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January 31, 2014

## VIA FEDERAL EXPRESS

MR JEFF DEROUEN  
EXECUTIVE DIRECTOR  
KENTUCKY PUBLIC SERVICE COMMISSION  
211 SOWER BLVD.  
FRANKFORT KY 40602

**Re: *In the Matter of: The Application of Jackson Purchase Energy Corporation for Approval of Flow Through Rates Pursuant to KRS 278.455 Case No. 2013-00384***

Dear Mr. Derouen:

Please find enclosed an original and ten (10) copies of Jackson Purchase Energy Corporation's Notice of Affidavit of Publication in the above-referenced matter.

Additionally, please find enclosed an original and ten (10) copies of Jackson Purchase Energy Corporation's Response to Commission Staff's First Request for Information.

If you should need anything further, please do not hesitate to contact me at the number listed above.

Sincerely,



Melissa D. Yates  
[myates@dklaw.com](mailto:myates@dklaw.com)

Enclosures

169613

RECEIVED

2014  
FEB - 3 2014

PUBLIC SERVICE  
COMMISSION

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

In the Matter of: )

The Application of Jackson Purchase Energy Corporation for Approval of Flow Through Rates Pursuant to KRS 278.455 )

CASE NO. 2013-00384

RECEIVED  
2014  
FEB - 3 2014  
PUBLIC SERVICE COMMISSION

JACKSON PURCHASE ENERGY CORPORATION'S RESPONSE TO COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

1. Refer to Exhibit A of the application, Jackson Purchase Energy Corporation's proposed tariff.

a. Refer to page 5 of 158. The proposed energy charge for the Schedule R – residential class is shown as \$.114366 per kWh. The proposed Schedule R – Residential energy rate shown on page 1 of Exhibit C of the application, the public notice, is shown as \$.114365 per kWh. Identify which is the correct proposed rate.

**Response: The correct number for the proposed energy charge for the Schedule R – Residential Class is \$.114365. A copy of the revised tariff sheets are attached hereto collectively as Exhibit A and incorporated herein by reference. To the extent that any other reference to this number in JPEC's application may have incorrectly stated \$.114366, those references are hereby amended.**

Witnesses: Jim Adkins and Kelly Nuckols

b. Refer to page 132 of 158. Confirm that Jackson Purchase intended to delete the renewable resource energy service rate for Rate Schedule L-E – Large Industrial Member Expansion from this page.

**Response: JPEC intended to delete the renewable resource energy service rate for Rate Schedule L-E – Large Industrial Member Expansion.**

Witness: Jim Adkins

2. Provide all spreadsheets contained in Exhibit B of the application (which encompasses all exhibits to the Testimony of Jim Adkins) in Excel spreadsheet format with the formulas intact and unprotected and all rows and columns accessible.

**Response: Please find attached hereto as Exhibit B a CD which contains copies of all the requested spreadsheets.**

Witness: Jim Adkins

3. Refer to Exhibit D to the Testimony of Jim Adkins, page 3 of 8. Confirm that the proposed energy charge on this page should have been shown as \$.110096 as presented in Exhibit A, the proposed tariff, and Exhibit C, the public notice, instead of \$.110095.

**Response: Mr. Adkins' number was the result of a rounding error. The correct number is \$.110096.**

Witness: Jim Adkins

4. Refer to Exhibit D to the Testimony of Jim Adkins, page 5 of 8.  
a. Confirm that Jackson Purchase Energy Corporation's direct-served customer is served under this schedule, Schedule I-E – Large Commercial and Industrial Existing.

**Response: JPEC has two members served under Schedule I-E, one, this direct-served member and the other one served off the rural distribution system. Both these members are larger than 3,000 kW but they carry different rates from Big Rivers. These two members have both been served under Schedule I-E, under these same circumstances**

**for a number of years, a time period predating all senior management staff. It is thought by management that the two were both served under this blended rate in order not to treat similarly sized members under two different tariffs with two different rates. Either member could move from direct-served to rural-served or vice versa with a relatively small investment on JPEC's part. JPEC did not attempt to change this because the nature of this case as a "Flow-Through", it is generally not appropriate to create a new service schedule and such a thing should only be done in a general rate case, Further, even if this could be accomplished in a pass-through case, management feels strongly that it would be inequitable to treat similarly sized members differently from one another. The rates for Schedule I-E were developed using the blended total percentage increase of the entire system. JPEC looks at power costs from Big Rivers on a blended level.**

b. Provide the test-year billing determinants related to the direct-served customer.

**Response: Provided in Exhibit C attached hereto and incorporated herein by reference.**

c. If this customer is served under a special contract, provide a copy of the special contract.

