

**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

**In the Matter of:**

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<b>AN ELECTRONIC APPLICATION OF JACKSON</b>	)	
<b>PURCHASE ENERGY CORPORATION FOR A</b>	)	<b>CASE NO.</b>
<b>CERTIFICATE OF PUBLIC CONVENIENCE AND</b>	)	<b>2019-00326</b>
<b>NECESSITY TO CONSTRUCT A NEW</b>	)	
<b>HEADQUARTERS FACILITY</b>	)	

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**JACKSON PURCHASE ENERGY CORPORATION'S RESPONSE TO  
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION ISSUED  
NOVEMBER 13, 2019**

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**Filed: November 25, 2019**

**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

In the Matter of:

AN ELECTRONIC APPLICATION OF JACKSON PURCHASE )  
ENERGY CORPORATION FOR A CERTIFICATE OF PUBLIC ) Case No.  
CONVENIENCE AND NECESSITY TO CONSTRUCT A NEW ) 2019-00326  
HEADQUARTERS FACILITY )

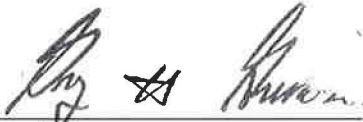
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**VERIFICATION OF GREG GRISSOM**

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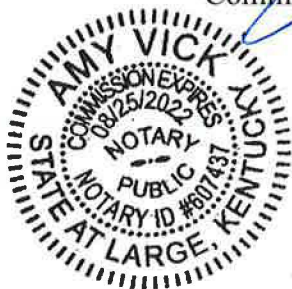
COMMONWEALTH OF KENTUCKY )  
COUNTY OF McCracken )

Greg Grissom, President and Chief Executive Officer of Jackson Purchase Energy Corporation, being duly sworn, states that he has supervised the preparation of certain of the following responses to data requests 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.

  
\_\_\_\_\_  
Greg Grissom

The foregoing Verification was signed, acknowledged and sworn to before me this 14 day of November, 2019, by Greg Grissom.

  
\_\_\_\_\_  
Commission expiration: 8/25/2022



**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

In the Matter of:

AN ELECTRONIC APPLICATION OF JACKSON PURCHASE )  
ENERGY CORPORATION FOR A CERTIFICATE OF PUBLIC ) Case No.  
CONVENIENCE AND NECESSITY TO CONSTRUCT A NEW ) 2019-00326  
HEADQUARTERS FACILITY )

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**VERIFICATION OF JEFFREY R. WILLIAMS**

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COMMONWEALTH OF KENTUCKY )  
COUNTY OF McCracken )

Jeffrey R. Williams, Chief Financial Officer and Vice-President, Accounting, Finance and Member Services of Jackson Purchase Energy Corporation, being duly sworn, states that he has supervised the preparation of certain of the following responses to data requests 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.

  
\_\_\_\_\_  
Jeffrey R. Williams

The foregoing Verification was signed, acknowledged and sworn to before me this 14 day of November, 2019, by Jeffrey R. Williams.

  
\_\_\_\_\_  
Commission expiration: 8/25/2022



**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

In the Matter of:

AN ELECTRONIC APPLICATION OF JACKSON PURCHASE )  
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HEADQUARTERS FACILITY )

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**VERIFICATION OF RONALD S. BACON**

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COMMONWEALTH OF KENTUCKY )  
COUNTY OF McCracken )

Ronald S. Bacon, Partner, Bacon Farmer Workman Engineering and Testing, Inc., on behalf of Jackson Purchase Energy Corporation, being duly sworn, states that he has supervised the preparation of certain of the following responses to data requests 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.

  
Ronald S. Bacon

The foregoing Verification was signed, acknowledged and sworn to before me this 15<sup>th</sup> day of November, 2019, by Ronald S. Bacon.

Kelley Cash  
Commission expiration: 1-14-22  
NOTARY  
PUBLIC  
STATE AT LARGE, KY.

**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

In the Matter of:

AN ELECTRONIC APPLICATION OF JACKSON PURCHASE )  
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HEADQUARTERS FACILITY )

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**VERIFICATION OF TIM E. MASA**


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STATE OF MISSOURI )  
 )  
COUNTY OF St. Louis )

Tim E. Masa, President of Cooperative Building Solutions, on behalf of Jackson Purchase Energy Corporation, being duly sworn, states that he has supervised the preparation of certain of the following responses to data requests 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.

  
Tim E. Masa

The foregoing Verification was signed, acknowledged and sworn to before me this 14<sup>th</sup> day of November, 2019, by Tim E. Masa.

  
Commission expiration: 04/17/23



**Jackson Purchase Energy Corporation**  
**Case No. 2019-00326**  
**Commission Staff's First Request for Information**  
**Issued November 13, 2019**

1. Provide the name and the relationship of any person(s) having a financial interest in the property to be sold to Jackson Purchase for use as its new headquarters that have a current relationship with Jackson Purchase, with any employee of Jackson Purchase, or with any current or former member of Jackson Purchase's Board of Directors.

**Response:**

There is no person that has a financial interest in the property to be sold to Jackson Purchase that has a known current relationship with any employee of Jackson Purchase, or with any current or former member of Jackson Purchase's Board of Directors.

**Jackson Purchase Energy Corporation**  
**Case No. 2019-00326**  
**Commission Staff's First Request for Information**  
**Issued November 13, 2019**

2. Explain why additional repair and maintenance was not performed to prevent the current headquarters from falling into such disrepair.

**Response:**

The issues with the existing headquarters, which are listed on pages 3 and 4 of the Application, are due to original design, structural settling and age of the buildings. The buildings are 50 years old, and while normal repair and maintenance has most definitely occurred throughout the life of the buildings, the existing buildings have reached the end of their useful lives as discussed in the Direct Testimonies of Mr. Masa and Mr. Bacon. The current building defects are not the result of inattention to repair and maintenance. Rather, the late 1960's design, while of ordinary commercial quality at the time, has not held up as anticipated when constructed. As stated in Mr. Bacon's testimony, much has been learned about building behavior in the last 50 years and construction of this type in the relevant seismic zone would not be permitted with modern building codes.

**Jackson Purchase Energy Corporation**  
**Case No. 2019-00326**  
**Commission Staff's First Request for Information**  
**Issued November 13, 2019**

3. Provide the estimated long-term maintenance expense for the proposed property, and the estimated useful service life of the proposed headquarters.

**Response:**

It would be speculative to attempt to compare maintenance costs for the two scenarios, existing building vs. "new" building. The existing building is near the end of usable condition. Maintenance costs generally increase with building age and deterioration despite ongoing maintenance. The renovation of the proposed property will result in replacement of many of the systems requiring regular maintenance. This means that the maintenance cycle would be starting from "new" with warranties to protect the owner for the first years of use. It is estimated that upon completion the proposed headquarters would have a useful life of 50 to 60 years. This would be similar to what is found in schools and institutional buildings where the systems are continually maintained and/or upgraded and the actual building configuration becomes the deciding factor.



**Jackson Purchase Energy Corporation**  
**Case No. 2019-00326**  
**Commission Staff's First Request for Information**  
**Issued November 13, 2019**

4. Refer to the application, paragraph 5.
  - a. Provide the purchase date and the purchase price for the 19 acres of land on which the current headquarters is located. Provide all improvements Jackson Purchase made to the 19 acres of land since the original purchase.
  - b. For each of the three separate masonry buildings, provide the date the buildings were placed in service, the original cost, the accumulated depreciation, and net book value as of December 31, 2018. In addition, for each of the three separate masonry buildings, provide the date of any capitalized improvements, the original cost, accumulated depreciation, and net book value of such improvements as of December 31, 2018.
  - c. Provide the assessed value of the land and the three separate masonry buildings for 2018 and 2019 as determined by the Kentucky Department of Revenue, Public Service Branch.
  - d. Provide the estimated fair market value of Jackson Purchase's current headquarters and the basis for this amount.
  - e. Explain how Jackson Purchase plans to treat any proceeds from the proposed sale of the current headquarters facility.

**Response:**

- a. Please see attached Deed for Land at 2900 Irvin Cobb Drive, dated November 4, 1968. The amount listed on the Deed is \$82,472.20. Please see attachment for JPEC Buildings and improvements. This report lists all improvements made showing beginning value, accumulated depreciation and book value on the report as of December 31, 2018.
- b. The buildings and improvements are not broken out separately in Jackson Purchase's records. The existing headquarters buildings were placed in service on June 30, 1971. The original cost for all buildings was \$1,050,928.62. Please refer to the attachment in our response to 4(a), showing the buildings and improvements as of December 31, 2018. The buildings are fully depreciated and have no net book value as of December 31, 2018. The improvements listed in the attachment show

the original cost, accumulated depreciation and net book value as of December 31, 2018.

- c. Please see attached files from the Kentucky Department of Revenue, Public Service Branch showing our tax assessment for McCracken County in 2018 and 2019. Note the Real Estate Column and the City of Paducah. The amounts are \$1.48 million and \$1.44 million for 2018 and 2019, respectively.
- d. The recent appraised value is [REDACTED] based upon an appraisal by Sloan Appraisal & Realty. Please see appraisal report being filed under seal pursuant to a Motion for Confidential Treatment.
- e. Although the appraised value of the existing headquarters is [REDACTED] Jackson Purchase has made no assumptions as to receiving any sale proceeds in the ten-year forecast. The assumption for the ten-year forecast is that the property is sold or divested at the end of 2021, but no proceeds have been assumed because the facilities are in such poor condition Jackson Purchase is unsure how much sale proceeds it may actually realize.

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DEED

THIS DEED made and entered into this 4th day of November, 1968,  
by and between the URBAN RENEWAL AND COMMUNITY DEVELOPMENT AGENCY  
OF THE CITY OF PADUCAH, KENTUCKY, a body politic and corporate created  
and acting pursuant to the laws of the State of Kentucky, hereinafter referred to as  
"Agency, and the JACKSON PURCHASE RURAL ELECTRIC COOPERATIVE CORPOR-  
ATION, Paducah, Kentucky, hereinafter referred to as "Purchaser",

WITNESSETH:

THAT the Agency, for and in consideration of the sum of Eighty Two Thou-  
sand, Four Hundred Seventy Two and 20/100 (\$82,472.20) Dollars, cash in hand paid  
at and before the sealing and delivery of these presents, the receipt of which is  
heraby acknowledged, does hereby grant, bargain, sell and convey to the Purchaser,  
the following real property lying and being in the City of Paducah, County of  
McCracken, State of Kentucky, and more particularly described as follows, to-wit:

Being TRACT NUMBERS, 4, 5, 6, 18, 19, and  
20, as shown by plat of said Tracts recorded in  
Plat Book "G", page 360, in the McCracken  
County Court Clerk's office,

LLOYD C. EMERY II  
ATTORNEY  
250 HOLIDAY HOUSE  
2245 TRIMBLE STREET  
PADUCAH, KENTUCKY 40301

Being the same property conveyed to Grant or herein by the following instruments: Edward C. Coley, et ux, by deed dated May 10, 1962 and recorded in Deed Book 434, page 239; Joe M. Brindley, et al, by deed dated April 19, 1962 and recorded in Deed Book 433, page 504; James H. Hall et al, by deed dated April 21, 1962 and recorded in Deed Book 433, page 572; Fleta Parrish Brindley, et al, by deed dated May 10, 1962 and recorded in Deed Book 434, page 291; Owen J. Overton, et al, by deed dated January 13, 1964 and recorded in Deed Book 453, page 235; George W. Poe, et ux, by deed dated November 21, 1962 and recorded in Deed Book 440, page 495; Master Commissioner's deed for John Howard, et al, dated February 22, 1963 and recorded in Deed Book 443, page 393; William Sarrells, et ux, by deed dated August 14, 1962 and recorded in Deed Book 436, page 610; Fleattie Bell, et vir, by deed dated May 22, 1962 and recorded in Deed Book 434, page 541; Joe M. Brindley, et ux, by deed dated April 19, 1962 and recorded in Deed Book 433, page 506; Ed Meadows, et al, Trustees of and for Berea Baptist Church of Paducah, by deed dated April 10, 1962 and recorded in Deed Book 433, page 670; Charles L. Overton, et al, by deed dated January 13, 1964 and recorded in Deed Book 453, page 228; Letha Jones, widow, by deed dated May 5, 1962 and recorded in Deed Book 434, page 131; Robert Ray, et ux, by deed dated November 21, 1962 and recorded in Deed Book 440, page 491; Ralph Cooper, et ux, by deed dated April 26, 1962 and recorded in Deed Book 433, page 674; Bertha Evans, et al, by deed dated November 21, 1962 and recorded in Deed Book 440, page 493; Charles L. Overton, et al, by deed dated January 13, 1964 and recorded in Deed Book 454, page 67; Commonwealth of Kentucky, by deed dated November 25, 1962 and recorded in Deed Book 442, page 133; Mrs. Verna Hovekamp, widow, by deed dated April 28, 1962 and recorded in Deed Book 434, page 1; Cecil R. Feezor, et al, by deed dated February 16, 1963 and recorded in Deed Book 444, page 4; Bessie Roberts, et al, by deed dated May 16, 1962 and recorded in Deed Book 434, page 411; also see deed dated May 16, 1962 and recorded in Deed Book 434, page 415; R. J. McNeill, et ux, by deed dated April 21, 1962 and recorded in Deed Book 433, page 561; Mrs. Verna Lee Hovekamp, et al, by deed dated May 28, 1962 and recorded in Deed Book 435, page 157; Horace D. Buford, et ux, by deed dated April 26, 1962 and recorded in Deed Book 433, page 651; Bertie May Joyce Blackburn et vir, by deed dated April 19, 1962 and recorded in Deed Book 433, page 516; Mrs. Hattie Sears, widow, by deed dated April 12, 1962 and recorded in Deed Book 433, page 303; D. F. Joyce, et ux, by deed dated May 10, 1962 and recorded in Deed Book 434, page 246; James Hall, et ux, by deed dated May 19, 1962 and recorded in Deed Book 434, page 483; Foice Darnell, et ux, by deed dated May 24, 1962 and recorded in Deed Book 434, page 587; George C. Meredith, et ux, by deed dated May 24, 1962 and recorded in Deed Book 434, page 583; Lonnie S. Meredith, et ux, by deed dated May 19, 1962 and recorded

In Deed Book 434, page 485; Master Commissioner's deed for Mary Barnhart, et al., by deed dated July 5, 1963 and recorded in Deed Book 449, page 7; Cynthia L. Malott Green et vir, by deed dated April 26, 1962 and recorded in Deed Book 433, page 565; Sammie L. Sullivan, et ux, by deed dated July 13, 1962 and recorded in Deed Book 439, page 57; Master Commissioner's deed for Mrs. Howard Shelton, et al., by deed dated November 7, 1963 and recorded in Deed Book 452, page 158; Master Commissioner's deed for Cynthia Malott Green, et al., by deed dated July 5, 1963 and recorded in Deed Book 449, page 11; George C. Gourieux, et al., by deed dated October 2, 1962, and recorded in Deed Book 439, page 402; Charles Patterson, et ux, by deed dated May 17, 1962 and recorded in Deed Book 434, page 447; Emma Gilbert Rouse et vir, by deed dated August 27, 1962 and recorded in Deed Book 438, page 263; Herbert Potter, et ux, by deed dated November 23, 1962 and recorded in Deed Book 440, page 539; Cecil Springer, et ux, by deed dated April 27, 1962 and recorded in Deed Book 433, page 681; Miamie Jones, widow, by deed dated April 22, 1963 and recorded in Deed Book 445, page 23; William Henry Jones et al., by deed dated February 5, 1963 and recorded in Deed Book 443, page 228; Frank Leidecker, single, by deed dated April 20, 1962 and recorded in Deed Book 433, page 657; W. L. Ritchie, Jr., et ux, by deed dated April 19, 1962 and recorded in Deed Book 433, page 473; Master Commissioner's deed for Willie Albey, et al., by deed dated June 21, 1963 and recorded in Deed Book 447, page 467; P. W. Ritchie, et ux, by deed dated April 14, 1962 and recorded in Deed Book 433, page 428; Lucille Harris, et vir, by deed dated January 19, 1963 and recorded in Deed Book 442, page 476; Leon Walls et ux, by deed dated April 28, 1962 and recorded in Deed Book 434, page 28; Leon Walls, et ux, by deed dated April 28, 1962 and recorded in Deed Book 434, page 30; William Keeling, et ux, by deed dated May 4, 1962 and recorded in Deed Book 434, page 106; Olive Short, widow, by deed dated August 29, 1962 and recorded in Deed Book 438, page 261; Fred Ashley, et ux, by deed dated April 26, 1962 and recorded in Deed Book 433, page 661; John Ellis, et ux, by deed dated April 19, 1962 and recorded in Deed Book 433, page 509; Arveta Brunson, widow, by deed dated May 10, 1962 and recorded in Deed Book 434, page 255; James Rufus Gilbert, et ux, by deed dated April 10, 1962 and recorded in Deed Book 433, page 281; Coy Biggs Roberts, et al. Trustees for the General Body of the Church of Jesus Christ, by deed dated May 5, 1962 and recorded in Deed Book 434, page 120; Victor L. Taber, et ux, by deed dated September 25, 1962 and recorded in Deed Book 439, page 163; Fred Armon, et ux, by deed dated April 26, 1962 and recorded in Deed Book 433, page 647; Samuel Cain et ux, by deed dated July 7, 1962, and recorded in Deed Book 436, page 16; Marjorie May Mammen, et al., by deed dated June 29, 1962 and recorded in Deed Book 438, page 13; Crawford Ray, et ux, by deed dated May 11, 1962 and recorded in Deed Book 434, page 300; C. H. Prince

widower, by deed dated April 19, 1964 and recorded in Deed Book 433, page 512; Joe Jackson, et ux, by deed dated May 4, 1962 and recorded in Deed Book 434, page 108; Master Commissioner's deed for Mrs. Howard Shelton, et al, by deed dated August 2, 1963 and recorded in Deed Book 448, page 533; Johnnie A. Wiggins, et ux, by deed dated June 7, 1962 and recorded in Deed Book 435, page 311. The foregoing deed book and page references refer to records in the office of the McCracken County Court Clerk. Also being a part of the property acquired by Grantor by operation of law based upon a judgment closing public ways, a part of which is hereby conveyed under a judgment rendered in the McCracken Circuit Court, Civil Action No. 8569, on March 7, 1968, recorded in Civil Action and Judgment Book 19, page 51.

