

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF JACKSON)	
PURCHASE ENERGY CORPORATION)	CASE NO. 2024-00085
FOR A GENERAL ADJUSTMENT OF RATES)	
AND OTHER GENERAL RELIEF)	

**ATTORNEY GENERAL’S FIRST REQUEST FOR INFORMATION TO
JACKSON PURCHASE ENERGY CORPORATION**

Comes now the intervenor, the Attorney General of the Commonwealth of Kentucky, through his Office of Rate Intervention (“Attorney General”), and submits the First Request for Information to Jackson Purchase Energy Corporation (hereinafter “Jackson Purchase Energy” or the “Company”) to be answered by June 12, 2024, and in accord with the following:

- (1) In each case where a request seeks data provided in response to a staff request, reference to the appropriate requested item will be deemed a satisfactory response.
- (2) Identify the witness who will be prepared to answer questions concerning each request.
- (3) Repeat the question to which each response is intended to refer.
- (4) These requests shall be deemed continuing so as to require further and supplemental responses if the company receives or generates additional information within the scope of these requests between the time of the response and the time of any hearing conducted hereon.
- (5) Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association, be accompanied by a signed certification of the preparer or person supervising the preparation of the response on behalf of the entity that

the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

(6) If you believe any request appears confusing, please request clarification directly from undersigned Counsel for the Office of Attorney General.

(7) To the extent that the specific document, workpaper or information as requested does not exist, but a similar document, workpaper or information does exist, provide the similar document, workpaper, or information.

(8) To the extent that any request may be answered by way of a computer printout, please identify each variable contained in the printout, which would not be self-evident to a person not familiar with the printout.

(9) If the company has objections to any request on the grounds that the requested information is proprietary in nature, or for any other reason, notify the Office of the Attorney General as soon as possible, and in accordance with Commission direction.

(10) As used herein, the words "document" or "documents" are to be construed broadly and shall mean the original of the same (and all non-identical copies or drafts thereof) and if the original is not available, the best copy available. These terms shall include all information recorded in any written, graphic or other tangible form and shall include, without limiting the generality of the foregoing, all reports; memoranda; books or notebooks; written or recorded statements, interviews, affidavits and depositions; all letters or correspondence; telegrams, cables and telex messages; contracts, leases, insurance policies or other agreements; warnings and caution/hazard notices or labels; mechanical and electronic recordings and all information so stored, or transcripts of such recordings; calendars, appointment books, schedules, agendas and diary entries; notes or memoranda

of conversations (telephonic or otherwise), meetings or conferences; legal pleadings and transcripts of legal proceedings; maps, models, charts, diagrams, graphs and other demonstrative materials; financial statements, annual reports, balance sheets and other accounting records; quotations or offers; bulletins, newsletters, pamphlets, brochures and all other similar publications; summaries or compilations of data; deeds, titles, or other instruments of ownership; blueprints and specifications; manuals, guidelines, regulations, procedures, policies and instructional materials of any type; photographs or pictures, film, microfilm and microfiche; videotapes; articles; announcements and notices of any type; surveys, studies, evaluations, tests and all research and development (R&D) materials; newspaper clippings and press releases; time cards, employee schedules or rosters, and other payroll records; cancelled checks, invoices, bills and receipts; and writings of any kind and all other tangible things upon which any handwriting, typing, printing, drawings, representations, graphic matter, magnetic or electrical impulses, or other forms of communication are recorded or produced, including audio and video recordings, computer stored information (whether or not in printout form), computer-readable media or other electronically maintained or transmitted information regardless of the media or format in which they are stored, and all other rough drafts, revised drafts (including all handwritten notes or other marks on the same) and copies of documents as hereinbefore defined by whatever means made.

(11) For any document withheld on the basis of privilege, state the following: date; author; addressee; indicated or blind copies; all persons to whom distributed, shown, or explained; and, the nature and legal basis for the privilege asserted.

(12) In the event any document called for has been destroyed or transferred beyond the

control of the company, please state: the identity of the person by whom it was destroyed or transferred, and the person authorizing the destruction or transfer; the time, place, and method of destruction or transfer; and, the reason(s) for its destruction or transfer. If destroyed or disposed of by operation of a retention policy, state the retention policy.

(13) Provide written responses, together with any and all exhibits pertaining thereto, in one or more bound volumes, separately indexed and tabbed by each response, in compliance with Kentucky Public Service Commission Regulations.

(14) “And” and “or” should be considered to be both conjunctive and disjunctive, unless specifically stated otherwise.

(15) “Each” and “any” should be considered to be both singular and plural, unless specifically stated otherwise.

Respectfully submitted,

DANIEL J. CAMERON
ATTORNEY GENERAL



ANGELA M. GOAD
J. MICHAEL WEST
LAWRENCE W. COOK
JOHN G. HORNE II
ASSISTANT ATTORNEYS GENERAL
1024 CAPITAL CENTER DRIVE, SUITE 200
FRANKFORT, KY 40601
PHONE: (502) 696-5421
FAX: (502) 564-2698
Angela.Goad@ky.gov
Michael.West@ky.gov
Larry.Cook@ky.gov
John.Horne@ky.gov

Certificate of Service and Filing

Pursuant to the Commission's Orders and in accord with all other applicable law, Counsel certifies that the foregoing electronic filing was transmitted to the Commission on May 29, 2024, and there are currently no parties that the Commission has excused from participation by electronic means in this proceeding.

