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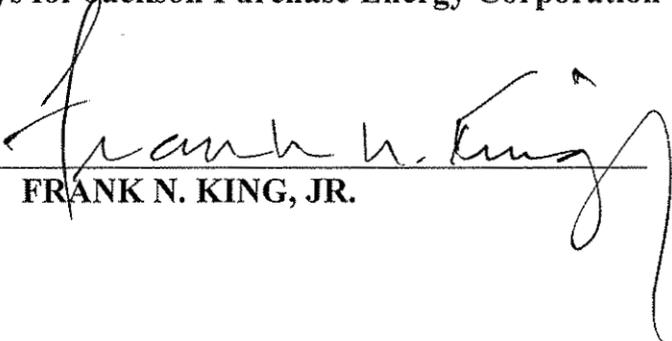
BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

In the Matter of:)
)
The Application of Jackson Purchase)
Energy Corporation for Approval of) CASE NO. 2008-00010
Retail Tariff Riders, Revised Tariffs)
and New Tariff and for Approval of)
Amendment of Wholesale Agreement)

APPLICATION

DORSEY, KING, GRAY, NORMENT & HOPGOOD
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Henderson, Kentucky 42420
(270) 826-3965 Telephone
(270) 826-6672 Telefax
Attorneys for Jackson Purchase Energy Corporation

By


FRANK N. KING, JR.

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and New Tariff and for Approval of)
Amendment of Wholesale Agreement)

APPLICATION

The application of Jackson Purchase Energy Corporation ("JPEC")
respectfully shows:

Introduction

JPEC is a distribution cooperative and is a member of BIG RIVERS ELECTRIC CORPORATION ("Big Rivers"). Big Rivers is seeking approval of five (5) wholesale tariff riders in pending Cases Nos. 2007-00455 and 2007-00460. Big Rivers also is seeking approval to enter into an amended wholesale power agreement with JPEC.

The purpose of the instant application is to obtain approvals as follows:

- Approval of five (5) corresponding retail tariff riders that will flow through to retail customers any credit or charge resulting from Big Rivers' said wholesale tariff riders, and of a sixth retail tariff rider

that will be used to confirm that the net effect of the five (5) corresponding riders is zero for a projected period of time expected to be approximately five (5) years;

- Approval to revise two (2) tariffs and issue a new tariff to accommodate the flow through; and
- Approval of amendment to the wholesale agreement with Big Rivers.

The approvals sought herein are authorized pursuant to KRS 278.180, KRS 278.190, 807 KAR 5:011, 807 KAR 5:056 and all other applicable law. Notice of intent to file this application with respect to approvals of the new and revised tariffs was given to the Commission consistent with 807 KAR 5:011, Section 8(2).

* * * * *

(a) JPEC is a nonprofit electric cooperative organized under KRS Chapter 279 and is engaged in the business of distributing retail electric power to member customers in the Kentucky counties of Ballard, Carlisle, Graves, Livingston, Marshall and McCracken.

(b) The post office address of JPEC is Post Office Box 4030, Paducah, KY 42002-4030. The street address of JPEC is 2900 Irvin Cobb Drive, Paducah, KY 42001.

(c) A copy of the Articles of Incorporation of JPEC is filed in Case No. 2007-00116.

(d) JPEC requests the Commission to approve five (5) retail tariff riders that will flow through to retail customers any credit or charge resulting from the Big Rivers' wholesale tariff riders mentioned above. JPEC further requests the Commission

to approve a sixth retail tariff rider that may be used to confirm that the net effect of the aforementioned five (5) retail tariff riders is zero as long as funds referred to as Economic Reserve funds are available, which is expected to be for approximately five (5) years.

These six (6) retail tariff riders are attached as exhibits as follows:

<u>Rider</u>	<u>Exhibit</u>
Fuel Adjustment Clause (FAC)	1
Environmental Surcharge (ES)	2
Unwind Surcredit Adjustment Clause (USAC)	3
Rebate Adjustment	4
Member Rate Stability Mechanism (MRSM)	5
Unwind Rider – Composite Factor (URCF)	6

(e) JPEC further requests the Commission to approve the revision of two (2) existing tariff schedules and the issuance of a new tariff schedule in order to accommodate the desired flow through. These proposed revised tariffs, along with current tariffs and a comparison of said tariffs, and new tariff are attached as exhibits as follows:

<u>Tariff</u>	<u>Exhibit</u>
Schedule SPC-A – Small Power Production or Cogeneration (100 KW and Under) (Customer Sells Power to JPEC)	7A, 7B, 7C
Schedule SPC-B – Small Power and Cogeneration (Over 100 KW) (Customer Sells Power to Big Rivers)	8A, 8B, 8C
Schedule SPC-C – Small Power and Cogeneration (Over 100 KW) (Customer Buys Power from JPEC)	9

(f) JPEC requests that, as long as the net effect of the five (5) Big Rivers tariff riders is zero, the Commission authorize JPEC to show the retail tariff riders on customers' bills in any one of the three (3) following ways: (i) Each of the corresponding

five (5) retail tariff riders without the sixth Composite Factor (URCF) rider; (ii) the Composite Factor (URCF) rider without the corresponding five (5) retail tariff riders, or (iii) each of the corresponding five (5) retail tariff riders and the sixth Composite Factor (URCF) rider setting the five (5) to zero. The Commission's requested authorization will, in effect, allow JPEC to exercise discretion in choosing the option to insure the intended zero net effect of the five (5) corresponding retail tariff riders until their net effect is no longer zero and to simplify as much as reasonably possible the form and the content of the customers' bills. At that time the Composite Factor (URCF) rider will be obsolete and the five (5) corresponding retail tariff riders will be required to appear on customers' statements.

(g) JPEC submits that the approvals sought herein, combined with existing rates, will result in rates that are fair, just and reasonable and JPEC requests the Commission to make this determination.

(h) In support of this application JPEC offers the prepared testimony of rate analyst Jack D. Gaines which is attached as "Exhibit 10." This testimony supports the six (6) retail tariff riders and revised tariffs and a new tariff for Small Power Production and Qualifying Facilities that will be needed to pass through the effects of the five (5) wholesale tariff riders and the changes to the wholesale tariffs for Small Power Production and Qualifying Facilities that Big Rivers is proposing in Case No. 2007-00455 and Case No. 2007-00460. Mr. Gaines also concludes that these riders, revised tariffs and new tariff combined with JPEC's existing rates, will result in rates that are fair, just and reasonable.

(i) JPEC has given notice to its customers by publishing in a prominent manner in newspapers of general circulation in its service area a public notice, a copy of which is attached as "Exhibit 11." This public notice is being published in this manner for three (3) consecutive weeks and proof of publication will be provided to the Commission when available.

(j) In paragraph 50 of the Application in Case No. 2007-00455 reference is made to an amended wholesale agreement between JPEC and Big Rivers, a copy of which is included in Exhibit 27 of said Application and incorporated herein by reference. JPEC requests the Commission to approve said amended wholesale agreement.

(k) Attached as "Exhibit 12" is the prepared testimony of G. Kelly Nuckols, JPEC's President and CEO, in support of this filing and the approvals sought herein.

(l) JPEC will need to make non-substantive changes to some of its existing tariff schedules that are not mentioned herein, depending on the terms of the Commission's final order in this case. JPEC will submit request for approval of such changes at the convenience of the Commission, and as directed.

WHEREFORE, JPEC requests as follows:

(1) That the Commission make the determination that the proposed retail tariff riders, revised tariffs and new tariff, in combination with the existing rates, will result in rates that are fair, just and reasonable;

(2) That the Commission approve the above mentioned six (6) retail tariff riders, two revised tariffs and new tariff;

(3) That the Commission authorize JPEC to show the retail tariff riders on its customers' bills in any one of the three (3) ways set forth above in paragraph (f);

(4) That the Commission approve the amendment to wholesale agreement;
and

(5) That JPEC be afforded all proper relief.

DORSEY, KING, GRAY, NORMENT & HOPGOOD
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Henderson, Kentucky 42420
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Attorneys for Jackson Purchase Energy Corporation

By Frank N. King, Jr.
FRANK N. KING, JR.
CERTIFICATE OF SERVICE

I hereby certify that the foregoing was served on the persons named in the attached service list by mailing true and correct copies of same this the 13th day of March, 2008.

Frank N. King, Jr.
Frank N. King, Jr.,
Counsel for Jackson Purchase
Energy Corporation

Case No 2008-00010
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West Kentucky Energy Corp. and
LG&E Energy Marketing, Inc.

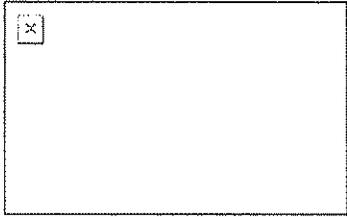
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Jackson Purchase Energy Corp.
FOR Entire Territory Served
Community, Town or City

P.S.C. KY NO. _____

SHEET NO. 96

CANCELLING P.S.C. KY NO. Original

SHEET NO. _____

RATES AND CHARGES
SCHEDULE FAC – FUEL ADJUSTMENT CLAUSE

Applicability

Entire service territory.

Availability of Service

This Fuel Adjustment Clause (FAC) is a rider to all rate schedules of JPEC.

1. Billings to Members Served from Non-Dedicated Delivery Points:

Billings computed pursuant to rate schedules to which this section is applicable shall be adjusted based on the following formula where all references to costs and revenues will exclude amounts associated with Members served from dedicated delivery points.

The FAC rate applicable to kWh sold in the current month under each rate to which this section applies shall be based upon the following formula:

$$FAC = \frac{W_FAC - O + U}{P(m) \times L} - F(b)$$

Where;

- FAC = The Fuel Adjustment rate per kWh for the current month.
- W_FAC = The FAC amount charged by JPEC's wholesale power supplier on the power bill for the second month preceding the month in which the FAC is applied.
- P (m) = The kWh purchased in the second month preceding the month in which the FAC is applied.
- L = One minus the percent system energy losses equal to the rolling twelve (12) month average not to exceed ten percent (10%).
- O = Any over recovery amount from the second preceding month.
- U = Any under recovery amount from the second preceding month.
- F (b) = Base Fuel Adjustment factor of \$0.00000 per kWh.

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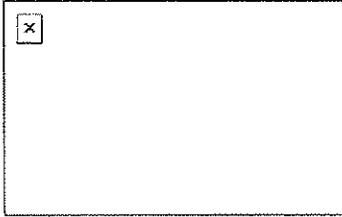
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ISSUED BY _____
G. Kelly Nuckols

TITLE President & CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2008-00010 DATED _____



Jackson Purchase Energy Corp.
FOR Entire Territory Served
Community, Town or City

P.S.C. KY NO. _____

SHEET NO. 97

CANCELLING P.S.C. KY NO. Original

SHEET NO. _____

RATES AND CHARGES
SCHEDULE FAC – FUEL ADJUSTMENT CLAUSE

2. Billings to Members Served from Dedicated Delivery Points (No Line Losses to JPEC):
Billings computed pursuant to rate schedules or special contracts to which this section is applicable shall be increased or decreased during the month equal to the amount charged or credited to JPEC by the wholesale power supplier for the Member's dedicated delivery point.
3. Rate schedule (1) above shall apply to JPEC rate schedules "R", "C", "C-3", "OL", and "D". Rate schedule (2) above shall apply to rate schedules for service to Members when the wholesale rate paid by JPEC for the load provided to the Member is either the Big Rivers Large Industrial Tariff or the Big Rivers Large Industrial Expansion Tariff.

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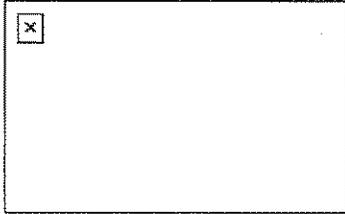
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TITLE President & CEO

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Jackson Purchase Energy Corp.
 FOR Entire Territory Served
Community, Town or City
 P.S.C. KY NO. _____
 SHEET NO. 98
 CANCELLING P.S.C. KY NO. Original
 SHEET NO. _____

RATES AND CHARGES
SCHEDULE ES – ENVIRONMENTAL SURCHARGE

Applicability

Entire service territory.

Availability of Service

This Environmental Surcharge (ES) is a rider to all rate schedules of JPEC.

1. **Billings to Members Served from Non-Dedicated Delivery Points:**

Billings computed pursuant to rate schedules to which this section is applicable shall be adjusted based on the following formula where all references to costs and revenues will exclude amounts associated with Members served from dedicated delivery points.

The ES rate applicable to kWh sold in the current month under each rate to which this section applies shall be based upon the following formula:

$$\text{MESF} = \frac{\text{W_MESF} + \text{O} - \text{U}}{\text{P (m)} \times \text{L}} - \text{BESF}$$

Where;

- MESF = The ES rate per kWh for the current month.
- W_MESF = The ES amount charged by JPEC's wholesale power supplier on the power bill for the second month preceding the month in which the MESF is applied.
- P (m) = The kWh purchased in the second month preceding the month in which the MESF is applied.
- L = One minus the percent system energy losses equal to the rolling twelve (12) month average not to exceed ten percent (10%).
- O = Any over recovery amount from the second preceding month.
- U = Any under recovery amount from the second preceding month.
- BESF = Base Environmental Surcharge Factor of \$0.00000 per kWh.

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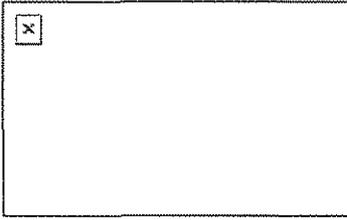
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TITLE President & CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

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Jackson Purchase Energy Corp.
FOR Entire Territory Served
Community, Town or City

P.S.C. KY NO. _____

SHEET NO. 99

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SHEET NO. _____

RATES AND CHARGES
SCHEDULE ES – ENVIRONMENTAL SURCHARGE

- 2. Billings to Members Served from Dedicated Delivery Points (No Line Losses to JPEC):
Billings computed pursuant to rate schedules or special contracts to which this section is applicable shall be increased or decreased during the month equal to the amount charged or credited to JPEC by the wholesale power supplier for the Member's dedicated delivery point.
- 3. Rate schedule (1) above shall apply to JPEC rate schedules "R", "C", "C-3", "OL", and "D". Rate schedule (2) above shall apply to rate schedules for service to Members when the wholesale rate paid by JPEC for the load provided to the Member is either the Big Rivers Large Industrial Tariff or the Big Rivers Large Industrial Expansion Tariff.

