

DORSEY, GRAY, NORMENT & HOPGOOD

ATTORNEYS-AT-LAW

318 SECOND STREET

HENDERSON, KENTUCKY 42420

March 24, 2016

JOHN DORSEY (1920-1986)
STEPHEN D. GRAY
WILLIAM B. NORMENT, JR.
J. CHRISTOPHER HOPGOOD
S. MADISON GRAY
DAVIS L. HUNTER

TELEPHONE
(270) 826-3965
TELEFAX
(270) 826-6572
www.dkgnlaw.com

Mr. Aaron Greenwell
Public Service Commission
Post Office Box 615
Frankfort, Kentucky 40602

Re: Kenergy Application for General Adjustment in Rates
2015-00312

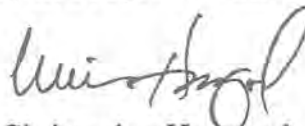
Dear Mr. Greenwell:

Enclosed for filing are Kenergy's responses to the PSC Staff's
Fourth Data Requests.

Very truly yours,

DORSEY, GRAY, NORMENT & HOPGOOD

By



J. Christopher Hopgood
Counsel for Kenergy Corp.

JCH/cds
Encls.
cc:
Attorney General
Office of Rate Intervention

CASE NO. 2015-00312

VERIFICATION

I verify, state and affirm that the data request responses to the Commission Staff's Fourth request for information filed with this verification and for which I am listed as a witness are true and correct to the best of my knowledge, information and belief formed after a reasonable inquiry.



Steve Thompson, Vice President - Finance


STATE OF KENTUCKY

COUNTY OF: DAVIESS

The foregoing was signed, acknowledged and sworn to before me by Steve Thompson, this 23rd day of March, 2016.

My commission expires 3-20-2020

552301


Notary Public, KY. State at Large

(seal)

CASE NO. 2015-00312

VERIFICATION

I verify, state and affirm that the data request responses to the Commission Staff's Fourth request for information filed with this verification and for which I am listed as a witness are true and correct to the best of my knowledge, information and belief formed after a reasonable inquiry.

Kenneth R Stock

Kenneth Stock, Vice President - Operations

STATE OF KENTUCKY

COUNTY OF: DAVIESS

The foregoing was signed, acknowledged and sworn to before me by Kenneth Stock, this 24th day of March, 2016.

My commission expires April 24, 2018

Lammy D Montgomery # 508 735
Notary Public, KY, State at Large

(seal)

**KENERGY CORP.
RESPONSE TO THE COMMISSION STAFF'S
FOURTH REQUEST FOR INFORMATION
2015-00312 RATE APPLICATION**

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Item 1) Refer to Kenergy's response to Commission Staff's First Request for Information ("Staff's First Request"), Item 8.a.

- a. For Account 136000 – Temporary Cash Investments, explain why the balance increased from \$1,674,970.56 in May 2015 to \$6,547,046.72 in June 2015, and provide the offsetting account(s).

Response) Kenergy borrowed \$8 million in September 2014 and \$11 million in June of 2015 under the current RUS loan to replenish cash, pay off lines of credit, fund operations, and to fund capital expenditures. In addition to Kenergy's normal construction work plan, there was further need for cash as the AMI meter project began in June of 2015. By September 2015, Temporary Cash Investments reduced to \$1,366,534, and by October of 2015 there was already a need to utilize the line of credit, which had a balance of \$1.5 million at October 31, 2015.

Kenergy plans to make the final \$9 million draw under the current RUS loan by June of 2016.

Witness) Steve Thompson

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Item 1) Refer to Kenergy's response to Commission Staff's First Request for Information ("Staff's First Request"), Item 8.a.

b. The balance in Account 144102 - Unclaimed Consumer Advance Payments, appears not to have changed in two years. If the account was to be cleared, explain what account(s) would be credited.

Response) Account 144102 "Unclaimed Consumer Advance Payments" had activity during the test period. Account 144101 "Unclaimed Consumer Deposits" did not have any activity. Amounts credited to this account represent residual deposit amounts after final bill calculations, where the check was returned undeliverable and the former member could not be located at the time. Debits to these accounts occur when a former member is located and a new check is issued. These general ledger accounts are interchangeable and if one were cleared the other would be charged. Any clearing of a 144 account would need to be charged to another 144 account in order to keep the total provision for uncollectable accounts at the correct level.

Witness) Steve Thompson

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Item 1) Refer to Kenergy's response to Commission Staff's First Request for Information ("Staff's First Request"), Item 8.a.

- c. Explain the December 2015 transaction involving Account 237410- Acc Int Expense - 4 Yr Rev Guarantees and provide the offsetting-account(s).

Response) In May 2015, Kenergy paid interest due on a 4-year guarantee contract to the member, which resulted in a debit to 237410 "Acc Int Expense - 4 Yr Rev Guarantees" and a credit to cash. The entry to book the interest expense of \$3,965.76 to account 431000 "Interest Exp-Consumer Deposits" (debit account 431000 and credit account 237410) was made in 2015, but after the end of the test period. To clear this account, a proforma adjustment is required to increase test period interest expense in account 431000 by \$3,965.76.

Witness) Steve Thompson

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RESPONSE TO THE COMMISSION STAFF'S
FOURTH REQUEST FOR INFORMATION
2015-00312 RATE APPLICATION**

1
2 **Item 1)** Refer to Kenergy's response to Commission Staff's First Request for Information
3 ("Staff's First Request"), Item 8.a.

4 d. For the following accounts, describe the transactions in the balance of the account,
5 provide the offsetting account(s), and if the account was to be cleared, provide the
6 account(s) that would be charged.

7 (1) Account 142000-Acc Rec-Clearing for Cust Refunds

8 (2) Account 144100-Acc Prov-Uncoil Accts Bankruptcy

9 (3) Account 144101 - Unclaimed Consumer Deposits

10 (4) Account 144111 - Acc Prov for Uncoil - Collect Fees

11 (5) Account 154999 - Material - Uninvoiced

12 (6) Account 253000 - Advance Joint-Use Rental

13 (7) Account 253200 - Other Deferred Credits - BREC - EcoDev.

14
15 **Response)** (1) The large credit to Account 142000 "Acc Rec - Clearing for Cust Refunds" in May
16 2015 represents the portion of the capital credit retirement that was returned to members as a bill
17 credit with the offset debiting members' equity. In June, all but \$11,251.43 was credited to member
18 bills (debit to account 142 "Acc Rec-Clearing for Credit Refunds" and credit to 142.100 "Accounts Rec
19 Electric Customers"). The remaining \$11,251.43 was credited on July bills.