**Response: This member does not have a special contract.**

d. Explain why the direct-served customer is charged rates that differ from Big Rivers Electric Corporation's ("Big Rivers") Large Industrial Customer rate.

**Response: The Large Customer rate is a rate given to JPEC from Big Rivers. JPEC has historically regarded all power costs on a blended rate in order not to treat two similar members on an unequal basis. See response to 4a for further information.**

e. State whether Jackson Purchase is proposing that the direct-served customer receive a rate increase equal to the \$201, 414 Industrial wholesale rate increase Jackson Purchase is receiving from Big Rivers related to the customer as shown in Exhibit B to the Testimony of Jim Adkins. If yes, provide the calculation confirming the equal increase. If no, explain why an equal pass-through is not being proposed.

**Response: JPEC is not proposing a direct pass through because JPEC is using blended power costs. JPEC could only offer a direct pass-through if it split Schedule I-E into two different schedules which JPEC understands is not generally done in a pass-through case. Please see response to A above for the full explanation.**

Witness: Charles G. Williamson III

5. Provide a copy of an actual bill with customer information redacted.

**Response: Please see Exhibit D attached hereto and incorporated herein by reference.**

Witness: Charles G. Williamson III

6. Provide a copy of the same customer bill prepared with the assumption that Big Rivers is granted its full requested increase in Case No. 2013-00199 and receives approval of its proposal to mitigate the increase using the Economic and Rural Economic Reserve funds. The proposed sample bill should reflect the tariff changes proposed by Jackson Purchase in this case.

**Response: Please see Exhibit E attached hereto and incorporated herein by reference.**

Witness: Charles G. Williamson III

7. Refer to Exhibit A of the application, pages 57 and 58 of 158.

a. Explain how the rates listed in Jackson Purchase's Schedule SPC-A – Small Power Production or Generation Less Than 100 kW and Schedule SPC-B- Small Power Production or Generation Greater Than 100kW were calculated.

**Response:** The two schedules listed on these pages are schedules for the purchase of power from qualifying facilities either cogeneration or small power production facilities. These tariffs were approved by the Commission several years ago and Jackson Purchase is seeking no change in these tariffs in this application. How these were developed is not readily determinable as the current time.

b. Explain why a change in Big Rivers' Schedule QFS –

Congeneration/Small Power Production Sales – Over 100 kW, as proposed in Case No. 2013-00199, would not require a change in Jackson Purchase's Schedules SPC-A and SPC-B.

**Response:** Changes in Big Rivers' Schedule QFS – Cogeneration/Small Power Production Sales – Over 100 kW as proposed in Case No. 2013-00199 is not applicable to Jackson Purchase's Schedules SPC-A and SPC-B because these schedules are for the purchase of power while the schedule for Big Rivers is for the sale of power to qualifying facilities. In the event that Jackson Purchase has a member that meets the qualifying requirements and desires to purchase power from Jackson Purchase, it is Jackson Purchase's intent to meet the needs of the member through the use of a special contract.

Witness: Jim Adkins

Respectfully submitted,

DENTON & KEULER  
P.O. BOX 929  
PADUCAH, KY 42002-0929  
Telephone: (270) 443-8253  
Facsimile: (270) 442-6000

By: 

Melissa D. Yates

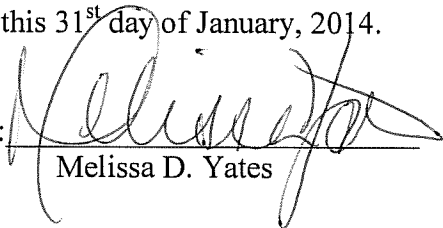
ATTORNEYS FOR JPEC

I hereby certify that the foregoing has been served by sending a true and correct copy of the foregoing to via Federal Express to:

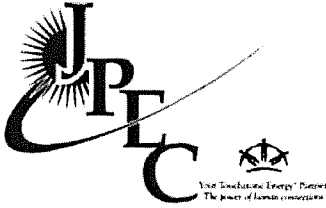
MR JEFF DEROUEN  
EXECUTIVE DIRECTOR  
KENTUCKY PUBLIC SERVICE COMMISSION  
211 SOWER BLVD.  
FRANKFORT KY 40602

on this 31<sup>st</sup> day of January, 2014.

By:



Melissa D. Yates



Jackson Purchase Energy Corp.  
 FOR Entire Territory Served  
 Community, Town or City

P.S.C. KY NO. 18

                         SHEET NO. 4

CANCELLING P.S.C. KY NO. 17

                         SHEET NO. 4

**RATES AND CHARGES**  
**SCHEDULE R – RESIDENTIAL**

**Applicability**

Entire service territory.

