

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ADJUSTMENT OF RATES OF)
JACKSON PURCHASE ENERGY) CASE NO. 2007-00116
COOPERATIVE)

THIRD DATA REQUEST OF COMMISSISON STAFF TO
JACKSON PURCHASE ENERGY COOPERATIVE

Jackson Purchase Energy Cooperative (“Jackson Purchase”), pursuant to 807 KAR 5:001, is to file with the Commission the original and 7 copies of the following information, with a copy to all parties of record. The information requested herein is due on or before March 28, 2008. Responses to requests for information shall be appropriately bound, tabbed and indexed. Each response shall include the name of the witness responsible for responding to the questions related to the information provided.

Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person’s knowledge, information, and belief formed after a reasonable inquiry.

Jackson Purchase shall make timely amendment to any prior responses if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to

which Jackson Purchase fails or refuses to furnish all or part of the requested information, it shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations.

1. Refer to Jackson Purchase's Response to the Staff's Second Data Request ("Staff's Second Request"), page 4, Item 8. Jackson Purchase states that the "COMPensate Plan" contains copyrighted material and confidential information and that it has requested permission from National Rural Electric Cooperatives Association ("NRECA") to provide the requested material. Pursuant to 807 KAR 5:001, Section 7, no party to any proceeding shall fail to respond to discovery by the Commission, its staff, or any other party, on the grounds of confidentiality.

a. State whether Jackson Purchase has received a response from NRECA. If yes, provide a copy of NRECA's response. If no, explain the status of the request.

b. Assuming the Commission affords confidential treatment to the information, state whether copyright laws provide an exception to information being copied and submitted in a quasi-judicial or administrative proceeding.

c. Explain how the Commission can determine the reasonableness of the wage and salary adjustments without the requested information.

2. Refer to Jackson Purchase's Response to Staff's Second Request, Item 9.
 - a. State whether the medical insurance coverage that Jackson Purchase provides extends only to Jackson Purchase employees and to no other persons, including family members.
 - b. Are the employees of Jackson Purchase required to contribute to the cost of medical insurance for individual and/or family coverage? If so, what amount or percentage is required of the employee?
3. Refer to Jackson Purchase's Response to Staff's Second Request, Item 11(c). Jackson Purchase provided samples of the text for radio and television advertisements but no samples of print advertisements. Provide samples of all print advertisements that were included for rate-making purposes.
4. Refer to Jackson Purchase's Response to Staff's Second Request, Item 11(d). Jackson Purchase stated that "Networking" is a generic term for advertising and marketing efforts and those efforts that contained safety or conservation information were included. Describe in detail specific types of activities that pertain to safety and conservation.
5. Refer to Jackson Purchase's Response to Staff's Second Request, Item 11(g)(4). Regarding the Sam's Club membership fee, how many memberships does Jackson Purchase currently have at Sam's Club? List the types of items that are purchased at Sam's Club.
6. Refer to Jackson Purchase's Response to Staff's Second Request, Item 17. Jackson Purchase stated that it does not have a written equity management plan

but believes managing equity on a daily or monthly basis is the best practice as a cooperative.

a. Describe in detail Jackson Purchase's process for managing equity. Include in this description all informal policies regarding appropriate equity levels, target earnings levels or overall management of Jackson Purchase's equity.

b. Jackson Purchase included a citation from its Bylaws pertaining to capital credits. State whether Jackson Purchase agrees that it is legally obligated to retire capital credits to its members eventually. Explain the response.

c. State whether Jackson Purchase retires capital credits accrued to former member accounts (e.g., deceased members or members who move out of Jackson Purchase's territory). Explain the response.

7. Refer to Jackson Purchase's Response to Staff's Second Request, Item 22(c). Jackson Purchase stated it spoke with a sister cooperative regarding leveled billing. Identify this cooperative.

8. Refer to Exhibit H-5 of the Direct Testimony of Gary Stephens ("Stephens Testimony") at page 3, lines 11 through 19. Mr. Stephens explains the reason for including two cost-of-service studies in the application. Explain why, since the Big Rivers credit is still in effect, Jackson Purchase believes the effect of the credit should not be used in developing its proposed rates in this proceeding. This explanation should include the date or event at which Jackson Purchase expects the credit to be discontinued.

