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March 30, 2005

Via Federal Express

Ms. Elizabeth O'Donnell
Executive Director
Public Service Commission
211 Sower Boulevard, P.O. Box 615
Frankfort, Kentucky 40602-0615

Re: **JACKSON PURCHASE ENERGY CORPORATION**
PSC Administrative Case No. 2005-00090

Dear Ms. O'Donnell:

Enclosed are an original and ten copies of the response of Jackson Purchase Energy Corporation to the data requests propounded to it in the March 10, 2005, order of the Public Service Commission in the above-styled matter. Please note our appearance as counsel of record for Jackson Purchase Energy Corporation. I certify that a copy of this filing has been served this day on the persons shown on the attached service list.

Sincerely yours,

James M. Miller
Tyson Kamuf
Counsel for Jackson Purchase Energy Corporation

JMM/ej
Enclosures

cc: G. Kelly Nuckols
Service List

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Counsel for Shelby Energy Cooperative, Inc.

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION
OF KENTUCKY

In the Matter of:

AN ASSESSMENT OF KENTUCKY'S ELECTRIC GENERATION, TRANSMISSION AND DISTRIBUTION NEEDS	))))	ADMINISTRATIVE CASE NO. 2005-00090

JACKSON PURCHASE ENERGY CORPORATION'S RESPONSE TO THE INFORMATION REQUESTS CONTAINED IN THE PUBLIC SERVICE COMMISSION'S ORDER OF MARCH 10, 2005

March 31, 2005

JACKSON PURCHASE ENERGY CORPORATION'S
RESPONSE TO THE INFORMATION REQUESTS CONTAINED IN THE PUBLIC SERVICE COMMISSION'S ORDER OF MARCH 10, 2005
ADMINISTRATIVE CASE NO. 2005-00090
March 31, 2005

Item 1) Provide a summary description of your utility's resource planning process. This should include a discussion of generation, transmission, demand-side, and distribution resource planning.

Response) JPEC participates in a biennial load forecast in conjunction with Big Rivers Electric Corporation, and prepares long range distribution plans which are then used to guide the preparation of Construction Work Plans. All forecasts and plans are performed in accordance with Rural Utility Service (RUS) Guidelines and Bulletins.

Witness) Richard Sherrill

JACKSON PURCHASE ENERGY CORPORATION'S
RESPONSE TO THE INFORMATION REQUESTS CONTAINED IN THE PUBLIC SERVICE COMMISSION'S ORDER OF MARCH 10, 2005
ADMINISTRATIVE CASE NO. 2005-00090
March 31, 2005

Item 2) Are new technologies for improving reliability, efficiency and safety investigated and considered for implementation in your power generation, transmission and distribution system?

a) If yes, discuss the new technologies that were considered in the last 5 years and indicate which, if any, were implemented.

b) If no, explain in detail why new technologies are not considered.

Response) Yes.

a) Automated Meter Reading (AMR), Electronic Work Order Staking, Geographic Information System, Automated Distribution (feeder switching), Integrated Voice Response systems for outage management and Automated Vehicle Location systems have been considered. All of these except AMR are either in a trial phase, have been or are being implemented at this time. JPEC conducted an AMR trial approximately 5 years ago and concluded that the technology at that time was not up to its expectations. JPEC plans another trial of AMR late this year or early next year.

b) Not applicable.

Witness) Richard Sherrill

JACKSON PURCHASE ENERGY CORPORATION'S
RESPONSE TO THE INFORMATION REQUESTS CONTAINED IN THE PUBLIC SERVICE COMMISSION'S ORDER OF MARCH 10, 2005
ADMINISTRATIVE CASE NO. 2005-00090
March 31, 2005

Item 5) Provide actual and weather-normalized annual coincident peak demands for calendar years 2000 through 2004 disaggregated into (a) native load demand, firm and non-firm; and (b) off-system demand, firm and non-firm.

Response) The actual demands are: 2000 - 137.7 MW, 2001 - 132.5 MW, 2002 - 138.3 MW, 2003 - 136.9 MW, 2004 - 142.6 MW. JPEC does not have weather normalized information. As JPEC is a retail distributor, all of our load is native load and is considered firm.

