

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

RECEIVED

APR 15 2010

PUBLIC SERVICE COMMISSION

In the Matter of:)
)
)
Application of Jackson Purchase)
Energy Corporation to Amend Tariffs)

CASE NO. 2009-00451

Applicant, Jackson Purchase Energy Corporation respectfully applies for adjustments in its tariffs as described herein. An application proposing to accomplish this was submitted to the Commission under the above case number on February 22, 2010. By letter of March 31, 2010, the Commission gave notice that the application was rejected because the requested relief must be filed pursuant to the requirements of 807 KAR 5:001, Section 10. This application is filed pursuant to the requirements of that regulation.

1. Jackson Purchase Energy Corporation ("JPEC") is a non-profit electric cooperative organized under KRS Chapter 279 and is primarily engaged in the business of distributing retail electric power to member customers in the Kentucky counties of Ballard, Carlisle, Graves, Livingston, Marshall and McCracken.

2. The post office address of JPEC is P.O. Box 3020, Paducah, Kentucky 42002-4030.

3. The annual reports of JPEC are on file with the Commission in accordance with 807 KAR 5:006, Section 10(1)(b)(2).

4. A certified copy of the Articles of Incorporation of JPEC and all amendments thereto were previously filed with the Commission in Case No. 2007-115, In The Matter of: Adjustment of Rates of Jackson Purchase Energy Corporation. Accordingly, reference is made thereto. See 807 KAR 5:001, Section 10(1)(b)(3).

5. JPEC is not a limited partnership. See 807 KAR 5:001, Section 10(1)(b)(4).
6. JPEC files with this Application a current Certificate of Existence reflecting the good standing of JPEC, which is attached hereto and incorporated herein by reference as Exhibit "A". See 807 KAR 5:001, Section 10(b)(5).
7. JPEC does not conduct business under an assumed name and therefore no certificate of Assumed Name is needed for this Application. See 807 KAR 5:001, Section 10(1)(b)(6).
8. A copy of the proposed tariffs are attached hereto as Exhibit "B". See 807 KAR 5:001, Section 10(1)(b)(7).
9. JPEC has attached the current and proposed tariffs in comparative form as Exhibit "C". 807 KAR 5:001, Section 10(1)(b)(8).
10. JPEC previously requested permission to use the abbreviated form of notice as permitted by 807 KAR 5:011 Section 8(1). The Commission approved said request by an order dated January 22, 2010. JPEC provided notice of the filing of this Application to its members by publication of the abbreviated notice. A copy of the Published Notice and an Affidavit of Publication are attached hereto as Exhibit "D". See 807 KAR 5:001, Section 10(1)(b)(9).
11. As part of its application, JPEC attaches and incorporates herein by reference a copy of its Income Statement as Exhibit "E". Further, JPEC attaches and incorporates by reference a copy of its balance sheet for twelve months ending November 30, 2009, as Exhibit "F".
12. This application is supported by the testimony of G. Kelly Nuckols, President and CEO of JPEC. Said testimony is attached hereto and incorporated herein by reference as Exhibit "G". See 807 KAR 5:001, Section 10(6)(b).
13. This application requests relief in modifying a minimum billing demand on JPEC's Schedule D Tariff along with certain other charges. It is anticipated to be revenue

neutral. Therefore, this application is not supported by a historical test year or a fully forecasted test period.

14. The primary reasons for filing of this Application for a change in its Tariffs are as follows:

- a. In JPEC's previous rate case, which was resolved by a Settlement Agreement approved by the Commission's Order dated June 17, 2008, JPEC revised many of its operating tariffs.
- b. Since the new tariffs were instituted, JPEC has encountered previously unforeseen difficulties as a result of said revisions. JPEC believes that this should be corrected immediately so as not to impose any hardship on the affected customers or JPEC, rather than waiting until its next general rate case.

15. The first of the difficulties referenced above has to do with a minimum billing provision which applies to certain Commercial Customers. Under the current tariffs, it is Sheet No. 15, Schedule D – Commercial and Industrial Demand Less than 3,000 kW, which applies to 570 accounts. Not all accounts billed under this tariff will be affected by this change. As explained in the testimony of Kelly Nuckols referenced above, the maximum number of customers affected by this change, based on an analysis of billings over the past twelve (12) months, will be 142. Under the current tariff, Members who are seasonal or experience a temporary shutdown, along with those who are primary metered, are being adversely affected by the Minimum Monthly Demand. The revision to that particular tariff would be modified to reflect a recovery based on the installed equipment, instead of the highest demand established during the preceding 12 month period.

16. As part of its revised tariffs, JPEC also proposes to change its Outdoor Lighting Tariff. It is currently Sheet No. 11, Schedule OL - Outdoor Lighting. Under the revised tariff,

JPEC will install one (1) pole per service location for outdoor lighting fixtures. Additional poles may be requested and installed by JPEC, but any costs incurred by JPEC in providing the installation shall be paid by the member. JPEC would also then maintain the pole and fixture without cost to the member, unless the member has negligently caused damage to the pole. This change will also change the size of light which will be used in any new or replacement installations as the size previously used is no longer being manufactured.

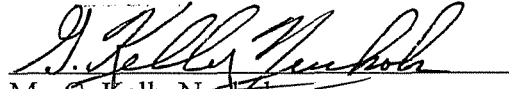
17. Finally, JPEC proposes to change Section 35 of its Rules and Regulations Tariff. The proposed revision to this tariff will set the Member's cost for setting a meter pole at \$100.00, as opposed to the actual costs incurred by JPEC. Additionally, it changes the ownership of poles installed pursuant to this tariff so that the poles will be owned by JPEC with a perpetual lease to the Member. This change is intended to allow JPEC to determine when any such meter pole is due for replacement. The perpetual lease fee shall be specified in JPEC's Non-Recurring Charges Tariff and shall be set at \$100.00.

18. JPEC believes that the information provided above in numbered paragraphs 1 through 17, along with the accompanying exhibits, fulfills all of the applicable filing requirements of 807 KAR 5:001, Section 10 that are necessary for the Commission's consideration and approval of the adjustments sought herein. JPEC believes that the other filing requirements of said regulation are inapplicable and, therefore, good cause exists for the Commission to permit deviations therefrom, and JPEC so requests.

Wherefore, JPEC hereby requests that the Public Service Commission of Kentucky enter an order approving the requested rate and tariff changes as set forth above and any other further relief which Applicant may be entitled to.

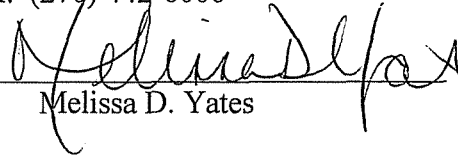
Dated this the 14th day of April, 2010.

Respectfully Submitted,


Mr. G. Kelly Nickols
President & CEO
Jackson Purchase Energy Corporation

AND

DENTON & KEULER LLP
PO BOX 929
PADUCAH KY 42002-0923
PHONE: (270) 443-8253
FAX: (270) 442-6000

By: 
Melissa D. Yates

ATTORNEYS FOR JACKSON PURCHASE
ENERGY CORPORATION

I hereby certify that the foregoing has been served via hand delivery and mailing a true and correct copy to:

MR. JEFF DEROUEN
EXECUTIVE DIRECTOR
KENTUCKY PUBLIC SERVICE COMMISSION
211 SOWER BOULEVARD
FRANKFORT KY 40602
Via Hand Delivery

HON DENNIS G HOWARD
HON LARRY COOK
OFFICE OF THE ATTORNEY GENERAL
1024 CAPITAL CENTER DRIVE SUITE 200
FRANKFORT KY 40601-8204
Via First Class Mail

on this 14th day of April, 2010.

