

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF JACKSON)	
PURCHASE ENERGY CORPORATION FOR)	CASE NO.
APPROVAL UNDER KRS 278.218 TO)	2020-00339
TRANSFER OWNERSHIP OF EXISTING)	
HEADQUARTERS FACILITY)	

ORDER

On October 23, 2020, Jackson Purchase Energy Corporation (Jackson Purchase) filed an application requesting approval, pursuant to KRS 278.218 and 807 KAR 5:001, Section 8, of a proposed transfer of its existing headquarters facility and property located at 2900 Irvin Cobb Drive, Paducah, McCracken County, Kentucky (Existing Headquarters) to a third-party purchaser. There are no intervenors to this matter and the case now stands submitted to the Commission for a decision.

Jackson Purchase is a nonprofit, member-owned, rural electric distribution cooperative organized under KRS Chapter 279. It provides retail electric service to approximately 30,000 members in the Kentucky counties of Ballard, Carlisle, Graves, Livingston, Marshall, and McCracken.¹ As part of its application Jackson Purchase has provided the Real Estate Purchase Agreement for which they seek approval by the Commission and the Appraisal Report for the existing headquarters facility.

¹ Application at 1.

In its application, Jackson Purchase points to Case Number 2019-00326,² in which Jackson Purchase requested and received a Certificate of Public Convenience and Necessity (CPCN) for the purchase and construction of a new headquarters campus located at 6526 U.S. Highway 60, Paducah, McCracken County, Kentucky. In that case, the Commission determined, pursuant to KRS 278.218, that because the Existing Headquarters has an original book value of over \$1 million (\$1,050,928.62 when first established as headquarters in 1974), Jackson Purchase is required to submit an application for transfer of ownership when it intends to sell the Existing Headquarters to a third-party purchaser. KRS 278.218 requires prior Commission approval for any transfer of utility-owned assets that have an original book value of \$1 million or more, and the assets are to be transferred by the utility for reasons other than obsolescence, or the assets will continue to be used to provide the same or similar service to the utility or its customers. KRS 278.218 further provides that approval of the transfer should be granted if such transfer is determined to be for a proper purpose and is consistent with the public interest.

On or about October 13, 2020, Jackson Purchase entered into a Real Estate Purchase Agreement (Agreement) for the sale of the Existing Headquarters to a third-party purchaser for the full current appraisal value of the Existing Headquarters. The commercial appraisal of the Existing Headquarters was prepared on February 20, 2019. In keeping with the prior Commission Order, the Agreement has a condition that before a closing can occur the Commission must approve the transaction. In granting the CPCN

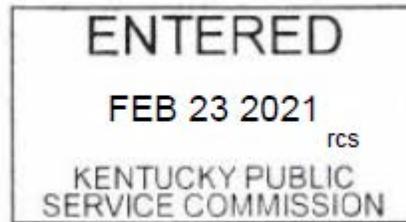
² Case No. 2020-00326, *Electronic Application of Jackson Purchase Energy Corporation for a Certificate of Public Convenience and Necessity to Construct a New Headquarters Facility* (Ky. PSC Jan. 14, 2020).

in Case Number 2019-00326, the Commission found the Existing Headquarters is not obsolete but is outdated for Jackson Purchase's purposes necessitating the construction of a new headquarters campus. Taking into account the need for the a new headquarters campus, that Jackson Purchase only needs one headquarters facility, and that the agreed upon sale price for the Existing Headquarters is consistent with its fair market value as determined by appraisal, the Commission finds the transaction is for a proper purpose and consistent with the public interest pursuant to KRS 278.218.

IT IS THEREFORE ORDERED that:

1. Jackson Purchase's application requesting approval of the transfer of ownership of its Existing Headquarters is granted.
2. This matter is closed and shall be removed from the Commission's docket.

By the Commission



ATTEST:



Executive Director

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