

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)	2008-00418
SUPPLIER PURSUANT TO KRS 278.455(2))	

ORDER

On October 31, 2008, Jackson Energy Cooperative (“Jackson Energy”) submitted an application to pass-through any wholesale rate adjustment granted to East Kentucky Power Cooperative, Inc. (“EKPC”) in Case No. 2008-00409.¹ Jackson Energy submitted its application pursuant to the authority of KRS 278.455(2) and 807 KAR 5:007, Section 2. The Commission received and accepted for filing in the case record several comment letters from Jackson Energy customers, all opposing the proposed rate adjustment, but no one moved to intervene in the case.

In its application, Jackson Energy described how its proposed pass-through rates were developed:

In accordance with the provisions of KRS 278.455(2), Jackson Energy Cooperative hereby states that the effects of the increase in rates from its wholesale supplier, EKPC, are being passed through to its retail tariffs on a proportional basis and that the rate design structure proposed for each retail rate schedule does not change the rate design currently in effect.²

¹ Case No. 2008-00409, General Adjustment of Electric Rates of East Kentucky Power Cooperative, Inc. (Ky. PSC March 31, 2009)

² Application, Page 1.

KRS 278.455(2) provides that a distribution cooperative may change its rates to reflect a change in the rate of its wholesale supplier if the effects of an increase or decrease are allocated to each class and within each tariff on a proportional basis that will result in no change in the rate design currently in effect. Further, 807 KAR 5:007, Section 2(2), provides that the distribution cooperative shall file an analysis demonstrating that the rate change does not alter the rate design currently in effect and that the revenue change has been allocated to each class and within each tariff on a proportional basis.

The Commission has reviewed the approach proposed by Jackson Energy to pass-through any increases in the wholesale rates of EKPC and to allocate such increases to its retail rates. Based upon this review, the Commission finds that Jackson Energy's approach complies with the provisions of KRS 278.455(2) and 807 KAR 5:007, Section 2(2), and, therefore, should be accepted.

The Commission issued an Order in Case No. 2008-00409 on March 31, 2009 authorizing a \$59.5 million annualized increase in EKPC's wholesale rates effective for service rendered on and after April 1, 2009. According to Jackson Energy, this will increase its wholesale power cost by \$5,185,010 annually.³

IT IS THEREFORE ORDERED that:

1. The proposed rates submitted with Jackson Energy's application are rejected.

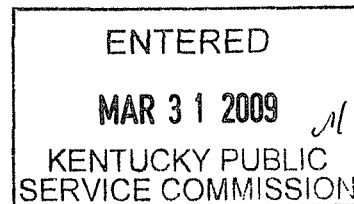
³ Response to Commission Staff's Supplemental Data Request issued on March 18, 2009.

2. The approach proposed by Jackson Energy to allocate its portion of the increase in the wholesale rates authorized in Case No. 2008-00409 is accepted.

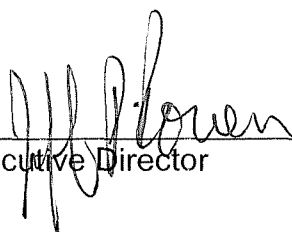
3. The rates set forth in the tariff sheets in the Appendix hereto are approved for service rendered on and after April 1, 2009.

4. Within 20 days from the date of this Order, Jackson Energy shall file with the Commission its revised tariffs, setting out the rates approved herein and stating that they were approved pursuant to this Order.

By the Commission



ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2008-00418 DATED **MAR 3 1 2009**

FOR ENTIRE SERVICE AREA
P.S.C. NO. 5
1st Revised Sheet No. 1
Cancelling P.S.C. NO. 5
Original Sheet No. 1

JACKSON ENERGY COOPERATIVE CORPORATION
SCHEDULE 10
RESIDENTIAL SERVICE

Availability

Available to the consumers for residential uses.

Rate

Customer Charge Per Month	\$10.08
All kWh	\$0.09081 per kWh

Minimum Charges

The minimum monthly charge is the customer charge.

Type of Service

Single-phase, 120/240 volt, 150 KVA or below.

