



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

RECEIVED  
MAY 20 2008  
PUBLIC SERVICE  
COMMISSION

May 16, 2008

Stephanie Stumbo  
Executive Director  
Public Service Commission  
211 Sower Boulevard  
P O Box 615  
Frankfort, KY 40602-0615

Dear Ms. Stumbo:

Enclosed please find an original and six (6) copies of the information you requested in your Order dated May 1, 2008 in Case No. 2007-00378. If you require any other information please let us know.

Respectfully,

A handwritten signature in cursive script that reads "Donald R. Schaefer".

Donald R. Schaefer  
President & CEO

Enclosures

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

MAY 20 2008

PUBLIC SERVICE  
COMMISSION

IN THE MATTER OF:

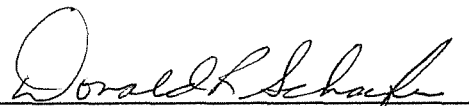
AN EXAMINATION BY THE PUBLIC SERVICE  
COMMISSION OF THE ENVIRONMENTAL  
SURCHARGE MECHANISM OF EAST KENTUCKY  
POWER COOPERATIVE, INC. FOR THE  
SIX-MONTH BILLING PERIODS ENDING  
JUNE 30, 2006 AND DECEMBER 31, 2006, FOR  
THE TWO-YEAR BILLING PERIOD ENDING  
JUNE 30, 2007, AND THE PASS THROUGH  
MECHANISM FOR ITS SIXTEEN MEMBER  
DISTRIBUTION COOPERATIVES

CASE NO. 2007-00378

CERTIFICATE

STATE OF KENTUCKY )  
COUNTY OF JACKSON )

Don Schaefer, being duly sworn, states that he has supervised the preparation of the responses of Jackson Energy Cooperative Corporation to the Public Service Commission Data Requests in the above-referenced case dated May 1, 2008, and that the matters and things set forth therein are true and accurate to the best of his knowledge, information and belief, formed after reasonable inquiry.



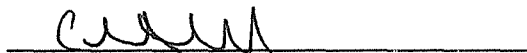
Donald Schaefer, President & CEO  
Jackson Energy Cooperative Corporation

Subscribed and sworn before me on this 16<sup>th</sup> day of May, 2008.



NOTARY PUBLIC, KY STATE AT LARGE  
My commission expires: Jan. 19, 2010

I certify that a true copy of the above Responses to Information Request was mailed to the parties as shown on attached list this 16<sup>th</sup> day of May, 2008.



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**JACKSON ENERGY COOPERATIVE  
PSC CASE NO. 2007-00378  
INFORMATION REQUEST RESPONSE**

**PUBLIC SERVICE COMMISSION DATA REQUEST DATED  
MAY 1, 2008  
REQUEST NO. 1  
RESPONDING PERSON: DONALD SCHAEFER**

**Request No. 1:** Has your cooperative experienced any problems in administering its environmental surcharge pass through mechanism over the 2-year period under review in this case? If yes, explain in detail the nature of the problems and any suggested changes to cure the problems.

**Response No. 1:** Jackson Energy Cooperative has experienced a slight under-recovery of the environmental surcharge from large commercial and industrial customers, due to the pass-through allocation methodology used to bill for the surcharge at retail. East Kentucky Power Cooperative, Inc. is currently evaluating this situation, in an effort to determine if changes can be made in the pass-through mechanism which would resolve this under-recovery, but Jackson Energy Cooperative does not have a specific change to recommend, at this time.

**JACKSON ENERGY COOPERATIVE  
PSC CASE NO. 2007-00378  
INFORMATION REQUEST RESPONSE**

**PUBLIC SERVICE COMMISSION DATA REQUEST DATED  
MAY 1, 2008  
REQUEST NO. 2  
RESPONDING PERSON: DONALD SCHAEFER**

**Request No. 2:** Has your cooperative received any customer complaints regarding the environmental surcharge pass through mechanism during the 2-year period under review in this case? If yes, state the number of complaints received, the nature of each complaint, and the service classification of each customer making a complaint.

**Response No. 2:** Jackson Energy Cooperative has received no complaints regarding the environmental surcharge pass through mechanism. Jackson Energy Cooperative has received general complaints, mostly from residential customers, about why the environmental surcharge was on the bill and why it changed every month. Jackson Energy didn't record the number of these complaints.

**JACKSON ENERGY COOPERATIVE  
PSC CASE NO. 2007-00378  
INFORMATION REQUEST RESPONSE**

**PUBLIC SERVICE COMMISSION DATA REQUEST DATED  
MAY 1, 2008  
REQUEST NO. 3  
RESPONDING PERSON: DONALD SCHAEFER**

**Request No. 3:** Does your cooperative believe that its environmental surcharge pass through mechanism has operated reasonably over the 2-year period under review in this case? If no, please explain in detail.

**Response No. 3:** Yes.

**JACKSON ENERGY COOPERATIVE  
PSC CASE NO. 2007-00378  
INFORMATION REQUEST RESPONSE**

**PUBLIC SERVICE COMMISSION DATA REQUEST DATED  
MAY 1, 2008  
REQUEST NO. 4  
RESPONDING PERSON: DONALD SCHAEFER**

**Request No. 4:** Does your cooperative have any recommended changes for its existing environmental surcharge pass through mechanism? If yes, explain in detail the nature of each change and the reasons why the change is needed.

**Response No. 4:** As referenced in the response to Request No. 1, East Kentucky Power Cooperative, Inc. ("EKPC") has been made aware of the fact that some EKPC member systems are experiencing an under-recovery of the environmental surcharge from certain customer classes, or large customers, due to the pass-through mechanism. Since the impact of this situation varies among different member systems, EKPC is currently evaluating this issue, in an attempt to identify possible changes in the allocation methodology which would be equitable for all member systems and retail customers. It is hoped that some acceptable changes to the pass-through methodology can be developed within the next 60 days. EKPC plans to present any proposed changes to the pass-through methodology to the Commission for review at the earliest appropriate time.



**Original and Six Copies to:**

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Public Service Commission  
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**Copies to:**

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