

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

**In the Matter of:**

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

**RESPONSES TO COMMISSION STAFF'S FIRST  
REQUEST FOR INFORMATION TO KENERGY CORP.  
DATED SEPTEMBER 19, 2023**

Kenergy Corp. ("Kenergy") submits the attached Responses to Staff's First Request for Information.

This 2<sup>nd</sup> day of October, 2023.

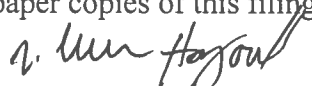
**DORSEY, GRAY, NORMENT & HOPGOOD  
318 Second Street  
Henderson, KY 42420  
Telephone (270) 826-3965  
Telefax (270) 826-6672  
Counsel for Kenergy Corp.**

By \_\_\_\_\_

  
**J. Christopher Hopgood**

**CERTIFICATE OF SERVICE**

I hereby certify that the foregoing electronic filing was transmitted to the Kentucky Public Service Commission for filing on October 2, 2023; that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding by virtue of the Commission's Order of 2020-00085, no paper copies of this filing will be made.

  
\_\_\_\_\_  
**J. Christopher Hopgood**

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

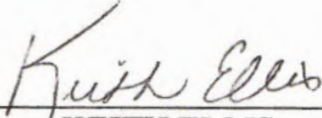
**In the Matter of:**

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

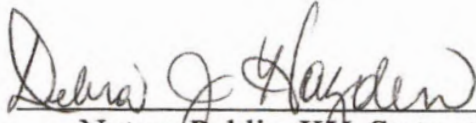
**VERIFICATION OF KEITH ELLIS**

COMMONWEALTH OF KENTUCKY    )  
COUNTY OF DAVIESS                )

Keith Ellis, Vice President Administration of Kenergy Corp., being duly sworn, states that he has supervised or prepared certain responses to Commission Staffs First Request for Information in the above referenced case on behalf of Kenergy Corp., and that the matters and things set forth therein are true and accurate to the best of his knowledge, information and belief, formed after reasonable inquiry.

  
\_\_\_\_\_  
KEITH ELLIS

The foregoing Verification was signed, acknowledged and sworn to before me this 22 day of September, 2023, by Keith Ellis

  
\_\_\_\_\_  
Notary Public, KY. State at Large # KVNP 71808

Commission expires 5-24-27

(seal)



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

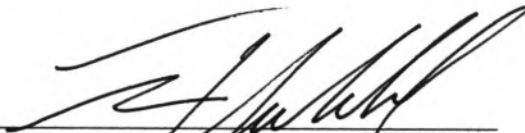
**In the Matter of:**

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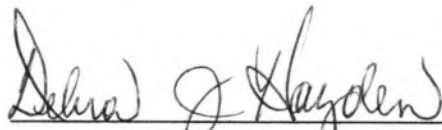
**VERIFICATION OF TIMOTHY LINDAHL**

COMMONWEALTH OF KENTUCKY    )  
COUNTY OF DAVIESS                )

Timothy Lindahl, President and CEO of Kenergy Corp., being duly sworn, states that he has supervised or prepared certain responses to Commission Staffs First Request for Information in the above referenced case on behalf of Kenergy Corp., and that the matters and things set forth therein are true and accurate to the best of his knowledge, information and belief, formed after reasonable inquiry.

  
\_\_\_\_\_  
Timothy Lindahl

The foregoing Verification was signed, acknowledged and sworn to before me this 25<sup>th</sup> day of September, 2023, by Timothy Lindahl

  
\_\_\_\_\_  
Notary Public, KY. State at Large #KYNP71808

Commission expires 5-24-2027

(seal)



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

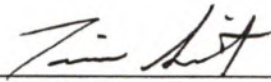
**In the Matter of:**

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

**VERIFICATION OF TRAVIS SIEWERT**

COMMONWEALTH OF KENTUCKY    )  
COUNTY OF HENDERSON            )

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

  
\_\_\_\_\_  
Travis Siewert

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



(seal)

Abby Ware KYNP27712  
Notary Public, KY. State at Large

Commission expires 4-20-2025



COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBIC SERVICE COMMISSION

In the Matter of:

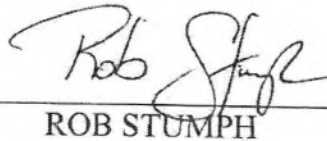
THE ELECTRONIC APPLICATION OF )  
KENERGY CORP. FOR ) Case No. 2023-00276  
A GENERAL ADJUSTMENT OF RATES )

VERIFICATION OF ROB STUMPH

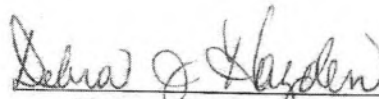
COMMONWEALTH OF KENTUCKY )

COUNTY OF HENDERSON )

Rob Stumph, Vice President Engineering and Operations of Kenergy Corp., being duly sworn, states that he has supervised or prepared certain responses to Commission Staffs First Request for Information in the above referenced case on behalf of Kenergy Corp., and that the matters and things set forth therein are true and accurate to the best of his knowledge, information and belief, formed after reasonable inquiry.

  
\_\_\_\_\_  
ROB STUMPH

The foregoing Verification was signed, acknowledged and sworn to before me this 26 day of September, 2023, by Rob Stumph



Notary Public, KY. State at Large #KyNP71808

Commission expires 5-24-2027

(seal)



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

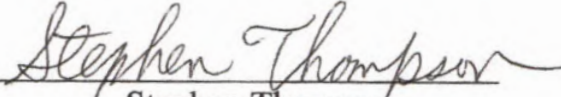
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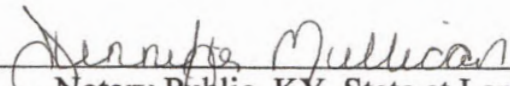
**VERIFICATION OF STEPHEN THOMPSON**

COMMONWEALTH OF KENTUCKY    )  
COUNTY OF DAVIESS                )

Stephen Thompson, Vice President Regulatory Affairs of Kenergy Corp., being duly sworn, states that he has supervised or prepared certain responses to Commission Staffs First Request for Information in the above referenced case on behalf of Kenergy Corp., and that the matters and things set forth therein are true and accurate to the best of his knowledge, information and belief, formed after reasonable inquiry.

  
\_\_\_\_\_  
Stephen Thompson

The foregoing Verification was signed, acknowledged and sworn to before me this 22 day of September, 2023, by Stephen Thompson

  
\_\_\_\_\_  
Notary Public, KY. State at Large

Commission expires 8.7.25

(seal)

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

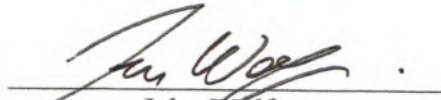
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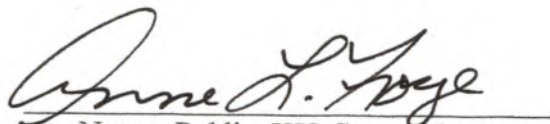
**VERIFICATION OF JOHN WOLFRAM**

COMMONWEALTH OF KENTUCKY    )  
COUNTY OF JEFFERSON            )

John Wolfram, Principal of Catalyst Consulting LLC, being duly sworn, states that he has supervised or prepared certain responses to Commission Staffs First Request for Information in the above referenced case on behalf of Kenergy Corp., and that the matters and things set forth therein are true and accurate to the best of his knowledge, information and belief, formed after reasonable inquiry.

  
\_\_\_\_\_  
John Wolfram

The foregoing Verification was signed, acknowledged and sworn to before me this 22 day of September, 2023, by John Wolfram

  
\_\_\_\_\_  
Notary Public, KY. State at Large

Commission expires 6-12-2025

(seal)

<p><b>ANNE L FOYE</b> Notary Public - State at Large Kentucky My Commission Expires June 12, 2025 Notary ID KYNP29156</p>
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**KENERGY CORP.**  
**PSC CASE NO. 2023-00276**  
**FIRST REQUEST FOR**  
**INFORMATION**  
**RESPONSE**

**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION**  
**REQUEST 1a**

**RESPONSIBLE PERSON: Travis Siewert**

**COMPANY: Kenergy Corp.**

**Request 1a.** Provide the following expense account data:

A schedule, in comparative form, showing the operating expense account balance for the test year and each of the three most recent calendar years for each account or subaccount included in Kenergy Corp's annual report. Show the percentage of increase or decrease of each year over the prior year.

**Response 1a.** Please see the excel file named PSC1\_Request1a\_operatingexpensecomparison.xlsx uploaded into the Commission's electronic filing system separately.

**KENERGY CORP.**  
**PSC CASE NO. 2023-00276**  
**FIRST REQUEST FOR**  
**INFORMATION**  
**RESPONSE**

**COMMISSION STAFF'S FIRST REQUEST FOR**  
**INFORMATION**

**REQUEST 1b**

**RESPONSIBLE PERSON:           Tim Lindahl**

**COMPANY:                         Kenergy Corp.**

**Request 1b.** A listing, with descriptions, of all activities, initiatives or programs undertaken or continued by Kenergy Corp. since its last general rate case for the purpose of minimizing costs or improving the efficiency of its operations or maintenance activities. Include all quantifiable realized and projected savings.

**Response 1b.** See the Testimony of Tim Lindahl found in Exhibit 8, pages 10-11, question and answer No. 10.



**KENERGY CORP.**

**PSC CASE NO. 2023-00276**

**FIRST REQUEST FOR  
INFORMATION  
RESPONSE**

**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION  
REQUEST 2**

**RESPONSIBLE PERSON: Travis Siewert**

**COMPANY: Kenergy Corp.**

**Request 2.** Provide the capital structure at the end of the five most recent calendar years and each of the other periods shown in Schedule A1 and Schedule A2.

**Response 2.** The attachment is an Excel file named PSC1\_Request2\_(Capital Structure Schedules A1 and A2).xlsx which is being uploaded into the Commission's electronic filing system separately.

**KENERGY CORP.**  
**PSC CASE NO. 2023-00276**  
**FIRST REQUEST FOR**  
**INFORMATION**  
**RESPONSE**

**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION**  
**REQUEST 3**

**RESPONSIBLE PERSON: Travis Siewert**

**COMPANY: Kenergy Corp.**

**Request 3.** Provide the following:

**Request 3a** A list of all outstanding issues of long-term debt as of the end of the latest calendar year together with the related information as shown in Schedule B1.

**Response 3a.**

The attachment is an Excel spreadsheet named PSC1\_Request3\_(Debt Summary Schedule 3A and 3B.xlsx which is being uploaded into the Commission's electronic filing system separately.

**Request 3b.** An analysis of short-term debt as shown in Schedule B2 as of the end of the latest calendar year.

**Response 3b.** Please see the Response to 3a above.

**KENERGY CORP.**  
**PSC CASE NO. 2023-00276**  
**FIRST REQUEST FOR**  
**INFORMATION**  
**RESPONSE**

**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION**  
**REQUEST 4**

**RESPONSIBLE PERSON: Travis Siewert**

**COMPANY: Kenergy Corp.**

**Request 4.** State the credit metrics which are used in Kenergy's debt covenants and provide the minimum required for each.

**Response 4.** RUS requires a minimum 1.25 Times Interest Earned Ratio (TIER), 1.25 Debt Service Coverage Ratio (DSC), 1.10 Operating Times Interest Earned Ratio (OTIER), and 1.10 Operating Debt Service Coverage Ratio (ODSC).

NRUCFC requires a minimum 1.35 Debt Service Coverage Ratio (DSC). Cobank requires a minimum 1.25 to 1.00 Debt Service Coverage Ratio (DSC). All of these ratios average the two highest out of the last three years.

Cobank also requires an Equity to Total Assets ratio of not less than 0.20 to 1.00, and a Total Debt to EBITA ratio of not greater than 11.0 to 1.0.

Please see attached excerpts from the RUS Loan Contract, Mortgage, NRUCFC Loan Contract, and the CoBank Loan Contract attached as Exhibit 4, pages 2-12.

# RUS Loan Contract

## RUS LOAN CONTRACT

AGREEMENT, dated as April 1, 2022, between KENERGY CORP. ("Borrower"), a corporation organized and existing under the laws of the Commonwealth of Kentucky (the "State"), and the UNITED STATES OF AMERICA, acting by and through the Administrator of the Rural Utilities Service ("RUS").

### RECITALS

The Borrower has applied to RUS for financial assistance for the purpose(s) set forth in Schedule 1 hereto.

RUS is willing to extend financial assistance to the Borrower pursuant to the Rural Electrification Act of 1936, as amended, on the terms and conditions stated herein.

THEREFORE, for and in consideration of the premises and the mutual covenants hereinafter contained, and other good and valuable consideration, the parties hereto agree and bind themselves as follows:

### ARTICLE I

#### DEFINITIONS

Capitalized terms that are not defined herein shall have the meanings as set forth in the Mortgage. The terms defined herein include the plural as well as the singular and the singular as well as the plural.

Act shall mean the Rural Electrification Act of 1936, as amended.

Advance or Advances shall mean advances of Loan funds to the Borrower which have been made or approved by RUS pursuant to the terms and conditions of this Agreement.

Agreement shall mean this Loan Contract together with all schedules and exhibits and also any subsequent supplements or amendments.

Business Day shall mean any day that RUS is open for business.

Contemporaneous Loan shall mean any loan which the Borrower has used to satisfy RUS Regulations or loan conditions requiring that supplemental financing be obtained in order to obtain a loan from RUS. Any loan used to refinance or refund a Contemporaneous Loan is also considered to be a Contemporaneous Loan.

Coverage Ratios shall mean, collectively, the following financial ratios: (i) TIER of 1.25; (ii) Operating TIER of 1.1; (iii) DSC of 1.25; and Operating DSC of 1.1.

Debt Service Coverage Ratio ("DSC") shall have the meaning provided in the Mortgage.

Distributions shall mean for the Borrower to, in any calendar year, declare or pay any dividends, or pay or determine to pay any patronage refunds, or retire any patronage capital or make any other Cash Distributions, to its members, stockholders or consumers; provided, however, that for the purposes of this Agreement a "Cash Distribution" shall be deemed to include any general cancellation or abatement of charges for electric energy or services furnished by the Borrower, but not the repayment of a membership fee upon termination of a membership or the rebate of an abatement of wholesale power costs previously incurred pursuant to an order of a state regulatory authority or a wholesale power cost adjustment clause or similar power pricing agreement between the Borrower and a power supplier.

Electric System shall have the meaning as defined in the Mortgage.

## RUS Loan Contract

**Equity** shall mean the Borrower's total margins and equities computed pursuant to RUS Accounting Requirements but excluding any Regulatory Created Assets.

**Event of Default** shall have the meaning as defined in Section 7.1.

**Final Maturity Date** shall have the meaning as defined in the Note.

**Independent** when used with respect to any specified person or entity means such a person or entity who (1) is in fact independent, (2) does not have any direct financial interest or any material indirect financial interest in the Borrower or in any affiliate of the Borrower and (3) is not connected with the Borrower as an officer, employee, promoter, underwriter, trustee, partner, director or person performing similar functions.

**Interest Expense** shall mean the interest expense of the Borrower computed pursuant to RUS Accounting Requirements.

**Loan** shall mean the loan described in Article III which is being made or guaranteed pursuant to the RUS Commitment in furtherance of the objectives of the Act.

**Loan Documents** shall mean, collectively, this Agreement, the Mortgage and the Note and shall also include any Reimbursement Note.

**Long-Term Debt** shall mean the total of all amounts included in the long-term debt of the Borrower pursuant to RUS Accounting Requirements.

**Monthly Payment Date** shall have the meaning as defined in the Note.

**Mortgage** shall have the meaning as described in Schedule I hereto.

**Mortgaged Property** shall have the meaning as defined in the Mortgage.

**Net Utility Plant** shall mean the amount constituting the Total Utility Plant of the Borrower, less depreciation, computed in accordance with RUS Accounting Requirements.

**Note** shall mean a promissory note or notes executed by the Borrower in the form of Exhibit A hereto, and any note executed and delivered to RUS or to the Federal Financing Bank (FFB) to refund, or in substitution for such a note. If the RUS Commitment includes both a commitment by RUS to make a loan and also a commitment by RUS to guarantee a loan made by FFB, then Exhibit A includes both forms. Note shall also mean any promissory note or notes executed by the Borrower and delivered to a third party in connection with a loan that RUS has guaranteed as to payment pursuant to a master loan guaranty agreement.

**Operating DSC or ODSC** shall mean Operating Debt Service Coverage calculated as:

$$\text{ODSC} = \frac{A+B+C}{D}$$

where:

All amounts are for the same calendar year and are computed pursuant to RUS Accounting Requirements and RUS Form 7;

A = Depreciation and Amortization Expense of the Electric System;



## RUS Loan Contract

B = Interest Expense on Total Long-Term Debt of the Electric System, except that such Interest Expense shall be increased by 1/3 of the amount, if any, by which the Restricted Rentals of the Electric System exceed 2 percent of the Borrower's Equity;

C = Patronage capital & operating margins of the Electric System, (which equals operating revenue and patronage capital of Electric System operations, less total cost of electric service, including Interest Expense on Total Long-Term Debt of the Electric System) plus cash received from the retirement of patronage capital by suppliers of electric power and by lenders for credit extended for the Electric System; and

D = Debt service billed which equals the sum of all payments of principal and interest required to be made on account of Total Long-Term Debt of the Electric System during the calendar year, plus 1/3 of the amount, if any, by which Restricted Rentals of the Electric System exceed 2 percent of the Mortgagor's Equity.

**Operating TIER or OTIER** shall mean Operating Times Interest Earned Ratio calculated as:

$$\text{OTIER} = \frac{\text{A+B}}{\text{A}}$$

where:

All amounts are for the same calendar year and are computed pursuant to RUS Accounting Requirements and RUS Form 7;

A = Interest Expense on Total Long-Term Debt of the Electric System, except that such Interest Expense shall be increased by 1/3 of the amount, if any, by which Restricted Rentals of the Electric System exceed 2 percent of the Mortgagor's Equity; and

B = Patronage capital & operating margins of the Electric System, (which equals operating revenue and patronage capital of Electric System operations, less total cost of electric service, including Interest Expense on Total Long-Term Debt of the Electric System) plus cash received from the retirement of patronage capital by suppliers of electric power and by lenders for credit extended for the Electric System.

**Permitted Debt** shall have the meaning as defined in Section 6.13.

**Prior Loan Contracts** shall mean all loan and loan guarantee agreements, if any, previously entered into by and between RUS and the Borrower.

**Regulatory Created Assets** shall mean the sum of any amounts properly recordable as unrecovered plant and regulatory study costs or as other regulatory assets, computed pursuant to RUS Accounting Requirements.

**Reimbursement Note** shall mean any demand note of the Borrower which evidences the Borrower's obligation to immediately repay RUS any payments which RUS makes on behalf of the Borrower on the Note pursuant to a RUS guaranty if one has been provided under the terms of the RUS Commitment.

**RUS Accounting Requirements** shall mean any system of accounts prescribed by RUS Regulations as such RUS Accounting Requirements exist at the date of applicability thereof.

**RUS Commitment** shall have the meaning as defined in Schedule I hereto.

**RUS Regulations** shall mean regulations of general applicability published by RUS from time to time as they exist at the date of applicability thereof, and shall also include any regulations of other federal entities which RUS is required by law to implement.

## RUS Loan Contract

Special Construction Account shall have the meaning as defined in Section 5.21.

Subsidiary shall mean a corporation that is a subsidiary of the Borrower and subject to the Borrower's control, as defined by RUS Accounting Requirements.

Termination Date shall mean the date specified in the Note after which no further Advances shall be made under the terms of the RUS Commitment.

Times Interest Earned Ratio ("TIER") shall have the meaning provided in the Mortgage.

Total Assets shall mean an amount constituting the total assets of the Borrower as computed pursuant to RUS Accounting Requirements, but excluding any Regulatory Created Assets.

Total Utility Plant shall mean the amount constituting the total utility plant of the Borrower computed in accordance with RUS Accounting Requirements.

Utility System shall have the meaning as defined in the Mortgage.

### ARTICLE II

#### REPRESENTATIONS AND WARRANTIES

##### Section 2.1. Representations and Warranties.

To induce RUS to make the Loan, and recognizing that RUS is relying hereon, the Borrower represents and warrants as follows:

(a) Organization; Power, Etc. The Borrower: (i) is an organization of the type and organized in the jurisdiction set forth on the first page hereof, and is duly organized, validly existing, and in good standing under the laws of its state of incorporation; (ii) is duly qualified to do business and is in good standing in each jurisdiction in which the transaction of its business makes such qualification necessary; (iii) has all requisite corporate and legal power to own and operate its assets and to carry on its business and to enter into and perform the Loan Documents; (iv) has duly and lawfully obtained and maintained all licenses, certificates, permits, authorizations, approvals, and the like which are material to the conduct of its business or which may be otherwise required by law; and (v) is eligible to obtain the financial assistance from RUS contemplated by this Agreement.

(b) Authority. The execution, delivery and performance by the Borrower of this Agreement and the other Loan Documents and the performance of the transactions contemplated thereby have been duly authorized by all necessary corporate action and shall not violate any provision of law or of the Articles of Incorporation or By-Laws of the Borrower or result in a breach of, or constitute a default under, any agreement, indenture or other instrument to which the Borrower is a party or by which it may be bound.

(c) Consents. No consent, permission, authorization, order, or license of any governmental authority is necessary in connection with the execution, delivery, performance, or enforcement of the Loan Documents, except (i) such as have been obtained and are in full force and effect and (ii) such as have been disclosed on Schedule I hereto.

(d) Binding Agreement. Each of the Loan Documents is, or when executed and delivered shall be, the legal, valid, and binding obligation of the Borrower, enforceable in accordance with its terms, subject only to limitations on enforceability imposed by applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws affecting creditors' rights generally.

## RUS Loan Contract

- (a) Principal. The principal amount of such refinancing or refunding loan is not less than the amount of loan principal being refinanced; and
- (b) Weighted Average Life. The weighted average life of the refinancing or refunding loan is not less than the weighted average remaining life of the loan being refinanced.

### Section 5.4. Rates to Provide Revenue Sufficient to Meet Coverage Ratios Requirements.

(a) Prospective Requirement. The Borrower shall design and implement rates for utility service furnished by it to provide sufficient revenue (along with other revenue available to the Borrower in the case of TIER and DSC) (i) to pay all fixed and variable expenses when and as due, (ii) to provide and maintain reasonable working capital, and (iii) to maintain, on an annual basis, the Coverage Ratios. In designing and implementing rates under this paragraph, such rates should be capable of producing at least enough revenue to meet the requirements of this paragraph under the assumption that average weather conditions in the Borrower's service territory shall prevail in the future, including average Utility System damage and outages due to weather and the related costs.

(b) Retrospective Requirement. The average Coverage Ratios achieved by the Borrower in the 2 best years out of the 3 most recent calendar years must be not less than any of the following:

TIER	=	1.25
DSC	=	1.25
OTIER	=	1.1
ODSC	=	1.1

- (c) Prospective Notice of Change in Rates. The Borrower shall give thirty (30) days prior written notice of any proposed change in its general rate structure to RUS if RUS has requested in writing that it be notified in advance of such changes.
- (d) Routine Reporting of Coverage Ratios. Promptly following the end of each calendar year, the Borrower shall report, in writing, to RUS the TIER, Operating TIER, DSC and Operating DSC levels which were achieved during that calendar year.
- (e) Reporting Non-achievement of Retrospective Requirement. If the Borrower fails to achieve the average levels required by paragraph (b) of this section, it must promptly notify RUS in writing to that effect.
- (f) Corrective Plans. Within 30 days of sending a notice to RUS under paragraph (e) of this section, or of being notified by RUS, whichever is earlier, the Borrower in consultation with RUS, shall provide a written plan satisfactory to RUS setting forth the actions that shall be taken to achieve the required Coverage Ratios on a timely basis.
- (g) Noncompliance. Failure to design and implement rates pursuant to paragraph (a) of this section and failure to develop and implement the plan called for in paragraph (f) of this section shall constitute an Event of Default under this Agreement in the event that RUS so notifies the Borrower to that effect under section 7.1(d) of this Agreement.

### Section 5.5. Depreciation Rates.

## Mortgage

rental or additional rental) for maintenance or repairs, insurance, taxes, assessments, water rates or similar charges. For the purpose of this definition the term "finance lease" shall mean any lease having a rental term (including the term for which such lease may be renewed or extended at the option of the lessee) in excess of 3 years and covering property having an initial cost in excess of \$250,000 other than aircraft, ships, barges, automobiles, trucks, trailers, rolling stock and vehicles; office, garage and warehouse space; office equipment and computers.

**RUS** shall mean the Rural Utilities Service, an agency of the United States Department of Agriculture, or if at any time after the execution of this Mortgage RUS is not existing and performing the duties of administering a program of rural electrification as currently assigned to it, then the entity performing such duties at such time.

**Security Interest** shall mean any assignment, transfer, mortgage, hypothecation or pledge.

**Subordinated Indebtedness** shall mean secured indebtedness of the Mortgagor, payment of which shall be subordinated to the prior payment of the Notes in accordance with the provisions of Section 3.08 hereof by subordination agreement in form and substance satisfactory to each Mortgagee which approval will not be unreasonably withheld.

**Supplemental Mortgage** shall mean an instrument of the type described in Section 2.04.

**Times Interest Earned Ratio ("TIER")** shall mean the ratio determined as follows: for each calendar year: add (i) patronage capital or margins of the Mortgagor and (ii) Interest Expense on Total Long-Term Debt of the Mortgagor and divide the total so obtained by Interest Expense on Total Long-Term Debt of the Mortgagor, provided, however, that in computing Interest Expense on Total Long-Term Debt, there shall be added, to the extent not otherwise included, an amount equal to 33-1/3% of the excess of Restricted Rentals paid by the Mortgagor over 2% of the Mortgagor's Equity.

