



**JACKSON ENERGY
COOPERATIVE**

115 Jackson Energy Lane
McKee, Kentucky 40447
Telephone (606) 364-1000 • Fax (606) 364-1007

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JUL 11 2014

PUBLIC SERVICE
COMMISSION

July 9, 2014

Jeff Derouen
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
P O Box 615
Frankfort, Kentucky 40602-0615

Dear Mr. Derouen:

Enclosed please find an original and seven copies of Jackson Energy Cooperative's response to the Commission Staff's second request for information in Case No. 2014-00051. The response includes the name of the witness responsible for responding to the questions relating to the information provided. A signed certificate of the person supervising the preparation of the response on behalf of Jackson Energy Cooperative is also included.

If you have any questions, please contact me at 606-364-9231.

Respectfully yours,

JACKSON ENERGY COOPERATIVE

A handwritten signature in cursive script that reads "Mark Keene".

Mark Keene
Manager of Finance

Enclosure

STATE OF KENTUCKY)

COUNTY OF JACKSON)

I, Mark R. Keene, state that I am the Manager of Finance, of Jackson Energy Cooperative, that I have personal knowledge of the matters set forth in this response to the Commission's request for information, and that the statements and calculations contained in each are true as I verily believe.

This 9th day of July 2014.

Mark R. Keene
Mark R. Keene

SUBSCRIBED AND SWORN to before me by Mark R. Keene this
9th day of July, 2014.

Connie Reid #470311
Notary Public, KY State at Large

My Commission Expires: 7-30-16

Question # 1 This question is addressed to each of the 16 member distribution cooperatives. To further Staff's understanding of how environmental surcharge expenses and revenues impact a cooperative's financial position, explain how the transactions are recorded on your books and provide representative journal entries showing account numbers and descriptions.

Response: The power bill will be recorded on Jackson Energy's books in the month for which the member's usage occurs. - July 2013

<u>Account</u>	<u>Description</u>	<u>Surcharge Debit</u>	<u>Surcharge Credit</u>
555.00	Purchased Power	\$799,784	
232.10	Accounts Payable		\$799,784
	<i>To record power bill</i>		

The environmental surcharge factor will be billed in August and will be recorded as July revenue on Jackson Energy's books.

142.10	Consumer Accounts Rec. - Consumer	\$839,984	
440.11	Residential Sales - Enviro. Surcharge		\$616,516
442.11	C & I Sales-Small - Enviro. Surcharge		\$66,063
442.21	C & I Sales-Large - Enviro. Surcharge		\$121,019
445.01	Other Public Auth. Sales - Enviro. Surcharge		\$36,386
	<i>To record the monthly sales revenue net of adjustments</i>		

Witness: Mark Keene

Question # 2 This question is addressed to each of the 16 member distribution cooperatives. Refer to the responses to the Commission Staff's First Data Request for information, Item 2.a., for your cooperative.
provide representative journal entries showing account numbers and descriptions.

Question # 2a Using the month of July 2013 as an example, for the amount shown in the column titled "EKPC Invoice Month recorded on Member's Books," for your cooperative, provide the month in which the expenses are incurred by EKPC and when the amount was billed to the member cooperative.

Response: The expenses were incurred by EKPC in June 2013 and billed to Jackson Energy on the July 2013 power bill dated August 1, 2013.

Question # 2b Using the month of July 2013 as an example, for the amount shown in the column titled "Billed to Retail Consumer & recorded on Member's Books," for your cooperative, provide the pass-through factor and the revenue amount to which it was applied to arrive at the amount shown.

Response: The pass-through factor for Jackson Energy was 11.28%.
The revenue amount to which it was applied was \$7,458,395.09.

Witness: Mark Keene