

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

In the Matter of:

Electronic Application of Jackson Purchase)	
Energy Corporation for a General)	
Adjustment of Rates and Other General)	Case No. 2024-00085
Relief)	

JACKSON PURCHASE ENERGY CORPORATION'S VERIFIED RESPONSE TO
ATTORNEY GENERAL'S SECOND REQUESTS FOR INFORMATION
ENTERED JUNE 26, 2024

Comes now Jackson Purchase Energy Corporation (Jackson Purchase), by counsel, and does hereby tender its Verified Response to the Attorney General's Second Request for Information entered June 26, 2024.

Entered July 10, 2024

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

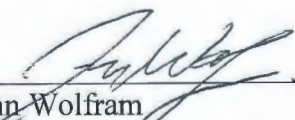
In the Matter of:

THE ELECTRONIC APPLICATION OF)
JACKSON PURCHASE ENERGY)
CORPORATION FOR A GENERAL) . Case No. 2024-00085
ADJUSTMENT OF RATES)
)

VERIFICATION OF JOHN WOLFRAM

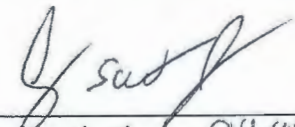
COMMONWEALTH OF KENTUCKY)
)
COUNTY OF JEFFERSON)

John Wolfram, being duly sworn, states that he has supervised the preparation of certain responses to Attorney General's Second Request for Information in the above-referenced case and that the matters and things set forth therein are true and accurate to the best of her knowledge, information and belief, formed after reasonable inquiry.



John Wolfram

The foregoing Verification was signed, acknowledged and sworn to before me this 8th
day of July, 2024, by John Wolfram



Commission expiration: 04/08/2026

COREY SCOTT JONES
Notary Public - State at Large
Kentucky
My Commission Expires April 08, 2026
Notary ID KYNP48750

Jackson Purchase Energy Corporation
Case No. 2024-00085
Attorney General's Second Request for Information

Request 1: Refer to Jackson Purchase Energy's response to the Attorney General's First Request for Information ("Attorney General's First Request"), Item 2(d), Excel spreadsheet.

- a. Provide the Excel spreadsheet with the most updated information for annual energy sales, Blockware energy sales, and total energy sales. Consider this a continuing request during the pendency of this case.
- b. Provide the Excel spreadsheet with the updated information as requested in (a), and also include the total energy sales projections through December 31, 2024.

Response 1a: Please see the Excel spreadsheet provided separately. Jackson Purchase will continue to provide updates throughout the duration of this case.

Response 1b: Please see the Excel spreadsheet provided separately.

**ATTACHMENTS
ARE EXCEL
SPREADSHEETS
AND UPLOADED
SEPARATELY**

Jackson Purchase Energy Corporation
Case No. 2024-00085
Attorney General's Second Request for Information

Request 2: Refer to Jackson Purchase Energy's response to the Attorney General's First Request,

Items 3 – 5.

- a. Provide the Excel spreadsheet with the most updated information. Consider this a continuing request during the pendency of this case.
- b. Provide the average raise, if any, which will be given to executive staff employees, salaried employees, and non-salaried employees for 2024. Consider this a continuing request during the pendency of this case.
- c. Provide the average raise, if any, which will be given to executive staff employees, salaried employees, and non-salaried employees for 2025. Consider this a continuing request during the pendency of this case.
- d. Explain in detail the criteria for an employee to receive a raise, and how the amount of each raise is calculated. For example, in 2023 the raises ranged from 2.0% up to 26.14%.
- e. Explain in detail who at the Company is responsible for granting raises, and determining the amount of the raises for the salaried and non-salaried employees who are not part of the executive staff. Ensure to discuss whether the Board of Directors must approve of the raises.
- f. Explain in detail who at the Company is responsible for granting raises, and determining the amount of the raises for the executive staff. Ensure to discuss whether the Board of Directors must approve of the raises.

- g. Provide a list of the job titles that are considered executive staff.
- h. Explain in detail who at the Company is responsible for granting a raise, and determining the amount of the raise for the President & CEO. Ensure to discuss whether the Board of Directors must approve of the raise.
- i. Provide a copy of the Company's policy concerning the granting of raises. If there is no policy then explain in detail why not.
- j. Explain in detail the criteria for an employee to receive a bonus, and how the amount of each bonus is calculated. For example, in 2023 the bonuses ranged from \$570.21 up to \$2,117.58.
- k. Explain in detail who at the Company is responsible for granting bonuses, and determining the amount of the bonuses for the salaried and non-salaried employees who are not part of the executive staff. Ensure to discuss whether the Board of Directors must approve of the bonuses.
- l. Explain in detail who at the Company is responsible for granting bonuses, and determining the amount of the bonuses for the executive staff. Ensure to discuss whether the Board of Directors must approve of the bonuses.
- m. Explain in detail who at the Company is responsible for granting a bonus, and determining the amount of the bonus for the President & CEO. Ensure to discuss whether the Board of Directors must approve of the bonus.
- n. Provide a list of all employee positions that are eligible to receive a bonus.
- o. Provide a copy of the Company's policy concerning the granting of bonuses. If there is no policy then explain in detail why not.
- p. Explain in detail the criteria for an employee to receive an award, and how the amount of

each award is calculated. For example, in 2024 the awards have ranged from \$912.09 up to \$3,500 thus far.

- q. Explain in detail who at the Company is responsible for granting awards, and determining the amount of the awards for the salaried and non-salaried employees who are not part of the executive staff. Ensure to discuss whether the Board of Directors must approve of the awards.
- r. Explain in detail who at the Company is responsible for granting awards, and determining the amount of the awards for the executive staff. Ensure to discuss whether the Board of Directors must approve of the awards.
- s. Explain in detail who at the Company is responsible for granting an award, and determining the amount of the award for the President & CEO. Ensure to discuss whether the Board of Directors must approve of the award.
- t. Provide a list of all employee positions that are eligible to receive an award.
- u. Provide a copy of the Company's policy concerning the granting of awards. If there is no policy then explain in detail why not.
- v. Explain in detail the criteria for an employee to receive incentive compensation, and how the amount of incentive compensation is calculated. For example, in 2019 incentive compensation of \$18,400 was given to the President & CEO, \$20,000 in 2020, \$39,500 in 2021, \$20,500 in 2022, \$47,500 in 2023, and \$48,000 in 2024.
- w. Explain in detail who at the Company is responsible for granting incentive compensation, and determining the amount of the incentive compensation for the salaried and non-salaried employees who are not part of the executive staff. Ensure to discuss whether the Board of Directors must approve of the incentive compensation.

- x. Explain in detail who at the Company is responsible for granting incentive compensation, and determining the amount of the incentive compensation for the executive staff. Ensure to discuss whether the Board of Directors must approve of the incentive compensation.
- y. Explain in detail who at the Company is responsible for granting incentive compensation, and determining the amount of the incentive compensation for the President & CEO. Ensure to discuss whether the Board of Directors must approve of the incentive compensation.
- z. Explain in detail why Jackson Purchase Energy would give incentive compensation in 2024 when the Company has filed for a rate increase due to an alleged revenue deficiency.
- aa. Provide a list of all employee positions that are eligible to receive incentive compensation.
- bb. Refer to the Excel spreadsheet, the Row titled “Incentive Compensation, Executive Staff” and “Incentive Compensation, Salaried Staff” summaries for the years 2015, 2016, and 2018. The summaries list incentive compensation, but in Column K titled “Incentive Compensation” there is no incentive compensation listed. For example, in 2018, the summary lists \$7,000 of incentive compensation for the executive staff and \$10,600 for the salaried staff, yet in Column K titled “Incentive Compensation” there is no monetary amounts listed. Provide a detailed explanation as to this discrepancy, and provide an updated Excel spreadsheet with correct information if applicable.
- cc. Identify what year Jackson Purchase Energy began granting incentive compensation to employees.
- dd. Explain in detail why Jackson Purchase Energy began granting incentive compensation to employees.
- ee. Provide a copy of the Company’s policy concerning the granting of incentive

compensation. If there is no policy then explain in detail why not.

- ff. Explain in detail whether there was a policy change that allowed for incentive compensation to be given in 2019, as per the response it appears that is the first year that incentive compensation was given for the years 2014 – 2024. Provide copies of all pertinent documentation regarding the same.
- gg. Provide a list of all employee positions that are eligible to receive a vehicle allowance.
- hh. Explain in detail how the vehicle allowance operates. Ensure to include in the discussion whether Jackson Purchase Energy purchases/leases the vehicles that it provides to the employees, or does the Company provide a monetary contribution to a vehicle owned by the employee; and, does the employee use the vehicle for personal use as well as for work.
- ii. Explain in detail the criteria for an employee to receive a vehicle allowance, and how the amount of the vehicle allowance is calculated. For example, in 2021 the vehicle allowances ranged from \$3,591.98 up to \$9,234.37, while in 2023 the vehicle allowances ranged from \$5,929.74 up to \$7,280.22.
- jj. Provide a copy of the Company's policy concerning the granting of vehicle allowances. If there is no policy then explain in detail why not.
- kk. Explain in detail the criteria for an employee to receive relocation assistance, and how the amount of the relocation assistance is calculated.
- ll. Provide a list of all employee positions that are eligible to receive relocation assistance.
- mm. Provide a copy of the Company's policy concerning the granting of relocation assistance. If there is no policy then explain in detail why not.
- nn. Explain in detail why Jackson Purchase Energy did not rein in employee bonuses, awards, incentive compensation, raises, insurance benefits, retirement benefits, and the like since

its last rate increase went into effect on April 8, 2022, in an effort to either prevent or reduce the pending rate increase request.

oo. Provide a copy of the Company's wage and benefit policies. If no policy exists, explain in detail why not.

pp. Explain in detail whether a written performance review is directly connected to the granting of raises, bonuses, awards, incentive compensation, etc. to each of the following categories of employees: salaried employees, non-salaried employees, and the executive staff. If not, explain in detail why not.

Response 2a: Please see the Excel spreadsheet provided separately. Jackson Purchase will continue to provide updates throughout the duration of this case.

Response 2b: Please see the spreadsheet provided in response to Request 2a. Calculations for raises are included in rows 74-76 of the spreadsheet. Please also note that Note 2 beginning in row 91 also pertains to raises. Jackson Purchase will continue to provide updates as available throughout the duration of this case.

Response 2c: The average raise that will be given to employees in 2025 is unknown at this time. Raises for all non-bargaining employees are typically merit-based raises, and therefore depend on employees' performance between July 1, 2024 – June 30, 2025. The union negotiations for the upcoming contract have not started yet. Jackson Purchase will continue to provide updates for both non-bargaining and bargaining employee raises as they become available.

