						
Line No.	Control Number	Vendor Name	Description	Date Paid	Check #	Dollar Amount
685	203605	Visa	Regional Mtg - Wood	10/28/05	32179	\$ 335.34
686	192844	Visa	NRECA Annual mtg exp - Wood	03/25/05	25471	\$ 1,275.98
687	195455	Visa	Legislative Conf Exp - Wood	05/27/05	26972	\$ 752.28
688			Total Sandra Wood			\$ 20,728.81
689						
690	199100	Cindy Vescovi	Board mtg supplies	08/09/05	28837	\$ 1,549.80
691	195857	Cindy Vescovi	Strategic Planning mtg meal	05/27/05	27012	\$ 462.16
692	191495	Federal Express	Postage	02/18/05	24556	\$ 30.61
693	191314	NRECA	Subscription - Mgmt Quarterly	02/11/05	24455	\$ 275.00
694	191007	NRECA	Subscription - Rural Electric	02/04/05	24324	\$ 473.00
695	205622	Petty Cash	Board mtg supplies	12/09/05	33169	\$ 18.44
696	198899	Petty Cash	Governance Comm Exp	08/05/05	28813	\$ 40.00
697	205607	Photos Forever	Report printing	12/09/05	33182	\$ 258.51
698	193885	The Brown Bag	Board mtg supplies	04/15/05	25823	\$ 115.50
699	190822	Visa	Board mtg supplies	01/28/05	24180	\$ 76.96
700	191367	Visa	Board mtg supplies	02/09/05	24375	\$ 15.00
701	191986	Visa	Board mtg supplies	02/25/05	24819	\$ 14.13
702	193368	Visa	Board mtg supplies	04/01/05	25625	\$ 44.81
703	194291	Visa	Board mtg supplies	04/29/05	26266	\$ 52.60
704	196076	Visa	Board mtg supplies	06/10/05	27321	\$ 33.01
705	197131	Visa	Board mtg supplies	07/01/05	27878	\$ 22.45
706	199052	Visa	Board mtg supplies	08/05/05	28799	\$ 30.12
707	199786	Visa	Board mtg supplies	08/26/05	29322	\$ 28.16
708	199794	Visa	Board mtg supplies	08/26/05	29322	\$ 70.04
709	202370	Visa	Board mtg supplies	09/23/05	31086	\$ 57.47
710	202371	Visa	Board mtg supplies	09/23/05	31086	\$ 77.64
711	203608	Visa	Board mtg supplies	10/28/05	32179	\$ 50.64
712	203614	Visa	Board mtg supplies	10/28/05	32179	\$ 29.18
713	204994	Visa	Board mtg supplies	11/23/05	32924	\$ 44.81
714	204995	Visa	Board mtg supplies	11/23/05	32924	\$ 17.50
715	206641	Visa	Board mtg supplies	01/06/06	33812	\$ 50.64
716	206683	Visa	Board mtg supplies	01/06/06	33812	\$ 49.21
717	190224	Wyndall's Foodland	Board mtg supplies	01/14/05	23915	\$ 14.95
718	191354	Wyndall's Foodland	Board mtg supplies	02/11/05	24509	\$ 16.56
719	192467	Wyndall's Foodland	Board mtg supplies	03/11/05	25180	\$ 21.94
720	193883	Wyndall's Foodland	Board mtg supplies	04/15/05	25947	\$ 9.98
721	JE 7		Postage - April			\$ 6.60
722	JE 7		Postage - February			\$ 64.14

Every other page is an extension of previous page totals.

ENERGY											
CASE NO. 2006-00369											
ACCOUNT 930.210 - BOARD OF DIRECTORS											
FOR 12 MONTHS ENDED DECEMBER 31, 2005											
Line No.	Directors Emeritus	Chair Fee	Non Del/Alt		Director Bd fees	Del/Alt Assoc Exp	MRC	KAEC Bd Mtg Exp Cox	Other		
			Assoc Mtg exp	Other mtg Fee							
685						335.34					
686						1,275.98					
687						752.28					
688	Wood	700.00	-	3,300.00	4,650.00	4,798.63	31.53	-	1,698.65		
689									1,549.80		
690									462.16		
691									30.61		
692									275.00		
693									473.00		
694									18.44		
695									40.00		
696									258.51		
697									115.50		
698									76.96		
699									15.00		
700									14.13		
701									44.81		
702									52.60		
703									33.01		
704									22.45		
705									30.12		
706									28.16		
707									70.04		
708									57.47		
709									77.64		
710									50.64		
711									29.18		
712									44.81		
713									17.50		
714									50.64		
715									49.21		
716									14.95		
717									16.56		
718									21.94		
719									9.98		
720									6.60		
721									64.14		
722											

Amounts in shaded areas excluded for rate-making purposes.

