

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

AUG 03 2005

PUBLIC SERVICE
COMMISSION

In the Matter of:

APPLICATION OF JACKSON PURCHASE)
ENERGY CORPORATION FOR)
ADJUSTMENTS IN EXISTING CABLE)CASE NO. 2004-00319
TELEVISION ATTACHMENT TARIFF)

AMENDED APPLICATION

INTRODUCTORY COMMENT

In the original Application **JACKSON PURCHASE ENERGY CORPORATION** (“JPEC”) calculated proposed rates following the procedure outlined in Administrative Case No. 251, however two (2) of the components were changed in order to reflect current, accurate information, those being the amount per ground and the percentage adjustment for appurtenances. JPEC also calculated the applicable rate of return based on orders of the Commission in three (3) of JPEC’s fairly recent cases, rather than using the rate of return from the last general rate case that had a rate of return stipulated in its order.

As set forth in comments made by JPEC counsel at informal conferences in this case, and as contained in counsel’s February 10, 2005, letter to the Commission, JPEC deviated from the Case No. 251 order because it believed that current data needed to be used in order to avoid an arbitrary result. JPEC used the “blended” rate of return because it believed this was the proper thing to do.

At the informal conference herein on July 26, 2005, Commission Staff performed calculations adhering to Case No. 251 uniform methodology, including the use of the rate of return in JPEC's last general rate case in which a rate of return was stipulated in the order. These calculations resulted in rates that were very close to the revised rates proposed by JPEC that are set forth in the February 10, 2005, letter to the Commission from JPEC's counsel. See Introduction, page 2 thru 5 of 5 of JPEC's Response to First Data Request of Commission Staff.

JPEC now desires to request CATV rates based on adherence to the Case No. 251 uniform methodology, including the use of the rate of return in its last general rate case that had a rate of return stipulated in its order, and JPEC submits this Amended Application for that purpose.

The amended application of JPEC respectfully shows:

1. Paragraph (f) of the Application is amended to read as follows:

(f) JPEC requests that its Cable Television Attachment Tariff be revised to adjust yearly rental charges for pole attachments and anchor attachments as those charges are currently shown on First Revised Sheet No. 10.0 of JPEC's filed tariff. Said charges have been in effect since 1984 and the requested adjustments are as follows:

	<u>Existing</u>	<u>Proposed</u>	<u>Estimated Amount of increase</u>
Two-Party Pole Attachment	\$ 2.27	\$ 5.23	\$ 2.96(130%)
Three-Party Pole Attachment	\$ 1.75	\$ 4.43	\$ 2.68(153%)
Two-Party Anchor Attachment	\$ 3.10	\$ 4.56	\$1.46 (47%)
Three-Party Anchor Attachment	\$ 2.07	(not available)	n/a
Two-Party Ground Attachments	n/a	\$.26	n/a
Three-Party Ground Attachments	n/a	\$.16	n/a

2. Paragraph (g) of the Application is amended to read as follows:

(g) The foregoing proposed rates have been calculated according to the directives set forth in the Commission’s final order in Administrative Case No. 251 and a complete description and quantified explanation for the proposed adjustments are set forth in attached “Amendment Exhibit 2.” See 807 KAR 5:001, Section 10(6)(a).

3. Paragraph (i) of the Application is amended to read as follows:

(i) Attached to the Application as “Exhibit 3” is a copy of First Revised Sheet No. 10.0 of JPEC’s present tariff. Attached hereto as “Amendment Exhibit 4” is a copy of said First Revised Sheet No. 10.0 showing necessary additions and deletions. Attached hereto as “Amendment Exhibit 5” is Second Revised Sheet No. 10.0 canceling First Revised Sheet No. 10.0 that contains the aforementioned revisions. As set

forth in “Amendment Exhibit 5” JPEC seeks to have the adjusted rates go into effect as of October 1, 2005. See 807 KAR 5:001, Section 10(1)(b)8.

4. Paragraph (j) of the Application is amended to read as follows:

(j) The only customers affected by these proposed rate adjustments are the four (4) CATV operators listed in paragraph (a) of the Application. These customers have been notified of the filing of this Amended Application by serving a copy on their counsel, as certified below in the Certificate of Service. See 807 KAR 5:001, Section 10(4)(b).

