COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF JACKSON ENERGY COOPERATIVE FOR A CERTIFICATE OF CONVENIENCE AND NECESSITY AUTHORIZING CERTAIN PROPOSED CONSTRUCTION IDENTIFIED AS THE 2010-2013 CONSTRUCTION WORK PLAN	))))))	CASE NO. 2010-00115

ORDER

Jackson Energy Cooperative ("Jackson Energy") filed its application on March 15, 2010 for a Certificate of Public Convenience and Necessity to construct certain improvements and additions to its existing plant at an estimated cost of $34,235,900. In support of its application, Jackson Energy filed its 2010-2013 Construction Work Plan ("CWP"), which describes in detail the improvements and additions to its plant that are required over the next four years to serve its load.

Jackson Energy seeks authorization to construct extensions and additions to its plant as follows:

New member (services) construction	$11,296,000
System improvement projects (line change and conversion)	1,332,500
Transformers and meters	5,179,100
Service upgrades	990,000
Sectionalizing equipment and activities	2,500,000
Pole replacements	2,236,800
Miscellaneous replacement (guys, anchors, insulators, etc.)	184,800

Conductor replacement	7,860,000
Communications equipment	1,500,000
Security lights	1,156,700
TOTAL	**$34,235,900**

Jackson Energy states that the proposed construction will enable it to continue to provide adequate and dependable electric service to its customers and that the system improvements recommended in this 2010-2013 CWP will not duplicate existing facilities and are needed to meet the standards of adequacy for voltages, thermal loading, safety, and reliability on the system.

The largest single category of expenditures proposed by Jackson Energy is $11,296,000 to install electric service to 3,425 new customers. In conjunction with adding these new services, Jackson Energy's 2010-2013 CWP includes 3,425 meters at an estimated cost of $1,028,000.[1] These meters are Centron C1S meters manufactured by Itron. The Commission notes that Jackson Energy initiated an Automated Meter Reading ("AMR") program pursuant to its 2003-2005 CWP. Even though Jackson Energy has continued to install related AMR equipment at substations, the cooperative has been 100 percent AMR since 2006.[2] The meters now being proposed for installation do not differ from the AMR meters previously installed by

[1] Jackson Energy Cooperative Corporation, 2010-2013 Construction Work Plan, November 2009, Section One, Executive Summary, Summary of Proposed Four-Year Construction and Costs, page 1-3.

[2] Response to Commission Staff's July 12, 2010 Data Request, Item No. 8. d., dated July 22, 2010.

Jackson Energy and are to serve new members and to replace damaged meters.[3] Jackson Energy has stated that its 2010-2013 CWP includes no other costs associated with Automated Meter Infrastructure, AMR or Smart Grid systems.[4]

While Jackson Energy has described its system as an AMR system in response to the data requests in this case, the fact that its system allows for two-way communication suggests that Jackson Energy's system is what is now referred to as an Automated Meter Infrastructure ("AMI") system. In fact, in response to a data request in Case No. 2010-00210, Carol Wright, Jackson's Energy's VP of Engineering and Operations, stated that the system was referred to as an AMR system in 2003 but that, because the system is capable of two-way communications, it is now referred to as an AMI.[5] According to the specifications provided in this case, the Centron C1S meters Jackson Energy has installed and will continue to install can be upgraded in the future with modules that allow for time-of-use pricing.[6]

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[3] Response to Commission Staff's July 12, 2010 Data Request, Item No. 8. a. b. and d., dated July 22, 2010.

[4] Id., Item No. 9.

[5] Case No. 2010-00210, Tariff Filing of Jackson Energy Cooperative to Establish Prepaid Electric Service, Response to Commission Staff's July 15, 2010 Data Request, Item No. 3, dated July 29, 2010.

[6] Response to Commission Staff's July 12, 2010 Data Request, Item No. 8. a. Exhibit D, dated July 22, 2010.

Jackson Energy also proposes to install 3,000 meter disconnect collars at an estimated cost of $465,000.[7] The collars allow for remote whole-house disconnect and reconnect independent of meter type or technology.[8] Jackson Energy already has a provision in its tariffs, under Rules and Regulations, Special Charges, Paragraph 14, which expressly authorizes charges to be assessed when service is either disconnected or reconnected remotely.

Based on the application, responses to Commission inquiries, and the supporting 2010-2013 CWP, and being otherwise sufficiently advised, the Commission finds that the proposed improvements and additions to be constructed by Jackson Energy are necessary to provide adequate, reliable electric service to existing customers and anticipated new customers.

IT IS THEREFORE ORDERED that Jackson Energy is granted a Certificate of Public Convenience and Necessity to construct the facilities described in its 2010-2013 CWP.

By the Commission

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KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:

Executive Director

[7] Jackson Energy Cooperative Corporation 2010-2013 Construction Work Plan, November 2009, Section One, Executive Summary, Summary of Proposed 4-Year Construction and Costs, page 1-3, and Section Three, Required Construction Items, page 3-2.

[8] Response to Commission Staff's July 12, 2010 Data Request, Item No. 8. f., Exhibit E, page 2 of 2, dated July 22, 2010.

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