

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

In the Matter of:

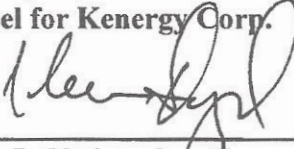
**ELECTRONIC APPLICATION OF KENERGY CORP.)
FOR AN ADJUSTMENT OF RATES) CASE NO. 2023-00276**

**RESPONSES TO ATTORNEY GENERAL'S SECOND
REQUEST FOR INFORMATION TO KENERGY CORP.
DATED DECEMBER 1, 2023**

Kenergy Corp. ("Kenergy") submits the attached Responses to Attorney General's Second Requests for Information dated December 1, 2023.

This 14th day of December, 2023.

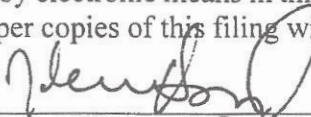
**DORSEY, GRAY, NORMENT & HOPGOOD
318 Second Street
Henderson, KY 42420
Telephone (270) 826-3965
Telefax (270) 826-6672
Counsel for Kenergy Corp.**

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 December 14, 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 ROB STUMPH

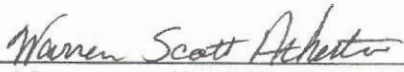
COMMONWEALTH OF KENTUCKY)
COUNTY OF HENDERSON)

Rob Stumph, Vice President Engineering and Operations of Kenergy Corp., being duly sworn, states that he has supervised or prepared certain responses to the Attorney General's Second 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 8th day of December, 2023, by Rob Stumph



Notary Public, KY. State at Large

Commission expires 9-27-26

(seal)

KENERGY CORP.

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

Responses to Attorney General’s Second Request for Information

Item 1) Refer to the response to AG 1-25(d) and further to the Company’s vegetation management plan provided as attachment “AG1_Item_25d_VM_Plan.” The plan indicates in the introduction on page 1 that customers are served by “more than 5,200 miles of overhead primary line.”

- a. Confirm that “miles of overhead primary line” is the same as circuit miles. If not confirmed, explain why not.
- b. Provide the miles of overhead primary line (and/or circuit miles) for the Company at the end of each of the years 2016 through 2022 and currently in 2023.
- c. Provide the average number of miles of overhead primary line (and/or circuit miles) vegetation management that would need to occur to trim the entire system over a six-year cycle.

Response)

- a. They are not. Circuit miles include overhead, underground, primary and secondary.
- b.

	2016	2017	2018	2019	2020	2021	2022	2023
Overhead Primary Miles	5,449	5,438	5,464	5,458	5,460	5,439	5,440	5,438

- c. 906 miles annually of overhead primary conductor.

Witness: Rob Stumph

KENERGY CORP.

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

Responses to Attorney General’s Second Request for Information

Item 2) Refer to the Company’s response to AG 1-25(c) regarding the discussion of modifying the trimming cycles due to the Townsend contract departure in 2019. Refer also to the response to Staff 1-25(e) that shows the number of circuit miles of vegetation management performed for each year 2016 through 2023 to date.

- a. Provide the number of circuit miles of vegetation management that was originally planned for 2019 and for 2020 prior to Townsend’s departure and the number of circuit miles of vegetation management that had to be added to 2021, 2022, 2023, and 2024 plans in order to help maintain the Company’s 6-year trimming cycle.
- b. Indicate when the Company expects the trim cycle to return back to normal. Provide the miles of overhead primary line (and/or circuit miles) for the Company at the end of each of the years 2016 through 2022 and currently in 2023.

Response)

- a. Original planned miles for 2019 1,002.21. Original planned miles for 2020 1,024.09. Added miles to maintain cycle- 2021-5.67 miles, 2022- 233.13 miles, 2023- 3 miles, 2024- 105.38 miles.
- b. Normal trim cycle in place 2025. See response to Item 1.b. for overhead primary miles.

Witness: Rob Stumph

KENERGY CORP.

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

Responses to Attorney General's Second Request for Information

Item 3) Refer to the Company's attachment response to AG 1-25(m) that provided the breakout of account 593.300 by sub code and description for the various types of expenses recorded during the test year.

- a. Provide a breakout of account 593.30 in the same format for each of the years 2019 through 2022 and for 2023 to date indicating the last month in 2023 with available information.
- b. Provide a breakout of account 593.30 in the same format budgeted for 2023.
- c. Provide a breakdown of the test year amount of code "434 – VEG MNGT-JOB ORDERS" summing to \$317,894.04 for each individual contractor. Provide the amounts separately for each month in the test year and in total for each individual contractor.
- d. Provide a breakdown of the code "434 – VEG MNGT-JOB ORDERS" expenses recorded in each month subsequent to the test year with available information for each individual contractor. Provide the amounts separately for each month subsequent to the test year and in total for each individual contractor.
- e. For the amounts listed for transportation of \$44,434.03 and for Labor & Overheads of \$377,427.76, describe why these amounts are reflected in account 593.30 and explain how those amounts are recorded each month and the basis for them.

Response)

- a. Please see Excel file "AG2 Item 3a, b, c, d (593.3 Expenses)" uploaded separately.
- b. Please see Excel file "AG2 Item 3a, b, c, d (593.3 Expenses)" uploaded separately. Note: Kenergy budgets labor, labor overheads, and other activity codes by Form 7 account number group rather than specific account number, so this information is not available for account 593.3.

- c. Please see Excel file “AG2 Item 3a, b, c, d (593.3 Expenses)” uploaded separately.
- d. Please see Excel file “AG2 Item 3a, b, c, d (593.3 Expenses)” uploaded separately.
- e. Kenergy employees who spend time overseeing vegetation management contractors and reviewing the contractor’s work appropriately code their time and vehicle mileage to a vegetation management payroll task code (6,066 hours during the test period). Payroll overheads associated with these employees will follow their labor to this account.

Witness: Travis Siewert

KENERGY CORP.

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

Responses to Attorney General's Second Request for Information

Item 4) Refer to the following: (i) the response to AG 1-25(l); (ii) the copies of invoices provided as Confidential attachment “AG1 Item 25l (Asplundh US App Invoices)”; (iii) the response to AG 1-25(k); and (iv) the contract with Asplundh provided as Confidential attachment “AG1_Item25k_2022-2023 VM Master Agreement Kenergy - ASPLUNDH- FIBER_KenergySigned.”

