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DEC 05 2007

PUBLIC SERVICE
COMMISSION

JPEC

Application for Rate Increase

PSC Case No. 2007-00116

Volume 1 of 3

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PUBLIC SERVICE
COMMISSION

JACKSON PURCHASE ENERGY CORPORATION
Kentucky Public Service Commission
Case No. 2007-00116
Application For General Rate Increase

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DEC 05 2007

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

PUBLIC SERVICE
COMMISSION

IN THE MATTER OF:

ADJUSTMENT OF RATES)
OF JACKSON PURCHASE)
ENERGY CORPORATION)

CASE NO. 2007-00116

APPLICATION

Comes Jackson Purchase Energy Corporation (hereafter referred to as "JPEC"), an electric cooperative organized under the laws of the Commonwealth of Kentucky, by and through counsel, and for its Application to Adjust its Retail Electric Power Tariffs, states as follows:

1. JPEC is filing this Application for the purpose of requesting permission from the Commission to increase its base rates effective February 1, 2008, in such amounts as are set forth herein for all electricity sold. The rates and revenue applied for are considered necessary as the minimum amounts by JPEC management and Board of Directors for JPEC to maintain the financial requirements set forth in its Financial Policy and Equity Management Policy, which targets a Net TIER of 2.00.
2. The full name of JPEC is "Jackson Purchase Energy Corporation.," with a business address of 2900 Irvin Cobb Drive, Paducah, KY 42003 (807 KAR 5:001, Section 8(1)).
3. This original application is accompanied by ten (10) copies. An additional copy has been delivered to the Attorney General (807 KAR 5:001 8(2)).
4. A certified copy of JPEC's Articles of Incorporation and all amendments thereto are on file with the Commission and are enclosed herein as Exhibit A to this application (807 KAR 5:001, Section 8(3)).
5. This application is supported by a statement relating to the 12-month historical test year period ending December 31, 2006 and includes adjustments for known and measurable changes which are itemized in Exhibit B to the application (807 KAR 5:001, Section 10(b)(1)). An Income Statement and Balance Sheet for the test year with normalizing adjustments are contained in Exhibit U.
6. JPEC is not a limited partnership (807 KAR 5:001, Section 10(1)(b)).
7. JPEC has filed with this Application a current Certificate of Existence reflecting the good standing of JPEC, which is attached hereto as Exhibit C, (807 KAR 5:001, Section 10(1)(a)(5)).
8. JPEC does not conduct business under an assumed name and therefore, no certificate of Assumed Name is needed for this Application (807 KAR 5:001, Section 10(1)(a)(6)).

9. JPEC has attached the proposed tariffs as Exhibit D (807 KAR 5:001, Section 10(1)(b)(7)).
10. JPEC has attached the present and proposed tariffs in comparative form as Exhibit E (807 KAR 5:001, Section 10(1)(b)(8)).
11. JPEC states that its members have been given notice of the filing of this Application by publication of the abbreviated notice as permitted by 807 KAR 5:001, Section 10 (3) and (4). Additionally, JPEC states that it has published the abbreviated notice as permitted by the Commission's Order dated November 29, 2007 and as permitted by 807 KAR 5:001, Section 10 (3)(i). A copy of the notice is contained in Exhibit F (807 KAR 5:00, Section 10 (1)(b)9)). An Affidavit of Publication will be provided upon completion of the requisite advertising.
12. JPEC states that it has provided written notice of its intent to file this Application to the Commission at least four (4) weeks prior to filing it in accordance with 807 KAR 5:001 Section 10(2). The primary reasons for the filing of this Application for the increase in rates are as follows:
 - a. JPEC's last general rate increase with this Commission was effective in August 1998 in Case No.97-224. In the 9+ years since the date of the last increase, JPEC has been subject to increases in costs for employee labor, employee benefits, operating and maintenance materials, interest, depreciation as well as other costs. JPEC has also observed that its average cost has increased as a result of decreases in load factor. Additionally, JPEC's investment in physical plant has increased significantly.
 - b. JPEC's Financial Policy and Equity Management Policy require a target Net TIER value of 2.0. Additionally, that margins sufficient to exceed the minimum default mortgage requirements on Times Interest Earned Ratio ("TIER") and Modified Debt Service Coverage Ratio ("MDSC") should be maintained at all times. JPEC did not meet either its mortgage requirement TIER ratio from the Rural Utilities Service ("RUS"), or the MDSC requirement from the National Rural Utilities Cooperative Finance Corporation ("NRUCFC" or "CFC") for the test period and has been duly notified by the RUS and CFC stating this fact and informing JPEC of its fiduciary responsibilities on this matter.
 - c. For the test period ended December 31, 2006 as booked, JPEC had a Net TIER ratio of 0.96, an Operating TIER ratio of 0.69, and a MDSC ratio of 1.23. JPEC is required to maintain Net TIER of 1.25, an Operating TIER of 1.10, and a MDSC ratio of 1.35 for two of the three most current years. JPEC is requesting additional revenues in order to be in compliance with its mortgage agreements, to service its debts, and to pay its day to day financial obligations.
 - d. JPEC's Board of Directors has reviewed the current financial situation of the Cooperative as well as its operations and has approved a resolution authorizing the Cooperative to pursue this requested increase in revenues. A copy of said resolution is attached to this Application as Exhibit AA.
 - e. JPEC has not paid capital credits to its members. JPEC is requesting an increase in revenue that will provide a TIER of 2.0, and believes that such an increase will not be an undue burden upon its consumers. JPEC's current rates are among the lowest for cooperatives in the state of Kentucky as well as for the whole United

States. It has been a primary objective of JPEC to keep its rates low because of the deprived economic environment that exists in its service area and because it is a member-owned non-profit organization.

13. A complete description and quantified explanation of all proposed adjustments with proper support is included in Exhibit G (807 KAR 5:001, Section 10(6)(a)).

Schedule 1 - Adjustment to Revenue for Base Rate Changes

Schedule 2 - Adjustment to Purchased Power Costs for Changes in Wholesale Power Rates

Schedule 3 - Adjustment to Revenues and Expenses for Year End Number of Consumers

Schedule 4 - Adjustment for Depreciation

Schedule 5 - Adjustment for Interest Expense

Schedule 6 - Adjustment for Wages and Salaries

Schedule 7 - Adjustment for Payroll Taxes

Schedule 8 - Adjustment for Employee Benefits

Schedule 9 - Adjustment for Postretirement Benefits

Schedule 10 - Adjustment for Donations

Schedule 11 - Adjustment for Rate Case Expenses

Schedule 12 - Adjustment for Nonrecurring Expenses

Schedule 13 - Adjustment for Other Operating Taxes

Schedule 14 - Adjustment for Director's Fees

Schedule 15 - Amount of Increase

Schedule 16 – Capitalization Policies

Schedule 17 - Professional Services Expense

Schedule 18 - Comparison of Test Year Balance Sheet Balances with Preceding Year Balances

Schedule 19 - Comparison of Test Year Income Statement Amounts with Preceding Year Amounts

Schedule 20 - Borrower's Statistical Profile (RUS Report)

Schedule 21 - CFC's KRTA Analysis

Schedule 22 - Kentucky Statistical Profile

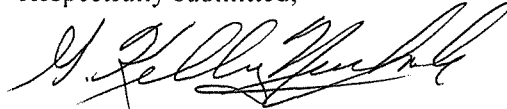
14. Prepared testimony for each witness that JPEC will use is provided collectively as Exhibit H (807 KAR 5:001, Section 10(6)(b) and (c)).
15. An estimate of the effect that the new rates will have upon the revenues of JPEC resulting from this increase and percentage of increase is provided in Exhibit I (807 KAR 5:001, Section 10(6)(d)).
16. A schedule indicating the effect of the proposed increase upon the average bill for each rate class for each class the increase will apply is provided in Exhibit J (807 KAR 5:001, Section 10(6)(e)).
17. An analysis of customer's bills that provides the revenue from current rates and the proposed rates for each rate class is readily determinable and included in Exhibit K (807 KAR 5:001, Section 10(6)(g)).
18. Exhibit L provides the determination of JPEC's revenue requirements based on return on net investment rate base, return on capitalization, interest coverage ratios, and debt service coverage ratios (807 KAR 5:001, Section 10(6)(h)).
19. The reconciliation of the net investment rate base and capital structure, as used to determine revenue requirements, is provided in Exhibit M (807 KAR 5:001, Section 10(6)(i)).
20. A current chart of accounts is provided in Exhibit N (807 KAR 5:001, Section 10(6)(j)).
21. A copy of the independent auditor's annual report is provided in Exhibit O (807 KAR 5:001, Section 10(6)(k)).
22. JPEC is not regulated by the Federal Energy Regulatory Commission ("FERC") and, as such, FERC has conducted no audits of JPEC. Likewise, JPEC has no obligation to file reports with FERC (807 KAR 5:001, Section 10(6)(l) and (m)).
23. A copy of the most recent depreciation study is provided in Exhibit P (807 KAR. 5:001, Section 10(6)(n)).
24. A listing of computer software used in the development of this rate application is provided in Exhibit Q (807 KAR 5:001, Section 10(6)(o)).
25. JPEC has no stock or bond offerings, historically, currently, or anticipated in the future. (807 KAR 5:0001, Section 10(6)(p)).
26. The annual report to the members for 2005 and 2006, which were previously filed with the Commission, are provided in Exhibit R (807 KAR 5:001, Section 10(6)(q)).
27. Monthly managerial reports, in the form of the monthly RUS Form 7, are provided in compliance with 807 KAR 5:001, Section 10(6)(r) in Exhibit S.
28. A waiver is requested for the requirements of 807 KAR 5:001, Section 10(6)(s) since JPEC is not subject to the jurisdiction of the Securities and Exchange Commission.

29. JPEC has no affiliates and therefore has had no transactions with an affiliate or home office in the receipt of revenue or payment of monies during the test period or the three previous calendar years (807 KAR 5:001, Section 10(6)(t)).
30. Cost of service studies based on a methodology generally accepted within the electric utility industry utilizing current and reliable data for the test period are provided in Exhibits T and T-1 for compliance with 807 KAR 5:001, Section 10 (6)(u).
31. The requirements of 807 KAR 5:001, Section 10(6)(f) and (v) are not applicable to JPEC and a waiver of these requirements is consequently requested.
32. Exhibit U is a detailed income statement and balance sheet that reflects the impact of all proposed adjustments for the test period in compliance with 807 KAR 5:001, Section 10(7)(a) and contains the below listed schedules of adjustments to the historical test year for known and measurable changes.
33. JPEC's capital construction budgets for 2006 and 2007 are contained in Exhibit W, pursuant to 807 KAR 5:001, Section 10(7)(b).
34. JPEC requests a waiver of the 807 KAR 5:001, Section 10(7)(c) requirement to provide test year plant additions since it is not adjusting the test year booked plant figures.
35. JPEC's 2007 operating budget is contained in Exhibit X (807 KAR 5:001, Section 10(7)(d)).
36. JPEC did not update the number of customers because the test year consisted of historical year 2006 with normalizing adjustments for known and measurable changes. JPEC does not forecast its customers and such forecasts, if made, would not be used in the compilation of the cost of service study. A Form-7 for 2007 will be available in the first quarter of 2008 which will contain actual updated customer data. Accordingly, JPEC requests a waiver from the requirements of 807 KAR 5:001, Section 10(7)(e).
37. JPEC's recent capital credits payout history is contained in Exhibit Y.
38. JPEC's notice of intent to file this rate application, provided to the Commission pursuant to 807 KAR 5 001, 10(2), and the attending confirmation of receipt from the Commission, are attached hereto collectively as Exhibit Z.
39. A copy of JPEC's By-Laws are provided in Exhibit V.

Wherefore, JPEC requests that the Public Service Commission of Kentucky approve the requested increase as expeditiously as possible by authorizing JPEC to make the requested rates effective immediately through the issuance of an order.

Dated this the 30 day of November, 2007.

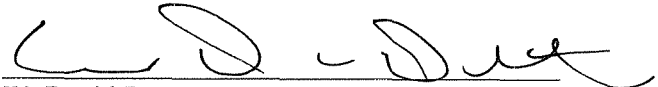
Respectfully submitted,



Mr. G. Kelly Nuckols
General Manager
JPEC Energy Corporation

AND

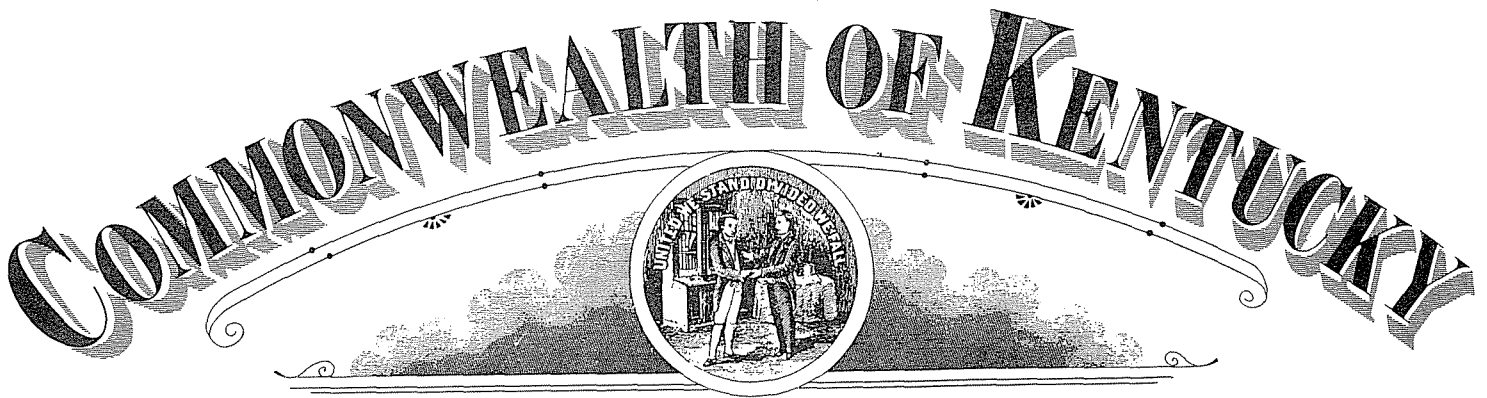
DENTON & KEULER LLP
PO BOX 929
PADUCAH KY 42002-0929
PHONE: (270)443-8253
FAX: (270)442-6000



W. David Denton
Melissa D. Yates

ATTORNEYS FOR JACKSON PURCHASE
ENERGY CORPORATION





Trey Grayson
Secretary of State

Certificate

I, Trey Grayson, Secretary of State for the Commonwealth of Kentucky, do hereby certify that the foregoing writing has been carefully compared by me with the original thereof, now in my official custody as Secretary of State and remaining on file in my office, and found to be a true and correct copy of

ARTICLES OF INCORPORATION OF
JACKSON PURCHASE ELECTRIC COOPERATIVE CORPORATION FILED JUNE 19,
1937;

ARTICLES OF AMENDMENT OF JACKSON PURCHASE ELECTRIC COOPERATIVE
CORPORATION FILED JANUARY 11, 1950;

RESTATED ARTICLES OF INCORPORATION FILED NOVEMBER 5, 1974;

ARTICLES OF AMENDMENT OF JACKSON PURCHASE ELECTRIC COOPERATIVE
CORPORATION FILED AUGUST 2, 1995;

Exhibit A

Articles of Incorporation & Amendments

25598

Bundle 42

P. O. Paducah
M. L. Cannon County

ARTICLES OF INCORPORATION

OF

Jackson Purchase Rural Electric
Cooperative Corporation

Capital Stock, \$ Non-stock

Organization Tax \$ _____

Filed and Certificate Issued.

Day of JUN 12 1937

Recording Fee, \$ 2.00 paid.

Charles D. Russell

SECRETARY OF Secretary of State

By C. Roberts
Chief Clerk Corporation Dept.

Recorded in Corporation

Book No. 170 Page 225

Box 607

Recorded M. J. I. Compared A. C. L.

Indexed M. H. G.

Commonwealth of Kentucky



Office of Secretary of State

CHAS. D. ARNETT

~~SECRETARY~~ SECRETARY

CORPORATION DEPARTMENT

CHAS. D. ARNETT,

I, ~~Sara W. Nathan~~, Secretary of the State of Kentucky, hereby certify that a certified copy of Articles of Incorporation of the

JACKSON PURCHASE RURAL ELECTRIC COOPERATIVE CORPORATION

as this day been filed in my office.

It appearing from said Articles of Incorporation that the said Corporation has no capital stock, and no private pecuniary profit is to be derived herefrom, the said Corporation is not required by law to pay a tax on organization; and it further appearing that the aforesaid Corporation has complied with all the requirements of the law, this certificate is issued as evidence of the fact that the said Corporation is now authorized and empowered to do business in this State under its charter, subject to the restrictions imposed by the statutes of Kentucky.

Given under my hand as Secretary of State, this 12th day of June, 1937.

Chas. D. Arnett
Secretary of State.

By C. Roberts Chief Clerk.

ARTICLES OF INCORPORATION

OF

JACKSON PURCHASE RURAL ELECTRIC COOPERATIVE CORPORATION

The incorporators whose names are hereunto signed, being natural persons and citizens of the Commonwealth of Kentucky, have executed these Articles of Incorporation for the purpose of forming a cooperative corporation not organized for pecuniary profit pursuant to the "Rural Electric Cooperative Corporation Act" which was passed by the General Assembly of Kentucky at Special Session, 1936, and approved on January 18, 1937, in accordance with the following provisions:

ARTICLE I

The name of the Corporation shall be JACKSON PURCHASE RURAL ELECTRIC COOPERATIVE CORPORATION.

