

FARMERS RURAL ELECTRIC COOPERATIVE

P.O. Box 1298 • 504 South Broadway • Glasgow, KY 42142-1298
Tel. (270) 651-2191 • (800) 253-2191 • Fax: (270) 651-7332

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APR 11 2007

**PUBLIC SERVICE
COMMISSION**

April 11, 2007

HAND DELIVERED

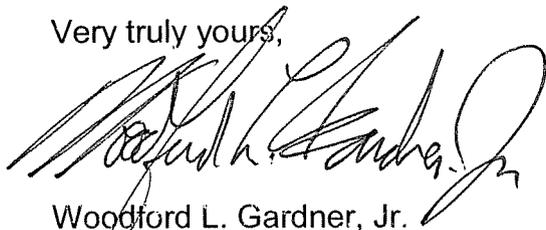
Ms. Elizabeth O'Donnell
Executive Director
Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602

Re: PSC Case No. 2006-00478

Dear Ms. O'Donnell:

Please find enclosed for filing with the Public Service Commission in the above-referenced case revised tariff sheets for Farmers Rural Electric Cooperative Corporation ("the Cooperative") reflecting the new interim retail rates effective for service rendered on and after April 1, 2007. Also enclosed are electronic analyses, with formulas intact, which demonstrate the interim increase has been allocated on a proportional basis to each class and within each tariff, in a manner that does not change the Cooperative's existing rate design.

Very truly yours,



Woodford L. Gardner, Jr.
Counsel for Farmers Rural Electric Cooperative Corporation

Enclosures

FOR ALL TERRITORY SERVED
Community, Town or City

P.S.C. KY. NO. 9

18th Revised SHEET NO. 1

CANCELLING P.S.C. KY. NO. 9

17th Revised SHEET NO. 1

**FARMERS RURAL ELECTRIC
COOPERATIVE CORPORATION**
(Name of Utility)

RATES AND CHARGES

SCHEDULE R – RESIDENTIAL SERVICE

APPLICABLE: In all territory served by the seller.

AVAILABILITY: Available to residents for all uses in the home and on the farm and for other consumers using single-phase service below 50 kW for ordinary merchandising establishments, repair shops, garages and service stations, schools, churches and community buildings, all subject to the established rules and regulations of the seller. Three-phase service may be provided to consumers located within 1,000 feet of existing three-phase line.

TYPE OF SERVICE: Single-phase, or three-phase where available, 60 cycles, at available secondary voltages.

RATES PER MONTH:

First	50 kWh	@	\$0.14318	(I)
All Remaining	kWh	@	0.06291	(I)

FUEL ADJUSTMENT CLAUSE: All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per kWh equal to the fuel adjustment amount per kWh as billed by the Wholesale Power Supplier plus an allowance for line losses. The allowance for line losses will not exceed 10 percent and is based on a twelve-month moving average of such losses. This Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

DATE OF ISSUE April 11, 2007
Month / Date / Year

DATE EFFECTIVE Service Rendered Beginning April 1, 2007
Month / Date / Year

ISSUED BY *Jackie R. Browning*
(Signature of Officer)

TITLE President & CEO

FOR ALL TERRITORY SERVED
Community, Town or City

P.S.C. KY. NO. 9

18th Revised SHEET NO. 2

CANCELLING P.S.C. KY. NO. 9

17th Revised SHEET NO. 2

**FARMERS RURAL ELECTRIC
COOPERATIVE CORPORATION**
(Name of Utility)

RATES AND CHARGES

SCHEDULE R – RESIDENTIAL SERVICE

MINIMUM CHARGES: The minimum monthly charge to consumers billed under the above rate shall be \$7.15 for single-phase service. Payment of the minimum charge shall entitle the consumer to the use of the number of kWh corresponding to the minimum charge in accordance with the foregoing rate. The minimum monthly charge for three-phase service shall be \$0.75 per kVA of installed transformer capacity. (I)

TERMS OF PAYMENT: The above rates are net, the gross rates are 10 percent higher, but not more than \$5.00 on the unpaid amount. If the current monthly bill is not paid by the 15th of the month following the meter reading date, the gross rates shall then apply. No delayed payment charge shall be applicable to schools, churches and community buildings.

