

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

Case No. 2021-00358

JACKSON PURCHASE ENERGY CORPORATION'S
APPLICATION

Comes now Jackson Purchase Energy Corporation (“Jackson Purchase”), by counsel, pursuant to KRS 278.180, KRS 278.190, 807 KAR 5:001, and other law, and does hereby request the Kentucky Public Service Commission (“Commission”) to grant it a general adjustment of rates, respectfully stating as follows:

I. INTRODUCTION

1. Jackson Purchase is a not-for-profit, member-owned, rural electric distribution cooperative organized under KRS Chapter 279. Jackson Purchase is engaged in the business of distributing retail electric power to approximately 30,000 members in the Kentucky counties of Ballard, Carlisle, Graves, Livingston, Marshall and McCracken. It owns approximately 3,000 circuit miles of distribution line in its service territory, and purchases its power requirements from Big Rivers Electric Corporation pursuant to a Wholesale Power Contract dated October 14, 1977, and subsequent amendments. Jackson Purchase is a “utility” as that term is defined in KRS 278.010(3)(a), and subject to the rates and service jurisdiction of the Commission.

2. Jackson Purchase's current rates were set by Order dated June 20, 2019, in a case¹ filed and processed under the Commission's pilot "streamlined procedure"². The Commission allowed an increase in revenues from base rates of \$1,308,142, or 1.98%, resulting in a Times Interest Earned Ratio ("TIER") of 2.0X, an Operating Times Interest Earned Ratio ("OTIER") of 1.74X, and an increase in projected net margins of \$2,041,806. Included in this revenue increase was an upward adjustment of the monthly residential customer charge from \$12.45 to \$16.40.

3. Prior to the 2019 streamlined procedure case Jackson Purchase's last full rate case was in 2007 and was concluded following a Joint Settlement Stipulation and Recommendation.³ Rates resulting in an overall revenue increase of \$3,380,983, or 8.85%, went into effect on June 25, 2008.⁴

4. Thanks in part to aggressive cost control measures, diligent management and board oversight, and favorable federal policies including the Rural Utilities Service's ("RUS") Cushion of Credit program, Jackson Purchase's retail base rates have only increased by a combined amount of less than \$4,700,000 over the past 13 years. However, in the ensuing years Jackson Purchase's energy sales have declined while purchased power and other costs of conducting business have increased in most every portion of Jackson Purchase's operations. This situation has resulted in a degradation of Jackson Purchase's financial condition and jeopardizes its ability to maintain loan covenants with its lenders, specifically RUS. Further details concerning the greatest cost drivers

¹ See Case No. 2019-00053, *The Electronic Application of Jackson Purchase Energy Corporation for a General Adjustment of Rates Pursuant to Streamlined Procedure Pilot Program Established in Case No. 2018-00407* (Ky. PSC June 20, 2019).

² See Case No. 2018-00407, *A Review of the Rate Case Procedure for Electric Distribution Cooperatives* (Ky. PSC December 11, 2018).

³ See Case No. 2007-00116, *General Adjustment of Electric Rates of Jackson Purchase Energy Corporation*.

⁴ See *Id.*, Order (Ky. PSC June 17, 2008).

necessitating this rate adjustment request are provided in witness testimony and supporting exhibits included in this application.

5. In order to address Jackson Purchase's current undesirable financial condition, the cooperative's Board of Directors, in conjunction with its management, has determined that a general adjustment of retail rates is necessary in order to account for increased cost of doing business specifically in right-of-way management, cumulative inflationary pressures since its last full rate case over 13 years ago, build equity, improve its overall financial condition, and satisfy current and future loan covenants. Consistent with KRS 278.030(1), Jackson Purchase seeks Commission approval to demand, collect and receive fair, just and reasonable rates for the retail service it provides. Specifically, Jackson Purchase seeks approval to increase its annual revenues by \$7,301,495, or 10.5%, to achieve a TIER of 2.00X, which equates to an OTIER of 1.90X. Jackson Purchase bases its proposed rates on a twelve-month historical test period ending December 31, 2019. Included in this approval request is an increase of the monthly residential customer charge from \$16.40 to \$21.25. These rates are appropriately adjusted for known and measurable changes, and Jackson Purchase proposes that its revised tariff schedules become effective as of November 14, 2021.

II. FILING REQUIREMENTS

6. Pursuant to 807 KAR 5:001 Section 14(1), Jackson Purchase's mailing address is 6525 U.S. Highway 60 W, Paducah, Kentucky 42001, and its electronic mailing address is jeff.williams@jpenergy.com. Jackson Purchase requests that the following individuals be included on the service list:

Greg Grissom, Jackson Purchase's President & Chief Executive Officer:

greg.grissom@jpenergy.com

Jeff Williams, Jackson Purchase's Vice President of Finance & Accounting:

jeff.williams@jpenenergy.com

Counsel for Jackson Purchase, Mark David Goss and L. Allyson Honaker:

mdgoss@gosssamfordlaw.com

allyson@gosssamfordlaw.com

7. Pursuant to 807 KAR 5:001, Section 14(2), Jackson Purchase is a Kentucky corporation, in good standing, and was incorporated on June 12, 1937.

8. Pursuant to 807 KAR 5:001, Section 16(1)(a), Jackson Purchase's application is based upon an historic test year ending December 31, 2019, that include adjustments for known and measurable changes.

9. Pursuant to 807 KAR 5:001, Section 16(1)(b)1., Jackson Purchase's application is supported by the testimony of three witnesses and numerous schedules and exhibits which detail the reason the adjustment is required.

10. Pursuant to 807 KAR 5:001, Section 16(1)(b)2., Jackson Purchase does not operate under an assumed name.

11. Pursuant to 807 KAR 5:001, Section 16(1)(b)3., revised tariff sheets are attached hereto. Jackson Purchase's new rates are proposed to be effective November 14, 2021.

12. Pursuant to 807 KAR 5:001, Section 16(1)(b)4., revised tariff sheets showing the proposed tariff sheets with italicized inserts and strikethroughs over proposed deletions are attached hereto.

13. Pursuant to 807 KAR 5:001, Section 16(1)(b)5., Jackson Purchase states that notice has been given in accordance with 807 KAR 5:001, Section 17.

14. Pursuant to 807 KAR 5:001, Section 16(2), Notice of Intent was filed with the Commission and transmitted to the Kentucky Attorney General's Office of Rate Intervention on September 10, 2021.

15. Pursuant to 807 KAR 5:001, Section 16(3), notice has been given in accordance with 807 KAR 5:001, Section 17.

16. Pursuant to 807 KAR 5:001, Section 16(4), Jackson Purchase provides a Table of Contents of the exhibits which are required to support a rate application utilizing an historic test year. This Table of Contents immediately follows and is specifically incorporated into the application to demonstrate compliance with all filing requirements.

17. The filing requirements set forth in 807 KAR 5:001, Sections 16(4)(c), (f), (p), (s), and (v) do not apply because Jackson Purchase: (1) has gross annual revenues greater than \$ 5,000,000; (2) is not an incumbent local exchange carrier; (3) has not tendered any stock or bond offerings; (4) is not a Securities and Exchange Commission registrant; and, (5) is not a local exchange carrier with more than 50,000 access lines.

18. Pursuant to 807 KAR 5:001, Section 16(5)(a), a detailed income statement and balance sheet reflecting the impact of all proposed adjustments.

19. Pursuant to 807 KAR 5:001, Section 16(5)(b), the most recent capital construction budget containing at least the period of time as proposed for any pro forma adjustment for plant additions. The only pro forma adjustments for plant additions involve Jackson Purchase's new headquarters building. The new headquarters building was not included in Jackson Purchase's

regular capital construction budget since it was an extraordinary expenditure requiring approval from the Board of Directors and the Commission.⁵

20. Pursuant to 807 KAR 5:001, Section 16(5)(c)1-8, the information required for each pro forma adjustment reflecting plant additions.

21. Pursuant to 807 KAR 5:001, Section 16(5)(d), the operating budget for each month of the period encompassing the pro forma adjustments.

22. Pursuant to 807 KAR 5:002, Section 16(5)(e), the number of customers to be added to the test period end level of customers and related revenue requirements impact for all pro forma adjustments with complete details and supporting work papers.

23. Pursuant to the July 24, 2012 Order in Case No. 2008-00408, *Consideration of the New Federal Standards of the Energy Independence and Security Act of 2007*, a statement regarding consideration of cost-effective energy efficiency resources and impact of such resources on the test year.

24. Pursuant to the July 24, 2012 Order in Case No. 2012-00428, *Consideration of the Implementation of Smart Grid and Smart Meter Technologies*, a statement regarding smart grid and smart meter technologies and impact of such resources on the test year.

III. REASONS FOR AND SUMMARY OF RELIEF SOUGHT

25. Prior to Jackson Purchase's 2019 'streamlined' case, the most recent general rate adjustment became effective nearly 13 years ago. Because of the relatively small revenue increase resulting from the 2019 'streamlined' case Jackson Purchase informed the Commission that another 'streamlined' case would likely have to be filed in 2021. However, due to a substantial

⁵ Commission approval for the new headquarters building project was obtained in a final Order dated January 14, 2020. See Case No. 2019-00326, *Electronic Application of Jackson Purchase Energy Corporation for a Certificate of Public Convenience and Necessity to Construct a New Headquarters Facility*.

increase in general operating expenses and a continued decline in energy sales since that time, Jackson Purchase's management and board of directors decided that it was in the cooperative's best interest to request relief through a general rate case designed to produce sufficient revenues to align with the cost of providing safe and reliable service, all the while ensuring compliance with its loan covenants with lenders.

26. The biggest single reason for Jackson Purchase's decision to file a general rate case rather than a 'streamlined' case is the substantial increase in right-of-way management expense. As shown elsewhere in the application a pro forma adjustment of \$3,316,327 to the test year is attributable to this one item, and by itself accounts for approximately 45% of the requested revenue increase. Other significant adjustments to the test year include removing the following one-time extraordinary items: unclaimed capital credits returned to income (\$923,314); a Federal Emergency Management Agency ("FEMA") reserve that was cleared (\$726,456); using the Rural Utilities Service ("RUS") cushion of credit program to pay off RUS notes without prepayment penalty removed interest income of five percent (5%) on the balance (\$326,174); and, as referenced in Jackson Purchase's 2019 streamlined case, costs related to the new headquarters facility (\$850,880).

IV. OVERVIEW OF TESTIMONY

27. Further support for Jackson Purchase's requested relief is throughout this application and exhibits, particularly in the testimony of the following three witnesses:

a. Mr. Greg Grissom, Jackson Purchase's President and Chief Executive Officer, offers testimony describing, *inter alia*, the cooperative's business and existing retail electric distribution system, the events that preceded the filing of this case, and the cooperative's

need to increase its existing rates to ensure it may continue to provide safe, reliable retail electric service to its owner-members.

b. Mr. Jeffrey R. Williams, Jackson Purchase's Vice President of Finance and Accounting, who offers testimony describing, *inter alia*, the cooperative's financial condition, its expenses, and certain of its relevant practices and policies, as well as the necessity of the rate relief requested by the cooperative in this proceeding.

c. Mr. John Wolfram, expert consultant with Catalyst Consulting LLC, who offers testimony describing, *inter alia*, Jackson Purchase's rate classes, the calculation of Jackson Purchase's revenue requirement, the pro forma adjustments to the test period results, the results of a cost of service study and its process, the proposed allocation of the revenue increase to the rate classes, and the rate design, proposed rates, and estimated billing impact by rate class.

V. CONCLUSION

28. Jackson Purchase has initiated this proceeding because its existing retail rates do not provide sufficient revenue to ensure the financial strength of the cooperative. While it is always Jackson Purchase's goal to keep rates as low as possible, the expense of providing safe and reliable service must be recovered. Additionally, prudent management (and lender requirements) demand that healthy financial benchmarks be maintained. Jackson Purchase's application, supporting exhibits, schedules and testimony fully demonstrate that an adjustment to the company's wholesale base rates is both necessary and appropriate. Jackson Purchase respectfully requests the Commission to award it an increase in rates that is fair, just and reasonable so that Jackson Purchase may continue to build equity, maintain its healthy financial condition, satisfy current and future loan covenants, address substantial cost escalation seen on the operations side of its business, account for almost 13 years of inflationary pressures since its last full rate case,

and sustain its ability to provide safe, adequate and efficient service at rates that are fair, just and reasonable.

29. The preparation, filing and administration of this request for substantial rate relief necessitates, *inter alia*, the expenditure of money by Jackson Purchase for financial, rate and legal consultants. Jackson Purchase is entitled to and requests the Commission to allow recovery of all such reasonable expenses in its new rates amortized over a period of three (3) years.

WHEREFORE, on the basis of the foregoing, Jackson Purchase respectfully prays the Commission for the following relief:

1. Approve the adjustments of Jackson Purchase's base rates as set forth herein with an effective date to be November 14, 2021;
2. Approve Jackson Purchase's proposed changes to rate design;
3. Approve the changes to each of the tariffs described herein;
4. Approve recovery of reasonable rate case expenses in rate amortized over a period of three (3) years, or such other period which the Commission finds reasonable; and,
5. Grant Jackson Purchase any and all other due and proper relief to which it may appear entitled.

This 15th day of October, 2021.

Respectfully Submitted,

Mark David Goss

Mark David Goss

L. Allyson Honaker

Goss Samford, PLLC

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mdgoss@gosssamfordlaw.com

allyson@gosssamfordlaw.com

Counsel for Jackson Purchase Energy Corp.

CERTIFICATE OF SERVICE

This is to certify that the foregoing electronic filing was transmitted to the Commission for filing on October 15, 2021; that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding; by virtue of the Commission's July 22, 2021 Order in Case No. 2020-00085, a copy of the filing in paper medium shall not be required; and, a true and accurate copy of the filing has been electronically transmitted to the Kentucky Attorney General's Office of Rate Intervention at: rateintervention@ag.ky.gov.

Mark David Goss

Mark David Goss
Counsel for Jackson Purchase Energy Corp.

Jackson Purchase Energy Corporation
Case No. 2021-00358

Table of Contents

General Adjustment of Rates, Historical Test Year - Filing Requirements / Exhibit List

(Historical Test Period: Twelve Months Ending 12/31/2019)

Exhibit No.	Filing Requirement	Description	Sponsoring Witness(es)
1	807 KAR 5:001 § 16(1)(b)(1)	Statement of the reason the rate adjustment is required	Greg Grissom
2	807 KAR 5:001 § 16(1)(b)(2)	Certificate of assumed name or statement that one is not necessary	Jeff Williams
3	807 KAR 5:001 § 16(1)(b)(3)	Proposed tariff sheets	Jeff Williams
4	807 KAR 5:001 § 16(1)(b)(4)	Proposed tariff sheets with proposed changes identified	Jeff Williams
5	807 KAR 5:001 § 16(1)(b)(5)	Statement that compliant notice to customers has been given, with a copy of the notice	Greg Grissom
6	807 KAR 5:001 § 16(2) and KRS 278.180	Notice to the Kentucky Public Service Commission of intent to adjust rates	Greg Grissom
7	807 KAR 5:001 § 16(4)(a)	Complete description and quantified explanation for all proposed adjustments with proper support for proposed changes in price or activity levels, if applicable, and other factors that may affect the adjustment	John Wolfram
8	807 KAR 5:001 § 16(4)(b)	Written testimony of witnesses in support of Application (Mr. Grissom)	Greg Grissom
9	807 KAR 5:001 § 16(4)(b)	Written testimony of witnesses in support of Application (Mr. Williams)	Jeff Williams
10	807 KAR 5:001 § 16(4)(b)	Written testimony of witnesses in support of Application (Mr. Wolfram)	John Wolfram
-	807 KAR 5:001 § 16(4)(c)	<i>Not applicable - Utility has gross annual revenues greater than \$5 million</i>	N/A
11	807 KAR 5:001 § 16(4)(d)	Statement estimating the effect that each new rate will have upon the revenues of the utility, including the total amount of revenues resulting from the increase or decrease and percentage increase or decrease	John Wolfram
12	807 KAR 5:001 § 16(4)(e)	Effect upon the average bill for each customer classification to which the proposed rate change will apply	John Wolfram
-	807 KAR 5:001 § 16(4)(f)	<i>Not applicable - Utility is not an incumbent local exchange company</i>	N/A
13	807 KAR 5:001 § 16(4)(g)	Detailed analysis of customers' bills whereby revenues from the present and proposed rates can be readily determined for each customer class	John Wolfram
14	807 KAR 5:001 § 16(4)(h)	Summary of the utility's determination of its revenue requirements	John Wolfram
15	807 KAR 5:001 § 16(4)(i)	Reconciliation of the rate base and capital used to determine its revenue requirements	John Wolfram
16	807 KAR 5:001 § 16(4)(j)	Current chart of accounts if more detailed than the Uniform System of Accounts	Jeff Williams
17	807 KAR 5:001 § 16(4)(k)	Independent auditor's annual opinion report, with written communication from the independent auditor to the utility, if applicable, which indicates the existence of a material weakness in the utility's internal controls	Jeff Williams
18	807 KAR 5:001 § 16(4)(l)	Most recent Federal Energy Regulatory Commission audit report	Jeff Williams
19	807 KAR 5:001 § 16(4)(m)	Most recent FERC Financial Report FERC Form No.1, FERC Financial Report FERC Form No. 2, or Public Service Commission Form T (telephone)	Jeff Williams
20	807 KAR 5:001 § 16(4)(n)	Summary of latest depreciation study, or, reference by case number to depreciation schedule on file with the Commission	Jeff Williams
21	807 KAR 5:001 § 16(4)(o)	List of all commercially available or in-house developed computer software, programs, and models used in the development of the schedules and work papers associated with the filing of the utility's application	Jeff Williams
-	807 KAR 5:001 § 16(4)(p)	<i>Not applicable - Utility has made no stock or bond offerings</i>	N/A
22	807 KAR 5:001 § 16(4)(q)	Annual report to shareholders or members and statistical supplements covering the two (2) most recent years from the utility's application filing date	Jeff Williams
23	807 KAR 5:001 § 16(4)(r)	Monthly managerial reports providing financial results of operations for the twelve (12) months in the test period	Jeff Williams
-	807 KAR 5:001 § 16(4)(s)	<i>Not applicable--Utility's annual report on Form 10-K (most recent two (2) years), any Form 8-K issued during the past two (2) years, and any Form 10-Q issued during the past six (6) quarters updated as information becomes available</i>	N/A
24	807 KAR 5:001 § 16(4)(t)	Affiliate charges, allocations, and payments with description, explanation, and demonstration of reasonableness (including a detailed description of the method and amounts allocated or charged to the utility by the affiliate, an explanation of how the allocator for the test period was determined and all facts relied upon, including other regulatory approval, to demonstrate that each amount charged, allocated or paid during the test period was reasonable).	Jeff Williams
25	807 KAR 5:001 § 16(4)(u)	Cost of service study based on a methodology generally accepted within the industry and based on current and reliable data from a single time period	John Wolfram

Jackson Purchase Energy Corporation
Case No. 2021-00358

Table of Contents

General Adjustment of Rates, Historical Test Year - Filing Requirements / Exhibit List
(Historical Test Period: Twelve Months Ending 12/31/2019)

Exhibit No.	Filing Requirement	Description	Sponsoring Witness(es)
-	807 KAR 5:001 § 16(4)(v)	<i>Not applicable - Utility is not a local exchange carrier</i>	N/A
26	807 KAR 5:001 § 16(5)(a)	Detailed income statement and balance sheet reflecting the impact of all proposed adjustments	Jeff Williams & John Wolfram
27	807 KAR 5:001 § 16(5)(b)	Most recent capital construction budget containing at least the period of time as proposed for any pro forma adjustment for plant additions	Jeff Williams & John Wolfram
28	807 KAR 5:001 § 16(5)(c)	Detail regarding pro forma adjustments reflecting plant additions	Jeff Williams & John Wolfram
29	807 KAR 5:001 § 16(5)(d)	Operating budget for each month of the period encompassing the pro forma adjustments	Jeff Williams & John Wolfram
30	807 KAR 5:001 § 16(5)(e)	Number of customers to be added to the test period end level of customers and the related revenue requirements impact for all pro forma adjustments with complete details and supporting work papers	John Wolfram
31	Case No. 2008-00408 July 24, 2012 Order	Consideration of cost-effective energy efficiency resources and impact of such resources on test year	Jeff Williams
32	Case No. 2021-00428 July 24, 2012 Order	A discussion of smart grid investments	Jeff Williams

**Jackson Purchase Energy Corporation
Case No. 2021-00358
General Adjustment of Rates
Filing Requirements/Exhibit List**

Exhibit 1

**807 KAR 5:001 Section 16(1)(b)(1)
Sponsoring Witness: Greg Grissom**

Description of Filing Requirement:

Statement of the reason the rate adjustment is required

Response:

Jackson Purchase's Application generally, and specifically the written testimony provided at Exhibits 8 through 10, underscores the necessity of the adjustment requested by Jackson Purchase in this proceeding. Prior to Jackson Purchase's streamlined case in 2019, the most recent general rate adjustment went into effect nearly 13 years ago. As stated in responses to information requests in Case No. 2019-00053, Jackson Purchase projected to return in 2021 for adjustment of rates in another streamlined case. However, due to increased expenses and continued decline in sales volumes since that time, Jackson Purchase is requesting relief through a general rate case that will align with the cost of providing service and ensure compliance with essential financial metrics set by lenders in its loan covenants. Without an adjustment of rates in of the magnitude requested in this case, Jackson Purchase's insufficient rate structure will continue to put it at risk of non-compliance with its lenders, and could impair the excellent level of safe and reliable service its members deserve and expect.

**Case No.2021-00358
Application-Exhibit 1
*No Attachment***

**Jackson Purchase Energy Corporation
Case No. 2021-00358
General Adjustment of Rates
Filing Requirements/Exhibit List**

Exhibit 2

**807 KAR 5:001 Section 16(1)(b)(2)
Sponsoring Witness: Jeff Williams**

Description of Filing Requirement:

Certificate of assumed name or statement that one is not necessary

Response:

Jackson Purchase does not conduct or transact business under an assumed name, and thus it has not filed a Certificate of Assumed Name pursuant to KRS 365.015. Therefore, such a certificate is not necessary.

**Case No. 2021-00358
Application-Exhibit 2
*No Attachment***

**Jackson Purchase Energy Corporation
Case No. 2021-00358
General Adjustment of Rates
Filing Requirements/Exhibit List**

Exhibit 3

**807 KAR 5:001 Section 16(1)(b)(3)
Sponsoring Witness: Jeff Williams**

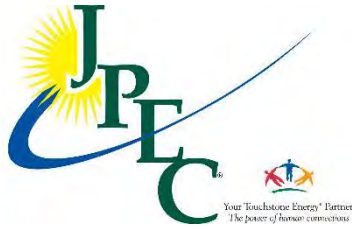
Description of Filing Requirement:

*New or revised tariff sheets, if applicable, in a format that complies with 807 KAR 5:011
with an effective date not less than thirty (30) days from the date the application is filed.*

Response:

Please see attached.

**Case No. 2021-00358
Application-Exhibit 3
Includes Attachment (6 pages)**



FOR Jackson Purchase Energy Corp.
Entire Territory Served
Community, Town or City

P.S.C. KY NO. 20

Sixth Revised SHEET NO. 1

CANCELLING P.S.C. KY NO. 20

Fifth Revised SHEET NO. 1

GENERAL INDEX	
SCHEDULE OF RATES	RULES AND REGULATIONS

Section 1 – Schedule of Rates

	Page Number	Effective Date
R - Residential	4	November 14, 2021 [I]
C-1 - Small Commercial Single Phase	7	November 14, 2021 [I]
C-3 - Small Commercial Three Phase	9	November 14, 2021 [I]
OL - Outdoor Lighting	11	February 6, 2021
D - Commercial and Industrial Demand Less Than 3,000 kW	14	November 14, 2021 [I]
I-E - Large Commercial and Industrial – Existing	18	November 14, 2021 [I]
L - Large Commercial and Industrial 3,000-5,000 kW	22	February 1, 2014
Non-Recurring Fees	26	September 17, 2010
NM - Net Metering	27	January 23, 2020
SPC-A - Small Power Production or Cogeneration Less Than 100 kW	55	June 25, 2008
SPC-B - Small Power Production or Cogeneration Greater Than 100 kW	56	June 25, 2008
CTAT - Cable Television Attachment Tariff	73	June 25, 2008
BRTC - Ballard Rural Telephone Cooperative Corporation, Inc. Tariff	82	June 25, 2008
DSM 01 - High Efficiency Lighting Replacement Program	90	August 6, 2018
DSM 02 - [DISCONTINUED]	91	August 6, 2018
DSM 03 - [DISCONTINUED]	92	August 6, 2018
DSM 04 - Residential High Efficiency Heating, Ventilation and Air Conditioning ("HVAC") Program	93	December 12, 2018
DSM 05 - [DISCONTINUED]	95	August 6, 2018
DSM 06 - [DISCONTINUED]	97	August 6, 2018
DSM 07 - Commercial/Industrial High Efficiency Lighting Replacement Incentive Program	98	December 12, 2018
DSM 08 - [DISCONTINUED]	100	August 6, 2018
DSM 09 - [DISCONTINUED]	102	August 6, 2018
DSM 10 - [DISCONTINUED]	104	August 6, 2018
DSM 11 - Commercial High Efficiency Heating, Ventilation and Air Conditioning ("HVAC") Program	106	December 12, 2018

DATE OF ISSUE October 15, 2021
 Month / Date / Year

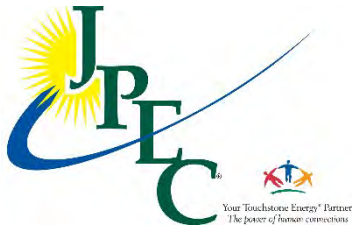
DATE EFFECTIVE November 14, 2021
 Month / Date / Year

ISSUED BY /s/ Greg Grissom
 Greg Grissom

TITLE President & CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. _____ DATED _____



Jackson Purchase Energy Corp.
FOR Entire Territory Served
Community, Town or City
P.S.C. KY NO. 20
Second Revised SHEET NO. 4
CANCELLING P.S.C. KY NO. 20
First Revised SHEET NO. 4

RATES AND CHARGES
SCHEDULE R – RESIDENTIAL

Applicability

Entire service territory.

Availability of Service

Available to all residential Members for use in the home and on the farm. Residential electric service is available for uses customarily associated with residential occupation, including lighting, cooking, heating, cooling, refrigeration, household appliances and other domestic purposes.

Residential rates are based on service to single family units and are not applicable to multi-family dwellings served through a single meter. Where two or more families occupy a residential building, JPEC may require as a condition precedent to the application of the residential rate that the wiring in the building be so arranged as to permit each family to be served through a separate meter. In those cases where such segregation of wiring would involve undue expense to the Member, at the Member’s option in lieu of the foregoing, electric service rendered to a multi-family residential building through a single meter will be classified as commercial and billed on the basis of service to a Member at an appropriate non-residential rate.

If a separate meter is used to measure the consumption to remotely located buildings, such as garages, barns, pump houses, grain bins or other outbuildings, or facilities, such as electric fences, it will be considered a separate service and be billed as a separate service at the applicable non-residential rate.

Type of Service

Single phase, 60 cycle at available secondary service voltages.

Rates

Facilities Charge:	Per month	\$21.25	[I]
All Energy:	Per kWh per month	\$0.114872	[I]

DATE OF ISSUE October 15, 2021
Month / Date / Year

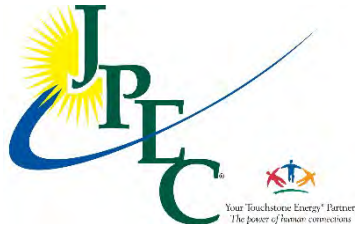
DATE EFFECTIVE November 14, 2021
Month / Date / Year

ISSUED BY /s/ Greg Grissom
Greg Grissom

TITLE President & CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. _____ DATED _____



Jackson Purchase Energy Corp.
FOR Entire Territory Served
Community, Town or City

P.S.C. KY NO. 20

Second Revised SHEET NO. 7

CANCELLING P.S.C. KY NO. 20

First Revised SHEET NO. 7

RATES AND CHARGES
SCHEDULE C-1 – SMALL COMMERCIAL SINGLE PHASE

Applicability

Entire service territory.

Availability of Service

To general lighting and small power commercial loads served at single phase available voltage levels.

Service under this schedule will be limited to maximum loads not exceeding 25 kW. Service to existing Members with a maximum load exceeding 25 kW is restricted to those Members being billed under the rate schedule as of its effective date of June 25, 2008. New Members, upon demonstrating an average demand of 25 kW or greater, will be served under the appropriate rate schedule, other than this schedule.

Type of Service

Single phase, 60 cycle at available voltages.

Rates

Facilities Charge:	Per month	\$21.25	[I]
All Energy:	Per kWh per month	\$0.114299	[I]

Payment Terms

The above rates are net, the gross rates being five percent (5%) higher. In the event the current bill is not paid on or before the due date as shown on the bill, the gross rates shall apply to any unpaid portion.

DATE OF ISSUE October 15, 2021
Month / Date / Year

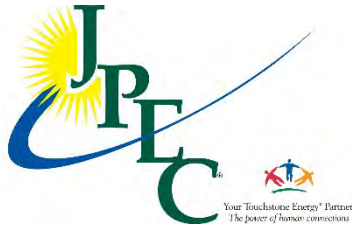
DATE EFFECTIVE November 14, 2021
Month / Date / Year

ISSUED BY /s/ Greg Grissom
Greg Grissom

TITLE President & CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. _____ DATED _____



Jackson Purchase Energy Corp.
FOR Entire Territory Served
Community, Town or City
P.S.C. KY NO. 20
First Revised
SHEET NO. 9
CANCELLING P.S.C. KY NO. 20
Original SHEET NO. 9

RATES AND CHARGES
SCHEDULE C-3 – SMALL COMMERCIAL THREE PHASE

Applicability

Entire service territory.

Availability of Service

To general lighting and small power commercial loads served at three phase available voltage levels and not exceeding 25 kW.

Type of Service

Three phase, 60 cycle at available voltages.

Rates

Facilities Charge:	Per month	\$32.27	[1]
All Energy:	Per kWh per month	\$0.101303	[1]

Payment Terms

The above rates are net, the gross rates being five percent (5%) higher. In the event the current bill is not paid on or before the due date as shown on the bill, the gross rates shall apply to any unpaid portion.

Adjustment Clauses

The bill amount computed at the rates specified above shall be increased or decreased in accordance with:

Franchise Fee Rider	Sheet	112
School Tax	Sheet	114
Fuel Adjustment Clause (FAC)	Sheet	115

DATE OF ISSUE October 15, 2021
Month / Date / Year

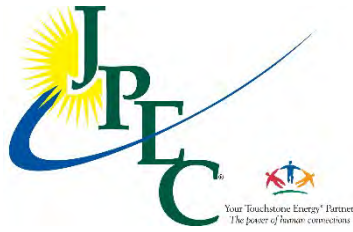
DATE EFFECTIVE November 14, 2021
Month / Date / Year

ISSUED BY /s/ Greg Grissom
Greg Grissom

TITLE President & CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. _____ DATED _____



Jackson Purchase Energy Corp.
FOR Entire Territory Served
Community, Town or City
P.S.C. KY NO. 20
First Revised SHEET NO. 14
CANCELLING P.S.C. KY NO. 20
Original SHEET NO. 14

RATES AND CHARGES
SCHEDULE D – COMMERCIAL AND INDUSTRIAL DEMAND LESS THAN 3,000 kW

Applicability

Entire service territory.

Availability of Service

To commercial and industrial Members with maximum single or three phase load greater than 25 kW and less than 3,000 kW.

Members, upon demonstrating a billed demand of 3,000 kW or greater in two (2) months of any consecutive thirteen (13) month period, will be served under the appropriate (excluding this) rate schedule and shall remain on that schedule for a minimum of twelve (12) consecutive months. For the first billed demand above 3,000 kW as referenced above, the Member’s consumption will be billed at the existing rate. For the second billed demand above 3,000 kW as referenced above, the Member’s consumption will be billed at the appropriate (excluding this) rate schedule.

Type of Service

Single phase or three phase, 60 cycle at available voltages.

Rates

Facilities Charge:	Per month	\$48.42	
Demand Charge:	Per kW per month	\$9.11	[I]
Energy:			
First	200 kWh per kW per month	\$0.062202 per kWh per month	
Next	200 kWh per kW per month	\$0.052104 per kWh per month	
Next	200 kWh per kW per month	\$0.046973 per kWh per month	
Over	600 kWh per kW per month	\$0.041993 per kWh per month	

DATE OF ISSUE October 15, 2021
Month / Date / Year

DATE EFFECTIVE November 14, 2021
Month / Date / Year

ISSUED BY /s/ Greg Grissom
Greg Grissom.

TITLE President & CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. _____ DATED _____



Jackson Purchase Energy Corp.
FOR Entire Territory Served
Community, Town or City
P.S.C. KY NO. 20
First Revised SHEET NO. 19
CANCELLING P.S.C. KY NO. 20
Original SHEET NO. 19

RATES AND CHARGES
SCHEDULE I-E – LARGE COMMERCIAL AND INDUSTRIAL – EXISTING

1. Member shall be served under this rate schedule as of the effective date of this schedule, June 25, 2008.
2. Member’s service characteristics shall meet the qualifications for service specified in the Big Rivers Large Industrial Customer Tariff.
3. It shall be the responsibility of the Member to coordinate through JPEC or its authorized agent all transactions that JPEC must take on behalf of the Member pursuant to the Big Rivers Large Industrial Tariff.

Monthly Charges

Service Charge:	Per month	\$414.97	
Demand Charge:	First 3,000 kW of billing demand per month	\$47,721.03	
	All additional kW per kW per month	\$15.91	
All Energy:	Per kWh per month	\$0.039414	[I]

Minimum Monthly Charge

The minimum monthly charges under this rate shall be the sum of the monthly Service Charge (\$414.97) and \$47,421.03 where 3,000 kVA or less of transformer capacity is required. For Members requiring more than 3,000 kVA of transformer capacity, the minimum monthly charge shall be increased by \$1.00 for each kVA or fraction thereof required above 3,000 kVA. Where it is necessary to extend or reinforce facilities in excess of standard service facilities, the minimum monthly charge may be increased to assure adequate compensation for the added facilities of one and one-half percent (1 1/2%) per month of the total cost of the excess facilities as a facilities charge for which no power and energy would be delivered. Any applicable Adjustment Clause, and applicable taxes shall be in addition to the charges above.

Determination of Billing Demand

The billing demand, in kilowatts (kW), shall be the Member’s maximum integrated thirty (30) minute demand at such delivery point during each billing period as determined by JPEC provided meter(s) which record at the end

DATE OF ISSUE October 15, 2021
Month / Date / Year
DATE EFFECTIVE November 14, 2021
Month / Date / Year
ISSUED BY /s/ Greg Grissom
Greg Grissom
TITLE President & CEO
BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. _____ DATED _____

**Jackson Purchase Energy Corporation
Case No. 2021-00358
General Adjustment of Rates
Filing Requirements/Exhibit List**

Exhibit 4

**807 KAR 5:001 Section 16(1)(b)(4)
Sponsoring Witness: Jeff Williams**

Description of Filing Requirement:

New or revised tariff sheets, if applicable identified in compliance with 807 KAR 5:011, shown either by providing:....A copy of the present tariff indicating proposed additions by italicized inserts or underscoring and striking over proposed deletions.

Response:

Please see attached.

**Case No. 2021-00358
Application-Exhibit 4
*Includes Attachment (6 pages)***



Jackson Purchase Energy Corp.
 Entire Territory Served
 Community, Town or City

P.S.C. KY NO. 20

~~Sixth~~ Revised SHEET NO. 1

CANCELLING P.S.C. KY NO. 20

~~Fifth~~ Revised SHEET NO. 1

GENERAL INDEX

SCHEDULE OF RATES	RULES AND REGULATIONS
-------------------	-----------------------

Section 1 – Schedule of Rates

	Page Number	Effective Date
R - Residential	4	November 14, 2021 [1]
C-1 - Small Commercial Single Phase	7	November 14, 2021 [1]
C-3 - Small Commercial Three Phase	9	November 14, 2021 [1]
OL - Outdoor Lighting	11	February 6, 2021
D - Commercial and Industrial Demand Less Than 3,000 kW	14	November 14, 2021 [1]
I-E - Large Commercial and Industrial – Existing	18	November 14, 2021 [1]
L - Large Commercial and Industrial 3,000-5,000 kW	22	February 1, 2014
Non-Recurring Fees	26	September 17, 2010
NM - Net Metering	27	January 23, 2020
SPC-A - Small Power Production or Cogeneration Less Than 100 kW	55	June 25, 2008
SPC-B - Small Power Production or Cogeneration Greater Than 100 kW	56	June 25, 2008
CTAT - Cable Television Attachment Tariff	73	June 25, 2008
BRTC - Ballard Rural Telephone Cooperative Corporation, Inc. Tariff	82	June 25, 2008
DSM 01 - High Efficiency Lighting Replacement Program	90	August 6, 2018
DSM 02 - [DISCONTINUED]	91	August 6, 2018
DSM 03 - [DISCONTINUED]	92	August 6, 2018
DSM 04 - Residential High Efficiency Heating, Ventilation and Air Conditioning ("HVAC") Program	93	December 12, 2018
DSM 05 - [DISCONTINUED]	95	August 6, 2018
DSM 06 - [DISCONTINUED]	97	August 6, 2018
DSM 07 - Commercial/Industrial High Efficiency Lighting Replacement Incentive Program	98	December 12, 2018
DSM 08 - [DISCONTINUED]	100	August 6, 2018
DSM 09 - [DISCONTINUED]	102	August 6, 2018
DSM 10 - [DISCONTINUED]	104	August 6, 2018
DSM 11 - Commercial High Efficiency Heating, Ventilation and Air Conditioning ("HVAC") Program	106	December 12, 2018

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DATE OF ISSUE October 15, 2021
 Month / Date / Year

DATE EFFECTIVE November 14, 2021
 Month / Date / Year

ISSUED BY /s/ Greg Grissom
 Greg Grissom

TITLE President & CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. _____ DATED _____



FOR Jackson Purchase Energy Corp.
 Entire Territory Served
 Community, Town or City

P.S.C. KY NO. 20

~~Second Revised~~ SHEET NO. 4

CANCELLING P.S.C. KY NO. 20

~~First Revised~~ SHEET NO. 4

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RATES AND CHARGES
 SCHEDULE R – RESIDENTIAL

Applicability

Entire service territory.

Availability of Service

Available to all residential Members for use in the home and on the farm. Residential electric service is available for uses customarily associated with residential occupation, including lighting, cooking, heating, cooling, refrigeration, household appliances and other domestic purposes.

Residential rates are based on service to single family units and are not applicable to multi-family dwellings served through a single meter. Where two or more families occupy a residential building, JPEC may require as a condition precedent to the application of the residential rate that the wiring in the building be so arranged as to permit each family to be served through a separate meter. In those cases where such segregation of wiring would involve undue expense to the Member, at the Member’s option in lieu of the foregoing, electric service rendered to a multi-family residential building through a single meter will be classified as commercial and billed on the basis of service to a Member at an appropriate non-residential rate.

If a separate meter is used to measure the consumption to remotely located buildings, such as garages, barns, pump houses, grain bins or other outbuildings, or facilities, such as electric fences, it will be considered a separate service and be billed as a separate service at the applicable non-residential rate.

Type of Service

Single phase, 60 cycle at available secondary service voltages.

Rates

Facilities Charge:	Per month	\$21.25
All Energy:	Per kWh per month	\$0.114872

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DATE OF ISSUE October 15, 2021
 Month / Date / Year

DATE EFFECTIVE November 14, 2021
 Month / Date / Year

ISSUED BY /s/ Greg Grissom
 Greg Grissom

TITLE President & CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. _____ DATED _____



Jackson Purchase Energy Corp.
FOR Entire Territory Served
Community, Town or City
P.S.C. KY NO. 20
~~Second Revised~~ SHEET NO. 7
CANCELLING P.S.C. KY NO. 20
~~First Revised~~ SHEET NO. 7

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RATES AND CHARGES
SCHEDULE C-1 – SMALL COMMERCIAL SINGLE PHASE

Applicability

Entire service territory.

Availability of Service

To general lighting and small power commercial loads served at single phase available voltage levels.

Service under this schedule will be limited to maximum loads not exceeding 25 kW. Service to existing Members with a maximum load exceeding 25 kW is restricted to those Members being billed under the rate schedule as of its effective date of June 25, 2008. New Members, upon demonstrating an average demand of 25 kW or greater, will be served under the appropriate rate schedule, other than this schedule.

Type of Service

Single phase, 60 cycle at available voltages.

Rates

Facilities Charge: Per month \$21.25 [1]
All Energy: Per kWh per month \$0.14299 [1]

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Payment Terms

The above rates are net, the gross rates being five percent (5%) higher. In the event the current bill is not paid on or before the due date as shown on the bill, the gross rates shall apply to any unpaid portion.

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DATE OF ISSUE ~~October 15, 2021~~
Month / Date / Year
DATE EFFECTIVE ~~November 14, 2021~~
Month / Date / Year
ISSUED BY /s/ Greg Grissom
Greg Grissom
TITLE President & CEO
BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. _____ DATED _____



FOR Jackson Purchase Energy Corp.
Entire Territory Served
Community, Town or City
P.S.C. KY NO. 20
First Revised
SHEET NO. 9
CANCELLING P.S.C. KY NO. 20
Original SHEET NO. 9

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RATES AND CHARGES
SCHEDULE C-3 – SMALL COMMERCIAL THREE PHASE

Applicability

Entire service territory.

Availability of Service

To general lighting and small power commercial loads served at three phase available voltage levels and not exceeding 25 kW.

Type of Service

Three phase, 60 cycle at available voltages.

Rates

Facilities Charge: Per month \$32.27 [1]
All Energy: Per kWh per month \$0.101303 [1]

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Payment Terms

The above rates are net, the gross rates being five percent (5%) higher. In the event the current bill is not paid on or before the due date as shown on the bill, the gross rates shall apply to any unpaid portion.

Adjustment Clauses

The bill amount computed at the rates specified above shall be increased or decreased in accordance with:

Franchise Fee Rider	Sheet	112
School Tax	Sheet	114
Fuel Adjustment Clause (FAC)	Sheet	115

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DATE OF ISSUE October 15, 2021
Month / Date / Year

DATE EFFECTIVE November 14, 2021
Month / Date / Year

ISSUED BY /s/ Greg Grissom
Greg Grissom

TITLE President & CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. _____ DATED _____



FOR Jackson Purchase Energy Corp.
 Entire Territory Served
 Community, Town or City

P.S.C. KY NO. 20

First Revised SHEET NO. 14

CANCELLING P.S.C. KY NO. 20

Original SHEET NO. 14

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RATES AND CHARGES
 SCHEDULE D – COMMERCIAL AND INDUSTRIAL DEMAND LESS THAN 3,000 kW

Applicability

Entire service territory.

Availability of Service

To commercial and industrial Members with maximum single or three phase load greater than 25 kW and less than 3,000 kW.

Members, upon demonstrating a billed demand of 3,000 kW or greater in two (2) months of any consecutive thirteen (13) month period, will be served under the appropriate (excluding this) rate schedule and shall remain on that schedule for a minimum of twelve (12) consecutive months. For the first billed demand above 3,000 kW as referenced above, the Member's consumption will be billed at the existing rate. For the second billed demand above 3,000 kW as referenced above, the Member's consumption will be billed at the appropriate (excluding this) rate schedule.

Type of Service

Single phase or three phase, 60 cycle at available voltages.

Rates

Facilities Charge:	Per month	\$48.42
Demand Charge:	Per kW per month	\$9.11
Energy:		
First	200 kWh per kW per month	\$0.062202 per kWh per month
Next	200 kWh per kW per month	\$0.052104 per kWh per month
Next	200 kWh per kW per month	\$0.046973 per kWh per month
Over	600 kWh per kW per month	\$0.041993 per kWh per month

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- Deleted: 2013-00384
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DATE EFFECTIVE November 14, 2021
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ISSUED BY /s/ Greg Grissom
 Greg Grissom

TITLE President & CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. _____ DATED _____



FOR Jackson Purchase Energy Corp.
Entire Territory Served
Community, Town or City
P.S.C. KY NO. 20
First Revised SHEET NO. 19
CANCELLING P.S.C. KY NO. 20
Original SHEET NO. 19

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RATES AND CHARGES
SCHEDULE I-E – LARGE COMMERCIAL AND INDUSTRIAL – EXISTING

- 1. Member shall be served under this rate schedule as of the effective date of this schedule, June 25, 2008.
- 2. Member's service characteristics shall meet the qualifications for service specified in the Big Rivers Large Industrial Customer Tariff.
- 3. It shall be the responsibility of the Member to coordinate through JPEC or its authorized agent all transactions that JPEC must take on behalf of the Member pursuant to the Big Rivers Large Industrial Tariff.

Monthly Charges

Service Charge:	Per month	\$414.97
Demand Charge:	First 3,000 kW of billing demand per month	\$47,721.03
	All additional kW per kW per month	\$15.91
All Energy:	Per kWh per month	\$0.039414 [I]

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Minimum Monthly Charge

The minimum monthly charges under this rate shall be the sum of the monthly Service Charge (\$414.97) and \$47,421.03 where 3,000 kVA or less of transformer capacity is required. For Members requiring more than 3,000 kVA of transformer capacity, the minimum monthly charge shall be increased by \$1.00 for each kVA or fraction thereof required above 3,000 kVA. Where it is necessary to extend or reinforce facilities in excess of standard service facilities, the minimum monthly charge may be increased to assure adequate compensation for the added facilities of one and one-half percent (1 1/2%) per month of the total cost of the excess facilities as a facilities charge for which no power and energy would be delivered. Any applicable Adjustment Clause, and applicable taxes shall be in addition to the charges above.

Determination of Billing Demand

The billing demand, in kilowatts (kW), shall be the Member's maximum integrated thirty (30) minute demand at such delivery point during each billing period as determined by JPEC provided meter(s) which record at the end

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DATE OF ISSUE October 15, 2021
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DATE EFFECTIVE November 14, 2021
Month / Date / Year
ISSUED BY /s/ Greg Grissom
Greg Grissom
TITLE President & CEO
BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. _____ DATED _____

Jackson Purchase Energy Corporation
Case No. 2021-00358
General Adjustment of Rates
Filing Requirements/Exhibit List

Exhibit 5

807 KAR 5:001 Section 16(1)(b)(5)
Sponsoring Witness: Greg Grissom

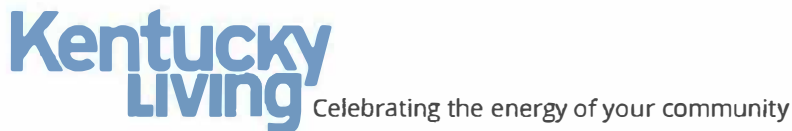
Description of Filing Requirement:

A statement that notice has been given in accordance with 807 KAR 5:001, Section 17, including the notice and affidavit.

Response:

Jackson Purchase has given notice in compliance with 807 KAR 5:001 Section 17. Specifically, as of the date Jackson Purchase submitted this Application to the Commission, Jackson Purchase has: (i) posted at its place of business a copy of the full notice required by the relevant regulation; (ii) posted to its website a copy of the full notice required by the relevant regulation and a hyperlink to the location on the Commission's website where the case documents are available; (iii) posted to its social media account a link to its website where a copy of the full notice required by the relevant regulation published may be found; (iv) published a copy of the notice in *Kentucky Living* magazine, which was sent to Members on October 1, 2021; and, (v) mailed a copy of the same notice to all Members who do not receive a copy of *Kentucky Living*. An affidavit of publication in *Kentucky Living* magazine and an affidavit for the mailing of customer notice and a copy of the letter sent with the notice are attached to this response.

Case No. 2021-00358
Application-Exhibit 5
Includes Attachment (8 pages)



AFFIDAVIT OF MAILING OF FILING NOTICE

Notice is hereby given that the October 2021 issue of *KENTUCKY LIVING*, bearing an official notice of the intent to file with the Public Service Commission a proposed general rate adjustment for **JACKSON PURCHASE ENERGY CORPORATION**, was entered as direct mail on September 27, 2021.

Shannon Brock
Managing Editor
Kentucky Living

County of Jefferson
State of Kentucky

Sworn to and subscribed before me, a Notary Public,

This 28th day of September, 2021.

My commission expires 3-1-2025

Notary Public, State of Kentucky
Comm. # KYNP 22697

Kentucky Association of Electric Cooperatives Inc.
P.O. Box 32170 | Louisville, KY 40232
1630 Lyndon Farm Court | Louisville, KY 40223

(502) 451-2430
(800) KY-LIVING (800) 595-4846
Fax: (502) 459-1611

HOME FIRE SAFETY

You can make your home safer by learning the basic principles and the dangers you should avoid.

- **Have your home inspected by a qualified electrician** to ensure all electrical work is up to code, especially if it's older than 20 years.
- **Install smoke alarms in every bedroom, outside each sleeping area, and on every level of the home.** They should be tested monthly, and batteries should be replaced each year. Replace alarms every 10 years, or according to manufacturer suggestions on the alarm.
- **Do not overload outlets.** Power strips do not provide more power to a location, only more access to the same limited capacity of the circuit into which they are connected.
- **Don't ignore warning signs of trouble:** flickering lights, odd odors, unusual buzzing sounds.



Notice of Proposed Adjustment to Retail Electric Rates

PLEASE TAKE NOTICE that, in accordance with the requirements of the Kentucky Public Service Commission ("Commission"), as set forth in 807 KAR 5:001, Section 17(2)(b), of the Commission's Rules and Regulations, notice is hereby given to the consumer-members of Jackson Purchase Energy Corporation ("Jackson Purchase") of a proposed general rate adjustment. Jackson Purchase intends to file an application styled, The Electronic

Application of Jackson Purchase Energy Corporation for General Adjustment of Rates, and Other General Relief, to the Commission, on or after October 1, 2021.

The rate adjustment, with a requested effective date of November 14, 2021, will result in an increase in retail power costs to its consumer-members, and in an increase in revenue of \$7,301,495 or 10.5% for Jackson Purchase.

THE AMOUNT AND PERCENT OF INCREASE BY RATE CLASS ARE LISTED BELOW:

RATE SCHEDULE	ANNUAL INCREASE	
	DOLLARS	PERCENT
R - Residential	\$6,527,779	15.2%
C-1 Small Commercial Single Phase	\$592,513	14.2%
C-3 Small Commercial Three Phase	\$91,413	7.0%
D - Commercial and Industrial Demand < 3,000 kW	\$68,220	0.4%
I-E - Large Commercial Existing	\$21,570	1.4%
OL - Outdoor Lighting	\$0	0.0%
Total	\$7,301,495	10.5%

THE EFFECTS OF THE PROPOSED RATES ON THE AVERAGE MONTHLY BILL BY RATE CLASS ARE LISTED BELOW:

RATE SCHEDULE	AVERAGE USAGE (KWH)	MONTHLY INCREASE	
		DOLLARS	PERCENT
R - Residential	1,176	\$21.42	15.2%
C-1 Small Commercial Single Phase	785	\$14.37	14.2%
C-3 Small Commercial Three Phase	1,929	\$15.64	7.0%
D - Commercial and Industrial Demand < 3,000 kW	23,805	\$9.22	0.4%
D - Commercial and Industrial—Direct Served	32,521	\$0	0.0%
I-E - Large Commercial Existing	1,394,477	\$1,797.48	1.4%
OL - Outdoor Lighting	NA	\$0	0.0%



THE PRESENT AND PROPOSED MONTHLY RATES FOR EACH RATE SCHEDULE ARE LISTED BELOW:

RATE SCHEDULE	CHARGE	RATES	
		PRESENT	PROPOSED
R - Residential	Facilities Charge (per month)	16.40	21.25
	Energy Charge (per kWh)	0.100780	0.114872
C-1 Small Commercial Single Phase	Facilities Charge (per month)	16.40	21.25
	Energy Charge (per kWh)	0.102176	0.114299
C-3 Small Commercial Three Phase	Facilities Charge (per month)	24.90	32.27
	Energy Charge (per kWh)	0.097017	0.101303
D - Commercial and Industrial Demand < 3,000 kW	Facilities Charge (per month)	48.42	48.42
	Demand Charge (per kW)	9.00	9.11
	Energy Charge 1st 200 (per kWh)	0.062202	0.062202
	Energy Charge 2nd 200 (per kWh)	0.052104	0.052104
	Energy Charge 3rd 200 (per kWh)	0.046973	0.046973
I-E - Large Commercial Existing	Energy Charge Over 600 (per kWh)	0.041993	0.041993
	Service Charge (per month)	414.97	414.97
	Energy Charge (per kWh)	0.038125	0.039414
	Demand Charge 1st 3,000 (\$)	47,721.03	47,721.03
L - Large Commercial & Industrial 3,000–5,000 kW	Demand Charge Over 3,000 (per kW)	15.91	15.91
	Service Charge (per month)	414.97	414.97
	Demand Charge (per kW)	15.62	15.62
OL - Outdoor Lighting	Energy Charge (per kWh)	0.038125	0.038125
	100W HPS	10.98	10.98
	250W HPS	15.25	15.25
	250W HPS Flood	16.01	16.01
	1,000W Metal-Flood	40.10	40.10
	LED 6000–9000 Lumens	11.19	11.19
	LED 9300–15000 Lumens	13.68	13.68
	LED Flood 14000–23000 Lumens	19.30	19.30
	175W Metal	18.58	18.58
	150W Metal	18.00	18.00
	400W Metal	27.07	27.07
	175 MV	11.43	11.43
400 MV	17.68	17.68	
SPC-A Small Power Prod Or Cogen >100 kW	Base Payment (per kWh)	0.016940	0.016940
SPC-B Small Power Prod Or Cogen <100 kW	Base Payment (per kWh)	0.016940	0.016940
	Capacity at Distribution 15kV or Below (per kW)	4.12	4.12
	Capacity at Transmission above 25kV (per kW)	4.04	4.04
Cable Television Attachment Tariff (CTAT)	Two-party Pole Attachment	4.84	4.84
	Three-party Pole Attachment	4.09	4.09
	Two-party Anchor Attachment	5.88	5.88
	Three-party Anchor Attachment	(Not Avail)	(Not Avail)
	Two-party Ground Attachment	0.24	0.24
	Three-party Ground Attachment	0.16	0.16

Jackson Purchase does not propose revisions to other tariffs not listed above.

Any person may examine the rate application and related documents which Jackson Purchase has filed with the Commission at the utility’s principal office located at:

Jackson Purchase Energy Corporation
6525 US Highway 60 W
Paducah, KY 42001

Any person may also examine the rate application and related documents

which Jackson Purchase has filed with the Commission on the Commission’s website at <https://psc.ky.gov>, or Monday through Friday, 8 a.m. to 4:30 p.m., at its office located at:

Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, KY 40602

Comments regarding the application may be submitted to the Commission by mail to: Kentucky Public Service Commission, PO Box 615, Frankfort, KY 40602, or by electronic mail to: psc.info@ky.gov.

The rates contained in this notice are the rates proposed by Jackson Purchase Energy Corporation. However, the Commission may order rates to be charged that differ from the proposed rates contained in this notice.

Any person may submit a timely written request for intervention to the Kentucky Public Service Commission, PO Box 615, Frankfort, KY 40602, establishing the grounds for the request, including the status and interest of the party. If the Commission does not receive a written request for intervention within thirty (30) days of initial publication or mailing of this notice, the Commission may take final action on the application.

Jackson Purchase Energy Corporation
6525 US Highway 60 W
Paducah, KY 42001
(270) 442-7321
www.jpenergy.com

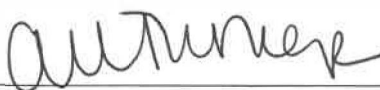
Public Service Commission
211 Sower Boulevard
PO Box 615
Frankfort, KY 40602
(502) 564-3940
<https://psc.ky.gov>

AFFIDAVIT

The affiant, Ashley Turner, being first duly sworn states the following under oath:

1. I am the Manager of Member Services for Jackson Purchase Energy Corporation.
2. As part of my duties as Manager of Member Services for Jackson Purchase Energy Corporation, I am responsible for the mailing of any necessary notices to customers of Jackson Purchase Energy Corporation.
3. The attached Notice to Customer of the proposed rate increase was mailed to certain Jackson Purchase Energy's customers on October 11, 2021.
4. The attached Notice to Customer and cover letter (which the customer name and address inserted) was mailed to all customers of Jackson Purchase Energy Corporation who do not receive a copy of *Kentucky Living*. A total of 775 customers were mailed the notice and cover letter.
5. The attached Notice to Customer of the proposed rate increase has also been posted at Jackson Purchase Energy Corporation's principal place of business located at 6525 US Highway 60 W, Paducah, Kentucky 42001. The notice will remain posted until the Commission has issued a final decision in this matter.
6. The attached Notice to Customer has also been posted on Jackson Purchase Energy Corporation's website and will remain posted until the Commission has issued a final decision in this matter.

FURTHER, the affiant sayeth naught.



ASHLEY TURNER

STATE OF KENTUCKY)
)sc
COUNTY OF McCracken)

Subscribed, sworn and acknowledged to before me by Ashley Turner this 13th day of
October, 2021.



Amy Vick
NOTARY PUBLIC, STATE AT LARGE
NOTARY ID#: 607437
COMMISSION EXPIRES: 8/25/2022



October 11, 2021

Dear Member of Jackson Purchase Energy Corporation:

Please see the attached notice of Proposed Adjustment to Retail Electric Rates that was published in Kentucky Living October edition for your reference. If you have any questions, please contact our member services department at (270) 442-7321.

Sincerely,

JPEC Member Services

HOME FIRE SAFETY

You can make your home safer by learning the basic principles and the dangers you should avoid.

- **Have your home inspected by a qualified electrician** to ensure all electrical work is up to code, especially if it's older than 20 years.
- **Install smoke alarms in every bedroom, outside each sleeping area, and on every level of the home.** They should be tested monthly, and batteries should be replaced each year. Replace alarms every 10 years, or according to manufacturer suggestions on the alarm.
- **Do not overload outlets.** Power strips do not provide more power to a location, only more access to the same limited capacity of the circuit into which they are connected.
- **Don't ignore warning signs of trouble:** flickering lights, odd odors, unusual buzzing sounds.



KEVIN MAZUREK/ISTOCK

Notice of Proposed Adjustment to Retail Electric Rates

PLEASE TAKE NOTICE that, in accordance with the requirements of the Kentucky Public Service Commission ("Commission"), as set forth in 807 KAR 5:001, Section 17(2)(b), of the Commission's Rules and Regulations, notice is hereby given to the consumer-members of Jackson Purchase Energy Corporation ("Jackson Purchase") of a proposed general rate adjustment. Jackson Purchase intends to file an application styled, The Electronic

Application of Jackson Purchase Energy Corporation for General Adjustment of Rates, and Other General Relief, to the Commission, on or after October 1, 2021.

The rate adjustment, with a requested effective date of November 14, 2021, will result in an increase in retail power costs to its consumer-members, and in an increase in revenue of \$7,301,495 or 10.5% for Jackson Purchase.

THE AMOUNT AND PERCENT OF INCREASE BY RATE CLASS ARE LISTED BELOW:

RATE SCHEDULE	ANNUAL INCREASE	
	DOLLARS	PERCENT
R - Residential	\$6,527,779	15.2%
C-1 Small Commercial Single Phase	\$592,513	14.2%
C-3 Small Commercial Three Phase	\$91,413	7.0%
D - Commercial and Industrial Demand < 3,000 kW	\$68,220	0.4%
I-E - Large Commercial Existing	\$21,570	1.4%
OL - Outdoor Lighting	\$0	0.0%
Total	\$7,301,495	10.5%

THE EFFECTS OF THE PROPOSED RATES ON THE AVERAGE MONTHLY BILL BY RATE CLASS ARE LISTED BELOW:

RATE SCHEDULE	AVERAGE USAGE (KWH)	MONTHLY INCREASE	
		DOLLARS	PERCENT
R - Residential	1,176	\$21.42	15.2%
C-1 Small Commercial Single Phase	785	\$14.37	14.2%
C-3 Small Commercial Three Phase	1,929	\$15.64	7.0%
D - Commercial and Industrial Demand < 3,000 kW	23,805	\$9.22	0.4%
D - Commercial and Industrial—Direct Served	32,521	\$0	0.0%
I-E - Large Commercial Existing	1,394,477	\$1,797.48	1.4%
OL - Outdoor Lighting	NA	\$0	0.0%



THE PRESENT AND PROPOSED MONTHLY RATES FOR EACH RATE SCHEDULE ARE LISTED BELOW:

RATE SCHEDULE	CHARGE	RATES	
		PRESENT	PROPOSED
R - Residential	Facilities Charge (per month)	16.40	21.25
	Energy Charge (per kWh)	0.100780	0.114872
C-1 Small Commercial Single Phase	Facilities Charge (per month)	16.40	21.25
	Energy Charge (per kWh)	0.102176	0.114299
C-3 Small Commercial Three Phase	Facilities Charge (per month)	24.90	32.27
	Energy Charge (per kWh)	0.097017	0.101303
D - Commercial and Industrial Demand <3,000 kW	Facilities Charge (per month)	48.42	48.42
	Demand Charge (per kW)	9.00	9.11
	Energy Charge 1st 200 (per kWh)	0.062202	0.062202
	Energy Charge 2nd 200 (per kWh)	0.052104	0.052104
	Energy Charge 3rd 200 (per kWh)	0.046973	0.046973
I-E - Large Commercial Existing	Energy Charge Over 600 (per kWh)	0.041993	0.041993
	Service Charge (per month)	414.97	414.97
	Energy Charge (per kWh)	0.038125	0.039414
	Demand Charge 1st 3,000 (\$)	47,721.03	47,721.03
L - Large Commercial & Industrial 3,000-5,000 kW	Demand Charge Over 3,000 (per kW)	15.91	15.91
	Service Charge (per month)	414.97	414.97
	Demand Charge (per kW)	15.62	15.62
OL - Outdoor Lighting	Energy Charge (per kWh)	0.038125	0.038125
	100W HPS	10.98	10.98
	250W HPS	15.25	15.25
	250W HPS Flood	16.01	16.01
	1,000W Metal-Flood	40.10	40.10
	LED 6000-9000 Lumens	11.19	11.19
	LED 9300-15000 Lumens	13.68	13.68
	LED Flood 14000-23000 Lumens	19.30	19.30
	175W Metal	18.58	18.58
	150W Metal	18.00	18.00
	400W Metal	27.07	27.07
SPC-A Small Power Prod Or Cogen >100 kW	175 MV	11.43	11.43
	400 MV	17.68	17.68
SPC-B Small Power Prod Or Cogen <100 kW	Base Payment (per kWh)	0.016940	0.016940
	Base Payment (per kWh)	0.016940	0.016940
	Capacity at Distribution 15kV or Below (per kW)	4.12	4.12
Cable Television Attachment Tariff (CTAT)	Capacity at Transmission above 25kV (per kW)	4.04	4.04
	Two-party Pole Attachment	4.84	4.84
	Three-party Pole Attachment	4.09	4.09
	Two-party Anchor Attachment	5.88	5.88
	Three-party Anchor Attachment	(Not Avail)	(Not Avail)
	Two-party Ground Attachment	0.24	0.24
Three-party Ground Attachment	0.16	0.16	

which Jackson Purchase has filed with the Commission on the Commission's website at <https://psc.ky.gov>, or Monday through Friday, 8 a.m. to 4:30 p.m., at its office located at:

Kentucky Public Service Commission
 211 Sower Boulevard
 Frankfort, KY 40602

Comments regarding the application may be submitted to the Commission by mail to: Kentucky Public Service Commission, PO Box 615, Frankfort, KY 40602, or by electronic mail to: psc.info@ky.gov.

The rates contained in this notice are the rates proposed by Jackson Purchase Energy Corporation. However, the Commission may order rates to be charged that differ from the proposed rates contained in this notice.

Any person may submit a timely written request for intervention to the Kentucky Public Service Commission, PO Box 615, Frankfort, KY 40602, establishing the grounds for the request, including the status and interest of the party. If the Commission does not receive a written request for intervention within thirty (30) days of initial publication or mailing of this notice, the Commission may take final action on the application.

Jackson Purchase Energy Corporation
 6525 US Highway 60 W
 Paducah, KY 42001
 (270) 442-7321
www.jpenergy.com

Public Service Commission
 211 Sower Boulevard
 PO Box 615
 Frankfort, KY 40602
 (502) 564-3940
<https://psc.ky.gov>

Jackson Purchase does not propose revisions to other tariffs not listed above.

Any person may examine the rate application and related documents which Jackson Purchase has filed with the Commission at the utility's principal office located at:

Jackson Purchase Energy Corporation
 6525 US Highway 60 W
 Paducah, KY 42001

Any person may also examine the rate application and related documents

**Jackson Purchase Energy Corporation
Case No. 2021-00358
General Adjustment of Rates
Filing Requirements/Exhibit List**

Exhibit 6

**807 KAR 5:001 Section 16(2) and KRS 278.180
Sponsoring Witness: Greg Grissom**

Description of Filing Requirement:

A copy of the Notice of Intent filed with the Commission and transmitted to the Kentucky Attorney General's Office of Rate Intervention.

Response:

Jackson Purchase, by counsel, notified the Commission in writing of its intent to file a rate application using an historical test year by submitting a letter dated September 10, 2021. A copy of the Notice of Intent (in portable document format) was also sent by electronic mail to the Kentucky Attorney General's Office of Rate Intervention at: rateintervention@ag.ky.gov.

Please see attached Notice of Intent letter.

**Case No. 2021-00358
Application-Exhibit 6
Includes Attachment (1 page)**

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

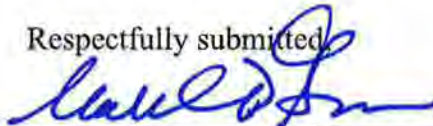
THE ELECTRONIC APPLICATION OF)	
JACKSON PURCHASE ENERGY)	CASE NO.
CORPORATION FOR A GENERAL)	2021-00358
ADJUSTMENT OF RATES)	
AND OTHER GENERAL RELIEF)	

JACKSON PURCHASE ENERGY CORPORATION'S
NOTICE OF INTENT TO FILE RATE APPLICATION

Comes now Jackson Purchase Energy Corporation (“Jackson Purchase”), by counsel, and hereby gives notice to the Public Service Commission (“Commission”), pursuant to 807 KAR 5:001, Section 16(2), of its intent to file a general rate adjustment application on or after October 15, 2021. This rate application will be supported by a historical test period, as provided in 807 KAR 5:001, Section 16(4) – (5). A copy of this Notice of Intent is being transmitted to the Kentucky Attorney General’s Office of Rate Intervention via email (rateintervention@ag.ky.gov) contemporaneously herewith.

This 10th day of September, 2021.

Respectfully submitted,



Mark David Goss
L. Allyson Honaker
Goss Samford, PLLC
2365 Harrodsburg Road, Suite B-325
Lexington, KY 40504
Telephone (859) 368-7740
mdgoss@gosssamfordlaw.com
allyson@gosssamfordlaw.com

Counsel for Jackson Purchase Energy Corp.

**Jackson Purchase Energy Corporation
Case No. 2021-00358
General Adjustment of Rates
Filing Requirements/Exhibit List**

Exhibit 7

**807 KAR 5:001 Section 16(4)(a)
Sponsoring Witness: John Wolfram**

Description of Filing Requirement:

A complete description and quantified explanation for all proposed adjustments with proper support for proposed changes in price or activity levels, if applicable, and other factors that may affect the adjustment.

Response:

Jackson Purchase's proposed adjustments to the historical test period are described in Exhibit 10 of the Application, the Direct Testimony of John Wolfram, and those exhibits accompanying Mr. Wolfram's testimony.

**Jackson Purchase Energy Corporation
Case No. 2021-00358
General Adjustment of Rates
Filing Requirements/Exhibit List**

Exhibit 8

**807 KAR 5:001 Section 16(4)(b)
Sponsoring Witness: Greg Grissom**

Description of Filing Requirement:

If the utility has gross annual revenues greater than \$5,000,000, the written testimony of each witness the utility proposes to use to support its application.

Response:

In support of its Application, Jackson Purchase provides the written testimony of Mr. Greg Grissom, Jackson Purchase's President and Chief Executive Officer. Mr. Grissom's testimony is included with this Exhibit 8.

**Case No. 2021-00358
Application-Exhibit 8**
Includes Attachment (8 pages)

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE ELECTRONIC APPLICATION OF JACKSON PURCHASE)
ENERGY CORPORATION FOR A GENERAL ADJUSTMENT) Case No. 2021-00358
OF RATES AND OTHER GENERAL RELIEF)

DIRECT TESTIMONY OF GREG GRISSOM,
PRESIDENT AND CHIEF EXECUTIVE OFFICER,
ON BEHALF OF JACKSON PURCHASE ENERGY CORPORATION

Filed: October 15, 2021

1 **Q. PLEASE STATE YOUR NAME, POSITION, AND BUSINESS ADDRESS.**

2 A. My name is Greg Grissom and I serve as President and Chief Executive Officer of
3 Jackson Purchase Energy Corporation (“Jackson Purchase” or the “Cooperative”).
4 My business address is 6525 U.S. Highway 60 W., Paducah, Kentucky 42001.

5 **Q. PLEASE BRIEFLY DESCRIBE YOUR PROFESSIONAL EXPERIENCE**
6 **AND EDUCATIONAL BACKGROUND.**

7 A. I have enjoyed an over twenty-two (22) year affiliation with electric cooperatives
8 as an executive at multiple organizations and have developed a rich understanding
9 for the challenges and opportunities presented within this important industry. I
10 served as President and Chief Executive Officer of Hickman Fulton Electric
11 Cooperative in Hickman, Kentucky, from 2000 through 2015; after serving three
12 (3) years as Chief Executive Officer and President at Pennyrile Rural Electric
13 Cooperative Corporation in Hopkinsville, Kentucky, I assumed my current role at
14 Jackson Purchase in September of 2018. I am a graduate of Murray State
15 University with a degree in Area Occupational Safety & Health Engineering and
16 also graduate of the Management Internship Program of the National Rural Electric
17 Cooperative Association.

18 **Q. PLEASE BRIEFLY DESCRIBE YOUR DUTIES AT JACKSON**
19 **PURCHASE.**

20 A. As the chief executive, I oversee all departments at Jackson Purchase and lead an
21 experienced team responsible for the overall operational and financial success of
22 the organization. My primary duty is to ensure cooperative activities are completed
23 consistent with good business practices, established policies, regulatory oversight

1 and the direction provided by Jackson Purchase’s eight-member Board of
2 Directors.

3 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS**
4 **PROCEEDING?**

5 A. The purpose of my testimony is first to provide a general overview of the
6 Cooperative’s business and existing retail electric distribution system. I will
7 describe the events that preceded the filing of this case, discuss the Cooperative’s
8 financial and operational condition, and explain the reasons behind the
9 Cooperative’s need to revise its existing rates to ensure the continued provision of
10 safe, reliable retail electric service to its member-owners.

11 **Q. ARE YOU SPONSORING ANY EXHIBITS?**

12 A. Yes. Attached to my testimony and labeled Exhibit GG-1 is a Resolution of
13 Jackson Purchase’s Board of Directors dated August 26, 2021, pursuant to which
14 Jackson Purchase’s management was authorized and directed to prepare and submit
15 the Application my testimony supports.

16 **Q. PLEASE GENERALLY DESCRIBE THE COOPERATIVE’S BUSINESS.**

17 A. Jackson Purchase is a not-for-profit, member-owned rural electric cooperative
18 corporation with its headquarters in Paducah, Kentucky. The Cooperative provides
19 retail electric service to approximately 30,000 customers in all or a portion of
20 Ballard, Carlisle, Graves, Livingston, Marshall and McCracken Counties. The
21 Cooperative is one of three (3) member-owners of Big Rivers Electric Corporation
22 (“Big Rivers”), which serves as the wholesale electricity provider for the
23 Cooperative. Jackson Purchase owns and maintains approximately 3,000 circuit

1 miles of distribution lines connecting 29 substations. During the test year in this
2 case, Jackson Purchase's average residential customer used 1,176 kWh of
3 electricity per month.

4 **Q. WHEN DID JACKSON PURCHASE LAST SEEK A GENERAL**
5 **ADJUSTMENT OF ITS RATES?**

6 A. Jackson Purchase last sought a general adjustment of its rates pursuant to the
7 Commission's streamlined rate procedures in Case No. 2019-00053, with rates
8 ultimately becoming effective on June 20, 2019. The rates have remained
9 unchanged since June 20, 2019.

10 **Q. PLEASE DESCRIBE IN DETAIL IMPORTANT CHANGES THAT HAVE**
11 **OCCURRED AT THE COOPERATIVE SINCE THE EFFECTIVE DATE**
12 **OF ITS 2019 STREAMLINED GENERAL BASE RATE ADJUSTMENT.**

13 A. Residential kWh sales slipped by 24,642,986 from 2018 to 2019 and another
14 17,300,590 from 2019 to 2020. Residential customers contribute 85% of our
15 consumer-member count and approximately 64% of our electric revenue on a
16 yearly basis. Jackson Purchase had to renegotiate and rebid its right of way
17 management contract, similar to other cooperatives around the state. This alone is
18 the major factor for the rate case. Jackson purchase, per the Commission's order
19 in Case No. 2019-00326, has built and moved into its new headquarters building in
20 West Paducah, Kentucky. Additionally, Jackson Purchase has sold the old
21 headquarters building, as approved in Case No. 2020-00339. In 2019, Jackson
22 Purchase agreed to a 5-year agreement with its IBEW union workforce.

1 **Q. PLEASE DESCRIBE SOME SIGNIFICANT COST-CONTAINMENT**
2 **MEASURES THE COOPERATIVE HAS TAKEN TO AVOID OR**
3 **MINIMIZE AN INCREASE OF ITS RATES.**

4 A. Jackson Purchase used \$7.0 million in our Cushion of Credit with RUS to prepay
5 higher interest long-term debt. This lowered our interest expense approximately
6 \$0.3 million, and therefore our TIER requirements. Jackson Purchased used the
7 federal payroll protection program to help cover a portion of its labor cost during
8 the 2020 COVID pandemic and received forgiveness of that loan. After receiving
9 forgiveness, Jackson Purchase recognized that as non-operating income for 2020.
10 AMI PLC technology has been implemented and where it is working well, Jackson
11 Purchase is saving meter reading expenses estimated at \$1.9 million annually.
12 Management has extended the life of our fleet from ten (10) to twelve (12) years,
13 resulting in an estimated capital savings of \$0.5 million per year. We refinanced a
14 portion of RUS long-term debt in Case No. 2016-00410, resulting in a NPV savings
15 of \$1.3 million.

16 **Q. DESPITE ITS EFFORTS, WHAT ARE THE PRINCIPAL REASONS THAT**
17 **AN ADJUSTMENT OF JACKSON PURCHASE'S RATES IS**
18 **NECESSARY?**

19 A. The biggest reason for Jackson Purchase's decision to file a general rate case is the
20 substantial increase in right-of-way management expense. As shown in the
21 application a pro forma adjustment of \$3,316,327 to the test year is attributable to
22 this one item, and by itself accounts for approximately 45% of the requested
23 revenue increase.

1 Other important reasons for the request made in this case are declining kWh sales
2 and lower interest income as a result of RUS phasing down the cushion of credit
3 program.

4 **Q. HOW AND WHEN DID THE COOPERATIVE'S BOARD OF DIRECTORS**
5 **DETERMINE THAT A RATE ADJUSTMENT WAS NECESSARY?**

6 A. Jackson Purchase's management closely monitors the Cooperative's financial
7 condition on a daily basis. Key financial metrics are provided in detail to the Board
8 of Directors on a monthly basis and discussed at length. For several months leading
9 up to this filing management has engaged in discussions with the Board of Directors
10 on the trajectory of Jackson Purchase's financial condition. In several recent
11 distribution cooperative rate case orders the Commission has clearly stated that
12 utilities should not wait until their financial condition becomes dire to consider
13 filing a rate adjustment request. Jackson Purchase's management and Board agree
14 with this rate-making philosophy and has been diligent to structure this case so as
15 to strike a balance between what it needs to continue to provide safe and reliable
16 service at a reasonable cost to its Owner-Members and simultaneously insure its
17 future financial integrity. As stated above, on August 26, 2021, Jackson Purchase's
18 Board of Directors, after consideration of the results of a comprehensive cost of
19 service study prepared by John Wolfram, voted to approve the filing of this case
20 incorporating the revenue request and rate design changes mentioned in the
21 application and testimony of Jeff Williams, Jackson Purchase's Vice President of
22 Finance and Accounting, and of Mr. Wolfram.

1 **Q. DID THE COOPERATIVE’S BOARD OF DIRECTORS APPROVE AND**
2 **AUTHORIZE THE FILING OF THE APPLICATION IN THIS CASE?**

3 A. Yes. As stated previously, by formal Resolution of the Board of Directors dated
4 August 26, 2021, the management of Jackson Purchase was directed to seek the
5 rate relief requested in this case. The Board Resolution was the culmination of an
6 ongoing deliberative process involving expert guidance and extensive examination
7 of the Cooperative’s financial condition, and I believe the Application and
8 supporting documents filed in this case strongly support the necessary rate relief
9 Jackson Purchase now seeks.

10 **Q. PLEASE EXPLAIN THE DECISION BY JACKSON PURCHASE TO**
11 **PURSUE A GENERAL RATE ADJUSTMENT AS OPPOSED TO ANOTHER**
12 **STREAMLINED CASE.**

13 A. As stated in Case No. 2019-00053, Jackson Purchase fully intended to utilize the
14 streamlined rate case process in 2021, but due to the right-of-way contractor
15 canceling its contract, and those costs increasing exponentially, Jackson Purchase
16 had no choice but to pursue a general rate adjustment. This vegetation management
17 driver creates a revenue deficiency too large to qualify for filing under the
18 streamlined rate case guidelines, which limit the overall increase to 0.75% per year.

19 **Q. PLEASE DESCRIBE THE OTHER RELIEF JACKSON PURCHASE IS**
20 **REQUESTING IN THIS PROCEEDING?**

21 A. Jackson Purchase’s Application requests that the Commission approve recovery of
22 reasonable rate case expenses in the approved rates amortized over of period of

1 three (3) years, or such other period which the Commission finds reasonable. At
2 this time, Jackson Purchase is not requesting any other relief.

3 **Q. WHY SHOULD THE COMMISSION GRANT THE COOPERATIVE'S**
4 **REQUESTED RELIEF?**

5 A. Jackson Purchase has initiated this proceeding because its existing retail rates do
6 not provide sufficient revenue to ensure the financial strength of the Cooperative.
7 While it is always Jackson Purchase's goal to keep rates as low as possible, the
8 expense of providing safe and reliable service must also be recovered. Jackson
9 Purchase has commissioned a detailed cost of service study to determine the
10 amount of revenue necessary to ensure the maintenance of a financially healthy
11 utility. That study forms the basis for the requested adjustment. Considering that
12 Jackson Purchase's last full rate case was 13 years ago, the Cooperative takes
13 satisfaction in being able to have held the line on rates for its Owner-Members to
14 the degree seen. However, inflationary pressures and the other reasons discussed
15 above should be accepted by the Commission in granting the relief requested
16 herein.

17 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

18 A. Yes, it does.

**EXHIBIT GG-1
BOARD
RESOLUTION**

**RESOLUTION
OF THE BOARD OF DIRECTORS
OF
JACKSON PURCHASE ENERGY CORPORATION**

A RESOLUTION OF THE BOARD OF DIRECTORS OF JACKSON PURCHASE ENERGY CORPORATION AUTHORIZING THE CORPORATION'S APPLICATION TO THE KENTUCKY PUBLIC SERVICE COMMISSION FOR A GENERAL RATE ADJUSTMENT.

A meeting of the Board of Directors of Jackson Purchase Energy Corporation ("JPEC") was held at the Corporation's headquarters, at 6525 US Hwy 60 W, Paducah, Kentucky, on August 26, 2021, after due and proper notice of such meeting was given, and after a quorum was declared, during which the Board discussed and considered the Corporation's financial condition and its need for a general adjustment of its electric rates.

Upon motion by Lee Bearden, seconded by Josh Barnes and duly carried, the following RESOLUTION was unanimously adopted:

WHEREAS, JPEC is owned by the members it serves, and its purpose is to provide safe, efficient and reliable electric service at rates and on terms that are fair, just and reasonable; and,

WHEREAS, the leadership and management of JPEC have closely monitored the Cooperative's financial condition and, despite their efforts to reduce expenses and further delay an application for an increase in base electric rates, it has become apparent to the Board of Directors that seeking and obtaining additional revenue from rates is a prudent and necessary course of action in order to maintain that level of service to which JPEC Member-Owners are entitled, and have become accustomed; and,

WHEREAS, the Board of Directors has solicited, obtained and reviewed the recommendations of senior JPEC management, and of Mr. John Wolfram, an experienced retained rate consultant who made a presentation to the board at a previous meeting on Tuesday, August 3rd, 2021, and both have recommended a reasonable increase in JPEC's rates;

NOW, THEREFORE BE IT RESOLVED by the JPEC Board of Directors that the management and staff of JPEC are authorized and directed to prepare and submit an application to the Kentucky Public Service Commission seeking an increase in base electric rates of approximately \$7.3M, or such other similar amount which may result from subsequent adjustments or recalculations by JPEC management or consultants, based upon an Operating Times Interest Earned Ratio of 1.85 and/or a Times Interest Earned Ratio of 2.0, with such ratios to be effective when declared by Order issued from the Kentucky Public Service Commission.


BE IT FURTHER RESOLVED that the management of JPEC is authorized to take any and all actions necessary or advisable in connection with the application for a general rate increase hereby authorized and approved.

CERTIFICATION

I, Erick Harris Chairman of Jackson Purchase Energy Corporation, do hereby certify that the above is a true and correct excerpt from the minutes of the meeting of the Board of Directors of JPEC held on August 26, 2021, at which meeting a quorum was present.



Chairman

ATTEST: 

Secretary

**Jackson Purchase Energy Corporation
Case No. 2021-00358
General Adjustment of Rates
Filing Requirements/Exhibit List**

Exhibit 9

**807 KAR 5:001 Section 16(4)(b)
Sponsoring Witness: Jeff Williams**

Description of Filing Requirement:

If the utility has gross annual revenues greater than \$5,000,000, the written testimony of each witness the utility proposes to use to support its application.

Response:

In support of its Application, Jackson Purchase provides the written testimony of Mr. Jeffrey R. Williams, Jackson Purchase's Vice President of Finance and Accounting. Mr. Williams' testimony is included with this Exhibit 9.

**Case No. 2021-00358
Application-Exhibit 9
*Includes Attachment (16 pages)***

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

DIRECT TESTIMONY OF JEFFREY R. WILLIAMS,
CHIEF FINANCIAL OFFICER AND
VICE PRESIDENT OF FINANCE AND ACCOUNTING
ON BEHALF OF JACKSON PURCHASE ENERGY COOPERATIVE

Filed: October 15, 2021

1 **Q. PLEASE STATE YOUR NAME, POSITION AND BUSINESS ADDRESS.**

2 A. My name is Jeffrey R. Williams and I serve as Chief Financial Officer and Vice President
3 of Finance and Accounting for Jackson Purchase Energy Corporation (“Jackson Purchase”
4 or the “Cooperative”). My business address is 6525 U.S. Highway 60 W., Paducah,
5 Kentucky 42001.

6 **Q. PLEASE BRIEFLY DESCRIBE YOUR EDUCATION AND PROFESSIONAL**
7 **EXPERIENCE.**

8 A. I received my Bachelor of Business Administration in Finance from the University of
9 Kentucky in 1992 and a Master of Business Administration from Murray State University
10 in 2014. I have served in various roles in the utility industry for approximately twenty-two
11 years, including as a Senior Budget Analyst and Manager of Budgeting at Big Rivers
12 Electric Corporation. I accepted my current position at Jackson Purchase in April of 2018.

13 **Q. PLEASE BRIEFLY DESCRIBE YOUR DUTIES AT THE COOPERATIVE.**

14 A. In my role as CFO at Jackson Purchase, I am responsible for all finance, accounting, and
15 regulatory activities for the Cooperative. This includes managing Jackson Purchase’s debt
16 portfolio through regular communication with representatives of Rural Utilities Service
17 (“RUS”), Cooperative Finance Corporation (“CFC”), CoBank, and Federal Financing
18 Bank (“FFB”). I am also responsible for closely monitoring the Cooperative’s overall
19 financial condition on a continuous basis to ensure that any financial concerns are identified
20 early and addressed. I regularly interact with Jackson Purchase’s President and Chief
21 Executive Officer, Greg Grissom, and its eight-member Board of Directors to provide
22 financial analyses and summaries in order that they might also stay abreast of the
23 Cooperative’s overall financial condition. This interaction includes almost daily

1 discussions with Mr. Grissom and at least monthly communication with the Board of
2 Directors, and sometimes more. Mr. Grissom and the Board have also authorized me to
3 consult with rate experts, accountants, auditors, attorneys, and other professionals as
4 needed in order to assist with any important issues or questions I might have in order to
5 assure that Jackson Purchase remains financially sound and able to withstand unanticipated
6 events which could present challenges to the Cooperative's finances.

7 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?**

8 A. The purpose of my testimony is first to provide a general overview of the Cooperative's
9 financial health including a discussion of notable financial metrics and detail certain
10 important expense categories, as well as to describe its debt portfolio, labor expenses,
11 depreciation practices and various other relevant matters. Finally, I will summarize and
12 underscore the necessity of the rate relief requested by the Cooperative in this proceeding.

13 **Q. ARE YOU SPONSORING ANY EXHIBITS?**

14 A. Yes. Attached to my testimony is Exhibit JRW-1, a detailed summary of Jackson
15 Purchase's relevant historical metrics; Exhibit JRW-2, a copy of Jackson Purchase's 2019
16 Audited Financial Statements, JRW-3, ROW General Ledger Activities; and JRW-4, ROW
17 Expense (which is an Excel Spreadsheet and is being uploading separately).

18 **Q. ARE YOU FAMILIAR WITH THE APPLICATION AND SUPPORTING**
19 **EXHIBITS FILED BY JACKSON PURCHASE IN THIS CASE?**

20 A. Yes, I am familiar with the documents filed in support of the Application and have been
21 closely involved in compiling and analyzing the necessary information with Jackson
22 Purchase's expert rate consultant, Mr. John Wolfram of Catalyst Consulting LLC, so that
23 he could complete Cost of Service Study ("COSS") upon which this rate case is based.

1 Examples of the types of information I have reviewed and provided to Mr. Wolfram include
2 income and expense data for the test year, customer usage data for Jackson Purchase's rate
3 classes, and various categories of information utilized to prepare all pro forma adjustments
4 and COSS reports and exhibits. I have also prepared numerous spreadsheets, summaries
5 and other reports necessary to comply with the filing requirements provided in the
6 Commission's regulations at 807 KAR 5:001 Section 16, and in KRS 278.180 and KRS
7 278.190. Specifically, I am designated as the Responsible Witness for Application Exhibits
8 2, 3, 4, 9, 16, 17, 18, 19, 20, 21, 22, 23, 24, 31 and 32. Along with Mr. Wolfram, I am also
9 jointly the Responsible Witness for Application Exhibits 26, 27, 28 and 29.

10 **Q. PLEASE GENERALLY DESCRIBE THE RELIEF SOUGHT BY JACKSON**
11 **PURCHASE IN THIS PROCEEDING.**

12 A. In order to address Jackson Purchase's current undesirable financial condition, its Board
13 of Directors, in conjunction with its management, has determined that a general adjustment
14 of rates is necessary in order to account for substantial cost increases, as well as cumulative
15 inflationary pressures since its last full rate case over 13 years ago, build equity, improve
16 its overall financial condition, and satisfy current and future loan covenants. Consistent
17 with KRS 278.030(1), Jackson Purchase seeks Commission approval to demand, collect
18 and receive fair, just and reasonable rates for the retail service it provides. Specifically,
19 Jackson Purchase seeks approval to increase its annual revenues by \$7,301,495, or 10.5%,
20 to achieve a Times Interest Earned Ratio ("TIER") of 2.00X, which equates to an Operating
21 Times Interest Earned Ratio ("OTIER") of 1.90X. Included in this request is an increase
22 of the monthly residential customer charge in "Schedule R-Residential," from \$16.40 to
23 \$21.25. Jackson Purchase is requesting the allocation of the revenue requirement in this

1 way to more accurately reflect the cost to serve those customers. The Application requests
2 that these rates become effective on November 14, 2021. Justification for these increases
3 is principally based upon Mr. Wolfram’s COSS and is discussed in greater detail in his
4 testimony which can be found at Application Exhibit 10.

5 **Q. IS JACKSON PURCHASE’S APPLICATION SUPPORTED BY AN HISTORICAL**
6 **TEST YEAR?**

7 A. Yes, the test year in this case consists of the twelve (12) month period ending December
8 31, 2019.

9 **Q. WHY WAS THE PERIOD OF JANUARY 1, 2019, THROUGH DECEMBER 31,**
10 **2019, CHOSEN AS THE HISTORICAL TEST YEAR?**

11 A. Jackson Purchase chose Calendar Year 2019 as it was the most recent year when the cost
12 of service study began and is a relevant historical test year because that period reasonably
13 reflects the most relevant performance of the Cooperative, when adjusted for known and
14 measurable changes, as contemplated by law and Commission precedent. Furthermore,
15 the revenues and expenses incurred during the 2019 period are neither unusual nor
16 extraordinary.

17 **Q. PLEASE GENERALLY DESCRIBE THE LOAD SERVED BY JACKSON**
18 **PURCHASE.**

19 A. Jackson Purchase serves a retail load of approximately 136 Megawatts (“MW”), based
20 upon coincident peak during 2020, in its six (6) county service territory, which includes
21 portions of Ballard, Carlisle, Graves, Livingston, Marshall and McCracken Counties. The
22 Cooperative’s customer base is primarily residential served under “Schedule R-
23 Residential”. As of the end of the test year, the residential load comprised approximately

1 61% of Jackson Purchase's total energy sales and represented approximately 64% of the
2 Cooperative's total revenue from energy sales. The Cooperative also serves a smaller
3 number of commercial customer loads, under 1000KVA (representing approximately 32%
4 of the Cooperative's total energy sales and 30% of the Cooperative's total energy revenue)
5 and industrial customer loads over 1000 KVA, (representing approximately 7% of the
6 Cooperative's total energy sales and 6% of its total revenue from energy sales). A detailed
7 discussion of Jackson Purchase's various rate classes, including an examination of the costs
8 and revenues associated with each, is included in Mr. Wolfram's testimony.

9 **Q. PLEASE GENERALLY DESCRIBE HOW JACKSON PURCHASE'S LOAD AND**
10 **CUSTOMER BASE HAVE CHANGED IN RECENT YEARS.**

11 A. The structure of Jackson Purchase's customer base has remained fairly consistent in recent
12 years. At the end of the test year residential customers made up 85% of the Cooperative's
13 customers and 61% of energy sales. Commercial and industrial customers made up
14 approximately 15% of Jackson Purchase's customers and 39% of its energy sales.
15 However, at test year end Jackson Purchase saw a substantial reduction in energy sales
16 across its residential and commercial revenue classes as compared to 2008 when the rates
17 from its last general rate case became effective. To put a finer point on this matter, Jackson
18 Purchase's 2008 residential kWh sales were 415,656,065, while for 2019 residential kWh
19 sales were 367,295,646, a 12% reduction over the period. During the same period
20 commercial and industrial sales have also declined. Sales have dropped 25,013,614 kWh's,
21 or 10%. Naturally, these decreased sales have resulted in decreased revenues adversely
22 affecting Jackson Purchase's overall financial condition.

1 **Q. PLEASE GENERALLY DESCRIBE ANY NOTABLE TRENDS IN JACKSON**
2 **PURCHASE’S REVENUES AND MARGINS IN RECENT YEARS.**

3 A. In order to provide the Commission with adequate context regarding Jackson Purchase’s
4 financial condition since the effective date of its last general rate increase in 2008, a
5 detailed summary of certain relevant metrics is provided at Exhibit JRW-1 to my
6 testimony. As shown in this summary, OTIER has been at sub-optimal levels in recent
7 years as a result of lower margins and a lack of sustained load growth. The last couple of
8 years TIER has only been achieved through the result of extraordinary items such as the
9 PPP Loan forgiveness in 2020 and recouping unclaimed capital credits in 2019.

10 **Q. HAVE JACKSON PURCHASE’S OPERATIONAL EXPENSES INCREASED IN**
11 **RECENT YEARS?**

12 A. Yes. Since the last general rate case 13 years ago, and even since the streamlined case two
13 years ago, the cost of doing business and providing safe and reliable electric service has
14 significantly increased. For example, Jackson Purchase has experienced increases in
15 almost all aspects of its business, with the most notable being in right-of-way maintenance,
16 Greater detail and quantification on each of these cost-drivers and their respective
17 ‘contributions’ to the revenue requirement calculation flowing from the COSS, and upon
18 which this general rate adjustment request is primarily based, are discussed at length in Mr.
19 Wolfram’s testimony.

20 **Q. PLEASE GENERALLY DESCRIBE JACKSON PURCHASE’S EXISTING DEBT**
21 **PORTFOLIO AND RECENT EFFORTS TO REDUCE INTEREST EXPENSE.**

22 A. As stated above, Jackson Purchase is currently a borrower from CFC, CoBank and FFB,
23 with 100% of Jackson Purchase’s long-term debt at fixed interest rates. Jackson Purchase

1 has moved aggressively to refinance or pay off several notes of its higher interest debt to
2 lower interest debt. For example, Jackson Purchase used \$7.0 million in its RUS cushion
3 of credit account, to prepay higher interest RUS notes without prepayment penalty in 2020.
4 Additionally, in Case No. 2016-00410, *Application of Jackson Purchase Energy*
5 *Corporation for Authorization to Borrow \$18,844,470.27 from National Rural Utilities*
6 *Cooperative Finance Corporation and to Execute all Documents Necessary to Prepay*
7 *Rural Utilities Service Notes of the Same Amount*, the Cooperative obtained approval from
8 the Commission to refinance approximately \$18.8 million of RUS debt with CFC in order
9 to take advantage of lower interest rates. The effect of this approval is estimated to be
10 approximately \$1.65 million in savings during the term of the refinancing. Jackson
11 Purchase believes that having its full portfolio in fixed interest rate debt in this low-interest
12 economic climate appropriately achieves the avoidance of unnecessary financial risk
13 presented by variable-rate debt. A detailed summary of Jackson Purchase's current debt
14 portfolio is provided in the 2019 Audited Financial Statements attached hereto as Exhibit
15 JRW-2.

16 **Q. DOES JACKSON PURCHASE PROPOSE TO ADJUST ITS DEPRECIATION**
17 **RATES AS PART OF THIS PROCEEDING?**

18 A. No. Jackson Purchase does not propose to adjust its depreciation rates as part of this
19 proceeding. Jackson Purchase's last depreciation study was completed in 2006, and its
20 existing depreciation rates were approved by the Commission in the last general rate case,
21 Case No. 2017-00116, *General Adjustment of Electric Rates of Jackson Purchase Energy*
22 *Corporation*. Additionally, as noted in Mr. Wolfram's testimony, Jackson Purchase
23 continues to depreciate its automated metering infrastructure and related utility plant assets

1 at reasonable, industry-standard rates. Jackson Purchase's depreciation and reserve are
2 reviewed at least annually as part of its audit and is in compliance with the guideline range
3 acceptable to RUS and typically employed by distribution cooperatives like Jackson
4 Purchase.

5 **Q. PLEASE GENERALLY DESCRIBE JACKSON PURCHASE'S WORKFORCE.**

6 A. Currently, Jackson Purchase employs a qualified and highly-skilled workforce consisting
7 of 67 individuals. However, considering its size, both in terms of customers served and
8 size of service territory, Jackson Purchase could easily justify a staffing level of several
9 additional employees. Of the 67 current employees, 38 are non-bargaining salaried and
10 hourly, and 29 are members of a collective bargaining unit.

11 **Q. PROVIDE ADDITIONAL DETAIL CONCERNING JACKSON PURCHASE'S**
12 **LABOR EXPENSES, INCLUDING THE BENEFITS OFFERED TO EMPLOYEES.**

13 A. Jackson Purchase offers its employees a competitive compensation package in order to
14 attract and retain a qualified workforce. The Cooperative's line and service technicians
15 and other outdoor workforce are members of the International Brotherhood of Electrical
16 Workers ("IBEW"), where compensation and benefits are determined by a negotiated
17 contract every three to five years. Jackson Purchase's non-union workforce has healthcare
18 including vision, dental, basic life insurance of two-times annual salary, short-term, and
19 optional, long-term disability. All employees share 5.8 to 16% of the cost of the medical,
20 dental and vision insurance and 33% of optional long-term disability benefits. Non-union
21 employees who have been employed prior to 2006 participate in the NRECA retirement
22 security plan, and also receive a 4% contribution to their 401(k) account. Non-union
23 employees hired since 2006 receive a 14% contribution to their 401(k) account, but do not

1 participate in the NRECA retirement security plan. Employees hired before January 1,
2 2006, who retire after 30 years of service or at age 62 who have been employed at least 10
3 years will be eligible for healthcare for 10 years or until age 65, whichever occurs first.
4 Employees who retire at age 55 with five or more years of service will be eligible to
5 participate in the company healthcare plan but may be required to share premium cost based
6 on hire date and years of service.

7 **Q. HOW DOES JACKSON PURCHASE DETERMINE WHETHER AND WHEN**
8 **WAGE INCREASES SHOULD BE AWARDED TO EMPLOYEES?**

9 A. Wage increases for non-bargaining personnel are generally determined on an annual basis
10 based on individual employee performance. Because ranges for employee wages have
11 been developed (and are periodically updated) in consultation with third-party wage and
12 salary experts, Jackson Purchase is confident its evaluation and compensation standards
13 have resulted in a fairly-paid (but not overly-paid) and fully-competent workforce.
14 Bargaining Unit raises are guided by the current labor agreement and are implemented
15 annually each November.

16 **Q. WHY IS IT IMPORTANT THAT JACKSON PURCHASE MAINTAIN A STRONG**
17 **FINANCIAL CONDITION?**

18 A. As the Commission is aware, Jackson Purchase is owned by the Members it serves. While
19 it is always the Cooperative's goal to keep rates as low as possible, the expense of providing
20 safe and reliable service must be recovered; additionally, prudent management and fairness
21 demand that rates be designed in a way that better aligns cost-causers with cost-payers,
22 which is what Jackson Purchase's proposed rates seek to accomplish. Jackson Purchase
23 has taken seriously the Commission's comments in several recent distribution cooperative

1 rate cases that it looks with disfavor on companies that wait until on the precipice of a
2 financial emergency, such as a default notice from its lenders, before seeking rate relief.
3 In this case, Jackson Purchase asks the Commission to approve a rate increase in order to
4 bolster its overall financial condition to prevent just such an emergency from developing.

5 **Q. JACKSON PURCHASE FILED A STREAMLINED RATE ADJUSTMENT CASE**
6 **WITH RATES BECOMING EFFECTIVE ON JUNE 20, 2019. WHY HAS IT**
7 **DECIDED TO SEEK ANOTHER RATE INCREASE BY FILING THIS GENERAL**
8 **RATE CASE AND NOT ANOTHER STREAMLINED CASE?**

9 A. Jackson Purchase’s current rates were set by Order dated June 20, 2019, in a case filed and
10 administered under the Commission’s pilot ‘streamlined’ rate case procedure.¹ In that case
11 Jackson Purchase requested a smaller rate increase, by about 50%, than it could have under
12 the streamlined procedure’s rate case cap because it wanted to employ rate gradualism
13 regarding its customers. The plan then was for the Cooperative to request a modest increase
14 in 2019, followed by a modest incremental increase utilizing the ‘streamlined’ procedure
15 when circumstances dictated², most likely in 2021. However, since that somewhat
16 prophetic response was given there has been a two-year-long worldwide pandemic which
17 has thrown economic convention on its head and led to increased inflationary pressures,
18 unprecedented labor and material shortages, widespread business pauses and even failures,
19 trillions of dollars in government assistance to nearly all sectors of society, and extended

¹ See Case No. 2019-00053, *The Electronic Application of Jackson Purchase Energy Corporation for a General Adjustment of Rates Pursuant to Streamlined Procedure Pilot Program Established in Case No. 2018-00407*.

² See *Id.*, Jackson Purchase’s response to Attorney General’s Data Requests, Item 11: “At this time, Jackson Purchase Energy cannot reasonably provide an estimation of when it will next seek to adjust its rates. Consistent with the notion of gradualism, the relief sought by Jackson Purchase in this case does not fully achieve cost-based rates or entirely eliminate subsidies, and thus further rate revision may be sought as necessary and appropriate in the best interest of Jackson Purchase’s member-owners. Additionally, of course, factors such as weather and local economic conditions can have both expected and unexpected impacts on cooperative performance...”

1 amnesty to delinquent tenants, mortgagors and utility ratepayers. Jackson Purchase was
2 not immune from this event. The Cooperative had several employees to become ill with
3 the COVID-19 virus, and scores of its otherwise dependable customers became delinquent
4 in payment of their power bills. These delinquencies stretched out and were carried by
5 Jackson Purchase for many months and to this date have still not all been cleared.

6 The most significant impact of the two-year pandemic on Jackson Purchase has
7 been the tremendous cost increases in right-of-way management and the overall cost of
8 doing business, such as costs for essential materials utilized each day for the provision of
9 reliable service. Right-of-way management alone is the subject of a \$3,316,327 pro forma
10 adjustment to test year revenues and expenses. Jackson Purchase had its contractor walk
11 away from a multi-year contract in 2019/2020. Because of this Jackson Purchase bid out
12 its vegetation management contract in 2019/2020. As a result and due to rising rates and
13 labor shortages in this market, the winning bid Jackson Purchase received was for \$10,760
14 per mile. To get through their system every 5 years, 358 miles need to be cleared each year
15 (a total of 1,788 miles of overhead that need to be cleared on a 5-year cycle). This mileage
16 multiplied by the aforementioned winning bid price per mile is the basis of the proforma
17 amount in the adjustment. Please see Exhibits JRW-3 and JRW-4 for support for this
18 adjustment. (Exhibit JRW-4 is an Excel spreadsheet and is being filed separately.)

19 Other important factors contributing to the need for this general rate adjustment
20 request, as opposed to a 'streamlined' rate adjustment request, include the incremental cost
21 of the Cooperative's new headquarters facility, declining energy sales and maintaining debt
22 covenant requirements.

1 **Q. PLEASE DESCRIBE THE REVISED RATES PROPOSED BY JACKSON**
2 **PURCHASE FOR ITS RESIDENTIAL CUSTOMERS.**

3 A. Jackson Purchase is proposing to increase the monthly customer charge from \$16.40 to
4 \$21.25 per month, and the energy charge from \$0.100780 to \$0.114872. This will result
5 in an increase \$21.42, or 15.2%, on the monthly bill for Jackson Purchase's average
6 residential customer using 1,176 kWh per month. Specific data justifying the magnitude
7 of this increase is discussed in Mr. Wolfram's testimony.

8 **Q. BESIDES RESIDENTIAL RATES WHAT OTHER RATE CHANGES DOES THE**
9 **COOPERATIVE PROPOSE?**

10 A. Jackson Purchase is also proposing that customers taking service under Rate Schedule C-
11 1, Small Commercial Single Phase, would see the same monthly customer charge increase
12 along with an increase in the energy charge, resulting in a projected 14.2% increase for the
13 average customer using 785 kWh per month. The average Rate Schedule C-3, Small
14 Commercial Three Phase customer would see a projected 7.0% increase. Customers taking
15 service under the remaining rate schedules would only be subject to increases of less than
16 1.5%.