This 29th day of May, 2024,

Angela M. Aoad

Assistant Attorney General

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1. Refer to the Application generally. Provide an organizational chart of Jackson Purchase Energy, including all positions. If a position is vacant, please designate as such.
2. Refer to the Application, page 1, in which Jackson Purchase Energy states that it provides electric power to approximately 23,000 members in the Kentucky counties of Ballard, Carlisle, Graves, Livingston, Marshall, and McCracken.
 - a. Provide a detailed account of all economic issues that the Company's customers in the above-referenced counties are combating at the present time.
 - b. Provide Jackson Purchase Energy's actual number of customers for the years 2014 – 2024.
 - c. Explain in detail whether Jackson Purchase Energy projects a future gain or loss of electric customers, and provide copies of all projections concerning the same.
 - d. Provide Jackson Purchase Energy's total annual energy sales for the years 2014 – 2024.
 - e. Explain whether Jackson Purchase Energy expects annual energy sales to increase or decrease, and provide copies of all projections concerning the same.
 - f. Provide a map of Jackson Purchase Energy's electric service area.
 - g. Provide a list of all rural electric cooperatives and investor-owned electric utilities whose service territory is contiguous with Jackson Purchase Energy's service territory.
 - h. Explain whether Jackson Purchase Energy has ever worked, or plans on working, with any other rural electric cooperative or investor-owned electric utility on any

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joint ventures to provide electricity to Ballard, Carlisle, Graves, Livingston, Marshall, and McCracken counties.

- i. Based upon the most recent United States Census information, the poverty rates for Jackson Purchase Energy's electric service area are as follows:

Ballard County – 15%,

Carlisle County – 16.2%,

Graves County – 18.8%,

Livingston County – 14.6%,

Marshall County – 12.6%,

McCracken County – 15.2%.¹

Confirm that Jackson Purchase Energy is aware of the above percentages of its electric customers who live at or below the poverty line.

3. Refer to the Application generally. Provide the following information for Jackson Purchase Energy executive staff employees.
 - a. Provide the position title and salary for each executive staff employee for the years 2014 – 2024.
 - b. Provide the average raise that the executive staff employees received for the years 2014 – 2024. Ensure to explain whether the annual raise is directly connected to a performance review.

¹https://www.census.gov/quickfacts/fact/table/mccrackencountykentucky_marshallcountykentucky_livingstoncountykentucky_gravescountykentucky_carlislecountykentucky_ballardcountykentucky/PST045223.

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- c. Provide the average bonus that each executive staff employee received for the years 2014 - 2024.
- d. Provide all awards given to the executive staff employees for the years 2014 – 2024.
- e. Provide all vehicle allowances given to the executive staff employees for the years 2014 – 2024.
- f. Provide all incentive compensation given to the executive staff employees for the years 2014 – 2024.
- g. Provide the average raise, if any, which will be given to executive staff employees for 2024.
- h. Provide the average raise, if any, which will be given to executive staff employees for 2025.
- i. Provide a detailed explanation of the insurance benefits provided to the Company's executive staff employees, including but not limited to health, dental, vision, life insurance, etc. Ensure to include all premiums paid by the Company's executive staff employees, premiums paid by the Company or parent company on the executive staff employees' behalf, as well as all copays, deductibles, and maximum out of pocket amounts.
- j. Provide a detailed explanation of the retirement benefits provided to the Company's executive staff employees, including but not limited to, whether there is a defined benefit plan, 401(k) matching, etc.
- k. Explain whether any of the executive staff employees are members of a union.

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4. Refer to the Application generally. Provide the following information for Jackson Purchase Energy employees.
- a. Provide the position title and salary for each salaried employee for the years 2014 – 2024.
 - b. Provide the average raise that the salaried employees received for the years 2014 – 2024. Ensure to explain whether the annual raise is directly connected to a performance review.
 - c. Provide the average bonus that each salaried employee received for the years 2014 - 2024.
 - d. Provide all awards given to the salaried employees for the years 2014 – 2024.
 - e. Provide all vehicle allowances given to the salaried employees for the years 2014 – 2024.
 - f. Provide all incentive compensation given to the salaried employees for the years 2014 – 2024.
 - g. Provide the average raise, if any, which will be given to salaried employees for 2024.
 - h. Provide the average raise, if any, which will be given to salaried employees for 2025.
 - i. Provide a detailed explanation of the insurance benefits provided to the Company's salaried employees, including but not limited to health, dental, vision, life insurance, etc. Ensure to include all premiums paid by the Company's salaried employees, premiums paid by the Company or parent company on the salaried

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employees' behalf, as well as all copays, deductibles, and maximum out of pocket amounts.

- j. Provide a detailed explanation of the retirement benefits provided to the Company's salaried employees, including but not limited to, whether there is a defined benefit plan, 401(k) matching, etc.
 - k. Explain whether any of the salaried employees are members of a union.
5. Refer to the Application generally. Provide the following information for Jackson Purchase Energy employees.
- a. Provide the position title and wages for each non-salaried employee for the years 2014 – 2024.
 - b. Provide the average raise provided to the non-salaried employees for the years 2014 – 2024. Ensure to explain whether the annual raise is directly connected to a performance review.
 - c. Provide the average bonus provided to the non-salaried employees for the years 2014 – 2024.
 - d. Provide all awards given to the non-salaried employees for the years 2014 – 2024.
 - e. Provide all vehicle allowances given to the non-salaried employees for the years 2014 – 2024.
 - f. Provide all incentive compensation given to the non-salaried employees for the years 2014 – 2024.
 - g. Provide the average raise, if any, which will be given to non-salaried employees for 2024.