By:


Melissa D. Yates

**Commonwealth of Kentucky
Trey Grayson, Secretary of State**

Trey Grayson
Secretary of State
P. O. Box 718
Frankfort, KY 40602-0718
(502) 564-3490
<http://www.sos.ky.gov>

Certificate of Existence

Authentication number: 95328
Visit <http://apps.sos.ky.gov/business/obdb/certvalidate.aspx> to authenticate this certificate.

I, Trey Grayson, Secretary of State of the Commonwealth of Kentucky, do hereby certify that according to the records in the Office of the Secretary of State,

JACKSON PURCHASE ENERGY CORPORATION

is a corporation duly incorporated and existing under KRS Chapter 273, whose date of incorporation is June 12, 1937 and whose period of duration is perpetual.

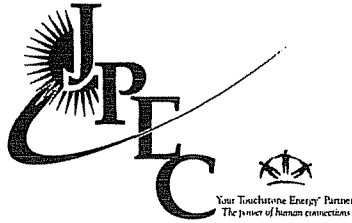
I further certify that all fees and penalties owed to the Secretary of State have been paid; that Articles of Dissolution have not been filed; and that the most recent annual report required by KRS 273.3671 has been delivered to the Secretary of State.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal at Frankfort, Kentucky, this 19th day of March, 2010, in the 218th year of the Commonwealth.



TG
Trey Grayson
Secretary of State
Commonwealth of Kentucky
95328/0025598

EXHIBIT A



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

P.S.C. KY NO. 6

SHEET NO. 15

CANCELLING P.S.C. KY NO. 5

SHEET NO. 15

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

The monthly billing shall be the sum of the Facilities Charge, Demand Charge, Energy Charge, any applicable Adjustment Clause, and applicable taxes.

Determination of Billing Demand

The billing demand shall be the maximum integrated thirty (30) minute demand of the Member at the Member's delivery point as indicated or recorded by a demand meter. Member shall maintain a power factor at the delivery point as nearly practical to unity (100%). Power factor during normal operation may range from unity to ninety percent (90%). If Member's power factor is less than ninety percent (90%) at time of maximum load, JPEC reserves the right to adjust the maximum monthly metered demand for billing purposes in accordance with the following formula:

$$\text{Monthly Billing Demand (kW)} = \frac{\text{Maximum Actual Measured Demand (kW)} \times 90\%}{\text{Power Factor (\%)}}$$

Monthly Demand Charge

The monthly demand charge under this schedule shall be determined from the greater of (1), (2), (3) or (4), except as noted below:

1. The maximum kW demand registered in the current billing period applied to current demand charge. T
2. The maximum power factor adjusted demand registered in the current billing period applied to current demand charge. T
3. The capacity charge based on the applicable installed transformer capacity in accordance with the following formula: T

$$\text{Capacity Charge} = \text{Installed Transformer Capacity (kW)} \times \$1.00 \text{ per kW}$$

4. Twenty percent (20%) of the agreement or contract capacity, based on the expected or requested maximum kW demand upon the system, applied to current demand charge. T

DATE OF ISSUE April 15, 2010
 Month / Date / Year

DATE EFFECTIVE May 15, 2010
 Month / Date / Year

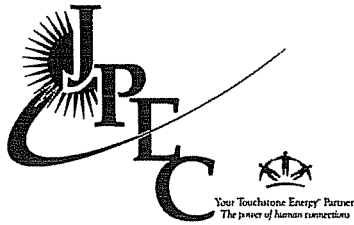
ISSUED BY G. Kelly Nuckols
 G. Kelly Nuckols

TITLE President & CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2009-00451 DATED _____

EXHIBIT B



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

P.S.C. KY NO. 6

SHEET NO. 11

CANCELLING P.S.C. KY NO. 5

SHEET NO. 11

RATES AND CHARGES
SCHEDULE OL – OUTDOOR LIGHTING

Applicability

Applicable to any class Member.

Type of Service

JPEC will install and maintain automatic lighting fixtures and lamps for high pressure sodium (HPS) or metal halide (Metal) lamps controlled by a photo cell. Existing mercury vapor (MV) lamps will be maintained for existing Members as long as ballasts and bulbs are available but will not be offered for new applications. MV lights will be converted to equivalent high pressure sodium or metal halide lights at the applicable rates if a mercury vapor light is not repairable.

Rate Per Month

Watts	Lamp Type	Standard Fixture Lumens	Monthly kWh	Rate per Unit
175	MV	7,000	70	\$ 7.51
400	MV	20,000	145	11.22
100	HPS	8,000	40	7.51
250	HPS	23,000	95	10.00
250	HPS - Flood	23,000	95	10.56
175	Metal	14,000	72	12.67
150	Metal	13,000	63	12.34
400	Metal	34,000	163	17.82
1,000	Metal - Flood	110,000	367	25.04

Terms of Payment

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

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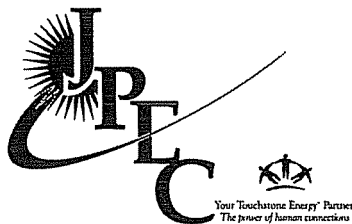
DATE EFFECTIVE May 15, 2010
 Month / Date / Year

ISSUED BY *G. Kelly Nuckols*
 G. Kelly Nuckols

TITLE President & CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2009-00451 DATED _____



Jackson Purchase Energy Corp.
 FOR Entire Territory Served
 Community, Town or City _____
 P.S.C. KY NO. 6
 SHEET NO. 12
 CANCELLING P.S.C. KY NO. 5
 SHEET NO. 12

RATES AND CHARGES
SCHEDULE OL – OUTDOOR LIGHTING

Upon initial request for lighting, Member shall agree to a minimum service period of two (2) years. If Member disconnects the lighting service before the end of the two year period any remaining balance will be billed to the Member. This term shall apply to a new lighting installation or when an on-site trip is required to energize a previously existing light.

Conditions of Service

Service will be furnished under JPEC's Rules and Regulations applicable hereto.

JPEC will furnish and install one complete lighting unit consisting of the light fixture, arm, ballast, photo cell and lamp. Service may be installed on any existing facility owned by JPEC, other than a meter pole, or on a new lighting pole provided by JPEC, such that only one (1) pole per account and/or property location shall be used exclusively for outdoor lighting purposes. Such an exclusive lighting pole provided by JPEC shall be within one hundred fifty (150) feet of existing JPEC facilities. In the event that facilities other than the preceding items (i.e., added cost ornamental lighting and/or poles and/or additional poles) are required, the member shall pay a non-refundable contribution-in-aid of construction equal to the total additional cost incurred by JPEC for the additional facilities. Such cost shall include all added material, labor and applicable overhead costs. The contribution-in-aid of construction shall be deposited by the Member or Members based on the estimated cost of the additional facilities. When construction is completed, the Member or Members shall be billed for the actual cost of construction, and credit for advance payment shall be given. T

All material provided by JPEC shall remain the property of JPEC. T

Illumination shall be furnished from dusk until dawn using JPEC's best efforts. Outages or malfunctions of the light should be reported as promptly as possible by the Member.