This conveyance is made subject to the following easements and covenants, restrictions and reservations which are hereby made and declared covenants running with the land, to-wit:

1. GENERAL COVENANTS

A. The covenants running with the land set forth and particularized in the Agency's "Declaration of Restrictive Covenants", dated July 1, 1962 and recorded in Deed Book 446, page 121, in the office of the Clerk of the McCracken County Court, Kentucky, and the "Amended Declaration of Restrictive Covenants", dated November 17, 1967 and recorded in Deed Book 433, page 193, in the office of the Clerk of the McCracken County Court, Kentucky.

B. Purchaser shall commence work on the improvements not later than two hundred, sixty eight, ( 268 ), days from the date of this instrument and shall diligently prosecute such, and shall complete the improvements within 655 consecutive calendar days from the date of this instrument; provided, however, that at the sole discretion of the Agency the period for commencement and/or completion of said improvements may be extended upon good cause shown by the Purchaser.

C. Promptly after completion of the improvements in accordance with the approved plans and provisions of this instrument, the Agency shall furnish Purchaser an appropriate instrument certifying to the satisfactory completion of the improvements. Such certification shall be in a form recordable in the Office of the Clerk of the

LLOYD C. EMERY II  
ATTORNEY  
1000 BROADWAY, SUITE 2000  
KANSAS CITY, MISSOURI 64108  
PHYSICAL ADDRESS 4400

McCracken County Court, Kentucky.

D. The Purchaser agrees for itself, its successors and assigns, to or of the property or any part thereof, that the Purchaser and such successors or assigns shall:

(1) Not discriminate upon the basis of race, color or national origin, in the sale, lease, or rental or in the use or occupancy of the property or any improvements erected or to be erected thereon or on any part thereof; and this covenant shall be binding to the fullest extent permitted by law and equity, for the benefit and in favor of, and enforceable by (a) The Agency, its successors and assigns, (b) the City of Paducah, Kentucky, and any successor in interest to the property, or any part thereof, (c) the owner of any other land, or of any interest in such land, within the Project Area which is subject to the land use requirements and restrictions of the Urban Renewal Plan, and (d) the United States, against the Purchaser, its successors and assigns and every successor in interest to the property, or any part thereof or interest therein, and any part in possession or occupancy of the property or any part thereof.

In amplification, and not in restriction of, the provisions of Section 1-A and 1-D (1), it is intended and agreed that the Agency and its successors and assigns shall be deemed beneficiaries of the covenants provided in Sections 1-A and 1-D(1) hereof, and the United States shall be deemed a beneficiary of the covenants provided in Section 1-D (1) hereof, both for and in their or its own right and also for the purpose of protecting the interest of the community and other parties, public or private, in whose favor or for whose benefit such covenants have been provided. Such covenants shall run in favor of the Agency and the United States, for the entire period during which such covenants shall be in force and effect, without regard to whether the Agency or the United States has at any time been, remains, or is an owner of any land or interest therein to or in favor of which such covenants related. The Agency shall have the right, in the event of any breach of any such covenants and the United States shall

have the right in the event of any breach of the covenants provided in Section 1-D (1) hereof, to exercise all the rights and remedies, and to maintain any actions or suits at law or in equity or other proper proceedings to enforce the curing of such breach of covenants, to which it or any other beneficiaries of such covenant may be entitled.

2. SPECIAL COVENANTS:

A. The following special covenants and/or easements to-wit:

(1) This conveyance is further subject to the terms and conditions of a Contract of Sale of the above described property dated the 30th day of July 1968, between the Agency and the Purchaser herein, and recorded in Deed Book \_\_\_\_\_, page \_\_\_\_\_. In the McCracken County Court Clerk's office, which contract does not merge with the Deed until each and every term and condition of said contract has been met, at which time a proper release in recordable form will be delivered to the Purchaser.

(2) The restrictions and covenants, terms and conditions, contained in the contract of sale referred to in 2-A (1) are hereby incorporated in the Deed by reference and are made a part hereof and are declared to be covenants running with the land, including the covenant that the Purchaser, its successors and assigns, shall devote the property to, and only to, and in accordance with, the uses specified in the Urban Renewal Plan in accordance with the aforesaid contract.

(3) Agency, on behalf of the City of Paducah, Kentucky, hereby retains an easement upon said property for the repair, maintenance and/or reconstruction of existing manholes, catchbasins and sewers located in and upon the public ways that have been previously closed, and the right of egress and ingress for the aforesaid purposes.

TO HAVE AND TO HOLD the said bargained premises unto the Purchaser, together with all singular rights, members and appurtenances thereof to the same in any manner, belonging or appertaining to the only proper use, and behoof of the Purchaser forever, in FEE SIMPLE.

Agency covenants as aforesaid unto Purchaser the greatest warranty of title permitted by the Statutes of the State of Kentucky and shall warrant and defend against the lawful claims of others to that extent and no further.

LLOYD C. EMERY II  
ATTORNEY  
1000 UNIVERSITY CENTER  
2000 FARMERS MARKET  
PADUCAH, KENTUCKY 40301



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IN TESTIMONY WHEREOF, the Agency has executed and delivered these presents, under its seal, the day and year first above shown.

URBAN RENEWAL AND COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF PADUCAH, KENTUCKY

Norman A. Parrott, M.D.  
Norman A. Parrott, M.D., Chairman

ATTEST:  
James J. McGraw  
James J. McGraw, Executive Director

STATE OF KENTUCKY )  
  ) SS:  
COUNTY OF McCRACKEN )

Margaret B. Giffin (Cable) Notary Public within and for the state and county aforesaid, certify that the foregoing Deed from the Urban Renewal and Community Development Agency of the City of Paducah, Kentucky, to Jackson Purchase Rural Electric Cooperative Corporation, was produced before me in my said county and state by Norman A. Parrott, Chairman, and James J. McGraw, Executive Director, of the Urban Renewal and Community Development Agency of the City of Paducah, Kentucky, and acknowledged the foregoing to be their act and deed for the purposes therein set out, and acknowledged that they were duly authorized to execute said instrument on behalf of the Agency and affix the seal thereto for the purposes therein set out.

Given under my hand and seal of office on this the 14 day of November, 1968.

My commission expires: December 28, 1968  
Margaret B. Giffin (Cable)  
Notary Public

LLOYD C. EMERY II  
ATTORNEY  
326 MARKET STREET  
2642 PARKER STREET  
PADUCAH, KENTUCKY 40364

THIS INSTRUMENT WAS RECORDED BY  
Lloyd C. Emery II  
350 Holiday Home, Paducah, Ky.  
Lloyd C. Emery II

STATE OF KENTUCKY )  
COUNTY OF McCRACKEN ) SCT.  
I, A. T. HOUSER, Clerk of the County Court for the County and State aforesaid, do certify that the foregoing instrument of Writing was lodged for record on the 5th day of November, 1968, at Paducah, Mo. o'clock, and I have recorded the same together with this and the foregoing certificate in my office in Book No. 507 Page No. 114  
Given under my hand this 5th day of November, 1968.  
A. T. HOUSER, CLERK  
By Lloyd C. Emery II D.C.

11/18/2019 11:53:38 am

ASSET MANAGEMENT  
NET BOOK VALUE

Page: 1

JAN 2018 To DEC 2018

Asset	Line	Description	Depr Rate	Mths To Depr	Assets			Accumulated Depreciation					Book Value	
					Beginning Balance	Additions	Retirements	Ending Balance	Beginning Balance	Retirements	Depreciation	Adjustments		Ending Balance
GL Account: 0 390.0 GEN PLT - STRUCTURES & IMPROVEMENTS					Depreciation Method: Composite Unit									
3900000044	1	Headquarters Facilities	0.2083 %		1,050,928.62	0.00	0.00	1,050,928.62	1,050,928.62	0.00	0.00	0.00	1,050,928.62	0.00
3900000045	1	7 - Emergency Lighting Units	0.2083 %		1,237.67	0.00	0.00	1,237.67	1,237.67	0.00	0.00	0.00	1,237.67	0.00
3900000046	1	Traffic Control Sign - "open"	0.2083 %		223.35	0.00	0.00	223.35	223.35	0.00	0.00	0.00	223.35	0.00
3900000047	1	Transformer	0.2083 %		3,026.30	0.00	0.00	3,026.30	3,026.30	0.00	0.00	0.00	3,026.30	0.00
3900000048	1	Remodeling Service Departme	0.2083 %		1,425.36	0.00	0.00	1,425.36	1,425.36	0.00	0.00	0.00	1,425.36	0.00
3900000049	1	Dazer Light Fixtures	0.2083 %		330.96	0.00	0.00	330.96	319.94	0.00	8.28	0.00	328.22	2.74
3900000050	1	Wire cage for Tools, shelving,	0.2083 %		1,759.65	0.00	0.00	1,759.65	1,583.49	0.00	44.04	0.00	1,627.53	132.12
3900000051	1	Handicap Ramp	0.2083 %		462.30	0.00	0.00	462.30	387.84	0.00	11.52	0.00	399.36	62.94
3900000052	1	Fan & Louvers, parts and insta	0.2083 %		5,387.45	0.00	0.00	5,387.45	4,421.84	0.00	134.64	0.00	4,556.48	830.97
3900000053	1	Pole Yard with Security fence	0.2083 %		101,201.56	0.00	0.00	101,201.56	81,169.80	0.00	2,529.60	0.00	83,699.40	17,502.16
3900000054	1	Garage earthquake constructio	0.2083 %		41,983.23	0.00	0.00	41,983.23	29,474.62	0.00	1,049.40	0.00	30,524.02	11,459.21
3900000055	1	Drive-in Window Flood Light	0.2083 %		1,637.46	0.00	0.00	1,637.46	1,139.30	0.00	40.92	0.00	1,180.22	457.24
3900000056	1	New Extension on Driveway	0.2083 %		4,676.31	0.00	0.00	4,676.31	3,214.73	0.00	116.88	0.00	3,331.61	1,344.70
3900000057	1	Room 212 Renovation	0.2083 %		40,167.90	0.00	0.00	40,167.90	27,530.92	0.00	1,004.04	0.00	28,534.96	11,632.94
3900000058	1	Network 8000 Air Conditicnin	0.2083 %		31,896.00	0.00	0.00	31,896.00	20,797.71	0.00	797.28	0.00	21,594.99	10,301.01
3900000059	1	Security Lights, see w/o# C/R8	0.2083 %		1,177.76	0.00	0.00	1,177.76	794.50	0.00	29.40	0.00	823.90	353.86
3900000060	1	New Building for St. John's Ra	0.2083 %		26,033.65	0.00	0.00	26,033.65	16,921.08	0.00	650.76	0.00	17,571.84	8,461.81
3900000061	1	Handicap Access - modificatio	0.2083 %		9,000.00	0.00	0.00	9,000.00	5,736.88	0.00	225.00	0.00	5,961.88	3,038.12
3900000062	1	Emergency Lighting, materials	0.2083 %		773.58	0.00	0.00	773.58	489.76	0.00	19.32	0.00	509.08	264.50
3900000063	1	SIEBE Environmental Control	0.2083 %		7,541.90	0.00	0.00	7,541.90	4,540.62	0.00	188.52	0.00	4,729.14	2,812.76
3900000064	1	Re-roofing 2nd floor mechanic	0.2083 %		3,940.00	0.00	0.00	3,940.00	2,445.65	0.00	98.52	0.00	2,544.17	1,395.83
3900000065	1	4 - Garage Lights High Intensit	0.2083 %		3,024.93	0.00	0.00	3,024.93	1,833.60	0.00	75.60	0.00	1,909.20	1,115.73
3900000066	1	Standby Generator for Office,	0.2083 %		47,555.71	0.00	0.00	47,555.71	27,739.77	0.00	1,188.72	0.00	28,928.49	18,627.22
3900000067	1	New Smoking Break room (Ro	0.2083 %		4,485.14	0.00	0.00	4,485.14	2,606.54	0.00	112.08	0.00	2,718.62	1,766.52
3900000068	1	Sink with cabinets, pulls. Coun	0.2083 %		438.89	0.00	0.00	438.89	258.23	0.00	10.92	0.00	269.15	169.94
3900000069	1	Steel Door with sidelight & ha	0.2083 %		1,954.00	0.00	0.00	1,954.00	1,078.67	0.00	48.84	0.00	1,127.51	826.89
3900000070	1	5-ton Geothermal Unit for WH	0.2083 %		9,930.00	0.00	0.00	9,930.00	5,481.33	0.00	248.16	0.00	5,729.49	4,200.21
3900000071	1	Jenn Air Exhaust Fan	0.2083 %		322.35	0.00	0.00	322.35	177.80	0.00	8.04	0.00	185.84	136.80
3900000072	1	Ramp in Back Lot	0.2083 %		1,702.00	0.00	0.00	1,702.00	939.50	0.00	42.60	0.00	982.10	719.90
3900000073	1	Replace Door	0.2083 %		2,144.37	0.00	0.00	2,144.37	1,183.55	0.00	53.64	0.00	1,237.19	907.88
3900000074	1	Modular Building for Warehou	0.2083 %		7,746.18	0.00	0.00	7,746.18	4,066.43	0.00	193.68	0.00	4,260.11	3,486.07
3900000075	1	Exit Lights for Warehouse &	0.2083 %		797.00	0.00	0.00	797.00	410.12	0.00	19.92	0.00	430.04	366.96

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ASSET MANAGEMENT  
NET BOOK VALUE

JAN 2018 To DEC 2018

Asset	Line	Description	Depr Rate	Mths To Depr	Assets			Accumulated Depreciation				Book Value		
					Beginning Balance	Additions	Retirements	Ending Balance	Beginning Balance	Retirements	Depreciation		Adjustments	Ending Balance
GL Account: 0 390 0 GEN PLT - STRUCTURES & IMPROVEMENTS					Depreciation Method: Composite Unit									
390000076	1	Extended Room - E Rudolph	0.2083 %		135.00	0.00	0.00	135.00	69.10	0.00	3.36	0.00	72.46	62.54
390000077	1	Lobby / Boardroom renovation	0.2083 %		200,242.99	0.00	0.00	200,242.99	102,621.14	0.00	5,005.32	0.00	107,626.46	92,616.53
390000078	1	Two column canopy 24' x 24'	0.2083 %		8,330.02	0.00	0.00	8,330.02	4,181.88	0.00	208.20	0.00	4,390.08	3,939.94
390000079	1	1 Decorative light 1 light on st	0.2083 %		3,286.26	0.00	0.00	3,286.26	1,649.81	0.00	82.20	0.00	1,732.01	1,554.25
390000080	1	New Stick and Modem for Env	0.2083 %		2,734.64	0.00	0.00	2,734.64	1,361.36	0.00	68.40	0.00	1,429.76	1,304.88
390000081	1	Wheel Chair Ramps	0.2083 %		1,406.25	0.00	0.00	1,406.25	699.65	0.00	35.16	0.00	734.81	671.44
390000082	1	Materials & Labor - (R-19) M	0.2083 %		595.60	0.00	0.00	595.60	293.98	0.00	14.88	0.00	308.86	286.74
390000083	1	Correct Acct Disbursements	0.2083 %		8,743.84	0.00	0.00	8,743.84	4,316.59	0.00	218.52	0.00	4,535.11	4,208.73
390000084	1	Jones Glass - entry on door	0.2083 %		522.00	0.00	0.00	522.00	256.31	0.00	13.08	0.00	269.39	252.61
390000085	1	w/o to Plant - URD on JPEC G	0.2083 %		25,025.47	0.00	0.00	25,025.47	12,303.49	0.00	625.56	0.00	12,929.05	12,096.42
390000086	1	dirt works - Work in Pole Yard	0.2083 %		767.68	0.00	0.00	767.68	375.28	0.00	19.20	0.00	394.48	373.20
390000087	1	New Entrance to JPEC	0.2083 %		64,332.00	0.00	0.00	64,332.00	31,092.19	0.00	1,608.00	0.00	32,700.19	31,631.81
390000088	1	15 - Lamps - F96T12CWL.YH	0.2083 %		235.44	0.00	0.00	235.44	113.28	0.00	5.88	0.00	119.16	116.28
390000089	1	New JPEC Sign and Base for	0.2083 %		13,938.75	0.00	0.00	13,938.75	6,619.88	0.00	348.36	0.00	6,968.24	6,970.51
390000090	1	Acct Proj - P Kerr	0.2083 %		103,848.24	0.00	0.00	103,848.24	48,677.28	0.00	2,595.84	0.00	51,273.12	52,575.12
390000091	1	New Garage Door - CLOPAY	0.2083 %		1,600.00	0.00	0.00	1,600.00	739.62	0.00	39.96	0.00	779.58	820.42
390000092	1	10 TN Condensing Unit - Line	0.2083 %		4,920.00	0.00	0.00	4,920.00	2,264.63	0.00	123.00	0.00	2,387.63	2,532.37
390000093	1	O/H Door - Room 216	0.2083 %		2,396.10	0.00	0.00	2,396.10	1,092.99	0.00	59.88	0.00	1,152.87	1,243.23
390000094	1	1/2 Glass in Door - C. Willia	0.2083 %		750.68	0.00	0.00	750.68	338.94	0.00	18.72	0.00	357.66	393.02
390000095	1	Complete w/o GEO Thermal -	0.2083 %		4,435.02	0.00	0.00	4,435.02	2,004.46	0.00	110.88	0.00	2,115.34	2,319.68
390000096	1	Motor on Heat Unit and Bcx F	0.2083 %		423.71	0.00	0.00	423.71	188.57	0.00	10.56	0.00	199.13	224.58
390000097	1	80TN Chiller - Equipment and	0.2083 %		60,200.07	0.00	0.00	60,200.07	26,336.22	0.00	1,504.80	0.00	27,841.02	32,359.05
390000098	1	Paint Chuck's Office / Break R	0.2083 %		750.00	0.00	0.00	750.00	304.40	0.00	18.72	0.00	323.12	426.88
390000099	1	Access Control System	0.2083 %		15,237.97	0.00	0.00	15,237.97	6,126.28	0.00	380.88	0.00	6,507.16	8,730.81
390000100	1	Replace Fans in Air Handler	0.2083 %		10,455.49	0.00	0.00	10,455.49	4,116.60	0.00	261.36	0.00	4,377.96	6,077.53
390000101	1	Door and Frame with sidelight	0.2083 %		1,400.00	0.00	0.00	1,400.00	551.01	0.00	35.04	0.00	586.05	813.95
3900001549	1	Drive-Thru Payment Sign	0.2083 %		1,855.00	0.00	0.00	1,855.00	683.53	0.00	46.32	0.00	729.85	1,125.15
3900001550	1	Drive-Thru Entrance	0.2083 %		1,166.00	0.00	0.00	1,166.00	429.43	0.00	29.16	0.00	458.59	707.41
3900001574	1	Garage Door Model 525-5 Wh	0.2083 %		2,100.00	0.00	0.00	2,100.00	747.56	0.00	52.44	0.00	800.00	1,300.00
3900001585	1	URD Material for Annual Mee	0.2083 %		124.55	0.00	0.00	124.55	43.27	0.00	3.12	0.00	46.39	78.16
3900001600	1	New receptacles in rooms 154	0.2083 %		2,652.93	0.00	0.00	2,652.93	911.66	0.00	66.36	0.00	978.02	1,674.91
3900001638	1	New Entrance Road at JPEC	0.2083 %		43,618.40	0.00	0.00	43,618.40	14,447.89	0.00	1,090.32	0.00	15,538.21	28,080.19

