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ROY E. TOOMS

(1917-1986)

April 21, 2010

RECEIVED

APR 23 2010

PUBLIC SERVICE
COMMISSION

Mr. Jeff R. Derouen
Executive Director
Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602

Dear Mr. Derouen:

Case No. 2010-00188

Enclosed is the original and thirteen (13) copies of a complaint to be filed. Could you please have the complaint served as follows:

London Country Club
PO Box 784
London, KY 40743

Hon. Teresa J. Hill
Brown & Hill, PLLC
1005 S Main Street, Ste. 101
Corbin, KY 40701

Thank you in advance for your assistance and please feel free to call with any questions or concerns.

Sincerely,



Clayton O. Oswald

COO/rlc
Enclosure

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COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

APR 23 2010

PUBLIC SERVICE
COMMISSION

IN THE MATTER OF:

JACKSON ENERGY COOPERATIVE)
CORPORATION)

Complainant)

-vs-)

LONDON COUNTRY CLUB, INC.)

Defendant)

Case No. 2010-00188

COMPLAINT

For its complaint against the Defendant, London Country Club, Inc., the Complainant, Jackson Energy Cooperative Corporation, states as follows:

1. Jackson Energy Cooperative Corporation ("Jackson Energy") is a cooperative corporation with its principal place of business located at 115 Jackson Energy Lane, McKee, Kentucky.

2. London Country Club, Inc. ("LCC") is a corporation with its principal office and mailing address located at:

**London Country Club
P.O. Box 784
London, KY 40743**

LCC has been represented by legal counsel in this matter, to whom this Complaint should also be copied as follows:

**Hon. Teresa J. Hill
Brown & Hill, PLLC
1005 S. Main St., Ste. 101
Corbin, KY 40701**

3. Jackson Energy has, for many years, provided electricity to LCC, which was metered by and through certain equipment.

4. On or about October 22, 2008, while replacing an electric pole as part of a work plan project, upon request, a contractor retained by Jackson Energy tested the metering equipment and discovered a defect in the metering equipment that measured the usage of LCC.

5. The defective metering equipment resulted in significant under-billing of LCC by Jackson Energy for a period of time greater than two years.

6. The defective metering equipment was replaced and the contractor was asked to test the new metering equipment to verify accuracy after the new metering equipment was installed.

7. Representatives of Jackson Energy then met with representatives of LCC in person and explained in detail that LCC had been under-billed due to faulty metering equipment, and that pursuant to regulations, Jackson Energy would have to bill LCC for the past two years for the amounts LCC had been under-billed.

8. Thereafter, on January 13, 2009, Jackson Energy mailed a letter to LCC ("Exhibit A") which explained when the faulty metering equipment was discovered, that the meter was for the LCC property, that the metering equipment read less than 15% of the actual usage, and providing a detailed description, which included tables, of the calculations used by Jackson Energy in arriving at the amount that LCC had been under-billed.

9. Based upon the calculations included with the January 13, 2009 notification, Jackson Energy determined that it had under-billed LCC \$60,929.00.

10. LCC indicated to Jackson Energy that it did not dispute that amount of under-billing, but LCC requested that it be given a period of time in which to pay the under-billed amount.

11. Based upon discussions with LCC, Jackson Energy drafted and signed a contract and forwarded the contract with a cover letter dated February 6, 2009 ("Exhibit B") to LCC.

12. The terms of the contract stated, inter alia, that the under-billed amount would be paid in twenty-four installment payments, beginning in January 2010.

13. LCC did not sign or return the aforementioned contract, and has now stated that it does not intend to make the payments, or to pay the full under-billed amount, alleging that Jackson Energy has inflated the amount of estimated usage and/or that Jackson Energy did not give the proper notice or bill required by 807 KAR 5:0006.

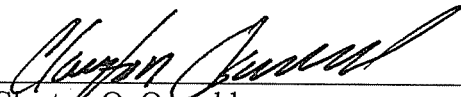
14. The Public Service Commission has jurisdiction over this action pursuant to 807 KAR 5:006.

Wherefore, the Complainant, Jackson Energy, requests the following relief through the Commission:

- a. That it assume jurisdiction of this matter;
- b. That it order LCC to pay to Jackson Energy the sum of \$60,929.00 minus any applicable set-offs or credits, or such other amount as the Commission deems to be appropriate, which may be an amount greater than that stated herein; and
- c. Any and all other relief to which Jackson Energy may be entitled.