5. Paragraph (k) of the Application is amended to read as follows:

(k) The supplemental prepared testimonies of G. Kelly Nuckols, President and CEO of JPEC, and Richard Sherrill, Vice President of Engineering and Operations of JPEC, are attached hereto as “Amendment Exhibit 7” and “Amendment Exhibit 8” respectively. See 807 KAR 5:001, Section 10(6)(b).

6. Paragraph (l) of the Application is amended to read as follows:

(l) The total number of pole attachments and anchor attachments on JPEC’s poles and facilities as of June 30, 2005, is shown on attached “Amendment Exhibit 9,” which includes a breakdown for each of the four (4) affected customers and estimates for their annual billings. JPEC estimates an increase in annual revenue in the amount of \$46,144.00, as

shown on said attached “Amendment Exhibit 9.” See 807 KAR 5:001, Section 10(6)(d), (e) and (g).

7. Paragraph (o) of the Application is amended to read as follows:

(o) Attached as “Amendment Exhibit 10” is JPEC’s Adjusted Income Statement for the 12 months ending June 30, 2005. There are no pro forma adjustments for known and measurable changes except for the proposed \$46,144.00 annual increase in revenue as shown thereon. As shown on line 23 of said exhibit the proposed increase in revenue results in an adjusted Tier of 1.70. Attached as “Amendment Exhibit 11” is JPEC’s Balance Sheet as of June 30, 2005. See 807 KAR 5:001, Section 10(6)(a).

8. Paragraph (p) of the Application is amended to read as follows:

(p) JPEC believes that the information provided herein and in the original application, along with accompanying exhibits, fulfills all of the applicable filing requirements of 807 KAR 5:001, Section 10, that are necessary for the Commission’s consideration and approval of the adjustments sought herein. JPEC believes that the other filing requirements for this regulation are inapplicable, and therefore good cause exists for the Commission to permit deviations therefrom, and JPEC so requests.

9. In all other respects the original application is reaffirmed and adopted in its entirety.

WHEREFORE, applicant asks that the Public Service Commission of the Commonwealth of Kentucky make its order authorizing applicant to adjust rates and make revisions in its Cable Television Attachment Tariff as set forth in the original application, as amended herein, and applicant further requests all proper relief.

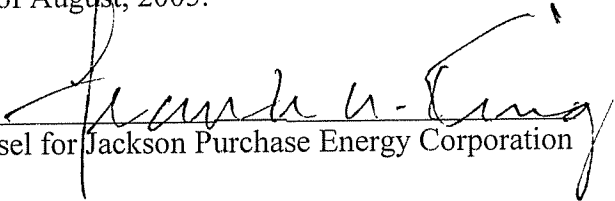
DORSEY, KING, GRAY, NORMENT & HOPGOOD
318 Second Street
Henderson, Kentucky 42420
Telephone (270) 826-3965
Telefax (270) 826-6672
Attorneys for Jackson Purchase Energy Corporation

By _____


Frank N. King, Jr.

CERTIFICATE OF SERVICE

I hereby certify that this Amended Application has been served upon Gardner F. Gillespie, Hogan & Harston, L.L.P., 555 Thirteenth Street, Washington, D.C. 20004-1109, and Frank F. Chuppe, Wyatt, Tarrant & Combs, LLP, 500 West Jefferson Street, Suite 2600, Louisville, KY 40202, attorneys for Kentucky Cable Telecommunications Association; and John E. Selent and Holly C. Wallace, Dinsmore & Shohl, LLP, 1400 PNC Plaza, 500 West Jefferson Street, Louisville, KY 40202, attorneys for Ballard Rural Telephone Cooperative Corporation, Inc., by sending a true and correct copy of same by overnight delivery via FedEx on this 2nd day of August, 2005.