KENEKGY						
CASE NO. 2006-00369						
ACCOUNT 930.210 - BOARD OF DIRECTORS						
FOR 12 MONTHS ENDED DECEMBER 31, 2005						
Line No.	Control Number	Vendor Name	Description	Date Paid	Check #	Dollar Amount
723	JE 7		Postage - January			\$ 4.07
724	JE 7		Postage - March			\$ 107.13
725	JE 7		Postage - May			\$ 68.61
726			Total General Board Expenses			\$ 4,301.37
727						
728	206115	Allen Sutton	MRC mileage	12/22/05	33451	\$ 41.71
729	206113	Barry Schneider	MRC mileage	12/22/05	33444	\$ 29.10
730	191458	Beverly Hooper	MRC mileage	02/11/05	24428	\$ 1.00
731	195053	Beverly Hooper	MRC mileage	05/13/05	26539	\$ 8.10
732	194055	Brent Wigginton	MRC mileage	04/22/05	26092	\$ 48.60
733	201341	Brent Wigginton	MRC mileage	09/16/05	30754	\$ 29.10
734	206072	Brent Wigginton	MRC mileage	12/22/05	33467	\$ 29.10
735	196325	Bruce Westerfield	MRC mileage	06/10/05	27351	\$ 50.22
736	194157	Craig Roberts	MRC mileage	04/22/05	26061	\$ 36.45
737	194016	Davis Wholesale Warehouse	MRC supplies	04/22/05	25982	\$ 34.08
738	206073	Donald Nunley	MRC mileage	12/22/05	33425	\$ 33.95
739	194052	Doug Harris	MRC mileage	04/22/05	26009	\$ 38.48
740	201626	Doug Harris	MRC mileage	09/16/05	30405	\$ 65.48
741	206074	Doug Harris	MRC mileage	12/22/05	33400	\$ 67.90
742	195952	Doug Hoyt	MRC mileage	06/03/05	27091	\$ 29.57
743	205572	Doug Hoyt	MRC mileage	12/09/05	33153	\$ 6.79
744	194053	Dwayne Vinson	MRC mileage	04/22/05	26087	\$ 51.84
745	201627	Dwayne Vinson	MRC mileage	09/16/05	30729	\$ 100.88
746	206076	Dwayne Vinson	MRC mileage	12/22/05	33462	\$ 101.85
747	206112	Greg Tapp	MRC mileage	12/22/05	33452	\$ 29.10
748	194049	Harry Baldwin	MRC mileage	04/22/05	25965	\$ 26.73
749	202276	Harry Baldwin	MRC mileage	09/23/05	30795	\$ 40.74
750	206070	Harry Baldwin	MRC mileage	12/22/05	33370	\$ 40.26
751	194050	Jonathan Ayer	MRC mileage	04/22/05	25964	\$ 32.40
752	194057	Joseph T Elliott	MRC mileage	04/22/05	25990	\$ 33.21
753	194054	Judy Sandefur	MRC mileage	04/22/05	26064	\$ 18.63
754	202273	Judy Sandefur	MRC mileage	09/23/05	31090	\$ 22.31
755	206068	Judy Sandefur	MRC mileage	12/22/05	33443	\$ 24.25
756	202969	Karen Roberts	MRC mileage	10/07/05	31650	\$ 67.90
757	194056	Matthew Hagman	MRC mileage	04/22/05	26006	\$ 53.46
758	202275	Matthew Hagman	MRC mileage	09/23/05	30938	\$ 34.44
759	194051	Mike Carroll	MRC mileage	04/22/05	25974	\$ 42.93
760	202964	Mike Carroll	MRC mileage	10/07/05	31561	\$ 86.60

Amounts in shaded areas excluded for rate-making purposes.

Every other page is an extension of previous page totals.

.ENERGY																
CASE NO. 2006-00369																
ACCOUNT 930.210 - BOARD OF DIRECTORS																
FOR 12 MONTHS ENDED DECEMBER 31, 2005																
Line No.	Directors Emeritus		Chair Fee		Non Del/Alt Assoc Mfg exp		Other mtg Fee		Monthly Retainer		Director Bd fees	Del/Alt Assoc Exp	MRC	KAEC Bd		Other
														Mtg Exp	Cox	
723																4.07
724																107.13
725																68.61
726	General															4,301.37
727																
728													41.71			
729													29.10			
730													1.00			
731													8.10			
732													48.60			
733													29.10			
734													29.10			
735													50.22			
736													36.45			
737													34.08			
738													33.95			
739													38.48			
740													65.48			
741													67.90			
742													29.57			
743													6.79			
744													51.84			
745													100.88			
746													101.85			
747													29.10			
748													26.73			
749													40.74			
750													40.26			
751													32.40			
752													33.21			
753													18.63			
754													22.31			
755													24.25			
756													67.90			
757													53.46			
758													34.44			
759													42.93			
760													86.60			

Amounts in shaded areas excluded for rate-making purposes.

Every other page is an extension of previous page totals.

KENERGY

CASE NO. 2006-00369

ACCOUNT 930.210 - BOARD OF DIRECTORS
FOR 12 MONTHS ENDED DECEMBER 31, 2005

Line No.	Control Number	Vendor Name	Description	Date Paid	Check #	Dollar Amount
761	194158	Mort Murphy	MRC mileage	04/22/05	26041	\$ 28.35
762	206295	Owensboro Country Club	MRC Christmas Party	12/30/05	33627	\$ 3,605.62
763	202359	Percy Cook	MRC mileage	09/23/05	30859	\$ 87.30
764	194047	Philip Armstrong	MRC mileage	04/22/05	25962	\$ 77.76
765	202274	Philip Armstrong	MRC mileage	09/23/05	30786	\$ 114.46
766	206075	Philip Armstrong	MRC mileage	12/22/05	33367	\$ 114.46
767	205732	Photos Forever	MRC copies	12/16/05	33321	\$ 39.75
768	201744	Reese Baker	MRC mileage	09/16/05	30184	\$ 106.70
769	201340	Richard Wilson	MRC mileage	09/16/05	30762	\$ 24.25
770	206114	Robert D Hawkins	MRC mileage	12/22/05	33401	\$ 132.44
771	194048	Terry Pullen	MRC mileage	04/22/05	25056	\$ 50.41
772	202963	Terry Pullen	MRC mileage	10/07/05	31639	\$ 26.19
773	206069	Terry Pullen	MRC mileage	12/22/05	33436	\$ 26.19
774	194156	Tollanet & Marvin Payne	MRC mileage	04/22/05	26048	\$ 46.17
775	206071	Tollanet & Marvin Payne	MRC mileage	12/22/05	33431	\$ 22.80
776	194058	Tom Millay	MRC mileage	04/22/05	26037	\$ 27.54
777	205476	Union Co 4-H	MRC meeting	12/09/05	33220	\$ 176.00
778	202826	Visa	MRC Expense	10/07/05	31653	\$ 110.20
779	194495	Visa	MRC Software	04/29/05	26266	\$ 88.99
780	193249	Visa	MRC supplies	04/01/05	25625	\$ 115.98
781	205475	Walnut Memorial Baptist Church	MRC meeting	12/09/05	33225	\$ 250.00
782	206116	Walnut Memorial Baptist Church	MRC meeting	12/22/05	33463	\$ 250.00
783	194015	Wolf's Restaurant	MRC dinner	04/22/05	26093	\$ 2,247.50
784	JE 125		A/P - MRC			\$ 3,530.16
785						\$ 12,656.38
786						\$ 181,322.39
787						\$ (82,183.39)
788						\$ 99,139.00
789						
				Total MRC Expenses		\$ 12,656.38
				Total excluded for rate-making purposes		\$ (82,183.39)
						\$ 99,139.00

Amounts in shaded areas excluded for rate-making purposes.

Every other page is an extension of previous page totals.

^ENERGY												
CASE NO. 2006-00369												
ACCOUNT 930.210 - BOARD OF DIRECTORS												
FOR 12 MONTHS ENDED DECEMBER 31, 2005												
Line No.	Directors Emeritus	Chair Fee	Non Del/Ait Assoc Mtg exp	Other mtg Fee	Monthly Retainer	Director Bd fees	Del/Ait Assoc Exp	MRC	KAEC Bd Mtg Exp	Cox	Other	
761								28.35				
762								3,605.62				
763								87.30				
764								77.76				
765								114.46				
766								114.46				
767								39.75				
768								106.70				
769								24.25				
770								132.44				
771								50.41				
772								26.19				
773								26.19				
774								46.17				
775								22.80				
776								27.54				
777								176.00				
778								110.20				
779								88.99				
780								115.98				
781								250.00				
782								250.00				
783								2,247.50				
784								3,530.16				
785	MRC							12,656.38				
786												
787		3,600.00	1,200.00	4,671.85	20,500.00	51,150.00	14,074.80	12,895.59	970.24		14,409.91	
788											(1,061.54)	
789											13,348.37	

Amounts in shaded areas excluded for rate-making purposes.

KENERGY				
CASE NO. 2006-00369				
ACCOUNT 930.210 - Bd of Dir (Detail of "Other" Column)				
FOR 12 MONTHS ENDED DECEMBER 31, 2005				
Line No.	Control Number	Vendor Name	Description	Total Other
1	190275	Marion Cecil	Mtg exp - bd	1.00
2	190275	Marion Cecil	Mileage	24.30
3	192500	Marion Cecil	Mtg exp - bd	1.00
4	192500	Marion Cecil	Mileage	24.30
5	195134	Marion Cecil	Mtg exp - bd	1.00
6	195134	Marion Cecil	Mileage	24.30
7	197930	Marion Cecil	Mileage	7.29
8	199296	Marion Cecil	Mtg exp - bd	1.00
9	199296	Marion Cecil	Mileage	24.30
10	203252	Marion Cecil	Mtg exp - bd	1.00
11	203252	Marion Cecil	Mileage	29.10
12	204376	Marion Cecil	Mtg exp - bd	1.00
13	204376	Marion Cecil	Mileage	29.10
14				168.69
15				
16	191490	Glenn Cox	Mileage	90.00
17	192902	Glenn Cox	Mileage	145.80
18	194160	Glenn Cox	Mileage	72.90
19	195321	Glenn Cox	Mileage	48.60
20	196700	Glenn Cox	Mtg exp - bd	1.00
21	196700	Glenn Cox	Mileage	438.79
22	198103	Glenn Cox	Mileage	69.66
23	199496	Glenn Cox	Mileage	243.00
24	202305	Glenn Cox	Mileage	206.55
25	203310	Glenn Cox	Mileage	305.55
26	204917	Glenn Cox	Mileage	265.30
27	205911	Glenn Cox	Mileage	247.35
28	206236	Visa	Service Award - Cox	150.00
29				2,284.50
30				
31	190278	Dr Royce Dawson	Mtg exp - bd	1.00
32	190278	Dr Royce Dawson	Mileage	28.35
33	191273	Dr Royce Dawson	Mtg exp - bd	1.00
34	191273	Dr Royce Dawson	Mileage	28.35
35	192503	Dr Royce Dawson	Mtg exp - bd	1.00
36	192503	Dr Royce Dawson	Mileage	28.35
37	193838	Dr Royce Dawson	Mtg exp - bd	1.00
38	193839	Dr Royce Dawson	Mileage	28.35
39	195133	Dr Royce Dawson	Mtg exp - bd	1.00

Every other page is an extension of previous page totals.

KENERGY													
CASE NO. 2006-00369													
ACCOUNT 930.210 - Bd of Dir (Detail of "Other" Column)													
FOR 12 MONTHS ENDED DECEMBER 31, 2005													
Line No.	Mgmt Quarterly	Rural Electric	Strategic Plan Meal	Chamber Banquet	Bd Mtg Supplies	Postage	Service Award	Gifts	Plaque Bd Chair	Mileage/Tolls Member	Emeritus		
1											1.00		
2											24.30		
3											1.00		
4											24.30		
5											1.00		
6											24.30		
7											7.29		
8											1.00		
9											24.30		
10											1.00		
11											29.10		
12											1.00		
13											29.10		
14	Cecil	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 168.69		
15													
16										90.00			
17										145.80			
18										72.90			
19										48.60			
20										1.00			
21										438.79			
22										69.66			
23										243.00			
24										206.55			
25										305.55			
26										265.30			
27										247.35			
28							150.00						
29	Cox	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 150.00	\$ -	\$ -	\$ 2,134.50	\$ -		
30													
31											1.00		
32											28.35		
33											1.00		
34											28.35		
35											1.00		
36											28.35		
37											1.00		
38											28.35		
39											1.00		

Amounts in shaded areas excluded for rate-making purposes.

Every other page is an extension of previous page totals.

KENERGY				
CASE NO. 2006-00369				
ACCOUNT 930.210 - Bd of Dir (Detail of "Other" Column)				
FOR 12 MONTHS ENDED DECEMBER 31, 2005				
Line No.	Control Number	Vendor Name	Description	Total Other
40	195133	Dr Royce Dawson	Mileage	28.35
41	196274	Dr Royce Dawson	Mtg exp - bd	1.00
42	196274	Dr Royce Dawson	Mileage	28.35
43	197931	Dr Royce Dawson	Mileage	4.05
44	199292	Dr Royce Dawson	Mtg exp - bd	1.00
45	199292	Dr Royce Dawson	Mileage	28.35
46	201623	Dr Royce Dawson	Mtg exp - bd	1.00
47	201623	Dr Royce Dawson	Mileage	33.95
48	203254	Dr Royce Dawson	Mtg exp - bd	1.00
49	203254	Dr Royce Dawson	Mileage	33.95
50	204374	Dr Royce Dawson	Mtg exp - bd	1.00
51	204374	Dr Royce Dawson	Mileage	33.95
52	205807	Dr Royce Dawson	Mtg exp - bd	1.00
53	205807	Dr Royce Dawson	Mileage	33.95
54				349.30
55				
56	190271	William Denton	Mileage	20.26
57	191266	William Denton	Mileage	10.13
58	192497	William Denton	Mileage	9.72
59	193836	William Denton	Mileage	19.44
60	195137	William Denton	Mileage	9.72
61	196282	William Denton	Mileage	34.83
62	197929	William Denton	Mileage	24.30
63	199297	William Denton	Mileage	10.53
64	201622	William Denton	Mileage	8.73
65	204381	William Denton	Mileage	35.89
66	205808	William Denton	Mileage	23.28
67				206.83
68				
69	190204	Larry Elder	Mileage	45.36
70	192496	Larry Elder	Mileage	22.68
71	193840	Larry Elder	Mileage	45.36
72	195138	Larry Elder	Mileage	22.68
73	196278	Larry Elder	Mileage	22.68
74	197928	Larry Elder	Mileage	6.48
75	199293	Larry Elder	Mileage	22.68
76	201608	Larry Elder	Mileage	27.16
77	203242	Larry Elder	Mileage	51.41
78	204379	Larry Elder	Mileage	38.80