On this 21 day of April, 2010.

Respectfully submitted by,



Clayton O. Oswald
Taylor, Keller, Dunaway & Tooms, PLLC
P.O. Box 905
1306 W. 5th St.
London, KY 40743-0905
(606) 878-8844
Fax: (606) 878-5547
Attorney for Jackson Energy Cooperative



115 Jackson Energy Lane
McKee, Kentucky 40447
Telephone (606) 364-1000 • Fax (606) 364-1007

January 13, 2009

London Country Club
PO Box 784
London, KY 40743

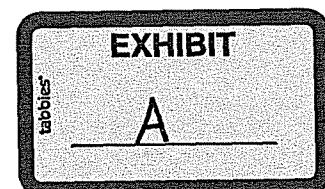
To whom it may concern:

A few weeks ago Jackson Energy personnel met with you for the purpose of discussing some changes in your monthly billing statements. It is my hope this letter will explain those changes as well as processes causing the changes. Also, there is a contract for revenue recovery between Jackson Energy and London Country Club forthcoming at a later date.

As you are aware through testing procedures Jackson Energy detected a failure of our equipment in reporting the full energy use to the electric meter. The equipment in question is transformers. The testing procedure was completed on October 22, 2008, and on that date immediate plans were made to replace the malfunctioning transformers. New transformers were installed on October 29, 2008. The malfunctioning transformers did not allow the electric meter to deliver a reading in concert with the entire electric energy being used by the facilities metered. The old equipment was registering less than 15% of the actual use. As a result the billing statements have been under billed for several months.

In reviewing billing records it is determined that the equipment failure surpassed the 24 month required term for revenue recovery. Kentucky Revised Statue 278.225 requires that all electric energy under billed shall be recovered. However, there is a maximum recovery of 24 months.

Please find enclosed a chart to explain the bill recovery. Allow me to explain a couple of the columns, first the column titled kWh that should have been billed; this is the second column from the left. How was this column determined? As stated earlier the new transformers were installed on October 29th, therefore as of this date we have two months of accurate reading history. The reading for November billed the Country Club 16,440 kWh and the December reading was for 24,120 kWh. Considering all things equal the Country Club should have been billed for the same kWh in November and December of 2007. The one item we know is not equal is temperature. Weather information reveals that the temperature for November of 2008 was 13% cooler than the previous year; therefore we reduced the kWh consumption by this percentage to get our starting point. The third column from the left is a kWh reduction of which you have already been billed. In the rate column you will notice that in July of 2007 there is a change in rates. This is in concert with Kentucky Public Service Commission tariff adjustment



which took place during 2007. The last and final column is the total revenue recovery as designed by this methodology.

As stated earlier there will be a contract/agreement to follow which will begin 24 equal payments totaling \$60,929.00. These payments will begin in January 2010.

Respectfully,

A handwritten signature in black ink, appearing to read "Rodney Chrisman". The signature is fluid and cursive, with a long horizontal stroke at the end.

Rodney Chrisman
Vice President
Customer Service

RC/cr

Enclosures: (1)

Cc: Clayton Oswald
Donald R. Schaefer
Carol Wright



115 Jackson Energy Lane
McKee, Kentucky 40447
Telephone (606) 364-1000 • Fax (606) 364-1007

February 6, 2009

Lisa Smith
London Country Club
PO Box 784
London, KY 40743-0784

Dear Ms. Smith:

Please find enclosed two original copies of the agreement between Jackson Energy and London Country Club. Please return one executed copy to Jackson Energy attention: Rodney Chrisman for our records.

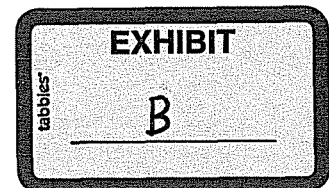
Sincerely,

A handwritten signature in black ink, appearing to read "Rodney Chrisman", is written over a horizontal line.