Witness) Richard Sherrill

JACKSON PURCHASE ENERGY CORPORATION (JPEC)
RESPONSE TO THE INFORMATION REQUESTS CONTAINED IN THE
PUBLIC SERVICE COMMISSION'S ORDER OF MARCH 10, 2005
ADMINISTRATIVE CASE NO. 2005-00090
March 31, 2005

Item 17) Provide a summary description of your utility's existing demand-side management ("DSM") programs, which includes:

a) Annual DSM budget,

b) Demand and energy impacts.

c) The currently scheduled termination dates for the programs.

Response) Jackson Purchase Energy Corporation (JPEC) instituted in 2005, in conjunction with our power supplier, Big Rivers Electric Corporation (BREC), a program of end-use incentives. The specific programs are:

1. Add-on heat pump incentive of $90 (BREC-$60, JPEC-$30) per ton installed capacity for the replacement of an air conditioning system with a heat pump when the primary heating system is fossil fuel. The heat pump must be a 12 SEER or higher.
2. All Electric Touchstone Energy Home incentive ranges between $265 (BREC-$250, JPEC-$15) per ton if heating and cooling with an air-source heat pump and $225 (BREC-$180, JPEC-$45) per ton for ground source heat pump based on heat loss / heat gain analysis. The incentive payment requires the new home be located within 1,200 feet of a natural gas distribution line and be constructed to energy efficient specifications.
3. Electric water heater incentive, currently at $300 (BREC-$210, JPEC-$90) per installation requires the member replace an existing fossil fuel water heater with an electric water heater.

The 2005 JPEC budget for the above listed incentives is $12,420. Beyond 2005, the programs are dependent on continued BREC funding. Based on BREC anticipated future participation and funding, JPEC would budget $16,770 in 2006 and $26,250 for years beyond 2006.

Demand and energy impacts: The add-on heat pump will add no cooling season demand or energy consumption and will likely result in a modest reduction since the new HVAC equipment will be more efficient. Additional demand and energy use will replace the fossil fuel consumption during moderate heating load. The estimated demand increase per unit for heating season operating periods is 1.06 kW and additional kWh use for the heating season is 2,484 kWh per home.

The Touchstone Energy Home will add no HVAC cooling season demand and may result in a net reduction in the cooling season demand and energy consumption since the construction requirements and HVAC equipment will likely be more efficient than the alternatives. An additional average water heating demand of 1.16 kW and an average of 2.01 kW demand for HVAC will result for a total of 3.17 kW per home. An estimated additional annual kWh use of 8,482 per home will replace natural gas consumption per home.

The electric water heater will add an additional average 1.16 kW demand and approximately 4,224 kWh directly replacing fossil fuel per unit.

All the above programs are subject to continued funding by BREC.

Big Rivers publishes a quarterly magazine on behalf of its three distribution electric cooperatives called the "Commercial and Industrial News." Since January 1999, the publication has covered energy related topics focusing on energy efficiency and management. Big Rivers also provides the following residential, commercial and industrial services through JPEC.

Energy Efficiency and Safety Workshops. JPEC provides educational workshops for commercial and institutional member employees and school students on energy saving devices and techniques and safety. The training takes place at the member's facilities.

Energy-Use Assessment. This assessment or energy audit assists members to improve energy efficiency by using the utility's expertise in energy delivery and use combined with a customer's knowledge to identify opportunities to lower energy costs and improve efficiency.

Operation Assessment. This service evaluates when and how energy is used in a member's facilities. Many members have the ability to adjust operations and/or equipment controls to save energy and money.

Customer Billing Review. Customer service staff from JPEC and BREC will visit a customer's facility to explain and answer questions about billing documents and rate structures.

Commercial Lighting Evaluation. Cooperative staff evaluates the necessary facility and security lighting to provide productive and safe light levels. JPEC can also provide leased lighting options.

Power Factor Correction Assistance. JPEC has assisted numerous commercial and industrial customers to correct low power factor, thus saving those customers thousands of dollars per year. A relative minority of customers experience low power factor, but when it does occur, this can be very costly. The cooperatives provide engineering assistance and will work with a customer's electric contractor.

Power Quality Assessment. Members who experience equipment damage or productivity losses because of power quality problems can contact their cooperative commercial and industrial service representative. Cooperative staff assists to identify the source of the problem whether it is inside the facility, on the power system or a result of a neighboring customer and help fix the problem.

Energy Use Summary. JPEC provides energy use summaries on its associated web sites. Three to four years of energy use and billing data are displayed in graphical and tabular form along with weather data for the previous two years. Online bill display is also available to residential, commercial and industrial members.

Customized Billing Services. Recent changes in bill printing make available to cooperative members the ability to receive multiple bills in the same mailing.

