



SPOTLIGHT

Published by Jackson Energy Cooperative • McKee, Kentucky

Ice storm hits northern counties

What a difference a few degrees can make.

While rain soaked portions of Clay and Laurel counties, co-op members in Estill, Jackson, Lee, Owsley, and Rockcastle counties dealt with broken power poles and ice-coated electric lines that left thousands in the dark in the Ice Storm of '09.

“By the time our repairs were finished, our crews found just over 50 broken poles,” said Karen Combs, Jackson Energy Director of Public Relations. “At the height of the outages, we had about 10,000 members in the dark, and actually we had more homes without power on the second day of the storm than we did on the first because of falling trees and tree limbs.”



BROKEN ELECTRIC poles required Jackson Energy crews and contractors to string new electric lines between ice-coated trees following the late January ice storm. Jackson Energy’s Mike Truett strings a line along a new cross arm for a pole in Jackson County. Some Jackson Energy members were without service for a week. The hardest hit counties were Estill, Lee, and Jackson. Southeastern Kentucky fared better than western Kentucky, where work continued for weeks to restore power.

Continued on page 4A

“I want to take this time to thank you and your co-workers for all the long hours and selfless dedication that you have shown to your customers during the ice storm of 2009. I am a citizen of Rockcastle County and on the Tuesday evening of the storm around 11 p.m. (before the storm had passed) I spotted a Jackson Energy worker getting ready to climb a nearby pole and start restoring power. A heartfelt thank you and God bless you for your dedication to the people you serve.”

Tim McClure, proud member of Jackson Energy

OUR VISION

A premier and progressive cooperative committed to integrity, accountability and innovation, with concern for our customers and the communities we serve.

SPOTLIGHT

Published by Jackson Energy
Karen Combs CCC, Editor

A Touchstone Energy® Cooperative 

BOARD OF DIRECTORS

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MAIN OFFICE ADDRESS

115 Jackson Energy Lane
McKee, Kentucky 40447

INTERNET ADDRESS

www.jacksonenergy.com

REGULAR OFFICE HOURS

Monday-Friday,
7:30 a.m.-4:30 p.m.

OFFICES

KY HWY 290, McKee
KY HWY 229, London
KY HWY 11, Beattyville
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CONSUMER SERVICES

Headquarters - 364-1000
Or Toll Free 1-800-262-7480

PAY STATIONS

Price Less Foods, Irvine
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Jackson County Bank, Sand Gap
All Cumberland Valley National
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A tale of two storms

While an ice storm hit parts of Jackson Energy's service area in late January, a storm of a different kind was also causing members to call our offices.

Unusually cold weather and something on the bill called the fuel adjustment charge resulted in unusually high electric bills for many of our members.

Jackson Energy doesn't like sending out high electric bills any more than our members like receiving them.

Like most electric companies in Kentucky, our rates are set by the Kentucky Public Service Commission in Frankfort and are based on the cost of providing service to the largely rural area we serve. We are obligated under Kentucky law to follow those rates.

In December and January, colder temperatures resulted in higher bills. The average temperature was only 32 degrees. One day the low was 5 below and the high was only 15.

In addition to using more electricity, the fuel charge on the bills was also higher that month. This charge is passed on to the co-op by East Kentucky Power, the company that generates our electricity.

It is based on the price of fuel to generate electricity, like coal and natural gas, and not the price of gasoline. It also includes any extra

power that East Kentucky has to purchase to meet high demand, and purchased power is very expensive.

The fuel charge added an additional 1.5 cents per kilowatt-hour to the electric bills. Last January, for example, someone using 3,000 kilowatts for the month would have paid only \$9 for the fuel charge, but this January, the fuel charge for 3,000 kilowatts was \$45.

All that money goes back to East Kentucky to pay for power. As a matter of fact, 70% of the money collected by Jackson Energy goes back to East Kentucky to cover power costs.

We understand high electric bills are a burden to our members and Jackson Energy is introducing a new billing program to help them stabilize their electric bill. You can read about it on page 3A. Another key to lower electric bills is to lower the amount of electricity you use by sealing leaky ductwork and eliminating air leaks around doors and windows.

At Jackson Energy, we want to partner with our members to help them manage rising energy costs.



Don Schaefer
President & CEO

Levelized Billing

What is Levelized Billing?

Levelized Billing is a rolling average of your most recent 12 months' bills and varies by only a few dollars each month. It differs from Budget Billing, which used the same payment amount each month based on your last 12 bills. Once a year, a settle-up amount had to be calculated to factor in weather fluctuations and other changes. Levelized Billing eliminates the settle-up month because it is a constant rolling average of your electric bill. The chart below is based on Jackson Energy's KWH charge of .08563 per kilowatt-hour and a \$9.50 per month customer charge.

