

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

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(270) 826-6672  
www.dkgnlaw.com

February 1, 2016

Mr. Jeff DeRouen  
Public Service Commission  
Post Office Box 615  
Frankfort, Kentucky 40602

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

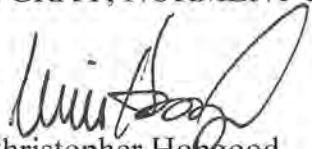
Dear Mr. DeRouen:

Enclosed for filing are Kenergy's responses to the PSC Staff's Third  
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 third 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 1st day of February, 2016.

My commission expires 3-20-2016

  
Notary Public, KY. State at Large  
#458992

(seal)

VERIFICATION

I verify, state, and affirm that I prepared or supervised the preparation of the responses to data requests filed with this verification and for which I am listed as a witness; and, that those responses are true and correct to the best of my knowledge, information and belief formed after a reasonable inquiry.




Jack D. Gaines, JDG Consulting, LLC

STATE OF GEORGIA

COUNTY OF: DeKalb

The foregoing was signed, acknowledged and sworn to before me by Jack D. Gaines, this 30 day of October, 2015.

My commission expires 10/15/2017



Notary Public

**YAVETTE DM BATES**  
NOTARY PUBLIC  
DeKalb County  
State of Georgia  
My Comm. Expires Oct. 16, 2017

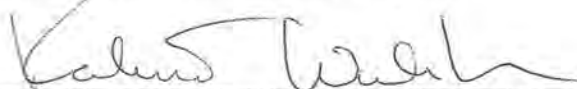
(seal)

CASE NO. 2015-00312

Commission Staff's Third Request for Information

VERIFICATION

I verify, state and affirm that the data requests responses 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.



Robert N. Welsh, Welsh Group, LLC

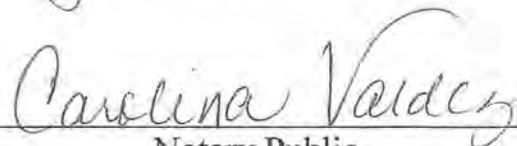
COMMONWEALTH OF VIRGINIA

COUNTY OF: STAFFORD

The foregoing was signed, acknowledged and sworn to before me by Robert N. Welsh, this 29 day of January, 2016.

My commission expires

May 31, 2019



Notary Public

(seal)




CAROLINA VALDEZ  
NOTARY PUBLIC 7664323  
COMMONWEALTH OF VIRGINIA  
MY COMMISSION EXPIRES MAY 31, 2019



CASE NO. 2015-00312

VERIFICATION

I verify, state and affirm that the 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 1<sup>st</sup> Day of February, 2016.



  
Notary Public, KY. State at Large #458992  
My commission expires: 3-20-2016

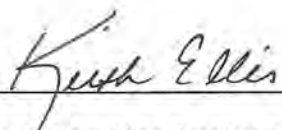
(seal)

CASE NO. 2015 -00312

PUBLIC SERVICE COMMISSION THIRD REQUEST FOR INFORMATION

VERIFICATION

I verify, state and affirm that the 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.

  
\_\_\_\_\_

Keith Ellis, Vice President, Administrative Services & Human Resources

STATE OF KENTUCKY

COUNTY OF: DAVIESS

The foregoing was signed, acknowledged and sworn to before me by Keith Ellis, the 29<sup>th</sup> day of January, 2016.

My commission expires 5-24-19  
\_\_\_\_\_


  
\_\_\_\_\_

Notary Public, KY. State at Large

CASE NO. 2015-00312

VERIFICATION

I verify, state and affirm that the data request responses to the Commission Staff's third 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.

  
\_\_\_\_\_  
Douglas A. Hoyt  
Director of Procurement & Contracts

STATE OF KENTUCKY

COUNTY OF: DAVIESS

The foregoing was signed, acknowledged and sworn to before me by Douglas A. Hoyt, this 1st day of February, 2016.

My commission expires 5-24-19

  
\_\_\_\_\_  
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 third 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.



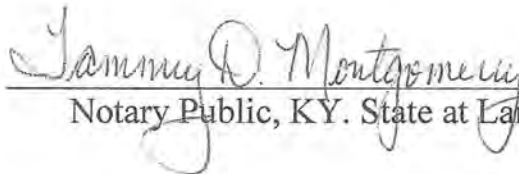
Kenneth R. Stock, Vice President - Operations

STATE OF KENTUCKY

COUNTY OF: DAVIESS

The foregoing was signed, acknowledged and sworn to before me by Kenneth R. Stock, this 1st day of February, 2016.

My commission expires April 24, 2018

 #508735  
Notary Public, KY. State at Large

(seal)

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

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**Item 1)** Refer to Kenergy's application ("Application"), Exhibit 5A, page 9a.

a. Provide an explanation for the increase in the credit to Account 586.000 for the test year compared to the time period of 2010 through 2014.

**Response)** The increase is caused by the number of meters being removed from the books during the test year at 2,888 being much larger than the previous years. The number of meters removed during the previous five calendar years were: 2014 – (1,893), 2013 – (766), 2012 – (877), 2011 – (1,117) and 2010 – (1,203).

When meters are removed from the books, account 108.700 is debited and account 586.000 is credited for the standard labor to physically remove the meter in the field.

**Witness)** Steve Thompson

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

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**Item 1)** Refer to Kenergy's application ("Application"), Exhibit 5A, page 9a.

b. Fully explain why this account would reflect a credit balance for meter removal labor.

**Response)** The credit balance in this account occurs when the physical retirement of the meters in the field happens in years previous to the year when the meters are removed from the books. Account 586.000 is charged with the actual labor to physically remove the meter from the field. When the meter is removed from the books, account 586.000 is credited with a standard labor amount.

**Witness)** Steve Thompson



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

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**Item 2)** Refer to the Application, Exhibit 5A, page 9b. Fully explain the nature of this expense and why Kenergy is proposing this adjustment.

**Response)** this expense is for preparing and mailing general capital credit refund checks to inactive members, along with preparing and mailing to active members a statement showing their current year capital credit allocation and cumulative capital credit balance. This is an annual recurring expense. Since the refund occurred in September 2015, there was zero expense included during the test year ending June 30, 2015. An adjustment using the previous year cost was made to the test year.

**Witness)** Steve Thompson



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

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**Item 3)** Refer to the Application, Exhibit 5A, page 10. Explain how the cost per mile of \$2,449.15 was determined.

**Response)** the \$2,449.15 was determined by dividing the cost incurred during the test year of \$2,580,178 by the number of miles cleared of 1,053.5. The pro forma cost of \$2,460.14 was determined by using the formula at the top of the page attached as item 3, page 2 of 2. The calculation was: 2014 price per mile of \$2,436.75 times  $(1 + (1.6\% \times .60))$ .

**Witness)** Steve Thompson

| YEAR | PRICE PER MILE   |
|------|--|
| 2014 | \$2,436.75   |
| 2015 | \$2,436.75 multiplied by one (1) plus 60% of the 2014 CPI Increase |
| 2016 | 2015 Rate multiplied by one (1) plus 60% of the 2015 CPI Increase  |
| 2017 | 2016 Rate multiplied by one (1) plus 60% of the 2016 CPI Increase  |
| 2018 | 2017 Rate multiplied by one (1) plus 60% of the 2017 CPI Increase  |

As used in this Amendment, “CPI Increase” for a particular year shall mean the percentage increase in the Consumer Price Index (excluding food and energy prices) from January 1 of such year to January 1 of the succeeding year. To the extent that the CPI decreases in any year, no adjustment shall be made to Townsend’s price per mile in the succeeding year.”

4. The parties agree that Article III, Section 3 shall be amended to be replaced and read in its entirety as follows:

“Beginning on January 1, 2014, the base fuel costs will be modified annually using the Department of Energy (DOE) Midwest Regional Index (PADD 2), Gasoline – All Grades and Diesel – All Types, found at [www.eia.doe.gov](http://www.eia.doe.gov), in effect on the first business day in January of each year to be applied to fuel during that year.” This fuel clause will apply when the actual price of fuel exceeds a variance from the base prices of greater than or less than twenty percent (20%) per gallon. This includes all project fuel except supervision vehicles. Settlement for any adjustment charges due either party will occur in June and December of each calendar year during the Extended Term.

5. The labor and equipment rates to be paid during the Extended Term for work identified in Article III, Section 1, Job Orders shall be:

“Labor, Overheads and Equipment Rates:

| YEAR | Labor, Overheads and Equipment Rates   |
|------|--|
| 2014 | Attached as Exhibit 1  |
| 2015 | 2014 Labor and Equipment Rates multiplied by one (1) plus 60% of the 2014 CPI Increase |
| 2016 | 2015 Labor and Equipment Rates multiplied by one (1) plus 60% of the 2015 CPI Increase |
| 2017 | 2016 Labor and Equipment Rates multiplied by one (1) plus 60% of the 2016 CPI Increase |

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

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**Item 4)** Refer to the Application, Exhibit 5A, page 11, Depreciation Adjustment. Confirm that the balance of \$5,955,490 for Account 370.000, Meters, includes the investment of \$4,409,844 in electro-mechanical meters being replaced by the AMI meter replacement project. If this cannot be confirmed, explain why.

**Response)** The gross book value of electro-mechanical meters at June 30, 2015, the end of the test period, was \$4,350,057. The amount mentioned above, \$4,409,844, is the December 31, 2014 balance. Please see pages 2-3 attached to this response. Kenergy considered a pro forma adjustment to remove the electro-mechanical meters from test year ending asset balances and replace them with the AMI meters. Since the AMI project is approximately \$9.7 million and the meters to be retired are only \$4.4 million the net effect of this adjustment would be to increase test year ending asset balances and to increase pro forma depreciation expense. Kenergy would certainly prefer to make this adjustment as it would more accurately reflect the increased depreciation expense Kenergy will experience when the AMI project is complete in July 2016. However, Kenergy's understanding was that past commission practice generally discouraged increases to fixed asset balances that will occur beyond the end of the test period. Therefore, Kenergy decided not to adjust the test year ending balances to reflect the eventual increase in AMI meters and decrease in electro-mechanical meters and simply used assets as they were at the end of the historical test period, June 30, 2015.

**Witness)** Steve Thompson



Totals thru December 2014

| Asset                    | Asset Description              | Quantity | Meter<br>Original Cost | AMI Meter<br>Original Cost | Depreciable Lifetime   | Depreciation Rate          |
|--------------------------|--------------------------------|----------|------------------------|----------------------------|------------------------|----------------------------|
| 370010                   | CT's                           | 6,197    | 913,996.60             |                            | 20 years               | 0.004166667                |
| 370011                   | PT's                           | 1,868    | 472,930.58             |                            | 20 years               | 0.004166667                |
| 370012                   | METER SOCKETS                  | 14,952   | 281,788.58             |                            | 20 years               | 0.004166667                |
| 370014                   | 3 WIRE METERS WITH DCI MODULE  | 501      | 26,756.00              |                            | 20 years               | 0.004166667                |
| 370015                   | 2 WIRE METERS                  | 995      | 70,436.70              |                            | 20 years               | 0.004166667                |
| 370016                   | 3 WIRE METERS                  | 58,657   | 3,245,388.26           |                            | 20 years               | 0.004166667                |
| 370017                   | 3 PHASE - 3 & 4 WIRE           | 4,223    | 887,898.66             |                            | 20 years               | 0.004166667                |
| 370018                   | POWER, SPECIAL & DEMAND        | 1        | -                      |                            | 20 years               | 0.004166667                |
| 370019                   | TEST SWITCHES                  | 29       | 1,825.28               |                            | 20 years               | 0.004166667                |
| 370020                   | REACTIVE METERING              | 11       | 12,824.11              |                            | 20 years               | 0.004166667                |
| 370021                   | JEM 2 METER                    | 3        | 8,587.12               |                            | 20 years               | 0.004166667                |
| 370022                   | 1 PH METER-SECURITY LINK       | 1        | 51.89                  |                            | 20 years               | 0.004166667                |
| 370023                   | 1 PHASE ELECTRONIC METER-TWACS | 1,000    |                        | 136,877.50                 | 15 years               | 0.005558333                |
| 370024                   | 3 PHASE ELECTRONIC METER-TWACS | 12       |                        | 3,321.00                   | 15 years               | 0.005558333                |
| 370025                   | 1 PH ELECTRONIC METERS-CANNON  | 100      |                        | 17,702.96                  | 15 years               | 0.005558333                |
| Total of 370 & 370.1     |                                |          | 5,922,483.78           | 157,901.46                 | Meters<br>4,409,844.20 | Non-Meters<br>1,670,541.04 |
| Accumulated Depreciation |                                |          | 1,450,733.56           | 63,952.88                  | 1,105,481.44           | 409,205.00                 |
| Net Book Value           |                                |          | 4,471,750.22           | 93,948.58                  | 3,304,362.76           | 1,261,336.04               |
| Removal Cost Est.        |                                |          | 573,336.86             | 7,017.54                   | 580,354.40             |                            |
|                          |                                |          |                        | Total Reg. Asset           | <u>3,884,717.16</u>    |                            |

Totals thru end of June 2015

| Asset                    | Asset Description              | Quantity      | Meter<br>Original Cost | AMI Meter<br>Original Cost | Depreciable Lifetime | Depreciation Rate |
|--------------------------|--------------------------------|---------------|------------------------|----------------------------|----------------------|-------------------|
| 370010                   | CT's                           | 6,322         | 954,877.23             |                            | 20 years             | 0.004167          |
| 370011                   | PT's                           | 1,961         | 510,040.57             |                            | 20 years             | 0.004167          |
| 370012                   | METER SOCKETS                  | 14,966        | 296,591.00             |                            | 20 years             | 0.004167          |
| 370014                   | 3 WIRE METERS WITH DCI MODULE  | 500           | 26,756.00              |                            | 20 years             | 0.004167          |
| 370015                   | 2 WIRE METERS                  | 867           | 65,991.70              |                            | 20 years             | 0.004167          |
| 370016                   | 3 WIRE METERS                  | 57,804        | 3,216,889.53           |                            | 20 years             | 0.004167          |
| 370017                   | 3 PHASE - 3 & 4 WIRE           | 3,906         | 861,055.10             |                            | 20 years             | 0.004167          |
| 370018                   | POWER, SPECIAL & DEMAND        | 0             | -                      |                            | 20 years             | 0.004167          |
| 370019                   | TEST SWITCHES                  | 28            | 1,825.28               |                            | 20 years             | 0.004167          |
| 370020                   | REACTIVE METERING              | 10            | 12,824.11              |                            | 20 years             | 0.004167          |
| 370021                   | JEM 2 METER                    | 3             | 8,587.12               |                            | 20 years             | 0.004167          |
| 370022                   | 1 PH METER-SECURITY LINK       | 1             | 51.89                  |                            | 20 years             | 0.004167          |
| 370023                   | 1 PHASE ELECTRONIC METER-TWACS | 1,000         |                        | 136,877.50                 | 15 years             | 0.005558          |
| 370024                   | 3 PHASE ELECTRONIC METER-TWACS | 12            |                        | 3,321.00                   | 15 years             | 0.005558          |
| 370025                   | 1 PH ELECTRONIC METERS-CANNON  | 100           |                        | 17,702.96                  | 15 years             | 0.005558          |
| <b>Total Meters</b>      |                                | <b>64,203</b> |                        |                            | <b>Meters</b>        | <b>Non-Meters</b> |
| Total of 370 & 370.1     |                                |               | 5,955,489.53           | 157,901.46                 | 4,350,056.91         | 1,763,334.08      |
| Accumulated Depreciation |                                |               | 1,377,504.16           | 69,218.60                  | 1,038,863.76         | 407,859.00        |
| Net Book Value           |                                |               | 4,577,985.37           | 88,682.86                  | 3,311,193.15         | 1,355,475.08      |
| Removal Cost Est.        |                                |               | 388,655.26             | 5,968.52                   | 394,623.78           |                   |
|                          |                                |               |                        | <b>Total Reg. Asset</b>    | <b>3,705,816.93</b>  |                   |

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

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**Item 5)** Refer to the Application, Exhibit 5A, page 19. Provide the calculation that resulted in a pro forma bad debt expense of \$344,023.

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

**Witness)** Steve Thompson

KENERGY CORP.  
 COMMISSION'S STAFF THIRD DATA REQUEST  
 ITEM 5

Accounts 90 Days Past Due  
 Month-End Sales Report

|    | (a)        | (b)                 | (c)                   | (d)   |
|----|------------|---------------------|-----------------------|---|
|    |            | 90 Days<br>Past Due | Bad Debt<br>Write Off | Net<br>Change   |
| 1  | 6/30/2014  | \$ 724,113          |                       | \$ 118,160  |
| 2  | 7/31/2014  | \$ 781,567          |                       | \$ 57,455   |
| 3  | 8/31/2014  | \$ 817,380          |                       | \$ 35,812   |
| 4  | 9/30/2014  | \$ 608,363          | \$ 227,304            | \$ 18,287   |
| 5  | 10/31/2014 | \$ 639,663          |                       | \$ 31,300   |
| 6  | 11/30/2014 | \$ 653,429          |                       | \$ 13,766   |
| 7  | 12/31/2014 | \$ 658,991          |                       | \$ 5,562  |
| 8  | 1/31/2015  | \$ 688,173          |                       | \$ 29,183   |
| 9  | 2/28/2015  | \$ 709,919          |                       | \$ 21,746   |
| 10 | 3/31/2015  | \$ 727,919          |                       | \$ 18,000   |
| 11 | 4/30/2015  | \$ 773,820          |                       | \$ 45,901   |
| 12 | 5/31/2015  | \$ 837,974          |                       | \$ 64,154   |
| 13 | 6/30/2015  | \$ 914,545          |                       | \$ 76,571   |
| 14 | 7/31/2015  |                     |                       | \$ 417,736 Last 12 Months Change in accounts 90 Days Past Due   |
| 15 |            |                     |                       | \$ (73,714) Less: Capital Credit Allocation Applied in May 2015 |
| 16 |            |                     |                       | \$ 344,023 Normalized Bad Debt (Excludes 2014 Polar Vortex)     |



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

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- Item 6)** Refer to the Application, Exhibit 5B.
- a. Page 2 of 116 shows a payment of \$3,000 to Madisonville-Hopkins Co for Economic Development. Fully explain the nature of this expenditure and why Kenergy considers this to be a normal recurring expense.

**Response)** Kenergy has a long history of partnering with regional economic development organizations to grow the economy and bring new jobs to western Kentucky. One of the ways Kenergy does this is through financial support to the Madisonville-Hopkins County Economic Development Corporation. Each calendar year, Kenergy financially supports this organization to help pay some of its operating expenses. Through economic development, Kenergy also is assisting Big Rivers Electric Corporation in selling its excess generation capacity to new and expanding businesses.

Kenergy Corp. considers this to be a normal recurring expense. As shown on Exhibit 5B, LEADSHEET 1, Line 10 of the application, Big Rivers Electric Corporation has reimbursed Kenergy \$68,289.46 for its economic development expenses. This reimbursement is already taken into consideration in the development of Kenergy Corp. rates.

**Witness)** David Hamilton

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

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**Item 6)** Refer to the Application, Exhibit 5B.

- b. Page 8 of 116 shows two payments of \$150 each to Kentucky Assoc for Econ for 2015 Member Dues. Fully explain the nature of this expenditure and why Kenergy considers this to be a normal recurring expense.

**Response)** Kenergy has been a long-time member of the Kentucky Association for Economic Development (KAED). KAED is the statewide association for economic development professionals that support and promote economic development in Kentucky. KAED provides opportunities for economic development training, as well as opportunities to meet project managers and consultants for new economic development projects. KAED also coordinates Kentucky United trips for its members and the Kentucky Cabinet for Economic Development. KAED allows our staff to stay connected to economic development professionals in the region and in Frankfort. Kenergy has three staff members that are members of KAED and the dues are \$150 per year, per staff member.

Kenergy Corp. considers this to be a normal recurring expense. As shown on Exhibit 5B, LEADSHEET 1, Line 10 of the application, Big Rivers Electric Corporation has reimbursed Kenergy \$68,289.46 for its economic development expenses. This reimbursement is already taken into consideration in the development of Kenergy Corp. rates.

**Witness)** David Hamilton

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

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**Item 6)** Refer to the Application, Exhibit 5B.

- c. Page 11 of 116 shows a payment of \$3,000 to Madisonville- Hopkins Co for Annual Alliance. Fully explain the nature of this expenditure and why Kenergy considers this to be a normal recurring expense.

**Response)** See response to Item 6a.

**Witness)** David Hamilton



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

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**Item 6)** Refer to the Application, Exhibit 5B.

- d. Page 11 of 116 shows payments of \$10,000 and \$3,000 to Greater Owens Econ and Hancock Co Indus respectively for Econ Devel. Fully explain the nature of these expenditures and why Kenergy considers this to be a normal recurring expense.

**Response)** Kenergy has a long history of partnering with regional economic development organizations to grow the economy and bring new jobs to western Kentucky. One of the ways Kenergy does this is through financial support to the Greater Owensboro Economic Development Corporation and the Hancock County Industrial Foundation. Each calendar year Kenergy financially supports these organizations to assist in their operating expenses. These organizations rely heavily on public and private financial partnerships to operate. Kenergy has a seat on the Board of Directors of Greater Owensboro Economic Development Corporation and on the Hancock County Industrial Foundation. Through economic development, Kenergy also is assisting Big Rivers Electric Corporation in selling its excess generation capacity to new and expanding businesses.

Kenergy Corp. considers this to be a normal recurring expense. As shown on Exhibit 5B, LEADSHEET 1, Line 10 of the application, Big Rivers Electric Corporation has reimbursed Kenergy \$68,289.46 for its economic development expenses. This reimbursement is already taken into consideration in the development of Kenergy Corp. rates.

**Witness)** David Hamilton

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

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**Item 6)** Refer to the Application, Exhibit 5B.

- e. Explain the entries on pages 12 and 13 of 116 under NRECA Dues and KAEC Dues described as Prepaid Writeoff Other. Fully explain the nature of these expenditures and why Kenergy considers this to be a normal recurring expense.

**Response)** The National Rural Electric Cooperative Association (NRECA) and the Kentucky Association of Electric Cooperatives (KAEC) dues are paid each year. A copy of the invoices are attached as item 6e, pages 2-4 of 4. These costs are charged to account 165.200 and then expensed each month to account 930.200, except for 15% of the NRECA dues which are charged to account 426.400 as lobbying expenses and removed for rate-making purposes. These dues have been allowed for rate-making purposes in prior cases.

**Witness)** Steve Thompson



**National Rural Electric  
Cooperative Association**

A Touchstone Energy Company

*10143*

**Invoice**

Mr. Gregory J. Starheim, PE  
Kenergy Corp  
PO Box 18  
Henderson, KY 42419-0018

Date: 1/8/2015  
Invoice #: 1288756  
Vendor Account #: 300010

**NRECA MEMBERSHIP DUES**

For Member Year Beginning: 2/3/2015

NRECA Distribution Member

2015 Membership Dues (Base Amount) \$48,640.00

Plus Allocation of Additional Dues - 2013 Statistical Data Used for Calculations

| Number of Consumers    |   | Per Consumer |             |             |
|------------------------|---|--------------|-------------|-------------|
| First 10,000 Consumers | X | 0.5225       | \$5,225.00  |             |
| Next 40,000 Consumers  | X | 0.2612       | \$10,448.00 |             |
| Next 5,677 Consumers   | X | 0.1742       | \$989.00    |             |
|                        |   |              | Sub Total   | \$16,662.00 |

Plus Allocation of CRN Dues

| Number of Consumers    |   | Per Consumer |            |            |
|------------------------|---|--------------|------------|------------|
| First 10,000 Consumers | X | 0.21218      | \$2,122.00 |            |
| Next 40,000 Consumers  | X | 0.10609      | \$4,244.00 |            |
| Next 5,677 Consumers   | X | 0.07073      | \$402.00   |            |
|                        |   |              | Sub Total  | \$6,768.00 |

Total Consumers: 55,677

**Total Membership Dues Payable \$72,070.00**

NRECA has estimated that 15% of the 2015 dues is allocated to lobbying expenses to which IRC Section 162(2)(3) and 6033(e)(1) as amended apply. Consequently, this portion of your 2015 system dues is not deductible for federal income tax purposes.

Thank you for your continued support.

**PLEASE RETURN A COPY OF INVOICE WITH  
REMITTANCE**  
Direct payments to: NRECA  
PO Box 758777, Baltimore, MD 21275-8777

Payment is due February 7, 2015. Please  
make check payable to NRECA.

**\$72,070.00**

Contributions or gifts to NRECA are NOT deductible as charitable contributions for federal income tax purposes. However, payments ARE deductible by members as an ordinary and necessary business expense. NRECA Taxpayer Identification Number: 53-0116145.

*165,200*

4301 Wilson Blvd. - Arlington, VA 22203-1860 - tel: 703.907.6875



KENTUCKY ASSN OF ELEC COOPS  
P.O. BOX 32170  
LOUISVILLE, KY 40232  
(800)-357-5232

*10109*

**INVOICE**

|              |          |
|--------------|----------|
| PAGE         | 1        |
| INVOICE NO.  | 11542146 |
| INVOICE DATE | 1/22/15  |

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S KENERGY CORPORATION  
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S KENERGY CORPORATION  
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I OWENSBORO, KY 42302-1389  
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| CUSTOMER PURCHASE ORDER NO. | SHIP VIA     | TERMS       | DATE SHIPPED | SLMN 1 | SLMN 2 | ORDER NUMBER |
|-----------------------------|--------------|-------------|--------------|--------|--------|--------------|
| January 2015                | Regular Mail | Net 30 Days | 1/22/15      | 50     |        | 7058827-000  |

SPECIAL INSTRUCTIONS >

| QTY. ORDERED | QTY. SHIPPED | QTY. BACK ORDERED | U/M | ITEM NO./ DESCRIPTION  | PRICE      | AMOUNT   |
|--------------|--------------|-------------------|-----|--|------------|----------|
| 1.00         | 1.00         | .00               | EA  | 2711 KE<br>2015 MEMBERSHIP DUES<br>TOTAL RATE INCLUDES SAFETY &<br>LOSS PREVENTION<br>(TOTAL CONSUMER DATA WAS<br>ACQUIRED VIA THE 2013 RUS<br>FORM 7, PART 0, LINE 10,<br>COLUMN (b).)<br>TOTAL AMOUNT FOR 2015 IS 55,677<br>CONSUMERS X 2.4773 = \$137,928.63.<br>2ND HALF OF DUES WILL BE INVOICED<br>IN JULY 2015. | 68964.3200 | 68964.32 |

*165,200*

| SUB - TOTAL | SHIPPING & HANDLING | TAX | SUB-TOTAL | DEPOSIT | BALANCE DUE         |
|-------------|---------------------|-----|-----------|---------|---------------------|
| 68964.32    | .00                 | .00 | 68964.32  | .00     | <i>WBS</i> 68964.32 |



KENTUCKY ASSN OF ELEC COOPS  
 P.O. BOX 32170  
 LOUISVILLE, KY 40232  
 (800)-357-5232

*Vol 109*

**INVOICE**

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|--------------|----------|
| PAGE         | 1        |
| INVOICE NO.  | 11549998 |
| INVOICE DATE | 7/06/15  |

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 KENERGY CORPORATION  
 P O BOX 1389  
 OWENSBORO, KY 42302-1389

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KENERGY CORPORATION  
 P O BOX 1389  
 OWENSBORO, KY 42302-1389

| CUSTOMER PURCHASE ORDER NO. | SHIP VIA     | TERMS       | DATE SHIPPED | SLMN 1 | SLMN 2 | ORDER NUMBER |
|-----------------------------|--------------|-------------|--------------|--------|--------|--------------|
| July 2015                   | Regular Mail | Net 30 Days | 7/06/15      | 50     |        | 7062286-000  |

SPECIAL INSTRUCTIONS >

| QTY. ORDERED | QTY. SHIPPED | QTY. BACK ORDERED | U/M | ITEM NO./ DESCRIPTION                              | PRICE      | AMOUNT            |
|--------------|--------------|-------------------|-----|--|------------|-------------------|
| 1.00         | 1.00         | .00               | EA  | 2711 M<br>2015 MEMBERSHIP DUES<br>2ND HALF INVOICE | 68964.3100 | <i>C</i> 68964.31 |

*1105.200*

|             |                     |     |           |         |                             |
|-------------|---------------------|-----|-----------|---------|-----------------------------|
| SUB - TOTAL | SHIPPING & HANDLING | TAX | SUB-TOTAL | DEPOSIT | BALANCE DUE                 |
| 68964.31    | .00                 | .00 | 68964.31  | .00     | <i>1105.200</i><br>68964.31 |

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

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**Item 6)** Refer to the Application, Exhibit 5B.

- f. Page 45 of 116 shows a payment of \$2,725.40 to Dell Account for Laptop & Accessories. Fully explain the nature of this expenditure and why Kenergy believes this expense should be included for ratemaking purposes.

**Response)** This cost represents replacement of a personal computer and prior coop cases have allowed this cost for rate-making purposes.

**Witness)** Steve Thompson

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

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**Item 6)** Refer to the Application, Exhibit 5B.

- g. Page 45 of 116 shows a payment of \$80 to NRECA for CKAE Annual Dues. Fully explain the nature of this expenditure and why Kenergy believes this expense should be included for ratemaking purposes.

**Response)** The National Rural Electric Cooperative Association (NRECA) has a training and certification program for cooperative staff members that work as account representatives for large commercial and industrial member-owners. The Certified Key Account Executive (CKAE) program is administered by NRECA. Following training, testing and certification, NRECA requires all individuals that have completed the training to pay annual dues and to complete annual continuing education training in order to stay certified. Due to the large number of commercial and industrial (C&I) member-owners served by Kenergy, we have three staff members that work as C&I account representatives; two of which, are Certified Key Account Executives. We believe the certification and continuous education required for the certification is vital to providing good service to our large member-owners. Kenergy considers this to be a normal recurring expense.

**Witness)** David Hamilton

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

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**Item 6)** Refer to the Application, Exhibit 5B.

h. Page 48 of 116 shows a payment of \$350 to National Rural Econ for Annual Member Dues. Fully explain the nature of this expenditure and why Kenergy believes this expense should be included for ratemaking purposes.

**Response)** Kenergy has been a long-time member of the National Rural Economic Development Association (NREDA). The organization provides economic development training at its annual conference, and resources which are specific to the rural economy. The majority of its members are rural economic development professionals and rural electric cooperative staff members. We believe rural economic development is important to grow the local economy and to bring new jobs to Kentucky.

Kenergy Corp. considers this to be a normal recurring expense. As shown on Exhibit 5B, LEADSHEET 1, Line 10 of the application, Big Rivers Electric Corporation has reimbursed Kenergy \$68,289.46 for its economic development expenses. This reimbursement is already taken into consideration in the development of Kenergy Corp. rates.