- a. Confirm that all Asplundh costs recorded to account 593.300 code 434 for the test year related to vegetation management associated with the Fiber construction project. If not confirmed, explain why not and provide the test year amount associated with the Fiber construction project.
- b. Provide a copy of Purchase Order 16106.
- c. Provide a copy of Purchase Order 16379.
- d. Describe how the additional vegetation management required related to the installation of fiber is expected to impact the normal cycle trimming performed due to the Company's vegetation management plan. In other words, explain whether the normal cycle circuit miles are expected to be reduced during the fiber construction period and provide all reasons why or why not.

Response) Kenergy has modified its petition for confidentiality to recognize winning bids are not confidential.

- a. Confirmed
- b. See attached PO and requisition
- c. See attached PO and requisition
- d. Fiber clearing specifications are less than routine circuit maintenance (RCM) trimming specifications. Therefore, though the amount of vegetation needing removal will be lessened, the RCM clearing width will still need to be maintained. In summary, the number of miles to be trimmed won't be reduced, but the average cost per mile, in areas

where fiber clearing was performed, will be lower.

Witness: Rob Stumph
Travis Siewert



PURCHASE ORDER

Vendor	PO Number
10650	16106
Print Date	Page
12/01/2023	1


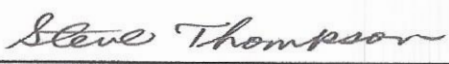
SHIP Kenergy Corp
TO 3051 FAIRVIEW DRIVE
 OWENSBORO, KY 42303
 Phone:

ASPLUNDH TREE EXPERT LLC
 P O BOX 825124
 PHILADELPHIA, PA 19182-5124

BILL Kenergy Corp
TO PO BOX 1389
 OWENSBORO, KY 42302-1389
 Phone: (800)844-4832

LN	ITEM NO.	QUANTITY	UOM	DESCRIPTION	DELIVERY DATE	UNIT COST	TOTAL
1	SERVICES	0.000	EA	Broadband Tree Trimming Services	11/17/2022	0.0000	120,000.00
					Extended	Cost:	120,000.00

Shipping and Handling	0.00	Sales Tax:	Total Cost:	120,000.00
		Use Tax:		

	Ship Method:
	Authorizing Signatures
	 STEVE THOMPSON 

I. Purchase Terms and Conditions

1) Agreement - The following terms and conditions shall apply to the purchase of the service(s) or product(s) identified on the accompanying purchase order form by Kenergy from the entity defined herein as "Seller". These terms and conditions, together with specifications contained on the accompanying purchase order form or attached hereto, shall constitute an "Order".

2) Acknowledgement and Acceptance - Seller will acknowledge receipt of the Order immediately and advise if shipment cannot be made on or before date specified. Acceptance must be without qualification. Kenergy will not be bound by any different terms and conditions contained in the acceptance, unless agreed to in writing by Kenergy. Seller's action in (a) delivering materials, or (b) performing services called for hereunder shall constitute an acceptance of these terms and conditions. THIS ORDER EXPRESSLY LIMITS ACCEPTANCE TO THE TERMS AND CONDITIONS STATED HEREIN, AND ANY ADDITIONAL OR DIFFERENT TERMS PROPOSED BY THE SELLER ARE REJECTED UNLESS EXPRESSLY ASSENTED TO IN WRITING BY KENERGY. NO CONTRACT SHALL EXIST EXCEPT AS HEREIN PROVIDED.

3) Cancellation - Kenergy reserves the right to cancel all or any part of the unperformed portion of the Order at any time. Cancellation will be provided in writing to the Seller. On the date of such cancellation stated in said notice, Seller shall discontinue all work pertaining to the purchase order, shall place no additional orders and shall preserve and protect material on hand purchased for or committed to this purchase order. Upon such cancellation, Seller shall be paid the earned portion of the total cost of all work completed as of the date of cancellation, and this amount shall be Seller's sole remedy for Kenergy's cancellation. Kenergy may, at its option, have those costs, which are reimbursable under this Section, audited by either Kenergy's auditing staff or by independent certified public accountants selected by Kenergy. Kenergy shall not be liable to Seller as a result of cancellation of this Order for any costs, claims, losses, damages or liabilities including, without limitation, loss of anticipated profits, reimbursements for costs associated with the portion of the Order that Seller has not performed as of the date of Buyer's termination notice.

4) Pricing - Prices specified on the Order are quoted as firm through delivery, except when escalation is clearly and definitely provided on the face of or attached to the accompanying Purchase Order Form, and a formula for determining such escalation is provided on the face of or attached to the Purchase Order Form. No price escalation shall be effective after the earlier of the specified date or completion date. The Seller, by act of offering a quotation or bid, constitutes an express warranty that the quoted price is not subject to adjustment. Where approval drawings are required, the shipping date specified in the quote shall include a minimum of two weeks for Kenergy's review of drawings, plus one-week transit time.

5) Invoices and Payment - Seller shall render invoices upon delivery or completion of the services or, as per specific instructions embodied in the Order. Invoices shall be itemized and contain the Order number that is on the accompanying Purchase Order Form, accompanied by freight carrier receipt or parcel post receipt at the time material is shipped. Payment of invoices will be Net thirty (30) days unless otherwise specified in this Order. Payments may be withheld to the extent necessary to make adjustments for shortages, damages and rejections of the product or service, or where in good faith Kenergy challenges the accuracy of such invoice. Seller must send an invoice for payment to Kenergy within six months of completion of the project or sale. Any invoices received after this time will be subject to non-payment by Kenergy.

6) Taxes - Sales tax, where applicable, is to be remitted by the Seller to the applicable state or locality. The Seller shall show taxes charged to Kenergy as a separate item on the invoice. The Seller shall not charge Kenergy for any tax on the Seller's gross or net income, license tax, or any other tax or governmental fee except sales or similar transaction taxes. Upon request of Seller, Kenergy shall provide certification to Seller for any applicable tax exemptions.

Terms and Conditions

7) Shipping and Risk - All products shipped must be suitably packed for shipping. Each container, shipping cases, and packages shall include the Order number. The Bill of Lading shall include the Order number. The Packing List (in duplicate), must be furnished with each shipment and include the Order number. Unless otherwise stated in the Order, Seller shall pay all shipping costs. All shipments, including return shipments in the event of rejections, shall be made at Seller's risk and expense unless otherwise stated in the Order. Regardless of whether the Order is FOB Origin-Freight Collect or FOB Charges Destination-Freight Allowed, risk of loss shall not pass to Kenergy until delivery to Kenergy.