**Availability of Service**

Available to all residential Members for use in the home and on the farm. Residential electric service is available for uses customarily associated with residential occupation, including lighting, cooking, heating, cooling, refrigeration, household appliances and other domestic purposes.

Residential rates are based on service to single family units and are not applicable to multi-family dwellings served through a single meter. Where two or more families occupy a residential building, JPEC may require as a condition precedent to the application of the residential rate that the wiring in the building be so arranged as to permit each family to be served through a separate meter. In those cases where such segregation of wiring would involve undue expense to the Member, at the Member’s option in lieu of the foregoing, electric service rendered to a multi-family residential building through a single meter will be classified as commercial and billed on the basis of service to a Member at an appropriate non-residential rate.

If a separate meter is used to measure the consumption to remotely located buildings, such as garages, barns, pump houses, grain bins or other outbuildings, or facilities, such as electric fences, it will be considered a separate service and be billed as a separate service at the applicable non-residential rate.

**Type of Service**

Single phase, 60 cycle at available secondary service voltages.

**Rates**

Facilities Charge:	Per month	\$14.13	I
All Energy:	Per kWh per month	\$0.114365	I

DATE OF ISSUE December 20, 2013  
 Month / Date / Year

DATE EFFECTIVE Same as Effective Date in Case 2013-00199  
 Month / Date / Year

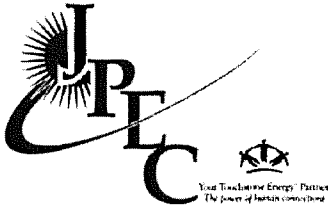
ISSUED BY /s/ G. Kelly Nuckols  
 G. Kelly Nuckols

TITLE President & CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2013-00384 DATED





Jackson Purchase Energy Corp.  
 FOR Entire Territory Served  
 Community, Town or City

P.S.C. KY NO. 18

SHEET NO. 131

CANCELLING P.S.C. KY NO. 17

SHEET NO. 132

<b>RATES AND CHARGES</b>
<b>SCHEDULE G-1 – RENEWABLE RESOURCE ENERGY SERVICE</b>

**Monthly Rate**

- (1) The rate for Renewable Resource Energy is the rate schedule applicable to service to a Member, plus a premium per kilowatt hour of Renewable Resource Energy contracted for as follows, subject to any adjustment, surcharge or surcredit that is or may become applicable under the Member's rate schedule:

	<u>A Per Kilowatt Hour Premium Of</u>	
Rate Schedule "R" – Residential	\$0.021003	R
Rate Schedule "C-1" – Small Commercial Single Phase	\$0.021003	R
Rate Schedule "C-3" – Small Commercial Three Phase	\$0.021003	R
Rate Schedule "OL" – Outdoor Lighting	\$0.021003	R
Rate Schedule "D" – Commercial and Industrial Demand Less Than 3,000 kW	\$0.021003	R
Rate Schedule "I-E" – Large Commercial and Industrial – Existing	\$0.020000	R
Rate Schedule "L" – Large Commercial and Industrial 3,000-5,000 kW	\$0.020000	R
Rate Schedule "L-E" – Large Industrial Member Expansion	\$0.020000	D
Rate Schedule "SPC-A"	\$0.021003	R
Rate Schedule "SPC-B"	\$0.021003	R

DATE OF ISSUE December 20, 2013  
 Month / Date / Year

DATE EFFECTIVE Same as Effective Date in Case 2013-00199  
 Month / Date / Year

ISSUED BY /s/ G. Kelly Nuckols  
 G. Kelly Nuckols

TITLE President & CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2013-00384 DATED

FLOW THROUGH OF WHOLESALE RATE INCREASE IN CASE NO. 2013-00199

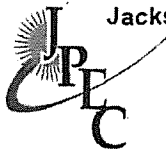
PSC CASE NO. 2013-00384  
JACKSON PURCHASE ENERGY CORPORATION  
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

Question 4 b.

Test-Year Billing Determinants for Direct Serve Customer

	<b>DIRECT-SERVE</b>	
	Billed Demand NCP	Billed Energy kWh
October	1,912	579,650
November	1,912	518,140
December	1,890	599,810
January	1,922	433,980
February	1,912	292,853
March	1,912	451,820
April	1,901	442,016
May	1,933	637,250
June	1,901	649,330
July	1,922	583,740
August	2,117	552,050
September	2,171	539,430
	23,405	6,280,069