**Title Evidence** shall mean with respect to any real property:

- (1) an opinion of counsel to the effect that the Mortgagor has title, whether fairly deducible of record or based upon prescriptive rights (or, as to personal property, based on such evidence as counsel shall determine to be sufficient), as in the opinion of counsel is satisfactory for the use thereof in connection with the operations of the Mortgagor, and counsel in giving such opinion may disregard any irregularity or deficiency in the record evidence of title which, in the opinion of such counsel, can be cured by proceedings within the power of the Mortgagor or does not substantially impair the usefulness of such property for the purpose of the Mortgagor and may base such opinion upon counsel's own investigation or upon affidavits, certificates, abstracts of title, statements or investigations made by persons in whom such counsel has confidence or upon examination of a certificate or guaranty of title or policy of title insurance in which counsel has confidence; or
- (2) a mortgagee's policy of title insurance in the amount of the cost to the Mortgagor of the land included in Property Additions, as such cost is determined by the Mortgagor in accordance with the Accounting Requirements, issued in favor of the Mortgagees by an entity authorized to insure title in the states where the subject property is located, showing the Mortgagor as the owner of the subject property and insuring the lien of this Mortgage; and with respect to any personal property a certificate of the general manager or other duly authorized officer that the Mortgagor lawfully owns and is possessed of such property.

**Total Assets** shall mean an amount constituting total assets of the Mortgagor as computed pursuant to Accounting Requirements, but excluding any Regulatory Created Assets.

**Total Long-Term Debt** shall mean the total outstanding long-term debt of the Mortgagor as computed pursuant to Accounting Requirements.

# Mortgage

of the Mortgagees forever, to secure equally and ratably the payment of the principal of (and premium, if any) and interest on the Notes, according to their terms, without preference, priority or distinction as to interest or principal (except as otherwise specifically provided herein) or as to lien or otherwise of any Note over any other Note by reason of the priority in time of the execution, delivery or maturity thereof or of the assignment or negotiation thereof, or otherwise, and to secure the due performance of all of the covenants, agreements and provisions herein and in the Loan Agreements contained, and for the uses and purposes and upon the terms, conditions, provisos and agreements hereinafter expressed and declared.

SUBJECT, HOWEVER, to Permitted Encumbrances (as defined in Section 1.01).

## ARTICLE I

### DEFINITIONS & OTHER PROVISIONS OF GENERAL APPLICATION

#### Section 1.01. Definitions.

In addition to the terms defined elsewhere in this Mortgage, the terms defined in this Article I shall have the meanings specified herein and under the UCC, unless the context clearly requires otherwise. The terms defined herein include the plural as well as the singular and the singular as well as the plural.

**Accounting Requirements** shall mean the requirements of any system of accounts prescribed by RUS so long as the Government is the holder, insurer or guarantor of any Notes, or, in the absence thereof, the requirements of generally accepted accounting principles applicable to businesses similar to that of the Mortgagor.

**Additional Notes** shall mean any Government Notes issued by the Mortgagor to the Government or guaranteed or insured as to payment by the Government and any Notes issued by the Mortgagor to any other lender, in either case pursuant to Article II of this Mortgage, including any refunding, renewal, or substitute Notes or Government Notes which may from time to time be executed and delivered by the Mortgagor pursuant to the terms of Article II.

**Board** shall mean either the Board of Directors or the Board of Trustees, as the case may be, of the Mortgagor.

**Business Day** shall mean any day that the Government is open for business.

**Debt Service Coverage Ratio ("DSCR")** shall mean the ratio determined as follows: for each calendar year add

- (i) Patronage Capital or Margins of the Mortgagor,
- (ii) Interest Expense on Total Long Term Debt of the Mortgagor (as computed in accordance with the principles set forth in the definition of TIER) and
- (iii) Depreciation and Amortization Expense of the Mortgagor, and divide the total so obtained by an amount equal to the sum of all payments of principal and interest required to be made on account of Total Long-Term Debt during such calendar year increasing said sum by any addition to interest expense on account of Restricted Rentals as computed with respect to the Times Interest Earned Ratio herein.

**Depreciation and Amortization Expense** shall mean an amount constituting the depreciation and amortization of the Mortgagor as computed pursuant to Accounting Requirements.

**Electric System** shall mean, and shall be broadly construed to encompass and include, all of the Mortgagor's interests in all electric production, transmission, distribution, conservation, load management, general plant and other related facilities, equipment or property and in any mine, well, pipeline, plant, structure or other facility for the development, production, manufacture, storage,



## NRUCFC Loan Contract

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**"Business Day"** shall mean any day that both CFC and the depository institution CFC utilizes for funds transfers hereunder are open for business.

**"CFC Commitment"** shall have the meaning ascribed to it in Schedule 1.

**"CFC Fixed Rate"** shall mean (i) such fixed rate as is then available for loans similarly classified pursuant to CFC's policies and procedures then in effect, or (ii) such other fixed rate as may be agreed to by the parties and reflected on the written requisition for funds in the form attached as Exhibit A hereto.

**"CFC Fixed Rate Term"** shall mean the specific period of time that a CFC Fixed Rate is in effect for an Advance.

**"CFC Variable Rate"** shall mean (i) the rate established by CFC for variable interest rate long-term loans similarly classified pursuant to the long-term loan programs established by CFC from time to time, or (ii) such other variable rate as may be agreed to by the parties on the written requisition for funds in the form attached as Exhibit A hereto.

**"CoBank"** shall mean CoBank, ACB, a federally chartered instrumentality of the United States.

**"Conversion Request"** shall mean a written request to CFC from any duly authorized officer or other employee of the Borrower requesting an interest rate conversion available pursuant to the terms of this Agreement.

**"Debt Service Coverage ("DSC") Ratio"** shall mean the ratio determined as follows: for any calendar year add (i) Operating Margins, (ii) Non-Operating Margins—Interest, (iii) Interest Expense, (iv) Depreciation and Amortization Expense, and (v) cash received in respect of generation and transmission and other capital credits, and divide the sum so obtained by the sum of all payments of Principal and Interest Expense required to be made during such calendar year; provided, however, that in the event that any amount of Long-Term Debt has been refinanced during such year, the payments of Principal and Interest Expense required to be made during such year on account of such refinanced amount of Long-Term Debt shall be based (in lieu of actual payments required to be made on such refinanced amount of Long-Term Debt) upon the larger of (i) an annualization of the payments required to be made with respect to the refinancing debt during the portion of such year such refinancing debt is outstanding or (ii) the payment of Principal and Interest Expense required to be made during the following year on account of such refinancing debt.

**"Default Rate"** shall mean a rate per annum equal to the interest rate in effect for an Advance plus two hundred (200) basis points.

**"Depreciation and Amortization Expense"** shall mean an amount constituting the depreciation and amortization of the Borrower computed pursuant to Accounting Requirements.

**"Distributions"** shall mean, with respect to the Borrower, any dividend, patronage refund, patronage capital retirement or cash distribution to its members, or consumers (including but not limited to any general cancellation or abatement of charges for electric energy or services furnished by the Borrower). The term "Distribution" shall *not* include (a) a distribution by the

CFC LOANAG  
KY065-A-9014(SHANNOC)  
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and regulations, and the Borrower shall have paid all applicable taxes, recording and filing fees and caused satisfactory evidence thereof to be furnished to CFC.

**F. Notification of Refinancing.** On or before the first Advance, Borrower shall have notified each Mortgagee of the refunding or refinancing contemplated herein, as required by Section 2.02 of the Mortgage, with such notice to be in form and substance satisfactory to CFC.

**G. Special Conditions of Closing.** CFC shall be fully satisfied that the Borrower has complied with all special conditions of closing identified in Schedule 1 hereto.

**Section 4.02 Conditions to Advances.** The obligation of CFC to make each Advance hereunder is additionally subject to satisfaction of the following conditions:

**A. Requisitions.** The Borrower will requisition each Advance by submitting its written requisition to CFC, in form and substance satisfactory to CFC. Requisitions for Advances shall be made only for the purposes set forth in Schedule 1 hereto.

**B. Representations and Warranties; Default.** The representations and warranties contained in Article II shall be true on the date of the making of each Advance hereunder with the same effect as though such representations and warranties had been made on such date; no Event of Default and no event which, with the lapse of time or the notice and lapse of time would become such an Event of Default, shall have occurred and be continuing or will have occurred after giving effect to each Advance on the books of the Borrower; there shall have occurred no material adverse change in the business or condition, financial or otherwise, of the Borrower; and nothing shall have occurred which in the opinion of CFC materially and adversely affects the Borrower's ability to perform its obligations hereunder.

**C. Other Information.** The Borrower shall have furnished such other information as CFC may reasonably require, including but not limited to (i) feasibility studies, cash flow projections, financial analyses and pro forma financial statements sufficient to demonstrate to CFC's reasonable satisfaction that after giving effect to the Advance requested, the Borrower shall continue to achieve the DSC ratio set forth in Section 5.01.A herein, to meet all of its debt service obligations, and otherwise to perform and to comply with all other covenants and conditions set forth in this Agreement, and (ii) any other information as CFC may reasonably request.

**D. Special Conditions of Advances.** CFC shall be fully satisfied that the Borrower has complied with all special conditions to advance identified in Schedule 1 hereto.

## ARTICLE V

### COVENANTS

**Section 5.01 Affirmative Covenants.** The Borrower covenants and agrees with CFC that until payment in full of all Notes and performance of all obligations of the Borrower hereunder:

**A. Financial Ratios; Design of Rates.** The Borrower shall achieve an Average DSC Ratio of not less than 1.35. The Borrower shall not decrease its rates for electric service if it has

## Cobank Loan Contract

KENERGY CORP.  
Owensboro, Kentucky  
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**6.5 Loans and Investments.** Make any loan or advance to, or make any investment in, or make any capital contribution to, or purchase or make any commitment to purchase any stock, bonds, notes or other securities of any person or entity, except for:

(a) securities or deposits issued, guaranteed or fully insured as to payment by the United States of America or any agency thereof.

(b) equity in, or obligation of, Lender.

(c) (1) existing investments in generation and transmission cooperatives and investments in Lender and other lenders organized on a cooperative basis, and (2) such other loans, deposits, advances, investments, and obligations as may from time to time be made, purchased or undertaken by the Borrower; provided, however, that the aggregate cost of such other investments, plus the total unpaid principal amount of such other loans, deposits, advances and obligations, and the guarantees detailed in Section 6.2 above will not exceed 15% of the Borrower's "Total Utility Plant" (as determined in accordance with the Accounting Standards).

**6.6 Dividends and Distributions.** Declare or pay any dividends or patronage refunds, or declare or grant any general cancellation or abatement of charges for electric energy or services furnished by the Borrower, or purchase, retire, or redeem any patronage or other capital, or make any other distribution of any kind (whether in cash or property) to its members, stockholders or consumers (collectively, "Distributions"), except that the Borrower may, in any fiscal year, make Distributions provided that, both before and after giving effect thereto, the Borrower will be in compliance with its Equity to Total Assets Ratio under Article 7 below.

**6.7 Mergers, Acquisitions, Etc.** Merge or consolidate with any other entity or acquire all or a material part of the assets of any other person or entity, or form or create any new subsidiary, or commence operations under any other name, organization, or entity, including any joint venture.

**6.8 Transfer of Assets.** Sell, transfer, lease, or otherwise dispose of any of its assets, except: (a) in the ordinary course of business; and (b) the sale, transfer or disposal of any obsolete or worn-out assets that are no longer necessary or required in the conduct of the Borrower's business.

**6.9 Change in Business.** Engage in any business activities or operations substantially different from or unrelated to the Borrower's present business activities or operations.

**6.10 Use of Proceeds.** Use the proceeds of any loan made by Lender to the Borrower, whether directly or indirectly, and whether immediately, incidentally or ultimately, to purchase or carry margin stock (within the meaning of Regulation U of the Board) or to extend credit to others for the purpose of purchasing or carrying margin stock or to refund indebtedness originally incurred for such purpose.

**ARTICLE 7 Financial Covenants.** Unless otherwise agreed to in writing by Lender, while this Agreement is in effect:

**7.1 Debt Service Coverage Ratio.** The Borrower and its consolidated subsidiaries, if any, will have at the end of each fiscal year of the Borrower, a Debt Service Coverage Ratio (as defined below) for such year of not less than 1.25 to 1.00. Such ratio will be determined by averaging the two highest annual ratios achieved by the Borrower during the most recent three fiscal years. For purposes

## Cobank Loan Contract

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Owensboro, Kentucky  
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hereof, the term "**Debt Service Coverage Ratio**" means the ratio of: (a) net income (after taxes and after eliminating any gain or loss on sale of assets or other extraordinary gain or loss), plus depreciation expense, amortization expense, and interest expense, minus non-cash patronage, and non-cash income from subsidiaries and/or joint ventures; to (b) all principal payments due within the period on all Long-Term Debt (as defined below) plus interest expense (all as calculated on a consolidated basis for the applicable period in accordance with the Accounting Standards). For purposes hereof, "**Long-Term Debt**" means, for the Borrower, on a consolidated basis, the sum of (1) all indebtedness for borrowed money, (2) obligations that are evidenced by notes, bonds, debentures or similar instruments, and (3) that portion of obligations with respect to capital leases or other capitalized agreements that are properly classified as a liability on the balance sheet in conformity with Accounting Standards or that are treated as operating leases under regulations applicable to them but that otherwise would be required to be capitalized under Accounting Standards, in each case having a maturity of more than one year from the date of its creation or having a maturity within one year from such date but that is renewable or extendible, at the Borrower's option, to a date more than one year from such date or that arises under a revolving credit or similar agreement that obligates the lender(s) to extend credit during a period of more than one year from such date, including all current maturities in respect of such indebtedness whether or not required to be paid within one year from the date of its creation.

**7.2 Equity to Total Assets.** The Borrower and its consolidated subsidiaries, if any, will have at the end of each fiscal quarter of the Borrower, a ratio of consolidated total equity to consolidated total assets (both as determined in accordance with the Accounting Standards) of not less than 0.20 to 1.00.

**7.3 Total Debt to EBITDA.** The Borrower and its consolidated subsidiaries, if any, will have at the end of each fiscal year of the Borrower a Total Debt to EBITDA (each as defined below) ratio of not greater than 11.00 to 1.00 (all as determined in accordance with the Accounting Standards). For purposes hereof: (a) "**Total Debt**" means, for the Borrower, and its consolidated subsidiaries, if any, the sum of (1) all indebtedness for borrowed money, (2) obligations which are evidenced by notes, bonds, debentures or similar instruments, and (3) that portion of obligations with respect to capital leases or other capitalized agreements that are properly classified as a liability on the balance sheet in conformity with Accounting Standards or that are treated as operating leases under regulations applicable to them but that otherwise would be required to be capitalized under Accounting Standards; and (b) "**EBITDA**" means, for the Borrower, and its consolidated subsidiaries, if any, operating revenues minus operating expenses, plus depreciation and amortization expenses.

### ARTICLE 8 Default.

**8.1** Each of the following will constitute an "Event of Default" hereunder:

(a) **Payment Default.** The Borrower should fail to make any payment to Lender when due.

(b) **Representations and Warranties.** Any representation, warranty, certification or statement of fact made at any time by the Borrower, herein or in any other Loan Document, or in any certificate, other instrument or statement furnished to Lender by or on behalf of the Borrower, will have been false or misleading in any material respect as of the time it was made or furnished.

(c) **Covenants.** The Borrower will default in the observance or performance of any covenant set forth in Article 5 (other than Sections 5.1(c), 5.1(d), 5.1(e)(1), and 5.1(e)(2) above), and such default continues for 30 days after written notice thereof will have been delivered to the Borrower by Lender.

**KENERGY CORP.**  
**PSC CASE NO. 2023-00276**  
**FIRST REQUEST FOR**  
**INFORMATION**  
**RESPONSE**

**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION**  
**REQUEST 5**

**RESPONSIBLE PERSON: Travis Siewert**

**COMPANY: Kenergy Corp.**

**Request 5.** Provide Kenergy Corp's internal accounting manuals, directives, and policies and procedures.

**Response 5.** Please see the PDF file named PSC1\_Request5\_(Rus\_Bulletin 1717B-2).PDF uploaded separately into the Commission's electronic filing system, which contains R U S Form 1717B-2 "Guide for Preparing Financial and Statistical Reports for Electric Distribution Borrowers".



**KENERGY CORP.**  
**PSC CASE NO. 2023-00276**  
**FIRST REQUEST FOR**  
**INFORMATION**  
**RESPONSE**

**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION**  
**REQUEST 6**

**RESPONSIBLE PERSON: Rob Stumph**

**COMPANY: Kenergy Corp.**

**Request 6.** Provide Kenergy Corp's long-term construction planning program.

**Response 6.** Please see the two PDF files named PSC1\_Request6\_(Kenergy 2020-2024CWP).PDF and PSC1\_Request6\_(Amendment to CWP).PDF uploaded separately into the Commission's electronic filing system.

**KENERYG CORP.**

**PSC CASE NO. 2023-00276**

**FIRST REQUEST FOR  
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**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION  
REQUEST 7**

**RESPONSIBLE PERSON: Rob Stumph**

**COMPANY: Kenergy Corp.**

**Request 7.** Concerning Kenergy Corp's construction projects, for each project started during the last five calendar years, provide the information requested in the format contained in Schedule C. For each project, include the amount of any cost variance and delay encountered, and explain in detail the reasons for such variances and delays.

**Response 7.** See the attached Excel file named PSC1\_Request7\_(Construction Projects Sch C).xlsx uploaded separately into the Commission's electronic filing system.

**KENERGY CORP.**

**PSC CASE NO. 2023-00276**

**FIRST REQUEST FOR  
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**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION  
REQUEST 8**

**RESPONSIBLE PERSON: Rob Stumph**

**COMPANY: Kenergy Corp.**

**Request 8.** Provide the information shown in Schedule D for each construction project in progress, or planned to be in progress, during the 12 months preceding the historical test year.

**Response 8.** See attached Excel file named PSC1\_Request8\_(Construction Projects Sch D).xlsx which is being uploaded separately into the Commission's electronic filing system.

**KENERGY CORP.**

**PSC CASE NO. 2023-00276**

**FIRST REQUEST FOR  
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**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION  
REQUEST 9**

**RESPONSIBLE PERSON: Rob Stumph**

**COMPANY: Kenergy Corp.**

**Request 9.** Provide, in the format provided in Schedule E, an analysis of Kenergy Corp's Construction Work in Progress (CWIP) as defined in the Uniform System of Accounts for each project identified in Schedule D.

**Response 9.** See attached Excel file named PSC1\_Request9\_ (CWIP – Percent Complete) Sch e. xlsx which is being uploaded to the Commission's electronic filing system.

**KENERGY CORP.**

**PSC CASE NO. 2023-00276**

**FIRST REQUEST FOR  
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**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION  
REQUEST 10**

**RESPONSIBLE PERSON: Travis Siewert**

**COMPANY: Kenergy Corp.**

**Request 10.** Provide a calculation of the rate or rates used to capitalize interest during construction for the three most recent calendar years. Explain each component entering into the calculation of the rate(s).

**Response 10.** Kenergy did not capitalize interest.

**KENERGY CORP.**  
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**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION  
REQUEST 11**

**RESPONSIBLE PERSON: Travis Siewert**

**COMPANY: Kenergy Corp**

**Request 11.** Provide the following monthly account balances for the test year for the total

company and Kentucky jurisdictional operations:

- a. Plant in service (Account No. 101);
- b. Plant purchased or sold (Account No. 102);
- c. Property held for future use (Account No. 105);
- d. Completed construction not classified (Account No. 106);
- e. Construction work in progress (Account No. 107);
- f. Depreciation reserve (Account No. 108);
- g. Materials and supplies (include all accounts and subaccounts);
- h. Computation and development of minimum cash requirements;
- i. Balance in accounts payable applicable to amounts included in utility plant in service (if actual is indeterminable, give a reasonable estimate);



**KENERGY CORP.**  
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j. Balance in accounts payable applicable to amounts included in plant under construction (if actual is indeterminable, give a reasonable estimate); and

k. Balance in accounts payable applicable to prepayments by major category or subaccount.

**Response 11 (a) through (g) and (i) through (k).** Please see attachment Exhibit 11, page 3 of 3 for (a) through (g) and (I) through (k). Please note that Plant is recorded in 302-399.

**Response 11(h).** Minimum cash requirement is adjusted on a daily and weekly basis depending upon the needs of the cooperative. Kenergy Corp. utilizes its lines-of-credit with CoBank and CFC for liquidity purposes. The typical cash balance is usually between \$3 and \$10 million.

**Kenergy Corp.**  
**Case No. 2023-00276**  
**PSC information request No. 1**  
**Item 11**

		<b>TEST PERIOD ENDED 2/28/2023</b>					
		<b>2/28/2022</b>	<b>3/31/2022</b>	<b>4/30/2022</b>	<b>5/31/2022</b>	<b>6/30/2022</b>	<b>7/31/2022</b>
(a)	Account 101 (Plant in Service 302-399)	361,511,253	363,391,390	364,044,664	364,709,043	365,644,816	366,173,113
(b)	Account 102	0	0	0	0	0	0
(c)	Account 105	0	0	0	0	0	0
(d)	Account 106	0	0	0	0	0	0
(e)	Account 107	456,879	48,345	350,224	838,403	711,403	904,534
(f)	Account 108	(160,301,898)	(161,083,232)	(162,036,625)	(162,961,631)	(163,844,105)	(164,737,980)
	Net Utility Plant	201,666,234	202,356,503	202,358,263	202,585,815	202,512,114	202,339,667
(g)	Material & Supplies	3,094,133	3,230,503	3,262,475	3,071,834	3,076,707	3,282,134
(i)	Accounts Payable - Plant		336,303		3,485		
(j)	Accounts Payable - CWIP	95,401	678,745	139,659	242,293	415,369	90,449
(k)	Accounts Payable - Prepayment	72,224				595,872	

		<b>TEST PERIOD ENDED 2/28/2023</b>							<b>AVERAGE</b>
		<b>8/31/2022</b>	<b>9/30/2022</b>	<b>10/31/2022</b>	<b>11/30/2022</b>	<b>12/31/2022</b>	<b>1/31/2023</b>	<b>2/28/2023</b>	
(a)	Account 101 (Plant in Service 302-399)	367,119,742	367,922,037	368,909,524	370,168,281	370,910,215	371,271,472	372,710,072	367,268,125
(b)	Account 102	0	0	0	0	0	0	0	0
(c)	Account 105	0	0	0	0	0	0	0	0
(d)	Account 106	0	0	0	0	0	0	0	0
(e)	Account 107	897,442	1,131,176	1,565,379	2,565,990	3,294,833	4,398,205	4,878,709	1,695,502
(f)	Account 108	(165,704,428)	(166,635,920)	(167,706,041)	(168,733,064)	(169,414,176)	(170,292,624)	(171,298,780)	(165,750,039)
	Net Utility Plant	202,312,756	202,417,293	202,768,862	204,001,207	204,790,872	205,377,053	206,290,001	203,213,588
(g)	Material & Supplies	3,379,985	3,296,302	3,616,039	5,484,311	9,428,758	10,852,975	12,682,001	5,212,166
(i)	Accounts Payable - Plant		997	9,913	7,388			6,892	60,830
(j)	Accounts Payable - CWIP	278,697	218,831	322,936	328,905	714,843	1,056,647	870,545	419,486
(k)	Accounts Payable - Prepayment			8,763		16,563			173,356

**KENERGY CORP.**  
**PSC CASE NO. 2023-00276**  
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**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION  
REQUEST 12**

**RESPONSIBLE PERSON: Steve Thompson**

**COMPANY: Kenergy Corp**

**Request 12.** Provide a reconciliation and detailed explanation of each difference, if any, in the utility's capitalization and net investment rate base for the historical test year.

**Response 12.** The capitalization and net rate base calculation was provided in Exhibit 16 of the Application.

**KENERGY CORP.**  
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**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION**  
**REQUEST 13**

**RESPONSIBLE PERSON: Travis Siewert**

**COMPANY: Kenergy Corp**

**Request 13.** Provide the journal entries relating to the purchase of utility plant acquired as an operating unit or system by purchase, merger, consolidation, liquidation, or otherwise currently included in rate base. Also provide a schedule showing the calculation of the acquisition adjustment at the date of purchase or each item of utility plant, the amortization period, and the unamortized balance at the beginning of the test year.

**Response 13.** No acquisitions of an operating unit or system have occurred.

**KENERGY CORP.**  
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**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION  
REQUEST 14**

**RESPONSIBLE PERSON: Steve Thompson**

**COMPANY: Kenergy Corp**

**Request 14.** Provide a copy of Kenergy Corp's most recent depreciation study. If no such study exists, provide a copy of the utility's most recent depreciation schedule. The schedule should include a list of all facilities by account number, service life and accrual rate for each plant item, the methodology that supports the schedule, and the date the schedule was last updated.

**Response 14.** Please refer to Case No. 2021-00066, *Electronic Application of Kenergy Corp. for a General Adjustment of Rates*, Application Exhibit 10, Depreciation Study, William Steven Seelye.

**KENERGY CORP.**

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**FIRST REQUEST FOR  
INFORMATION RESPONSE**

**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION  
REQUEST 15**

**RESPONSIBLE PERSON: Travis Siewert**

**COMPANY: Kenergy Corp**

**Request 15.** Provide Kenergy Corp.'s cash account balances at the beginning of the test year and at the end of each month during the test year for total company and Kentucky jurisdictional operations.

