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November 11, 2008

FEDEX

Ms. Stephanie Stumbo
Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602

RECEIVED

NOV 12 2008

PUBLIC SERVICE
COMMISSION

Re: UNWIND
Jackson Purchase Energy Corporation
PSC Case No. 2008-00010

Dear Ms. Stumbo:

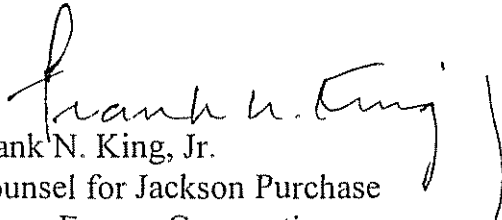
Enclosed for filing please find the original and 10 copies of Motion to File Amended Application with attachments. We tender herewith the original of the proposed Amended Application for filing in the record when the motion is granted.

Your assistance in this matter is appreciated.

Very truly yours,

DORSEY, KING, GRAY, NORMENT & HOPGOOD

By


Frank N. King, Jr.
Counsel for Jackson Purchase
Energy Corporation

FNKJr/cds

Encls.

COPY/w/encls.: Service List
Mr. G. Kelly Nuckols
Ms. Melissa Yates
Mr. Jack Gaines

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

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In the Matter of:)

NOV 12 2008

The Application of Jackson Purchase)

PUBLIC SERVICE
COMMISSION

Energy Corporation for Approval of)

CASE NO. 2008-00010

Retail Tariff Riders, Revised Tariffs)

and New Tariff and for Approval of)

Amendment of Wholesale Agreement)

MOTION TO FILE AMENDED APPLICATION

JACKSON PURCHASE ENERGY CORPORATION ("JPEC"), by counsel, moves that it be permitted to file Amended Application herein. In support of this motion JPEC states that the original Application needs to be amended to address matters that have occurred since the original filing herein and to confirm that the six (6) tariff riders originally proposed in this proceeding are still applicable and do not need modification. A copy of the proposed Amended Application is attached hereto.

WHEREFORE, JPEC moves that it be permitted to file Amended Application and that it be afforded all proper relief.

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

By


FRANK N. KING, JR.

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

In the Matter of:)	
)	
The Application of Jackson Purchase)	
Energy Corporation for Approval of)	CASE NO. 2008-00010
Retail Tariff Riders, Revised Tariffs)	
and New Tariff and for Approval of)	
Amendment of Wholesale Agreement)	

AMENDED APPLICATION

The Amended Application of **JACKSON PURCHASE ENERGY CORPORATION** (“JPEC”) respectfully shows:

Introduction

The purpose of this Amended Application is two-fold:

(1) To change from approximately five (5) years to one year the length of time that the Unwind Rider—Composite Factor (URCF) will be used to confirm that the net effect of the other five (5) riders is zero. The reason for this change is that JPEC and the other two (2) member cooperatives of Big Rivers Electric Corporation have agreed with Big Rivers’ proposal to modify the manner in which the Economic Reserve will be used which will allow retail rates to gradually increase after the first year following the closing of the Unwind in order to avoid a severe increase in rates later.

(2) To file the Supplemental Direct Testimony of Jack D. Gaines. This supplemental testimony confirms that the six (6) tariff riders originally proposed in this

proceeding are still applicable and do not need modification, and addresses matters that have occurred since the original filing herein.

* * * * *

JPEC hereby amends its Application in the following respects:

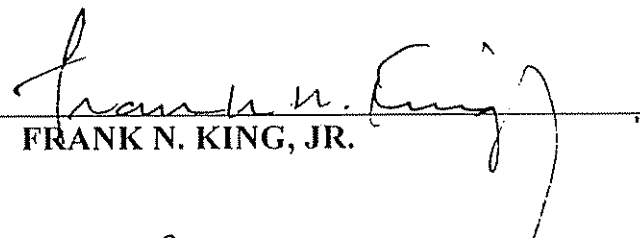
1. The statement in the Application that the sixth retail tariff rider will be used to confirm that the net effect of the five (5) corresponding riders is zero for a projected period of time expected to be approximately five (5) years is changed to state that the projected period of time is expected to be one year. This statement appears in the Application in the last paragraph on the first page and in paragraph (d) on page 2.

2. Attached as Exhibit 13 is the Supplemental Direct Testimony of Jack D. Gaines confirming that the six (6) tariff riders proposed in this proceeding are still applicable and do not need modification, and addressing matters that have occurred since the original filing herein.

3. In all other respects JPEC adopts and reaffirms its Application filed herein.

WHEREFORE, JPEC requests as set forth in its original Application.

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Henderson, Kentucky 42420
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Attorneys for Jackson Purchase Energy Corporation

By 
FRANK N. KING, JR.