20 (2) Account 144100 "Acc Prov - Uncoil Accts Bankruptcy" is credited each month and Account
21 904000 "Consumer Acc Exp - Ops Uncollect-Acct" is debited each month as bad debt expense is
22 accrued. Annually, after board approval, the bad debt write-off entry is made by debiting Account
23 144110 "Acc Provision Uncoll Cons Accts" and crediting Account 142100 "Accounts Rec Electric
24 Customers". Any clearing of this account would be charged to another 144 account in order to keep

**KENERGY CORP.
RESPONSE TO THE COMMISSION STAFF'S
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1 the total provision for uncollectable accounts at the correct level.

2 (3) Please see the response to Item 1b.

3 (4) Account 144111 "Acc Prov for Uncoil - Collect Fees" had no activity during the test period.
4 Any clearing of this account would be charged to another 144 account in order to keep the total
5 provision for uncollectable accounts at the correct level.

6 (5) Account 154.999 "Material Uninvoiced" is credited and Account 154000 "Material Supplies
7 – Electric" is debited when material inventory is received but no invoice has been received yet. Once
8 the invoice is received, Account 154.999 is debited and Account 232.1 "Accounts Payable – General"
9 is credited.

10 (6) To appropriately accrue one-twelfth of the joint use rental income each month, Account
11 253000 "Advance Joint-Use Rental" is debited and the appropriate 454 revenue account is credited.
12 At the end of each year the 253000 account is credited to clear it out and Account 142.2 "Customer
13 Accounts Receivable" is debited to establish next year's receivable.

14 (7) To appropriately accrue one-twelfth of the economic development payment from Big Rivers
15 each month, Account 253200 "Other Deferred Credits - BREC - EcoDev." is debited and Account
16 930.200 "Misc. General Expenses" is credited. When Big Rivers is invoiced Account 146000 "A/R Big
17 Rivers Electric Corp" is debited and account 253200 "Other Deferred Credits - BREC - EcoDev." is
18 credited.

19
20 **Witness)** Steve Thompson

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Item 2) Refer to Kenergy's response to Commission Staffs Third Request for Information ("Staffs Third Request"), Item 1.a. Explain why the number of meters removed from the books in the test year was much larger than in previous years.

Response) Kenergy retired all legacy electro-mechanical meters that had been previously installed in the field but subsequently removed and retained in warehouses for future use since these meters would no longer be useful when the AMI meters were installed. Approximately 1,000 meters were retired in December 2014. These meters were physically removed from the field in years prior to 2014.

Witness) Steve Thompson

**KENERGY CORP.
RESPONSE TO THE COMMISSION STAFF'S
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Item 2, page 1 of 1

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Item 3) Refer to Kenergy's response to Staffs Third Request, Item 1.b.

- a. Explain why the physical removal of meters doesn't coincide with the year that meters are removed from the books.

Response) See response to item 2.

Witness) Steve Thompson

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Item 3) Refer to Kenergy's response to Staffs Third Request, Item 1.b.
b. Provide the actual and standard labor amounts to remove meters. If the rates are different, explain why that is the case.

Response) Please see Item 3b, page 2 of 2 for a summary of the standard labor and overhead amount that was credited to account 586.000 during the test period. Actual labor and overheads charged to this account cannot be distinguished between installation, removal, and change outs. Kenergy only has one activity code for these tasks.

Witness) Steve Thompson

Case No. 2015-00312
 Summary of Test Period Standard Install and Removal Labor Credits
 Account 586.000

Row	STANDARD REMOVAL LABOR FOR METERS			
1				
2	10/31/14	1256425	Removal labor-Junked Equip (58)	-23,813.38
3	12/31/14	1259830	Removal Labor for Junk Equip (62)	-98,157.12
4	03/31/15	1264774	Removal Labor for Junked Equip (36)	-19,162.75
5	04/30/15	1266402	Removal Labor-Special Equip (61)	-63,772.71
6	06/30/15	1270120	Removal Labor for Junked Equip (36)	-70,662.21
7				
8			Total	-275,568.17
9				
10				
11				
12	07/31/14	1250829	Special Equipment Install Labor (55)	-3,643.73
13	08/31/14	1253047	Special Equipment Install Labor (36)	-3,899.85
14	09/30/14	1254695	Special Equipment Install Labor (61)	-5,312.39
15	10/31/14	1256547	Special Equipment Install Labor (36)	-5,814.60
16	11/30/14	1258039	Special Equipment Install Labor (36)	-5,790.18
17	12/31/14	1260007	SPECIAL EQUIPMENT INSTALL LABOR (36)	-4,527.89
18	01/31/15	1261557	Special Equipment Labor (36)	-3,941.59
19	02/28/15	1263062	Special Equipment Install Labor (36)	-4,513.51
20	03/31/15	1264773	Special Equipment Install Labor (36)	-6,548.67
21	04/30/15	1266663	Special Equipment Install Labor (36)	-7,656.42
22	05/31/15	1268359	Special Equipment Install Labor (36)	-8,159.17
23	06/30/15	1270119	Special Equip Install Labor (36)	-8,601.92
24				
25			Total	-68,409.92

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Item 3) Refer to Kenergy's response to Staffs Third Request, Item 1.b.
c. Provide the calculations showing how the standard rate was developed.

Response) Please see item 3c, page 2 of 2.

Witness) Steve Thompson

Case No. 2015-00312
Calculation of Standard Install / Removal Labor

Row	CURRENT TRANSFORMERS			
	Hours	Labor	OH's	Total Std
1				
2				
3		Hourly Rate	OH %	
4	1st class lineman	30.45	477%	-
5	2nd class lineman	26.45		0.81
6	Apprentice lineman	20.00		0.48
7				
8	Standard Install / Removal Rate			179.01
9				
10				
11				
12				
13				
14		Hourly Rate	OH %	
15	1st class lineman	30.45	477%	0.18
16	2nd class lineman	26.45		0.55
17	Apprentice lineman	20.00		0.37
18				
19	Standard Install / Removal Rate			158.26
20				
21				
22				
23				
24				
25				
26		Hourly Rate	OH %	
27	1st class lineman	30.45	477%	-
28	2nd class lineman	26.45		0.48
29	Apprentice lineman	20.00		-
30				
31	Standard Install / Removal Rate			73.26
32				
33				
34				
35				
36				
37				
38		Hourly Rate	OH %	
39	1st class lineman	30.45	477%	-
40	2nd class lineman	26.45		1.44
41	Apprentice lineman	20.00		-
42				
43	Standard Install / Removal Rate			219.77

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- Item 4)** Refer to Kenergy's response to Staffs Third Request, Item 2.
- a. Provide the actual cost incurred for National Information Solutions Cooperative to process the September 2015 refund of capital credits. Provide a copy of the invoice for the service supporting the 2015 expense, and indicate the amount allocated to Big Rivers.

Response) See response to item 4c.

Witness) Steve Thompson

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Item 4) Refer to Kenergy's response to Staffs Third Request, Item 2.
b. Explain why Kenergy chose to base its adjustment on the cost for the previous year, rather than using the most recent cost incurred.

Response) See response to item 4 c.