**Response 15.** Please see attached document.



**Kenergy Corp.**  
**Case No. 2023-00276**  
**PSC information Request No. 1**  
**Item 15- Cash Balance during Test Period**

<b>Line No.</b>	<b>Date</b>	<b>Amount</b>
1	Beginning Balance	\$ 7,475,359
2	3/31/2022	10,630,709
3	4/30/2022	8,506,079
4	5/31/2022	11,097,583
5	6/30/2022	10,948,269
6	7/31/2022	11,470,648
7	8/31/2022	10,253,301
8	9/30/2022	8,829,968
9	10/31/2022	7,322,508
10	11/30/2022	3,713,483
11	12/31/2022	9,477,202
12	1/31/2023	6,134,693
13	2/28/2023	3,773,176
14		
15	Average Test Year Balance	\$ 8,433,306

Request 15, page 2 of 2

**KENERGY CORP.**

**PSC CASE NO. 2023-00276**

**FIRST REQUEST FOR  
INFORMATION RESPONSE**

**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION  
REQUEST 16**

**RESPONSIBLE PERSON: Travis Siewert**

**COMPANY: Kenergy Corp**

**Request 16.** Provide the average number of customers on Kenergy Corp.'s system by rate schedule for the test year and two most recent calendar years.

**Response 16.** The attachment is an Excel spreadsheet named PSC1\_Request16 (Average Active Accounts).xlsx and is being uploaded into the Commission's electronic filing system.

**KENERGY CORP.**  
**PSC CASE NO. 2023-00276**  
**FIRST REQUEST FOR**  
**INFORMATION RESPONSE**

**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION  
REQUEST 17**

**RESPONSIBLE PERSON: Travis Siewert**

**COMPANY: Kenergy Corp.**

**Request 17.** Provide a schedule, in the format provided in Schedule F, of electric operations net income, per kWh sold, per company books for the test year and three calendar years preceding the test year.

**Response 17.** The attachment is an Excel spreadsheet named PSC1\_Request17\_ (Net income & KWH Sold – Schedule F).xlsx and is being uploaded separately into the Commission's electronic filing system.

**KENERGY CORP.**  
**PSC CASE NO. 2023-00276**  
**FIRST REQUEST FOR**  
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**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION  
REQUEST 18**

**RESPONSIBLE PERSON: Travis Siewert**

**COMPANY: Kenergy Corp**

**Request 18.** Provide the comparative operating statistics for total company as shown in Schedule G.

**Response 18.** The attachment is an Excel spreadsheet named PSC1\_Request18\_(Operating Statistics – Schedule G).xlsx and is being uploaded separately into the Commission's electronic filing system.

**KENERGY CORP.**  
**PSC CASE NO. 2023-00276**  
**FIRST REQUEST FOR**  
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**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION**  
**REQUEST 19**

**RESPONSIBLE PERSON:**           **Keith Ellis**  
**COMPANY:**                       **Kenergy Corp**

**Request 19.**       Provide the information requested in Schedule H for budgeted and actual numbers of full and part time employees by employee group, by month, and by year; and regular wages, overtime wages, and total wages by employee group, by month, for the test year and three most recent calendar years preceding the test year. Explain any variance exceeding five percent. Complete the information requested in Schedule H1.

**Response 19.**   These attachments are Excel files named PSC1\_Request19\_(monthly Payroll Variance Analysis – ScheduleH1.xlsx and PSC1\_Request19\_monthly Payroll Information Schedule H2.xlsx uploaded separately into the Commission's electronic filing system.

**KENERGY CORP.**

**PSC CASE NO. 2023-00276**

**FIRST REQUEST FOR  
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**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION  
REQUEST 20**

**RESPONSIBLE PERSON: Keith Ellis**

**COMPANY: Kenergy Corp**

**Request 20.** State whether Kenergy Corp., through an outside consultant or otherwise, performed a study or survey to compare its wages, salaries, benefits, and other compensation to those of other utilities in the region, or to other local or regional enterprises since Kenergy Corp.'s last base rate case.

**Request 20a.** If comparisons were performed, provide the results of the study or survey, including all workpapers and discuss the results of such comparisons. State whether any adjustments to wages, salaries, benefits, and other compensation in the rate application are consistent with the results of such comparisons.

**Response 20 and 20a** See the Testimony of Blair Johanson in Exhibit 11 of the application.



**KENERGY CORP.**

**PSC CASE NO. 2023-00276**

**FIRST REQUEST FOR  
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**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION  
REQUEST 21**

**RESPONSIBLE PERSON: Keith Ellis**

**COMPANY: Kenergy Corp**

**Request 21.** Provide the most recent wage, compensation, and employee benefits studies, analyses, or surveys conducted since Kenergy Corp.' last base rate case or that are currently utilized by Kenergy Corp.

**Response 21.** See the Testimony of Blair Johanson in Exhibit 11 of the application.

**KENERGY CORP.**

**PSC CASE NO. 2023-00276**

**FIRST REQUEST FOR  
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**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION.  
REQUEST 22**

**RESPONSIBLE PERSON: Keith Ellis**

**COMPANY: Kenergy Corp**

**Request 22.** For each employee group, state the amount, percentage increase, and effective dates for general wage increases and, separately, for merit increases granted or to be granted in the past two calendar years and the historical test period.

**Response 22.** Information attached as Request 22, page 2 of 2.

Kenergy Corp.  
Case No. 2023-00276  
PSC information request No. 1  
Item 22  
Schedule I

	ALL EMPLOYEES Number of Regular Hours	ALL EMPLOYEES Regular Annual Wages	ALL EMPLOYEES Annual Increase Amount Regular Wages	ALL EMPLOYEES Average Hourly Wage	**ALL EMPLOYEES Avg Hourly Wage Percent Change		*ALL EMPLOYEES Structure Move Increase Effective 1/1
<b>Test Year (12-Months Ended Feb. 28, 2023)</b>	259,233.40	\$ 10,386,792.19	\$ 55,360.06	\$ 40.07	1.13%	see footnote (1)	5%
<b>2022</b>	260,769.90	\$ 10,331,432.13	\$ 118,304.24	\$ 39.62	2.66%		3%
<b>2021</b>	264,638.37	\$ 10,213,127.89	\$ (15,111.55)	\$ 38.59	1.82%		2%
<b>2020</b>	269,862.31	\$ 10,228,239.44		\$ 37.90			

**NOTES**

\*All employees received same percentage increase (Structure Move) during each period and were effective January 1 of each year.

\*Employees did not receive merit increases.

\*\*Difference between average hourly wage percent increase and structure move increase due to following:

- Fluctuations in total number of employees
- Change of salary from retirements to new hires and eliminated positions
- Progression increases for new hires below mid-point pay levels

(1) Not comparable to prior years. Only 2 months of the 1/1/23 wage increase included in the dollars.

The average wage rate at the end of the test year was \$41.10, which is a 3.74% over the 2022 wage rate of \$39.62.

**KENERGY CORP.**

**PSC CASE NO. 2023-00276**

**FIRST REQUEST FOR  
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**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION.  
REQUEST 23**

**RESPONSIBLE PERSON: Keith Ellis**

**COMPANY: Kenergy Corp**

**Request 23.** Provide a schedule reflecting the salaries and other compensation of each executive officer for the test period and three most recent calendar years. Include the percentage annual increase and the effective date of each increase, the job title, duty and responsibility of each officer, the number of employees who report to each officer, and to whom each officer reports. For employees elected to executive officer status since the test year in Kenergy Corp.'s most recent rate case, provide the salaries for the persons they replaced

**Response 23.** Please see attached schedule, Request 23, page 2 of 2.

Kenergy Corp.  
Case No. 2023-00276  
PSC information request no. 1  
Item 23  
Salaries & Other Compensation of Executive Staff

Position	Salaries				Total Compensation				Current No. of Employees Reporting To:	Reports
	2020	2021	2022	Test Period	2020	2021	2022	Test Period		
President & CEO	\$ 320,008.00	\$ 326,407.90	\$ 336,200.02	\$ 353,010.06	\$ 387,628.76	\$ 415,686.85	\$ 406,717.59	\$ 412,008.16	6	
Vice President - Engineering & Operations (1)	\$ 147,097.60	\$ 180,000.08	\$ 205,411.00	\$ 215,696.00	\$ 164,642.88	\$ 179,973.12	\$ 219,016.12	\$ 222,638.02	8	President & CEO
Vice President - Regulatory/External Affairs (2)			\$ 176,009.60	\$ 184,808.00	\$ -	\$ -	\$ 190,202.80	\$ 189,763.26	3	President & CEO
Vice President - Admin. Services	\$ 163,051.20	\$ 169,999.96	\$ 175,094.40	\$ 183,851.20	\$ 174,802.96	\$ 187,008.28	\$ 196,634.54	\$ 198,353.36	5	President & CEO
Vice President - Finance & Accounting (3)	\$ 167,544.00	\$ 170,892.80	\$ 165,000.16	\$ 173,264.00	\$ 179,042.40	\$ 185,026.88	\$ 162,613.38	\$ 164,413.94	5	President & CEO
Vice President - Operations (1)	\$ 156,977.60	\$ 160,118.40	\$ 160,118.40		\$ 168,484.40	\$ 174,259.68	\$ 38,731.41	\$ 3,079.20	na	Eliminated in '21
Executive Assistant - Corporate Officer	\$ 92,144.00	\$ 93,995.20	\$ 96,824.00	\$ 101,670.40	\$ 93,501.76	\$ 97,981.12	\$ 100,905.20	\$ 98,825.63	0	President & CEO

Percentage Increase from previous year:				
President & CEO		2.0%	3.0%	5.0%
Vice President - Engineering & Operations (1)		22.4%	14.1%	5.0%
Vice President - Regulatory/External Affairs (2)		0.0%	0.0%	5.0%
Vice President - Admin. Services		4.3%	3.0%	5.0%
Vice President - Finance & Accounting (3)		2.0%	-3.4%	5.0%
Vice President -Operations (1)		2.0%	0.0%	-100.0%
Executive Assistant - Corporate Officer		2.0%	3.0%	5.0%

- Notes -**  
(1) Engineering and Operations was combined in 2021  
(2) Transitioned from Vice President - Finance & Accounting in 2022  
(3) Promoted to Vice President - Finance & Accounting in 2022



**KENERGY CORP.**

**PSC CASE NO. 2023-00276**

**FIRST REQUEST FOR  
INFORMATION RESPONSE**

**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION  
REQUEST 24**

**RESPONSIBLE PERSON: Keith Ellis**

**COMPANY: Kenergy Corp**

**Request 24.** Provide a listing of all health care plan categories, dental plan categories, and vision plan categories available to corporate officers individually and to groups defined as Directors, Managers, Supervisors, Exempt, Non-Exempt, Union, and Non-Union Hourly employees (e.g., single, family). Include the associated employee contribution rates and employer contribution rates of the total premium cost for each category, and each plan's deductible(s) amounts.

**Response 24.**

All active employees (including corporate officers, managers, supervisors, exempt, & non-exempt) are eligible to participate in the same health plans effective the 1st day of the month following their hire date. There are no differing plans offered to Corporate Officers individually. Directors are NOT eligible to participate in these plans. Kenergy does not employ any Union employees. Please see attached for premium costs and plan details along with the response to item 34.



<b>Item 24</b>				
<b>AS OF 1/01/2023</b>		<b>MEDICAL, DENTAL &amp; VISION PLANS</b>		
<p>All active employees (including corporate officers, managers, supervisors, exempt, &amp; non-exempt) are eligible to participate in the same health plans effective the 1st day of the month following their hire date. Directors are NOT eligible to participate in these plans. Kenergy does not employ any Union employees.</p>				
<b>MEDICAL INSURANCE: ANTHEM PPO (10% Co-insurance)</b>				
<b>Deductibles:</b>				
Individual	\$600 In Network / \$1,200 Out of Network			
Family	\$1,800 In Network / \$3,600 Out of Network			
<b>Out of Pocket Limits:</b>				
Individual	\$1,900 In Network / \$4,500 Out of Network			
Family	\$3,800 In Network / \$9,000 Out of Network			
<b>Co-Pay Amounts: \$30 Physician / \$100 ER</b>				
		<b>Medical Monthly Premium (Employee Cost Share = 20%)</b>	<b>Medical Monthly Premium (Employer Cost Share = 80%)</b>	<b>Medical Monthly Total Premium</b>
	Employee Only	\$122.75	\$490.99	\$613.74
	Employee + Spouse	\$290.30	\$1,161.21	\$1,451.51
	Employee + Children	\$253.98	\$1,015.91	\$1,269.89
	Employee + Family	\$391.41	\$1,565.65	\$1,957.06
		<b>Dental Monthly Premium (Employee Share)</b>	<b>Dental Monthly Premium (Employer Share)</b>	<b>Dental Monthly Total Premium</b>
<b>DENTAL INSURANCE:</b>	<b>PARAMOUNT</b>			
	Employee Only	\$0.00	\$35.53	\$35.53
	Employee + Family	\$40.80	\$76.31	\$117.11
		<b>Vision Monthly Premium (Employee Cost Share = 100%)</b>	<b>Vision Monthly Premium (Employer Cost Share = 0%)</b>	<b>Vision Monthly Total Premium</b>
<b>VISION INSURANCE:</b>	<b>AVESIS</b>			
	Employee Only	\$7.28	\$0.00	\$7.28
	Employee + Spouse	\$13.76	\$0.00	\$13.76
	Employee + Children	\$15.00	\$0.00	\$15.00
	Employee + Family	\$19.29	\$0.00	\$19.29

**KENERGY CORP.**

**PSC CASE NO. 2023-00276**

**FIRST REQUEST FOR  
INFORMATION RESPONSE**

**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION.  
REQUEST 25**

**RESPONSIBLE PERSON: Keith Ellis**

**COMPANY: Kenergy Corp**

**Request 25.** Provide all current labor contracts and the most recent labor contracts previously in effect.

**Response 25.** Kenergy is non-union and has no labor contracts.

**KENERGY CORP.**

**PSC CASE NO. 2023-00276**

**FIRST REQUEST FOR  
INFORMATION RESPONSE**

**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION.  
REQUEST 26**

**RESPONSIBLE PERSON: Keith Ellis**

**COMPANY: Kenergy Corp**

**Request 26.** Provide each medical insurance policy that Kenergy Corp. currently maintains.

**Response 26.** The PDF file named PSC1\_Request26\_Medical Summary Plan Description with Amendments.PDF was uploaded separately into the Commission's electronic filing system. This is the medical plan offered for all active employees as well as retirees under age 65.

**KENERGY CORP.**

**PSC CASE NO. 2023-00276**

**FIRST REQUEST FOR  
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**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION  
REQUEST 27**

**RESPONSIBLE PERSON: Keith Ellis**

**COMPANY: Kenergy Corp**

**Request 27.** Provide detailed descriptions of all early retirement plans or other staff reduction programs Kenergy Corp. has offered or intends to offer its employees during the test period. Include all cost-benefit analyses associated with these programs.

**Response 27.** There were no early incentives or buy outs planned in order to reduce staff.

**KENERGY CORP.**

**PSC CASE NO. 2023-00276**

**FIRST REQUEST FOR  
INFORMATION RESPONSE**

**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION  
REQUEST 28**

**RESPONSIBLE PERSON: Keith Ellis**

**COMPANY: Kenergy Corp**

**Request 28.** Provide a complete description of Kenergy Corp.'s other post- employment benefit package(s) provided to its employees.

**Response 28.** Kenergy retirees (and any spouse/dependents at the point of retirement) are eligible to remain on the KREC group medical insurance plan until the employee and or spouse reaches age 65. Retirees are required to pay 100% of the premium amount – no premiums are paid by Kenergy. Amounts are provided in Response 24. (Extension of the dental or vision plans is only available through COBRA election with no cost to Kenergy.) Retirees may also elect to remain in the NRECA group life Retiree Insurance plan at their retirement date. Retiree insurance plan rates are listed in Response 36. There are no other post-employment benefits offered to employees.

**KENERGY CORP.**

**PSC CASE NO. 2023-00276**

**FIRST REQUEST FOR  
INFORMATION RESPONSE**

**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION  
REQUEST 29**

**RESPONSIBLE PERSON: Travis Siewert**

**COMPANY: Kenergy Corp**

**Request 29.** Provide a complete description of the financial reporting ratemaking treatment of Kenergy Corp.'s pension costs.

**Response 29.** Pension cost is distributed to capital and expense accounts based on each employee's direct labor. The portion charged to expense accounts would directly impact the ratemaking revenue requirement.

**KENERGY CORP.**

**PSC CASE NO. 2023-00276**

**FIRST REQUEST FOR  
INFORMATION RESPONSE**

**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION  
REQUEST 30**

**RESPONSIBLE PERSON: Keith Ellis**

**COMPANY: Kenergy Corp**

**Request 30.** Regarding Kenergy Corp.'s employee compensation policy approved by the board of directors.

- a. Provide Kenergy's written compensation policy as approved by the board of directors.

**Response 30a** Attached is the Compensation Policy shown as Request 30, page 3 of 3.

**Request 30b.** Provide a narrative description of the compensation policy, including the reasons for establishing the policy and Kenergy Corp.'s objectives for the policy.

**Response 30b.** See the attached Compensation Policy for the rationale for establishing and objectives.

**Request 30c.** Explain whether the compensation policy was developed with the assistance of an outside consultant. If the compensation policy was developed or reviewed by a consultant, provide any study or report provided by the consultant

**Response 30c.** The policy concepts were not reviewed by a compensation consultant.




**KENERGY CORP.**  
**PSC CASE NO. 2023-00276**  
**FIRST REQUEST FOR**  
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**Request 30d.** Explain when Kenergy Corp.'s compensation policy was last reviewed or given consideration by the board of directors.

**Response 30d.** Policy was last reviewed in 2017. The board of directors approves any general increase in salaries during the annual budget approval process.



Your Touchstone Energy Cooperative 

**COMPENSATION POLICY**

**OBJECTIVE**

Kenergy believes that it is in the best interest of both the organization and its employees to fairly compensate its workforce for the value of the work provided. It is Kenergy's intention to use a compensation system that will determine the current market value of a position based on the skills, knowledge and behaviors required of a fully competent incumbent. The system used will be objective and nondiscriminatory in theory, application and practice. The company has determined that this can best be accomplished by using a professional compensation consultant and system recommended by senior management and approved by the board of directors.

**POLICY**

The compensation system will price positions to market by using local, national and industry specific survey data. The system will evaluate *external equity*, which is the relative marketplace job worth of every job directly comparable to similar industry jobs, factored for general economic variances and adjusted to reflect the local economic marketplace. The system will evaluate *internal equity*, which is the relative worth of each job in the cooperative when comparing the required level of job competencies, formal training and experience, responsibility, level of supervision, complexity of position, communication, and accountability of one job to another and arranging all jobs in a formal job grading structure. Professional support and consultation will be available to evaluate the compensation system and provide ongoing assistance in the administration of the program. The compensation system must be flexible enough to ensure that the company is able to recruit and retain a highly qualified workforce, while providing the structure necessary to effectively manage the overall compensation program.

**RESPONSIBILITY**

The President/CEO is responsible for to ensure that salary ranges are reviewed annually and adjusted when appropriate every two years.

The Vice President, Human Resources/ Administrative Services is responsible to ensure the compensation plan is managed for consistency and equity.

  
\_\_\_\_\_  
President & CEO

  
\_\_\_\_\_  
Approval Date

Revised: 10/2/2017

**KENERGY CORP.**

**PSC CASE NO. 2023-00276**

**FIRST REQUEST FOR  
INFORMATION RESPONSE**

**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION.**

**REQUEST 31**

**RESPONSIBLE PERSON: Keith Ellis**

**COMPANY: Kenergy Corp**

**Request 31.** State whether Kenergy Corp.'s expenses for wages, salaries, benefits, and other compensation included in the test period, and any adjustments to the test period, are compliant with the board of director's compensation policy.

**Response 31.** The expenses for the above-mentioned items are aligned with the general compensation philosophy of Kenergy Corp.

**KENERGY CORP.**  
**PSC CASE NO. 2023-00276**  
**FIRST REQUEST FOR INFORMATION**  
**RESPONSE**

**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION**  
**REQUEST 32**

**RESPONSIBLE PERSON:           Keith Ellis**  
**COMPANY:                           Kenergy Corp**

**Request 32.**       Provide, in the format provided in Schedule I, the following information for Kenergy Corp.'s compensation and benefits for the test period and the three most recent calendar years preceding the test period. Provide information individually for each corporate officer and by category for Directors, Managers, Supervisors, Exempt, Non- Exempt, Union, and Non-Union Hourly employees. Provide the amounts, in gross dollars, separately for total company operations and jurisdictional operations.

- a.       Regular salary or wages.
- b.       Overtime pay.
- c.       Excess vacation payout.
- d.       Standby/Dispatch pay.
- e.       Bonus and incentive pay.
- f.       Any other forms of incentives, including stock

options or forms of deferred compensation.

**KENERGY CORP.**

**PSC CASE NO. 2023-00276**

**FIRST REQUEST FOR INFORMATION  
RESPONSE**

- g. Other amounts paid and reported on the employees' W-2 (specify).
- h. Healthcare benefit cost.
  - (1) Amount paid by Kenergy Corp.
  - (2) Amount paid by employee.
- i. Dental benefits cost.
  - (1) Amount paid by Kenergy Corp.
  - (2) Amount paid by employee.
- j. Vision benefits cost.
  - (1) Amount paid by Kenergy Corp.
  - (2) Amount paid by employee.
- k. Life insurance cost.
  - (1) Amount paid by Kenergy Corp.
  - (2) Amount paid by employee.
- l. Accidental death and disability benefits.
  - (1) Amount paid Kenergy Corp.
  - (2) Amount paid by employee.
- m. Defined Benefit Retirement.
  - (1) Amount paid by Kenergy Corp.
  - (2) Amount paid by employee.
- n. Defined Contribution – 401(k) or similar plan cost.  
  
Provide the amount paid by Kenergy Corp.
- o. Cost of any other benefit available to an employee (specify).

**II. KENERGY CORP.**

**III. PSC CASE NO. 2023-00276**

**IV. FIRST REQUEST FOR INFORMATION RESPONSE**

**Response 32.** Please see attached Schedule I on Request 32, pages 3-6.



Kenergy Corp.  
Case No. 2023-00276  
PSC information request no. 1  
Item 32  
Schedule I

Test Year (12-Months Ended Feb. 28, 2023)	a.	b.	c.	d.	e.	f.	g.	g.	g.	
	Regular Wages	Overtime Pay	Excess Vac Payout	Standby Pay	Bonus/Incentive	457	Vehicle Allowance	Service/Ret Award	Vehicle Taxable	Subtotal All
Employee Categories	Compensation	Compensation	Compensation	Compensation	Compensation	Deferred	Compensation	Compensation	W2 Tax Ben	Compensation
President & CEO	\$ 340,292.66	\$ -	\$ -	\$ -	\$ 19,650.00	\$ 21,065.50	\$ 31,000.00	\$ -	\$ -	\$ 412,008.16
VP-Engineering & Operations	\$ 203,147.14	\$ -	\$ 8,690.88	\$ -	\$ 500.00	\$ -	\$ 10,300.00	\$ -	\$ -	\$ 222,638.02
VP-Regulatory/External Affairs	\$ 177,363.20	\$ -	\$ 1,100.06	\$ -	\$ 500.00	\$ -	\$ 10,300.00	\$ 500.00	\$ -	\$ 189,763.26
Vice President Finance & Accounting	\$ 155,101.44	\$ -	\$ -	\$ -	\$ 500.00	\$ -	\$ 8,812.50	\$ -	\$ -	\$ 164,413.94
Vice President Admin Services/HR	\$ 176,441.60	\$ -	\$ 11,111.76	\$ -	\$ 500.00	\$ -	\$ 10,300.00	\$ -	\$ -	\$ 198,353.36
Vice President - Operations	\$ 3,079.20	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,079.20
Executive Assistant - Corporate Officer	\$ 97,569.60	\$ -	\$ 256.03	\$ -	\$ 500.00	\$ -	\$ -	\$ 500.00	\$ -	\$ 98,825.63
<b>TOTAL Executive Staff/Corporate Officers</b>	<b>\$ 1,152,994.84</b>	<b>\$ -</b>	<b>\$ 21,158.73</b>	<b>\$ -</b>	<b>\$ 22,150.00</b>	<b>\$ 21,065.50</b>	<b>\$ 70,712.50</b>	<b>\$ 1,000.00</b>	<b>\$ -</b>	<b>\$ 1,289,081.57</b>
Managers	\$ 1,101,724.38	\$ 9,192.00	\$ 6,989.28	\$ -	\$ 4,000.00	\$ -	\$ 3,037.50	\$ 2,000.00	\$ 23,787.27	\$ 1,150,730.43
Supervisors	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Exempt	\$ 587,976.28	\$ 47.94	\$ -	\$ -	\$ 3,500.00	\$ -	\$ -	\$ -	\$ 3,995.16	\$ 595,519.38
Non-Exempt	\$ 7,544,096.69	\$ 1,141,577.70	\$ 24,457.48	\$ 320,482.59	\$ 50,732.69	\$ -	\$ -	\$ 8,786.60	\$ -	\$ 9,090,133.75
<b>TOTAL Other Emp Categories</b>	<b>\$ 9,233,797.35</b>	<b>\$ 1,150,817.64</b>	<b>\$ 31,446.76</b>	<b>\$ 320,482.59</b>	<b>\$ 58,232.69</b>	<b>\$ -</b>	<b>\$ 3,037.50</b>	<b>\$ 10,786.60</b>	<b>\$ 27,782.43</b>	<b>\$ 10,836,383.56</b>
<b>TOTAL All Categories</b>	<b>\$ 10,386,792.19</b>	<b>\$ 1,150,817.64</b>	<b>\$ 52,605.49</b>	<b>\$ 320,482.59</b>	<b>\$ 80,382.69</b>	<b>\$ 21,065.50</b>	<b>\$ 73,750.00</b>	<b>\$ 11,786.60</b>	<b>\$ 27,782.43</b>	<b>\$ 12,125,465.13</b>

