

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF JACKSON	)	
PURCHASE ENERGY CORPORATION FOR A	)	CASE NO.
GENERAL ADJUSTMENT OF RATES AND	)	2021-00358
OTHER GENERAL RELIEF	)	

COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION  
TO JACKSON PURCHASE ENERGY CORPORATION

Jackson Purchase Energy Corporation (Jackson Purchase Energy), pursuant to 807 KAR 5:001, is to file with the Commission an electronic version of the following information. The information requested is due on November 29, 2021. The Commission directs Jackson Purchase Energy to the Commission's July 22, 2021 Order in Case No. 2020-00085<sup>1</sup> regarding filings with the Commission. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked.

Each response shall include the question to which the response is made, and shall include the name of the witness responsible for responding to the questions related to the information provided. Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the person supervising the preparation of the response on behalf of the entity that the

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<sup>1</sup> Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC July 22, 2021), Order (in which the Commission ordered that for case filings made on and after March 16, 2020, filers are NOT required to file the original physical copies of the filings required by 807 KAR 5:001, Section 8).

response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Jackson Purchase Energy shall make timely amendment to any prior response if Jackson Purchase Energy obtains information that indicates the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which Jackson Purchase Energy fails or refuses to furnish all or part of the requested information, Jackson Purchase Energy shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations. When filing a paper containing personal information, Jackson Purchase Energy shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Provide the average monthly usage for customers receiving assistance.
2. Provide the employee contribution percentage for the medical premium and supporting calculations for non-bargaining employees.
3. Provide the employee contribution percentage for the dental premium and supporting calculations for non-bargaining employees.
4. Provide the employee contribution percentage for the vision premiums and supporting calculations for non-bargaining employees.

5. Refer to Case No. 2019-00053,<sup>2</sup> Jackson Purchase Energy's response to Staff's First Request for Information, Item 14. Provide any increases in healthcare since 2019, and if an increase has occurred, state whether the employee contribution is still 20 percent of the increase.

6. Refer to the final Order in Case No. 2019-00053, page 10. The Commission stated the following:

Because Jackson Purchase Energy's current health insurance premium is bundled for medical, vision, and dental, whereas the national averages are based on the individual medical, vision, and dental premiums, adjusting the employee contributions for vision and dental insurance to the national average for those types of contributions cannot be calculated. Therefore, the Commission will adjust both bargaining and non-bargaining employee contributions for medical, dental, and vision insurance to a 12 percent contribution rate. The Commission cautions, however, that future applications that do not provide specific detail regarding contribution rates for each type of insurance may not qualify for the streamlined procedure, and the Commission expects Jackson Purchase Energy, in its next application for a general adjustment of rates, to include this information.

a. Explain why Jackson Purchase Energy did not make an adjustment for health benefits.

b. If this cannot be provided, provide an update to JPEC-RevReg-Filed.xlsx and the associated revenue requirement with an adjustment for health benefits of 12 percent.

7. Refer to Jackson Purchase Energy's response to Commission Staff's First Request for Information (Staff's First Request), Item 19.

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<sup>2</sup> Case No. 2019-00053, *Electronic Application of Jackson Purchase Energy Corporation for a General Adjustment in Existing Rates* (Ky. PSC Aug. 14, 2019).

a. Explain why the meter reading expense per meter has increased from \$4.18 in 2018 to \$9.69 in 2020.

b. Refer to the Application, Direct Testimony of Greg Grissom (Grissom Testimony), page 5, lines 10–11. Mr. Grissom states that AMI PLC technology is saving an estimated \$1.9 million annually. Reconcile that statement with the increase in meter reading expense per meter noted in Item 7a above.

8. Refer to Jackson Purchase Energy’s response to Staff’s First Request, Item 23.

a. If Jackson Purchase Energy is approaching an undesirable financial condition, explain why merit increases were awarded to non-bargaining employees.

b. Explain whether the merit increases awarded to non-bargaining employees include a cost-of-living adjustment or are solely based upon performance.

c. Provide the matrix used in determining the non-bargaining merit increases.