**ASSET MANAGEMENT  
NET BOOK VALUE**

**JAN 2018 To DEC 2018**

Asset	Line	Description	Depr Rate	Mths To Depr	Assets				Accumulated Depreciation				Book Value	
					Beginning Balance	Additions	Retirements	Ending Balance	Beginning Balance	Retirements	Depreciation	Adjustments		Ending Balance
<b>GL Account: 0 390.0 GEN PLT - STRUCTURES &amp; IMPROVEMENTS</b>					<b>Depreciation Method: Composite Unit</b>									
3900001641	I	Lighting for warehouse	0.2083 %		18,652.08	0.00	0.00	18,652.08	6,138.67	0.00	466.20	0.00	6,604.87	12,047.21
3900001720	I	40x60 Pole Barn	0.2083 %		18,659.84	0.00	0.00	18,659.84	5,791.80	0.00	466.44	0.00	6,258.24	12,401.60
3900001834	I	Flood Light Install at HDQTR	0.2083 %		2,084.11	0.00	0.00	2,084.11	577.25	0.00	52.05	0.00	629.33	1,454.78
3900001835	I	Install Two Flood Lights at Ma	0.2083 %		4,501.09	0.00	0.00	4,501.09	1,246.87	0.00	112.56	0.00	1,359.43	3,141.66
3900001890	I	Parking and dumpster pad reno	0.2083 %		9,652.00	0.00	0.00	9,652.00	2,533.22	0.00	241.32	0.00	2,774.54	6,877.46
3900001894	I	Seal Employee/Customer Park	0.2083 %		7,500.00	0.00	0.00	7,500.00	1,952.56	0.00	187.44	0.00	2,140.00	5,360.00
3900001895	I	Overlay Maintenance Parking	0.2083 %		31,000.00	0.00	0.00	31,000.00	8,072.02	0.00	774.84	0.00	8,846.86	22,153.14
3900001902	I	Repair & Paint Outside Garage	0.2083 %		21,810.00	0.00	0.00	21,810.00	5,633.39	0.00	545.16	0.00	6,178.55	15,631.45
3900001917	I	PAVING OF BRICK BORDE	0.2083 %		21,120.00	0.00	0.00	21,120.00	5,410.86	0.00	527.85	0.00	5,938.74	15,181.26
3900001921	I	Computer Room Renovaticn	0.2083 %		63,538.52	0.00	0.00	63,538.52	16,015.74	0.00	1,588.20	0.00	17,603.94	45,934.58
3900001922	I	Information Systems Offices	0.2083 %		5,239.43	0.00	0.00	5,239.43	1,320.15	0.00	130.92	0.00	1,451.07	3,788.36
3900001923	I	Lighting for Head Quarters Par	0.2083 %		2,472.93	0.00	0.00	2,472.93	623.16	0.00	61.80	0.00	684.96	1,787.97
3900002035	I	VINYL TILE REPLACEMENT	0.2083 %		5,146.16	0.00	0.00	5,146.16	1,082.72	0.00	128.64	0.00	1,211.36	3,934.80
3900002073	I	LIGHTING RETROFIT AT J	0.2083 %		59,276.00	0.00	0.00	59,276.00	12,224.47	0.00	1,481.64	0.00	13,706.11	45,569.89
3900002088	I	CARPET/FLOOR COVERIN	0.2083 %		3,466.50	0.00	0.00	3,466.50	693.12	0.00	86.64	0.00	779.76	2,686.74
3900002120	I	REWired BUILDING	0.2083 %		5,830.00	0.00	0.00	5,830.00	1,104.74	0.00	145.68	0.00	1,250.42	4,579.58
3900002140	I	B & L CONSTRUCTION	0.2083 %		18,953.00	0.00	0.00	18,953.00	3,395.28	0.00	473.76	0.00	3,869.04	15,083.96
3900002154	I	NEW ROOF FOR MAIN OFF	0.2083 %		154,901.00	0.00	0.00	154,901.00	26,459.62	0.00	3,871.92	0.00	30,331.54	124,569.46
3900002170	I	SEAL & RESTRIPE PARKIN	0.2083 %		4,240.00	0.00	0.00	4,240.00	671.08	0.00	105.96	0.00	777.04	3,462.96
3900002178	I	DISPATCH REMODELING	0.2083 %		9,018.57	0.00	0.00	9,018.57	1,390.25	0.00	225.48	0.00	1,615.73	7,402.84
3900002179	I	NEW CEILINGS - OFFICE B	0.2083 %		187,632.81	0.00	0.00	187,632.81	28,532.58	0.00	4,690.08	0.00	33,222.66	154,410.15
3900002180	I	GARAGE DOORS & LIGHT	0.2083 %		16,614.43	0.00	0.00	16,614.43	2,526.53	0.00	415.32	0.00	2,941.85	13,672.58
3900002194	I	Carpet Tiles - Shaw Lucky Bre	0.2083 %		19,547.35	0.00	0.00	19,547.35	1,506.64	0.00	488.64	0.00	1,995.28	17,552.07
3900002197	I	NEW CONCRETE SIDEWA	0.2083 %		11,850.00	0.00	0.00	11,850.00	1,727.60	0.00	296.16	0.00	2,023.76	9,826.24
3900002198	I	Sealcoat and repair of front &	0.2083 %		8,229.00	0.00	0.00	8,229.00	479.92	0.00	205.68	0.00	685.60	7,543.40
3900002199	I	Concrete steps, sidewalk & dri	0.2083 %		87,591.00	0.00	0.00	87,591.00	4,561.25	0.00	2,189.40	0.00	6,750.65	80,840.35
3900002200	I	New Lights for Drive Thru	0.2083 %		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total For GL Account: 0 390.0</b>					<b>2,801,667.50</b>	<b>0.00</b>	<b>0.00</b>	<b>2,801,667.50</b>	<b>1,721,215.29</b>	<b>0.00</b>	<b>43,613.64</b>	<b>0.00</b>	<b>1,764,828.93</b>	<b>1,036,838.57</b>
<b>Grand Total:</b>					<b>\$ 2,801,667.50</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 2,801,667.50</b>	<b>\$ 1,721,215.29</b>	<b>0.00</b>	<b>\$ 43,613.64</b>	<b>\$ 0.00</b>	<b>\$ 1,764,828.93</b>	<b>\$ 1,036,838.57</b>

**ASSET MANAGEMENT  
NET BOOK VALUE**

**PARAMETERS ENTERED:**

**Period:** JAN 2018 To DEC 2018

**GL Account:** 0 390 0 0

**Summarize By Asset:** No

**COMMONWEALTH OF KENTUCKY**  
**DEPARTMENT OF REVENUE**  
OFFICE OF PROPERTY VALUATION  
PUBLIC SERVICE BRANCH  
STATION 32 4TH FL, 501 HIGH STREET  
FRANKFORT, KY 40601-2103  
Phone (502) 564-8175 Fax (502) 564-8192

CERTIFICATION OF PROPERTY ASSESSMENT  
TAX YEAR 2018

**JACKSON PURCHASE ENERGY CORP**  
**ATTN: DENNIS CANNON**  
**PO BOX 4030 2900 IRVIN COBB DRIVE**  
**PADUCAH, KY 42002-4030**

**GNC: 005790**  
**TYPE CO: RECC**  
**TAX TYPE: 035**  
**TAX ID:**  
**PRINT DATE: 10/11/2018**

The Department of Revenue certifies this assessment to the County Clerk in accordance with KRS136.180. This assessment is subject to all tax levies as explained below.

Original Certification Date: 10/11/2018			
TAXING JURISDICTION	REAL ESTATE	TANGIBLE PERSONAL	TOTAL ASSESSMENT
<b>MCCRACKEN COUNTY</b>			
GENERAL	3,135,511.00	20,327,844.00	23,463,355.00
<b>SCHOOL</b>			
MCCRACKEN COUNTY GENERAL	1,650,757.00	15,644,928.00	17,295,685.00
PADUCAH INDEPENDENT GENERAL	1,484,754.00	4,682,916.00	6,167,670.00
<b>CITY</b>			
PADUCAH	1,484,754.00	4,682,916.00	6,167,670.00
<b>SPECIAL</b>			
CONCORD FIRE DISTRICT	529,123.00	3,605,368.00	4,134,491.00
HENDRON FIRE DISTRICT	137,652.00	2,044,737.00	2,182,389.00
LONE OAK FIRE DISTRICT	363,069.00	2,551,979.00	2,915,048.00
MELBER-NEW HOPE FIRE DISTRICT	11,977.00	548,820.00	560,797.00
PADUCAH JR COLLEGE - CO	1,650,757.00	15,644,928.00	17,295,685.00
PADUCAH JR COLLEGE-CITY	1,484,754.00	4,682,916.00	6,167,670.00
REIDLAND-FARLEY FIRE DISTRICT	300,256.00	3,294,799.00	3,595,055.00
WEST MCCRACKEN FIRE DISTRICT	237,447.00	2,621,556.00	2,859,003.00

**COMMONWEALTH OF KENTUCKY**  
**DEPARTMENT OF REVENUE**  
OFFICE OF PROPERTY VALUATION  
PUBLIC SERVICE BRANCH  
STATION 32 4TH FL, 501 HIGH STREET  
FRANKFORT, KY 40601-2103  
Phone (502) 564-8175 Fax (502) 564-8192

**CERTIFICATION OF PROPERTY ASSESSMENT**  
**TAX YEAR 2019**

**JACKSON PURCHASE ENERGY CORP**  
**ATTN: G GRISSOM & JEFF WILLIAMS & COLLEEN CHATMAN**  
2900 IRVIN COBB DRIVE  
P O BOX 4030  
PADUCAH, KY 42002-4030

**GNC: 005790**  
**TYPE CO: RECC**  
**TAX TYPE: 035**  
**TAX ID:**  
**PRINT DATE: 10/24/2019**

The Department of Revenue certifies this assessment to the County Clerk in accordance with KRS136.180. This assessment is subject to all tax levies as explained below.

Original Certification Date: 10/24/2019			
TAXING JURISDICTION	REAL ESTATE	TANGIBLE PERSONAL	TOTAL ASSESSMENT
<b>MCCRACKEN COUNTY</b>			
GENERAL	3,080,709.00	20,368,568.00	23,449,277.00
<b>SCHOOL</b>			
MCCRACKEN COUNTY GENERAL	1,643,062.00	15,683,057.00	17,326,119.00
PADUCAH INDEPENDENT GENERAL	1,437,647.00	4,685,511.00	6,123,158.00
<b>CITY</b>			
PADUCAH	1,437,647.00	4,685,511.00	6,123,158.00
<b>SPECIAL</b>			
CONCORD FIRE DISTRICT	691,876.00	4,268,687.00	4,960,563.00
HENDRON FIRE DISTRICT	138,005.00	2,046,742.00	2,184,747.00
LONE OAK FIRE DISTRICT	360,508.00	2,579,323.00	2,939,831.00
MELBER-NEW HOPE FIRE DISTRICT	12,020.00	242,414.00	254,434.00
PADUCAH JR COLLEGE - CO	1,643,062.00	15,683,058.00	17,326,120.00
PADUCAH JR COLLEGE-CITY	1,437,647.00	4,685,511.00	6,123,158.00
REIDLAND-FARLEY FIRE DISTRICT	298,485.00	3,302,699.00	3,601,184.00
WEST MCCRACKEN FIRE DISTRICT	235,746.00	2,628,675.00	2,864,421.00

**APPRAISAL BEING FILED  
UNDER SEAL  
PURSUANT TO MOTION FOR  
CONFIDENTIAL TREATMENT**



**Jackson Purchase Energy Corporation**  
**Case No. 2019-00326**  
**Commission Staff's First Request for Information**  
**Issued November 13, 2019**

5. Refer to the application, paragraph 8.
  - a. Provide all supporting documentation for the assertion that Jackson Purchase's membership has increased by 20,000 members since 1969-70.
  - b. Explain whether Jackson Purchase projects further membership growth in the future and, if so, provide all documentation relied upon.

**Response:**

- a. Jackson Purchase indicated in the Application that it had approximately 10,000 members in 1969/70. According to the attached 1970 Annual Meeting Ballot Certification, 10,674 ballots were sent out to members. Also, Jackson Purchase has attached the 1969 year-end Form 7 that shows 12,389 services (14,374 services less 1,985 idle services). Lastly, Jackson Purchase has attached its 2018 Annual Report on file with the Commission, which shows 30,032 services in place.
- b. Jackson Purchase has projected 32,562 services in place as of 2028 and based this upon the last load forecast.

# Jackson Purchase Rural Electric Cooperative Corporation

Paducah, Kentucky

42001

## CERTIFICATE OF ELECTION TELLERS

We, the undersigned Election Tellers, hereby certify that we have supervised the addressing and mailing of the ballots, and that to the best of our knowledge a ballot was mailed to all members as of July 14, 1970.

We, also, certify that the last ballot mailed was number 10,674, and that the remaining 1,336 ballots were destroyed.

Edward L. Reid  
Edward Reid, Chairman

Mrs. R. J. McClure  
Mrs. R. J. McClure

Mrs. James Reed  
Mrs. James Reed

Mrs. Hubert Conway, Jr.  
Mrs. Hubert Conway, Jr.

Lynn Hubbard  
Lynn Hubbard

George Callender  
George Callender

Noble Barnett  
Noble Barnett

Mary Johnson  
Mary Johnson

Mrs. James M. Dunn  
Mrs. James M. Dunn

Mrs. Marshall Hunt  
Mrs. Marshall Hunt

10,850 thru 12,000 destroyed

1 thru 10,849

10,849

except

9601 thru 9672	(72)
9901 thru 9906	(6)
9908	(1)
10,409 thru 10,415	(7)
10,423 thru 10,431	(9)
10,601 thru 10,631	(31)
10,775	(1)
10,785 thru 10,796	(12)
10,846 thru 10,849	(4)
	<u>10,706</u>

4763  
7902  
5158  
5156  
5171  
4973  
4740  
4956  
2953  
4930  
3125  
7844  
7845  
1068  
7680  
7720  
4999  
2345  
4763  
7902  
7846  
4741  
1066  
7848  
7847  
1015  
7843  
4739  
3469  
747  
7865  
8992

Total

(32)  
10,674

Form approved  
Budget Bureau No. 40-R181

U. S. DEPARTMENT OF AGRICULTURE  
RURAL ELECTRIFICATION ADMINISTRATION

BORROWER DESIGNATION

Kentucky 20 McCracken

MONTH ENDING

December 30,

1969

MONTHLY FINANCIAL AND STATISTICAL REPORT

INSTRUCTIONS-See REA Bulletin 108-1.