Fuel Adjustment Clause

This tariff is subject to the Fuel Adjustment Clause rider.

Energy Emergency Control Program

This tariff is subject to the Energy Emergency Control Program rider.

Environmental Surcharge

This tariff is subject to the Environmental Surcharge rider.

Date of Issue: March 26, 2009 Date Effective: April 1, 2009
Issued By: _____ President & CEO .

FOR ENTIRE SERVICE AREA
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1st Revised Sheet No. 3
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JACKSON ENERGY COOPERATIVE CORPORATION
SCHEDULE 20
COMMERCIAL SERVICE LESS THAN 50 KW

Availability

Available to commercial loads whose load requirements monthly average over a 12 month period is less than 50 kW. Service under this schedule is not available to seasonal customers unless otherwise provided for.

Rate

Customer Charge Per Month	\$26.51
All kWh per month	\$0.08079 per kWh

Minimum Monthly Charge

The minimum monthly charge is the customer charge.

Fuel Adjustment Clause

This tariff is subject to the Fuel Adjustment Clause rider.

Energy Emergency Control Program

This tariff is subject to the Energy Emergency Control Program rider.

Environmental Surcharge

This tariff is subject to the Environmental Surcharge rider.

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JACKSON ENERGY COOPERATIVE CORPORATION
SCHEDULE 40
LARGE POWER LOADS 50 KW AND OVER

Availability

Available to large power loads whose load requirements monthly average over a 12 month period is 50 kW and over.

Rate

Customer Charge Per Month	\$47.72
Demand Charge Per Month	\$ 6.36 per kW
All kWh per month	\$0.05926 per kWh

Determination of Billing Demand

The billing demand shall be the maximum kilowatt load used by the consumer for any period of fifteen consecutive minutes during the month for which the bill is rendered and adjusted for power factor as provided below.

Power Factor

The consumer agrees to maintain unity power factor as nearly as practicable. The Cooperative reserves the right to measure such power factor at the time of the maximum demand to determine if the power factor is less than 90%. Power factor penalty formula will be as follows:

Power factor penalty = $\frac{(\text{maximum kW demand} \times 90\% \text{ pf}) - (\text{maximum kW demand}) \times \$/\text{kW}}{\text{actual power factor}}$

Minimum Monthly Charge

The minimum monthly charge will be the customer charge.

Fuel Adjustment Clause

This tariff is subject to the Fuel Adjustment Clause rider.

Energy Emergency Control Program

This tariff is subject to the Energy Emergency Control Program rider.

Environmental Surcharge

This tariff is subject to the Environmental Surcharge rider.

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JACKSON ENERGY COOPERATIVE CORPORATION
SCHEDULE 46
LARGE POWER RATE – 500 KW AND OVER

Availability

Available to all consumers whose load requirements monthly average over a 12 month period is 500 kW or greater.

Conditions

A contract shall be executed for service under this schedule.

Rate

Customer Charge Per Month	\$1,042.12
Demand Charge Per Month	\$ 6.60 per kW
Energy Charge	\$ 0.04501 per kWh

Determination of Billing Demand

The monthly billing demand shall be the greater of (a) or (b) listed below:

- (a) The contract demand
- (b) The ultimate consumer's peak demand during the current month or preceding eleven months. The peak demand shall be the highest average rate at which energy is used during any fifteen-minute interval in the below listed hours for each month and adjusted for power factor as provided herein:

<u>Months</u>	<u>Hours Applicable for Demand Billing – EST</u>
October through April	7:00 a.m. to 12:00 noon 5:00 p.m. to 10:00 p.m.
May through September	10:00 a.m. to 10:00 p.m.

Power Factor

The consumer agrees to maintain unity power factor as nearly as practicable. The Cooperative reserves the right to measure such power factor at the time of the maximum demand to determine if the power factor is less than 90%. Power factor penalty formula will be as follows:

$$\text{Power factor penalty} = \frac{(\text{maximum kW demand} \times 90\% \text{ pf}) - (\text{maximum kW demand}) \times \$/\text{kW}}{\text{actual power factor}}$$

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JACKSON ENERGY COOPERATIVE CORPORATION
SCHEDULE 47
LARGE POWER RATE – 500 KW AND OVER

Availability

Available to consumers whose load requirements monthly average over a 12 month period is 500 kW or greater.

