

RECEIVED

JUN 27 2013

PUBLIC SERVICE  
COMMISSION

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF JACKSON PURCHASE	)	
ENERGY CORPORATION FOR APPROVAL	)	CASE NO.
OF FLOW THROUGH RATES PURSUANT TO	)	2013-00068
KRS 278.455	)	

**JACKSON PURCHASE ENERGY CORPORATION'S  
RESPONSE TO COMMISSION STAFF'S SECOND REQUEST  
FOR INFORMATION DATED JUNE 11, 2013**

COMES Jackson Purchase Energy Corporation (hereinafter "JPEC"), through the undersigned counsel, and submits herein its responses to information requested in Commission Staff's Second Request for Information dated June 11, 2013.

1. Refer to Exhibit C, page 2 of 18, filed in response to Item 4 of Commission Staff's First Request for Information.

a. Confirm that the proposed wholesale demand rate for the "Industrials" table on this page should be shown as \$12.33 instead of \$12.00.

b. Refer to the Excel spreadsheet filed in response to Item 4. Besides cell I61 on the "Exhibit A" tab and cells E7 through E48 on the "Exhibit C" tab, state which cells in all other tabs of the spreadsheet need to be changed in order to make the correction identified in a. above.

**Response:**

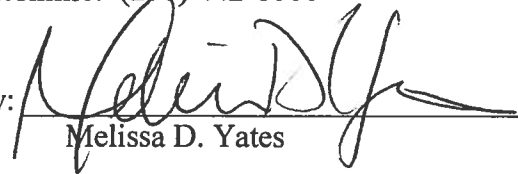
a. Yes, the proposed demand rate for the "Industrials" table on Exhibit C, Page 2 of 18, of JPEC's Response to the Commission Staff's First Data Request should be \$12.33 instead of \$12.00.

b. Please find attached a copy of the applicable, revised spreadsheets attached hereto collectively as Exhibit "A". Both electronic and paper versions are attached hereto.

Respectfully submitted,

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

By:



Melissa D. Yates

ATTORNEYS FOR JACKSON  
PURCHASE ENERGY CORPORATION

I hereby certify that the foregoing has been served by sending a true and correct copy via Federal Express to:

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

on this 26th day of June, 2013.

By:

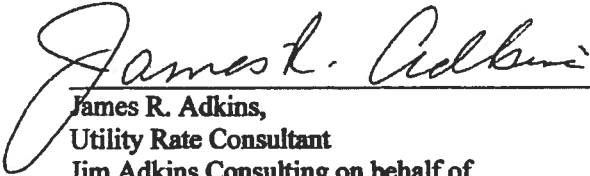


Melissa D. Yates

161882

**VERIFICATION**

The undersigned, **JAMES R. ADKINS**, states under oath that he is the Rate Consultant for Jackson Purchase Energy Corporation and that the information set forth in Jackson Purchase Energy Corporation's Response to the information requested in the Commission Staff's First Request for Information dated May 16, 2013, is true and correct to the best of his information and belief.

  
James R. Adkins,  
Utility Rate Consultant  
Jim Adkins Consulting on behalf of  
Jackson Purchase Energy Corporation

STATE OF KENTUCKY

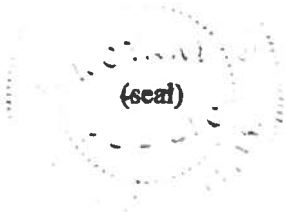
COUNTY OF JESSAMINE

The foregoing was signed, acknowledged, and sworn to before me by James R. Adkins this 24 day of June, 2013.

My commission expires: June 6, 2017

Notary ID: 489485

  
Notary Public, State of Kentucky at Large



**CURRENT WHOLESALE RATES**

**RURALS**

	Billed Demand NCP kW	Billed Energy kWh	Demand Revenue	Energy Revenue
January	125,348	60,783,300	\$ 1,215,500	\$ 1,807,452
February	113,183	51,999,650	\$ 1,097,536	\$ 1,546,262
March	90,800	44,367,140	\$ 880,488	\$ 1,319,301
April	102,606	42,919,630	\$ 994,970	\$ 1,276,258
May	127,096	56,014,780	\$ 1,232,450	\$ 1,665,655
June	158,128	61,818,677	\$ 1,533,367	\$ 1,838,240
July	154,043	77,753,367	\$ 1,493,755	\$ 2,312,074
August	150,783	65,934,520	\$ 1,462,143	\$ 1,960,629
September	130,745	49,580,620	\$ 1,267,834	\$ 1,474,329
October	87,541	44,418,842	\$ 848,885	\$ 1,320,839
November	108,853	50,927,300	\$ 1,055,548	\$ 1,514,374
December	113,704	57,089,450	\$ 1,102,588	\$ 1,697,612
<b>Total</b>	<b>1,462,830</b>	<b>663,607,276</b>	<b>\$ 14,185,063</b>	<b>\$ 19,733,026</b>
				<b>\$ 33,918,088</b>