17 **Q. DID JACKSON PURCHASE CONSIDER ITS LOW-INCOME CUSTOMERS**
18 **WHEN DESIGNING ITS PROPOSED RATES?**

19 A. Yes. While Jackson Purchase's responsibility is to its membership as a whole, it certainly
20 considered how its proposed rates and rate design may impact various groups within its
21 membership, including low-income customers. Ultimately, Jackson Purchase concluded
22 that its rate design should seek to more accurately and appropriately recover the costs of
23 operating its distribution system; as a result, all customers (including low-income

1 customers) will benefit from a rate design that better aligns cost-causers with cost-payers,
2 avoids monthly bill volatility, and allows Jackson Purchase to operate under a more
3 predictable and accurate budget.

4 **Q. OTHER THAN ADJUSTMENTS TO RATES, DOES JACKSON PURCHASE**
5 **PROPOSE ANY OTHER TARIFF CHANGES AS PART OF THIS PROCEEDING?**

6 A. No, Jackson Purchase does not propose any request to change its published tariff beyond
7 that necessary to reflect changes in rates.

8 **Q. ARE ADJUSTMENTS NECESSARY TO ENSURE THE TEST YEAR**
9 **ACCURATELY REFLECTS JACKSON PURCHASE'S INCOME AND**
10 **EXPENSES?**

11 A. Yes. These adjustments are part of the COSS and can be found and discussed at length in
12 Mr. Wolfram's testimony. All of the adjustments proposed by Jackson Purchase are
13 reasonable, reflect known and measurable changes to the test year, and are necessary to
14 ensure that rates are based on appropriate and accurate data. Broadly speaking, the most
15 relevant adjustments made to test year income and expenses encompass right-of-way, new
16 headquarters, capital credit abandonment, Federal Emergency Management credit and
17 interest expense/income. The right-of-way adjustment adjusts the amount per mile in the
18 test year to our bids received in 2020. The cushion of credit adjustment reflects losing the
19 interest income on the RUS cushion of credit, as the balance was used to prepay RUS debt.
20 The capital credit adjustment takes out a one-time reclamation of unclaimed capital credits
21 from the test year. Likewise, the FEMA adjustment adjusts out a one-time favorable
22 reversal of a FEMA reserve during the test year.

1 **Q. IN THE FINAL ORDER DATED APRIL 13, 2016, IN CASE NO. 2012-00428,**
2 ***CONSIDERATION OF THE IMPLEMENTATION OF SMART GRID AND SMART***
3 ***METER TECHNOLOGIES (Summary of Findings, Paragraph 9), THE***
4 **COMMISSION DIRECTED THAT EACH RATE CASE FILED BY A**
5 **JURISDICTIONAL UTILITY SHOULD IDENTIFY SMART GRID**
6 **INVESTMENTS. PLEASE IDENTIFY ALL SMART GRID AND SMART METER**
7 **INVESTMENTS WHICH JACKSON PURCHASE HAS MADE TO DATE.**

8 A. Jackson Purchase implemented a first generation AMI system approximately 11-12 years
9 ago utilizing Power Line Carrier (PLC) Technology. This is the system it continues to use
10 at the present time. After encountering constant issues with failed communications and at
11 the recommendation of our vendor to fix the issues associated with the PLC technology,
12 Jackson Purchase selected a small test area in Calvert City, Kentucky to test new Radio
13 Frequency technology. This test site includes approximately 300 RF meters and is outlined
14 in Case No. 2019-00053, Jackson Purchase Energy Corporation Response to the
15 Commission Staff's First Request for Information, Item 9.

16 **Q. EXPLAIN WHY THE COMMISSION SHOULD GRANT THE RELIEF**
17 **REQUESTED BY JACKSON PURCHASE IN THIS CASE.**

18 A. As discussed throughout this filing, the rate relief sought by Jackson Purchase in this case
19 is critical to ensure that its financial integrity is maintained in order to provide its owner-
20 members with reliable power at a reasonable retail cost. The requested rate increase has
21 been specifically designed to account for Jackson Purchase's cost of service to the various
22 customer classes it serves. As the COSS indicates, the requested increase does not fully
23 resolve the mismatch. For example, the COSS fully justifies a monthly customer charge

1 of \$41.56, but because of principles of gradualism, Jackson Purchase is only requesting a
2 customer charge increase to \$21.25, an amount that is almost 50% less than is required to
3 insure a match between cost-causer and cost-payer. It has been some 13 years since
4 Jackson Purchase's last full rate case. The 2019 'streamlined' case provided much needed
5 temporary rate relief, but the additional \$1.3 million in revenues only went so far. In the
6 past two years the costs of essential materials, labor and third-party contractor services
7 have skyrocketed to such a degree that Jackson Purchase's Board of Directors and
8 management realized that the 'streamlined' case which was intended for filing in 2021
9 needed to be transformed into a full rate case. Jackson Purchase takes very seriously the
10 responsibility it has to its owner-members to maintain a financially robust utility. The rates
11 requested in this case spring from the results of Mr. Wolfram's comprehensive COSS, and
12 are reasonable and necessary for the provision of safe and reliable service at fair, just and
13 reasonable rates.

14 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

15 A. Yes.

EXHIBIT JRW-1
RELEVANT HISTORIC
METRICS

YEAR	NET MARGINS	OPERATING MARGINS	TIER (1.25 Benchmark)	OTIER (1.10 Benchmark)	Equity to Assets	DSC (1.25 Benchmark)	RESIDENTIAL kWh SALES	YEAR-OVER-YEAR % CHANGE in RESIDENTIAL kWh SALES
2008	855,860	403,322	1.34	1.18	38.41%	1.56	415,656,065	0.2%
2009	710,823	159,512	1.26	1.12	34.15%	1.60	387,976,844	-6.7%
2010	4,104,369	2,876,171	2.51	2.11	37.39%	2.33	441,648,433	13.8%
2011	112,723	(652,832)	1.04	0.80	36.38%	1.50	411,230,492	-6.9%
2012	1,082,610	586,067	1.39	1.24	35.90%	1.73	395,868,914	-3.7%
2013	2,630,886	1,970,463	1.98	1.79	37.69%	1.95	401,517,859	1.4%
2014	1,622,673	966,998	1.63	1.43	39.26%	1.83	405,142,730	0.9%
2015	1,788,112	1,157,423	1.73	1.53	41.24%	1.91	379,942,863	-6.2%
2016	904,742	230,536	1.39	1.17	41.75%	1.73	377,369,832	-0.7%
2017	915,925	221,979	1.43	1.16	43.14%	1.79	355,607,699	-5.8%
2018	906,175	263,580	1.44	1.19	43.57%	1.81	391,938,632	10.2%
2019	1,198,810	(330,769)	1.61	0.88	44.59%	1.94	367,295,646	-6.3%
2020	1,138,138	(962,060)	1.65	0.45	39.28%	0.81	349,995,056	-4.7%

EXHIBIT JRW-2
2019 AUDITED FINANCIAL
STATEMENTS

**JACKSON PURCHASE
ENERGY CORPORATION
KENTUCKY 20**

FINANCIAL REPORT

December 31, 2019

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Jones, Nale & Mattingly PLC

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Jackson Purchase Energy Corporation
Paducah, Kentucky

Report on the Financial Statements

We have audited the accompanying financial statements of Jackson Purchase Energy Corporation, which comprise the balance sheet as of December 31, 2019, and the related statements of revenue and comprehensive income, changes in members' equities, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Jackson Purchase Energy Corporation as of December 31, 2019, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

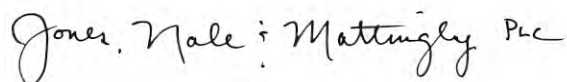
As discussed in Note 2, Jackson Purchase Energy Corporation has adopted Financial Accounting Standards Update 2014-09, *Revenue from Contracts with Customers*. Our opinion is not modified with respect to this matter.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated March 10, 2020, on our consideration of the Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance.

Prior Period Financial Statements

The financial statements of Jackson Purchase Energy Corporation, as of December 31, 2018, were audited by other auditors whose report dated February 21, 2019, expressed an unmodified opinion on those statements.



Louisville, Kentucky
March 10, 2020

JACKSON PURCHASE ENERGY CORPORATION
BALANCE SHEETS
December 31, 2019 and 2018

<u>Assets</u>	<u>2019</u>	<u>2018</u>
Electric Plant, at original cost:		
In service	\$ 167,719,172	\$ 163,383,647
Under construction	1,826,665	1,237,939
	<u>169,545,837</u>	<u>164,621,586</u>
Less accumulated depreciation	72,148,212	69,092,604
	<u>97,397,625</u>	<u>95,528,982</u>
Investments in Associated Organizations	<u>3,604,487</u>	<u>3,524,697</u>
Current Assets:		
Cash and cash equivalents	2,064,075	2,405,639
Accounts receivable, less allowance for 2019 of \$283,951 and 2018 of \$174,722	4,496,228	4,956,456
Other receivables	531,401	744,600
Accrued unbilled revenue	3,190,126	3,612,505
Material and supplies, at average cost	1,713,428	1,987,072
Other current assets	286,463	418,085
Total current assets	<u>12,281,721</u>	<u>14,124,357</u>
Total	<u>\$ 113,283,833</u>	<u>\$ 113,178,036</u>
<u>Members' Equities and Liabilities</u>		
Members' Equities:		
Memberships	\$ 115,705	\$ 120,150
Patronage capital	50,300,349	49,101,540
Accumulated other comprehensive income	94,448	94,970
	<u>50,510,502</u>	<u>49,316,660</u>
Long-Term Debt, less current portion	<u>40,239,396</u>	<u>43,261,255</u>
Accumulated Postretirement Benefits	<u>2,677,095</u>	<u>2,524,036</u>
Current Liabilities:		
Notes payable	8,400,000	5,000,000
Accounts payable	5,003,469	5,233,389
Consumer deposits	2,789,538	2,499,810
Current portion of long-term debt	2,560,000	2,635,000
Accrued expenses	935,737	1,804,684
Total current liabilities	<u>19,688,744</u>	<u>17,172,883</u>
Consumer Advances for Construction	<u>168,096</u>	<u>903,202</u>
Total	<u>\$ 113,283,833</u>	<u>\$ 113,178,036</u>

The Notes to Financial Statements are an integral part of these statements.

JACKSON PURCHASE ENERGY CORPORATION
STATEMENTS OF REVENUE AND COMPREHENSIVE INCOME
Years Ended December 31, 2019 and 2018

	2019	2018
Operating Revenues		
Sale of electric energy	\$ 68,120,498	\$ 73,086,138
Other electric revenues	1,327,203	1,387,640
	69,447,701	74,473,778
Operating Expenses		
Cost of power	50,688,770	55,129,619
Distribution - operations	3,308,446	3,039,268
Distribution - maintenance	2,921,678	3,864,965
Consumer accounts	1,273,783	1,548,238
Consumer service and information	44,297	81,866
Administrative and general	3,237,313	2,497,444
Depreciation, excluding \$324,369 in 2019 and \$385,069 in 2018 charged to clearing accounts	6,016,651	5,839,773
Taxes, other than income	90,258	86,861
Interest on long-term debt	1,961,144	2,041,806
Interest expense - other	233,334	78,422
Other deductions	2,796	1,935
Total cost of electric service	69,778,470	74,210,197
Operating Margins (Deficit)	(330,769)	263,581
Nonoperating Margins and Patronage Capital		
Interest income	415,932	406,317
Other nonoperating income (loss), net	934,232	(18,134)
Patronage capital from associated organizations	179,415	254,411
Net nonoperating margins	1,529,579	642,594
Net Margins	1,198,810	906,175
Other Comprehensive Income (Loss)		
Postretirement benefits (expenses)	(522)	213,349
Total Comprehensive Income	\$ 1,198,288	\$ 1,119,524

The Notes to Financial Statements are an integral part of these statements.

JACKSON PURCHASE ENERGY CORPORATION
STATEMENTS OF CHANGES IN MEMBERS' EQUITIES
Years Ended December 31, 2019 and 2018

	<u>Memberships</u>	<u>Patronage Capital</u>			<u>Total</u>	<u>Accumulated Other Comprehensive Income (Loss)</u>	<u>Total Members' Equities</u>
		<u>Assignable</u>	<u>Assigned</u>	<u>Retirements</u>			
Balance - December 31, 2017	\$ 124,495	\$ 915,925	\$ 48,868,574	\$ (1,589,134)	\$ 48,195,365	\$ (118,379)	\$ 48,201,481
Comprehensive income:							
Net margins		906,175			906,175		906,175
Postretirement benefit obligation							
Amortization						42,263	
Adjustments						171,086	213,349
Total comprehensive income							1,119,524
Assignment of margins		(915,925)	915,925		--		--
Net change in memberships	(4,345)						(4,345)
Balance - December 31, 2018	120,150	906,175	49,784,499	(1,589,134)	49,101,540	94,970	49,316,660
Comprehensive income:							
Net margins		1,198,810			1,198,810		1,198,810
Postretirement benefit obligation							
Amortization						(522)	
Adjustments						--	(522)
Total comprehensive income							1,198,288
Assignment of margins		(906,175)	906,175		--		--
Net change in memberships	(4,445)						(4,445)
Other equities				(1)	(1)		(1)
Balance - December 31, 2019	\$ 115,705	\$ 1,198,810	\$ 50,690,674	\$ (1,589,135)	\$ 50,300,349	\$ 94,448	\$ 50,510,502

The Notes to Financial Statements are an integral part of these statements.

JACKSON PURCHASE ENERGY CORPORATION
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2019 and 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Net margins	\$ 1,198,810	\$ 906,175
Adjustments to reconcile net margins to net cash provided by operating activities:		
Depreciation		
Charged to expense	6,016,651	5,839,773
Charged to clearing accounts	324,369	385,069
Patronage capital credits assigned	(179,415)	(254,411)
Accumulated postretirement benefits	152,537	189,902
Change in assets and liabilities:		
Accounts and other receivables	1,095,806	23,907
Material and supplies	273,644	192,263
Other current assets	131,622	(185,334)
Accounts payable	(229,920)	(1,039,121)
Consumer deposits	289,728	211,154
Accrued expenses	(868,947)	48,084
Consumer advances for construction	(735,106)	9,176
Net cash provided by operating activities	7,469,779	6,326,637
CASH FLOWS FROM INVESTING ACTIVITIES		
Plant additions	(7,081,639)	(6,234,235)
Plant removal costs	(1,134,461)	(1,039,324)
Salvage recovered from retired plant	6,436	51,511
Receipts from investments, net	99,625	168,559
Net cash (used in) investing activities	(8,110,040)	(7,053,489)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net decrease in memberships	(4,445)	(4,345)
Proceeds from notes payable, net	3,400,000	3,800,000
Cushion of credit applied (payment)	(326,174)	120,154
Payments on long-term debt	(2,770,685)	(2,792,500)
Net cash provided by financing activities	298,696	1,123,309
Net increase (decrease) in cash and cash equivalents	(341,564)	396,457
Cash and cash equivalents, beginning of year	2,405,639	2,009,182
Cash and cash equivalents, end of year	\$ 2,064,075	\$ 2,405,639
SUPPLEMENTAL CASH FLOW INFORMATION		
Cash payments for interest	\$ 2,187,356	\$ 2,046,480

The Notes to Financial Statements are an integral part of these statements.

JACKSON PURCHASE ENERGY CORPORATION

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

Jackson Purchase Energy Corporation (“the Corporation”) maintains its records in accordance with the policies prescribed or permitted by the Kentucky Public Service Commission (“PSC”) and the United States Department of Agriculture, Rural Utilities Service (“RUS”), which conform in all material respects with accounting principles generally accepted in the United States of America. The significant accounting policies are as follows:

Electric Plant Electric plant is stated at original cost, which is the cost when first dedicated to public service. Such amount includes applicable supervisory and overhead cost including any construction period interest and taxes. There was no interest required to be capitalized during the years ended December 31, 2019 and 2018.

The cost of maintenance and repairs, including renewals of minor items of property, is charged to operating expense. The cost of replacement of depreciable property units, as distinguished from minor items, is charged to electric plant. The units of property replaced or retired, including cost of removal, net of any salvage value, is charged to accumulated depreciation. Electric plant consists of the following as of December 31:

	2019	2018
Distribution plant	\$ 156,917,809	\$ 152,608,706
General plant	10,801,363	10,774,941
Total	<u>\$ 167,719,172</u>	<u>\$ 163,383,647</u>

Depreciation Provision has been made for depreciation on the basis of the estimated lives of assets, using the straight-line method. Depreciation rates range from 1.48% to 12.09%, for a composite rate of 3.79% for distribution plant. General plant rates are as follows:

Structures and improvements	2.5%
Transportation equipment	12.5 - 20%
Other general plant	5 - 14%

Cash and Cash Equivalents The Corporation considers all short-term, highly liquid investments with original maturities of three months or less to be cash equivalents. The Corporation maintains cash deposits in financial institutions in excess of the amounts insured by the Federal Deposit Insurance Corporation (FDIC). As of December 31, 2019 and 2018, the financial institutions reported deposits in excess of the \$250,000 FDIC insured limit on several of the accounts. Deposits and repurchase agreements in excess of the FDIC limits are 100% secured with collateral from each respective financial institution.

Accounts Receivable Accounts receivable consists of amounts due for sales of electric energy which were not collected at year-end. Accounts receivable are recorded at net realizable value consisting of the carrying amount less an allowance for uncollectible accounts. The Corporation uses the allowance method to account for uncollectible accounts receivable balances. Management charges off uncollectible receivables to the allowance when it is determined the amounts will not be realized.

Materials and Supplies The Corporation values materials and supplies at the lower of average cost or net realizable value.

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

Estimates The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates used in the preparation of the financial statements.

Taxes The Corporation is required to collect, on behalf of the Commonwealth of Kentucky, sales taxes based on 6 percent of gross sales from non-residential consumers, a 3 percent school tax from certain counties on most gross sales, and franchise fees in certain cities. The Corporation's policy is to exclude sales tax from revenue when collected and expenses when paid and instead, record collection and payment of sales taxes through a liability account.

Cost of Power The Corporation is one of three (3) members of Big Rivers Electric Corporation ("Big Rivers"), a generation and transmission cooperative association. Under a wholesale power agreement, the Corporation is committed to purchase its electric power and energy requirements from Big Rivers until 2043. The rates charged by Big Rivers are subject to approval of the PSC. The cost of purchased power is recorded monthly during the period in which the energy is consumed, based upon billings from Big Rivers. There are certain surcharges, clauses, and credits that Big Rivers includes to the Corporation that are passed on to consumers using a methodology prescribed by the PSC.

Commitments The Corporation has various agreements outstanding with local contractors. Under these agreements, the contractors will perform certain construction and maintenance work at specified hourly rates or unit cost, or on an as needed basis. The duration of these contracts are generally one to three years.

Advertising The Corporation expenses advertising costs as incurred. Advertising expense amounted to \$11,179 and \$3,547 for the years ended December 31, 2019 and 2018, respectively.

Risk Management The Corporation is exposed to various forms of losses of assets associated with, but not limited to, fire, personal liability, theft, vehicular accidents, errors and omissions, fiduciary responsibility, workers compensation, etc. Each of these areas is covered through the purchase of commercial insurance.

Credit Risk The Corporation grants credit to residents of local counties. Concentrations of credit risk with respect to accounts receivables are limited due to its large number of customers.

Comprehensive Income Comprehensive income includes both net margin and other comprehensive income (loss). Other comprehensive income (loss) represents the change in funded status of the accumulated postretirement benefit obligation.

Generation and Transmission Corporation As discussed in the preceding footnotes, the Corporation purchases electric power from Big Rivers, a generation and transmission cooperative association. The membership of Big Rivers is comprised of the Corporation and two other distribution cooperatives.

The Corporation has elected to continue valuing the non-cash allocations received from Big Rivers at zero for financial accounting purposes, a practice it has followed since Big Rivers emerged from bankruptcy in 1998 during which all previous booked non-cash allocations were reduced to zero. The Corporation will continue to make memorandum entries in its patronage subsidiary ledger of the face amount of the allocations received from Big Rivers. Refer to the subsequent footnote for the income tax treatment of these non-cash allocations.

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

Income Tax Status The Corporation is exempt from federal and state income taxes under provisions of Section 501(c)(12). Accordingly, the financial statements for the Corporation include no provision for income taxes. When applying the 85 percent test of IRC 501(c)(12), the Corporation excludes the Big Rivers non-cash allocations from gross income. The Corporation's accounting policy provides that a tax expense/benefit from an uncertain tax position may be recognized when it is more likely than not that the position will be sustained upon examination, including resolutions of any related appeals or litigation processes, based on the technical merits. Management believes the Corporation has no uncertain tax positions resulting in an accrual of tax expense or benefit. The Corporation recognizes interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses. The Corporation did not recognize any interest or penalties during the years ended December 31, 2019 and 2018. The Corporation's income tax return is subject to possible examination by taxing authorities until the expiration of related statutes of limitations on the return, which is generally three years.

Reclassifications Certain amounts presented in the 2018 financial statements have been reclassified to conform to the 2019 presentation.

Pension Accounting Pronouncement In May 2017, the Financial Accounting Standards Board ("FASB") issued ASU 2017-07, *Improving the Presentation of Net periodic Pension Cost and Net Periodic Postretirement Benefit Cost*. The standard specifies how the amount of pension costs and costs for post-retirement benefits other than pensions ("PBOP") should be presented on the income statement under accounting principles generally accepted in the United States of America, and what components of those costs are eligible for capitalization in assets. This standard is effective for years beginning after December 15, 2018. The Federal Energy Regulatory Commission ("FERC") issued Docket No. A118-1-000 that allowed jurisdictional public utilities to continue to record PBOP costs in their entirety, less amounts capitalized, without change. Pension and PBOP costs are made up of several components: service cost, interest cost, actual return on plan assets, gain or loss, amortization of prior service cost or credit, and amortization of ASC Subtopic 715-30. Though pension and PBOP costs are computed using the aggregate total of these various components, the PSC's longstanding policy is to consider the amount as a singular cost to the employer. This cost is calculated based on Statement of Financial Accounting Standards No. 106 and reported as an expense under net margins from continuing operations.

Recent Accounting Pronouncements In February 2016, the FASB issued ASU 2016-02, *Leases*. The standard requires all leases with lease terms over 12 months to be capitalized as a right-of-use asset and lease liability on the balance sheet at the date of lease commencement. Leases will be classified as either finance or operating. This distinction will be relevant for the pattern of expense recognition in the statement of revenue and comprehensive income. This standard will be effective for the year ending December 31, 2021.

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments-Credit Losses*. The standard requires a financial asset (including trade receivables) measured at amortized cost basis to be presented at the net amount expected to be collected. Thus, the statement of revenue and comprehensive income will reflect the measurement of credit losses for newly recognized financial assets as well as the expected increases or decreases of expected credit losses that have taken place during the period. This standard will be effective for the year ending December 31, 2023.

The Corporation is currently in the process of evaluating the impact of the adoption of these ASUs on the financial statements.

Subsequent Events Management has evaluated subsequent events through March 10, 2020, the date the financial statements were available to be issued.

NOTES TO FINANCIAL STATEMENTS

Note 2. Revenue Recognition

Adoption of accounting pronouncement

The Corporation adopted ASU 2014-09, *Revenue from Contracts with Customers* as of January 1, 2019. The new standard replaces existing revenue recognition rules with a single comprehensive model to use in accounting for revenue arising from contracts with customers. The standard was adopted using the modified retrospective method and had no effect on the Corporation's financial position or results of operations.

Under ASU 2014-09, the timing of recognition of revenue for each performance obligation may differ from the timing of the customer billing, creating a contract asset or contract liability. Short-term contract liabilities are classified as consumer deposits. The Corporation has no contract assets or long-term contract liabilities.

Revenue from contracts

The Corporation is engaged in the distribution and sale of electricity to residential and commercial customers in six counties in western Kentucky. Revenue from these activities is generated from tariffs approved by the PSC. The Corporation satisfies their performance obligation upon the delivery of electricity to customers. Revenue is recognized over-time as the customer simultaneously receives and consumes the benefits provided by the Corporation. The amount of revenue recognized is the billed volume of electricity multiplied by a tariff rate per-unit of energy, plus any applicable fixed or additional regulatory charges. Customers are billed monthly and outstanding amounts are typically due within 18 days of the date of the bill.

Significant judgements

Unbilled revenues are recognized as a result of customers' bills being generated throughout the month rather than at the end of the month. Unbilled revenues for a month are calculated based on estimated usage and the number of days in the period to accrue for each billing cycle. Any difference between estimated and actual revenues is adjusted the following month when the previous unbilled estimate is reversed and actual billings are generated. This method of revenue recognition presents fairly, the Corporation's transfer of electricity to customers as the amount recognized is based on actual and estimated volumes delivered and the tariff rate per-unit of energy and any applicable fixed charges as set by the PSC.

Performance obligations

The Corporation customers generally have no minimum purchase commitments. The Corporation recognizes revenue as each performance obligation is satisfied. Performance obligations are limited to the service requested and received to date. Accordingly, there is no unsatisfied performance obligation to recognize as of December 31, 2019 and 2018.

NOTES TO FINANCIAL STATEMENTS

Note 2. Revenue Recognition (Continued)

Disaggregation of revenue

The following table shows revenues from contracts with customers disaggregated by customer class for the years ended December 31:

	2019	2018
Residential	\$ 43,457,659	\$ 46,886,743
Commercial	20,223,394	21,777,051
Large Industrial	4,297,603	4,286,127
Public Lights	126,880	124,891
Other	14,962	11,326
	\$ 68,120,498	\$ 73,086,138

Contract assets and cost liabilities

Contract cost liabilities include consumer deposits. The balance in contract liabilities was \$2,789,538 and \$2,499,810 as of December 31, 2019 and 2018, respectively. Contract assets include unbilled revenues. The balance in contract assets was \$3,190,126 and \$3,612,505 as of December 31, 2019 and 2018, respectively.

Note 3. Investments in Associated Organizations

Investments in associated organizations consist of the following as of December 31:

	2019	2018
CFC, CTCs	\$ 928,929	\$ 931,837
CoBank, patronage capital	902,582	856,878
National Rural Telecommunications Coop.	845,420	845,419
Others	927,556	890,563
Total	\$ 3,604,487	\$ 3,524,697

The Corporation records patronage capital assigned by associated organizations in the year in which such assignments are received. The Capital Term Certificates (“CTCs”) of CFC are recorded at cost. The CTCs were purchased from CFC as a condition of obtaining long-term financing. The CTCs bear interest at 3.00% and 5.00% and are scheduled to mature at varying times from 2020 to 2080.

Note 4. Patronage Capital

Under provisions of the long-term debt agreement, return to patrons of capital contributed by patrons is limited to amounts which would not allow the total equities and margins to be less than 30.00% of total assets, except that distributions may be made to estates of deceased patrons. The debt agreement provides, however, that should such distributions to estates not exceed 25.00% of the net margins for the next preceding year, the Corporation may distribute the difference between 25.00% and the payments made to such estates. The equity and margins as of December 31, 2019 and 2018 were 45.00% and 44.00%, respectively. The Corporation adopted a policy whereby it would refund capital credits to its members in any annual period that a Times Interest Earned Ratio (“TIER”) of 2.0 is exceeded. No refunds of capital credits are anticipated for the year ending December 31, 2020.

NOTES TO FINANCIAL STATEMENTS

Note 5. Long-Term Debt

All assets, except vehicles, are pledged as collateral on the long-term debt to RUS, Federal Financing Bank (“FFB”), CoBank, and CFC under a joint mortgage agreement. The long-term debt is due in quarterly and monthly installments of varying amounts through 2045. RUS assesses 12.5 basis points to administer the FFB loans. Long-term debt consists of the following as of December 31:

	2019	2018
RUS: Advance payment, earns 5.00% interest	\$ (6,728,615)	\$ (6,402,440)
First mortgage notes due FFB:		
2.332% to 5.158%	19,753,319	20,761,549
First mortgage notes due CoBank:		
3.19% to 4.90%	12,547,580	13,686,552
First mortgage notes due CFC:		
CFC: 3.25%	--	63,324
CFC: Refinance RUS loans 2.55% to 3.75%	17,227,112	17,787,270
	42,799,396	45,896,255
Less Current Portion	(2,560,000)	(2,635,000)
Long-term portion	\$ 40,239,396	\$ 43,261,255

As of December 31, 2019, the annual principal portion of long-term debt outstanding for the next five years are as follows: 2020 - \$2,560,000; 2021 - \$2,804,000; 2022 - \$2,859,000; 2023 - \$2,915,000; 2024 - \$2,973,000.

Note 6. Short-Term Notes Payable

As of December 31, 2019, the Corporation has a short-term line of credit of \$5,000,000 available from CFC and a short-term line of credit of \$5,000,000 available from CoBank. As of December 31, 2019 and 2018, advances on the CFC line of credit were \$3,400,000 at an interest rate of 3.25% and \$5,000,000 at an interest rate of 3.75%, respectively. As of December 31, 2019, advances on the CoBank line of credit were \$5,000,000 at an interest rate of 3.19%. There were no advances against the CoBank line of credit as of December 31, 2018.

Note 7. Pension Plans

Qualified union and non-union employees of the Corporation participate in the NRECA Retirement and Security Plan (“R&S Plan”), a defined benefit pension plan qualified under section 401 and tax exempt under section 501(a) of the Internal Revenue Code. It is a multiemployer plan under the accounting standards. The Plan sponsor’s identification number is 53-0116145 and the Plan Number is 333. A unique characteristic of a multiemployer plan compared to a single employer plan is that all plan assets are available to pay benefits of any plan participant. Separate asset accounts are not maintained for participating employers. This means that assets contributed by one employer may be used to provide benefits to employees of other participating employers.

The Corporation’s contributions to the R&S Plan in 2019 and 2018 represent less than 5.00% of the total contributions made to the plan by all participating employers. The Corporation made contributions to the plan of \$750,522 in 2019 and \$787,734 in 2018. There have been no significant changes that affect the comparability of 2019 and 2018 contributions.

NOTES TO FINANCIAL STATEMENTS

Note 7. Pension Plans (Continued)

For the R&S Plan, a zone status determination is not required, and therefore not determined, under the Pension Protection Act (“PPA”) of 2006. In addition, the accumulated benefit obligations and plan assets are not determined or allocated separately by individual employer. In total, the R&S Plan was over 80 percent funded at January 1, 2019 and 2018 based on the PPA funding target and PPA actuarial value of assets on those dates. Because the provisions of the PPA do not apply to the R&S Plan, funding improvement plans and surcharges are not applicable. Future contribution requirements are determined each year as part of the actuarial valuation of the plan and may change as a result of plan experience.

Qualified union employees participate in the International Brotherhood of Electrical Workers (“IBEW”) Savings Plan. The Corporation contributes 10.00% of base wages to the plan. The Corporation contributions to the plan totaled \$218,859 in 2019 and \$209,017 in 2018.

Qualified non-union employees participate in the NRECA 401(k) Plan. The Corporation contributes 4.00% of annual wages to the plan for employees hired prior to January 1, 2006, and 14.00% of annual wages for employees hired after January 1, 2006. Contributions for these plans totaled \$269,930 for 2019 and \$203,437 for 2018.

A summary of plan benefits are as follows:

	<u>Pre 2006</u>	<u>Post 2006</u>
Union Employees		
Union Savings Plan	10.00%	10.00%
R&S Benefit level	1.60%	1.00%
 Non-Union Employees		
401(k), Employer contribution	4.00%	14.00%
R&S Benefit level	1.80%	none

Note 8. Postretirement Benefits

The Corporation sponsors a defined benefit plan that provides medical insurance coverage to retirees. The premiums are paid for a maximum of ten years or until age 65, whichever comes first. For measurement purposes, an annual rate of increase of 5.00% in 2019, then decreasing by 0.50% per year until 3.00% per year, in the per capita cost of covered health care benefit was assumed. The discount rate used in determining the accumulated postretirement benefit obligation was 4.50%. There have been no significant changes that affect the comparability of 2019 and 2018. This is a non-contributory plan.

The funded status of the plan was as follows as of December 31:

	<u>2019</u>	<u>2018</u>
Projected benefit obligation	\$ (2,677,095)	\$ (2,524,036)
Plan assets at fair value	--	--
Funded status (deficit)	<u>\$ (2,677,095)</u>	<u>\$ (2,524,036)</u>

NOTES TO FINANCIAL STATEMENTS

Note 8. Postretirement Benefits (Continued)

The components of net periodic postretirement benefit cost are as follows as of and for the year ended December 31:

	2019	2018
Benefit obligation at beginning of year	\$2,524,036	\$ 2,547,483
Net periodic benefit cost:		
Service cost	70,010	56,546
Interest cost	117,025	114,109
	187,035	170,655
Benefits paid	(33,976)	(23,016)
Actuarial gain/loss	-	(171,086)
Benefit obligation at end of year	\$ 2,677,095	\$ 2,524,036
Amounts recognized in the balance sheet consists of:		
Accumulated Postretirement Benefits	\$ 2,677,095	\$ (2,524,036)
Amounts included in other comprehensive income:		
Unrecognized actuarial (loss)	\$ (94,448)	\$ (94,970)
Effect of 1.00% increase in the health care trend:		
Postemployment benefit obligation	\$ 2,824,000	
Net periodic benefit cost	\$ 197,300	

Projected retiree benefit payments for the next five years are expected to be as follows: 2020 - \$26,000; 2021 - \$27,000; 2022 - \$28,000; 2023 - \$26,000; 2024 - \$25,000.

Note 9. Related Party Transactions

Several of the Directors of the Corporation and its President and CEO serve on the Boards of Directors of various associated organizations.

Note 10. Labor Force

Approximately 45.00% of the Corporation's labor force is subject to a collective bargaining agreement. A five (5) year agreement was negotiated and approved for the period from November 2019 through November 2024 between the Corporation and the International Brotherhood of Electric Workers ("IBEW").

Note 11. Environmental Contingency

The Corporation from time to time is required to work with and handle PCBs, herbicides, automotive fluids, lubricants, and other hazardous materials in the normal course of business. As a result, there is the possibility that environmental conditions may arise which would require the Corporation to incur cleanup costs. The likelihood of such an event, or the amount of such costs, if any, cannot be determined at this time. However, management does not believe such costs, if any, would materially affect the Corporation's financial position or its future cash flows.

NOTES TO FINANCIAL STATEMENTS

Note 12. Contingencies

The Corporation, on occasion, is involved in litigation arising in the normal course of business. While the results of such litigation cannot be predicted with certainty, management, based upon advice of counsel, believes that the final outcome will not have a material adverse effect on the financial statements.

Note 13. Rate Matters

In June 2019, the PSC granted the Corporation an increase in rates of approximately \$1,320,000, or 4.00% of base rates.

Note 14. Risks & Uncertainties

Subsequent to December 31, 2019, local, U.S., and world governments have encouraged self-isolation to curtail the spread of the global pandemic, coronavirus disease (COVID-19), by mandating temporary work stoppage in many sectors and imposing limitations on travel and size and duration of group meetings. Most industries are experiencing disruption to business operations and the impact of reduced consumer spending. There is unprecedented uncertainty surrounding the duration of the pandemic, its potential economic ramifications, and any government actions to mitigate them. Accordingly, while management cannot quantify the financial and other impact to the Corporation as of March 10, 2020, management believes that a material impact on the Corporation's financial position and results of future operations is reasonably possible.



Jones, Nale & Mattingly PLC

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Board of Directors
Jackson Purchase Energy Corporation
Paducah, Kentucky

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Jackson Purchase Energy Corporation (the Corporation), which comprise the balance sheet as of December 31, 2019 and the related statements of revenue and comprehensive income, changes in members' equities and cash flows for the year then ended, and related notes to the financial statements, and have issued our report thereon dated March 10, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Corporation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

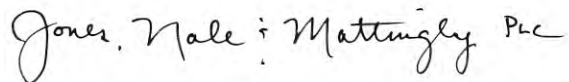
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Corporation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Jones, Nale & Mattingly PLC".

Louisville, Kentucky
March 10, 2020



Jones, Nale & Mattingly PLC

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH ASPECTS
OF CONTRACTUAL AGREEMENTS AND REGULATORY REQUIREMENTS
FOR ELECTRIC BORROWERS**

To the Board of Directors
Jackson Purchase Energy Corporation
Paducah, Kentucky

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Jackson Purchase Energy Corporation (the Corporation), which comprise the balance sheet as of December 31, 2019, and the related statements of revenue and comprehensive income, changes in members' equities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 10, 2020. In accordance with *Government Auditing Standards*, we have also issued our report dated March 10, 2020, on our consideration of the Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. No reports other than the reports referred to above and our schedule of findings and recommendations related to our audit have been furnished to management.

In connection with our audit, nothing came to our attention that caused us to believe that the Corporation failed to comply with the terms, covenants, provisions, or conditions of their loan, grant, and security instruments as set forth in 7 CFR Part 1773, *Policy on Audits of Rural Utilities Service Borrowers and Grantees*, §1773.33, insofar as they relate to accounting matters as enumerated below. However, our audit was not directed primarily toward obtaining knowledge of noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Corporation's noncompliance with the above-referenced terms, covenants, provisions, or conditions of the contractual agreements and regulatory requirements, insofar as they relate to accounting matters. In connection with our audit, we noted no matters regarding the Corporation's accounting and records to indicate that the Corporation did not:

- Maintain adequate and effective accounting procedures;
- Utilize adequate and fair methods for accumulating and recording labor, material, and overhead costs, and the distribution of these costs to construction, retirement, and maintenance or other expense accounts;
- Reconcile continuing property records to the controlling general ledger plant accounts;
- Clear construction accounts and accrue depreciation on completed construction;
- Record and properly price the retirement of plant;
- Seek approval of the sale, lease, or transfer of capital assets and disposition of proceeds for the sale or lease of plant, material, or scrap;
- Maintain adequate control over material and supplies;

- Prepare accurate and timely Financial and Operating Reports;
- Obtain written RUS approval to enter into any contract for the management, operation, or maintenance of the borrower's system if the contract covers all or substantially all of the electric system;
- Disclose material related party transactions in the financial statements, in accordance with requirements for related parties in generally accepted accounting principles;
- Record depreciation in accordance with RUS requirements ("See RUS Bulletin 183-1, Depreciation Rates and Procedures");
- Comply with the requirements for the detailed schedule of deferred debits and deferred credits, which are listed below; and
- Comply with the requirements for the detailed schedule of investments, of which there were none.

The deferred credits are as follows:

Consumer advances for construction	<u>\$168,096</u>
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The purpose of this report is solely to communicate, in connection with the audit of the financial statements, on compliance with aspects of contractual agreements and the regulatory requirements for electric borrowers based on the requirements of 7 CFR Part 1773, *Policy on Audits of Rural Utilities Service Borrowers and Grantees*. Accordingly, this report is not suitable for any other purpose.

Jones, Nale & Mattingly PLC

Louisville, Kentucky
March 10, 2020

EXHIBIT JRW-3
ROW GENERAL LEDGER
ACTIVITIES

05/28/2021 1:31:59 pm

GENERAL LEDGER ACTIVITY

Detail From JAN 2019 To DEC 2019

Div Account	Dept BU Project	Date	Journal Mod	Batch	Reference	Debit	Credit
Activity: 468 - Maint Tree Trimming							
0 593.3	50	01/14/2019	54519 AP	AUTHORIZED	Tree Trimming-Gary Hale	2,525.44	
0 593.3	50	01/14/2019	54519 AP	AUTHORIZED	Tree Trimming-Jammie Moore	2,413.40	
0 593.3	50	01/14/2019	54519 AP	AUTHORIZED	Permitting-Linda Hollan	583.04	
0 593.3	50	01/16/2019	54657 AP	AUTHORIZED	Sparkplugs & Oil for Chainsaws	110.37	
0 593.3	50	01/28/2019	55267 AP	AUTHORIZED	Polesaw Repair	41.40	
0 593.3	50	01/28/2019	55267 AP	AUTHORIZED	Permitting Linda Hollan	728.80	
0 593.3	50	01/31/2019	55365 AP	AUTHORIZED	Tune-up for Chainsaw Unit#25	47.03	
0 593.3	50	01/31/2019	55365 AP	AUTHORIZED	Installed a new Primer Bulb unit #4	40.27	
0 593.3	50	01/31/2019	55365 AP	AUTHORIZED	Tree Trimming Gary Hale	3,272.62	
0 593.3	50	01/31/2019	55365 AP	AUTHORIZED	Tree Trimming Jamie Moore	3,257.54	
0 593.3	50	02/05/2019	55365 AP	AUTHORIZED	Saw & Rope	24.80	
0 593.3	50	01/31/2019	55798 AP	AUTHORIZED	Tree Trimming-Gary Hale	3,578.08	
0 593.3	50	01/31/2019	55798 AP	AUTHORIZED	Tree Trimming Gary Hale	2,131.56	
0 593.3	50	01/31/2019	55798 AP	AUTHORIZED	Tree Trimming Jammie Moore	3,640.40	
0 593.3	50	01/31/2019	55798 AP	AUTHORIZED	Tree Trimming Jammie Moore	1,825.42	
0 593.3	50	01/31/2019	55798 AP	AUTHORIZED	Permitting Linda Holland	728.80	
0 593.3	50	01/31/2019	55798 AP	AUTHORIZED	Permitting Linda Hollan	692.36	
0 593.3	50	02/01/2019	55798 AP	AUTHORIZED	Sparkplugs, 1 Gallon Mix	110.36	
0 593.3	50	02/14/2019	55798 AP	AUTHORIZED	Tree Trimming Gary Hale	2,742.80	
0 593.3	50	02/14/2019	55798 AP	AUTHORIZED	Tree Trimming Jammie Moore	2,501.28	
0 593.3	50	02/14/2019	55798 AP	AUTHORIZED	Permitting Linda Hollan	728.80	
0 593.3	50	02/15/2019	55798 AP	AUTHORIZED	Filler Cap	26.45	
0 593.3	50	01/31/2019	55902 GL	55288R	Accrue Townsend 8011106 Rev		448.00
0 593.3	50	01/31/2019	55902 GL	55288R	Accrue Townsend 8011103 Rev		145.76
0 593.3	50	01/31/2019	55902 GL	55288R	Accrue Townsend 8011106 REV		465.88
0 593.3	50	02/20/2019	56168 AP	AUTHORIZED	Tree Trimming-Gary Hale	3,301.52	
0 593.3	50	02/20/2019	56168 AP	AUTHORIZED	Tree Trimming Jammie Moore	2,883.40	
0 593.3	50	02/20/2019	56168 AP	AUTHORIZED	Permitting Linda Hollan	619.48	
0 593.3	50	02/25/2019	56168 AP	AUTHORIZED	Chain & Chainsaw Mix	304.11	
0 593.3	50	02/26/2019	56380 AP	AUTHORIZED	Tree Trimming Gary Hale	3,016.02	
0 593.3	50	02/26/2019	56380 AP	AUTHORIZED	Tree Trimming Jammie Moore	3,068.50	
0 593.3	50	02/26/2019	56380 AP	AUTHORIZED	Permitting Linda Hollan	728.80	
0 593.3	50	02/28/2019	56680 AP	AUTHORIZED	Tree Trimming Jammie Moore	3,544.60	
0 593.3	50	02/28/2019	56680 AP	AUTHORIZED	Tree Trimming Gary Hale	3,584.00	
0 593.3	50	02/28/2019	56680 AP	AUTHORIZED	Permitting Linda Hollan	728.80	
0 593.3	50	03/07/2019	56680 AP	AUTHORIZED	Sparkplugs, 1 Gallon Mix	110.37	
0 593.3	50	03/11/2019	56680 AP	AUTHORIZED	Tune-up for Chainsaw Unit #16	55.36	
0 593.3	50	03/12/2019	56955 AP	AUTHORIZED	Tree Trimming Gary Hale	3,832.00	
0 593.3	50	03/12/2019	56955 AP	AUTHORIZED	Permitting Linda Hollan	655.92	
0 593.3	50	03/15/2019	56955 AP	AUTHORIZED	Chainsaw Oil	69.84	
0 593.3	50	03/21/2019	56955 AP	AUTHORIZED	Tree Trimming Gary Hale	3,832.00	

GENERAL LEDGER

ACTIVITY

Detail From JAN 2019 To DEC 2019

Div Account	Dept BU Project	Date	Journal Mod	Batch	Reference	Debit	Credit
Activity: 468 - Maint Tree Trimming							
0 593.3	50	03/21/2019	56955 AP	AUTHORIZED	Permitting Linda Hollan	728.80	
0 593.3	50	03/25/2019	57083 AP	AUTHORIZED	Chainsaw & Bar Unit 35	302.05	
0 593.3	50	03/26/2019	57083 AP	AUTHORIZED	Tree Trimmimg Carl Kemp	98.90	
0 593.3	50	03/26/2019	57083 AP	AUTHORIZED	Tree Trimming James McCraw	130.20	
0 593.3	50	03/26/2019	57083 AP	AUTHORIZED	Tree Trimming Joseph Hockenberry	130.20	
0 593.3	50	03/26/2019	57083 AP	AUTHORIZED	Tree Trimming Jesse Kemp	118.30	
0 593.3	50	03/26/2019	57083 AP	AUTHORIZED	Tree Trimming Brian Lancaster	146.66	
0 593.3	50	03/26/2019	57083 AP	AUTHORIZED	Tree Trimmimg	140.62	
0 593.3	50	03/26/2019	57083 AP	AUTHORIZED	Tree Trimming Nathan Stewart	130.20	
0 593.3	50	03/26/2019	57083 AP	AUTHORIZED	Permitting Linda Hollan	728.80	
0 593.3	50	03/27/2019	57108 AP	AUTHORIZED	Tree Trimming Gary Hale	2,293.80	
0 593.3	50	03/31/2019	57212 AP	AUTHORIZED	Tree Trimming Gary Hale	3,408.76	
0 593.3	50	03/31/2019	57212 AP	AUTHORIZED	Permitting Linda Hollan	728.80	
0 593.3	50	04/08/2019	57524 AP	AUTHORIZED	Tree Trimming Gary Hale	3,620.30	
0 593.3	50	04/08/2019	57524 AP	AUTHORIZED	Permitting Linda Hollan	583.04	
0 593.3	50	04/17/2019	57783 AP	AUTHORIZED	Tree Trimming Gary Hale	3,832.00	
0 593.3	50	04/17/2019	57783 AP	AUTHORIZED	Permitting Linda Hollan	583.04	
0 593.3	50	04/29/2019	58094 AP	AUTHORIZED	Tree Trimming Gary Hale	3,832.00	
0 593.3	50	04/29/2019	58094 AP	AUTHORIZED	Permitting Linda Hollan	728.80	
0 593.3	50	05/07/2019	58455 AP	AUTHORIZED	Tree Trimming Gary Hale	2,742.12	
0 593.3	50	05/07/2019	58455 AP	AUTHORIZED	Permitting Linda Hollan	525.60	
0 593.3	50	05/14/2019	58683 AP	AUTHORIZED	Permitting Linda Hollan	655.92	
0 593.3	50	05/16/2019	58760 AP	AUTHORIZED	Chain Saw Repair	177.61	
0 593.3	50	05/20/2019	58834 AP	AUTHORIZED	Tree Trimming Gary Hale	3,085.28	
0 593.3	50	05/20/2019	58834 AP	AUTHORIZED	Tree Trimming Gary Hale	3,239.20	
0 593.3	50	04/08/2019	59053 AP	AUTHORIZED	Freemont 5102 16.76 Miles Retention	30,736.91	
0 593.3	50	05/28/2019	59102 AP	AUTHORIZED	Tree Trimming Gary Hale	2,708.38	
0 593.3	50	05/29/2019	59102 AP	AUTHORIZED	Chain and oil	92.22	
0 593.3	50	06/03/2019	59352 AP	AUTHORIZED	Tree Trimming Gary Hale	3,102.40	
0 593.3	50	05/31/2019	59406 AP	AUTHORIZED	Pole Saw for Unit #16	688.95	
0 593.3	50	05/31/2019	59457 GL	UNASSIGNED	Correct AP Townsend Inv 009-04128	3,842.11	
0 593.3	50	05/31/2019	59457 GL	UNASSIGNED	Correct AP Townsend Inv 009-04128	3,842.11	
0 593.3	50	06/03/2019	59532 GL	59352R	Tree Trimming Gary Hale		3,102.40
0 593.3	50	05/31/2019	59533 GL	59532R	Tree Trimming Gary Hale	3,102.40	
0 593.3	50	06/11/2019	59653 AP	AUTHORIZED	Chainsaw Repair	71.01	
0 593.3	50	06/11/2019	59682 AP	AUTHORIZED	Tree Trimming Gary Hale	2,564.00	
0 593.3	50	06/11/2019	59682 AP	AUTHORIZED	Tree Trimming Malcom James	645.75	
0 593.3	50	06/11/2019	59682 AP	AUTHORIZED	Tree Trimming Marty Jones	373.59	
0 593.3	50	06/11/2019	59682 AP	AUTHORIZED	Permitting Linda Hollan	182.20	
0 593.3	50	06/30/2019	60338 AP	AUTHORIZED	Tree Trimming Raymond Piper	293.25	
0 593.3	50	06/30/2019	60338 AP	AUTHORIZED	Permitting Linda Hollan	127.55	

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GENERAL LEDGER ACTIVITY

Detail From JAN 2019 To DEC 2019

Div Account	Dept BU Project	Date	Journal Mod	Batch	Reference	Debit	Credit
Activity: 468 - Maint Tree Trimming							
0 593.3	50	06/30/2019	60634 AP	AUTHORIZED	Tree Trimming Gary Hale	2,494.30	
0 593.3	50	06/30/2019	60634 AP	AUTHORIZED	Tree Trimming Gary Hale	1,156.49	
0 593.3	50	06/30/2019	60845 AP	AUTHORIZED	Tree Trimming Gary Hale	2,988.40	
0 593.3	50	07/16/2019	60845 AP	AUTHORIZED	Permitting Linda Hollan	728.80	
0 593.3	50	07/16/2019	60845 AP	AUTHORIZED	Tree Trimming Michael Farrar	142.72	
0 593.3	50	07/17/2019	60894 AP	AUTHORIZED	Tree Trimming Gary Hale	1,879.59	
0 593.3	50	07/19/2019	61044 AP	AUTHORIZED	Permitting Linda Hollan	583.04	
0 593.3	50	07/23/2019	61152 AP	AUTHORIZED	Tree Trimming Malcom James	664.32	
0 593.3	50	07/23/2019	61152 AP	AUTHORIZED	Tree Trimming Malcom James	1,154.88	
0 593.3	50	07/29/2019	61331 AP	AUTHORIZED	Permitting Linda Hollan	364.40	
0 593.3	50	07/31/2019	61331 AP	AUTHORIZED	Tree Trimming Raymond Piper	1,855.36	
0 593.3	50	07/31/2019	61331 AP	AUTHORIZED	Tree Trimming Alex Williams	1,608.20	
0 593.3	50	07/31/2019	61331 AP	AUTHORIZED	Permitting Linda Hollan	182.20	
0 593.3	50	07/31/2019	61331 AP	AUTHORIZED	Tree Trimmig Michael Farrar	463.85	
0 593.3	50	07/31/2019	61331 AP	AUTHORIZED	Tree Trimming Anthony Poe	2,854.40	
0 593.3	50	07/31/2019	61378 AP	AUTHORIZED	Tree Trimming Danny Williams	502.84	
0 593.3	50	07/31/2019	61434 AP	AUTHORIZED	Tree Trimming Gary Hale	2,459.96	
0 593.3	50	07/31/2019	61434 AP	AUTHORIZED	Tree Trimming Gary Hale	2,944.20	
0 593.3	50	07/31/2019	61434 AP	AUTHORIZED	Tree Trimming Gary Hale	2,308.06	
0 593.3	50	08/05/2019	61473 AP	AUTHORIZED	Chain Saw Repair	88.13	
0 593.3	50	08/12/2019	61697 WO	UNASSIGNED	Exp WIP \$ to Maintenance 17013943	139.16	
0 593.3	50	08/12/2019	61718 AP	AUTHORIZED	Tree Trimming Danny Williams	535.21	
0 593.3	50	08/12/2019	61718 AP	AUTHORIZED	Permitting Linda Hollan	728.80	
0 593.3	50	08/28/2019	62455 AP	AUTHORIZED	Tree Trimming Michael Farrar	721.80	
0 593.3	50	08/28/2019	62455 AP	AUTHORIZED	Tree Trimming Vincent Schaeffer	685.30	
0 593.3	50	08/28/2019	62455 AP	AUTHORIZED	Tree Trimming Danny Williams	1,512.48	
0 593.3	50	08/28/2019	62455 AP	AUTHORIZED	Tree Trimming Vincent Schaeffer	1,412.40	
0 593.3	50	08/28/2019	62455 AP	AUTHORIZED	Permitting Linda Hollan	728.80	
0 593.3	50	08/28/2019	62455 AP	AUTHORIZED	Tree Trimming Gary Hale	2,853.98	
0 593.3	50	08/28/2019	62455 AP	AUTHORIZED	Tree Trimming Anthony Poe	570.88	
0 593.3	50	08/28/2019	62455 AP	AUTHORIZED	Tree Trimming Anthony Poe	2,501.20	
0 593.3	50	08/28/2019	62455 AP	AUTHORIZED	8	3,085.28	
0 593.3	50	08/28/2019	62455 AP	AUTHORIZED	Tree Trimming Jonathan Lyell	8.20	
0 593.3	50	08/28/2019	62455 AP	AUTHORIZED	Permitting Linda Hollan	728.80	
0 593.3	50	08/22/2019	62952 AP	AUTHORIZED	Chain Saw Repair Unit #18	736.92	
0 593.3	50	08/31/2019	62952 AP	AUTHORIZED	Permitting Linda Hollan	655.92	
0 593.3	50	08/31/2019	62952 AP	AUTHORIZED	Tree Trimming Danny Williams	214.08	
0 593.3	50	09/12/2019	62952 AP	AUTHORIZED	Chain Saw Repair Unit #25	55.59	
0 593.3	50	09/17/2019	63190 AP	AUTHORIZED	Tree Trimming Gary Hale	2,097.80	
0 593.3	50	09/17/2019	63190 AP	AUTHORIZED	Tree Trimming Danny Williams	214.08	
0 593.3	50	09/17/2019	63190 AP	AUTHORIZED	Permitting Linda Hollan	728.80	

GENERAL LEDGER

ACTIVITY

Detail From JAN 2019 To DEC 2019

Div Account	Dept BU Project	Date	Journal Mod	Batch	Reference	Debit	Credit
Activity: 468 - Maint Tree Trimming							
0 593.3	50	09/17/2019	63190 AP	AUTHORIZED	Tree Trimming Marr Martz	180.18	
0 593.3	50	09/19/2019	63193 AP	AUTHORIZED	Tree Trimming Gary Hale	2,685.54	
0 593.3	50	09/27/2019	63494 AP	AUTHORIZED	Tree Trimming Shayne Farrar	360.90	
0 593.3	50	09/27/2019	63494 AP	AUTHORIZED	Tree Trimming Raymond Piper	356.80	
0 593.3	50	09/27/2019	63494 AP	AUTHORIZED	Tree Trimming Anthony Poe	1,154.88	
0 593.3	50	09/27/2019	63494 AP	AUTHORIZED	Permitting Linda Hollan	546.60	
0 593.3	50	09/27/2019	63494 AP	AUTHORIZED	Tree Trimming Anthony Poe	1,719.20	
0 593.3	50	09/27/2019	63494 AP	AUTHORIZED	Permitting Linda Hollan	728.80	
0 593.3	50	09/27/2019	63494 AP	AUTHORIZED	Tree Trimming Gary Hale	2,700.80	
0 593.3	50	09/27/2019	63494 AP	AUTHORIZED	Tree Trimming Gary Hale	3,467.20	
0 593.3	50	10/04/2019	63708 AP	AUTHORIZED	Chainsaw Repair Unit #35	73.65	
0 593.3	50	10/04/2019	63708 AP	AUTHORIZED	Chainsaw Repair Unit #35	56.69	
0 593.3	50	10/21/2019	64345 AP	AUTHORIZED	Chainsaw Repair Unit #22	52.75	
0 593.3	50	10/28/2019	64644 AP	AUTHORIZED	Cap	8.46	
0 593.3	50	10/15/2019	65075 AP	AUTHORIZED	Tree Trimming Vincent Schaffer	1,605.61	
0 593.3	50	10/15/2019	65075 AP	AUTHORIZED	Tree Trimming Anthony Poe	1,719.20	
0 593.3	50	10/16/2019	65075 AP	AUTHORIZED	Tree Trimming Gary Hale	3,832.00	
0 593.3	50	10/16/2019	65075 AP	AUTHORIZED	Permitting Linda Hollan	728.80	
0 593.3	50	10/21/2019	65075 AP	AUTHORIZED	Tree Trimming Gary Hale	3,544.60	
0 593.3	50	10/21/2019	65075 AP	AUTHORIZED	Tree Trimming Anthony Poe	2,854.40	
0 593.3	50	10/28/2019	65075 AP	AUTHORIZED	Tree Trimming Gary Hale	3,832.00	
0 593.3	50	10/31/2019	65075 AP	AUTHORIZED	Permitting Linda Hollan	728.80	
0 593.3	50	10/31/2019	65075 AP	AUTHORIZED	Permitting Linda Hollan	728.80	
0 593.3	50	10/31/2019	65075 AP	AUTHORIZED	Tree Trimming Anthony Poe	2,217.08	
0 593.3	50	10/31/2019	65075 AP	AUTHORIZED	Tree Trimming Anthony Poe	2,854.40	
0 593.3	50	10/31/2019	65075 AP	AUTHORIZED	Tree Trimming Anthony Poe	3,766.40	
0 593.3	50	10/31/2019	65075 AP	AUTHORIZED	Permitting Linda Hollan	546.60	
0 593.3	50	10/31/2019	65075 AP	AUTHORIZED	Tree Trimming Gary Hale	2,720.48	
0 593.3	50	10/31/2019	65075 AP	AUTHORIZED	Tree Trimming Gary Hale	3,832.00	
0 593.3	50	10/31/2019	65075 AP	AUTHORIZED	Tree Trimming Anthony Poe	2,783.86	
0 593.3	50	10/31/2019	65075 AP	AUTHORIZED	Tree Trimming Gary Hale	3,549.20	
0 593.3	50	11/13/2019	65075 AP	AUTHORIZED	Tree Trimming Anthony Poe	2,854.40	
0 593.3	50	11/13/2019	65075 AP	AUTHORIZED	Permitting Linda Hollan	546.60	
0 593.3	50	11/13/2019	65075 AP	AUTHORIZED	Tree Trimming Gary Hale	3,363.16	
0 593.3	50	11/19/2019	65508 AP	AUTHORIZED	Tree Trimming Anthony Poe	2,854.40	
0 593.3	50	11/19/2019	65508 AP	AUTHORIZED	Permitting Linda Hollan	692.36	
0 593.3	50	11/19/2019	65508 AP	AUTHORIZED	Tree Trimming Gary Hale	3,649.60	
0 593.3	50	11/25/2019	65508 AP	AUTHORIZED	Tree Trimming Anthony Poe	2,497.60	
0 593.3	50	11/25/2019	65508 AP	AUTHORIZED	Permitting Linda Hollan	728.80	
0 593.3	50	11/25/2019	65508 AP	AUTHORIZED	Tree Trimming Gary Hale	3,832.00	
0 593.3	50	11/30/2019	65835 AP	AUTHORIZED	Tree Trimming Anthony Poe	2,854.40	

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GENERAL LEDGER ACTIVITY

Detail From JAN 2019 To DEC 2019

Div Account	Dept BU Project	Date	Journal Mod	Batch	Reference	Debit	Credit
Activity: 468 - Maint Tree Trimming							
0 593.3	50	11/30/2019	65835 AP	AUTHORIZED	Permitting Linda Hollan	619.48	
0 593.3	50	11/30/2019	65835 AP	AUTHORIZED	Tree Trimming Gary Hale	3,832.00	
0 593.3	50	12/09/2019	65947 AP	AUTHORIZED	Tree Trimming Anthony Poe	1,855.36	
0 593.3	50	12/09/2019	65947 AP	AUTHORIZED	Permitting Linda Hollan	583.04	
0 593.3	50	12/09/2019	65947 AP	AUTHORIZED	Tree Trimming Gary Hale	2,786.08	
0 593.3	50	12/16/2019	66218 AP	AUTHORIZED	Tree Trimming Anthony Poe	910.36	
0 593.3	50	12/16/2019	66218 AP	AUTHORIZED	Permitting Linda Hollan	728.80	
0 593.3	50	12/16/2019	66218 AP	AUTHORIZED	Tree Trimming Gary Hale	3,832.00	
0 593.3	50	12/17/2019	66218 AP	AUTHORIZED	Tree Trimming Gary Hale	3,367.44	
0 593.3	50	12/18/2019	66308 AP	AUTHORIZED	CAP for Pole Saw Micah Joiner #3	4.23	
0 593.3	50	12/23/2019	66534 AP	AUTHORIZED	Tree Trimming Anthony Poe	2,854.40	
0 593.3	50	12/23/2019	66534 AP	AUTHORIZED	Permitting Linda Hollan	728.80	
0 593.3	50	12/23/2019	66534 AP	AUTHORIZED	Tree Trimming Gary Hale	3,832.00	
0 593.3	50	12/30/2019	66539 AP	AUTHORIZED	Tree Trimming Anthony Poe	1,141.76	
0 593.3	50	12/30/2019	66539 AP	AUTHORIZED	Permitting Linda Hollan	655.92	
0 593.3	50	12/30/2019	66539 AP	AUTHORIZED	Tree Trimming Gary Hale	3,832.00	
0 593.3	50	12/31/2019	67618 AP	AUTHORIZED	Foliar Acres 24.62 High Volume Spraying	5,650.78	
0 593.3	50	12/31/2019	67618 AP	AUTHORIZED	Tree Trimming Jonathan Lyell	1,511.22	
0 593.3	50	12/31/2019	67618 AP	AUTHORIZED	Permitting Linda Hollan	364.40	
0 593.3	50	12/31/2019	67618 AP	AUTHORIZED	Tree Trimming Anthony Poe	2,283.52	
0 593.3	50	12/31/2019	67618 AP	AUTHORIZED	Permitting Linda Hollan	728.80	
0 593.3	50	12/31/2019	67618 AP	AUTHORIZED	Tree Trimming Gary Hale	3,313.52	
0 593.3	50	12/31/2019	68910 GL	68908R	Reverse Accrual of Townsend Invoices	1,532.80	
0 593.3	50	12/31/2019	68910 GL	68908R	Reverse Accrual of Townsend Invoices	364.40	
0 593.3	50	12/31/2019	68910 GL	68908R	Reverse Accrual of Townsend Invoices	546.60	
0 593.3	50	12/31/2019	68910 GL	68908R	Reverse Accrual of Townsend Invoices	3,065.60	
Total For Account:						0 593.3	50
Total For Activity - 468:						326,224.50	4,162.04
Activity: 530 - Right of Way Expense							
0 593.3	50	02/14/2019	55798 AP	AUTHORIZED	Freemont 5101 35.15 Miles less Retention	80,578.91	
0 593.3	50	03/21/2019	57083 AP	AUTHORIZED	Freemont 5102 13.44 Miles less Retention	30,810.26	
0 593.3	50	05/07/2019	58455 AP	AUTHORIZED	Freemont 5104 12.94 Miles Less Retention	29,534.64	
0 593.3	50	05/31/2019	59675 GL	UNASSIGNED	Townsend Accrue Smithland Substation	182.20	
0 593.3	50	06/01/2019	59676 GL	59675R	Townsend Accrue Smithland Substation		182.20
0 593.3	50	06/11/2019	59682 AP	AUTHORIZED	Tree Removals Freemont Substation	17,574.00	
0 593.3	50	06/12/2019	59682 AP	AUTHORIZED	Freemont 5105 7.39 Miles Retention 10%	16,867.16	
0 593.3	50	06/12/2019	59750 AP	AUTHORIZED	Smithland 3204 14.9 Complete Miles Reten	34,008.21	
0 593.3	50	06/30/2019	60257 AP	AUTHORIZED	Freemont 5105 4.66 Miles less Retention	10,636.12	
0 593.3	50	06/30/2019	60845 AP	AUTHORIZED	Tree Trimming Jonathan Lyell	1,919.10	
0 593.3	50	08/12/2019	61718 AP	AUTHORIZED	Tree Trimming Jonathan Lyell	217.68	

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**GENERAL LEDGER
ACTIVITY**

Detail From JAN 2019 To DEC 2019

<u>Div Account</u>	<u>Dept BU Project</u>	<u>Date</u>	<u>Journal Mod</u>	<u>Batch</u>	<u>Reference</u>	<u>Debit</u>	<u>Credit</u>
Activity: 530 - Right of Way Expense							
0 593.3	50	07/31/2019	61890 AP	AUTHORIZED	Smithland 17.4 Miles Less Retention	39,714.28	
0 593.3	50	09/24/2019	63541 AP	AUTHORIZED	Cumberland River 6.14 Miles Less Retenti	14,014.12	
0 593.3	50	11/25/2019	65508 AP	AUTHORIZED	Cumberland River 6.1 Miles Less Retentio	13,922.82	
0 593.3	50	11/30/2019	65508 AP	AUTHORIZED	Cumberland River 4.41 Miles Less Retenti	10,065.52	
0 593.3	50	11/30/2019	65508 AP	AUTHORIZED	Cumberland River 9.35 Miles Less Retenti	21,340.72	
0 593.3	50	11/25/2019	65947 AP	AUTHORIZED	Smithland 2.75 Miles Less Retention	6,276.68	
0 593.3	50	12/11/2019	66161 AP	AUTHORIZED	Cumberland 2.91 Miles Less Retention	6,641.87	
0 593.3	50	12/11/2019	66161 AP	AUTHORIZED	Tree Removals Cumberland River	13,786.50	
0 593.3	50	12/11/2019	66161 AP	AUTHORIZED	Smithland 9.4 Miles Less Retention	21,454.84	
0 593.3	50	12/16/2019	66161 AP	AUTHORIZED	Smithland 11.75 Less Retention	26,818.55	
0 593.3	50	12/16/2019	66161 AP	AUTHORIZED	Smithland 2.65 Miles Less Retention	6,048.44	
0 593.3	50	12/31/2019	67618 AP	AUTHORIZED	Smithland 24.37 Miles Less Retention	55,622.82	
0 593.3	50	12/31/2019	67618 AP	AUTHORIZED	Smithland 4.98 Miles Less Retention	11,366.50	
0 593.3	50	12/31/2019	68910 GL	68908R	Reverse Accrual of Townsend Invoices	33,049.59	
0 593.3	50	12/31/2019	68910 GL	68908R	Reverse Accrual of Townsend Invoices	33,483.25	
Total For Account:						0 593.3	
						Dept:	50
						535,934.78	182.20
Total For Activity - 530:						535,934.78	182.20
Grand Total:						\$ 862,159.28	\$ 4,344.24
Net Of Grand Total:							857,815.04

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GENERAL LEDGER

ACTIVITY

Net Activity Summary From JAN 2019 To DEC 2019

Actv	Description	Debit	Credit
0	Unassigned Activity	0.00	0.00
101	Salaries	0.00	0.00
201	Health Insurance	0.00	0.00
205	LTD & Life Insurance	0.00	0.00
207	Worker Compensation Insurance	0.00	0.00
210	Taxes - FICA & Unemployment	0.00	0.00
216	D-Expenses-Marshall	0.00	0.00
220	Post Retirement Benefits	0.00	0.00
223	Retirement - 401K	0.00	0.00
225	Retirement - RS&I	0.00	0.00
227	Retirement Benefits- Bargaining	0.00	0.00
300	Annual Audit	0.00	0.00
303	Big Rivers Meetings	0.00	0.00
306	Bank Charges/Courier Expense	0.00	0.00
309	Board/Management Workshop	0.00	0.00
312	Business Meetings-Lunches, Etc.	0.00	0.00
315	Cellular Phone Expense	0.00	0.00
318	Computer & Printer Supplies	0.00	0.00
321	Direct Mail Advertising	0.00	0.00
324	Director & Officers Liability Insurance	0.00	0.00
327	Director Training	0.00	0.00
330	Donations & Sponsorships	0.00	0.00
333	Economic Development	0.00	0.00
336	Employee Job Training/Travel	0.00	0.00
339	Equipment Maint/Agreement	0.00	0.00
342	Injuries and Damages	0.00	0.00
345	Internal Audit	0.00	0.00
348	KAEC Annual MTG/Summer MTG	0.00	0.00
351	KAEC Departmental Conferences	0.00	0.00
352	KAEC Directors Expense	0.00	0.00
354	KAEC Dues	0.00	0.00
357	KAEC Managers' Meeting	0.00	0.00
360	Legal Fees	0.00	0.00
363	Membership Dues/Donation	0.00	0.00
366	MISC Travel Exp	0.00	0.00
369	Miscellaneous	0.00	0.00
372	MODL Insurance	0.00	0.00
375	NISC Training - Meals, Materials, Etc.	0.00	0.00
378	NRECA Annual Meeting	0.00	0.00
381	NRECA Dues	0.00	0.00

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GENERAL LEDGER
ACTIVITY

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Net Activity Summary From JAN 2019 To DEC 2019

Actv	Description	Debit	Credit
384	NRECA Legislative	0.00	0.00
387	NRECA Managers Conference	0.00	0.00
390	NRECA Regional Meeting	0.00	0.00
393	NRECA Rural Electric Update	0.00	0.00
396	NRECA/CFC Mgmt Training	0.00	0.00
399	Office Supplies	0.00	0.00
402	Outside Services	0.00	0.00
405	Postage Expenses	0.00	0.00
408	Preprinted Supplies/Printing	0.00	0.00
411	Professional Dues	0.00	0.00
414	Property Insurance	0.00	0.00
417	Property Tax Expense	0.00	0.00
420	PSC Administrative Hearings	0.00	0.00
423	PSC Conference	0.00	0.00
426	Scanning	0.00	0.00
429	Special Equip-Labor Clear	0.00	0.00
432	Staff Development	0.00	0.00
435	Subscriptions/Publications	0.00	0.00
438	Telephone Directory Listings	0.00	0.00
441	Temporary Help-Outside Agency	0.00	0.00
444	Transportation	0.00	0.00
447	Umbrella and General Insurance	0.00	0.00
450	Uniform Expense	0.00	0.00
453	Utilities	0.00	0.00
456	Worker's Compensation Deductible Expense	0.00	0.00
459	Chemicals - ROW	0.00	0.00
462	Line Patrol	0.00	0.00
465	Maint Overhead Lines	0.00	0.00
468	Maint Tree Trimming	322,062.46	0.00
471	Maint URD Lines	0.00	0.00
472	URD Line Expense	0.00	0.00
473	Maintenance of Fiber	0.00	0.00
474	Major Storm Outages (FEMA)	0.00	0.00
476	AMI Equipment Maintenance	0.00	0.00
477	Mapping Costs	0.00	0.00
478	Fiber Maintenance	0.00	0.00
480	Meter Expense	0.00	0.00
483	Misc Dist Expenses	0.00	0.00
486	Oil Spill Cleanup	0.00	0.00
489	Overhead Line Exp	0.00	0.00

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**GENERAL LEDGER
 ACTIVITY**

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Net Activity Summary From JAN 2019 To DEC 2019

Actv	Description	Debit	Credit
492	PCB Disposal	0.00	0.00
495	PCB Field Testing	0.00	0.00
498	Pest Control	0.00	0.00
501	Pole Testing/INSPT/Treating	0.00	0.00
504	Reg/OCR/Transformer Main	0.00	0.00
507	Rent Fees	0.00	0.00
510	Rodeo Expenses	0.00	0.00
513	SCADA Maint/Software	0.00	0.00
516	SCADA Maintenance/Radio Expense	0.00	0.00
519	SCADA Maintnace/Fiber Expense	0.00	0.00
522	Substation Ground Spray	0.00	0.00
525	Substation Maintenance	0.00	0.00
528	Tools	0.00	0.00
530	Right of Way Expense	535,752.58	0.00
531	Trade a Tree	0.00	0.00
534	Truck Stock	0.00	0.00
537	Custodian Supplies	0.00	0.00
540	Maint General Plant & Other Expenses	0.00	0.00
543	Maint Grounds/Bldgs	0.00	0.00
546	D-Fees-Bearden	0.00	0.00
547	D-Expenses-Bearden	0.00	0.00
548	D-Fees-Birney	0.00	0.00
549	D-Expenses-Birney	0.00	0.00
550	D-Fees-Crouch	0.00	0.00
551	D-Expenses-Crouch	0.00	0.00
552	D-Fees-Elliott	0.00	0.00
553	D-Expenses-Elliott	0.00	0.00
554	D-Fees-Harris	0.00	0.00
555	D-Expenses-Harris	0.00	0.00
556	D-Fees-Joiner	0.00	0.00
557	D-Expenses-Joiner	0.00	0.00
558	D-Fees-Marshall	0.00	0.00
559	D-Expenses-Marshall	0.00	0.00
560	D-Fees-Thompson	0.00	0.00
561	D-Expense-Thompson	0.00	0.00
562	D-Expenses-Spears	0.00	0.00
563	D-Fees-Spears	0.00	0.00
564	D-Expenses-Walker	0.00	0.00
565	D-Fees-Mullen	0.00	0.00
566	D-Expenses-Mullen	0.00	0.00

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GENERAL LEDGER

ACTIVITY

Net Activity Summary From JAN 2019 To DEC 2019

Actv	Description	Debit	Credit
567	D-Fees-Barnes	0.00	0.00
568	D-Expenses-Barnes	0.00	0.00
569	D-Fees-Bell	0.00	0.00
570	D-Expenses-Bell	0.00	0.00
571	D-Fees-Teitloff	0.00	0.00
572	D-Expenses-Teitloff	0.00	0.00
600	Building Safety	0.00	0.00
602	First Aid & CPR Training	0.00	0.00
604	Personal Protective Equipment	0.00	0.00
606	Safety Incentive Program	0.00	0.00
607	Safety	0.00	0.00
608	Safety Testing	0.00	0.00
610	System Safety	0.00	0.00
612	Truck Safety Equipment	0.00	0.00
670	Industrial Recruitment	0.00	0.00
671	NU-NRECA Departmental Conferences	0.00	0.00
672	NU-Cellular Phone Expense (not used)	0.00	0.00
673	NU-Communication-Telephone Lease (not us	0.00	0.00
674	NU-Congressional Breakfast (no longer us	0.00	0.00
675	NU-Internet Access (not used)	0.00	0.00
676	NU-Uniforms (Supervisors) (not used)	0.00	0.00
677	NU-Wholesale/Retail Rate Exp.(not used)	0.00	0.00
678	NU-Wireless Service Plan (no longer used	0.00	0.00
679	NU-Boundary Research (no longer used)	0.00	0.00
680	Key Accounts	0.00	0.00
681	NU-Unbundling costs (not used)	0.00	0.00
682	NU-Tree Growth Regulator (not used)	0.00	0.00
683	NU-Weather Center (not used)	0.00	0.00
684	NU-Electrical Test Trucks	0.00	0.00
685	NU-New Service Stakes	0.00	0.00
686	NU-Truck Maps	0.00	0.00
701	Chamber Activities	0.00	0.00
703	Children's Christmas Party	0.00	0.00
705	Community Events	0.00	0.00
707	Comps Review/Manpower Study	0.00	0.00
709	CO-OP Month Expense	0.00	0.00
711	Cooperative Information	0.00	0.00
713	DOT/CDL	0.00	0.00
715	Drug & Alcohol Testing - CDL	0.00	0.00
717	Drug & Alcohol Testing - Non CDL	0.00	0.00

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GENERAL LEDGER

ACTIVITY

Net Activity Summary From JAN 2019 To DEC 2019

Actv	Description	Debit	Credit
719	Dual Fuel New Home	0.00	0.00
721	Electric Home Incentives	0.00	0.00
723	Employee Assistance Program	0.00	0.00
725	Employee Benefit/Coffee Supplies	0.00	0.00
727	Employee Benefits/Misc.	0.00	0.00
729	Employee Christmas Party	0.00	0.00
731	Employee Handbook	0.00	0.00
732	Employee Incentive	0.00	0.00
733	Employee Meeting	0.00	0.00
735	Employee Photos/ID Badges	0.00	0.00
737	Employee Events	0.00	0.00
739	Employee Service Awards	0.00	0.00
741	Energy Efficiency Program Costs	0.00	0.00
743	Homebuilders	0.00	0.00
745	Immunizations	0.00	0.00
747	In-House Training (Outside Consultants)	0.00	0.00
749	JPEC Annual Meeting	0.00	0.00
751	Marketing (New Projects)	0.00	0.00
753	Newsletter	0.00	0.00
755	Pre-Employment Physicals - Non DOT	0.00	0.00
757	Printing (New Projects)	0.00	0.00
759	Recruitment Expense	0.00	0.00
761	Retirement Functions	0.00	0.00
763	Scholarships	0.00	0.00
765	Service Related Promotional Item	0.00	0.00
767	Surveys/Market Research	0.00	0.00
769	Touchstone	0.00	0.00
771	Tuition Aid Program	0.00	0.00
773	Water Heater Incentives	0.00	0.00
775	Youth Tour (Frankfort/Washington)	0.00	0.00
777	Employee Civic Membership	0.00	0.00
779	NU-McCracken Events	0.00	0.00
801	Irrigation	0.00	0.00
803	Large Commercial	0.00	0.00
805	Residential	0.00	0.00
807	NU-Shell Oil	0.00	0.00
808	Small Commercial	0.00	0.00
811	Street & Highway Lighting	0.00	0.00
813	After Hour Connection Fees	0.00	0.00
815	Collection Fees	0.00	0.00

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**GENERAL LEDGER
 ACTIVITY**

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Net Activity Summary From JAN 2019 To DEC 2019

Actv	Description	Debit	Credit
817	Connection & Reconnection Fees	0.00	0.00
819	Returned Check Fees	0.00	0.00
821	Penalties	0.00	0.00
851	Interest Income	0.00	0.00
853	Interest Income - Cushion of Credit	0.00	0.00
855	Fee Income - Paducah Water Works	0.00	0.00
856	Miscellaneous Income	0.00	0.00
857	Rental Income - Fiber Optics Lease	0.00	0.00
859	Depreciation - Nonutility Property	0.00	0.00
861	Depreciation-Distribution	0.00	0.00
863	Depreciation-General	0.00	0.00
865	Gain/Loss on Disposal of Property	0.00	0.00
867	Consumer Deposits Interest	0.00	0.00
869	Interest-Long Term-CFC	0.00	0.00
870	Interest Long Term - SBA Loan	0.00	0.00
871	Interest-Long Term-CoBank	0.00	0.00
873	Interest-Long Term-RUS	0.00	0.00
875	Interest on Taxes	0.00	0.00
877	Interest-Past Service Liability	0.00	0.00
879	Interest-Short Term-CFC	0.00	0.00
881	Interest-Short Term-CoBank	0.00	0.00
883	Regulatory Assessment Tax (PSC)	0.00	0.00
885	JPEC Own Use Power	0.00	0.00
887	G & T Capital Credits	0.00	0.00
889	Other Capital Credits	0.00	0.00
890	Bad Debt Expense	0.00	0.00
891	Cash Short/Over	0.00	0.00
892	Collection Expense	0.00	0.00
896	System Meter Reading	0.00	0.00
897	NU-Long Distance - Expenses (no longer u	0.00	0.00
898	Misc Income - Material Sales	0.00	0.00
899	NU- Power Plus Credit Card (no longer us	0.00	0.00
980	Buildings & Improvements	0.00	0.00
981	Office Furniture & Equipment	0.00	0.00
982	Computers/Software	0.00	0.00
983	Transportation	0.00	0.00
984	Stores Equipment	0.00	0.00
985	Tools/Shop/Garage Equipment	0.00	0.00
986	Lab Equipment	0.00	0.00
987	Power Equipment	0.00	0.00

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**GENERAL LEDGER
 ACTIVITY**

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Net Activity Summary From JAN 2019 To DEC 2019

<u>Actv</u>	<u>Description</u>	<u>Debit</u>	<u>Credit</u>
988	Communication Equipment	0.00	0.00
989	Miscellaneous General Assets	0.00	0.00
999	Accounting Department Use Only	0.00	0.00
	Activity Total:	857,815.04	0.00
	Net Activity Total:		857,815.04

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GENERAL LEDGER ACTIVITY

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PARAMETERS ENTERED:

Account: All
Department: All
Activity: 468, 530
BU Project: All
Date Selection: Period Range
Period: JAN 2019 To DEC 2019
Date: To
Net Activity Totals Only: No
Format: Detail
Activities With No Transactions: Yes
Extended Reference: No
Interface Detail: No

EXHIBIT JRW-4

ROW EXPENSE

**THIS EXHIBIT IS AN EXCEL
SPREADSHEET AND IS
BEING UPLOADED
SEPARATELY**

**Jackson Purchase Energy Corporation
Case No. 2021-00358
General Adjustment of Rates
Filing Requirements/Exhibit List**

Exhibit 10

**807 KAR 5:001 Section 16(4)(b)
Sponsoring Witness: John Wolfram**

Description of Filing Requirement:

If the utility has gross annual revenues greater than \$5,000,000, the written testimony of each witness the utility proposes to use to support its application.

Response:

In support of its Application, Jackson Purchase provides the written testimony of Mr. John Wolfram, rate consultant and principal of Catalyst Consulting LLC. Mr. Wolfram's testimony is included with this Exhibit 10.

**Case No. 2021-00385
Application-Exhibit 10
*Includes Attachment (28 pages)***

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

Case No. 2021-00358

DIRECT TESTIMONY OF
JOHN WOLFRAM
PRINCIPAL, CATALYST CONSULTING LLC
ON BEHALF OF
JACKSON PURCHASE ENERGY CORPORATION

Filed: October 15, 2021

**DIRECT TESTIMONY
OF
JOHN WOLFRAM**

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1 **DIRECT TESTIMONY**
2 **OF**
3 **JOHN WOLFRAM**
4

5 **I. INTRODUCTION**

6 **Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND POSITION.**

7 A. My name is John Wolfram. I am the Principal of Catalyst Consulting LLC. My
8 business address is 3308 Haddon Road, Louisville, Kentucky, 40241.

9 **Q. ON WHOSE BEHALF ARE YOU TESTIFYING?**

10 A. I am testifying on behalf of Jackson Purchase Energy Corporation ("JPEC").

11 **Q. BRIEFLY DESCRIBE YOUR EDUCATION AND WORK EXPERIENCE.**

12 A. I received a Bachelor of Science degree in Electrical Engineering from the
13 University of Notre Dame in 1990 and a Master of Science degree in Electrical
14 Engineering from Drexel University in 1997. I founded Catalyst Consulting LLC
15 in June 2012. I have developed cost of service studies and rates for numerous
16 electric and gas utilities, including electric distribution cooperatives, generation and
17 transmission cooperatives, municipal utilities and investor-owned utilities. I have
18 performed economic analyses, rate mechanism reviews, special rate designs, and
19 wholesale formula rate reviews. From March 2010 through May 2012, I was a
20 Senior Consultant with The Prime Group, LLC. I have also been employed by the
21 parent companies of Louisville Gas and Electric Company ("LG&E") and
22 Kentucky Utilities Company ("KU"), by the PJM Interconnection, and by the
23 Cincinnati Gas & Electric Company. A more detailed description of my
24 qualifications is included in Exhibit JW-1.

1 **Q. HAVE YOU EVER TESTIFIED BEFORE THE KENTUCKY PUBLIC**
2 **SERVICE COMMISSION (“COMMISSION”)?**

3 **A.** Yes. I have testified in numerous regulatory proceedings before this Commission.
4 A listing of my testimony in other proceedings is included in Exhibit JW-1.

5 **II. PURPOSE OF TESTIMONY**

6 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

7 **A.** The purpose of my testimony is to: (i) describe JPEC’s rate classes, (ii) describe
8 the calculation of JPEC’s revenue requirement; (iii) explain the pro forma
9 adjustments to the test period results; (iv) describe the Cost of Service Study
10 (“COSS”) process and results; (v) present the proposed allocation of the revenue
11 increase to the rate classes; (vi) describe the rate design, proposed rates, and
12 estimated billing impact by rate class, and (viii) support certain filing requirements
13 from 807 KAR 5:001.

14 **Q. ARE YOU SPONSORING ANY EXHIBITS?**

15 **A.** Yes. I have prepared the following exhibits to support my testimony:

16 Exhibit JW-1 – Qualifications of John Wolfram

17 Exhibit JW-2 – Revenue Requirements & Pro Forma Adjustments

18 Exhibit JW-3 – COSS: Summary of Results

19 Exhibit JW-4 – COSS: Functionalization & Classification

20 Exhibit JW-5 – COSS: Allocation to Rate Classes & Returns

21 Exhibit JW-6 – COSS: Billing Determinants

22 Exhibit JW-7 – COSS: Purchased Power, Meters, & Services

23 Exhibit JW-8 – COSS: Zero Intercept Analysis

Exhibit JW-9 – Present & Proposed Rates

III. CLASSES OF SERVICE

Q. PLEASE DESCRIBE THE CUSTOMER CLASSES SERVED BY JPEC.

A. JPEC currently has members taking service pursuant to seven major rate classifications. These include Rate R – Residential, Rate C-1 Small Commercial Single Phase, Rate C-3 Small Commercial Three Phase, Rate D - Commercial and Industrial Demand < 3,000 kW, Rate I-E - Large Commercial Existing, Rate I-E - Large Commercial Existing – Direct Serve, and Rate OL - Outdoor Lighting. Rate L - Large Commercial and Industrial 3,000 - 5,000 kW is currently a vacant rate class. JPEC’s residential members comprise 59.4 percent of test year energy usage and 62.0 percent of test year revenues from energy sales, as shown in the following table.

Table 1. Rate Class Data ¹

Rate Class	Members	kWh	%	Revenue	%
R – Residential	25,400	358,325,499	59.4%	\$42,499,050	62.0%
C-1 Small Commercial Single Phase	3,437	32,376,820	5.4%	\$4,138,755	6.0%
C-3 Small Commercial Three Phase	487	11,275,679	1.9%	\$1,309,042	1.9%
D - Com and Indus Demand < 3,000 kW	616	176,065,127	29.2%	\$17,261,701	25.2%
D - Com and Indus – Direct Served ²	1	390,246	0.1%	\$281,019	0.4%
I-E - Large Com Existing	1	16,733,727	2.8%	\$1,588,747	2.3%
OL - Outdoor Lighting	88	7,879,125	1.3%	\$1,420,048	2.1%
TOTAL	30,029	603,046,223	100%	\$68,498,362	100%

¹ Table 1 represents unadjusted billed amounts, excluding amounts delivered but not billed within 2019.

² This member is served on retail Rate D but as a Direct Serve customer takes service under a different wholesale rate schedule and is thus distinguished from the remaining Rate D customers in the COSS.

1 **IV. REVENUE REQUIREMENT**

2 **Q. PLEASE DESCRIBE HOW JPEC’S PROPOSED REVENUE INCREASE**
3 **WAS DETERMINED.**

4 A. JPEC is proposing a general adjustment in rates using a historical test period. The
5 proposed revenue increase was determined by analyzing the revenue deficiency
6 based on financial results for the test period after the application of certain pro
7 forma adjustments described herein. The revenue deficiency was determined as the
8 difference between (i) JPEC’s net margins for the adjusted test period without
9 reflecting a general adjustment in rates, and (ii) JPEC’s net margin requirement
10 necessary to provide a Times Interest Earned Ratio (“TIER”) of 2.00 for the test
11 period. Based on the adjusted test year, the revenue deficiency is \$7,304,521.

12 **Q. WHAT IS THE HISTORICAL TEST PERIOD FOR THE RATE CASE**
13 **APPLICATION?**

14 A. The historical test period for the filing is the 12 months ended December 31, 2019.

15 **Q. HAVE YOU PREPARED AN EXHIBIT THAT SHOWS HOW JPEC’S**
16 **REVENUE DEFICIENCY IS CALCULATED?**

17 A. Yes. Exhibit JW-2 shows the calculation of JPEC’s revenue deficiency.

18 **Q. PLEASE EXPLAIN THE REVENUE DEFICIENCY CALCULATION IN**
19 **EXHIBIT JW-2 IN DETAIL.**

20 A. The purpose of Exhibit JW-2 is to calculate the difference between JPEC’s net margin
21 for the adjusted test year and the margin necessary for JPEC to achieve a 2.00 TIER.
22 Page 1 of the exhibit presents revenues and expenses for JPEC for the actual test year,
23 the pro forma adjustments, the adjusted test year at present rates, and the adjusted test

1 year at proposed rates. The revenues include total sales of electric energy and other
2 electric revenue.

3 Expenses are tabulated next. The Total Cost of Electric Service is shown on
4 line 22. Total Cost of Electric Service includes operation expenses, maintenance
5 expenses, depreciation and amortization expenses, taxes, interest expenses on long-
6 term debt, other interest expenses, and other deductions. Utility Operating Margins
7 are calculated by subtracting Total Cost of Electric Service from Total Operating
8 Revenue. Non-operating margins and capital credits are added to Utility Operating
9 Margins to determine JPEC's Net Margins.

10 The TIER, OTIER, Margins at Target TIER, and Revenue Deficiency
11 amounts are calculated at the bottom of page 1 of Exhibit JW-2.

12 **Q. WHAT ARE THE NET MARGINS FOR THE TEST YEAR?**

13 A. Exhibit JW-2 shows that the net margins for the unadjusted test year are \$1,178,271
14 and the net margins for the adjusted test year are (\$5,343,377).

15 **Q. WHAT IS THE TIER FOR JPEC FOR THE TEST YEAR?**

16 A. Exhibit JW-2 shows that the TIER for the test year is 1.60 and the TIER for the
17 adjusted test year is (1.72), both of which are below the target TIER of 2.00.

18 **Q. WHAT IS THE REVENUE DEFICIENCY CALCULATED IN EXHIBIT**
19 **JW-2?**

20 A. Based on a TIER of 2.00, JPEC has a net margin requirement of \$1,961,144.
21 Because the adjusted net margin before applying the TIER is (\$5,343,377) and the
22 margin requirement is \$1,961,144, JPEC's total revenue deficiency is \$7,304,521.

1 This amount is used in the COSS and in the design of new rates that I describe later
2 in my testimony.

3 **V. PRO FORMA ADJUSTMENTS**

4 **Q. PLEASE BROADLY DESCRIBE THE NATURE OF THE PRO FORMA**
5 **ADJUSTMENTS MADE TO JPEC’S ELECTRIC OPERATIONS FOR**
6 **THE TEST YEAR SHOWN IN EXHIBIT JW-2.**

7 A. JPEC has made adjustments which remove revenues and expenses that are
8 addressed in other rate mechanisms, are ordinarily excluded from rates, or are non-
9 recurring on a prospective basis, consistent with standard Commission practices.
10 The pro forma adjustments are listed in Exhibit JW-2 on page 2 and are detailed
11 starting on page 5 of the exhibit. The pro forma adjustments are summarized below
12 for convenience.

13 **Table 2. Pro Forma Adjustments**

Reference Schedule	Pro Forma Adjustment Item
1.01	FAC
1.02	ES
1.03	MRSM
1.04	Non-FAC PPA
1.05	Donations, Promo Ads & Dues
1.06	401k Contributions
1.07	Life Insurance
1.08	Rate Case Costs
1.09	Interest Expense
1.1	Interest Income
1.11	Year End Customers
1.12	Wages & Salaries
1.13	Depreciation Normalization
1.14	Directors Expenses
1.15	FEMA Credit
1.16	Capital Credits
1.17	New HQ
1.18	Right of Way
1.19	Normalize 2019 Rate Adj

1 **Q. DID YOU PREPARE A DETAILED INCOME STATEMENT AND**
2 **BALANCE SHEET RELECTING THE IMPACT OF ALL PROPOSED**
3 **ADJUSTMENTS?**

4 A. Yes. These are included in Exhibit JW-2 pages 3 and 4.

5 **Q. PLEASE EXPLAIN THE ADJUSTMENT TO OPERATING REVENUES**
6 **OR EXPENSES SHOWN IN REFERENCE SCHEDULE 1.01.**

7 A. This adjustment has been made to account for the fuel cost expenses and revenues
8 included in the Fuel Adjustment Clause ("FAC") for the test period. Consistent with
9 Commission practice, FAC expenses and revenues included in the test year have
10 been eliminated.

11 **Q. PLEASE EXPLAIN THE ADJUSTMENT TO OPERATING REVENUES**
12 **OR EXPENSES SHOWN IN REFERENCE SCHEDULE 1.02.**

13 A. This adjustment has been made to remove Environmental Surcharge ("ES")
14 revenues and expenses because these are addressed by a separate rate mechanism.
15 This is consistent with the Commission's practice of eliminating the revenues and
16 expenses associated with full-recovery cost trackers.

17 **Q. PLEASE EXPLAIN THE ADJUSTMENT TO OPERATING REVENUES**
18 **OR EXPENSES SHOWN IN REFERENCE SCHEDULE 1.03.**

19 A. This adjustment has been made to remove the Member Rate Stability Mechanism
20 ("MRSM") revenues and expenses because these are addressed by a separate rate
21 mechanism. This is consistent with the Commission's practice of eliminating the
22 revenues and expenses associated with full-recovery cost trackers.

1 **Q. PLEASE EXPLAIN THE ADJUSTMENT TO OPERATING REVENUES**
2 **OR EXPENSES SHOWN IN REFERENCE SCHEDULE 1.04.**

3 A. This adjustment has been made to remove Non-FAC Purchased Power Adjustment
4 (“Non-FAC PPA”) revenues and expenses because these are addressed by a
5 separate rate mechanism. This is consistent with the Commission's practice of
6 eliminating the revenues and expenses associated with full-recovery cost trackers.

7 **Q. PLEASE EXPLAIN THE ADJUSTMENT TO OPERATING REVENUES**
8 **OR EXPENSES SHOWN IN REFERENCE SCHEDULE 1.05.**

9 A. This adjustment eliminates donations, promotional advertising, and dues expenses
10 pursuant to 807 KAR 5:016, consistent with Commission practice.

11 **Q. PLEASE EXPLAIN THE ADJUSTMENT TO OPERATING REVENUES**
12 **OR EXPENSES SHOWN IN REFERENCE SCHEDULE 1.06.**

13 A. This adjustment removes the contribution for the least generous plans for employer
14 retirement contributions for employees participating in multiple benefit packages
15 at JPEC. Specifically, for non-union employees under R&S Pension Plan and 401k
16 match, the adjustment removes the 401k match for non-union (non-contractual)
17 employees.

18 **Q. PLEASE EXPLAIN THE ADJUSTMENT TO OPERATING REVENUES**
19 **OR EXPENSES SHOWN IN REFERENCE SCHEDULE 1.07.**

20 A. This adjustment removes life insurance premiums for coverage above the lesser of
21 an employee's annual salary or \$50,000 from the test period.

22 **Q. PLEASE EXPLAIN THE ADJUSTMENT TO OPERATING REVENUES**
23 **OR EXPENSES SHOWN IN REFERENCE SCHEDULE 1.08.**

1 A. This adjustment estimates the rate case costs amortized over a 3-year period for
2 inclusion in the revenue requirement, consistent with standard Commission
3 practice.

4 **Q. PLEASE EXPLAIN THE ADJUSTMENT TO OPERATING REVENUES**
5 **OR EXPENSES SHOWN IN REFERENCE SCHEDULE 1.09.**

6 A. This adjustment normalizes the interest on Long Term Debt and Other Interest
7 Expense from the test year to recent amounts. In particular, Interest on Long Term
8 Debt for RUS, RUS/FFB, CFC and CoBank and the Other Interest on the CFC Line
9 of Credit are normalized to more recent levels.

10 **Q. PLEASE EXPLAIN THE ADJUSTMENT TO OPERATING REVENUES**
11 **OR EXPENSES SHOWN IN REFERENCE SCHEDULE 1.10.**

12 A. This adjustment removes the test year interest income associated with the RUS
13 Cushion of Credit, booked in 2019. These monies were used to prepay RUS debt
14 in 2020 and therefore will not earn any interest income going forward.

15 **Q. PLEASE EXPLAIN THE ADJUSTMENT TO OPERATING REVENUES**
16 **OR EXPENSES SHOWN IN REFERENCE SCHEDULE 1.11.**

17 A. This adjustment adjusts the test year expenses and revenues to reflect the number
18 of customers at the end of the test year. The numbers of customers served at the end
19 of the test period for some rate classes differed from the average number of
20 customers for the test year. The change in revenue is calculated by applying the
21 average revenue per kWh for each rate class to the difference between average
22 customer count and test-year-end customer count (at average kWh/customer) for
23 each class. The change in operating expenses was calculated by applying an

1 operating ratio to the revenue adjustment, consistent with the approach accepted by
2 the Commission for other utilities in rate proceedings (*e.g.*, Case Nos. 2012-00221
3 & 2012-00222, and Case No. 2017-00374).

4 **Q. PLEASE EXPLAIN THE ADJUSTMENT TO OPERATING REVENUES**
5 **OR EXPENSES SHOWN IN REFERENCE SCHEDULE 1.12.**

6 A. This adjustment normalizes JPEC's employee wages and salaries to account for
7 changes due to wage increases, departures, or new hires for a standard year of 2,080
8 hours. The exhibit shows adjustment data for salaried, hourly, and bargaining-unit
9 employee based on regular time, overtime, and other/vacation payout time adjusted
10 from test year 2019.

11 **Q. PLEASE EXPLAIN THE ADJUSTMENT TO OPERATING REVENUES**
12 **OR EXPENSES SHOWN IN REFERENCE SCHEDULE 1.13.**

13 A. This adjustment normalizes depreciation expenses by replacing test year actual
14 expenses with test year-end balances (less any fully depreciated items) at approved
15 depreciation rates, consistent with typical Commission practice and with the
16 requirements of the Commission in the Streamlined Rate Order. This adjustment
17 mirrors the depreciation expense adjustment accepted by the Commission in Case
18 No. 2017-00374. The Commission approved JPEC's depreciation rates in Case No.
19 2007-00116. Additionally, JPEC continues to depreciate its automated metering
20 infrastructure and related assets at reasonable, industry-standard rates. As noted in
21 the Direct Testimony of Mr. Jeffrey R. Williams, JPEC's depreciation and reserve
22 are reviewed at least annually as part of the Cooperative's annual audit, and the

1 Cooperative is in compliance with the guideline range acceptable to RUS and
2 typically employed by distribution cooperatives like JPEC.

3 **Q. PLEASE EXPLAIN THE ADJUSTMENT TO OPERATING REVENUES**
4 **AND EXPENSES SHOWN IN REFERENCE SCHEDULE 1.14.**

5 A. This adjustment removes certain Director expenses, including costs for directors
6 attending Big Rivers / KAEC / NRECA annual meeting(s), training, or tours when
7 the director is not the JPEC representative for the respective organization. Expenses
8 that are not removed for rate-making purposes include all costs of attending
9 NRECA director training/education seminars (especially for new directors). These
10 seminars help directors to meet their fiduciary duties to the membership by
11 educating them on industry issues. Also included is Liability Insurance that protects
12 the directors for decisions they make on a routine basis.

13 **Q. PLEASE EXPLAIN THE ADJUSTMENT TO OPERATING REVENUES**
14 **AND EXPENSES SHOWN IN REFERENCE SCHEDULE 1.15.**

15 A. This adjustment adds a FEMA credit back to expense. This amount was a reserve
16 on the balance sheet, which was relieved in the test-year, creating a one-time credit
17 to expense. Therefore, it was adjusted out as a one-time item.

18 **Q. PLEASE EXPLAIN THE ADJUSTMENT TO OPERATING REVENUES**
19 **AND EXPENSES SHOWN IN REFERENCE SCHEDULE 1.16.**

20 A. This adjustment removes from income a one-time recovery of unclaimed capital
21 credits. During the test year, Jackson Purchase absorbed into non-operating income
22 these unclaimed capital credits. Because this was a one-time item, it is adjusted
23 out.

1 **Q. PLEASE EXPLAIN THE ADJUSTMENT TO OPERATING REVENUES**
2 **AND EXPENSES SHOWN IN REFERENCE SCHEDULE 1.17.**

3 A. This adjustment adds depreciation expense and interest expense associated with
4 JPEC's new headquarters building as explained by JPEC and approved by the
5 Commission in Case No. 2019-00326.

6 **Q. PLEASE EXPLAIN THE ADJUSTMENT TO OPERATING REVENUES**
7 **AND EXPENSES SHOWN IN REFERENCE SCHEDULE 1.18.**

8 A. This adjustment adds expense associated with a new contract for vegetation
9 management of JPEC right of way. As described in the testimony of Mr. Williams,
10 JPEC rebid its vegetation management contract in 2019/2020. The adjustment
11 replaces test year vegetation management expense with an annualize prospective
12 amount determined by the annual mileage to be cleared priced at the winning bid
13 price per mile. Support for this adjustment is provided in Mr. Williams' exhibits
14 Exhibit JRW-3 and JRW-4.

15 **Q. PLEASE EXPLAIN THE ADJUSTMENT TO OPERATING REVENUES**
16 **AND EXPENSES SHOWN IN REFERENCE SCHEDULE 1.19.**

17 A. This adjustment annualizes the 2019 rate increase which became effective during
18 2019 and affected only seven of twelve months.

19 **VI. COST OF SERVICE STUDY**

20 **Q. DID YOU PREPARE A COSS FOR JPEC BASED ON FINANCIAL AND**
21 **OPERATING RESULTS FOR THE TEST YEAR?**

22 A. Yes. I prepared a fully allocated, embedded COSS based on pro forma operating
23 results for the test year. The objective in performing the COSS is to assess JPEC's

1 overall rate of return on rate base and to determine the relative rates of return that
2 JPEC is earning from each rate class. Additionally, the COSS provides an
3 indication of whether each class is contributing its appropriate share towards
4 JPEC's cost of providing service.

5 **Q. WHAT PROCEDURE WAS USED IN PERFORMING THE COSS?**

6 A. The three traditional steps of an embedded COSS – functionalization, classification,
7 and allocation – were utilized. The COSS was prepared using the following
8 procedure: (1) costs were functionally assigned to the major functional groups; (2)
9 costs were classified as energy-related, demand-related, or customer-related; and
10 then (3) costs were allocated to the rate classes.

11 **Q. IS THIS A STANDARD APPROACH USED IN THE ELECTRIC UTILITY**
12 **INDUSTRY AND ACCEPTED BY THIS COMMISSION?**

13 A. Yes. The same approach has been employed and accepted in several cases filed by
14 other utilities in Kentucky, including rate cases noted in Exhibit JW-1.

15 **Q. IN THE COST OF SERVICE MODEL, HOW ARE COSTS**
16 **FUNCTIONALIZED AND CLASSIFIED?**

17 A. JPEC's test-year costs are functionally assigned and classified according to the
18 practices specified in *The Electric Utility Cost Allocation Manual* published by the
19 National Association of Regulatory Utility Commissioners ("NARUC") dated
20 January 1992. Costs are functionally assigned to the categories of power supply,
21 transmission, station equipment, primary and secondary distribution plant,
22 customer services, meters, lighting, meter reading and billing, and load
23 management.

1 **Q. IS THE COSS UNBUNDLED?**

2 A. Yes. This unbundling distinguishes between the functionally-classified costs
3 components, i.e. purchased power demand, purchased power energy, distribution
4 demand, and distribution customer – which allows the development of rates based
5 on these separate cost components.

6 **Q. HOW WERE COSTS CLASSIFIED AS ENERGY-RELATED, DEMAND-
7 RELATED OR CUSTOMER-RELATED?**

8 A. Costs are classified in connection with how they vary. Costs classified as *energy-*
9 *related* vary with the amount of kilowatt-hours consumed. Costs classified as
10 *demand-related* vary with the capacity needs of customers, such as the amount of
11 transmission or distribution equipment necessary to meet a customer’s needs, or
12 other elements that are related to facility size. Transmission lines and distribution
13 substation transformers are examples of costs typically classified as demand costs.
14 Costs classified as *customer-related* include costs incurred to serve customers
15 regardless of the quantity of electric energy purchased or the peak requirements of
16 the customers and vary with the number of customers. These include the cost of the
17 minimum system necessary to provide a customer with access to the electric grid.
18 Distribution costs related to overhead conductor, underground conductor, and line
19 transformers were split between demand-related and customer-related using the
20 “zero-intercept” method, which I explain further below. Customer Services,
21 Meters, Lighting, Meter Reading, Billing, Customer Account Service, and Load
22 Management costs were classified as customer-related.

23 **Q. PLEASE EXPLAIN THE APPLICATION OF THE ZERO INTERCEPT**

1 **METHOD TO THE CLASSIFICATION OF CERTAIN DISTRIBUTION**
2 **COSTS.**

3 A. In preparing this study, the “zero-intercept” method was used to determine the
4 customer components of overhead conductor, underground conductor, and line
5 transformers. The zero-intercept method uses linear regression to determine the
6 theoretical cost for connecting a customer of zero size to the grid. This method is
7 less subjective than other approaches and is preferred when the necessary data are
8 available. With the zero-intercept method, a zero-size conductor or line transformer
9 is the absolute minimum system. The zero-intercept analysis is included in Exhibit
10 JW-8.

11 **Q. IS THE ZERO-INTERCEPT METHOD A STANDARD APPROACH**
12 **GENERALLY ACCEPTED WITHIN THE ELECTRIC UTILITY**
13 **INDUSTRY?**

14 A. Yes. The NARUC *Electric Utility Cost Allocation Manual* identifies the zero-
15 intercept (or “minimum intercept”) as one of two standard methodologies for
16 classifying distribution fixed costs. The manual states on page 92 that the zero-
17 intercept method “requires considerably more data and calculation than the
18 minimum-size method. In most instances, it is more accurate, although the
19 differences may be relatively small.” The Commission has accepted the zero
20 intercept method in many rate filings for many years. The Commission should do
21 so in this case also, because the zero intercept calculations shown in Exhibit JW-8
22 are reasonable.

1 **Q. HAVE YOU PREPARED AN EXHIBIT SHOWING THE RESULTS OF**
2 **THE FUNCTIONALIZATION AND CLASSIFICATION STEPS OF THE**
3 **COSS?**

4 A. Yes. Exhibit JW-4 shows the results of the first two steps of the COSS –
5 functionalization and classification.

6 **Q. IN THE COST OF SERVICE MODEL, ONCE COSTS ARE**
7 **FUNCTIONALLY ASSIGNED AND CLASSIFIED, HOW ARE THESE**
8 **COSTS ALLOCATED TO THE CUSTOMER CLASSES?**

9 A. Once costs for all of the major accounts are functionally assigned and classified,
10 the resultant cost matrix for the major groupings (e.g., Plant in Service, Rate Base,
11 Operation and Maintenance Expenses) is then transposed and allocated to the
12 customer classes using allocation vectors. The results of the class allocation step of
13 the COSS are included in Exhibit JW-5.

14 **Q. HOW ARE ENERGY-RELATED, CUSTOMER-RELATED AND**
15 **DEMAND-RELATED COSTS ALLOCATED TO THE RATE CLASSES IN**
16 **THE COSS?**

17 A. Power supply energy-related costs are allocated on the basis of total test year kWh
18 sales to each customer class. Power supply and transmission demand-related costs
19 are allocated using a 12CP methodology, to mirror the basis of cost allocation used
20 in the applicable Big Rivers wholesale tariff. With the 12CP methodology, these
21 demand-related costs are allocated on the basis of the demand for each rate class at
22 the time of Big Rivers' system peak (also known as "Coincident Peak" or "CP")
23 for each of the twelve months. Customer-related costs are allocated on the basis of

1 the average number of customers served in each rate class during the test year.
2 Distribution demand-related costs are allocated on the basis of the relative demand
3 levels of each rate class. Specifically, the demand cost component is allocated by
4 the maximum class demands for primary and secondary voltage and by the sum of
5 individual customer demands for secondary voltage. The customer cost component
6 of customer services is allocated on the basis of the average number of customers
7 for the test year. Meter costs were specifically assigned by relating the costs
8 associated with various types of meters to the class of customers for whom these
9 meters were installed. The demand analysis is provided in Exhibit JW-6. The
10 purchased power, meter, and service analyses are provided in Exhibit JW-7.

11 **Q. HOW IS THE TARGET MARGIN INCORPORATED INTO THE COSS?**

12 A. The COSS first determines results on an actual or unadjusted basis. The COSS then
13 takes into account the pro forma adjustments and a target margin. The target margin
14 is based on the rate of return on rate base that will yield the target revenue
15 requirement. In this case a rate of return on rate base of 3.95% yields a total revenue
16 requirement of \$74,091,373, which is the total target revenue requirement noted on
17 Page 1, Line 4, Column 5 of Exhibit JW-2.

18 **Q. PLEASE SUMMARIZE THE RESULTS OF THE COSS.**

19 A. The results of the COSS are provided in Exhibit JW-3 on page 1. The following
20 table summarizes the rates of return for each customer class in the study. The Pro
21 Forma Rate of Return on Rate Base was calculated by dividing the net utility
22 operating margin (including the pro forma adjustments) by the net cost rate base
23 for each customer class.

1

Table 3. COSS Results: Rates of Return

#	Rate	Pro Forma Return on Rate Base
1	R – Residential	(5.55%)
2	C-1 Small Commercial Single Phase	(4.27%)
3	C-3 Small Commercial Three Phase	(1.69%)
4	D - Commercial and Industrial Demand < 3,000 kW	2.74%
5	D - Commercial and Industrial – Direct Served	177.56%
6	I-E - Large Commercial Existing	1.20%
7	OL - Outdoor Lighting	40.58%
8	TOTAL	(3.48%)

2

3

The negative values for pro forma return on rate base indicate that expenses exceed revenues. Also, any rate class for which the rate of return is greater than the total system rate of return is providing a subsidy to the other rate classes; any class with a rate of return that is less than the total system rate of return is receiving a subsidy.

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Q. DOES THE COSS PROVIDE INFORMATION CONCERNING THE UNIT COSTS INCURRED BY JPEC TO PROVIDE SERVICE UNDER EACH RATE SCHEDULE?

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9

10

A. Yes. Customer-related, demand-related and energy-related costs for each rate class except lighting are shown in Exhibit JW-3 page 2 and at the end of Exhibit JW-5. Customer-related costs are stated as a cost per member per month. Energy-related costs are stated as a cost per kWh. For rate classes with a demand charge, demand-related costs are stated as a cost per kW per month. For rate classes without a demand charge, the demand-related costs are incorporated into the per kWh charge.

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1 **Q. BASED ON THE COSS, DO JPEC'S EXISTING RATES**
2 **APPROPRIATELY REFLECT THE COST OF PROVIDING SERVICE TO**
3 **EACH RATE CLASS?**

4 A. No. The wide range of rates of return for the rate classes indicates that existing rates
5 foster a relatively high degree of subsidization between the rate classes. The
6 unbundled costs within each rate class indicate an imbalance within the current rate
7 structure between the recovery of fixed costs and variable costs, particularly within
8 the residential and small commercial classes. (Note that the high rate of return for
9 the Direct Served class results from the fact that one member in rate class D takes
10 service from Big Rivers on the Large Industrial Customer rate schedule, and has a
11 minimum demand applied to monthly billings, as opposed to the Rural Delivery
12 Service schedule pursuant to which all other JPEC rate classes take service from
13 Big Rivers.)

14 **Q. WHAT GUIDANCE DOES THE COSS PROVIDE FOR RATE DESIGN?**

15 A. First, the COSS indicates that rates for the residential and small commercial classes
16 are insufficient and should be increased. The large commercial classes D and I-E
17 are also insufficient to a lesser degree than the residential and small commercial.

18 Second, the COSS supports a fixed monthly charge of \$41.56 for the
19 residential class. This is shown on Exhibit JW-3, page 2. Since the current charge
20 is \$16.40 per month, the fixed customer charge should be increased. This is a
21 significant issue for JPEC because the current charge is so far below cost-based
22 rates. (The same issue is true for the small commercial classes, although there are
23 few customers in those rate classes and thus the revenue impact is less significant.)

1 This means that the current rate structure places too little recovery of fixed costs in
 2 the fixed charge, which results in significant under-recovery of fixed costs,
 3 particularly when members embrace conservation or energy efficiency or otherwise
 4 reduce overall consumption. At bottom, this is a fundamental challenge facing
 5 JPEC from a cost recovery standpoint, and it is essential for JPEC’s financial well-
 6 being to address this issue.

7 **VII. ALLOCATION OF THE PROPOSED INCREASE**

8 **Q. PLEASE SUMMARIZE HOW JPEC PROPOSES TO ALLOCATE THE**
 9 **REVENUE INCREASE TO THE CLASSES OF SERVICE.**

10 A. JPEC relied on the results of the COSS as a guide to determine the allocation of the
 11 proposed revenue increase to the classes of service. Generally, JPEC is proposing
 12 to allocate the revenue increase in greater proportion to the rate classes whose
 13 returns are more negative and in less proportion to those classes whose return are
 14 less negative.

15 **Q. What is the proposed base rate revenue increase for each rate class?**

16 A. JPEC is proposing the base rate revenue increases in the following table.

17 **Table 4. Proposed Base Rate Increases**

Rate Class	Increase	
	Dollars	Percent
R – Residential	\$6,527,779	15.2%
C-1 Small Commercial Single Phase	\$592,513	14.2%
C-3 Small Commercial Three Phase	\$91,413	7.0%
D - Commercial and Industrial Demand < 3,000 kW	\$68,220	0.4%
D - Commercial and Industrial - Direct Served	\$0	0.0%
I-E - Large Commercial Existing	\$21,570	1.4%
OL - Outdoor Lighting	\$0	0.0%
TOTAL	\$7,301,495	10.5%

18

1 **VIII. PROPOSED RATES**

2 **Q. HAVE YOU PREPARED AN EXHIBIT SHOWING THE**
3 **RECONSTRUCTION OF JPEC’S TEST-YEAR BILLING**
4 **DETERMINANTS?**

5 A. Yes. The reconstruction of JPEC’s billing determinants is shown on Exhibit JW-9,
6 beginning on page 2.

7 **Q. WHAT ARE THE PROPOSED CHARGES FOR JPEC’S RESIDENTIAL**
8 **RATE CLASS?**

9 A. JPEC is proposing to increase the customer charge from \$16.40 to \$21.25 per
10 month, and to increase the energy charge from \$0.100780 per kWh to \$0.114872
11 per kWh.

12 **Q. HOW WERE THE PROPOSED RATES CALCULATED?**

13 A. The rates were calculated such that several conditions were met. First, the classes
14 for which no increase is required (Direct Served and Lighting) were set aside.
15 Second, for the remaining classes, total revenues were calculated that would yield
16 an equivalent pro forma rate of return on rate base in the COSS. In other words,
17 the revenue increase for each rate class that would eliminate interclass subsidization
18 at test year consumption was determined – so that after the increase, the adjusted
19 rate classes would all contribute their fair share towards JPEC margins. Third, the
20 customer, energy, and/or demand charges were adjusted for each rate class such
21 that the target revenue increase for each class was achieved (with rounding).

1 **Q. WHAT IS THE TARGET RATE OF RETURN THAT WOULD**
2 **ELIMINATE THE INTERCLASS SUBSIDIZATION FOR THE RATE**
3 **CLASSES FOR WHICH AN INCREASE IS WARRANTED?**

4 A. The target rate of return to achieve this result is 3.30%, as shown on Exhibit JW-3
5 under the section labeled *After Proposed Rate Revisions*.

6 **Q. WHAT ARE THE REVENUE INCREASES BY RATE CLASS THAT**
7 **WOULD YIELD THIS EQUIVALENT OR LEVELIZED RATE OF**
8 **RETURN?**

9 A. The target revenue increases are tabulated below.

10 **Table 5. Revenue Increases to Levelize Rate of Return**

Rate Class	Revenue Increase
R – Residential	\$6,528,069
C-1 Small Commercial Single Phase	\$592,495
C-3 Small Commercial Three Phase	\$91,403
D - Commercial and Industrial Demand < 3,000 kW	\$70,988
I-E - Large Commercial Existing	\$21,565

11

12 **Q. HOW WERE THE PROPOSED RATES CALCULATED FOR**
13 **RESIDENTIAL RATE SCHEDULE R?**

14 A. Proposed residential rates were calculated in two steps. First, the facilities charge
15 was established. JPEC’s residential facilities charge is currently \$16.40 per month.
16 The cost of service study shows that the actual cost per month per customer is
17 \$41.56. JPEC proposes to increase that charge from \$16.40 to \$21.25 per month
18 because this increase closes 30 percent of the gap between the current rate and the
19 cost-based rate. In other words, the proposed rate change moves between one-fourth

1 (1/4) and one-third (1/3) of the way toward cost-based rates. This movement is
2 consistent with the ratemaking principle of gradualism.

3 Second, the energy charge was then calculated such that the overall target
4 residential revenue increase was achieved (with rounding).

5 **Q. HOW WERE THE PROPOSED RATES CALCULATED FOR SMALL**
6 **COMMERCIAL RATE SCHEDULES C1 AND C3?**

7 A. The small commercial charges were also calculated in two steps. For Rate C1, the
8 facilities charge is currently equivalent to that of Residential Rate R; the proposed
9 facilities charge for Rate C1 was therefore also set to \$21.25. The energy charge
10 was then calculated such that the overall target revenue increase for Rate C1 was
11 achieved (with rounding). For Rate C3, the facilities charge was calculated so that
12 the proportionality of Rate C3 to Rate C1 was maintained; currently the Rate C3
13 facilities charge is 1.52 times that of Rate C1, and the proposed Rate C3 facilities
14 charge is 1.52 times that of proposed Rate C1. (These amounts are both lower than
15 the cost-based fixed charges from the COSS.) The Rate C3 energy charge was then
16 calculated such that the overall target revenue increase for Rate C3 was achieved
17 (with rounding).

18 **Q. HOW WERE THE PROPOSED RATES CALCULATED FOR**
19 **COMMERCIAL & INDUSTRIAL RATE SCHEDULE D?**

20 A. The target revenue increase for Rate D was a relatively small \$70,988. Because the
21 current demand charge of \$9.00 per kW is lower than the cost-based rate of \$10.66
22 from the COSS for this class, the proposed rate of \$9.11 per kW was calculated so
23 that the overall target revenue increase for Rate D was achieved (with rounding).

1 **Q. HOW WERE THE PROPOSED RATES CALCULATED FOR LARGE**
2 **COMMERCIAL EXISTING RATE SCHEDULE I-E?**

3 A. The target revenue increase for Rate I-E was an even smaller amount at \$21,565.
4 This was most expeditiously achieved by slightly increasing the energy charge,
5 which was lower than the cost-based energy charge from the COSS.

6 **Q. DO THE PROPOSED RATES GENERATE THE EXACT REVENUE**
7 **DEFICIENCY OF \$7,304,521?**

8 A. No, but it is extremely close. Due to rate rounding, the proposed rates generate
9 \$7,301,495 which is \$3,026 or 0.04% less than the exact revenue deficiency for the
10 test period, based on test year consumption.

11 **Q. WHAT IS THE PROPOSED AVERAGE BILLING INCREASE FOR**
12 **EACH RATE CLASS?**

13 A. JPEC is proposing the average billing increases in the following table.

14 **Table 6. Proposed Average Billing Increases**

Rate Class	Average Usage (kWh)	Increase	
		Dollars	Percent
R – Residential	1,176	\$21.42	15.2%
C-1 Small Commercial	785	\$14.37	14.2%
C-3 Small Commercial	1,929	\$15.64	7.0%
D - Commercial and Industrial	23,805	\$9.22	0.4%
I-E - Large Commercial	32,521	\$0.00	0.0%
I-E - Large Commercial Direct Serve	1,394,477	\$1,797.48	1.4%

15

16 **Q. WILL THE RATES PROPOSED BY JPEC IN THIS PROCEEDING**
17 **ELIMINATE ALL SUBSIDIZATION BETWEEN AND WITHIN THE**
18 **RATE CLASSES?**

1 A. No. As noted before, application of the proposed rates would yield an equivalent
2 rate of return for the residential, small commercial, and industrial classes (or all rate
3 classes except lighting and the direct served). At test year consumption, this
4 eliminates *interclass* subsidization between these classes. The proposed rates move
5 JPEC's rate structures in the direction of cost-based rates without fully adopting
6 those rates, so *intra*class subsidization is not fully achieved. This is consistent with
7 the ratemaking principle of gradualism and will allow the avoidance of rate shock
8 while still making some movement to improve the price signal to members
9 consistent with how JPEC actually incurs costs.

10 **IX. FILING REQUIREMENTS**

11 **Q. HAVE YOU REVIEWED THE ANSWERS PROVIDED IN THE FILED**
12 **EXHIBITS WHICH ADDRESS JPEC'S COMPLIANCE WITH THE**
13 **HISTORICAL PERIOD FILING REQUIREMENTS UNDER 807 KAR**
14 **5:001 AND ITS VARIOUS SUBSECTIONS?**

15 A. Yes. I hereby incorporate and adopt those portions of exhibits for which I am
16 identified as the sponsoring witness as part of this Direct Testimony.

17 **X. CONCLUSION**

18 **Q. DO YOU HAVE ANY CLOSING COMMENTS?**

19 A. Yes. JPEC's rates of return in the COSS clearly demonstrate that the proposed
20 increase in base rates is necessary for JPEC's financial health. JPEC's revenue
21 deficiency, based on a target TIER of 2.00, is \$7,304,521. This increase is necessary
22 to meet the financial obligations described in the Direct Testimony of Mr. Williams.
23 The proposed rates are designed to produce revenues that achieve the revenue

1 requirement. In particular, the increase in customer charges is needed to begin
2 moving the rate structure towards cost-based rates, in order to reduce the revenue
3 erosion that results from having too great a portion of utility fixed cost recovery
4 embedded in the variable charge. The Commission has recognized in recent orders
5 that for an electric cooperative that is strictly a distribution utility, there is a need
6 for a means to guard against the revenue erosion that often occurs due to the
7 decrease in sales volumes that accompanies poor regional economics, changes in
8 weather patterns, and the implementation or expansion of demand-side
9 management and energy-efficiency programs. For JPEC at this juncture, this is
10 certainly the case. The proposed rates are just and reasonable and should be
11 approved as filed.

12 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

13 A. Yes, it does.

EXHIBIT JW-1
CURRICULUM VITAE

JOHN WOLFRAM

Summary of Qualifications

Provides consulting services to investor-owned utilities, rural electric cooperatives, and municipal utilities regarding utility rate and regulatory filings, cost of service studies, wholesale and retail rate designs, tariffs and special contracts, formula rates, and other analyses.

Employment

CATALYST CONSULTING LLC
Principal

June 2012 – Present

Provide consulting services in the areas of tariff development, regulatory analysis, economic development, revenue requirements, cost of service, rate design, special rates, formula rates, audits, rate filings, and other utility regulatory areas.

THE PRIME GROUP, LLC
Senior Consultant

March 2010 – May 2012

LG&E and KU, Louisville, KY

1997 - 2010

(Louisville Gas & Electric Company and Kentucky Utilities Company)
Director, Customer Service & Marketing (2006 - 2010)
Manager, Regulatory Affairs (2001 - 2006)
Lead Planning Engineer, Generation Planning (1998 - 2001)
Power Trader, LG&E Energy Marketing (1997 - 1998)

PJM INTERCONNECTION, LLC, Norristown, PA
Project Lead – PJM OASIS Project
Chair, Data Management Working Group

1990 - 1993; 1994 - 1997

CINCINNATI GAS & ELECTRIC COMPANY, Cincinnati, OH
Electrical Engineer - Energy Management System

1993 - 1994

Education

Bachelor of Science Degree in Electrical Engineering, University of Notre Dame, 1990
Master of Science Degree in Electrical Engineering, Drexel University, 1997
Leadership Louisville, 2006

Associations

Senior Member, Institute of Electrical and Electronics Engineers (“IEEE”)
IEEE Power Engineering Society

Expert Witness Testimony & Proceedings

FERC: Submitted direct testimony for TransCanyon Western Development, LLC in FERC Docket No. ER21-1065 regarding a proposed Transmission Formula Rate.

Submitted direct testimony for Cleco Power LLC in FERC Docket No. ER21-370 regarding a proposed rate schedule for Blackstart Service under Schedule 33 of the MISO Open Access Transmission, Energy and Operating Reserve Markets Tariff.

Submitted direct testimony for Constellation Mystic Power, LLC in FERC Docket No. ER18-1639-005 supporting a compliance filing for a cost-of-service rate for compensation for the continued operation of power plants in ISO New England.

Submitted direct testimony for DATC Path 15, LLC in FERC Docket No. ER20-1006 regarding a proposed wholesale transmission rate.

Submitted direct testimony for Tucson Electric Power Company in FERC Docket No. ER19-2019 regarding a proposed Transmission Formula Rate.

Submitted direct testimony for Cheyenne Light, Fuel & Power Company in FERC Docket No. ER19-697 regarding a proposed Transmission Formula Rate.

Supported Kansas City Power & Light in FERC Docket No. ER19-1861-000 regarding revisions to fixed depreciation rates in the KCP&L SPP Transmission Formula Rate.

Supported Westar Energy and Kansas Gas & Electric Company in FERC Docket No. ER19-269-000 regarding revisions to fixed depreciation rates in the Westar SPP Transmission Formula Rate.

Submitted direct testimony for Midwest Power Transmission Arkansas, LLC in FERC Docket No. ER15-2236 regarding a proposed Transmission Formula Rate.

Submitted direct testimony for Kanstar Transmission, LLC in FERC Docket No. ER15-2237 regarding a proposed Transmission Formula Rate.

Supported Westar Energy and Kansas Gas & Electric Company in FERC Docket Nos. FA15-9-000 and FA15-15-000 regarding an Audit of Compliance with Rates, Terms and Conditions of Westar's Open Access Transmission Tariff and Formula Rates, Accounting Requirements of the Uniform System of Accounts, and Reporting Requirements of the FERC Form No. 1.

Submitted direct testimony for Westar Energy in FERC Docket Nos. ER14-804 and ER14-805 regarding proposed revisions to a Generation Formula Rate.

Supported Intermountain Rural Electric Association and Tri-State G&T in FERC Docket No. ER12-1589 regarding revisions to Public Service of Colorado's Transmission Formula Rate.

Supported Intermountain Rural Electric Association in FERC Docket No. ER11-2853 regarding revisions to Public Service of Colorado's Production Formula Rate.

Supported Kansas Gas & Electric Company in FERC Docket No. FA14-3-000 regarding an Audit of Compliance with Nuclear Plant Decommissioning Trust Fund Regulations and Accounting Practices.

Supported LG&E Energy LLC in FERC Docket No. PA05-9-000 regarding an Audit of Code of Conduct, Standards of Conduct, Market-Based Rate Tariff, and MISO's Open Access Transmission Tariff at LG&E Energy LLC.

Submitted remarks and served on expert panel in FERC Docket No. RM01-10-000 on May 21, 2002 in Standards of Conduct for Transmission Providers staff conference, regarding proposed rulemaking on the functional separation of wholesale transmission and bundled sales functions for electric and gas utilities.

Kansas: Submitted report for Westar Energy, Inc. in Docket No. 21-WCNE-103-GIE regarding plans and options for funding the decommissioning trust fund, depreciation expenses, and overall cost recovery in the event of premature closing of the Wolf Creek nuclear plant.

Submitted direct and rebuttal testimony for Westar Energy, Inc. in Docket No. 18-WSEE-328-RTS regarding overall rate design, prior rate case settlement commitments, lighting tariffs, an Electric Transit rate schedule, Electric Vehicle charging tariffs, and tariff general terms and conditions.

Submitted direct and rebuttal testimony for Westar Energy, Inc. in Docket No. 18-KG&E-303-CON regarding the Evaluation, Measurement and Verification ("EM&V") of an energy efficiency demand response program offered pursuant to a large industrial customer special contract.

Submitted report for Westar Energy, Inc. in Docket No. 18-WCNE-107-GIE regarding plans and options for funding the decommissioning trust fund, depreciation expenses, and overall cost recovery in the event of premature closing of the Wolf Creek nuclear plant.

Submitted direct and rebuttal testimony for Westar Energy, Inc. in Docket No. 15-WSEE-115-RTS regarding rate designs for large customer classes, establishment of a balancing account related to new rate options, establishment of a tracking mechanism for costs related to compliance with mandated cyber and physical security standards, other rate design issues, and revenue allocation.

Kentucky: Submitted direct testimony and responses to data requests on behalf of Big Rivers Electric Corporation in Case No. 2021-00289 regarding a Large Industrial Customer Standby Service Tariff.

Submitted direct testimony on behalf of Big Rivers Electric Corporation and Jackson Purchase Energy Corporation in Case No. 2021-00282 regarding a marginal cost of service study in support of an economic development rate for a special contract.

Submitted direct testimony, responses to data requests, and rebuttal testimony on behalf of sixteen distribution cooperative owner-members of East Kentucky Power Cooperative in Case Nos. 2021-00104 through 2021-00119 regarding rate design for the pass-through of a proposed wholesale rate revision.

Submitted direct testimony and responses to data requests on behalf of Kenegy Corp. in Case No. 2021-00066 regarding revenue requirements, pro forma adjustments, cost of service and rate design in a streamlined rate case.

Submitted direct testimony on behalf of Big Rivers Electric Corporation in Case No. 2021-00061 regarding two cost of service studies in a review of the Member Rate Stability Mechanism Charge for calendar year 2020.

Submitted direct testimony and responses to data requests on behalf of Licking Valley R.E.C.C. in Case No. 2020-00338 regarding revenue requirements, pro forma adjustments, cost of service and rate design in a streamlined rate case.

Submitted direct testimony and responses to data requests on behalf of Cumberland Valley Electric in Case No. 2020-00264 regarding revenue requirements, pro forma adjustments, cost of service and rate design in a streamlined rate case.

Submitted direct testimony and responses to data requests on behalf of Taylor County R.E.C.C. in Case No. 2020-00278 regarding the cost support and tariff changes for the implementation of a Prepay Metering Program.

Submitted direct testimony and responses to data requests on behalf of Meade County R.E.C.C. in Case No. 2020-00131 regarding revenue requirements, pro forma adjustments, cost of service and rate design in a streamlined rate case.

Submitted direct testimony and responses to data requests on behalf of Clark Energy Cooperative in Case No. 2020-00104 regarding revenue requirements, pro forma adjustments, cost of service and rate design in a streamlined rate case.

Submitted direct testimony and responses to data requests on behalf of Big Rivers Electric Corporation in Case No. 2019-00435 regarding an Environmental Compliance Plan and Environmental Surcharge rate mechanism.

Submitted direct testimony and responses to data requests on behalf of Jackson Energy Cooperative in Case No. 2019-00066 regarding revenue requirements, cost of service and rate design in a streamlined rate case.

Submitted direct testimony and responses to data requests on behalf of Jackson Purchase Energy Corporation in Case No. 2019-00053 regarding revenue requirements, pro forma adjustments, cost of service and rate design in a streamlined rate case.

Submitted direct testimony and data request responses on behalf of Big Rivers Electric Corporation in Case No. 2018-00146 regarding ratemaking issues associated with the anticipated termination of contracts regarding the operation of an electric generating plant owned by the City of Henderson, Kentucky.

Submitted direct testimony on behalf of fifteen distribution cooperative owner-members of East Kentucky Power Cooperative in Case No. 2018-00050 regarding the economic evaluation of and potential cost shift resulting from a proposed member purchased power agreement.

Submitted direct testimony on behalf of Big Sandy R.E.C.C. in Case No. 2017-00374 regarding revenue requirements, pro forma adjustments, cost of service and rate design in a base rate case.

Submitted direct testimony on behalf of Progress Metal Reclamation Company in Kentucky Power Company Case No. 2017-00179 regarding the potential implementation of a Load Retention Rate or revisions to an Economic Development Rate.

Submitted direct testimony on behalf of Kenergy Corp. and Big Rivers Electric Corporation in Case No. 2016-00117 regarding a marginal cost of service study in support of an economic development rate for a special contracts customer.

Submitted rebuttal testimony on behalf of Big Rivers Electric Corporation in Case No. 2014-00134 regarding ratemaking treatment of revenues associated with proposed wholesale market-based-rate purchased power agreements with entities in Nebraska.

Submitted direct and rebuttal testimony on behalf of Big Rivers Electric Corporation in Case No. 2013-00199 regarding revenue requirements, pro forma adjustments, cost of service and rate design in a base rate case.

Submitted direct and rebuttal testimony on behalf of Big Rivers Electric Corporation in Case No. 2012-00535 regarding revenue requirements, pro forma adjustments, cost of service and rate design in a base rate case.

Submitted direct and rebuttal testimony on behalf of Big Rivers Electric Corporation in Case No. 2012-00063 regarding an Environmental Compliance Plan and Environmental Surcharge rate mechanism.

Submitted direct, rebuttal, and rehearing direct testimony on behalf of Big Rivers Electric Corporation in Case No. 2011-00036 regarding revenue requirements and pro forma adjustments in a base rate case.

Submitted direct testimony for Louisville Gas & Electric Company in Case No. 2009-00549 and for Kentucky Utilities Company in Case No. 2009-00548 for adjustment of electric and gas base rates, in support of a new service offering for Low Emission Vehicles, revised special charges, and company offerings aimed at assisting customers.

Submitted discovery responses for Kentucky Utilities and/or Louisville Gas & Electric Company in various customer inquiry matters, including Case Nos. 2009-00421, 2009-00312, and 2009-00364.

Submitted discovery responses for Louisville Gas & Electric Company and Kentucky Utilities Company in Case No. 2008-00148 regarding the 2008 Joint Integrated Resource Plan.

Submitted discovery responses for Louisville Gas & Electric Company and Kentucky Utilities Company in Administrative Case No. 2007-00477 regarding an investigation of the energy and regulatory issues in Kentucky's 2007 Energy Act.

Submitted direct testimony for Louisville Gas & Electric Company and Kentucky Utilities Company in Case No. 2007-00319 for the review, modification, and continuation of Energy Efficiency Programs and DSM Cost Recovery Mechanisms.

Submitted direct testimony for Louisville Gas & Electric Company and Kentucky Utilities Company in Case No. 2007-00067 for approval of a proposed Green Energy program and associated tariff riders.

Submitted direct testimony for Louisville Gas & Electric Company and Kentucky Utilities Company in Case No. 2005-00467 and 2005-00472 regarding a Certificate of Public Convenience and Necessity for the construction of transmission facilities.

Submitted discovery responses for Kentucky Utilities in Case No. 2005-00405 regarding the transfer of a utility hydroelectric power plant to a private developer.

Submitted discovery responses for Louisville Gas & Electric Company and Kentucky Utilities Company in Case No. 2005-00162 for the 2005 Joint Integrated Resource Plan.

Presented company position for Louisville Gas & Electric Company and Kentucky Utilities Company at public meetings held in Case Nos. 2005-00142 and 2005-00154 regarding routes for proposed transmission lines.

Supported Louisville Gas & Electric Company and Kentucky Utilities Company in a Focused Management Audit of Fuel Procurement practices by Liberty Consulting in 2004.

Supported Louisville Gas & Electric Company and Kentucky Utilities Company in an Investigation into their Membership in the Midwest Independent Transmission System Operator, Inc. ("MISO") in Case No. 2003-00266.

Supported Louisville Gas & Electric Company and Kentucky Utilities Company in a Focused Management Audit of its Earning Sharing Mechanism by Barrington-Wellesley Group in 2002-2003.

Submitted direct testimony for Louisville Gas & Electric Company and Kentucky Utilities Company in Case No. 2002-00381 regarding a Certificate of Public Convenience and Necessity for the acquisition of four combustion turbines.

Submitted direct testimony for Louisville Gas & Electric Company and Kentucky Utilities Company in Case No. 2002-00029 regarding a Certificate of Public Convenience and Necessity for the acquisition of two combustion turbines.

Virginia: Submitted direct testimony for Kentucky Utilities Company d/b/a Old Dominion Power in Case No. PUE-2002-00570 regarding a Certificate of Public Convenience and Necessity for the acquisition of four combustion turbines.

Presentations

"Revisiting Rate Design Strategies" presented to APPA Public Power Forward Summit, November 2019.

"Utility Rates at the Crossroads" presented to APPA Business & Financial Conference, September 2019.

"New Developments in Kentucky Rate Filings" presented to Kentucky Electric Cooperatives Accountants' Association Summer Meeting, June 2019.

“Electric Rates: New Approaches to Ratemaking” presented to CFC Statewide Workshop for Directors, January 2019.

“The Great Rate Debate: Residential Demand Rates” presented to CFC Forum, June 2018.

“Benefits of Cost of Service Studies” presented to Tri-State Electric Cooperatives Accountants’ Association Spring Meeting, April 2017.

“Proper Design of Utility Rate Incentives” presented to APPA/Area Development’s Public Power Consultants Forum, March 2017.

“Utility Hot Topics and Economic Development” presented to APPA/Area Development’s Public Power Consultants Forum, March 2017.

“Emerging Rate Designs” presented to CFC Independent Borrowers Executive Summit, November 2016.

“Optimizing Economic Development” presented to Grand River Dam Authority Municipal Customer Annual Meeting, September 2016.

“Tomorrow’s Electric Rate Designs, Today” presented to CFC Forum, June 2016.

“Reviewing Rate Class Composition to Support Sound Rate Design” presented to EEI Rate and Regulatory Analysts Group Meeting, May 2016.

“Taking Public Power Economic Development to the Next Level” presented to APPA/Area Development’s Public Power Consultants Forum, March 2016.

“Ratemaking for Environmental Compliance Plans” presented to NARUC Staff Subcommittee on Accounting and Finance Fall Conference, September 2015.

“Top Utility Strategies for Successful Attraction, Retention & Expansion” presented to APPA/Area Development’s Public Power Consultants Forum, March 2015.

“Economic Development and Load Retention Rates” presented to NARUC Staff Subcommittee on Accounting and Finance Fall Conference, September 2013.

“Rates for Distributed Generation” presented to 2010 Electric Cooperative Rate Conference, October 2010.

“What Utilities Can Do to Advance Energy Efficiency in Kentucky” panel session of Second Annual Kentucky Energy Efficiency Conference, October 2007.

Articles

“FERC Formula Rate Resurgence” *Public Utilities Fortnightly*, Vol. 158, No. 9, July 2020, 34-37.

“Economic Development Rates: Public Service or Piracy?” *IAEE Energy Forum*, International Association for Energy Economics, 2016 Q1 (January 2016), 17-20.

EXHIBIT JW-2
STATEMENT OF
OPERATIONS AND
REVENUE REQUIREMENT

JACKSON PURCHASE ENERGY CORPORATION
Statement of Operations & Revenue Requirement
For the 12 Months Ended December 31, 2019

Line #	Description (1)	Actual Rates Actual Test Yr (2)	Pro Forma Adjustment (3)	Present Rates Adj Test Yr (4)	Proposed Rates Adj Test Yr (5)
1	<u>Operating Revenues</u>				
2	Total Sales of Electric Energy	68,120,498	(2,640,848)	65,479,650	72,784,171
3	Other Electric Revenue	1,307,203	-	1,307,203	1,307,203
4	<u>Total Operating Revenue</u>	<u>69,427,701</u>	<u>(2,640,848)</u>	<u>66,786,852</u>	<u>74,091,373</u>
5					
6	<u>Operating Expenses:</u>				
7	Purchased Power	50,688,769	2,631,311	53,320,080	53,320,080
8	Distribution Operations	3,308,445	-	3,308,445	3,308,445
9	Distribution Maintenance	2,921,678	-	2,921,678	2,921,678
10	Customer Accounts	1,273,783	-	1,273,783	1,273,783
11	Customer Service	40,607	-	40,607	40,607
12	Sales Expense	3,691	-	3,691	3,691
13	A&G	3,237,313	-	3,237,313	3,237,313
14	<u>Total O&M Expense</u>	<u>61,474,286</u>	<u>2,631,311</u>	<u>64,105,597</u>	<u>64,105,597</u>
15					
16	Depreciation	6,016,651	-	6,016,651	6,016,651
17	Taxes - Other	90,258	-	90,258	90,258
18	Interest on LTD	1,961,144	-	1,961,144	1,961,144
19	Interest - Other	233,334	-	233,334	233,334
20	Other Deductions	2,796	-	2,796	2,796
21					
22	<u>Total Cost of Electric Service</u>	<u>69,778,469</u>	<u>2,631,311</u>	<u>72,409,780</u>	<u>72,409,780</u>
23					
24	<u>Utility Operating Margins</u>	<u>(350,768)</u>	<u>(5,272,159)</u>	<u>(5,622,928)</u>	<u>1,681,593</u>
25					
26	Non-Operating Margins - Interest	415,392	(1,249,488)	(834,096)	(834,096)
26a	Income(Loss) from Equity Investments	-	-	-	-
27	Non-Operating Margins - Other	934,232	-	934,232	934,232
28	G&T Capital Credits	-	-	-	-
29	Other Capital Credits	179,415	-	179,415	179,415
30					
31	<u>Net Margins</u>	<u>1,178,271</u>	<u>(6,521,647)</u>	<u>(5,343,377)</u>	<u>1,961,144</u>
32					
33	Cash Receipts from Lenders	77,191		77,191	77,191
34	OTIER	0.86		(1.83)	1.90
35	TIER	1.60		(1.72)	2.00
36	TIER excluding GTCC	1.60		(1.72)	2.00
37					
38	Target TIER	2.00		2.00	2.00
39	Margins at Target TIER	1,961,144		1,961,144	1,961,144
40	Revenue Requirement	71,739,613		74,370,924	74,370,924
41	Revenue Deficiency	782,873		7,304,521	(0)
42					
43	Increase Needed to Achieve Revenue Requirement (\$) >				7,304,521
44	Increase Needed to Achieve Revenue Requirement (%) >				10.94%

JACKSON PURCHASE ENERGY CORPORATION
Summary of Pro Forma Adjustments

Reference Schedule #	Item (1)	Revenue (2)	Expense (3)	Non- Operating Income (4)	Net Margin (5)
1.01	FAC	(482,290)	(553,082)	-	70,792
1.02	ES	(4,382,552)	(4,091,656)	-	(290,896)
1.03	MRSM	2,519,821	3,311,788	-	(791,967)
1.04	Non-FAC PPA	(1,083,731)	(1,172,567)	-	88,836
1.05	Donations, Promo Ads & Dues	-	(213,387)	-	213,387
1.06	401k Contributions	-	(29,017)	-	29,017
1.07	Life Insurance	-	(7,084)	-	7,084
1.08	Rate Case Costs	-	58,333	-	(58,333)
1.09	Interest Expense	-	(202,418)	-	202,418
1.1	Interest Income	-	-	(326,174)	(326,174)
1.11	Year End Customers	242,607	328,201	-	(85,593)
1.12	Wages & Salaries	-	175,682	-	(175,682)
1.13	Depreciation Normalization	-	140,136	-	(140,136)
1.14	Directors Expenses	-	(7,278)	-	7,278
1.15	FEMA Credit	-	726,456	-	(726,456)
1.16	Capital Credits	-	-	(923,314)	(923,314)
1.17	New HQ	-	850,880	-	(850,880)
1.18	Right of Way	-	3,316,327	-	(3,316,327)
1.19	Normalize 2019 Rate Adj	545,297	-	-	545,297
1.20	reserved	-	-	-	-
1.21	reserved	-	-	-	-
1.22	reserved	-	-	-	-
1.23	reserved	-	-	-	-
Total		(2,640,848)	2,631,311	(1,249,488)	(6,521,647)

JACKSON PURCHASE ENERGY CORPORATION
Summary of Adjustments to Test Year Balance Sheet

Line #	Description (1)	Actual Test Yr (2)	Pro Forma Adjs (3)	Pro Forma Test Yr (4)
1	Assets and Other Debits			
2	Total Utility Plant in Service	159,055,260	-	159,055,260
3	Construction Work in Progress	1,671,256	-	1,671,256
4	Total Utility Plant	160,726,516	-	160,726,516
5	Accum Provision for Depr and Amort	(66,201,524)	-	(66,201,524)
6	Net Utility Plant	94,524,992	-	94,524,992
7				
8	Investment in Assoc Org - Patr Capital	1,685,964	-	1,685,964
9	Investment in Assoc Org - Other Gen Fnd	-	-	-
10	Investment in Assoc Org - Non Gen Fnd	1,752,880	-	1,752,880
11	Other Investment	-	-	-
12	Total Other Prop & Investments	3,438,844	-	3,438,844
13				
14	Cash - General Funds	2,009,182	-	2,009,182
15	Cash - Construction Fund Trust	-	-	-
16	Special Deposits	-	-	-
17	Temporary Investments	-	-	-
18	Accts Receivable - Sales Energy (Net)	4,649,049	-	4,649,049
19	Accts Receivable - Other (Net)	484,840	-	484,840
20	Renewable Energy Credits	-	-	-
21	Material & Supplies - Elec & Other	2,179,335	-	2,179,335
22	Prepayments	218,013	-	218,013
23	Other Current & Accr Assets	4,215,277	-	4,215,277
24	Total Current & Accr Assets	13,755,696	-	13,755,696
25				
26	Other Regulatory Assets	-	-	-
27	Other Deferred Debits	9,825	-	9,825
28				
29	Total Assets & Other Debits	111,729,357	-	111,729,357
30				
31	Liabilities & Other Credits			
32	Memberships	124,495	-	124,495
33	Patronage Capital	47,279,439	-	47,279,439
34	Operating Margins - Current Year	220,328	-	220,328
35	Non-Operating Margins	695,598	-	695,598
36	Other Margins & Equities	(118,379)	-	(118,379)
37	Total Margins & Equities	48,201,481	-	48,201,481
38				
39	Long Term Debt - RUS (Net)	-	-	-
40	Long Term Debt - FFB - RUS GUAR	20,761,550	-	20,761,550
41	Long Term Debt - Other - RUS GUAR	-	-	-
42	Long Term Debt - Other (Net)	31,568,681	-	31,568,681
43	Long Term Debt - RUS -Econ Dev - Net	-	-	-
44	Payments - Unapplied	(6,522,595)	-	(6,522,595)
45	Total Long Term Debt	45,807,636	-	45,807,636
46				
47	Accum Operating Provisions	2,547,483	-	2,547,483
48				
49	Notes Payable	1,200,000	-	1,200,000
50	Accounts Payable	6,272,510	-	6,272,510
51	Consumer Deposits	2,288,656	-	2,288,656
52	Current Maturities - Long Term Debt	2,760,965	-	2,760,965
53	Other Current & Accr Liabilities	1,756,600	-	1,756,600
54	Total Current & Accr Liabilities	14,278,731	-	14,278,731
55				
56	Regulatory Liabilities	894,026	-	894,026
57	Other Deferred Credits	-	-	-
58	Total Liabilities & Other Credits	111,729,357	-	111,729,357

JACKSON PURCHASE ENERGY CORPORATION
Summary of Adjustments to Test Year Statement of Operations

Reference Schedule >	1.01	1.02	1.03	1.04	1.05	1.06	1.07	1.08	1.09	1.10	1.11	1.12	1.13	1.14	1.15	1.16	1.17	1.18	1.19		
Adjustment Item >	FAC	ES	MRSM	Non-FAC PPA	Donations, Promo Ads & Dues	401k Contributions	Life Insurance	Rate Case Costs	Interest Expense	Interest Income	Year End Customers	Wages & Salaries	Depreciation Normalization	Directors Expenses	FEMA Credit	Capital Credits	New HQ	Right of Way	Normalize 2019 Rate Adj	TOTAL	
1																					
2 Operating Revenues:																					
3 Base Rates	-	-	-	-	-	-	-	-	-	-	242,607	-	-	-	-	-	-	-	-	545,297	787,904
4 Riders	(482,290)	(4,382,552)	2,519,821	(1,083,731)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,428,752)
5 Other Electric Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6 Total Revenues	(482,290)	(4,382,552)	2,519,821	(1,083,731)	-	-	-	-	-	-	242,607	-	-	-	-	-	-	-	-	545,297	(2,640,848)
7																					
8 Operating Expenses:																					
9 Purchased Power	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10 Base Rates	-	-	-	-	-	-	-	-	-	-	328,201	-	-	-	-	-	-	-	-	-	328,201
11 Riders	(553,082)	(4,091,656)	3,311,788	(1,172,567)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,505,518)
12 Distribution - Operations	-	-	-	-	-	(20,595)	(2,485)	-	-	-	-	54,461	-	-	-	-	-	-	-	-	31,381
13 Distribution - Maintenance	-	-	-	-	-	-	-	-	-	-	-	56,218	-	-	726,456	-	-	3,316,327	-	-	4,099,001
14 Consumer Accounts	-	-	-	-	-	(1,792)	(824)	-	-	-	-	29,866	-	-	-	-	-	-	-	-	27,251
15 Customer Service	-	-	-	-	-	-	(163)	-	-	-	-	3,514	-	-	-	-	-	-	-	-	3,351
16 Sales	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17 Administrative and General	-	-	-	-	(213,387)	(6,631)	(3,612)	58,333	-	-	-	31,623	-	(7,278)	-	-	-	-	-	-	(140,953)
18 Total Operating Expenses	(553,082)	(4,091,656)	3,311,788	(1,172,567)	(213,387)	(29,017)	(7,084)	58,333	-	-	328,201	175,682	-	(7,278)	726,456	-	-	3,316,327	-	-	1,842,714
19																					
20 Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	140,136	-	-	-	-	454,040	-	-	594,175
21 Taxes - Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22 Interest on Long Term Debt	-	-	-	-	-	-	-	-	(202,418)	-	-	-	-	-	-	-	-	396,840	-	-	194,422
23 Interest Expense - Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24 Other Deductions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
25 Total Cost of Electric Service	(553,082)	(4,091,656)	3,311,788	(1,172,567)	(213,387)	(29,017)	(7,084)	58,333	(202,418)	-	328,201	175,682	140,136	(7,278)	726,456	-	850,880	3,316,327	-	-	2,631,311
26																					
27 Utility Operating Margins	70,792	(290,896)	(791,967)	88,836	213,387	29,017	7,084	(58,333)	202,418	-	(85,593)	(175,682)	(140,136)	7,278	(726,456)	-	(850,880)	(3,316,327)	545,297	-	(5,272,159)
28																					
29 Non-Operating Margins - Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30 Non-Operating Margins - Other	-	-	-	-	-	-	-	-	-	(326,174)	-	-	-	-	-	(923,314)	-	-	-	-	(1,249,488)
31 G&T Capital Credits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32 Other Capital Credits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
33 Total Non-Operating Margins	-	-	-	-	-	-	-	-	-	(326,174)	-	-	-	-	-	(923,314)	-	-	-	-	(1,249,488)
34																					
35 Net Margins	70,792	(290,896)	(791,967)	88,836	213,387	29,017	7,084	(58,333)	202,418	(326,174)	(85,593)	(175,682)	(140,136)	7,278	(726,456)	(923,314)	(850,880)	(3,316,327)	545,297	-	(6,521,647)

JACKSON PURCHASE ENERGY CORPORATION
For the 12 Months Ended December 31, 2019

Fuel Adjustment Clause

Line #	Year (1)	Month (2)	Revenue (3)	Expense (4)
1	2019	Jan	\$ 179,711	\$ 94,334
2	2019	Feb	\$ 23,934	\$ 16,109
3	2019	Mar	\$ 64,975	\$ 26,356
4	2019	Apr	\$ (1,338)	\$ (2,589)
5	2019	May	\$ 22,601	\$ 72,024
6	2019	Jun	\$ 14,735	\$ 6,469
7	2019	Jul	\$ 89,168	\$ (48,937)
8	2019	Aug	\$ 12,445	\$ 31,297
9	2019	Sep	\$ (49,933)	\$ 61,440
10	2019	Oct	\$ 12,247	\$ 56,802
11	2019	Nov	\$ 45,113	\$ 138,547
12	2019	Dec	\$ 68,630	\$ 101,231
13		TOTAL	\$ 482,290	\$ 553,082
14				
15	Test Year Amount		\$ 482,290	\$ 553,082
16				
17	Pro Forma Year Amount		\$ -	\$ -
18				
19	Adjustment		\$ (482,290)	\$ (553,082)

This adjustment removes the FAC revenues and expenses from the test period.

JACKSON PURCHASE ENERGY CORPORATION
For the 12 Months Ended December 31, 2019

Environmental Surcharge

Line #	Year (1)	Month (2)	Revenue (3)	Expense (4)
1	2019	Jan	\$ 481,713	\$ 503,425
2	2019	Feb	\$ 499,323	\$ 364,914
3	2019	Mar	\$ 344,988	\$ 308,795
4	2019	Apr	\$ 287,522	\$ 260,418
5	2019	May	\$ 267,075	\$ 289,953
6	2019	Jun	\$ 420,719	\$ 417,094
7	2019	Jul	\$ 397,450	\$ 423,087
8	2019	Aug	\$ 553,748	\$ 449,845
9	2019	Sep	\$ 329,365	\$ 304,675
10	2019	Oct	\$ 321,068	\$ 240,842
11	2019	Nov	\$ 163,740	\$ 230,205
12	2019	Dec	\$ 315,842	\$ 298,403
13		TOTAL	\$ 4,382,552	\$ 4,091,656
14				
15	Test Year Amount		\$ 4,382,552	\$ 4,091,656
16				
17	Pro Forma Year Amount		\$ -	\$ -
18				
19	Adjustment		\$ (4,382,552)	\$ (4,091,656)

This adjustment removes the ES revenues and expenses from the test period.

JACKSON PURCHASE ENERGY CORPORATION
For the 12 Months Ended December 31, 2019

Member Rate Stability Mechanism

Line #	Year (1)	Month (2)	Revenue (3)	Expense (4)
1	2019	Jan	\$ (112,756)	\$ (145,115)
2	2019	Feb	\$ (147,280)	\$ (194,601)
3	2019	Mar	\$ (93,965)	\$ (276,591)
4	2019	Apr	\$ (131,768)	\$ (275,035)
5	2019	May	\$ (177,419)	\$ (292,001)
6	2019	Jun	\$ (261,378)	\$ (312,542)
7	2019	Jul	\$ (282,963)	\$ (301,580)
8	2019	Aug	\$ (345,790)	\$ (312,027)
9	2019	Sep	\$ (223,610)	\$ (309,332)
10	2019	Oct	\$ (210,066)	\$ (301,281)
11	2019	Nov	\$ (196,506)	\$ (297,395)
12	2019	Dec	\$ (336,319)	\$ (294,287)
13		TOTAL	\$ (2,519,821)	\$ (3,311,788)
14				
15	Test Year Amount		\$ (2,519,821)	\$ (3,311,788)
16				
17	Pro Forma Year Amount		\$ -	\$ -
18				
19	Adjustment		\$ 2,519,821	\$ 3,311,788

This adjustment removes the MRSM revenues and expenses from the test period.

JACKSON PURCHASE ENERGY CORPORATION
For the 12 Months Ended December 31, 2019

Non-FAC Purchased Power Adjustment

Line #	Year (1)	Month (2)	Revenue (3)	Expense (4)
1	2019	Jan	\$ 100,365	\$ 96,393
2	2019	Feb	\$ 104,601	\$ 78,424
3	2019	Mar	\$ 65,270	\$ 79,167
4	2019	Apr	\$ 61,991	\$ 62,449
5	2019	May	\$ 68,198	\$ 75,336
6	2019	Jun	\$ 96,001	\$ 83,058
7	2019	Jul	\$ 101,743	\$ 100,785
8	2019	Aug	\$ 113,482	\$ 97,886
9	2019	Sep	\$ 79,299	\$ 139,653
10	2019	Oct	\$ 67,466	\$ 103,899
11	2019	Nov	\$ 92,043	\$ 124,014
12	2019	Dec	\$ 133,273	\$ 131,501
13		TOTAL	\$ 1,083,731	\$ 1,172,567
14				
15	Test Year Amount		\$ 1,083,731	\$ 1,172,567
16				
17	Pro Forma Year Amount		\$ -	\$ -
18				
19	Adjustment		\$ (1,083,731)	\$ (1,172,567)

This adjustment removes the Non-FAC PPA revenues and expenses from the test period.

JACKSON PURCHASE ENERGY CORPORATION
For the 12 Months Ended December 31, 2019

Donations, Promotional Advertising & Dues

Line #	Item (1)	Account (2)	Excluded Amount (3)
1	Donations	426.100	\$ (2,249.71)
2	Media Advertising	930.400	\$ (5,406.29)
3	Media Advertising	930.410	\$ (340.00)
4	Media Advertising	930.420	\$ (2,750.00)
5	Media Advertising	930.440	\$ (1,600.00)
6	Annual Meeting - Advertising	930.224	\$ (1,083.00)
7	Annual Meeting - Prizes	930.225	\$ (5,120.00)
8	Annual Meeting - Printing	930.226	\$ (3,181.96)
9	KY Living	930.200	\$ (56,558.80)
10	Coop Sponsorships/Memberships	930.200	\$ (1,932.21)
11	Coop Sponsorships/Memberships	930.300	\$ (17,966.80)
12	NRECA dues	930.200	\$ (40,888.50)
13	KAEC dues	588.200	\$ (9,819.60)
14	KAEC dues	930.200	\$ (51,482.32)
15	Scholarships	930.208	\$ (7,413.50)
16	Youth Tour	930.209	\$ (5,594.72)
17	Total		\$ (213,387.41)

This adjustment removes charitable donations, promotional advertising expenses, and dues from the revenue requirement consistent with standard Commission practices.

JACKSON PURCHASE ENERGY CORPORATION
For the 12 Months Ended December 31, 2019

401(k) Contribution Match Expense

#	Employee #	Excluded Amount	Acct
1	1	\$ (1,309)	580
2	2	(4,288)	580
3	3	(3,338)	580
4	4	(1,792)	903
5	5	(3,103)	580
6	6	(112)	920
7	7	(2,059)	583
8	8	(1,828)	588
9	9	(3,091)	920
10	10	(2,241)	588
11	11	(2,429)	580
12	12	(2,350)	920
13	13	(1,077)	925
14	Total	\$ (29,017)	

This adjustment removes the contribution for the least generous plans for employer retirement contributions for employees participating in multiple benefit packages.

Specifically, for Non-Union employees under R&S Pension Plan and 401k match, removes the 401k match for non-union (non-contractual) employees.

Account	Total
580	(14,467)
583	(2,059)
588	(4,069)
903	(1,792)
920	(5,553)
925	(1,077)
	(29,017)

JACKSON PURCHASE ENERGY CORPORATION
For the 12 Months Ended December 31, 2017

Life Insurance

A	B	C	D	E	F	G	H
Empl #	Total Premium	Acct	Ending 2019 Rate	Ending 2019 Salary	Lesser of \$50k or Salary	Coverage - 2x Salary (E * 2)	Amount to Exclude ((G-F)/G)*B
1	\$ 129.60	580	\$ 27.13	\$ 56,430.40	\$ 50,000.00	\$ 112,860.80	\$ (72.18)
2	437.88	580	52.40	108,992.00	50,000.00	217,984.00	(337.44)
3	368.60	580	45.94	95,546.36	50,000.00	191,092.72	(272.15)
4	196.56	903	21.55	44,824.00	44,824.00	89,648.00	(98.28)
5	348.48	580	37.58	78,162.76	50,000.00	156,325.52	(237.02)
6	227.88	583	24.90	51,792.00	50,000.00	103,584.00	(117.88)
7	201.00	588	22.10	45,968.00	45,968.00	91,936.00	(100.50)
8	303.84	920	38.32	79,705.60	50,000.00	159,411.20	(208.54)
9	236.76	588	25.82	53,705.60	50,000.00	107,411.20	(126.55)
10	84.00	580	28.01	58,260.80	50,000.00	116,521.60	(47.96)
11	160.92	910	18.62	38,729.60	38,729.60	77,459.20	(80.46)
12	254.64	920	27.99	58,219.20	50,000.00	116,438.40	(145.29)
13	113.20	925	35.10	73,008.00	50,000.00	146,016.00	(74.44)
14	192.12	580	21.03	43,742.40	43,742.40	87,484.80	(96.06)
15	165.24	903	18.45	38,376.00	38,376.00	76,752.00	(82.62)
16	183.24	903	23.53	48,942.40	48,942.40	97,884.80	(91.62)
17	232.32	588	25.43	52,894.40	50,000.00	105,788.80	(122.52)
18	178.68	903	22.58	46,966.40	46,966.40	93,932.80	(89.34)
19	165.24	910	18.06	37,564.80	37,564.80	75,129.60	(82.62)
20	384.24	920	40.96	85,202.00	50,000.00	170,404.00	(271.50)
21	174.24	903	23.50	48,880.00	48,880.00	97,760.00	(87.12)
22	647.88	580	71.64	149,000.80	50,000.00	298,001.60	(539.18)
23	201.00	903	31.10	64,680.72	50,000.00	129,361.44	(123.31)
24	156.36	903	18.12	37,689.60	37,689.60	75,379.20	(78.18)
25	174.24	903	19.38	40,310.40	40,310.40	80,620.80	(87.12)
26	268.08	580	36.14	75,172.76	50,000.00	150,345.52	(178.93)
27	201.00	588	23.57	49,025.60	49,025.60	98,051.20	(100.50)
28	415.56	920	55.64	115,733.28	50,000.00	231,466.56	(325.79)
29	647.88	920	72.12	150,000.76	50,000.00	300,001.52	(539.90)
30	183.24	920	21.36	44,428.80	44,428.80	88,857.60	(91.62)
31	205.56	920	27.54	57,283.20	50,000.00	114,566.40	(115.85)
32	1,206.36	920	136.72	284,378.12	50,000.00	568,756.24	(1,100.31)
33	225.28	920	27.28	56,732.00	50,000.00	113,464.00	(126.01)
34	266.20	920	32.81	68,250.00	50,000.00	136,500.00	(168.69)
35	204.82	920	26.04	54,163.20	50,000.00	108,326.40	(110.28)
36	316.50	920	48.08	100,000.68	50,000.00	200,001.36	(237.38)
37	234.60	163	30.89	64,260.04	50,000.00	128,520.08	(143.33)
38	98.32	903	16.20	33,696.00	33,696.00	67,392.00	(49.16)
39	67.00	588	21.35	44,408.00	44,408.00	88,816.00	(33.50)
40	111.72	580	26.10	54,288.00	50,000.00	108,576.00	(60.27)
41	73.74	903	16.20	33,696.00	33,696.00	67,392.00	(36.87)
42	143.35	925	37.02	77,000.04	50,000.00	154,000.08	(96.81)
43	83.75	588	21.35	44,408.00	44,408.00	88,816.00	(41.88)
Total	\$ 10,871.12						\$ (7,226.94)

BY ACCOUNT

Account	Total
163	\$ (143.33)
580	\$ (1,841.19)
583	\$ (117.88)
588	\$ (525.44)
903	\$ (823.62)
910	\$ (163.08)
920	\$ (3,441.15)
925	\$ (171.24)

Reduction to Expense

Reduction to Expense	\$ (7,083.61)
Reduction to Balance Sheet accounts	\$ (143.33)
Total Check	\$ (7,226.94)

This adjustment removes Life insurance premiums for coverage above the lesser of an employee's annual salary or \$50,000 from the test period.

JACKSON PURCHASE ENERGY CORPORATION
For the 12 Months Ended December 31, 2017

Rate Case Expenses

Line #	Item (1)	Expense (2)
1	Legal - Goss Samford PLLC	\$ 125,000
2	Consulting - Catalyst Consulting LLC	\$ 50,000
3	Advertising / Notices	\$ -
4	Subtotal	\$ 175,000
5		
6	Total Amount	\$ 175,000
7	Amortization Period (Years)	\$ 3
8	Annual Amortization Amount	\$ 58,333
9		
10	Test Year Amount	\$ -
11		
12	Pro Forma Year Amount	\$ 58,333
13		
14	Adjustment	\$ 58,333

This adjustment estimates the rate case costs amortized over a 3 year period, consistent with standard Commission practice.

JACKSON PURCHASE ENERGY CORPORATION
For the 12 Months Ended December 31, 2019

Interest Expense

#	Note #	Oustanding Principal 12/31/2020	Lender	Rate	Interest
1	1-1	1,231,384.40	RUS/FFB	2.457%	\$ 30,255.11
2	1-2	1,071,428.76	RUS/FFB	2.457%	\$ 26,325.00
3	2-1	2,953,846.18	RUS/FFB	4.264%	\$ 125,952.00
4	2-2	2,953,846.18	RUS/FFB	4.157%	\$ 122,791.39
5	2-3	3,750,000.00	RUS/FFB	2.144%	\$ 80,400.00
6	3-1	17,897,229.89	RUS/FFB	1.537%	\$ 275,080.42
7	3-2	3,010,195.66	RUS/FFB	1.552%	\$ 46,718.24
8	9003005	401,765.21	CFC	2.700%	\$ 10,847.66
9	9003006	624,064.97	CFC	2.900%	\$ 18,097.88
10	9003007	649,879.93	CFC	3.100%	\$ 20,146.28
11	9003008	676,246.94	CFC	3.100%	\$ 20,963.66
12	9003009	705,489.54	CFC	3.150%	\$ 22,222.92
13	9003010	734,340.85	CFC	3.150%	\$ 23,131.74
14	9003011	765,018.30	CFC	3.200%	\$ 24,480.59
15	9003012	796,585	CFC	3.250%	\$ 25,889.03
16	9003013	830,929	CFC	3.300%	\$ 27,420.65
17	9003014	865,465	CFC	3.300%	\$ 28,560.33
18	9003015	901,975	CFC	3.350%	\$ 30,216.16
19	9003016	939,781	CFC	3.400%	\$ 31,952.55
20	9003017	980,249	CFC	3.400%	\$ 33,328.46
21	9003018	1,021,610	CFC	3.450%	\$ 35,245.53
22	9003019	1,065,126	CFC	3.500%	\$ 37,279.40
23	9003020	954,876	CFC	3.550%	\$ 33,898.10
24	9003021	694,348	CFC	3.550%	\$ 24,649.34
25	9003022	722,411	CFC	3.600%	\$ 26,006.80
26	9003023	751,764	CFC	3.650%	\$ 27,439.38
27	9003024	782,264	CFC	3.700%	\$ 28,943.78
28	9003025	709,523	CFC	3.700%	\$ 26,252.34
29	9003026	70,275	CFC	3.750%	\$ 2,635.33
30	ML0731T2	862,363	CoBank	2.530%	\$ 21,817.77
31	ML0731T3	526,300	CoBank	2.530%	\$ 13,315.39
32	ML0731T5	331,366	CoBank	2.530%	\$ 8,383.56
33	RX0731T7	1,359,102	CoBank	4.690%	\$ 63,741.87
34	RX0731T8	1,818,878	CoBank	4.900%	\$ 89,125.04
35	RIML0731T9	6,560,267	CoBank	4.500%	\$ 295,212.00
36	LTD per Form 7	\$ 60,970,192			\$ 1,758,725.71
37					
38	Test Year Amount				\$ 1,961,144.08
39					
40	Pro Forma Year Amount				\$ 1,758,725.71
41					
42	Adjustment - Account 427				\$ (202,418.37)

This adjustment normalizes the interest on Interest Expense from test year to recent amounts.

JACKSON PURCHASE ENERGY CORPORATION
For the 12 Months Ended December 31, 2017

Interest Income

#	Acct. 419.600 Item	Cost
1		
2	Cushion of Credit Interest Income in Test Year	\$ (326,174.29)
3		
4	Cushion of Credit interest income - Pro Forma year	\$ -
5		
6	Pro Forma Adjustment	\$ (326,174.29)

This adjustment reduces interest income from the RUS Cushion of Credit

JACKSON PURCHASE ENERGY CORPORATION
For the 12 Months Ended December 31, 2019

Year-End Customers

Line #	Year (1)	Month (2)	Res - R (3)	Com - C1 (4)	Com - C3 (5)	C&I - D (6)	Total (7)
1	2017	Jan	25,428	3,437	485	614	
2	2015	Feb	25,436	3,426	483	614	
3	2015	Mar	25,423	3,416	484	613	
4	2015	Apr	25,409	3,429	485	611	
5	2015	May	25,378	3,437	483	610	
6	2016	Jun	25,398	3,430	483	611	
7	2016	Jul	25,422	3,420	486	608	
8	2016	Aug	25,401	3,437	489	610	
9	2016	Sep	25,381	3,433	491	613	
10	2016	Oct	25,380	3,443	491	630	
11	2016	Nov	25,386	3,461	492	631	
12	2016	Dec	25,353	3,470	494	631	
13	Average		25,400	3,437	487	616	
14							
15	End of Period Increase over Avg		(47)	33	7	15	
16							
17	Total kWh		358,325,499	32,376,820	11,275,679	176,065,127	
18	Average kWh		14,107	9,420	23,153	285,820	
19	Year-End kWh Adjustment		(663,043)	310,863	162,073	4,287,300	4,097,193
20							

(continued)

JACKSON PURCHASE ENERGY CORPORATION
For the 12 Months Ended December 31, 2019

Year-End Customers

Line #	Year (1)	Month (2)	Res - R (3)	Com - C1 (4)	Com - C3 (5)	C&I - D (6)	Total (7)
21	Revenue Adjustment						
22			\$ 41,110,682	\$ 3,984,454	\$ 1,239,498	\$ 10,784,333	
23			\$ 0.11473	\$ 0.12307	\$ 0.10993	\$ 0.06125	
24			\$ (76,071)	\$ 38,256	\$ 17,816	\$ 262,606	242,607
25							
26	Expense Adjustment						
27			0.08010	0.08010	0.08010	0.08010	
28			\$ (53,112)	\$ 24,901	\$ 12,983	\$ 343,429	328,201
29							
30							
31			<u>Revenue</u>	<u>Expense</u>		<u>Net Rev</u>	
32	Test Year Amount		\$ -	\$ -		\$ -	
33							
34	Pro Forma Year Amount		\$ 242,607	\$ 328,201		\$ (85,593)	
35							
36	Adjustment		\$ 242,607	\$ 328,201		\$ (85,593)	
37							
38							
39	<u>For Expense Adjustment:</u>			<u>Test Period Total</u>			
40	Total Purchased Power Expense			\$ 50,688,769			
41	Less Fuel Adjustment Clause			\$ (553,082)			
42	Less Environmental Surcharge			\$ (4,091,656)			
43	Less MRSM & NonFAC PPA			\$ 4,484,355			
44	Adjusted Purchased Power Expense			\$ 50,528,386			
45	Total Purchased Power kWh			630,786,798			

This adjustment adjusts the test year expenses and revenues to reflect the number of customers at the end of the test year.

JACKSON PURCHASE ENERGY CORPORATION
For the 12 Months Ended December 31, 2017

Wages & Salaries

Line #	Test Year					(f)	Pro Forma Year*			Adjustment (j)
	(b)	(c)	(d)	(e)	(g)		(h)	(i)		
1		<i>Hours</i>	<i>Avg. Wage</i>	<i>Dollars</i>		<i>Hours</i>	<i>Avg. Wage</i>	<i>Dollars</i>		
2	Regular time	144,213.15	\$ 33.78	\$ 4,871,034.49		145,600.00	\$ 35.49	\$ 5,167,344.00	\$ 296,309.51	
3										
4										
5	Overtime	19,797.00	\$ 58.25	\$ 1,153,238.22		19,797.00	\$ 59.39	\$ 1,175,743.83	\$ 22,505.61	
6										
7										
8	Other Hours	4,353.02	\$ 43.20	\$ 188,028.97		4,353.02	\$ 43.20	\$ 188,028.97	\$ -	
9										
10	<i>Total</i>	168,363.17		\$ 6,212,301.68		169,750.02		\$ 6,531,116.80	\$ 318,815.12	
11										
12										
13	Payroll Expensed		3,315,612	55%					\$ 175,681.51	
14	Payroll Capitalized		1,475,504	25%					78,181.28	
15	Payroll Other		1,225,836	20%					64,952.33	
16	Per 2020 Form 7		6,016,952						\$ 318,815.12	
17										
18										
19	Addition to Expense									
20	580	31%	\$ 54,461.27							
21	590	32%	\$ 56,218.08							
22	901	17%	\$ 29,865.86							
23	910	2%	\$ 3,513.63							
24	920	18%	\$ 31,622.67							
25	Total		\$ 175,681.51							

* Pro Forma Year based upon 70 employees at 2080 hours, same amount of OT hours and other hours as in Test Year

This adjustment normalizes wages and salaries to account for changes due to wage increases, departures, or new hires for standard year of 2,080 hours.

JACKSON PURCHASE ENERGY CORPORATION
For the 12 Months Ended December 31, 2017

Depreciation Expense Normalization

Line #	Acct # (1)	Description (2)	Test Yr End Bal (3)	Fully Depr Items (4)	Rate (5)	Normalized Expense (6)	Test Year Expense (7)	Pro Forma Adj (8)
1		<u>Distribution Plant</u>						
2	360	Land	274,958	-				
3	362	Station equipment	20,063,925	-	1.60%	321,015	319,993	\$ 1,022
4	362.161	Station hardware	47,989	-	5.00%	2,399	2,399	\$ 0
5	362.162	Station software	33,207	-	5.00%	1,660	1,660	\$ 0
6	364	Poles, towers & fixtures	45,935,171	-	4.31%	1,979,824	1,929,508	\$ 50,316
7	365	Overhead conductors & devices	22,394,795	-	3.59%	803,982	794,228	\$ 9,754
8	366	Underground conduit	4,934,295	-	1.69%	83,388	83,150	\$ 238
9	367	Underground conductor & devices	17,555,072	-	2.90%	509,104	499,773	\$ 9,331
10	368	Line transformers	22,768,892	-	5.31%	1,209,028	1,196,129	\$ 12,899
11	369	Services	10,768,683	-	1.48%	159,333	156,477	\$ 2,857
12	370	Meters	2,055,711	-	3.99%	82,023	82,196	\$ (173)
13	370.1	AMI meters	5,185,305	-	6.67%	345,687	344,840	\$ 847
14	370.161	AMI hardware	94,801	-	20.00%	18,960	18,960	\$ 1
15	370.162	AMI software	65,234	-	20.00%	13,047	-	\$ 13,047
16	370.2	AMI substation equipment	1,463,138	-	6.67%	97,543	97,418	\$ 124
17	371	Installations on customer premises	2,630,094	-	12.09%	317,978	310,182	\$ 7,797
18	373	Street Lights & Signs	646,536	-	3.47%	22,435	22,274	\$ 161
19		Subtotal	\$ 156,917,809	\$ -		\$ 5,967,407	\$ 5,859,186	\$ 108,221
20								
21		<u>General Plant</u>						
22	389	Land	86,866					
23	390	Structures and improvements	2,809,680	1,057,172	2.50%	43,813	43,692	\$ 121
24	391	Office furniture and equipment	317,564	252,480	5.00%	3,254	3,787	\$ (533)
25	391.1	Computer hardware/software	578,362	306,404	20.00%	54,392	21,215	\$ 33,177
26	392	Transportation equipment	3,198,808	878,473	10.00%	232,033	251,143	\$ (19,110)
27	392.1	Light duty transportation equipment	838,746	209,931	20.00%	125,763	113,859	\$ 11,904
28	393	Stores	99,882	48,923	5.00%	2,548	2,537	\$ 11
29	394	Tools, shop and garage	761,010	384,160	6.67%	25,123	24,448	\$ 675
30	395	Laboratory	247,090	162,451	6.67%	5,643	5,597	\$ 46
31	396	Power operated	654,505	209,530	10.00%	44,497	44,542	\$ (44)
32	397	Communications	970,718	557	5.00%	48,508	47,178	\$ 1,330
33	398	Miscellaneous	238,134	111,849	10.00%	12,628	11,549	\$ 1,079
34		Subtotal	10,801,364	3,621,930		598,203	569,545	28,657
35		Distribution & General Total	\$ 167,719,173	\$ 3,621,930		\$ 6,565,610	\$ 6,428,731	\$ 136,879
36								
37		Clearing Accounts		(lines 26,27,28,31)				(7,238)
38								
39		This adjustment normalizes depreciation expenses by replacing test year actual expenses with test year end balances (less any fully depreciated items) at approved depreciation rates.						
40								
41		Distribution & General Total	(line 35 - line 37)					\$ 144,117
42		Clearing Accounts * 55% Expense	(line 37 * 0.55)					\$ (3,981)
43		Total Adjustment to Expense	(line 41 + line 42)					\$ 140,136

JACKSON PURCHASE ENERGY CORPORATION
For the 12 Months Ended December 31, 2017

Directors Expenses

#	Item	Bearden	Crouch	Elliott	Harris	Marshall	Barnes	Bell	Teitloff	Total
1	NRECA Annual Meeting - Per Diem	725.00	-	-	725.00	-	-	-	-	1,450.00
2	NRECA Annual Meeting - Expenses	2,492.57	-	-	404.46	-	-	-	-	2,897.03
	NRECA Regional Meeting	925.00	-	-	-	-	-	-	2,195.35	3,120.35
	NRECA School Fees	1,865.56	-	-	-	-	7,025.08	2,764.10	10,970.10	22,624.84
3	Big Rivers Annual Meeting	211.14	-	-	-	-	-	-	-	211.14
4	KAEC Director Meeting	-	-	-	1,411.58	-	-	-	-	1,411.58
5	NRECA Legislativer Conference	-	-	-	1,426.38	-	-	-	-	1,426.38
6	ACES Conference	-	-	-	53.08	-	-	-	-	53.08
8	TOTAL	6,219.27	-	-	4,020.50	-	7,025.08	2,764.10	13,165.45	33,194.40
9										
10										
11	<u>Items to be removed:</u>	<u>Amount</u>						Test Year Amount		\$ 33,194.40
12	NRECA Annual Meeting (Bearden)	(3,217.57)								
13	NRECA Regional Meeting (Teitloff)	(2,195.35)						Pro Forma Amount		\$ 25,915.92
14	NRECA School Fees (Bearden)	(1,865.56)								
15	Total to be removed:	\$ (7,278.48)						<u>Adjustment</u>		<u>\$ (7,278.48)</u>

This adjustment removes certain Director expenses consistent with recent Commission orders and standard Commission practices.

Reference Schedule: 1.15

JACKSON PURCHASE ENERGY CORPORATION
For the 12 Months Ended December 31, 2017

FEMA Credit

#	Account 593 Item	Cost
1	FEMA Credit	\$ 726,455.63
2		
3	Total	<u>\$ 726,455.63</u>
4		
5		
6	Pro Forma Adjustment	\$ 726,455.63

This adjustment adds back this to expense. This reserve (liability) was debited and expense was credited in the test year

JACKSON PURCHASE ENERGY CORPORATION
For the 12 Months Ended December 31, 2017

Capital Credits

#	Account 421 Item	Cost
1	Capital Credits booked to income	\$ (923,313.94)
2		
3		
4	Total	<u>\$ (923,313.94)</u>
5		
6		
7	Pro Forma Adjustment	\$ (923,313.94)

This adjustment reduces non-operating income. This entry was a 1-time recovery of unclaimed capital credits to non-operating income.

JACKSON PURCHASE ENERGY CORPORATION
For the 12 Months Ended December 31, 2017

New HQ Depr & Interest

#	Accts 390 & 427 Item	Cost
1	HQ Building estimate (excluding land)	\$ 19,192,000
2	Depreciation over 40 years	\$ 479,800
3	Old HQ Building Book value	\$ 1,030,414
4	Depreciation Saved on Old HQ	\$ 25,760
5	<u>ProForma Adjustment Depreciation (Account 390) (line 2 minus 4)</u>	<u>\$ 454,040</u>
6		
7	HQ Building Estimate (including land)	\$ 19,842,000
8	Interest @ 2.0%	\$ 396,840
9	<u>Pro Forma Adjustment - Interest (Account 427)</u>	<u>\$ 396,840</u>

This adjustment adds to expense for interest and depreciation costs associated with new HQ.

JACKSON PURCHASE ENERGY CORPORATION
For the 12 Months Ended December 31, 2017

Right of Way

#	Account 593 Item	Cost
1	Test Year Right of Way expense	\$ 535,753
2	Pro Forma Cost at 358 miles (\$10,760/mile)	\$ 3,852,080
3	Adjustment	\$ 3,316,327

This adjustment adds to expense for new contract miles for 1/5 overhead line on system

JACKSON PURCHASE ENERGY CORPORATION
For the 12 Months Ended December 31, 2017

Normalize 2019 Rate Revision

Account 421			
#	Item	Cost	Ref
1	Residential Avg Customers Jan-May	25,405	A
2	Change in Fixed Charge (16.40 - 12.45)	\$ 3.95	B
3	Monthly Revenue Residential	\$ 100,349.75	C = (A * B)
4			
5			
6	C-1 Avg Customers Jan-May	3,429	D
7	Change in Fixed Charge (16.40 -13.86)	\$ 2.54	E
8	Monthly Revenue C-1	\$ 8,709.66	F = (D * E)
9			
10	Total Monthly Revenue	\$ 109,059.41	G = (C + F)
11	x 5 months in 2019	\$ 545,297.05	G * 5
12			
13	Pro Forma Adjustment	\$ 545,297.05	Line 11

This adjustment annualizes the 2019 Rate Increase which affected only 7 of 12 months.

EXHIBIT JW-3
SUMMARY OF RATES OF
RETURN BY CLASS

JACKSON PURCHASE ENERGY CORPORATION
Summary of Rates of Return by Class

#	Rate	Code	Pro Forma Operating Revenue	Pro Forma Operating Expenses	Margin	Rate Base	Pro Forma Rate of Return on Rate Base	Unitized Rate of Return on Rate Base
1	R - Residential	R	\$ 41,853,520	\$ 45,945,625	\$ (4,092,105)	\$ 73,741,288	-5.55%	(1.59)
2	C-1 Small Commercial Single Phase	C1	\$ 4,083,012	\$ 4,417,144	\$ (334,132)	\$ 7,821,136	-4.27%	(1.23)
3	C-3 Small Commercial Three Phase	C3	\$ 1,256,122	\$ 1,287,107	\$ (30,985)	\$ 1,828,983	-1.69%	(0.49)
4	D - Commercial and Industrial Demand < 3,000 kW	D	\$ 16,462,128	\$ 16,118,916	\$ 343,212	\$ 12,538,618	2.74%	0.79
5	D - Commercial and Industrial - DIRECT SERVED	D	\$ 277,326	\$ 83,789	\$ 193,537	\$ 108,999	177.56%	50.99
6	I-E - Large Commercial Existing	I-E	\$ 1,488,081	\$ 1,475,857	\$ 12,224	\$ 1,022,864	1.20%	0.34
7	OL - Outdoor Lighting	OL	\$ 1,366,665	\$ 880,379	\$ 486,286	\$ 1,198,349	40.58%	11.65
8	Total		\$ 66,786,852	\$ 70,208,816	\$ (3,421,963)	\$ 98,260,238	-3.48%	1.00

<i>After Proposed Rate Revisions</i>								
#	Rate	Code	Share of Revenue	Share of Energy			Pro Forma Rate of Return on Rate Base	Unitized Rate of Return on Rate Base
9	R - Residential	R	62.7%	59.4%			3.30%	0.84
10	C-1 Small Commercial Single Phase	C1	6.1%	5.4%			3.30%	0.84
11	C-3 Small Commercial Three Phase	C3	1.9%	1.9%			3.30%	0.84
12	D - Commercial and Industrial Demand < 3,000 kW	D	24.6%	29.2%			3.30%	0.84
13	D - Commercial and Industrial - DIRECT SERVED	D	0.4%	0.1%			177.56%	44.94
14	I-E - Large Commercial Existing	I-E	2.2%	2.8%			3.30%	0.84
15	OL - Outdoor Lighting	OL	2.0%	1.3%			40.58%	10.27
16			100.0%	100.0%			3.95%	1.00

JACKSON PURCHASE ENERGY CORPORATION
Summary of Cost-Based Rates

#	Rate	Two-Part Rates		Three-Part Rates		
		Customer \$/Month	Energy \$/KWH	Customer \$/Month	Energy \$/KWH	Demand \$/KW
1	R - Residential	41.56	0.101006			
2	C-1 Small Commercial Single Phase	41.37	0.093283			
3	C-3 Small Commercial Three Phase	43.33	0.098093			
4	D - Commercial and Industrial Demand < 3,000 kW			59.18	0.054314	10.66
5	D - Commercial and Industrial - DIRECT SERVED			134.61	0.044619	12.68
6	I-E - Large Commercial Existing			915.75	0.052364	12.07

EXHIBIT JW-4
COSS FUNCTIONAL
ASSIGNMENT AND
CLASSIFICATION

JACKSON PURCHASE ENERGY CORPORATION
Cost of Service Study
Functional Assignment and Classification

12 Months Ended December 31, 2019

Description	Name	Allocation Vector	Total System	Power Supply		Transmission Demand	Station Equipment Demand
				Demand	Energy		
<u>Plant in Service</u>							
<u>Intangible Plant</u>							
301.00 ORGANIZATION	P301	PT&D	\$ -	-	-	-	-
302.00 FRANCHISES	P302	PT&D	-	-	-	-	-
303.00 MISC. INTANGIBLE	P303	PT&D	-	-	-	-	-
Total Intangible Plant	PINT		\$ -	\$ -	\$ -	\$ -	\$ -
<u>Steam Production</u>							
310.00 LAND AND LAND RIGHTS	P310	F016	\$ -	-	-	-	-
311.00 STRUCTURES AND IMPROVEMENTS	P311	F016	-	-	-	-	-
312.00 BOILER PLANT EQUIPMENT	P312	F016	-	-	-	-	-
313.00 ENGINES AND ENGINE DRIVEN GENERATORS	P313	F016	-	-	-	-	-
314.00 TURBOGENERATOR UNITS	P314	F016	-	-	-	-	-
315.00 ACCESSORY ELEC EQUIP	P315	F016	-	-	-	-	-
316.00 MISC POWER PLANT EQUIPMENT	P316	F016	-	-	-	-	-
317.00 ASSET RETIREMENT COST FOR STEAM PROD	P317	F016	-	-	-	-	-
Total Steam Production Plant	PPROD		\$ -	\$ -	\$ -	\$ -	\$ -
<u>Transmission</u>							
350.00 LAND AND LAND RIGHTS	P350	F011	\$ -	-	-	-	-
352.00 STRUCTURES AND IMPROVEMENTS	P352	F011	-	-	-	-	-
353.00 STATION EQUIPMENT	P353	F011	-	-	-	-	-
354.00 TOWERS AND FIXTURES	P354	F011	-	-	-	-	-
355.00 POLES AND FIXTURES	P355	F011	-	-	-	-	-
356.00 CONDUCTORS AND DEVICES	P356	F011	-	-	-	-	-
359.00 ROADS AND TRAILS	P359	F011	-	-	-	-	-
Total Transmission Plant	PTRAN		\$ -	\$ -	\$ -	\$ -	\$ -

JACKSON PURCHASE ENERGY CORPORATION
Cost of Service Study
Functional Assignment and Classification

12 Months Ended December 31, 2019

Description	Name	Allocation Vector	Pri & Sec. Distr Plant		Customer Services		Meters	Lighting	Meter Reading Billing and Cust Acct Service	Load Management
			Demand	Customer	Demand	Customer	Customer	Customer	Customer	Customer
<u>Plant in Service</u>										
<u>Intangible Plant</u>										
301.00 ORGANIZATION	P301	PT&D	-	-	-	-	-	-	-	-
302.00 FRANCHISES	P302	PT&D	-	-	-	-	-	-	-	-
303.00 MISC. INTANGIBLE	P303	PT&D	-	-	-	-	-	-	-	-
Total Intangible Plant	PINT		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>Steam Production</u>										
310.00 LAND AND LAND RIGHTS	P310	F016	-	-	-	-	-	-	-	-
311.00 STRUCTURES AND IMPROVEMENTS	P311	F016	-	-	-	-	-	-	-	-
312.00 BOILER PLANT EQUIPMENT	P312	F016	-	-	-	-	-	-	-	-
313.00 ENGINES AND ENGINE DRIVEN GENERATORS	P313	F016	-	-	-	-	-	-	-	-
314.00 TURBOGENERATOR UNITS	P314	F016	-	-	-	-	-	-	-	-
315.00 ACCESSORY ELEC EQUIP	P315	F016	-	-	-	-	-	-	-	-
316.00 MISC POWER PLANT EQUIPMENT	P316	F016	-	-	-	-	-	-	-	-
317.00 ASSET RETIREMENT COST FOR STEAM PROD	P317	F016	-	-	-	-	-	-	-	-
Total Steam Production Plant	PPROD		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>Transmission</u>										
350.00 LAND AND LAND RIGHTS	P350	F011	-	-	-	-	-	-	-	-
352.00 STRUCTURES AND IMPROVEMENTS	P352	F011	-	-	-	-	-	-	-	-
353.00 STATION EQUIPMENT	P353	F011	-	-	-	-	-	-	-	-
354.00 TOWERS AND FIXTURES	P354	F011	-	-	-	-	-	-	-	-
355.00 POLES AND FIXTURES	P355	F011	-	-	-	-	-	-	-	-
356.00 CONDUCTORS AND DEVICES	P356	F011	-	-	-	-	-	-	-	-
359.00 ROADS AND TRAILS	P359	F011	-	-	-	-	-	-	-	-
Total Transmission Plant	PTRAN		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

JACKSON PURCHASE ENERGY CORPORATION
Cost of Service Study
Functional Assignment and Classification

12 Months Ended December 31, 2019

Description	Name	Allocation Vector	Total System	Power Supply		Transmission	Station Equipment
				Demand	Energy	Demand	Demand
Plant in Service (Continued)							
Distribution							
360.00 LAND AND LAND RIGHTS	P360	F001	\$ 274,958	-	-	-	274,958
361.00 STRUCTURES AND IMPROVEMENTS	P361	F001	-	-	-	-	-
362.00 STATION EQUIPMENT	P362	F001	20,145,121	-	-	-	20,145,121
364.00 POLES, TOWERS AND FIXTURES	P364	F002	45,935,171	-	-	-	-
365.00 OVERHEAD CONDUCTORS AND DEVICE	P365	F003	22,394,795	-	-	-	-
366.00 UNDERGROUND CONDUIT	P366	F004	4,934,295	-	-	-	-
367.00 UNDERGROUND CONDUCTORS AND DEV	P367	F004	17,555,072	-	-	-	-
368.00 LINE TRANSFORMERS	P368	F005	22,768,892	-	-	-	-
369.00 SERVICES	P369	F006	10,768,683	-	-	-	-
370.00 METERS	P370	F007	8,864,191	-	-	-	-
371.00 INSTALLATIONS ON CONSUMERS PRE	P371	F013	2,630,094	-	-	-	-
372.00 LEASED PROP. ON CONSUMERS PREMISES	P372	F013	-	-	-	-	-
373.00 STREET LIGHTING AND SIGNAL SYS	P373	F008	646,536	-	-	-	-
Total Distribution Plant	PDIST		\$ 156,917,809	\$ -	\$ -	# \$ -	20,420,079
Total Transmission and Distribution Plant	PT&D		\$ 156,917,809	\$ -	\$ -	# \$ -	# \$ 20,420,079
Total Production, Transmission & Distribution Plant	PPT&D		\$ 156,917,809	\$ -	\$ -	# \$ -	# \$ 20,420,079

JACKSON PURCHASE ENERGY CORPORATION
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12 Months Ended December 31, 2019

Description	Name	Allocation Vector	Pri & Sec. Distr Plant		Customer Services		Meters	Lighting	Meter Reading Billing and Cust Acct Service	Load Management
			Demand	Customer	Demand	Customer	Customer	Customer	Customer	Customer
Plant in Service (Continued)										
Distribution										
360.00	LAND AND LAND RIGHTS	P360	F001	-	-	-	-	-	-	-
361.00	STRUCTURES AND IMPROVEMENTS	P361	F001	-	-	-	-	-	-	-
362.00	STATION EQUIPMENT	P362	F001	-	-	-	-	-	-	-
364.00	POLES, TOWERS AND FIXTURES	P364	F002	5,859,251	40,075,920	-	-	-	-	-
365.00	OVERHEAD CONDUCTORS AND DEVICE	P365	F003	2,856,563	19,538,232	-	-	-	-	-
366.00	UNDERGROUND CONDUIT	P366	F004	4,338,846	595,449	-	-	-	-	-
367.00	UNDERGROUND CONDUCTORS AND DEV	P367	F004	15,436,604	2,118,468	-	-	-	-	-
368.00	LINE TRANSFORMERS	P368	F005	10,881,578	11,887,315	-	-	-	-	-
369.00	SERVICES	P369	F006	-	-	-	10,768,683	-	-	-
370.00	METERS	P370	F007	-	-	-	8,864,191	-	-	-
371.00	INSTALLATIONS ON CONSUMERS PRE	P371	F013	-	-	-	-	2,630,094	-	-
372.00	LEASED PROP. ON CONSUMERS PREMISES	P372	F013	-	-	-	-	-	-	-
373.00	STREET LIGHTING AND SIGNAL SYS	P373	F008	-	-	-	-	646,536	-	-
	Total Distribution Plant		PDIST	\$ 39,372,843	\$ 74,215,383	\$ -	\$ 10,768,683	\$ 8,864,191	\$ 3,276,629	\$ -
	Total Transmission and Distribution Plant		PT&D	\$ 39,372,843	\$ 74,215,383	\$ -	\$ 10,768,683	\$ 8,864,191	\$ 3,276,629	\$ -
	Total Production, Transmission & Distribution Plant		PPT&D	\$ 39,372,843	\$ 74,215,383	\$ -	\$ 10,768,683	\$ 8,864,191	\$ 3,276,629	\$ -

JACKSON PURCHASE ENERGY CORPORATION
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12 Months Ended December 31, 2019

Description	Name	Allocation Vector	Total System	Power Supply		Transmission	Station Equipment	
				Demand	Energy	Demand	Demand	
Plant in Service (Continued)								
General Plant								
389.00 LAND AND LAND RIGHTS	P389	PT&D	\$ 86,866	-	-	-	-	11,304
390.00 STRUCTURES AND IMPROVEMENTS	P390	PT&D	2,809,680	-	-	-	-	365,630
391.00 OFFICE FURNITURE AND EQUIPMENT	P391	PT&D	895,926	-	-	-	-	116,589
392.00 TRANSPORTATION EQUIPMENT	P392	PT&D	4,037,554	-	-	-	-	525,416
393.00 STORES EQUIPMENT	P393	PT&D	99,882	-	-	-	-	12,998
394.00 TOOLS, SHOP & GARAGE EQUIPMENT	P394	PT&D	761,010	-	-	-	-	99,032
395.00 LABORATORY EQUIPMENT	P395	PT&D	247,090	-	-	-	-	32,154
396.00 POWER OPERATED EQUIPMENT	P396	PT&D	654,505	-	-	-	-	85,172
397.00 COMMUNICATION EQUIPMENT	P397	PT&D	970,718	-	-	-	-	126,322
398.00 MISCELLANEOUS EQUIPMENT	P398	PT&D	238,134	-	-	-	-	30,989
399.00 OTHER TANGIBLE PROPERTY	P399	PT&D	-	-	-	-	-	-
Total General Plant	PGP		\$ 10,801,364	\$ -	\$ -	\$ -	\$ -	1,405,607
Total Plant in Service	TPIS		\$ 167,719,173	\$ -	\$ -	\$ -	\$ -	21,825,686
Construction Work in Progress (CWIP)								
CWIP Production	CWIP1	PPROD	\$ -	-	-	-	-	-
CWIP Transmission	CWIP2	PTRAN	-	-	-	-	-	-
CWIP Distribution	CWIP3	PDIST	1,537,505	-	-	-	-	200,079
CWIP General Plant	CWIP4	PGP	-	-	-	-	-	-
CWIP Other	CWIP5	PDIST	-	-	-	-	-	-
Total Construction Work in Progress	TCWIP		\$ 1,537,505	\$ -	\$ -	\$ -	\$ -	200,079
Total Utility Plant			\$ 169,256,678	\$ -	\$ -	\$ -	\$ -	22,025,765

JACKSON PURCHASE ENERGY CORPORATION
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12 Months Ended December 31, 2019

Description	Name	Allocation Vector	Pri & Sec. Distr Plant		Customer Services		Meters	Lighting	Meter Reading Billing and Cust Acct Service	Load Management
			Demand	Customer	Demand	Customer	Customer	Customer	Customer	Customer
Plant in Service (Continued)										
General Plant										
389.00 LAND AND LAND RIGHTS	P389	PT&D	21,796	41,084	-	5,961	4,907	1,814	-	-
390.00 STRUCTURES AND IMPROVEMENTS	P390	PT&D	704,987	1,328,858	-	192,818	158,717	58,669	-	-
391.00 OFFICE FURNITURE AND EQUIPMENT	P391	PT&D	224,800	423,735	-	61,484	50,610	18,708	-	-
392.00 TRANSPORTATION EQUIPMENT	P392	PT&D	1,013,078	1,909,589	-	277,082	228,079	84,309	-	-
393.00 STORES EQUIPMENT	P393	PT&D	25,062	47,240	-	6,855	5,642	2,086	-	-
394.00 TOOLS, SHOP & GARAGE EQUIPMENT	P394	PT&D	190,948	359,925	-	52,225	42,989	15,891	-	-
395.00 LABORATORY EQUIPMENT	P395	PT&D	61,998	116,863	-	16,957	13,958	5,160	-	-
396.00 POWER OPERATED EQUIPMENT	P396	PT&D	164,224	309,553	-	44,916	36,973	13,667	-	-
397.00 COMMUNICATION EQUIPMENT	P397	PT&D	243,566	459,108	-	66,617	54,835	20,270	-	-
398.00 MISCELLANEOUS EQUIPMENT	P398	PT&D	59,751	112,627	-	16,342	13,452	4,973	-	-
399.00 OTHER TANGIBLE PROPERTY	P399	PT&D	-	-	-	-	-	-	-	-
Total General Plant	PGP		\$ 2,710,211	\$ 5,108,581	\$ -	\$ 741,257	\$ 610,162	\$ 225,545	\$ -	\$ -
Total Plant in Service	TPIS		\$ 42,083,054	\$ 79,323,965	\$ -	\$ 11,509,940	\$ 9,474,353	\$ 3,502,175	\$ -	\$ -
Construction Work in Progress (CWIP)										
CWIP Production	CWIP1	PPROD	-	-	-	-	-	-	-	-
CWIP Transmission	CWIP2	PTRAN	-	-	-	-	-	-	-	-
CWIP Distribution	CWIP3	PDIST	385,781	727,174	-	105,513	86,853	32,105	-	-
CWIP General Plant	CWIP4	PGP	-	-	-	-	-	-	-	-
CWIP Other	CWIP5	PDIST	-	-	-	-	-	-	-	-
Total Construction Work in Progress	TCWIP		\$ 385,781	\$ 727,174	\$ -	\$ 105,513	\$ 86,853	\$ 32,105	\$ -	\$ -
Total Utility Plant			\$ 42,468,836	\$ 80,051,139	\$ -	\$ 11,615,453	\$ 9,561,206	\$ 3,534,279	\$ -	\$ -

JACKSON PURCHASE ENERGY CORPORATION
Cost of Service Study
Functional Assignment and Classification

12 Months Ended December 31, 2019

Description	Name	Allocation Vector	Total System	Power Supply		Transmission	Station Equipment	
				Demand	Energy	Demand	Demand	
Rate Base								
Utility Plant								
Plant in Service			\$ 167,719,173	\$ -	\$ -	\$ -	\$ 21,825,686	
Construction Work in Progress (CWIP)			1,537,505	-	-	-	200,079.16	
Total Utility Plant	TUP		\$ 169,256,678	\$ -	\$ -	\$ -	\$ 22,025,765	
Less: Accumulated Provision for Depreciation								
Electric Plant Amortization	ADEPREPA	TUP		-	-	-	-	
Retirement Work in Progress	RWIP	PDIST	-	-	-	-	-	
Steam Production	ADEPRPP	PPROD	-	-	-	-	-	
Transmission	ADEPRTP	PTRAN	-	-	-	-	-	
Dist	ADEPRD12	PDIST	3,852,144	-	-	-	501,288	
Dist-Structures	ADEPRD1	P361	-	-	-	-	-	
Dist-Station	ADEPRD2	P362	3,933,928	-	-	-	3,933,928	
Dist-Poles and Fixtures	ADEPRD3	P364	20,090,826	-	-	-	-	
Dist-OH Conductor	ADEPRD4	P365	11,171,223	-	-	-	-	
Dist-UG Conduit	ADEPRD5	P366	1,667,203	-	-	-	-	
Dist-UG Conductor	ADEPRD6	P367	6,621,520	-	-	-	-	
Dist-Line Transformers	ADEPRD7	P368	11,503,771	-	-	-	-	
Dist-Services	ADEPRD8	P369	3,555,090	-	-	-	-	
Dist-Meters	ADEPRD9	P370	479,102	-	-	-	-	
Dist-Installations on Customer Premises	ADEPRD10	P371	2,256,092	-	-	-	-	
Dist-Lighting & Signal Systems	ADEPRD11	P373	318,809	-	-	-	-	
Accum Amtz - Electric Plant Acquisition		PGP	-	-	-	-	-	
Accum Amtz - Electric Plant in Service		PGP	-	-	-	-	-	
General Plant		PGP	6,698,503	-	-	-	871,692	
Total Accumulated Depreciation & Amort	TADEPR		\$ 72,148,212	\$ -	\$ -	\$ -	\$ 5,306,908	
Net Utility Plant	NTPLANT		\$ 97,108,466	\$ -	\$ -	\$ -	\$ 16,718,857	
Working Capital								
Cash Working Capital - Operation and Maintenance Expenses	CWC	OMLPP	\$ 1,347,728	\$ -	\$ -	\$ -	\$ 106,338	
Materials and Supplies (13-Month Avg)	M&S	TPIS	2,075,025	-	-	-	270,028	
Prepayments (13-Month Average)	PREPAY	TPIS	518,556	-	-	-	67,481	
Total Working Capital	TWC		\$ 3,941,309	\$ -	\$ -	\$ -	\$ 443,846	
Less: Customer Deposits	CSTDEP	TPIS	\$ 2,789,538	-	-	-	363,009	
Net Rate Base	RB		\$ 98,260,238	\$ -	\$ -	\$ -	\$ 16,799,695	

JACKSON PURCHASE ENERGY CORPORATION
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12 Months Ended December 31, 2019

Description	Name	Allocation Vector	Pri & Sec. Distr Plant		Customer Services		Meters	Lighting	Meter Reading Billing and Cust Acct Service	Load Management
			Demand	Customer	Demand	Customer	Customer	Customer	Customer	Customer
Rate Base										
Utility Plant										
Plant in Service			\$ 42,083,054	\$ 79,323,965	\$ -	\$ 11,509,940	\$ 9,474,353	\$ 3,502,175	\$ -	\$ -
Construction Work in Progress (CWIP)			385,781.32	727,174.02	-	105,513.25	86,852.74	32,104.93	-	-
Total Utility Plant	TUP		\$ 42,468,836	\$ 80,051,139	\$ -	\$ 11,615,453	\$ 9,561,206	\$ 3,534,279	\$ -	\$ -
Less: Accumulated Provision for Depreciation										
Electric Plant Amortization	ADEPREPA	TUP	-	-	-	-	-	-	-	-
Retirement Work in Progress	RWIP	PDIST	-	-	-	-	-	-	-	-
Steam Production	ADEPRPP	PPROD	-	-	-	-	-	-	-	-
Transmission	ADEPRTP	PTRAN	-	-	-	-	-	-	-	-
Dist	ADEPRD12	PDIST	966,556	1,821,899	-	264,358	217,605	80,437	-	-
Dist-Structures	ADEPRD1	P361	-	-	-	-	-	-	-	-
Dist-Station	ADEPRD2	P362	-	-	-	-	-	-	-	-
Dist-Poles and Fixtures	ADEPRD3	P364	2,562,681	17,528,145	-	-	-	-	-	-
Dist-OH Conductor	ADEPRD4	P365	1,424,943	9,746,280	-	-	-	-	-	-
Dist-UG Conduit	ADEPRD5	P366	1,466,012	201,191	-	-	-	-	-	-
Dist-UG Conductor	ADEPRD6	P367	5,822,465	799,056	-	-	-	-	-	-
Dist-Line Transformers	ADEPRD7	P368	5,497,816	6,005,955	-	-	-	-	-	-
Dist-Services	ADEPRD8	P369	-	-	-	3,555,090	-	-	-	-
Dist-Meters	ADEPRD9	P370	-	-	-	-	479,102	-	-	-
Dist-Installations on Customer Premises	ADEPRD10	P371	-	-	-	-	-	2,256,092	-	-
Dist-Lighting & Signal Systems	ADEPRD11	P373	-	-	-	-	-	318,809	-	-
Accum Amtz - Electric Plant Acquisition	PGP		-	-	-	-	-	-	-	-
Accum Amtz - Electric Plant in Service	PGP		-	-	-	-	-	-	-	-
General Plant	PGP		1,680,747	3,168,104	-	459,693	378,394	139,873	-	-
Total Accumulated Depreciation & Amort	TADEPR		\$ 19,421,220	\$ 39,270,630	\$ -	\$ 4,279,141	\$ 1,075,102	\$ 2,795,211	\$ -	\$ -
Net Utility Plant	NTPLANT		\$ 23,047,615	\$ 40,780,509	\$ -	\$ 7,336,312	\$ 8,486,104	\$ 739,068	\$ -	\$ -
Working Capital										
Cash Working Capital - Operation and Maintenance Expenses	CWC	OMLPP	\$ 211,300	\$ 619,179	\$ -	\$ 27,629	\$ 140,376	\$ 11,433	\$ 231,474	\$ -
Materials and Supplies (13-Month Avg)	M&S	TPIS	520,653	981,398	-	142,401	117,217	43,329	-	-
Prepayments (13-Month Average)	PREPAY	TPIS	130,113	245,255	-	35,587	29,293	10,828	-	-
Total Working Capital	TWC		\$ 862,065	\$ 1,845,832	\$ -	\$ 205,616	\$ 286,886	\$ 65,590	\$ 231,474	\$ -
Less: Customer Deposits	CSTDEP	TPIS	699,934	1,319,332	-	191,436	157,579	58,249	-	-
Net Rate Base	RB		\$ 23,209,747	\$ 41,307,009	\$ -	\$ 7,350,493	\$ 8,615,410	\$ 746,410	\$ 231,474	\$ -

JACKSON PURCHASE ENERGY CORPORATION
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12 Months Ended December 31, 2019