Amounts in shaded areas excluded for rate-making purposes.

Every other page is an extension of previous page totals.

KENERGY													
CASE NO. 2006-00369													
ACCOUNT 930.210 - Bd of Dir (Detail of "Other" Column)													
FOR 12 MONTHS ENDED DECEMBER 31, 2005													
Line No.	Mgmt Quarterly	Rural Electric	Strategic Plan Meal	Chamber Banquet	Bd Mtg Supplies	Postage	Service Award	Gifts	Plaque Bd Chair	Mileage/Member	Tolls	Emeritus	
40												28.35	
41												1.00	
42												28.35	
43												4.05	
44												1.00	
45												28.35	
46												1.00	
47												33.95	
48												1.00	
49												33.95	
50												1.00	
51												33.95	
52												1.00	
53												33.95	
54	Dawson	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 349.30	
55													
56												20.26	
57												10.13	
58												9.72	
59												19.44	
60												9.72	
61												34.83	
62												24.30	
63												10.53	
64												8.73	
65												35.89	
66												23.28	
67	Denton	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 206.83	\$ -
68													
69												45.36	
70												22.68	
71												45.36	
72												22.68	
73												22.68	
74												6.48	
75												22.68	
76												27.16	
77												51.41	
78												38.80	

Amounts in shaded areas excluded for rate-making purposes.

Every other page is an extension of previous page totals.

KENERGY													
CASE NO. 2006-00369													
ACCOUNT 930.210 - Bd of Dir (Detail of "Other" Column)													
FOR 12 MONTHS ENDED DECEMBER 31, 2005													
Line No.	Mgmt Quarterly	Rural Electric	Strategic Plan Meal	Chamber Banquet	Bd Mtg Supplies	Postage	Service Award	Gifts	Plaque Bd Chair	Mileage/Tolls Member	Emeritus		
79										54.32			
80	Elder	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 359.61	\$ -		
81													
82										1.00			
83										26.33			
84										1.00			
85										54.68			
86										1.00			
87										54.68			
88										71.28			
89										1.00			
90										78.98			
91										1.00			
92										54.68			
93										1.00			
94										54.68			
95										26.73			
96										1.00			
97										54.68			
98										1.00			
99										65.48			
100										1.00			
101										65.48			
102										1.00			
103										65.48			
104										1.00			
105										97.49			
106										162.00			
107										2.00			
108										130.96			
109	Grant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,076.61	\$ -		
110													
111												1.00	
112												29.97	
113												2.00	
114												58.32	
115												1.00	
116												29.97	
117												2.00	

Amounts in shaded areas excluded for rate-making purposes.

Every other page is an extension of previous page totals.

NENERGY				
CASE NO. 2006-00369				
ACCOUNT 930.210 - Bd of Dir (Detail of "Other" Column)				
FOR 12 MONTHS ENDED DECEMBER 31, 2005				
Line No.	Control No.	Vendor Name	Description	Total
				Other
118	193835	RC Johnson	Mileage	58.32
119	195135	RC Johnson	Mtg exp - bd	1.00
120	195135	RC Johnson	Mileage	29.97
121	196272	RC Johnson	Mtg exp - bd	2.00
122	196272	RC Johnson	Mileage	58.32
123	197926	RC Johnson	Mtg exp - bd	1.00
124	197926	RC Johnson	Mileage	20.25
125	199295	RC Johnson	Mtg exp - bd	1.00
126	199295	RC Johnson	Mileage	29.97
127	201624	RC Johnson	Mtg exp - bd	2.00
128	201624	RC Johnson	Mileage	69.84
129	203253	RC Johnson	Mtg exp - bd	1.00
130	203253	RC Johnson	Mileage	35.89
131	204377	RC Johnson	Mtg exp - bd	1.00
132	204377	RC Johnson	Mileage	35.89
133	205805	RC Johnson	Mtg exp - bd	2.00
134	205805	RC Johnson	Mileage	69.84
135				543.55
136				
137	190268	Michael Maloney	Mtg exp - bd	1.00
138	190268	Michael Maloney	Mileage	44.55
139	191269	Michael Maloney	Mtg exp - bd	1.00
140	192530	Michael Maloney	Mtg exp - bd	1.00
141	192530	Michael Maloney	Mileage	44.55
142	193813	Michael Maloney	Mtg exp - bd	1.00
143	193813	Michael Maloney	Mileage	32.40
144	195128	Michael Maloney	Mtg exp - bd	1.00
145	195128	Michael Maloney	Mileage	32.40
146	199497	Michael Maloney	Mtg exp - bd	1.00
147	199497	Michael Maloney	Mileage	44.55
148	203238	Michael Maloney	Mileage	53.35
149	204383	Michael Maloney	Mtg exp - bd	1.00
150	204383	Michael Maloney	Mileage	53.35
151	205811	Michael Maloney	Mtg exp - bd	1.00
152				313.15
153				
154	190274	Christopher Mitchell	Mileage	50.22
155	191265	Christopher Mitchell	Mileage	25.11
156	192499	Christopher Mitchell	Mileage	25.11

Amounts in shaded areas excluded for rate-making purposes.