ARTICLE II

The purpose or purposes for which the Corporation is formed are to promote and encourage the fullest possible use of electric energy in the Commonwealth of Kentucky by making electric energy available by production, transmission or distribution, or both, to or by otherwise securing the same for the inhabitants of and persons in rural areas of the Commonwealth of Kentucky at the lowest cost consistent with sound business methods and prudent management of the business of the Corporation and also by making available to the said inhabitants as aforesaid electrical devices, equipment, wiring, appliances, fixtures and supplies and all kinds of tools, equipment and machinery (including any fixtures or property or

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both which may by its use be conducive to a more complete use of electricity or electric energy) operated by electricity or electric energy and, without limiting the generality of the foregoing:

- (a) To generate, manufacture, purchase, acquire and accumulate electric energy for its members and non-members to the extent permitted by the Act under which the Corporation is formed and to transmit, distribute, furnish, sell and dispose of such electric energy to its members and non-members to the extent permitted by the Act under which the Corporation is formed, and to construct, erect, purchase, lease as lessee and in any manner acquire, own, hold, maintain, operate, sell, dispose of, lease as lessor, exchange and mortgage plants, buildings, works, machinery, supplies, apparatus, equipment and electric transmission and distribution lines or systems necessary, convenient or useful for carrying out and accomplishing any or all of the foregoing purposes;
- (b) To acquire, own, hold, use, exercise and, to the extent permitted by law, to sell, mortgage, pledge, hypothecate and in any manner dispose of franchises, rights, privileges, licenses, rights of way and easements necessary, useful or appropriate to accomplish any or all of the purposes of the Corporation;
- (c) To purchase, receive, lease as lessee, or in any other manner acquire, own, hold, maintain, use, convey, sell, lease as lessor, exchange, mortgage, pledge or otherwise dispose of any and all real and personal property or any interest therein necessary, useful or appropriate to enable the Corporation to accomplish any or all of its purposes;
- (d) To assist its members to wire their premises and install therein electrical and plumbing appliances, fixtures, machinery, supplies, apparatus and equipment of any and all kinds and character (including, without limiting the generality of the foregoing, such as are applicable to water supply and sewage disposal) and, in connection therewith and for such purposes, to purchase, acquire, lease, sell, distribute, install and repair electrical and plumbing appliances, fixtures, machinery, supplies, apparatus and equipment of any and all kinds and character (including, without limiting the generality of the foregoing, such as are applicable to water supply and sewage disposal) and to receive, acquire, endorse, pledge, guarantee, hypothecate,

transfer or otherwise dispose of notes and other evidences of indebtedness and all security therefor;

- (e) To borrow money, to make and issue bonds, notes and other evidences of indebtedness, secured or unsecured, for moneys borrowed or in payment for property acquired, or for any of the other objects or purposes of the Corporation; to secure the payment of such bonds, notes or other evidences of indebtedness by mortgage or mortgages, or deed or deeds of trust upon, or by the pledge of or other lien upon, any or all of the property, rights, privileges or permits of the Corporation, wheresoever situated, acquired or to be acquired;
- (f) To do and perform, either for itself or its members, any and all acts and things, and to have and exercise any and all powers, as may be necessary or convenient to accomplish any or all of the foregoing purposes or as may be permitted by the Act under which the Corporation is formed, and to exercise any of its powers anywhere.

ARTICLE III

The principal office of the Corporation shall be located at Paducah, in the County of McCracken, Commonwealth of Kentucky.

ARTICLE IV

The operations of the Corporation are to be conducted in the Counties of McCracken, Ballard, Graves, Marshall and Livingston, and in such other counties as such operations may from time to time become necessary or desirable in the interest of this Corporation or of its members.

ARTICLE V

The number of directors of the Corporation shall be nine.

ARTICLE VI

The names and post office addresses of the directors who are to manage the affairs of the Corporation until the

first annual meeting of the members or until their successors shall have been elected and shall have qualified, are:

<u>NAME</u>	<u>POST OFFICE ADDRESS</u>
Boone Hill	Benton, Kentucky, R. F. D. #6
Roudell Wilson	Smithland, Kentucky
Ed F. Warren	Hickory, Kentucky, R. F. D. #1
Harvey M. Luttrell	Paducah, Kentucky, R. F. D. #6
Claude E. Seaton	Barlow, Kentucky, R. F. D. #1
Horace Earl Harting	Paducah, Kentucky, R. F. D. #2
Roy J. Meahl	Paducah, Kentucky, R. F. D. #2
Carmel D. Harris	Paducah, Kentucky, R. F. D. #2
Walter O. Parr	Paducah, Kentucky, R. F. D. #6

ARTICLE VII

The duration of the Corporation is: perpetual.

ARTICLE VIII

Section 1. The Corporation shall have no capital stock, and the property rights and interests of each member shall be equal.

Section 2. The subscribers to these Articles of Incorporation shall be members of the Corporation. In addition to the undersigned incorporators any person, firm, association, corporation, business trust, partnership or body politic may become a member in the Corporation by: (a) paying in full such membership fee as shall be specified in the By-Laws of the Corporation; (b) agreeing to purchase from the Corporation the amount of electric energy hereinafter in Section 3 of this Article specified; and (c) agreeing to comply with and be bound by these Articles of Incorporation and the By-Laws of the Corporation and any amendments thereto and by such rules and regulations as may from time to time be adopted by the Board of Directors of the Corporation; provided, however, that no person, firm, association, corporation, business trust, partnership or body politic except the undersigned incorporators, or any

person, firm, association, corporation, business trust, partnership or body politic accepted for membership by the members at any meeting thereof, shall become a member in the Corporation unless and until he or it has been accepted for membership by the affirmative vote of a majority of the members of the Board of Directors of the Corporation.

Section 3. Each member shall, as soon as electric energy shall be available, purchase from the Corporation monthly not less than the minimum amount of electric energy which shall from time to time be determined by a resolution of the Board of Directors of the Corporation and shall pay therefor, and for all additional electric energy used by such member, the price which from time to time shall be fixed therefor by resolution of the Board of Directors. Each member shall also pay all obligations which may from time to time become due and payable by such member to the Corporation as and when the same shall become due and payable.

Section 4. The Board of Directors may, by the affirmative vote of not less than two-thirds ($2/3$) of the members thereof, expel any member of the Corporation who shall have violated or refused to comply with any of the provisions of the Articles of Incorporation or the By-Laws of the Corporation or any rules or regulations adopted from time to time by the Board of Directors.

Section 5. Any member of the Corporation may withdraw from membership upon payment in full of all of his debts and liabilities to the Corporation and upon compliance with and performance of such terms and conditions as the Board of Directors may prescribe.

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Section 6. Memberships in the Corporation and the certificates representing the same shall not be transferable, and upon the death, cessation of existence, expulsion or withdrawal of a member, the membership of such member shall thereupon terminate and his or its certificate of membership shall be surrendered to the Corporation. Subject to the payment of all debts and liabilities of a member to the Corporation, upon the death, cessation of existence, expulsion or withdrawal of a member and the surrender of his or its membership certificate, the Corporation shall pay to such member or his personal representative, an amount equal to the value of his or its membership as appraised by the Board of Directors. The termination of membership by death, cessation of existence, expulsion or withdrawal shall not release the member from the debts or liabilities of such member to the Corporation.

Section 7. Membership in the Corporation shall be evidenced by a certificate of membership which shall be in such form and shall contain such provisions as shall be determined by the Board of Directors not contrary to or inconsistent with the Articles of Incorporation or the By-Laws of the Corporation. Such certificate shall be signed by the President and by the Secretary of the Corporation and shall be sealed with its corporate seal.

Section 8. No membership shall be issued for less than the membership fee specified in the By-Laws of the Corporation, nor until such membership fee has been fully paid for in cash and such payment has been deposited with the Treasurer of the Corporation.

Section 9. No member may own more than one membership in the Corporation and each member shall be entitled to one (1) vote and no more upon each matter submitted to a vote at any meeting of the members of the Corporation.

Section 10. At all meetings of members a member may vote by proxy executed in writing by the member. Such proxy shall be filed with the Secretary of the Corporation before or at the time of the meeting. No proxy shall be valid after sixty (60) days from the date of its execution, and the proxy so appointed may not vote at any meeting other than the one designated in the proxy or any adjournment or adjournments of such meeting.

ARTICLE IX

Section 1. The By-Laws of the Corporation may fix such other terms and conditions upon which members shall be admitted to and retain membership in the Corporation not inconsistent with these Articles of Incorporation or the Act under which it is organized.

Section 2. The Board of Directors shall have power to make and adopt such rules and regulations not inconsistent with these Articles of Incorporation or the By-Laws of the Corporation as it may deem advisable for the management, administration and regulation of the business and affairs of the Corporation.

Section 3. Neither the incorporators nor any other member of the Corporation shall be personally responsible for any debt, obligation or liability of the Corporation.

ARTICLE X

Subject to the provisions of any mortgage given by the Corporation and within sixty (60) days after the expiration of

each fiscal year the Board of Directors, after paying or providing for the payment of all operating expenses of the Corporation including an amount for prospective operating expenses for a reasonable period, and all interest and installments on account of the principal of notes, bonds or other evidences of indebtedness of the Corporation which shall have become due and be unpaid, or which shall have accrued at the end of the fiscal year but which shall not be then due, and after making provision for the payment of all taxes, insurance and all other non-operating expenses which shall have become due and be unpaid, and all taxes, insurance and all other non-operating expenses which shall have accrued at the end of the fiscal year but which shall not be then due, shall apply the balance of the assets of the Corporation remaining thereafter for the following purposes and in the following order of priorities:

1. the establishment of a reserve fund for the payment of interest and principal of all outstanding notes, bonds or other evidences of indebtedness of the Corporation which shall equal the amount of principal and interest required to be paid in respect of such notes, bonds or other evidences of indebtedness during the ensuing fiscal year;
2. the establishment and maintenance of a general reserve fund for working capital, insurance, taxes, depreciation, obsolescence, and contingencies in an amount which the Board of Directors shall deem reasonable;

and all revenues and receipts not needed for the above and foregoing purposes shall be returned, paid or abated to the members as a patronage dividend or refund on the basis and in the manner provided in the Act under which the Corporation is organized, provided, however, that in no case shall any such

patronage dividend or refund be returned, paid or abated to any member who is indebted to the Corporation until such indebtedness is paid or arrangements in respect thereof satisfactory to the Board of Directors shall have been made.

ARTICLE XI

The Corporation may amend, alter, change or repeal any provision contained in these Articles of Incorporation in the manner now or hereafter prescribed by law.

IN WITNESS WHEREOF, we hereunto subscribe our names this 17 day of June, 1907.

Boone Hill

Frederick Helman

Chas. F. Martin

Henry M. Nuttall

John C. Carter

Wm. C. Carter

Ray J. Meach

Carmel D. Harris

Walter C. Carr

STATEMENT OF CORPORATION

(To be filed in the office of the Secretary of State before doing business in this State.)

With Home Office at Paducah, Kentucky

To the SECRETARY OF STATE,
FRANKFORT, KY.

SIR: Notice is hereby given that the place of business for the

JACKSON PURCHASE RURAL ELECTRIC COOPERATIVE CORPORATION

(Name of Corporation)

a corporation of the State of Kentucky

in Kentucky ^{is} ~~XXXX~~ Paducah, Kentucky

and that Harvey M. Luttrell of Paducah, Ky.

of _____, Ky.

of _____, Ky.

^{is} ~~is~~ our agent . . . thereat, upon whom process may be served in any suit that may be brought against our Company within the State of Kentucky.

Done at Paducah this 2nd day of July, 1937

Harvey M. Luttrell, President

V. L. Perdue, Secretary

This statement may be signed by the President or Secretary

(FILL IN AND RETURN TO SECRETARY OF STATE WITH \$1.00 RECORDING FEE)

Has this corporation had a former agent? Yes or No. No.

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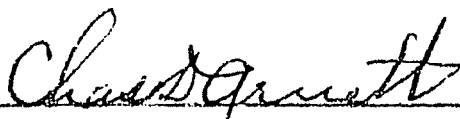
STATE OF KENTUCKY
COUNTY OF FRANKLIN

SS:

I, CHARLES D. ARNETT, Secretary of State for the Commonwealth of Kentucky, do hereby certify that on this June 12, 1937, there has been filed in my office as Secretary of State, the Articles of Incorporation of JACKSON PURCHASE RURAL ELECTRIC COOPERATIVE CORPORATION and that the within is an exact copy of said Articles of Incorporation as the same are on file in my office; and having found same legal and valid, I hereby approve said Articles of Incorporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal.

Done at Frankfort, this 12th day of June, 1937.



Charles D. Arnett-Secretary of State

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STATEMENT OF CORPORATION

(To be filed in the office of the Secretary of State before doing business in this State.)

With Home Office at Paducah, Kentucky

To the ~~SECRETARY~~ SECRETARY OF STATE,
FRANKFORT, KY.

SIR: Notice is hereby given that the place of business for the

JACKSON PURCHASE RURAL ELECTRIC COOPERATIVE CORPORATION

(Name of Corporation)

a corporation of the State of Kentucky

in Kentucky ~~is~~ ^{is} Paducah, Kentucky

and that Ray J. Meahl of Paducah, Ky.

and Carnel D. Harris of Paducah, Ky.

_____ of _____, Ky.

~~are~~ ^{are} our agent ~~of~~ ^{of}, thereof, upon whom process may be served in any suit that may be brought against our Company within the State of Kentucky.

Done at Paducah, Ky. this 17th day of September, 19 38

_____, President

Carnel D. Harris, Secretary

This statement may be signed by the President or Secretary

FILL IN AND RETURN TO SECRETARY OF STATE WITH \$1.00 RECORDING FEE

Has this corporation had a former agent? Yes or No Yes

PRINT OR TYPE NAMES UNDER SIGNATURE ABOVE.

000015

STATE OF KENTUCKY)
COUNTY OF McCracken) SCT.

I, Georgia Nelson Fristoe, Notary Public, do certify that my certificate heretofore made to the Articles of Incorporation of the Jackson Purchase Rural Electric Cooperative Corporation as recorded in the office of the Secretary of State, filed in the offices of McCracken County Court Clerk, office of the Dean of Agriculture of the University of Kentucky and in the office of the Rural Electrification Administration, Washington, D. C., was and is erroneous, in that:

Although said certificate shows that said Articles of Incorporation were acknowledged by John T. Warner, the truth is: In the place and stead of John T. Warner said Articles of Incorporation were signed and acknowledged by Horace Earl Harting in my presence on June 11, 1937 and were never signed by John T. Warner; said error occurring by reason of the fact that when the Articles of Incorporation were written it was thought they would be signed by John T. Warner. At the meeting called, however, for the signing Horace Earl Harting appeared instead of John T. Warner and, although the change of name was made on the Articles of Incorporation prior to signing, through error and oversight the change was not made on the certificate.

Now, the premises considered and in order to make my certificate conform to the facts, I do certify that the foregoing Articles of Incorporation were before me and in my presence on June 11, 1937, executed, signed and acknowledged by the said Horace Earl Harting to be his act and deed,

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and I now certify all of the above to the proper offices for recording, and direct that this certificate be attached to and be a part of said Articles of Incorporation as recorded in the office of the Secretary of State, McCracken County Court Clerk's Office and in the office of the Rural Electrification Administration in Washington, D. C. a copy of which is filed in the office of the Dean of Agriculture of the University of Kentucky.

My commission expires October 19, 1940.

Georgia Nelson Fristoe
Notary Public, McCracken County,
Kentucky

STATE OF KENTUCKY

COUNTY OF McCRACKEN, SCT:

I, Georgia Nelson Fristoe, a Notary Public in and for said county and state do hereby certify that this instrument of writing from Boone Hill, Roudell Wilson, Ed ~~F.~~ Warren, Harvey M. Luttrell, Claude E. Seaton, John T. Warner, Ray J. Meshl, Carmel D. Harris, and Walter O. Parr was this day produced to me by the above parties and was acknowledged by the said Boone Hill, Roudell Wilson, Ed ~~F.~~ Warren, Harvey M. Luttrell, Claude E. Seaton, John T. Warner, Roy J. Meshl, Carmel D. Harris, and Walter O. Parr to be their act and deed.

Given under my hand and seal this 11th day of June, 1937.

My commission expires October 19, 1940.

Georgia Nelson Fristoe
Notary Public in and for McCracken County, Ky.

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Commonwealth of Kentucky
Department of State



Office of Secretary of State

GEORGE GLENN HATCHER, SECRETARY

CERTIFICATE OF AMENDMENT

I, GEORGE GLENN HATCHER, Secretary of State, do hereby certify that the triplicate originals of the articles of amendment of

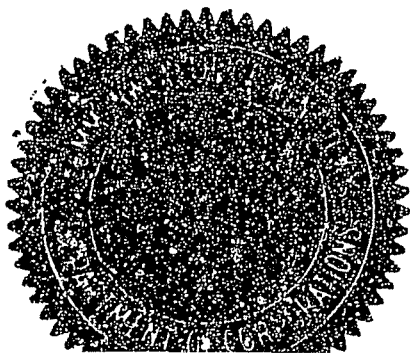
JACKSON PURCHASE RURAL ELECTRIC COOPERATIVE CORPORATION

Paducah, Kentucky

delivered to me are found to be duly signed and acknowledged according to law; that all taxes, fees and charges have been paid; and one original copy is filed and recorded in this office.

This certificate with two original articles of amendment indorsed with the fact and time of recording in this office have been returned to the corporation. The amendment, certifying the time and manner of the adoption thereof, statement of the purposes of said amendment and the changes to be effected, signed and acknowledged according to law by the proper officials of said corporation, and the issuance of this certificate, is evidence of the fact that the above named corporation articles have been amended.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal. Done at Frankfort, this 11th day of January 19 60.



George Glenn Hatcher
Secretary of State, Commonwealth of Kentucky

AMENDED ARTICLES OF INCORPORATION OF JACKSON
PURCHASE RURAL ELECTRIC COOPERATIVE CORPORATION

D-39

KNOW ALL MEN BY THESE PRESENTS:

That the articles of incorporation of Jackson Purchase Rural Electric Cooperative Corporation, which were executed on the 11th day of June, 1937, and which are of record in Article of Incorporation Book 6, page 281, McCracken County Court Clerk's Office, are amended pursuant to action duly and regularly taken at a regular meeting of the members of said Corporation held on the 5th day of March, 1949, said amended articles being as follows:

Article VIII, section 3. Each member shall, as soon as electric energy shall be available, purchase from the corporation all electric energy used on the premises specified in his application for membership, and shall pay therefor monthly at rates which shall from time to time be fixed by the board of directors; provided, however, that the board of directors may limit the amount of electric energy which the corporation shall be required to furnish to any one member.

It is expressly understood that amounts paid for electric energy in excess of the cost of service are furnished by members as capital and each member shall be credited with the capital so furnished as provided in the bylaws. Each member shall pay to the Corporation such minimum amount per month, regardless of the amount of electric energy consumed, as shall be fixed by the board of directors from time to time. Each member shall also pay all amounts owed by him to the Corporation as and when the same shall become due and payable.

Article VIII, section 6. Membership in the Corporation shall be terminated by death, cessation of existence, expulsion or withdrawal of the member as provided in the bylaws of the Corporation. Termination of membership in any manner shall not release the member or his estate from the debts or liabilities of such member to the Corporation.

Article X Repealed.

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Article XI Renumbered to read Article X.

JACKSON PURCHASE RURAL ELECTRIC
COOPERATIVE CORPORATION

BY H. Claude Shemwell
H. Claude Shemwell

ATTEST:

Owen T. Myers
Secretary

STATE OF KENTUCKY)
) SS
COUNTY OF McCRACKEN)

I, Mollie L. Courtney, a notary public in and for the state of Kentucky at Large, do hereby certify that the foregoing Articles of Amendment to the Articles of Incorporation of Jackson Purchase Rural Electric Cooperative Corporation was produced before me in the aforesaid county and state and was signed and acknowledged by H. Claude Shemwell, president of said corporation, to be the act and deed of said corporation and of H. Claude Shemwell as president of said corporation and the execution thereof was attested by Owen T. Myers, Secretary of said corporation, who signed and acknowledged same to be his act and deed as secretary of said corporation and the act and deed of said corporation, this 25 day of January, 1950. My commission expires September 10, 1953.