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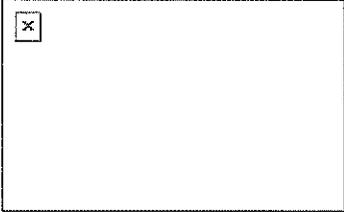
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FOR Entire Territory Served
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P.S.C. KY NO. _____

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RATES AND CHARGES
SCHEDULE USAC – UNWIND SURCREDIT ADJUSTMENT CLAUSE

Applicability

Entire service territory.

Availability of Service

This Unwind Surcredit Adjustment Clause (USAC) is a rider to all rate schedules of JPEC.

- Billings to Members Served from Non-Dedicated Delivery Points:
Billings computed pursuant to rate schedules to which this section is applicable shall be adjusted based on the following formula where all references to costs and revenues will exclude amounts associated with Members served from dedicated delivery points.

The USAC rate applicable to kWh sold in the current month under each rate to which this section applies shall be based upon the following formula:

$$USAC = \frac{W_US - O + U}{P(m) \times L}$$

Where;

- USAC = The USAC rate per kWh for the current month.
- W_US = The USAC amount charged by JPEC's wholesale power supplier on the power bill for the second month preceding the month in which the USAC is applied.
- P (m) = The kWh purchased in the second month preceding the month in which the USAC is applied.
- L = One minus the percent system energy losses equal to the rolling twelve (12) month average not to exceed ten percent (10%).
- O = Any over recovery amount from the second preceding month.
- U = Any under recovery amount from the second preceding month.

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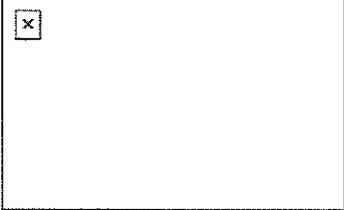
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P.S.C. KY NO. _____

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RATES AND CHARGES
SCHEDULE USAC – UNWIND SURCREDIT ADJUSTMENT CLAUSE

- 2. Billings to Members Served from Dedicated Delivery Points (No Line Losses to JPEC):
Billings computed pursuant to rate schedules or special contracts to which this section is applicable shall be increased or decreased during the month equal to the amount credited to JPEC by the wholesale power supplier for the Member's dedicated delivery point.
- 3. Rate schedule (1) above shall apply to JPEC rate schedules "R", "C", "C-3", "OL", and "D". Rate schedule (2) above shall apply to rate schedules for service to Members when the wholesale rate paid by JPEC for the load provided to the Member is either the Big Rivers Large Industrial Tariff or the Big Rivers Large Industrial Expansion Tariff.

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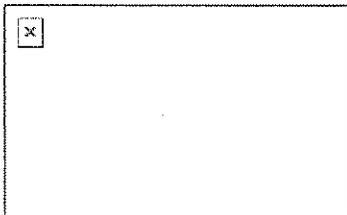
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IN CASE NO. 2008-00010 DATED _____



Jackson Purchase Energy Corp.
FOR Entire Territory Served
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P.S.C. KY NO. _____

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RATES AND CHARGES
SCHEDULE RA – REBATE ADJUSTMENT

Applicability

Entire service territory.

Availability of Service

This Rebate Adjustment (RA) is applicable to all rate schedules of JPEC for the purpose of passing through any RA amounts received by JPEC from its wholesale power supplier, Big Rivers Electric Corporation (BREC).

1. Billings to Members Served from Non-Dedicated Delivery Points:

Billings computed pursuant to rate schedules to which this section is applicable shall be adjusted based on the following formula where all references to costs and revenues will exclude amounts associated with Member's served from dedicated delivery points.

The wholesale RA applicable to this section will be recorded in a payables account and returned in twelve (12) equal installments without interest to the Members in accordance with the formula shown below. The RA for this section will remain applicable for a twelve (12) month period plus any additional months necessary to complete the over or under refunds or collections. JPEC will synchronize application of the RA per this section with the application by BREC of the wholesale RA for purposes of the BREC Member Rate Stability Mechanism.

The RA rate applicable to kWh sold in the current month under each rate to which this section applies shall be based upon the following formula:

$$RA = \frac{R - O + U}{P(m) \times L}$$

Where;

RA = The RA rate per kWh for the current month.

R = One-twelfth (1/12) of the portion of the most recent RA amount received from JPEC's wholesale power supplier for all non-dedicated delivery points.

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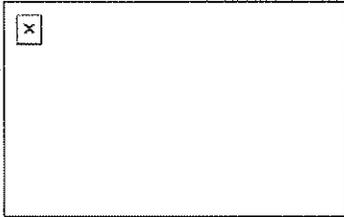
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Jackson Purchase Energy Corp.
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P.S.C. KY NO. _____

SHEET NO. 103

CANCELLING P.S.C. KY NO. Original

SHEET NO. _____

RATES AND CHARGES
SCHEDULE RA – REBATE ADJUSTMENT

P (m) = The kWh purchased in the second month preceding the month in which the RA is applied.

L = One minus the percent system energy losses equal to the rolling twelve (12) month average not to exceed ten percent (10%).

O = Any over recovery amount from the second preceding month.

U = Any under recovery amount from the second preceding month.

2. Billings to Members Served from Dedicated Delivery Points (No Line Losses to JPEC):
Billings computed pursuant to rate schedules or special contracts to which this section is applicable shall be decreased during the month following the receipt of the Rebate Adjustment amount credited to JPEC by the wholesale power supplier for the Member's dedicated delivery point.
3. Rate schedule (1) above shall apply to JPEC rate schedules "R", "C", "C-3", "OL", and "D". Rate schedule (2) above shall apply to rate schedules for service to Members when the wholesale rate paid by JPEC for the load provided to the Member is either the Big Rivers Large Industrial Tariff or the Big Rivers Large Industrial Expansion Tariff.

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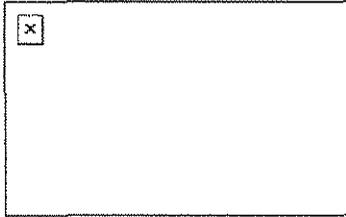
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G. Kelly Nuckols

TITLE President & CEO

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IN CASE NO. 2008-00010 DATED _____



Jackson Purchase Energy Corp.
 FOR Entire Territory Served
Community, Town or City
 P.S.C. KY NO. _____
 SHEET NO. 104
 CANCELLING P.S.C. KY NO. Original
 SHEET NO. _____

RATES AND CHARGES	N
SCHEDULE MRSM – MEMBER RATE STABILITY MECHANISM	N

Applicability

Entire service territory.

Availability of Service

This Member Rate Stability Mechanism (MRSM) is a rider to all rate schedules of JPEC.

1. Billings to Members Served from Non-Dedicated Delivery Points:
 Billings computed pursuant to rate schedules to which this section is applicable shall be adjusted based on the following formula where all references to costs and revenues will exclude amounts associated with Members served from dedicated delivery points.

The MRSM applicable to kWh sold in the current month under each rate to which this section applies shall be based upon the following formula:

$$MRSM(m) = \frac{W_MRSM - O + U}{P(m) \times L}$$

Where;

- MRSM (m) = The MRSM per kWh for the current month.
- W_MRSM = The MRSM amount credited by JPEC's wholesale power supplier for all non-dedicated delivery points on the power bill for the second month preceding the month in which the MRSM(m) is applied.
- P (m) = The kWh purchased in the second month preceding the month in which the MRSM (m) is applied.
- L = One minus the percent system energy losses equal to the rolling twelve (12) month average not to exceed ten percent (10%).
- O = Any over recovery amount from the second preceding month.
- U = Any under recovery amount from the second preceding month.

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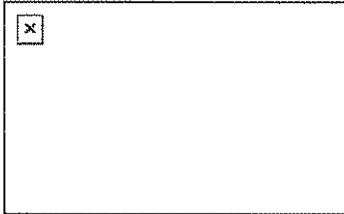
G. Kelly Nuckols

TITLE President & CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2008-00010 DATED _____

EXHIBIT



Jackson Purchase Energy Corp.
FOR Entire Territory Served
Community, Town or City

P.S.C. KY NO. _____

SHEET NO. 105

CANCELLING P.S.C. KY NO. Original

SHEET NO. _____

RATES AND CHARGES
SCHEDULE MRSM – MEMBER RATE STABILITY MECHANISM

2. Billings to Members Served from Dedicated Delivery Points (No Line Losses to JPEC):
Billings computed pursuant to rate schedules or special contracts to which this section is applicable shall be decreased during the month equal to the amount credited to JPEC by the wholesale power supplier for the Member's dedicated delivery point.
3. Rate schedule (1) above shall apply to JPEC rate schedules "R", "C", "C-3", "OL", and "D". Rate schedule (2) above shall apply to rate schedules for service to Members when the wholesale rate paid by JPEC for the load provided to the Member is either the Big Rivers Large Industrial Tariff or the Big Rivers Large Industrial Expansion Tariff.

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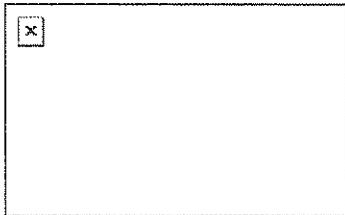
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Jackson Purchase Energy Corp.
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P.S.C. KY NO. _____

SHEET NO. 106

CANCELLING P.S.C. KY NO. Original

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RATES AND CHARGES
SCHEDULE URCF – UNWIND RIDER–COMPOSITE FACTOR

Applicability

Entire service territory.

Availability of Service

This Unwind Rider–Composite Factor (URCF) is a rider to all rate schedules of JPEC for billings to Members served from non-dedicated delivery points. The URCF is not applicable to sales pursuant to the Smelter Agreements and to rate schedules for service to Members when the wholesale rate paid by JPEC for the load provided to the Member is either the Big Rivers Large Industrial Tariff or the Big Rivers Large Industrial Expansion Tariff.

The URCF is a composite of the "FAC", "USAC", "ES", "MRSM", and "Rebate". It will apply in lieu of the five specified individual riders so long as the net effect of the corresponding wholesale riders charged and credited by JPEC's wholesale power supplier for sales subject to this rider is zero (\$0.00).

Billings computed pursuant to rate schedules to which this URCF is applicable shall be adjusted based on the following formula where all references to costs and revenues will exclude amounts associated with Member's served from dedicated delivery points.

URCF = \$0.00 per kWh if on the preceding month's wholesale power bill a.) the sum of the "FAC", "US", "ES", and "MRSM"; less b.) one-twelfth (1/12) of any Rebate used to adjust the wholesale MRSM is zero (\$0.00).

The rate schedule above shall apply to JPEC rate schedules "R", "C", "C-3", "OL", "D", and "I" (non-dedicated delivery points).

DATE OF ISSUE February 26, 2008
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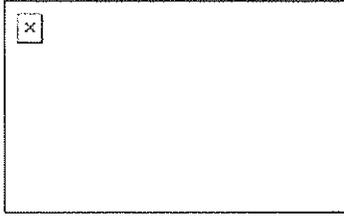
DATE EFFECTIVE Per Commission Order
Month / Date / Year

ISSUED BY _____
G. Kelly Nuckols

TITLE President & CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2008-00010 DATED _____



Jackson Purchase Energy Corp.
FOR Entire Territory Served
Community, Town or City

P.S.C. KY NO. 8

Third Revised SHEET NO. 10.0A

CANCELLING P.S.C. KY NO. 7

Second Revised SHEET NO. 10.0A

RATES AND CHARGES
SCHEDULE SPC-A – SMALL POWER PRODUCTION OR COGENERATION LESS THAN 100 KW
MEMBER SELLS ENERGY TO JPEC

Availability of Service

Available only to qualifying small power production or cogeneration facilities, 100 kW or below, which have executed an "Agreement for Purchase of Electric Energy" with JPEC.

Rate Schedule

Base payment of \$0.0204 per kWh plus current FAC, ES, USAC, and MRSM tariff riders.

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DATE OF ISSUE February 26, 2008

Month / Date / Year

DATE EFFECTIVE Per Commission Order

Month / Date / Year

ISSUED BY _____

G. Kelly Nuckols

TITLE President & CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2008-00010 DATED _____

EXHIBIT
7A
Proposed

Jackson Purchase Energy Corporation
FOR Entire Territory Served
Community, Town or City

P.S.C. NO. 7

Second Revised SHEET NO. 10.0A

CANCELLING P.S.C. NO. 6

First Revised SHEET NO. 10.0A
CORRECTED

Jackson Purchase Energy Corporation
Name of Issuing Corporation

CLASSIFICATION OF SERVICE

SCHEDULE SPC-A

1. AVAILABILITY OF SERVICE:

Available only to qualifying small power production or cogeneration facilities, 100 KW or below, which have executed an "Agreement for Purchase of Electric Energy" with the Corporation.

2. RATE SCHEDULE:

Base payment of \$.01694 per KWH plus current fuel adjustment.

DATE OF ISSUE April 9, 1987 DATE EFFECTIVE June 28, 1984

ISSUED BY David Stiles, JR. TITLE General Manager
Name of Officer

Issued by authority of an Order of the PUBLIC SERVICE COMMISSION OF KENTUCKY IN

Case No. 8566 dated June 28, 1984.