Response 2d: Bargaining employees receive raises based on a pre-negotiated union contract. Non-bargaining employees' raises are merit-based raises based on performance throughout the

year (typically performance is appraised between July 1 and June 30 but raises for promotions or additional job responsibilities assumed by an employee may be granted at other times throughout the year if warranted). Merit-based raises are typically discussed amongst the executive staff, with the ultimate approval of raises being granted by the Chief Executive Officer (“CEO”). The Board of Directors has the authority to grant and determine the amount of raises only to the President/CEO.

Response 2e: Bargaining employees receive raises based on a pre-negotiated Union contract. The President/CEO has the ultimate authority to grant and determine the amount of raises to all employees (within the terms of the Union contract for bargaining employees), other than him/herself, and may do so without approval from the Board of Directors. The Board of Directors has the authority to grant and determine the amount of raises only to the President/CEO.

Response 2f: Please see Response 2(e) above.

Response 2g: The executive staff currently consists of the President/CEO, Vice President of Operations and Technical Services, Vice President of Engineering, Vice President of Accounting & Finance/Chief Financial Officer, and Vice President of Member Services, Communications and Human Resources.

Response 2h: Please see Response 2(e) above.

Response 2i: Please see the attached Policy No. 110, Board of Directors-Chief Executive Officer Relationship. The highlighted portion pertains to compensation.

Response 2j: When granted, Jackson Purchase typically pays bonuses around the Christmas holiday. Typically, these bonuses are calculated to result in a flat amount (for example, in 2023 employees were granted a \$600 bonus net of taxes, so the amount in the above referenced spreadsheet is the gross amount). The CEO was the only employee to receive less (\$400 net bonus). Employees listed in 2023 that did not receive a bonus were no longer employed by Jackson Purchase in December 2023.

Jackson Purchase also occasionally grants bonuses to employees who do not receive an annual raise for various reasons that are non-performance related (for example, the employee is already above their mid-point range according to the compensation study). Employees in the above-referenced spreadsheet who received a bonus greater than \$2,000 in 2023 did not receive an annual raise.

Response 2k: Please see Response 2(e) above. The same applies to bonuses.

Response 2l: Please see Response 2(k) above.

Response 2m: Please see Response 2(k) above.

Response 2n: All active employees are eligible to receive a bonus.

Response 2o: Please see Response 2(i) above. The same applies to bonuses.

Response 2p: Employee service awards are subject to Jackson Purchase's Policy Number 311, Employee Service Recognition and Retirement Awards, attached. Please note that the original spreadsheet provided with 2024 data mistakenly showed a \$3,500 bonus as a service award but has been corrected in the spreadsheet provided in response to Request 2a.

Response 2q: Employee service awards are subject to Jackson Purchase's Procedure Number 311, Employee Service Recognition and Retirement Awards, attached at Attachment 2p. This applies to all employees. The Board of Directors is not required to approve the awards.

Response 2r: Please see Response 2q above.

Response 2s: Please see Response 2q above.

Response 2t: All employees are eligible to receive service awards when they qualify based on years of service to the cooperative.

Response 2u: Please see Response 2q above.

Response 2v: The Chief Executive Officer is currently the only employee who receives incentive compensation, in the form of deferred compensation. The Board of Directors is responsible for managing the CEO's contract and compensation. In the past, the CEO and certain other employees have been offered a relocation allowance at the CEO's (or Board of Directors', for purposes of the CEO's relocation allowance) discretion that were also counted as "incentive compensation" in the spreadsheet previously provided.

Response 2w: See Response 2v above.

Response 2x: See Response 2v above.

Response 2y: See Response 2v above.

Response 2z: Jackson Purchase's Chief Executive Officer (CEO) is the only employee that received incentive compensation in 2024. The incentive compensation is part of the CEO's employment contract.

Response 2aa: See Response 2v above.

Response 2bb: In the past, the CEO and certain other employees have been offered a relocation allowance at the CEO's (or Board of Directors', for purposes of the CEO's relocation allowance) discretion that were also counted as "incentive compensation" in the spreadsheet previously provided.

Response 2cc: Jackson Purchase located records dating back to 2000 that showed that deferred compensation plans have been offered as incentives since at least that time. Prior to 2019, the deferred compensation plans were self-funded by the employees who participated.

Response 2dd: Jackson Purchase tries to offer competitive pay and benefits that attract and retain competent employees.

Response 2ee: Jackson Purchase does not have a formal policy regarding incentive compensation. Please see response 2v.

Response 2ff: Jackson Purchase does not have a formal policy regarding incentive compensation. The incentive compensation in the spreadsheet that was previously provided referred to deferred compensation and relocation allowances. Jackson Purchase has offered deferred compensation plans to certain employees prior to 2019, but those plans were self-funded by the employees until 2019.

Response 2gg: Please see the attached Procedure No. 303, Auto Allowance. This pertains to the two employees who currently receive an auto allowance.

Response 2hh: Please see the attached Procedure No. 303, Auto Allowance. This pertains to the two employees who currently receive an auto allowance. The CEO, Vice President of Operations and Technical Services, Vice President of Engineering, Director of Safety and Environmental Compliance, Manager of Right-of-Way, Manager of Operations, and the Mechanic drive company vehicles owned by the cooperative due to the nature of their job responsibilities. Crew Leaders

also drive company-owned vehicles home to avoid driving to the company's headquarters each time they are called after-hours due to system outages.

Response 2ii: Please see the Procedure attached with Response 2hh. The amount of vehicle allowance may differ by employee based on length of time in the applicable position and/or number of miles driven for business travel.

Response 2jj: The Procedure is provided in response to Request 2hh.

Response 2kk: Please see Response 2bb above. Relocation allowances are decided by the Board of Directors (for the CEO) or the CEO (any other employee) on a case-by-case basis.

Response 2ll: Please see response 2kk above.

Response 2mm: No formal policy or procedure exists. Relocation allowances are not common and are granted at the discretion of the Chief Executive Officer (CEO), or the Board of Directors in the case of the CEO.

Response 2nn: As mentioned in several responses, Jackson Purchase's workforce is smaller than most cooperatives its size, yet its employees must still carry out all of the same functions as other cooperatives in order to provide safe reliable service to its members. Jackson Purchase tries to offer competitive pay and benefits that attract and retain competent employees. Further, Jackson Purchase budgets for raises each year and does its due diligence to award raises and bonuses that are fair and within the approved budget. Jackson Purchase has also compared benefits, such as health insurance, with other plans but has been unable to find plans that are comparable from both a benefit and price perspective. Jackson Purchase maintains that its wages and benefits are reasonable.

Response 2oo: Please see Policy 110, Board of Directors-Chief Executive Officer Relationship, and Procedure 332, Wages and Salary.

Response 2pp: Union, hourly employees' raises are determined by a pre-negotiated contract. All other hourly employees' raises and/or performance bonuses (not including the holiday bonus, if granted) are tied to written performance reviews. Salaried managers' raises and/or performance bonuses (not including the holiday bonus, if granted) are tied to written performance reviews. The CEO meets with his direct reports (Executive Assistant, Director of Safety and Environmental Compliance, and Vice Presidents) no less than monthly and verbally discusses both individual and team performance and goals. The Board of Directors conduct an annual review of the CEO to determine compensation and incentive compensation, but also meet multiple times per month as well. Please see Responses 2p-2u above concerning awards.

**ATTACHMENT
2a IS AN EXCEL
SPREADSHEET
AND UPLOADED
SEPARATELY**

ATTACHMENT 2i



POLICY NO. 110

BOARD OF DIRECTORS-CHIEF EXECUTIVE OFFICER RELATIONSHIP

I. OBJECTIVE

To establish a policy governing the relationship between the board and the Chief Executive Officer of JPEC.

II. POLICY

The board will maintain the following principles and guidelines in its relationship with the Chief Executive Officer.

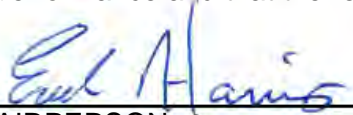
- A. **The Board of Directors is responsible for directing the affairs of the cooperative.** It reserves the authority to establish policies, approve plans and programs, exercise fiduciary oversight, **employ a Chief Executive Officer,** engage corporate counsel, hire a professional firm to conduct the financial audit, and act as trustees of member interests.
- B. The board recognizes that good management is the most important factor in the success of the cooperative. The Chief Executive Officer must be delegated sufficient authority to manage the operations of the corporation on a day-to-day basis. Although delegated, these powers are expansive in nature and substantial in depth. The Chief Executive Officer is expected to make decisions that bind the cooperative legally and that impact its on-going viability. The board further recognizes that management can be effective only if there is mutual understanding and joint cooperation. The Chief Executive Officer is expected to produce results and give an account to the board. The best results cannot be achieved unless the Chief Executive Officer is given latitude to perform within the confines of board policy. It is the board's responsibility to clearly identify any limits on management discretionary decision making.
- C. Because the Chief Executive Officer has been delegated a significant level of power and authority, he or she is recognized as a "Corporate Officer," and serves as the Chief Executive Officer of the corporation, in contrast with the chairperson, who is the principal executive officer of the board.
- D. The board delegates to the Chief Executive Officer the authority to execute and carry out plans, program, and policies. **The Chief Executive Officer is responsible for hiring personnel, determining compensation within the compensation plan and policy, supervising, and**

terminating personnel if necessary. Additionally, the Chief Executive Officer is expected to provide advice and counsel to the board, taking the lead in ensuring that important issues are presented and explained to the board.

- E. The flow of authority shall be from the board as a whole to the Chief Executive Officer to the employees. It is the policy of the board to refrain as individuals from discussing management and personnel issues with personnel of the cooperative. The board, in consultation with the Chief Executive Officer, may confer with key personnel at regular or special meetings of the board.
- F. The board recognizes that should any director undertake private conversations with others to make commitments for the board or the corporation, unless directed officially by the board, that director becomes involved in a serious breach of policy that may be subject to reprimand by the full board.
- G. The board is responsible for ensuring that the Chief Executive Officer knows and understands its expectations and any limitations it has placed on discretionary decision making. These expectations and limitations should be identified in approved policies or plans. Such policies and plans should be used as the foundation for an annual appraisal of the Chief Executive Officer's performance.

III. RESPONSIBILITIES

- A. The board chairperson/president should be responsible for ensuring adherence to this policy.
- B. The chairperson/president shall be responsible for ensuring that the board annually conducts an appraisal of the Chief Executive Officer's performance and that the results are discussed with the Chief Executive Officer.



CHAIRPERSON

10/24/2019

DATE

APPROVED: 10/24/2019
REVISED

ATTACHMENT 2p



EMPLOYEE SERVICE RECOGNITION AND RETIREMENT AWARDS

I. OBJECTIVE:

To recognize an employee's service to Jackson Purchase Energy Cooperative upon completion of designated years of service or retirement.

II. PROCEDURE:

Years of service shall be calculated from the employee's beginning date of service and include any period of temporary disability and/or approved leave of absence unrelated to his/her employment which does not exceed a length of six months. Any temporary disability and/or approved leave of absence related to employment, such as disability due to a work-related injury, shall be regarded as service time.