Mollie L. Courtney
Notary Public, State of Kentucky at Large

Commonwealth of Kentucky

OFFICE OF
SECRETARY OF STATE

DREXELL R. DAVIS
Secretary



FRANKFORT,
KENTUCKY

RESTATED CERTIFICATE OF INCORPORATION OF

JACKSON PURCHASE ELECTRIC COOPERATIVE CORPORATION

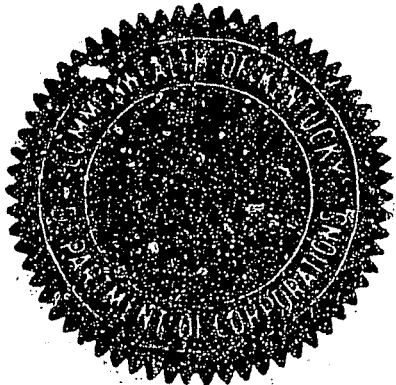
I, DREXELL R. DAVIS, Secretary of State of the Commonwealth of Kentucky, hereby certify that triplicate originals of Restated Articles of Incorporation of

JACKSON PURCHASE ELECTRIC COOPERATIVE CORPORATION

duly signed and verified pursuant to the provisions of Chapter 271A of the Kentucky Revised Statutes, have been received in this office and are found to conform to law. Therefore, as Secretary of State and by virtue of the authority vested in me by law, I hereby issue this Restated Certificate of Incorporation of

JACKSON PURCHASE ELECTRIC COOPERATIVE CORPORATION

and attach hereto one of the originals of the Restated Articles of Incorporation.



SECRETARY OF STATE

Given under my hand and seal of Office as Secretary of State, at Frankfort, Kentucky, this 5TH
day of NOVEMBER, 19 74.

Drexell R. Davis

SECRETARY OF STATE

ASSISTANT SECRETARY OF STATE

Commonwealth of Kentucky

OFFICE OF
SECRETARY OF STATE

THELMA L. STOVALL
Secretary



FRANKFORT,
KENTUCKY

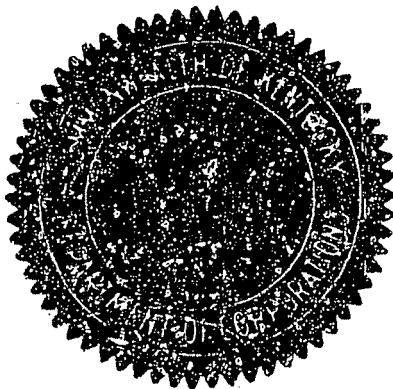
CERTIFICATE OF INCORPORATION OF NON-STOCK, NON-PROFIT CORPORATION

I, *THELMA L. STOVALL*, Secretary of State of the Commonwealth of Kentucky certify that there has been delivered to my office ^{Registered} articles of incorporation of
JACKSON PURCHASE ELECTRIC COOPERATIVE CORPORATION

The name and address of the registered agent of this corporation is

JAMES E. CAMPBELL
NAME
2900 IRVING COBB DRIVE
STREET ADDRESS
PADUCAH, KENTUCKY
CITY, STATE

NOW, THEREFORE, finding that these articles of incorporation conform to law and that all fees therefore having been paid as prescribed by law, I, *THELMA L. STOVALL*, Secretary of State, issue this Certificate of Incorporation.



SECRETARY OF STATE

Issued this 5TH day of NOVEMBER, 19 74,
at Frankfort, Kentucky.

Thelma L. Stovall
SECRETARY OF STATE

ASSISTANT SECRETARY OF STATE

RESTATED ARTICLES OF INCORPORATION
OF
JACKSON PURCHASE ELECTRIC
COOPERATIVE CORPORATION AS AMENDED

Know all men by these presents:

ARTICLE I

The name of the Cooperative shall be JACKSON PURCHASE ELECTRIC COOPERATIVE CORPORATION (hereinafter called the "Cooperative").

ARTICLE II

The purpose or purposes for which the Cooperative is formed are to conduct an electric generation, transmission, distribution or service non-profit Cooperative Corporation to produce, transmit, distribute or furnish energy to any person, firm, corporation or body politic and/or to provide electrical devices, wiring and equipment and any services that are deemed advisable or desirable to operate a utility and without limiting the generality of the foregoing:

- (a) To generate, manufacture, purchase, acquire and accumulate electric energy for its members and non-members to the extent permitted by the Act under which the Cooperative is formed and to transmit, distribute, furnish, sell and dispose of such electric energy to its members and non-members to the extent permitted by the Act under which the Cooperative is formed, and to construct, erect, purchase, lease as lessee and in any manner acquire, own, hold, maintain, operate, sell, dispose of, lease as lessor, exchange and mortgage plants, buildings, works, machinery, supplies, apparatus, equipment and electric transmission and distribution lines or systems necessary, convenient or useful for carrying out and accomplishing any or all of the foregoing purposes;
- (b) To acquire, own, hold, use, exercise and, to the extent permitted by law, to sell mortgage, pledge, hypothecate and in any manner dispose of franchises, rights, privileges, licenses, rights of way and easements necessary, useful or appropriate to accomplish any or all of the purposes of the Cooperative;

- (c) To purchase, receive, lease as lessee, or in any other manner acquire, own, hold, maintain, use, convey, sell, lease as lessor, exchange, mortgage, pledge, or otherwise dispose of any and all real and personal property or any interest therein necessary, useful or appropriate to enable the Cooperative to accomplish any or all of its purposes;
- (d) To borrow money, to make and issue bonds, notes and other evidences of indebtedness, secured or unsecured, for money borrowed or in payment for property acquired, or for any of the other objects or purposes of the Cooperative; to secure the payment of such bonds, notes or other evidences of indebtedness by mortgage or mortgages, or deed or deeds of trust upon, or by the pledge of or other lien upon, any or all of the property, rights, privileges or permits of the Cooperative, wheresoever situated, acquired or to be acquired;
- (e) To do and perform, either for itself or its members, any and all acts and things, and to have and exercise any and all powers, as may be necessary or convenient to accomplish any or all of the foregoing purposes or as may be permitted by the Act under which the Cooperative is formed, and to exercise any of its powers anywhere.

ARTICLE III

The principal office shall be located in Paducah, in the County of

McCracken, Commonwealth of Kentucky. REGISTERED AGENT'S OFFICE;
 JAMES E. CAMPBELL, 2900 IRVING CROSS DR, PADUCAH, KY.

ARTICLE IV

The operations of the Cooperative are to be conducted in the counties of McCracken, Ballard, Carlisle, Graves, Marshall, and Livingston, and in such other counties as the operations of the Cooperative may from time to time require or become necessary or desirable in the interest of the Cooperative or its members.

ARTICLE V

The number of directors of the Cooperative shall be nine.

ARTICLE VI

The names and post office addresses of the directors who are to manage the affairs of the Cooperative until the first annual meeting of the members or until their successors shall have been elected and shall have qualified, are:

NAME

POST OFFICE ADDRESS

Boone Hill	Benton, Kentucky, R.F.D. # 6
Roudell Wilson	Smithland, Kentucky
Ed F. Warren	Hickory, Kentucky, R.F.D. # 1
Harvey M. Luttrell	Paducah, Kentucky, R.F.D. # 6
Claude E. Seaton	Barlow, Kentucky, R.F.D. # 1
Horace Earl Harting	Paducah, Kentucky, R.F.D. # 2
Roy J. Meahl	Paducah, Kentucky, R.F.D. # 2
Carmel D. Harris	Paducah, Kentucky, R.F.D. # 2
Walter O. Parr	Paducah, Kentucky, R.F.D. # 6

ARTICLE VII

The duration of the Cooperative is: perpetual.

ARTICLE VIII

Section 1: The Cooperative shall have no capital stock, and the property rights and interests of each member shall be equal.

Section 2: Any person, firm, association, corporation, or body politic or subdivision thereof may become a member of the Cooperative upon receipt of electric service from the Cooperative, provided that the person, firm, association, corporation, body politic or subdivision thereof has first: (a) made a written application for membership therein; (b) agreed to purchase from the Cooperative the electric energy hereinafter specified; (c) agreed to comply with and be bound by the Articles of Incorporation and Bylaws of the Cooperative and any rules and regulations adopted by the Board of Directors (hereinafter called the "Board"); and (d) paid the membership fee specified in the Bylaws of the Cooperative; provided, however, that no person, firm, association, corporation, or body politic or subdivision thereof shall become a member unless, or until, the Board or members have accepted the application for membership. No member may hold more than one (1) voting membership in the Cooperative and no membership in the Cooperative shall be transferable except as provided in the Bylaws.

Section 3: Membership in the Cooperative shall be evidenced by a membership certificate which shall be in such form and shall be determined by the Board. There shall be two (2) types of membership, a voting membership and a non-voting membership. A voting membership certificate shall be issued for the first or only service connection received by a member. A non-voting membership certificate shall be issued for each additional service connection received by the same member. Each such certificate shall be signed by the President and by the Secretary of the Cooperative and the corporate seal shall be affixed thereto. Neither such membership certificate shall be issued for less than the membership fee, fixed in the Bylaws, nor until such membership fee has been fully paid for. In case a certificate is lost, destroyed or mutilated, a new certificate may be issued therefore upon such uniform terms and indemnity to the Cooperative as the Board may prescribe. The words "same member" as used above includes a husband and wife so that upon the receipt of a service connection by either or both of them, all additional service connections received by either or both of them shall entitle either or both to receive only a non-voting membership.

Section 4: Each member shall, as soon as electric energy shall be available, purchase from the Cooperative all electric energy used on the premises specified in the members application for membership, and shall pay therefor at rates which shall from time to time be fixed by the Board. It is expressly understood that amounts paid for electric energy in excess of the cost of service are furnished by members as capital and each member shall be credited with the capital so furnished as provided in the Bylaws. Each member shall pay to the Cooperative such minimum amount regardless of the amount of electric energy consumed, as shall be fixed by the Board from time to time. Each

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member shall also pay all amounts owed by the member to the Cooperative as and when the same shall become due and payable.

Section 5:

- (a) Any member may withdraw from membership upon compliance with such uniform terms and conditions as the Board may prescribe. The Board may, by the affirmative vote of not less than two-thirds (2/3) of all the directors, expel any member who fails to comply with any of the provisions of the Articles of Incorporation, Bylaws, or rules and regulations adopted by the Board, but only if such member shall have been given written notice by the Cooperative that such failure makes the member liable to expulsion and such failures shall have continued for at least ten (10) days after such notice was given. Any expelled member may be reinstated by a vote of the Board. The membership of a member who for a period of six (6) months after service is available to the member has not purchased electric energy from the Cooperative may be cancelled by resolution of the Board.
- (b) Upon withdrawal, death, cessation of existence, or expulsion of a member, the membership of such member shall thereupon terminate and the membership certificate of such member shall be surrendered forthwith to the Cooperative. Termination of membership in any manner shall not release a member or the members estate from any debts due the Cooperative.
- (c) In case withdrawal or termination of membership in any manner, the Cooperative shall repay to the member the amount of the membership fee paid by the member provided, however, that the Cooperative shall deduct from the amount of the membership fee the amount of any debts or obligations owed by the member to the Cooperative.

Section 6: No membership shall be issued for less than the membership fee specified in the Bylaws of the Cooperative, nor until such membership fee has been fully paid for in cash and such payment has been deposited with the Treasurer of the Cooperative.

Section 7: At all meetings of members a member may vote by proxy executed in writing by the member. Such proxy shall be filed with the Secretary of the Cooperative before or at the time of the meeting. No

proxy shall be valid after sixty (60) days from the date of its execution, and the proxy so appointed may not vote at any meeting other than the one designated in the proxy or any adjournment or adjournments of such meeting.

ARTICLE IX

Section 1: The Bylaws of the Cooperative may fix such other terms and conditions upon which members shall be admitted to and retain membership in the Cooperative not inconsistent with these Articles of Incorporation or the Act under which it is organized.

Section 2: The Board shall have power to make and adopt such rules and regulations not inconsistent with these Articles of Incorporation or the Bylaws of the Cooperative as it may deem advisable for the management, administration and regulation of the business and affairs of the Cooperative.

Section 3: Neither the incorporators nor any other member of the Cooperative shall be personally responsible for any debts, obligation or liability of the Cooperative.

ARTICLE X

The Cooperative may amend, alter, change or repeal any provision contained in these Articles of Incorporation in the manner now or hereafter prescribed by law.

JACKSON PURCHASE ELECTRIC
COOPERATIVE CORPORATION

By Willard B. Carneal
Willard B. Carneal, President

ATTEST:


By R. L. Bailey, Jr.
R. L. Bailey, Jr., Secretary

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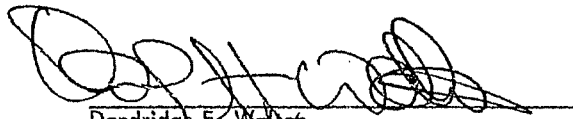
STATE OF KENTUCKY)
) SS:
COUNTY OF McCRACKEN)

I, Sandra Gourley, a Notary Public in and for the State of Kentucky at Large, do hereby certify that the foregoing Restated Articles of Incorporation (of Jackson Purchase Rural Electric Cooperative Corporation as Amended by Jackson Purchase Electric Cooperative Corporation) was produced before me in the aforesaid County and State and was signed and acknowledged by Willard B. Carneal, President of said Cooperative, to be the act and deed of the Cooperative and of Willard B. Carneal as President of the Cooperative and the execution thereof was attested by R. L. Bailey, Jr., Secretary of the Cooperative who signed and acknowledged same to be his act and deed as Secretary of the Cooperative and the act and deed of the Cooperative, this 12th day of August, 1974.

My commission expires: November 16, 1974.


NOTARY PUBLIC, State At Large, Kentucky

This Instrument Prepared by:


Dandridge F. Walker
Attorney At Law
410 Citizens Bank Building
Paducah, Kentucky 42001

ORIGINAL COPY
FILED
SECRETARY OF STATE OF KENTUCKY
FRANKFORT, KENTUCKY

NOV 5 1974


THOMAS L. STOVACEK
SECRETARY OF STATE



REFUND \$8.00
SECRETARY OF STATE
RECEIVED
AUG 19 1974
COMMONWEALTH OF KENTUCKY

RESOLUTION TO AMEND ARTICLES OF INCORPORATION

WHEREAS the Board of Directors at its meeting held June 28, 1974, has adopted a Resolution to Amend the Articles of Incorporation of the Jackson Purchase Rural Electric Cooperative Corporation and to file with the Secretary of State, Commonwealth of Kentucky, Restated Articles of Incorporation; and

5-194772

WHEREAS it is necessary for the members of Jackson Purchase Rural Electric Cooperative Corporation to approve the amending of the Articles of Incorporation:

REFUND
SECRETARY OF STATE
RECEIVED
AUG 19 1974
COMMONWEALTH OF KENTUCKY

NOW THEREFORE BE IT RESOLVED that the members of Jackson Purchase Rural Electric Cooperative Corporation approve and authorize the amendment of the Articles of Incorporation of the Jackson Purchase Rural Electric Cooperative Corporation, and that the Articles herein mentioned be restated as follows and that the President and Secretary be, and they hereby are, authorized to execute all instruments, documents necessary to affect the amendments and to file the Restated Articles of Incorporation.

CERTIFICATE

I, R. L. Bailey, Jr., do hereby certify that I am the Secretary of Jackson Purchase Rural Electric Cooperative Corporation and that the above is a true and correct copy of a Resolution duly adopted by the members of the Cooperative at the regular Annual Meeting held July 30, 1974, and regularly called and held in accordance with the Bylaws of the Cooperative and that a quorum was present at said meeting; the Restatement of Articles of Incorporation attached hereto is a true and correct copy as presented to the members in the Notice of the Annual Meeting and at the Annual Meeting of members; and that the above Resolution has not been rescinded or modified:

IN WITNESS WHEREOF I have hereunto set my hand and affixed the seal of the Cooperative this 12th day of August, 1974.

R. L. Bailey, Jr.
R. L. Bailey, Jr., Secretary

(SEAL)

#0025398

th:07/17/95
18417

**ARTICLES OF AMENDMENT TO THE
RESTATED ARTICLES OF INCORPORATION
OF
JACKSON PURCHASE ELECTRIC
COOPERATIVE CORPORATION AS AMENDED**

RECEIVED & FILED
AUG 2 9 34 AM '95

The undersigneds do hereby certify that the following amendment to the Restated Articles of Incorporation of said Cooperative was adopted and recommended by the vote of the directors of said Cooperative at a directors meeting duly held on April 17, 1995, and that the following Amendment to the Restated Articles of Incorporation of the Cooperative was adopted and approved by the vote of the members of said Cooperative at their annual meeting duly held on June 20, 1995. The Articles of Amendment are as follows:

Know all men by these presents:

ARTICLE I

The name of the Cooperative shall be JACKSON PURCHASE ELECTRIC COOPERATIVE CORPORATION (hereinafter referred to as, "Cooperative").

ARTICLE II

The purpose or purposes for which the Cooperative is formed are to conduct an electric generation, transmission, distribution or service non-profit Cooperative Corporation to produce, transmit, distribute or furnish energy to any person, firm, corporation, or body politic and/or to provide electrical devices, wiring and equipment and any services that are deemed advisable or desirable to operate a utility and without limiting the generality of the foregoing:

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- (a) To generate, manufacture, purchase, acquire and accumulate electric energy for its members ~~and non-members~~ to the extent permitted by the Act under which the Cooperative is formed and to transmit, distribute, furnish, sell and dispose of such electric energy to its members ~~and non-members~~ to the extent permitted by the Act under which the Cooperative is formed, and to construct, erect, purchase, lease as lessee and in any manner acquire, own, hold, maintain, operate, sell, dispose of, lease as lessor, exchange and mortgage plants, buildings, works, machinery, supplies, apparatus, equipment and electric transmission and distribution lines or systems necessary, convenient or useful for carrying out and accomplishing any or all of the foregoing purposes;
- (b) To acquire, own, hold, use, exercise and, to the extent permitted by law, to sell mortgage, pledge, hypothecate and in any manner dispose of franchises, rights, privileges, licenses, rights of way and easements necessary, useful or appropriate to accomplish any or all of the purposes of the Cooperative;
- (c) To purchase, receive, lease as lessee, or in any other manner acquire, own, hold, maintain, use, convey, sell, lease as lessor, exchange, mortgage, pledge, or otherwise dispose of any and all real and personal property or any interest therein necessary, useful or appropriate to enable the Cooperative to accomplish any or all of its purposes;
- (d) to borrow money, to make and issue bonds, notes and other evidences of indebtedness, secured or unsecured, for money borrowed or in payment for property acquired, or for any of the other objects or purposes of the Cooperative; to secure the payment of such bonds, notes or other evidences of indebtedness by mortgage or mortgages, or deed or deeds of trust upon, or by the pledge of or other lien upon, any or all of the property, rights, privileges or permits of the Cooperative, wheresoever situated, acquired or to be acquired;
- (e) To do and perform, either for itself or its members, any and all acts and things, and to have and exercise any and all powers, as may be necessary or convenient to accomplish any or all of the foregoing purposes or as may be permitted by the Act under which the Cooperative is formed, and to exercise any of its powers anywhere.

ARTICLE III

The principal office shall be located in Paducah, in the County of McCracken, Commonwealth of Kentucky.

ARTICLE IV

The operations of the Cooperative are to be conducted in the counties of McCracken, Ballard, Carlisle, Graves, Marshall, and Livingston, and in such other counties as the operations of the Cooperative may from time to time require or become necessary or desirable in the interest of the Cooperative or its members.