2022	a.	b.	c.	d.	e.	f.	g.	g.	g.	
	Regular Wages	Overtime Pay	Excess Vac Payout	Standby Pay	Bonus/Incentive	457	Vehicle Allowance	Service/Ret Award	Vehicle Taxable	Subtotal All
Employee Categories	Compensation	Compensation	Compensation	Compensation	Compensation	Deferred	Compensation	Compensation	W2 Tax Ben	Compensation
President & CEO	\$ 335,823.40	\$ -	\$ 5,178.69	\$ -	\$ 14,650.00	\$ 21,065.50	\$ 30,000.00	\$ -	\$ -	\$ 406,717.59
Vice President Engineering & Operations	\$ 197,510.60	\$ -	\$ 7,615.52	\$ -	\$ 3,690.00	\$ -	\$ 10,200.00	\$ -	\$ -	\$ 219,016.12
Vice President Regulatory/Affairs	\$ 175,812.80	\$ -	\$ -	\$ -	\$ 3,690.00	\$ -	\$ 10,200.00	\$ 500.00	\$ -	\$ 190,202.80
Vice President Finance & Accounting	\$ 150,560.88	\$ -	\$ -	\$ -	\$ 3,690.00	\$ -	\$ 8,362.50	\$ -	\$ -	\$ 162,613.38
Vice President Admin Services/HR	\$ 174,898.46	\$ -	\$ 7,846.08	\$ -	\$ 3,690.00	\$ -	\$ 10,200.00	\$ -	\$ -	\$ 196,634.54
Vice President Operations	\$ 33,871.20	\$ -	\$ 1,320.21	\$ -	\$ 3,540.00	\$ -	\$ -	\$ -	\$ -	\$ 38,731.41
Corporate Officer - Executive Assistant	\$ 96,715.20	\$ -	\$ -	\$ -	\$ 3,690.00	\$ -	\$ -	\$ 500.00	\$ -	\$ 100,905.20
<b>TOTAL Executive Staff/Corporate Officers</b>	<b>\$ 1,165,192.54</b>	<b>\$ -</b>	<b>\$ 21,960.50</b>	<b>\$ -</b>	<b>\$ 36,640.00</b>	<b>\$ 21,065.50</b>	<b>\$ 68,962.50</b>	<b>\$ 1,000.00</b>	<b>\$ -</b>	<b>\$ 1,314,821.04</b>
Managers	\$ 1,130,679.90	\$ 24,063.03	\$ 5,640.02	\$ 267.18	\$ 36,600.00	\$ -	\$ 4,387.50	\$ 2,000.00	\$ 22,258.19	\$ 1,225,895.82
Supervisors	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Exempt	\$ 580,147.68	\$ 2,349.06	\$ -	\$ -	\$ 25,830.00	\$ -	\$ -	\$ -	\$ 3,139.21	\$ 611,465.95
Non-Exempt	\$ 7,455,412.01	\$ 1,391,972.68	\$ 26,107.75	\$ 319,869.26	\$ 362,846.54	\$ -	\$ -	\$ 9,975.00	\$ -	\$ 9,566,183.24
<b>TOTAL Other Emp Categories</b>	<b>\$ 9,166,239.59</b>	<b>\$ 1,418,384.77</b>	<b>\$ 31,747.77</b>	<b>\$ 320,136.44</b>	<b>\$ 425,276.54</b>	<b>\$ -</b>	<b>\$ 4,387.50</b>	<b>\$ 11,975.00</b>	<b>\$ 25,397.40</b>	<b>\$ 11,403,545.01</b>
<b>TOTAL All Categories</b>	<b>\$ 10,331,432.13</b>	<b>\$ 1,418,384.77</b>	<b>\$ 53,708.27</b>	<b>\$ 320,136.44</b>	<b>\$ 461,916.54</b>	<b>\$ 21,065.50</b>	<b>\$ 73,350.00</b>	<b>\$ 12,975.00</b>	<b>\$ 25,397.40</b>	<b>\$ 12,718,366.05</b>



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Test Year (12-Months Ended Feb. 28, 2023)	h.		i.		j.		k. & l.		m.		n.	o.		Total Compensation and Benefits	
	Medical		Dental		Vision		Life Insurance		Defined Benefit		401(k)	Long-Term Disability			
	Utility	Employee	Utility	Employee	Utility	Employee	Utility	Employee	Utility	Employee	Utility	Utility	Employee	Utility	Employee
Employee Categories															
President & CEO	\$ 15,856.24	\$ 3,755.20	\$ 915.84	\$ 489.60		\$ -	\$ 3,078.60		\$ 72,371.40			\$ 2,198.44		\$ 506,428.68	\$ 4,244.80
VP-Engineering & Operations	\$ 15,856.24	\$ 3,755.20	\$ 915.84	\$ 489.60		\$ -	\$ 1,604.32		\$ 45,346.64			\$ 1,367.64		\$ 287,728.70	\$ 4,244.80
VP-Regulatory/External Affairs	\$ 15,856.24	\$ 3,755.20	\$ 915.84	\$ 489.60		\$ -	\$ 1,596.90		\$ 46,381.72			\$ 1,398.72		\$ 255,912.68	\$ 4,244.80
Vice President Finance & Accounting	\$ 21,594.12	\$ 5,113.64	\$ 915.84	\$ 489.60		\$ 231.60	\$ 1,391.92		\$ 35,109.80			\$ 1,205.80		\$ 224,631.42	\$ 5,834.84
Vice President Admin Services/HR	\$ 21,594.12	\$ 5,113.64	\$ 915.84	\$ 489.60		\$ 231.60	\$ 1,622.68		\$ 39,688.92			\$ 1,366.64		\$ 263,541.56	\$ 5,834.84
Vice President - Operations	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -		\$ -			\$ -		\$ 3,079.20	\$ -
Executive Assistant - Corporate Officer	\$ 9,666.84	\$ 2,282.64	\$ 589.60	\$ 163.20		\$ -	\$ 898.36		\$ 25,920.88			\$ 769.32		\$ 136,670.63	\$ 2,445.84
<b>TOTAL Executive Staff/Corporate Officers</b>	<b>\$ 100,423.80</b>	<b>\$ 23,775.52</b>	<b>\$ 5,168.80</b>	<b>\$ 2,611.20</b>	<b>\$ -</b>	<b>\$ 463.20</b>	<b>\$ 10,192.78</b>	<b>\$ -</b>	<b>\$ 264,819.36</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 8,306.56</b>	<b>\$ -</b>	<b>\$ 1,677,992.87</b>	<b>\$ 26,849.92</b>
Managers	\$ 148,285.86	\$ 35,077.34	\$ 7,829.52	\$ 3,957.60		\$ 803.04	\$ 9,476.76		\$ 251,329.97			\$ 8,045.94		\$ 1,575,698.48	\$ 39,837.98
Supervisors	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -		\$ -			\$ -		\$ -	\$ -
Exempt	\$ 107,232.52	\$ 24,209.76	\$ 5,921.52	\$ 2,937.60		\$ 404.64	\$ 5,437.44		\$ 137,844.04			\$ 4,558.64		\$ 856,513.54	\$ 27,552.00
Non-Exempt	\$ 1,526,270.72	\$ 357,232.87	\$ 81,612.83	\$ 37,556.40		\$ 7,400.96	\$ 69,100.47		\$ 1,775,055.94			\$ 57,991.40		\$ 12,600,165.11	\$ 402,190.23
<b>TOTAL Other Emp Categories</b>	<b>\$ 1,781,789.10</b>	<b>\$ 416,519.97</b>	<b>\$ 95,363.87</b>	<b>\$ 44,451.60</b>	<b>\$ -</b>	<b>\$ 8,608.64</b>	<b>\$ 84,014.67</b>	<b>\$ -</b>	<b>\$ 2,164,229.95</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 70,595.98</b>	<b>\$ -</b>	<b>\$ 15,032,377.13</b>	<b>\$ 469,580.21</b>
<b>TOTAL All Categories</b>	<b>\$ 1,882,212.90</b>	<b>\$ 440,295.49</b>	<b>\$ 100,532.67</b>	<b>\$ 47,062.80</b>	<b>\$ -</b>	<b>\$ 9,071.84</b>	<b>\$ 94,207.45</b>	<b>\$ -</b>	<b>\$ 2,429,049.31</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 78,902.54</b>	<b>\$ -</b>	<b>\$ 16,710,370.00</b>	<b>\$ 496,430.13</b>

2022	h.		i.		j.		k. & l.		m.		n.	o.		Total Compensation and Benefits	
	Medical		Dental		Vision		Life Insurance		Defined Benefit		401(k)	Long-Term Disability			
	Utility	Employee	Utility	Employee	Utility	Employee	Utility	Employee	Utility	Employee	Utility	Utility	Employee	Utility	Employee
Employee Categories															
President & CEO	\$ 16,240.56	\$ 3,809.52	\$ 915.84	\$ 489.60		\$ -	\$ 3,088.80		\$ 71,454.48			\$ 2,180.64		\$ 500,597.91	\$ 4,299.12
Vice President Engineering & Operations	\$ 16,240.56	\$ 3,809.52	\$ 915.84	\$ 489.60		\$ -	\$ 1,547.04		\$ 43,266.24			\$ 1,293.12		\$ 282,278.92	\$ 4,299.12
Vice President Regulatory/Affairs	\$ 16,240.56	\$ 3,809.52	\$ 915.84	\$ 489.60		\$ -	\$ 1,687.78		\$ 46,104.24			\$ 1,380.24		\$ 256,531.46	\$ 4,299.12
Vice President Finance & Accounting	\$ 22,155.36	\$ 5,196.96	\$ 915.84	\$ 489.60		\$ 231.60	\$ 1,370.88		\$ 34,436.16			\$ 1,167.36		\$ 222,658.98	\$ 5,918.16
Vice President Admin Services/HR	\$ 22,155.36	\$ 5,196.96	\$ 915.84	\$ 489.60		\$ 231.60	\$ 1,614.72		\$ 39,460.32			\$ 1,343.28		\$ 262,124.06	\$ 5,918.16
Vice President Operations	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -		\$ -			\$ -		\$ 38,731.41	\$ -
Corporate Officer - Executive Assistant	\$ 11,391.60	\$ 2,672.04	\$ 671.16	\$ 244.80		\$ -	\$ 912.72		\$ 25,849.44			\$ 759.12		\$ 140,489.24	\$ 2,916.84
<b>TOTAL Executive Staff/Corporate Officers</b>	<b>\$ 104,424.00</b>	<b>\$ 24,494.52</b>	<b>\$ 5,250.36</b>	<b>\$ 2,692.80</b>	<b>\$ -</b>	<b>\$ 463.20</b>	<b>\$ 10,221.94</b>	<b>\$ -</b>	<b>\$ 260,570.88</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 8,123.76</b>	<b>\$ -</b>	<b>\$ 1,703,411.98</b>	<b>\$ 27,650.52</b>
Managers	\$ 156,936.34	\$ 36,811.86	\$ 8,134.80	\$ 4,120.80		\$ 803.04	\$ 9,817.12		\$ 259,984.65			\$ 8,203.94		\$ 1,668,972.67	\$ 41,735.70
Supervisors	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -		\$ -			\$ -		\$ -	\$ -
Exempt	\$ 109,368.90	\$ 24,481.74	\$ 5,921.52	\$ 2,937.60		\$ 417.60	\$ 5,428.28		\$ 137,695.20			\$ 4,481.28		\$ 874,361.13	\$ 27,836.94
Non-Exempt	\$ 1,571,634.96	\$ 364,521.95	\$ 82,131.35	\$ 37,719.60		\$ 7,219.92	\$ 69,809.17		\$ 1,794,460.72			\$ 57,676.28		\$ 13,141,895.72	\$ 409,461.47
<b>TOTAL Other Emp Categories</b>	<b>\$ 1,837,940.20</b>	<b>\$ 425,815.55</b>	<b>\$ 96,187.67</b>	<b>\$ 44,778.00</b>	<b>\$ -</b>	<b>\$ 8,440.56</b>	<b>\$ 85,054.57</b>	<b>\$ -</b>	<b>\$ 2,192,140.57</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 70,361.50</b>	<b>\$ -</b>	<b>\$ 15,685,229.52</b>	<b>\$ 479,034.11</b>
<b>TOTAL All Categories</b>	<b>\$ 1,942,364.20</b>	<b>\$ 450,310.07</b>	<b>\$ 101,438.03</b>	<b>\$ 47,470.80</b>	<b>\$ -</b>	<b>\$ 8,903.76</b>	<b>\$ 95,276.51</b>	<b>\$ -</b>	<b>\$ 2,452,711.45</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 78,485.26</b>	<b>\$ -</b>	<b>\$ 17,388,641.50</b>	<b>\$ 506,684.63</b>



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2021	a.	b.	c.	d.	e.	f.	g.	g.	g.	
	Regular Wages Compensation	Overtime Pay Compensation	Excess Vac Payout Compensation	Standby Pay Compensation	Bonus/Incentive Compensation	457 Deferred	Vehicle Allowance Compensation	Service/Ret Award Compensation	Vehicle Taxable W2 Tax Ben	Subtotal All Compensation
Employee Categories										
President & CEO	\$ 326,186.89	\$ -	\$ -	\$ -	\$ 45,999.96	\$ 19,500.00	\$ 24,000.00	\$ -	\$ -	\$ 415,686.85
Vice President Engineering	\$ 161,197.04	\$ -	\$ 4,526.08	\$ -	\$ 4,050.00	\$ -	\$ 10,200.00	\$ -	\$ -	\$ 179,973.12
VP-Regulatory/External Affairs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Vice President Finance & Accounting	\$ 170,776.88	\$ -	\$ -	\$ -	\$ 4,050.00	\$ -	\$ 10,200.00	\$ -	\$ -	\$ 185,026.88
Vice President Admin Services/HR	\$ 166,487.08	\$ -	\$ 6,271.20	\$ -	\$ 4,050.00	\$ -	\$ 10,200.00	\$ -	\$ -	\$ 187,008.28
Vice President Operations	\$ 160,009.68	\$ -	\$ -	\$ -	\$ 4,050.00	\$ -	\$ 10,200.00	\$ -	\$ -	\$ 174,259.68
Corporate Officer - Executive Assistant	\$ 93,931.12	\$ -	\$ -	\$ -	\$ 4,050.00	\$ -	\$ -	\$ -	\$ -	\$ 97,981.12
<b>TOTAL Executive Staff/Corporate Officers</b>	<b>\$ 1,078,588.69</b>	<b>\$ -</b>	<b>\$ 10,797.28</b>	<b>\$ -</b>	<b>\$ 66,249.96</b>	<b>\$ 19,500.00</b>	<b>\$ 64,800.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,239,935.93</b>
Managers	\$ 1,009,292.32	\$ -	\$ 12,039.92	\$ -	\$ 32,400.00	\$ -	\$ 8,775.00	\$ 850.00	\$ 16,472.31	\$ 1,079,829.55
Supervisors	\$ 129,547.70	\$ 8,193.33	\$ -	\$ -	\$ 7,950.00	\$ -	\$ -	\$ 900.00	\$ -	\$ 146,591.03
Exempt	\$ 577,359.98	\$ 219.87	\$ -	\$ -	\$ 32,250.00	\$ -	\$ -	\$ 300.00	\$ 2,458.29	\$ 612,588.14
Non-Exempt	\$ 7,418,339.20	\$ 1,033,825.12	\$ 26,282.10	\$ 323,402.43	\$ 416,475.00	\$ -	\$ -	\$ 6,100.00	\$ -	\$ 9,224,423.85
<b>TOTAL Other Emp Categories</b>	<b>\$ 9,134,539.20</b>	<b>\$ 1,042,238.32</b>	<b>\$ 38,322.02</b>	<b>\$ 323,402.43</b>	<b>\$ 489,075.00</b>	<b>\$ -</b>	<b>\$ 8,775.00</b>	<b>\$ 8,150.00</b>	<b>\$ 18,930.60</b>	<b>\$ 11,063,432.57</b>
<b>TOTAL All Categories</b>	<b>\$ 10,213,127.89</b>	<b>\$ 1,042,238.32</b>	<b>\$ 49,119.30</b>	<b>\$ 323,402.43</b>	<b>\$ 555,324.96</b>	<b>\$ 19,500.00</b>	<b>\$ 73,575.00</b>	<b>\$ 8,150.00</b>	<b>\$ 18,930.60</b>	<b>\$ 12,303,368.50</b>

2020	a.	b.	c.	d.	e.	f.	g.	g.	g.	
	Regular Wages Compensation	Overtime Pay Compensation	Excess Vac Payout Compensation	Standby Pay Compensation	Bonus/Incentive Compensation	457 Deferred	Vehicle Allowance Compensation	Service/Ret Award Compensation	Vehicle Taxable W2 Tax Ben	Subtotal All Compensation
Employee Categories										
President & CEO	\$ 320,008.00	\$ -	\$ -	\$ -	\$ 22,270.76	\$ 19,500.00	\$ 25,750.00	\$ 100.00	\$ -	\$ 387,628.76
Vice President Engineering	\$ 146,841.68	\$ -	\$ 5,821.20	\$ -	\$ 1,430.00	\$ -	\$ 10,200.00	\$ 350.00	\$ -	\$ 164,642.88
VP-Regulatory/External Affairs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Vice President Finance & Accounting	\$ 167,412.40	\$ -	\$ -	\$ -	\$ 1,430.00	\$ -	\$ 10,200.00	\$ -	\$ -	\$ 179,042.40
Vice President Admin Services/HR	\$ 162,922.96	\$ -	\$ -	\$ -	\$ 1,430.00	\$ -	\$ 10,200.00	\$ 250.00	\$ -	\$ 174,802.96
Vice President Operations	\$ 156,854.40	\$ -	\$ -	\$ -	\$ 1,430.00	\$ -	\$ 10,200.00	\$ -	\$ -	\$ 168,484.40
Corporate Officer - Executive Assistant	\$ 92,071.76	\$ -	\$ -	\$ -	\$ 1,430.00	\$ -	\$ -	\$ -	\$ -	\$ 93,501.76
<b>TOTAL Executive Staff/Corporate Officers</b>	<b>\$ 1,046,111.20</b>	<b>\$ -</b>	<b>\$ 5,821.20</b>	<b>\$ -</b>	<b>\$ 29,420.76</b>	<b>\$ 19,500.00</b>	<b>\$ 66,550.00</b>	<b>\$ 700.00</b>	<b>\$ -</b>	<b>\$ 1,168,103.16</b>
Managers	\$ 973,676.80	\$ -	\$ 9,188.86	\$ -	\$ 11,440.00	\$ -	\$ 8,100.00	\$ 600.00	\$ 15,799.53	\$ 1,018,805.19
Supervisors	\$ 168,478.89	\$ 16,250.48	\$ -	\$ -	\$ 2,860.00	\$ -	\$ -	\$ 400.00	\$ -	\$ 187,989.37
Exempt	\$ 604,387.03	\$ -	\$ 5,862.60	\$ -	\$ 9,860.00	\$ -	\$ 5,950.00	\$ 1,100.00	\$ 3,976.96	\$ 631,136.59
Non-Exempt	\$ 7,435,585.52	\$ 1,028,277.78	\$ 23,643.19	\$ 314,869.43	\$ 148,040.00	\$ -	\$ -	\$ 8,150.00	\$ -	\$ 8,958,565.92
<b>TOTAL Other Emp Categories</b>	<b>\$ 9,182,128.24</b>	<b>\$ 1,044,528.26</b>	<b>\$ 38,694.65</b>	<b>\$ 314,869.43</b>	<b>\$ 172,200.00</b>	<b>\$ -</b>	<b>\$ 14,050.00</b>	<b>\$ 10,250.00</b>	<b>\$ 19,776.49</b>	<b>\$ 10,796,497.07</b>
<b>TOTAL All Categories</b>	<b>\$ 10,228,239.44</b>	<b>\$ 1,044,528.26</b>	<b>\$ 44,515.85</b>	<b>\$ 314,869.43</b>	<b>\$ 201,620.76</b>	<b>\$ 19,500.00</b>	<b>\$ 80,600.00</b>	<b>\$ 10,950.00</b>	<b>\$ 19,776.49</b>	<b>\$ 11,964,600.23</b>



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2021	h.		i.		j.		k. & l.		m.		n.	o.		Total Compensation and Benefits	
	Medical		Dental		Vision		Life Insurance		Defined Benefit		401(k)	Long-Term Disability		Utility	Employee
	Utility	Employee	Utility	Employee	Utility	Employee	Utility	Employee	Utility	Employee	Utility	Utility	Employee	Utility	Employee
Employee Categories															
President & CEO	\$ 14,192.88	\$ 3,115.68	\$ 915.84	\$ 489.60			\$ 2,917.44		\$ 66,670.56			\$ 2,284.32		\$ 502,667.89	\$ 3,605.28
Vice President Engineering	\$ 14,192.88	\$ 3,115.68	\$ 915.84	\$ 489.60			\$ 1,373.04		\$ 39,053.28			\$ 1,244.40		\$ 236,752.56	\$ 3,605.28
VP-Regulatory/External Affairs	\$ -	\$ -	\$ -	\$ -			\$ -		\$ -			\$ -		\$ -	\$ -
Vice President Finance & Accounting	\$ 14,192.88	\$ 3,115.68	\$ 915.84	\$ 489.60			\$ 1,652.40		\$ 44,332.32			\$ 1,417.44		\$ 247,537.76	\$ 3,605.28
Vice President Admin Services/HR	\$ 19,310.88	\$ 4,239.12	\$ 915.84	\$ 489.60			\$ 1,527.84		\$ 37,954.80			\$ 1,379.52		\$ 248,097.16	\$ 4,728.72
Vice President Operations	\$ 19,310.88	\$ 4,239.12	\$ 915.84	\$ 489.60			\$ 1,424.64		\$ 36,580.80			\$ 1,328.16		\$ 233,820.00	\$ 4,728.72
Corporate Officer - Executive Assistant	\$ 14,192.88	\$ 3,115.68	\$ 915.84	\$ 489.60			\$ 909.60		\$ 24,864.24			\$ 779.52		\$ 139,643.20	\$ 3,605.28
<b>TOTAL Executive Staff/Corporate Officers</b>	<b>\$ 95,393.28</b>	<b>\$ 20,940.96</b>	<b>\$ 5,495.04</b>	<b>\$ 2,937.60</b>	\$ -	\$ -	<b>\$ 9,804.96</b>	\$ -	<b>\$ 249,456.00</b>	\$ -	\$ -	<b>\$ 8,433.36</b>	\$ -	<b>\$ 1,608,518.57</b>	<b>\$ 23,878.56</b>
Managers	\$ 118,607.04	\$ 26,036.88	\$ 6,837.36	\$ 3,427.20			\$ 9,062.64		\$ 245,229.84			\$ 8,248.08		\$ 1,467,814.51	\$ 29,464.08
Supervisors	\$ 25,828.84	\$ 5,669.98	\$ 1,373.76	\$ 734.40			\$ 1,157.12		\$ 30,289.52			\$ 1,036.76		\$ 206,277.03	\$ 6,404.38
Exempt	\$ 97,851.92	\$ 20,029.72	\$ 6,150.48	\$ 3,019.20			\$ 5,226.82		\$ 135,526.80			\$ 4,705.62		\$ 862,049.78	\$ 23,048.92
Non-Exempt	\$ 1,504,552.97	\$ 326,899.64	\$ 87,804.78	\$ 42,799.20			\$ 67,551.13		\$ 1,765,131.56			\$ 60,276.51		\$ 12,709,740.80	\$ 369,698.84
<b>TOTAL Other Emp Categories</b>	<b>\$ 1,746,840.77</b>	<b>\$ 378,636.22</b>	<b>\$ 102,166.38</b>	<b>\$ 49,980.00</b>	\$ -	\$ -	<b>\$ 82,997.71</b>	\$ -	<b>\$ 2,176,177.72</b>	\$ -	\$ -	<b>\$ 74,266.97</b>	\$ -	<b>\$ 15,245,882.12</b>	<b>\$ 428,616.22</b>
<b>TOTAL All Categories</b>	<b>\$ 1,842,234.05</b>	<b>\$ 399,577.18</b>	<b>\$ 107,661.42</b>	<b>\$ 52,917.60</b>	\$ -	\$ -	<b>\$ 92,802.67</b>	\$ -	<b>\$ 2,425,633.72</b>	\$ -	\$ -	<b>\$ 82,700.33</b>	\$ -	<b>\$ 16,854,400.69</b>	<b>\$ 452,494.78</b>

