




# JACKSON ENERGY COOPERATIVE

A Touchstone Energy Cooperative 

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March 10, 2014

Mr. Brian D. Jenkins  
Chief, Operations Branch  
Northern Regional Division  
Electric Programs  
1400 Independence Avenue, SW  
Washington, DC 20250-0700

Dear Mr. Jenkins:

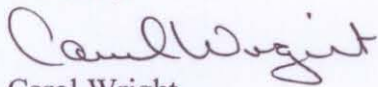
On March 7, 2013, I submitted a letter to you regarding Jackson Energy Cooperative's financial condition as of December 31, 2012. This letter, plus your response dated March 20, 2013, referenced Jackson Energy's intention to work on cost control and rate options to improve its financial condition.

As promised, in 2013, Jackson Energy initiated cost control measures and filed with the Kentucky Public Service Commission (PSC) for a rate increase. In 2013, we met our mortgage requirements primarily because of the cost control measures and more kWh sales from colder winter weather near the year's end.

For 2014, and the immediate future years, we are projecting positive results. Some of the 2013 cost saving measures offer recurring benefits, plus we continue to budget and spend conservatively. On February 27, 2014, the PSC issued an order in the rate case filing. Jackson Energy applied for a \$4,110,000 increase in the customer charge component only over the course of three years. The PSC approved of the first increase of \$1,370,000 starting March 1, 2014. The same increase will be implemented on September 1, 2014 and on September 1, 2015. Since this rate increase applies only to the customer charge, our financials are less vulnerable to lower kWh sales resulting from energy conservation, low to no growth in members, and mild weather patterns. A copy of the PSC order is enclosed for your reference.

If you need further information, please let me know.

Sincerely,



Carol Wright  
President & CEO