Total

Current Rates

Demand	Energy
\$ 9.697	\$ 0.029736

**CURRENT WHOLESALE RATES**

**INDUSTRIALS**

Billed Demand NCP	Billed Energy kWh	Demand Revenue	Energy Revenue
1,901	380,000	\$ 19,961	\$ 9,313
1,879	289,855	\$ 19,730	\$ 7,104
1,890	253,080	\$ 19,845	\$ 6,202
1,879	587,460	\$ 19,730	\$ 14,397
2,063	581,250	\$ 21,662	\$ 14,245
1,912	315,450	\$ 20,076	\$ 7,731
1,901	194,800	\$ 19,961	\$ 4,774
2,041	425,270	\$ 21,431	\$ 10,423
2,020	531,540	\$ 21,210	\$ 13,027
1,912	579,650	\$ 20,076	\$ 14,206
1,912	518,140	\$ 20,076	\$ 12,699
1,890	599,810	\$ 19,845	\$ 14,700
<b>23,200</b>	<b>5,256,305</b>	<b>\$ 243,600</b>	<b>\$ 128,822</b>
			<b>\$ 372,422</b>

Demand	Energy
\$ 10.50	\$ 0.024508

**PROPOSED WHOLESALE RATES**

**RURALS**

	Billed Demand CP	Billed Energy kWh	Demand Revenue	Energy Revenue
January	125,348	60,783,300	2,111,863	1,823,499
February	113,183	51,999,650	1,906,907	1,559,990
March	90,800	44,367,140	1,529,798	1,331,014
April	102,606	42,919,630	1,728,706	1,287,589
May	127,096	56,014,780	2,141,313	1,680,443
June	158,128	61,818,677	2,664,141	1,854,560
July	154,043	77,753,367	2,595,316	2,332,601
August	150,783	65,934,520	2,540,392	1,978,036
September	130,745	49,580,620	2,202,792	1,487,419
October	87,541	44,418,842	1,474,891	1,332,565
November	108,853	50,927,300	1,833,955	1,527,819
December	113,704	57,089,450	1,915,685	1,712,684
	1,462,830	663,607,276	\$ 24,645,760	\$ 19,908,218
				\$ 44,553,978

**PROPOSED WHOLESALE RATES**

**INDUSTRIALS**

	Billed Demand NCP	Billed Energy kWh	Demand Revenue	Energy Revenue
	1,901	380,000	\$ 23,439	\$ 11,400
	1,879	289,855	\$ 23,168	\$ 8,696
	1,890	253,080	\$ 23,304	\$ 7,592
	1,879	587,460	\$ 23,168	\$ 17,624
	2,063	581,250	\$ 25,437	\$ 17,438
	1,912	315,450	\$ 23,575	\$ 9,464
	1,901	194,800	\$ 23,439	\$ 5,844
	2,041	425,270	\$ 25,166	\$ 12,758
	2,020	531,540	\$ 24,907	\$ 15,946
	1,912	579,650	\$ 23,575	\$ 17,390
	1,912	518,140	\$ 23,575	\$ 15,544
	1,890	599,810	\$ 23,304	\$ 17,994
	23,200	5,256,305	\$ 286,056	\$ 157,689
				\$ 443,745

Proposed Rates

Demand	Energy
\$ 16.848	\$ 0.030000

Increase in Power Costs

\$ 10,635,890

Percent Increase in Power Costs

Demand	Energy
\$ 12.33	\$ 0.030000

Total \$ 71,324  
\$ 10,707,213  
31.23%

DETERMINATION OF THE PERCENTAGE INCREASE IN RETAIL RATES

INCREASE WHOLESAL POWER COSTS

Summary	Present Rates	Proposed Rates	Increase	
			Amount	Percent
Rurals	\$ 33,918,088	\$ 44,553,978	\$ 10,635,890	31.36%
Industrials	\$ 372,422	\$ 443,745	\$ 71,324	19.15%
Total	\$ 34,290,510	\$ 44,997,723	\$ 10,707,213	31.23%

