



# SPOTLIGHT

Published by Jackson Energy Cooperative • McKee, Kentucky

## Connections card is a budget stretcher

**P**at Smith carries a budget stretcher in her wallet. It's blue and white, with a Jackson Energy logo. The first time she used her Co-op Connections card at Kain Family Ford, she stretched her budget with more than \$30 in savings.

"I love it," she said of the program. "Anything you can do to save helps, especially if you're on a fixed income."

Kain Family Ford in London is just one of dozens of businesses in the Jackson Energy service area that offers discounts with the Co-op Connections card. Kain Ford offers 10% off regularly priced repairs and maintenance when a Jackson Energy member pulls out the card.

"It's a great benefit," said Steve Kain of Kain Family Ford. "We have several co-op members who use it. Especially in today's tight economy, every bit helps."

The Co-op Connections card is offered free to Jackson Energy mem-



**PAT SMITH**, right, uses her Co-op Connections card to save on repairs at Kain Family Ford in London. Smith, who lives at Lily and is on a fixed income, says the card helps her make ends meet in the tight economy.

bers. Local business discounts are offered in all of the co-op's seven primary service counties. Regional, state, and national discounts are also available with the card.

### OTHER WAYS TO SAVE

In addition to the business discounts, the card also offers a pharm-

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### 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 

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### OFFICES

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# 10 questions (and answers) about your co-op

**T**here often seems to be a lot of mystery about Jackson Energy and exactly what we do.

Sometimes we have members who make comments that we buy our electricity from Kentucky Utilities (which we don't) or that we generate our own electricity (we don't do that either), so this month, I'm tackling some of the common questions we tend to get and providing you with the answers.

## 1. What does Jackson Energy do?



Jackson Energy is a distribution cooperative.

Jackson Energy is a distribution cooperative. We don't generate electricity. We are responsible for maintaining the poles, electric line, and other equipment that deliver electricity to the area we serve.

## 2. Where does Jackson Energy serve?

Jackson Energy provides electricity to more than 51,000 homes and businesses primarily in seven south-eastern Kentucky counties—Clay,

Estill, Laurel, Lee, Owsley, Jackson, and Rockcastle counties.

## 3. Who sets the service area?

The Kentucky Public Service Commission sets the service area. Cooperatives generally serve rural areas, and investor-owned utilities, like Kentucky Utilities, serve the larger towns and cities.

## 4. Who sets the electric rates?

Electric rates for co-ops and investor-owned utilities are reviewed and set by the Kentucky Public Service Commission and Attorney General's office. They are based on the cost of providing service.

Jackson Energy has nine members per mile of line, while Kentucky Utilities, which serves the larger towns and cities, has 27 customers per mile of line. KU gets about three times the revenue per mile of line that Jackson Energy receives. This affects the cost of service and the rates.

## 5. Where does Jackson Energy get its electricity?

We purchase electricity from East Kentucky Power, located in Winchester. We pay East Kentucky between \$4 and \$8 million a month for the power, depending on the weather and how much you use.

## 6. So where does the money go that you collect from the electric bills each month?



70¢ of each dollar collected by Jackson Energy goes to East Kentucky Power

14¢ goes to taxes, loans, depreciation, etc.

Jackson Energy keeps 16¢ for operating expenses

About 70¢ of each dollar collected goes to East Kentucky Power to pay for the purchased electricity, as well as fuel charges and the environmental surcharge you see on the bill. That leaves 30¢ after paying the power bill each month. Another 14¢ goes to pay RUS loans, taxes, depreciation, and other expenses tied to our electric system, which leaves 16¢ for Jackson Energy to use for operating the company.

## 7. It seems that there have been a lot of rate increases lately, why?

Actually Jackson Energy has only had two base rate increases since 1991. One was 8.9% in 2001, and in 2008 there was a 9% base rate increase. East Kentucky Power has also had two rate increases—2% in 2007 and 6% in 2008. These were the first East Kentucky increases since 1983.