counsel for Jackson Purchase Energy Corporation

PSC Case 2004 - 319
Calculation of CATV Attachment Rates

Line No.	Development of Annual Carrying Charge		
1	Operation and Maintenance Expense	\$3,727,393	Data from 2003 Annual Report to PSC
2	Customer Accounts Expense	1,075,956	Data from 2003 Annual Report to PSC
3	Customer Expense and Informational Expense	214,035	Data from 2003 Annual Report to PSC
4	Administrative and General Expenses	1,514,814	Data from 2003 Annual Report to PSC
5	Depreciation Expense	2,968,444	Data from 2003 Annual Report to PSC
6	Taxes Other than Income Taxes	43,335	Data from 2003 Annual Report to PSC
7	Sub Total (Sum of 1 through 6 above)	\$9,543,977	
8	Original Utility Plant at End of Year	\$92,183,357	Data from 2003 Annual Report to PSC
8a	Net Utility Plant and End of Year	\$66,205,319	Data from 2003 Annual Report to PSC
9	Carrying Charge exclusive of ROR (Line 7 divided by 8)	10.35%	-
10	Rate of Return from Last General Rate Increase (Case No. 8863)	8.88%	
11	Gross to Net Adjustment Factor (Line 8a divided by Line 8)	71.82%	
12	Net Rate of Return (Line 10 times Line 11)	6.38%	
13	Total Carrying Charge (Line 9 plus line 12)	16.73%	
14	2 Party Pole Space Allocation Factor (From Case 251)	12.24%	
15	3 Party Pole Space Allocation Factor (From Case 251)	7.59%	
16	Miscellaneous Appurtenance Adjustment Factor (From Case 251)	85%	
17	Value of Grounds (From Case 251)	\$0.00	Grounds are carried in separate account

I. 2 Party Pole Attachment Rate

	Quantity	Plant Value	Weighted Average
	Total 35' Poles in Plant	13,982	\$2,402,756
	Total 40' Poles in Plant	16,538	\$6,765,739
18	Totals	30,520	\$9,168,495
19	Adjustment for Misc Appurtenances (Line 18 x Line 16)		\$300.41
20	Adjusted for Grounds (Sum of Line 17 and Line 19)		\$255.35

2 Party Charge per Pole Attachment (Line 20 x Line 13 x Line 14)

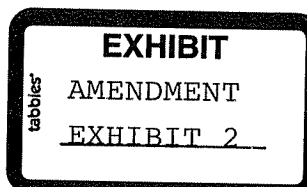
\$5.23 per Calendar year

II. 3 Party Pole Attachment Rate

	Total 40' Poles in Plant	16,538	\$6,765,739	
	Total 45' Poles in Plant	3,971	\$1,647,556	
21	Totals	20,509	\$8,413,295	\$410.22
22	Adjustment for Misc Appurtenances (Line 21 x Line 16)			\$348.69
23	Adjusted for Grounds (Sum of Line 17 and Line 22)			\$348.69

3 Party Charge per Pole Attachment (Line 23 x Line 13 x Line 15)

\$4.43 per Calendar year



PSC Case 2004 - 319
Calculation of CATV Attachment Rates

III. 2 Party Anchor

24	Gross Guy/Anchor Plant Value	\$5,213,927	
25	Value of Down Guys	\$2,189,849	
26	Value of Anchors Only <i>(Line 24 minus Line 25)</i>	\$3,024,078	
27	No. of Anchors	39,833	
28	Unit Value of An Anchor <i>(Line 26 divided by Line 27)</i>		\$75.92
29	Annual Cost per Anchor <i>(Line 28 x Line 11 x Line 13)</i>		\$9.12
30	No. of Users		2

2 Party Charge per Anchor Attachment <i>(Line 29 divided by Line 30)</i>
--

\$4.56 per Calendar year

IV. 3 Party Anchor

JPEC no longer offers a 3 party anchor attachment

V. 2 Party Ground Attachment

The value of a 2 party Ground attachment is calculated by performing the calculations for a 2 party Pole attachment with Line 17 set at \$12.50 and subtracting from that answer (\$5.49) the value calculated in I. above (\$5.23)

\$0.26 per Calendar year

VI. 3 Party Ground Attachment

The value of a 3 party Ground attachment is calculated by performing the calculations for a 3 party Pole attachment with Line 17 set at \$12.50 and subtracting from that answer (\$4.59) the value calculated in II. above (\$4.43)

\$0.16 per Calendar year

P.S.C. NO. 7

First Revised _____ SHEET NO. 10.0

CANCELLING P.S.C. NO. 6

Original _____ SHEET NO. 10.0

JACKSON PURCHASE E.C.C.

Name of Issuing Corporation

CLASSIFICATION OF SERVICE

CTAT (Cable Television Attachment Tariff)

RATE
PER UNIT

APPLICABILITY:

In all territory served by the company on poles owned and used by the company for their electric plant.

AVAILABILITY:

To all qualified CATV operators having the right to receive service.

RENTAL CHARGE:

The yearly rental charges shall be as follows:

Two-party pole attachment	\$2.27	5.23
Three-party pole attachment	\$1.75	4.43
Two-party anchor attachment	\$3.10	4.56
Three-party anchor attachment	\$2.07	N/A

Grounding Attachment.

Pedestal Attachment

Two-party ground attachment	\$.26
Three-party ground attachment	\$.16

BILLING:

Rental charges shall be billed yearly based on the number of pole attachments. The rental charges are net, the gross rate being five percent (5%) higher. In the event the current bill is not paid on or before the date shown on the bill, the gross rates shall apply. Failure of the CATV operator to receive a bill or a correctly calculated bill shall not relieve the CATV operator of its obligation to pay for the service it has received.

SPECIFICATIONS:

A. The attachment to poles covered by this tariff shall at all times conform to the requirements of the National Electrical Safety Code, 1981-Edition, and subsequent latest edition

PUBLIC SERVICE COMMISSION
 KENTUCKY
 EFFECTIVE

10.0 1984

PURSUANT TO 807 KAR 5.011,
 SECTION 9.01

BY: *J. Geoghegan*

DATE OF ISSUE April 9, 1987 DATE EFFECTIVE June 4, 1984

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

EXHIBIT

AMENDMENT
EXHIBIT 4

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

P.S.C. KY. NO. _____ 7 _____

Second Revised SHEET NO. _____ 10.0 _____

CANCELLING P.S.C. KY. NO. _____ 6 _____

First Revised _____ SHEET NO. _____ 10.0 _____

Jackson Purchase Energy Corporation
(Name of Utility)

CLASSIFICATION OF SERVICE

CTAT (Cable Television Attachment Tariff)

APPLICABILITY:

In all territory served by the company on poles owned and used by the company for their electric plant.

AVAILABILITY:

To all qualified CATV operators having the right to receive service.

RENTAL CHARGE:

The yearly rental charges shall be as follows:

(N)	Two-party pole attachment	\$5.23
(N)	Three-party pole attachment	\$4.43
(N)	Two-party anchor attachment	\$4.56
(D)	Three-party anchor attachment	(not available)
(N)	Two-party ground attachment	\$.26
(N)	Three-party ground attachment	\$.16

BILLING:

Rental charges shall be billed yearly based on the number of pole attachments. The rental charges are net, the gross rate being five percent (5%) higher. In the event the current bill is not paid on or before the date shown on the bill, the gross rates shall apply. Failure of the CATV operator to receive a bill or a correctly calculated bill shall not relieve the CATV operator of its obligation to pay for the service it has received.

SPECIFICATIONS:

- A. The attachment to poles covered by this tariff shall at all times conform
(T) to the requirements of the National Electrical Safety Code, latest edition, and subsequent

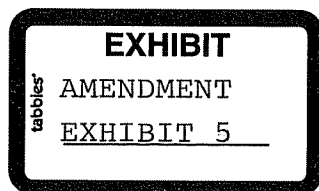
DATE OF ISSUE _____
Month / Date / Year

DATE EFFECTIVE October 1, 2005
Month / Date / Year

ISSUED BY _____
(Signature of Officer)

TITLE President and CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. 2004-00319 DATED _____



KENTUCKY PUBLIC SERVICE COMMISSION CASE NO. 2004-00319
SUPPLEMENTAL PREPARED TESTIMONY OF G. KELLY NUCKOLS

1. Please state your name and position with Jackson Purchase Energy Corporation (“JPEC”).

RESPONSE:

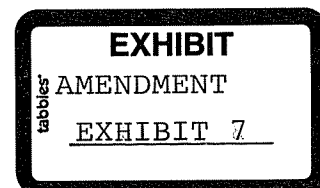
My name is G. Kelly Nuckols and I am President and CEO of JPEC.