Month	KWH Reading	KWH	Regular Billing
06/07	1700	1700	\$155.07
07/07	1680	1680	153.36
08/07	1820	1820	165.35
09/07	1840	1840	167.06
10/07	1240	1240	115.68
11/07	1700	1700	155.07
12/07	3180	3180	281.80
01/08	2880	2880	256.11
02/08	2800	2800	249.26
03/08	2480	2480	221.86
04/08	1840	1840	183.59
05/08	1300	1300	184.01

KWH USED	24,460	KWH BILLED	24,460	\$2,288.22
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(Member converts to Levelized Billing program)

Month	KWH Reading	KWH 12-mth. Average	Billing
06/08	1440	2017	\$182.22
07/08	1420	1995	180.33
08/08	1500	1968	178.02
09/08	1560	1945	176.05
10/08	1100	1933	175.02
11/08	1740	1937	175.37
12/08	3100	1930	174.77
01/09	3240	1960	177.33
02/09	2760	1957	177.08
03/09	2440	1953	176.73
04/09	1760	1947	175.58
05/09	1400	1955	176.91

KWH USED	23,460	KWH BILLED	23,490	\$2,125.44*
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*Credit of 30 KWH on Levelized Billing



To sign up for Levelized Billing, call (800) 262-7480, or log on to the Jackson Energy Web site, www.jacksonenergy.com, to download the enrollment form.

Members who are currently enrolled in Budget Billing will be automatically converted to Levelized Billing during their annual settle-up month.

Levelized Billing establishes a rolling average of your past 12 months' energy usage and eliminates the need for a settle-up month.



MIKE TRUETT, above left, works from a bucket truck as ice coats the Jackson Energy pick-up truck parked nearby. Truett was making repairs in Jackson County. Eddy Judd, above, pulls electric line across a field and up to a broken pole.



ICE STORM '09

By the numbers

10,000

Number of members without electricity at the height of the ice storm

6,083

Number of phone calls answered at Jackson Energy Call Center from Tues., Jan. 27, through Sun., Feb. 1

232

Number of phone calls lost or abandoned during the same time period at the Jackson Energy Call Center

53

Number of broken poles in the Jackson Energy service area as a result of the storm

Continued from page 1A

Combs said the cooperative called in additional workers from other co-ops in Kentucky and Tennessee, and contractor crews from Tennessee, Kentucky, and Georgia to help make repairs.

“We had workers out in the field making repairs around the clock,” she said, “and we appreciate the patience of our co-op members during a large outage like this. We have to make the repairs safely and efficiently in order to restore service as quickly as possible. There is a method to the process.”

Combs explained that the main power lines have to be restored before smaller lines and individual services can be repaired. And in some areas, bulldozers had to be used to cut roads and even pull trucks to get to the broken poles.

TERRY ISAACS and Tony Boggs, above, connect wire to a newly set pole in Jackson County. A bulldozer, right, had to pull a Jackson Energy line truck through a muddy field in Estill County so workers could replace a broken pole.

After Jackson Energy crews finished making repairs in their service area, they headed to western Kentucky to assist co-ops in that region with a storm that left thousands of broken poles and main transmission lines on the ground.

Their hard work and long hours didn't go unnoticed. One Lee County member, Carol Feck, wrote, “God bless the linemen, the rescue workers, the road crews, the National Guard. God bless everyone who worked so faithfully and tirelessly to provide essential services to all of us through the ice storm.”



ARTICLE II - MEETING OF MEMBERS

Section 8. Credentials and Election Committee. The Board shall consider before each annual meeting or special meeting of members whether it is necessary to appoint a credentials and election committee. If a petition has been filed under the provisions of Article II, Section 10, of these Bylaws nominating a member to serve as a director or if the Board deems it necessary, because of contested matters on the agenda or other good cause, the Board of Directors shall, pursuant to the provisions hereinafter set out, at least thirty (30) days before any meeting of the members, appoint a Credentials and Election Committee. The Committee shall consist of an uneven number of Cooperative members not less than three (3) nor more than five (5) who are not members of the Nominating Committee or are not existing Cooperative employees, agents, officers, directors or known candidates for director, and who are not close relatives or members of the same household thereof. In appointing the Committee, the Board shall have agreed for the equitable representation of the several areas served by the Cooperative. The Committee shall elect its own chairman and secretary prior to the member meeting. It shall be the responsibility of the Committee to establish or approve the manner of conducting member registration and any ballot or voting, to pass upon all questions that may arise with respect to the registration of members in person, to count all ballots or other votes cast in any election or in any other matter, to rule upon the effect of any ballots or other vote irregularly or indecisively marked or cast, to rule upon all other questions that may arise relating to member voting and the election of directors (including but not limited to the validity of petitions of nomination, proxies, or the qualifications of candidates and the regularity of the nomination and election of directors), and to pass upon any protest or objection filed with respect to any election or affecting the result of any election. In the exercise of its responsibility, the Committee shall have available to it the advice of counsel provided by the Cooperative. In the event a protest or objection is filed concerning any election, such protest or objection must be filed in writing with the Committee at the Cooperative's main office within three (3) business days following the adjournment of the meeting in which the voting is conducted. The Committee shall thereupon be reconvened, upon notice from the Committee Chairman, not less than seven (7) days after such protest or objection is filed. The Committee shall hear such evidence as is presented by the protestor(s) or objector(s), who may be heard in person, represented by counsel, or both, any opposing evidence; and the Committee, by vote of a majority or those present and voting, shall, within a reasonable time, but not later than thirty (30) days after such hearing, render its decision, the result of which may be to affirm the election, to change the outcome thereof, or to set it aside. The Committee may not affirmatively act on any matter unless a majority of the Committee is present. The Committee's decision (as reflected by a majority of those actually present and voting) on all matters covered by this Section shall be final.

