COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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| ELECTRONIC APPLICATION OF KENERGY CORP. FOR A GENERAL ADJUSTMENT OF RATES | ) ) | CASE No. 2023-00276 |

**ATTORNEY GENERAL'S INITIAL DATA REQUESTS**

The intervenor, the Attorney General of the Commonwealth of Kentucky, through his Office of Rate Intervention ["OAG"], hereby submits his Initial Data Requests to Kenergy Corp. ["Kenergy" or "the Company"], to be answered by the date specified in the Commission's Orders of Procedure, and in accord with the following:

(1) In each case where a request seeks data provided in response to a staff request, reference to the appropriate request item will be deemed a satisfactory response.

(2) Identify the witness who will be prepared to answer questions concerning each request.

(3) Repeat the question to which each response is intended to refer. OAG can provide counsel for Kenergy with an electronic version of these questions in native format, upon request.

(4) These requests shall be deemed continuing so as to require further and supplemental responses if the Companies receive or generate additional information within the scope of these requests between the time of the response and the time of any hearing conducted hereon. Information which the responding party later becomes aware of, or has access to, and which is responsive to any request is to be made available to OAG. Any studies, documents, or other subject matter not yet completed that will be relied upon during the course of this case should be so identified and provided as soon as they are completed. The Respondent is obliged to change, supplement and correct all answers to interrogatories to conform to available

information, including such information as it first becomes available to the Respondent after the answers hereto are served.

(5) Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association, be accompanied by a signed certification of the preparer or person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

(6) If you believe any request appears confusing, request clarification directly from Counsel for OAG.

(7) To the extent that the specific document, workpaper or information as requested does not exist, but a similar document, workpaper or information does exist, provide the similar document, workpaper, or information.

(8) To the extent that any request may be answered by way of a computer printout, identify each variable contained in the printout which would not be self-evident to a person not familiar with the printout.

(9) If the Companies have objections to any request on the grounds that the requested information is proprietary in nature, or for any other reason, notify OAG as soon as possible.

(10) As used herein, the words "document" or "documents" are to be construed broadly and shall mean the original of the same (and all non-identical copies or drafts thereof) and if the original is not available, the best copy available. These terms shall include all information recorded in any written, graphic or other tangible form and shall include, without limiting the generality of the foregoing, all reports; memoranda; books or notebooks; written or recorded statements, interviews, affidavits and depositions; all letters or correspondence; telegrams, cables and telex messages; contracts, leases, insurance policies or other agreements; warnings

and caution/hazard notices or labels; mechanical and electronic recordings and all information so stored, or transcripts of such recordings; calendars, appointment books, schedules, agendas and diary entries; notes or memoranda of conversations (telephonic or otherwise), meetings or conferences; legal pleadings and transcripts of legal proceedings; maps, models, charts, diagrams, graphs and other demonstrative materials; financial statements, annual reports, balance sheets and other accounting records; quotations or offers; bulletins, newsletters, pamphlets, brochures and all other similar publications; summaries or compilations of data; deeds, titles, or other instruments of ownership; blueprints and specifications; manuals, guidelines, regulations, procedures, policies and instructional materials of any type; photographs or pictures, film, microfilm and microfiche; videotapes; articles; announcements and notices of any type; surveys, studies, evaluations, tests and all research and development (R&D) materials; newspaper clippings and press releases; time cards, employee schedules or rosters, and other payroll records; cancelled checks, invoices, bills and receipts; and writings of any kind and all other tangible things upon which any handwriting, typing, printing, drawings, representations, graphic matter, magnetic or electrical impulses, or other forms of communication are recorded or produced, including audio and video recordings, computer stored information (whether or not in printout form), computer-readable media or other electronically maintained or transmitted information regardless of the media or format in which they are stored, and all other rough drafts, revised drafts (including all handwritten notes or other marks on the same) and copies of documents as hereinbefore defined by whatever means made.

(11) For any document withheld on the basis of privilege, state the following: date; author; addressee; indicated or blind copies; all persons to whom distributed, shown, or explained; and, the nature and legal basis for the privilege asserted.