2020	h.		i.		j.		k. & l.		m.		n.	o.		Total Compensation and Benefits	
	Medical		Dental		Vision		Life Insurance		Defined Benefit		401(k)	Long-Term Disability		Utility	Employee
	Utility	Employee	Utility	Employee	Utility	Employee	Utility	Employee	Utility	Employee	Utility	Utility	Employee	Utility	Employee
Employee Categories															
President & CEO	\$ 14,044.80	\$ 2,675.28	\$ 915.84	\$ 489.60			\$ 2,639.28		\$ 64,827.10			\$ 2,213.04		\$ 472,268.82	\$ 3,164.88
Vice President Engineering	\$ 14,044.80	\$ 2,675.28	\$ 915.84	\$ 489.60			\$ 1,278.72		\$ 35,566.70			\$ 1,127.76		\$ 217,576.70	\$ 3,164.88
VP-Regulatory/External Affairs	\$ -	\$ -	\$ -	\$ -			\$ -		\$ -			\$ -		\$ -	\$ -
Vice President Finance & Accounting	\$ 14,044.80	\$ 2,675.28	\$ 915.84	\$ 489.60			\$ 1,601.76		\$ 41,850.38			\$ 1,333.20		\$ 238,788.38	\$ 3,164.88
Vice President Admin Services/HR	\$ 19,184.88	\$ 3,654.24	\$ 915.84	\$ 489.60			\$ 1,477.44		\$ 36,481.64			\$ 1,297.44		\$ 234,160.20	\$ 4,143.84
Vice President Operations	\$ 19,184.88	\$ 3,654.24	\$ 915.84	\$ 489.60			\$ 1,383.36		\$ 35,164.74			\$ 1,249.20		\$ 226,382.42	\$ 4,143.84
Corporate Officer - Executive Assistant	\$ 14,044.80	\$ 2,675.28	\$ 915.84	\$ 489.60			\$ 879.60		\$ 23,500.36			\$ 733.20		\$ 133,575.56	\$ 3,164.88
<b>TOTAL Executive Staff/Corporate Officers</b>	<b>\$ 94,548.96</b>	<b>\$ 18,009.60</b>	<b>\$ 5,495.04</b>	<b>\$ 2,937.60</b>	\$ -	\$ -	<b>\$ 9,260.16</b>	\$ -	<b>\$ 237,390.92</b>	\$ -	\$ -	<b>\$ 7,953.84</b>	\$ -	<b>\$ 1,522,752.08</b>	<b>\$ 20,947.20</b>
Managers	\$ 122,563.92	\$ 23,345.52	\$ 6,837.36	\$ 3,427.20			\$ 8,598.48		\$ 229,883.42			\$ 7,626.00		\$ 1,394,314.37	\$ 26,772.72
Supervisors	\$ 33,229.68	\$ 6,329.52	\$ 1,831.68	\$ 979.20			\$ 1,561.68		\$ 40,710.80			\$ 1,337.52		\$ 266,660.73	\$ 7,308.72
Exempt	\$ 102,941.16	\$ 18,845.94	\$ 6,054.34	\$ 3,141.60			\$ 5,138.44		\$ 132,506.30			\$ 4,545.62		\$ 882,322.45	\$ 21,987.54
Non-Exempt	\$ 1,572,676.56	\$ 296,639.76	\$ 90,177.42	\$ 43,819.20			\$ 68,180.75		\$ 1,772,069.46			\$ 59,056.48		\$ 12,520,726.59	\$ 340,458.96
<b>TOTAL Other Emp Categories</b>	<b>\$ 1,831,411.32</b>	<b>\$ 345,160.74</b>	<b>\$ 104,900.80</b>	<b>\$ 51,367.20</b>	\$ -	\$ -	<b>\$ 83,479.35</b>	\$ -	<b>\$ 2,175,169.98</b>	\$ -	\$ -	<b>\$ 72,565.62</b>	\$ -	<b>\$ 15,064,024.14</b>	<b>\$ 396,527.94</b>
<b>TOTAL All Categories</b>	<b>\$ 1,925,960.28</b>	<b>\$ 363,170.34</b>	<b>\$ 110,395.84</b>	<b>\$ 54,304.80</b>	\$ -	\$ -	<b>\$ 92,739.51</b>	\$ -	<b>\$ 2,412,560.90</b>	\$ -	\$ -	<b>\$ 80,519.46</b>	\$ -	<b>\$ 16,586,776.22</b>	<b>\$ 417,475.14</b>

**KENERGY CORP.**

**PSC CASE NO. 2023-00276**

**FIRST REQUEST FOR  
INFORMATION RESPONSE**

**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION  
REQUEST 33**

**RESPONSIBLE PERSON: Keith Ellis**

**COMPANY: Kenergy Corp**

**Request 33.** For each item of benefits listed in Item 32 above where an employee is required to pay part of the cost, provide a detailed explanation as to how the employee contribution rate was determined

**Response 33.**

Medical Insurance – 20% employee contribution rate regardless of tier phased in over time to comply with organizational philosophy and past PSC recommendations. It should be noted that medical insurance rates decreased 24% in 2023 while raising employee contribution rate by 1% to an overall 20% contribution rate.

**KENERGY CORP.**

**PSC CASE NO. 2023-00276**

**FIRST REQUEST FOR  
INFORMATION RESPONSE**

**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION  
REQUEST 34**

**RESPONSIBLE PERSON: Keith Ellis**

**COMPANY: Kenergy Corp**

**Request 34.** Provide a listing of all healthcare plan categories, dental plan categories, and vision plan categories available to corporate officers individually and to groups defined as Corporate Officers, Directors, Managers, Supervisors, Exempt, Non- Exempt, Union, and Non-Union Hourly employees (e.g., single, family). Include the associated employee contribution rates and employer contribution rates of the total premium cost for each category, and each plan's deductible(s) amounts

**Response 34.**

See Response to items 24 and 33.

**KENERGY CORP.**

**PSC CASE NO. 2023-00276**

**FIRST REQUEST FOR  
INFORMATION RESPONSE**

**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION  
REQUEST 35**

**RESPONSIBLE PERSON: Keith Ellis**

**COMPANY: Kenergy Corp**

**Request 35.** Provide a listing of all life insurance plan categories available to corporate officers individually and to groups defined as Directors, Managers, Supervisors, Exempt, Non-Exempt, Union, and Non-Union Hourly employees. Include the associated employee contribution rates and employer contribution rates of the total premium cost for each plan category.

**Response 35** All active employees (including corporate officers, managers, supervisors, exempt, & non-exempt) are eligible to participate in the same life insurance plans effective the 1st day of the month following their hire date. There are no differing plans offered to Corporate Officers individually. The members of the Board of Directors as well as the company retained attorney are eligible to participate ONLY in the Business Travel & Accident plan. Kenergy does not employ any Union employees. Please see attached pages 2-3 for employer and employee contribution rates for these plans.



KENERGY CORP.

PSC information request no. 1

Item 35

AS OF 1/01/2023

LIFE INSURANCE PLANS

All active employees (including corporate officers, managers, supervisors, exempt, & non-exempt) are eligible to participate in the same life insurance plans effective the 1st day of the month following their hire date. Directors are eligible to participate in the Business Travel Accident \$100,000 plan only. (Kenergy does not employ any Union employees.)

PLANS ARE PROVIDED THROUGH NATIONAL RURAL ELECTRIC COOPERATIVE ASSOCIATION

		Monthly rate per \$1,000 EMPLOYER Paid	Monthly rate per \$1,000 EMPLOYEE paid
<b>EMPLOYEE BASIC LIFE &amp; AD&amp;D INSURANCE</b>	<b>3 X annual salary amount (100% paid by employer)</b>	\$0.248	N/A
<b>SUPPLEMENTAL BASIC LIFE INSURANCE</b>	<b>Optional - 1 X up to 5 X annual salary amount (100% paid by employee)</b> (Based on employee's age as of Jan 1st of current plan year):	N/A	see age rates below
	<25		\$0.029
	25-29		\$0.035
	30-34		\$0.047
	35-39		\$0.053
	40-44		\$0.059
	45-49		\$0.088
	50-54		\$0.135
	55-59		\$0.252
	60-64		\$0.386
	65-69		\$0.744
	70>		\$1.207
<b>SUPPLEMENTAL AD&amp;D INSURANCE</b>	<b>Optional - 1 X up to 5 X annual salary amount (100% paid by employee)</b>	N/A	see rates below
	Individual		\$0.027
	Family		\$0.042
<b>SPOUSE LIFE INSURANCE</b>	<b>\$10,000 coverage amount (100% paid by employer)</b>	see age rates below	N/A
	<b>Optional - 7 different coverages ranging from additional \$15,000 to \$190,000 (100% paid by employee)</b> (Based on employee's age as of Jan 1st of current plan year):	N/A	see age rates below
	<25	\$0.050	\$0.050
	25-29	\$0.060	\$0.060
	30-34	\$0.080	\$0.080
	35-39	\$0.090	\$0.090
	40-44	\$0.100	\$0.100
	45-49	\$0.150	\$0.150
	50-54	\$0.230	\$0.230
	55-59	\$0.430	\$0.430
	60-64	\$0.660	\$0.660
	65-69	\$1.270	\$1.270
	70>	\$2.060	\$2.060
<b>CHILD LIFE INSURANCE</b>	<b>\$10,000 coverage amount applies to all children at no extra cost per child (100% paid by employer)</b>	\$0.100	N/A
	<b>Optional - additional \$10,000 applies to all children at no extra cost per child (100% paid by employee)</b>	N/A	\$0.100



KENERGY CORP.			
PSC information request no. 1			
Item 35			
AS OF 1/01/2023			
BUSINESS TRAVEL ACCIDENT INSURANCE	LIFE INSURANCE PLANS		
	The same blanket coverage applies to all types of active employees as well as all members of the Board of Directors and the company's retained Attorney. Covered losses are paid out per event and are capped at a maximum payout of \$100,000.	\$324.00 TOTAL ANNUAL PREMIUM	N/A
RETIREE LIFE INSURANCE	Optional - 4 different coverage amounts ranging from \$5,000 to \$20,000 (100% paid by retiree) (Based on employee's age as at the date of retirement):	N/A	see age rates below
	Under 55		
	55		\$2.390
	56		\$2.480
	57		\$2.630
	58		\$2.790
	59		\$2.970
	60		\$3.150
	61		\$3.340
	62		\$3.550
	63		\$3.780
	64		\$4.030
	65		\$4.280
	66		\$4.540
	67		\$4.840
	68		\$5.140
	69		\$5.480
	70		\$5.820
	71		\$6.190
	72		\$6.590
	73		\$7.010
	74		\$7.440
	75		\$7.920
	76 and Over		\$8.440
			\$9.410

**KENERGY CORP.**

**PSC CASE NO. 2023-00276**

**FIRST REQUEST FOR  
INFORMATION RESPONSE**

**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION  
REQUEST 36**

**RESPONSIBLE PERSON: Keith Ellis**

**COMPANY: Kenergy Corp**

**Request 36.** Provide a listing of all retirement plans available to Corporate officers individually, and to groups defined as Directors, Managers, Supervisors, Exempt, Non-Exempt, Union, and Non-Union Hourly employees. Include the associated employee contribution rates, if any, and employer contribution rates of the total premium cost for each plan category.

**Response 36.** All active employees (including corporate officers, managers, supervisors, exempt, & non-exempt) are eligible to participate in the same retirement plans effective the 1st of the month following 30 days after their hire date. Directors are NOT eligible to participate in these plans. Kenergy does not employ any Union employees. There are no differing plans offered to Corporate Officers individually, except for the option offered only to the CEO of creating a 457b plan from the incentive bonus payment which may be awarded annually at the discretion of the Board of Directors. Please see attached for premium costs and plan details.

KENERGY CORP.																																																						
PSC information request no. 1																																																						
Item 36																																																						
AS OF 1/01/2023																																																						
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Subgroup 18065-002	n/a	26.06%	1.08%	27.14%																																																		
Subgroup 18065-003	n/a	22.39%	0.93%	23.32%																																																		

**KENERGY CORP.**

**PSC CASE NO. 2023-00276**

**FIRST REQUEST FOR  
INFORMATION RESPONSE**

**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION  
REQUEST 37**

**RESPONSIBLE PERSON: Tim Lindahl**

**COMPANY: Kenergy Corp**

**Request 37.** Provide an analysis of Kenergy Corp.'s expenses for research and development activities for the test year and the three preceding calendar years. For the test year include the following:

**Request 37a.** Basis of fees paid to research organizations and Kenergy Corp.'s portion of the total revenue of each organization.

Where the contribution is monthly, provide the current rate and the effective date.

**Response 37a.** Kenergy Corp. has no research and development activities.

**Request 37b.** Details of the research activities conducted by each organization.

**Response 37b.** Kenergy Corp. has no research and development activities



**KENERGY CORP.**  
**PSC CASE NO. 2023-00276**  
**FIRST REQUEST FOR**  
**INFORMATION RESPONSE**

**Request 37c.** Details of services and other benefits provided to Kenergy Corp. by each organization during the test year and the preceding calendar year

**Response 37c.** Kenergy Corp. has no research and development activities

**Request 37d.** Total expenditures of each organization including the basic nature of the costs incurred by the organization.

**Response 37d.** Kenergy Corp. has no research and development activities

**Request 37e.** Details of the expected benefits to Kenergy Corp.

**Response 37e.** Kenergy Corp. has no research and development activities

**KENERGY CORP.**  
**PSC CASE NO. 2023-00276**  
**FIRST REQUEST FOR INFORMATION**  
**RESPONSE**

**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION  
REQUEST 38**

**RESPONSIBLE PERSON: Steve Thompson**  
**COMPANY: Kenergy Corp**

**Request 38.** Provide a running total of the following information concerning the cost of preparing this case:

**Request 38a.** A detailed schedule of expenses incurred to date for the following categories: For each category, the schedule should include the date of each transaction, check number or other document reference, the vendor, the hours worked, the rates per hour, amount, a description of the services performed, and the account number in which the expenditure was recorded. Provide copies of any invoices, contracts, or other documentation that support charges incurred in the preparation of this rate case. Indicate any costs incurred for this case that occurred during the test year.

- (1) Accounting;
- (2) Engineering;
- (3) Legal; and
- (4) Consultants; and Other Expenses (Identify separately).
- (5) Other Expenses(Identify separately)

**KENERGY CORP.**  
**PSC CASE NO. 2023-00276**  
**FIRST REQUEST FOR INFORMATION**  
**RESPONSE**

**Response 38a.** Please see attached Request 38 pages 3-14.

**Request 38b.** An itemized estimate of the total cost to be incurred for this Case. Expenses should be broken down into the same categories as identified in (a) above, with an estimate of the hours to be worked and the rates per hour. Include a detailed explanation of how the estimate was determined, along with all supporting work papers and calculations.

**Response 38b.** Please see attached Request 38 pages 3-14.

**Request 38c.** Provide monthly updates of the actual costs incurred in Conjunction with this rate case, reported in the manner requested in (a) above. Updates will be due when Kenergy Corp files its monthly financial statements with the Commission, through the month of the public hearing.

**Response 38c.** Kenergy Corp. will provide the requested monthly updates of the actual costs incurred in conjunction with the rate case.



KENERGY CORP.  
2023-00276 RATE CASE APPLICATION  
PSC 1 - ITEM 38

RATE CASE COST THROUGH SEPTEMBER 1, 2023 AND PROJECTED

Line No	(a) Vendor Name	(b) Description	(c) Date Paid	(d) Check Number	(e) Dollar Amount	(f) Legal	(g) COSS Rate Design	(h) Wage and Benefit Study	(i) Other
1	Catalyst Consulting	COSS & Rate Design			1,012.50		1,012.50		
2			May 2023		1,012.50	-	1,012.50	-	-
3									
4	Catalyst Consulting	COSS & Rate Design			1,687.50		1,687.50		
5	Dorsey, Gray, Norment & Hopgood	Legal			481.25	481.25			
5			June 2023		2,168.75	481.25	1,687.50	-	-
6									
7	JER HR Group, LLC	Wage and Benefit Study			12,000.00			12,000.00	
8	Catalyst Consulting	COSS & Rate Design			3,600.00		3,600.00		
9			July 2023		15,600.00	-	3,600.00	12,000.00	-
10									
11	Catalyst Consulting	COSS & Rate Design			3,712.50		3,712.50		
12	Dorsey, Gray, Norment & Hopgood	Legal			525.00	525.00			
13	NISC	PSC Mailing Affidavit			600.00				600.00
14			August 2023		4,837.50	525.00	3,712.50	-	600.00
15									
16	Catalyst Consulting	COSS & Rate Design			4,585.31		4,585.31		
17			Sept 2023		4,585.31	-	4,585.31	-	-
		Total incurred to date			28,204.06	1,006.25	14,597.81	12,000.00	600.00
		Projected Remaining			54,295.94	10,000.00	30,402.19	3,000.00	6,900.00
		Projected Total			\$ 82,500.00	\$ 15,000.00	\$ 45,000.00	\$ 15,000.00	\$ 7,500.00

V10678



**CATALYST**  
CONSULTING LLC

3308 Haddon Road  
Louisville, KY 40241  
(502) 599-1739  
johnwolfram@catalystllc.com

**INVOICE**

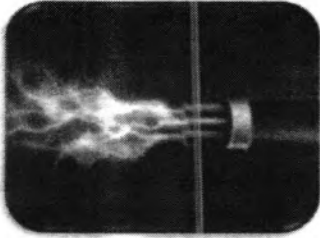
<b>Date:</b> May 1, 2023	<b>Invoice #:</b> 230412
<b>Client:</b> <u>P.O. 16804</u> Kenergy Corp. 6402 Old Corydon Road P. O. Box 18 Henderson, KY 42419	<b>Project:</b> 2022 Cost of Service & Rate Review Case No. 2023-_____  For Services Provided in April 2023

	Item	Description	Qty	Rate	Amt
1	Consulting Services	John Wolfram – consulting support for 2022 Cost of Service & Rate Review. Initialize rate models. Review issues on expense adjustments and pilot tariffs. Emails with staff on same.	4.5 hours	\$225.00	\$ 1,012.50
				<b>TOTAL</b>	<b>\$ 1,012.50</b>

928 20 240

JF

Please remit payment to Catalyst Consulting LLC at the address listed above. Thank you.



**CATALYST**  
CONSULTING LLC

3308 Haddon Road  
Louisville, KY 40241  
(502) 599-1739  
johnwolfram@catalystllc.com

V10678

**INVOICE**

<b>Date:</b> June 1, 2023	<b>Invoice #:</b> 230518
<b>Client:</b> Kenergy Corp. 6402 Old Corydon Road P. O. Box 18 Henderson, KY 42419	<b>Project:</b> Cost of Service & Rates Case No. 2023-_____  For Services Provided in May 2023

	Item	Description	Qty	Rate	Amt
1	Consulting Services	John Wolfram – consulting support for Cost of Service & Rates. Begin processing data for COS and rate models. Emails with staff on same.	7.5 hours	\$225.00	\$ 1,687.50
<b>TOTAL</b>					<b>\$ 1,687.50</b>

JF

Please remit payment to Catalyst Consulting LLC at the address listed above. Thank you.

928 20 240

Kenergy Corp.  
Post Office Box 18  
Henderson, KY 42419-018

June 30, 2023

V8118

**DORSEY, GRAY, NORMENT & HOPGOOD**  
ATTORNEYS AT LAW  
318 SECOND STREET  
HENDERSON, KENTUCKY 42420

ID NO. 610462803

Re: Rate

TO FEE: For legal services rendered during June 2023 as follows:

<u>2023</u>		<u>HOUR</u>
6-6	Receipt and review proposed application	.5
6-7	E-mail to Steve Thompson re rate application; review Lindahl testimony	.75
6-20	Attention to e-mail re Attorney Engagement Agreements	.25
6-23	Telephone conference with Steve Thompson re rate case testimony	.25
6-26	E-mail from Tim Lindahl re: Owensboro funds and research e-mail re: same	.75
6-28	E-mail from and to Steve Thompson re: employee wage survey	.25
	Total hours	2.75

FEE for above services rendered (2.75 hours @175.00) -

\$ 481.25  
JF

928 20 240



V10195

**JER HR Group LLC**  
6801 Pleasant Pines Dr Ste 103  
Raleigh, NC 27613  
(866)475-7687  
jerhrgroup.com

**INVOICE**

Invoice Date: 5/10/23  
Total Amount: \$6,000.00  
Number: 2305000725  
Terms: Net 30  
Project Code: 003004

**Kenergy Corporation**  
P O Box 18  
Henderson, KY 42419  
USA

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**Invoice Details**

---

Description	Amount
Project Initiation-Market Pay & Benefits Study	\$6,000.00
<b>TOTAL AMOUNT DUE</b>	<b>\$6,000.00</b>

928 20 240



V10745

**JER HR Group LLC**  
6801 Pleasant Pines Dr Ste 103  
Raleigh, NC 27613  
(866)475-7687  
jerhrgroup.com

**INVOICE**

Invoice Date: 6/30/23  
Total Amount: \$6,000.00  
Number: 2306000893  
Terms: Net 30  
Project Code: 003004

**Kenergy Corporation**  
P O Box 18  
Henderson, KY 42419  
USA

**Invoice Details**

Description	Amount
Project Completion-Market Pay & Benefits Study      2nd Task- Project Completion	\$6,000.00
<b>TOTAL AMOUNT DUE</b>	<b>\$6,000.00</b>
	TOTAL: JF <u>\$6,000.00</u>
928      20      240	PRIOR BALANCE: \$6,000.00
	PAYMENTS: \$0.00
	<b>BALANCE DUE: \$12,000.00</b>

**PRIOR UNPAID INVOICES**

Number	Date	Amount	Days Outstanding	Amount Due
2305000725	5/10/23	\$6,000.00	54	\$6,000.00
<b>TOTAL PAST DUE</b>				<b>\$6,000.00</b>

N 10 2 18



# CATALYST

## CONSULTING LLC

3308 Haddon Road  
Louisville, KY 40241  
(502) 599-1739  
johnwolfram@catalystcllc.com

### INVOICE

<b>Date:</b> July 1, 2023	<b>Invoice #:</b> 230614
<b>Client:</b>  Kenergy Corp. 6402 Old Corydon Road P. O. Box 18 Henderson, KY 42419	<b>Project:</b>  Cost of Service & Rates Case No. 2023-_____  For Services Provided in June 2023

	Item	Description	Qty	Rate	Amt
1	Consulting Services	John Wolfram – consulting support for Cost of Service & Rates. Develop cost of service study and related models. Emails with staff on same.	16.0 hours	\$225.00	\$ 3,600.00
<b>TOTAL</b>					\$ 3,600.00

928 20 240

no p.o. per Steve

JF

Please remit payment to Catalyst Consulting LLC at the address listed above. Thank you.





**CATALYST**  
CONSULTING LLC

3308 Haddon Road  
Louisville, KY 40241  
(502) 599-1739  
johnwolfram@catalystcllc.com

V10678

**INVOICE**

<b>Date:</b> August 1, 2023	<b>Invoice #:</b> 230711
<b>Client:</b> Kenergy Corp. 6402 Old Corydon Road P. O. Box 18 Henderson, KY 42419	<b>Project:</b> Cost of Service & Rates Case No. 2023-_____  For Services Provided in July 2023

	Item	Description	Qty	Rate	Amt
1	Consulting Services	John Wolfram – consulting support for Cost of Service & Rates. Complete draft COS and initial rate design. Emails with staff on same.	16.5 hours	\$225.00	\$ 3,712.50
				<b>TOTAL</b>	<b>\$ 3,712.50</b>

928 20 240

*(Handwritten circle around the total amount)*

JF

Please remit payment to Catalyst Consulting LLC at the address listed above. Thank you.

Kenergy Corp.  
Post Office Box 18  
Henderson, KY 42419-018

September 1, 2023

V 8118

**DORSEY, GRAY, NORMENT & HOPGOOD**  
ATTORNEYS AT LAW  
318 SECOND STREET  
HENDERSON, KENTUCKY 42420

ID NO. 610462803

Re: Rate

TO FEE: For legal services rendered during August 2023 as follows:

<u>2023</u>		<u>HOUR</u>
8-7	E-mail from and to Steve Thompson re Resolution;	.25
8-10	Research re Notice of Electronic Filing and Notice of Intent to File for Rate Increase;	.5
8-11	E-mail from Travis Siewert re: notification to PSC; revise notification letter and e-mail to Travis Siewert;	.5
8-25	E-mail from and to Steve Thompson re: PSC notification letter;	.25
8-31	Begin review of Application and Lindahl testimony;	1.5
	TOTAL HOURS	3

FEE for above services rendered (3 hours @ \$175.00) -

\$525.00

928 20 240

JF



National Information  
Solutions Cooperative  
PO Box 1147  
Mandan, ND 58554-1147

**INVOICE: 570033**

Invoice Date: 08/31/2023  
Terms: NET 30 DAYS  
Due Date: 09/30/2023  
Amount Due: \$ 3,449.80

KENERGY CORPORATION  
PO BOX 1389  
OWENSBORO KY 42302-1389

P.O. 17241

DESCRIPTION	QUANTITY	UOM	UNIT PRICE	AMOUNT	TAX
POSTAGE-PACKAGE	1.000	EA	560.8100	560.81	v
SERVICE - ONLINE PAYMENTS RPPS	1,259.000	EA	0.1000	125.90	
SERVICE - ONLINE PAYMENTS FISERV	854.000	EA	0.1000	85.40	
POSTAGE - BILLS USPS - METER BATCH	1.000	EA	262.1700	262.17	
Service-ACH Account Validation	171.000	EA	0.1777	30.39	
Service-EFT Account Validation	154.000	EA	0.0209	3.22	
Service-ACH Returns E-Checks	48.000	EA	0.4180	20.06	
Service-ACH Originated E-Checks	6,141.000	EA	0.2000	1,228.20	
PROGRAMMING-PRINT SERVICES-CERT OF MAIL CYCLES 1-12 SEPTEMBER MAILINGS-CSTASK0120964	12.000	EA	50.0000	600.00	
PROGRAMMING - PRINT SVCS-BB LETTER UPDAT CS0655963/QUT0019297	1.000	EA	500.0000	500.00	

928 20 240 = 600  
903 22 219 = 1,281.97  
903 22 491 = 1,034.28

RETURN BOTTOM PORTION WITH PAYMENT

143.099 = 500



National Information  
Solutions Cooperative  
PO Box 1147  
Mandan, ND 58554-1147

Account:	19065
Invoice:	570033
Due Date:	09/30/2023
Amount Due:	\$ 3,449.80
Amount Of Payment:	JF

KENERGY CORPORATION  
PO BOX 1389  
OWENSBORO KY 42302-1389

Remit To:  
NISC  
PO BOX 1147  
MANDAN ND 58554



National Information  
Solutions Cooperative  
PO Box 1147  
Mandan, ND 58554-1147

**INVOICE:** 570033

Invoice Date: 08/31/2023  
Terms: NET 30 DAYS  
Due Date: 09/30/2023  
Amount Due: \$ 3,449.80

KENERGY CORPORATION  
PO BOX 1389  
OWENSBORO KY 42302-1389

Account: 19065  
Description: AUGUST 2023 MISC

Page 2 of 2

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**MESSAGES**

If you have any questions regarding this invoice, please contact [accountsreceivable@nisc.coop](mailto:accountsreceivable@nisc.coop). Thank you!

