

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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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)

RESPONSE OF JACKSON PURCHASE ENERGY CORPORATION
TO (1) REQUEST FOR PRODUCTION OF DOCUMENTS AND
(2) INFORMATION AND DATA REQUESTS OF BALLARD RURAL
TELEPHONE COOPERATIVE CORPORATION, INC.

DORSEY, KING, GRAY, NORMENT & HOPGOOD
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.

I hereby certify that this Response has been served upon 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 sending a true and correct copy of same by overnight delivery via FedEx on this 2nd day of August, 2005.

counsel for Jackson Purchase Energy Corporation

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REQUEST NO. 1) Please produce any and all documents which evidence, relate, or refer to line items 3, 4, 5, or 6 in Exhibit 3 to Richard Sherrill's testimony filed with Jackson Purchase's application in the above-referenced matter on or about November 15, 2004.

RESPONSE) As explained in the Introductory Comment of the Amended Application, JPEC is now using the rate of return in its last general rate case that had a rate of return stipulated in the order. Therefore the requested documents are irrelevant and JPEC objects to production on this ground.

WITNESS) Richard Sherrill.

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REQUEST NO. 2) Please produce any and all documents which evidence, relate, or refer to the return on investment permitted in Jackson Purchase's last general rate case.

RESPONSE) Please see JPEC's Response to First Data Request of Commission Staff, Item 4, page 2 of 2.

WITNESS) Richard Sherrill and Charles Williamson.

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REQUEST NO. 3) Please produce any and all documents which evidence, relate, or refer to the embedded class cost of service study filed by Jackson Purchase with its last general rate case.

RESPONSE) JPEC's last general rate case was Case No. 97-224. Documents filed in that case are irrelevant to the issues in the instant case and JPEC objects to production on that ground.

WITNESS) Kelly Nuckols and Richard Sherrill.

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REQUEST NO. 4) Please produce any and all documents which evidence, relate, or refer to the 18% depreciated pole plant claimed by Jackson Purchase.

RESPONSE) Please see Amended Application. JPEC is now using the net value of its entire utility plant in calculating the rate of return, so pole plant depreciation is irrelevant and JPEC objects to production on this ground.

WITNESS) Richard Sherrill.

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REQUEST NO. 5) Please produce any and all documents which evidence, relate, or refer to the multiplier of .95 used to adjust pole account values as identified in Exhibit 2 to Jackson Purchase’s application.

RESPONSE) Please see Amended Application. JPEC is now using the multiplier of .85, so documents with this information are irrelevant and JPEC objects to production on this ground.

WITNESS) Richard Sherrill.

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REQUEST NO. 6) Please produce any and all documents which evidence, relate, or refer to the \$33.08 grounding costs added to the bare pole costs as identified in Exhibit 2 to Jackson Purchase's application.

RESPONSE) Please see Amended Application. JPEC is now using ground cost of \$12.50 so documents with this information are irrelevant and JPEC objects to production on this ground.

WITNESS) Richard Sherrill.

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REQUEST NO. 7) Please produce any and all documents, including but not limited to worksheets, which evidence, relate, or refer to Jackson Purchase's proposed pole attachment and anchor rates.

RESPONSE) See Amendment Exhibit 2 to Amended Application.

WITNESS) Richard Sherrill.

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REQUEST NO. 8) Please produce any and all documents which evidence, relate, or refer to Jackson Purchase's accumulated depreciation reserve for utility plant as of the year end 2003.

RESPONSE) This information is shown on the excerpt of JPEC's 2003 Annual Report attached as Item 2, Page 2 of 2 of JPEC's Response to KCTA's First Information and Data Request.

WITNESS) Richard Sherrill.

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REQUEST NO. 9) Please produce any and all documents which evidence, relate, or refer to Jackson Purchase’s accumulated depreciation reserve for Account 364 including, but not limited to, any documents used in calculating the accumulated depreciation for reserve account 364.

RESPONSE) The separate accumulated depreciation reserve for Account 364 is now irrelevant because JPEC is using the net value of its entire utility plant in calculating the rate of return, and JPEC objects to production on this ground. However, accumulated depreciation reserve for Account 364 is included in the information for Account No. 108.664 shown in Sherrill Exhibit 2 of the original application.

WITNESS) Richard Sherrill.

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REQUEST NO. 10) Please produce any and all documents which evidence, relate, or refer to Jackson Purchase’s continuing property records for Accounts 364 and 365 in their entirety, for year end 2003, and for each subaccount reflected indicate all items included in such subaccount. (Please provide complete copies of both the print out for “plant distribution” 12/31/03 and CPR Master File data as of year end 2003.)

RESPONSE) Please see JPEC’s Response to Item 5 of KCTA’s First Information and Data Request.

WITNESS) Richard Sherrill and Charles Williamson.

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REQUEST NO. 11) Please provide a detailed explanation of all calculations used to derive Jackson Purchase's proposed poles attachment and anchor rates.

RESPONSE) See Amendment Exhibit 2 to Amended Application.

WITNESS) Richard Sherrill.

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REQUEST NO. 12) Please provide a detailed explanation of Jackson Purchase's accumulated depreciation reserve for utility plant, as of year end 2003.

RESPONSE) See JPEC's Response to Item 2 of KCTA's First Information and Data Request.

WITNESS) Richard Sherrill and Charles Williamson.

