



Farmers Rural Electric Cooperative Corporation

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July 10, 2009

RECEIVED

JUL 13 2009

PUBLIC SERVICE
COMMISSION

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

Re: Case 2009-00039

Dear Mr. Derouen;

Attached is an original and five copies of Farmers response to the information requested in the Commission's Order dated July 7, 2009.

I am responsible for responding to questions relating to the information provided and will serve as a witness if needed.

Sincerely;

A handwritten signature in black ink that reads 'H. Wayne Davis'.

H. Wayne Davis
Vice President Finance and CFO

Encl:

www.farmersrecc.com

A Touchstone Energy[®] Cooperative The logo for Touchstone Energy, featuring a stylized 'T' and 'E' intertwined.

**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

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JUL 13 2009

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**

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

a. 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.

No.

b. 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.

Not applicable.

c. 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.

Not applicable