Residential Energy Auditing. At the cooperative's request, BREC staff provides telephone and onsite residential energy audits and Energy Star rating for new construction.

JPEC provides similar informational articles and brochures for their members. One publication that they distribute is the "Energy Savers Tips on Saving Energy & Money at Home"; a USDOE publication that compiles ideas and measures that will help reduce energy usage and save money for members. Magazine articles are also posted on JPEC's web site with ideas on how to save energy (for example, by providing shade trees around a home to reduce peak air-conditioning loads).

JPEC also provides a link to the electronic copy of the Energy Savers pamphlet. The annual budget for this publication is $1,500. JPEC would anticipate continuing this program, as it provides a framework for Customer Service Representatives' interaction with members by both telephone and face-to-face meetings.

The following is a short description of some publication and marketing efforts by JPEC:
JPEC participates in weatherproofing projects as administered by Kentucky Division of Energy. JPEC distributes free caulk on a first-come, first-serve basis to elderly and

low-income members. The caulk is manufactured by DOW Corning in Elizabethtown and coordinated by Kentucky Association of Electric Cooperatives. The amount of caulk available for distribution varies from year to year. The JPEC budget for this program is minimal as the caulk is provided at no cost. JPEC would anticipate continuing in this beneficial program.

At least four times per year, JPEC includes in its monthly member newsletter advice and tips to help the members increase their energy efficiency. The tips may range from insulating hot water pipes to the need for additional ceiling insulation. This program is also coordinated with JPEC's radio advertising. The monthly radio ads are also used by the telephone system for messages "on-hold." Members can then follow up with Customer Service Representatives on questions as a result of these messages.

Witness) G. Kelly Nuckols
Russ Pogue

JACKSON PURCHASE ENERGY CORPORATION'S
RESPONSE TO THE INFORMATION REQUESTS CONTAINED IN THE PUBLIC SERVICE COMMISSION'S ORDER OF MARCH 10, 2005
ADMINISTRATIVE CASE NO. 2005-00090
March 31, 2005

Item 18) Provide your utility's definition of "transmission" and "distribution".

Response) JPEC follows ANSI definitions shown in Table 14-1 of the Standard Handbook of Electrical Engineers regarding transmission and distribution. JPEC owns and operates only distribution facilities of 12.47kv phase to phase voltage.

Witness) Richard Sherrill

JACKSON PURCHASE ENERGY CORPORATION'S
RESPONSE TO THE INFORMATION REQUESTS CONTAINED IN THE PUBLIC SERVICE COMMISSION'S ORDER OF MARCH 10, 2005
ADMINISTRATIVE CASE NO. 2005-00090
March 31, 2005

Item 19) Identify all utilities with which your utility is interconnected and the transmission capacity at all points of interconnection.

Response) Jackson Purchase Energy Corporation is an electric distribution utility that receives power from Big Rivers Electric Corporation's transmission system. Jackson Purchase Energy Corporation does not own or operate transmission facilities and consequently, has no points of interconnection.

Witness) Richard Sherrill

JACKSON PURCHASE ENERGY CORPORATION'S
RESPONSE TO THE INFORMATION REQUESTS CONTAINED IN THE PUBLIC SERVICE COMMISSION'S ORDER OF MARCH 10, 2005
ADMINISTRATIVE CASE NO. 2005-00090
March 31, 2005

Item 20) Provide the peak hourly MW transfers into and out of each interconnection for each month of the last 5 years. Provide the date and time of each peak.

Response) Not applicable to JPEC.

Witness) Richard Sherrill

JACKSON PURCHASE ENERGY CORPORATION'S
RESPONSE TO THE INFORMATION REQUESTS CONTAINED IN THE PUBLIC SERVICE COMMISSION'S ORDER OF MARCH 10, 2005
ADMINISTRATIVE CASE NO. 2005-00090
March 31, 2005

Item 21) Identify any areas on your utility's system where capacity constraints, bottlenecks, or other transmission problems have been experienced from January 1, 2003 until the present date. Identify all incidents of transmission problems by date and hour, with a brief narrative description of the nature of the problem. Provide the MW transfers for each of your utility's interconnections for these times.

Response) Not applicable to JPEC.