Witness) Steve Thompson

**KENERGY CORP.
RESPONSE TO THE COMMISSION STAFF'S
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Item 4) Refer to Kenergy's response to Staffs Third Request, Item 2.

c. Provide the month in which Kenergy recorded the June 30, 2014 invoice from
National Information Solutions Cooperative.

Response) In responding to this question, I realized the June 30, 2014 invoice was booked in
August 2014 to account 903.000 instead of account 930.200. Therefore, Kenergy should not have
proposed the \$28,952 adjustment to the test year found on Exhibit 5A, page 9, line 11b. This finding
makes items 4a and 4b a moot point.

Witness) Steve Thompson

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Item 5) Refer to Kenergy's response to Staffs Third Request, Item 6.i.c.

- a. On page 21, amounts are indicated for \$67.92 and \$261.68 which appear to be an allocation of expenses for David Hamilton. Explain why these amounts should be included for ratemaking purposes.

Response) The expenses shown on item 6i, page 21 are for Director Glenn Cox, who is the voting delegate for the KAEC annual meeting.

Witness) Steve Thompson

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Item 5) Refer to Kenergy's response to Staffs Third Request, Item 6.i.c.

b. Refer to page 22 of the response.

(1) Provide a detailed schedule of the total cost of the strategic planning meeting by attendee, indicating any costs that Kenergy has removed for ratemaking purposes. Include the accounts to which the meeting costs were charged.

(2) Explain Kenergy's rationale for holding the strategic planning meeting in Louisville rather than an offsite location closer to Kenergy's offices in the Henderson or Owensboro area, thereby minimizing travel and overnight stay expenses.

Response) 5 b (1) – Item 5 b (1) pages 2- 3 of 3 contains the above referenced information.

5 b (2) - The Kenergy board directed the CEO to schedule a strategic planning retreat at an out-of-town location. In view of the fact that all board members with the exception of one (Steve Henry), were already attending the KAEC meeting and the fact that all directors were available on the dates immediately following the KAEC Annual Meeting, the decision was made to hold the strategic planning session in Louisville.

Witness) Steve Thompson

KENERGY CORP.
CASE NO. 2015-00312
STAFF'S FOURTH DATA REQUEST
ITEM 5 b (1)

Strategic planning meeting November 2014 expenses

Row	Name	Description	Date	Invoice Total	Removed for rate making in application
1	MARRIOTT DOWNTOWN LOUISVILLE	Meeting room rental / banquet catering	12/4/2014	\$ 5,234	\$ 2,617
2	MARRIOTT LOUISVILLE	Hotel room - D. Hoyt	11/20/2014	\$ 153	
3	MARRIOTT LOUISVILLE	Hotel room - K.Stock	11/20/2014	\$ 165	
4	AYER, JONATHAN	Hotel room - J.Ayer	11/19/2014	\$ 161	\$ 161
5	AYER, JONATHAN	Meeting Fee	11/19/2014	\$ 300	\$ 300
6	WIGGINTON, BRENT	Hotel room - B.Wigginton	11/19/2014	\$ 113	\$ 113
7	WIGGINTON, BRENT	Meeting fee	11/19/2014	\$ 300	\$ 300
8	MARRIOTT	Hotel room - J.Newland	11/19/2014	\$ 180	
9	LOUISVILLE MARRIOTT DOWNTOWN	Hotel room - G.Starheim	11/19/2014	\$ 180	
10	MARRIOTT	Hotel room - D.Hamilton	11/19/2014	\$ 180	
11	MARRIOTT	Hotel room - S.Thompson	11/19/2014	\$ 153	
12	MARRIOTT	Hotel room - K.Ellis	11/19/2014	\$ 180	
13	LOUISVILLE DOWNTOWN MARRIOTT	Hotel room - D.Hayden	11/18/2014	\$ 153	
14	FOURTH STREET LIVE	Meal - Strategic planning meeting	11/18/2014	\$ 1,291	\$ 611
15	NATIONAL CONSULTING GROUP-NRECA	Consultant/expenses - Strategic planning	12/31/2014	\$ 8,205	(2)
16	MITCHELL, CHRIS	Hotel room - C.Mitchell	12/9/2014	\$ 169	\$ 169
17	MITCHELL, CHRIS	Meeting fees	12/9/2014	\$ 600	\$ 600
18	WARREN, JOHN	Hotel room - John Warren	11/19/2014	\$ 153	\$ 153
19	WARREN, JOHN	Meeting fees	11/19/2014	\$ 600	\$ 600
20	REID, WILLIAM	Hotel room - William Reid	12/1/2014	\$ 182	\$ 182
21	REID, WILLIAM	Meeting fee	12/1/2014	\$ 300	\$ 300
22	POWELL, RANDOLPH	Hotel room - Randy Powell	12/9/2014	\$ 169	\$ 169
23	POWELL, RANDOLPH	Meeting fees	12/9/2014	\$ 600	\$ 600
24	HENRY, STEVE	Meeting fees, mileage, hotel room	12/9/2014	\$ 896	\$ 896
25	COX, GLENN	Hotel room - G.Cox	12/1/2014	\$ 170	\$ -
26	COX, GLENN	Meeting fee	12/1/2014	\$ 300	\$ -
27	ELDER, LARRY	Meeting fees, mileage, hotel room	12/9/2014	\$ 842	\$ 842
28	WHITE, BOB	Meeting fee	12/9/2014	\$ 300	\$ 300
29				\$ 22,230	\$ 8,913

(1) Kenergy did not intend to remove these costs for rate-making purposes.

(1)

(2) See reponse to staff's second request item 41 a. Kenergy agrees this cost should be removed for rate making purposes.

KENERGY CORP.
CASE NO. 2015-00312
STAFF'S FOURTH DATA REQUEST
ITEM 5 b (1)

Strategic planning meeting November 2014 expenses

Row		Attendee	Total	Removed rate making in application	Account used
1	*	STARHEIM, GREG	\$ 772		921.000
2	*	HAYDEN, DEBBIE	\$ 483		921.000
3		HAMILTON, DAVID	\$ 510		930.200
4		ELLIS, KEITH	\$ 510		921.000
5		THOMPSON, STEVE	\$ 483		921.000
6		HOYT, DOUG	\$ 483		163.000
7		NEWLAND, JOHN	\$ 510		588.000
8		STOCK, KEN	\$ 495		598.000
9		SCHMIDT, MONICA (NCG)	\$ 68		921.000
10		DENTON, BILL	\$ 262	\$ 262	930.210
11	*	MITCHELL, CHRIS	\$ 1,098	\$ 1,098	930.210
12	*	WARREN, JOHN	\$ 1,083	\$ 1,083	930.210
13		WARREN, NANCY	\$ 68	\$ 68	930.210
14	*	WIGGINTON, BRENT	\$ 743	\$ 743	930.210
15	*	REID, WILLIAM	\$ 812	\$ 812	930.210
16	*	POWELL, RANDY	\$ 1,098	\$ 1,098	930.210
17	*	AYER, JONATHAN	\$ 790	\$ 790	930.210
18		HENRY, STEVE	\$ 1,226	\$ 1,226	930.210
19	*	COX, GLENN	\$ 799		930.210
20		ELDER, LARRY	\$ 1,172	\$ 1,172	930.210
21		WHITE, BOB	\$ 562	\$ 562	930.210
22	(2)	NCG - NRECA - CONSULTING FEES & EXPENSES	\$ 8,205		923.000
23			\$ 22,230	\$ 8,913	
				(1)	
		* Hotel stay was prorated to charge 1 night to Strategic planning remainder was for KAEC Annual meeting			
		(1) Kenergy did not intend to remove these costs for rate-making purposes.			
		(2) See reponse to staff's second request item 41 a. Kenergy agrees this cost should be removed for rate making purposes.			

