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December 16, 2013

VIA FEDERAL EXPRESS

MR JEFF DEROUEN
EXECUTIVE DIRECTOR
PUBLIC SERVICE COMMISSION OF KENTUCKY
211 SOWER BOULEVARD
FRANKFORT KY 40602

***Re: In the Matter of: Roy G. Collins v. Jackson Purchase Energy Corporation
Case Number 2013-00052***

Dear Mr. Derouen:

Please find enclosed an original and ten copies of JPEC's Direct Testimony of Charles G. Williamson, III in the above-referenced matter.

If you should need additional information concerning this filing, please contact me.

Sincerely,



Melissa D. Yates
myates@dklaw.com

Enclosures

dh: 168038

167913

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

ROY G. COLLINS

v.

PSC CASE NO. 2013-00052

JACKSON PURCHASE ENERGY CORPORATION

**PREFILED TESTIMONY
OF
CHARLES G. WILLIAMSON, III
ON BEHALF OF
JACKSON PURCHASE ENERGY CORPORATION**

1 Before the Kentucky Public Service Commission
2 Case No. 2013-00052
3 Jackson Purchase Energy Corporation

4 **Direct Testimony of Charles G. Williamson, III**

5 Q. State your name and business address.

6 A. Charles "Chuck" G. Williamson, III, 2900 Irvin Cobb Drive, Paducah, KY 42003.

7 Q. Where are you employed?

8 A. Jackson Purchase Energy Corporation ("JPEC").

9 Q. In what capacity are you employed by Jackson Purchase?

10 A. I am employed in the capacity of Vice President of Finance and Accounting. I
11 have served in that capacity since my employment with the Corporation in October
12 1999.

13 Q. What are your responsibilities and duties?

14 A. I oversee the accounting and customer service departments at Jackson Purchase.

15 Q. Briefly describe your educational background.

16 A. I graduated from the University of Kentucky in December of 1981 with a
17 Bachelor of Science degree in Accounting. I am a CPA licensed in Kentucky
18 continuously since March 1984. As a qualification of holding a CPA license, I
19 complete in excess of sixty (60) hours of continuing professional education
20 during each two year license period. I am also a graduate of the NRECA Robert I.
21 Kabot Management Internship Program.

22 Q. Have you testified before the Kentucky Public Service Commission before?

23 A. Yes.

1 Q. What geographical area of the Commonwealth does Jackson Purchase serve,
2 and approximately how many member/customers are furnished electric current
3 within its service territory?

4 A. JPEC serves approximately 30,000 customers in Ballard, Carlisle, Graves,
5 Marshall, McCracken, and Livingston counties.

6 Q. In your capacity as Vice President, are you familiar with the procedures that
7 applicants for service must follow?

8 A. Yes.

9 Q. Are you familiar with JPEC's tariffs and the application of those tariffs?

10 A. Yes.

11 Q. Are you familiar with the circumstances surrounding Roy Collins' application for
12 Service with JPEC?

13 A. Yes.

14 Q. What involvement have you had in the situation involving Mr. Collins' application
15 for service and his subsequent complaint filed with the KPSC?

16 A. When a member calls into JPEC to establish new service or modify their
17 existing service, they first come into contact with our Customer Service
18 Representatives ("CSR"). By virtue of the way our organization is structured,
19 those employees are part of my department and subject to my supervision.
20 As such, I have been made aware of the situation and I have reviewed
21 conversations our CSR's had with Mr. Collins because all calls which come into or
22 are placed by CSR's are recorded. The recorded conversations have not yet been
23 submitted as part of the record because they contain Mr. Collins' confidential and

1 personal information.

2 Q. Can you describe generally the process which an individual must go through to
3 apply for new service with Jackson Purchase?

4 A. A member must call in or come into the office and make an application for
5 service. If it is for a new structure or service then we have to ascertain what the
6 use of the premises will be. For example, will it be a residence or a business? We
7 then utilize that information to determine which tariff is applicable.

8 Q. How do you ascertain what the use of the premises will be?

9 A. We are in a position where we are required, by necessity, to rely upon the member's
10 representations as to the intended use. Quite simply, in many cases, there is no
11 other reliable means for us to know any differently at the time of application. If a
12 member tells us they are building a home or a barn, we rely on that to determine the
13 appropriate classification under our tariffs.