Years of Service Recognition

Awards shall be distributed as follows:

1. After 5 years of service with the Cooperative, the employee shall be awarded \$50.
2. After 10 years of service with the Cooperative, the employee shall be awarded \$100.
3. After 15 years of service with the Cooperative, the employee shall be awarded \$150.
4. After 20 years of service with the Cooperative, the employee shall be awarded \$200.
5. After 25 years of service with the Cooperative, the employee shall be awarded \$250.
6. After 30 years of service with the Cooperative, the employee shall be awarded \$300.
7. After 35 years of service with the Cooperative, the employee shall be awarded \$350.
8. After 40 years of service with the Cooperative, the employee shall be awarded \$400.
9. After 45 years of service with the Cooperative, the employee shall be awarded \$450.
10. After 50 years or more of service with the Cooperative, the employee shall be awarded \$500.

Retirement Recognition

An employee is eligible for a retirement award upon his/her retirement under one of the following conditions:

The employee has completed 30 years participation in NRECA Retirement Plan or attained the age of 55 years and has completed 10 years of service with the Cooperative.

The retiring employee shall be awarded a monetary award in recognition of his/her years of service to the Cooperative.

1. Upon retirement after 10-15 years of service with the Cooperative, the employee shall be awarded \$250.
2. Upon retirement after 16-20 years of service with the Cooperative, the employee shall be awarded \$350.
3. Upon retirement after 21-25 years of service with the Cooperative, the employee shall be awarded \$450.
4. Upon retirement after 26-30 years of service with the Cooperative, the employee shall be awarded \$550.
5. Upon retirement after 31-35 years of service with the Cooperative, the employee shall be awarded \$650.
6. Upon retirement after 36-40 years of service with the Cooperative, the employee shall be awarded \$750.
7. Upon retirement after 41-45 years of service with the Cooperative, the employee shall be awarded \$850.
8. Upon retirement after 46-50 years of service with the Cooperative, the employee shall be awarded \$950.

Any employee eligible for both the retirement award and the employee service recognition award shall be entitled to receive both awards cumulatively. No employee eligible for an employee service recognition award shall be denied award for the reason he/she has elected retirement.

III. RESPONSIBILITY

The Human Resources Department will be responsible for the administration of this procedure.

ACCEPTED: 01/01/2020

REVISED:

ATTACHMENT 2gg



AUTO ALLOWANCE

I. OBJECTIVE

To provide for adequate transportation for Jackson Purchase Energy Cooperative employees who routinely travel on JPEC business whereby JPEC authorizes the use of employee personal vehicles AND compensates employees for said business use.

II. PROCEDURE

- A. The CEO is to review at least annually the amount paid for auto allowance to senior staff and other employees as needed. Currently, VPs are given \$750 per month for automobile allowance, and will receive ½ of the IRS mileage rate to cover gas and related variable expenses associated with business travel. Each VP will need to track business mileage and turn it in to the CEO for approval.
- B. All participants shall submit, within 5 days of the end of the month, a mileage reimbursement form (i.e., expense reimbursement) detailing business related mileage.
- C. Auto allowance will be paid out each month, once per month. At least quarterly, the Finance department will adjust the employees pay record (taxable benefits) with the net amount of auto allowance that will be taxed.
- D. Positions currently receiving the allowance: VP Member Services, Communications & Human Resources and VP of Finance & Accounting.
- E. This procedure may be altered at any time at the discretion of the CEO.

III. RESPONSIBILITY

The CEO / President is responsible for this procedure.

ACCEPTED: 01/01/2020
REVISED: 07/29/2021
06/11/2024

ATTACHMENT 200



POLICY NO. 110

BOARD OF DIRECTORS-CHIEF EXECUTIVE OFFICER RELATIONSHIP

I. OBJECTIVE

To establish a policy governing the relationship between the board and the Chief Executive Officer of JPEC.

II. POLICY

The board will maintain the following principles and guidelines in its relationship with the Chief Executive Officer.

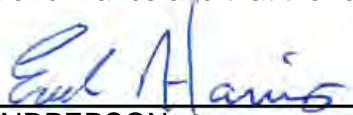
- A. The Board of Directors is responsible for directing the affairs of the cooperative. It reserves the authority to establish policies, approve plans and programs, exercise fiduciary oversight, employ a Chief Executive Officer, engage corporate counsel, hire a professional firm to conduct the financial audit, and act as trustees of member interests.
- B. The board recognizes that good management is the most important factor in the success of the cooperative. The Chief Executive Officer must be delegated sufficient authority to manage the operations of the corporation on a day-to-day basis. Although delegated, these powers are expansive in nature and substantial in depth. The Chief Executive Officer is expected to make decisions that bind the cooperative legally and that impact its on-going viability. The board further recognizes that management can be effective only if there is mutual understanding and joint cooperation. The Chief Executive Officer is expected to produce results and give an account to the board. The best results cannot be achieved unless the Chief Executive Officer is given latitude to perform within the confines of board policy. It is the board's responsibility to clearly identify any limits on management discretionary decision making.
- C. Because the Chief Executive Officer has been delegated a significant level of power and authority, he or she is recognized as a "Corporate Officer," and serves as the Chief Executive Officer of the corporation, in contrast with the chairperson, who is the principal executive officer of the board.
- D. The board delegates to the Chief Executive Officer the authority to execute and carry out plans, program, and policies. The Chief Executive Officer is responsible for hiring personnel, determining compensation within the compensation plan and policy, supervising, and

terminating personnel if necessary. Additionally, the Chief Executive Officer is expected to provide advice and counsel to the board, taking the lead in ensuring that important issues are presented and explained to the board.

- E. The flow of authority shall be from the board as a whole to the Chief Executive Officer to the employees. It is the policy of the board to refrain as individuals from discussing management and personnel issues with personnel of the cooperative. The board, in consultation with the Chief Executive Officer, may confer with key personnel at regular or special meetings of the board.
- F. The board recognizes that should any director undertake private conversations with others to make commitments for the board or the corporation, unless directed officially by the board, that director becomes involved in a serious breach of policy that may be subject to reprimand by the full board.
- G. The board is responsible for ensuring that the Chief Executive Officer knows and understands its expectations and any limitations it has placed on discretionary decision making. These expectations and limitations should be identified in approved policies or plans. Such policies and plans should be used as the foundation for an annual appraisal of the Chief Executive Officer's performance.

III. RESPONSIBILITIES

- A. The board chairperson/president should be responsible for ensuring adherence to this policy.
- B. The chairperson/president shall be responsible for ensuring that the board annually conducts an appraisal of the Chief Executive Officer's performance and that the results are discussed with the Chief Executive Officer.



CHAIRPERSON

10/24/2019

DATE

APPROVED: 10/24/2019
REVISED

Jackson Purchase Energy Corporation
Case No. 2024-00085
Attorney General's Second Request for Information

Request 3: Refer to Jackson Purchase Energy's response to the Attorney General's First Request, Items 3(j), 4(j), and 5(j). The response does not address all of the questions posed. As originally requested, provide a detailed explanation of the retirement benefits provided to the Company's executive staff, salaried, and non-salaried employees, including but not limited to, whether there is a defined benefit plan, 401(k) matching, etc.

Response 3: Please refer to the response to Item 17 in this request for additional details concerning retirement plans offered by Jackson Purchase.

Jackson Purchase Energy Corporation
Case No. 2024-00085
Attorney General's Second Request for Information

Request 4: Refer to Jackson Purchase Energy's response to the Attorney General's First Request, Item 7.

- a. Explain in detail whether the formal salary study that the Company refers to in this response compared Jackson Purchase Energy's wage and benefit information to the local wage and benefit information for the geographic area in which Jackson Purchase Energy operates. If not, explain in detail why not.
- b. Explain in detail what industries the salary study used to compare Jackson Purchase Energy's compensation packages. For example, were Jackson Purchase Energy's compensation packages benchmarked only against other utility companies, or were they also benchmarked against the general labor market.

Response 4a: The salary study referred to above is a study conducted by a third-party consultant. The consultant compares the salaries of Jackson Purchase employees to approximately one dozen cooperatives in NRECA's database that are similar in size to Jackson Purchase to develop salary ranges for each position. The cooperatives that Jackson Purchase is compared to are cooperatives from approximately 6-8 different states in the region.

Response 4b: Please see Response 4a above. The data collected in the study is all from organizations in the electric cooperative industry.

Jackson Purchase Energy Corporation
Case No. 2024-00085
Attorney General's Second Request for Information

Request 5: Refer to Jackson Purchase Energy's response to the Attorney General's First Request, Item 13.

- a. Explain in detail why Jackson Purchase Energy only offers two additional weeks as a payment extension option for member customers who are facing disconnection due to the inability to pay their utility bills.
- b. Provide the names of the local agencies that Jackson Purchase Energy recommends to its member customers who are having difficulty paying their electric bills.

Response 5a: Please refer to Jackson Purchase's tariff, Sheet No. 142, Part 17 Partial Payment Plan, which states that "the agreement will be mutually agreed upon and be reasonable." Jackson Purchase believes a two-week extension, on top of the 15 days between the bill date and the original due date, is reasonable and sufficient for members experiencing hardships paying their electric bills. Limiting the extension to an additional two weeks also helps to ensure that those same members don't continue to fall behind on their following bills and incur a late payment penalty.

Response 5b: Please see the attached list. Jackson Purchase's Member Services Department provides these contacts to members as needed over the phone or via email, and the list can also be found on Jackson Purchase's website.

Attachment 5b

Local Resources Available for Assistance

Ballard County

Ballard County Allied Services 270-665-5238

Ballard County Allied 270-628-3941

Ballard County Cooperative Ministry 270-665-9696

Carlisle County

West Ky Allied Services 270-628-3941

Graves County

Graves County Allied Services 270-247-4046

Anne Gardner Foundation 270-247-5803

Graves County Need Line 270-247-6333

St. Vincent 270-705-4306

Livingston County

Pennyrile Allied Services 270-928-2827

Marshall County

Marshall County Allied Services 270-527-9766

St. Pius/St. Anthony 270-395-4727

McCracken County

Family Services Society 270-443-4838 or 270-443-9257

Paducah Cooperative Ministry 270-442-6795

Salvation Army 270-442-8231

St. Vincent DePaul 270-575-1008

West Ky Allied Services 270-444-7380 or 270-247-4046

Jackson Purchase Energy Corporation
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Request 6: Refer to Jackson Purchase Energy's response to the Attorney General's First Request, Item 14(a). Explain in detail what happens to the capital credits if a member passes away and no heir can be found, or if a member moves and does not request the capital credits.

Response 6: Please refer to Case No. 2019-00053, *Electronic Application of Jackson Purchase Energy Corporation for a General Adjustment in Existing Rates*, Jackson Purchase's Response to the Attorney General's First Request for Information (filed May 13, 2019) and Case No. 2021-000358, *Electronic Application of Jackson Purchase Energy Corporation for a General Adjustment of Rates and other General Relief*, Jackson Purchase's Response to Commission Staff's Second Request for Information, Item 12 (filed Nov. 21, 2021). Additionally, KRS 272.291 states that unclaimed capital credits may be recovered by the Cooperative after a period of five years.

