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April 13, 2005

RECEIVED

APR 14 2005

PUBLIC SERVICE  
COMMISSION

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:

Enclosed for filing please find two (2) motions on behalf of applicant Jackson Purchase Energy Corporation (one document) along with attached Settlement Agreement.

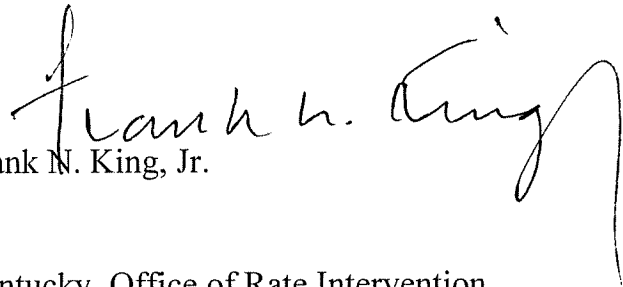
Your assistance in this matter is appreciated.

Very truly yours,

DORSEY, KING, GRAY, NORMENT & HOPGOOD

By

Frank N. King, Jr.



FNKJr/cds

COPY/w/encls.:

Attorney General of Kentucky, Office of Rate Intervention  
Service List  
Jackson Purchase Energy Corporation

**COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION**

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APR 14 2005

PUBLIC SERVICE  
COMMISSION

In the Matter of:

**APPLICATION OF JACKSON PURCHASE )  
ENERGY CORPORATION FOR )  
ADJUSTMENTS IN EXISTING CABLE )CASE NO. 2004-00319  
TELEVISION ATTACHMENT TARIFF )**

**MOTIONS OF JACKSON PURCHASE ENERGY CORPORATION TO  
(1) DISMISS BALLARD RURAL TELEPHONE COOPERATIVE  
CORPORATION, INC. AS AN INTERVENOR  
AND  
(2) APPROVE SETTLEMENT AGREEMENT**

Now comes Jackson Purchase Energy Corporation (“JPEC”), by counsel, and states that on February 17, 2005, the Commission entered an order herein suspending the procedural schedule to permit settlement discussions by the parties. JPEC and intervenor Kentucky Cable Telecommunication Association (“KCTA”) have reached settlement but intervenor Ballard Rural Telephone Cooperative Corporation, Inc. (“Ballard Rural”) refuses to join in this settlement. Recognizing that it is not proper for the Commission to approve a nonunanimous settlement, JPEC moves the Commission to dismiss Ballard Rural as an intervenor

and to approve the settlement between JPEC and KCTA, and in support of these motions states as follows:

**MOTION TO DISMISS INTERVENOR**  
**BALLARD RURAL AS A PARTY**

1. Ballard Rural's motion for full intervention asserted that Ballard Rural and JPEC were parties to a joint use agreement and that Ballard Rural was being denied rates that were fair, just and reasonable. Ballard Rural complained of JPEC's monopoly power with regard to pole attachment rates and pointed out that it had filed a formal complaint in Case No. 2004-00036.

2. JPEC objected to the motion on the grounds that Ballard Rural was not a customer, but was a party to a contract, and that Ballard Rural's interest in the pending case was simply too remote to justify intervention.

3. By order dated December 6, 2004, the Commission granted Ballard Rural's intervention on the basis that Ballard Rural was likely to present issues and develop facts that would assist the Commission in fully considering the matter. This order was affirmed by the Commission in a later order dated December 23, 2004.

4. In Case No. 2004-00036 Ballard Rural contends, inter alia, that it is entitled to the same rates as set forth in JPEC's Cable Television Attachment Tariff ("CTAT"). In that case the Commission entered an order on March 23,

2005, asserting jurisdiction over pole attachments provided by joint users and granting a hearing in the event Ballard Rural and JPEC are unable to negotiate rates and terms. Thus, the ground that Ballard Rural should be granted intervention because of JPEC's "monopoly power with regard to pole attachment rates" clearly has no basis now. Moreover, the Commission did not accept Ballard Rural's argument that CTAT rates should apply to the existing contract.

5. In the instant case Ballard Rural has been permitted to file proposed CTAT rates that it contends should apply to JPEC, although such rates are not applicable to the contract rates that may be agreed upon by the contracting parties or ordered by the Commission. Therefore, Ballard Rural has already been allowed to state its position with respect to issues and facts in the instant case, which is the reason it was granted intervention.

6. The case in which Ballard Rural and JPEC should resolve their differences, or be directed by Commission order, is Case No. 2004-00036 and not the instant case. Dismissing Ballard Rural as intervenor herein does not jeopardize or impair its ability to seek what it considers to be fair, just and reasonable contract rates because that is exactly the purpose of Case No. 2004-00036.

