

April 16, 2009

Jeff Derouen, Executive Director
Kentucky Public Service Commission
P O Box 615
Frankfort Kentucky 40602

RECEIVED

APR 16 2009

**PUBLIC SERVICE
COMMISSION**

Re: PSC Case No. 2009-00039

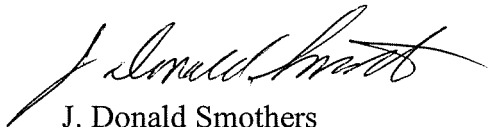
Dear Mr. Derouen,

We are filing as requested an original and five (5) of the information requested by the Kentucky Public Service Commission concerning the Environmental Surcharge Mechanism of East Kentucky Power Cooperative. I am the witness responsible for responding to the questions related to the information provided with copies to all parties of record. The responses provided are true and accurate to the best of my knowledge, information and belief formed after a reasonable inquiry.

If you have any questions, please contact me at (859) 885-2118. As always, your continued assistance and cooperation is appreciated.

Thank you,

Respectfully submitted,



J. Donald Smothers
Vice President Financial Services & CFO

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?

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.

We have not received any formal complaints. However, we have received a few calls relating to “why do the rate change every month and why is it getting higher”.

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?

Yes.

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

Yes, we would like to see a more levelized or fixed rate. The rate could be adjusted every 6 months or annually. We need to eliminate the fluctuation that we currently have seen over the past 18 months ranging from 3.2% to 8.8%.