## 8. But my bill seems to have gone up more than that, why?

The main increases have been in the fuel charge and environmental surcharge. Since 2003, these two charges have increased 60%. These include the cost of fuel to generate electricity, the cost of electricity purchased on the open market in order to meet the growing demand for electricity, and the cost of meeting federal environmental regulations. The fuel charge is not related to the price of gasoline, but only to the price of coal and other fuels used to produce electricity.

## 9. What can I do to help lower my bill?

You can conserve electricity by making your home more energy efficient. Jackson Energy offers several energy conservation programs to help our members. They include:

- Button Up rebate for adding more insulation,
- Heat Pump Tune Up, which helps make your heat pump run more efficiently and also seals holes in your duct system, and
- Touchstone Energy Home—a new home construction program that has higher building standards to make your new home about 30% more efficient than a conventionally built home.

The Jackson Energy Web site also offers Simple Savers tips and a free online energy audit so you can see how much money simple upgrades can save you each month.



Jackson Energy has rebates and other conservation programs to help you lower your electric bill.

## 10. How do I find out more about these programs?

You can call toll-free (800) 262-7480 or you can visit the Jackson Energy Web site, [www.jacksonenergy.com](http://www.jacksonenergy.com).



Don Schaefer  
President & CEO

# Co-op Connections

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acy discount program. Jackson Energy, Touchstone Energy, and New Benefits Ltd. have teamed up to provide free pharmacy discounts to all Co-op Connections card holders.

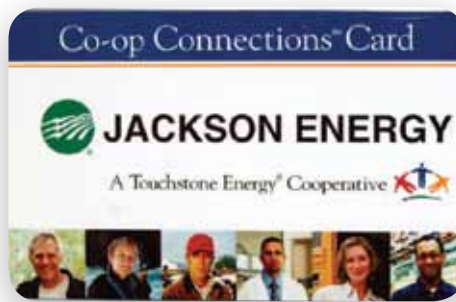
“Our members are saving over \$2,700 a month on prescriptions through the pharmacy discount program,” said Jackson Energy President & CEO Don Schaefer.

## ABOUT NEW BENEFITS:

New Benefits is a company that specializes in discount programs.

## ABOUT PRESCRIPTION DISCOUNTS:

- 10% to 60% savings on most short-term and acute care medications.
- Online Drug Price Check Utility provides members the ability to find the price of their prescriptions at participating locations in their zip code.
- More than 48,000 national and regional pharmacy chain stores participate as well as independent pharmacies nationwide.
- One card can be used for the entire family.



- Chains include CVS, Rite Aid, Walgreens, Walmart, and more.

## ABOUT MAIL ORDER PRESCRIPTIONS:

You can also order many maintenance medications through the New Benefits mail order service.

Mail order service benefits include:

- Prices average 10% below AARP mail order pricing.

For information on providers, call (800) 800-7616 for Member Services if you have questions or need a provider.

You can also log onto [www.locateproviders.com](http://www.locateproviders.com) and use code 22203 as the group number to search for providers. To receive drug pricing information, log onto [www.rxpricequotes.com](http://www.rxpricequotes.com) to search by drug and zip code.

## New healthy savings

Co-op Connections now offers savings on dental, vision, and hearing products and services.

Cooperative Healthy Savings is offered exclusively to Co-op Connections cardholders. The \$4.25 monthly fee you pay provides discounts to your entire family.

The Healthy Savings discount offers—

- 10-60% savings on prescription eyeglasses, contacts, and participating retailers.
- Save 15-50% on general dentistry and cleanings.
- Save 15% on Beltone hearing aids or save 37-58% on hearing aids.

The discount health care card is not insurance.

For more information, log on to the Jackson Energy Web site, [www.jacksonenergy.com](http://www.jacksonenergy.com), and click on the Co-op Connections card.

## The Perfect Prescription for Savings

With the Co-op Connections Card, you save on everyday purchases for your family. Plus, save 10-60% off prescriptions at your local pharmacy. The Co-op Connections Card is just one more benefit of being a Touchstone Energy Cooperative member.

For complete details, visit our Web site or log onto [www.co-opconnections.coop](http://www.co-opconnections.coop).