Every other page is an extension of previous page totals.

KENERGY													
CASE NO. 2006-00369													
ACCOUNT 930.210 - Bd of Dir (Detail of "Other" Column)													
FOR 12 MONTHS ENDED DECEMBER 31, 2005													
Line No.	Mgmt Quarterly	Rural Electric	Strategic Plan Meal	Chamber Banquet	Bd Mtg Supplies	Postage	Service Award	Gifts	Plaque Bd Chair	Mileage/Tolls Member	Emeritus		
118											58.32		
119											1.00		
120											29.97		
121											2.00		
122											58.32		
123											1.00		
124											20.25		
125											1.00		
126											29.97		
127											2.00		
128											69.84		
129											1.00		
130											35.89		
131											1.00		
132											35.89		
133											2.00		
134											69.84		
135	Johnson	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 543.55		
136													
137											1.00		
138											44.55		
139											1.00		
140											1.00		
141											44.55		
142											1.00		
143											32.40		
144											1.00		
145											32.40		
146											1.00		
147											44.55		
148											53.35		
149											1.00		
150											53.35		
151											1.00		
152	Maloney	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 313.15	\$ -		
153													
154											50.22		
155											25.11		
156											25.11		

Amounts in shaded areas excluded for rate-making purposes.

K-ENERGY				
CASE NO. 2006-00369				
ACCOUNT 930.210 - Bd of Dir (Detail of "Other" Column)				
FOR 12 MONTHS ENDED DECEMBER 31, 2005				
Line No.	Control Number	Vendor Name	Description	Total
157	193841	Christopher Mitchell	Mileage	25.11
158	193843	Christopher Mitchell	Mileage	50.22
159	195132	Christopher Mitchell	Mileage	25.11
160	196277	Christopher Mitchell	Mileage	25.11
161	197925	Christopher Mitchell	Mileage	48.60
162	199298	Christopher Mitchell	Mileage	25.11
163	201618	Christopher Mitchell	Mileage	30.07
164	203249	Christopher Mitchell	Mileage	30.07
165	204382	Christopher Mitchell	Mileage	93.12
166	205801	Christopher Mitchell	Mileage	229.90
167				682.86
168				
169	190270	S Randolph Powell	Mileage	25.92
170	191263	S Randolph Powell	Mileage	12.96
171	192699	S Randolph Powell	Mileage	178.20
172	193834	S Randolph Powell	Mileage	25.92
173	195136	S Randolph Powell	Mileage	12.96
174	196281	S Randolph Powell	Mileage	12.96
175	197927	S Randolph Powell	Mileage	117.04
176	199291	S Randolph Powell	Mileage	12.96
177	201621	S Randolph Powell	Mileage	66.45
178	203251	S Randolph Powell	Mileage	15.52
179	204375	S Randolph Powell	Mileage	66.44
180	205802	S Randolph Powell	Mileage	182.36
181	206238	Visa	Service Award - Powell	400.00
182	206718	Visa	Service Award - Powell	100.00
183				1,229.69
184				
185	192504	William Reid	Mileage	34.43
186	193842	William Reid	Mileage	34.42
187	201620	William Reid	Mileage	41.23
188	204378	William Reid	Mileage	41.22
189	205804	William Reid	Mileage	41.22
190				192.52
191				
192	190272	Dr HM Smith	Mileage	34.02
193	191465	Dr HM Smith	Mileage	17.01
194	192673	Dr HM Smith	Mileage	53.47
195	193815	Dr HM Smith	Mileage	34.02

Amounts in shaded areas excluded for rate-making purposes.

Every other page is an extension of previous page totals.

KENERGY													
CASE NO. 2006-00369													
ACCOUNT 930.210 - Bd of Dir (Detail of "Other" Column)													
FOR 12 MONTHS ENDED DECEMBER 31, 2005													
Line No.	Mgmt Quarterly	Rural Electric	Strategic Plan Meal	Chamber Banquet	Bd Mtg Supplies	Postage	Service Award	Gifts	Plaque Bd Chair	Mileage/Member	Tolls Emeritus		
157										25.11			
158										50.22			
159										25.11			
160										25.11			
161										48.60			
162										25.11			
163										30.07			
164										30.07			
165										93.12			
166										229.90			
167	Mitchell	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 682.86	\$ -		
168													
169										25.92			
170										12.96			
171										178.20			
172										25.92			
173										12.96			
174										12.96			
175										117.04			
176										12.96			
177										66.45			
178										15.52			
179										66.44			
180										182.36			
181							400.00						
182							100.00						
183	Powell	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500.00	\$ -	\$ -	\$ 729.69	\$ -		
184													
185										34.43			
186										34.42			
187										41.23			
188										41.22			
189										41.22			
190	Reid	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 192.52	\$ -		
191													
192										34.02			
193										17.01			
194										53.47			
195										34.02			

Amounts in shaded areas excluded for rate-making purposes.

Every other page is an extension of previous page totals.

KENERGY				
CASE NO. 2006-00369				
ACCOUNT 930.210 - Bd of Dir (Detail of "Other" Column)				
FOR 12 MONTHS ENDED DECEMBER 31, 2005				
Line No.	Control No.	Vendor Name	Description	Total Other
196	194894	Dr HM Smith	Mileage	36.46
197	195126	Dr HM Smith	Mileage	17.01
198	196276	Dr HM Smith	Mileage	17.01
199	197924	Dr HM Smith	Mileage	64.80
200	199300	Dr HM Smith	Mileage	17.01
201	201605	Dr HM Smith	Mileage	20.37
202	203239	Dr HM Smith	Mileage	40.74
203	204385	Dr HM Smith	Mileage	73.72
204	204915	Dr HM Smith	Mileage	155.20
205	205813	Dr HM Smith	Mileage	40.74
206	194017	Sturgis Chamber of Commerce	Dinner Banquet - Smith	15.00
207				636.58
208				
209	190203	George Warren	Mileage	58.32
210	191272	George Warren	Mtg exp - bd	1.00
211	191272	George Warren	Mileage	29.16
212	193812	George Warren	Mileage	29.16
213	195129	George Warren	Mileage	29.16
214	196275	George Warren	Mileage	29.16
215	199299	George Warren	Mileage	29.16
216	201607	George Warren	Mileage	34.92
217	204916	George Warren	Mileage	34.92
218	205814	George Warren	Mileage	69.84
219				344.80
220				
221	190273	Sandra Wood	Mileage	81.00
222	191268	Sandra Wood	Mileage	40.50
223	192671	Sandra Wood	Mileage	40.50
224	192672	Sandra Wood	Mileage	50.22
225	193814	Sandra Wood	Mileage	81.00
226	195127	Sandra Wood	Mileage	40.50
227	195139	Sandra Wood	Mileage	50.22
228	196927	Sandra Wood	Mileage	40.50
229	197923	Sandra Wood	Mileage	26.33
230	199301	Sandra Wood	Mileage	40.50
231	201606	Sandra Wood	Mileage	48.50
232	203240	Sandra Wood	Mileage	97.00
233	203359	Sandra Wood	Mileage	310.40
234	204384	Sandra Wood	Mileage	80.03

Amounts in shaded areas excluded for rate-making purposes.