SECTION B. BALANCE SHEET

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. TOTAL UTILITY PLANT IN SERVICE	7,997,754.97	25. MEMBERSHIPS	148,230.00
2. CONSTRUCTION WORK IN PROGRESS	264,732.13	26. PATRONAGE CAPITAL	3,872,998.79
3. TOTAL UTILITY PLANT (1+2)	8,262,487.10	27. OPERATING MARGINS - PRIOR YEARS	151,038.53
4. ACCUM. PROVISION FOR DEPRECIATION AND AMORT.	1,950,836.40	28. OPERATING MARGINS - CURRENT YEAR	1,239.66
5. NET UTILITY PLANT (3-4)	6,311,650.70	29. NONOPERATING MARGINS	1,239.66
6. NON-UTILITY PROPERTY - NET		30. OTHER MARGINS AND EQUITIES	
7. INVEST. IN ASSOC. ORG.-PATRONAGE CAPITAL	35,425.60	31. TOTAL MARGINS AND EQUITIES	4,173,506.98
8. INVESTMENTS IN ASSOC. ORG.-OTHER	14,601.60	(25 THRU 30)	2,878,408.36
9. OTHER INVESTMENTS		32. LONG-TERM DEBT - REA	
10. RESTRICTED FUNDS	70,827.20	33. LONG-TERM DEBT - OTHER	2,878,408.36
11. TOTAL OTHER PROPERTY & INVESTMENTS (6 THRU 10)	(78,817.87)	34. TOTAL LONG-TERM DEBT (32+33)	137,119.06
12. CASH - GENERAL FUNDS	38,790.67	35. NOTES AND ACCOUNTS PAYABLE	1,290.00
13. CASH - REA LOAN FUNDS		36. CONSUMERS DEPOSITS	63,896.48
14. SPECIAL DEPOSITS	119,121.50	37. OTHER CURRENT AND ACCRUED LIABILITIES	
15. TEMPORARY INVESTMENTS		38. TOTAL CURRENT AND ACCRUED LIABILITIES	202,215.54
16. NOTES RECEIVABLE - NET	226,758.43	(35 THRU 37)	
17. ACCOUNTS RECEIVABLE - NET	535,316.06	39. DEFERRED CREDITS	
18. MATERIALS AND SUPPLIES - ELECTRIC	2,736.83	40. MISCELLANEOUS OPERATING RESERVES	17,679.29
19. MATERIALS AND SUPPLIES - MERCHANDISE	16,318.24	41. CONTRIBUTIONS IN AID OF CONSTRUCTION	
20. PREPAYMENTS		42. TOTAL LIABILITIES AND OTHER CREDITS	7,271,802.17
21. OTHER CURRENT AND ACCRUED ASSETS	860,981.86	(31+34+38 THRU 41)	
22. TOTAL CURRENT AND ACCRUED ASSETS (12 THRU 21)	29,142.41		
23. DEFERRED DEBITS	7,271,802.17		
24. TOTAL ASSETS AND OTHER DEBITS (8, 11, 22, 23)			

SECTION C. CONSUMER SALES AND REVENUE DATA

SOURCE OF REVENUE	THIS MONTH				YEAR-TO-DATE		
	NUMBER RECEIVING SERVICE	KWH SOLD	AMOUNT	NUMBER MINIMUM BILLS	AVG. NO. RECEIVING SERVICE	KWH SOLD CUMULATIVE	AMOUNT CUMULATIVE
1. RESIDENTIAL SALES-RURAL	10,887	6,411,832	126,312.35	886	10,678	91,364,929	1,412,528.37
2. RESIDENTIAL SALES-SEASONAL							
3. RESIDENTIAL SALES-TOWNS, VILLAGES	906	318,825	3,898.70	32	401	3,317,482	36,254.77
4. IRRIGATION SALES							
5. COMMERCIAL & INDUS.-50 KVA OR LESS	775	986,436	19,899.28	286	765	13,280,928	251,367.21
6. COMMERCIAL & INDUS.-OVER 50 KVA	46	1,277,537	17,738.48	9	39	14,119,728	207,278.22
7. PUBLIC STREET & HIGHWAY LIGHTING	5	24,045	380.00	-	5	214,493	4,333.61
8. SALES TO PUB. BLDGS. & OTHER PUBLIC AUTHORITIES	170	288,641	1,888.75	42	170	1,103,481	18,965.15
9. SALES FOR RESALE-REA BORROWERS							
10. SALES FOR RESALE-OTHER							
11. TOTAL SALES OF ELECTRIC ENERGY (1 THRU 10)	12,389	11,128,516	189,821.81	1,443	12,148	123,801,041	1,950,727.33
12. OTHER ELECTRIC REVENUE			3,301.71				22,437.90
13. TOTALS (11+12)	12,389	11,128,516	172,322.72	1,443	12,148	123,801,041	1,973,164.83

SECTION D. GENERAL STATISTICS

1. NET KWH GENERATED	11/28/67 TO 12/31/69	THIS MONTH		YEAR-TO-DATE		9. NEW SERVICES CONNECTED	THIS MONTH 67
		15,018,300	140,600,700*	15,018,300	140,600,700*		
2. KWH PURCHASED						10. SERVICES RETIRED	11
3. TOTAL KWH GENERATED AND PURCHASED	11/28/67 TO 12/31/69	11,128,516	123,801,041	11,128,516	123,801,041	11. TOTAL SERVICES IN PLACE	14,374
4. TOTAL KWH SOLD						12. IDLE SERVICES - EXCLUDING SEASONAL	1,985
5. OFFICE USE		2,044,484	18,799,659	19.75%	11.94%	13. MILES TRANSMISSION	
6. TOTAL UNACCOUNTED FOR (3 LESS 4 & 5)						14. MILES DISTRIBUTION	1,840
7. PERCENT SYSTEM LOSS						15. TOTAL MILES ENERGY	
8. MAXIMUM DEMAND (KW)		30,887					

2400 Jackson Purchase Energy Corporation 01/01/2018 - 12/31/2018

Statement of Income for the Year (Ref Page: 13)

	Avg. No. of Consumers	Kilowatt Hrs. Sold	Amount
<b>OPERATING REVENUES</b>			
<b>Residential Sales (440)</b>			
Rural (440)	26,577	391,938,632	\$46,886,743.00
Seasonal (440)			
Towns and Villages (440)			
<b>Total (440)</b>	<b>26,577</b>	<b>391,938,632</b>	<b>\$46,886,743.00</b>
Irrigation Sales (441)	5	70,281	\$11,326.00
<b>Commercial and Industrial Sales (442)</b>			
Small (442)	4,437	208,524,419	\$21,777,051.00
Large (442)	7	37,403,248	\$4,286,127.00
<b>Total (442)</b>	<b>4,444</b>	<b>245,927,667</b>	<b>\$28,063,178.00</b>
Public Street and Highway Ltng. (444)	6	620,534	\$124,891.00
Sales to Public Bldgs. and Auth. (445)			
Sales for Resale (447)			
<b>Total Sales of Electricity</b>	<b>30,032</b>	<b>638,557,114</b>	<b>\$73,086,138.00</b>
<b>OTHER OPERATING REVENUES</b>			
Forfeited Discounts (450)			\$532,760.00
Miscellaneous Service Revenues (451)			\$203,955.00
Rent From Electric Property (454)			\$650,148.00
Other Electric Revenues (456)			\$777.00
<b>Total Other Operating Revenues</b>			<b>\$1,387,640.00</b>
<b>Total Electric Operating Revenues</b>			<b>\$74,473,778.00</b>
<b>OPERATING EXPENSES</b>			
<b>Total Operation and Maintenance Exp. (from pg. 15 line 38)</b>			<b>\$66,161,401.00</b>
Depreciation Expense (403)			\$5,839,773.00
Amortization Expense ( pg. 16 line 5) (405-407)			
Taxes Other Than Income Taxes ( pg. 16 ) (408.1)			\$86,861.00
<b>Total Operating Expenses</b>			<b>\$72,088,035.00</b>
<b>Operating Income</b>			<b>\$2,385,743.00</b>
<b>OTHER DEDUCTIONS</b>			

**Jackson Purchase Energy Corporation**  
**Case No. 2019-00326**  
**Commission Staff's First Request for Information**  
**Issued November 13, 2019**

6. Refer to the application, paragraph 12.
  - a. Provide the assessed value for the land and improvements at the proposed site for 2018 and 2019 as determined by the McCracken County Property Valuation Administrator.
  - b. Provide a copy of the commercial appraisal of the proposed site.

**Response:**

- a. Please see the attached email and other documents provided by the McCracken County PVA's office, which show the assessed value of the property for the years 2017-2019.
- b. Please see the appraisal report being filed under seal pursuant to a Motion for Confidential Treatment.

**From:** McDowell, Jewel (McCracken Co PVA) <[jewel.mcdowell@ky.gov](mailto:jewel.mcdowell@ky.gov)>  
**Sent:** Monday, November 18, 2019 9:48 AM  
**To:** Jeff Williams <[Jeff.Williams@jpenenergy.com](mailto:Jeff.Williams@jpenenergy.com)>  
**Subject:** 6525 us Highway 60 West

Mr. Williams,

Attached is a copy of our Property Record Card as well as an aerial. The property includes everything highlighted. The PRC shows the 2017-2019 assessments. Beginning in 2019, we divided the land value from the improvement value, however the total assessment is correct for all the years.

A. Jewel McDowell

Chief Deputy

McCracken County PVA

621 Washington Street

Paducah, KY 42003

(P) 270-444-4712

(F) 270-444-4714

[www.mccrackenpva.com](http://www.mccrackenpva.com)

Map **066-00-00-031.03**

Printed On Monday, November 18, 2019

Description **19-37G-2 40.672 AC U S HIGHWAY 60 WEST**

Location **6525 U S HIGHWAY 60 WEST**

District **05-Concord Fire** Class **COMMERCIAL (40)**  
 Owner **PADUCAH REGIONAL SPORTS PLEX LLC**  
**6525 U S HIGHWAY 60 WEST**  
**PADUCAH, KY 42001**

Deed **1278-15** Total Taxable **3,690,567**  
 Building **1** Building Value **3,340,567**  
 Year Const **0** Effective Age **0**

Subdivision **STONEY CREEK SUBD**

Block Lot

Date Checked	01/01/2008
Lot Size	0x0
Frontage	0
Acreage	40.672000
Neighborhood	Not Supplied
Road	
Topography	Not Used
Flood Hazard	

Checked By	
Lot Size Sq Ft	1771672
Depth	0
Acres Est Ac	
Site Condition	None
Driveway	None
Shape	None

Date Assessed	01/01/2009
Lot Est Actual	
Plat Book	
Source	
Zoning	Residential
Sidewalks	No
Drainage	None
Land Value	350000



McCracken  
Mar 21, 2019

Tenant Houses  0    Bams  0    Silos  0    Grain Bins  0    Fencing  0

Electricity     Gas     Water     Sewer

Stalls  0  
Bents  0

No Stories	1.00
ResidenceType	None
MobHomeType	
Garage/Carport	
Width	0
Story Desc	1 Story
Framing Type	Pre-Eng Steel
Roof Type	RY-Gable
Basement Type	BT-None
Heat Type	Forced Air

Avg Height	0
Commercial	Restaurant/Recr
Manufacturer	
Type	
Length	0
Bldg Cond	Good/Average
Constr. Quality	Average/Stand
Roof Cover	RF-Metal
Basement Size	BS-None
Heat Source	Electric

Com2	ClubHouse/Recr
Model	
Size	
Area	79000
Exterior	Metal
Foundation	Slab
Roof Pitch	RP-Medium
BasementFinish	None
Supplemental	None

Farm	
Skirting	
Exterior	
Driveway	Paved/Asphal
Patio/Deck	
Tennis Court	
Pool	
Pool Size	0
AirCond Type	Central

Living	0
Dining	0
Family	0
Kitchen	0
BedRm	0
FullBaths	0
HalfBaths	0
OtherRm	0
Total	0
Fireplaces	0

SqFeet	
Living	79000
Baseml	0
Garage	0
Porch	0
Deck	0
Office	0
Manufacturing	0
Asphalt	100000
Concrete	0

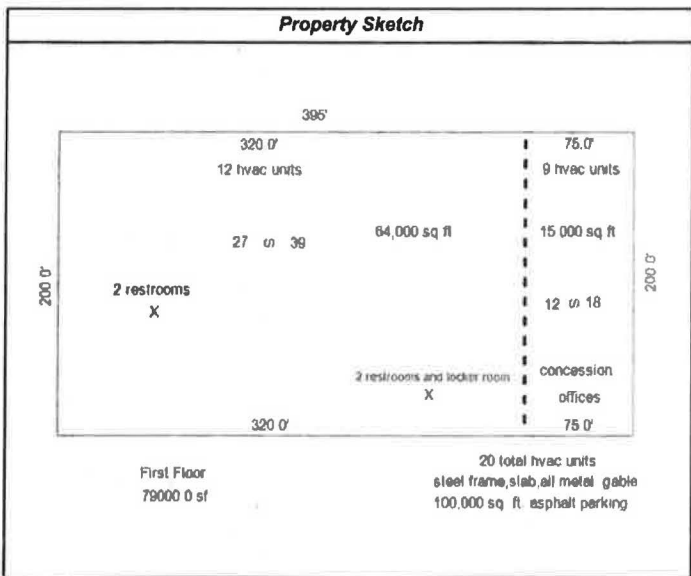
Heat     Cooling     Electricity     Gas     Water     Sewer     Sprinklers     Fire Alarm     SpecialImprvmt

Year	Net Taxable	Exemption	Total Taxable	Land	Improvements	Ag Improvements	Land FCV	Imprvmts FCV	Ag Imprvmts FCV	Total FCV
2019	3690567	0	3690567	350000	3340567	0	350000	3340567	0	3690567
2018	3690567	0	3690567	3690567	0	0	3690567	0	0	3690567
2017	3690567	0	3690567	3690567	0	0	3690567	0	0	3690567



Soil Capability Classification And Valuation					
Class	Acreage	Per Acre	Value/Class	Adjustment	Adj Value
Totals					

CHAIN OF OWNERSHIP			
Name	Deed	Sale Date	Sale Price
JONES DANIEL & ETAL	1278-15	05/16/2014	225,000.00
PADUCAH REGIONAL SPORTS PLEX	1122-331	06/05/2007	350,000.00



**Notes**

**Additional Photos**



RAY SHERI  
066-00-00-031.04  
1239-758  
5340 MAYFIELD METROPOLIS ROAD

BOATWRIGHT F. MICHAEL & IVA KALOIA  
066-00-00-026  
1122-82  
MAYFIELD METROPOLIS ROAD

PADUCAH REGIONAL SPORTS PLEX LLC  
066-00-00-031.03  
1278-15  
6525 U S HIGHWAY 60 WEST

PADUCAH REGIONAL SPORTS PLEX LLC  
066-00-00-031.03  
1278-15  
6525 U S HIGHWAY 60 WEST

ENLOW GARY & BARKER GWENDOLYN  
066-00-00-031.01  
1292-44  
MAYFIELD METROPOLIS ROAD

HARNED VERONICA & FUTRELL SUSAN & BURNETT LACRETIA  
066-00-00-061  
1200-649  
U S HIGHWAY 60

US-60

US-60

PLEX DRIVE

TWIN CREEKS DRIVE



APPRAISAL BEING FILED  
UNDER SEAL  
PURSUANT TO MOTION FOR  
CONFIDENTIAL TREATMENT

Witnesses: Greg Grissom and Jeff Williams

**Jackson Purchase Energy Corporation**  
**Case No. 2019-00326**  
**Commission Staff's First Request for Information**  
**Issued November 13, 2019**

7. Refer to the application, paragraph 14.
- a. With respect to the employment of Cooperative Building Solutions (CBS), provide an itemized breakdown of the costs that Jackson Purchase has incurred to date and is expected to incur until such time a decision is made regarding facilities improvements.
  - b. Describe the process by which Jackson Purchase employed CBS for its services.
  - c. Explain if any other vendors were considered for the proposed project.
  - d. Explain if a request for proposal (RFP) was considered for the purpose of obtaining a vendor for the project. If not, explain why an RFP was not considered.
  - e. If the Commission approves the proposed project, provide the expected fair market value of the proposed property when all improvements are completed.
  - f. Provide a copy of the employment agreement between Jackson Purchase and CBS.

**Response:**

- a. Below are the costs Jackson Purchase has incurred to date:

10/31/18	Facility Planning Study for \$29,000
6/17/19	Schematic Design for \$95,000 and Site Due Diligence \$25,000

It is not anticipated that any significant additional costs to CBS will be incurred by Jackson Purchase until a decision is made in this case.
- b. While working at Pennyryle Electric Cooperative, Greg Grissom utilized the services of Cooperative Building Solutions to provide a Facility Planning Study. When Jackson Purchase was in need of these same services, Greg Grissom contacted Cooperative Building Solutions to perform the services.
- c. No other vendors were considered for the services provided by Cooperative Building Solutions. For further explanation please see the response to 7 d below.

Witnesses: Greg Grissom and Jeff Williams

- d. A RFP was not utilized for obtaining the services provided by Cooperative Building Solutions (CBS). When dealing with the magnitude and importance of this facility improvement project, Jackson Purchase looked to hire the most experienced expert consultant in this industry. CBS not only had a previous working relationship with Greg Grissom, but works exclusively with electric cooperatives and to date has worked with over 80 different electric cooperatives throughout the country helping clients solve their facilities needs. CBS has extensive experience working successfully with electric cooperatives providing planning, design and construction management of facility projects. CBS is highly recommended and has a proven track record of delivering projects on time and in budget. In addition, their subcontractor selection process provides the necessary transparency that Jackson Purchase requires as part of their fiduciary responsibility to its members.
- e. Jackson Purchase has not assessed what the fair market value of the improved property will be after construction is finished. The improved property would be useful to very few businesses as it will be designed for an electric distribution cooperative. Jackson Purchase intends to be in this location for the next 50 to 60 years and hopefully beyond.
- f. Please see the attached agreements for the Facilities Planning Study.



October 30, 2018

Mr. Greg Grissom  
President and CEO  
Jackson Purchase Energy Corp.  
2900 Irvin Cobb Dr.  
Paducah, KY 42002

RE: Facility Planning Study Proposal

Dear Mr. Grissom,

Thank you for the opportunity to discuss with Jackson Purchase Energy Corp. the services that Cooperative Building Solutions can provide. We appreciate the opportunity to become your Facility Consultant to work with you on your Facility Planning Study. We have prepared a proposal for your consideration to help allow the Facility Planning Study to start on this project. Upon the completion of this phase we would then require your approval to continue with any further design documents or other facility planning services.