Description	Name	Allocation Vector	Total System	Power Supply		Transmission	Station Equipment	
				Demand	Energy	Demand	Demand	
Operation and Maintenance Expenses								
Steam Power Production Operations Expense								
500 OPERATION SUPV AND ENGINEERING	OM500	PPROD	\$ -	-	-	-	-	-
501 FUEL	OM501	F017	-	-	-	-	-	-
502 STEAM EXPENSES	OM502	F016	-	-	-	-	-	-
503 STEAM FROM OTHER SOURCES	OM503	F016	-	-	-	-	-	-
504 STEAM TRANSFERRED - CREDIT	OM504	F016	-	-	-	-	-	-
505 ELECTRIC EXPENSES	OM505	F016	-	-	-	-	-	-
506 MISC STEAM POWER EXPENSES	OM506	F016	-	-	-	-	-	-
507 RENTS	OM507	F016	-	-	-	-	-	-
509 ALLOWANCES	OM509	F017	-	-	-	-	-	-
Total Steam Production Operation Expense	OMPO		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Steam Power Production Maintenance Expense								
510 MAINTENANCE SUPV AND ENGINEERING	OM510	F017	\$ -	-	-	-	-	-
511 MAINTENANCE OF STRUCTURES	OM511	F016	-	-	-	-	-	-
512 MAINTENANCE OF BOILER PLANT	OM512	F017	-	-	-	-	-	-
513 MAINTENANCE OF ELECTRIC PLANT	OM513	F017	-	-	-	-	-	-
514 MAINTENANCE OF MISC STEAM PLANT	OM514	F016	-	-	-	-	-	-
Total Steam Production Maintenance Expense	OMPM		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Steam Production Operation and Maintenance Expenses	OMP		-	-	-	-	-	-

JACKSON PURCHASE ENERGY CORPORATION
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12 Months Ended December 31, 2019

Description	Name	Allocation Vector	Pri & Sec. Distr Plant		Customer Services		Meters	Lighting	Meter Reading Billing and Cust Acct Service	Load Management
			Demand	Customer	Demand	Customer	Customer	Customer	Customer	Customer
Operation and Maintenance Expenses										
Steam Power Production Operations Expense										
500 OPERATION SUPV AND ENGINEERING	OM500	PPROD	-	-	-	-	-	-	-	-
501 FUEL	OM501	F017	-	-	-	-	-	-	-	-
502 STEAM EXPENSES	OM502	F016	-	-	-	-	-	-	-	-
503 STEAM FROM OTHER SOURCES	OM503	F016	-	-	-	-	-	-	-	-
504 STEAM TRANSFERRED - CREDIT	OM504	F016	-	-	-	-	-	-	-	-
505 ELECTRIC EXPENSES	OM505	F016	-	-	-	-	-	-	-	-
506 MISC STEAM POWER EXPENSES	OM506	F016	-	-	-	-	-	-	-	-
507 RENTS	OM507	F016	-	-	-	-	-	-	-	-
509 ALLOWANCES	OM509	F017	-	-	-	-	-	-	-	-
Total Steam Production Operation Expense	OMPO		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Steam Power Production Maintenance Expense										
510 MAINTENANCE SUPV AND ENGINEERING	OM510	F017	-	-	-	-	-	-	-	-
511 MAINTENANCE OF STRUCTURES	OM511	F016	-	-	-	-	-	-	-	-
512 MAINTENANCE OF BOILER PLANT	OM512	F017	-	-	-	-	-	-	-	-
513 MAINTENANCE OF ELECTRIC PLANT	OM513	F017	-	-	-	-	-	-	-	-
514 MAINTENANCE OF MISC STEAM PLANT	OM514	F016	-	-	-	-	-	-	-	-
Total Steam Production Maintenance Expense	OMPM		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Steam Production Operation and Maintenance Expenses	OMP		-	-	-	-	-	-	-	-

JACKSON PURCHASE ENERGY CORPORATION
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12 Months Ended December 31, 2019

Description	Name	Allocation Vector	Total System	Power Supply		Transmission Demand	Station Equipment Demand
				Demand	Energy		
Operation and Maintenance Expenses (Continued)							
Purchased Power							
555 PURCHASED POWER	OM555	OMPP	\$ 50,688,769	\$ 16,693,796	\$ 33,994,973	-	-
556 SYSTEM CONTROL & LOAD DISPATCHING	OM556	OMPP	-	-	-	-	-
557 OTHER EXPENSES	OM557	OMPP	-	-	-	-	-
559 RENEWABLE ENERGY CR EXP	OM559	OMPP	-	-	-	-	-
Total Purchased Power	TPP		\$ 50,688,769	\$ 16,693,796	\$ 33,994,973	\$ -	\$ -
Transmission Expenses							
560 OPERATION SUPERVISION AND ENG	OM560	PTRAN	\$ -	-	-	-	-
561 LOAD DISPATCHING	OM561	PTRAN	-	-	-	-	-
562 STATION EXPENSES	OM562	PTRAN	-	-	-	-	-
563 OVERHEAD LINE EXPENSES	OM563	PTRAN	-	-	-	-	-
564 UNDERGROUND LINE EXPENSES	OM564	PTRAN	-	-	-	-	-
565 TRANSMISSION OF ELEC BY OTHERS	OM565	PTRAN	-	-	-	-	-
566 MISC. TRANSMISSION EXPENSES	OM566	PTRAN	-	-	-	-	-
567 RENTS	OM567	PTRAN	-	-	-	-	-
568 MAINTENANCE SUPERVISION AND ENG	OM568	PTRAN	-	-	-	-	-
569 MAINTENANCE OF STRUCTURES	OM569	PTRAN	-	-	-	-	-
570 MAINT OF STATION EQUIPMENT	OM570	PTRAN	-	-	-	-	-
571 MAINT OF OVERHEAD LINES	OM571	PTRAN	-	-	-	-	-
572 MAINT OF UNDERGROUND LINES	OM572	PTRAN	-	-	-	-	-
573 MAINT MISC	OM573	PTRAN	-	-	-	-	-
574 MAINT OF TRANS PLANT	OM574	PTRAN	-	-	-	-	-
Total Transmission Expenses			\$ -	\$ -	\$ -	\$ -	\$ -
Distribution Operation Expense							
580 OPERATION SUPERVISION AND ENGI	OM580	PDIST	\$ 538,684	-	-	-	70,100
581 LOAD DISPATCHING	OM581	P362	1,260	-	-	-	1,260
582 STATION EXPENSES	OM582	P362	229,230	-	-	-	229,230
583 OVERHEAD LINE EXPENSES	OM583	P365	671,945	-	-	-	-
584 UNDERGROUND LINE EXPENSES	OM584	P367	244,674	-	-	-	-
585 STREET LIGHTING EXPENSE	OM585	P371	4,106	-	-	-	-
586 METER EXPENSES	OM586	P370	613,011	-	-	-	-
586 METER EXPENSES - LOAD MANAGEMENT	OM586x	F012	-	-	-	-	-
587 CUSTOMER INSTALLATIONS EXPENSE	OM587	P369	12,142	-	-	-	-
588 MISCELLANEOUS DISTRIBUTION EXP	OM588	PDIST	993,392	-	-	-	129,272
588 MISC DISTR EXP -- MAPPING	OM588x	F015	-	-	-	-	-
589 RENTS	OM589	PDIST	-	-	-	-	-
Total Distribution Operation Expense	OMDO		\$ 3,308,445	\$ -	\$ -	\$ -	\$ 429,863

JACKSON PURCHASE ENERGY CORPORATION
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Functional Assignment and Classification

12 Months Ended December 31, 2019

Description	Name	Allocation Vector	Pri & Sec. Distr Plant		Customer Services		Meters	Lighting	Meter Reading Billing and Cust Acct Service	Load Management
			Demand	Customer	Demand	Customer	Customer	Customer	Customer	Customer
Operation and Maintenance Expenses (Continued)										
Purchased Power										
555 PURCHASED POWER	OM555	OMPP	-	-	-	-	-	-	-	-
556 SYSTEM CONTROL & LOAD DISPATCHING	OM556	OMPP	-	-	-	-	-	-	-	-
557 OTHER EXPENSES	OM557	OMPP	-	-	-	-	-	-	-	-
559 RENEWABLE ENERGY CR EXP	OM559	OMPP	-	-	-	-	-	-	-	-
Total Purchased Power	TPP		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transmission Expenses										
560 OPERATION SUPERVISION AND ENG	OM560	PTRAN	-	-	-	-	-	-	-	-
561 LOAD DISPATCHING	OM561	PTRAN	-	-	-	-	-	-	-	-
562 STATION EXPENSES	OM562	PTRAN	-	-	-	-	-	-	-	-
563 OVERHEAD LINE EXPENSES	OM563	PTRAN	-	-	-	-	-	-	-	-
564 UNDERGROUND LINE EXPENSES	OM564	PTRAN	-	-	-	-	-	-	-	-
565 TRANSMISSION OF ELEC BY OTHERS	OM565	PTRAN	-	-	-	-	-	-	-	-
566 MISC. TRANSMISSION EXPENSES	OM566	PTRAN	-	-	-	-	-	-	-	-
567 RENTS	OM567	PTRAN	-	-	-	-	-	-	-	-
568 MAINTENANCE SUPERVISION AND ENG	OM568	PTRAN	-	-	-	-	-	-	-	-
569 MAINTENANCE OF STRUCTURES	OM569	PTRAN	-	-	-	-	-	-	-	-
570 MAINT OF STATION EQUIPMENT	OM570	PTRAN	-	-	-	-	-	-	-	-
571 MAINT OF OVERHEAD LINES	OM571	PTRAN	-	-	-	-	-	-	-	-
572 MAINT OF UNDERGROUND LINES	OM572	PTRAN	-	-	-	-	-	-	-	-
573 MAINT MISC	OM573	PTRAN	-	-	-	-	-	-	-	-
574 MAINT OF TRANS PLANT	OM574	PTRAN	-	-	-	-	-	-	-	-
Total Transmission Expenses			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Distribution Operation Expense										
580 OPERATION SUPERVISION AND ENGI	OM580	PDIST	135,163	254,775	-	36,968	30,430	11,248	-	-
581 LOAD DISPATCHING	OM581	P362	-	-	-	-	-	-	-	-
582 STATION EXPENSES	OM582	P362	-	-	-	-	-	-	-	-
583 OVERHEAD LINE EXPENSES	OM583	P365	85,710	586,235	-	-	-	-	-	-
584 UNDERGROUND LINE EXPENSES	OM584	P367	215,148	29,526	-	-	-	-	-	-
585 STREET LIGHTING EXPENSE	OM585	P371	-	-	-	-	-	4,106	-	-
586 METER EXPENSES	OM586	P370	-	-	-	-	613,011	-	-	-
586 METER EXPENSES - LOAD MANAGEMENT	OM586x	F012	-	-	-	-	-	-	-	-
587 CUSTOMER INSTALLATIONS EXPENSE	OM587	P369	-	-	-	12,142	-	-	-	-
588 MISCELLANEOUS DISTRIBUTION EXP	OM588	PDIST	249,256	469,832	-	68,173	56,116	20,743	-	-
588 MISC DISTR EXP -- MAPPING	OM588x	F015	-	-	-	-	-	-	-	-
589 RENTS	OM589	PDIST	-	-	-	-	-	-	-	-
Total Distribution Operation Expense	OMDO		\$ 685,277	\$ 1,340,368	\$ -	\$ 117,283	\$ 699,557	\$ 36,097	\$ -	\$ -

JACKSON PURCHASE ENERGY CORPORATION
Cost of Service Study
Functional Assignment and Classification

12 Months Ended December 31, 2019

Description	Name	Allocation Vector	Total System	Power Supply		Transmission	Station Equipment
				Demand	Energy	Demand	Demand
Operation and Maintenance Expenses (Continued)							
Distribution Maintenance Expense							
590 MAINTENANCE SUPERVISION AND EN	OM590	PDIST	\$ 58,696	-	-	-	7,638
592 MAINTENANCE OF STATION EQUIPME	OM592	P362	103,114	-	-	-	103,114
593 MAINTENANCE OF OVERHEAD LINES	OM593	P365	2,221,599	-	-	-	-
594 MAINTENANCE OF UNDERGROUND LIN	OM594	P367	117,857	-	-	-	-
595 MAINTENANCE OF LINE TRANSFORME	OM595	P368	1,065	-	-	-	-
596 MAINTENANCE OF ST LIGHTS & SIG SYSTEMS	OM596	P373	18,941	-	-	-	-
597 MAINTENANCE OF METERS	OM597	P370	57,459	-	-	-	-
598 MAINTENANCE OF MISC DISTR PLANT	OM598	PDIST	342,947	-	-	-	44,628
Total Distribution Maintenance Expense	OMDM		\$ 2,921,678	\$ -	\$ -	\$ -	\$ 155,381
Total Distribution Operation and Maintenance Expenses			6,230,123	-	-	-	585,243
Transmission and Distribution Expenses			6,230,123	-	-	-	585,243
Steam Production, Transmission and Distribution Expenses			6,230,123	-	-	-	585,243
Production, Purchased Power, Trans and Distr Expenses	OMSUB		\$ 56,918,892	\$ 16,693,796	\$ 33,994,973	\$ -	\$ 585,243
Customer Accounts Expense							
901 SUPERVISION/CUSTOMER ACCTS	OM901	F009	\$ 98,759	-	-	-	-
902 METER READING EXPENSES	OM902	F009	2,223	-	-	-	-
903 RECORDS AND COLLECTION	OM903	F009	\$ 915,996	-	-	-	-
904 UNCOLLECTIBLE ACCOUNTS	OM904	F009	256,805	-	-	-	-
905 MISC CUST ACCOUNTS	OM903	F009	-	-	-	-	-
Total Customer Accounts Expense	OMCA		\$ 1,273,783	\$ -	\$ -	\$ -	\$ -
Customer Service Expense							
907 SUPERVISION	OM907	F010	\$ -	-	-	-	-
908 CUSTOMER ASSISTANCE EXPENSES	OM908	F010	600	-	-	-	-
908 CUSTOMER ASSISTANCE EXP-LOAD MGMT	OM908x	F012	-	-	-	-	-
909 INFORMATIONAL AND INSTRUCTIONA	OM909	F010	-	-	-	-	-
909 INFORM AND INSTRUC -LOAD MGMT	OM909x	F012	-	-	-	-	-
910 MISCELLANEOUS CUSTOMER SERVICE	OM910	F010	40,007	-	-	-	-
911 SUPERVISION	OM911	F010	-	-	-	-	-
912 DEMONSTRATION AND SELLING EXP	OM912	F012	-	-	-	-	-
913 ADVERTISING EXPENSES	OM913	F012	-	-	-	-	-
914 SALES	OM914	F012	-	-	-	-	-
916 MISC SALES EXPENSE	OM916	F012	-	-	-	-	-
917 MISC SALES EXPENSE	OM917	F012	-	-	-	-	-
Total Customer Service Expense	OMCS		\$ 40,607	\$ -	\$ -	\$ -	\$ -
Sub-Total Transmission, Distribution, Cust Acct and Cust Service	OMSUB2		7,544,513	-	-	-	585,243

JACKSON PURCHASE ENERGY CORPORATION
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12 Months Ended December 31, 2019

Description	Name	Allocation Vector	Pri & Sec. Distr Plant		Customer Services		Meters	Lighting	Meter Reading Billing and Cust Acct Service	Load Management
			Demand	Customer	Demand	Customer	Customer	Customer	Customer	Customer
Operation and Maintenance Expenses (Continued)										
Distribution Maintenance Expense										
590 MAINTENANCE SUPERVISION AND EN	OM590	PDIST	14,728	27,761	-	4,028	3,316	1,226	-	-
592 MAINTENANCE OF STATION EQUIPME	OM592	P362	-	-	-	-	-	-	-	-
593 MAINTENANCE OF OVERHEAD LINES	OM593	P365	283,376	1,938,224	-	-	-	-	-	-
594 MAINTENANCE OF UNDERGROUND LIN	OM594	P367	103,634	14,222	-	-	-	-	-	-
595 MAINTENANCE OF LINE TRANSFORME	OM595	P368	509	556	-	-	-	-	-	-
596 MAINTENANCE OF ST LIGHTS & SIG SYSTEMS	OM596	P373	-	-	-	-	-	18,941	-	-
597 MAINTENANCE OF METERS	OM597	P370	-	-	-	-	57,459	-	-	-
598 MAINTENANCE OF MISC DISTR PLANT	OM598	PDIST	86,050	162,199	-	23,535	19,373	7,161	-	-
Total Distribution Maintenance Expense	OMDM		\$ 488,297	\$ 2,142,962	\$ -	\$ 27,563	\$ 80,148	\$ 27,328	\$ -	\$ -
Total Distribution Operation and Maintenance Expenses			1,173,574	3,483,330	-	144,846	779,705	63,425	-	-
Transmission and Distribution Expenses			1,173,574	3,483,330	-	144,846	779,705	63,425	-	-
Steam Production, Transmission and Distribution Expenses			1,173,574	3,483,330	-	144,846	779,705	63,425	-	-
Production, Purchased Power, Trans and Distr Expenses	OMSUB		\$ 1,173,574	\$ 3,483,330	\$ -	\$ 144,846	\$ 779,705	\$ 63,425	\$ -	\$ -
Customer Accounts Expense										
901 SUPERVISION/CUSTOMER ACCTS	OM901	F009	-	-	-	-	-	-	98,759	-
902 METER READING EXPENSES	OM902	F009	-	-	-	-	-	-	2,223	-
903 RECORDS AND COLLECTION	OM903	F009	-	-	-	-	-	-	915,996	-
904 UNCOLLECTIBLE ACCOUNTS	OM904	F009	-	-	-	-	-	-	256,805	-
905 MISC CUST ACCOUNTS	OM903	F009	-	-	-	-	-	-	-	-
Total Customer Accounts Expense	OMCA		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,273,783	\$ -
Customer Service Expense										
907 SUPERVISION	OM907	F010	-	-	-	-	-	-	-	-
908 CUSTOMER ASSISTANCE EXPENSES	OM908	F010	-	-	-	-	-	-	600	-
908 CUSTOMER ASSISTANCE EXP-LOAD MGMT	OM908x	F012	-	-	-	-	-	-	-	-
909 INFORMATIONAL AND INSTRUCTIONA	OM909	F010	-	-	-	-	-	-	-	-
909 INFORM AND INSTRUC-LOAD MGMT	OM909x	F012	-	-	-	-	-	-	-	-
910 MISCELLANEOUS CUSTOMER SERVICE	OM910	F010	-	-	-	-	-	-	40,007	-
911 SUPERVISION	OM911	F010	-	-	-	-	-	-	-	-
912 DEMONSTRATION AND SELLING EXP	OM912	F012	-	-	-	-	-	-	-	-
913 ADVERTISING EXPENSES	OM913	F012	-	-	-	-	-	-	-	-
914 SALES	OM914	F012	-	-	-	-	-	-	-	-
916 MISC SALES EXPENSE	OM916	F012	-	-	-	-	-	-	-	-
917 MISC SALES EXPENSE	OM917	F012	-	-	-	-	-	-	-	-
Total Customer Service Expense	OMCS		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 40,607	\$ -
Sub-Total Transmission, Distribution, Cust Acct and Cust Service	OMSUB2		1,173,574	3,483,330	-	144,846	779,705	63,425	1,314,390	-

JACKSON PURCHASE ENERGY CORPORATION
Cost of Service Study
Functional Assignment and Classification

12 Months Ended December 31, 2019

Description	Name	Allocation Vector	Total System	Power Supply		Transmission	Station Equipment
				Demand	Energy	Demand	Demand
Operation and Maintenance Expenses (Continued)							
Administrative and General Expense							
920 ADMIN. & GEN. SALARIES-	OM920	OMSUB2	\$ 1,758,158	-	-	-	136,384
921 OFFICE SUPPLIES AND EXPENSES	OM921	LBSUB2	362,193	-	-	-	24,918
923 OUTSIDE SERVICES EMPLOYED	OM923	OMSUB2	121,820	-	-	-	9,450
924 PROPERTY INSURANCE	OM924	NTPLANT	25,755	-	-	-	4,434
925 INJURIES AND DAMAGES - INSURAN	OM925	LBSUB2	161,255	-	-	-	11,094
926 EMPLOYEE BENEFITS	OM926	LBSUB2	61,166	-	-	-	4,208
928 ASSOCIATED DUES	OM928	OMSUB2	123,953	-	-	-	9,615
929 DUPLICATE CHARGES - CREDIT	OM929	OMSUB2	-	-	-	-	-
930 MISCELLANEOUS GENERAL EXPENSES	OM930	OMSUB2	443,026	-	-	-	34,366
931 RENTS AND LEASES	OM931	NTPLANT	-	-	-	-	-
932 MAINTENANCE OF GENERAL PLANT	OM932	PGP	-	-	-	-	-
933 TRANSPORTATION EXPENSES	OM933	PGP	-	-	-	-	-
935 MAINT OF GENERAL PLANT	OM935	NTPLANT	179,988	-	-	-	30,988
Total Administrative and General Expense	OMAG		\$ 3,237,313	\$ -	\$ -	\$ -	\$ 265,457
Total Operation and Maintenance Expenses	TOM		\$ 61,470,596	\$ 16,693,796	\$ 33,994,973	\$ -	\$ 850,700
Operation and Maintenance Expenses Less Purchase Power	OMLPP		\$ 10,781,826	\$ -	\$ -	\$ -	\$ 850,700

JACKSON PURCHASE ENERGY CORPORATION
Cost of Service Study
Functional Assignment and Classification

12 Months Ended December 31, 2019

Description	Name	Allocation Vector	Pri & Sec. Distr Plant		Customer Services		Meters	Lighting	Meter Reading Billing and Cust Acct Service	Load Management
			Demand	Customer	Demand	Customer	Customer	Customer	Customer	Customer
Operation and Maintenance Expenses (Continued)										
Administrative and General Expense										
920 ADMIN. & GEN. SALARIES-	OM920	OMSUB2	273,487	811,748	-	33,755	181,701	14,780	306,303	-
921 OFFICE SUPPLIES AND EXPENSES	OM921	LBSUB2	54,126	157,323	-	8,463	44,878	3,658	68,829	-
923 OUTSIDE SERVICES EMPLOYED	OM923	OMSUB2	18,950	56,245	-	2,339	12,590	1,024	21,223	-
924 PROPERTY INSURANCE	OM924	NTPLANT	6,113	10,816	-	1,946	2,251	196	-	-
925 INJURIES AND DAMAGES - INSURAN	OM925	LBSUB2	24,098	70,043	-	3,768	19,980	1,629	30,644	-
926 EMPLOYEE BENEFITS	OM926	LBSUB2	9,141	26,568	-	1,429	7,579	618	11,623	-
928 ASSOCIATED DUES	OM928	OMSUB2	19,281	57,229	-	2,380	12,810	1,042	21,595	-
929 DUPLICATE CHARGES - CREDIT	OM929	OMSUB2	-	-	-	-	-	-	-	-
930 MISCELLANEOUS GENERAL EXPENSES	OM930	OMSUB2	68,914	204,547	-	8,506	45,786	3,724	77,183	-
931 RENTS AND LEASES	OM931	NTPLANT	-	-	-	-	-	-	-	-
932 MAINTENANCE OF GENERAL PLANT	OM932	PGP	-	-	-	-	-	-	-	-
933 TRANSPORTATION EXPENSES	OM933	PGP	-	-	-	-	-	-	-	-
935 MAINT OF GENERAL PLANT	OM935	NTPLANT	42,718	75,586	-	13,598	15,729	1,370	-	-
Total Administrative and General Expense	OMAG		\$ 516,827	\$ 1,470,104	\$ -	\$ 76,182	\$ 343,302	\$ 28,041	\$ 537,400	\$ -
Total Operation and Maintenance Expenses	TOM		\$ 1,690,401	\$ 4,953,434	\$ -	\$ 221,028	\$ 1,123,007	\$ 91,466	\$ 1,851,790	\$ -
Operation and Maintenance Expenses Less Purchase Power	OMLPP		\$ 1,690,401	\$ 4,953,434	\$ -	\$ 221,028	\$ 1,123,007	\$ 91,466	\$ 1,851,790	\$ -

JACKSON PURCHASE ENERGY CORPORATION
Cost of Service Study
Functional Assignment and Classification

12 Months Ended December 31, 2019

Description	Name	Allocation Vector	Total System	Power Supply		Transmission Demand	Station Equipment Demand
				Demand	Energy		
Other Expenses							
Depreciation Expenses							
Steam Prod Plant	DEPRPP	PPROD	-	-	-	-	-
Transmission	DEPRTP	PTRAN	-	-	-	-	-
Dist-Structures	DEPRDP1	P361	-	-	-	-	-
Dist-Station	DEPRDP2	P362	-	-	-	-	-
Dist-Poles and Fixtures	DEPRDP3	P364	-	-	-	-	-
Dist-OH Conductor	DEPRDP4	P365	-	-	-	-	-
Dist-UG Conduit	DEPRDP5	P366	-	-	-	-	-
Dist-UG Conductor	DEPRDP6	P367	-	-	-	-	-
Dist-Line Transformers	DEPRDP7	P368	-	-	-	-	-
Dist-Services	DEPRDP8	P369	-	-	-	-	-
Dist-Meters	DEPRDP9	P370	-	-	-	-	-
Dist-Installations on Customer Premises	DEPRDP10	P371	-	-	-	-	-
Dist-Lighting & Signal Systems	DEPRDP11	P373	-	-	-	-	-
Distribution Plant	DEPRDP12	PDIST	5,859,186	-	-	-	762,469
General Plant	DEPRGP	PGP	157,465	-	-	-	20,491
Asset Retirement Costs	DEPRGP	PGP	-	-	-	-	-
AMORT LIMITED-TERM ELECT PLANT	DEPRLTEP	PT&D	-	-	-	-	-
AMORT ELECT PLANT ACQUISIT ADJ	DEPRAADJ	PDIST	-	-	-	-	-
Total Depreciation Expense	TDEPR		\$ 6,016,651	-	-	-	782,961
Property Taxes	PTAX	NTPLANT	\$ -	-	-	-	-
Other Taxes (PSC Assessment)	OT	NTPLANT	\$ 90,258	-	-	-	15,539
Interest -- LTD	INTLTD	NTPLANT	\$ 1,961,144	-	-	-	337,644
Interest -- Other	INTOTH	NTPLANT	\$ 233,334	-	-	-	40,172
Other Deductions	DONAT	NTPLANT	\$ 2,796	-	-	-	481
Regulatory Liabilities	REGLIAB	NTPLANT	\$ -	-	-	-	-
Other Deductions	DEDUCT	NTPLANT	\$ -	-	-	-	-
Total Other Expenses	TOE		\$ 8,304,184	\$ -	\$ -	\$ -	\$ 1,176,798
Total Cost of Service (O&M + Other Expenses)			\$ 69,774,779	\$ 16,693,796	\$ 33,994,973	\$ -	\$ 2,027,498

JACKSON PURCHASE ENERGY CORPORATION
Cost of Service Study
Functional Assignment and Classification

12 Months Ended December 31, 2019

Description	Name	Allocation Vector	Pri & Sec. Distr Plant		Customer Services		Meters	Lighting	Meter Reading Billing and Cust Acct Service	Load Management
			Demand	Customer	Demand	Customer	Customer	Customer	Customer	Customer
Other Expenses										
Depreciation Expenses										
Steam Prod Plant	DEPRPP	PPROD	-	-	-	-	-	-	-	-
Transmission	DEPRTP	PTRAN	-	-	-	-	-	-	-	-
Dist-Structures	DEPRDP1	P361	-	-	-	-	-	-	-	-
Dist-Station	DEPRDP2	P362	-	-	-	-	-	-	-	-
Dist-Poles and Fixtures	DEPRDP3	P364	-	-	-	-	-	-	-	-
Dist-OH Conductor	DEPRDP4	P365	-	-	-	-	-	-	-	-
Dist-UG Conduit	DEPRDP5	P366	-	-	-	-	-	-	-	-
Dist-UG Conductor	DEPRDP6	P367	-	-	-	-	-	-	-	-
Dist-Line Transformers	DEPRDP7	P368	-	-	-	-	-	-	-	-
Dist-Services	DEPRDP8	P369	-	-	-	-	-	-	-	-
Dist-Meters	DEPRDP9	P370	-	-	-	-	-	-	-	-
Dist-Installations on Customer Premises	DEPRDP10	P371	-	-	-	-	-	-	-	-
Dist-Lighting & Signal Systems	DEPRDP11	P373	-	-	-	-	-	-	-	-
Distribution Plant	DEPRDP12	PDIST	1,470,151	2,771,143	-	402,094	330,982	122,347	-	-
General Plant	DEPRGP	PGP	39,510	74,474	-	10,806	8,895	3,288	-	-
Asset Retirement Costs	DEPRGP	PGP	-	-	-	-	-	-	-	-
AMORT LIMITED-TERM ELECT PLANT	DEPRLTEP	PT&D	-	-	-	-	-	-	-	-
AMORT ELECT PLANT ACQUISIT ADJ	DEPRAADJ	PDIST	-	-	-	-	-	-	-	-
Total Depreciation Expense	TDEPR		1,509,661	2,845,618	-	412,900	339,877	125,635	-	-
Property Taxes	PTAX	NTPLANT	-	-	-	-	-	-	-	-
Other Taxes (PSC Assessment)	OT	NTPLANT	21,422	37,904	-	6,819	7,887	687	-	-
Interest -- LTD	INTLTD	NTPLANT	465,456	823,579	-	148,160	171,380	14,926	-	-
Interest -- Other	INTOTH	NTPLANT	55,379	97,988	-	17,628	20,391	1,776	-	-
Other Deductions	DONAT	NTPLANT	664	1,174	-	211	244	21	-	-
Regulatory Liabilities	REGLIAB	NTPLANT	-	-	-	-	-	-	-	-
Other Deductions	DEDUCT	NTPLANT	-	-	-	-	-	-	-	-
Total Other Expenses	TOE		\$ 2,052,581	\$ 3,806,262	\$ -	\$ 585,718	\$ 539,780	\$ 143,045	\$ -	\$ -
Total Cost of Service (O&M + Other Expenses)			\$ 3,742,982	\$ 8,759,696	\$ -	\$ 806,746	\$ 1,662,787	\$ 234,510	\$ 1,851,790	\$ -

JACKSON PURCHASE ENERGY CORPORATION
Cost of Service Study
Functional Assignment and Classification

12 Months Ended December 31, 2019

Description	Name	Allocation Vector	Total System	Power Supply		Transmission	Station Equipment	
				Demand	Energy	Demand	Demand	
Labor Expenses								
Steam Power Production Operations Expense								
500 OPERATION SUPV AND ENGINEERING	LB500	PPROD	\$ -	-	-	-	-	-
501 FUEL	LB501	F017	-	-	-	-	-	-
502 STEAM EXPENSES	LB502	F016	-	-	-	-	-	-
503 STEAM FROM OTHER SOURCES	LB503	F016	-	-	-	-	-	-
504 STEAM TRANSFERRED - CREDIT	LB504	F016	-	-	-	-	-	-
505 ELECTRIC EXPENSES	LB505	F016	-	-	-	-	-	-
506 MISC STEAM POWER EXPENSES	LB506	F016	-	-	-	-	-	-
507 RENTS	LB507	F016	-	-	-	-	-	-
509 ALLOWANCES	LB509	F017	-	-	-	-	-	-
Total Steam Production Operation Expense	LBPO		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Steam Power Production Maintenance Expense								
510 MAINTENANCE SUPV AND ENGINEERING	LB510	F017	\$ -	-	-	-	-	-
511 MAINTENANCE OF STRUCTURES	LB511	F016	-	-	-	-	-	-
512 MAINTENANCE OF BOILER PLANT	LB512	F017	-	-	-	-	-	-
513 MAINTENANCE OF ELECTRIC PLANT	LB513	F017	-	-	-	-	-	-
514 MAINTENANCE OF MISC STEAM PLANT	LB514	F016	-	-	-	-	-	-
Total Steam Production Maintenance Expense	LBPM		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Steam Production Operation and Maintenance Expenses	LBP		-	-	-	-	-	-

JACKSON PURCHASE ENERGY CORPORATION
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12 Months Ended December 31, 2019

Description	Name	Allocation Vector	Pri & Sec. Distr Plant		Customer Services		Meters	Lighting	Meter Reading Billing and Cust Acct Service	Load Management
			Demand	Customer	Demand	Customer	Customer	Customer	Customer	Customer
Labor Expenses										
Steam Power Production Operations Expense										
500 OPERATION SUPV AND ENGINEERING	LB500	PPROD	-	-	-	-	-	-	-	-
501 FUEL	LB501	F017	-	-	-	-	-	-	-	-
502 STEAM EXPENSES	LB502	F016	-	-	-	-	-	-	-	-
503 STEAM FROM OTHER SOURCES	LB503	F016	-	-	-	-	-	-	-	-
504 STEAM TRANSFERRED - CREDIT	LB504	F016	-	-	-	-	-	-	-	-
505 ELECTRIC EXPENSES	LB505	F016	-	-	-	-	-	-	-	-
506 MISC STEAM POWER EXPENSES	LB506	F016	-	-	-	-	-	-	-	-
507 RENTS	LB507	F016	-	-	-	-	-	-	-	-
509 ALLOWANCES	LB509	F017	-	-	-	-	-	-	-	-
Total Steam Production Operation Expense	LBPO		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Steam Power Production Maintenance Expense										
510 MAINTENANCE SUPV AND ENGINEERING	LB510	F017	-	-	-	-	-	-	-	-
511 MAINTENANCE OF STRUCTURES	LB511	F016	-	-	-	-	-	-	-	-
512 MAINTENANCE OF BOILER PLANT	LB512	F017	-	-	-	-	-	-	-	-
513 MAINTENANCE OF ELECTRIC PLANT	LB513	F017	-	-	-	-	-	-	-	-
514 MAINTENANCE OF MISC STEAM PLANT	LB514	F016	-	-	-	-	-	-	-	-
Total Steam Production Maintenance Expense	LBPM		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Steam Production Operation and Maintenance Expenses	LBP		-	-	-	-	-	-	-	-

JACKSON PURCHASE ENERGY CORPORATION
Cost of Service Study
Functional Assignment and Classification
12 Months Ended December 31, 2019

Description	Name	Allocation Vector	Total System	Power Supply		Transmission	Station Equipment	
				Demand	Energy	Demand	Demand	
Labor Expenses (Continued)								
Purchased Power								
555 PURCHASED POWER	LB555	OMPP	\$ -	-	-	-	-	-
557 OTHER EXPENSES	LB557	OMPP		-	-	-	-	-
Total Purchased Power Labor	LBPP		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transmission Labor Expenses								
560 OPERATION SUPERVISION AND ENG	LB560	PTRAN	\$ -	-	-	-	-	-
561 LOAD DISPATCHING	LB561	PTRAN	-	-	-	-	-	-
562 STATION EXPENSES	LB562	PTRAN	-	-	-	-	-	-
563 OVERHEAD LINE EXPENSES	LB563	PTRAN	-	-	-	-	-	-
566 MISC. TRANSMISSION EXPENSES	LB566	PTRAN	-	-	-	-	-	-
568 MAINTENACE SUPERVISION AND ENG	LB568	PTRAN	-	-	-	-	-	-
570 MAINT OF STATION EQUIPMENT	LB570	PTRAN	-	-	-	-	-	-
571 MAINT OF OVERHEAD LINES	LB571	PTRAN	-	-	-	-	-	-
Total Transmission Labor Expenses			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Distribution Operation Labor Expense								
580 OPERATION SUPERVISION AND ENGI	LB580	PDIST	\$ 457,107	-	-	-	-	59,484
581 LOAD DISPATCHING	LB581	P362	-	-	-	-	-	-
582 STATION EXPENSES	LB582	P362	53,046	-	-	-	-	53,046
583 OVERHEAD LINE EXPENSES	LB583	P365	118,945	-	-	-	-	-
584 UNDERGROUND LINE EXPENSES	LB584	P367	32,068	-	-	-	-	-
585 STREET LIGHTING EXPENSE	LB585	P371	-	-	-	-	-	-
586 METER EXPENSES	LB586	P370	429,177	-	-	-	-	-
586 METER EXPENSES - LOAD MANAGEMENT	LB586x	F012	-	-	-	-	-	-
587 CUSTOMER INSTALLATIONS EXPENSE	LB587	P369	-	-	-	-	-	-
588 MISCELLANEOUS DISTRIBUTION EXP	LB588	PDIST	709,984	-	-	-	-	92,392
589 RENTS	LB589	PDIST	-	-	-	-	-	-
Total Distribution Operation Labor Expense	LBDO		\$ 1,800,327	\$ -	\$ -	\$ -	\$ -	\$ 204,922

JACKSON PURCHASE ENERGY CORPORATION
Cost of Service Study
Functional Assignment and Classification

12 Months Ended December 31, 2019

Description	Name	Allocation Vector	Pri & Sec. Distr Plant		Customer Services		Meters	Lighting	Meter Reading Billing and Cust Acct Service	Load Management
			Demand	Customer	Demand	Customer	Customer	Customer	Customer	Customer
Labor Expenses (Continued)										
Purchased Power										
555 PURCHASED POWER	LB555	OMPP	-	-	-	-	-	-	-	-
557 OTHER EXPENSES	LB557	OMPP	-	-	-	-	-	-	-	-
Total Purchased Power Labor	LBPP		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transmission Labor Expenses										
560 OPERATION SUPERVISION AND ENG	LB560	PTRAN	-	-	-	-	-	-	-	-
561 LOAD DISPATCHING	LB561	PTRAN	-	-	-	-	-	-	-	-
562 STATION EXPENSES	LB562	PTRAN	-	-	-	-	-	-	-	-
563 OVERHEAD LINE EXPENSES	LB563	PTRAN	-	-	-	-	-	-	-	-
566 MISC. TRANSMISSION EXPENSES	LB566	PTRAN	-	-	-	-	-	-	-	-
568 MAINTENACE SUPERVISION AND ENG	LB568	PTRAN	-	-	-	-	-	-	-	-
570 MAINT OF STATION EQUIPMENT	LB570	PTRAN	-	-	-	-	-	-	-	-
571 MAINT OF OVERHEAD LINES	LB571	PTRAN	-	-	-	-	-	-	-	-
Total Transmission Labor Expenses			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Distribution Operation Labor Expense										
580 OPERATION SUPERVISION AND ENGI	LB580	PDIST	114,694	216,192	-	31,370	25,822	9,545	-	-
581 LOAD DISPATCHING	LB581	P362	-	-	-	-	-	-	-	-
582 STATION EXPENSES	LB582	P362	-	-	-	-	-	-	-	-
583 OVERHEAD LINE EXPENSES	LB583	P365	15,172	103,773	-	-	-	-	-	-
584 UNDERGROUND LINE EXPENSES	LB584	P367	28,198	3,870	-	-	-	-	-	-
585 STREET LIGHTING EXPENSE	LB585	P371	-	-	-	-	-	-	-	-
586 METER EXPENSES	LB586	P370	-	-	-	-	429,177	-	-	-
586 METER EXPENSES - LOAD MANAGEMENT	LB586x	F012	-	-	-	-	-	-	-	-
587 CUSTOMER INSTALLATIONS EXPENSE	LB587	P369	-	-	-	-	-	-	-	-
588 MISCELLANEOUS DISTRIBUTION EXP	LB588	PDIST	178,145	335,792	-	48,724	40,107	14,825	-	-
589 RENTS	LB589	PDIST	-	-	-	-	-	-	-	-
Total Distribution Operation Labor Expense	LBDO		\$ 336,210	\$ 659,627	\$ -	\$ 80,093	\$ 495,105	\$ 24,370	\$ -	\$ -

JACKSON PURCHASE ENERGY CORPORATION
Cost of Service Study
Functional Assignment and Classification

12 Months Ended December 31, 2019

Description	Name	Allocation Vector	Total System	Power Supply		Transmission	Station Equipment
				Demand	Energy	Demand	Demand
Labor Expenses (Continued)							
Distribution Maintenance Labor Expense							
590 MAINTENANCE SUPERVISION AND EN	LB590	PDIST	52,302	-	-	-	6,806
592 MAINTENANCE OF STATION EQUIPME	LB592	P362	54,543	-	-	-	54,543
593 MAINTENANCE OF OVERHEAD LINES	LB593	P365	1,240,467	-	-	-	-
594 MAINTENANCE OF UNDERGROUND LIN	LB594	P367	90,533	-	-	-	-
595 MAINTENANCE OF LINE TRANSFORME	LB595	P368	-	-	-	-	-
596 MAINTENANCE OF ST LIGHTS & SIG SYSTEMS	LB596	P373	13,134	-	-	-	-
597 MAINTENANCE OF METERS	LB597	P370	30,671	-	-	-	-
598 MAINTENANCE OF MISC DISTR PLANT	LB598	PDIST	276,393	-	-	-	35,968
Total Distribution Maintenance Labor Expense	LBDM		\$ 1,758,042	\$ -	\$ -	\$ -	\$ 97,317
Total Distribution Operation and Maintenance Labor Expenses			3,558,369	-	-	-	302,239
Transmission and Distribution Labor Expenses			3,558,369	-	-	-	302,239
Purchased Power, Transmission and Distribution Labor Expenses	LBSUB		\$ 3,558,369	\$ -	\$ -	\$ -	\$ 302,239
Customer Accounts Expense							
901 SUPERVISION/CUSTOMER ACCTS	LB901	F009	\$ 98,759	-	-	-	-
902 METER READING EXPENSES	LB902	F009	1,246	-	-	-	-
903 RECORDS AND COLLECTION	LB903	F009	696,734	-	-	-	-
904 UNCOLLECTIBLE ACCOUNTS	LB904	F009	-	-	-	-	-
905 MISC CUST ACCOUNTS	LB903	F009	-	-	-	-	-
Total Customer Accounts Labor Expense	LBCA		\$ 796,740	\$ -	\$ -	\$ -	\$ -
Customer Service Expense							
907 SUPERVISION	LB907	F010	\$ -	-	-	-	-
908 CUSTOMER ASSISTANCE EXPENSES	LB908	F010	-	-	-	-	-
908 CUSTOMER ASSISTANCE EXP-LOAD MGMT	LB908x	F012	-	-	-	-	-
909 INFORMATIONAL AND INSTRUCTIONA	LB909	F010	-	-	-	-	-
909 INFORM AND INSTRUC -LOAD MGMT	LB909x	F012	-	-	-	-	-
910 MISCELLANEOUS CUSTOMER SERVICE	LB910	F010	38,121	-	-	-	-
911 SUPERVISION	LB911	F010	-	-	-	-	-
912 DEMONSTRATION AND SELLING EXP	LB912	F012	-	-	-	-	-
913 WATER HEATER - HEAT PUMP PROGRAM	LB913	F012	-	-	-	-	-
915 MDSE-JOBING-CONTRACT	LB915	F012	-	-	-	-	-
916 MISC SALES EXPENSE	LB916	F012	-	-	-	-	-
Total Customer Service Labor Expense	LBCS		\$ 38,121	\$ -	\$ -	\$ -	\$ -
Sub-Total Trans, Distr, Cust Acct and Cust Service Labor Exp	LBSUB2		4,393,229	-	-	-	302,239

JACKSON PURCHASE ENERGY CORPORATION
Cost of Service Study
Functional Assignment and Classification

12 Months Ended December 31, 2019

Description	Name	Allocation Vector	Pri & Sec. Distr Plant		Customer Services		Meters	Lighting	Meter Reading Billing and Cust Acct Service	Load Management
			Demand	Customer	Demand	Customer	Customer	Customer	Customer	Customer
Labor Expenses (Continued)										
Distribution Maintenance Labor Expense										
590 MAINTENANCE SUPERVISION AND EN	LB590	PDIST	13,123	24,737	-	3,589	2,955	1,092	-	-
592 MAINTENANCE OF STATION EQUIPME	LB592	P362	-	-	-	-	-	-	-	-
593 MAINTENANCE OF OVERHEAD LINES	LB593	P365	158,228	1,082,239	-	-	-	-	-	-
594 MAINTENANCE OF UNDERGROUND LIN	LB594	P367	79,608	10,925	-	-	-	-	-	-
595 MAINTENANCE OF LINE TRANSFORME	LB595	P368	-	-	-	-	-	-	-	-
596 MAINTENANCE OF ST LIGHTS & SIG SYSTEMS	LB596	P373	-	-	-	-	-	13,134	-	-
597 MAINTENANCE OF METERS	LB597	P370	-	-	-	-	30,671	-	-	-
598 MAINTENANCE OF MISC DISTR PLANT	LB598	PDIST	69,351	130,722	-	18,968	15,613	5,771	-	-
Total Distribution Maintenance Labor Expense	LBDM		\$ 320,309	\$ 1,248,623	\$ -	\$ 22,557	\$ 49,238	\$ 19,997	\$ -	\$ -
Total Distribution Operation and Maintenance Labor Expenses			656,519	1,908,250	-	102,650	544,343	44,367	-	-
Transmission and Distribution Labor Expenses			656,519	1,908,250	-	102,650	544,343	44,367	-	-
Purchased Power, Transmission and Distribution Labor Expenses	LBSUB		\$ 656,519	\$ 1,908,250	\$ -	\$ 102,650	\$ 544,343	\$ 44,367	\$ -	\$ -
Customer Accounts Expense										
901 SUPERVISION/CUSTOMER ACCTS	LB901	F009	-	-	-	-	-	-	98,759	-
902 METER READING EXPENSES	LB902	F009	-	-	-	-	-	-	1,246	-
903 RECORDS AND COLLECTION	LB903	F009	-	-	-	-	-	-	696,734	-
904 UNCOLLECTIBLE ACCOUNTS	LB904	F009	-	-	-	-	-	-	-	-
905 MISC CUST ACCOUNTS	LB903	F009	-	-	-	-	-	-	-	-
Total Customer Accounts Labor Expense	LBCA		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 796,740	\$ -
Customer Service Expense										
907 SUPERVISION	LB907	F010	-	-	-	-	-	-	-	-
908 CUSTOMER ASSISTANCE EXPENSES	LB908	F010	-	-	-	-	-	-	-	-
908 CUSTOMER ASSISTANCE EXP-LOAD MGMT	LB908x	F012	-	-	-	-	-	-	-	-
909 INFORMATIONAL AND INSTRUCTIONA	LB909	F010	-	-	-	-	-	-	-	-
909 INFORM AND INSTRUC -LOAD MGMT	LB909x	F012	-	-	-	-	-	-	-	-
910 MISCELLANEOUS CUSTOMER SERVICE	LB910	F010	-	-	-	-	-	-	38,121	-
911 SUPERVISION	LB911	F010	-	-	-	-	-	-	-	-
912 DEMONSTRATION AND SELLING EXP	LB912	F012	-	-	-	-	-	-	-	-
913 WATER HEATER - HEAT PUMP PROGRAM	LB913	F012	-	-	-	-	-	-	-	-
915 MDSE-JOBING-CONTRACT	LB915	F012	-	-	-	-	-	-	-	-
916 MISC SALES EXPENSE	LB916	F012	-	-	-	-	-	-	-	-
Total Customer Service Labor Expense	LBCS		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 38,121	\$ -
Sub-Total Trans, Distr, Cust Acct and Cust Service Labor Exp	LBSUB2		656,519	1,908,250	-	102,650	544,343	44,367	834,860	-

JACKSON PURCHASE ENERGY CORPORATION
Cost of Service Study
Functional Assignment and Classification

12 Months Ended December 31, 2019

Description	Name	Allocation Vector	Total System	Power Supply		Transmission	Station Equipment	
				Demand	Energy	Demand	Demand	
Labor Expenses (Continued)								
Administrative and General Expense								
920 ADMIN. & GEN. SALARIES-	LB920	OMSUB2	\$ 1,732,429	-	-	-	-	134,388
921 OFFICE SUPPLIES AND EXPENSES	LB921	LBSUB2	-	-	-	-	-	-
923 OUTSIDE SERVICES EMPLOYED	LB923	OMSUB2	-	-	-	-	-	-
924 PROPERTY INSURANCE	LB924	NTPLANT	-	-	-	-	-	-
925 INJURIES AND DAMAGES - INSURAN	LB925	LBSUB2	22,600	-	-	-	-	1,555
926 EMPLOYEE BENEFITS	LB926	LBSUB2	60,905	-	-	-	-	4,190
928 REGULATORY COMMISSION EXPENSES	LB928	OMSUB2	-	-	-	-	-	-
929 DUPLICATE CHARGES-CR	LB929	OMSUB2	-	-	-	-	-	-
930 MISCELLANEOUS GENERAL EXPENSES	LB930	OMSUB2	26,674	-	-	-	-	2,069
931 RENTS AND LEASES	LB931	NTPLANT	-	-	-	-	-	-
935 MAINTENANCE OF GENERAL PLANT	LB935	PGP	35,488	-	-	-	-	4,618
950 PAYROLL GENERAL LEDGER DEFAULT	LB950	PGP	-	-	-	-	-	-
Total Administrative and General Expense	LBAG		\$ 1,878,095	\$ -	\$ -	\$ -	\$ -	146,820
Total Operation and Maintenance Expenses	TLB		\$ 6,271,325	\$ -	\$ -	\$ -	\$ -	449,059
Operation and Maintenance Expenses Less Purchase Power	LBLPP		\$ 6,271,325	\$ -	\$ -	\$ -	\$ -	449,059

JACKSON PURCHASE ENERGY CORPORATION
Cost of Service Study
Functional Assignment and Classification

12 Months Ended December 31, 2019

Description	Name	Allocation Vector	Pri & Sec. Distr Plant		Customer Services		Meters	Lighting	Meter Reading Billing and Cust Acct Service	Load Management
			Demand	Customer	Demand	Customer	Customer	Customer	Customer	Customer
Labor Expenses (Continued)										
Administrative and General Expense										
920 ADMIN. & GEN. SALARIES-	LB920	OMSUB2	269,485	799,869	-	33,261	179,042	14,564	301,820	-
921 OFFICE SUPPLIES AND EXPENSES	LB921	LBSUB2	-	-	-	-	-	-	-	-
923 OUTSIDE SERVICES EMPLOYED	LB923	OMSUB2	-	-	-	-	-	-	-	-
924 PROPERTY INSURANCE	LB924	NTPLANT	-	-	-	-	-	-	-	-
925 INJURIES AND DAMAGES - INSURAN	LB925	LBSUB2	3,377	9,817	-	528	2,800	228	4,295	-
926 EMPLOYEE BENEFITS	LB926	LBSUB2	9,101	26,455	-	1,423	7,546	615	11,574	-
928 REGULATORY COMMISSION EXPENSES	LB928	OMSUB2	-	-	-	-	-	-	-	-
929 DUPLICATE CHARGES-CR	LB929	OMSUB2	-	-	-	-	-	-	-	-
930 MISCELLANEOUS GENERAL EXPENSES	LB930	OMSUB2	4,149	12,315	-	512	2,757	224	4,647	-
931 RENTS AND LEASES	LB931	NTPLANT	-	-	-	-	-	-	-	-
935 MAINTENANCE OF GENERAL PLANT	LB935	PGP	8,904	16,784	-	2,435	2,005	741	-	-
950 PAYROLL GENERAL LEDGER DEFAULT	LB950	PGP	-	-	-	-	-	-	-	-
Total Administrative and General Expense	LBAG		\$ 295,017	\$ 865,240	\$ -	\$ 38,159	\$ 194,150	\$ 16,373	\$ 322,336	\$ -
Total Operation and Maintenance Expenses	TLB		\$ 951,536	\$ 2,773,490	\$ -	\$ 140,810	\$ 738,493	\$ 60,740	\$ 1,157,196	\$ -
Operation and Maintenance Expenses Less Purchase Power	LBLPP		\$ 951,536	\$ 2,773,490	\$ -	\$ 140,810	\$ 738,493	\$ 60,740	\$ 1,157,196	\$ -

JACKSON PURCHASE ENERGY CORPORATION
Cost of Service Study
Functional Assignment and Classification

12 Months Ended December 31, 2019

Description	Name	Allocation Vector	Total System	Power Supply		Transmission	Station Equipment
				Demand	Energy	Demand	Demand
Functional Vectors							
Station Equipment	F001		1.000000	0.000000	0.000000	0.000000	1.000000
Poles, Towers and Fixtures	F002		1.000000	0.000000	0.000000	0.000000	0.000000
Overhead Conductors and Devices	F003		1.000000	0.000000	0.000000	0.000000	0.000000
Underground Conductors and Devices	F004		1.000000	0.000000	0.000000	0.000000	0.000000
Line Transformers	F005		1.000000	0.000000	0.000000	0.000000	0.000000
Services	F006		1.000000	0.000000	0.000000	0.000000	0.000000
Meters	F007		1.000000	0.000000	0.000000	0.000000	0.000000
Street Lighting	F008		1.000000	0.000000	0.000000	0.000000	0.000000
Meter Reading	F009		1.000000	0.000000	0.000000	0.000000	0.000000
Billing	F010		1.000000	0.000000	0.000000	0.000000	0.000000
Transmission	F011		1.000000	0.000000	0.000000	1.000000	0.000000
Load Management	F012		1.000000	0.000000	0.000000	0.000000	0.000000
Purchased Power Expenses	OMPP		1.000000	0.3293	0.6707	-	-
Intallations on Customer Premises - Plant in Service	F013		1.000000	0.000000	0.000000	0.000000	0.000000
Intallations on Customer Premises - Accum Depr	F014		1.000000	0.000000	0.000000	0.000000	0.000000
Mapping	F015		1.000000	0.000000	0.000000	0.000000	0.000000
Production - Demand	F016		1.000000	1.000000	0.000000	0.000000	0.000000
Production - Energy	F017		1.000000	0.000000	1.000000	0.000000	0.000000

JACKSON PURCHASE ENERGY CORPORATION
Cost of Service Study
Functional Assignment and Classification
12 Months Ended December 31, 2019

Description	Name	Allocation Vector	Pri & Sec. Distr Plant		Customer Services		Meters	Lighting	Meter Reading Billing and Cust Acct Service	Load Management
			Demand	Customer	Demand	Customer	Customer	Customer	Customer	Customer
Functional Vectors										
Station Equipment	F001		0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Poles, Towers and Fixtures	F002		0.127555	0.872445	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Overhead Conductors and Devices	F003		0.127555	0.872445	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Underground Conductors and Devices	F004		0.879324	0.120676	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Line Transformers	F005		0.477914	0.522086	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Services	F006		0.000000	0.000000	0.000000	1.000000	0.000000	0.000000	0.000000	0.000000
Meters	F007		0.000000	0.000000	0.000000	0.000000	1.000000	0.000000	0.000000	0.000000
Street Lighting	F008		0.000000	0.000000	0.000000	0.000000	0.000000	1.000000	0.000000	0.000000
Meter Reading	F009		0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	1.000000	0.000000
Billing	F010		0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	1.000000	0.000000
Transmission	F011		0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Load Management	F012		0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	1.000000
Purchased Power Expenses	OMPP		-	-	-	-	-	-	-	-
Intallations on Customer Premises - Plant in Service	F013		0.000000	0.000000	0.000000	0.000000	0.000000	1.000000	0.000000	0.000000
Intallations on Customer Premises - Accum Depr	F014		0.000000	0.000000	0.000000	0.000000	0.000000	1.000000	0.000000	0.000000
Mapping	F015		0.000000	1.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Production - Demand	F016		0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Production - Energy	F017		0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000

EXHIBIT JW-5
COSS CLASS ALLOCATION

JACKSON PURCHASE ENERGY CORPORATION
Cost of Service Study
Class Allocation

12 Months Ended December 31, 2019

Description	Name	Allocation Vector	Total System	R - Residential R	C-1 Small Commercial Single Phase C1	Commercial Three Phase C3	D - Commercial and Industrial Demand < 3,000 kW D	Commercial and Industrial - DIRECT SERVED D	I-E - Large Commercial Existing I-E	OL - Outdoor Lighting OL
Plant in Service										
Production & Purchase Power										
Demand	PLPPD	PPDA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Energy	PLPPE	PPEA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Purchase Power	PLPPT		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transmission										
Demand	PLTD	TA1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Station Equipment										
Demand	PLSED	SA1	\$ 21,825,686	\$ 13,925,363	\$ 1,090,061	\$ 384,351	\$ 5,645,466	\$ 58,192	\$ 556,796	\$ 165,456
Primary & Secondary Distribution Plant										
Demand	PLDPD	DA1	\$ 42,083,054	\$ 26,644,867	\$ 597,657	\$ 1,011,464	\$ 12,433,420	\$ 112,110	\$ 1,072,708	\$ 210,827
Customer	PLDPC	C01	\$ 79,323,965	\$ 67,094,252	\$ 9,077,904	\$ 1,286,875	\$ 1,628,075	\$ 2,642	\$ 2,642	\$ 231,576
Total Primary Distribution Plant	PLD		\$ 121,407,019	\$ 93,739,119	\$ 9,675,561	\$ 2,298,339	\$ 14,061,495	\$ 114,752	\$ 1,075,350	\$ 442,403
Customer Services										
Demand	PLCSD	CSA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Customer	PLCSC	SERV	\$ 11,509,940	\$ 9,214,168	\$ 1,424,782	\$ 252,470	\$ 479,114	\$ 1,555	\$ 1,555	\$ 136,297
Total Customer Services			\$ 11,509,940	\$ 9,214,168	\$ 1,424,782	\$ 252,470	\$ 479,114	\$ 1,555	\$ 1,555	\$ 136,297
Meters										
Customer	PLMC	C03	\$ 9,474,353	\$ 8,037,384	\$ 1,087,464	\$ 154,158	\$ 195,031	\$ -	\$ 316	\$ -
Lighting Systems										
Customer	PLLSC	C04	\$ 3,502,175	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,502,175
Meter Reading, Billing and Customer Service										
Customer	PLMRBC	C05	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Load Management										
Customer	PLCSC	C06	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	PLT		\$ 167,719,173	\$ 124,916,035	\$ 13,277,869	\$ 3,089,317	\$ 20,381,106	\$ 174,498	\$ 1,634,017	\$ 4,246,331

JACKSON PURCHASE ENERGY CORPORATION
Cost of Service Study
Class Allocation

12 Months Ended December 31, 2019

Description	Name	Allocation Vector	Total System	R - Residential R	C-1 Small Commercial Single Phase C1	Commercial Three Phase C3	D - Commercial and Industrial Demand < 3,000 kW D	Commercial and Industrial - DIRECT SERVED D	I-E - Large Commercial Existing I-E	OL - Outdoor Lighting OL
Net Utility Plant										
Production & Purchase Power										
Demand	NPPPD	PPDA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Energy	NPPPE	PPEA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Purchase Power	NPPPT		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transmission										
Demand	NPTD	TA1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Station Equipment										
Demand	NPSED	SA1	\$ 16,718,857	\$ 10,667,072	\$ 835,006	\$ 294,420	\$ 4,324,526	\$ 44,576	\$ 426,516	\$ 126,742
Primary Distribution Plant										
Demand	NPDPD	DA1	\$ 23,047,615	\$ 14,592,587	\$ 327,318	\$ 553,948	\$ 6,809,408	\$ 61,399	\$ 587,490	\$ 115,464
Customer	NPDPC	C01	\$ 40,780,509	\$ 34,493,205	\$ 4,666,957	\$ 661,583	\$ 836,995	\$ 1,358	\$ 1,358	\$ 119,053
Total Primary Distribution Plant			\$ 63,828,124	\$ 49,085,792	\$ 4,994,276	\$ 1,215,532	\$ 7,646,403	\$ 62,757	\$ 588,848	\$ 234,517
Customer Services										
Demand	NPCSD	CSA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Customer	NPCSC	SERV	\$ 7,336,312	\$ 5,873,012	\$ 908,141	\$ 160,921	\$ 305,382	\$ 991	\$ 991	\$ 86,874
Total Customer Services			\$ 7,336,312	\$ 5,873,012	\$ 908,141	\$ 160,921	\$ 305,382	\$ 991	\$ 991	\$ 86,874
Meters										
Customer	NPMC	C03	\$ 8,486,104	\$ 7,199,022	\$ 974,033	\$ 138,078	\$ 174,688	\$ -	\$ 283	\$ -
Lighting Systems										
Customer	NPLSC	C04	\$ 739,068	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 739,068
Meter Reading, Billing and Customer Service										
Customer	NPMRBC	C05	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Load Management										
Customer	NPCSC	C06	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	NPT		\$ 97,108,466	\$ 72,824,898	\$ 7,711,456	\$ 1,808,950	\$ 12,450,998	\$ 108,324	\$ 1,016,638	\$ 1,187,202

0.75

JACKSON PURCHASE ENERGY CORPORATION
Cost of Service Study
Class Allocation

12 Months Ended December 31, 2019

Description	Name	Allocation Vector	Total System	R - Residential R	C-1 Small Commercial Single Phase C1	Commercial Three Phase C3	D - Commercial and Industrial Demand < 3,000 kW D	Commercial and Industrial - DIRECT SERVED D	I-E - Large Commercial Existing I-E	OL - Outdoor Lighting OL
Net Cost Rate Base										
Production & Purchase Power										
Demand	RBPPD	PPDA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Energy	RBPPE	PPEA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Purchase Power	RBPPPT		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transmission										
Demand	RBTD	TA1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Station Equipment										
Demand	RBSED	SA1	\$ 16,799,695	\$ 10,718,648	\$ 839,043	\$ 295,843	\$ 4,345,435	\$ 44,791	\$ 428,578	\$ 127,355
Primary Distribution Plant										
Demand	RBDPD	DA1	\$ 23,209,747	\$ 14,695,241	\$ 329,621	\$ 557,845	\$ 6,857,310	\$ 61,831	\$ 591,623	\$ 116,276
Customer	RBDPC	C01	\$ 41,307,009	\$ 34,938,532	\$ 4,727,210	\$ 670,125	\$ 847,801	\$ 1,376	\$ 1,376	\$ 120,590
Total Primary Distribution Plant			\$ 64,516,756	\$ 49,633,773	\$ 5,056,832	\$ 1,227,970	\$ 7,705,110	\$ 63,207	\$ 592,998	\$ 236,866
Customer Services										
Demand	RBCSD	CSA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Customer	RBCSC	SERV	\$ 7,350,493	\$ 5,884,364	\$ 909,896	\$ 161,232	\$ 305,972	\$ 993	\$ 993	\$ 87,042
Total Customer Services			\$ 7,350,493	\$ 5,884,364	\$ 909,896	\$ 161,232	\$ 305,972	\$ 993	\$ 993	\$ 87,042
Meters										
Customer	RBMC	C03	\$ 8,615,410	\$ 7,308,716	\$ 988,875	\$ 140,182	\$ 177,350	\$ -	\$ 288	\$ -
Lighting Systems										
Customer	RBLSC	C04	\$ 746,410	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 746,410
Meter Reading, Billing and Customer Service										
Customer	RBMRBC	C05	\$ 231,474	\$ 195,786	\$ 26,490	\$ 3,755	\$ 4,751	\$ 8	\$ 8	\$ 676
Load Management										
Customer	RBCSC	C06	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	RBT		\$ 98,260,238	\$ 73,741,288	\$ 7,821,136	\$ 1,828,983	\$ 12,538,618	\$ 108,999	\$ 1,022,864	\$ 1,198,349
			1.0000	0.7505	0.0796	0.0186	0.1276	0.0011	0.0104	0.0122

JACKSON PURCHASE ENERGY CORPORATION
Cost of Service Study
Class Allocation

12 Months Ended December 31, 2019

Description	Name	Allocation Vector	Total System	R - Residential R	C-1 Small Commercial Single Phase C1	Commercial Three Phase C3	D - Commercial and Industrial Demand < 3,000 kW D	Commercial and Industrial - DIRECT SERVED D	I-E - Large Commercial Existing I-E	OL - Outdoor Lighting OL
Operation and Maintenance Expenses										
Production & Purchase Power										
Demand	OMPPD	PPDA	\$ 16,693,796	\$ 10,649,011	\$ 833,592	\$ 293,921	\$ 4,317,204	\$ 47,746	\$ 425,794	\$ 126,528
Energy	OMPPE	PPEA	\$ 33,994,973	\$ 20,201,351	\$ 1,825,311	\$ 635,690	\$ 9,926,041	\$ 18,979	\$ 943,399	\$ 444,202
Total Purchase Power	OMPPT		\$ 50,688,769	\$ 30,850,363	\$ 2,658,903	\$ 929,611	\$ 14,243,245	\$ 66,725	\$ 1,369,192	\$ 570,730
Transmission										
Demand	OMTD	TOMA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Station Equipment										
Demand	OMSED	SOMA	\$ 850,700	\$ 542,769	\$ 42,487	\$ 14,981	\$ 220,044	\$ 2,268	\$ 21,702	\$ 6,449
Primary Distribution Plant										
Demand	OMDPD	DOM	\$ 1,690,401	\$ 1,070,277	\$ 24,007	\$ 40,629	\$ 499,428	\$ 4,503	\$ 43,089	\$ 8,469
Customer	OMDPC	C01	\$ 4,953,434	\$ 4,189,742	\$ 566,875	\$ 80,360	\$ 101,666	\$ 165	\$ 165	\$ 14,461
Total Primary Distribution Plant			\$ 6,643,835	\$ 5,260,018	\$ 590,882	\$ 120,988	\$ 601,094	\$ 4,668	\$ 43,254	\$ 22,929
Customer Services										
Demand	OMCSD	SERV	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Customer	OMCSC	SERV	\$ 221,028	\$ 176,942	\$ 27,360	\$ 4,848	\$ 9,201	\$ 30	\$ 30	\$ 2,617
Total Customer Services			\$ 221,028	\$ 176,942	\$ 27,360	\$ 4,848	\$ 9,201	\$ 30	\$ 30	\$ 2,617
Meters										
Customer	OMMC	C03	\$ 1,123,007	\$ 952,681	\$ 128,899	\$ 18,273	\$ 23,117	\$ -	\$ 38	\$ -
Lighting Systems										
Customer	OMLSC	C04	\$ 91,466	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 91,466
Meter Reading, Billing and Customer Service										
Customer	OMMRBC	C05	\$ 1,851,790	\$ 1,566,292	\$ 211,920	\$ 30,042	\$ 38,007	\$ 62	\$ 62	\$ 5,406
Load Management										
Customer	OMCSC	C06	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	OMT		\$ 61,470,596	\$ 39,349,066	\$ 3,660,452	\$ 1,118,743	\$ 15,134,707	\$ 73,753	\$ 1,434,278	\$ 699,597
			1.0000	0.6401	0.0595	0.0182	0.2462	0.0012	0.0233	0.0114

JACKSON PURCHASE ENERGY CORPORATION
Cost of Service Study
Class Allocation

12 Months Ended December 31, 2019

Description	Name	Allocation Vector	Total System	R - Residential R	C-1 Small Commercial Single Phase C1	Commercial Three Phase C3	D - Commercial and Industrial Demand < 3,000 kW D	Commercial and Industrial - DIRECT SERVED D	I-E - Large Commercial Existing I-E	OL - Outdoor Lighting OL
Labor Expenses										
Production & Purchase Power										
Demand	LBPPD	PPDA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Energy	LBPPE	PPEA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Purchase Power	LBPPT		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transmission										
Demand	LBTD	TOMA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Station Equipment										
Demand	LBSED	SOMA	\$ 449,059	\$ 286,511	\$ 22,428	\$ 7,908	\$ 116,154	\$ 1,197	\$ 11,456	\$ 3,404
Primary Distribution Plant										
Demand	LBDPD	DOM	\$ 951,536	\$ 602,465	\$ 13,514	\$ 22,870	\$ 281,131	\$ 2,535	\$ 24,255	\$ 4,767
Customer	LBDPC	C01	\$ 2,773,490	\$ 2,345,889	\$ 317,401	\$ 44,994	\$ 56,924	\$ 92	\$ 92	\$ 8,097
Total Primary Distribution Plant			\$ 3,725,026	\$ 2,948,354	\$ 330,914	\$ 67,865	\$ 338,055	\$ 2,627	\$ 24,347	\$ 12,864
Customer Services										
Demand	LBCSD	SERV	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Customer	LBCSC	SERV	\$ 140,810	\$ 112,724	\$ 17,430	\$ 3,089	\$ 5,861	\$ 19	\$ 19	\$ 1,667
Total Customer Services			\$ 140,810	\$ 112,724	\$ 17,430	\$ 3,089	\$ 5,861	\$ 19	\$ 19	\$ 1,667
Meters										
Customer	LBMC	C03	\$ 738,493	\$ 626,486	\$ 84,764	\$ 12,016	\$ 15,202	\$ -	\$ 25	\$ -
Lighting Systems										
Customer	LBLSC	C04	\$ 60,740	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60,740
Meter Reading, Billing and Customer Service										
Customer	LBMRBC	C05	\$ 1,157,196	\$ 978,787	\$ 132,431	\$ 18,773	\$ 23,751	\$ 39	\$ 39	\$ 3,378
Load Management										
Customer	LBCSC	C06	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	LBT		\$ 6,271,325	\$ 4,952,862	\$ 587,967	\$ 109,650	\$ 499,024	\$ 3,882	\$ 35,885	\$ 82,054
			1.0000	0.7898	0.0938	0.0175	0.0796	0.0006	0.0057	0.0131

JACKSON PURCHASE ENERGY CORPORATION
Cost of Service Study
Class Allocation

12 Months Ended December 31, 2019

Description	Name	Allocation Vector	Total System	R - Residential R	C-1 Small Commercial Single Phase C1	Commercial Three Phase C3	D - Commercial and Industrial Demand < 3,000 kW D	Commercial and Industrial - DIRECT SERVED D	I-E - Large Commercial Existing I-E	OL - Outdoor Lighting OL
Depreciation Expenses										
Production & Purchase Power										
Demand	DPPPD	PPDA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Energy	DPPPE	PPEA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Purchase Power	DPPPT		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transmission										
Demand	DPTD	TA1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Station Equipment										
Demand	DPSER	SA1	\$ 782,961	\$ 499,550	\$ 39,104	\$ 13,788	\$ 202,522	\$ 2,088	\$ 19,974	\$ 5,935
Primary Distribution Plant										
Demand	DPDPD	DA1	\$ 1,509,661	\$ 955,841	\$ 21,440	\$ 36,285	\$ 446,029	\$ 4,022	\$ 38,482	\$ 7,563
Customer	DPDPC	C01	\$ 2,845,618	\$ 2,406,897	\$ 325,655	\$ 46,165	\$ 58,405	\$ 95	\$ 95	\$ 8,307
Total Primary Distribution Plant			\$ 4,355,278	\$ 3,362,738	\$ 347,095	\$ 82,449	\$ 504,433	\$ 4,117	\$ 38,576	\$ 15,870
Customer Services										
Demand	DPCSD	SERV	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Customer	DPCSC	SERV	\$ 412,900	\$ 330,543	\$ 51,112	\$ 9,057	\$ 17,187	\$ 56	\$ 56	\$ 4,889
Total Customer Services			\$ 412,900	\$ 330,543	\$ 51,112	\$ 9,057	\$ 17,187	\$ 56	\$ 56	\$ 4,889
Meters										
Customer	DPMC	C03	\$ 339,877	\$ 288,328	\$ 39,011	\$ 5,530	\$ 6,996	\$ -	\$ 11	\$ -
Lighting Systems										
Customer	DPLSC	C04	\$ 125,635	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 125,635
Meter Reading, Billing and Customer Service										
Customer	DPMRBC	C05	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Load Management										
Customer	DPCSC	C06	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	DPT		\$ 6,016,651	\$ 4,481,159	\$ 476,322	\$ 110,824	\$ 731,139	\$ 6,260	\$ 58,618	\$ 152,330
			1.0000	0.7448	0.0792	0.0184	0.1215	0.0010	0.0097	0.0253

JACKSON PURCHASE ENERGY CORPORATION
Cost of Service Study
Class Allocation

12 Months Ended December 31, 2019

Description	Name	Allocation Vector	Total System	R - Residential	C-1 Small Commercial Single Phase	Commercial Three Phase C3	D - Commercial and Industrial Demand < 3,000 kW	D - Commercial and Industrial DIRECT SERVED	I-E - Large Commercial Existing	OL - Outdoor Lighting
Property Taxes										
Production & Purchase Power										
Demand	PTPPD	PPDA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Energy	PTPPE	PPEA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Purchase Power	PTPPT		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transmission										
Demand	PTTD	TOMA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Station Equipment										
Demand	PTSED	SOMA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Primary Distribution Plant										
Demand	PTDPD	DOM	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Customer	PTDPC	C01	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Primary Distribution Plant			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Customer Services										
Demand	PTCSD	SERV	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Customer	PTCSC	SERV	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Customer Services			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Meters										
Customer	PTMC	C03	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Lighting Systems										
Customer	PTLSC	C04	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Meter Reading, Billing and Customer Service										
Customer	PTMRBC	C05	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Load Management										
Customer	PTCSC	C06	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	PTT		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

JACKSON PURCHASE ENERGY CORPORATION
Cost of Service Study
Class Allocation

12 Months Ended December 31, 2019

Description	Name	Allocation Vector	Total System	R - Residential R	C-1 Small Commercial Single Phase C1	Commercial Three Phase C3	D - Commercial and Industrial Demand < 3,000 kW D	D - Commercial and Industrial DIRECT SERVED D	I-E - Large Commercial Existing I-E	OL - Outdoor Lighting OL
Other Taxes										
Production & Purchase Power										
Demand	OTPPD	PPDA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Energy	OTPPE	PPEA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Purchase Power	OTPPT		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transmission										
Demand	OTTD	TOMA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Station Equipment										
Demand	OTSED	SOMA	\$ 15,539	\$ 9,915	\$ 776	\$ 274	\$ 4,019	\$ 41	\$ 396	\$ 118
Primary Distribution Plant										
Demand	OTDPD	DOM	\$ 21,422	\$ 13,563	\$ 304	\$ 515	\$ 6,329	\$ 57	\$ 546	\$ 107
Customer	OTDPC	C01	\$ 37,904	\$ 32,060	\$ 4,338	\$ 615	\$ 778	\$ 1	\$ 1	\$ 111
Total Primary Distribution Plant			\$ 59,325	\$ 45,623	\$ 4,642	\$ 1,130	\$ 7,107	\$ 58	\$ 547	\$ 218
Customer Services										
Demand	OTCSD	SERV	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Customer	OTCSC	SERV	\$ 6,819	\$ 5,459	\$ 844	\$ 150	\$ 284	\$ 1	\$ 1	\$ 81
Total Customer Services			\$ 6,819	\$ 5,459	\$ 844	\$ 150	\$ 284	\$ 1	\$ 1	\$ 81
Meters										
Customer	OTMC	C03	\$ 7,887	\$ 6,691	\$ 905	\$ 128	\$ 162	\$ -	\$ 0	\$ -
Lighting Systems										
Customer	OTLSC	C04	\$ 687	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 687
Meter Reading, Billing and Customer Service										
Customer	OTMRBC	C05	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Load Management										
Customer	OTCSC	C06	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	OTT		\$ 90,258	\$ 67,688	\$ 7,167	\$ 1,681	\$ 11,573	\$ 101	\$ 945	\$ 1,103
			1.0000	0.7499	0.0794	0.0186	0.1282	0.0011	0.0105	0.0122

JACKSON PURCHASE ENERGY CORPORATION
Cost of Service Study
Class Allocation

12 Months Ended December 31, 2019

Description	Name	Allocation Vector	Total System	R - Residential R	C-1 Small Commercial Single Phase C1	Commercial Three Phase C3	D - Commercial and Industrial Demand < 3,000 kW D	Commercial and Industrial - DIRECT SERVED D	I-E - Large Commercial Existing I-E	OL - Outdoor Lighting OL
Cost of Service Summary – Unadjusted Results										
Operating Revenues										
Total Sales of Electric Energy	REVUC	R01	\$ 68,120,498	\$ 42,264,608	\$ 4,115,924	\$ 1,301,821	\$ 17,166,478	\$ 279,469	\$ 1,579,983	\$ 1,412,215
Other Electric Revenues		RCRev	\$ 1,307,203	\$ 1,191,198	\$ 116,004	\$ -	\$ -	\$ -	\$ -	\$ -
Total Operating Revenues	TOR		\$ 69,427,701	\$ 43,455,807	\$ 4,231,929	\$ 1,301,821	\$ 17,166,478	\$ 279,469	\$ 1,579,983	\$ 1,412,215
Operating Expenses										
Operation and Maintenance Expenses			\$ 61,470,596	\$ 39,349,066	\$ 3,660,452	\$ 1,118,743	\$ 15,134,707	\$ 73,753	\$ 1,434,278	\$ 699,597
Depreciation and Amortization Expenses			6,016,651	4,481,159	476,322	110,824	731,139	6,260	58,618	152,330
Property Taxes		NPT	-	-	-	-	-	-	-	-
Other Taxes			90,258	67,688	7,167	1,681	11,573	101	945	1,103
Total Operating Expenses	TOE		\$ 67,577,505	\$ 43,897,912	\$ 4,143,942	\$ 1,231,248	\$ 15,877,419	\$ 80,113	\$ 1,493,840	\$ 853,031
Utility Operating Margin	TOM		\$ 1,850,196	\$ (442,105)	\$ 87,987	\$ 70,572	\$ 1,289,060	\$ 199,356	\$ 86,143	\$ 559,184
Net Cost Rate Base			\$ 98,260,238	\$ 73,741,288	\$ 7,821,136	\$ 1,828,983	\$ 12,538,618	\$ 108,999	\$ 1,022,864	\$ 1,198,349
Rate of Return			1.88%	-0.60%	1.12%	3.86%	10.28%	182.90%	8.42%	46.66%
Unitized Rate of Return			1.00	(0.32)	0.60	2.05	5.46	97.13	4.47	24.78

JACKSON PURCHASE ENERGY CORPORATION
Cost of Service Study
Class Allocation

12 Months Ended December 31, 2019

Description	Name	Allocation Vector	Total System	R - Residential R	C-1 Small Commercial Single Phase C1	Commercial Three Phase C3	D - Commercial and Industrial Demand < 3,000 kW D	Commercial and Industrial - DIRECT SERVED D	I-E - Large Commercial Existing I-E	OL - Outdoor Lighting OL
Cost of Service Summary -- Adjusted Results										
Operating Revenues										
Total Operating Revenue -- Actual			\$ 69,427,701	\$ 43,455,807	\$ 4,231,929	\$ 1,301,821	\$ 17,166,478	\$ 279,469	\$ 1,579,983	\$ 1,412,215
Pro-Forma Adjustments:										
1 FAC	FAC	Energy	\$ (482,290)	\$ (291,380)	\$ (26,328)	\$ (8,934)	\$ (136,013)	\$ (301)	\$ (12,927)	\$ (6,407)
2 ES	ES	Energy	\$ (4,382,552)	\$ (2,647,760)	\$ (239,241)	\$ (81,183)	\$ (1,235,941)	\$ (2,739)	\$ (117,467)	\$ (58,221)
3 MRSM	MRSM	Energy	\$ 2,519,821	\$ 1,522,374	\$ 137,555	\$ 46,677	\$ 710,625	\$ 1,575	\$ 67,540	\$ 33,475
4 Non-FAC PPA	NFPPA	Energy	\$ (1,083,731)	\$ (654,746)	\$ (59,160)	\$ (20,075)	\$ (305,627)	\$ (677)	\$ (29,048)	\$ (14,397)
5 Normalize Rate Adj			\$ 545,297	\$ 545,297	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6 Year End Customers	YEC		\$ 242,607	\$ (76,071)	\$ 38,256	\$ 17,816	\$ 262,606	\$ -	\$ -	\$ -
Total Pro Forma Adjustments			\$ (2,640,848)	\$ (1,602,287)	\$ (148,917)	\$ (45,698)	\$ (704,351)	\$ (2,143)	\$ (91,902)	\$ (45,550)
Total Pro-Forma Operating Revenue			\$ 66,786,852	\$ 41,853,520	\$ 4,083,012	\$ 1,256,122	\$ 16,462,128	\$ 277,326	\$ 1,488,081	\$ 1,366,665
Operating Expenses										
Total Operating Expenses -- Actual	TOE		\$ 67,577,505	\$ 43,897,912	\$ 4,143,942	\$ 1,231,248	\$ 15,877,419	\$ 80,113	\$ 1,493,840	\$ 853,031
Pro-Forma Adjustments:										
1 FAC	FAC	ES	\$ (553,082)	\$ (334,150)	\$ (30,192)	\$ (10,245)	\$ (155,977)	\$ (346)	\$ (14,824)	\$ (7,348)
2 ES	ES	MRSM	\$ (4,091,656)	\$ (2,472,012)	\$ (223,361)	\$ (75,794)	\$ (1,153,905)	\$ (2,558)	\$ (109,670)	\$ (54,356)
3 MRSM	MRSM	NFPPA	\$ 3,311,788	\$ 2,000,848	\$ 180,788	\$ 61,348	\$ 933,971	\$ 2,070	\$ 88,767	\$ 43,996
4 Non-FAC PPA	NFPPA	RBT	\$ (1,172,567)	\$ (708,417)	\$ (64,010)	\$ (21,721)	\$ (330,680)	\$ (733)	\$ (31,429)	\$ (15,577)
5 Donations, Promo Ads & Dues	RBT		\$ (213,387)	\$ (160,141)	\$ (16,985)	\$ (3,972)	\$ (27,230)	\$ (237)	\$ (2,221)	\$ (2,602)
6 401k Contributions	RBT		\$ (29,017)	\$ (21,777)	\$ (2,310)	\$ (540)	\$ (3,703)	\$ (32)	\$ (302)	\$ (354)
7 Life Insurance	LBT		\$ (7,084)	\$ (5,594)	\$ (664)	\$ (124)	\$ (564)	\$ (4)	\$ (41)	\$ (93)
8 Rate Case Costs	RBT		\$ 58,333	\$ 43,777	\$ 4,643	\$ 1,086	\$ 7,444	\$ 65	\$ 607	\$ 711
9 Interest Expense	RBT		\$ (202,418)	\$ (151,909)	\$ (16,112)	\$ (3,768)	\$ (25,830)	\$ (225)	\$ (2,107)	\$ (2,469)
10 Interest Income	RBT		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11 Year End Customers	YEC		\$ 328,201	\$ (53,112)	\$ 24,901	\$ 12,983	\$ 343,429	\$ -	\$ -	\$ -
12 Wages & Salaries	LBT		\$ 175,682	\$ 138,747	\$ 16,471	\$ 3,072	\$ 13,979	\$ 109	\$ 1,005	\$ 2,299
13 --reserved--	RBT		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
14 Depreciation Normalization	DPT		\$ 140,136	\$ 104,372	\$ 11,094	\$ 2,581	\$ 17,029	\$ 146	\$ 1,365	\$ 3,548
15 Directors Expenses	RBT		\$ (7,278)	\$ (5,462)	\$ (579)	\$ (135)	\$ (929)	\$ (8)	\$ (76)	\$ (89)
16 Health Insurance Premiums	LBT		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17 FEMA Credit	RBT		\$ 726,456	\$ 545,183	\$ 57,823	\$ 13,522	\$ 92,700	\$ 806	\$ 7,562	\$ 8,860
14 Capital Credits	RBT		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15 New HQ	RBT		\$ 850,880	\$ 638,559	\$ 67,727	\$ 15,838	\$ 108,578	\$ 944	\$ 8,857	\$ 10,377
16 Right of Way	RBT		\$ 3,316,327	\$ 2,488,802	\$ 263,967	\$ 61,729	\$ 423,184	\$ 3,679	\$ 34,522	\$ 40,445
Total Pro Forma Adjustments			\$ 2,631,311	\$ 2,047,713	\$ 273,202	\$ 55,859	\$ 241,497	\$ 3,676	\$ (17,984)	\$ 27,348
Total Pro-forma Operating Expenses			\$ 70,208,816	\$ 45,945,625	\$ 4,417,144	\$ 1,287,107	\$ 16,118,916	\$ 83,789	\$ 1,475,857	\$ 880,379
Utility Operating Margin -- Pro-Forma										
			\$ (3,421,963)	\$ (4,092,105)	\$ (334,132)	\$ (30,985)	\$ 343,212	\$ 193,537	\$ 12,224	\$ 486,286
Net Cost Rate Base										
Pro-forma Rate Base Adjustments			\$ 98,260,238	\$ 73,741,288	\$ 7,821,136	\$ 1,828,983	\$ 12,538,618	\$ 108,999	\$ 1,022,864	\$ 1,198,349
Reserved	RBT		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Pro-forma Rate Base			\$ 98,260,238	\$ 73,741,288	\$ 7,821,136	\$ 1,828,983	\$ 12,538,618	\$ 108,999	\$ 1,022,864	\$ 1,198,349
Rate of Return			-3.48%	-5.55%	-4.27%	-1.69%	2.74%	177.56%	1.20%	40.58%
Unitized Rate of Return			1.00	1.59	1.23	0.49	(0.79)	(50.99)	(0.34)	(11.65)

JACKSON PURCHASE ENERGY CORPORATION
Cost of Service Study
Class Allocation

12 Months Ended December 31, 2019

Description	Name	Allocation Vector	Total System	R - Residential R	C-1 Small Commercial Single Phase C1	Commercial Three Phase C3	D - Commercial and Industrial Demand < 3,000 kW D	Commercial and Industrial - DIRECT SERVED D	I-E - Large Commercial Existing I-E	OL - Outdoor Lighting OL
Allocation Factors										
Energy Allocation Factors										
Energy Usage by Class	E01	Energy	1.000000	0.604159	0.054589	0.018524	0.282014	0.000625	0.026803	0.013285
Demand Allocation Factors										
Purchase Power -- Average 12 CP	D01	12CP	1.000000	0.638026	0.049944	0.017610	0.258662	0.002666	0.025511	0.007581
Station Equipment -- Maximum Class Demand	D02	NCP	1.000000	0.595055	0.057804	0.024443	0.269414	0.010568	0.030775	0.011940
Primary Distribution Plant -- Maximum Class Demand	D03	NCP	1.000000	0.595055	0.057804	0.024443	0.269414	0.010568	0.030775	0.011940
Services	SERV		1.000000	0.800540	0.123787	0.021935	0.041626	0.000135	0.000135	0.011842
Misc. Service Revenue	MISCSEV		1.000000	0.800540	0.123787	0.021935	0.041626	0.000135	0.000135	0.011842
Residential & Commercial Rev	RCRev		46,380,532	42,264,608	4,115,924					
Customer Allocation Factors										
Primary Distribution Plant -- Average Number of Customers	C01	Cust01	1.000000	0.845826	0.114441	0.016223	0.020524	0.000033	0.000033	0.002919
Customer Services -- Average Number of Customers	C02	Cust02	1.000000	0.845826	0.114441	0.016223	0.020524	0.000033	0.000033	0.002919
Meter Costs -- Weighted Cost of Meters	C03	Cust05	1.000000	0.848331	0.114780	0.016271	0.020585	-	0.000033	-
Lighting Systems -- Lighting Customers	C04	Cust04	1.000000	-	-	-	-	-	-	1.000000
Meter Reading and Billing -- Weighted Cost	C05	Cust02	1.000000	0.845826	0.114441	0.016223	0.020524	0.000033	0.000033	0.002919
Load Management	C06	Cust06	1.000000	0.845854	0.114445	0.016224	0.020525	-	0.000033	0.002919
Other Allocation Factors										
Rev	R01		68,498,362	42,499,050	4,138,755	1,309,042	17,261,701	281,019	1,588,747	1,420,048
Energy	E01		603,046,223	358,325,499	32,376,820	11,275,679	176,065,127	390,246	16,733,727	7,879,125
Loss Factor				0.050	0.050	0.025	-	-	-	0.0500
Energy Including Losses	Energy		624,313,314	377,184,736	34,080,863	11,564,799	176,065,127	390,246	16,733,727	8,293,816
Customers (Monthly Bills)			360,352	304,795	41,239	5,846	7,396	12	12	1,052
Average Customers (Bills/12)	Cust01		30,029	25,400	3,437	487	616	1	1	88
Average Customers (Lighting = Lights)	Cust02		30,029	25,400	3,437	487	616	1	1	88
Average Customers (Lighting =45 Lights per Cust)	Cust03		30,028	25,400	3,437	487	616	-	1	88
Lighting	Cust04		1.0000	-	-	-	-	-	-	1.0000
Average Customers (Lighting = 0)	Cust05		29,941	25,400	3,437	487	616	-	1	-
Load Management	Cust06		30,028	25,400	3,437	487	616	-	1	88
Winter CP Demands	WCP		1,030,692	645,750	52,244	17,702	273,035	3,765	27,358	10,837
Summer CP Demands	SCP		398,874	266,350	19,154	7,473	96,739	46	9,111	-
12 Month Sum of Coincident Demands	12CP		1,429,566	912,101	71,398	25,175	369,774	3,812	36,470	10,837
Class Maximum Demands	NCP		164,548	97,915	9,511	4,022	44,332	1,739	5,064	1,965
Sum of the Individual Customer Demands	SICD		3,540,248	2,730,543	61,247	49,125	620,183	5,445	52,100	21,605

JACKSON PURCHASE ENERGY CORPORATION
Cost of Service Study
Class Allocation

12 Months Ended December 31, 2019

Description	Name	Allocation Vector	Total System	R - Residential R	C-1 Small Commercial Single Phase C1	Commercial Three Phase C3	D - Commercial and Industrial Demand < 3,000 kW D	D - Commercial and Industrial	I-E - Large Commercial Existing I-E	OL - Outdoor Lighting OL
								DIRECT SERVED D		
Allocation Factors (continued)										
Transmission Residual Demand Allocator	TRDA		1,429,566	912,101	71,398	25,175	369,774	3,812	36,470	10,837
Transmission Plant In Service			\$ -							
Customer Specific Assignment										
Transmission Residual	TRDA		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transmission Total	TA1		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transmission Plant Allocator	T01	TA1	-	-	-	-	-	-	-	-
Transmission Residual Demand Allocator	TOMDA		1,429,566	912,101	71,398	25,175	369,774	3,812	36,470	10,837
Transmission Plant In Service			\$ -							
Customer Specific Assignment			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transmission Residual	TOMDA		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transmission Total	TOMA		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transmission O&M Allocator	T02	TOMA	-	-	-	-	-	-	-	-
Distribution Residual Demand Allocator	DDA		4,312,635	2,730,543	61,247	103,654	1,274,166	11,489	109,930	21,605
Distribution Plant In Service			\$ 39,372,843							
Customer Specific Assignment										
Distribution Residual	DOMDA		\$ 39,372,843	\$ 24,928,898.2	\$ 559,167	\$ 946,324	\$ 11,632,690	\$ 104,890	\$ 1,003,624	\$ 197,250
Distribution Total	DT1		\$ 39,372,843	\$ 24,928,898.2	\$ 559,167	\$ 946,324	\$ 11,632,690	\$ 104,890	\$ 1,003,624	\$ 197,250
Distribution Plant Allocator	DA1	DT1	1.000000	0.63315	0.01420	0.02403	0.29545	0.00266	0.02549	0.00501
Distribution Residual Demand Allocator	DOMDA		4,312,635	2,730,542.70	61,247	103,654	1,274,166	11,489	109,930	21,605
Distribution Plant In Service			\$ 39,372,843							
Customer Specific Assignment										
Distribution Residual	DOMDA		\$ 39,372,843	\$ 24,928,898.2	\$ 559,167	\$ 946,324	\$ 11,632,690	\$ 104,890	\$ 1,003,624	\$ 197,250
Distribution Total	DOMA		\$ 39,372,843	\$ 24,928,898.2	\$ 559,167	\$ 946,324	\$ 11,632,690	\$ 104,890	\$ 1,003,624	\$ 197,250
Distribution O&M Allocator	DOM	DOMA	1.000000	0.63315	0.01420	0.02403	0.29545	0.00266	0.02549	0.00501
Substation Residual Demand Allocator	SDA		1,429,566	912,101	71,398	25,175	369,774	3,812	36,470	10,837
Substation Plant In Service			\$ 20,420,079							
Customer Specific Assignment										
Substation Residual	SDA		\$ 20,420,079	\$ 13,028,549	\$ 1,019,860	\$ 359,598	\$ 5,281,890	\$ 54,444	\$ 520,938	\$ 154,801
Substation Total	ST1		\$ 20,420,079	\$ 13,028,549	\$ 1,019,860	\$ 359,598	\$ 5,281,890	\$ 54,444	\$ 520,938	\$ 154,801
Substation Plant Allocator	SA1	ST1	1.000000	0.63803	0.04994	0.01761	0.25866	0.00267	0.02551	0.00758
Substation Residual Demand Allocator	SOMDA		\$ 1,429,566	912,101	71,398	25,175	369,774	3,812	36,470	10,837
Substation Plant In Service			\$ 20,420,079							
Customer Specific Assignment										
Substation Residual	SOMDA		\$ 20,420,079	\$ 13,028,549	\$ 1,019,860	\$ 359,598	\$ 5,281,890	\$ 54,444	\$ 520,938	\$ 154,801
Substation Total	STOM		\$ 20,420,079	\$ 13,028,549	\$ 1,019,860	\$ 359,598	\$ 5,281,890	\$ 54,444	\$ 520,938	\$ 154,801
Substation O&M Allocator	SOMA	STOM	1.000000	0.63803	0.04994	0.01761	0.25866	0.00267	0.02551	0.00758

JACKSON PURCHASE ENERGY CORPORATION
Cost of Service Study
Class Allocation

12 Months Ended December 31, 2019

Description	Name	Allocation Vector	Total System	R - Residential R	C-1 Small Commercial Single Phase C1	Commercial Three Phase C3	D - Commercial and Industrial Demand < 3,000 kW D	D - Commercial and Industrial	I-E - Large Commercial Existing I-E	OL - Outdoor Lighting OL
								DIRECT SERVED D		
Allocation Factors (continued)										
Customer Services Demand	CSD		4,312,635	2,730,543	61,247	103,654	1,274,166	11,489	109,930	21,605
Customer Services Allocator	CSA	CSD	1.000000	0.63315	0.01420	0.02403	0.29545	0.00266	0.02549	0.00501
Purchased Power Residual Demand Allocator	PPDRA		1,425,755	912,101	71,398	25,175	369,774	-	36,470	10,837
Purchased Power Demand Costs			\$ 16,693,796							
Customer Specific Assignment			\$ 47,746					47,746		
Purchased Power Demand Residual		PPDRA	\$ 16,646,050	\$ 10,649,011	\$ 833,592	\$ 293,921	\$ 4,317,204	\$ -	\$ 425,794	\$ 126,528
Purchased Power Demand Total		PPDT	\$ 16,693,796	\$ 10,649,011	\$ 833,592	\$ 293,921	\$ 4,317,204	\$ 47,746	\$ 425,794	\$ 126,528
Purchased Power Demand Allocator		PPDA	1.000000	0.63790	0.04993	0.01761	0.25861	0.00286	0.02551	0.00758
Purchased Power Residual Energy Allocator	PPERA		602,655,977	358,325,499	32,376,820	11,275,679	176,065,127	-	16,733,727	7,879,125
Purchased Power Energy Costs			\$ 33,994,973							
Customer Specific Assignment			\$ 18,979	-	-			18,979		
Purchased Power Energy Residual		PPERA	\$ 33,975,994	\$ 20,201,351	\$ 1,825,311	\$ 635,690	\$ 9,926,041	\$ -	\$ 943,399	\$ 444,202
Purchased Power Energy Total		PPET	\$ 33,994,973	\$ 20,201,351	\$ 1,825,311	\$ 635,690	\$ 9,926,041	\$ 18,979	\$ 943,399	\$ 444,202
Purchased Power Energy Allocator		PPEA	1.000000	0.59425	0.05369	0.01870	0.29199	0.00056	0.02775	0.01307

JACKSON PURCHASE ENERGY CORPORATION
Cost of Service Study
Class Allocation

12 Months Ended December 31, 2019

Description	Name	Allocation Vector	Total System	R - Residential R	C-1 Small Commercial Single Phase C1	Commercial Three Phase C3	D - Commercial and Industrial Demand < 3,000 kW D	D - Commercial and Industrial DIRECT SERVED D	I-E - Large Commercial Existing I-E	OL - Outdoor Lighting OL
Operating Expenses										
Purchased Power Demand			\$ 16,693,796	\$ 10,649,011	\$ 833,592	\$ 293,921	\$ 4,317,204	\$ 47,746	\$ 425,794	\$ 126,528
Purchased Power Energy			\$ 33,994,973	\$ 20,201,351	\$ 1,825,311	\$ 635,690	\$ 9,926,041	\$ 18,979	\$ 943,399	\$ 444,202
Transmission Demand			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Distribution Demand	0.29		\$ 4,870,684	\$ 3,091,914	\$ 128,119	\$ 106,471	\$ 1,378,371	\$ 12,979	\$ 124,189	\$ 28,641
Distribution Customer	0.71		\$ 12,018,052	\$ 9,955,635	\$ 1,356,920	\$ 195,167	\$ 255,803	\$ 409	\$ 458	\$ 253,660
Total			\$ 67,577,505	\$ 43,897,912	\$ 4,143,942	\$ 1,231,248	\$ 15,877,419	\$ 80,113	\$ 1,493,840	\$ 853,031
Pro-Forma Operating Expenses										
Purchased Power Demand			\$ 16,693,796	\$ 10,649,011	\$ 833,592	\$ 293,921	\$ 4,317,204	\$ 47,746	\$ 425,794	\$ 126,528
Purchased Power Energy			\$ 31,817,656	\$ 18,634,507	\$ 1,713,438	\$ 602,260	\$ 9,562,878	\$ 17,413	\$ 876,243	\$ 410,917
Transmission Demand			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Distribution Demand			\$ 8,617,389	\$ 5,905,382	\$ 427,013	\$ 176,148	\$ 1,853,892	\$ 17,109	\$ 162,937	\$ 74,908
Distribution Customer			\$ 13,079,975	\$ 10,756,724	\$ 1,443,101	\$ 214,778	\$ 384,942	\$ 1,521	\$ 10,884	\$ 268,026
Total			\$ 70,208,816	\$ 45,945,625	\$ 4,417,144	\$ 1,287,107	\$ 16,118,916	\$ 83,789	\$ 1,475,857	\$ 880,379
		PPA exp	\$ 2,631,311							
		Check	\$ -							
Rate Base										
Production & Purchased Power Demand			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Production & Purchased Power Energy			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transmission Demand			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Distribution Demand			\$ 40,009,442	\$ 25,413,889	\$ 1,168,664	\$ 853,688	\$ 11,202,745	\$ 106,622	\$ 1,020,201	\$ 243,631
Distribution Customer			\$ 58,250,796	\$ 48,327,399	\$ 6,652,472	\$ 975,294	\$ 1,335,873	\$ 2,376	\$ 2,664	\$ 954,718
Total			\$ 98,260,238	\$ 73,741,288	\$ 7,821,136	\$ 1,828,983	\$ 12,538,618	\$ 108,999	\$ 1,022,864	\$ 1,198,349
Revenue Requirement Calculated at a Rate of Return of 3.95%										
Production & Purchased Power Demand			\$ 16,693,796	\$ 10,649,011	\$ 833,592	\$ 293,921	\$ 4,317,204	\$ 47,746	\$ 425,794	\$ 126,528
Production & Purchased Power Energy			\$ 31,817,656	\$ 18,634,507	\$ 1,713,438	\$ 602,260	\$ 9,562,878	\$ 17,413	\$ 876,243	\$ 410,917
Transmission Demand			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Distribution Demand			\$ 10,198,282	\$ 6,909,561	\$ 473,190	\$ 209,880	\$ 2,296,546	\$ 21,322	\$ 203,248	\$ 84,535
Distribution Customer			\$ 15,381,639	\$ 12,666,285	\$ 1,705,960	\$ 253,315	\$ 437,726	\$ 1,615	\$ 10,989	\$ 305,750
Total			\$ 74,091,373	\$ 48,859,365	\$ 4,726,180	\$ 1,359,376	\$ 16,614,354	\$ 88,096	\$ 1,516,273	\$ 927,730
		\$ 74,091,373	< target							
		\$ -	< diff							

JACKSON PURCHASE ENERGY CORPORATION
Cost of Service Study
Class Allocation

12 Months Ended December 31, 2019

Description	Name	Allocation Vector	Total System	R - Residential R	C-1 Small Commercial Single Phase C1	Commercial Three Phase C3	D - Commercial and Industrial Demand < 3,000 kW D	D - Commercial and Industrial	I-E - Large Commercial Existing I-E	OL - Outdoor Lighting OL
								DIRECT SERVED D		
Operating Expenses-Unit Costs										
Production & Purchased Power Demand (per KWH or KW)				0.02972	0.02575	0.02607	6.96	8.77	8.17	
Purchased Power Energy (per KWH)			0.05200	0.05292	0.05341	0.05431	0.04462	0.05236		
Transmission Demand (per KWH or KW)			-	-	-	-	-	-	-	
Distribution Demand (per KWH or KW)			0.01648	0.01319	0.01562	2.99	3.14	3.13		
Distribution Customer (per Customer)			35.29	34.99	36.74	52.05	126.79	906.98		
Rate Base-Unit Costs										
Production & Purchased Power Demand (per KWH or KW)			-	-	-	-	-	-	-	
Purchased Power Energy (per KWH)			-	-	-	-	-	-	-	
Transmission Demand (per KWH or KW)			-	-	-	-	-	-	-	
Distribution Demand (per KWH or KW)			0.07092	0.03610	0.07571	18.06	19.58	19.58		
Distribution Customer (per Customer)			158.56	161.32	166.83	180.62	198.01	221.99		

JACKSON PURCHASE ENERGY CORPORATION
Cost of Service Study
Class Allocation

12 Months Ended December 31, 2019

Description	Name	Allocation Vector	Total System	R - Residential R	C-1 Small Commercial Single Phase C1	Commercial Three Phase C3	C-3 Small Demand < 3,000 kW D	D - Commercial and Industrial and Industrial - DIRECT SERVED D	I-E - Large Commercial Existing I-E	OL - Outdoor Lighting OL
Unit Revenue Requirement @ Current Class Revenues	Various			-5.55%	-4.27%	-1.69%	2.74%	177.56%	1.20%	
Production & Purchased Power										
Production & Purchased Power Demand (Per KWH or KW)				0.029719	0.025747	0.026067	6.96	8.77	8.17	
Production & Purchased Power Demand Margin (Per KWH or KW)				-	-	-	-	-	-	
Production & Purchased Power Energy (Per KWH)				0.052004	0.052922	0.053412	0.054314	0.044619	0.052364	
Production & Purchased Power Energy Margin (Per KWH)				-	-	-	-	-	-	
Transmission Demand										
Transmission Demand (Per KWH or KW)				-	-	-	-	-	-	
Transmission Demand Margin (Per KWH or KW)				-	-	-	-	-	-	
Total Transmission Demand (Per KWH or KW)				-	-	-	-	-	-	
Distribution Demand										
Distribution Demand (Per KWH or KW)				0.016480	0.013189	0.015622	2.99	3.14	3.13	
Distribution Demand Margin (Per KWH or KW)				(0.003936)	(0.001542)	(0.001283)	0.49	34.77	0.23	
Total Distribution Demand (Per KWH or KW)				0.012545	0.011647	0.014339	3.48	37.91	3.36	
Distribution Customer										
Distribution Customer (Per Customer Per Month)				35.29	34.99	36.74	52.05	126.79	906.98	
Distribution Customer Margin (Per Customer Per Month)				(8.80)	(6.89)	(2.83)	4.94	351.59	2.65	
Total Distribution Customer (Per Customer Per Month)				26.49	28.10	33.91	56.99	478.38	909.63	

