

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF JACKSON)	
ENERGY COOPERATIVE CORPORATION)	CASE NO.
FOR A GENERAL ADJUSTMENT IN)	2019-00066
EXISTING RATES)	

**JACKSON ENERGY'S RESPONSE TO COMMISSION STAFF'S
FIRST REQUEST FOR INFORMATION**

Filed: May 13, 2019

Jackson Energy Cooperative Corporation
Case No. 2019-00066
Commission Staff's First Request for Information

Request:

Refer to the Direct Testimony of John Wolfram (Wolfram Testimony), page 16, Table 4. Table 4 indicates that the Cost of Service Study (COSS) results indicates that only Rate 10 – Residential Services is being subsidized. Explain why Jackson Energy did not propose an increase in revenue to meet the 1.85 Streamline TIER requirements and additionally propose a revenue allocation between the rate classes so to lower subsidization from the other rate classes.

Response:

Jackson Energy did not propose an increase in revenue to meet the 1.85 TIER requirements because current overall revenues are sufficient to meet the financial obligations of the cooperative – thus a revenue neutral filing was preferred, and no overall increase in revenue was needed. (This also reduced the number of filing requirements and correspondingly the cost of filing the case, in keeping with the objectives of the streamlined rate filing procedure.)

With respect to subsidization, two problems exist with the residential rate class. First, there is an imbalance between the recovery of fixed costs and variable costs; the fixed charge is too low and the variable charge is too high relative to cost-based rates. Second, the class overall is being subsidized by the other rate classes. In this case, Jackson Energy adopted a gradual approach and elected to address only the first issue, before potentially addressing the second issue in future filing(s).

With this being the first case filed under the streamlined procedure, Jackson Energy elected to adopt a minimum number of changes in rates for the initial exercise of these procedures.

Jackson Energy Cooperative Corporation
Case No. 2019-00066
Commission Staff's First Request for Information

Request:

Provide a cross-tab of the usage and income from Jackson Energy's last Residential End-Use Survey.

Response:

The data required to do a cross-tab of the usage and income is not provided in the last Residential End-Use Survey, nor is it otherwise available to Jackson Energy.

Below is the income data provided in the most recent Residential End-Use Survey.

Total Household Income								
Less than \$15,000	\$15,000 to \$24,999	\$25,000 to \$34,999	\$35,000 to \$49,999	\$50,000 to \$74,999	\$75,000 to \$99,999	\$100,000 to \$149,999	\$150,000 to \$199,999	\$200,000 or over
24.1%	14.9%	11.8%	13.6%	16.7%	8.9%	6.5%	1.7%	1.9%

Jackson Energy Cooperative Corporation
Case No. 2019-00066
Commission Staff's First Request for Information

Request:

Provide the average monthly use for customers receiving assistance.

Response:

The average monthly usage for the members who received assistance from November 30, 2018 through February 28, 2019 for the period February 2018 through January 2019 is 1,238 kWh.

Jackson Energy Cooperative Corporation
Case No. 2019-00066
Commission Staff's First Request for Information

Request:

Provide Jackson Energy's TIER, OTIER, and TIER excluding G&T capital credits for each year since Jackson Energy's last rate case.

Response:

Year	TIER	OTIER	TIER excl. GTCC's
2013	2.49	1.28	1.33
2014	2.70	1.60	1.61
2015*	1.46*	0.39*	0.56*
2016	3.10	2.10	2.18
2017	2.19	1.63	1.71
2018	2.82	1.93	2.01

*Jackson Energy adopted the new revenue recognition standard, FASB ASU2014-09, Revenue from Contracts and Customers in 2015. This allows Jackson Energy to book their revenue in the same month the energy is consumed by the members. This resulted in booking one month of 2015 revenue in 2016.

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF JACKSON)
ENERGY COOPERATIVE CORPORATION FOR) Case No. 2019-00066
A GENERAL ADJUSTMENT IN EXISTING RATES)

VERIFICATION OF JOHN WOLFRAM

COMMONWEALTH OF KENTUCKY)
)
COUNTY OF JEFFERSON)

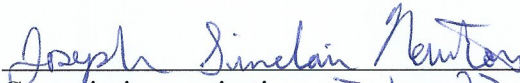
John Wolfram, being duly sworn, states that he has supervised the preparation of his responses to requests for information in the above-referenced case and that the matters and things set forth therein are true and accurate to the best of his knowledge, information and belief, formed after reasonable inquiry.



John Wolfram

The foregoing Verification was signed, acknowledged and sworn to before me this 3rd day of May, 2019, by John Wolfram.

JOSEPH SINCLAIR NEWTON
Notary Public
State at Large
Kentucky
My Commission Expires July 27, 2022



Commission expiration: July 27, 2022



STATE OF KENTUCKY)

COUNTY OF JACKSON)

I, Carol Wright, state that I am the President and Chief Executive Officer, of Jackson Energy Cooperative, that I have personal knowledge of the matters set forth in this response to the request for information, and that the statements and calculations contained in each are true as I verily believe.

This 6th day of May 2019

Carol Wright
Carol Wright

SUBSCRIBED AND SWORN to before me by Carol Wright this
6th day of May, 2019.

Lisa Bahen # 592818
Notary Public, KY State at Large

My Commission Expires: 1/19/22