

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF JACKSON)	
PURCHASE ENERGY CORPORATION FOR)	CASE NO.
GENERAL ADJUSTMENT OF RATES)	2021-00358
AND OTHER GENERAL RELIEF)	

**RESPONSES TO COMMISSION STAFF'S POST-HEARING REQUEST
FOR INFORMATION TO JACKSON PURCHASE ENERGY
CORPORATION DATED FEBRUARY 25, 2022**

Filed: March 8, 2022

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE ELECTRONIC APPLICATION OF)
JACKSON PURCHASE ENERGY)
CORPORATION FOR A GENERAL)
ADJUSTMENT OF RATES AND OTHER)
GENERAL RELIEF)

Case No. 2021-00358

VERIFICATION OF JEFFREY R. WILLIAMS

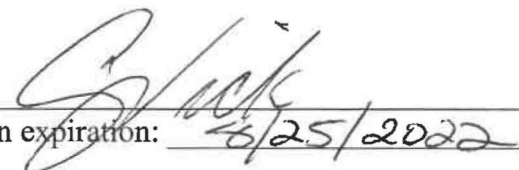
COMMONWEALTH OF KENTUCKY)
)
COUNTY OF McCRACKEN)

Jeffrey R. Williams, CFO-VP, Finance and Accounting, of Jackson Purchase Energy Corporation, being duly sworn, states that he has supervised the preparation of certain responses to Commission Staff's Post-Hearing Request for Information in the above-referenced case and that the matters and things set forth therein are true and accurate to the best of his knowledge, information and belief, formed after reasonable inquiry.


Jeffrey R. Williams

The foregoing Verification was signed, acknowledged and sworn to before me this 17th day of March, 2022, by Jeffrey R. Williams.




Commission expiration: 8/25/2022

JACKSON PURCHASE ENERGY CORPORATION
PSC CASE NO. 2021-00358
POST-HEARING REQUEST FOR INFORMATION RESPONSE

POST-HEARING REQUEST FOR INFORMATION 02/25/22

REQUEST 1

RESPONSIBLE PERSON: Jeff Williams

COMPANY: Jackson Purchase Energy Corporation

Request 1. Provide Jackson Purchase’s payroll for the calendar years ended December 31, 2019 and December 31, 2021 expressed as the total payroll, amount of payroll expensed, payroll capitalized, and any payroll classified as other.

Response 1. Please see the table below. These costs are per the general ledger and will differ slightly from the data used in the pro forma adjustment, which was calculated based upon an hourly report by pay date.

Jackson Purchase Energy

	2019		2021	
	Amount	%	Amount	%
Payroll Expensed	\$ 3,475,649	56%	\$ 3,389,173	51%
Payrol Capitalized	1,501,294	24%	1,645,426	25%
Payroll Other	1,256,275	20%	1,567,544	24%
Total	\$ 6,233,218		\$ 6,602,143	

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REQUEST 2

RESPONSIBLE PERSON: **Jeff Williams**

COMPANY: **Jackson Purchase Energy Corporation**

Request 2. Provide the number of regular, overtime, and other hours worked for the calendar year ended December 31, 2021.

Response 2. Please see table below. Please note that the overtime report is run by pay period so it will differ slightly from what is in the general ledger for each calendar year. The general ledger does not have a report showing costs by hour or hours.

	2021
Regular Hours	140,507
Overtime Hours	20,384
Other Hours	6,168
Total	167,058

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REQUEST 3

RESPONSIBLE PERSON: Jeff Williams

COMPANY: Jackson Purchase Energy Corporation

Request 3. Provide the salaries expensed for accounts 580, 590, 901, 910 and 920 for the calendar years 2016 through 2021.

Response 3. Please see attached. The attachment is an Excel spreadsheet which is being uploaded into the Commission's electronic filing system separately.

ATTACHMENTS
ARE EXCEL
SPREADSHEETS
AND UPLOADED
SEPARATELY

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REQUEST 4

RESPONSIBLE PERSON: **Jeff Williams**

COMPANY: **Jackson Purchase Energy Corporation**

Request 4. Provide the number of full-time equivalents for the calendar years
2016-2021.

Response 4. Please see table below.

	2016	2017	2018	2019	2020	2021
January	71	64	66	66	70	67
February	70	64	66	66	70	67
March	70	64	65	68	69	70
April	70	64	66	68	69	70
May	69	64	64	69	68	68
June	69	64	64	69	69	68
July	66	63	64	74	69	68
August	64	63	64	75	69	67
September	64	64	66	73	70	67
October	64	64	66	70	69	66
November	64	63	66	70	69	66
December	64	65	65	70	68	68

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REQUEST 5

RESPONSIBLE PERSON: Jeff Williams

COMPANY: Jackson Purchase Energy Corporation

Request 5. Provide an itemized list of contractual services expense for the calendar years 2016 through 2021.

Response 5. Please see attached. The attachment is an Excel spreadsheet which is being uploaded into the Commission electronic filing system separately.

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REQUEST 6

RESPONSIBLE PERSON: Jeff Williams

COMPANY: Jackson Purchase Energy Corporation

Request 6. Refer to Jackson Purchase’s response to the Attorney General’s First Request for Information, Item 14(g), page 6 of 6. Provide an updated version of the schedule of electric expense attributable to Jackson Purchase’s headquarters building to include November and December 2021, and January 2022, separated by month.

Response 6. Please see updated information through January 2022. Please note that the meter was originally set in March 2021 with limited initial usage. Staff moved to the new headquarters in May 2021 and the first reading of the meter took place for June 2021, which included multiple months of usage.

