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<u>RETIRED</u> JAMES G SHEEHAN, JR

July 9, 2009

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PUBLIC SERVICE

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 supplemental data request of Commission Staff to East Kentucky Power Cooperative, Inc.'s sixteen member distribution cooperatives, 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. A copy of the responses to the supplemental data 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

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

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PUBLIC SERVICE

ORDER

SUPPLEMENTAL DATA REQUEST OF COMMISSION STAFF TO EAST KENTUCKY POWER COOPERATIVE, INC.'S SIXTEEN MEMBER DISTRIBUTION COOPERATIVES

RESPONSES BY INTER-COUNTY ENERGY COOPERATIVE

1. Refer to the questions in the Appendix of the Commission Order dated April 14, 2009.

Request No. 1a

Are you proposing as part of this case to revise the allocation methodology that you currently use to pass through EKPC's environmental surcharge to your retail customers? If yes, identify the revised allocation methodology you propose to adopt and the specific retail rate classes that will be subject to the revised allocation methodology.

Response: No. Inter-County Energy has the understanding that a "levelized" passthrough mechanism may not be allowable under current regulations for the Environmental Surcharge. Since a change to the mechanism in this manner may require changes in current regulations, Inter-County's response dated April 29, 2009 in reference to question No. 4 in the Appendix of the Commission Order dated April 14, 2009 was simply a recommendation to the Commission for the future, not to change our current methodology.

Request No. 1b

Have the customers that are proposed to be billed under the revised allocation methodology been notified of the proposed change? If yes, provide a copy of the customer notice.

Response: Inter-County does not propose to change its current methodology.

Request No. 1c

State whether a change to your retail allocation methodology for billing the environmental surcharge will require a change to the existing language in your environmental surcharge tariff and, if so, provide a statement showing, with cross-outs and italicized inserts, all proposed changes. A copy of the current rate schedule can be used to show the proposed changes.

Response: Inter-County does not propose to change its current methodology.

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 to the supplemental data request in the above-referenced case dated July 7, 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.

11 Allision

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 $\underline{q+h}$ day of July, 2009.

NOTARY PUBLIC ' STATE OF KENTUCKY COUNTY OF BOYLE

My Commission Expires

7/15/2013

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 Supplemental Data Request Sent To All Parties of Record July 9, 2009)

SENT VIA EMAIL

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

Sharon K. Carson Finance & Accounting Manager Jackson Energy Cooperative 115 Jackson Energy Lane McKee, KY 40447

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

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

Barry L. Myers Manager Taylor County RECC P. O. Box 100 Campbellsville, KY 42719 Daniel W. Brewer President/CEO Blue Grass Energy Cooperative P. O. Box 990 Nicholasville, KY 40340-0990

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

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

Bill Prather President/CEO Farmers RECC P. O. Box 1298 Glasgow, KY 42141-1298 Anthony Campbell President/CEO East Kentucky Power Cooperative P. O. Box 707 Winchester, KY 40392-0707

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

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

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

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

SENT VIA U.S. POSTAL SERVICE

Honorable James M. Crawford Crawford & Baxter PSC P. O. Box 353 Carrollton, KY 41008 Hon. Michael L. Kurtz Boehm, Kurtz & Lowery 36 East Seventh Street Cincinnati, OH 45202 Hon. Marvin W. Suit Suit, McCartney & Price PLLC 207 Court Square Winchester, KY 41041