8) Scheduled Delivery - Delivery shall be strictly in accordance with the specified delivery date embodied in the Order. Time is an essential element of this Order unless stated otherwise herein. If no scheduled date is specified, delivery shall be within a reasonable time following the date of the Order. Kenergy has the right to cancel all or part of an Order, without obligation of any kind to Seller, should delivery of any shipment not be made on schedule.

9) Changes/Substitutions - Changes to the Order, including but not limited to brand substitutions, shall not be effective until Kenergy issues a revised Order approving the change, or similar document that manifests Kenergy's intent to revise the Order ("Change Order"), and Seller accepts such Change Order in writing. Any request by Seller for a revised Order shall include any proposed price increase or decrease attributable to the change.

10) Inspection and Receipt - Inspection and payment by Kenergy prior to shipment does not constitute acceptance and does not relieve Seller from responsibility for furnishing goods and services strictly in accordance with specifications. Kenergy has the right to inspect and fully test all materials and workmanship hereunder. This right shall extend to the inspection of the products during manufacture, at no cost to Kenergy, upon reasonable notice to the Seller. Kenergy has the right to inspect any service operations hereunder, at no cost to Kenergy, upon reasonable notice. Kenergy reserves the right to reject any products or services that it finds to be defective or at variance with the Order specification, regardless of the time or place of discovery of the defect or variance and, in the case of non-apparent defects or variances, regardless of any prior acceptance of the products. Regardless of anything stated herein, the Seller shall bear all costs necessitated by disassembly for inspection and reassembly. For rejected products or services Kenergy shall have the option (1) return the same at Seller's expense, for full credit, including transportation both ways; (2) require the replacement or correction of goods or services at Seller's expense, including transportation both ways; (3) accept the same in the present condition and either satisfactorily correct it at Seller's expense or use it in its present condition at a renegotiated equitable reduction in price which, if already paid, shall be refunded by Seller forthwith; or (4) cancel this Order in whole or in part.

11) Warranties - Seller warrants that the goods furnished and covered hereunder will be of merchantable quality, fit for Kenergy's purposes, free from defects in title, design, material and workmanship and that the goods or services will conform to Kenergy's specifications. Seller further warrants that the goods furnished hereunder shall conform to all representations, affirmations, promises, descriptions, samples or models forming the basis of this Order. Those warranties shall survive acceptance of the goods. Seller further warrants that all services performed for or on behalf of Kenergy will be performed in a competent workmanlike manner and shall be free from faults and defects. These warranties are in addition to any other warranties given by Seller to Kenergy. NONE OF THE FOREGOING WARRANTIES AND NO OTHER IMPLIED OR EXPRESS WARRANTIES MAYBE DISCLAIMED, OR EXCLUDED, OR MODIFIED EXCEPT BY WRITTEN AGREEMENT SIGNED BY AN AUTHORIZED KENERGY REPRESENTATIVE. Seller agrees to hold Kenergy harmless from any loss, damage or expense whatsoever, including, but not limited to, damage to collateral equipment and attorney's fees, which Kenergy may suffer from breach of these warranties.

12) Indemnification - Whether on Kenergy's premises or otherwise, Seller agrees to indemnify and save Kenergy, its Directors, officers, agents and employees harmless from any and all losses, liabilities, damages, claims, demands, suits, actions, proceedings, subrogation and expense, including court costs and reasonable attorney's fees arising from this contract, or the services performed or goods delivered under this Order, which are claimed or made by any person, firm, association or corporation, including employees, workmen, servants or agents of the Seller and its subcontractors, whether or not due in whole or in part to conditions, acts or omissions done or permitted by Kenergy. Seller further agrees to promptly assume full responsibility for the defense of any and all such suits, actions, or proceedings which may be brought against Seller or against Kenergy. In the event Seller uses Kenergy's machinery or equipment in the performance of any work that might be required under this Order, such machinery or equipment shall be considered as being under the sole custody and control of Seller during this period of such use by Seller.

13) Insurance - (1) The Seller shall take out and maintain throughout the period of this Order insurance of the following minimum types and amounts to protect the Seller and Kenergy: (a) Worker's compensation and employer's liability insurance, as required by law, covering all their employees who perform any of the obligations of the contractor, engineer, and architect under the contract. Employers Liability Insurance limits shall be at a minimum of \$500,000 each accident, \$500,000 by disease each employee, and \$500,000 by disease policy limit. If any employer or employee is not subject to worker's compensation laws of the governing State, then insurance shall be obtained voluntarily to extend to the employer and employee coverage to the same extent as though the employer or employee were subject to the worker's compensation laws; (b) Commercial General Liability insurance covering all operations under the contract shall have a combined single limit of not less than \$1 million each occurrence, including bodily injury or death, property damage, as well as products and completed operations and \$2 million general aggregate limit as well as products and completed operations aggregate limit for accidents during the policy period. This required insurance may be in a policy or policies of insurance, primary and excess including the umbrella or catastrophe form; (c) Automobile liability insurance on all motor vehicles used in connection with the contract, whether owned, non-owned, or hired, shall have a combined single limit of not less than \$1 million per occurrence of bodily injury or death, as well as property damage. This required insurance may be in a policy or policies of insurance, primary and excess including the umbrella or catastrophe form. (2) Kenergy shall have the right at any time to require Commercial General Liability insurance and property damage liability insurance greater than those limits required in paragraphs (1)(b) and (1)(c) of this section. In any such event, the additional insurance premium or premiums payable solely as the result of such additional insurance shall be added to the Order price. (3) Kenergy shall be named as Additional Insured on all policies of insurance required in (1)(b) and (1)(c) of this section and/or any excess or umbrella insurance applicable and given a waiver of subrogation for each requirement stated in (1)(a); (1)(b); and (1)(c). Such insurance shall be primary over any other insurance coverage available to Kenergy. Any other insurance coverage available to the Kenergy, or any insurance maintained by Kenergy, shall be excess and non-contributory to the insurance extended by the seller under this agreement. (4) The policies of insurance shall be in such form and issued by such insurer as shall be satisfactory to Kenergy. The Seller shall furnish Kenergy a certificate evidencing compliance with the foregoing requirements that shall provide not less than 30 days prior written notice to Kenergy of any cancellation or material change in the insurance.