Witness) Richard Sherrill

JACKSON PURCHASE ENERGY CORPORATION'S
RESPONSE TO THE INFORMATION REQUESTS CONTAINED IN THE PUBLIC SERVICE COMMISSION'S ORDER OF MARCH 10, 2005
ADMINISTRATIVE CASE NO. 2005-00090
March 31, 2005

Item 22) Provide details of any planned transmission capacity additions for the 2005 through 2025 period. If the transmission capacity additions are for existing or expected constraints, bottlenecks, or other transmission problems, identify the problem the addition is intended to address.

Response) Not applicable to JPEC

Witness) Richard Sherrill

JACKSON PURCHASE ENERGY CORPORATION'S
RESPONSE TO THE INFORMATION REQUESTS CONTAINED IN THE PUBLIC SERVICE COMMISSION'S ORDER OF MARCH 10, 2005
ADMINISTRATIVE CASE NO. 2005-00090
March 31, 2005

Item 23) Is your utility researching or considering methods of increasing transmission capacity of existing transmission routes? If yes, discuss those methods.

Response) Not applicable to JPEC

Witness) Richard Sherrill

JACKSON PURCHASE ENERGY CORPORATION'S
RESPONSE TO THE INFORMATION REQUESTS CONTAINED IN THE PUBLIC SERVICE COMMISSION'S ORDER OF MARCH 10, 2005
ADMINISTRATIVE CASE NO. 2005-00090
March 31, 2005

Item 24) Provide copies of any reports prepared by your utility or for your utility that analyze the capabilities of the transmission system to meet present and future needs for import and export of capacity.

Response) Not applicable to JPEC

Witness) Richard Sherrill

JACKSON PURCHASE ENERGY CORPORATION'S
RESPONSE TO THE INFORMATION REQUESTS CONTAINED IN THE PUBLIC SERVICE COMMISSION'S ORDER OF MARCH 10, 2005
ADMINISTRATIVE CASE NO. 2005-00090
March 31, 2005

Item 25) Provide the following transmission energy data forecast for the years 2005 through 2025.

a) Total energy received from all interconnections and generation sources connected to your transmission system.

b) Total energy delivered to all interconnections on your transmission system.

c) Peak demand for summer and winter seasons on your transmission system.

Response) Not applicable to JPEC

Witness) Richard Sherrill

JACKSON PURCHASE ENERGY CORPORATION'S
RESPONSE TO THE INFORMATION REQUESTS CONTAINED IN THE PUBLIC SERVICE COMMISSION'S ORDER OF MARCH 10, 2005
ADMINISTRATIVE CASE NO. 2005-00090
March 31, 2005

Item 26) Provide the yearly System Average Interruption Duration Index ("SAIDI") and the System Average Interruption Frequency Index ("SAIFI"), excluding major outages, by feeder for each distribution substation on your system for the last 5 years.

Response) SAIDI is not available on a per feeder basis. Listed below are the annual 'SAIDI' figures for JPEC's overall system excluding storms and supplier outages. 'SAIFI' is not available on any basis.

2000	2.24 hrs/member
2001	1.55 hrs/member
2002	1.79 hrs/member
2003	1.25 hrs/member
2004	2.24 hrs/member

Witness) Richard Sherrill

JACKSON PURCHASE ENERGY CORPORATION'S
RESPONSE TO THE INFORMATION REQUESTS CONTAINED IN THE PUBLIC SERVICE COMMISSION'S ORDER OF MARCH 10, 2005
ADMINISTRATIVE CASE NO. 2005-00090
March 31, 2005

Item 27) Provide the yearly SAIDI and SAIFI, including major outages, by feeder for each distribution substation on your system for the last 5 years. Explain how you define major outages.

Response) SAIDI is not available on a per feeder basis. Listed below are the annual 'SAIDI' figures for JPEC's overall system including storms and supplier outages. 'SAIFI' is not available on any basis.

2000 2.85 hrs/member

2001 3.05 hrs/member

2002 2.56 hrs/member

2003 3.79 hrs/member

2004 3.33 hrs/member

JPEC defines a major outage as one which results in more than 10% of its customers being out of power for any measurable period or one which requires reporting to the PSC.

Witness) Richard Sherrill

JACKSON PURCHASE ENERGY CORPORATION'S
RESPONSE TO THE INFORMATION REQUESTS CONTAINED IN THE PUBLIC SERVICE COMMISSION'S ORDER OF MARCH 10, 2005
ADMINISTRATIVE CASE NO. 2005-00090
March 31, 2005

Item 28) What is an acceptable value for SAIDI and SAIFI? Explain how it was derived.

