

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF JACKSON PURCHASE)	
ENERGY CORPORATION FOR AUTHORIZATION)	CASE NO.
TO REFINANCE FROM COBANK AND EXECUTE)	2010-00229
NECESSARY NOTES)	

FIRST DATA REQUEST OF COMMISSION STAFF TO
JACKSON PURCHASE ENERGY CORPORATION

Jackson Purchase Electric Corporation ("Jackson Purchase"), pursuant to 807 KAR 5:001, is to file with the Commission the original and ten copies of the following information, with a copy to all parties of record. The information requested herein is due no later than July 2, 2010. Responses to requests for information shall be appropriately bound, tabbed and indexed. Each response shall include the name of the witness responsible for responding to the questions related to the information provided.

Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Jackson Purchase shall make timely amendment to any prior response if it obtains information which indicates that the response was incorrect when made or,

though correct when made, is now incorrect in any material respect. For any request to which Jackson Purchase fails or refuses to furnish all or part of the requested information, it shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request.

1. Refer to Exhibit 1, page 3, second to last sentence. The sentence states that the estimated cost is \$5,000 and is included in the loan analysis under Tab 2 (shown in the column Patronage Refund). However, under tab 2, the amount listed for "Legal Cost/Pat. Refund" is \$15,000. What constitutes the difference?

2. Refer to Exhibit 1, Tab 3, page 2. The bottom left of the page lists Estimated Legal Fees of \$15,000. What constitutes the make-up of the \$15,000?

3. In the original application, Item 8 states that JPEC seeks to borrow \$3,353,647. However, Exhibit 3, Tab 1, page 2, as well as Exhibit 3, Tab 2, page 3, column 3, lists the principal balance as \$ 3,344,255. Explain the difference.

4. Explain why the two borrowings described in Items 6 and 8 (the \$5.9 million and the \$3.4 million) have different terms – 16 vs. 19 years and 4.69 percent vs. 4.9 percent, respectively.

5. Why isn't JPEC refinancing all the RUS notes in one loan rather than two?

6. Item 8 says the fixed interest rate shall not exceed 4.9 percent, and Item 9 says JPEC will not close on the loan if the interest rate is not less than 4.9 percent. What is the target interest rate? Will JPEC still close on the loan if the interest rate is 4.9 percent?

7. Refer to Exhibit 3, Tab 1, page 2, last sentence. The sentence states that CoBank would document this transaction using outside counsel, to be paid by Jackson Purchase. What is the amount of the legal fees?

8. Tab 4 of both Exhibits 1 and 3 describes the refinancing process permitted under the RUS Mortgage. Has JPEC started this process with CoBank?



Jeff Derouen
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DATED: JUN 25 2010

cc: Parties of Record

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