JACKSON PURCHASE ENERGY CORPORATION
Cost of Service Study
Class Allocation

12 Months Ended December 31, 2019

Description	Name	Allocation Vector	Total System	R - Residential R	C-1 Small Commercial Single Phase C1	Commercial Three Phase C3	D - Commercial and Industrial Demand < 3,000 kW D	D - Commercial and Industrial - DIRECT SERVED D	I-E - Large Commercial Existing I-E	OL - Outdoor Lighting OL
Unit Revenue Requirement @ Total System Rate of Return				-3.48%	-3.48%	-3.48%	-3.48%	-3.48%	-3.48%	
Production & Purchased Power										
Production & Purchased Power Demand (Per KWH or KW)				0.029719	0.025747	0.026067	6.96	8.77	8.17	
Production & Purchased Power Demand Margin (Per KWH or KW)				-	-	-	-	-	-	
Production & Purchased Power Energy (Per KWH)				0.052004	0.052922	0.053412	0.054314	0.044619	0.052364	
Production & Purchased Power Energy Margin (Per KWH)				-	-	-	-	-	-	
Transmission Demand										
Transmission Demand (Per KWH or KW)				-	-	-	-	-	-	
Transmission Demand Margin (Per KWH or KW)				-	-	-	-	-	-	
Total Transmission Demand (Per KWH or KW)				-	-	-	-	-	-	
Distribution Demand										
Distribution Demand (Per KWH or KW)				0.016480	0.013189	0.015622	2.99	3.14	3.13	
Distribution Demand Margin (Per KWH or KW)				(0.002470)	(0.001257)	(0.002637)	(0.63)	(0.68)	(0.68)	
Total Distribution Demand (Per KWH or KW)				0.014011	0.011932	0.012985	2.36	2.46	2.45	
Distribution Customer										
Distribution Customer (Per Customer Per Month)				35.29	34.99	36.74	52.05	126.79	906.98	
Distribution Customer Margin (Per Customer Per Month)				(5.52)	(5.62)	(5.81)	(6.29)	(6.90)	(7.73)	
Total Distribution Customer (Per Customer Per Month)				29.77	29.38	30.93	45.76	119.89	899.25	

JACKSON PURCHASE ENERGY CORPORATION
Cost of Service Study
Class Allocation

12 Months Ended December 31, 2019

Description	Name	Allocation Vector	Total System	R - Residential R	C-1 Small Commercial Single Phase C1	Commercial Three Phase C3	D - Commercial and Industrial Demand < 3,000 kW D	D - Commercial and Industrial DIRECT SERVED D	I-E - Large Commercial Existing I-E	OL - Outdoor Lighting OL
Unit Revenue Requirement @ Specified Rate of Return	3.95%			3.95%	3.95%	3.95%	3.95%	3.95%	3.95%	
Production & Purchased Power										
Production & Purchased Power Demand (Per KWH or KW)				0.029719	0.025747	0.026067	6.96	8.77	8.17	
Production & Purchased Power Demand Margin (Per KWH or KW)				-	-	-	-	-	-	
Production & Purchased Power Energy (Per KWH)				0.052004	0.052922	0.053412	0.054314	0.044619	0.052364	
Production & Purchased Power Energy Margin (Per KWH)				-	-	-	-	-	-	
Transmission Demand										
Transmission Demand (Per KWH or KW)				-	-	-	-	-	-	
Transmission Demand Margin (Per KWH or KW)				-	-	-	-	-	-	
Total Transmission Demand (Per KWH or KW)				-	-	-	-	-	-	
Distribution Demand										
Distribution Demand (Per KWH or KW)				0.016480	0.013189	0.015622	2.99	3.14	3.13	
Distribution Demand Margin (Per KWH or KW)				0.002802	0.001426	0.002992	0.71	0.77	0.77	
Total Distribution Demand (Per KWH or KW)				0.019283	0.014615	0.018613	3.70	3.92	3.90	
Distribution Customer										
Distribution Customer (Per Customer Per Month)				35.29	34.99	36.74	52.05	126.79	906.98	
Distribution Customer Margin (Per Customer Per Month)				6.27	6.37	6.59	7.14	7.82	8.77	
Total Distribution Customer (Per Customer Per Month)				41.56	41.37	43.33	59.18	134.61	915.75	

JACKSON PURCHASE ENERGY CORPORATION
Cost of Service Study
Class Allocation

12 Months Ended December 31, 2019

Description	Name	Allocation Vector	Total System	R - Residential R	C-1 Small Commercial Single Phase C1	Commercial Three Phase C3	D - Commercial and Industrial Demand < 3,000 kW D	D - Commercial and Industrial -	I-E - Large Commercial Existing I-E	OL - Outdoor Lighting OL
								DIRECT SERVED D		
Summary of Cost-Based Charges										
At Current Class Rate of Return			1.88%	-5.55%	-4.27%	-1.69%	2.74%	177.56%	1.20%	
Customer Charge (\$/month)				26.49	28.10	33.91	56.99	478.38	909.63	
Energy Charge (\$/kWh)			0.094268	0.090315	0.093818	0.054314	0.044619	0.052364	0.052364	
Demand Charge (\$/kW)			-	-	-	10.44	46.68	11.53		
At Current Total System Rate of Return			-3.48%	-3.48%	-3.48%	-3.48%	-3.48%	-3.48%	-3.48%	
Customer Charge (\$/month)				29.77	29.38	30.93	45.76	119.89	899.25	
Energy Charge (\$/kWh)			0.095734	0.090600	0.092464	0.054314	0.044619	0.052364	0.052364	
Demand Charge (\$/kW)			-	-	-	9.32	11.23	10.62		
At Specified Total System Rate of Return			3.95%	3.95%	3.95%	3.95%	3.95%	3.95%	3.95%	
Customer Charge (\$/month)				41.56	41.37	43.33	59.18	134.61	915.75	
Energy Charge (\$/kWh)			0.101006	0.093283	0.098093	0.054314	0.044619	0.052364	0.052364	
Demand Charge (\$/kW)			-	-	-	10.66	12.68	12.07		

EXHIBIT JW-6

**SUMMARY OF BILLING
DETERMINANTS AND
DEMAND ANALYSIS**

JACKSON ENERGY COOPERATIVE

Summary of Billing Determinants and Demand Analysis

Rate Class	Code	Average Customers	kWh	Revenue	12 - Month Individual Customer Demand	Sum of Individual Customer Max Demand	Class Demand During Peak Month	Sum of Coincident Demands	Summer Coincident Demands	Winter Coincident Demands
R - Residential	R	25,400	358,325,499	\$ 42,499,050	2,730,543	284,888	97,915	912,101	266,350	645,750
C-1 Small Commercial Single Phase	C1	3,437	32,376,820	\$ 4,138,755	61,247	17,172	9,511	71,398	19,154	52,244
C-3 Small Commercial Three Phase	C3	487	11,275,679	\$ 1,309,042	49,125	5,050	4,022	25,175	7,473	17,702
D - Commercial and Industrial Demand < 3,000 kW	D	616	176,065,127	\$ 17,261,701	620,183	55,490	44,332	369,774	96,739	273,035
D - Commercial and Industrial - DIRECT SERVED	D	1	390,246	\$ 281,019	5,445	1,739	1,739	3,812	46	3,765
I-E - Large Commercial Existing	I-E	1	16,733,727	\$ 1,588,747	52,100	5,064	5,064	36,470	9,111	27,358
OL - Outdoor Lighting	OL	88	7,879,125	\$ 1,420,048	21,605	1,965	1,965	10,837	-	10,837
Total		30,029	603,046,223	\$ 68,498,362	3,540,248	371,368	164,548	1,429,566	398,874	1,030,692

JACKSON ENERGY COOPERATIVE

Summary of Billing Determinants and Demand Analysis

Rate Class	Code	Rate Class	Average Customers	kWh	Revenue	% KWH	% Revenue
R - Residential	R	R - Residential	25,400	358,325,499	\$ 42,499,050	59.42%	62.04%
C-1 Small Commercial Single Phase	C1	C-1 Small Commercial Si	3,437	32,376,820	\$ 4,138,755	5.37%	6.04%
C-3 Small Commercial Three Phase	C3	C-3 Small Commercial TI	487	11,275,679	\$ 1,309,042	1.87%	1.91%
D - Commercial and Industrial Demand < 3,000 kW	D	D - Commercial and Indu	616	176,065,127	\$ 17,261,701	29.20%	25.20%
D - Commercial and Industrial - DIRECT SERVED	D	D - Commercial and Indu	1	390,246	\$ 281,019	0.06%	0.41%
I-E - Large Commercial Existing	I-E	I-E - Large Commercial E	1	16,733,727	\$ 1,588,747	2.77%	2.32%
OL - Outdoor Lighting	OL	OL - Outdoor Lighting	88	7,879,125	\$ 1,420,048	1.31%	2.07%
Total		Total	30,029	603,046,223	\$ 68,498,362	100.00%	100.00%
		Total w/o OL	29,942				

JACKSON ENERGY COOPERATIVE
Summary of Billing Determinants and Demand Analysis

<u>Rate Schedule</u>	<u>Code</u>	<u>Jan 2019</u>	<u>Feb 2019</u>	<u>Mar 2019</u>	<u>Apr 2019</u>	<u>May 2019</u>	<u>Jun 2019</u>	<u>Jul 2019</u>	<u>Aug 2019</u>	<u>Sep 2019</u>
R - Residential	R	25,428	25,436	25,423	25,409	25,378	25,398	25,422	25,401	25,381
Kwh's		34,687,089	34,460,112	28,588,348	24,272,536	20,087,262	26,839,067	33,368,379	36,492,170	35,918,086
Average Demand		46,622	51,279.93	38,425	33,712	26,999	37,276.48	44,849.97	49,049	49,886
Diversified Load Factor		51.75%	68.82%	44.76%	56.17%	31.79%	40.32%	47.28%	50.09%	52.07%
Non-Coincident Demand		90,090	74,509	85,848	60,013	84,922	92,452	94,868	97,915	95,807
Coincidence Factor		90.00%	90.00%	85.00%	80.00%	85.00%	90.00%	95.00%	95.00%	90.00%
Coincident Demand		81,081	67,058	72,971	48,011	72,184	83,207	90,124	93,019	86,226
Individual Customer Load Factor		18.00%	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%
Sum of Individual Customer Demands		259,014	284,888	213,473	187,288	149,994	207,092	249,167	272,492	277,146
C-1 Small Commercial Single Phase	C1	3,437	3,426	3,416	3,429	3,437	3,430	3,420	3,437	3,433
Kwh's		2,938,461	2,884,840	2,371,375	2,194,039	2,164,345	2,535,317	2,965,674	3,121,035	3,135,583
Average Demand		3,950	4,292.92	3,187	3,047	2,909	3,521.27	3,986.12	4,195	4,355
Diversified Load Factor		50.53%	68.82%	44.76%	56.17%	31.79%	40.32%	47.28%	50.09%	52.07%
Non-Coincident Demand		7,816	6,238	7,121	5,425	9,150	8,733	8,432	8,374	8,364
Coincidence Factor		75.00%	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%
Coincident Demand		5,862	4,678	5,341	4,069	6,863	6,550	6,324	6,281	6,273
Individual Customer Load Factor		23.00%	23.00%	23.00%	23.00%	23.00%	23.00%	23.00%	23.00%	23.00%
Sum of Individual Customer Demands		17,172	3,592	4,071	4,182	4,114	4,615	4,315	4,035	3,944
C-3 Small Commercial Three Phase	C3	485	483	484	485	483	483	486	489	491
Kwh's		864,105	844,599	760,149	784,612	951,348	931,706	1,174,594	1,272,637	1,108,410
Average Demand		1,161	1,256.84	1,022	1,090	1,279	1,294.04	1,578.76	1,711	1,539
Diversified Load Factor		50.53%	68.82%	44.76%	56.17%	31.79%	40.32%	47.28%	50.09%	52.07%
Non-Coincident Demand		2,298	1,826	2,283	1,940	4,022	3,209	3,339	3,415	2,957
Coincidence Factor		75.00%	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%
Coincident Demand		1,724	1,370	1,712	1,455	3,016	2,407	2,505	2,561	2,217
Individual Customer Load Factor		23.00%	23.00%	23.00%	23.00%	23.00%	23.00%	23.00%	23.00%	23.00%
Sum of Individual Customer Demands		5,050	3,592	4,071	4,182	4,114	4,615	4,315	4,035	3,944

JACKSON ENERGY COOPERATIVE
Summary of Billing Determinants and Demand Analysis

<u>Rate Schedule</u>	<u>Code</u>	<u>Oct 2019</u>	<u>Nov 2019</u>	<u>Dec 2019</u>	<u>Total</u>	<u>SIC Max Demand</u>	<u>Class Demand During Peak Month</u>	<u>Sum of Coin Demand</u>	<u>Summer Coin Demand</u>	<u>Winter Coin Demand</u>
R - Residential	R	25,380	25,386	25,353	304,795					
Kwh's		30,105,836	22,669,057	30,837,557	358,325,499					
Average Demand		40,465	31,485	41,448	40,905					
Diversified Load Factor		43.21%	35.64%	51.85%						
Non-Coincident Demand		93,639	88,352	79,936	1,038,350		97,915			
Coincidence Factor		85.00%	80.00%	85.00%						
Coincident Demand		79,593	70,681	67,946	912,101			912,101	266,350	645,750
Individual Customer Load Factor		18.00%	18.00%	18.00%						
Sum of Individual Customer Demands		224,805	174,916	230,268	2,730,543	284,888				
C-1 Small Commercial Single Phase	C1	3,443	3,461	3,470	41,239					
Kwh's		2,800,578	2,440,433	2,825,140	32,376,820					
Average Demand		3,764	3,389	3,797	3,696					
Diversified Load Factor		43.21%	35.64%	51.85%						
Non-Coincident Demand		8,711	9,511	7,323	95,198		9,511			
Coincidence Factor		75.00%	75.00%	75.00%						
Coincident Demand		6,533	7,134	5,492	71,398			71,398	19,154	52,244
Individual Customer Load Factor		23.00%	23.00%	23.00%						
Sum of Individual Customer Demands		3,890	3,650	3,668	61,247	17,172				
C-3 Small Commercial Three Phase	C3	491	492	494	5,846					
Kwh's		898,981	853,688	830,850	11,275,679					
Average Demand		1,208	1,186	1,117	1,287					
Diversified Load Factor		43.21%	35.64%	51.85%						
Non-Coincident Demand		2,796	3,327	2,154	33,566		4,022			
Coincidence Factor		75.00%	75.00%	75.00%						
Coincident Demand		2,097	2,495	1,615	25,175			25,175	7,473	17,702
Individual Customer Load Factor		23.00%	23.00%	23.00%						
Sum of Individual Customer Demands		3,890	3,650	3,668	49,125	5,050				

JACKSON ENERGY COOPERATIVE
Summary of Billing Determinants and Demand Analysis

<u>Rate Schedule</u>	<u>Code</u>	<u>Jan 2019</u>	<u>Feb 2019</u>	<u>Mar 2019</u>	<u>Apr 2019</u>	<u>May 2019</u>	<u>Jun 2019</u>	<u>Jul 2019</u>	<u>Aug 2019</u>	<u>Sep 2019</u>
D - Commercial and Industrial Demand < 3,000 kW	D	614	614	613	611	610	611	608	610	613
Kwh's		15,078,753	13,505,658	13,399,399	12,839,085	14,794,836	14,144,618	16,739,225	16,633,070	15,872,509
Average Demand		20,267	20,097.71	18,010	17,832	19,886	19,645.30	22,498.96	22,356	22,045
Diversified Load Factor		51.05%	52.09%	47.13%	46.33%	48.57%	47.51%	51.75%	50.62%	49.73%
Non-Coincident Demand		39,702	38,580	38,216	38,486	40,946	41,347	43,474	44,164	44,332
Coincidence Factor		75.00%	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%
Coincident Demand		29,776	28,935	28,662	28,865	30,710	31,011	32,606	33,123	33,249
Individual Customer Load Factor		41.05%	42.09%	37.13%	36.33%	38.57%	37.51%	41.75%	40.62%	39.73%
Sum of Individual Customer Demands		49,374	47,745	48,510	49,079	51,563	52,370	53,886	55,036	55,490
D - Commercial and Industrial - DIRECT SERVED	D	1	1	1	1	1	1	1	1	1
Kwh's		14,381	10,117	7,480	1,917	4,881	10,064	11,812	11,703	11,485
Average Demand		19	15.06	10	3	7	13.98	15.88	16	16
Diversified Load Factor		44.95%	31.62%	45.70%	11.71%	29.82%	61.49%	72.17%	71.50%	0.90%
Non-Coincident Demand		43	43	22	22	22	22	22	22	1,717
Coincidence Factor		70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%
Coincident Demand		30	30	15	15	15	15	15	15	1,202
Individual Customer Load Factor		44.95%	32%	46%	12%	30%	61%	72%	71%	1%
Sum of Individual Customer Demands		43	43	22	22	22	22	22	22	1,717
I-E - Large Commercial Existing	I-E	1	1	1	1	1	1	1	1	1
Kwh's		838,360	1,329,665	1,557,983	1,628,584	1,445,737	1,356,357	1,381,036	1,443,549	1,427,489
Average Demand		1,127	1,978.67	2,094	2,262	1,943	1,883.83	1,856.23	1,940	1,983
Diversified Load Factor		54.27%	39.26%	43.67%	44.67%	44.42%	43.93%	43.43%	43.56%	44.94%
Non-Coincident Demand		2,076	5,040	4,795	5,064	4,375	4,288	4,274	4,454	4,412
Coincidence Factor		70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%
Coincident Demand		1,453	3,528	3,357	3,545	3,062	3,002	2,992	3,118	3,088
Individual Customer Load Factor		54.27%	39.26%	43.67%	44.67%	44.42%	43.93%	43.43%	43.56%	44.94%
Sum of Individual Customer Demands		2,076	5,040	4,795	5,064	4,375	4,288	4,274	4,454	4,412
OL - Outdoor Lighting	OL	89	89	89	88	88	87	85	84	86
Kwh's		664,474	660,157	658,952	658,350	657,079	657,151	660,146	654,252	653,143
Average Demand		893	982.38	886	914	883	912.71	887.29	879	907
Diversified Load Factor		50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
Non-Coincident Demand		1,786	1,965	1,771	1,829	1,766	1,825	1,775	1,759	1,814
Coincidence Factor		100.00%	100.00%	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Coincident Demand		1,786	1,965	1,771	-	-	-	-	-	-
Individual Customer Load Factor		50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
Sum of Individual Customer Demands		1,786	1,965	1,771	1,829	1,766	1,825	1,775	1,759	1,814
Metered CP, All but Direct Serve		121,713	107,564	113,829	85,959	115,850	126,192	134,565	138,117	132,255
Calculated CP All but Direct Serve		121,713	107,564	113,829	85,959	115,850	126,192	134,565	138,117	132,255
Difference		(0)	(0)	0	(0)	0	0	(0)	0	(0)

JACKSON ENERGY COOPERATIVE

Summary of Billing Determinants and Demand Analysis

<u>Rate Schedule</u>	<u>Code</u>	<u>Oct 2019</u>	<u>Nov 2019</u>	<u>Dec 2019</u>	<u>Total</u>	<u>SIC Max Demand</u>	<u>Class Demand During Peak Month</u>	<u>Sum of Coin Demand</u>	<u>Summer Coin Demand</u>	<u>Winter Coin Demand</u>
D - Commercial and Industrial Demand < 3,000 kW	D	630	631	631	7,396					
Kwh's		14,271,000	13,896,578	14,890,396	176,065,127					
Average Demand		19,181	19,301	20,014	20,099					
Diversified Load Factor		44.57%	47.37%	50.03%						
Non-Coincident Demand		43,038	40,744	40,003	493,032		44,332			
Coincidence Factor		75.00%	75.00%	75.00%						
Coincident Demand		32,278	30,558	30,002	369,774			369,774	96,739	273,035
Individual Customer Load Factor		34.57%	37.37%	40.03%						
Sum of Individual Customer Demands		55,488	51,646	49,996	620,183	55,490				
D - Commercial and Industrial - DIRECT SERVED	D	1	1	1	12					
Kwh's		192,312	11,157	102,937	390,246					
Average Demand		258	15	138	45					
Diversified Load Factor		807.76%	0.86%	7.96%						
Non-Coincident Demand		32	1,739	1,739	5,445		1,739			
Coincidence Factor		70.00%	70.00%	70.00%						
Coincident Demand		22	1,217	1,217	3,812			3,812	46	3,765
Individual Customer Load Factor		808%	1%	8%						
Sum of Individual Customer Demands		32	1,739	1,739	5,445	1,739				
I-E - Large Commercial Existing	I-E	1	1	1	12					
Kwh's		1,500,200	1,367,010	1,457,757	16,733,727					
Average Demand		2,016	1,899	1,959	1,910					
Diversified Load Factor		44.97%	44.16%	43.18%						
Non-Coincident Demand		4,484	4,300	4,537	52,100		5,064			
Coincidence Factor		70.00%	70.00%	70.00%						
Coincident Demand		3,139	3,010	3,176	36,470			36,470	9,111	27,358
Individual Customer Load Factor		44.97%	44.16%	43.18%						
Sum of Individual Customer Demands		4,484	4,300	4,537	52,100	5,064				
OL - Outdoor Lighting	OL	88	89	90	1,052					
Kwh's		652,976	651,806	650,639	7,879,125					
Average Demand		878	905	875	899					
Diversified Load Factor		50.00%	50.00%	50.00%						
Non-Coincident Demand		1,755	1,811	1,749	21,605		1,965			
Coincidence Factor		100.00%	100.00%	100.00%						
Coincident Demand		1,755	1,811	1,749	10,837			10,837	-	10,837
Individual Customer Load Factor		50.00%	50.00%	50.00%						
Sum of Individual Customer Demands		1,755	1,811	1,749	21,605	1,965				
Metered CP, All but Direct Serve		125,418	116,906	111,198	1,429,566					
Calculated CP All but Direct Serve		125,418	116,906	111,198	1,429,566	100%				
Difference		(0)	(0)	(0)	(0)					

EXHIBIT JW-7
PURCHASED POWER

JACKSON PURCHASE ENERGY CORPORATION
Meter Costs

#	Rate	Rate Code	Installed Meters	Avg Meter Cost	Total Cost	Allocation Factor
1	R - Residential	R	25,400	\$ 250	\$ 6,349,896	57.83%
2	C-1 Small Commercial Single Phase	C1	3,437	\$ 550	\$ 1,890,121	17.21%
3	C-3 Small Commercial Three Phase	C3	487	\$ 1,380	\$ 672,290	6.12%
4	D - Commercial and Industrial Deman	D	616	\$ 2,600	\$ 1,602,467	14.59%
5	D - Commercial and Industrial - DIREI	D	1	\$ 5,200	\$ 5,200	0.05%
6	I-E - Large Commercial Existing	I-E	1	\$ 5,200	\$ 5,200	0.05%
7	OL - Outdoor Lighting	OL	88	\$ 5,200	\$ 455,867	4.15%
8	Total		30,029	\$ 365.68	\$ 10,981,040	100.00%

JACKSON PURCHASE ENERGY CORPORATION
Service Costs

#	Rate	Rate Code	Average Number of Services	Average Service Cost	Total Cost	Allocation Factor
1	R - Residential	R	25,400	\$ 3,500	\$ 88,898,542	80.05%
2	C-1 Small Commercial Single Phase	C1	3,437	\$ 4,000	\$ 13,746,333	12.38%
3	C-3 Small Commercial Three Phase	C3	487	\$ 5,000	\$ 2,435,833	2.19%
4	D - Commercial and Industrial Demand	D	616	\$ 7,500	\$ 4,622,500	4.16%
5	D - Commercial and Industrial - DIRECT	D	1	\$ 15,000	\$ 15,000	0.01%
6	I-E - Large Commercial Existing	I-E	1	\$ 15,000	\$ 15,000	0.01%
7	OL - Outdoor Lighting	OL	88	\$ 15,000	\$ 1,315,000	1.18%
8	Total		30,029	\$ 3,697.99	\$ 111,048,208	100.00%

EXHIBIT JW-8
ZERO INTERCEPT AND
MINIMUM SYSTEM
ANALYSES

JACKSON PURCHASE ENERGY CORPORATION
Zero Intercept & Minimum System Analyses

Account 365 - Overhead Conductors and Devices

Description	Size	Cost	Quantity	Actual	Linear Regression Inputs		
				Unit Cost (\$ per Unit)	y*n^0.5	n^0.5	xn^0.5
#2/0 OH ACSR	133.07	\$ 8,609.29	72,497	0.12	31.97	269.25	35,829.45
#4 ACSR OH	41.74	430,016.31	3,103,726	0.14	244.09	1,761.74	73,535.01
#2 ACSR OH	66.37	5,314,670.17	10,757,838	0.49	1,620.37	3,279.91	217,687.91
#1/0 ACSR OH	105.53	1,070,252.91	3,828,541	0.28	546.98	1,956.67	206,486.94
#3/0 ACSR OH	167.80	560,690.29	2,608,204	0.21	347.18	1,614.99	270,995.91
#4/0 ACSR OH	211.59	351,784.77	878,761	0.40	375.27	937.42	198,351.11
#336.4 AAAC & 336 LINNETT OH	336.40	1,973,906.83	4,814,801	0.41	899.58	2,194.27	738,150.91
#397.5 AAAC OH	397.50	22,645.84	36,404	0.62	118.69	190.80	75,842.33
#652.4 MCM OH	652.40	61,226.09	51,559	1.19	269.64	227.07	148,137.90
#2, #4, #6 Stranded OH Bare Copper	26.25	149,915.14	44,970	3.33	706.94	212.06	5,566.61
CWC OH	26.25	79,907.89	1,605,741	0.44	557.56	1,267.18	33,263.43
#4 TPX OH Secondary	41.74	17,766.76	89,364	0.42	125.55	298.94	12,477.68
#6 DPX OH Secondary	26.25	160,656.78	200,672	0.27	120.95	447.96	11,759.06
#2 TPX OH Secondary	67.37	867,590.02	361,315	0.57	342.62	601.09	40,495.76
#1/0 TPX OH Secondary	105.53	1,792,775.44	800,607	0.87	778.45	894.77	94,424.70
#2/0 TPX OH Secondary	133.07	35,225.56	17,755	1.10	146.57	133.25	17,731.30
#3/0 TPX OH Secondary	167.80	7,802.88	3,599	1.32	79.19	59.99	10,066.60
#4/0 TPX OH Secondary	211.59	100,757.92	17,044	1.45	189.30	130.55	27,623.90
#336.4 TPX OH Secondary	336.40	14,621.70	2,314	1.88	90.44	48.10	16,182.20
#2 QUAD OH Secondary	66.37	58,942.50	3,065	1.20	66.43	55.36	3,674.41
#1/0 QUAD OH Secondary	105.53	100,661.91	10,187	1.30	131.21	100.93	10,651.21
#2/0 QUAD OH Secondary	133.07	6,276.53	2,826	1.65	87.71	53.16	7,074.02
#3/0 QUAD OH Secondary	167.80	1,731.90	1,430	1.85	69.96	37.82	6,345.41
#4/0 QUAD OH Secondary	211.59	51,115.55	7,026	2.05	171.83	83.82	17,735.90
#336. MCM QUAD OH Secondary	336.00	62,584.78	6,241	2.35	185.65	79.00	26,544.00
#8 WP OH Secondary	16.51	18,010.79	239,778	0.08	36.78	489.67	8,083.98
#500 MCM Alum OH	500.00	3,167.60	1,205	2.63	91.25	34.71	17,356.55
#6 Solid Bare Copper	26.25	59,070.64	65,709	0.38	97.41	256.34	6,728.86
#6 Hard Drawn OH	26.25	8,873.03	173,613	0.45	187.50	416.67	10,937.56
#6 A Steel OH	26.25	41.55	2,393	0.45	22.01	48.92	1,284.11
3 #6 AWC OH	26.25	6,237.12	18,559	0.34	45.78	136.23	3,576.07
#7 Aluminum OH	20.82	291.84	462	0.63	13.58	21.49	447.51
#12 TW OH Secondary	6.53	87.72	1,000	0.09	2.77	31.62	206.50
TOTAL		\$ 13,397,916.05	29,829,206				

Zero Intercept Linear Regression Results

Size Coefficient (\$ per MCM)	0.00005
Zero Intercept (\$ per Unit)	0.39186
R-Square	0.7979

LINEST Array

0.00005	0.39186
0.00034	0.05599
0.79787	196.70756

Plant Classification

Total Number of Units	29,829,206
Zero Intercept (\$/Unit)	\$ 0.39
Minimum System (\$/Unit)	\$ 0.08
Use Min System (M) or Zero Intercept (Z)?	Z
Zero Intercept or Min System Cost (\$)	\$ 11,688,948
Total Cost of Sample	\$ 13,397,916
Percentage of Total	0.8724
Percentage Classified as Customer-Related	87.24%
Percentage Classified as Demand-Related	12.76%

JACKSON PURCHASE ENERGY CORPORATION
Zero Intercept & Minimum System Analyses

Account 367 - Underground Conductors and Devices

Description	Size	Cost	Quantity	Actual	Linear Regression Inputs		
				Unit Cost (\$ per Unit)	y*n^0.5	n^0.5	xn^0.5
#2 Copper URD Primary	66.37	\$ 6,847.50	10,343	0.66	67.33	101.70	6,749.86
#1/0 Aluminun URD Primary Cable	105.53	4,420,044.63	1,695,372	2.61	3,394.64	1,302.06	137,406.87
#2 Aluminum URD Primary	66.37	743,115.49	610,998	1.22	950.68	781.66	51,879.01
#750 Aluminum URD Primary	750.00	891,822.04	49,004	18.20	4,028.68	221.37	166,026.35
#750 Copper URD Primary	750.00	471.06	86	5.48	50.80	9.27	6,955.21
#4/0 Aluminum URD Primary	211.59	536,862.15	147,974	3.63	1,395.63	384.67	81,393.92
#500 Copper URD Primary	500.00	107,004.63	39,451	2.71	538.73	198.62	99,311.38
#500 Aluminum URD Primary	500.00	1,407,895.44	127,613	11.03	3,941.15	357.23	178,614.81
#500 Copper URD Secondary	500.00	7,549.15	2,146	3.52	162.96	46.32	23,162.47
#2 TPX Secondary URD	66.37	2,690.72	32	84.09	475.66	5.66	375.45
#1/0 TPX URD Secondary	105.53	31,944.74	9,570	3.34	326.55	97.83	10,323.62
#2/0 TPX URD Secondary	133.07	411.89	89	4.63	43.66	9.43	1,255.38
#4/0 TPX URD Secondary	211.59	84,810.81	18,641	4.55	621.18	136.53	28,889.09
#350 MCM TPX URD Secondary	350.00	185,452.00	47,922	3.87	847.16	218.91	76,618.83
#1/0 QUAD URD Secondary	105.53	272.37	92	2.96	28.40	9.59	1,012.21
#4/0 QUAD URD Secondary	211.59	76.86	15	5.12	19.85	3.87	819.49
#350 QUAD URD Secondary	350.00	5,195.95	200	25.98	367.41	14.14	4,949.75
#4/0 3PH URD SUBM TENN. RIVER XINC	211.59	29,038.70	2,504	11.60	580.31	50.04	10,588.06
#10/2 UF with Ground URD Secondary W	663.69	2,430.82	1,495	1.63	62.87	38.67	25,661.73
#12/2 UF URD Secondary Wire	796.43	1,465.12	1,195	1.23	42.38	34.57	27,531.54
#10/2 UF URD Secondary Wire	663.69	23.83	10	2.38	7.54	3.16	2,098.77
#8 UF URD Secondary Wire	16.51	5,519.66	3,009	1.83	100.62	54.85	905.59
#6 UF URD Secondary Wire	26.25	4,875.74	2,642	1.85	94.86	51.40	1,349.26
#6 DPX URD Conductor	26.25	109,189.08	74,654	1.46	399.63	273.23	7,172.26
TOTAL		\$ 8,585,010.38	2,845,057				

Zero Intercept Linear Regression Results

Size Coefficient (\$ per MCM)
Zero Intercept (\$ per Unit)
R-Square

0.01891
0.36414
0.9057

LINEST Array

0.01891 0.36414
0.00203 0.39281
0.90567 456.30278

Plant Classification

Total Number of Units
Zero Intercept (\$/Unit)
Minimum System (\$/Unit)
Use Min System (M) or Zero Intercept (Z)?
Zero Intercept or Min System Cost (\$)
Total Cost of Sample
Percentage of Total
Percentage Classified as Customer-Related
Percentage Classified as Demand-Related

2,845,057
\$ 0.36
\$ 0.66
Z
\$ 1,036,001
\$ 8,585,010
0.1207
12.07%
87.93%

JACKSON PURCHASE ENERGY CORPORATION
Zero Intercept & Minimum System Analyses

Account 368 - Line Transformers

Description	Size	Cost	Quantity	Actual	Linear Regression Inputs			NARUC CAM	
				Unit Cost (\$ per Unit)	y^n^0.5	n^0.5	xn^0.5	Incl?	Qty
1 KVA Conventional Transf	1.00	\$ 46,949.57	94	499.46	4,842.48	9.70	9.70	1	94
1.5 KVA Conventional Transf	1.50	254,928.04	343	743.23	13,764.82	18.52	27.78	1	343
10 KVA Conventional Transf	10.00	9,914.91	9	1,101.66	3,304.97	3.00	30.00	1	9
15 KVA Conventional Transf	15.00	6,285,980.65	8,244	762.49	69,231.55	90.80	1,361.95	1	8,244
25 KVA Conventional Transf	25.00	2,588,621.12	3,222	803.42	45,604.29	56.76	1,419.07	1	3,222
37.5 KVA Conventional Transf	37.50	717,416.33	676	1,061.27	27,592.94	26.00	975.00	1	676
50 KVA Conventional Transf	50.00	472,676.29	415	1,138.98	23,202.77	20.37	1,018.58	1	415
75 KVA Conventional Transf	75.00	249,082.95	164	1,518.80	19,450.11	12.81	960.47	0	-
100 KVA Conventional Transf	100.00	172,790.90	91	1,898.80	18,113.41	9.54	953.94	0	-
167 KVA Conventional Transf	167.00	218,790.45	78	2,805.01	24,773.14	8.83	1,474.90	0	-
250 KVA Conventional Transf	350.00	178,645.26	45	3,969.89	26,630.86	6.71	2,347.87	0	-
333 KVA Conventional Transf	333.00	188,290.18	43	4,378.84	28,713.98	6.56	2,183.63	0	-
500 KVA Conventional Transf	500.00	69,813.39	12	5,817.78	20,153.39	3.46	1,732.05	0	-
833 KVA Conventional Transf	833.00	54,832.00	4	13,708.00	27,416.00	2.00	1,666.00	0	-
10 KVA CSP Transf	10.00	194,644.80	1,042	186.80	6,029.88	32.28	322.80	1	1,042
15 KVA CSP Transf	15.00	527,786.22	2,005	263.24	11,786.93	44.78	671.66	1	2,005
25 KVA CSP Transf	25.00	313,131.62	957	327.20	10,122.11	30.94	773.39	1	957
37.5 KVA CSP Transf	37.50	39,324.79	99	397.22	3,952.29	9.95	373.12	1	99
25 KVA Padmount Transf	25.00	2,998,146.64	2,497	1,200.70	59,998.94	49.97	1,249.25	1	2,497
37.5 KVA Padmount Transf	37.50	160,140.01	106	1,510.75	15,554.17	10.30	386.09	1	106
50 KVA Padmount Transf	50.00	832,419.29	676	1,231.39	32,016.13	26.00	1,300.00	1	676
75 KVA Padmount Transf	75.00	456,445.06	177	2,578.79	34,308.51	13.30	997.81	0	-
100 KVA Padmount Transf	100.00	127,996.30	62	2,064.46	16,255.55	7.87	787.40	0	-
150 KVA Padmount Transf	150.00	67,557.05	11	6,141.55	20,369.22	3.32	497.49	0	-
167 KVA Padmount Transf	167.00	197,974.92	85	2,329.12	21,473.40	9.22	1,539.66	0	-
112.5 KVA Padmount Transf	113.50	172,307.51	38	4,534.41	27,951.97	6.16	699.66	0	-
225 KVA Padmount Transf	225.00	248,914.54	45	5,531.43	37,105.99	6.71	1,509.35	0	-
300 KVA Padmount Transf	300.00	516,263.40	81	6,373.62	57,362.60	9.00	2,700.00	0	-
500 KVA Padmount Transf	500.00	419,746.80	54	7,773.09	57,120.30	7.35	3,674.23	0	-
750 KVA Padmount Transf	750.00	264,878.82	29	9,133.75	49,186.76	5.39	4,038.87	0	-
1000 KVA Padmount Transf	1,000.00	17,676.72	13	1,359.75	4,902.64	3.61	3,605.55	0	-
1500 KVA Padmount Transf	1,500.00	248,676.54	15	16,578.44	64,208.01	3.87	5,809.48	0	-
2000 KVA Padmount Transf	2,000.00	48,276.30	2	24,138.15	34,136.50	1.41	2,828.43	0	-
TOTAL		\$ 19,361,039.37	21,434						20,385

Zero Intercept Linear Regression Results

LINEST Array

Size Coefficient (\$ per MCM)	12.39526	12.39526	495.86084
Zero Intercept (\$ per Unit)	495.86084	2.07944	78.79756
R-Square	0.9169	0.91690	8,926.47841

Plant Classification

Total Number of Units	*	20,385	* Only single-phase up to 50 KVA should be included
Zero Intercept (\$/Unit)	\$	495.86	in the Customer-related component per NARUC CAM
Minimum System (\$/Unit)	\$	186.80	
Use Min System (M) or Zero Intercept (Z)?		Z	
Zero Intercept or Min System Cost (\$)	\$	10,108,123	
Total Cost of Sample	\$	19,361,039	
Percentage of Total		0.5221	
Percentage Classified as Customer-Related		52.21%	
Percentage Classified as Demand-Related		47.79%	

EXHIBIT JW-9
PRESENT AND PROPOSED
RATES

JACKSON PURCHASE ENERGY CORPORATION
Present and Proposed Rates

Rate Class			Rates				Revenues						
Classification	Code	Billing Unit	Test Year Rate	Present Rate	Proposed Rate	Incr (Decr) Over Pres	Test Year Revenue	Present Revenue	Proposed Revenue	Increase \$	Increase %	Increase Avg Bill	
1	R - Residential	R	Facilities Charge (per month)	16.40	16.40	21.25	4.85	\$ 43,026,551	\$ 43,026,551	\$ 49,554,329	\$ 6,527,779	15.2%	\$21.42
			Energy Charge (per kWh)	0.100780	0.100780	0.114872	0.014092						
2	C-1 Small Commercial Single Phase	C1	Facilities Charge (per month)	16.40	16.40	21.25	4.85	\$ 4,178,988	\$ 4,178,988	\$ 4,771,501	\$ 592,513	14.2%	\$14.37
			Energy Charge (per kWh)	0.102176	0.102176	0.114299	0.012123						
3	C-3 Small Commercial Three Phase	C3	Facilities Charge (per month)	24.90	24.90	32.27	7.37	\$ 1,307,657	\$ 1,307,657	\$ 1,399,070	\$ 91,413	7.0%	\$15.64
			Energy Charge (per kWh)	0.097017	0.097017	0.101303	0.004286						
4	D - Commercial and Industrial Demand < 3,000 kW	D	Facilities Charge (per month)	48.42	48.42	48.42	-	\$ 17,431,064	\$ 17,431,064	\$ 17,499,284	\$ 68,220	0.4%	\$9.22
			Demand Charge (per kW)	9.00	9.00	9.11	0.11						
			Energy Charge 1st 200 (per kWh)	0.062202	0.062202	0.062202	-						
			Energy Charge 2nd 200 (per kWh)	0.052104	0.052104	0.052104	-						
			Energy Charge 3rd 200 (per kWh)	0.046973	0.046973	0.046973	-						
			Energy Charge Over 600 (per kWh)	0.041993	0.041993	0.041993	-						
5	D - Commercial and Industrial - Direct Served	D	Facilities Charge (per month)	48.42	48.42	48.42	-	\$ 280,985	\$ 280,985	\$ 280,985	\$ -	0.0%	\$0.00
			Demand Charge (per kW)	9.00	9.00	9.11	0.11						
			Demand Charge Minimum (per month)	21,000	21,000	21,000	-						
			Energy Charge 1st 200 (per kWh)	0.062202	0.062202	0.062202	-						
			Energy Charge 2nd 200 (per kWh)	0.052104	0.052104	0.052104	-						
			Energy Charge 3rd 200 (per kWh)	0.046973	0.046973	0.046973	-						
			Energy Charge Over 600 (per kWh)	0.041993	0.041993	0.041993	-						
6	I-E - Large Commercial Existing	I-E	Service Charge (per month)	414.97	414.97	414.97	-	\$ 1,586,924	\$ 1,586,924	\$ 1,608,494	\$ 21,569.77	1.4%	\$1,797.48
			Energy Charge (per kWh)	0.038125	0.038125	0.039414	0.001289						
			Demand Charge 1st 3000 (\$)	47,721.03	47,721.03	47,721.03	-						
			Demand Charge Over 3000 (per kW)	15.91	15.91	15.91	-						
7	OL - Outdoor Lighting	OL	various	-	-	-	-	\$ 1,420,048	\$ 1,420,048	\$ 1,420,048	\$ -	0.0%	\$ -
				-	-	-	-						
8	TOTAL							\$ 69,232,217	\$ 69,232,217	\$ 76,533,711	\$ 7,301,495	10.55%	

JACKSON PURCHASE ENERGY CORPORATION

R - Residential

R

	Test Year Rate			Present Rate		Proposed Rates		
	Billing Units	Rate	Calculated Billings	Rate	Calculated Billings	Billing Units	Rate	Calculated Billings
Customer Charge								
	<i>Customers</i>	<i>per Customer</i>		<i>per Customer</i>		<i>Customers</i>	<i>per Customer</i>	
Test Year	304,795	\$ 16.40	\$ 4,998,638	\$ 16.40	\$ 4,998,638	Annual	304,795 \$ 21.25	\$ 6,476,894
Energy Charge								
	<i>kWh</i>	<i>Per kWh</i>		<i>Per kWh</i>		<i>kWh</i>	<i>Per kWh</i>	
All Hours	358,325,499	\$0.100780	\$ 36,112,044	\$0.100780	\$ 36,112,044	All Hours	358,325,499 \$0.114872	\$ 41,161,567
	Avg	1,176						
Other								
FAC		\$0.00081	\$ 288,799	\$0.00081	\$ 288,799	FAC	\$0.00081	\$ 288,799
ES		\$0.00731	\$ 2,618,782	\$0.00731	\$ 2,618,782	ES	\$0.00731	\$ 2,618,782
MRSM		-\$0.00456	\$ (1,634,816)	-\$0.00456	\$ (1,634,816)	OL	-\$0.00456	\$ (1,634,816)
NonFAC PPA		\$0.00179	\$ 643,103	\$0.00179	\$ 643,103	FAC	\$0.00179	\$ 643,103
Total Rate Revenue			<u>\$ 43,026,551</u>		<u>\$ 43,026,551</u>	Total Rate Revenue		<u>\$ 49,554,329</u>
Revenue Per Books			\$ 42,499,050			Difference from Present Rates		\$ 6,527,779
Difference			\$ 527,501		\$ -	Percent Change from Present Rates		15.2%
Percent Difference			1.24%		0.00%	Avg Incr/(Decr) Per Customer Per Month		\$ 21.42

JACKSON PURCHASE ENERGY CORPORATION
C-1 Small Commercial Single Phase
C1

	Test Year Rate			Present Rate		Proposed Rates			
	Billing Units	Rate	Calculated Billings	Rate	Calculated Billings	Billing Units	Rate	Calculated Billings	
Customer Charge						Customer Charge			
Test Year	<i>Customers</i> 41,239	<i>per Customer</i> \$ 16.40	\$ 676,320	<i>per Customer</i> \$ 16.40	\$ 676,320	Annual	<i>Customers</i> 41,239	<i>per Customer</i> \$ 21.25	\$ 876,329
Energy Charge						Energy Charge			
Test Year	<i>kWh</i> 32,376,820	<i>Per kWh</i> \$0.102176	\$ 3,308,134	<i>Per kWh</i> \$0.102176	\$ 3,308,134	All Hours	<i>kWh</i> 32,376,820	<i>Per kWh</i> \$0.114299	\$ 3,700,638
	<i>Avg</i> 785								
Other						Other			
FAC		\$0.00080	\$ 25,829	\$0.00080	\$ 25,829	FAC		\$0.00080	\$ 25,829
ES		\$0.00725	\$ 234,776	\$0.00725	\$ 234,776	ES		\$0.00725	\$ 234,776
MRSM		-\$0.00385	\$ (124,536)	-\$0.00385	\$ (124,536)	OL		-\$0.00385	\$ (124,536)
NonFAC PPA		\$0.00181	\$ 58,465	\$0.00181	\$ 58,465	FAC		\$0.00181	\$ 58,465
Total Rate Revenue			<u>\$ 4,178,988</u>		<u>\$ 4,178,988</u>	Total Rate Revenue			<u>\$ 4,771,501</u>
Revenue Per Books			\$ 4,138,755			Difference from Present Rates			\$ 592,513
Difference			\$ 40,232		\$ -	Percent Change from Present Rates			14%
Percent Difference			0.97%		0.00%	Avg Incr/(Decr) Per Customer Per Month			\$ 14

JACKSON PURCHASE ENERGY CORPORATION
C-3 Small Commercial Three Phase
C3

	Test Year Rate			Present Rate			Proposed Rates		
	Billing Units	Rate	Calculated Billings	Rate	Calculated Billings	Billing Units	Rate	Calculated Billings	
Customer Charge						Customer Charge			
Test Year	<i>Customers</i> 5,846	<i>per Customer</i> \$ 24.90	\$ 145,565	<i>per Customer</i> \$ 24.90	\$ 145,565	Annual	<i>Customers</i> 5,846	<i>per Customer</i> \$ 32.27	\$ 188,650
Energy Charge						Energy Charge			
All Hours	<i>kWh</i> 11,275,679	<i>Per kWh</i> \$0.097017	\$ 1,093,933	<i>Per kWh</i> \$0.097017	\$ 1,093,933	All Hours	<i>kWh</i> 11,275,679	<i>Per kWh</i> \$0.101303	\$ 1,142,260
	Avg	1,929							
Other						Other			
FAC		\$0.00075	\$ 8,452	\$0.00075	\$ 8,452	FAC		\$0.00075	\$ 8,452
ES		\$0.00723	\$ 81,522	\$0.00723	\$ 81,522	ES		\$0.00723	\$ 81,522
MRSM		-\$0.00373	\$ (42,046)	-\$0.00373	\$ (42,046)	OL		-\$0.00373	\$ (42,046)
NonFAC PPA		\$0.00179	\$ 20,231	\$0.00179	\$ 20,231	FAC		\$0.00179	\$ 20,231
Total Rate Revenue			<u>\$ 1,307,657</u>		<u>\$ 1,307,657</u>	Total Rate Revenue			<u>\$ 1,399,070</u>
Revenue Per Books			\$ 1,309,042			Difference from Present Rates			\$ 91,413
Difference			\$ (1,385)		\$ -	Percent Change from Present Rates			7%
Percent Difference			-0.11%		0.00%	Avg Incr/(Decr) Per Customer Per Month			\$ 16

JACKSON ENERGY COOPERATIVE
D - Commercial and Industrial Demand < 3,000 kW
D

	Test Year Rate			Present Rate			Proposed Rates		
	Billing Units	Rate	Calculated Billings	Rate	Calculated Billings	Billing Units	Rate	Calculated Billings	
Customer Charge									
Test Year	<i>Customers</i> 7,396	<i>per Customer</i> \$ 48.42	\$ 358,114	<i>per Customer</i> \$ 48.42	\$ 358,114	Annual	<i>Customers</i> 7,396	<i>per Customer</i> \$ 48.42	\$ 358,114
Energy Charge									
1st 200	<i>kWh</i> 124,036,608	<i>Per kWh</i> \$0.062202	\$ 7,715,325	<i>Per kWh</i> \$0.062202	\$ 7,715,325	All Hours	<i>kWh</i> 124,036,608	<i>Per kWh</i> \$0.062202	\$ 7,715,325
2nd 200	52,028,519	\$0.052104	\$ 2,710,894	\$0.052104	\$ 2,710,894	All Hours	52,028,519	\$0.052104	\$ 2,710,894
3rd 200	-	\$0.046973	\$ -	\$0.046973	\$ -	All Hours	-	\$0.046973	\$ -
Over 600	-	\$0.041993	\$ -	\$0.041993	\$ -	All Hours	-	\$0.041993	\$ -
Subtotal	176,065,127	\$0.059218	\$ 10,426,219	\$0.059218	\$ 10,426,219	All Hours	176,065,127	\$0.059218	\$ 10,426,219
<i>Avg</i>	23,805								
Demand Charge									
Test Year	<i>kW</i> 620,183	<i>Per kW</i> \$9.00	\$ 5,581,647	<i>Per kW</i> \$9.00	\$ 5,581,647	Test Year	<i>kW</i> 620,183	<i>Per kW</i> \$9.11	\$ 5,649,867
Other									
FAC		\$0.00080	\$ 140,428	\$0.00080	\$ 140,428	FAC		\$0.00080	\$ 140,428
ES		\$0.00719	\$ 1,266,777	\$0.00719	\$ 1,266,777	ES		\$0.00719	\$ 1,266,777
MRSM		-\$0.00374	\$ (659,064)	-\$0.00374	\$ (659,064)	OL		-\$0.00374	\$ (659,064)
NonFAC PPA		\$0.00180	\$ 316,942	\$0.00180	\$ 316,942	FAC		\$0.00180	\$ 316,942
Total Rate Revenue			<u>\$ 17,431,064</u>		<u>\$ 17,431,064</u>	Total Rate Revenue			<u>\$ 17,499,284</u>
Revenue Per Books			\$ 17,261,701			Difference from Present Rates			\$ 68,220
Difference			\$ 169,363		\$ -	Percent Change from Present Rates			0%
Percent Difference			0.98%		0.00%	Avg Incr/(Decr) Per Customer Per Month			\$ 9

JACKSON PURCHASE ENERGY CORPORATION

D - Commercial and Industrial - Direct Served

D

	Test Year Rate			Present Rate		Proposed Rates			
	Billing Units	Rate	Calculated Billings	Rate	Calculated Billings	Billing Units	Rate	Calculated Billings	
Customer Charge									
Test Year	<i>Customers</i> 12	<i>per Customer</i> \$ 48.42	\$ 581	<i>per Customer</i> \$ 48.42	\$ 581	Annual	<i>Customers</i> 12	<i>per Customer</i> \$ 48.42	\$ 581
Energy Charge									
1st 200	<i>kWh</i> 390,246	<i>Per kWh</i> \$0.062202	\$ 24,274	<i>Per kWh</i> \$0.062202	\$ 24,274	All Hours	<i>kWh</i> 390,246	<i>Per kWh</i> \$0.062202	\$ 24,274
2nd 200	-	\$0.052104	\$ -	\$0.052104	\$ -	All Hours	-	\$0.052104	\$ -
3rd 200	-	\$0.046973	\$ -	\$0.046973	\$ -	All Hours	-	\$0.046973	\$ -
Over 600	-	\$0.041993	\$ -	\$0.041993	\$ -	All Hours	-	\$0.041993	\$ -
Subtotal	390,246	\$0.062202	\$ 24,274	\$0.062202	\$ 24,274	All Hours	390,246	\$0.062202	\$ 24,274
Avg	32,521						32,521		
Demand Charge									
Actual	<i>kW</i> 4,456	<i>Per kW</i> \$9.00	\$ 40,104	<i>Per kW</i> \$9.00	\$ 40,104	Actual	<i>kW</i> 4,456	<i>Per kW</i> \$9.11	\$ 40,594
Minimum Billed (Act or Min)			\$ 252,000		\$ 252,000	Minimum Billed (Act or Min)			\$ 252,000
Other						Other			
FAC		\$0.00133	\$ 519	\$0.00133	\$ 519	FAC	\$0.00133	\$ 519	\$ 519
ES		\$0.01154	\$ 4,502	\$0.01154	\$ 4,502	ES	\$0.01154	\$ 4,502	\$ 4,502
MRSM		-\$0.00453	\$ (1,769)	-\$0.00453	\$ (1,769)	OL	-\$0.00453	\$ (1,769)	\$ (1,769)
NonFAC PPA		\$0.00225	\$ 877	\$0.00225	\$ 877	FAC	\$0.00225	\$ 877	\$ 877
Total Rate Revenue			<u>\$ 280,985</u>		<u>\$ 280,985</u>	Total Rate Revenue			<u>\$ 280,985</u>
Revenue Per Books			\$ 281,019			Difference from Present Rates			\$ -
Difference			\$ (34)		\$ -	Percent Change from Present Rates			0%
Percent Difference			-0.01%		0.00%	Avg Incr/(Decr) Per Customer Per Month			\$ -

JACKSON PURCHASE ENERGY CORPORATION
I-E - Large Commercial Existing
I-E

	Test Year Rate			Present Rate		Proposed Rates			
	Billing Units	Rate	Calculated Billings	Rate	Calculated Billings	Billing Units	Rate	Calculated Billings	
Customer Charge									
Test Year	<i>Customers</i> 12	<i>per Customer</i> \$ 414.97	\$ 4,980	<i>per Customer</i> \$ 414.97	\$ 4,980	Annual	<i>Customers</i> 12	<i>per Customer</i> \$ 414.97	\$ 4,980
Energy Charge									
All Hours	<i>kWh</i> 16,733,727	<i>Per kWh</i> \$0.038125	\$ 637,973	<i>Per kWh</i> \$0.03813	\$ 637,973	All Hours	<i>kWh</i> 16,733,727	<i>Per kWh</i> \$0.03941	\$ 659,543
	<i>Avg</i> 1,394,477								
Demand Charge									
First 3000 KW	<i>kW</i> 35,076	<i>Per kW</i>	\$ 572,652	<i>Per kW</i>	\$ 572,652	NCP	<i>kW</i> 35,076	<i>Per kW</i>	\$ 572,652
Over 3000 KW	17,023	\$15.91	\$ 270,893	\$15.91	\$ 270,893	NCP	17,023	\$15.91	\$ 270,893
	52,100						52,100		
Other									
FAC		\$0.00070	\$ 11,680	\$0.00070	\$ 11,680	FAC		\$0.00070	\$ 11,680
ES		\$0.00711	\$ 118,976	\$0.00711	\$ 118,976	ES		\$0.00711	\$ 118,976
MRSM		-\$0.00359	\$ (60,093)	-\$0.00359	\$ (60,093)	OL		-\$0.00359	\$ (60,093)
NonFAC PPA		\$0.00178	\$ 29,863	\$0.00178	\$ 29,863	FAC		\$0.00178	\$ 29,863
Total Rate Revenue			<u>\$ 1,586,924</u>		<u>\$ 1,586,924</u>	Total Rate Revenue			<u>\$ 1,608,494</u>
Revenue Per Books			\$ 1,588,747			Difference from Present Rates			\$ 21,570
Difference			\$ (1,823)		\$ -	Percent Change from Present Rates			1%
Percent Difference			-0.11%		0.00%	Avg Incr/(Decr) Per Customer Per Month			\$ 1,797

JACKSON PURCHASE ENERGY CORPORATION
OL - Outdoor Lighting
OL

Description	Test Year Rate			Present Rate		Proposed Rates		
	Billing Units	Rate	Calculated Billings	Rate	Calculated Billings	Billing Units	Rate	Calculated Billings
Lights	<i>Annual Lights Per Light</i>			<i>Per Light</i>		<i>Annual Lights Per Light</i>		
	Total		\$ 1,420,048	\$ 1,420,048				\$ 1,420,048
Total Rate Revenue	7,879,125 kWh		\$ 1,420,048	\$ 1,420,048		Total Rate Revenue		\$ 1,420,048
Revenue Per Books			\$ 1,420,048			Difference from Present Rates		\$ -
Difference			\$ -	\$ -		Percent Change from Present Rates		0%
Percent Difference			0.000%	0.00%		Avg Incr/(Decr) Per Light Per Month		\$ -

JACKSON PURCHASE ENERGY CORPORATION
Monthly Base Rate Increase by KWH
Residential

#	Monthly kWh	Present Base Rates			Proposed Base Rates			Increase	
		Customer	Energy	Total	Customer	Energy	Total	\$	%
		\$ 16.40	0.10078		\$ 21.25	0.114872			
1	-	\$ 16.40	\$ -	\$ 16.40	\$ 21.25	\$ -	\$ 21.25	\$ 4.85	29.6%
2	100	\$ 16.40	\$ 10.08	\$ 26.48	\$ 21.25	\$ 11.49	\$ 32.74	\$ 6.26	23.6%
3	200	\$ 16.40	\$ 20.16	\$ 36.56	\$ 21.25	\$ 22.97	\$ 44.22	\$ 7.67	21.0%
4	300	\$ 16.40	\$ 30.23	\$ 46.63	\$ 21.25	\$ 34.46	\$ 55.71	\$ 9.08	19.5%
	400	\$ 16.40	\$ 40.31	\$ 56.71	\$ 21.25	\$ 45.95	\$ 67.20	\$ 10.49	18.5%
2	500	\$ 16.40	\$ 50.39	\$ 66.79	\$ 21.25	\$ 57.44	\$ 78.69	\$ 11.90	17.8%
3	600	\$ 16.40	\$ 60.47	\$ 76.87	\$ 21.25	\$ 68.92	\$ 90.17	\$ 13.31	17.3%
4	700	\$ 16.40	\$ 70.55	\$ 86.95	\$ 21.25	\$ 80.41	\$ 101.66	\$ 14.71	16.9%
5	800	\$ 16.40	\$ 80.62	\$ 97.02	\$ 21.25	\$ 91.90	\$ 113.15	\$ 16.12	16.6%
6	900	\$ 16.40	\$ 90.70	\$ 107.10	\$ 21.25	\$ 103.38	\$ 124.63	\$ 17.53	16.4%
7	1,000	\$ 16.40	\$ 100.78	\$ 117.18	\$ 21.25	\$ 114.87	\$ 136.12	\$ 18.94	16.2%
8	1,100	\$ 16.40	\$ 110.86	\$ 127.26	\$ 21.25	\$ 126.36	\$ 147.61	\$ 20.35	16.0%
9	1,200	\$ 16.40	\$ 120.94	\$ 137.34	\$ 21.25	\$ 137.85	\$ 159.10	\$ 21.76	15.8%
10	1,300	\$ 16.40	\$ 131.01	\$ 147.41	\$ 21.25	\$ 149.33	\$ 170.58	\$ 23.17	15.7%
11	1,400	\$ 16.40	\$ 141.09	\$ 157.49	\$ 21.25	\$ 160.82	\$ 182.07	\$ 24.58	15.6%
12	1,500	\$ 16.40	\$ 151.17	\$ 167.57	\$ 21.25	\$ 172.31	\$ 193.56	\$ 25.99	15.5%
13	1,600	\$ 16.40	\$ 161.25	\$ 177.65	\$ 21.25	\$ 183.80	\$ 205.05	\$ 27.40	15.4%
14	1,700	\$ 16.40	\$ 171.33	\$ 187.73	\$ 21.25	\$ 195.28	\$ 216.53	\$ 28.81	15.3%
15	1,800	\$ 16.40	\$ 181.40	\$ 197.80	\$ 21.25	\$ 206.77	\$ 228.02	\$ 30.22	15.3%
16	1,900	\$ 16.40	\$ 191.48	\$ 207.88	\$ 21.25	\$ 218.26	\$ 239.51	\$ 31.62	15.2%
17	2,000	\$ 16.40	\$ 201.56	\$ 217.96	\$ 21.25	\$ 229.74	\$ 250.99	\$ 33.03	15.2%
18	2,100	\$ 16.40	\$ 211.64	\$ 228.04	\$ 21.25	\$ 241.23	\$ 262.48	\$ 34.44	15.1%
19	2,200	\$ 16.40	\$ 221.72	\$ 238.12	\$ 21.25	\$ 252.72	\$ 273.97	\$ 35.85	15.1%
20	2,300	\$ 16.40	\$ 231.79	\$ 248.19	\$ 21.25	\$ 264.21	\$ 285.46	\$ 37.26	15.0%
21	2,400	\$ 16.40	\$ 241.87	\$ 258.27	\$ 21.25	\$ 275.69	\$ 296.94	\$ 38.67	15.0%
22	2,500	\$ 16.40	\$ 251.95	\$ 268.35	\$ 21.25	\$ 287.18	\$ 308.43	\$ 40.08	14.9%
23	2,600	\$ 16.40	\$ 262.03	\$ 278.43	\$ 21.25	\$ 298.67	\$ 319.92	\$ 41.49	14.9%
24	2,700	\$ 16.40	\$ 272.11	\$ 288.51	\$ 21.25	\$ 310.15	\$ 331.40	\$ 42.90	14.9%
25	2,800	\$ 16.40	\$ 282.18	\$ 298.58	\$ 21.25	\$ 321.64	\$ 342.89	\$ 44.31	14.8%
26	2,900	\$ 16.40	\$ 292.26	\$ 308.66	\$ 21.25	\$ 333.13	\$ 354.38	\$ 45.72	14.8%
27	3,000	\$ 16.40	\$ 302.34	\$ 318.74	\$ 21.25	\$ 344.62	\$ 365.87	\$ 47.13	14.8%

**Jackson Purchase Energy Corporation
Case No. 2021-00358
General Adjustment of Rates
Filing Requirements/Exhibit List**

Exhibit 11

**807 KAR 5:001 Section 16(4)(d)
Sponsoring Witness: John Wolfram**

Description of Filing Requirement:

A statement estimating the effect that each new rate will have upon the revenues of the utility including, at minimum, the total amount of revenues resulting from the increase or decrease and the percentage of the increase or decrease.

Response:

Jackson Purchase is requesting an increase in its revenues of \$7,301,495, or 10.5%, to achieve a Times Interest Earned Ratio (“TIER”) of 2.00X, which equates to an Operating Times Interest Earned Ratio (“OTIER”) of 1.90X. For the statement of the effect on revenues for each new rate, see Exhibit 10 of the Application, the Direct Testimony of John Wolfram, specifically Exhibit JW-9.

Jackson Purchase Energy Corporation
Case No. 2021-00358
General Adjustment of Rates
Filing Requirements/Exhibit List

Exhibit 12

807 KAR 5:001 Section 16(4)(e)
Sponsoring Witness: John Wolfram

Description of Filing Requirement:

If the utility provides electric, gas, water, or sewer service, the effect upon the average bill for each customer classification to which the proposed rate change will apply.

Response:

The effect upon the average bill for each customer classification to which the proposed rate change will apply is as follows:

<u>Rate Schedule</u>	Increase	
	Dollars	Percent
R - Residential	\$21.42	15.2%
C-1 Small Commercial Single Phase	\$14.37	14.2%
C-3 Small Commercial Three Phase	\$15.64	7.0%
D - Commercial and Indus Demand < 3,000 kW	\$9.22	0.4%
I-E - Large Commercial Existing	\$1,797.48	1.4%

Case No. 2021-00358
Application-Exhibit 12
No Attachment

**Jackson Purchase Energy Corporation
Case No. 2021-00358
General Adjustment of Rates
Filing Requirements/Exhibit List**

Exhibit 13

**807 KAR 5:001 Section 16(4)(g)
Sponsoring Witness: John Wolfram**

Description of Filing Requirements:

A detailed analysis of customer's bills whereby revenues from the present and proposed rates can be readily determined for each customer class.

Response:

The analysis of customer bills by rate schedule, reflecting present and proposed rates, can be found in Exhibit 10 of the Application, John Wolfram's Direct Testimony, Exhibit JW-9.

**Case No. 2021-00358
Application-Exhibit 13
*No Attachment***

**Jackson Purchase Energy Corporation
Case No. 2021-00358
General Adjustment of Rates
Filing Requirements/Exhibit List**

Exhibit 14

**807 KAR 5:001 Section 16(4)(h)
Sponsoring Witness: John Wolfram**

Description of Filing Requirements:

A summary of the utility's determination of its revenue requirements based on return on net investment rate base, return on capitalization, interest coverage, debt service coverage, or operating ratio, with supporting schedules.

Response:

The revenue requirement in this case is based on achieving a Times Interest Earned Ratio ("TIER") of 2.00X. A summary of Jackson Purchase's determination of its revenue requirement based on this TIER can be found in Exhibit 10 of the Application, John Wolfram's Direct Testimony, specifically Exhibit JW-2.

**Jackson Purchase Energy Corporation
Case No. 2021-00358
General Adjustment of Rates
Filing Requirements/Exhibit List**

Exhibit 15

**807 KAR 5:001 Section 16(4)(i)
Sponsoring Witness: John Wolfram**

Description of Filing Requirement:

A reconciliation of the rate base and capital used to determine its revenue requirements

Response:

Revenue requirements were determined on the basis of achieving a TIER of 2.00. Please see the testimony of John Wolfram provided at Exhibit 10 and, in particular, Exhibit JW-2 thereof. The rate base is calculated as part of the cost of service study ("COSS"); this is provided in Exhibit JW-4 on pages 1-3.

**Case No. 2021-00358
Application-Exhibit 15
*No Attachment***

**Jackson Purchase Energy Corporation
Case No. 2021-00358
General Adjustment of Rates
Filing Requirements/Exhibit List**

Exhibit 16

**807 KAR 5:001 Section 16(4)(j)
Sponsoring Witness: Jeff Williams**

Description of Filing Requirement:

A current chart of accounts if more detailed than the Uniform System of Accounts.

Response:

Please see attached current chart of accounts.

09/08/2021 1:26:33 pm

Witness: Jeff Williams

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GENERAL LEDGER CHART OF ACCOUNTS

Div	Account	Description	Type	Category	Group	Status
0	102.0	WIP - ELECTRIC PLANT PURCHASED	Asset		WIP - WIP Accounts	Active
0	107.1	WIP - CONSTRUCTION CONTRACTORS	Asset		WIP - WIP Accounts	Active
0	107.12	WIP - FUTURE SUBSTATIONS	Asset		WIP - WIP Accounts	Active
0	107.13	WIP - LONG RANGE WORK PLAN	Asset		WIP - WIP Accounts	Active
0	107.15	WIP - NEW SUBSTATIONS CONTRACTORS	Asset		WIP - WIP Accounts	Active
0	107.2	WIP - CONSTRUCTION JPEC CREWS	Asset		WIP - WIP Accounts	Active
0	107.231	WIP - CONTRIBUTIONS IN AID-CONSTRUCTION	Asset		WIP - WIP Accounts	Active
0	107.3	WIP - SPECIAL EQUIPMENT	Asset		WIP - WIP Accounts	Active
0	107.4	WIP - STORM DAMAGE	Asset		WIP - WIP Accounts	Active
0	107.45	WIP - OTHER	Asset		WIP - WIP Accounts	Active
0	108.6	ACCUM DEPR-DISTRIBUTION PLANT	Asset		PLTD - Accum Depreciation-Distribution Plant	Active
0	108.662	ACCUM DEPR-STATION EQUIPMENT	Asset		PLTD - Accum Depreciation-Distribution Plant	Active
0	108.664	ACCUM DEPR-POLES, TOWERS, & FIXTURE	Asset		PLTD - Accum Depreciation-Distribution Plant	Active
0	108.665	ACCUM DEPR-OH CONDUCTOR & DEVICES	Asset		PLTD - Accum Depreciation-Distribution Plant	Active
0	108.666	ACCUM DEPR-UNDERGROUND CONDUIT	Asset		PLTD - Accum Depreciation-Distribution Plant	Active
0	108.667	ACCUM DEPR-URD CONDUCTOR & DEVICES	Asset		PLTD - Accum Depreciation-Distribution Plant	Active
0	108.668	ACCUM DEPR-LINE TRANSFORMERS	Asset		PLTD - Accum Depreciation-Distribution Plant	Active
0	108.669	ACCUM DEPR-SERVICES	Asset		PLTD - Accum Depreciation-Distribution Plant	Active
0	108.67	ACCUM DEPR-METERS	Asset		PLTD - Accum Depreciation-Distribution Plant	Active
0	108.671	ACCUM DEPR-INSTALLATIONS ON CUST PR	Asset		PLTD - Accum Depreciation-Distribution Plant	Active
0	108.672	ACCUM DEPR-LEASED PROP CUST PREMISE	Asset		PLTD - Accum Depreciation-Distribution Plant	Active
0	108.673	ACCUM DEPR-STREET LIGHT & SIGN	Asset		PLTD - Accum Depreciation-Distribution Plant	Active
0	108.674	ACCUM DEPR-AMI METERS	Asset		PLTD - Accum Depreciation-Distribution Plant	Active
0	108.675	ACCUM DEPR-AMI HARDWARE	Asset		PLTD - Accum Depreciation-Distribution Plant	Active
0	108.676	ACCUM DEPR-AMI SOFTWARE	Asset		PLTD - Accum Depreciation-Distribution Plant	Active
0	108.677	ACCUM DEPR-AMI SUB & OTHER EQUIPMNT	Asset		PLTD - Accum Depreciation-Distribution Plant	Active
0	108.678	ACCUM DEPR-SUBSTATION SCADA HARDWRE	Asset		PLTD - Accum Depreciation-Distribution Plant	Active
0	108.679	ACCUM DEPR-SUBSTATION SCADA SOFTWRE	Asset		PLTD - Accum Depreciation-Distribution Plant	Active
0	108.71	ACCUM DEPR FOR OFFICE FURN. & EQUIP	Asset		ACCM - Accumulated Depr. for General Assets	Active
0	108.711	ACC DEPR FOR COMPUTER EQUIP/SOFTWRE	Asset		ACCM - Accumulated Depr. for General Assets	Active
0	108.72	ACCUM DEPR - UTILITY TRANSP. EQUIP.	Asset		ACCM - Accumulated Depr. for General Assets	Active
0	108.721	ACCUM DEPR - LIGHT DUTY TRANS EQUIP	Asset		ACCM - Accumulated Depr. for General Assets	Active
0	108.73	ACCUM DEPR FOR STRUCTURES & IMPROVE	Asset		ACCM - Accumulated Depr. for General Assets	Active
0	108.731	ACCUM DEPR FOR STRUCTURES & IMPROVE	Asset		ACCM - Accumulated Depr. for General Assets	Active
0	108.74	ACCUM DEPR FOR SHOP EQUIPMENT	Asset		ACCM - Accumulated Depr. for General Assets	Active
0	108.75	ACCUM DEPR FOR LABORTORY EQUIPMENT	Asset		ACCM - Accumulated Depr. for General Assets	Active

09/08/2021 1:26:33 pm

Witness: Jeff Williams

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GENERAL LEDGER CHART OF ACCOUNTS

Div	Account	Description	Type	Category	Group	Status
0	108.76	ACCUM DEPR FOR COMMUNICATIONS EQUIP	Asset		ACCM - Accumulated Depr. for General Assets	Active
0	108.761	ACCUM DEPR FOR COMMUN. EQUIP - FIBER	Asset		ACCM - Accumulated Depr. for General Assets	Active
0	108.77	ACCUM DEPR FOR STORES EQUIPMENT	Asset		ACCM - Accumulated Depr. for General Assets	Active
0	108.78	ACCUM DEPR FOR MISCELLANEOUS EQUIP	Asset		ACCM - Accumulated Depr. for General Assets	Active
0	108.79	ACCUM DEPR FOR POWER OPERATED EQUIP	Asset		ACCM - Accumulated Depr. for General Assets	Active
0	108.791	ACCUM DEPR - PWR EQUIP TRENCHER,ETC	Asset		ACCM - Accumulated Depr. for General Assets	Active
0	108.8	WIP - RETIREMENT JPEC CREWS	Asset		WIP - WIP Accounts	Active
0	108.81	WIP - RETIREMENT CONTRACTORS	Asset		WIP - WIP Accounts	Active
0	121.0	NON-UTILITY PROPERTY	Asset			Active
0	122.0	ACCUM. DEPR. - NONUTILITY PROPERTY	Asset			Active
0	123.1	PATRONAGE CAPITAL FROM ASSOC. COOPS	Asset			Active
0	123.101	PATRONAGE CAPITAL - BIG RIVERS EC	Asset			Active
0	123.102	VALUATION ALLOW - BREC PATR CAPITAL	Asset			Active
0	123.22	INVESTMENTS IN CAP TERM CERT - CFC	Asset			Active
0	123.23	OTHER INVEST IN ASSOC ORGANIZATIONS	Asset			Active
0	123.231	OTHER INVEST-KAEC PCB DETOX CERT	Asset			Active
0	123.24	INVEST-CLASS "C" & "E" STOCK-COBANK	Asset			Active
0	128.0	SPEC FUNDS-DEFERRED COMPENSATION	Asset			Active
0	128.1	SPEC FUNDS-DEFERRED COMPENSATION-CONTRA	Asset			Active
0	131.1	CASH-GEN FUNDS-PADUCAH BANK & TRUST	Asset			Active
0	131.17	CASH - CAPITAL CREDITS FUND	Asset			Active
0	131.21	CASH-RUS CONSTRUCTION FUND-PAD BK	Asset			Active
0	131.4	CASH IN TRANSIT-CREDIT CARDS	Asset			Active
0	131.45	CASH IN TRANSIT - PAYPAL	Asset			Active
0	131.5	CASH IN TRANSIT - E-PAYMENTS	Asset			Active
0	131.6	CASH - DEPOSIT HOLDING ACCOUNT	Asset			Active
0	135.0	WORKING FUNDS	Asset			Active
0	136.0	TEMPORARY CASH INVESTMENTS	Asset			Active
0	142.11	ACCTS. REC. ELECTRIC	Asset			Active
0	142.16	ACCTS REC-SHELL/VULCAN/WA	Asset			Active
0	142.17	ACCTS REC - ELECT Back Billing - COVID	Asset			Active
0	142.2	CUSTOMER ACCOUNTS RECEIVABLE-OTHER	Asset			Active
0	142.25	A/R BACK BILLING ACCOUNT	Asset			Active
0	142.3	A/R-Aid to Contribution	Asset			Active
0	142.98	Acct Rec-Conversion Differences	Asset			Active
0	142.99	AR - Electric - Credit Refunds	Asset			Active

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GENERAL LEDGER CHART OF ACCOUNTS

Div	Account	Description	Type	Category	Group	Status
0	143.0	A/R-Other	Asset		PR - Payroll Accountant	Active
0	143.098	VULCAN ACCRUED EXPENSES	Asset			Active
0	143.1	A/R-Aid to Construction	Asset			Active
0	143.2	OTHER ACCTS REC - EMPLOYEE LTD	Asset		PR - Payroll Accountant	Active
0	143.21	A/R OTHER-CHILD SUPPORT	Asset		PR - Payroll Accountant	Active
0	143.215	Accounts Receivable - Garnishments	Asset		PR - Payroll Accountant	Active
0	143.22	A/R OTHER-TOOL PURCHASE	Asset		PR - Payroll Accountant	Active
0	143.23	A/R OTHER-COMPUTER PURCHASE	Asset		PR - Payroll Accountant	Active
0	143.24	A/R OTHER - SUPPLEMENT LIFE - EE	Asset		PR - Payroll Accountant	Active
0	143.25	A/R OTHER-CHARITABLE CONTRIBUTIONS	Asset		PR - Payroll Accountant	Active
0	143.255	A/R OTHER-CHARITABLE - Community Project	Asset		PR - Payroll Accountant	Active
0	143.256	A/R OTHER-CHARITABLE - ACRE	Asset		PR - Payroll Accountant	Active
0	143.26	A/R OTHER-EMP PAID LIFE INSURANCE -AFLAC	Asset		PR - Payroll Accountant	Active
0	143.263	A/R OTHER - Liberty Employee Paid Ins.	Asset			Active
0	143.265	A/R OTHER - MetLife Employee Paid Ins.	Asset			Active
0	143.27	A/R OTHER - EE PRE-TAX HEALTH INS.	Asset			Active
0	143.28	AR OTHER - EE PREPAID HEALTH INS.	Asset		PR - Payroll Accountant	Active
0	143.29	A/R-Retiree Ins	Asset			Active
0	143.291	Retirees - Life Ins. - Contra Accou	Asset			Active
0	143.3	OTHER ACC REC/EMPLOYEES & DIRECTORS	Asset		PR - Payroll Accountant	Active
0	143.305	OTHER A/R - EMPLOYEE MISC	Asset		PR - Payroll Accountant	Active
0	143.31	ACCTS. RECEIVABLE-BIG RIVERS	Asset		BRVR - Purchases Reimbursable by Big Rivers	Active
0	143.315	A/R - BIG RIVERS INCENTIVE PROGRAM	Asset			Active
0	143.317	A/R Other - Insurance	Asset		BRVR - Purchases Reimbursable by Big Rivers	Active
0	143.318	A/R - Big Rivers - IT	Asset			Active
0	143.32	A/R - DUE FROM FEMA '08 WIND STORM	Asset			Active
0	143.321	A/R -DUE FROM FEMA STORM RESTORATION	Asset			Active
0	143.322	A/R - STORM ASSISTANCE - MUTUAL AID	Asset			Active
0	143.323	STORM ASSISTANCE - Mutual Aid Coops	Asset			Active
0	143.324	DUE FROM FEMA - 2012 BALLARD STORM	Asset			Active
0	143.325	A/R - Due from FEMA - Storm June 2018	Asset			Active
0	143.33	ACCOUNTS REC. - BIG RIVERS UNWIND	Asset			Active
0	143.37	A/R - CALVERT CITY PROJECT	Asset			Active
0	143.41	OTHER ACCOUNTS REC/EMP 401K PRETAX	Asset		PR - Payroll Accountant	Active
0	143.42	ACCOUNTS RECEIVABLE - ROTH IRA	Asset		PR - Payroll Accountant	Active
0	143.5	EMPLOYEE PR DEDUCTS/UNION DUES	Asset		PR - Payroll Accountant	Active

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GENERAL LEDGER CHART OF ACCOUNTS

Div	Account	Description	Type	Category	Group	Status
0	143.7	OTHER ACCTS REC/EMPLOYEE CASH PYMTS	Asset			Active
0	144.0	Written Off Accounts	Asset			Active
0	144.1	ACCUM PROV FOR UNCOLLECTIBLE ACCTS	Asset			Active
0	154.0	Plant Material & Operating Supplies	Asset		INV - Inventory Accounts	Active
0	163.0	Stores Expense - Undistributed	Asset			Active
0	165.1	PREPAYMENTS - INSURANCE	Asset			Active
0	165.15	PREPAID HEALTH INSURANCE-BENEFIT	Asset		PR - Payroll Accountant	Active
0	165.2	PREPAYMENTS - OTHER	Asset			Active
0	165.21	PREPAID RETIREMENT FUND/CO PD BENE	Asset		PR - Payroll Accountant	Active
0	165.211	PREPAID LIFE INSURANCE/CO PAID BEN	Asset		PR - Payroll Accountant	Active
0	165.22	PREPAID L T D FUND/CO. PD. BENEFIT	Asset		PR - Payroll Accountant	Active
0	165.24	PREPAID SAVINGS PLAN/CO PD BENEFIT	Asset		PR - Payroll Accountant	Active
0	165.25	RETIREMENT FUND-IBEW/BARG CO PD BEN	Asset		PR - Payroll Accountant	Active
0	165.26	PAST SERVICE LIABILITY FUND	Asset			Active
0	165.27	PREPAID 401K LOAN REPAYMENTS	Asset		PR - Payroll Accountant	Active
0	171.0	INTEREST RECEIVABLE	Asset			Active
0	171.1	CFC INTEREST RECEIVABLE	Asset			Active
0	173.0	ACCRUED UTILITY REVENUES	Asset			Active
0	183.0	PRELIMINARY SURVEY & INVEST. CHGS	Asset			Active
0	184.0	PAYROLL CLEARING ACCOUNT	Asset			Active
0	184.1	TRANSPORTATION EXPENSE / CLEARING	Asset			Active
0	184.11	DIESEL FUEL INVENTORY - TANK #1	Asset			Active
0	184.12	GASOLINE INVENTORY - TANK # 2	Asset			Active
0	184.13	BIODIESEL FUEL - TANK #3	Asset			Active
0	184.2	VISA CLEARING ACCOUNT	Asset			Active
0	184.21	AMERICAN EXPRESS CLEARING ACCOUNT	Asset			Active
0	186.0	DATA MAPPING ACQUISITION COSTS	Asset			Active
0	186.1	DEFERRED DEBITS - OTHER	Asset			Active
0	186.2	MISC. DEF. DEBITS - PSC RATE CASE	Asset			Active
0	186.4	Minor Material	Asset			Active
0	200.1	MEMBERSHIPS	Liability			Active
0	201.0	PATRONAGE CAPITAL - NOT USED	Liability			Active
0	201.1	PATRONS' CAPITAL CREDITS	Liability			Active
0	201.11	PAT CAP ASSIGNED-UNBILLED REV 1995	Liability			Active
0	201.15	DONATED PATRONAGE CAPITAL	Liability			Active
0	201.2	PATRONAGE CAPITAL ASSIGNABLE	Liability			Active

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GENERAL LEDGER CHART OF ACCOUNTS

Div	Account	Description	Type	Category	Group	Status
0	201.21	PATRONAGE CAPITAL ASSIGNABLE-OTHER	Liability			Active
0	201.3	PATRONAGE CAPITAL DISCOUNTED	Liability			Active
0	201.4	PATRONAGE CAPITAL ABANDONED	Liability			Active
0	208.0	DONATED CAPITAL - CAPITAL CREDITS	Liability			Active
0	215.2	ACCUM. OTHER COMPREHENSIVE INCOME	Liability			Active
0	217.0	RETIRED CAPITAL CREDITS - GAIN	Liability			Active
0	219.1	OPERATING MARGINS	Liability			Active
0	219.2	NONOPERATING MARGINS	Liability			Active
0	219.3	OTHER MARGINS	Liability			Active
0	219.4	MARGINS & EQUITIES - PRIOR PERIODS	Liability			Active
0	224.11	OTHER LONG TERM DEBT/SUBSCRIPTIONS	Liability			Active
0	224.12	LTD - COOPERATIVE FINANCE CORP(CFC)	Liability			Active
0	224.14	LTD-NATIONAL BANK FOR COOPS-COBANK	Liability			Active
0	224.145	LTD-SBA LOAN - PPP	Liability			Active
0	224.3	LTD-RUS/CONSTRUCT. NOTES EXECUTED	Liability			Active
0	224.305	LTD - RUS /CONST NOTES - FFB LOAN	Liability			Active
0	224.4	RUS/NOTES-EXECUTED/CONSTRUCTION	Liability			Active
0	224.6	ADVANCE PAYMENTS UNAPPLIED -LTD RUS	Liability			Active
0	228.3	CONTRA ACCOUNT-PENSION & BENEFITS	Liability			Active
0	228.305	ACCUM PROVISION-PENSION & BENEFITS	Liability			Active
0	228.31	ACCUMULATED PAST SERVICE LIABILITY	Liability			Active
0	228.315	POST RETIREMENT FAS 158 LIABILITY	Liability			Active
0	231.0	NOTES PAYABLE-COBANK SEASONAL LOANS	Liability			Active
0	231.05	NOTES PAYABLE-COBANK LOANS - BLDNG PROJ.	Liability			Active
0	231.1	SHORT TERM LOANS - CFC	Liability			Active
0	231.2	NOTES PAYABLE - GMAC FINANCING	Liability			Active
0	232.1	ACCOUNTS PAYABLE - GENERAL	Liability			Active
0	232.11	ACCOUNTS PAYABLE-PLANT CLEARING	Liability			Active
0	232.15	ACCOUNTS PAY.- UNINVOICED MATERIAL	Liability			Active
0	232.175	ACCOUNTS PAYABLE-Credit Card Clearing	Liability			Active
0	235.0	CUSTOMER DEPOSITS	Liability			Active
0	235.001	ATHLETIC FIELD FEES	Liability			Active
0	235.11	JPEC - GIFT CERTIFICATES	Liability			Active
0	235.2	FUNDS RECEIVABLE UNIDENTIFIED	Liability			Active
0	236.1	ACCRUED PROPERTY TAXES	Liability			Active
0	236.2	ACCRUED TAXES - Fed Unemployment	Liability		PR - Payroll Accountant	Active

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GENERAL LEDGER CHART OF ACCOUNTS

Div	Account	Description	Type	Category	Group	Status
0	236.3	ACCRUED TAXES - F.I.C.A.	Liability		PR - Payroll Accountant	Active
0	236.4	ACCRUED TAXES - STATE UNEMPLOYMENT	Liability		PR - Payroll Accountant	Active
0	236.5	ACCRUED TAXES - KY SALES & USE	Liability		USTX - Sales & Use Tax	Active
0	237.0	ACCRUED INTEREST/CUSTOMER DEPOSITS	Liability			Active
0	237.1	ACCRUED INTEREST - RUS/LTD	Liability			Active
0	237.105	ACCRUED INT RUS/LTD FFB LOAN	Liability			Active
0	237.2	ACCRUED INTEREST-CFC/LTD	Liability			Active
0	237.205	ACCRUED INTEREST-LTD - SBA	Liability			Active
0	237.3	OTHER ACCRUED INTEREST - CFC	Liability			Active
0	237.35	OTHER ACCRUED INTEREST - CoBank	Liability			Active
0	237.375	OTHER ACCRUED INT. - CoBank New Headqtr	Liability			Active
0	237.4	ACCRUED INT-PAST SERVICE LIABILITY	Liability			Active
0	237.6	ACCRUED INTEREST- COBANK LTD	Liability			Active
0	238.2	PATRONAGE REFUNDS PAYABLE	Liability			Active
0	238.999	PATRONAGE CAPITAL CLEARING	Liability			Active
0	241.0	INCOME TAX WITHHELD - FEDERAL	Liability		PR - Payroll Accountant	Active
0	241.1	ACCRUED TAXES-EMPLOYEES STATE W/H	Liability		PR - Payroll Accountant	Active
0	241.15	Accrued Taxes - EE IL State Withholding	Liability		PR - Payroll Accountant	Active
0	241.2	PADUCAH CITY OCCUPATIONAL TAX	Liability		PR - Payroll Accountant	Active
0	241.21	MARSHALL CO. OCCUPATIONAL LIC. TAX	Liability		PR - Payroll Accountant	Active
0	241.22	MARSHALL CO. OCC. LIC. TAX-SCHOOLS	Liability		PR - Payroll Accountant	Active
0	241.23	MCCRACKEN CO. OCCUPATIONAL TAX	Liability		PR - Payroll Accountant	Active
0	241.24	BALLARD CO. OCCUPATIONAL TAX	Liability		PR - Payroll Accountant	Active
0	241.25	GRAVES CO. OCCUPATIONAL TAX	Liability		PR - Payroll Accountant	Active
0	241.26	LIVINGSTON CO.-OCCUPATIONAL TAX	Liability		PR - Payroll Accountant	Active
0	241.27	CALVERT CITY-OCCUPATIONAL TAX	Liability		PR - Payroll Accountant	Active
0	241.3	ACCRUED TAXES- BALLARD CO. SCHOOL	Liability		SCHT - School Tax Accounts	Active
0	241.31	ACCRUED TAXES- CARLISLE CO. SCHOOL	Liability		SCHT - School Tax Accounts	Active
0	241.32	ACCRUED TAXES- GRAVES CO. SCHOOL	Liability		SCHT - School Tax Accounts	Active
0	241.33	ACCRUED TAXES-LIVINGSTON CO. SCHOOL	Liability		SCHT - School Tax Accounts	Active
0	241.34	ACCRUED TAXES-MCCRACKEN CO. SCHOOL	Liability		SCHT - School Tax Accounts	Active
0	241.35	ACCRUED TAXES- MARSHALL CO. SCHOOL	Liability		SCHT - School Tax Accounts	Active
0	241.36	School Tax Clearing for Refunds	Liability			Active
0	242.1	ACCRUED RENTALS	Liability			Active
0	242.2	ACCRUED PAYROLL	Liability			Active
0	242.3	ACCRUED COMPENSATED ABSENCES	Liability			Active

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GENERAL LEDGER CHART OF ACCOUNTS

Div	Account	Description	Type	Category	Group	Status
0	242.35	Accrued Non-Productive Wages	Liability			Active
0	242.4	ACCRUED INSURANCE	Liability			Active
0	242.5	ACCRUED AUDITORS EXPENSE	Liability			Active
0	252.0	CUSTOMER ADVANCES FOR CONSTRUCTION	Liability			Active
0	253.0	OTHER DEFERRED CREDITS	Liability			Active
0	253.05	OTHER DEFERRED CR - CAP. CR. REFUND	Liability			Active
0	253.1	OTHER DEFERRED CR - URD ADVANCE PMT	Liability			Active
0	253.2	FEMA DISALLOWANCE RESERVE	Liability			Active
0	360.0	DIST PLANT - LAND AND LAND RIGHTS	Asset		PLTA - Distribution Plant Assets	Active
0	362.0	DIST PLANT - SUBSTATION EQUIPMENT	Asset		PLTA - Distribution Plant Assets	Active
0	362.161	DIST PLANT - SUBSTATN SCADA HARDWRE	Asset		PLTA - Distribution Plant Assets	Active
0	362.162	DIST PLANT - SUBSTATN SCADA SOFTWRE	Asset		PLTA - Distribution Plant Assets	Active
0	364.0	DIST PLANT - POLES, TOWERS, FIXTURES	Asset		PLTA - Distribution Plant Assets	Active
0	365.0	DIST PLANT - OH CONDUCTOR/DEVICES	Asset		PLTA - Distribution Plant Assets	Active
0	366.0	DIST PLANT - UNDERGROUND CONDUIT	Asset		PLTA - Distribution Plant Assets	Active
0	367.0	DIST PLANT - URD CONDUCTR & DEVICES	Asset		PLTA - Distribution Plant Assets	Active
0	368.0	DIST PLANT - LINE TRANSFORMERS	Asset		PLTA - Distribution Plant Assets	Active
0	369.0	DIST PLANT - SERVICES	Asset		PLTA - Distribution Plant Assets	Active
0	370.0	DIST PLANT - METERS	Asset		PLTA - Distribution Plant Assets	Active
0	370.1	DIST PLANT - AMI METERS	Asset		PLTA - Distribution Plant Assets	Active
0	370.161	DIST PLANT - AMI HARDWARE	Asset		PLTA - Distribution Plant Assets	Active
0	370.162	DIST PLANT - AMI SOFTWARE	Asset		PLTA - Distribution Plant Assets	Active
0	370.2	DIST PLANT - AMI SUB & OTHER EQUIP	Asset		PLTA - Distribution Plant Assets	Active
0	371.0	DIST PLANT - INSTAL ON CUST PREMISE	Asset		PLTA - Distribution Plant Assets	Active
0	372.0	DIST PLANT - LSD PROP ON CUST PREM	Asset		PLTA - Distribution Plant Assets	Active
0	373.0	DIST PLANT - ST LIGHT & SIGN SYS	Asset		PLTA - Distribution Plant Assets	Active
0	389.0	GEN PLT - LAND AND LAND RIGHTS	Asset			Active
0	390.0	GEN PLT - STRUCTURES & IMPROVEMENTS	Asset		FAS - General Fixed Assets	Active
0	390.05	GEN PLT - STRUCTURES New Headquarters	Asset		WIPH - WIP Accounts - Headquarters	Active
0	391.0	GEN PLT - OFFICE FURNITURE & EQUIP	Asset			Active
0	391.1	GEN PLT - COMPUTER EQUIP/ SOFTWARE	Asset		ITCP - IT Capital Projects	Active
0	392.0	GEN PLT - UTILITY TRANSP. EQUIP.	Asset		BRVR - Purchases Reimbursable by Big Rivers	Active
0	392.1	GEN PLT - LIGHT DUTY TRANSPORTATION	Asset		FAS - General Fixed Assets	Active
0	393.0	GEN PLT - STORES EQUIPMENT	Asset		FAS - General Fixed Assets	Active
0	394.0	GEN PLT - TOOLS, SHOP, GARAGE EQUIP	Asset		ITCP - IT Capital Projects	Active
0	395.0	GEN PLT - LABORATORY EQUIPMENT	Asset		FAS - General Fixed Assets	Active

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GENERAL LEDGER CHART OF ACCOUNTS

Div	Account	Description	Type	Category	Group	Status
0	396.0	GEN PLT - POWER OPERATED EQUIPMENT	Asset		FAS - General Fixed Assets	Active
0	397.0	GEN PLT - COMMUNICATIONS EQUIPMENT	Asset		ITCP - IT Capital Projects	Active
0	397.1	GEN PLT - COMMUNICATIONS EQUIP. - FIBER	Asset		ITCP - IT Capital Projects	Active
0	398.0	GEN PLT - MISCELLANEOUS EQUIPMENT	Asset		ITCP - IT Capital Projects	Active
0	403.6	DEPR. EXP. - DISTRIBUTION PLANT	Expense	Operating	DEPR - Depreciation & Amortization Costs	Active
0	403.7	DEPR. EXP. - GENERAL PLANT	Expense	Operating	DEPR - Depreciation & Amortization Costs	Active
0	408.7	PUBLIC SERV. COMM.(PSC) ASSESSMENT	Expense	Operating	TAX - Tax Expense -Other	Active
0	411.6	GAINS FROM DISPOSITION OF UTILITY PLANT	Income	Non Operating	GAIN - Miscellaneous Income	Active
0	416.0	COST & EXPENSES/POWER PLUS CR CARD	Income	Non Operating	NONO - Non Operating Margins - Other	Active
0	417.0	Misc Income - Material Sales	Income	Non Operating	NONO - Non Operating Margins - Other	Active
0	417.1	EXPENSES OF NONUTILITY OPERATIONS	Expense	Operating	NONO - Non Operating Margins - Other	Active
0	417.11	CUSTOMER SERVICE COSTS-LONG DIST	Expense	Operating	NONO - Non Operating Margins - Other	Active
0	417.12	ADMIN & GENERAL COSTS- LONG DIST	Expense	Operating	NONO - Non Operating Margins - Other	Active
0	418.0	EXPENSES OF NON-UTILITY PROPERTY	Expense	Operating	NONO - Non Operating Margins - Other	Active
0	418.05	REVENUES FROM NON-UTILITY PROPERTY	Income	Non Operating	NONO - Non Operating Margins - Other	Active
0	418.1	EQUITY IN EARNINGS- SUB. COMPANIES	Income	Non Operating	NONO - Non Operating Margins - Other	Active
0	419.0	INTEREST INCOME	Income	Non Operating	NONI - Non Operating Margins - Interest	Active
0	419.01	INTEREST INCOME - ACCIDENTS	Income	Non Operating	NONI - Non Operating Margins - Interest	Active
0	419.6	INTEREST INCOME - CUSHION OF CREDIT	Income	Non Operating	NONI - Non Operating Margins - Interest	Active
0	421.0	MISCELLEANOUS NON-OPERATING INCOME	Income	Non Operating	NONO - Non Operating Margins - Other	Active
0	421.1	GAINS ON DISPOSITION OF PROPTY	Income	Non Operating	NONO - Non Operating Margins - Other	Active
0	421.11	LOSS ON DISPOSITION OF PROPERTY	Expense	Operating	NONO - Non Operating Margins - Other	Active
0	424.0	OTHER CAP. CRS. & PATR. CAP. ALLOC	Income	Non Operating	CAP - Capital Credit Income	Active
0	426.1	MSC INCOME DEDUCTIONS - DONATIONS	Income	Operating	OTHD - Other Deductions	Active
0	426.3	Penalty Expense	Income	Operating	OTHD - Other Deductions	Active
0	426.5	MSC INCOME DEDUCTIONS - WRITE OFFS	Income	Operating	OTHD - Other Deductions	Active
0	427.1	INTEREST ON LONG TERM DEBT - RUS	Expense	Operating	INTL - Interest - Long Term Debt	Active
0	427.105	INT. ON LONG TERM DEBT - RUS/FFB	Expense	Operating	INTL - Interest - Long Term Debt	Active
0	427.5	INTEREST ON LONG-TERM DEBT - CFC	Expense	Operating	INTL - Interest - Long Term Debt	Active
0	427.505	INTEREST ON LONG-TERM DEBT - SBA	Expense	Operating	INTL - Interest - Long Term Debt	Active
0	427.6	INT. ON LTD - COBANK	Expense	Operating	INTL - Interest - Long Term Debt	Active
0	431.0	INTEREST EXP-SHORT TERM- COBANK	Expense	Operating	INTE - Interest Expense - Other	Active
0	431.01	INTEREST EXP-SHORT TERM - CFC	Expense	Operating	INTL - Interest - Long Term Debt	Active
0	431.02	INTEREST EXP-SHORT TERM - GMAC	Expense	Operating	INTE - Interest Expense - Other	Active
0	431.1	INTEREST EXPENSE/CUSTOMER DEPOSITS	Expense	Operating	INTE - Interest Expense - Other	Active
0	431.15	INTEREST EXP - RATE REFUNDS	Expense	Operating	INTE - Interest Expense - Other	Active

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GENERAL LEDGER CHART OF ACCOUNTS

Div	Account	Description	Type	Category	Group	Status
0	431.2	INTEREST EXP - PAST SERVICE LIABILITY	Expense	Operating	INTE - Interest Expense - Other	Active
0	431.3	INTEREST EXPENSE - TAXES	Expense	Operating	INTE - Interest Expense - Other	Active
0	440.1	RESIDENTIAL SALES	Income	Operating	RESD - Residential Sales	Active
0	440.105	RESIDENTIAL SALES - GREEN POWER	Income	Operating	REV - Revenue - Electric Revenue	Active
0	441.0	IRRIGATION SALES	Income	Operating	REV - Revenue - Electric Revenue	Active
0	441.005	IRRIGATION SALES - GREEN POWER	Income	Operating	REV - Revenue - Electric Revenue	Active
0	442.1	SMALL COMMERCIAL (UNDER 1000 KVA)	Income	Operating	REV - Revenue - Electric Revenue	Active
0	442.105	SMALL COMMERCIAL - GREEN POWER	Income	Operating	REV - Revenue - Electric Revenue	Active
0	442.2	LARGE COMMERCIAL (OVER 1000 KVA)	Income	Operating	REV - Revenue - Electric Revenue	Active
0	442.205	LARGE COMMERCIAL - GREEN POWER	Income	Operating	REV - Revenue - Electric Revenue	Active
0	442.21	INDUSTRIAL - SHELL PIPELINE	Income	Operating	REV - Revenue - Electric Revenue	Active
0	442.22	INDUSTRIAL-VULCAN MATERIALS	Income	Operating	REV - Revenue - Electric Revenue	Active
0	444.0	PUBLIC STREET & HIGHWAY LIGHTING	Income	Operating	REV - Revenue - Electric Revenue	Active
0	444.005	PUBLIC STREET/HWY LGTNG - GREEN PWR	Income	Operating	REV - Revenue - Electric Revenue	Active
0	445.0	OTHER SALES TO PUBLIC AUTHORITIES	Income	Operating	REV - Revenue - Electric Revenue	Active
0	445.005	SALES- PUBLIC AUTHORITIE -GREEN PWR	Income	Operating	USTX - Sales & Use Tax	Active
0	450.0	PENALTIES (ACCT. REC. - ELECTRIC)	Income	Operating	USTX - Sales & Use Tax	Active
0	451.0	MISC SERV REV. - CONNECT & RECONNECT FEE	Income	Operating	USTX - Sales & Use Tax	Active
0	451.1	MISC SERVICE REVENUE-COLLECTIONS	Income	Operating	USTX - Sales & Use Tax	Active
0	451.2	MISC SERV REV-NOT USED	Income	Operating	USTX - Sales & Use Tax	Active
0	451.21	MISC SERV REV - AFTER HR CONNECTION	Income	Operating	USTX - Sales & Use Tax	Active
0	451.3	MISC SERVICE REVENUE-RET CHECKS	Income	Operating	USTX - Sales & Use Tax	Active
0	451.4	MISC SERV REV- LATE PYMT-ERC LOANS	Income	Operating	USTX - Sales & Use Tax	Active
0	451.5	MISC SERV REV - AMR INSTALLATION	Income	Operating	USTX - Sales & Use Tax	Active
0	451.6	MISC SERV REV - AMR MONTHLY CHARGE	Income	Operating	USTX - Sales & Use Tax	Active
0	451.7	MISC SERV - REV SEC. LIGHT REPAIR	Income	Operating	OREV - Other Electric Revenue	Active
0	454.0	RENT FROM ELECTRIC PROPERTY	Income	Operating	OREV - Other Electric Revenue	Active
0	456.0	OTHER ELECTRIC REVENUES	Income	Operating	USTX - Sales & Use Tax	Active
0	456.1	OTHER ELECTRIC REVENUES-LEASE	Income	Operating	OREV - Other Electric Revenue	Active
0	555.0	PURCHASED POWER	Expense	Operating	PUR - Purchased Power Expense	Active
0	555.1	PURCHASED POWER (COOP USAGE)	Expense	Operating	PUR - Purchased Power Expense	Active
0	580.0	OPERATION SUPERVISION & ENGINEERING	Expense	Operating	DIST - Distribution Expense-Operations	Active
0	580.8	OP & ENG. SPRVSN- NISC TRAINING	Expense	Operating	DIST - Distribution Expense-Operations	Active
0	581.0	LOAD DISPATCHING EXPENSE	Expense	Operating	DIST - Distribution Expense-Operations	Active
0	582.0	SUBSTATION EXPENSES	Expense	Operating	DIST - Distribution Expense-Operations	Active
0	582.3	STATION EXP - SCADA COMMUNICATION	Expense	Operating	DIST - Distribution Expense-Operations	Active

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GENERAL LEDGER CHART OF ACCOUNTS

Div	Account	Description	Type	Category	Group	Status
0	583.0	Overhead Line Expense	Expense	Operating	DIST - Distribution Expense-Operations	Active
0	583.1	OH LINE EXP.-PCB TEST & INSPECTION	Expense	Operating	DIST - Distribution Expense-Operations	Active
0	583.2	OVERHEAD LINE EXPENSE-LINE PATROL	Expense	Operating	DIST - Distribution Expense-Operations	Active
0	583.3	OH LINE EXP-OIL SP CLEANUP/100 REG	Expense	Operating	DIST - Distribution Expense-Operations	Active
0	584.0	UNDERGROUND LINE EXPENSES	Expense	Operating	DIST - Distribution Expense-Operations	Active
0	584.2	UNDERGROUND LINE EXPENS-LINE PATROL	Expense	Operating	DIST - Distribution Expense-Operations	Active
0	585.0	STREET LIGHTING EXPENSES	Expense	Operating	DIST - Distribution Expense-Operations	Active
0	586.0	METER EXPENSES	Expense	Operating	DIST - Distribution Expense-Operations	Active
0	586.1	METER EXP - Routine Connect/Disconnect	Expense	Operating	DIST - Distribution Expense-Operations	Active
0	586.2	METER RECORDS - PREP. & MAINT.	Expense	Operating	DIST - Distribution Expense-Operations	Active
0	587.0	CUSTOMER INSTALLATION EXPENSES	Expense	Operating	DIST - Distribution Expense-Operations	Active
0	588.0	MISC DIST EXPENSES-LABOR & O/H	Expense	Operating	DIST - Distribution Expense-Operations	Active
0	588.1	MISC DIST EXP-OFFICE SUPPLIES/EXP	Expense	Operating	DIST - Distribution Expense-Operations	Active
0	588.2	OTHER MISCELLANEOUS DISTRIBUT EXP	Expense	Operating	DIST - Distribution Expense-Operations	Active
0	588.3	MISC. DISTRIBUTION - MAPPING COSTS	Expense	Operating	DIST - Distribution Expense-Operations	Active
0	588.4	MISCELLANEOUS DIST. EXP. - STORM	Expense	Operating	DIST - Distribution Expense-Operations	Active
0	588.45	MISC. DIST. EXP. - STORM REGULAR HR	Expense	Operating	DIST - Distribution Expense-Operations	Active
0	588.8	MISC DIST-LABOR & OH NISC TRAINING	Expense	Operating	DIST - Distribution Expense-Operations	Active
0	590.0	MAINTENANCE SUPERVISION & ENGINEER	Expense	Operating	MAIN - Distribution Expense-Maintenance	Active
0	592.0	MAINTENANCE OF STATION EQUIPMENT	Expense	Operating	MAIN - Distribution Expense-Maintenance	Active
0	592.1	STATION MAINT. - SCADA COMM. EQUIP.	Expense	Operating	MAIN - Distribution Expense-Maintenance	Active
0	592.2	MAINTENANCE OF STATION EQUIPMENT - Storm	Expense	Operating	MAIN - Distribution Expense-Maintenance	Active
0	593.0	MAINTENANCE OF OVERHEAD LINES	Expense	Operating	MAIN - Distribution Expense-Maintenance	Active
0	593.1	MAINT OF OVERHEAD LINES - STORMS	Expense	Operating	MAIN - Distribution Expense-Maintenance	Active
0	593.3	MAINT OF OH LINES - TREE TRIMMING	Expense	Operating	MAIN - Distribution Expense-Maintenance	Active
0	593.305	MAINT OH LINES - TREE TRIM - STORM	Expense	Operating	MAIN - Distribution Expense-Maintenance	Active
0	593.5	MAINT OF OVERHEAD LINES-LINE PATROL	Expense	Operating	MAIN - Distribution Expense-Maintenance	Active
0	593.6	MAINT. OH - POLE INSPECTIONS/TRMNT	Expense	Operating	MAIN - Distribution Expense-Maintenance	Active
0	594.0	MAINTENANCE OF UNDERGROUND LINES	Expense	Operating	MAIN - Distribution Expense-Maintenance	Active
0	594.1	MAINTENANCE OF UNDERGROUND LINES - Storm	Expense	Operating	MAIN - Distribution Expense-Maintenance	Active
0	595.0	MAINTENANCE OF LINE TRANSFORMERS	Expense	Operating	MAIN - Distribution Expense-Maintenance	Active
0	596.0	MAINTENANCE OF STREET LIGHTING	Expense	Operating	MAIN - Distribution Expense-Maintenance	Active
0	597.0	MAINTENANCE OF METERS	Expense	Operating	MAIN - Distribution Expense-Maintenance	Active
0	597.1	MAINTENANCE OF AMI METERS	Expense	Operating	MAIN - Distribution Expense-Maintenance	Active
0	597.2	MAINTENANCE OF AMI EQUIPMENT	Expense	Operating	MAIN - Distribution Expense-Maintenance	Active
0	597.25	AMI Maintenance- Tracking	Expense	Operating	MAIN - Distribution Expense-Maintenance	Active