14 Q. Was it determined that Rules and Regulations Section 33, "Service to Barns,
15 Camps, Pumps and Miscellaneous Services Considered Permanent Premises"
16 (hereinafter simply referred to as "Section 33") was applicable to Mr. Collins?

17 A. Yes.

18 Q. By its terms, when is Section 33 applicable?

19 A. Section 33 provides that it is applicable where the amount of consumption
20 and/or permanency of the service cannot be reasonably assured. This provision is
21 intended to apply to premises, such as a second home or a hunting lodge, where the
22 amount of use cannot be reasonably assured. Mr. Collins' intentions, as expressed
23 during his first phone call to our CSR, and his actual use of the property

1 demonstrate that Mr. Collins' use of the property is very consistent with a hunting
2 lodge or second home, which demonstrates that our initial classification was
3 correct.

4 Q. In Mr. Collins' instance, why was it determined that he fell under Section 33
5 rather than Rules and Regulations Section 34 "Distribution Line Extensions"
6 (hereinafter "Section 34")?

7 A. That was based on his initial representation to our customer service representative
8 regarding his intended use of the property. During his initial contact with
9 customer service, he said, "it's going to be a barn a place for me and my crazy
10 buddies to deer hunt." He also said that he would probably be there about thirty
11 days a year. This clearly indicated that the premises would not be used on a
12 full-time basis. Even now Mr. Collins describes his days at the property as "visits"
13 to the property (see Collins' Fourth Amended Responses to First Requests for
14 Information by Commission Staff wherein he states that he has "visited" the
15 property approximately 21 times this year). Because of this, JPEC
16 believes that the electrical consumption at the premises cannot be reasonably
17 assured and, as such, falls into the category of indeterminate use, making Section
18 33 the applicable tariff provision. This is not a temporary structure. On that issue
19 there is no dispute. However, based on Mr. Collins' representations indicating this
20 would be used as a barn with living quarters or a second home, JPEC cannot be
21 reasonably assured of the usage at the premises as it can with a premises that is used
22 full time as a residence. As such, the proper classification is under Section 33 of
23 the Rules and Regulations rather than Section 34, which would apply to most

1 residential structures.

2 Q. At the time of his initial call to JPEC, did Mr. Collins represent he was going to use
3 this as a primary or permanent residence?

4 A. No. Mr. Collins indicated it would be used in a capacity such as a hunting lodge.
5 He indicated he would only be at the premises intermittently for hunting purposes.
6 He never indicated that anyone would reside at the premises on a full-time basis,
7 which would qualify it as a residence under Section 34. In his own words, he told
8 the CSR that it would fall under the category of a barn with living quarters. In his
9 most recent amendment to his data requests, he informed the Commission that he
10 had "visited" the property 58 days during 2013. In my opinion, one does not visit
11 premises that they consider to be their residence; they simply live there.

12 Q. Because Mr. Collins was classified under section 33 of the tariff, was he required to
13 pay a contribution in aid of construction?

14 A. Yes. Section 33 of the tariff requires the member to pay a contribution in aid
15 of construction for facilities installed under Section 33. It also requires that the
16 contribution in aid of construction be paid prior to the time construction is
17 commenced.

18 Q. How much was the contribution in aid of construction Mr. Collins' paid?

19 A. Six Thousand Sixty Five Dollars and Ninety-Four Cents (\$6,065.94).

20 Q. When did Mr. Collins pay the contribution in aid of construction?

21 A. He paid the contribution in aid of construction on December 18, 2012.

22 Q. When was the service connected to the Carrsville Road property?

23 A. January 15, 2013.

1 Q. After finding out about the contribution in aid of construction, did Mr. Collins
2 change his claims about what his intended use of the property may be?

3 A. Yes, after he found out about the cost of the contribution in aid of construction, Mr.
4 Collins claimed that it would be a residence. That occurred during a
5 teleconference with a CSR on November 29, 2013. At that time, he urged us to
6 consider this as a residential property, claiming that he was using the property as a
7 home. However, merely using the term
8 “residence” misses the point that these premises are not being occupied full-time,
9 and that JPEC cannot be reasonably assured as to the usage. As such, Section 33 is
10 still applicable to this service.

11 Q. Did Mr. Collis previously have service to a mobile home on Hillgrove Road?

12 A. Yes, it has been in his name since August 2012. It is my understanding that this
13 account was previously in his father’s name. That account was switched to Mr.
14 Collins’ name at the same time he initially called to set up the service for the 1400
15 Carrsville Road Property.