Maintenance to JPEC facilities (including lamp, ballast, standard globe, standard shade and photo cell replacements, and/or pole) will be performed by JPEC without cost during normal work hours. The Member or Members are responsible for painting of any ornamental fixtures or will reimburse JPEC for any painting requested by the Member or Members. JPEC may require pre-payment before painting is performed. T

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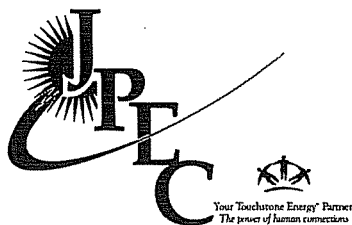
DATE EFFECTIVE May 15, 2010

ISSUED BY *G. Kelly Nuckols* Month / Date / Year
 G. Kelly Nuckols

TITLE President & CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2009-00451 DATED _____



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

P.S.C. KY NO. 6

SHEET NO. 13

CANCELLING P.S.C. KY NO. 5

SHEET NO. 13

RATES AND CHARGES
SCHEDULE OL – OUTDOOR LIGHTING

Any damage to the lamps, luminaries and other equipment resulting from actions other than those performed by JPEC personnel may be charged to the Member or Members at cost, on a separate invoice, if not reimbursed to JPEC by a third party.

JPEC will not mount light fixtures on a meter pole.

Adjustment Clauses

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

Franchise Fee Rider	Sheet 95
School Tax	Sheet 96
Fuel Adjustment Clause (FAC)	Sheet 98
Environmental Surcharge (ES)	Sheet 100
Unwind Surcredit Adjustment Clause (USAC)	Sheet 102
Rebate Adjustment (RA)	Sheet 104
Member Rate Stability Mechanism (MRSM)	Sheet 106
Rural Economic Reserve (RER)	Sheet 108

DATE OF ISSUE April 15, 2010

Month / Date / Year

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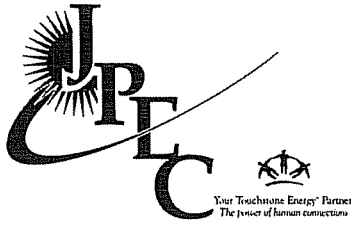
Month / Date / Year

ISSUED BY *G. Kelly Nuckols*
 G. Kelly Nuckols

TITLE President & CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2009-00451 DATED _____



Jackson Purchase Energy Corp.
 FOR Entire Territory Served
Community, Town or City
 P.S.C. KY NO. 6
SHEET NO. 132
 CANCELLING P.S.C. KY NO. 5
SHEET NO. 132

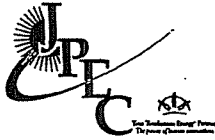
RULES AND REGULATIONS

Board of Directors and the Rules and Regulations as adopted and approved by JPEC's Board of Directors and the Kentucky Public Service Commission.

- B. A perpetual lease fee will be charged for extending service to an individual mobile home when JPEC provides and installs the service termination pole (meter pole). This perpetual lease fee shall be as stipulated within JPEC's Non-Recurring Tariff as approved by JPEC's board of directors and the Kentucky Public Service Commission. This perpetual lease fee is in addition to the advance for construction fees listed below and shall be payable prior to connection of service. The meter pole thus furnished shall remain the property of JPEC. JPEC shall provide and install all meter poles. JPEC shall be responsible for all maintenance associated with meter poles or JPEC provided hardware attached to meter poles. JPEC shall not be responsible for any maintenance associated with Member's service equipment attached to JPEC's meter pole. Upon termination of service, lease shall terminate or transfer to new Member.
- C. All extensions of up to three hundred (300) feet from the nearest distribution facility shall be made without charge.
- D. For extensions greater than three hundred (300) feet and less than one thousand (1,000) feet from the nearest distribution facility, JPEC may charge an advance equal to the reasonable costs incurred by it for that portion of the service beyond three hundred (300) feet.
 1. This advance shall be refunded to the Member over a four (4) year period in equal amounts for each year the service is continued.
 2. If the service is discontinued for a period of sixty (60) days, or should the mobile home be removed and another not take its place within sixty (60) days or be replaced by a permanent structure, the remainder of the advance shall be forfeited.
 3. No refunds shall be made to any Member who did not make the advance originally.
- E. For extensions beyond one thousand (1,000) feet from the nearest distribution facility, JPEC may charge, in addition to the charges and refunds listed in Item 35, Section D above, an advance equal to the reasonable costs incurred by it for that portion of the service. Beyond one thousand (1,000) feet the extension shall conform to Item (34), Section B, above and shall conform to 807 KAR 5:041 Section 11.
- F. The Member requesting service may clear right-of-way for initial installation, to JPEC specifications, inspections and approval, in order to reduce cost.

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 Month / Date / Year
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 Month / Date / Year
 ISSUED BY G. Kelly Nuckols
 G. Kelly Nuckols
 TITLE President & CEO
 BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
 IN CASE NO. 2009-00451 DATED _____



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

P.S.C. KY NO. 5

SHEET NO. 15

CANCELLING P.S.C. KY NO. 4

SHEET NO. 14

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

The monthly billing shall be the sum of the Facilities Charge, Demand Charge, Energy Charge, any applicable Adjustment Clause, and applicable taxes.

Determination of Billing Demand

The billing demand shall be the maximum integrated thirty (30) minute demand of the Member at the Member's delivery point as indicated or recorded by a demand meter. Member shall maintain a power factor at the delivery point as nearly practical to unity (100%). Power factor during normal operation may range from unity to ninety percent (90%). If Member's power factor is less than ninety percent (90%) at time of maximum load, JPEC reserves the right to adjust the maximum monthly metered demand for billing purposes in accordance with the following formula:

$$\text{Monthly Billing Demand (kW)} = \frac{\text{Maximum Actual Measured Demand (kW)} \times 90\%}{\text{Power Factor (\%)}}$$

Minimum Monthly Demand

The minimum monthly demand under this schedule shall be determined from the greater of (1), (2), (3) or (4):

1. The maximum demand registered in the current billing period.
2. The maximum power factor adjusted demand registered in the current billing period.
3. Sixty percent (60%) of the highest monthly maximum billing demand in the preceding twelve (12) billing periods.
4. Sixty percent (60%) of the agreement or contract capacity, based on the expected maximum kW demand upon the system.

Terms and Conditions

Service will be furnished under JPEC's Rules and Regulations applicable hereto.

DATE OF ISSUE August 15, 2009
 Month / Date / Year

DATE EFFECTIVE June 25, 2008
 Month / Date / Year

ISSUED BY G. Kelly Nuckols
 G. Kelly Nuckols

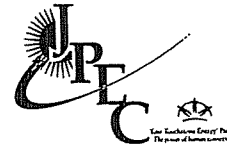
TITLE President & CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2007-00116 DATED June 17, 2008

PUBLIC SERVICE COMMISSION
 OF KENTUCKY
 EFFECTIVE
 6/25/2008
 PURSUANT TO 807 KAR 5:011
 SECTION 9 (1)

By G. Kelly Nuckols
 Executive Director



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

P.S.C. KY NO. 6

SHEET NO. 15

CANCELLING P.S.C. KY NO. 5

SHEET NO. 15

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

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Determination of Billing Demand

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$$\text{Monthly Billing Demand (kW)} = \frac{\text{Maximum Actual Measured Demand (kW)} \times 90\%}{\text{Power Factor (\%)}}$$

Monthly Demand Charge

The monthly demand charge under this schedule shall be determined from the greater of (1), (2), (3) or (4), except as noted below:

1. The maximum kW demand registered in the current billing period applied to current demand charge.
2. The maximum power factor adjusted demand registered in the current billing period applied to current demand charge.
3. The capacity charge based on the applicable installed transformer capacity in accordance with the following formula:

$$\text{Capacity Charge} = \text{Installed Transformer Capacity (kW)} \times \$1.00 \text{ per kW}$$

4. Twenty percent (20%) of the agreement or contract capacity, based on the expected or requested maximum kW demand upon the system, applied to current demand charge.