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GENERAL LEDGER CHART OF ACCOUNTS

Div	Account	Description	Type	Category	Group	Status
0	598.0	Maint of MISC Distribution Plant	Expense	Operating	MAIN - Distribution Expense-Maintenance	Active
0	598.1	MAINT OF MSC DIST PLANT-TELE.LINES	Expense	Operating	MAIN - Distribution Expense-Maintenance	Active
0	598.2	MAINTENANCE OF FIBER	Expense	Operating	MAIN - Distribution Expense-Maintenance	Active
0	901.0	SUPERVISION OF CUSTOMER ACCOUNTS	Expense	Operating	CONS - Consumer Accounts Expense	Active
0	902.0	METER READING EXPENSES	Expense	Operating	CONS - Consumer Accounts Expense	Active
0	902.1	METER READING EXPENSES-SYSTEM	Expense	Operating	CONS - Consumer Accounts Expense	Active
0	903.0	CUSTOMER RECORDS & COLLECTION EXP.	Expense	Operating	CONS - Consumer Accounts Expense	Active
0	903.1	CUSTOMER RCDS.& COLL.-OVER & SHORT	Expense	Operating	CONS - Consumer Accounts Expense	Active
0	903.2	CUST.RCDS & COLL. - COMPLAINTS, ADJ	Expense	Operating	CONS - Consumer Accounts Expense	Active
0	903.3	CUST RCDS & COLL - CONNECTS & DISC	Expense	Operating	CONS - Consumer Accounts Expense	Active
0	903.4	CUST RCDS & COLL - DELINQUENT ACCTS	Expense	Operating	CONS - Consumer Accounts Expense	Active
0	903.41	DELINQUENT ACCTS OVER 30 DAYS	Expense	Operating	CONS - Consumer Accounts Expense	Active
0	903.5	CUST RECORDS - DOCUMENT SCANNING	Expense	Operating	CONS - Consumer Accounts Expense	Active
0	903.6	CREDIT CARD FEES	Expense	Operating	CONS - Consumer Accounts Expense	Active
0	903.65	CUSTOMER RECORDS - BANK DRAFT EXP	Expense	Operating	CONS - Consumer Accounts Expense	Active
0	903.7	CUSTOMER RECORDS - AMI	Expense	Operating	CONS - Consumer Accounts Expense	Active
0	903.8	CUSTOMER RECORDS - NISC TRAINING	Expense	Operating	CONS - Consumer Accounts Expense	Active
0	904.0	UNCOLLECTIBLE ACCOUNTS EXPENSES	Expense	Operating	CONS - Consumer Accounts Expense	Active
0	904.1	UNCOLLECTIBLE ACC EXP-CREDIT BUREAU	Expense	Operating	CONS - Consumer Accounts Expense	Active
0	907.0	CUSTOMER SERVICE - SUPERVISION	Expense	Operating	CSIE - Consumer Service and Informational Exp.	Active
0	908.0	CUSTOMER ASSISTANCE EXPENSES	Expense	Operating	CSIE - Consumer Service and Informational Exp.	Active
0	908.51	CUSTOMER ASSISTANCE EXPENSE-FOOD	Expense	Operating	CSIE - Consumer Service and Informational Exp.	Active
0	908.56	CUSTOMER ASSISTANCE EXPENSE-PRIZES	Expense	Operating	CSIE - Consumer Service and Informational Exp.	Active
0	908.64	CUST ASST EXP-PRINTING-APPLICATIONS	Expense	Operating	CSIE - Consumer Service and Informational Exp.	Active
0	909.0	INFORMATION & INSTRUCTIONAL EXPENSE	Expense	Operating	CSIE - Consumer Service and Informational Exp.	Active
0	909.4	MEDIA AD EXPENSE - MISCELLANEOUS	Expense	Operating	CSIE - Consumer Service and Informational Exp.	Active
0	909.41	ADV.- SAFETY OR CONSV - NEWSPAPER	Expense	Operating	CSIE - Consumer Service and Informational Exp.	Active
0	909.42	ADV.- SAFETY OR CONSV - RADIO	Expense	Operating	CSIE - Consumer Service and Informational Exp.	Active
0	909.43	ADVERTISING - SAFETY OR CONSV. - TV	Expense	Operating	CSIE - Consumer Service and Informational Exp.	Active
0	909.44	ADV.- SAFETY OR CONSV - PERIODICALS	Expense	Operating	CSIE - Consumer Service and Informational Exp.	Active
0	909.45	ADV.- SAFETY OR CONSV - DIRECTORIES	Expense	Operating	CSIE - Consumer Service and Informational Exp.	Active
0	909.6	ADVERTISING - SAFETY OR CONS-MISC	Expense	Operating	CSIE - Consumer Service and Informational Exp.	Active
0	909.61	ADV.-SAFETY OR CONSV - BROCHURES	Expense	Operating	CSIE - Consumer Service and Informational Exp.	Active
0	910.0	MSC CUSTOMER SVC & INFORMATION EXP	Expense	Operating	CSIE - Consumer Service and Informational Exp.	Active
0	911.0	CUSTOMER SERVICE-SUPERVISOR SALES	Expense	Operating	SALE - Sales Expense	Active
0	912.0	DEMONSTRATING & SELLING EXPENSES	Expense	Operating	SALE - Sales Expense	Active

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GENERAL LEDGER CHART OF ACCOUNTS

Div	Account	Description	Type	Category	Group	Status
0	912.1	INCENTIVE - Touchstone Home	Expense	Operating	SALE - Sales Expense	Active
0	912.15	INCENTIVE - PILOT COMMERCIAL EE	Expense	Operating	SALE - Sales Expense	Active
0	912.16	INCENTIVE-COMMERCIAL-HI-EFFCNCY LIGHTS	Expense	Operating	SALE - Sales Expense	Active
0	912.165	INCENTIVE-COMMERCIAL/INDUSTRIAL GENERAL	Expense	Operating	SALE - Sales Expense	Active
0	912.2	INCENTIVE - HVAC REPLACEMENT	Expense	Operating	SALE - Sales Expense	Active
0	912.3	INCENTIVE - ELECTRIC WATER HEATER	Expense	Operating	SALE - Sales Expense	Active
0	912.4	INCENTIVE - WASHING MACHINE	Expense	Operating	SALE - Sales Expense	Active
0	912.41	INCENTIVE -REFRIGERATOR REPLACEMENT	Expense	Operating	SALE - Sales Expense	Active
0	912.42	INCENTIVE- HVAC TUNE-UP RESIDENTIAL	Expense	Operating	SALE - Sales Expense	Active
0	912.425	INCENTIVE - HVAC TUNE-UP COMMERCIAL	Expense	Operating	SALE - Sales Expense	Active
0	912.43	INCENTIVE - RESIDENTIAL WEATHERIZATION	Expense	Operating	SALE - Sales Expense	Active
0	912.44	INCENTIVE - CFLS	Expense	Operating	SALE - Sales Expense	Active
0	912.47	Incentive-EE Outdoor Lighting	Expense	Operating		Active
0	912.56	DEMO & SELLING - PRIZES	Expense	Operating	SALE - Sales Expense	Active
0	912.6	DEMO & SELLING - PRINTING/MISC	Expense	Operating	SALE - Sales Expense	Active
0	912.7	DEMO & SELLING - EMBOSSED ITEMS	Expense	Operating	SALE - Sales Expense	Active
0	912.8	DEMO & SELLING - COOP MONTH	Expense	Operating	SALE - Sales Expense	Active
0	912.9	BIG RIVERS REIMB. - ENERGY PROGRAM	Expense	Operating	SALE - Sales Expense	Active
0	913.0	ADVERTISING EXPENSES	Expense	Operating	SALE - Sales Expense	Active
0	913.4	ADVERTISING - MISCELLANEOUS	Expense	Operating	SALE - Sales Expense	Active
0	913.41	ADVERTISING - NEWSPAPER	Expense	Operating	SALE - Sales Expense	Active
0	913.42	ADVERTISING - RADIO	Expense	Operating	SALE - Sales Expense	Active
0	913.43	ADVERTISING - TELEVISION	Expense	Operating	SALE - Sales Expense	Active
0	913.44	ADVERTISING - PERIODICALS	Expense	Operating	SALE - Sales Expense	Active
0	913.45	ADVERTISING - DIRECTORIES	Expense	Operating	SALE - Sales Expense	Active
0	913.6	ADVERTISING - MEMBER NEWSLETTERS	Expense	Operating	SALE - Sales Expense	Active
0	913.62	SALES & PROMO EXP-MEMBER NEWSLETTER	Expense	Operating	SALE - Sales Expense	Active
0	920.0	ADMINISTRATIVE & GENERAL SALARIES	Expense	Operating	ADMI - Administrative and General Expense	Active
0	920.01	ADMIN & GEN. - JOINT USE SALARIES	Expense	Operating	ADMI - Administrative and General Expense	Active
0	920.015	ADMIN & GEN - FEMA COSTS	Expense	Operating	ADMI - Administrative and General Expense	Active
0	920.1	ADMIN. & GEN. SALARIES - MANAGER	Expense	Operating	ADMI - Administrative and General Expense	Active
0	920.5	ADMIN. & GEN. SALARIES - SCANNING	Expense	Operating	ADMI - Administrative and General Expense	Active
0	920.8	ADMIN & GEN. WAGES - NISC TRAINING	Expense	Operating	ADMI - Administrative and General Expense	Active
0	921.0	OFFICE SUPPLIES AND EXPENSES	Expense	Operating	ADMI - Administrative and General Expense	Active
0	921.1	OFFICE SUPPLIES & EXP. - MANAGER	Expense	Operating	ADMI - Administrative and General Expense	Active
0	923.0	OUTSIDE SERVICES	Expense	Operating	ADMI - Administrative and General Expense	Active

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GENERAL LEDGER CHART OF ACCOUNTS

Div	Account	Description	Type	Category	Group	Status
0	923.2	OUTSIDE SERVICES-ECONOMIC DEVELOP	Expense	Operating	ADMI - Administrative and General Expense	Active
0	923.201	OUTSIDE SERVICES - SECURITY	Expense	Operating	ADMI - Administrative and General Expense	Active
0	924.0	PROPERTY INSURANCE	Expense	Operating	ADMI - Administrative and General Expense	Active
0	925.0	INJURIES AND DAMAGES	Expense	Operating	ADMI - Administrative and General Expense	Active
0	926.0	EMPLOYEE PENSIONS & BENEFITS-HOSP	Expense	Operating	ADMI - Administrative and General Expense	Active
0	926.1	EMPLOYEE UNIFORM EXPENSES	Expense	Operating	ADMI - Administrative and General Expense	Active
0	926.2	OTHER EMPLOYEE PENSIONS & BENEFIT	Expense	Operating	ADMI - Administrative and General Expense	Active
0	928.0	REGULATORY COMMISSION EXPENSES	Expense	Operating	ADMI - Administrative and General Expense	Active
0	930.1	GENERAL ADVERTISING EXPENSES	Expense	Operating	ADMI - Administrative and General Expense	Active
0	930.2	MISCELLANEOUS GENERAL EXPENSES	Expense	Operating	ADMI - Administrative and General Expense	Active
0	930.201	ECONOMIC DEVELOPMENT-MISCELLANEOUS	Expense	Operating	ADMI - Administrative and General Expense	Active
0	930.202	ECONOMIC DEVELOPMENT-BALLARD	Expense	Operating	ADMI - Administrative and General Expense	Active
0	930.203	ECONOMIC DEVELOPMENT-GRAVES	Expense	Operating	ADMI - Administrative and General Expense	Active
0	930.204	ECONOMIC DEVELOPMENT-LIVINGSTON	Expense	Operating	ADMI - Administrative and General Expense	Active
0	930.205	ECONOMIC DEVELOPMENT-MARSHALL	Expense	Operating	ADMI - Administrative and General Expense	Active
0	930.206	ECONOMIC DEVELOPMENT-MCCRACKEN	Expense	Operating	ADMI - Administrative and General Expense	Active
0	930.208	MISC. GEN.EXPENSES - SCHOLARSHIPS	Expense	Operating	ADMI - Administrative and General Expense	Active
0	930.209	YOUTH TOUR EXPENSES	Expense	Operating	ADMI - Administrative and General Expense	Active
0	930.21	DIRECTOR'S FEES AND EXPENSES	Expense	Operating	ADMI - Administrative and General Expense	Active
0	930.219	SPECIAL BALLOT MAILING	Expense	Operating	ADMI - Administrative and General Expense	Active
0	930.22	ANNUAL MEETING - OTHER EXPENSES	Expense	Operating	ADMI - Administrative and General Expense	Active
0	930.224	ADVERTISING - ANNUAL MEETING	Expense	Operating	ADMI - Administrative and General Expense	Active
0	930.225	ANNUAL MEETING - PRIZES	Expense	Operating	ADMI - Administrative and General Expense	Active
0	930.226	ANNUAL MEETING - PRINTING	Expense	Operating	ADMI - Administrative and General Expense	Active
0	930.23	MEMBER NEWSLETTER EXPENSE	Expense	Operating	ADMI - Administrative and General Expense	Active
0	930.3	CORP. SPONSORSHIPS & MEMBERSHIPS	Expense	Operating	ADMI - Administrative and General Expense	Active
0	930.39	ADVERTISING PRODUCTION - COSTS	Expense	Operating	ADMI - Administrative and General Expense	Active
0	930.4	ADVERTISING - MISCELLANEOUS	Expense	Operating	ADMI - Administrative and General Expense	Active
0	930.41	ADVERTISING - NEWSPAPER	Expense	Operating	ADMI - Administrative and General Expense	Active
0	930.42	ADVERTISING - RADIO	Expense	Operating	ADMI - Administrative and General Expense	Active
0	930.43	ADVERTISING - TELEVISION	Expense	Operating	ADMI - Administrative and General Expense	Active
0	930.44	ADVERTISING - PERIODICALS	Expense	Operating	ADMI - Administrative and General Expense	Active
0	930.45	ADV. - DIRECTORIES (INCL TELEPHONE)	Expense	Operating	ADMI - Administrative and General Expense	Active
0	930.6	ADVERTISING - PRINTING	Expense	Operating	ADMI - Administrative and General Expense	Active
0	930.61	ADVERTISING - HOME EXPO	Expense	Operating	ADMI - Administrative and General Expense	Active
0	930.62	HOME EXPO OTHER	Expense	Operating	ADMI - Administrative and General Expense	Active

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GENERAL LEDGER CHART OF ACCOUNTS

<u>Div</u>	<u>Account</u>	<u>Description</u>	<u>Type</u>	<u>Category</u>	<u>Group</u>	<u>Status</u>
0	930.66	ADVERTISING - PRINTING	Expense	Operating	ADMI - Administrative and General Expense	Active
0	930.9	BIG RIVERS REIMB. - ADVERTISING	Expense	Operating	ADMI - Administrative and General Expense	Active
0	930.91	BIG RIVERS REIMB. - SPONSORSHIPS	Expense	Operating	ADMI - Administrative and General Expense	Active
0	930.92	BIG RIVERS REIMB - EE INCENTIVES	Expense	Operating	ADMI - Administrative and General Expense	Active
0	935.0	MAINTENANCE OF GENERAL PLANT	Expense	Operating	ADMI - Administrative and General Expense	Active
0	935.1	MAINT OF G/P- MAINT. AGREEMENTS	Expense	Operating	ADMI - Administrative and General Expense	Active
0	935.2	MAINT G/P-REPAIRS & SERVICE CALLS	Expense	Operating	ADMI - Administrative and General Expense	Active
0	935.3	MAINT OF G/P - SUPPLIES	Expense	Operating	ADMI - Administrative and General Expense	Active
0	935.4	MAINT OF G/P-BUILDINGS & GROUNDS	Expense	Operating	ADMI - Administrative and General Expense	Active
0	935.401	MAINT BLDG & GROUND-WOOD DISPOSAL	Expense	Operating	ADMI - Administrative and General Expense	Active
0	935.5	MAINT OF G/P- MISCELLANEOUS	Expense	Operating	ADMI - Administrative and General Expense	Active
0	998.0	998 CLEARING	Clearing		ADMI - Administrative and General Expense	Active
0	998.1	PROFIT CLEARING OPERATING	Clearing		ADMI - Administrative and General Expense	Active
0	998.2	PROFIT CLEARING NON-OPERATING	Clearing		ADMI - Administrative and General Expense	Active
0	999.0	999 CLEARING	Clearing		ADMI - Administrative and General Expense	Active
0	999.999	RAIN DELAY	Expense	Operating	ADMI - Administrative and General Expense	Active

Total Accounts: 484

**Jackson Purchase Energy Corporation
Case No. 2021-00358
General Adjustment of Rates
Filing Requirements/Exhibit List**

Exhibit 17

**807 KAR 5:001 Section 16(4)(k)
Sponsoring Witness: Jeff Williams**

Description of Filing Requirements:

The independent auditor's annual opinion report, with written communication from the independent auditor to the utility, if applicable, which indicates the existence of a material weakness in the utility's internal controls.

Response:

Please see attached auditor's report.

**JACKSON PURCHASE
ENERGY CORPORATION
KENTUCKY 20

FINANCIAL REPORT

December 31, 2020**

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Jones, Nale & Mattingly PLC

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Jackson Purchase Energy Corporation
Paducah, Kentucky

Report on the Financial Statements

We have audited the accompanying financial statements of Jackson Purchase Energy Corporation, which comprise the balance sheets as of December 31, 2020 and 2019, and the related statements of revenue and comprehensive income, changes in members' equities, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

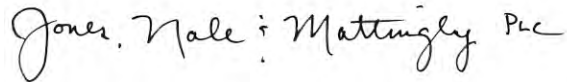
We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Jackson Purchase Energy Corporation as of December 31, 2020 and 2019, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated March 24, 2021, on our consideration of Jackson Purchase Energy Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance.



Louisville, Kentucky
March 24, 2021

JACKSON PURCHASE ENERGY CORPORATION

BALANCE SHEETS
December 31, 2020 and 2019

ASSETS	2020	2019
Electric Plant, at original cost:		
In service	\$ 178,383,912	\$ 167,719,172
Under construction	11,631,408	1,826,665
	190,015,320	169,545,837
Less accumulated depreciation	75,379,868	72,148,212
	114,635,452	97,397,625
Investments in Associated Organizations	3,686,334	3,604,487
Current Assets:		
Cash and cash equivalents	2,622,813	2,064,075
Accounts receivable, less allowance for 2020 of \$358,767 and 2019 of \$283,951	4,003,176	4,496,228
Other receivables	668,225	531,401
Accrued unbilled revenue	3,497,155	3,190,126
Material and supplies, at average cost	1,937,478	1,713,428
Other current assets	419,901	286,463
Total current assets	13,148,748	12,281,721
Total assets	\$ 131,470,534	\$ 113,283,833
MEMBERS' EQUITIES AND LIABILITIES		
Members' Equities:		
Memberships	\$ 111,300	\$ 115,705
Patronage capital	51,438,487	50,300,349
Accumulated other comprehensive income	89,700	94,448
Total members' equities	51,639,487	50,510,502
Long-Term Liabilities:		
Long-term debt, less current portion	58,433,592	40,239,396
Accumulated postretirement benefits	2,814,722	2,677,095
Total long-term liabilities	61,248,314	42,916,491
Current Liabilities:		
Notes payable	3,000,000	8,400,000
Current portion of long-term debt	2,536,600	2,560,000
Accounts payable	8,924,814	5,003,469
Consumer deposits	2,849,853	2,789,538
Accrued expenses	1,103,370	935,737
Total current liabilities	18,414,637	19,688,744
Consumer Advances for Construction	168,096	168,096
Total members' equities and liabilities	\$ 131,470,534	\$ 113,283,833

The Notes to Financial Statements are an integral part of these statements.

JACKSON PURCHASE ENERGY CORPORATION

STATEMENTS OF REVENUE AND COMPREHENSIVE INCOME
Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Operating Revenues		
Sale of electric energy	\$ 64,264,062	\$ 68,120,498
Other electric revenues	862,151	1,327,203
	<u>65,126,213</u>	<u>69,447,701</u>
Operating Expenses		
Cost of power	46,397,544	50,688,770
Distribution - operations	3,213,234	3,308,446
Distribution - maintenance	3,923,558	2,921,678
Consumer accounts	1,140,164	1,273,783
Consumer service and information	2,712	44,297
Administrative and general	3,072,556	3,237,313
Depreciation, excluding \$469,560 in 2020 and \$324,369 in 2019 charged to clearing accounts	6,243,199	6,016,651
Taxes, other than income	89,980	90,258
Interest on long-term debt	1,751,671	1,961,144
Interest expense - other	231,163	233,334
Other deductions	22,492	2,796
Total cost of electric service	<u>66,088,273</u>	<u>69,778,470</u>
Operating (Deficit)	<u>(962,060)</u>	<u>(330,769)</u>
Nonoperating Margins and Patronage Capital		
Interest income	303,276	415,932
Other nonoperating income	1,631,421	935,413
Loss on sale of equipment	(42,261)	(1,181)
Patronage capital from associated organizations	207,762	179,415
Total nonoperating margins	<u>2,100,198</u>	<u>1,529,579</u>
Net Margins	1,138,138	1,198,810
Other Comprehensive Income (Loss)		
Amortization of postretirement benefit actuarial gain	<u>(4,748)</u>	<u>(522)</u>
Total Comprehensive Income	<u>\$ 1,133,390</u>	<u>\$ 1,198,288</u>

The Notes to Financial Statements are an integral part of these statements.

JACKSON PURCHASE ENERGY CORPORATION
STATEMENTS OF CHANGES IN MEMBERS' EQUITIES
Years Ended December 31, 2020 and 2019

	Memberships	Patronage Capital			Total	Accumulated Other Comprehensive Income (Loss)	Total Members' Equities
		Assignable	Assigned	Retirements			
Balance - December 31, 2018	\$ 120,150	\$ 906,175	\$ 49,784,499	\$ (1,589,134)	\$ 49,101,540	\$ 94,970	\$ 49,316,660
Comprehensive income:							
Net margins		1,198,810			1,198,810		1,198,810
Postretirement benefit obligation							
Amortization of actuarial gain						(522)	(522)
Total comprehensive income							1,198,288
Assignment of margins		(906,175)	906,175		--		--
Net change in memberships	(4,445)						(4,445)
Other equities				(1)	(1)		(1)
Balance - December 31, 2019	115,705	1,198,810	50,690,674	(1,589,135)	50,300,349	94,448	50,510,502
Comprehensive income:							
Net margins		1,138,138			1,138,138		1,138,138
Postretirement benefit obligation							
Amortization of actuarial gain						(4,748)	(4,748)
Total comprehensive income							1,133,390
Assignment of margins		(1,198,810)	1,198,810		--		--
Net change in memberships	(4,405)						(4,405)
Balance - December 31, 2020	\$ 111,300	\$ 1,138,138	\$ 51,889,484	\$ (1,589,135)	\$ 51,438,487	\$ 89,700	\$ 51,639,487

The Notes to Financial Statements are an integral part of these statements.

JACKSON PURCHASE ENERGY CORPORATION

STATEMENTS OF CASH FLOWS
Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net margins	\$ 1,138,138	\$ 1,198,810
Adjustments to reconcile net margins to net cash provided by operating activities:		
Depreciation		
Charged to expense	6,243,199	6,016,651
Charged to clearing accounts	469,560	324,369
Patronage capital credits assigned	(207,762)	(179,415)
Loss on disposition of equipment	42,261	1,181
Amortization of postretirement actuarial adjustment	(4,748)	(522)
PPP loan forgiven	(1,621,100)	--
Change in assets and liabilities:		
Accounts and other receivables	356,228	673,427
Unbilled revenue	(307,029)	422,379
Material and supplies	(224,050)	273,644
Other current assets	(133,438)	131,622
Accounts payable	3,921,345	(229,920)
Consumer deposits	60,315	289,728
Accrued expenses	167,633	(868,947)
Accumulated postretirement benefits	137,627	153,059
Consumer advances for construction	--	(735,106)
Net cash provided by operating activities	<u>10,038,179</u>	<u>7,470,960</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Plant additions	(23,099,051)	(7,082,820)
Plant removal costs	(1,022,993)	(1,134,461)
Salvage recovered from retired plant	129,197	6,436
Receipts from investments, net	125,915	99,625
Net cash (used in) investing activities	<u>(23,866,932)</u>	<u>(8,111,220)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net decrease in memberships	(4,405)	(4,445)
Advances (repayments) of notes payable, net	(5,400,000)	3,400,000
PPP loan proceeds	1,621,100	--
Additional long-term borrowings	20,907,426	--
Cushion of credit applied (payment)	6,728,615	(326,174)
Payments on long-term debt	(9,465,245)	(2,770,685)
Net cash provided by financing activities	<u>14,387,491</u>	<u>298,696</u>
Net increase (decrease) in cash and cash equivalents	558,738	(341,564)
Cash and cash equivalents, beginning of year	<u>2,064,075</u>	<u>2,405,639</u>
Cash and cash equivalents, end of year	<u>\$ 2,622,813</u>	<u>\$ 2,064,075</u>
SUPPLEMENTAL CASH FLOW INFORMATION		
Cash payments for interest	\$ 2,008,970	\$ 2,187,356
Utility plant in accounts payable	\$ 3,474,910	\$ --

The Notes to Financial Statements are an integral part of these statements.

JACKSON PURCHASE ENERGY CORPORATION
NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

Business activity

Jackson Purchase Energy Corporation (the Corporation) provides distribution electric services to residential and commercial consumers concentrated in a six-county area in western Kentucky. The Corporation maintains its records in accordance with the policies prescribed or permitted by the Kentucky Public Service Commission (PSC) and the United States Department of Agriculture, Rural Utilities Service (RUS), which conform in all material respects with accounting principles generally accepted in the United States of America. The significant accounting policies are as follows:

Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates used in the preparation of the financial statements.

Electric plant

Electric plant is stated at original cost, which is the cost when first dedicated to public service. Such amount includes applicable supervisory and overhead cost including any construction period interest and taxes. There was no interest required to be capitalized during the years ended December 31, 2020 and 2019.

The cost of maintenance and repairs, including renewals of minor items of property, is charged to operating expense. The cost of replacement of depreciable property units, as distinguished from minor items, is charged to electric plant. The units of property replaced or retired, including cost of removal, net of any salvage value, is charged to accumulated depreciation. Electric plant consists of the following as of December 31:

	<u>2020</u>	<u>2019</u>
Distribution plant	\$ 162,595,243	\$ 156,917,809
General plant	15,788,669	10,801,363
Total	<u>\$ 178,383,912</u>	<u>\$ 167,719,172</u>

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

Depreciation

Provision has been made for depreciation on the basis of the estimated lives of assets, using the straight-line method. Depreciation rates range from 1.48% to 12.09%, for a composite rate of 3.79% for distribution plant. General plant rates are as follows:

Structures and improvement	2.5%
Transportation equipment	12.5 - 20%
Other general plant	5 - 14%

Cash and cash equivalents

The Corporation considers all short-term, highly liquid investments with original maturities of three months or less to be cash equivalents. The Corporation maintains cash deposits in financial institutions in excess of the amounts insured by the Federal Deposit Insurance Corporation (FDIC). As of December 31, 2020 and 2019, the financial institutions reported deposits in excess of the \$250,000 FDIC insured limit on several of the accounts. Deposits and repurchase agreements in excess of the FDIC limits are 100% secured with collateral from each respective financial institution.

Accounts receivable

Accounts receivable consists of amounts due for sales of electric energy. Accounts receivable are recorded at their net realizable value consisting of the carrying amount less an allowance for uncollectible accounts. The Corporation uses the allowance method to account for uncollectible accounts receivable balances. Management charges off uncollectible receivables to the allowance when it is determined the amounts will not be realized.

Materials and supplies

The Corporation values materials and supplies at the lower of average cost or net realizable value.

Sales tax

The Corporation is required to collect, on behalf of the Commonwealth of Kentucky, sales taxes based on 6 percent of gross sales from non-residential consumers, a 3 percent school tax from certain counties on most gross sales, and franchise fees in certain cities. The Corporation's policy is to exclude sales tax from revenue when collected and expenses when paid and instead, record collection and payment of sales taxes through a liability account.

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

Cost of power

The Corporation is one of three members of Big Rivers Electric Corporation (Big Rivers), a generation and transmission cooperative association. Under a wholesale power agreement, the Corporation is committed to purchase its electric power and energy requirements from Big Rivers until 2043. The rates charged by Big Rivers are subject to approval of the PSC. The cost of purchased power is recorded monthly during the period in which the energy is consumed, based upon billings from Big Rivers. There are certain surcharges, clauses, and credits that Big Rivers includes to the Corporation that are passed on to consumers using a methodology prescribed by the PSC.

Advertising

The Corporation expenses advertising costs as incurred. Advertising expense totaled \$12,716 and \$11,179 for the years ended December 31, 2020 and 2019, respectively.

Other comprehensive income (loss)

Other comprehensive income (loss) includes both net margin and other comprehensive income (loss). Other comprehensive income (loss) represents the change in funded status of the accumulated postretirement benefit obligation.

Credit risk

The Corporation grants credit to residents within its service territory. Concentrations of credit risk with respect to accounts receivables are limited due to its large number of customers.

Risk management

The Corporation is exposed to various forms of losses of assets associated with, but not limited to, fire, personal liability, theft, vehicular accidents, errors and omissions, fiduciary responsibility, workers compensation, etc. Each of these areas is covered through the purchase of commercial insurance.

Commitments

The Corporation has various agreements outstanding with local contractors. Under these agreements, the contractors will perform certain construction and maintenance work at specified hourly rates or unit cost, or on an as needed basis. The duration of these contracts are generally one to three years.

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

Generation and transmission corporation

As discussed in the preceding footnotes, the Corporation purchases electric power from Big Rivers, a generation and transmission cooperative association. The membership of Big Rivers is comprised of the Corporation and two other distribution cooperatives.

The Corporation has elected to continue valuing the non-cash allocations received from Big Rivers at zero for financial accounting purposes, a practice it has followed since Big Rivers emerged from bankruptcy in 1998 during which all previous booked non-cash allocations were reduced to zero. The Corporation will continue to make memorandum entries in its patronage subsidiary ledger of the face amount of the allocations received from Big Rivers. Refer to the subsequent footnote for the income tax treatment of these non-cash allocations.

Income tax status

The Corporation qualifies as a tax-exempt organization under Section 501(c)(12) of the Internal Revenue Code. However, income from certain activities not directly related to the Corporation's tax-exempt purpose is subject to taxation as unrelated business income. There was no unrelated business income tax for the years ended December 31, 2020 and 2019. Accordingly, the financial statements of the Corporation include no provision for income taxes.

The Corporation's accounting policy provides that a tax expense/benefit from an uncertain tax position may be recognized when it is more likely than not that the position will be sustained upon examination, including resolutions of any related appeals or litigation processes, based on the technical merits. The Corporation has no uncertain tax positions resulting in an accrual of tax expense or benefit.

The Corporation's Federal Return of Organization Exempt from Income Tax is subject to possible examination by taxing authorities until the expiration of related statutes of limitations on the return, which is generally three years.

Pension accounting

In May 2017, the Financial Accounting Standards Board (FASB) issued ASU 2017-07, *Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost*. The standard specifies how the amount of pension costs and costs for post-retirement benefits other than pensions (PBOP) should be presented on the income statement under accounting principles generally accepted in the United States of America, and what components of those costs are eligible for capitalization in assets. This standard is effective for years beginning after December 15, 2018. The Federal Energy Regulatory Commission (FERC) issued Docket No. AI18-1-000 that allowed jurisdictional public utilities to continue to record PBOP costs in their entirety, less amounts capitalized, without change. Pension and PBOP costs are made up of several components: service cost, interest cost, actual return on plan assets, gain or loss, amortization of prior service cost or credit, and amortization of FASB Accounting Standards Codification (ASC) Subtopic 715-30. Though pension and PBOP costs are computed using the aggregate total of these various components, the PSC's longstanding policy is to consider the amount as a singular cost to the employer. This cost is calculated based on ASC 715 and reported as an expense under net margins from continuing operations.

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

Recent accounting pronouncements

In February 2016, the FASB issued ASU 2016-02, *Leases*. The standard requires all leases with lease terms over 12 months to be capitalized as a right-of-use asset and lease liability on the balance sheet at the date of lease commencement. Leases will be classified as either finance or operating. This distinction will be relevant for the pattern of expense recognition in the statement of revenue and comprehensive income. This standard will be effective for the year ending December 31, 2022.

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments-Credit Losses*. The standard requires a financial asset (including trade receivables) measured at amortized cost basis to be presented at the net amount expected to be collected. Thus, the statement of revenue and comprehensive income will reflect the measurement of credit losses for newly recognized financial assets as well as the expected increases or decreases of expected credit losses that have taken place during the period. This standard will be effective for the year ending December 31, 2023.

The Corporation is currently in the process of evaluating the impact of the adoption of these ASUs on the financial statements.

Subsequent events

Management has evaluated subsequent events through March 24, 2021, the date the financial statements were available to be issued.

Note 2. Revenue Recognition

Revenue from contracts

The Corporation is engaged in the distribution and sale of electricity to residential and commercial customers in six counties in western Kentucky. Revenue from these activities is generated from tariffs approved by the PSC. The Corporation satisfies their performance obligation upon the delivery of electricity to customers. Revenue is recognized over-time as the customer simultaneously receives and consumes the benefits provided by the Corporation. The amount of revenue recognized is the billed volume of electricity multiplied by a tariff rate per-unit of energy, plus any applicable fixed or additional regulatory charges. Customers are billed monthly and outstanding amounts are typically due within 18 days of the date of the bill. Revenue for pole attachments are invoiced at the beginning of the year. The performance obligation is satisfied ratably over the time of the contract and revenue is recognized monthly as earned.

NOTES TO FINANCIAL STATEMENTS

Note 2. Revenue Recognition (Continued)

Significant judgements

Unbilled revenues are recognized as a result of customers' bills being generated throughout the month rather than at the end of the month. Unbilled revenues for a month are calculated based on estimated usage and the number of days in the period to accrue for each billing cycle. Any difference between estimated and actual revenues is adjusted the following month when the previous unbilled estimate is reversed and actual billings are generated. This method of revenue recognition presents fairly, the Corporation's transfer of electricity to customers as the amount recognized is based on actual and estimated volumes delivered and the tariff rate per-unit of energy and any applicable fixed charges as set by the PSC.

Performance obligations

The Corporation customers generally have no minimum purchase commitments. The Corporation recognizes revenue as each performance obligation is satisfied. Performance obligations are limited to the service requested and received to date. Accordingly, there is no unsatisfied performance obligation to recognize as of December 31, 2020 and 2019.

Disaggregation of revenue

The following table shows revenues from contracts with customers disaggregated by customer class for the years ended December 31:

	2020	2019
Residential	\$ 41,427,790	\$ 43,457,659
Commercial	18,485,624	20,223,394
Large Industrial	4,209,164	4,297,603
Public Lights	131,199	126,880
Other	872,436	1,342,165
	\$ 65,126,213	\$ 69,447,701

Contract assets and cost liabilities

Contract assets include unbilled revenues and contract cost liabilities include consumer deposits. The balance in contract assets and liabilities were as follows as of December 31:

	2020	2019	2018
Contract assets	\$ 3,497,155	\$ 3,190,126	\$ 3,612,505
Contract liabilities	\$ 2,849,853	\$ 2,789,538	\$ 2,499,810

NOTES TO FINANCIAL STATEMENTS

Note 3. Investments in Associated Organizations

Investments in associated organizations consist of the following as of December 31:

	2020	2019
CFC CTCs	\$ 926,929	\$ 928,929
CoBank patronage capital	950,213	902,582
National Rural Telecommunications Coop.	845,420	845,420
Others	963,772	927,556
Total	\$ 3,686,334	\$ 3,604,487

The Corporation records patronage capital assigned by associated organizations in the year in which such assignments are received. The Capital Term Certificates (CTCs) of CFC are recorded at cost. The CTCs were purchased from CFC as a condition of obtaining long-term financing. The CTCs bear interest at 5.00% and are scheduled to mature at varying times from 2070 to 2080.

Note 4. Patronage Capital

Under provisions of the long-term debt agreement, return to patrons of capital contributed by patrons is limited to amounts which would not allow the total equities and margins to be less than 30.00% of total assets, except that distributions may be made to estates of deceased patrons. The debt agreement provides, however, that should such distributions to estates not exceed 25.00% of the net margins for the next preceding year, the Corporation may distribute the difference between 25.00% and the payments made to such estates. The equity and margins as of December 31, 2020 and 2019 were 39.28% and 44.59%, respectively. The Corporation adopted a policy whereby it would refund capital credits to its members in any annual period that a Times Interest Earned Ratio (TIER) of 2.0 is exceeded. No refunds of capital credits are anticipated for the year ending December 31, 2021.

Note 5. Long-Term Debt

All assets, except vehicles, are pledged as collateral on the long-term debt to RUS, Federal Financing Bank (FFB), CoBank, and CFC under a joint mortgage agreement. The long-term debt is due in quarterly and monthly installments of varying amounts through 2054. RUS assesses 12.5 basis points to administer the FFB loans. The Corporation had unadvanced loan funds available from FFB in the amount \$40,635,574 and zero as of December 31, 2020 and 2019, respectively. These funds will be used for future plant additions and construction of the Corporation's new headquarters.

In April 2020, the Corporation applied for and was granted a forgivable loan of \$1,621,100 from the United States Small Business Administration (SBA) Paycheck Protection Program (PPP). Under the CARES Act, subject to limitations, as defined, the loan may be partially or fully forgiven, depending on specified actual payroll and other qualified costs for the covered period following receipt of the loan. Any amount not forgiven will be payable in 24 monthly installments of principal and interest at 1.00% and will be unsecured. The Corporation accounted for the loan proceeds as debt in accordance with ASC 470. The Corporation submitted its application for forgiveness to the SBA and was notified in November 2020 that the entire loan was forgiven. As such, in compliance with guidance from RUS, the Corporation has recognized the forgiveness of debt as other nonoperating income.

NOTES TO FINANCIAL STATEMENTS

Note 5. Long-Term Debt (Continued)

Long-term debt consists of the following as of December 31:

	2020	2019
RUS: Advance payment, earns 5.00% interest	\$ - -	\$ (6,728,615)
First mortgage notes due FFB:		
0.143% to 5.158%	32,867,931	19,753,319
First mortgage notes due CoBank:		
3.19% to 4.90%	11,458,275	12,547,580
First mortgage notes due CFC:		
Refinance RUS loans 2.70% to 3.75%	16,643,986	17,227,112
	60,970,192	42,799,396
Less Current Portion	(2,536,600)	(2,560,000)
Long-term portion	\$ 58,433,592	\$ 40,239,396

As of December 31, 2020, the annual principal portion of long-term debt outstanding for the next five years and thereafter are as follows:

2021	\$ 2,536,600
2022	2,600,000
2023	2,665,000
2024	2,731,600
2025	2,799,900
Thereafter	47,637,092
	\$ 60,970,192

Note 6. Notes Payable

The Corporation has a short-term line of credit of \$5,000,000 available from CFC and a short-term line of credit of \$5,000,000 available from CoBank. As of December 31, 2020, there were no advances against either line of credit. As of December 31, 2019, advances on the CFC line of credit were \$3,400,000 at an interest rate of 3.25%, and advances on the CoBank line of credit were \$5,000,000 at an interest rate of 3.19%. The CoBank and CFC lines of credit mature in September 2021 and September 2022, respectively.

In January 2020, the Corporation obtained a \$20,000,000 revolving term promissory note for the purpose of financing the construction of the Corporation's new headquarters. As of December 31, 2020, advances on the promissory note were \$3,000,000 at an interest rate of 2.45%. The promissory note matures December 31, 2021 and will be repaid with long-term financing from unadvanced loan funds available from FFB (see Note 5).

NOTES TO FINANCIAL STATEMENTS

Note 7. Pension Plans

Qualified union and non-union employees of the Corporation participate in the NRECA Retirement and Security Plan (RS Plan), a defined benefit pension plan qualified under section 401 and tax exempt under section 501(a) of the Internal Revenue Code. It is a multiemployer plan under the accounting standards. The Plan sponsor's identification number is 53-0116145 and the Plan Number is 333. A unique characteristic of a multiemployer plan compared to a single employer plan is that all plan assets are available to pay benefits of any plan participant. Separate asset accounts are not maintained for participating employers. This means that assets contributed by one employer may be used to provide benefits to employees of other participating employers.

The Corporation's contributions to the RS Plan in 2020 and 2019 represent less than 5.00% of the total contributions made to the plan by all participating employers. The Corporation made contributions to the plan of \$829,299 in 2020 and \$750,522 in 2019. There have been no significant changes that affect the comparability of 2020 and 2019 contributions.

For the RS Plan, a zone status determination is not required, and therefore not determined, under the Pension Protection Act (PPA) of 2006. In addition, the accumulated benefit obligations and plan assets are not determined or allocated separately by individual employer. In total, the RS Plan was over 80 percent funded at January 1, 2020 and 2019 based on the PPA funding target and PPA actuarial value of assets on those dates. Because the provisions of the PPA do not apply to the RS Plan, funding improvement plans and surcharges are not applicable. Future contribution requirements are determined each year as part of the actuarial valuation of the plan and may change as a result of plan experience.

Qualified union employees participate in the International Brotherhood of Electrical Workers (IBEW) Savings Plan. The Corporation contributed 5.00% and 10.00% of base wages to the plan in 2020 and 2019, respectively. Contributions to the plan totaled \$111,935 in 2020 and \$218,859 in 2019.

Qualified non-union employees participate in the NRECA 401(k) Plan. The Corporation contributes 4.00% of annual wages to the plan for employees hired prior to January 1, 2006, and 14.00% of annual wages for employees hired after January 1, 2006. Contributions for these plans totaled \$350,405 for 2020 and \$269,930 for 2019.

A summary of plan benefits are as follows:

	<u>Pre 2006</u>	<u>Post 2006</u>
Union Employees		
Union Savings Plan	5.00%	5.00%
R&S Benefit level	1.60%	1.00%
Non-Union Employees		
401(k), Employer contribution	4.00%	14.00%
R&S Benefit level	1.80%	none

NOTES TO FINANCIAL STATEMENTS

Note 8. Postretirement Benefits

The Corporation sponsors a defined benefit plan that provides medical insurance coverage to retirees. The premiums are paid for a maximum of ten years or until age 65, whichever comes first. For measurement purposes, an annual rate of increase of 6.00% in 2020, then decreasing by 0.25% per year until 3.00% per year, in the per capita cost of covered health care benefit was assumed. The discount rate used in determining the accumulated postretirement benefit obligation was 4.50%. There have been no significant changes that affect the comparability of 2020 and 2019. This is a non-contributory plan.

The funded status of the plan was as follows as of December 31:

	2020	2019
Projected benefit obligation	\$ (2,814,722)	\$ (2,677,095)
Plan assets at fair value	-	-
Funded status (deficit)	\$ (2,814,722)	\$ (2,677,095)

The components of net periodic postretirement benefit cost are as follows as of and for the year ended December 31:

	2020	2019
Benefit obligation at beginning of year	\$ 2,677,095	\$ 2,524,036
Net periodic benefit cost:		
Service cost	63,469	70,010
Interest cost	123,566	117,025
	187,035	187,035
Benefits paid	(49,408)	(33,976)
Benefit obligation at end of year	\$ 2,814,722	\$ 2,677,095

Amounts recognized in the balance sheet consists of:

Accumulated postretirement benefits	\$ 2,814,722	\$ 2,677,095
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Amounts included in other comprehensive income:

Unrecognized actuarial gain	\$ 89,700	\$ 94,448
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Effect of 1.00% increase in the health care trend:

Postemployment benefit obligation	\$ 2,969,500
Net periodic benefit cost	\$ 197,300

Projected retiree benefit payments for the next five years are expected to be as follows: 2021 - \$24,880; 2022 - \$25,120; 2023 - \$25,300; 2024 - \$25,400; 2025 - \$25,480.

NOTES TO FINANCIAL STATEMENTS

Note 9. Related Party Transactions

Several of the Directors of the Corporation and its President and CEO serve on the Boards of Directors of various associated organizations.

In previous years, Big Rivers provided billing, IT, and other services to its three distribution cooperative members. In 2013, Big Rivers discontinued providing these services directly to its distribution cooperative members, but instead began reimbursing members for the cost of the services. Amounts reimbursed during 2020 also include costs related to construction of fiber. The amounts reimbursed from Big Rivers were \$1,553,181 and \$682,715 for the years ended December 31, 2020 and 2019, respectively. Amounts due from Big Rivers are included in other receivables and were \$49,637 and \$166,658 as of December 31, 2020 and 2019, respectively.

Note 10. Labor Force

Approximately 45.00% of the Corporation's labor force is subject to a collective bargaining agreement. A five (5) year agreement was negotiated and approved for the period from November 2019 through November 2024 between the Corporation and the International Brotherhood of Electric Workers (IBEW).

Note 11. Environmental Contingency

The Corporation from time to time is required to work with and handle PCBs, herbicides, automotive fluids, lubricants, and other hazardous materials in the normal course of business. As a result, there is the possibility that environmental conditions may arise which would require the Corporation to incur cleanup costs. The likelihood of such an event, or the amount of such costs, if any, cannot be determined at this time. However, management does not believe such costs, if any, would materially affect the Corporation's financial position or its future cash flows.

Note 12. Contingencies

The Corporation, on occasion, is involved in litigation arising in the normal course of business. While the results of such litigation cannot be predicted with certainty, management, based upon advice of counsel, believes that the final outcome will not have a material adverse effect on the financial statements.

Note 13. Risks & Uncertainties

Since March 2020, local, U.S., and world governments have encouraged self-isolation to curtail the spread of the global pandemic, coronavirus disease (COVID-19), by mandating temporary work stoppage in many sectors and imposing limitations on travel and size and duration of group meetings. Most industries are experiencing disruption to business operations and the impact of reduced consumer spending. There is unprecedented uncertainty surrounding the duration of the pandemic, its potential economic ramifications, and any government actions to mitigate them. Accordingly, while management cannot quantify the financial and other impact to the Corporation as of March 24, 2021, management believes that a material impact on the Corporation's financial position and results of future operations is reasonably possible.



Jones, Nale & Mattingly PLC

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Board of Directors
Jackson Purchase Energy Corporation
Paducah, Kentucky

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Jackson Purchase Energy Corporation (the Corporation), which comprise the balance sheet as of December 31, 2020 and the related statements of revenue and comprehensive income, changes in members' equities and cash flows for the year then ended, and related notes to the financial statements, and have issued our report thereon dated March 24, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Corporation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Corporation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Jones, Nale & Mattingly PLC

Louisville, Kentucky
March 24, 2021



Jones, Nale & Mattingly PLC

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH ASPECTS
OF CONTRACTUAL AGREEMENTS AND REGULATORY REQUIREMENTS
FOR ELECTRIC BORROWERS**

To the Board of Directors
Jackson Purchase Energy Corporation
Paducah, Kentucky

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Jackson Purchase Energy Corporation (the Corporation), which comprise the balance sheet as of December 31, 2020, and the related statements of revenue and comprehensive income, changes in members' equities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 24, 2021. In accordance with *Government Auditing Standards*, we have also issued our report dated March 24, 2021, on our consideration of the Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. No reports other than the reports referred to above and our schedule of findings and recommendations related to our audit have been furnished to management.

In connection with our audit, nothing came to our attention that caused us to believe that the Corporation failed to comply with the terms, covenants, provisions, or conditions of their loan, grant, and security instruments as set forth in 7 CFR Part 1773, *Policy on Audits of Rural Utilities Service Borrowers and Grantees*, §1773.33, insofar as they relate to accounting matters as enumerated below. However, our audit was not directed primarily toward obtaining knowledge of noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Corporation's noncompliance with the above-referenced terms, covenants, provisions, or conditions of the contractual agreements and regulatory requirements, insofar as they relate to accounting matters. In connection with our audit, we noted no matters regarding the Corporation's accounting and records to indicate that the Corporation did not:

- Maintain adequate and effective accounting procedures;
- Utilize adequate and fair methods for accumulating and recording labor, material, and overhead costs, and the distribution of these costs to construction, retirement, and maintenance or other expense accounts;
- Reconcile continuing property records to the controlling general ledger plant accounts;
- Clear construction accounts and accrue depreciation on completed construction;
- Record and properly price the retirement of plant;
- Seek approval of the sale, lease, or transfer of capital assets and disposition of proceeds for the sale or lease of plant, material, or scrap;
- Maintain adequate control over material and supplies;

- Prepare accurate and timely Financial and Operating Reports;
- Obtain written RUS approval to enter into any contract for the management, operation, or maintenance of the borrower's system if the contract covers all or substantially all of the electric system;
- Disclose material related party transactions in the financial statements, in accordance with requirements for related parties in generally accepted accounting principles;
- Record depreciation in accordance with RUS requirements (See RUS Bulletin 183-1, Depreciation Rates and Procedures);
- Comply with the requirements for the detailed schedule of deferred debits and deferred credits, which are listed below; and
- Comply with the requirements for the detailed schedule of investments, of which there were none.

The deferred credits are as follows:

Consumer advances for construction	<u>\$168,096</u>
------------------------------------	------------------

The purpose of this report is solely to communicate, in connection with the audit of the financial statements, on compliance with aspects of contractual agreements and the regulatory requirements for electric borrowers based on the requirements of 7 CFR Part 1773, *Policy on Audits of Rural Utilities Service Borrowers and Grantees*. Accordingly, this report is not suitable for any other purpose.

Jones, Nale & Mattingly PLC

Louisville, Kentucky
March 24, 2021

**Jackson Purchase Energy Corporation
Case No. 2021-00358
General Adjustment of Rates
Filing Requirements/Exhibit List**

Exhibit 18

**807 KAR 5:001 Section 16(4)(I)
Sponsoring Witness: Jeff Williams**

Description of Filing Requirement:

*The most recent Federal Energy Regulatory Commission of Federal Communications
Commission audit reports.*

Response:

Jackson Purchase is not regulated by the Federal Energy Regulatory Commission or
Federal Communications Commission, and therefore has no audit report from these agencies.

**Case No. 2021-00358
Application-Exhibit 18
*No Attachment***

**Jackson Purchase Energy Corporation
Case No. 2021-00358
General Adjustment of Rates
Filing Requirements/Exhibit List**

Exhibit 19

**807 KAR 5:001 Section 16(4)(m)
Sponsoring Witness: Jeff Williams**

Description of Filing Requirement:

The most recent Federal Energy Regulatory Commission (“FERC”) Financial Report, FERC Form No. 1, FERC Financial Report FERC Form No. 2, or Public Service Commission Form T (telephone).

Response:

Jackson Purchase is not regulated by the Federal Energy Regulatory Commission, and therefore has none of the forms or reports listed in this Filing Requirement.

**Case No. 2021-00358
Application-Exhibit 19
No Attachment**

**Jackson Purchase Energy Corporation
Case No. 2021-00358
General Adjustment of Rates
Filing Requirements/Exhibit List**

Exhibit 20

**807 KAR 5:001 Section 16(4)(n)
Sponsoring Witness: Jeff Williams**

Description of Filing Requirement:

A summary of the utility's latest depreciation study with schedules by major plant accounts, except that telecommunications utilities that have adopted the commission's average depreciation rates shall provide a schedule that identifies the current and test period depreciation rates used by major plant accounts. If the required information has been filed in another commission case, a reference to that case's number shall be sufficient.

Response:

Jackson Purchase's current depreciation study is on file with the Commission. It can be found in Case No. 2007-00116, *General Adjustment of Electric Rates of Jackson Purchase Energy Corporation*. Specific reference is made to the Application, Part 9 of 9, Exhibit P, Bates stamp 000719 through 000748. Jackson Purchase does not propose to adjust its depreciation rates as part of this proceeding.

**Case No. 2021-00358
Application-Exhibit
No Attachment**

**Jackson Purchase Energy Corporation
Case No. 2021-00358
General Adjustment of Rates
Filing Requirements/Exhibit List**

Exhibit 21

**807 KAR 5:001 Section 16(4)(0)
Sponsoring Witness: Jeff Williams**

Description of Filing Requirement:

A list of all commercially available or in-house developed computer software, programs, and models used in the development of the schedules and work papers associated with the filing of the utility's application.

Response:

Jackson Purchase uses NISC's IVUE platform for all financial information and used Microsoft Word and Excel in preparation for the development of schedules associated with the utility's application.

**Case No. 2021-00358
Application-Exhibit 21
*No Attachment***

**Jackson Purchase Energy Corporation
Case No. 2021-00358
General Adjustment of Rates
Filing Requirements/Exhibit List**

Exhibit 22

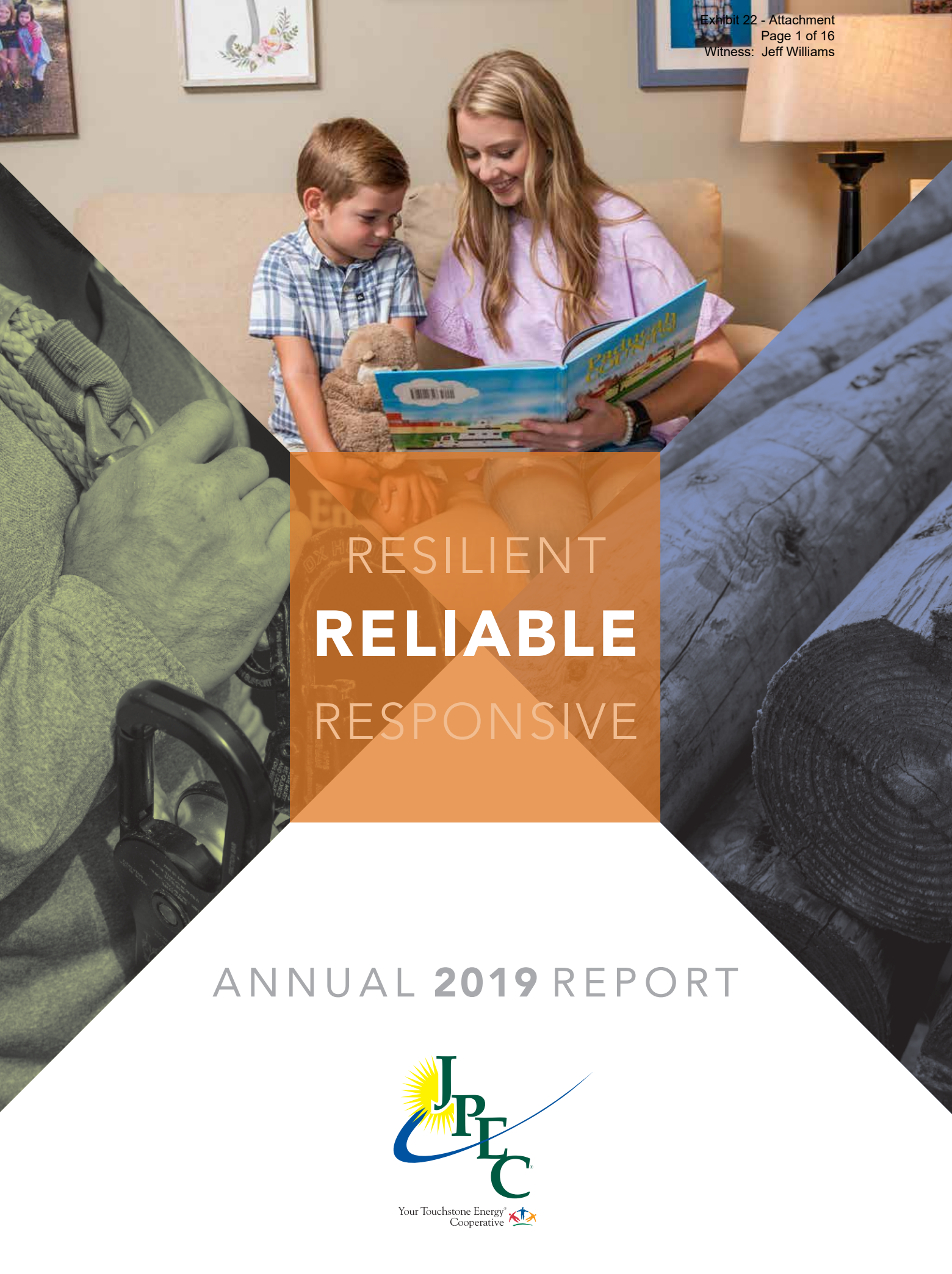
**807 KAR 5:001 Section 16(4)(q)
Sponsoring Witness: Jeff Williams**

Description of Filing Requirement:

The annual report to shareholders or members and statistical supplements covering the two (2) most recent years from the utility's application filing date.

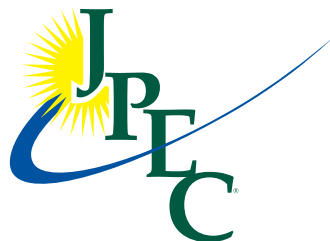
Response:

Please see attached annual report to members and related information.



RESILIENT
RELIABLE
RESPONSIVE

ANNUAL 2019 REPORT



Your Touchstone Energy
Cooperative 



RELIABLE

The Three R's in education are "reading, 'riting and 'rithmetic."

Promoters of sustainability preach the Three R's of "reduce, reuse and recycle."

And here at Jackson Purchase Energy Cooperative, we have our own Three R's: "reliable, resilient and responsive."

Over the next three years, you will hear a lot more about how these words resonate with the people who serve you at

Jackson Purchase Energy Cooperative.

In 2020, we are focusing on the first of those Three R's: Reliable.

In electricity terms, the concept of reliability is pretty straightforward. Your electricity is on almost all the time and it's been getting better every year. For most people, the total amount of time without power (an outage) is less than two hours a year—that means their electricity is on 99.977169% of the time.

At Jackson Purchase Energy Cooperative, reliability is no accident. It takes attention, dedication and a variety of measures to maintain reliable electric service:

▶ To spot and solve outages faster, Jackson Purchase Energy has invested in high-tech monitoring systems. These SCADA (Supervisory Control and Data Acquisition) systems use several computer monitors in a control room, each showing a different view of our service area, including weather maps and detailed schematics of each power line, substation and home or business served.

▶ A portion of your Jackson Purchase Energy Cooperative bill goes toward regular inspection, maintenance and replacement of the power grid infrastructure, such as poles, wires and transformers. By staying ahead of aging infrastructure, we can prevent some power outages.

▶ Our right-of-way crews, including contract crews from Townsend Tree Service, are reliability champions. Trees are one of the major causes of power outages in areas with overhead utility lines. When trees contact live wires they may become conductors of electricity and cause power outages or create dangerous situations for anyone coming in contact with them. That's why it is so important for our crews to maintain right-of-way near overhead lines.

Being reliable doesn't just mean working to keep the lights on. At Jackson Purchase Energy Cooperative, being reliable also means working every day to earn your trust, so that you have confidence that the people who work at the co-op and the people who serve on our board are dependable and responsible stewards of this tremendous community asset.

We take pride in a workforce that is not only reliable in its unique skills and constant training to safely operate our electrical system, but also reliable in its commitment to their fellow neighbors who are served by Jackson Purchase Energy Cooperative.

Jackson Purchase Energy Cooperative was built by, belongs to and is led by the 22,788 members we serve in Ballard, Carlisle, Graves, Livingston, Marshall and McCracken counties.

Jackson Purchase Energy Cooperative is led by an elected board of eight community leaders that provides guidance and oversight to ensure that the needs of the co-op membership are represented in all decisions. Board members have a fiduciary duty that requires them to attend monthly board meetings and participate in regular education and training on industry trends and developments.

As a local cooperative, our loyalty to our hometown operation means

■ Cover photos: Jenko Ataman; Joe Imel

■ Opposite top left, Member Service Representative Stefanie Horton works to verify information on a member's account. Having correct contact information on file is vital during outage situations.

■ Opposite top right, Manager of Warehousing and Purchasing Bobby Morehead works to verify inventory of our wire and spools.

■ Opposite bottom, from left, Crew Leader Michael Washam, Journeyman Lineman Jimmy Johnson, Journeyman Lineman Brian Hurley and Apprentice Lineman Jake Mills in front of the excavator. Crews routinely check the functions of all heavy equipment to make sure it is operating safely. Photos: Joe Imel



Jackson
Purchase
Energy was
built by, belongs
to and is led by
people in the
communities
we serve





that we make decisions with local concerns in mind, not those of out-of-town shareholders.

The reliability of Jackson Purchase Energy Cooperative is also the result of strategic and trusted partnerships.

Jackson Purchase Energy Cooperative is an owner of Big Rivers Electric Corporation, a not-for-profit member-owned generation and transmission cooperative (G&T) headquartered in Henderson, KY. Big Rivers Electric provides wholesale electric power and services to three distribution cooperative members across 22 counties in western Kentucky. This partnership helps Jackson Purchase Energy Cooperative keep rates low, attract business, create jobs and advocate for our local communities.

As a member of Kentucky Electric Cooperatives, Jackson Purchase Energy Cooperative pools resources with the other 25 electric co-ops in Kentucky to efficiently and effectively serve you. Membership in this statewide association helps us effectively communicate with you in

Kentucky Living magazine, speak up for co-op interests in Frankfort and Washington, and coordinate critical safety training and mutual aid response during major outages and disasters.

Being a reliable member of the community also means understanding the duty we have to each other. We are proud to provide scholarships, sponsor rising high school seniors on the annual co-op Washington Youth Tour and Frankfort trips, and support local charities including payroll deductions through United Way of Paducah and McCracken County. Co-op employees and board members are active and reliable members of the community, volunteering and committed to improving the quality of life here.

Being reliable means people can count on you to do what you say you will do. It means being trustworthy and dependable. At Jackson Purchase Energy Cooperative, we know that reliability is a concept that takes constant effort to become a reality. Thank you for your trust and support as we work to deliver safe, affordable and reliable electricity.

■ Above, VP of Human Resources, Communications and Member Services Scott Adair works to organize a clothes closet at Paducah Lifeline Ministries during United Way's annual campaign to give back to those in need. Photo: Ashley Turner

■ Right, Accounting Analyst Becky Blackwell donates during the Jackson Purchase Energy blood drive. Photo: Ashley Turner

■ Far right, as a consumer-member owned cooperative, Jackson Purchase Energy always looks for an opportunity to lend a hand and give back to the communities we serve. Shown, from left, are JPEC employees Vanessa Blagg, LaQuella Pryor, Sandy Duncan, Jamie Hardin and Kristy Reed with groceries bagged at the Paducah Cooperative Ministries to help feed 400-plus families. Photo: Scott Adair





Erick Harris
Chair



Jack Marshall
Vice Chair



Wayne Elliott
Secretary/Treasurer



Joshua Barnes
Director



Lee Bearden
Director



Kevin Bell
Director



Dr. Ivus Crouch
Director



Terry Teitloff
Director



Greg Grissom
President & CEO



Richard Walter
General Counsel

ANNUAL MEETING OF MEMBERS OF JACKSON PURCHASE ENERGY COOPERATIVE

Due to current health concerns, and out of an abundance of caution for our members and employees, the 2020 annual meeting will be held online.

Drive-thru registration: Friday, September 11, 9 a.m.–2 p.m.
Jackson Purchase Energy Parking Lot
2900 Irvin Cobb Drive, Paducah, KY

Virtual Annual Meeting: Tuesday, September 15, 6 p.m.
Online at www.jpenergy.com

The annual membership meeting of Jackson Purchase Energy organizes to take action on the following matters:

1. Determine quorum
2. Reading of the notice of meeting and proof of mailing
3. Approval of membership meeting minutes held June 18, 2019
4. Presentation of financial report
5. Announcement of board of directors' election results
6. Unfinished business
7. New business
8. Adjournment

CHANGES TO JACKSON PURCHASE ENERGY'S ANNUAL MEETING

Registration will be held in a drive-thru fashion. Members will register and receive their free gift from 9 a.m.–2 p.m. on Friday, September 11, at Jackson Purchase Energy Cooperative's parking lot. Only members who register in person will receive a gift.

Members can watch the business meeting at 6 p.m., Tuesday, September 15, on our website at www.jpenergy.com. Click the "Annual Meeting" box for details on how to view the meeting.



2019

JACKSON PURC YEAR IN REVIEW

ACTIVE ACCOUNTS

As of December 31, 2019

Ballard	2,859
Carlisle	544
Graves	2,406
Livingston	5,805
Marshall	4,886
McCracken	13,544
TOTAL	30,044

ACCOUNTS BILLED

2019	30,044
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AVERAGE KWH USAGE

(residential per month)

2019	1,200
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MILES OF LINE

2019	2,970
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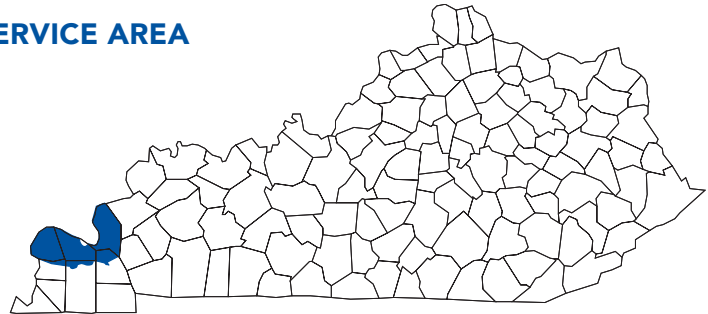
CONSUMERS PER MILE

2019	10.12
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FOR INFORMATION AND INQUIRIES

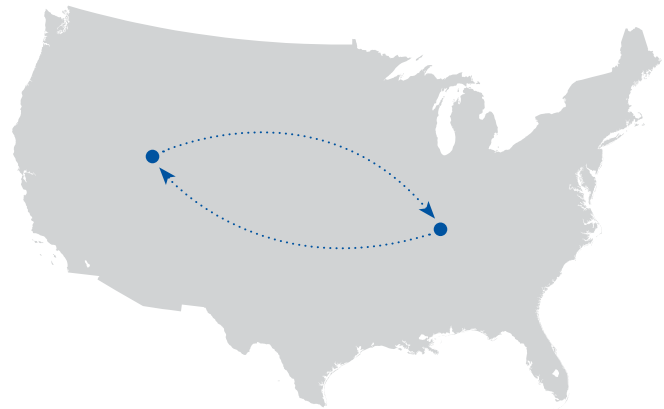
2900 Irvin Cobb Drive
Paducah, KY 42003
(270) 442-7321
www.jpenergy.com

SERVICE AREA

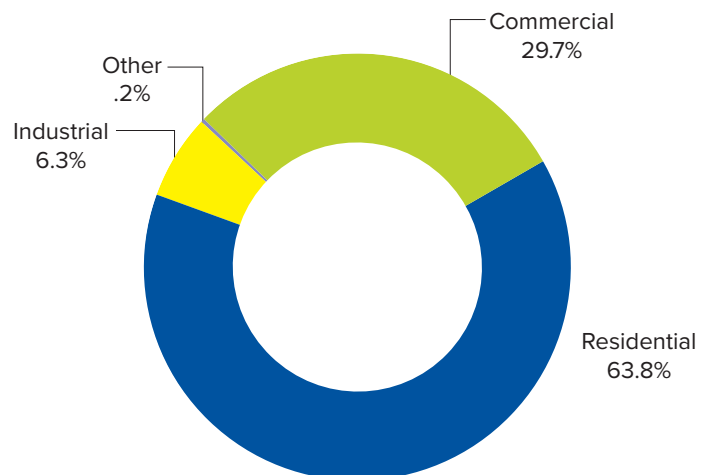


MAINTAINING LINE TO KEEP MEMBERS CONNECTED

Jackson Purchase Energy Cooperative maintains over **2,900 miles** of line in six counties in the cooperative territory. **That is roughly enough line to stretch from Paducah, Kentucky, to Salt Lake City, Utah, and back.**



REVENUE SOURCES



HASE ENERGY COOPERATIVE

STATEMENT OF OPERATIONS

As of December 31, 2019

Operating Revenue\$69,447,701

OPERATING EXPENSE

Purchased Power\$50,688,770
Operating System.....\$10,785,517
Depreciation.....\$6,016,651
Taxes.....\$90,258
Interest on Loans.....\$2,194,478
Other Deductions.....\$2,796
Total Cost of Electric Service\$69,778,470

Operating Margins(\$330,769)

Non-Operating Margins\$1,350,164

Other Capital Credits\$179,415

Patronage Capital and Margins\$1,198,810

BALANCE SHEET

As of December 31, 2019

ASSETS

Total Utility Plant.....\$169,545,837
Less Depreciation\$72,148,212
Net Utility Plant\$97,397,625
Investment in Associated Organizations....\$3,604,487
Cash.....\$2,064,075
Accounts and Notes Receivable.....\$5,027,629
Inventory.....\$1,713,428
Other Current Assets.....\$286,463
Accrued Unbilled Revenue.....\$3,190,126
Total Assets \$113,283,833

LIABILITIES

Consumer Deposits.....\$2,789,538
Membership and Other Equities.....\$50,510,502
Long-Term Debt.....\$40,239,396
Current Portion of Long-Term Debt.....\$2,560,000
Notes and Accounts Payable\$13,403,469
Other Current Liabilities\$3,780,928
Total Liabilities and Member Equity\$113,283,833



So many of our modern conveniences that improve the quality of our lives are dependent on electricity as the “fuel” to make them work. From the alarm clock that wakes us up, to the refrigerator that keeps our morning milk cold and fresh.

2020

OFFICIAL NOTICE

JACKSON PURCHASE ENERGY COOPERATIVE ANNUAL MEETING

TUESDAY, SEPTEMBER 15, 6 P.M.
ONLINE AT WWW.JPENENERGY.COM

DRIVE-THRU REGISTRATION:

When: Friday, September 11, 2020
9 a.m.–2 p.m.

Where: Jackson Purchase Energy
Parking Lot
2900 Irvin Cobb Drive, Paducah, KY

CHANGES TO JACKSON PURCHASE ENERGY'S ANNUAL MEETING

Due to current health concerns, our 2020 annual meeting will be held online at 6 p.m., Tuesday, September 15. Drive-thru registration will take place from 9 a.m.–2 p.m., Friday, September 11, at Jackson Purchase Energy's parking lot. Each member who registers will receive \$10 cash and a free gift (limited to the first 700 members). Members will be required to present **photo identification**, such as a driver's license. **Identification will be required, no exceptions will be made.** Only members who register in person will receive a gift.

Members can watch the business meeting at 6 p.m., Tuesday, September 15, on our website at www.jpenergy.com. Click the "Annual Meeting" box for details on how to view the meeting.



RELIABLE
RESILIENT
RESPONSIVE

ANNUAL 2020 REPORT



JACKSON PURCHASE ENERGY
A member-owned cooperative

JACKSON PURCHASE ENERGY
A Member-Owned Cooperative since 1937



Resilience is an important concept for Jackson Purchase Energy Cooperative. Though we are proud of and committed to a strong record of safe and reliable electric service for the 30,336 active accounts in Ballard, Carlisle, Graves, Livingston, Marshall and McCracken counties, how we deal with adversity is what defines us. The dedication of our co-op team to respond in all kinds of conditions and all hours of the day and night is a hallmark of this resilient spirit.

This past year has been difficult for our nation, our state and the communities we serve. The economic consequences of the pandemic and safety restrictions will be felt for a long time. From the beginning of this crisis, Jackson Purchase Energy has worked with those who are struggling and connected our consumer-members with resources to help.

In partnership with Big Rivers Electric, Jackson Purchase Energy bolsters local businesses and works to attract new employers to our service area. With some of the most competitive electric rates in the country and our record of reliability and resilience, we have a great story to tell.

Though no one predicted the pandemic, a commitment to safety and resilience means that Jackson Purchase Energy trains for any unforeseen circumstance. As a result, no electric service was compromised by the restrictions and illnesses that affected other aspects of our community. In coordination with our statewide association, Kentucky Electric Cooperatives, we have worked with state agencies and emergency management officials to ensure that co-op employees, instrumental in maintaining the

electrical grid, are able to perform their duties despite health restrictions on public movement. Employees worked remotely and equipment and inventory was staged at different locations to appropriately social distance.

We know that the consumer-members who own Jackson Purchase Energy are counting on us to do whatever it takes to power our communities, hospitals, businesses and farms. Our commitment to health and safety guides every decision we make. Throughout the COVID-19 crisis, Jackson Purchase Energy has focused on keeping consumer-members and employees safe, while continuing to deliver reliable service.

As part of this commitment to safety, Jackson Purchase Energy President & CEO Greg Grissom has joined the leaders of all 24 electric distribution co-ops in Kentucky pledging to meet several key safety goals. This statewide commitment prioritizes the elimination of employee electrical contacts, and the reduction of all incidents and their severity.

Jackson Purchase Energy was built by, belongs to and is led by people in the communities we serve—an elected board of eight community leaders that provides guidance and oversight to ensure that the needs of the co-op membership are represented in all decisions. Board members have a fiduciary duty that requires them to attend monthly board meetings and participate in regular education and training on industry trends and developments. This locally owned and operated model is key to our resilience because the Jackson Purchase Energy board makes decisions with local concerns in mind, not those of out-of-town shareholders.

■ Cover, top, Lineman Billy Womble and Apprentice Lineman Matthew Riley work to inspect power lines and equipment after a recent outage. Photos: Tim Webb

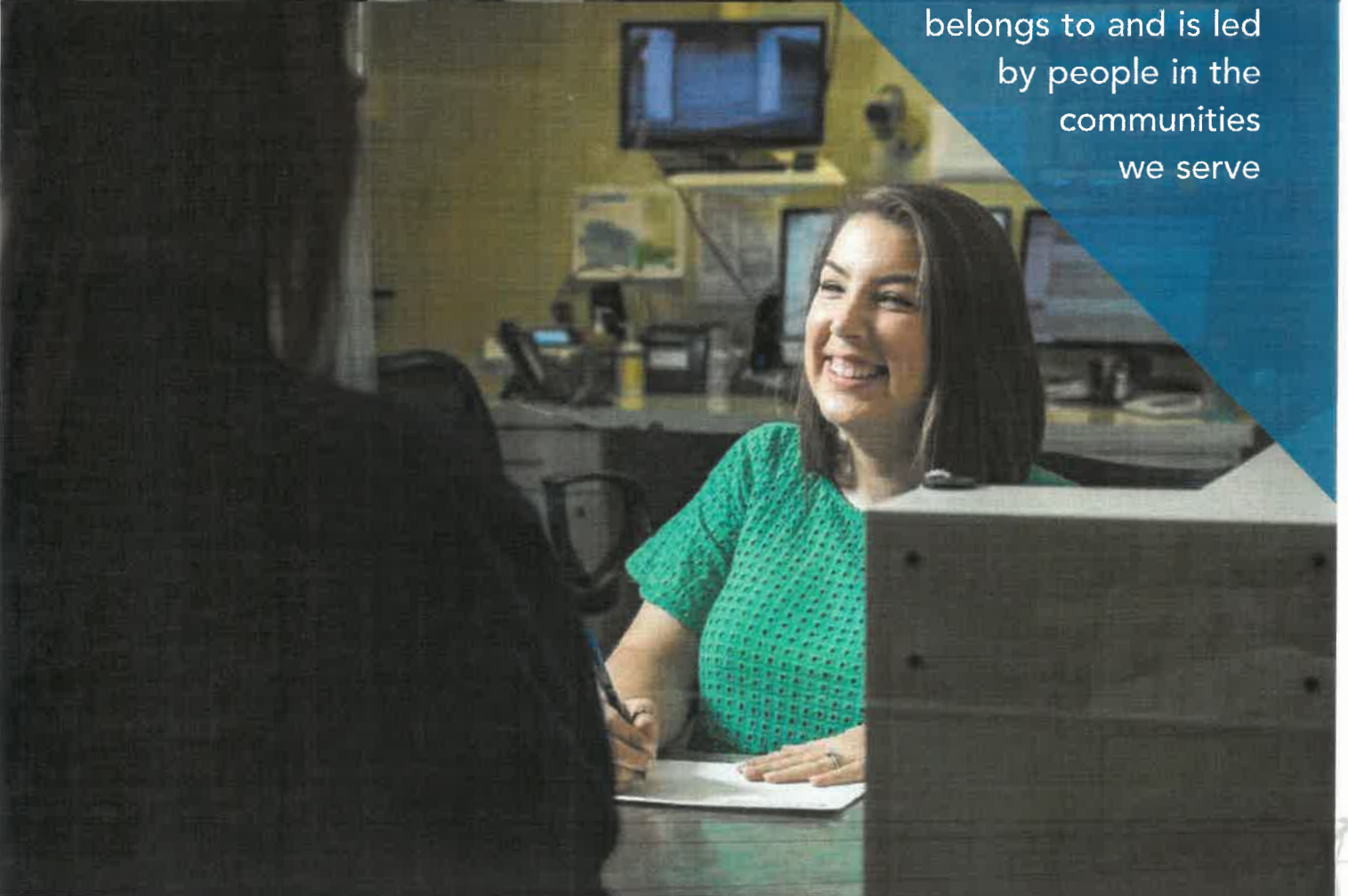
■ Opposite top, President & CEO Greg Grissom talks with VP of Communications, Human Resources and Member Services Scott Adair.

■ Opposite bottom, Member Service Representative Samantha Rudolph initiates service with a new Jackson Purchase Electric Cooperative consumer-member. Photos: Tim Webb





Jackson
Purchase Energy
was built by,
belongs to and is led
by people in the
communities
we serve





Jackson Purchase Energy is an owner of Big Rivers Electric Corporation, a not-for-profit member-owned generation and transmission cooperative (G&T) headquartered in Henderson. Big Rivers Electric provides wholesale electric power and services to three distribution cooperative members across 22 counties in western Kentucky. This partnership helps Jackson Purchase Energy keep rates low, attract business, create jobs and advocate for our local communities.

As a member of Kentucky Electric Cooperatives, Jackson Purchase Energy pools resources with all electric co-ops in Kentucky to efficiently and effectively serve you. Membership in this statewide association helps us effectively communicate with you in *Kentucky Living* magazine, speak up for co-op interests in Frankfort and Washington, and coordinate critical safety training and mutual aid response during major outages and disasters.

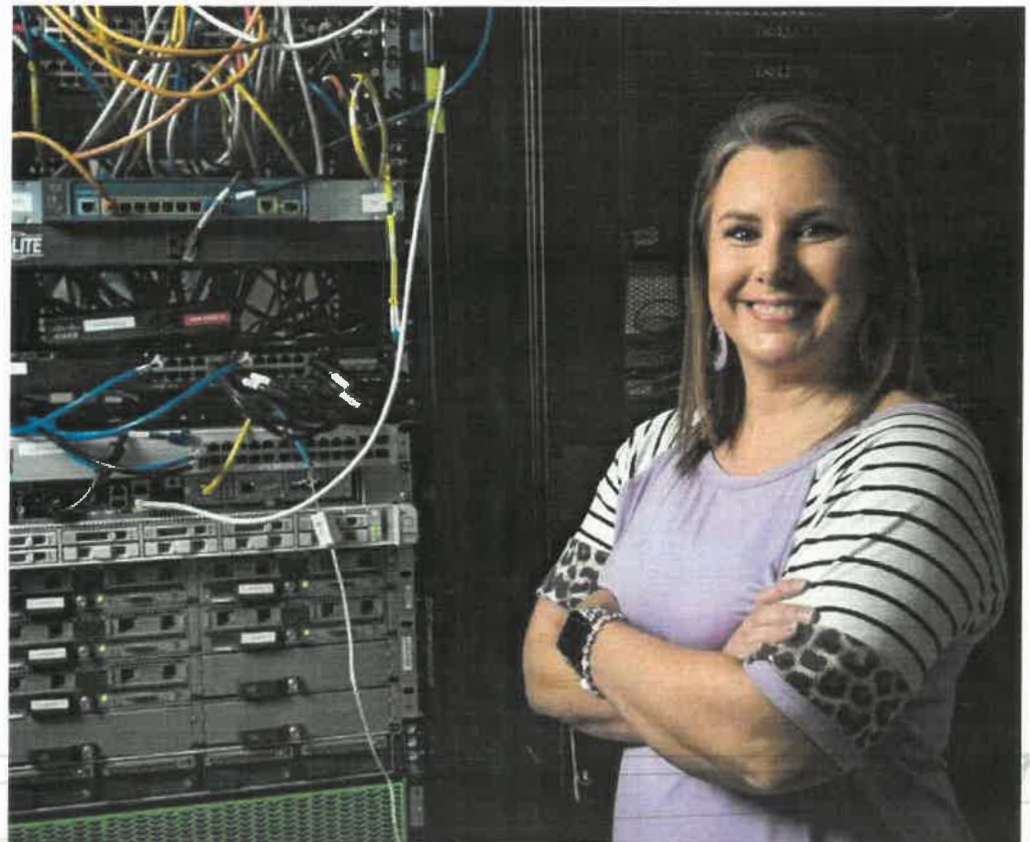
The resilience of Jackson www.JPEnergy.com Purchase Energy and the members who own the co-op go hand in hand. Our investments in our members and our communities include supporting local non-profits, volunteering in our communities, providing scholarships to high school seniors, and sponsoring high school juniors in the annual Youth Tour program. Co-op employees and board members are active and reliable members of the community, volunteering and committed to improving the quality of life here.

The dictionary definition of resilient matches the culture of Jackson Purchase Energy, "able to recoil or spring back into shape after bending, stretching or being compressed."

Like all of Kentucky and America, our communities have been through a lot over the last year. But the resilient spirit we share has allowed us to persevere and look forward to brighter days ahead, powered by Jackson Purchase Energy.

■ Above, Apprentice Lineman Matthew Riley checks stock on his truck.

■ Right, Accounting Analyst Becky Blackwell, shown in the server room, spends the day shadowing our IT department. Photos: Tim Webb





Erick Harris
Chair



Jack Marshall
Vice Chair



Wayne Elliott
Secretary/Treasurer



Joshua Barnes
Director



Lee Bearden
Director



Kevin Bell
Director



Dr. Ivus Crouch
Director



Terry Teitloff
Director



Greg Grissom
President & CEO



Richard Walter
General Counsel

ANNUAL MEETING OF MEMBERS OF JACKSON PURCHASE ENERGY COOPERATIVE

Due to current health concerns, and out of an abundance of caution for our members and employees, the 2021 Annual Meeting will be recorded and available for viewing online.

Drive-thru Registration Monday, June 21, 9 a.m.–2 p.m.
Jackson Purchase Energy Parking Lot
6525 US Hwy 60 W, Paducah, KY 42001

The annual membership meeting of Jackson Purchase Energy organizes to take action on the following matters:

1. Determine quorum
2. Reading of the notice of meeting and proof of mailing
3. Approval of membership meeting minutes held September 15, 2020
4. Presentation of Financial Report
5. Announcement of bylaw revision results
6. Unfinished business
7. New business
8. Adjournment

AGENDA

2020

JACKSON PURC YEAR IN REVIEW

ACTIVE ACCOUNTS

As of December 31, 2020

Ballard	2,866
Carlisle	541
Graves	2,426
Livingston	5,884
Marshall	4,950
McCracken	13,669
TOTAL	30,336

ACCOUNTS BILLED

2020	30,336
------------	--------

AVERAGE KWH USAGE

(residential per month)

2020	1,141
------------	-------

MILES OF LINE

2020	2,970
------------	-------

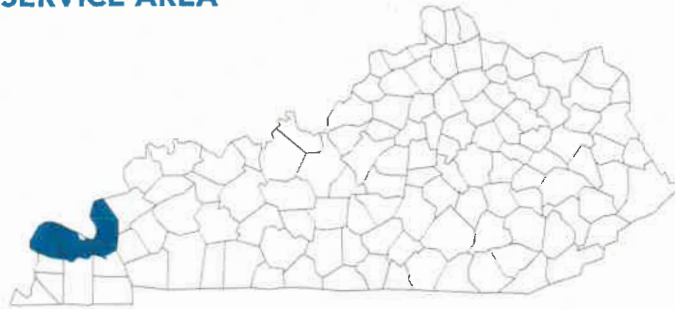
CONSUMERS PER MILE

2020	10.21
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FOR INFORMATION AND INQUIRIES

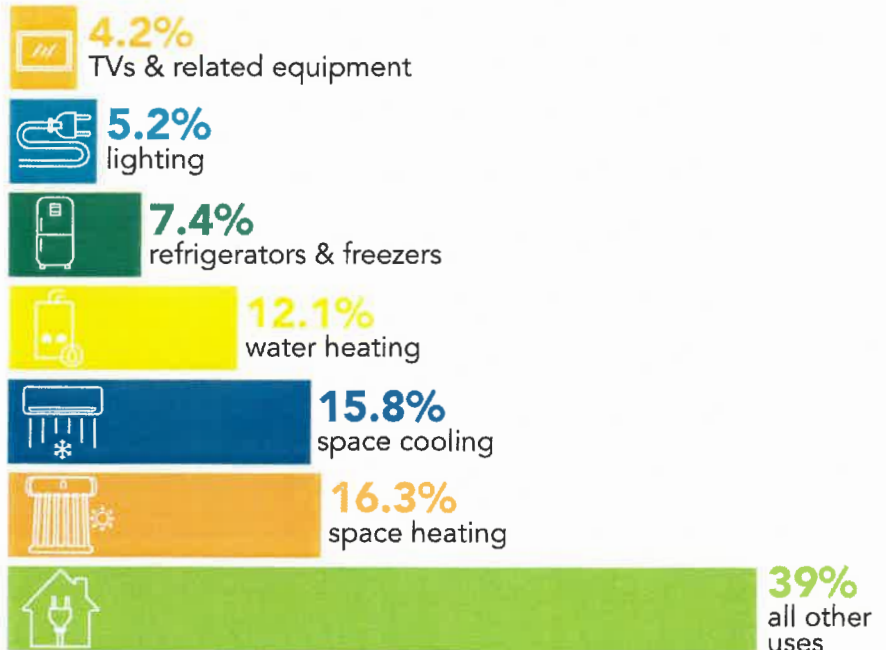
6525 US Hwy 60 W
 Paducah, KY 42001
 (270) 442-7321
www.jpenergy.com

SERVICE AREA



How Americans Use Electricity

The latest data from the U.S. Energy Information Administration shows the combined use of clothes washers and dryers, computers, dishwashers, small appliances and other electrical equipment (noted as "other uses" below) accounts for nearly 40% of electricity consumption in American homes.



Source: EIA, Annual Energy Outlook 2020

Includes consumption for heat and powering furnaces, fans and boiler pumps. Includes miscellaneous appliances, clothes washers and dryers, computers and related equipment, toasters, dishwashers, heating elements, and motors.

CHASE ENERGY COOPERATIVE

STATEMENT OF OPERATIONS

As of December 31, 2020

Operating Revenue\$65,126,213

OPERATING EXPENSE

Purchased Power 46,397,544
 Operating System..... 11,352,224
 Depreciation 6,243,199
 Taxes..... 89,980
 Interest..... 1,982,834
 Other Deductions..... 22,492
 Total Cost of Electric Service \$66,088,273

Operating Margins (962,060)

Non-Operating Margins 1,892,436

Other Capital Credits 207,762

Patronage Capital and Margins\$1,138,138

BALANCE SHEET

As of December 31, 2020

ASSETS

Total Utility Plant..... \$190,015,320
 Less Depreciation 75,379,868
 Net Utility Plant 114,635,452
 Investments in Associated Organizations.. 3,686,334
 Cash..... 2,622,813
 Accounts and Notes Receivable..... 4,671,401
 Inventory..... 1,937,478
 Other Current Assets..... 419,901
 Accrued Unbilled Revenue 3,497,155

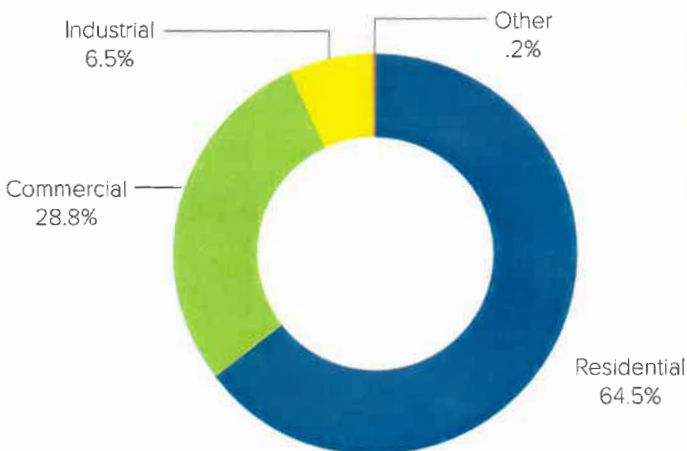
Total Assets \$131,470,534

LIABILITIES

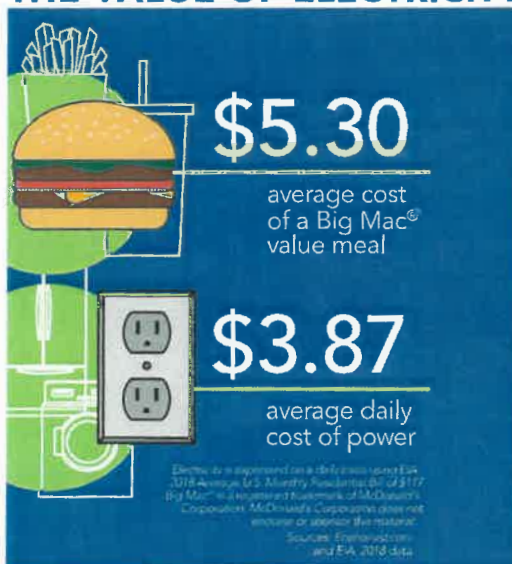
Membership and other Equities..... 51,639,487
 Long-Term Debt..... 58,433,592
 Current Portion of Long-Term Debt..... 2,536,600
 Consumer Deposits..... 2,849,853
 Notes and Accounts Payable 11,924,814
 Other Current and Accrued Liabilities..... 4,086,188

Total Liabilities and Member Equity \$131,470,534

REVENUE SOURCES



THE VALUE OF ELECTRICITY



Official Notice

2021

JACKSON PURCHASE ENERGY COOPERATIVE ANNUAL MEETING

MONDAY, JUNE 21, 2021

Drive-thru Registration

9 a.m.–2 p.m.

**Jackson Purchase Energy
New Headquarters Parking Lot**

6525 US Hwy 60 W
Paducah, KY 42001

Due to current health concerns, and out of an abundance of caution for our members and employees, the 2021 Annual Meeting will be held online. The Annual Meeting will be recorded and can be viewed online at www.jpenergy.com.

Each member who registers will receive \$10 cash and a free gift (limited to the first 700 members). Identification will be required, no exceptions will be made.



JACKSON PURCHASE ENERGY
A member-owned cooperative

**Jackson Purchase Energy Corporation
Case No. 2021-00358
General Adjustment of Rates
Filing Requirements/Exhibit List**

Exhibit 23

**807 KAR 5:001 Section 16(4)(r)
Sponsoring Witness: Jeff Williams**

Description of Filing Requirements:

The monthly managerial reports providing financial results of operations for the twelve (12) months in the test period.

Response:

Please see attached monthly managerial reports.

**Case No. 2021-00358
Application-Exhibit 23
Includes Attachment (74 pages)**

FINANCIAL AND STATISTICAL REPORT	BORROWER DESIGNATION Kentucky 20 McCracken
	BORROWER NAME Jackson Purchase Energy Corporation
	ENDING DATE January 31, 2019

CERTIFICATION


We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.



Signature of O&M Manager/Accountant

2-27-19

Date



Signature of Manager

2-27-19

Date

PART A. STATEMENT OF OPERATIONS

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	8,014,859	6,883,145	7,165,694	6,883,145
2. Power Production Expense		0		
3. Cost of Purchased Power	5,751,412	4,954,937	5,374,271	4,954,937
4. Transmission Expense				
5. Distribution Expense - Operation	251,280	278,545	282,692	278,545
6. Distribution Expense - Maintenance	260,783	176,653	329,462	176,653
7. Consumer Accounts Expense	108,451	97,401	92,115	97,401
8. Customer Service and Informational Expense	7,102	7,019	7,714	7,019
9. Sales Expense	0	0	0	0
10. Administrative and General Expense	227,397	261,979	312,693	261,979
11. Total Operation & Maintenance Expense (2 thru 10)	6,606,424	5,776,534	6,398,947	5,776,534
12. Depreciation & Amortization Expense	481,345	494,494	492,213	494,494
13. Tax Expense - Property		0		0
14. Tax Expense - Other	7,080	7,397	7,397	7,397
15. Interest on Long-Term Debt	174,036	169,749	171,700	169,749
16. Interest Charged to Construction (Credit)		0		0
17. Interest Expense - Other	7,085	14,842	4,000	14,842
18. Other Deductions	200	200	500	200
19. Total Cost of Electric Service (11 thru 18)	7,276,170	6,463,216	7,074,757	6,463,216
20. Patronage Capital & Operating Margins (1 minus 19)	738,688	419,929	90,938	419,929
21. Non Operating Margins - Interest	33,048	34,529	34,333	34,529
22. Allowance for Funds Used During Construction		0		
23. Income (Loss) from Equity Investments		0		
24. Non Operating Margins - Other	32	25	0	25
25. Generation & Transmission Capital Credits		0		
26. Other Capital Credits & Patronage Dividends		0	0	0
27. Extraordinary Items		0		
28. Patronage Capital or Margins (20 thru 27)	771,768	454,482	125,271	454,482

PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT

ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	10	24	5. Miles Transmission		
2. Services Retired	0	1	6. Miles Distribution Overhead	2,380	2,374
3. Total Services In Place	36,137	35,854	7. Miles Distribution Underground	584	590
4. Idle Services (Exclude Seasonal)	6,069	5,797	8. Total Miles Energized (5+6+7)	2,964	2,964

FINANCIAL AND STATISTICAL REPORT		BORROWER DESIGNATION	
		Kentucky 20 McCracken	
		PERIOD ENDING	01/31/2019
PART C. BALANCE SHEET			
ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	163,710,969	28. Memberships	119,850
2. Construction Work in Progress	1,169,573	29. Patronage Capital	49,101,540
3. Total Utility Plant (1+2)	164,880,542	30. Operating Margins - Prior Years	0
4. Accum. Provision for Depreciation and Amort	69,462,998	31. Operating Margins - Current Year	419,929
5. Net Utility Plant (3-4)	95,417,544	32. Non-Operating Margins	34,554
6. Nonutility Property - Net	0	33. Other Margins & Equities	94,927
7. Investment in Subsidiary Companies	0	34. Total Margins & Equities (28 thru 33)	49,770,799
8. Invest. in Assoc. Org. - Patronage Capital	1,734,841	35. Long-Term Debt RUS	20,761,549
9. Invest. in Assoc. Org. - Other - General Funds	0	(Payments-Unapplied (\$ _____))	0
10. Invest in Assoc. Org. - Other - Nongeneral Funds	1,788,214	36. Long-Term Debt - Other (Net)	31,392,222
11. Investments in Economic Development Projects	0	(Payments-Unapplied (\$ _____))	(6,429,628)
12. Other Investments	0	37. Total Long-Term Debt (35+36)	45,724,143
13. Special Funds	0	38. Obligations Under Capital Leases	0
14. Total Other Property & Investments (6 thru 13)	3,523,055	39. Accumulated Operating Provisions	2,536,381
15. Cash-General Funds	2,269,382	40. Total Other Noncurrent Liabilities (38+39)	2,536,381
16. Cash-Construction Funds-Trustee	0	41. Notes Payable	4,500,000
17. Special Deposits	0	42. Accounts Payable	5,609,139
18. Temporary Investments	0	43. Consumers Deposits	2,512,783
19. Notes Receivable - Net	0	44. Other Current & Accrued Liabilities	2,466,097
20. Accounts Receivable - Net Sales of Energy	5,297,911	45. Total Current & Accrued Liabilities (41 thru 44)	15,088,019
21. Accounts Receivable - Net Other	1,131,340	46. Deferred Credits	903,202
22. Materials & Supplies - Electric and Other	1,999,279	47. Total Liabilities & Other Credits (34+37+40+45+46)	114,022,544
23. Prepayments	423,195	ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION	
24. Other Current & Accrued Assets	3,935,877	53. Balance Beginning of the Year	12,517,493
	15,056,984	54. Amount Received This Year (Net)	-28,778
26. Deferred Debits	24,961	55. Total Contributions in Aid of Construction	12,488,715
27. Total Assets & Other Debits (5+14+25+26)	114,022,544		
PART D. NOTES TO FINANCIAL STATEMENTS			
Part C - Estimated Contributions in Aid of Construction			
An accurate estimate of Contributions in Aid of Construction on plant cannot be made. The amount shown reflects contributions made since inception of tracking.			
THE SPACE BELOW IS PROVIDED FOR IMPORTANT NOTES REGARDING THE FINANCIAL STATEMENT CONTAINED IN THIS REPORT.			

FINANCIAL AND STATISTICAL REPORT		BORROWER DESIGNATION					
		Kentucky 20 McCracken					
		PERIOD ENDING 1/31/2019					
PART R. POWER REQUIREMENTS DATA BASE							
CLASSIFICATION	CONSUMER SALES & REVENUE DATA	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE
		(a)	(b)	(c)	(d)	(e)	(f)
1. Residential Sales (excluding seasonal)	a. No. Consumers Served	25,539	0	0	0	0	0
	b. KWH Sold	37,161,726	0	0	0	0	0
	c. Revenue	4,617,515	0	0	0	0	0
2. Residential Sales - Seasonal	a. No. Consumers Served	0	0	0	0	0	0
	b. KWH Sold	0	0	0	0	0	0
	c. Revenue	0	0	0	0	0	0
3. Irrigation Sales	a. No. Consumers Served	5	0	0	0	0	0
	b. KWH Sold	29	0	0	0	0	0
	c. Revenue	207	0	0	0	0	0
4. Comm. and Ind. 1000 KVA or Less	a. No. Consumers Served	4,499	0	0	0	0	0
	b. KWH Sold	16,454,939	0	0	0	0	0
	c. Revenue	1,792,133	0	0	0	0	0
5. Comm. and Ind. Over 1000 KVA	a. No. Consumers Served	8	0	0	0	0	0
	b. KWH Sold	3,310,660	0	0	0	0	0
	c. Revenue	349,764	0	0	0	0	0
6. Public Street & Highway Lighting	a. No. Consumers Served	6	0	0	0	0	0
	b. KWH Sold	53,575	0	0	0	0	0
	c. Revenue	11,008	0	0	0	0	0
7. Other Sales to Public Authority	a. No. Consumers Served	0	0	0	0	0	0
	b. KWH Sold	0	0	0	0	0	0
	c. Revenue	0	0	0	0	0	0
8. Sales for Resales-REA Borrowers	a. No. Consumers Served	0	0	0	0	0	0
	b. KWH Sold	0	0	0	0	0	0
	c. Revenue	0	0	0	0	0	0
9. Sales for Resales-Other	a. No. Consumers Served	0	0	0	0	0	0
	b. KWH Sold	0	0	0	0	0	0
	c. Revenue	0	0	0	0	0	0
10. TOTAL No. of Consumers (lines 1a thru 9a)		30,057	0	0	0	0	0
11. TOTAL KWH Sold (lines 1b thru 9b)		56,980,929	0	0	0	0	0
12. TOTAL Revenue Received From Sales of Electric Energy (line 1c thru 9c)		6,770,627	0	0	0	0	0
13. Other Electric Revenue		112,518	0	0	0	0	0
14. KWH - Own Use		24,693	0	0	0	0	0
15. TOTAL KWH Purchased		60,548,288	0	0	0	0	0
16. TOTAL KWH Generated		0	0	0	0	0	0
17. Cost of Purchases and Generation		4,954,937	0	0	0	0	0
18. Interchange - KWH - Net		0	0	0	0	0	0
19. Peak - Sum All KW Input (Metered)		121,813	0	0	0	0	0
Non-coincident _____ Coincident _X_		0	0	0	0	0	0

CFC FINANCIAL AND STATISTICAL REPORT		BORROWER DESIGNATION						TOTAL (Column a thru l)
		Kentucky 20 McCracken						
		PERIOD ENDING						1/31/2019
PART R. POWER REQUIREMENTS DATA BASE (Continued)								
(See preceding page 6 of CFC Form 7 for Headings of Line Item numbers below.)								
LINE ITEM NUMBER		JULY (g)	AUGUST (h)	SEPTEMBER (i)	OCTOBER (j)	NOVEMBER (k)	DECEMBER (l)	
1	a.	0	0	0	0	0	0	25,539
	b.	0	0	0	0	0	0	37,161,726
	c.	0	0	0	0	0	0	4,617,515
2	a.	0	0	0	0	0	0	0
	b.	0	0	0	0	0	0	0
	c.	0	0	0	0	0	0	0
3	a.	0	0	0	0	0	0	5
	b.	0	0	0	0	0	0	29
	c.	0	0	0	0	0	0	207
4	a.	0	0	0	0	0	0	4,499
	b.	0	0	0	0	0	0	16,454,939
	c.	0	0	0	0	0	0	1,792,133
5	a.	0	0	0	0	0	0	8
	b.	0	0	0	0	0	0	3,310,660
	c.	0	0	0	0	0	0	349,764
6	a.	0	0	0	0	0	0	6
	b.	0	0	0	0	0	0	53,575
	c.	0	0	0	0	0	0	11,008
7	a.	0	0	0	0	0	0	0
	b.	0	0	0	0	0	0	0
	c.	0	0	0	0	0	0	0
8	a.	0	0	0	0	0	0	0
	b.	0	0	0	0	0	0	0
	c.	0	0	0	0	0	0	0
9	a.	0	0	0	0	0	0	0
	b.	0	0	0	0	0	0	0
	c.	0	0	0	0	0	0	0
10		0	0	0	0	0	0	30,057
11		0	0	0	0	0	0	56,980,929
12		0	0	0	0	0	0	6,770,627
13		0	0	0	0	0	0	112,518
14		0	0	0	0	0	0	24,693
15		0	0	0	0	0	0	60,548,288
16		0	0	0	0	0	0	
17		0	0	0	0	0	0	4,954,937
18		0	0	0	0	0	0	
19		0	0	0	0	0	0	0

PRELIMINARY FINANCIAL & STATISTICAL RATIOS

**We have added a page of ratios calculated from the data entered on your Form 7.
 Many of these are CFC KRTA ratios plus other ratios we thought might be of value to you.
 These preliminary ratios can be used to evaluate your system's performance and as an error checking device.
 MDSC and DSC will be *estimated* values. Your system's prior year's "Investment in Associated Orgs --
 Patronage Capital" must be entered as a part of the calculation for MDSC.**

Please enter last year's Investment in Associated Orgs. - Patronage Capital > (Balance Sheet, Line 8)

1,565,000

KRTA NO.	RATIO DESCRIPTION	ESTIMATED RATIO
1	TIER	3.68
	TIER (Trailing 12 Months)	1.29
	Increase (Decrease) in YTD KWH Sales	-17.81%
	Increase (Decrease) in YTD KWH Purchases	-14.60%
2	MDSC	0.48
3	DSC	0.57
5	Rate of Return on Equity	10.96
7	Equity Level as % of Assets	43.65
8	Equity to Total Capital	52.12
11	Long-Term Interest as a % of Revenue	2.47
13	Total Revenue per KWH Sold (Mills)	120.80
14	Electric Revenue per KWH Sold (Mills)	118.82
20	Power Cost per KWH Sold (Mills)	86.96
21	Power Cost as % of Revenue	71.99
22	O & M Expenses (Mills/KWH Sold)	7.99
28	A & G Expenses (Mills/KWH Sold)	4.60
30	Total Operating Expenses (Mills/KWH)	26.47
31	Depreciation Expense (Mills/KWH Sold)	8.68
35	LT Interest Expense (Mills/KWH Sold)	2.98
37	Total Cost of Electric Service (Mills/KWH)	113.43
38	Operating Margins (Mills/KWH Sold)	7.98
41	Total Margins (Mills/KWH Sold)	7.98
48	Revenue per TUP Investment (Cents)	50.10
51	TUP Investment per KWH Sold	24.11
52	Average Consumers per Mile	10.14
*	Current Ratio	1.00
*	Total Operating Expenses per Customer	602.17
	Calculated Line Loss	5.89%

FINANCIAL AND STATISTICAL REPORT	BORROWER DESIGNATION Kentucky 20 McCracken
	BORROWER NAME Jackson Purchase Energy Corporation
	ENDING DATE February 28, 2019

CERTIFICATION

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.



