

HOWARD DOWNING
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May 7, 2008

RECEIVED

MAY 07 2008

PUBLIC SERVICE
COMMISSION

Ms Stephanie J. Stumbo
Executive Director
Kentucky Public Service Commission
P O. Box 615
Frankfort, KY 40602

HAND DELIVERED

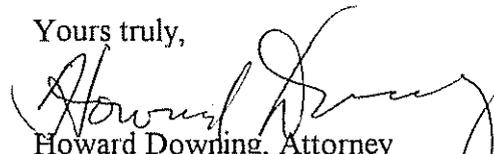
RE: Case No. 2007-00378

Dear Ms. Stumbo.

We are filing an original and seven (7) copies of the information requested by the Kentucky Public Service Commission in case no 2007-00378 concerning an examination of the Environmental Surcharge mechanism for the two-year billing period ending June 30, 2007. The witness for the information included is J. Donald Smothers.

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

Yours truly,



Howard Downing, Attorney
for Blue Grass Energy Corporation

Enclosure:
HD/pb

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

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)
JUNE 30, 2006 AND DECEMBER 31, 2006, FOR)
THE TWO-YEAR BILLING PERIOD ENDING)
JUNE 30, 2007, AND THE PASS TROUGH)
MECHANISM FOR ITS SIXTEEN MEMBER)
DISTRIBUTION COOPERATIVES)**

MAY 07 2008
PUBLIC SERVICE
COMMISSION

CASE NO. 2007-00378

RESPONSES TO INFORMATION REQUEST
BY BLUE GRASS ENERGY COOPERATIVE CORPORATION

The undersigned, J. Donald Smothers, as Vice President of Blue Grass Energy, being first duly sworn, states as responses to Requests for information herein as follows:

Question 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?

Answer: No

Question 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?

Answer: No, not on the mechanism. However, we have received numerous inquiries, mostly residential, about the environmental surcharge questioning why it is on the bill and why it changes every month.

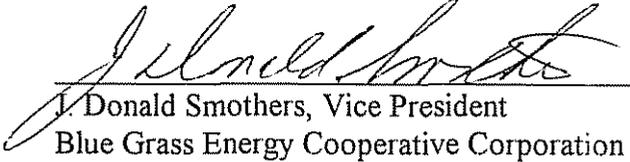
Question 3. Does your cooperative believe that its environmental surcharge pass through mechanism has operated reasonably over the 2-year period under review in this case?

Answer: Yes

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

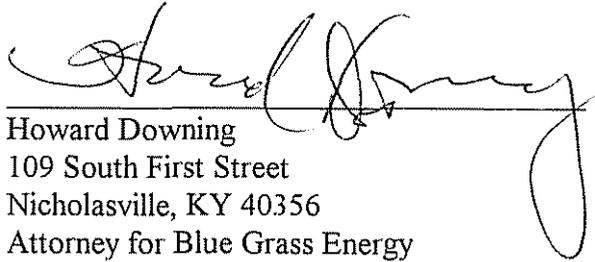
Answer: No.

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.


J. Donald Smothers, Vice President
Blue Grass Energy Cooperative Corporation

Subscribed and sworn to before me by J. Donald Smothers as Vice President of Blue Grass Energy Cooperative Corporation this 7th day of May, 2008.


NOTARY PUBLIC, KY STATE AT LARGE
My Commission Expires: April 1, 2009.


Howard Downing
109 South First Street
Nicholasville, KY 40356
Attorney for Blue Grass Energy
Cooperative Corporation
Telephone: 859-885-4619

I certify that a true copy of the above Responses to Information Request was mailed to the parties as shown on attached list this 7th day of May, 2008.


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