(12) In the event any document called for has been destroyed or transferred beyond the control of the Companies, state: the identity of the person by whom it was destroyed or transferred, and the person authorizing the destruction or transfer; the time, place, and method of destruction or transfer; and, the reason(s) for its destruction or transfer. If destroyed or disposed of by operation of a retention policy, state the retention policy.

(13) Provide written responses, together with any and all exhibits pertaining thereto, in one or more bound electronic volumes, separately indexed and tabbed by each response, in compliance with Kentucky Public Service Commission Regulations and Orders.

(14) Abbreviations, definitions and instructions:

a. "And" and "or" should be considered to be both conjunctive and disjunctive, unless specifically stated otherwise.

b. "Each" and "any" should be considered to be both singular and plural, unless specifically stated otherwise.

Respectfully submitted,
**DANIEL CAMERON**
**ATTORNEY GENERAL**

______________________________
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***Certificate of Service***

Pursuant to the Commission's Orders in Case No. 2020-00085, and in accord with all other applicable law, Counsel certifies that an electronic copy of the forgoing was served and filed by e-mail to the parties of record.

This 31st day of October, 2023

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Assistant Attorney General

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.

2. Provide all reasons why the Company chose the historic test year ended February 2023 instead of a test year closer to the date of the Company's filing. Provide a copy of all internal correspondence and analyses, including correspondence with Mr. Wolfram and/or analyses prepared by the Company and/or Mr. Wolfram. The request includes memos, emails and notes, analyses, including Excel workbooks in live format with all formulas intact, that address the test year alternatives considered by the Company and the rationale for the selection of the twelve months ended February 2023 rather than other twelve month periods.

3. Refer to the Company's response to Staff 1-3a. Refer further to the two Excel attachments that list the outstanding long-term debt issues and the computation of annualized interest costs for the year ended December 31, 2022 and for the test year ended February 28, 2023. Provide in the same format with all formulas intact calculations of the actual debt by issue and annualized interest calculations at March 31, 2023, June 30, 2023, and September 30, 2023.

4. Refer to Exhibit JW-2 page 16 (Reference Schedule 1.10) that lists the outstanding long-term debt issues and the computation of annualized interest costs for the test year ended February 28, 2023. For each outstanding loan reflected, provide copies of each invoice received applicable to the expense recorded in the test year.

5. Provide a schedule of principal payments on long-term debt made during 2022 and separately to date in 2023 by debt issuance by month.

6. Refer to the Company's response to Staff 1-3a. Refer further to the following: (i) the two Excel attachments that list the outstanding long-term debt issues and the computations of annualized interest costs for the year ended December 31, 2022 and for the test year ended February 28, 2023; (ii) the interest rate depicted of 1.125% for the RUS debt issuance on line 5 described as RET-16-1; (iii) the interest rate of 2.875% listed on Exhibit JW-2 page 16 (Reference Schedule 1.10) at line 5 for the same issuance; and (iv) the audited financial statements in Exhibit 18, page 15 of 23, that reflect average interest rates that match the inclusion of the 1.125% rate for RET-16-1.

   a. Explain all reasons why the interest rate on Reference Schedule 1.10 for the RET-16-1 issuance is stated as 2.875% and the interest rate on the schedules in response to Staff 1-3a for the same issuance is 1.125%. If an error was made on Reference Schedule 1.10, so state and provide a corrected schedule.
   b. Provide a copy of each invoice applicable to the test year related to the RET-16-1 issuance.

c. Provide a copy of the loan document(s) for RET-16-1 that depicts the applicable terms, including the appropriate rate of interest, for this issuance.

7. Refer to Exhibit JW-2 page 16 (Reference Schedule 1.10) at line 34 which depicts proforma interest expense of $195,989 and per books test year expense of $157,634 related to the CoBank issuances. Refer also to the trial balance listing of accounts provided in the response to Staff 1-1 and further to the amount listed for the test year of $157,634 applicable to account 427.210, Interest on CoBank Loans.

   a. Explain how the proforma annualized interest expense could be higher than the test year expense for the CoBank issuances when there have been no new issuances of CoBank loans since 2004 and the outstanding balances only decreased during the test year.
   b. Provide copies of the general ledger activity for account 427.210 for each month during the test year.
   c. Indicate whether there are offsets recorded in account 427.210 for interest income or for expense reductions not related to the interest expense amounts invoiced at the interest rates provided on Reference Schedule 1.10 at lines 27-33. If so, describe those offsets, provide the amount of each such offset during the test year, and explain why they were not reflected on Reference Schedule 1.10.
   d. Refer to the response to the previous subpart question. If there was an offset recorded in account 427.210, describe how that offset was included as part of the revenue requirement calculation in the Company's application.

