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**PUBLIC SERVICE  
COMMISSION**

February 19, 2014

**VIA FEDERAL EXPRESS**

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

*In the Matter of: The Application of Jackson Purchase Energy Corporation for  
Approval of Flow Through Rates pursuant to KRS 278.455  
Case No.: 2013-00068*

I am in receipt of your letter dated January 30, 2014 regarding JPEC's efforts to refund amounts collected in excess of the final rates in Commission Case Number 2013-00068. Please allow this to serve as a response.

- I. Refer to Attachments B and C of the Refund Report.
  - a. Explain why billing Cycle 6 does not appear on these two attachments.

**Response:**

**These attachments originated as Internal documents and likely should have been modified for external viewing. Cycle 6 bills on the same dates as "Vulcan," which is a Cycle 6 account and "new" Cycle 5.**

- b. Explain why the two street lights included at the bottom of Attachment B are not included on Attachment C.

**Response:**

**The two outdoor lights listed on Attachment C represent two light types that JPEC offered many years ago, but are not in the present tariffs. They were listed on the attachment in error.**

2. Refer to Attachment C of the Refund Report. Explain how the percentage amounts in the following rows were calculated:
  - a. Percent Reduction of Original
  - b. Interest Factor – Partial Month add on percent
  - c. Interest Factor – Full Month add on percent
  - d. Percent Reduction with add on- Full Month
  - e. Percent Reduction with add on – Full Month

**Response:**

- a. **Percent Reduction of Original – Calculated as the differences between the final rate less the interim rate divided by the interim rate.**
  - b. **through e. were not used in the refund calculation and should not have been included in the final attachment.**
3. Refer to Attachment D of the Refund Report, the Sales Tax column. Explain why a sales tax credit would appear on residential customer bills.

**Response:**

**Sales tax must be charged on residential account such as a rental house where service is in the landlord's name, where a business pays for the electricity on a residence such as if it is providing a home for an executive, or where some other taxable entity is paying the bill.**

4. Refer to Attachment E of the Refund Report. Explain why the 583,740 and 552,050 kWh amounts and 1,922 kW amount for the direct served customer does not reconcile with the kWh and kW amounts reported in the Refund Report of Big Rivers Electric Corporation for this customer.

**Response:**

**The kWh and kW figures were reported incorrectly. The direct serve customer's refund was calculated manually because of some billing complexities and those figures were manually entered. The refund was correctly processed based on August and September's usage but when the kWh and kW were entered data for July and August were inadvertently entered. A corrected Attachment E is included with this response.**

Mr. Jeff Derouen  
February 19, 2014  
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If you should need anything further, please do not hesitate to contact me at the number listed above.

Sincerely,

  
Melissa D. Yates  
[myates@dklaw.com](mailto:myates@dklaw.com)

Enclosure

dh: 170050

**Attachment E - Stats**  
**Schedule of All Refunds - Number of Bills, kWh & kW**  
**Jackson Purchase Energy Corporation PSC Case # 2013-00068**

