

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF JACKSON PURCHASE ENERGY )	
CORPORATION FOR APPROVAL OF FLOW )	CASE NO.
THROUGH RATES PURSUANT TO KRS 278.455 )	2013-00068

ORDER

On April 18, 2013, Jackson Purchase Energy Corporation (“Jackson Purchase”) submitted an application to pass through any wholesale rate adjustment granted to Big Rivers Electric Corporation (“Big Rivers”) in Case No. 2012-00535.<sup>1</sup> Jackson Purchase submitted its application pursuant to the authority of KRS 278.455(2) and 807 KAR 5:007. Jackson Purchase proposed that its rates become effective on the same date as those rates of its wholesale supplier, Big Rivers, but submitted proposed tariffs with an effective date of August 17, 2013.

On May 3, 2013, the Commission suspended the operation of the proposed rates up to and including August 17, 2013 and established a procedural schedule for this proceeding. Commission Staff issued, and Jackson Purchase responded to, three information requests. There are no intervenors in this case.

On August 19, 2013, Jackson Purchase notified the Commission of its intent to place the proposed rates into effect for service rendered on and after August 20, 2013, which is the same date that Big Rivers placed its proposed rates into effect, subject to refund. By Order issued August 20, 2013, we allowed Jackson Purchase’s proposed

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<sup>1</sup> Case No. 2012-00535, Application of Big Rivers Electric Corporation for an Adjustment of Rates (Ky. PSC Oct. 29, 2013).

rates to be effective, subject to refund, for service rendered on and after August 20, 2013. We further directed Jackson Purchase to maintain its records in such manner as will allow it, the Commission, or any customer to determine the amounts to be refunded, and to whom due, in the event a refund is ordered upon final resolution of this matter. The matter now stands submitted for a decision based on the evidentiary record.

In its application, Jackson Purchase described how its proposed pass-through rates were developed:

...the rate change does not change the rate design currently in effect and has been allocated to each class and within each tariff on a proportional basis as required by 807 KAR 5:007, Section 1 (5)(a) and (b).<sup>2</sup>

KRS 278.455(2) provides that a distribution cooperative may change its rates to reflect a change in the rate of its wholesale supplier if the effects of an increase or decrease are allocated to each class and within each tariff on a proportional basis that will result in no change in the rate design currently in effect. Further, 807 KAR 5:007, Section 1(5), provides that the distribution cooperative shall file an analysis demonstrating that the rate change does not alter the rate design currently in effect and that the revenue change has been allocated to each class and within each tariff on a proportional basis.

The Commission has reviewed the approach proposed by Jackson Purchase to pass through the increase in the wholesale rates of Big Rivers and to allocate such increase to its retail rates. Based upon this review, the Commission finds that Jackson Purchase's approach complies with the provisions of KRS 278.455(2) and 807 KAR 5:007, Section 1(5), and, therefore, should be accepted.

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<sup>2</sup> Application, p. 2, paragraph (e), filed Apr. 18, 2013.

The Commission issued an Order today in Case No. 2012-00535 authorizing a \$54,227,241 million annualized increase in Big Rivers' wholesale rates effective for service rendered on and after August 20, 2013. Using the test year information contained in its application, Jackson Purchase will pass through an increase in its wholesale power cost of \$8,233,008 annually.

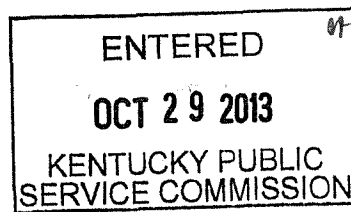
IT IS THEREFORE ORDERED that:

1. The proposed rates submitted with Jackson Purchase's application are denied.
2. The approach proposed by Jackson Purchase to allocate its portion of the increase in wholesale rates authorized in Case No. 2012-00535 is accepted.
3. The rates set forth in the appendix attached hereto are approved for service rendered on and after August 20, 2013.
4. Within 20 days of the date of this Order, Jackson Purchase shall file with this Commission, using the Commission's Electronic Tariff Filing System, its revised tariffs setting out the rates approved herein and stating that they were approved pursuant to this Order.
5. Within 60 days of the date of this Order, Jackson Purchase shall refund to its customers with interest all amounts collected for service rendered from August 20, 2013 through the date of this Order that are in excess of the rates set forth in the appendix to this Order.
6. Jackson Purchase shall pay interest on the refunded amounts at the average of the Three-Month Commercial Paper Rate as reported in the Federal Reserve Bulletin and the Federal Reserve Statistical Release on the date of this Order.