**Facility Planning Study** - Scope of Services Include:

- Identify the Facility Goals and Priorities of the Project
- Property Conditions Assessment of the Existing Facility
- Functionality and Department Adjacency Review
- Needs Assessment (SF by department)
- Evaluate the option of renovating and/or building an addition(s) to the existing facility to accommodate the required needs assessment.
- Evaluate the option of accommodating facility needs with a new facility.
- Conceptual Architectural Design
  - Site Plan & Floor Plan by Department
- Prepare a Cost Estimate Summary of the Options Prepared
- Preliminary Design and Construction Schedules
- Board Presentation of Facility Planning Study

This scope of work outlined above will be performed for a fee of \$29,000, plus any travel expenses. We estimate this scope of work to take approximately 8 to 10 weeks to complete.

Please let us know if you have any comments or questions regarding this proposal, you can reach me at 1-314-581-1552. We look forward to working with you towards the successful completion of your project.

Sincerely,

Accepted By:

Jackson Purchase Energy Corp.



Timothy E. Masa

President

By: Greg Grissom



Printed Name: \_\_\_\_\_

Date: 10-30-18

Cc: Gary J. Hobson, Cooperative Building Solutions





June 17, 2019

Mr. Greg Grissom  
President and CEO  
Jackson Purchase Energy Corp.  
2900 Irvin Cobb Dr.  
Paducah, KY 42002

RE: Facility Planning Study Proposal

Dear Mr. Grissom,

Thank you for the opportunity to discuss with you the planning for a renovating an existing building allowing for a New Headquarters Facility for Jackson Purchase Energy. We are excited to work with Jackson Purchase Energy to help solve your facility needs as your Facility Consultant. This proposal will allow the planning, schematic design and site due diligence services to start. After the completion of the deliverables listed below, we would then require your approval to continue with completing the next design phase.

**Renovation for a New Headquarters Facility: Schematic Design** - Scope of Services Include:

- Project Consulting Services
- Confirm Previously Documented Facility Goals and Priorities of the Project
- Confirm Needs Assessment / Square Footage Spreadsheet from Facility Planning Study
- Schematic Civil Drawings will be provided, including the following:
  - Existing and proposed contours.
  - Paving/sidewalk/curb/fence/parking and material equipment layout.
  - New and existing water/sewer/fire protection/telephone/electric layouts and related structures.
  - Show areas for required storm detention and/or water quality.
  - Show preliminary road access and any potential road improvements.
  - Preliminary site lighting layout.
- A schematic architectural floor plan (with preliminary furniture layout).
- Building elevations will be provided showing modifications to the existing building.
- A conceptual building image that illustrates the character of the building with a 3D rendering of the approved concept.
- A 3D building animation of the building and site.
- An Outline Narrative Specification detailing the intention for Mechanical, Plumbing and Electrical Systems with preliminary system layout.
- Schematic Design Cost Estimate
- Preliminary Design and Construction Schedule

The schematic design outlined above will be performed for a fee of \$95,000.

In addition to the services outlined above for the Schematic Design Renovation of an Existing Building for a New Headquarters Facility, we also recommend performing the following Site Due Diligence Service as outlined below:

- Environmental Review – Phase 1 Study (BFW Engineers)
- Soils Report by Geotechnical Engineer (BFW Engineers)
- Boundary, Topographic and Site Survey (BFW Engineers)
- Prepare a Plat of Subdivision Property (BFW Engineers)
- Verify Existing Utilities Available (BFW Engineers)
- Confirm Appropriate Zoning is in Place for the Proposed Property

The scope of work outlined above will be performed on a time and material basis as required, but it is estimated that the cost would be in the range of \$20,000 to \$25,000. We will not proceed with any 3<sup>rd</sup> party services without your prior approval and we will not exceed the \$25,000 without your prior approval.

**In Summary:**

- |   |                               |
|---|-------------------------------|
| 1. Schematic Design Renovation for a New Headquarters | \$ 95,000                     |
| 2. Site Due Diligence Services                        | \$ 25,000 (time and material) |

**Total Proposal Amount** **\$120,000**

Any travel expenses incurred will be invoiced as a separate additional cost.

The services outlined above we will be completed in 8 to 10 weeks. An executive summary presentation will be prepared of the information outlined above and will be presented to Jackson Purchase Energy. Please let us know if you have any comments or questions regarding this proposal, you can reach me at 1-314-581-1552.

We look forward to working with you towards the successful completion of your project.

Sincerely,

Accepted By:



Jackson Purchase Energy Corp

Timothy E. Masa

By: 

President

Printed Name: Greg H. Grissom

Date: 7-23-19

Cc: Gary Hobson, Cooperative Building Services

**Jackson Purchase Energy Corporation**  
**Case No. 2019-00326**  
**Commission Staff's First Request for Information**  
**Issued November 13, 2019**

8. Refer to the Direct Testimony of Greg Grissom (Grissom Testimony), page 7, regarding Jackson Purchase's Board of Director's knowledge of the need to address the substandard conditions of the current headquarters facilities.
  - a. State when the substandard condition of the current headquarters facilities was brought to the attention of the Board of Directors.
  - b. Provide copies of the minutes of all Board of Directors meetings in which the need for new headquarters facilities was discussed.

**Response:**

- a. The age and condition of the current building and the need for a new headquarters have been discussed by past CEOs, but in Executive Session. No minutes are taken at the Executive Session. Due to this, there is no official record of these discussions before 2019.
- b. Please see the attached which includes the following:
  - 2019 Board Minutes;
  - February 2019 strategic planning agenda;
  - April 2019 Board workshop discussion checklist.

As discussed in response 8 a above, due to the previous discussions being held in Executive Session, there are no minutes available for those discussions.

MINUTES  
JACKSON PURCHASE ENERGY CORPORATION  
SPECIAL CALLED MEETING  
May 2, 2019

---

A special called meeting of the Board of Directors of Jackson Purchase Energy Corporation was held on May 2, 2019 at 5:30 p.m., at the office of the corporation at 2900 Irvin Cobb Drive, Paducah, Kentucky. Prior to the meeting being called to order, the following directors tendered Waivers of the five day notice requirement relative to special called meetings:

Erick Harris, Jack Marshall, Wayne Elliott, Lee Bearden, Dr. Ivus Crouch,  
Terry Teitloff, Joshua Barnes and Kevin Bell.

Copies of said Waivers are attached to these meeting minutes.

Upon receipt of the aforementioned Waivers, the meeting was called to order at approximately 5:35 p.m., by Chairman Erick Harris. The following Directors were in attendance:

Erick Harris, Jack Marshall, Wayne Elliott, Lee Bearden, Dr. Ivus  
Crouch, Terry Teitloff, Joshua Barnes and Kevin Bell.

Also present were Greg Grissom, President and CEO; Jeff Williams, VP of Finance and Accounting; Scott Ribble, VP of Engineering and Operations; Scott Adair, VP of Human Resources and Communications; Amy Vick, Executive Assistant; and Richard L. Walter, general counsel.

**OPENING BUSINESS**

The meeting was called to order by Mr. Harris. A motion was made and seconded that the Board of Directors meet in Executive Session. Motion unanimously carried.

**RETURN TO GENERAL SESSION**

A motion was made and seconded that the physical plant including the company headquarters for Jackson Purchase Energy Corporation currently located upon the campus at 2900 Irvin Cobb Drive, be eventually abandoned due to its significantly deteriorated condition and because rehabilitation of the facility would be cost-prohibitive. It is further resolved that a new location for the campus of Jackson Purchase Energy Corporation be established on property currently known as the Sportsplex, said property being located in McCracken County, Kentucky. This Board Resolution is being made after months of

extensive study, analysis, discussion and deliberation by the Board. It is based upon a comprehensive Facility Planning Study which, among other things, contained an opinion of the condition of the current facility, a needs-assessment and certain cost assumptions provided by the Board's consultants, Cooperative Building Solutions. The Board, based on this Facility Planning Study also evaluated its internal financial analysis and forecasting which indicated that Jackson Purchase will have sufficient future margins to afford the project without impact to its retail rates. The Board has further determined that it is in the best interest of the member owners of Jackson Purchase Energy Corporation that the facility's campus be moved to the property commonly referred to as the Sportsplex. Jackson Purchase Board has also had an opportunity to fairly evaluate the current fair market value data relative to the Sportsplex property including evaluations/appraisals by real estate appraiser Russell Sloan, as well as that property evaluation data maintained by the McCracken County Property Valuation Administrator. Finally, the Board has had available to it various real estate proposals on property located within JPEC's service territory and it is the Board's belief that the Sportsplex property is the best possible location for the corporation's campus.

The motion was unanimously passed.

The Board has further resolved that in an effort to further the necessity of moving its campus, that its President and CEO, Greg Grissom, should be authorized to negotiate a purchase price of the Sportsplex and its related properties up to a maximum purchase price of [REDACTED] subject to certain contingencies, including that the purchase of said property be contingent upon final approval by the Board of Directors of JPEC; that JPEC receive a final and non-appealable Certificate of Public Convenience and Necessity Order from the Kentucky Public Service Commission authorizing and approving said purchase of real estate and completion of the overall project; and other appropriate contingencies as would be negotiated by the President and CEO, Greg Grissom in conjunction with counsel, the Hon. Richard L. Walter. Said resolution also allows the President and CEO, Greg Grissom to expend \$50,000 as earnest money upon negotiation of an appropriate real estate contract for the purchase of the Sportsplex. The motion was appropriately made and seconded and unanimously carried.

Finally, there was a motion made and seconded to adjourn. Unanimously carried.

  
\_\_\_\_\_  
Erick Harris  
Chair

  
\_\_\_\_\_  
Wayne Elliott  
Secretary/Treasurer

MINUTES  
JACKSON PURCHASE ENERGY CORPORATION  
SPECIAL CALLED MEETING  
AUGUST 27, 2019

---

A special called meeting of the Board of Directors of Jackson Purchase Energy Corporation was called to order on Tuesday, August 27, 2019 at 5:30 p.m., at the office of the corporation at 2900 Irvin Cobb Drive, Paducah, Kentucky. The following members were in attendance and all signed a Waiver of Notice allowing for the Special Meeting:

Joshua Barnes, Lee Bearden, Kevin Bell, Dr. Ivus Crouch, Wayne Elliott (telephonically), Erick Harris, Jack Marshall, and Terry Teitloff

Also present were Greg Grissom, President and CEO; Jeff Williams, VP of Finance and Accounting; Amy Vick, Executive Assistant; and Richard L. Walter, general counsel.

**OPENING BUSINESS**

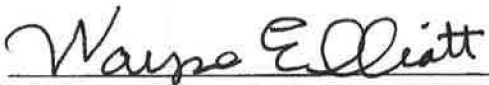
The meeting was called to order by Mr. Harris. Director Barnes offered the invocation.

The Board Members received a presentation from the Board's consultants relative to the repurposing of the building commonly referred to as the Sports Plex. They also reviewed cost estimates for other alternatives. All members of the Board of Directors were allowed to question the consultants.

After the Board was adequately and thoroughly informed, the Board was presented with a Resolution, a true and accurate copy of which is appended hereto as Exhibit A. Said motion was properly made and seconded. The motion unanimously carried.

A motion was then made to adjourn. The motion was properly seconded and unanimously carried.

  
Erick Harris  
Chair

  
Wayne Elliott  
Secretary/Treasurer

**RESOLUTION OF JACKSON PURCHASE BOARD OF DIRECTORS**

**AUGUST 27, 2019**

WHEREAS, the Board of Directors of Jackson Purchase Energy Corporation ("JPEC") met at a Special Meeting pursuant to notice provided in accordance with the Jackson Purchase Energy Corporation Bylaws, to receive additional presentations from JPEC staff and consultants and hold further discussions regarding the approval to proceed with the design, construction and repurposing of an existing 79,000 square foot multi-purpose sports building into a new headquarters facility on approximately 40 acres of property presently owned by Paducah Regional Sports Plex, LLC ("Sports Plēx" or "Sports Plex Property") located at 6525 U.S. Highway 60, Paducah, Kentucky 42001, to replace JPEC's existing headquarters facility located at 2900 Irvin Cobb Drive, Paducah, Kentucky 42003, which has structural and space deficiencies preventing its rehabilitation for JPEC's current and future use; and,

WHEREAS, an additional purpose of the Special Meeting was to receive presentations from JPEC staff and hold further discussions regarding any financial and rate impacts associated with the design, construction and repurposing of the Sports Plex Property to serve as its new headquarters location;

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF JACKSON PURCHASE ENERGY CORPORATION, AS FOLLOWS:

- JPEC's structural and engineering consultants presented three options available to JPEC to solve the obsolescence of the existing headquarters facility: remodel the existing headquarters facility to bring it up to current occupancy codes and space needs; construct a new headquarters facility on a hypothetical greenfield site; or, construct and repurpose the Sports Plex property to meet its current and future space and function needs ("Sports Plex option"). After hearing details concerning each of these options, most especially the respective costs of each, and following several questions and much discussion the Board of Directors determined that the Sports Plex option was by far the most cost-effective among the three options and voted to direct JPEC executive management to pursue the acquisition, construction and repurposing of the Sports Plex property at a cost not to exceed [REDACTED]
- JPEC's finance staff presented a detailed 10-year financial forecast of JPEC's Statement of Operations which projected the effect of a Base Case scenario which assumed no new headquarters and a HQ Build Case scenario which assumed that a new headquarters costing approximately [REDACTED] would be built. That presentation also included a discussion that JPEC intends to finance the headquarters construction by opening a line of credit ("LOC") in an amount up to [REDACTED], and for a term of up to 24 months, from Co-Bank at an interest rate of 3.09% (interest rate subject to fluctuations depending upon




market at time of borrowing), in order to pay the costs of construction as the project proceeds. At the time of project completion JPEC would then include the headquarters project in its 2021 Construction Work Plan and borrow sufficient funds from Rural Utilities Service ("RUS") on a long-term note at a lesser interest rate than the LOC interest rate to completely pay off the LOC. After hearing these financial details the Board engaged in discussion and asked several clarifying questions of JPEC staff. At the conclusion of this discussion the Board was satisfied that the new headquarters project would not result in an unreasonable negative effect upon JPEC's financial condition. The Board further understood that a series of small rate increases, the cumulative effect of which will be approximately four-percent (4%) over the 10-year financial forecast period, will be necessary to provide financial metrics sufficient to maintain its loan covenants with its lenders, with or without the construction of the new headquarters facility. The Board voted to direct JPEC executive management to take appropriate action to put the necessary borrowing package in place, in an amount not to exceed [REDACTED], to finance the construction of the new headquarters facility;

- Because approval for both the construction and borrowing discussed is required by the Kentucky Public Service Commission ("KPSC") before either may commence, the Board voted to direct JPEC's executive management to file the necessary application(s) to KPSC for approval of a Certificate of Public Convenience and Necessity pursuant to KRS 278.020 to expend sums not to exceed [REDACTED] on the project, and for Financing (Evidence of Indebtedness) pursuant to KRS 278.300, not to exceed the total sum of [REDACTED];

This Resolution was duly made and seconded and unanimously passed on this the 27<sup>th</sup> day of August 2019.



ERICK HARRIS  
CHAIRPERSON



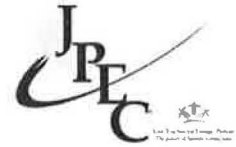
WAYNE ELLIOTT  
SECRETARY/TREASURER





## JPEC Strategic Planning Retreat

Friday, February 22 – Sunday, February 24



### Attendees:

JPEC Strategic Planning Retreat	
JPEC Board	JPEC Staff
Erick Harris, Board Chair	Greg Grissom, CEO
Jack Marshall, Vice Chair	Scott Ribble, VP of Engineering & Operations
Wayne Elliott, Secretary/Treasurer	Jeff Williams, VP of Finance & Accounting
Josh Barnes, Director	Ward Morgan, VP of Technology
Lee Bearden, Director	Scott Adair, VP of Human Resources & Communication
Kevin Bell, Director	Vanessa Blagg, Manager of HR & Admin. Services
Dr. Ivus Crouch, Director	Tony Martin, Manager of Operations
Terry Teitloff, Director	Ashley Turner, Manager of Member Services
Richard Walter, General Counsel	Amy Vick, CEO Assistant

### Friday, Feb. 22<sup>nd</sup>

#### Franklin Room

5:30 p.m. – Facility Planning Study

Gary Hobson, Craig Wall, Mike Deane, Todd Gilmore



### Saturday, Feb. 23<sup>rd</sup>

8 a.m. – Introductions / Opening Comments – Rod Crile

- Industry update
- Cooperative statements – mission, vision, values
- Review initiatives from prior planning session

Noon – Lunch

- Identify risk and opportunities
- Identify initiatives
- Prioritize

4:30 p.m. – Adjourn

### Sunday, Feb. 24<sup>th</sup>

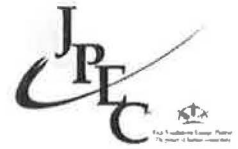
#### Franklin Room

8 a.m. – Summary / next steps

Wrap up around 11:30 a.m.