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Item 5) Refer to Kenergy's response to Staffs Third Request, Item 6.i.c.

- c. Refer to page 34 of the response. The information provided is a copy of an e-mail exchange that has the right portion cut off. Provide a copy of the complete e-mail message.

Response) Item 5c page 2 of 2 contains the above referenced information.

Witness) Steve Thompson

Mary Beth Ward

From: Debbie Hayden
Sent: Tuesday, December 02, 2014 3:42 PM
To: Mary Beth Ward
Subject: RE: meal ticket for board and senior staff

Mary Beth:

Nancy Warren was the only spouse and according to the board policy, when it is a group function, the board may approve paying the spouse's expense. In this case, I don't think we should bill John for her attendance.

The following attended:

Greg Starheim 921° 1 104 = 67.92
Debbie Hayden 921° 10 104 = 67.92
David Hamilton 930.00 50 104 = 67.92
Keith Ellis 921° 70 104 = 67.92
Steve Thompson 921° 20 104 = 67.92
Doug Hoyt 163° 50 104 = 67.92
John Newland 578° 30 104 = 67.92
Ken Stock 578° 40 104 = 67.92
Monica Schmidt (WIFE OF) 921° 1 104 = 67.92
Chris Mitchell
John and Nancy Warren
Brent Wigginton
Billy Reid
Randy Powell
Bill Denton
Steve Henry
Glenn Cox
Larry Elder

930210 1 125 = 679.20 / 10 = 67.92

10

From: Mary Beth Ward
Sent: Tuesday, December 02, 2014 3:22 PM
To: Debbie Hayden
Subject: meal ticket for board and senior staff

Debbie,

Can you provide me with a listing of all who were in attendance for the 11/18/14 dinner at Fourth Street Live? I need to separate staff expense from Board expense and it has been our previous practice to bill Board members for any spouses in attendance (may not apply to this meeting).

Thanks.

Mary Beth Ward
Accounts Payable

**KENERGY CORP.
RESPONSE TO THE COMMISSION STAFF'S
FOURTH REQUEST FOR INFORMATION
2015-00312 RATE APPLICATION**

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Item 5) Refer to Kenergy's response to Staffs Third Request, Item 6.i.c.

d. Refer to pages 34 and 45 of the response. Confirm that all expenses related to board members' spouses attending the KAEC annual meeting or strategic planning meeting in Louisville have been removed for ratemaking purposes. If this cannot be confirmed, provide an explanation for their inclusion.

Response) There was \$67.92 and \$78.00 included in the test year for spouse expenses. These costs have been removed for rate-making purposes.

Witness) Steve Thompson

**KENERGY CORP.
RESPONSE TO THE COMMISSION STAFF'S
FOURTH REQUEST FOR INFORMATION
2015-00312 RATE APPLICATION**

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Item 5) Refer to Kenergy's response to Staffs Third Request, Item 6.i.c.

e. Refer to pages 64-74 of the response. Explain whether the general purpose of this conference was primarily for training purposes or a general business conference. Provide any documentation or agenda for the conference, if available.

Response) Director Mitchell's attendance at this conference was for training purposes. He completed two director education courses (913.1 and 957.1). A description of the courses is attached on item 5e, page 2-3 of 3.

Witness) Steve Thompson



</conferences-education/Pages/default.aspx?tab=courses>)

Cooperative.com (/Pages/default.aspx) > Conferences & Education

(913.1) Cooperative Foundations: Co-op Legacy, Principles & Impact on Communities

Offered: Face-to-Face, On-site

Understanding the unique aspects of the cooperative business model better prepares directors to lead organizations with purpose not profit at their core. This is especially important in this the International Year of Cooperatives. Course participants will do a deep dive into the cooperative principles and define how they provide a competitive advantage for today's co-op organizations.

Key topics:

- » Describe the role cooperative business enterprises play in the world's economy;
- » Assess how their local electric co-op embodies the co-op spirit and how they personally articulate the co-op difference
- » Understand the history of electric cooperatives -how and why they were created and the challenges they have overcome through the years, and
- » Explain the importance of purpose-driven businesses, engagement and grassroots advocacy among cooperative directors and other co-op leaders

[Video: Course 913.1 Overview \(/library/videos/Pages/Course-913-1-Cooperative-Foundations.aspx\)](/library/videos/Pages/Course-913-1-Cooperative-Foundations.aspx)

Home (/)
 Co-ops (/coops/Pages/default.aspx)
 Member Center (/member-center/Pages/default.aspx)
 Services (/services/Pages/default.aspx)



[\(/conferences-education/Pages/default.aspx?tab=courses\)](/conferences-education/Pages/default.aspx?tab=courses)

Cooperative.com (/Pages/default.aspx) > Conferences & Education

(957.1) How to Evaluate and Improve Board Performance

Offered: Face-to-Face, On-site

Course Description: All effective organizations, corporations and institutions do at least one thing: they implement a formal process to evaluate their performance to find areas where they can improve. Increasingly, corporate boards are following suit. The board of directors is the globally recognized system for directing the affairs of a company or corporation and for ensuring its long-term health.

This course is designed for cooperatives and public power district boards. It will show them how to follow a proven process to evaluate their own processes, including how they communicate with and appraise the chief executive, how they educate new directors, how they conduct strategic planning, how they govern themselves through the policy-making process and how they ensure that they meet the long-term needs of the membership.

[Home \(/\)](#)
[Co-ops \(/coops/Pages/default.aspx\)](/coops/Pages/default.aspx)
[Member Center \(/member-center/Pages/default.aspx\)](/member-center/Pages/default.aspx)
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[Library \(/library/Pages/default.aspx\)](/library/Pages/default.aspx)

**KENERGY CORP.
RESPONSE TO THE COMMISSION STAFF'S
FOURTH REQUEST FOR INFORMATION
2015-00312 RATE APPLICATION**

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Item 6) Refer to Kenergy's response to Staffs Third Request, Item 6.k. Describe in detail the topic of Mr. Sheldon Peterson's presentation and why it should be considered as continuing-education expense.