Rate Code	NEW Cycle	# of O/L Only Bills	Meter KWH	Light KWH	KW	Fraction
Lights Only (Oct is Estimated) (October is all lights)	1 - Sept	15	-	2,858	-	16/33
	1 - Oct	15	-	153,306	-	28/28
	2 - Sept	24	-	44,302	-	23/34
	2 - Oct	24	-	164,441	-	28/28
	3 - Sept	20	-	4,972	-	30/34
	3 - Oct	20	-	150,150	-	28/28
	4 - Aug	21	-	27,882	-	7/33
	4 - Sept	21	-	27,882	-	30/30
	5 - Aug	1	-	80	-	12/31
	5 - Sept	1	-	80	-	30/30
<b>Lights Only</b>		<b>164</b>	<b>-</b>	<b>575,353</b>	<b>-</b>	
		<b># of Bills</b>				
Schedule R	1 - Sept	6,695	10,426,872	136,046	-	16/33
	1 - Oct	6,672	7,043,505	-	-	28/28
	2 - Sept	6,978	11,677,622	102,851	-	23/34
	2 - Oct	6,976	7,168,131	-	-	28/28
	5 - Sept	6,500	10,204,841	116,823	-	30/34
	3 - Oct	6,486	5,530,371	-	-	28/28
	4 - Aug	5,649	6,370,629	108,758	-	7/33
	4 - Sept	5,586	5,902,360	108,518	-	30/30
	5 - Aug	1	118	-	-	12/31
	5 - Sept	1	66	-	-	30/30
<b>Schedule R</b>		<b>51,544</b>	<b>64,324,513</b>	<b>572,996</b>	<b>-</b>	
Schedule C-1	1 - Sept	492	543,788	14,148	-	16/33
	1 - Oct	490	428,982	-	-	28/28
	2 - Sept	687	664,044	13,480	-	23/34
	2 - Oct	898	496,886	-	-	28/28
	5 - Sept	608	683,060	26,410	-	30/34
	3 - Oct	600	444,089	-	-	28/28
	4 - Aug	636	763,180	19,833	-	7/33
	4 - Sept	627	735,678	20,018	-	30/30
	3 - Aug	133	210,942	7,127	-	12/31
	5 - Sept	133	167,536	7,127	-	30/30
<b>Schedule C-1</b>		<b>5,104</b>	<b>5,138,183</b>	<b>110,143</b>	<b>-</b>	
Schedule C-3	1 - Sept	26	45,355	1,095	-	16/33
	1 - Oct	28	40,591	-	-	28/28
	2 - Sept	89	64,655	3,465	-	23/34
	2 - Oct	39	46,738	-	-	28/28
	3 - Sept	30	78,263	2,835	-	30/34
	3 - Oct	30	30,310	-	-	28/28
	4 - Aug	34	80,424	2,159	-	7/33
	4 - Sept	34	68,908	2,159	-	30/30
	5 - Aug	309	860,894	12,672	-	12/31
	5 - Sept	307	715,499	12,609	-	30/30
<b>Schedule C-3</b>		<b>874</b>	<b>2,051,635</b>	<b>36,994</b>	<b>-</b>	
Schedule D	5 - Aug	590	17,981,280	79,203	57,984,727	12/31
	5 - Sept	589	16,119,362	79,204	56,373,182	36/30
<b>Schedule D</b>		<b>1,179</b>	<b>34,100,642</b>	<b>158,407</b>	<b>114,357,909</b>	
Schedule I-E (Direct)	6 - Aug	1	552,050	-	2,117,000	12/31
Schedule I-E (Direct)	8 - Sept	1	339,430	-	2,171,000	30/30
Schedule I-E (Rural)	6 - Aug	1	1,154,803	-	3,756,000	12/31
Schedule I-E (Rural) (not direct serve)	6 - Sept	1	1,063,328	-	9,308,000	30/30
		<b>4</b>	<b>3,308,811</b>	<b>-</b>	<b>-</b>	
<b>Totals</b>	4 - Aug	8,340	7,214,233	158,632	-	7/33
	5 - Aug	1,034	13,053,234	99,082	57,984,727	12/31
	6 - Aug	2	1,706,053	-	5,873,000	12/31
	1 - Sept	7,229	11,016,015	154,147	-	16/33
	1 - Sept	7,728	12,406,313	166,098	-	23/34
	3 - Sept	7,158	10,966,164	151,040	-	30/34
	4 - Sept	6,268	6,706,944	158,577	-	30/30
	5 - Sept	1,031	17,002,463	99,820	56,373,182	30/30
	6 - Sept	2	1,602,758	-	5,479,000	30/30
	1 - Oct	7,204	7,513,876	153,306	-	28/28
2 - Oct	7,737	7,711,755	164,441	-	28/28	
3 - Oct	7,136	6,024,770	150,150	-	28/28	
<b>Total "Rural"</b>		<b>58,869</b>	<b>108,923,784</b>	<b>1,454,493</b>	<b>125,709,909</b>	