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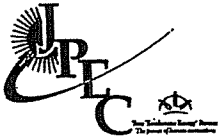
ISSUED BY G. Kelly Nuckols
 G. Kelly Nuckols

TITLE President & CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2009-00451 DATED _____

EXHIBIT C



Jackson Purchase Energy Corp.
 FOR Entire Territory Served
 Community, Town or City
 P.S.C. KY NO. 5
 SHEET NO. 11
 CANCELLING P.S.C. KY NO. 4
 SHEET NO. 10

RATES AND CHARGES
 SCHEDULE OL – OUTDOOR LIGHTING

Applicability

Applicable to any class Member.

Type of Service

JPEC will install and maintain automatic lighting fixtures and lamps for high pressure sodium (HPS) or metal halide (Metal) lamps controlled by a photo cell. Existing mercury vapor (MV) lamps will be maintained for existing Members as long as ballasts and bulbs are available but will not be offered for new applications. MV lights will be converted to equivalent high pressure sodium or metal halide lights at the current rates if a mercury vapor light is not repairable.

Rate Per Month

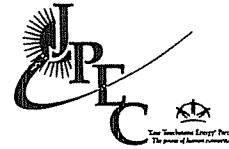
Watts	Lamp Type	Standard Fixture Lumens	Monthly kWh	Rate per Unit
175	MV	7,000	70	\$ 7.51
400	MV	20,000	145	11.22
100	HPS	8,000	40	7.51
250	HPS	23,000	95	10.00
250	HPS - Flood	23,000	95	10.56
175	Metal	14,000	72	12.67
400	Metal	34,000	163	17.82
1,000	Metal - Flood	110,000	367	25.04

Terms of Payment

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

DATE OF ISSUE August 15, 2009
 Month / Date / Year
 DATE EFFECTIVE June 25, 2008
 Month / Date / Year
 ISSUED BY G. Kelly Nuckols
 G. Kelly Nuckols
 TITLE President & CEO
 BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
 IN CASE NO. 2007-00116 DATED June 17, 2008

PUBLIC SERVICE COMMISSION
 OF KENTUCKY
 EFFECTIVE
 6/25/2008
 PURSUANT TO 807 KAR 5:011
 SECTION 9 (1)
 By J. D. Brown
 Executive Director



Jackson Purchase Energy Corp.
 FOR Entire Territory Served
 Community, Town or City
 P.S.C. KY NO. 6
 SHEET NO. 11
 CANCELLING P.S.C. KY NO. 5
 SHEET NO. 11

RATES AND CHARGES
 SCHEDULE OL – OUTDOOR LIGHTING

Applicability

Applicable to any class Member.

Type of Service

JPEC will install and maintain automatic lighting fixtures and lamps for high pressure sodium (HPS) or metal halide (Metal) lamps controlled by a photo cell. Existing mercury vapor (MV) lamps will be maintained for existing Members as long as ballasts and bulbs are available but will not be offered for new applications. MV lights will be converted to equivalent high pressure sodium or metal halide lights at the applicable rates if a mercury vapor light is not repairable.

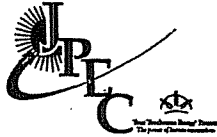
Rate Per Month

Watts	Lamp Type	Standard Fixture Lumens	Monthly kWh	Rate per Unit
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400	MV	20,000	145	11.22
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250	HPS - Flood	23,000	95	10.56
175	Metal	14,000	72	12.67
150	Metal	13,000	63	12.34
400	Metal	34,000	163	17.82
1,000	Metal - Flood	110,000	367	25.04

Terms of Payment

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

DATE OF ISSUE April 15, 2010
 Month / Date / Year
 DATE EFFECTIVE May 15, 2010
 Month / Date / Year
 ISSUED BY G. Kelly Nuckols
 G. Kelly Nuckols
 TITLE President & CEO
 BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
 IN CASE NO. 2009-00451 DATED _____



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

P.S.C. KY NO. 5

SHEET NO. 12

CANCELLING P.S.C. KY NO. 4

SHEET NO. 11

RATES AND CHARGES
 SCHEDULE OL - OUTDOOR LIGHTING

Upon initial request for lighting, Member shall agree to a minimum service period of two (2) years. If Member disconnects the lighting service before the end of the two year period any remaining balance will be billed to the Member. This term shall apply to a new lighting installation or when an on-site trip is required to energize a previously existing light.

Conditions of Service

Service will be furnished under JPEC's Rules and Regulations applicable hereto.

JPEC will furnish and install one complete lighting unit consisting of the light fixture, arm, ballast, photo cell and lamp. Service may be installed on any existing facility owned by JPEC other than a meter pole. In the event that facilities other than the preceding items (i.e., added cost ornamental lighting and/or poles) are required, the member shall pay a non-refundable contribution-in-aid of construction equal to the total additional cost incurred by JPEC for the additional facilities. Such cost shall include all added material, labor and applicable overhead costs. The contribution-in-aid of construction shall be deposited by the Member or Members based on the estimated cost of the additional facilities. When construction is completed, the Member shall be billed for the actual cost of construction, and credit for advance payment shall be given.

Should the Member require that the lighting be placed in a location other than on an existing facility, the Member shall agree to pay the entire cost of any required facility (less light fixture, ballast, photo cell and lamp) over a twenty-four (24) month period. Member shall agree that should they disconnect the light service before the completion of the twenty-four (24) month period they shall be immediately billed any remaining balance unless any succeeding Member shall agree to continue that obligation. It will be incumbent on the existing member to arrange responsibility with the succeeding member.

Illumination shall be furnished from dusk until dawn using JPEC's best efforts. Outages or malfunctions of the light should be reported as promptly as possible by the Member.

Lamp, ballast, standard globe, standard shade and photo cell replacements will be made by JPEC without cost during normal work hours. Any maintenance outside of the lamp, ballast, standard globe, standard shade or photo cell, including replacement of any existing facility used solely to provide light shall be paid for by the

DATE OF ISSUE August 15, 2009
 Month / Date / Year

DATE EFFECTIVE June 25, 2008
 Month / Date / Year

ISSUED BY G. Kelly Nuckols
 G. Kelly Nuckols

TITLE President & CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2007-00116 DATED June 17, 2008

PUBLIC SERVICE COMMISSION
 OF KENTUCKY
 EFFECTIVE
 6/25/2008
 PURSUANT TO 807 KAR 5:011
 SECTION 9 (1)

By J. D. Brown
 Executive Director



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

P.S.C. KY NO. 6

SHEET NO. 12

CANCELLING P.S.C. KY NO. 5

SHEET NO. 12

RATES AND CHARGES
 SCHEDULE OL - OUTDOOR LIGHTING

Upon initial request for lighting, Member shall agree to a minimum service period of two (2) years. If Member disconnects the lighting service before the end of the two year period any remaining balance will be billed to the Member. This term shall apply to a new lighting installation or when an on-site trip is required to energize a previously existing light.