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- h. Provide the average raise, if any, which will be given to non-salaried employees for 2025.
 - i. Provide a detailed explanation of the insurance benefits provided to the Company's non-salaried employees, including but not limited to health, dental, vision, life insurance, etc. Ensure to include all premiums paid by the Company's non-salaried employees, premiums paid by the Company or parent company on the non-salaried employees' behalf, as well as all copays, deductibles, and maximum out of pocket amounts.
 - j. Provide a detailed explanation of the retirement benefits provided to the Company's non-salaried employees, including but not limited to, whether there is a defined benefit plan, 401(k) matching, etc.
 - k. Explain whether any of the non-salaried employees are members of a union.
6. Refer to the Application generally.
- a. Provide a detailed explanation of all salary and benefits provided to the members of the Board of Directors during the years 2014 – 2024. Ensure to provide the salary amounts, and specific details regarding all benefit packages, including but not limited to health, dental, vision, accidental death and disability, life insurance, bonuses, awards, vehicle allowances, and the like.
 - b. Provide the total amount of the Board of Directors' fees for the test year.
 - c. Provide a breakdown of the total amount of the Board of Directors' fees for the test year.

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- d. Discuss if there will be any changes to the Board of Directors' salaries and/or benefit packages in 2024 or 2025.
 - e. When setting the Board of Directors' fees and benefits did Jackson Purchase Energy review other Kentucky rural electric cooperative Board of Directors' fees and benefits? If so, explain in detail the findings. If not, explain in detail why not.
7. Refer to the Application generally. Provide a copy of all formal studies conducted that compare 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 no such study exists, explain why not.
 8. Refer to the Application generally. Explain the current process of awarding wage/salary increases to salaried versus non-salaried and union versus non-union employees.
 9. Refer to the Application generally. Explain in detail whether Jackson Purchase Energy has obtained and/or whether the Company is seeking any funds/grants from federal, state, or local sources which have been or will be made available. If so, identify the source and amount of those funds/grants. If not, and funds/grants are available for which the Company is eligible, explain why the Company is foregoing those opportunities.
 10. Refer to the Application generally. Provide a succinct list that identifies all proposed pro forma adjustments, the amount of each pro forma adjustment, along with a brief description of each adjustment.
 11. Refer to the Application generally. Provide a list that identifies all miscellaneous costs for the test year, including but not limited to dinners (including all holiday dinners), gifts,

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donations, membership dues, annual meeting costs, etc. For each cost indicate whether it was removed from or included in the requested revenue requirement.

12. Refer to the Application generally. Explain in detail whether there are any direct charges, allocated costs, surcharges, pass-through charges, etc., from Big Rivers electric Corporation (“Big Rivers”), or any other entity, to Jackson Purchase Energy. If so, provide a detailed list of the same with explanations for each allocated charge.
13. Refer to the Application generally. Explain in detail whether Jackson Purchase Energy provides any assistance program(s) for customers experiencing difficulty paying their electric bills.
14. Refer to the Application generally.
 - a. Provide a detailed explanation of how Jackson Purchase Energy operates its capital credit program, and ensure to discuss how the Company accounts for capital credits that cannot be provided back to the member due to the member passing away, moving, etc.
 - b. Provide the monetary amount of capital credits that Jackson Purchase Energy currently has on the books, separated by year.
15. Refer to the Application, paragraph 2.
 - a. Confirm that in Case No. 2021-00358, the Commission granted Jackson Purchase Energy a \$6,794,425 rate increase on April 8, 2022.² If not confirmed, explain why not in detail.

² Case No. 2021-00358, *Electronic Application of Jackson Purchase Energy Cooperative Corporation for a General Adjustment of Rates and Other General Relief* (Ky. PSC April 8, 2022).

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- b. Confirm that in Case No. 2021-00358, the Commission granted Jackson Purchase Energy an increase in the monthly residential customer charge from \$16.40 to \$20.35.³
- c. As required by the Commission's Final Order in Case No. 2021-00358, provide in specific detail what actions the Company has taken to address the ROW management expenses.⁴
- d. As required by the Commission's Final Order in Case No. 2021-00358, demonstrate the cost savings from the new headquarters or provide evidence, in sufficient detail, why the cost savings have not materialized.⁵
- e. Confirm that based upon the rate increase granted in Case No. 2021-00358, for the average Jackson Purchase Energy residential customer using 1176 kWh, the average monthly bill increased by \$20.24 from \$134.92 to \$155.16, or a 15% increase.⁶ If not confirmed, explain why not in detail.
- f. Confirm that based upon the rate increase granted in Case No. 2019-00053, the residential monthly customer charge increased from \$12.45 to \$16.40, and for the average Jackson Purchase Energy residential customer using 1,134 kWh, the average monthly bill increased by \$3.95, from \$126.73 to \$130.68.⁷ If not confirmed, explain why not in detail.

16. Refer to the Application generally.

³ *Id.* at 23.

⁴ *Id.* at 12.

⁵ *Id.* at 14.

⁶ *Id.* at 23 – 24.

⁷ Case No. 2019-00053, *Electronic Application of Jackson Purchase Energy Corporation for a General Adjustment in Existing Rates* (Ky. PSC June 20, 2019), Order at 16 – 17.

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- a. Explain in detail whether Jackson Purchase Energy has participated in, or continues to participate in, the Rural Utilities Service's ("RUS") Cushion of Credit program.
- b. Confirm that the RUS Cushion of Credit program allowed cooperatives utilities to deposit cash with RUS from funds available in excess of its debt service requirements and earn interest on those deposits at 5.0%. However, when changes were made to the RUS Cushion of Credit Program through the enactment of the 2018 Farm Bill, it modified the interest rate on those deposits from 5% to the 1-year variable treasury rate on October 1st of each year. The 2018 Farm Bill also allowed for cooperatives to apply the Cushion of Credit funds to outstanding RUS and Federal Financing Bank ("FFB") loans by September 30, 2020, without prepayment penalties.⁸ If not confirmed, explain why not.
- c. Explain whether Jackson Purchase Energy is aware of any further updates to the RUS Cushion of Credit program since the 2018 Farm Bill was enacted.
- d. If Jackson Purchase Energy received interest income from the RUS Cushion of Credit program for the test year, explain whether this amount was included in the revenue requirement. If not, explain why not.
- e. When changes were made to the Federal Farm Bill in 2018, explain whether Jackson Purchase Energy used its Cushion of Credit deposit amounts to prepay its RUS/FFB loans without penalty from the period of December 20, 2018 – September 30, 2020. If not, explain in detail why not.