Every other page is an extension of previous page totals.

KENERGY												
CASE NO. 2006-00369												
ACCOUNT 930.210 - Bd of Dir (Detail of "Other" Column)												
FOR 12 MONTHS ENDED DECEMBER 31, 2005												
Line No.	Mgmt Quarterly	Rural Electric	Strategic Plan Meal	Chamber Banquet	Bd Mtg Supplies	Postage	Service Award	Gifts	Plaque Bd Chair	Mileage/Tolls Member	Emeritus	
196										36.46		
197										17.01		
198										17.01		
199										64.80		
200										17.01		
201										20.37		
202										40.74		
203										73.72		
204										155.20		
205										40.74		
206				15.00								
207	\$ -	\$ -	\$ -	\$ 15.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 621.58	\$ -	
208												
209										58.32		
210										1.00		
211										29.16		
212										29.16		
213										29.16		
214										29.16		
215										29.16		
216										34.92		
217										34.92		
218										69.84		
219	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 344.80	\$ -	
220												
221										81.00		
222										40.50		
223										40.50		
224										50.22		
225										81.00		
226										40.50		
227										50.22		
228										40.50		
229										26.33		
230										40.50		
231										48.50		
232										97.00		
233										310.40		
234										80.03		

Amounts in shaded areas excluded for rate-making purposes.

Every other page is an extension of previous page totals.

NEENERGY					
CASE NO. 2006-00369					
ACCOUNT 930.210 - Bd of Dir (Detail of "Other" Column)					
FOR 12 MONTHS ENDED DECEMBER 31, 2005					
Line No.	Control No.	Vendor Name	Description	Total	Other
235	205812	Sandra Wood	Mileage	97.00	
236	200876	Trophy House	Plaque for board member	567.03	
237	200877	Trophy House	Plaque engraving	7.42	
238	198646	Visa	Gift for outgoing board chair	21.20	
239				1,719.85	
240					
241	195857	Cindy Vescovi	Strategic Planning mtg meal	462.16	
242	199100	Cindy Vescovi	Board mtg supplies	1,549.80	
243	191495	Federal Express	Postage	30.61	
244	191007	NRECA	Subscription - Rural Electric	473.00	
245	191314	NRECA	Subscription - Mgmt Quarterly	275.00	
246	198899	Petty Cash	Governance Comm Exp	40.00	
247	205622	Petty Cash	Board mtg supplies	18.44	
248	205607	Photos Forever	Report printing	258.51	
249	193885	The Brown Bag	Board mtg supplies	115.50	
250	190822	Visa	Board mtg supplies	76.96	
251	191367	Visa	Board mtg supplies	15.00	
252	191986	Visa	Board mtg supplies	14.13	
253	193368	Visa	Board mtg supplies	44.81	
254	194291	Visa	Board mtg supplies	52.60	
255	196076	Visa	Board mtg supplies	33.01	
256	197131	Visa	Board mtg supplies	22.45	
257	199052	Visa	Board mtg supplies	30.12	
258	199786	Visa	Board mtg supplies	28.16	
259	199794	Visa	Board mtg supplies	70.04	
260	202370	Visa	Board mtg supplies	57.47	
261	202371	Visa	Board mtg supplies	77.64	
262	203608	Visa	Board mtg supplies	50.64	
263	203614	Visa	Board mtg supplies	29.18	
264	204994	Visa	Board mtg supplies	44.81	
265	204995	Visa	Board mtg supplies	17.50	
266	206641	Visa	Board mtg supplies	50.64	
267	206683	Visa	Board mtg supplies	49.21	
268	190224	Wyndall's Foodland	Board mtg supplies	14.95	
269	191354	Wyndall's Foodland	Board mtg supplies	16.56	
270	192467	Wyndall's Foodland	Board mtg supplies	21.94	
271	193883	Wyndall's Foodland	Board mtg supplies	9.98	
272	JE 7		Postage - April	6.60	
273	JE 7		Postage - February	64.14	

Amounts in shaded areas excluded for rate-making purposes.

Every other page is an extension of previous page totals.

KENERGY												
CASE NO. 2006-00369												
ACCOUNT 930.210 - Bd of Dir (Detail of "Other" Column)												
FOR 12 MONTHS ENDED DECEMBER 31, 2005												
Line No.	Mgmt Quarterly	Rural Electric	Strategic Plan Meal	Chamber Banquet	Bd Mtg Supplies	Postage	Service Award	Gifts	Plaque Bd Chair	Mileage/Tolls Member	Emeritus	
235										97.00		
236									567.03			
237									7.42			
238								21.20				
239	Wood	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21.20	\$ 574.45	\$ 1,124.20	\$ -	
240												
241			462.16									
242					1,549.80	30.61						
243												
244		473.00										
245		275.00										
246					40.00							
247					18.44							
248					258.51							
249					115.50							
250					76.96							
251					15.00							
252					14.13							
253					44.81							
254					52.60							
255					33.01							
256					22.45							
257					30.12							
258					28.16							
259					70.04							
260					57.47							
261					77.64							
262					50.64							
263					29.18							
264					44.81							
265					17.50							
266					50.64							
267					49.21							
268					14.95							
269					16.56							
270					21.94							
271					9.98							
272						6.60						
273						64.14						

Amounts in shaded areas excluded for rate-making purposes.

Every other page is an extension of previous page totals.