9. Refer to Jackson Purchase's Response to Staff's Second Request, Item 25. Jackson Purchase states that the revenues for the individual rate classification

calculated in Exhibit 11 do not agree with the revenues used in the Application due to the hundreds of adjustments made and their timing.

a. Explain the types of adjustments to which the response refers. If any relatively large adjustments were made for specific customer accounts, identify the customer, the reason for the adjustment, and the amount of each adjustment.

b. Jackson Purchase included in its response a revenue analysis and billing analysis in paper copy and electronic format that excludes the Big Rivers credit. Provide similar schedules in paper copy and electronic format that include the effect of the Big Rivers credit.

10. Refer to Jackson Purchase's Response to Staff's Second Request, Item 29(b). State whether Jackson Purchase is referring in its response to that part of the distribution network from the customer's meter to the transformer (service drop) only.

11. Refer to Jackson Purchase's Response to Staff's Second Request, Item 29(c) and Stephens' Testimony, Exhibit H-5, Attachments 2 and 3, Line 1. Provide the step by step calculation used to obtain the average coincident and average non-coincident demand for each rate class for the month of January.

12. Refer to Jackson Purchase's Response to the Attorney General's Initial data request ("AG's Initial Request"), Item 16(d), Exhibit 12. For each of the items listed below, explain why it should be an appropriate and reasonable expense for rate-making purposes:

- a. Line 15 – United Way of Paducah, Victory Dinner.
- b. Lines 32 and 33 – MET Life Representative Meeting – White.
- c. Line 45 – Pizza for Accounting Department.

- d. Line 66 – The Paducah Sun – Promotions.
- e. Line 103 – Paducah Symphony lunch – Kerr.
- f. Lines 111 and 114 – Realtors luncheon.
- g. Line 134 – Duplication of keys and donuts for meeting.
- h. Lines 135, 297, and 539 – Food for Blood Drive.
- i. Lines 185 and 259 – Youth Tour, BNL, SHRM lunch – White.
- j. Lines 251, 252, and 442 – Lunches for Mapping Meeting – April.
- k. Line 253 – PR Lunch Club – Kerr.
- l. Line 281 – Youth Tour/SHRM Council Meeting.
- m. Line 289 – Cake and Ice Cream.
- n. Line 295 – Candy for Easter Egg Hunt.
- o. Line 388 – Lunch – T. Miller/C. Williamson
- p. Line 389 – Pizza, Power Inventor – Conner
- q. Line 457 – Leadership Paducah Foundation
- r. Line 471 – United Van Lines – Moving expense for Tracy Bensley.
- s. Lines 508 and 509 – Lunch with Jeff. Voight, etc.
- t. Line 524 – Reclass donation for A. Hayden.
- u. Line 554 – Refreshments, cameras.
- v. Line 590 – Lunch – new employee orientation.
- w. Line 618 – Paducah Board of Realtors, Inc. – Inaugural dance.
- x. Line 652 – Lunch – White.
- y. Lines 664 through 667 – Christmas Cards.
- z. Lines 679 and 758 – Breakfast for CSR's.

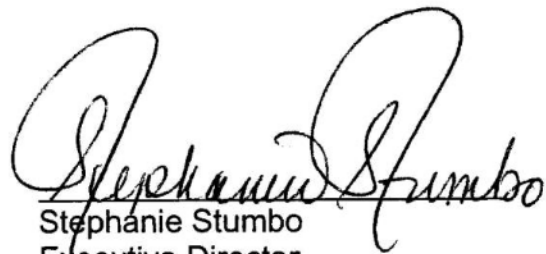
aa. Lines 756 and 757 – United Way Campaign, Christmas Goodie Day.

bb. Line 759 – Donuts for Employees.

cc. Line 760 – Lunch for AMI Meeting.

dd. Lines 763 through 766 – 2007 Calendars.

ee. Line 785 – Xmas lights, lunch – Kerr.

A handwritten signature in black ink, appearing to read 'Stephanie Stumbo', written in a cursive style.

Stephanie Stumbo
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, KY 40602

DATED March 19, 2008

cc: All Parties