8. Describe and provide a copy of the capital spending plan (construction work plan) currently in effect and the immediately preceding plan that was in effect.

9. Provide copies of the 2023 and 2024 Operating and Capital Budgets.

10. Indicate the balance of funds available to draw in the future from all current loans.

11. Indicate the date and amount of the next anticipated loan draw or debt issuance to be received from any of the Company's loan providers and provide copies of all correspondence between Kenergy and the loan providers in regards to such.

12. For each of the Company's long-term debt agreements and lenders, identify and provide the formula/calculation, including a description of the source for each input to each required financial metric, e.g., TIER, DSC, equity ratio, etc. necessary for the Company to remain in compliance with the terms of the agreement.

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.

14. Please indicate whether any depreciation rates changed during the test year or subsequent to the test year. If they did, please describe and explain why they changed.

15. Please provide the Company's CWIP by month and by major project, the Company's plant in service by month showing transfers from CWIP to plant in service upon completion of each major project, retirements of plant in service and any other increases or reductions in plant in service during the test year.

16. For the projects included as part of CWIP at any time during the test period, explain why the Company does not compute and add interest charged to construction to CWIP. If the Company relies on a Commission Order or some other source for this position, then provide all relevant cites and a copy of the authority.

17. Refer to Mr. Wolfram's Exhibit JW-2 at page 13 of 23 and lines 66-73 related to the depreciation expense computations for the transportation equipment. Provide a detailed listing of the vehicles by make and model included in each cost distinction provided in lines 66-73 that includes the test year ending plant balance for each and the amounts for each of the fully depreciated plant items. In addition, indicate for each vehicle listed whether or not it is still in service.

18. Refer to the trial balance listing of accounts provided in the response to Staff 1-1 and further to the amounts listed for each year for account 392.000 Gen Plant – Transportation Equipment. The balance for this plant account as of December 31, 2021 was $9,750,579 and increased to $10,684,695 by the end of the test year. Provide a listing of all vehicles purchased and retired/written off the books by make and model between these two dates.

19. Provide a listing of all vehicles assigned to an employee and a listing showing the additional vehicles not assigned to a specific employee.

20. Refer to the trial balance listing of accounts provided in the response to Staff 1-1 and further to the amounts listed for account 124.100, Investment CoBank. Describe the balances included in this account and how the related interest income is recorded on the Company's books.

21. Provide a listing of each vehicle sold since the end of the test year and those that are currently for sale. Provide the vehicle make and model, sales amount, and the amount of the vehicle that was included in account 392.000 as of the end of the test year for each vehicle.

22. Did Kenergy experience any storms that required O&M expenditures of more than $100,000 during the test year? If so, please describe them in detail and provide the amounts that were recorded to O&M accounts by account. If not, please so state.

23. Refer to services provided by Kenergy to the smelters related to procurement of wholesale energy via Century Marketer, LLC.

a. Provide the amount of expenses incurred by Kenergy in the test year to provide power to the smelters. List the expenses by account number.
b. Provide the amount of reimbursements received from the smelters in the test year and describe how those reimbursements are recorded, including account numbers utilized.
c. Does Kenergy earn any margins on the services provided to the smelters? If so, identify the amount of the margins in the test year and describe how those margins are recorded.

24. Refer to the Direct Testimony of Mr. Lindahl at page 8 and the discussion of the increase in contractor right-of-way ("ROW") tree trimming of $1.5 million since Kenergy's last rate case. Refer also to the Commission's Order in Case No. 2021-00358 (Jackson Purchase Energy Corporation) at page 12 wherein it states:

> "The Commission strongly encourages Jackson Purchase to take significant steps to address ROW management expenses, such as working with other electric utilities to develop regional bids for ROW management contracts. Merely taking the position that "the costs are what the costs are," is inexcusable. In any future rate case, whether a streamlined case or a general rate adjustment case, Jackson Purchase should provide in specific detail what actions it has taken to address the ROW management expenses."

a. Has the Company worked with other electric utilities to develop regional bids for ROW management contracts? If not, explain why not and whether the Company would be willing to do so.
b. Describe what actions Kenergy has taken to address the large increase in ROW management expenses over the last several years.

