



Steven L. Beshear
Governor

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Secretary
Energy and Environment Cabinet

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Public Service Commission
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David L. Armstrong
Chairman

James W. Gardner
Vice Chairman

Linda Breathitt
Commissioner

January 16, 2014

PARTIES OF RECORD

Re: Case No. 2013-00335
Jackson Purchase Energy Corporation and West Kentucky Rural Electric
Cooperative Corporation Request for Approval of Revised Boundary Lines

The enclosed electronic mails have been filed in the record of the above-referenced case, along with the signed agreement and Exhibit A map. Any comments regarding the content should be submitted to the Commission within five days of receipt of this letter. Any questions regarding the documents should be directed to Ann Ramser, Staff Attorney, at (502) 782-2585.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Derouen".

Jeff Derouen
Executive Director

AR/kar

Enclosures

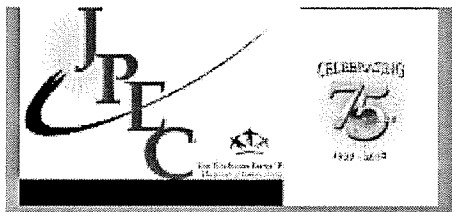
Ramser, Ann (PSC)

From: Kelly Nuckols <Kelly.Nuckols@jpenenergy.com>
Sent: Friday, November 22, 2013 4:42 PM
To: Ramser, Ann (PSC)
Subject: Re: Case No. 2013- 00335 Jackson Purchase Energy Corporation and West Kentucky Rural Electric Cooperative Corporation Revised Boundary Lines
Attachments: Goodman Map Reduced.pdf

Ann,

Our IT folks have reduced the size of the file to a more manageable size.

G. Kelly Nuckols
President & CEO
JPEC
270-441-0851



From: <Ramser>, "Ann (PSC)" <Ann.Ramser@ky.gov>
Date: Friday, November 22, 2013 2:49 PM
To: "G. Kelly Nuckols" <kelly.nuckols@jpenenergy.com>
Subject: RE: Case No. 2013- 00335 Jackson Purchase Energy Corporation and West Kentucky Rural Electric Cooperative Corporation Revised Boundary Lines

Kelly,

Please send a copy of the map via snail mail.

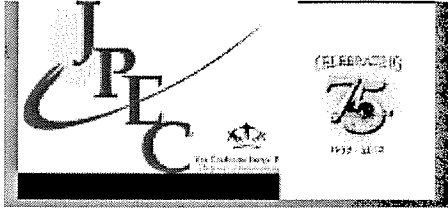
Thank you.

Ann Ramser
Staff Attorney
Office of General Counsel
Public Service Commission
211 Sower Boulevard
Frankfort, KY 40601
(502) 782-2585

From: Kelly Nuckols [mailto:Kelly.Nuckols@jpenenergy.com]
Sent: Friday, November 22, 2013 3:26 PM
To: Ramser, Ann (PSC)
Subject: Re: Case No. 2013- 00335 Jackson Purchase Energy Corporation and West Kentucky Rural Electric Cooperative Corporation Revised Boundary Lines

Ann,
I attempted to send map; but was rejected as the size is 16 MB and your site will not allow greater than 10 MB. Please advise if you want a hard copy via mail or if the size limitation can be temporarily lifted.

G. Kelly Nuckols
President & CEO
JPEC
270-441-0851



From: <Ramser>, "Ann (PSC)" <Ann.Ramser@ky.gov>
Date: Friday, November 22, 2013 9:04 AM
To: "G. Kelly Nuckols" <kelly.nuckols@jpenenergy.com>
Cc: "Raff, Richard (PSC)" <Richard.Raff@ky.gov>
Subject: RE: Case No. 2013- 00335 Jackson Purchase Energy Corporation and West Kentucky Rural Electric Cooperative Corporation Revised Boundary Lines

Kelly,

Exhibit A, Revised Goodman Lumber Aerial Boundary Map, was not included with the contract in the email. Can you email me a copy of the map.