9. Refer to Jackson Purchase Energy’s response to Staff’s First Request, Item 24.

a. Explain the 11.6 percent increase between 2017 and 2018 for the Vice President of Engineering & Operations.

b. Explain the 12.7 percent and 8.0 percent increases between 2018 and 2019, and between 2019 and 2020, respectively, for the Vice President of Technology—now VP Operations.

10. Explain why Jackson Purchase Energy does not utilize a prepay program.

11. Refer to the Application, Direct Testimony of John Wolfram (Wolfram Testimony), page 12, that states that Jackson Purchase Energy continues to depreciate its automated metering infrastructure and related assets at reasonable, industry standard rates.

a. State the depreciation rates being utilized for Jackson Purchase Energy's automated metering infrastructure and related assets.

b. Provide Jackson Purchase Energy's depreciation schedule for the test period ended December 31, 2019.

12. Refer to the Wolfram Testimony, page 13, that discusses the adjustment to remove a one-time recovery of unclaimed retired capital credits.

a. Provide the years the unclaimed capital credits were earned.

b. Confirm that Jackson Purchase Energy performed its due diligence in the distribution of these unclaimed capital credits.

c. Provide the statute that allows for unclaimed capital credits to be recovered by a cooperative.

13. Provide justification for the current pole attachment rates.

a. Provide a calculation of CATV pole attachment rates using the formula prescribed in Administrative Case 251-42<sup>3</sup> and the 2019 annual report of Jackson Purchase Energy.

b. Explain whether there is subsidization in the pole-attachment rates and the other rate classes.

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<sup>3</sup> Administrative Case No. 251-42, *The Adoption of a Standard Methodology for Establishing Rates for CATV Pole Attachments* (Ky. PSC Nov. 15, 1982).

14. Provide cost support for each of the following nonrecurring charges:
  - a. Collection Fee of \$20.00;
  - b. Returned Check Fee of \$20.00;
  - c. Connection or Reconnection (Regular Hours) Fee of \$25.00;
  - d. Connection or Reconnection (After Hours) Fee of \$75.00;
  - e. Meter Test Request Fee of \$35.00; and
  - f. Meter Pole Perpetual Lease Fee of \$100.00.
  
15. Provide the number of times and the total amount in the test period for the following nonrecurring charges:
  - a. Collection Fee;
  - b. Returned Check Fee;
  - c. Connection or Reconnection (Regular Hours) Fee;
  - d. Connection or Reconnection (After Hours) Fee;
  - e. Meter Test Request Fee;
  - f. Meter Pole Perpetual Lease Fee; and
  - g. For the Connection or Reconnection Fees, provide the number of disconnections due to faulting on a payment plan that results from the disconnection moratorium associated with the COVID-19 pandemic.
  
16. Explain the circumstances that allow a customer to be charged a Collection Fee.
  
17. Explain what a Meter Pole Perpetual Lease is.
  
18. Provide the number of disconnections and reconnections for the years of 2018, 2019, 2020, and monthly for 2021.

19. Provide the number of net metering customers annually for the past five years, including to date for 2021. Also, provide the percent of cumulative generating capacity of net metering systems as compared to Jackson Purchase Energy's peak load during the previous year for the test period.

20. Refer to the Grissom Testimony, page 5, lines 6–7. Provide the amount of the loan received from the federal payroll protection program.

21. Refer to the Application, Direct Testimony of Jeff Williams (Williams Testimony), page 12, lines 6–18.

a. Provide the reason Jackson Purchase Energy's right-of-way (ROW) contractor walked away from the contract.

b. Provide the number of years left on the ROW contract the contractor walked away from.

c. Explain whether Jackson Purchase Energy received any compensation from the contractor.

d. Provide the Request for Proposals and resulting bids for the recent ROW contract.

e. Explain if Jackson Purchase Energy considered changing the five year cycle to a six or more year cycle.