⁸<https://www.federalregister.gov/documents/2019/06/07/2019-11924/announcement-of-new-cushion-of-credit-program-provisions>; <https://www.usda.gov/farmbill>; <https://www.electric.coop/farm-bill-advances-electric-co-op-interests-in-rural-development-broadband>.

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- f. Provide a detailed account of Jackson Purchase Energy's Cushion of Credit deposit amounts for the years 2014 – 2024.
 - g. Provide a detailed account of Jackson Purchase Energy's RUS/FFB loans, with the corresponding principal and interest amounts, for the years 2014 – 2024.
17. Refer to the Application, paragraph 4. Jackson Purchase Energy asserts that it is requesting a \$5,585,876 rate increase, or 5.8% increase, to achieve a Times Interest Earned Ratio ("TIER") of 2.0.
- a. Provide Jackson Purchase Energy's TIER for the years 2014 – 2024.
 - b. Provide Jackson Purchase Energy's Operating Times Interest Earned Ratio ("OTIER") for the years 2014 – 2024.
18. Refer to the Application, paragraph 5. Jackson Purchase Energy states that it is requesting an increase in the monthly residential customer charge from \$20.35 to \$30.35.
- a. Explain how seeking to increase the monthly residential customer charge from \$20.35 to \$30.35, which is an increase of approximately 49.14%, is in line with the principle of gradualism.
 - b. Explain whether Jackson Purchase Energy contemplated proposing a lower increase to the monthly residential customer charge so as not to create rate shock for the customers.
 - c. Explain whether Jackson Purchase Energy contemplated implementing the proposed higher customer charge in two phases instead of a 49.14% increase at one time.

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- d. Confirm that in Case No. 2021-00358, the Commission found that because Jackson Purchase Energy received an increase to the customer charge of \$3.95 less than three years prior, the incremental increase in that case should not exceed the amount granted in the 2019 Rate Case.⁹ If not confirmed, explain in detail why not.
 - e. Provide a list of all electric utilities in Kentucky, with the corresponding monthly residential customer charge, residential volumetric charge, average bill, and rank the utilities from lowest to highest average bill. Ensure to include Jackson Purchase Energy's proposed residential customer charge, residential volumetric charge, average bill, and rank based upon its proposed revenue requirement.
19. Refer to the Application, paragraph 25. Jackson Purchase Energy asserts that even though it had a general rate increase case in 2021, with a rate increase awarded in 2022, due to increased expenses it is in the cooperative's best interest to increase rates again. Explain in detail and provide all examples of cost control measures that Jackson Purchase Energy has implemented since the last general rate case, if any.
20. Refer to the Application, paragraph 29.
- a. Jackson Purchase Energy asserts that it is requesting the rate case expense to be allowed recovery in the rates, and amortized over a three-year period.
 - i. Provide the total rate case expense that has been accrued thus far. Consider this a continuing request.

⁹ Case No. 2021-00358, *Electronic Application of Jackson Purchase Energy Cooperative Corporation for a General Adjustment of Rates and Other General Relief* (Ky. PSC April 8, 2022), Order at 23.

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- ii. Provide a breakdown of the total rate case expense that has been accrued thus far by category. Consider this a continuing request.
 - iii. Provide copies of invoices supporting the level of incurred rate case costs to date and supply such new invoices as they become available.
 - iv. Provide the estimated total rate case expense.
 - v. Provide a breakdown of the estimated total rate case expense.
 - vi. Explain whether Jackson Purchase Energy intends to include charges for its own employees to work on the rate case during regular business hours.
21. Refer to the Application, Exhibit 1. Jackson Purchase Energy states that without a rate increase its “insufficient rate structure will continue to put it at risk of non-compliance with its lenders...”
- a. Explain in detail the various lender requirements.
 - b. Provide Jackson Purchase Energy’s rate structure in comparison to its lender requirements for the years 2014 – 2024.
22. Refer to the Application, Exhibit 4. Explain why Jackson Purchase Energy is proposing the same monthly customer charge and energy volumetric rate for both the residential customers and small commercial single phase customers. Ensure to discuss how it is fair, just, and reasonable to force residential customers to pay the same rate as commercial customers.
23. Refer to the Application, Exhibit 5.

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- a. Confirm that the average residential customer, using 1,116 kWh of electricity, will have a \$13.95 increase, or 8.1%, to its monthly electric bill if the Commission grants Jackson Purchase Energy's rate increase request.
 - b. Provide what the average residential customer's total monthly electric bill will be if the Commission grants Jackson Purchase Energy's rate increase request.
24. Refer to the Direct Testimony of Greg Grissom ("Grissom Testimony") at 3. Mr. Grissom states that Jackson Purchase Energy provides retail electric service to approximately 30,000 services. Reconcile this assertion with the Application, paragraph 5, which states that the Company has 23,000 customers.
25. Refer to the Grissom Testimony at 4. Mr. Grissom states that during the test year the Company's average residential customer used 1,128 kWh of electricity per month. Refer also to the Application, Exhibit 5, Notice of Proposed Adjustment to Retail Electric Rates, which provides the proposed dollar and percent increase for the residential customers based upon an average usage of 1,116 kWh. Reconcile the two different average residential customer electricity usage amounts of 1,128 kWh and 1,116 kWh.
26. Refer to the Grissom Testimony at 4. Mr. Grissom states that, "Jackson Purchase has seen additional significant increased costs in many areas of the business, particularly in material costs, labor costs, and right-of-way ("ROW") maintenance expenses."
 - a. Explain whether Jackson Purchase Energy handles ROW internally or if it uses contractors.
 - b. Provide Jackson Purchase Energy's ROW maintenance plan, including the trimming cycle.

