

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 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.

Response) The projects included as part of the CWIP-Electric are composed primarily of multiple work orders of very short duration which are complete and waiting to be transferred to Utility Plant in Service through the month end process.

Witness: Travis Siewert

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

Response) Please see attached vehicle schedule, Item 17 page 2-4 of 4.

Witness: Travis Siewert

KENERGY CORP
Case No. 2023-00276
Response to AG1, Item 17

Asset	Account	Description	Test Yr Ending Bal	Fully Depreciated	Still in Service	Rate
5182	392.000	2003 CHEVROLET TRUCK #455	28,169.50	28,169.50	Y	9.96%
5183	392.000	2003 CHEVROLET TRUCK #454	28,169.50	28,169.50	N	9.96%
5243	392.000	2004 CHEVROLET PICKUP #467	27,813.88	27,813.88	Y	9.96%
5253	392.000	2005 FREIGHTLINER VEH #472	159,635.02	159,635.02	Y	9.96%
5412	392.000	MONROE UTLITY BODY & LIFTMORE #491	63,951.42	63,951.42	N	9.96%
5414	392.000	2006 FREIGHTLINER #487	123,868.23	123,868.23	Y	9.96%
5420	392.000	2005 CHEVROLET PICKUP #480	28,742.12	28,742.12	Y	9.96%
5454	392.000	2006 CHEVROLET 1500 CREW CAB #493	28,328.45	28,328.45	Y	9.96%
5462	392.000	07 CHEVY SILV.EXT CAB W/SERVOD#499	29,889.88	29,889.88	Y	9.96%
5555	392.000	08 INTERNATIONAL DIGGER DERRICK#506	236,416.16	236,416.16	Y	9.96%
5556	392.000	08 INTERNATIONAL DIGGER DERRICK#507	236,416.16	236,416.16	Y	9.96%
5606	392.000	2009 INTERNATIONAL 7400 VEH #512	194,999.22	194,999.22	Y	9.96%
5608	392.000	2009 INTERNATIONAL 7400 VEH #516	213,818.41	213,818.41	Y	9.96%
5640	392.000	09 CHEVY 1500 - VEH #519	32,154.04	32,154.04	Y	9.96%
5669	392.000	2010 INT'L 7500 CHASSIS FOR #523	227,046.00	227,046.00	Y	9.96%
5670	392.000	2010 INT'L 7400 CHASSIS FOR #521	203,719.00	203,719.00	Y	9.96%
5671	392.000	2010 INT'L 7400 CHASSIS FOR #522	203,719.00	203,719.00	Y	9.96%
5672	392.000	2010 CHEVY SILVERADO #525	30,273.60	30,273.60	Y	9.96%
5673	392.000	2010 CHEVY SILVERADO #526	30,273.21	30,273.21	Y	9.96%
5698	392.000	2011 INT'L 7500 #527	235,360.50	235,360.50	Y	9.96%
5699	392.000	2011 INT'L 7500 #528	216,087.76	216,087.76	Y	9.96%
5700	392.000	2011 INT'L 7500 #529	216,445.61	216,445.61	N	9.96%
5703	392.000	2011 CHEVY EXT CAB #533	27,437.04	27,437.04	Y	9.96%
5704	392.000	2011 CHEVY EXT CAB #534	27,437.04	27,437.04	Y	9.96%
5715	392.000	DODGE 5500 MECHANICS TRUCK #535	82,198.10	82,198.10	Y	9.96%
5716	392.000	2011 CHEVY 1500 XCAB PICKUP #536	28,070.92	28,070.92	Y	9.96%
5727	392.000	2011 CHEVY SILVERADO #544	28,257.48	28,257.48	Y	9.96%
5741	392.000	55' BUCKET TRUCK #537	206,697.18	206,697.18	Y	9.96%
5747	392.000	55' BUCKET TRUCK #538	222,397.00	222,397.00	Y	9.96%
5748	392.000	2012 CHEVY EXT CAB W/ BED #543	33,742.98	33,742.98	Y	9.96%
5777	392.000	2013 CHEVY SILVERADO #546	32,398.71		Y	9.96%
5779	392.000	2013 CHEVY SILVERADO #548	30,621.28		Y	9.96%
5796	392.000	2014 CHEVY K1500 PU - VEH #558	33,139.84		Y	9.96%
			<u>3,547,694.24</u>	<u>3,451,534.41</u>		
19	392.000	2014 International 7400 Bucket #554	217,940.76		Y	10.00%
5792	392.000	2015 CHEVY 3/4 TON PICKUP TRUCK #555	42,227.02		Y	10.00%
5795	392.000	3/4 TON 2015 CHEVY PICKUP K2500-#557	37,582.30		Y	10.00%
5801	392.000	2015 SRVCE BUCKET W/MATL HANDLER-VEH#561	125,493.40		Y	10.00%
5802	392.000	2015 CHEVY SILVERADO 1/2T P/U - VEH#562	33,797.31		Y	10.00%
5803	392.000	2015 CHEVY SILVERADO 3/4T PU - VEH #565	37,763.40		Y	10.00%
5804	392.000	2015 CHEVY SILVERADO 3/4T PU - VEH #564	37,763.40		Y	10.00%
5805	392.000	2015 CHEVY SILVERADO 3/4T PU - VEH #566	37,763.40		Y	10.00%
5806	392.000	2015 DODGE RAM SVC BUCKET #567	126,277.80		N	10.00%
5807	392.000	2015 CHEVY SILVERADO 3/4 TON P/U-VEH#568	41,090.45		Y	10.00%
5809	392.000	2016 1/2 Chevy Ext Cab 4WD PU-Veh #571	34,330.48		Y	10.00%
5810	392.000	2016 CHEVY SILVERADO 1/2 TON PU-VEH #572	35,146.63		Y	10.00%
5811	392.000	2016 CHEVY SILVERADO 1/2TON 4WD-VEH #570	34,330.48		Y	10.00%
5812	392.000	2016 CHEVY SILVERADO 1/2 TON PU-VEH #573	35,166.56		Y	10.00%
5813	392.000	2017 CHEVY SILVERADO 1-TON #574	53,685.03		Y	10.00%
5814	392.000	2017 CHEVY SILVERADO 3/4-TON #575	39,373.89		Y	10.00%

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Asset	Account	Description	Test Yr Ending Bal	Fully Depreciated	Still in Service	Rate
5815	392.000	2018 FREIGHTLINER 55' BUCKET #576	220,491.00		Y	10.00%
5816	392.000	2018 DIGGER DERRICK #577	275,566.00		Y	10.00%
5817	392.000	2018 DIGGER DERRICK \$578	275,566.00		Y	10.00%
5818	392.000	SERVICE BUCKET #579	105,551.62		Y	10.00%
5819	392.000	2018 SILVERADO 1 TON #580	51,464.08		Y	10.00%
5820	392.000	2018 DODGE 5500 SERVICE BUCKET-VEH #581	135,555.98		Y	10.00%
5821	392.000	2018 DODGE RAM 5500 SERVC BUCKET-VEH#582	135,555.98		Y	10.00%
5822	392.000	2019 CHEVY 2500 #583 3/4 TON PICKUP	40,500.67		Y	10.00%
5823	392.000	2019 DIGGER DERRICK #584 DH48B-TR	280,707.00		Y	10.00%
5824	392.000	2019 DIGGER DERRICK #585 - 2019 M2-106	280,707.00		Y	10.00%
5825	392.000	BUCKET TRUCK #587	261,069.00		Y	10.00%
5826	392.000	BUCKET TRUCK #586	261,069.00		Y	10.00%
5827	392.000	2019 SILVERADO #588	38,282.17		Y	10.00%
5828	392.000	2019 CHEVY #590 Silverado 1/2 TON	40,481.67		Y	10.00%
5829	392.000	2019 CHEVY #589 SILVERADO 1/2 TON	40,481.67		Y	10.00%
5830	392.000	2019 BUCKET TRUCK #591	152,526.58		Y	10.00%
5831	392.000	2019 BUCKET TRUCK #592	152,526.58		Y	10.00%
5832	392.000	#593 2020 CHEVY SILVERADO 3500 3/4 TON	42,951.39		Y	10.00%
5833	392.000	#594 2020 CHEVY SILVERADO 3500 1 TON	42,951.39		Y	10.00%
5834	392.000	#595 2020 CHEVY SILVERADO 1500 1/2 TON	40,555.53		Y	10.00%
5835	392.000	#596 2020 CHEVY SILVERADO	38,268.05		Y	10.00%
5836	392.000	#597 2020 RAM 5500 SVC BUCKET TRUCK	156,335.16		Y	10.00%
5837	392.000	#598 - 2020 RAM5500 SVC BUCKET TRUCK	156,335.16		Y	10.00%
5838	392.000	#599 - 2020 DODGE SERVICE BUCKET TRUCK	156,335.16		Y	10.00%
5839	392.000	#602 - DODGE SERVICE BUCKET TRUCK	156,335.16		Y	10.00%
5840	392.000	#603 2020 RAM 5500 SERVICE BUCKET TRUCK	156,335.16		Y	10.00%
5841	392.000	#604 2021 DODGE 5500DA CRANE TRUCK	122,218.00		Y	10.00%
5842	392.000	#605 2021 CHEVY SILVERADO 1500	42,080.72		Y	10.00%
5843	392.000	#606 2021 CHEVY SILVERADO 1500	42,080.72		Y	10.00%
5844	392.000	#607 - 2022 Freightliner M2 DIGGER DERRICK	322,968.00		Y	10.00%
5845	392.000	#609 2022 CHEVY SILVERADO 1500	51,456.33		Y	10.00%
5846	392.000	#608 2022 CHEVY SILVERADO 1500 LEGACY	43,832.33		Y	10.00%
5847	392.000	#610 2022 CHEVY SILVERADO 1500 LEGACY	46,053.14		Y	10.00%
5848	392.000	#611 2022 CHEVY SILVERADO 1500 LEGACY	43,832.33		Y	10.00%
5849	392.000	#612 2022 CHEVY SILVERADO 3500	48,446.51		Y	10.00%
5853	392.000	#613 2022 CHEVY SILVERADO 2500 3/4 TON	50,573.93		Y	10.00%
5854	392.000	#615 Chevy Silverado 1500	52,804.17		Y	10.00%
5855	392.000	#614 Chevy Silverado 1500	50,477.47		Y	10.00%
5856	392.000	#616 Ford F550 bucket truck	175,133.20		Y	10.00%
5857	392.000	#618 Dodge 5500 bucket	180,132.80		Y	10.00%
5858	392.000	#617 Dodge 5500 bucket	180,132.80		Y	10.00%
5859	392.000	#619 2023 Chevy Silverado	59,668.73		Y	10.00%
5860	392.000	#633 2023 Chevy Silverado	59,668.73		Y	10.00%
5861	392.000	#634 2023 Chevy Silverado	59,668.73		Y	10.00%
5862	392.000	#635 2023 Chevy Silverado	59,668.73		Y	10.00%
			6,355,133.84	-		
5790	392.000	2014 CHEVY IMPALA #553	30,207.09	30,207.09	Y	14.28%
5791	392.000	2014 CHEVY EQUINOX #552	29,464.02	29,464.02	Y	14.28%
5793	392.000	2014 CHEVROLET EQUINOX #556	29,628.33	29,628.33	Y	14.28%
5800	392.000	2015 CHEVY EQUINOX - VEH #563	29,296.49	29,296.49	Y	14.28%

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Asset	Account	Description	Test Yr Ending Bal	Fully Depreciated	Still in Service	Rate
			<u>118,595.93</u>	<u>118,595.93</u>		
5702	392.000	2011 DODGE 5500 BUCKET #532	97,664.19	97,664.19	N	20.00%
5788	392.000	2013 DODGE SERVICE BUCKET #550	134,215.08	134,215.08	Y	20.00%
5798	392.000	Bucket truck w/ Dodge 5500chasis #559	99,530.82	99,530.82	N	20.00%
			<u>331,410.09</u>	<u>331,410.09</u>		
5760	392.000	2012 DODGE RAM 5500 #542	140,597.16	140,597.16	Y	33.33%
2117	392.000	1995 INTL DIGGER DERRICK #332	132,728.69	132,728.69	Y	50.40%
5799	392.000	2014 Ram 4500 Dump Truck #560	58,535.16	58,535.16	Y	50.40%
			<u>191,263.85</u>	<u>191,263.85</u>		
			<u>10,684,695.11</u>	<u>4,233,401.44</u>		

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ADJUSTMENT OF RATES)

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Item 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.

Response) Please see attached vehicle schedule, Item 18 pages 2-5 of 5.

Witness: Travis Siewert

KENERGY CORP
Case No. 2023-00276
Response AG1, Item 18

Asset	Description	Capitalized 12/31/2021	Date Sold/ Scrapped	Change in Value	Date Purchased	Change in Value	Capitalized 2/28/2023
19	2014 International 7400 Bucket #554	217,940.76					217,940.76
2117	1995 INTL DIGGER DERRICK #332	132,728.69					132,728.69
5182	2003 CHEVROLET TRUCK #455	28,169.50					28,169.50
5183	2003 CHEVROLET TRUCK #454	28,169.50					28,169.50
5191	2004 FORD F550 #456	65,692.07	3/22/22	(65,692.07)			-
5243	2004 CHEVROLET PICKUP #467	27,813.88					27,813.88
5253	2005 FREIGHTLINER VEH #472	159,635.02					159,635.02
5270	2005 CHEV SILVERADO 4X4 #474	22,030.71	5/4/22	(22,030.71)			-
5271	2005 CHEV SILVERADO 4X4 #475	25,470.38	7/20/22	(25,470.38)			-
5389	05 CHEV 4X4 REG CAB #477	18,886.62	3/18/22	(18,886.62)			-
5412	MONROE UTILITY BODY & LIFTMORE #491	63,951.42					63,951.42
5413	MONROE UTILITY BODY & LIFTMORE #490	71,504.90	3/22/22	(71,504.90)			-
5414	2006 FREIGHTLINER #487	123,868.23					123,868.23
5420	2005 CHEVROLET PICKUP #480	28,742.12					28,742.12
5454	2006 CHEVROLET 1500 CREW CAB #493	28,328.45					28,328.45
5456	2006 CHEVY 1500 CREW CAB PKUP #494	28,200.19	1/23/23	(28,200.19)			-
5462	07 CHEVY SILV,EXT CAB W/SERVBOD#499	29,889.88					29,889.88
5555	08 INTERNATIONAL DIGGER DERRICK#506	236,416.16					236,416.16
5556	08 INTERNATIONAL DIGGER DERRICK#507	236,416.16					236,416.16
5579	08 CHEVY 1500 EXT #510	25,320.90	1/23/23	(25,320.90)			-
5606	2009 INTERNATIONAL 7400 VEH #512	194,999.22					194,999.22
5608	2009 INTERNATIONAL 7400 VEH #516	213,818.41					213,818.41
5640	09 CHEVY 1500 - VEH #519	32,154.04					32,154.04
5669	2010 INT'L 7500 CHASSIS FOR #523	227,046.00					227,046.00
5670	2010 INT'L 7400 CHASSIS FOR #521	203,719.00					203,719.00
5671	2010 INT'L 7400 CHASSIS FOR #522	203,719.00					203,719.00
5672	2010 CHEVY SILVERADO #525	30,273.60					30,273.60
5673	2010 CHEVY SILVERADO #526	30,273.21					30,273.21
5681	2010 CHEVY SILVERADO P/U #524	32,212.07	1/23/23	(32,212.07)			-
5698	2011 INT'L 7500 #527	235,360.50					235,360.50
5699	2011 INT'L 7500 #528	216,087.76					216,087.76
5700	2011 INT'L 7500 #529	216,445.61					216,445.61
5702	2011 DODGE 5500 BUCKET #532	97,664.19					97,664.19
5703	2011 CHEVY EXT CAB #533	27,437.04					27,437.04
5704	2011 CHEVY EXT CAB #534	27,437.04					27,437.04
5715	DODGE 5500 MECHANICS TRUCK #535	82,198.10					82,198.10
5716	2011 CHEVY 1500 XCAB PICKUP #536	28,070.92					28,070.92
5727	2011 CHEVY SILVERADO #544	28,257.48					28,257.48

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Asset	Description	Capitalized 12/31/2021	Date Sold/ Scrapped	Change in Value	Date Purchased	Change in Value	Capitalized 2/28/2023
5741	55' BUCKET TRUCK #537	206,697.18					206,697.18
5747	55' BUCKET TRUCK #538	222,397.00					222,397.00
5748	2012 CHEVY EXT CAB W/ BED #543	33,742.98					33,742.98
5760	2012 DODGE RAM 5500 #542	140,597.16					140,597.16
5777	2013 CHEVY SILVERADO #546	32,398.71					32,398.71
5779	2013 CHEVY SILVERADO #548	30,621.28					30,621.28
5787	2013 DODGE SERVICE BUCKET #549	134,215.08	12/20/22	(134,215.08)			-
5788	2013 DODGE SERVICE BUCKET #550	134,215.08					134,215.08
5790	2014 CHEVY IMPALA #553	30,207.09					30,207.09
5791	2014 CHEVY EQUINOX #552	29,464.02					29,464.02
5792	2015 CHEVY 3/4 TON PICKUP TRUCK #555	42,227.02					42,227.02
5793	2014 CHEVROLET EQUINOX #556	29,628.33					29,628.33
5795	3/4 TON 2015 CHEVY PICKUP K2500-#557	37,582.30					37,582.30
5796	2014 CHEVY K1500 PU - VEH #558	33,139.84					33,139.84
5798	Bucket truck w/ Dodge 5500chasis #559	99,530.82					99,530.82
5799	2014 Ram 4500 Dump Truck #560	58,535.16					58,535.16
5800	2015 CHEVY EQUINOX - VEH #563	29,296.49					29,296.49
5801	2015 SRVCE BUCKET W/MATL HANDLER-VEH#561	125,493.40					125,493.40
5802	2015 CHEVY SILVERADO 1/2T P/U - VEH#562	33,797.31					33,797.31
5803	2015 CHEVY SILVERADO 3/4T PU - VEH #565	37,763.40					37,763.40
5804	2015 CHEVY SILVERADO 3/4T PU - VEH #564	37,763.40					37,763.40
5805	2015 CHEVY SILVERADO 3/4T PU - VEH #566	37,763.40					37,763.40
5806	2015 DODGE RAM SVC BUCKET #567	126,277.80					126,277.80
5807	2015 CHEVY SILVERADO 3/4 TON P/U-VEH#568	41,090.45					41,090.45
5808	2015 DODGE SERVICE BUCKET TRUCK #569	126,869.28	12/20/22	(126,869.28)			-
5809	2016 1/2 Chevy Ext Cab 4WD PU-Veh #571	34,330.48					34,330.48
5810	2016 CHEVY SILVERADO 1/2 TON PU-VEH #572	35,146.63					35,146.63
5811	2016 CHEVY SILVERADO 1/2TON 4WD-VEH #570	34,330.48					34,330.48
5812	2016 CHEVY SILVERADO 1/2 TON PU-VEH #573	35,166.56					35,166.56
5813	2017 CHEVY SILVERADO 1-TON #574	53,685.03					53,685.03
5814	2017 CHEVY SILVERADO 3/4-TON #575	39,373.89					39,373.89
5815	2018 FREIGHTLINER 55' BUCKET #576	220,491.00					220,491.00
5816	2018 DIGGER DERRICK #577	275,566.00					275,566.00
5817	2018 DIGGER DERRICK \$578	275,566.00					275,566.00
5818	SERVICE BUCKET #579	105,551.62					105,551.62
5819	2018 SILVERADO 1 TON #580	51,464.08					51,464.08
5820	2018 DODGE 5500 SERVICE BUCKET-VEH #581	135,555.98					135,555.98
5821	2018 DODGE RAM 5500 SERVC BUCKET-VEH#582	135,555.98					135,555.98
5822	2019 CHEVY 2500 #583 3/4 TON PICKUP	40,500.67					40,500.67