Response) Kenergy CEO Greg Starheim invited Mr. Peterson to visit Kenergy and to address the employees and the board of directors to provide them with an overview of CFC.

Witness) Steve Thompson

**KENERGY CORP.
RESPONSE TO THE COMMISSION STAFF'S
FOURTH REQUEST FOR INFORMATION
2015-00312 RATE APPLICATION**

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Item 7) Refer to Kenergy's response to Staffs Third Request, Item 6.1.

a. Confirm that Kenergy paid Survey & Ballot Systems, Inc. in advance for the 2015 board of directors' election, as evidenced by their invoice dated September 30, 2014, attached to the response.

Response) Kenergy entered into a contract with Survey & Ballot Systems in September of 2014 to conduct the 2015 board election. The contract required 60% of the estimated election cost to be paid upon signing of the contract. Planning and preparations for the election must start many months in advance. We had no way of knowing until the end of February 2015 that the three directors whose terms expired would have no opposition, and therefore, there was no election. Kenergy signed a contract extension to carry this payment over to 2016. Kenergy has made no further payments to Survey & Ballot Systems since 2014.

Witness) Steve Thompson

**KENERGY CORP.
RESPONSE TO THE COMMISSION STAFF'S
FOURTH REQUEST FOR INFORMATION
2015-00312 RATE APPLICATION**

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Item 7) Refer to Kenergy's response to Staffs Third Request, Item 6.1.

b. Explain whether Kenergy has paid Survey & Ballot Systems, Inc. subsequent to the September 30, 2014 billing. Provide copies of all invoices paid and explain the purpose of the invoice and payment.

Response) No further payments have been made.

Witness) Steve Thompson

**KENERGY CORP.
RESPONSE TO THE COMMISSION STAFF'S
FOURTH REQUEST FOR INFORMATION
2015-00312 RATE APPLICATION**

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Item 7) Refer to Kenergy's response to Staffs Third Request, Item 6.1.

c. Explain why it is reasonable for Kenergy to include \$5,688 in test- year expense for administration of the board of directors' election if an election was not held.

Response) Kenergy proposed in the response to item 6l staff's third request to include the average cost of director elections for the past five calendar years of \$4,138 for ratemaking purposes.

Witness) Steve Thompson

**KENERGY CORP.
RESPONSE TO THE COMMISSION STAFF'S
FOURTH REQUEST FOR INFORMATION
2015-00312 RATE APPLICATION**

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- Item 8)** Refer to Kenergy's Application, Exhibit 5A, page 9c.
- a. Describe the factors that in general contributed to the increase in Substation Maintenance expenses when compared to the years 2010-2014, resulting in Kenergy's decision to base its adjustment on a five-year average.

Response) During the test year Kenergy began a program to replace all signage in the substations. Kenergy also began repainting some of the structures in the substation. In addition, in 2011, Kenergy began to see higher failure rates with aging regulator bypass switches, re-closer's and VWE feeder circuit breakers.

Witness) Ken Stock

**KENERGY CORP.
RESPONSE TO THE COMMISSION STAFF'S
FOURTH REQUEST FOR INFORMATION
2015-00312 RATE APPLICATION**

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Item 8) Refer to Kenergy's Application, Exhibit 5A, page 9c.
b. Explain the annual change in labor and overhead expense from 2010 to the test year.

Response) Beginning in 2011, Kenergy began to see higher failure rates with aging regulator bypass switches, re-closer's and VWE feeder circuit breakers requiring greater labor hours expensed versus previous years to address these issues.

Witness) Ken Stock

**KENERGY CORP.
RESPONSE TO THE COMMISSION STAFF'S
FOURTH REQUEST FOR INFORMATION
2015-00312 RATE APPLICATION**

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Item 8) Refer to Kenergy's Application, Exhibit 5A, page 9c.

c. Explain the annual change in the remaining expense from 2010 to the test year.

Response) Beginning in 2011, Kenergy began to see higher failure rates with aging regulator bypass switches, re-closer's and VWE feeder circuit breakers requiring greater repair and replacement material expensed versus previous years to address these issues.

Witness) Ken Stock

**KENERGY CORP.
RESPONSE TO THE COMMISSION STAFF'S
FOURTH REQUEST FOR INFORMATION
2015-00312 RATE APPLICATION**

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Item 9) Refer to Kenergy's response to Staff's Second Request, Item 3, Excel file "PSC 2 Item 3 - 930 all accounts transaction detail test year.xlsx," Tab "930.210 detail." In the format submitted, provide a summary schedule showing all expenses by director and indicating the expenses excluded for ratemaking purposes.

Response) The attached Item 9, pages 1-12 of 12 contains the above referenced information. The excel file "930.210 transaction detail-allocated by director" is also supplied electronically.

Witness) Steve Thompson

KENERGY CORP.
 2015 RATE APPLICATION
 STAFF'S REQUEST NO. 4 ITEM 9
 ACCOUNT 930.210 DETAIL BY DIRECTOR
 TEST YEAR ENDING JUNE 30, 2015

Shaded area was excluded
 for rate making purposes

Row	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1						Non Del/Alt		
	<i>Vendor / Board Member</i>	<i>Description</i>	<i>Check/Wire Date</i>	<i>Total</i>	<i>Chair Per Diem</i>	<i>Assoc Mtg Exp</i>	<i>Other Mtg Fee</i>	<i>Monthly Retainer</i>
2								
3		Bill Denton Total		12,382.71	-	329.60	450.00	7,800.00
4		Bob White Total		15,617.39	1,200.00	1,534.22	150.00	7,800.00
5		Brent Wigginton Total		16,537.96	-	1,987.86	450.00	7,800.00
6		Chris Mitchell Total		19,408.45	-	2,273.23	450.00	7,800.00
7		Glenn Cox Total		18,063.62	-	-	450.00	7,800.00
8		John Warren Total		15,368.86	-	2,951.23	-	7,800.00
9		John Warren-Spouse Total		67.92	-	67.92	-	-
10		Jonathan Ayer Total		14,067.18	-	2,090.27	150.00	7,800.00
11		Jonathan Ayer-Spouse Total		78.00	-	78.00	-	-
12		Larry Elder Total		13,392.16	-	1172.01	450.00	7,800.00
13		Randy Powell Total		14,060.05	-	2,249.58	150.00	7,800.00
14		Steve Henry Total		19,730.98	-	1225.77	450.00	7,800.00
15		William Reid Total		13,846.46	-	2,197.94	600.00	7,800.00
16		Grand Total		172,621.74	1,200.00	18,157.63	3,750.00	85,800.00
17								
18		NON-ALLOCATED COSTS:						
19		Country Cupboard	Board Mtg Supplies	12/9/14	6.34			
20		David Spainhoward(1)	MAC Mileage	2/13/2015	20.70			
21		Durward Cheek(1)	MAC Mileage	9/22/14	84.00			
22		Golden Glaze Bakery(1)	Board Mtg Supplies	12/9/14	8.29			
23		Harry Baldwin	MAC Mileage	10/17/14	109.76			
24		Harry Baldwin(1)	MAC Mileage	2/13/2015	48.88			
25		J & B Catering Service	Bd Mtg Supplies	9/9/14	279.33			
26		J & B Catering Service(1)	MAC meeting meal	9/29/14	508.80			
27		J & B Catering Service	Bd Mtg Supplies	2/10/2015	381.60			
28		J & B Catering Service(1)	MAC Mtg Meal	2/10/2015	426.65			
29		J & B Catering Service	Bd Mtg Supplies	4/3/2015	216.24			

