

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)	2024-00085
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, shall file with the Commission an electronic version of the following information. The information requested is due on June 12, 2024. The Commission directs Jackson Purchase Energy to the Commission's July 22, 2021 Order in Case No. 2020-00085¹ 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

¹ 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 or incomplete when made or, though correct or complete when made, is now incorrect or incomplete 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 and scanned 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. Refer to the Application, Direct Testimony of John Wolfram (Wolfram Direct Testimony), page 21.

a. Explain why Jackson Purchase Energy decided to increase all customer charges by \$10.

b. Considering Jackson Purchase Energy relied on the cost-of-service study (COSS) to allocate the revenue increase, explain how the revenue increase

appropriately addresses any interclass subsidization and classes with a negative Rate of Return.

2. Refer to the Wolfram Direct Testimony, page 22. Explain how a scalar factor of 1.0309 percent or 3.09 percent increase was calculated.

3. Refer to the Wolfram Direct Testimony, page 23. Provide an explanation for how changing Rate L's customer charge and energy charge does not have an impact to Jackson Purchase Energy's revenues.

4. Refer to the Wolfram Direct Testimony, Exhibit JW-2, page 1. Provide a breakdown of the test-year balance for Interest – Other.

5. Refer to the Wolfram Direct Testimony, Exhibit JW-2, page 9. Provide the total test-year expenses for donations, promotional advertising, and dues in Excel spreadsheet format, with all formulas, columns, and rows unprotected and fully accessible.

6. Refer to the Wolfram Direct Testimony, Exhibit JW-2, page 13. Confirm that Jackson Purchase Energy estimates that the remaining regulatory asset balance of its rate case expenses from its last rate case will be \$58,881 as of November 1, 2024. If this cannot be confirmed, explain and provide the estimated balance as of November 1, 2024.

7. Refer to the Wolfram Direct Testimony, Exhibit JW-2, page 14.

a. Explain why the ending balance as of December 31, 2023, is the appropriate period to normalize interest expense.

b. Provide the outstanding principal balance and interest rates as of August 31, 2023. Provide all supporting calculations and documentation in Excel

spreadsheet format, with all formulas, columns, and rows unprotected and fully accessible.

c. Confirm that the short-term interest expense of \$3,575 is the test-year interest expense. If this cannot be confirmed, explain.

8. Refer to the Wolfram Direct Testimony, Exhibit JW-2, page 16. Provide a breakdown of the test-year and pro forma wages and salaries, showing each employee's regular and overtime hours, wage rates, and total wages in Excel spreadsheet format, with all formulas, columns, and rows unprotected and fully accessible.

9. Refer to the Wolfram Direct Testimony, Exhibit JW-2, page 18 and Jackson Purchase Energy's response to Commission Staff's First Request for Information (Staff's First Request), Item 47. Provide an itemized breakdown of total test-year expenses for the Board of Directors in Excel spreadsheet format, with all formulas, columns, and rows unprotected and fully accessible. The response should group expenses by director and category, such as per diems, industry association meetings, etc.

10. Refer to the Wolfram Direct Testimony, Exhibit JW-2, page 19.

a. Provide supporting documentation for the pro forma right-of-way maintenance expense. Provide all supporting calculations and documentation in Excel spreadsheet format, with all formulas, columns, and rows unprotected and fully accessible.

b. Provide the annual number of miles and cycle over which right-of-way maintenance is routinely conducted. Include in the response the total miles of right-of-way that Jackson Purchase Energy maintains.

c. Provide a breakdown of routine clearing, non-routine clearing, and spraying expenses for the test year and the pro forma.

11. Refer to the Wolfram Direct Testimony, Exhibit JW-2, page 20 and Case No. 2019-00053, final Order, page 9.²

a. Provide the adjustment necessary to reduce Jackson Purchase Energy's contribution to employee insurance premiums to the Bureau of Labor Statistics' average.

b. Provide the capitalization ratio for the test year.

12. Refer to the Wolfram Direct Testimony, Exhibit JW-3.

a. Provide the Rate of Return for each rate class after the proposed revenue increase is applied.

b. Refer also to Table 5, page 23. The notice showed that the Small Commercial Single Phase has an average usage of 642 kWh, and the Small Commercial Three Phase has an average usage of 1,885 kWh. While there is a significant difference between the billing determinants between the classes, explain why it is reasonable that the Small Commercial Single Phase energy charge is significantly lower than the Small Commercial Three Phase when considering cost-based rates, the COSS rates, and differentiating the rates between the classes.

13. Refer to the Wolfram Direct Testimony, Exhibit JW9, page 1. Explain why it is reasonable that the Small Commercial Single Phase and the Residential class have the same customer charge and energy charge.

² Case No. 2019-00053, *Electronic Application of Jackson Purchase Energy Corporation for a General Adjustment in Existing Rates* (Ky. PSC June 20, 2019).

14. Refer to Jackson Purchase Energy's response to Staff's First Request, Item 18, Attachment H1. Confirm that the employee numbers on tab "Test Year1" are provided for the test-year. If confirmed, provide the correct months and explain why the information does not match the corresponding months provided for 2022 and 2023.

15. Refer to Jackson Purchase Energy's response to Staff's First Request, Items 23 and 25.

a. Explain whether dental and vision insurance are identifiable components of the insurance premium. If so, provide the portion of each premium that is attributable to dental and vision insurance.

b. Provide the number of employees that participated in each plan type as of the end of the test year.

c. Provide a breakdown of employee contribution rates per plan type.

d. Provide a breakdown of test-year and pro forma total health insurance expenses and Jackson Purchase Energy's contribution for each plan type.