\*\*\*Please remember to include your invoice stub with your payment if paying by check\*\*\*

Subtotal:	\$ 3,416.15
Tax:	\$ 33.65
Total:	\$ 3,449.80
Amount Paid:	\$ 0.00
Amount Due:	\$ 3,449.80

711010



**CATALYST**  
CONSULTING LLC

3308 Haddon Road  
Louisville, KY 40241  
(502) 599-1739  
johnwolfram@catalystllc.com

**INVOICE**

<b>Date:</b> September 1, 2023	<b>Invoice #:</b> 230814
<b>Client:</b> Kenergy Corp. 6402 Old Corydon Road P. O. Box 18 Henderson, KY 42419	<b>Project:</b> Cost of Service & Rates Case No. 2023-00276  For Services Provided in August 2023

	Item	Description	Qty	Rate	Amt
1	Consulting Services	John Wolfram – consulting support for Cost of Service & Rates. Complete draft COS and initial rate design. Emails with staff on same.	19.5 hours	\$225.00	\$ 4,387.50
2	Mileage	8/14 Travel to Henderson for BOD	302 miles	0.655	\$ 197.81
<b>TOTAL</b>					<b>\$ 4,585.31</b>

Please remit payment to Catalyst Consulting LLC at the address listed above. Thank you.

JF

928 20 240

**KENERGY CORP.**  
**PSC CASE NO. 2023-00276**  
**FIRST REQUEST FOR**  
**INFORMATION RESPONSE**

**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION  
REQUEST 39**

**RESPONSIBLE PERSON: Travis Siewert**

**COMPANY: Kenergy Corp**

**Request 39.** Provide the following information for the most recent calendar year concerning Kenergy Corp. and any affiliated service corporation or corporate service division/unit:

**Request 39a.** A schedule detailing the costs charged, either directly or those allocated by Kenergy Corp. to the service company. Indicate Kenergy Corp.'s accounts where these costs were originally recorded. For costs that are allocated, include a description of the allocation factors utilized.

**Response 39a.** During 2022, Kenergy's wholly owned subsidiary Kenect Inc. received \$32,676.46 in broadband revenue share from Conexon Conect LLC and Kenect Inc. paid the full amount \$32,676.46 to Kenergy. Kenergy recorded this amount in account 417.050 Revenue-Fiber Broadband Revenue Share.

**KENERGY CORP.**  
**PSC CASE NO. 2023-00276**  
**FIRST REQUEST FOR**  
**INFORMATION RESPONSE**

**Request 39b.** A schedule detailing the costs charged, either directly or allocated, by the service company to Kenergy Corp. Indicate Kenergy Corp.'s accounts where these costs were recorded. For costs that are allocated, include a description of the allocation factors utilized.

**Response 39b.** No costs were charged by Kenect Inc. to Kenergy.



**KENERGY CORP.**

**PSC CASE NO. 2023-00276**

**FIRST REQUEST FOR  
INFORMATION RESPONSE**

**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION  
REQUEST 40**

**RESPONSIBLE PERSON: Travis Siewert**

**COMPANY: Kenergy Corp**

**Request 40.** Provide the following information for the most recent calendar year concerning all affiliate-related activities not identified in response to Item 38:

a. Provide the names of affiliates that provided some form of service to Kenergy Corp. and the type of service Kenergy Corp. received from each affiliate.

b. Provide the names of affiliates to whom the Kenergy Corp. provided some form of service and the type of service Kenergy Corp. provided to each affiliate.

c. Identify the service agreement with each affiliate, state whether the service agreement has been previously filed with the Commission, and identify the proceeding in which it was filed. Provide each service agreement that has not been previously filed with the Commission.

**KENERGY CORP.**  
**PSC CASE NO. 2023-00276**  
**FIRST REQUEST FOR**  
**INFORMATION RESPONSE**

**Response 40a-c.** Please see Exhibit 25 to Kenergy's application for a description of Kenergy's broadband subsidiary Kenect Inc., the executed Fiber Optic Lease agreement, which was also filed in Case No: 2021-00365, and Kenergy's Cost Allocation Manual, which was filed with the Commission in October, 2022.

**KENERGY CORP.**

**PSC CASE NO. 2023-00276**

**FIRST REQUEST FOR  
INFORMATION RESPONSE**

**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION  
REQUEST 41**

**RESPONSIBLE PERSON: Tim Lindahl**

**COMPANY: Kenergy Corp**

**Request 41.** Describe Kenergy Corp.'s lobbying activities and provide a schedule showing the name, salary, and job title of each individual whose job function involves lobbying on the local, state, or national level.

**Response 41.** Kenergy Corp. employees have not engaged in lobbying activities.

**KENERGY CORP.**

**PSC CASE NO. 2023-00276**

**FIRST REQUEST FOR  
INFORMATION RESPONSE**

**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION  
REQUEST 42**

**RESPONSIBLE PERSON: Tim Lindahl**

**COMPANY: Kenergy Corp**

**Request 42.** Regarding demand-side management, conservation, and energy- efficiency programs, provide the following:

**Request 42a.** A list of all programs currently offered by Kenergy Corp.

**Response 42a.** See the attached letter dated June 12, 2018 to the Kentucky Public Service Commission cancelling all DSRM tariffs as of June 30, 2018.

**Request 42b.** The total cost incurred for these programs by Kenergy Corp. in each of the three most recent calendar years.

**Response 42b.** See response to item 42a.

**Request 42c.** The total energy and demand reductions realized through these the three most recent calendar years.

**Response 42c.** See response to item 42a.

**Request 42d.** The total cost for these programs included in the historical test period and expected energy reductions to be realized from these programs.

**Response 42d.** See response to item 42a.

DORSEY, GRAY, NORMENT & HOPGOOD

ATTORNEYS-AT-LAW

318 SECOND STREET

HENDERSON, KENTUCKY 42420

JOHN DORSEY (1920-1986)  
STEPHEN D. GRAY  
WILLIAM B. NORMENT, JR.  
J. CHRISTOPHER HOPGOOD  
S. MADISON GRAY  
DAVIS L. HUNTER

TELEPHONE  
(270) 826-3965  
TELEFAX  
(270) 826-6672  
www.dkgnlaw.com

June 12, 2018

Ms. Gwen Pinson  
Executive Director  
Kentucky Public Service Commission  
P.O. Box 615  
Frankfort, KY 40602-0615

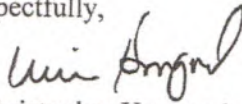
Re Kenergy DSRM tariffs

Dear Ms. Pinson:

Pursuant to the December 21, 2017, Order in Case Number 2017-00278, Kenergy has elected to discontinue all of its DSRM tariffs as of June 30, 2018, as being cost ineffective. Enclosed are revised tariff sheets. Should Big Rivers Electric Corporation propose a cost effective low income weatherization program, Kenergy may adopt that tariff for its members.

Please advise if any further is needed.

Respectfully,



J. Christopher Hopgood

**KENERGY CORP.**  
**PSC CASE NO. 2023-00276**  
**FIRST REQUEST FOR**  
**INFORMATION RESPONSE**

**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION  
REQUEST 43**

**RESPONSIBLE PERSON: Travis Siewert**

**COMPANY: Kenergy Corp**

**Request 43.** Provide the following information with regard to uncollectible accounts for the test year and three preceding calendar years (taxable year acceptable):

- a. Reserve account balance at the beginning of the year;
- b. Charges to reserve account (accounts charged off);
- c. Credits to reserve account;
- d. Current year provision;
- e. Reserve account balance at the end of the year; and
- f. Percent of provision to total revenue.

**Response 43.** Please see attached Request 43, page 2 of 2.



Kenergy Corp.

Case No. 2023-00276

PSC information request no. 1

Item 43 - Uncollectible Accounts

Test Period (12-Months ended Feb. 28, 2023) and 3 preceeding calendar years

Line No.	Year	Reserve Account Balance Beginning of Year (a)	Charges to Reserve Account (charged off) (b)	Credits to Reserve Account (c)	Current Year Provision (d)	Reserve Account Balance End of Year (e)	Percent of Provision to Total Rural Revenue (f)	Total Rural Revenue (g)
1	Test Period	(422,001)	289,793	(67,446)	(21,246)	(220,900)	0.01%	148,993,217
2	2022	(391,590)	289,793	(67,351)	(20,412)	(189,560)	0.01%	152,618,686
3	2021	(607,374)	118,525	(90,910)	188,169	(391,590)	-0.15%	127,940,136
4	2020	(316,245)	191,447	(81,887)	(400,689)	(607,374)	0.33%	122,887,107
5								

*Credit Balances shown as negative*

**KENERGY CORP.**

**PSC CASE NO. 2023-00276**

**FIRST REQUEST FOR  
INFORMATION RESPONSE**

**Item 44**

**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION**

**RESPONSIBLE PERSON: Travis Siewert**

**COMPANY: Kenergy Corp**

**Request 44.** Provide an analysis of Other Operating Taxes as shown in Schedule

J for the most recent calendar year.

**Response 44.** Please see attached Request 44, page 2 of 2

Kenergy Corp.  
Case No. 2023-00276  
PSC information request No. 1  
Item 44 - Kentucky Other Operating Taxes  
Most Recent Calendar Year - 2022

Schedule J

Line No.	Item (a)	Charged Expense (b)	Charged to Construction (c)	Charged to Other Accounts* (d)	Amounts Accrued (e)	Amount Paid (f)
1	Kentucky Retail					
	(a) State Income				\$ -	
	(b) Franchise Fees	\$ 5,000.00			\$ 5,000.00	\$ 5,000.00
	(b) Ad Valorem (Property Tax)	\$ 2,035,032.67	\$ 75,658.96	\$ 10.80	\$ 2,110,702.43	\$ 2,095,691.97
	(d) Payroll (Employer's Portion)	\$ 577,477.89	\$ 262,551.45	\$ 52,483.04	\$ 892,512.38	\$ 922,343.77
	(e) Other Taxes				\$ -	
2	Total Retail L1(a) through L1(e)	\$ 2,617,510.56	\$ 338,210.41	\$ 52,493.84	\$ 3,008,214.81	\$ 3,023,035.74
3	Other Jurisdictions					
	Total Per Books (L2 and L3)	\$ 2,617,510.56	\$ 338,210.41	\$ 52,493.84	\$ 3,008,214.81	\$ 3,023,035.74

\* Explain items in this column

Non-operating exp	955.62
Receivables	51,538.22
	<u>52,493.84</u>

**KENERGY CORP.**  
**PSC CASE NO. 2023-00276**  
**FIRST REQUEST FOR**  
**INFORMATION RESPONSE**

**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION  
REQUEST 45**

**RESPONSIBLE PERSON: Steve Thompson**

**COMPANY: Kenergy Corp**

**Request 45.** Provide a detailed analysis of expenses incurred during the test year for professional services, as shown in Schedule K, and all workpapers supporting the analysis. At a minimum, the workpapers should show the payee, dollar amount, reference (i.e., voucher no., etc.), account charged, hourly rates and time charged to Kenergy Corp. according to each invoice, and a description of the services provided.

**Response 45.** Please see attached Request 45 page 2 of 2 lead schedule. The detailed analysis is attached separately as an Excel file named PSC1\_Request45\_(analysis of Professional Services.xlsx uploaded separately into the Commission's electronic filing system.

Kenergy Corp.  
Case No. 2023-00276  
PSC Informaton Request No. 1  
Item 45 - Analysis of Professional Services  
Test Year (12-Months Ended February 28, 2023)

Schedule K

Line No.	Item (a)	Rate Case (b)	Annual Audit (c)	Other (d)	Total (e)	
1	Legal - General			\$ 24,759.60	\$ 24,759.60	
2	Legal - Broadband			\$ 95,319.81	\$ 95,319.81	Removed for rate-making purposes
3	Legal - Smelter Conracts			\$ 62,983.42	\$ 62,983.42	Billed to Smelters
4	Legal - Other Direct Serves			\$ 6,605.50	\$ 6,605.50	
5	Engineering				\$ -	
6	Accounting		22,750.00		\$ 22,750.00	
7	CEO Search			54,950.31	\$ 54,950.31	Removed for rate-making purposes
8	401-K Review			6,250.00	\$ 6,250.00	
9	Affirmative Action Review			2,200.00	\$ 2,200.00	
10	Other			2,075.00	\$ 2,075.00	
11	Total	\$ -	\$ 22,750.00	\$ 255,143.64	\$ 277,893.64	

Note: Include detailed workpapers supporting this analysis

**KENERGY CORP.**  
**PSC CASE NO. 2023-00276**  
**FIRST REQUEST FOR**  
**INFORMATION RESPONSE**

**COMMISSION STAFF'S FIRST REQUEST FOR**  
**INFORMATION**  
**REQUEST 46**

**RESPONSIBLE PERSON:**           **Steve Thompson**  
**COMPANY:**                       **Kenergy Corp**

**Request 46.**       Provide the following information for Kenergy Corp. If any amounts were allocated, show a calculation of the factor used to allocate each amount.

**Request 46a.**       A detailed analysis of all charges booked during the test year for advertising expenditures. Include a complete breakdown of Account No. 913 – Advertising Expenses, and any other advertising expenditures included in any other expense accounts, as shown in Schedule L1. The analysis should specify the purpose of the expenditure and the expected benefit to be derived.

**Response 46a.**       There were no amounts charged to Account 913 during the test year.



**KENERGY CORP.**  
**PSC CASE NO. 2023-00276**  
**FIRST REQUEST FOR**  
**INFORMATION RESPONSE**

**Request 46b.** An analysis of Account No. 930 – Miscellaneous General expenses for the test year. Include a complete breakdown of this account as shown in Schedule L2 and provide detailed workpapers supporting this analysis. At a minimum, the workpapers should show the date, vendor, reference (i.e., voucher no., etc.), dollar amount, and brief description of each expenditure of \$500 or more, provided that lesser items are grouped by classes as shown in Schedule L2.

**Response 46b.** Please see attached lead schedule Request 46 page 4 of 5 and the excel file named PSC1\_Request46\_Account 930 Analysis test year.xlsx uploaded separately into the Commission’s electronic filing system.

**KENERGY CORP.**  
**PSC CASE NO. 2023-00276**  
**FIRST REQUEST FOR**  
**INFORMATION RESPONSE**

**Request 46c.** An analysis of Account No. 426 – Other Income Deductions for the test year. Include a complete breakdown of this account as show in Schedule L3, and provide detailed workpapers supporting this analysis. At a minimum, the workpapers should show the date, vendor, reference (i.e., voucher no., etc.), dollar amount, and brief description of each expenditure of \$500 or more, provided that lesser items are grouped by classes as shown in Schedule L3.

**Response 46c.** Please see attached lead schedule Request 46 page 5 of 5 and the excel file named PSC1\_Request46\_Account 426 Test year.xlsx uploaded separately into the Commission’s electronic filing systems.

Kenergy Corp.

Schedule L2

Case No. 2023-00276

PSC Information Request No. 1

Analysis of Account 930

Item 46 (b)

Test Period (12-Months Ended February, 28, 2023)

Line No.	Description	Amount
1	Industry Association Dues	\$ 206,317.06
2	Stockholder and Debt Service Expenses	
3	Institutional Advertising	
4	Conservation Advertising	
5	Rate Department Load Studies	
6	Director's Fees and Expenses	214,002.99
7	Dues and Subscriptions	650.78
8	Kenergy labor and overheads	194,577.30
9	Miscellaneous	121,571.45
10	Total	737,119.58
11	Amount Assigned to Kentucky Retail	737,119.58

Note: Include Detailed workpapers supporting this analysis. Expenditures under \$500 are to be grouped by the classes shown on this Form.  
See Excel file "Account 930 Analysis(12 Mo. Ended 2-28-23)"

**Kenergy Corp.**  
**Case No. 2023-00276**

Schedule L3

**PSC Information Request No. 1**

**Analysis of Account 426**

**Item 46(c)**

**Test Period (12-Months Ended February, 28, 2023)**

Line No.	Item	Amount
1	Donations	\$ 49,687.50
2	Civic Activities	
3	Political Activities	7,858.67
4	Other	5,000.00
5	<b>Total Account 426</b>	<b>\$ 62,546.17</b>

Note: Include detailed workpapers supporting this analysis. Expenditures under \$500 are to be grouped by the classes shown on this Form.

**KENERGY CORP.**

**PSC CASE NO. 2023-00276**

**FIRST REQUEST FOR  
INFORMATION RESPONSE**

**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION  
REQUEST 47**

**RESPONSIBLE PERSON: Tim Lindahl**

**COMPANY: Kenergy Corp**

**Request 47.** Provide the name and personal mailing address of each member of Kenergy Corp.'s board of directors. Identify the members who represent the cooperative on the board of directors of Big Rivers Electric Corporation (BREC). Also, identify the board members who are representatives to the Kentucky Association of Electric Cooperatives or the National Rural Electric Cooperative Association. If any changes occur in board membership during the course of this proceeding, update the response to this request.

**Response 47.** See Attached Request 47 page 2 of 2.

Kenergy Board of Directors

William Reid  
4818 Highway 144  
Owensboro, KY 42303

Jonathan Ayer  
5483 State Route 136E  
Calhoun, KY 42327

Craig Roberts  
343 Webster Road  
Princeton, KY 42445

Robert White  
1839 State Route 270 East  
Sturgis, KY 42459

Big Rivers Board Representative

Ryan Hammack  
1351 Lutontown Lisman Road  
Providence, KY 42450-9714

Susan Blanford  
4275 Hughes Sights Road  
Corydon, KY 42406

Mike Hazelwood  
1007 S Forest Oak  
Henderson, KY 42420

Larry Elder  
2245 Hayden Bridge Road  
Owensboro, KY 42301

Eddie Leach  
1779 Burton Road  
Utica, KY 42376

Brent Wigginton  
2377 State Route 334  
Lewisport, KY 42351

Big Rivers Board Representative

Richard Basham  
180 Mason Street  
Hawesville, KY 42348

Kentucky Electric Cooperatives Board Representative



**KENERGY CORP.**

**PSC CASE NO. 2023-00276**

**FIRST REQUEST FOR  
INFORMATION RESPONSE**

**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION  
REQUEST 48**

**RESPONSIBLE PERSON: Tim Lindahl**

**COMPANY: Kenergy Corp**

**Request 48.** Provide a detailed analysis of the total compensation paid to each member of the board of directors during the test year, including all fees, fringe benefits, and expenses, with a description of the type of meetings, seminars, etc., attended by each member. Identify any compensation paid to Kenergy Corp.'s board members for serving on BREC's board of directors. If any of the listed expenses in this analysis include the costs for a director's spouse, list expenses for the directors' spouses separately.

**Response 48.** Please see attached Excel file named PSC1\_item 48\_Board of Directors Expenses.xlsx uploaded separately into the Commission's electronic filing system.

**KENERGY CORP.**

**PSC CASE NO. 2023-00276**

**FIRST REQUEST FOR  
INFORMATION RESPONSE**

**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION  
REQUEST 49**

**RESPONSIBLE PERSON: Tim Lindahl**

**COMPANY: Kenergy Corp**

**Request 49.** Provide Kenergy Corp.'s written policies on the compensation of its attorneys, auditors, and all other professional service providers. Include a schedule of fees, per diems, and other compensation in effect during the test year. Include all agreements, contracts, memoranda of understanding, and any other documentation that explains the nature and type of reimbursement paid for professional services. If any changes occurred during the test year, indicate the effective date of these changes and the reason for these changes.

**Response 49.** Please see attached Request 49 pages 2-37.



Your Touchstone Energy® Cooperative

## BOARD POLICY

POLICY NO. 117

APPROVED: 5-11-04  
REVISED:

### SELECTION OF LEGAL REPRESENTATION

#### OBJECTIVE

The Kenergy Board of Directors ("Board") recognizes that competent legal representation and effective use of attorneys are critical to the successful operation of Kenergy ("Cooperative"). Although an attorney or law firm retained or employed by Kenergy ("Attorney"), and the Attorney's representation of the Cooperative are governed by rules of professional conduct and other local, state, and federal law, the objective of this policy is to provide additional guidance for, and emphasize important aspects of, the Attorney's representation of the Cooperative and its use of the Attorney.

#### POLICY

- A. General Counsel. The Cooperative shall retain or employ an Attorney to continually provide general legal services to the Cooperative ("General Counsel"). General legal services include, but are not limited to: (1) attending, and drafting or reviewing minutes of, all meetings of the Board and all annual and special meetings of the Cooperative members; (2) negotiating, drafting, and reviewing contracts; (3) providing legal services for the disposition or acquisition of real property and interests in real property; (4) providing legal services for the borrowing or lending of money; and (5) providing legal services regarding general business, cooperative, tax, and electric utility law.
- B. Special Counsel. As reasonably necessary, and following consultation with the General Counsel, the Cooperative may retain or employ an Attorney to provide special legal services to the Cooperative ("Special Counsel"). Special legal services require competence in a particular field of law and include, but are not limited to: (1) representing the Cooperative in state or federal court, or before a local, state, or federal agency; and (2) providing legal services regarding labor, employment, tax, antitrust, environmental, or intellectual property law. In providing special legal services to the Cooperative, a Special Counsel shall provide the General Counsel copies of all communications, memoranda, briefs, notices, motions, and other documents prepared, filed, received, or sent by the Special Counsel. As determined by the Board, the General Counsel may provide special legal services to the Cooperative.
- C. Board Counsel. As determined by the Board, it may retain, employ, direct, and discharge an attorney or law firm to continually or periodically provide legal services to the Board ("Board Counsel"), with the Board Counsel representing the Board as his or her client. The Cooperative shall

pay a Board Counsel a reasonable fee and reasonable expenses. To the extent practical, a Board Counsel's representation of the Board must be governed in a manner similar to the manner in which an Attorney's representation of the Cooperative is governed under this policy.

D. Competent Legal Representation and Conflicts of Interest. An Attorney shall provide competent legal representation to the Cooperative, and shall have or acquire the appropriate knowledge, skills, time, and qualifications necessary to provide competent legal representation. An Attorney shall comply with conflict of interest requirements prescribed in applicable local, state, and federal law and rules of professional conduct. An Attorney may provide legal services to an entity in which the Cooperative owns an interest ("Affiliated Entity") only if the Attorney complies with these conflict of interest requirements. An Attorney shall inform the Cooperative's chief executive officer ("CEO"); or person authorized by the CEO in writing of any other entity engaged in generating, transmitting, distributing, marketing, or selling electric energy for which the Attorney provides legal services.

E. Retaining, Employing, and Discharging Attorney. The Board shall make decisions regarding retaining, employing, and discharging the General Counsel and shall annually evaluate the performance of the General Counsel. Following consultation with the General Counsel, the CEO shall make decisions regarding retaining, employing, and discharging any other Attorney. By providing written notice to an Attorney, the Cooperative may discharge the Attorney, and terminate any attorney engagement agreement, at any time for any reason. By providing written notice to the Cooperative, and as required or allowed by applicable law and rules of professional conduct, an Attorney shall or may withdraw from representing the Cooperative and terminate any attorney engagement agreement.

F. Third Party. As part of providing legal services to the Cooperative, and with the CEO's prior consent, an Attorney may retain another attorney or may use an attorney or paraprofessional associated with the Attorney in a law firm. As reasonably necessary or helpful in providing legal services to the Cooperative, and subject to any limitations stated in an attorney engagement agreement, an Attorney may contract for a non-attorney and non-paraprofessional third party to provide goods or services.

G. Directing Attorney. Only the Board, the Chairman of the Board, or the CEO may request that an Attorney provide legal services to the Cooperative. As requested by an Attorney, and as reasonably necessary or helpful in providing legal services to the Cooperative, the Cooperative shall provide the Attorney reasonable access to its directors, officers, employees, consultants, agents, representatives, records, and documents. The CEO and Attorney shall keep the Board reasonably informed regarding any matter for which the Attorney is providing legal services to the Cooperative. In consultation with the Board or as directed by the Board, the CEO shall direct an Attorney. In providing legal services to the Cooperative, and subject to the Board or Manager's direction, an Attorney may act on the Cooperative's behalf in any manner reasonably believe to be in the Cooperative's best interest. Unless the CEO gives his or her prior consent, an Attorney may not make a statement outside of a tribunal regarding the Attorney's provision of legal services to the Cooperative, which statement the Attorney knows or reasonably should know will be disseminated by means of public communication.

H. Attorney Fees and Expenses. The Cooperative shall pay an Attorney a reasonable fee and reasonable expenses. An Attorney shall provide legal services to the Cooperative in a cost-effective and efficient manner. The fees and expenses for an Attorney retained by the Cooperative must be specified in an Attorney engagement agreement, a sample of which is attached to this policy.

I. Unauthorized Practice of Law. No Cooperative director, officers, employee, consultant, agent, or representative may provide legal services to the Cooperative unless the individual is an attorney admitted to practice law in an appropriate jurisdiction.

J. Electric Cooperative as Client. In providing legal services to the Cooperative, an Attorney represents the Cooperative, as his or her client, acting through its authorized directors, officers, employees, and members. In representing the Cooperative, an Attorney does not represent the Cooperative's directors, officers, employees, or members. If the Board gives its informed, written, and prior consent, and if an Attorney complies with applicable conflict of interest requirements, then the Attorney may represent an Affiliated Entity and the Attorney may represent individual Cooperative directors, officers, employees, and members in matters related to the Attorney's representation of the Cooperative.