EXHIBIT

7B
Current

Jackson Purchase Energy Corporation
FOR Entire Territory Served
Community, Town or City

P.S.C. NO. 7

Second Revised SHEET NO. 10.0A

CANCELLING P.S.C. NO. 6

First Revised SHEET NO. 10.0A

CORRECTED

Jackson Purchase Energy Corporation
Name of Issuing Corporation

CLASSIFICATION OF SERVICE

SCHEDULE SPC-A

1. AVAILABILITY OF SERVICE:

Available only to qualifying small power production or cogeneration facilities, 100 KW or below, which have executed an "Agreement for Purchase of Electric Energy" with ~~the Corporation~~-JPEC.

2. RATE SCHEDULE:

Base payment of ~~\$.01694~~ \$0.0204 per KWH plus current fuel adjustment FAC, ES, USAC, and MRSM tariff riders.

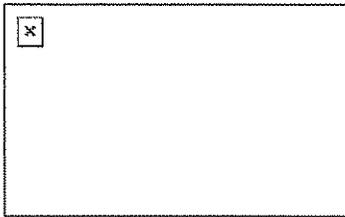
DATE OF ISSUE April 9, 1987 DATE EFFECTIVE June 28, 1984

ISSUED BY David Stiles, JR. TITLE General Manager
Name of Officer

Issued by authority of an Order of the PUBLIC SERVICE COMMISSION OF KENTUCKY IN

Case No. 8566 dated June 28, 1984.

EXHIBIT
7C
Comparison



Jackson Purchase Energy Corp.
FOR Entire Territory Served
Community, Town or City

P.S.C. KY NO. 8

Second Revised SHEET NO. 10.1A

CANCELLING P.S.C. KY NO. 7

First Revised SHEET NO. 10.1A

RATES AND CHARGES
SCHEDULE SPC-B – SMALL POWER PRODUCTION OR COGENERATION GREATER THAN 100 kW
MEMBER SELLS POWER AND ENERGY TO BIG RIVERS

Availability of Service

JPEC shall not be required to purchase the power and energy output of a qualifying small power production or cogeneration facilities having a total design capacity over 100 kW. A qualifying cogeneration or small power production facility having a total design capacity over 100 kW may sell its output directly to Big Rivers Electric Corporation (JPEC's wholesale supplier of power and energy) pursuant to rates, terms and conditions, offered by Big Rivers.

Big Rivers Cogeneration and Small Power Production Purchase Tariff Greater Than 100 kW

A. Availability

Available to any customer of JPEC who qualifies as a cogenerator or small power producer pursuant to Regulation 807 KAR 5:054 of the Kentucky Public Service Commission.

B. Applicability of Service

Applicable to any small power production or cogeneration "qualifying facility" (QF) with capacity over 100 kW as defined by the Kentucky Public Service Commission Regulation 807 KAR 5:054, and which contracts to sell energy or capacity or both to Big Rivers.

C. Terms and Conditions

1. The cogeneration or small power production facility must have a total design capacity over 100 kW.
2. All power from a QF purchased under this tariff will be sold to Big Rivers.
3. The QF must provide good quality electric power within a reasonable range of voltage, frequency, flicker, harmonic currents, and power factor.
4. QF shall provide reasonable protection for Big Rivers and JPEC's system.
5. QF shall design, construct, install, own, operate, and maintain the QF in accordance with all applicable codes, laws, regulations, and generally accepted utility practices.
6. QF shall reimburse Big Rivers and/or JPEC for all costs incurred as a result of interconnecting with the QF, including operation, maintenance, administration, and billing.

DATE OF ISSUE February 26, 2008
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ISSUED BY _____
G. Kelly Nuckols

TITLE President & CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2008-00010 DATED _____

EXHIBIT
8A
Proposed

Jackson Purchase Energy Corporation
FOR Entire Territory Served
Community, Town or City

P.S.C. NO. 7

First Revised SHEET NO. 10.1A

CANCELLING P.S.C. NO. 6

Original SHEET NO. 10.1A

Jackson Purchase Energy Corporation
Name of Issuing Corporation

CORRECTED

CLASSIFICATION OF SERVICE

SCHEDULE SPC-B

1. AVAILABILITY OF SERVICE:

Available only to qualifying small power production or cogeneration facilities, above 100 KW, which have executed an "Agreement for Purchase of Electric Energy" with the Corporation. Rates below are to be used as the basis for negotiating a final purchase rate and are not to be taken as a firm rate for any facilities.

2. RATE SCHEDULE:

A. Capacity (if applicable):

- (1) When connected to electric distribution lines of 25 KV or below:
A payment of \$4.12 per kilowatt per month, provided capacity is delivered for a minimum of 520 hours during the month. payment will be based upon the average capacity delivered each month as determined by dividing the metered KWH delivered by the number of hours in the billing period. Deliveries for less than 520 hours will receive the energy payment only.
- (2) When connected to electric transmission lines of 25 KV:
A payment of \$4.04 per kilowatt per month provided capacity is delivered for a minimum of 520 hours during the month. payment will be based upon the average capacity delivered each month as determined by dividing the metered KWH delivered by the number of hours in the billing period. Deliveries for less than 520 hours will receive the energy payment only.

DATE OF ISSUE April 9, 1987 DATE EFFECTIVE June 28, 1984

ISSUED BY David Stiles, JR. TITLE General Manager
Name of Officer

Issued by authority of an Order of the PUBLIC SERVICE COMMISSION OF KENTUCKY IN

Case No. 8566 dated June 28, 1984.

EXHIBIT
8B
Current

Jackson Purchase Energy Corporation
FOR Entire Territory Served
Community, Town or City

P.S.C. NO. 7

Original SHEET NO. 10.2A

CANCELLING P.S.C. NO. _____

_____ SHEET NO. _____

CORRECTED

Jackson Purchase Energy Corporation
Name of Issuing Corporation

CLASSIFICATION OF SERVICE

SCHEDULE SPC-B (Cont.)

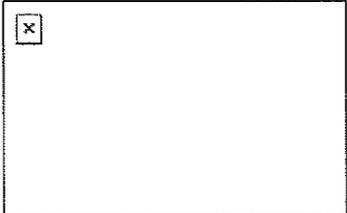
Energy:

Base payment of \$.01694 per KWH plus
current fuel adjustment.

DATE OF ISSUE April 9, 1987 DATE EFFECTIVE June 28, 1984

ISSUED BY David Stiles, JR. TITLE General Manager
Name of Officer

Issued by authority of an Order of the PUBLIC SERVICE COMMISSION OF KENTUCKY IN
Case No. 8566 dated June 28, 1984.



Jackson Purchase Energy Corp.
FOR Entire Territory Served
Community, Town or City

P.S.C. KY NO. 8

Second Revised SHEET NO. 10.2A

CANCELLING P.S.C. KY NO. 7

First Revised SHEET NO. 10.2A

RATES AND CHARGES
SCHEDULE SPC-B – SMALL POWER PRODUCTION OR COGENERATION GREATER THAN 100 kW
MEMBER SELLS POWER AND ENERGY TO BIG RIVERS

Base payment of \$0.01694 per kWh plus current fuel adjustment.

Big Rivers Cogeneration and Small Power Production Purchase Tariff Greater Than 100 kW

- A. Availability
Available to any customer of JPEC who qualifies as a cogenerator or small power producer pursuant to Regulation 807 KAR 5:054 of the Kentucky Public Service Commission.
- B. Applicability of Service
Applicable to any small power production or cogeneration "qualifying facility" (QF) with capacity over 100 kW as defined by the Kentucky Public Service Commission Regulation 807 KAR 5:054, and which contracts to sell energy or capacity or both to Big Rivers.
- C. Terms and Conditions
 1. The cogeneration or small power production facility must have a total design capacity over 100 kW.
 2. All power from a QF purchased under this tariff will be sold to Big Rivers.
 3. The QF must provide good quality electric power within a reasonable range of voltage, frequency, flicker, harmonic currents, and power factor.
 4. QF shall provide reasonable protection for Big Rivers and JPEC's system.
 5. QF shall design, construct, install, own, operate, and maintain the QF in accordance with all applicable codes, laws, regulations, and generally accepted utility practices.
 6. QF shall reimburse Big Rivers and/or JPEC for all costs incurred as a result of interconnecting with the QF, including operation, maintenance, administration, and billing.
 7. QF shall enter into a written contract with Big Rivers. All conditions applying to QF service shall be specified in the contract executed by the parties and are subject to the jurisdiction of the Kentucky Public Service Commission and to Big Rivers' terms and conditions regarding a QF then in effect. For contracts which cover the purchase of energy only, the term shall be one year and shall be self-renewing from year-to-year thereafter unless cancelled by either party with not less than one year's written notice. For contracts which cover the purchase of capacity and energy, the term shall be not less than 5 years and self-renewing from year-to-year thereafter unless cancelled by either party with not less than one year's written notice.

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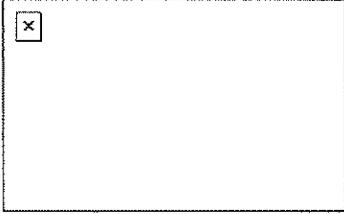
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ISSUED BY _____
G. Kelly Nuckols

TITLE President & CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2008-00010 DATED _____



Jackson Purchase Energy Corp.
 FOR Entire Territory Served
Community, Town or City

P.S.C. KY NO. 8

Second Revised SHEET NO. 10.3A

CANCELLING P.S.C. KY NO. 7

First Revised SHEET NO. 10.3A

RATES AND CHARGES

SCHEDULE SPC-B – SMALL POWER PRODUCTION OR COGENERATION GREATER THAN 100 kW

- D. Definitions
1. Big River: "Big Rivers" shall mean Big Rivers Electric Corporation.
 2. JPEC: "JPEC" shall mean Jackson Purchase Energy Corporation.
 3. QF: "QF" shall mean a cogeneration or small power production facility meeting the criteria for Qualifying Facility of Section 4 of 807 KAR 5:054.
 4. Inter-Utility Market: "Inter-Utility Market" shall mean any supplier of wholesale electric service to Big Rivers other than SEPA and the City of Henderson's Station Two.
- E. Rates for Purchases from QF's
1. Capacity Purchase Rates:
 As long as Big Rivers has surplus generation from its owned coal fired generation and power available from SEPA and the City of Henderson's Station Two, the Capacity Purchase Rate (CPR) will be zero (\$0.00). At such time Big Rivers has no surplus generation from its owned coal fired generation and power available from SEPA and the City of Henderson's Station Two, the hourly Avoided Capacity Cost (ACC) in dollars (\$) per megawatt hour, which is payable to a QF for delivery of capacity, shall be equal to the effective purchase price for power available to Big Rivers from the Inter-Utility Market (which includes both energy and capacity charges) less Big Rivers' actual variable fuel expense (EPR). The total amount of the Avoided Capacity Cost payment to be made to a QF in an hour is equal to (ACC x CAP), where CAP, the capacity delivered by the QF, is determined on the basis of the system demand and Big Rivers' need for capacity in that hour to adequately serve the load.
Determination of CAP:
 For the determination of CAP, Big Rivers will determine at the time a QF signs a contract to deliver capacity the capacity proposed to be provided by the QF and will cause the QF to enter into a contract stating the CAP limits. Big Rivers will pay for CAP at the above stated rate only when Big Rivers' owned and previously arranged for capacity is not sufficient to meet its system demand.
 2. Firm Energy Purchase Rates:
 The Energy Purchase Rates (EPR) in dollars (\$) per megawatt hour, which is payable to a QF for delivery of energy, shall be equal to Big Rivers' actual variable fuel expenses for Big Rivers' owned coal fired production facilities, divided by the associated megawatt-hours of generation, as determined for the previous month. The total amount of the avoided energy cost payment to be

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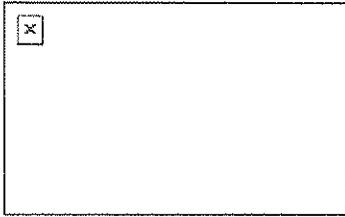
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 G. Kelly Nuckols

TITLE President & CEO

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IN CASE NO. 2008-00010 DATED _____



Jackson Purchase Energy Corp.
FOR Entire Territory Served
Community, Town or City

P.S.C. KY NO. _____

Original _____ SHEET NO. 58

CANCELLING P.S.C. KY NO. _____

_____ SHEET NO. _____

RATES AND CHARGES	
SCHEDULE SPC-C – SMALL POWER AND COGENERATION GREATER THAN 100 kW	
MEMBER BUYS POWER AND ENERGY FROM JPEC	

Applicability

Applicable to any QF Members for which JPEC is subject to the Big Rivers Cogeneration and Small Power Producer Sales Tariff for that energy sold to the QF Member.

Availability of Service

This tariff is applicable to QF Members with a total capacity requirement of 100 kW or more with on-site generation of 100 kW or more operating in excess of 200 hours per year.

Conditions of Service

To receive services hereunder, the QF Member must execute a written contract for electric service on terms acceptable to Big Rivers and JPEC and that allows JPEC to satisfy all of the requirements to obtain services from Big Rivers pursuant to the Big Rivers Cogeneration and Small Power Producer Sales Tariff greater than 100 kW.

Monthly Rate

A. Wholesale Power Cost

An amount equal to all the monthly charges levied by Big Rivers pursuant to the Big Rivers Cogeneration and Small Power Producer Sales Tariff greater than 100 kW for wholesale electric service (including transmission service) hereunder.

B. Retail Adders

Retail Adders shall be determined on a case-by-case basis for that portion of each Member's load served under this tariff.

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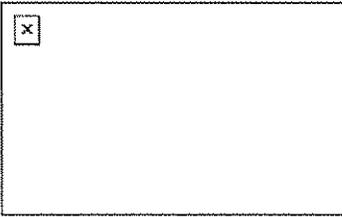
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ISSUED BY _____
G. Kelly Nuckols

TITLE President & CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2008-00010 DATED _____



Jackson Purchase Energy Corp.
FOR Entire Territory Served
Community, Town or City

P.S.C. KY NO. _____

Original _____ SHEET NO. 59

CANCELLING P.S.C. KY NO. _____

_____ SHEET NO. _____

RATES AND CHARGES
SCHEDULE SPC-C – SMALL POWER AND COGENERATION GREATER THAN 100 kW
MEMBER BUYS POWER AND ENERGY FROM JPEC

Big Rivers Cogeneration and Small Power Production Sales Tariff Greater Than 100 kW

- A. Availability
Available to JPEC for service to any Member of JPEC with cogeneration and/or small power production facility 1) that has net output of less than 5,000 kW and 2) which meets the criteria for QF of 807 KAR 5:054 – Section 4. Charges for the services under this tariff to JPEC for service to any Member of JPEC with a cogeneration and/or small power production facility shall be established by contract.
- B. Applicability
Applicable to purchases made by JPEC for service to any QF Member of JPEC with a total capacity requirement of 100 kW or more with on-site generation of 100 kW or more operating in excess of 200 hours per year, electrically engineered so that it can meet part or all of its load with its own generation, for service not covered by one of Big Rivers' other rates. The QF Member shall have the option to provide all or part of its load with its own generation in which case that portion of the QF Member's load requirements not met by the QF, shall be provided to JPEC under this tariff and all requirements for back-up or maintenance service for the QF Member shall be provided under this tariff. Otherwise, the QF Member may sell all of the output of it QF in which case the QF Member's load requirements shall be provided to JPEC under the terms and conditions of one or more of Big Rivers' standard rates applicable to the load requirements and type of service of the QF Member.
- C. Definitions
 - 1. Big Rivers: "Big Rivers" shall mean Big Rivers Electric Corporation.
 - 2. JPEC: "JPEC" shall mean Jackson Purchase Energy Corporation.
 - 3. Off-System Sales Transaction: "Off-System Sales Transaction" shall mean sales of electric energy by Big Rivers other than JPEC and Henderson Municipal Power and Light.
 - 4. QF: "QF" shall mean a cogeneration or small power production facility meeting the criteria for Qualifying Facility of Section 4 of 807 KAR 5:054.
 - 5. QF Member: "QF Member" shall mean a member of JPEC with a QF.
 - 6. Third Party Supplier: "Third Party Supplier" shall mean any supplier of wholesale electric service to Big Rivers other than SEPA and Henderson Municipal Power and Light.

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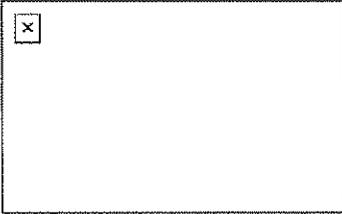
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ISSUED BY _____
G. Kelly Nuckols

TITLE President & CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2008-00010 DATED _____



Jackson Purchase Energy Corp.
FOR Entire Territory Served
Community, Town or City

P.S.C. KY NO. _____

Original _____ SHEET NO. 60

CANCELLING P.S.C. KY NO. _____

_____ SHEET NO. _____

RATES AND CHARGES
SCHEDULE SPC-C – SMALL POWER AND COGENERATION GREATER THAN 100 kW
MEMBER BUYS POWER AND ENERGY FROM JPEC

D. Conditions of Service

To receive service hereunder, JPEC must:

1. Obtain from the QF Member an executed, written contract for electric service hereunder on terms acceptable to Big Rivers. Such contract shall set forth any specific arrangements between the parties based on individual circumstances and shall:
 - i) Specify the maximum capacity to be made available to the QF Member on an unscheduled basis in any hour (Maximum Unscheduled Capacity), and
 - ii) If desired by the QF Member, specify the terms and conditions for the delivery of Maintenance Service, and
 - iii) If desired by the QF Member, specify the capacity of on-site generation for which interruptible unscheduled back-up and interruptible scheduled maintenance power may be provided, and
 - iv) Specify any other term or condition which JPEC or Big Rivers may require for service used by a QF Member, taking into account the nature of use, the quality used, the quantity used, the time when used, the purpose for which used, and any other reasonable consideration, and

Monthly Charges for Sales to JPEC for Service to a QF Member:

2. Enter into a contract with Big Rivers, or amend an existing contract with Big Rivers, to specify the terms and conditions of service between Big Rivers and JPEC regarding the power supply for the QF Member.

E. For Each QF Member, JPEC Will Be Billed Monthly For:

1. Supplementary Service (capacity and energy).
2. Unscheduled Back-up Service, if any (capacity charge only).
3. Maintenance Service (capacity and energy), if any.
4. Excess Demand, if any.
5. Additional charges, if any.

F. Monthly Charges for Sales to JPEC for Service to a QF Member

1. Supplementary Service

Supplementary demand shall be the QF Member's highest actual demand (adjusted for distribution losses if applicable) measured during the month, excluding Scheduled Maintenance Demand up to but not exceeding the actual measured demands in each demand interval during a Maintenance

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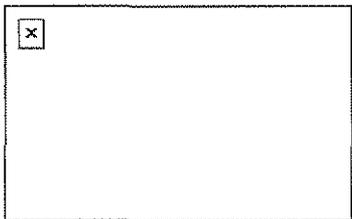
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G. Kelly Nuckols

TITLE President & CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2008-00010 DATED _____



Jackson Purchase Energy Corp.
FOR Entire Territory Served
Community, Town or City

P.S.C. KY NO. _____

Original SHEET NO. 61

CANCELLING P.S.C. KY NO. _____

_____ SHEET NO. _____

RATES AND CHARGES
SCHEDULE SPC-C – SMALL POWER AND COGENERATION GREATER THAN 100 kW
MEMBER BUYS POWER AND ENERGY FROM JPEC

Schedule, and supplementary energy shall be the actual measured energy (adjusted for distribution losses if applicable) excluding Maintenance Energy sold to the QF by JPEC in each month. The monthly charges for supplementary demand and energy shall be according to the rates set forth in Big Rivers Rate Schedule C.4.d.:

2. Unscheduled Back-up Service

Unscheduled Back-up Demand is the QF Member's Maximum Unscheduled Capacity minus the Supplementary Billing Demand for the month. In months in which Maintenance Service has been scheduled, appropriate credit for Scheduled Maintenance Demand shall be applied to the Unscheduled Back-up Demand such that JPEC will not be charged for Unscheduled Back-up Demand in addition to Scheduled Maintenance Demand when Scheduled Maintenance Service is being provided. The monthly charges to JPEC for Unscheduled Back-up Demand shall be:

One hundred ten percent (110%) of Big Rivers' actual cost, including transmission service, to import energy from a Third Party Supplier to supply the Unscheduled Back-up Service for the QF Members:

Maximum Unscheduled Capacity shall initially be the amount as specified by the QF Member per contract with JPEC, but in no case less than the actual demand delivered in any month, including the current month. Big Rivers will accept a reduction in the Maximum Unscheduled Capacity upon twelve (12) months advance notice from JPEC, Said notice must specify the reduction in kW's and the basis for the lower requirement. All energy shall be billed as either supplementary energy or maintenance energy.

3. Maintenance Service

Maintenance Service shall be available to JPEC to back-up a QF Member's QF only if JPEC has scheduled delivery of the maintenance services in advance with Big Rivers. JPEC may schedule up to four (4) weeks of seven (7) consecutive days each per year of such service for a QF Member, subject to scheduling of such usage by Big Rivers. JPEC may reschedule at any time by giving forty-eight (48) hours notice to Big Rivers. Scheduled Maintenance Demand may not exceed the design capacity of the QF Member's QF. Maintenance Service will be available on an on-peak or off-peak basis. The selection of on-peak Maintenance Service entitles JPEC to schedule the service for the QF Member at

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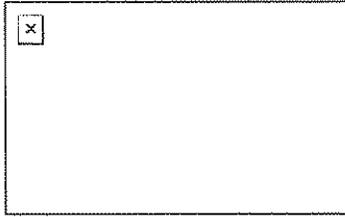
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ISSUED BY _____
G. Kelly Nuckols

TITLE President & CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2008-00010 DATED _____



Jackson Purchase Energy Corp.
FOR Entire Territory Served
Community, Town or City

P.S.C. KY NO. _____

Original _____ SHEET NO. 62

CANCELLING P.S.C. KY NO. _____

_____ SHEET NO. _____

RATES AND CHARGES
SCHEDULE SPC-C – SMALL POWER AND COGENERATION GREATER THAN 100 kW
MEMBER BUYS POWER AND ENERGY FROM JPEC

any time. The selection of off-peak Maintenance Service entitles JPEC to schedule the service for the QF Member only during those hours not designated as on-peak. The designated on-peak hours are as follows:

- i) Summer on-peak usage is defined as power requirements occurring between the hours beginning 6:00 a.m. and ending 10:00 p.m. on any weekday from May 1 through September 30.
- ii) Winter on-peak usage is defined as power requirements occurring between the hours beginning 6:00 a.m. and ending 10:00 p.m. on any weekday from December 1 through March 31.
- iii) Off-peak usage is defined as all power requirements not included in paragraph (i) or (ii).

The charges for On-peak Maintenance Service shall be the greater of:

- i) \$1.835 per kW of Scheduled Maintenance Demand per week, plus \$0.0204 per kWh of Maintenance Energy; or
- ii) One hundred ten percent (110%) of the price at the time of scheduling of a block of energy obtainable by Big Rivers in the futures market which is sufficient to meet JPEC's scheduled Maintenance Service requirements.

The charges for Off-peak Maintenance Service shall be:

- i) \$1.835 per kW of Scheduled Maintenance Demand per week, plus According to Big Rivers Rate Schedule C.4.d. (2) per kWh of maintenance energy shall be the amount of energy purchased by JPEC for the QF Member in each hour during Scheduled Maintenance Service up to but not exceeding the Scheduled Maintenance Demand in each hour.

4. Excess Demand

Excess Demand is the amount in any hour by which the actual demand, less any Maintenance Demand, exceeds the previously established Maximum Unscheduled Capacity. Charges for Excess Demand shall be in addition to the charges for Supplementary Service and shall be either:

- i) One hundred ten percent (110%) of Big Rivers' actual cost, including transmission service, to import energy from a Third Party Supplier to supply the Excess Demand of JPEC for the QF Member; or
- ii) If it is not necessary for Big Rivers to import energy from a Third Party Supplier, charges for Excess Demand shall be the greater of: a) \$7.37 per kW times the highest Excess Demand recorded during the month; or b) one hundred ten percent (110%) of the highest price received

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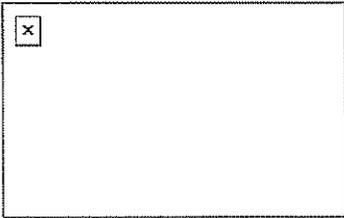
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TITLE President & CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2008-00010 DATED _____



Jackson Purchase Energy Corp.
FOR Entire Territory Served
Community, Town or City

P.S.C. KY NO. _____

Original _____ SHEET NO. 63

CANCELLING P.S.C. KY NO. _____

_____ SHEET NO. _____

RATES AND CHARGES	
SCHEDULE SPC-C – SMALL POWER AND COGENERATION GREATER THAN 100 KW	
MEMBER BUYS POWER AND ENERGY FROM JPEC	

by Big Rivers during an Off-System Sales Transactions during the month times the sum of the Excess Demands measured during the month.

Big Rivers shall be the sole determinant of when and under what circumstances it is required to import energy from a Third Party Supplier to provide Excess Demand.

5. Additional Charges

Any and all costs incurred by Big Rivers as a result of the QF's failure to generate, including, without limitation, ancillary services necessary to maintain reliability on the Big Rivers' system, shall be charged to JPEC in addition to all other charges.

6. Interruptible Service

Interruptible Supplementary Service or Interruptible Back-up Service will be made available, upon request. Terms and conditions of interruptible service will be as negotiated under special contract according to the terms of 807 KAR 5:054.

G. Interconnections

Big Rivers requires a three party interconnection agreement between the QF Member, Big Rivers, and JPEC prior to service under this tariff. Big Rivers shall make interconnections with JPEC, or the QF Member, or both as required and the QF Member will pay for the interconnection costs in accordance with 807 KAR 5:054 – Section 6 and the interconnection agreement.

H. System Emergencies

During System Emergencies, Big Rivers may discontinue sales in accordance with 807 KAR 5:054 – Section 6.

I. Loss Compensation

Power and energy delivered by Big Rivers pursuant to this rate schedule shall be metered at or compensated to Big Rivers' point of delivery to JPEC. Where metering of the QF Member's load is at a point of delivery on JPEC's distribution system, metered demand and energy shall be adjusted to compensate for distribution losses prior to billing hereunder.

DATE OF ISSUE February 26, 2008
Month / Date / Year

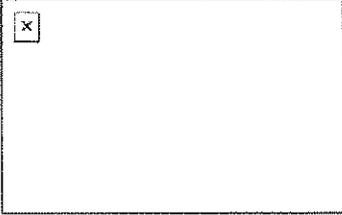
DATE EFFECTIVE Per Commission Order
Month / Date / Year

ISSUED BY _____
G. Kelly Nuckols

TITLE President & CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2008-00010 DATED _____



Jackson Purchase Energy Corp.
FOR Entire Territory Served
Community, Town or City

P.S.C. KY NO. _____

Original _____ SHEET NO. 64

CANCELLING P.S.C. KY NO. _____

_____ SHEET NO. _____

RATES AND CHARGES
SCHEDULE SPC-C – SMALL POWER AND COGENERATION GREATER THAN 100 kW
MEMBER BUYS POWER AND ENERGY FROM JPEC

N
N
N

Adjustment Clauses

N

The bill amount computed at the rates specified above shall be increased or decreased in accordance with:

N

Cost Reduction Adjustment, if applicable	Sheet 86	N
Franchise Fee Rider, if applicable	Sheet 88	N
School Tax, if applicable	Sheet 90	N
Fuel Adjustment (FAC), if applicable	Sheet 96	N
Environmental Surcharge (ES), if applicable	Sheet 98	N
Unwind Surcredit Adjustment (USAC), if applicable	Sheet 100	N
Rebate Adjustment (RA), if applicable	Sheet 102	N
Member Rate Stability Mechanism (MRSM), if applicable	Sheet 104	N
Unwind Rider-Composite Factor (URCF), if applicable	Sheet 106	N

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IN CASE NO. 2008-00010 DATED _____

1 Commission, the Georgia Public Service Commission, the Illinois
2 Commerce Commission, the New York Public Service Commission, the
3 West Virginia Public Service Commission, the Public Service
4 Commission of Maryland, the Delaware Public Service Commission and
5 the Federal Energy Regulatory Commission.