KENERGY			
CASE NO. 2006-00369			
ACCOUNT 930.210 - Bd of Dir (Detail of "Other" Column)			
FOR 12 MONTHS ENDED DECEMBER 31, 2005			
Line No.	Control Number	Vendor Name	Description
274	JE 7		Postage - January
275	JE 7		Postage - March
276	JE 7		Postage - May
277			
278			
279			
280			Excluded for rate-making purposes
281			
			Total
			Other
			4.07
			107.13
			68.61
			4,301.37
			14,409.91
			(1,061.54)
			13,348.37

Every other page is an extension of previous page totals.

KENERGY												
CASE NO. 2006-00369												
ACCOUNT 930.210 - Bd of Dir (Detail of "Other" Column)												
FOR 12 MONTHS ENDED DECEMBER 31, 2005												
Line No.	Mgmt Quarterly	Rural Electric	Strategic Plan Meal	Chamber Banquet	Bd Mtg Supplies	Postage	Service Award	Gifts	Plaque Bd Chair	Mileage/Tolls Member	Emeritus	
274						4.07						
275						107.13						
276						68.61						
277	\$ 275.00	\$ 473.00	\$ 462.16	\$ -	\$ 2,810.05	\$ 281.16	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
278												
279	\$ 275.00	\$ 473.00	\$ 462.16	\$ 15.00	\$ 2,810.05	\$ 281.16	\$ 650.00	\$ 21.20	\$ 574.45	\$ 7,786.35	\$ 1,061.54	
280												
281												

**KENERGY CORP.
RESPONSE OF KENERGY CORP.
TO SECOND DATA REQUEST OF COMMISSION STAFF**

CASE NO. 2006-00369

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21

Item 25) Concerning director compensation:

a. Explain in detail why Kenergy believes it needs to provide its directors a retainer as well as a board fee.

b. Explain how Kenergy determined that the board fee should be \$650 per meeting. Include all studies and analyses reviewed or performed by Kenergy.

Response a) Prior to each monthly Kenergy board meeting, management sends a considerable amount of material to provide the directors with an overview of company operations and background material for business to be discussed and considered at the upcoming board meeting. Board members are expected to review this material prior to the meeting. At times, directors are unable to attend the meeting even though they have reviewed the advance material. The retainer fee is intended to cover this situation as well as others where the director spends time outside the boardroom attending to cooperative matters, such as attending member meetings, fielding members' requests for information, or addressing other member concerns. The meeting fee is intended to encourage board member attendance at board meetings and to compensate for services rendered during the meetings.

Response b) While Kenergy is a not-for-profit entity, it is not a charitable organization whose board members typically volunteer their time. The election of a board to serve as the members' representatives in overseeing cooperative affairs is vital to the company's operations. Board members are our member-owners' representatives and function on the owners' behalf to assure that a \$293,000,000 a year business that provides a critical service for modern life is effectively run.

**KENERGY CORP.
RESPONSE OF KENERGY CORP.
TO SECOND DATA REQUEST OF COMMISSION STAFF**

CASE NO. 2006-00369

1
2
3
4
5
6
7
8
9
10
12
13
14
15
16
17
18
19
20
21

Periodic board meetings are necessary for the board to carry out its fiduciary and other responsibilities to the members. Indeed the cooperative cannot function in a cost effective manner without these legitimate activities which benefit our members.

Some board members are business owners, such as farmers, doctors, and dentists, who at times must forego looking after their business and the associated income to attend to board functions. A typical monthly board meeting lasts 3-4 hours, excluding advanced meeting preparation which can take 1-2 hours, along with drive time to the meeting which can be up to 3 hours for a roundtrip. The \$650 regular meeting fee was determined to be reasonable based on the above considerations.

Kenergy's board and the President/CEO review the "Confidential Survey" of Kentucky Cooperatives compiled by the Kentucky Association of Electric Cooperatives (KAEC) annually, which includes board of directors expense information. This information is attached as Item 25, pages 3-6 of 6. Kenergy's information is shown in column six (6). The information illustrates that the overall level of director's expenses totaling \$168,426.80 as noted in Kenergy's response to Item 31, page 2 of Staff's First Request is reasonable especially when one considers that Kenergy is one of the largest cooperatives in the nation with annual revenues of approximately \$293,000,000. Please note that many cooperatives continue to pay their board members' health insurance costs which would run approximately \$1,200 per month for family coverage while Kenergy does not.

Witness) Mark Bailey

2005 - CONFIDENTIAL SURVEY
 KENTUCKY'S ELECTRIC COOPERATIVES
 MANAGERS, ATTORNEYS & DIRECTORS

DESCRIPTION	13	14	15	16	17	18	19	20	21	22	23	24
DIRECTORS:												
Per Diem other than fees		\$150	\$300	\$300	\$300	\$600	\$50/Day \$100 when ben \$400 no ben	\$250	\$150	\$75		\$150
Reg. Bd. Mig. Fee	\$250		\$700						\$150	Flat Rate- All inclusive	\$300	\$350
Spec. Bd. Mig. Fee		\$150	Per Diem/dy		\$300	\$175	\$100/mig	\$200	\$150	\$1,100	\$300	\$350
Conventions/Meeting Fee	\$250/Day	N/A	Per Diem/dy		\$175		\$100/mig dy	\$200	\$150		\$300	\$150
Co-op Business Fee	\$250	N/A	Per Diem/dy		\$175		\$100/mig dy	\$200	\$150+exps		\$300	\$150
Mileage rate at 12/31/05	IRS Rate	IRS Rate	IRS Rate	IRS Rate	IRS Rate	IRS Rate	IRS Rate	IRS Rate	IRS Rate	IRS Rate	IRS Rate	IRS Rate
Total Director Fees & Expenses Paid In 2005 (Exclude health insurance)	\$127,842	\$34,324	\$136,801	\$55,690	\$49,000	\$88,224	\$56,269	\$113,013	\$87,071	\$127,850		\$283,110
Total Director Health Care Expense Paid In 2005	\$79,155	\$36,256	\$0	N/A	\$52,313		\$60,181	\$59,223	\$59,091	\$72,918		\$87,765
GROUP LIFE INSURANCE:												
% paid by Co-op	100%	100%	100%		100%	100%	N/A	N/A	N/A	N/A		100%
% paid by Director			100%				N/A		N/A	N/A		
Is coverage extended to co-op's attorney?	Yes	No	Yes		No	Yes		No	No		No	Yes
BUSINESS TRAVEL ACCIDENT INSURANCE:												
% paid by Co-op	100%	100%	100%	100%		0%	100%	100%	100%	100%		N/A
% paid by Director												
Is coverage extended to co-op's attorney?	Yes	Yes	Yes	Yes	No	No	Yes	No	Yes	Yes	No	