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Asset	Description	Capitalized 12/31/2021	Date Sold/ Scrapped	Change in Value	Date Purchased	Change in Value	Capitalized 2/28/2023
5823	2019 DIGGER DERRICK #584 DH48B-TR	280,707.00					280,707.00
5824	2019 DIGGER DERRICK #585 - 2019 M2-106	280,707.00					280,707.00
5825	BUCKET TRUCK #587	261,069.00					261,069.00
5826	BUCKET TRUCK #586	261,069.00					261,069.00
5827	2019 SILVERADO #588	38,282.17					38,282.17
5828	2019 CHEVY #590 Silverado 1/2 TON	40,481.67					40,481.67
5829	2019 CHEVY #589 SILVERADO 1/2 TON	40,481.67					40,481.67
5830	2019 BUCKET TRUCK #591	152,526.58					152,526.58
5831	2019 BUCKET TRUCK #592	152,526.58					152,526.58
5832	#593 2020 CHEVY SILVERADO 3500 3/4 TON	42,951.39					42,951.39
5833	#594 2020 CHEVY SILVERADO 3500 1 TON	42,951.39					42,951.39
5834	#595 2020 CHEVY SILVERADO 1500 1/2 TON	40,555.53					40,555.53
5835	#596 2020 CHEVY SILVERADO	38,268.05					38,268.05
5836	#597 2020 RAM 5500 SVC BUCKET TRUCK	156,335.16					156,335.16
5837	#598 - 2020 RAM5500 SVC BUCKET TRUCK	156,335.16					156,335.16
5838	#599 - 2020 DODGE SERVICE BUCKET TRUCK	156,335.16					156,335.16
5839	#602 - DODGE SERVICE BUCKET TRUCK	156,335.16					156,335.16
5840	#603 2020 RAM 5500 SERVICE BUCKET TRUCK	156,335.16					156,335.16
5841	#604 2021 DODGE 5500DA CRANE TRUCK	122,218.00					122,218.00
5842	#605 2021 CHEVY SILVERADO 1500	42,080.72					42,080.72
5843	#606 2021 CHEVY SILVERADO 1500	42,080.72					42,080.72
5844	#607 - 2022 Freightliner M2 DIGGER DERRICK				3/15/22	322,968.00	322,968.00
5845	#609 2022 CHEVY SILVERADO 1500				4/4/22	51,456.33	51,456.33
5846	#608 2022 CHEVY SILVERADO 1500 LEGACY				4/1/22	43,832.33	43,832.33
5847	#610 2022 CHEVY SILVERADO 1500 LEGACY				4/1/22	46,053.14	46,053.14
5848	#611 2022 CHEVY SILVERADO 1500 LEGACY				4/1/22	43,832.33	43,832.33
5849	#612 2022 CHEVY SILVERADO 3500				6/1/22	48,446.51	48,446.51
5853	#613 2022 CHEVY SILVERADO 2500 3/4 TON				8/23/22	50,573.93	50,573.93
5854	#615 Chevy Silverado 1500				10/11/22	52,804.17	52,804.17
5855	#614 Chevy Silverado 1500				10/11/22	50,477.47	50,477.47
5856	#616 Ford F550 bucket truck				10/19/22	175,133.20	175,133.20
5857	#618 Dodge 5500 bucket				11/10/22	180,132.80	180,132.80
5858	#617 Dodge 5500 bucket				11/10/22	180,132.80	180,132.80
5859	#619 2023 Chevy Silverado				2/16/23	59,668.73	59,668.73
5860	#633 2023 Chevy Silverado				2/16/23	59,668.73	59,668.73
5861	#634 2023 Chevy Silverado				2/16/23	59,668.73	59,668.73
5862	#635 2023 Chevy Silverado				2/16/23	59,668.73	59,668.73

KENERGY CORP
Case No. 2023-00276
Response AG1, Item 18

Asset	Description	Capitalized 12/31/2021 9,750,579.38	Date Sold/ Scrapped	Change in Value (550,402.20)	Date Purchased	Change in Value 1,484,517.93	Capitalized 2/28/2023 10,684,695.11
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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 19) Provide a listing of all vehicles assigned to an employee and a listing showing the additional vehicles not assigned to a specific employee.

Response) The file named AG1_Item19_Vehicles assigned is uploaded separately into the Commission’s electronic filing system. All Kenergy vehicles have a responsible individual assigned relative to safety inspections and work assignments. Highlighted row(s) are those vehicles assigned to individuals permitted a take home vehicle due to their responsibility in responding to emergency situations which have a direct impact on continuity of service.

Witness: Keith Ellis

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 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.

Response) CoBank non-cash patronage allocations are recorded in this account. This represents Kenergy’s investment in CoBank and it does not earn interest.

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 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.

Response) Please see the attached vehicle listing, Item 21 page 2 of 2.

Witness: Travis Siewert

KENERGY CORP
Case No. 2023-00276
Response to AG1, Item 21

Asset	Account	Description	Test Yr Ending Bal	Date Removed	Sale Price
5183	392.000	2003 CHEVROLET TRUCK #454	28,169.50	7/17/2023	\$ 2,100.00
5412	392.000	MONROE UTILITY BODY & LIFTMORE #491	63,951.42	7/17/2023	\$ 5,500.00
5702	392.000	2011 DODGE 5500 BUCKET #532	97,664.19	7/17/2023	\$ 24,500.00
5798	392.000	Bucket truck w/ Dodge 5500chasis #559	99,530.82	7/17/2023	\$ 22,000.00
5806	392.000	2015 DODGE RAM SVC BUCKET #567	126,277.80	7/17/2023	\$ 15,500.00
5700	392.000	2011 INT'L 7500 #529	216,445.61	9/1/2023	\$ 181,116.67 (1)

(1) Insurance reimbursement for totaled vehicle

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 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.

Response) Kenergy experienced an ice storm in 2022. A portion of the cost \$138,293.46 was booked to account 593.200 in March 2022. There were some subsequent credits to account 593.200 during the test period, so the full test period amount was \$117,422.15. As discussed in the response to the Attorney General’s First Request for Information Item 28, this level of storm expense is normal for Kenergy and is about half of what Kenergy experienced for calendar year 2022.

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 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.

Response) See the excel file named AG1_Item23_smelter expenses margins uploaded separately into the Commission’s electronic filing system .

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 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.

Response)

a and b. Kenergy, Meade County RECC, Jackson Purchase Energy Cooperative and Big Rivers Electric Cooperative met to discuss VM costs. The summary is

being filed under a Petition for Confidentiality.

Witness: Rob Stumph

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 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.

Responses:

- a. See uploaded Excel file "AG1 Item 25 (a,b,m) 593.300 Expenses"

b. See uploaded Excel file “AG1 Item 25 (a,b,m) 593.300 Expenses”

c. Kenergy maintains a cycle that does not exceed six years. We had to modify our trimming cycle beginning in 2019 when a contractor left, stating that they weren’t profitable. We had to modify the work being performed for subsequent years to stay within our 6-year trimming cycle range.

d. The file named AG1_Item25d_VM Plan has been uploaded separately into the Commission’s electronic filing system.

- e. 2016- 1,121.86 miles
- 2017- 1,095.31 miles
- 2018- 1,002.38 miles
- 2019- 781.60 miles, Townsend left
- 2020- 685.29 miles
- 2021- 911.67 miles
- 2022- 1,139.13 miles
- 2023- 909 miles Budgeted

Month (2023)	Completed
January	29.55
February	51.08
March	53.26
April	87.33
May	46.89
June	51.37
July	138.08
August	81.88
September	80.29
October	108.84

f. This information is being filed under a Petition for Confidentiality

g. 2023- 909 miles
2024- 1,011.38 miles

h. Any decrease/increase in miles happened due to 3 factors, Townsend leaving us unexpectedly and having to adjust our work and find new contractor/s, keeping to our 6-year max cycle schedule, and cost.

i. This information is being filed under a Petition for Confidentiality.

j. 2021- Halter, Asplundh
2022- Halter, Asplundh
2023- Halter, Asplundh

k. This information is being filed under a Petition for Confidentiality.

l. This information is being filed under a Petition for Confidentiality.

- m. See uploaded Excel file “AG1 Item 25 (a,b,m) 593.300 Expenses”
- n. This information is being filed under a Petition for Confidentiality.
- o. This information is being filed under a Petition for Confidentiality.
- p. There were no separate resolutions voted on for Vegetation Management contracts during this period.

Witness: Rob Stumph (All except a, b and m)
Travis Siewert – a, b, m.

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 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.

Response)

- a. Some of the larger increases from 2021 to 2022 for this account were: Labor and Overheads \$151,777, Fleet \$31,158, Training \$17,576, Buildings and Ground Maintenance \$11,003, and Safety Equipment \$9,857.
- b. I expect expenses in this account to increase from 2022 levels. Expenses charged to account 588.000 for the 12-months ended September 2023 are \$3,320,738.

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 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.

Response)

- a. Some of larger increase from 2021 to 2022 for this account were: Labor and Overheads \$363,667 and Fleet \$208,552.
- b. I expect expenses in this account to increase from 2022 levels. Expenses charged to account 593.000 for the 12-months ended September 2023 are \$5,383,057.

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 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.

Response)

- a. Expenses in this account increased from 2021 to 2022 due to an ice storm in February of 2022.
- b. 2022 is on the high side. 2020 and 2021 are on the low side. Kenergy used the test period amount of \$117,422, which is very normal and reasonable when compared to the inflation adjusted amount for the last 5 years.

c. 2018 was \$83,798.45 and 2019 was \$95,073.21.

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 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.

Response)

- a. The attached schedule, Item 29 page 2 of 2 provides the data relied on for the following statements: kWh sales have declined an additional 4% since 2019 and total revenues less power costs, or net revenue, has decreased \$0.8 million since Kenergy’s last rate case.
- b. Please see the uploaded Excel file “AG1 Item 29b (Sales and Power Cost)”.

Witness: Travis Siewert

KENERGY CORP.
PSC CASE NO. 2023-00276
AG REQUEST NO. 1
ITEM 29a

	<u>2019</u>	<u>2019 Including Adjustments & Rate Increase</u>	<u>Test Period 12-Months Ended February 2023</u>	<u>Decrease</u>	<u>Percent</u>
kWh Sales	1,104,483,973	1,107,557,362	1,058,402,582	(49,154,780)	-4%
Revenue	\$129,980,664	\$133,571,181	\$148,993,217		
Power Cost	\$93,259,772	\$93,519,764	\$109,712,718		
Revenue less Power Cost (Net Revenue)	\$36,720,892	\$40,051,417	\$39,280,499	(\$770,918)	-2%

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 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.

Response) Kenergy had \$41 million in the RUS Cushion of Credit as of December 2018. That entire amount has been used to pay down debt. The balance is now zero.

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

Response) Please see the attached December RUS Form 7 filings for years 2016 through 2021, Item 31 pages 2-7.

Witness: Travis Siewert

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0032. The time required to complete this information collection is estimated to average 15 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL UTILITIES SERVICE

**FINANCIAL AND OPERATING REPORT
ELECTRIC DISTRIBUTION**

BORROWER DESIGNATION KY0065

PERIOD ENDED December 2021

BORROWER NAME Kenergy Corp.

INSTRUCTIONS - See help in the online application.

This information is analyzed and used to determine the submitter's financial situation and feasibility for loans and guarantees. You are required by contract and applicable regulations to provide the information. The information provided is subject to the Freedom of Information Act (5 U.S.C. 552)

CERTIFICATION

We recognize that statements contained herein concern a matter within the jurisdiction of an agency of the United States and the making of a false, fictitious or fraudulent statement may render the maker subject to prosecution under Title 18, United States Code Section 1001.

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 DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1718 OF 7 CFR CHAPTER XVII

(check one of the following)

All of the obligations under the RUS loan documents have been fulfilled in all material respects.

There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in Part D of this report.

Jeffrey Hohn

3/15/2022

DATE

PART A. STATEMENT OF OPERATIONS

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	357,966,779	469,916,349	411,116,752	42,628,948
2. Power Production Expense				
3. Cost of Purchased Power	316,981,619	426,847,399	368,071,468	38,617,074
4. Transmission Expense				
5. Regional Market Expense				
6. Distribution Expense - Operation	4,514,807	4,874,769	4,255,122	496,997
7. Distribution Expense - Maintenance	9,579,601	11,440,695	11,325,485	1,402,338
8. Customer Accounts Expense	3,278,330	2,395,843	3,460,281	250,419
9. Customer Service and Informational Expense	216,292	134,284	225,437	20,570
10. Sales Expense				
11. Administrative and General Expense	3,931,357	4,094,730	4,157,358	414,309
12. Total Operation & Maintenance Expense (2 thru 11)	338,502,006	449,787,720	391,495,151	41,201,707
13. Depreciation and Amortization Expense	13,751,032	14,106,396	14,273,392	1,189,476
14. Tax Expense - Property & Gross Receipts				
15. Tax Expense - Other	666,002	639,789	667,112	48,063
16. Interest on Long-Term Debt	4,340,462	3,700,867	3,839,277	322,864
17. Interest Charged to Construction - Credit				
18. Interest Expense - Other	99,843	5,828	7,950	479
19. Other Deductions	52,301	53,450	79,200	14,402
20. Total Cost of Electric Service (12 thru 19)	357,411,646	468,294,050	410,362,082	42,776,991
21. Patronage Capital & Operating Margins (1 minus 20)	55,133	1,622,299	754,670	(148,043)
22. Non Operating Margins - Interest	1,043,746	336,859	356,294	8,586
23. Allowance for Funds Used During Construction				
24. Income (Loss) from Equity Investments				
25. Non Operating Margins - Other	(27,798)	2,841,924	(34,582)	(14,880)
26. Generation and Transmission Capital Credits				
27. Other Capital Credits and Patronage Dividends	258,668	496,495	231,549	57,224
28. Extraordinary Items				
29. Patronage Capital or Margins (21 thru 28)	1,829,749	5,297,577	1,307,931	(97,113)

RUS Financial and Operating Report Electric Distribution

Revision Date 2014

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0032. The time required to complete this information collection is estimated to average 15 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION	BORROWER DESIGNATION KY0065
	PERIOD ENDED December 2020
	BORROWER NAME Kenergy Corp.

INSTRUCTIONS - See help in the online application.

This information is analyzed and used to determine the submitter's financial situation and feasibility for loans and guarantees. You are required by contract and applicable regulations to provide the information. The information provided is subject to the Freedom of Information Act (5 U.S.C. 552)

CERTIFICATION

We recognize that statements contained herein concern a matter within the jurisdiction of an agency of the United States and the making of a false, fictitious or fraudulent statement may render the maker subject to prosecution under Title 18, United States Code Section 1001.

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 DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1718 OF 7 CFR CHAPTER XVII

(check one of the following)

All of the obligations under the RUS loan documents have been fulfilled in all material respects.

There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in Part D of this report.

Jeffrey Hohn

3/24/2021

DATE

PART A. STATEMENT OF OPERATIONS

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	393,029,574	357,966,779	395,830,998	32,520,039
2. Power Production Expense				
3. Cost of Purchased Power	352,421,358	316,981,619	353,920,300	28,430,286
4. Transmission Expense				
5. Regional Market Expense				
6. Distribution Expense - Operation	4,213,017	4,514,807	4,622,291	524,916
7. Distribution Expense - Maintenance	8,591,985	9,579,601	9,793,946	1,032,245
8. Customer Accounts Expense	3,392,505	3,278,330	3,394,511	262,961
9. Customer Service and Informational Expense	313,631	216,292	327,292	21,597
10. Sales Expense				
11. Administrative and General Expense	3,959,547	3,931,357	3,983,416	446,108
12. Total Operation & Maintenance Expense (2 thru 11)	372,892,043	338,502,006	376,041,756	30,718,113
13. Depreciation and Amortization Expense	13,441,792	13,751,032	13,783,455	1,160,542
14. Tax Expense - Property & Gross Receipts				
15. Tax Expense - Other	624,155	666,002	657,897	52,473
16. Interest on Long-Term Debt	5,168,629	4,340,462	4,481,287	322,560
17. Interest Charged to Construction - Credit				
18. Interest Expense - Other	133,074	99,843	98,604	7,174
19. Other Deductions	67,669	52,301	80,000	9,107
20. Total Cost of Electric Service (12 thru 19)	392,327,362	357,411,646	395,142,999	32,269,969
21. Patronage Capital & Operating Margins (1 minus 20)	702,212	555,133	687,999	250,070
22. Non Operating Margins - Interest	1,948,916	1,043,746	1,225,572	38,368
23. Allowance for Funds Used During Construction				
24. Income (Loss) from Equity Investments				
25. Non Operating Margins - Other	(50,725)	(27,798)	(34,828)	(13,907)
26. Generation and Transmission Capital Credits				
27. Other Capital Credits and Patronage Dividends	196,308	258,668	251,806	25,766
28. Extraordinary Items				
29. Patronage Capital or Margins (21 thru 28)	2,796,711	1,829,749	2,130,549	300,297

RUS Financial and Operating Report Electric Distribution

Revision Date 2014

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0032. The time required to complete this information collection is estimated to average 15 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION	BORROWER DESIGNATION KY0065
	PERIOD ENDED December 2019
	BORROWER NAME Kenergy Corp.

INSTRUCTIONS - See help in the online application.

This information is analyzed and used to determine the submitter's financial situation and feasibility for loans and guarantees. You are required by contract and applicable regulations to provide the information. The information provided is subject to the Freedom of Information Act (5 U.S.C. 552)

CERTIFICATION

We recognize that statements contained herein concern a matter within the jurisdiction of an agency of the United States and the making of a false, fictitious or fraudulent statement may render the maker subject to prosecution under Title 18, United States Code Section 1001.

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 DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1718 OF 7 CFR CHAPTER XVII

(check one of the following)

All of the obligations under the RUS loan documents have been fulfilled in all material respects.

There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in Part D of this report.

Jeffrey Hohn

3/19/2020

DATE

PART A. STATEMENT OF OPERATIONS

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	403,336,059	393,029,574	472,085,931	29,426,493
2. Power Production Expense				
3. Cost of Purchased Power	360,756,775	352,421,358	430,065,018	25,626,373
4. Transmission Expense				
5. Regional Market Expense				
6. Distribution Expense - Operation	4,795,583	4,213,017	4,772,945	414,785
7. Distribution Expense - Maintenance	8,936,835	8,591,985	9,232,331	1,025,172
8. Customer Accounts Expense	3,371,929	3,392,505	3,489,765	312,993
9. Customer Service and Informational Expense	302,351	313,631	316,770	29,421
10. Sales Expense				
11. Administrative and General Expense	4,280,309	3,959,547	4,376,183	366,190
12. Total Operation & Maintenance Expense (2 thru 11)	382,443,782	372,892,043	452,253,012	27,774,934
13. Depreciation and Amortization Expense	13,067,479	13,441,792	13,570,476	1,133,091
14. Tax Expense - Property & Gross Receipts				
15. Tax Expense - Other	587,259	624,155	613,440	52,158
16. Interest on Long-Term Debt	5,374,547	5,168,629	5,402,097	401,689
17. Interest Charged to Construction - Credit				
18. Interest Expense - Other	115,727	133,074	229,404	11,931
19. Other Deductions	79,663	67,669	80,050	19,343
20. Total Cost of Electric Service (12 thru 19)	401,668,457	392,327,362	472,148,479	29,393,146
21. Patronage Capital & Operating Margins (1 minus 20)	1,667,602	702,212	(62,548)	33,347
22. Non Operating Margins - Interest	2,286,301	1,948,916	2,190,252	126,099
23. Allowance for Funds Used During Construction				
24. Income (Loss) from Equity Investments				
25. Non Operating Margins - Other	24,567	(50,725)	16,296	(13,088)
26. Generation and Transmission Capital Credits				
27. Other Capital Credits and Patronage Dividends	268,222	196,308	248,292	9,763
28. Extraordinary Items				
29. Patronage Capital or Margins (21 thru 28)	4,246,692	2,796,711	2,392,292	156,121

RUS Financial and Operating Report Electric Distribution

Revision Date 2014

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UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL UTILITIES SERVICE

**FINANCIAL AND OPERATING REPORT
ELECTRIC DISTRIBUTION**

BORROWER DESIGNATION
KY0065

PERIOD ENDED December, 2018

BORROWER NAME
Kenergy Corp.

INSTRUCTIONS - See help in the online application.

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CERTIFICATION

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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 DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1718 OF 7 CFR CHAPTER XVII

(check one of the following)

All of the obligations under the RUS loan documents have been fulfilled in all material respects.

There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in Part D of this report.

