

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBIC SERVICE COMMISSION

In the Matter of:

THE ELECTRONIC APPLICATION OF)
KENERGY CORP. FOR) **Case No. 2023-00276**
A GENERAL ADJUSTMENT OF RATES)

VERIFICATION OF TRAVIS SIEWERT

COMMONWEALTH OF KENTUCKY)
COUNTY OF HENDERSON)

Travis Siewert, Vice President Finance of Kenergy Corp., being duly sworn, states that he has supervised or prepared certain responses to the Second Supplemental Response to the Attorney General's First Request for Information Items 1, 9, 13 and 45 in the above referenced case on behalf of Kenergy Corp., and that the matters and things set forth therein are true and accurate to the best of his knowledge, information and belief, formed after reasonable inquiry.



Travis Siewert

The foregoing Verification was signed, acknowledged and sworn to before me this 22 day of December , 2023, by Travis Siewert



Notary Public, KY. State at Large

Commission expires 4-23-25

(seal)

KENERGY CORP.

THE ELECTRONIC APPLICATION)
OF KENERGY CORP. FOR A GENERAL) **CASE NO. 2023-00276**
ADJUSTMENT OF RATES)

Responses to Attorney General’s First Request for Information

Item 1) Provide a trial balance with all balance sheet and income statement accounts and subaccounts for each month from January 2021 through September 2023 and each month thereafter for which actual information is available and as actual information for each subsequent month is available throughout the pendency of this proceeding.

Response) Please see the Excel file “AG1 Item 1 Update (November 2023 Trial Balance)” uploaded separately.

Witness: Travis Siewert

KENERGY CORP.

THE ELECTRONIC APPLICATION)
OF KENERGY CORP. FOR A GENERAL) **CASE NO. 2023-00276**
ADJUSTMENT OF RATES)

Responses to Attorney General’s First Request for Information

Item 9) Provide copies of the 2023 and 2024 Operating and capital Budgets.

Response) Please see attached operating and capital budgets for 2024, Item 9 pages 2-4 of 4. Kenergy’s board approved the 2024 budget in December.

Witness: Travis Siewert



Statement of Operations

| | <u>2023</u> | <u>2024</u> | <u>\$</u> | <u>%</u> |
|--|-----------------------|----------------------|---------------|---------------|
| | <u>Budget</u> | <u>Budget</u> | <u>Change</u> | <u>Change</u> |
| 1. Operating Revenue and Patronage Capital | \$ 477,752,351 | \$392,640,992 | | |
| 3. Cost of Purchased Power (555 - 567) | 432,461,228 | 344,352,119 | | |
| Revenue Less Power Cost | 45,291,123 | 48,288,873 | 2,997,750 | 6.62% |
| 5. Distribution Expense - Operation (580s) | 4,596,719 | 4,652,191 | | |
| 6. Distribution Expense - Maintenance (590s) | 13,937,708 | 14,363,924 | | |
| 7. Consumer Accounts Expense (901-905) | 2,747,267 | 2,848,062 | | |
| 8. Customer Service and Informational Expense (907-910) | 175,816 | 190,849 | | |
| 9. Sales Expense (911-916) | 0 | 0 | | |
| 10. Administrative and General Expense (920-935) | 4,131,408 | 4,640,071 | | |
| 11. Total O & M Expense (Excl. Power Cost) | 25,588,918 | 26,695,097 | 1,106,179 | 4.32% |
| 12. Depreciation & Amortization Expense | 14,894,285 | 15,452,620 | 558,335 | 3.75% |
| 14. Tax Expense - Other | 633,972 | 751,803 | 117,831 | 18.59% |
| 15. Interest on Long-Term Debt | 3,996,567 | 4,440,305 | 443,738 | 11.10% |
| 17. Interest Expense - Other | 231,248 | 287,124 | 55,876 | 24.16% |
| 18. Other Deductions | 79,250 | 60,673 | (18,577) | -23.44% |
| 19. Total Cost of Electric Service (Excl. Power Cost) | 45,424,240 | 47,687,622 | 2,263,382 | 4.98% |
| 20. Patronage Capital & Operating Margins | (133,117) | 601,251 | 734,368 | -551.67% |
| 21. Non Operating Margins - Interest | 261,064 | 180,000 | (81,064) | -31.05% |
| 24. Non Operating Margins - Other | 36,000 | 601,557 | 565,557 | 1570.99% |
| 26. Other Capital Credits & Patronage Dividends | 385,096 | 315,139 | (69,957) | -18.17% |
| 28. Patronage Capital or Margins | \$ 549,043 | \$ 1,697,947 | 1,148,904 | 209.26% |

| | <u>2021</u> | <u>2022</u> | | |
|-------|-------------|-------------|------|------|
| OTIER | 1.51 | 1.31 | 0.97 | 1.14 |
| TIER | 2.43 | 1.46 | 1.14 | 1.38 |