KENERGY CORP.
 2015 RATE APPLICATION
 STAFF'S REQUEST NO. 4 ITEM 9
 ACCOUNT 930.210 DETAIL BY DIRECTOR
 TEST YEAR ENDING JUNE 30, 2015

Shaded area was excluded
 for rate making purposes

Row	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1						Non Del/Alt		
	<i>Vendor / Board Member</i>	<i>Description</i>	<i>Check/Wire Date</i>	<i>Total</i>	<i>Chair Per Diem</i>	<i>Assoc Mtg Exp</i>	<i>Other Mtg Fee</i>	<i>Monthly Retainer</i>
2								
30	J & B Catering Service	Bd Mtg Supplies	12/9/14	266.33				
31	J&B Catering Service	Bd Mtg Supplies	4/14/15	247.21				
32	J&B Catering Service	Bd Mtg Supplies	5/12/15	265.00				
33	James & Carol Asher'(1)	MAC Mileage	10/17/14	133.28				
34	James Douglas Harris'(1)	MAC Mileage	10/17/14	33.60				
35	Jon Lawson(1)	MAC Mileage	2/20/2015	28.75				
36	Kustom Kwik-Print	Annual Report	9/22/14	103.62				
37	Larry Melton(1)	MAC Mileage	10/17/14	44.80				
38	Larry Melton(1)	MAC Mileage	2/13/2015	46.00				
39	Main Street Italian(1)	MAC Mtg Meal	10/2/14	561.35				
40	Main Street Italian Grill(1)	MAC Mtg Meal	3/2/2015	604.90				
41	2 Moonlite Bar-B-Q(1)	MAC meeting meal	9/22/14	458.22				
42	2 Moonlite Bar-B-Q'(1)	MAC Mtg Meal	2/13/2015	449.37				
43	NRECA	Rural Electric Magz	1/9/2015	473.00				
44	Phillip Armstrong(1)	MAC Mileage	6/12/15	103.50				
45	Planters Coffee House	Bd Mtg Supplies	11/10/14	332.15				
46	Stephen Thompson, Cust	Bd Mtg Supplies	3/13/2015	250.00				
47	Subway	Bd Mtg Supplies	7/7/14	107.06				
48	Subway	Bd Mtg Supplies	8/11/14	131.44				
49	Subway	Bd Mtg Supplies	6/9/15	136.74				
50	Subway - RCCU VISA	Bd Mtg Supplies	10/13/14	149.57				
51	Sureway Super Market	Board Mtg Supplies	12/9/14	19.60				
52	Survey & Ballot Systems	Ballots director elections	10/24/14	5,688.00				
53	Teresa Westerfield(1)	MAC Mileage	9/22/14	33.60				
54	The Miller House	Board Dinner - CFC CEO	8/10/14	965.38				
55	Walmart	Bd Mtg Supplies	10/13/14	22.00				
56	Walmart	Bd Mtg Supplies	1/8/2015	48.83				

KENERGY CORP.
 2015 RATE APPLICATION
 STAFF'S REQUEST NO. 4 ITEM 9
 ACCOUNT 930.210 DETAIL BY DIRECTOR
 TEST YEAR ENDING JUNE 30, 2015

Shaded area was excluded
 for rate making purposes

Row	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
	Vendor / Board Member	Description	Check/Wire Date	Total	Chair Per Diem	Assoc Mtg Exp	Other Mtg Fee	Monthly Retainer
1					Non Del/Alt			
2								
57	Walmart	Bd Mtg Supplies	8/12/14	17.59				
58	Federated	Liability insurance		25,305.18				
59		Postage		185.69				
60		Allocation to direct serves		(12,445.26)				
61		TOTAL - NON-ALLOCATED COSTS		26,857.09	-	-	-	-
62								
63				199,478.83	1,200.00	18,157.63	3,750.00	85,800.00
64		To exh. 5A, pg 8, line			16	15	13	14
65	Total MAC expenses excluded(1)	To exh. 5A, pg 8, line 17			3,586.40			

	DIRECTOR NAME	TOTAL \$	Excluded for rate making purposes
69	Bill Denton	12,382.71	8,579.60
70	Bob White	15,617.39	10,684.22
71	Brent Wigginton	16,537.96	10,237.86
72	Chris Mitchell	19,408.45	10,523.23
73	Glenn Cox	18,063.62	8,250.00
74	John Warren	15,368.86	10,751.23
75	Jonathan Ayer	14,067.18	10,040.27
76	Larry Elder	13,392.16	9,422.01
77	Randy Powell	14,060.05	10,199.58
78	Steve Henry	19,730.98	9,475.77
79	William Reid	13,846.46	10,597.94
80	Spouse meal -	67.92	67.92
81	Spouse meal -	78.00	78.00
82	ALLOCATED TOTALS:	172,621.74	108,907.63
83	Non-allocated costs	26,857.09	3,696.16

KENERGY CORP.
 2015 RATE APPLICATION
 STAFF'S REQUEST NO. 4 ITEM 9
 ACCOUNT 930.210 DETAIL BY DIRECTOR
 TEST YEAR ENDING JUNE 30, 2015

Shaded area was excluded
 for rate making purposes

Row	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1	Vendor / Board Member	Description	Check/Wire Date	Total	Chair Per Diem	Non Del/Alt		Monthly Retainer
2						Assoc Mtg Exp	Other Mtg Fee	
84		Total Board of Director Exper	199,478.83	112,603.79	(Exhibit 5A, page 8C, Lines 13-17)			
			(1)					

(1) equals total on Exhibit 5A, page 73 of 116 column d.