Conditions

A contract shall be executed for service under this schedule.

Rate

Customer Charge Per Month	\$1,042.12
Demand Charge Per kW of Contract Demand	\$ 6.60
Demand Charge Per kW for Billing Demand in Excess of Contract Demand	\$ 9.17
Energy Charge per kWh	\$ 0.04601

Determination of Billing Demand

The monthly billing demand shall be the contract demand plus any excess demand. Excess demand occurs when the ultimate consumer's peak demand during the current month exceeds the contract demand. The peak demand shall be the highest average rate at which energy is used during any fifteen-minute interval in the below listed hours for each month and adjusted for power factor as provided herein:

<u>Months</u>	<u>Hours Applicable for Demand Billing – EST</u>
October through April	7:00 a.m. to 12:00 noon 5:00 p.m. to 10:00 p.m.
May through September	10:00 a.m. to 10:00 p.m.

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JACKSON ENERGY COOPERATIVE CORPORATION
SCHEDULE 48
LARGE POWER RATE – 5,000 KW AND OVER

Availability

Available to consumers whose load requirements monthly average over a 12 month period is 5,000 kW or greater.

Conditions

A contract shall be executed for service under this schedule.

Rate

Customer Charge Per Month	\$1,160.44
Demand Charge Per kW of Contract Demand	\$ 6.60
Demand Charge Per kW for Billing Demand in Excess of Contract Demand	\$ 9.17
Energy Charge per kWh	\$ 0.03961

Determination of Billing Demand

The monthly billing demand shall be the contract demand plus any excess demand. Excess demand occurs when the ultimate consumer's peak demand during the current month exceeds the contract demand. The peak demand shall be the highest average rate at which energy is used during any fifteen-minute interval in the below listed hours for each month and adjusted for power factor as provided herein:

<u>Months</u>	<u>Hours Applicable for Demand Billing – EST</u>
October through April	7:00 a.m. to 12:00 noon 5:00 p.m. to 10:00 p.m.
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JACKSON ENERGY COOPERATIVE CORPORATION
SCHEDULE 50
SCHOOLS, CHURCHES, COMMUNITY HALLS AND COMMUNITY PARKS

Availability

Available to schools, churches, community buildings, and parks.

Rate

Customer Charge Per Month	\$ 15.91
All kWh per Month	\$0.08729 per kWh

Minimum Charges

The minimum monthly charge under the above rate shall be the customer charge.

Fuel Adjustment Clause

This tariff is subject to the Fuel Adjustment Clause rider.

Energy Emergency Control Program

This tariff is subject to the Energy Emergency Control Program rider.

Environmental Surcharge

This tariff is subject to the Environmental Surcharge rider.

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Original Sheet No. 13

JACKSON ENERGY COOPERATIVE CORPORATION
SCHEDULE 52
ALL ELECTRIC SCHOOLS (A.E.S.)

Availability

Available to all public or non-profit private schools whose total energy requirements, including but not limited to, heating, air-conditioning, lighting and water heating is supplied by electricity furnished by the Cooperative.

Rate

Customer Charge Per Month	\$ 42.42
All kWh per Month	\$0.07192 per kWh

Minimum Charges

The minimum monthly charge will be the customer charge.

Fuel Adjustment Clause

This tariff is subject to the Fuel Adjustment Clause rider.

Energy Emergency Control Program

This tariff is subject to the Energy Emergency Control Program rider.

Environmental Surcharge

This tariff is subject to the Environmental Surcharge rider.

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Original Sheet No. 15

JACKSON ENERGY COOPERATIVE CORPORATION
SCHEDULE OL
OUTDOOR LIGHTING SERVICE

With the passing of the Energy Policy Act of 2005, mercury vapor lamp ballasts will not be manufactured after January 1, 2008. Existing mercury vapor fixtures will be repaired when possible and will be replaced with a mercury vapor fixture until the Cooperative's stock of mercury vapor fixtures has been depleted. Once the Cooperative's stock is depleted mercury vapor fixtures will no longer be installed.