Jeffrey Hohn

3/27/2019

DATE

PART A. STATEMENT OF OPERATIONS

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	362,809,760	403,336,059	377,510,987	38,239,585
2. Power Production Expense				
3. Cost of Purchased Power	323,824,938	360,756,775	335,759,876	34,403,792
4. Transmission Expense				
5. Regional Market Expense				
6. Distribution Expense - Operation	4,468,519	4,795,583	4,931,681	385,737
7. Distribution Expense - Maintenance	8,389,317	8,936,835	8,322,549	850,772
8. Customer Accounts Expense	3,496,616	3,371,929	3,744,417	262,161
9. Customer Service and Informational Expense	324,201	302,351	281,670	28,964
10. Sales Expense				
11. Administrative and General Expense	4,152,556	4,280,309	4,205,436	430,497
12. Total Operation & Maintenance Expense (2 thru 11)	344,656,147	382,443,782	357,245,629	36,361,923
13. Depreciation and Amortization Expense	12,692,991	13,067,479	13,171,923	1,101,977
14. Tax Expense - Property & Gross Receipts				
15. Tax Expense - Other	626,923	587,259	603,869	47,396
16. Interest on Long-Term Debt	5,107,672	5,374,547	5,347,371	438,228
17. Interest Charged to Construction - Credit				
18. Interest Expense - Other	201,182	115,727	150,200	8,058
19. Other Deductions	57,753	79,663	79,700	23,178
20. Total Cost of Electric Service (12 thru 19)	363,342,668	401,668,457	376,598,692	37,980,760
21. Patronage Capital & Operating Margins (1 minus 20)	(532,908)	1,667,602	912,295	258,825
22. Non Operating Margins - Interest	2,164,535	2,286,301	2,133,000	195,776
23. Allowance for Funds Used During Construction				
24. Income (Loss) from Equity Investments				
25. Non Operating Margins - Other	35,908	24,567	19,655	205
26. Generation and Transmission Capital Credits				
27. Other Capital Credits and Patronage Dividends	234,285	268,222	217,813	45,324
28. Extraordinary Items				
29. Patronage Capital or Margins (21 thru 28)	1,901,820	4,246,692	3,282,763	500,130

RUS Financial and Operating Report Electric Distribution

Revision Date 2014

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UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION	BORROWER DESIGNATION KY0065
	PERIOD ENDED December, 2017
	BORROWER NAME Kenergy Corp.
INSTRUCTIONS - See help in the online application.	

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Jeffrey Hohn

3/19/2018

DATE

PART A. STATEMENT OF OPERATIONS

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	343,453,116	362,809,760	390,511,436	31,499,561
2. Power Production Expense				
3. Cost of Purchased Power	302,773,679	323,824,938	349,008,051	27,682,177
4. Transmission Expense				
5. Regional Market Expense				
6. Distribution Expense - Operation	4,227,981	4,468,519	4,376,905	426,120
7. Distribution Expense - Maintenance	8,290,450	8,389,317	9,120,506	708,193
8. Customer Accounts Expense	3,817,353	3,496,616	4,161,754	271,880
9. Customer Service and Informational Expense	262,298	324,201	282,628	30,654
10. Sales Expense				
11. Administrative and General Expense	4,191,125	4,152,556	4,397,805	425,526
12. Total Operation & Maintenance Expense (2 thru 11)	323,562,886	344,656,147	371,347,649	29,544,550
13. Depreciation and Amortization Expense	12,040,021	12,692,991	12,629,786	1,069,180
14. Tax Expense - Property & Gross Receipts				
15. Tax Expense - Other	742,915	626,923	671,585	45,062
16. Interest on Long-Term Debt	5,099,153	5,107,672	5,183,281	459,979
17. Interest Charged to Construction - Credit				
18. Interest Expense - Other	106,305	201,182	114,000	6,429
19. Other Deductions	217,553	57,753	78,041	17,197
20. Total Cost of Electric Service (12 thru 19)	341,768,833	363,342,668	390,024,342	31,142,397
21. Patronage Capital & Operating Margins (1 minus 20)	1,684,283	(532,908)	487,094	357,164
22. Non Operating Margins - Interest	2,064,693	2,164,535	2,102,025	188,661
23. Allowance for Funds Used During Construction				
24. Income (Loss) from Equity Investments				
25. Non Operating Margins - Other	(6,515)	35,908	19,510	(7,838)
26. Generation and Transmission Capital Credits				
27. Other Capital Credits and Patronage Dividends	195,429	234,285	239,000	23,301
28. Extraordinary Items				
29. Patronage Capital or Margins (21 thru 28)	3,937,890	1,901,820	2,847,629	561,288

RUS Financial and Operating Report Electric Distribution

Revision Date 2014

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UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION	BORROWER DESIGNATION KY0065
	PERIOD ENDED December, 2016
	BORROWER NAME Kenergy Corp.

INSTRUCTIONS - See help in the online application.

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There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in Part D of this report.

Jeffrey Hohn

3/27/2017

DATE

PART A. STATEMENT OF OPERATIONS

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	373,443,149	343,453,116	329,102,504	34,628,951
2. Power Production Expense				
3. Cost of Purchased Power	334,236,486	302,773,679	288,194,584	30,856,492
4. Transmission Expense				
5. Regional Market Expense				
6. Distribution Expense - Operation	4,027,648	4,227,981	4,201,409	318,611
7. Distribution Expense - Maintenance	8,537,782	8,290,450	8,886,695	714,080
8. Customer Accounts Expense	4,479,746	3,817,353	4,458,465	172,114
9. Customer Service and Informational Expense	292,940	262,298	295,876	22,812
10. Sales Expense				
11. Administrative and General Expense	4,484,055	4,191,125	4,224,844	395,771
12. Total Operation & Maintenance Expense (2 thru 11)	356,058,657	323,562,886	310,261,873	32,479,880
13. Depreciation and Amortization Expense	11,034,637	12,040,021	12,032,836	1,036,257
14. Tax Expense - Property & Gross Receipts				
15. Tax Expense - Other	735,695	742,915	829,632	50,221
16. Interest on Long-Term Debt	5,010,656	5,099,153	5,153,091	450,445
17. Interest Charged to Construction - Credit				
18. Interest Expense - Other	32,536	106,305	114,000	10,752
19. Other Deductions	104,671	217,553	78,504	141,186
20. Total Cost of Electric Service (12 thru 19)	372,976,852	341,768,833	328,469,936	34,168,741
21. Patronage Capital & Operating Margins (1 minus 20)	466,297	1,684,283	632,568	460,210
22. Non Operating Margins - Interest	1,996,129	2,064,693	1,905,000	179,937
23. Allowance for Funds Used During Construction				
24. Income (Loss) from Equity Investments				
25. Non Operating Margins - Other	27,714	(6,515)	4,064	425
26. Generation and Transmission Capital Credits				
27. Other Capital Credits and Patronage Dividends	210,498	195,429	225,000	(28,365)
28. Extraordinary Items				
29. Patronage Capital or Margins (21 thru 28)	2,700,638	3,937,890	2,766,632	612,207

RUS Financial and Operating Report Electric Distribution

Revision Date 2014

KENERGY CORP.

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

Responses to Attorney General’s First Request for Information

Item 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.

Response) Please see Kenergy’s response to the Attorney General’s First Request for Information Item 33.

Witness: Keith Ellis

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 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.

Response) Please reference the following uploaded Excel files:

AG1 Item 33 (LABOR BY ACCOUNT 2018)

AG1 Item 33 (LABOR BY ACCOUNT 2019)

AG1 Item 33 (LABOR BY ACCOUNT 2020)

AG1 Item 33 (LABOR BY ACCOUNT 2021)

AG1 Item 33 (LABOR BY ACCOUNT 2022)

AG1 Item 33 (LABOR BY ACCOUNT 2023)

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 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.

Response) Please see Kenergy’s response to the Commission Staff’s Second Request for Information Item 14 for details on the pro forma amounts. Please reference the attached Employee Totals report, Item 34 pages 2-6, and the uploaded Excel File “AG1 Item 34 (OH Details)” for the test period amounts.

Witness: Travis Siewert

11/03/2023 2:35:29 pm

Page: 1

PAYROLL/LABOR EMPLOYEE TOTALS

Totals For: 03/01/2022 To 02/28/2023

Pays	Job	Amount	Hours
Gross Pay			
0	REGULAR PAY	8,875,665.94	222,161.83
0	REGULAR PAY	4,245.12	125.50
0	REGULAR PAY	36,075.15	995.00
0	REGULAR PAY	24,568.60	501.00
0	REGULAR PAY	32,846.93	805.50
1	OVERTIME	1,344,799.88	24,802.82
1	OVERTIME	919.29	17.00
1	OVERTIME	1,176.00	16.00
1	OVERTIME	10,592.02	171.50
10	VACATION	758,103.19	18,748.96
10	VACATION	650.40	16.00
20	SICK LEAVE	301,862.47	7,670.85
20	SICK LEAVE	49.00	1.00
20	SICK LEAVE	325.20	8.00
30	HOLIDAY	321,364.61	8,056.00
30	HOLIDAY	784.00	16.00
30	HOLIDAY	650.40	16.00
50	MISCELLANEOUS LEAVE	26,446.75	709.00
2	DOUBLETIME	102,700.30	1,452.67
2	DOUBLETIME	13,255.20	157.50
2	DOUBLETIME	12,999.93	156.50
70	INCENTIVE	42,282.69	0.00
80	BONUS	14,500.00	0.00
90	ADJUSTMENTS	-3,297.94	0.00
21	ACCRUED LEAVE	3,745.48	96.26
VAC	VACATION OVER MAXIMUM	52,605.49	0.00
91	Retroactive Pay Change	1,714.59	0.00
31	FLOATING HOLIDAY PAY	0.00	0.00
92	CHRISTMAS BONUS	18,600.00	0.00
32	COVID SICK EMPLOYEE OR FAMILY	0.00	0.00
	Gross Pay Total:	12,000,230.69	286,700.89
	Total Pays:	12,000,230.69	286,700.89

Deductions	Amount	
05	VEHICLE ALLOWANCE	-73,650.00
01	401K - EMPLOYEE CONTRIBUTION	735,484.48
ROTH	401k-ROTH EMPLOYEE CONTRIBUTION	210,537.72
33	SECTION 125 MEDICAL SAVINGS - FLEX	91,412.87
32	MEDICAL INSURANCE - SINGLE	34,558.14
34	MEDICAL INSURANCE FAMILY	259,630.08

11/03/2023 2:35:29 pm

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PAYROLL/LABOR EMPLOYEE TOTALS

Totals For: 03/01/2022 To 02/28/2023

Deductions		Amount		
35	MEDICAL INSURANCE SINGLE WITH CHILD	37,440.44		
36	MEDICAL INSURANCE EMPLOYEE WITH SP	111,040.65		
38	DENTAL INSURANCE FAMILY	47,144.40		
88	AFLAC PRETAX	13,276.03		
100	ALLSTATE CANCER PRETAX	18,031.18		
90	COLONIAL PRETAX	2,153.41		
04	MEDICAL INSURANCE BUYOUT	-23,768.28		
07	SUPPLEMENTAL INS - EMPLOYEE	29,704.86		
08	KENERGY CARES FUND - EMPLOYEE	31,420.22		
09	AMERICA'S ELEC COOPERATIVES PAC-EMP	613.80		
13	MISCELLANEOUS - EMPLOYEE	38,481.90		
26	401K LOAN DEDUCTION-EMPLOYEE	135,417.37		
89	AFLAC POST TAX	20,857.51		
91	COLONIAL POST TAX	728.16		
40	VISION INSURANCE SINGLE	1,539.72		
41	VISION INSURANCE EMPLOYEE WITH SPO	1,376.00		
42	VISION INSURANCE EMPLOYEE W CHILDR	1,057.50		
43	VISION INSURANCE FAMILY	5,056.60		
	Total:	1,729,544.76		
Taxable Benefits		Amount		
VEH	VEHICLE COMPENSATION	27,353.63		
50K	LIFE INSURANCE OVER \$50,000	101,473.80		
AWRD	SERVICE AWARD	5,850.00		
RET	RETIREMENT AWARD	5,463.28		
MISC	MISC BENEFIT	565.50		
457B	457B CONTRIBUTION FICA ONLY	20,500.00		
	Total:	161,206.21		
Employee Taxes		Amount	Taxable Amount	Exempt Amount
C01	Daviess County	65,275.85	6,527,571.42	0.00
C08	Owensboro City	1,366.55	76,770.87	0.00
C10	Henderson City	18,473.56	1,215,472.91	0.00
C04	Caldwell County	1,799.25	119,941.81	0.00
C11	Crittenden County	3,179.34	635,868.51	0.00
C06	Hancock County	6,099.70	381,224.03	0.00
C03	Marion City	22.76	2,897.34	0.00
C07	McLean County	2,104.37	210,443.56	0.00
C09	Other (Non-Kenergy Counties)	0.00	255,318.68	0.00
CO19	Henderson County	8,940.59	894,047.65	0.00
19065				

11/03/2023 2:35:29 pm

Page: 3

PAYROLL/LABOR EMPLOYEE TOTALS

Totals For: 03/01/2022 To 02/28/2023

Employee Taxes		Amount	Taxable Amount	Exempt Amount
C05	Ohio County	4,132.21	330,575.90	0.00
C02	Union County	1,596.34	319,227.80	0.00
C012	Webster	0.00	554,408.20	0.00
C013	Hopkins County	0.00	404,272.60	0.00
C015	Muhlenburg County	0.00	1,563.90	0.00
C017	Livingston County	0.00	26,070.36	0.00
C018	Lyon County	0.00	286,646.18	0.00
KYM	State Income Tax - Married	287,238.10	5,954,549.57	0.00
KYS	State Income Tax - Single	220,460.88	4,606,678.13	0.00
IN	INDIANA STATE INCOME TAX	10,186.93	317,925.98	0.00
FEDM	Federal Income Tax - Married	383,880.98	3,373,493.78	0.00
FEDS	Federal Income Tax - Single	283,035.06	1,950,436.17	0.00
FDSN	FED SINGLE - NO MULTI JOBS W4 2020>	422,493.49	3,267,662.15	0.00
FDSH	FED SINGLE MULTIPLE JOBS W4 2020>	45,789.71	217,034.71	0.00
FDMN	FED MARRIED - NO MULTI JOBS W4 2020>	224,232.54	2,070,526.87	0.00
SS-E	Social Security	694,952.01	11,208,902.83	426,235.33
MD-E	Medicare	170,691.32	11,635,138.16	0.00
Total:		2,855,951.54		

Employer Taxes		Amount	Taxable Amount	Exempt Amount
FUTA	Federal Unemployment	5,250.00	875,000.00	10,638,164.36
SUTA	State Unemployment	1,080.42	1,337,167.75	10,799,713.63
SS-R	Social Security	694,952.01	11,208,902.83	426,235.33
MD-R	Medicare	168,709.51	11,635,138.16	0.00
WCI	Work Comp Inside	3,990.17	3,447,356.64	0.00
WCO	Work Comp Outside	166,152.36	7,911,209.18	0.00
Total:		1,040,134.47		

Benefits		Amount	
DB1	Retirement Defined Benefit 8065001	286,528.08	3
DB2	Retirement Defined Benefit 8065002	258,746.35	3
DB3	Retirement Defined Benefit 8065003	1,783,755.45	3
MEDS	Medical Insurance - Single	140,049.27	4
MDSC	Medical Insurance - Single with Child	151,509.20	4
MDSS	Medical Insurance - Single Spouse	448,228.96	4
MEDF	Medical Insurance - Family	1,050,800.32	4
DNTS	Dental Insurance - Single	11,976.98	4
DNTF	Dental Insurance - Family	84,412.54	4
LTD	Long Term Disability	75,404.07	4

11/03/2023 2:35:29 pm

Page: 4

PAYROLL/LABOR EMPLOYEE TOTALS

Totals For: 03/01/2022 To 02/28/2023

Benefits		Amount
UMB	Umbrella Policy	64,261.32 5
GENL	General Liability	189,278.99 5
LIFE	Life Insurance Premium	90,349.42 4
VAC	Vacation Accrual	802,467.07
FEE	401k Administrative Fee	38,288.70 3
EAP	Employee Assistance Program	2,929.40 6
Total:		5,478,986.12

- (1) Payroll Taxes = \$869,991.94
- (2) Workers Compensation = \$170,142.53
- (3) Retirement = \$2,367,318.58
- (4) Health, Life, Dental, & Disability = \$2,052,730.76
- (5) Property Loss = \$253,540.31
- (6) Employee Assistance Program = \$2,929.40

PAYROLL/LABOR EMPLOYEE TOTALS

PARAMETERS ENTERED:

Amount Format: Date Range
Date: 03/01/2022 To: 02/28/2023
Ending Period:
Employee: All
Division: All
Department: All
Supervisor: All
Job Class: All
Employee Status: All
Totals Only: No
Sort By: Employee
Pays: All
Advances: All
Deductions: All
Taxable Benefits: All
Taxes: All
Benefits: All

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 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.

Response) All positions were filled. The position title and hourly wage rate are listed below.

<u>Position</u>	<u>Hourly Wage Rate</u>
Apprentice Line Tech II	28.88
Meter/AMI Tech	30.07
Apprentice Line Tech I	24.10
Apprentice Line Tech I	24.10
Apprentice Line Tech I	25.10

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 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.

Response) The file named AG1_Item36_Full-Time equivalent employees is being uploaded into the Commission’s electronic filing system.

Witness: Keith Ellis

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 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.

Response)

- a. Confirmed. Kenergy used the actual test year overtime hours of 25,007 for the pro forma amount. The total of overtime plus double time hours has increased since the end of the test period. Please see the attached schedule, Item 37 page 3 of 3, which shows the increased amount if the 12-months ended October 2023 overtime and double time levels were used for the proforma adjustment rather than the test period.

- b. Confirmed. Kenergy used the actual test year double time hours of 1,767 for the pro forma amount. The total of overtime plus double time hours has increased since the end of the test period. Please see the attached schedule which shows the increased amount if the 12-months ended October 2023 overtime and double time levels were used for the proforma adjustment rather than the test period.

Witness: Travis Siewert

KENERGY CORP.
PSC CASE NO. 2023-00276
AG REQUEST NO. 1
ITEM 37

12-months ended October 2023
Adjusted to remove March 2023 FEMA event that occurred after the test period

	<u>Actual</u>	<u>Remove</u>	<u>Net</u>	<u>Rate</u>	<u>Amount</u>
	<u>Hours</u>	<u>March 2023</u>	<u>Hours</u>		
		<u>FEMA Event</u>			
Overtime	38,624.99	(4,726.49)	33,898.50	\$58.503327	\$1,983,175.03
Double Time	507.70	(63.75)	443.95	\$78.577591	\$34,884.52
					\$2,018,059.55

Proforma

	<u>Actual</u>		<u>Net</u>	<u>Rate</u>	<u>Amount</u>
	<u>Hours</u>		<u>Hours</u>		
Overtime	25,007.32		25,007.32	\$58.503327	\$1,463,011.42
Double Time	1,766.67		1,766.67	\$78.577591	\$138,820.67
					\$1,601,832.09

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 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.

Response) There are none.

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 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.

Response) a. Confirmed.

- b. Refer to the file named AG1_Items39-42_Factors by month uploaded separately into the Commission’s electronic filing system.
- c. Refer to the Attachment Item 39 pages 2-8 for the most recent monthly filing to the PSC explaining the calculation of each of the four factors.

Witness: John Wolfram and Steve Thompson



P.O. Box 18 + 6402 Old Corydon Road
Henderson, Kentucky 42419-0018
1.800.844.4832

Kenergy is an equal opportunity provider and employer.

October 17, 2023

Linda Bridwell, Executive Director
Kentucky Public Service Commission
Post Office Box 615
Frankfort, KY 40601

Dear Ms. Bridwell:

Enclosed are the schedules supporting the calculations of the non-direct served billing factors for the November 2023 cycle billings.

Sincerely,

A handwritten signature in cursive script that reads "Steve Thompson".

