

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

JACKSON PURCHASE ENERGY CORPORATION)
THAT ON JANUARY 1, 2003, WILL ADJUST ITS) CASE NO. 2002-00365
MISCELLANEOUS SERVICE FEES)

O R D E R

On September 27, 2002, Jackson Purchase Energy Corporation (JPEC) filed an application for authority to revise its tariffs and increase its non-recurring miscellaneous charges effective January 1, 2003. There were no intervenors in this proceeding. On November 25, 2002, the Commission Staff issued an information request to which JPEC responded on December 9, 2002.

In its application, JPEC acknowledges that the additional revenues generated by the proposed increase in miscellaneous charges would increase its Times Interest Earned Ratio (TIER) from 2.03 to 2.11. JPEC states that since it refunds all margins in excess of a modified TIER of 2.0 to its members in the form of capital credits, the possible increase in its TIER will not result in excess margins or over-charges to its members.

Based on the application and the responses to the Staff s data request and being otherwise sufficiently advised, the Commission finds that:

1. JPEC s proposed increases in non-recurring charges are supported by its cost analysis, are reasonable, and will not result in an unreasonable level of earnings.

2. JPEC currently charges a \$15 membership fee to new members but does not charge a connection fee for any connection other than a reconnection for non-payment. In conjunction with our approval of its proposed \$20 connection fee, JPEC will cease to charge the \$15 membership fee. JPEC will retain the balance of membership fees previously collected until a member leaves the system, at which time the member's membership fee will be refunded.

3. JPEC s currently charges a \$5 fee for disconnection of service for non-payment. In conjunction with our approval of JPEC s proposed field collection charge, which will be made whether the field visit results in collection or disconnection of service, JPEC will discontinue its disconnection charge, whether for non-payment or other reasons.

IT IS THEREFORE ORDERED that:

1. The charges in Appendix A are approved for service rendered by JPEC on and after January 1, 2003.

2. JPEC shall discontinue the membership fee of \$15 for new members. JPEC shall continue to refund the membership fee paid by existing members whenever a member leaves the JPEC system.

3. JPEC shall discontinue its \$5 charge for disconnection of service.

4. JPEC shall file with the Commission, within 20 days of the date of this Order, its revised tariff sheets setting out the charges approved herein showing their date of issue and stating that they were issued by authority of this Order.

Done at Frankfort, Kentucky, this 17th day of December, 2002.

By the Commission

ATTEST:

A handwritten signature in black ink, appearing to read "Thomas H. (T) [unclear]", written over a horizontal line.

Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2002-00365 DATED December 17, 2002

The following rates and charges are prescribed for the customers served by Jackson Purchase Energy Corporation. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

MISCELLANEOUS CHARGES

Field Collection Charge	\$20
Connect & Reconnect Charge	25
After Hours Charge	75
Meter Test	35
Return Check Charge	20