KENERGY CORP.
 2015 RATE APPLICATION
 STAFF'S REQUEST NO. 4 ITEM 9
 ACCOUNT 930.210 DETAIL BY DIRECTOR
 TEST YEAR ENDING JUNE 30, 2015

Shaded area was excluded
 for rate making purposes

Row	(a)	(b)	(c)	(i)	Training & (j) Del/Alt	(k)	(l) Del/Alt	(m)	(n)
	Vendor / Board Member	Description	Check/Wire Date	Director Bd Fees	Assoc Mtg Exp & Trng	MAC	KAEC Reg Bd Mig Exp	CEO Search Expense	Election Expense
1									
2									
3		Bill Denton Total		3,600.00	-	-	-	-	-
4		Bob White Total		3,600.00	859.00	-	-	-	-
5		Brent Wigginton Total		3,000.00	2,403.12	-	-	150.00	-
6		Chris Mitchell Total		3,300.00	5,068.33	-	-	-	-
7		Glenn Cox Total		3,300.00	1,831.35	-	3,770.17	-	-
8		John Warren Total		3,600.00	508.00	-	-	-	-
9		John Warren-Spouse Total		-	-	-	-	-	-
10		Jonathan Ayer Total		3,300.00	220.32	-	-	-	-
11		Jonathan Ayer-Spouse Total		-	-	-	-	-	-
12		Larry Elder Total		3,600.00	-	-	-	-	-
13		Randy Powell Total		3,600.00	-	-	-	-	-
14		Steve Henry Total		3,000.00	6,783.11	-	-	-	-
15		William Reid Total		2,700.00	-	-	-	-	-
16		Grand Total		36,600.00	17,673.23	-	3,770.17	150.00	-
17									
18		NON-ALLOCATED COSTS:							
19		Country Cupboard	Board Mtg Supplies	12/9/14					
20		David Spainhoward(1)	MAC Mileage	2/13/2015		20.70			
21		Durward Cheek(1)	MAC Mileage	9/22/14		84.00			
22		Golden Glaze Bakery(1)	Board Mtg Supplies	12/9/14					
23		Harry Baldwin	MAC Mileage	10/17/14		109.76			
24		Harry Baldwin(1)	MAC Mileage	2/13/2015		48.88			
25		J & B Catering Service	Bd Mtg Supplies	9/9/14					
26		J & B Catering Service(1)	MAC meeting meal	9/29/14		508.80			
27		J & B Catering Service	Bd Mtg Supplies	2/10/2015					
28		J & B Catering Service(1)	MAC Mtg Meal	2/10/2015		426.65			
29		J & B Catering Service	Bd Mtg Supplies	4/3/2015					

KENERGY CORP.
 2015 RATE APPLICATION
 STAFF'S REQUEST NO. 4 ITEM 9
 ACCOUNT 930.210 DETAIL BY DIRECTOR
 TEST YEAR ENDING JUNE 30, 2015

Shaded area was excluded
 for rate making purposes

Row	(a)	(b)	(c)	(i)	Training & (j) Del/Alt	(k)	(l) Del/Alt	(m)	(n)
	Vendor / Board Member	Description	Check/Wire Date	Director Bd Fees	Assoc Mtg Exp & Trng	MAC	KAEC Reg Bd Mtg Exp	CEO Search Expense	Election Expense
1									
2									
30	J & B Catering Service	Bd Mtg Supplies	12/9/14						
31	J&B Catering Service	Bd Mtg Supplies	4/14/15						
32	J&B Catering Service	Bd Mtg Supplies	5/12/15						
33	James & Carol Asher'(1)	MAC Mileage	10/17/14			133.28			
34	James Douglas Harris'(1)	MAC Mileage	10/17/14			33.60			
35	Jon Lawson(1)	MAC Mileage	2/20/2015			28.75			
36	Kustom Kwik-Print	Annual Report	9/22/14						
37	Larry Melton(1)	MAC Mileage	10/17/14			44.80			
38	Larry Melton(1)	MAC Mileage	2/13/2015			46.00			
39	Main Street Italian(1)	MAC Mtg Meal	10/2/14			561.35			
40	Main Street Italian Grill(1)	MAC Mtg Meal	3/2/2015			604.90			
41	2 Moonlite Bar-B-Q(1)	MAC meeting meal	9/22/14			458.22			
42	2 Moonlite Bar-B-Q'(1)	MAC Mtg Meal	2/13/2015			449.37			
43	NRECA	Rural Electric Magz	1/9/2015						
44	Phillip Armstrong(1)	MAC Mileage	6/12/15			103.50			
45	Planters Coffee House	Bd Mtg Supplies	11/10/14						
46	Stephen Thompson, Cust	Bd Mtg Supplies	3/13/2015						
47	Subway	Bd Mtg Supplies	7/7/14						
48	Subway	Bd Mtg Supplies	8/11/14						
49	Subway	Bd Mtg Supplies	6/9/15						
50	Subway - RCCU VISA	Bd Mtg Supplies	10/13/14						
51	Sureway Super Market	Board Mtg Supplies	12/9/14						
52	Survey & Ballot Systems	Ballots director elections	10/24/14						5,688.00
53	Teresa Westerfield(1)	MAC Mileage	9/22/14			33.60			
54	The Miller House	Board Dinner - CFC CEO	8/10/14						
55	Walmart	Bd Mtg Supplies	10/13/14						
56	Walmart	Bd Mtg Supplies	1/8/2015						

KENERGY CORP.
 2015 RATE APPLICATION
 STAFF'S REQUEST NO. 4 ITEM 9
 ACCOUNT 930.210 DETAIL BY DIRECTOR
 TEST YEAR ENDING JUNE 30, 2015

Shaded area was excluded
 for rate making purposes

Row	(a)	(b)	(c)	(i)	(j)	(k)	(l)	(m)	(n)
	Vendor / Board Member	Description	Check/Wire Date	Director Bd Fees	Training & Del/Alt Assoc Mtg Exp & Trng	MAC	KAEC Reg Bd Mtg Exp Del/Alt	CEO Search Expense	Election Expense
1									
2									
57		Walmart							
58		Federated	8/12/14						
59									
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To exh. 5A, pg 8, line
 To exh. 5A, pg 8, line 17

DIRECTOR NAME	TOTAL \$
Bill Denton	12,382.71
Bob White	15,617.39
Brent Wigginton	16,537.96
Chris Mitchell	19,408.45
Glenn Cox	18,063.62
John Warren	15,368.86
Jonathan Ayer	14,067.18
Larry Elder	13,392.16
Randy Powell	14,060.05
Steve Henry	19,730.98
William Reid	13,846.46
Spouse meal -	67.92
Spouse meal -	78.00
ALLOCATED TOTALS:	172,621.74
Non-allocated costs	26,857.09

36,600.00	17,673.23	3,696.16	3,770.17	150.00	5,688.00
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KENERGY CORP.
 2015 RATE APPLICATION
 STAFF'S REQUEST NO. 4 ITEM 9
 ACCOUNT 930.210 DETAIL BY DIRECTOR
 TEST YEAR ENDING JUNE 30, 2015

Shaded area was excluded
 for rate making purposes

Row	(a)	(b)	(c)	(l)	(j) Training & Del/Alt	(k)	(l) Del/Alt	(m)	(n)
	Vendor / Board Member	Description	Check/Wire Date	Director Bd Fees	Assoc Mtg Exp & Trng	MAC	KAEC Reg Bd Mtg Exp	CEO Search Expense	Election Expense
1									
2									
84		Total Board of Director Exper	<u>199,478.83</u>						
		(1) equals total on Exhibit 5A, page 73 of 116 column d.	<u>(1)</u>						