2. What is JPEC requesting in this amended filing?

RESPONSE:

JPEC is requesting adjustments in its rates for pole attachments and anchor attachments that are set forth in its Cable Television Attachment Tariff. JPEC is also requesting new text in which “1981 edition” is stricken and “latest edition” is substituted. All of the changes will occur on First Revised Sheet No. 10.0 of JPEC’s present tariff, which is “Exhibit 3” to the Application. The requested changes are shown on “Amendment Exhibit 4” to the Amended Application and then “Amendment Exhibit 5” to the Amended Application incorporates the requested changes.

3. Why is JPEC requesting a revision of its CATV rates at this time?



RESPONSE:

The current rates have been in effect over 20 years and are out of date. JPEC wanted to make these rate adjustments sooner but believed that first an accurate count of attachments needed to be obtained. Pursuant to the Settlement Agreement and the final order in Case No. 2003-00056 there has been an actual field count of the attachments belonging to CATV operators Charter Communications, Comcast Cablevision and Mediacom.

JPEC entered into an amendment to its agreement with its fourth CATV operator, Galaxy, and that amendment was accepted by the Commission in Filing No. 64-0084. In connection with that amendment JPEC and Galaxy stipulated to the number of Galaxy attachments.

The number of attachments of each of JPEC's four (4) CATV operators as of June 30, 2005, is set forth on "Amendment Exhibit 9" to the Amended Application.

4. If the proposed adjustments are approved, what is the amount of estimated additional annual revenue to JPEC?

RESPONSE:

Based on these actual counts, JPEC estimates that its annual revenue will be increased \$46,144 with the adjusted rates. See "Amendment Exhibit 9" to the Amended Application.

5. How will this additional revenue affect JPEC's TIER?

RESPONSE:

As shown on line 23 of "Amendment Exhibit 10" to the Amended Application, this results in an adjusted TIER of 1.70 as of the end of business on June 30, 2005. The Commission has customarily allowed a TIER of 2.00 for electric distribution cooperatives, so this adjusted TIER is well within allowable limits.

6. Does this supplemental testimony supercede and replace your original prepared testimony in this case?

RESPONSE:

Yes, that is my intent.

7. Does this conclude your testimony at this time?

RESPONSE:

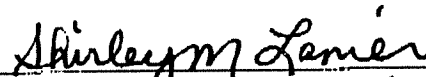
Yes.


G. Kelly Nuckols

STATE OF KENTUCKY
COUNTY OF McCracken

The foregoing was signed, acknowledged and sworn to before me by G.
KELLY NUCKOLS this 1st day of August, 2005.

My commission expires 2/25/06.


Notary Public, State of Kentucky at Large

KENTUCKY PUBLIC SERVICE COMMISSION CASE NO. 2004-00319
SUPPLEMENTAL PREPARED TESTIMONY OF RICHARD SHERRILL

1. Please state your name and position with Jackson Purchase Energy Corporation (“JPEC”).

RESPONSE:

My name is Richard Sherrill and I am Vice President of Engineering and Operations of JPEC.

2. What is the purpose of your prepared supplemental testimony?

RESPONSE:

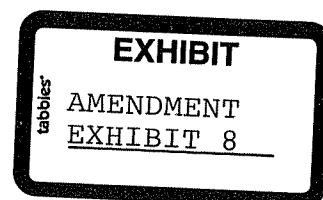
To explain the steps JPEC has followed in calculating the proposed adjusted rates in this amended filing.

3. With whom have you consulted in connection with the preparation of your testimony?

RESPONSE:

Charles G. Williamson, III who is JPEC’s Vice President of Finance and Accounting. He has provided statistical and financial information.

4. What methodology has JPEC followed?



RESPONSE:

JPEC has followed the uniform methodology outlined in the Commission's final order in Administrative Case No. 251, as that methodology has been applied by the Commission in such cases as Blue Grass Energy's Case No. 2000-414 and Cumberland Valley Electric's Case No. 200-359. The calculations and proposed rates are set forth in "Amendment Exhibit 2" to the Amended Application.

5. Does this supplemental testimony suprcede and replace your original testimony in this case?

RESPONSE:

Yes, that is my intent.