Signature of Office Manager or Accountant

3-21-19

Date



Signature of Manager

3-21-19

Date

PART A. STATEMENT OF OPERATIONS

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	13,738,874	12,444,085	13,583,286	5,560,941
2. Power Production Expense	0	0	0	
3. Cost of Purchased Power	10,118,563	8,922,487	10,187,465	3,967,549
4. Transmission Expense				
5. Distribution Expense - Operation	480,070	572,670	573,644	294,125
6. Distribution Expense - Maintenance	574,815	502,884	658,924	326,231
7. Consumer Accounts Expense	223,919	199,801	184,230	102,400
8. Customer Service and Informational Expense	13,918	13,053	15,428	6,033
9. Sales Expense	0	0	0	0
10. Administrative and General Expense	411,087	524,242	620,580	262,263
11. Total Operation & Maintenance Expense (2 thru 10)	11,822,373	10,735,137	12,240,271	4,958,602
12. Depreciation & Amortization Expense	963,378	989,958	985,257	495,464
13. Tax Expense - Property	0	0	0	0
14. Tax Expense - Other	14,160	14,794	14,794	7,397
15. Interest on Long-Term Debt	330,919	322,720	343,400	152,971
16. Interest Charged to Construction (Credit)	0	0	0	0
17. Interest Expense - Other	10,546	30,238	8,000	15,396
18. Other Deductions	300	600	700	400
19. Total Cost of Electric Service (11 thru 18)	13,141,675	12,093,447	13,592,421	5,630,231
20. Patronage Capital & Operating Margins (1 minus 19)	597,199	350,638	(9,135)	(69,290)
21. Non Operating Margins - Interest	63,927	66,371	68,666	31,843
22. Allowance for Funds Used During Construction	0	0	0	
23. Income (Loss) from Equity Investments	0	0	0	
24. Non Operating Margins - Other	63	(29,645)	0	(29,670)
25. Generation & Transmission Capital Credits	0	0	0	
26. Other Capital Credits & Patronage Dividends	22,187	0	0	0
27. Extraordinary Items	0	0	0	
28. Patronage Capital or Margins (20 thru 27)	683,376	387,364	59,531	(67,117)

PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT

ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	27	31	5. Miles Transmission		
2. Services Retired	0	1	6. Miles Distribution Overhead	2,384	2,373
3. Total Services In Place	34,820	35,811	7. Miles Distribution Underground	574	591
4. Idle Services (Exclude Seasonal)	4,783	5,753	8. Total Miles Energized (5+6+7)	2,957	2,964

FINANCIAL AND STATISTICAL REPORT		BORROWER DESIGNATION	
		Kentucky 20 McCracken	
		PERIOD ENDING	02/28/2019
PART C. BALANCE SHEET			
ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	164,174,013	28. Memberships	119,430
2. Construction Work in Progress	896,215	29. Patronage Capital	49,101,540
3. Total Utility Plant (1+2)	165,070,228	30. Operating Margins - Prior Years	0
4. Accum. Provision for Depreciation and Amort	69,768,412	31. Operating Margins - Current Year	320,669
5. Net Utility Plant (3-4)	95,301,816	32. Non-Operating Margins	66,696
6. Nonutility Property - Net	0	33. Other Margins & Equities	94,883
7. Investment in Subsidiary Companies	0	34. Total Margins & Equities (28 thru 33)	49,703,218
8. Invest. in Assoc. Org. - Patronage Capital	1,728,586	35. Long-Term Debt RUS	20,761,549
9. Invest. in Assoc. Org. - Other - General Funds	0	(Payments-Unapplied (\$ _____))	0
10. Invest in Assoc. Org. - Other - Nongeneral Funds	1,788,214	36. Long-Term Debt - Other (Net)	31,221,105
11. Investments in Economic Development Projects	0	(Payments-Unapplied (\$ _____))	(6,454,290)
12. Other Investments	0	37. Total Long-Term Debt (35+36)	45,528,364
13. Special Funds	0	38. Obligations Under Capital Leases	0
14. Total Other Property & Investments (6 thru 13)	3,516,800	39. Accumulated Operating Provisions	2,546,430
15. Cash-General Funds	1,931,831	40. Total Other Noncurrent Liabilities (38+39)	2,546,430
16. Cash-Construction Funds-Trustee	0	41. Notes Payable	4,300,000
17. Special Deposits	0	42. Accounts Payable	4,553,410
18. Temporary Investments	0	43. Consumers Deposits	2,513,407
19. Notes Receivable - Net	0	44. Other Current & Accrued Liabilities	2,575,861
20. Accounts Receivable - Net Sales of Energy	5,092,199	45. Total Current & Accrued Liabilities (41 thru 44)	13,942,678
21. Accounts Receivable - Net Other	1,088,301	46. Deferred Credits	907,052
22. Materials & Supplies - Electric and Other	2,032,523	47. Total Liabilities & Other Credits (34+37+40+45+46)	112,627,742
23. Prepayments	492,986	ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION	
24. Other Current & Accrued Assets	3,158,204	53. Balance Beginning of the Year	12,517,493
	13,796,044	54. Amount Received This Year (Net)	5,690
26. Deferred Debits	13,082	55. Total Contributions in Aid of Construction	12,523,183
27. Total Assets & Other Debits (5+14+25+26)	112,627,742		
PART D. NOTES TO FINANCIAL STATEMENTS			
Part C - Estimated Contributions in Aid of Construction			
An accurate estimate of Contributions in Aid of Construction on plant cannot be made. The amount shown reflects contributions made since inception of tracking.			
THE SPACE BELOW IS PROVIDED FOR IMPORTANT NOTES REGARDING THE FINANCIAL STATEMENT CONTAINED IN THIS REPORT.			

FINANCIAL AND STATISTICAL REPORT		BORROWER DESIGNATION					
		Kentucky 20 McCracken					
		PERIOD ENDING 2/28/2019					
PART R. POWER REQUIREMENTS DATA BASE							
CLASSIFICATION	CONSUMER SALES & REVENUE DATA	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE
		(a)	(b)	(c)	(d)	(e)	(f)
1. Residential Sales (excluding seasonal)	a. No. Consumers Served	25,539	25,547	0	0	0	0
	b. KWH Sold	37,161,726	30,427,032	0	0	0	0
	c. Revenue	4,617,515	3,448,675	0	0	0	0
2. Residential Sales - Seasonal	a. No. Consumers Served	0	0	0	0	0	0
	b. KWH Sold	0	0	0	0	0	0
	c. Revenue	0	0	0	0	0	0
3. Irrigation Sales	a. No. Consumers Served	5	5	0	0	0	0
	b. KWH Sold	29	1,131	0	0	0	0
	c. Revenue	207	534	0	0	0	0
4. Comm. and Ind. 1000 KVA or Less	a. No. Consumers Served	4,499	4,486	0	0	0	0
	b. KWH Sold	16,454,939	14,610,959	0	0	0	0
	c. Revenue	1,792,133	1,594,400	0	0	0	0
5. Comm. and Ind. Over 1000 KVA	a. No. Consumers Served	8	8	0	0	0	0
	b. KWH Sold	3,310,660	3,640,815	0	0	0	0
	c. Revenue	349,764	388,159	0	0	0	0
6. Public Street & Highway Lighting	a. No. Consumers Served	6	6	0	0	0	0
	b. KWH Sold	53,575	45,296	0	0	0	0
	c. Revenue	11,008	8,865	0	0	0	0
7. Other Sales to Public Authority	a. No. Consumers Served	0	0	0	0	0	0
	b. KWH Sold	0	0	0	0	0	0
	c. Revenue	0	0	0	0	0	0
8. Sales for Resales-REA Borrowers	a. No. Consumers Served	0	0	0	0	0	0
	b. KWH Sold	0	0	0	0	0	0
	c. Revenue	0	0	0	0	0	0
9. Sales for Resales-Other	a. No. Consumers Served	0	0	0	0	0	0
	b. KWH Sold	0	0	0	0	0	0
	c. Revenue	0	0	0	0	0	0
10. TOTAL No. of Consumers (lines 1a thru 9a)		30,057	30,052	0	0	0	0
11. TOTAL KWH Sold (lines 1b thru 9b)		56,980,929	48,725,233	0	0	0	0
12. TOTAL Revenue Received From Sales of Electric Energy (line 1c thru 9c)		6,770,627	5,440,632	0	0	0	0
13. Other Electric Revenue		112,518	120,309	0	0	0	0
14. KWH - Own Use		24,693	18,050	0	0	0	0
15. TOTAL KWH Purchased		60,548,288	49,261,614	0	0	0	0
16. TOTAL KWH Generated		0	0	0	0	0	0
17. Cost of Purchases and Generation		4,954,937	3,967,549	0	0	0	0
18. Interchange - KWH - Net		0	0	0	0	0	0
19. Peak - Sum All KW Input (Metered) Non-coincident _____ Coincident <u>X</u>		121,813	107,664	0	0	0	0
		0	0	0	0	0	0

CFC FINANCIAL AND STATISTICAL REPORT		BORROWER DESIGNATION						TOTAL (Column a thru l)
		Kentucky 20 McCracken						
		PERIOD ENDING						2/28/2019
PART R. POWER REQUIREMENTS DATA BASE (Continued)								
(See preceding page 6 of CFC Form 7 for Headings of Line Item numbers below.)								
LINE ITEM NUMBER		JULY (g)	AUGUST (h)	SEPTEMBER (i)	OCTOBER (j)	NOVEMBER (k)	DECEMBER (l)	
1	a.	0	0	0	0	0	0	25,543
	b.	0	0	0	0	0	0	67,588,758
	c.	0	0	0	0	0	0	8,066,190
2	a.	0	0	0	0	0	0	0
	b.	0	0	0	0	0	0	0
	c.	0	0	0	0	0	0	0
3	a.	0	0	0	0	0	0	5
	b.	0	0	0	0	0	0	1,160
	c.	0	0	0	0	0	0	741
4	a.	0	0	0	0	0	0	4,493
	b.	0	0	0	0	0	0	31,065,898
	c.	0	0	0	0	0	0	3,386,532
5	a.	0	0	0	0	0	0	8
	b.	0	0	0	0	0	0	6,951,475
	c.	0	0	0	0	0	0	737,923
6	a.	0	0	0	0	0	0	6
	b.	0	0	0	0	0	0	98,871
	c.	0	0	0	0	0	0	19,873
7	a.	0	0	0	0	0	0	0
	b.	0	0	0	0	0	0	0
	c.	0	0	0	0	0	0	0
8	a.	0	0	0	0	0	0	0
	b.	0	0	0	0	0	0	0
	c.	0	0	0	0	0	0	0
9	a.	0	0	0	0	0	0	0
	b.	0	0	0	0	0	0	0
	c.	0	0	0	0	0	0	0
10		0	0	0	0	0	0	30,055
11		0	0	0	0	0	0	105,706,162
12		0	0	0	0	0	0	12,211,259
13		0	0	0	0	0	0	232,827
14		0	0	0	0	0	0	42,743
15		0	0	0	0	0	0	109,809,902
16		0	0	0	0	0	0	
17		0	0	0	0	0	0	8,922,487
18		0	0	0	0	0	0	
19		0	0	0	0	0	0	0

PRELIMINARY FINANCIAL & STATISTICAL RATIOS

**We have added a page of ratios calculated from the data entered on your Form 7.
 Many of these are CFC KRTA ratios plus other ratios we thought might be of value to you.
 These preliminary ratios can be used to evaluate your system's performance and as an error checking device.
 MDSC and DSC will be *estimated* values. Your system's prior year's "Investment in Associated Orgs --
 Patronage Capital" must be entered as a part of the calculation for MDSC.**

Please enter last year's Investment in Associated Orgs. - Patronage Capital > (Balance Sheet, Line 8)

1,565,000

KRTA NO.	RATIO DESCRIPTION	ESTIMATED RATIO
1	TIER	2.20
	TIER (Trailing 12 Months)	1.30
	Increase (Decrease) in YTD KWH Sales	-10.45%
	Increase (Decrease) in YTD KWH Purchases	-9.20%
2	MDSC	0.40
3	DSC	0.43
5	Rate of Return on Equity	4.68
7	Equity Level as % of Assets	44.13
8	Equity to Total Capital	52.19
11	Long-Term Interest as a % of Revenue	2.59
13	Total Revenue per KWH Sold (Mills)	117.72
14	Electric Revenue per KWH Sold (Mills)	115.52
20	Power Cost per KWH Sold (Mills)	84.41
21	Power Cost as % of Revenue	71.70
22	O & M Expenses (Mills/KWH Sold)	10.17
28	A & G Expenses (Mills/KWH Sold)	4.96
30	Total Operating Expenses (Mills/KWH)	30.00
31	Depreciation Expense (Mills/KWH Sold)	9.37
35	LT Interest Expense (Mills/KWH Sold)	3.05
37	Total Cost of Electric Service (Mills/KWH)	114.41
38	Operating Margins (Mills/KWH Sold)	3.66
41	Total Margins (Mills/KWH Sold)	3.66
48	Revenue per TUP Investment (Cents)	45.23
51	TUP Investment per KWH Sold	26.03
52	Average Consumers per Mile	10.14
*	Current Ratio	0.99
*	Total Operating Expenses per Customer	633.04
	Calculated Line Loss	3.74%

FORM 7 NOTES


February 2019

- **GENERAL COMMENTS** – For YTD February 2019, net income of \$387,364 was \$296,012 less than last year’s income, and \$327,833 ahead of plan. Calculated line loss for 2019 was 3.74% compared with 2.39% last year. Year-to-date TIER was 2.20 and 12-month trailing TIER was 1.30, compared with 2018 YTD TIER of 3.07 and 12-month trailing TIER in February 2018 of 1.53.
- **THIS YEAR TO LAST YEAR COMPARISON** – Power sales for the year were \$1,294,789 less than 2018 numbers; in KWh terms, sales were down 10.45%. Purchased power costs were down by \$1,196,077 while gross profit was down by \$98,712. Compared to of 2018, combined Distribution expenses were up by \$20,670 and Consumer Accounts expenses were \$24,119 less than last year. Customer Service and Information expense was down \$865 from last year. Administrative and General expense was up by \$113,155. In total, Lines 5 through 10 were up \$108,841. Depreciation expense was up \$26,581, reflecting higher plant balances and closing out work orders in a more timely fashion. Interest on long-term debt was down by \$8,199 and other interest expense was up \$19,692 from last year. Interest income was up by \$2,444.
- **CURRENT YEAR-TO-DATE TO BUDGET COMPARISON** – Electric revenue was \$1,139,201 less than budget while power costs were \$1,264,978 under budget combining for a \$125,777 greater gross profit than planned, or 3.70%. Combined distribution expenses are \$157,014 below plan. Consumer accounts expense is \$15,571 above budget, Customer Service expenses are \$2,375 below budget and Administrative and General expenses are \$96,338 below budget. In total, lines 5 through 10 are \$240,156 below budget. Depreciation expense is \$4,702 above budget and Interest on Long-Term Debt is \$20,680 below budget while Interest Income is \$2,295 below budget. In total, net income is \$327,833 above budget.
- **MONTHLY COMMENTS** – February’s net margin of -\$67,117 was \$1,377 less than the budgeted margin of -\$65,740. February power sales were lower than budgeted by \$856,651 and the purchased power costs were less than budgeted by \$845,644 for a gross margin of \$11,007 less than budgeted. Controllable expenses (lines 5 through 10) for the month were \$37,078 less than planned.
- **COMMENTS ON PLANT DATA** – For February 2019 year-to-date we have added 31 new services compared to 27 in 2017. We removed 1 service year-to-date compared to 0 in 2018.
- **BALANCE SHEET COMMENTS** – Cash and cash investments were \$1,931,831 at month end compared with \$2,807,001 a year ago. We had \$4,300,000.00 borrowed under the short term credit. Long-term borrowings are \$2,686,163 less than this time last year.
- **HEADCOUNT** – As of the last payday of February 2019 we had 67 full-time employees.

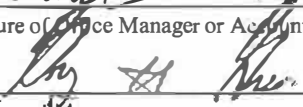
FINANCIAL AND STATISTICAL REPORT	BORROWER DESIGNATION Kentucky 20 McCracken
	BORROWER NAME Jackson Purchase Energy Corporation
	ENDING DATE March 31, 2019

CERTIFICATION

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.



Signature of Office Manager or Accountant



Signature of Manager

5-15-19

Date

5-15-19

Date

PART A. STATEMENT OF OPERATIONS

ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	18,789,079	17,665,822	19,159,258	5,221,736
2. Power Production Expense		0	0	
3. Cost of Purchased Power	14,085,764	12,870,421	14,369,443	3,947,934
4. Transmission Expense				
5. Distribution Expense - Operation	774,200	903,127	858,776	330,456
6. Distribution Expense - Maintenance	911,342	691,496	1,004,836	188,611
7. Consumer Accounts Expense	353,844	302,982	276,345	103,181
8. Customer Service and Informational Expense	21,267	18,911	23,142	5,858
9. Sales Expense	0	0	0	0
10. Administrative and General Expense	612,050	832,845	948,181	308,602
11. Total Operation & Maintenance Expense (2 thru 10)	16,758,467	15,619,780	17,480,723	4,884,643
12. Depreciation & Amortization Expense	1,446,900	1,486,337	1,479,132	496,379
13. Tax Expense - Property		0	0	0
14. Tax Expense - Other	21,240	22,191	22,191	7,397
15. Interest on Long-Term Debt	503,964	491,821	515,100	169,101
16. Interest Charged to Construction (Credit)		0	0	0
17. Interest Expense - Other	15,262	45,607	12,000	15,369
18. Other Deductions	500	600	1,000	0
19. Total Cost of Electric Service (11 thru 18)	18,746,333	17,666,336	19,510,146	5,572,889
20. Patronage Capital & Operating Margins (1 minus 19)	42,746	(514)	(350,888)	(351,153)
21. Non Operating Margins - Interest	97,685	101,120	102,999	34,749
22. Allowance for Funds Used During Construction		0	0	
23. Income (Loss) from Equity Investments		0	0	
24. Non Operating Margins - Other	110	(29,628)	0	17
25. Generation & Transmission Capital Credits		0	0	
26. Other Capital Credits & Patronage Dividends	207,314	148,711	207,000	148,711
27. Extraordinary Items	0	0	0	
28. Patronage Capital or Margins (20 thru 27)	347,856	219,689	(40,889)	(167,676)

PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT

ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	43	51	5. Miles Transmission		
2. Services Retired	0	1	6. Miles Distribution Overhead	2,380	2,374
3. Total Services In Place	36,070	35,781	7. Miles Distribution Underground	584	592
4. Idle Services (Exclude Seasonal)	6,037	5,723	8. Total Miles Energized (5+6+7)	2,964	2,965

FINANCIAL AND STATISTICAL REPORT	BORROWER DESIGNATION
	Kentucky 20 McCracken
	PERIOD ENDING 03/31/2019

PART C. BALANCE SHEET			
ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	164,372,897	28. Memberships	118,945
2. Construction Work in Progress	1,030,395	29. Patronage Capital	49,101,540
3. Total Utility Plant (1+2)	165,403,291	30. Operating Margins - Prior Years	0
4. Accum. Provision for Depreciation and Amort	70,034,942	31. Operating Margins - Current Year	(30,484)
5. Net Utility Plant (3-4)	95,368,349	32. Non-Operating Margins	250,173
6. Nonutility Property - Net	0	33. Other Margins & Equities	94,840
7. Investment in Subsidiary Companies	0	34. Total Margins & Equities (28 thru 33)	49,535,013
8. Invest. in Assoc. Org. - Patronage Capital	1,753,902	35. Long-Term Debt RUS	20,509,492
9. Invest. in Assoc. Org. - Other - General Funds	0	(Payments-Unapplied (\$ _____))	0
10. Invest in Assoc. Org. - Other - Nongeneral Funds	1,833,918	36. Long-Term Debt - Other (Net)	31,075,043
11. Investments in Economic Development Projects	0	(Payments-Unapplied (\$ _____))	(6,481,374)
12. Other Investments	0	37. Total Long-Term Debt (35+36)	45,103,160
13. Special Funds	0	38. Obligations Under Capital Leases	0
14. Total Other Property & Investments (6 thru 13)	3,587,820	39. Accumulated Operating Provisions	2,561,421
15. Cash-General Funds	2,257,796	40. Total Other Noncurrent Liabilities (38+39)	2,561,421
16. Cash-Construction Funds-Trustee	0	41. Notes Payable	4,300,000
17. Special Deposits	0	42. Accounts Payable	4,992,279
18. Temporary Investments	0	43. Consumers Deposits	2,549,253
19. Notes Receivable - Net	0	44. Other Current & Accrued Liabilities	2,327,069
20. Accounts Receivable - Net Sales of Energy	4,614,983	45. Total Current & Accrued Liabilities (41 thru 44)	14,168,602
21. Accounts Receivable - Net Other	1,079,538	46. Deferred Credits	907,052
22. Materials & Supplies - Electric and Other	2,105,701	47. Total Liabilities & Other Credits (34+37+40+45+46)	112,275,248
23. Prepayments	436,926	ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION	
24. Other Current & Accrued Assets	2,802,684	53. Balance Beginning of the Year	12,517,493
	13,297,628	54. Amount Received This Year (Net)	13,624
26. Deferred Debits	21,451	55. Total Contributions in Aid of Construction	12,531,117
27. Total Assets & Other Debits (5+14+25+26)	112,275,248		

PART D. NOTES TO FINANCIAL STATEMENTS

Part C - Estimated Contributions in Aid of Construction

An accurate estimate of Contributions in Aid of Construction on plant cannot be made. The amount shown reflects contributions made since inception of tracking.

THE SPACE BELOW IS PROVIDED FOR IMPORTANT NOTES REGARDING THE FINANCIAL STATEMENT CONTAINED IN THIS REPORT.

FINANCIAL AND STATISTICAL REPORT		BORROWER DESIGNATION					
		Kentucky 20 McCracken					
		PERIOD ENDING 3/31/2019					
PART R. POWER REQUIREMENTS DATA BASE							
CLASSIFICATION	CONSUMER SALES & REVENUE DATA	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE
		(a)	(b)	(c)	(d)	(e)	(f)
1. Residential Sales (excluding seasonal)	a. No. Consumers Served	25,539	25,547	25,534	0	0	0
	b. KWH Sold	37,161,726	30,427,032	29,112,563	0	0	0
	c. Revenue	4,617,515	3,448,675	3,160,984	0	0	0
2. Residential Sales - Seasonal	a. No. Consumers Served	0	0	0	0	0	0
	b. KWH Sold	0	0	0	0	0	0
	c. Revenue	0	0	0	0	0	0
3. Irrigation Sales	a. No. Consumers Served	5	5	5	0	0	0
	b. KWH Sold	29	1,131	5,312	0	0	0
	c. Revenue	207	534	592	0	0	0
4. Comm. and Ind. 1000 KVA or Less	a. No. Consumers Served	4,499	4,486	4,474	0	0	0
	b. KWH Sold	16,454,939	14,610,959	14,259,145	0	0	0
	c. Revenue	1,792,133	1,594,400	1,540,732	0	0	0
5. Comm. and Ind. Over 1000 KVA	a. No. Consumers Served	8	8	9	0	0	0
	b. KWH Sold	3,310,660	3,640,815	3,816,733	0	0	0
	c. Revenue	349,764	388,159	386,638	0	0	0
6. Public Street & Highway Lighting	a. No. Consumers Served	6	6	6	0	0	0
	b. KWH Sold	53,575	45,296	57,313	0	0	0
	c. Revenue	11,008	8,865	10,838	0	0	0
7. Other Sales to Public Authority	a. No. Consumers Served	0	0	0	0	0	0
	b. KWH Sold	0	0	0	0	0	0
	c. Revenue	0	0	0	0	0	0
8. Sales for Resales-REA Borrowers	a. No. Consumers Served	0	0	0	0	0	0
	b. KWH Sold	0	0	0	0	0	0
	c. Revenue	0	0	0	0	0	0
9. Sales for Resales-Other	a. No. Consumers Served	0	0	0	0	0	0
	b. KWH Sold	0	0	0	0	0	0
	c. Revenue	0	0	0	0	0	0
10. TOTAL No. of Consumers (lines 1a thru 9a)		30,057	30,052	30,028	0	0	0
11. TOTAL KWH Sold (lines 1b thru 9b)		56,980,929	48,725,233	47,251,066	0	0	0
12. TOTAL Revenue Received From Sales of Electric Energy (line 1c thru 9c)		6,770,627	5,440,632	5,099,784	0	0	0
13. Other Electric Revenue		112,518	120,309	121,952	0	0	0
14. KWH - Own Use		24,693	18,050	18,139	0	0	0
15. TOTAL KWH Purchased		60,548,288	49,261,614	49,728,226	0	0	0
16. TOTAL KWH Generated		0	0	0	0	0	0
17. Cost of Purchases and Generation		4,954,937	3,967,549	3,947,934	0	0	0
18. Interchange - KWH - Net		0	0	0	0	0	0
19. Peak - Sum All KW Input (Metered)		121,813	107,664	113,929	0	0	0
Non-coincident _____	Coincident _X_	0	0	0	0	0	0

CFC FINANCIAL AND STATISTICAL REPORT		BORROWER DESIGNATION						TOTAL (Column a thru l)
		Kentucky 20 McCracken						
		PERIOD ENDING						3/31/2019
PART R. POWER REQUIREMENTS DATA BASE (Continued)								
(See preceding page 6 of CFC Form 7 for Headings of Line Item numbers below.)								
LINE ITEM NUMBER		JULY (g)	AUGUST (h)	SEPTEMBER (i)	OCTOBER (j)	NOVEMBER (k)	DECEMBER (l)	
1	a.	0	0	0	0	0	0	25,540
	b.	0	0	0	0	0	0	96,701,321
	c.	0	0	0	0	0	0	11,227,174
2	a.	0	0	0	0	0	0	0
	b.	0	0	0	0	0	0	0
	c.	0	0	0	0	0	0	0
3	a.	0	0	0	0	0	0	5
	b.	0	0	0	0	0	0	6,472
	c.	0	0	0	0	0	0	1,334
4	a.	0	0	0	0	0	0	4,486
	b.	0	0	0	0	0	0	45,325,043
	c.	0	0	0	0	0	0	4,927,264
5	a.	0	0	0	0	0	0	8
	b.	0	0	0	0	0	0	10,768,208
	c.	0	0	0	0	0	0	1,124,560
6	a.	0	0	0	0	0	0	6
	b.	0	0	0	0	0	0	156,184
	c.	0	0	0	0	0	0	30,711
7	a.	0	0	0	0	0	0	0
	b.	0	0	0	0	0	0	0
	c.	0	0	0	0	0	0	0
8	a.	0	0	0	0	0	0	0
	b.	0	0	0	0	0	0	0
	c.	0	0	0	0	0	0	0
9	a.	0	0	0	0	0	0	0
	b.	0	0	0	0	0	0	0
	c.	0	0	0	0	0	0	0
10		0	0	0	0	0	0	30,046
11		0	0	0	0	0	0	152,957,228
12		0	0	0	0	0	0	17,311,043
13		0	0	0	0	0	0	354,779
14		0	0	0	0	0	0	60,882
15		0	0	0	0	0	0	159,538,128
16		0	0	0	0	0	0	
17		0	0	0	0	0	0	12,870,421
18		0	0	0	0	0	0	
19		0	0	0	0	0	0	0

PRELIMINARY FINANCIAL & STATISTICAL RATIOS

**We have added a page of ratios calculated from the data entered on your Form 7.
 Many of these are CFC KRTA ratios plus other ratios we thought might be of value to you.
 These preliminary ratios can be used to evaluate your system's performance and as an error checking device.
 MDSC and DSC will be *estimated* values. Your system's prior year's "Investment in Associated Orgs --
 Patronage Capital" must be entered as a part of the calculation for MDSC.**

Please enter last year's Investment in Associated Orgs. - Patronage Capital > (Balance Sheet, Line 8)

1,685,965

KRTA NO.	RATIO DESCRIPTION	ESTIMATED RATIO
1	TIER	1.45
	TIER (Trailing 12 Months)	1.38
	Increase (Decrease) in YTD KWH Sales	-5.43%
	Increase (Decrease) in YTD KWH Purchases	-6.05%
2	MDSC	1.78
3	DSC	1.81
5	Rate of Return on Equity	1.77
7	Equity Level as % of Assets	44.12
8	Equity to Total Capital	52.34
11	Long-Term Interest as a % of Revenue	2.78
13	Total Revenue per KWH Sold (Mills)	115.50
14	Electric Revenue per KWH Sold (Mills)	113.18
20	Power Cost per KWH Sold (Mills)	84.14
21	Power Cost as % of Revenue	72.85
22	O & M Expenses (Mills/KWH Sold)	10.43
28	A & G Expenses (Mills/KWH Sold)	5.44
30	Total Operating Expenses (Mills/KWH)	31.35
31	Depreciation Expense (Mills/KWH Sold)	9.72
35	LT Interest Expense (Mills/KWH Sold)	3.22
37	Total Cost of Electric Service (Mills/KWH)	115.50
38	Operating Margins (Mills/KWH Sold)	0.46
41	Total Margins (Mills/KWH Sold)	1.44
48	Revenue per TUP Investment (Cents)	42.72
51	TUP Investment per KWH Sold	27.03
52	Average Consumers per Mile	10.13
*	Current Ratio	0.94
*	Total Operating Expenses per Customer	638.48
	Calculated Line Loss	4.12%

FORM 7 NOTES

March 2019

- **GENERAL COMMENTS** – For March 2019 YTD, net income of \$219,689 was \$128,167 less than last year’s income, and \$260,578 greater than the plan. Calculated line loss for 2019 was 4.12% compared with 4.76% last year. Year-to-date TIER was 1.45 and 12-month trailing TIER was 1.38, compared with 2018 YTD TIER of 1.69 and 12-month trailing TIER in March 2018 of 1.25.
- **THIS YEAR TO LAST YEAR COMPARISON** – Power sales for the year were \$1,123,258 less than 2018 numbers; in KWh terms, sales were down 5.43%. Purchased power costs were down by \$1,215,343 while gross profit was up by \$92,086. Compared to 2018, combined Distribution expenses were lower by \$90,920 and Consumer Accounts expenses were \$50,862 less than last year. Customer Service and Information expense was down \$2,356 from last year. Administrative and General expense was up by \$220,794. In total, Lines 5 through 10 were up \$76,656. Depreciation expense was up \$39,437, reflecting higher plant balances and closing out work orders in a more timely fashion. Interest on long-term debt was down by \$12,143 and other interest expense was up \$30,345 from last year. Interest income was up by \$3,435.
- **CURRENT YEAR-TO-DATE TO BUDGET COMPARISON** – Electric revenue was \$1,493,436 less than budget while power costs were \$1,499,022 under budget combining for a \$5,586 greater gross profit than planned, or 0.12%. Combined distribution expenses are \$268,990 below plan. Consumer accounts expense is \$26,637 above budget, Customer Service expenses are \$4,231 below budget and Administrative and General expenses are \$115,336 below budget. In total, lines 5 through 10 are \$361,921 below budget. Depreciation expense is \$7,205 above budget and Interest on Long-Term Debt is \$23,279 below budget while Interest Income is \$1,879 below budget. In total, net income is \$260,578 above budget.
- **MONTHLY COMMENTS** – March’s net negative margin of \$167,676 was \$67,256 less than the budgeted negative margin of \$100,420. March power sales were lower than budgeted by \$354,236 and the purchased power costs were lower than budgeted by \$234,045 for a gross margin of \$120,191 less than budgeted. Controllable expenses (lines 5 through 10) for the month were \$121,765 less than planned.
- **COMMENTS ON PLANT DATA** – For March 2019 year-to-date we have added 51 new services compared to 43 in 2018. We removed 1 service year-to-date compared to 0 in 2018.
- **BALANCE SHEET COMMENTS** – Total utility plant of \$165,403,291 has grown by \$4,071,714 or 2.52% from year ago levels. Cash and cash investments were \$2,257,796 at month end compared with \$1,557,889 a year ago. We had \$4,300,000 borrowed under the short term credit. Long-term borrowings are \$2,692,966 less than this time last year.
- **HEADCOUNT** – As of the last payday of March 2019 we had 68 full-time employees.

FINANCIAL AND STATISTICAL REPORT	BORROWER DESIGNATION Kentucky 20 McCracken
	BORROWER NAME Jackson Purchase Energy Corporation
	ENDING DATE April 30, 2019

CERTIFICATION

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.



Signature of Office Manager or Accountant

6-18-19

Date



Signature of Manager

6-18-19

Date

PART A. STATEMENT OF OPERATIONS

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	23,646,086	21,781,849	23,731,968	4,116,027
2. Power Production Expense	0	0	0	
3. Cost of Purchased Power	17,566,628	15,868,884	17,798,976	2,998,463
4. Transmission Expense				
5. Distribution Expense - Operation	971,411	1,167,925	1,149,673	264,798
6. Distribution Expense - Maintenance	1,345,082	911,750	1,396,898	220,255
7. Consumer Accounts Expense	475,671	405,975	368,460	102,993
8. Customer Service and Informational Expense	27,598	24,521	30,856	5,611
9. Sales Expense	0	105	0	105
10. Administrative and General Expense	788,027	1,087,681	1,268,676	254,837
11. Total Operation & Maintenance Expense (2 thru 10)	21,174,417	19,466,842	22,013,539	3,847,062
12. Depreciation & Amortization Expense	1,930,938	1,983,725	1,973,841	497,388
13. Tax Expense - Property	0	0	0	0
14. Tax Expense - Other	28,320	29,587	29,588	7,397
15. Interest on Long-Term Debt	670,255	653,484	686,800	161,663
16. Interest Charged to Construction (Credit)	0	0	0	0
17. Interest Expense - Other	18,131	62,752	16,000	17,145
18. Other Deductions	600	700	1,200	100
19. Total Cost of Electric Service (11 thru 18)	23,822,661	22,197,091	24,720,968	4,530,755
20. Patronage Capital & Operating Margins (1 minus 19)	(176,575)	(415,242)	(989,000)	(414,728)
21. Non Operating Margins - Interest	130,645	137,655	137,332	36,535
22. Allowance for Funds Used During Construction	0	0	0	
23. Income (Loss) from Equity Investments	0	0	0	
24. Non Operating Margins - Other	138	(16,140)	0	13,488
25. Generation & Transmission Capital Credits	0	0	0	
26. Other Capital Credits & Patronage Dividends	207,314	148,711	207,000	0
27. Extraordinary Items	0	0	0	
28. Patronage Capital or Margins (20 thru 27)	161,523	(145,016)	(644,668)	(364,705)

PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT

ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	63	70	5. Miles Transmission		
2. Services Retired	0	3	6. Miles Distribution Overhead	2,379	2,373
3. Total Services In Place	36,040	35,748	7. Miles Distribution Underground	585	593
4. Idle Services (Exclude Seasonal)	6,029	5,720	8. Total Miles Energized (5+6+7)	2,963	2,966

FINANCIAL AND STATISTICAL REPORT		BORROWER DESIGNATION	
		Kentucky 20 McCracken	
		PERIOD ENDING	04/30/2019
PART C. BALANCE SHEET			
ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	164,420,615	28. Memberships	118,650
2. Construction Work in Progress	1,270,679	29. Patronage Capital	49,101,540
3. Total Utility Plant (1+2)	165,691,294	30. Operating Margins - Prior Years	0
4. Accum. Provision for Depreciation and Amort	70,354,908	31. Operating Margins - Current Year	(445,459)
5. Net Utility Plant (3-4)	95,336,386	32. Non-Operating Margins	300,443
6. Nonutility Property - Net	0	33. Other Margins & Equities	94,796
7. Investment in Subsidiary Companies	0	34. Total Margins & Equities (28 thru 33)	49,169,970
8. Invest. in Assoc. Org. - Patronage Capital	1,753,902	35. Long-Term Debt RUS	20,509,492
9. Invest. in Assoc. Org. - Other - General Funds	0	(Payments-Unapplied (\$ _____))	0
10. Invest in Assoc. Org. - Other - Nongeneral Funds	1,833,918	36. Long-Term Debt - Other (Net)	30,926,874
11. Investments in Economic Development Projects	0	(Payments-Unapplied (\$ _____))	(6,508,010)
12. Other Investments	0	37. Total Long-Term Debt (35+36)	44,928,356
13. Special Funds	0	38. Obligations Under Capital Leases	0
14. Total Other Property & Investments (6 thru 13)	3,587,820	39. Accumulated Operating Provisions	2,572,685
15. Cash-General Funds	1,454,005	40. Total Other Noncurrent Liabilities (38+39)	2,572,685
16. Cash-Construction Funds-Trustee	0	41. Notes Payable	3,700,000
17. Special Deposits	0	42. Accounts Payable	3,506,936
18. Temporary Investments	0	43. Consumers Deposits	2,567,924
19. Notes Receivable - Net	0	44. Other Current & Accrued Liabilities	2,432,348
20. Accounts Receivable - Net Sales of Energy	3,977,430	45. Total Current & Accrued Liabilities (41 thru 44)	12,207,207
21. Accounts Receivable - Net Other	905,958	46. Deferred Credits	894,552
22. Materials & Supplies - Electric and Other	2,100,167	47. Total Liabilities & Other Credits (34+37+40+45+46)	109,772,770
23. Prepayments	489,338	ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION	
24. Other Current & Accrued Assets	1,905,202	53. Balance Beginning of the Year	12,517,493
	10,832,100	54. Amount Received This Year (Net)	75,799
26. Deferred Debits	16,465	55. Total Contributions in Aid of Construction	12,593,292
27. Total Assets & Other Debits (5+14+25+26)	109,772,770		
PART D. NOTES TO FINANCIAL STATEMENTS			
Part C - Estimated Contributions in Aid of Construction			
An accurate estimate of Contributions in Aid of Construction on plant cannot be made. The amount shown reflects contributions made since inception of tracking.			
THE SPACE BELOW IS PROVIDED FOR IMPORTANT NOTES REGARDING THE FINANCIAL STATEMENT CONTAINED IN THIS REPORT.			

FINANCIAL AND STATISTICAL REPORT		BORROWER DESIGNATION					
		Kentucky 20 McCracken					
		PERIOD ENDING 4/30/2019					
PART R. POWER REQUIREMENTS DATA BASE							
CLASSIFICATION	CONSUMER SALES & REVENUE DATA	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE
		(a)	(b)	(c)	(d)	(e)	(f)
1. Residential Sales (excluding seasonal)	a. No. Consumers Served	25,539	25,547	25,534	25,519	0	0
	b. KWH Sold	37,161,726	30,427,032	29,112,563	20,333,238	0	0
	c. Revenue	4,617,515	3,448,675	3,161,066	2,224,766	0	0
2. Residential Sales - Seasonal	a. No. Consumers Served	0	0	0	0	0	0
	b. KWH Sold	0	0	0	0	0	0
	c. Revenue	0	0	0	0	0	0
3. Irrigation Sales	a. No. Consumers Served	5	5	5	5	0	0
	b. KWH Sold	29	1,131	5,312	3,575	0	0
	c. Revenue	207	534	592	731	0	0
4. Comm. and Ind. 1000 KVA or Less	a. No. Consumers Served	4,499	4,486	4,474	4,489	0	0
	b. KWH Sold	16,454,939	14,610,959	14,259,145	13,266,233	0	0
	c. Revenue	1,792,133	1,594,400	1,540,650	1,398,339	0	0
5. Comm. and Ind. Over 1000 KVA	a. No. Consumers Served	8	8	9	9	0	0
	b. KWH Sold	3,310,660	3,640,815	3,816,733	3,895,023	0	0
	c. Revenue	349,764	388,159	386,638	374,886	0	0
6. Public Street & Highway Lighting	a. No. Consumers Served	6	6	6	6	0	0
	b. KWH Sold	53,575	45,296	57,313	47,994	0	0
	c. Revenue	11,008	8,865	10,838	9,116	0	0
7. Other Sales to Public Authority	a. No. Consumers Served	0	0	0	0	0	0
	b. KWH Sold	0	0	0	0	0	0
	c. Revenue	0	0	0	0	0	0
8. Sales for Resales-REA Borrowers	a. No. Consumers Served	0	0	0	0	0	0
	b. KWH Sold	0	0	0	0	0	0
	c. Revenue	0	0	0	0	0	0
9. Sales for Resales-Other	a. No. Consumers Served	0	0	0	0	0	0
	b. KWH Sold	0	0	0	0	0	0
	c. Revenue	0	0	0	0	0	0
10. TOTAL No. of Consumers (lines 1a thru 9a)		30,057	30,052	30,028	30,028	0	0
11. TOTAL KWH Sold (lines 1b thru 9b)		56,980,929	48,725,233	47,251,066	37,546,063	0	0
12. TOTAL Revenue Received From Sales of Electric Energy (line 1c thru 9c)		6,770,627	5,440,632	5,099,784	4,007,838	0	0
13. Other Electric Revenue		112,518	120,309	121,952	108,190	0	0
14. KWH - Own Use		24,693	18,050	18,139	11,127	0	0
15. TOTAL KWH Purchased		60,548,288	49,261,614	49,728,226	39,232,907	0	0
16. TOTAL KWH Generated		0	0	0	0	0	0
17. Cost of Purchases and Generation		4,954,937	3,967,549	3,947,934	2,998,453	0	0
18. Interchange - KWH - Net		0	0	0	0	0	0
19. Peak - Sum All KW Input (Metered)		121,813	107,664	113,929	86,059	0	0
Non-coincident _____ Coincident <u>X</u>		0	0	0	0	0	0

CFC FINANCIAL AND STATISTICAL REPORT		BORROWER DESIGNATION						TOTAL (Column a thru l)
		Kentucky 20 McCracken						
		PERIOD ENDING						4/30/2019
PART R. POWER REQUIREMENTS DATA BASE (Continued)								
(See preceding page 6 of CFC Form 7 for Headings of Line Item numbers below.)								
LINE ITEM NUMBER		JULY (g)	AUGUST (h)	SEPTEMBER (i)	OCTOBER (j)	NOVEMBER (k)	DECEMBER (l)	
1	a.	0	0	0	0	0	0	25,535
	b.	0	0	0	0	0	0	117,034,559
	c.	0	0	0	0	0	0	13,452,022
2	a.	0	0	0	0	0	0	0
	b.	0	0	0	0	0	0	0
	c.	0	0	0	0	0	0	0
3	a.	0	0	0	0	0	0	5
	b.	0	0	0	0	0	0	10,047
	c.	0	0	0	0	0	0	2,064
4	a.	0	0	0	0	0	0	4,487
	b.	0	0	0	0	0	0	58,591,276
	c.	0	0	0	0	0	0	6,325,522
5	a.	0	0	0	0	0	0	9
	b.	0	0	0	0	0	0	14,663,231
	c.	0	0	0	0	0	0	1,499,446
6	a.	0	0	0	0	0	0	6
	b.	0	0	0	0	0	0	204,178
	c.	0	0	0	0	0	0	39,827
7	a.	0	0	0	0	0	0	0
	b.	0	0	0	0	0	0	0
	c.	0	0	0	0	0	0	0
8	a.	0	0	0	0	0	0	0
	b.	0	0	0	0	0	0	0
	c.	0	0	0	0	0	0	0
9	a.	0	0	0	0	0	0	0
	b.	0	0	0	0	0	0	0
	c.	0	0	0	0	0	0	0
10		0	0	0	0	0	0	30,041
11		0	0	0	0	0	0	190,503,291
12		0	0	0	0	0	0	21,318,881
13		0	0	0	0	0	0	462,969
14		0	0	0	0	0	0	72,009
15		0	0	0	0	0	0	198,771,035
16		0	0	0	0	0	0	
17		0	0	0	0	0	0	15,868,874
18		0	0	0	0	0	0	
19		0	0	0	0	0	0	0

PRELIMINARY FINANCIAL & STATISTICAL RATIOS

**We have added a page of ratios calculated from the data entered on your Form 7.
 Many of these are CFC KRTA ratios plus other ratios we thought might be of value to you.
 These preliminary ratios can be used to evaluate your system's performance and as an error checking device.
 MDSC and DSC will be *estimated* values. Your system's prior year's "Investment in Associated Orgs --
 Patronage Capital" must be entered as a part of the calculation for MDSC.**

Please enter last year's Investment in Associated Orgs. - Patronage Capital > (Balance Sheet, Line 8)

1,734,841

KRTA NO.	RATIO DESCRIPTION	ESTIMATED RATIO
1	TIER	0.78
	TIER (Trailing 12 Months)	1.30
	Increase (Decrease) in YTD KWH Sales	-7.16%
	Increase (Decrease) in YTD KWH Purchases	-6.73%
2	MDSC	1.54
3	DSC	1.54
5	Rate of Return on Equity	-0.88
7	Equity Level as % of Assets	44.79
8	Equity to Total Capital	52.25
11	Long-Term Interest as a % of Revenue	3.00
13	Total Revenue per KWH Sold (Mills)	114.34
14	Electric Revenue per KWH Sold (Mills)	111.91
20	Power Cost per KWH Sold (Mills)	83.30
21	Power Cost as % of Revenue	72.85
22	O & M Expenses (Mills/KWH Sold)	10.92
28	A & G Expenses (Mills/KWH Sold)	5.71
30	Total Operating Expenses (Mills/KWH)	33.22
31	Depreciation Expense (Mills/KWH Sold)	10.41
35	LT Interest Expense (Mills/KWH Sold)	3.43
37	Total Cost of Electric Service (Mills/KWH)	116.52
38	Operating Margins (Mills/KWH Sold)	-1.54
41	Total Margins (Mills/KWH Sold)	-0.76
48	Revenue per TUP Investment (Cents)	39.44
51	TUP Investment per KWH Sold	28.99
52	Average Consumers per Mile	10.13
*	Current Ratio	0.89
*	Total Operating Expenses per Customer	631.95
	Calculated Line Loss	4.16%

FORM 7 NOTES


April 2019


- **GENERAL COMMENTS** – For the first four months of 2019, net income of -\$145,016 was \$306,539 less than last year’s income, and \$499,652 greater than the budget. Calculated line loss for 2019 was 4.16% compared with 3.72% last year. Year-to-date TIER was 0.78 and 12-month trailing TIER was 1.30, compared with 2018 YTD TIER of 1.24 and 12-month trailing TIER in April 2018 of 1.36.
- **THIS YEAR TO LAST YEAR COMPARISON** – Power sales for the year were \$1,864,237 less than 2018; in KWh terms, sales were down 7.16%. Purchased power costs were down by \$1,697,794 while gross profit was down by \$166,493. Compared to 2018, combined Distribution expenses were lower by \$236,818 and Consumer Accounts expenses were \$69,695 less than last year. Customer Service and Information expense was down \$3,077 from last year. Administrative and General expense was up by \$299,655. In total, Lines 5 through 10 were down \$9,936. Depreciation expense was up \$52,788, reflecting higher plant balances and closing out work orders in a more timely fashion. Interest on long-term debt was down by \$16,772 and other interest expense was up \$44,621 from last year. Interest income was up by \$7,010.
- **CURRENT YEAR-TO-DATE TO BUDGET COMPARISON** – Electric revenue was \$1,950,119 less than budget while power costs were \$1,930,092 under budget combining for a \$20,027 lower gross profit than planned, or -0.34%. Combined distribution expenses are \$466,896 below plan. Consumer accounts expense is \$37,515 above budget, Customer Service expenses are \$6,335 below budget and Administrative and General expenses are \$180,995 below budget. In total, lines 5 through 10 are \$616,711 below budget. Depreciation expense is \$9,885 above budget and Interest on Long-Term Debt is \$33,316 below budget while Interest Income is \$323 below budget. In total, net income is \$499,652 above budget.
- **MONTHLY COMMENTS** – April’s net negative margin of \$364,705 was \$239,074 greater than the budgeted negative margin of \$603,779. April power sales were lower than budgeted by \$456,683 and the purchased power costs were lower than budgeted by \$431,069 for a gross margin of \$25,614 less than budgeted. Controllable expenses (lines 5 through 10) for the month were \$254,790 less than planned.
- **COMMENTS ON PLANT DATA** – For April 2019 year-to-date we have added 70 new services compared to 63 in 2018. We removed 3 services year-to-date compared to 0 in 2018.
- **BALANCE SHEET COMMENTS** – Total utility plant of \$165,691,294 has grown by \$4,081,870 or 2.53% from year ago levels. Cash and cash investments were \$1,454,005 at month end compared with \$1,286,166 a year ago. We had \$3,700,000.00 borrowed under the short term credit. Long-term borrowings are \$2,699,679 less than this time last year.
- **HEADCOUNT** – As of the last payday of April 2019 we had 68 full-time employees.

FINANCIAL AND STATISTICAL REPORT	BORROWER DESIGNATION Kentucky 20 McCracken
	BORROWER NAME Jackson Purchase Energy Corporation
	ENDING DATE May 31, 2019

CERTIFICATION

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.


 Signature of Office Manager of Accountant


 Signature of Manager

Date 7-16-19

Date 7-16-19

PART A. STATEMENT OF OPERATIONS

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	29,479,167	27,051,236	29,376,755	5,269,388
2. Power Production Expense		0	0	
3. Cost of Purchased Power	21,972,172	19,744,036	22,032,567	3,875,152
4. Transmission Expense				
5. Distribution Expense - Operation	1,228,706	1,450,731	1,432,900	282,806
6. Distribution Expense - Maintenance	1,612,102	1,227,642	1,770,410	315,892
7. Consumer Accounts Expense	593,819	519,977	460,625	114,001
8. Customer Service and Informational Expense	34,352	32,279	38,570	7,758
9. Sales Expense	0	105	0	0
10. Administrative and General Expense	957,658	1,365,470	1,566,857	277,789
11. Total Operation & Maintenance Expense (2 thru 10)	26,398,810	24,340,240	27,301,929	4,873,398
12. Depreciation & Amortization Expense	2,415,790	2,481,921	2,469,384	498,195
13. Tax Expense - Property		0	0	0
14. Tax Expense - Other	35,400	36,984	36,985	7,397
15. Interest on Long-Term Debt	841,612	820,385	858,500	166,901
16. Interest Charged to Construction (Credit)		0	0	0
17. Interest Expense - Other	20,867	80,927	20,000	18,175
18. Other Deductions	600	700	1,200	0
19. Total Cost of Electric Service (11 thru 18)	29,713,079	27,761,157	30,687,998	5,564,066
20. Patronage Capital & Operating Margins (1 minus 19)	(233,912)	(709,921)	(1,311,243)	(294,678)
21. Non Operating Margins - Interest	164,783	173,878	171,665	36,224
22. Allowance for Funds Used During Construction		0	0	
23. Income (Loss) from Equity Investments		0	0	
24. Non Operating Margins - Other	171	(11,630)	0	4,509
25. Generation & Transmission Capital Credits		0	0	
26. Other Capital Credits & Patronage Dividends	207,314	148,711	207,000	0
27. Extraordinary Items		0	0	
28. Patronage Capital or Margins (20 thru 27)	138,356	(398,962)	(932,578)	(253,945)

PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT

ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	89	98	5. Miles Transmission		
2. Services Retired	1	4	6. Miles Distribution Overhead	2,378	2,372
3. Total Services In Place	36,015	35,725	7. Miles Distribution Underground	585	593
4. Idle Services (Exclude Seasonal)	6,028	5,723	8. Total Miles Energized (5+6+7)	2,963	2,965

FINANCIAL AND STATISTICAL REPORT		BORROWER DESIGNATION	
		Kentucky 20 McCracken	
		PERIOD ENDING	05/31/2019
PART C. BALANCE SHEET			
ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	164,857,780	28. Memberships	118,340
2. Construction Work in Progress	1,465,426	29. Patronage Capital	49,101,540
3. Total Utility Plant (1+2)	166,323,206	30. Operating Margins - Prior Years	0
4. Accum. Provision for Depreciation and Amort	70,724,184	31. Operating Margins - Current Year	(740,138)
5. Net Utility Plant (3-4)	95,599,022	32. Non-Operating Margins	341,176
6. Nonutility Property - Net	0	33. Other Margins & Equities	94,753
7. Investment in Subsidiary Companies	0	34. Total Margins & Equities (28 thru 33)	48,915,671
8. Invest. in Assoc. Org. - Patronage Capital	1,753,902	35. Long-Term Debt RUS	20,509,492
9. Invest. in Assoc. Org. - Other - General Funds	0	(Payments-Unapplied (\$ _____))	0
10. Invest in Assoc. Org. - Other - Nongeneral Funds	1,833,918	36. Long-Term Debt - Other (Net)	30,758,570
11. Investments in Economic Development Projects	0	(Payments-Unapplied (\$ _____))	(6,535,647)
12. Other Investments	0	37. Total Long-Term Debt (35+36)	44,732,415
13. Special Funds	0	38. Obligations Under Capital Leases	0
14. Total Other Property & Investments (6 thru 13)	3,587,820	39. Accumulated Operating Provisions	2,587,989
15. Cash-General Funds	1,488,761	40. Total Other Noncurrent Liabilities (38+39)	2,587,989
16. Cash-Construction Funds-Trustee	0	41. Notes Payable	3,700,000
17. Special Deposits	0	42. Accounts Payable	4,434,463
18. Temporary Investments	0	43. Consumers Deposits	2,586,635
19. Notes Receivable - Net	0	44. Other Current & Accrued Liabilities	2,544,911
20. Accounts Receivable - Net Sales of Energy	3,562,976	45. Total Current & Accrued Liabilities (41 thru 44)	13,266,010
21. Accounts Receivable - Net Other	710,634	46. Deferred Credits	894,552
22. Materials & Supplies - Electric and Other	2,147,429	47. Total Liabilities & Other Credits (34+37+40+45+46)	110,396,637
23. Prepayments	694,146	ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION	
24. Other Current & Accrued Assets	2,590,045	53. Balance Beginning of the Year	12,517,493
	11,193,990	54. Amount Received This Year (Net)	96,207
26. Deferred Debits	15,805	55. Total Contributions in Aid of Construction	12,613,700
27. Total Assets & Other Debits (5+14+25+26)	110,396,637		

PART D. NOTES TO FINANCIAL STATEMENTS

Part C - Estimated Contributions in Aid of Construction

An accurate estimate of Contributions in Aid of Construction on plant cannot be made. The amount shown reflects contributions made since inception of tracking.

THE SPACE BELOW IS PROVIDED FOR IMPORTANT NOTES REGARDING THE FINANCIAL STATEMENT CONTAINED IN THIS REPORT.

FINANCIAL AND STATISTICAL REPORT		BORROWER DESIGNATION					
		Kentucky 20 McCracken					
		PERIOD ENDING 5/31/2019					
PART R. POWER REQUIREMENTS DATA BASE							
CLASSIFICATION	CONSUMER SALES & REVENUE DATA	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE
		(a)	(b)	(c)	(d)	(e)	(f)
1. Residential Sales (excluding seasonal)	a. No. Consumers Served	25,539	25,547	25,534	25,519	25,489	0
	b. KWH Sold	37,161,726	30,427,032	29,112,563	20,333,238	26,254,627	0
	c. Revenue	4,617,515	3,448,675	3,161,066	2,224,766	3,082,555	0
2. Residential Sales - Seasonal	a. No. Consumers Served	0	0	0	0	0	0
	b. KWH Sold	0	0	0	0	0	0
	c. Revenue	0	0	0	0	0	0
3. Irrigation Sales	a. No. Consumers Served	5	5	5	5	5	0
	b. KWH Sold	29	1,131	5,312	3,575	4,241	0
	c. Revenue	207	534	592	731	503	0
4. Comm. and Ind. 1000 KVA or Less	a. No. Consumers Served	4,499	4,486	4,474	4,489	4,493	0
	b. KWH Sold	16,454,939	14,610,959	14,259,145	13,266,233	16,014,565	0
	c. Revenue	1,792,133	1,594,400	1,540,650	1,398,339	1,701,467	0
5. Comm. and Ind. Over 1000 KVA	a. No. Consumers Served	8	8	9	9	9	0
	b. KWH Sold	3,310,660	3,640,815	3,816,733	3,895,023	3,657,161	0
	c. Revenue	349,764	388,159	386,638	374,886	351,677	0
6. Public Street & Highway Lighting	a. No. Consumers Served	6	6	6	6	6	0
	b. KWH Sold	53,575	45,296	57,313	47,994	28,635	0
	c. Revenue	11,008	8,865	10,838	9,116	27,862	0
7. Other Sales to Public Authority	a. No. Consumers Served	0	0	0	0	0	0
	b. KWH Sold	0	0	0	0	0	0
	c. Revenue	0	0	0	0	0	0
8. Sales for Resales-REA Borrowers	a. No. Consumers Served	0	0	0	0	0	0
	b. KWH Sold	0	0	0	0	0	0
	c. Revenue	0	0	0	0	0	0
9. Sales for Resales-Other	a. No. Consumers Served	0	0	0	0	0	0
	b. KWH Sold	0	0	0	0	0	0
	c. Revenue	0	0	0	0	0	0
10. TOTAL No. of Consumers (lines 1a thru 9a)		30,057	30,052	30,028	30,028	30,002	0
11. TOTAL KWH Sold (lines 1b thru 9b)		56,980,929	48,725,233	47,251,066	37,546,063	45,959,229	0
12. TOTAL Revenue Received From Sales of Electric Energy (line 1c thru 9c)		6,770,627	5,440,632	5,099,784	4,007,838	5,164,063	0
13. Other Electric Revenue		112,518	120,309	121,952	108,190	105,325	0
14. KWH - Own Use		24,693	18,050	18,139	11,127	10,979	0
15. TOTAL KWH Purchased		60,548,288	49,261,614	49,728,226	39,232,907	47,321,883	0
16. TOTAL KWH Generated		0	0	0	0	0	0
17. Cost of Purchases and Generation		4,954,937	3,967,549	3,947,934	2,998,453	3,875,152	0
18. Interchange - KWH - Net		0	0	0	0	0	0
19. Peak - Sum All KW Input (Metered) Non-coincident ___ Coincident _X_		121,813	107,664	113,929	86,059	115,950	0
		0	0	0	0	0	0

CFC FINANCIAL AND STATISTICAL REPORT		BORROWER DESIGNATION						TOTAL (Column a thru l)
		Kentucky 20 McCracken						
		PERIOD ENDING						5/31/2019
PART R. POWER REQUIREMENTS DATA BASE (Continued)								
(See preceding page 6 of CFC Form 7 for Headings of Line Item numbers below.)								
LINE ITEM NUMBER		JULY (g)	AUGUST (h)	SEPTEMBER (i)	OCTOBER (j)	NOVEMBER (k)	DECEMBER (l)	
1	a.	0	0	0	0	0	0	25,526
	b.	0	0	0	0	0	0	143,289,186
	c.	0	0	0	0	0	0	16,534,577
2	a.	0	0	0	0	0	0	0
	b.	0	0	0	0	0	0	0
	c.	0	0	0	0	0	0	0
3	a.	0	0	0	0	0	0	5
	b.	0	0	0	0	0	0	14,288
	c.	0	0	0	0	0	0	2,567
4	a.	0	0	0	0	0	0	4,488
	b.	0	0	0	0	0	0	74,605,841
	c.	0	0	0	0	0	0	8,026,989
5	a.	0	0	0	0	0	0	9
	b.	0	0	0	0	0	0	18,320,392
	c.	0	0	0	0	0	0	1,851,123
6	a.	0	0	0	0	0	0	6
	b.	0	0	0	0	0	0	232,813
	c.	0	0	0	0	0	0	67,689
7	a.	0	0	0	0	0	0	0
	b.	0	0	0	0	0	0	0
	c.	0	0	0	0	0	0	0
8	a.	0	0	0	0	0	0	0
	b.	0	0	0	0	0	0	0
	c.	0	0	0	0	0	0	0
9	a.	0	0	0	0	0	0	0
	b.	0	0	0	0	0	0	0
	c.	0	0	0	0	0	0	0
10		0	0	0	0	0	0	30,033
11		0	0	0	0	0	0	236,462,520
12		0	0	0	0	0	0	26,482,944
13		0	0	0	0	0	0	568,294
14		0	0	0	0	0	0	82,988
15		0	0	0	0	0	0	246,092,918
16		0	0	0	0	0	0	
17		0	0	0	0	0	0	19,744,026
18		0	0	0	0	0	0	
19		0	0	0	0	0	0	121,813

PRELIMINARY FINANCIAL & STATISTICAL RATIOS

**We have added a page of ratios calculated from the data entered on your Form 7.
Many of these are CFC KRTA ratios plus other ratios we thought might be of value to you.
These preliminary ratios can be used to evaluate your system's performance and as an error checking device.
MDSC and DSC will be *estimated* values. Your system's prior year's "Investment in Associated Orgs --
Patronage Capital" must be entered as a part of the calculation for MDSC.**

Please enter last year's Investment in Associated Orgs. - Patronage Capital > (Balance Sheet, Line 8)

1,734,841

KRTA NO.	RATIO DESCRIPTION	ESTIMATED RATIO
1	TIER	0.51
	TIER (Trailing 12 Months)	1.18
	Increase (Decrease) in YTD KWH Sales	-6.65%
	Increase (Decrease) in YTD KWH Purchases	-7.34%
2	MDSC	1.43
3	DSC	1.43
5	Rate of Return on Equity	-1.96
7	Equity Level as % of Assets	44.31
8	Equity to Total Capital	52.23
11	Long-Term Interest as a % of Revenue	3.03
13	Total Revenue per KWH Sold (Mills)	114.40
14	Electric Revenue per KWH Sold (Mills)	112.00
20	Power Cost per KWH Sold (Mills)	83.50
21	Power Cost as % of Revenue	72.99
22	O & M Expenses (Mills/KWH Sold)	11.33
28	A & G Expenses (Mills/KWH Sold)	5.77
30	Total Operating Expenses (Mills/KWH)	33.90
31	Depreciation Expense (Mills/KWH Sold)	10.50
35	LT Interest Expense (Mills/KWH Sold)	3.47
37	Total Cost of Electric Service (Mills/KWH)	117.40
38	Operating Margins (Mills/KWH Sold)	-2.32
41	Total Margins (Mills/KWH Sold)	-1.69
48	Revenue per TUP Investment (Cents)	39.03
51	TUP Investment per KWH Sold	29.31
52	Average Consumers per Mile	10.13
*	Current Ratio	0.84
*	Total Operating Expenses per Customer	640.66
	Calculated Line Loss	3.91%

FORM 7 NOTES


May 2019


- **GENERAL COMMENTS** – For the first five months of 2019, net income of -\$398,962 was \$537,318 less than last year's income, and \$533,616 greater than the plan. Calculated line loss for 2019 was 3.91% compared with 4.62% last year. Year-to-date TIER was 0.51 and 12-month trailing TIER was 1.18, compared with 2018 YTD TIER of 1.16 and 12-month trailing TIER in May 2018 of 1.56.
- **THIS YEAR TO LAST YEAR COMPARISON** – Power sales for the year were \$2,427,931 less than 2018 numbers; in KWh terms, sales were down 6.65%. Purchased power costs were down by \$2,228,136 while gross profit was down by \$199,795. Compared to 2018, combined Distribution expenses were lower by \$162,435 and Consumer Accounts expenses were \$73,843 less than last year. Customer Service and Information expense was down \$2,073 from last year. Administrative and General expense was up by \$407,812. In total, Lines 5 through 10 were up \$169,461. Depreciation expense was up \$66,130, reflecting higher plant balances and closing out work orders in a more timely fashion. Interest on long-term debt was down by \$21,227 and other interest expense was up \$60,059 from last year. Interest income was up by \$9,095.
- **CURRENT YEAR-TO-DATE TO BUDGET COMPARISON** – Electric revenue was \$2,325,519 less than budget while power costs were \$2,288,530 under budget combining for a \$36,989 lower gross profit than planned, or -0.50%. Combined distribution expenses are \$524,937 below plan. Consumer accounts expense is \$59,352 above budget, Customer Service expenses are \$6,291 below budget and Administrative and General expenses are \$201,387 below budget. In total, lines 5 through 10 are \$673,263 below budget. Depreciation expense is \$12,536 above budget and Interest on Long-Term Debt is \$38,115 below budget while Interest Income is \$2,213 above budget. In total, net income is \$533,616 above budget.
- **MONTHLY COMMENTS** – May's net negative margin of -\$253,945 was \$33,964 less than the budgeted negative margin of -\$287,909. May power sales were lower than budgeted by \$375,400 and the purchased power costs were lower than budgeted by \$358,439 for a gross margin of \$16,961 less than budgeted. Controllable expenses (lines 5 through 10) for the month were \$56,552 less than planned.
- **COMMENTS ON PLANT DATA** – For May 2019 year-to-date we have added 98 new services compared to 89 in 2018. We removed 4 services year-to-date compared to 1 in 2018.
- **BALANCE SHEET COMMENTS** – Total utility plant of \$166,323,206 has grown by \$4,134,302 or 2.55% from year ago levels. Cash and cash investments were \$1,488,761 at month end compared with \$1,378,298 a year ago. We had \$3,700,000.00 borrowed under the short term credit. Long-term borrowings are \$2,707,212 less than this time last year.
- **HEADCOUNT** – As of the last payday of May 2019 we had 70 full-time employees.

FINANCIAL AND STATISTICAL REPORT	BORROWER DESIGNATION Kentucky 20 McCracken
	BORROWER NAME Jackson Purchase Energy Corporation
	ENDING DATE June 30, 2019

CERTIFICATION

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.


Signature of Chief Manager or Accountant Date 8-13-19


Signature of Manager Date 8-13-19

ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	36,544,939	32,929,480	36,377,562	5,878,244
2. Power Production Expense		0	0	
3. Cost of Purchased Power	27,091,706	24,028,958	27,283,171	4,284,922
4. Transmission Expense				
5. Distribution Expense - Operation	1,445,122	1,709,996	1,720,627	259,265
6. Distribution Expense - Maintenance	1,996,176	798,282	2,146,022	(429,360)
7. Consumer Accounts Expense	707,460	620,693	552,840	100,716
8. Customer Service and Informational Expense	40,370	36,383	46,284	4,104
9. Sales Expense	0	105	0	0
10. Administrative and General Expense	1,185,014	1,733,533	1,883,027	368,063
11. Total Operation & Maintenance Expense (2 thru 10)	32,465,848	28,927,951	33,631,972	4,587,710
12. Depreciation & Amortization Expense	2,901,591	2,981,665	2,965,764	499,744
13. Tax Expense - Property		0	0	0
14. Tax Expense - Other	42,480	44,381	44,382	7,397
15. Interest on Long-Term Debt	1,021,048	984,444	1,030,200	164,059
16. Interest Charged to Construction (Credit)		0	0	0
17. Interest Expense - Other	24,295	97,679	24,000	16,752
18. Other Deductions	600	1,247	1,200	547
19. Total Cost of Electric Service (11 thru 18)	36,455,862	33,037,365	37,697,518	5,276,208
20. Patronage Capital & Operating Margins (1 minus 19)	89,077	(107,885)	(1,319,956)	602,035
21. Non Operating Margins - Interest	197,641	207,538	205,998	33,660
22. Allowance for Funds Used During Construction		0	0	
23. Income (Loss) from Equity Investments		0	0	
24. Non Operating Margins - Other	202	(301)	0	11,329
25. Generation & Transmission Capital Credits		0	0	
26. Other Capital Credits & Patronage Dividends	207,314	148,711	207,000	0
27. Extraordinary Items		0	0	
28. Patronage Capital or Margins (20 thru 27)	494,234	248,063	(906,958)	647,024

PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT					
ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	119	128	5. Miles Transmission		
2. Services Retired	3	5	6. Miles Distribution Overhead	2,378	2,372
3. Total Services In Place	35,993	35,704	7. Miles Distribution Underground	585	594
4. Idle Services (Exclude Seasonal)	6,000	5,689	8. Total Miles Energized (5+6+7)	2,963	2,966

FINANCIAL AND STATISTICAL REPORT		BORROWER DESIGNATION	
		Kentucky 20 McCracken	
		PERIOD ENDING	06/30/2019
PART C. BALANCE SHEET			
ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	165,354,260	28. Memberships	117,930
2. Construction Work in Progress	1,720,435	29. Patronage Capital	49,101,540
3. Total Utility Plant (1+2)	167,074,695	30. Operating Margins - Prior Years	0
4. Accum. Provision for Depreciation and Amort	71,018,584	31. Operating Margins - Current Year	(138,103)
5. Net Utility Plant (3-4)	96,056,111	32. Non-Operating Margins	386,165
6. Nonutility Property - Net	0	33. Other Margins & Equities	94,709
7. Investment in Subsidiary Companies	0	34. Total Margins & Equities (28 thru 33)	49,562,242
8. Invest. in Assoc. Org. - Patronage Capital	1,753,902	35. Long-Term Debt RUS	20,257,434
9. Invest. in Assoc. Org. - Other - General Funds	0	(Payments-Unapplied (\$ _____))	0
10. Invest in Assoc. Org. - Other - Nongeneral Funds	1,833,918	36. Long-Term Debt - Other (Net)	30,609,285
11. Investments in Economic Development Projects	0	(Payments-Unapplied (\$ _____))	(6,562,169)
12. Other Investments	0	37. Total Long-Term Debt (35+36)	44,304,550
13. Special Funds	0	38. Obligations Under Capital Leases	0
14. Total Other Property & Investments (6 thru 13)	3,587,820	39. Accumulated Operating Provisions	2,601,145
15. Cash-General Funds	1,238,050	40. Total Other Noncurrent Liabilities (38+39)	2,601,145
16. Cash-Construction Funds-Trustee	0	41. Notes Payable	4,200,000
17. Special Deposits	0	42. Accounts Payable	5,701,795
18. Temporary Investments	0	43. Consumers Deposits	2,607,509
19. Notes Receivable - Net	0	44. Other Current & Accrued Liabilities	2,563,903
20. Accounts Receivable - Net Sales of Energy	4,230,793	45. Total Current & Accrued Liabilities (41 thru 44)	15,073,207
21. Accounts Receivable - Net Other	578,502	46. Deferred Credits	168,096
22. Materials & Supplies - Electric and Other	2,344,512	47. Total Liabilities & Other Credits (34+37+40+45+46)	111,709,240
23. Prepayments	604,400	ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION	
24. Other Current & Accrued Assets	3,067,298	53. Balance Beginning of the Year	12,517,493
	12,063,555	54. Amount Received This Year (Net)	108,401
26. Deferred Debits	1,754	55. Total Contributions in Aid of Construction	12,625,894
27. Total Assets & Other Debits (5+14+25+26)	111,709,240		
PART D. NOTES TO FINANCIAL STATEMENTS			
Part C - Estimated Contributions in Aid of Construction			
An accurate estimate of Contributions in Aid of Construction on plant cannot be made. The amount shown reflects contributions made since inception of tracking.			
THE SPACE BELOW IS PROVIDED FOR IMPORTANT NOTES REGARDING THE FINANCIAL STATEMENT CONTAINED IN THIS REPORT.			

FINANCIAL AND STATISTICAL REPORT		BORROWER DESIGNATION					
		Kentucky 20 McCracken					
		PERIOD ENDING 6/30/2019					
PART R. POWER REQUIREMENTS DATA BASE							
CLASSIFICATION	CONSUMER SALES & REVENUE DATA	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE
		(a)	(b)	(c)	(d)	(e)	(f)
1. Residential Sales (excluding seasonal)	a. No. Consumers Served	25,539	25,547	25,534	25,519	25,489	25,509
	b. KWH Sold	37,161,726	30,427,032	29,112,563	20,333,238	26,254,627	31,237,256
	c. Revenue	4,617,515	3,448,675	3,161,066	2,224,766	3,082,555	3,740,056
2. Residential Sales - Seasonal	a. No. Consumers Served	0	0	0	0	0	0
	b. KWH Sold	0	0	0	0	0	0
	c. Revenue	0	0	0	0	0	0
3. Irrigation Sales	a. No. Consumers Served	5	5	5	5	5	5
	b. KWH Sold	29	1,131	5,312	3,575	4,241	2,438
	c. Revenue	207	534	592	731	503	820
4. Comm. and Ind. 1000 KVA or Less	a. No. Consumers Served	4,499	4,486	4,474	4,489	4,493	4,486
	b. KWH Sold	16,454,939	14,610,959	14,259,145	13,266,233	16,014,565	15,562,111
	c. Revenue	1,792,133	1,594,400	1,540,650	1,398,339	1,701,467	1,680,134
5. Comm. and Ind. Over 1000 KVA	a. No. Consumers Served	8	8	9	9	9	9
	b. KWH Sold	3,310,660	3,640,815	3,816,733	3,895,023	3,657,161	3,514,408
	c. Revenue	349,764	388,159	386,638	374,886	351,677	347,573
6. Public Street & Highway Lighting	a. No. Consumers Served	6	6	6	6	6	6
	b. KWH Sold	53,575	45,296	57,313	47,994	28,635	53,042
	c. Revenue	11,008	8,865	10,838	9,116	27,862	10,281
7. Other Sales to Public Authority	a. No. Consumers Served	0	0	0	0	0	0
	b. KWH Sold	0	0	0	0	0	0
	c. Revenue	0	0	0	0	0	0
8. Sales for Resales-REA Borrowers	a. No. Consumers Served	0	0	0	0	0	0
	b. KWH Sold	0	0	0	0	0	0
	c. Revenue	0	0	0	0	0	0
9. Sales for Resales-Other	a. No. Consumers Served	0	0	0	0	0	0
	b. KWH Sold	0	0	0	0	0	0
	c. Revenue	0	0	0	0	0	0
10. TOTAL No. of Consumers (lines 1a thru 9a)		30,057	30,052	30,028	30,028	30,002	30,015
11. TOTAL KWH Sold (lines 1b thru 9b)		56,980,929	48,725,233	47,251,066	37,546,063	45,959,229	50,369,255
12. TOTAL Revenue Received From Sales of Electric Energy (line 1c thru 9c)		6,770,627	5,440,632	5,099,784	4,007,838	5,164,063	5,778,864
13. Other Electric Revenue		112,518	120,309	121,952	108,190	105,325	99,380
14. KWH - Own Use		24,693	18,050	18,139	11,127	10,979	11,178
15. TOTAL KWH Purchased		60,548,288	49,261,614	49,728,226	39,232,907	47,321,883	52,172,319
16. TOTAL KWH Generated		0	0	0	0	0	0
17. Cost of Purchases and Generation		4,954,937	3,967,549	3,947,934	2,998,453	3,875,152	4,284,922
18. Interchange - KWH - Net		0	0	0	0	0	0
19. Peak - Sum All KW Input (Metered)		121,813	107,664	113,929	86,059	115,950	126,292
Non-coincident _____ Coincident <u>X</u>		0	0	0	0	0	0

CFC FINANCIAL AND STATISTICAL REPORT		BORROWER DESIGNATION						TOTAL (Column a thru l)
		Kentucky 20 McCracken						
		PERIOD ENDING						6/30/2019
PART R. POWER REQUIREMENTS DATA BASE (Continued)								
(See preceding page 6 of CFC Form 7 for Headings of Line Item numbers below.)								
LINE ITEM NUMBER		JULY (g)	AUGUST (h)	SEPTEMBER (i)	OCTOBER (j)	NOVEMBER (k)	DECEMBER (l)	
1	a.	0	0	0	0	0	0	25,523
	b.	0	0	0	0	0	0	174,526,442
	c.	0	0	0	0	0	0	20,274,633
2	a.	0	0	0	0	0	0	0
	b.	0	0	0	0	0	0	0
	c.	0	0	0	0	0	0	0
3	a.	0	0	0	0	0	0	5
	b.	0	0	0	0	0	0	16,726
	c.	0	0	0	0	0	0	3,387
4	a.	0	0	0	0	0	0	4,488
	b.	0	0	0	0	0	0	90,167,952
	c.	0	0	0	0	0	0	9,707,123
5	a.	0	0	0	0	0	0	9
	b.	0	0	0	0	0	0	21,834,800
	c.	0	0	0	0	0	0	2,198,695
6	a.	0	0	0	0	0	0	6
	b.	0	0	0	0	0	0	285,855
	c.	0	0	0	0	0	0	77,969
7	a.	0	0	0	0	0	0	0
	b.	0	0	0	0	0	0	0
	c.	0	0	0	0	0	0	0
8	a.	0	0	0	0	0	0	0
	b.	0	0	0	0	0	0	0
	c.	0	0	0	0	0	0	0
9	a.	0	0	0	0	0	0	0
	b.	0	0	0	0	0	0	0
	c.	0	0	0	0	0	0	0
10		0	0	0	0	0	0	30,030
11		0	0	0	0	0	0	286,831,775
12		0	0	0	0	0	0	32,261,808
13		0	0	0	0	0	0	667,674
14		0	0	0	0	0	0	94,166
15		0	0	0	0	0	0	298,265,237
16		0	0	0	0	0	0	
17		0	0	0	0	0	0	24,028,948
18		0	0	0	0	0	0	
19		0	0	0	0	0	0	126,292

PRELIMINARY FINANCIAL & STATISTICAL RATIOS

**We have added a page of ratios calculated from the data entered on your Form 7.
Many of these are CFC KRTA ratios plus other ratios we thought might be of value to you.
These preliminary ratios can be used to evaluate your system's performance and as an error checking device.
MDSC and DSC will be *estimated* values. Your system's prior year's "Investment in Associated Orgs --
Patronage Capital" must be entered as a part of the calculation for MDSC.**

Please enter last year's Investment in Associated Orgs. - Patronage Capital > (Balance Sheet, Line 8)

1,734,841

KRTA NO.	RATIO DESCRIPTION	ESTIMATED RATIO
1	TIER	1.25
	TIER (Trailing 12 Months)	1.33
	Increase (Decrease) in YTD KWH Sales	-8.41%
	Increase (Decrease) in YTD KWH Purchases	-8.96%
2	MDSC	1.73
3	DSC	1.74
5	Rate of Return on Equity	1.00
7	Equity Level as % of Assets	44.37
8	Equity to Total Capital	52.80
11	Long-Term Interest as a % of Revenue	2.99
13	Total Revenue per KWH Sold (Mills)	114.80
14	Electric Revenue per KWH Sold (Mills)	112.48
20	Power Cost per KWH Sold (Mills)	83.77
21	Power Cost as % of Revenue	72.97
22	O & M Expenses (Mills/KWH Sold)	8.74
28	A & G Expenses (Mills/KWH Sold)	6.04
30	Total Operating Expenses (Mills/KWH)	31.41
31	Depreciation Expense (Mills/KWH Sold)	10.40
35	LT Interest Expense (Mills/KWH Sold)	3.43
37	Total Cost of Electric Service (Mills/KWH)	115.18
38	Operating Margins (Mills/KWH Sold)	0.35
41	Total Margins (Mills/KWH Sold)	0.86
48	Revenue per TUP Investment (Cents)	39.42
51	TUP Investment per KWH Sold	29.12
52	Average Consumers per Mile	10.12
*	Current Ratio	0.80
*	Total Operating Expenses per Customer	599.95
	Calculated Line Loss	3.83%

FORM 7 NOTES

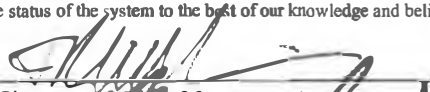
June 2019

- **GENERAL COMMENTS** – For the first six months of 2019, net income of \$248,063 was \$246,171 less than last year's income, and \$1,155,021 greater than the plan. Calculated line loss for 2019 was 3.83% compared with 4.42% last year. Year-to-date TIER was 1.25 and 12-month trailing TIER was 1.33, compared with 2018 YTD TIER of 1.48 and 12-month trailing TIER in June 2018 of 1.66.
- **THIS YEAR TO LAST YEAR COMPARISON** – Power sales for the year were \$3,615,459 less than 2018 numbers; in KWh terms, sales were down 8.41%. Purchased power costs were down by \$3,062,748 while gross profit was down by \$552,711. Compared to 2018, combined Distribution expenses were lower by \$933,021 and Consumer Accounts expenses were \$86,767 less than last year. Customer Service and Information expense was down \$3,882 from last year. Administrative and General expense was up by \$548,519. In total, Lines 5 through 10 were down \$475,150. Depreciation expense was up \$80,074, reflecting higher plant balances. Interest on long-term debt was down by \$36,605 and other interest expense was up \$73,383 from last year. Interest income was up by \$9,898.
- **CURRENT YEAR-TO-DATE TO BUDGET COMPARISON** – Electric revenue was \$3,448,082 less than budget while power costs were \$3,254,213 under budget combining for a \$193,869 lower gross profit than planned, or 2.13%. Combined distribution expenses are \$1,358,371 below plan. Consumer accounts expense is \$67,853 above budget, Customer Service expenses are \$9,796 below budget and Administrative and General expenses are \$149,494 below budget. In total, lines 5 through 10 are \$1,449,808 below budget. Depreciation expense is \$15,900 above budget and Interest on Long-Term Debt is \$45,756 below budget while Interest Income is \$1,540 above budget. In total, net income is \$1,155,021 above budget.
- **MONTHLY COMMENTS** – June's net margin of \$647,024 was \$621,405 more than the budgeted margin of \$25,619. June power sales were lower than budgeted by \$1,122,563 and the purchased power costs were lower than budgeted by \$965,682 for a gross margin of \$156,880 less than budgeted. Controllable expenses (lines 5 through 10) for the month were \$776,650 less than planned.
- **COMMENTS ON PLANT DATA** – For June 2019 year-to-date we have added 128 new services compared to 119 in 2018. We removed 5 services year-to-date compared to 3 in 2018.
- **BALANCE SHEET COMMENTS** – Total utility plant of \$167,074,695 has grown by \$4,605,332 or 2.83% from year ago levels. Cash and cash investments were \$1,238,050 at month end compared with \$1,473,428 a year ago. We had \$4,200,000 borrowed under the short term credit. Long-term borrowings are \$2,713,993 less than this time last year.
- **HEADCOUNT** – As of the last payday of June 2019 we had 73 full-time employees.

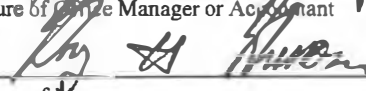
FINANCIAL AND STATISTICAL REPORT	BORROWER DESIGNATION Kentucky 20 McCracken
	BORROWER NAME Jackson Purchase Energy Corporation
	ENDING DATE July 31, 2019

CERTIFICATION

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.


 Signature of Finance Manager or Accountant

9-17-19
 Date


 Signature of Manager

9-17-19
 Date

PART A. STATEMENT OF OPERATIONS				
ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR	THIS YEAR	BUDGET	
	(a)	(b)	(c)	
1. Operating Revenue and Patronage Capital	44,401,364	39,658,377	43,956,924	6,728,897
2. Power Production Expense		0	0	
3. Cost of Purchased Power	32,594,447	28,909,808	32,967,693	4,880,849
4. Transmission Expense				
5. Distribution Expense - Operation	1,691,935	1,966,637	2,001,339	256,642
6. Distribution Expense - Maintenance	2,302,765	1,267,821	2,515,423	469,539
7. Consumer Accounts Expense	820,685	734,533	646,283	113,840
8. Customer Service and Informational Expense	46,367	36,440	54,173	57
9. Sales Expense	0	117	0	12
10. Administrative and General Expense	1,370,173	2,007,603	2,181,471	274,069
11. Total Operation & Maintenance Expense (2 thru 10)	38,826,372	34,922,958	40,366,382	5,995,007
12. Depreciation & Amortization Expense	3,388,208	3,482,749	3,462,982	501,084
13. Tax Expense - Property		0	0	0
14. Tax Expense - Other	49,876	52,027	51,779	7,646
15. Interest on Long-Term Debt	1,195,386	1,148,424	1,201,900	163,981
16. Interest Charged to Construction (Credit)		0	0	0
17. Interest Expense - Other	27,899	119,114	28,000	21,435
18. Other Deductions	600	1,247	1,200	0
19. Total Cost of Electric Service (11 thru 18)	43,488,341	39,726,518	45,112,243	6,689,153
20. Patronage Capital & Operating Margins (1 minus 19)	913,023	(68,141)	(1,155,319)	39,744
21. Non Operating Margins - Interest	232,207	242,831	240,331	35,293
22. Allowance for Funds Used During Construction		0	0	
23. Income (Loss) from Equity Investments		0	0	
24. Non Operating Margins - Other	7,227	(301)	0	(0)
25. Generation & Transmission Capital Credits		0	0	
26. Other Capital Credits & Patronage Dividends	207,314	148,711	207,000	0
27. Extraordinary Items		0	0	
28. Patronage Capital or Margins (20 thru 27)	1,359,771	323,100	(707,988)	75,037

PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT					
ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR	THIS YEAR		LAST YEAR	THIS YEAR
	(a)	(b)		(a)	(b)
1. New Services Connected	155	159	5. Miles Transmission		
2. Services Retired	3	6	6. Miles Distribution Overhead	2,376	2,372
3. Total Services In Place	35,979	35,684	7. Miles Distribution Underground	587	596
4. Idle Services (Exclude Seasonal)	5,969	5,657	8. Total Miles Energized (5+6+7)	2,963	2,968

FINANCIAL AND STATISTICAL REPORT		BORROWER DESIGNATION	
		Kentucky 20 McCracken	
		PERIOD ENDING	
		07/31/2019	
PART C. BALANCE SHEET			
ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	165,739,133	28. Memberships	117,420
2. Construction Work in Progress	2,089,434	29. Patronage Capital	49,101,540
3. Total Utility Plant (1+2)	167,828,567	30. Operating Margins - Prior Years	0
4. Accum. Provision for Depreciation and Amort	71,273,465	31. Operating Margins - Current Year	(98,359)
5. Net Utility Plant (3-4)	96,555,103	32. Non-Operating Margins	421,458
6. Nonutility Property - Net	0	33. Other Margins & Equities	94,666
7. Investment in Subsidiary Companies	0	34. Total Margins & Equities (28 thru 33)	49,636,725
8. Invest. in Assoc. Org. - Patronage Capital	1,753,902	35. Long-Term Debt RUS	20,257,434
9. Invest. in Assoc. Org. - Other - General Funds	0	(Payments-Unapplied (\$ _____))	0
10. Invest in Assoc. Org. - Other - Nongeneral Funds	1,833,918	36. Long-Term Debt - Other (Net)	30,467,803
11. Investments in Economic Development Projects	0	(Payments-Unapplied (\$ _____))	(6,590,036)
12. Other Investments	0	37. Total Long-Term Debt (35+36)	44,135,201
13. Special Funds	0	38. Obligations Under Capital Leases	0
14. Total Other Property & Investments (6 thru 13)	3,587,820	39. Accumulated Operating Provisions	2,614,039
15. Cash-General Funds	1,927,633	40. Total Other Noncurrent Liabilities (38+39)	2,614,039
16. Cash-Construction Funds-Trustee	0	41. Notes Payable	6,000,000
17. Special Deposits	0	42. Accounts Payable	6,038,851
18. Temporary Investments	0	43. Consumers Deposits	2,643,073
19. Notes Receivable - Net	0	44. Other Current & Accrued Liabilities	2,705,682
20. Accounts Receivable - Net Sales of Energy	4,904,816	45. Total Current & Accrued Liabilities (41 thru 44)	17,387,605
21. Accounts Receivable - Net Other	620,364	46. Deferred Credits	168,096
22. Materials & Supplies - Electric and Other	2,215,483	47. Total Liabilities & Other Credits (34+37+40+45+46)	113,941,667
23. Prepayments	722,006	ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION	
24. Other Current & Accrued Assets	3,401,311	53. Balance Beginning of the Year	12,517,493
	13,791,612	54. Amount Received This Year (Net)	118,173
26. Deferred Debits	7,133	55. Total Contributions in Aid of Construction	12,635,665
27. Total Assets & Other Debits (5+14+25+26)	113,941,667		
PART D. NOTES TO FINANCIAL STATEMENTS			
Part C - Estimated Contributions in Aid of Construction			
An accurate estimate of Contributions in Aid of Construction on plant cannot be made. The amount shown reflects contributions made since inception of tracking.			
THE SPACE BELOW IS PROVIDED FOR IMPORTANT NOTES REGARDING THE FINANCIAL STATEMENT CONTAINED IN THIS REPORT.			

FINANCIAL AND STATISTICAL REPORT		BORROWER DESIGNATION					
		Kentucky 20 McCracken					
		PERIOD ENDING 7/31/2019					
PART R. POWER REQUIREMENTS DATA BASE							
CLASSIFICATION	CONSUMER SALES & REVENUE DATA	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE
		(a)	(b)	(c)	(d)	(e)	(f)
1. Residential Sales (excluding seasonal)	a. No. Consumers Served	25,539	25,547	25,534	25,519	25,489	25,509
	b. KWH Sold	37,161,726	30,427,032	29,112,563	20,333,238	26,254,627	31,237,256
	c. Revenue	4,617,515	3,448,675	3,161,066	2,224,766	3,082,555	3,740,056
2. Residential Sales - Seasonal	a. No. Consumers Served	0	0	0	0	0	0
	b. KWH Sold	0	0	0	0	0	0
	c. Revenue	0	0	0	0	0	0
3. Irrigation Sales	a. No. Consumers Served	5	5	5	5	5	5
	b. KWH Sold	29	1,131	5,312	3,575	4,241	2,438
	c. Revenue	207	534	592	731	503	820
4. Comm. and Ind. 1000 KVA or Less	a. No. Consumers Served	4,499	4,486	4,474	4,489	4,493	4,486
	b. KWH Sold	16,454,939	14,610,959	14,259,145	13,266,233	16,014,565	15,562,111
	c. Revenue	1,792,133	1,594,400	1,540,650	1,398,339	1,701,467	1,680,134
5. Comm. and Ind. Over 1000 KVA	a. No. Consumers Served	8	8	9	9	9	9
	b. KWH Sold	3,310,660	3,640,815	3,816,733	3,895,023	3,657,161	3,514,408
	c. Revenue	349,764	388,159	386,638	374,886	351,677	347,573
6. Public Street & Highway Lighting	a. No. Consumers Served	6	6	6	6	6	6
	b. KWH Sold	53,575	45,296	57,313	47,994	28,635	53,042
	c. Revenue	11,008	8,865	10,838	9,116	27,862	10,281
7. Other Sales to Public Authority	a. No. Consumers Served	0	0	0	0	0	0
	b. KWH Sold	0	0	0	0	0	0
	c. Revenue	0	0	0	0	0	0
8. Sales for Resales-REA Borrowers	a. No. Consumers Served	0	0	0	0	0	0
	b. KWH Sold	0	0	0	0	0	0
	c. Revenue	0	0	0	0	0	0
9. Sales for Resales-Other	a. No. Consumers Served	0	0	0	0	0	0
	b. KWH Sold	0	0	0	0	0	0
	c. Revenue	0	0	0	0	0	0
10. TOTAL No. of Consumers (lines 1a thru 9a)		30,057	30,052	30,028	30,028	30,002	30,015
11. TOTAL KWH Sold (lines 1b thru 9b)		56,980,929	48,725,233	47,251,066	37,546,063	45,959,229	50,369,255
12. TOTAL Revenue Received From Sales of Electric Energy (line 1c thru 9c)		6,770,627	5,440,632	5,099,784	4,007,838	5,164,063	5,778,864
13. Other Electric Revenue		112,518	120,309	121,952	108,190	105,325	99,380
14. KWH - Own Use		24,693	18,050	18,139	11,127	10,979	11,178
15. TOTAL KWH Purchased		60,548,288	49,261,614	49,728,226	39,232,907	47,321,883	52,172,319
16. TOTAL KWH Generated		0	0	0	0	0	0
17. Cost of Purchases and Generation		4,954,937	3,967,549	3,947,934	2,998,453	3,875,152	4,284,922
18. Interchange - KWH - Net		0	0	0	0	0	0
19. Peak - Sum All KW Input (Metered)		121,813	107,664	113,929	86,059	115,950	126,292
Non-coincident	Coincident X	0	0	0	0	0	0

CFC FINANCIAL AND STATISTICAL REPORT		BORROWER DESIGNATION						TOTAL (Column a thru l)
		Kentucky 20 McCracken						
		PERIOD ENDING						7/31/2019
PART R. POWER REQUIREMENTS DATA BASE (Continued)								
(See preceding page 6 of CFC Form 7 for Headings of Line Item numbers below.)								
LINE ITEM NUMBER		JULY (g)	AUGUST (h)	SEPTEMBER (i)	OCTOBER (j)	NOVEMBER (k)	DECEMBER (l)	
1	a.	25,532	0	0	0	0	0	25,524
	b.	34,352,169	0	0	0	0	0	208,878,611
	c.	4,380,938	0	0	0	0	0	24,655,571
2	a.	0	0	0	0	0	0	0
	b.	0	0	0	0	0	0	0
	c.	0	0	0	0	0	0	0
3	a.	5	0	0	0	0	0	5
	b.	14,771	0	0	0	0	0	31,497
	c.	2,438	0	0	0	0	0	5,825
4	a.	4,474	0	0	0	0	0	4,486
	b.	18,591,460	0	0	0	0	0	108,759,412
	c.	1,886,678	0	0	0	0	0	11,593,800
5	a.	10	0	0	0	0	0	9
	b.	3,628,484	0	0	0	0	0	25,463,284
	c.	343,765	0	0	0	0	0	2,542,461
6	a.	6	0	0	0	0	0	6
	b.	52,027	0	0	0	0	0	337,882
	c.	(384)	0	0	0	0	0	77,585
7	a.		0	0	0	0	0	0
	b.		0	0	0	0	0	0
	c.		0	0	0	0	0	0
8	a.	0	0	0	0	0	0	0
	b.	0	0	0	0	0	0	0
	c.	0	0	0	0	0	0	0
9	a.	0	0	0	0	0	0	0
	b.	0	0	0	0	0	0	0
	c.	0	0	0	0	0	0	0
10		30,027	0	0	0	0	0	30,030
11		56,638,911	0	0	0	0	0	343,470,686
12		6,613,434	0	0	0	0	0	38,875,242
13		115,463	0	0	0	0	0	783,137
14		13,248	0	0	0	0	0	107,414
15		63,307,289	0	0	0	0	0	361,572,526
16		0	0	0	0	0	0	
17		4,880,849	0	0	0	0	0	28,909,798
18		0	0	0	0	0	0	
19		134,665	0	0	0	0	0	134,665

PRELIMINARY FINANCIAL & STATISTICAL RATIOS

**We have added a page of ratios calculated from the data entered on your Form 7.
 Many of these are CFC KRTA ratios plus other ratios we thought might be of value to you.
 These preliminary ratios can be used to evaluate your system's performance and as an error checking device.
 MDSC and DSC will be *estimated* values. Your system's prior year's "Investment in Associated Orgs --
 Patronage Capital" must be entered as a part of the calculation for MDSC.**

Please enter last year's Investment in Associated Orgs. - Patronage Capital > (Balance Sheet, Line 8)

1,734,841

KRTA NO.	RATIO DESCRIPTION	ESTIMATED RATIO
1	TIER	1.28
	TIER (Trailing 12 Months)	0.93
	Increase (Decrease) in YTD KWH Sales	-9.74%
	Increase (Decrease) in YTD KWH Purchases	-8.33%
2	MDSC	1.74
3	DSC	1.75
5	Rate of Return on Equity	1.12
7	Equity Level as % of Assets	43.56
8	Equity to Total Capital	52.93
11	Long-Term Interest as a % of Revenue	2.90
13	Total Revenue per KWH Sold (Mills)	115.46
14	Electric Revenue per KWH Sold (Mills)	113.18
20	Power Cost per KWH Sold (Mills)	84.17
21	Power Cost as % of Revenue	72.90
22	O & M Expenses (Mills/KWH Sold)	9.42
28	A & G Expenses (Mills/KWH Sold)	5.85
30	Total Operating Expenses (Mills/KWH)	31.49
31	Depreciation Expense (Mills/KWH Sold)	10.14
35	LT Interest Expense (Mills/KWH Sold)	3.34
37	Total Cost of Electric Service (Mills/KWH)	115.66
38	Operating Margins (Mills/KWH Sold)	0.51
41	Total Margins (Mills/KWH Sold)	0.94
48	Revenue per TUP Investment (Cents)	40.51
51	TUP Investment per KWH Sold	28.50
52	Average Consumers per Mile	10.12
*	Current Ratio	0.79
*	Total Operating Expenses per Customer	617.48
	Calculated Line Loss	5.01%

FORM 7 NOTES

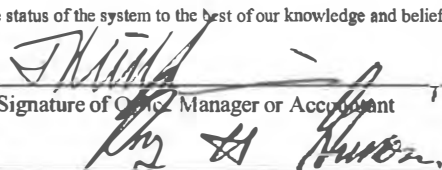
July 2019

- **GENERAL COMMENTS** – For the first seven months of 2019, net income of \$323,100 was \$1,036,671 less than last year’s income, and \$1,031,088 greater than the plan. Calculated line loss for 2019 was 5.01% compared with 3.53% last year. Year-to-date TIER was 1.28 and 12-month trailing TIER was .93, compared with 2018 YTD TIER of 2.14 and 12-month trailing TIER in July 2018 of 1.86.
- **THIS YEAR TO LAST YEAR COMPARISON** – Power sales for the year were \$4,742,987 less than 2018 numbers; in KWh terms, sales were down -9.74%. Purchased power costs were down by \$3,684,639 while gross profit was down by \$1,058,348. Compared to 2018, combined Distribution expenses were lower by \$760,242 and Consumer Accounts expenses were \$86,152 less than last year. Customer Service and Information expense was down \$9,810 from last year. Administrative and General expense was up by \$637,430. In total, Lines 5 through 10 were down \$218,775. Depreciation expense was up \$94,541, reflecting higher plant balances. Interest on long-term debt was down by \$46,962 and other interest expense was up \$91,215 from last year. Interest income was up by \$10,624.
- **CURRENT YEAR-TO-DATE TO BUDGET COMPARISON** – Electric revenue was \$4,298,547 less than budget while power costs were \$4,057,885 under budget combining for a \$240,662 lower gross profit than planned, or -2.19%. Combined distribution expenses are \$1,282,304 below plan. Consumer accounts expense is \$88,250 above budget, Customer Service expenses are \$17,616 below budget and Administrative and General expenses are \$173,868 below budget. In total, lines 5 through 10 are \$1,385,539 below budget. Depreciation expense is \$19,767 above budget and Interest on Long-Term Debt is \$53,476 below budget while Interest Income is \$2,500 above budget. In total, net income is \$1,031,088 above budget.
- **MONTHLY COMMENTS** – July’s net margin of \$75,037 was \$123,934 less than the budgeted margin of \$198,971. July power sales were lower than budgeted by \$850,465 and the purchased power costs were lower than budgeted by \$803,673 for a gross margin of \$46,793 less than budgeted. Controllable expenses (lines 5 through 10) for the month were \$64,270 less than planned.
- **COMMENTS ON PLANT DATA** – For July 2019 year-to-date we have added 159 new services compared to 155 in 2018. We removed 6 services year-to-date compared to 3 in 2018.
- **BALANCE SHEET COMMENTS** – Total utility plant of \$167,828,567 has grown by \$4,865,101 or 2.99% from year ago levels. Cash and cash investments were \$1,927,633 at month end compared with \$2,308,808 a year ago. We have \$6,000,000 borrowed under the short-term credit. Long-term borrowings are \$2,714,060 less than this time last year.
- **HEADCOUNT** – As of the last payday of July 2019 we had 75 full-time employees.

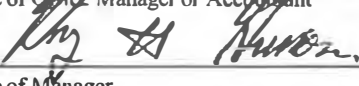
FINANCIAL AND STATISTICAL REPORT	BORROWER DESIGNATION Kentucky 20 McCracken
	BORROWER NAME Jackson Purchase Energy Corporation
	ENDING DATE August 31, 2019

CERTIFICATION

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.


