

SALT RIVER ELECTRIC

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RECEIVED
MAY 20 2008
PUBLIC SERVICE
COMMISSION

May 19, 2008

Ms. Stephanie Stumbo, Executive Director
Public Service Commission of Kentucky
PO Box 615
Frankfort KY 40602-0615

Re: **KY PSC Case No. 2007-00378**

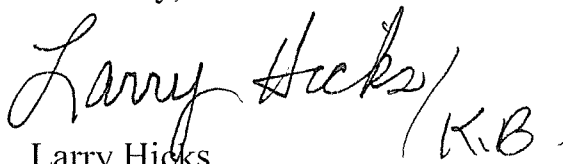
An Examination by the Public Service Commission of the Environmental Surcharge Mechanism of East Kentucky Power Cooperative, Inc., for the Six-Month Billing Periods Ending June 30, 2006 and December 31, 2006; for the Two-Year Billing Period Ending June 30, 2007; and for the Pass Through Mechanism for its Sixteen-Member Distribution Cooperatives

Dear Ms. Stumbo:

Enclosed are the original and six (6) copies of the responses to the Request for Information by the Commission in the above-named case for Salt River Electric Cooperative Corporation.

Please contact our offices if you require further information or have any questions.

Sincerely,


Larry Hicks

President and CEO

Enclosures

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

In the Matter of:

MAY 20 2008

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)

PUBLIC SERVICE
COMMISSION

Case No. 2007-00378

RESPONSES TO INFORMATION REQUEST
BY SALT RIVER ELECTRIC COOPERATIVE CORPORATION

The undersigned, Nicky Rapier, as Vice President of Salt River Electric Cooperative Corporation, being first duly sworn, states as follows in response to requests for information in the above-numbered case:

1. Has your cooperative experienced by problems in administering its environmental surcharge pass through mechanism over the two-year period under review in this case?

Answer: No.

2. Has your cooperative received any customer complaints regarding the environmental surcharge pass through mechanism during the two-year period under review in this case?

Answer: Not on the mechanism itself. Salt River has, however, received several inquiries from mainly residential customers about why the environmental surcharge appears on their bills and why the amount is different each month.

3. Does your cooperative believe that its environmental surcharge pass through mechanism has operated reasonably over the two-year period under review in this case?

Answer: Yes.

4. Does your cooperative have any recommended changes for its existing environmental surcharge pass through mechanism?

Answer: Not at this time. However, East Kentucky Power Cooperative (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 hereby certify that the foregoing responses to requests for information are true and accurate to the best of my knowledge, information and belief formed after reasonable inquiry.

SALT RIVER ELECTRIC COOPERATIVE CORPORATION



Nicky Rapier
Vice President of Community & Economic Development

STATE OF KENTUCKY
COUNTY OF NELSON

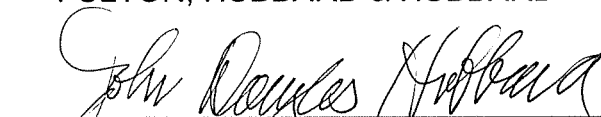
Subscribed and sworn to before me this 19th day of May, 2008, by Nicky Rapier as Vice President of Community & Economic Development for Salt River Electric Cooperative Corporation.



NOTARY PUBLIC, KENTUCKY STATE AT LARGE

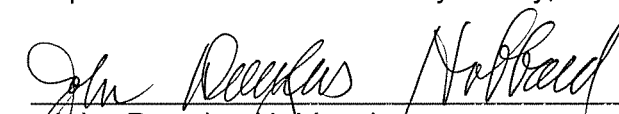
My Commission expires: 11-12-2010

FULTON, HUBBARD & HUBBARD



John Douglas Hubbard
Attorney for Salt River Electric Cooperative Corporation
117 East Stephen Foster Avenue
Bardstown KY 40004

I hereby certify that a true copy of this document was mailed to all parties of record this 19th day of May, 2008.



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Attorney for Salt River Electric Cooperative Corporation
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