14) Remedies - In addition to any remedies specifically stated herein, Kenergy shall retain any other legal remedies it would have in the event of Seller's breach of the Order.

15) Patents and Copyrights - Any good or work developed under this Order shall be deemed a "work made for hire" under the intellectual property and copyright laws of the United States. Seller shall defend any suit or proceeding brought against Kenergy that is based on a claim that any article or apparatus, or any part thereof constituting goods furnished under this order, as well as any device or process necessarily resulting from the use thereof, constitutes an infringement of any patent or copyright of the United States. Seller shall pay all damages and costs awarded therein. In the case use of said article or apparatus, part or device is enjoined, Seller shall, at its own expense and at its option, either procure for Kenergy the right to continue using said

Terms and Conditions

article or apparatus, or replace same with a no-infringing equivalent or remove said article or apparatus and refund the purchase price and the transportation and installation costs thereof.

16) Compliance - The Seller, prime contractor and subcontractors agree that in performing the work under this Order, it shall abide by the requirements of 41 CFR §§ 60-1.4(a), 60-300.5(a) and 60-741.5(a). These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on their race, color, religion, sex or national origin. Moreover, these regulations require that covered sellers, prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, national origin, protected veteran status or disability. Seller shall comply with any safety regulations and programs of Kenergy applicable to Kenergy's premises. Seller represents and warrants that all equipment and work practices shall conform to all industrial safety regulations, including, but not limited to The Occupational Safety and Health Act (OSHA), and all applicable federal, state and local laws, rules and regulations.

17) Hazardous Substances - Seller must notify Kenergy of any hazardous substances included in the Order and which may not be readily apparent to Kenergy or its personnel. Seller must provide a Materials Safety Data Sheet (MSDS) for any item shipped under this order, which may produce hazardous gases, liquids, or solids with each shipment. Seller shall promptly and thoroughly clean up any leaks or spills of any hazardous substance or waste including leaks or spills during shipment. Seller shall not dispose of any hazardous substance or waste on Kenergy's property. Seller shall notify Kenergy immediately of any spill.

18) Assignment - Seller shall not assign or subcontract out any of the sums due or to become due, nor shall Seller subcontract any of the work to be performed under this Order, nor shall Seller subcontract for completed or substantially completed material called for by this Order without Kenergy's prior written consent.

19) Title - Title to products or the product of services, if any, passes upon delivery of such products or product of services, by Seller to Kenergy.

20) Delivery - Kenergy shall have the right to defer delivery of product or services under this Order by giving notice of the deferral to Seller. Kenergy shall be responsible for any documented additional costs to Seller directly attributable to such delay. Seller shall make every effort to minimize such costs. Seller shall give Kenergy the benefit of any savings resulting directly from the delay.

21) Confidentiality - Seller and Kenergy shall employ all reasonable means to assure that material that is labeled "privileged", "confidential", or "proprietary" or that is labeled with similar wording and that comes into each other's possession in the course of performing this Order ("Confidential Information") shall not be disclosed without authorization from the disclosing party to anyone other than employees of the receiving party with a need to know. At minimum, Seller and Kenergy will employ the same procedures to protect Confidential Information from disclosure as each uses for its own privileged, confidential or proprietary materials. Recipient of Confidential Information shall, at the conclusion of the Order, or upon its termination, return or certify the destruction of the Confidential Information to the disclosing party.

22) Force Majeure - Neither party, without fault or negligence, shall be in default of its obligations hereunder because of force majeure, which includes only acts of God, acts of the public enemy, riot, civil commotion, expropriation or condemnation of Kenergy's or Seller's facilities, changes in applicable law(s), floods, droughts, fires, explosions, sabotage, terrorism, war, police or hostile action, criminal behavior, or other catastrophes, accidents causing damage to or destruction, in whole or in part, or to the equipment or property necessary to fulfill the Order, or failure or refusal by any regulatory or other agency to act upon or grant permits, or licenses. Each party shall give notice to the other as soon as possible of any event of force majeure, which potentially affects its performance hereunder. Force majeure shall not operate to excuse, but only to delay the Order's

Terms and Conditions

fulfillment.

23) Waiver - The failure of Kenergy to insist, in any one or more instances, upon the performance of any of the terms, covenants, or conditions of the Order or to exercise any right hereunder, shall not be construed as a waiver of relinquishment of the future exercise of such right, but the obligation of Seller with respect to such future performance shall continue in full force and effect.

24) Governing Law - This Order shall be subject to and governed in all respects, including issues of validity, interpretation, performance and enforcement, by the laws of the State of Kentucky.

25) Independent Contractor - Seller shall perform the work as an independent contractor with exclusive control of the manners and means of performing the work, subject only to Kenergy's right to inspect and oversee the work to assure that it is performed in accordance with the specifications and other requirements of the Order.

26) Entire Agreement - The Order constitutes the entire agreement between the parties and supersedes all other representations or agreements. Except as specifically provided herein this Order may be amended only in writing signed by both parties. The parties acknowledge and agree that neither of them has made any representation with respect to the subject matter of this agreement or any representations inducing the execution and delivery of this agreement, except such representations as are specifically set forth in this agreement, and each of the parties acknowledges that such party has relied on such party's own judgment in entering into the agreement. However, both parties agree that if any provision of this Order should conflict with any provision of any Contract or Rural Utilities Service Form that may be applicable to the transactions contemplated by this Order, then to the extent of such conflict the pertinent provision of such Contract or Rural Utilities Service Form shall prevail over the conflicting provision of this Order without invalidating or affecting the remaining provisions of this Order in any manner.

II. Acceptance

1) Signature of Acceptance - Receipt of this Order and the Terms and Conditions must be acknowledged and signed by an authorized representative of the seller referenced on the face of this Order. This Order is not considered a binding contract until the signed acknowledgement has been received by Kenergy. Please e-mail or fax the signed acknowledgement to the Procurement Agent referenced on the Order.