6. Does this conclude your testimony at this time?

RESPONSE:

Yes.



Richard Sherill

STATE OF KENTUCKY
COUNTY OF McCracken

The foregoing was signed, acknowledged and sworn to before me by RICHARD SHERRILL this 1st day of August, 2005.

My commission expires 2/25/06.



Shirley M. Lamer
Notary Public, State of Kentucky at Large

Jackson Purchase Energy Corporation
Miscellaneous Charges - Projected Additional Revenue Generated:
June 30, 2005

Exhibit ___
Page 1 of 1

A	B	C		D		E		F		G		H		I	
		Number	Existing	Charges	Proposed	Existing	Proposed	Existing	Proposed	Existing	Proposed	Revenue	Existing	Proposed	Amount
	1	2 Party Charge per Pole Attachment	8,699	\$	2 27	\$	5 23	\$	19,747	\$	45,496	\$	25,749		130%
	2	3 Party Charge per Pole Attachment	6,842	\$	1 75	\$	4 43	\$	11,974	\$	30,310	\$	18,336		153%
	3	2 Party Charge - Anchors	261	\$	3 10	\$	4 56	\$	809	\$	1,190	\$	381		47%
	4	2 Party Ground Attachments (Note A)	4,349	\$	-	\$	0 26	\$	-	\$	1,131	\$	1,131		n/a
	5	3 Party Ground Attachments (Note A)	3,421	\$	-	\$	0 16	\$	-	\$	547	\$	547		n/a
	6	Total Attachment Charges	<u>23,572</u>						<u>\$ 32,530</u>		<u>\$ 78,674</u>		<u>\$ 46,144</u>		<u>142%</u>
Breakdown of Charges by Customer : (based on 6/30/2005 counts)															
	7	Comcast Cable Communications - 2 Party Pole	4,296	\$	2 27	\$	5 23	\$	9,752	\$	22,468	\$	12,716		130%
		Comcast Cable Communications - 3 Party Pole	4,434		1 75		4 43		7,760		19,642		11,882		153%
		Comcast Cable Communications - Anchors	-		3 10		4 56		0		0		0		n/a
		Comcast Cable Communications - 2 Party Grounds	2,148		0 00		0 26		0		558		558		n/a
		Comcast Cable Communications - 3 Party Grounds	2,217		0 00		0 16		0		354		354		n/a
	8	Total Comcast Cable Communications	<u>13,095</u>						<u>\$ 17,512</u>		<u>\$ 43,022</u>		<u>\$ 25,510</u>		<u>146%</u>
	9	Charter Communications - 2 Party Pole	221	\$	2 27	\$	5 23	\$	502	\$	1,156	\$	654		130%
		Charter Communications - 3 Party Pole	548		1 75		4 43		959		2,428		1,469		153%
		Charter Communications - Anchors	-		3 10		4 56		0		0		0		n/a
		Charter Communications - 2 Party Grounds	110		0 00		0 26		0		29		29		n/a
		Charter Communications - 3 Party Grounds	274		0 00		0 16		0		44		44		n/a
	10	Total Charter Communications	<u>1,153</u>						<u>\$ 1,461</u>		<u>\$ 3,657</u>		<u>\$ 2,196</u>		<u>150%</u>
	11	MediaCom - 2 Party	1,404	\$	2 27	\$	5 23	\$	3,187	\$	7,343	\$	4,156		130%
		MediaCom - 3 Party	1,860		1 75		4 43		3,255		8,240		4,985		153%
		MediaCom - Anchors	261		3 10		4 56		809		1,190		381		47%
		MediaCom - 2 Party Grounds	702		0 00		0 26		0		183		183		n/a
		MediaCom - 3 Party Grounds	930		0 00		0 16		0		149		149		n/a
	12	Total MediaCom	<u>5,157</u>						<u>\$ 7,251</u>		<u>\$ 17,105</u>		<u>\$ 9,854</u>		<u>136%</u>
	13	Galaxy Cablevision- 2 Party	2,778	\$	2 27	\$	5 23	\$	6,306	\$	14,529	\$	8,223		130%
		Galaxy Cablevision- 3 Party	-		1 75		4 43		0		0		0		n/a
		Galaxy Cablevision- Anchors	-		3 10		4 56		0		0		0		n/a
		Galaxy Cablevision - 2 Party Grounds	1,389		0 00		0 26		0		361		361		n/a
		Galaxy Cablevision - 3 Party Grounds	-		0 00		0 16		0		0		0		n/a
	14	Total Galaxy Cablevision	<u>4,167</u>						<u>\$ 6,306</u>		<u>\$ 14,890</u>		<u>\$ 8,584</u>		<u>136%</u>
	15	Total Pole Attachment Charges	<u>23,572</u>						<u>\$ 32,530</u>		<u>\$ 78,674</u>		<u>\$ 46,144</u>		<u>142%</u>