ARTICLE V

The number of directors of the Cooperative shall be nine.

ARTICLE VI

The names and post office addresses of the directors who are to manage the affairs of the Cooperative until the first annual meeting of the members or until their successors shall have been elected and shall have qualified, are:

<u>NAME</u>	<u>POST OFFICE ADDRESS</u>
Boone Hill	Benton, Kentucky, R.F.D. #6
Roudell Wilson	Smithland, Kentucky
Ed F. Warren	Hickory, Kentucky, R.F.D. #1
Harvey M. Luttrell	Paducah, Kentucky, R.F.D. #6
Claude E. Seaton	Barlow, Kentucky R.F.D. #1
Horace Earl Harting	Paducah, Kentucky, R.F.D. #2
Roy J. Meahl	Paducah, Kentucky, R.F.D. #2
Carmel D. Harris	Paducah, Kentucky, R.F.D. #2
Walter O. Parr	Paducah, Kentucky, R.F.D. #6

ARTICLE VII

The duration of the Cooperative is: perpetual.

ARTICLE VIII

Section 1: The Cooperative shall have no capital stock, and the property rights and interests of each member shall be equal.

Section 2: Any person, firm, association, corporation, or body politic or subdivision thereof ~~may~~ shall be eligible to become a member of, and to receive electric service from the Cooperative, at one or more premises owned or directly occupied or used by him or it, upon receipt of electric service from the Cooperative, provided that the person, firm, association, corporation, body politic or subdivision thereof has first: (a) made a written application for membership therein; (b) agreed to purchase from the Cooperative the electric energy hereinafter specified; (c) agreed to comply with and be bound by the Articles of Incorporation and Bylaws of the Cooperative and any rules and regulations adopted by the Board of Directors (hereinafter called the "Board"); and (d) paid the membership fee specified in the Bylaws of the Cooperative; provided, however, that no person, firm, association, corporation, or body politic or subdivision thereof shall become a member unless, or until, the Board or members have accepted the application for membership. No member may hold more than one (1) ~~voting~~ membership in the Cooperative and no membership in the Cooperative shall be transferable except as provided in the Bylaws. Each member shall be entitled to only one (1) vote upon each matter submitted to a vote of the members.

Section 3: Membership in the Cooperative shall be evidenced by a membership certificate which shall be in such form and shall contain such provision as shall be determined by the Board. ~~There shall be two (2) types of membership, a voting membership and a non-voting membership.~~ A voting membership certificate shall be issued for the first or only service connection received by a member. ~~A non-voting membership certificate shall be issued for each additional service connection received by the same member.~~ The membership certificate shall be signed by the President and by the Secretary of the Cooperative and the corporate seal shall be affixed thereto. ~~Neither such membership certificate shall be issued for less than the membership fee, fixed in the Bylaws, nor until such membership fee has been fully paid for.~~ In case a certificate is lost, destroyed or mutilated, a new certificate may be issued therefore upon such uniform terms and indemnity to the Cooperative as the Board may prescribe. ~~The words "same member" as used above includes a husband and wife so that upon the receipt of a service connection by either or both of them, all additional service connections received by either or both of them shall entitle either or both to receive only a non-voting membership.~~

Section 4: Each member shall, as soon as electric energy shall be available, purchase from the Cooperative all electric energy used on the premises specified in the members application for membership, and shall pay therefor at rates which shall from time to time be fixed by the Board. It is expressly understood that amounts paid for electric energy in excess of the cost of service are furnished by members as capital and each member shall be credited with the capital so furnished as provided

in the Bylaws. Each member shall pay to the Cooperative such minimum amount regardless of the amount of electric energy consumed, as shall be fixed by the Board from time to time. Each member shall also pay all amounts owed by the member to the Cooperative as and when the same shall become due and payable.

Section 5:

- (a) Any member may withdraw from membership upon compliance with such uniform terms and conditions as the Board may prescribe. The Board may, by the affirmative vote of not less than two-thirds (2/3) of all directors, expel any member who fails to comply with any of the provisions of the Articles of Incorporation, Bylaws, or rules and regulations adopted by the Board, but only if such member shall have been given written notice by the Cooperative that such failure makes the member liable to expulsion and such failures shall have continued for at least ten (10) days after such notice was given. Any expelled member may be reinstated by a vote of the Board. The membership of a member who for a period of six (6) months after service is available to the member has not purchased electric energy from the Cooperative may be cancelled by resolution of the Board.
- (b) Upon withdrawal, death, cessation of existence, or expulsion of a member, the membership of such member shall thereupon terminate and the membership certificate of such member shall be surrendered forthwith to the Cooperative. Termination of membership in any manner shall not release a member or the members estate from any debts due the Cooperative.
- (c) In case withdrawal or termination of membership in any manner, the Cooperative shall repay to the member the amount of the membership fee paid by the member provided, however, that the Cooperative shall deduct from the amount of the membership fee the amount of any debts or obligations owed by the member to the Cooperative.

Section 6: No membership shall be issued for less than the membership fee specified in the Bylaws of the Cooperative, nor until such membership fee has been

~~fully paid for in cash and such payment has been deposited with the Treasurer of the Cooperative.~~

Section 7: ~~A member may be entitled to vote by proxy at all meetings of members in accordance with the terms and conditions set forth in Article III of the Cooperative Bylaws. At all meetings of members a member may vote by proxy executed in writing by the member. Such proxy shall be filed with the Secretary of the Cooperative before or at the time of the meeting. No proxy shall be valid after sixty (60) days from the date of its execution, and the proxy so appointed may not vote at any meeting other than the one designated in the proxy or any adjournment or adjournments of such meeting.~~

ARTICLE IX

Section 1: The Bylaws of the Cooperative may fix such other terms and conditions upon which members shall be admitted to and retain membership in the Cooperative not inconsistent with these Articles of Incorporation or the Act under which it is organized.


Section 2: The Board shall have power to make and adopt such rules and regulations not inconsistent with these Articles of Incorporation or the Bylaws of the Cooperative as it may deem advisable for the management, administration and regulation of the business and affairs of the Cooperative.

Section 3: Neither the incorporators nor any other member of the Cooperative shall be personally responsible for any debts, obligation or liability of the Cooperative.

ARTICLE X


The Cooperative may amend, alter, change or repeal any provision contained in these Articles of Incorporation in the manner now or hereafter prescribed by law.

JACKSON PURCHASE ELECTRIC
COOPERATIVE CORPORATION

By 

Danny L. Cope, President

ATTEST:

By 

Grover R. Talley, Secretary

STATE OF KENTUCKY)

COUNTY OF McCracken)

The foregoing Articles of Amendment to the Restated Articles of Incorporation of Jackson Purchase Electric Cooperative Corporation was produced before me in the aforesaid County and State and was signed and acknowledged by Danny L. Cope, President of said Cooperative, to be the act and deed of the Cooperative and the execution thereof was attested by Grover R. Talley, Secretary of the Cooperative who signed and acknowledged same to be his act and deed as Secretary of the Cooperative and the act and deed of the Cooperative, this 27 day of

July, 1995.

My commission expires: 3/5/99.

Roll Doherty
NOTARY PUBLIC, STATE AT LARGE

This instrument prepared by:

Rick A. Emmens

DENTON & KEULER
P. O. Box 929
Paducah, KY 42002-0929

#0025598

12/9/00

RECEIVED & FILED

OCT 6 11 04 AM '98

[Handwritten signature]

gb:08 28 9842377

ARTICLE OF AMENDMENT TO THE
RESTATED ARTICLES OF INCORPORATION
OF
JACKSON PURCHASE ELECTRIC
COOPERATIVE CORPORATION AS AMENDED

The undersigned do hereby certify that the following amendment to the Restated Articles of Incorporation of said Corporation was approved and adopted by the vote of the directors of said Corporation at a directors meeting duly held on July 30, 1998, and that the following Amendment to the Restated Articles of Incorporation of the Corporation was adopted and approved by the vote of the members of said Corporation at their annual meeting duly held on June 16, 1998.

The Article of Amendment is as follows:

KNOW ALL MEN BY THESE PRESENTS:

ARTICLE I

The name of the Corporation shall be JACKSON PURCHASE ENERGY CORPORATION.

All other provisions of the Restated Articles of Incorporation and amendments thereto shall remain unchanged and in full force and effect.

JACKSON PURCHASE ENERGY CORPORATION

By *Lee Bearden*
Lee Bearden, President

ATTEST:

By *Wayne Elliott*
Wayne Elliott, Secretary

STATE OF KENTUCKY)

COUNTY OF McCRACKEN)

The foregoing Article of Amendment to the Restated Articles of Incorporation of Jackson Purchase Electric Cooperative Corporation, n/k/a Jackson Purchase Energy Corporation,

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was produced before me in the aforesaid County and State and was signed and acknowledged by Lee Bearden, President of said Corporation to be the act and deed of the Corporation and the execution thereof was attested by Wayne Elliott, Secretary of the Corporation, who signed and acknowledged same to be his act and deed as Secretary of the Corporation and the act and deed of the Corporation this 24 day of September 1998.

My commission expires: 6.21.99.

Sarah W. Jackson
NOTARY PUBLIC, STATE AT LARGE

This instrument prepared by:

J. W. Denton
DENTON & KEULER
P. O. Box 929
Paducah, KY 42002-0929

0025598.09

Ghance
NAOA

Trey Grayson
Secretary of State
Received and Filed
11/09/2007 9:52:45 AM
Fee Receipt: \$8.00

**ARTICLES OF AMENDMENT TO THE
RESTATED ARTICLES OF INCORPORATION
OF
JACKSON PURCHASE ENERGY CORPORATION AS AMENDED**

The undersigned do hereby certify that the following amendment to the Restated Articles of Incorporation of said Corporation was approved by a two-thirds (2/3) vote of the directors of said Corporation at a special called meeting held on May 6, 2004, and a regular meeting held on February 22, 2001, and that the following Amendments to the Restated Articles of Incorporation of said Corporation was adopted by a majority vote of the members of said Corporation at their annual meeting duly held on June 29, 2004, and June 26, 2001. The Articles of Amendment are as follows:

- I. THE TEXT OF THE AMENDMENTS TO ARTICLES I THROUGH X OF THE RESTATED ARTICLES OF INCORPORATION OF JACKSON PURCHASE ENERGY CORPORATION ARE AS FOLLOWS:

ARTICLE I

The name of the Corporation shall be JACKSON PURCHASE ENERGY CORPORATION.

ARTICLE II

The purpose or purposes for which the Corporation is formed are to conduct an electric generation, transmission, distribution or service non-profit Corporation to produce, transmit, distribute or furnish energy to any person, firm, corporation, or body politic and/or to provide electrical devices, wiring and equipment and any services that are deemed advisable or desirable to operate a utility and without limiting the generality of the foregoing:

- (a) To generate, manufacture, purchase, acquire and accumulate electric energy for its members to the extent permitted by the Act under which the Corporation is formed and to

transmit, distribute, furnish, sell and dispose of such electric energy to its members to the extent permitted by the Act under which the Corporation is formed, and to construct, erect, purchase, lease as lessee and in any manner acquire, own, hold, maintain, operate, sell, dispose of, lease as lessor, exchange and mortgage plants, buildings, works, machinery, supplies, apparatus, equipment and electric transmission and distribution lines or systems necessary, convenient or useful for carrying out and accomplishing any or all of the foregoing purposes;

- (b) To acquire, own, hold, use, exercise and, to the extent permitted by law, to sell, mortgage, pledge, hypothecate and, in any manner, dispose of franchises, rights, privileges, licenses, rights of way and easements necessary, useful or appropriate to accomplish any or all of the purposes of the Corporation;
- (c) To purchase, receive, lease as lessee, or in any other manner acquire, own, hold, maintain, use, convey, sell, lease as lessor, exchange, mortgage, pledge, or otherwise dispose of any and all real and personal property or any interest therein necessary, useful or appropriate to enable the Corporation to accomplish any or all of its purposes;
- (d) To borrow money, to make and issue bonds, notes and other evidences of indebtedness, secured or unsecured, for money borrowed or in payment for property acquired, or for any of the other objects or purposes of the Corporation; to secure the payment of such bonds, notes or other evidences of indebtedness by mortgage or mortgages, or deed or deeds of trust upon, or by the pledge of or other lien upon, any or all of the property, rights, privileges or permits of the Corporation, wheresoever situated, acquired or to be acquired;
- (e) To do and perform, either for itself or its members, any and all acts and things, and to have and exercise any and all powers, as may be necessary or convenient to accomplish any or all of the foregoing purposes or as may be permitted by the Act under which the Corporation is formed, and to exercise any of its powers anywhere.

ARTICLE III

The principal office shall be located at 2900 Irvin Cobb Drive, Paducah, McCracken County, Kentucky.

ARTICLE IV

The operations of the Corporation are to be conducted in the counties of McCracken, Ballard, Carlisle, Graves, Marshall, and Livingston and in such other counties as the operations of the Corporation may from time to time require or become necessary or desirable in the interest of the Corporation or its members.

ARTICLE V

The number of directors of the Corporation shall be eight.

ARTICLE VI

The names and post office addresses of the directors who are to manage the affairs of the Corporation until the first annual meeting of the members or until their successors shall have been elected and shall have qualified, are:

<u>NAME</u>	<u>ADDRESS</u>	<u>POST OFFICE</u>
Boone Hill		Benton, Kentucky,
Roudell Wilson	R.F.D. #6	Smithland, Kentucky
Ed F. Warren		Hickory, Kentucky,
Harvey M. Luttrell	R.F.D. #1	Paducah, Kentucky, R.F.D.
Claude E. Seaton	#6	Barlow, Kentucky R.F.D. #1
Horace Earl Harting		Paducah, Kentucky, R.F.D.
Roy J. Meahl	#2	Paducah, Kentucky,
Carmel D. Harris	R.F.D. #2	Paducah, Kentucky, R.F.D.
Walter O. Parr	#2	Paducah, Kentucky,
	R.F.D. #6	

ARTICLE VII

The duration of the Corporation is: perpetual.

ARTICLE VIII

Section 1: The Corporation shall have no capital stock and the property rights and interests of

each member shall be equal.

Section 2: Any person, firm, association, corporation, or body politic or subdivision thereof shall be eligible to become a member of and to receive electric service from Jackson Purchase Energy Corporation (hereinafter called the "Corporation") at one or more premises owned or directly occupied or used by him or it, provided that he or it has first: (a) made appropriate written application for membership therein; (b) agreed to purchase from the Corporation electric energy as hereinafter specified; (c) agreed to comply with and be bound by the Articles of Incorporation and Bylaws of the Corporation and any rules and regulations adopted by the Board of Directors (hereinafter called the "Board"); and (d) paid any applicable fees as adopted by the Board; provided, however, that all applications for membership shall be automatically accepted, unless the Board determines that the applicant is unable or unwilling to meet all related terms and conditions of service, or that the applicant should be rejected for good cause. No member may hold more than one (1) membership in the Corporation, and no membership in the Corporation shall be transferable except as provided in the Bylaws. Each member shall be entitled to only one (1) vote upon each matter submitted to a vote of the members.

Section 3: The Corporation shall maintain an appropriate record of the members of the Corporation and the capital credited to the account of each member as required in the Bylaws. Membership and capital credit records shall be available in accordance with the provisions of the Bylaws.

Section 4: Each member shall, as soon as electric energy shall be available, purchase from the Corporation all electric energy used on the premises specified in the members application for

membership, and shall pay therefore at rates which shall from time to time be fixed by the Board. It is expressly understood that amounts paid for electric energy in excess of the cost of service are furnished by members as capital and each member shall be credited with the capital so furnished as provided in the Bylaws. Each member shall pay to the Corporation such minimum amount regardless of the amount of electric energy consumed, as shall be fixed by the Board from time to time. Each member shall also pay all amounts owed by the member to the Corporation as and when the same shall become due and payable.

Section 5:

- (a) Any member may withdraw from membership upon compliance with such uniform terms and conditions as the Board may prescribe. The Board may, by the affirmative vote of not less than two-thirds (2/3) of all directors, expel any member who fails to comply with any of the provisions of the Articles of Incorporation, Bylaws, or rules and regulations adopted by the Board, but only if such member shall have been given written notice by the Corporation that such failure makes the member liable to expulsion and such failures shall have continued for at least ten (10) days after such notice was given. Any expelled member may be reinstated by a vote of the Board. The membership of a member who for a period of six (6) months after service is available to the member has not purchased electric energy from the Corporation may be canceled by resolution of the Board.
- (b) Upon withdrawal, death, cessation of existence, or expulsion of a member, his or its membership shall thereupon terminate. The Corporation shall refund the amount of the membership fee paid, if any, or the Corporation will apply the amount of the membership fee to any debts or obligations owed by the member to the Corporation. Termination of membership in any manner shall not release a member or his estate from any debts due the Corporation.

Section 6: Membership is granted upon connection of service and payment of any applicable fees as approved and adopted by the Board.

Section 7: A member may be entitled to vote by proxy at all meetings of members in accordance with the terms and conditions set forth in Article III of the Corporation Bylaws.

ARTICLE IX

Section 1: The Bylaws of the Corporation may fix such other terms and conditions upon which members shall be admitted to and retain membership in the Corporation not inconsistent with these Articles of Incorporation or the Act under which it is organized.

Section 2: The Board shall have power to make and adopt such rules and regulations not inconsistent with these Articles of Incorporation or the Bylaws of the Corporation as it may deem advisable for the management, administration and regulation of the business and affairs of the Corporation.

Section 3: Neither the incorporators nor any other member of the Corporation shall be personally responsible for any debts, obligation or liability of the Corporation.

ARTICLE X

The Corporation may amend, alter, change or repeal any provision contained in these Articles of Incorporation in the manner now or hereafter prescribed by law.

JACKSON PURCHASE ENERGY
CORPORATION

(Seal)

By Gary L. Joiner
Gary L. Joiner, Chairman

ATTEST:

By Wayne Elliott
Wayne Elliott, Secretary

STATE OF KENTUCKY)

COUNTY OF McCracken)

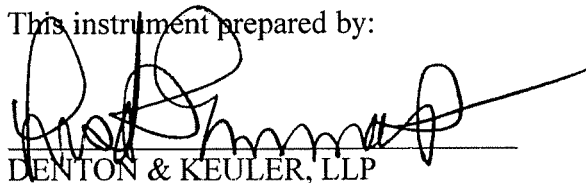
The foregoing Articles of Amendment to the Restated Articles of Incorporation of Jackson Purchase Energy Corporation was produced before me in the aforesaid County and State and was signed and acknowledged by Gary L. Joiner, Chairman of the Corporation, to be the act and deed of the Corporation and the execution thereof was attested by Wayne Elliott, Secretary of the Corporation, who signed and acknowledged same to be his act and deed as Secretary of the Corporation and the act and deed of the Corporation, this 11th day of October, 2007.

