COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE AND APPLICATION OF JACKSON PURCHASE ELECTRIC COOPERATIVE CORPORATION FOR PERMISSION TO FLOW THROUGH A WHOLESALE RATE INCREASE FILED BEFORE THE KENTUCKY PUBLIC SERVICE COMMISSION BY BIG RIVERS ELECTRIC CORPORATION, DOCKET NO. 90-128)))) CASE NO. 90-153))
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ORDER

Orporation ("Jackson Purchase") shall file the original and 12 copies of the following information with the Commission, with copies to all parties of record, on or before August 30, 1990. Each item of the data requested should be tabbed and numbered. When several sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), Sheet 2 of 6. Include with each response the name of the witness who will be responsible for responding to questions relating to the information provided. Careful attention should be given to copied material to ensure that it is legible.

1. In Case No. 90-128, Big Rivers Electric Corporation calculated the increased power costs to Jackson Purchase based on

Case No. 90-128, Big Rivers Electric Corporation's Notice of Changes in Rates and Tariffs for Wholesale Electric Service.

actual KWH sales and actual KW demand adjusted to reflect coincident demands. The resulting increase to Jackson Purchase reported in Case No. 90-128 is \$1,226,668. Jackson Purchase has proposed certain adjustments to flow through a stated total increase in power cost of \$1,172,578. Is Jackson Purchase satisfied that its adjustments recover its increased power costs? Explain why the proposed methodology is appropriate.

2. Reference Exhibit 6, page 4, and Case No. 90-128, response to the Commission's second request for information, Item 8, page 4 of 4. The adjusted test-year demand for Jackson Purchase based on coincident peak reported in Case No. 90-128 is 1,285,910 KW which reflects actual KW demand. The adjusted billing demand based on coincident peak proposed by Jackson Purchase substitutes the ratcheted demand for actual December 1989 demand. Explain why Jackson Purchase has chosen to depart from actual KW demand and use ratcheted demand in its calculation of increased power cost.

Done at Frankfort, Kentucky, this 23rd day of August, 1990.

PUBLIC SERVICE COMMISSION

For the Commission

ATTEST:

Executive Director