INCREASE IN RETAIL RATES

Wholesale Power Increase	\$ 10,707,213
Divided by	
Normalized Revenue	\$ 51,700,884
Percentage Increase in	
Base Retail Rates	20.710%

DEVELOPMENT OF THE PROPOSED RATES

<u>Schedule</u>		<u>Present Rates</u>	<u>Percent Increase</u>	<u>Proposed Rates</u>
<u>R-Residential</u>				
	Facilities Charge	\$ 9.48	20.710%	\$ 11.44
	Energy Charge	\$ 0.076728	20.710%	\$ 0.092618
<u>C-1 Small Commercial-1Ph</u>				
	Facilities Charge	\$ 10.53	20.710%	\$ 12.71
	Energy Charge	\$ 0.077791	20.710%	\$ 0.093902
<u>C-3 Small Commercial-3Ph</u>				
	Facilities Charge	\$ 18.96	20.710%	\$ 22.89
	Energy Charge	\$ 0.073863	20.710%	\$ 0.089160
<u>D C&amp;I less than 3000 kW</u>				
	Facilities Charge	\$ 36.86	20.710%	\$ 44.49
	Demand Charge	\$ 6.85	20.710%	\$ 8.27
	Energy Charge			
	1st 200 kWh/kW	\$ 0.047357	20.710%	\$ 0.057165
	Next 200 kWh/kW	\$ 0.039669	20.710%	\$ 0.047884
	Next 200 kWh/kW	\$ 0.035762	20.710%	\$ 0.043168
	Over 600 kWh/kW	\$ 0.031971	20.710%	\$ 0.038592
<u>IE Large C&amp;I Existing</u>				
	Facilities Charge	\$ 315.93	20.710%	\$ 381.36
	Demand Charge			
	1st 3000 kW	\$ 36,331.90	20.710%	\$ 43,856.24
	Additional kW	\$ 12.11	20.710%	\$ 14.62
	Energy Charge	\$ 0.029026	20.710%	\$ 0.035037
<u>L Large C&amp;I 3000-5000 kW</u>				
	Service Charge	\$ 315.93	20.710%	\$ 381.36
	Demand Charge	\$ 11.90	20.710%	\$ 14.36
	Energy Charge	\$ 0.029026	20.710%	\$ 0.035037
<u>Lights</u>				
	Watts			
	175	MV	\$ 8.70	20.710% \$ 10.50
	400	MV	\$ 13.46	20.710% \$ 16.25
	100	HPS	\$ 8.36	20.710% \$ 10.09
	250	HPS	\$ 11.61	20.710% \$ 14.01
	250	HPS-Flood	\$ 12.19	20.710% \$ 14.71
	175	Metal	\$ 14.15	20.710% \$ 17.08
	150	Metal	\$ 13.71	20.710% \$ 16.55

JACKSON PURCHASE ENERGY CORPORATION  
CASE NO. 2013-00068  
TEST YEAR ENDING DECEMBER 31, 2012

Exhibit C  
Page 2 of 2  
Testimony of J. Adkins

400	Metal	\$	20.61	20.710%	\$	24.88
1,000	Metal-Flood	\$	30.53	20.710%	\$	36.85



JACKSON PURCHASE ENERGY CORPORATION  
CASE NO. 2013-00068  
TEST YEAR ENDING DECEMBER 31, 2012

Rate Class	Normalized Revenue	Percent of Total	Proposed Revenue	Percent of Total	Increase Amount	Percent
Schedule R Residential	\$32,825,315	63.49%	\$39,622,267	63.49%	\$6,796,953	63.48%
Schedule C-1 Small Commercial Single Phase	2,534,134	4.90%	3,058,945	4.90%	\$524,811	4.90%
Schedule C-3 Small Commercial Three Phase	878,609	1.70%	\$1,060,586	1.70%	\$181,976	1.70%
Schedule D Commercial and Industrial Demand Less than 3,000 KW	13,024,922	25.19%	15,723,289	25.19%	\$2,698,367	25.20%
Schedule I-E Large Commercial and Industrial - Existing	1,377,958	2.67%	1,663,329	2.67%	\$285,372	2.67%
Schedule L Large Commercial and Industrial - 3,000-5,000 KW	\$ -	0.00%	\$ -	0.00%	\$ -	0%
Schedule OL - Outdoor Lighting	1,059,947	2.05%	1,279,299	2.05%	\$219,352	2.05%
<b>Total</b>	<b>\$51,700,884</b>	<b>100%</b>	<b>\$62,407,715</b>	<b>100.00%</b>	<b>\$10,706,831</b>	<b>100.00%</b>

