

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

NOTICE AND APPLICATION OF JACKSON)
PURCHASE COOPERATIVE CORPORATION FOR)
PERMISSION TO FLOW THROUGH A WHOLESALE)
RATE INCREASE FILED BEFORE THE KENTUCKY) CASE NO. 9167
PUBLIC SERVICE COMMISSION REGULATORY)
COMMISSION BY BIG RIVERS ELECTRIC)
CORPORATION, DOCKET NO. 9163)

O R D E R

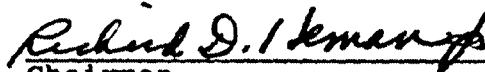
After a review of the application of Jackson Purchase Cooperative Corporation ("Jackson Purchase") to flow through the proposed increase in wholesale rates by Big Rivers Electric Corporation ("Big Rivers"), it has been determined that there may be a potential for absorption of a portion of the increase in power costs.

Commission files and financial data contained in the test-year financial exhibits reflect that the Times Interest Earned Ratio ("TIER") allowed in the Commission's Order in Case No. 8863, dated December 29, 1983, was 2.25X while the TIER earned in the year ended September 30, 1984, was 2.67X. The rate of return allowed was 8.88 percent while the test year actual rate of return was 11.05 percent. The allowed net income was \$1,323,935, while 1983 actual net income, without generation and transmission capital credits, was \$1,919,941.

IT IS THEREFORE ORDERED that Jackson Purchase shall provide by December 17, 1984, any evidence (including pro forma adjustments and company testimony) it deems appropriate as to why it should not be required to absorb a portion of the increase in wholesale rates of Big Rivers.

Done at Frankfort, Kentucky, this 12th day of December, 1984.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary