

**DORSEY, GRAY, NORMENT & HOPGOOD
ATTORNEYS-AT-LAW
318 SECOND STREET
HENDERSON, KENTUCKY 42420**

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) 826-6672
www.dkgnlaw.com

May 19, 2016

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

Re: Case No. 2015-00312 (Kenergy rate case)

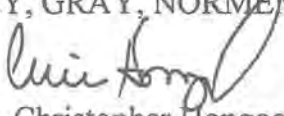
Dear Mr. Greenwell:

Enclosed is a copy of our post-hearing data request responses. Also, enclosed you will find our Position Statement for filing.

Very truly yours,

DORSEY, GRAY, NORMENT & HOPGOOD

By


J. Christopher Hopgood
Counsel for Kenergy Corp.

COPY

Hon. Michael L. Kurtz
Hon. Angela Goad, Attorney General, Office of Rate Intervention

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:)
)
THE APPLICATION OF KENERGY CORP.) CASE No. 2015-00312
FOR AN ADJUSTMENT IN EXISTING)
RATES)

POSITION STATEMENT

Applicant, **KENERGY CORP.** (“Kenergy”) submits the following position statement:

1. Revenue Requirement: Kenergy seeks an increase in rates that will produce \$2,563,807 in additional revenue. If granted this would be a 1.93% increase in total annual revenue and result in a TIER of 2.0. This increased income from operations would allow Kenergy to maintain the level of the four financial ratios required in its loan covenants, especially the Operating TIER which was below the required level for 2015, and is projected to be barely above the required level for 2016.

2. Apportionment of the increase. Kenergy proposes to increase the customer charge from \$15.60 to \$18.50 on the residential class. The energy charge on the residential class would increase from \$.101304 to \$.102042. The customer charge is still well less than the fixed cost associated with the residential class. The rest of the apportionment of charges is in the Public Notice

filed in the record. The “three phase over 1,000 kw” class is receiving a larger increase than the other classes in order to reduce the negative rate of return for this class that resulted from the recent flow through increases. Under the principle of gradualism, the balance of the negative rate of return remaining after this increase should be eliminated in the next rate case.

3. Depreciation. According to the depreciation study by Robert N. Welsh, the depreciation rate should increase from 3.8% to 3.9%.

4. Retired meters and depreciation of new meters. In the CPCN filed by Kenergy for approval of the new automated meter system (2015-00141), the Commission noted that the regulatory asset for the retired electromechanical meters would be addressed in the next rate case. Kenergy submits that the regulatory asset should be established and the undepreciated cost of the electromechanical meters established as a regulatory asset. In addition, the letter from RUS (Victor Vu) to Greg Starheim of Kenergy dated April 15, 2015¹, states that if the electromechanical meter regulatory asset is not established by the Commission in the next case then the entire balance of the electromechanical meter account must be written off at once. This result would put Kenergy under its loan requirements for TIER and Operating TIER. Kenergy proposes a 10 year depreciation period for this regulatory asset so that the amortization will be completed prior to the retirement of the new automated meters.

¹ Of record in this case and in 2015-00141

5. Billing lag. Kenergy's meters are still member read. As a result, there is a billing lag of 21 days that results from this system. Kenergy carries this accrued but unpaid revenue on its books. As a result of the installation of the automated meter system (due to become operational in September 2016), Kenergy will be able to obtain all member usage in real time. This will allow Kenergy to turn the unpaid revenue on the books into cash. Although this will not affect Kenergy's margin, it will generate additional cash that Kenergy can invest in the RUS cushion of credit account for a 5% return on this additional cash. Rather than eliminate this billing lag at once (resulting in a larger bill for the member), Kenergy proposes to begin adding one to two days energy usage and prorated fixed charges per month over the course of a year beginning in 2017.

DORSEY, GRAY, NORMENT & HOPGOOD
318 Second Street
Henderson, Kentucky 42420
(270) 826-3965 Telephone
(270) 826-6672 Telefax
Attorneys for Applicant

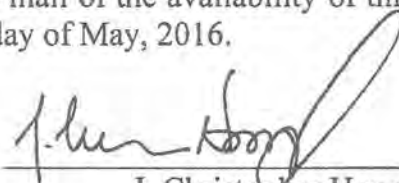
By _____



J. Christopher Hopgood
chopgood@dkgnlaw.com

CERTIFICATE OF SERVICE

I hereby certify that the electronic version of the foregoing and its attachments, exhibits and testimony is a true and accurate copy of the paper original and that the electronic version has been submitted to the Commission by electronic mail with the paper original mailed the date below by Federal Express and further that the Attorney General of Kentucky, Office of Rate Intervention, 1024 Capital Center Drive, Frankfort, Kentucky 40601, and intervenor Kentucky Industrial Utility Customers, Inc., by and through its counsel Hon. Michael L. Kurtz, Boehm, Kurtz & Lowry, 36 East Seventh Street, Suite 1510, Cincinnati, Ohio 45202, have been notified by electronic mail of the availability of this filing on the Commission's website, on this 19th day of May, 2016.



J. Christopher Hopgood

CASE NO. 2015-00312

VERIFICATION

I verify, state and affirm that the Post Hearing data request responses 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 19th day of May, 2016.

My commission expires 3/20/2020



Notary Public, KY. State at Large

#552301

(seal)

VERIFICATION

I verify, state and affirm that the Post Hearing data request responses 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.



Jack Gaines, President JDG Consulting, LLC

STATE OF KENTUCKY

COUNTY OF: DAVIESS

The foregoing was signed, acknowledged and sworn to before me by Jack Gaines, this 19th day of May, 2016.

My commission expires

5/31/19



Notary Public, KY. State at Large

(seal)

CASE NO. 2015-00312

VERIFICATION

I verify, state and affirm that the Post Hearing data request responses 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.




David Hamilton, Vice President – Member Services

STATE OF KENTUCKY

COUNTY OF: DAVIESS

The foregoing was signed, acknowledged and sworn to before me by David Hamilton, this 19th day of May, 2016.

My commission expires 3/20/2020



Notary Public, KY. State at Large
552301

(seal)

CASE NO. 2015-00312

VERIFICATION

I verify, state and affirm that the Post Hearing data request responses 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.

Kenot. K. Stock

Ken Stock, Vice President – Operations

STATE OF KENTUCKY

COUNTY OF: DAVIESS

The foregoing was signed, acknowledged and sworn to before me by Ken Stock, this 19th day of May, 2016.

My commission expires

April 24, 2018

Jammy D. Montgomery

Notary Public, KY. State at Large

(seal)

KENERGY CORP.
RESPONSE TO DATA REQUEST AT HEARING OF MAY 10, 2016
2015-00312 RATE APPLICATION

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Item 1) Provide an update concerning the cost incurred for the preparation of this case.

Response) Item 1, Pages 2 through 28 of 28 contain the above referenced information.

Witness) Steve Thompson

KENERGY CORP.
2015 RATE CASE APPLICATION
THROUGH MAY 13, 2016

Line No	Invoice Number	Vendor Name	Description	Date Paid	Check Number	Dollar Amount	2015-00312					G/L Acct #
							Legal	Rate Design	Depreciation Study	Advertising	Acct	
1	20150602142929	Dorsey, King, Gray, Norment & Hopgood	Rate case legal	6/5/15	121275	150.00	150.00	-				928.000
2	09-065-016	JDG Consulting LLC	COSS & rate case filing	5/22/15	121094	200.00		200.00				928.000
3					Total May	350.00	150.00	200.00	-	-	-	
4												
5	164324	KY State Treasurer	Certificate of existence/auth filing	6/1/15	2469	10.00	-	-			10.00	928.000
6					Total Jun	10.00	-	-	-	-	10.00	
7												
8	20150804081247	Dorsey, King, Gray, Norment & Hopgood	Rate case legal	8/7/15	122229	37.50	37.50	-				928.000
9	KC-01-15	Welsh Group LLC	Depreciation study	8/7/15	122310	23,100.00			23,100.00			923.000
10					Total Jul	23,137.50	37.50	-	23,100.00	-	-	
11												
12		2 JDG Consulting LLC	COSS & rate case filing	8/14/15	122366	200.00	-	200.00				928.000
13		3 JDG Consulting LLC	COSS & rate case filing	9/11/15	123401	7,960.00		7,960.00				928.000
14					Total Aug	8,160.00	-	8,160.00	-	-	-	
15												
16	20151005090004	Dorsey, King, Gray, Norment & Hopgood	Rate case legal	10/9/15	125025	1,050.00	1,050.00	-				928.000
17					Total Sep	1,050.00	1,050.00	-	-	-	-	
18												
19		4 JDG Consulting LLC	COSS & rate case filing	10/16/15	125159	3,675.00	-	3,675.00				928.000
20	20151103123542	Dorsey, King, Gray, Norment & Hopgood	Rate case legal	11/6/15	125444	2,431.80	2,431.80					928.000
21	982441	Office Depot	Binders for rate case filing	10/27/15	2963	190.69					190.69	928.000
22	621019-0	Petter Business Systems	Divider tabs for rate case binders	11/25/15	125767	18.83					18.83	928.000
23					Total Oct	6,316.32	2,431.80	3,675.00	-	-	-	209.52
24												
25	20151109083726	JDG Consulting LLC	COSS & rate case filing	11/13/15	125567	2,500.00	-	2,500.00				928.000
26	20151202112515	Dorsey, King, Gray, Norment & Hopgood	Rate case legal	12/4/15	125811	1,502.17	1,502.17					928.000
27	KC-02-15	Welsh Group LLC	Depreciation study	11/17/15	125899	3,500.00			3,500.00			928.000
28		6 JDG Consulting LLC	COSS & rate case filing	12/11/15	125939	200.00		200.00				928.000
29	15112KK0 & 15121KK1	Kentucky Press Service	Advertising - rate case	12/4/15	125847	69,490.02				69,490.02		928.000
30	5-212-65941	Federal Express Corporation	Overnight shipping to PSC	11/13/15	125552	180.34					180.34	928.000
31	5-227-61054	Federal Express Corporation	Overnight shipping to PSC	11/25/15	125739	21.73					21.73	928.000
32	20151207140653	Pak-Mail	Shipping	11/1/15	3073	17.58					17.58	928.000
33	20151208142107	Conference Call Services-media announce	Conference call fee	11/1/15	3072	13.95					13.95	928.000
34					Total Nov	77,425.79	1,502.17	2,700.00	3,500.00	69,490.02	-	233.60
35												
36		7 JDG Consulting LLC	COSS & rate case filing	1/15/16	126459	1,950.00	-	1,950.00				928.000
37	20160105131122	Dorsey, King, Gray, Norment & Hopgood	Rate case legal	1/8/16	126299	1,012.50	1,012.50					928.000
38	8692	Wal-Mart	CD's for data request filing	12/29/15	3196	13.75					13.75	928.000
39					Total Dec	2,976.25	1,012.50	1,950.00	-	-	-	13.75
40												
41	5-285-67005	Federal Express Corporation	Overnight shipping to PSC	1/22/16	126545	39.04					39.04	928.000
42	20160129152620	Pak-Mail	Overnight shipping to PSC	1/5/16	3239	4.36					4.36	928.000
43	20160202085750	Dorsey, King, Gray, Norment & Hopgood	Rate case legal	2/5/16	126734	712.50	712.50					928.000
44	20160205104516	JDG Consulting LLC	Rate case consulting	2/5/16	126755	1,005.00		1,005.00				928.000
45					Total Jan	1,760.90	712.50	1,005.00	-	-	-	43.40
46												
47	20160202143459	Pak-Mail	Overnight shipping to PSC	2/1/16	3273	5.42					5.42	928.000
48	5-315-48000	Federal Express Corporation	Shipping data request info to PSC	2/19/16	126943	60.40					60.40	928.000
49	20160301113114	Dorsey, King, Gray, Norment & Hopgood	Rate case legal	3/4/16	127115	187.50	187.50					928.000
50					Total Feb	253.32	187.50	-	-	-	-	65.82
51												
52		9 JDG Consulting LLC	Rate case consulting	3/18/16	127330	100.00		100.00				928.000

