

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION OF THE)	
APPLICATION OF THE FUEL)	
ADJUSTMENT CLAUSE OF JACKSON)	
ENERGY COOPERATIVE)	CASE NO. 2006-00519
CORPORATION FROM NOVEMBER 1,)	
2004 TO OCTOBER 31, 2006)	

O R D E R

Pursuant to Administrative Regulation 807 KAR 5:056, the Commission, on December 18, 2006, established this case to review and evaluate the operation of the fuel adjustment clause ("FAC") of Jackson Energy Cooperative Corporation ("Jackson Energy") for the 2-year period ended October 31, 2006.

As part of this review, the Commission ordered Jackson Energy to submit certain information and an affidavit attesting to its compliance with Administrative Regulation 807 KAR 5:056. Jackson Energy has complied with this Order. The Commission further ordered that a public hearing be held in this case but cancelled it when, after publication of notice, no interested party advised the Commission of its intention to attend.

In its April 1, 2007 Order in Case No. 2006-00472,¹ the Commission authorized a \$19.0 million interim rate increase for East Kentucky Power Cooperative, Inc. ("East Kentucky"), Jackson Energy's power supplier. On April 11, 2007, Jackson Energy filed

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

its revised tariffs reflecting the interim rate increase authorized by the Commission's April 1, 2007 Order in Case No. 2006-00482.² In its June 13, 2007 data request, Commission Staff requested that Jackson Energy provide revised tariffs which reflect the effect of its proposed FAC roll-in upon the interim rates filed on April 11, 2007. Jackson Energy has complied with that request.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that:

1. Jackson Energy has complied in all material respects with the provisions of Administrative Regulation 807 KAR 5:056.

2. East Kentucky, the wholesale supplier of Jackson Energy, has been authorized to transfer (roll-in) a 6.13 mills per kWh increase in the base fuel cost to its base rates.³

3. Jackson Energy should be authorized to transfer (roll-in) a 6.50 mills per kWh increase in its base fuel costs to its base rates to reflect, as adjusted for line loss, the transfer of a 6.13 mills per kWh increase in East Kentucky's current base rates. This transfer can best be accomplished by an energy adder to each kWh sold.

4. The rates and charges in Appendix A are fair, just, and reasonable, and reflect the transfer of fuel costs from the FAC to the base rate.

² Case No. 2006-00482, Application of Jackson Energy Cooperative to Pass-Through An Increase of Its Wholesale Power Supplier Pursuant to KRS 278.455(2).

³ Case No. 2006-00508, An Examination of the Application of the Fuel Adjustment Clause of East Kentucky Power Cooperative, Inc. from November 1, 2004 to October 31, 2006.

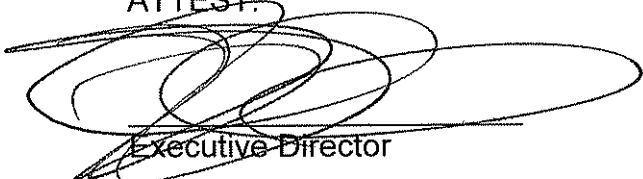
IT IS THEREFORE ORDERED that:

1. The charges and credits applied by Jackson Energy through the FAC for the period November 1, 2004 to October 31, 2006 are approved.
2. Jackson Energy is authorized to transfer to base rates those fuel costs (as adjusted for line-loss) rolled in by East Kentucky from its FAC to its base rates.
3. The rates in Appendix A are approved for service rendered by Jackson Energy on and after August 1, 2007, the effective date of East Kentucky's change in rates.
4. Within 20 days of the date of this Order, Jackson Energy shall file with the Commission revised tariff sheets setting out the rates approved herein.

Done at Frankfort, Kentucky, this 25th day of July, 2007.

By the Commission

ATTEST:



Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2006-00519 DATED JULY 25, 2007

The following rates and charges are prescribed for the customers in the area served by Jackson Energy Cooperative Corporation. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

SCHEDULE 1
SPECIAL DUAL FUEL TARIFF

Energy Charge per kWh for the Months of October through April \$.07752

SCHEDULE 10
RESIDENTIAL, FARM AND NON-FARM SERVICE

Energy Charge per kWh \$.07770

SCHEDULE 11
RESIDENTIAL, FARM AND NON-FARM SERVICE
OFF PEAK RETAIL MARKETING RATE

All kWh per Month per kWh \$.04662

SCHEDULE 20
COMMERCIAL, SMALL POWER AND THREE-PHASE SERVICE

All kWh per Month per kWh \$.07728

SCHEDULE 22
COMMERCIAL, SMALL POWER AND THREE-PHASE SERVICE
OFF - PEAK RETAIL MARKETING RATE

All kWh per Month per kWh \$.04637

SCHEDULE 30
LARGE POWER SERVICE LESS THAN 50 KW

All kWh per Month per kWh \$.07046

SCHEDULE 33
WATER PUMPING SERVICE

All kWh per Month per kWh \$.06488

SCHEDULE 40
LARGE POWER MORE THAN 50 KW LESS THAN 274 KW

All kWh per Month per kWh \$.06104

SCHEDULE 43
LARGE POWER MORE THAN 274 KW LESS THAN 499 KW

All kWh per Month per kWh \$.05747

SCHEDULE 46
LARGE POWER-500 KW AND OVER

All kWh per Month per kWh \$.04284

SCHEDULE 47
LARGE POWER-500 KW TO 4,999 KW

All kWh per Month per kWh \$.04493

SCHEDULE 48
LARGE POWER-5,000 KW AND ABOVE

All kWh per Month per kWh \$.03735

SCHEDULE 50
SCHOOLS AND COMMUNITY HALLS

All kWh per Month per kWh \$.08090

SCHEDULE 56
ALL ELECTRIC SCHOOLS (AES)

All kWh per Month per kWh \$.06729

SCHEDULE 60
CHURCHES

All kWh per Month per kWh \$.08055

SCHEDULE 65
STREET LIGHTING SERVICE

Rate per light per month as follows:

22,000 Lumen Sodium Vapor Light	\$ 14.44
5,800 Lumen Sodium Vapor Light	\$ 9.56

SCHEDULE 01
OUTDOOR LIGHTING SERVICE

Rate per light per month as follows:

100 Watt Sodium Vapor Security Light	\$ 8.04
175 Watt Mercury Vapor Light Security Light	\$ 8.04
400 Watt Mercury Vapor Flood Light	\$ 15.19
1,000 Watt Mercury Vapor Flood Light	\$ 29.67
175 Watt Mercury Vapor Acorn Light	\$ 14.75
175 Watt Mercury Vapor Colonial Light	\$ 7.92
400 Watt Mercury Vapor Cobra Head Light	\$ 13.15
400 Watt Mercury Vapor Interstate Light	\$ 17.86
4,000 Lumen Sodium Colonial	\$ 10.20
27,500 Lumen Sodium Floodlight	\$ 12.70
50,000 Lumen Sodium Floodlight	\$ 14.83
27,500 Lumen Sodium Cobra Head	\$ 11.31