My commission expires: 1-12-2010



NOTARY PUBLIC, STATE AT LARGE

This instrument prepared by:



DENTON & KEULER, LLP

P.O. Box 929
Paducah, KY 42002-0929



Exhibit B

Statement Regarding Test Year and Normalizing Adjustments

Attached are a Test Year Balance Sheet and Income Statement that illustrates the proposed normalizing adjustments. The proposed adjustments reflect changes to the Income Statement only. There are no proposed adjustments for the Balance Sheet.

JPEC is seeking a \$3,554,064 (9.50%) increase in rates to satisfy the minimum default coverage ratios of its creditors and provide a reasonable margin for its operations.

Jackson Purchase Energy
Test Year Balance Sheet

Line No.		2006	Normalization Adjustments	Normalized 2006
Assets & Deferred Charges				
1	Utility Plant	\$105,262,626		\$105,262,626
2	CWIP	\$3,204,054	\$77,266	\$3,281,320
3	Total Utility Plant	\$108,466,680	\$77,266	\$108,543,946
4	Less Accumulated Depreciation	\$31,714,276	\$594,580	\$32,308,856
5	Net Plant	\$76,752,404	(\$517,314)	\$76,235,090
6	Total Other Property & Investments	\$2,037,879	\$0	\$2,037,879
7	Cash and Cash Equivalents	\$3,665,763		\$3,665,763
8	Accts Rec Sales Net	\$2,301,010	\$463	\$2,301,473
9	Accrued Unbilled Revenues	\$1,668,277		\$1,668,277
10	Materials & Supplies	\$1,183,096	\$10,769	\$1,193,865
11	Prepayments & Other Assets	\$466,211	\$7,271	\$473,482
12	Total Current & Accrued Assets	\$9,284,357	\$18,503	\$9,302,860
13	Misc. Deferred Debits	\$1,291,215	\$0	\$1,291,215
	Net Change In Assets	\$0	\$4,052,875	\$4,052,875
14	Total Assets & Debits	\$89,365,855	\$3,554,064	\$92,919,919
Liabilities & Equities				
15	Memberships	\$208,695		\$208,695
16	Patronage Capital	\$34,235,714	\$3,554,064	\$37,789,778
17	Total Margin & Equities	\$34,444,409	\$3,554,064	\$37,998,473
18	LT RUS Debt	\$46,718,372		\$46,718,372
19	Current Maturities of LT Debt	\$2,000,000		\$2,000,000
20	Total Long-Term Debt	\$48,718,372		\$48,718,372
21	Accumulated Operating Provisions	\$861,127		\$861,127
22	Total Other Non-Current Liabilities	\$861,127		\$861,127
23	Accounts Payable	\$3,140,559		\$3,140,559
24	Consumer Deposits	\$1,251,047		\$1,251,047
25	Other Current & Accrued Liabilities	\$756,807		\$756,807
26	Total Current & Accrued Liabilities	\$5,148,413		\$5,148,413
27	Other Deferred Credits	\$193,534		\$193,534
28	Total Liabilities & Deferred Credits	\$89,365,855	\$3,554,064	\$92,919,919

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Jackson Purchase Energy
Test Year Income Statement With Adjustments

Line No.		2006 As Booked	Normalization Adjustments	Normalized 2006	Proposed Increase	Normalized 2006 With Increase
1	Operating Revenues	\$37,396,373		\$37,396,373	\$3,554,064	\$40,950,437
2	Cost of Purchased Power	\$23,655,944		\$23,655,944		\$23,655,944
3	Transmission Expense	\$0		\$0		\$0
4	Distribution Expense - Operation	\$1,761,777	\$53,689	\$1,815,466		\$1,815,466
5	Distribution Expense - Maintenance	\$3,413,939	\$54,782	\$3,468,721		\$3,468,721
6	Consumer Accounts Expense	\$1,088,682	\$20,121	\$1,108,803		\$1,108,803
7	Customer Service Expense	\$220,972	\$6,638	\$227,610		\$227,610
8	Sales Expense	\$56,695	(\$38,038)	\$18,657		\$18,657
9	A&G Expense	\$1,992,235	(\$52,882)	\$1,939,353		\$1,939,353
10	Total O&M Expense	\$32,190,244	\$44,310	\$32,234,554		\$32,234,554
11	Depreciation Expense	\$3,235,100	\$594,972	\$3,830,072		\$3,830,072
12	Property Tax Expense	\$0		\$0		\$0
13	Other Tax Expense	\$41,657		\$41,657		\$41,657
14		\$35,467,001	\$639,282	\$36,106,283		\$36,106,283
15	Return	\$1,929,372	(\$639,282)	\$1,290,090		\$4,844,154
16	LT Interest Expense	\$2,660,517	\$53,526	\$2,714,043		\$2,714,043
17	Interest Charges To Construction - Cr	\$0		\$0		\$0
18	Other Interest	\$66,911		\$66,911		\$66,911
19	Other Deductions	\$15,995	(\$1,424)	\$14,571		\$14,571
20	Total Interest Costs	\$2,743,423	\$52,102	\$2,795,525		\$2,795,525
21	Operating Margins	(\$814,051)	(\$691,384)	(\$1,505,435)		\$2,048,629
22	Non-Operating Margins - Interest	\$593,283	(\$41,096)	\$552,187		\$552,187
23	AFUDC	\$0		\$0		\$0
24	Income Form Equity Investment	\$0		\$0		\$0
25	Non-Operating Margins	\$0	(\$1)	(\$1)		(\$1)
26	G&T Capital Credits	\$0		\$0		\$0
27	Other Capital Credits/Patronage Div	\$113,228		\$113,228		\$113,228
28	Extraordinary Items	\$0		\$0		\$0
29	Net Margins	(\$107,540)	(\$732,481)	(\$840,021)		\$2,714,043
30	Operating TIER	0.69		0.45		1.75
31	Net TIER	0.96		0.69		2.00
32	MDSC	1.23		1.21		1.96
33	Proposed Rate Increase (%)				9.50%	

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Exhibit C

Certificate of Existence

Commonwealth of Kentucky
Trey Grayson
Secretary of State

Certificate of Existence

I, Trey Grayson, Secretary of State of the Commonwealth of Kentucky, do hereby certify that according to the records of the Office of the Secretary of State,

JACKSON PURCHASE ENERGY CORPORATION

is a nonprofit corporation duly incorporated and existing under KRS Chapter 273, whose date of incorporation is June 12, 1937 and whose period of duration is perpetual.

I further certify that all fees and penalties owed to the Secretary of state have been paid; that articles of dissolution have not been filed; and that the most recent annual report required by KRS 273.3671 has been delivered to the Secretary of State.

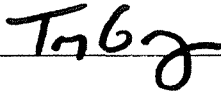
IN WITNESS THEREOF, I have hereunto set my hand and affixed my Official Seal at Frankfort, Kentucky, this 8th day of November, 2007.

Certificate Number: 55416

Jurisdiction: Jackson Purchase Energy Corporation

Visit <http://apps.sos.ky.gov/business/obdb/certvalidate.aspx> to validate the authenticity of this certificate.





Trey Grayson
Secretary of State
Commonwealth of Kentucky
55416/0025598

000053



Exhibit D

Proposed Tariffs

N
N

Jackson Purchase Energy Corporation

2900 Irvin Cobb Drive
Paducah, KY 42003

N
N
N

Rates, Rules and Regulations for Furnishing

N

ELECTRIC SERVICE

N

In six counties in the State of Kentucky as
depicted on territorial maps as filed with the

N
N

**PUBLIC SERVICE COMMISSION
OF KENTUCKY**

N
N

Date of Issue
December 15, 2007

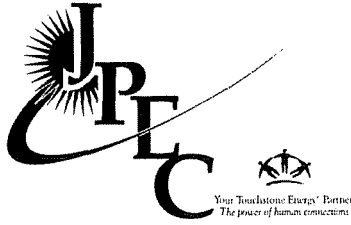
Date Effective
With Service Rendered
On and After
February 1, 2008

N
N
N
N


Issued by

G. Kelly Nuckols, President and CEO

N
N



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

P.S.C. KY NO. 2

SHEET NO. 1

CANCELLING P.S.C. KY NO. Original

SHEET NO. _____

GENERAL INDEX	
SCHEDULE OF RATES	RULES AND REGULATIONS

Section 1 – Schedule of Rates

	Page Number	Effective Date	N
R – Residential	4	February 1, 2008	N
C-1 – Small Commercial Single Phase	6	February 1, 2008	N
C-3 – Small Commercial Three Phase	8	February 1, 2008	N
OL – Outdoor Lighting	10	February 1, 2008	N
D – Commercial and Industrial Demand Less Than 3,000 kW	13	February 1, 2008	N
I-E – Large Commercial and Industrial – Existing	17	February 1, 2008	N
L – Large Commercial and Industrial 3,000-5,000 kW	21	February 1, 2008	N
L-E – Large Industrial Member Expansion	25	February 1, 2008	N
Non-Recurring Fees	26	February 1, 2008	N
NM – Net Metering	27	February 1, 2008	N
SPC-A – Small Power Production or Cogeneration Less Than 100 kW	35	February 1, 2008	N
SPC-B – Small Power Production or Cogeneration Greater Than 100 kW	36	February 1, 2008	N
CTAT – Cable Television Attachment Tariff	53	February 1, 2008	N
BRTC – Ballard Rural Telephone Cooperative Corporation, Inc. Tariff	62	February 1, 2008	N

Section 2 – Power Curtailment

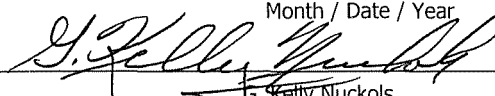
	Page Number	Effective Date	N
Power Curtailment Procedure	70	February 1, 2008	N

Section 3 – Adjustment and Riders

	Page Number	Effective Date	N
CRA – Cost Reduction Adjustment	74	February 1, 2008	N
Franchise Fee	76	February 1, 2008	N
School Tax	78	February 1, 2008	N
G-1 – Renewable Resource Energy Service	79	February 1, 2008	N

DATE OF ISSUE December 15, 2007
 Month / Date / Year

DATE EFFECTIVE February 1, 2008
 Month / Date / Year

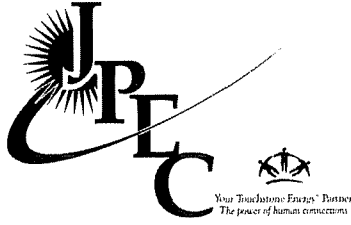
ISSUED BY 
 G. Kelly Nuckols

TITLE President & CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2007-00116 DATED _____

000055



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

P.S.C. KY NO. 2

SHEET NO. 2

CANCELLING P.S.C. KY NO. Original

SHEET NO. _____


GENERAL INDEX	
SCHEDULE OF RATES	RULES AND REGULATIONS

Section 4 – Rules and Regulations

	Page Number	Effective Date	N
Members Bill of Rights	84	February 1, 2008	N
Scope	86	February 1, 2008	N
Revisions	86	February 1, 2008	N
Supersede Previous Rules and Regulations	86	February 1, 2008	N
Service Area	86	February 1, 2008	N
Availability	86	February 1, 2008	N
Availability of Service to Delinquent Member	87	February 1, 2008	N
Application for Electric Service	87	February 1, 2008	N
Membership	87	February 1, 2008	N
Continuity of Service	87	February 1, 2008	N
Easements	88	February 1, 2008	N
Right of Access	88	February 1, 2008	N
No Prejudice of Rights	88	February 1, 2008	N
Non-Standard Service	89	February 1, 2008	N
Billing	89	February 1, 2008	N
Deposits	90	February 1, 2008	N
Levelized Billing	91	February 1, 2008	N
Partial Payment Plan	92	February 1, 2008	N
Location of Meters	92	February 1, 2008	N
Meter Tests	92	February 1, 2008	N
Services Performed for Members	93	February 1, 2008	N
Resale of Power by Members	93	February 1, 2008	N
Notice of Trouble	93	February 1, 2008	N
Point of Delivery	93	February 1, 2008	N
Failure of Meter to Register	94	February 1, 2008	N
Member's Wiring and Installation	94	February 1, 2008	N

DATE OF ISSUE December 15, 2007
 Month / Date / Year

DATE EFFECTIVE February 1, 2008
 Month / Date / Year

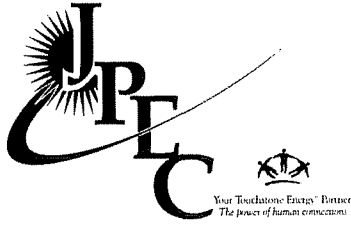
ISSUED BY 
 G. Kelly Nuckols

TITLE President & CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

000056

IN CASE NO. 2007-00116 DATED _____



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

P.S.C. KY NO. 2

SHEET NO. 3

CANCELLING P.S.C. KY NO. Original

SHEET NO. _____

GENERAL INDEX	
SCHEDULE OF RATES	RULES AND REGULATIONS

Section 4 – Rules and Regulations continued

	Page Number	Effective Date	N
Franchise Fee	95	February 1, 2008	N
Inspections	95	February 1, 2008	N
Protection of JPEC Equipment	95	February 1, 2008	N
Relocation of Lines	95	February 1, 2008	N
Voltage Fluctuations Caused by the Member	96	February 1, 2008	N
Refusal or Termination of Service	96	February 1, 2008	N
Temporary Service	98	February 1, 2008	N
New Service to Barns, Camps, Pumps and Miscellaneous	99	February 1, 2008	N
Distribution Line Extensions	99	February 1, 2008	N
Distribution Line Extensions to Mobile Homes	100	February 1, 2008	N
Extension of Underground Service and Primary	102	February 1, 2008	N
Connection or Reconnection of Service	104	February 1, 2008	N
Returned Checks	104	February 1, 2008	N
Monitoring of Member Usage	105	February 1, 2008	N
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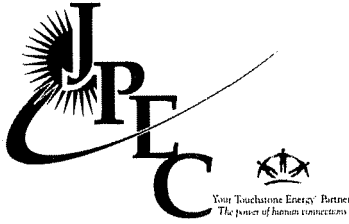
ISSUED BY *G. Kelly Nuckols*
 G. Kelly Nuckols

TITLE President & CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2007-00116 DATED _____

000057



Jackson Purchase Energy Corp.
 FOR Entire Territory Served
 Community, Town or City
 P.S.C. KY NO. 2
 SHEET NO. 4
 CANCELLING P.S.C. KY NO. Original
 SHEET NO. _____

RATES AND CHARGES
SCHEDULE R – RESIDENTIAL

Applicability

Entire service territory.

N
N

Availability of Service

Available to all residential Members for use in the home and on the farm. Residential electric service is available for uses customarily associated with residential occupation, including lighting, cooking, heating, cooling, refrigeration, household appliances and other domestic purposes.

N
N
N

Residential rates are based on service to single family units and are not applicable to multi-family dwellings served through a single meter. Where two or more families occupy a residential building, JPEC may require as a condition precedent to the application of the residential rate that the wiring in the building be so arranged as to permit each family to be served through a separate meter. In those cases where such segregation of wiring would involve undue expense to the Member, at the Member's option in lieu of the foregoing, electric service rendered to a multi-family residential building through a single meter will be classified as commercial and billed on the basis of service to a Member at an appropriate non-residential rate.

N
N
N
N
N
N

If a separate meter is used to measure the consumption to remotely located buildings, such as garages, barns, pump houses, grain bins or other outbuildings, or facilities, such as electric fences, it will be considered a separate service and be billed as a separate service at the applicable non-residential rate.

N
N
N

Type of Service

Single phase, 60 cycle at available secondary service voltages.

N
N

Rates

Facilities Charge:	Per month	\$9.00	
All Energy:	Per kWh per month	\$0.06252	

N
N

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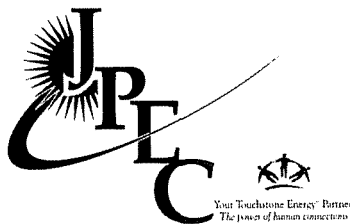
ISSUED BY
G. Kelly Nuckols

TITLE President & CEO

000058

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2007-00016 DATED _____



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

P.S.C. KY NO. 2

SHEET NO. 5

CANCELLING P.S.C. KY NO. Original

SHEET NO. _____

RATES AND CHARGES
SCHEDULE R – RESIDENTIAL

Delivery Point

The delivery point shall be the connection between conductors furnished and installed by JPEC and the conductors furnished and installed by the Member. Normally, JPEC will furnish a meter base to the Member which shall be installed by the Member in the Member's service entrance facilities. All wiring and other equipment (except metering equipment) located on the load side of the delivery point shall be owned and maintained by the Member.

Condition of Service

Service will be furnished under JPEC's Rules and Regulations applicable hereto.

Compensating starting equipment may be required for all motors rated fifteen (15) horsepower or greater and for smaller motors when specified by JPEC because of power line characteristics.

Payment Terms

The above rates are net, the gross rates being five percent (5%) higher. In the event the current bill is not paid on or before the due date as shown on the bill, the gross rates shall apply to any unpaid portion.

Adjustment Clauses

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

Cost Reduction Adjustment	Sheet	<u>74</u>
Franchise Fee Rider	Sheet	<u>76</u>
School Tax	Sheet	<u>78</u>

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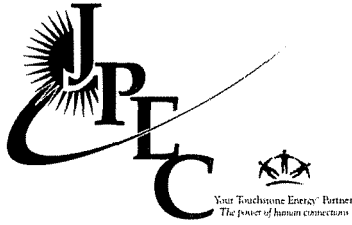
ISSUED BY *G. Kelly Nuckols*
 G. Kelly Nuckols

TITLE President & CEO

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BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2007-00016 DATED _____



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

P.S.C. KY NO. 2

SHEET NO. 6

CANCELLING P.S.C. KY NO. Original

SHEET NO. _____

RATES AND CHARGES
SCHEDULE C-1 – SMALL COMMERCIAL SINGLE PHASE

Applicability

Entire service territory.

N
N

Availability of Service

To general lighting and small power commercial loads served at single phase available voltage levels.

N
N

Service under this schedule will be limited to maximum loads not exceeding 25 kW. Service to existing Members with a maximum load exceeding 25 kW is restricted to those Members being billed under the rate schedule as of its effective date of February 1, 2008. New Members, upon demonstrating an average demand of 25 kW or greater, will be served under the appropriate rate schedule, other than this schedule.

N
N
N
N

Type of Service

Single phase, 60 cycle at available voltages.

N
N

Rates

Facilities Charge:	Per month	\$10.00	
All Energy:	Per kWh per month	\$0.06365	

N
N
N

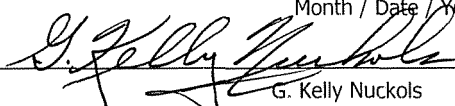
Payment Terms

The above rates are net, the gross rates being five percent (5%) higher. In the event the current bill is not paid on or before the due date as shown on the bill, the gross rates shall apply to any unpaid portion.

N
N

DATE OF ISSUE December 15, 2007
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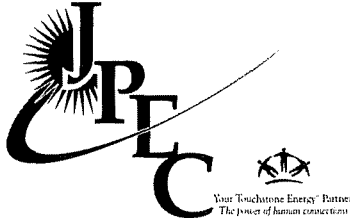
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 G. Kelly Nuckols

TITLE President & CEO

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000060

IN CASE NO. 2007-00116 DATED _____



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

P.S.C. KY NO. 2

SHEET NO. 7

CANCELLING P.S.C. KY NO. Original

SHEET NO.

RATES AND CHARGES
SCHEDULE C-1 – SMALL COMMERCIAL SINGLE PHASE

Adjustment Clauses

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

Cost Reduction Adjustment	Sheet	74
Franchise Fee Rider	Sheet	76
School Tax	Sheet	78

Terms and Conditions

Service will be furnished under JPEC's Rules and Regulations applicable hereto.

Delivery Point

The point of delivery of electric energy shall be the connection between conductors furnished and installed by JPEC and the conductors furnished and/or installed by the Member. Normally, JPEC shall furnish a meter base to the Member, which shall be installed by the Member in the Member's service entrance facilities.

Primary Service

If service is furnished at JPEC's primary voltage, a primary discount shall not be applicable in order to offset JPEC's additional equipment costs of the primary metering installation. Primary metering installations shall be evaluated on an individual basis.

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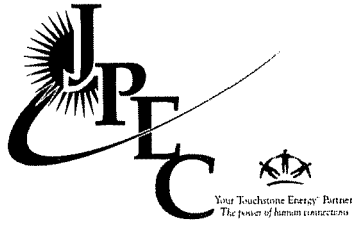
ISSUED BY
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TITLE President & CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2007-00116 DATED

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Jackson Purchase Energy Corp.
 FOR Entire Territory Served
 Community, Town or City
 P.S.C. KY NO. 2
 SHEET NO. 8
 CANCELLING P.S.C. KY NO. Original
 SHEET NO. _____

RATES AND CHARGES
SCHEDULE C-3 – SMALL COMMERCIAL THREE PHASE

Applicability

Entire service territory.

Availability of Service

To general lighting and small power commercial loads served at three phase available voltage levels and not exceeding 25 kW.

Type of Service

Three phase, 60 cycle at available voltages.

Rates

Facilities Charge:	Per month	\$18.00	
All Energy:	Per kWh per month	\$0.05980	

Payment Terms

The above rates are net, the gross rates being five percent (5%) higher. In the event the current bill is not paid on or before the due date as shown on the bill, the gross rates shall apply to any unpaid portion.

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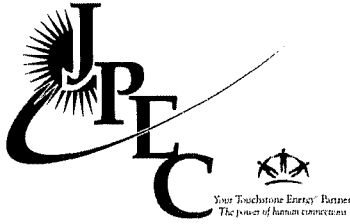
ISSUED BY *G. Kelly Nuckols*
 G. Kelly Nuckols

TITLE President & CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2007-00116 DATED _____

000062



Jackson Purchase Energy Corp.
 FOR Entire Territory Served
Community, Town or City
 P.S.C. KY NO. 2
SHEET NO. 9
 CANCELLING P.S.C. KY NO. Original
SHEET NO.

RATES AND CHARGES
 SCHEDULE C-3 – SMALL COMMERCIAL THREE PHASE

Adjustment Clauses

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

Cost Reduction Adjustment	Sheet	<u>74</u>	N
Franchise Fee Rider	Sheet	<u>76</u>	N
School Tax	Sheet	<u>78</u>	N

Terms and Conditions

Service will be furnished under JPEC's Rules and Regulations applicable hereto.

Compensating starting equipment may be required for all motors rated fifteen (15) horsepower or greater, and for smaller motors when specified by JPEC because of power line characteristics.

All wiring, pole lines and other electrical equipment (except metering equipment), starters, switches and fuses beyond the delivery point will be considered the distribution system of the Member and shall be furnished and maintained by the Member.

Delivery Point

The point of delivery of electric energy shall be the connection between conductors furnished and installed by JPEC and the conductors furnished and/or installed by the Member. Normally, JPEC shall furnish a meter base to the Member, which shall be installed by the Member in the Member's service entrance facilities.

Primary Service

If service is furnished at JPEC's primary voltage, a primary discount shall not be applicable in order to offset JPEC's additional equipment costs of the primary metering installation. Primary metering installations shall be evaluated on an individual basis.

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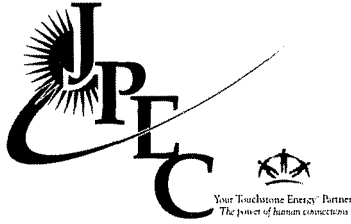
ISSUED BY *G. Kelly Nuckols*
 G. Kelly Nuckols

TITLE President & CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2007-00116 DATED _____

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

P.S.C. KY NO. 2

SHEET NO. 10

CANCELLING P.S.C. KY NO. Original

SHEET NO. _____

RATES AND CHARGES
 SCHEDULE OL – OUTDOOR LIGHTING

Applicability

Applicable to any class Member.

Type of Service

JPEC will install and maintain automatic lighting fixtures and lamps for high pressure sodium (HPS) or metal halide (Metal) lamps controlled by a photo cell. Existing mercury vapor (MV) lamps will be maintained for existing Members as long as ballasts and bulbs are available but will not be offered for new applications. MV lights will be converted to equivalent high pressure sodium or metal halide lights at the current rates if a mercury vapor light is not repairable.

Rate Per Month

Watts	Lamp Type	Standard Fixture Lumens	Monthly kWh	Rate per Unit
175	MV	7,000	70	\$ 7.53
400	MV	20,000	145	11.22
100	HPS	8,000	40	7.53
250	HPS	23,000	95	10.00
250	HPS - Flood	23,000	95	10.56
175	Metal	14,000	72	12.67
400	Metal	34,000	163	17.82
1,000	Metal-Flood	110,000	367	25.04

Terms of Payment

The above terms are net, the gross rates 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.

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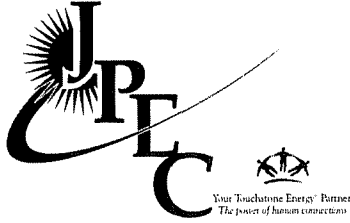
ISSUED BY *G. Kelly Nuckols*
 G. Kelly Nuckols

TITLE President & CEO

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BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2007-00116 DATED _____



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

P.S.C. KY NO. 2

SHEET NO. 11

CANCELLING P.S.C. KY NO. Original

SHEET NO. _____

RATES AND CHARGES
SCHEDULE OL – OUTDOOR LIGHTING

Upon initial request for lighting, Member shall agree to a minimum service period of two (2) years. If Member disconnects the lighting service before the end of the two year period any remaining balance will be billed to the Member. This term shall apply to a new lighting installation or when an on-site trip is required to energize a previously existing light. N
N
N
N

Conditions of Service N

Service will be furnished under JPEC's Rules and Regulations applicable hereto. N

JPEC will furnish and install one complete lighting unit consisting of the light fixture, arm, ballast, photo cell and lamp. Service may be installed on any existing facility owned by JPEC other than a meter pole. In the event that facilities other than the preceding items (i.e., added cost ornamental lighting and/or poles) are required, the member shall pay a non-refundable contribution-in-aid of construction equal to the total additional cost incurred by JPEC for the additional facilities. Such cost shall include all added material, labor and applicable overhead costs. The contribution-in-aid of construction shall be deposited by the Member or Members based on the estimated cost of the additional facilities. When construction is completed, the Member shall be billed for the actual cost of construction, and credit for advance payment shall be given. N
N
N
N
N
N
N

Should the Member require that the lighting be placed in a location other than on an existing facility, the Member shall agree to pay the entire cost of any required facility (less light fixture, ballast, photo cell and lamp) over a twenty-four (24) month period. Member shall agree that should they disconnect the light service before the completion of the twenty-four (24) month period they shall be immediately billed any remaining balance unless any succeeding Member shall agree to continue that obligation. It will be incumbent on the existing member to arrange responsibility with the succeeding member. N
N
N
N
N

Illumination shall be furnished from dusk until dawn using JPEC's best efforts. Outages or malfunctions of the light should be reported as promptly as possible by the Member. N
N

Lamp, ballast, standard globe, standard shade and photo cell replacements will be made by JPEC without cost during normal work hours. Any maintenance outside of the lamp, ballast, standard globe, standard shade or photo cell, including replacement of any existing facility used solely to provide light shall be paid for by the N
N
N

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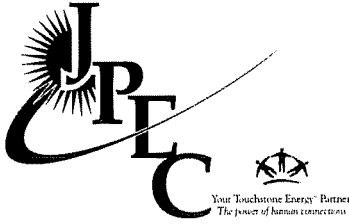
ISSUED BY G. Kelly Nuckols
G. Kelly Nuckols

TITLE President & CEO

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BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2007-00116 DATED _____



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

P.S.C. KY NO. 2

SHEET NO. 12

CANCELLING P.S.C. KY NO. Original

SHEET NO. _____

RATES AND CHARGES
SCHEDULE OL – OUTDOOR LIGHTING

Member. The Member is responsible for painting of any ornamental fixtures or will reimburse JPEC for any painting requested by the Member. JPEC may require pre-payment before painting and/or replacement is performed. N
N
N

Any damage to the lamps, luminaries and other equipment resulting from actions other than those performed by JPEC personnel may be charged to the Member at cost, on a separate invoice, if not reimbursed to JPEC by a third party. N
N
N

The above rate is predicated on JPEC furnishing the basic lamp facility including fixture, arm, ballast, photo cell and lamp and the Member providing (or reimbursing JPEC for) any material or pole needed to mount the fixture in a location other than on existing JPEC facilities. JPEC will not mount light fixtures on a meter pole. N
N
N

Adjustment Clauses N

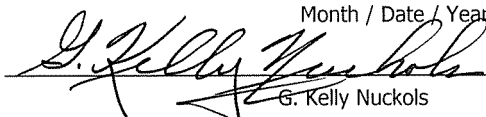
The bill amount computed at the rates specified above shall be increased or decreased in accordance with: N

- | | | | |
|---------------------------|-------|-----------|---|
| Cost Reduction Adjustment | Sheet | <u>74</u> | N |
| Franchise Fee Rider | Sheet | <u>76</u> | N |
| School Tax | Sheet | <u>78</u> | N |



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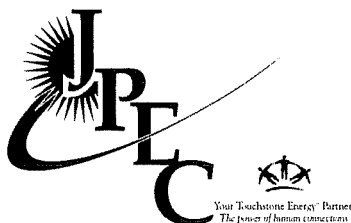
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G. Kelly Nuckols

TITLE President & CEO

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

P.S.C. KY NO. 2

SHEET NO. 13

CANCELLING P.S.C. KY NO. Original

SHEET NO. _____

RATES AND CHARGES
SCHEDULE D – COMMERCIAL AND INDUSTRIAL DEMAND LESS THAN 3,000 kW

Applicability N

Entire service territory. N

Availability of Service N

To commercial and industrial Members with maximum single or three phase load greater than 25 kW and less than 3,000 kW. N

Members, upon demonstrating a billed demand of 3,000 kW or greater in two (2) months of any consecutive thirteen (13) month period, will be served under the appropriate (excluding this) rate schedule and shall remain on that schedule for a minimum of twelve (12) consecutive months. For the first billed demand above 3,000 kW as referenced above, the Member's consumption will be billed at the existing rate. For the second billed demand above 3,000 kW as referenced above, the Member's consumption will be billed at the appropriate (excluding this) rate schedule. N

Type of Service N

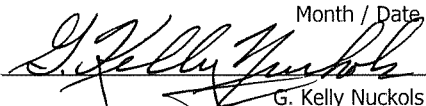
Single phase or three phase, 60 cycle at available voltages. N

Rates N

Facilities Charge:	Per month	\$35.00	N
Demand Charge:	Per kW per month	\$6.50	N
Energy:			
First	200 kWh per kW per month	\$0.03422 per kWh per month	N
Next	200 kWh per kW per month	\$0.02692 per kWh per month	N
Next	200 kWh per kW per month	\$0.02321 per kWh per month	N
Over	600 kWh per kW per month	\$0.01961 per kWh per month	N

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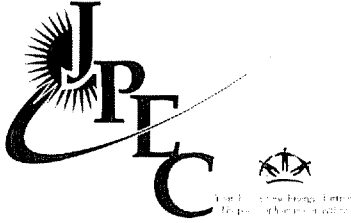
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G. Kelly Nuckols

TITLE President & CEO

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IN CASE NO. 2007-00116 DATED _____

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

P.S.C. KY NO. 2

SHEET NO. 14

CANCELLING P.S.C. KY NO. Original

SHEET NO.

RATES AND CHARGES
SCHEDULE D – COMMERCIAL AND INDUSTRIAL DEMAND LESS THAN 3,000 kW

The monthly billing shall be the sum of the Facilities Charge, Demand Charge, Energy Charge, any applicable Adjustment Clause, and applicable taxes. N
N

Determination of Billing Demand N

The billing demand shall be the maximum integrated thirty (30) minute demand of the Member at the Member's delivery point as indicated or recorded by a demand meter. Member shall maintain a power factor at the delivery point as nearly practical to unity (100%). Power factor during normal operation may range from unity to ninety percent (90%). If Member's power factor is less than ninety percent (90%) at time of maximum load, JPEC reserves the right to adjust the maximum monthly metered demand for billing purposes in accordance with the following formula: N
N
N
N
N
N

$$\text{Monthly Billing Demand (kW)} = \frac{\text{Maximum Actual Measured Demand kW} \times 90\%}{\text{Power Factor (\%)}}$$

N
N

Minimum Monthly Demand N

The minimum monthly demand under this schedule shall be determined from the greater of (1), (2), (3) or (4): N


1. The maximum demand registered in the current billing period. N
2. The maximum power factor adjusted demand registered in the current billing period. N
3. Sixty percent (60%) of the highest monthly maximum billing demand in the preceding twelve (12) billing periods. N
N
4. Sixty percent (60%) of the agreement or contract capacity, based on the expected maximum kW demand upon the system. N
N

Terms and Conditions N

Service will be furnished under JPEC's Rules and Regulations applicable hereto. N

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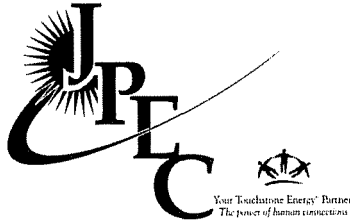
ISSUED BY 
G. Kelly Nuckols

TITLE President & CEO

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BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2007-00116 DATED _____



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

P.S.C. KY NO. 2

SHEET NO. 15

CANCELLING P.S.C. KY NO. Original

SHEET NO. _____

RATES AND CHARGES
SCHEDULE D – COMMERCIAL AND INDUSTRIAL DEMAND LESS THAN 3,000 kW

Compensating starting equipment may be required for all motors rated fifteen (15) horsepower or greater, and for smaller motors when specified by JPEC because of power line characteristics. All wiring, pole lines and other electrical equipment (except metering equipment), starters, switches and fuses beyond the delivery point will be considered the distribution system of the Member and shall be furnished and maintained by the Member. N
N
N
N

Delivery Point N

The point of delivery of electric power and energy shall be the connection between conductors furnished and installed by JPEC and the conductors furnished and/or installed by the Member. JPEC may furnish a meter base to the Member, which shall be installed by the Member in the Member's service entrance facilities. The Member's conductors may be terminated by JPEC at a location as determined by JPEC. N
N
N
N

Primary Service N

A two and one-half percent (2 ½%) primary discount will be applied to rates in the bill, including minimum charge, of any primary delivery Member who has a demand of 100 kW or more during the billing period. For those Members with demand less than 100 kW, two and one-half percent (2 ½%) primary discount shall not be applicable in order to offset the additional equipment costs of the primary metering installation. Primary service under this rate schedule is restricted to those Members being billed under the rate schedule as of its effective date of February 1, 2008. Primary metering installations shall be evaluated on an individual basis. N
N
N
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	Sheet	<u>74</u>		N
Franchise Fee Rider	Sheet	<u>76</u>		N
School Tax	Sheet	<u>78</u>		N

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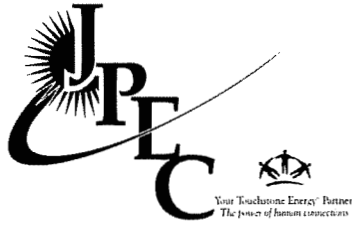
ISSUED BY *G. Kelly Nuckols*
 G. Kelly Nuckols

TITLE President & CEO

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BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2007-00116 DATED _____



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

P.S.C. KY NO. 2

SHEET NO. 16

CANCELLING P.S.C. KY NO. Original

SHEET NO. _____

RATES AND CHARGES
SCHEDULE D - COMMERCIAL AND INDUSTRIAL DEMAND LESS THAN 3,000 kW

Payment Terms

The above rates are net, the gross rate being five percent (5%) higher. In the event the current bill is not paid on or before the due date as shown on the bill, the gross rate shall apply to any unpaid portion.

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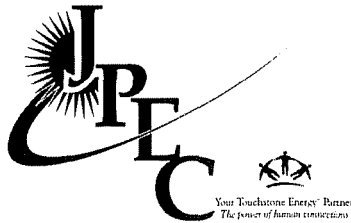
ISSUED BY *G. Kelly Nuckols*
G. Kelly Nuckols

TITLE President & CEO

000070

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2007-00116 DATED _____



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

P.S.C. KY NO. 2

SHEET NO. 17

CANCELLING P.S.C. KY NO. Original

SHEET NO. _____

RATES AND CHARGES
SCHEDULE I-E – LARGE COMMERCIAL AND INDUSTRIAL – EXISTING

Applicability

Entire service territory.

N
N

Availability of Service

To existing Members as of the effective date of this rate schedule, February 1, 2008. Service under this schedule shall be for Members with maximum load greater than 3,000 kW and less than 10,000 kW contracting for service under terms and conditions set forth in the Large Industrial Customer Tariff of Big Rivers Electric Corporation.

N
N
N

The Member will continue to be billed under this rate schedule until such time as the billed demand for the Member is less than 3,000 kW for twelve (12) consecutive months.

N
N

Service under this schedule will be limited to maximum loads not exceeding 10,000 kW. Members with new or increased load requirements that exceed 10,000 kW will have a rate developed as part of their agreement or contract based upon their electrical characteristics.

N
N
N

Type of Service

Three phase, 60 cycle served at primary or transmission voltage.

N
N

Conditions of Service

Service will be furnished under JPEC's Rules and Regulations applicable hereto.

N
N

It is the responsibility of the Member to keep JPEC fully informed of any change or expected change in operations which will affect the Member's qualification to be served on this rate.