Jackson Purchase Energy Corporation
Case No. 2024-00085
Attorney General's Second Request for Information

Request 7: Refer to Jackson Purchase Energy's response to the Attorney General's First Request, Item 15(d). Jackson Purchase Energy asserts that since moving to its new headquarters there has been an annual cost savings of \$34,564, which the Company admits is not as much as it originally estimated.

- a. Provide the amount of annual costs savings that the Company originally estimated.
- b. Provide the amount of increased expense associated with the new headquarters including but not limited to any construction costs, renovation costs, land acquisition cost, etc.
- c. When considering the increased expense associated with the new headquarters as discussed in (b), explain in detail whether there are any actual annual cost savings.

Response 7a: The cost savings referenced in Jackson Purchase Energy's Response to the Attorney General's First Request, Item 15(d) were obtained from Case No. 2019-00326, *Electronic Application of Jackson Purchase Energy Corporation for a Certificate of Public Convenience and Necessity to Construct a New Headquarters Building*. In that case, Jackson Purchase forecasted annual electricity savings of \$41,822 for the years 2022-2028.

Response 7b: There has not been an increase in costs associated with the new headquarters building. Additionally, even if there had been increased costs, the Commission granted the Certificate of Public Convenience and Necessity finding a need for the new headquarters.

Response 7c: Please see Case No. 2019-00236, *Electronic Application of Jackson Purchase Energy Corporation for a Certificate of Public Convenience and Necessity to Construct a New*

Headquarters Building, Application, Direct Testimony of Jeffery Williams, at 7. Jackson Purchase did not, and does not, claim there was to be an overall cost savings for a new headquarters. The cost savings was for the annual electricity, not an overall cost savings.

Jackson Purchase Energy Corporation
Case No. 2024-00085
Attorney General's Second Request for Information

Request 8: Refer to Jackson Purchase Energy's response to the Attorney General's First Request, Item 15(e). Confirm that based upon Jackson Purchase Energy's calculations, the rate increase granted in Case No. 2021-00358, increased the average residential customer's bill, using 1176 kWh, by \$20.11, from \$134.92 to \$155.03, or a 14.90% increase. If not confirmed, explain why not in detail.

Response 8: These values are very close. Using adjusted test year data from the last rate case, the average residential member using 1,176 kWh per month would experience an average monthly bill increase of \$19.99 per month, or 14.1%, including but assuming no change to the monthly billing riders. This takes into account the then-calculated year-end customer adjustment. See attached worksheet for detailed calculations.

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SEPARATELY**

Jackson Purchase Energy Corporation
Case No. 2024-00085
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Request 9: Refer to Jackson Purchase Energy's responses to the Attorney General's First Request, Items 17(a) and 17(b), Excel spreadsheet.

- a. Confirm that as of April 30, 2024, Jackson Purchase Energy's TIER was 2.11 and OTIER was 1.84. If not confirmed, explain in detail why not.
- b. Provide the Excel spreadsheet with the most updated information. Consider this a continuing request during the pendency of this case.

Response 9a: Jackson Purchase confirms.

Response 9b: Please see the Excel spreadsheet provided separately. Jackson Purchase will continue to update as new information becomes available.

**ATTACHMENT
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AND UPLOADED
SEPARATELY**

Jackson Purchase Energy Corporation
Case No. 2024-00085
Attorney General's Second Request for Information

Request 10: Refer to Jackson Purchase Energy's response to the Attorney General's First Request, Item 18(a). Jackson Purchase Energy states that the cost-based monthly residential customer charge based upon the cost-of-service study is \$53.45. Explain in detail whether the Company's goal is to set the monthly residential customer charge at \$53.45 through future rate cases.

Response 10: The cooperative's general goal is to move to cost-based rates in a manner consistent with the broad ratemaking principles of cost-causation and gradualism. This involves a balance of increasing the customer charge for residential members to reduce interclass subsidization while also being mindful of the adverse impacts of rate shock. The \$53.45 will likely change in future cost of service studies based on the data from any given test period, but it is clear that the current charge is significantly lower than what actually costs the cooperative to provide service to residential members.

Jackson Purchase Energy Corporation
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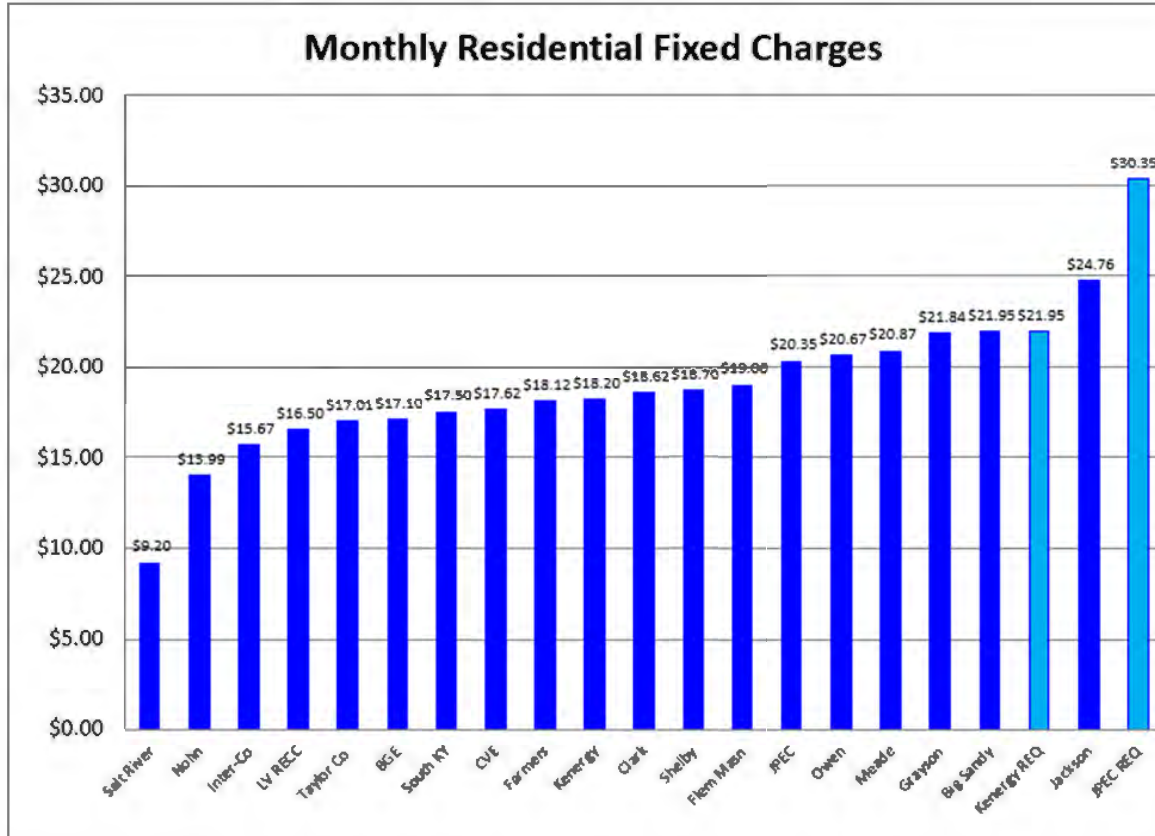
Response 11: Refer to Jackson Purchase Energy's response to the Attorney General's First Request, Item 18(e).

- a. Explain in detail why the Monthly Residential Fixed Charges chart indicates that Jackson Purchase Energy's monthly residential customer charge is currently \$24.76, instead of \$20.35.
- b. Provide the aforementioned chart with all necessary corrections.
- c. As originally requested, provide the chart, and include Jackson Purchase Energy's current monthly residential customer charge as well as the proposed monthly residential customer charge.
- d. Confirm that based upon the chart, if the Commission grants Jackson Purchase Energy's request for a \$30.35 monthly residential customer charge, then it will be the highest monthly residential customer charge in the state of Kentucky.
- e. Confirm that based upon the chart, if the Commission grants Jackson Purchase Energy's request for a \$30.35 monthly residential customer charge, then it will be more than three times higher than Salt River Electric Cooperative Corporation's \$9.20 monthly residential customer charge.

Response 11a: The \$24.76 is for Jackson Energy Cooperative, and the \$20.35 is for Jackson Purchase Energy.

Response 11b: The chart is correct; see the response to part a.

Response 11c: See below. The chart is updated to include the recently revised charge for Fleming-Mason Energy.



Response 11d: If approved, the charge of \$30.35 will be higher than the residential customer charge of any other regulated electric distribution cooperative in Kentucky.

Response 11e: Confirmed. However, that comparison is not relevant to Jackson Purchase Energy's cost to serve; each of the distribution cooperatives faces a different set of circumstances with respect to terrain, membership, rate case history, management, local economic drivers, and other factors that drive legitimate differences in their costs to provide electric service.

Jackson Purchase Energy Corporation
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Attorney General's Second Request for Information

Request 12: Refer to Jackson Purchase Energy's response to the Attorney General's First Request, Item 26(g). Confirm that the only action the Company has taken to address the right-of-way ("ROW") management expenses, as ordered by the Commission in its Final Order in Case No. 2021-00358, is to be selective in the trees that it removes on its circuit so more miles can be cut. If not confirmed, provide all other actions the Company has taken to address the ROW management expenses.

Response 12: Jackson Purchase confirms but would add that it also decided to delay herbicide spraying in some years to cut expenses. Trees identified to be removed in the last five feet of the ROW were evaluated and selectively removed based on cost and potential impact to Jackson Purchase's distribution lines.

Jackson Purchase Energy Corporation
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Attorney General's Second Request for Information

Response 13: Refer to Jackson Purchase Energy's response to the Attorney General's First Request, Item 26(g). The Attorney General requested for the Company to explain in detail whether it works with other regional electric utilities to develop regional bids for ROW management, which could create significant cost savings. Jackson Purchase Energy responded by stating that the possibility of combining circuit mileage for bids was discussed with other electric cooperatives, and was discussed with one ROW contractor. The Company further states that the response received from the contractor was that if multiple cooperatives combined the circuits, the contractor would not have the resources to complete a project of that size.

- a. Identify the "other regional electric utilities" that Jackson Purchase Energy discussed developing regional bids for ROW management.
- b. Identify the one ROW contractor that the Company discussed regional bids for ROW management.
- c. Explain in detail why Jackson Purchase Energy only discussed developing regional bids for ROW management with one ROW contractor instead of multiple ROW contractors.
- d. Explain in detail why Jackson Purchase Energy did not discuss developing regional bids for ROW management with ROW contractors who would have the resources to complete larger projects.

Request 13a: Big Rivers Electric, Jackson Purchase Energy Corporation, Kenergy Corporation and Meade County RECC discussed a regional approach to combine milage for bidding.