25. Refer to the trial balance listing of accounts provided in the response to Staff 1-1 and further to the amount listed for the following years applicable to account 593.300, Maintenance of Overhead Lines-ROW.

| | |
|---|---|
| 2020 | $3,707,524.91 |
| 2021 | $4,932,459.07 |
| 2022 | $6,214,817.90 |
| Test Year | $6,276,649.54 |

a. Provide the right-of-way ("ROW") expenses recorded in account 593.300 for each of the years 2016 through 2019.
b. Provide copies of the general ledger activity for account 593.300 for each month during the test year.

c. Describe the Company's circuit trimming plan in effect for each year 2016 through 2023. If those goals were modified during that timeframe, explain all reasons why.
d. Provide a copy of Kenergy's Vegetation Management Plan.
e. Provide the actual circuit miles trimmed for each year 2016 through 2022 and for each month in 2023 with available information.
f. Provide the average cost per mile for ROW trimming for each year 2016 through 2022 and for each month in 2023 with available information.
g. Provide the projected circuit miles trimmed budgeted for 2023 and 2024.
h. If the average circuit miles being trimmed in 2022 and in the test year are more than in prior years 2016 through 2021, explain in detail all reasons for the increase.
i. Provide the bid pricing received for all circuit miles to be trimmed in both 2022 and 2023 for each one of the Company's potential ROW contractors.
j. Identify the Company's ROW contractors utilized in 2021, 2022, and 2023 to date.
k. Provide a copy of the current contract in place for each ROW contractor currently being utilized by the Company.
l. Provide a copy of each ROW contractor invoice for expenses recorded to account 593.300 during the test year.
m. Refer also to the Direct Testimony of Mr. Lindahl at page 9, wherein he states that the total contractor vegetation management expense in the test year was $5.8 million and that is the amount also budgeted for 2023. Reconcile the $5.8 million in expense in Mr. Lindahl's testimony with the amount of $6.277 million recorded in account 593.300 during the test year.
n. Applicable to expenses in the test year, provide copies of all documents provided to ROW management bidders as part of the request to receive bids for ROW management services and written communication associated with the process.
o. Applicable to expenses in the test year, provide copies of all documents prepared to compare ROW management bidders and recommend winning contractor.
p. Provide copies of Kenergy's Board of Director minutes or presentations to the Board from the beginning of 2021 to the present wherein the large increases in ROW costs have been discussed and/or voted upon.

26. Refer to the trial balance listing of accounts provided in the response to Staff 1-1 and further to the amount listed for the following years applicable to account 588.000, Dist Exp-OPS Miscellaneous Dist.

| | |
|---|---|
| 2020 | $2,623,054.37 |
| 2021 | $2,736,039.21 |
| 2022 | $2,983,657.86 |
| Test Year | $3,003,236.33 |

a. Explain all reasons why the expense for this account increased by approximately 9.1% from 2021 to 2022.
b. Describe all reasons why the higher level of expense beginning in 2022 should be considered recurring in nature and even increasing.

27. Refer to the trial balance listing of accounts provided in the response to Staff 1-1 and further to the amount listed for the following years applicable to account 593.000, Dist Exp-Main-Overhead Lines.

| | |
|---|---|
| 2020 | $4,045,484.21 |
| 2021 | $4,531,309.16 |
| 2022 | $5,005,820.90 |
| Test Year | $5,080,553.83 |

a. Explain all reasons why the expense for this account increased by approximately 10.5% from 2021 to 2022.
b. Describe all reasons why the higher level of expense beginning in 2022 should be considered recurring in nature and even increasing.

28. Refer to the trial balance listing of accounts provided in the response to Staff 1-1 and further to the amount listed for the following years applicable to account 593.200, Dist Exp-Main-Storm Damage.

| | |
|---|---|
| 2020 | $15,507.22 |
| 2021 | $43,400.97 |
| 2022 | $233,389.38 |
| Test Year | $117,422.15 |

a. Explain all reasons why the expense for this account increased by approximately 537.8% from 2021 to 2022.
b. Describe all reasons why the higher level of expense beginning in 2022 should be considered recurring in nature.
c. Provide the amount of expense for this account for each of the years 2018-2019.