KENERGY CORP.
2015 RATE CASE APPLICATION
THROUGH MAY 13, 2016

Line No	Invoice Number	Vendor Name	Description	Date Paid	Check Number	Dollar Amount	2015-00312				Acct	Other	G/L Acct #
							Legal	Rate Design	Depreciation Study	Advertising			
53	5-368-03635	Federal Express Corporation	Overnight shipping to PSC	4/8/16	127617	27.36						27.36	928.000
54	20160404103934	Dorsey, King, Gray, Norment & Hopgood	Rate case legal	4/8/16	127611	1,079.06	1,079.06						928.000
55					Total Mar	1,206.42	1,079.06	100.00	-	-	-	27.36	
56													
57	10	JDG Consulting LLC	Rate case consulting	4/15/16	127752	100.00		100.00					928.000
58	20160425114044	Hotelsone.com (Hampton Inn)	Hearing-hotel room dep-S.Thompson	4/1/16	3551	142.30						142.30	928.000
59					Total Apr	242.30	-	100.00	-	-	-	142.30	
60													
61	16044KK0	Kentucky Press Service	Hearing notice advertising	5/13/16	128114	589.62				589.62			928.000
62	20160502150641	Dorsey, King, Gray, Norment & Hopgood	Rate case legal	5/6/16	127989	3,862.50	3,862.50						928.000
63	20160513084319	Hampton Inn	Hearing-hotel room: Travis Siewert	5/6/16	3634	134.97						134.97	928.000
64	20160513084505	Hampton Inn	Hearing-hotel room: Keith Ellis	5/9/16	3635	134.97						134.97	928.000
65	20160516113438	Hampton Inn	Hearing-hotel room: Ken Stock	5/6/16	3638	134.97						134.97	928.000
66	20160516144802	Hampton Inn	Hearing-hotel room: Jeff Hohn	pending		134.97						134.97	928.000
67	20160516161853	Hampton Inn	Hearing-hotel room: Doug Hoyt	pending		134.97						134.97	928.000
68	20160517095307	Hampton Inn	Hearing-hotel room: David Hamilton	pending		134.97						134.97	928.000
69	20160516162150	Five Star	Fuel - travel for hearing	pending		18.57						18.57	928.000
70	20160516162150	O'Charley's	Hearing meal: 7 employees, attorney, consultant	pending		213.51						213.51	928.000
71	20160513084126	Panera Bread	Hearing-meal: Hohn, Hopgood, Siewert, Thompson, Hamilton	5/10/16	3633	58.03						58.03	928.000
72	20160513084627	Steak-n-Shake	Hearing meal: Ellis, Hoyt, Stock	5/10/16	3636	36.08						36.08	928.000
73	20160513084627	Logans	Hearing meal: Hohn, Ellis, Stock, Hoyt, Hamilton	5/10/16	3636	68.56						68.56	928.000
74	20160518133407	Dorsey, King, Gray, Norment & Hopgood	Rate case legal	pending		4,981.32	4,981.32						928.000
75	11	JDG Consulting LLC	Rate case consulting	pending		4,727.50		4,727.50					928.000
76	KC-01-16R	Welsh Group LLC	Rate case support of depreciation study	pending		7,299.00			7,299.00				928.000
77					Total May	22,664.51	8,843.82	4,727.50	7,299.00	589.62	-	1,204.57	
78													
79						145,553.31	17,006.85	22,617.50	33,899.00	70,079.64	-	1,950.32	
Total incurred during test year = \$360.00													

JDG Consulting, LLC

P.O Box 88039
Dunwoody, Georgia 30356
770-392-9971

18158

Kenergy Corp
Attn: Steve Thompson
3111 Fairview Dr.
Owensboro, KY 42303

Remit to:
JDG Consulting, LLC
P.O. Box 88039
Dunwoody, Ga. 30356

Invoice Date: April 1, 2016

Project Number: 09-065-016
Invoice Number: 10

Service Period: 3/1/2016 through 3/31/2016

2015 Rate Case

Labor	\$	100.00
Subsistance	\$	-
Transportation	\$	-
Shipping/Printing	\$	-
		<hr/>
Total	\$	100.00

Handwritten signature and initials

PAYMENT DUE UPON RECEIPT OF INVOICE

THANK YOU

Handwritten notes:
928.000
20-240
2015-00312

JDG Consulting, LLC
Specializing in Utility Rates and Financial Services

Mary Beth Ward

From: Steve Thompson
Sent: Thursday, March 31, 2016 1:32 PM
To: Mary Beth Ward
Subject: FW: Your Reservation Has Been Confirmed – Itinerary Number 259925665

Rate case no. 2015-00312 hearing on May 10th. Charge 20-240

From: reservations@hotelsone.com [mailto:reservations@hotelsone.com]
Sent: Thursday, March 31, 2016 1:15 PM
To: Steve Thompson
Subject: Your Reservation Has Been Confirmed – Itinerary Number 259925665




Your reservation is confirmed and your card has been charged

The booking you recently made on the HotelsOne.com website is confirmed. Your reservation details are below.

Customer name: Steve Thompson
Customer email: sthompson@kenenergycorp.com
Itinerary Number: 259925665

Please refer to your itinerary number if you contact customer service for any reason.

 [View or cancel your reservation online](#)

Hotel



Hampton Inn Frankfort

356 reviews

Address: 1310 U.S. 127 South, Frankfort, KY, US
Phone:
Fax: 1-502-223-9881
Check-in: May 9, 2016
Check-out: May 10, 2016
Number of nights: 1
Number of guests: Adult: 1



Property Details

Fitness Center | Parking | Breakfast included | Accessible bathroom | Roll-in shower | In-Room accessibility

Additional Amenities:

24-hour front desk | Accessible bathroom | Bar/lounge | Computer station | Conference space | Conference space size (feet) - 2304 | Conference | Elevator/lift | Fitness facilities | Free WiFi | Free breakfast | Free self parking | In-room accessibility | Laundry facilities | Number of buildings/ | Number of meeting rooms - 3 | Outdoor pool | Roll-in shower | Smoke-free property | Total number of rooms - 123

Room Details

#	Room Type	Reserved for	Status	Confirmation number	Refundable?
1	One King Bed Study Non-Smoking	Steve Thompson, Adult: 1	Confirmed	128724953919	Yes

*Please note: Preferences and special requests cannot be guaranteed. Special requests are subject to availability and may incur additional charges.

Additional benefits

| Free Wireless Internet | Breakfast Buffet

Charges

Cost per night and per room in USD\$ (Excluding tax recovery charges and service fees)

Dates	Room 1	Total per night
5/9/2016	\$119.30	\$119.30
Total Per room	\$119.30	\$119.30

Other Charges, fees and savings in USD\$

Item	Cost
Tax Recovery Charges and Service Fees	\$23.00

Total cost for entire stay in USD\$ (Including tax recovery charges and service fees)

Payment status	Total cost of stay
Paid	\$142.30

928⁰ 20 240 PSC Case 2015-00312

Payment information

We have charged your credit card for the full payment of this reservation.

Payment card name: Steve Thompson
Billing Address p.o.box 1389, Owensboro, KY, United States, 42302
Phone number: 270-3165447

The above charges to your credit card were made by Travelscape, LLC. View our full [Terms & Conditions](#).

Cancellation Policy

Room 1

We understand that sometimes your travel plans change. We do not charge a change or cancel fee. However, this property (Hampton Inn Frankfort) requires that we are required to pass on: Cancellations or changes made after 5:00 PM ((GMT-05:00) Eastern Time (US & Canada)) on May 9, 21 Night Room & Tax penalty.

Customer Support Contact Information

[View or cancel your reservation online](#)

Confidentiality Notice: This e-mail message, including any attachments, is for the sole use of the intended recipient(s) and may contain confidential and privileged information. Unauthorized review, copy, use, disclosure, or distribution is prohibited. If you are not the intended recipient, please contact the sender by reply e-mail and destroy all copies of the original message.

Steve, please be sure this is paid.