Section 9. Voting Districts. The territory served or to be served by the Jackson Energy Cooperative Corporation shall be divided into nine (9) Districts. Each district shall be represented by one (1) Director. The Districts are numbered and described as follows:

District No. 1 - Eastern Jackson County - shall be composed of all the members in Jackson County residing East and North of Kentucky Highway No. 421 beginning at the Rockcastle and

Jackson County boundary line and running with Highway No. 421 to its junction with Highway No. 587; thence running East with Highway No. 587 to its junction with County Road No. 1119; thence running South with County Road No. 1119 to its intersection with County Road No. 1118; thence Northwest with County Road No. 1118 to its intersection with Kentucky Highway No. 421; thence South with Kentucky Highway No. 421 to the Clay and Jackson County boundary line.

District No. 2 - Western Jackson County - shall be composed of all the members in Jackson County residing outside District 1.

District No. 3 - Shall be composed of all the members residing in Laurel County North of Highway No. 80.

District No. 4 - Shall be composed of all the members residing in Estill and Powell Counties.

District No. 5 - Shall be composed of all members residing in Rockcastle, Lincoln, Garrard, Pulaski and Madison Counties.

District No. 6 - Shall be composed of all the members residing in Clay and Leslie Counties.

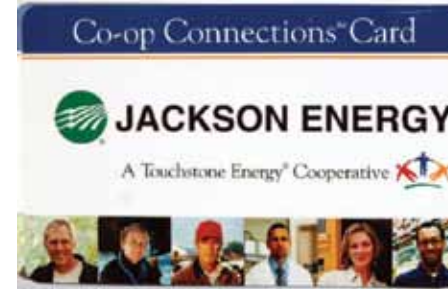
District No. 7 - Shall be composed of all the members residing in Owsley and Breathitt Counties.

District No. 8 - Shall be composed of all the members residing in Lee and Wolfe Counties.

District No. 9 - Shall be composed of all members residing in Laurel County South of Highway No. 80.

Section 10. Nomination and Election of Directors. It shall be the duty of the Board of Directors to appoint, no less than sixty (60) days nor more than ninety (90) days prior to the date of a meeting of the members at which directors are to be elected, a Committee on Nominations, consisting of nine (9) members of the Cooperative who are not existing Cooperative employees, agents, officers, directors or known candidates for directors, who are not close relatives or members of the same household thereof, and who are so selected that each of the Cooperative's Director Districts shall have representation thereon in proportion to the number of authorized directors from or with respect to such District. The Committee shall prepare and post at the principal office of the Cooperative at least fifty (50) days prior to the meeting a list of nominations for directors to be elected, listing separately the nominee(s) for each Director District from or with respect to which a director must, pursuant to this Article, be elected at the meeting. The Committee may include as many nominees for any director to be elected as it deems desirable. Any five hundred (500) or more members of the Cooperative, acting together, may make an additional nomination in writing over their signatures, listing their nominee in like manner, and by delivering same to the principal office of the Cooperative not less than forty (40) days prior to the meeting, and the Secretary shall post such nomination at the same place where the list of nominations made by the Committee is posted. The Names of all qualified nominee(s), as according to the qualifications outlined in Article II, Section 2 of these Bylaws, shall be placed on the official ballot which shall be prepared by or under the direction of the Secretary. The Secretary shall mail to the members with the notice of the meeting, or separately, but at least seven (7) days prior to the date of the meeting, a statement of the names and addresses of all nominee(s) for each Director District from or with respect to which one or more directors must be elected, showing clearly those nominated by the Committee and those nominated by petition, if any. Each eligible member of the Cooperative present at the meeting shall be entitled to vote for one nominee for each Director District. The nominee from each Director District receiving the highest number of votes at such meeting shall be elected as director.

Continued on page 7A



Co-op members save on prescriptions with Connections card

Pharmacy discount savings from the Co-op Connections card continue to increase each month.