**Witness)** David Hamilton



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

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**Item 6)** Refer to the Application, Exhibit 5B.

i. Refer to pages 54 through 73 of 116. Under the column titled Assoc Mtg Exp & Trng, there are 24 items listed totaling \$17,673.23. Fully explain the nature of these 24 expenditures and why Kenergy believes these expenses should be included for ratemaking purposes. Provide the attendees, location, and dates for each meeting, training/educational event, or conference listed. Provide a detailed narrative or documentation fully describing the agenda and the nature of the topics covered at the event and how it benefits Kenergy.

**Response)** Item 6i, pages 2-75 contains the above referenced information. Board Policy 101 "Duties and Responsibilities of The Board of Directors" stipulates that each director complete the NRECA Credentialed Cooperative Director Certification and complete a minimum of 6 hours of continuing education on an annual basis by attending courses, seminars or conferences offered by NRECA, CoBank, CFC, KAEC or other electric utility or industry organizations.

**Witness)** Steve Thompson

KENERGY CORP.  
 2015 RATE APPLICATION PSC DATA REQUEST NO. 1  
 ITEM 29  
 ACCOUNT 930.200 MISC. EXPENSES  
 TEST YEAR ENDING JUNE 30, 2015

| (a)      | (b)                 | (c)             | (a)               | (d)      | (e)            | (f)<br>Non Del/Alt | (g)           | (h)              | (i)              | (j)<br>Del/Alt       |
|----------|---------------------|-----------------|-------------------|----------|----------------|--------------------|---------------|------------------|------------------|----------------------|
| Vendor   | Description         | Check/Wire Date | Check/Wire Number | Total    | Chair Per Diem | Assoc Mtg Exp      | Other Mtg Fee | Monthly Retainer | Director Bd Fees | Assoc Mtg Exp & Trng |
| 99 NRECA | NRECA Winter School | 9/15/14         | 117220            | 3,181.00 |                |                    |               |                  |                  | 3,181.00             |



**National Rural Electric Cooperative Association**

A Touchstone Energy\* Cooperative  
 4301 Wilson Boulevard  
 Arlington, VA 22203-1860

0143

Please direct payments to:  
 National Rural Electric Cooperative  
 PO Box 758777  
 Baltimore, MD 21275-8777

**INVOICE**

Ms. Debra J. Hayden  
 Kenegy Corp  
 PO Box 18  
 Henderson, KY 42419-0018

**DATE:** Monday, September 15, 2014  
**INVOICE #:** See below  
**Vendor Acct #:** 300010

| Description  | Invoice # | ID     | Cancel Date | Invoice Amt | Paid Amt* |
|--|-----------|--------|-------------|-------------|-----------|
| <div style="border: 1px solid black; padding: 5px;">           2014 Winter School - Nashville, TN<br/>           Nashville, TN<br/>           12/12/2014 through 12/17/2014         </div> |           |        |             |             |           |
| <i>2600.1 Director Duties and Liabilities</i>  |           |        |             |             |           |
| Steve Henry  | 1227557   | 679701 |             | \$588.00    | \$0.00    |
| <i>2610.1 Understanding the Electric Business</i>  |           |        |             |             |           |
| Steve Henry  | 1227557   | 679701 |             | \$588.00    | \$0.00    |
| <i>2620.1 Board Operations and Process</i>   |           |        |             |             |           |
| Steve Henry  | 1227557   | 679701 |             | \$588.00    | \$0.00    |
| <i>2630.1 Strategic Planning</i>   |           |        |             |             |           |
| Steve Henry  | 1227557   | 679701 |             | \$588.00    | \$0.00    |
| <i>2640.1 Financial Decision Making - 1.5 Day Course</i>   |           |        |             |             |           |
| Steve Henry  | 1227557   | 679701 |             | \$829.00    | \$0.00    |

930210  
 125

Questions? Email Accounts Receivable at [AccountsReceivable@NRECA.coop](mailto:AccountsReceivable@NRECA.coop) or call at 703.907.6875.

|   |   |                   |
|---|---|-------------------|
| PLEASE RETURN A COPY OF INVOICE WITH REMITTANCE | <b>Make check payable to NRECA for this amount:</b> | <b>\$3,181.00</b> |
|---|---|-------------------|

Contributions or gifts to NRECA are NOT deductible as charitable contributions for federal income tax purposes. However, payments ARE deductible by members as an ordinary and necessary business expenses. NRECA Taxpayer Identification Number: 53-0116145.

**EVENT INVOICE**

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 MBW





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

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

## (2600) Director Duties and Liabilities

Offered: Face-to-Face, On-site

Boards are responsible for directing the affairs of the corporation. This course discusses and explains the duties of loyalty, obedience, and due care, and the need for directors to acquire the minimum knowledge and skills necessary to fulfill their responsibilities within the cooperative context.

### Key topics:

- » An overview of today's multi-billion dollar electric utility business
- » The concepts and values that govern cooperatively owned businesses and related types of organizations
- » Legal and regulatory concepts affecting public utilities
- » Key legal documents such as articles of incorporation and bylaws
- » The role of management and guidelines for maintaining an effective relationship with the CEO

[\(/library/video/Pages/DirectorDutiesandLiabilities.aspx\)](/library/video/Pages/DirectorDutiesandLiabilities.aspx)

Video: Course 2600 Overview (</library/videos/Pages/Course-2600-Director-Duties-and-Liabilities.aspx>)

[\(/library/video/Pages/DirectorDutiesandLiabilities.aspx\)](/library/video/Pages/DirectorDutiesandLiabilities.aspx)

[Home \(/\)](#)

[Co-ops \(/coops/Pages/default.aspx\)](/coops/Pages/default.aspx)



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

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

## (2610) Understanding the Electric Business

Offered: Face-to-Face, On-site

The electric utility industry is an evolving high-tech system that must be designed and engineered to meet regulatory and consumer standards for reliability, quality, and safety. This requires an appropriate investment on a planned and ongoing basis. This course provides directors with an understanding of the key components of the electric utility industry.

### Key topics:

- » The basic functions and cost components of generation, transmission, and distribution
- » Current and emerging technologies that are impacting utility operations and policies
- » Issues related to distributed generation that the board may need to address
- » How environmental issues and national policies impact the cooperative
- » The board's role to ensure a safe working environment

[Video: Course 2610 Overview \(/library/videos/Pages/Course-2610-Understanding-the-Electric-Business.aspx\)](http://library/videos/Pages/Course-2610-Understanding-the-Electric-Business.aspx)

[Home \(/\)](#)  
[Co-ops \(/coops/Pages/default.aspx\)](#)  
[Member Center \(/member-center/Pages/default.aspx\)](#)  
[Services \(/services/Pages/default.aspx\)](#)  
[Conferences & Education \(/conferences-education/Pages/default.aspx\)](#)



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

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

## (2620) Board Operations and Process

Offered: Face-to-Face, On-site

The board of directors is responsible for managing the affairs of the corporation. In fulfilling its duties, the board typically can only take official action via majority vote in a duly convened meeting. This course focuses on the legal requirements for holding board meetings and also on the human factors and group processes that make such meetings productive and effective.

### Key topics:

- » Identifying the individuals and groups with whom the board must maintain effective working relationships
- » Understanding, working with, and responding to members
- » How public officials and opinion leaders impact the cooperative and the board's role in building and maintaining effective relationships
- » Lessons and guidelines regarding key internal relationships: with the board chair, with the attorney, and with itself

[Home \(/\)](#)

[Co-ops \(/coops/Pages/default.aspx\)](/coops/Pages/default.aspx)

[Member Center \(/member-center/Pages/default.aspx\)](/member-center/Pages/default.aspx)

[Services \(/services/Pages/default.aspx\)](/services/Pages/default.aspx)

[Conferences & Education](#)

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

## (2630) Strategic Planning

Offered: Face-to-Face, On-site

Boards have ultimate responsibility for ensuring and evaluating the long-term health of the organization. They help fulfill this duty through strategic thinking, identifying goals through strategic planning and authorizing the appropriate allocation of resources through the adoption of financial policies, budget review and approval and monitoring management's progress toward strategic goals. This course teaches directors how to participate effectively in strategic thinking and planning processes.

### Key topics:

- » The difference between strategic thinking and strategic planning
- » Analyzing your cooperative's strengths, weaknesses, opportunities, and threats
- » Recognizing the board's oversight responsibility
- » Using the strategic plan in the annual evaluation of the cooperative's accomplishment and as the foundation of the CEO's performance appraisal

[Video: Course 2630 Overview \(/library/videos/Pages/Course-2630-Strategic-Planning-.aspx\)](/library/videos/Pages/Course-2630-Strategic-Planning-.aspx)

[Home \(/\)](#)

[Co-ops \(/coops/Pages/default.aspx\)](/coops/Pages/default.aspx)

[Member Center \(/member-center/Pages/default.aspx\)](/member-center/Pages/default.aspx)

[Services \(/services/Pages/default.aspx\)](/services/Pages/default.aspx)





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[Cooperative.com \(/Pages/default.aspx\)](#) > Conferences & Education

## (2640) Financial Decision Making

Offered: Face-to-Face, On-site

This course is designed to help directors understand the role of the board in financial planning, including identifying the basic documents used in financial planning and reporting, assessing the issues that drive financial decisions, balancing competing goals, and taking responsibility to monitor and evaluate results.

### Key topics include:

- » Identifying the key financial decisions boards must make
- » Explaining the uniqueness of the cooperative business model
- » Recognizing three key financial documents and three key financial ratios
- » Understanding the basics of allocating and retiring capital credits policy
- » Understanding key elements of an Equity Management Policy

Video: [Course 2640 Overview \(/library/videos/Pages/Course-2640-Financial-Decision-Making.aspx\)](/library/videos/Pages/Course-2640-Financial-Decision-Making.aspx)

[Home \(/\)](#)

[Co-ops \(/coops/Pages/default.aspx\)](/coops/Pages/default.aspx)

[Member Center \(/member-center/Pages/default.aspx\)](/member-center/Pages/default.aspx)

[Services \(/services/Pages/default.aspx\)](/services/Pages/default.aspx)

[Conferences & Education](#)

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KENERGY CORP.  
 2015 RATE APPLICATION PSC DATA REQUEST NO. 1  
 ITEM 29  
 ACCOUNT 930.200 MISC. EXPENSES  
 TEST YEAR ENDING JUNE 30, 2015

|     | (a)                    | (b)                 | (c)             | (a)               | (d)    | (e)            | (f)           | (g)           | (h)              | (i)              | (j)                  |
|-----|------------------------|---------------------|-----------------|-------------------|--------|----------------|---------------|---------------|------------------|------------------|----------------------|
|     | Vendor                 | Description         | Check/Wire Date | Check/Wire Number | Total  | Chair Per Diem | Assoc Mtg Exp | Other Mtg Fee | Monthly Retainer | Director Bd Fees | Assoc Mtg Exp & Trng |
|     |                        |                     |                 |                   |        |                | Non Del/Alt   |               |                  |                  | Del/Alt              |
| 124 | Gaylord Opryland Hotel | NRECA Winter School | 10/1/14         | 1494              | 220.32 |                |               |               |                  |                  | 220.32               |

**Mary Beth Ward**

---

**From:** Debbie Hayden  
**Sent:** Friday, November 14, 2014 10:40 AM  
**To:** Mary Beth Ward  
**Subject:** RE: missing VISA receipt

Mary Beth:

I forwarded the Subway order for October. I'm sure the Opryland charge is for Brent Wigginton to attend the NRECA Winter School for Directors in December, which is held at the Opryland Hotel. He's registered and the hotel reservations are made through NRECA. I can't find anything on the Expedia charge. I've looked through all of Greg's trip reports and I don't have anything for Expedia during that time frame.

Debbie

**From:** Mary Beth Ward  
**Sent:** Friday, November 14, 2014 9:55 AM  
**To:** Debbie Hayden  
**Subject:** missing VISA receipt

Debbie,

There is a charge for Gaylord Opryland Hotel dated 9/24 on the corporate shared VISA for \$220.32. Do you know you would have been using the card at that time?

930210 1/25  
VISA XX0096  
MBW

Also, any news on the Expedia charge on Greg's card dated 9/27 for \$121.87 or the Subway charge on your card dated 10/13 for \$149.57?

I need this info as soon as possible as I am in a major crunch this morning trying to get the VISA payment out on time.

Thanks for your help!

Mary Beth Ward  
Accounts Payable



Office: (270) 689-6140  
Fax: (270) 689-6240

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. Any 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.

KENERGY CORP.  
 2015 RATE APPLICATION PSC DATA REQUEST NO. 1  
 ITEM 29  
 ACCOUNT 930.200 MISC. EXPENSES  
 TEST YEAR ENDING JUNE 30, 2015

|     | (a)    | (b)                 | (c)             | (a)               | (d)      | (e)            | (f)                          | (g)           | (h)              | (i)              | (j)                             |
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|     | Vendor | Description         | Check/Wire Date | Check/Wire Number | Total    | Chair Per Diem | Non Del/Alt<br>Assoc Mtg Exp | Other Mtg Fee | Monthly Retainer | Director Bd Fees | Del/Alt<br>Assoc Mtg Exp & Trng |
| 167 | NRECA  | NRECA Winter School | 10/31/14        | 117619            | 1,176.00 |                |                              |               |                  |                  | 1,176.00                        |





# National Rural Electric Cooperative Association

A Touchstone Energy\* Cooperative  
4301 Wilson Boulevard  
Arlington, VA 22203-1860

10143

Please direct payments to:

National Rural Electric Cooperative  
PO Box 758777  
Baltimore, MD 21275-8777

## INVOICE

Ms. Debra J. Hayden  
Kenergy Corp  
PO Box 18  
Henderson, KY 42419-0018

DATE: Monday, October 06, 2014

INVOICE #: See below

Vendor Acct #: 300010

| Description  | Invoice # | ID     | Cancel Date | Invoice Amt | Paid Amt* |
|--|-----------|--------|-------------|-------------|-----------|
| <div style="border: 1px solid black; padding: 5px;">           2014 Winter School - Nashville, TN<br/>           Nashville, TN<br/>           12/12/2014 through 12/17/2014         </div> |           |        |             |             |           |
| <i>957.1 How to Evaluate and Improve Board Performance</i>   |           |        |             |             |           |
| Brent Wigginton  | 1237860   | 468256 |             | \$588.00    | \$0.00    |
| <i>958.1 Succession Planning: Developing the Purpose Driven</i>  |           |        |             |             |           |
| Brent Wigginton  | 1237860   | 468256 |             | \$588.00    | \$0.00    |

930.210 1 125

Questions? Email Accounts Receivable at [AccountsReceivable@NRECA.coop](mailto:AccountsReceivable@NRECA.coop) or call at 703.907.6875.

PLEASE RETURN A COPY OF INVOICE WITH REMITTANCE

Make check payable to NRECA for this amount:

\$1,176.00

Contributions or gifts to NRECA are NOT deductible as charitable contributions for federal income tax purposes. However, payments ARE deductible by members as an ordinary and necessary business expenses. NRECA Taxpayer Identification Number: 53-0116145.

**EVENT INVOICE**



[/conferences-education/Pages/default.aspx?tab=courses](http://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 (/)
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- Conferences & Education (/conferences-education/Pages/default.aspx)
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Cooperative.com (/Pages/default.aspx) > Conferences & Education

## **(958.1) Succession Planning: Developing the Purpose-Driven Organization**

Offered: Face-to-Face, On-site

Course Description: Board, CEO and staff succession planning are essential to ensuring tomorrow's purpose-driven organization. Personnel change is inevitable in every organization. Often, such change can be challenging, especially when vacancies occur in leadership positions.

This course focuses on the board's responsibility and role in ensuring that the cooperative has a succession plan in place for the CEO and its overall leadership. Also discussed is the board's role in ensuring that the CEO has a process in place to ensure ongoing development of the organization's workforce potential and a plan to ensure leadership continuity and quality.

- Home (/)
- Co-ops (/coops/Pages/default.aspx)
- Member Center (/member-center/Pages/default.aspx)
- Services (/services/Pages/default.aspx)
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KENERGY CORP.  
 2015 RATE APPLICATION PSC DATA REQUEST NO. 1  
 ITEM 29  
 ACCOUNT 930.200 MISC. EXPENSES  
 TEST YEAR ENDING JUNE 30, 2015

| (a)             | (b)                 | (c)             | (a)               | (d)    | (e)            | (f)<br>Non Del/Alt | (g)           | (h)              | (i)              | (j)<br>Del/Alt       |
|-----------------|---------------------|-----------------|-------------------|--------|----------------|--------------------|---------------|------------------|------------------|----------------------|
| Vendor          | Description         | Check/Wire Date | Check/Wire Number | Total  | Chair Per Diem | Assoc Mtg Exp      | Other Mtg Fee | Monthly Retainer | Director Bd Fees | Assoc Mtg Exp & Trng |
| 180 Steve Henry | NRECA Winter School | 11/11/14        | 600               | 220.32 |                |                    |               |                  |                  | 220.32               |



## DIRECTOR'S FEES AND EXPENSES REPORT

✓ 100163

Date prepared: 11/11/14

Director's Name: Steve Henry

For the month of: \_\_\_\_\_

| Description              | Date            | Date          | Date          | Date          | Date          | Date          | Date          | Total           | Kenergy Visa  | Amount Due Director |
|--------------------------|-----------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|---------------|---------------------|
|                          | 11/10/14        |               |               |               |               |               |               |                 |               |                     |
| Board Meeting \$300      | \$300.00        |               |               |               |               |               |               | \$300.00        |               | \$300.00            |
| Committee Meeting \$300  |                 |               |               |               |               |               |               | \$0.00          |               | \$0.00              |
| Telephonic Meeting \$150 |                 |               |               |               |               |               |               | \$0.00          |               | \$0.00              |
| Conference/Seminar \$300 |                 |               |               |               |               |               |               | \$0.00          |               | \$0.00              |
| Paid Travel Day* \$150   |                 |               |               |               |               |               |               | \$0.00          |               | \$0.00              |
| Miles Driven             | 80.00           |               |               |               |               |               |               |                 |               |                     |
| Rate                     | \$0.560         | \$0.560       | \$0.560       | \$0.560       | \$0.560       | \$0.560       | \$0.560       |                 |               |                     |
| Mileage Expense          | \$ 44.80        | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$44.80         |               | \$44.80             |
| Breakfast                |                 |               |               |               |               |               |               | \$0.00          |               | \$0.00              |
| Lunch                    |                 |               |               |               |               |               |               | \$0.00          |               | \$0.00              |
| Dinner                   |                 |               |               |               |               |               |               | \$0.00          |               | \$0.00              |
| Hotel                    | \$ 220.32       |               |               |               |               |               |               | \$220.32        |               | \$220.32            |
| Telephone/Internet       |                 |               |               |               |               |               |               | \$0.00          |               | \$0.00              |
| Car Rental               |                 |               |               |               |               |               |               | \$0.00          |               | \$0.00              |
| Gasoline                 |                 |               |               |               |               |               |               | \$0.00          |               | \$0.00              |
| Tolls                    |                 |               |               |               |               |               |               | \$0.00          |               | \$0.00              |
| Parking                  |                 |               |               |               |               |               |               | \$0.00          |               | \$0.00              |
| Cab Fare                 |                 |               |               |               |               |               |               | \$0.00          |               | \$0.00              |
| Miscellaneous            |                 |               |               |               |               |               |               | \$0.00          |               | \$0.00              |
| Air Fare                 |                 |               |               |               |               |               |               | \$0.00          |               | \$0.00              |
| <b>Total</b>             | <b>\$565.12</b> | <b>\$0.00</b> | <b>\$0.00</b> | <b>\$0.00</b> | <b>\$0.00</b> | <b>\$0.00</b> | <b>\$0.00</b> | <b>\$565.12</b> | <b>\$0.00</b> | <b>\$565.12</b>     |

\*Not occurring on an actual meeting day

Explanation of fees and expenses for other than Kenergy Board or Committee meetings:

\* Hotel - deposit at Opryland Hotel for December NECRA CCD training

930210 1 118 mtg fee-bal = 300.00  
 930210 1 119 mileage = 44.80  
 930210 1 125 NRECA conf. Hotel - S. Henry = 220.32  
**Total due Director = 565.12**

Note: Please attach receipts for all expenses over \$25.00.

Director's Signature: Steve Henry

Mary Beth Ward

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**From:** Debbie Hayden  
**Sent:** Tuesday, November 11, 2014 8:16 AM  
**To:** Mary Beth Ward  
**Subject:** FW: November expense report  
**Attachments:** Kenergy Expense Report - Henry - Nov 2014.pdf

**From:** Henry, Steve [<mailto:Steve.Henry@domtar.com>]  
**Sent:** Tuesday, November 11, 2014 8:16 AM  
**To:** Debbie Hayden  
**Subject:** November expense report

Debbie,

Attached is my November expense report. I included my hotel deposit for the December CCD training.

Thanks.  
Steve

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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. Any 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.



Henry, Steve

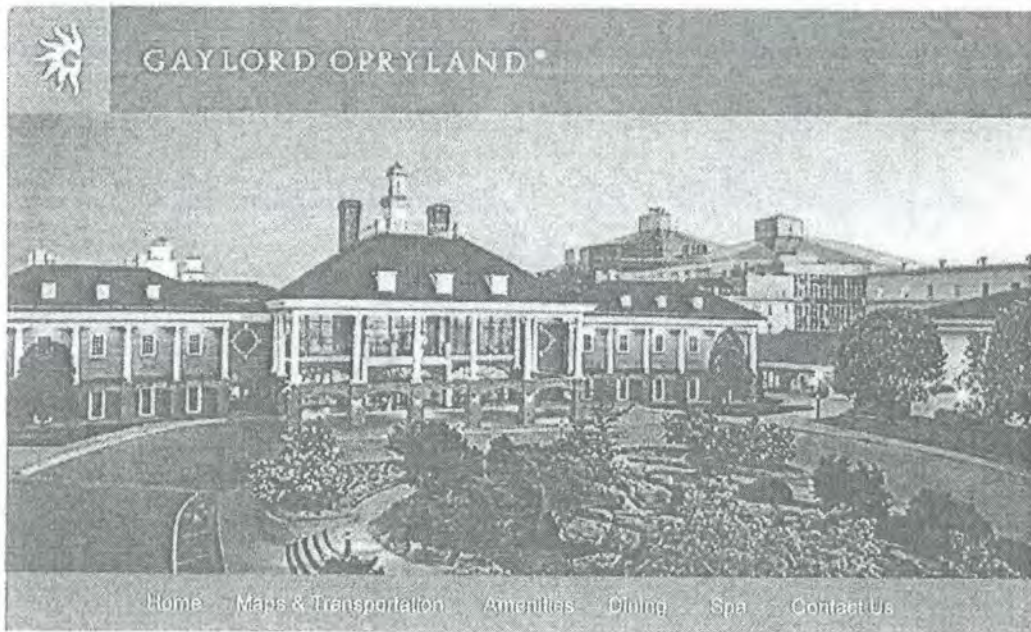
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**From:** Steve and Valrie Henry <iowahokies@hotmail.com>  
**Sent:** Tuesday, November 11, 2014 8:07 AM  
**To:** Henry, Steve  
**Subject:** Fwd: Gaylord Opryland Resort & Convention Center Reservation Confirmation

Sent from my iPhone

Begin forwarded message:

**From:** The Gaylord Opryland Resort & Convention Center Team  
<[groupcampaigns@pkghlrss.com](mailto:groupcampaigns@pkghlrss.com)>  
**Date:** September 12, 2014 at 1:29:40 PM CDT  
**To:** [iowahokies@hotmail.com](mailto:iowahokies@hotmail.com)  
**Subject:** Gaylord Opryland Resort & Convention Center Reservation Confirmation  
**Reply-To:** [tracking@pkghlrss.com](mailto:tracking@pkghlrss.com)



Dear Steve,

We are pleased to confirm your reservations for the NRECA - National Rural Electric Cooperative at Gaylord Opryland Resort & Convention Center. Our entire staff is looking forward to your arrival.

Below is a summary of your booking and room information. Should your travel plans change and you need to make updates to your reservation, please [click here](#) or call .

We look forward to seeing you soon!

To update your reservation online, click the button below

[UPDATE NOW](#)

- Gaylord Opryland Resort & Convention Center

Reservation Details

Online  
Confirmation Number: 328QCD6B  
Date Booked: 12-Sep-2014  
Reservation Name: Steve Henry  
Arrival Date: 11-Dec-2014  
Departure Date: 17-Dec-2014  
Room Type: Standard Room  
Special Requests: 2qn  
Number of Rooms: 1  
Number of Guests: 1

|                        | Date        | Guest(s) | Status    | Rate   |
|------------------------|-------------|----------|-----------|--------|
| Nightly Rate & Status: | 11-Dec-2014 | 1        | Confirmed | 189.00 |
|                        | 12-Dec-2014 | 1        | Confirmed | 189.00 |
|                        | 13-Dec-2014 | 1        | Confirmed | 189.00 |
|                        | 14-Dec-2014 | 1        | Confirmed | 189.00 |
|                        | 15-Dec-2014 | 1        | Confirmed | 189.00 |
|                        | 16-Dec-2014 | 1        | Confirmed | 189.00 |

| Additional Guest | Rate  |
|------------------|-------|
| Second Guest     | 0.00  |
| Third Guest      | 20.00 |
| Fourth Guest     | 20.00 |
| Fifth Guest      | 0.00  |

Total Charges: 1,134.00

Tax Disclosure: Room rates shown do not include \$2.50 City Tax Per Night, 6.00% Hotel Tax Per Night and 9.25% State Tax Per Night (subject to change) and any applicable resort fees. Total charges presented on the website will include all room taxes, but not any applicable resort fees.

The Gaylord Opryland™ Resort & Convention Center has a \$15.00 per day, per room resort fee that will be posted to your account upon check in.



11/11/2014

Transaction Details



STEVEN M HENRY | Acct. Ending 2926  
3038 HIDDEN LAKE PT, OWENSBORO, KY 42303-4455  
(270) 713-0331

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**Transaction Details**

| Trans. Date | Description                           | Amount   | Category                 |
|-------------|---------------------------------------|----------|--------------------------|
| 10/03/14    | GAYLORD OPRYLAND HTL F/D NASHVILLE TN | \$220.32 | Travel/<br>Entertainment |

**GAYLORD OPRYLAND ACCOU**

1 GAYLORD DRIVE, TN 37214

|                             |                  |
|-----------------------------|------------------|
| Post Date                   | 10/03/2014       |
| Transaction Date            | 10/03/2014       |
| Merchant Category           | GAYLORD OPRYLAND |
| Purchase Method             | MANUALLY KEYED   |
| Recurring Billing Indicator | N                |

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|     | (a)                | (b)                      | (c)             | (a)               | (d)      | (e)            | (f)                          | (g)           | (h)              | (i)              | (j)                             |
|-----|--------------------|--------------------------|-----------------|-------------------|----------|----------------|------------------------------|---------------|------------------|------------------|---------------------------------|
|     | Vendor             | Description              | Check/Wire Date | Check/Wire Number | Total    | Chair Per Diem | Non Del/Alt<br>Assoc Mtg Exp | Other Mtg Fee | Monthly Retainer | Director Bd Fees | Del/Alt<br>Assoc Mtg Exp & Trng |
| 213 | Fourth Street Live | Strategic Planning Mtg - | 12/1/14         | 1665              | 679.20   |                | 611.28                       |               |                  |                  | 67.92                           |
| 214 | Glenn Cox          | KAEC AnN Mtg/StraT Plan  | 12/1/14         | 648               | 218.40   |                |                              |               |                  |                  | 218.40                          |
| 215 | Glenn Cox          | KAEC AnN Mtg/StraT Plan  | 12/1/14         | 648               | 535.35   |                |                              |               |                  |                  | 535.35                          |
| 216 | Glenn Cox          | KAEC Annual Mtg          | 12/1/14         | 648               | 300.00   |                |                              |               |                  |                  | 300.00                          |
| 217 | Glenn Cox          | KAEC AnN Mtg/StraT Plan  | 12/1/14         | 648               | 300.00   |                |                              |               |                  |                  | 300.00                          |
| 218 | Marriot            | Strategic Planning Mtg   | 12/4/14         | 1664              | 2,878.48 |                | 2,616.80                     |               |                  |                  | 261.68                          |

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6i.

In conjunction with the KAEC annual, NRECA offered two director training courses on November 15 and 16, 2014. Training was held at the Marriott Hotel Downtown in Louisville. Directors White and Warren attended those two days of training.

The KAEC annual meeting was held at the Marriott Hotel Downtown, Louisville, KY on November 17-18, 2014 (half day on the 18<sup>th</sup>). A schedule of activities and agenda are attached. The meeting was attended by Directors Bob White, William Reid, Brent Wigginton, Chris Mitchell, Glenn Cox, John Warren, Jonathan Ayer, Randy Powell, Bill Denton and Larry Elder.

The Kenergy board had directed the CEO to schedule a strategic planning retreat off-site and 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 Kenergy was able to take advantage of hotel rates negotiated for the KAEC meeting, the strategic planning session was held immediately following the conclusion of the KAEC annual meeting. The strategic planning retreat was held on November 18 and 19, 2014. In attendance were Directors Bob White, William Reid, Brent Wigginton, Chris Mitchell, Glenn Cox, John Warren, Jonathan Ayer, Randy Powell, Bill Denton, Larry Elder and Steve Henry. Details of the strategic planning retreat are attached.

A decorative border of interlocking puzzle pieces in various shades of gray surrounds the central text. One puzzle piece is also placed centrally above the meeting details.

ELECTRIC COOPERATIVES  
pieces  
of the puzzle

**68th Annual Meeting**

November 17-18, 2014

Marriott Hotel

Downtown-Louisville



## Electric Cooperatives: pieces of the puzzle

If the electric cooperative program sometimes seems big and complicated, that's because it is.

As if the basic function of making and delivering electricity isn't hard enough, it's just the beginning. It also has to be done safely. It has to be paid for fairly, accurately, and according to sound accounting principles. It needs to meet the latest engineering standards and protect the environment. And as co-ops, we need to take extra steps to make sure we're treating every member as an owner.

At this year's KAEC Annual Meeting we'll hear from the people who oversee the broad national and international work of bringing together all these diverse pieces of the puzzle.

Of course we will focus on our regular business at hand: training in our specialties, W.I.R.E. community service, recognition of our Youth Program, Distinguished Rural Kentuckian, and key business meetings.

Our featured speakers will fill in other pieces. We'll get a national perspective from the NRECA Board about paying attention to what's most important. We'll hear from Touchstone Energy about the cooperative that brings us together under a brand that has come to be recognized as a symbol of quality and competence with a personal touch.

We'll fit in two of the bigger puzzle pieces, with a program on electric co-op political action, and, from a member of the Co-op Hall of Fame, reflections on rural electrification's past, present, and future.

There's always a spot for laughter, so we'll wrap up this year's meeting with a smile, courtesy of Carl Hurley.