6 5. Q. ARE YOU REPRESENTING THE OTHER BREC MEMBERS IN
7 THEIR TARIFF FILINGS?

8 A. Yes, in addition to representing Jackson Purchase Energy Corporation
9 (“JPEC”) in this proceeding, I am representing Kenergy Corp. (“Kenergy”)
10 and Meade County RECC (“Meade County”) in their filings. All three are
11 hereinafter collectively “the BREC Members”.

12 6. Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

13 A. The purpose of my testimony is to introduce and support six retail tariff
14 riders and revised rates for Small Power Production and Qualifying
15 Facilities that will be needed by JPEC to pass through the effects of the
16 five tariff riders and changes to the wholesale tariffs for Small Power
17 Production and Qualifying Facilities that Big Rivers EC (“BREC”) is
18 proposing in PSC Case No. 2007-00455 and PSC Case No. 2007-00460.

19 7. Q. OTHER THAN THE REVISIONS TO TARIFFS FOR SMALL POWER
20 PRODUCTION AND QUALIFYING FACILITIES, IS JPEC
21 PROPOSING ANY CHANGES TO MODIFY EXISTING BASE RATES
22 OR THE COST REDUCTION RIDER?

23 A. No. JPEC’s current base rates and the Cost Reduction Adjustment

1 ("CRA") or the base rates and CRA ultimately approved in PSC Case No.
2 2007-00116, whichever are applicable, will continue in effect unchanged.

3 8. Q. PLEASE IDENTIFY THE SIX PROPOSED RETAIL TARIFF RIDERS
4 AND THEIR PURPOSE.

5 A. The six proposed retail tariff riders are included with the Application and
6 are:

7 1. Fuel Adjustment Clause (FAC) which will be used to pass
8 through wholesale charges or credits incurred under the
9 BREC Fuel Adjustment Clause.

10 2. Environmental Surcharge (ES) which will be used to pass
11 through wholesale charges or credits incurred under the
12 BREC Environmental Surcharge.

13 3. Unwind Surcredit (US) which will be used to pass through
14 wholesale charges or credits incurred under the BREC
15 Unwind Surcredit.¹

16 4. Rebate Adjustment – a rebate mechanism which will be used
17 to pass through the rebates paid by BREC pursuant to the
18 BREC Rebate Adjustment.

19 5. Member Rate Stability Mechanism (MRSM) which will be
20 used to pass through wholesale credits from the BREC
21 Member Rate Stability Mechanism.

22 6. Unwind Rider - Composite Factor (URCF) which at JPEC's

¹ JPEC's Tariff Schedule refers to this as Unwind Surcredit Adjustment Clause (USAC).

1 option may be used in lieu of the first five so long as the net
2 effect on wholesale power cost of the five wholesale riders,
3 for which the retail riders are a pass through, is zero.

4 **III. Exhibits**

5 9. Q. PLEASE IDENTIFY THE EXHIBITS YOU ARE SPONSORING.

6 A. I am sponsoring the following Exhibits:

7 Exhibit JDG-1 – Rolling 12 Month Line Losses

8 Exhibit JDG-2 – FAC Computation Form

9 Exhibit JDG-3 – ES Computation Form

10 Exhibit JDG-4 – US Computation Form

11 ~~Exhibit JDG-5 – MRSM Computation Form~~

12 Exhibit JDG-6 – Rebate Adjustment Computation Form

13 Exhibit JDG-7 – Unwind Rider – Composite Computation Form

14 Exhibit JDG-8 – 24 Month Example Calculation

15 10. Q. PLEASE DESCRIBE THE EXHIBITS YOU ARE SPONSORING.

16 A. Exhibit JDG-1 shows how the rolling 12 month average line losses will be
17 calculated and actual calculations based on the 24 month period ending
18 November 2007. Exhibits JDG-2 through JDG-7 are computation forms
19 for the FAC, ES, US, Rebate Adjustment and MRSM, respectively. If
20 required by the Commission, the forms will be filed monthly with the
21 Commission in support of the monthly billing factors. Exhibit JDG-8
22 provides example calculations of Section 1 for each rider using actual
23 kWh data for a 24 month period ending November 2007 and hypothetical

1 wholesale factors or amounts for the wholesale riders.

2 **III. Tariff Riders**

3 11. Q. PLEASE DESCRIBE AND EXPLAIN THE FIVE TARIFF RIDERS
4 THAT ARE SPECIFICALLY LINKED TO THE FIVE
5 CORRESPONDING RIDERS PROPOSED BY BREC.

6 A. All are designed to flow through the corresponding amounts charged
7 or credited by BREC. Each rider has two sections. Section 1 of each
8 is applicable to kWh sales made under JPEC's tariffs for non-direct
9 served customers that are currently Schedule R, Schedule C,
10 Schedule ND, Schedule OL, Schedule D and Schedule I. and
11 ~~proposed in PSC Case No. 2007-00116 to be Schedule R, Schedule~~
12 C-1, Schedule C-3, Schedule OL, Schedule D and Schedule I-E. For
13 each rider except the Rebate Adjustment the current month retail
14 charge or credit is based on the amounts charged or credited by
15 BREC on the power bill for the second month preceding the current
16 month, plus or minus over and under correction amounts. The over
17 and under correction for all five riders including the rebate is based
18 on the preceding month's charges or refunds versus the amount
19 calculated to be recoverable. Section 2 of the FAC, the ES, the US,
20 the Rebate Adjustment, and the MRSM is applicable to customers
21 when the wholesale rate paid by JPEC for the load provided to the
22 customer is either the Big Rivers Large Industrial Tariff or the Big
23 Rivers Large Industrial Expansion Tariff. Under Section 2, actual

1 BREC charges and credits by customer are known and can be
2 directly assigned with no lag and no losses applicable. Retail over
3 and under mechanisms are not needed for Section 2 customers.

4 12. Q. PLEASE EXPLAIN THE REBATE ADJUSTMENT AND WHAT
5 MAKES IT DIFFERENT.

6 A. As explained in the direct testimony of BREC witnesses filed in PSC Case
7 No. 2007-00460, BREC may pay rebates to the BREC Members in
8 conjunction with rebates made pursuant to the Smelter Agreements. If
9 there is a rebate from BREC, it will be paid to the BREC Members in the
10 form of a lump sum credit to one month's power bills. The JPEC Rebate
11 ~~Adjustment is different from the other JPEC riders because the rebate paid~~
12 by BREC is a lump sum and because of its accounting treatment. Rebates
13 paid by BREC will be accrued by BREC to its revenue in the prior year.
14 JPEC will correspondingly credit power cost and debit revenue for the
15 prior year by the amount of the wholesale Rebate Adjustment if it is
16 known before closing the books for the prior year or by an estimated
17 amount if not known. If an estimated amount is accrued for the prior year
18 any correction amount will be accrued in the current year. In either case
19 the accruals of revenue and power cost will cancel each other and not
20 create a margin. Upon receipt of the Rebate Adjustment from BREC,
21 JPEC will also debit cash and credit accounts payable. JPEC will then
22 credit the rebate to the Section 1 customers over twelve months without
23 interest based on monthly per kWh credit factors. Rebates will be directly

1 passed through to Section 2 customers. JPEC will debit accounts payable
2 as the rebates are returned.

3 13. Q. PLEASE EXPLAIN THE REASONS FOR REFUNDING THE REBATE
4 ADJUSTMENT WITHOUT INTEREST.

5 A. BREC and the BREC Members have carefully structured the five
6 wholesale riders and corresponding retail riders to have zero effect on
7 customers' bills so long as sufficient funds are available from the BREC
8 Economic Reserve currently estimated to be five years. The zero effect
9 would not occur if an interest component was added to the Rebate
10 Adjustment although the net rate adjustment would be a credit.

~~11 Nevertheless, to maintain simplicity and as will be explained in testimony~~

12 that follows, to allow for the use of the Unwind Rider – Composite Factor
13 the Rebate Adjustment will be refunded without an interest adder. Any
14 associated interest that is earned and accrued during period of Rebate
15 Adjustment will benefit the JPEC customers when allocated in the form of
16 patronage capital.

17 14. Q. PLEASE EXPLAIN HOW THE REBATE CREDIT FACTOR
18 APPLICABLE TO SECTION 1 CUSTOMERS IS TO BE
19 CALCULATED.

20 A. Section 1 customers will be credited rebates in a manner similar to that
21 used for the Cost Reduction Rider presently in effect. One twelfth of any
22 rebate not directly applicable to Section 2 along with any over or under
23 recovery amount from the prior month will be converted to a kWh credit

1 factor and applied to the kWh of Section 1 customers. Following a rebate
2 from BREC, the 12 months of the Rebate Adjustment will commence with
3 the second month following the month in which BREC applies the
4 corresponding one-twelfth of the wholesale rebate to the wholesale
5 Member Rate Stability Mechanism. In this way, the retail credit will
6 correspond with the effect of BREC's application through the wholesale
7 MRSM and it will achieve the desired result of a zero net billing factor so
8 long as the combined effect of the BREC riders produces a net zero charge
9 on the wholesale bills.

10 15. Q. PLEASE EXPLAIN THE INTERRELATIONSHIP BETWEEN THE
11 ~~REBATE ADJUSTMENT, MRSM, AND THE OTHER THREE FLOW-~~
12 THROUGH RIDERS, FAC, ES, and US.

13 A. As explained by BREC witnesses in PSC Case No. 2007-00455 and PSC
14 Case No. 2007-00460, BREC will draw funds from the Economic Reserve
15 to offset net charges made under BREC's FAC, ES and Unwind Surcredit
16 so long as the Economic Reserve funds are available. However, to
17 preserve the Economic Reserve, BREC will not draw funds from the
18 Economic Reserve to otherwise offset the FAC, ES and US to the extent
19 of one-twelfth of the most recent rebate. Therefore, in the 12 months
20 following a rebate, the BREC MRSM will not fully offset the FAC, ES,
21 and US resulting in a net charge or charges from BREC. Correspondingly,
22 there would be a net charge on the retail bills of the customers of JPEC.
23 That charge amount on the retail bills will be neutralized by the

1 application of the retail Rebate Rider since the pass through of one-twelfth
2 of the rebate will correspond to the way BREC applies one-twelfth of the
3 wholesale rebate to the BREC MRSM.

4 16. Q. PLEASE EXPLAIN THE PURPOSE OF THE SIXTH PROPOSED
5 RIDER, THE UNWIND RIDER-COMPOSITE FACTOR.

6 A. As illustrated on Exhibit JDG-8, application of Section 1 of the FAC, the
7 ES, the US, the Rebate Adjustment, and MRSM is expected to result in a
8 zero net retail charge until the expiration of the MRSM so long as the net
9 of the riders reflected on the wholesale bills is zero. For billing purposes
10 while the net of the riders reflected on the wholesale bills is zero, an
11 ~~alternative to applying each of the five riders is proposed as a sixth rider,~~
12 the Unwind Rider-Composite Factor (URCF). The URCF could be used to
13 consolidate the FAC, the US, the ES, the MRSM, and the Rebate
14 Adjustment to simplify the bill while ensuring that a zero net retail charge
15 is applied when the corresponding wholesale net is zero. If used, it would
16 apply in lieu of the five specified individual riders as a single factor of
17 zero on the customers' bills. For Section 2 customers, the net effect of the
18 wholesale riders will be automatic as a result of the direct pass through of
19 all riders. Therefore Schedule URCF is only applicable for Section 1
20 customers and the operative provision is as follows:

21 URCF = \$.00 per kWh if on the preceding month's wholesale
22 power bill a) the sum of the FAC, US, ES, and MRSM; less b)
23 one-twelfth of any Rebate used to adjust the wholesale MRSM is
24 zero.
25

1 17. Q. HOW WILL JPEC APPLY THE REBATE ADJUSTMENT WHEN THE
2 URCF RIDER IS ACTIVATED?

3 A. As previously explained, BREC rebates, if any, will be credited in lump
4 sum by BREC. BREC will in turn displace the amounts drawn from the
5 Economic Reserve for calculating the MRSM credit by one-twelfth of the
6 rebate that was paid. As a result of using the rebate to displace funds that
7 would otherwise be drawn from the Economic Reserve, there will be a net
8 positive charge to the BREC Members for the FAC, ES and US equal to
9 one-twelfth of the rebate. If Schedule URCF is used and in effect, JPEC
10 will debit accounts payable and credit Other Electric Revenue by an
11 ~~amount equal to one-twelfth of the rebate as an exact offset to the net~~
12 charge applied by BREC. In this way, the net charges under the riders will
13 remain zero for as long as the net charges from BREC are zero.

14 **IV. Small Power Production and Qualifying Facilities**

15 18. Q. PLEASE DESCRIBE THE PROPOSED CHANGES TO THE SMALL
16 POWER PRODUCTION AND QUALIFYING FACILITIES TARIFFS.

17 A. Schedule SPC-A - Small Power Production or Cogeneration (100 kW or
18 less) is modified to reflect a revised JPEC purchase rate equal to the
19 BREC base energy rate of \$.0204 per kWh plus the FAC, the ES, the US,
20 and the MRSM. Schedule SPC-B - Small Power Production or
21 Cogeneration (Over 100 kW) is modified to provide that BREC will
22 purchase the output of the customer's generation at the rates set forth in
23 the corresponding BREC tariffs. An associated new tariff, Schedule SPC-

1 C - Small Power Production and Cogeneration (Over 100 kW) is for sales
2 to customers and provides that the wholesale charges will be passed
3 through and a retail adder will be determined on a case by case basis.
4 Schedule SPC-B is modified to incorporate the changes made by BREC to
5 its corresponding wholesale tariffs and Schedule SPC-C is added to
6 provide a pass through mechanism for service to applicable customers.

