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ATTORNEYS

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April 12, 2005

VIA HAND DELIVERY

Hon. Beth O'Donnell
Executive Director
Public Service Commission
211 Sower Blvd.
P. O. Box 615
Frankfort, KY 40601

RECEIVED
APR 12 2005
PUBLIC SERVICE
COMMISSION

Re: In the Matter of: Ballard Rural Telephone Cooperative Corporation, Inc. v. Jackson Purchase Energy Corporation before the Public Service Commission of the Commonwealth of Kentucky, Case No. 2004-00036

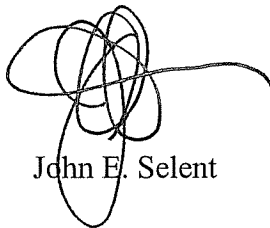
Dear Ms. O'Donnell:

Enclosed for filing in the above-styled case is an original and ten copies of Exhibit A to Ballard Rural Telephone Cooperative Corporation, Inc.'s Memorandum in Opposition to the Motion of Jackson Purchase Energy Corporation's Motion for Mediation, which was filed on April 11, 2005. This Exhibit A was inadvertently not attached to this April 11th filing. I apologize for any inconvenience my inadvertence may have caused you.

Thank you, and if you have any question, please call me.

Very truly yours,

DINSMORE & SHOHL LLP



John E. Selent

JES/bmt
Enclosure

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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APR 2 2005

PUBLIC SERVICE
COMMISSION

In the Matter of:

BALLARD RURAL TELEPHONE)
COOPERATIVE CORPORATION, INC.)
v.) CASE NO. 2004-00036
JACKSON PURCHASE ENERGY CORPORATION)

EXHIBIT A
TO
BALLARD RURAL TELEPHONE COOPERATIVE CORPORATION, INC.'S
MEMORANDUM IN OPPOSITION TO THE MOTION OF
JACKSON PURCHASE ENERGY CORPORATION'S
MOTION FOR MEDIATION

Attached is Exhibit A to Ballard Rural Telephone Cooperative Corporation, Inc.'s Memorandum in Opposition to the Motion of Jackson Purchase Energy Corporation's Motion for Mediation, which was filed with the Public Service Commission of the Commonwealth of Kentucky on the 11th day of April, 2005. This Exhibit A was inadvertently not included in this April 11th filing.

Respectfully submitted,



John E. Selent
Holly C. Wallace
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**COUNSEL TO BALLARD
RURAL TELEPHONE COOPERATIVE
CORPORATION, INC.**

CERTIFICATE OF SERVICE

It is hereby certified that a true and accurate copy of the foregoing was served, via United States mail, first class, postage pre-paid, this 15 day of April, 2005 on the following:

W. David Denton
Walter R. Luttrull III
Denton & Keuler, LLP
555 Jefferson Street
P.O. Box 929
Paducah, KY 42002-0929

G. Kelly Nuckols
President & CEO
Jackson Purchase Energy
Corporation
2900 Irvin Cobb Drive
Paducah, KY 42002-4030



**COUNSEL TO BALLARD RURAL
TELEPHONE COOPERATIVE
CORPORATION, INC.**

DORSEY, KING, GRAY, NORMENT & HOPGOOD

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February 10, 2005

FEDERAL EXPRESS

Ms. Elizabeth O'Donnell
Executive Director
Public Service Commission of Kentucky
211 Sower Boulevard
Frankfort, Kentucky 40601

Re: Case No. 2004-00319

Dear Ms. O'Donnell:

Pursuant to the directive of Commission Staff in the telephonic informal conference on January 26, 2005, this letter explains the revised rates that Jackson Purchase Energy Corporation ("JPEC") will be requesting if settlement efforts fail and the pending Application needs to be amended. The revised rates are lower than those originally requested, as set forth in the following table:

	Rates Proposed In <u>Application</u>	Revised <u>Rates</u>
2 Party Pole	\$ 6.60	\$ 5.28
3 Party Pole	\$ 5.40	\$ 4.41
2 Party Anchor	\$10.16	\$ 5.52

In arriving at the revised rates, JPEC has followed the procedure outlined in the Commission's September 17, 1982, order in Administrative Case No. 251, along with subsequent orders in companion cases. However, JPEC has changed two (2) of the factors in order to reflect current, accurate information. JPEC respectfully submits that fair, just and reasonable rates cannot be attained using arbitrary, outdated figures, and that its approach more nearly reaches that goal.

The two (2) factors JPEC has changed are (i) the amount per ground and (ii) the adjustment percentage for minor appurtenances, being explained as follows:

(i) The Commission's September 17, 1982, order in Administrative Case No. 251 uses the figure of \$12.50 per ground. This figure may have been proper then, but simply applying CPI adjustments, the figure now exceeds \$24.00. The current gross value of grounds in JPEC accounts is \$33.08 per ground. JPEC proposes that this figure be used in the calculations.

