

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

IN THE MATTER OF NOTICE AND)
APPLICATION OF JACKSON PURCHASE)
ELECTRIC COOPERATIVE CORPORATION)
FOR PERMISSION TO FLOW THROUGH A)
PORTION OF THE GENERAL RATE) CASE NO. 97-224
DECREASE FILED BEFORE THE KENTUCKY)
PUBLIC SERVICE COMMISSION BY BIG)
RIVERS ELECTRIC CORPORATION, CASE)
NO. 97-204)

O R D E R

IT IS ORDERED that Jackson Purchase Electric Cooperative Corporation ("Jackson Purchase") shall file the original and 8 copies of the following information with the Commission by December 31, 1997 with a copy to all parties of record. Each copy of the information requested should be placed in a bound volume with each item tabbed. When a number of sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), Sheet 2 of 6. Include with each response the name of the witness who will be responsible for responding to questions relating to the information provided. Careful attention should be given to copied material to ensure its legibility. Where the requested information has been provided along with the original application, in the format requested herein, reference may be made to the specific location of that information in responding to this Order. When applicable, the requested information should be provided for total company operations and jurisdictional operations, separately.

1. a. What position did Donnie Lanier hold with Jackson Purchase from January 1, 1996 to July 31, 1996?

b. What was the total salary paid to Donnie Lanier from January 1, 1996 to the date of his appointment as Jackson Purchase's Interim General Manager?

c. (1) What was the total salary paid to Donnie Lanier from the date of his appointment as Jackson Purchase's Interim General Manager to December 31, 1996?

(2) What was the total salary paid to Donnie Lanier for calendar year 1997?

2. For each association listed below, state why dues for membership in that association should be considered a reasonable expense for the provision of utility service and included for rate-making purposes.

a. Greater Paducah Economic Development.

b. Action, Inc.

3. Refer to Jackson Purchase's Response to the Commission's Order of November 7, 1997, Item 4(g).

a. Provide end of the year statements which show the increase in insurance policies included in the columns "Auto Ins." and "Property, Bond etc Liability."

b. Explain, for each type of insurance coverage listed, why its cost is increasing.

c. (1) Why is the cost of workers' compensation insurance coverage fluctuating?

(2) Show how Jackson Purchase's workers' compensation insurance premiums are determined.

(3) Provide end of the year statements for Jackson Purchase's workers' compensation insurance policies.

4. Refer to Jackson Purchase's response to the Commission's Order of November 7, 1997, Item 9. Under the terms of its lease-purchase agreement, what is the new telephone system's purchase price if purchased in 1998?

5. Refer to Jackson Purchase's response to the Commission's Order of November 7, 1997, Item 11, and Jackson Purchase's Application, Exhibit 8 at 10. Explain why the amount expended for the test year on Item 11 does not match the amount expended for the test year in Exhibit 8.

6. Refer to Jackson Purchase's response to the Commission's Order of November 7, 1997, Item 28. In what account(s) are the KTI expenses incurred by Jackson Purchase recorded?

7. Refer to Jackson Purchase's response to the Kevin Cherry Request No. 1, Item 20. For each of the expenses listed below, state whether the expense is a recurring expense and explain why it should be considered as a reasonable expense for the provision of utility service and included for rate-making purposes.

- a. Big Rivers Bankruptcy.
- b. Manager Search.
- c. Paducah Power Dispute.

8. Refer to Jackson Purchase's response to the Kevin Cherry Request No. 2, Item 3. Provide the requested information.

9. Refer to Jackson Purchase's response to the Kevin Cherry Request No. 2, Item 8.

a. Does Jackson Purchase intend to use Paducah Printing in the future for printing newsletters?

b. Provide for each month of 1997 Jackson Purchase's cost to print its newsletters.

10. Refer to Jackson Purchase's response to the Attorney General Request No. 1, Item 72. Explain why Outside Services Employed has increased 184 percent from 1994 to 1996.

11. Refer to Jackson Purchase's response to the Attorney General Request No. 2, Item 13(d). Explain why, when calculating its payroll and payroll tax adjustment, Jackson Purchase did not consider employee numbers 46 and 183 terminated.

12. Refer to Jackson Purchase's response to the Attorney General Request No. 2, Item 15. Identify the cost incurred for salary continuation and health insurance coverage for Jackson Purchase's former general manager for the test year.

13. Refer to Jackson Purchase's response to the Attorney General Request No. 2, Item 27. List the accounts other than Account Number 923, Outside Services Employed, to which Jackson Purchase has charged for the items listed in Exhibit 33.

14. Refer to Jackson Purchase's response to Attorney General Request No. 2, Item 34.

a. Explain why Jackson Purchase is proposing an adjustment for the telephone lease when the lease agreement was signed 6 months outside of the test year.

b. Provide a copy of the lease.

c. Provide billing statements received for the telephone system lease.

15. Why is budgeted payroll being used in the calculation of pension costs instead of actual payroll?

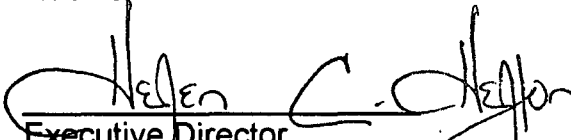
Done at Frankfort, Kentucky, this 19th day of December, 1997.

PUBLIC SERVICE COMMISSION



For the Commission

ATTEST:



Executive Director