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November 14, 2007

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PUBLIC SERVICE
COMMISSION

MS ELIZABETH O'DONNELL
EXECUTIVE DIRECTOR
PUBLIC SERVICE COMMISSION OF KENTUCKY
211 SOWER BOULEVARD
FRANKFORT KY 40602

VIA FAX AT: 502-564-3460

Re: Case No. 2007-00116

Dear Ms. O'Donnell:

Pursuant to the staff's request during informal conference held yesterday morning, our client has provided confirmation of all changes in the revised Rules and Regulations tariffs which either include rates or could impact rates. The changes are outlined as follows:

- Section 13, provides that the Member shall be responsible for special installation necessary for service requirements other than that required for standard voltage;
- Section 16, proposes "Levelized Billing" as a replacement for the current "Budget Billing" plan. This change, as to the member, is intended to be revenue neutral;
- Section 20, provides for the collection of costs associated with emergency services performed by JPEC on a Member's equipment;
- Section 26, provides for collection of franchise fees as imposed by local governments;
- Section 29, provides that a Member shall be responsible for the entire cost associated with moving JPEC facilities when done solely at the request of the member for the member's convenience. Previously JPEC shared the cost of the relocation with the Member/Applicant. The exact impact of this section is unknown as fees will vary depending on the circumstances surrounding the move of the equipment;
- Section 31- G, provides for the collection of any costs incurred by JPEC, including usage charges, in disconnecting an unauthorized service;
- Section 35- B, JPEC provides for a contribution-in-aid of construction to JPEC where a Member does not provide the termination (meter) pole;

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- Section 36, JPEC requires the Member/Applicant to install an approved conduit system for installation of JPEC's wires rather than collecting the underground differential as set forth in 807 KAR 5:041 Section 21, (5) (b). Based on present costs, this change is intended to be revenue neutral;
- Section 37, when service previously disconnected for non-payment is reconnected at the transformer, JPEC will charge a fee equal to its actual costs instead of tariffed non-recurring fees;
- Within Rate Schedule "D" Commercial and Industrial Demand Less than 3,000 kW, JPEC proposes to have a minimum billing demand based on greater of:
 1. Actual demand;
 2. Actual demand adjusted for power factor;
 3. 60% of contract amount; or
 4. 60% of highest previous 12 months.

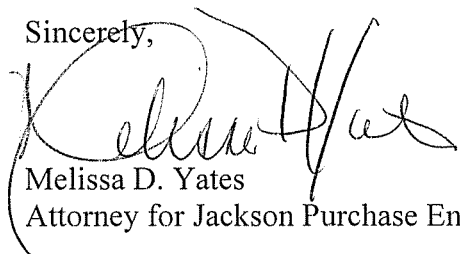
The minimum billing provision was inadvertently removed in Case No. 1997-224; and

- In Rate Schedule "OL" Outdoor Lighting, lights will only be installed on existing facilities. The member shall provide or be charged for JPEC's actual costs for poles and wiring where JPEC is requested to install a light on new facilities used solely for purposes of mounting a light. Further, on fixtures which are used for the sole purpose of mounting an outdoor light, JPEC will be responsible only for maintenance of the fixture (i.e. the lamp, ballasts, globe, and photocells).

This is a brief review of the changes included in Rules and Regulations and in Rate Schedules that are not included in newspaper publication. We will attempt to get the side-by-side comparisons to you as soon as practicable for your review and convenience.

Please do not hesitate to contact me if you need additional information or have questions.

Sincerely,



Melissa D. Yates

Attorney for Jackson Purchase Energy Corporation ("JPEC")

cc: Anita Mitchell via e-mail
Dennis G. Howard, Office of Attorney General via e-mail and via fax at 502-573-8315