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- c. Explain whether Jackson Purchase Energy issues requests for proposal in order to secure the most economically favorable ROW contracts.
 - d. Provide copies of all responses to the ROW requests for proposal for the last five years.
 - e. Explain in detail whether Jackson Purchase Energy coordinates its ROW program with the Kentucky Transportation Cabinet/Kentucky Department of Highways ROW program, in order to mitigate expense for the Company's customers. If not, explain why not. Provide all related documentation regarding the same.
 - f. Explain in detail whether Jackson Purchase Energy works with other regional electric utilities to develop regional bids for ROW management, which could create significant cost savings.¹⁰ If not, explain in detail why not.
 - g. Explain in detail whether Jackson Purchase Energy has taken any significant steps to address ROW management expenses since its last 2021 rate case.
 - h. The Company states that other significant adjustments to the test year include material costs and labor costs. Provide a detailed discussion of why there have been significant increases in each of the referenced categories.
27. Refer to the Grissom Testimony at 5. Mr. Grissom states that, "Jackson Purchase has experienced low customer growth and unpredictable energy sales, particularly in the residential class which makes up almost sixty (60) percent of Jackson Purchase's energy sales." Due to these issues, explain in detail whether Jackson Purchase Energy has ever

¹⁰ See Case No. 2023-00147, *Electronic Application of Taylor County Rural Electric Cooperative Corporation for a General Adjustment of Rates* (Ky. PSC April 5, 2024), Order at 12; See Case No. 2021-00407, *Electronic Application of South Kentucky Rural Electric Cooperative Corporation for a General Adjustment of Rates, Approval of Depreciation Study, and Other General Relief* (Ky. PSC June 30, 2022), Order at 30.

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discussed merger with any other similarly situated rural cooperative in order to streamline operations and obtain economies of scale. If not, explain in detail why not.

28. Refer to the Grissom Testimony at 5.

- a. Mr. Grissom states that, “Jackson Purchase transferred a \$1.975 million deposit from one of its direct serve members to be held by Big Rivers Electric Corporation (“Big Rivers”) during a time of mandated high interest rates on consumer deposits.” Explain how this transfer assisted in avoiding additional interest expense.
- b. Mr. Grissom states, “Jackson Purchase has kept staffing at the lowest level possible to still maintain safe and reliable service.”
 - i. Provide the number of full-time employees for each of the years 2014 – 2024.
 - ii. Provide the number of part-time employees for each of the years 2014 – 2024.
- c. Mr. Grissom states that, “Jackson Purchase has spent less than the budgeted amount for ROW maintenance for 2022 and 2023 because the allocated amounts were needed elsewhere to maintain financial health.”
 - i. Explain in detail, and provide a breakdown, of what the ROW maintenance expense funds were used on instead of ROW maintenance.
 - ii. Further explain why Jackson Purchase Energy should be awarded increased ROW maintenance funds if there is no guarantee that those funds will be used for ROW, but instead may be used elsewhere.

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- d. Provide the total monetary amount of the grant that the Federal Emergency Management Agency (“FEMA”) awarded Jackson Purchase Energy for a large windstorm in March 2023. Also, provide the monetary amount that Jackson Purchase Energy expended on the large windstorm in March 2023.
 - e. Provide a copy of the 2022 KRTA data that Mr. Grissom refers to concerning Jackson Purchase Energy’s cooperative size rank.
29. Refer to the Direct Testimony of Meredith Kendall (“Kendall Testimony”), at 2. Ms. Kendall discusses Jackson Purchase Energy’s debt portfolio which includes the following lenders: RUS, Cooperative Finance Corporation (“CFC”), CoBank, and FFB.
- a. Provide the TIER and OTIER that are required by all of Jackson Purchase Energy’s loan contracts.
 - b. Confirm or deny that normally loans that a rural electric cooperative enters into only require a TIER of 1.25X. If denied, explain in full detail what TIER is generally required.
 - c. If (c) is confirmed, other than Commission precedent, provide the justification and reason a higher TIER than what is required by the loan contract terms is necessary.
 - d. Explain how Jackson Purchase Energy utilizes the additional funds that the Commission awards that are above and beyond the required TIER and OTIER amounts per the loan contract terms, and how the company accounts for these funds.
 - e. If Jackson Purchase Energy were to ask for a 1.25X TIER, provide the rate increase that the Company would be seeking in the pending case, all else equal.
30. Refer to the Kendall Testimony at 6.

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- a. Provide a copy of the special contract with Blockware Mining, LLC (“Blockware”).
 - b. Explain why Jackson Purchase Energy only retains \$0.50/MWh from energy sales to Blockware.
31. Refer to the Kendall Testimony at 8. Ms. Kendall states that, “[w]hile Jackson Purchase’s headcount actually decreased in 2023 compared to 2019, the cost of labor and benefits increased by approximately \$1 million between 2019 and 2023, or about 12%.” Explain in full detail why Jackson Purchase Energy’s labor and benefits increased by \$1 million in four years even though its headcount decreased.
32. Refer to the Kendall Testimony at 8 – 9.
 - a. Explain in detail why Jackson Purchase Energy has not completed a depreciation study since 2006.
 - b. Ms. Kendall states that, “Jackson Purchase continues to depreciate its automated metering infrastructure and related utility plant assets at reasonable, industry-standard rates.” Explain what is meant by reasonable, industry-standard rates.
33. Refer to the Kendall Testimony at 9. Ms. Kendall asserts that Jackson Purchase Energy provides medical, dental, vision, short-term income replacement, and a \$20,000 life insurance policy for each employee.
 - a. Ms. Kendall states that Jackson Purchase Energy pays 92% of the total monthly premium for health insurance for non-bargaining employees versus 82.5% of the total monthly premium for health insurance for negotiating employees.