Response) At this time, JPEC does not determine an acceptable value for these indices. JPEC would hope to limit the average number of interruptions per customer to less than one, but JPEC does not have any data available to indicate how it is performing in this area. JPEC's new Outage Management System, when complete, should allow it to begin tracking this index.

Witness) Richard Sherrill

JACKSON PURCHASE ENERGY CORPORATION'S
RESPONSE TO THE INFORMATION REQUESTS CONTAINED IN THE PUBLIC SERVICE COMMISSION'S ORDER OF MARCH 10, 2005
ADMINISTRATIVE CASE NO. 2005-00090
March 31, 2005

Item 29) Provide the yearly Customer Average Interruption Duration Index ("CAIDI") and the Customer Average Interruption Frequency Index ("CAIFI"), including and excluding major outages, on your system for the last five years. What is an acceptable value for CAIDI and CAIFI? Explain how it was derived.

Response) JPEC does not track these indices, and does not define an acceptable value.

Witness) Richard Sherrill

JACKSON PURCHASE ENERGY CORPORATION'S
RESPONSE TO THE INFORMATION REQUESTS CONTAINED IN THE PUBLIC SERVICE COMMISSION'S ORDER OF MARCH 10, 2005
ADMINISTRATIVE CASE NO. 2005-00090
March 31, 2005

Item 30) Identify and describe all reportable distribution outages from January 1, 2003 until the present date. Categorize the causes and provide the frequency of occurrence for each cause category.

Response) JPEC has reported one (1) outage to the PSC since 1/1/03. This outage was the result of a windstorm which knocked several trees into a 3 phase feeder which could not be backfed.

Witness) Richard Sherrill

JACKSON PURCHASE ENERGY CORPORATION'S
RESPONSE TO THE INFORMATION REQUESTS CONTAINED IN THE PUBLIC SERVICE COMMISSION'S ORDER OF MARCH 10, 2005
ADMINISTRATIVE CASE NO. 2005-00090
March 31, 2005

Item 31) Does your utility have a distribution and/or transmission reliability improvement program?

a) How does your utility measure reliability?

b) How is the program monitored?

c) What are the results of the system?

d) How are proposed improvements for reliability approved and implemented?

Response) Yes. JPEC follows RUS guidelines relative to initiating reliability improvement projects.

Witness) Richard Sherrill

JACKSON PURCHASE ENERGY CORPORATION'S
RESPONSE TO THE INFORMATION REQUESTS CONTAINED IN THE PUBLIC SERVICE COMMISSION'S ORDER OF MARCH 10, 2005
ADMINISTRATIVE CASE NO. 2005-00090
March 31, 2005

Item 32) Provide a summary description of your utility's:

a) Right-of-way management program. Provide the budget for the last 5 years.

b) Vegetation management program. Provide the budget for the last 5 years.

c) Transmission and distribution inspection program. Provide the budget for the last 5 years.

Response) **a)** JPEC's ROW management consists of contract crews clearing and trimming all required areas on a 4 year nominal cycle. JPEC aggressively pursues yard tree removals with a "Trade-A-Tree" program. JPEC has instituted a spray program to hopefully extend out ROW cycle to 5 years or more. JPEC's budgets for the last 5 years are: 2000- $713,138; 2001 - $550,000; 2002 - $486,911; 2003 - $700,000; 2004 - $947,900.

b) Vegetation management is a part of ROW management.

c) Line inspection is not budgeted separately from operations unless performed by a contractor. JPEC currently self performs line inspection.

Witness) Richard Sherrill

JACKSON PURCHASE ENERGY CORPORATION'S
RESPONSE TO THE INFORMATION REQUESTS CONTAINED IN THE PUBLIC SERVICE COMMISSION'S ORDER OF MARCH 10, 2005
ADMINISTRATIVE CASE NO. 2005-00090
March 31, 2005

Item 33) Explain the criteria your utility uses to determine if pole or conductor replacement is necessary. Provide costs/budgets for transmission and distribution facilities replacement for the years 2000 through 2025.

Response) JPEC follows Rural Utility Service guidelines to determine when poles, conductor and related facilities need to be replaced. JPEC has standardized its conductor sizes and related items based on current economics and projected future loads.

The costs of facilities replacement for 2000 – 2004 are shown below. The 2005 figure is our budgeted amount.

2000	$	1,262,541
2001	$	902,398
2002	$	785,968
2003	$	722,420
2004	$	824,077
2005	$	1,645,086

JPEC has not established budgets for these beyond 2005.

Witness) Richard Sherrill