**JPEC Strategic Planning Retreat**  
Friday, February 22 – Sunday, February 24  
**Embassy Suites Nashville South-Cool Springs**  
**820 Crescent Centre Dr., Franklin, TN 37067**



**JPEC Workshop  
Monday, April 8, 2019  
5:30 p.m.**

**Topic**

<p><b>1. Safety Update Scott Adair</b> Strategic Initiative 1. Instill a culture of safety</p>
<p><b>2. Alberta Davis - Review Land &amp; Headquarters Options</b> Strategic Initiative 3. Evaluate future options for office and warehouse</p>
<p><b>3. Appraisal Report - FYI</b> Strategic Initiative 3. Evaluate future options for office and warehouse</p>
<p><b>4. Update on Rate Case - Jeff Williams</b> Strategic Initiative 4. System Operations and Member Support Efficiencies</p>
<p><b>5. Update - Windstream Bankruptcy case - Rick</b> Strategic Initiative 4. System Operations and Member Support Efficiencies</p>
<p><b>6. Estimated Tornado Expense - Jeff Williams</b> Strategic Initiative 4. System Operations and Member Support Efficiencies</p>
<p><b>7. Director District Maps - Scott Ribble</b> Strategic Initiative 2. Member / Community Relations</p>
<p><b>8. BTC Pole attachment update - Scott Ribble</b> Strategic Initiative 4. System Operations and Member Support Efficiencies</p>
<p><b>9. Dinner with WKRECC board - May 9 at WKRECC, Mayfield - Erick</b> Strategic Initiative 2. Member / Community Relations</p>
<p><b>* Greg will be driving back from Frankfort and will call in if not able to be at the meeting in person.</b></p>

**Jackson Purchase Energy Corporation**  
**Case No. 2019-00326**  
**Commission Staff's First Request for Information**  
**Issued November 13, 2019**

9. Refer to the Grissom Testimony, page 8, lines 6-16, regarding the various options considered and the site visits. Identify all of the sites that were evaluated by Jackson Purchase and provide the reasons why these sites were not ultimately selected by Jackson Purchase.

**Response:**

Jackson Purchase engaged a commercial realtor to look at possible sites for building a new headquarters building. This presentation was discussed between the realtor, CEO and Board of Directors. Each site was discussed at length by the Board, which weighed the pros and cons of each. This was done in executive session and there are no minutes to this meeting. Ultimately, the Board chose the Sports Plex option that had an existing building that was a great fit for Jackson Purchase's needs. Repurposing this existing property was the most economical choice as detailed by the facility planning study conducted by Cooperative Building Solutions. Please see attached for a list of the sites considered by the Board.

# OPTION 1: INFORMATION AGE PARK

Asking Price:  
\$40,000/acre



View from south corner

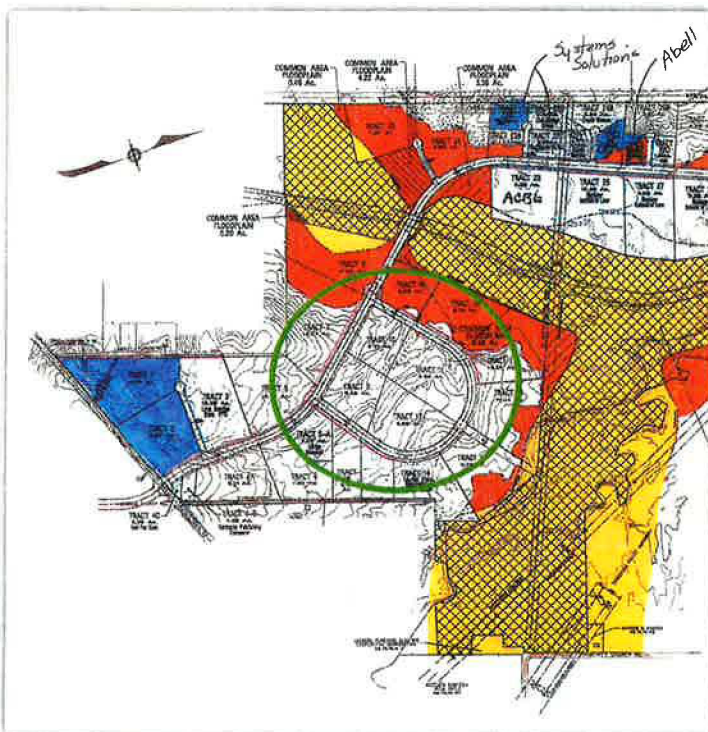


Marquette Transportation in background



## Directions

- Exit 7 - between Hwy 60 and Hwy 62
- Closer to the Hwy 62 Entrance
- 5.8 miles from I-24 / 11 minute drive
- Exit 4 Hwy 60 Entrance



## Acreage

- Total: 29.49 acres
- Land consists of 4 sites
- Located in front of Marquette Transportation



## Utilities

- Jackson Purchase Electric
- Paducah Power Fiber Optic



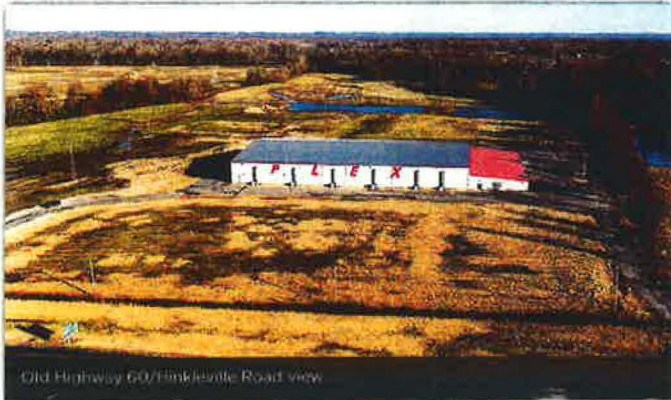
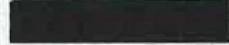
## Additional Information

- GPECDC Paducah Owned

# OPTION 2: PADUCAH SPORTS PLEX

6525 Old Highway 60 W

Asking Price:



Old Highway 60/Hinkleville Road view

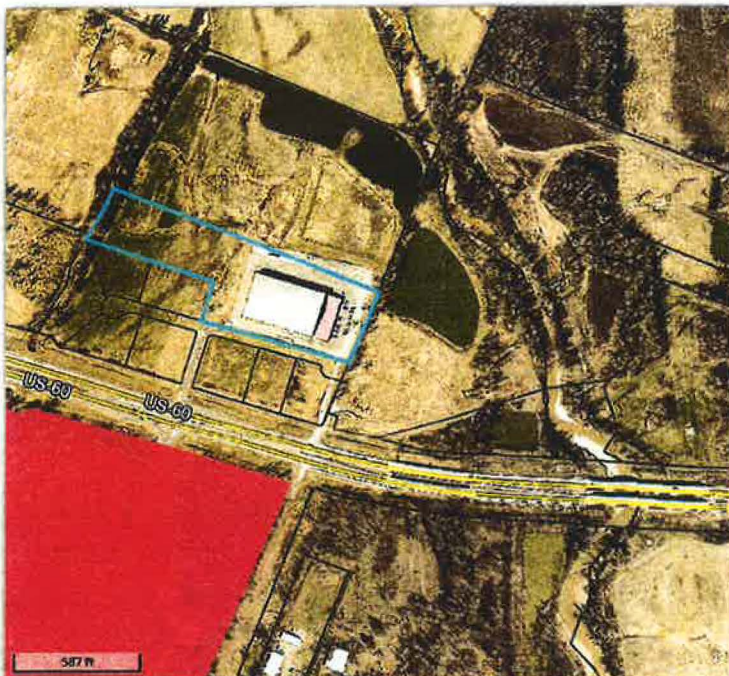


View from southeast corner



### Directions:

- Exit 4 - Highway 60 - 2.9 miles
- 5-6 minute drive from interstate
- 2.5 miles past the mall
- Access via Information Age Park to Lone Oak or Mayfield



### Acreage

- 39.32 acres
- Existing structure: 79,000 square foot building



### Utilities

- Jackson Purchase Electric

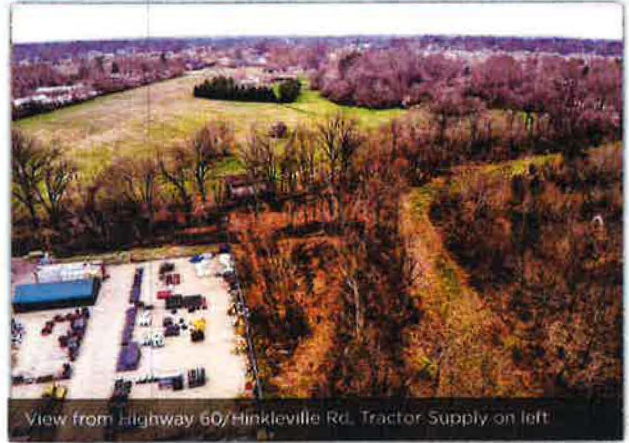
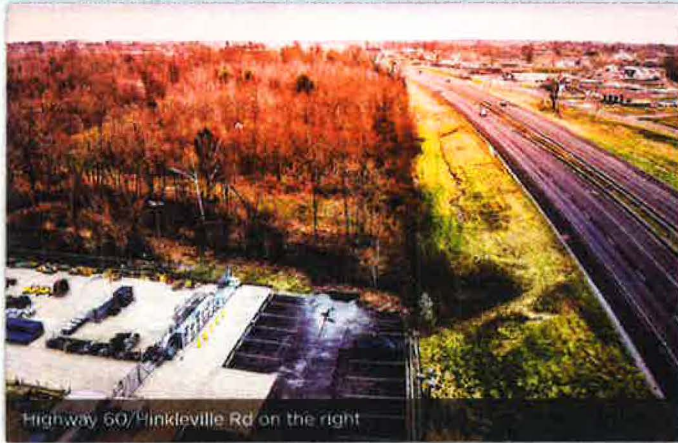


### Additional Information

- Paducah Sports Plex Property

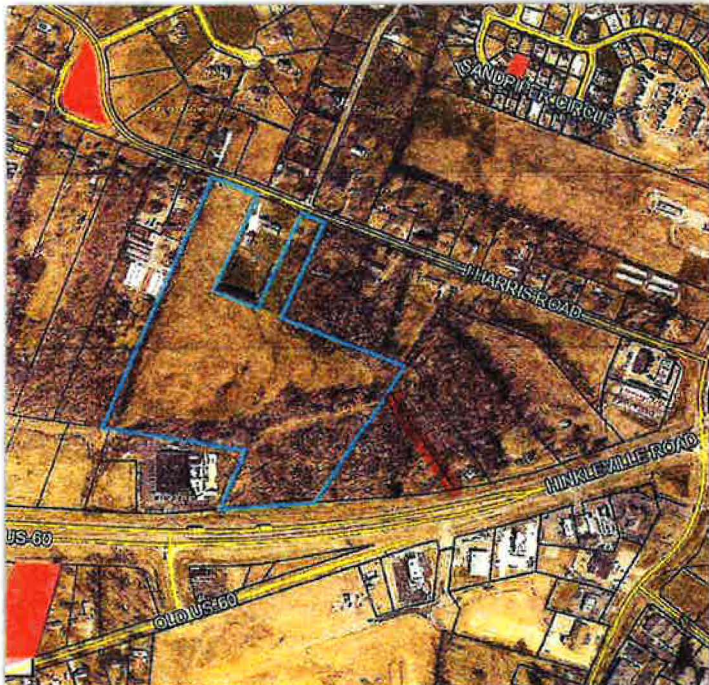
# OPTION 3: HIGHWAY 60 & HARRIS RD 5345 Hinkleville Rd

Asking Price:  
\$2,600,000



### Directions:

- Exit 4 - Highway 60 - 1.4 miles
- 4 minute drive from interstate
- Next to Tractor Supply



### Acreage

- Total acreage: 21.928 acres
- 2 tracts beside Tractor Supply
- 900 foot frontage - Hwy 60
- 328 foot frontage - Harris Rd



### Utilities

- Gas - Electric - Water - On Hwy 60
- Sewer on back of property

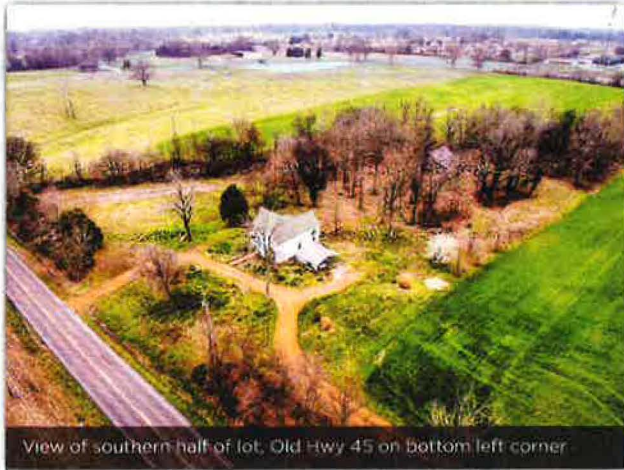


### Additional Information

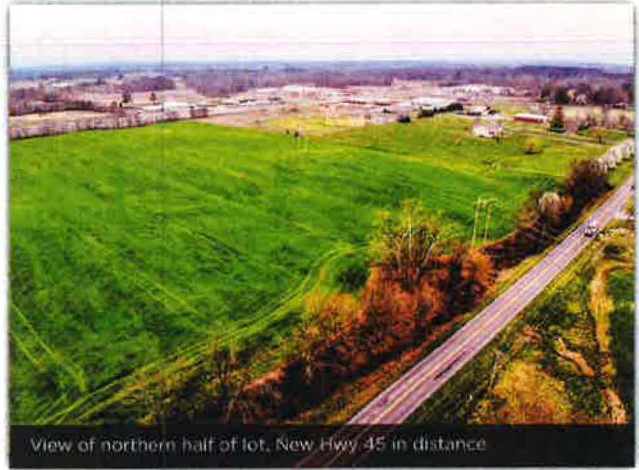
- Zoned 'Commercial' in the county
- Reed Property

# OPTION 4: EXIT 7 - 6425 U.S. HWY 45

PVA Value:  
\$91,000



View of southern half of lot, Old Hwy 45 on bottom left corner



View of northern half of lot, New Hwy 45 in distance



## Directions

- **Exit 7 - between Old Hwy 45 and New Hwy 45**
- Approximately 5 miles out of Paducah
- Approximately 10-12 minutes to I-24
- Approximately 10-12 minutes to Mayfield



## Acreage

- Total: 30.39 acres



## Utilities

????



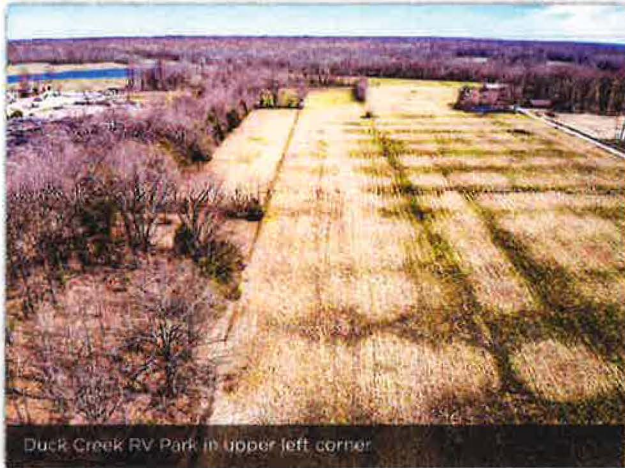
## Additional Information

- One Residence Property



# OPTION 5: EXIT 11 - 2630 HUSBANDS RD

Asking Price:  
\$987,600



Duck Creek RV Park in upper left corner

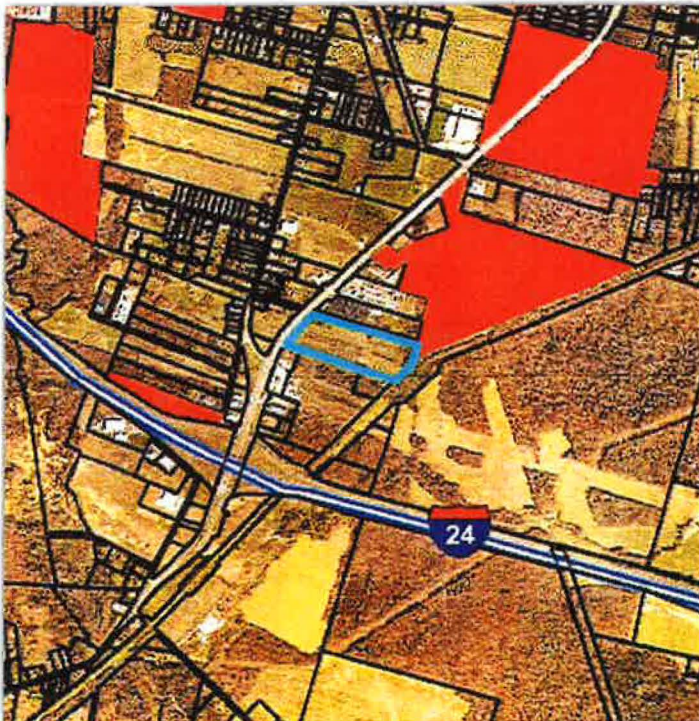


View of from Husband Road



## Directions

- Exit 11 - 1/4 mile from I24
- From Paducah, turn left, property on right
- Highly visible



## Acreage

- Total: 19.75 acres



## Utilities

- Jackson Purchase Electric OR Paducah Power Systems



## Additional Information

- Easement Off of John Puryear
- Outside of 100 year floodplain
- Facts per PVA - does not flood but holds water

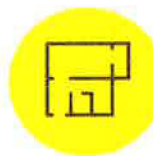
# OPTION 6: EXIT 11 - JOHN PURYEAR Eich Rd / Meacham Ln

PVA Value:  
\$237,300



### Directions:

- Exit 11 - less than one mile from I24
- Main access road - John Puryear Drive
- Entrance off Eich Rd or Meacham Ln
- Behind FedEx building