As electric co-op leaders we work together to bring the pieces of the puzzle together into one bright picture.



**Chris Perry**  
President and CEO  
Kentucky Association of  
Electric Cooperatives

## Kentucky Association of Electric Cooperatives

### 68th Annual Meeting

November 17-18, 2014  
Marriott Hotel Downtown  
Louisville, Kentucky

### Registration and Ticket Sales

November 17, 2014  
7:45 a.m. to 4:00 p.m.  
Second Floor, Registration Area

### Related Meetings

#### SATURDAY, NOVEMBER 15, 2014

8:30 a.m. to 4:30 p.m. **Director Training**  
Your Board's Culture: Its Impact on Effectiveness  
Grandstand Room, Second Floor (Separate registration required)

#### SUNDAY, NOVEMBER 16, 2014

8:30 a.m. to 4:30 p.m. **Director Training**  
How to Evaluate and Improve Board Performance  
Grandstand Room, Second Floor (Separate registration required)

1:00 p.m. to 6:00 p.m. **Cooperative Attorneys' Meeting**  
Rose Room, Second Floor (Separate registration required)

#### MONDAY, NOVEMBER 17, 2014

8:00 a.m. to 11:15 a.m. **Cooperative Attorneys' Meeting**  
Rose Room, Second Floor

9:00 a.m. to 10:30 a.m. **Kentucky Women in Rural Electrification (W.I.R.E.) - Breakfast Meeting**, Salon 2, Second Floor  
Followed by shopping at the *Outlet Shoppes of the Bluegrass*  
(Separate registration required)

8:00 a.m. to 4:30 p.m. **W.I.R.E. Silent Auction**  
Salon 3-4, Second Floor

### General Reception

6:00 p.m. to 7:00 p.m.  
Salon Foyer, Second Floor  
*Courtesy of Federated Rural Electric Insurance*

### Hospitality

9:30 p.m. to 11:00 p.m.  
Bluegrass I and II, Second Floor  
*Courtesy of United Utility Supply*

Monday, November 17, 2014

**Morning Break**

8:00 a.m.  
Registration Foyer, Second Floor  
*Courtesy of CoBank*

**Membership and Board Meeting**

9:00 a.m.-11:00 a.m.  
Salon 5, Second Floor  
Presiding: **Ted Hampton**  
Chairman, KAEC Board, and CEO of  
Cumberland Valley Electric, Gray, KY

**Luncheon**

11:30 a.m.-1:30 p.m.  
Salon 6-10, Second Floor  
Presiding: **Ted Hampton**

**INVOCATION**

**David Smart**, President and CEO,  
West Kentucky RECC, Mayfield, KY

**LUNCHEON SERVED**

**INTRODUCTION OF KENTUCKY'S YOUTH  
LEADERSHIP COUNCIL REPRESENTATIVE**  
**Roby Foree**, Communications Specialist, KAEC

**COMMENTS**

**Matthew Herald**  
Washington Youth Tour, Youth Leadership Council  
Representative from Jackson Energy



Curtis Nolan

**INTRODUCTION OF SPEAKER**  
**Ted Hampton**

Address:  
*Don't Drop the Knife!*  
**Curtis Nolan**, President, NRECA,  
Arlington, VA

Monday, November 17, 2014

**DOOR PRIZE DRAWING**

**Ted Hampton**  
*Door prize courtesy of NRTC*

**General Session**

2:00 p.m.-4:00 p.m.  
Salon 5, Second Floor  
Presiding: **David Kimbell**  
Vice Chairman, KAEC Board, and Chairman of the  
Board, Hickman-Fulton RECC, Hickman, KY

**INTRODUCTION OF SPEAKER**  
**David Kimbell**

Address: *Touchstone Energy:*  
*Promise and Performance;*  
*a Road Map to Member*  
*Engagement*  
**Denise Aranoff-Brown**, COO  
& Chief Marketing Officer,  
Touchstone Energy Cooperatives,  
Arlington, VA



Denise Aranoff-Brown

**INTRODUCTION OF SPEAKER**  
**David Kimbell**

Address: *ACRE Co-op*  
*Owners for Political Action:*  
*Maximizing Your Grassroots*  
*Impact*  
**Alden Knowlton**, ACRE  
Program Advisor, NRECA,  
Arlington, VA



Alden Knowlton

**DOOR PRIZE DRAWING**

**David Kimbell**  
*Door prize courtesy of NRTC*



**Reception**

6:00 p.m.-7:00 p.m.  
Courtesy, Federated Rural Electric Insurance  
Salon Foyer 5-6, Second Floor

**Banquet**

7:00 p.m.-9:00 p.m.  
Salon 6-10, Second Floor

**OPENING COMMENTS**

**Chris Perry**, President and CEO  
Kentucky Association of Electric Cooperatives

**EMCEE'S WELCOME**

**Tony Cruise**, WHAS Radio Morning Anchor

**INVOCATION**

**David Beck**, Executive Vice President,  
Kentucky Farm Bureau Federation

**DINNER SERVED**

Dinner Music by **Linda and Rick Sparrow**

**INTRODUCTION OF HEAD TABLES**

**Tony Cruise**

**INTRODUCTION OF DISTINGUISHED RURAL  
KENTUCKIAN, VIDEO AND AWARD PRESENTATION**

**Tony Cruise**



Martin Lowery

Acceptance comments by **Joe B. Hall**

**INTRODUCTION OF SPEAKER**  
**Tony Cruise**

Address: *The Rural Electric  
Cooperative Program,  
Past, Present, and Future*  
**Martin Lowery**, Executive Vice  
President, Member and Association  
Relations, NRECA, Arlington, VA

**CLOSING COMMENTS**  
**Chris Perry**

**Breakfast**

8:00 a.m.-10:30 a.m.  
Salon 6, Second Floor  
Presiding: **Greg Starheim**  
Secretary-Treasurer, KAEC Board, and  
CEO of Kenergy Corp., Owensboro, KY

**INVOCATION**

**Kerry Howard**, General Manager and CEO  
Licking Valley RECC, West Liberty, KY

**BREAKFAST IS SERVED**

**UPDATE ON W.I.R.E. ACTIVITIES**

**Molly Jacobus**, President  
Kentucky Women in Rural Electrification

**PRESENTATION OF NEW MANAGERS,  
DIRECTORS, AND ATTORNEYS**  
**Greg Starheim**

**PRESENTATION OF SERVICE AWARDS**  
**Greg Starheim**

**SURE BUSINESS SESSION**

**Kerry Howard**, Chairman SURE, and CEO,  
Licking Valley RECC, West Liberty, KY

**ACRE YEAR IN REVIEW**  
**Kerry Howard**

**INTRODUCTION**  
**Greg Starheim**

**Carl Hurley**, Comedian  
*Entertainment is sponsored  
in part by CFC*

**FINAL KAEC DOOR PRIZE  
DRAWING**  
**Greg Starheim**  
*Door prize courtesy of NRTC*

**ANNUAL MEETING OBSERVATIONS  
AND CONCLUDING COMMENTS**  
**Greg Starheim**



Carl Hurley



## Speaker Bios

(In Alphabetical Order)

**DENISE ARANOFF-BROWN**, Chief Operating and Chief Marketing Officer of Touchstone Energy

Denise oversees the Touchstone Energy Cooperatives' national team, the marketing and branding subsidiary of NRECA. She is a marketing strategy and brand expert with more than 25 years of for-profit and nonprofit marketing, communications, and sales experience. Prior to joining Touchstone Energy, Denise ran Brand:New Marketing, a brand strategy and identity consultancy company. Denise was also the Senior Director/Chief Marketing Officer of the National Aquarium, and served for nine years as Group Vice President of Marketing Services for the \$2 billion home equity division of Chevy Chase Bank (now Capital One Bank). Denise has also held marketing positions with American Express and assorted New York advertising agencies.

**CARL HURLEY**, Ed.D, CPAE

Dr. Carl Hurley grew up in the Appalachian Mountains of eastern Kentucky and now resides in Lexington. He holds a Bachelor of Science and a Master's Degree in Industrial Education from Eastern Kentucky University (EKU) and a Doctorate in Education from the University of Missouri.

Carl spent eight years as a professor of education at Eastern Kentucky University and coordinated the university's secondary education program.

Several years ago, faced with an increasing number of invitations to speak, Carl left his professorship to become a full-time speaker and entertainer.

Featured on what was formerly the Nashville Network, he has also made numerous appearances on the Bill Gaither Homecoming Series and Public Television. Carl holds the professional designation of Certified Speaking Professional and was inducted by his peers to the National Speakers Association CPAE Speakers Hall of Fame. Carl's humor is heard regularly on the XM Satellite Network on Channel 150 and the Sirius Satellite's LAUGH FIRST Channel 105.

## Speaker Bios

Perhaps his most proud achievement is being inducted into EKV's Alumni Hall of Fame and receiving the institution's honorary doctorate. Carl believes that humor is the best carrier for his message. He has certainly earned the title of "America's Funniest Professor."

**ALDEN KNOWLTON**

Alden handles ACRE outreach, education, and coordinates with co-ops to facilitate ACRE membership drives. Alden manages all aspects of the ACRE Co-op Owners for Political Action program, including serving as lead facilitator for statewide associations and local RECs in the creation of ACRE strategic planning efforts. She works with NRECA's grassroots team on coordinated advocacy efforts and teaches a course on grassroots and political action at the Management Internship Program in Madison, WI. She also serves as Co-editor of the *ACRE Newsletter*.

Prior to NRECA, she worked for 5 1/2 years consulting on political campaigns, providing fund-raising and campaign strategy services for congressional incumbents and candidates.

Originally from Charleston, SC, she attended college at Sewanee: The University of the South in Tennessee. She currently resides in Washington, DC.

**MARTIN LOWERY**

Martin Lowery is Executive Vice President, Member and Association Relations of the National Rural Electric Cooperative Association (NRECA). His overall responsibility is to ensure that NRECA excels in serving the needs of its 1,000 members and to assist in directing the implementation of the association's strategic plan.

Dr. Lowery has been employed with NRECA since 1982. Prior to being named Executive VP, he was Manager of NRECA's Consulting, Training and Market Research Division, and served before that as Assistant



Manager of NRECA's Computer Services Division. Previous experience includes five years as manager of the Engineering and Technical Services Division for a Washington-based management consulting firm.

In May 2014, Martin was inducted into the Cooperative Hall of Fame, which is the highest honor that the US cooperative community bestows on extraordinary men and women who have made heroic contributions to the cooperative community.

Lowery serves on the board of the Ralph K. Morris Foundation, and the National Cooperative Business Association (NCBA) Board of Directors. He has served as chairman of the NCBA, and on numerous NCBA board committees throughout his career. Currently, he is a member of the NCBA Executive Committee. Martin is also a board member of RE Advisors, Inc. and the National Cooperative Bank.

Dr. Lowery received a Bachelor of Arts (cum laude) from DePaul University and a Ph.D. in philosophy from Duke University.

#### **CURTIS NOLAN**

Curtis Nolan has served on the National Rural Electric Cooperative Association Board of Directors since 2002, and is currently serving as its President. He also serves on the board of directors of the Sulphur Springs Valley Electric Co-op in Wilcox, Arizona, having served twice as the cooperative's chairman since his tenure began in 1993.

Nolan is also a member of the board of the Southwest Transmission Cooperative in Benson, Arizona, and served as chairman from 1999 to 2003. He is a director as well on the board of the Grand Canyon State Electric Cooperative Association in Phoenix, Arizona. He has received both his Credentialed Cooperative Director Certificate and his Board Leadership Certificate from NRECA.

Nolan is the owner-operator of Nolan Builders, a member of the Church of Jesus Christ of Latter Day Saints, and is very active in the Boy Scouts of America. He is married and has seven children and 13 grandchildren.



## New Co-op Directors, CEOs, and Attorneys

### **BENNY ADAIR** **DIRECTOR, WEST KENTUCKY RECC**

Benny Adair was appointed to the newly created position on the West Kentucky RECC board on July 12. Benny and his wife, Glenda, reside in Calvert City and share three children and one grandchild. Glenda is the Deputy Clerk for Calvert City and Benny is retired and likes to play golf.

### **JIM BENTLEY** **DIRECTOR, GRAYSON RECC**

Jim Bentley was elected to the Grayson RECC board of directors on May 8. Jim and his wife, Jill, are owners of Grayson Truck Accessories and attend the First Baptist Church of Grayson. They have two children and one grandchild. Jim enjoys antique car shows and spending quality time with family.

### **BOB BERRY** **MANAGER, BIG RIVERS ELECTRIC**

Bob Berry was named CEO of Big Rivers Electric in July following Mark Bailey's retirement. He is a 33-year veteran of Big Rivers' system. Bob and his wife, Beth, have three grown children.

### **GREG CORBIN** **DIRECTOR, TAYLOR COUNTY RECC**

Greg Corbin was elected to the Taylor County RECC board of directors on July 14. Greg is a farmer and his wife, Michelle, is a kindergarten teacher. They have three children and attend Columbia Baptist Church.

### **DOUG FRITZ** **DIRECTOR, BLUE GRASS ENERGY**

Doug Fritz was appointed to the Blue Grass Energy board early this year. Doug and his wife, Judy, are both retired and have two children. They attend the Wallaceton Baptist Church and Doug serves as the public address announcer for EKU women's basketball and other local high schools in his free time.

### **DINA GOODING** **DIRECTOR, FLEMING-MASON ENERGY**

Dina Gooding was elected to the Fleming-Mason Energy board of directors in May. Dina is the Vice President of Operations at People's Bank and her husband, James, is a special education teacher. Together they have two children.

### **JONI HAZELRIGG** **MANAGER, FLEMING-MASON ENERGY**

Joni Hazelrigg was named President and CEO of Fleming-Mason Energy in August this year. Joni has worked for Fleming-Mason for the past 29 years. She is a graduate of Morehead State University. Joni and her husband, Mike, have six children and four grandchildren.

## New Co-op Directors, CEOs, and Attorneys

### **STEVE HENRY** **DIRECTOR, KENERGY**

Steve Henry was elected to the Kenergy board of directors on July 8. Steve is the general manager of Domtar's Hawesville Pulp and Paper Mill and his wife, Valrie, is a preschool teacher. They have three children and attend Blessed Mother Church in Owensboro. Steve enjoys running, coaching youth sports, being a Boy Scout leader, and serving as a Junior Achievement board member.

### **MARC LOVELL** **ATTORNEY, WARREN RECC**

Marc Lovell was named attorney for Warren RECC in August. Marc and his wife, Kelly, have two children and attend Broadway United Methodist. Kelly is a U.S. District Court Clerk. Marc enjoys sports, fishing, running, and hiking.

### **RICK MESSINGSCHLAGER** **DIRECTOR, OWEN ELECTRIC**

Rick Messingschlager was appointed to the Owen Electric board in February. Rick is a fire chief and farmer and his wife, Marian, is a seamstress. They have three children and one grandchild. They attend St. Cecilia Church and Rick enjoys tractor pulling.

### **JAMES FRANK PORTER** **DIRECTOR, LICKING VALLEY RECC**

James Frank Porter was appointed to the Licking Valley RECC board of directors in October 2013. James is a funeral director and his wife, Lynda, is a guidance counselor. Together they have two children.

### **CHAD TAYLOR** **DIRECTOR, TAYLOR COUNTY RECC**

Chad Taylor was elected to the Taylor County RECC board of directors on July 14. Chad is self-employed and his wife, Beverly, is an office manager. They have one child and attend Kelleyville Community Church. Chad enjoys hunting, fishing, and dirt bike riding.

### **DAVID WILSON II** **DIRECTOR, MEADE COUNTY RECC**

David Wilson II was appointed to the Meade County RECC board on July 16. He and his wife, Elizabeth, have three children and attend the Brandenburg United Methodist Church. David is an attorney and enjoys farming, hunting, reading, and golfing.

### **EDDY WRIGHT** **DIRECTOR, WEST KENTUCKY RECC**

Eddy Wright was elected to the West Kentucky board of directors on July 12. He and his wife, Cathy, are retired. They have three children and four grandchildren. Eddy is a member of the Church of Christ and he enjoys playing with his grandchildren, golfing, and traveling.



## 2014 Service Awards

(Attorneys, Directors, Managers)

### 15 YEAR AWARDS

Troy English, Director, West Kentucky RECC  
Jim Hays II, Director, Jackson Energy  
Tommy Hill, Manager, Licking Valley RECC  
Jack Marshall, Director, Jackson Purchase  
Gale Means, Director, Clark Energy  
J. Preston, Director, Inter-County Energy

### 20 YEAR AWARDS

Keith Binder, Director, Jackson Energy  
David Brown, Director, Nolin RECC  
Chester Davis, Director, Cumberland Valley Electric  
William Denton, Director, Kenegy  
Orville Dotson, Director, Warren RECC  
Douglas Hubbard, Attorney, Salt River Electric  
Bill Maxey, Manager, Big Sandy RECC  
Eddie McCord, Director, Owen Electric  
Roger Trent, Director, Grayson RECC

### 25 YEAR AWARDS

Ted Lovett, Director, West Kentucky RECC  
Paul Tucker, Director, Blue Grass Energy  
Lonnie Vice, Director, Fleming-Mason Energy  
Danny Wallen, Director, Big Sandy RECC

### 30 YEAR AWARDS

B.W. Lyons, Director, Warren RECC  
Dr. James Sills, Director, Meade County RECC  
Sammy Todd, Director, Hickman-Fulton RECC

### 35 YEAR AWARD

Carol Hall Fraley, Manager, Grayson RECC

### 40 YEAR AWARDS

Robert Spragens, Attorney, Taylor County RECC  
T.P. Thompson, Director, Tri-County EMC

### 45 YEAR AWARDS

Fred Brown, Director, Jackson Energy  
Joe Neely, Director, Warren RECC  
Steve Patton, Director, Jackson Energy

### 50 YEAR AWARD

Ted Hampton, Manager, Cumberland Valley Electric

## ACRE Honor Roll – Kentucky 2014

### 100% Board and Management

Big Rivers Electric Corporation, Henderson  
Big Sandy RECC, Paintsville  
Blue Grass Energy Cooperative, Nicholasville – 100% CENTURY CLUB  
Clark Energy Cooperative, Winchester – 100% BOARD CENTURY CLUB  
East Kentucky Power Cooperative, Winchester  
Farmers RECC, Glasgow, KY – 100% BOARD PRESIDENT'S CLUB;  
100% MANAGEMENT CENTURY CLUB  
Hickman-Fulton Counties RECC, Hickman – 100% BOARD CENTURY CLUB  
Inter-County Energy Cooperative, Danville – 100% CENTURY CLUB  
Jackson Energy Cooperative, McKee – 100% BOARD CENTURY CLUB  
Kenegy Corp., Henderson  
Kentucky Association of Electric Cooperatives, Louisville –  
100% MANAGEMENT CENTURY CLUB  
Meade County RECC, Brandenburg – 100% CENTURY CLUB  
Nolin RECC, Elizabethtown – 100% CENTURY CLUB;  
100% BOARD SPOUSE PARTICIPATION  
Owen Electric Cooperative, Owenton – 100% CENTURY CLUB  
Pennyrite Electric Cooperative, Hopkinsville – 100% CENTURY CLUB;  
100% BOARD SPOUSE CENTURY CLUB  
Shelby Energy Cooperative, Shelbyville – 100% CENTURY CLUB  
South Kentucky RECC, Somerset – 100% CENTURY CLUB  
Tri-County Electric Membership Corporation, Lafayette, TN –  
100% BOARD CENTURY CLUB  
Warren RECC, Bowling Green – 100% BOARD CENTURY CLUB  
West Kentucky RECC, Mayfield – 100% BOARD CENTURY CLUB

### 100% Board

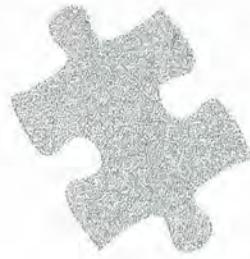
Cumberland Valley Electric, Inc., Giny  
Licking Valley RECC, West Liberty – 100% CENTURY CLUB  
Salt River Electric Cooperative, Bardstown  
Taylor County RECC, Campbellville

### 100% Management

Fleming-Mason Energy Cooperative, Flemingsburg  
Grayson RECC, Grayson  
Jackson Purchase Energy Corporation, Paducah  
United Utility Supply Cooperative, Louisville – 100% CENTURY CLUB

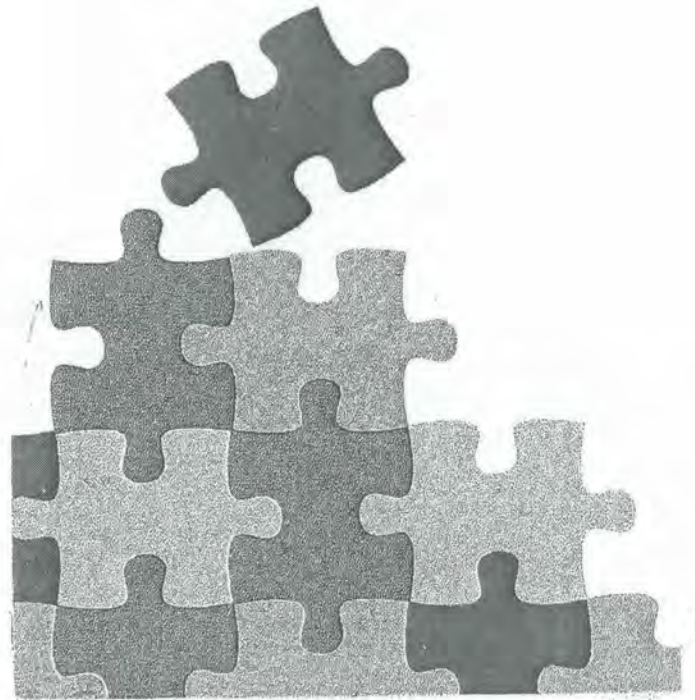
### President's Club

Allen Anderson, President and CEO, South Kentucky RECC  
Mark Bailey, Former President and CEO, Big Rivers Electric Corporation  
Bob Berry, President and CEO, Big Rivers Electric Corporation  
Freddie Burton, Director, Farmers RECC  
Tony Campbell, President and CEO, East Kentucky Power Cooperative  
Dennis Cannon, Vice President, Public Relations and Strategic Initiatives, KAEC  
and UUS  
Nick Comer, External Affairs Manager, East Kentucky Power Cooperative  
Lendis Cornett, Director, Jackson Energy Cooperative  
Bill Corum, Former President, KAEC and UUS  
Ewon Glover, President and CEO, Pennyrite Electric Cooperative  
Linda Grimes, Director, Nolin RECC  
Greg Harrington, Engineering Superintendent, Nolin RECC  
Paul Hawkins, Director, Farmers RECC  
Vince Heuser, Vice President System Operations, Nolin RECC  
Jim Jacobus, President and CEO, Inter-County Energy Cooperative  
Randy London, Director, Farmers RECC  
B.W. Lyons, Director, Warren RECC  
C.R. Martin, Jr., Director, Farmers RECC  
Debbie Martin, President and CEO, Shelby Energy Cooperative  
Burns Mercer, President and CEO, Meade County RECC  
Mickey Miles, President and CEO, Nolin RECC  
Don Mosier, Executive Vice President and COO, East Kentucky Power Cooperative  
Neil Pendygraft, Director, Farmers RECC  
Bill Prather, President and CEO, Farmers RECC  
Randy Sexton, Director, Farmers RECC  
David Smart, President and CEO, West Kentucky RECC  
Ronnie Smith, Director, Farmers RECC  
O.V. Sparks, Vice President Administration and Finance, Nolin RECC  
Mark Stallons, President and CEO, Owen Electric Cooperative  
Greg Stathlein, President and CEO, Kenegy Corp.  
Paul Westlund, Vice President Communications, KAEC  
Mike Williams, President and CEO, Blue Grass Energy Cooperative  
Carol Wright, President and CEO, Jackson Energy Cooperative



ha  
ec

*Our power is our people*





Kenergy  
 Strategic Planning Leadership Retreat  
 November 18 – 19, 2014

| <b>Tuesday, November 18, 2014</b> |  |
|-----------------------------------|--|
| Start Time 11:00 am               | Overview of Strategic Planning Process<br><br>Define Expectations and Successful Outcome of Retreat  |
|                                   | Overview of Current State <ul style="list-style-type: none"> <li>• Review Mission, Vision and Values (CEO - recommendations from staff)</li> </ul>   |
| noon                              | Lunch  |
| 12:45 pm                          | Discuss Current State <ul style="list-style-type: none"> <li>• Review Mission, Vision and Values (Consensus/agreement)</li> <li>• Review Goals and Objectives Scorecard and Strategic Initiatives (CEO and Key Staff present)</li> </ul> |
| Late Afternoon                    | Discuss Challenges and Opportunities <ul style="list-style-type: none"> <li>• SWOT Exercise, Group Discussion</li> <li>• Define Current Challenges and Opportunities</li> <li>• Discuss and Prioritize Critical Issues</li> </ul>        |
| 5:00 pm                           | Adjourn  |

Kenergy  
Strategic Planning Leadership Retreat  
November 18 – 19, 2014

| <b>Wednesday, November 19, 2014</b> |  |
|-------------------------------------|--|
| 7:30 am                             | Breakfast  |
| Start Time 8:00 a.m.                | Recap Work Completed Yesterday   |
| Early Morning                       | Continue Discussion of Challenges and Opportunities <ul style="list-style-type: none"> <li>• Develop a Sample Risk Matrix of Critical Issues</li> </ul>  |
| Late Morning                        | Discuss Future Key Drivers & Scenarios <ul style="list-style-type: none"> <li>• Discuss Most Likely Future Scenarios</li> <li>• Define Desired State</li> <li>• Prioritize Challenges and Opportunities</li> </ul>   |
|                                     | Outline Strategies to Best Position Kenergy <ul style="list-style-type: none"> <li>• Define Strategy Options</li> <li>• Define Priority Strategic Initiatives</li> </ul>   |
| NOON – 12:45                        | Lunch  |
| Early Afternoon                     | Draft Strategic Direction <ul style="list-style-type: none"> <li>• Discuss Boards “Position” Relative to the Priority Strategic Initiative <ul style="list-style-type: none"> <li>○ Develop High Level Action Plans</li> <li>○ Define Additional Information Needed</li> <li>○ Outline Next Steps Regarding Specific Initiative</li> </ul> </li> </ul> |
| Late Afternoon                      | Define Next Steps <ul style="list-style-type: none"> <li>• Outline Outstanding/Follow-up Items</li> <li>• Assign Responsibilities, Timeline and Expectations</li> </ul>  |
| 5:00 pm                             | Adjourn  |

**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 sta

Mary Beth:

Nancy Warren was the only spouse and according to the board policy, w approve paying the spouse's expense. In this case, I don't think we shou

The following attended:

|                        |        |    |             |
|------------------------|--------|----|-------------|
| Greg Starheim          | 921°   | 1  | 104 = 67.93 |
| Debbie Hayden          | 921°   | 10 | 104 = 67.93 |
| David Hamilton         | 930200 | 50 | 104 = 67.92 |
| Keith Ellis            | 921°   | 70 | 104 = 67.92 |
| Steve Thompson         | 921°   | 20 | 104 = 67.92 |
| Doug Hoyt              | 163°   | 80 | 104 = 67.92 |
| John Newland           | 598°   | 30 | 104 = 67.92 |
| Ken Stock              | 598°   | 40 | 104 = 67.92 |
| Monica Schmidt (NRECA) | 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 = 67

**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 1 separate staff expense from Board expense and it has been our previous in attendance (may not apply to this meeting).

Thanks.

Mary Beth Ward  
Accounts Payable





V-7122

### DIRECTOR'S FEES AND EXPENSES REPORT

Director's Name: Glenn Cox

Date prepared: 11 29 2014

For the month of: November

*Nov Dec did not attend*  
*KAEC Annl Mtg*  
*Strategic planning*

| Description              | Date    | Date    | Date    | Date       | Date     | Date    | Date    | Total      | Kenergy Visa | Amount Due Director |
|--------------------------|---------|---------|---------|------------|----------|---------|---------|------------|--------------|---------------------|
|                          |         | 11 10   | 11 17   | 11 18      | 11 19    |         |         |            |              |                     |
| Board Meeting \$300      |         | \$0.00  |         |            |          |         |         | \$0.00     |              | \$0.00              |
| Committee Meeting \$300  |         |         |         |            |          |         |         | \$0.00     |              | \$0.00              |
| Telephonic Meeting \$150 |         |         |         |            |          |         |         | \$0.00     |              | \$0.00              |
| Strategic Planning       |         |         |         |            | \$300.00 |         |         | \$300.00   |              | \$300.00            |
| KAEC Annual Meeting      |         |         | \$0.00  | \$300.00   |          |         |         | \$300.00   |              | \$300.00            |
| Miles Driven             |         | 0       |         | 390        |          |         |         |            |              |                     |
| Rate                     | \$0.560 | \$0.560 | \$0.560 | \$0.560    | \$0.560  | \$0.560 | \$0.560 |            |              |                     |
| Mileage Expense          | \$-     | \$-     | \$-     | \$218.40   | \$-      | \$-     | \$-     | \$218.40   |              | \$218.40            |
| Breakfast                |         |         |         |            |          |         |         | \$0.00     |              | \$0.00              |
| Lunch                    |         |         |         |            |          |         |         | \$0.00     |              | \$0.00              |
| Dinner                   |         |         | \$12.64 |            | \$10.06  |         |         | \$22.70    |              | \$22.70             |
| Hotel                    |         |         |         | \$479.65   |          |         |         | \$479.65   |              | \$479.65            |
| Telephone/Internet       |         |         |         | Marriott   |          |         |         | \$0.00     |              | \$0.00              |
| Car Rental               |         |         |         |            |          |         |         | \$0.00     |              | \$0.00              |
| Gasoline                 |         |         |         |            |          |         |         | \$0.00     |              | \$0.00              |
| Tolls                    |         |         |         |            |          |         |         | \$0.00     |              | \$0.00              |
| Parking                  |         |         |         | \$30.00    |          |         |         | \$30.00    |              | \$30.00             |
| Cab Fare                 |         |         |         |            |          |         |         | \$0.00     |              | \$0.00              |
| Miscellaneous            |         |         |         | \$3.00     |          |         |         | \$3.00     |              | \$3.00              |
| Air Fare                 |         |         |         |            |          |         |         | \$0.00     |              | \$0.00              |
| <b>Total</b>             | \$0.00  | \$0.00  | \$12.64 | \$1,031.05 | \$310.06 | \$0.00  | \$0.00  | \$1,353.75 | \$0.00       | \$1,353.75          |

\*Not occurring on an actual meeting day

Total due Director

Explanation of fees and expenses for other than Kenergy Board or Committee meetings:

930210 1 125 mtg fee - KAEC annl mtg = 300.00  
 930210 1 125 mtg fee - Strategic Planning = 300.00  
 930210 1 125 mileage - KAEC annl/strategic planning = 218.40  
 Note: Please attach receipts for all expenses over \$25.00.