7 19. Q. ARE THERE ANY EXISTING CUSTOMERS TO WHICH SCHEDULE
8 SPC-A, SCHEDULE SPC-B, OR SCHEDULE SPC-C APPLY?

9 A. No.

10 20. Q. IN YOUR OPINION, ARE THE TARIFFS PROPOSED BY JPEC FAIR,
11 ~~JUST, AND REASONABLE AND IN THE PUBLIC INTEREST?~~

12 A. Yes, they are.

13 21. Q. DOES THIS CONCLUDE YOUR TESTIMONY AT THIS TIME?

14 A. Yes, it does.

15

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JACKSON PURCHASE ENERGY CORPORATION
12 Month Average System Line Losses-Excluding Section 2 Customers

	<u>Month</u>	Non-Direct Served kWh <u>Purchased</u>	Non-Direct Served kWh <u>Sold</u>	kWh <u>Own-Use</u>	<u>Losses</u>	Cummulative kWh <u>Purchased</u>	Cummulative kWh <u>Losses</u>	12 Month Average <u>% Losses</u>
	a	b	c	d	e b-c-d	f	g	h
1	Dec-05	62,960,070	61,631,707	17,265	1,311,098			
2	Jan-06	53,791,710	49,475,791	11,804	4,304,115			
3	Feb-06	53,142,347	51,528,180	11,804	1,602,363			
4	Mar-06	49,096,869	46,503,869	11,804	2,581,196			
5	Apr-06	41,837,770	38,411,211	11,804	3,414,755			
6	May-06	47,026,742	46,091,138	11,804	923,800			
7	Jun-06	58,174,666	54,290,856	11,804	3,872,006			
8	Jul-06	66,976,352	63,172,140	11,804	3,792,408			
9	Aug-06	69,155,204	70,567,350	11,804	(1,423,950)			
10	Sep-06	46,062,156	37,537,202	11,804	8,513,150			
11	Oct-06	46,936,585	47,292,665	11,804	(367,884)			
12	Nov-06	49,474,510	48,827,110	11,804	635,596	644,634,981	29,158,653	4.52%
13	Dec-06	57,929,590	52,174,010	14,302	5,741,278	639,604,501	33,588,833	5.25%
14	Jan-07	62,000,916	59,715,817	12,012	2,273,087	647,813,707	31,557,805	4.87%
15	Feb-07	60,295,740	55,953,371	12,012	4,330,357	654,967,100	34,285,799	5.23%
16	Mar-07	48,000,450	45,002,533	12,012	2,985,905	653,870,681	34,690,508	5.31%
17	Apr-07	46,112,190	45,558,747	12,012	541,431	658,145,101	31,817,184	4.83%
18	May-07	52,239,650	51,258,717	12,012	968,921	663,358,009	31,862,305	4.80%
19	Jun-07	60,830,320	56,074,451	12,012	4,743,857	666,013,663	32,734,156	4.91%
20	Jul-07	67,171,880	65,658,849	12,012	1,501,019	666,209,191	30,442,767	4.57%
21	Aug-07	79,150,180	71,635,743	12,012	7,502,425	676,204,167	39,369,142	5.82%
22	Sep-07	56,796,430	53,164,635	12,012	3,619,783	686,938,441	34,475,775	5.02%
23	Oct-07	49,347,870	47,452,171	12,012	1,883,687	689,349,726	36,727,346	5.33%
24	Nov-07	51,047,000	46,138,004	12,012	4,896,984	690,922,216	40,988,734	5.93%

FUEL ADJUSTMENT CLAUSE SCHEDULE

Disposition of Energy (kWh) - Month of:

1	Total Purchased kWh		_____
2	kWh Sales (Ultimate Consumer)		_____
3	Company Use - kWh		_____
4	kWh Sales (L2 + L3)		_____
5	Line Loss & Unaccounted for - kWh		_____

(Over) or Under Recovery - Month of:

6	Last FAC Rate Billed	\$/kWh	_____
7	Gross kWh Billed at Rate on L6		_____
8	Adjustments to Billed kWh		_____
9	Net kWh Billed at Rate on L6 (L7 + L8)		_____
10	Fuel Charge (Credit) used to Compute L6 (L13D from prior month)	\$	_____
11	FAC Revenue (Refund) Resulting from line L6 (net of billing adjustment)	\$	_____
12	Total (Over) or Under Recovery (L10 less L 11)	\$	_____

Purchased Power - Month of:

13	Fuel Adjustment Charge (Credit):		
	A. Billed by supplier	\$	_____
	B. (over) or Under Recovery (L12)	\$	_____
	C. Unrecoverable - Schedule 2	\$	_____
	D. Recoverable Fuel Cost (L13 A+B-C)	\$	_____
14	Number of kWh Purchased		_____
15	Supplier's FAC: (L13A ÷ L14)	\$/kWh	_____

Line Loss

16	Last 12 Months Actual	%	_____
17	Last Month Used to Compute L16		_____
18	Line Loss for Month on L17 (L5 ÷ L 1)	%	_____

Calculation of FAC to Bill Consumers

19	Sales as a Percent of Purchases (100% minus L 16)	%	_____
20	Recovery Rate (L13D ÷ L14)	\$/kWh	_____
21	L20 ÷ L 19: FAC Applicable to to Billing Month: _____	\$/kWh	_____

ENVIRONMENTAL SURCHARGE

Disposition of Energy (kWh) - Month of:

1 Total Purchased kWh		_____
2 kWh Sales (Ultimate Consumer)		_____
3 Company Use - kWh		_____
4 kWh Sales (L2 + L3)		_____
5 Line Loss & Unaccounted for - kWh		_____

(Over) or Under Recovery - Month of:

6 Last MESF Rate Billed	\$/kWh	
7 Gross kWh Billed at Rate on L6		_____
8 Adjustments to Billed kWh		_____
9 Net kWh Billed at Rate on L6 (L7 + L8)		_____
10 ES Charge (Credit) used to Compute L6 (L13D from prior month)	\$	_____
11 ES Revenue (Refund) Resulting from line L6 (net of billing adjustment)	\$	_____
12 Total (Over) or Under Recovery (L10 less L 11)	\$	_____

Purchased Power - Month of:

13 Environmental Surcharge Charge (Credit):		
A. Billed by supplier	\$	_____
B. (over) or Under Recovery (L12)	\$	_____
C. Unrecoverable - Schedule 2	\$	_____
D. Recoverable ES Cost (L13 A+B-C)	\$	_____
14 Number of kWh Purchased		_____
15 Supplier's MESF: (L13A ÷ L14)	\$/kWh	_____

Line Loss

16 Last 12 Months Actual	%	_____
17 Last Month Used to Compute L16		_____
18 Line Loss for Month on L17 (L5 ÷ L 1)	%	_____

Calculation of MESF to Bill Consumers

19 Sales as a Percent of Purchases (100% minus L 16)	%	_____
20 Recovery Rate (L13D ÷ L14)	\$/kWh	_____
21 L20 ÷ L 19: MESF Applicable to to Billing Month: _____	\$/kWh	_____

UNWIND SURCREDIT

Disposition of Energy (kWh) - Month of:

1	Total Purchased kWh		_____
2	kWh Sales (Ultimate Consumer)		_____
3	Company Use - kWh		_____
4	kWh Sales (L2 + L3)		_____
5	Line Loss & Unaccounted for - kWh		_____

(Over) or Under Recovery - Month of:

6	Last US Rate Billed	\$/kWh	
7	Gross kWh Billed at Rate on L6		_____
8	Adjustments to Billed kWh		_____
9	Net kWh Billed at Rate on L6 (L7 + L8)		_____
10	Unwind Surcredit Charge (Credit) used to Compute L6 (L13D from prior month)	\$	_____
11	US Revenue (Refund) Resulting from line L6 (net of billing adjustment)	\$	_____
12	Total (Over) or Under Recovery (L10 less L 11)	\$	_____

Purchased Power - Month of:

13	Unwind Surcredit Charge (Credit):		
	A. Billed by supplier	\$	_____
	B. (over) or Under Recovery (L12)	\$	_____
	C. Unrecoverable - Schedule 2	\$	_____
	D. Recoverable Unwind Surcredit (L13 A+B-C)	\$	_____
14	Number of kWh Purchased		_____
15	Supplier's US: (L13A ÷ L14)	\$/kWh	_____

Line Loss

16	Last 12 Months Actual	%	_____
17	Last Month Used to Compute L16		_____
18	Line Loss for Month on L17 (L5 ÷ L 1)	%	_____

Calculation of US to Bill Consumers

19	Sales as a Percent of Purchases (100% minus L 16)	%	_____
20	Recovery Rate (L13D ÷ L14)	\$/kWh	_____
21	L20 ÷ L 19: US Applicable to Billing Month: _____	\$/kWh	_____

MEMBER RATE STABILITY MECHANISM - SECTION 1

Disposition of Energy (kWh) - Month of:

1	Total Purchased kWh		_____
2	kWh Sales (Ultimate Consumer)		_____
3	Company Use - kWh		_____
4	kWh Sales (L2 + L3)		_____
5	Line Loss & Unaccounted for - kWh		_____

(Over) or Under Recovery - Month of:

6	Last MRSM(m) Rate Billed	\$/kWh	_____
7	Gross kWh Billed at Rate on L6		_____
8	Adjustments to Billed kWh		_____
9	Net kWh Billed at Rate on L6 (L7 + L8)		_____
10	MRSM Charge (Credit) used to Compute L6 (L13D from prior month)	\$	_____
11	MRSM Revenue (Refund) Resulting from line L6 (net of billing adjustment)	\$	_____
12	Total (Over) or Under Recovery (L10 less L 11)	\$	_____

Purchased Power - Month of:

13	Member Rate Stability Mechanism Charge (Credit):		
	A. Billed by supplier	\$	_____
	B. (over) or Under Recovery (L12)	\$	_____
	C. Unrecoverable - Schedule 2	\$	_____
	D. Recoverable MRSM Amount (L13 A+B-C)	\$	_____
14	Number of kWh Purchased		_____
15	Supplier's MRSM rate per kWh: (L13A ÷ L14)	\$/kWh	_____

Line Loss

16	Last 12 Months Actual	%	_____
17	Last Month Used to Compute L16		_____
18	Line Loss for Month on L17 (L5 ÷ L 1)	%	_____

Calculation of MRSM to Bill Consumers

19	Sales as a Percent of Purchases (100% minus L 16)	%	_____
20	Recovery Rate (L13D ÷ L14)	\$/kWh	_____
21	L20 ÷ L 19: MRSM(m) Applicable to to Billing Month: _____	\$/kWh	_____

REBATE ADJUSTMENT - SECTION 1

Disposition of Energy (kWh) - Month of:

1 Total Purchased kWh		_____
2 kWh Sales (Ultimate Consumer)		_____
3 Company Use - kWh		_____
4 kWh Sales (L2 + L3)		_____
5 Line Loss & Unaccounted for - kWh		_____

(Over) or Under Recovery - Month of:

6 Last RF Rate Billed	\$/kWh	_____
7 Gross kWh Billed at Rate on L6		_____
8 Adjustments to Billed kWh		_____
9 Net kWh Billed at Rate on L6 (L7 + L8)		_____
10 Rebate Charge (Credit) used to Compute L6 (L13D from prior month)	\$	_____
11 Rebate Charge or (Refund) Amount Resulting from line L6 (net of billing adjustment)	\$	_____
12 Total (Over) or Under Recovery (L10 less L 11)	\$	_____

Line Loss

13 Last 12 Months Actual	%	_____
14 Last Month Used to Compute L16		_____
15 Line Loss for Month on L14 (L5 ÷ L 1)	%	_____

Calculation of Rebate Adjustment to Bill Consumers

16 Last Rebate From Supplier	\$	_____
17 Less: Rebate Applicable to Section 2 Sales	\$	_____
18 Net Rebate to be refunded to Section 1 Sales		_____
19 Monthly Section 1 Rebate L18 ÷ 12		_____
19 Plus: (Over) or Under Recovery from L12		_____
20 Current Month Rebate Amount		_____
21 Sales as a Percent of Purchases (100% minus L 16)	%	_____
22 Recovery Rate (L20 ÷ L1)	\$/kWh	_____
23 L20 ÷ L 19: RF Applicable to to Billing Month: _____	\$/kWh	_____

UNWIND SURCAHRGE - COMPOSITE FACTOR SCHEDULE

Section 1 Rider Amounts billed by Big Rivers - Month of:

1	FAC	\$	_____
2	ES	\$	_____
3	US	\$	_____
4	MRSM	\$	_____
5	On-twelfth of Rebate Adjustment Applied	\$	_____
6	FAC	\$	_____
7	Total	\$	=====

(Over) or Under Recovery - Month of:

6	Last FAC Rate Billed	\$/kWh	_____
7	Gross kWh Billed at Rate on L6		_____
8	Adjustments to Billed kWh		_____
9	Net kWh Billed at Rate on L6 (L7 + L8)		=====
10	Fuel Charge (Credit) used to Compute L6 (L13D from prior month)	\$	_____
11	FAC Revenue (Refund) Resulting from line L6 (net of billing adjustment)	\$	_____
12	Total (Over) or Under Recovery (L10 less L 11)	\$	=====

Purchased Power - Month of:

13	Fuel Adjustment Charge (Credit):		
	A. Billed by supplier	\$	_____
	B. (over) or Under Recovery (L12)	\$	_____
	C. Unrecoverable - Schedule 2	\$	_____
	D. Recoverable Fuel Cost (L13 A+B-C)	\$	=====
14	Number of kWh Purchased		_____
15	Supplier's FAC: (L13A ÷ L14)	\$/kWh	=====