K. Attorney-Client Privilege. Confidential communications between the Cooperative, or its agent or representative, and the Attorney, or his or her agent or representative, made to facilitate the Attorney's provision of legal services to the Cooperative are protected by the attorney-client privilege. Cooperative directors, officers, employees, consultants, agents, and representatives shall not disclose these communications to third persons, other than those to whom disclosure is made in furtherance of this provision of legal services, or those reasonably necessary for transmitting the communications. To the extent these communications are disclosed to Cooperative employees, consultants, agents, or representatives, they must only be disclosed to individuals who reasonably need to know of the communications.

L. Attorney's Duty to Inform and Consult. An Attorney shall keep the Board and the CEO reasonably informed regarding a matter for which the Attorney is providing legal services to the Cooperative. For decisions regarding the matter to be made by the Cooperative, the Attorney, shall explain the matter to the Board and the CEO to the extent reasonably necessary to permit the Cooperative to make an informed decision. An attorney shall promptly comply with the Cooperative's reasonable request for information.

M. Reliance. In providing legal services to the Cooperative, an Attorney may rely upon information provided by the Cooperative, unless the Attorney knows that the reliance is unwarranted. In performing his or her duties, a Cooperative director, officer, or employee may rely upon information, opinions, reports, and statements prepared or presented by an Attorney. A director, officer, or employee's reliance, however, is only permitted regarding matters involving skills or expertise that he or she reasonably believes are within the Attorney's professional or expert competence. Further, this reliance is only permitted if the director, officer, or employee acts in good faith and reasonably believes that the reliance is warranted and that the Attorney merits confidence.

N. Evidence of Violation of Law or Breach of Duty. If an Attorney, other than the General Counsel, knows or reasonably should know of any evidence of an actual or intended material violation of law or material breach of duty, or evidence of an actual or intended violation of law or breach of duty likely to result in substantial injury to the Cooperative, by the Cooperative or by any Cooperative director, officer, employee, consultant, agent or representative ("Evidence"), then the Attorney shall report the Evidence to the General Counsel. If the General Counsel knows or reasonably should know of any Evidence, then the General Counsel shall report the Evidence to the CEO.

Within thirty (30) days of the Evidence being first reported, the General Counsel or the CEO as determined by the CEO, shall investigate the Evidence, respond appropriately to the Evidence, and inform the reporting Attorney regarding the investigation and response. If an Attorney, other than the General Counsel, reasonably believes that neither the General Counsel nor the CEO has investigated or responded appropriately to the Evidence, or if the Attorney believes it is reasonably necessary in the best interest of the Electric Cooperative, then the Attorney shall report the Evidence to the Board or the audit committee of the Board ("Audit Committee") in person and without the presence of any other person, except a person invited by the Attorney. If the General Counsel reasonably believes that the CEO has not investigated or responded appropriately to the Evidence, or if the General Counsel believes it is reasonably necessary in the best interest of the Cooperative, then the General Counsel shall report the Evidence to the Board or the Audit Committee in person and without the presence of any other person, except a person invited by the General Counsel.

If a reporting Attorney reasonably believes that her or she has been discharged because he or she reported Evidence, then the Attorney shall inform the Board of this belief. To encourage and facilitate the reporting and investigating of Evidence, and responding appropriately to Evidence, the Board shall meet at least quarterly with the General Counsel and without the presence of any other person, except a person invited by the General Counsel.

O. Legal Programs, Publications, and Memberships. The Cooperative shall encourage the General Counsel to: (1) attend legal programs sponsored by, and to subscribe to legal publications published by, the National Rural Electric Cooperative Association and any association of electric cooperatives located within the state; and (2) be a member of, and attend programs sponsored by the Electric Cooperative Bar Association and any association of attorney representing electric cooperatives located within the state. The payment of any fees and expenses related to a General Counsel retained by the Electric Cooperative attending these legal programs, subscribing to these legal publications, or being a member of these associations must be specific in an attorney engagement agreement.

#### Responsibility

The Board is responsible for compliance with this policy. The CEO is responsible for communicating with an Attorney regarding the Attorney's provision of legal services to the Cooperative.



KENERGY CORP.  
ATTORNEY ENGAGEMENT AGREEMENT

Kenergy Corp. ("Cooperative") and \_\_\_\_\_ ("Attorney") enter into this Attorney Engagement Agreement ("Agreement") on \_\_\_\_\_, with the Agreement being effective as of \_\_\_\_\_.

1. General Agreement. Pursuant to this Agreement, Attorney shall provide legal services to the Cooperative and the Cooperative shall pay Attorney for such legal services. In entering into this Agreement, the Cooperative and Attorney have formed or continue an attorney-client relationship for the provision of the legal services stated in this Agreement.

2. Policy. The Cooperative and Attorney shall comply with Kenergy's Board Policy No. 117, entitled "Legal Representation and Use of Attorneys" ("Policy"), which Policy is incorporated in this Agreement by reference.

3. General or Special Counsel. As described in the Policy, Attorney shall provide legal services to the Cooperative as General Counsel and, as requested by the Cooperative, provide any special legal services determined by the Cooperative's Board of Directors and Chief Executive Officer (CEO).

4. Term. The term of this agreement shall be one year ending \_\_\_\_\_.

5. Hourly Fee. The Cooperative shall pay Attorney a fee based on \$ \_\_\_\_\_ per hour for legal services rendered to the Cooperative ("Hourly Fee"). With the Cooperative's written consent, Attorney may modify the Hourly Fee.

6. Costs and Expenses. The Cooperative shall reimburse Attorney for costs and expenses incurred by or through Attorney as part of, and specifically for, Attorney's provision of legal services to the Cooperative ("Costs and Expenses"). Costs and Expenses include, but are not limited to charges for: (a) photocopying; (b) computerized legal research; (c) audio or video recording or transcription; (d) travel, including transportation, lodging, and meals; (e) long distance telephone; (f) document transmission or delivery services, including messenger, facsimile, and mail; (g) court costs; and (h) filing fees. The amount paid for Costs and Expenses must be reasonable and should be based upon Attorney's direct costs associated with the services hereunder.

7. Third Party Services. The Cooperative shall pay for goods or services provided by a third party as part of, and specifically for, Attorney's provision of legal services to the Cooperative ("Third Party Services"). As determined by Attorney, Cooperative shall (a) pay the third party for a Third Party Service or (b) reimburse Attorney for Attorney's payment to the third party for a Third Party Service.

8. Invoice. Each month Attorney shall send the Cooperative a statement or invoice: (a) describing legal services provided by Attorney; (b) describing Costs and Expenses incurred by or through Attorney; (c) describing Third Party Services for which Attorney has paid (collectively "Invoice Amount").

9. Payment. After the Cooperative receives an invoice from Attorney, and unless Cooperative disputes an Invoice Amount the Cooperative shall pay Attorney within 15 days.

10. Disputed Amounts. If the Cooperative disputes all or part of an Invoice Amount, then the Cooperative shall notify Attorney in writing within 15 days of receiving the invoice. If Attorney and Cooperative do not resolve the dispute within thirty (30) days of Attorney's receipt of Cooperative's

notice of dispute, then Attorney and Cooperative shall submit the dispute to binding arbitration administered by the state bar, or by another organization agreed upon by Attorney and Cooperative. Any disputed amounts under this Agreement survive termination hereof.

11. Publications, Memberships, Meetings, and Seminars. Cooperative may:
- On Attorney's behalf, pay for annual subscriptions to the Legal Reporting Service and Personnel Practice Pointers, publications by the National Rural Electric Cooperative Association ("NRECA")
  - Pay for Attorney to become and remain a member of the Electric Cooperative Bar Association ("ECBA")
  - Pay for Attorney to become and remain a member of any association of attorneys representing electric cooperatives located within the state

Cooperative shall pay and reimburse Attorney for reasonable expenses actually incurred in attending the following meetings. Attendance at such meetings shall be authorized and approved by the CEO or Board of Directors.

- NRECA's annual member meeting
- NRECA's annual legal seminar
- NRECA's annual workplace law seminar
- ECBA's annual member meeting
- Any annual meeting of any association of electric cooperatives located within the state
- Any annual legal seminar for attorneys representing electric cooperatives located within the state

12. Termination Agreement. As provided in this Agreement or the Policy, the Cooperative or Attorney may terminate this Agreement. If Attorney provides legal services to Cooperative as Special Counsel then this Agreement terminates as to said services upon completion of the special legal services.

13. Termination Payments and Refunds. Upon termination of this Agreement, and pursuant to the terms of this Agreement governing payment and disputed amounts: (a) the Cooperative shall pay Attorney all undisputed amounts for services provided prior to termination and (b) the Cooperative shall pay Attorney the undisputed, proportionate, and reasonable part of any amount for services provided prior to termination. Within thirty (30) days of termination of this Agreement, and pursuant to the terms of this Agreement governing disputed amounts: (a) Attorney shall refund to the Cooperative any undisputed amounts representing payment for services not provided prior to termination; (b) Attorney shall refund payment for services not provided prior to termination; and (c) Attorney shall refund to the Cooperative the undisputed, proportionate, and reasonable part of any amount representing payment for services not provided prior to termination.

14. Governing Law. This Agreement will be governed by, and interpreted under, the law of Kentucky.

KENERGY CORP.

ATTORNEY

\_\_\_\_\_  
Printed Name:  
Title: President and CEO  
Date: \_\_\_\_\_

\_\_\_\_\_  
Printed Name:  
Title: General Counsel  
Date: \_\_\_\_\_

KENERGY CORP.  
ATTORNEY ENGAGEMENT AGREEMENT

Kenergy Corp. ("Cooperative") and J. Christopher Hoggood ("Attorney") enter into this Attorney Engagement Agreement ("Agreement") on Sept 14, 2021, with the Agreement being effective as of January 1, 2022.

1. General Agreement. Pursuant to this Agreement, Attorney shall provide legal services to the Cooperative and the Cooperative shall pay Attorney for such legal services. In entering into this Agreement, the Cooperative and Attorney have formed or continue an attorney-client relationship for the provision of the legal services stated in this Agreement.

2. Policy. The Cooperative and Attorney shall comply with Kenergy's Board Policy No. 117, entitled "Legal Representation and Use of Attorneys" ("Policy"), which Policy is incorporated in this Agreement by reference.

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4. Hourly Fee. The Cooperative shall pay Attorney a fee based on \$160.00 per hour for legal services rendered to the Cooperative ("Hourly Fee"). With the Cooperative's written consent, Attorney may modify the Hourly Fee.

5. Costs and Expenses. The Cooperative shall reimburse Attorney for costs and expenses incurred by or through Attorney as part of, and specifically for, Attorney's provision of legal services to the Cooperative ("Costs and Expenses"). Costs and Expenses include, but are not limited to charges for: (a) photocopying; (b) computerized legal research; (c) audio or video recording or transcription; (d) travel, including transportation, lodging, and meals; (e) long distance telephone; (f) document transmission or delivery services, including messenger, facsimile, and mail; (g) court costs; and (h) filing fees. The amount paid for Costs and Expenses must be reasonable and should be based upon Attorney's direct costs associated with the services hereunder.

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- On Attorney's behalf, pay for annual subscriptions to the *Legal Reporting Service* and *Personnel Practice Pointers*, publications by the National Rural Electric Cooperative Association ("NRECA").

- Pay for Attorney to become and remain a member of the Electric Cooperative Bar Association ("ECBA").

- Pay for Attorney to become and remain a member of any association of attorneys representing electric cooperatives located within the state.

Cooperative shall pay and reimburse Attorney for reasonable expenses actually incurred in attending:

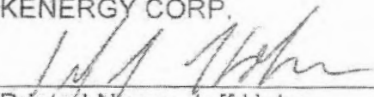
- NRECA's annual member meeting
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- NRECA's annual workplace law seminar
- ECBA's annual member meeting
- Any annual meeting of any association of electric cooperatives located within the state
- Any annual legal seminar for attorneys representing electric cooperatives located within the state

11. Termination Agreement. As provided in this Agreement or the Policy, the Cooperative or Attorney may terminate this Agreement. If Attorney provides legal services to Cooperative as Special Counsel then this Agreement terminates as to said services upon completion of the special legal services.

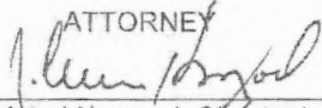
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13. Governing Law. This Agreement will be governed by and interpreted under the law of Kentucky

KENERGY CORP.

  
\_\_\_\_\_  
Printed Name: Jeff Hohn  
Title: President/CEO

Date: 9/28/2021

ATTORNEY  
  
\_\_\_\_\_  
Printed Name: J. Christopher Hopgood  
Title: General Counsel

Date: 9-15-2021

KENERGY CORP.  
ATTORNEY ENGAGEMENT AGREEMENT

Kenergy Corp. ("Cooperative") and J. Christopher Hoppood ("Attorney") enter into this Attorney Engagement Agreement ("Agreement") on Sept 14, 2022, with the Agreement being effective as of January 1, 2023.

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- NRECA's annual workplace law seminar
- ECBA's annual member meeting
- Any annual meeting of any association of electric cooperatives located within the state
- Any annual legal seminar for attorneys representing electric

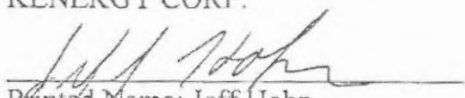
cooperatives located within the state

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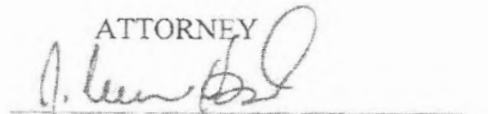
13. Governing Law. This Agreement will be governed by and interpreted under the law of Kentucky

KENERGY CORP.

  
Printed Name: Jeff Hohn  
Title: President/CEO

Date: 9-27-2022

ATTORNEY

  
Printed Name: J. Christopher Hopgood  
Title: General Counsel

Date: 9-27-2022

May 19, 2021

Via Email: chopgood@dkgnlaw.com

Kenergy Corporation  
c/o J. Christopher Hogood, Esq.  
6402 Old Henderson-Corydon Road  
Henderson, KY 42419

Re: Engagement of Kenergy Corporation regarding Contract Review

Dear Mr. Hopgood:

In response to your email and our phone conversation on May 14, 2021, I am writing to express Parr Richey's interest in providing legal services to Kenergy Corporation ("Kenergy") with regard to broadband issues and Conexon contract review. As you know, we have represented Kenergy in the past and appreciate the relationship and opportunity to assist again. Parr Richey is an established law firm with a lengthy history of representing and protecting the interests of electric cooperatives and communication service providers. Our proposal is for me to serve as lead attorney and leverage the skills and experience of other qualified Parr Richey attorneys as needed. My team would also consist of my partners, Erin Borissov and Aleasha Boling, to ensure that we are available to promptly meet any time sensitive needs of Kenergy.

**Representation of Electric Cooperatives and Communication Companies:**

Parr Richey can serve Kenergy well with our collective experience in areas of law critical to the rural electric co-op. We have dedicated ourselves to keeping abreast of the legal and business issues facing rural electric co-ops in the ever-changing energy and communications industries, and we are committed to providing prompt, efficient, savvy, and valuable legal service. Parr Richey has a team of 15 competent and experienced attorneys, and we currently represent numerous cooperatives (electric and communications). Here are some of our relevant clients/projects:

- NineStar Connect – Merged electric cooperative and telephone cooperative that provide electric, broadband, water and sewer services;
- Marshall County Fiber, LLC – Limited liability company owned by Marshall County REMC and Rochester Telephone Company to provide broadband service;
- Kosciusko REMC/Kosciusko Connect, LLC – Fiber project/broadband subsidiary;
- Miami-Cass REMC/Miami-Cass Communications, Inc. – Fiber project/broadband subsidiary;
- Parke County REMC – Fiber project/tree trimming subsidiary;

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- Boone County REMC – Fiber project;
- Jasper County REMC – Fiber project;
- Southeastern Indiana REMC – Fiber project;
- New Hampshire Electric Co-op – Fiber project;
- Orange County REMC – Eligible telecommunications carrier filing;
- Jackson County REMC – Eligible telecommunications carrier filing;
- LaGrange County REMC – Eligible telecommunications carrier filing.

Two of the above projects have involved Conexon. I have also attached a list of communications services providers that we regularly represent.

**Relevant Experience:**

**Broadband Issues:** We have assisted multiple electric cooperatives and communications services companies across the state in the following areas:

- **Development:** Assisting companies in starting new broadband/fiber companies or divisions using partnerships, joint ventures, and contractual relationships.
- **Agreements:** Fiber lease agreements, IRU agreements, master service agreements, orders for services, subscriber agreements, backhaul agreements and co-location agreements.
- **Regulatory requirements:** Certificates of Territorial Authority, ETC designation, video franchising.
- **Applicable local tax relief:** Securing “infrastructure development zone” status and/or property tax abatement to obtain exemption on business personal property tax.
- **Legacy satellite internet agreements:** Reviewing existing satellite internet agreements to ensure new service will not violate the terms of satellite agreements.
- **Construction and vendor contracts:** Preparing construction and vendor contracts that thoroughly protect against liability and poor performance by contractors.
- **Contractor qualifications:** Investigating whether contractors are properly qualified and trained to work in proximity to energized electric distribution lines.
- **Acceptable Use Policy:** Preparing Acceptable Use Policies applicable to all subscribers and users.
- **Avoiding anti-trust pitfalls:** In the course of discussing potential partnerships or business arrangements with other communications service providers.
- **Use of electric easements:** Evaluating risk of using electric easements for communications purposes.

**Subsidiary/Parent Issues:** We have also advised on the following issues:

- **Sharing of employees, facilities, equipment:** Contracts to provide for the sharing and allocation of parent employees and assets.
- **Management services agreement:** Contracts whereby the parent provides management, financial, and accounting services to subsidiary.

- Governance/oversight of subsidiary
- Antitrust and competition issues
  - Sub access to cooperative poles
  - Fiber lease terms
- Tax issues – Disregarded entity
- Cooperative issues

**New business line:** We have advised multiple clients launching new business lines on the following topics:

- Trade names, trademark
- Marketing and cobranding

#### **My Subject Matter Presentations**

- CAF Phase II Auction (Indiana Broadband & Technology Association, December 8, 2016)
- Communications Service Provider and Railroads Right-of-Way Issues (Great Lakes Technology Showcase, October 25, 2017)
- Broadband Business Organizations: Partnerships/Mergers (Indiana Broadband & Technology Association, September 11, 2018)
- INDOT - New Right-of-Way Policies Related to Broadband Facilities (ISBA Utility Law Section Fall Seminar, September 13, 2018)
- Legal and Regulatory Issues of Broadband (Panel at 2018 NRECA G&T Lawyers Legal Seminar)
- INDOT - Broadband Permitting and Railroad Crossings Right-of Way Matters (Indiana Rural Broadband Association Annual Leadership Forum, October 21, 2020)

I am also a member of the Electric Cooperative Bar Association and on the Legal Committee for the National Telecommunications Cooperative Association.

#### **Broadband and Communications Law**

Parr Richey has a long history representing telecommunications and broadband providers in Indiana as general counsel, in regulatory proceedings and with respect to a number of the aforementioned areas. Currently Erin Borissov, Aleasha Boling and I dedicate significant time to communications law issues, and stand ready to assist Kenergy in legal matters relating to fiber expansion and communications service. Over the past several years, we have assisted several electric cooperatives with new ventures into the communications industry.

My Background and Experience

I value the opportunity to serve Kenergy using my strong background in utility law, cooperative law, and business law. A copy of my biography is attached, along with the biographies of other attorneys at the firm that would likely assist from time to time in order to meet Kenergy's legal needs.

I welcome the opportunity to further discuss the qualifications of our firm and how we may be of service to Kenergy. Thank you for your consideration, and please do not hesitate to contact me if you have any questions or need any further information.

Proposed Budget

We have the following Conexon documents for review and comment:

- Master Services Agreement;
- Statement of Work for Fiber Design;
- Fiber Optic Lease Agreement;
- Joint Marketing Agreement; and
- Statement of Work Project Management Services.

We will review and provide comments and confer regarding those comments for a budget of \$8,000. Any additional work requested will be charged at our hourly rates, which are attached. Please let me know if you have any questions or want to discuss.

Sincerely,

PARR RICHEY FRANDBEN PATTERSON  
KRUSE, LLP

By: 

Jeremy L. Fetty

JLF/ad  
Enclosures  
1652714



## Representative Communication Clients

### Co-op Member-Owned Telecommunications Clients

Daviess-Martin Rural Telephone Company d/b/a RTC Communications  
Endeavor Communications  
LightStream  
Mulberry Cooperative Telephone Co., Inc.  
NineStar Connect  
Perry-Spencer Rural Telephone Cooperative d/b/a PSC  
SEI Communications  
Washington County Rural Telephone Cooperative, Inc. d/b/a Tele-Media Solutions

### Small Investor-Owned Telecommunication Clients

TDS Telecom

- Camden Telephone Company, Inc.
- Communications Corp. of Indiana
- Communications Corp. of Southern Indiana
- Home Telephone Company, Inc.
- Home Telephone Co. of Pittsboro, Inc.
- Merchants & Farmers Telephone Co.
- S & W Telephone Co., Inc.
- Tipton Telephone Company, Inc.
- Tri-County Telephone Company, Inc.
- West Point Telephone Company

Citizens Telephone Corporation  
Craigville Telephone Company, Inc.  
Geetingsville Telephone Company  
Ligonier Telephone Co., Inc.  
New Lisbon Telephone Company  
New Paris Telephone  
Northwestern Indiana Telephone Company (NITCO)  
Rochester Telephone Company  
Swayzee Communications Corp.  
Yeoman Telephone Company

### Other

Intelligent Fiber Network, LLC  
Indiana Rural Broadband Association

**2021 Attorney Billing Rates**

Jeremy Fetty – Partner	\$380 per hour
Erin Borissov – Partner	\$350 per hour
Aleasha Boling – Partner	\$300 per hour
Liane Steffes	\$300 per hour
J. Michael Deweese – Associate	\$285 per hour
Paralegals	\$165 per hour
Law Clerks	\$140 per hour

**\*Billing rates are adjusted annually and new rates generally take effect in January**

**PARR RICHEY FRANSDEN PATTERSON AND KRUSE LLP  
STANDARD TERMS AND CONDITIONS OF ENGAGEMENT**

**1. DEFINITIONS.**

For the purposes of this document and the Letter Agreement (as defined below), the following terms have the meanings stated, unless a different meaning is clearly indicated by the context:

*"Client"* (and in the plural, *"Clients"*) or *"You"* (and in the possessive form, *"Your"*). Each person and entity identified in the Letter Agreement as our client.

*"Firm"* (and in the possessive form, *"Our"*). The law firm of Parr Richey Frandsen Patterson & Kruse LLP.

*"Guarantor"* Each person and entity who signs the Letter Agreement as a guarantor to guarantee payment of fees and other payments due the Firm under the Letter Agreement.

*"Letter Agreement"* The letter agreement signed by the Client(s), an authorized representative of the Firm, and, if applicable, the Guarantor(s).

**2. FEES.**

We take into account many factors in billing for services rendered, and most statements for services are the product of the time worked (in units of tenths of an hour) multiplied by the hourly rates for the attorneys, paralegals, law clerks and legal assistants who did the work. On occasion factors other than the time spent are considered in arriving at a fee, including the experience of the attorney and the nature of the legal work. The Client may be billed for all time spent on its behalf including, without limitation, conferences, telephone calls, drafting, research, and travel.

It is impossible to determine in advance how much time will be needed, since that depends on many things beyond our control. Any projection of fees we give the Client for the cost of all or part of our engagement is merely an estimate.

The hourly rates for attorneys and other members of the professional staff are based on years of experience, specialization in training and practice, level of professional attainment, and overhead costs. We reconsider our hourly rates annually, and we may revise them at that time. If we change our rates, the new rates will go into effect immediately without special notice to the Client. Upon request, we will provide a Client with the rates of those professional staff working on an engagement.

**3. COSTS.**

It is usually necessary for us to incur, as agent for our Clients, expenses for items such as filing fees, travel, lodging, meals, extraordinary photocopying, and courier services. Many engagements require substantial amounts of costly ancillary services such as outside duplication services and computerized legal research. The Client is responsible for all costs incurred on the Client's behalf. In order to allocate these expenses fairly and to keep our hourly rates as low as possible for those matters which do not involve such expenditures, these items are separately itemized on our statements. We will not advance substantial out-of-pocket expenses, including outside fees and expenses, unless we make special arrangements in advance. Such expenses will be billed directly, or forwarded to the Client for payment.

**4. BILLING.**

Fees and expenses will be billed monthly. Payment is due within thirty days of mailing of the statement unless we agree otherwise in writing.

**5. LATE PAYMENTS.**

We are confident that our clients make every effort to pay us timely. Occasionally, however, a client has difficulty in making timely payment. To avoid burdening those clients who pay their statements timely with higher fees reflecting the added costs we incur as a result of clients who are delinquent, we will impose on your statements an interest charge of one percent per month (12% per annum) for late payments. In no event will the interest charge be greater than permitted by applicable law.

**6. NON-PAYMENT OF FEES AND COSTS.**

Your failure to pay any statement rendered when due will constitute a default. In the event of a default, you agree that in our discretion we may immediately cease all legal services on your behalf or discontinue our representation (subject to our ethical obligations and any other applicable provision of law). If we do so, you will be notified in writing.

In the unlikely event that we are required to institute legal proceedings to collect fees and costs owed by the Client, we will be entitled to reimbursement of our reasonable attorneys' fees and other costs of collection. In connection with any such proceeding, the Client, the Guarantor (if any), and we:

- a. Agree that the proceeding may be brought in either the Circuit or Superior Court of Boone County, Indiana; and
- b. Consent to venue and personal jurisdiction in those courts.