Request 13b: Possible bids were discussed with The Halter Group.

Request 13c: The Halter Group has been a commonly utilized contractor among some of the regional cooperatives and was maintaining Kenergy's ROW at the time of the discussion.

Request 13d: The ROW industry was, and still is, experiencing a labor shortage. At the time discussions took place, contractors were not bidding and/or committing to contracts they could not confidently provide labor for, which is reflected in the number of bids received by Jackson Purchase each year.

Jackson Purchase Energy Corporation
Case No. 2024-00085
Attorney General's Second Request for Information

Request 14: Refer to Jackson Purchase Energy's response to the Attorney General's First Request, Item 30.

- a. Jackson Purchase Energy asserts that it only retains \$0.50/MWh from energy sales to Blockware Mining, LLC ("Blockware") per the terms of the contract. Explain in detail what entity receives the rest of the revenue associated with the energy sales to Blockware, and provide the dollar amount per MWh that is received by the other entity.
- b. Explain in detail why the Company agreed to only retain \$0.50/MWh from energy sales to Blockware.

Response 14a: All of the remaining Blockware revenue is used for the wholesale power bill from Big Rivers Electric Corporation associated with providing service to Blockware; the contract is structured in a "wholesale plus" arrangement; meaning Blockware pays the wholesale rate plus \$0.50 per kWh, and Jackson Purchase Energy retains only the \$0.50 per kWh adder.

Response 14b: This structure works because the member is served at higher voltage and did not require the distribution cooperative to invest in facilities in order to provide service. The contract was approved by the Commission and is available here:

<https://psc.ky.gov/Home/Library?type=Tariffs&folder=Electric%5CJackson%20Purchase%20Electric%20Coop%20Corp%5CContracts%20and%20Info%5CBlockware%20Mining%2C%20LLC>

Jackson Purchase Energy Corporation
Case No. 2024-00085
Attorney General's Second Request for Information

Request 15: Refer to Jackson Purchase Energy's response to the Attorney General's First Request, Item 31. Jackson Purchase Energy asserts that the headcount decreased in 2023 compared to 2019, but the cost of labor and benefits increased by approximately \$1 million between 2019 and 2023, or about 12%. Explain in detail why Jackson Purchase Energy did not attempt to rein in the cost of labor and benefits in an effort to either prevent or reduce the pending rate increase request.

Response 15: Please refer to the response to Item 2(nn).

Jackson Purchase Energy Corporation
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Attorney General's Second Request for Information

Request 16: Refer to Jackson Purchase Energy's response to the Attorney General's First Request, Item 33(a)(i). The answer is nonresponsive. As originally requested, explain in detail why Jackson Purchase Energy pays a higher percentage for non-bargaining employees' health insurance premium costs than for the bargaining employees.

Response 16: The employee is required to pay part of the cost of the medical/dental/vision plan offered through NECA-IBEW as discussed in the Response to Commission Staff's First Request for Information, Item 23. The Response to Commission Staff's First Request for Information, Item 25 provides Jackson Purchase's Procedure No. 340, JPEC Medical Insurance Program, which explains how increases in premiums are handled for nonbargaining employees. Increases in these premiums are shared by an 80/20 (80% employer, 20% employee) cost share going forward. The Board adopted this rule in 2006 and it has not changed. The labor contract shown in the Response to Commission Staff's First Request for Information, Item 24 shows the amounts that bargaining employees contribute from year to year. Employees also pay one-third of the premium for Long-Term Disability insurance, of which participation by the employee is optional; the same cost share of this benefit was in effect during Jackson Purchase's last general rate case.

Jackson Purchase Energy Corporation
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Attorney General's Second Request for Information

Request 17: Refer to Jackson Purchase Energy's responses to the Attorney General's First Request, Item 35 and to the Commission Staff's First Request for Information ("Staff's First Request"), Item 35.

- a. Jackson Purchase Energy asserts that the retirement offered to bargaining employees consists of a 5% employer contribution to the NECA-IBEW pension and participation in the NRECA R&S plan benefit, which is fully funded by the employer.
 - i. Explain the difference between the NECA-IBEW pension and the NRECA R&S plan benefit.
 - ii. Explain in detail why the bargaining employees are not required to contribute to their retirement pensions.
 - iii. Confirm that Jackson Purchase Energy is still offering the NECA-IBEW pension and participation in the NRECA R&S plan benefit to newly hired bargaining employees. If confirmed, explain why the Company is still offering a pension plan. If not confirmed, explain what retirement plan is being offering to newly hired bargaining employees.
- b. Jackson Purchase Energy asserts that the retirement offered to non-bargaining employees hired before 2006 is the NRECA R&S plan and the employer contributes 4% to their 401(k).
 - i. Provide the employer and employee contribution to the NRECA R&S plan. If the

employee does not contribute to the plan explain in detail why not.

- ii. Explain in detail whether the non-bargaining employee is required to contribute to the 401(k) plan, and if not, explain in detail why not.
- c. Jackson Purchase Energy asserts that the retirement offered to all non-bargaining employees hired in 2006, or after, receive a 14% employer contribution to their 401(k), and employees have no required contributions. Explain in detail why employees are not required to contribute to their own 401(k) retirement.

Response 17a(i): Both plans are defined benefit plans. However, only bargaining employees at Jackson Purchase are eligible to participate in the NECA-IBEW pension, while Jackson Purchase currently has six employees who are non-bargaining employees who were grandfathered in with the NRECA R&S plan (along with all present and future bargaining employees). Also, Jackson Purchase's contributions to each plan differ. For participating employees, Jackson Purchase contributes 5% of the employee's gross base wages to the NECA-IBEW plan. Jackson Purchase pays 100% of the contribution to the NRECA R&S plan necessary to provide a 1.8 benefit level to participating employees.

Response 17a(ii): Bargaining employees are not required to contribute to the NRECA R&S Plan or the NECA-IBEW pension, as negotiated in the most recent contract. Please see the response to the Commission Staff's First Request for Information, Item 24. Jackson Purchase strives to offer competitive benefits to attract and retain qualified employees and encourage strong performance, growth and development. Employer contributions to these plans have not changed since Jackson Purchase's last rate increase.

Response 17a(iii): Jackson Purchase confirms. There is a 6-month initial waiting period before bargaining employees are eligible to receive either benefit. Please see Response 17a(ii) above for justification for offering these benefits to newly-hired bargaining employees.

Response 17b(i): Jackson Purchase contributes 100% of the total cost of the NRECA R&S Plan for non-bargaining employees hired before 2006. Jackson Purchase strives to offer competitive benefits in order to attract and retain qualified employees and to promote strong performance, growth and development. Employer contributions to this plan have not changed since Jackson Purchase's last rate increase.

Response 17b(ii): Non-bargaining employees hired before or after 2006 are not required to make contributions to their 401(k) accounts. Employees hired before 2006 who participate in the R&S Plan receive a 4% employer contribution, while employees hired in 2006 or after receive a 14% employer contribution. Jackson Purchase strives to offer competitive benefits in order to attract and retain qualified employees and to promote strong performance, growth and development. Employer contributions to this plan have not changed since Jackson Purchase's last rate increase.

Response 17c: Jackson Purchase strives to offer competitive benefits in order to attract and retain qualified employees and to promote strong performance, growth and development. Employer contributions to this plan have not changed since Jackson Purchase's last rate increase.

Jackson Purchase Energy Corporation
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Attorney General's Second Request for Information

Request 18: Refer to Jackson Purchase Energy's response to the Attorney General's First Request, Item 37.

- a. Provide the Excel spreadsheet using the most updated data.
- b. Jackson Purchase Energy asserts that it has inquired with its software provider NISC, about the possibility of having credit and debit card fees charged directly to the member customers who incur the cost, but that it is not an option provided at this time. Explain in full detail why NISC does not offer this as an option.
- c. Confirm that credit card processing fees have increased from \$54,037.50 in 2014 to \$193,935.22 in 2023, and if extrapolated out will be approximately \$214,000 in 2024. If not confirmed, explain in detail why not.
- d. Explain how Jackson Purchase Energy plans to address the 296% increase in credit card processing fees over the past decade.
- e. Confirm that all Jackson Purchase Energy's member customers, including those who pay with cash or check, are paying for the increased credit card fees through the Company's electric rates.
- f. As originally requested, since Jackson Purchase Energy does not assess a fee to its member customers to process credit cards, provide the Commission case number and Order that approved of these specific credit card fees to be included in Jackson Purchase Energy's rates.

Request 18a: Please see the attached spreadsheet. Please note that updates were made to row 5 (Credit Card Processing Transaction Fees) for years 2014, 2015, 2016, 2017, 2020, and 2021. G/L Account coding differences were mistakenly overlooked in the initial request.

Request 18b: Currently, Jackson Purchase's software provider, NISC, offers two convenience fee models for utilities who wish to charge fees to members who pay their bill via credit card. The first option is the Member-Billed option (note: when NISC refers to its member, it refers to Jackson Purchase). Under this option, the utility (Jackson Purchase) may charge any one flat rate fee (the fee cannot be a percentage of the payment) per non-recurring, non-face to face credit card transaction. Depending on the fee chosen by the utility and the fee charged to the utility by the credit card company, which varies depending on the type of card used and the amount of the payment made by Jackson Purchase's member, Jackson Purchase would either retain the profit from the transaction (assuming Jackson Purchase's fee was greater than the fee charged to Jackson Purchase by the credit card company) or would lose money on the transaction (assuming the opposite were true), but would rarely "break even" on the transaction.

The second option offered by NISC is the NISC Billed option. If Jackson Purchase were to utilize this option, Jackson Purchase would be required to bill its members making non-recurring, non-face to face credit card transactions a flat fee of \$3.95 per transaction, capped at a \$500 payment. Jackson Purchase's members would be required to make multiple payments (resulting in multiple fees of \$3.95) for any payment over \$500. The \$3.95 fee would be deposited into Jackson Purchase's bank account when the payment was made by Jackson Purchase's member. At the end of each month, Jackson Purchase would then receive a bill from NISC equaling the number of non-recurring, non-face-to-face credit card transactions processed multiplied by \$3.95, resulting in no profit or loss to Jackson Purchase on the \$3.95 credit card fee

charged to its member. NISC would absorb the actual credit card fees charged by the credit card companies for all non-recurring, non-face-to-face payments under this model.

Certain rules are enforced by the credit card companies rather than NISC that would apply to either method above. If a credit card transaction is set up as a recurring transaction or is made face-to-face (which includes all credit card payments taken internally by Jackson Purchase such as Verifone payments), the credit card companies will not allow for fees of any kind to be passed on to the utility's members. Jackson Purchase would therefore still be responsible for absorbing the credit card fees charged by the credit card companies while receiving no fees in return for these transactions. Additionally, if Jackson Purchase charges a convenience fee of any kind to its members, the discounted utility rate that Jackson Purchase currently receives on credit card transactions would be forfeited, resulting in higher fees charged by the credit card companies. In essence, if Jackson Purchase were to utilize either method above and charge a flat fee for all non-recurring, non-face-to-face transactions, and members began setting the transaction up as a recurring transaction or paying face-to-face to avoid the fee, Jackson Purchase would be absorbing the credit card fee charged by the credit card vendor at a higher rate than it is currently being charged.