Conditions of Service

Service will be furnished under JPEC's Rules and Regulations applicable hereto.

JPEC will furnish and install one complete lighting unit consisting of the light fixture, arm, ballast, photo cell and lamp. Service may be installed on any existing facility owned by JPEC, other than a meter pole, or on a new lighting pole provided by JPEC, such that only one (1) pole per account and/or property location shall be used exclusively for outdoor lighting purposes. Such an exclusive lighting pole provided by JPEC shall be within one hundred fifty (150) feet of existing JPEC facilities. In the event that facilities other than the preceding items (i.e., added cost ornamental lighting and/or poles and/or additional poles) are required, the member shall pay a non-refundable contribution-in-aid of construction equal to the total additional cost incurred by JPEC for the additional facilities. Such cost shall include all added material, labor and applicable overhead costs. The contribution-in-aid of construction shall be deposited by the Member or Members based on the estimated cost of the additional facilities. When construction is completed, the Member or Members shall be billed for the actual cost of construction, and credit for advance payment shall be given.

All material provided by JPEC shall remain the property of JPEC.

Illumination shall be furnished from dusk until dawn using JPEC's best efforts. Outages or malfunctions of the light should be reported as promptly as possible by the Member.

Maintenance to JPEC facilities (including lamp, ballast, standard globe, standard shade and photo cell replacements, and/or pole) will be performed by JPEC without cost during normal work hours. The Member or Members are responsible for painting of any ornamental fixtures or will reimburse JPEC for any painting requested by the Member or Members. JPEC may require pre-payment before painting is performed.

DATE OF ISSUE April 15, 2010
 Month / Date / Year

DATE EFFECTIVE May 15, 2010
 Month / Date / Year

ISSUED BY G. Kelly Nuckols
 G. Kelly Nuckols

TITLE President & CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2009-00451 DATED _____



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

P.S.C. KY NO. 5

SHEET NO. 13

CANCELLING P.S.C. KY NO. 4

SHEET NO. 12

RATES AND CHARGES
 SCHEDULE 0L – OUTDOOR LIGHTING

Member. The Member is responsible for painting of any ornamental fixtures or will reimburse JPEC for any painting requested by the Member. JPEC may require pre-payment before painting and/or replacement is performed.

Any damage to the lamps, luminaries and other equipment resulting from actions other than those performed by JPEC personnel may be charged to the Member at cost, on a separate invoice, if not reimbursed to JPEC by a third party.

The above rate is predicated on JPEC furnishing the basic lamp facility including fixture, arm, ballast, photo cell and lamp and the Member providing (or reimbursing JPEC for) any material or pole needed to mount the fixture in a location other than on existing JPEC facilities. JPEC will not mount light fixtures on a meter pole.

Adjustment Clauses

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

Franchise Fee Rider	Sheet 95
School Tax	Sheet 97
Fuel Adjustment Clause (FAC)	Sheet 98
Environmental Surcharge (ES)	Sheet 100
Unwind Surcredit Adjustment Clause (USAC)	Sheet 102
Rebate Adjustment (RA)	Sheet 104
Member Rate Stability Mechanism (MRSM)	Sheet 106
Rural Economic Reserve (RER)	Sheet 108

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DATE OF ISSUE August 15, 2009
 Month / Date / Year

DATE EFFECTIVE July 17, 2009
 Month / Date / Year

ISSUED BY G. Kelly Nuckols
 G. Kelly Nuckols

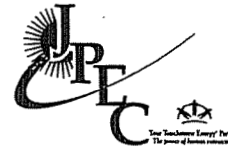
TITLE President & CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2008-00010 DATED December 12, 2008

PUBLIC SERVICE COMMISSION
 OF KENTUCKY
 EFFECTIVE
 7/17/2009
 PURSUANT TO 807 KAR 5:011
 SECTION 9 (1)

By [Signature]
 Executive Director



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

P.S.C. KY NO. 6

SHEET NO. 13

CANCELLING P.S.C. KY NO. 5

SHEET NO. 13

RATES AND CHARGES
 SCHEDULE 0L – OUTDOOR LIGHTING

Any damage to the lamps, luminaries and other equipment resulting from actions other than those performed by JPEC personnel may be charged to the Member or Members at cost, on a separate invoice, if not reimbursed to JPEC by a third party.

JPEC will not mount light fixtures on a meter pole.

Adjustment Clauses

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

Franchise Fee Rider	Sheet 95
School Tax	Sheet 96
Fuel Adjustment Clause (FAC)	Sheet 98
Environmental Surcharge (ES)	Sheet 100
Unwind Surcredit Adjustment Clause (USAC)	Sheet 102
Rebate Adjustment (RA)	Sheet 104
Member Rate Stability Mechanism (MRSM)	Sheet 106
Rural Economic Reserve (RER)	Sheet 108

DATE OF ISSUE April 15, 2010
 Month / Date / Year

DATE EFFECTIVE May 15, 2010
 Month / Date / Year

ISSUED BY G. Kelly Nuckols
 G. Kelly Nuckols

TITLE President & CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2009-00451 DATED _____



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

P.S.C. KY NO. 5

SHEET NO. 132

CANCELLING P.S.C. KY NO. 4

SHEET NO. 119

RULES AND REGULATIONS

- Board of Directors and the Rules and Regulations as adopted and approved by JPEC's Board of Directors and the Kentucky Public Service Commission.
- B. A contribution-in-aid of construction will be charged for extending service to an individual mobile home when JPEC provides the service termination pole (meter pole). This fee shall be determined by calculation of the actual materials costs, including any applicable taxes and overhead costs of JPEC in providing the meter pole. This contribution-in-aid of construction is in addition to the advance for construction fees listed below and shall be payable prior to connection of service. The meter pole thus furnished shall become the property of the Member. In the event the Member furnishes a meter pole which meets the specifications of JPEC, the above contribution-in-aid of construction will not be charged. Should it be necessary for JPEC to furnish necessary grounding, guying, etc. on the Member-furnished meter pole, the Member shall pay a fee for actual material costs, including any applicable taxes and overhead costs to JPEC in providing the necessary grounding, guying, etc. JPEC shall not be responsible for any maintenance associated with meter poles or hardware attached to meter poles.
 - C. All extensions of up to three hundred (300) feet from the nearest distribution facility shall be made without charge.
 - D. For extensions greater than three hundred (300) feet and less than one thousand (1,000) feet from the nearest distribution facility, JPEC may charge an advance equal to the reasonable costs incurred by it for that portion of the service beyond three hundred (300) feet.
 1. This advance shall be refunded to the Member over a four (4) year period in equal amounts for each year the service is continued.
 2. If the service is discontinued for a period of sixty (60) days, or should the mobile home be removed and another not take its place within sixty (60) days or be replaced by a permanent structure, the remainder of the advance shall be forfeited.
 3. No refunds shall be made to any Member who did not make the advance originally.
 - E. For extensions beyond one thousand (1,000) feet from the nearest distribution facility, JPEC may charge, in addition to the charges and refunds listed in Item 35, Section D above, an advance equal to the reasonable costs incurred by it for that portion of the service. Beyond one thousand (1,000) feet the extension shall conform to Item (34), Section B, above and shall conform to 807 KAR 5:041 Section 11.
 - F. The Member requesting service may clear right-of-way for initial installation, to JPEC specifications, inspections and approval, in order to reduce cost.