Kenergy	Supplier
Procurement Agent:	Seller Name:
Title:	Name (Printed):
Signature:	Title:
Date:	Signature:
	Date:

PURCHASE ORDER REQUISITION DETAILS

Requisition: 16543 - Broadband Tree Trimming

Requestor: khinerson - Kim Rhinerson

Type: Service

Buyer: sthompson - STEVE THOMPSON

Status: Fully Ordered

Extended Cost: 120,000.00

Date: 11/17/2022

Discount: 0.00

Location: 3 - OWENSBORO

Sales Tax 0.00

Work Order:

Use Tax 0.00

GL Division:

Requisition Cost 120,000.00

GL Department: 0 - Unassigned Department

Source: Requisition

Authorized By: kholland - Kevin Holland

rstumph - Rob Stumph

jhohn - Jeff Hohn

Line	Item / Description	Type	Loc	Requested Qty	Ordered Qty	UOM	Unit Cost	Discount	Extended Cost	Purchase Order	Line Txbl
1	SERVICES	Non	3	0.000	0.000	EA	0.0000	0.00	120,000.00	16106	1 No
	Broadband Tree Trimming Services										
	Preferred Vendor: 10650										
	GL Div	GL Account	Description	GL Dept	GL Actv	Description	GL Reference	Percent	Quantity	Amount	
	0	999.0	999 CLEARING	43	0	Unassigned Activity	tree	100.0000%	0.000	120,000.00	
									Total:	120,000.00	
									Total Extended Cost For Requisition - 16543:	120,000.00	
									Total Cost For Requisition -16543:	120,000.00	

PURCHASE ORDER REQUISITION DETAILS

PARAMETERS ENTERED:

Requisition: 16543
Long Description: Yes
Messages: Yes
GL Accounting: Yes
Extended Reference: Yes
Canceled Lines: No
Sort By: Requisition
Page Break By Requisition: Yes



PURCHASE ORDER

Vendor	PO Number
10650	16379
Print Date	Page
12/01/2023	1

SHIP Kenergy Corp
TO 6402 OLD CORYDON RD.
 Henderson, KY 42419
 Phone: (800)844-4832

ASPLUNDH TREE EXPERT LLC
 P O BOX 825124
 PHILADELPHIA, PA 19182-5124

BILL Kenergy Corp
TO PO BOX 1389
 OWENSBORO, KY 42302-1389
 Phone: (800)844-4832

LN	ITEM NO.	QUANTITY	UOM	DESCRIPTION	DELIVERY DATE	UNIT COST	TOTAL
1	SYSTEM MAINT	0.000	EA	Vegetation Management Services	01/24/2023	0.0000	#####
					Extended	Cost:	1,027,869.00

Shipping and Handling	0.00	Sales Tax:	Total Cost:	1,027,869.00
		Use Tax:		

Ship Method:

Authorizing Signatures

Steve Thompson
 STEVE THOMPSON

Steve Thompson

I. Purchase Terms and Conditions

1) Agreement - The following terms and conditions shall apply to the purchase of the service(s) or product(s) identified on the accompanying purchase order form by Kenergy from the entity defined herein as "Seller". These terms and conditions, together with specifications contained on the accompanying purchase order form or attached hereto, shall constitute an "Order".

2) Acknowledgement and Acceptance - Seller will acknowledge receipt of the Order immediately and advise if shipment cannot be made on or before date specified. Acceptance must be without qualification. Kenergy will not be bound by any different terms and conditions contained in the acceptance, unless agreed to in writing by Kenergy. Seller's action in (a) delivering materials, or (b) performing services called for hereunder shall constitute an acceptance of these terms and conditions. THIS ORDER EXPRESSLY LIMITS ACCEPTANCE TO THE TERMS AND CONDITIONS STATED HEREIN, AND ANY ADDITIONAL OR DIFFERENT TERMS PROPOSED BY THE SELLER ARE REJECTED UNLESS EXPRESSLY ASSENTED TO IN WRITING BY KENERGY. NO CONTRACT SHALL EXIST EXCEPT AS HEREIN PROVIDED.

3) Cancellation - Kenergy reserves the right to cancel all or any part of the unperformed portion of the Order at any time. Cancellation will be provided in writing to the Seller. On the date of such cancellation stated in said notice, Seller shall discontinue all work pertaining to the purchase order, shall place no additional orders and shall preserve and protect material on hand purchased for or committed to this purchase order. Upon such cancellation, Seller shall be paid the earned portion of the total cost of all work completed as of the date of cancellation, and this amount shall be Seller's sole remedy for Kenergy's cancellation. Kenergy may, at its option, have those costs, which are reimbursable under this Section, audited by either Kenergy's auditing staff or by independent certified public accountants selected by Kenergy. Kenergy shall not be liable to Seller as a result of cancellation of this Order for any costs, claims, losses, damages or liabilities including, without limitation, loss of anticipated profits, reimbursements for costs associated with the portion of the Order that Seller has not performed as of the date of Buyer's termination notice.

4) Pricing - Prices specified on the Order are quoted as firm through delivery, except when escalation is clearly and definitely provided on the face of or attached to the accompanying Purchase Order Form, and a formula for determining such escalation is provided on the face of or attached to the Purchase Order Form. No price escalation shall be effective after the earlier of the specified date or completion date. The Seller, by act of offering a quotation or bid, constitutes an express warranty that the quoted price is not subject to adjustment. Where approval drawings are required, the shipping date specified in the quote shall include a minimum of two weeks for Kenergy's review of drawings, plus one-week transit time.

5) Invoices and Payment - Seller shall render invoices upon delivery or completion of the services or, as per specific instructions embodied in the Order. Invoices shall be itemized and contain the Order number that is on the accompanying Purchase Order Form, accompanied by freight carrier receipt or parcel post receipt at the time material is shipped. Payment of invoices will be Net thirty (30) days unless otherwise specified in this Order. Payments may be withheld to the extent necessary to make adjustments for shortages, damages and rejections of the product or service, or where in good faith Kenergy challenges the accuracy of such invoice. Seller must send an invoice for payment to Kenergy within six months of completion of the project or sale. Any invoices received after this time will be subject to non-payment by Kenergy.

6) Taxes - Sales tax, where applicable, is to be remitted by the Seller to the applicable state or locality. The Seller shall show taxes charged to Kenergy as a separate item on the invoice. The Seller shall not charge Kenergy for any tax on the Seller's gross or net income, license tax, or any other tax or governmental fee except sales or similar transaction taxes. Upon request of Seller, Kenergy shall provide certification to Seller for any applicable tax exemptions.

