

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF JACKSON)
PURCHASE ENERGY CORPORATION)
FOR FLOW THROUGH RATES) CASE NO. 2011-00057
PURSUANT TO KRS 278.455)

ORDER

On November 17, 2011, the Commission issued an Order in this proceeding authorizing Jackson Purchase Energy Corporation ("Jackson Purchase") to pass on to its members a wholesale rate adjustment granted to Jackson Purchase's wholesale supplier, Big Rivers Electric Corporation ("Big Rivers"), in Case No. 2011-00036.¹ Using the test-year information contained in Jackson Purchase's application, the Commission granted an increase in its wholesale power cost of \$2,451,663 annually. Pursuant to KRS 278.455(2) and 807 KAR 5:007, Sections 1(3) and 2(2), Jackson Purchase was authorized to pass-through the wholesale increase to each customer class and within each tariff on a proportional basis which resulted in no change in rate design.

On December 6, 2011, Big Rivers filed a Petition for Rehearing in Case No. 2011-00036 which the Commission granted on December 8, 2011. On December 22, 2011, the Commission issued an Order in this case which granted Jackson Purchase's request that the Commission make the appropriate modifications to the November 17, 2011 Order in the instant case to reflect any potential modifications made to the Big

¹ Case No. 2011-00036, Application of Big Rivers Electric Corporation for a General Adjustment in Rates (Ky. PSC Nov. 17, 2011).

Rivers Order of the same date. The record is complete and the matter now stands submitted for a decision.

On September 12, 2012, a rehearing in Big Rivers' Case No. 2011-00036 was conducted at the Commission's offices in Frankfort, Kentucky. The Commission issued an Order today in that case authorizing an additional \$1,042,535 annual increase in Big Rivers' wholesale rates effective for service rendered on and after September 1, 2011. As a result, using the test-year information contained in its application, Jackson Purchase will receive an additional increase of \$291,130 in its wholesale power cost for a total of \$2,742,793 annually.

Revenue Recovery Mechanism

In today's Order in Case No. 2011-00036, the Commission accepted Big Rivers' recommendation for recovering the difference between what it has collected since September 1, 2011 and what it would have collected had the rates approved today been in effect since September 1, 2011 ("Revenue Difference"). Big Rivers recommended that the Revenue Difference be divided by the number of months remaining between the date of the Commission's Rehearing Order and August 1, 2013, and that its members be billed this monthly amount on a revenue proportionate basis through July of 2013. The Commission accepted the recommendation ordering that the Revenue Difference be billed over the five-month period from March 2013 through July 2013.

In conjunction with the Commission's acceptance of Big Rivers' recommendation, Big Rivers was ordered to submit certain information to the Commission no later than February 8, 2013. Likewise, Jackson Purchase should submit the following information to the Commission no later than February 8, 2013:

1. The Revenue Difference allocated to Jackson Purchase by Big Rivers for each month of the five-month period, from March 2013 through July 2013, for each direct-served customer and each customer class;

2. The methodology Jackson Purchase proposes using to bill the Revenue Difference to its retail customers for each month of the five-month period from March 2013 through July 2013; and

3. The kWh sales, by month, to each customer class from September 1, 2011 through the date of this Order.

After it verifies Jackson Purchase's calculations, the Commission will issue a final order in this case which will authorize both the amounts Jackson Purchase is to collect from its customers and the length of time over which it will collect these amounts.

IT IS THEREFORE ORDERED that:

1. Jackson Purchase is granted an increase in annual revenues of \$291,130 over and above the increase previously granted in our November 17, 2011 Order.

2. The rates set forth in the Appendix attached hereto are approved for service rendered on and after September 1, 2011.

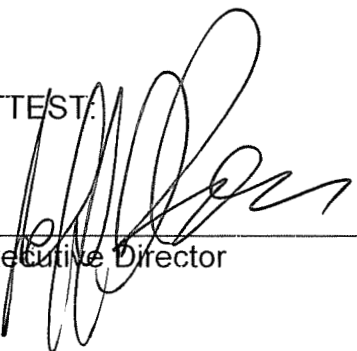
3. Within 20 days of the date of this Order, Jackson Purchase shall file with this Commission, using the Commission's electronic Tariff Filing System, its revised tariff sheets setting out the rates approved herein and stating that they were approved pursuant to this Order.

4. Not later than February 8, 2013, Jackson Purchase shall file with this Commission the information described in the Revenue Recovery Mechanism section of this Order.

By the Commission

ENTERED
JAN 29 2013
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



Executive Director

Case No. 2011-00057

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2011-00057 DATED JAN 29 2013

The following rates and charges are prescribed for the customers in the area served by Jackson Purchase Energy Corporation. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

SCHEDULE R
RESIDENTIAL

| | |
|-----------------------------|------------|
| Facilities Charge per Month | \$ 9.48 |
| Energy Charge per kWh | \$.076728 |

SCHEDULE C-1
SMALL COMMERCIAL - SINGLE PHASE

| | |
|-----------------------------|------------|
| Facilities Charge per Month | \$ 10.53 |
| Energy Charge per kWh | \$.077791 |

SCHEDULE C-3
SMALL COMMERCIAL - THREE PHASE

| | |
|-----------------------------|------------|
| Facilities Charge per Month | \$ 18.96 |
| Energy Charge per kWh | \$.073863 |

SCHEDULE D
COMMERCIAL AND INDUSTRIAL - DEMAND LESS THAN 3,000 kW

| | |
|-----------------------------|------------|
| Facilities Charge per Month | \$ 36.86 |
| Demand Charge per kW | \$ 6.85 |
| Energy Charge per kWh: | |
| First 200 kWh per kW | \$.047357 |
| Next 200 kWh per kW | \$.039669 |
| Next 200 kWh per kW | \$.035762 |
| Over 600 kWh per kW | \$.031971 |

SCHEDULE I-E
LARGE COMMERCIAL AND INDUSTRIAL - EXISTING

| | |
|-----------------------------|--------------|
| Facilities Charge per Month | \$ 315.93 |
| Demand Charge: | |
| First 3,000 kW | \$ 36,331.90 |
| All Additional kW per kW | \$ 12.11 |
| Energy Charge per kWh | \$.029026 |

SCHEDULE L
LARGE COMMERCIAL AND INDUSTRIAL – 3,000-5,000 kW

| | |
|-----------------------------|------------|
| Facilities Charge per Month | \$ 315.93 |
| Demand Charge per kW | \$ 11.90 |
| Energy Charge per kWh | \$.029026 |

SCHEDULE OL
OUTDOOR LIGHTING

Flat rate per light per month as follows:

| | |
|--------------------------|----------|
| 175 Watt M.V. | \$ 8.70 |
| 400 Watt M.V. | \$ 13.46 |
| 100 Watt H.P.S. | \$ 8.36 |
| 250 Watt H.P.S. | \$ 11.61 |
| 250 Watt H.P.S. - Flood | \$ 12.19 |
| 175 Watt Metal | \$ 14.15 |
| 150 Watt Metal | \$ 13.71 |
| 400 Watt Metal | \$ 20.61 |
| 1,000 Watt Metal - Flood | \$ 30.53 |

G. Kelly Nuckols
President & Ceo
Jackson Purchase Energy Corporation
2900 Irvin Cobb Drive
P. O. Box 4030
Paducah, KY 42002-4030

Melissa D Yates
Attorney
Denton & Keuler, LLP
555 Jefferson Street
P. O. Box 929
Paducah, KENTUCKY 42002-0929