Line Loss

16	Last 12 Months Actual	%	_____
17	Last Month Used to Compute L16		_____
18	Line Loss for Month on L17 (L5 ÷ L 1)	%	_____

Calculation of FAC to Bill Consumers

19	Sales as a Percent of Purchases (100% minus L 16)	%	_____
20	Recovery Rate (L13D ÷ L14)	\$/kWh	_____
21	L20 ÷ L 19: FAC Applicable to to Billing Month: _____	\$/kWh	=====

JACKSON PURCHASE ENERGY CORPORATION

Sample Calculation of FAC, ES, US, MRSM & Rebate

Hypothetical Charges and Credits

<u>Month</u>	<u>Rate</u> <u>FAC</u>	<u>Rate</u> <u>MESF</u>	<u>Rate</u> <u>US</u>	<u>Non-Direct</u> <u>Served</u> <u>kWh</u> <u>Purchased</u>	<u>Wholesale</u> <u>Amount</u> <u>FAC</u>	<u>Wholesale</u> <u>Amount</u> <u>ES</u>	<u>Wholesale</u> <u>Amount</u> <u>US</u>	<u>Rebate</u>	<u>Wholesale</u> <u>Amount</u> <u>MRSM</u>	<u>Wholesale</u> <u>Sum</u>	
a	b	c	d	e	f	g	h	i	j	k	
1	Dec-05	\$ 0.0050	\$ 0.00033	\$ (0.0030)	62,960,070	\$ 314,800	\$ 20,777	\$ (188,880)	\$ (146,697)	\$ -	
2	Jan-06	\$ 0.0060	\$ 0.00038	\$ (0.0030)	53,791,710	\$ 322,750	\$ 20,441	\$ (161,375)	\$ (181,816)	\$ -	
3	Feb-06	\$ 0.0070	\$ 0.00043	\$ (0.0030)	53,142,347	\$ 371,996	\$ 22,851	\$ (159,427)	\$ (235,421)	\$ -	
4	Mar-06	\$ 0.0080	\$ 0.00048	\$ (0.0030)	49,096,869	\$ 392,775	\$ 23,566	\$ (147,291)	\$ (269,051)	\$ -	
5	Apr-06	\$ 0.0090	\$ 0.00053	\$ (0.0030)	41,837,770	\$ 376,540	\$ 22,174	\$ (125,513)	\$ (100,000)	\$ (173,201)	\$ 100,000
6	May-06	\$ 0.0100	\$ 0.00058	\$ (0.0030)	47,026,742	\$ 470,267	\$ 27,276	\$ (141,080)	\$ (100,000)	\$ (256,463)	\$ 100,000
7	Jun-06	\$ 0.0090	\$ 0.00063	\$ (0.0030)	58,174,666	\$ 523,572	\$ 36,650	\$ (174,524)	\$ (100,000)	\$ (285,698)	\$ 100,000
8	Jul-06	\$ 0.0080	\$ 0.00068	\$ (0.0030)	66,976,352	\$ 535,811	\$ 45,544	\$ (200,929)	\$ (100,000)	\$ (280,426)	\$ 100,000
9	Aug-06	\$ 0.0070	\$ 0.00073	\$ (0.0030)	69,155,204	\$ 484,086	\$ 50,483	\$ (207,466)	\$ (100,000)	\$ (227,104)	\$ 100,000
10	Sep-06	\$ 0.0060	\$ 0.00078	\$ (0.0030)	46,062,156	\$ 276,373	\$ 35,928	\$ (138,186)	\$ (100,000)	\$ (74,115)	\$ 100,000
11	Oct-06	\$ 0.0050	\$ 0.00083	\$ (0.0030)	46,936,585	\$ 234,683	\$ 38,957	\$ (140,810)	\$ (100,000)	\$ (32,831)	\$ 100,000
12	Nov-06	\$ 0.0040	\$ 0.00088	\$ (0.0030)	49,474,510	\$ 197,898	\$ 43,538	\$ (148,424)	\$ (100,000)	\$ 6,988	\$ 100,000
13	Dec-06	\$ 0.0050	\$ 0.00093	\$ (0.0030)	57,929,590	\$ 289,648	\$ 53,875	\$ (173,789)	\$ (100,000)	\$ (69,734)	\$ 100,000
14	Jan-07	\$ 0.0060	\$ 0.00098	\$ (0.0030)	62,000,916	\$ 372,005	\$ 60,761	\$ (186,003)	\$ (100,000)	\$ (146,764)	\$ 100,000
15	Feb-07	\$ 0.0070	\$ 0.00103	\$ (0.0030)	60,295,740	\$ 422,070	\$ 62,105	\$ (180,887)	\$ (100,000)	\$ (203,288)	\$ 100,000
16	Mar-07	\$ 0.0080	\$ 0.00108	\$ (0.0030)	48,000,450	\$ 384,004	\$ 51,840	\$ (144,001)	\$ (100,000)	\$ (191,843)	\$ 100,000
17	Apr-07	\$ 0.0090	\$ 0.00113	\$ (0.0030)	46,112,190	\$ 415,010	\$ 52,107	\$ (138,337)	\$	\$ (328,780)	\$ -
18	May-07	\$ 0.0080	\$ 0.00118	\$ (0.0030)	52,239,650	\$ 417,917	\$ 61,643	\$ (156,719)	\$	\$ (322,841)	\$ -
19	Jun-07	\$ 0.0070	\$ 0.00123	\$ (0.0030)	60,830,320	\$ 425,812	\$ 74,821	\$ (182,491)	\$	\$ (318,143)	\$ -
20	Jul-07	\$ 0.0060	\$ 0.00128	\$ (0.0030)	67,171,880	\$ 403,031	\$ 85,980	\$ (201,516)	\$	\$ (287,496)	\$ -
21	Aug-07	\$ 0.0050	\$ 0.00133	\$ (0.0030)	79,150,180	\$ 396,751	\$ 105,270	\$ (237,451)	\$	\$ (263,570)	\$ -
22	Sep-07	\$ 0.0060	\$ 0.00138	\$ (0.0030)	56,796,430	\$ 340,779	\$ 78,379	\$ (170,389)	\$	\$ (248,768)	\$ -
23	Oct-07	\$ 0.0070	\$ 0.00143	\$ (0.0030)	49,347,870	\$ 345,435	\$ 70,567	\$ (148,044)	\$	\$ (267,959)	\$ -
24	Nov-07	\$ 0.0080	\$ 0.00148	\$ (0.0030)	51,047,000	\$ 408,376	\$ 75,550	\$ (153,141)	\$	\$ (330,785)	\$ -

JACKSON PURCHASE ENERGY CORPORATION

Sample Calculation of FAC, ES, US, MRSM & Rebate

Hypothetical Charges and Credits

RETAIL REBATE ADJUSTMENT

Power Bill Month	kWh Purchased	Supplier Rebate Amt	(Over) or Under	Recoverable Rebate Amount	Rate/kWh	Loss Factor	Retail Factor Month	Retail RF	kWh Sales	Rebate Revenue	(Over) or Under
a	b	c	d	e	f	g	h	i	j	k	l
1	Dec-05	62,960,070	\$ -	\$ -	\$ -	95.09%	Feb-06	\$ -	51,539,984	\$ -	\$ -
2	Jan-06	53,791,710	\$ -	\$ -	\$ -	96.46%	Mar-06	\$ -	46,515,673	\$ -	\$ -
3	Feb-06	53,142,347	\$ -	\$ -	\$ -	95.07%	Apr-06	\$ -	38,423,015	\$ -	\$ -
4	Mar-06	49,086,869	\$ -	\$ -	\$ -	93.91%	May-06	\$ -	46,102,942	\$ -	\$ -
5	Apr-06	41,837,770	\$ (100,000)	\$ -	\$ (100,000)	(0.0024)	Jun-06	\$ (0.002498)	54,302,660	\$ (135,642)	\$ 35,642
6	May-06	47,026,742	\$ (100,000)	\$ 35,642	\$ (64,358)	(0.0014)	Jul-06	\$ (0.001438)	63,183,944	\$ (90,871)	\$ 26,512
7	Jun-06	58,174,666	\$ (100,000)	\$ 26,512	\$ (73,488)	(0.0013)	Aug-06	\$ (0.001334)	70,579,154	\$ (94,120)	\$ 20,633
8	Jul-06	66,976,352	\$ (100,000)	\$ 20,633	\$ (79,367)	(0.0012)	Sep-06	\$ (0.001245)	37,549,006	\$ (46,731)	\$ (32,636)
9	Aug-06	69,155,204	\$ (100,000)	\$ (32,636)	\$ (132,636)	(0.0019)	Oct-06	\$ (0.001994)	47,304,469	\$ (94,304)	\$ (38,332)
10	Sep-06	46,062,156	\$ (100,000)	\$ (38,332)	\$ (138,332)	(0.0030)	Nov-06	\$ (0.003165)	48,838,914	\$ (154,578)	\$ 16,246
11	Oct-06	46,936,585	\$ (100,000)	\$ 16,246	\$ (83,754)	(0.0018)	Dec-06	\$ (0.001903)	52,188,312	\$ (99,300)	\$ 15,545
12	Nov-06	49,474,510	\$ (100,000)	\$ 15,545	\$ (84,455)	(0.0017)	Jan-07	\$ (0.001798)	59,727,829	\$ (107,397)	\$ 22,943
13	Dec-06	57,929,590	\$ (100,000)	\$ 22,943	\$ (77,057)	(0.0013)	Feb-07	\$ (0.001392)	55,965,383	\$ (77,902)	\$ 845
14	Jan-07	62,000,916	\$ (100,000)	\$ 845	\$ (99,155)	(0.0016)	Mar-07	\$ (0.001682)	45,014,545	\$ (75,707)	\$ (23,448)
15	Feb-07	60,295,740	\$ (100,000)	\$ (23,448)	\$ (123,448)	(0.0020)	Apr-07	\$ (0.002123)	45,570,759	\$ (96,724)	\$ (26,724)
16	Mar-07	48,000,450	\$ (100,000)	\$ (26,724)	\$ (126,724)	(0.0026)	May-07	\$ (0.002777)	51,270,729	\$ (142,384)	\$ 15,659
17	Apr-07	46,112,190	\$ -	\$ 15,659	\$ 15,659	0.0003	Jun-07	\$ 0.000362	56,086,463	\$ 20,281	\$ (4,622)
18	May-07	52,239,650	\$ -	\$ (4,622)	\$ (4,622)	(0.0001)	Jul-07	\$ (0.000092)	65,670,861	\$ (6,073)	\$ 1,450
19	Jun-07	60,830,320	\$ -	\$ 1,450	\$ 1,450	0.0000	Aug-07	\$ 0.000025	71,647,755	\$ 1,795	\$ (345)
20	Jul-07	67,171,880	\$ -	\$ (345)	\$ (345)	(0.0000)	Sep-07	\$ (0.000005)	53,176,647	\$ (288)	\$ (57)
21	Aug-07	79,150,180	\$ -	\$ (57)	\$ (57)	(0.0000)	Oct-07	\$ (0.000001)	47,464,183	\$ (36)	\$ (21)
22	Sep-07	56,796,430	\$ -	\$ (21)	\$ (21)	(0.0000)	Nov-07	\$ (0.000000)	46,150,016	\$ (18)	\$ (3)
23	Oct-07	49,347,870	\$ -								
24	Nov-07	51,047,000	\$ -								
Total										\$ (1,199,997)	
Target										\$ 1,200,000	
Difference										\$ 3	

JACKSON PURCHASE ENERGY CORPORATION
Sample Calculation of FAC, ES, US, MRSM & Rebate