### Acreage

- Total acreage: 26.43 acres



### Utilities

- Jackson Purchase Electric OR Paducah Power Systems



### Additional Information

- Per PVA - does not flood but water stands on property

# OPTION 7:

## EXIT 11 - JOHN PURYEAR

3205 Jericho Rd

Asking Price:  
**\$3,720,000**



View of northern portion of lot, John Puryear in distance

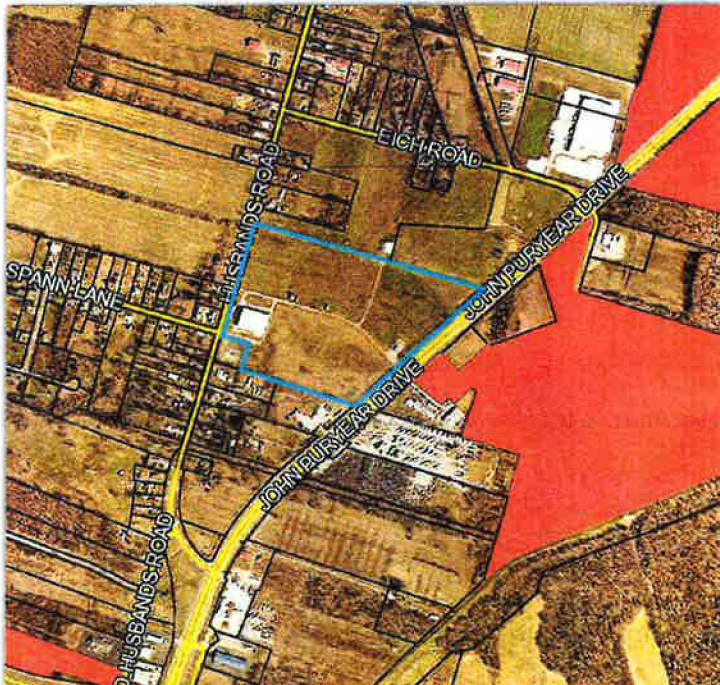


View of southern portion of lot, Husband Rd on the right



### Directions:

- Exit 11 - less than 1/4 mile from I24
- Access to lot from Puryear Drive and Husband Rd
- High visibility



### Acreage

- 32 acres - \$85,000/acre
- 4 acres with building is \$1M



### Utilities

- Jackson Purchase Electric OR Paducah Power System

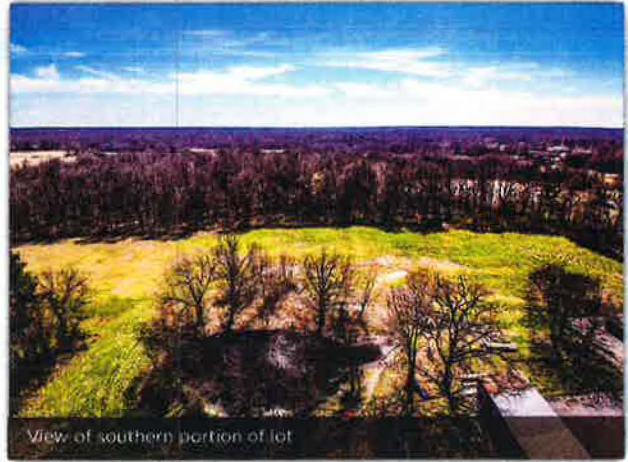
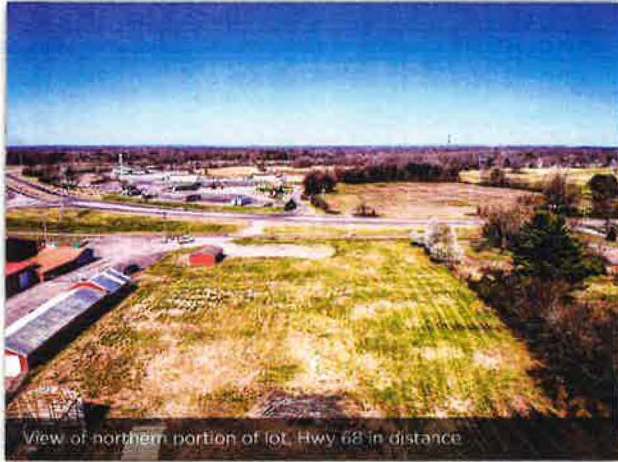


### Additional Information

- Outside of 100 year floodplain
- Building is 30,000 sq foot, 20 foot eaves

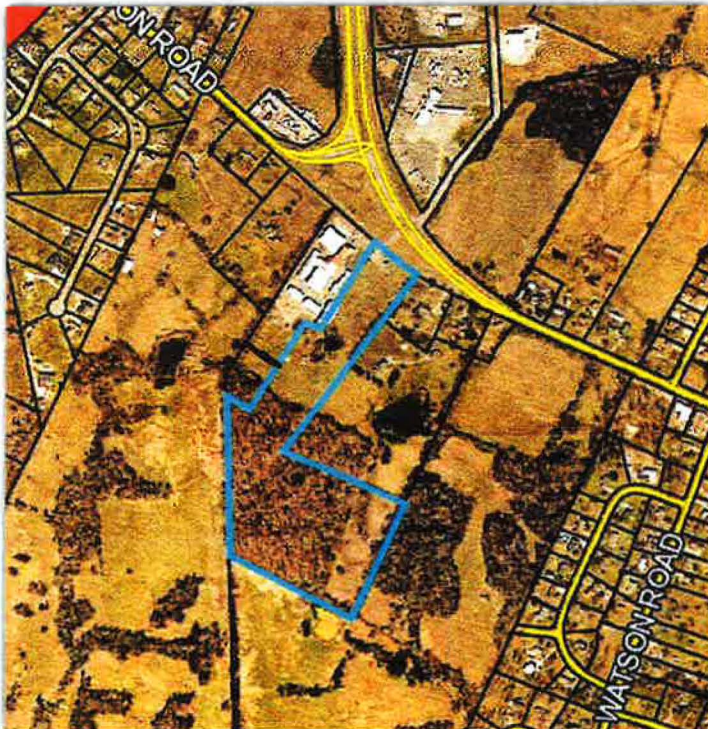
# OPTION 8: EXIT 16 - 7065 BENTON RD

Asking Price:  
\$900,000



## Directions

- Exit 16 - 1 mile from I24
- From Paducah, turn right, property on right



## Acreage

- Total: 23.65 acres
- 2 tracks of land



## Utilities

- Gas line - access from road
- Jackson Purchase Electric

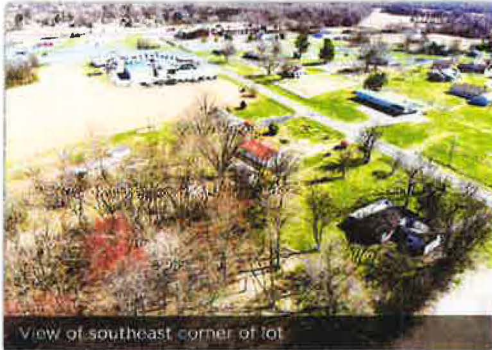


## Additional Information

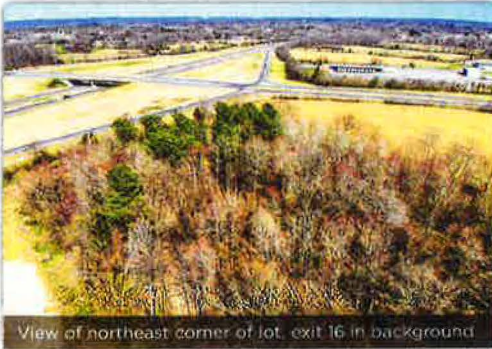
- 284 foot road frontage

# OPTION 9: EXIT 16 - 6900 BENTON RD

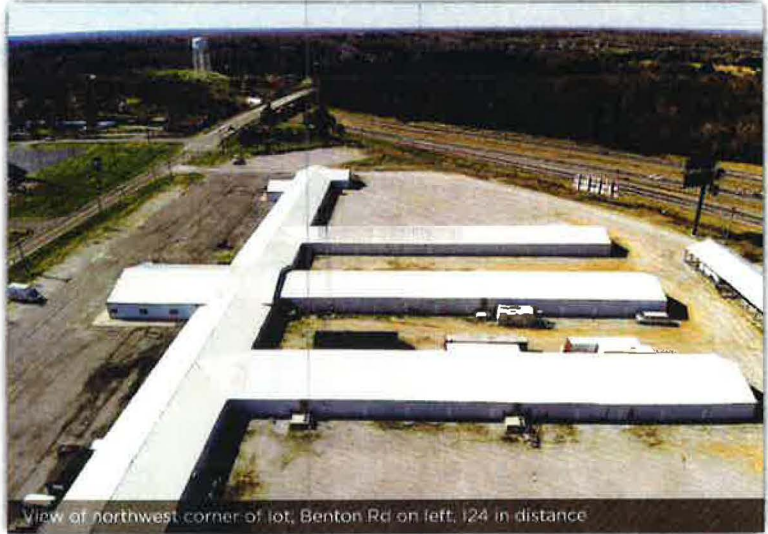
PVA Value:  
\$1,200,000



View of southeast corner of lot



View of northeast corner of lot, exit 16 in background



View of northwest corner of lot, Benton Rd on left, I24 in distance



## Directions

- Exit 16 - directly off I24
- Flea Market



## Acreage

- Total: 29+ acres of 5 tracts
- 12.85 acres - 5 buildings known as flea market
- 10.56 acres - vacant land
- 5 acres - 3 houses on site



## Utilities

- Jackson Purchase Electric

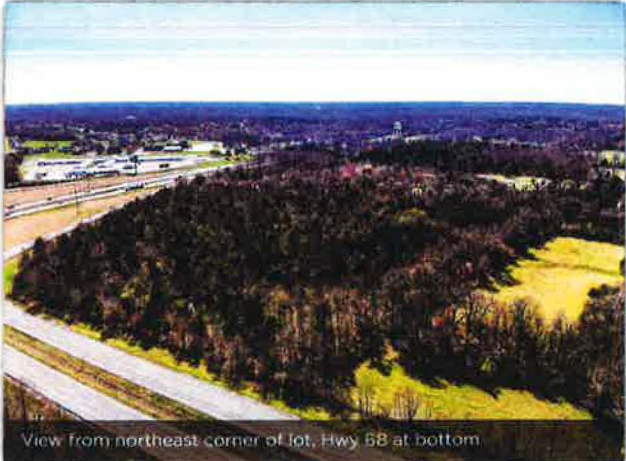


## Additional Information

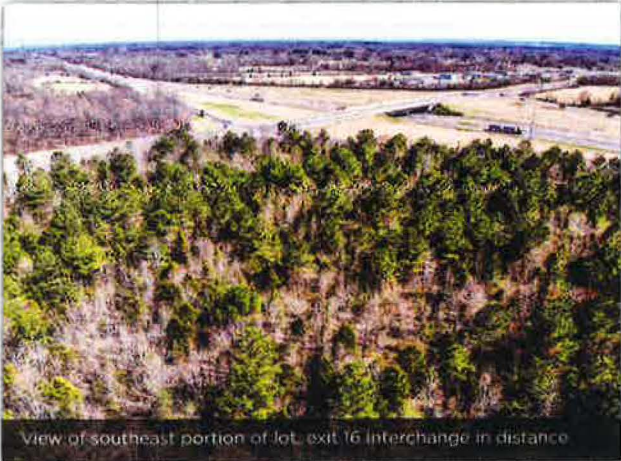
- PVA has a property value of \$1,200,000 for all tracts

# OPTION 10: EXIT 16 - 6001 US HWY 68

Asking Price:  
\$550,000



View from northeast corner of lot, Hwy 68 at bottom

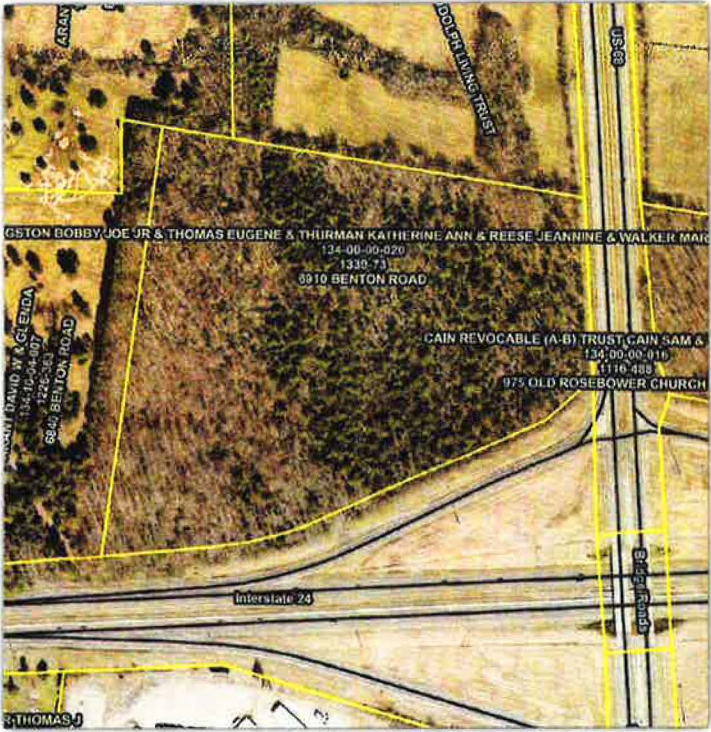


View of southeast portion of lot, exit 16 interchange in distance



### Directions

- Exit 16 - directly off I24
- Corner of Hwy 68 and I24



### Acreage

- Total: 30+- acres
- 513 feet of frontage on Hwy 68



### Utilities

- Jackson Purchase Electric



### Additional Information

- Entrance has to be 1200 feet from on ramp

**Jackson Purchase Energy Corporation**  
**Case No. 2019-00326**  
**Commission Staff's First Request for Information**  
**Issued November 13, 2019**

10. Refer to the Grissom Testimony, page 9, Also, refer to the Direct Testimony of Tim E. Masa (Masa Testimony), exhibit TEM-1, Section 08 Facility Design Option, Preliminary Cost Estimate. Explain the discrepancy in the cost estimates for Option B, Repurposing Existing Building.

**Response:**

The cost estimate from Greg Grissom's Testimony on page 9 is the cost estimate from the Schematic Design Presentation dated 8-16-19. The cost estimate referenced from Tim Masa's Testimony is from the original Facility Planning Study dated 2-22-19. Both numbers are correct based on the timing of when they were prepared.

**Jackson Purchase Energy Corporation**  
**Case No. 2019-00326**  
**Commission Staff's First Request for Information**  
**Issued November 13, 2019**

11. Refer to the Grissom Testimony, page 9. If the Commission were to approve the proposed project, explain whether Jackson Purchase would retain the 40-acre tract or has it contemplated selling part of the tract.

**Response:**

Jackson Purchase has not contemplated selling any portion of the tract. Jackson Purchase evaluated a number of properties and sites before reaching a board-approved decision on this particular property. The sellers of this property only wanted to sell the tract in its entirety. Jackson Purchase will evaluate its growth needs in the short and long-term and will evaluate the best option going forward with respect to selling a portion of the tract.



**Jackson Purchase Energy Corporation**  
**Case No. 2019-00326**  
**Commission Staff's First Request for Information**  
**Issued November 13, 2019**

12. Refer to the Grissom Testimony, page 11, lines 11-13. State when Jackson Purchase intends to have the existing headquarters facilities appraised and whether Jackson Purchase will have more than one appraisal performed.

**Response:**

Please see the response to Request 4(d) above.

**Jackson Purchase Energy Corporation**  
**Case No. 2019-00326**  
**Commission Staff's First Request for Information**  
**Issued November 13, 2019**

13. Refer to the Direct Testimony of Jeffrey R. Williams (Williams Testimony), page 6. Provide the reasons for the assumptions that Jackson Purchase will seek small rate increases in 2021, 2023, 2025 and 2027.

**Response:**

When preparing the ten-year financial forecast base case, Jackson Purchase observed that the financial metrics declined in 2020, 2021 and 2023 to the point where in the judgement of management, a rate increase would be sought and thus should be modeled in the forecast. Because the Commission has encouraged distribution cooperatives to make more frequent, smaller rate adjustments as needed pursuant to the streamlined rate case process<sup>1</sup>, Jackson Purchase assumed that it would file such small rate cases at the cited intervals to proactively maintain its financial condition and adhere to Commission guidance. Note that these projected increases are not definite and including them in the forecast does not signify a commitment to seek rate increases, but instead signifies only that Jackson Purchase is committed to meeting its fiduciary duties to members by proactively managing its financial condition in a prudent manner. Also note, that the forecasted increases are small; the cumulative effect of the forecasted increases is approximately four (4) percent in total over the ten-year forecasted period.

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<sup>1</sup> See, *In the Matter of A Review of the Rate Case Procedures for Electric Distribution Cooperatives*, Case No. 2018-00407, Order pp 1-2 (Ky. P.S.C. December 11, 2018).

**Jackson Purchase Energy Corporation**  
**Case No. 2019-00326**  
**Commission Staff's First Request for Information**  
**Issued November 13, 2019**

14. Refer to the Williams Testimony, page 8. Explain how the electricity and property tax expenses were determined. Provide a schedule showing how the amounts were determined.

**Response:**

The amount of electricity on page 8 of the Williams Testimony is an estimate based upon savings associated with our current power bill. It is calculated as \$119,491 \* 0.65, which is the Paducah Power bill at a 35% savings. The existing headquarters is located in the service territory of Paducah Power, therefore Jackson Purchase must pay an electric bill to Paducah Power each month. Jackson Purchase's 2018 electricity cost paid to Paducah Power is \$119,491, which is the number noted in the table in the Williams Testimony page 3, line 17. According to the Grissom Testimony, page 12, lines 4-9, obtaining power from Jackson Purchase's wholesale provider, Big Rivers Electric, will save 35-45% over the rates Jackson Purchase currently pays to Paducah Power. The new headquarters will be located in Jackson Purchase's service territory which will result in savings for electricity. Based on this information, a 35% savings over the current electric bill was used for the ten-year forecast. There is no analysis or assumption on the new headquarters having more square feet, nor an assumption on it being much more energy efficient than the three existing buildings built in 1969-70.

