

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

In the Matter of:

Electronic Application of Jackson Purchase)	
Energy Corporation for a Certificate of)	
Public Convenience and Necessity)	Case No. 2024-00013
Authorizing the Installation of a New)	
Advanced Metering Infrastructure (AMI))	
System)	

JACKSON PURCHASE ENERGY CORPORATION'S VERIFIED RESPONSE TO
COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION
ENTERED APRIL 4, 2024

Comes now Jackson Purchase Energy Corporation (Jackson Purchase), by counsel, and does hereby tender its Verified Response to Commission Staff's First Request for Information entered April 4, 2024.

Entered: April 18, 2024

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

Electronic Application of Jackson)
Purchase Energy Corporation for a)
Certificate of Public Convenience and)
Necessity Authorizing the Installation of)
New Advanced Metering Infrastructure)
(AMI) System)

Case No. 2024-00013

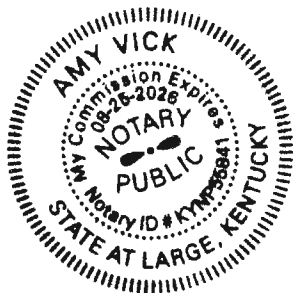
VERIFICATION OF TRAVIS SPICELAND

COMMONWEALTH OF KENTUCKY)
COUNTY OF McCracken)

Travis Spiceland, Vice-President Engineering of Jackson Purchase Energy Corporation, being duly sworn, states that he has supervised the preparation of his Responses to Commission Staff's First Requests for Information in the above-referenced case and that the matters and things set forth therein are true and accurate to the best of his knowledge, information and belief, formed after reasonable inquiry.

[Signature]
Travis Spiceland

The foregoing Verification was signed, acknowledged and sworn to before me this 18th day of April, 2024, by Travis Spiceland.



[Signature]
Commission expiration: 8/25/2026

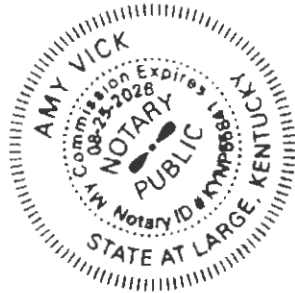
VERIFICATION

COMMONWEALTH OF KENTUCKY)
)
COUNTY OF MCCRACKEN)

Comes now Meredith Kendall, Vice-President of Accounting and Finance of Jackson Purchase Energy Corporation, and, after being duly sworn, does hereby verify, swear and affirm that the averments set forth in this Application are true and correct based upon my personal knowledge and belief, formed after reasonable inquiry, as of this 18th day of April.

Meredith Kendall
Meredith Kendall
Vice-President of Accounting and Finance
Jackson Purchase Energy Corporation

The foregoing Verification was verified, sworn to and affirmed before me, a NOTARY PUBLIC, by Meredith Kendall, Vice-President of Accounting and Finance of Jackson Purchase Energy Corporation, on this 18th day of April, 2024.



[Signature]
NOTARY PUBLIC
Notary identification no.: KY NP55841
My Commission Expires: 8/25/2026

Jackson Purchase Energy Corporation
Case No. 2024-00013
Commission Staff's Second Request for Information

Request 1: Refer to Jackson Purchase Energy's response to Commission Staff's First Request for Information (Staff's First Request), Item 4(c), Exhibit C. State what percentage of total meter reads were performed manually for 2023.

Response 1: The percentage of total meter reads performed manually was 18.43% for 2023.

Jackson Purchase Energy Corporation
Case No. 2024-00013
Commission Staff's Second Request for Information

Request 2: Refer to Jackson Purchases Energy's response to Staff's First Request, Item 6, regarding obtaining retired infrastructure from other utilities and buying more expensive replacement parts.

a. State whether retired infrastructure from other utilities is still available or in inventory.

b. State the length of time that replacing infrastructure via other utilities or buying more expensive replacement parts would be possible.

c. State the estimated annual cost of continuing to replace infrastructure via other utilities or buying more expensive replacement parts.

d. State whether obsolete replacement parts or meters are available from other vendors or utilities.

Response 2(a): Jackson Purchase Energy is unaware of retired PLC infrastructure available from other utilities. Portions of the retired infrastructure obtained remains in inventory.

Response 2(b): Excluding meters, our current inventory should last approximately (2) two years. This is dependent on future failure rates as the system continues to age. There is no option to purchase replacement parts from other utilities at this time.

Response 2(c): Excluding meters, the estimated annual cost of infrastructure replacement is \$50,000-100,000 from the inventory Jackson Purchase currently maintains. It is not possible to

estimate the annual cost of replacing infrastructure from other utilities or more expensive parts because it is not an option to purchase from another utility and the manufacturer does not support obsolete equipment.

Response 2(d): Jackson Purchase Energy is unaware of available obsolete replacement parts or meters from other vendors or utilities.

Jackson Purchase Energy Corporation
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Commission Staff's Second Request for Information

Request 3: Refer to Jackson Purchase Energy's response to Staff's First Request, Item 3(a). State how Jackson Purchase Energy advertised or solicited its Request for Proposal (RFP).

Response 3: Jackson Purchase Energy's AMI evaluation team selected RFP recipients based on best-in-class technologies and company reputation. In March 2023, several members of the team attended NRECA's TechAdvantage Expo and networked with multiple AMI vendors discussing Jackson Purchase's needs and the functionality of their product. The team also spoke with numerous electric cooperatives about their respective systems. The team then met, and RFP recipients were chosen.

Jackson Purchase Energy Corporation
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Request 4: Refer to Jackson Purchase Energy's response to Staff's First Request, Item 10(b).

a. State, both in a numeric and a percentage of total project cost, the funding Jackson Purchase Energy plans to use from its general fund and from the pending USDA United Rural Utilities (RUS) loan.

b. Provide an estimated net change in annual revenue requirement based on the cost of the proposed project depreciate over 15 years, change in O&M expense, debt service on the pending RUS loan, and any other cost savings.

c. Provided the estimated effect on the average customer's bill based on the estimated change in the annual revenue requirement.

Response 4(a): Jackson Purchase Energy will utilize funds from its general fund to fund the project as funds are available after operating costs are covered. However, 100% of the anticipated project cost is included in the 2024-2027 RUS work plan loan application (pending approval), therefore funding through RUS will be available as various stages of the project are completed.

Response 4(b) & 4(c): At this time, it is not possible to develop a meaningful estimate of the effect of the project on the annual revenue requirement, and therefore it is not possible to estimate the effect on the average customer's bill. Many variables affect that determination, including but not limited to the commencement date and total time taken to complete the project, ultimate project costs, interest rates, and actual savings. Also, the customer rates and the revenue requirement are

decoupled since base rate changes do not occur every year – i.e., if overall cooperative financials are favorable, the utility would not seek a rate revision, even if the project specific financials were not favorable. Because of the way the project is funded through the workplan, the amounts and interest rates for future borrowings are not known. Finally, costs of material and labor that are not included within the contract could differ from the original estimate, which would impact the overall cost of the project. For these reasons it is not possible to provide a meaningful estimated revenue requirement or billing impact.