Steve Thompson
VP of Regulatory/External Affairs

Enclosures

KENERGY CORP.
SUMMARY OF THE WHOLESALE ADJUSTMENT FACTORS
FOR OCTOBER 2023 CYCLE BILLINGS
NON-DEDICATED DELIVERY POINTS

<u>Item</u> a	<u>Month</u> b	<u>Unit</u> c	<u>FAC</u> d	<u>ES</u> e	<u>MRSM</u> f	<u>Non-FAC PPA</u> g
1 Recoverable Cost for:	Sep-23	\$	910,293.21	637,925.15	(281,244.38)	542,804.10
2 Retail Revenue for:	Sep-23	\$	<u>861,128.77</u>	<u>603,416.67</u>	<u>(266,017.20)</u>	<u>513,513.06</u>
3 (Over) or Under Recovery for:	Sep-23	\$ L1-L2	49,164.44	34,508.48	(15,227.18)	29,291.04
4 Amount Billed by Big Rivers and Co-Gen Members for:	Sep-23	\$	839,948.63	545,016.08	(394,385.65)	598,830.68
5 Unrecoverable Cost for:	Sep-23	\$	-	-	-	-
6 Recoverable Cost for:	Sep-23	\$ L3+L4+L5	889,113.07	579,524.56	(409,612.83)	628,121.72
7 Number of kWh Purchased	Sep-23	kWh	89,101,669	89,101,669	89,101,669	89,101,669
8 Sales as a Percent of Purchases (%)		%	95.76538%	95.76538%	95.76538%	95.76538%
9 Factors Applicable to Billing Month of:	Nov-23	\$/kWh L6+L7+L8	0.010419878	0.006791684	(0.004800419)	0.007361214

**KENERGY CORP.
FUEL ADJUSTMENT CLAUSE SCHEDULE
FOR NOVEMBER 2023 CYCLE BILLINGS
NON-DEDICATED DELIVERY POINTS**

Disposition of Energy (kWh) - Month of: SEPTEMBER 2023

1. Total Purchased KWH	<u>89,101,669</u>
2. KWH Sales (Ultimate Consumer)	102,074,289
3. Company Use - KWH	<u>178,168</u>
4. KWH Sales (L2 plus L3)	<u>102,252,457</u>
5. Line Loss & Unaccounted for KWH (L1 less L4)	<u>(13,150,788)</u>

Purchased Power - Month of: SEPTEMBER 2023

13. Fuel Adjustment Charge (Credit):		
A. Billed by Supplier	\$	<u>839,948.63</u>
B. (Over) or Under Recovery (L12)	\$	<u>49,164.44</u>
C. Unrecoverable - Schedule 2	\$	
D. Recoverable Fuel Cost (L13 A+B-C)	\$	<u>889,113.07</u>
14. Number of KWH Purchased		<u>89,101,669</u>
15. Supplier's FAC: (L13A + L14)	\$/KWH	<u>0.009426856</u>

(Over) or Under Recovery - Month of: SEPTEMBER 2023

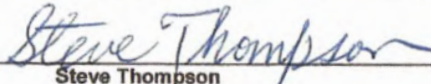
6. Last FAC Rate Billed	\$/KWH	0.008421386
7. Gross KWH Billed at Rate on L6		<u>102,249,933</u>
8. Adjustments to Billed KWH		<u>2,524</u>
9. Net KWH Billed at Rate on L6 (L7 plus L8)		<u>102,252,457</u>
10. Fuel Charge (Credit) used to Compute L6 (L13D from prior month)	\$	<u>910,293.21</u>
11. FAC Revenue (Refund) Resulting from L6 (net of billing adjustment)	\$	<u>861,128.77</u>
12. Total (Over) or Under Recovery (L10 less L 11)	\$	<u>49,164.44</u>

Line Loss

16. Last 12 Months Actual	%	<u>4.23462</u>
17. Last Month Used to Compute L16		<u>AUGUST 2023</u>
18. Line Loss for Month on L17 (L5 + L 1)	%	<u>-14.75931%</u>

Calculation of FAC to Bill Consumers

19. Sales as a Percent of Purchases (100% minus L 16)	%	<u>95.76538</u>
20. Recovery Rate (L13D + L14)	\$/KWH	<u>0.009978635</u>
21. L20 + L 19: FAC Applicable to Billing Month: NOVEMBER 2023	\$/KWH	<u>0.010419878</u>

Line 21 reflects a Fuel Adjustment charge (Credit) of		<u>1.0420</u>	cents per KWH to be applied to bills rendered on or after	<u>November 1, 2023.</u>
Issued on: <u>October 17, 2023</u>				
Issued by:	 Steve Thompson		Title:	<u>VP of Regulatory/External Affairs</u>
Address:	<u>6402 Old Corydon Road, Henderson, KY 42420</u>		Telephone:	<u>(800)844-4832</u>

KENERGY CORP.
ENVIRONMENTAL SURCHARGE SCHEDULE
FOR NOVEMBER 2023 CYCLE BILLINGS
NON-DEDICATED DELIVERY POINTS

Disposition of Energy (KWH) - Month of: SEPTEMBER 2023

1. Total Purchased KWH	<u>89,101,669</u>
2. KWH Sales (Ultimate Consumer)	102,074,289
3. Company Use - KWH	178,168
4. KWH Sales (L2 plus L3)	<u>102,252,457</u>
5. Line Loss & Unaccounted for KWH (L1 less L4)	<u>(13,150,788)</u>

Purchased Power - Month of: SEPTEMBER 2023

13. Environmental Surcharge (Credit):		
A. Billed by Supplier	\$	<u>545,016.08</u>
B. (Over) or Under Recovery (L12)	\$	<u>34,508.48</u>
C. Unrecoverable - Schedule 2	\$	
D. Recoverable ES Cost (L13 A+B-C)	\$	<u>579,524.56</u>
14. Number of KWH Purchased		<u>89,101,669</u>
15. Supplier's ES: (L13A + L14)	\$/KWH	<u>0.006116789</u>

(Over) or Under Recovery - Month of: SEPTEMBER 2023

6. Last ES Rate Billed	\$/KWH	0.005901630
7. Gross KWH Billed at Rate on L6		<u>102,249,933</u>
8. Adjustments to Billed KWH		<u>2,524</u>
9. Net KWH Billed at Rate on L6 (L7 plus L8)		<u>102,252,457</u>
10. ES Charge (Credit) used to Compute L6 (L13D from prior month)	\$	<u>637,925.15</u>
11. ES Revenue (Refund) Resulting from L6 (net of billing adjustment)	\$	<u>603,416.87</u>
12. Total (Over) or Under Recovery (L10 less L 11)	\$	<u>34,508.48</u>

Line Loss

16. Last 12 Months Actual	%	<u>4.23462</u>
17. Last Month Used to Compute L16		<u>SEPTEMBER 2023</u>
18. Line Loss for Month on L17 (L5 + L 1)	%	<u>-14.75931%</u>

Calculation of ES to Bill Consumers

19. Sales as a Percent of Purchases (100% minus L 16)	%	<u>95.76538</u>
20. Recovery Rate (L13D + L14)	\$/KWH	<u>0.006504082</u>
21. L20 + L 19: ES Applicable to to Billing Month: NOVEMBER 2023	\$/KWH	<u>0.006791684</u>

Line 21 reflects an Environmental Surcharge Adjustment charge of <u>0.6792</u> cents per KWH to be applied to bills rendered on or after <u>November 1, 2023.</u>	
Issued on: <u>October 17, 2023</u>	
Issued by: <u>Steve Thompson</u> Steve Thompson	Title: <u>VP of Regulatory/External Affairs</u>
Address: <u>6402 Old Corydon Road, Henderson, KY 42420</u>	Telephone: <u>(800)844-4832</u>

**KENERGY CORP.
MEMBER RATE STABILITY MECHANISM
FOR NOVEMBER 2023 CYCLE BILLINGS
NON-DEDICATED DELIVERY POINTS**

Disposition of Energy (kWh) - Month of: SEPTEMBER 2023

1. Total Purchased KWH	<u>89,101,669</u>
2. KWH Sales (Ultimate Consumer)	102,074,289
3. Company Use - KWH	178,168
4. KWH Sales (L2 plus L3)	<u>102,252,457</u>
5. Line Loss & Unaccounted for KWH (L1 less L4)	<u>(13,150,788)</u>

Purchased Power - Month of: SEPTEMBER 2023

13. Member Rate Stability Charge (Credit):		
A. Billed by Supplier	\$	<u>(394,385.65)</u>
B. (Over) or Under Recovery (L12)	\$	<u>(15,227.18)</u>
C. Unrecoverable - Schedule 2	\$	
D. Recoverable MRSM Cost (L13 A+B-C)	\$	<u>(409,612.83)</u>
14. Number of KWH Purchased		<u>89,101,669</u>
15. Supplier's MRSM: (L13A + L14)	\$/KWH	<u>(0.004426243)</u>

(Over) or Under Recovery - Month of: SEPTEMBER 2023

6. Last MRSM Rate Billed	\$/KWH	(0.002601873)
7. Gross KWH Billed at Rate on L6		<u>102,249,933</u>
8. Adjustments to Billed KWH		<u>2,524</u>
9. Net KWH Billed at Rate on L6 (L7 plus L8)		<u>102,252,457</u>
10. MRSM Charge (Credit) used to Compute L6 (L13D from prior month)	\$	<u>(281,244.38)</u>
11. MRSM Revenue (Refund) Resulting from L6 (net of billing adjustment)	\$	<u>(266,017.20)</u>
12. Total (Over) or Under Recovery (L10 less L 11)	\$	<u>(15,227.18)</u>

Line Loss

16. Last 12 Months Actual	%	<u>4.23462</u>
17. Last Month Used to Compute L16		<u>SEPTEMBER 2023</u>
18. Line Loss for Month on L17 (L5 + L 1)	%	<u>-14.75931%</u>

Calculation of MRSM to Bill Consumers

19. Sales as a Percent of Purchases (100% minus L 16)	%	<u>95.76538</u>
20. Recovery Rate (L13D + L14)	\$/KWH	<u>-0.00459714</u>
21. L20 + L 19: MRSM Applicable to Billing Month: NOVEMBER 2023	\$/KWH	<u>-0.004800419</u>

Line 21 reflects a Member Rate Stability Adjustment Charge (Credit) of <u>(0.4800)</u> cents per KWH to be applied to bills rendered on or after <u>November 1, 2023</u> .	
Issued on:	<u>October 17, 2023</u>
Issued by:	<u>Steve Thompson</u> Steve Thompson
Title:	<u>VP of Regulatory/External Affairs</u>
Address:	<u>6402 Old Corydon Road, Henderson, KY 42420</u>
Telephone:	<u>(800)844-4832</u>

KENERGY CORP.
NON- FUEL ADJUSTMENT CLAUSE PPA SCHEDULE
FOR NOVEMBER 2023 CYCLE BILLINGS
NON-DEDICATED DELIVERY POINTS

Disposition of Energy (kWh) - Month of: SEPTEMBER 2023

1. Total Purchased KWH	<u>89,101,669</u>
2. KWH Sales (Ultimate Consumer)	102,074,289
3. Company Use - KWH	178,168
4. KWH Sales (L2 plus L3)	<u>102,252,457</u>
5. Line Loss & Unaccounted for KWH (L1 less L4)	<u>(13,150,788)</u>

Purchased Power - Month of: SEPTEMBER 2023

13. Non-Fuel Adjustment PPA Charge (Credit):		
A. Billed by Supplier	\$	<u>598,830.68</u>
B. (Over) or Under Recovery (L12)	\$	<u>29,291.04</u>
C. Unrecoverable - Schedule 2	\$	
D. Recoverable Fuel Cost (L13 A+B-C)	\$	<u>628,121.72</u>
14. Number of KWH Purchased		<u>89,101,669</u>
15. Supplier's Non-Fuel Adjustment PPA: (L13A + L14)	\$/KWH	<u>0.006720757</u>

(Over) or Under Recovery - Month of: SEPTEMBER 2023

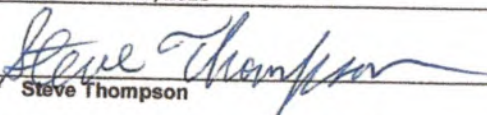
6. Last Non-Fuel Adjustment PPA Rate Billed	\$/KWH	0.005021638
7. Gross KWH Billed at Rate on L6		<u>102,249,933</u>
8. Adjustments to Billed KWH		2,524
9. Net KWH Billed at Rate on L6 (L7 plus L8)		<u>102,252,457</u>
10. Non-Fuel Adjustment PPA Charge (Credit) used to Compute L6 (L13D from prior month)	\$	<u>542,804.10</u>
11. Non-Fuel Adjustment PPA Revenue (Refund) Resulting from L6 (net of billing adjustment)	\$	<u>513,513.06</u>
12. Total (Over) or Under Recovery (L10 less L 11)	\$	<u>29,291.04</u>

Line Loss

16. Last 12 Months Actual	%	<u>4.23462</u>
17. Last Month Used to Compute L16		<u>SEPTEMBER 2023</u>
18. Line Loss for Month on L17 (L5 + L 1)	%	<u>-14.75931%</u>

Calculation of Non-Fuel Adjustment PPA to Bill Consumers

19. Sales as a Percent of Purchases (100% minus L 16)	%	<u>95.76538</u>
20. Recovery Rate (L13D + L14)	\$/KWH	<u>0.007049494</u>
21. L20 + L 19: Non-Fuel Adjustment PPA Applicable to Billing Month: NOVEMBER 2023	\$/KWH	<u>0.007361214</u>

Line 21 reflects a Non-Fuel Adjustment PPA charge (credit) of <u>0.7361</u> cents per KWH to be applied to bills rendered on or after <u>November 1, 2023</u> .	
Issued on:	<u>October 17, 2023</u>
Issued by:	 Steve Thompson
Title:	<u>VP of Regulatory/External Affairs</u>
Address:	<u>6402 Old Corydon Road, Henderson, KY 42420</u>
Telephone:	<u>(800)844-4832</u>

LINE LOSS
 USING ACTUAL SALES
 OCT 2022-SEPT 2023

	PURCHASES	CO-GEN PURCHASES	SALES	COOP USE	LINE LOSS	
OCT	72,826,794	92,017	80,399,486	147,657	-7,628,332	
NOV	85,489,446	81,693	71,397,184	174,761	13,999,194	
DEC	107,348,964	44,919	86,396,512	204,507	20,792,864	
JAN	97,278,162	31,873	100,600,563	241,845	-3,532,373	
FEB	81,899,074	-679,018	94,338,270	242,117	-13,360,331	
MAR	84,120,054	13,074	75,069,559	184,856	8,878,713	
APR	68,790,152	21,522	74,961,703	157,343	-6,307,372	
MAY	78,190,954	21,716	66,937,021	144,415	11,131,234	
JUNE	91,950,885	26,458	79,146,934	163,535	12,666,874	
JULY	112,560,972	14,709	92,784,069	182,281	19,609,331	
AUG	107,801,610	16,718	105,097,590	198,290	2,522,448	
SEPT	89,088,936	12,733	102,074,289	178,168	-13,150,788	
	1,077,346,003	-301,586	1,029,203,180	2,219,775	45,621,462	4.23462%

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 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.

Response) Refer to the response to Item 39.

Witness: John Wolfram and Steve Thompson

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 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.

Response) Refer to the response to item 39.

Witness: John Wolfram and Steve Thompson

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 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.

Response) Refer to the response to Item 39.

Witness: John Wolfram and Steve Thompson

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

Response) Please see the following file uploaded separately into the Commission’s electronic filing system: AG1 Item 43 (2018-2022 Annual Reliability Reports)

Witness: Rob Stumph

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 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.

Response)

- a. Kenergy receives a 10% share of all revenues, including government subsidy programs. Kenergy began receiving 10% of Conexon's RDOF award in October 2022, which was \$10,892.15 per month for 5 months during the test period. Kenergy began receiving this money prior to the construction of any assets.
- b. Kenergy used separate operating accounts to record broadband expenses until commencement of the project in October 2022. Now, all revenues and expenses are recorded in various 417 accounts as described in the cost allocation manual filed with the Commission. Please reference Kenergy's Application Exhibit 25 for more information.
- c. Most of the costs recorded in the operating accounts would be considered non-recurring. They were mostly attorney fees and Kenergy labor when seeking approval for the project. The costs recorded in the 417 accounts would be considered recurring. All costs, whether recorded in the operating accounts or the 417 accounts, have been removed from the test period for rate making purposes.
- d. (i) Confirmed. Kenergy owns the material and will own the fiber assets.
(ii) Confirmed. This should read December 31, 2022 rather than December 21, 2022.
- e. It was paid for with additional cash balances.
- f. No, there is no relationship between the \$8.750 million advance on the H8 loan (FFB-6-1) and the fiber material and construction. Advances on the H8 loan can only be made for completed work orders contained in

Kenergy's original 4-year construction work plan and the RUS Form 740c approved for the H8 loan.

- g. Kenergy owns the fiber material and the construction in progress so no other entity has reimbursed Kenergy for the expenditure. The material purchased toward the end of the test period was purchased with Kenergy's additional cash. Since this is a onetime draw down of cash that will be replenished as work orders are closed out and Kenergy requests advances on the K8 loan (the fiber loan), Kenergy included a pro forma adjustment to increase test year interest income. The adjustment increases the test year ending cash balance to \$8.4 million and increases the interest rate to 4.25% for rate making purposes.
- h. There were no draws on the K8 FFB loan, or any other debt instruments, established for purposes of the fiber optic network during the test period.
- i. Kenergy is funding the fiber optic project with a \$35 million line of credit from CoBank and the K8 RUS guaranteed FFB loan. Kenergy has received one advance on the K8 loan, \$5.4 million on October 5, 2023. As of October 31, 2023 the CoBank line of credit has a balance of \$19.7 million. All of the interest on the line of credit and the K8 loan is being charged to the 417 accounts established for the broadband project, as outlined in the cost allocation manual.

Witness: Travis Siewert

KENERGY CORP.

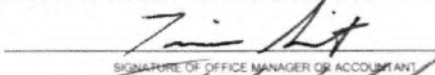

THE ELECTRONIC APPLICATION)
OF KENERGY CORP. FOR A GENERAL) **CASE NO. 2023-00276**
ADJUSTMENT OF RATES)

Responses to Attorney General’s First Request for Information

Item 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 March 2023 through September 2023 monthly Form 7’s, Item 45 pages 2-15.