DATE OF ISSUE August 15, 2009
 Month / Date / Year

DATE EFFECTIVE June 25, 2008
 Month / Date / Year

ISSUED BY G. Kelly Nuckols
 G. Kelly Nuckols

TITLE President & CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2007-00116 DATED June 17, 2008

PUBLIC SERVICE COMMISSION
 OF KENTUCKY
 EFFECTIVE
 6/25/2008
 PURSUANT TO 807 KAR 5:011
 SECTION 9 (1)

By J. D. Brown
 Executive Director



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

FOR _____

P.S.C. KY NO. 6

SHEET NO. 132

CANCELLING P.S.C. KY NO. 5

SHEET NO. 132

RULES AND REGULATIONS

- Board of Directors and the Rules and Regulations as adopted and approved by JPEC's Board of Directors and the Kentucky Public Service Commission.
- B. A perpetual lease fee will be charged for extending service to an individual mobile home when JPEC provides and installs the service termination pole (meter pole). This perpetual lease fee shall be as stipulated within JPEC's Non-Recurring Tariff as approved by JPEC's board of directors and the Kentucky Public Service Commission. This perpetual lease fee is in addition to the advance for construction fees listed below and shall be payable prior to connection of service. The meter pole thus furnished shall remain the property of JPEC. JPEC shall provide and install all meter poles. JPEC shall be responsible for all maintenance associated with meter poles or JPEC provided hardware attached to meter poles. JPEC shall not be responsible for any maintenance associated with Member's service equipment attached to JPEC's meter pole. Upon termination of service, lease shall terminate or transfer to new Member.
 - C. All extensions of up to three hundred (300) feet from the nearest distribution facility shall be made without charge.
 - D. For extensions greater than three hundred (300) feet and less than one thousand (1,000) feet from the nearest distribution facility, JPEC may charge an advance equal to the reasonable costs incurred by it for that portion of the service beyond three hundred (300) feet.
 1. This advance shall be refunded to the Member over a four (4) year period in equal amounts for each year the service is continued.
 2. If the service is discontinued for a period of sixty (60) days, or should the mobile home be removed and another not take its place within sixty (60) days or be replaced by a permanent structure, the remainder of the advance shall be forfeited.
 3. No refunds shall be made to any Member who did not make the advance originally.
 - E. For extensions beyond one thousand (1,000) feet from the nearest distribution facility, JPEC may charge, in addition to the charges and refunds listed in Item 35, Section D above, an advance equal to the reasonable costs incurred by it for that portion of the service. Beyond one thousand (1,000) feet the extension shall conform to Item (34), Section B, above and shall conform to 807 KAR 5:041 Section 11.
 - F. The Member requesting service may clear right-of-way for initial installation, to JPEC specifications, inspections and approval, in order to reduce cost.

DATE OF ISSUE April 15, 2010
 Month / Date / Year

DATE EFFECTIVE May 15, 2010
 Month / Date / Year

ISSUED BY G. Kelly Nuckols
 G. Kelly Nuckols

TITLE President & CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2009-00451 DATED _____

The Paducah Sun

Miss a day. Miss a lot.
P.O. Box 2300, Paducah, KY 42002-2300

AFFIDAVIT OF PUBLICATION

STATE OF KENTUCKY)
)SS
COUNTY OF MCCRACKEN)
)

I, Judy Lynch, being Circulation Manager of The Paducah Sun, published in Paducah, Kentucky, hereby states that The Paducah Sun carried the advertisement of:

Official Notice of Jackson Purchase Energy Corporation intending to file with the
Kentucky Public Service Commission in Case No. 2009-00451 an application to amend
several of its rate, regulatory and operating tariffs.

On the following dates: January 26, 2010

February 2, 2010

February 9, 2010

Signature: *Judy Lynch*

Date: February 9, 2010

Sworn and subscribed to me this 9th day of February, 2010.

My Commission Expires: July 30, 2012

Judy A. Gordon
Notary Public

EXHIBIT D

Official Notice

Jackson Purchase Energy Corporation, having its principal office at 2900 Irvin Cobb Drive, P.O. Box 4030, Paducah, Kentucky, 42002-4030 (hereinafter "JPEC"), intends to file with the Kentucky Public Service Commission in Case No. 2009-00451 an application to amend several of its rate, regulatory and operating tariffs. The proposed adjustments are not anticipated to increase the revenue of Jackson Purchase Energy Corporation.

The rates proposed in this application are those proposed by Jackson Purchase Energy Corporation. However, the Kentucky Public Service Commission may order rates to be charged that differ from these proposed rates. Such action may result in rates for consumers other than the rates in this application.

Any corporation, association, body politic or person may by motion within thirty (30) days after publication or mailing of notice of the proposed rate changes request leave to intervene. The motion shall be submitted to the Kentucky Public Service Commission, 211 Sower Boulevard, P.O. Box 615, Frankfort, Kentucky 40602, and shall set forth the grounds for the request including the status and interest of the party. A copy of the application and testimony shall be available for public inspection at Jackson Purchase Energy Corporation's offices.

The proposed revised tariffs are listed below:

RATES & CHARGES

Schedule D -

Commercial and Industrial Demand Less than 3000kW

The current Monthly Demand Charge calculation of this tariff would be replaced with the following language: The monthly demand charge under this schedule shall be determined from the greater of (1), (2), (3) or (4), except as noted below:

1. The maximum kW demand registered in the current billing period applied to current

demand charge.

2. The maximum power factor adjusted demand registered in the current billing period applied to current demand charge.

3. The capacity charge based on the applicable installed transformer capacity in accordance with the following formula: Capacity Charge = Installed Transformer Capacity (kW) X \$1.00 per kW

4. Twenty percent (20%) of the agreement or contract capacity, based on the expected or requested maximum kW demand upon the system, applied to current demand charge.

For Members who receive service at primary voltage (7,200 volts or greater), 3. above shall not be applicable and the factor in 4. above shall be ten percent (10%).

RATES & CHARGES

Schedule OL -

Outdoor Lighting

The changes under the Conditions of Service Section of this Tariff are summarized as follows:

JPEC will install one (1) pole per service location for outdoor lighting fixtures. Additional poles may be requested and installed by JPEC, but any costs incurred by JPEC in providing the installation shall be paid by the member. JPEC would also then maintain the pole and fixture without cost to the member, unless the member has negligently caused damage to the pole. This change will also change the size of light which will be used in any new or replacement installations as the size previously used is no longer being manufactured.

RULES &

REGULATIONS

The changes to Section 35 of this Tariff are summarized as follows:

The revision to this tariff will set the Member's cost for setting a meter pole at \$100.00, as opposed to the actual costs incurred by JPEC. Additionally, it changes the ownership of poles installed pursuant to this tariff so that the poles will be owned by JPEC with a perpetual lease to the Member. This change is intended to

allow JPEC to determine when any such meter pole is due for replacement. The perpetual lease fee shall be specified in JPEC's Non-Recurring Charges Tariff and shall be set at \$100.00.

These proposed tariffs may, or may not, affect rates or services to your home, farm or business. The Kentucky Public Service Commission may order that the proposed amended or new regulatory and operating tariffs be approved in a manner which differs from those proposed in the application. Such action may affect rates or services to your home, farm or business.