22. Refer to the Williams Testimony, page 13, lines 21–23, and page 14, lines 1–3. Provide all studies Jackson Purchase Energy conducted that supports the conclusion that all customers (including low-income customers) will benefit from a rate design that better aligns cost-causers with cost-payers.

23. Refer to the Williams Testimony, page 14, lines 16–17. Also, refer to the Wolfram Testimony, Exhibit JW-2, page 20 of 24, Reference Schedule 1.14. Explain the reason Jackson Purchase Energy received a onetime FEMA Credit.

24. Refer to the Williams Testimony, page 14, lines 18–19. Also, refer to the Wolfram Testimony, Exhibit JW-2, page 14 of 24, Reference Schedule 1.10.

a. Provide an explanation of the RUS cushion of credit program.

b. Explain why the Jackson Purchase Energy will no longer receive interest income on the RUS cushion of credit.

25. Refer to the Williams Testimony, Exhibit JRW-1, page 1 of 1.

a. Provide a similar table that provides these metrics for each month of 2021. Provide monthly updates as they become available reported in the manner shown in the referenced Exhibit above, through the month of the public hearing in this case.

b. Explain why the equity to assets ratio decreased from 44.59 percent to 39.28 percent between 2019 and 2020.

26. Refer to JPEC-COS-FILED.xlsx, Func & Classif tab, line 240, Poles, Towers and Fixtures, Functional Vector F002. The Pri & Sec. Distr Plant allocation vectors are 0.127555 for demand and 0.872445 for Customer. Also, refer to Case No. 2019-00053, JPEC-COS-Revised-06-13-2019.xlsm, Func & Classif tab, line 470, Poles, Towers and Fixtures, Functional Vector F002. The Pri & Sec. Distr Plant allocation vectors are 0.752720 for demand and 0.274280 for customer.

a. Explain why the demand allocation increased almost 500 percent.

b. In Case No. 2019-00053, the allocation between customer and demand for Acct 364, Poles, Towers & Fixtures, was proposed to be based upon the



minimum system. Explain how the allocation for Acct 364 between customer and demand was estimated in the current COSS.

27. Refer to JPEC-COS-FILED.xlsx, Alloc & Returns Tab, line 410, Meter Costs – Weighted Cost of Meters customer allocation factor. The weighted allocation factor for the residential class is 0.848331. Also, refer to Case No. 2019-00053, JPEC-COS-Revised-06-13-2019.xlsm, Alloc & Returns Tab, line 707, Meter Costs - Weighted Cost of Meters customer allocation factor. The weighted allocation is 0.611168. Explain the change in the weighted cost of meters.

28. Refer to JPEC-COS-FILED.xlsx, Summary of Rates tab. Also, refer to Case No. 2019-00053, JPEC-COS-Revised-06-13-2019.xlsm, Summary of Rates tab. Provide an explanation for the increase to the customer charges for each class. In this explanation, be thorough for the 37.5 percent increase for the residential class that has occurred between the approximate two years since the last COSS was filed.

29. Refer to the Wolfram Testimony, Exhibit JW-2, page 12 of 24, Reference Schedule 1.08. Explain whether the estimated rate case expense includes the remaining amortization of the rate case expense from Case No. 2019-00053.

30. Refer to the Wolfram Testimony, JW-2, pages 15–16, Reference Schedule 1.11.

a. For the customer counts, explain why the totals do not match the Form 7.

b. For the customer counts, explain why the totals do not match Jackson Purchase Energy's 2019 annual report.

c. Refer to Jackson Purchase Energy's response to Staff's First Request, Item 15. Explain why the customer counts do not match Jackson Purchase Energy's response.

d. Provide the source for the documents for the following:

- (1) Customer counts; and
- (2) Total and class kWh.

31. Refer to the Wolfram Testimony, page 24 of 24, Reference Schedule 1.19. Provide the source documents for the average residential and commercial customers for Jan-May.

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DATED NOV 12 2021

cc: Parties of Record

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