Ernie Fletcher Governor

Teresa J. Hill, Secretary **Environmental and Public Protection Cabinet**

Timothy J. LeDonne Commissioner Department of Public Protection

Commonwealth of Kentucky

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December 5, 2007

Clayton O. Oswald Taylor, Keller & Dunaway & Tooms Attorneys At Law 1306 West Fifth Street Post Office Box 905 London, KY 40743-0905

CERTIFICATE OF SERVICE

RE: Case No. 2006-00482 Jackson Energy Cooperative

I, Beth O'Donnell, Executive Director of the Public Service Commission, hereby certify that the enclosed attested copy of the Commission's Order in the above case was served upon the addressee by U.S. Mail on December 5, 2007.

Executive Director

BOD/tw **Enclosure**



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Donald R. Schaefer Jackson Energy Cooperative 115 Jackson Energy Lane McKee, KY 40447



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COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF JACKSON ENERGY)	
COOPERATIVE TO PASS-THROUGH AN)	CASE NO.
INCREASE OF ITS WHOLESALE POWER)	2006-00482
SUPPLIER PURSUANT TO KRS 278.455(2)	ý	

ORDER

On January 29, 2007, Jackson Energy Cooperative ("Jackson") submitted an application pursuant to the authority of KRS 278.455(2) and 807 KAR 5:007 to pass-through any wholesale rate adjustment granted to East Kentucky Power Cooperative, Inc. ("EKPC") in Case No. 2006-00472. Jackson filed an entry of appearance by its legal counsel on February 7, 2007, and the application was accepted as filed on that date.

On April 1, 2007 in Case No. 2006-00472, the Commission authorized, subject to refund, an interim \$19.0 million annualized increase in EKPC's wholesale rates to be effective for service rendered on and after April 1, 2007. Therefore, pursuant to KRS 278.455 we authorized an interim increase in Jackson's revenues of \$1,601,151, effective for service rendered on and after April 1, 2007.

The Commission issued an Order this date in Case No. 2006-00472 approving the interim increase of \$19.0 million in annualized revenues as the final increase for EKPC. Consequently, the Commission finds that Jackson's April 1, 2007 interim

¹ Case No. 2006-00472, General Adjustment of Electric Rates of East Kentucky Power Cooperative, Inc.

increase in revenues of \$1,601,151 should be approved as the final and permanent increase authorized in this proceeding.

In its July 25, 2007 Order in Case No. 2006-00519,² the Commission approved the transfer, or roll-in, of 6.50 mills per kWh from Jackson's Fuel Adjustment Clause to its base rates. The rates incorporating this roll-in were effective for service rendered on and after August 1, 2007. Jackson's base rates at the time of the roll-in reflected the \$1,601,151 interim increase in revenues approved by the Commission on April 1, 2007. As the Commission has found in this Order that the \$1,601,151 increase in revenues should be made permanent and no additional increase in revenues has been approved, no change or revision to Jackson's current rates will be necessary.

IT IS THEREFORE ORDERED that the April 1, 2007 interim increase in revenues of \$1,601,151 is approved as the final increase in revenues authorized in this proceeding. No change to Jackson's base rates is necessary.

Done at Frankfort, Kentucky, this 5th day of December, 2007.

By the Commission

Executive Director

² Case No. 2006-00519, An Examination of the Application of the Fuel Adjustment Clause of Jackson Energy Cooperative Corporation from November 1, 2004 to October 31, 2006.