As mentioned in response to the Office of the Attorney General's First Request for Information, Item 37(g), the only way for Jackson Purchase to pass the cost directly to the member who incurs it would be to manually bill each member who pays their bill via credit or debit card as a non-recurring, non-face-to-face transaction, which is unfeasible.

Request 18c: Jackson Purchase does not confirm. See response to 18a above; credit card processing fees in 2014 were actually \$104,686.68. If extrapolated out, Jackson Purchase calculates that credit card fees in 2024 will be approximately \$204,651.

Request 18d: Jackson Purchase will continue to inquire with its software provider on options for passing credit card fees to the members who incur those fees but does not see it prudent to penalize only members who pay via non-recurring or non-face-to-face credit or debit card transactions, while still absorbing the fees charged by the credit card companies on all recurring or face-to-face transactions at a higher rate.

Request 18e: Jackson Purchase confirms.

Request 18f: Jackson Purchase Energy has not treated credit card fees any differently in any of the cooperative's last retail rate cases, included Case Nos. 2021-00358 and 2019-00053.

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Jackson Purchase Energy Corporation
Case No. 2024-00085
Attorney General's Second Request for Information

Request 19: Refer to Jackson Purchase Energy's response to the Attorney General's First Request, Item 40, Excel spreadsheet.

- a. Provide a breakdown of the \$538.44 of membership dues/donations that was included in the revenue requirement. Ensure to include a description and purpose of each amount with each payee. Also, identify the customer benefit associated with each cost, if any.
- b. Provide a breakdown of the \$207,463.13 of outside services that was included in the revenue requirement. Ensure to include a description and purpose of each amount with each payee. Also, identify the customer benefit associated with each cost, if any.
- c. Provide a breakdown of the \$101,038.59 of rodeo expenses that was included in the revenue requirement. Ensure to include a description and purpose of each amount with each payee. Also, identify the customer benefit associated with each cost, if any.
- d. Provide a breakdown of the \$324.00 of employee benefits/misc. that was included in the revenue requirement. Ensure to include a description and purpose of each amount with each payee. Also, identify the customer benefit associated with each cost, if any.
- e. Provide a breakdown of the \$8,324.21 of the JPEC Annual Meeting that was included in the revenue requirement. Ensure to include a description and purpose of each amount with each payee. Also, identify the customer benefit associated with each cost, if any.

Response 19a: Please see the Excel file provided in response to the Attorney General's First

Request, Item 40. The third tab, entitled “Membership Dues_Donations”, breaks down the total on the summary sheet. The total in question were expenses for JPEC staff to attend the CFC Annual Meeting.

Response 19b: Please see the Excel file provided in response to the Attorney General’s First Request, Item 40. The fourth tab, entitled “Outside Services”, breaks down the total on the summary sheet. The total in question were expenses for janitorial services at JPEC’s headquarters, fees paid to Keller Schroeder & Associates for company office telephone issues, and consulting fees paid to Allen & Hoshall and Patterson & Dewar. Please see responses to the Commission Staff’s Second Request, Item 17 for more information on services provided by Allen & Hoshall and Patterson & Dewar.

Response 19c: Please see the Excel file provided separately. The first tab, “Rodeo Expenses”, provides a breakdown of the expenses that Jackson Purchase did or did not include in the revenue requirement as related to hosting the Kentucky Electric Cooperatives’ annual Lineman’s Rodeo in September 2022. The only expenses that JPEC included in the revenue requirement were labor-related expenses incurred for hosting the Rodeo. Because the Rodeo was held during the regular weekdays (Thursday, September 29, 2022 through Friday, September 30, 2022), Jackson Purchase felt that it was prudent to include the labor expenses in the revenue requirement, as the expenses would have been incurred regardless of Jackson Purchase hosting the Rodeo. The second tab of the spreadsheet (“Work Order Labor Scrnshots”) provides a further breakdown of the labor expenses incurred during that event.

Response 19d: Please see the Excel file provided in response to the Attorney General’s First Request for Information, Item 40. The tab, entitled “Employee Benefits Misc” breaks down the total on the summary sheet. The total in question was Jackson Purchase’s annual Business Travel

Accident plan administration fees.

Response 19e: Please see the Excel file provided in response to the Attorney General's First Request for Information, Item 40. The tab, entitled "Annual Meeting" breaks down the total on the summary sheet.

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Jackson Purchase Energy Corporation
Case No. 2024-00085
Attorney General's Second Request for Information

Request 20: Refer to Jackson Purchase Energy's responses to the Attorney General's First Request, Items 48 and 49, Excel spreadsheet. Provide the Excel spreadsheet with the most updated information, and also include whether the costs associated with each position are included in the requested revenue requirement. Consider this a continuing request during the pendency of this case.

Response 20: Please see the Excel spreadsheet provided separately for current vacant and open positions. Jackson Purchase will continue to provide updates throughout the remainder of this case. The revenue requirement was based on 70 full-time employees. Jackson Purchase currently employs 66 full-time employees, with 4 vacancies listed. Other than title changes or shifts within the organization, there have been no "new" positions created since the revenue requirement was calculated.

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Jackson Purchase Energy Corporation
Case No. 2024-00085
Attorney General's Second Request for Information

Request 21: Refer to Jackson Purchase Energy's response to the Attorney General's First Request, Item 50. Provide the titles of all three vacant positions that Jackson Purchase Energy included in the revenue requirement, and the full costs associated with the three vacant positions as well.

Response 21: Please see the response and the Excel spreadsheet provided in response to Request 20 above. The revenue requirement was based on 70 full-time employees, and Jackson Purchase currently employs 66 full-time employees with 4 vacancies listed.

Jackson Purchase Energy Corporation
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Attorney General's Second Request for Information

Request 22: Refer to the Direct Testimony of Greg Grissom (“Grissom Testimony”), page 5, in which Mr. Grissom states that one of the cost containment measures the Company has taken is to keep staffing levels at the lowest level possible while still maintaining safe and reliable service. Refer also to Jackson Purchase Energy’s response to the Attorney General’s First Request, Item 50, in which the Company admits that even though it only has 67 full-time employees, it has asked for the costs associated with 70 full-time employees to be included in the revenue requirement.

- a. Explain in detail why the member customers should be required to pay for three vacant full-time positions through electric rates.
- b. Explain in detail why the Company cited to keeping staffing levels as low as possible as an example of cost containment measures, when Jackson Purchase Energy is requesting for additional vacant positions to be included in the electric rates.
- c. Provide the titles of all three vacant full-time positions that Jackson Purchase Energy included in the revenue requirement, and the full costs associated with the three vacant positions as well.

Response 22a: Jackson Purchase has demonstrated its ability to operate on a very small staff, (see Commission Staff’s First Request for Information, Item 1(b)). However, as noted in Response 27, due to the very small staff Jackson Purchase has very large overtime expenses. Allowing Jackson Purchase the ability to hire three additional staff positions will allow Jackson Purchase to continue to provide the safe and reliable service members depend on while limiting overtime costs.

Response 22b: The cost containment measures reflect the things Jackson Purchase has done to limit expenses while prices have been increasing. Staff levels have only been one way to reduce costs. To provide safe and reliable service going forward, Jackson Purchase believes three additional staff members are necessary.

Response 22c: Please see the response to Request 21.

Jackson Purchase Energy Corporation
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Attorney General's Second Request for Information

Request 23: Refer to Jackson Purchase Energy's response to the Attorney General's First Request, Item 53, Excel spreadsheet. Provide the Excel spreadsheet with the most updated data. Consider this a continuing request during the pendency of this case.

Response 23: Please see the response to Request 26 and the corresponding spreadsheet. Budget data provided in the original response has not changed. Jackson Purchase will continue to provide updates throughout this case.

Jackson Purchase Energy Corporation
Case No. 2024-00085
Attorney General's Second Request for Information

Request 24: Refer to the Application generally. Provide the amount of Supplemental Executive Retirement Plan (“SERP”) that the Company has provided to employees for each of the years 2014 – 2024.

Response 24: Jackson Purchase does not provide SERP. To the extent this question is referring to incentive compensation; please see Jackson Purchase’s Response to the Attorney General’s First Request Item 3, Item 4, and Item 5 and the Excel file that was provided separately. The Excel file provides all compensation provided to employees.

Jackson Purchase Energy Corporation
Case No. 2024-00085
Attorney General's Second Request for Information

Request 25: Refer to Jackson Purchase Energy's response to the Attorney General's First Request, Item 54.

- a. Provide citations to all Commission precedent that has allowed an investor-owned electric utility to include SERP in the revenue requirement.
- b. Provide citations to all Commission precedent that has allowed a rural electric cooperative corporation ("RECC") to include SERP in the revenue requirement.
- c. Provide what benefits SERP provides to the Company's member customers, if any.

Response 25a: Objection. This question is outside the scope of knowledge of Jackson Purchase, it is unduly burdensome, and not relevant. Without waiving the objection, Jackson Purchase does not provide SERP.

Response 25b: Objection. This question is outside of the scope of knowledge of Jackson Purchase, it is unduly burdensome, and not relevant. Without waiving the objection, Jackson Purchase does not provide SERP.

Response 25c: Jackson Purchase does not provide SERP. To the extent this question is referring to incentive compensation; please see Jackson Purchase's Response to the Attorney General's

First Request Item 3, Item 4, and Item 5 and the Excel file that was provided separately. The Excel file provides all compensation provided to employees.

Jackson Purchase Energy Corporation
Case No. 2024-00085
Attorney General's Second Request for Information

Request 26: Refer to Jackson Purchase Energy's response to the Attorney General's First Request, Item 77. Provide the cost per mile for ROW maintenance for 2014 – 2024, as well as for the test year.

Response 26: Please see the Excel spreadsheet provided separately.

**ATTACHMENT
IS AN EXCEL
SPREADSHEET
AND
UPLOADED
SEPARATELY**

Jackson Purchase Energy Corporation
Case No. 2024-00085
Attorney General's Second Request for Information

Response 27: Refer to Jackson Purchase Energy's response to the Staff's First Request, Item 31, Excel spreadsheet.

- a. Explain in detail which employee positions are eligible for overtime pay, the criteria for an employee to receive overtime pay, and how the amount of the overtime pay is calculated.
- b. Explain in detail the large amounts of overtime pay in 2023. For example, there are 26 employees who made between \$27,175.68 - \$73,388.95 in overtime pay.
- c. Provide a copy of the policy on overtime pay, and designate who is responsible for approving overtime pay.
- d. Explain in detail why many of the Jackson Purchase Energy employees are receiving overtime pay that is almost as much as their regular salaries, while some employees are receiving more overtime pay than their regular salaries.
- e. Explain in detail which employee positions are eligible for cell phone reimbursement, the criteria for an employee to receive cell phone reimbursement, and how the amount of cellphone reimbursement is calculated.
- f. Explain what is included in Column N, titled "Other."

