COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

| APPLICATION OF JACKSON ENERGY COOPERATIVE |) |
|--|------------|
| FOR A CERTIFICATE OF CONVENIENCE AND |) |
| NECESSITY PURSUANT TO KRS 278.020(1) AND |) CASE NO. |
| 807 KAR 5:001, SECTION 9 AND RELATED SECTIONS, | 2005-00305 |
| AUTHORIZING CERTAIN PROPOSED CONSTRUCTION |) |
| IDENTIFIED AS THE 2005-2007 CONSTRUCTION WORK |) |
| PLAN |) |

ORDER

Jackson Energy Cooperative ("Jackson Energy") filed its application on July 18, 2005 for a Certificate of Public Convenience and Necessity ("CPCN") to construct certain improvements and additions to its existing plant at an estimated cost of \$22,341,483. In support of its application Jackson Energy filed its 2005-2007 Work Plan, which describes in detail the improvements and additions to its plant that are required over the next 2 years to serve its load.

Jackson Energy seeks authorization to construct extensions and additions to its plant as follows:

| 1. | New Services | \$ 5,988,711 |
|-----|--------------------------------|---------------|
| 1. | New Services | φ 5,966,7 1 1 |
| 2. | Distribution Line Conversions | 6,447,250 |
| 3. | Substation Equipment | 500,000 |
| 4. | Transformers and Meters | 6,001,602 |
| 5. | Service Upgrades | 181,900 |
| 6. | Sectionalizing | 15,800 |
| 7. | Regulators | 156,000 |
| 8. | Pole Replacements | 837,750 |
| 9. | Lightning Arrester Replacement | 425,000 |
| 10. | Air Break Switches | 450,000 |
| 11. | Line Fuse Cutouts | 250,000 |
| 12. | Security Lights | 540,090 |

| 13. | SCADA | 57,280 |
|-------|-----------------|----------------|
| 14. | AMR | 240,100 |
| 15. | McKee Warehouse | <u>250,000</u> |
| TOTAL | | \$22,341,483 |

The proposed construction will enable Jackson Energy to continue to provide

adequate and dependable electric service to its customers. The system improvements recommended in this Work Plan will not duplicate existing facilities and are needed to correct voltage problems, improve phase balance, and provide for improved service

Based on the application, the supporting 2005-2007 Work Plan, and being

otherwise sufficiently advised, the Commission finds that the proposed improvements

and additions to be constructed by Jackson Energy are necessary to provide adequate,

reliable electric service to existing customers and anticipated new customers.

IT IS THEREFORE ORDERED that Jackson Energy is granted a CPCN to construct the facilities described in its 2005-2007 Work Plan.

Done at Frankfort, Kentucky, this 7th day of October, 2005.

By the Commission

ATTEST:

reliability.

Kobat a Smath for the Executive Director