

Jackson Purchase Energy • P. O. Box 4030 • 2900 Irvin Cobb Drive • Paducah, KY 42002-4030

For Immediate Release

November 30, 2007

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Next week, Jackson Purchase Energy will file a request with the Kentucky Public Service Commission for the company's first rate increase in nearly a dozen years.

JPEC will ask for approval of a 9.25% increase in residential electric rates along with approval of a 9.31% increase in commercial rates for demand customers and a 9.95% increase in commercial rates for non-demand customers.

If approved, the new rates will begin appearing on electric bills in early 2008.

Currently, the typical JPEC customer, using an average 1,200 kWh, pays \$74.32 a month. Under the proposed rates, that same customer will pay \$82.59 per month or \$8.27 more per month.

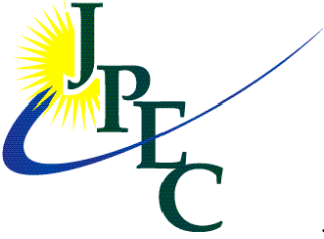
"I am hard-pressed to name anything that is less expensive than it was 10 years ago. In 1995 our average customer was paying more than \$85 per month," said G. Kelly Nuckols, JPEC's president and CEO.

After the new rates are in place, our members will still be paying less than they were 10 years ago," he continued.

Since 1996, JPEC has lowered rates by more than 10%.

Nuckols attributed the need for a rate adjustment to increased operating costs for the utility.

"We have seen our costs rise over the last several years. Many of the same things our customers have seen increase affect JPEC too. For example, JPEC uses more than 60,000 gallons of diesel fuel and gasoline a year. We are paying more at the pump, just like our members. Postage has increased. The cost of paper has gone up. Plus, the cost of raw materials we use for construction of new services has skyrocketed. The cost of copper alone is up more than 300%," he said.



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Nuckols said, JPEC has been able to offset some of those increases by improving operating efficiency with technology and other changes.

“Over the last several years, we have passed our operational savings on to our members by lowering their rates. But, now, we have reached a point that the increase is necessary, ” said Nuckols.

In the last ten years, JPEC has invested millions in the infrastructure of the electric system and improved reliability. JPEC has built five new substations and upgraded service in several others at a cost of \$1 to \$2 million per substation, and has done so while lowering rates and keeping debt in check.

JPEC members pay some of the lowest electric rates in the region and the country. Kentucky generally has the lowest average electric rate of any state in the union. JPEC’s rates fall in the lower half for utilities in Kentucky.

The PSC has asked JPEC to provide a full depreciation study as well as a cost-of-service study and other financial documents to support the request for the increase.

Jackson Purchase Energy is not-for-profit cooperative electric utility serving 30,000 member-owners in Ballard, Carlisle, Graves, Livingston, Marshall and McCracken counties of far western Kentucky.