

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

JACKSON ENERGY COOPERATIVE	)	
CORPORATION	)	
_____	)	CASE NO.
	)	2002-00119
ALLEGED FAILURE TO COMPLY WITH	)	
KRS 278.300(1)	)	

O R D E R

Jackson Energy Cooperative Corporation ( Jackson Energy ) is a Kentucky cooperative corporation formed pursuant to KRS 279.010 to 279.220. It engages in the distribution of electricity to the public for compensation for lights, heat, power, and other uses, and is a utility subject to Commission jurisdiction. KRS 278.010; KRS 279.210.

Fred Callahan, Fred M. Brown, Edward G. Stamper, Keith Binder, Dale Madden, Steve Patton, Jr., and Donald Thompson ( Named Directors ) were members of the Board of Directors of Jackson Energy on August 14, 1998.

On April 29, 2002, the Commission entered an Order establishing this case and directing Jackson Energy and the Named Directors (collectively Parties ) to show cause why they should not be subject to the penalties of K/RS 278.990 for failing to comply with the provisions of KRS 278.300(1).

Following the commencement of this proceeding, the Parties and Commission Staff entered into negotiations to resolve all outstanding issues. On March 24, 2003, they executed the Settlement Agreement that is appended hereto as Appendix A.

In reviewing the Settlement Agreement, the Commission has considered, *inter alia*, the circumstances surrounding the alleged violations and the extent to which each party was responsible for the violation.

The Commission finds that the Settlement Agreement is in accordance with the law, does not violate any regulatory principle, results in a reasonable resolution of this case, and is in the public interest.

IT IS THEREFORE ORDERED that:

1. The Settlement Agreement is incorporated into this Order as if fully set forth herein.
2. The terms and conditions set forth in the Settlement Agreement are adopted and approved.
3. This case shall remain open until the Commission receives the information required by paragraph 4(d) of the Settlement Agreement and renders its finding thereon pursuant to paragraph 5 of the Settlement Agreement.

Done at Frankfort, Kentucky, this 28<sup>th</sup> day of April, 2003.

By the Commission

ATTEST:

  
Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2002-00119 DATED April 28, 2003

See document named 200200119\_04282003apx.pdf for attachment.