DATE OF ISSUE April 11, 2007
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Month / Date / Year

ISSUED BY *Jackie R. Downing*
(Signature of Officer)

TITLE President & CEO

FOR ALL TERRITORY SERVED
Community, Town or City

P.S.C. KY. NO. 9

18th Revised SHEET NO. 3

CANCELLING P.S.C. KY. NO. 9

17th Revised SHEET NO. 3

**FARMERS RURAL ELECTRIC
COOPERATIVE CORPORATION**
(Name of Utility)

RATES AND CHARGES

SCHEDULE C – COMMERCIAL & INDUSTRIAL SERVICE

APPLICABLE: In all territory served by the seller.

AVAILABILITY: Available to consumers for commercial and industrial loads for all uses including lighting, heating and power, including oil well services, all subject to the established rules and regulations of the seller.

TYPE OF SERVICE: Single-phase, or three-phase where available, 60 cycles at available voltages.

RATES PER MONTH

1. For all consumers whose kilowatt demand is less than 50 kW.

Kilowatt Demand Charge: None

First	50 kWh	@	\$0.14318 per kWh	(I)
All Remaining	kWh	@	0.06617 per kWh	(I)

2. For all consumers whose kilowatt demand is 50 kW or above.

Kilowatt Demand Charge: \$5.06 per kW (I)

Energy Charge:

All	kWh@	\$0.05039 per kWh	(I)
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DATE OF ISSUE April 11, 2007
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Month / Date / Year

ISSUED BY *Jackie R. Browning*
(Signature of Officer)

TITLE President & CEO

FOR ALL TERRITORY SERVED
Community, Town or City

P.S.C. KY. NO. 9

17th Revised SHEET NO. 4

CANCELLING P.S.C. KY. NO. 9

16th Revised SHEET NO. 4

**FARMERS RURAL ELECTRIC
COOPERATIVE CORPORATION**
(Name of Utility)

RATES AND CHARGES

SCHEDULE C – COMMERCIAL & INDUSTRIAL SERVICE

DETERMINATION OF BILLING DEMAND: The billing demand shall be the maximum kilowatt demand established by the consumer for any period of fifteen consecutive minutes during the month for which the bill is rendered, as indicated or recorded by a demand meter and adjusted for power factor as provided below.

POWER FACTOR ADJUSTMENT: The consumer agrees to maintain unity power factor as nearly as practicable. Power factor may be measured at any time. Should such measurements indicate that the power factor at the time of maximum demand is less than 85 percent, the demand for billing purposes shall be the demand as indicated or recorded by the demand meter multiplied by 85 percent and divided by the per cent power factor.

MINIMUM MONTHLY CHARGE: The minimum monthly charge under the above rates shall be \$7.15 for single-phase service. Payment of the minimum charge shall entitle the consumer to the use of the number of kilowatt hours corresponding to the minimum charge in accordance with the foregoing rate. (I)

The minimum monthly charge for three-phase service shall be \$0.75 per kVA of installed transformer capacity or the minimum monthly charge stated in the service contract. Where it is necessary to extend or re-enforce existing distribution facilities, the minimum monthly charge may be increased to assure adequate compensation for the added facilities. Where the minimum charge is increased in accordance with the terms of this section, additional energy shall be included in accordance with the foregoing rate schedule.

DATE OF ISSUE April 11, 2007
Month / Date / Year

DATE EFFECTIVE Service Rendered Beginning April 1, 2007
Month / Date / Year

ISSUED BY Jackie R. Browning
(Signature of Officer)

TITLE President & CEO

FOR ALL TERRITORY SERVED
Community, Town or City

P.S.C. KY. NO. 9

18th Revised SHEET NO. 6

**FARMERS RURAL ELECTRIC
COOPERATIVE CORPORATION**
(Name of Utility)

CANCELLING P.S.C. KY. NO. 9

17th Revised SHEET NO. 6

RATES AND CHARGES

SCHEDULE 01 – OUTDOOR LIGHTING SERVICE

APPLICABLE: In all territory served by the seller.

AVAILABILITY: To individuals, towns, villages and others for controlled single and multiple outdoor lighting from dusk to dawn. Service under this schedule is for a term of not less than one year and is subject to the rules and regulations of the seller as approved by the Kentucky Public Service Commission.