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 MARCH 31, 2023	RUS USE ONLY
<p style="text-align: center;">CERTIFICATION</p> <p><i>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.</i></p> <p>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</p> <div style="display: flex; justify-content: space-between; align-items: flex-end;"> <div style="width: 45%;"> <p style="text-align: center;"> SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT</p> <p style="text-align: center;"> SIGNATURE OF MANAGER</p> </div> <div style="width: 45%; text-align: right;"> <p>4/21/23 DATE</p> <p>4/26/2023 DATE</p> </div> </div>		

PART A. STATEMENT OF OPERATIONS				
ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR	THIS YEAR	BUDGET	
	(a)	(b)	(c)	
1. Operating Revenue and Patronage Capital.....	141,810,402	90,532,738	120,512,956	28,464,519
2. Power Production Expense.....				
3. Cost of Purchased Power.....	129,509,114	79,718,408	108,580,422	24,777,819
4. Transmission Expense.....				
5. Distribution Expense - Operation.....	1,170,316	1,269,396	1,227,282	433,158
6. Distribution Expense - Maintenance.....	3,182,606	3,017,984	3,205,736	1,077,950
7. Consumer Accounts Expense.....	677,655	676,387	686,219	240,419
8. Customer Service and Informational Expense.....	43,761	40,609	43,996	15,028
9. Sales Expense.....				
10. Administrative and General Expense.....	961,547	1,121,435	1,070,986	439,415
11. Total Operation & Maintenance Expense (2 thru 10).....	135,544,999	85,844,219	114,814,641	26,983,789
12. Depreciation and Amortization Expense.....	3,582,943	3,671,224	3,668,989	1,226,369
13. Tax Expense - Property & Gross Receipts.....				
14. Tax Expense - Other.....	144,189	148,968	148,968	49,656
15. Interest on Long-Term Debt.....	860,283	944,296	932,446	323,652
16. Interest Charged to Construction - Credit.....				
17. Interest Expense - Other.....	1,434	53,994	57,813	18,259
18. Other Deductions.....	11,110	16,433	19,850	9,661
19. Total Cost of Electric Service (11 thru 18).....	140,144,958	90,679,134	119,642,707	28,611,386
20. Patronage Capital & Operating Margins (1 minus 19).....	1,665,444	(146,396)	870,249	(146,867)
21. Non-Operating Margins - Interest.....	25,778	120,405	65,266	33,858
22. Allowance for Funds Used During Construction.....				
23. Income (Loss) from Equity Investments.....				
24. Non-Operating Margins - Other.....	23,113	67,497	9,000	18,104
25. Generation and Transmission Capital Credits.....				
26. Other Capital Credits & Patronage Dividends.....	82,209	(14,690)	96,273	(51,108)
27. Extraordinary Items.....(See Page 2, Part D).....				
28. Patronage Capital or Margins (20 thru 26).....	1,796,544	26,816	1,040,788	(146,013)

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	133	278	5. Miles Transmission		
2. Services Retired	250	28	6. Miles Distribution-Overhead	6,164	6,161
3. Total Services in Place	63,639	64,165	7. Miles Distribution-Underground	1,039	1,058
4. Idle Services (Exclude Seasonal)	4,710	5,000	8. Total Miles Energized (5+6+7)	7,203	7,219

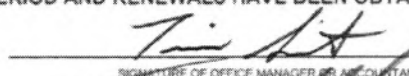
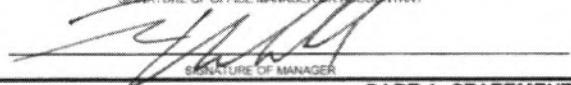
FINANCIAL AND STATISTICAL REPORT	BORROWER DESIGNATION		
	KENERGY		
	PERIOD ENDED	RUS USE ONLY	
INSTRUCTIONS - See RUS Bulletin 1717B-2	MARCH 2023		
PART C. BALANCE SHEET			
ASSETS AND OTHER DEBITS	LIABILITIES AND OTHER CREDITS		
1. Total Utility Plant in Service.....	373,068,678	30. Memberships.....	232,020
2. Construction Work in Progress.....	6,308,054	31. Patronage Capital.....	73,699,285
3. Total Utility Plant (1+2).....	379,376,732	32. Operating Margins - Prior Years.....	78,651
4. Accum. Provision for Depreciation and Amort.....	172,343,891	33. Operating Margins - Current Years.....	(161,087)
5. Net Utility Plant (3-4).....	207,032,841	34. Non-Operating Margins.....	188,241
6. Non-Utility Property (Net).....		35. Other Margins and Equities.....	11,713,978
7. Investments in Subsidiary Companies.....		36. Total Margins & Equities (30 thru 35).....	85,751,088
8. Invest. In Assoc.Org -Patronage Capital.....	1,566,334	37. Long-Term Debt - RUS (Net).....	25,622,917
9. Invest. In Assoc.Org-Other-General Funds.....	1,120,925	(Payments-Unapplied \$0)	
10. Invest. In Assoc.Org -Other-Nongeneral Funds.....	3,091,493	38. Long-Term Debt - RUS - Econ. Devel. (Net)	
11. Investments in Economic Development Projects.....		39. Long-Term Debt Other - REA Guaranteed	84,780,098
12. Other Investments.....	5,100	40. Long-Term Debt - Other (Net).....	22,386,753
13. Special Funds.....		41. Total Long-Term Debt (37 thru 40).....	132,789,768
14. Total Other Property and Investments (6 thru 13).....	5,783,852	42. Obligations Under Capital Leases.....	
15. Cash - General Funds.....	1,118,123	43. Accumulated Operating Provisions.....	39,975
16. Cash - Construction Funds - Trustee.....		44. Total Other Noncurrent Liabilities (42 + 43).....	39,975
17. Special Deposits.....		45. Notes Payable.....	7,375,473
18. Temporary Investments.....		46. Accounts Payable.....	27,732,659
19. Notes Receivable (Net).....		47. Consumer Deposits.....	5,145,250
20. Accounts Receivable - Sales of Energy (Net).....	19,041,748	48. Other Current and Accrued Liabilities.....	2,513,916
21. Accounts Receivable - Other (Net).....	1,278,917	49. Total Current & Accrued Liabilities (45 thru 48)	42,767,298
22. Materials and Supplies - Electric and Other.....	17,536,046	50. Deferred Credits.....	2,568,748
23. Prepayments.....	1,002,484	51. Accumulated Deferred Income Taxes.....	
24. Other Current and Accrued Assets.....	9,230,566	52. Total Liabilities and Other Credits	
25. Total Current and Accrued Assets (15 thru 24).....	49,207,884	(36 + 41 + 44 + 49 thru 51).....	263,916,877
26. Regulatory Assets.....	1,877,990	ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION	
27. Other Deferred Debits.....	14,310	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)	263,916,877	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.)			

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 APRIL 30, 2023	RUS USE ONLY
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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

 SIGNATURE OF MANAGER

5/19/23
 DATE
 5/22/23
 DATE

PART A. STATEMENT OF OPERATIONS

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital.....	199,192,983	117,518,988	157,047,821	26,986,250
2. Power Production Expense.....				
3. Cost of Purchased Power.....	183,485,330	103,189,286	141,798,432	23,470,878
4. Transmission Expense.....				
5. Distribution Expense - Operation.....	1,472,366	1,676,560	1,593,097	407,164
6. Distribution Expense - Maintenance.....	4,091,092	4,178,302	4,342,999	1,160,318
7. Consumer Accounts Expense.....	906,864	907,682	906,991	231,295
8. Customer Service and Informational Expense.....	54,539	52,771	56,298	12,162
9. Sales Expense.....				
10. Administrative and General Expense.....	1,399,623	1,467,903	1,405,520	346,468
11. Total Operation & Maintenance Expense (2 thru 10).....	191,409,814	111,472,504	150,103,337	25,628,285
12. Depreciation and Amortization Expense.....	4,784,389	4,898,594	4,899,548	1,227,370
13. Tax Expense - Property & Gross Receipts.....				
14. Tax Expense - Other.....	204,919	198,624	211,324	49,656
15. Interest on Long-Term Debt.....	1,148,995	1,267,966	1,253,172	323,670
16. Interest Charged to Construction - Credit.....				
17. Interest Expense - Other.....	1,921	72,310	77,084	18,316
18. Other Deductions.....	11,857	22,128	26,450	5,695
19. Total Cost of Electric Service (11 thru 18).....	197,561,895	117,932,126	156,570,915	27,252,992
20. Patronage Capital & Operating Margins (1 minus 19).....	1,631,088	(413,138)	476,906	(266,742)
21. Non-Operating Margins - Interest.....	36,583	140,838	87,021	20,433
22. Allowance for Funds Used During Construction.....				
23. Income (Loss) from Equity Investments.....				
24. Non-Operating Margins - Other.....	63,373	69,159	12,000	1,662
25. Generation and Transmission Capital Credits.....				
26. Other Capital Credits & Patronage Dividends.....	101,166	(3,122)	128,364	11,568
27. Extraordinary Items....(See Page 2, Part D).....				
28. Patronage Capital or Margins (20 thru 26).....	1,832,210	(206,263)	704,291	(233,079)

PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT


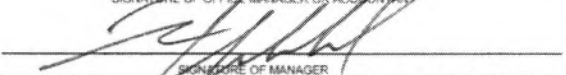
ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	169	133	5. Miles Transmission		
2. Services Retired	286	48	6. Miles Distribution-Overhead	6,163	6,160
3. Total Services in Place	63,639	64,000	7. Miles Distribution-Underground	1,040	1,059
4. Idle Services (Exclude Seasonal)	4,638	4,893	8. Total Miles Energized (5+6+7)	7,203	7,219

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

PART C. BALANCE SHEET	
ASSETS AND OTHER DEBITS	LIABILITIES AND OTHER CREDITS
1. Total Utility Plant in Service.....	30. Memberships.....
2. Construction Work in Progress.....	31. Patronage Capital.....
3. Total Utility Plant (1+2).....	32. Operating Margins - Prior Years.....
4. Accum. Provision for Depreciation and Amort.....	33. Operating Margins - Current Years.....
5. Net Utility Plant (3-4).....	34. Non-Operating Margins.....
6. Non-Utility Property (Net).....	35. Other Margins and Equities.....
7. Investments in Subsidiary Companies.....	36. Total Margins & Equities (30 thru 35).....
8. Invest. In Assoc.Org.-Patronage Capital.....	37. Long-Term Debt - RUS (Net).....
9. Invest. In Assoc.Org.-Other-General Funds.....	(Payments-Unapplied \$0)
10. Invest. In Assoc.Org.-Other-Nongeneral Funds.....	38. Long-Term Debt - RUS - Econ. Devel. (Net)
11. Investments in Economic Development Projects.....	39. Long-Term Debt Other - REA Guaranteed
12. Other Investments.....	40. Long-Term Debt - Other (Net).....
13. Special Funds.....	41. Total Long-Term Debt (37 thru 40).....
14. Total Other Property and Investments (6 thru 13)...	42. Obligations Under Capital Leases.....
15. Cash - General Funds.....	43. Accumulated Operating Provisions.....
16. Cash - Construction Funds - Trustee.....	44. Total Other Noncurrent Liabilities (42 + 43)....
17. Special Deposits.....	45. Notes Payable.....
18. Temporary Investments.....	46. Accounts Payable.....
19. Notes Receivable (Net).....	47. Consumer Deposits.....
20. Accounts Receivable - Sales of Energy (Net).....	48. Other Current and Accrued Liabilities.....
21. Accounts Receivable - Other (Net).....	49. Total Current & Accrued Liabilities (45 thru 48)
22. Materials and Supplies - Electric and Other.....	50. Deferred Credits.....
23. Prepayments.....	51. Accumulated Deferred Income Taxes.....
24. Other Current and Accrued Assets.....	52. Total Liabilities and Other Credits
25. Total Current and Accrued Assets (15 thru 24).....	(36 + 41 + 44 + 49 thru 51).....
26. Regulatory Assets.....	ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION
27. Other Deferred Debits.....	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)	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.)

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 MAY 31, 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	6/16/23 DATE	
 SIGNATURE OF MANAGER	6/21/23 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.....	266,497,193	146,371,419	195,464,418	28,852,431
2. Power Production Expense.....				
3. Cost of Purchased Power.....	247,546,794	128,800,374	176,909,624	25,611,088
4. Transmission Expense.....				
5. Distribution Expense - Operation.....	1,810,262	2,135,420	1,960,301	458,860
6. Distribution Expense - Maintenance.....	5,228,248	5,425,649	5,534,085	1,247,347
7. Consumer Accounts Expense.....	1,140,748	1,122,107	1,135,986	214,425
8. Customer Service and Informational Expense.....	66,518	71,310	70,836	18,539
9. Sales Expense.....				
10. Administrative and General Expense.....	1,748,476	1,842,177	1,743,775	374,274
11. Total Operation & Maintenance Expense (2 thru 10).....	257,541,046	139,397,037	187,354,607	27,924,533
12. Depreciation and Amortization Expense.....	5,987,034	6,128,206	6,133,797	1,229,612
13. Tax Expense - Property & Gross Receipts.....				
14. Tax Expense - Other.....	254,860	248,280	260,980	49,656
15. Interest on Long-Term Debt.....	1,445,170	1,603,077	1,579,018	335,111
16. Interest Charged to Construction - Credit.....				
17. Interest Expense - Other.....	2,418	90,902	96,353	18,592
18. Other Deductions.....	12,504	22,923	33,050	795
19. Total Cost of Electric Service (11 thru 18).....	265,243,032	147,490,425	195,457,805	29,558,299
20. Patronage Capital & Operating Margins (1 minus 19).....	1,254,161	(1,119,006)	6,613	(705,868)
21. Non-Operating Margins - Interest.....	49,469	164,522	108,776	23,684
22. Allowance for Funds Used During Construction.....				
23. Income (Loss) from Equity Investments.....				
24. Non-Operating Margins - Other.....	65,359	54,568	15,000	(14,591)
25. Generation and Transmission Capital Credits.....				
26. Other Capital Credits & Patronage Dividends.....	120,123	8,446	160,455	11,568
27. Extraordinary Items....(See Page 2, Part D).....				
28. Patronage Capital or Margins (20 thru 26).....	1,489,112	(891,470)	290,844	(685,207)

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	222	202	5. Miles Transmission		
2. Services Retired	318	75	6. Miles Distribution-Overhead	6,161	6,159
3. Total Services in Place	63,660	64,042	7. Miles Distribution-Underground	1,041	1,062
4. Idle Services (Exclude Seasonal)	4,709	4,827	8. Total Miles Energized (5+6+7)	7,202	7,221

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

PART C. BALANCE SHEET			
ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service.....	375,199,760	30. Memberships.....	232,235
2. Construction Work in Progress.....	11,249,087	31. Patronage Capital.....	73,657,817
3. Total Utility Plant (1+2).....	386,448,847	32. Operating Margins - Prior Years.....	78,651
4. Accum. Provision for Depreciation and Amort.....	173,849,858	33. Operating Margins - Current Years.....	(1,110,560)
5. Net Utility Plant (3-4).....	212,598,989	34. Non-Operating Margins.....	219,429
6. Non-Utility Property (Net).....	237,766	35. Other Margins and Equities.....	11,739,808
7. Investments in Subsidiary Companies.....		36. Total Margins & Equities (30 thru 35).....	84,817,380
8. Invest. In Assoc.Org.-Patronage Capital.....	1,573,037	37. Long-Term Debt - RUS (Net).....	25,291,312
9. Invest. In Assoc.Org.-Other-General Funds.....	1,125,087	(Payments-Unapplied \$0)	
10. Invest. In Assoc.Org.-Other-Nongeneral Funds.....	3,092,940	38. Long-Term Debt - RUS - Econ. Devel. (Net)	
11. Investments in Economic Development Projects.....		39. Long-Term Debt Other - REA Guaranteed	84,780,097
12. Other Investments.....	5,100	40. Long-Term Debt - Other (Net).....	22,005,242
13. Special Funds.....		41. Total Long-Term Debt (37 thru 40).....	132,076,651
14. Total Other Property and Investments (6 thru 13)...	6,033,930	42. Obligations Under Capital Leases.....	
15. Cash - General Funds.....	2,321,144	43. Accumulated Operating Provisions.....	38,831
16. Cash - Construction Funds - Trustee.....		44. Total Other Noncurrent Liabilities (42 + 43)....	38,831
17. Special Deposits.....		45. Notes Payable.....	19,175,473
18. Temporary Investments.....		46. Accounts Payable.....	25,607,155
19. Notes Receivable (Net).....		47. Consumer Deposits.....	5,215,136
20. Accounts Receivable - Sales of Energy (Net).....	17,006,348	48. Other Current and Accrued Liabilities.....	3,364,801
21. Accounts Receivable - Other (Net).....	1,208,454	49. Total Current & Accrued Liabilities (45 thru 48)	53,362,565
22. Materials and Supplies - Electric and Other.....	22,261,706	50. Deferred Credits.....	2,303,713
23. Prepayments.....	729,829	51. Accumulated Deferred Income Taxes.....	
24. Other Current and Accrued Assets.....	8,576,124	52. Total Liabilities and Other Credits	
25. Total Current and Accrued Assets (15 thru 24).....	52,103,605	(36 + 41 + 44 + 49 thru 51).....	272,599,140
26. Regulatory Assets.....	1,839,508	ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION	
27. Other Deferred Debits.....	23,108	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)	272,599,140	55. Total Contributions in Aid of Construction.....	

PART D. NOTES TO FINANCIAL STATEMENTS

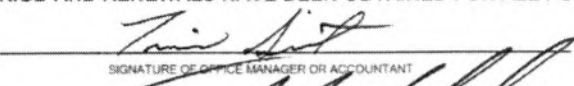
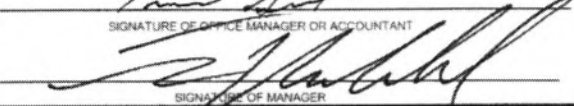
THIS SPACE BELOW IS PROVIDED FOR IMPORTANT NOTES REGARDING THE FINANCIAL STATEMENT CONTAINED IN THIS REPORT.
 (IF ADDITIONAL SPACE IS NEEDED, USE SEPARATE SHEET.)

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 JUNE 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	7/19/23 DATE
 SIGNATURE OF MANAGER	7/21/23 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.....	341,972,022	169,728,080	235,773,229	23,356,661
2. Power Production Expense.....				
3. Cost of Purchased Power.....	319,228,697	148,390,896	213,510,089	19,590,522
4. Transmission Expense.....				
5. Distribution Expense - Operation.....	2,193,745	2,537,611	2,319,999	402,191
6. Distribution Expense - Maintenance.....	6,176,963	6,508,640	6,787,468	1,082,991
7. Consumer Accounts Expense.....	1,363,986	1,326,465	1,361,407	204,358
8. Customer Service and Informational Expense.....	78,814	83,857	83,511	12,547
9. Sales Expense.....				
10. Administrative and General Expense.....	2,092,557	2,218,257	2,073,531	376,080
11. Total Operation & Maintenance Expense (2 thru 10).....	331,134,762	161,065,726	226,136,005	21,668,689
12. Depreciation and Amortization Expense.....	7,190,432	7,361,948	7,371,785	1,233,742
13. Tax Expense - Property & Gross Receipts.....				
14. Tax Expense - Other.....	315,590	297,936	323,336	49,656
15. Interest on Long-Term Debt.....	1,732,955	1,921,369	1,924,549	318,292
16. Interest Charged to Construction - Credit.....				
17. Interest Expense - Other.....	2,910	109,482	115,624	18,580
18. Other Deductions.....	25,305	30,600	39,650	7,677
19. Total Cost of Electric Service (11 thru 18).....	340,401,954	170,787,061	235,910,949	23,296,636
20. Patronage Capital & Operating Margins (1 minus 19).....	1,570,068	(1,058,982)	(137,720)	60,024
21. Non-Operating Margins - Interest.....	66,878	183,806	130,531	19,284
22. Allowance for Funds Used During Construction.....				
23. Income (Loss) from Equity Investments.....				
24. Non-Operating Margins - Other.....	93,290	14,147	18,000	(40,421)
25. Generation and Transmission Capital Credits.....				
26. Other Capital Credits & Patronage Dividends.....	139,080	20,014	192,546	11,568
27. Extraordinary Items....(See Page 2, Part D).....				
28. Patronage Capital or Margins (20 thru 26).....	1,869,316	(841,015)	203,357	50,455

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	288	259	5. Miles Transmission		
2. Services Retired	343	89	6. Miles Distribution-Overhead	6,161	6,159
3. Total Services in Place	63,701	64,085	7. Miles Distribution-Underground	1,044	1,064
4. Idle Services (Exclude Seasonal)	4,685	4,830	8. Total Miles Energized (5+6+7)	7,205	7,223

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

PART C. BALANCE SHEET

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service.....	376,243,557	30. Memberships.....	232,545
2. Construction Work in Progress.....	11,555,175	31. Patronage Capital.....	73,632,289
3. Total Utility Plant (1+2).....	387,798,732	32. Operating Margins - Prior Years.....	78,651
4. Accum. Provision for Depreciation and Amort.....	174,774,779	33. Operating Margins - Current Years.....	(1,038,968)
5. Net Utility Plant (3-4).....	213,023,953	34. Non-Operating Margins.....	198,292
6. Non-Utility Property (Net).....	1,005,047	35. Other Margins and Equities.....	11,755,200
7. Investments in Subsidiary Companies.....		36. Total Margins & Equities (30 thru 35).....	84,858,009
8. Invest. In Assoc.Org.-Patronage Capital.....	1,576,389	37. Long-Term Debt - RUS (Net).....	25,122,999
9. Invest. In Assoc.Org.-Other-General Funds.....	1,127,168	(Payments-Unapplied \$0)	
10. Invest. In Assoc.Org.-Other-Nongeneral Funds....	3,093,663	38. Long-Term Debt - RUS - Econ. Devel. (Net)	
11. Investments in Economic Development Projects.....		39. Long-Term Debt Other - REA Guaranteed	84,165,715
12. Other Investments.....	5,100	40. Long-Term Debt - Other (Net).....	21,926,431
13. Special Funds.....		41. Total Long-Term Debt (37 thru 40).....	131,215,145
14. Total Other Property and Investments (6 thru 13)...	6,807,367	42. Obligations Under Capital Leases.....	
15. Cash - General Funds.....	1,317,427	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.....	24,675,473
18. Temporary Investments.....		46. Accounts Payable.....	21,854,580
19. Notes Receivable (Net).....		47. Consumer Deposits.....	5,220,444
20. Accounts Receivable - Sales of Energy (Net).....	14,647,920	48. Other Current and Accrued Liabilities.....	3,488,635
21. Accounts Receivable - Other (Net).....	1,533,704	49. Total Current & Accrued Liabilities (45 thru 48)	55,239,132
22. Materials and Supplies - Electric and Other.....	23,507,738	50. Deferred Credits.....	2,678,507
23. Prepayments.....	1,286,190	51. Accumulated Deferred Income Taxes.....	
24. Other Current and Accrued Assets.....	10,068,756	52. Total Liabilities and Other Credits	
25. Total Current and Accrued Assets (15 thru 24).....	52,361,735	(36 + 41 + 44 + 49 thru 51).....	274,028,625
26. Regulatory Assets.....	1,820,268	ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION	
27. Other Deferred Debits.....	15,302	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)	274,028,625	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.)