**Schedule R  
Residential**

Billing Components	Billing Determinants	Actual		Proposed	
		Rate	Revenues	Case No.	
				Rates	Revenues
Facilities Charge	310,272	\$ 9.48	\$2,941,379	\$ 11.44	\$3,549,512
Energy charge per kWh	389,478,887	\$ 0.076728	<u>\$29,883,936</u>	\$ 0.092618	<u>\$36,072,756</u>
Total from base rates			<u>\$32,825,315</u>		<u>\$39,622,267</u>
Proposed increase:					
Amount					<u>\$6,796,953</u>
Percent					<u>20.71%</u>
Average monthly bill			\$ 105.80		
Increase in monthly bill			\$ 21.91		
Percent increase			20.71%		

**Schedule C-1  
Small Commercial Single Phase**

Billing Components	Billing Determinants	Actual		Proposed	
		Rate	Revenues	Case No.	
				Rates	Revenues
Facilities Charge	28,571	\$ 10.53	\$300,853	\$ 12.71	\$363,137
Energy charge per kWh	28,708,734	\$ 0.077791	<u>\$2,233,281</u>	\$ 0.093902	<u>\$2,695,808</u>
Total from base rates			<u>2,534,134</u>		<u>3,058,945</u>
Proposed increase:					
Amount					\$524,811
Percent					20.71%
Average monthly bill			\$ 88.70		
Increase in monthly bill			\$ 18.37		
Percent increase			20.71%		

**Schedule C-3  
Small Commercial Three Phase**

Billing Components	Billing Determinants	Actual		Proposed	
		Rate	Revenues	Case No.	
				Rates	Revenues
Facilities Charge	4,847	\$ 18.96	91,899	\$22.89	\$110,948
Energy charge per kWh	10,650,939	\$ 0.073863	<u>786,710</u>	\$ 0.089160	<u>\$949,638</u>
Total from base rates			<u>878,609</u>		<u>1,060,586</u>
Proposed increase:					
Amount					\$181,976
Percent					20.71%
Average monthly bill			\$ 181.27		
Increase in monthly bill			\$ 37.54		
Percent increase			20.71%		

**Schedule D**  
**Commercial and Industrial Demand Less than 3,000 KW**

Billing Components	Billing Determinants	Actual		Proposed	
		Rate	Revenues	Case No.	
				Rates	Revenues
Facilities Charge:	7,732	\$ 36.86	285,002	\$ 44.49	\$343,997
Demand Charge:	679,504	\$ 6.85	4,654,602	\$ 8.27	\$5,619,498
Energy Charge:					
First 200 KWH per KW	107,825,836	\$ 0.047357	5,106,308	\$ 0.057165	\$6,163,864
Next 200 KWH per KW	61,968,291	\$ 0.039669	2,458,220	\$ 0.047884	\$2,967,290
Next 200 KWH per KW	13,648,884	\$ 0.035762	488,111	\$ 0.043168	\$589,195
Over 600kWh per KW	1,022,117	\$ 0.031971	32,678	\$ 0.038592	\$39,446
Total from base rates			<u>13,024,922</u>		<u>\$15,723,289</u>
Amount					\$2,698,367
Percent					20.72%
Average monthly bill		\$	1,684.55		
Increase in monthly bill		\$	348.99		
Percent increase			20.72%		

Schedule I-E  
Large Commercial and Industrial - Existing

Billing Components	Billing Determinants	Actual		Proposed	
		Rate	Revenues	Rates	Revenues
Facilities Charge	24	\$315.93	\$ 7,582	\$ 381.36	\$ 9,153
Demand Charge					
First 3,000 kW	72,664	\$ 36,331.90	\$ 871,966	\$ 43,856.24	\$ 1,052,550
All kW greater than 3,000 kW per kW	664	\$ 12.11	\$ 8,041	\$ 14.62	\$ 9,708
Energy Charge per kWh	16,894,120	\$ 0.029026	\$ 490,369	\$ 0.035037	\$ 591,919
Total from base rates			<u>1,377,958</u>		<u>1,663,329</u>
Amount					\$285,372
Percent					20.71%
Average monthly bill			\$ 57,414.90		
Increase in monthly bill			\$ 11,890.49		
Percent increase			20.71%		