7. Equitable considerations require a dismissal of Ballard Rural as an intervenor herein. Allowing Ballard Rural to remain a party will enable it to have

leverage in negotiating the contract rates with JPEC, which is unfair and should not be permitted. As set forth above, there is actually no valid reason for Ballard Rural to remain a party in the instant case and if this is allowed the two (2) parties directly affected by the CTAT rates to be established herein, JPEC and KCTA, will be required to expend time and incur related expenses in practicing this case to conclusion, which is patently unnecessary.

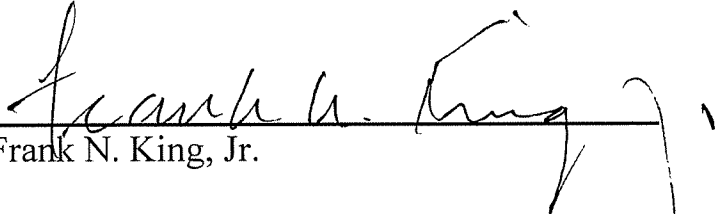
8. The undersigned attorney for JPEC is authorized to inform the Commission that KCTA concurs with this motion so that the case may be concluded on an agreed basis.

**MOTION TO APPROVE SETTLEMENT AGREEMENT**

JPEC and KCTA entered into a Settlement Agreement dated April 11, 2005, which is attached hereto. Upon dismissal of Ballard Rural, JPEC respectfully moves the Commission to approve this Settlement Agreement in all respects.

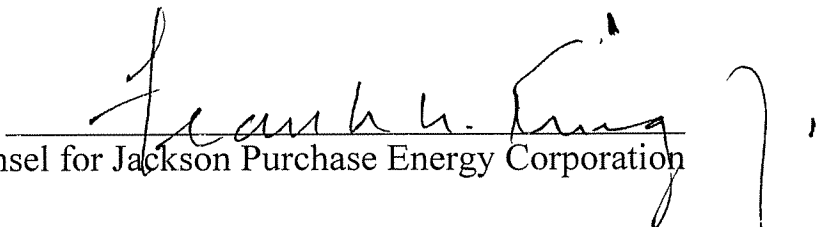
**WHEREFORE,** JPEC moves the Commission as aforesaid and requests all proper relief.

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**318 Second Street**  
**Henderson, Kentucky 42420**  
**Telephone (270) 826-3965**  
**Telefax (270) 826-6672**  
**Attorneys for Jackson Purchase Energy Corporation**

By   
Frank N. King, Jr.

CERTIFICATE OF SERVICE

I hereby certify that the foregoing has been served upon the Attorney General of Kentucky, Office of Rate Intervention, 1024 Capital Center Drive, Frankfort, KY 40601; Gardner F. Gillespie, Hogan & Harston, L.L.P., 555 Thirteenth Street, Washington, D.C. 20004-1109, and Frank F. Chuppe, Wyatt, Tarrant & Combs, LLP, 500 West Jefferson Street, Suite 2600, Louisville, KY 40202, attorneys for Kentucky Cable Telecommunications Association; and John E. Selent and Holly C. Wallace, Dinsmore & Shohl, LLP, 1400 PNC Plaza, 500 West Jefferson Street, Louisville, KY 40202, attorneys for Ballard Rural Telephone Cooperative Corporation, Inc., by mailing a true and correct copy of same on this 13<sup>th</sup> day of April, 2005.

  
counsel for Jackson Purchase Energy Corporation

## SETTLEMENT AGREEMENT

**THIS SETTLEMENT AGREEMENT** is made and entered into as of the 11<sup>th</sup> day of April, 2005, by and between **JACKSON PURCHASE ENERGY CORPORATION** (“JPEC”) and **KENTUCKY CABLE TELECOMMUNICATION ASSOCIATION** (“KCTA”) (referred to separately as “party” and together as “parties”);

### **WHEREAS:**

(1) On November 22, 2004, JPEC filed an application with the Kentucky Public Service Commission (“Commission”) in Case No. 2004-00319 for adjustments in its existing Cable Television Attachment Tariff,

(2) Thereafter the Commission granted the motions of KCTA and Ballard Rural Telephone Cooperative Corporation, Inc. (“Ballard Rural”) for full intervention in the case,

(3) On January 26, 2005, a telephonic informal conference was held which was participated in by Commission staff members and counsel for the applicant and the two (2) intervenors,

(4) As directed by Commission staff in the informal conference JPEC has filed in the record proposed revised rates, with supporting calculations, and the intervenors each have filed in the record the rates they contend to be appropriate, also with supporting calculations,

(5) The procedural schedule has been suspended to allow for settlement discussions, and

(6) JPEC and KCTA compromised and reached agreement with respect to the rates and tariff revision that the Commission is requested to approve in this case and these parties desire to set forth in writing the terms and conditions of their agreement;

**NOW**, therefore, in consideration of the mutual promises and covenants,

**IT IS AGREED** as follows:

1. (a) The Commission is requested to approve the following rates in Case No. 2004-00319:

2 Party Pole -	\$ 4.94
3 Party Pole -	\$ 4.15
2 Party Anchor -	\$ 5.46

(b) The Commission is also requested to approve in said case the following revision in JPEC's Cable Television Attachment Tariff: Revision of section A. Specifications as set forth on First Revised Sheet No. 10.0 by deleting the words "1981 Edition" and substituting therefor "latest edition."