KENERGY CORP.
 2015 RATE APPLICATION
 STAFF'S REQUEST NO. 4 ITEM 9
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 TEST YEAR ENDING JUNE 30, 2015

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Row	(a)	(b)	(c)	(o)	(p)	(q)	(r)	(s)
	Vendor / Board Member	Description	Check/Wire Date	Board meeting meals	Liability insurance	Postage and Subs.	Mileage reimb	Allocate costs
1								
2								
3		Bill Denton Total		-	-	-	203.11	
4		Bob White Total		14.00	-	-	460.17	
5		Brent Wigginton Total		-	-	-	746.98	
6		Chris Mitchell Total		-	-	-	516.89	
7		Glenn Cox Total		-	-	-	912.10	
8		John Warren Total		0	0	0	509.63	
9		John Warren-Spouse Total		-	-	-	-	
10		Jonathan Ayer Total		-	-	-	506.59	
11		Jonathan Ayer-Spouse Total		0	0	0	-	
12		Larry Elder Total		-	-	-	370.15	
13		Randy Powell Total		-	-	-	260.47	
14		Steve Henry Total		-	-	-	472.10	
15		William Reid Total		0	0	115	433.52	
16		Grand Total		14	0	115	5,391.71	
17								
18		NON-ALLOCATED COSTS:						
19		Country Cupboard	Board Mtg Supplies	12/9/14	6.34			
20		David Spainhoward(1)	MAC Mileage	2/13/2015				
21		Durward Cheek(1)	MAC Mileage	9/22/14				
22		Golden Glaze Bakery(1)	Board Mtg Supplies	12/9/14	8.29			
23		Harry Baldwin	MAC Mileage	10/17/14				
24		Harry Baldwin(1)	MAC Mileage	2/13/2015				
25		J & B Catering Service	Bd Mtg Supplies	9/9/14	279.33			
26		J & B Catering Service(1)	MAC meeting meal	9/29/14				
27		J & B Catering Service	Bd Mtg Supplies	2/10/2015	381.60			
28		J & B Catering Service(1)	MAC Mtg Meal	2/10/2015				
29		J & B Catering Service	Bd Mtg Supplies	4/3/2015	216.24			

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Row	(a)	(b)	(c)	(o)	(p)	(q)	(r)	(s)
	Vendor / Board Member	Description	Check/Wire Date	Board meeting meals	Liability insurance	Postage and Subs.	Mileage reimb	Allocate costs
1								
2								
30	J & B Catering Service	Bd Mtg Supplies	12/9/14	266.33				
31	J&B Catering Service	Bd Mtg Supplies	4/14/15	247.21				
32	J&B Catering Service	Bd Mtg Supplies	5/12/15	265.00				
33	James & Carol Asher'(1)	MAC Mileage	10/17/14					
34	James Douglas Harris'(1)	MAC Mileage	10/17/14					
35	Jon Lawson(1)	MAC Mileage	2/20/2015					
36	Kustom Kwik-Print	Annual Report	9/22/14			103.62		
37	Larry Melton(1)	MAC Mileage	10/17/14					
38	Larry Melton(1)	MAC Mileage	2/13/2015					
39	Main Street Italian(1)	MAC Mtg Meal	10/2/14					
40	Main Street Italian Grill(1)	MAC Mtg Meal	3/2/2015					
41	2 Moonlite Bar-B-Q(1)	MAC meeting meal	9/22/14					
42	2 Moonlite Bar-B-Q'(1)	MAC Mtg Meal	2/13/2015					
43	NRECA	Rural Electric Magz	1/9/2015			473.00		
44	Phillip Armstrong(1)	MAC Mileage	6/12/15					
45	Planters Coffee House	Bd Mtg Supplies	11/10/14	332.15				
46	Stephen Thompson, Cust	Bd Mtg Supplies	3/13/2015	250.00				
47	Subway	Bd Mtg Supplies	7/7/14	107.06				
48	Subway	Bd Mtg Supplies	8/11/14	131.44				
49	Subway	Bd Mtg Supplies	6/9/15	136.74				
50	Subway - RCCU VISA	Bd Mtg Supplies	10/13/14	149.57				
51	Sureway Super Market	Board Mtg Supplies	12/9/14	19.60				
52	Survey & Ballot Systems	Ballots director elections	10/24/14					
53	Teresa Westerfield(1)	MAC Mileage	9/22/14					
54	The Miller House	Board Dinner - CFC CEO	8/10/14	965.38				
55	Walmart	Bd Mtg Supplies	10/13/14	22.00				
56	Walmart	Bd Mtg Supplies	1/8/2015	48.83				

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Row	(a)	(b)	(c)	(o)	(p)	(q)	(r)	(s)		
1										
	Vendor / Board Member	Description	Check/Wire Date	Board meeting meals	Liability insurance	Postage and Subs.	Mileage reimb	Allocate costs		
2										
57		Walmart		Bd Mtg Supplies	8/12/14	17.59				
58		Federated		Liability insurance						
59				Postage						
60				Allocation to direct serves						
61				TOTAL - NON-ALLOCATED COSTS		3,850.70	25,305.18	762.31	-	(12,445.26)
62										
63						<u>3,864.70</u>	<u>25,305.18</u>	<u>877.31</u>	<u>5,391.71</u>	<u>(12,445.26)</u>
64				To exh. 5A, pg 8, line						
65		Total MAC expenses excluded(1)		To exh. 5A, pg 8, line 17						
66										
67										
68				DIRECTOR NAME		TOTAL \$				
69				Bill Denton		12,382.71				
70				Bob White		15,617.39				
71				Brent Wigginton		16,537.96				
72				Chris Mitchell		19,408.45				
73				Glenn Cox		18,063.62				
74				John Warren		15,368.86				
75				Jonathan Ayer		14,067.18				
76				Larry Elder		13,392.16				
77				Randy Powell		14,060.05				
78				Steve Henry		19,730.98				
79				William Reid		13,846.46				
80				Spouse meal -		67.92				
81				Spouse meal -		78.00				
82				ALLOCATED TOTALS:		<u>172,621.74</u>				
83				Non-allocated costs		26,857.09				

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Row	(a)	(b)	(c)	(o)	(p)	(q)	(r)	(s)
1								
	<i>Vendor / Board Member</i>	<i>Description</i>	<i>Check/Wire Date</i>	<i>Board meeting meals</i>	<i>Liability insurance</i>	<i>Postage and Subs.</i>	<i>Mileage reimb</i>	<i>Allocate costs</i>
2								
84		Total Board of Director Exper	<u>199,478.83</u>					
	(1) equals total on Exhibit 5A, page 73 of 116 column d.		(1)					