Thank you.

Ann Ramser
Staff Attorney
Office of General Counsel
Public Service Commission
211 Sower Boulevard
Frankfort, KY 40601
(502) 782-2585

From: Kelly Nuckols [<mailto:Kelly.Nuckols@jpenenergy.com>]
Sent: Friday, November 22, 2013 8:16 AM
To: Ramser, Ann (PSC)
Subject: Re: Case No. 2013- 00335 Jackson Purchase Energy Corporation and West Kentucky Rural Electric Cooperative Corporation Revised Boundary Lines

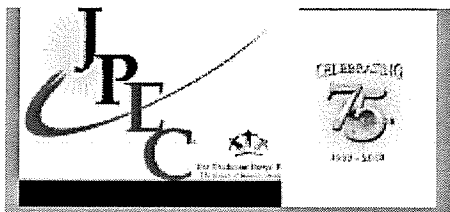
Ann,

I sent this document to Richard the day we talked; but I had some sort of message about "wrong address". Would you please forward to Richard if he did not get his copy.

Thanks,

G. Kelly Nuckols
President & CEO

JPEC
270-441-0851



From: <Ramser>, "Ann (PSC)" <Ann.Ramser@ky.gov>
Date: Friday, November 22, 2013 7:07 AM
To: "G. Kelly Nuckols" <kelly.nuckols@ipenergy.com>
Cc: "Raff, Richard (PSC)" <Richard.Raff@ky.gov>
Subject: Case No. 2013- 00335 Jackson Purchase Energy Corporation and West Kentucky Rural Electric Cooperative Corporation Revised Boundary Lines

Kelly, When we spoke on Wednesday, you indicated that you would email a copy of the Goodman and Sons Lumber contract. Would you please email a copy of that contract to me.

Thank you.

Ann Ramser
Staff Attorney
Office of General Counsel
Public Service Commission
211 Sower Boulevard
Frankfort, KY 40601
(502) 782-2585

AGREEMENT

This Agreement is entered into this 29th day of August, 2012 ("Effective Date") by and between C.B. Goodman & Sons Lumber, Inc. f/k/a/ a/k/a/ d/b/a C.B. Goodman & Sons Lumber Mill, C.B. Goodman Mill, Goodman & Sons Lumber, C.B. Goodman Lumber, Goodman Lumber Company, Goodman Saw Mill, and Goodman Lumber (referred to collectively as "Goodman Lumber"), West Kentucky Rural Electric Cooperative Corporation ("WKRECC"), and Jackson Purchase Energy Corporation ("JPEC"). Goodman Lumber, WKRECC, and JPEC are sometimes collectively referred to herein as "the Parties." The Parties are executing this Agreement with respect to the following matters:

WITNESSETH

WHEREAS, Goodman Lumber is a Kentucky corporation duly authorized by the Kentucky Secretary of State to conduct business within the Commonwealth of Kentucky and is lawfully engaged in lumber operations within the Commonwealth. Goodman Lumber's principal place of business is located at 8574 State Route 131, Hickory, Kentucky 42051; and

WHEREAS, WKRECC is a Kentucky retail electric utility that is duly authorized by the Kentucky Secretary of State to conduct its business within the Commonwealth of Kentucky, with its principal place of business located at 1218 West Broadway, P.O. Box 589, Mayfield, Kentucky 42066; and

WHEREAS, JPEC is a Kentucky retail electric utility that is duly authorized by the Kentucky Secretary of State to conduct its business within the Commonwealth of Kentucky, with its principal place of business located at 2900 Irvin Cobb Drive, P.O. Box 4030, Paducah, Kentucky 42002; and

WHEREAS, the Parties have engaged in negotiations to resolve a potential dispute concerning whether WKRECC or JPEC is authorized to provide electric service to Goodman Lumber; and

WHEREAS, the Parties hereto desire to bring this matter to a conclusion and avoid further costs and expenses and to resolve all pending disputes among themselves. After significant negotiations, the Parties to this Agreement have reached a compromise to settle all claims, demands, and disputes that exist between them in this matter;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which the parties hereby expressly acknowledge, the Parties agree as follows:

1. That the boundary service line between WKRECC and JPEC as it affects the properties owned by Goodman Lumber in Graves County, Kentucky is reflected in the Revised Goodman Lumber Boundary Map, an aerial map that is attached hereto as Exhibit A and incorporated as if fully set forth herein. The Revised Goodman Lumber Boundary Map will be incorporated into a revised certified territory map between WKRECC and JPEC that will be filed with the Kentucky Public Service Commission ("PSC") concerning their shared boundary line in Western Kentucky.

2. In accordance with the Revised Goodman Lumber Boundary Map, JPEC shall have the exclusive right to provide electric service to the following buildings that are currently located on Goodman Lumber's property: Building Nos. 5, 6, 12, 13, 14, 16, 17, 18, 19, 20, 21, 22, and 23.

3. In accordance with the Revised Goodman Lumber Boundary Map, WKRECC shall have the exclusive right to provide electric service to the following buildings that are currently located on Goodman Lumber's property: Building Nos. 1, 2, 3, 4, 7, 8, 9, 10, 11, and 15.

4. Service to any new buildings or expansions to existing buildings that occur after the Effective Date of this Agreement shall be governed by the revised certified territory map between WKRECC and JPEC that will be filed with the PSC, which will incorporate the Revised Goodman Lumber Boundary Map.

5. That WKRECC will relinquish its service to Goodman and permit JPEC to serve the portions indicated on the Revised Goodman Lumber Boundary Map no later than September 1, 2012, unless prohibited from doing so as the result of the remnants of Hurricane Isaac passing through the area in which event the changeover will take place as soon as practicable thereafter.

6. That the terms of this Agreement will not be affected in the event that the PSC does not approve the revised certified territory map that will be submitted by WKRECC and JPEC.

7. That Goodman Lumber agrees to pay WKRECC \$3,047.70 for its costs associated with the removal of its facilities and equipment to effectuate this Agreement. Payment shall be made to WKRECC on the date that the transfer of electric service is completed between WKRECC and JPEC.

8. That the total contribution in aid of construction which JPEC will charge to Goodman Lumber to provide service to its facilities will be determined in accordance with JPEC's standard operating practices and tariffs on file with the Kentucky Public Service Commission ("PSC"), which shall not exceed \$90,218.98.

9. Mutual Release between Goodman Lumber and WKRECC: In further consideration of the covenants contained herein, the legal sufficiency of which is hereby acknowledged, Goodman Lumber and WKRECC do hereby fully and forever release and discharge each other and all other persons or firms who are or might be liable, from all claims, demands, or rights of action which it or any person or firm acting or claiming to act in its behalf, now have or might ever have, because of loss or expense resulting from WKRECC's providing electric power to Goodman Lumber from June 16, 1972 through the date of this Agreement.

10. Confidentiality: That the Parties agree that WKRECC, JPEC, and the following owners and managers of Goodman Lumber, Clinton Goodman, Mike Goodman, Tony Goodman, Judy Lyles Goodman, Ryan Goodman, and Casey Goodman, will not reveal or assist anyone else in revealing the terms of negotiations leading to this Agreement, unless otherwise agreed by the Parties, as well as the terms of this Agreement to any person, agency, institution, company, or other entity, and will hold the foregoing information as STRICTLY AND COMPLETELY CONFIDENTIAL, unless required by law, until WKRECC and JPEC file a proposed revised certified territory map concerning their shared boundary line in Western Kentucky, which will incorporate the Revised Goodman Lumber Boundary Map, with the PSC. This provision

terminates upon such filing, regardless of whether the PSC approves the proposed new certified territory map between the two electric utilities.