Director's Signature Glenn Cox

*F. Miller*



2014 Board & Staff  
Strategic Planning Retreat

|                  |         |    |     |   |          |
|------------------|---------|----|-----|---|----------|
| 11 Board Members | 930.210 | 1  | 125 | = | 2,878.48 |
| Bob Berry, BREC  | 921.0   | 1  | 104 | = | 5,233.38 |
| Greg Starheim    |         |    |     |   |          |
| Debbie Hayden    | 921.0   | 10 | 104 | = | 261.68   |
| Steve Thompson   | 921.0   | 20 | 104 | = | 261.68   |
| Keith Ellis      | 921.0   | 70 | 104 | = | 261.68   |
| John Newland     | 598.0   | 30 | 104 | = | 261.68   |
| Ken Steck        | 598.0   | 40 | 104 | = | 261.68   |
| David Hamilton   | 930.200 | 50 | 104 | = | 261.68   |
| Deug Hest        | 163.000 | 80 | 104 | = | 261.68   |

December 4, 2014

Ms. Debbie Hayden  
Kenergy Corporation  
P.O. Box 1389  
Owensboro, KY 42302

Dear Ms. Hayden,

Thank you for choosing the Louisville Marriott Downtown for the Kenergy Corporation Meeting held on November 18-19, 2014.

I have included a summary of charges totaling \$5,233.63 which includes any applicable rooms, catering, and miscellaneous charges incurred during the Kenergy Corporation Meeting. I have applied the balance to the Visa Card ending in 9999 which was provided.

*Handwritten:*  $5,233.63 \div 20 = 261.68 / each$

I encourage you to look over the enclosed summary and contact me regarding any discrepancies or areas needing clarification.

Thank you for letting us be part of the Kenergy Corporation Meeting and we look forward to working with you in the future.

Sincerely,

*Vicki Hinkle*

Vicki Hinkle  
Accounts Receivable Specialist  
Louisville Marriott Downtown  
[Vicki.Hinkle@Whiteloding.com](mailto:Vicki.Hinkle@Whiteloding.com)  
Direct: 502-671-4457  
Fax: 502-671-4461

Marriott Louisville Downtown  
280 West Jefferson Street, Louisville, KY 40202  
Telephone (502) 627-5045 Facsimile (502) 627-5044  
[www.marriottlouisville.com](http://www.marriottlouisville.com)



12/04/14  
KENERGY CORPORATION  
P.O. BOX 1389  
OWENSBORO

LOUISVILLE MARRIOTT DOWNTOWN  
GROUP MASTER ACCOUNT  
FOR  
KENERGY CORP MEETING  
KY 42302

REFERENCE # 4  
ACCOUNT: 2800  
ARRIVE: 11/18/14  
DEPART: 11/19/14

CATERING SUMMARY

=====

| DATE     | LINE# | DESCRIPTION | REFERENCE               | AMOUNT    |
|----------|-------|-------------|-------------------------|-----------|
| 11/18/14 | 1     | BANQUETS    | 986921                  | \$1884.65 |
|          | 2     | BANQUETS    | 986915                  | \$1013.05 |
|          |       |             | SUBTOTAL:               | \$2897.70 |
| 11/19/14 | 4     | BANQUETS    | 649575                  | \$876.15  |
|          | 5     | BANQUETS    | 531371                  | \$1542.34 |
|          |       |             | SUBTOTAL:               | \$2418.49 |
| 12/04/14 | 6     | BQT ADJ     | F&BADJ                  | \$-82.56  |
|          |       |             | SUBTOTAL:               | \$-82.56  |
|          |       |             | TOTAL CATERING CHARGES: | \$5233.63 |

**Louisville Marriott Downtown**  
(502) 627-5045

Check #: 986921  
 Print #: 1  
 Status: Posted  
 Business Type: Group  
 Function Space: MULTIPLE  
 Event Manager: Jamie Ostermeier

Kenergy Corp Meeting  
 P.O. Box 1389  
 Owensboro, KY 42302  
 (270) 926-4141

Page #: 1  
 Folio #: 2800  
 Bill Method: Credit Card  
 Event Order #: 743035

Contact: Debbie Hayden  
 Tuesday, November 18, 2014

| Quantity            | Item  | Unit Price | Total Price |
|---------------------|---|------------|-------------|
| <b>Food</b>         |   |            |             |
|                     | Beverage Break, Rose  |            |             |
| 2                   | Freshly Brewed Coffee (Based on Consumption)  | \$62.00    | \$124.00    |
| 2                   | Decaf Coffee (Based on Consumption)   | \$62.00    | \$124.00    |
| 2                   | Hot Tea   | \$62.00    | \$124.00    |
| 19                  | Assorted Soft Drinks (Based Upon Consumption)   | \$3.50     | \$66.50     |
| 2                   | Dozen Assorted Fruit Breads, Croissants, Muffins, and Breakfast Pastries                            | \$40.00    | \$80.00     |
| 24                  | Whole Fruit   | \$3.00     | \$72.00     |
|                     | <b>Subtotal Food</b>  |            | \$590.50    |
| <b>Audio Visual</b> |   |            |             |
|                     | Meeting, Rose   |            |             |
| 4                   | Flipchart Set (includes easel, pad and markers)   | \$45.00    | \$180.00    |
| 1                   | LCD Projector Package, 2200 Lumen Projector, Tripod Screen, Projection Cart, cables and connectors. | \$425.00   | \$425.00    |
| 1                   | One-time Internet Set-up fee per meeting room   | \$175.00   | \$175.00    |
| 1                   | Daily Wireless Internet Fee   | \$75.00    | \$75.00     |
|                     | <b>Subtotal Audio Visual</b>  |            | \$855.00    |
|                     | AV Service Charge 23%   |            | \$196.65    |
|                     | F & B Service Charge 23%  |            | \$135.82    |
|                     | AV Tax 6%   |            | \$63.11     |
|                     | F & B Tax 6%  |            | \$43.57     |
|                     | <b>Grand Total:</b>   |            | \$1,884.65  |

Signature: \_\_\_\_\_

**GUEST COPY**

Marriott Proprietary and Confidential



**Louisville Marriott Downtown**  
(502) 627-5045

Check #: 986915  
Print #: 1  
Status: Posted  
Business Type: Group  
Function Space: Grandstand  
Event Manager: Jamie Ostermeier  
Jamie Ostermeier

Kenergy Corp Meeting  
P.O. Box 1389  
Owensboro, KY 42302  
(270) 926-4141  
Contact: Debbie Hayden  
Tuesday, November 18, 2014

Page #: 1  
Folio #: 2800  
Bill Method: Credit Card  
Event Order #: 743078

| Quantity    | Item                     | Unit Price | Total Price |
|-------------|--------------------------|------------|-------------|
| <b>Food</b> |                          |            |             |
| 21          | Lunch Plated             | \$37.00    | \$777.00    |
|             | <b>Subtotal Food</b>     |            | \$777.00    |
|             | F & B Service Charge 23% |            | \$178.71    |
|             | F & B Tax 6%             |            | \$57.34     |
|             | <b>Grand Total:</b>      |            | \$1,013.05  |

Signature: \_\_\_\_\_

**GUEST COPY**

Marriott Proprietary and Confidential

**Louisville Marriott Downtown**  
(502) 627-5045

Check #: 531371  
 Print #: 1  
 Status: Posted  
 Business Type: Group  
 Function Space: MULTIPLE  
 Event Manager: Jamie Ostermeier  
 Jamie Ostermeier

Kenergy Corp Meeting  
 P.O. Box 1389  
 Owensboro, KY 42302  
 (270) 926-4141  
 Contact: Debbie Hayden  
 Wednesday, November 19, 2014

Page #: 1  
 Folio #: 2800  
 Bill Method: Credit Card  
 Event Order #: 743108

**Customer Notes**

| Date                | Created By  | Note                                 |
|---------------------|-------------|--------------------------------------|
| 11/19/2014 08:33 PM | Ria Pruiett | AV Items comped for service recovery |

| Quantity                       | Item  | Unit Price | Total Price          |
|--------------------------------|---|------------|----------------------|
| <b>Food</b>                    |   |            |                      |
| Continental Breakfast, Rose    |   |            |                      |
| 21                             | Bluegrass Continental Breakfast                 | \$17.95    | \$376.95             |
| Beverage Break, Rose           |   |            |                      |
| 11                             | Freshly Brewed Coffee (Based on Consumption)    | \$62.00    | \$682.00             |
| 1                              | Decaf Coffee (Based on Consumption)             | \$62.00    | \$62.00              |
| 1                              | Hot Tea   | \$62.00    | \$62.00              |
|                                | <b>Subtotal Food</b>                            |            | \$1,182.95           |
| <b>Nontaxable Food</b>         |   |            |                      |
| Beverage Break, Rose           |   |            |                      |
| 17                             | Assorted Soft Drinks (Based Upon Consumption)   | \$3.50     | \$0.00 Complimentary |
| 1                              | Bottled Waters (Based Upon Consumption)         | \$3.75     | \$0.00 Complimentary |
|                                | <b>Subtotal Nontaxable Food</b>                 |            | \$0.00               |
| <b>Audio Visual</b>            |   |            |                      |
| <b>Nontaxable Audio Visual</b> |   |            |                      |
| Meeting, Rose                  |   |            |                      |
| 4                              | Flipchart Set (includes easel, pad and markers) | \$45.00    | \$0.00 Complimentary |
| 1                              | Daily Wireless Internet Fee                     | \$75.00    | \$0.00 Complimentary |
|                                | <b>Subtotal Nontaxable Audio Visual</b>         |            | \$0.00               |
|                                | F & B Service Charge 23%                        |            | \$272.08             |
|                                | F & B Tax 6%                                    |            | \$87.31              |
|                                | <b>Grand Total:</b>                             |            | \$1,542.34           |

Signature: \_\_\_\_\_

**GUEST COPY**

Marriott Proprietary and Confidential

**Louisville Marriott Downtown**  
(502) 627-5045

Check #: 649575  
Print #: 1  
Status: Posted  
Business Type: Group  
Function Space: Grandstand  
Event Manager: Jamie Ostermeier  
Jamie Ostermeier

Kenergy Corp Meeting  
P.O. Box 1389  
Owensboro, KY 42302  
(270) 926-4141  
Contact: Debbie Hayden  
Wednesday, November 19, 2014

Page #: 1  
Folio #: 2800  
Bill Method: Credit Card  
Event Order #:743164

| Quantity    | Item                     | Unit Price | Total Price |
|-------------|--------------------------|------------|-------------|
| <b>Food</b> |                          |            |             |
| 21          | Lunch Plated             | \$32.00    | \$672.00    |
|             | <b>Subtotal Food</b>     |            | \$672.00    |
|             | F & B Service Charge 23% |            | \$154.56    |
|             | F & B Tax 6%             |            | \$49.59     |
|             | <b>Grand Total:</b>      |            | \$876.15    |

Signature: \_\_\_\_\_

**GUEST COPY**

Marriott Proprietary and Confidential





COMMONWEALTH GARAGE  
602 595 3500

Receipt 32250  
11/19/14 16:43 LA 2 HR 14 Taxi144164  
11/16/14 20:56 In 11/19/14 16:43 Out  
Lost Fee 05 \$ 30.00  
Total Fee \$ 30.00  
CASH PAID \$ 30.00-  
Cash Tender \$ 40.00  
Change Due \$ 10.00  
THANK YOU  
HAVE A GREAT DAY

## Mary Beth Ward

---

**From:** Steve Thompson  
**Sent:** Thursday, December 18, 2014 3:26 PM  
**To:** Mary Beth Ward  
**Subject:** RE: KAEC Annual meeting meals

Yes.

**From:** Mary Beth Ward  
**Sent:** Thursday, December 18, 2014 3:25 PM  
**To:** Steve Thompson  
**Subject:** FW: KAEC Annual meeting meals

Steve,

We only had one spouse meal for \$78 billed by KAEC for the annual meeting banquet. Was originally ordered for Glenn Cox's wife, who ended up cancelling. Jonathan Ayer's wife came at the last minute but used Bob White's ticket (he had to leave early).

Should we just charge the \$78.00 to board expenses?

Thanks.

Mary Beth Ward  
Accounts Payable



Office: (270) 689-6140  
Fax: (270) 689-6240

**From:** Debbie Hayden  
**Sent:** Thursday, December 18, 2014 2:57 PM  
**To:** Mary Beth Ward  
**Subject:** RE: KAEC Annual meeting meals

Mary Beth:

I was incorrect in the previous email. Bob White ended up having to leave and did not use any of his meal tickets, so I gave his banquet ticket to Jonathan's wife. No one used Peggy Cox's ticket. I'm not sure what to do about that since Glenn ordered a meal ticket for her then didn't use it. We did, however, pay for it.

Debbie

**From:** Mary Beth Ward  
**Sent:** Thursday, December 18, 2014 2:47 PM  
**To:** Debbie Hayden  
**Subject:** KAEC Annual meeting meals

Debbie,

Please look at the attached breakdown of attendees for the KAEC Annual meeting meals. It appears that Glenn Cox was the only one with a spouse in attendance for the banquet dinner. In previous years, we have billed the Board Member back for the spouse meals at the annual meeting. Do you agree that we should deduct from his reimbursement?

Thanks.

Mary Beth Ward  
Accounts Payable



Office: (270) 689-6140  
Fax: (270) 689-6240

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KENERGY CORP.  
 2015 RATE APPLICATION PSC DATA REQUEST NO. 1  
 ITEM 29  
 ACCOUNT 930.200 MISC. EXPENSES  
 TEST YEAR ENDING JUNE 30, 2015

|     | (a)             | (b)                 | (c)             | (a)               | (d)    | (e)            | (f)                          | (g)           | (h)              | (i)              | (j)                             |
|-----|-----------------|---------------------|-----------------|-------------------|--------|----------------|------------------------------|---------------|------------------|------------------|---------------------------------|
|     | Vendor          | Description         | Check/Wire Date | Check/Wire Number | Total  | Chair Per Diem | Non Del/Alt<br>Assoc Mtg Exp | Other Mtg Fee | Monthly Retainer | Director Bd Fees | Del/Alt<br>Assoc Mtg Exp & Trng |
| 239 | Brent Wigginton | NRECA Winter School | 12/19/14        | 119028            | 168.00 |                |                              |               |                  |                  | 168.00                          |
| 240 | Brent Wigginton | Monthly Retainer    | 12/19/14        | 119028            | 650.00 |                |                              |               | 650.00           |                  |                                 |
| 241 | Brent Wigginton | NRECA Winter School | 12/19/14        | 119028            | 309.12 |                |                              |               |                  |                  | 309.12                          |
| 242 | Brent Wigginton | Mtg Fee - Bd        | 12/19/14        | 119028            | 300.00 |                |                              |               |                  | 300.00           |                                 |
| 243 | Brent Wigginton | NRECA Winter School | 12/19/14        | 119028            | 750.00 |                |                              |               |                  |                  | 750.00                          |



V7277

### DIRECTOR'S FEES AND EXPENSES REPORT

Date prepared: \_\_\_\_\_

Director's Name: Brent Wigginton

For the month of: \_\_\_\_\_

| Description              | Date            | Date            | Date            | Date            | Date          | Date          | Date          | Total             | Kenergy Visa  | Amount Due Director |
|--------------------------|-----------------|-----------------|-----------------|-----------------|---------------|---------------|---------------|-------------------|---------------|---------------------|
|                          | 12/9/14         | 12/12/14        | 12/13/14        | 12/14/14        |               |               |               |                   |               |                     |
| Board Meeting \$300      | \$300.00        |                 |                 |                 |               |               |               | \$300.00          |               | \$300.00            |
| Committee Meeting \$300  |                 |                 |                 |                 |               |               |               | \$0.00            |               | \$0.00              |
| Telephonic Meeting \$150 |                 |                 |                 |                 |               |               |               | \$0.00            |               | \$0.00              |
| Conference/Seminar \$300 |                 |                 | \$300.00        | \$300.00        |               |               |               | \$600.00          |               | \$600.00            |
| Paid Travel Day* \$150   |                 | \$150.00        |                 |                 |               |               |               | \$150.00          |               | \$150.00            |
| Miles Driven             | 124.00          | 150.00          |                 | 150.00          |               |               |               |                   |               |                     |
| Rate                     | \$0.555         | \$0.555         | \$0.555         | \$0.555         | \$0.555       | \$0.555       | \$0.555       | 237.44            |               |                     |
| Mileage Expense          | \$ 68.82        | \$ 83.25        | \$ -            | \$ 83.25        | \$ -          | \$ -          | \$ -          | \$235.32          |               | \$235.32            |
| Breakfast                | 69.44           | 84.00           |                 | 84.00           |               |               |               | \$0.00            |               | \$0.00              |
| Lunch                    |                 |                 | \$14.69         | \$20.81         |               |               |               | \$35.50           |               | \$35.50             |
| Dinner                   |                 | \$12.18         | \$14.50         |                 |               |               |               | \$26.68           |               | \$26.68             |
| Hotel                    |                 |                 |                 | \$246.94        |               |               |               | \$246.94          |               | \$246.94            |
| Telephone/Internet       |                 |                 |                 |                 |               |               |               | \$0.00            |               | \$0.00              |
| Car Rental               |                 |                 |                 |                 |               |               |               | \$0.00            |               | \$0.00              |
| Gasoline                 |                 |                 |                 |                 |               |               |               | \$0.00            |               | \$0.00              |
| Tolls                    |                 |                 |                 |                 |               |               |               | \$0.00            |               | \$0.00              |
| Parking                  |                 |                 |                 |                 |               |               |               | \$0.00            |               | \$0.00              |
| Cab Fare                 |                 |                 |                 |                 |               |               |               | \$0.00            |               | \$0.00              |
| Miscellaneous            |                 |                 |                 |                 |               |               |               | \$0.00            |               | \$0.00              |
| Air Fare                 | 369.44          | 246.18          |                 | 657.95          |               |               |               | \$0.00            |               | \$0.00              |
| <b>Total</b>             | <b>\$368.82</b> | <b>\$245.43</b> | <b>\$329.19</b> | <b>\$651.00</b> | <b>\$0.00</b> | <b>\$0.00</b> | <b>\$0.00</b> | <b>\$1,594.44</b> | <b>\$0.00</b> | <b>\$1,594.44</b>   |

237.44

1096.50

Total due Director  
\$1,596.50

- \*Not occurring on an actual meeting day
- Explanation of fees and expenses for other than Kenergy Board or Committee meetings:
- NRECA Winter School in Nashville TN. 930210 | 118 mtg fees = 300.00

930210 | 119 mileage = 69.44  
 930210 | 125 mtg fees (NRECA winter school) = 150.00  
 930210 | 125 mileage = 168.00  
 930210 | 125 mtg exp " " = 309.12

Note: Please attach receipts for all expenses over \$25.00.

KENERGY CORP.  
 2015 RATE APPLICATION PSC DATA REQUEST NO. 1  
 ITEM 29  
 ACCOUNT 930.200 MISC. EXPENSES  
 TEST YEAR ENDING JUNE 30, 2015

|     | (a)    | (b)                  | (c)             | (a)               | (d)      | (e)            | (f)           | (g)           | (h)              | (i)              | (j)                  |
|-----|--------|----------------------|-----------------|-------------------|----------|----------------|---------------|---------------|------------------|------------------|----------------------|
|     | Vendor | Description          | Check/Wire Date | Check/Wire Number | Total    | Chair Per Diem | Assoc Mtg Exp | Other Mtg Fee | Monthly Retainer | Director Bd Fees | Assoc Mtg Exp & Trng |
|     |        |                      |                 |                   |          |                | Non Del/Alt   |               |                  |                  | Del/Alt              |
| 276 | KAEC   | KAEC Coord. Train    | 12/23/14        | 119065            | 859.00   |                |               |               |                  |                  | 859.00               |
| 277 | KAEC   | KAEC Coord. Training | 12/23/14        | 119065            | 508.00   |                |               |               |                  |                  | 508.00               |
| 278 | KAEC   | KAEC Annual Mtg (8)  | 12/26/14        | 119102            | 1,184.00 |                | 1,036.00      |               |                  |                  | 148.00               |

KENTUCKY ASSN OF ELEC COOPS  
P.O. BOX 32170  
LOUISVILLE, KY 40232  
(800)-357-5232

**INVOICE**

|              |          |
|--------------|----------|
| PAGE         | I        |
| INVOICE NO.  | 11539747 |
| INVOICE DATE | 11/24/14 |

100033  
S O L D T O  
KENERGY CORPORATION  
P O BOX 1389  
OWENSBORO, KY 42302-1389

S H I P T O  
KENERGY CORPORATION  
P O BOX 1389  
OWENSBORO, KY 42302-1389

| CUSTOMER PURCHASE ORDER NO. | SHIP VIA     | TERMS       | DATE SHIPPED | SLMN 1 | SLMN 2 | ORDER NUMBER |
|-----------------------------|--------------|-------------|--------------|--------|--------|--------------|
| November 2014               | Regular Mail | Net 30 Days | 11/24/14     | 50     |        | 7057732-000  |

SPECIAL INSTRUCTIONS >

| QTY. ORDERED | QTY. SHIPPED | QTY. BACK ORDERED | U/M | ITEM NO./ DESCRIPTION   | PRICE    | AMOUNT  |
|--------------|--------------|-------------------|-----|---|----------|---------|
| 2.00         | 2.00         | .00               | EA  | 2721 M<br>KAEC COORDINATED TRAINING,<br>NOVEMBER 15, 2014   | 508.0000 | 1016.00 |
| 1.00         | 1.00         | .00               | EA  | 955.1 - WARREN, WHITE<br>2721 M<br>KAEC COORDINATED TRAINING,<br>NOVEMBER 16, 2014<br><br>957.1 - WHITE | 351.0000 | 351.00  |

930.210 | 125 (Warren) = 508.<sup>00</sup>  
930.210 | 125 (White) = 351.<sup>00</sup>

| SUB-TOTAL | SHIPPING & HANDLING | TAX | SUB-TOTAL | DEPOSIT | BALANCE DUE |
|-----------|---------------------|-----|-----------|---------|-------------|
| 1367.00   | .00                 | .00 | 1367.00   | .00     | 1367.00     |







KENTUCKY ASSN OF ELEC COOPS  
P.O. BOX 32170  
LOUISVILLE, KY 40232  
(800)-357-5232

✓ 10109

**INVOICE**

|              |          |
|--------------|----------|
| PAGE         | 1        |
| INVOICE NO.  | 11539634 |
| INVOICE DATE | 11/21/14 |

TO  
100033  
KENERGY CORPORATION  
P O BOX 1389  
OWENSBORO, KY 42302-1389

SHIP TO  
KENERGY CORPORATION  
P O BOX 1389  
OWENSBORO, KY 42302-1389

| CUSTOMER PURCHASE ORDER NO. | SHIP VIA     | TERMS       | DATE SHIPPED | SLMN 1 | SLMN 2 | ORDER NUMBER |
|-----------------------------|--------------|-------------|--------------|--------|--------|--------------|
| November 2014               | Regular Mail | Net 30 Days | 11/21/14     | 50     |        | 7057710-000  |

SPECIAL INSTRUCTIONS >

| QTY. ORDERED | QTY. SHIPPED | QTY. BACK ORDERED | U/M | ITEM NO./DESCRIPTION  | PRICE   | AMOUNT |
|--------------|--------------|-------------------|-----|---|---------|--------|
| 10.00        | 10.00        | .00               | EA  | KAEC 2014 ANNUAL MEETING MEALS<br>(LIST OF ATTENDEES ATTACHED)<br>0773 M LUNCH  | 37.0000 | 370.00 |
| 10.00        | 10.00        | .00               | EA  | 0773 M BANQUET  | 78.0000 | 780.00 |
| 10.00        | 10.00        | .00               | EA  | 0773 M BREAKFAST  | 33.0000 | 330.00 |
|              |              |                   |     | <i>KAEC Annu Mtg meals</i><br>921.0 1 104 - G. Starheim = 148.00<br>921.0 10 104 D. Hayden = 148.00<br>930.0 1 125 Bd members = 1184.00 |         |        |

| SUB-TOTAL | SHIPPING & HANDLING | TAX | SUB-TOTAL | DEPOSIT | BALANCE DUE |
|-----------|---------------------|-----|-----------|---------|-------------|
| 1480.00   | .00                 | .00 | 1480.00   | .00     | 1480.00     |

**KENTUCKY ASSOCIATION OF ELECTRIC COOPERATIVES**

P O BOX 32170, LOUISVILLE, KY 40232

**REQUEST FOR INVOICING**

**CUSTOMER:** KENERGY CORP.

**ATTENTION:** ACCOUNTING DEPARTMENT

---

**DESCRIPTION**

| <i>Meals at KAEC Annual Meeting:</i> |           | <i>Lunch @</i>  | <i>Banquet</i>  | <i>Breakfast @</i> |
|--------------------------------------|-----------|-----------------|-----------------|--------------------|
|                                      |           | <b>\$37.00</b>  | <b>\$78.00</b>  | <b>\$33.00</b>     |
| GREG                                 | STARHEIM  | 1               | 1               | 1                  |
| DEBBIE                               | HAYDEN    | 1               | 1               | 1                  |
| BOB                                  | WHITE     | 1               | 1               | 1                  |
| WILLIAM                              | REID      | 1               | 1               | 1                  |
| BRENT                                | WIGGINTON | 1               | 1               | 1                  |
| CHRIS                                | MITCHELL  | 1               | 1               | 1                  |
| GLENN                                | COX       | 1               | 2               | 1                  |
| JOHN                                 | WARREN    | 1               | 0               | 1                  |
| JONATHAN                             | AYER      | 1               | 1               | 1                  |
| RANDY                                | POWELL    | 1               | 1               | 1                  |
| <b>TOTAL MEALS</b>                   |           | 10              | 10              | 10                 |
| <b>SUBTOTALS</b>                     |           | <b>\$370.00</b> | <b>\$780.00</b> | <b>\$330.00</b>    |
| <b>TOTAL TO BE BILLED</b>            |           |                 |                 | <b>\$1,480.00</b>  |

*Credit to Account number K-0773 (KAEC Annual Meeting) - Nancy Ledena 11-20-14*

KENERGY CORP.  
 2015 RATE APPLICATION PSC DATA REQUEST NO. 1  
 ITEM 29  
 ACCOUNT 930.200 MISC. EXPENSES  
 TEST YEAR ENDING JUNE 30, 2015

|     | (a)         | (b)                 | (c)             | (a)               | (d)      | (e)            | (f)                          | (g)           | (h)              | (i)              | (j)                             |
|-----|-------------|---------------------|-----------------|-------------------|----------|----------------|------------------------------|---------------|------------------|------------------|---------------------------------|
|     | Vendor      | Description         | Check/Wire Date | Check/Wire Number | Total    | Chair Per Diem | Non Del/Alt<br>Assoc Mtg Exp | Other Mtg Fee | Monthly Retainer | Director Bd Fees | Del/Alt<br>Assoc Mtg Exp & Trng |
| 284 | Steve Henry | NRECA Winter School | 1/23/15         | 679               | 154.56   |                |                              |               |                  |                  | 154.56                          |
| 285 | Steve Henry | NRECA Winter School | 1/23/15         | 679               | 1,427.23 |                |                              |               |                  |                  | 1,427.23                        |
| 286 | Steve Henry | NRECA Winter        | 1/23/15         | 679               | 1,800.00 |                |                              |               |                  |                  | 1,800.00                        |



V 10063

DIRECTOR'S FEES AND EXPENSES REPORT

Date prepared: 01/10/15

Director's Name: Steve Henry

For the month of:

| Description              | Date            | Date            | Date            | Date            | Date            | Date            | Date            | Total             | Kenergy Visa  | Amount Due Director |
|--------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-------------------|---------------|---------------------|
|                          | 12/11/14        | 12/12/14        | 12/13/14        | 12/14/14        | 12/15/14        | 12/16/14        | 12/17/14        |                   |               |                     |
| Board Meeting \$300      |                 |                 |                 |                 |                 |                 |                 | \$0.00            |               | \$0.00              |
| Committee Meeting \$300  |                 |                 |                 |                 |                 |                 |                 | \$0.00            |               | \$0.00              |
| Telephonic Meeting \$150 |                 |                 |                 |                 |                 |                 |                 | \$0.00            |               | \$0.00              |
| Conference/Seminar \$300 |                 | \$300.00        | \$300.00        | \$300.00        | \$300.00        | \$300.00        | \$300.00        | \$1,800.00        |               | \$1,800.00          |
| Paid Travel Day* \$150   |                 |                 |                 |                 |                 |                 |                 | \$0.00            |               | \$0.00              |
| Miles Driven             | 146.00          |                 |                 |                 |                 |                 | 130.00          |                   |               |                     |
| Rate                     | \$0.560         | \$0.560         | \$0.560         | \$0.560         | \$0.560         | \$0.560         | \$0.560         |                   |               |                     |
| Mileage Expense          | \$ 81.76        | \$ -            | \$ -            | \$ -            | \$ -            | \$ -            | \$ 72.80        | \$154.56          |               | \$154.56            |
| Breakfast                |                 |                 |                 |                 |                 |                 |                 | \$0.00            |               | \$0.00              |
| Lunch                    |                 | \$11.78         | \$15.04         | \$15.04         | \$12.42         | \$12.85         | \$8.51          | \$75.64           |               | \$75.64             |
| Dinner                   |                 | \$31.41         | \$15.65         | \$36.98         | \$24.76         | \$61.33         |                 | \$170.13          |               | \$170.13            |
| Hotel                    | \$ 219.43       | \$ 219.43       | \$ 219.43       | \$ 219.43       | \$ 219.43       | \$ 219.43       | \$ (220.32)     | \$1,096.26        |               | \$1,096.26          |
| Telephone/Internet       |                 |                 |                 |                 |                 |                 | Paid 1/11/14    | \$0.00            |               | \$0.00              |
| Car Rental               |                 |                 |                 |                 |                 |                 |                 | \$0.00            |               | \$0.00              |
| Gasoline                 |                 |                 |                 |                 |                 |                 |                 | \$0.00            |               | \$0.00              |
| Tolls                    |                 |                 |                 |                 |                 |                 |                 | \$0.00            |               | \$0.00              |
| Parking                  | \$ 14.20        | \$ 14.20        | \$ 14.20        | \$ 14.20        | \$ 14.20        | \$ 14.20        |                 | \$85.20           |               | \$85.20             |
| Cab Fare                 |                 |                 |                 |                 |                 |                 |                 | \$0.00            |               | \$0.00              |
| Miscellaneous            |                 |                 |                 |                 |                 |                 |                 | \$0.00            |               | \$0.00              |
| Air Fare                 |                 |                 |                 |                 |                 |                 |                 | \$0.00            |               | \$0.00              |
| <b>Total</b>             | <b>\$315.39</b> | <b>\$576.82</b> | <b>\$564.32</b> | <b>\$585.65</b> | <b>\$570.81</b> | <b>\$607.81</b> | <b>\$160.99</b> | <b>\$3,381.79</b> | <b>\$0.00</b> | <b>\$3,381.79</b>   |

\*Not occurring on an actual meeting day

Explanation of fees and expenses for other than Kenergy Board or Committee meetings:

12/11-12/17/2014 - NRECA Credentialed Cooperative Director training courses at NRECA Winter School (Nashville, TN)

12/17 hotel - credited \$220.32 for the deposit that was reimbursed on prior expense report

Note: Please attach receipts for all expenses over \$25.00.

