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JAMES WILLIAM BARNETT JAMES HADDEN DEAN HENRY VINCENT PENNINGTON, III RAMONA C LITTLE STEPHEN A. DEXTER OF COUNSEL ELIZABETH G NICKELS

RECEIVED

MAY 01 2009

April 29, 2009

PUBLIC SERVICE COMMISSION

Mr. Jeff Derouen Executive Director Kentucky Public Service Commission 211 Sower Boulevard Frankfort, KY 40601

Re: Case No. 2009-00039

Dear Mr. Derouen:

Please find enclosed an original and (5) copies of the responses to the information request set forth in the Appendix of Case No. 2009-00039, 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 December 31, 2007; June 30, 2008 and December 31, 2008; and the Pass-Through Mechanism for its Sixteen Member Distribution Cooperatives. Also, a copy of the responses to the information request have been sent to all parties of record as shown on the attached list.

Very truly yours, James William Barnett

Counsel for Inter-County Energy Cooperative Corporation

CC: All Parties of Record

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COMMONWEALTH OF KENTUCKY BEFORE THE 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) DECEMBER 31, 2007; JUNE 30, 2008; AND) DECEMBER 31, 2008; AND THE PASS-) THROUGH MECHANISM FOR ITS SIXTEEN) MEMBER DISTRIBUTION COOPERATIVES)

CASE NO. 2009-00039

<u>ORDER</u>

RESPONSES TO APPENDIX OF AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2009-00039 DATED APRIL 14, 2009 BY INTER-COUNTY ENERGY COOPERATIVE CORPORATION

Request No. 1

Has your cooperative experienced any problems in administering its environmental surcharge pass-through mechanism over the 18-month 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.

Page 2 of 3

Request No. 2

Has your cooperative received any customer complaints regarding the environmental surcharge pass-through mechanism during the 18-month 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, not the mechanism. However, we have received numerous inquiries (estimation of 2-3 per week), mainly from the residential class, questioning why the environmental surcharge is on the bill and the variance in fluctuations each month.

Request No. 3

Does your cooperative believe that its environmental surcharge pass-through mechanism has operated reasonably over the 18-month period under review in this case? If no, explain in detail.

Response: 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: Yes. Inter-County Energy Cooperative Corporation would ask that the Commission consider a "levelized" pass-through mechanism for the environmental surcharge in order to make this charge more manageable for the end user.

Case No. 2009-00039 Page 3 of 3

Sheree Gilliam, being duly sworn, states that she has prepared the responses of Inter-County Energy Cooperative Corporation to the Public Service Commission information request in the above-referenced case dated April 14, 2009 and that the matters and things set forth therein are true and accurate to the best of my knowledge, information and belief, formed after reasonable inquiry.

Sheree Gilliam, Vice President-Customer Services Inter-County Energy Cooperative Corporation

Subscribed and sworn to before me by Sheree Gilliam as Vice President-Customer Services of Inter-County Energy Cooperative Corporation this 30^{+h} day of April, 2009.

Euthell

NOTARY PUBLIC STATE OF KENTUCKY COUNTY OF BOYLE

My Commission Expires

James William Barnett Counsel for Inter-County Energy Cooperative Corporation 114 South Fourth Street – Danville, KY 40422 Telephone: (859) 236-2641 / Fax: (859) 2361483

CERTIFICATE OF SERVICE LIST FOR CASE NO. 2009-00039

(Responses to Information Request was sent by U.S. Mail To All Parties of Record on April 30, 2009)

Allen Anderson CEO South Kentucky RECC P. O. Box 910 Somerset, KY 42502-0910

Paul G. Embs President/CEO Clark Energy Cooperative, Inc. P. O. Box 748 Winchester, KY 40392-0748

Larry Hicks President/CEO Salt River Electric Cooperative 111 West Brashear Avenue Bardstown, KY 40004

James L. Jacobus President/CEO Inter-County Energy Cooperative P. O. Box 87 Danville, KY 40423-0087

Michael L. Miller President/CEO Nolin RECC 411 Ring Road Elizabethtown, KY 42701-6767

Bill Prather Farmers RECC P. O. Box 1298 Glasgow, KY 42141-1298

Hon. Michael L. Kurtz Boehm, Kurtz & Lowery 36 East Seventh Street Cincinnati, OH 45202 Daniel W. Brewer President/CEO Blue Grass Energy Cooperative P. O. Box 990 Nicholasville, KY 40340-0990

Carol H. Fraley President/CEO Grayson RECC 109 Bagby Park Grayson, KY 41143

Mark Stallons President/CEO Owen Electric Cooperative, Inc. P. O. Box 400 Owenton, KY 40359

Robert Marshall President/CEO East Kentucky Power Cooperative P. O. Box 707 Winchester, KY 40392-0707

Barry L. Myers Manager Taylor County RECC P. O. Box 100 Campbellsville, KY 42719

Bobby D. Sexton President/General Manager Big Sandy RECC 504 11th Street Paintsville, KY 41240-1422

Hon. Marvin W. Suit Suit, McCartney & Price PLLC 207 Court Square Winchester, KY 41041 Donald R. Schaefer Finance & Accounting Manager Jackson Energy Cooperative 115 Jackson Energy Lane McKee, KY 40447

Ted Hampton Manager Cumberland Valley Electric, Inc. Hwy. 25E, P. O. Box 440 Gray, KY 40734

Kerry K. Howard General Manager/CEO Licking Valley RECC P. O. Box 605 West Liberty, KY 41472

Debbie Martin President/CEO Shelby Energy Cooperative, Inc. 620 Old Finchville Road Shelbyville, KY 40065

Chris S. Perry President/CEO Fleming-Mason Energy P. O. Box 328 Flemingsburg, KY 41041

Honorable James M. Crawford Crawford & Baxter PSC P. O. Box 353 Carrollton, KY 41008