(c) The rates and revision set forth above shall become effective on the first day of the month following Commission approval of this Settlement Agreement. Upon Commission approval JPEC shall promptly submit for filing a revised tariff sheet in the form as shown on attached "Exhibit A."

2. The foregoing rates are fair, just and reasonable and are in the best interest of the public; further, settlement of this case is in the best interest of the parties as



it will allow the parties to promptly resolve their dispute without expending further time and incurring additional expense in the pending case.

3. This Settlement Agreement is conditioned upon and subject to express approval of the Commission. The terms and condition of this Settlement Agreement are inseparable from one another and accordingly are not severable by the Commission. In the event the Commission fails to approve this Settlement Agreement in its entirety, then this Settlement Agreement shall be deemed to be null and void and of no legal effect or consequence and the parties shall be restored to status quo existing immediately prior to the execution of this Settlement Agreement; moreover, none of the terms herein shall be binding upon any party nor shall the Settlement Agreement, or any of its terms, be admissible in any judicial or administrative proceeding.

4. This Settlement Agreement constitutes the complete agreement and understanding by and among the parties hereto and any and all oral statements, representations or agreements made prior hereto or contemporaneously herewith shall be deemed to have been merged into this Settlement Agreement.

5. This Settlement Agreement, and the resulting settlement upon approval by the Commission shall not be deemed to have any effect on pending Case No. 2004-00036 or the issues therein.

6. This Settlement Agreement shall inure to and be for the benefit of the parties hereto, their successors and permitted assigns.

7. This Settlement Agreement may be signed in counterparts.

IN TESTIMONY WHEREOF, witness the hands of the parties hereto this  
day and date first above written.

**JACKSON PURCHASE ENERGY CORPORATION**

By *G. Kelly Nuckols*

G. KELLY NUCKOLS  
(printed name)

PRESIDENT / CEO  
(title)

**KENTUCKY CABLE TELECOMMUNICATION ASSOCIATION**

By \_\_\_\_\_

\_\_\_\_\_  
(printed name)

\_\_\_\_\_  
(title)

IN TESTIMONY WHEREOF, witness the hands of the parties hereto this  
day and date first above written.

**JACKSON PURCHASE ENERGY CORPORATION**

By \_\_\_\_\_

\_\_\_\_\_  
(printed name)

\_\_\_\_\_  
(title)

**KENTUCKY CABLE TELECOMMUNICATION  
ASSOCIATION**

By Patsy Judd

Patsy Judd  
(printed name)

Executive Director  
(title)

FOR Jackson Purchase Energy Corporation  
Community, Town or City

P.S.C. KY. NO. 7

Second Revised SHEET NO. 10.0

CANCELLING P.S.C. KY. NO. 6

First Revised SHEET NO. 10.0

Jackson Purchase Energy Corporation  
(Name of Utility)

**CLASSIFICATION OF SERVICE**

CTAT (Cable Television Attachment Tariff)

Rate Per Unit

**APPLICABILITY:**

In all territory served by the company on poles owned and used by the company for their electric plant.

**AVAILAILITY:**

To all qualified CATV operators having the right to receive service.

**RENTAL CHARGE:**

The yearly rental charges shall be as follows:

Two-party anchor attachment	\$ 4.94
Three-party pole attachment	\$ 4.15
Two-party anchor attachment	\$ 5.46
Three-part anchor attachment	n/a
Grounding Attachment	-0-
Pedestal Attachment	-0-

**Billing:**

Rental charges shall be billed yearly based on the number of pole attachments. The rental charges are net, the gross rate being five percent (5%) higher. In the event the current bill is not paid on or before the date shown on the bill, the gross rates shall apply. Failure of the CATV operator to receive a bill or a correctly calculated bill shall not relieve the CATV operator of its obligation to pay for the service it has received.

**SPECIFICATIONS:**

A. The attachment to poles covered by this tariff shall at all times conform to the requirements of the National Electrical Safety Code, latest edition and subsequent

DATE OF ISSUE \_\_\_\_\_  
Month / Date / Year

DATE EFFECTIVE \_\_\_\_\_  
Month / Date / Year

ISSUED BY \_\_\_\_\_  
(Signature of Officer)

TITLE President and CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2004-319 DATED \_\_\_\_\_

**EXHIBIT A**