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 JULY 31, 2023	RUS USE ONLY
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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

8/25/23
 DATE


 SIGNATURE OF MANAGER

8/28/23
 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.....	400,365,923	201,493,130	277,846,369	31,765,050
2. Power Production Expense.....				
3. Cost of Purchased Power.....	373,201,489	175,937,704	251,291,311	27,546,808
4. Transmission Expense.....				
5. Distribution Expense - Operation.....	2,490,191	2,967,154	2,690,170	429,543
6. Distribution Expense - Maintenance.....	7,508,155	7,446,684	7,959,315	938,044
7. Consumer Accounts Expense.....	1,578,000	1,523,841	1,580,529	197,376
8. Customer Service and Informational Expense.....	90,526	96,236	96,741	12,379
9. Sales Expense.....				
10. Administrative and General Expense.....	2,423,062	2,580,503	2,428,009	362,246
11. Total Operation & Maintenance Expense (2 thru 10).....	387,291,423	190,552,122	266,046,075	29,486,396
12. Depreciation and Amortization Expense.....	8,395,189	8,597,547	8,614,269	1,235,599
13. Tax Expense - Property & Gross Receipts.....				
14. Tax Expense - Other.....	365,246	355,806	372,992	57,870
15. Interest on Long-Term Debt.....	2,027,951	2,247,662	2,274,478	326,293
16. Interest Charged to Construction - Credit.....				
17. Interest Expense - Other.....	3,400	128,297	134,895	18,815
18. Other Deductions.....	26,069	31,327	46,250	727
19. Total Cost of Electric Service (11 thru 18).....	398,109,278	201,912,761	277,488,959	31,125,700
20. Patronage Capital & Operating Margins (1 minus 19).....	2,256,645	(419,632)	357,410	639,350
21. Non-Operating Margins - Interest.....	91,400	203,663	152,286	19,857
22. Allowance for Funds Used During Construction.....				
23. Income (Loss) from Equity Investments.....				
24. Non-Operating Margins - Other.....	90,812	47,049	21,000	32,902
25. Generation and Transmission Capital Credits.....				
26. Other Capital Credits & Patronage Dividends.....	158,038	31,582	224,637	11,568
27. Extraordinary Items....(See Page 2, Part D).....				
28. Patronage Capital or Margins (20 thru 26).....	2,596,895	(137,338)	755,333	703,677

PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT

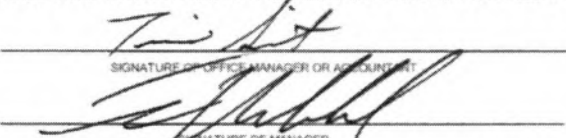
ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	341	314	5. Miles Transmission		
2. Services Retired	358	97	6. Miles Distribution-Overhead	6,161	6,159
3. Total Services in Place	63,739	64,132	7. Miles Distribution-Underground	1,045	1,066
4. Idle Services (Exclude Seasonal)	4,724	4,820	8. Total Miles Energized (5+6+7)	7,206	7,225

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

PART C. BALANCE SHEET			
ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service.....	376,136,981	30. Memberships.....	232,560
2. Construction Work in Progress.....	11,271,210	31. Patronage Capital.....	73,620,100
3. Total Utility Plant (1+2).....	387,408,191	32. Operating Margins - Prior Years.....	78,651
4. Accum. Provision for Depreciation and Amort.....	175,426,855	33. Operating Margins - Current Years.....	(388,050)
5. Net Utility Plant (3-4).....	211,981,336	34. Non-Operating Margins.....	251,050
6. Non-Utility Property (Net).....	4,851,976	35. Other Margins and Equities.....	11,766,581
7. Investments in Subsidiary Companies.....		36. Total Margins & Equities (30 thru 35).....	85,560,892
8. Invest. In Assoc.Org.-Patronage Capital.....	1,579,740	37. Long-Term Debt - RUS (Net).....	24,952,976
9. Invest. In Assoc.Org.-Other-General Funds.....	1,129,248	(Payments-Unapplied \$0)	
10. Invest. In Assoc.Org.-Other-Nongeneral Funds....	3,094,387	38. Long-Term Debt - RUS - Econ. Devel. (Net)	
11. Investments in Economic Development Projects....		39. Long-Term Debt Other - REA Guaranteed	84,165,715
12. Other Investments.....	5,100	40. Long-Term Debt - Other (Net).....	21,876,065
13. Special Funds.....		41. Total Long-Term Debt (37 thru 40).....	130,994,756
14. Total Other Property and Investments (6 thru 13)...	10,660,451	42. Obligations Under Capital Leases.....	
15. Cash - General Funds.....	2,609,892	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.....	27,675,473
18. Temporary Investments.....		46. Accounts Payable.....	26,972,014
19. Notes Receivable (Net).....		47. Consumer Deposits.....	5,239,083
20. Accounts Receivable - Sales of Energy (Net).....	17,662,584	48. Other Current and Accrued Liabilities.....	4,001,705
21. Accounts Receivable - Other (Net).....	1,593,436	49. Total Current & Accrued Liabilities (45 thru 48)	63,888,275
22. Materials and Supplies - Electric and Other.....	23,218,067	50. Deferred Credits.....	2,702,337
23. Prepayments.....	1,221,105	51. Accumulated Deferred Income Taxes.....	
24. Other Current and Accrued Assets.....	12,412,100	52. Total Liabilities and Other Credits	
25. Total Current and Accrued Assets (15 thru 24).....	58,717,184	(36 + 41 + 44 + 49 thru 51).....	283,184,092
26. Regulatory Assets.....	1,801,027	ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION	
27. Other Deferred Debits.....	24,094	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)	283,184,092	55. Total Contributions in Aid of Construction.....	

PART D. NOTES TO FINANCIAL STATEMENTS

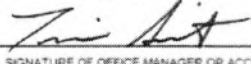
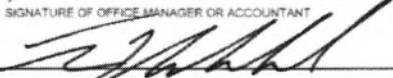
THIS SPACE BELOW IS PROVIDED FOR IMPORTANT NOTES REGARDING THE FINANCIAL STATEMENT CONTAINED IN THIS REPORT.
 (IF ADDITIONAL SPACE IS NEEDED, USE SEPARATE SHEET.)

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 AUGUST 31, 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	9/20/23 DATE	9/25/23 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.....	452,729,914	234,172,482	320,801,440	32,679,352
2. Power Production Expense.....				
3. Cost of Purchased Power.....	421,377,105	204,531,280	290,081,744	28,593,576
4. Transmission Expense.....				
5. Distribution Expense - Operation.....	2,963,231	3,158,943	3,063,616	191,789
6. Distribution Expense - Maintenance.....	8,569,025	9,149,951	9,232,604	1,703,267
7. Consumer Accounts Expense.....	1,831,559	1,743,289	1,810,140	219,448
8. Customer Service and Informational Expense.....	105,009	110,300	109,809	14,064
9. Sales Expense.....				
10. Administrative and General Expense.....	2,800,936	2,965,139	2,763,343	384,636
11. Total Operation & Maintenance Expense (2 thru 10).....	437,646,865	221,658,902	307,061,256	31,106,780
12. Depreciation and Amortization Expense.....	9,601,942	9,833,177	9,862,031	1,235,630
13. Tax Expense - Property & Gross Receipts.....				
14. Tax Expense - Other.....	415,077	413,676	422,648	57,870
15. Interest on Long-Term Debt.....	2,320,818	2,574,648	2,624,416	326,986
16. Interest Charged to Construction - Credit.....				
17. Interest Expense - Other.....	3,888	147,195	154,166	18,898
18. Other Deductions.....	27,716	32,622	52,850	1,295
19. Total Cost of Electric Service (11 thru 18).....	450,016,306	234,660,220	320,177,367	32,747,459
20. Patronage Capital & Operating Margins (1 minus 19).....	2,713,608	(487,739)	624,073	(68,107)
21. Non-Operating Margins - Interest.....	126,750	223,068	174,041	19,405
22. Allowance for Funds Used During Construction.....				
23. Income (Loss) from Equity Investments.....				
24. Non-Operating Margins - Other.....	90,611	(17,245)	24,000	(64,294)
25. Generation and Transmission Capital Credits.....				
26. Other Capital Credits & Patronage Dividends.....	268,173	43,150	256,728	11,568
27. Extraordinary Items.....(See Page 2, Part D).....				
28. Patronage Capital or Margins (20 thru 26).....	3,199,142	(238,766)	1,078,842	(101,428)

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	387	372	5. Miles Transmission		
2. Services Retired	380	107	6. Miles Distribution-Overhead	6,161	6,160
3. Total Services in Place	63,763	64,180	7. Miles Distribution-Underground	1,047	1,068
4. Idle Services (Exclude Seasonal)	4,639	4,819	8. Total Miles Energized (5+6+7)	7,208	7,228

FINANCIAL AND STATISTICAL REPORT	BORROWER DESIGNATION		
	KENERGY		
	PERIOD ENDED	RUS USE ONLY	
INSTRUCTIONS - See RUS Bulletin 1717B-2	AUGUST 2023		
PART C. BALANCE SHEET			
ASSETS AND OTHER DEBITS	LIABILITIES AND OTHER CREDITS		
1. Total Utility Plant in Service.....	377,102,012	30. Memberships.....	232,720
2. Construction Work in Progress.....	12,238,488	31. Patronage Capital.....	73,604,459
3. Total Utility Plant (1+2).....	389,340,500	32. Operating Margins - Prior Years.....	78,651
4. Accum. Provision for Depreciation and Amort.....	175,746,012	33. Operating Margins - Current Years.....	(444,588)
5. Net Utility Plant (3-4).....	213,594,488	34. Non-Operating Margins.....	206,161
6. Non-Utility Property (Net).....	8,079,938	35. Other Margins and Equities.....	11,776,160
7. Investments in Subsidiary Companies.....		36. Total Margins & Equities (30 thru 35).....	85,453,583
8. Invest. In Assoc.Org.-Patronage Capital.....	1,583,092	37. Long-Term Debt - RUS (Net).....	24,785,559
9. Invest. In Assoc.Org.-Other-General Funds.....	1,131,329	(Payments-Unapplied \$0)	
10. Invest. In Assoc.Org.-Other-Nongeneral Funds.....	3,095,110	38. Long-Term Debt - RUS - Econ. Devel. (Net)	
11. Investments in Economic Development Projects.....		39. Long-Term Debt Other - REA Guaranteed	84,165,715
12. Other Investments.....	5,100	40. Long-Term Debt - Other (Net).....	21,540,387
13. Special Funds.....		41. Total Long-Term Debt (37 thru 40).....	130,491,661
14. Total Other Property and Investments (6 thru 13)...	13,894,569	42. Obligations Under Capital Leases.....	
15. Cash - General Funds.....	4,121,691	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.....	32,975,473
18. Temporary Investments.....		46. Accounts Payable.....	30,625,936
19. Notes Receivable (Net).....		47. Consumer Deposits.....	5,255,695
20. Accounts Receivable - Sales of Energy (Net).....	18,174,693	48. Other Current and Accrued Liabilities.....	3,340,609
21. Accounts Receivable - Other (Net).....	1,478,344	49. Total Current & Accrued Liabilities (45 thru 48)	72,197,713
22. Materials and Supplies - Electric and Other.....	24,015,400	50. Deferred Credits.....	2,499,727
23. Prepayments.....	1,069,164	51. Accumulated Deferred Income Taxes.....	
24. Other Current and Accrued Assets.....	12,528,986	52. Total Liabilities and Other Credits	
25. Total Current and Accrued Assets (15 thru 24).....	61,388,278	(36 + 41 + 44 + 49 thru 51).....	290,680,496
26. Regulatory Assets.....	1,781,787	ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION	
27. Other Deferred Debits.....	21,374	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)	290,680,496	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.)			

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 SEPTEMBER 30, 2023	RUS USE ONLY
<p style="text-align: center;">CERTIFICATION</p> <p><i>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.</i></p> <p style="text-align: center;">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</p> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p style="text-align: center;"> SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT</p> <p style="text-align: center;"> SIGNATURE OF MANAGER</p> </div> <div style="width: 45%; text-align: right;"> <p style="text-align: center;">10/19/23 DATE</p> <p style="text-align: center;">10/23/23 DATE</p> </div> </div>		

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.....	502,938,768	260,851,610	359,653,495	26,679,128
2. Power Production Expense.....				
3. Cost of Purchased Power.....	468,628,966	227,740,918	325,598,221	23,209,638
4. Transmission Expense.....				
5. Distribution Expense - Operation.....	3,396,835	3,705,159	3,443,941	546,216
6. Distribution Expense - Maintenance.....	9,370,799	10,129,128	10,410,812	979,177
7. Consumer Accounts Expense.....	2,105,009	1,967,345	2,035,333	224,056
8. Customer Service and Informational Expense.....	119,741	120,055	135,276	9,755
9. Sales Expense.....				
10. Administrative and General Expense.....	3,154,957	3,283,643	3,076,941	318,504
11. Total Operation & Maintenance Expense (2 thru 10).....	486,776,307	246,946,248	344,700,524	25,287,346
12. Depreciation and Amortization Expense.....	10,811,475	11,072,269	11,114,260	1,239,092
13. Tax Expense - Property & Gross Receipts.....				
14. Tax Expense - Other.....	477,399	471,546	485,004	57,870
15. Interest on Long-Term Debt.....	2,605,697	2,917,927	2,967,113	343,279
16. Interest Charged to Construction - Credit.....				
17. Interest Expense - Other.....	4,357	165,984	173,437	18,789
18. Other Deductions.....	37,164	41,207	59,450	8,585
19. Total Cost of Electric Service (11 thru 18).....	500,712,399	261,615,181	359,499,788	26,954,961
20. Patronage Capital & Operating Margins (1 minus 19).....	2,226,369	(763,572)	153,707	(275,833)
21. Non-Operating Margins - Interest.....	164,405	244,709	195,796	21,641
22. Allowance for Funds Used During Construction.....				
23. Income (Loss) from Equity Investments.....				
24. Non-Operating Margins - Other.....	83,858	120,309	27,000	137,554
25. Generation and Transmission Capital Credits.....				
26. Other Capital Credits & Patronage Dividends.....	276,954	368,557	288,819	325,407
27. Extraordinary Items....(See Page 2, Part D).....				
28. Patronage Capital or Margins (20 thru 26).....	2,751,586	(29,997)	665,322	208,769

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	449	414	5. Miles Transmission		
2. Services Retired	399	114	6. Miles Distribution-Overhead	6,162	6,160
3. Total Services in Place	63,806	64,215	7. Miles Distribution-Underground	1,048	1,069
4. Idle Services (Exclude Seasonal)	4,644	4,819	8. Total Miles Energized (5+6+7)	7,210	7,229

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

PART C. BALANCE SHEET	
ASSETS AND OTHER DEBITS	LIABILITIES AND OTHER CREDITS
1. Total Utility Plant in Service.....	30. Memberships.....
2. Construction Work in Progress.....	31. Patronage Capital.....
3. Total Utility Plant (1+2).....	32. Operating Margins - Prior Years.....
4. Accum. Provision for Depreciation and Amort.....	33. Operating Margins - Current Years.....
5. Net Utility Plant (3-4).....	34. Non-Operating Margins.....
6. Non-Utility Property (Net).....	35. Other Margins and Equities.....
7. Investments in Subsidiary Companies.....	36. Total Margins & Equities (30 thru 35).....
8. Invest. In Assoc.Org.-Patronage Capital.....	37. Long-Term Debt - RUS (Net).....
9. Invest. In Assoc.Org.-Other-General Funds.....	(Payments-Unapplied \$0)
10. Invest. In Assoc.Org.-Other-Nongeneral Funds....	38. Long-Term Debt - RUS - Econ. Devel. (Net)
11. Investments in Economic Development Projects.....	39. Long-Term Debt Other - REA Guaranteed
12. Other Investments.....	40. Long-Term Debt - Other (Net).....
13. Special Funds.....	41. Total Long-Term Debt (37 thru 40).....
14. Total Other Property and Investments (6 thru 13)...	42. Obligations Under Capital Leases.....
15. Cash - General Funds.....	43. Accumulated Operating Provisions.....
16. Cash - Construction Funds - Trustee.....	44. Total Other Noncurrent Liabilities (42 + 43)....
17. Special Deposits.....	45. Notes Payable.....
18. Temporary Investments.....	46. Accounts Payable.....
19. Notes Receivable (Net).....	47. Consumer Deposits.....
20. Accounts Receivable - Sales of Energy (Net).....	48. Other Current and Accrued Liabilities.....
21. Accounts Receivable - Other (Net).....	49. Total Current & Accrued Liabilities (45 thru 48)
22. Materials and Supplies - Electric and Other.....	50. Deferred Credits.....
23. Prepayments.....	51. Accumulated Deferred Income Taxes.....
24. Other Current and Accrued Assets.....	52. Total Liabilities and Other Credits
25. Total Current and Accrued Assets (15 thru 24).....	(36 + 41 + 44 + 49 thru 51).....
26. Regulatory Assets.....	ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION
27. Other Deferred Debits.....	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)	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.)

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 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.

Response)

- a. Please see uploaded Excel file “AG1 Item 46a (Non-Operating Margins-Interest)”.
- b. Interest income was higher than budget in January and February 2023 because cash balances were higher than budget in those months. The remaining months in 2023 have been closer to budget. Year-to-date interest income through September is \$244,709 and the 2023 annual total is expected to be about \$305,512, which is \$44,448 higher than the 2023 budgeted amount of \$261,064. While interest income is slightly

higher than budget for 2023, the estimated total interest income of \$305,512 in 2023 is actually \$134,693 lower than the adjusted test period interest income of \$440,205 used in this case.

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 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.

Response)

- a. Please see uploaded excel file “AG1 Item 47a (Non-Operating Margins-Other)”. The fiber broadband accounts are highlighted in green.
- b. Kenergy recorded \$49,894 in account 421.1-Gain on Disposition of Property during January-February 2023. Kenergy sold the following equipment:
 - 2005 Chevy Silverado 2500 w/o bed #475
 - 2006 Chevy Silverado 1500 #494

- 2008 Chevy Silverado 1500 5.3L #510
- 2010 Chevy Silverado 1500 w/ hard bed cover #524
- 1996 Flatbed tilt trailer 6x10 T80
- 1990-7 Ford F250 truck bed
- four-drawer filing cabinet
- four-drawer lateral file cabinet
- night deposit/bill payment
- Mini derrick E01
- Trailer T86 (for E01)
- Mini derrick E02
- Trailer T87 (for E02)

Gain on sale of assets would not generally be considered a recurring item, although Kenergy typically does record some amount each year. Kenergy recorded the following gain/(loss) on disposal of assets during the last 3 calendar years and the test period:

2020	(\$29,882)
2021	\$16,433
2022	\$110,692
Test Period	\$151,482

Kenergy did not include a pro forma adjustment for gain/(loss) on sale of assets in its application. If the test period amount for gain/(loss) on sale of assets were to be adjusted to the 3-year average of \$32,414, this would further reduce Kenergy's test year margins by \$119,068 and increase the revenue requirement.

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 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.

Response)

- a. The test period amount of interest income of \$81,414 for CFC CTC’s on line 4 was not removed from the test period. The test period amount and the pro forma amount are the same, resulting in an adjustment of \$0.
- b. Please see the attached schedule, Item 48 page 3 of 3
- c. Test period RUS Cushion of Credit interest income of \$1,267 was removed for rate making purposes because Kenergy no longer has any funds in the cushion of credit program.