Any corporation, association, body politic or person may, at no charge, obtain a full and complete copy of the aforesaid proposed amended or new regulatory and operating tariffs by requesting same at the offices of Jackson Purchase Energy Corporation, at the address set forth above, or by sending the following coupon via U.S. mail to the aforesaid offices of the Corporation. Any person may also view the proposed amended or new regulatory and operating tariffs by visiting the corporation's website at www.jpenergy.com.

COUPON

The undersigned hereby requests that Jackson Purchase Energy Corporation forthwith send to me by U.S. mail, at no charge to me, a full and complete copy of the proposed amended or new regulatory and operating tariffs which the Corporation has submitted, or intends to submit, to the Kentucky Public Service Commission as a part of its application for a general rate adjustment.

Name: _____

Address: _____

Date: _____



Jackson Purchase Energy Corporation
Adjusted Income Statement
Twelve Months Ended November 30, 2009

Page 1 of 1

	Per Books	Proposed Increase	Adjusted For Proposed Rates
Operating Revenues:			
1 Electric revenues	\$ 41,493,269	\$ -	\$ 41,493,269
2 Other electric revenues	1,027,154	-	1,027,154
	42,520,423	-	42,520,423
Operating Expenses:			
3 Cost of power	26,784,600		26,784,600
4 Distribution - operations	1,964,763		1,964,763
5 Distribution - maintenance	3,844,538		3,844,538
6 Consumer accounts	1,147,712		1,147,712
7 Customer service and information	310,347		310,347
8 Sales	13,044		13,044
9 Administrative and general	2,276,070		2,276,070
10	36,341,074	0	36,341,074
11 Depreciation	3,427,099		3,427,099
12 Other tax expense	43,192		43,192
13 Interest on long-term debt	2,255,135		2,255,135
14 Other interest charges	113,375		113,375
15 Other deductions	1,196		1,196
16	42,181,071	0	42,181,071
17 Operating Margins	339,352	0	339,352
18 Non-operating margins - interest	332,763		332,763
19 Non-operating margins - other	(20,488)		(20,488)
20 G & T capital credits	0		0
21 Other capital credits	92,121		92,121
22 Net margins	\$ 743,748	\$ -	\$ 743,748
23 TIER	1.33	0.00	1.33

EXHIBIT E

Jackson Purchase Energy Corporation
Balance Sheet
November 30, 2009

Page 1 of 1

Assets

Electric Plant:		
1	In Service	\$ 121,106,556
2	Construction Work in Progress	7,984,724
3		<u>129,091,280</u>
4	Less accumulated depreciation	<u>39,321,057</u>
5		<u>89,770,223</u>
6	Nonutility Property - Net	60,762
7	Investments	2,356,863
Current Assets:		
8	Cash and cash equivalents	401,085
9	Accounts Receivable	5,694,934
10	Materials and supplies	1,730,446
11	Prepayments	313,891
12	Other current assets	1,246,222
13	Other assets	<u>759,794</u>
14	Total assets	<u><u>\$ 102,334,220</u></u>

Liabilities and Equities

Members' Equities:		
15	Memberships	\$ 176,460
16	Patronage capital	<u>35,745,530</u>
17		<u>35,921,990</u>
18	Long-term debt (Including current portion)	<u>57,384,741</u>
Current Liabilities:		
19	Accounts payable & Accumulated Operating Provisions	4,070,002
20	Short-term debt	2,400,000
21	Consumer deposits	1,473,728
22	Other current and accrued expenses	<u>900,899</u>
23		8,844,629
24	Consumer advances for construction	<u>182,860</u>
25	Total Members' Equities and Liabilities	<u><u>\$ 102,334,220</u></u>

EXHIBIT F

**COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION**

**APPLICATION OF JACKSON PURCHASE)
ENERGY CORPORATION FOR AN) CASE No. 2009-00451
ADJUSTMENT IN RATES)**

**PREFILED TESTIMONY
OF
G. KELLY NUCKOLS
ON BEHALF OF
JACKSON PURCHASE ENERGY CORPORATION**

Summary of Testimony

Mr. Nuckols testifies to the proposed changes to Schedule D – Commercial and Industrial Demand less than 3,000 kW, Schedule OL – Outdoor Lighting, and Rules and Regulations to correct errors and inequities as filed and approved in Case 2007-00116.

EXHIBIT G

1 Q1. Would you state your name and business address?

2 A1. G. Kelly Nuckols, Post Office Box 4030, Paducah, Kentucky 42002.

3

4 Q2. What is your occupation?

5 A2. President and CEO of Jackson Purchase Energy Corporation (JPEC).

6

7 Q3. How long have you been in your present position?

8 A3. Over 12 years, as I was employed June 2, 1997 as President and CEO.

9

10 Q4. Have you appeared before the Kentucky Public Service Commission and given testimony
11 in electric rate cases?

12 A4. Yes, I have.

13

14 Q5. Have you previously filed testimony in JPEC's rate Case 2007-00116?

15 A5. Yes, see Exhibit H-1.

16

17 Q6. What is the purpose of JPEC's Application to amend tariffs approved in Case 2007-00116?

18 A6. To correct errors and inequities which have become apparent once those documents
19 were submitted and approved.

20

21 Q7. Has JPEC's Board of Directors been involved with the proposed amendments as
22 submitted in the filing?

23 A7. JPEC's Board of Directors has been actively involved with JPEC's management team in
24 the Application for Amendment. JPEC's Board of Directors has engaged in discussions
25 with Members throughout the service area to determine the impacts of the existing tariffs
26 as well as the proposed amendments.

27

1 Q8. Has JPEC proposed a modification in its Schedule D – Commercial and Industrial Demand
2 less than 3,000 kW?

3 A8. JPEC has changed the heading of a section in Schedule D from "Minimum Monthly
4 Demand" to "Monthly Demand Charge".

5

6 Q9. Are there other changes within the Minimum Monthly Demand Section?

7 A9. The section has been modified to reflect the change from "determination of a minimum
8 demand" to "determination of a monthly demand charge".

9

10 Q10. Why were the proposed changes necessary?

11 A10. After the tariffs were approved, JPEC discovered that those Members who have
12 significant variations in their load were experiencing billings under subpart 3 of the
13 Minimum Monthly Demand that were not anticipated. Further, JPEC has determined
14 those variations are not fair, just and reasonable.

15

16 Q11. How does JPEC propose to remedy this inequity?

17 A11. Subpart 3 has been modified to a recovery of fixed costs through the size of transformers
18 installed at the Member's location, as opposed to the fixed cost recovery based on the
19 preceding 12 months of billing history.

20

21 Q12. Has JPEC previously had charges that were based on the installed transformer capacity?

22 A12. Prior to JPEC's rate case in 1997, a minimum billing provision based on the installed
23 transformer capacity was used. That provision was erroneously deleted from the
24 submitted and approved tariffs in Case 1997-00224.

25

26 Q13. Is there a negative impact on JPEC's revenue under the present approved Schedule D?

1 A13. Under the presently approved Schedule D, a large decrease in the Member's demand
2 over a prolonged period of time would result in JPEC not recovering its fixed investment.
3 The Schedule as presently applied would look back at the previous 12 months history.
4 After the 13th month the history would have 0 demand or the greatly reduced amount,
5 resulting in reduced billing.