2024 Distribution Plant Capital Budget

| RUS Finance Code | Description | Quantity | Amount |
|--------------------------|--|-----------|----------------------|
| 101 & 102 | Member Service Extensions | | |
| | Construction | 679 | \$ 3,204,840 |
| | Retirements | 226 | \$ 164,586 |
| | Total Member Service Extensions | | \$ 3,369,426 |
| 702 | Lights | 1,128 | \$ 902,505 |
| 601 | Transformers & Meters | | |
| | Construction | 4,203 | \$ 3,826,803 |
| | Retirements | 3,348 | \$ 646,802 |
| | Total Transformers & Meters | | \$ 4,473,605 |
| 200 & 300 | System Improvement Projects | 0.6 miles | \$ 41,480 |
| 606 | Poles | 700 | \$ 2,725,556 |
| 602, 607, 608 | Service Upgrades & Misc. Replacements | 101 | \$ 1,352,612 |
| 608 | Underground Conductor Replacement | 2.5 miles | \$ 620,284 |
| 608 | Overhead Conductor Replacement | 10 miles | \$ 890,186 |
| | Total Conversion, Tie Line, Line Changes | | \$ 2,863,082 |
| 501 & 502 | Substations | | \$ 184,926 |
| 603-605 & 704 | Sectionalizing, Regulators & Capacitors | | \$ 829,394 |
| | All Other | | \$ (173,211) |
| 616 | Fiber Broadband Project | | \$ 50,000,000 |
| | Total Distribution Plant Capital Budget | | \$ 65,216,764 |



2024 Capital Budget: General Plant

| ACCT. NO. R/A | DESCRIPTION | AMOUNT |
|----------------|--|------------------|
| 391.000 | OFFICE FURNITURE & FIXTURES | |
| 32 | Color Copier Owensboro | 12,000 |
| | | 12,000 |
| 391.100 | COMPUTER & RELATED EQUIPMENT | |
| 32 | Ccure iStar Ultra Card Access System Henderson Office | 26,000 |
| 32 | Cisco UCS VI Stack EOS Refresh | 170,000 |
| 32 | Cisco Wireless LAN WIFI | 26,500 |
| 32 | Exchange System Upgrade/Includes Domain Controller Upgrade | 49,500 |
| 32 | Palo Alto EOL upgrade with MFA for VPN Connections | 77,000 |
| | | 349,000 |
| 391.110 | SOFTWARE | |
| 32 | MS SQL Server Licensing Renewal (AMI/OMS) 3Y Subscription | 65,000 |
| | | 65,000 |
| 392.000 | TRANSPORTATION | |
| 70 | Digger derrick - originally budgeted in 2023 | 400,000 |
| 70 | Digger derrick - originally budgeted in 2023 | 400,000 |
| 70 | Bucket truck - originally budgeted in 2023 | 400,000 |
| 70 | Bucket truck - originally budgeted in 2023 | 400,000 |
| 70 | Altec service bucket | 240,000 |
| 70 | Altec service bucket | 240,000 |
| 70 | 60 ft Terex bucket - originally budgeted in 2023 | 350,000 |
| 70 | Tuf Solutions service bucket | 221,856 |
| 70 | Tuf Solutions service bucket | 221,856 |
| 70 | Tuf Solutions service bucket | 221,856 |
| 70 | Tuf Solutions service bucket | 221,856 |
| 70 | Tuf Solutions service bucket | 221,856 |
| 70 | Tuf Solutions service bucket | 221,856 |
| 70 | Tuf Solutions service bucket - originally budgeted in 2023 | 211,667 |
| 70 | Tuf Solutions service bucket - originally budgeted in 2023 | 211,667 |
| 70 | Tuf Solutions service bucket - originally budgeted in 2023 | 211,667 |
| 70 | Pickup truck | 56,667 |
| 70 | Pickup truck | 56,667 |
| 70 | Pickup truck | 56,667 |
| | | 4,566,133 |
| 393.000 | STORES | |
| 70 | Forklift | 62,500 |
| 70 | Forklift | 62,500 |
| | | 125,000 |
| 394.100 | WORKING TOOLS | |
| 30 | 3 Groundrod drivers | 10,500 |
| | | 10,500 |
| 397.000 | COMMUNICATION EQUIPMENT | |
| 32 | BREC/Kenergy Shared Motorola voice radio network upgrade | 390,000 |
| | | 390,000 |
| | TOTAL GENERAL PLANT | 5,517,633 |

KENERGY CORP.

THE ELECTRONIC APPLICATION)
OF KENERGY CORP. FOR A GENERAL) **CASE NO. 2023-00276**
ADJUSTMENT OF RATES)

Responses to Attorney General’s First Request for Information

Item 13) Provide a copy of each monthly actual-to-budget variance analysis performed for each month in 2022 and 2023 to date that includes explanations for significant variances.

Response) Please see attached reports, Item 13 pages 2-7 of 7.