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- i. Explain in detail why Jackson Purchase Energy pays a high percentage for non-bargaining employees' health insurance premium costs than for the bargaining employees.
- b. Explain in detail whether Jackson Purchase Energy provides health savings account contributions to its employees, and if so, provide the monetary amount regarding the same.
- c. Provide a copy of all formal studies conducted that compare Jackson Purchase Energy's health insurance premium and health savings account contributions to those of local employers for the geographic area in which the Company operates. If no formal study exists explain why not.
- d. Discuss any informal studies that compare Jackson Purchase Energy's health insurance premium and health savings account contributions to those of local employers for the geographic area in which the Company operates. If no informal study exists explain why not.
- e. Confirm that according to the most recent data from the Bureau of Labor Statistics, the average share of premiums paid by the employer for single coverage in private industry is 79%.¹¹
- f. Confirm that according to the most recent data from the Bureau of Labor Statistics, the average share of premiums paid by the employer for family coverage in private industry is 67%.¹²

¹¹ <https://www.bls.gov/news.release/ebs2.t03.htm>, Table 3.

¹² <https://www.bls.gov/news.release/ebs2.t04.htm>, Table 4.

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- g. Refer to the Commission's final Order in Case No. 2021-00407, page 9.¹³ Did Jackson Purchase Energy make any adjustments to Health Benefits Expense based on health insurance benefit contributions in excess of the Bureau of Labor Statistics' average for single and family coverage? If not, explain why not and update the adjusted test year expense based on the most recent report available. Provide all supporting calculations and documents.
 - h. Provide the contribution amounts to insurance costs that are paid by Jackson Purchase Energy and the retirees.
 - i. Provide the contribution amounts to dental insurance costs that are paid by Jackson Purchase Energy and the employees.
 - j. Provide the contribution amounts to vision insurance costs that are paid by Jackson Purchase Energy and the employees.
 - k. Provide the contribution amounts to short-term income replacement costs that are paid by Jackson Purchase Energy and the employees.
 - l. Explain whether the reference to short-term income replacement is the same or different as short-term disability insurance.
34. Refer to the Kendall Testimony at 9. Ms. Kendall asserts that Jackson Purchase Energy pays for 100% of the premium for life insurance equal to two times an employee's annual base wages, and \$100,000 additional coverage for business travel accident insurance with premiums ranging from \$14.65 - \$114.53 per month per employee.

¹³ Case No. 2021-00407, *Electronic Application of South Kentucky Rural Electric Cooperative Corporation for a General Adjustment of Rates, Approval of Depreciation Study, and Other General Relief* (Ky. PSC Jun. 30, 2022), Order at 9.

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- a. Reconcile the statement by Ms. Kendall on page 9 of her testimony stating that all Jackson Purchase Energy employees are eligible for a \$20,000 life insurance policy, with the above statement that Jackson Purchase Energy provides employees with a life insurance policy equal to two times its annual base wages.
 - b. Identify how many of Jackson Purchase Energy's employees participate in the long-term disability insurance option, in which Jackson Purchase pays for 2/3 of the premium.
35. Refer to the Kendall Testimony at 10. Ms. Kendall states that for bargaining employees the Company contributes to the NRECA retirement security plan and also contributes a 5% contribution to the IBEW Pension Plan, while non-bargaining employees employed prior to 2006 participate in the NRECA retirement security plan, and receive a 4% contribution to their 401(k) account. Ms. Kendall further asserts that non-bargaining employees hired on or after January 1, 2006 receive a 14% contribution to their 401(k) account, but do not participate in the NRECA retirement security plan.
- a. Explain in detail whether the employees who participate in the NRECA retirement security plan are required to contribute any funds to the retirement plan.
 - b. Explain in detail whether the employees who participate in the IBEW Pension Plan are required to contribute any funds to the retirement plan.
 - c. Explain in detail whether the employees who participate in the 401(k) program are required to contribute any funds to that program.

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- d. Provide a copy of all formal studies that Jackson Purchase Energy conducted and/or relied upon concerning its retirement plan contribution rates, including the pension plans and 401(k) program. If no study exists, explain why not.
 - e. Provide a copy of all formal studies conducted that compare Jackson Purchase Energy's pension plan and 401(k) contribution rates to that of local employers for the geographic area in which the Company operates. If no formal study exists, explain why not.
 - f. Discuss any informal studies that compare Jackson Purchase Energy's pension plan and 401(k) contribution rates to that of local employers for the geographic area in which the Company operates. If no informal study exists, explain why not.
36. Refer to the Kendall Testimony at 11. Ms. Kendall asserts that Jackson Purchase Energy's current union contract took effect on November 3, 2019, and remains in effect until November 2, 2024. Ms. Kendall further asserts that Jackson Purchase Energy has not begun the process of renegotiating the upcoming union contract.
- a. Provide a copy of the current union contract, including all amendments.
 - b. Identify when the Company plans to begin negotiations for the new union contract.
 - c. Provide updates as to negotiations with the new union contract during the pendency of the case. Consider this an ongoing request.
37. Refer to the Application generally.
- a. Explain whether payment processing fees have risen in the past 10 years.