RATE PER FIXTURE:

<u>Type of Lamp</u>	<u>Watts</u>	<u>Monthly kWh Usage</u>	<u>Monthly Charge Per Lamp</u>	
Mercury Vapor	175	70	\$ 6.53	(I)
Mercury Vapor	250	98	7.32	(I)
Mercury Vapor	400	156	11.06	(I)
Mercury Vapor	1000	378	18.65	(I)
Sodium Vapor	100	42	7.04	(I)
Sodium Vapor	150	63	8.07	(I)
Sodium Vapor	250	105	10.81	(I)
Sodium Vapor	400	165	13.68	(I)
Sodium Vapor	1000	385	29.40	(I)

FUEL ADJUSTMENT CLAUSE: All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per kWh equal to the fuel adjustment amount per kWh as billed by the Wholesale Power Supplier plus an allowance for line losses. The allowance for line losses will not exceed 10 percent and is based on a twelve-month moving average of such losses. This Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

CONDITIONS OF SERVICE:

1. Outdoor lighting, including lamps, fixture, other necessary facilities and electric energy, will be furnished by the Cooperative.
2. Above service is limited to one existing wood pole per fixture.
3. Lamp replacements will be furnished and made by the Cooperative except in cases of vandalism or willful destruction.
4. Service required other than the above shall be paid for by the consumer according to the initial cost of such installation.

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ISSUED BY Jackie P. Browning
(Signature of Officer)

TITLE President & CEO

FOR ALL TERRITORY SERVED
Community, Town or City

P.S.C. KY. NO. 9

9th Revised SHEET NO. 6L

CANCELLING P.S.C. KY. NO. 9

8th Revised SHEET NO. 6L

**FARMERS RURAL ELECTRIC
COOPERATIVE CORPORATION**
(Name of Utility)

RATES AND CHARGES

SCHEDULE SL – STREET LIGHTING SERVICE

APPLICABLE: In all territory served by the Cooperative.

AVAILABILITY: Available to federal, state and local governmental agencies for dusk to dawn street lighting subject to established rules and regulations.

TYPE OF SERVICE: Automatic dusk to dawn lighting systems, single-phase, 60 cycles, at available secondary voltages.

MONTHLY RATE:

Energy Charge: The monthly energy charge for each type of lamp shall be \$0.03967 per rated kWh per month as determined from Table I below: (I)

TABLE I

<u>Type of Lamp</u>	<u>Lamp Size</u>		<u>Rated kWh</u>
	<u>Watts</u>	<u>Lumens</u>	
Mercury Vapor	175	7,650	70
Mercury Vapor	250	10,400	98
Mercury Vapor	400	19,100	156
High Pressure Sodium	100	8,550	42
High Pressure Sodium	250	23,000	105
High Pressure Sodium	400	45,000	165
High Pressure Sodium	1,000	126,000	385

Facility Charge: The books of the Cooperative shall accurately reflect the Cooperative's total investment in facilities for each specific agency receiving service under this tariff. The monthly facility charge for a given agency shall be 1.14 percent of said total investment.

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ISSUED BY *Jackie S. Browning*
(Signature of Officer)

TITLE President & CEO

FOR ALL TERRITORY SERVED
Community, Town or City

P.S.C. KY. NO. 9

14th Revised SHEET NO. 6N

CANCELLING P.S.C. KY. NO. 9

13th Revised SHEET NO. 6N

**FARMERS RURAL ELECTRIC
COOPERATIVE CORPORATION**
(Name of Utility)

RATES AND CHARGES

SCHEDULE D – LARGE COMMERCIAL/INDUSTRIAL SERVICE
OPTIONAL TIME-OF-DAY RATE

APPLICABLE: In all territory served by the seller.

AVAILABILITY: Available to consumers for commercial and industrial loads whose kilowatt demand is 50 kW or above for all uses including lighting, heating and power, all subject to the established rules and regulations of the seller.

TYPE OF SERVICE: Single-phase, or three-phase where available, 60 cycles at available voltages.

