

**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

In the Matter of:

**THE ELECTRONIC APPLICATION OF)
KENERGY CORP. FOR A CERTIFICATE)
OF PUBLIC CONVENIENCE AND NECESSITY)
FOR THE CONSTRUCTION OF A HIGH-SPEED)
FIBER NETWORK AND FOR APPROVAL OF THE)
LEASING OF THE NETWORK'S EXCESS CAPACITY)
TO AN AFFILIATE TO BE ENGAGED IN THE)
PROVISION OF BROADBAND SERVICE TO)
UNSERVED AND UNDERSERVED HOUSEHOLDS)
AND BUSINESSES OF THE COMMONWEALTH)**

**Case No.
2021-00365**

**KENERGY CORP'S AMENDED RESPONSES TO
ATTORNEY GENERAL'S INITIAL DATA REQUESTS**

KENERGY CORP., ("Kenergy") amends its responses to the Attorney

General's initial data requests as follows:

12. Provide detailed proof supporting Conexon's financial stability and ability to meet the terms of its sublease.

RESPONSE: Conexon is the leading implementer of rural fiber networks with electric cooperatives with a 6-year track record of successfully servicing cooperatives. Conexon is a profitable and growing company that has been recognized on the Inc. 5000 list of fastest growing private companies for both 2020 and 2021 (#325 and #313 respectively, and #13 and #4 in the telecommunications industry) while serving a growing list of electric cooperative clients. As Conexon has grown, it has been able to diversify with additional services and sources of revenue including fiber splicing and

network operations. This suite of support services creates a stable foundation from which Conexon will continue to grow.

Conexon remains conservatively capitalized with limited use of debt, but in preparation of future needs, has engaged in conversations with numerous potential capital partners that are interested in providing additional funding if / when Conexon decides to pursue additional capital to fuel growth.

Conexon also has a successful track record of sourcing funding as it has secured over \$1.3 billion in funding from government programs for rural broadband including over \$490 million for Conexon's own behalf in the Rural Digital Opportunity Fund auction, of which, over \$20 million is to provide service in Kentucky.

In March 2021, Conexon Connect, LLC was granted Eligible Telecommunications Carrier authority by the Kentucky Public Service Commission (see attached). In November 2021, Conexon Connect became the largest RDOF applicant approved and authorized for funding by the FCC to date. The authorization followed a 9-month review process by the FCC, which the FCC describes as: "We have reviewed the long-form applications associated with each of the winning bids identified in Attachment A. These applications were reviewed to determine whether they met all legal, financial, and technical requirements. Based on the representations and certifications in each relevant long-form application, we are prepared to authorize support, subject to submission of the required letter(s) of credit and Bankruptcy Code opinion letter(s), for each of the winning bids identified in

Attachment A.” (see attached FCC Public Notice and Attachment A, pages 8-59) Conexon Connect has provided the requisite letters of credit and Bankruptcy Code opinion letters, which have been accepted. In the areas where it has been awarded RDOF funds, Conexon Connect is the only company qualified by the FCC and Kentucky PSC to be eligible on an ongoing basis for both high-cost and low-income subsidies. This matter has become particularly relevant with the passage of the Infrastructure Investment and Jobs Act, which creates a new enhanced \$75 monthly broadband benefit for low-income households located in high-cost areas. In Kenergy’s electric service territory, we project that over half the households qualify for the new \$30 monthly benefit under the new Affordable Connectivity Program, and those living in high-cost areas may qualify for the enhanced \$75 monthly benefit.

WITNESS: JONATHAN CHAMBERS

DORSEY, GRAY, NORMENT & HOPGOOD
318 Second Street
Henderson, KY 42420
Telephone (270) 826-3965
Telefax (270) 826-6672
Attorneys for Kenergy Corp. and Kenect, Inc.

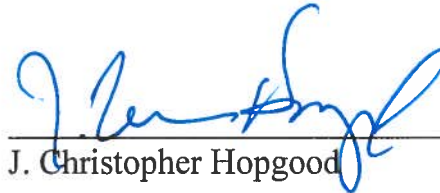
By _____


J. Christopher Hopgood
chopgood@dkgnlaw.com

CERTIFICATE OF SERVICE

I hereby certify that the foregoing was served by electronic filing to the Kentucky Public Service Commission, 211 Sower Blvd., Frankfort, KY 40602 with a copy

served electronically to the Kentucky Attorney General, Office of Rate Intervention, 700 Capital Avenue, Suite 20, Frankfort, KY 40601-8204, and James W. Gardner and M. Todd Osterloh, Sturgill, Turner, Barker & Maloney, PLLC, 333 W. Vine St., Suite 1500, Lexington, KY 40507, on this 3rd day of December, 2021.



J. Christopher Hopgood