11. Consideration for Agreement: The Parties agree that the promises contained herein constitute good and sufficient consideration for this Agreement. Additionally, the Parties agree to the following:

- A. The parties agree that the kilowatt (kw) demand charges due to WKRECC and JPEC at the time that WKRECC transfers service to JPEC shall be prorated so that Goodman Lumber will not incur overlapping assessments or payment obligations.
- B. That Goodman Lumber agrees to submit a letter to Richard Raff of the PSC stating that it has resolved the issues raised in its previously filed informal complaint and indicating that it has no objection to the proposed revised boundary between WKRECC and JPEC as it relates to Goodman Lumber.
- C. That Goodman Lumber agrees to forgo its right to object to or otherwise pursue this matter before the Kentucky Public Service Commission or any other forum and specifically agrees to the service arrangement set forth herein.
- D. Goodman Lumber agrees and acknowledges that it will be receiving power under JPEC tariffs currently on file with the Kentucky Public Service Commission. Further, Goodman Lumber understands that the rates contained in JPEC's tariffs are subject to change upon approval by the PSC and that no fixed rates beyond what is contained in said tariffs have been promised to Goodman Lumber by virtue of this Agreement.

12. Alterations, Amendment or Modification: The Agreement is irrevocable and may not be rescinded. In addition, the Agreement may not be altered, amended, modified, or changed orally and may only be altered, amended, modified, or changed by writing mutually agreed upon by the parties. No waiver of any breach of the Agreement shall be construed as an implied amendment or agreement to modify the Agreement, this provision, or any other part of the Agreement.

13. Mutual Cooperation and Severability: The Parties have cooperated in the preparation of this Agreement, and it shall not be interpreted or construed against or in favor of any party by virtue of the identity, interest or affiliation of its preparer. The Parties agree that this Agreement shall be construed as a whole according to its fair meaning. If any word, phrase, clause, term, sentence or other provision of this Agreement is declared or determined by any court to be illegal or invalid that part shall be excluded from the Agreement, but the validity of the remaining parts, terms, or provisions shall not be affected.

14. Voluntary Agreement: The Parties, through and by their signatures below, represent that they have read this Agreement and fully understand all its terms; that they have had the opportunity to confer with an attorney prior to signing same; and that they understand any right that they may have and sign this Agreement with full knowledge of any such rights.

15. Entire Agreement/Representations and Warranties: This Agreement contains the entire Agreement between the Parties and supersedes all prior discussions, negotiations, or agreements between the Parties, and all such prior discussions, negotiations, or agreements, oral or written, being deemed incorporated and merged into this Agreement and are deemed to have been abandoned if not so incorporated. The Parties acknowledge that neither they nor their agents or attorneys have made any promise, representation, or warranty, whether express, implied, or statutory, not confirmed in this Agreement that concerns the subject matter herein in order to induce the execution of this Agreement. The Parties acknowledge they have not entered into this Agreement in reliance on any promise, representation, or warranty except as expressly set forth in this Agreement and they knowingly waive any and all claims that this Agreement, including any and all releases contained therein, was induced by any misrepresentation or non-disclosure and knowingly waive any and all rights to rescind or avoid this Agreement based upon presently existing facts, known or unknown.

16. Execution in Counterparts and Signatures: The Parties agree that this agreement may be executed in counterparts and signatures that are faxed, or scanned or sent by electronic mail, shall be considered original signatures for purposes of executing This Agreement.

This Agreement is entered into on the date first above written by the representatives of the Parties who declare that they are duly authorized to enter into this Agreement.

C.B. GOODMAN AND SONS LUMBER, INC.

Print Name: CLINT GOODMAN

Signature: C.W. Goodman

By (title): Pres.