Rodney Chrisman
Vice President
Customer Service

RC/cr

Enclosures: (2)



AGREEMENT

This Agreement ("the Agreement") is made and entered into on the date indicated herein by and between London Country Club, Incorporated ("LCC") on the one hand and Jackson Energy Cooperative Corporation ("Jackson Energy") on the other hand (collectively referred to herein as "the Parties");

Whereas, Jackson Energy, pursuant to the Kentucky Revised Statutes, the Kentucky Administrative Regulations, and other applicable law, has submitted a bill to LCC in the amount of Sixty Thousand Nine Hundred Twenty Nine Dollars and Zero Cents (\$60,929.00) for the difference between what LCC was billed for electrical usage and what it should have been billed for electrical usage but for faulty metering equipment from November 2006 through October 2008.

Whereas the Parties desire to provide terms and conditions for the payment of said amount in accordance with Kentucky law.

Now therefore, for and in receipt of the mutual promises and covenants herein and other good and valuable consideration, it is hereby agreed as follows:

I. PAYMENT TERMS

LCC shall pay to Jackson Energy the sum of Sixty Thousand Nine Hundred Twenty Nine Dollars and Zero Cents (\$60,929.00). This sum shall be paid in twenty three equal monthly payments, with each payment in the amount of Two Thousand Five Hundred Thirty Eight Dollars and Seventy One Cents (\$2,538.71) and a final, twenty-fourth monthly payment in the amount of Two Thousand Five Hundred Thirty Eight Dollars and Sixty Seven Cents (\$2,538.67). These payments shall fully satisfy all liability of LCC to Jackson Energy for electricity used, but not billed for the period from

November 2006 through October 2008. LCC will continue to be billed for electricity used and LCC will be liable for such charges in addition to the payments specified in this agreement.

Said monthly payments shall commence on the regular monthly billing statement received by LCC in January 2010 and shall continue through December 2011.

II. AGREEMENT BINDING UPON SUCCESSORS, ASSIGNS, ETC.

This agreement shall be binding upon the parents, subsidiaries, affiliates, predecessors-in-interest, successors-in-interest, insurers, officers, directors, shareholders, employees, representatives, attorneys, agents, administrators, executors, beneficiaries, successors, and assigns of LCC and Jackson Energy.

III. AGREEMENT SUBJECT TO LAW AND REGULATORY AGENCIES

The parties agree that this agreement is subject to Kentucky law and Public Service Commission Regulation. In the event that the Kentucky Public Service Commission were to require a different amount to be paid than that stated herein, or to require different terms and provisions of payment, this agreement will be rendered null and void in full.

IV. REVIEW OF AGREEMENT

The Parties represent that they have had ample opportunity to thoroughly review the Agreement; that they have discussed this Agreement with their respective attorneys; that they have read and fully understand all the provisions of this Agreement; and that they have voluntarily entered into this Agreement.

V. SEVERABILITY

With the exception as provided in Section III, if any portion of this Agreement be declared void or unenforceable, such portions shall be considered independent and severable from the remainder, the validity of which shall remain unaffected.

VI. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the Parties who have executed it and it supersedes any and all other agreements, understandings, negotiations, or discussions, whether oral or in writing, express or implied, among the Parties to this Agreement. This Agreement shall not be modified or amended unless in writing executed by all Parties hereto.

VII. COUNTERPARTS

This Agreement may be executed in multiple counterparts each of which shall be considered an original, but all of which shall constitute one agreement.

VIII. GOVERNING LAW

The validity, construction, and performance of this Agreement shall be determined in accordance with the laws of the Commonwealth of Kentucky.

IX. HEADINGS

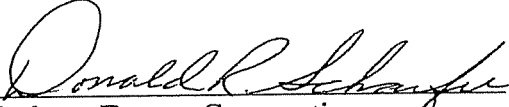
The headings used in this Agreement are for the convenience of the parties only and are not to be used to vary the terms of this Agreement.

In witness whereof, the parties have executed this Agreement on the day and year indicated herein.

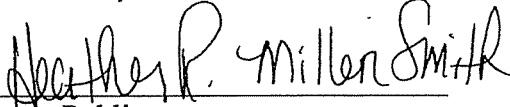
London Country Club
Print Name: _____
Title: _____

Subscribed and sworn to before me by _____ on this the ____ day of January, 2009.

Notary Public
My Comm. Expires: _____


Jackson Energy Cooperative
Print Name: Donald R. Schaefer
Title: President and CEO

Subscribed and sworn to before me by Donald R. Schaefer on this the 14th day of January, 2009.



Notary Public
My Comm. Expires: 5-1-09