2005 - CONFIDENTIAL SURVEY
 KENTUCKY'S ELECTRIC COOPERATIVES
 MANAGERS, ATTORNEYS & DIRECTORS

DESCRIPTION	Kenergy											
	1	2	3	4	5	6	7	8	9	10	11	12
MAJOR MEDICAL INSURANCE:												
INDIVIDUAL PLAN												
% paid by Co-op	78%	100%	100%	100%	100%	100%	91%	80%	X	X	X	100%
% paid by Director	22%							20%				
N/A												
INDIVIDUAL PLUS (I) PLAN												
% paid by Co-op		85%	100%	100%	100%	100%	91%	X	X	X	X	100%
% paid by Director		15%										
N/A	X											
FAMILY PLAN												
% paid by Co-op	91.08%	85%			100%	100%	91%	80%				100%
% paid by Director	8.92%	15%		100%		100%		20%				
N/A			X						X	X	X	
Is coverage extended to co-op's attorney?	Yes	No	Yes	Yes 100% by Co-op	No	Yes	Yes	Yes	No	No		Yes
24-HOUR ACCIDENT INSURANCE:												
% paid by Co-op	100%		100%	100%	100%	0%	100%	80%	100%	100%	100%	100%
% paid by Director						0%		20%				
Is coverage extended to co-op's attorney?	Yes		Yes	Yes	Yes		Yes	Yes	Yes	Yes	Yes	Yes
DENTAL INSURANCE:												
INDIVIDUAL PLAN												
% paid by Co-op	100%											
% paid by Director												
N/A		X	X	100%	X	100%	X	50%	X	X	X	X
INDIVIDUAL PLUS (I) PLAN												
% paid by Co-op	100%			100%		100%						
% paid by Director												
N/A												
FAMILY PLAN		X	X	100%	X	100%	X	X	X	X	X	X
% paid by Co-op	100%			100%		100%		50%				
% paid by Director								50%				
N/A		X	X	100%	X	100%	X	Yes	X	X	X	X
Is coverage extended to co-op's attorney?	Yes			Yes Sgt. 100% by Co-op	No	Yes		Yes	No	No	Yes They pay 30%	

2005 - CONFIDENTIAL SURVEY
 KENTUCKY'S ELECTRIC COOPERATIVES
 MANAGERS, ATTORNEYS & DIRECTORS

DESCRIPTION	13	14	15	16	17	18	19	20	21	22	23	24
MAJOR MEDICAL INSURANCE:												
INDIVIDUAL PLAN												
% paid by Co-op	100%	100%	100%		100%	100%	100%	100%		100%	100%	100%
% paid by Director												
N/A				X								
INDIVIDUAL PLUS (1) PLAN												
% paid by Co-op	100%		100%			100%		100%		70%		
% paid by Director		X		X			X		X	30%		X
N/A												
FAMILY PLAN												
% paid by Co-op	100%	89%	100%		100%	100%	100%	100%	58%	70%	100%	60%
% paid by Director		11%							42%	30%		40%
N/A				X								
Is coverage extended to co-op's attorney?	No		Yes	No	No	Yes	Yes	No	Yes	Yes		Yes
24-HOUR ACCIDENT INSURANCE:												
% paid by Co-op	100%	100%	100%	100%	100%	0%	100%	N/A	100%	100%		100%
% paid by Director												
Is coverage extended to co-op's attorney?	Yes	Yes	Yes	Yes	No	No	Yes	No	Yes	Yes	No	Yes
DENTAL INSURANCE:												
INDIVIDUAL PLAN												
% paid by Co-op		100%			100%							
% paid by Director												
N/A												
INDIVIDUAL PLUS (1) PLAN												
% paid by Co-op												
% paid by Director												
N/A												
FAMILY PLAN												
% paid by Co-op		47%										
% paid by Director		53%										
N/A												
Is coverage extended to co-op's attorney?												

**KENERGY CORP.
RESPONSE OF KENERGY CORP.
TO SECOND DATA REQUEST OF COMMISSION STAFF**

CASE NO. 2006-00369

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22

Item 26) Refer to the response to Staff's First Request, Item 33, page 2 of 2. Provide the designated delegate and alternate for KAEC and the National Rural Electric Cooperative Association.

Response) 2005 KAEC VOTING DELEGATE: Glenn Cox
ALTERNATE: Mark Bailey

2005 NRECA ANNUAL MEETING VOTING DELEGATE: Randy Powell
ALTERNATE: Sandra Wood

Witness) Mark Bailey

**KENERGY CORP.
RESPONSE OF KENERGY CORP.
TO SECOND DATA REQUEST OF COMMISSION STAFF**

CASE NO. 2006-00369

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22

Item 27) Refer to the response to Staff's First Request, Item 50.

a. For each non-regulated activity identified in Exhibit 17A of the Application, provide the amounts that Kenergy has contributed in cash or property or spent to purchase stock in each activity since the inception of the activity.

b. In the response Kenergy states that it realized a total profit of \$3,089 from all non-regulated activities during the test year. Provide a schedule of revenues and expenses associated with each non-regulated activity for the test year and each of the two previous calendar years.

c. Has Kenergy initiated any new non-regulated activities since the end of the test year? If yes, provide the same information as requested in parts (a) and (b) above.

d. Since the end of the test year, has Kenergy discontinued any of the non-regulated activities listed in Exhibit 17A? Explain the response.

Response a) None.

Response b) Item 27, pages 2-4 of 4, contain the above referenced information.

Witness) Steve Thompson

Response c) Kenergy has not initiated any new non-regulated activities since the end of the test year.

Response d) Kenergy has discontinued the sale of long distance telephone/dial-up internet service.

Due to the passage of HB 568, Kenergy has decided not to continue this business.

Witness) David Hamilton