

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE APPLICATION OF JACKSON )  
PURCHASE ELECTRIC COOPERATIVE )  
CORPORATION FOR AN ORDER )  
AUTHORIZING THE CORPORATION TO )  
BORROW AN AMOUNT NOT TO EXCEED )  
\$1,343,000.00 FROM THE UNITED )  
STATES OF AMERICA (REA), AND )  
\$575,000.00 FROM THE LOUISVILLE )  
BANK FOR COOPERATIVES FOR THE )  
PURPOSE OF PURCHASING FACILITIES )  
OF KENTUCKY UTILITIES COMPANY IN )  
ACCORDANCE WITH AN EXPIRED WHOLE- )  
SALE POWER SUPPLY AGREEMENT WITH )  
KENTUCKY UTILITIES COMPANY )

CASE NO. 7787

O R D E R

IT IS ORDERED that Jackson Purchase Electric Cooperative Corporation ("JPECC") shall file an original and 12 copies of the following information with the Commission by October 19, 1983. Include with each response the name of the witness who will be available at the hearing to respond to questions relating to the information provided. Careful attention should be given to copied material to insure that it is legible. If neither the requested information nor a motion for an extension of time is filed by the stated date, the case may be dismissed.

1. Provide copies of the minutes of JPECC board of director's meetings when the decision was made to purchase the transmission facilities from Kentucky Utilities Company ("KU") at

net reproduction cost rather than the "depreciated value" as provided in the original power supply agreement between KU and JPECC.

2. Provide copies of material used by JPECC management to present to the board of directors the recommendation to purchase the transmission facilities from KU at net reproduction cost.

3. Provide a detailed narrative explanation of the series of events which took place prior to the execution of the contract which provided for the purchase of the transmission facilities from KU at net reproduction cost. Include the names of all persons involved in the negotiations, and the dates and times of meetings between KU and JPECC. Also provide copies of any documents such as letters, memos, minutes of meetings, notes of informal meetings, notes or internal memos of telephone conversations, proposals and counter proposals, and any other documentation to provide the Commission with a clear knowledge of the negotiations for the purchase of the transmission facilities from KU at net reproduction cost.

4. Provide a complete explanation of all concessions afforded JPECC in return for the modification of the power supply contract to require the purchase of the transmission facilities from KU at the net reproduction cost rather than the depreciated value as provided in the 1967 power supply agreement. Include any economic analysis or other cost-benefit analysis performed at the time of negotiations reflecting the affects of this modification on JPECC's financial condition.

5. Provide a detailed narrative explanation including supporting documentation of any attempt by JPECC to renegotiate the terms of the purchase to reinstate the depreciated value as the determination of the purchase price.

6. Provide details of any alternatives to the purchase of these transmission facilities from KU at net reproduction cost, considered by JPECC.

7. Provide the final cost figure from KU of the purchase price at the tentative closing date of November 15, 1983. Also provide the name or names of those persons employed by or working for JPECC who have reviewed or will review the determination of the sale price to assure JPECC that the cost has been accurately determined by KU and the results of such review.

8. Provide an executed copy of the first agreement between KU and JPECC, subsequent to the termination of the 1967 wholesale power contract, wherein JPECC was required to purchase the transmission facilities from KU at net reproduction cost.

Done at Frankfort, Kentucky, this 14th day of October, 1983.

PUBLIC SERVICE COMMISSION

  
For the Commission

ATTEST:

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Secretary