Date: 8-31-12

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

Print Name: David E. Smart

Signature: David E. Smart

By (title): President & CEO

Date: August 29, 2012

JACKSON PURCHASE ENERGY CORPORATION

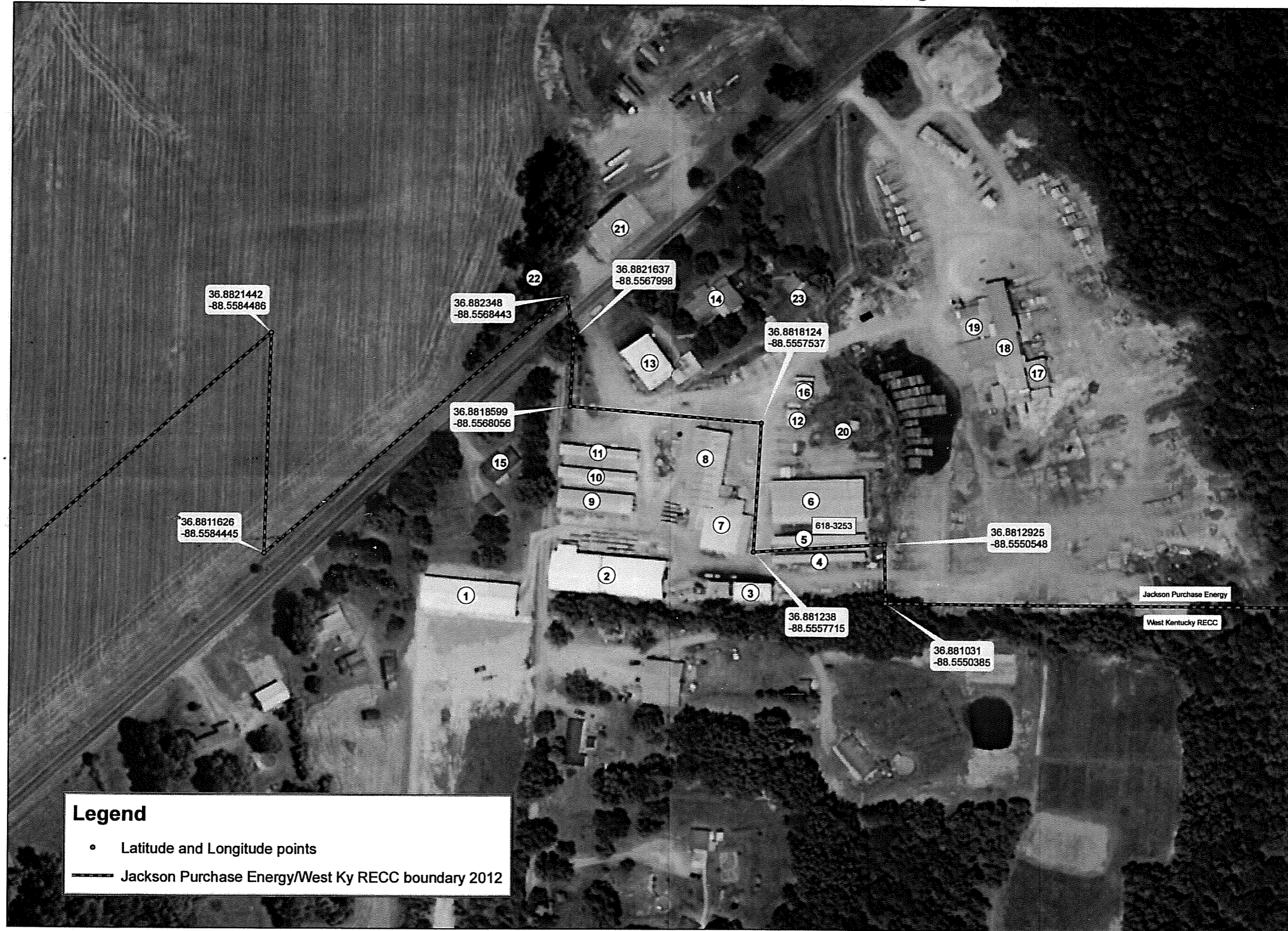
Print Name: G. KELLY NUCKOLS

Signature: G. Kelly Nuckols

By (title): PRESIDENT & CEO

Date: August 29, 2012

Exhibit A: Goodman Lumber and West Ky RECC Agreement



Legend

- Latitude and Longitude points
- Jackson Purchase Energy/West Ky RECC boundary 2012