Witness: Travis Siewert



**FORM 7 VARIANCE ANALYSIS
STATEMENT OF OPERATIONS
OCTOBER 2023**

| Line No | (a) | CURRENT MONTH | | | | YEAR-TO-DATE | | | |
|---------|---|---------------|---------------|-----------------|---------|---------------|---------------|-----------------|---------|
| | | (b) ACTUAL | (c) BUDGET | (d) VARIANCE | PERCENT | (e) ACTUAL | (f) BUDGET | (g) VARIANCE | PERCENT |
| 1 | Operating Revenue and Patronage Capital | \$26,427,958 | \$37,745,097 | (\$11,317,139) | -30% | \$287,279,568 | \$397,398,592 | (\$110,119,024) | -28% |
| 2 | Less: Cost of Purchased Power | \$23,308,282 | \$34,404,377 | (\$11,096,095) | -32% | \$251,049,200 | \$360,002,598 | (\$108,953,398) | -30% |
| 3 | Net Revenue | \$3,119,676 | \$3,340,720 | (\$221,044) | -7% (1) | \$36,230,368 | \$37,395,994 | (\$1,165,626) | -3% (1) |
| 4 | Distribution Expense - Operation | \$466,763 | \$382,363 | \$84,400 | 22% | \$4,171,922 | \$3,826,304 | \$345,618 | 9% |
| 5 | Distribution Expense - Maintenance | \$1,406,360 | \$1,179,583 | \$226,777 | 19% | \$11,535,489 | \$11,590,395 | (\$54,906) | 0% |
| 6 | Consumer Accounts Expense | \$213,704 | \$230,890 | (\$17,186) | -7% | \$2,181,049 | \$2,266,223 | (\$85,174) | -4% |
| 7 | Customer Service and Informational Expenses | \$13,061 | \$13,203 | (\$142) | -1% | \$133,116 | \$148,479 | (\$15,363) | -10% |
| 9 | Administrative & General Expense | \$365,280 | \$360,629 | \$4,651 | 1% | \$3,648,923 | \$3,437,570 | \$211,353 | 6% |
| 10 | Total Operation & Maintenance Expense (less power cost) | \$2,465,168 | \$2,166,668 | \$298,500 | 14% | \$21,670,499 | \$21,268,971 | \$401,528 | 2% (2) |
| 11 | Depreciation and Amortization Expense | \$1,242,824 | \$1,256,123 | (\$13,299) | -1% | \$12,315,093 | \$12,370,383 | (\$55,290) | 0% |
| 12 | Tax Expense - Other | \$57,870 | \$49,656 | \$8,214 | 17% | \$529,416 | \$534,660 | (\$5,244) | -1% |
| 13 | Interest on Long Term Debt | \$358,803 | \$344,971 | \$13,832 | 4% | \$3,276,730 | \$3,312,084 | (\$35,354) | -1% |
| 15 | Interest Expense - Other | \$19,005 | \$19,271 | (\$266) | -1% | \$184,989 | \$192,708 | (\$7,719) | -4% |
| 16 | Other Deductions | \$695 | \$6,600 | (\$5,905) | -89% | \$41,902 | \$66,050 | (\$24,148) | -37% |
| 17 | Total Cost of Electric Service (less power cost) | \$4,144,365 | \$3,843,289 | \$301,076 | 8% | \$38,018,629 | \$37,744,856 | \$273,773 | 1% |
| 18 | Patronage Capital & Operating Margins | (\$1,024,689) | (\$502,569) | (\$522,120) | -104% | (\$1,788,261) | (\$348,862) | (\$1,439,399) | -413% |
| 19 | Non-Operating Margins - Interest | \$21,571 | \$21,755 | (\$184) | -1% | \$266,280 | \$217,551 | \$48,729 | 22% |
| 20 | Non-Operating Margins - Other | (\$32,734) | \$3,000 | (\$35,734) | -1191% | \$87,575 | \$30,000 | \$57,575 | 192% |
| 21 | Other Capital Credits & Patronage Dividends | \$11,568 | \$32,091 | (\$20,523) | -64% | \$380,125 | \$320,910 | \$59,215 | 18% |
| 22 | Patronage Capital or Margins | (\$1,024,284) | (\$445,723) | (\$578,561) | -130% | (\$1,054,281) | \$219,599 | (\$1,273,880) | -580% |

(1) October Non-Direct Serve kWh sales were 5.8% lower than budget (72,214,652 Actual versus 76,658,971 Budget).
 October Non-Direct Serve Load Factor was also lower than budget (57.42% Actual versus 60.50% Budget).
 October YTD Non-Direct Serve kWh sales were 7.3% lower than budget (847,262,364 Actual versus 914,004,175 Budget).
 October YTD Non-Direct Serve Load Factor was better than budget (62.02% Actual versus 61.30% Budget).