KENTUCKY PRESS SERVICE

101 CONSUMER LANE
FRANKFORT, KY 40601-
Voice (502) 223-8821 Fax (502) 875-2624

KS

Monday, May 02, 2016 05:10 PM

Invoice

Agency RENEE BEASLEY JONES
KENERGY
P.O. BOX 1389
Owensboro, KY 42302-1389

Invoice Date 5/2/2016
PO Number
Order 16044KKO

Client KENERGY
Reps Teresa Revlett

*9280-20210
REL CODE 2015-60312
20.5947*

Newspaper
Caption

Caption	Run Date	Ad Size	Rate	Rate Name	Color	Disc.	Total
CALHOUN MCLEAN CO. NEWS							
May 10 hearing - Case # 2015-00312 - ACCESS CODE: MAYC42TCR	04/21/2016	1 x 3	\$7.60	CLDIS	\$0.00	0.0000%	\$22.80
CENTRAL CITY LEADER NEWS							
May 10 hearing - Case # 2015-00312 - ACCESS CODE: MAHE26TCR	04/26/2016	1 x 3	\$8.24	CLDIS	\$0.00	0.0000%	\$24.72
EDDYVILLE HERALD-LEDGER							
May 10 hearing - Case # 2015-00312 - ACCESS CODE: MHEA42TCR	04/20/2016	2 x 2	\$7.00	CLDIS	\$0.00	0.0000%	\$28.00
HARDINSBURG HERALD-NEWS							
May 10 hearing - Case # 2015-00312 - ACCESS CODE: MHRG46TCR	04/27/2016	2 x 2	\$9.41	CLDIS	\$0.00	0.0000%	\$37.64
HARTFORD OHIO CO. TIMES-NEWS							
May 10 hearing - Case # 2015-00312 - ACCESS CODE: MAHE26TCR	04/20/2016	1 x 3	\$8.56	CLDIS	\$0.00	0.0000%	\$25.68
HAWESVILLE HANCOCK CLARION							
May 10 hearing - Case # 2015-00312 - ACCESS CODE: HMAY64TCR	04/21/2016	1 x 2.75	\$9.50	CLDIS	\$0.00	0.0000%	\$26.12
HENDERSON GLEANER							
May 10 hearing - Case # 2015-00312 - ACCESS CODE: MAHE26TCR	04/24/2016	1 x 3	\$20.31	SAU	\$0.00	0.0000%	\$60.93
MADISONVILLE MESSENGER							
May 10 hearing - Case # 2015-00312 - ACCESS CODE: MAYC42TCR	04/24/2016	1 x 3	\$24.92	CLDIS	\$0.00	0.0000%	\$74.76

ANY QUESTIONS CONCERNING TEARSHEETS AND ALL REQUESTS FOR ACCOUNT CREDIT MUST BE MADE WITHIN FIVE DAYS OF THE DATE OF THIS INVOICE. IF THE REQUEST IS NOT RECEIVED WITHIN FIVE DAYS, THE CLIENT IS RESPONSIBLE FOR FULL PAYMENT OF THE INVOICE AMOUNT. Amount Due Subject to 1.5% Service Charge After 30 Days Please Pay From This Invoice. No Statement Will Be Sent.



KENTUCKY PRESS SERVICE

101 CONSUMER LANE
 FRANKFORT, KY 40601-
 Voice (502) 223-8821 Fax (502) 875-2624

Monday, May 02, 2016 05:10 PM

Invoice

Agency RENE BEASLEY JONES
 KENERGY
 P.O. BOX 1389
 Owensboro, KY 42302-1389

Invoice Date 5/2/2016
PO Number
Order 16044KK0

Client KENERGY
Reps Teresa Revlett

Newspaper

Caption	Run Date	Ad Size	Rate	Rate Name	Color	Disc.	Total
MARION CRITTENDEN PRESS							
May 10 hearing - Case # 2015-00312- ACCESS CODE: HMAY64TCR	04/21/2016	1 x 2.75	\$8.32	CLDIS	\$0.00	0.0000%	\$22.88
MORGANFIELD UNION CO. ADVOCATE							
May 10 hearing - Case # 2015-00312 - ACCESS CODE: AHMA42TCR	04/20/2016	2 x 2	\$11.40	CLDIS	\$0.00	0.0000%	\$45.60
OWENSBORO MESSENGER-INQUIRER							
May 10 hearing - Case # 2015-00312 - ACCESS CODE: MAYC42TCR	04/24/2016	1 x 3	\$45.65	CLDIS	\$0.00	0.0000%	\$136.95
PRINCETON TIMES LEADER							
May 10 hearing - Case # 2015-00312 - ACCESS CODE: MHRG46TCR	04/20/2016	2 x 2	\$7.00	CLDIS	\$0.00	0.0000%	\$28.00
SEBREE BANNER							
May 10 hearing - Case # 2015-00312 - ACCESS CODE: HMAY64TCR	04/20/2016	1 x 2.75	\$5.00	CLDIS	\$0.00	0.0000%	\$13.75
SMITHLAND LIVINGSTON LEDGER							
May 10 hearing - Case # 2015-00312 - ACCESS CODE: MAHE26TCR	04/28/2016	1 x 3	\$13.93	SAU	\$0.00	0.0000%	\$41.79

Total Advertising	\$589.62
Discounts	\$0.00
Tax: USA	\$0.00
Total Invoice	\$589.62
Payments	\$0.00
Adjustments	\$0.00
Balance Due	\$589.62

URGENT!
TEARSHEETS
CANNOT BE REPLACED

ANY QUESTIONS CONCERNING TEARSHEETS AND ALL REQUESTS FOR ACCOUNT CREDIT MUST BE MADE WITHIN FIVE DAYS OF THE DATE OF THIS INVOICE. IF THE REQUEST IS NOT RECEIVED WITHIN FIVE DAYS, THE CLIENT IS RESPONSIBLE FOR FULL PAYMENT OF THE INVOICE AMOUNT. Amount Due Subject to 1.5% Service Charge After 30 Days Please Pay From This Invoice. No Statement Will Be Sent.

Kenergy Corp.
Post Office Box 18
Henderson, KY 42419

May 2, 2016

DORSEY, GRAY, NORMENT & HOPGOOD

ATTORNEYS-AT-LAW
318 SECOND STREET
HENDERSON, KENTUCKY 42420

I.D. NO. 610462803

Re: Rate Case

TO FEE: For legal services rendered during April 2016 as follows:

<u>2016</u>		<u>HOUR</u>
4-1	Telephone conference with Jeff Hohn re: rate case settlement; telephone conference with Angela Goad re: same; e-mail to Angela Goad re: same; receipt and review proposed ad; review application and testimony in preparation for hearing;	3.0
4-4	E-mail to and from Jeff Hohn and Angela Goad re: rate case settlement;	1.0
4-5	E-mail from Angela Goad re: settlement and hearing;	.25
4-6	Receipt and review e-mail from Bob Welsh re: attendance at hearing; e-mail to Angela Goad and Quang Ngyuen of PSC re: same; receipt and review e-mail with proposed advertising dates;	.5
4-8	E-mail from Quang Ngyuen and Angela Goad re: questions for Bob Welsh; e-mail to Bob Welsh; telephone conference with Steve Thompson re: same;	.5
4-11	E-mail from Teresa Revelett and Renee Beasley Jones re: advertising for the hearing;	.25
4-14	Review data request responses in preparation for rate case hearing; preparation for hearing;	6.0

4-15	Review Responses to PSC second data requests in preparation for hearing; e-mail from Angela Goad re: rejection of settlement;	2.0
4-18	Review PSC Second Data Requests; preparation for rate case hearing;	1.0
4-23	E-mail to Jack Gaines, Steve Thompson and Robert Welsh re: rate case preparation;	.25
4-27	E-mail to Debbie Hayden re: hearing preparation; telephone conference with Quang Nguyen re: Jeff Hohn as witness; telephone conference with Jeff Hohn re: same; receipt and review Supplement to Data Requests;	1.0
4-28	Review Cumberland Valley rate hearing; preparation for hearing;	3.0
4-29	Review Second Staff Data Requests; preparation for hearing;	2.0
4-30	Summarize First and Second Staff Data requests; review AG Requests; e-mail to witnesses re: data requests summaries and cost savings measures;	5.0
	Total hours	25.75
	FEE for above services rendered (25.75 hours @ \$150.00)	\$3,862.50



1310 U.S. 127 South Frankfort, KY 40601 phone [502] 223.7600 fax [502] 223.9881



HOHN, JEFF <i>Travis Siewert</i> name 4526 LAKE FOREST DR address OWENSBORO KY 42303 UNITED STATES OF AMERICA	room number: 323/KXTY arrival date: 5/9/2016 2:58:00 PM departure date: 5/10/2016 adult/child: 1/0 room rate: 119.00 Rate Plan: 1V4 HH #: 611186129 BLUE AL: Car:
----------------------------------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

If the debit/credit card you are using for check-in is attached to a bank or checking account, a hold will be placed on the account for the full anticipated dollar amount to be owed to the hotel, including estimated incidentals, through your date of check-out and such funds will not be released for 72 business hours from the date of check-out or longer at the discretion of your financial institution.

Confirmation Number: 86218922 5/9/2016	Rates subject to applicable sales, occupancy, or other taxes. Please do not leave any money or items of value unattended in your room. A safety deposit box is available for you in the lobby. I agree that my liability for this bill is not waived and agree to be held personally liable in the event that the indicated person, company or association fails to pay for any part or the full amount of these charges. In the event of an emergency, I, or someone in my party, require special evacuation due to a physical disability. Please indicate yes by checking here <input type="checkbox"/> signature:
-----------------------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

date	reference	description	amount
5/9/2016	1339819	GUEST ROOM	\$119.00
5/9/2016	1339819	STATE TAX	\$7.14
5/9/2016	1339819	LOCAL ROOM TAX	\$6.31
5/9/2016	1339819	CITY TAX	\$2.52
		WILL BE SETTLED TO VS*9949	\$134.97
		EFFECTIVE BALANCE OF	\$0.00

now

*28.20
2.40*

for reservations call 1.800.hampton or visit us online at hampton.com thanks.

account no.	date of charge	folio/check no.
		455389 A
card member name	authorization	initial
establishment no. and location THANK YOU!!!	establishment agrees to transmit to card holder for payment purchases & services taxes tips & misc.	
signature of card member X	total amount	





1310 U.S. 127 South Frankfort, KY 40601 phone [502] 223.7600 fax [502] 223.9881



ELLIS, KEITH
4224 SADDLEBROOKE TRAIL
OWENSBORO KY 42303
UNITED STATES OF AMERICA

name
address

room number: 330/KXTY
arrival date: 5/9/2016 4:19:00 PM
departure date: 5/10/2016

adult/child: 2/0
room rate: 119.00

Rate Plan: LV4
HH #: 375548974 SILVER
AL:
Car:

020
240
145 5/10

Rate Case

If the debit/credit card you are using for check-in is attached to a bank or checking account, a hold will be placed on the account for the full anticipated dollar amount to be owed to the hotel, including estimated incidentals, through your date of check-out and such funds will not be released for 72 business hours from the date of check-out or longer at the discretion of your financial institution.