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7) Shipping and Risk - All products shipped must be suitably packed for shipping. Each container, shipping cases, and packages shall include the Order number. The Bill of Lading shall include the Order number. The Packing List (in duplicate), must be furnished with each shipment and include the Order number. Unless otherwise stated in the Order, Seller shall pay all shipping costs. All shipments, including return shipments in the event of rejections, shall be made at Seller's risk and expense unless otherwise stated in the Order. Regardless of whether the Order is FOB Origin-Freight Collect or FOB Charges Destination-Freight Allowed, risk of loss shall not pass to Kenergy until delivery to Kenergy.

8) Scheduled Delivery - Delivery shall be strictly in accordance with the specified delivery date embodied in the Order. Time is an essential element of this Order unless stated otherwise herein. If no scheduled date is specified, delivery shall be within a reasonable time following the date of the Order. Kenergy has the right to cancel all or part of an Order, without obligation of any kind to Seller, should delivery of any shipment not be made on schedule.

9) Changes/Substitutions - Changes to the Order, including but not limited to brand substitutions, shall not be effective until Kenergy issues a revised Order approving the change, or similar document that manifests Kenergy's intent to revise the Order ("Change Order"), and Seller accepts such Change Order in writing. Any request by Seller for a revised Order shall include any proposed price increase or decrease attributable to the change.

10) Inspection and Receipt - Inspection and payment by Kenergy prior to shipment does not constitute acceptance and does not relieve Seller from responsibility for furnishing goods and services strictly in accordance with specifications. Kenergy has the right to inspect and fully test all materials and workmanship hereunder. This right shall extend to the inspection of the products during manufacture, at no cost to Kenergy, upon reasonable notice to the Seller. Kenergy has the right to inspect any service operations hereunder, at no cost to Kenergy, upon reasonable notice. Kenergy reserves the right to reject any products or services that it finds to be defective or at variance with the Order specification, regardless of the time or place of discovery of the defect or variance and, in the case of non-apparent defects or variances, regardless of any prior acceptance of the products. Regardless of anything stated herein, the Seller shall bear all costs necessitated by disassembly for inspection and reassembly. For rejected products or services Kenergy shall have the option (1) return the same at Seller's expense, for full credit, including transportation both ways; (2) require the replacement or correction of goods or services at Seller's expense, including transportation both ways; (3) accept the same in the present condition and either satisfactorily correct it at Seller's expense or use it in its present condition at a renegotiated equitable reduction in price which, if already paid, shall be refunded by Seller forthwith; or (4) cancel this Order in whole or in part.

11) Warranties - Seller warrants that the goods furnished and covered hereunder will be of merchantable quality, fit for Kenergy's purposes, free from defects in title, design, material and workmanship and that the goods or services will conform to Kenergy's specifications. Seller further warrants that the goods furnished hereunder shall conform to all representations, affirmations, promises, descriptions, samples or models forming the basis of this Order. Those warranties shall survive acceptance of the goods. Seller further warrants that all services performed for or on behalf of Kenergy will be performed in a competent workmanlike manner and shall be free from faults and defects. These warranties are in addition to any other warranties given by Seller to Kenergy. NONE OF THE FOREGOING WARRANTIES AND NO OTHER IMPLIED OR EXPRESS WARRANTIES MAYBE DISCLAIMED, OR EXCLUDED, OR MODIFIED EXCEPT BY WRITTEN AGREEMENT SIGNED BY AN AUTHORIZED KENERGY REPRESENTATIVE. Seller agrees to hold Kenergy harmless from any loss, damage or expense whatsoever, including, but not limited to, damage to collateral equipment and attorney's fees, which Kenergy may suffer from breach of these warranties.

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12) Indemnification - Whether on Kenergy's premises or otherwise, Seller agrees to indemnify and save Kenergy, its Directors, officers, agents and employees harmless from any and all losses, liabilities, damages, claims, demands, suits, actions, proceedings, subrogation and expense, including court costs and reasonable attorney's fees arising from this contract, or the services performed or goods delivered under this Order, which are claimed or made by any person, firm, association or corporation, including employees, workmen, servants or agents of the Seller and its subcontractors, whether or not due in whole or in part to conditions, acts or omissions done or permitted by Kenergy. Seller further agrees to promptly assume full responsibility for the defense of any and all such suits, actions, or proceedings which may be brought against Seller or against Kenergy. In the event Seller uses Kenergy's machinery or equipment in the performance of any work that might be required under this Order, such machinery or equipment shall be considered as being under the sole custody and control of Seller during this period of such use by Seller.

13) Insurance - (1) The Seller shall take out and maintain throughout the period of this Order insurance of the following minimum types and amounts to protect the Seller and Kenergy: (a) Worker's compensation and employer's liability insurance, as required by law, covering all their employees who perform any of the obligations of the contractor, engineer, and architect under the contract. Employers Liability Insurance limits shall be at a minimum of \$500,000 each accident, \$500,000 by disease each employee, and \$500,000 by disease policy limit. If any employer or employee is not subject to worker's compensation laws of the governing State, then insurance shall be obtained voluntarily to extend to the employer and employee coverage to the same extent as though the employer or employee were subject to the worker's compensation laws; (b) Commercial General Liability insurance covering all operations under the contract shall have a combined single limit of not less than \$1 million each occurrence, including bodily injury or death, property damage, as well as products and completed operations and \$2 million general aggregate limit as well as products and completed operations aggregate limit for accidents during the policy period. This required insurance may be in a policy or policies of insurance, primary and excess including the umbrella or catastrophe form; (c) Automobile liability insurance on all motor vehicles used in connection with the contract, whether owned, non-owned, or hired, shall have a combined single limit of not less than \$1 million per occurrence of bodily injury or death, as well as property damage. This required insurance may be in a policy or policies of insurance, primary and excess including the umbrella or catastrophe form. (2) Kenergy shall have the right at any time to require Commercial General Liability insurance and property damage liability insurance greater than those limits required in paragraphs (1)(b) and (1)(c) of this section. In any such event, the additional insurance premium or premiums payable solely as the result of such additional insurance shall be added to the Order price. (3) Kenergy shall be named as Additional Insured on all policies of insurance required in (1)(b) and (1)(c) of this section and/or any excess or umbrella insurance applicable and given a waiver of subrogation for each requirement stated in (1)(a); (1)(b); and (1)(c). Such insurance shall be primary over any other insurance coverage available to Kenergy. Any other insurance coverage available to the Kenergy, or any insurance maintained by Kenergy, shall be excess and non-contributory to the insurance extended by the seller under this agreement. (4) The policies of insurance shall be in such form and issued by such insurer as shall be satisfactory to Kenergy. The Seller shall furnish Kenergy a certificate evidencing compliance with the foregoing requirements that shall provide not less than 30 days prior written notice to Kenergy of any cancellation or material change in the insurance.