Underground Service

If the consumer requests underground service then the consumer shall pay the monthly rate plus any additional charges as determined by the Cooperative. In addition the consumer shall furnish all ditching, back filling and repaving/seeding/sodding as necessary to comply with the Cooperative's specifications. Upon termination of this service the Cooperative shall not be required to remove underground wiring or conduits.

Fuel Adjustment Clause

This tariff is subject to the Fuel Adjustment Clause rider.

Energy Emergency Control Program

This tariff is subject to the Energy Emergency Control Program rider.

Environmental Surcharge

This tariff is subject to the Environmental Surcharge rider.

Rate Per Light Per Month

Street Lighting:

400 Watt Mercury Vapor	Cobra Head Light	CH1	\$13.95
200 Watt HPS 22,000 Lumens	Cobra Head Light	HP3	\$15.31
250 Watt HPS 27,500 Lumens	Cobra Head Light	CH2	\$11.99

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JACKSON ENERGY COOPERATIVE CORPORATION
SCHEDULE OL
OUTDOOR LIGHTING SERVICE

Residential & Commercial Standard Lighting:

175 Watt Mercury Vapor	Security Light	MVL	\$ 8.53
400 Watt Mercury Vapor	Flood Light	DF1	\$16.11
1,000 Watt Mercury Vapor	Flood Light	DF2	\$31.47
100 Watt HPS 9,500 Lumens	Security Light	HP1	\$ 8.53
250 Watt HPS 27,500 Lumens	Flood Light	DF3	\$13.47
400 Watt HPS 50,000 Lumens	Flood Light	DF4	\$15.73

Specialty Lighting:

175 Watt Mercury Vapor	Acorn Light	ACL	\$15.64
100 Watt HPS 9,500 Lumens	Acorn Light	ACH	\$10.76
100 Watt HPS 9,500 Lumens	Colonial Light	CPH	\$ 7.16
175 Watt Mercury Vapor	Colonial Light	CPL	\$ 8.40
400 Watt HPS 50,000 Lumens	Interstate Light	INT	\$18.94
70 Watt HPS 4,000 Lumens	Colonial Light	CL2	\$10.82

Poles shall be furnished by the cooperative at the following rates:

15 ft Aluminum Pole	\$ 4.52 per pole per month
30 ft Wood Pole	\$ 3.71 per pole per month
30 ft Aluminum Pole for Cobra Head	\$21.83 per pole per month
35 ft Aluminum Pole	\$26.77 per pole per month
35 ft Aluminum Pole for Cobra Head	\$26.29 per pole per month
40 ft Aluminum Pole	\$29.96 per pole per month
40 ft Aluminum Pole for Cobra Head	\$52.40 per pole per month
Power Installed Foundation	\$ 7.47 per pole per month

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FOR ENTIRE SERVICE AREA
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JACKSON ENERGY COOPERATIVE CORPORATION
INTERRUPTIBLE SERVICE

Standard Rider

The Interruptible Service is a rider to Rate Schedules 46, 47, and 48.

Availability of Service

This schedule shall be made available at any load center, to any member who will contract for an interruptible demand of not less than 500 kW, subject to a maximum number of hours of interruption per year and a notice provided as listed below.

Rate

A monthly demand credit per kW is to be based on the following matrix:

NOTICE MINUTES	ANNUAL HOURS OF INTERRUPTION		
	200	300	400
10	\$4.20	\$4.90	\$5.60
60	\$3.50	\$4.20	\$4.90

Determination of Billing Demand

The monthly billing demand shall be the highest average rate at which energy is used during any fifteen-minute interval in the below listed hours for each month and adjusted for power factor as provided herein:

<u>Months</u>	<u>Hours Applicable for Demand Billing – EST</u>
October through April	7:00 a.m. to 12:00 noon 5:00 p.m. to 10:00 p.m.
May through September	10:00 a.m. to 10:00 p.m.

The interruptible billing demand shall be equal to the amount by which the monthly billing demand exceeds the minimum billing demand as specified in the contract.

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