Confirmation Number: 86218922

5/9/2016

Rates subject to applicable sales, occupancy, or other taxes. Please do not leave any money or items of value unattended in your room. A safety deposit box is available for you in the lobby. I agree that my liability for this bill is not waived and agree to be held personally liable in the event that the indicated person, company or association fails to pay for any part or the full amount of these charges. In the event of an emergency, I, or someone in my party, require special evacuation due to a physical disability. Please indicate yes by checking here:

signature:

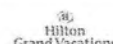
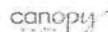
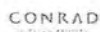
date	reference	description	amount
5/9/2016	1339824	GUEST ROOM	\$119.00
5/9/2016	1339824	STATE TAX	\$7.14
5/9/2016	1339824	LOCAL ROOM TAX	\$6.31
5/9/2016	1339824	CITY TAX	\$2.52
		WILL BE SETTLED TO VS*9949	\$134.97
		EFFECTIVE BALANCE OF	\$0.00

928⁰⁰⁰
20
240

for reservations call 1.800.hampton or visit us online at hampton.com

thanks.

account no.	date of charge	folio/check no.
		455392 A
card member name	authorization	initial
establishment no. and location	purchases & services	
THANK YOU!!!	taxes	
	tips & misc.	
signature of card member	total amount	
X		



0330:WOOJ



✓ 9999

1310 U.S. 127 South Frankfort, KY 40601 phone [502] 223.7600 fax [502] 223.9881



HOHN, JEFF *Kew Stock*
4526 LAKE FOREST DR
OWENSBORO KY 42303
UNITED STATES OF AMERICA

room number: 325/KXTY
arrival date: 5/9/2016 4:19:00 PM
departure date: 5/10/2016
adult/child: 1/0
room rate: 119.00

If the debit/credit card you are using for check-in is attached to a bank or checking account, a hold will be placed on the account for the full anticipated dollar amount to be owed to the hotel, including estimated incidentals, through your date of check-out and such funds will not be released for 72 business hours from the date of check-out or longer at the discretion of your financial institution.

Rate Plan: LV4
HH #: 611186129 BLUE
AL:
Car:

Confirmation Number: 86218922
5/9/2016

Rates subject to applicable sales, occupancy, or other taxes. Please do not leave any money or items of value unattended in your room. A safety deposit box is available for you in the lobby. I agree that my liability for this bill is not waived and agree to be held personally liable in the event that the indicated person, company or association fails to pay for any part or the full amount of these charges. In the event of an emergency, I, or someone in my party, require special evacuation due to a physical disability. Please indicate yes by checking here:
signature:

date	reference	description	amount
5/9/2016	1339820	GUEST ROOM	\$119.00
5/9/2016	1339820	STATE TAX	\$7.14
5/9/2016	1339820	LOCAL ROOM TAX	\$6.31
5/9/2016	1339820	CITY TAX	\$2.52
		WILL BE SETTLED TO VS*9949	\$134.97
		EFFECTIVE BALANCE OF	\$0.00

928.000 - 20-240

for reservations call 1.800.hampton or visit us online at hampton.com thanks.

account no.	date of charge	folio/check no.
card member name	authorization	initial
establishment no. and location	purchases & services	
THANK YOU!!!	taxes	
signature of card member	tips & misc.	
X	total amount	





V9999

1310 U.S. 127 South Frankfort, KY 40601 phone [502] 223.7600 fax [502] 223.9881



HOHN, JEFF 4526 LAKE FOREST DR OWENSBORO KY 42303 UNITED STATES OF AMERICA	name address	room number: 410/KXTY arrival date: 5/9/2016 8:46:00 PM departure date: 5/10/2016 adult/child: 1/0 room rate: 119.00
-------------------------------------------------------------------------------------	-----------------	----------------------------------------------------------------------------------------------------------------------------------

If the debit/credit card you are using for check-in is attached to a bank or checking account, a hold will be placed on the account for the full anticipated dollar amount to be owed to the hotel, including estimated incidentals, through your date of check-out and such funds will not be released for 72 business hours from the date of check-out or longer at the discretion of your financial institution.	Rate Plan: LV4 HH #: 611186129 BLUE AL: Car:
---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-------------------------------------------------------

Confirmation Number: 86218922 5/9/2016	Rates subject to applicable sales, occupancy, or other taxes. Please do not leave any money or items of value unattended in your room. A safety deposit box is available for you in the lobby. I agree that my liability for this bill is not waived and agree to be held personally liable in the event that the indicated person, company or association fails to pay for any part or the full amount of these charges. In the event of an emergency, I, or someone in my party, require special evacuation due to a physical disability. Please indicate yes by checking here: <input type="checkbox"/> signature:
-----------------------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

date	reference	description	amount
5/9/2016	1339835	GUEST ROOM	\$119.00
5/9/2016	1339835	STATE TAX	\$7.14
5/9/2016	1339835	LOCAL ROOM TAX	\$6.31
5/9/2016	1339835	CITY TAX	\$2.52
		WILL BE SETTLED TO VS*9949	\$134.97
		EFFECTIVE BALANCE OF	\$0.00

928-20
240
Case 2015-00312

for reservations call **1.800.hampton** or visit us online at **hampton.com** thanks.

account no.	date of charge	folio/check no.
card member name	authorization	initial
establishment no. and location	purchases & services	
THANK YOU!!!	taxes	
	tips & misc.	
signature of card member	total amount	
X		



OH:WOO



✓9999

1310 U.S. 127 South Frankfort, KY 40601 phone [502] 223.7600 fax [502] 223.9881



HOYT, DOUGLAS
2760 HIGH PASS POINTE
OWENSBORO KY 42303
UNITED STATES OF AMERICA

name
address

room number: 328/KXTY
arrival date: 5/9/2016 4:21:00 PM
departure date: 5/10/2016
adult/child: 1/0
room rate: 119.00

If the debit/credit card you are using for check-in is attached to a bank or checking account, a hold will be placed on the account for the full anticipated dollar amount to be owed to the hotel, including estimated incidentals, through your date of check-out and such funds will not be released for 72 business hours from the date of check-out or longer at the discretion of your financial institution.

Rate Plan: LV4
HH # 909235507 BLUE
AL:
Car:

Confirmation Number: 86218922

5/9/2016

Rates subject to applicable sales, occupancy, or other taxes. Please do not leave any money or items of value unattended in your room. A safety deposit box is available for you in the lobby. I agree that my liability for this bill is not waived and agree to be held personally liable in the event that the indicated person, company or association fails to pay for any part or the full amount of these charges. In the event of an emergency, I, or someone in my party, require special evacuation due to a physical disability. Please indicate yes by checking here.

signature:

date	reference	description	amount
5/9/2016	1339823	GUEST ROOM	\$119.00
5/9/2016	1339823	STATE TAX	\$7.14
5/9/2016	1339823	LOCAL ROOM TAX	\$6.31
5/9/2016	1339823	CITY TAX	\$2.52
		WILL BE SETTLED TO VS*9949	\$134.97
		EFFECTIVE BALANCE OF	\$0.00

928000

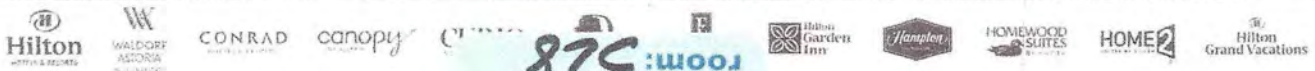
Rate Case
20-240
2015-00312

[Signature]

for reservations call 1.800.hampton or visit us online at hampton.com

thanks.

account no.	date of charge	folio/check no.
card member name	authorization	initial
establishment no. and location	purchases & services	
THANK YOU!!!	taxes	
	tips & misc.	
signature of card member	total amount	





99999

1310 U.S. 127 South Frankfort, KY 40601 phone [502] 223.7600 fax [502] 223.9881



HOHN, JEFF *David Hamilton* name
4526 LAKE FOREST DR address
OWENSBORO KY 42303
UNITED STATES OF AMERICA

room number: 113/SXBL
arrival date: 5/9/2016 4:34:00 PM
departure date: 5/10/2016
adult/child: 1/0
room rate: 119.00

If the debit/credit card you are using for check-in is attached to a bank or checking account, a hold will be placed on the account for the full anticipated dollar amount to be owed to the hotel, including estimated incidentals, through your date of check-out and such funds will not be released for 72 business hours from the date of check-out or longer at the discretion of your financial institution.

Rate Plan: LV4
HH #: 611186129 BLUE
AL:
Car:

Confirmation Number: 86218922

5/9/2016

Rates subject to applicable sales, occupancy, or other taxes. Please do not leave any money or items of value unattended in your room. A safety deposit box is available for you in the lobby. I agree that my liability for this bill is not waived and agree to be held personally liable in the event that the indicated person, company or association fails to pay for any part or the full amount of these charges. In the event of an emergency, I, or someone in my party, require special evacuation due to a physical disability. Please indicate yes by checking here:

signature:

date	reference	description	amount
5/9/2016	1339760	GUEST ROOM	\$119.00
5/9/2016	1339760	STATE TAX	\$7.14
5/9/2016	1339760	LOCAL ROOM TAX	\$6.31
5/9/2016	1339760	CITY TAX	\$2.52
		WILL BE SETTLED TO VS*9949	\$134.97
		EFFECTIVE BALANCE OF	\$0.00

928-20-240
Case 2015-00312

for reservations call 1.800.hampton or visit us online at hampton.com

thanks.

account no.	date of charge	folio/check no.
card member name	authorization	455393 A initial
establishment no. and location	purchases & services	
THANK YOU!!!	taxes	
	tips & misc.	
signature of card member	total amount	
X		



Unit #552
Odometer 15,077

*** REPRINT *** REPRINT *** REPRINT ***

FIVE STAR 4361
0000090894
375 LEONARDWOOD DR
FRANKFORT, KY
05/10/2016 744453746
02:17:37 PM

0166
VISA

INVOICE 141553
AUTH 00-008823
REF 720170510161415

928.29
240
Hearing on
Case
2015
00312

PUMP# 3
Regular 8.600G
PRICE/GAL 2.159

FUEL TOTAL \$ 18.57
*** REPRINT *** REPRINT *** REPRINT ***

CREDIT \$ 18.57
*** REPRINT *** REPRINT *** REPRINT ***

Batch: 72 Seq Num: 17
EARN UP TO \$.25 ON
EARN UP TO \$.25 ON
MARATHON PURCHASES
MARATHON PURCHASES
WITH MARATHON VISA
WITH MARATHON VISA

Thank You!
Like us on Facebook!
FiveStarFoodMart

*** REPRINT *** REPRINT *** REPRINT ***

020-2400
920.

