




A Touchstone Energy Cooperative 

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January 25, 2007

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Beth O'Donnell, Executive Director
Kentucky Public Service Commission
P O Box 615
Frankfort Kentucky 40602

PUBLIC SERVICE
COMMISSION

Dear Ms. O'Donnell,

We are filing an original and ten (10) copies of information as requested by the Public Service Commission Case No. 2007-00031 to satisfy the filing deficiencies pursuant to 807 KAR 5:011:

807 KAR 5:011: Section 10(1) (c), Statement explaining why proposed changes could not have been included in the last rate case and why conditions prevent deferring change until next rate case.

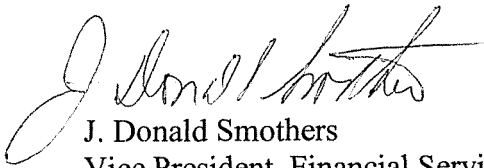
The AMR Turtle 2 project is a new technology and was not available during our last general rate filing. Our last general filing for the old Fox Creek RECC and Old Harrison Energy Districts was over 10 years ago and for the old Blue Grass Energy was over 20 year ago.

We have installed 40,000 AMR meters at this time and would like to implement the remote disconnect switch application to fully utilized our AMR investment. In order to implement this we need the nonrecurring remote disconnect fee approved at this time to start recovering the cost of the investment. This nonrecurring charge would replace the current disconnect fee previously approved by the Commission when a remote disconnect switch is used.

Our October 31, 2006 test year reflects a 1.1 TIER. At This time we are planning on using 2007 as our test year and filing a rate case in February 2008. The March 1, 2007 effective date on the tariff submitted with the January 19, 2007 application filing is still effective since it complies with the 30 day requirement as of the date of this response.

If you have any questions, please contact me at (859) 885-2118. As always, your continued assistance and cooperation is appreciated.

Sincerely,

A handwritten signature in cursive script that reads "J. Donald Smothers". The signature is written in black ink and is positioned above the printed name and title.

J. Donald Smothers
Vice President, Financial Services

CC: Attorney General