Note A: The number of grounds are estimated to be 50% of the quantity of pole attachments.

EXHIBIT

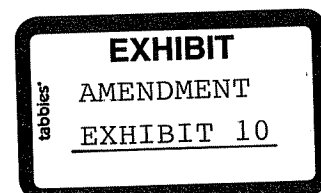
AMENDMENT
EXHIBIT 9

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Jackson Purchase Energy Corporation
Adjusted Income Statement
Twelve Months Ended June 30, 2005

Exhibit __
Page 1 of 1

	Per Books	Proposed Increase	Adjusted For Proposed Rates
Operating Revenues:			
1 Electric revenues	\$ 35,198,776	\$ -	\$ 35,198,776
2 Other electric revenues	793,402	46,144	839,546
	<u>35,992,178</u>	<u>46,144</u>	<u>36,038,322</u>
Operating Expenses:			
3 Cost of power	22,800,178		22,800,178
4 Distribution - operations	1,070,305		1,070,305
5 Distribution - maintenance	2,794,634		2,794,634
6 Consumer accounts	1,109,972		1,109,972
7 Customer service and information	220,675		220,675
8 Sales	29,705		29,705
9 Administrative and general	1,745,577		1,745,577
10	<u>29,771,046</u>	<u>0</u>	<u>29,771,046</u>
11 Depreciation	3,081,621		3,081,621
12 Other tax expense	41,394		41,394
13 Interest on long-term debt	2,100,332		2,100,332
14 Other interest charges	55,497		55,497
15 Other deductions	1,308		1,308
16	<u>35,051,198</u>	<u>0</u>	<u>35,051,198</u>
17 Operating Margins	940,980	46,144	987,124
18 Non-operating margins - interest	394,919		394,919
19 Non-operating margins - other	(17,997)		(17,997)
20 G & T capital credits	0		0
21 Other capital credits	106,996		106,996
22 Net margins	<u>\$ 1,424,898</u>	<u>\$ 46,144</u>	<u>\$ 1,471,042</u>
23 TIER	1.68	0.02	1.70



Jackson Purchase Energy Corporation
Balance Sheet
6/30/05

Exhibit ____
Page 1 of 1

Assets

Electric Plant:		
1	In Service	\$ 96,578,147
2	Construction Work in Progress	<u>1,292,679</u>
3		<u>97,870,826</u>
4	Less accumulated depreciation	<u>28,882,401</u>
5		<u>68,988,425</u>
6	Nonutility Property - Net	0
7	Investments	2,056,887
Current Assets:		
8	Cash and cash equivalents	534,267
9	Accounts Receivable	1,768,603
10	Materials and supplies	1,863,331
11	Prepayments	429,640
12	Other current assets	2,148,261
13	Other assets	<u>1,584,504</u>
14	Total assets	<u>\$ 79,373,918</u>

Liabilities and Equities

Members' Equities:		
15	Memberships	\$ 235,570
16	Patronage capital	<u>33,659,623</u>
17		<u>33,895,193</u>
18	Long-term debt (Including current portion)	<u>38,767,169</u>
Current Liabilities:		
19	Accounts payable & Accumulated Operating Provisions	3,706,457
20	Short-term debt	1,200,000
21	Consumer deposits	961,883
22	Other current and accrued expenses	<u>736,323</u>
23		6,604,663
24	Consumer advances for construction	<u>106,893</u>
25	Total Members' Equities and Liabilities	<u>\$ 79,373,918</u>