Case
2015-00312

DATE 5/09/16 TIME 7:35:12PM
MID 1340000001067108010

O'Charley's #271
325 Leonardwood Dr.
Frankfort, KY
40601

502-223-3282

VISA

XXXXXXXXXX0186

\$

AUTH 005541

TBL 15

CHECK

1424535

PRE-AUTH

Dining Room

Amber

AMOUNT

169.36

TAX

10.15

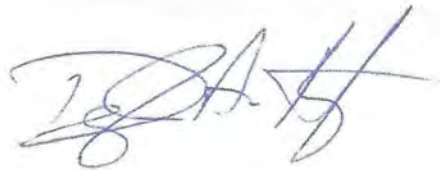
SUBTOTAL \$ 179.51

TIP \$ 34.00

TOTAL \$ 213.51

CUSTOMER COPY

JEFF HAMILTON
Steve Thompson
TREVIS SIEWERT
DAVID HAMILTON
KEITH ELLIS
CHRIS HOPGOOD
KEN STOCK
JACK GAINES
DAVE HOYT

A stylized, cursive handwritten signature, likely reading "JEFF HAMILTON". The signature is written in dark ink and features a prominent, sweeping horizontal stroke across the middle.

Hamilton 2015-00312
 Aohn
 Haggood
 Thompson
 Siewert
 Panera Bread
 Cafe 0881
 4000
 502-223-2224
 20-240
 SO

Accuracy Matters.
 Your order should be correct every time.
 If it's not, we'll fix it right away, and
 give you a free treat for your trouble.
 Just let any associate know.

08/20/16 11:48:14 PM
 Check Number: 719004 Cashier: Shanna
 1 Greek Salad 6.75
 1 Soda 2.19
 1 French Baguette
 1 Tuna Salad Sandwich 6.59
 1 Soda 2.19
 1 Chips
 1 You Pick 2
 1 1/2 Bacon Turkey Brioche 4.99
 Heat To Panini Press
 + French Baguette
 1 Cup Broc (Heat Soup) 3.79
 1 Soda 2.19
 1 French Baguette
 1 You Pick 2
 1 1/2 Stacked Turkey Sal 5.99
 1 Cup Broc (Heat Soup) 3.79
 1 Soda 2.19
 1 Chips
 1 You Pick 2
 1 1/2 Rot Turkey Kale 5.69
 1 Cup Broc (Heat Soup) 3.79
 1 Soda 2.19
 1 Chips
 Subtotal 49.89
 Tax 2.99
 Total 52.88
 Visa 52.88
 Acct: XXXXXXXX0985
 AuthCode: 0001514
 Trans#: 6419
 20-240

If you didn't use your MyPanera card,
 keep this receipt and enter the code below
 at www.panerabread.com/rewards!
 Get a reward yet? Ask an Associate for
 your own card and join today!

9510-6666 44/6 3526 0314-15

www.panerabread.com

HERE TO:
 Your Order Number is: 704
 1/1/2016 / Page: 18410 120

Customer Care
 Item 1, Page 21 of 28

2015-00312
Arend Hearing *aw*

Parera Bread
Date 06/01
Frankfort, KY 40601
Phone: 502-228-2224

SO

Accuracy Matters.
Your order should be correct every time.
If it's not, we'll fix it right away, and
give you a free treat for your trouble.
Just let any associate know.

5/10/2016 2:14:13 PM
Check Number: 6474 Cardnet: *9*
1 Choc Chipper Cookie 2.99
1 Cherry Pastry 2.79
Subtotal 4.88
Tax 0.20
Total 5.17
VISA *17*
Acct: 4773 0000000000000000
AuthCode: 001620
Transit: 6441

If you didn't use your MyParera card,
keep this receipt and enter the code below
at www.myparera.com/misused1511
Not a member yet? Ask an Associate for
your own card and join today!

2692 0000 0000 0000 0000 0000

www.parerabread.com

1030 POS
Your Order Number is: 642
Customer / Pager:

Customer Copy

K. Ella
D. Hoyt
K. Stecke
Name Case 020
240
Steak 'n Shake No: 336 5/10

Order: 412430 PTY: 3
Name: AMANDA L 5/10/2016 2:16:17 PM
SubTotal 28.38
Tax 1.70
Gratuity 6.00
Total 36.08
Ending: 9519 Amount 36.08
CARD Balance: 0.00

Visa

NEW 1/2 Price HAPPIER Hour!!!
Extra Hours!
All Shakes and Drinks
Weekdays 2-8 PM & AM

THANK YOU FOR VISITING
Tell Us About Your Experience
1-877-STK-N-SHK (1-877-785-6745)
To contact this store
Call (502)875-0200

Join our eClub at www.steakshake.com
to receive the latest news and offers!!!
PAY WITH OUR NEW APP, GET REWARDS!
Download the Steak 'n Shake App
and get a FREE Reg Classic Milkshake
(\$2.99 value) with your first app payment.
Receive \$5 in Rewards for every \$50 spent.

Customer Copy

*off hour Kurt Allen
Drew Hamilton
Drew Hamilton
Kurt Allen
5/19/16*

DATE 5/19/16 TIME 12:35:38PM
MID TERM 526

*Rob Case
Travel Center*

Logans 526
2945 Ainsatt Court
Owensboro, KY
42303
270-684-3131

Thank you for your patronage
Contact Us 1-844-6LOGANS

VISA XXXX XXXX XXX9519 S
AUTH 009999 TR 99 CHECK 312172
PRE-AUTH DINING Logan

AMOUNT 55.24
TAX 3.32

SUBTOTAL \$ 58.56
TIP \$ 10.00
TOTAL \$ 68.56

Quick Tip Guide for your Convenience

15% \$8.79
18% \$10.54
20% \$11.71

CUSTOMER COPY

Kenergy Corp.
Post Office Box 18
Henderson, KY 42419

May 12, 2016

DORSEY, GRAY, NORMENT & HOPGOOD
ATTORNEYS-AT-LAW
318 SECOND STREET
HENDERSON, KENTUCKY 42420

V8118

J.D. No. 610462809

Re: Rate Case

TO FEE: For legal services rendered from May 1 to May
12, 2016 as follows:

<u>2016</u>		<u>HOUR</u>
5-2	Preparation for witness conferences; telephone conference with Jack Gaines, Bob Welsh, Steve Thompson, Jeff Hohn, Doug Hoyt, David Hamilton and Ken Stock re: rate case preparation; e-mail from David Hamilton re: same;	3.25
5-3	E-mail from and to Steve Thompson re: rate case expenses; e-mail to counsel re: order of proof and cross-examination; attention to e-mail re: notice of publication; e-mail to Bob White re: CEO salary;	1.25
5-4	Preparation for rate hearing; e-mail to Jeff Hohn and staff re: hearing preparation and questions; e-mail to Attorney James M. Miller re: KIUC questions;	4.0
5-6	E-mail from Mike Kurtz, Quang Nguyen and Angela Goad re: witness questions; preparation for rate case; review testimony; e-mail from Steve Thompson re: other rate case issues and AMI meter retirement;	6.0
5-7	Research law re: regulatory asset holding; preparation for rate hearing;	1.5
5-9	To Frankfort and preparation for rate hearing;	8.0
5-10	Attend rate hearing; return from Frankfort;	8.0
5-11	E-mail to Attorney General and Quang Nguyen re: positions statements; receipt and review response; preparation of draft letter to PSC placing rates into effect; outline position statement;	1.0
	Total hours	33

FEE for above services rendered (33 hours @ \$150.00)

\$4,950.00

EXPENSE:

Mileage

31.32

TOTAL FEE AND EXPENSE

\$4,981.32

928.00 20 240

JDG Consulting, LLC
P.O Box 88039
Dunwoody, Georgia 30356
770-392-9971

PO 5976

Kenergy Corp
Attn: Steve Thompson
3111 Fairview Dr.

Owensboro, KY 42303

Remit to:
JDG Consulting, LLC
P.O. Box 88039
Dunwoody, Ga.
30356

Invoice Date: May 19, 2016
Project Number: 09-065-016
Invoice Number: 11

Service Period: 5/1/2016 through 5/19/2016

2015 Rate Case

Labor	\$	4,040.00
Subsistence	\$	143.01
Transportation	\$	544.49
Shipping/Printing	\$	-
Total	\$	4,727.50

MBW

PAYMENT DUE UPON RECEIPT OF INVOICE

THANK YOU

928.20240

Case 2015-00812



Welsh Group, LLC
 Depreciation, Regulatory and Asset Accounting

168 Castle Hill Drive, Fredericksburg, Virginia 22406

Email: www.Rnwelsh@welshgroup.com
 703-450-0845 Cell: 703-298-3109

May 4, 2016

Kenergy Corporation
 Attn: Steve Thompson
 3111 Fariview Drive
 Owensboro, KY 42302

INVOICE

Tx ID 51-0494995

P.O. Number	Invoice #	Terms	Vendor #
	KC-01-16R*	Upon Receipt	
Description			Amount
Rate Case Support of 2015 Depreciation Study			
A.	Preparation of responses to data requests 18a, 8b, 19, 20, 21 in the Commission Staff's Second Data Request. Includes discussion with RUS Staff on their depreciation study analysis process.		
	9.0 Hours @ \$ 200		\$ 1,800.00
B.	Preparation of responses to data request 8 in the Commission Staff's Third Request for Information.		
	2.0 Hours @ \$ 200		\$ 400.00
C.	Study review in preparation of testifying		
	6.0 Hours @ \$ 200		\$ 1,200.00
D.	Trip expenses related to appearing at Rate Hearing.		
	Airfare & Airport Parking at DCA	\$ 357.00	
	Hotel 5/9 -10/16	\$ 327.00	
	Car Rental 5/9 - 11/16	\$ 138.00	
	Meals 5/9 - 11/16	\$ 77.00	
	Total	\$ 899.00	\$ 899.00
E.	Two days consulting at travel consulting rate of \$1,500 per day.		\$ 3,000.00
All Project Work completed in the Virginia Office			
* This invoice replaces invoice KC-01-16			

Total Due \$ 7,299.00
Total Paid
Balance Due \$ 7,299.00

**KENERGY CORP.
RESPONSE TO DATA REQUEST AT HEARING OF MAY 10, 2016
2015-00312 RATE APPLICATION**

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Item 2) Provide the years Kenergy is retiring in its 2016 general capital credit retirement.

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

Witness) Steve Thompson



EXCERPT FROM THE MINUTES OF A MEETING
OF THE KENERGY BOARD OF DIRECTORS
ON MARCH 8, 2016

WHEREAS, the bylaws of Kenergy Corp. provide that the capital credited to patrons' accounts may be retired in full or part if the financial condition of the Corporation will not be impaired, and

WHEREAS, the 2016 budget approved by the Board of Directors includes net capital credit retirements of \$3,000,000,

WHEREAS, the equity/total capital ratio after a net \$3,000,000 general retirement (net) would be approximately 37%, which is within the 30-40% range per the capital management policy,

NOW THEREFORE BE IT RESOLVED, that Kenergy Corp. make a general capital credit retirement of approximately \$3,000,000 (net of unclaimed and bad debts) during 2016, representing the years 1986 (remaining 50%), 1987 (100%) and 1988 (first 75%).

CERTIFICATION OF SECRETARY

I, Debra Hayden, Assistant Secretary, certify that the foregoing is a true and correct excerpt from the minutes of a meeting of the board of directors of Kenergy Corp. on March 8, 2016.



Assistant Secretary



**KENERGY CORP.
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Item 3) Provide Kenergy's Operating Times Interest Earned Ratio "OTIER", Debt Service Coverage Ratio "DSCR", and Operating Debt Service Coverage Ratio "ODSCR" for 2014, 2015, and budgeted 2016.

Response) Item 3, page 2 of 2 contains the above referenced information.

Witness) Steve Thompson

KENERGY CORP.
2015-00312 RATE APPLICATION
POST HEARING DATA REQUEST
ITEM 3

Line No.	(a)	(b)	(c)	(d)
		Budget		
		2016	2015	2014
1	Operating Margins	\$ 632,568	\$ 466,297	\$ 2,787,760
2				
3	Margins	\$ 2,766,632	\$ 2,700,638	\$ 5,023,520
4	Interest Expense	\$ 5,153,091	\$ 5,010,656	\$ 4,677,863
5	Subtotal (line 3 + 4)	<u>\$7,919,723</u>	<u>\$7,711,294</u>	<u>\$9,701,383</u>
6				
7	Depreciation Expense (inc. clearing acct)	\$ 12,413,081	\$ 11,414,882	\$ 10,774,393
8	Subtotal (line 5 + 7)	<u>\$20,332,804</u>	<u>\$19,126,176</u>	<u>\$20,475,776</u>
9	Required Debt Service Payments	<u>\$ 13,010,447</u>	<u>\$ 12,181,135</u>	<u>\$ 12,034,557</u>
10				
11	Times Interest Earned Ratio	<u>1.54</u>	<u>1.54</u>	<u>2.07</u>
12	(line 5/line 4)			
13	Debt Service Coverage Ratio	<u>1.56</u>	<u>1.57</u>	<u>1.70</u>
14	(line 8/line 9)			
15	Operating Times Interest Earned Ratio	<u>1.12</u>	<u>1.09</u>	<u>1.60</u>
16	(lines 1+ 4)/line 4			
17	Operating Debt Service Coverage Ratio	<u>1.40</u>	<u>1.39</u>	<u>1.52</u>
18	(Lines 1+4+7)/line 9			

**KENERGY CORP.
RESPONSE TO DATA REQUEST AT HEARING OF MAY 10, 2016
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Item 4) Provide the current CEO's pay.

Response) Item 4, pages 2 - 4 contains the above referenced information.

Witness) Keith Ellis

CEO AGREEMENT

THIS CEO AGREEMENT, entered into this the 24th day of August 2015 by and between KENERGY CORP., Post Office Box 18, Henderson, KY 42419 ("Kenergy") and JEFF HOHN, 3819 Tam O'Shanter Drive, Riverton, WY 82501. ("CEO"):

WHEREAS, the Kenergy Board offered the position of President and CEO to Jeff Hohn who has accepted the offer:

WHEREAS, the parties desire to memorialize their mutual understandings:

NOW, therefore, in consideration of the continued acceptance of employment by CEO, the parties AGREE as follows:

1. **CEO'S Duties and Responsibilities.** CEO's employment will begin October 5, 2015. The duties and responsibilities of CEO are set forth in Kenergy Board Policies 106 and 107.
2. **Base Salary.** Kenergy agrees to pay CEO a base salary (the "Base Salary") at an annual rate of TWO HUNDRED FORTY THOUSAND DOLLARS (\$240,000.00), payable in accordance with the regular payroll practices of Kenergy, but not less frequently than monthly.
3. **Incentive Bonus.** On December 31, 2016, and each calendar year thereafter, CEO shall be eligible for a bonus up to FIFTY THOUSAND DOLLARS (\$50,000.00) ("Bonus") to be awarded at the discretion of the Kenergy Board of Directors based on the performance of the CEO toward achieving stated goals agreed upon between CEO and the Kenergy Board. The amount of the Bonus that is awarded will be paid into CEO's existing 457(f) plan. Pursuant to the terms of that 457(f) plan, the CEO shall select the vesting period as to when the funds will be eligible to withdraw; however the vesting period shall not be less than two (2) years. The CEO shall not be eligible to receive the funds if he voluntarily terminates employment with Kenergy within two (2) years from when the funds are deposited in the 457(f) account. The Bonus is payable to the plan no later than the end of the first quarter of the year following the year in which the Bonus is earned. Payout of funds from the 457(f) plan will occur no later than the end of the first quarter of the year following the end of the vesting period.

The Kenergy Board will establish a Compensation Committee of directors who will, in consultation with CEO, establish goals and criteria for the Bonus. The

Compensation Committee will obtain a CEO compensation study in the first quarter of the year 2017.

4. **Employee Benefits.** CEO shall be entitled to the same benefits as all other Kenergy employees including, but not limited: health and dental insurance, life and AD&D insurance, long-term disability insurance, business travel insurance, and defined contribution pension plan. In addition, Kenergy will furnish to CEO a standard fleet automobile and provide applicable operating expenses. CEO shall be entitled to 20 days paid vacation annually which will be prorated in 2015 based on actual Kenergy employment. Kenergy shall reimburse CEO's Cobra expenses incurred between expiration of his present employment until commencement under Kenergy's plans.

5. **Relocation expenses.** Kenergy shall reimburse CEO for actual relocation expenses up to \$15,000.00. Additionally, Kenergy will pay CEO \$1,200.00 per month for temporary living expenses for the first six (6) months of employment or until CEO occupies permanent housing, whichever occurs first.

6. **Pre-Employment Requirements.** CEO shall complete Kenergy employment application, satisfactory background and reference checks to include a criminal and credit investigation, and a negative drug test.

7. **At Will Employment.** CEO shall be considered an "at will" employee of Kenergy, and nothing herein shall be construed to guarantee employment to CEO or obligate CEO to employment for any length of time. However, the parties agree that if CEO is terminated without cause, CEO shall be entitled to cash severance equal to one year's current gross salary (subject to withholding), payable in a lump sum or in installments at CEO's discretion. If CEO resigns from employment, CEO shall agree to provide Kenergy with a minimum of 45 days prior written notice of CEO's intention to resign. "Cause" is defined as moral turpitude, conviction of a felony crime or commission of an illegal act whereby CEO obtains personal gain at the expense of Kenergy.

8. **Miscellaneous.** The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the Commonwealth of Kentucky. Each party to this Agreement consents to the jurisdiction over it of the courts of the Commonwealth of Kentucky in the City of Henderson.

IN TESTIMONY WHEREOF, witness the hands of the parties hereto by and between Kenergy's authorized representative and Jeff Hohn, this day and date first above written.

KENERGY CORP.

By Robert S. White
Robert White, Chairman of
Board of Board of Directors

Jeff Hohn
Jeff Hohn

**KENERGY CORP.
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Item 5) Provide the calculation of materials and supplies and prepayments contained in the Commission Staff's Initial Request for Information, Item 2.

Response) Please see Item 5, page 2 of 3 for a revised materials & supplies and prepayments 13-month average calculation. Also, see Item 5, page 3 of 3 for a revised Rate of Return on Net Investment Rate Base calculation.

Witness) Steve Thompson

Kenergy Corp.
Case No. 2015-00312

13-Month Average Material & Supplies and Prepayments

Line No.		6/30/2014	7/31/2014	8/31/2014	9/30/2014	10/31/2014	11/30/2014	12/31/2014
1								
2								
3	Materials & Supplies	2,065,586	1,935,431	1,996,070	1,822,155	1,927,878	1,817,095	1,911,513
4	Prepayments	1,213,169	1,052,552	913,645	792,711	671,888	550,166	775,631
5								
6								
7								
8								
9								13-Month
10		1/31/2015	2/28/2015	3/31/2015	4/30/2015	5/31/2015	6/30/2015	Average
11								
12	Materials & Supplies	1,934,474	1,918,123	2,085,874	2,135,416	2,026,139	1,950,392	1,963,550
13	Prepayments	787,153	651,576	1,043,115	905,483	768,628	1,399,756	886,575

KENERGY CORP.
2015-00312 RATE APPLICATION
PSC INFORMATION REQUEST NO. 1
ITEM 2 (REVISED)

Line No.	(a)	(b) Test year June 30, 2015	(c) 2014	(d) 2013	(e) 2012	(f) 2011	(g) 2010
1	Utility Plant in Service	\$ 296,499,454	\$ 287,838,168	\$ 278,087,269	\$ 265,581,142	\$ 252,823,279	\$ 245,071,121
2	CWIP	\$ 822,618	\$ 927,287	\$ 1,144,631	\$ 1,158,083	\$ 1,987,529	\$ 940,602
3	Total Utility Plant	<u>\$ 297,322,072</u>	<u>\$ 288,765,455</u>	<u>\$ 279,231,900</u>	<u>\$ 266,739,225</u>	<u>\$ 254,810,808</u>	<u>\$ 246,011,723</u>
4	ADD:						
5	Materials and Supplies (13 month average)	\$ 1,963,550	\$ 1,988,258	\$ 2,365,601	\$ 2,546,392	\$ 2,541,260	\$ 2,454,951
6	Prepayments (13 month average)	\$ 886,575	\$ 813,126	\$ 665,544	\$ 535,817	\$ 681,217	\$ 701,044
7	Working Capital (1/8 of O&M)	\$ 2,653,264	\$ 2,630,796	\$ 2,633,787	\$ 2,433,115	\$ 2,496,753	\$ 2,557,402
8	Subtotal	<u>\$ 5,503,389</u>	<u>\$ 5,432,180</u>	<u>\$ 5,664,932</u>	<u>\$ 5,515,324</u>	<u>\$ 5,719,230</u>	<u>\$ 5,713,397</u>
9	DEDUCT:						
10	Accumulated Depreciation	\$ 96,309,142	\$ 92,346,385	\$ 84,581,055	\$ 77,387,993	\$ 71,916,962	\$ 66,837,167
11	Customer Advances for Construction	\$ 2,528,970	\$ 2,229,637	\$ 2,241,987	\$ 2,318,886	\$ 2,284,239	\$ 1,879,877
12	Subtotal	<u>\$ 98,838,112</u>	<u>\$ 94,576,022</u>	<u>\$ 86,823,042</u>	<u>\$ 79,706,879</u>	<u>\$ 74,201,201</u>	<u>\$ 68,717,044</u>
13							
14	Net Investment Rate Base	<u>\$ 203,987,349</u>	<u>\$ 199,621,613</u>	<u>\$ 198,073,790</u>	<u>\$ 192,547,670</u>	<u>\$ 186,328,837</u>	<u>\$ 183,008,076</u>
15							
16	Margins	\$ 4,028,660	\$ 5,023,520	\$ 6,093,797	\$ 4,750,375	\$ 3,867,804	\$ 5,872,105
17	Interest Expense	\$ 4,707,931	\$ 4,677,863	\$ 4,831,795	\$ 5,089,130	\$ 5,829,601	\$ 6,192,766
18	Subtotal	<u>\$ 8,736,591</u>	<u>\$ 9,701,383</u>	<u>\$ 10,925,592</u>	<u>\$ 9,839,505</u>	<u>\$ 9,697,405</u>	<u>\$ 12,064,871</u>
19							
20	Rate of Return on Net Investment Rate Base	<u>4.28%</u>	<u>4.86%</u>	<u>5.52%</u>	<u>5.11%</u>	<u>5.20%</u>	<u>6.59%</u>
21	(Line 18 divided by line 14)						

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RESPONSE TO DATA REQUEST AT HEARING OF MAY 10, 2016
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Item 6) Provide an estimate of the expected miscellaneous revenue reduction due to AMI related to special meter readings, disconnects, and reconnects.