Hypothetical Charges and Credits

Retail Summary

Retail Factr Month	Retail FAC Rate	Retail MESF Rate	Retail US Rate	Retail MRSM(m) Rate	Retail RF Rate	Sum of the Factors g	Retail Amount FAC h	Retail Amount ES i	Retail Amount US j	Retail Amount MRSM k	Retail Amount Rebate l	Retail Sum m
a	b	c	d	e	f	g b+c+d+e+f	h	i	j	k	l	m h+i+j+k+l
1 Feb-06	\$ 0.005258	\$ 0.000347	\$ (0.003155)	\$ (0.002450)	\$ -	\$ 0.000000	\$ 271,006	\$ 17,886	\$ (162,604)	\$ (126,289)	\$ -	\$ 0
2 Mar-06	\$ 0.007064	\$ 0.000450	\$ (0.003616)	\$ (0.003897)	\$ -	\$ (0.000000)	\$ 328,594	\$ 20,916	\$ (168,223)	\$ (181,287)	\$ -	\$ (0)
3 Apr-06	\$ 0.008115	\$ 0.000500	\$ (0.003540)	\$ (0.005074)	\$ -	\$ 0.000000	\$ 311,784	\$ 19,217	\$ (136,028)	\$ (194,972)	\$ -	\$ 0
4 May-06	\$ 0.010648	\$ 0.000642	\$ (0.004123)	\$ (0.007167)	\$ -	\$ -	\$ 490,898	\$ 29,614	\$ (190,103)	\$ (330,410)	\$ -	\$ (0)
5 Jun-06	\$ 0.009407	\$ 0.000554	\$ (0.003136)	\$ (0.004327)	\$ (0.002498)	\$ -	\$ 510,799	\$ 30,080	\$ (170,269)	\$ (234,969)	\$ (135,642)	\$ -
6 Jul-06	\$ 0.007510	\$ 0.000433	\$ (0.002153)	\$ (0.004351)	\$ (0.001438)	\$ -	\$ 474,482	\$ 27,351	\$ (136,026)	\$ (274,936)	\$ (90,871)	\$ -
7 Aug-06	\$ 0.006989	\$ 0.000520	\$ (0.002447)	\$ (0.003729)	\$ (0.001334)	\$ -	\$ 493,271	\$ 36,720	\$ (172,694)	\$ (263,175)	\$ (94,120)	\$ 0
8 Sep-06	\$ 0.006706	\$ 0.000588	\$ (0.002557)	\$ (0.003493)	\$ (0.001245)	\$ -	\$ 251,816	\$ 22,077	\$ (96,016)	\$ (131,145)	\$ (46,731)	\$ -
9 Oct-06	\$ 0.009919	\$ 0.000991	\$ (0.004126)	\$ (0.004790)	\$ (0.001994)	\$ -	\$ 469,223	\$ 46,856	\$ (195,184)	\$ (226,590)	\$ (94,304)	\$ (0)
10 Nov-06	\$ 0.010687	\$ 0.001258	\$ (0.004977)	\$ (0.003803)	\$ (0.003165)	\$ -	\$ 521,955	\$ 61,430	\$ (243,069)	\$ (185,738)	\$ (154,578)	\$ -
11 Dec-06	\$ 0.004085	\$ 0.000738	\$ (0.002619)	\$ (0.000302)	\$ (0.001903)	\$ -	\$ 213,204	\$ 38,534	\$ (136,658)	\$ (15,780)	\$ (99,300)	\$ -
12 Jan-07	\$ 0.003503	\$ 0.000799	\$ (0.002705)	\$ 0.000201	\$ (0.001798)	\$ -	\$ 209,214	\$ 47,694	\$ (161,538)	\$ 12,028	\$ (107,397)	\$ -
13 Feb-07	\$ 0.004425	\$ 0.000789	\$ (0.002516)	\$ (0.001306)	\$ (0.001392)	\$ -	\$ 247,640	\$ 44,165	\$ (140,807)	\$ (73,096)	\$ (77,902)	\$ -
14 Mar-07	\$ 0.006264	\$ 0.001022	\$ (0.003129)	\$ (0.002476)	\$ (0.001682)	\$ -	\$ 281,983	\$ 46,027	\$ (140,851)	\$ (111,452)	\$ (75,707)	\$ -
15 Apr-07	\$ 0.008758	\$ 0.001313	\$ (0.003860)	\$ (0.004089)	\$ (0.002123)	\$ -	\$ 399,130	\$ 59,830	\$ (175,909)	\$ (186,326)	\$ (96,724)	\$ (0)
16 May-07	\$ 0.010832	\$ 0.001498	\$ (0.004221)	\$ (0.005332)	\$ (0.002777)	\$ -	\$ 555,359	\$ 76,820	\$ (216,404)	\$ (273,391)	\$ (142,384)	\$ -
17 Jun-07	\$ 0.008173	\$ 0.001008	\$ (0.002645)	\$ (0.006898)	\$ 0.000362	\$ 0.000000	\$ 458,408	\$ 56,546	\$ (148,346)	\$ (386,889)	\$ 20,281	\$ (0)
18 Jul-07	\$ 0.006270	\$ 0.000975	\$ (0.002459)	\$ (0.004694)	\$ (0.000092)	\$ 0.000000	\$ 411,784	\$ 64,053	\$ (161,472)	\$ (308,292)	\$ (6,073)	\$ (0)
19 Aug-07	\$ 0.005657	\$ 0.001028	\$ (0.002486)	\$ (0.004224)	\$ 0.000025	\$ -	\$ 405,331	\$ 73,677	\$ (178,149)	\$ (302,654)	\$ 1,795	\$ 0
20 Sep-07	\$ 0.005110	\$ 0.001129	\$ (0.002629)	\$ (0.003605)	\$ (0.000005)	\$ (0.000000)	\$ 271,750	\$ 60,027	\$ (139,811)	\$ (191,678)	\$ (288)	\$ (0)
21 Oct-07	\$ 0.005960	\$ 0.001553	\$ (0.003515)	\$ (0.003997)	\$ (0.000001)	\$ (0.000000)	\$ 282,888	\$ 73,731	\$ (166,856)	\$ (189,727)	\$ (36)	\$ (0)
22 Nov-07	\$ 0.009280	\$ 0.002228	\$ (0.004913)	\$ (0.006594)	\$ (0.000000)	\$ (0.000000)	\$ 428,256	\$ 102,801	\$ (226,744)	\$ (304,296)	\$ (18)	\$ 0

**JACKSON PURCHASE ENERGY CORPORATION
PUBLIC NOTICE
PSC CASE NO. 2008-00010**

**THE APPLICATION OF JACKSON PURCHASE ENERGY CORPORATION
FOR NEW TARIFFS AND ADJUSTMENTS TO EXISTING TARIFFS**

Jackson Purchase Energy Corporation, 2900 Irvin Cobb Drive, P.O. Box 4030, Paducah, KY 42002-4030, is applying to the Kentucky Public Service Commission for new tariffs and adjustments to existing tariffs. The rates contained in this notice, which are the rates contained in the application, are rates proposed by Jackson Purchase Energy Corporation; however, the Kentucky Public Service Commission may order rates to be charged that differ from the rates contained therein.

The proposed new and revised tariffs are necessary to reflect and pass through changes in the wholesale rates proposed by our wholesale power supplier, Big Rivers Electric Corporation, in PSC Cases No. 2007-00455 and No. 2007-00460.

The proposed new tariffs, applicable to kWh sales made under all JPEC tariffs are as follows:

- Fuel Adjustment Clause – FAC
- Environmental Surcharge – ES
- Unwind Surcredit – US
- Rebate Adjustment
- Member Rate Stability Mechanism – MRSM
- Unwind Rider – Composite Factor - URCF

The combined net revenue impacts of the six new tariffs by rate schedule are:

<u>Annual Impact by Rate Class - Non-Direct Serve</u>							
<u>Class</u>	<u>FAC</u>	<u>ES</u>	<u>US</u>	<u>Rebate</u>	<u>MRSM</u>	<u>Combined Net Effect</u>	<u>URCF</u>
Schedule R - Residential							
Amount	\$ 2,381,543	\$ 197,789	\$ (1,614,605)	\$ (100,913)	\$ (863,814)	\$ -	\$ -
Percent	10.04%	0.83%	-6.80%	-0.43%	-3.64%	0.00%	0.00%
Schedule C - Single Phase <i>(Proposed C-1 in PSC Case No. 2007-00116)</i>							
Amount	\$ 158,980	\$ 13,203	\$ (107,783)	\$ (6,736)	\$ (57,664)	\$ -	\$ -
Percent	9.62%	0.80%	-6.52%	-0.41%	-3.49%	0.00%	0.00%
Schedule ND - Three Phase <i>(Proposed C-3 in PSC Case No. 2007-00116)</i>							
Amount	\$ 30,485	\$ 2,532	\$ (20,668)	\$ (1,292)	\$ (11,057)	\$ -	\$ -
Percent	10.07%	0.84%	-6.83%	-0.43%	-3.65%	0.00%	0.00%
Schedule D							
Amount	\$ 1,121,258	\$ 93,121	\$ (760,175)	\$ (47,511)	\$ (406,694)	\$ -	\$ -
Percent	12.24%	1.02%	-8.30%	-0.52%	-4.44%	0.00%	0.00%
Schedule I - Non-Direct Serve <i>(Proposed I-E in PSC Case No. 2007-00116)</i>							
Amount	\$ 102,102	\$ 8,480	\$ (69,222)	\$ (4,326)	\$ (37,034)	\$ -	\$ -
Percent	14.36%	1.19%	-9.73%	-0.61%	-5.21%	0.00%	0.00%
Schedule OL - Outdoor Lighting							
Amount	\$ 57,573	\$ 4,782	\$ (39,033)	\$ (2,440)	\$ (20,882)	\$ -	\$ -
Percent	6.76%	0.56%	-4.58%	-0.29%	-2.45%	0.00%	0.00%

<u>Annual Impact by Rate Class - Direct Serve</u>							
<u>Class</u>	<u>FAC</u>	<u>ES</u>	<u>US</u>	<u>Rebate</u>	<u>MRSM</u>	<u>Combined Net Effect</u>	<u>URCF</u>
Schedule I - Direct Serve <i>(Proposed I-E in PSC Case No. 2007-00116)</i>							
Amount	\$ 143,605	\$ 11,926	\$ (97,360)	\$ (6,085)	\$ (52,087)	\$ -	\$ -
Percent	15.19%	1.26%	-10.30%	-0.64%	-5.51%	0.00%	0.00%

The effect of the proposed rates on the average monthly bill by rate schedule is as follows:

<u>Average Monthly Bill Impact by Rate Class - Non-Direct Serve</u>								
<u>Class</u>	<u>FAC</u>	<u>ES</u>	<u>US</u>	<u>Rebate</u>	<u>MRSM</u>	<u>Combined Net Effect</u>	<u>URCF</u>	
Schedule R - Residential								
Amount	\$ 7.79	\$ 0.65	\$ (5.28)	\$ (0.33)	\$ (2.83)	\$ -	\$ -	
Percent	10.04%	0.83%	-6.80%	-0.43%	-3.64%	0.00%	0.00%	
Schedule C - Single Phase <i>(Proposed C-1 in PSC Case No. 2007-00116)</i>								
Amount	\$ 6.56	\$ 0.54	\$ (4.44)	\$ (0.28)	\$ (2.38)	\$ -	\$ -	
Percent	9.62%	0.80%	-6.52%	-0.41%	-3.49%	0.00%	0.00%	
Schedule ND - Three Phase <i>(Proposed C-3 in PSC Case No. 2007-00116)</i>								
Amount	\$ 14.27	\$ 1.19	\$ (9.68)	\$ (0.60)	\$ (5.18)	\$ -	\$ -	
Percent	10.07%	0.84%	-6.83%	-0.43%	-3.65%	0.00%	0.00%	
Schedule D								
Amount	\$ 127.30	\$ 10.57	\$ (86.31)	\$ (5.39)	\$ (46.17)	\$ -	\$ -	
Percent	12.24%	1.02%	-8.30%	-0.52%	-4.44%	0.00%	0.00%	
Schedule I - Non-Direct Serve <i>(Proposed I-E in PSC Case No. 2007-00116)</i>								
Amount	\$ 4,797.77	\$ 398.46	\$ (3,252.73)	\$ (203.30)	\$ (1,740.21)	\$ -	\$ -	
Percent	14.36%	1.19%	-9.73%	-0.61%	-5.21%	0.00%	0.00%	
Schedule OL - Outdoor Lighting								
Amount	\$ 0.51	\$ 0.04	\$ (0.35)	\$ (0.02)	\$ (0.19)	\$ -	\$ -	
Percent	6.76%	0.56%	-4.58%	-0.29%	-2.45%	0.00%	0.00%	

<u>Average Monthly Bill Impact by Rate Class - Direct Serve</u>								
<u>Class</u>	<u>FAC</u>	<u>ES</u>	<u>US</u>	<u>Rebate</u>	<u>MRSM</u>	<u>Combined Net Effect</u>	<u>URCF</u>	
Schedule I - Direct Serve <i>(Proposed I-E in PSC Case No. 2007-00116)</i>								
Amount	\$ 11,967.11	\$ 993.87	\$ (8,113.31)	\$ (507.12)	\$ (4,340.55)	\$ -	\$ -	
Percent	15.19%	1.26%	-10.30%	-0.64%	-5.51%	0.00%	0.00%	

One new tariff and two revised tariffs are as follows:

- Schedule SPC-A - Small Power and Cogeneration 100 KW or less (Customer Sells Power to JPEC) - Revised
- Schedule SPC-B - Small Power and Cogeneration over 100 kW (Customer Sells Power to Big Rivers) - Revised
- Schedule SPC-C - Small Power and Cogeneration over 100 KW (Customer Buys Power from JPEC) - New

No customers presently take service under any of these three tariffs.

Any corporation, association, or person with a substantial interest in the matter may, by written request, within thirty (30) days after publication of this notice request to intervene in the proceeding. That written request must be submitted to the Kentucky Public Service Commission, Post Office Box 615, 211 Sower Boulevard, Frankfort, KY 40601, and should set forth the grounds for the request, including the status and interest of the party. Intervention may be granted beyond the thirty (30) day period for good cause shown. Interveners may obtain copies of the application by contacting Jackson Purchase Energy Corporation, 2900 Irvin Cobb Drive, P.O. Box 4030, Paducah, KY 42002-4030 or by calling (270) 442-7321.

A copy of the application and any other filing is available for public inspection at JPEC's office at the above stated address.

By: G. Kelly Nuckols, President and CEO

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CASE NO. 2008-00010

**DIRECT TESTIMONY OF G. KELLY NUCKOLS
ON BEHALF OF
JACKSON PURCHASE ENERGY CORPORATION**

1. Q: Please state your name, job description, and business address.

A: My name is G. Kelly Nuckols. I am President and CEO of Jackson Purchase Energy Corporation ("JPEC"). My business address is 2900 Irvin Cobb Drive, Paducah, KY 42002.

2. Q: What is the purpose of your testimony?

A: The purpose of my testimony is to support the instant filing being made by JPEC.

3. Q: Why is JPEC seeking Commission approval of new rate riders, modifications to its existing tariffs and a new tariff, and an amended wholesale power supply agreement with Big Rivers Electric Corporation ("BREC")?

A: As one of the three electric distribution cooperative member-owners of BREC, JPEC has been intimately involved in the "unwind" initiatives of BREC as presented for Commission approval in its filing in Cases 2007-00455 and 2007-00460. Testimony presented by Mr. Burns Mercer in the BREC filing articulates the reasons behind JPEC's support of the filings.

Assuming the Commission approves BREC's requests in Cases 2007-00455 and 2007-00460, JPEC's amended wholesale power agreement with BREC is a necessary condition for the unwind to proceed. Additionally, in order for JPEC to properly and in a timely manner flow through to its members the various charges and credits contemplated in the BREC filings, its requested new rate riders, tariff modifications and new tariff are also necessary.

4. Q: Following implementation of the foregoing do you believe that JPEC will continue to have rates that are fair, just and reasonable?

A: Yes, I do.

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5. Q: Do you have anything additional to add?

A: Not at this time.