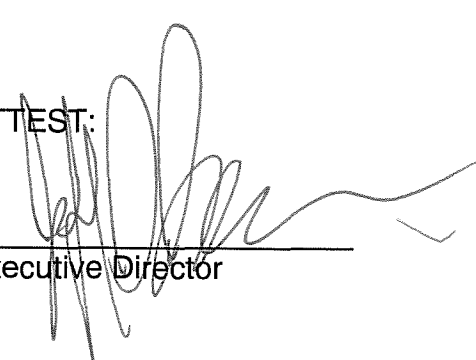
Refunds shall be based on each customer's usage while the proposed rates were in effect and shall be made as a one-time credit to the bills of current customers and by check to customers who have discontinued service since August 20, 2013.

7. Within 75 days of the date of this Order, Jackson Purchase shall submit a written report to the Commission in which it describes its efforts to refund all monies collected in excess of the rates that are set forth in the appendix to this Order.

By the Commission



ATTEST:

  
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Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2013-00068 DATED **OCT 29 2013**

The following rates and charges are prescribed for the customers in the area served by Jackson Purchase Energy Corp. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

SCHEDULE R  
RESIDENTIAL

Facilities Charge per Month	\$	10.99
Energy Charge per kWh	\$	.088946

SCHEDULE C-1  
SMALL COMMERCIAL - SINGLE PHASE

Facilities Charge per Month	\$	12.23
Energy Charge per kWh	\$	.090178

SCHEDULE C-3  
SMALL COMMERCIAL - THREE PHASE

Facilities Charge per Month	\$	21.98
Energy Charge per kWh	\$	.085625

SCHEDULE D  
COMMERCIAL AND INDUSTRIAL - DEMAND LESS THAN 3,000 kW

Facilities Charge per Month	\$	42.73
Demand Charge per kW	\$	7.94
Energy Charge per kWh:		
First 200 kWh per kW	\$	.054898
Next 200 kWh per kW	\$	.045986
Next 200 kWh per kW	\$	.041457
Over 600 kWh per kW	\$	.037062

SCHEDULE I-E  
LARGE COMMERCIAL AND INDUSTRIAL - EXISTING

Facilities Charge per Month	\$ 366.24
Demand Charge:	
First 3,000 kW	\$ 42,117.39
All Additional kW per kW	\$ 14.04
Energy Charge per kWh	\$ .033648

SCHEDULE L  
LARGE COMMERCIAL AND INDUSTRIAL - 3,000-5,000 kW

Facilities Charge per Month	\$ 366.24
Demand Charge per kW	\$ 13.79
Energy Charge per kWh	\$ .033648

SCHEDULE OL  
OUTDOOR LIGHTING

Flat rate per light per month as follows:

175 Watt M.V.	\$ 10.09
400 Watt M.V.	\$ 15.60
100 Watt H.P.S.	\$ 9.69
250 Watt H.P.S.	\$ 13.46
250 Watt H.P.S. - Flood	\$ 14.13
175 Watt Metal	\$ 16.40
150 Watt Metal	\$ 15.89
400 Watt Metal	\$ 23.89
1,000 Watt Metal - Flood	\$ 35.39

SCHEDULE G-1  
RENEWABLE RESOURCE ENERGY SERVICE

Non-Direct Served Customers:	
Premium per kWh	\$ .021206
Direct Served Customers:	
Premium per kWh	\$ .0250

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