Month	Amount	Account	KWH
21-Jun	\$ 15,254.75	555	201,250
21-Jul	\$ 5,271.60	555	69,000
21-Aug	\$ 4,934.40	555	64,250
21-Sep	\$ 4,223.75	555	54,500
21-Oct	\$ 5,134.38	555	66,250
21-Nov	\$ 9,503.80	555	122,000
21-Dec	\$ 9,172.80	555	117,000
22-Jan	\$ 14,420.18	555	170,250

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REQUEST 7

RESPONSIBLE PERSON: Jeff Williams

COMPANY: Jackson Purchase Energy Corporation

Request 7. Refer to Jeff R. Williams' February 24, 2022 hearing video testimony, beginning at 2:51:01. Provide the amount of proceeds from the November 2021 RUS note not related to the new headquarters building in excess of the amount used to pay off a line-of-credit agreement (Excess Proceeds).

Response 7. The note from RUS in November 2021 in the amount of \$21,926,146 included borrowing for completed distribution projects of \$6,815,199 and borrowing for the completed headquarter project of \$15,110,947. Of this note, \$16,800,000 was used to pay off the line-of-credit agreement with CoBank. The excess allowed Jackson Purchase to have cash available to not borrow on the short-term line-of-credit agreements for the foreseeable future. These excess funds resulted in Jackson Purchase recommending taking the \$171,498.26 out of the test year for short-term interest expense.

JACKSON PURCHASE ENERGY COOPERATIVE
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REQUEST 8

RESPONSIBLE PERSON: Jeff Williams

COMPANY: Jackson Purchase Energy Corporation

Request 8. Provide an itemized list of projected expenditures with the Excess Proceeds from the November 2021 RUS note that are not related to the new headquarters building.

Response 8. The “excess proceeds” were funds borrowed from RUS that Jackson Purchase has already spent on distribution projects in the normal course of business. Therefore, there is no list of projects for which Jackson Purchase plans to use this money. With these excess funds, Jackson Purchase projects to save \$171,498.26 in short-term interest over the test year, by not having to borrow on a short-term basis for the foreseeable future. In the future, Jackson Purchase could use some of these funds for other projects if it chooses, specifically if interest rates rise dramatically. That is one option moving forward.

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REQUEST 9

RESPONSIBLE PERSON: Jeff Williams

COMPANY: Jackson Purchase Energy Corporation

Request 9. Refer to the Direct Testimony of Jeff R. Williams, Exhibit JRW-1.

Provide an updated version of Exhibit JRW-1 that includes the information for calendar years 2005, 2006, and 2007.

Response 9. Please see attached. The attachment, updated Exhibit JRW – 1, is an Excel spreadsheet which is being uploaded into the Commission’s electronic filing system separately.

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REQUEST 10

RESPONSIBLE PERSON: Jeff Williams

COMPANY: Jackson Purchase Energy Corporation

Request 10. Refer to the Williams' Direct Testimony, Exhibit JRW-1. Provide the same information for calendar year 2021, broken down by month.

Response 10. Please see attached. The attachment is an Excel spreadsheet which is being uploaded into the Commission's electronic filing system separately. Please note that the December 2021 information is preliminary.

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REQUEST 11

RESPONSIBLE PERSON: Jeff Williams

COMPANY: Jackson Purchase Energy Corporation

Request 11. Provide cost support for Jackson Purchase’s Meter Test Request Fee.

Response 11. Please see the table below.

Meter Tests				
<u>Employee</u>	<u>Time/Min</u>	<u>Labor Rate/hr</u>	<u>Overhead Rate</u>	<u>Cost</u>
Meter Reader	60	32.74	73%	\$ 56.64
MSR	20	27.91	56%	\$ 14.51
Substation Crew	30	38.51	73%	\$ 33.31
<u>Transportation</u>	<u>Time/Hour</u>	<u>Rate/Hour</u>		<u>Cost</u>
Service Truck	1	19		\$ 19.00
TOTAL COST				\$ 123.46

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REQUEST 12

RESPONSIBLE PERSON: Jeff Williams

COMPANY: Jackson Purchase Energy Corporation

Request 12. Explain whether the current contract between Jackson Purchase and Townsend Tree Service includes any remedy available to Jackson Purchase for customer outages related to Townsend Tree Service’s failure to meet the contractual obligation regarding the number of miles of right-of-way to clear.

Response 12. The current contract does not include language pertaining to remedies for customer outages. There is, however, language that allows a penalty of \$1,000 per day if Townsend does not complete 250 miles of circuit clearing before December 16, 2022.

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REQUEST 13

RESPONSIBLE PERSON: Jeff Williams

COMPANY: Jackson Purchase Energy Corporation

Request 13. Provide the number of hot spot trimming events and hot spot trimming mileage per circuit for the past five calendar years, and indicate when the right-of-way for that circuit was last cleared and when the circuit was scheduled to be cleared based upon Jackson Purchase's right-of-way plan.

Response 13. Please see the table below for the number of hot spot events. Hot spot trimming on a circuit basis and per mile is not available.

2017 – 403

2018 – 376

2019 – 776

2020 – 614

2021 – 553

2022 – 35 (YTD)

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REQUEST 14

RESPONSIBLE PERSON: Jeff Williams

COMPANY: Jackson Purchase Energy Corporation

Request 14. Provide the frequency that Jackson Purchase charges customers the meter pole perpetual lease fee. For example, whether it is a one-time fee, annual fee, or monthly fee.

Response 14. It is a one-time fee to cover the cost of the pole.