(2) Special Equipment Labor Credit \$276,754; Labor and Labor Overheads \$166,354; Material Charged to Maintenance \$214,804;
 Substation Maintenance (\$328,361); June-July Storm Contractor Expense \$285,061 Item 13, Page 2 of 7



Net Revenue Analysis – October 2023

| (a) | CURRENT MONTH | | | | YEAR-TO-DATE | | | |
|--------------------|---------------|---------------|-----------------|---------|---------------|---------------|-----------------|---------|
| | (b) ACTUAL | (c) BUDGET | (d) VARIANCE | PERCENT | (e) ACTUAL | (f) BUDGET | (g) VARIANCE | PERCENT |
| REVENUE | | | | | | | | |
| Rural System | \$9,856,999 | \$12,490,877 | (\$2,633,878) | -21% | \$113,912,397 | \$147,228,239 | (\$33,315,842) | -23% |
| Misc Revenue | \$160,383 | \$144,239 | \$16,144 | 11% | \$1,492,959 | \$1,442,390 | \$50,569 | 4% |
| Direct Serves | \$5,367,545 | \$6,943,718 | (\$1,576,173) | -23% | \$52,308,600 | \$69,503,064 | (\$17,194,464) | -25% |
| Smelters | \$11,043,031 | \$18,166,263 | (\$7,123,232) | -39% | \$119,565,612 | \$179,224,899 | (\$59,659,287) | -33% |
| | \$26,427,958 | \$37,745,097 | (\$11,317,139) | -30% | \$287,279,568 | \$397,398,592 | (\$110,119,024) | -28% |
| POWER COST | | | | | | | | |
| Rural System | \$7,049,590 | \$9,432,766 | (\$2,383,176) | -25% | \$80,690,045 | \$112,652,231 | (\$31,962,186) | -28% |
| Direct Serves | \$5,278,038 | \$6,856,241 | (\$1,578,202) | -23% | \$51,428,009 | \$68,632,717 | (\$17,204,708) | -25% |
| Smelters | \$10,980,653 | \$18,115,371 | (\$7,134,717) | -39% | \$118,931,146 | \$178,717,650 | (\$59,786,504) | -33% |
| | \$23,308,282 | \$34,404,377 | (\$11,096,095) | -32% | \$251,049,200 | \$360,002,598 | (\$108,953,398) | -30% |
| NET REVENUE | | | | | | | | |
| Rural System | \$2,807,409 | \$3,058,111 | (\$250,702) | -8% | \$33,222,352 | \$34,576,008 | (\$1,353,656) | -4% |
| Misc Revenue | \$160,383 | \$144,239 | \$16,144 | 11% | \$1,492,959 | \$1,442,390 | \$50,569 | 4% |
| Direct Serves | \$89,506 | \$87,477 | \$2,029 | 2% | \$880,591 | \$870,347 | \$10,244 | 1% |
| Smelters | \$62,377 | \$50,892 | \$11,485 | 23% | \$634,466 | \$507,249 | \$127,217 | 25% |
| | \$3,119,676 | \$3,340,720 | (\$221,044) | -7% | \$36,230,368 | \$37,395,994 | (\$1,165,626) | -3% |



Non-Operating Margins - October 2023

| (a) | CURRENT MONTH | | | YEAR-TO-DATE | | |
|--------------------------------------|-------------------|----------------|-------------------|--------------------|-----------------|--------------------|
| | (b) ACTUAL | (c) BUDGET | (d) VARIANCE | (e) ACTUAL | (f) BUDGET | (g) VARIANCE |
| FIBER-BROADBAND | | | | | | |
| Revenue | \$192,995 | \$0 | \$192,995 | \$850,183 | \$0 | \$850,183 |
| Operation Expenses | \$32,766 | \$0 | \$32,766 | \$53,843 | \$0 | \$53,843 |
| Admin & General Expenses | \$14,788 | \$0 | \$14,788 | \$110,763 | \$0 | \$110,763 |
| Interest Expense | \$134,730 | \$0 | \$134,730 | \$649,871 | \$0 | \$649,871 |
| Outside Services | \$514 | \$0 | \$514 | \$2,430 | \$0 | \$2,430 |
| Director Fees & Expenses | \$1,630 | \$0 | \$1,630 | \$16,370 | \$0 | \$16,370 |
| Depreciation Expense | \$28,485 | \$0 | \$28,485 | \$70,829 | \$0 | \$70,829 |
| Property Tax Expense | \$12,927 | \$0 | \$12,927 | \$90,491 | \$0 | \$90,491 |
| NET MARGINS - FIBER BROADBAND | (\$32,844) | \$0 | (\$32,844) | (\$144,414) | \$0 | (\$144,414) |
| OTHER NON-OPERATING | | | | | | |
| Local/Long Distance Revenue | \$127 | \$0 | \$127 | \$984 | \$0 | \$984 |
| Misc Non Operating | \$0 | \$0 | \$0 | \$75 | \$0 | \$75 |
| Gain on Disposition of Property | \$0 | \$3,000 | (\$3,000) | \$231,027 | \$30,000 | \$201,027 |
| Local/Long Distance Expenses | \$10 | \$0 | \$10 | \$30 | \$0 | \$30 |
| Wireless ISP Expenses | \$7 | \$0 | \$7 | \$67 | \$0 | \$67 |
| Loss on Disposition of Property | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| NET MARGINS - OTHER | \$110 | \$3,000 | (\$2,890) | \$231,989 | \$30,000 | \$201,989 |
| TOTAL NON OPERATING MARGINS | (\$32,734) | \$3,000 | (\$35,734) | \$87,575 | \$30,000 | \$57,575 |