14) Remedies - In addition to any remedies specifically stated herein, Kenergy shall retain any other legal remedies it would have in the event of Seller's breach of the Order.

15) Patents and Copyrights - Any good or work developed under this Order shall be deemed a "work made for hire" under the intellectual property and copyright laws of the United States. Seller shall defend any suit or proceeding brought against Kenergy that is based on a claim that any article or apparatus, or any part thereof constituting goods furnished under this order, as well as any device or process necessarily resulting from the use thereof, constitutes an infringement of any patent or copyright of the United States. Seller shall pay all damages and costs awarded therein. In the case use of said article or apparatus, part or device is enjoined, Seller shall, at its own expense and at its option, either procure for Kenergy the right to continue using said

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article or apparatus, or replace same with a no-infringing equivalent or remove said article or apparatus and refund the purchase price and the transportation and installation costs thereof.

16) Compliance - The Seller, prime contractor and subcontractors agree that in performing the work under this Order, it shall abide by the requirements of 41 CFR §§ 60-1.4(a), 60-300.5(a) and 60-741.5(a). These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on their race, color, religion, sex or national origin. Moreover, these regulations require that covered sellers, prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, national origin, protected veteran status or disability. Seller shall comply with any safety regulations and programs of Kenergy applicable to Kenergy's premises. Seller represents and warrants that all equipment and work practices shall conform to all industrial safety regulations, including, but not limited to The Occupational Safety and Health Act (OSHA), and all applicable federal, state and local laws, rules and regulations.

17) Hazardous Substances - Seller must notify Kenergy of any hazardous substances included in the Order and which may not be readily apparent to Kenergy or its personnel. Seller must provide a Materials Safety Data Sheet (MSDS) for any item shipped under this order, which may produce hazardous gases, liquids, or solids with each shipment. Seller shall promptly and thoroughly clean up any leaks or spills of any hazardous substance or waste including leaks or spills during shipment. Seller shall not dispose of any hazardous substance or waste on Kenergy's property. Seller shall notify Kenergy immediately of any spill.

18) Assignment - Seller shall not assign or subcontract out any of the sums due or to become due, nor shall Seller subcontract any of the work to be performed under this Order, nor shall Seller subcontract for completed or substantially completed material called for by this Order without Kenergy's prior written consent.

19) Title - Title to products or the product of services, if any, passes upon delivery of such products or product of services, by Seller to Kenergy.

20) Delivery - Kenergy shall have the right to defer delivery of product or services under this Order by giving notice of the deferral to Seller. Kenergy shall be responsible for any documented additional costs to Seller directly attributable to such delay. Seller shall make every effort to minimize such costs. Seller shall give Kenergy the benefit of any savings resulting directly from the delay.

21) Confidentiality - Seller and Kenergy shall employ all reasonable means to assure that material that is labeled "privileged", "confidential", or "proprietary" or that is labeled with similar wording and that comes into each other's possession in the course of performing this Order ("Confidential Information") shall not be disclosed without authorization from the disclosing party to anyone other than employees of the receiving party with a need to know. At minimum, Seller and Kenergy will employ the same procedures to protect Confidential Information from disclosure as each uses for its own privileged, confidential or proprietary materials. Recipient of Confidential Information shall, at the conclusion of the Order, or upon its termination, return or certify the destruction of the Confidential Information to the disclosing party.

22) Force Majeure - Neither party, without fault or negligence, shall be in default of its obligations hereunder because of force majeure, which includes only acts of God, acts of the public enemy, riot, civil commotion, expropriation or condemnation of Kenergy's or Seller's facilities, changes in applicable law(s), floods, droughts, fires, explosions, sabotage, terrorism, war, police or hostile action, criminal behavior, or other catastrophes, accidents causing damage to or destruction, in whole or in part, or to the equipment or property necessary to fulfill the Order, or failure or refusal by any regulatory or other agency to act upon or grant permits, or licenses. Each party shall give notice to the other as soon as possible of any event of force majeure, which potentially affects its performance hereunder. Force majeure shall not operate to excuse, but only to delay the Order's

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fulfillment.

23) Waiver - The failure of Kenergy to insist, in any one or more instances, upon the performance of any of the terms, covenants, or conditions of the Order or to exercise any right hereunder, shall not be construed as a waiver of relinquishment of the future exercise of such right, but the obligation of Seller with respect to such future performance shall continue in full force and effect.

24) Governing Law - This Order shall be subject to and governed in all respects, including issues of validity, interpretation, performance and enforcement, by the laws of the State of Kentucky.

25) Independent Contractor - Seller shall perform the work as an independent contractor with exclusive control of the manners and means of performing the work, subject only to Kenergy's right to inspect and oversee the work to assure that it is performed in accordance with the specifications and other requirements of the Order.

26) Entire Agreement - The Order constitutes the entire agreement between the parties and supersedes all other representations or agreements. Except as specifically provided herein this Order may be amended only in writing signed by both parties. The parties acknowledge and agree that neither of them has made any representation with respect to the subject matter of this agreement or any representations inducing the execution and delivery of this agreement, except such representations as are specifically set forth in this agreement, and each of the parties acknowledges that such party has relied on such party's own judgment in entering into the agreement. However, both parties agree that if any provision of this Order should conflict with any provision of any Contract or Rural Utilities Service Form that may be applicable to the transactions contemplated by this Order, then to the extent of such conflict the pertinent provision of such Contract or Rural Utilities Service Form shall prevail over the conflicting provision of this Order without invalidating or affecting the remaining provisions of this Order in any manner.

II. Acceptance

1) Signature of Acceptance - Receipt of this Order and the Terms and Conditions must be acknowledged and signed by an authorized representative of the seller referenced on the face of this Order. This Order is not considered a binding contract until the signed acknowledgement has been received by Kenergy. Please e-mail or fax the signed acknowledgement to the Procurement Agent referenced on the Order.