29. In its Application in this proceeding and in the Direct Testimony of Mr. Lindahl at page 8, the Company asserts that there has been a decline in energy sales and related revenues since its streamlined case in 2019.

a. Provide a copy of all source data relied on for the statements made in Mr. Lindahl's Direct Testimony.

b. Provide a schedule showing revenues, kWh sales, and kWh purchases by month and annually since the beginning of 2019 and continuing through October 2023 by base, FAC, PPA, and each other form of recovery and by account/subaccount in an Excel workbook in live format and with all formulas intact.

30. Describe the level of Kenergy's RUS Cushion of Credit prior to its ability to prepay higher interest long-term debt. In addition, describe what the Company did regarding its RUS Cushion of Credit and whether any balances still remain and earn interest income.

31. Provide a copy of page one of the December CFC Form 7 filings for each of the years 2016 through 2021.

32. Refer to the payroll data supplied in response to Staff 1-19 for each of the months in years 2018 through the test year. Provide a further breakdown by month in a similar format that separates the costs into expense, capital, and other.

33. Refer to the payroll data supplied in response to Staff 1-19 for each of the months in years 2018 through the test year. Provide the same data including headcount and costs for each month subsequent to the test year with available information. Further separate the costs into expense, capital, and other.

34. Refer to the Excel version of Reference Schedule 1.14 (provided as part of the overall revenue requirement model in response to Staff 1-54) at worksheet tab 1.14 LaborOH, which contains the proforma adjustment amounts applicable to payroll taxes, benefits, and other labor overhead expenses. The test year amounts and the proforma amounts are provided in value amounts only with no references as to the source(s) for each of the amounts. Provide all applicable workpapers in electronic format with all formulas intact that show the derivation of each of the amounts in this workpaper.

35. Refer to Reference Schedule 1.13 which contains the proforma adjustment applicable to payroll expense. The adjustment assumes 128 employees compared to the 123 employees listed in the response to Staff 1-19 for the actual months of January 2023 and February 2023. Provide a list of the positions and wage rates for the five positions that were not filled as of the end of the test year. In addition, describe whether any or all of those positions have now been filled. If not yet filled, explain why not.

36. Provide a schedule showing the number of full time equivalent employees at the end of each month from January 2020 through the most recent month for which actual information is available.

37. Refer to Reference Schedule 1.13 which contains the proforma adjustment applicable to payroll expense. The adjustment assumes 128 employees compared to the 123 employees listed in the response to Staff 1-19 for the actual months of January 2023 and February 2023.

    a. Confirm that the actual overtime hours of 25,007 during the test year was also used to estimate the costs for the proforma adjustment. If not confirmed, explain. If confirmed, explain why the overtime hours should not be reduced in the calculation of the proforma adjustment due to filling of employee positions that should reduce the level of overtime.

b. Confirm that the actual double-time hours of 1,767 during the test year was also used to estimate the costs for the proforma adjustment. If not confirmed, explain. If confirmed, explain why the double-time hours should not be reduced in the calculation of the proforma adjustment due to filling of employee positions that should reduce the level of double-time.

38. Please provide the amounts of notes receivable and/or investment receivable balances from subsidiaries or affiliates at the end of each month during the test year. Please list each of the balances by subsidiary or affiliate. If none, please so state.

39. Refer to Reference Schedule 1.01, which depicts the removal of FAC revenues and expenses from the test period. Refer also to the Company's proposed FAC tariff included in the Company's filing.

a. Confirm that 100% of the FAC related revenues and expenses for each month during the test year are being removed. If not confirmed, explain why not.
b. Provide a breakdown of the amounts depicted for each month by subaccount or other accounting source.
c. Explain how factor F (b) (Base Fuel Adjustment factor) in the Company's tariff is determined or whether that factor is always set to $0.00000 per kWh.