N
N

Service hereunder shall be subject to the following conditions:

N

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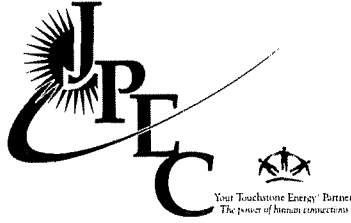
ISSUED BY G. Kelly Nuckols
G. Kelly Nuckols

TITLE President & CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2007-00116 DATED _____

000071



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

P.S.C. KY NO. 2

SHEET NO. 18

CANCELLING P.S.C. KY NO. Original

SHEET NO. _____

RATES AND CHARGES
SCHEDULE I-E – LARGE COMMERCIAL AND INDUSTRIAL – EXISTING

1. Member shall be served under this rate schedule as of the effective date of this schedule, February 1, 2008. N
2. Member's service characteristics shall meet the qualifications for service specified in the Big Rivers Large Industrial Customer Tariff. N
3. It shall be the responsibility of the Member to coordinate through JPEC or its authorized agent all transactions that JPEC must take on behalf of the Member pursuant to the Big Rivers Large Industrial Tariff. N

Monthly Charges N

Service Charge:	Per month	\$300.00	N
Demand Charge:	First 3,000 kW of billing demand per month	\$34,500.00	N
	All additional kW per kW per month	\$11.50	N
All Energy:	Per kWh per month	\$0.01735	N

Minimum Monthly Charge N

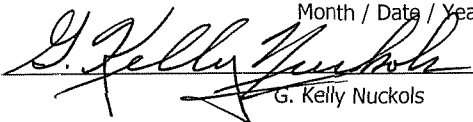
The minimum monthly charges under this rate shall be the sum of the monthly Service Charge (\$300.00) and \$34,500.00 where 3,000 kVA or less of transformer capacity is required. For Members requiring more than 3,000 kVA of transformer capacity, the minimum monthly charge shall be increased by \$1.00 for each kVA or fraction thereof required above 3,000 kVA. Where it is necessary to extend or reinforce facilities in excess of standard service facilities, the minimum monthly charge may be increased to assure adequate compensation for the added facilities of one and one-half percent (1 1/2%) per month of the total cost of the excess facilities as a facilities charge for which no power and energy would be delivered. Any applicable Adjustment Clause, and applicable taxes shall be in addition to the charges above. N

Determination of Billing Demand N

The billing demand, in kilowatts (kW), shall be the Member's maximum integrated thirty (30) minute demand at such delivery point during each billing period as determined by JPEC provided meter(s) which record at the end N

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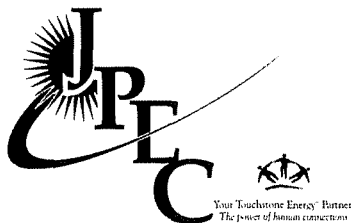
ISSUED BY 
 G. Kelly Nuckols

TITLE President & CEO

000072

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2007-00116 DATED _____



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

P.S.C. KY NO. 2

SHEET NO. 19

CANCELLING P.S.C. KY NO. Original

SHEET NO.

RATES AND CHARGES
SCHEDULE I-E – LARGE COMMERCIAL AND INDUSTRIAL – EXISTING

of each thirty (30) minute period the integrated kilowatt demand during the preceding thirty (30) minutes. Demand charges will be adjusted to correct for power factor lower than ninety percent (90%) when JPEC deems necessary. The monthly billing demand shall be adjusted when necessary in accordance with the following formula:

Monthly Billing Demand (kW) = $\frac{\text{Maximum Actual Measured Demand kW} \times 90\%}{\text{Power Factor (\%)}}$

Delivery Point

Unless otherwise specified in the service agreement, the delivery point shall be the connection between conductors furnished and installed by JPEC and the conductors furnished and installed by the Member. All wiring, pole lines, and other equipment (except metering equipment) located on the load side of the delivery point shall be owned and maintained by the Member.

Facilities Charge

JPEC will provide investment in facilities up to \$11.00 per kW times the estimated or known average twelve (12) month billing demand. A monthly facilities charge, determined at time of execution of agreement between parties, shall be applied to any investment in excess of the base amount.

Terms and Conditions

Service will be furnished under JPEC's Rules and Regulations applicable hereto.

Compensating starting equipment may be required for all motors rated fifteen (15) horsepower or greater, and for smaller motors when specified by JPEC because of power line characteristics.

Adjustment Clauses

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

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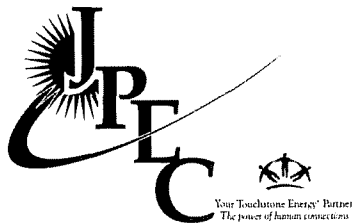
ISSUED BY *G. Kelly Nuckols*
G. Kelly Nuckols

TITLE President & CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

000073

IN CASE NO. 2007-00116 DATED



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

P.S.C. KY NO. 2

SHEET NO. 20

CANCELLING P.S.C. KY NO. Original

SHEET NO. _____

RATES AND CHARGES
SCHEDULE I-E – LARGE COMMERCIAL AND INDUSTRIAL – EXISTING

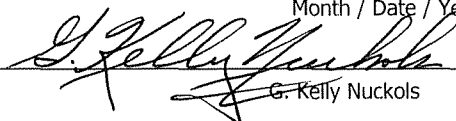
Cost Reduction Adjustment	Sheet	<u>74</u>	N
Franchise Fee Rider	Sheet	<u>76</u>	N
School Tax	Sheet	<u>78</u>	N

Payment Terms N

The above rates are net, the gross rate being five percent (5%) higher. In the event the current bill is not paid on or before the due date shown on the bill, the gross rate shall apply to any unpaid portion. N

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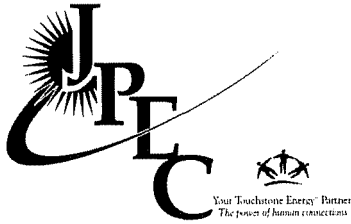
ISSUED BY 
G. Kelly Nuckols

TITLE President & CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2007-00116 DATED _____

000074



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

P.S.C. KY NO. 2

SHEET NO. 21

CANCELLING P.S.C. KY NO. Original

SHEET NO. _____

RATES AND CHARGES
SCHEDULE L – LARGE COMMERCIAL AND INDUSTRIAL 3,000-5,000 kW

Applicability

Entire service territory.

N
N

Availability of Service

To new Members or Members changing rate class after the effective date of this rate schedule, February 1, 2008. Service under this schedule shall be for Members demonstrating a maximum load of at least 3,000 kW and less than 5,000 kW.

N
N
N

The Member will execute a service agreement or contract with JPEC as approved by JPEC's Board of Directors and the Kentucky Public Service Commission.

N
N

Service under this schedule will be limited to maximum loads not exceeding 5,000 kW. Members with new load requirements that exceed 5,000 kW or existing Members with increased load requirements that exceed 5,000 kW above the historical load level will have a rate developed as referenced in Schedule L-E.

N
N
N

Type of Service

Three phase, 60 cycle served at primary or transmission voltage.

N
N

Conditions of Service

Service will be furnished under JPEC's Rules and Regulations applicable hereto.

N
N

It is the responsibility of the Member to keep JPEC fully informed of any change or expected change in operations which will affect the Member's qualification to be served on this rate.

N
N

Service hereunder shall be subject to the following conditions:

N

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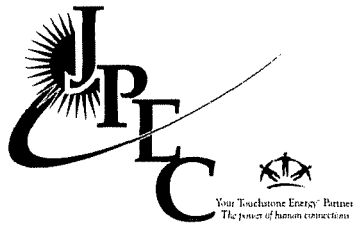
ISSUED BY *G. Kelly Nuckols*
 G. Kelly Nuckols

TITLE President & CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2007-00116 DATED _____

000075



Jackson Purchase Energy Corp.
 FOR Entire Territory Served
 Community, Town or City _____
 P.S.C. KY NO. 2
 SHEET NO. 22
 CANCELLING P.S.C. KY NO. Original
 SHEET NO. _____

RATES AND CHARGES
 SCHEDULE L – LARGE COMMERCIAL AND INDUSTRIAL 3,000-5,000 kW

1. Member shall be served under this rate schedule as of the effective date of this schedule, February 1, 2008. N
2. It shall be the responsibility of the Member to coordinate through JPEC or its authorized agent all transactions that JPEC must take on behalf of the Member pursuant to the Big Rivers Large Industrial Tariff. N

Monthly Charges N

Service Charge:	Per month	\$300.00	N
Demand Charge:	Per kW per month	\$11.30	N
All Energy:	Per kWh per month	\$0.01735	N

The monthly billing shall be the sum of the Service Charge, Demand Charge, Energy Charge, Facilities Charge (if any), any applicable Adjustment Clause, and applicable taxes. N

Determination of Billing Demand N

The billing demand, in kilowatts (kW), shall be the Member's maximum integrated thirty (30) minute demand at such delivery point during each billing period as determined by JPEC provided meter(s) which record at the end of each thirty (30) minute period the integrated kilowatt demand during the preceding thirty (30) minutes. Demand charges will be adjusted to correct for power factor lower than ninety percent (90%) when JPEC deems necessary. The monthly billing demand shall be adjusted when necessary in accordance with the following formula: N

$$\text{Monthly Billing Demand (kW)} = \frac{\text{Maximum Actual Measured Demand kW X 90\%}}{\text{Power Factor (\%)}}$$

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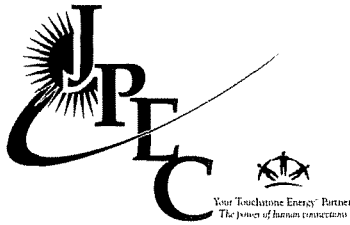
ISSUED BY *G. Kelly Nuckols*
 G. Kelly Nuckols

TITLE President & CEO

000076

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2007-00116 DATED _____



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

P.S.C. KY NO. 2

SHEET NO. 23

CANCELLING P.S.C. KY NO. Original

SHEET NO. _____

RATES AND CHARGES
 SCHEDULE L – LARGE COMMERCIAL AND INDUSTRIAL 3,000-5,000 kW

Delivery Point

Unless otherwise specified in the service agreement, the delivery point shall be the connection between conductors furnished and installed by JPEC and the conductors furnished and installed by the Member. All wiring, pole lines, and other equipment (except metering equipment) located on the load side of the delivery point shall be owned and maintained by the Member.

Facilities Charge

JPEC may provide facilities to fulfill the estimated or known average twelve (12) month billing demand of the Member. A monthly facilities charge, determined at time of execution of agreement between parties, shall be applied to any investment. The Member may elect to provide its own facilities and JPEC will not bill for any facilities charges.

Terms and Conditions

Service will be furnished under JPEC's Rules and Regulations applicable hereto.

Compensating starting equipment may be required for all motors rated fifteen (15) horsepower or greater, and for smaller motors when specified by JPEC because of power line characteristics.

Adjustment Clauses

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

Cost Reduction Adjustment	Sheet	<u>74</u>
Franchise Fee Rider	Sheet	<u>76</u>
School Tax	Sheet	<u>78</u>

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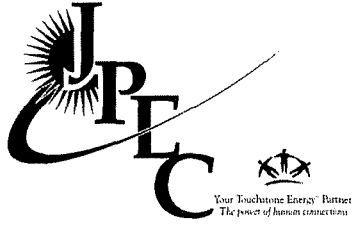
ISSUED BY *G. Kelly Nuckols*
 G. Kelly Nuckols

TITLE President & CEO

000077

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2007-00116 DATED _____



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

P.S.C. KY NO. 2

SHEET NO. 24

CANCELLING P.S.C. KY NO. Original

SHEET NO.

RATES AND CHARGES
SCHEDULE L - LARGE COMMERCIAL AND INDUSTRIAL 3,000-5,000 kW

Payment Terms

The above rates are net, the gross rate being five percent (5%) higher. In the event the current bill is not paid on or before the due date shown on the bill, the gross rate shall apply to any unpaid portion.

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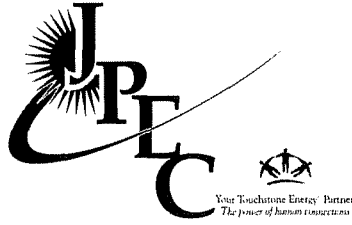
ISSUED BY *G. Kelly Nuckols*
G. Kelly Nuckols

TITLE President & CEO

000078

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2007-00116 DATED



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

P.S.C. KY NO. 2

SHEET NO. 25

CANCELLING P.S.C. KY NO. Original

SHEET NO. _____

RATES AND CHARGES
SCHEDULE L-E – LARGE INDUSTRIAL MEMBER EXPANSION

Applicability

This rate shall apply to those power requirements of any Member with load subject to service under terms and conditions set forth in the Large Industrial Customer Expansion Rate of Big Rivers Electric Corporation. This rate shall cease to be available should Big Rivers Large Industrial Expansion Rate be discontinued.

Conditions of Service

Service hereunder shall be subject to the following conditions:

1. The Member must execute a written agreement or contract for electric service or amend an existing agreement or contract; and
2. The Member's service characteristics must qualify all or some portion of the Member's load for service under the Big Rivers Large Industrial Customer Expansion Tariff; and
3. It shall be the responsibility of the Member to coordinate through JPEC or its authorized agent all transactions that JPEC must take on behalf of the Member pursuant to the Big Rivers Large Industrial Customer Expansion Tariff.

Monthly Rate

- A. Wholesale Power Cost:
 An annual amount equal to all monthly charges levied by Big Rivers pursuant to the Big Rivers Large Industrial Customer Expansion Rates 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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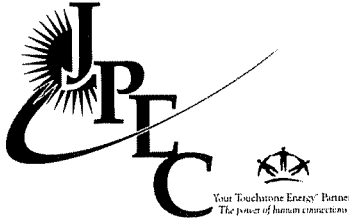
ISSUED BY *G. Kelly Nuckols*
 G. Kelly Nuckols

TITLE President & CEO

000079

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2007-00116 DATED _____



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

P.S.C. KY NO. 2

SHEET NO. 26

CANCELLING P.S.C. KY NO. Original

SHEET NO. _____

RATES AND CHARGES
NON-RECURRING FEES

Applicability

Entire service territory.

Availability of Service

Non-recurring fees are fees to members due to a specific request or action for certain types of service activity for which, when the activity is completed, no additional fees may be incurred. Such fees are intended to be limited in nature and to recover the specific cost of the activity.

Rates

Collection Fee	\$20.00	N
Returned Check Fee	\$20.00	N
Connection or Reconnection (Regular Hours) Fee	\$25.00	N
Connection or Reconnection (After Hours) Fee	\$75.00	N
Meter Test Request Fee	\$35.00	N

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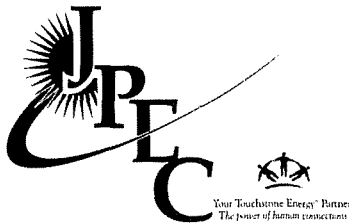
ISSUED BY *G. Kelly Nuckols*
 G. Kelly Nuckols

TITLE President & CEO

000080

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

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Jackson Purchase Energy Corp.
FOR Entire Territory Served
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P.S.C. KY NO. 2

SHEET NO. 27

CANCELLING P.S.C. KY NO. Original

SHEET NO.

RATES AND CHARGES
SCHEDULE NM – NET METERING

Applicable

To entire territory served.

Available

To all Members who own and operate an eligible electric generating facility that is located on the Member's premises, for the primary purpose of supplying all or part of the Member's own electricity requirements. "Eligible electric generating facility" means an electric generating facility that: (a) is connected in parallel with JPEC's electric distribution system; (b) generates electricity using solar energy; and (c) has a rated capacity of not greater than fifteen (15) kilowatts.

Notification; Inspection

1. The Member shall submit a completed Net Metering Program Notification Form (Attachment 1) to JPEC at least 60 days prior to the date the Member desires to interconnect an eligible electric generating facility to JPEC's facilities. The Member shall have all equipment necessary to complete the interconnection installed prior to such notification. The notification shall be delivered to JPEC or mailed by certified mail, return receipt requested. Member may interconnect on the date stated in the form unless JPEC notifies Member in writing of noncompliance prior to said date.
2. JPEC may require an on-site inspection and may impose a fee on the Member of not more than fifty dollars (\$50.00) for such inspection. If JPEC conducts an on-site inspection and determines that Member is not in compliance with the tariff, Member shall be so notified and shall bring the electric generating facility into compliance within thirty (30) days or shall be required to file a new completed Net Metering Program Notification Form.

Metering

JPEC shall utilize a standard kilowatt-hour meter capable of registering (but not necessarily displaying) the flow of electricity in two (2) directions. Any additional meter, meters or distribution upgrades needed to monitor the flow in each direction shall be installed at the Member's expense. If additional meters are installed, the net metering

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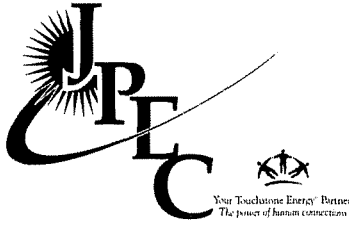
ISSUED BY *G. Kelly Nuckols*
G. Kelly Nuckols

TITLE President & CEO

000081

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2007-00116 DATED



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

P.S.C. KY NO. 2

SHEET NO. 28

CANCELLING P.S.C. KY NO. Original

SHEET NO. _____

RATES AND CHARGES
SCHEDULE NM – NET METERING

calculation shall yield the same result as when a single meter is used. "Kilowatt hour" means a measure of electricity defined as a unit of work of energy, measured as one (1) kilowatt of power expended for one (1) hour. "Net metering" means measuring the difference between the electricity supplied by the electric grid and the electricity generated by the Member that is fed back to the electric grid over a billing period.

Billing

1. The amount of electricity billed to the Member shall be calculated by taking the difference between the electricity supplied by JPEC to the Member and the electricity generated and fed back by the Member. If time-of-day or time-of-use metering is used, the electricity fed back to the electric grid by the Member shall be net-metered and accounted for at the specific time it is fed back to the electric grid in accordance with the time-of-day or time-of-use billing agreement with the Member then currently in place.
2. If the electricity supplied by JPEC exceeds the electricity generated and fed back to JPEC during the billing period, the Member shall be billed for the net electricity supplied. If the electricity fed back to JPEC by the Member exceeds the electricity supplied by JPEC during a billing period, the Member shall be credited for the excess kilowatt hours, and this electricity credit shall appear on the Member's next bill.
3. The energy rates, rate structure, and monthly charges shall be identical to those in the contract or tariff to which the Member would be assigned if the Member were not receiving service under this tariff.
4. Excess electricity credits are not transferable between Members or locations.
5. No cash refund for residual generation-related credits shall be paid if an account under this tariff is closed.

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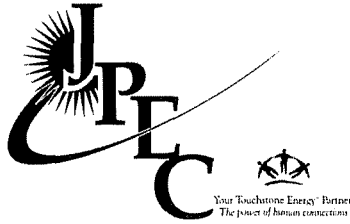
ISSUED BY *G. Kelly Nuckols*
G. Kelly Nuckols

TITLE President & CEO

000082

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2007-00116 DATED _____



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

P.S.C. KY NO. 2

SHEET NO. 29

CANCELLING P.S.C. KY NO. Original

SHEET NO. _____

RATES AND CHARGES
SCHEDULE NM – NET METERING

Net Metering Service Interconnection Guidelines

The Member shall operate the eligible electric generating facility in parallel with JPEC’s system under the following conditions and any other conditions that may be required by JPEC where unusual conditions arise that are not covered herein:

1. The electric generating facility shall include, but not be limited to, necessary control equipment to synchronize frequency, voltage, etc. between Member’s and JPEC’s systems as well as adequate protective equipment between the two (2) systems. Member’s voltage at the point of interconnection will be the same as JPEC’s system voltage.
2. Member shall be responsible for operating all facilities owned by Member, except as specified hereinafter. Member shall maintain its system in synchronization with JPEC’s system.
3. Member will be responsible for any damage to JPEC’s equipment due to failure of Member’s control, safety or other equipment.
4. JPEC at its discretion may require a suitable lockable, JPEC accessible, load breaking manual disconnect switch or similar equipment, as specified by JPEC, to be furnished by Member at a location designated by JPEC to enable the separation or disconnection of the two (2) electrical systems. The load breaking manual disconnect switch must be accessible to JPEC at all times.
5. After initial installation, Member shall not make any changes to the electric generating facility without the written consent of JPEC.
6. JPEC shall have the right from time to time to inspect Member’s generating facility and conduct any test necessary to determine that such facility is installed and operating properly. However, JPEC will have no obligation to inspect, witness tests, or in any manner be responsible for Member’s facility or operation.
7. The Member assumes all responsibility for electric service on the Member’s premises at and from the point of delivery of electricity from JPEC.