RATES PER MONTH

Kilowatt Demand Charge: \$5.07 per kW (I)

Energy Charge:

All kWh @ \$0.05039 per kWh (I)

DETERMINATION OF BILLING DEMAND: The billing demand shall be the maximum kilowatt demand established by the consumer for any period of fifteen consecutive minutes during the on-peak hours specified by the seller in the consumer's service contract during the month for which the bill is rendered, as indicated or recorded by a demand meter and adjusted for power factor as provided below.

DATE OF ISSUE April 11, 2007
Month / Date / Year

DATE EFFECTIVE Service Rendered Beginning April 1, 2007
Month / Date / Year

ISSUED BY *Jackie R. Browning*
(Signature of Officer)

TITLE President & CEO

FOR ALL TERRITORY SERVED
Community, Town or City

P.S.C. KY. NO. 9

11th Revised SHEET NO. 6Q

CANCELLING P.S.C. KY. NO. 9

10th Revised SHEET NO. 6Q

**FARMERS RURAL ELECTRIC
COOPERATIVE CORPORATION**
(Name of Utility)

RATES AND CHARGES

SCHEDULE E – LARGE INDUSTRIAL RATE

APPLICABLE: In all territory served by the seller.

AVAILABILITY: Available to all consumers who are or shall be members of the Seller where the monthly contract demand is 1,000 to 4,999 kW with a monthly energy usage equal to or greater than 425 hours per kW of billing demand, all subject to the established rules and regulations of the Seller.

MONTHLY RATE:

Consumer Charge:	\$550.00 per Month	(I)
Demand Charge:	5.54 per kW	(I)
Energy Charge:	0.03615 per kWh	(I)

DETERMINATION OF BILLING DEMAND: The monthly billing demand shall be the greater of (a) or (b) listed below:

- (a) The contract demand,
- (b) The consumer's highest demand during the current month or preceding eleven months coincident with the load center's peak demand. The load center's peak demand is the highest average rate at which energy is used during any fifteen-minute interval in the below listed hours for each month and adjusted for power factor as provided herein:

<u>MONTHS</u>	<u>HOURS APPLICABLE FOR DEMAND BILLING - EST</u>
October through April	7:00 A.M. to 12:00 Noon 5:00 P.M. to 10:00 P.M.
May through September	10:00 A.M. to 10:00 P.M.

DATE OF ISSUE April 11, 2007
Month / Date / Year

DATE EFFECTIVE Service Rendered Beginning April 1, 2007
Month / Date / Year

ISSUED BY *Jarvis D. Browning*
(Signature of Officer)

TITLE President & CEO

FOR ALL TERRITORY SERVED
Community, Town or City

P.S.C. KY. NO. 9

12th Revised SHEET NO. 6T

**FARMERS RURAL ELECTRIC
COOPERATIVE CORPORATION**
(Name of Utility)

CANCELLING P.S.C. KY. NO. 9

11th Revised SHEET NO. 6T

RATES AND CHARGES

SCHEDULE RM – RESIDENTIAL OFF-PEAK MARKETING

APPLICABLE: In all territory served by the seller.

AVAILABILITY: Available to consumers eligible for Schedule R - Residential Service. The electric power and energy furnished under Tariff RM Residential Off-Peak Marketing Rate shall be separately metered for each point of delivery and requires an executed contract between the member and the Cooperative. A sample contract is shown following these tariffs as Appendix D. Other power and energy furnished will be billed under Schedule R.

RATES:

Energy Charge: \$0.03774 per kWh (I)

SCHEDULE OF HOURS: This rate is only applicable for the below listed off-peak hours:

<u>MONTHS</u>	<u>OFF-PEAK HOURS - EST</u>
October thru April	12:00 Noon to 5:00 P.M. 10:00 P.M. to 7:00 A.M.
May thru September	10:00 P.M. to 10:00 A.M.

DATE OF ISSUE April 11, 2007
Month / Date / Year

DATE EFFECTIVE Service Rendered Beginning April 1, 2007
Month / Date / Year

ISSUED BY *Jackie S. Browning*
(Signature of Officer)

TITLE President & CEO

FOR ALL TERRITORY SERVED
Community, Town or City

P.S.C. KY. NO. 9

12th Revised SHEET NO. 6V

**FARMERS RURAL ELECTRIC
COOPERATIVE CORPORATION**
(Name of Utility)

CANCELLING P.S.C. KY. NO. 9

11th Revised SHEET NO. 6V

RATES AND CHARGES

SCHEDULE CM – SMALL COMMERCIAL OFF-PEAK MARKETING

APPLICABLE: In all territory served by the seller.