930210 1 125 - mtg fees - NRECA winter school = 1,800.00  
 930210 1 125 - mileage NRECA winter school = 154.56  
 930210 1 125 - mtg exp - NRECA winter school = 1,427.23

Director's Signature: *[Signature]*

Total due Director

~~1,800~~ - January Board Mtg (see 2nd page)  
~~1,368.79~~

*[Handwritten initials]*





GAYLORD  
HOTELS\*

For questions regarding this folio, please call  
Marriott Business Services toll-free 1-866-435-7627

GUEST FOLIO

2800 Opryland Drive, Nashville, TN 37214 • gaylordhotels.com

D2021 HENRY/STEVE 189.00 12/17/14 11:00 43235 17635  
 Room Name Rate Depart Time ACCT# GROUP  
 T2 34 12/11/14 22:05  
 Type Arrive Time  
 18

RWD#:

| Room Clerk | Address              | Payment |          |             |  |
|------------|----------------------|---------|----------|-------------|--|
| DATE       | REFERENCE            | CHARGES | CREDIT'S | BALANCE DUE |  |
| 12/01      | ADVP-AD 88555117     |         | 220.32   |             |  |
|            | MBS ADVD #: 88555117 |         |          |             |  |
| 12/11      | PARKING #4323523     | .00     |          |             |  |
| 12/11      | GP ROOM D2021, 1     | 189.00  |          |             |  |
| 12/11      | STATETAX D2021, 1    | 17.49   |          |             |  |
| 12/11      | OCC TAX D2021, 1     | 10.44   |          |             |  |
| 12/11      | CITY TAX CT          | 2.50    |          |             |  |
| 12/11      | PARKING SP           | 13.00   |          |             |  |
| 12/11      | PARK TAX SP          | 1.20    |          |             |  |
| 12/12      | PARKING #4323564     | .00     |          |             |  |
| 12/12      | PARKING SG           | 13.00   |          |             |  |
| 12/12      | PARK TAX SG          | 1.20    |          |             |  |
| 12/12      | CITY TAX CT          | 2.50    |          |             |  |
| 12/12      | GP ROOM D2021, 1     | 189.00  |          |             |  |
| 12/12      | STATETAX D2021, 1    | 17.49   |          |             |  |
| 12/12      | OCC TAX D2021, 1     | 10.44   |          |             |  |
| 12/13      | GP ROOM D2021, 1     | 189.00  |          |             |  |
| 12/13      | STATETAX D2021, 1    | 17.49   |          |             |  |
| 12/13      | OCC TAX D2021, 1     | 10.44   |          |             |  |
| 12/13      | PARKING #4323564     | .00     |          |             |  |
| 12/13      | PARKING SG           | 13.00   |          |             |  |
| 12/13      | PARK TAX SG          | 1.20    |          |             |  |
| 12/13      | CITY TAX CT          | 2.50    |          |             |  |
| 12/14      | PARKING SG           | 13.00   |          |             |  |
| 12/14      | PARK TAX SG          | 1.20    |          |             |  |
| 12/14      | PARKING #4323564     | .00     |          |             |  |
| 12/14      | GP ROOM D2021, 1     | 189.00  |          |             |  |
| 12/14      | STATETAX D2021, 1    | 17.49   |          |             |  |
| 12/14      | OCC TAX D2021, 1     | 10.44   |          |             |  |
| 12/14      | CITY TAX CT          | 2.50    |          |             |  |
| 12/15      | PARKING #4323564     | .00     |          |             |  |
| 12/15      | PARKING SG           | 13.00   |          |             |  |
| 12/15      | PARK TAX SG          | 1.20    |          |             |  |
| 12/15      | GP ROOM D2021, 1     | 189.00  |          |             |  |
| 12/15      | STATETAX D2021, 1    | 17.49   |          |             |  |
| 12/15      | OCC TAX D2021, 1     | 10.44   |          |             |  |

This statement is your only receipt. You have agreed to pay in cash or by approved personal check or to authorize us to charge your credit card for all amounts charged to you. The amount shown in the credits column opposite any credit card entry in the reference column above will be charged to the credit card number set forth above. (The credit card company will bill in the usual manner.) If for any reason the credit card company does not make payment on this account, you will owe us such amount. If you are direct billed, in the event payment is not made within 25 days after checkout, you will owe an interest from the checkout date on any unpaid amount at the rate of 1.5% per month (ANNUAL RATE 18%), or the maximum allowed by law, plus the reasonable cost of collection, including attorney fees.

Signature X \_\_\_\_\_

♻ Contains 30% post-consumer fibers



GAYLORD HOTELS®

For questions regarding this folio, please call  
Marriott Business Services toll free 1-800-435-7627

GUEST FOLIO

2800 Opryland Drive, Nashville, TN 37214 • gaylordhotels.com

|                   |        |          |       |             |
|-------------------|--------|----------|-------|-------------|
| D2021 HENRY/STEVE | 189.00 | 12/17/14 | 11:00 | 43235 17635 |
| Room Name         | Rate   | Depart   | Time  | ACCT# GROUP |
| T2                | 34     | 12/11/14 | 22:05 |             |
| Type              |        | Arrive   | Time  |             |
| 18                |        |          |       |             |

RWD#:

| DATE  | REFERENCE         | CHARGES | CREDITS | BALANCE DUE |
|-------|-------------------|---------|---------|-------------|
| 12/15 | CITY TAX CT       | 2.50    |         |             |
| 12/16 | PARKING #4323564  | .00     |         |             |
| 12/16 | PARKING SG        | 13.00   |         |             |
| 12/16 | PARK TAX SG       | 1.20    |         |             |
| 12/16 | CITY TAX CT       | 2.50    |         |             |
| 12/16 | GP ROOM D2021, 1  | 189.00  |         |             |
| 12/16 | STATETAX D2021, 1 | 17.49   |         |             |
| 12/16 | OCC TAX D2021, 1  | 10.44   |         |             |
| 12/17 | DS CARD           |         |         | \$1181.46   |

TO BE SETTLED TO: DISCOVER CURRENT BALANCE .00

EXPRESS CHECK-OUT OPTIONS HAVE BEEN PROVIDED ON THE BACK TO HELP EXPEDITE YOUR DEPARTURE. ANY ADDITIONAL CHARGES INCURRED WILL BE CHARGED TO YOUR CREDIT CARD. THANK YOU!

AS REQUESTED, A FINAL COPY OF YOUR BILL WILL BE EMAILED TO:  
IOWAHOKIES@HOTMAIL.COM  
SEE "INTERNET PRIVACY STATEMENT" ON MARRIOTT.COM

GAYLORD OPRYLAND®

RESORT & CONVENT CENTER

hotel = 1,316.58  
parking = 85.20  


---

1,401.78 Total  
(220.32) Deposit  


---

\$1181.46

This statement is your only receipt. You have agreed to pay in cash or by approved personal check or to authorize us to charge your credit card for all amounts charged to you. The amount shown in the credits column opposite any credit card entry in the reference column above will be charged to the credit card number set forth above. (The credit card company will bill in the usual manner.) If for any reason the credit card company does not make payment on this account, you will owe us such amount. If you are direct billed, in the event payment is not made within 25 days after check-out, you will owe us interest from the check-out date on any unpaid amount at the rate of 1.5% per month (ANNUAL RATE 18%), or the maximum allowed by law, plus the reasonable cost of collection, including attorney fees.

Signature X \_\_\_\_\_

© Contains 30% post consumer fibers

Friday lunch

Conservatory Cafe  
14

12/12/2014 11:56

=====  
Conservatory Cafe  
Check: 3006657  
Server: Tommy  
Terminal: 300  
=====

B?E  
1 Vegetarian 8.29  
1 Horizon 1 %

Subtotal 10.78  
Sales Tax 1.00  
Total 11.78

GRATUITY: \_\_\_\_\_

TOTAL: \_\_\_\_\_

Room (M) (C) (G) (D) # \_\_\_\_\_

\_\_\_\_\_  
PRINT NAME

X \_\_\_\_\_

\*\*\*\*\*  
Your server or bartender would be  
delighted to collect your credit  
card, room information, or cash in  
order to process your payment.  
\*\*\*\*\*

Dinner Fri 12/12

Dave & Buster's #42  
Grand Cafe Bar  
CHECK: 365  
TABLE: 412/1  
SERVER: 904659 EMMITT  
DATE: 12DEC'14 5:47PM  
CARD TYPE: Discover  
ACCT #: XXXXXXXXXXXXX2926  
EXP DATE: XX/XX  
AUTH CODE: 01212Q  
STEVEN M HENRY

SUBTOTAL: 26.41

Gratuity: 5.00

TOTAL: 31.41

Signature

I agree to pay the above amount  
in accordance with card holder  
agreement.



Dave & Buster's #42  
540 Opry Mills Drive  
Nashville, TN 37214

904659 EMMITT 1

-----  
TBL 412/1          CHK 365  
                  12DEC'14 5:20PM  
-----

|   |              |                |
|---|--------------|----------------|
| 1 | HOUSE SALAD  | 4.89           |
| 1 | STELLA 22    | 5.79           |
| 1 | ARTCHK PASTA | 13.49          |
|   | Subtotal:    | 24.17          |
|   | Tax:         | 2.24           |
|   | Total:       | <b>\$26.41</b> |

Thank You !  
Ask your server for  
an EAT & PLAY COMBO !

Sat 12/13 Lunch

Conservatory Cafe  
14

12/13/2014 11:51

=====  
Conservatory Cafe  
Check: 3007030  
Server: Marilou  
Terminal: 300  
=====

B?E  
1 Vegetarian 8.29  
1 Greek Yogurt 2.99  
Blueberry  
1 Horizon 1 % 2.49  
  
Subtotal 13.77  
Sales Tax 1.27  
Total 15.04

GRATUITY: \_\_\_\_\_

TOTAL: \_\_\_\_\_

Room (M) (C) (G) (D) # \_\_\_\_\_

\_\_\_\_\_  
PRINT NAME

X \_\_\_\_\_

\*\*\*\*\*  
Your server or bartender would be  
delighted to collect your credit  
card, room information, or cash in  
order to process your payment.  
\*\*\*\*\*

Dinner 12/13/14

Pepperfire Hot Chicken  
2821 Gallatin Pike  
Nashville, TN 37216  
Call Ahead at (615) 582 - 4824

1005 Matthew

-----  
Chk 4959                      Dec13'14 06:07P    Gst 0  
   \*\*\* Memo Check \*\*\*  
-----

Phone

ID: 1018074  
First Name: Steve  
Last Name: Customer  
Phone #: (270) 222-0070  
Box:1

|                  |       |
|------------------|-------|
| 1 Combo          | 10.99 |
| T-Royale         |       |
| Medium           |       |
| Pot Salad        |       |
| Collard Greens   |       |
| 1 Btl Water      | 1.50  |
| Charge Tip       | 2.00  |
| XXXXXXXXXXXX2926 |       |
| Discover         | 15.65 |
| Subtotal         | 12.49 |
| Tax              | 1.16  |
| Svc Chg          | 2.00  |
| Payment          | 15.65 |

ID: 1018074  
First Name: Steve  
Last Name: Customer  
Phone #: (270) 222-0070

Lunch 12/14/14

Conservatory Cafe

14

12/14/2014

11:59

Conservatory Cafe

Check: 3039440

Server: Tommy

Terminal: 303

B?E

1 Vegetarian 8.29

1 Horizon 1 % 2.49

1 Greek Yogurt 2.99

Vanilla

Subtotal 13.77

Sales Tax 1.27

Total 15.04

GRATUITY: \_\_\_\_\_

TOTAL: \_\_\_\_\_

Room (M) (C) (G) (D) # \_\_\_\_\_

PRINT NAME \_\_\_\_\_

X \_\_\_\_\_

\*\*\*\*\*  
Your server or bartender would be  
delighted to collect your credit  
card, room information, or cash in  
order to process your payment.  
\*\*\*\*\*



KENERGY CORP.  
 2015 RATE APPLICATION PSC DATA REQUEST NO. 1  
 ITEM 29  
 ACCOUNT 930.200 MISC. EXPENSES  
 TEST YEAR ENDING JUNE 30, 2015

| (a)                | (b)                  | (c)             | (a)               | (d)    | (e)            | (f)<br>Non Del/Alt | (g)           | (h)              | (i)              | (j)<br>Del/Alt       |
|--------------------|----------------------|-----------------|-------------------|--------|----------------|--------------------|---------------|------------------|------------------|----------------------|
| Vendor             | Description          | Check/Wire Date | Check/Wire Number | Total  | Chair Per Diem | Assoc Mtg Exp      | Other Mtg Fee | Monthly Retainer | Director Bd Fees | Assoc Mtg Exp & Trng |
| 389 Chris Mitchell | NRECA Directors Conf | 3/20/2015       | 120274            | 772.70 |                |                    |               |                  |                  | 772.70               |

DIRECTOR'S FEES AND EXPENSES REPORT

V7112  
Chris Mitchell

Date prepared: 3-10-15

Director's Name:

For the month of: MARCH

| Description              | Board Date | Board Date | Director's Conf. Date | Date    | Date    | Date    | Date    | Total  | Kenergy Visa | Amount Due Director |
|--------------------------|------------|------------|-----------------------|---------|---------|---------|---------|--------|--------------|---------------------|
|                          | 2-16-15    | 3-10-15    |                       |         |         |         |         |        |              |                     |
| Board Meeting \$300      |            | 300.00     |                       |         |         |         |         | \$0.00 |              | 300.00              |
| Committee Meeting \$300  |            |            |                       |         |         |         |         | \$0.00 |              | \$0.00              |
| Telephonic Meeting \$150 | 150.00     |            |                       |         |         |         |         | \$0.00 |              | 150.00              |
| Conference/Seminar \$300 |            |            |                       |         |         |         |         | \$0.00 |              | \$0.00              |
| Paid Travel Day* \$150   |            |            |                       |         |         |         |         | \$0.00 |              | \$0.00              |
| Miles Driven             |            | 62         |                       |         |         |         |         |        |              |                     |
| Rate                     | \$0.560    | \$0.560    | \$0.560               | \$0.560 | \$0.560 | \$0.560 | \$0.560 |        |              |                     |
| Mileage Expense          | \$ -       | \$34.70    | \$ -                  | \$ -    | \$ -    | \$ -    | \$ -    | \$0.00 |              | 34.70               |
| Breakfast                |            | 35.05      |                       |         |         |         |         | \$0.00 |              | \$0.00              |
| Lunch                    |            |            |                       |         |         |         |         | \$0.00 |              | \$0.00              |
| Dinner                   |            |            |                       |         |         |         |         | \$0.00 |              | \$0.00              |
| Hotel                    |            |            |                       |         |         |         |         | \$0.00 |              | \$0.00              |
| Telephone/Internet       |            |            |                       |         |         |         |         | \$0.00 |              | \$0.00              |
| Car Rental               |            |            |                       |         |         |         |         | \$0.00 |              | \$0.00              |
| Gasoline                 |            |            |                       |         |         |         |         | \$0.00 |              | \$0.00              |
| Tolls                    |            |            |                       |         |         |         |         | \$0.00 |              | \$0.00              |
| Parking                  |            |            |                       |         |         |         |         | \$0.00 |              | \$0.00              |
| Cab Fare                 |            |            |                       |         |         |         |         | \$0.00 |              | \$0.00              |
| Miscellaneous            |            |            |                       |         |         |         |         | \$0.00 |              | \$0.00              |
| Air Fare                 |            |            | 772.70                |         |         |         |         | \$0.00 |              | 772.70              |
| Total                    | \$0.00     | \$0.00     | \$0.00                | \$0.00  | \$0.00  | \$0.00  | \$0.00  | \$0.00 | \$0.00       | \$0.00              |

\*Not occurring on an actual meeting day

Explanation of fees and expenses for other than Kenergy Board or Committee meetings:

- 930210 | 118 mtg fee - bcd = 300.00
- 930210 | 119 mileage = 34.70
- 930210 | 118 mtg fee - telephone - CEO Evaluation = 150.00
- 930210 | 123 mtg exp - NRECA airfare = 772.70

Note: Please attach receipts for all expenses over \$25.00.

Director's Signature:

Chris Mitchell

Total due Director

\$1258.35



Español  
FLIGHT | HOTEL | CARSpecial offersRapid rewards®



**Thank you for your purchase!**

Nashville, TN - BNA to Reno/Tahoe, NV - RNO

**New Purchases in Trip**

**Air**

Confirmation #8768HT

Nashville, TN - BNA to Reno/Tahoe,  
NV - RNO  
Friday, March 27, 2015 - Tuesday, March  
31, 2015

EarlyBird Check-In Purchased

Air Total: \$772.70

Amount Paid  
\$772.70

Trip Total  
\$772.70

MAR 27  
FRI **03/27/15 - Reno**

**New purchases added to your trip.**

**AIR**

Nashville, TN - BNA to Reno/Tahoe, NV - RNO  
03/27/2015 - 03/31/2015

Confirmation #  
**8768HT**

**Adult Passenger(s)**

CHRISTOPHER MITCHELL

Subscribe to Flight Status Monitoring

**Rapid Rewards #**

0000194695410

|                         |          |  |  |   |
|-------------------------|----------|--|--|---|
| DEPART<br>MAR 27<br>FRI | 12:30 PM | Depart Nashville, TN<br>(BNA) on Southwest Airlines                                | Flight #3814 <input type="checkbox"/> On |   |
|                         | 02:45 PM | Arrive in Las Vegas, NV<br>(LAS)   | <input type="checkbox"/> WiFi available  | <b>Friday, March 27, 2015</b>   |
|                         | 04:30 PM | Change <input type="checkbox"/> to Southwest<br>Airlines in Las Vegas, NV<br>(LAS) | Flight #924 <input type="checkbox"/> On  | Travel Time 7 h 20 m<br>(1 stop, includes 1 plane change)<br>Wanna Get Away |
|                         | 05:50 PM | Arrive in Reno/Tahoe, NV<br>(RNO)  | <input type="checkbox"/> WiFi available  |   |
| RETURN<br>MAR 31<br>TUE | 02:20 PM | Depart Reno/Tahoe, NV<br>(RNO) on Southwest Airlines                               | Flight #4821 <input type="checkbox"/> On |   |
|                         | 03:30 PM | Arrive in Las Vegas, NV<br>(LAS)   | <input type="checkbox"/> WiFi available  | <b>Tuesday, March 31, 2015</b>  |
|                         | 04:55 PM | Change <input type="checkbox"/> to Southwest<br>Airlines in Las Vegas, NV<br>(LAS) | Flight #747 <input type="checkbox"/> On  | Travel Time 6 h 50 m<br>(1 stop, includes 1 plane change)<br>Wanna Get Away |
|                         | 10:20 PM | Arrive in Nashville, TN<br>(BNA)   | <input type="checkbox"/> WiFi available  |   |

PRICE: ADULT

KENERGY CORP.  
 2015 RATE APPLICATION PSC DATA REQUEST NO. 1  
 ITEM 29  
 ACCOUNT 930.200 MISC. EXPENSES  
 TEST YEAR ENDING JUNE 30, 2015

| (a)    | (b)            | (c)                  | (a)               | (d)      | (e)            | (f)<br>Non Del/Alt | (g)           | (h)              | (i)              | (j)<br>Del/Alt       |
|--------|----------------|----------------------|-------------------|----------|----------------|--------------------|---------------|------------------|------------------|----------------------|
| Vendor | Description    | Check/Wire Date      | Check/Wire Number | Total    | Chair Per Diem | Assoc Mtg Exp      | Other Mtg Fee | Monthly Retainer | Director Bd Fees | Assoc Mtg Exp & Trng |
| 433    | Chris Mitchell | NRECA Directors Conf | 4/24/15 120771    | 159.86   |                |                    |               |                  |                  | 159.86               |
| 434    | Chris Mitchell | Monthly Retainer     | 4/24/15 120771    | 650.00   |                |                    |               | 650.00           |                  |                      |
| 435    | Chris Mitchell | NRECA Directors Conf | 4/24/15 120771    | 714.77   |                |                    |               |                  |                  | 714.77               |
| 436    | Chris Mitchell | Mtg Fee - Bd         | 4/24/15 120771    | 300.00   |                |                    |               |                  | 300.00           |                      |
| 437    | Chris Mitchell | NRECA Directors Conf | 4/24/15 120771    | 1,350.00 |                |                    |               |                  |                  | 1,350.00             |



DIRECTOR'S FEES AND EXPENSES REPORT

Director's Name: Chris Mitchell ✓ 7/11/2

Date prepared: 4-14-15

For the month of: April

| Description              | BOARD Date | Dir. Conf Date | Date    | Date    | Date    | Date     | Date    | Total  | Kenergy Visa | Amount Due Director |
|--------------------------|------------|----------------|---------|---------|---------|----------|---------|--------|--------------|---------------------|
| Board Meeting \$300      | 4-14       | 3-27           | 3-28    | 3-29    | 3-30    | 3-31     |         | \$0.00 |              | 300.00 \$0.00       |
| Committee Meeting \$300  |            |                |         |         |         |          |         | \$0.00 |              | \$0.00              |
| Telephonic Meeting \$150 |            |                |         |         |         |          |         | \$0.00 |              | \$0.00              |
| Conference/Seminar \$300 |            |                | 300.00  | 300.00  | 300.00  | 300.00   |         | \$0.00 |              | 1200.00 \$0.00      |
| Paid Travel Day* \$150   |            | 150.00         |         |         |         |          |         | \$0.00 |              | 150.00 \$0.00       |
| Miles Driven             | 62         | 139            |         |         |         | 139      |         |        |              |                     |
| Rate                     | \$0.560    | \$0.560        | \$0.560 | \$0.560 | \$0.560 | \$0.560  | \$0.560 |        |              |                     |
| Mileage Expense          | \$34.72    | \$77.84        | \$ -    | \$ -    | \$ -    | \$77.84  | \$ -    | \$0.00 |              | 190.40 \$0.00       |
| Breakfast                | 35.65      | 79.93          |         |         |         | 79.93    |         | \$0.00 |              | \$0.00              |
| Lunch                    |            | 7.08           |         |         |         | 11.08    |         | \$0.00 |              | 18.16 \$0.00        |
| Dinner                   |            |                |         |         |         | 10.26    |         | \$0.00 |              | 10.26 \$0.00        |
| Hotel                    |            |                |         |         |         | 623.54   |         | \$0.00 |              | 623.54 \$0.00       |
| Telephone/Internet       |            |                |         |         |         |          |         | \$0.00 |              | \$0.00              |
| Car Rental               |            |                |         |         |         |          |         | \$0.00 |              | \$0.00              |
| Gasoline                 |            |                |         |         |         |          |         | \$0.00 |              | \$0.00              |
| Tolls                    |            |                |         |         |         |          |         | \$0.00 |              | \$0.00              |
| Parking                  |            |                |         |         |         | 62.81    |         | \$0.00 |              | 62.81 \$0.00        |
| Cab Fare                 |            |                |         |         |         |          |         | \$0.00 |              | \$0.00              |
| Miscellaneous            |            |                |         |         |         |          |         | \$0.00 |              | \$0.00              |
| Air Fare                 | 335.65     |                |         |         |         |          |         | \$0.00 |              | \$0.00              |
| Total                    | -\$0.00    | 239.01         | 300.00  | 300.00  | 300.00  | 1,081.62 | \$0.00  | \$0.00 | \$0.00       | 2555.17 \$0.00      |

\*Not occurring on an actual meeting day

Explanation of fees and expenses for other than Kenergy Board or Committee meetings:

- 930210 1 118 mtg fee - bd = 300.00
- 930210 1 119 mileage = 35.65
- 930710 1 124 mtg fee - Dir. Conf = 1350.00
- Note: Please attach receipts for all expenses over \$25.00.
- 930210 1 124 mileage - Dir Conf = 159.86
- 930210 1 124 mtg exp - Dir Conf = 714.77

Total due Director  
\$ 2560.28

Director's Signature: Chris Mitchell

# PEPPERMILL

## RENO

WG/RM T - T620 CHRISTOPHE MITCHELL  
 ARRIVAL 03/27/2015 P.O. BOX 1389  
 DEPART 03/31/2015 OWENSBORO KY 42302

PAGE 2

ANRECA3

| DATE     | REFERENCE    | DESCRIPTION                | SPLIT | AMOUNT  |
|----------|--------------|----------------------------|-------|---------|
| 03/30/15 | 420929101270 | RESORT SERVICE FEE         |       | 16.95   |
|          |              | RESORT SERVICE FEE \$15 +  |       |         |
| 03/30/15 | 420929101271 | RESORT SERVICE FEE         |       | 16.95-  |
|          |              | FULL CREDIT OF \$15 ON RES |       |         |
| 03/31/15 | 420932366398 | HOTEL VISA<br>*****0838    |       | 623.54- |
| TOTAL    |              |                            |       | .00     |

< www.PeppermillReno.com >



# PEPPERMILL RENO

WG/RM T - T620 CHRISTOPHE MITCHELL  
 ARRIVAL 03/27/2015 P.O. BOX 1389  
 DEPART 03/31/2015 OWENSBORO KY 42302

PAGE 1

ANRECA3

| DATE     | REFERENCE    | DESCRIPTION                                      | SPLIT | AMOUNT          |
|----------|--------------|--|-------|-----------------|
| 03/27/15 | 420892195121 | BUFFET<br>420546853744MI                         |       | 34.46           |
| 03/27/15 | 420899003266 | ROOM CHARGE T T620<br>TAX                        | X     | 86.47<br>16.77  |
| XFR FRM  | 420546853744 | MITCHELL CHRIST T T620                           |       |                 |
| 03/27/15 | 420899101025 | RESORT SERVICE FEE<br>RESORT SERVICE FEE \$15 +  |       | 16.95<br>16.95- |
| 03/27/15 | 420899101026 | RESORT SERVICE FEE<br>FULL CREDIT OF \$15 ON RES |       | 16.95-<br>14.54 |
| 03/28/15 | 420902222602 | DELI<br>420546853744MI                           |       | 14.54           |
| 03/28/15 | 420909003302 | ROOM CHARGE T T620<br>TAX                        |       | 129.00<br>16.77 |
| 03/28/15 | 420909101155 | RESORT SERVICE FEE<br>RESORT SERVICE FEE \$15 +  |       | 16.95<br>16.95- |
| 03/28/15 | 420909101156 | RESORT SERVICE FEE<br>FULL CREDIT OF \$15 ON RES |       | 16.95-<br>11.31 |
| 03/29/15 | 420912260397 | DELI<br>420546853744MI                           |       | 11.31           |
| 03/29/15 | 420919003560 | ROOM CHARGE T T620<br>TAX                        |       | 129.00<br>16.77 |
| 03/29/15 | 420919101390 | RESORT SERVICE FEE<br>RESORT SERVICE FEE \$15 +  |       | 16.95<br>16.95- |
| 03/29/15 | 420919101391 | RESORT SERVICE FEE<br>FULL CREDIT OF \$15 ON RES |       | 16.95-<br>22.68 |
| 03/30/15 | 420922323379 | CAFE MILANO<br>T620MI                            |       | 22.68           |
| 03/30/15 | 420929003514 | ROOM CHARGE T T620<br>TAX                        |       | 129.00<br>16.77 |

< [www.PeppermillReno.com](http://www.PeppermillReno.com) >

HMSHOST  
AUNTIE ANNE'S  
NASHVILLE INT'L AIRPORT

280531 Rupa

CHK 176 GST 1  
MAR27 '15 11:39AM

1 PRZ DUG 3.99  
1 LEMONADE M 2.49

SUBTOTAL 6.48  
TAX 0.60

AMOUNT PAID 7.08  
XXXXXXXXXXXX0898

VISA 7.08

- 280531 Closed MAR27 11:40AM---

THANK YOU FOR YOUR BUSINESS!

CALL US ABOUT YOUR EXPERIENCE

DAVE WAGNER  
615-275-4404  
DAVE.WAGNER@HNSHOST.COM

Your order number is: 3176



The Parking Spot  
560 Donelson Pike  
Nashville, TN 37214  
615-883-9196

CT 3 03/31/15 23:35  
Cashier 26

Standard Ticket  
UFLT - No. 013012  
03/27/15 11:13 -  
03/31/15 23:35 -  
Period 4d12h23'  
(Tax) \$54.75

Airport Access Fee  
1 Qty. @ \$2.75  
(Tax) \$2.75

Sub Total \$57.50  
Tax 9.25% \$5.31

Total \$62.81

Payment Received  
VISA \$62.81  
XXXXXXXXXXXX0838

Your ticket# is:  
05737755170442800013012

Popeye's #10857  
McCarran International Airport  
Las Vegas, NV

1093 Ryan D

Chk 827 Mar 31 '15 04:01P Gst 0

Dining

1 3pcTenders Combo 9.49  
XXXXXXXXXXXX0838  
VISA 10.26

FOOD 9.49  
TAX 0.77  
PAYMENT 10.26

SSP America  
Wild Garlic B  
RNO Reno-Tahoe Int'l Airport  
775-785-2587

204 Martin R

Chk 9383 Mar 31 '15 12:18P Gst 0

\*\*TO GO\*\*

1 S Veg Pizza 7.00  
1 F Diet Pepsi 16z 3.29  
XXXXXXXXXXXX0838  
VISA 11.08

Food 7.00  
NA Bev 3.29  
Tax 0.79  
Payment 11.08

Win an iPad Mini  
Go to the website to tell us  
about your visit and enter  
our prize draw  
See website for T&C  
[www.eatonthamove.com/US](http://www.eatonthamove.com/US)

LOCATION: 2602382

Or please call us 1 877 325 8777

KENERGY CORP.  
 2015 RATE APPLICATION PSC DATA REQUEST NO. 1  
 ITEM 29  
 ACCOUNT 930.200 MISC. EXPENSES  
 TEST YEAR ENDING JUNE 30, 2015

| (a)       | (b)                  | (c)             | (a)               | (d)      | (e)            | (f)<br>Non Del/Alt | (g)           | (h)              | (i)              | (j)<br>Del/Alt       |
|-----------|----------------------|-----------------|-------------------|----------|----------------|--------------------|---------------|------------------|------------------|----------------------|
| Vendor    | Description          | Check/Wire Date | Check/Wire Number | Total    | Chair Per Diem | Assoc Mtg Exp      | Other Mtg Fee | Monthly Retainer | Director Bd Fees | Assoc Mtg Exp & Trng |
| 461 NRECA | NRECA Directors Conf | 5/1/15          | 120862            | 2,071.00 |                |                    |               |                  |                  | 2,071.00             |



# National Rural Electric Cooperative Association

A Touchstone Energy Cooperative  
4301 Wilson Boulevard  
Arlington, VA 22203-1860

0143

Please direct payments to:

National Rural Electric Cooperative  
PO Box 758777  
Baltimore, MD 21275-8777

## INVOICE

Mr. Gregory J. Starheim, PE  
Kenergy Corp  
PO Box 18  
Henderson, KY 42419-0018

DATE: Friday, February 20, 2015

INVOICE #: See below

Vendor Acct #: 300010

| Description  | Invoice # | Cancel Date | Invoice Amt | Paid Amt* |
|--|-----------|-------------|-------------|-----------|
| 2015 Directors Conference<br>Reno, NV<br>03/28/2015 through 03/31/2015           |           |             |             |           |
| <i>Christopher R. Mitchell</i>   |           |             |             |           |
| 2015 Directors Conference  | 1309401   |             | \$895.00    | \$0.00    |
| 913.1 Cooperative Foundation: Co-op Legacy, Principles and Impact on Communities | 1309401   |             | \$588.00    | \$0.00    |
| 957.1 How to Evaluate and Improve Board Performance                              | 1309401   |             | \$588.00    | \$0.00    |

930210 1 124

PLEASE RETURN A COPY OF INVOICE WITH REMITTANCE

Make check payable to NRECA for this amount:

**\$2,071.00**

Contributions or gifts to NRECA are NOT deductible as charitable contributions for federal income tax purposes. However, payments ARE deductible by members as an ordinary and necessary business expenses. NRECA Taxpayer Identification Number: 53-0116145.