Based on recent field observations, JPEC believes that CATV customers attach to approximately every other ground and therefore submits that a fair adjustment would be 50%.

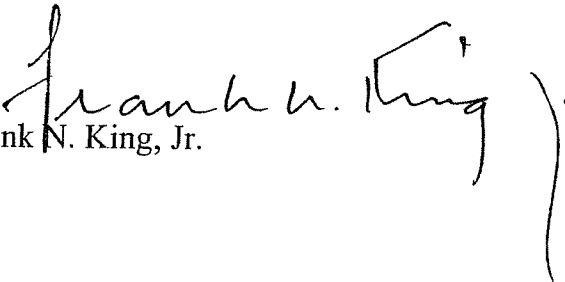
(ii) The Commission's above order is generally accepted as requiring a 15% adjustment for minor appurtenances. However, JPEC segregates major appurtenances, including anchors, and its pole plant includes only minor appurtenances such as staples, pole top pins and a minuscule amount of ground wire, for which JPEC's accounting discloses an adjustment of 6.4% would accurate. JPEC agrees that some adjustment is appropriate, and proposes that an adjustment of 6.4% should be used for the exclusion of actual minor appurtenances, rather than the inflexible, arbitrary 15%.

Attached are two (2) sheets with calculations supporting JPEC's revised rates. If the Commission needs additional information regarding this matter, please contact the undersigned.

Very truly yours,

DORSEY, KING, GRAY, NORMENT & HOPGOOD

By


Frank N. King, Jr.

FNKJr/cds

Encls.

COPY/w/encls.: Attorney General of Kentucky, Office of Rate Intervention
Mr. Gardner F. Gillespie
Mr. Frank Chuppe
Mr. John E. Selente
Ms. Holly C. Wallace
Jackson Purchase Energy Corporation

CASE NO. 2004-00319
JPEC Revised 2/10/05

Item	Qty	Gross Book Value (Total)	Gross Book Value (Per Item)	Comments
35' Poles	13,982	\$2,402,756	\$171.85	Same as KCTA
40' Poles	16,538	\$6,765,739	\$409.10	KCTA had \$6,765,738 for Gross Amt
45' Poles	3,971	\$1,647,556	\$414.90	KCTA had \$1,647,550 for Gross Amt
Guys & Anchors Pole Grounds	39,833 45,338	\$5,213,927 \$1,499,927	\$130.89 \$33.08	Average value of anchors (incl. guys) (gross) - systemwide Average value of pole grounds (gross) - systemwide
Bare Pole Factor	93.6%			This is in lieu of the "85%" previously used by KCTA. Based on total plant. Equal to KCTA. Calculated on a NET basis.
Gross to Net Adjustment Factor	71.82%			
Annual Carrying Charge	20.23%			
2 PARTY POLE:				
	\$2,402,756 \$6,765,739	13,982 16,538	\$171.85 \$409.10	35' Poles 40' Poles
	\$9,168,495	30,520	\$300.41	Weighted Avg. Cost/Pole in Place (Gross)
	Grounds = 1/2 x \$33.08		\$16.54	Gross value of pole grounds. Assumes CATV connects 50% of poles.
			\$316.95	Gross Value of Complete Pole
x minor appurt	adjustment factor		93.6%	\$296.67
	x gross to net factor		71.82%	\$213.07
	x annual carrying charge of		20.23%	\$43.10
	x usable space factor of		12.24%	\$5.28
				REVISED 2 PARTY ATTACHMENT RATE

JPEC Revised 2/10/05

3 PARTY POLE:	\$6,765,739	16,538	\$409.10	40' Poles	
	\$1,647,556	3,971	\$414.90	45' Poles	
	\$8,413,295	20,509	\$410.22	Weighted Avg. Cost/Pole in Place (Gross)	
			\$16.54	Gross value of pole grounds. Assumes CATV connects 50% of poles.	
			\$426.76	Gross Value of Complete Pole	
		x minor appurt & anchor adjustment factor	93.60%		\$399.45
		x gross to net factor	71.82%		\$286.88
		x annual carrying charge of	20.23%		\$58.04
		x usable space factor of	7.59%		\$4.41 REVISED 3 PARTY ATTACHMENT RATE
2 PARTY ANCHOR		Gross Guy/Anchor Plant Value			\$5,213,927
		less estimated value of Guys (\$ 2,189,849)			\$3,024,078
		x Net plant factor of	71.82%		\$2,171,893
		x Carrying Charge of	20.23%		\$439,374
		Divided by # of Anchors	39,833		\$11.03
		Divided by # of Users	2		\$5.52 REVISED 2 PARTY ANCHOR ATTACHMENT RATE