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REQUEST NO. 13) Mr. Sherrill's prepared testimony, Response 6, states that the "net book value of the entire pole plant" is \$20,669,711. Please provide a detailed explanation of Jackson Purchase's accumulated depreciation reserve for Account 364 and the calculations used to derive the amount identified.

RESPONSE) See JPEC's Response to Item 3 of KCTA's First Information and Data Request.

WITNESS) Richard Sherrill and Charles Williamson.

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REQUEST NO. 14) Does Jackson Purchase contend that Ballard Rural attaches to Jackson Purchase's grounding system on every pole?

RESPONSE) Ballard Rural's attachments to JPEC's grounding system are irrelevant to the issues in this case and JPEC objects accordingly.

WITNESS) Kelly Nuckols and Richard Sherrill.

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REQUEST NO. 15) If the answer to data request 14 is affirmative, please provide all evidence that demonstrates that Ballard Rural actually attaches to Jackson Purchase's grounding system on every pole.

RESPONSE) Not applicable. See response to Request No. 14.

WITNESS) Kelly Nuckols and Richard Sherrill.

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REQUEST NO. 16) Please provide a detailed explanation of Jackson Purchase's practices regarding placement of grounds on its distribution system.

RESPONSE) See JPEC's Response to Item 10 of KCTA's First Information and Data Request.

WITNESS) Richard Sherrill.

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REQUEST NO. 17) Please provide a detailed comparison of the rate of return used in the carrying charge calculation, as identified in Exhibit 3 to Richard Sherrill's testimony and Exhibit 2 to Jackson Purchase's application, and the return on investment permitted in Jackson Purchase's last general rate case.

RESPONSE) Please see Amended Application. JPEC is now using the rate of return in its last general rate case in which the order stipulated a rate of return.

WITNESS) Richard Sherrill.

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REQUEST NO. 18) Please provide a detailed explanation of how Jackson Purchase calculated the figure of 18% depreciated pole plant claimed by Jackson Purchase.

RESPONSE) See JPEC's above response to Request No. 4.

WITNESS) Richard Sherrill.

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REQUEST NO. 19) Please provide a detailed explanation of why Jackson Purchase uses a multiplier of .95 as identified in Exhibit 2 to its application instead of .85 in accordance with Administrative Case No. 251.

RESPONSE) See JPEC's above response to Request No. 5.

WITNESS) Richard Sherrill.

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REQUEST NO. 20 Please provide a detailed explanation of why Jackson Purchase adds grounding costs to its bare pole costs as identified in Exhibit 2 of its application instead of subtracting ground costs from bare pole costs in accordance with Administrative Case No. 251.

RESPONSE) Please see Amended Application. JPEC is proposing separate rates for grounds. Exhibit 2 of original Application is now inapplicable.

WITNESS) Richard Sherrill.

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REQUEST NO. 21 Please provide a detailed explanation of how Jackson Purchase calculated ground costs in the amount of \$33.08 as identified in Exhibit 2 to Jackson Purchase's application.

RESPONSE) Please see Amended Application. JPEC is now using cost of \$12.50 per ground. Exhibit 2 of original Application is now inapplicable.

WITNESS) Richard Sherrill.

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REQUEST NO. 22) Please identify in which account ground costs are now included if they are no longer included in Jackson Purchase's pole accounts as they were in 1984, and please provide the detail and entries made on the books to transfer ground costs originally included in pole accounts to the accounts in which ground costs are now contained.

RESPONSE) JPEC has always shown ground costs in Account 365.

WITNESS) Richard Sherrill.

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REQUEST NO. 23) Please identify in detail each time Jackson Purchase deviated from the methodology established in Administrative Case No. 251 when calculating the proposed cable television attachment tariff rates in its application.

RESPONSE) Please see Amended Application. JPEC is not deviating from Administrative Case No. 251 methodology in its calculations.

WITNESS) Richard Sherrill.

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REQUEST NO. 24) With regard to Exhibit 2 to Richard Sherrill’s testimony, please indicate all RUS “electric plant in service” accounts associated with Accounts 108.600 - 108.673. Among other things, indicate which of the 108.600 series of accounts contain accumulated depreciation associated with each of Accounts 362, 363, 364, 365, 366, 367, 368, 369 and 370.

RESPONSE) See JPEC’s response to Item 4 of KCTA’s First Information and Data Request.

WITNESS) Richard Sherrill and Charles Williamson.

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REQUEST NO. 25) Please explain fully Jackson Purchase's procedures for recording retirements in Accounts 364 and 365, and explain why no retirements are reflected in the "Plant Distribution" information other than in 2003.

RESPONSE) See JPEC's Response to Item 6 of KCTA's First Information and Data Request.

WITNESS) Richard Sherrill and Charles Williamson.

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REQUEST NO. 26) Please describe fully all equipment and facilities that are contained in Account 365.261.

RESPONSE) See JPEC's Response to Item 7 of KCTA's First Information and Data Request.

WITNESS) Richard Sherrill.

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REQUEST NO. 27) Please identify when Jackson Purchase had its last general rate case, and please identify the corresponding case number assigned by the Public Service Commission of the Commonwealth of Kentucky.

RESPONSE) JPEC's last general rate case was in 1997 and was Case No. 97-224.

WITNESS) Richard Sherrill.