1 **Before the Kentucky Public Service Commission**
2 **Case No. 2008-00010**
3 **Jackson Purchase Energy Corporation**

4
5 **Supplemental Direct Testimony**
6

7
8 1. Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

9 A. My name is Jack D. Gaines. My business address is P.O. Box 88039,
10 Dunwoody, Georgia 30356.

11 2. Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

12 A. I am employed by and am President of JDG Consulting, LLC ("JDG").

13 3. Q. HAVE YOU FILED PREPARED TESTIMONY IN THIS
14 PROCEEDING?

15 A. Yes, I have.

16 4. Q. WHAT IS THE PURPOSE OF THIS SUPPLEMENTAL DIRECT
17 TESTIMONY?

18 A. The purpose is to update my filed prepared testimony and to affirm the six
19 retail tariff riders and revised rates for Small Power Production and
20 Qualifying Facilities filed by JPE in this proceeding.

21 5. Q. HAVE YOU REVIEWED EXHIBIT WSS-16, THE REVISED TARIFF
22 SCHEDULE MRSM, FILED ON OCTOBER 9, 2008 BY BIG RIVERS
23 IN PSC CASE NO. 2007-00455 AND PSC CASE NO. 2007-00460?

24 A. Yes, I have.

25 6. Q. DO ANY OF THE SIX TARIFF RIDERS PROPOSED BY JPE IN THIS
26 PROCEEDING NEED TO BE MODIFIED AS A RESULT OF THE
27 CHANGE PROPOSED BY BIG RIVERS TO ITS SCHEDULE MRSM,

1 OR FOR ANY REASON?

2 A. No changes to any of JPE's proposed tariff riders are needed.

3 7 Q. ARE THERE ANY CHANGES YOU WANT TO MAKE TO YOUR
4 FILED TESTIMONY BASED ON MORE CURRENT INFORMATION?

5 A. Yes, there are two changes. First, at pages 2 and 3 of my filed testimony, I
6 stated that "the Cost Reduction Adjustment ("CRA") will continue in
7 effect unchanged." That is no longer true. Big Rivers discontinued its
8 Member Discount Adjustment Rider effective September 1, 2008.
9 Therefore, the JPE CRA has also been discontinued. Second, at page 7,
10 lines 5 through 8, I stated that "BREC and the BREC Members have
11 carefully structured the five wholesale riders and corresponding retail
12 riders to have zero effect on customers' bills so long as sufficient funds are
13 available from the BREC Economic Reserve currently estimated to be five
14 years."

15 Based on Big Rivers' most recent financial model filed October 9, 2008 in
16 PSC Case No. 2007-00455 and PSC Case No. 2007-00460, the Economic
17 Reserve is no longer expected to be sufficient to fully offset the five
18 wholesale riders to allow a zero effect on customers' bills for five years
19 This is in part due to the economics reflected in Big Rivers' most recent
20 financial model which have shortened the period from five years to
21 between three and four years. It is also a result of the revision proposed by
22 Big Rivers to Schedule MRSM which is designed to allow gradual
23 increases in the net wholesale bills to the BREC Members to extend the

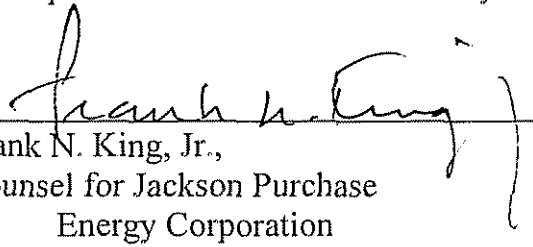
1 life of the Economic Reserve and to avoid there being a severe rate
2 increase upon its expiration. At this time, the zero effect on customer bills
3 is expected to last only one year.

4 8. Q. DOES THIS CONCLUDE YOUR SUPPLEMENTAL DIRECT
5 TESTIMONY AT THIS TIME?

6 A. Yes, it does.

CERTIFICATE OF SERVICE

I hereby certify that the foregoing was served on the persons named in the attached service list by mailing true and correct copies of same this the 11th day of November, 2008.



Frank N. King, Jr.,
Counsel for Jackson Purchase
Energy Corporation

Case No 2008-00010
SERVICE LIST

Hon. James M. Miller
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Corporation

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Corporation

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LG&E Energy Marketing, Inc.

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Corporation and Century Aluminum of
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Hon. Dennis Howard
Assistant Attorney General
Office of the Attorney General
Utility & Rate Intervention Division
1024 Capital Center Drive-Suite 200
Frankfort, KY 40601-8204

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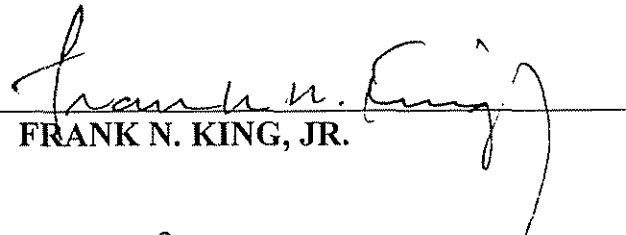
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