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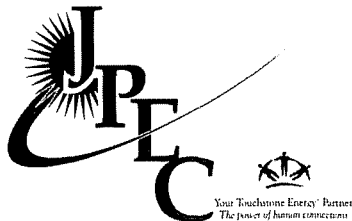
ISSUED BY *G. Kelly Nuckols*
G. Kelly Nuckols

TITLE President & CEO

000083

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2007-00116 DATED _____



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

P.S.C. KY NO. 2

SHEET NO. 30

CANCELLING P.S.C. KY NO. Original

SHEET NO.

RATES AND CHARGES
SCHEDULE NM – NET METERING

Conditions of Interconnection

A Member may begin operation of an electric generating facility on an interconnected basis when all of the following have been satisfied:

1. The Member has properly notified JPEC of intent to interconnect by submission of a completed Net Metering Program Notification Form and the Member has met all of the provisions of this tariff.
2. The Member has installed a lockable, JPEC accessible, load breaking manual disconnect switch, if required by JPEC.
3. A licensed, qualified electrician has signed the Net Metering Program Notification Form certifying that the required load breaking manual disconnect switch has been installed properly and that the generator has been installed in accordance with the manufacturer's specifications, as well as all applicable provisions of the National Electrical Code.
4. The vendor of the generating facility has signed the Net Metering Program Notification Form certifying that the Member's generator is in compliance with the requirements established by Underwriters Laboratories, or any other accredited testing laboratory.

Additional Controls and Tests

JPEC may install additional controls, meters, or distribution upgrades needed to monitor the flow of electricity in each direction, or may conduct additional tests as it may deem necessary, at Member's expense.

Liability Insurance; Indemnification

1. Member shall at all times maintain general liability insurance in an amount of at least \$300,000.00 per occurrence insuring the Member against loss arising out of or in connection with the use and operation of Member's electric generating facility, or otherwise caused by actions of the Member under this tariff. JPEC shall be named as an additional insured under this coverage and a certificate evidencing such coverage shall be provided to JPEC.

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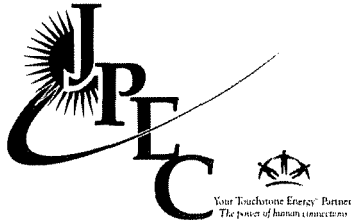
ISSUED BY *G. Kelly Nuckols*
G. Kelly Nuckols

TITLE President & CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2007-00116 DATED

000084



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

P.S.C. KY NO. 2

SHEET NO. 31

CANCELLING P.S.C. KY NO. Original

SHEET NO.

RATES AND CHARGES
SCHEDULE NM – NET METERING

- 2. Member shall fully indemnify and hold harmless JPEC from and against all claims, costs, expenses and liabilities arising from or in connection with Member's ownership or operation of an electric generating facility under this tariff, or as a result of Member's actions or inactions under this tariff. N N N

Special Rules N

- 1. If the cumulative generating capacity of net metering systems reaches one-tenth of one percent (0.1%) of JPEC's single hour peak load during the previous calendar year, the obligation of JPEC to offer net metering to a new Member under this tariff may be limited by action of the Commission. N N N N
- 2. The net electricity produced or consumed during a billing period shall be read, recorded and measured at all times in accordance with metering practices that may be prescribed by the Commission, which shall take precedent over the terms and conditions of this tariff. N N N N

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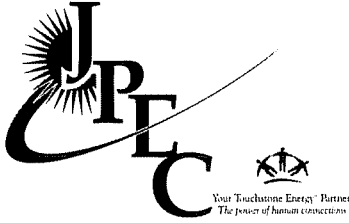
ISSUED BY *G. Kelly Nuckols*
G. Kelly Nuckols

TITLE President & CEO

000085

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2007-00116 DATED



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

P.S.C. KY NO. 2

SHEET NO. 33

CANCELLING P.S.C. KY NO. Original

SHEET NO.

RATES AND CHARGES
SCHEDULE NM – NET METERING

Battery Backup? (yes or no)

Section 3. Installation Information

Installation Date: Proposed Interconnection Date:

Section 4. Certifications

1. The generator is in compliance with requirements established by Underwriters Laboratories or other accredited testing laboratory.

Signed (Vendor): Date:

Name (Printed):

Company: Phone Number:

2. The load breaking manual disconnection switch has been installed properly and the generator has been installed in accordance with the manufacturer's specifications as well as all applicable provisions of the National Electrical Code.

Signed (Licensed Electrician): Date:

License Number: Phone Number:

Mailing Address:

City: State: Zip Code:

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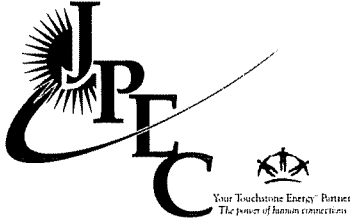
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G. Kelly Nuckols

TITLE President & CEO

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IN CASE NO. 2007-00116 DATED



Jackson Purchase Energy Corp.
FOR Entire Territory Served
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P.S.C. KY NO. 2

SHEET NO. 34

CANCELLING P.S.C. KY NO. Original

SHEET NO. _____

RATES AND CHARGES
SCHEDULE NM – NET METERING

3. JPEC signature signifies only receipt of this form. N

Signed (JPEC Representative): _____ N

Date: _____ N

I hereby certify that, to the best of my knowledge all of the information provided in this Notification Form is true and correct. N

Signature of Applicant _____ N

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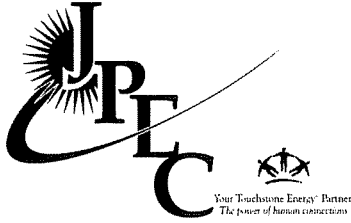
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G. Kelly Nuckols

TITLE President & CEO

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BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2007-00116 DATED _____



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

P.S.C. KY NO. 2

SHEET NO. 35

CANCELLING P.S.C. KY NO. Original

SHEET NO. _____

RATES AND CHARGES
SCHEDULE SPC-A – SMALL POWER PRODUCTION OR COGENERATION LESS THAN 100 kW

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" (a sample of which is attached hereto as an exhibit for reference) with JPEC.

Rate Schedule

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

N
N
N
N
N

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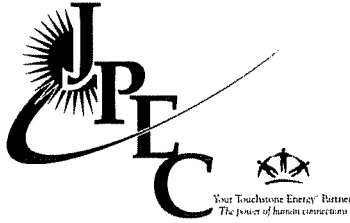
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G. Kelly Nuckols

TITLE President & CEO

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BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2007-00116 DATED _____



Jackson Purchase Energy Corp.
 FOR Entire Territory Served
Community, Town or City
 P.S.C. KY NO. 2
SHEET NO. 36
 CANCELLING P.S.C. KY NO. Original
SHEET NO.

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

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" (a sample of which is attached hereto as an exhibit for reference) with JPEC. 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.

Rate Schedule

A. Capacity (if applicable)

1. When connected to electric distribution lines of 15 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 above 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.

B. Energy


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

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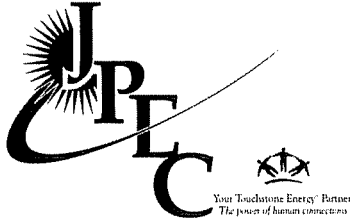
ISSUED BY 
 G. Kelly Nuckols

TITLE President & CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2007-00116 DATED _____

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Jackson Purchase Energy Corp.
FOR Entire Territory Served
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P.S.C. KY NO. 2

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CANCELLING P.S.C. KY NO. Original

SHEET NO.

RATES AND CHARGES
SAMPLE AGREEMENT FOR PURCHASE OF ELECTRIC ENERGY

[NOTE: THIS SAMPLE CONTRACT IS DESIGNED FOR USE ONLY WHEN A QUALIFYING COGENERATION OR SMALL POWER PRODUCTION FACILITY HAVING A POWER PRODUCTION CAPACITY OF 100 KW OR LESS INTERCONNECTS DIRECTLY WITH THE DISTRIBUTION SYSTEM OF JPEC. JPEC RESERVES THE RIGHT TO REVISE THIS STANDARD FORM TO INCORPORATE ANY MODIFICATIONS WHICH IT BELIEVES APPROPRIATE UNDER THE CIRCUMSTANCES WHEN CONTRACTING WITH A PARTICULAR QUALIFYING FACILITY. THE TERMS IN THIS STANDARD CONTRACT MAY BE USED AS A BEGINNING POINT FOR NEGOTIATION OF A CONTRACT WITH A QUALIFYING COGENERATION OR SMALL POWER PRODUCTION FACILITY HAVING A POWER PRODUCTION CAPACITY OF OVER 100 KW.]

AGREEMENT FOR PURCHASE OF ELECTRIC ENERGY FROM A
QUALIFYING SMALL POWER PRODUCTION OR COGENERATION
FACILITY, 100 KW OR LESS

THIS AGREEMENT is made and entered into on this _____
day of _____, 20____ by and between Jackson Purchase
Energy Corporation
(JPEC), a retail electric distribution cooperative corporation, and _____

(the seller), a _____

WITNESSETH:

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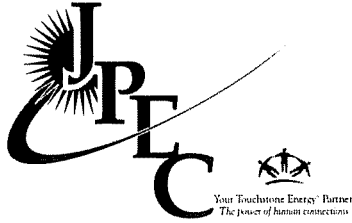
ISSUED BY *G. Kelly Nuckols*
G. Kelly Nuckols

TITLE President & CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2007-00116 DATED _____

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Jackson Purchase Energy Corp.
 FOR Entire Territory Served
Community, Town or City
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SHEET NO.

RATES AND CHARGES
SAMPLE AGREEMENT FOR PURCHASE OF ELECTRIC ENERGY

WHEREAS, JPEC is engaged in the distribution and sale at retail of electric energy in certain N
 counties in Western Kentucky; and N

WHEREAS, JPEC owns and operates, or intends to construct, own and operate, electric N
 distribution lines with which the seller desires to interconnect its electric generation facilities; and N

WHEREAS, the seller owns and operates, or intends to construct, own and operate, an electric N
 generating facility which qualifies as a small power production facility or cogeneration facility under N
 Section 201 of the Public Utility Regulatory Policies Act of 1978, and N

desires to sell electric power and energy to JPEC beginning on or about _____ N
 , 20 _____ , or as soon thereafter as the qualifying facility is ready for service; and N

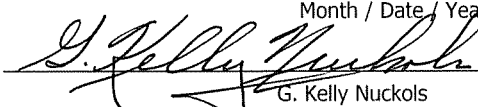
WHEREAS, JPEC desires to purchase electric power and energy from the seller; and N

WHEREAS, JPEC is willing to permit the seller's electric generation facilities to be interconnected N
 and operated in parallel with JPEC's electric system so that the seller will be able to deliver to JPEC N
 electric power and energy; N

NOW, THEREFORE, the parties agree as follows: N

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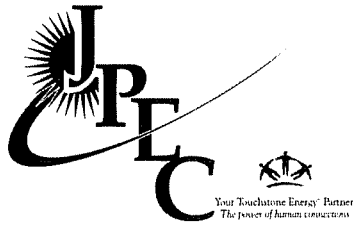
ISSUED BY 
 G. Kelly Nuckols

TITLE President & CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2007-00116 DATED _____

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Jackson Purchase Energy Corp.
FOR Entire Territory Served
Community, Town or City
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RATES AND CHARGES
SAMPLE AGREEMENT FOR PURCHASE OF ELECTRIC ENERGY

ARTICLE I

Definition of Terms

1.1 The term "qualifying facility" or "QF" as used in this contract is defined to include all the seller's electric generation facilities and all interconnection and safety equipment owned by the seller and used in connection with the electric generation facilities owned by it which will produce electric power and energy for sale under this agreement.

1.2 The terms specifically defined in 807 KAR 5:054 and 18 C.F.R. Part 292, when used in this agreement, shall have the same definitions as in those regulations.

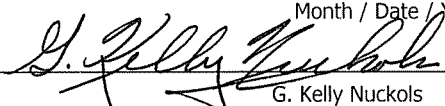
ARTICLE II

Ownership and Maintenance of Facilities

2.1 The seller shall have sole responsibility for the design, construction, installation, ownership, safety, operation and maintenance of the qualifying facility (hereinafter referred to as the "QF").

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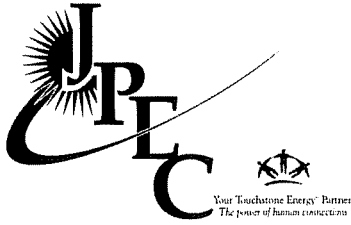
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G. Kelly Nuckols

TITLE President & CEO

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Jackson Purchase Energy Corp.
 FOR Entire Territory Served
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RATES AND CHARGES
SAMPLE AGREEMENT FOR PURCHASE OF ELECTRIC ENERGY


2.2 The seller, in designing, constructing, installing, operating and maintaining the QF, shall comply with all rules, regulations, policies, standards and codes generally recognized in the utility industry as applicable to such operations, including, but not limited to, the National Electrical Safety Code, IEEE Standard 1547, regulations of the Kentucky Public Service Commission, requirements and bulletins of the Rural Utilities Service, all federal, state and local safety codes, statutes and regulations and all applicable policies of JPEC now in existence or that may be adopted from time to time.

2.3 The seller shall pay JPEC the "additional interconnection cost" as defined in 807 KAR 5:054 Section 6 of interconnecting the QF with the distribution system of JPEC.

2.4 The seller shall pay for and JPEC shall own and maintain the metering equipment which it determines is necessary based upon the size and other characteristics of the QF to measure the power and energy sold by the seller. Upon termination of this agreement, the meters and metering equipment will be turned over to the seller if requested. JPEC shall test and calibrate meters by comparison with accurate standards at intervals not exceeding twelve (12) months and shall also make special meter tests at any time at the seller's request. The cost of all tests shall be borne by JPEC; provided,

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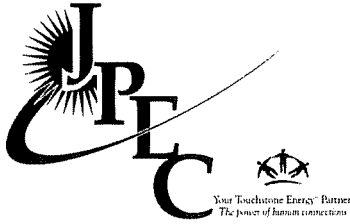
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G. Kelly Nuckols

TITLE President & CEO

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IN CASE NO. 2007-00116 DATED _____

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Jackson Purchase Energy Corp.
 FOR Entire Territory Served
Community, Town or City
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RATES AND CHARGES
 SAMPLE AGREEMENT FOR PURCHASE OF ELECTRIC ENERGY

however, that if any special meter test made at the request of the seller shall disclose that the meters are recording accurately, the seller shall reimburse JPEC for the cost of such test. Meters registering not more than two (2%) percent above or below normal shall be deemed to be accurate. The readings of any meter which shall have been disclosed by tests to be inaccurate shall be corrected for the ninety (90) days previous to such test in accordance with the percentage of inaccuracy found by such test. If any meter shall fail to register for any period, the seller and JPEC shall agree as to the amount of energy furnished during such period and JPEC shall render payment therefore. JPEC shall meter all power and energy at voltage as mutually agreed to with the seller. JPEC shall, when requested, notify the seller in advance of the time of any meter reading or test so that the seller's representative may be present at such meter reading or test.

2.5 The original and any revisions to the plans, specifications and operating characteristics for the QF must be approved by JPEC before the seller connects its QF to JPEC's system. Prior to energization of the interconnection between the QF and JPEC's system, JPEC shall have the right to inspect the QF for any purpose. However, inspection and acceptance of any plans, design theory,

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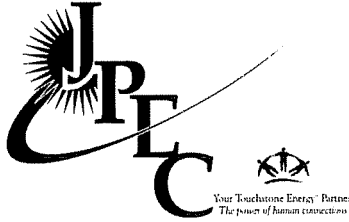
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 G. Kelly Nuckols

TITLE President & CEO

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

P.S.C. KY NO. 2

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RATES AND CHARGES
SAMPLE AGREEMENT FOR PURCHASE OF ELECTRIC ENERGY

specifications and operating characteristics observed or provided respecting the QF, shall not be construed as confirming or endorsing the design, or as warranting the safety, durability or reliability of the QF. JPEC shall not, by reason of any review, acceptance, inspection or failure to review or inspect, be responsible for the QF, including, but not limited to, the strength, safety, details of design, adequacy or capacity thereof, nor shall acceptance or approval by either be construed as an endorsement of any QF.

2.6 The seller will be responsible for furnishing or paying for all rights-of-way and easements necessary to install, operate, maintain, replace and remove the interconnection facility and the metering equipment. Duly authorized representatives of JPEC shall be permitted to enter the premises of the seller at all reasonable times as may be necessary in connection with the proper performance of the terms and conditions of this agreement.

2.7 The seller shall install, own and maintain the necessary substation equipment at the point of connection to the system of JPEC unless otherwise agreed.

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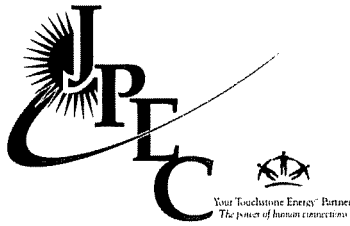
ISSUED BY G. Kelly Nuckols
G. Kelly Nuckols

TITLE President & CEO

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Jackson Purchase Energy Corp.
FOR Entire Territory Served
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P.S.C. KY NO. 2

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CANCELLING P.S.C. KY NO. Original

SHEET NO.

RATES AND CHARGES
SAMPLE AGREEMENT FOR PURCHASE OF ELECTRIC ENERGY

ARTICLE III

3.1 JPEC shall take and purchase all of the power and energy produced by the seller that is delivered to the point at which the QF is interconnected with JPEC's distribution system. The power and energy delivered by the seller and purchased by JPEC shall be metered and paid for in accordance with the terms of this agreement. Electric power and energy to be purchased under this agreement shall be alternating current, single or three-phase, 60 Hertz. The parties will agree upon the delivery voltage and capacity prior to the commencement of purchase under this agreement.

3.2 The QF shall at all times operate in such manner as to maintain a power factor of not less than 90% leading or lagging.

3.3 The capacity delivered in kilowatts shall be the QF's average hourly output which is delivered for the required minimum number of hours during each billing period, as determined by dividing the kWh delivered during the billing period by the actual number of hours in the billing period. For purposes of this agreement each calendar month during the term of this agreement shall be a separate billing period.

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ISSUED BY *G. Kelly Nuckols*
G. Kelly Nuckols

TITLE President & CEO

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IN CASE NO. 2007-00116 DATED

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