40. Refer to Reference Schedule 1.02, which depicts the removal of ES revenues and expenses from the test period. Refer also to the Company's proposed ES tariff included in the Company's filing.

a. Confirm that 100% of the ES related revenues and expenses for each month during the test year are being removed. If not confirmed, explain why not.
b. Provide a breakdown of the amounts depicted for each month by subaccount or other accounting source.
c. Explain how factor BESF (Base Environmental Surcharge Factor) in the Company's tariff is determined or whether that factor is always set to $0.00000 per kWh.
d. Provide a copy of the most recently filed ES filing in electronic format with all formulas intact.

41. Refer to Reference Schedule 1.03, which depicts the removal of Member Revenue Stability Mechanism revenues and expenses from the test period.

a. Confirm that 100% of the Member Revenue Stability Mechanism related revenues and expenses for each month during the test year are being removed. If not confirmed, explain why not.
b. Provide a breakdown of the amounts depicted for each month by subaccount or other accounting source.

42. Refer to Reference Schedule 1.04, which depicts the removal of Non-Smelter Non-FAC PPA revenues and expenses from the test period.

    a. Confirm that 100% of the Non-Smelter Non-FAC PPA related revenues and expenses for each month during the test year are being removed. If not confirmed, explain why not.
    b. Provide a breakdown of the amounts depicted for each month by subaccount or other accounting source.

43. Provide the latest five (5) Kenergy Annual Distribution Reliability Reports made pursuant to Administrative Case 2011-00450.

44. Refer to Exhibit 25 related to Kenergy's wholly owned subsidiary, Kenect, Inc., that was created for the purpose of providing broadband internet service to Kenergy's members. Refer also to Exhibit 18 at page 20, which includes the discussion at Note 17 of Kenect, Inc. in the audited financial statements for the year ended December 31, 2022. Refer finally to the test year ending balance for account 156.000 (Material-Supplies-Fiber) of $8,319,966.81 as reflected in the trial balance provided in response to Staff 1-1.

    a. Explain how Kenergy already recorded revenue of $54,460.76 through the end of the test year as recorded in account 417.050 when assets are not yet in service. In addition, are revenues expected after the end of the test year and prior to the assets being placed into service? If some assets are already in service, explain how.
    b. Refer further to the list of expenses by account on page 3 of Exhibit 25. Distinguish the difference in the expenses listed in the first group of accounts to operating expense accounts and those listed as subaccounts to account 417 recorded as non-operating expense accounts.
    c. The notation at the top of Exhibit 25 page 3 states that the costs listed on this page ". . . were mainly incurred when Kenergy was seeking approval for the project." Indicate which of the costs listed on page 3 relates to costs incurred when seeking project approval and which costs are more recurring in nature, if any.
    d. Refer to Exhibit 18 at page 20 and the following statement related to Kenect, Inc.: "As of December 21, 2022 Kenergy had $2.1 million in construction and $6.2 million in materials and supplies." Confirm the following:
        (i) that this refers to the same assets as recorded in account 156.000 at the end of test year. If not confirmed, explain why not; and
        (ii) the sentence quoted immediately above should read "December 31, 2022 . . ."
    e. Explain how the $8.3 million in expenditures for construction and materials and supplies were financed prior to the end of the test year. In other words, was it financed through a loan, through use of additional cash balances, or some other method?

f. Explain whether there is any relationship with the $8.3 million in expenditures for construction and materials and supplies and the $8.750 million FFB-6-1 loan draw on December 12, 2022. If so, then please describe the relationship and provide related documentation.
g. Explain how and when the cash needed to finance the $8.3 million in expenditures for construction and materials and supplies was reimbursed to Kenergy, or if it was not, then confirm that it was financed by Kenergy and that the interest on the debt used to finance these costs is included in the Company's revenue requirement.
h. Confirm that there were no draws toward the FFB notes, or any other debt instruments, being established for purposes of the fiber optic network as of the end of the test year. If not confirmed, explain why not.
i. Provide the dates and amounts of the draws toward the FFB notes, or any other debt instruments, established for purposes of the fiber optic network since the end of the test year. If none, explain why not and describe how the costs have been capitalized since the end of the test year.

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.