AVAILABILITY: Available to commercial consumers whose kilowatt demand is less than 50 kW. The electric power and energy furnished under Tariff CM, Small Commercial Off-Peak Marketing Rate, shall be separately metered for each point of delivery and requires an executed contract between the member and the Cooperative. A sample contract is shown following this tariff as Appendix D. Other power and energy furnished will be billed under Schedule C-1.

RATES:

Energy Charge: \$0.03970 per kWh (I)

SCHEDULE OF HOURS: This rate is only applicable for the below listed off-peak hours:

<u>MONTHS</u>	<u>OFF-PEAK HOURS - EST</u>
October thru April	12:00 Noon to 5:00 P.M. 10:00 P.M. to 7:00 A.M.
May thru September	10:00 P.M. to 10:00 A.M.

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ISSUED BY *Jackie S. Browning*
(Signature of Officer)

TITLE President & CEO

RATE DESIGN INFORMATION

The attached tariff rates were designed by applying the same percentage increase to each rate component. The annual revenues using the attached tariff rates will produce no more than the authorized dollar increase. In certain instances, a rate may have been decreased slightly to ensure that the total dollar increase was below the amount authorized by the Commission.

Special contract rates, as applicable, were designed using the wholesale rate design methodology included in the original EKPC application and approved for the interim rate increase in the Interim Order in EKPC Case No. 2006-00472.

Note also that the overall base rate increase percentage was applied to the rates of those classes for which there are currently no customers.

Farmers Rural Electric Cooperative Corporation
Billing Analysis
for the 12 months ended September 30, 2006

	Existing Total \$	% to Total	Proposed Total \$	% to Total	\$ Increase	% Increase
Schedule R - Residential Service	19,225,421	63.82%	19,762,438	63.82%	537,017	2.79%
Schedule RM - Residential Off-Peak Marketing	84,920	0.28%	87,279	0.28%	2,359	2.78%
Schedule C Section 1 - Commercial & Industrial Service Less than 50 kW	1,838,875	6.10%	1,890,276	6.10%	51,401	2.80%
Schedule CM - Small Commercial Off-Peak Marketing	168	0.00%	173	0.00%	5	2.80%
Schedule C Section 2 - Commercial & Industrial Service 50 kW or Above	1,949,903	6.47%	2,003,604	6.47%	53,701	2.75%
Schedule C Section 2a - Commercial & Industrial Service 50 kW or Above	3,177,800	10.55%	3,265,623	10.55%	87,824	2.76%
Schedule D - Large Commercial/Industrial Service Optional Time-of-Day Rate	366,583	1.22%	376,865	1.22%	10,282	2.80%
Schedule E - Large Industrial Rate	2,841,533	9.43%	2,920,694	9.43%	79,161	2.79%
Schedule SL - Street Lighting Service	16,812	0.06%	17,283	0.06%	471	2.80%
Schedule OL - Outdoor Lighting Service	623,108	2.07%	640,738	2.07%	17,630	2.83%
Total Base Rates	30,125,125	100.00%	30,964,972	100.00%	839,848	2.79%
FAC & ES	6,443,239		6,443,239			
Total Including FAC and ES	36,568,364		37,408,211		839,848	2.30%
					840,821	
					973	

Under-recovered

Farmers Rural Electric Cooperative
Billing Analysis
for the 12 months ended September 30, 2006

Schedule R
Residential Service

	Existing				Proposed				\$ Increase	% Increase
	Billing Determinants	Current Rate	Annualized Revenues	% Total Rate Class	Billing Determinants	Proposed Rate	Annualized Revenues	% Total Rate Class		
Total Annual Invoices - Incl Min Customer Charge / Energy Che	257,884				257,884					
	31,855	\$ 6 96	\$221,711	1 15%	31,855	\$ 7 15	\$227,763	1 15%	6,052	2 73%
Energy charge per kWh										
First 50 kWh	11,301,450	\$ 0 13929	1,574,179	8 19%	11,301,450	\$ 0 14318	1,618,142	8 19%	43,963	2 79%
all over 50 kWh	284,796,270	\$ 0 06120	17,429,532	90 66%	284,796,270	\$ 0 06291	17,916,533	90 66%	487,002	2 79%
Total from base rates			<u>19,225,421</u>	100 00%			<u>19,762,438</u>	100 00%	<u>537,017</u>	<u>2 79%</u>
Fuel adjustment			2,455,296				2,455,296		-	0 00%
Environmental surcharge			<u>1,607,564</u>				<u>1,607,564</u>		-	0 00%
Total revenues			<u>\$23,288,281</u>				<u>\$23,825,298</u>		<u>\$537,017</u>	<u>2 31%</u>
Average Bill			\$90 31				\$92 39		\$2 08	2 31%