**FORM 7 VARIANCE ANALYSIS
STATEMENT OF OPERATIONS
NOVEMBER 2023**

| Line No | (a) | CURRENT MONTH | | | | YEAR-TO-DATE | | | |
|---------|---|---------------|---------------|-----------------|----------|---------------|---------------|-----------------|---------|
| | | (b) ACTUAL | (c) BUDGET | (d) VARIANCE | PERCENT | (e) ACTUAL | (f) BUDGET | (g) VARIANCE | PERCENT |
| 1 | Operating Revenue and Patronage Capital | \$27,893,287 | \$38,428,665 | (\$10,535,378) | -27% | \$315,172,855 | \$435,827,257 | (\$120,654,402) | -28% |
| 2 | Less: Cost of Purchased Power | \$24,318,664 | \$34,886,556 | (\$10,567,892) | -30% | \$275,367,864 | \$394,889,154 | (\$119,521,290) | -30% |
| 3 | Net Revenue | \$3,574,623 | \$3,542,109 | \$32,514 | 1% (1) | \$39,804,991 | \$40,938,103 | (\$1,133,112) | -3% (1) |
| 4 | Distribution Expense - Operation | \$427,108 | \$358,513 | \$68,595 | 19% | \$4,599,030 | \$4,184,817 | \$414,213 | 10% |
| 5 | Distribution Expense - Maintenance | \$843,878 | \$1,143,843 | (\$299,965) | -26% | \$12,379,367 | \$12,734,238 | (\$354,871) | -3% |
| 6 | Consumer Accounts Expense | \$226,668 | \$224,366 | \$2,302 | 1% | \$2,407,717 | \$2,490,589 | (\$82,872) | -3% |
| 7 | Customer Service and Informational Expenses | \$13,111 | \$12,639 | \$472 | 4% | \$146,227 | \$181,118 | (\$14,891) | -9% |
| 9 | Administrative & General Expense | \$331,458 | \$314,778 | \$16,680 | 5% | \$3,980,381 | \$3,752,348 | \$228,033 | 6% |
| 10 | Total Operation & Maintenance Expense (less power cost) | \$1,842,223 | \$2,054,139 | (\$211,916) | -10% (2) | \$23,512,722 | \$23,323,110 | \$189,612 | 1% (3) |
| 11 | Depreciation and Amortization Expense | \$1,244,312 | \$1,260,036 | (\$15,724) | -1% | \$13,559,405 | \$13,630,419 | (\$71,014) | -1% |
| 12 | Tax Expense - Other | \$57,870 | \$49,656 | \$8,214 | 17% | \$587,286 | \$584,316 | \$2,970 | 1% |
| 13 | Interest on Long Term Debt | \$347,325 | \$340,184 | \$7,141 | 2% | \$3,624,055 | \$3,652,268 | (\$28,213) | -1% |
| 15 | Interest Expense - Other | \$18,825 | \$19,271 | (\$446) | -2% | \$203,814 | \$211,979 | (\$8,165) | -4% |
| 16 | Other Deductions | \$2,548 | \$6,600 | (\$4,052) | -61% | \$44,450 | \$72,650 | (\$28,200) | -39% |
| 17 | Total Cost of Electric Service (less power cost) | \$3,513,103 | \$3,729,886 | (\$216,783) | -6% | \$41,531,732 | \$41,474,742 | \$56,990 | 0% |
| 18 | Patronage Capital & Operating Margins | \$61,520 | (\$187,777) | \$249,297 | 133% | (\$1,726,741) | (\$536,639) | (\$1,190,102) | -222% |
| 19 | Non-Operating Margins - Interest | \$21,695 | \$21,755 | (\$60) | 0% | \$287,975 | \$239,306 | \$48,669 | 20% |
| 20 | Non-Operating Margins - Other | (\$48,160) | \$3,000 | (\$51,160) | -1705% | \$39,415 | \$33,000 | \$6,415 | 19% |
| 21 | Other Capital Credits & Patronage Dividends | \$11,568 | \$32,091 | (\$20,523) | -64% | \$391,693 | \$353,001 | \$38,692 | 11% |
| 22 | Patronage Capital or Margins | \$46,623 | (\$130,931) | \$177,554 | 136% | (\$1,007,658) | \$88,668 | (\$1,096,326) | -1236% |

- (1) November Non-Direct Serve kWh sales were 7.4% lower than budget (77,414,718 Actual versus 83,606,934 Budget).
November Non-Direct Serve Load Factor was better than budget (64.83% Actual versus 63.00% Budget).
November YTD Non-Direct Serve kWh sales were 7.3% lower than budget (924,677,082 Actual versus 997,611,109 Budget).
November YTD Non-Direct Serve Load Factor was better than budget (62.26% Actual versus 61.45% Budget).
- (2) Vegetation Management (\$221,158)
- (3) Special Equipment Labor Credit \$317,383; Material Charged to Maintenance \$265,661; Major Storm Expense \$284,085
Vegetation Management (\$306,406); Substation Maintenance (\$277,741)