46. Refer to the Form 7 pages for the period ended February 28, 2023 attached to the Application as Exhibit 24 (pages 24-25). Refer further to the year-to-date amount of $86,547 on line 21 for Non-Operating Margins – Interest.

a. Provide a listing of all accounts, account descriptions, and amounts by month for which their balances rolled up into this line on the Form 7 for each month in 2022 and for each month in 2023 for which information is available. Provide the data in electronic format with all formulas intact.
b. Explain all reasons why the year-to-date amount for line 21 of $86,547 was nearly double the amount budgeted through February 2023 of $43,511. In addition, describe whether or not the higher than budget amount recorded through February 2023 should or should not be considered recurring.

47. Refer to the Form 7 pages for the period ended February 28, 2023 attached to the Application as Exhibit 24 (pages 24-25). Refer further to the year-to-date amount of $49,393 on line 24 for Non-Operating Margins – Other.

a. Provide a listing of all accounts, account descriptions, and amounts by month for which their balances rolled up into this line on the Form 7 for each month in 2022 and for each month in 2023 for which information is available. Provide the data in electronic format with all formulas intact. Be sure to distinguish amounts related to the Kenect broadband activities from all other.
b. Explain all reasons why the year-to-date amount for line 24 of $49,393 was more than eight times the amount budgeted through February 2023 of $6,000. In

addition, describe whether or not the amount recorded through February 2023 should or should not be considered recurring.

48. Refer to Reference Schedule 1.12, which depicts the proforma adjustments to the various forms of Non-Operating Margins – Interest for the test year.

a. Explain all reasons why the test year amount of interest income of $81,414 for CFC CTCs on line 4 was removed from the test year.
b. Provide the amount of CFC CTC interest income for each month in 2023 with available actual information.
c. Explain all reasons why the test year amount of interest income of $1,267 for RUS Cushion of Credit on line 34 was removed from the test year.
d. Provide the actual overnight & 30-day investment end of month cash balances and applicable interest amounts and rates for each month in 2023 with available actual information.
e. Explain how the 4.25% interest rate on line 15 was determined.

49. Refer to Reference Schedule 1.11, which depicts the proforma adjustment calculation to restate the level of customer deposit interest expense for the test year.

a. Provide a listing of customer deposit balances, interest expense accruals, and average interest rates by month for each month in 2022 and for each month in 2023 for which information is available. Provide the data in electronic format with all formulas intact.
b. Explain how the interest rate associated with the test year end deposit amounts of 4.340% was determined.
c. Describe how and how often the interest rate percentage applied to customer deposits changes.

50. List any regulatory assets or regulatory liabilities by month during the test year or currently subject to pending Commission approval. If there were any, please include in the list citations to the authorities relied upon to create the regulatory asset or liability, the remaining balances for each, the monthly amortization expense for each and the expected date that each regulatory asset or liability will be fully amortized.

51. Provide the revenue received for pole attachments for each of the past three calendar years, through 2023 to date.

52. Explain whether the Company is seeking recovery of member annual meeting expenses, and if so, provide a breakdown of all such costs for which it is seeking recovery.

53. Please state whether any relative, by blood or marriage, of Kenergy's board of directors or executive management team holds, or will hold any type or sort of position, whether

as employee, officer, board member, contractor or consultant, with Kenergy. If so, please provide the name of the position(s) involved.

54. Does Kenergy maintain any contracts with vendors whose principals are in any manner related, by blood or marriage, to Kenergy's officers, members of its Board, its employees, its independent contractors or consultants? If yes:

  a. Please provide copies of any such contract, and a breakdown of how much money was spent per contract per year for the last ten (10) calendar years; and
  b. Please state whether the contracts were awarded pursuant to a bid process, and if so, provide specifics of that bid process.

55. Does Kenergy have any anti-nepotism policies in place? If so, provide copies of any and all such policies, and/or memoranda referring to such policies.

56. Does Kenergy employ the relatives of:

  a. any Kenergy board member;
  b. any Kenergy officer;
  c. any Kenergy consultant; and/or
  d. any other Kenergy employee?

  If so, provide details.

57. Explain whether any members of Kenergy's Board of Directors, or the Company's chief executives serve on the boards of directors of any other organizations. If so, identify all such organizations, including their name and address, the nature of each such organization, and the length of time they served as a member of that board.