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- b. Provide the monetary amount that Jackson Purchase Energy has included in the revenue requirement for payment processing fees, with a breakdown between each payment type.
- c. If Jackson Purchase Energy includes credit card fees in the revenue requirement then provide the Commission case number and Order that approved these specific fees to be included in rates.
- d. Provide all payment processing fees that Jackson Purchase Energy has paid for in the years 2014 – 2024, and provide a breakdown for each type of payment processing fee.
- e. Identify the type of payments Jackson Purchase Energy accepts from a customer without assessing a fee.
- f. Identify the type of payments Jackson Purchase Energy accepts only with a fee assessment.
- g. Explain in full detail whether Jackson Purchase Energy requires a convenience fee to be added to all credit card transactions in order for other member customers to not subsidize the credit card payments. If not, explain in full detail why not.
- h. Provide the type of credit cards that Jackson Purchase accepts as payment (e.g. Visa, MasterCard, American Express, etc.), the fee that the Company pays to process each type of credit card, and the associated fee to the member customer.
- i. Provide all other forms of payment that Jackson Purchase Energy accepts from member customers to pay the utility bill, the corresponding fees that the Company

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pays for each payment type, as well as all fees assessed to the member customers for each payment type.

38. Refer to the Direct Testimony of John Wolfram (“Wolfram Testimony”) at 13 – 21. Explain whether the class cost of service study was performed in line with recent Commission precedent.¹⁴ If not, explain in detail why not.
39. Refer to the Application generally. Provide copies of the Board of Director Meeting Minutes for 2022, 2023, and 2024 year-to-date. Consider this an ongoing request during the pendency of this case.
40. Refer to the Application generally. Provide the total amount of contributions and donations included for recovery in the test year and the adjusted test year by separate payee, along with a description of and the purpose for each payee. Also identify the customer benefit associated with each cost.
41. Refer to the Wolfram Testimony, Exhibit JW-2, Schedule 1.14. If the test year is the twelve months ended August 31, 2023, explain why the ending balances for December 31, 2023 are used to calculate depreciation expense.
42. Refer to the Wolfram Testimony, Exhibit JW-2, Reference Schedule 1.05.
 - a. Provide a detailed breakdown of the donations, promotional advertising, and dues.

¹⁴ See Case No. 2021-00066, *Electronic Application of Kenergy Corp. for a General Adjustment of Rates Pursuant to Streamlined Procedure Pilot Program Established in Case No. 2018-00407* (Ky. PSC June 24, 2021), Order at 11 – 12; See Case No. 2020-00131, *Electronic Application of Meade County Rural Electric Cooperative Corporation for an Adjustment in Rates* (Ky. PSC Sept. 16, 2020), Order at 12 – 13; See Case No. 2020-00264, *Electronic Application of Cumberland Valley Electric, Inc. for a General Adjustment of Rates Pursuant to Streamlined Procedure Pilot Program Established in Case No. 2018-00407* (Ky. PSC Dec. 30, 2020), Order at 10 – 11; See Case No. 2020-00338, *Electronic Application of Licking Valley Rural Electric Cooperative Corporation for a General Adjustment of Rates Pursuant to Streamlined Procedure Pilot Program Established in Case No. 2018-00407* (Ky. PSC Apr. 8, 2021), Order at 10 – 12.

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- b. Confirm that even if some of the aforementioned expenses in (a) are being excluded for ratemaking purposes, it does not change the fact that the expenses are still being paid with ratepayer funds.¹⁵
43. Refer to the Application generally. Provide a list that identifies all miscellaneous costs for the test year, including but not limited to dinners (including all holiday dinners), gifts, donations, membership dues, annual meeting costs, etc. For each cost indicate whether it was removed from or included in the requested revenue requirement.
44. Refer to the Application generally. Identify fully any and all organizations to which Jackson Purchase Energy pays dues and/or membership fees of any type or sort (hereinafter referred to as “Dues Requiring Organizations”), which engage in any one or more of the following activities (hereinafter “covered activities”):
 - i. legislative advocacy, regulatory advocacy, and/or public relations;
 - ii. advertising;
 - iii. marketing;
 - iv. legislative policy research; and/or,
 - v. regulatory policy research.
 - a. If so confirmed with regard to any one or more of these organizations, identify that organization and provide the amount of Jackson Purchase Energy dues which that organization applies to covered activities, both in dollar terms and percentages of total dues.

¹⁵See Case No. 2016-00077, Licking Valley RECC’s response to the Attorney General’s Second Request for Information, Item 5.

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- b. Explain whether all or any portion of said dues are excluded from the pending rate case.
- 45. Refer to the Application generally. Explain whether Jackson Purchase Energy pays any dues or membership fees to law firms or trade groups which maintain an affiliate engaged in any of the covered activities identified in the preceding question.
 - a. If so, identify fully the law firm or trade group by name, the name of the affiliate engaged in any such activities, and the amounts Jackson Purchase Energy paid to the law firm, trade group, or affiliate thereof for those activities.
 - b. Explain whether Jackson Purchase Energy is seeking recovery from ratepayers for any such sums identified in subpart (a) of this question.
- 46. Refer to the Application generally. If any affiliate of Jackson Purchase Energy pays dues to one or more Dues Requiring Organizations, and a jurisdictional portion of those dues are charged back to Jackson Purchase Energy, explain whether the dues are being recovered in rates, the amounts thereof, and precisely where they can be found in the Application.
- 47. Refer to the Application generally. For all expenses associated in any manner with any Dues Requiring Organization and for which the Company seeks reimbursement from ratepayers:
 - a. Provide a complete copy of all invoices received from each such Dues Requiring Organization since the conclusion of the Company's last rate case;