Kenergy	Supplier
Procurement Agent:	Seller Name:
Title:	Name (Printed):
Signature:	Title:
Date:	Signature:
	Date:

PURCHASE ORDER REQUISITION DETAILS

Requisition: 16820 - Vegetation Management Services

Requestor: krhinerson - Kim Rhinerson

Type: Service

Buyer: sthompson - STEVE THOMPSON

Status: Fully Ordered

Extended Cost: 1,027,869.00

Date: 01/24/2023

Discount: 0.00

Location: 3 - OWENSBORO

Sales Tax 0.00

Work Order:

Use Tax 0.00

GL Division:

Requisition Cost 1,027,869.00

GL Department: 0 - Unassigned Department

Source: Requisition

Authorized By: rstumph - Rob Stumph

jhohn - Jeff Hohn

Line	Item / Description	Type	Loc	Requested Qty	Ordered Qty	UOM	Unit Cost	Discount	Extended Cost	Purchase Order	Line	Txbl
1	SYSTEM MAINT Vegetation Management Services Preferred Vendor: 10650	Non	3	0.000	0.000	EA	0.0000	0.00	1,027,869.00	16379	1	Yes
	GL Div	GL Account	Description	GL Dept	GL Actv	Description	GL Reference	Percent	Quantity	Amount		
	0	593.3	MAINTENANCE OF O	43	0	Unassigned Activity	Vegetation Management	100.0000%	0.000	1,027,869.00		
									Total:	1,027,869.00		
									Total Extended Cost For Requisition - 16820:	1,027,869.00		
									Total Cost For Requisition -16820:	1,027,869.00		

PURCHASE ORDER REQUISITION DETAILS

PARAMETERS ENTERED:

Requisition: 16820
Long Description: Yes
Messages: Yes
GL Accounting: Yes
Extended Reference: Yes
Canceled Lines: No
Sort By: Requisition
Page Break By Requisition: Yes

KENERGY CORP.

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

Responses to Attorney General’s Second Request for Information

Item 5) Refer to the response to AG 1-61 regarding the discussion of the receipt of “FEMA funds to reimburse 87% of the capital and maintenance costs (approximately \$1.2 million) related to the March 3rd 2023 wind storm.”

- a. Provide the amount of costs that were capitalized and expensed on the books of Kenergy by month and by account.
- b. Provide the amount(s) and date(s) of the reimbursement(s) by FEMA and indicate the accounts that were debited and credited.

Response)

a. and b. Please see the Excel file “AG2 Item 5 (March 2023 Storm – FEMA Reimbursement)” provided separately. Since the storm happened in March 2023 and the FEMA reimbursement happened in September and October of 2023, these transactions did not affect the test period expenses or capital.

Witness: Travis Siewert

KENERGY CORP.

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

Responses to Attorney General’s Second Request for Information

Item 6) Refer to the response to AG 1-66 regarding the costs incurred for credit card processing fees and the response to AG 1-67 defining the other methods of customer payments, including cash, checks, and bank drafts. Provide the average costs per transaction incurred by Kenergy to process each type of payment option, including via credit card, cash, check, and bank draft. In addition, provide the percentage(s) utilized if the credit card transaction charges are percentage based.

Response) Kenergy currently pays an average of \$1.33 per credit card transaction. On a percentage basis, this comes to 0.62% of the total amount collected from credit cards. Kenergy pays a \$0.20 transaction fee per bank draft transaction. Of the 19,792 credit card transactions received in September 2023, only 723 or about 4% were in person transactions. All of the other 19,069 transactions were completed electronically either through the mobile app, online, or through the IVR phone system, requiring no Kenergy labor.

While Kenergy does not incur bank fees for cash or check transactions, Kenergy does have employees at its 5 locations dedicated to processing walk-in, drive-thru, and mailed-in payments. Kenergy maintains remote deposit capture machines to process check payments and stubs at its Henderson and Owensboro locations. Checks processed in Kenergy’s office represent about 28% of total payments received.

Kenergy currently receives a VISA utility flat rate for VISA transactions, which make up about 61% of Kenergy’s total credit card transactions. If Kenergy were to charge a convenience fee to its members, it would lose the VISA utility flat rate and would be transitioned to the full VISA retail percentage rate. Also, if Kenergy were to implement a convenience fee, this fee cannot be applied to recurring payments or in-person payments, and it must be a fixed flat amount applied to debit card, credit card, and e-check transactions alike.

On average, National Information Solutions Cooperative (“NISC”) utilities that charge a convenience fee have a VISA debit card cost of

\$1.82 per transaction versus \$0.88 per transaction for NISC utilities that do not charge a convenience fee. On average, NISC utilities that charge a convenience fee have a VISA credit card cost of \$4.04 per transaction versus \$2.67 per transaction for NISC utilities that do not charge a convenience fee. Kenergy estimates that its total credit card fees would increase approximately \$171,000 per year, if it began charging its members a convenience fee.

Based on the significant increase in cost and the other items mentioned above, NISC recommends that we do not begin charging our members convenience fees.

Witness: Travis Siewert

KENERGY CORP.

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

Responses to Attorney General’s Second Request for Information

Item 7) Refer to the response to AG 1-66 regarding the costs incurred for credit card processing fees and to the response to AG 1-68 regarding not charging convenience fees to customers. Indicate when Kenergy first began accepting credit card payments without charging convenience fees to customers and whether it ever requested authority to include credit card processing fees in the cost of service. If such requests were made, describe and provide applicable citations.

Response) Kenergy has been accepting credit card payments from its members for decades and has never had a separate nonrecurring charge in its tariff for credit card convenience fees. Credit card processing fees have always been included in Kenergy’s test year expenses and therefore included in Kenergy’s cost of service. Prior to the current case, Kenergy filed 5 rate cases in the last 18 years (2006-00369, 2008-00323, 2011-00035, 2015-00312, 2021-00066). The first three cases were settled and the last two were not. In the last two cases, neither Kenergy nor the Public Service Commission proposed a proforma adjustment to remove credit card processing fees from the test year expenses, therefore the Public Service Commission authorized base rates that included credit card processing fees in each of those cases.

For additional discussion on payment processing fees, please reference page 12 of the Commission’s final order dated October 3rd, 2023 in case number 2023-00158.

Witness: Travis Siewert