Net Revenue Analysis – November 2023

| (a) | CURRENT MONTH | | | | YEAR-TO-DATE | | | |
|--------------------|---------------|---------------|-----------------|---------|---------------|---------------|-----------------|---------|
| | (b) ACTUAL | (c) BUDGET | (d) VARIANCE | PERCENT | (e) ACTUAL | (f) BUDGET | (g) VARIANCE | PERCENT |
| REVENUE | | | | | | | | |
| Rural System | \$11,316,906 | \$13,528,840 | (\$2,211,934) | -16% | \$125,229,303 | \$160,757,080 | (\$35,527,777) | -22% |
| Misc Revenue | \$146,572 | \$144,239 | \$2,333 | 2% | \$1,639,531 | \$1,586,629 | \$52,902 | 3% |
| Direct Serves | \$6,038,356 | \$6,808,168 | (\$769,812) | -11% | \$58,346,956 | \$76,311,232 | (\$17,964,276) | -24% |
| Smelters | \$10,391,453 | \$17,947,417 | (\$7,555,964) | -42% | \$129,957,065 | \$197,172,316 | (\$67,215,251) | -34% |
| | \$27,893,287 | \$38,428,664 | (\$10,535,378) | -27% | \$315,172,855 | \$435,827,257 | (\$120,654,402) | -28% |
| POWER COST | | | | | | | | |
| Rural System | \$8,052,137 | \$10,267,025 | (\$2,214,888) | -22% | \$88,742,182 | \$122,919,256 | (\$34,177,074) | -28% |
| Direct Serves | \$5,938,161 | \$6,722,857 | (\$784,696) | -12% | \$57,366,170 | \$75,355,574 | (\$17,989,404) | -24% |
| Smelters | \$10,328,366 | \$17,896,674 | (\$7,568,308) | -42% | \$129,259,512 | \$196,614,324 | (\$67,354,812) | -34% |
| | \$24,318,664 | \$34,886,556 | (\$10,567,892) | -30% | \$275,367,864 | \$394,889,154 | (\$119,521,290) | -30% |
| NET REVENUE | | | | | | | | |
| Rural System | \$3,264,769 | \$3,261,815 | \$2,954 | 0% | \$36,487,121 | \$37,837,824 | (\$1,350,703) | -4% |
| Misc Revenue | \$146,572 | \$144,239 | \$2,333 | 2% | \$1,639,531 | \$1,586,629 | \$52,902 | 3% |
| Direct Serves | \$100,195 | \$85,311 | \$14,884 | 17% | \$980,786 | \$955,658 | \$25,128 | 3% |
| Smelters | \$63,087 | \$50,743 | \$12,344 | 24% | \$697,553 | \$557,992 | \$139,561 | 25% |
| | \$3,574,623 | \$3,542,108 | \$32,514 | 1% | \$39,804,991 | \$40,938,103 | (\$1,133,112) | -3% |



Non-Operating Margins - November 2023

| (a) | CURRENT MONTH | | | YEAR-TO-DATE | | |
|--------------------------------------|-------------------|----------------|-------------------|--------------------|-----------------|--------------------|
| | (b) ACTUAL | (c) BUDGET | (d) VARIANCE | (e) ACTUAL | (f) BUDGET | (g) VARIANCE |
| FIBER-BROADBAND | | | | | | |
| Revenue | \$220,141 | \$0 | \$220,141 | \$1,070,324 | \$0 | \$1,070,324 |
| Operation Expenses | \$35,423 | \$0 | \$35,423 | \$89,266 | \$0 | \$89,266 |
| Maintenance Expenses | \$13,385 | \$0 | \$13,385 | \$13,385 | \$0 | \$13,385 |
| Admin & General Expenses | \$15,651 | \$0 | \$15,651 | \$126,414 | \$0 | \$126,414 |
| Interest Expense | \$153,366 | \$0 | \$153,366 | \$803,237 | \$0 | \$803,237 |
| Outside Services | \$1,995 | \$0 | \$1,995 | \$4,425 | \$0 | \$4,425 |
| Director Fees & Expenses | \$1,445 | \$0 | \$1,445 | \$17,815 | \$0 | \$17,815 |
| Depreciation Expense | \$34,279 | \$0 | \$34,279 | \$105,108 | \$0 | \$105,108 |
| Property Tax Expense | \$12,927 | \$0 | \$12,927 | \$103,418 | \$0 | \$103,418 |
| NET MARGINS - FIBER BROADBAND | (\$48,330) | \$0 | (\$48,330) | (\$192,744) | \$0 | (\$192,744) |
| OTHER NON-OPERATING | | | | | | |
| Local/Long Distance Revenue | \$131 | \$0 | \$131 | \$1,115 | \$0 | \$1,115 |
| Misc Non Operating | \$0 | \$0 | \$0 | \$75 | \$0 | \$75 |
| Gain on Disposition of Property | \$50 | \$3,000 | (\$2,950) | \$231,077 | \$33,000 | \$198,077 |
| Local/Long Distance Expenses | \$4 | \$0 | \$4 | \$34 | \$0 | \$34 |
| Wireless ISP Expenses | \$7 | \$0 | \$7 | \$74 | \$0 | \$74 |
| Loss on Disposition of Property | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| NET MARGINS - OTHER | \$170 | \$3,000 | (\$2,830) | \$232,159 | \$33,000 | \$199,159 |
| TOTAL NON OPERATING MARGINS | (\$48,160) | \$3,000 | (\$51,160) | \$39,415 | \$33,000 | \$6,415 |

KENERGY CORP.