16. Refer to Jackson Purchase Energy's response to Staff's First Request, Item 31. The information provided is unresponsive for the test year. As originally requested, provide the requested information for the test year.

17. Refer to Jackson Purchase Energy's response to Staff's First Request, Item 44, Attachment, Analysis of Professional Services.

a. Describe in detail the services provided by Patterson & Dewar Engineers totaling \$57,964.42 that are designated "Engineering Technician - includes meals, travel, lodging." State whether any of the amounts presented should have been capitalized.

b. Describe in detail the services provided by Allen & Hoshall totaling \$142,896.62 that are designated “Substation re-build.” State whether any of the amounts presented should have been capitalized.

c. Describe in detail the services provided by Allen & Hoshall totaling \$37,557.50 that are designated “System engineering design & planning.” State whether any of the amounts presented should have been capitalized.

18. Refer to Case No 2021-00358,³ April 8, 2022 Order, page 12, which states in part,

[T]he Commission places Jackson Purchase on notice that Jackson Purchase cannot continue in its approach to [right-of-way] ROW management. In finding the proposed ROW management expense reasonable, the Commission is not excusing Jackson Purchase’s past decisions. The Commission strongly encourages Jackson Purchase to take significant steps to address ROW management expenses, such as working with other electric utilities to develop regional bids for ROW management contracts. Merely taking the position that ‘the costs are what the costs are,’ is inexcusable. In any future rate case, whether a streamlined case or a general rate adjustment case, Jackson Purchase should provide in specific detail what actions it has taken to address the ROW management expenses.

Also, refer to Application, Direct Testimony of Greg Grissom, page 6 beginning at line 1.

Also refer to Wolfram Direct Testimony, Exhibit JW-2, page 19. Provide the following information:

a. Provide specific detail of any actions Jackson Purchase Energy has taken to address ROW management and expenses.

³ Case No. 2021-00358, *Electronic Application of Jackson Purchase Energy Corporation for a General Adjustment of Rates and Other General Relief* (Ky. PSC Apr. 8, 2022).

b. State whether Jackson Purchase Energy has initiated any effort to work with other electric utilities to develop regional bids for ROW management contracts.

c. Provide the number of miles of right-of-way maintenance, cost per mile, and total cost expended for each year 2020, 2021, 2022, 2023, projected 2024 and the test year in the following format.

Description	2020	2021	2022	2023	2024	Pro Forma (1.14)
(a) ROW Circuit Work	\$	\$	\$	\$	\$	
(b) Number of Miles					190	358
Expense Per Mile (a / b)	\$	\$	\$	\$	\$	\$
(c) ROW Maintenance	\$	\$	\$	\$	\$	\$
(d) ROW Spraying	\$	\$	\$	\$	\$	\$
Total ROW (a + c + d)	\$	\$	\$	\$	\$	\$ 4,673,870

19. Provide Jackson Purchase Energy’s annual reliability metrics for 2016 to the most recent available data for 2024 and separately show outages caused by ROW vegetation in Excel spreadsheet format, with all formulas, columns, and rows unprotected and fully accessible. Include in the response, the System Average Interruption Duration, System Average Interruption Frequency, Customer Average Interruption Frequency, Customer Average Interruption Duration, and Customer Minutes of Interruption.

20. Refer to Case No 2021-00358,⁴ April 8, 2022 Order, pages 12 and 14, which states, “The Commission puts Jackson Purchase on further notice that, in future streamlined or general rate adjustment cases, Jackson Purchase must be prepared to demonstrate the cost savings from the new headquarters or to provide evidence, in sufficient detail, why the cost savings have not materialized.” Provide a detailed analysis

⁴ Case No. 2021-00358, *Electronic Application of Jackson Purchase Energy Corporation for a General Adjustment of Rates and Other General Relief* (Ky. PSC Apr. 8, 2022), final Order.

of the cost of electricity for the headquarters for the test year compared to the asserted savings.



Linda C. Bridwell, PE
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, KY 40602

DATED MAY 28 2024

cc: Parties of Record

Case No. 2024-00085

*L. Allyson Honaker
Honaker Law Office, PLLC
1795 Alysheba Way
Suite 6202
Lexington, KENTUCKY 40509

*Larry Cook
Assistant Attorney General
Office of the Attorney General Office of Rate
700 Capitol Avenue
Suite 20
Frankfort, KENTUCKY 40601-8204

*Angela M Goad
Assistant Attorney General
Office of the Attorney General Office of Rate
700 Capitol Avenue
Suite 20
Frankfort, KENTUCKY 40601-8204

*Meredith Kendall
Jackson Purchase Energy Corporation
6525 US Highway 60 W
Paducah, KY 42001

*Brittany H. Koenig
Honaker Law Office, PLLC
1795 Alysheba Way
Suite 6202
Lexington, KENTUCKY 40509

*Michael West
Office of the Attorney General Office of Rate
700 Capitol Avenue
Suite 20
Frankfort, KENTUCKY 40601-8204

*Jackson Purchase Energy Corporation
6525 US Highway 60 W
Paducah, KY 42001

*Greg Grissom
Jackson Purchase Energy Corporation
6525 US Highway 60 W
Paducah, KY 42001

*Heather Temple
Honaker Law Office, PLLC
1795 Alysheba Way
Suite 6202
Lexington, KENTUCKY 40509

*John Horne
Office of the Attorney General Office of Rate
700 Capitol Avenue
Suite 20
Frankfort, KENTUCKY 40601-8204