- d. Please see the attached schedule, Item 48 page 3 of 3.
- e. Kenergy's interest rate on cash balances was 0.50% at the beginning of the test period and 4.25% at the end of the test period. Kenergy used the interest rate at the end of the test period for the pro forma adjustment.

Witness: Travis Siewert

KENERGY CORP.
PSC CASE NO. 2023-00276
AG REQUEST NO. 1
ITEM 48b & 48d

	MONTH END OVERNIGHT AND		MONTH END	
	CASH BALANCES	INTEREST	CFC CTC'S BALANCES	CTC'S INTEREST
Jan-23	\$ 6,134,693	\$ 40,821.11	\$ 2,072,573	\$ 6,914.65
Feb-23	\$ 3,773,176	\$ 32,535.03	\$ 2,072,573	\$ 6,245.40
Mar-23	\$ 1,118,123	\$ 26,933.38	\$ 2,072,573	\$ 6,914.65
Apr-23	\$ 1,510,273	\$ 13,731.34	\$ 2,072,573	\$ 6,691.61
May-23	\$ 2,321,144	\$ 16,768.89	\$ 2,072,573	\$ 6,914.65
Jun-23	\$ 1,317,427	\$ 12,592.04	\$ 2,072,573	\$ 6,691.61
Jul-23	\$ 2,609,892	\$ 12,941.55	\$ 2,072,573	\$ 6,914.65
Aug-23	\$ 4,121,691	\$ 12,480.35	\$ 2,072,573	\$ 6,914.65
Sep-23	\$ 959,408	\$ 14,977.17	\$ 2,072,573	\$ 6,691.61

	<u>INTEREST RATES</u>	<u>INTEREST RATES</u>
Jan-23	4.00%	3.00% to 5.00%
Feb-23	4.25%	3.00% to 5.00%
Mar-23	4.25% to 4.50%	3.00% to 5.00%
Apr-23	4.50%	3.00% to 5.00%
May-23	4.50% to 4.75%	3.00% to 5.00%
Jun-23	4.75%	3.00% to 5.00%
Jul-23	4.75% to 5.00%	3.00% to 5.00%
Aug-23	5.00%	3.00% to 5.00%
Sep-23	5.00%	3.00% to 5.00%

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 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.

Response)

- a. Please see the uploaded Excel file “AG1 Item 49a (Deposits & Interest)”.
- b. Please see the attached PSC publication concerning interest on deposits, Item 49 page 2 of 2.
- c. Please see the attached PSC publication concerning interest on deposits, Item 49 page 2 of 2.

Witness: Travis Siewert

The Public Service Commission has calculated an interest rate of 4.34% to be paid on customer deposits for the 2023 calendar year.

In accordance with revisions made to KRS 278.460 in the 2012 session of the Kentucky General Assembly, the Public Service Commission has calculated the annual interest rate to be paid on customer deposits for the upcoming year.

The statute requires the Commission to calculate the interest rate to be paid on an annual basis by averaging the one (1) year constant maturity treasury rate from September, October, and November of each year.

The Commission determines the rate and posts it to the website <https://psc.ky.gov> no later than December 15 of each year.

Using data from September, October, and November of 2022, the Commission has calculated an interest rate of **4.34%** to be paid on customer deposits for the **2023 calendar year**.

As in the past, we prepared a set of Frequently Asked Questions as well as a copy of the revised statute which are included links below.

https://psc.ky.gov/agencies/psc/interest/FAQ_Deposits.pdf

<https://apps.legislature.ky.gov/law/Statutes/statute.aspx?id=40132>

Each utility should review its current tariff to determine if it needs to file a revised tariff page with the Commission.

Should there be any questions regarding this matter, please don't hesitate to contact the following Commission Staff:

Daniel Hinton (502) 782-2626

Jeb Pinney (502) 782-2587

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 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.

Response) Kenergy is currently amortizing a regulatory asset related to the retirement of its mechanical meters when the AMI system was installed. Kenergy received Commission approval for the regulatory asset in Cas No: 2015-00312. The regulatory asset is being amortized over a 15-year period and will be fully amortized in May 2031. The attached schedule shows the test year amortization and test year ending balance of the regulatory asset.

Witness: Travis Siewert

KENERGY CORP.
PSC CASE NO. 2023-00276
AG REQUEST NO. 1
ITEM 50

REGULATORY ASSET-AMI METERS

	AMORTIZATION	BALANCE
Mar-22	\$ 19,240.61	\$ 2,108,876.93
Apr-22	\$ 19,240.61	\$ 2,089,636.32
May-22	\$ 19,240.61	\$ 2,070,395.71
Jun-22	\$ 19,240.61	\$ 2,051,155.10
Jul-22	\$ 19,240.61	\$ 2,031,914.49
Aug-22	\$ 19,240.61	\$ 2,012,673.88
Sep-22	\$ 19,240.61	\$ 1,993,433.27
Oct-22	\$ 19,240.61	\$ 1,974,192.66
Nov-22	\$ 19,240.61	\$ 1,954,952.05
Dec-22	\$ 19,240.61	\$ 1,935,711.44
Jan-23	\$ 19,240.61	\$ 1,916,470.83
Feb-23	\$ 19,240.61	\$ 1,897,230.22

FULLY AMORTIZED

MAY 2031

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

Response) Please see pole attachment revenue schedule attached, Item 51 page 2 of 2.

Witness: Travis Siewert

KENERGY CORP.
PSC CASE NO. 2023-00276
AG REQUEST NO. 1
ITEM 51

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>YTD SEPT 2023</u>
BELLSOUTH JOINT USE POLE RENTAL	\$ 710,625.41	\$ 691,911.40	\$ 745,247.48	\$ 542,247.48
CATV-PHONE-FIBER ATTACHMENTS	\$ 116,439.83	\$ 190,267.20	\$ 193,550.81	\$ 151,117.38

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 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.

Response) Refer to the Response to PSC No. 1, item 51 page 2 of 2.

Witness: Keith Ellis

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 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.

Response) NONE

Witness: Keith Ellis

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 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.

Response) I am not aware of 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?

Witness: Steve Thompson

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 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.

Response) The policy is attached as Item 55, page 2 of 2.

Witness: Keith Ellis



Your Touchstone Energy Cooperative

NEPOTISM POLICY

OBJECTIVE

The employment of relatives can cause various problems including but not limited to charges of favoritism, conflicts of interest, family discord, and scheduling conflicts that may work to the disadvantage of both Kenergy and its employees. The objective of this policy is to establish anti nepotism hiring criteria.

POLICY

Kenergy will not employ any member of the immediate family of a director or employee. Immediate family is defined as (a) parent, child, spouse, sibling, step-child, mother-in-law, father-in-law, son or daughter-in-law, aunt, uncle, grandparent, or grandchild, niece, nephew, and, (b) any person who is living in the same household as the employee. This policy excludes individuals hired for summer or temporary employment.

If one employee should marry another employee, one will be required to resign. This decision is left to the sole discretion of the couple. Likewise, if marriage results in a relationship as defined above, the employee will be required to resign.

RESPONSIBILITY

The Vice President, Human Resources/Administrative Services will oversee and address any questions related to this policy.



President & CEO

11/16/2018
Approval Date

Revised: Jan. 2018

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 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.

Response) No to a, b, c, d.

Witness: Keith Ellis

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 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.

Response) Refer to the attachment Item 57 page 2-3 of 3.

Witness: Tim Lindahl.

Kenergy Board of Directors
Organizations and Boards Served On

Craig Roberts	Caldwell County Farm Bureau (40 years) Caldwell County Extension District Board (2 years) Lower Trade water River Conservancy District (40 years) Kenect, Inc. (3 years)
Eddie Leach	Dream Riders of Kentucky (1 year) Therapeutic riding and horsemanship for individuals with special needs. Kenect, Inc. (1 year)
Susan Blanford	Saint Anthony's Hospice Care (4 years) Kenect, Inc. (1 year)
Ryann Hammack	Webster County Water District (8 years) Green River Area Development District (GRADD) (7 years) A regional planning agency serving the communities of Daviess, Hancock, Henderson, McLean, Ohio, Union and Webster counties offering assistance in the fields of aging and social services; community and economic development, transportation planning; and workforce development. Independence Bank Webster County (7 years) Kenect, Inc. (1 year)
Richard Basham	Hancock County Industrial Foundation (15 years) Hancock County Heritage Commission, 1605 US 60 W, Hawesville, KY (6 years) – An organization that aims to preserve and promote the historical and cultural heritage of Hancock County, Kentucky. Kentucky Electric Cooperatives (1 year) Kenect, Inc. (3 years)
Brent Wigginton	Big Rivers Electric Corporation (1 year) Kenect, Inc. (3 years)
Jonathan Ayer	McLean County Farm Bureau (30 years) Ohio Valley Farm Business Analysis (20 years) Kentucky State Board Farm Business Analysis (8 years)

Livermore Kentucky Independence Bank Board (7 years)

Kenect, Inc. (3 years)

Bob White

Union County Agriculture Development Board (2 years)
(Provide funding for small ag-related projects.)

Big Rivers Electric Corporation (3 years)

Kenect, Inc. (3 years)

Billy Reid

Kentucky State Horticulture Society (33 years)

Daviess County Extension Council (33 years)

Kenect, Inc. (3 years)

Larry Elder

Kenect, Inc. (3 years)

Kenect, Inc. is the 100% owned affiliate of Kenergy for providing broadband.

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

Response) Kenergy expects its customer count to grow about 300 per year over the next five years.

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 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.

Response)

- a. This information is being filed under Petition for Confidentiality.
- b. See attached Item 59 pages 3-9
- c. This information is being files under Petition for Confidentiality
- d. See attached Item 59 pages 3-9
- e. See attached Item 59 pages 3-9
- f. See attached Item 59 pages 3-9
- g. See attached Item 59 pages 3-9
- h. See attached Item 59 pages 3-9
- i. See attached Item 59 pages 3-9
- j. See attached Item 59 pages 3-9

Witness: Keith Ellis

Item B – The average raise salaried employees received for calendar years 2013-2023, and explain whether the annual raise is directly connected to performance review.

YEAR	ALL EMPLOYEES AT OR ABOVE MIDPOINT	STRUCTURE INCREASE	ALL EMPLOYEES IN NEW POSITIONS BELOW MIDPOINT THAT MET EXPECTATIONS	AVG. % INCREASE SALARIED EMPLOYEES
2014	1.75-2.5% of midpoint based on performance	2%	Received additional percentage increase over 3-year period to reach midpoint.	3.74%
2015	2.0-3.5% of midpoint based on performance	2.5%	Received additional percentage increase over 3-year period to reach midpoint.	4.17
2016	2.0-2.5% of midpoint based on performance	2%	Received additional percentage increase over 3-year period to reach midpoint.	3.19%
2017	2.0-2.5% of midpoint based on performance	2%	Received additional percentage increase over 3-year period to reach midpoint.	3.84%
2018	2.0-2.5% of midpoint based on performance	2%	Received additional percentage increase over 3-year period to reach midpoint.	3.45%
2019	3.0-3.5% of midpoint based on performance	3%	Received additional percentage increase over 3-year period to reach midpoint.	4.95%
2020	3.0-3.5% of midpoint based on performance	3%	Received additional percentage increase over 3-year period to reach midpoint.	4.73%
2021	2.0% increase in salary based on performance	2%	Received additional percentage increase over 3-year period to reach midpoint.	4.44%
2022	3.0% increase in salary based on performance	3%	Received additional percentage increase over 3-year period to reach midpoint.	5.6%
2023	5.0% increase in salary based on performance	5%	Received additional percentage increase over 3-year period to reach midpoint.	6.09%

C. The average bonus that each salaried employee received for calendar years 2013-2023:	
2013	Confidential -Filed under Petition for Confidentiality
2014	Confidential
2015	Confidential
2016	Confidential
2017	Confidential
2018	Confidential
2019	Confidential
2020	Confidential
2021	Confidential
2022	Confidential
2023	Confidential

D – All awards carrying monetary value given to salaried employees for calendar years 2013-2023

RETIREMENT & SERVICE AWARDS: All employees receive the following retirement and service awards during all forementioned years.

The employee is responsible for the payment of taxes for retirement and service awards. Payroll will deduct the taxes owed from an employee's pay voucher.

- A retiree will receive a check, subject to applicable taxes, for \$25 for every year worked up to \$1,000.
- Service awards are presented to employees for every five years of service. An employee will receive a service award for \$100 after five years of service. The service award will increase by \$50 for every five years worked.

E – All vehicle allowance given to salaried employees for calendar years 2013-2023											
Title	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023 - Annualized
President & CEO			\$ -	\$18,0000	\$24,000	\$24,000	\$24,000	\$25,750	\$24,000	\$30,000	\$7,500
President & CEO											\$14,250
VP Operations	\$ -	\$ 2,825	\$9,000	\$8,550	\$9,350						
VP Engineering	\$ -	\$ -	\$ -	\$ -	\$4,935	\$ 10,200	\$ -				
VP Operations				\$ -		\$8,390	\$10,200	\$10,200	\$10,200	\$ -	
VP Member Services	\$ -	\$ -	\$ -	\$ -	\$5,242	\$ 10,200	\$ 3,400				
Director Procurement/ Contracts	\$ -	\$ -	\$ -	\$ -	\$4,826	\$ 10,200	\$ 10,200	\$ 5,950			
VP Finance/ Regulatory & External Affairs	\$ -	\$ -	\$ -	\$ -	\$4,826	\$ 10,200	\$ 10,200	\$10,200	\$10,200	\$10,200	\$10,800
VP Admin Services/HR	\$ -	\$ -	\$ -	\$ -	\$5,100	\$ 10,200	\$ 10,200	\$10,200	\$10,200	\$10,200	\$10,800
VP Engineering & Operations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,200	\$10,200	\$10,200	\$10,200	\$10,800
VP Finance & Accounting	\$ -	\$ -	\$ -	\$6,075	\$8,100	\$ 8,100	\$ 8,100	\$ 8,100	\$ 8,100	\$ 8,363	\$10,800
Operations Manager									\$675	\$4,388	

F – All incentive compensation given to salaried employees for calendar years 2013-2023

All employees except CEO paid incentives listed below:

2013	All employees paid .61% of 12/31/2012 base wage
2014	All employees paid 1.22% of 12/31/2013 base wage
2015	All employees paid .60% of 2014 12/31/2014 base wage
2016	All employees paid flat \$1600 for meeting previous year incentives or prorated amount based on hire date
2017	All employees paid flat \$1680 for meeting previous year incentives or prorated amount based on hire date
2018	All employees paid flat \$2240 for meeting previous year incentives or prorated amount based on hire date
2019	All employees paid flat \$1440 for meeting previous year incentives or prorated amount based on hire date
2020	All employees paid flat \$1280 for meeting previous year incentives or prorated amount based on hire date
2021	All employees paid flat \$3900 for meeting previous year incentives or prorated amount based on hire date
2022	All employees paid flat \$3540 for meeting previous year incentives or prorated amount based on hire date
2023	All employees paid flat \$350 for meeting previous year incentives or prorated amount based on hire date

G – The average raise, if any, which will be given to salaried employees for 2024

Increases for 2024 have not been determined at this time.

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.

All employees, hourly and salary received the same insurance benefits.

DENTAL INSURANCE MONTHLY PREMIUM 0% Employee Only Premium / 35% Family Premium		
	Employee Paid	Company Paid
Employee	\$0	35.53
Family	\$40.80	76.31
PARAMOUNT DENTAL Effective: 1st of month following hire date <ul style="list-style-type: none"> ➤ Dentist must be in network ➤ 100% Preventive/Examination & Diagnostic ➤ 100% Restorative ➤ 50%, \$2,000 Lifetime Max on Orthodontics \$2,000 Max Annual Benefit (Excludes Orthodontics)		
VISION EMPLOYEE MONTHLY PREMIUM Employee Pays 100% of Total Premium		
Employee		\$7.28
Employee + Spouse		\$13.76
Employee + Children		\$15.00
Family		\$19.29
AVESIS Effective: 1st of month following hire date <ul style="list-style-type: none"> ➤ \$10 Copay In-Network Vision Exam (Every 12 months) ➤ Frame or Contact Lenses Allowance ➤ Standard Spectacle Lenses Covered In-Network ➤ Preferred Pricing Lens Upgrade Options Additional Discounts and Benefits		

MEDICAL INSURANCE MONTHLY PREMIUM Effective: 1st of month following hire date		
	Employee Paid 20%	Company Paid 80%
Employee	\$124.24	\$496.92
Employee + Spouse	\$291.80	\$1167.13
Employee + Child(ren)	\$255.46	\$1021.85
Family	\$392.90	\$1571.58
	In Network	Out of Network
Deductible Individual	\$600	\$1200
Deductible Family	\$1800	\$3600
Out of Pocket Individual	\$1900	\$4500
Out of Pocket Family	\$3800	\$9000
Co-Pay	Physician	ER
Per visit	\$30	\$100
RX	Co-Pay	90 Day Refill
Generic	\$15	\$30
Brand	\$30	\$60
Non-Brand	\$60	\$120

LIFE INSURANCE/AD&D <https://www.cooperative.com>

Effective: 1st of month following hire date

3X Annual Salary Basic Death Benefit

3X Annual Salary AD&D Benefit

\$10,000 Spouse & \$10,000 Child Life

Additional supplemental insurance available

Item 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

Benefit	Description
<p><u>PENSION DEFINED BENEFIT</u> <i>NRECA: https://www.cooperative.com</i></p> <p>Effective: 1st of month following 30-days employment or hire date if enrolled in NRECA plan</p>	<p>(Number of Service Years in Plan) X 1.9%) X (Avg of Highest 5 Years Base Salary in Plan)</p>
<p><u>401(K) NRECA</u> <i>https://www.cooperative.com</i> Effective: 1st of month following 30-days employment or hire date if enrolled in NRECA plan</p>	<p>Employees have option to contribute to 401(k) Roth as well as traditional 401(k). There is no company match</p>

Item J. – Explain whether any of the salaried employees are members of a union

No employees are members of a union.

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 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.

Response) a. Kenergy does not incur any salary and benefit expenses for Board members.

b and c. Refer to PSC No. 1 item 48 and the Excel file named

PSC1_item 48_ uploaded separately into the Commission's electronic

filing system.

d. There has been no discussion of whether there will be any changes to the board's salaries and/or benefit packages for 2024.

e. There is no indication in the board minutes as to factors taken into consideration when setting the board of director's fees and benefits.

Witness: Tim Lindahl

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 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.

Response) In July 2020 Kenergy received a \$2.8 million Small Business Administration guaranteed Paycheck Protection Program (“PPP”) loan through CoBank. In July 2021 the PPP loan was forgiven.

Kenergy has applied for various broadband related grants. To date, Kenergy has applied for \$9,379 under the Kentucky Rural Infrastructure Improvement Program. Kenergy recently submitted a modified application for \$10.2 million under Kentucky’s Better Internet Program. Kenergy applied for a \$4 million Henderson County American Rescue Plan Act (“ARPA”) fund grant. Kenergy also plans to apply for Broadband Equality, Access, and Deployment (“BEAD”) funds when those funds become available.

Kenergy has retained two outside firms (one for fiber deployment and the other for electric system improvements) to develop funding roadmaps to determine if existing and potential Kenergy projects align with any known available grants. These firms also monitor available grant programs and alert us to a potential match for a project as well as help develop the application. Kenergy is currently evaluating and has expressed a desire to participate in the Community

-Integrated Distributed Energy Resilience (CIDER) project, which is a consortium of industry partners, led by the National Rural Electric Cooperative Association (NRECA). This project would allow for a Distributed Energy Management System (DERMS) to be deployed at no cost to Kenergy and help develop programs to improve reliability and economic efficiency of the electric system.

Kenergy has been working with other cooperatives, including Big Rivers Electric Corporation to evaluate funding and other opportunities where a partnership will result in greater results, both from an award and from implementation.

Kenergy has received FEMA funds to reimburse 87% of the capital and maintenance costs (approximately \$1.2 million) related to the March 3rd 2023 wind storm.