Response) Item 6, page 2 of 2 number 6 contains the above referenced information.

Witness) Steve Thompson

Financial Analysis

AMI INVESTMENT
ESTIMATED MONTHLY INCREASE PER METER

					year 1-2	year 3-15
		cost	life		<u>annual impact</u>	<u>annual impact</u>
1.	<u>Purchase and Install New Meters</u>					
	Depreciation	\$ 9,094,000	15	= \$	606,000	\$ 606,000
2.	<u>Retire Existing Meters</u>					
	Depreciation	\$ 4,500,000	20	= \$	(225,000)	\$ (225,000)
	Amortization of loss	\$ 3,800,000	10	= \$	380,000	\$ 380,000
3.	<u>Finance Cost of New Meters</u>					
	loan amount	\$ 9,094,000	rate			
			5%	= \$	454,700	\$ 454,700
	Either 15 yr. loan or use cushion of credit					
4.	<u>Savings</u>					
	a. Productivity Savings(through attrition)					
	Billing - Full Time Positions		-3			
	Metering - Full Time Positions		-3			
	Metering - Full Time Position(New)		1			
	Net Reduction		-5	\$ 87,000.0 =		\$ (435,000)
			hours			
	b. Overtime hours reduction	(607)	50.0	\$		\$ (30,350)
	c. Power cost reduction - load control					\$ (175,000)
	d. Transportation costs - fewer trips to reconnect/disconnect					\$ (70,000)
	e. Eliminate annual reading of meters by contractor			\$	(89,000)	\$ (89,000)
5.	<u>Maintenance/Software Fees, etc.</u>			\$	100,000	\$ 100,000
6.	<u>Reduction in revenue - fees</u>			\$	117,000	\$ 117,000
	Fees charged for reading meters					
7.	<u>Increase Interest Income</u>					
	reduce billing lag 20 days*					
	one time cash infusion of	\$ 7,000,000	5%			\$ (350,000)
	invested in cushion of credit					
	Net annual cost increase			\$	1,343,700	\$ 283,350
	Total Meters				56,000	56,000
	Avg. Monthly Increase per Meter			\$	2.00	\$ 0.42

* Application for tariff change to correct billing lag to follow

**KENERGY CORP.
RESPONSE TO DATA REQUEST AT HEARING OF MAY 10, 2016
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Item 7) Provide the estimated billing lag catch-up dollars once Kenergy transitions to AMI and catches up the billing lag over 12-months in 2017.

Response) Item 7, page 2 of 2 contains the above referenced information.

Witness) Steve Thompson

Billing Lag Catch Up Analysis

	Total Proposed Annual Billings		Facilities Charge	Demand Charge	Energy Charge
	2015-00312	Members Billed			
Residential	\$ 88,576,609	45,366	\$ 10,071,252	\$ -	\$ 78,505,357
Commercial 1-Phase	15,401,251	9,497	2,518,604	-	12,882,647
Commercial 3-Phase < 1,000	21,678,275	1,123	613,336	4,073,054	16,991,885
Commercial 3-Phase > 1,000	8,220,074	14	163,845	2,646,937	5,409,292
Unmetered Lighting	2,365,416		2,365,416		-
	\$ 136,241,625	56,000	\$ 15,732,454	\$ 6,719,991	\$ 113,789,180
20-Days	\$ 7,465,295		\$ 862,052	\$ 368,219	\$ 6,235,024
	5.5%		0.6%	0.3%	4.6%

	Monthly Impact On Average Member					
	1-Year Catch Up		2-Year Catch Up		3-Year Catch Up	
	Monthly Additional	% Additional	Monthly Additional	% Additional	Monthly Additional	% Additional
Residential	\$ 8.92	5.5%	\$ 4.46	2.7%	\$ 2.97	1.8%
Commercial 1-Phase	\$ 7.41	5.5%	\$ 3.70	2.7%	\$ 2.47	1.8%
Commercial 3-Phase < 1,000	\$ 88.16	5.5%	\$ 44.08	2.7%	\$ 29.39	1.8%
Commercial 3-Phase > 1,000	\$ 2,681.04	5.5%	\$ 1,340.52	2.7%	\$ 893.68	1.8%
Unmetered Lighting	\$ 0.66	5.5%	\$ 0.33	2.7%	\$ 0.22	1.8%

	Annual Impact On Average Customer		
	1-Year Catch Up	2-Year Catch Up	3-Year Catch Up
	Residential	\$ 106.99	\$ 53.49
Commercial 1-Phase	\$ 88.86	\$ 44.43	\$ 29.62
Commercial 3-Phase < 1,000	\$ 1,057.91	\$ 528.95	\$ 352.64
Commercial 3-Phase > 1,000	\$ 32,172.50	\$ 16,086.25	\$ 10,724.17
Unmetered Lighting	\$ 7.86	\$ 3.93	\$ 2.62
Total	\$ 33,434.12	\$ 16,717.06	\$ 11,144.71

	Total Annual Impact		
	1-Year Catch Up	2-Year Catch Up	3-Year Catch Up
	Residential	\$ 4,853,513	\$ 2,426,756
Commercial 1-Phase	\$ 843,904	\$ 421,952	\$ 281,301
Commercial 3-Phase < 1,000	\$ 1,187,851	\$ 593,925	\$ 395,950
Commercial 3-Phase > 1,000	\$ 450,415	\$ 225,208	\$ 150,138
Unmetered Lighting	\$ 129,612	\$ 64,806	\$ 43,204
Total	\$ 7,465,295	\$ 3,732,647	\$ 2,488,432

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Item 8) Provide an explanation of the impact to existing equipment and staffing due to the implementation of the AMI system.

Response) Item 8, page 2 of 2 number 4a contains the above referenced information.

Witness) Steve Thompson

Financial Analysis

AMI INVESTMENT
ESTIMATED MONTHLY INCREASE PER METER

					year 1-2	year 3-15
		cost	life		<u>annual impact</u>	<u>annual impact</u>
1.	<u>Purchase and install New Meters</u>					
	Depreciation	\$ 9,094,000	15	= \$	606,000	\$ 606,000
2.	<u>Retire Existing Meters</u>					
	Depreciation	\$ 4,500,000	20	= \$	(225,000)	\$ (225,000)
	Amortization of loss	\$ 3,800,000	10	= \$	380,000	\$ 380,000
3.	<u>Finance Cost of New Meters</u>					
		loan amount	rate			
		\$ 9,094,000	5%	= \$	454,700	\$ 454,700
	Either 15 yr. loan or use cushion of credit					
4.	<u>Savings</u>					
	a. Productivity Savings(through attrition)					
	Billing - Full Time Positions		-3			
	Metering - Full Time Positions		-3			
	Metering - Full Time Position(New)		1			
	Net Reduction		<u>-5</u>	\$ 87,000.0 =		\$ (435,000)
			hours			
	b. Overtime hours reduction	(607)	50.0	\$		\$ (30,350)
	c. Power cost reduction - load control					\$ (175,000)
	d. Transportation costs - fewer trips to reconnect/disconnect					\$ (70,000)
	e. Eliminate annual reading of meters by contractor			\$	(89,000)	\$ (89,000)
5.	<u>Maintenance/Software Fees, etc.</u>			\$	100,000	\$ 100,000
6.	<u>Reduction in revenue - fees</u>			\$	117,000	\$ 117,000
	Fees charged for reading meters			\$	117,000	\$ 117,000
7.	<u>Increase Interest Income</u>					
	reduce billing lag 20 days*					
	one time cash infusion of	\$ 7,000,000	5%			\$ (350,000)
	Invested in cushion of credit					
	Net annual cost increase			\$	1,343,700	\$ 283,350
	Total Meters				56,000	56,000
	Avg. Monthly Increase per Meter			\$	2.00	\$ 0.42

* Application for tariff change to correct billing lag to follow

**KENERGY CORP.
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Item 9) Provide the economic analysis contained in Case No. 2014-00376 related to the AMI investment.

Response) Item 9, page 2 of 2 contains the above referenced information.

Witness) Steve Thompson

Financial Analysis

**AMI INVESTMENT
ESTIMATED MONTHLY INCREASE PER METER**

					year 1-2	year 3-15
		cost	life		<u>annual impact</u>	<u>annual impact</u>
1.	<u>Purchase and install New Meters</u>					
	Depreciation	\$ 9,094,000	15	= \$	606,000	\$ 606,000
2.	<u>Retire Existing Meters</u>					
	Depreciation	\$ 4,500,000	20	= \$	(225,000)	\$ (225,000)
	Amortization of loss	\$ 3,800,000	10	= \$	380,000	\$ 380,000
3.	<u>Finance Cost of New Meters</u>					
		loan amount	rate			
		\$ 9,094,000	5%	= \$	454,700	\$ 454,700
	Either 15 yr. loan or use cushion of credit					
4.	<u>Savings</u>					
	a. Productivity Savings(through attrition)					
	Billing - Full Time Positions		-3			
	Metering - Full Time Positions		-3			
	Metering - Full Time Position(New)		1			
	Net Reduction		<u>-5</u>	\$ 87,000.0 =		\$ (435,000)
			hours			
	b. Overtime hours reduction	(607)	50.0	\$		\$ (30,350)
	c. Power cost reduction - load control					\$ (175,000)
	d. Transportation costs - fewer trips to reconnect/disconnect					\$ (70,000)
	e. Eliminate annual reading of meters by contractor			\$	(89,000)	\$ (89,000)
5.	<u>Maintenance/Software Fees, etc.</u>				\$ 100,000	\$ 100,000
6.	<u>Reduction in revenue - fees</u>					
	Fees charged for reading meters			\$	117,000	\$ 117,000
7.	<u>Increase Interest Income</u>					
	reduce billing lag 20 days*					
	one time cash infusion of	\$ 7,000,000		5%		\$ (350,000)
	invested in cushion of credit					
	Net annual cost increase			\$	1,343,700	\$ 283,350
	Total Meters				56,000	56,000
	Avg. Monthly Increase per Meter			\$	2.00	\$ 0.42

* Application for tariff change to correct billing lag to follow

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Item 10) Provide details on \$69 million contained in account 364 within the revised cost of service study.