16 Q. How was that mobile home classified?

17 A. It was classified as a residential service.

18 Q. Do you know why it was classified as residential?

19 A. No. I did not make that determination but it is my understanding that it was
20 classified that way since the early 1990’s.

21 Q. Is it possible for the classification of a property to change?

22 A. Yes, it is possible for the classification to change. However, that would usually only
23 occur where a member notifies us that the use has changed.

1 Q. Why wasn't the mobile home classified for use as a second home since it was not
2 occupied on a full-time basis?

3 A. In most instances, JPEC has no means to determine how any given premises are
4 being used. We can't go out and look at premises and know how many days a year
5 it is being occupied because that impossible to do. Further, we don't have the
6 manpower available to monitor all of our member's usage and we don't want to
7 because doing so would be terribly invasive. We are stuck relying on information
8 we gather from members when they call to let us know that the use of the premises
9 has changed.

10 Q. Approximately how many kWh per month, on average, were used at the mobile
11 home?

12 A. 771 kWh.

13 Q. Does that appear to be consistent with the average usage that has occurred at the
14 Carrsville Road address over the past year?

15 A. Yes. There was a period of time early in 2013 where the usage at Carrsville Road
16 was a little higher. However, it is possible that was due to ongoing construction.
17 Over the past few months the usage at the Carrsville Road property has dropped
18 and is more consistent with the previous usage at the mobile home.

19 Q. Based on what you know now, do you feel the classification of the 1400 Carrsville
20 Road property under Section 33 was the correct classification?


21 A. Yes, I feel the classification was correct and that it was fair, just, and reasonable.

22 Q. Does this conclude your testimony?

23 A. Yes.

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The undersigned has examined the foregoing direct testimony and states that it is true and correct.


Charles G. Williamson, III

STATE OF KENTUCKY)
COUNTY OF McCRACKEN)

The foregoing instrument was acknowledged before me this 16th day of December, 2013, by Charles G. Williamson, III, Vice President of Finance and Accounting of Jackson Purchase Energy Corporation.

My commission expires 6-1-15.


Notary Public, State at Large id # 443233

Respectfully submitted,

DENTON & KEULER
P.O. Box 929
Paducah, KY 42002-0929
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By 
Melissa D. Yates

ATTORNEYS FOR JACKSON
PURCHASE ENERGY CORPORATION

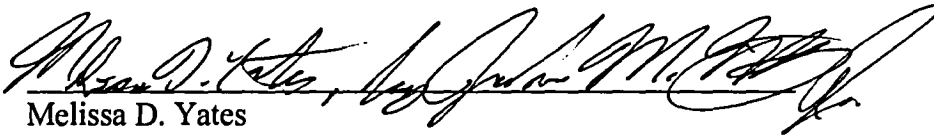
I hereby certify that 10 copies
of the foregoing were filed with the
Public Service Commission by
mailing via Federal Express to:

MR. JEFF DEROUEN
EXECUTIVE DIRECTOR
KENTUCKY PUBLIC SERVICE COMMISSION
215 SOWER BLVD
P O BOX 615
FRANKFORT KY 40601

True and correct copies of the
foregoing have been mailed to:

MR ROY G COLLINS
109 DICKENSON STREET
MANCHESTER KY 40962

on this 16th day of December, 2013.



Melissa D. Yates

JACKSON PURCHASE ENERGY CORPORATION

ROY G. COLLINS V. JACKSON PURCHASE ENERGY CORPORATION
CASE NO. 2013-00052

VERIFICATION

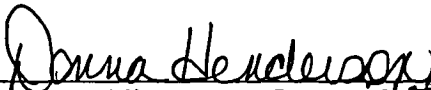
I, Charles G. Williamson, III, verify, state, and affirm that I prepared or supervised the preparation of my direct testimony filed with this Verification, and that testimony is true and accurate to the best of my knowledge, information, and belief formed after a reasonable inquiry.



Charles G. Williamson, III

COMMONWEALTH OF KENTUCKY)
COUNTY OF MCCRACKEN)

SUBSCRIBED AND SWORN TO before me by Charles G. Williamson, III on
this 16th day of December, 2013.


Notary Public, State at Large id # 443233
My Commission Expires 10-1-15