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**PUBLIC SERVICE
COMMISSION**

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TRANSMITTAL COVER SHEET

Date: 8/26/09

Name: <u>Jeff Derouen</u>	Fax Number: <u>502-564-3460</u>
Company: <u>PSC</u>	From: <u>Dennis</u>
Re: <u>Jackson Purchase 2009-00326</u>	

Number of pages, including cover: <u>5</u>
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COMMENTS/SPECIAL INSTRUCTIONS

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August 26, 2009

VIA FEDERAL EXPRESS

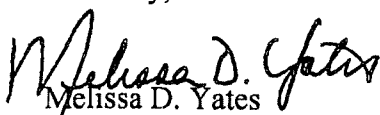
MR JEFF DEROUEN
EXECUTIVE DIRECTOR
PUBLIC SERVICE COMMISSION OF KENTUCKY
211 SOWER BOULEVARD
FRANKFORT KY 40602

**Re: Jackson Purchase Energy Corporation
Case No. 2009-00326**

Dear Sir:

Please find enclosed the original and 10 copies of Jackson Purchase Energy Corporation's Response to the Public Service Commission's August 6, 2009 Show Cause Order. Please file stamp the copy and forward to me in the self, addressed-stamped envelope.

Sincerely,


Melissa D. Yates
myates@dklaw.com

Enclosures

dh: 116282

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PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:)	
)	
JACKSON PURCHASE ENERGY CORPORATION)	CASE NO. 2009-00326
_____)	
)	
ALLEGED FAILURE TO COMPLY WITH KRS 278.042)	

**JACKSON PURCHASE ENERGY CORPORATION'S
RESPONSE TO SHOW CAUSE ORDER**

On August 6, 2009, the Kentucky Public Service Commission (hereinafter the "Commission") issued an Order directing Jackson Purchase Energy Corporation (hereinafter "JPEC") to file a written response to the allegations contained in the Incident Investigation Report prepared by Commission Staff and dated March 18, 2009. For its response to the Commission's Order, JPEC hereby states as follows:

FIRST DEFENSE

JPEC hereby denies any and all alleged violations of the National Electrical Safety Code (hereinafter the "NESC") contained in the Commission's August 6, 2009 Order, and generally denies any violation of KRS 278.042

SECOND DEFENSE

In accordance with 807 KAR 5:006, Section 24, JPEC has adopted a comprehensive safety program including a safety manual, which was previously filed with the Commission. Further, said safety program was in full force and effect on February 10, 2009. JPEC is dedicated to the safety of its employees and has implemented several programs (e.g. Monday

morning safety briefings, monthly safety meetings, tailgate sessions, and monthly Safety Committee meetings) to ensure its employees are aware of all known safety issues and mitigation measures. Further, employees are properly trained to identify hazards and mitigate their impacts to the safety of all employees working on a job site.

THIRD DEFENSE

The crew involved consisted of three Connexus employees, Tal Woodard, Scott Kiekow, and Andrew Reichwein, and one JPEC employee, Jimmy Johnson. Also present was Jack Waldridge, a Jackson Purchase Energy mechanic who was called to the scene to assist with pulling out the Connexus truck which had become stuck in the mud. The Connexus employees were working on JPEC's facilities, pursuant to a utility mutual assistance contract, in order to help restore service resulting from an unprecedented ice storm which lead to system-wide outages in JPEC's service territory. All individuals on that crew were experienced in performing this type of utility work. Further, all those working on this particular jobsite were briefed about working safely in these conditions prior to beginning work that day and had held a tailgate meeting, in order to identify and mitigate hazards, as required by OSHA standards. The occurrence of the tailgate meeting, which is not required to be in writing, is confirmed by the written statements of all crew members.

FOURTH DEFENSE

JPEC maintains this incident was caused by an unforeseeable hazard that these individuals could not have reasonably been expected to identify prior to this incident.

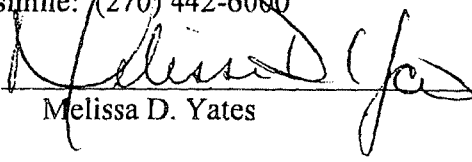
FIFTH DEFENSE

As a further defense to the citations described herein, JPEC states that the incident in question was thoroughly investigated by the Kentucky Occupational Safety and Health Administration ("KOSHA"), and that JPEC was cleared of any wrongdoing in said investigation.

NOW, THEREFORE, JPEC requests that this case be dismissed or, in the alternative, that the hearing date for September 10, 2009, be suspended and that an informal conference be scheduled with the Commission Staff for the purpose of discussing the expediting resolution of this matter.

Respectfully submitted,

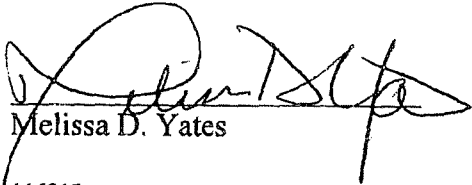
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By: 
Melissa D. Yates

I hereby certify that the foregoing has been served via facsimile at 502-564-3460 and Federal Express:

MR JEFF DEROUEN
KENTUCKY PUBLIC SERVICE COMMISSION
211 SOWER BLVD.
FRANKFORT KY 40602

on this 26th day of August, 2009.


Melissa D. Yates
116217 -