58. Explain whether Kenergy projects a growth in customer count over the next five years.

59. Provide the following information regarding Kenergy's employees:

  a. The position title and salary for each salaried employee for the calendar years 2013 – 2023;
  b. The average raise salaried employees received for calendar years 2013 – 2023, and explain whether the annual raise is directly connected to a performance review;
  c. The average bonus that each salaried employee received for calendar years 2013 - 2023;
  d. All awards carrying a monetary value given to the salaried employees for calendar years 2013 – 2023;
  e. All vehicle allowances given to salaried employees for calendar years 2013 – 2023;
  f. All incentive compensation given to the salaried employees for calendar years

2013 – 2023;

g. The average raise, if any, which will be given to salaried employees for 2024;
h. A detailed explanation of the insurance benefits provided to the Company's salaried employees, including but not limited to health, dental, vision, life insurance, etc. Ensure to include all premiums paid by the Company's salaried employees, premiums paid by the Company on behalf of salaried employees, as well as all copays, deductibles, and maximum out of pocket amounts.
i. A detailed explanation of the retirement benefits provided to the Company's salaried employees, including but not limited to, whether there is a defined benefit plan, 401(k) matching, etc.; and
j. Explain whether any of the salaried employees are members of a union.

60. Provide the following:

a. A detailed explanation of all salary and benefits provided to the members of the Board of Directors during the years 2013 – 2023. Include in your explanation salary amounts, and specific details regarding all benefit packages including but not limited to health, dental, vision, accidental death and disability, life insurance, bonuses, awards, vehicle allowances, and the like.
b. The total amount of the Board of Directors' fees for the test year.
c. A breakdown of the total amount of the Board of Directors' fees for the test year.
d. A discussion of whether there will be any changes to the Board of Directors' salaries and/or benefit packages for 2024;
e. An explanation of the factors Kenergy took into consideration when setting the Board of Directors' fees and benefits, and whether those factors included fees and benefits paid by other Kentucky RECCs, and if not, explain why not.

61. Explain whether Kenergy is seeking any funds/grants from federal, state, or local sources which have been or will be made available? If so, identify the source and amount of those funds/grants. If the Company has foregone any relevant opportunities for funds/grants for which it is eligible, explain why.

62. Explain whether Kenergy provides any assistance program(s) for customers experiencing difficulty paying their electric bills.

63. Explain how Kenergy operates its capital credit program, including in your discussion how the Company accounts for capital credits that cannot be provided back to the member due to the member passing away, moving, etc.

64. Provide the monetary amount of capital credits that the Company currently has on its books, separated by year.

65. Explain in detail whether Kenergy in any manner coordinates its right of way program

with the Kentucky Transportation Cabinet/Kentucky Department of Highways' right of way program, in order to mitigate expense for the Company's customers. Provide all related documentation regarding the same.

66. Explain how Kenergy accounts for payment processing fees when customers pay their bills via credit card, including the monetary figure the Company has included in the revenue requirement for payment processing fees.

67. Identify the types of payment Kenergy accepts from customers without assessing a fee, and those it accepts only with a fee assessment.

68. Explain whether Kenergy requires a convenience fee to be added to all credit card transactions.

69. For all payments Kenergy makes with its own credit cards, provide the total amount of credits the Company has accrued from the credit card issuer for each of the past three years, and provide the accounting and journal entries for these credits.

70. Identify all Covid-19 related efficiencies and cost savings included in the test year and adjusted test year by type. For each, state whether it is expected to recur annually beyond the adjusted test year.

71. Regarding fees paid to industry organizations:

    a. Provide a breakdown by organization for each of the past three calendar years, the test year, and the adjusted test year;
    b. State the purpose and objective of each organization listed;
    c. For each organization, identify the benefits provided to customers;
    d. Explain whether any of the organizations listed engage in legislative or administrative lobbying or advocacy activities, attempts to influence public opinion, and/or institutional or image-building advertising. If so, identify the amount and whether Kenergy has included the portions of dues related to such activities in the test year and adjusted test year.

72. Regarding dues paid to non-industry organizations included for recovery in the test year and the adjusted test year, provide the same information requested in the immediately preceding question.

73. Identify the total amount of economic development expenses by type included in the test year, the adjusted test year and each of the years 2018, 2019, 2020, 2021 and 2022. Also provide an explanation of the expenses and how they benefit customers.

74. Explain whether the Company seeks to recover in this case any Supplemental Executive Retirement Plan (SERP) expense.