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- b. Provide any and all documents in the Company's possession that depict how each such Dues Requiring Organization spends the dues it collects from the Company, including the percentage that applies to all covered activities.
 - c. Provide a detailed description of the services and benefits each Dues Requiring Organization provided to the Company since the conclusion of its most recent rate case. Of these services and benefits, identify which ones accrue directly to ratepayers, and explain fully how.
 - d. Explain whether any Company personnel actively participate on committees and/or perform any other work for any Dues Requiring Organizations or any other industry organization to which the Company belongs. If so:
 - i. State specifically which employees participate, how they are compensated for their time (amount and source of compensation), and the purpose and accomplishments of any such association related work; and,
 - ii. List any and all reimbursements received from industry associations, for work performed for such organizations by the Company's employees.
48. Refer to the Application generally. Provide a list of all open/vacant positions in the test year and adjusted test year including:
- a. Job title,
 - b. Date the job was created,
 - c. Length of time that the position has been open,
 - d. Explanation as to why the position is still vacant,
 - e. Planned hiring dates for each position,

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- f. Hiring dates for any of these positions that have been filled, and
 - g. Fully loaded annual salary for unfilled positions.
49. Refer to the Application generally. Provide a list of all new positions in the test year and adjusted test year including:
- a. Job title,
 - b. Date the job was created,
 - c. Length of time that the position has been open,
 - d. Planned hiring dates for each position,
 - e. Hiring dates for any of these positions that have been filled, and,
 - f. Fully loaded annual salary for unfilled positions.
50. Refer to the Application generally. Explain whether any expenses associated with vacant positions being filled after the end of the test year have been included in the pending rate increase/requested revenue requirement.¹⁶
51. Refer to the Application generally. Provide a description of the Company's merit and cost of living wage rate increase policies, if any.
52. Refer to the Application generally. Explain whether all non-operating margins income from all sources is included in Jackson Purchase Energy's requested revenue requirement in the pending case.
53. Refer to the Application generally.
- a. Provide the budgeted ROW maintenance expense for each of the years 2014 – 2024.

¹⁶ See Case No. 2023-00158, *Electronic Application of Farmers Rural Electric Cooperative Corporation for a General Adjustment of Rates Pursuant to Streamlined Procedure Pilot Program Established in Case No. 2018-00407* (Ky. PSC Oct. 3, 2023), Order at 10.

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- b. Provide the actual ROW maintenance expense for each of the years 2014 – 2024.
 - c. Provide the budgeted ROW miles trimmed for each of the years 2014 – 2024.
 - d. Provide the actual ROW miles trimmed for each of the years 2014 – 2024.
54. 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.
55. Provide the rate class data included in Table 1 of Mr. Wolfram’s direct testimony for the calendar years 2019 – 2023 separately by year.
56. Provide copies of all loan agreements Jackson Purchase Energy currently has in effect. These should include all loans made from the RUS, CoBank, and CFC.
57. Describe the Environmental Surcharge (“ES”) and what expenses are allowed to be captured. Further describe how expenses are passed on to members.
58. Describe the Member Rate Stability Mechanism (“MSRM”). Describe how rates are determined and collected that are subject to the MSRM.
59. Describe the Fuel Adjustment Clause (“FAC”). What costs are subject to collection of the FAC? Describe the mechanics of how rates are determined and collected via the FAC.
60. Describe the Non-FAC Purchased Power Adjustment (“Non-FAC PPA”). Describe why these costs are not included in the Fuel Adjustment Clause. Further describe the mechanics of how rates are determined and collected that are subject to the Non-FAC PPA.
61. List the dues and donations that Jackson Purchase Energy proposes to include in the revenue requirement.

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62. Provide a copy of the Company's policy to provide life insurance coverage for employees.
Describe how the \$50,000 salary cap was determined.
63. Provide the filing dates for the last five Jackson Purchase Energy rate cases.
64. Provide a breakdown of Jackson Purchase Energy's wage expenses for the last five calendar years breaking out regular time, overtime, and other/vacation payout time. Also, include the average number of employees for those years.
65. Provide the annual mileage of vegetation management clearance work performed for each of the last five calendar years. Provide the costs for vegetation management for the last five calendar years.
66. Provide a detailed description of all Directors expenses paid by Jackson Purchase Energy for 2022 and 2023. Include all expenses in which Directors are entitled to be reimbursed.
67. Does the Cooperative pay for the travel and meal expenses for Directors' spouses when the spouse accompanies the Director? If so, indicate by year, from 2022 through 2023, how much spousal travel expenses have been incurred by the Company.
68. What are the OTIER and TIER required by the Cooperative's debt covenants?
69. If the OTIER and TIER required by the Cooperative's debt covenants is lower than the 1.85 OTIER and 2.0 TIER requested in the Cooperative's rate relief request, explain why it is necessary to have rates that provide OTIER and TIER higher than required by debt covenants.
70. Are there any specific costs incurred, other than cost of electricity to serve Blockware?
71. Is there any written contract or agreement with Big Rivers regarding the \$1.975 million deposit paid by Blockware? If so, provide a copy of this agreement.

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72. How frequently has Jackson Purchase Energy transferred deposits to other cooperatives over the past five years?
73. Provide a breakdown by year and by type of service rendered of 3rd party contractor expenses for each of the last five calendar years and the test year.
74. Provide all documents that support the determination of the pro forma year average hourly wage.
75. Explain what is meant by “Other Hours” as included in the Wages and Salaries annualization.
76. Provide documentation supporting the \$225,000 in chemical spraying expense.
77. Provide documentation supporting the \$12,427.10/mile cost for the pro forma ROW cost.
78. Indicate the annual cost and expense associated with the employer portion of health care premiums in each of the last five calendar years.