NNNN



Jackson Purchase Energy Corporation

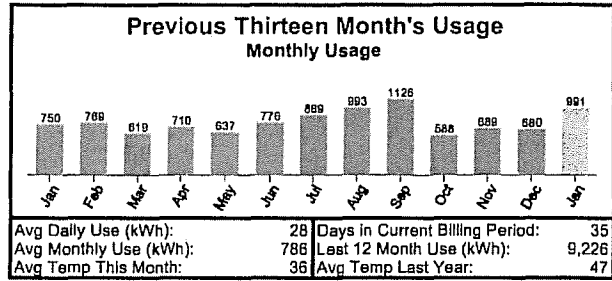
P.O. Box 4030 • 2900 Irvin Cobb Drive
Paducah, KY 42002-4030
270-442-7321 • 800-633-4044

Your Touchstone Energy Partner

Visit Our Web Site at www.JPEnergy.com

1858 1 AV 0.360
RUBY RED
1234 SUMMERTIME LN
HOPEFUL, KY 01010

C-7 P-7 5 1858



Summary statistics: Avg Daily Use (kWh): 28, Days in Current Billing Period: 35, Avg Monthly Use (kWh): 786, Last 12 Month Use (kWh): 9,226, Avg Temp This Month: 36, Avg Temp Last Year: 47

Important Information
Applications for college scholarships and the Frankfort/Washington DC Youth Tour programs are now available at www.JPEnergy.com
www.JPEnergy.com



Your Account Information At A Glance

Date Of Bill: 01/23/2014

Account details table including Account Number, Customer Name, Service Address, Meter #, Current Reading, Previous Reading, Account Type, Rate, Primary Phone, and Secondary Phone.

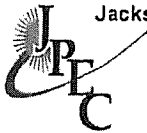
Your Account Information In Detail

Account balance and charges table with columns for description and amount, including Previous Month's Balance, Payment, Fuel Adjustment Clause, and Total Amount Due.



Check Cash

Please return lower portion with your payment.



Jackson Purchase Energy Corporation

P.O. Box 4030 • 2900 Irvin Cobb Drive
Paducah, KY 42002-4030
270-442-7321 • 800-633-4044

Your Touchstone Energy Partner

Payment summary table: Account Number: 00011122, Payment Due Date: 02/09/2014, Previous Balance: \$0.00, Amount Due By 02/09/2014: \$107.33, Amount Due After 02/09/2014: \$112.54

If Your Account Information Is Incorrect Please Check Here And Complete The Reverse Side

RUBY RED
1234 SUMMERTIME LN
HOPEFUL, KY 01010

JACKSON PURCHASE ENERGY CORPORATION
PO BOX 4030
PADUCAH KY 42002-4030



190200003280800000010733000011254012320142

EXHIBIT D

NNNN

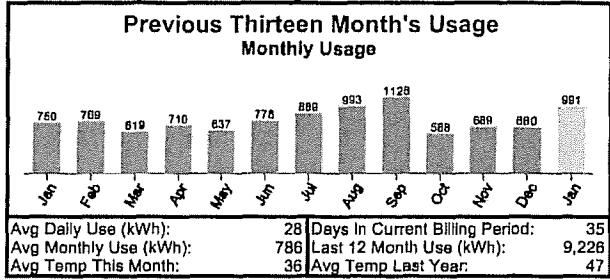


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RUBY RED
1234 SUMMERTIME LN
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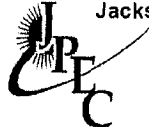


Your Account Information At A Glance
Table with columns for Account Number, Customer Name, Service Address, Meter #, Current Reading, Previous Reading, Account Type, Rate, Primary Phone, Secondary Phone, Meter Multiplier, Meter kWh Usage.

Your Account Information in Detail
Table showing balance breakdown: Previous Month's Balance, Payment, Balance After Payment, Facilities Charge, kWh Charge, Fuel Adjustment Clause, Environmental Surcharge Rate, Unwind Surcredit Adjustment Clause, Rebate Adjustment, Member Rate Stability Mechanism, Rural Economic Reserve, Non-Smelter Non-Fac Purchase Power Adjustment, Subtotal of Unwind Transactions, 3% School Tax, Total Amount Due By 02/09/2014, Total Amount Due After 02/09/2014.



Please return lower portion with your payment.
 Check  Cash



Jackson Purchase Energy Corporation
P.O. Box 4030 • 2900 Irvin Cobb Drive
Paducah, KY 42002-4030
270-442-7321 • 800-633-4044

Your Touchstone Energy Partner

Account Number: 00011122
Payment Due Date: 02/09/2014
Previous Balance: \$0.00
Amount Due By 02/09/2014: \$107.33
Amount Due After 02/09/2014: \$112.54

If Your Account Information Is Incorrect Please
Check Here And Complete The Reverse Side

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HOPEFUL, KY 01010

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PO BOX 4030
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EXHIBIT E