Please see table below titled 'Electricity Costs – Paducah Power', for a comparison of Jackson Purchase's Paducah Power bill in 2019 as compared to what the bill would be at the wholesale tariff rate of Big Rivers (February – September 2019). Also, please see the schedule below showing how the property tax on page 8 of the Williams Testimony was determined.

**Electricity Costs - Paducah Power**

	BREC			Savings
	PadPower	Wholesale	% of PP bill	
Feb	13,866	8,782	63%	37%
Mar	11,250	6,964	62%	38%
Apr	9,135	5,521	60%	40%
May	8,406	4,841	58%	42%
Jun	8,775	5,014	57%	43%
Jul	8,134	4,982	61%	39%
Aug	8,410	5,232	62%	38%
Sep	8,751	5,387	62%	38%

**Tax Rates -  
McCracken County**

County	0.096
County School	0.538
Library	0.061
Health	0.024
Extension Service	0.03443
Mental Health	0.012
Paducah Junior College	0.016
<b>Total RATE per \$100</b>	<b>0.78143</b>

Tax Base/\$100	\$	191,920	<b>A</b>
Total Rate per \$100		0.78143	<b>B</b>
<b>Property Tax</b>	<b>\$</b>	<b>149,972</b>	<b>A*B</b>

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15. Refer to the Masa Testimony, page 2. To the extent possible, provide a description of each project with which CBS has been employed and a comparison of the projected and actual cost for each project and the percentage difference.

**Response:**

Over the past 10 years Cooperative Building Solutions has constructed over \$400,000,000 of electric cooperative facility projects. These projects have not only been completed on time, but within the original contract amount. Any change orders issued on the project to increase the original contract amount were directed by an owner requested change to the scope of work on the project. A representation of this performance is shown on the attached spreadsheet with 10 projects completed or in the final months of construction during the past 5 years. Several of these projects actually finished below the original contract amount due to the final design, coordination and management of contract allowances included (i.e. audio visual, furniture, landscaping, signage, et.).

Project	Year Completed	Original Contract	Final Contract	Forecasted Contract	Difference	% Difference	Comments
Case Study 1	2016	\$ 13,564,252	\$ 13,523,903		\$ (40,349)	-0.30%	Deductive change order for final reconciliation of allowances.
Case Study 2	2017	\$ 12,140,079	\$ 12,414,123		\$ 274,044	2.26%	Revisions from the city plan reviewers and owner revisions.
Case Study 3	2017	\$ 12,179,047	\$ 12,083,658		\$ (95,389)	-0.78%	Deductive change order for final reconciliation of allowances.
Case Study 4	2018	\$ 35,143,174	\$ 35,289,510		\$ 146,336	0.42%	Owner added future UPS and equipment for a data center that was not in the original contract.
Case Study 5	2018	\$ 15,312,390	\$ 14,781,232		\$ (531,158)	-3.47%	Deductive change order for final reconciliation of allowances.
Case Study 6	2018	\$ 7,911,471	\$ 8,064,521		\$ 153,050	1.93%	Owner added audio visual scope of work to CBS contract that was not in the original contract.
Case Study 7	2018	\$ 8,172,018	\$ 8,265,325		\$ 93,307	1.14%	Additional scope of work was added by the owner for concrete paving and a fire pump.
Case Study 8	2019	\$ 29,760,757		\$ 29,600,000	\$ (160,757)	-0.54%	Deductive change order for final reconciliation of allowances.
Case Study 9	2020	\$ 12,774,566	\$ -	\$ 12,650,000	\$ (124,566)	-0.98%	
Case Study 10	2020	\$ 33,223,630		\$ 33,020,000	\$ (203,630)	-0.61%	Additional savings provided due to lower budget on the furniture scope of work.

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16. Refer to the Masa Testimony, Exhibit TEM-1, Section 04, Assumptions, page 1, regarding the site improvements needed for the Repurposed Site Option. Identify the cost associated with the earthwork cuts and fills needed to bring the new office construction floor elevation to above the current flood plain elevation. Also, identify any other additional costs that would be needed to address the facility being located in a flood plain area.

**Response:**

The referenced page 1 item A (c) should be revised based on the attached Letter of Map Revision Floodway Determination Document (Removal) issued by FEMA dated 12/13/12 which documents that the structure on tracts 6 and 7 (the Sports Plex Building) has been removed from the Special Flood Hazard Area. Therefore the existing structure does not require any revisions to the grade, and no costs were included for such changes to the existing floor elevation of the building.



# Federal Emergency Management Agency

Washington, D.C. 20472

## LETTER OF MAP REVISION FLOODWAY DETERMINATION DOCUMENT (REMOVAL)

COMMUNITY AND MAP PANEL INFORMATION		LEGAL PROPERTY DESCRIPTION
COMMUNITY	MCCRACKEN COUNTY, KENTUCKY (Unincorporated Areas)	Tracts 6 and 7, as described in the Deed recorded in Deed Book 1122, Page 331, in the Office of the County Clerk, McCracken County, Kentucky
	COMMUNITY NO.: 210151	
AFFECTED MAP PANEL	NUMBER: 21145C0128F DATE: 11/2/2011	
FLOODING SOURCE: MASSAC CREEK		APPROXIMATE LATITUDE & LONGITUDE OF PROPERTY: 37.074, -88.729 SOURCE OF LAT & LONG: GOOGLE EARTH PRO DATUM: NAD 83

### DETERMINATION

LOT	BLOCK/ SECTION	SUBDIVISION	STREET	OUTCOME WHAT IS REMOVED FROM THE SFHA	FLOOD ZONE	1% ANNUAL CHANCE FLOOD ELEVATION (NAVD 88)	LOWEST ADJACENT GRADE ELEVATION (NAVD 88)	LOWEST LOT ELEVATION (NAVD 88)
Tracts 6 & 7	--	--	6525 U.S. Highway 60 West	Structure	X (shaded)	--	342.2 feet	--

**Special Flood Hazard Area (SFHA)** - The SFHA is an area that would be inundated by the flood having a 1-percent chance of being equaled or exceeded in any given year (base flood).

ADDITIONAL CONSIDERATIONS (Please refer to the appropriate section on Attachment 1 for the additional considerations listed below.)

INADVERTENT INCLUSION FLOODWAY 1  
PORTIONS REMAIN IN THE SFHA

This document provides the Federal Emergency Management Agency's determination regarding a request for a Letter of Map Revision for the property described above. Using the information submitted and the effective National Flood Insurance Program (NFIP) map, we have determined that the structure(s) on the property(ies) is/are not located in the NFIP regulatory floodway or the SFHA, an area inundated by the flood having a 1-percent chance of being equaled or exceeded in any given year (base flood). This document revises the effective NFIP map to remove the subject property from the NFIP regulatory floodway and the SFHA located on the effective NFIP map; therefore, the Federal mandatory flood insurance requirement does not apply. However, the lender has the option to continue the flood insurance requirement to protect its financial risk on the loan. A Preferred Risk Policy (PRP) is available for buildings located outside the SFHA. Information about the PRP and how one can apply is enclosed.

This determination is based on the flood data presently available. The enclosed documents provide additional information regarding this determination. If you have any questions about this document, please contact the FEMA Map Assistance Center toll free at (877) 336-2627 (877-FEMA MAP) or by letter addressed to the Federal Emergency Management Agency, Engineering Library, 847 South Pickett Street, Alexandria, VA 22304-4605.

Luis Rodriguez, P.E., Chief  
Engineering Management Branch  
Federal Insurance and Mitigation Administration





# Federal Emergency Management Agency

Washington, D.C. 20472

## LETTER OF MAP REVISION FLOODWAY DETERMINATION DOCUMENT (REMOVAL)

### ATTACHMENT 1 (ADDITIONAL CONSIDERATIONS)

#### **INADVERTENT INCLUSION IN THE FLOODWAY 1 (PORTIONS OF THE PROPERTY REMAIN IN THE FLOODWAY) (This Additional Consideration applies to the preceding 1 Property.)**

A portion of this property is located within the National Flood Insurance Program (NFIP) regulatory floodway for the flooding source indicated on the Determination Document, while the subject of this determination is not. The NFIP regulatory floodway is the area that must remain unobstructed in order to prevent unacceptable increases in base flood elevations. Therefore, no construction may take place in an NFIP regulatory floodway that may cause an increase in the base flood elevation, and any future construction or substantial improvement on the property remains subject to Federal, State/Commonwealth, and local regulations for floodplain management. The NFIP regulatory floodway is provided to the community as a tool to regulate floodplain development. Therefore, the NFIP regulatory floodway modification described in the Determination Document, while acceptable to the Federal Emergency Management Agency (FEMA), must also be acceptable to the community and adopted by appropriate community action, as specified in Paragraph 60.3(d) of the NFIP regulations. Any proposed revision to the NFIP regulatory floodway must be submitted to FEMA by community officials. The community should contact either the Regional Director (for those communities in Regions I-IV, and VI-X), or the Regional Engineer (for those communities in Region V) for guidance on the data which must be submitted for a revision to the NFIP regulatory floodway. Contact information for each regional office can be obtained by calling the FEMA Map Assistance Center toll free at (877) 336-2627 (877-FEMA MAP) or from our web site at <http://www.fema.gov/about/regoff.htm>.

#### **PORTIONS OF THE PROPERTY REMAIN IN THE SFHA (This Additional Consideration applies to the preceding 1 Property.)**

Portions of this property, but not the subject of the Determination/Comment document, may remain in the Special Flood Hazard Area. Therefore, any future construction or substantial improvement on the property remains subject to Federal, State/Commonwealth, and local regulations for floodplain management.

This attachment provides additional information regarding this request. If you have any questions about this attachment, please contact the FEMA Map Assistance Center toll free at (877) 336-2627 (877-FEMA MAP) or by letter addressed to the Federal Emergency Management Agency, Engineering Library, 847 South Pickett Street, Alexandria, VA 22304-4605.

A handwritten signature in black ink, appearing to read "Luis Rodriguez".

Luis Rodriguez, P.E., Chief  
Engineering Management Branch  
Federal Insurance and Mitigation Administration

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17. Refer to the Masa Testimony, Exhibit TEM-1, Section 04, Assumptions, page 2 regarding the structural systems for the existing pre-engineered metal building that will be repurposed to an engineering and operations center and the construction of the new administrative building. Provide the rationale for proposing a hardened construction area to withstand 250 mph wind speeds and state whether this type of system design is standard for the construction of an office building in Kentucky.

**Response:**

Jackson Purchase's critical systems are protected by the referenced hardened construction. The extents of the hardened construction are approximately 2,600sf of the entire office space. This would allow JPEC staff to continue to operate their critical systems safely during an emergency response, and even after a severe weather event. The space will also be utilized by the entire JPEC staff in an emergency event.

Hardened construction is not typical of an office building in Kentucky. However, section 423.3 of the 2018 Kentucky Building Code (based on the 2015 IBC) states: In areas where the shelter design wind speed for tornados in accordance with Figure 304.2(1) of ICC 500 (see attached) is 250 MPH, 911 call stations, emergency operation centers and fire, rescue, ambulance and police stations shall have a storm shelter constructed in accordance with ICC 500. This requirement is for newly constructed buildings. While a storm shelter is not required per the International Existing Building Code, Kentucky does not list that code as one the state has recognized. Based on that and Paducah's geographic location, which is within the 250mph wind zone per the ICC 500 map, JPEC felt it would be prudent to include this type of construction in their facility. Hardened construction around critical facilities is typical construction for the majority of the Cooperatives that we've designed around the country.

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18. Refer to the Masa Testimony, Exhibit TEM-1, Section 06, Existing Functionality Assessment. On the initial page that shows the Functionality Score schedule, describe in detail the Standard Ratings column. Further, describe in detail the meaning of the numerical values assigned to each row under the Standard Ratings column.

**Response:**

The Standard Rating Column is the benchmark to compare the actual score of the site and buildings, setting a Good, Marginal or Poor rating. The site standard rating can be further defined with the following information:

Total Score Possible is 18;

A total score of 12 through 18 indicates good site feasibility;

A total score of 11 through 9 is marginal and the feasibility for reuse will be determined by other factors;

A total score of 8 or less indicates poor site feasibility.

The building rating can be further defined with the following information:

A total score of 18 or more Indicates good feasibility for renovation;

A score between 17 and 13 is marginal and the feasibility for renovation would be determined by other factors;

A total score of 12 or less Indicates poor feasibility for renovation.

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19. Refer to the Masa Testimony, Exhibit TEM-1, Section 06, Existing Functionality Assessment, regarding the individual scoresheets assessing the existing office building, vehicle storage building, and warehouse building. Explain why each of the current buildings was assigned a zero score in category A, which evaluates the adequacy of the size of each building.

**Response:**

Based on our knowledge of Electric Cooperatives and their needs to function efficiently, a program was derived for JPEC's square footage needs. Each of the existing buildings was given a zero in the evaluation of the adequacy of the size of each building, because their current needs to operate in an efficient manner were not being met. (Per the scorecard, under 75% of their current needs were being met in their existing facility.) See the table below that shows the existing square footage of the facilities compared to the programmed requirements:

BUILDING SF SUMMARY	Existing Facility	New Program
Office	17,500	<b>14,643</b>
E&O Office	(Combined with Office above)	<b>10,361</b>
Warehouse	11,750	<b>21,996</b>
Enclosed Vehicle Storage	11,750	<b>25,122</b>
Vehicle Maintenance	(Combined with EVS above)	<b>8,000</b>

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20. Refer to the Masa Testimony, Exhibit TEM-1, Section 07, Needs Assessment.
- a. Explain the need for President/CEO office to include a 100 sq. ft. closet.
  - b. Explain the need for a multi-purpose room with a catering kitchen.
  - c. Explain the need for a wellness center.

**Response:**

- a. The space identified for a closet to the CEO office would be for personal storage needs and confidential documents.
- b. Jackson Purchase is including a multi-purpose room and the catering kitchen so that it can host all employee meetings and trainings, and mutual aid crews that may be needed in times of emergency. Jackson Purchase's members may also be able to use the multi-purpose room and catering kitchen. Jackson Purchase hosts events for both its employees and its members, including their families. Providing excellent member service is a primary focus of Jackson Purchase and these facilities will aid Jackson Purchase in accomplishing this goal.
- c. Jackson Purchase is invested in the well-being of its employees and Board Members. Jackson Purchase wants to encourage its employees to live a healthy lifestyle, which is a win/win for the Cooperative. Employees feel better and are more likely to be productive and healthy, which leads to less time off for health issues and keeps employee health care costs lower. Additionally, the wellness center may also aid Jackson Purchase in achieving health insurance savings.

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21. Refer to the Masa Testimony, Exhibit TEM-1, Section 08, Facility Design Options, Option B (Repurpose Building).
- a. Explain why the cost is the same for the Enclosed Vehicle Storage and the Warehouse when they differ in square footage.
  - b. Explain how the resale value of the existing building was determined. Provide all information utilized in making the determination of the resale value of the existing building (i.e., comparable sales, cost manuals, etc.).
  - c. Explain whether the resale value of the existing building includes the land value.

**Response:**

- a. The range of cost provided at the cost estimate for the Facility Planning Study would have covered any difference in the square footage. The cost per square foot is \$22 and for 1,000 SF it would have been around \$22,000.
- b. Please see response 4(d) above including the attachment.
- c. It is Jackson Purchase's understanding that the value in the appraisal is for the entire property, including the land.

Witnesses: Tim Masa and Ronald Bacon

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22. Refer to the Masa Testimony, Exhibit TEM-1, Section 09, Option B. Explain why the proposed site was chosen when it is located in a flood plain. Also, identify the incremental costs associated with site improvement measures for facilities located in a flood plain compared to facilities not located in a flood plain.

**Response:**

Please see the response and attachment to Request 16. The Letter of Map Revision Floodway Determination Document (Removal) issued by FEMA dated 12/13/12 documents that the structure on tracts 6 and 7 (the Sports Plex Building) has been removed from the Special Flood Hazard Area. Therefore, the existing structure does not require any revisions to the grade, no costs were included for such changes to the existing floor elevation of the building.

No incremental costs were included or anticipated in the cost estimate.

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23. Refer to the Masa Testimony, Exhibit TEM-4, unnumbered page 3, regarding the scope of work changes. Explain the need to add a second generator.

**Response:**

The purpose of the smaller second generator was to provide redundant back up to the hardened area. The Jackson Purchase Electric Cooperative critical systems are protected by the referenced hardened construction. The extents of the hardened construction are approximately 2,600sf of the entire office space. This would allow JPEC staff to continue to operate their critical systems safely during an emergency response, and even after a severe weather event. The space will also be utilized by the entire JPEC staff in an emergency event.



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24. Refer to the Direct Testimony of Ronald S. Bacon (Bacon Testimony), page 7, lines 10-11, regarding the statement that the existing buildings have been maintained as well as expected. Provide support for this statement.

**Response:**

Maintenance in this case would refer to items such as painting, roofing, cleaning gutters and roof drains, re-caulking windows, adjusting doors that won't close, repairs of mechanical equipment, and patching drywall cracks. These items all appeared to be ongoing and up-to-date. The problems described in the report are inherent to the original design and age of the design and are not correctable with typical maintenance functions.

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25. Refer to the Bacon Testimony, page 7, line 18, regarding the need to remove and replace the roof of the office building. Refer also to the Masa Testimony, Exhibit TEM-1, Section 05, Property Condition Assessment, page 23, which provides that the current office building roof was replaced in 2010 that came with a 20-year warranty. Explain why the roof on the office building will need to be removed and replaced when a new roof was placed on the building less than ten years ago.

**Response:**

The actual full comment was removing and replacing the roof with additional insulation. The key goal would be to add more insulation to reduce size changes of the steel roof framing due to outside temperatures as much as possible. In doing so, the weathertight membrane would have to be removed and would therefore also have to be replaced.