Response) The \$69 million shown is incorrect and should be \$49.5 million, which is the sum of the plant balances from the sample set used for the regression analysis for poles. However, that total is not used in the regression calculations and has no impact on the account 364 consumer ratio. Therefore, the account 364 Consumer Ratio of 34.94% that was used in the filed cost of service study does not change.

The corrected schedule is provided electronically in the file "PSC post-hearing item 10.xls"

Witness) Jack Gaines

**KENERGY CORP.
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Item 11) Provide an explanation of the discrepancy in number of poles contained in the cost of service study.

Response) The number of poles shown on line 10 is the number of poles used in the sample set. The Total Number of Poles shown on Line 11 includes the poles from the sample set shown plus larger poles from the Continuing Property Records that are not used in the regression analysis. The Total Number of Poles includes the 113,420 poles from the sample plus the following other poles as found in the Continuing Property Records ("CPR").

364024	55' POLES	155
364025	60' POLES	24
364026	65' POLES	13
364027	70' & OVER POLES	14
364030	STEEL POLES-ALL SIZES	10
364031	25' SQUARE STEEL POLE	29
364032	30' SQUARE STEEL POLE	110
364033	39' SQUARE STEEL POLE	12

Adding the 367 poles shown above to the sample total of 113,420 produces the 113,787 shown for Total Number of Poles.

The CPR is provided electronically in the file "PSC post-hearing item 11 CPR data.xls"

Witness) Jack Gaines

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Item 12) Explain how the 3.98% general plant depreciation rate, found on page 171 of the revised cost of service study, was calculated.

Response) The depreciation rate is calculated from the information provided in the response to PSC Information Request No. 1, Item 36. The depreciation rate used in the excess facilities charge excludes transportation equipment because transportation depreciation is spread by Kenergy to O&M and plant accounts. The calculation of the 3.98% is:

<u>Item</u>	<u>Plant Balance</u>	<u>Dep. Exp.</u>
General Plant (PSC Info. Request No. 1, Item 36)	\$25,685,007	\$1,300,511
Less: Transportation	<u>\$ 8,484,133</u>	<u>\$ 615,948</u>
Net	\$17,200,874	\$ 684,563
Depreciation Rate ($\$684,563 \div \$17,200,874$) = 3.98%		

Witness) Jack Gaines

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Item 13a) Explain if June was used for coincident peak calculations.

Response) June was incorrectly used for coincident peak calculations. The annual totals should have been used. The corrected calculations are provided electronically in the file "PSC post-hearing Item 13a.xls" file. The corrected CP load factor is 59.73% compared to 59.84% as filed.

The electronic version of the cost of service study with the revisions made for items 13a and 13b is included in the file "PSC post hearing revised COSS.xls". A printable version is included as "PSC post hearing Items 13a and 13b – Revised COSS."

Witness) Jack Gaines

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Item 13b) Explain if June was used for non-coincident peak calculations.

Response) June was incorrectly used for non-coincident peak calculations. The annual totals should have been used. The corrected calculations are provided in the file "PSC post-hearing Item 13b.xls" file. The corrected NCP load factor is 59.30% compared to 62.58% as filed. The electronic version of the cost of service study with the revisions made for items 13a and 13b is included in the file "PSC post hearing revised COSS.xls". A printable version is included as "PSC post hearing Items 13a & 13b – Revised COSS."

The effects of the corrections for Items 14 and 15 are shown in the tables below:

Present Rates

Line No.	Item	TOTAL SYSTEM	Lighting Schedule	Residential Single Phase	Non -Res. Single Phase	Three Phase 0-1000 kW	Three Phase Over 1000 kW	Primary Over 1000 kW
COSS results as provided in PSC 2nd, Q. 44								
1	Return (Ln. 21 + Ln. 16)	\$ 3,878,319	\$ 829,720	\$ 733,937	\$ 1,045,287	\$ 1,842,880	\$ (385,262)	\$ (188,243)
2	Net Rate Base	\$ 202,806,127	\$ 6,399,439	\$ 147,115,803	\$ 24,651,815	\$ 20,119,706	\$ 3,028,379	\$ 1,490,985
3	Rate of Return	1.91%	12.97%	0.50%	4.24%	9.16%	-12.72%	-12.63%
4	Relative Rate of Return	1.00	6.78	0.26	2.22	4.79	-6.65	-6.60
COSS results as provided in PSC post-hearing, Items 14 & 15								
5	Return (Ln. 21 + Ln. 16)	\$ 3,878,319	\$ 829,720	\$ 597,330	\$ 1,085,051	\$ 1,908,944	\$ (367,777)	\$ (174,949)
6	Net Rate Base	\$ 202,806,127	\$ 6,399,439	\$ 147,675,223	\$ 24,488,978	\$ 19,849,166	\$ 2,956,777	\$ 1,436,544
7	Rate of Return	1.91%	12.97%	0.40%	4.43%	9.62%	-12.44%	-12.18%
8	Relative Rate of Return	1.00	6.78	0.21	2.32	5.03	-6.50	-6.37

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Proposed Rates

Line No.	Item	TOTAL SYSTEM	Lighting Schedule	Residential Single Phase	Non-Res. Single Phase	Three Phase 0-1000 kW	Three Phase Over 1000 kW	Primary Over 1000 kW
COSS results as provided in PSC 2nd, Q. 44								
1	Return (Ln. 21 + Ln. 16)	\$ 6,479,991	\$ 852,367	\$ 2,854,804	\$ 1,200,145	\$ 1,843,741	\$ (215,124)	\$ (55,945)
2	Net Rate Base	\$ 202,806,127	\$ 6,399,439	\$ 147,115,803	\$ 24,651,815	\$ 20,119,706	\$ 3,028,379	\$ 1,490,985
3	Rate of Return	3.20%	13.32%	1.94%	4.87%	9.16%	-7.10%	-3.75%
4	Relative Rate of Return	1.00	4.17	0.61	1.52	2.87	-2.22	-1.17
COSS results as provided in PSC post-hearing, Items 14 & 15								
5	Return (Ln. 21 + Ln. 16)	\$ 6,479,991	\$ 852,367	\$ 2,718,197	\$ 1,239,909	\$ 1,909,805	\$ (197,640)	\$ (42,651)
6	Net Rate Base	\$ 202,806,127	\$ 6,399,439	\$ 147,675,223	\$ 24,488,978	\$ 19,849,166	\$ 2,956,777	\$ 1,436,544
7	Rate of Return	3.20%	13.32%	1.84%	5.06%	9.62%	-6.68%	-2.97%
8	Relative Rate of Return	1.00	4.17	0.58	1.58	3.01	-2.09	-0.93

Witness) Jack Gaines

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Item 14) Confirm that microwave tower lease income is included in account 454.100 and is included in the cost of service study.

Response) Confirmed.

Witness) Steve Thompson

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Item 15) Provide the number of members participating in the demand-side management, conservation and energy-efficiency programs, including the Pilot a La Carte Weatherization program.

Response) Please see Item 15 page 2 of 2.

Witness) David Hamilton

Kenergy's Demand-Side Management, Conservation and Energy Efficiency Programs - Member Participation

Program	2012	2013	2014	2015	2016		test year 7/2014-6/2015
High efficiency lighting replacement*	20000	36144	11310	3373	9504		3467
Energy Star clothes washer	339	665	660	485	45		638
Energy star refrigerator	263	460	425	280	40		390
High efficiency HVAC	71	134	174	202	38		190
Touchstone energy Home	69	77	13	122	n/a		111
HVAC tune up	174	405	379	468	87		390
Weatherization**					175		0
Commercial							
Lighting	10	21	18	51	11		
General	2		1		1		
HVAC Replace			2	6			
HVAC Tune	12	16	16	22	2		
Total Members	20940	37922	12998	5009	9903		5186

*Number of CFLs distributed to members (note: some members may have received more than one CFL in a year)

**Number of members participating in the Pilot A La Carte Weatherization Program from January 1, 2016 through May 10, 2016

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Item 16) Provide the monthly family dental premium paid by Kenergy and by the employee.

Response) Please refer to the Application Exhibit 5A, page 7d, lines 16-22 and item 26, page 3 of 3, lines 16-18 of the Commission Staff's First Request for Information.

Witness) Keith Ellis

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Item 17) Provide the amount of service award granted for each year-of-service milestone.

Response) These payments have been excluded for rate making purposes. The payments made are as follows:

5-Year	\$100
10-Year	\$150
15-Year	\$200
20-Year	\$250
25-Year	\$300
30-Year	\$350
35-Year	\$400
40-Year	\$450
45-Year	\$500

Witness) Keith Ellis

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Item 18) Provide Kenergy's contribution to the defined benefit pension plan.

Response) Please refer to item 26, page 2 of 3 of the Commission Staff's First Request for Information.

Witness) Keith Ellis

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Item 19) Provide a salary and benefit comparison/study to other coops in Kentucky.

Response) This response was submitted under Petition for Confidentiality.

Witness) Keith Ellis

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Item 20) Provide details on the 3 additional head count added between 2011 and 2015.

Response) Item 29c of the Attorney General's Initial Request for Information contains the above referenced information.

Witness) Steve Thompson

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Item 21) Provide a status update on the AMI deployment project.

Response) As of May 13, 2016, Kenergy has installed 54,857 of 56,580 meters or 97%. The network of 18 collector units and 918 routers is 100% deployed and functional. Kenergy anticipates having 100% of the meters deployed by June 30, 2016. The system final acceptance testing is scheduled for July and August of 2016. Kenergy plans on going live with the AMI system to the membership September of 2016.

Witness) Ken Stock