

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

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IN THE MATTER OF:

PUBLIC SERVICE  
COMMISSION

APPLICATION OF JACKSON PURCHASE )  
ENERGY CORPORATION TO AMEND )  
TARIFFS )  
)

CASE NO. 2009-00451

**JACKSON PURCHASE ENERGY CORPORATION'S RESPONSE  
TO REQUESTS OF COMMISSION STAFF**

At the Informal Conference held via telephone on July 28, 2010, Commission Staff made the following requests of Jackson Purchase Energy Corporation ("JPEC"). This will serve as JPEC's response to the same.

1. Provide a calculation in support of the costs charged for the light fixture to be used in JPEC's proposed OL tariff.

**RESPONSE:** See Exhibit "A" attached hereto.

2. Provide a revised copy of tariff sheet #20.

**RESPONSE:** A revised copy is attached hereto as Exhibit "B".

Respectfully submitted,

DENTON & KEULER  
P. O. BOX 929  
PADUCAH KY 42002-0929  
Telephone: (270) 443-8253  
Facsimile: (270) 442-6000

By: 

W. David Denton  
Melissa D. Yates

ATTORNEYS FOR JACKSON PURCHASE  
ENERGY CORPORATION

I hereby certify that the foregoing has  
been served via facsimile 502-564-3460  
and sending the original and 10 copies  
via Federal Express to:

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

on this 30 day of July, 2010.

By: \_\_\_\_\_

W. David Denton  
Melissa D. Yates

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## Calculation of Outdoor Lighting Rate for Proposed 150 Watt Metal Halide

| <b>EXISTING MENU</b> |                  |  |                        |                              |                      |  |
|----------------------|------------------|--|------------------------|------------------------------|----------------------|--|
| <u>Watts</u>         | <u>Lamp Type</u> | <u>Standard<br/>Fixture<br/>Lumens</u> | <u>Monthly<br/>kWh</u> | <u>Rate<br/>per<br/>Unit</u> | <u>Actual<br/>kW</u> |  |
| 175                  | MV               | 7,000                                  | 70                     | \$7.51                       | 0.200                |  |
| 400                  | MV               | 21,000                                 | 145                    | \$11.22                      | 0.440                |  |
| 100                  | HPS              | 9,600                                  | 40                     | \$7.51                       | 0.115                |  |
| 250                  | HPS              | 28,500                                 | 95                     | \$10.00                      | 0.287                |  |
| 250                  | HPS - Flood      | 28,500                                 | 95                     | \$10.56                      | 0.295                |  |
| 175                  | Metal            | 12,800                                 | 72                     | \$12.67                      | 0.213                |  |
| 400                  | Metal            | 32,000                                 | 163                    | \$17.82                      | 0.458                |  |
| 1000                 | Metal - Flood    | 107,800                                | 367                    | \$25.04                      | 1.080                |  |

### PROPOSED OFFERING

|     |       |        |    |         |       |
|-----|-------|--------|----|---------|-------|
| 150 | Metal | 13,000 | 63 | \$12.34 | 0.185 |
|-----|-------|--------|----|---------|-------|

#### Cost Based Approach:

##### Cost of Light:

|                                |           |
|--------------------------------|-----------|
| Fixture                        | \$ 64.00  |
| Bulb                           | 11.00     |
| Attachments (2 @ \$8.00 each)  | 16.00     |
| Pole                           | 150.00    |
| Wire                           | 35.00     |
| Installation Labor             | 630.00    |
| Total Estimated Installed Cost | \$ 906.00 |

##### Annual Depreciation Rate for Lights

|                                      |          |
|--------------------------------------|----------|
| Equates to 28.81 years or 346 months | 3.47%    |
| Annual Depreciation Charge for Light | \$ 31.44 |

##### Estimated Annual Maintenance charge for Lights:

|  |           |
|--|-----------|
| Estimated labor for trip (2 line crew, 1 hour @ \$47.40 per hour - including benefits) | \$ 94.80  |
| Estimated maintenance material   | 11.00     |
| Total Estimated Maintenance (per trip)   | \$ 105.80 |
| Estimated Annual trips (1 trip every four years)                                       | 0.25      |
| Estimated Annual Maint Charge for Lights   | \$ 26.45  |

##### Estimated Annual Energy Cost:

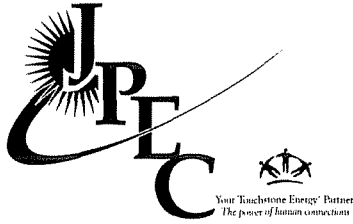
|  |          |
|--|----------|
| Demand charge (assume on peak 3 months) (0.185 x 3 x \$7.37) | \$ 4.09  |
| Energy Charge (assume 63 monthly kWh x 12 x .0204)           | 17.63    |
| Estimated Annual Energy Cost                                 | \$ 21.72 |

##### Estimated Annual Customer Service, & G&A Expense

|  |          |
|--|----------|
| Estimated Annual Customer Service, & G&A Expense                     | \$ 6.00  |
| Annual Cost of Capital (Cost x Rate of Return in 2007-00116) (6.89%) | \$ 62.42 |

##### Total Annual Costs

|                     |           |
|---------------------|-----------|
| Total Annual Costs  | \$ 148.03 |
| Total Monthly Costs | \$ 12.34  |



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

P.S.C. KY NO. 6

SHEET NO. 20

CANCELLING P.S.C. KY NO. 5

SHEET NO. 20

**RATES AND CHARGES**  
SCHEDULE I-E – LARGE COMMERCIAL AND INDUSTRIAL – EXISTING

of each thirty (30) minute period the integrated kilowatt demand during the preceding thirty (30) minutes. Demand charges will be adjusted to correct for power factor lower than ninety percent (90%) when JPEC deems necessary. The monthly billing demand shall be adjusted when necessary in accordance with the following formula:

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

**Delivery Point**

Unless otherwise specified in the service agreement, the delivery point shall be the connection between conductors furnished and installed by JPEC and the conductors furnished and installed by the Member. All wiring, pole lines, and other equipment (except metering equipment) located on the load side of the delivery point shall be owned and maintained by the Member.

**Facilities Charge**

JPEC will provide investment in facilities up to \$11.00 per kW times the estimated or known average twelve (12) month billing demand. A monthly facilities charge, determined at time of execution of agreement between parties, shall be applied to any investment in excess of the base amount.

**Terms and Conditions**

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

Compensating starting equipment may be required for all motors rated fifteen (15) horsepower or greater, and for smaller motors when specified by JPEC because of power line characteristics.

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

**EXHIBIT B**