Witness: Tim Lindahl

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

Response) In an effort to help member-owners who struggle to pay their Kenergy bills, the cooperative started a non-profit –Operation Roundup. Operation Roundup depends on donations from members who agree to let the cooperative “round- up” their payments to the next dollar. Using this system of giving, the average donor gives about \$6 a year. Members can also send a check made payable to Operation Roundup if they wish to make a one-time-only donation. Operation Roundup donations are tax deductible. Funds stay local, helping only fellow Kenergy members. A separate board of directors has been established for Kenergy’s Operation Roundup. The donations are distributed by Pennyrile Allied Community Services & Audubon Area Community Services to determine eligibility and to deliver energy assistance aid to the needy in Kenergy’s territory.

03/2022-02/2023 (Rate Case Test Year)

\$16,459.62 Was added to members bills for Operation Roundup
\$6,300.00 Kenergy contribution to Operation Roundup
\$1,300.00 Kenergy employee contribution to Operation Roundup
\$24,059.62 Total

Note: Kenergy's contribution to Operation Roundup is a charitable donation and has been removed from the test period for rate making purposes.

Kenergy refers members in need of payment assistance to the following agencies/programs:

PAYMENT ASSISTANCE AGENCIES
AA/PENNY SPRING COOL SUBSIDY
AUDOBON AREA/PENNYRILE-CRISIS
AUDOBON AREA/PENNYRILE-OTHER
AUDOBON AREA/PENNYRILE-SUBSIDY
AA/Penny Summer Cool Crisis
Healthy at Home Utility Relief
AA/Penny Summer Cool Subsidy
BOARD OF EDUCATION
CDBG-CV Utility Assist Cert
CABINET FOR HUMAN RESOURCES
CHURCHES
CHRISTIAN OUTREACH
HELP OFFICE
Ky Housing Healthy at Home
MISCELLANEOUS
OMHS HOPE FUND
Operation RoundUp
PITINO SHELTER
SALVATION ARMY
VOLUNTEERS OF AMERICA MID-STAT

During the test period, 1,755 accounts received assistance from the above agencies, and the total amount of assistance was \$1,110,154.14.

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 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.

Response) See the Policies Attached as Item 63 pages 2-10. See attached Item 63 page 10 of 10 for the excerpt from the Rural Utilities Service Bulletin 1767B-1 for Account 217 Retired Capital Credits – Gain.

Witness: Steve Thompson

ARTICLE VII

Evidence of Membership; Fees

Section 1. Evidence of Membership. A certificate or other written evidence of membership shall not be issued.

Section 2. Membership Fees. No membership shall be permitted for less than the membership fee fixed in these bylaws, nor until such membership fee has been fully paid.

Section 3. Withdrawal or Termination of Membership. In case of withdrawal or termination of membership in any manner, the Corporation shall repay to the member the amount of the membership fee paid by him, provided, however, that the Corporation shall deduct from the amount of the membership fee the amount of any debts or obligations owed by the member to the Corporation.

ARTICLE VIII

Nonprofit Operation; Capital Credits

Section 1. Interest or Dividends on Capital Prohibited. The Corporation shall at all times be operated on a cooperative nonprofit basis for the mutual benefit of its members. No interest or dividends shall be paid or payable by the Corporation on any capital furnished by its patrons.

Section 2. Patronage in Connection with Furnishing Electric Energy. In furnishing of electric energy, the Corporation's operations shall be so conducted that all patrons, members, and nonmembers alike, will through their patronage furnish capital for the Corporation. In order to induce patronage and to assure that the Corporation will operate on a nonprofit basis, the Corporation is obligated to account on a patronage basis to all its patrons, members and nonmembers alike, for all amounts received and receivable from the furnishing of electric energy in excess of operating costs and expenses properly chargeable against the furnishing of electric energy. All such amounts in excess of operating costs and expenses at the moment of receipt by the Corporation are received with the understanding that they are furnished by the patrons, members, and nonmembers as capital. The Corporation shall credit to a capital account for each patron all such amounts in excess of operating costs and expenses. The books and records of the Corporation shall be set up and kept in such a manner that at the end of each fiscal year the amount

of capital, if any, so furnished by each patron is clearly reflected and credited in an appropriate record. The capital account of any patron shall have the same status as though it had been paid to the patron in cash in pursuance of a legal obligation to do so and the patron had then furnished the Corporation corresponding amounts for capital.

Provided, however, any net loss or negative margin which the Corporation may sustain in any fiscal year from its entire operations, including both operating and non-operating margin, insofar as permitted by law, may be carried forward to succeeding fiscal year or years and deducted from the net margin for any fiscal year of the Corporation from its entire operation, including both operating and non-operating margin, until such net loss or negative margin is entirely dissipated. The Capital allocated to the patrons as provided in the first paragraph of this section of the bylaws for any fiscal year shall be the amount remaining after there has been deducted any loss for previous fiscal year or years as herein provided.

In the event of dissolution or liquidation of the Corporation, after all outstanding indebtedness of the Corporation shall have been paid, outstanding capital credits shall be retired without priority on a pro rata basis before any payments are made on account of property rights of members. If, at any time prior to dissolution or liquidation, the board of directors shall determine that the financial condition of the Corporation will not be impaired thereby, the capital then credited to patrons' accounts may be retired in full or in part. The board of directors may retire capital credits attributable to any prior fiscal year without giving priority to capital first received and credited.

Capital credited to the account of each patron shall be assignable only with approval of the board of directors. In the event that a nonmember patron shall elect to become a member of the Corporation, the capital credited to the account of such nonmember patron may be applied by the Corporation toward the payment of a membership fee on behalf of such nonmember patron.

Provided, however, that the board of directors shall have the power to adopt rules providing for the separate retirement of that portion ("power supply portion") of capital credited to the accounts of patrons which corresponds to capital credited to the account of the Corporation by an organization furnishing electric service to the Corporation. Such rules shall:

- (a) Establish a method for determining the power supply portion of capital credited to each patron for each applicable fiscal year
- (b) Provide for separate identification on the Corporation's books of a power supply portion of capital credited to the Corporation's patrons
- (c) Provide for appropriate notifications to patrons with respect to their accounts, and
- (d) Preclude a general retirement of the power supply portion of capital credited to patrons for a fiscal year until the payment therefor is actually received from the power supplier.

Notwithstanding any other provisions of these bylaws, the board of directors, at its discretion, shall have the power at any time upon the death of any member who is a natural person, if the legal representatives of such decedent's estate shall request in writing that the capital credited to any such patron from such service to be retired prior to the time such capital would otherwise be retired under the provisions of these bylaws, to retire capital credited to any such patron immediately upon such terms and conditions as the board of directors acting under policies of general application, and the legal representative of such patron's estate shall agree upon; provided, however, that the financial condition of the Corporation will not be impaired thereby.


Section 3. Patronage Refunds in Connection with Furnishing Other Service. In the event that the Corporation should engage in the business of furnishing goods or services other than electric energy, all amounts properly chargeable against the furnishing of such goods or services shall, insofar as permitted by law, be prorated annually on a patronage basis and returned to those patrons, members, and nonmembers alike, from whom such amounts were obtained.

Section 4. Recovery of Delinquent Amounts Owed. Upon retiring capital credits allocated to a patron or former patron, the Corporation may recoup, offset, or setoff any delinquent amount owed to the Corporation by the patron or former patron, including any compounded interest and late payment fee, by reducing the amount of retired capital credits paid to the patron or former patron by the amount owed.

ARTICLE IX



BOARD POLICY

Your Touchstone Energy Cooperative 

POLICY NO. 115

APPROVED: 3-5-02

REVISED: 4-8-08, 3-11-14, 4-11-17, 5-9-17, 2-12-19

CAPITAL MANAGEMENT POLICY

OBJECTIVE

The objective of the capital management policy is prudent equity and debt capital management.

POLICY STATEMENTS

A. Equity and Debt Capital Levels

The corporation should strive to maintain a minimum equity to total capital ratio of 30% and a maximum of 40% (excluding wholesale power supplier capital credits). "Total capital" shall include equity and debt capital.

B. Equity Capital Retirement

The corporation should strive to retire equity capital on a systematic basis, assuring equitable treatment for all members. These retirements should be made in the best interests of the members while avoiding jeopardy to the financial security of the corporation. The early retirement of capital credits to estates of deceased members shall be on a discounted basis.

C. Debt Capital

The corporation should explore and take advantage of all debt capital sources, seeking always to mitigate risks associated with debt capital by utilizing interest rate and debt composition strategies. The corporation should strive to maintain a level of variable rate debt not to exceed 40% laddered so that a significant portion does not reprice in the same year, monitored for opportunities to lock in long-term rates. If the amount of variable debt exceeds 40%, staff shall notify the board of directors for approval. The approved debt limit, defined as original loan amount, is \$350,000,000.

D. Long-Range Financial Forecast

Management should develop and update as needed a ten-year financial forecast incorporating specific recommendations for achieving to the maximum possible extent the objectives of this policy and all other corporate strategies.

KENERGY CORP. UNCLAIMED CAPITAL CREDITS POLICY

1) Purpose

The purpose of this Policy is to ensure that former Kenergy Corp. ("Kenergy") members are able to claim capital credits due them.

2) Policy

This Policy represents Kenergy's policy regarding providing information about unclaimed capital credits and searching for former members who are entitled to obtain their unclaimed capital credits.

3) Administration

1. Kenergy will maintain a list on the Kenergy website of former members who have unclaimed due and payable capital credits in excess of \$100.00.
2. Annually, Kenergy will use reasonable efforts to cross-check the list of former members who have unclaimed due and payable capital credits with the list of active members to determine if a former member has become active again.
3. Kenergy will consult with unclaimed asset services to assist in locating members who have unclaimed capital credits. The fee for this service will be between the unclaimed asset service and the members located by the service.
4. After the steps in 1, 2 & 3 have been implemented and completed, Kenergy will review the progress to determine further steps to be taken with remaining unclaimed capital credits.

4) Applicability

This Policy applies to all unclaimed due and payable capital credits existing on January 1, 2017, at which time this policy will be implemented.

This Policy was approved by the Board of Directors of Kenergy on December 14, 2016.



EXCERPT FROM THE MINUTES OF A MEETING
OF THE KENERGY BOARD OF DIRECTORS
ON DECEMBER 14, 2016

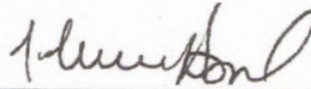
Attorney Hopgood reviewed with the board items covered in his written legal report. He requested the board's approval of a proposed policy on unclaimed capital credits, which was a directive by the PSC in the recent rate case filing. John Warren moved that the policy be approved. Motion was seconded by Glenn Cox and carried by unanimous vote.

I, Debra Hayden, Assistant Secretary, certify that the foregoing is a true and correct excerpt from the minutes of a meeting of the board of directors of Kenergy Corp. on December 14, 2016..


Assistant Secretary

CERTIFICATE OF SERVICE

I hereby certify that all interested parties have been notified by electronic mail of this filing and that a true and correct copy of the foregoing was mailed via first class mail to Mr. Larry Cook, Assistant Attorney General of Kentucky, Office of Rate Intervention, 1024 Capital Center Drive, Frankfort, Kentucky 40601, and Michael L. Kurtz, attorney for Kentucky Industrial Utility Customers, Inc., 36 East Seventh Street, Suite 1510, Cincinnati, Ohio 45202, on this 16th day of December, 2016.



J. Christopher Hopgood

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

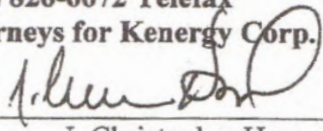
In the Matter of:)
)
THE APPLICATION OF KENERGY CORP.) CASE No. 2015-00312
FOR AN ADJUSTMENT IN EXISTING)
RATES)

NOTICE OF FILING

Applicant, **KENERGY CORP.** ("Kenergy"), serves notice of the filing of the attached unclaimed capital credits policy approved by the Kenergy Board of Directors on December 14, 2016. Filed pursuant to the Order dated September 15, 2016, herein.

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

By _____


J. Christopher Hopgood
chopgood@dkgnlaw.com

210 [Reserved]

211 Consumers' Contributions for Debt Service.

This account shall include the amounts billed to consumers as "amortization charges" for the purpose of servicing long-term debt.

212 [Reserved]

213 [Reserved]

214 [Reserved]

215 Appropriated Margins.

This account shall include all amounts appropriated as reserves from margins. The account shall be so maintained as to show the amount of each separate reserve and the nature and amounts of the debits and credits thereto.

215.1 Unrealized Gains and Losses - Debt and Equity Securities.

This account shall include the unrealized holding gains and losses for available-for-sale securities.

216 [Reserved]

216.1 Unappropriated Undistributed Subsidiary Earnings.

This account shall include the balances, either debit or credit, of undistributed retained earnings of subsidiary companies since their acquisition. When dividends are received from subsidiary companies relating to amounts included in this account, this account shall be debited and Account 219.2, Nonoperating Margins, credited.

217 Retired Capital Credits - Gain.

A. This account shall include credits resulting from the retirement of patronage capital through settlement of individual patrons' capital credits at less than 100 percent of the capital assigned to the patron. The portion of patronage capital not returned to the patrons, under such settlements, shall be debited to Account 201.1, Patronage Capital Credits, and credited to this account.

B. This account shall also include amounts representing patronage capital authorized to be retired to patrons who cannot be located. Returned checks issued for retirements of patronage capital, after an appropriate waiting period, shall be credited to this account, and a record maintained adequate to enable the cooperative to make payment to the patron if and when a claim has been established by the consumer.

218 Capital Gains and Losses.

No entries shall be made to this account without the prior approval of RUS unless it is to distribute past capital gains and losses as capital credits or to eliminate accumulated capital losses in conformance with the bylaws of the cooperative.

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

Response) Please see the attached capital credit schedule, Item 64 page 2 of 2.

Witness: Travis Siewert

KENERGY CORP
Case No. 2023-00276
Response to AG1, Item 64

Capital Credit Balance at 10/31/23

	Rural System	Direct Serve	Total
2022	1,470,575.65	71,017.94	1,541,593.59
2021	4,876,986.82	227,987.01	5,104,973.83
2020	1,582,030.79	79,774.15	1,661,804.94
2019	2,464,101.86	135,845.41	2,599,947.27
2018	3,855,114.62	195,196.40	4,050,311.02
2017	1,658,498.39	79,192.70	1,737,691.09
2016	3,468,055.89	244,074.54	3,712,130.43
2015	2,326,722.25	158,530.70	2,485,252.95
2014	659,639.82	45,036.16	704,675.98
2013	5,370,763.25	333,218.05	5,703,981.30
2012	4,159,244.30	234,708.37	4,393,952.67
2011	3,279,426.79	176,895.90	3,456,322.69
2010	5,031,467.28	237,628.16	5,269,095.44
2009	2,423,404.42	113,409.15	2,536,813.57
2008	534,579.12	88,557.67	623,136.79
2007	1,392,012.62	227,101.87	1,619,114.49
2006	-	-	-
2005	1,011,854.05	350,560.69	1,362,414.74
2004	1,147,470.55	473,856.69	1,621,327.24
2003	1,795,782.35	816,745.48	2,612,527.83
2002	2,009,390.33	1,053,351.84	3,062,742.17
2001	864,292.63	444,352.36	1,308,644.99
2000	1,161,030.02	646,730.64	1,807,760.66
1999	1,259,181.28	591,052.95	1,850,234.23
1998	3,191,441.26	795,145.64	3,986,586.90
1997	-	-	-
1996	1,157,814.96	438,302.47	1,596,117.43
1995	-	-	-
1994	-	-	-
1993	1,443,440.15	831,495.57	2,274,935.72
1992	1,259,993.64	874,860.26	2,134,853.90
1991	298,318.20	130,206.55	428,524.75
1990	(44.15)	-	(44.15)
1989	44.11	-	44.11
1988	-	-	-
1987	-	-	-
1986	(0.01)	-	(0.01)
1985	-	-	-
1984	(0.01)	-	(0.01)
1958-1983	-	-	-
	61,152,633.23	10,094,835.32	71,247,468.55

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Item 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.

Response)

Kenergy does not coordinate with the Kentucky Transportation Cabinet.

Witness: Rob Stumph

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Item 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.

Response) The total amount of credit card fees incurred during the test period was \$308,551.21. This amount was charged to account 903.000.

Witness: Travis Siewert

KENERGY CORP.

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

Response) Kenergy accepts cash, credit card, checks, and bank draft with no fees. Kenergy also has a Prepay Service Rider tariff with no fee charged.

Witness: Travis Siewert

KENERGY CORP.

THE ELECTRONIC APPLICATION)
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Item 68) Explain whether Kenergy requires a convenience fee to be added to all credit card transactions.

Response) No, Kenergy does not require a convenience fee for credit card transactions. Kenergy does not accept credit card transactions above \$2,000.

Witness: Travis Siewert

KENERGY CORP.

THE ELECTRONIC APPLICATION)
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Item 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.

Response) Kenergy does not receive credits from its credit card issuer.

Witness: Travis Siewert

KENERGY CORP.

THE ELECTRONIC APPLICATION)
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Item 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.

Response) None.

Witness: Tim Lindahl

KENERGY CORP.

THE ELECTRONIC APPLICATION)
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Item 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.

Response)

a. Refer to the uploaded Excel file AG1 Item 71a (Industry Associated Dues 2020 2021 2022) for the past three calendar years. Refer to PSC No. 1 Item 46b for the test year.

b. NRECA’s purpose is to amplify the voice of cooperatives and their consumer members, to improve the safety, reliability, and affordability of electricity and telecommunications, to provide education and training to our employees, to promote and protect the cooperative business model, to facilitate and help with legal, tax, and environmental compliances, to collectively strengthen us and our communities through workforce and economic development.

Kentucky's electric cooperatives serve more than 1.7 million people—about 35% of the state's population—in 117 of Kentucky's 120 counties. Kentucky Electric Cooperatives is the statewide association which provides cooperatives with many essential support functions including training for all aspects of the electric cooperative program such as safety, communications, finance and accounting, management, and engineering. During disasters, Kentucky Electric Cooperatives also coordinates mutual aid resources and disaster communications with the state emergency management professionals. The association also provides regulatory support on a wide range of topics with agencies across the commonwealth including transportation, energy and environment, and the Kentucky Public Service Commission. The association in addition provides materials through the United Utility Supply distribution cooperative that is a supplier of materials to utilities in the eastern half of the United States. Kentucky Electric Cooperatives is governed by a board consisting of one manager and one director from each of its 26 member systems and is headquartered in Louisville.

c. NRECA provides gains in economies of scale for purchasing, negotiating contracts, reduced training and safety costs resulting in lower rates, help with research programs that benefit the member directly and indirectly, economies of scale when addressing federal regulatory requirements, which results in lower legal and other compliance costs to the member.

KEC benefits the member by pooling resources for training, emergency management, purchasing, and regulatory support. Our members save by getting economies of scale that cannot be recognized as an individual utility.

d. Refer to PSC No. 1 Item 46c and Exhibit 10, Exhibit JW-2 page 14 of 23, line 23 column c which identifies \$7, 858.67 of lobbying activities that have

been removed from the test year.

Witness: Tim Lindahl

KENERGY CORP.

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Responses to Attorney General’s First Request for Information

Item 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.

Response) Kenergy removed all dues paid to non-industry organizations during the test year. Refer to Exhibit 10, Exhibit JW-2, Page 14 of 23, Row No. 3, Columns b and o. Refer to the excel file named PSC1_Request46_Account 930 Analysis Test year. The sum of Columns H and I, Rows 169, 176, 195 and 876 equals the \$7,055 removed.

Witness: Keith Ellis

KENERGY CORP.

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Item 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.

Response) The excel file named AG1 Item73 (economic development 2018-2022) has been uploaded separately into the Commission’s electronic filing system. For the test year, refer to the excel file named PSC1_Request46_Account 930 Analysis Test year. Refer to rows H857-H862 (\$23,550.00) less rows I2105-I2116 (-\$59,640.00) for a net credit of \$36,090.00. The credit of \$59,640.00 represents an annual payment from Big Rivers Electric Corporation.

Kenergy has a long history of partnering with regional economic development organizations to grow the economy and bring new jobs to Western Kentucky which benefits Kenergy’s members.

Witness: Keith Ellis

KENERGY CORP.

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ADJUSTMENT OF RATES)

Responses to Attorney General's First Request for Information

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

Response) No. Kenergy has no executive under a SERP.

Witness: Keith Ellis