6

7 Q14. Are there other changes in the Minimum Monthly Demand?

8 A14. Yes, the factor in subpart 4 has been reduced from 60% to 20% to more fairly reflect the
9 actual costs.

10

11 Q15. A new sentence has been included in the Monthly Demand Charge. What is the reason
12 for the new sentence?

13 A15. As originally filed and approved, those Members who are primary metered and were
14 under reduced loading were paying rates that were not fair, just and reasonable. JPEC's
15 investment with a primary metered Member is only in the metering equipment and
16 system reserve capacity. This is significantly reduced from Members who require
17 transformers and other equipment. Therefore, subpart 3 would not be applicable and the
18 factor in subpart 4 should be reduced to reflect the reduced investment.

19

20 Q16. Approximately, how many Members have been impacted negatively by the existing
21 Schedule D tariff?

22 A16. During the last 12 months the maximum number of bills produced with the minimum
23 billing provision has been 142, while the least has been 35. The amounts of these
24 minimum billings range from \$0.38 to \$1,600.56 above actual consumption.

25

26 Q17. Will any Member's bill increase as a result of the proposed changes?

1 A17. Based on analysis and review of last 12 months billings, no Member will receive an
2 increase in their billing as a result of these changes.

3

4 Q18. Will these proposed changes to Schedule D result in a negative impact on the rates of
5 other classes of JPEC Members?

6 A18. The impact on the other classes of JPEC Members should be nearly zero or *de minimus* in
7 total.

8

9 Q19. Do you believe the changes as proposed in Schedule D will result in rates and tariffs that
10 are fair, just and reasonable?

11 A19. Yes, I do.

12

13 Q20. Are there other proposed changes in the submitted documents?

14 A20. Yes, in Schedule OL – Outdoor Lighting, under Conditions of Service, JPEC has eliminated
15 the requirement that the Member pay to JPEC the cost of any pole, other than an existing
16 pole, for an outdoor light.

17

18 Q21. How many outdoor lights can a Member have?

19 A21. The Member can have an unlimited number of outdoor lights; only the first light's pole is
20 included at no cost to the Member. Any additional poles necessary for other lights would
21 be installed at JPEC's cost to the Member.

22

23 Q22. Who is responsible for maintenance of poles installed for outdoor lighting?

24 A22. JPEC will be responsible for all routine maintenance of the outdoor lighting pole.

25

26 Q23. Are there other changes in the Schedule OL?

1 A23. JPEC has added another light to the Rate per Month section; the 150 watt Metal has
2 been added as the 175 watt Metal is no longer manufactured. JPEC used the same
3 method to determine the rate per unit as the other lights listed.

4
5 Q24. How many Members are impacted by the proposed changes in the Schedule OL?

6 A24. For the last 12 months, only two Members have elected to pay for the pole used for
7 outdoor lighting.

8
9 Q25. Will these proposed changes to Schedule OL result in a negative impact on the rates of
10 other classes of JPEC Members?

11 A25. The impact on the other classes of JPEC Members should be nearly zero or *de minimus* in
12 total.

13
14 Q26. Do you believe the changes as proposed in Schedule OL are fair, just and reasonable?

15 A26. Yes, I do.

16
17 Q27. Has JPEC modified its Rules and Regulations in the proposed amendments?

18 A27. Section 35 Distribution Line Extension to Mobile Homes has been modified.

19
20 Q28. Within Section 35, what changes are proposed?

21 A28. The ownership and payment for meter poles has been modified.

22
23 Q29. Why has the ownership of the meter poles been changed?

24 A29. JPEC's management and collective bargaining unit have concerns with the safety of its
25 workmen climbing a meter pole owned and maintained by the Member.

26
27 Q30. What are the safety concerns with the Member owning the meter pole?

1 A30. With JPEC ownership of the meter pole, the pole would be included in JPEC's pole
2 inspection program in an effort to maintain poles that are structurally sound. JPEC
3 workers when required to climb the meter pole for routine maintenance or to disconnect
4 the service, may discover the Member owned meter pole to be unsound structurally.
5 JPEC does not have the means to require the Member to replace the meter pole, without
6 declaring the meter pole to be a hazard to the workers and general public, then
7 disconnecting the Member's service.

8

9 Q31. If a JPEC pole is discovered to be unsound, does JPEC propose to charge the Member for
10 the new pole?

11 A31. As contained in the proposed revision, the Member would pay a one-time fee for the
12 perpetual lease of the meter pole. A pole found to be unsound would be changed out at
13 no cost to the Member. The Member would be responsible to transfer their equipment
14 from the old pole to the new replacement pole.

15

16 Q32. How will the amount of the perpetual lease be determined?

17 A32. As proposed in the revision, the meter pole fee would become an item in JPEC's Non-
18 Recurring Tariff as filed and approved by JPEC's Board of Directors and the Kentucky
19 Public Service Commission.

20

21 Q33. Are there other benefits to the perpetual lease as proposed?

22 A33. Under the existing tariff, the cost from month-to-month varies based on a number of
23 factors as dictated by RUS accounting methodology. With the proposed revision, the cost
24 changes only with modifications to the Non-Recurring tariff and is available for review in
25 advance by JPEC employees and Members.

26

1 Q34. What does JPEC propose the perpetual lease fee to be under the Schedule Non-Recurring
2 Fees?

3 A34. JPEC's board of directors has approved the perpetual lease fee to be included within the
4 Non-Recurring Fees at \$100.00.

5

6 Q35. What is the cost of the meter pole under the present tariff?

7 A35. The average cost of a meter pole for the previous twelve months has been \$191.61.

8

9 Q36. How many meter poles has JPEC installed in the previous twelve months?

10 A36. During the period from July 2008 until August 2009, 59 JPEC Members have paid for
11 meter pole installations.

12

13 Q37. What does JPEC propose for the 59 Members who paid for meter pole installations?

14 A37. JPEC would propose to refund the actual amounts paid by each Member, less the
15 perpetual lease fee; JPEC would then assume ownership of the meter pole.

16

17 Q38. Are there other benefits to JPEC ownership of meter poles?

18 A38. With the two year system inspection requirement, the inspector would not have to
19 determine ownership of pole, as all meter poles would be JPEC's responsibility. In
20 addition, the meter poles installed will meet or exceed the RUS standard for wood poles;
21 a pole purchased by the Member from a third party may or may not meet this standard.

22

23 Q39. Will these proposed changes to Rules and Regulation Section 35 result in a negative
24 impact on the rates of other classes of JPEC Members?

25 A39. The impact on the other classes of JPEC Members should be nearly zero or *de minimus* in
26 total.

27

1 Q40. Do you believe the change as proposed in Section 35 Distribution Line Extensions to
2 Mobile Homes is fair, just and reasonable?

3 A40. Yes, I do.


4

5 Q41. Does this conclude your testimony in the proposed changes?

6 A41. Yes, it does.

7

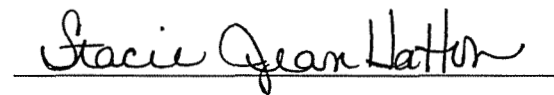
1 The undersigned has prepared the foregoing direct testimony and swears that it is true and
2 correct to the best of his knowledge and belief.

3 
4 G. Kelly Nuckols

5 STATE OF KENTUCKY
6 COUNTY OF McCracken

7 The foregoing instrument was acknowledged before me this 19TH day of
8 February, 2010, by G. Kelly Nuckols, President and CEO of Jackson Purchase
9 Energy Corporation.

10 My commission expires April 9, 2011.

11 
12 Notary Public, State at Large
13