THE ELECTRONIC APPLICATION)
OF KENERGY CORP. FOR A GENERAL) **CASE NO. 2023-00276**
ADJUSTMENT OF RATES)

Responses to Attorney General’s First Request for Information

Item 45) Refer to the monthly Form 7 pages attached to the Application as Exhibit 24 for the months in the test year. Provide copies of the Form 7 monthly filings for all months subsequent to the test year with available information.

Response) Please see the attached November 2023 Form 7, Item 45 pages 2-3 of 3.

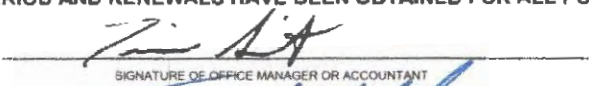

Witness: Travis Siewert

| | | |
|---|--|--------------|
| FINANCIAL AND STATISTICAL REPORT | BORROWER DESIGNATION KENTUCKY 65 | |
| | BORROWER NAME AND ADDRESS KENERGY P.O. BOX 18 HENDERSON, KY 42420 | |
| INSTRUCTIONS - Submit an original and two copies to RUS Round all amounts to nearest dollar. For detailed instructions, see RUS Bulletin 1717B-2. | PERIOD ENDED NOVEMBER 30, 2023 | RUS USE ONLY |

CERTIFICATION

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief

ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES

| | |
|--|------------------|
|  SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT | 12/19/23 DATE |
|  SIGNATURE OF MANAGER | 12-20-23 DATE |

| PART A. STATEMENT OF OPERATIONS | | | | |
|---|------------------|------------------|---------------|------------|
| ITEM | YEAR-TO-DATE | | | THIS MONTH |
| | LAST YEAR (a) | THIS YEAR (b) | BUDGET (c) | |
| 1. Operating Revenue and Patronage Capital..... | 577,864,695 | 315,172,855 | 435,827,257 | 27,893,287 |
| 2. Power Production Expense..... | | | | |
| 3. Cost of Purchased Power..... | 536,736,967 | 275,367,864 | 394,889,154 | 24,318,664 |
| 4. Transmission Expense..... | | | | |
| 5. Distribution Expense - Operation..... | 4,152,702 | 4,599,030 | 4,184,817 | 427,108 |
| 6. Distribution Expense - Maintenance..... | 11,699,484 | 12,379,366 | 12,734,238 | 843,878 |
| 7. Consumer Accounts Expense..... | 2,497,387 | 2,407,717 | 2,490,589 | 226,668 |
| 8. Customer Service and Informational Expense..... | 144,263 | 146,227 | 161,118 | 13,111 |
| 9. Sales Expense..... | | | | |
| 10. Administrative and General Expense..... | 3,891,013 | 3,980,381 | 3,752,348 | 331,458 |
| 11. Total Operation & Maintenance Expense (2 thru 10)..... | 559,121,816 | 298,880,585 | 418,212,264 | 26,160,887 |
| 12. Depreciation and Amortization Expense..... | 13,238,052 | 13,559,405 | 13,630,419 | 1,244,312 |
| 13. Tax Expense - Property & Gross Receipts..... | | | | |
| 14. Tax Expense - Other..... | 576,711 | 587,286 | 584,316 | 57,870 |
| 15. Interest on Long-Term Debt..... | 3,190,664 | 3,624,055 | 3,652,268 | 347,325 |
| 16. Interest Charged to Construction - Credit..... | | | | |
| 17. Interest Expense - Other..... | 5,337 | 203,814 | 211,979 | 18,825 |
| 18. Other Deductions..... | 39,208 | 44,450 | 72,650 | 2,548 |
| 19. Total Cost of Electric Service (11 thru 18)..... | 576,171,788 | 316,899,595 | 436,363,896 | 27,831,767 |
| 20. Patronage Capital & Operating Margins (1 minus 19)..... | 1,692,907 | (1,726,741) | (536,639) | 61,520 |
| 21. Non-Operating Margins - Interest..... | 243,410 | 287,975 | 239,306 | 21,695 |
| 22. Allowance for Funds Used During Construction..... | | | | |
| 23. Income (Loss) from Equity Investments..... | | | | |
| 24. Non-Operating Margins - Other..... | 91,587 | 39,415 | 33,000 | (48,160) |
| 25. Generation and Transmission Capital Credits..... | | | | |
| 26. Other Capital Credits & Patronage Dividends..... | 314,868 | 391,693 | 353,001 | 11,568 |
| 27. Extraordinary Items...(See Page 2, Part D)..... | | | | |
| 28. Patronage Capital or Margins (20 thru 26)..... | 2,342,772 | (1,007,658) | 88,668 | 46,623 |

| PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT | | | | | |
|--|---------------|---------------|-----------------------------------|---------------|---------------|
| ITEM | YEAR-TO-DATE | | ITEM | YEAR-TO-DATE | |
| | LAST YEAR (a) | THIS YEAR (b) | | LAST YEAR (a) | THIS YEAR (b) |
| 1. New Services Connected | 566 | 551 | 5. Miles Transmission | | |
| 2. Services Retired | 438 | 131 | 6. Miles Distribution-Overhead | 6,163 | 6,161 |
| 3. Total Services in Place | 63,884 | 64,335 | 7. Miles Distribution-Underground | 1,052 | 1,076 |
| 4. Idle Services (Exclude Seasonal) | 4,659 | 4,870 | 8. Total Miles Energized | | |
| | | | (5+6+7) | 7,215 | 7,237 |

| | | |
|---|-----------------------------|--------------|
| FINANCIAL AND STATISTICAL REPORT | BORROWER DESIGNATION | |
| | KENERGY | |
| INSTRUCTIONS - See RUS Bulletin 1717B-2 | PERIOD ENDED | RUS USE ONLY |
| | NOVEMBER 2023 | |

| PART C. BALANCE SHEET | | | |
|---|--------------------------------------|---|-------------|
| ASSETS AND OTHER DEBITS | LIABILITIES AND OTHER CREDITS | | |
| 1. Total Utility Plant in Service..... | 381,821,821 | 30. Memberships..... | 233,055 |
| 2. Construction Work in Progress..... | 11,652,558 | 31. Patronage Capital..... | 73,546,041 |
| 3. Total Utility Plant (1+2)..... | 393,474,379 | 32. Operating Margins - Prior Years..... | 78,651 |
| 4. Accum. Provision for Depreciation and Amort..... | 178,189,233 | 33. Operating Margins - Current Years..... | (1,335,048) |
| 5. Net Utility Plant (3-4)..... | 215,285,146 | 34. Non-Operating Margins..... | 327,727 |
| 6. Non-Utility Property (Net)..... | 18,620,067 | 35. Other Margins and Equities..... | 11,735,372 |
| 7. Investments in Subsidiary Companies..... | | 36. Total Margins & Equities (30 thru 35)..... | 84,585,798 |
| 8. Invest. In Assoc.Org.-Patronage Capital..... | 1,897,781 | 37. Long-Term Debt - RUS (Net)..... | 24,278,967 |
| 9. Invest. In Assoc.Org.-Other-General Funds..... | 1,137,572 | (Payments-Unapplied \$0) | |
| 10. Invest. In Assoc.Org.-Other-Nongeneral Funds..... | 3,097,281 | 38. Long-Term Debt - RUS - Econ. Devel. (Net) | |
| 11. Investments in Economic Development Projects..... | | 39. Long-Term Debt Other - REA Guaranteed | 97,715,943 |
| 12. Other Investments..... | 5,100 | 40. Long-Term Debt - Other (Net)..... | 21,069,829 |
| 13. Special Funds..... | | 41. Total Long-Term Debt (37 thru 40)..... | 143,064,739 |
| 14. Total Other Property and Investments (6 thru 13)... | 24,757,801 | 42. Obligations Under Capital Leases..... | |
| 15. Cash - General Funds..... | 2,519,336 | 43. Accumulated Operating Provisions..... | 37,832 |
| 16. Cash - Construction Funds - Trustee..... | | 44. Total Other Noncurrent Liabilities (42 + 43)... | 37,832 |
| 17. Special Deposits..... | | 45. Notes Payable..... | 32,475,473 |
| 18. Temporary Investments..... | | 46. Accounts Payable..... | 27,918,620 |
| 19. Notes Receivable (Net)..... | | 47. Consumer Deposits..... | 5,346,237 |
| 20. Accounts Receivable - Sales of Energy (Net)..... | 17,587,939 | 48. Other Current and Accrued Liabilities..... | 2,856,695 |
| 21. Accounts Receivable - Other (Net)..... | 60,012 | 49. Total Current & Accrued Liabilities (45 thru 48) | 68,597,025 |
| 22. Materials and Supplies - Electric and Other..... | 25,248,772 | 50. Deferred Credits..... | 2,425,897 |
| 23. Prepayments..... | 821,995 | 51. Accumulated Deferred Income Taxes..... | |
| 24. Other Current and Accrued Assets..... | 10,687,889 | 52. Total Liabilities and Other Credits | |
| 25. Total Current and Accrued Assets (15 thru 24)..... | 56,925,943 | (38 + 41 + 44 + 49 thru 51)..... | 298,711,291 |
| 26. Regulatory Assets..... | 1,724,065 | ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION | |
| 27. Other Deferred Debits..... | 18,336 | 53. Balance Beginning of Year..... | |
| 28. Accumulated Deferred Income Taxes..... | | 54. Amount Received This Year(Net)..... | |
| 29. Total Assets and Other Debits (5+14+25 thru 28) | 298,711,291 | 55. Total Contributions in Aid of Construction..... | |

PART D. NOTES TO FINANCIAL STATEMENTS

THIS SPACE BELOW IS PROVIDED FOR IMPORTANT NOTES REGARDING THE FINANCIAL STATEMENT CONTAINED IN THIS REPORT.
(IF ADDITIONAL SPACE IS NEEDED, USE SEPARATE SHEET.)