In January, Jackson Energy members saved more than \$1,900 on prescriptions by using the discount plan program.

The card program offers discounts ranging from 10 to 60% when members present the card at their local pharmacy. The card is accepted at pharmacies located in each of the seven primary counties served by Jackson Energy.

The pharmacy discount is not an insurance plan but is an added feature of the Co-op Connections card program, which also offers discounts at local, regional, and national businesses.

Members can obtain a card at their local Jackson Energy office.

For information on the pharmacy discount program, members can call (800) 800-7616, and ask for Member Services.

For more information, call (800) 262-7480, or log on to the Jackson Energy Web site, www.jacksonenergy.com.

Continued from page 6A

ARTICLE III - DIRECTORS

Section 2. Qualification and Tenure. No person shall be eligible to become or remain a director of the Cooperative who is a close relative of an incumbent director or of an employee of the Cooperative, or is not a member in good standing of the Cooperative and receiving service therefrom at his/her primary residential abode; residing within the Director District from which he/she is being considered, nominated or elected, and being of legal age.

Beginning at the Annual Meeting of the Cooperative held in 1950, Directors shall be elected by ballot from the membership as follows:

(a) One (1) Director each from Districts 1, 3 and 5 to serve for a period of three (3) years or until their successors have been elected and shall have qualified.

(b) One (1) Director each from Districts 2, 4 and 6 to serve for a period of two (2) years or until their successors have been elected and shall have qualified.

(c) One (1) Director each from Districts 2, 4 and 6 to serve for a period of one (1) year or until their successors have been elected and shall have qualified.

At each Annual Meeting after 1950, three (3) Directors shall be elected from the membership by ballot to succeed those Directors whose terms of office shall have expired, to serve for a period of three (3) years, or until their successors have been elected.

No person shall be eligible to become or remain a board member of the Cooperative who is incumbent of, or a candidate for an elective public office in connection with which a salary is paid or, who is not a member and bona fide resident in the area served or to be served by the Cooperative; or is in any way employed by or financially interested in a competing enterprise or a business selling electric energy or supplies to the Cooperative, or a business primar-

ily engaged in selling electrical or plumbing appliances, fixtures or supplies to the members of the Cooperative, or has ever been an employee of the Cooperative. If not otherwise disqualified, members of Boards of Education, Trustees, City Councilmen, and Committee-men serving on agricultural agencies, are eligible to become members of the Board. Upon establishment of the fact that a board member is holding the office in violation of any of the foregoing provisions, the Board shall remove such board member from office.

Nothing contained in this Section shall affect in any manner whatsoever the validity of any action taken at any meeting of the Board.

No close or near relative of a Director may be employed by the Cooperative. For the purpose of these Bylaws a close or near relative is defined as that relationship, either by blood or marriage, nearer or closer than a first cousin but not including first cousins and lesser relationships.

Any member of the Board of Directors failing to attend three regular consecutive monthly meetings, unless excused by the Board for reason satisfactory to it, shall be deemed to have vacated his office. When a membership is held jointly by a husband and wife, either one, but not both, may be elected a Director, provided, however, that neither one shall be eligible to become or remain a Director or hold a position of trust in the Cooperative unless both shall meet the qualifications hereinabove set forth. Nothing in this Section contained shall, or shall be construed to affect in any matter whatsoever the validity of any action taken at any meeting of the Board of Directors.

A complete copy of the cooperative bylaws is on file in the Jackson Energy office in McKee.





DOUG ABNER, left, accepts a \$1,000 Operation Round-Up check from Jackson Energy Vice President of Customer Service Rodney Chrisman.

Dental clinic receives grant

A community dental clinic in Clay County received a boost to its budget with a grant from Jackson Energy's Operation Round-Up.

Community Outreach Dental Clinic will be offering dental care to area families and individuals who can't afford routine exams and other services. Accepting the grant was Doug Abner, who heads the Community Outreach Center in Manchester.

Operation Round-Up is a voluntary program. Co-op members who participate round their electric bill to an even dollar amount each month.

The spare change is contributed to Operation Round-Up. For example, if your electric bill was \$200.70, you would pay \$201 and the extra 30 cents would be contributed to the Operation Round-Up fund.

Since the program began in 2003, more than \$60,000 has been contributed by Jackson Energy members to local nonprofit agencies and programs.

For more information on Operation Round-Up, visit the Jackson Energy Web site, www.jacksonenergy.com, or call (800) 262-7480.



Join Operation Round-Up today

I would like to participate in Jackson Energy Cooperative's Operation Round-Up by allowing my electric bill to be rounded to an even dollar each month. Fill out the form below and mail it to Operation Round-Up, Jackson Energy, 115 Jackson Energy Lane, McKee, KY 40447. For more information, call (800) 262-7480.

Name on electric bill - Please Print

Signature

Mailing Address

Date