




Shelby Energy Cooperative, Inc.

Your Touchstone Energy® Partner 

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**PUBLIC SERVICE
COMMISSION**

April 23, 2009

Mr. Jeff Derouen
Executive Director
Kentucky Public Service Commission
211 Sower Blvd
P. O. Box 615
Frankfort, KY 40602-0615

RE: Case No. 2009-00039

Dear Mr. Derouen:

As per the order dated April 14, 2009, Shelby Energy Cooperative has enclosed an original and five (5) 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

fc
Enclosures

SHELBY ENERGY COOPERATIVE

PSC CASE NO. 2009-00039

**PUBLIC SERVICE COMMISSION DATA REQUEST DATED
April 14, 2009**

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.

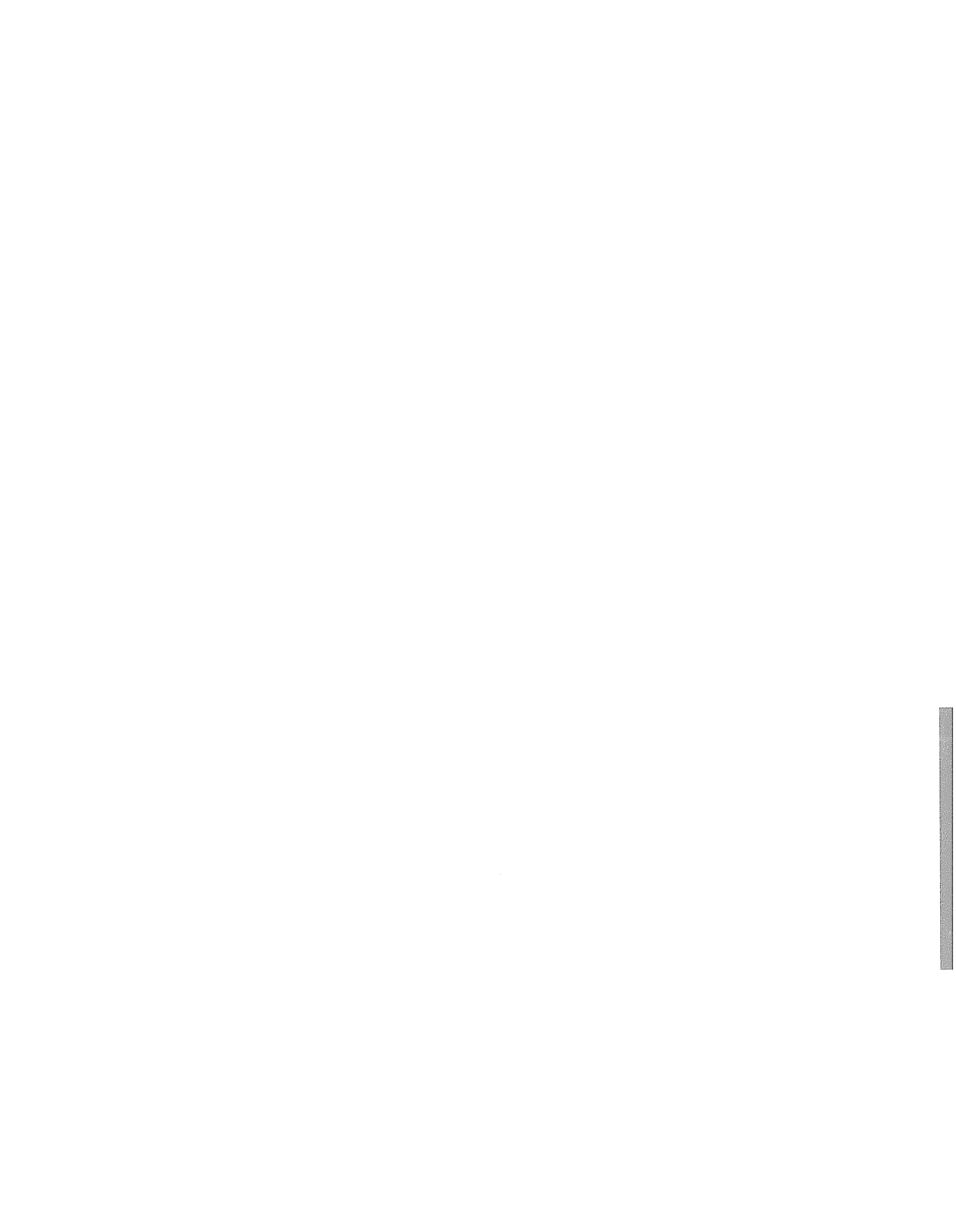
Response No. 2: Yes, Shelby Energy Cooperative did receive customer complaints as shown on Attachment (1).

PSC Case No: 2009-00039
Attachment (1)

<u>Ticket #</u>	<u>Account #</u>	<u>Description</u>	<u>Class</u>
1	2768501	ES - Outrageous	1
2	7778203601	Questioning ES - no comments	1
3	7777955902	ES - Too high	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?

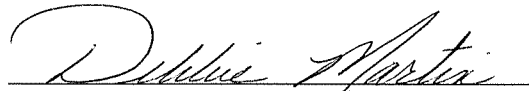
Response No. 3: Yes.



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 22nd day of April, 2009.



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

CERTIFICATE OF SERVICE

I hereby certify that a true copy of the above Response to Information Request was served by US mail to all parties on the 23rd day of April 2009.

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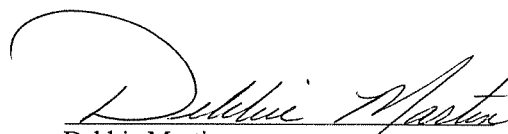
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