**EVENT INVOICE**

KENERGY CORP.  
 2015 RATE APPLICATION PSC DATA REQUEST NO. 1  
 ITEM 29  
 ACCOUNT 930.200 MISC. EXPENSES  
 TEST YEAR ENDING JUNE 30, 2015

| (a)    | (b)                    | (c)             | (a)               | (d)        | (e)            | (f)<br>Non Del/Alt | (g)           | (h)              | (i)              | (j)<br>Del/Alt       |
|--------|------------------------|-----------------|-------------------|------------|----------------|--------------------|---------------|------------------|------------------|----------------------|
| Vendor | Description            | Check/Wire Date | Check/Wire Number | Total      | Chair Per Diem | Assoc Mtg Exp      | Other Mtg Fee | Monthly Retainer | Director Bd Fees | Assoc Mtg Exp & Trng |
| 540    | To exh. 5A, pg 8, line |                 |                   | 199,478.83 | 1,200.00       | 18,157.63          | 3,750.00      | 85,800.00        | 36,600.00        | 17,673.23            |
|        |                        |                 |                   |            | 16             | 15                 | 13            | 14               |                  |                      |

|                                      |            |          |           |          |           |           |           |
|--------------------------------------|------------|----------|-----------|----------|-----------|-----------|-----------|
| Board of Directors Expense - 3rd qtr | 45,143.94  | 300.00   | -         | 900.00   | 21,450.00 | 9,600.00  | 3,181.00  |
| Board of Directors Expense - 4th qtr | 70,730.60  | 300.00   | 18,157.63 | 1,200.00 | 21,450.00 | 8,400.00  | 9,423.90  |
| Board of Directors Expense - 1st qtr | 41,929.32  | 300.00   | -         | 1,500.00 | 21,450.00 | 9,000.00  | 772.70    |
| Board of Directors Expense - 2nd qtr | 41,674.97  | 300.00   | -         | 150.00   | 21,450.00 | 9,600.00  | 4,295.63  |
|                                      | 199,478.83 | 1,200.00 | 18,157.63 | 3,750.00 | 85,800.00 | 36,600.00 | 17,673.23 |



**KENERGY CORP.  
RESPONSE TO THE COMMISSION STAFF'S  
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**Item 6)** Refer to the Application, Exhibit 5B.

j. Refer to pages 75 through 94 of 116. Under the column titled MAC are 17 items listed totaling \$3,696.16. Fully explain the nature of these expenditures and why Kenergy believes these expenses should be included for ratemaking purposes.

**Response)** The Member Advisory Council (MAC) in each board district serves as a link between the member-owners, the Board of Directors and the cooperative for the purpose of fostering good relations. The MAC participants are charged with two primary responsibilities: first, to serve as a grassroots advocates in support of the cooperative and its activities and second, to seek information and opinions from fellow member-owners within the district concerning the cooperative and its operations. The cooperative meets with MAC members twice each year. Kenergy provides a meal at each meeting and reimburses the member-owners for mileage to and from the MAC meetings. It is important that Kenergy and the Board of Directors stay connected with its member-owners. MAC members often serve as a focus group when Kenergy is considering new services or when making changes at the cooperative. Kenergy considers this to be a normal recurring expense. Kenergy has removed this expense for rate making purposes.

**Witness)** David Hamilton

**KENERGY CORP.  
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**Item 6)** Refer to the Application, Exhibit 5B.

- k. Page 76 of 116 shows a payment of \$965.38 to Miller House for Board Dinner - CFC CEO. Fully explain the nature of this expenditure and why Kenergy believes this expense should be included for ratemaking purposes.

**Response)** Refer to attached item 6k, page 2-3 of 3. CFC President Sheldon Peterson spoke to about 25 Kenergy Board of Directors, staff, and invited guests at the Kenergy Henderson office. This is similar to attending a conference out – of – town to obtain continuing education and should be allowed for rate-making purposes.

**Witness)** Steve Thompson

The Miller House

301 East 5th Street  
Owensboro, KY 42303

*2285*

Invoice

| Date      | Invoice # |
|-----------|-----------|
| 8/10/2014 | 285       |

|   |
|---|
| <b>Bill To</b>  |
| Kenergy<br>6402 Old Corydon Road<br>Henderson, KY 42420<br>Attn Debbie Hayden |

|                |
|----------------|
| <b>Ship To</b> |
|                |

| P.O. Number  | Terms            | Rep                           | Ship      | Via | F.O.B.              | Project  |
|--------------|------------------|-------------------------------|-----------|-----|---------------------|----------|
|              |                  |                               | 8/10/2014 |     |                     |          |
| Quantity     | Item Code        | Description                   |           |     | Price Each          | Amount   |
| 25           | kenergy          | Board Member Dinner 25 Guests |           |     | 26.00               | 650.00T  |
|              |                  | Date - 08/06-2014             |           |     |                     |          |
|              |                  | Location - Henderson, KY      |           |     |                     |          |
|              | staffing         | Staffing                      |           |     | 80.00               | 80.00T   |
|              | service gratuity | Service Gratuity              |           |     | 97.50               | 97.50    |
|              | Delivery/ Setup  | Delivery/Setup/Travel         |           |     | 75.00               | 75.00T   |
| 25           | Linens           | Linen napkins                 |           |     | 0.55                | 13.75T   |
|              |                  | Sales Tax                     |           |     | 6.00%               | 49.13    |
| <b>Total</b> |                  |                               |           |     | 930.210<br>1<br>121 | \$965.38 |

*It's been a pleasure working with you!*

*new f*

## Mary Beth Ward

---

**From:** Debbie Hayden  
**Sent:** Monday, August 11, 2014 3:00 PM  
**To:** Mary Beth Ward  
**Subject:** FW: invoice for Aug 6  
**Attachments:** kenergy invoice.PDF

For board dinner with Sheldon Petersen on August 6.

**From:** Kasey Kirk [<mailto:kaseykirk@gmail.com>]  
**Sent:** Monday, August 11, 2014 2:59 PM  
**To:** Debbie Hayden  
**Subject:** invoice for Aug 6

Debbie,

Attached is the invoice for the Aug 6 event.

Thanks! Kasey

--  
Kasey Kirk-Dillow  
The Miller House  
Executive Chef  
270/685-5878  
270/314-9548  
[kaseykirk@gmail.com](mailto:kaseykirk@gmail.com)

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. Any 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.



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**Item 6)** Refer to the Application, Exhibit 5B.

- I. Page 81 of 116 shows a payment of \$5,688.00 to Survey & Ballot Systems for Ballots Director Elections. Fully explain the nature of this expenditure and why Kenergy believes this expense should be included for ratemaking purposes. Provide a copy of the invoice(s) for this expenditure.

**Response)** Item 6l, pages 2-3 of 3 contains the above referenced information. This is an annual event and should be allowed for rate-making purposes. Annual director election expense for the last 5 calendar years has averaged \$4,138 per year.

**Witness)** Steve Thompson



Survey & Ballot Systems Inc  
 7653 Anagram Drive  
 Eden Prairie, MN 55344  
 Accounting (952) 974-2319  
 FEIN: 41-1670555

12/10/27

Debra Hayden  
 Kenergy Corporation  
 3111 Fairveiw Drive  
 PO Box 1389  
 Owensboro, KY 43202-1389

September 30, 2014  
 Invoice No: 8135

Project Manager Robert Claus  
 Project 15-KC-VOTE 2015 Hybrid Election

Net 30

PO 2491

Phase 01 2015 Hybrid Election

\$5,688 Per Service Agreement - 60%

|     |                      |                   |
|-----|----------------------|-------------------|
| Fee |                      | 5,688.00          |
|     | <b>Sub-Total</b>     | <b>\$5,688.00</b> |
|     | <b>Invoice Total</b> | <b>\$5,688.00</b> |

HSW

930210 10 127

REMIT TO: 7653 Anagram Drive, Eden Prairie, MN 55344  
 ELECTRONIC PAYMENT: ABA: 091000022 Account: 133400742887 Swift Code: USBKUS44IMT US Bank 16 Ninth Ave North,  
 Hopkins, MN 55343

Interest will be charged at a rate of 1.5% per month on past due balances

THANK YOU FOR SELECTING SURVEY & BALLOT SYSTEMS!

## Director Election

Item 6l.

### Background

- Kenergy had utilized paper ballots since consolidation in 1999.
- Election material designed in-house
- Printing and mailing of ballots handled by outside party.
- Members returned ballots to Kenergy where they were held until tabulation by a committee consisting of 3 members and Kenergy staff.

### Benefits

- Protection. Good governance practices combined with well-run election processes help protect the organization from costly litigation, false accusations, corruption and fraud. A transparent election combined with auditable election processes makes it clear to members that the election is run for the benefit of its members and that the organization is run efficiently and effectively.
- Member satisfaction
- Increased voter participation

### Cost

Survey & Ballots will handle all aspects of the election – printing, mailing, and tabulating ballots. They will conduct a hybrid election which means ballots will still be mailed to all members eligible to vote in an election, but they will also have the opportunity to vote electronically if they choose to do so. All of this is handled by Survey & Ballots.

Estimated cost comparison using 2014 election data:

- |   |          |
|---|----------|
| • Kenergy                                       | \$11,617 |
| • Survey & Ballot Systems                       | \$9,909  |
| • Survey & Ballot with electronic voting option | \$12,855 |

Kenergy entered into an agreement with Survey & Ballot Systems in 2014 to begin administering the board election in 2015 election

We entered into the contract in September of 2014 at a cost of \$5,688, which was based on 60% of the estimated cost for the 2015 election. No directors faced opposition in 2015, therefore, there was no election and we executed a contract extension to carry that amount over to 2016.

**KENERGY CORP.  
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**Item 6)** Refer to the Application, Exhibit 5B.

m. Page 94 of 116 shows a total expenditure of \$25,305.16 for Liability Insurance. Fully explain the nature of this expenditure and why Kenergy believes this expense should be included for ratemaking purposes.

**Response)** Cost is for Director and officer liability insurance and is an annual recurring item and has been allowed in prior coop cases.

**Witness)** Steve Thompson



**KENERGY CORP.  
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**Item 7)** Refer to the Application, Exhibit 7, the Testimony of Jack Gaines, page 8, Question 15. Mr. Gaines states that plant accounts 364 - 368 are classified using the minimum intercept methodology. Provide these minimum intercept calculations.

**Response)** The calculations are provided in the file "PSC 3rd, Q. 7.xls", which is being supplied electronically.

**Witness)** Jack Gaines

**KENERGY CORP.  
RESPONSE TO THE COMMISSION STAFF'S  
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1  
2 **Item 8)** Refer to the Application, Exhibit 8, the Direct Testimony of Robert N. Welsh, Exhibit  
3 RW-1, page 1, and Kenergy's responses to Staffs Second Request for Information ("Staff s Second  
4 Request"), Items 20 and 21. Among other things, Exhibit RW-1 shows current, calculated, and  
5 proposed depreciation rates. The responses refer to how AUS reviews changes in depreciation rates  
6 and increasing depreciation rates by using the mid-point between the current and calculated net  
7 salvage percentage. Explain why, on Exhibit AW, which shows a current depreciation rate of 2.9  
8 percent and a calculated rate of 3.5 percent for Account 368, Line Transformers, use of the mid- point  
9 did not extend to developing a rate of 3.2 percent rather than the proposed recommended rate of 3.3  
10 percent.

11  
12 **Response)** On Exhibit RW-1, page 1 the proposed deprecation rate for Account 368 is 3.3 percent.  
13 This is not midpoint between the current rate of 2.9 percent and the calculated rate of 3.5 percent.  
14 Neither of the responses referenced above in Staffs Second Request for Information, Item 20 and  
15 Item 21 discuss the study process for Account 368. Item 20 discusses the RUS study analysis  
16 process not the analysis process used by Welsh Group. Item 21 discusses the study process used by  
17 Welsh Group for Account 370. The Direct Testimony of Robert N Welsh, Exhibit 8, does discuss the  
18 study analysis process used by Welsh Group to develop the proposed deprecation rates, but does not  
19 provide any account specific information except for Exhibit RW-1. However, Welsh Group does  
20 discuss account specific information in the Depreciation Study, Application Exhibit 11. We would note  
21 that AUS, reference above, did not have any role of any type in this study and proceeding.

22 However, to the question as to why 3.3 percent was used instead of 3.2 percent, the footnote  
23 on the bottom of Exhibit RW-1, page 1 provides the answer. The footnote states: "Rate adjusted to  
24 balance accrual change and theoretical reserve.". Welsh Group does not blindly split the difference

**KENERGY CORP.  
RESPONSE TO THE COMMISSION STAFF'S  
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1 between the current rate and calculated rate when there is a large difference. Rather we look at all  
2 the factors impacting the rate and the account to determine the most appropriate depreciation rate  
3 given all the variables and outcomes. Account 368 is a case in point. We believed that moving to the  
4 calculated rate, which is the rate that reflects best estimate of the life and net salvage, generated a  
5 larger than necessary depreciation expense increase. In keeping with our prior transition practices in  
6 earlier Kenergy depreciation studies we elected to use a lower rate that would still move depreciation  
7 expense and depreciation reserve to reasonable levels. Using the midpoint rate of 3.2 percent results  
8 in an annual accrual change of \$110,292 and the theoretical reserve would be 31 percent. Using a  
9 3.3 percent rate the annual accrual change is \$147,056, an additional \$36,764. But the theoretical  
10 reserve falls to 28 percent. Given the current depreciation reserve is 25.8 percent; the significant  
11 decrease in the reserve deficiency using 3.3 percent; the net salvage estimate in the calculated  
12 depreciation rate is below actual experience; the small incremental annual accrual change; the 3.3  
13 percent is clearly a better rate choice than a blind arbitrary midpoint rule.

14  
15 **Witness)**      Robert N. Welsh



**KENERGY CORP.  
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**Item 9)** Refer to the Application, Exhibit 12, Account 151.000, Fuel Inventory. Explain why Kenergy has a balance of \$19,582.85 in this account, and provide a detailed analysis of the amounts that make up this balance.

**Response)** Kenergy maintains on-site fueling facilities at its Henderson and Owensboro locations. The Henderson location includes a 2,000 gallon diesel fuel tank and a 2,000 gallon unleaded fuel tank. The Owensboro location includes a 3,000 gallon diesel fuel tank and a 3,000 gallon unleaded fuel tank. The gallons of fuel in these tanks is measured and recorded at the end of each month. The average per gallon cost of fuel purchased is used to calculate the value of this fuel and is then recorded as fuel inventory in account 151.000. The amount shown on Exhibit 12, Account 151.000 of Kenergy's Application (\$19,582.85) represents that value for the month ending June 30, 2015 and is comprised of the following:

|                    | <b>Number of Gallons</b> | <b>Average Cost Per Gallon</b> | <b>Total Value</b> |
|--------------------|--------------------------|--------------------------------|--------------------|
| Henderson Diesel   | 1,078.0                  | \$2.5608                       | \$ 2,760.54        |
| Henderson Unleaded | 1,145.0                  | \$2.5491                       | \$ 2,918.72        |
| Owensboro Diesel   | 2,791.0                  | \$2.5608                       | \$ 7,147.19        |
| Owensboro Unleaded | 2,650.5                  | \$2.5491                       | \$ 6,756.40        |
|                    |                          |                                | \$19,582.85        |

**Witness)** Doug Hoyt



**KENERGY CORP.  
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**Item 10)** Refer to Kenergy's response to Staffs Second Request, Item 1. Explain why Kenergy is not normalizing the number of vacation and sick days paid in the test year, given that the resultant increase for "non-worked charges" is responsible for approximately one-third of the \$12,677 increase for "special charges."

**Response)** Vacation and sick leave hours for the past 5 calendar years are:

|                | Vacation | Sick Leave |
|----------------|----------|------------|
| 2011           | 23,741   | 10,351     |
| 2012           | 24,593   | 12,371     |
| 2013           | 23,090   | 8,585      |
| 2014           | 25,246   | 8,493      |
| 2015           | 22,598   | 9,765      |
| Five year avg. | 23,854   | 9,913      |
| Test year      | 23,912   | 9,158      |

Kenergy feels the test year hours are comparable to the five year average and sees no reason to normalize.

**Witness)** Steve Thompson

**KENERGY CORP.  
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**Item 11)** Refer to Kenergy's response to Staffs Second Request, Item 4.b.  
 a. Using the response as provided, add a column for the number of employees in each job classification.

**Response)**

| <b>Employee Name</b>     | <b>Incentive Pay</b> | <b># of Empl.</b> |
|--------------------------|----------------------|-------------------|
| <i>subtotal grade 4</i>  | \$45.60              | 1                 |
| <i>subtotal grade 5</i>  | \$717.04             | 3                 |
| <i>subtotal grade 6</i>  | \$9,213.18           | 33                |
| <i>subtotal grade 7</i>  | \$2,207.85           | 7                 |
| <i>subtotal grade 8</i>  | \$6,558.74           | 18                |
| <i>subtotal grade 9</i>  | \$2,886.87           | 7                 |
| <i>subtotal grade 10</i> | \$15,874.88          | 41                |
| <i>subtotal grade 11</i> | \$7,958.16           | 18                |
| <i>subtotal grade 12</i> | \$1,387.53           | 3                 |
| <i>subtotal grade 13</i> | \$1,749.19           | 3                 |
| <i>subtotal grade 14</i> | \$3,738.28           | 6                 |
| <i>subtotal grade 15</i> | \$1,355.21           | 2                 |
| <i>subtotal grade 17</i> | \$2,240.03           | 3                 |
| <i>subtotal grade 19</i> | \$2,587.97           | 3                 |
| <i>subtotal grade 20</i> | \$0.00               | 1                 |
| <b>TOTAL</b>             | <b>58520.53</b>      | <b>149</b>        |

**Witness)** Keith Ellis

**KENERGY CORP.  
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**Item 11)** Refer to Kenergy's response to Staffs Second Request, Item 4.b.

b. Explain whether each employee receives the same bonus amount. If each employee does not receive the same amount, provide an explanation.

**Response)** Bonus amount is based on the percentage of employee's base pay. Therefore, the amount of bonus is not the same for every employee.

**Witness)** Keith Ellis

**KENERGY CORP.  
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**Item 12)** Refer to Kenergy's response to Staff s Second Request, Item 7, and the Commission's final Order in Case No. 2015-00141.

- a. The response to Item 7 indicates that accounting treatment "of the \$1,394,200 prepayment to the NRECA defined benefit pension plan" was approved by RUS. That accounting treatment provided for recording the amount in Account 186, Miscellaneous Deferred Debits, as a regulatory asset. Confirm that the RUS approval reflects a blanket authorization for such treatment, as per the February 14, 2013 letter to all electric program borrowers attached to the response.

**Response)** Kenergy cannot confirm. The RUS approval letter reflects a blanket authorization to record a long term pension prepayment not a regulatory asset. Account 182.3 is used for regulatory assets not 186.000. See the attached item 12a, pages 2-4.

**Witness)** Steve Thompson



a plan which will distribute the amount equitably over the life of the security. The amortization shall be on a monthly basis, and the amounts thereof shall be charged to Account 428, Amortization of Debt Discount and Expense. Any unamortized amounts outstanding at the time that the related debt is prematurely reacquired shall be accounted for as indicated in § 1767.15 (q).

**182.1 Extraordinary Property Losses.**

A. When authorized or directed by RUS, this account shall include extraordinary losses which could not reasonably have been anticipated and which are not covered by insurance or other provisions, such as unforeseen damages to property.

B. Application to RUS for permission to use this account shall be accompanied by a statement giving a complete explanation with respect to the items which it is proposed to include herein, the period over which, and the accounts to which it is proposed to write off the charges, and other pertinent information.

**182.2 Unrecovered Plant and Regulatory Study Costs.**

A. This account shall include: (1) nonrecurring costs of studies and analyses mandated by regulatory bodies related to plants in service, transferred from Account 183, Preliminary Survey and Investigations Charges, and not resulting in construction; and (2) when authorized by RUS, significant unrecovered costs of plant facilities where construction has been cancelled or which have been prematurely retired.

B. This account shall be credited and Account 407, Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs, shall be debited over the period specified by RUS.

C. Any additional costs incurred, relative to the cancellation or premature retirement, may be included in this account and amortized over the remaining period of the original amortization period. Should any gains or recoveries be realized relative to the cancelled or prematurely retired plant, such amounts shall be used to reduce the unamortized amount of the costs recorded herein.

D. In the event that the recovery of costs included herein is disallowed in the rate proceedings, the disallowed costs shall be charged to Account 426.5, Other Deductions, in the year of such disallowance.

**182.3 Other Regulatory Assets.**

A. This account shall include the amounts of regulatory-created assets, not includable in other accounts, resulting from the ratemaking actions of regulatory agencies. (See the definition of regulatory assets and liabilities.)

B. The amounts included in this account are to be established by those charges which would have been included in net income, or accumulated other comprehensive income, determinations in the current period under the general requirements of the Uniform System of Accounts but for it being probable that such items will be included in a different period(s) for purposes of developing the rates that the utility is authorized to charge for its utility services. When specific identification of the particular source of a regulatory asset cannot be made, such as in plant phase-ins, rate moderation plans, or rate levelization plans, Account 407.4, Regulatory Credits, shall be credited. The amounts recorded in this account are generally to be

charged, concurrently with the recovery of the amounts in rates, to the same account that would have been charged if included in income when incurred, except all regulatory assets established through the use of Account 407.4 shall be charged to Account 407.3, Regulatory Debits, concurrent with the recovery of the amounts in rates.

C. If rate recovery of all or part of an amount included in this account is disallowed, the disallowed amount shall be charged to Account 426.5, Other Deductions, or Account 435, Extraordinary Deductions, in the year of the disallowance.

D. The records supporting the entries to this account shall be kept so that the utility can furnish full information as to the nature and amount of each regulatory asset included in this account, including justification for inclusion of such amounts in this account.

**183 Preliminary Survey and Investigation Charges.**

A. This account shall be charged with all expenditures for preliminary surveys, plans, and investigations made for the purpose of determining the feasibility of utility projects under contemplation. If construction results, this account shall be credited and the appropriate utility plant account charged. If the work is abandoned, the charge shall be made to Account 426.5, Other Deductions, or to the appropriate operating expense account.

B. This account shall also include costs of studies and analyses mandated by regulatory bodies related to plant in service. If construction results from such studies, this account shall be credited and the appropriate utility plant account charged with an equitable portion of such study costs directly attributable to new construction. The portion of such study costs not attributable to new construction or the entire cost if construction does not result shall be charged to Account 182.2, Unrecovered Plant and Regulatory Study Costs, or the appropriate operating expense account. The costs of such studies relative to plant under construction shall be included directly in Account 107, Construction Work in Progress - Electric.

C. The records supporting the entries to this account shall be so kept that the utility can furnish complete information as to the nature and the purpose of the survey, plans, or investigations, and the nature and amounts of the several charges.

Note: The amount of preliminary survey and investigation charges transferred to utility plant shall not exceed the expenditures which may reasonably be determined to contribute directly and immediately and without duplication to utility plant.

**184 Clearing Accounts.**

A. This caption shall include undistributed balances in clearing accounts at the date of the balance sheet. Balances in clearing account shall be substantially cleared not later than the end of the calendar year unless items held therein relate to a future period.

B. Account 184 shall be subaccounted as follows:

- 184.1 Transportation Expense - Clearing
- 184.2 Clearing Accounts - Other

**185 Temporary Facilities.**

This account shall include amounts shown by work orders for plant installed for temporary use in utility service for periods of less than one year. Such work orders shall be charged with the

cost of temporary facilities and credited with payments received from customers and net salvage realized on removal of the temporary facilities. Any net credit or debit resulting shall be cleared to Account 451, Miscellaneous Service Revenues.

**186 Miscellaneous Deferred Debits.**

This account shall include all debits not elsewhere provided for, such as miscellaneous work in progress, and unusual or extraordinary expenses, not included in other accounts, which are in process of amortization and items the proper final disposition of which is uncertain.

**187 Deferred Losses from Disposition of Utility Plant.**

This account shall include losses from the sale or other disposition of property previously recorded in Account 105, Electric Plant Held for Future Use, under the provisions of Paragraphs B, C, and D thereof, where such losses are significant and are to be amortized over a period of 5 years, unless otherwise authorized by RUS. The amortization of the amounts in this account shall be made by debits to Account 411.7, Losses from Disposition of Utility Plant. (See Account 105, Electric Plant Held for Future Use.)

**188 Research, Development, and Demonstration Expenditures.**

A. This account shall be charged with the cost of all expenditures coming within the meaning of Research, Development, and Demonstration (RD&D) of this USoA (See § 1767.10 (a) (34)) except those expenditures properly chargeable to Account 107, Construction Work in Progress - Electric.

B. Costs that are minor or of a general or recurring nature shall be transferred from this account to the appropriate operating expense function or if such costs are common to the overall operations or cannot be feasibly allocated to the various operating accounts, such costs shall be recorded in Account 930.2, Miscellaneous General Expenses.

C. In certain instances, a company may incur large and significant research, development, and demonstration expenditures which are nonrecurring and which would distort the annual research, development, and demonstration charges for the period. In such a case, the portion of such amounts that cause the distortion may be amortized to the appropriate operating expense account over a period not to exceed 5 years unless otherwise authorized by RUS.

D. The entries in this account must be so maintained as to show separately each project along with complete detail of the nature and purpose of the research, development, and demonstration project together with the related costs.

**189 Unamortized Loss on Reacquired Debt.**

This account shall include the losses on long-term debt reacquired or redeemed. The amounts in this account shall be amortized in accordance with § 1767.15 (q).

**190 Accumulated Deferred Income Taxes.**

A. This account shall be debited and Account 411.1, Provision for Deferred Income Taxes - Credit, Utility Operating Income, or Account 411.2, Provision for Deferred Income Taxes - Credit, Other Income and Deductions, as appropriate, shall be credited with an amount equal to that by which income taxes payable for the year are higher because of the inclusion of certain items in income for tax purposes, which items for general accounting



**KENERGY CORP.  
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**Item 12)** Refer to Kenergy's response to Staff's Second Request, Item 7, and the Commission's final Order in Case No. 2015-00141.

b. That February 14, 2013 letter allows for amortizing the deferred cost over ten years, which Kenergy chose, or an alternative based on the average age of a utility's workforce and the workforce's normal retirement age. Explain why Kenergy chose the ten-year amortization period rather than the alternative offered by RUS.

**Response)** Refer to item 12b, pages 2-3 of 3 which indicates an average age of 53 with a retirement age of 62, or an amortization period of 9 years. Kenergy chose the 10 year which results in a slightly lower annual amortization amount.

