

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF JACKSON ENERGY)	
COOPERATIVE CORPORATION FOR A)	
CERTIFICATE OF CONVENIENCE AND)	CASE NO.
NECESSSITY TO CONSTRUCT A BUILDING)	2011-00178
ADDITION AT THE LONDON OFFICE PURSUANT)	
TO KRS 278.020 AND 807 KAR 5:001, SECTION 9)	

O R D E R

On May 20, 2011 Jackson Energy Cooperative Corporation ("Jackson Energy") filed its application for a Certificate of Public Convenience and Necessity ("CPCN") to construct a building addition to its London office facility. The addition will include office space for current and future employees, a storage facility, and a training area. The estimated cost of the proposed addition is:

Office Building	\$1,474,000
Furniture	88,500
Parking/Paving	<u>99,831</u>
Total	\$1,662,331

The current London office building was constructed in 1988 and consists of a 4,575-square-foot office building and an 8,110-square-foot warehouse. The proposed addition is 11,368 square feet. The London District serves approximately 24,000 members in Laurel and Rockcastle counties, which represents approximately 46 percent of Jackson Energy's total customer base.

Jackson Energy states that there are currently 29 employees working at the London office and warehouse facility. The existing office building has 13 employees, and no additional space is available for future employees. Jackson Energy states that the telephone equipment components are currently installed in the same closet as the janitorial supplies and that the office facility has minimal space for storage. The warehouse facility currently accommodates 16 field employees.

Jackson Energy asserts that future staffing needs at the London facility include the addition of three field employees in the first quarter of 2012 and one staking engineer in 2013, and that the existing facility has no room to accommodate additional personnel. Safety training and meetings for office and field employees are currently conducted in a small 13' x 24' conference room, with some employees sitting in the hallway due to limited space in the conference room.

Jackson Energy states that the proposed London building addition will include office space for 27 employees and a training area with a maximum seating capacity of 192. Jackson Energy indicates that the training area will also be used as a command center, for housing crews during storms, and for providing meals to workers in extended outage situations.

Jackson Energy states that it will construct the proposed building addition from general funds and will not finance the facility using long-term debt.

Based on the application, and being otherwise sufficiently advised, the Commission finds that the construction of Jackson Energy's proposed building addition is needed to adequately provide service to its customers and would not result in wasteful duplication of facilities. Accordingly, the proposal shall be approved. The

Commission also finds that, if the final construction cost of the facility exceeds ten percent of the estimated cost, Jackson Energy should be required to file sufficient information with the Commission to explain and justify the additional cost.

IT IS THEREFORE ORDERED THAT:

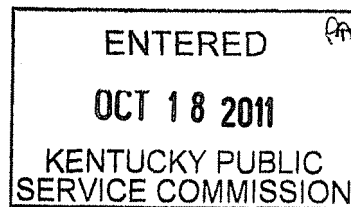
1. Jackson Energy is granted a Certificate of Public Convenience and Necessity to construct the proposed building addition as described in its application.

2. Within thirty days of completion of the construction, Jackson Energy shall file with the Commission the actual cost to construct the proposed operations center.

3. If the final construction cost of the operations center exceeds ten percent of the estimated cost, Jackson Energy shall file with the Commission, within thirty days of determining the final cost, sufficient information to explain and justify the additional cost.

4. Any documents filed in the future pursuant to ordering paragraphs two and three herein shall reference this case number and shall be retained in the utility's general correspondence file.

By the Commission



ATTEST:

Executive Director

Clayton O Oswald
Jackson Energy Cooperative Corporation
115 Jackson Energy Lane
McKee, KY 40447