Response 27a: Overtime for non-bargaining employees at Jackson Purchase is determined based on the criteria set forth in Procedure 344, Overtime Pay (attached). All hourly, non-bargaining employees at Jackson Purchase are eligible to receive overtime pay at 1½ times their regular hourly

rate of pay.

Overtime for bargaining employees at Jackson Purchase is determined based on the criteria set forth in the negotiated Union contract. Please see the portions of the Union contract pertaining to overtime pay (highlighted in the attached document).

Response 27b: With the exception of one employee in 2021, all employees earning more than \$20,000 in overtime in the spreadsheet referenced above were bargaining employees. Due to the negotiated Union contract, Jackson Purchase is required to pay bargaining employees overtime, double time, and premium pay in specific situations. Overtime for bargaining employees may fluctuate due to many factors that are outside of Jackson Purchase's control, especially but not limited to outages that may be the result of weather, right-of-way, animals, vehicle, and other accidents.

A lean labor force is also partially to blame for the large amounts of overtime pay. Because of a low headcount, employees (both bargaining and non-bargaining) must occasionally work overtime in order to ensure that their tasks are completed as efficiently as possible. In the response to the Commission Staff's First Request for Information, Item 1(b), Key Ratio Trend Analysis (KRTA) data provided from cooperatives across the country showed that Jackson Purchase was ranked 65th lowest-staffed out of 67 cooperatives of a similar consumer size. In that same year, Jackson Purchase reported 65 full-time employees versus a median headcount in that category of 99 full-time employees.

Overall, Jackson Purchase's management is fully aware of the implications of overtime labor from both a financial and a companywide morale perspective. Employees must have approval from their direct supervisors before working hours that result in overtime pay, and supervisors are committed to permitting overtime hours only when truly necessary.

Response 27c: Please see Jackson Purchase's Overtime Procedure, as well as the highlighted portions of the current Union contract, both attached in response to 27(a). Employees' direct supervisors are responsible for approving overtime pay.

Response 27d: Please see the response to part b, above.

Response 27e: Certain employees at Jackson Purchase can either receive a \$25 cell phone allowance or a cell phone paid for by Jackson Purchase. Jackson Purchase grants this option to employees who use a cell phone for business purposes. These include the President/CEO, Vice Presidents, Managers, Crew Leaders, engineering personnel, and IT personnel.

Response 27f: The "Other" column in the spreadsheet refers to service awards received by employees. Upon retirement (assuming at least 10 years of service with the cooperative) and after every five years of service with the Cooperative, employees are eligible for a service award. The amount of the service award depends on the years of service the employee has completed.

ATTACHMENT 27a

(1)(c). LUNCH PERIOD - EMPLOYEES SHALL BE ENTITLED TO THIRTY (30) MINUTES TIME OUT FOR LUNCH. EMPLOYEES OR CREWS MAY TAKE THE THIRTY (30) MINUTE LUNCH IN THE MANNER THEY CHOOSE AT THE TIME THEY DESIRE, INCLUDING THE USE OF PUBLIC FACILITIES.

(1)(d). EMPLOYEES SHALL NOT BE REQUIRED TO PERFORM OUTDOOR WORK DURING INCLEMENT WEATHER, EXCEPT IN CASE OF EMERGENCY.

(2)(a). WHEN CONDITIONS REQUIRE THAT AN EMPLOYEE WORK AT A DISTANCE FROM HIS PERMANENT HEADQUARTERS AND REMAIN ON SAID WORK OVERNIGHT, JPEC, AT ITS OPTION, SHALL EITHER PROVIDE TRANSPORTATION, MEALS AND LODGING OR SHALL REIMBURSE THE EMPLOYEE A REASONABLE AMOUNT FOR SUCH EXPENSES ACTUALLY INCURRED FOR MEALS AND LODGING. IF A PUBLIC CARRIER IS USED, JPEC SHALL PAY THE ACTUAL TICKET COST. WHEN POOL/PUBLIC TRANSPORTATION IS UNAVAILABLE, USE OF PERSONAL VEHICLE WILL BE REIMBURSED AT THE CURRENT IRS RATE.

(2)(b). WHEN EMPLOYEES COVERED UNDER THIS AGREEMENT ARE CALLED TO WORK OUT-OF-TOWN STORM DAMAGE, ALL HOURS WORKED MONDAY-SATURDAY WILL BE COMPENSATED AT TIME AND ONE-HALF (1 ½) THE REGULAR RATE OF PAY. ALL HOURS WORKED SUNDAYS AND HOLIDAYS WILL BE COMPENSATED AT TWO (2) TIMES THE REGULAR RATE OF PAY IN ADDITION TO THE REGULAR HOLIDAY PAY REQUIRED BY THIS AGREEMENT. OUT-OF-TOWN WORK WILL BE DEFINED AS WORK THAT REQUIRES THE EMPLOYEE TO STAY AWAY FROM HOME.

(3). ALL EMPLOYEES COVERED BY THIS AGREEMENT SHALL RECEIVE FULL-TIME PAY SO LONG AS THEIR SERVICES ARE REASONABLY NEEDED, PROVIDED THEY ARE READY AND IN CONDITION TO PERFORM THEIR WORK. EMPLOYEES LAID OFF BECAUSE A JOB IS COMPLETED OR SHUT DOWN FOR REASONS BEYOND JPEC'S CONTROL SHALL BE PAID IN FULL TO THE DATE OF LAYOFFS.

(4). ALL TIME WORKED IN EXCESS OF THE REGULARLY SCHEDULED EIGHT (8) HOUR DAY OR FORTY (40) HOUR WEEK SHALL BE PAID FOR AT THE RATE OF ONE AND ONE-HALF (1 1/2) TIMES THE REGULAR RATE OF PAY. THIS OVERTIME SHALL BE DIVIDED AS EQUALLY AND IMPARTIALLY AS POSSIBLE AMONG THE EMPLOYEES OF THE RESPECTIVE DEPARTMENTS. ALL WORK ON SUNDAY AND HOLIDAYS WILL BE COMPENSATED FOR AT THE RATE OF TWO (2) TIMES THE REGULAR RATE OF PAY.

(5)(a). IN THE EVENT OF A MAJOR OUTAGE OR EMERGENCY, THE UNION AGREES THAT ALL EMPLOYEES SHALL, UPON NOTIFICATION, BE EXPECTED TO

BEGINNING ON DECEMBER 1, 2022, JPEC WILL PAY 82.5% OF THE FULL PREMIUM COST, AND EMPLOYEES SHALL PAY 17.5% OF THE FULL PREMIUM COST VIA EMPLOYEE PAYROLL DEDUCTION.

BEGINNING ON DECEMBER 1, 2023, JPEC WILL PAY 82.5% OF THE FULL PREMIUM COST, AND EMPLOYEES SHALL PAY 17.5% OF THE FULL PREMIUM COST VIA EMPLOYEE PAYROLL DEDUCTION.

(c) UPON RETIREMENT, JPEC WILL CONTINUE TO PROVIDE HEALTH INSURANCE COVERAGE FOR ITS RETIREES FOR A MAXIMUM OF 10 YEARS OR UNTIL SAID EMPLOYEE IS MEDICARE ELIGIBLE, WHICHEVER COMES FIRST. THIS RETIREE BENEFIT WILL CONTINUE THROUGHOUT THE ENTIRE PERIOD FOR WHICH THE RETIREE IS ELIGIBLE.

(d) THE FAILURE OF THE INDIVIDUAL EMPLOYER TO COMPLY WITH THE APPLICABLE PROVISIONS OF THE NECA-IBEW WELFARE TRUST FUND AGREEMENT SHALL ALSO CONSTITUTE A BREACH OF THIS LABOR AGREEMENT.

(24). LONG TERM DISABILITY. JPEC WILL PROVIDE TWO THIRDS (2/3) OF THE COST OF NRECA LONG TERM DISABILITY INSURANCE, IF THE EMPLOYEE ELECTS TO CONTRIBUTE THE BALANCE OF ONE THIRD (1/3).

(25). STAND BY: JPEC WILL INSTITUTE THE ON-CALL PLAN WHEREBY EMPLOYEES WILL BE DESIGNATED TO BE AVAILABLE FOR EMERGENCY CALLS. THESE ON-CALL ALLOCATIONS ARE TO BE ROTATED OVER THE EMPLOYEES IN THE CLASSIFICATIONS MEETING THE REQUIREMENTS OF EMERGENCY WORK. THE ON-CALL CREW WILL NOT BE GUARANTEED SCHEDULED OVERTIME.

THE ON-CALL CREW SHALL REPORT FOR WORK ON SATURDAY AND MONDAY THROUGH THURSDAY OF THE WORKWEEK AND BE OFF ON FRIDAY, SATURDAY AND SUNDAY FOLLOWING THEIR ON-CALL DUTY. THEY SHALL BE ON-CALL FROM THURSDAY, 3:30 P.M., UNTIL THE FOLLOWING THURSDAY, 3:30 P.M. THE CREW THAT IS DESIGNATED AS THE ON-CALL CREW SHALL BE PAID A PREMIUM RATE FOR THEIR REGULAR FORTY (40) HOURS OF WORK. THAT PREMIUM RATE SHALL BE THE RATE, AFTER ADDING THIRTY (30) PERCENT TO THEIR BASE RATE. ANY HOURS WORKED IN EXCESS OF FORTY (40) IN A WEEK OR IN EXCESS OF EIGHT (8) IN A DAY SHALL BE COMPENSATED FOR AT A RATE OF ONE AND ONE-HALF (1 1/2) TIMES THE PREMIUM RATE EXCEPT THAT WORK PERFORMED ON SUNDAYS OR HOLIDAYS WILL BE TWO (2) TIMES THE PREMIUM RATE. IN THE EVENT A HOLIDAY OCCURS DURING THE ON-CALL PERIOD, THE EMPLOYEE MAY SELECT A DAY OF THE FOLLOWING WEEK

TO CELEBRATE THE HOLIDAY. THIS WOULD ALSO APPLY TO THE ON-CALL CREWS COMING ON DUTY THANKSGIVING AFTERNOON.