**Witness)** Steve Thompson





**Retirement Security Plan  
Accelerated Funding Payment  
KENERGY CORP  
01-18065-002 RNR01A**

**Demographic Data From January 2013 Bill**

|  |                       |
|--|-----------------------|
| Total payroll used for billing purposes          | \$2,147,809           |
| Total participants included for billing purposes | 32 active, 0 disabled |

**2013 Billing Rates**

Refer to footnotes 1 and 2 on the following page for other important information

|                         | Prior to Accelerated Funding<br>Payment | Co-op Elects to Make<br>Accelerated Funding Payment<br>(applicable retroactive to<br>1/1/2013) |
|-------------------------|---|--|
| Employer Rate           | 25.99%                                  | 19.36%   |
| Employee Rate           | 0.00%                                   | 0.00%  |
| Administration Fee Rate | 0.67%                                   | 0.67%  |
| Total Billing Rate      | 26.66%                                  | 20.03%   |

**Accelerated Funding Payment**

Refer to footnotes 3 and 4 on the following page for other important information

|                      |             |
|----------------------|-------------|
| If paid by 1/31/2013 | \$1,367,628 |
| If paid by 2/28/2013 | \$1,376,427 |
| If paid by 3/31/2013 | \$1,385,283 |
| If paid by 4/30/2013 | \$1,394,196 |
| If paid by 5/31/2013 | \$1,403,167 |
| If paid by 6/30/2013 | \$1,412,195 |
| If paid by 7/31/2013 | \$1,421,281 |
| If paid by 8/31/2013 | \$1,430,425 |

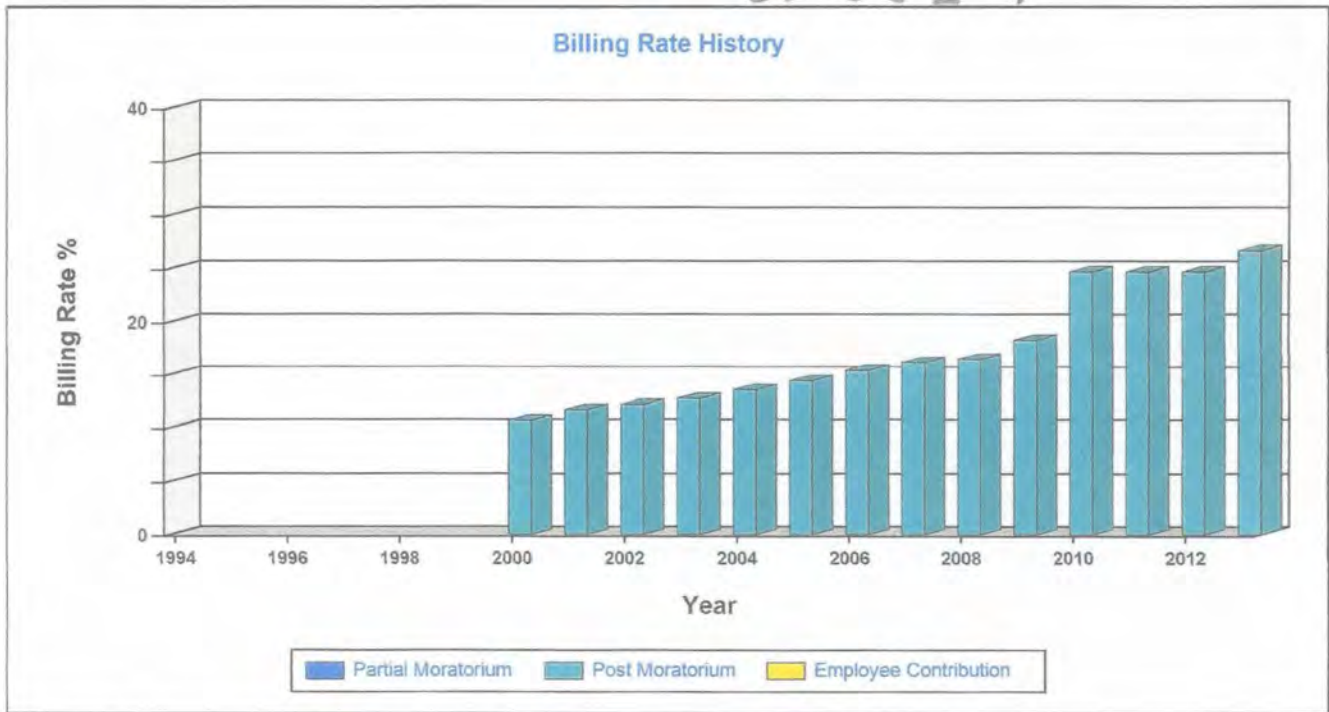


**NATIONAL RURAL ELECTRIC COOPERATIVE ASSOCIATION**  
Retirement Security Plan

|                  |              |                 |        |
|------------------|--------------|-----------------|--------|
| <b>System #:</b> | 01-18065-002 | <b>Plan ID:</b> | RNR01A |
| <b>Name:</b>     | KENERGY CORP |                 |        |

| Year | Benefit Level | System Cost | Employee Contribution | Plan | COLA | Average Age | 100% Death Benefit | Salary Type |
|------|---------------|-------------|-----------------------|------|------|-------------|--------------------|-------------|
| 1994 |               |             |                       |      |      |             |                    |             |
| 1995 |               |             |                       |      |      |             |                    |             |
| 1996 |               |             |                       |      |      |             |                    |             |
| 1997 |               |             |                       |      |      |             |                    |             |
| 1998 |               |             |                       |      |      |             |                    |             |
| 1999 |               |             |                       |      |      |             |                    |             |
| 2000 | 1.70          | 10.66       | 0.00                  | 62   | No   | 45          | No                 | BS          |
| 2001 | 1.70          | 11.63       | 0.00                  | 62   | No   | 46          | No                 | BS          |
| 2002 | 1.70          | 12.13       | 0.00                  | 62   | No   | 47          | No                 | BS          |
| 2003 | 1.70          | 12.73       | 0.00                  | 62   | No   | 47          | No                 | BS          |
| 2004 | 1.70          | 13.54       | 0.00                  | 62   | No   | 48          | No                 | BS          |
| 2005 | 1.70          | 14.40       | 0.00                  | 62   | No   | 49          | No                 | BS          |
| 2006 | 1.70          | 15.39       | 0.00                  | 62   | No   | 50          | No                 | BS          |
| 2007 | 1.70          | 16.15       | 0.00                  | 62   | No   | 51          | No                 | BS          |
| 2008 | 1.70          | 16.48       | 0.00                  | 62   | No   | 51          | No                 | BS          |
| 2009 | 1.70          | 18.29       | 0.00                  | 62   | No   | 52          | No                 | BS          |
| 2010 | 1.70          | 24.68       | 0.00                  | 62   | No   | 53          | No                 | BS          |
| 2011 | 1.70          | 24.68       | 0.00                  | 62   | No   | 50          | No                 | BS          |
| 2012 | 1.70          | 24.68       | 0.00                  | 62   | No   | 52          | No                 | BS          |
| 2013 | 1.70          | 26.66       | 0.00                  | 62   | No   | 53          | No                 | BS          |

62 - 53 = 9



Note: The System Cost is the total of the Trust Contribution and the Administrative Fee.

Your Retirement Security Plan's salary type is "base salary." As a result, your contribution cost is applied as a percentage of each participant's annualized base rate of pay in effect on November 15, 2012, which is that participant's effective salary for the 2013 plan year. Beginning with your January 2013 monthly statement, the estimated amount due will be based on this percentage. Rates noted are for the plan in effect as of January 1 for each year.

**KENERGY CORP.  
RESPONSE TO THE COMMISSION STAFF'S  
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**Item 12)** Refer to Kenergy's response to Staff s Second Request, Item 7, and the Commission's final Order in Case No. 2015-00141.

c. Page 3 of the last sentence of the only full paragraph in the Final Order in Case No. 2015-00141 states, "Utilities must obtain Commission approval for accounting adjustments before establishing any expense as a new regulatory asset." That sentence is footnoted to a 2002 Commission Order in a rate case of The Union Light, Heat and Power Company. Explain whether Kenergy sought approval of the Commission prior to establishing a regulatory asset for the prepayment to the defined benefit pension plan. If Commission approval was not sought, explain why.

**Response)** See response to item 12a.

**Witness)** Steve Thompson

**KENERGY CORP.  
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**Item 13)** Refer to Kenergy's responses to Staff's Second Request, Item 10, and the Commission Staff's Second Request for Information, Item 1, in Case No. 2015-00141.

a. The response to Item 10, part a., shows a balance of \$4,350,057 in undepreciated electro-mechanical meters as of June 30, 2015, the end of the test year. Using the descriptions on the left side of the response, identify the type and amount of meters that are not being replaced as part of Kenergy's meter-replacement program.

**Response)** All of the meters identified in Item 10, part a, will be retired.

**Witness)** Steve Thompson



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**Item 13)** Refer to Kenergy's responses to Staff's Second Request, Item 10, and the Commission Staff's Second Request for Information, Item 1, in Case No. 2015-00141.

b. Explain whether the estimated dollar amount of the meters being retired as part of the meter replacement program continues to be \$3,884,717, as it was in Case No. 2015-00141.

**Response)** Depreciation expense during the project has reduced the undepreciated balance of meters retired. Kenergy now estimates the amount to be \$3,605,694.

|  |             |
|--|-------------|
| Regulatory Asset 12/31/15                        | \$1,720,553 |
| Remaining loss to be booked                      | \$1,938,682 |
| Less Estimated Depr. (Jan-June 2016) (\$ 53,541) |             |

The remaining Regulatory Asset to be booked is the December calculated amount of \$2,583,794.67 less what was actually booked in December \$645,112.23. See Item 14b, Page 4 of 5. The Regulatory Asset Balance as of 12/31/2015, \$1,720,553, can be found on Page 5 of response to Item 14b.

**Witness)** Steve Thompson

**KENERGY CORP.  
RESPONSE TO THE COMMISSION STAFF'S  
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1  
2 **Item 13)** Refer to Kenergy's responses to Staff's Second Request, Item 10, and the  
3 Commission Staff's Second Request for Information, Item 1, in Case No. 2015-00141.

4 c. The Case No. 2014-00141 response reflects that Kenergy believes that either 10  
5 or 15 years is a reasonable amortization period for the loss on the early retirement  
6 of its electro-mechanical meters. It also reflects that "Kenergy prefers using 10  
7 years to be sure the loss is completely amortized before the new AMI meters  
8 useful life ends, currently estimated at 15 years." Explain why the loss's being fully  
9 amortized prior to the end of the new AMI meters' useful life is of any  
10 consequence.

11  
12 **Response)** The most significant consequence of approving anything other than a 10-year  
13 amortization period would be the fact that RUS has only approved a 10-year period for Kenergy.  
14 Please see the RUS letter attached to this response. If Kenergy were to receive an order which  
15 differs from what RUS has approved, the difference may have to be written off, which could result in  
16 severe consequences to Kenergy's financial ratios.

17 Also, this is the first AMI system Kenergy has implemented. Some co-ops implemented earlier  
18 versions of AMI and are already replacing those systems with new technologies due to obsolescence.  
19 When early retirement occurs and a regulatory asset is established, future rates must not only include  
20 the depreciation on the new assets, but also the regulatory asset amortization resulting from the  
21 undepreciated balance of the obsolete assets. If, for unforeseen reasons, Kenergy's AMI system  
22 were to become obsolete in less than 15 years, and Kenergy used a 15-year amortization period for  
23 the regulatory asset, then Kenergy could potentially have amortization on two regulatory assets plus  
24 depreciation on the new asset (two meters that have already been retired but not fully depreciated,

**KENERGY CORP.  
RESPONSE TO THE COMMISSION STAFF'S  
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1 and one that is actually in service). Kenergy would prefer to avoid this scenario if at all possible.

2       Lastly, when considering what amortization period to use, Kenergy researched what  
3 amortization period other co-ops were granted. In case No. 2008-00376, Taylor County was  
4 authorized to establish a regulatory asset and amortize it over a 5-year period. In case No. 2012-  
5 00102, Shelby Energy was also granted a 5-year regulatory asset amortization period. In an effort to  
6 balance the impact to rate payers with the risk of not fully amortizing the regulatory asset before the  
7 AMI system reaches the end of its useful life, Kenergy decided to seek an amortization period that  
8 was between what other co-op's in Kentucky have been granted, 5 years, and the current estimated  
9 useful life of the new AMI meters, 15 years.

10  
11 **Witness)**     Steve Thompson





United States Department of Agriculture  
Rural Development

APR 15 2015

Mr. Gregory J. Starheim  
President & CEO  
Kenergy  
6402 Old Corydon Road  
Henderson, Kentucky 42419-0018

Dear Mr. Starheim:

In response to your letter dated March 11, 2015, we have reviewed the information submitted regarding Kenergy's regulatory asset plan. Kenergy plans to establish a regulatory asset in the amount of \$3,884,717 for the write-off of its current meters which are being replaced by Automated Meter Information (AMI) meters. This amount is to be amortized over a ten year period.

All of the required information was submitted in the letter; therefore, the Rural Utilities Service's approval to implement the plan is given. It should be noted, however, that our approval is based upon the understanding that the deferral and amortization of these costs are being specifically addressed in Kenergy's rate filing with the Kentucky Public Service Commission (Commission) and that the Commission authorizes the deferral and subsequent recovery of these costs. If the Commission does not allow the recovery of these costs, any remaining deferred amount must be written off immediately in its entirety.

Please contact the Technical Accounting and Auditing Staff at (202) 720-5227 if you have any questions or if we can be of any further assistance.

Sincerely,

A handwritten signature in blue ink, appearing to read "Victor T. Vu".

VICTOR T. VU  
Deputy Assistant Administrator  
Office of Portfolio Management and Risk Assessment

1400 Independence Ave, S.W. Washington DC 20250-0700  
Web: <http://www.nrddev.usda.gov>

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1400 Independence Avenue, S.W., Washington, DC 20250-9410 or call (800) 795-3272 (Voice) or (202) 720-6362 (TDD).



**KENERGY CORP.  
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**Item 14)** Refer to Exhibit 5A, page 20 and Kenergy's response to Staff's Second Request, Item 10.d.

- a. Provide all journal entries recorded since the end of the test year to record the regulatory asset for the undepreciated balance of the electro-mechanical meters.

**Response)** Please see item 14a, Pages 2-23.

**Witness)** Steve Thompson

**KENERGY  
JOURNAL ENTRY**

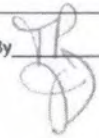
| DATE |   |   |   |    |
|------|---|---|---|----|
| 0    | 8 | 3 | 1 | 15 |

| ACCOUNT NUMBER | RA | DEBIT |        |
|----------------|----|-------|--------|
|                |    | EAC   | AMOUNT |
| 182200         |    |       | 738816 |

| ACCOUNT NUMBER | RA | CREDIT |        |
|----------------|----|--------|--------|
|                |    | EAC    | AMOUNT |
| 108670         |    |        | 738816 |

REGULATORY ASSET *(Correcting July)*

128 meters retired x 60.01(loss per meter)= 57.72

Prepared By 

| ENTRY NO. | TRANS. COD |
|-----------|------------|
| 72        |            |

Approved By TAS

Totals thru end of June 2015

| Asset  | Asset Description              | Quantity | Meter         |                         | Depreciable Lifetime | Depreciation Rate |
|--------|--------------------------------|----------|---------------|-------------------------|----------------------|-------------------|
|        |                                |          | Original Cost | AMI Meter Original Cost |                      |                   |
| 370010 | CT's                           | 6,322    | 954,877.23    |                         | 20 years             | 0.004167          |
| 370011 | PT's                           | 1,961    | 510,040.57    |                         | 20 years             | 0.004167          |
| 370012 | METER SOCKETS                  | 14,966   | 296,591.00    |                         | 20 years             | 0.004167          |
| 370014 | 3 WIRE METERS WITH DCI MODULE  | 500      | 26,756.00     |                         | 20 years             | 0.004167          |
| 370015 | 2 WIRE METERS                  | 867      | 65,991.70     |                         | 20 years             | 0.004167          |
| 370016 | 3 WIRE METERS                  | 57,804   | 3,216,889.53  |                         | 20 years             | 0.004167          |
| 370017 | 3 PHASE - 3 & 4 WIRE           | 3,906    | 861,055.10    |                         | 20 years             | 0.004167          |
| 370018 | POWER, SPECIAL & DEMAND        | 0        | -             |                         | 20 years             | 0.004167          |
| 370019 | TEST SWITCHES                  | 28       | 1,825.28      |                         | 20 years             | 0.004167          |
| 370020 | REACTIVE METERING              | 10       | 12,824.11     |                         | 20 years             | 0.004167          |
| 370021 | JEM 2 METER                    | 3        | 8,587.12      |                         | 20 years             | 0.004167          |
| 370022 | 1 PH METER-SECURITY LINK       | 1        | 51.89         |                         | 20 years             | 0.004167          |
| 370023 | 1 PHASE ELECTRONIC METER-TWACS | 1,000    |               | 136,877.50              | 15 years             | 0.005558          |
| 370024 | 3 PHASE ELECTRONIC METER-TWACS | 12       |               | 3,321.00                | 15 years             | 0.005558          |
| 370025 | 1 PH ELECTRONIC METERS-CANNON  | 100      |               | 17,702.96               | 15 years             | 0.005558          |

|                          | Total Meters | 64,203 |              | Meters           | Non-Meters   |
|--------------------------|--------------|--------|--------------|------------------|--------------|
| Total of 370 & 370.1     |              |        | 5,955,489.53 | 157,901.46       | 4,350,056.91 |
| Accumulated Depreciation |              |        | 1,377,504.16 | 69,218.60        | 1,038,863.76 |
| Net Book Value           |              |        | 4,577,985.37 | 88,682.86        | 3,311,193.15 |
| Removal Cost Est.        |              |        | 388,655.26   | 5,968.52         | 394,623.78   |
|                          |              |        |              | Total Reg. Asset | 3,705,816.93 |

57.72 Loss per meter

5.20 per meter-Contractor rate - 1 phase meters  
20.71 Coop labor / 3 phase meters

09/08/2015 8:03:11 am

**GENERAL LEDGER  
JOURNAL DETAIL**

Page: 1

Journal : 1273833  
 Description : Record Loss-Meters Retired for AMI (70)  
 Created Date : 09/08/2015  
 Created By : jtaul  
 Status : Approved

Approved/Rejected Date : 09/08/2015  
 Approved/Rejected By : jtaul  
 Module : General Ledger  
 Journal Activity : Journal Entry  
 Batch : AUGUST 2015

| Line                                     | Div Account | Description                | Dept | Actv | BU Project | Jrnl Code Reference                     | Date       | Debit    | Credit   |
|--|-------------|----------------------------|------|------|------------|---|------------|----------|----------|
| 1  | 0 182.2     | REGULATORY ASSET-AMI       | 0    | 0    |            | 3 loss on legacy meters retired for ami | 08/31/2015 | 7,388.16 |          |
| 2  | 0 108.67    | ACCUM PROVI DEPRECIATION-M | 0    | 0    |            | 3 loss on legacy meters retired for ami | 08/31/2015 |          | 7,388.16 |
| <b>Total for Journal Number 1273833:</b> |             |                            |      |      |            |   |            | 7,388.16 | 7,388.16 |



**KENERGY  
JOURNAL ENTRY**

| DATE |   |   |   |    |
|------|---|---|---|----|
| 0    | 8 | 3 | 1 | 15 |

| ACCOUNT NUMBER | DEBIT |     | AMOUNT  |  |
|----------------|-------|-----|---------|--|
|                | RA    | EAC |         |  |
| 182200         |       |     | 1529057 |  |

| ACCOUNT NUMBER | CREDIT |     | AMOUNT  |  |
|----------------|--------|-----|---------|--|
|                | RA     | EAC |         |  |
| 108670         |        |     | 1529057 |  |

REGULATORY ASSET

| ENTRY NO. | TRANS. COD |
|-----------|------------|
| 74        |            |

Prepared By

Approved By TAS

| Asset  | Asset Description              | Asset GL Acct | Quantity | Capitalized Cost | Loss Amount | Average Cost | Asset Status |
|--------|--------------------------------|---------------|----------|------------------|-------------|--------------|--------------|
| 370010 | CURRENT TRANSFORMERS           | 370           | 0        | 0                | 0           |              | Inactive     |
| 370011 | POTENTIAL TRANSFORMERS         | 370           | 0        | 0                | 0           |              | Inactive     |
| 370012 | METER SOCKETS                  | 370           | 0        | 0                | 0           |              | Inactive     |
| 370014 | 3 WIRE METERS WITH DCI MODULE  | 370           | 500      | 26,756.00        | 0           | 53.51        | Active       |
| 370015 | 2 WIRE METERS                  | 370           | 699      | 60,111.01        | 0           | 86           | Active       |
| 370016 | 3 WIRE METERS                  | 370           | 57,734   | 3,214,550.83     | 0           | 55.68        | Active       |
| 370018 | POWER, SPECIAL & DEMAND        | 370           | 0        | 0                | 0           |              | Active       |
| 370019 | TEST SWITCHES                  | 370           | 0        | 0                | 0           |              | Inactive     |
| 370020 | REACTIVE METERING              | 370           | 10       | 12,824.11        | 0           | 1,282.41     | Active       |
| 370021 | JEM 2 METER                    | 370           | 3        | 8,587.12         | 0           | 2,862.37     | Active       |
| 370022 | 1 PH METER-SECURITY LINK       | 370           | 1        | 51.89            | 0           | 51.89        | Active       |
| 370023 | 1 PHASE ELECTRONIC METER-TWACS | 370.1         | 1,000    | 136,877.50       |             |              |              |
| 370024 | 3 PHASE ELECTRONIC METER-TWACS | 370.1         | 12       | 3,321.00         |             |              |              |
| 370025 | 1 PH ELECTRONIC METERS-CANNON  | 370.1         | 100      | 17,702.96        |             |              |              |

60,059 3,480,782.42

370017 3 PHASE - 3 & 4 WIRE 370 3,749 847,760.34 0 226.13 Active

4,328,542.76 Total meters

1,006,184.99 Depreciation

3,322,357.77 Net book value

312,306.80 Removal Cost of Single phase meters

19,494.80 Removal Cost of Three phase meters

Total Reg. Asset 3,654,159.37

57.27 Loss per meter

267 Number of meters retired for the month

**15,290.57 JE FOR REG ASSET**

5.20 per meter-Contractor rate - 1 phase meters

20.71 Coop labor / 3 phase meters

Tricia Phelps

---

**From:** Trent Bullock  
**Sent:** Wednesday, September 02, 2015 11:40 AM  
**To:** Tricia Phelps  
**Subject:** RE: Retired Meters

Single phase retired 139, Three phase retired 128. Thanks

Trent Bullock,  
Meter Shop Supervisor



Office: 270-831-4647

Fax: 270-831-4747



**From:** Tricia Phelps  
**Sent:** Wednesday, September 02, 2015 11:04 AM  
**To:** Trent Bullock <[TBullock@kenergycorp.com](mailto:TBullock@kenergycorp.com)>  
**Subject:** Retired Meters

Trent,

Just wanted to give you a heads up, I will need the number of retired meters by Wednesday, September 9.

Thanks!

Tricia Phelps  
Plant Accountant



Office: (270) 689-6137

Fax: (270) 689-6237



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09/11/2015 11:21:05 am

**GENERAL LEDGER  
JOURNAL DETAIL**

Page: 1

Journal : 1274147  
 Description : Loss on Legacy Meters Retired-AMI (74)  
 Created Date : 09/11/2015  
 Created By : jtaul  
 Status : Approved

Approved/Rejected Date : 09/11/2015  
 Approved/Rejected By : jtaul  
 Module : General Ledger  
 Journal Activity : Journal Entry  
 Batch : AUGUST 2015

| Line                                     | Div Account | Description                | Dept | Actv | BU Project | Jrnl Code Reference                     | Date       | Debit     | Credit    |
|--|-------------|----------------------------|------|------|------------|---|------------|-----------|-----------|
| 1  | 0 182.2     | REGULATORY ASSET-AMI       | 0    | 0    |            | 3 loss on legacy meters retired for ami | 08/31/2015 | 15,290.57 |           |
| 2  | 0 108.67    | ACCUM PROVL DEPRECIATION-M | 0    | 0    |            | 3 loss on legacy meters retired for ami | 08/31/2015 |           | 15,290.57 |
| <b>Total for Journal Number 1274147:</b> |             |                            |      |      |            |   |            | 15,290.57 | 15,290.57 |



**KENERGY**  
**JOURNAL ENTRY**

| DATE |   |   |   |    |
|------|---|---|---|----|
| 0    | 9 | 3 | 0 | 15 |

| DEBIT          |    |     |          |
|----------------|----|-----|----------|
| ACCOUNT NUMBER | RA | EAC | AMOUNT   |
| 182200         |    |     | 15051021 |

| CREDIT         |    |     |          |
|----------------|----|-----|----------|
| ACCOUNT NUMBER | RA | EAC | AMOUNT   |
| 108670         |    |     | 15051021 |

REGULATORY ASSET

| ENTRY NO. | TRANS. COD |
|-----------|------------|
| 60        |            |

Prepared By *[Signature]*

Approved By TAS

| Asset  | Asset Description              | Asset GL Acct | Quantity | Capitalized Cost | Loss Amount | Average Cost | Asset Status |
|--------|--------------------------------|---------------|----------|------------------|-------------|--------------|--------------|
| 370010 | CURRENT TRANSFORMERS           | 370           | 0        | 0                | 0           | 0            | Inactive     |
| 370011 | POTENTIAL TRANSFORMERS         | 370           | 0        | 0                | 0           | 0            | Inactive     |
| 370012 | METER SOCKETS                  | 370           | 0        | 0                | 0           | 0            | Inactive     |
| 370014 | 3 WIRE METERS WITH DCI MODULE  | 370           | 500      | 26,756.00        | 0           | 53.51        | Active       |
| 370015 | 2 WIRE METERS                  | 370           | 0        | 0.00             | 0           | 0            | Active       |
| 370016 | 3 WIRE METERS                  | 370           | 55,993   | 3,156,384.03     | 0           | 56.37        | Active       |
| 370018 | POWER, SPECIAL & DEMAND        | 370           | 0        | 0                | 0           | 0            | Active       |
| 370019 | TEST SWITCHES                  | 370           | 0        | 0                | 0           | 0            | Inactive     |
| 370020 | REACTIVE METERING              | 370           | 10       | 12,824.11        | 0           | 1,282.41     | Active       |
| 370021 | JEM 2 METER                    | 370           | 3        | 8,587.12         | 0           | 2,862.37     | Active       |
| 370022 | 1 PH METER-SECURITY LINK       | 370           | 1        | 51.89            | 0           | 51.89        | Active       |
| 370023 | 1 PHASE ELECTRONIC METER-TWACS | 370.1         | 1,000    | 136,877.50       |             |              |              |
| 370024 | 3 PHASE ELECTRONIC METER-TWACS | 370.1         | 12       | 3,321.00         |             |              |              |
| 370025 | 1 PH ELECTRONIC METERS-CANNON  | 370.1         | 100      | 17,702.96        |             |              |              |

57,619 3,362,504.60

370017 3 PHASE - 3 & 4 WIRE 370 3,636 808,191.50 0 230.53 Active

4,200,696.10 Total meters

907,979.17 Depreciation

3,292,716.93 Net book value

299,618.80 Removal Cost of Single phase meters

18,907.20 Removal Cost of Three phase meters

Total Reg. Asset 3,611,242.93

58.95 Loss per meter

2553 Number of meters retired for the month

**150,510.21 JE FOR REG ASSET**

5.20 per meter-Contractor rate - 1 phase meters

20.71 Coop labor / 3 phase meters

**From:** David Osborne  
**Sent:** Tuesday, October 06, 2015 12:29 PM  
**To:** Tricia Phelps  
**Cc:** Trent Bullock; Bobby Hayden  
**Subject:** Sept numbers

September AMI Meters Installed Internally:

- Single Phase – 600
- Three Phase – 75

September Legacy Meters Retired:

- Single Phase – 2440
- Three Phase – 113

David Osborne  
AMI Administrator



Kenergy Corp. Owensboro, Ky  
Direct (270) 689-6180  
Toll Free 800-844-4832



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10/07/2015 12:11:09 pm

**GENERAL LEDGER  
JOURNAL DETAIL**

Page: 1

Journal : 1275870  
 Description : Loss on Legacy Meters Retired (60)  
 Created Date : 10/07/2015  
 Created By : jtaul  
 Status : Approved

Approved/Rejected Date : 10/07/2015  
 Approved/Rejected By : jtaul  
 Module : General Ledger  
 Journal Activity : Journal Entry  
 Batch : SEPTEMBER 2015

| Line                                     | Div Account | Description                | Dept | Actv | BU | Project | Jrnl Code Reference                     | Date       | Debit      | Credit     |
|--|-------------|----------------------------|------|------|----|---------|---|------------|------------|------------|
| 1  | 0182.2      | REGULATORY ASSET-AMI       | 0    |      | 0  |         | 3 loss on legacy meters retired for ami | 09/30/2015 | 150,510.21 |            |
| 2  | 0108.67     | ACCUM PROVI DEPRECIATION-M | 0    |      | 0  |         | 3 loss on legacy meters retired for ami | 09/30/2015 |            | 150,510.21 |
| <b>Total for Journal Number 1275870:</b> |             |                            |      |      |    |         |   |            | 150,510.21 | 150,510.21 |





| Asset  | Asset Description              | Asset GL Acct | Quantity | Capitalized Cost | Loss Amount | Average Cost | Asset Status |
|--------|--------------------------------|---------------|----------|------------------|-------------|--------------|--------------|
| 370010 | CURRENT TRANSFORMERS           | 370           | 0        | 0                | 0           |              | Inactive     |
| 370011 | POTENTIAL TRANSFORMERS         | 370           | 0        | 0                | 0           |              | Inactive     |
| 370012 | METER SOCKETS                  | 370           | 0        | 0                | 0           |              | Inactive     |
| 370014 | 3 WIRE METERS WITH DCI MODULE  | 370           | 500      | 26,756.00        | 0           | 53.51        | Active       |
| 370015 | 2 WIRE METERS                  | 370           | 0        | 0.00             | 0           | -            | Active       |
| 370016 | 3 WIRE METERS                  | 370           | 49,087   | 2,925,654.56     | 0           | 59.60        | Active       |
| 370018 | POWER, SPECIAL & DEMAND        | 370           | 0        | 0                | 0           |              | Active       |
| 370019 | TEST SWITCHES                  | 370           | 0        | 0                | 0           |              | Inactive     |
| 370020 | REACTIVE METERING              | 370           | 10       | 12,824.11        | 0           | 1,282.41     | Active       |
| 370021 | JEM 2 METER                    | 370           | 3        | 8,587.12         | 0           | 2,862.37     | Active       |
| 370022 | 1 PH METER-SECURITY LINK       | 370           | 1        | 51.89            | 0           | 51.89        | Active       |
| 370023 | 1 PHASE ELECTRONIC METER-TWACS | 370.1         | 1,000    | 136,877.50       |             | 136.88       |              |
| 370024 | 3 PHASE ELECTRONIC METER-TWACS | 370.1         | 12       | 3,321.00         |             | 276.75       |              |
| 370025 | 1 PH ELECTRONIC METERS-CANNON  | 370.1         | 100      | 17,702.96        |             | 177.03       |              |

50,713 3,131,775.14

370017 3 PHASE - 3 & 4 WIRE 370 3,415 819,477.22 0 239.96 Active

3,951,252.36 Total meters

770,213.81 Depreciation

3,181,038.55 Net book value

263,707.60 Removal Cost of Single phase meters

70,724.65 Removal Cost of Three phase meters

Total Reg. Asset 3,515,470.80

64.95 Loss per meter

7127 Number of meters retired for the month

**462,879.85 JE FOR REG ASSET**

5.20 per meter-Contractor rate - 1 phase meters

20.71 Coop labor / 3 phase meters

11/05/2015 11:20:50 am

GENERAL LEDGER  
JOURNAL DETAIL

Page: 1

Journal : 1277823  
 Description : Loss on Legacy Meters Retired for AMI(68)  
 Created Date : 11/05/2015  
 Created By : jtaul  
 Status : Approved

Approved/Rejected Date : 11/05/2015  
 Approved/Rejected By : jtaul  
 Module : General Ledger  
 Journal Activity : Journal Entry  
 Batch : OCTOBER 2015

| Line                                     | Div Account | Description                | Dept | Actv | BU Project | Jrnl Code Reference                     | Date       | Debit      | Credit     |
|--|-------------|----------------------------|------|------|------------|---|------------|------------|------------|
| 1  | 0 182.2     | REGULATORY ASSET-AMI       | 0    | 0    |            | 3 loss on legacy meters retired for ami | 10/31/2015 | 462,879.85 |            |
| 2  | 0 108.67    | ACCUM PROVI DEPRECIATION-M | 0    | 0    |            | 3 loss on legacy meters retired for ami | 10/31/2015 |            | 462,879.85 |
| <b>Total for Journal Number 1277823:</b> |             |                            |      |      |            |   |            | 462,879.85 | 462,879.85 |



**KENERGY  
JOURNAL ENTRY**

| DATE |    |    |  |  |
|------|----|----|--|--|
| 11   | 30 | 15 |  |  |

| ACCOUNT NUMBER |  | RA  | DEBIT  |          |  |
|----------------|--|-----|--------|----------|--|
|                |  | EAC | AMOUNT |          |  |
| 182200         |  |     |        | 43937172 |  |

| ACCOUNT NUMBER |  | RA  | CREDIT |          |  |
|----------------|--|-----|--------|----------|--|
|                |  | EAC | AMOUNT |          |  |
| 108670         |  |     |        | 43937172 |  |

REGULATORY ASSET *(less on old meters)*

|           |    |            |  |
|-----------|----|------------|--|
| ENTRY NO. | 58 | TRANS. COD |  |
|-----------|----|------------|--|

Prepared By *[Signature]*

Approved By *TAS*



| Asset  | Asset Description              | Asset GL Acct | Quantity | Capitalized Cost | Loss Amount | Average Cost | Asset Status |
|--------|--------------------------------|---------------|----------|------------------|-------------|--------------|--------------|
| 370010 | CURRENT TRANSFORMERS           | 370           | 0        | 0                | 0           |              | Inactive     |
| 370011 | POTENTIAL TRANSFORMERS         | 370           | 0        | 0                | 0           |              | Inactive     |
| 370012 | METER SOCKETS                  | 370           | 0        | 0                | 0           |              | Inactive     |
| 370014 | 3 WIRE METERS WITH DCI MODULE  | 370           | 500      | 26,756.00        | 0           | 53.51        | Active       |
| 370015 | 2 WIRE METERS                  | 370           | 0        | 0.00             | 0           | -            | Active       |
| 370016 | 3 WIRE METERS                  | 370           | 42,307   | 2,699,066.96     | 0           | 63.80        | Active       |
| 370018 | POWER, SPECIAL & DEMAND        | 370           | 0        | 0                | 0           |              | Active       |
| 370019 | TEST SWITCHES                  | 370           | 0        | 0                | 0           |              | Inactive     |
| 370020 | REACTIVE METERING              | 370           | 10       | 12,824.11        | 0           | 1,282.41     | Active       |
| 370021 | JEM 2 METER                    | 370           | 3        | 8,587.12         | 0           | 2,862.37     | Active       |
| 370022 | 1 PH METER-SECURITY LINK       | 370           | 1        | 51.89            | 0           | 51.89        | Active       |
| 370023 | 1 PHASE ELECTRONIC METER-TWACS | 370.1         | 1,000    | 136,877.50       |             | 136.88       |              |
| 370024 | 3 PHASE ELECTRONIC METER-TWACS | 370.1         | 12       | 3,321.00         |             | 276.75       |              |
| 370025 | 1 PH ELECTRONIC METERS-CANNON  | 370.1         | 100      | 17,702.96        |             | 177.03       |              |

43,933 2,905,187.54

370017 3 PHASE - 3 & 4 WIRE 370 3,356 814,481.10 0 242.69 Active

3,719,668.64 Total meters

979,540.05 Depreciation

2,740,128.59 Net book value

228,451.60 Removal Cost of Single phase meters

69,502.76 Removal Cost of Three phase meters

Total Reg. Asset 3,038,082.95

64.25 Loss per meter

6839 Number of meters retired for the month

**439,371.72 JE FOR REG ASSET**

5.20 per meter-Contractor rate - 1 phase meters

20.71 Coop labor / 3 phase meters

Tricia Phelps

---

**From:** David Osborne  
**Sent:** Thursday, December 03, 2015 8:51 AM  
**To:** Tricia Phelps  
**Cc:** Trent Bullock  
**Subject:** November meters

Tricia,

Here is info on meters; Trent will have information on retired CTs and PTs.

