




Shelby Energy
Cooperative, Inc.

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**PUBLIC SERVICE
COMMISSION**

May 16, 2008

Ms. Stephanie Stumbo
Executive Director
Kentucky Public Service Commission
211 Sower Blvd
P. O. Box 615
Frankfort, KY 40602-0615

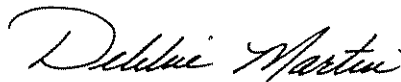
RE: Case No. 2007-00378

Dear Ms. Stumbo:

As per the order dated May 1, 2008, Shelby Energy Cooperative has enclosed an original and six (6) copies of the information requested concerning the examination of the environmental surcharge mechanism of East Kentucky Power, Inc.

Should you have any questions or need further information, please contact our office.

Sincerely,



Debbie Martin
President & CEO

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Enclosures

SHELBY ENERGY COOPERATIVE

PSC CASE NO. 2007-00378

**PUBLIC SERVICE COMMISSION DATA REQUEST DATED
MAY 1, 2008**

DATA REQUEST NO. 1

RESPONDING PERSON: Debbie Martin, President & CEO



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: Shelby Energy Cooperative has experienced some under-recovery of the environmental surcharge from 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 Shelby Energy Cooperative does not have a specific change to recommend, at this time.



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: Yes, Shelby Energy Cooperative did receive customer complaints as shown on Attachment (1).

PSC Case No: 2007-00378
Attachment (1)

<u>Ticket #</u>	<u>Account #</u>	<u>Description</u>	<u>Residential Class</u>
1	7777938501	Questioned FC & ES - Bill too high	1
2	1822701	Questioning how ES is figured	1
3	2755901	ES - Too high	1
4	2658601	ES - Ridiculous - Just another way to raise rates	1
5	2603501	ES - Too high	1
6	2797801	ES - Too high	1
7	7778284601	Questioning ES - no comments	1
8	7778433101	Questioning ES - no comments	1
9	1230202	Questioning ES - no comments	1
10	98801501	Questioning ES - no comments	1
11	98808901	Questioning ES - no comments	1
12	2887701	Questioning ES - no comments	1
13	546901	Questioning ES - no comments	1



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?


Response No. 3: Yes.




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.

I certify that the above responses to the requests for information are true and accurate to the best of my knowledge, information and belief formed after a reasonable inquiry.


Debbie Martin, President & CEO
Shelby Energy Cooperative, Inc.

Subscribed and sworn to before me by Debbie Martin as President & CEO of Shelby Energy Cooperative, Inc. this 16th day of May, 2008.


NOTARY PUBLIC, KY STATE AT LARGE
My Commission Expires: March 28, 2010.