**7. TERMINATION.**

The Client has the right to terminate our representation by written notice at any time. In that event, the Client is not relieved of the obligation to pay for all services rendered and costs incurred on the Client's behalf prior to receipt of such notice. We have the same right to terminate our engagement, subject to an obligation to give the Client reasonable notice to arrange alternative representation.

**8. APPLICABLE LAW.**

The laws of the State of Indiana will govern the interpretation of the Letter Agreement, including all rules or codes of professional responsibility which apply to the provision of services by us.

**9. PAYMENT BY OTHERS.**

Sometimes another party to a transaction agrees to pay the Client's legal fees, or a court may order the Client's adversary to pay all or part of the Client's legal fees and costs. However, in such case the Client remains primarily liable for payment of all fees and costs. Any amounts received from others will be credited to the Client's account.

Each person who signs the Letter Agreement as Client or as Guarantor agrees to be jointly and severally liable to pay all sums due to the Firm under the Letter Agreement.



**JEREMY FETTY** represents electric cooperatives, communications companies, and other utilities in a variety of practice areas including regulatory law, cooperative law, corporate governance, labor and employment matters, commercial transactions, real estate matters, and corporate compliance. Mr. Fetty joined the firm in 2006. Mr. Fetty is currently on the Management Committee and Chair of the firm's Utility and Business Section. Mr. Fetty's practice focuses on utility law including energy, communication services, telecommunications, gas, water and waste management; corporate law; cooperative law; and right-of-way law.

Mr. Fetty advises businesses and utilities (for profit, non-profit and cooperative), on regulatory, day-to-day contract and transactional matters, and compliance issues. Mr. Fetty regularly advises businesses and utilities on matters such as Indiana Utility Regulatory Commission ("IURC") matters, Federal Energy Regulatory Commission ("FERC") matters, Federal Communications Commission ("FCC") matters, and Independent System Operator ("ISO") and Regional Transmission Operator ("RTO") matters. He has represented clients in FERC proceedings related to market based tariffs, formula rate tariffs, transmission, compliance, mergers and acquisitions/dispositions, rates and terms for wholesale electric service, qualifying facilities issues and standards of conduct and affiliate relationships, PURPA issues, electric and capacity market issues and RTO participation, particularly Midcontinent Independent System Operator, Inc., and PJM Interconnection. Mr. Fetty regularly represents utilities in various IURC proceedings related to energy, telecommunications, sewer, water and gas. He also regularly represents utilities with right-of-way issues, including railroad crossing issues.

Prior to joining the firm, Mr. Fetty worked in Detroit, Michigan, where he spent three years with the Michigan Court of Appeals, first as a research attorney then as a clerk to the Honorable Kathleen Jansen. While in Michigan, he assisted a Special Master in determining individual damages in a 42 U.S.C. § 1983 class action claim against the City of Detroit and assisted a well-known arbitrator in the drafting of labor and employment arbitration opinions.

Mr. Fetty is admitted to practice law in Indiana and Michigan, the United States Court of Appeals for the Seventh Circuit, the United States Court of Appeals for the Sixth Circuit, the Southern District of Indiana, the Northern District of Indiana, the Eastern District of Michigan, and the District of Columbia Court.





**MS. BORISSOV** represents electric cooperatives and other utilities in a variety of practice areas including regulatory law, cooperative law, corporate governance, labor and employment matters, commercial transactions, real estate matters, and corporate compliance.

Ms. Borissov began her legal career as an Associate with the firm in 2008. Prior to returning to the firm as a Partner in 2016, Ms. Borissov spent five years working in-house for NiSource, Inc., where she provided legal counsel regarding regulatory and business matters including rate cases, financing, regulatory compliance, infrastructure investment, and customer complaints. Ms. Borissov also served as the Chair of her department's Employee Engagement Committee and as a liaison to the company's employee group dedicated to developing and advancing women within the company.

Through her experience as in-house counsel, Ms. Borissov honed a deep understanding of corporate business functions, industry trends, and the company's position in the industry, which helped her advise the company regarding effective business strategies and tactics. In addition, before she attended law school, Ms. Borissov worked as an economic consultant to utility companies and as a public utility analyst with the Arizona Corporation Commission. As an attorney, she leverages substantial technical and business experience to understand complex economic, financial, and accounting issues that affect her clients. Ms. Borissov serves as a trusted business advisor by creating valued business partnerships with clients and external stakeholders, proactively identifying opportunities for the client, and maintaining a firm understanding of her clients' business and political drivers.



**ALEASHA BOLING** represents electric and communications cooperatives in a variety of transactional matters, including contract drafting and negotiation, easements and real estate matters, policy development and employment, as well as both contested and non-contested regulatory matters before the Indiana Utility Regulatory Commission. Ms. Boling has also assisted communications clients in navigating the often complex world of state and federal broadband grants and loans and has worked with telecom industry groups on proposed broadband laws and regulations.

Ms. Boling joined the firm in 2014 as an associate, concentrating her practice in the areas of utility and business law. In addition to her work with electric and communications cooperatives, she provides full-service support to corporate and municipal clients.

Prior to attending law school, Ms. Boling was a journalist and news editor for newspapers around Central Indiana.

Ms. Boling is admitted to practice law in the State of Indiana and the Federal District Court for both the Southern District of Indiana and Northern District of Indiana. She is a member of several utility legal associations, including NTCA – The Rural Broadband Association, the Electric Cooperative Bar Association and the Energy Bar Association, and serves as the Chair-Elect of the Telecom Division of the Indiana State Bar Association Utility Law Section Council.



**LIANE STEFFES** joined the firm in 2015 as an associate, concentrating her practice in the areas of utility and business law. Ms. Steffes graduated from the Indiana University Robert H. McKinney School of Law in May 2013, *magna cum laude*, and simultaneously earned an Energy, Environmental, and Natural Resources Graduate Certificate from the same. While in law school, Ms. Steffes served as an associate editor of the *Indiana Law Review*, a tutor for the Dean's Tutorial Society, and student bar association representative for Phi Delta Phi. During law school, Ms. Steffes clerked at a consumer-owned public utility and a regional transmission organization. Prior to joining the firm, Ms. Steffes served as Chief of Staff for a Hague accredited adoption service provider.

Ms. Steffes is admitted to practice law in the State of Indiana and the Federal District Court for the Southern District of Indiana.



**J. MICHAEL DEWEESE** works with electric cooperatives and businesses on a variety of matters including civil litigation and employment and labor law. Mr. Deweese has represented clients in state and federal court, before state and federal administrative agencies, in labor negotiations, and in arbitrations.

Mr. Deweese began as a law clerk in 2015 before joining the firm in 2016 as an Associate, concentrating his practice in the areas of utility and business law. Mr. Deweese graduated *magna cum laude* from the Indiana University Robert H. McKinney School of Law in May 2016. During his time in law school, Mr. Deweese served as a note development editor on the *Indiana Law Review* and advised lower-level students through the Dean's Tutorial Society.

Mr. Deweese has also served as an Adjunct Professor in Psychology for Indiana University at the Columbus, Indiana campus.

Mr. Deweese is admitted to practice law in the State of Indiana and the Federal District Court for both the Northern District of Indiana and the Southern District of Indiana.



January 16, 2023

Mr. Jonathan Ayer, Chairman of the Audit Committee  
Kenergy Corp.  
3111 Fairview Drive  
Owensboro, Kentucky 42303

Dear Mr. Ayer:

We are pleased to confirm our understanding of the services we are to provide for Kenergy Corp. for the years ended May 31, 2022, 2023, and 2024.

#### **Audit Scope and Objectives**

We will audit the consolidated financial statements which comprise the balance sheets, statements of income, changes in members' equity, and cash flows including the related notes to the consolidated financial statements, which collectively comprise the consolidated financial statements, of Kenergy Corp. as of and for the years ended December 31, 2022, 2023, and 2024.

The objectives of our audit are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and issue an auditor's report that includes our opinions about whether your consolidated financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles (GAAP). Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards (GAAS) and *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the consolidated financial statements. The objectives also include reporting on:

- Internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the consolidated financial statements in accordance with *Government Auditing Standards*.
- Report on compliance with the terms, covenants, provision, or conditions of your loan, grant, and security instruments as set forth 7 CFR Part 1773, *Policy on Audits of Rural Utilities Service Borrowers*, 1773.33.

#### **Auditor's Responsibilities for the Audit of the Consolidated financial statements**

We will conduct our audit in accordance with GAAS; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; As part of an audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the consolidated financial statements, including the disclosures, and determine whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements or noncompliance may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and

material effect on the consolidated financial statements or on major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement.

We may, from time to time and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

Our audit of consolidated financial statements does not relieve you of your responsibilities.

#### **Audit Procedures—Internal Control**

We will obtain an understanding of Kenergy Corp. and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the consolidated financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the consolidated financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*.

#### **Audit Procedures—Compliance**

As part of obtaining reasonable assurance about whether the consolidated financial statements are free of material misstatement, we will perform tests of the Kenergy's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance, and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards* and 7 CFR Part 1773, Policy on Audits of Rural Utilities Service Borrowers 1773.33.

#### **Other Services**

We will also assist in the preparation of the consolidated financial statements, of Kenergy Corp. conformity with U.S. generally accepted accounting principles. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. We, in our sole professional



judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

You agree to assume all management responsibilities for the consolidated financial statements, and related notes, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the consolidated financial statements and related notes and that you have reviewed and approved the consolidated financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

#### **Responsibilities of Management for the Consolidated financial statements**

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for (1) designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error, including internal controls over federal awards, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America; and for compliance with applicable laws and regulations (including federal statutes), rules, and the provisions of contracts and grant agreements (including award agreements).

Your responsibilities include adjusting the consolidated financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the consolidated financial statements of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the consolidated financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants. You are also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we report.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Scope and Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions for the report, and for the timing and format for providing that information.

#### **Engagement Administration, Fees, and Other**

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

We will provide copies of our reports to Kenergy Corp.; however, management is responsible for distribution of the reports and the consolidated financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Alexander Thompson Arnold PLLC and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to the Rural Utility Service or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Alexander Thompson Arnold PLLC personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the Rural Utility Service.

We expect to begin the preliminary phase of our audit on approximately November 13, 2022, and the final phase of our audit in mid-February and to issue our reports no later than March 31, 2023. Malcolm E. "Mac" Neel III, CPA, CFE is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our fee for these services (including Kenect, Inc.) will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will be as follows:

December 31, 2022- \$30,000.00

December 31, 2023- \$32,000.00

December 31, 2024- \$33,000.00

Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report(s). You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

#### **Reporting**

We will issue written reports upon completion of our audit. Our reports will be addressed to the Board of Directors of Kenergy Corp. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement.

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will state that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance.

We appreciate the opportunity to be of service to Kenergy Corp. and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the attached copy and return it to us.

Very truly yours,

*Alexander Thompson Arnold PLLC*

Henderson, Kentucky

RESPONSE:

This letter correctly sets forth the understanding of Kenergy Corp.

Management signature: *Jeff Hober*

Title: President and CEO

Date: January 17, 2023

Governance signature: *Justin A.*

Title: Audit Committee Chairman

Date: 1/17/2023

Executive Search Services Proposal

Kenergy Corp

Chief Executive Officer

August 10, 2022

## Executive Search Services Proposal

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### Objective

Mycoff Fry Partners will conduct a comprehensive executive search to recruit a Chief Executive Officer (CEO) for Kenergy Corp (Kenergy) in Henderson, Kentucky.

### Mycoff Fry Partners Overview

Mycoff Fry Partners, previously known as Mycoff & Associates, was established in 1974. The firm has become a recognized leader in the recruitment of executives, management personnel, and industry experts for the electric, natural gas, and water industries. Our typical clients require executive search services from a firm with substantive knowledge of the industries listed. Our clients include:

- Investor-owned utilities
- Rural distribution cooperatives
- Rural generation and transmission cooperatives
- Energy marketers
- Independent system operators
- Municipally owned joint action agencies
- Municipally owned utilities
- Non-utility generators
- Public power districts
- Reliability organizations
- Private and public water utilities
- Transmission companies.
- Consultants who serve the listed industries.

We maintain an extensive database of executives, management personnel and industry experts in virtually every region of the country.

We successfully completed assignments for Presidents and Chief Executive Officers, Chief Operating Officers, Chief Financial Officers, Senior Vice Presidents, Vice Presidents, Directors, Managers, and various industry experts.

Over the last 40-plus years, we assisted in the selection of over 190 chief executives and hundreds of senior officers. A reference list is available upon request.

We are proud of the repeat business we enjoy with our clients, which we feel is the true measure of performance.

### Scope of Work

To search out suitable candidates and facilitate the selection of the CEO, we propose:

#### *Information Gathering*

We will meet with Kenergy to obtain information regarding:

- The goals, responsibilities and duties of the CEO.
- The desired training, experience, talents, skills, and personal attributes of candidates for the CEO.
- Kenergy's organization and related operating performance and business strategies.
- The relationship of the CEO to the organization.
- Advancement opportunities for the CEO.
- Organizational information (revenues, financial condition, customers, staff, resources, organizational structure, corporate culture, compensation issues, etc.).

## Executive Search Services Proposal

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- Regional information (location, population, climate, growth rate, culture, cost of living, etc.).

### *Develop a Position Profile*

We will use the gathered information, in consultation with Kenergy, to develop a position profile that describes the CEO's goals, responsibilities, and duties; required education, training, experience, and personal abilities; and organizational and regional information.

### *Conduct Recruitment Activities*

After compiling the information listed under Information Gathering, we will research our extensive database and other resources to identify potential candidates or "leads" to potential candidates. We will contact these individuals to determine their suitability or to solicit suggestions of other possible candidates. When appropriate, we will evaluate internal candidates to determine their suitability. In some instances, we may place advertisements in suitable publications to solicit individuals not in our database.

In all assignments, we aggressively recruit minority and female candidates.

Mycoff Fry Partners will conduct telephone interviews with the most promising external and internal candidates to investigate the following:

- The degree the candidates satisfy the established criteria.
- The candidates' level of interest in becoming CEO.
- The candidates' and their families' attitudes toward a job change and, if necessary, relocation.
- The feasibility of a job change and relocation (ease of home sale, retirement plans, family ties, health, etc.).
- The candidates' current compensation, the cost of living in their present location, and their compensation requirements.

We will evaluate candidates, submit a long-list of appropriate individuals along with their credentials, and recommend a short-list of the most qualified.

### *Interview of Candidates*

After Kenergy reviews the resumes and approves or revises the short-list of prospects, we will assist Kenergy's subsequent interview and selection process by:

- Scheduling Kenergy's interviews with finalists.
- Development of interview questions and providing interview coaching as necessary with the Kenergy team.
- Facilitating Kenergy's interviews in Henderson, Kentucky, as requested.
- Notifying candidates of their selection or rejection.
- Coordination and consulting of background investigations.
- Salary, contract, and employment negotiations.



## Executive Search Services Proposal

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### Fees and Expenses

Our fee is \$80,000, plus expenses. The fee is payable at \$26,000 in advance; \$26,000 when we submit the long list of candidates; and \$28,000 when the CEO begins employment.

Reimbursable expenses, which will include a 10% mark-up for handling and carrying cost, will include:

- Mycoff Fry Partners travel expenses to meet with Kenergy, if needed, as described under Information Gathering.
- Approved recruitment advertising expenses.
- Travel expenses for Mycoff Fry Partners to conduct face-to-face interviews with approved candidates in Henderson, Kentucky, or other approved locations.
- Mycoff Fry Partners travel expenses to attend Kenergy's interviews or additional meetings as requested by Kenergy.

Kenergy will incur expenses to interview the finalists in Henderson, Kentucky, and expenses to relocate the selected individual. Mycoff Fry Partners will incur telephone, postage, printing, and other administrative expenses.

### Search Manager and Search Team

Scott Fry will lead the search engagement with support from one of our senior recruiters.

### Additional Information

#### *Guarantee*

We will conduct an additional search for no additional fee should termination of employment occur with a candidate we recommend for any reason other than lack of work, illness, injury, or death within one year of the new hire's employment date. This includes events in which Kenergy terminates the employee for reasons that are within a reasonable and legal scope of discovery during candidate investigations by Mycoff Fry Partners. In the event of a replacement search, Kenergy will be responsible for travel and advertising expenses as defined above during the replacement search process.

#### *Cancellation*

Kenergy or Mycoff Fry Partners may cancel this agreement at any time. If Kenergy employs any of the candidates submitted by Mycoff Fry Partners within two years, Kenergy will pay Mycoff Fry Partners the fee described above.

#### *Indemnification*

Mycoff Fry Partners and Kenergy will mutually indemnify each other.

#### *Other Information*

We are sensitive to candidates' need for confidentiality and will not reveal identities until an appropriate time. We take special care not to jeopardize anyone's present employment or to hinder our clients' capabilities.

*Other Information*

We are sensitive to candidates' need for confidentiality and will not reveal identities until an appropriate time. We take special care not to jeopardize anyone's present employment or to hinder our clients' capabilities.

Reference support will include verifying education and professional references provided by candidates.

We adhere to all laws applicable to recruitment and employment and maintain ongoing customary insurance policies.

We will provide Kenergy with status reports throughout the recruitment process.

**Approvals**

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Scott A. Fry

Managing Director  
Mycoff Fry Partners LLC

Date

*William H. Reed* 9-14-22  
Signature, Name, Title, and Date  
Kenergy

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**KENERGY CORP.**

**PSC CASE NO. 2023-00276**

**FIRST REQUEST FOR  
INFORMATION RESPONSE**

**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION  
REQUEST 50**


**RESPONSIBLE PERSON: Tim Lindahl**

**COMPANY: Kenergy Corp**

**Request 50.** Provide Kenergy Corp.'s policies, specifying the compensation of directors and a schedule of standard directors' fees, per diems, and other compensation in effect during the test year. If changes occurred during the test year, indicate the effective date and the reason for the changes.

**Response 50.** Please see attached Request 50 pages 2-4.



Your Touchstone Energy Cooperative 

## BOARD POLICY

**POLICY NO. 104**

APPROVED: 12-4-01

REVISED: 2-11-03, 5-10-05, 1-10-06, 12-12-06,  
10-9-07, 4-13-10, 12-14-10, 2-13-11,  
11-10-15

### **PAYMENT OF DIRECTORS' FEES AND EXPENSE ALLOWANCE**

#### **I. OBJECTIVE**

To establish a fair and equitable basis upon which to compensate Directors for time spent on behalf of Kenergy and to reimburse Directors for expenses incurred in the performance of their official duties as a director.

#### **II. POLICY**

It is the policy of the company to pay all attendance fees and to reimburse Directors for travel, lodging, and other ordinary and necessary expenses incurred in the performance of their duties on behalf of Kenergy. This includes attendance at regular, special, and committee meetings, seminars, conferences, and other board authorized functions.

Board Fee – Each director shall receive a \$650 monthly retainer. Additionally, each director shall be paid a fee of \$300 for attendance at the regular monthly meeting of the Board of Directors. The Chairperson shall receive an additional \$100 per meeting, when presiding, and business is conducted.

Directors shall receive \$300 per day for committee or special meetings. Fees for participation in telephonic meetings shall be one-half the special meeting fee. The Chairperson is entitled to an additional \$50 fee for presiding during a telephonic meeting when business is conducted. Two or more activities are encouraged to be held on the same day (i.e., Board meeting and committee meeting) and a Director shall be entitled to fees and expenses for only one activity.

Directors, including the director who represents the industrial customers, shall not receive any fees for attendance at the Kenergy annual membership meeting or any Resource Committee meetings or functions. They are entitled to be reimbursed for travel at the standard mileage rate allowed by the Internal Revenue Service.

The Directors Emeritus shall be paid a fee of \$100 per regular board meeting attended, plus mileage.

Association and Industry-Related Fees – A Director shall be paid a fee of \$300 per day, plus expenses, for attending a conference, seminar, or meeting sponsored by KAEC,



NRECA, CFC, CoBank, etc. on behalf of Kenergy. A director shall be paid \$150 for one travel day and expenses for that day, including weekends, not occurring on an actual meeting day.

A Director attending educational seminars, conferences, business meetings, or other functions on behalf of the company shall report pertinent information to the Board at its next meeting.

Expense Reimbursement - A Director shall be reimbursed for expenses upon submission of a detailed, itemized, expense report, with receipts attached as appropriate. A separate expense report shall be submitted for regular meetings, special meetings, and committee meetings versus meetings for state, regional and national meetings, and industry-related meetings. Such expense report shall be submitted to the Vice President of Finance & Accounting and should be submitted within thirty (30) days following the activity for which reimbursement is requested. Receipts must be attached for any expense over \$25.

Expenses shall not be paid for the spouse or any family member of a Director accompanying the Director to meetings. If a spouse or family member accompanies the Director, the Director is expected to pay for all associated expenses. However, the Director shall be reimbursed for the full cost of lodging regardless of the number of family members who share the accommodation. The board may authorize payment of expenses for a spouse or a family member when the activity is a group function.

Expenses for entertainment shall be reimbursed if the expenses are incurred for reasons attributable to reasonable and necessary company business. Any expense incurred for personal entertainment is not reimbursable.

Ordinary and necessary expenses include the cost of transportation, meals, lodging, telephone calls, Internet connection fees, cab fare or other local transportation, laundry, car rental, etc. Reimbursement shall be for actual out-of-pocket expenses. For travel in the Director's personal automobile, mileage shall be paid at the standard mileage rate allowed by the Internal Revenue Service. The mode of travel concerning personal automobile versus coach class airfare is left up to the discretion of the Director, but a Director is encouraged not to exceed a reasonable airfare when traveling by a personal automobile.

It shall be the responsibility of the Audit Committee to review the expenses of the board on a timely basis.

Insurance - All directors shall be covered for business travel insurance benefits in accordance with Kenergy's group insurance policies. Health and dental insurance coverage shall not be paid by Kenergy for directors. Effective January 1, 2008, directors not currently covered by Kenergy's group insurance policies shall not be allowed to participate in the insurance.

The leadership and governance of Kenergy is entrusted by its members to the board of directors. It is, therefore, important that measures be taken to minimize the risk of loss of board members during business travel.

To reduce the exposure of its members to the loss of board members in travel accidents, it shall be the board of directors' policy to avoid, where reasonably convenient, travel by more than four directors in any one automobile, van, airplane or other method of transportation.

It shall be the responsibility of the individual board members to implement this policy. The board of directors shall be responsible for any changes to the policy.

Any exceptions, questions, or clarifications concerning this policy are to be addressed to the Chairperson who will in turn make a decision or present it to the full board for resolution.

The Board of Directors shall be responsible for ensuring compliance with this policy on the part of its members.



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**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION  
REQUEST 51**

**RESPONSIBLE PERSON: Keith Ellis**

**COMPANY: Kenergy Corp**

**Request 51.**

Provide the date, time, and a general description of the activities at the most recent annual members' meeting. Indicate the number of new board members elected. For the most recent meeting and the five previous annual members' meetings, provide the number of members in attendance, the number of members voting for new board members, and the total cost of the meeting.

**Response 51.**

Please see attached Request 51, page 2 of 2.

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Response to Request No. 51

The most recent annual meeting was held on June 13, 2023, at 11:00 a.m. CDT. It was a business meeting only with a brief update on the co-op by the CEO, announcement that a quorum was present, proof of due publication and notice of the meeting, approval of the minutes of the 2022 meeting and announcement of the election results. One new board member was elected.

Below are the number of registered members in attendance and the number of members voting for each year from 2018 to 2023.

<u>Year</u>	<u>Members in Attendance</u>	<u>Members Voting</u>
2023	23	550
2022	35	1460
2021	26	926
2020	23	961
2019	42	851
2018	52	2782

The annual meeting was held at Kenergy's office immediately following the monthly board meeting. There was no cost incurred.

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**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION  
REQUEST 52**

**RESPONSIBLE PERSON: Tim Lindahl**

**COMPANY: Kenergy Corp**

**Request 52.** Provide any information, when known, that would have a material effect on net operating income, rate base, or cost of capital that have occurred after the test year but were not incorporated in the filed testimony and exhibits.

**Response 52.** Kenergy Corp. knows of no material item that has occurred after the test year but will inform the Commission if and when any material item is identified.

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**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION  
REQUEST 53**

**RESPONSIBLE PERSON: Steve Thompson**

**COMPANY: Kenergy Corp.**

**Request 53.** For the test year and the five preceding calendar years, provide a schedule detailing all nonrecurring charges by customer class which includes:

- a. Type of charge;
- b. Amount billed;
- c. Amount recovered;
- d. Number of times the charge was assessed; and
- e. Support for the nonrecurring charge.

**Response 53.** See attached excel file named PSC1\_Request 53\_Non-Recurring charges.xlsx uploaded separately into the Commission's electronic filing system.

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**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION  
REQUEST 54**

**RESPONSIBLE PERSON:           John Wolfram**

**COMPANY:                         Kenergy Corp**

**Request 54.**       To the extent not already provided, provide a copy of each cost-of-service study, billing analysis, and all exhibits and schedules filed in Kenergy Corp.'s rate application in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.

**Response 54.**     Please see the following files in Excel spreadsheet format that were uploaded by Kenergy Corp. to the Commission's electronic filing system.

1. Kenergy\_FEB2023\_RevReq-FILED.xlsx
2. Kenergy\_COS\_FEB2023\_FILED.xlsx
3. Kenergy\_Pres\_Proposed\_Rates\_FEB2023\_FILED.xlsx

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**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION**  
**REQUEST 55**

**RESPONSIBLE PERSON:**           **Steve Thompson**

**COMPANY:**                       **Kenergy Corp**

**Request 55.**       To the extent not already provided, provide all workpapers, calculations, and assumptions Kenergy Corp. used to develop its test year financial information in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.

**Response 55.**       The information has been provided.