Retired meters:

- Single Phase 6,780
- Three Phase 59

New meters installed internally:

- Single Phase 459
- Three Phase 87

David Osborne  
AMI Administrator



Kenergy Corp. Owensboro, Ky  
Direct (270) 689-6180  
Toll Free 800-844-4832



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12/07/2015 8:02:14 am

**GENERAL LEDGER  
JOURNAL DETAIL**

Page: 1

**Journal :** 1279589  
**Description :** Loss on Legacy Meters Retired-AMI (58)  
**Created Date :** 12/07/2015  
**Created By :** jtaul  
**Status :** Approved

**Approved/Rejected Date :** 12/07/2015  
**Approved/Rejected By :** jtaul  
**Module :** General Ledger  
**Journal Activity :** Journal Entry  
**Batch :** NOVEMBER 2015

| Line                                     | Div Account | Description                | Dept | Aciv | BU Project | Jrnl Code Reference                     | Date       | Debit      | Credit     |
|--|-------------|----------------------------|------|------|------------|---|------------|------------|------------|
| 1  | 0182.2      | REGULATORY ASSET-AMI       | 0    |      | 0          | 3 loss on legacy meters retired for AMI | 11/30/2015 | 439,371.72 |            |
| 2  | 0108.67     | ACCUM PROVI DEPRECIATION-M | 0    |      | 0          | 3 loss on legacy meters retired for AMI | 11/30/2015 |            | 439,371.72 |
| <b>Total for Journal Number 1279589:</b> |             |                            |      |      |            |   |            | 439,371.72 | 439,371.72 |





**December 2015**

| Asset  | Asset Description              | Asset GL Acct | Quantity | Capitalized Cost | Loss Amount | Average Cost | Asset Status |
|--------|--------------------------------|---------------|----------|------------------|-------------|--------------|--------------|
| 370010 | CURRENT TRANSFORMERS           | 370           | 0        | 0                | 0           |              | Inactive     |
| 370011 | POTENTIAL TRANSFORMERS         | 370           | 0        | 0                | 0           |              | Inactive     |
| 370012 | METER SOCKETS                  | 370           | 0        | 0                | 0           |              | Inactive     |
| 370014 | 3 WIRE METERS WITH DCI MODULE  | 370           | 500      | 26,756.00        | 0           | 53.51        | Active       |
| 370015 | 2 WIRE METERS                  | 370           | 0        | 0.00             | 0           | -            | Active       |
| 370016 | 3 WIRE METERS                  | 370           | 32,953   | 2,223,597.98     | 0           | 67.48        | Active       |
| 370018 | POWER, SPECIAL & DEMAND        | 370           | 0        | 0                | 0           |              | Active       |
| 370019 | TEST SWITCHES                  | 370           | 0        | 0                | 0           |              | Inactive     |
| 370020 | REACTIVE METERING              | 370           | 10       | 12,824.11        | 0           | 1,282.41     | Active       |
| 370021 | JEM 2 METER                    | 370           | 3        | 8,587.12         | 0           | 2,862.37     | Active       |
| 370022 | 1 PH METER-SECURITY LINK       | 370           | 1        | 51.89            | 0           | 51.89        | Active       |
| 370023 | 1 PHASE ELECTRONIC METER-TWACS | 370.1         | 1,000    | 136,877.50       |             | 136.88       |              |
| 370024 | 3 PHASE ELECTRONIC METER-TWACS | 370.1         | 12       | 3,321.00         |             | 276.75       |              |
| 370025 | 1 PH ELECTRONIC METERS-CANNON  | 370.1         | 100      | 17,702.96        |             | 177.03       |              |

**34,579      2,429,718.56**

370017 3 PHASE - 3 & 4 WIRE      370      3,262      806,521.18      0      247.25      Active

**3,236,239.74      Total meters**

**899,811.89      Depreciation**

**2,336,427.85      Net book value**

**179,810.80      Removal Cost of Single phase meters**

**67,556.02      Removal Cost of Three phase meters**

**2,583,794.67      Net Loss**

**68.28      Loss per meter**

9448      Number of meters retired for the month

D 182.200

C 108.670

**645,112.23      JE FOR REG ASSET**

5.20 per meter-Contractor rate - 1 phase meters

20.71 Coop labor / 3 phase meters

Tricia Phelps

---

**From:** David Osborne  
**Sent:** Tuesday, January 05, 2016 8:25 AM  
**To:** Tricia Phelps; Trent Bullock  
**Subject:** December meters

Tricia,

Here is info on meters; Trent will have information on retired CTs and PTs.

Retired meters:

- Single Phase 9,354
- Three Phase 94

New meters installed internally:

- Single Phase 383
- Three Phase 61

David Osborne  
AMI Administrator



Kenergy Corp. Owensboro, Ky  
Direct (270) 689-6180  
Toll Free 800-844-4832



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01/07/2016 1:34:41 pm

**GENERAL LEDGER  
JOURNAL DETAIL**

Page: 1

Journal : 1281453  
 Description : Loss on Legacy Meters Retired-AMI (65)  
 Created Date : 01/07/2016  
 Created By : jtaul  
 Status : Approved

Approved/Rejected Date : 01/07/2016  
 Approved/Rejected By : jtaul  
 Module : General Ledger  
 Journal Activity : Journal Entry  
 Batch : DECEMBER 2015

| Line                                     | Div Account | Description                | Dept | Actv | BU Project | Jrnl Code Reference                  | Date       | Debit      | Credit     |
|--|-------------|----------------------------|------|------|------------|--------------------------------------|------------|------------|------------|
| 1  | 0 182 2     | REGULATORY ASSET-AMI       | 0    | 0    |            | 3 loss on legacy meters retired -ami | 12/31/2015 | 645,112.23 |            |
| 2  | 0 108 67    | ACCUM PROVI DEPRECIATION-M | 0    | 0    |            | 3 loss on legacy meters retired -ami | 12/31/2015 |            | 645,112.23 |
| <b>Total for Journal Number 1281453:</b> |             |                            |      |      |            |                                      |            | 645,112.23 | 645,112.23 |

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

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**Item 14)** Refer to Exhibit 5A, page 20 and Kenergy's response to Staff's Second Request, Item 10.d.

b. Provide an analysis of the regulatory asset recorded as of December 31, 2015, showing by month the number of meters retired by type, with the cost of the meters broken down by the net book value and removal costs. Provide supporting calculations of removal costs recorded in the regulatory asset. Consider this an ongoing request to be provided monthly up to the time of the hearing in this matter.

**Response)** Please see Item 14b pages 2 through 5 of this response. Note that the removal cost for single-phase meters is calculated based on contract, or \$5.20 per meter, and the removal cost for three-phase meters is a standard removal rate for Kenergy labor, or \$20.71 per meter.

**Witness)** Steve Thompson



| Asset                                  | Asset Description              | Asset GL Acct | July 2015 |                  | August 2015 |                  |
|--|--------------------------------|---------------|-----------|------------------|-------------|------------------|
|  |                                |               | Quantity  | Capitalized Cost | Quantity    | Capitalized Cost |
| 370010                                 | CURRENT TRANSFORMERS           | 370           | 0         | 0                | 0           | 0                |
| 370011                                 | POTENTIAL TRANSFORMERS         | 370           | 0         | 0                | 0           | 0                |
| 370012                                 | METER SOCKETS                  | 370           | 0         | 0                | 0           | 0                |
| 370014                                 | 3 WIRE METERS WITH DCI MODULE  | 370           | 500       | 26,756.00        | 500         | 26,756.00        |
| 370015                                 | 2 WIRE METERS                  | 370           | 867       | 65,991.70        | 699         | 60,111.01        |
| 370016                                 | 3 WIRE METERS                  | 370           | 57,804    | 3,216,889.53     | 57,734      | 3,214,550.83     |
| 370018                                 | POWER, SPECIAL & DEMAND        | 370           | 0         | 0                | 0           | 0                |
| 370019                                 | TEST SWITCHES                  | 370           | 0         | 0                | 0           | 0                |
| 370020                                 | REACTIVE METERING              | 370           | 10        | 12,824.11        | 10          | 12,824.11        |
| 370021                                 | JEM 2 METER                    | 370           | 3         | 8,587.12         | 3           | 8,587.12         |
| 370022                                 | 1 PH METER-SECURITY LINK       | 370           | 1         | 51.89            | 1           | 51.89            |
| 370023                                 | 1 PHASE ELECTRONIC METER-TWACS | 370.1         | 1,000     | 136,877.50       | 1,000       | 136,877.50       |
| 370024                                 | 3 PHASE ELECTRONIC METER-TWACS | 370.1         | 12        | 3,321.00         | 12          | 3,321.00         |
| 370025                                 | 1 PH ELECTRONIC METERS-CANNON  | 370.1         | 100       | 17,702.96        | 100         | 17,702.96        |
| Total Single Phase Meters              |                                |               | 60,297    | 3,489,001.81     | 60,059      | 3,480,782.42     |
| 370017                                 | 3 PHASE - 3 & 4 WIRE           | 370           | 3,906     | 861,055.10       | 3,749       | 847,760.34       |
| Total meters                           |                                |               |           | 4,350,056.91     |             | 4,328,542.76     |
| Depreciation                           |                                |               |           | 1,038,863.76     |             | 1,006,184.99     |
| Net book value                         |                                |               |           | 3,311,193.15     |             | 3,322,357.77     |
| Removal Cost of Single phase meters    |                                |               |           | 313,544.40       |             | 312,306.80       |
| Removal Cost of Three phase meters     |                                |               |           | 80,893.26        |             | 19,494.80        |
| Total Reg. Asset                       |                                |               |           | 3,705,630.81     |             | 3,654,159.37     |
| Loss per meter                         |                                |               |           | 57.72            |             | 57.27            |
| Number of meters retired for the month |                                |               |           | 128              |             | 267              |
| <b>JE FOR REG ASSET</b>                |                                |               |           | <b>7,388.16</b>  |             | <b>15,290.57</b> |

| Asset                                  | Asset Description              | Asset GL Acct | September 2015 |                  | October 2015 |                  |
|--|--------------------------------|---------------|----------------|------------------|--------------|------------------|
|  |                                |               | Quantity       | Capitalized Cost | Quantity     | Capitalized Cost |
| 370010                                 | CURRENT TRANSFORMERS           | 370           | 0              | 0                | 0            | 0                |
| 370011                                 | POTENTIAL TRANSFORMERS         | 370           | 0              | 0                | 0            | 0                |
| 370012                                 | METER SOCKETS                  | 370           | 0              | 0                | 0            | 0                |
| 370014                                 | 3 WIRE METERS WITH DCI MODULE  | 370           | 500            | 26,756.00        | 500          | 26,756.00        |
| 370015                                 | 2 WIRE METERS                  | 370           | 0              | 0                | 0            | 0                |
| 370016                                 | 3 WIRE METERS                  | 370           | 55,993         | 3,156,384.02     | 49,087       | 2,925,654.56     |
| 370018                                 | POWER, SPECIAL & DEMAND        | 370           | 0              | 0                | 0            | 0                |
| 370019                                 | TEST SWITCHES                  | 370           | 0              | 0                | 0            | 0                |
| 370020                                 | REACTIVE METERING              | 370           | 10             | 12,824.11        | 10           | 12,824.11        |
| 370021                                 | JEM 2 METER                    | 370           | 3              | 8,587.12         | 3            | 8,587.12         |
| 370022                                 | 1 PH METER-SECURITY LINK       | 370           | 1              | 51.89            | 1            | 51.89            |
| 370023                                 | 1 PHASE ELECTRONIC METER-TWACS | 370.1         | 1,000          | 136,877.50       | 1,000        | 136,877.50       |
| 370024                                 | 3 PHASE ELECTRONIC METER-TWACS | 370.1         | 12             | 3,321.00         | 12           | 3,321.00         |
| 370025                                 | 1 PH ELECTRONIC METERS-CANNON  | 370.1         | 100            | 17,702.96        | 100          | 17,702.96        |
| Total Single Phase Meters              |                                |               | 57,619         | 3,362,504.60     | 50,713       | 3,131,775.14     |
| 370017                                 | 3 PHASE - 3 & 4 WIRE           | 370           | 3,636          | 838,191.50       | 3,415        | 819,477.22       |
| Total meters                           |                                |               |                | 4,200,696.10     |              | 3,951,252.36     |
| Depreciation                           |                                |               |                | 907,979.17       |              | 770,213.81       |
| Net book value                         |                                |               |                | 3,292,716.93     |              | 3,181,038.55     |
| Removal Cost of Single phase meters    |                                |               |                | 299,618.80       |              | 263,707.60       |
| Removal Cost of Three phase meters     |                                |               |                | 18,907.20        |              | 70,724.65        |
| Total Reg. Asset                       |                                |               |                | 3,611,242.93     |              | 3,515,470.80     |
| Loss per meter                         |                                |               |                | 58.95            |              | 64.95            |
| Number of meters retired for the month |                                |               |                | 2553             |              | 7127             |
| JE FOR REG ASSET                       |                                |               |                | 150,510.21       |              | 462,879.85       |

| Asset                                  | Asset Description              | Asset GL Acct | November 2015 |                  | December 2015 |                  |
|--|--------------------------------|---------------|---------------|------------------|---------------|------------------|
|  |                                |               | Quantity      | Capitalized Cost | Quantity      | Capitalized Cost |
| 370010                                 | CURRENT TRANSFORMERS           | 370           | 0             | 0                | 0             | 0                |
| 370011                                 | POTENTIAL TRANSFORMERS         | 370           | 0             | 0                | 0             | 0                |
| 370012                                 | METER SOCKETS                  | 370           | 0             | 0                | 0             | 0                |
| 370014                                 | 3 WIRE METERS WITH DCI MODULE  | 370           | 500           | 26,756.00        | 500           | 26,756.00        |
| 370015                                 | 2 WIRE METERS                  | 370           | 0             | 0                | 0             | 0                |
| 370016                                 | 3 WIRE METERS                  | 370           | 42,307        | 2,699,066.96     | 32,953        | 2,223,597.98     |
| 370018                                 | POWER, SPECIAL & DEMAND        | 370           | 0             | 0                | 0             | 0                |
| 370019                                 | TEST SWITCHES                  | 370           | 0             | 0                | 0             | 0                |
| 370020                                 | REACTIVE METERING              | 370           | 10            | 12,824.11        | 10            | 12,824.11        |
| 370021                                 | JEM 2 METER                    | 370           | 3             | 8,587.12         | 3             | 8,587.12         |
| 370022                                 | 1 PH METER-SECURITY LINK       | 370           | 1             | 51.89            | 1             | 51.89            |
| 370023                                 | 1 PHASE ELECTRONIC METER-TWACS | 370.1         | 1,000         | 136,877.50       | 1,000         | 136,877.50       |
| 370024                                 | 3 PHASE ELECTRONIC METER-TWACS | 370.1         | 12            | 3,321.00         | 12            | 3,321.00         |
| 370025                                 | 1 PH ELECTRONIC METERS-CANNON  | 370.1         | 100           | 17,702.96        | 100           | 17,702.96        |
| Total Single Phase Meters              |                                |               | 43,933        | 2,905,187.54     | 34,579        | 2,429,718.56     |
| 370017                                 | 3 PHASE - 3 & 4 WIRE           | 370           | 3,356         | 814,481.10       | 3,262         | 806,521.18       |
| Total meters                           |                                |               |               | 3,719,668.64     |               | 3,236,239.74     |
| Depreciation                           |                                |               |               | 979,540.05       |               | 899,811.89       |
| Net book value                         |                                |               |               | 2,740,128.59     |               | 2,336,427.85     |
| Removal Cost of Single phase meters    |                                |               |               | 228,451.60       |               | 179,810.80       |
| Removal Cost of Three phase meters     |                                |               |               | 69,502.76        |               | 67,556.02        |
| Total Reg. Asset                       |                                |               |               | 3,038,082.95     |               | 2,583,794.67     |
| Loss per meter                         |                                |               |               | 64.25            |               | 68.28            |
| Number of meters retired for the month |                                |               |               | 6839             |               | 9448             |
| JE FOR REG ASSET                       |                                |               |               | 439,371.72       |               | 645,112.23       |

| Asset  | Asset Description                      | Asset GL Acct | <u>TOTAL</u> |  |
|--------|--|---------------|--------------|--|
| 370010 | CURRENT TRANSFORMERS                   | 370           |              |  |
| 370011 | POTENTIAL TRANSFORMERS                 | 370           |              |  |
| 370012 | METER SOCKETS                          | 370           |              |  |
| 370014 | 3 WIRE METERS WITH DCI MODULE          | 370           | -            | 0.00   |
| 370015 | 2 WIRE METERS                          | 370           | 867          | 65991.7                                      |
| 370016 | 3 WIRE METERS                          | 370           | 24,851       | 993,291.55                                   |
| 370018 | POWER, SPECIAL & DEMAND                | 370           |              |  |
| 370019 | TEST SWITCHES                          | 370           |              |  |
| 370020 | REACTIVE METERING                      | 370           | -            | 0  |
| 370021 | JEM 2 METER                            | 370           | -            | 0  |
| 370022 | 1 PH METER-SECURITY LINK               | 370           | -            | 0  |
| 370023 | 1 PHASE ELECTRONIC METER-TWACS         | 370.1         | -            | 0.00   |
| 370024 | 3 PHASE ELECTRONIC METER-TWACS         | 370.1         | -            | 0  |
| 370025 | 1 PH ELECTRONIC METERS-CANNON          | 370.1         | -            | 0  |
| <hr/>  |  |               |              |  |
|        | Total Single Phase Meters              |               |              |  |
| 370017 | 3 PHASE - 3 & 4 WIRE                   | 370           | 644          | 54,533.92                                    |
|        | Total meters                           |               |              |  |
|        | Depreciation                           |               |              |  |
|        | Net book value                         |               |              |  |
|        | Removal Cost of Single phase meters    |               |              |  |
|        | Removal Cost of Three phase meters     |               |              |  |
|        | Total Reg. Asset                       |               |              |  |
|        | Loss per meter                         |               |              |  |
|        | Number of meters retired for the month |               | 26,362       | 1,113,817.17 Total Meters Retired            |
|        | <b>JE FOR REG ASSET</b>                |               |              | <b>1,720,552.74</b> Total in Account 182.200 |



**KENERGY CORP.  
RESPONSE TO THE COMMISSION STAFF'S  
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**Item 14)** Refer to Exhibit 5A, page 20 and Kenergy's response to Staff's Second Request, Item 10.d.

c. Provide the expected completion date of the meter replacement project.

**Response)** July 1, 2016

**Witness)** Ken Stock

**KENERGY CORP.  
 RESPONSE TO THE COMMISSION STAFF'S  
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**Item 14)** Refer to Exhibit 5A, page 20 and Kenergy's response to Staff's Second Request, Item 10.d.

d. Provide a breakdown of the total meters to be replaced by type as a result of the meter replacement project.

**Response)**

|   |        |
|---|--------|
| FOCUS AXR Form 1S meter+module, 120, 15 amp                   | 96     |
| FOCUS AXR Form 2S meter+module, 240, 30 amp                   | 45,968 |
| FOCUS AXR-SD Form 2S meter+module, 240, 30 amp w/ disconnect  | 6,538  |
| FOCUS AXR Form 2Se meter+module, 240, 50 amp                  | 1,136  |
| FOCUS AXR Form 3S meter+module, 120, 2.5 amp                  | 202    |
| FOCUS AXR Form 3S meter+module, 240, 2.5 amp                  | 248    |
| FOCUS AXR Form 4S meter+module, 240, 2.5 amp                  | 680    |
| FOCUS RXR WR Form 9S meter+module, 120-277, 2.5 amp           | 876    |
| RXRS4e Form 9S (2 Channel KYZ) meter+module, 120-480, 2.5 amp | 20     |
| FOCUS AXR-SD Form 25S meter+module, 120, 30 amp w/ disconnect | 92     |
| Focus RXR WR Form 16S meter+module, 120-277, 30 amp           | 540    |
| Focus AXR WR Form 45S meter+module, 120-277, 30 amp           | 172    |
| RXRS4E Form 25S meter+module, 120-480, 30 amp                 | 12     |

**Witness)** Ken Stock

**KENERGY CORP.  
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**Item 15)** Refer to Kenergy's response to Staff's Second Request, Item 10.e. The middle of the page subpart b. indicates 23,923 single phase meters were replaced as of December 31, 2015, and subpart c. indicates 25,585 single phase meters were retired as of December 31, 2015. Reconcile this discrepancy.

**Response)** Item 10.e. subpart b should have indicated 25,585 single-phase meters.

**Witness)** Steve Thompson

**KENERGY CORP.  
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**Item 16)** Refer to Kenergy's response to Staffs Second Request, Item 44, Exhibit 10.

a. Provide pages 1-4 in Excel spreadsheet format, with all formulas intact and unprotected and with all columns and rows accessible.

**Response)** Provided electronically in the file "PSC 3rd, Q. 16, part (a)".

**Witness)** Jack Gaines



**KENERGY CORP.  
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**Item 16)** Refer to Kenergy's response to Staffs Second Request, Item 44, Exhibit 10.

b. Refer to page 1 of 171. Provide the reconciliation of lines 19-23, margins in a manner similar to the table in response to Staffs Second Request, Item 24.

**Response)** The margins shown in the COSS in Exhibit 10 under present revenues will not equal the adjustments shown in Schedule 5A of the application under present revenues. This is because the COSS includes the expense adjustments shown in Columns (c) and (g) of Page 1 of 5A but it does not include proposed revenues in column (g) of 5A. The schedule provided in "PSC 3rd, Q. 16, part (b)", provided electronically, shows the adjustments to margins without proposed revenues that matches back to page 1, Exhibit 10.

**Witness)** Jack Gaines

**KENERGY CORP.  
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**Item 16)** Refer to Kenergy's response to Staffs Second Request, Item 44, Exhibit 10.

c. Refer to page 3 of 171. Provide an explanation of the Regular Tariff Adjustment in column 3 of \$1,732.

**Response)** Working capital is calculated as 12.5% (45 days/360 days/year) of O&M expense. The adjustments to O&M expenses shown on Page 1, column (e), lines 3 – 8, total \$13,855. The \$13,855 times 12.5% equals the \$1,732.

**Witness)** Jack Gaines

**KENERGY CORP.  
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**Item 16)** Refer to Kenergy's response to Staffs Second Request, Item 44, Exhibit 10.

d. Refer to pages 22-37 of 171, Functionalization and Subfunctionalization of Utility Plant Investment. Provide the rationale for using LABOR as the basis for allocating General Plant.

**Response)** The "Electric Utility Cost Allocation Manual" written by the National Association of Regulatory Utility Commissioners discusses the use of labor ratios as one of the suggested methods for classifying general plant. This method of functionalization and classification spreads general plant to the subfunctional categories. It is thereafter allocated on the same basis as the other plant and expenses in each subfunctional category.

**Witness)** Jack Gaines

**KENERGY CORP.  
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**Item 16)** Refer to Kenergy's response to Staffs Second Request, Item 44, Exhibit 10.  
e. Refer to page 56 of 171, line 94. Provide the rationale for using Sub T&D for  
Uncollectible Accounts.

**Response)** Using Sub T&D is a way to assign costs across functional and subfunctional categories  
for the distribution system.

**Witness)** Jack Gaines



**KENERGY CORP.  
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**Item 16)** Refer to Kenergy's response to Staffs Second Request, Item 44, Exhibit 10.

f. Refer to page 60 of 171, line 157. Provide an explanation for Income Tax, Cell  
Phones and the rationale for using LABOR as the basis for allocating.

**Response)** Using labor is a way to spread the cost across all subfunctional categories.

**Witness)** Jack Gaines

**KENERGY CORP.  
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**Item 16)** Refer to Kenergy's response to Staffs Second Request, Item 44, Exhibit 10.

g. Refer to page 60 of 171. Provide the rationale for using NUP-2 as the basis for allocating the following accounts:

- (1) Account 426, Realized Gain/(Loss); and
- (2) Account 431, Interest on Consumer Deposits.

**Response)** Using NUP-2 is a way to spread the costs across all subfunctional categories.

**Witness)** Jack Gaines

**KENERGY CORP.  
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**Item 16)** Refer to Kenergy's response to Staffs Second Request, Item 44, Exhibit 10.

- h. Refer to the Determination of Fixed Charge Rate, page 171 of 171.
  - (1) Provide the source and calculation of the cost of capital;
  - (2) Provide the source of the Distribution Plant Depreciation Rate;
  - (3) Provide the Source of the General Plant Depreciation Rate; and
  - (4) Explain why the calculations do not match the calculations found in the third Revised Tariff Sheet No 358.

**Response)**

(1) The calculations for the cost of capital is provided in the Excel file "PSC 3rd, Q. 16, part (h) (1)". The calculation is different by 0.01%, most likely due to minor changes made subsequent to the original calculation that were not carried forward to the schedule in Exhibit 10.

(2) The Distribution Plant Depreciation Rate is determined from the depreciation expense adjustment shown on Exhibit 5A, page 11 of the application. The proforma depreciation expense of \$10,526,903 divided by the distribution plant of \$270,795,092 results in the depreciation rate of 3.89%.

(3) Refer to the response to PSC Information Request No. 1, Item 36, page 2.

(4) Refer to the response to PSC 2nd Data Request, Question 29. When Exhibit 10 was revised, it changed the Distribution O&M expense slightly which increased the percentage from 1.14% to 1.15%. This revision was not subsequently made to Revised Tariff Sheet No. 35B.

**Witness)** Jack Gaines

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**Item 17)** Refer to Staff s Second Request, PSC 2 Item 44 - Kenergy 2015 COS (rev 12-22-2015).xls, tab Input Rate Class Allocators.

- a. Refer to cell Reference E75. Provide the source and calculations of the Residential Single Phase Load Factor for the 12 Month Average Coincident Peak ("CP").

**Response)** The CP load factor used in the COSS is calculated from substation load data for substations that serve a large percentage of residential customers. The substation data and calculations are provided in the file "PSC 3rd, Q. 17, part (a)."

**Witness)** Jack Gaines



**KENERGY CORP.  
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**Item 17)** Refer to Staff s Second Request, PSC 2 Item 44 - Kenergy 2015 COS (rev 12-22-2015).xls, tab Input Rate Class Allocators.

b. Refer to cell Reference E111. Provide the source and calculations of the Residential Single Phase Load Factor for the 12 Month Average Non-Coincident Peak ("NCP").

**Response)** The load factor is calculated by taking the monthly NCP load factors for substations that have serve a large percentage of residential customers. The substation NCP data and calculations are provided in the file "PSC 3rd, Q. 17, part (b)."

**Witness)** Jack Gaines

**KENERGY CORP.  
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**Item 17)** Refer to Staff s Second Request, PSC 2 Item 44 - Kenergy 2015 COS (rev 12-22-2015).xls, tab Input Rate Class Allocators.

- c. Explain why the Peak Demand for the 12 Month Average CP and the 12 Month Average NCP is calculated based off the total kWh as opposed to load research data representing each class's contribution to the system CP.

**Response)** Kenergy does not have load research data for individual customer classes. In lieu of load research data, the COSS uses the load factors for residential customers calculated from substations that serve primarily residential customers. The residential load is an estimation from available data but the substations used neither include all residential customers nor serve only residential customers. Therefore, the load factor is calculated and applied to a known quantity of energy sales to determine the demand. Then, the remaining demand is allocated to the other rate classes on the basis of energy sales to develop the allocators.

**Witness)** Jack Gaines