**Schedule L**  
**Large Commercial and Industrial - 3,000-5,000 KW**

<u>Billing Components</u>	Number	Actual		Proposed	
		Rate	Revenues	Rates	Revenues
Service Charge	0	\$ 315.93	\$ -	\$ 381.36	\$ -
Demand Charge: Per KW	0	\$ 11.90	\$ -	\$ 14.36	\$ -
All Energy:	0	\$ 0.029026	\$ -	\$ 0.035037	\$ -
Amount			\$ -		\$ -
Percent					0
Average monthly bill					
Increase in monthly bill					
Percent increase					

**Schedule OL - Outdoor Lighting**

Billing Components	Billing Determinants	Actual		Proposed	
		Rate	Revenues	Rates	Revenues
175 W MV	46,765	\$ 8.70	\$ 406,856	\$ 10.50	\$ 491,033
400 W MV	10,881	\$ 13.46	\$ 146,458	\$ 16.25	\$ 176,816
100 W HPS	27,717	\$ 8.36	\$ 231,714	\$ 10.09	\$ 279,665
250 W HPS	9,835	\$ 11.61	\$ 114,184	\$ 14.01	\$ 137,788
250 W HPS Flood	4,878	\$ 12.19	\$ 59,463	\$ 14.71	\$ 71,755
175 W Metal Halide	288	\$ 14.15	\$ 4,075	\$ 17.08	\$ 4,919
150 W Metal Halide	351	\$ 13.71	\$ 4,812	\$ 16.55	\$ 5,809
400 W Metal Halide	1,391	\$ 20.61	\$ 28,669	\$ 24.88	\$ 34,608
1000W Metal Halide	2,087	\$ 30.53	\$ 63,716	\$ 36.85	\$ 76,906
Total Outdoor Lighting	104,193		\$ 1,059,947		\$ 1,279,299
Amount				\$	219,352
Percent					20.69%
Average monthly bill			\$ 10.17		
Increase in monthly bill			\$ 2.11		
Percent increase					20.69%



Total Normalized Revenue	\$51,700,884	\$62,407,715
Amount		<u>\$10,706,831</u>
Percent		20.71%
Summary		
Increase in Retail Revenue		<u>\$10,706,831</u>
Increase in Purchased Power Costs		<u>10,707,213</u>
Difference		<u>(\$382)</u>

JACKSON PURCHASE ELECTRIC COOPERATIVE

CASE NO. 2013-00068

Exhibit F

Page 1 of 1

Testimony of J. Adkins

IMPACT OF WHOLESALE RATES FROM APPLICATION WITH REVISION IN TEST YEAR ENDING DECEMBER 31, 2012 ITEM 36 OF SECOND DATA REQUEST

Rate Class	Proposed Revenue		Difference
	Application	Revision	
<u>Schedule R</u> Residential	\$ 39,718,429	\$ 39,622,267	\$ 96,162
<u>Schedule C-1</u> Small Commercial Single Phase	3,066,262	3,058,945	7,317
<u>Schedule C-3</u> Small Commercial Three Phase	\$1,063,107	\$1,060,586	2,522
<u>Schedule D</u> Commercial and Industrial Demand Less than 3,000 KW	15,761,143	15,723,289	37,854
<u>Schedule I-E</u> Large Commercial and Industrial - Existing	1,667,319	1,663,329	3,990
<u>Schedule L</u> Large Commercial and Industrial - 3,000-5,000 KW	-	-	
<u>Schedule OL - Outdoor Lighting</u>	1,282,854	1,279,299	3,555
<b>Total</b>	<b>\$62,559,114</b>	<b>\$62,407,715</b>	<b>151,399</b>

IMPACT OF CHANGE IN WHOLESALE RATES

Wholesale Rate Schedule	Proposed Revenue		Difference
	Application	Revision	
Rurals	\$ 44,703,187	44553978.12	\$ 149,209
Industrials	445,601	443745.15	\$ 1,856
<b>Total</b>	<b>45,148,788</b>	<b>44,997,723</b>	<b>\$ 151,065</b>