(26). IT IS AGREED BY THE UNION THAT ALL EMPLOYEES, REGARDLESS OF THEIR CLASSIFICATION, SHALL ASSIST FELLOW EMPLOYEES IN ANY WORK THEY ARE CAPABLE OF DOING OR MAY BE CALLED ON TO PERFORM THAT TENDS TO EXPEDITE THE BUSINESS OF JPEC AND THE PARTICULAR JOB TO WHICH THEY HAVE BEEN ASSIGNED. NO LINE TECHNICIAN WILL RECEIVE CREW LEADER PAY WHEN NOT WORKING AS A CREW LEADER

(27). JPEC AGREES TO THE MINIMUM RATES OF PAY AS SET FORTH BELOW BUT MAY PAY HIGHER RATES:

Classification	<u>Year</u>	2018	2019	2020	2021	2022	2023
	-						
Substation Crew Leader	<u>Pay Increase</u>		\$ 0.80	\$ 0.81	\$ 0.83	\$ 0.85	\$ 0.86
		\$39.92	\$ 40.72	\$ 41.53	\$ 42.36	\$ 43.21	\$ 44.07
Substation Technician	<u>Pay Increase</u>		\$ 0.73	\$ 0.74	\$ 0.76	\$ 0.77	\$ 0.79
		\$36.29	\$ 37.02	\$ 37.76	\$ 38.51	\$ 39.28	\$ 40.07
Crew Leader	<u>Pay Increase</u>		\$ 0.80	\$ 0.81	\$ 0.83	\$ 0.85	\$ 0.86
		\$39.92	\$ 40.72	\$ 41.53	\$ 42.36	\$ 43.21	\$ 44.07
Line Technician	<u>Pay Increase</u>		\$ 0.73	\$ 0.74	\$ 0.76	\$ 0.77	\$ 0.79
		\$36.29	\$ 37.02	\$ 37.76	\$ 38.51	\$ 39.28	\$ 40.07
Apprentice Line Technician	<u>Pay Increase</u>		\$ 0.69	\$ 0.70	\$ 0.72	\$ 0.73	\$ 0.75
8th 6 months		\$34.48	\$ 35.17	\$ 35.87	\$ 36.59	\$ 37.32	\$ 38.07
	<u>Pay Increase</u>		\$ 0.66	\$ 0.67	\$ 0.69	\$ 0.70	\$ 0.71
7th 6 months		\$33.02	\$ 33.68	\$ 34.35	\$ 35.04	\$ 35.74	\$ 36.46
	<u>Pay Increase</u>		\$ 0.62	\$ 0.63	\$ 0.64	\$ 0.65	\$ 0.67
6th 6 months		\$30.85	\$ 31.47	\$ 32.10	\$ 32.74	\$ 33.39	\$ 34.06
	<u>Pay Increase</u>		\$ 0.58	\$ 0.59	\$ 0.60	\$ 0.62	\$ 0.63
5th 6 months		\$29.03	\$ 29.61	\$ 30.20	\$ 30.81	\$ 31.42	\$ 32.05
	<u>Pay Increase</u>		\$ 0.54	\$ 0.56	\$ 0.57	\$ 0.58	\$ 0.59
4th 6 months		\$27.22	\$ 27.76	\$ 28.32	\$ 28.89	\$ 29.46	\$ 30.05
	<u>Pay Increase</u>		\$ 0.51	\$ 0.52	\$ 0.53	\$ 0.54	\$ 0.55
3rd 6 months		\$25.40	\$ 25.91	\$ 26.43	\$ 26.95	\$ 27.49	\$ 28.04
	<u>Pay Increase</u>		\$ 0.47	\$ 0.48	\$ 0.49	\$ 0.50	\$ 0.51
2nd 6 months		\$23.59	\$ 24.06	\$ 24.54	\$ 25.03	\$ 25.53	\$ 26.05
	<u>Pay Increase</u>		\$ 0.44	\$ 0.44	\$ 0.45	\$ 0.46	\$ 0.47
1st 6 months		\$21.77	\$ 22.21	\$ 22.65	\$ 23.10	\$ 23.56	\$ 24.04
Line Technician Assistant	<u>Pay Increase</u>		\$ 0.66	\$ 0.67	\$ 0.69	\$ 0.70	\$ 0.71
		\$33.02	\$ 33.68	\$ 34.35	\$ 35.04	\$ 35.74	\$ 36.46
Crew Assistant	<u>Pay Increase</u>		\$ 0.40	\$ 0.41	\$ 0.42	\$ 0.42	\$ 0.43

ATTACHMENT 27c

OVERTIME PAY



I. OBJECTIVE

This procedure has been established to define the Cooperative's process for paying overtime to non-exempt JPEC employees not governed by a collective bargaining agreement.

II. PROCEDURE

- A. Overtime shall be defined as hours worked in excess of the employee's regular schedule (8 or 12 hours per day) or 40-hours per pay period.
- B. All hours worked on Saturday and Sunday will be classified as overtime unless Saturday and Sunday are part of the normal work schedule. Hours worked on holidays will also be classified as overtime.
- C. Overtime pay shall be paid at a rate of one and one-half (1 ½) times the regular rate of pay.

III. RESPONSIBILITY

The VP of HR, Communications and Member Services and the VP of Finance & Accounting will be responsible for the administration of this procedure.

This procedure becomes active December 2, 2023.

ACCEPTED: 11/21/2023

Jackson Purchase Energy Corporation
Case No. 2024-00085
Attorney General's Second Request for Information

Request 28: Refer to the Direct Testimony of John Wolfram (“Wolfram Testimony”), Reference Schedule 1.11. Explain in detail why there is no change in overtime hours when the Company has increased the regular time hours.

Response 28: The pro forma regular time hours are calculated as a normalized amount, i.e. the number of employees multiplied by 40 hours per week for the year. This is an increase over the actual hours mostly due to fluctuations in headcount over the test period. The overtime hours were not increased, consistent with the conventional approach for adjusting wages in these cases, in order to take a conservative approach for calculating the wage adjustment.

Jackson Purchase Energy Corporation
Case No. 2024-00085
Attorney General's Second Request for Information

Request 29: Refer to the Wolfram Testimony, Reference Schedule 1.11. For each of the years 2019 – 2023, please indicate the number of regular time, overtime hours, and other hours recorded, as well as the average wage charged for each.

Response 29: Please see the Excel spreadsheet provided separately. To clarify the response in Attorney General's First Request for Information, Item 75, "Other Hours" in these calculations includes no-pay hours, sick leave payout hours and vacation leave payout hours. The amount of "Other Wages" used to calculate Average Hourly Wages may include sick leave payout, vacation leave payout, service awards, COBRA insurance reimbursements, bonuses, adjustments to pay, severance, cell phone reimbursements, and auto allowances.

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Jackson Purchase Energy Corporation
Case No. 2024-00085
Attorney General's Second Request for Information

Response 30: Refer to the Wolfram Testimony, Exhibit JW-2, Summary of Pro Forma Adjustments. Refer also to the Application, JPEC-2023-RevReq-FILED.xlsx Excel spreadsheet.

- a. Explain in detail why the Company is increasing expense associated with Dues and Donations (see Cell E11 on the “Summary of Pro Forma Adjustments” and Cell D20 in the “Statement of Operations & Revenue Requirement”), when the description in the Wolfram Testimony, Reference Schedule 1.05 indicates that the adjustment is to remove these costs from the revenue requirement.
- b. Explain in detail whether this should be a reduction to expense rather than an increase as presently stated.

Response 30a: The adjustment in Reference Schedule 1.05 should reduce expense, not increase expense. The sign of the amount is inadvertently reversed and is corrected in the Excel files provided separately.

1. JPEC-2023-RevReq-REV-07-10-2024.xlsx
2. JPEC-2023-COS-REV-07-10-2024.xlsx
3. JPEC-2023-Pres Proposed Rates-REV-07-10-2024.xlsx

Response 30b: Please see the response to part a.

**ATTACHMENTS
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SEPARATELY**

Jackson Purchase Energy Corporation
Case No. 2024-00085
Attorney General's Second Request for Information

Request 31: Refer to the Wolfram Testimony, Reference Schedule 1.08, and indicate the date of the conclusion of the last rate case.

Response 31: In the last rate case, Case No. 2021-00358, the Commission issued its order on rehearing and closed the docket on May 3, 2022.

Jackson Purchase Energy Corporation
Case No. 2024-00085
Attorney General's Second Request for Information

Request 32: Refer to the Wolfram Testimony, Reference Schedule 1.08, and indicate the total costs incurred to bring the last rate case to conclusion (i.e. total rate case costs for the last rate case).

Response 32: Legal and consulting fees for the last rate case totaled \$211,970.94 and was scheduled to be amortized through March 2025. As of May 31, 2024, \$153,127.15 of the total cost has been amortized, leaving a balance of \$58,843.79.

Jackson Purchase Energy Corporation
Case No. 2024-00085
Attorney General's Second Request for Information

Request 33: Refer to the Wolfram Testimony, Reference Schedule 1.08, and indicate the total rate case costs that have been amortized since the conclusion of the last rate case.

Response 33: Please see response to Item 32. Jackson Purchase is amortizing the total costs of the last rate case at a monthly rate of approximately \$5,890.26.

Jackson Purchase Energy Corporation
Case No. 2024-00085
Attorney General's Second Request for Information

Request 34: Refer to Jackson Purchase Energy's response to the Attorney General's First Request, Item 73.

- a. Explain why the costs associated with Groves Construction, Davis Elliot Construction, and Morsey Constructors are being expensed rather than capitalized.
- b. Explain in detail what services are being provided or what facilities are being or were constructed by Groves Construction, Davis Elliot Construction, and Morsey Constructors.
- c. Indicate which FERC accounts are being charged for each of the costs listed.

Response 34a: The majority of these invoices are capitalized, due to the types of services provided by these contractors. The spreadsheet provided in response to the Attorney General's First Request, Item 73 displays actual cash expenditures to all of Jackson Purchase's third-party contractors, regardless of whether they were capitalized or expensed.

Response 34b: The three contractors mentioned above are third-party construction crews. Morsey Constructors was hired in 2021 to assist in building concrete vaults for Blockware Mining (all of this cost was then reimbursed to Jackson Purchase by Big Rivers). Groves Construction and Davis Elliot Construction provide, or provided, construction crews that work on pole replacements and other construction and/or maintenance projects on Jackson Purchase's system.

Response 34c: Jackson Purchase is not required to use FERC accounts.

Jackson Purchase Energy Corporation
Case No. 2024-00085
Attorney General's Second Request for Information

Request 35: Refer to Jackson Purchase Energy's response to the Attorney General's First Request,

Items 3 – 5.

- a. Provide a summary of all criteria used to award incentive compensation to the President/CEO.
- b. Provide how much incentive compensation was included in the Company's revenue requirement.

Response 35a: Please see the response to Item 2v.

Response 35b: All of the incentive compensation was included in the calculation for Jackson Purchase's revenue requirement.

Jackson Purchase Energy Corporation
Case No. 2024-00085
Attorney General's Second Request for Information

Request 36: Refer to Wolfram Testimony, Exhibit JW-2, Statement of Operations and Revenue Requirement.

- a. For the Pro Forma test year, provide a breakdown of operating expenses by FERC account and broken out between labor and non-labor expenses.
- b. Also, provide a similar breakdown of operating expenses by FERC account for each of the years 2019 – 2023.

Response 36a: Jackson Purchase is not required to use FERC accounts.

Response 36b: Jackson Purchase is not required to use FERC accounts.