10-14-19

 Signature of Chief Manager or Accountant Date


10-14-19

 Signature of Manager Date

ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR	THIS YEAR	BUDGET	
	(a)	(b)	(c)	
1. Operating Revenue and Patronage Capital	51,303,996	46,654,020	51,349,976	6,995,643
2. Power Production Expense		0	0	
3. Cost of Purchased Power	37,721,082	33,851,394	38,512,482	4,941,586
4. Transmission Expense				
5. Distribution Expense - Operation	1,950,654	2,260,271	2,281,271	293,634
6. Distribution Expense - Maintenance	2,723,230	1,494,766	2,857,574	226,945
7. Consumer Accounts Expense	952,684	846,885	739,726	112,353
8. Customer Service and Informational Expense	53,952	36,503	62,062	63
9. Sales Expense	0	203	0	86
10. Administrative and General Expense	1,584,459	2,260,055	2,483,050	252,453
11. Total Operation & Maintenance Expense (2 thru 10)	44,986,061	40,750,077	46,936,165	5,827,119
12. Depreciation & Amortization Expense	3,876,499	3,985,312	3,961,038	502,563
13. Tax Expense - Property		0	0	0
14. Tax Expense - Other	57,273	59,673	59,176	7,646
15. Interest on Long-Term Debt	1,369,267	1,312,836	1,373,600	164,411
16. Interest Charged to Construction (Credit)		0	0	0
17. Interest Expense - Other	34,847	140,537	32,000	21,423
18. Other Deductions	600	1,347	1,200	100
19. Total Cost of Electric Service (11 thru 18)	50,324,547	46,249,782	52,363,179	6,523,263
20. Patronage Capital & Operating Margins (1 minus 19)	979,449	404,238	(1,013,203)	472,380
21. Non Operating Margins - Interest	267,534	277,881	274,664	35,049
22. Allowance for Funds Used During Construction		0	0	
23. Income (Loss) from Equity Investments		0	0	
24. Non Operating Margins - Other	(21,760)	(301)	0	0
25. Generation & Transmission Capital Credits		0	0	
26. Other Capital Credits & Patronage Dividends	207,314	148,711	207,000	0
27. Extraordinary Items		0	0	
28. Patronage Capital or Margins (20 thru 27)	1,432,537	830,529	(531,539)	507,430

PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT					
ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	213	203	5. Miles Transmission		
2. Services Retired	4	7	6. Miles Distribution Overhead	2,376	2,371
3. Total Services In Place	35,986	35,677	7. Miles Distribution Underground	587	599
4. Idle Services (Exclude Seasonal)	5,945	5,650	8. Total Miles Energized (5+6+7)	2,963	2,970

FINANCIAL AND STATISTICAL REPORT		BORROWER DESIGNATION	
		Kentucky 20 McCracken	
		PERIOD ENDING	08/31/2019
PART C. BALANCE SHEET			
ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	166,051,088	28. Memberships	116,950
2. Construction Work in Progress	2,323,389	29. Patronage Capital	49,101,540
3. Total Utility Plant (1+2)	168,374,477	30. Operating Margins - Prior Years	0
4. Accum. Provision for Depreciation and Amort	71,592,337	31. Operating Margins - Current Year	374,022
5. Net Utility Plant (3-4)	96,782,141	32. Non-Operating Margins	456,508
6. Nonutility Property - Net	0	33. Other Margins & Equities	94,622
7. Investment in Subsidiary Companies	0	34. Total Margins & Equities (28 thru 33)	50,143,641
8. Invest. in Assoc. Org. - Patronage Capital	1,753,902	35. Long-Term Debt RUS	20,257,434
9. Invest. in Assoc. Org. - Other - General Funds	0	(Payments-Unapplied (\$ _____))	0
10. Invest in Assoc. Org. - Other - Nongeneral Funds	1,833,918	36. Long-Term Debt - Other (Net)	30,314,306
11. Investments in Economic Development Projects	0	(Payments-Unapplied (\$ _____))	(6,618,021)
12. Other Investments	0	37. Total Long-Term Debt (35+36)	43,953,719
13. Special Funds	0	38. Obligations Under Capital Leases	0
14. Total Other Property & Investments (6 thru 13)	3,587,820	39. Accumulated Operating Provisions	2,630,214
15. Cash-General Funds	1,590,967	40. Total Other Noncurrent Liabilities (38+39)	2,630,214
16. Cash-Construction Funds-Trustee	0	41. Notes Payable	6,200,000
17. Special Deposits	0	42. Accounts Payable	5,947,547
18. Temporary Investments	0	43. Consumers Deposits	2,675,683
19. Notes Receivable - Net	0	44. Other Current & Accrued Liabilities	2,519,651
20. Accounts Receivable - Net Sales of Energy	5,116,630	45. Total Current & Accrued Liabilities (41 thru 44)	17,342,881
21. Accounts Receivable - Net Other	548,008	46. Deferred Credits	168,206
22. Materials & Supplies - Electric and Other	2,279,048	47. Total Liabilities & Other Credits (34+37+40+45+46)	114,238,661
23. Prepayments	686,536	ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION	
24. Other Current & Accrued Assets	3,640,495	53. Balance Beginning of the Year	12,517,493
	13,861,684	54. Amount Received This Year (Net)	246,745
26. Deferred Debits	7,016	55. Total Contributions in Aid of Construction	12,764,238
27. Total Assets & Other Debits (5+14+25+26)	114,238,661		
PART D. NOTES TO FINANCIAL STATEMENTS			
Part C - Estimated Contributions in Aid of Construction			
An accurate estimate of Contributions in Aid of Construction on plant cannot be made. The amount shown reflects contributions made since inception of tracking.			
THE SPACE BELOW IS PROVIDED FOR IMPORTANT NOTES REGARDING THE FINANCIAL STATEMENT CONTAINED IN THIS REPORT.			

FINANCIAL AND STATISTICAL REPORT		BORROWER DESIGNATION					
		Kentucky 20 McCracken					
		PERIOD ENDING 8/31/2019					
PART R. POWER REQUIREMENTS DATA BASE							
CLASSIFICATION	CONSUMER SALES & REVENUE DATA	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE
		(a)	(b)	(c)	(d)	(e)	(f)
1. Residential Sales (excluding seasonal)	a. No. Consumers Served	25,539	25,547	25,534	25,519	25,489	25,509
	b. KWH Sold	37,161,726	30,427,032	29,112,563	20,333,238	26,254,627	31,237,256
	c. Revenue	4,617,515	3,448,675	3,161,066	2,224,766	3,082,555	3,740,056
2. Residential Sales - Seasonal	a. No. Consumers Served	0	0	0	0	0	0
	b. KWH Sold	0	0	0	0	0	0
	c. Revenue	0	0	0	0	0	0
3. Irrigation Sales	a. No. Consumers Served	5	5	5	5	5	5
	b. KWH Sold	29	1,131	5,312	3,575	4,241	2,438
	c. Revenue	207	534	592	731	503	820
4. Comm. and Ind. 1000 KVA or Less	a. No. Consumers Served	4,499	4,486	4,474	4,489	4,493	4,486
	b. KWH Sold	16,454,939	14,610,959	14,259,145	13,266,233	16,014,565	15,562,111
	c. Revenue	1,792,133	1,594,400	1,540,650	1,398,339	1,701,467	1,680,134
5. Comm. and Ind. Over 1000 KVA	a. No. Consumers Served	8	8	9	9	9	9
	b. KWH Sold	3,310,660	3,640,815	3,816,733	3,895,023	3,657,161	3,514,408
	c. Revenue	349,764	388,159	386,638	374,886	351,677	347,573
6. Public Street & Highway Lighting	a. No. Consumers Served	6	6	6	6	6	6
	b. KWH Sold	53,575	45,296	57,313	47,994	28,635	53,042
	c. Revenue	11,008	8,865	10,838	9,116	27,862	10,281
7. Other Sales to Public Authority	a. No. Consumers Served	0	0	0	0	0	0
	b. KWH Sold	0	0	0	0	0	0
	c. Revenue	0	0	0	0	0	0
8. Sales for Resales-REA Borrowers	a. No. Consumers Served	0	0	0	0	0	0
	b. KWH Sold	0	0	0	0	0	0
	c. Revenue	0	0	0	0	0	0
9. Sales for Resales-Other	a. No. Consumers Served	0	0	0	0	0	0
	b. KWH Sold	0	0	0	0	0	0
	c. Revenue	0	0	0	0	0	0
10. TOTAL No. of Consumers (lines 1a thru 9a)		30,057	30,052	30,028	30,028	30,002	30,015
11. TOTAL KWH Sold (lines 1b thru 9b)		56,980,929	48,725,233	47,251,066	37,546,063	45,959,229	50,369,255
12. TOTAL Revenue Received From Sales of Electric Energy (line 1c thru 9c)		6,770,627	5,440,632	5,099,784	4,007,838	5,164,063	5,778,864
13. Other Electric Revenue		112,518	120,309	121,952	108,190	105,325	99,380
14. KWH - Own Use		24,693	18,050	18,139	11,127	10,979	11,178
15. TOTAL KWH Purchased		60,548,288	49,261,614	49,728,226	39,232,907	47,321,883	52,172,319
16. TOTAL KWH Generated		0	0	0	0	0	0
17. Cost of Purchases and Generation		4,954,937	3,967,549	3,947,934	2,998,453	3,875,152	4,284,922
18. Interchange - KWH - Net		0	0	0	0	0	0
19. Peak - Sum All KW Input (Metered) Non-coincident _____ Coincident <u>X</u>		121,813	107,664	113,929	86,059	115,950	126,292
		0	0	0	0	0	0

CFC FINANCIAL AND STATISTICAL REPORT		BORROWER DESIGNATION						TOTAL (Column a thru l)
		Kentucky 20 McCracken						
		PERIOD ENDING 8/31/2019						
PART R. POWER REQUIREMENTS DATA BASE (Continued)								
(See preceding page 6 of CFC Form 7 for Headings of Line Item numbers below.)								
LINE ITEM NUMBER		JULY (g)	AUGUST (h)	SEPTEMBER (i)	OCTOBER (j)	NOVEMBER (k)	DECEMBER (l)	
1	a.	25,532	25,511	0	0	0	0	25,523
	b.	34,352,169	39,884,720	0	0	0	0	248,763,331
	c.	4,380,938	4,591,577	0	0	0	0	29,247,148
2	a.	0	0	0	0	0	0	0
	b.	0	0	0	0	0	0	0
	c.	0	0	0	0	0	0	0
3	a.	5	5	0	0	0	0	5
	b.	14,771	34,246	0	0	0	0	65,743
	c.	2,438	3,656	0	0	0	0	9,481
4	a.	4,474	4,495	0	0	0	0	4,487
	b.	18,591,460	18,791,015	0	0	0	0	127,550,427
	c.	1,886,678	1,926,064	0	0	0	0	13,519,864
5	a.	10	10	0	0	0	0	9
	b.	3,628,484	3,631,708	0	0	0	0	29,094,992
	c.	343,765	348,418	0	0	0	0	2,890,879
6	a.	6	6	0	0	0	0	6
	b.	52,027	53,040	0	0	0	0	390,922
	c.	(384)	6,748	0	0	0	0	84,334
7	a.		0	0	0	0	0	0
	b.		0	0	0	0	0	0
	c.		0	0	0	0	0	0
8	a.	0	0	0	0	0	0	0
	b.	0	0	0	0	0	0	0
	c.	0	0	0	0	0	0	0
9	a.	0	0	0	0	0	0	0
	b.	0	0	0	0	0	0	0
	c.	0	0	0	0	0	0	0
10		30,027	30,027	0	0	0	0	30,030
11		56,638,911	62,394,729	0	0	0	0	405,865,415
12		6,613,434	6,876,463	0	0	0	0	45,751,705
13		115,463	119,180	0	0	0	0	902,317
14		13,248	12,585	0	0	0	0	119,999
15		63,307,289	61,486,316	0	0	0	0	423,058,842
16		0	0	0	0	0	0	
17		4,880,849	4,941,586	0	0	0	0	33,851,384
18		0	0	0	0	0	0	
19		134,665	138,217	0	0	0	0	138,217

PRELIMINARY FINANCIAL & STATISTICAL RATIOS

**We have added a page of ratios calculated from the data entered on your Form 7.
Many of these are CFC KRTA ratios plus other ratios we thought might be of value to you.
These preliminary ratios can be used to evaluate your system's performance and as an error checking device.
MDSC and DSC will be *estimated* values. Your system's prior year's "Investment in Associated Orgs --
Patronage Capital" must be entered as a part of the calculation for MDSC.**

Please enter last year's Investment in Associated Orgs. - Patronage Capital > (Balance Sheet, Line 8)

1,734,841


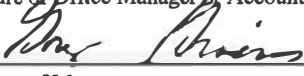
KRTA NO.	RATIO DESCRIPTION	ESTIMATED RATIO
1	TIER	1.63
	TIER (Trailing 12 Months)	1.15
	Increase (Decrease) in YTD KWH Sales	-7.59%
	Increase (Decrease) in YTD KWH Purchases	-7.18%
2	MDSC	1.89
3	DSC	1.89
5	Rate of Return on Equity	2.48
7	Equity Level as % of Assets	43.89
8	Equity to Total Capital	53.29
11	Long-Term Interest as a % of Revenue	2.81
13	Total Revenue per KWH Sold (Mills)	114.95
14	Electric Revenue per KWH Sold (Mills)	112.73
20	Power Cost per KWH Sold (Mills)	83.41
21	Power Cost as % of Revenue	72.56
22	O & M Expenses (Mills/KWH Sold)	9.25
28	A & G Expenses (Mills/KWH Sold)	5.57
30	Total Operating Expenses (Mills/KWH)	30.55
31	Depreciation Expense (Mills/KWH Sold)	9.82
35	LT Interest Expense (Mills/KWH Sold)	3.23
37	Total Cost of Electric Service (Mills/KWH)	113.95
38	Operating Margins (Mills/KWH Sold)	1.68
41	Total Margins (Mills/KWH Sold)	2.05
48	Revenue per TUP Investment (Cents)	41.56
51	TUP Investment per KWH Sold	27.66
52	Average Consumers per Mile	10.11
*	Current Ratio	0.80
*	Total Operating Expenses per Customer	619.31
	Calculated Line Loss	4.06%

FORM 7 NOTES

August 2019

- **GENERAL COMMENTS** – For the first eight months of 2019, net income of \$830,529 was \$602,008 less than last year’s income, and \$1,362,068 greater than the plan. Calculated line loss for 2019 was 4.06% compared with 3.64% last year. Year-to-date TIER was 1.63 and 12-month trailing TIER was 1.15, compared with 2018 YTD TIER of 2.05 and 12-month trailing TIER in August 2018 of 1.79
- **THIS YEAR TO LAST YEAR COMPARISON** – Power sales for the year were \$4,649,976 less than 2018 numbers; in KWh terms, sales were down -7.59%. Purchased power costs were down by \$3,869,688 while gross profit was down by \$780,287. Compared to 2018, combined Distribution expenses were lower by \$918,847 and Consumer Accounts expenses were \$105,799 less than last year. Customer Service and Information expense was down \$17,246 from last year. Administrative and General expense was up by \$675,596. In total, Lines 5 through 10 were down \$366,295. Depreciation expense was up \$108,813, reflecting higher plant balances. Interest on long-term debt was down by \$56,431 and other interest expense was up \$105,690 from last year. Interest income was up by \$10,346.
- **CURRENT YEAR-TO-DATE TO BUDGET COMPARISON** – Electric revenue was \$4,695,956 less than budget while power costs were \$4,661,088 under budget combining for a \$34,867 lower gross profit than planned, or -.27%. Combined distribution expenses are \$1,383,808 below plan. Consumer accounts expense is \$107,159 above budget, Customer Service expenses are \$25,356 below budget and Administrative and General expenses are \$222,994 below budget. In total, lines 5 through 10 are \$1,524,999 below budget. Depreciation expense is \$24,274 above budget and Interest on Long-Term Debt is \$60,764 below budget while Interest Income is \$3,217 above budget. In total, net income is \$1,362,068 above budget.
- **MONTHLY COMMENTS** – August’s net margin of \$507,430 was \$330,981 more than the budgeted margin of \$176,449. August power sales were lower than budgeted by \$397,409 and the purchased power costs were lower than budgeted by \$603,203 for a gross margin of \$205,794 higher than budgeted. Controllable expenses (lines 5 through 10) for the month were \$139,460 less than planned.
- **COMMENTS ON PLANT DATA** – For August 2019 year-to-date we have added 203 new services compared to 213 in 2018. We removed 7 services year-to-date compared to 4 in 2018.
- **BALANCE SHEET COMMENTS** – Total utility plant of \$168,374,477 has grown by \$4,577,633 or 2.79% from year ago levels. Cash and cash investments were \$1,590,967 at month end compared with \$1,099,348 a year ago. We had \$6,200,000 borrowed under the short-term credit. Long-term borrowings are \$2,704,999 less than this time last year.
- **HEADCOUNT** – As of the last payday of August 2019 we had 74 full-time employees.

FINANCIAL AND STATISTICAL REPORT	BORROWER DESIGNATION Kentucky 20 McCracken
	BORROWER NAME Jackson Purchase Energy Corporation
	ENDING DATE September 30, 2019

CERTIFICATION	
We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.	
 _____ Signature of Office Manager or Accountant	11-12-19 _____ Date
 _____ Signature of Manager	11-12-19 _____ Date

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR	THIS YEAR	BUDGET	
	(a)	(b)	(c)	
1. Operating Revenue and Patronage Capital	57,020,153	52,957,963	57,511,883	6,303,943
2. Power Production Expense	0	0	0	
3. Cost of Purchased Power	42,294,539	38,495,279	43,133,912	4,643,885
4. Transmission Expense				
5. Distribution Expense - Operation	2,205,779	2,511,362	2,570,048	251,091
6. Distribution Expense - Maintenance	2,917,067	1,721,276	3,183,325	226,510
7. Consumer Accounts Expense	1,080,187	954,029	833,219	107,144
8. Customer Service and Informational Expense	60,331	36,548	69,951	45
9. Sales Expense	502	1,987	0	1,784
10. Administrative and General Expense	1,775,563	2,523,718	2,772,888	263,663
11. Total Operation & Maintenance Expense (2 thru 10)	50,333,968	46,244,199	52,563,343	5,494,121
12. Depreciation & Amortization Expense	4,363,822	4,489,080	4,459,935	503,768
13. Tax Expense - Property	0	0	0	0
14. Tax Expense - Other	64,670	67,320	66,573	7,646
15. Interest on Long-Term Debt	1,534,840	1,476,078	1,545,300	163,242
16. Interest Charged to Construction (Credit)	0	0	0	0
17. Interest Expense - Other	40,146	168,599	36,000	28,062
18. Other Deductions	900	1,796	1,500	450
19. Total Cost of Electric Service (11 thru 18)	56,338,345	52,447,071	58,672,651	6,197,289
20. Patronage Capital & Operating Margins (1 minus 19)	681,808	510,892	(1,160,769)	106,654
21. Non Operating Margins - Interest	300,640	312,196	308,997	34,316
22. Allowance for Funds Used During Construction	0	0	0	
23. Income (Loss) from Equity Investments	0	0	0	
24. Non Operating Margins - Other	(21,733)	(301)	0	0
25. Generation & Transmission Capital Credits	0	0	0	
26. Other Capital Credits & Patronage Dividends	232,141	163,827	210,000	15,115
27. Extraordinary Items	0	0	0	
28. Patronage Capital or Margins (20 thru 27)	1,192,857	986,614	(641,772)	156,085

PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT					
ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	242	227	5. Miles Transmission		
2. Services Retired	5	9	6. Miles Distribution Overhead	2,375	2,371
3. Total Services In Place	35,964	35,649	7. Miles Distribution Underground	588	599
4. Idle Services (Exclude Seasonal)	5,928	5,639	8. Total Miles Energized (5+6+7)	2,962	2,970

FINANCIAL AND STATISTICAL REPORT		BORROWER DESIGNATION	
		Kentucky 20 McCracken	
		PERIOD ENDING	09/30/2019
PART C. BALANCE SHEET			
ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	166,479,604	28. Memberships	116,610
2. Construction Work in Progress	2,163,367	29. Patronage Capital	49,101,540
3. Total Utility Plant (1+2)	168,642,971	30. Operating Margins - Prior Years	0
4. Accum. Provision for Depreciation and Amort	71,790,523	31. Operating Margins - Current Year	480,675
5. Net Utility Plant (3-4)	96,852,448	32. Non-Operating Margins	505,939
6. Nonutility Property - Net	0	33. Other Margins & Equities	94,579
7. Investment in Subsidiary Companies	0	34. Total Margins & Equities (28 thru 33)	50,299,343
8. Invest. in Assoc. Org. - Patronage Capital	1,760,789	35. Long-Term Debt RUS	20,005,377
9. Invest. in Assoc. Org. - Other - General Funds	0	(Payments-Unapplied (\$ _____))	0
10. Invest in Assoc. Org. - Other - Nongeneral Funds	1,832,651	36. Long-Term Debt - Other (Net)	30,179,430
11. Investments in Economic Development Projects	0	(Payments-Unapplied (\$ _____))	(6,644,871)
12. Other Investments	0	37. Total Long-Term Debt (35+36)	43,539,936
13. Special Funds	0	38. Obligations Under Capital Leases	0
14. Total Other Property & Investments (6 thru 13)	3,593,440	39. Accumulated Operating Provisions	2,643,055
15. Cash-General Funds	1,510,921	40. Total Other Noncurrent Liabilities (38+39)	2,643,055
16. Cash-Construction Funds-Trustee	0	41. Notes Payable	6,200,000
17. Special Deposits	0	42. Accounts Payable	5,571,943
18. Temporary Investments	0	43. Consumers Deposits	2,728,306
19. Notes Receivable - Net	0	44. Other Current & Accrued Liabilities	2,451,332
20. Accounts Receivable - Net Sales of Energy	4,872,680	45. Total Current & Accrued Liabilities (41 thru 44)	16,951,581
21. Accounts Receivable - Net Other	433,491	46. Deferred Credits	168,096
22. Materials & Supplies - Electric and Other	2,244,066	47. Total Liabilities & Other Credits (34+37+40+45+46)	113,602,012
23. Prepayments	576,156	ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION	
24. Other Current & Accrued Assets	3,518,705	53. Balance Beginning of the Year	12,517,493
	13,156,019	54. Amount Received This Year (Net)	536,781
26. Deferred Debits	105	55. Total Contributions in Aid of Construction	13,054,274
27. Total Assets & Other Debits (5+14+25+26)	113,602,012		
PART D. NOTES TO FINANCIAL STATEMENTS			
Part C - Estimated Contributions in Aid of Construction			
An accurate estimate of Contributions in Aid of Construction on plant cannot be made. The amount shown reflects contributions made since inception of tracking.			
THE SPACE BELOW IS PROVIDED FOR IMPORTANT NOTES REGARDING THE FINANCIAL STATEMENT CONTAINED IN THIS REPORT.			

FINANCIAL AND STATISTICAL REPORT		BORROWER DESIGNATION					
		Kentucky 20 McCracken					
		PERIOD ENDING 9/30/2019					
PART R. POWER REQUIREMENTS DATA BASE							
CLASSIFICATION	CONSUMER SALES & REVENUE DATA	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE
		(a)	(b)	(c)	(d)	(e)	(f)
1. Residential Sales (excluding seasonal)	a. No. Consumers Served	25,539	25,547	25,534	25,519	25,489	25,509
	b. KWH Sold	37,161,726	30,427,032	29,112,563	20,333,238	26,254,627	31,237,256
	c. Revenue	4,617,515	3,448,675	3,161,066	2,224,766	3,082,555	3,740,056
2. Residential Sales - Seasonal	a. No. Consumers Served	0	0	0	0	0	0
	b. KWH Sold	0	0	0	0	0	0
	c. Revenue	0	0	0	0	0	0
3. Irrigation Sales	a. No. Consumers Served	5	5	5	5	5	5
	b. KWH Sold	29	1,131	5,312	3,575	4,241	2,438
	c. Revenue	207	534	592	731	503	820
4. Comm. and Ind. 1000 KVA or Less	a. No. Consumers Served	4,499	4,486	4,474	4,489	4,493	4,486
	b. KWH Sold	16,454,939	14,610,959	14,259,145	13,266,233	16,014,565	15,562,111
	c. Revenue	1,792,133	1,594,400	1,540,650	1,398,339	1,701,467	1,680,134
5. Comm. and Ind. Over 1000 KVA	a. No. Consumers Served	8	8	9	9	9	9
	b. KWH Sold	3,310,660	3,640,815	3,816,733	3,895,023	3,657,161	3,514,408
	c. Revenue	349,764	388,159	386,638	374,886	351,677	347,573
6. Public Street & Highway Lighting	a. No. Consumers Served	6	6	6	6	6	6
	b. KWH Sold	53,575	45,296	57,313	47,994	28,635	53,042
	c. Revenue	11,008	8,865	10,838	9,116	27,862	10,281
7. Other Sales to Public Authority	a. No. Consumers Served	0	0	0	0	0	0
	b. KWH Sold	0	0	0	0	0	0
	c. Revenue	0	0	0	0	0	0
8. Sales for Resales-REA Borrowers	a. No. Consumers Served	0	0	0	0	0	0
	b. KWH Sold	0	0	0	0	0	0
	c. Revenue	0	0	0	0	0	0
9. Sales for Resales-Other	a. No. Consumers Served	0	0	0	0	0	0
	b. KWH Sold	0	0	0	0	0	0
	c. Revenue	0	0	0	0	0	0
10. TOTAL No. of Consumers (lines 1a thru 9a)		30,057	30,052	30,028	30,028	30,002	30,015
11. TOTAL KWH Sold (lines 1b thru 9b)		56,980,929	48,725,233	47,251,066	37,546,063	45,959,229	50,369,255
12. TOTAL Revenue Received From Sales of Electric Energy (line 1c thru 9c)		6,770,627	5,440,632	5,099,784	4,007,838	5,164,063	5,778,864
13. Other Electric Revenue		112,518	120,309	121,952	108,190	105,325	99,380
14. KWH - Own Use		24,693	18,050	18,139	11,127	10,979	11,178
15. TOTAL KWH Purchased		60,548,288	49,261,614	49,728,226	39,232,907	47,321,883	52,172,319
16. TOTAL KWH Generated		0	0	0	0	0	0
17. Cost of Purchases and Generation		4,954,937	3,967,549	3,947,934	2,998,453	3,875,152	4,284,922
18. Interchange - KWH - Net		0	0	0	0	0	0
19. Peak - Sum All KW Input (Metered)		121,813	107,664	113,929	86,059	115,950	126,292
Non-coincident _____	Coincident <u>X</u>	0	0	0	0	0	0

CFC FINANCIAL AND STATISTICAL REPORT				BORROWER DESIGNATION Kentucky 20 McCracken				
				PERIOD ENDING 9/30/2019				
PART R. POWER REQUIREMENTS DATA BASE (Continued)								
(See preceding page 6 of CFC Form 7 for Headings of Line Item numbers below.)								
LINE ITEM NUMBER		JULY (g)	AUGUST (h)	SEPTEMBER (i)	OCTOBER (j)	NOVEMBER (k)	DECEMBER (l)	TOTAL (Column a thru l)
1	a.	25,532	25,511	25,492	0	0	0	25,519
	b.	34,352,169	39,884,720	34,121,872	0	0	0	282,885,203
	c.	4,380,938	4,591,577	4,039,308	0	0	0	33,286,456
2	a.	0	0	0	0	0	0	0
	b.	0	0	0	0	0	0	0
	c.	0	0	0	0	0	0	0
3	a.	5	5	5	0	0	0	5
	b.	14,771	34,246	32,665	0	0	0	98,408
	c.	2,438	3,656	2,981	0	0	0	12,462
4	a.	4,474	4,495	4,496	0	0	0	4,488
	b.	18,591,460	18,791,015	17,741,724	0	0	0	145,292,151
	c.	1,886,678	1,926,064	1,808,774	0	0	0	15,328,638
5	a.	10	10	10	0	0	0	9
	b.	3,628,484	3,631,708	3,478,539	0	0	0	32,573,531
	c.	343,765	348,418	325,774	0	0	0	3,216,653
6	a.	6	6	7	0	0	0	6
	b.	52,027	53,040	53,107	0	0	0	444,029
	c.	(384)	6,748	10,074	0	0	0	94,407
7	a.		0	0	0	0	0	0
	b.		0	0	0	0	0	0
	c.		0	0	0	0	0	0
8	a.	0	0	0	0	0	0	0
	b.	0	0	0	0	0	0	0
	c.	0	0	0	0	0	0	0
9	a.	0	0	0	0	0	0	0
	b.	0	0	0	0	0	0	0
	c.	0	0	0	0	0	0	0
10		30,027	30,027	30,010	0	0	0	30,027
11		56,638,911	62,394,729	55,427,907	0	0	0	461,293,322
12		6,613,434	6,876,463	6,186,911	0	0	0	51,938,616
13		115,463	119,180	117,032	0	0	0	1,019,349
14		13,248	12,585	11,655	0	0	0	131,654
15		63,307,289	61,486,316	58,237,159	0	0	0	481,296,001
16		0	0	0	0	0	0	
17		4,880,849	4,941,586	4,643,885	0	0	0	38,495,269
18		0	0	0	0	0	0	
19		134,665	138,217	132,355	0	0	0	138,217

PRELIMINARY FINANCIAL & STATISTICAL RATIOS

**We have added a page of ratios calculated from the data entered on your Form 7.
 Many of these are CFC KRTA ratios plus other ratios we thought might be of value to you.
 These preliminary ratios can be used to evaluate your system's performance and as an error checking device.
 MDSC and DSC will be *estimated* values. Your system's prior year's "Investment in Associated Orgs --
 Patronage Capital" must be entered as a part of the calculation for MDSC.**

Please enter last year's Investment in Associated Orgs. - Patronage Capital > (Balance Sheet, Line 8)

1,734,841

KRTA NO.	RATIO DESCRIPTION	ESTIMATED RATIO
1	TIER	1.67
	TIER (Trailing 12 Months)	1.47
	Increase (Decrease) in YTD KWH Sales	-6.14%
	Increase (Decrease) in YTD KWH Purchases	-5.54%
2	MDSC	1.90
3	DSC	1.91
5	Rate of Return on Equity	2.62
7	Equity Level as % of Assets	44.28
8	Equity to Total Capital	53.60
11	Long-Term Interest as a % of Revenue	2.79
13	Total Revenue per KWH Sold (Mills)	114.80
14	Electric Revenue per KWH Sold (Mills)	112.59
20	Power Cost per KWH Sold (Mills)	83.45
21	Power Cost as % of Revenue	72.69
22	O & M Expenses (Mills/KWH Sold)	9.18
28	A & G Expenses (Mills/KWH Sold)	5.47
30	Total Operating Expenses (Mills/KWH)	30.24
31	Depreciation Expense (Mills/KWH Sold)	9.73
35	LT Interest Expense (Mills/KWH Sold)	3.20
37	Total Cost of Electric Service (Mills/KWH)	113.70
38	Operating Margins (Mills/KWH Sold)	1.78
41	Total Margins (Mills/KWH Sold)	2.14
48	Revenue per TUP Investment (Cents)	41.87
51	TUP Investment per KWH Sold	27.42
52	Average Consumers per Mile	10.11
*	Current Ratio	0.78
*	Total Operating Expenses per Customer	619.52
	Calculated Line Loss	4.16%

FORM 7 NOTES

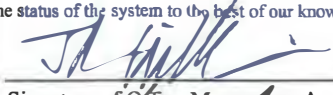
September 2019

- **GENERAL COMMENTS** – For September YTD, net income of \$986,614 was \$206,243 less than last year's income, and \$1,628,386 greater than the plan. Calculated line loss for 2019 was 4.16% compared with 3.54% last year. Year-to-date TIER was 1.67 and 12-month trailing TIER was 1.47, compared with 2018 YTD TIER of 1.78 and 12-month trailing TIER in September 2018 of 1.99
- **THIS YEAR TO LAST YEAR COMPARISON** – Power sales for the year were \$4,062,190 less than 2018 numbers; in KWh terms, sales were down -6.14%. Purchased power costs were down by \$3,799,260 while gross profit was down by \$262,930. Compared to 2018, combined Distribution expenses were lower by \$890,208 and Consumer Accounts expenses were \$126,158 less than last year. Customer Service and Information expense was down \$22,297 from last year. Administrative and General expense was up by \$748,155. In total, Lines 5 through 10 were down \$290,509. Depreciation expense was up \$125,258, reflecting higher plant balances. Interest on long-term debt was down by \$58,762 and other interest expense was up \$128,458 from last year. Interest income was up by \$11,556.
- **CURRENT YEAR-TO-DATE TO BUDGET COMPARISON** – Electric revenue was \$4,553,919 less than budget while power costs were \$4,638,633 under budget combining for a \$84,714 higher gross profit than planned, or .59%. Combined distribution expenses are \$1,520,736 below plan. Consumer accounts expense is \$120,810 above budget, Customer Service expenses are \$31,416 below budget and Administrative and General expenses are \$249,170 below budget. In total, lines 5 through 10 are \$1,680,511 below budget. Depreciation expense is \$29,145 above budget and Interest on Long-Term Debt is \$69,222 below budget while Interest Income is \$3,199 above budget. In total, net income is \$1,628,386 above budget.
- **MONTHLY COMMENTS** – September's net margin of \$156,085 was \$266,318 more than the budgeted margin of \$-110,233. September power sales were higher than budgeted by \$142,036 and the purchased power costs were higher than budgeted by \$22,455 for a gross margin of \$119,581 more than budgeted. Controllable expenses (lines 5 through 10) for the month were \$136,927 less than planned.
- **COMMENTS ON PLANT DATA** – For September 2019 year-to-date we have added 227 new services compared to 242 in 2018. We removed 9 services year-to-date compared to 5 in 2018.
- **BALANCE SHEET COMMENTS** – Total utility plant of \$168,642,971 has grown by \$4,800,752 or 2.93% from year ago levels. Cash and cash investments were \$1,510,921 at month end compared with \$1,275,026 a year ago. We had \$6,200,000 borrowed under the short-term credit. Long-term borrowings are \$2,695,046 less than this time last year.
- **HEADCOUNT** – As of the last payday of September 2019 we had 72 full-time employees.

FINANCIAL AND STATISTICAL REPORT	BORROWER DESIGNATION Kentucky 20 McCracken
	BORROWER NAME Jackson Purchase Energy Corporation
	ENDING DATE October 31, 2019

CERTIFICATION

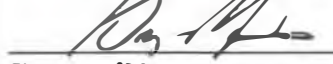
We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.



Signature of Office Manager or Accountant

12-6-19

Date



Signature of Manager

12-6-19

Date

PART A. STATEMENT OF OPERATIONS

ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	62,185,254	57,876,276	62,276,520	4,918,313
2. Power Production Expense	0	0	0	
3. Cost of Purchased Power	46,369,133	42,293,739	46,707,390	3,798,460
4. Transmission Expense				
5. Distribution Expense - Operation	2,462,529	2,787,357	2,866,290	275,995
6. Distribution Expense - Maintenance	3,136,720	1,955,330	3,518,576	234,054
7. Consumer Accounts Expense	1,203,560	1,064,164	926,612	110,135
8. Customer Service and Informational Expense	67,140	40,494	77,840	3,946
9. Sales Expense	588	3,066	1,200	1,079
10. Administrative and General Expense	2,027,347	2,773,264	3,065,512	249,546
11. Total Operation & Maintenance Expense (2 thru 10)	55,267,018	50,917,414	57,163,420	4,673,216
12. Depreciation & Amortization Expense	4,853,302	4,994,289	4,959,674	505,209
13. Tax Expense - Property	0	0	0	0
14. Tax Expense - Other	72,067	74,966	73,970	7,646
15. Interest on Long-Term Debt	1,706,897	1,639,950	1,717,000	163,872
16. Interest Charged to Construction (Credit)	0	0	0	0
17. Interest Expense - Other	52,344	192,667	40,000	24,068
18. Other Deductions	900	2,796	1,500	1,000
19. Total Cost of Electric Service (11 thru 18)	61,952,529	57,822,082	63,955,563	5,375,011
20. Patronage Capital & Operating Margins (1 minus 19)	232,725	54,194	(1,679,044)	(456,698)
21. Non Operating Margins - Interest	335,574	347,873	343,330	35,676
22. Allowance for Funds Used During Construction	0	0	0	
23. Income (Loss) from Equity Investments	0	0	0	
24. Non Operating Margins - Other	(16,209)	561	0	862
25. Generation & Transmission Capital Credits	0	0	0	
26. Other Capital Credits & Patronage Dividends	232,141	163,827	210,000	0
27. Extraordinary Items	0	0	0	
28. Patronage Capital or Margins (20 thru 27)	784,231	566,455	(1,125,714)	(420,160)

PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT

ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	264	263	5. Miles Transmission		
2. Services Retired	5	9	6. Miles Distribution Overhead	2,373	2,370
3. Total Services In Place	35,936	35,635	7. Miles Distribution Underground	588	600
4. Idle Services (Exclude Seasonal)	5,896	5,597	8. Total Miles Energized (5+6+7)	2,962	2,970

FINANCIAL AND STATISTICAL REPORT		BORROWER DESIGNATION	
		Kentucky 20 McCracken	
		PERIOD ENDING	10/31/2019
PART C. BALANCE SHEET			
ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	167,246,800	28. Memberships	116,245
2. Construction Work in Progress	1,675,477	29. Patronage Capital	49,101,540
3. Total Utility Plant (1+2)	168,922,277	30. Operating Margins - Prior Years	0
4. Accum. Provision for Depreciation and Amort	71,964,607	31. Operating Margins - Current Year	23,977
5. Net Utility Plant (3-4)	96,957,670	32. Non-Operating Margins	542,478
6. Nonutility Property - Net	0	33. Other Margins & Equities	94,535
7. Investment in Subsidiary Companies	0	34. Total Margins & Equities (28 thru 33)	49,878,775
8. Invest. in Assoc. Org. - Patronage Capital	1,760,789	35. Long-Term Debt RUS	20,005,377
9. Invest. in Assoc. Org. - Other - General Funds	0	(Payments-Unapplied (\$ _____))	0
10. Invest in Assoc. Org. - Other - Nongeneral Funds	1,832,651	36. Long-Term Debt - Other (Net)	30,045,525
11. Investments in Economic Development Projects	0	(Payments-Unapplied (\$ _____))	(6,673,089)
12. Other Investments	0	37. Total Long-Term Debt (35+36)	43,377,813
13. Special Funds	0	38. Obligations Under Capital Leases	0
14. Total Other Property & Investments (6 thru 13)	3,593,440	39. Accumulated Operating Provisions	2,655,902
15. Cash-General Funds	1,913,044	40. Total Other Noncurrent Liabilities (38+39)	2,655,902
16. Cash-Construction Funds-Trustee	0	41. Notes Payable	6,700,000
17. Special Deposits	0	42. Accounts Payable	4,470,946
18. Temporary Investments	0	43. Consumers Deposits	2,749,837
19. Notes Receivable - Net	0	44. Other Current & Accrued Liabilities	2,572,195
20. Accounts Receivable - Net Sales of Energy	4,290,470	45. Total Current & Accrued Liabilities (41 thru 44)	16,492,978
21. Accounts Receivable - Net Other	512,332	46. Deferred Credits	168,096
22. Materials & Supplies - Electric and Other	2,242,693	47. Total Liabilities & Other Credits (34+37+40+45+46)	112,573,564
23. Prepayments	473,864	ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION	
24. Other Current & Accrued Assets	2,587,651	53. Balance Beginning of the Year	12,517,493
	12,020,053	54. Amount Received This Year (Net)	604,669
26. Deferred Debits	2,401	55. Total Contributions in Aid of Construction	13,122,162
27. Total Assets & Other Debits (5+14+25+26)	112,573,564		
PART D. NOTES TO FINANCIAL STATEMENTS			
Part C - Estimated Contributions in Aid of Construction			
An accurate estimate of Contributions in Aid of Construction on plant cannot be made. The amount shown reflects contributions made since inception of tracking.			
THE SPACE BELOW IS PROVIDED FOR IMPORTANT NOTES REGARDING THE FINANCIAL STATEMENT CONTAINED IN THIS REPORT.			

FINANCIAL AND STATISTICAL REPORT		BORROWER DESIGNATION					
		Kentucky 20 McCracken					
		PERIOD ENDING 10/31/2019					
PART R. POWER REQUIREMENTS DATA BASE							
CLASSIFICATION	CONSUMER SALES & REVENUE DATA	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE
		(a)	(b)	(c)	(d)	(e)	(f)
1. Residential Sales (excluding seasonal)	a. No. Consumers Served	25,539	25,547	25,534	25,519	25,489	25,509
	b. KWH Sold	37,161,726	30,427,032	29,112,563	20,333,238	26,254,627	31,237,256
	c. Revenue	4,617,515	3,448,675	3,161,066	2,224,766	3,082,555	3,740,056
2. Residential Sales - Seasonal	a. No. Consumers Served	0	0	0	0	0	0
	b. KWH Sold	0	0	0	0	0	0
	c. Revenue	0	0	0	0	0	0
3. Irrigation Sales	a. No. Consumers Served	5	5	5	5	5	5
	b. KWH Sold	29	1,131	5,312	3,575	4,241	2,438
	c. Revenue	207	534	592	731	503	820
4. Comm. and Ind. 1000 KVA or Less	a. No. Consumers Served	4,499	4,486	4,474	4,489	4,493	4,486
	b. KWH Sold	16,454,939	14,610,959	14,259,145	13,266,233	16,014,565	15,562,111
	c. Revenue	1,792,133	1,594,400	1,540,650	1,398,339	1,701,467	1,680,134
5. Comm. and Ind. Over 1000 KVA	a. No. Consumers Served	8	8	9	9	9	9
	b. KWH Sold	3,310,660	3,640,815	3,816,733	3,895,023	3,657,161	3,514,408
	c. Revenue	349,764	388,159	386,638	374,886	351,677	347,573
6. Public Street & Highway Lighting	a. No. Consumers Served	6	6	6	6	6	6
	b. KWH Sold	53,575	45,296	57,313	47,994	28,635	53,042
	c. Revenue	11,008	8,865	10,838	9,116	27,862	10,281
7. Other Sales to Public Authority	a. No. Consumers Served	0	0	0	0	0	0
	b. KWH Sold	0	0	0	0	0	0
	c. Revenue	0	0	0	0	0	0
8. Sales for Resales-REA Borrowers	a. No. Consumers Served	0	0	0	0	0	0
	b. KWH Sold	0	0	0	0	0	0
	c. Revenue	0	0	0	0	0	0
9. Sales for Resales-Other	a. No. Consumers Served	0	0	0	0	0	0
	b. KWH Sold	0	0	0	0	0	0
	c. Revenue	0	0	0	0	0	0
10. TOTAL No. of Consumers (lines 1a thru 9a)		30,057	30,052	30,028	30,028	30,002	30,015
11. TOTAL KWH Sold (lines 1b thru 9b)		56,980,929	48,725,233	47,251,066	37,546,063	45,959,229	50,369,255
12. TOTAL Revenue Received From Sales of Electric Energy (line 1c thru 9c)		6,770,627	5,440,632	5,099,784	4,007,838	5,164,063	5,778,864
13. Other Electric Revenue		112,518	120,309	121,952	108,190	105,325	99,380
14. KWH - Own Use		24,693	18,050	18,139	11,127	10,979	11,178
15. TOTAL KWH Purchased		60,548,288	49,261,614	49,728,226	39,232,907	47,321,883	52,172,319
16. TOTAL KWH Generated		0	0	0	0	0	0
17. Cost of Purchases and Generation		4,954,937	3,967,549	3,947,934	2,998,453	3,875,152	4,284,922
18. Interchange - KWH - Net		0	0	0	0	0	0
19. Peak - Sum All KW Input (Metered) Non-coincident _____ Coincident <u>X</u>		121,813	107,664	113,929	86,059	115,950	126,292
		0	0	0	0	0	0

CFC FINANCIAL AND STATISTICAL REPORT		BORROWER DESIGNATION						TOTAL (Column a thru l)
		Kentucky 20 McCracken						
		PERIOD ENDING						10/31/2019
PART R. POWER REQUIREMENTS DATA BASE (Continued)								
(See preceding page 6 of CFC Form 7 for Headings of Line Item numbers below.)								
LINE ITEM NUMBER		JULY (g)	AUGUST (h)	SEPTEMBER (i)	OCTOBER (j)	NOVEMBER (k)	DECEMBER (l)	
1	a.	25,532	25,511	25,492	25,492	0	0	25,516
	b.	34,352,169	39,884,720	34,121,872	23,919,802	0	0	306,805,005
	c.	4,380,938	4,591,577	4,039,308	2,794,647	0	0	36,081,102
2	a.	0	0	0	0	0	0	0
	b.	0	0	0	0	0	0	0
	c.	0	0	0	0	0	0	0
3	a.	5	5	5	5	0	0	5
	b.	14,771	34,246	32,665	8,408	0	0	106,816
	c.	2,438	3,656	2,981	1,489	0	0	13,951
4	a.	4,474	4,495	4,496	4,522	0	0	4,491
	b.	18,591,460	18,791,015	17,741,724	15,255,113	0	0	160,547,264
	c.	1,886,678	1,926,064	1,808,774	1,636,466	0	0	16,965,104
5	a.	10	10	10	10	0	0	9
	b.	3,628,484	3,631,708	3,478,539	3,957,206	0	0	36,530,737
	c.	343,765	348,418	325,774	362,249	0	0	3,578,902
6	a.	6	6	7	9	0	0	6
	b.	52,027	53,040	53,107	53,107	0	0	497,136
	c.	(384)	6,748	10,074	8,961	0	0	103,368
7	a.		0	0	0	0	0	0
	b.		0	0	0	0	0	0
	c.		0	0	0	0	0	0
8	a.	0	0	0	0	0	0	0
	b.	0	0	0	0	0	0	0
	c.	0	0	0	0	0	0	0
9	a.	0	0	0	0	0	0	0
	b.	0	0	0	0	0	0	0
	c.	0	0	0	0	0	0	0
10		30,027	30,027	30,010	30,038	0	0	30,028
11		56,638,911	62,394,729	55,427,907	43,193,636	0	0	504,486,958
12		6,613,434	6,876,463	6,186,911	4,803,812	0	0	56,742,428
13		115,463	119,180	117,032	114,500	0	0	1,133,849
14		13,248	12,585	11,655	10,716	0	0	142,370
15		63,307,289	61,486,316	58,237,159	43,327,444	0	0	524,623,445
16		0	0	0	0	0	0	
17		4,880,849	4,941,586	4,643,885	3,798,460	0	0	42,293,729
18		0	0	0	0	0	0	
19		134,665	138,217	132,355	127,135	0	0	138,217

PRELIMINARY FINANCIAL & STATISTICAL RATIOS

**We have added a page of ratios calculated from the data entered on your Form 7.
Many of these are CFC KRTA ratios plus other ratios we thought might be of value to you.
These preliminary ratios can be used to evaluate your system's performance and as an error checking device.
MDSC and DSC will be *estimated* values. Your system's prior year's "Investment in Associated Orgs --
Patronage Capital" must be entered as a part of the calculation for MDSC.**

Please enter last year's Investment in Associated Orgs. - Patronage Capital > (Balance Sheet, Line 8)

1,734,841

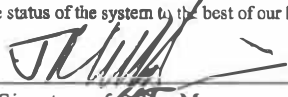
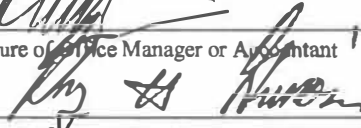
KRTA NO.	RATIO DESCRIPTION	ESTIMATED RATIO
1	TIER	1.35
	TIER (Trailing 12 Months)	1.47
	Increase (Decrease) in YTD KWH Sales	-5.99%
	Increase (Decrease) in YTD KWH Purchases	-5.75%
2	MDSC	1.77
3	DSC	1.78
5	Rate of Return on Equity	1.36
7	Equity Level as % of Assets	44.31
8	Equity to Total Capital	53.49
11	Long-Term Interest as a % of Revenue	2.83
13	Total Revenue per KWH Sold (Mills)	114.72
14	Electric Revenue per KWH Sold (Mills)	112.48
20	Power Cost per KWH Sold (Mills)	83.84
21	Power Cost as % of Revenue	73.08
22	O & M Expenses (Mills/KWH Sold)	9.40
28	A & G Expenses (Mills/KWH Sold)	5.50
30	Total Operating Expenses (Mills/KWH)	30.78
31	Depreciation Expense (Mills/KWH Sold)	9.90
35	LT Interest Expense (Mills/KWH Sold)	3.25
37	Total Cost of Electric Service (Mills/KWH)	114.62
38	Operating Margins (Mills/KWH Sold)	0.80
41	Total Margins (Mills/KWH Sold)	1.12
48	Revenue per TUP Investment (Cents)	41.11
51	TUP Investment per KWH Sold	27.90
52	Average Consumers per Mile	10.11
*	Current Ratio	0.73
*	Total Operating Expenses per Customer	620.55
	Calculated Line Loss	3.84%

FORM 7 NOTES

October 2019

- **GENERAL COMMENTS** – For October YTD, net income of \$566,455 was \$217,776 less than last year's income, and \$1,692,169 greater than the plan. Calculated line loss for 2019 was 3.84% compared with 3.59% last year. Year-to-date TIER was 1.35 and 12-month trailing TIER was 1.47, compared with 2018 YTD TIER of 1.46 and 12-month trailing TIER in October 2018 of 1.77
- **THIS YEAR TO LAST YEAR COMPARISON** – Power sales for the year were \$4,308,978 less than 2018 numbers; in KWh terms, sales were down -5.99%. Purchased power costs were down by \$4,075,394 while gross profit was down by \$233,584. Compared to 2018, combined Distribution expenses were lower by \$856,562 and Consumer Accounts expenses were \$139,396 less than last year. Customer Service and Information expense was down \$24,168 from last year. Administrative and General expense was up by \$745,917. In total, Lines 5 through 10 were down \$274,210. Depreciation expense was up \$140,987, reflecting higher plant balances. Interest on long-term debt was down by \$66,947 and other interest expense was up \$140,322 from last year. Interest income was up by \$12,299.
- **CURRENT YEAR-TO-DATE TO BUDGET COMPARISON** – Electric revenue was \$4,400,244 less than budget while power costs were \$4,413,651 under budget combining for a \$13,407 higher gross profit than planned, or .08%. Combined distribution expenses are \$1,642,179 below plan. Consumer accounts expense is \$137,552 above budget, Customer Service expenses are \$34,279 below budget and Administrative and General expenses are \$292,248 below budget. In total, lines 5 through 10 are \$1,831,154 below budget. Depreciation expense is \$34,615 above budget and Interest on Long-Term Debt is \$77,050 below budget while Interest Income is \$4,543 above budget. In total, net income is \$1,692,169 above budget.
- **MONTHLY COMMENTS** – October's net margin of \$-420,160 was \$63,782 more than the budgeted margin of \$-483,942. October power sales were higher than budgeted by \$153,676 and the purchased power costs were higher than budgeted by \$224,982 for a gross margin of \$-71,307 less than budgeted. Controllable expenses (lines 5 through 10) for the month were \$121,444 less than planned.
- **COMMENTS ON PLANT DATA** – For October 2019 year-to-date we have added 263 new services compared to 264 in 2018. We removed 9 services year-to-date compared to 5 in 2018.
- **BALANCE SHEET COMMENTS** – Total utility plant of \$168,922,277 has grown by \$4,949,590 or % from year ago levels. Cash and cash investments were \$1,913,044 at month end compared with \$1,447,854 a year ago. We had \$6,700,000 borrowed under the short-term credit. Long-term borrowings are \$2,685,163 less than this time last year.
- **HEADCOUNT** – As of the last payday of October 2019 we had 70 full-time employees.

FINANCIAL AND STATISTICAL REPORT	BORROWER DESIGNATION Kentucky 20 McCracken
	BORROWER NAME Jackson Purchase Energy Corporation
	ENDING DATE November 30, 2019

CERTIFICATION	
We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.	
 Signature of Office Manager or Accountant	1-14-20 Date
 Signature of Manager	1-14-20 Date

ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR	THIS YEAR	BUDGET	
	(a)	(b)	(c)	
1. Operating Revenue and Patronage Capital	67,966,986	63,129,521	67,581,415	5,253,245
2. Power Production Expense	0	0	0	
3. Cost of Purchased Power	50,694,239	46,431,206	50,686,062	4,137,467
4. Transmission Expense				
5. Distribution Expense - Operation	2,719,869	3,077,664	3,147,486	290,307
6. Distribution Expense - Maintenance	3,463,457	2,208,061	3,836,732	252,731
7. Consumer Accounts Expense	1,327,575	1,171,437	1,020,325	107,273
8. Customer Service and Informational Expense	74,178	40,563	85,782	68
9. Sales Expense	635	3,691	0	624
10. Administrative and General Expense	2,265,647	3,003,271	3,356,281	230,007
11. Total Operation & Maintenance Expense (2 thru 10)	60,545,601	55,935,893	62,133,868	5,018,479
12. Depreciation & Amortization Expense	5,346,163	5,505,338	5,460,256	511,049
13. Tax Expense - Property	0	0	0	0
14. Tax Expense - Other	79,464	82,612	81,367	7,646
15. Interest on Long-Term Debt	1,872,973	1,798,147	1,888,700	158,197
16. Interest Charged to Construction (Credit)	0	0	0	0
17. Interest Expense - Other	62,800	215,584	44,000	22,918
18. Other Deductions	935	2,796	1,500	0
19. Total Cost of Electric Service (11 thru 18)	67,907,936	63,540,370	69,609,691	5,718,288
20. Patronage Capital & Operating Margins (1 minus 19)	59,050	(410,849)	(2,028,275)	(465,043)
21. Non Operating Margins - Interest	370,368	381,778	377,663	33,905
22. Allowance for Funds Used During Construction	0	0	0	
23. Income (Loss) from Equity Investments	0	0	0	
24. Non Operating Margins - Other	(38,472)	561	0	0
25. Generation & Transmission Capital Credits	0	0	0	
26. Other Capital Credits & Patronage Dividends	233,560	163,827	210,000	0
27. Extraordinary Items	0	0	0	
28. Patronage Capital or Margins (20 thru 27)	624,506	135,317	(1,440,612)	(431,138)

PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT					
ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR	THIS YEAR		LAST YEAR	THIS YEAR
	(a)	(b)		(a)	(b)
1. New Services Connected	295	293	5. Miles Transmission		
2. Services Retired	6	9	6. Miles Distribution Overhead	2,375	2,370
3. Total Services In Place	35,916	35,615	7. Miles Distribution Underground	589	600
4. Idle Services (Exclude Seasonal)	5,862	5,550	8. Total Miles Energized (5+6+7)	2,964	2,970

FINANCIAL AND STATISTICAL REPORT		BORROWER DESIGNATION	
		Kentucky 20 McCracken	
		PERIOD ENDING	11/30/2019
PART C. BALANCE SHEET			
ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	167,580,281	28. Memberships	116,075
2. Construction Work in Progress	1,450,124	29. Patronage Capital	49,101,540
3. Total Utility Plant (1+2)	169,030,406	30. Operating Margins - Prior Years	0
4. Accum. Provision for Depreciation and Amort	72,196,495	31. Operating Margins - Current Year	(441,066)
5. Net Utility Plant (3-4)	96,833,911	32. Non-Operating Margins	576,383
6. Nonutility Property - Net	0	33. Other Margins & Equities	94,492
7. Investment in Subsidiary Companies	0	34. Total Margins & Equities (28 thru 33)	49,447,424
8. Invest. in Assoc. Org. - Patronage Capital	1,760,789	35. Long-Term Debt RUS	20,005,377
9. Invest. in Assoc. Org. - Other - General Funds	0	(Payments-Unapplied (\$ _____))	0
10. Invest in Assoc. Org. - Other - Nongeneral Funds	1,832,651	36. Long-Term Debt - Other (Net)	29,909,635
11. Investments in Economic Development Projects	0	(Payments-Unapplied (\$ _____))	(6,700,512)
12. Other Investments	0	37. Total Long-Term Debt (35+36)	43,214,499
13. Special Funds	0	38. Obligations Under Capital Leases	0
14. Total Other Property & Investments (6 thru 13)	3,593,440	39. Accumulated Operating Provisions	2,670,864
15. Cash-General Funds	1,442,843	40. Total Other Noncurrent Liabilities (38+39)	2,670,864
16. Cash-Construction Funds-Trustee	0	41. Notes Payable	6,600,000
17. Special Deposits	0	42. Accounts Payable	4,966,425
18. Temporary Investments	0	43. Consumers Deposits	2,766,213
19. Notes Receivable - Net	0	44. Other Current & Accrued Liabilities	2,184,665
20. Accounts Receivable - Net Sales of Energy	3,857,427	45. Total Current & Accrued Liabilities (41 thru 44)	16,517,303
21. Accounts Receivable - Net Other	664,749	46. Deferred Credits	168,096
22. Materials & Supplies - Electric and Other	2,266,539	47. Total Liabilities & Other Credits (34+37+40+45+46)	112,018,185
23. Prepayments	360,572	ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION	
24. Other Current & Accrued Assets	2,991,891	53. Balance Beginning of the Year	12,517,493
	11,584,020	54. Amount Received This Year (Net)	618,442
26. Deferred Debits	6,814	55. Total Contributions in Aid of Construction	13,135,934
27. Total Assets & Other Debits (5+14+25+26)	112,018,185		
PART D. NOTES TO FINANCIAL STATEMENTS			
Part C - Estimated Contributions in Aid of Construction			
An accurate estimate of Contributions in Aid of Construction on plant cannot be made. The amount shown reflects contributions made since inception of tracking.			
THE SPACE BELOW IS PROVIDED FOR IMPORTANT NOTES REGARDING THE FINANCIAL STATEMENT CONTAINED IN THIS REPORT.			

FINANCIAL AND STATISTICAL REPORT		BORROWER DESIGNATION					
		Kentucky 20 McCracken					
		PERIOD ENDING 11/30/2019					
PART R. POWER REQUIREMENTS DATA BASE							
CLASSIFICATION	CONSUMER SALES & REVENUE DATA	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE
		(a)	(b)	(c)	(d)	(e)	(f)
1. Residential Sales (excluding seasonal)	a. No. Consumers Served	25,539	25,547	25,534	25,519	25,489	25,509
	b. KWH Sold	37,161,726	30,427,032	29,112,563	20,333,238	26,254,627	31,237,256
	c. Revenue	4,617,515	3,448,675	3,160,984	2,224,766	3,082,555	3,740,056
2. Residential Sales - Seasonal	a. No. Consumers Served	0	0	0	0	0	0
	b. KWH Sold	0	0	0	0	0	0
	c. Revenue	0	0	0	0	0	0
3. Irrigation Sales	a. No. Consumers Served	5	5	5	5	5	5
	b. KWH Sold	29	1,131	5,312	3,575	4,241	2,438
	c. Revenue	207	534	592	731	503	820
4. Comm. and Ind. 1000 KVA or Less	a. No. Consumers Served	4,499	4,486	4,474	4,489	4,493	4,486
	b. KWH Sold	16,454,939	14,610,959	14,259,145	13,266,233	16,014,565	15,562,111
	c. Revenue	1,792,133	1,594,400	1,540,732	1,398,339	1,701,467	1,680,134
5. Comm. and Ind. Over 1000 KVA	a. No. Consumers Served	8	8	9	9	9	9
	b. KWH Sold	3,310,660	3,640,815	3,816,733	3,895,023	3,657,161	3,514,408
	c. Revenue	349,764	388,159	386,638	374,886	351,677	347,573
6. Public Street & Highway Lighting	a. No. Consumers Served	6	6	6	6	6	6
	b. KWH Sold	53,575	45,296	57,313	47,994	28,635	53,042
	c. Revenue	11,008	8,865	10,838	9,116	27,862	10,281
7. Other Sales to Public Authority	a. No. Consumers Served	0	0	0	0	0	0
	b. KWH Sold	0	0	0	0	0	0
	c. Revenue	0	0	0	0	0	0
8. Sales for Resales-REA Borrowers	a. No. Consumers Served	0	0	0	0	0	0
	b. KWH Sold	0	0	0	0	0	0
	c. Revenue	0	0	0	0	0	0
9. Sales for Resales-Other	a. No. Consumers Served	0	0	0	0	0	0
	b. KWH Sold	0	0	0	0	0	0
	c. Revenue	0	0	0	0	0	0
10. TOTAL No. of Consumers (lines 1a thru 9a)		30,057	30,052	30,028	30,028	30,002	30,015
11. TOTAL KWH Sold (lines 1b thru 9b)		56,980,929	48,725,233	47,251,066	37,546,063	45,959,229	50,369,255
12. TOTAL Revenue Received From Sales of Electric Energy (line 1c thru 9c)		6,770,627	5,440,632	5,099,784	4,007,838	5,164,063	5,778,864
13. Other Electric Revenue		112,518	120,309	121,952	108,190	105,325	99,380
14. KWH - Own Use		24,693	18,050	18,139	11,127	10,979	11,178
15. TOTAL KWH Purchased		60,548,288	49,261,614	49,728,226	39,232,907	47,321,883	52,172,319
16. TOTAL KWH Generated		0	0	0	0	0	0
17. Cost of Purchases and Generation		4,954,937	3,967,549	3,947,934	2,998,463	3,875,152	4,284,922
18. Interchange - KWH - Net		0	0	0	0	0	0
19. Peak - Sum All KW Input (Metered)		121,813	107,664	113,929	86,059	115,950	126,292
Non-coincident _____	Coincident _X_	0	0	0	0	0	0

CFC FINANCIAL AND STATISTICAL REPORT				BORROWER DESIGNATION Kentucky 20 McCracken PERIOD ENDING 11/30/2019				
PART R. POWER REQUIREMENTS DATA BASE (Continued) (See preceding page 6 of CFC Form 7 for Headings of Line Item numbers below.)								
LINE ITEM NUMBER		JULY (g)	AUGUST (h)	SEPTEMBER (i)	OCTOBER (j)	NOVEMBER (k)	DECEMBER (l)	TOTAL (Column a thru l)
1	a.	25,532	25,511	25,492	25,492	25,497	0	25,515
	b.	34,352,169	39,884,720	34,121,872	23,919,802	25,421,135	0	332,226,140
	c.	4,380,938	4,591,577	4,039,308	2,794,647	3,185,109	0	39,266,130
2	a.	0	0	0	0	0	0	0
	b.	0	0	0	0	0	0	0
	c.	0	0	0	0	0	0	0
3	a.	5	5	5	5	5	0	5
	b.	14,771	34,246	32,665	8,408	3,721	0	110,537
	c.	2,438	3,656	2,981	1,489	503	0	14,454
4	a.	4,474	4,495	4,496	4,522	4,544	0	4,496
	b.	18,591,460	18,791,015	17,741,724	15,255,113	15,308,047	0	175,855,311
	c.	1,886,678	1,926,064	1,808,774	1,636,466	1,613,665	0	18,578,851
5	a.	10	10	10	10	10	0	9
	b.	3,628,484	3,631,708	3,478,539	3,957,206	3,652,473	0	40,183,210
	c.	343,765	348,418	325,774	362,249	346,414	0	3,925,316
6	a.	6	6	7	9	9	0	7
	b.	52,027	53,040	53,107	53,107	53,205	0	550,341
	c.	(384)	6,748	10,074	8,961	14,019	0	117,387
7	a.		0	0	0	0	0	0
	b.		0	0	0	0	0	0
	c.		0	0	0	0	0	0
8	a.	0	0	0	0	0	0	0
	b.	0	0	0	0	0	0	0
	c.	0	0	0	0	0	0	0
9	a.	0	0	0	0	0	0	0
	b.	0	0	0	0	0	0	0
	c.	0	0	0	0	0	0	0
10		30,027	30,027	30,010	30,038	30,065	0	30,032
11		56,638,911	62,394,729	55,427,907	43,193,636	44,438,581	0	548,925,539
12		6,613,434	6,876,463	6,186,911	4,803,812	5,159,711	0	61,902,139
13		115,463	119,180	117,032	114,500	93,535	0	1,227,384
14		13,248	12,585	11,655	10,716	20,801	0	163,171
15		63,307,289	61,486,316	58,237,159	43,327,444	51,715,756	0	576,339,201
16		0	0	0	0	0	0	0
17		4,880,849	4,941,586	4,643,885	3,798,460	4,137,467	0	46,431,206
18		0	0	0	0	0	0	0
19		134,665	138,217	132,355	127,135	117,006	0	138,217

PRELIMINARY FINANCIAL & STATISTICAL RATIOS

**We have added a page of ratios calculated from the data entered on your Form 7.
 Many of these are CFC KRTA ratios plus other ratios we thought might be of value to you.
 These preliminary ratios can be used to evaluate your system's performance and as an error checking device.
 MDSC and DSC will be *estimated* values. Your system's prior year's "Investment in Associated Orgs --
 Patronage Capital" must be entered as a part of the calculation for MDSC.**

Please enter last year's Investment in Associated Orgs. - Patronage Capital > (Balance Sheet, Line 8)

1,734,841

KRTA NO.	RATIO DESCRIPTION	ESTIMATED RATIO
1	TIER	1.08
	TIER (Trailing 12 Months)	1.23
	Increase (Decrease) in YTD KWH Sales	-5.88%
	Increase (Decrease) in YTD KWH Purchases	-5.36%
2	MDSC	1.67
3	DSC	1.67
5	Rate of Return on Equity	0.30
7	Equity Level as % of Assets	44.14
8	Equity to Total Capital	53.36
11	Long-Term Interest as a % of Revenue	2.85
13	Total Revenue per KWH Sold (Mills)	115.01
14	Electric Revenue per KWH Sold (Mills)	112.77
20	Power Cost per KWH Sold (Mills)	84.59
21	Power Cost as % of Revenue	73.55
22	O & M Expenses (Mills/KWH Sold)	9.63
28	A & G Expenses (Mills/KWH Sold)	5.47
30	Total Operating Expenses (Mills/KWH)	31.17
31	Depreciation Expense (Mills/KWH Sold)	10.03
35	LT Interest Expense (Mills/KWH Sold)	3.28
37	Total Cost of Electric Service (Mills/KWH)	115.75
38	Operating Margins (Mills/KWH Sold)	-0.05
41	Total Margins (Mills/KWH Sold)	0.25
48	Revenue per TUP Investment (Cents)	40.74
51	TUP Investment per KWH Sold	28.23
52	Average Consumers per Mile	10.11
*	Current Ratio	0.70
*	Total Operating Expenses per Customer	621.49
	Calculated Line Loss	4.76%

FORM 7 NOTES

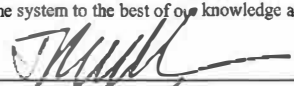
November 2019

- **GENERAL COMMENTS** – For November YTD, net income of \$135,317 was \$489,189 less than last year's income, and \$1,575,929 greater than the plan. Calculated line loss for 2019 was 4.76% compared with 4.23% last year. Year-to-date TIER was 1.08 and 12-month trailing TIER was 1.23, compared with 2018 YTD TIER of 1.33 and 12-month trailing TIER in November 2018 of 1.54
- **THIS YEAR TO LAST YEAR COMPARISON** – Power sales for the year were \$4,837,465 less than 2018 numbers; in kWh terms, sales were down -5.88%. Purchased power costs were down by \$4,263,033 while gross profit was down by \$574,432. Compared to 2018, combined Distribution expenses were lower by \$897,601 and Consumer Accounts expenses were \$156,138 less than last year. Customer Service and Information expense was down \$30,560 from last year. Administrative and General expense was up by \$737,624. In total, Lines 5 through 10 were down \$346,675. Depreciation expense was up \$159,175, reflecting higher plant balances. Interest on long-term debt was down by \$74,826 and other interest expense was up \$152,784 from last year. Interest income was up by \$11,411.
- **CURRENT YEAR-TO-DATE TO BUDGET COMPARISON** – Electric revenue was \$4,451,894 less than budget while power costs were \$4,254,855 under budget combining for a \$197,097 lower gross profit than planned, or -1.17%. Combined distribution expenses are \$1,698,493 below plan. Consumer accounts expense is \$151,112 above budget. Customer Service expenses are \$41,529 below budget and Administrative and General expenses are \$353,010 below budget. In total, lines 5 through 10 are \$1,941,919 below budget. Depreciation expense is \$45,082 above budget and Interest on Long-Term Debt is \$90,553 below budget while Interest Income is \$4,115 above budget. In total, net income is \$1,575,929 above budget.
- **MONTHLY COMMENTS** – November's net margin of \$-431,138 was \$116,239 less than the budgeted margin of \$-314,899. November power sales were lower than budgeted by \$51,651 and the purchased power costs were higher than budgeted by \$158,795 for a gross margin of \$ -210,446 less than budgeted. Controllable expenses (lines 5 through 10) for the month were \$110,765 less than planned.
- **COMMENTS ON PLANT DATA** – For November 2019 year-to-date we have added 293 new services compared to 295 in 2018. We removed 9 services year-to-date compared to 6 in 2018.
- **BALANCE SHEET COMMENTS** – Total utility plant of \$169,030,406 has grown by \$4,825,792 or 2.94% from year ago levels. Cash and cash investments were \$1,442,843 at month end compared with \$2,320,551 a year ago. We had \$6,600,000 borrowed under the short-term credit. Long-term borrowings are \$2,654,362 less than this time last year.
- **HEADCOUNT** – As of the last payday of November 2019 we had 70 full-time employees.

FINANCIAL AND STATISTICAL REPORT	BORROWER DESIGNATION Kentucky 20 McCracken
	BORROWER NAME Jackson Purchase Energy Corporation
	ENDING DATE December 31, 2019


CERTIFICATION

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.



 Signature of Office Manager or Accountant

 Date **3-30-20**



 Signature of Manager

 Date **3-30-20**

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR	THIS YEAR	BUDGET	
	(a)	(b)	(c)	
1. Operating Revenue and Patronage Capital	74,473,778	69,447,701	73,944,163	6,318,180
2. Power Production Expense	0	0	0	
3. Cost of Purchased Power	55,129,619	50,688,769	55,458,122	4,257,563
4. Transmission Expense				
5. Distribution Expense - Operation	3,039,268	3,308,445	3,433,452	230,781
6. Distribution Expense - Maintenance	3,864,965	2,921,678	4,154,888	713,617
7. Consumer Accounts Expense	1,548,238	1,273,783	1,114,038	102,346
8. Customer Service and Informational Expense	81,231	40,607	93,724	44
9. Sales Expense	635	3,691	1,200	0
10. Administrative and General Expense	2,497,444	3,237,313	3,661,859	234,042
11. Total Operation & Maintenance Expense (2 thru 10)	66,161,401	61,474,286	67,917,283	5,538,393
12. Depreciation & Amortization Expense	5,839,773	6,016,651	5,961,682	511,314
13. Tax Expense - Property	0	0	0	0
14. Tax Expense - Other	86,861	90,258	88,764	7,646
15. Interest on Long-Term Debt	2,041,806	1,961,144	2,060,400	162,997
16. Interest Charged to Construction (Credit)	0	0	0	0
17. Interest Expense - Other	78,422	233,334	48,000	17,750
18. Other Deductions	1,935	2,796	1,500	0
19. Total Cost of Electric Service (11 thru 18)	74,210,198	69,778,470	76,077,630	6,238,100
20. Patronage Capital & Operating Margins (1 minus 19)	263,580	(330,769)	(2,133,467)	80,079
21. Non Operating Margins - Interest	406,317	415,932	411,996	34,154
22. Allowance for Funds Used During Construction	0	0	0	
23. Income (Loss) from Equity Investments	0	0	0	
24. Non Operating Margins - Other	(18,133)	934,232	0	933,671
25. Generation & Transmission Capital Credits	0	0	0	
26. Other Capital Credits & Patronage Dividends	254,411	179,415	210,000	15,589
27. Extraordinary Items	0	0	0	
28. Patronage Capital or Margins (20 thru 27)	906,175	1,198,810	(1,511,471)	1,063,492

PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT					
ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	313	308	5. Miles Transmission		
2. Services Retired	9	9	6. Miles Distribution Overhead	2,374	2,369
3. Total Services In Place	35,881	35,580	7. Miles Distribution Underground	590	601
4. Idle Services (Exclude Seasonal)	5,808	5,536	8. Total Miles Energized (5+6+7)	2,964	2,970

FINANCIAL AND STATISTICAL REPORT		BORROWER DESIGNATION	
		Kentucky 20 McCracken	
		PERIOD ENDING	12/31/2019
PART C. BALANCE SHEET			
ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	167,719,173	28. Memberships	115,705
2. Construction Work in Progress	1,537,505	29. Patronage Capital	49,101,540
3. Total Utility Plant (1+2)	169,256,678	30. Operating Margins - Prior Years	0
4. Accum. Provision for Depreciation and Amort	72,148,212	31. Operating Margins - Current Year	(360,987)
5. Net Utility Plant (3-4)	97,108,466	32. Non-Operating Margins	1,559,796
6. Nonutility Property - Net	0	33. Other Margins & Equities	94,448
7. Investment in Subsidiary Companies	0	34. Total Margins & Equities (28 thru 33)	50,510,502
8. Invest. in Assoc. Org. - Patronage Capital	1,771,836	35. Long-Term Debt RUS	19,753,319
9. Invest. in Assoc. Org. - Other - General Funds	0	(Payments-Unapplied (\$))	0
10. Invest in Assoc. Org. - Other - Nongeneral Funds	1,832,651	36. Long-Term Debt - Other (Net)	29,774,691
11. Investments in Economic Development Projects	0	(Payments-Unapplied (\$))	(6,728,614)
12. Other Investments	0	37. Total Long-Term Debt (35+36)	42,799,396
13. Special Funds	0	38. Obligations Under Capital Leases	0
14. Total Other Property & Investments (6 thru 13)	3,604,487	39. Accumulated Operating Provisions	2,677,095
15. Cash-General Funds	2,064,075	40. Total Other Noncurrent Liabilities (38+39)	2,677,095
16. Cash-Construction Funds-Trustee	0	41. Notes Payable	8,400,000
17. Special Deposits	0	42. Accounts Payable	5,003,469
18. Temporary Investments	0	43. Consumers Deposits	2,789,538
19. Notes Receivable - Net	0	44. Other Current & Accrued Liabilities	935,737
20. Accounts Receivable - Net Sales of Energy	4,496,228	45. Total Current & Accrued Liabilities (41 thru 44)	17,128,744
21. Accounts Receivable - Net Other	531,401	46. Deferred Credits	168,096
22. Materials & Supplies - Electric and Other	1,517,258	47. Total Liabilities & Other Credits (34+37+40+45+46)	113,283,833
23. Prepayments	457,764	ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION	
24. Other Current & Accrued Assets	3,490,982	53. Balance Beginning of the Year	12,517,493
	12,557,708	54. Amount Received This Year (Net)	812,765
26. Deferred Debits	13,172	55. Total Contributions in Aid of Construction	13,330,257
27. Total Assets & Other Debits (5+14+25+26)	113,283,833		
PART D. NOTES TO FINANCIAL STATEMENTS			
Part C - Estimated Contributions in Aid of Construction			
An accurate estimate of Contributions in Aid of Construction on plant cannot be made. The amount shown reflects contributions made since inception of tracking.			
THE SPACE BELOW IS PROVIDED FOR IMPORTANT NOTES REGARDING THE FINANCIAL STATEMENT CONTAINED IN THIS REPORT.			

CFC FINANCIAL AND STATISTICAL REPORT	BORROWER DESIGNATION	
	Kentucky 20 McCracken	
	YEAR ENDING	12/31/2019

Much of Part E has been consolidated. Enter only the total of "Distribution Plant" (that includes such items as Land and Land Rights, Structures and Improvements and Station Equipment), the total of "General Plant" (items such as Office Furniture, Transportation Equipment) the total of "Transmission Plant" (items such as Land and Land Rights, Roads and Trails), Steam, Nuclear, Hydro, Other Production Plants and "All Other Utility Plant"

PART E. CHANGES IN UTILITY PLANT						
	PLANT ITEM	BALANCE BEGINNING OF YEAR (a)	ADDITIONS (b)	RETIREMENTS (c)	ADJUSTMENTS AND TRANSFER (d)	BALANCE END OF YEAR (e)
1.	Distribution Plant Subtotal	152,608,706	6,242,715	1,933,613		156,917,809
2.	General Plant Subtotal	10,774,940	369,890	343,466		10,801,364
3.	Intangibles					0
4.	Transmission Plant Subtotal					0
5.	Production Plant - Steam					0
6.	Production Plant - Nuclear					0
7.	Production Plant - Hydro					0
8.	Production Plant - Other					0
9.	All Other Utility Plant					0
10.	SUBTOTAL: (1 thru 9)	163,383,647	6,612,605	2,277,079	0	167,719,173
11.	Construction Work in Progress	1,231,155	306,350			1,537,505
12.	TOTAL UTILITY PLANT (10 and 11)	164,614,802	6,918,955	2,277,079	0	169,256,678

CFC NO LONGER REQUIRES SECTIONS "F", "G", "H", "N" AND "P" DATA
Those sections refer to data on "Analysis of Accumulated Provision for Depreciation" (F), "Materials and Supplies" (G),
"Service Interruptions" (H), "Annual Meeting and Board Data" (N), and "Conservation Data" (P).

PART I. EMPLOYEE - HOUR AND PAYROLL STATISTICS				
1.	Number of Full Time Employees	70	4. Payroll - Expensed	3,475,649
2.	Employee - Hours Worked - Regular Time	145,375	5. Payroll - Capitalized	1,501,294
3.	Employee - Hours Worked - Overtime	19,668	6. Payroll - Other	1,256,275

PART J. PATRONAGE CAPITAL			PART K. DUE FROM CONSUMERS FOR ELECTRIC SERVICE	
ITEM	THIS YEAR (a)	CUMULATIVE (b)		
1. General Retirement	0	1,589,135	1. Amount Due Over 60 Days: 43,495	
2. Special Retirements	0	0	2. Amount Written Off During Year: 219,985	
3. Total Retirements (1+2)	0	1,589,135		

PART L. KWH PURCHASED AND TOTAL COST							
	NAME OF SUPPLIER (a)	CFC USE ONLY SUPPLIER CODE (b)	KWH PURCHASED (c)	TOTAL COST (d)	AVERAGE COST PER KWH (e)	INCLUDED IN TOTAL COST	
						FUEL COST ADJUSTMENT (f)	WHEELING & OTHER CHARGES (or Credits) (g)
1.	Big Rivers Electric Corp	1692	631,177,044	50,688,769	8.03	553,082	1,952,517
2.					0.00		
3.					0.00		
4.					0.00		
	TOTALS		631,177,044	50,688,769	8.03	553,082	1,952,517

CFC FINANCIAL AND STATISTICAL REPORT		BORROWER DESIGNATION Kentucky 20 McCracken YEAR ENDING 12/31/2019				
PART M. LONG-TERM LEASES (If additional space is needed, use separate sheet)						
LIST BELOW ALL "RESTRICTED PROPERTY" ** HELD UNDER "LONG TERM" LEASE. (If none, State "NONE")						
	NAME OF LESSOR	TYPE OF PROPERTY	RENTAL THIS YEAR			
1.			0			
2.			0			
TOTAL					\$0	
** "RESTRICTED PROPERTY" means all properties other than automobiles, trucks, tractors, other vehicles (including without limitation aircraft and ships), office and warehouse space and office equipment (including without limitation computers). "LONG TERM" means leases having unexpired terms in excess of 3 years and covering property having an initial cost in excess of \$250,000).						
PART O. LONG-TERM DEBT SERVICE REQUIREMENTS						
	NAME OF LENDER	BALANCE END OF YEAR	BILLED THIS YEAR			CFC USE ONLY (e)
			INTEREST (a)	PRINCIPAL (b)	TOTAL (c)	
1.	National Rural Utilities Cooperative Finance Corporation	17,227,112	582,788	623,482	1,206,270	
2.	RUS	0	0	0	0	
3.	Bank for Cooperatives	12,547,580	594,605	1,138,972	1,733,577	
4.	RUS-FFB	19,753,319	788,298	1,008,230	1,796,528	
5.					0	
6.					0	
7.					0	
8.					0	
9.	Payments Unapplied	(6,728,614)			0	
TOTAL (Sum of 1 thru 9)		\$42,799,397	\$1,965,691	\$2,770,685	\$4,736,375	

***** IMPORTANT *****

ATTENTION GENERAL MANAGER!
Please give these authorization levels serious consideration as a part of your review prior to affixing your signature on page 1.

Please indicate additional organizations we may release this information to.

- (1) NRECA _____
- (2) RUS _____
- (3) Other Rural Elect. Systems _____
- (4) Any Data Request _____
- (5) Include as part of publication of electric co-op data _____
- (6) None _____

FINANCIAL AND STATISTICAL REPORT		BORROWER DESIGNATION					
		Kentucky 20 McCracken					
		PERIOD ENDING 12/31/2019					
PART R. POWER REQUIREMENTS DATA BASE							
CLASSIFICATION	CONSUMER SALES & REVENUE DATA	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE
		(a)	(b)	(c)	(d)	(e)	(f)
1. Residential Sales (excluding seasonal)	a. No. Consumers Served	25,539	25,547	25,534	25,519	25,489	25,509
	b. KWH Sold	37,161,726	30,427,032	29,112,563	20,333,238	26,254,627	31,237,256
	c. Revenue	4,617,515	3,448,675	3,160,984	2,224,766	3,082,555	3,740,056
2. Residential Sales - Seasonal	a. No. Consumers Served	0	0	0	0	0	0
	b. KWH Sold	0	0	0	0	0	0
	c. Revenue	0	0	0	0	0	0
3. Irrigation Sales	a. No. Consumers Served	5	5	5	5	5	5
	b. KWH Sold	29	1,131	5,312	3,575	4,241	2,438
	c. Revenue	207	534	592	731	503	820
4. Comm. and Ind. 1000 KVA or Less	a. No. Consumers Served	4,499	4,486	4,474	4,489	4,493	4,486
	b. KWH Sold	16,454,939	14,610,959	14,259,145	13,266,233	16,014,565	15,562,111
	c. Revenue	1,792,133	1,594,400	1,540,732	1,398,339	1,701,467	1,680,134
5. Comm. and Ind. Over 1000 KVA	a. No. Consumers Served	8	8	9	9	9	9
	b. KWH Sold	3,310,660	3,640,815	3,816,733	3,895,023	3,657,161	3,514,408
	c. Revenue	349,764	388,159	386,638	374,886	351,677	347,573
6. Public Street & Highway Lighting	a. No. Consumers Served	6	6	6	6	6	6
	b. KWH Sold	53,575	45,296	57,313	47,994	28,635	53,042
	c. Revenue	11,008	8,865	10,838	9,116	27,862	10,281
7. Other Sales to Public Authority	a. No. Consumers Served	0	0	0	0	0	0
	b. KWH Sold	0	0	0	0	0	0
	c. Revenue	0	0	0	0	0	0
8. Sales for Resales-REA Borrowers	a. No. Consumers Served	0	0	0	0	0	0
	b. KWH Sold	0	0	0	0	0	0
	c. Revenue	0	0	0	0	0	0
9. Sales for Resales-Other	a. No. Consumers Served	0	0	0	0	0	0
	b. KWH Sold	0	0	0	0	0	0
	c. Revenue	0	0	0	0	0	0
10. TOTAL No. of Consumers (lines 1a thru 9a)		30,057	30,052	30,028	30,028	30,002	30,015
11. TOTAL KWH Sold (lines 1b thru 9b)		56,980,929	48,725,233	47,251,066	37,546,063	45,959,229	50,369,255
12. TOTAL Revenue Received From Sales of Electric Energy (line 1c thru 9c)		6,770,627	5,440,632	5,099,784	4,007,838	5,164,063	5,778,864
13. Other Electric Revenue		112,518	120,309	121,952	108,190	105,325	99,380
14. KWH - Own Use		24,693	18,050	18,139	11,127	10,979	11,178
15. TOTAL KWH Purchased		60,548,288	49,261,614	49,728,226	39,232,907	47,321,883	52,172,319
16. TOTAL KWH Generated		0	0	0	0	0	0
17. Cost of Purchases and Generation		4,954,937	3,967,549	3,947,934	2,998,463	3,875,152	4,284,922
18. Interchange - KWH - Net		0	0	0	0	0	0
19. Peak - Sum All KW Input (Metered)		121,813	107,664	113,929	86,059	115,950	126,292
Non-coincident _____ Coincident <u>X</u>		0	0	0	0	0	0

CFC FINANCIAL AND STATISTICAL REPORT		BORROWER DESIGNATION						TOTAL (Column a thru l)
		Kentucky 20 McCracken						
		PERIOD ENDING						12/31/2019
PART R. POWER REQUIREMENTS DATA BASE (Continued)								
(See preceding page 6 of CFC Form 7 for Headings of Line Item numbers below.)								
LINE ITEM NUMBER		JULY (g)	AUGUST (h)	SEPTEMBER (i)	OCTOBER (j)	NOVEMBER (k)	DECEMBER (l)	
1	a.	25,532	25,511	25,492	25,492	25,497	25,465	25,511
	b.	34,352,169	39,884,720	34,121,872	23,919,802	25,421,135	35,069,506	367,295,646
	c.	4,380,938	4,591,577	4,039,308	2,794,647	3,185,109	4,191,529	43,457,659
2	a.	0	0	0	0	0	0	0
	b.	0	0	0	0	0	0	0
	c.	0	0	0	0	0	0	0
3	a.	5	5	5	5	5	5	5
	b.	14,771	34,246	32,665	8,408	3,721	3,173	113,710
	c.	2,438	3,656	2,981	1,489	503	508	14,962
4	a.	4,474	4,495	4,496	4,522	4,544	4,554	4,501
	b.	18,591,460	18,791,015	17,741,724	15,255,113	15,308,047	16,066,679	191,921,990
	c.	1,886,678	1,926,064	1,808,774	1,636,466	1,613,665	1,644,543	20,223,394
5	a.	10	10	10	10	10	11	9
	b.	3,628,484	3,631,708	3,478,539	3,957,206	3,652,473	4,068,080	44,251,290
	c.	343,765	348,418	325,774	362,249	346,414	372,287	4,297,603
6	a.	6	6	7	9	9	9	7
	b.	52,027	53,040	53,107	53,107	53,205	53,427	603,768
	c.	(384)	6,748	10,074	8,961	14,019	9,493	126,880
7	a.		0	0	0	0	0	0
	b.		0	0	0	0	0	0
	c.		0	0	0	0	0	0
8	a.	0	0	0	0	0	0	0
	b.	0	0	0	0	0	0	0
	c.	0	0	0	0	0	0	0
9	a.	0	0	0	0	0	0	0
	b.	0	0	0	0	0	0	0
	c.	0	0	0	0	0	0	0
10		30,027	30,027	30,010	30,038	30,065	30,044	30,033
11		56,638,911	62,394,729	55,427,907	43,193,636	44,438,581	55,260,865	604,186,404
12		6,613,434	6,876,463	6,186,911	4,803,812	5,159,711	6,218,360	68,120,499
13		115,463	119,180	117,032	114,500	93,535	99,820	1,327,204
14		13,248	12,585	11,655	10,716	20,801	7,472	170,643
15		63,307,289	61,486,316	58,237,159	43,327,444	51,715,756	54,837,843	631,177,044
16		0	0	0	0	0	0	0
17		4,880,849	4,941,586	4,643,885	3,798,460	4,137,467	4,257,563	50,688,769
18		0	0	0	0	0	0	0
19		134,665	138,217	132,355	127,135	117,006	112,937	138,217

CFC INVESTMENTS, LOAN GUARANTEES AND LOANS - DISTRIBUTION (All investments under Sec. 4.20(v) of CFC 100% Mortgage) Submit the floppy disk and a signed copy of the printout to CFC. Round all amounts to the nearest dollar.		BORROWER DESIGNATION Kentucky 20 McCracken BORROWER NAME Jackson Purchase Energy Corporation MONTH ENDING 12/31/2019	
I. INVESTMENTS			
DESCRIPTION (a)	TOTAL CUMULATIVE (b)	INCOME OR LOSS (c)	
1. NONUTILITY PROPERTY			
a.			
b.			
c.			
d.			
Totals	0	0	
2. INVESTMENTS IN ASSOCIATED ORGANIZATIONS			
a. NRUCFC	51,374	8,940	
b. UUS	379,641	0	
c. KAEC	86,936	6,175	
d. Other	3,086,536	163,033	
Totals	3,604,487	178,149	
3. INVESTMENTS IN ECONOMIC DEVELOPMENT PROJECTS			
a.			
b.			
c.			
d.			
Totals	0	0	
4. OTHER INVESTMENTS			
a.	0	0	
b.			
c.			
d.			
Totals	0	0	
5. SPECIAL FUNDS			
a. Deferred Comp Assets			
b.			
c.			
d.			
Totals	0	0	
6. CASH - GENERAL			
a. Paducah Bank - General	1,822,045	43,351	
b. Cash in Drawers	2,000		
c. Credit cards in transit	240,030		
d. E-payments in transit			
Totals	2,064,075	43,351	
7. SPECIAL DEPOSITS			
a.			
b.			
c.			
d.			
Totals	0	0	
8. TEMPORARY INVESTMENTS			
b.			
c.			
d.			
Totals	0	0	

CFC INVESTMENTS, LOAN GUARANTEES AND LOANS - DISTRIBUTION (Continued from Page 7a)		BORROWER DESIGNATION Kentucky 20 McCracken	
		BORROWER NAME Jackson Purchase Energy Corporation	
		MONTH ENDING 12/31/2019	
9. ACCOUNTS & NOTES RECEIVABLE - NET		TOTAL CUMULATIVE (b)	INCOME OR LOSS (c)
a. Accounts Receivable-FEMA		45,737	0
b. Accounts Receivable-other		485,664	
c.			
d.			
Totals		531,401	0
10. COMMITMENTS TO INVEST WITH 12 MONTHS BUT NOT ACTUALLY PURCHASED			
a.			
b.			
c.			
d.			
Totals		0	0
11. TOTAL (Items I-1 thru I-10)		6,199,963	221,500
II. LOAN GUARANTEES			
NAME OF ORGANIZATION (a)	MATURITY DATE (b)	ORIGINAL AMOUNT (c)	LOAN BALANCE (Covered by Guarantees) (d)
1.			
2.			
3.			
4.			
5. TOTAL (Items II-1 thru II-4)		0	0
III. LOANS			
NAME OF ORGANIZATION (a)	MATURITY DATE (b)	ORIGINAL AMOUNT (c)	LOAN BALANCE (d)
1.			0
2.			
3.			
4.			
5. TOTAL (Items III-1 thru III-4)		0	0
IV. TOTAL INVESTMENTS AND LOANS GUARANTEES			
1. TOTAL (Items I6b + II5d)			6,199,963
2. LARGER OF (a) OR (b)			25,255,251
a. 10 percent of Total Utility Plant (CFC Form 7, Part C, Line 3)		16,925,668	
b. 50 percent of Total Equity (CFC Form 7, Part C, Line 34)		25,255,251	

PRELIMINARY FINANCIAL & STATISTICAL RATIOS

**We have added a page of ratios calculated from the data entered on your Form 7.
 Many of these are CFC KRTA ratios plus other ratios we thought might be of value to you.
 These preliminary ratios can be used to evaluate your system's performance and as an error checking device.
 MDSC and DSC will be *estimated* values. Your system's prior year's "Investment in Associated Orgs --
 Patronage Capital" must be entered as a part of the calculation for MDSC.**

Please enter last year's Investment in Associated Orgs. - Patronage Capital > (Balance Sheet, Line 8)

1,734,841

KRTA NO.	RATIO DESCRIPTION	ESTIMATED RATIO
1	TIER	1.61
	TIER (Trailing 12 Months)	1.67
	Increase (Decrease) in YTD KWH Sales	-5.38%
	Increase (Decrease) in YTD KWH Purchases	-5.12%
2	MDSC	1.73
3	DSC	1.94
5	Rate of Return on Equity	2.37
7	Equity Level as % of Assets	44.59
8	Equity to Total Capital	54.13
11	Long-Term Interest as a % of Revenue	2.82
13	Total Revenue per KWH Sold (Mills)	114.94
14	Electric Revenue per KWH Sold (Mills)	112.75
20	Power Cost per KWH Sold (Mills)	83.90
21	Power Cost as % of Revenue	72.99
22	O & M Expenses (Mills/KWH Sold)	10.31
28	A & G Expenses (Mills/KWH Sold)	5.36
30	Total Operating Expenses (Mills/KWH)	31.60
31	Depreciation Expense (Mills/KWH Sold)	9.96
35	LT Interest Expense (Mills/KWH Sold)	3.25
37	Total Cost of Electric Service (Mills/KWH)	115.49
38	Operating Margins (Mills/KWH Sold)	1.69
41	Total Margins (Mills/KWH Sold)	1.98
48	Revenue per TUP Investment (Cents)	41.03
51	TUP Investment per KWH Sold	28.01
52	Average Consumers per Mile	10.11
*	Current Ratio	0.73
*	Total Operating Expenses per Customer	635.63
	Calculated Line Loss	4.28%

**Jackson Purchase Energy Corporation
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General Adjustment of Rates
Filing Requirements/Exhibit List**

Exhibit 24

**807 KAR 5:001 Section 16(4)(t)
Sponsoring Witness: Jeff Williams**

Description of Filing Requirement:

If the utility had amounts charged or allocated to it by an affiliate or general or home office or paid monies to an affiliate or general or home office during the test period or during the previous three (3) calendar years, the utility shall file:

- 1. A detailed description of the method and amounts allocated or charged to the utility by the affiliate or general or home office for each charge allocation or payment;*
- 2. An explanation of how the allocator for the test period was determined; and*
- 3. All facts relied upon, including other regulatory approval, to demonstrate that each amount charged, allocated, or paid during the test period was reasonable.*

Response:

Jackson Purchase had no amounts charged or allocated to it by an affiliate or general or home office, and Jackson Purchase did not pay monies to an affiliate or general or home office during the test period or during the previous three (3) calendar years.

**Case No. 2021-00358
Application-Exhibit 24
No Attachment**

**Jackson Purchase Energy Corporation
Case No. 2021-00358
General Adjustment of Rates
Filing Requirements/Exhibit List**

Exhibit 25

**807 KAR 5:001 Section 16(4)(u)
Sponsoring Witness: John Wolfram**

Description of Filing Requirement:

If the utility provides gas, electric, water or sewage utility service and has annual gross revenues greater than \$5,000,000, a cost of service study based on a methodology generally accepted within the industry and based on current and reliable data from a single time period.

Response:

Please see the Direct Testimony of John Wolfram provided at Exhibit 10 and, in particular, Exhibits JW-3 through JW-8.

**Case No. 2021-00358
Application-Exhibit 25
No Attachment**

**Jackson Purchase Energy Corporation
Case No. 2021-00358
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Filing Requirements/Exhibit List**

Exhibit 26

**807 KAR 5:001 Section 16(5)(a)
Sponsoring Witnesses: Jeff Williams and John Wolfram**

Description of Filing Requirement:

A detailed income statement and balance sheet reflecting the impact of all proposed adjustments.

Response:

Please see the Direct Testimony of John Wolfram provided at Exhibit 10. Specifically, the detailed income statement reflecting the impact of all proposed adjustments can be found in Exhibit JW-2, page 3 of 24. The balance sheet reflecting the impact of all proposed adjustments can be found in Exhibit JW-2, page 2 of 24.

**Case No. 2021-00358
Application-Exhibit 26
*No Attachment***

**Jackson Purchase Energy Corporation
Case No. 2021-00358
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Exhibit 27

**807 KAR 5:001 Section 16(5)(b)
Sponsoring Witnesses: Jeff Williams and John Wolfram**

Description of Filing Requirement:

The most recent capital construction budget containing at least the period of time as proposed for any pro forma adjustment for plant additions.

Response:

Not applicable. The only pro forma adjustment for plant additions involve Jackson Purchase's new headquarters building. However, the new headquarters building was not included in Jackson Purchase's regular capital construction budget since it was an extraordinary expenditure requiring approval from the Board of Directors and the Commission. Commission approval for the new headquarters building project was obtained in a final Order dated January 14, 2020. See Case No. 2019-00326, *Electronic Application of Jackson Purchase Energy Corporation for a Certificate of Public Convenience and Necessity to Construct a New Headquarters Facility*.

**Case No. 2021-00358
Application-Exhibit 27
No Attachment**

**Jackson Purchase Energy Corporation
Case No. 2021-00358
General Adjustment of Rates
Filing Requirements/Exhibit List**

Exhibit 28

**807 KAR 5:001 Section 16(5)(c)
Sponsoring Witnesses: Jeff Williams and John Wolfram**

Description of Filing Requirement:

For each proposed pro forma adjustment reflecting plant additions, the following information ... [refer to items 1. – 8.]

Response:

Jackson Purchase does not propose any pro forma adjustments for plant additions, with the exception of the new headquarters building and remodel. Please see Exhibit 10 of the Application, the Direct Testimony of John Wolfram. Specifically, the pro forma adjustment applicable to the new headquarters building can be found in Exhibit JW-2, Reference Schedule 1.17.

**Case No. 2021-00358
Application-Exhibit 28
*No Attachment***

**Jackson Purchase Energy Corporation
Case No. 2021-00358
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Exhibit 29

**807 KAR 5:001 Section 16(5)(d)
Sponsoring Witnesses: Jeff Williams and John Wolfram**

Description of Filing Requirement:

The operating budget for each month of the period encompassing the pro forma adjustments.

Response:

Please see attached operating budget.

Jackson Purchase Energy Corporation
Operating Budget - 2019

	January	February	March	April	May	June	July	August	September	October	November	December	2019 Budget
1. Operating Revenue and Patronage Capital	\$ 7,165,694	\$ 6,417,592	\$ 5,575,972	\$ 4,572,710	\$ 5,644,788	\$ 7,000,806	\$ 7,579,362	\$ 7,393,052	\$ 6,161,907	\$ 4,764,637	\$ 5,304,896	\$ 6,362,748	\$ 73,944,163
2. Power Production Expense													\$ -
3. Cost of Purchased Power	\$ 5,374,271	\$ 4,813,194	\$ 4,181,979	\$ 3,429,532	\$ 4,233,591	\$ 5,250,605	\$ 5,684,522	\$ 5,544,789	\$ 4,621,430	\$ 3,573,478	\$ 3,978,672	\$ 4,772,061	\$ 55,458,122
4. Transmission Expense													\$ -
5. Regional Market Expense													\$ -
6. Distribution Expense - Operation	\$ 282,692	\$ 290,952	\$ 285,132	\$ 290,897	\$ 283,227	\$ 287,727	\$ 280,712	\$ 279,932	\$ 288,777	\$ 296,242	\$ 281,196	\$ 285,966	\$ 3,433,452
7. Distribution Expense - Maintenance	\$ 329,462	\$ 329,462	\$ 345,912	\$ 392,062	\$ 373,512	\$ 375,612	\$ 369,401	\$ 342,151	\$ 325,751	\$ 335,251	\$ 318,156	\$ 318,156	\$ 4,154,888
8. Consumer Accounts Expense	\$ 92,115	\$ 92,115	\$ 92,115	\$ 92,115	\$ 92,165	\$ 92,215	\$ 93,443	\$ 93,443	\$ 93,493	\$ 93,393	\$ 93,713	\$ 93,713	\$ 1,114,038
9. Customer Service and Informational Expense	\$ 7,714	\$ 7,714	\$ 7,714	\$ 7,714	\$ 7,714	\$ 7,714	\$ 7,889	\$ 7,889	\$ 7,889	\$ 7,889	\$ 7,942	\$ 7,942	\$ 93,724
10. Sales Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,200	\$ -	\$ -	\$ 1,200
11. Administrative and General Expense	\$ 312,693	\$ 307,888	\$ 327,601	\$ 320,496	\$ 298,181	\$ 316,171	\$ 298,444	\$ 301,579	\$ 289,839	\$ 292,624	\$ 290,770	\$ 305,578	\$ 3,661,859
12. Total Operation & Maintenance Expense (2 thru 11)	\$ 6,398,947	\$ 5,841,324	\$ 5,240,453	\$ 4,532,816	\$ 5,288,389	\$ 6,330,043	\$ 6,734,410	\$ 6,569,783	\$ 5,627,179	\$ 4,600,076	\$ 4,970,448	\$ 5,783,415	\$ 67,917,283
13. Depreciation & Amortization Expense	\$ 492,213	\$ 493,044	\$ 493,875	\$ 494,709	\$ 495,544	\$ 496,380	\$ 497,217	\$ 498,056	\$ 498,897	\$ 499,739	\$ 500,582	\$ 501,427	\$ 5,961,682
14. Tax Expense - Property													\$ -
15. Tax Expense - Other	\$ 7,397	\$ 7,397	\$ 7,397	\$ 7,397	\$ 7,397	\$ 7,397	\$ 7,397	\$ 7,397	\$ 7,397	\$ 7,397	\$ 7,397	\$ 7,397	\$ 88,764
16. Interest on Long-Term Debt	\$ 171,700	\$ 171,700	\$ 171,700	\$ 171,700	\$ 171,700	\$ 171,700	\$ 171,700	\$ 171,700	\$ 171,700	\$ 171,700	\$ 171,700	\$ 171,700	\$ 2,060,400
17. Interest Charged to Construction (Credit)													\$ -
18. Interest Expense - Other	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 48,000
19. Other Deductions	\$ 500	\$ 200	\$ 300	\$ 200	\$ -	\$ -	\$ -	\$ -	\$ 300	\$ -	\$ -	\$ -	\$ 1,500
20. Total Cost of Electric Service (12 thru 19)	\$ 7,074,757	\$ 6,517,665	\$ 5,917,725	\$ 5,210,822	\$ 5,967,030	\$ 7,009,520	\$ 7,414,725	\$ 7,250,936	\$ 6,309,472	\$ 5,282,912	\$ 5,654,127	\$ 6,467,939	\$ 76,077,630
21. Patronage Capital & Operating Margins (1 minus 20)	\$ 90,938	\$ (100,073)	\$ (341,753)	\$ (638,112)	\$ (322,242)	\$ (8,714)	\$ 164,638	\$ 142,116	\$ (147,566)	\$ (518,275)	\$ (349,232)	\$ (105,191)	\$ (2,133,467)
22. Non Operating Margins - Interest	\$ 34,333	\$ 34,333	\$ 34,333	\$ 34,333	\$ 34,333	\$ 34,333	\$ 34,333	\$ 34,333	\$ 34,333	\$ 34,333	\$ 34,333	\$ 34,333	\$ 411,996
23. Allowance for Funds Used During Construction													\$ -
24. Income (Loss) from Equity Investments													\$ -
25. Non Operating Margins - Other													\$ -
26. Generation & Transmission Capital Credits													\$ -
27. Other Capital Credits & Patronage Dividends	\$ -	\$ -	\$ 207,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,000	\$ -	\$ -	\$ -	\$ 210,000
28. Extraordinary Items													\$ -
29. Patronage Capital or Margins (21 thru 28)	\$ 125,271	\$ (65,740)	\$ (100,420)	\$ (603,779)	\$ (287,909)	\$ 25,619	\$ 198,971	\$ 176,449	\$ (110,233)	\$ (483,942)	\$ (314,899)	\$ (70,858)	\$ (1,511,471)

**Jackson Purchase Energy Corporation
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General Adjustment of Rates
Filing Requirements/Exhibit List**

Exhibit 30

**807 KAR 5:001 Section 16(5)(e)
Sponsoring Witness: John Wolfram**

Description of Filing Requirement:

The number of customers to be added to the test period end level of customers and the related revenue requirements impact for all pro forma adjustments with complete details and supporting work papers.

Response:

Please see the testimony of John Wolfram provided at Exhibit 10 and, in particular, Exhibit JW-2, Reference Schedule 1.11.

**Jackson Purchase Energy Corporation
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General Adjustment of Rates
Filing Requirements/Exhibit List**

Exhibit 31

**Case No. 2008-00408
Order entered July 24, 2012
Sponsoring Witness: Jeff Williams**

Description of Filing Requirement:

“Each electric utility shall integrate energy efficiency resources into its plans and shall adopt policies establishing cost-effective energy efficiency resources with equal priority as other resource options. In each integrated resource plan, certificate case, and rate case, the subject electric utility shall fully explain its consideration of cost-effective energy efficiency resources as defined in the Commission’s IRP regulation (8097 KAR 5:058).”

Response:

Demand Side Management and Energy Efficiency programs that were historically offered by Jackson Purchase and its wholesale power supplier, Big Rivers Electric Corporation, are no longer offered following the Commission’s Order dated December 12, 2018, in Case No. 2018-00236, *Demand-Side Management Filing of Big Rivers Electric Corporation on Behalf of Itself, Jackson Purchase Energy Corporation, and Meade County R.E.C.C., and Request to Establish a Regulatory Liability.*

**Case No. 2021-00358
Application-Exhibit 31
No Attachment**

**Jackson Purchase Energy Corporation
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Exhibit 32

**Case No. 2012-00428
Order entered July 24, 2012
Sponsoring Witness: Jeff Williams**

Description of Filing Requirement:

A discussion of Smart Grid Investments.

Response:

Please see the Direct Testimony of Jeff Williams, provided at Exhibit 9.

**Case No. 2021-00538
Application-Exhibit 32
*No Attachment***