Schedule RM
Residential Off-Peak Marketing

	Existing				Proposed				\$ Increase	% Increase
	Billing Determinants	Current Rate	Annualized Revenues	% Total Rate Class	Billing Determinants	Proposed Rate	Annualized Revenues	% Total Rate Class		
Customer Bills	2,013		\$ 0	0 00%	2,013	\$ 0 00	\$ 0	0 00%		
Energy charge per kWh	2,312,637	\$ 0 03672	84,920	100 00%	2,312,637	\$ 0 03774	87,279	100 00%	2,359	2 78%
Total from base rates			<u>84,920</u>	100 00%			<u>87,279</u>	100 00%	<u>2,359</u>	<u>2 78%</u>
Fuel adjustment			20,756				20,756		0	0 00%
Environmental surcharge			<u>6,901</u>				<u>6,901</u>		0	0 00%
Total revenues			<u>\$112,577</u>				<u>\$114,936</u>		<u>2,359</u>	<u>2 10%</u>
Average Bill			\$55 93				\$57 10		\$1 17	2 10%

Schedule C Section 1
Commercial & Industrial Less than 50 kW

	Existing				Proposed				\$ Increase	% Increase
	Billing Determinants	Current Rate	Annualized Revenues	% Total Rate Class	Billing Determinants	Proposed Rate	Annualized Revenues	% Total Rate Class		
Total Customer Bills - Incl Min E Customer Charge / Energy Che	18,212				18,212					
	3,653	\$ 6 96	\$25,425	1 38%	3,653	\$ 7 15	\$26,119	1 38%	694	
Demand Charge			-		0	\$ 0 00	\$ 0 00		-	
Energy Charge										
First 50 kWh kW	727,950	\$ 0 13929	101,396	5 51%	727,950	\$ 0 14318	104,228	5 51%	2,832	2 79%
All over 50 kWh	26,597,084	\$ 0 06437	1,712,054	93 10%	26,597,084	\$ 0 06617	1,759,929	93 10%	47,875	2 80%
Total Baseload Charges			<u>\$1,838,875</u>	100 00%			<u>\$1,890,276</u>	100 00%	<u>51,401</u>	<u>2 80%</u>
Fuel adjustment			222,890				222,890		-	0 00%
Environmental surcharge			<u>157,084</u>				<u>157,084</u>		-	0 00%
Total revenues			<u>\$2,218,849</u>				<u>\$2,270,250</u>		<u>51,401</u>	<u>2 32%</u>
Average Bill			\$ 121 83				\$ 124 66		2 82	2 32%

Farmers Rural Electric Cooperative
Billing Analysis
for the 12 months ended September 30, 2006

Schedule CM
Small Commercial Off-Peak Marketing
Rate 8

	Existing				Proposed				\$ Increase	% Increase
	Billing Determinants	Current Rate	Annualized Revenues	% Total Rate Class	Billing Determinants	Proposed Rate	Annualized Revenues	% Total Rate Class		
Number of Bills	5		\$0	0.00%	5		\$0	0.00%	-	
Energy Charge	4,352	\$0.03862	168	100.00%	4,352	\$0.03970	173	100.00%	5	2.80%
Total Baseload Charges			<u>\$168</u>	100.00%			<u>\$173</u>	100.00%	<u>5</u>	<u>2.80%</u>
Fuel adjustment			35				35		-	0.00%
Environmental surcharge			<u>15</u>				<u>15</u>		-	0.00%
Total revenues			<u>\$218</u>				<u>\$223</u>		<u>5</u>	<u>2.15%</u>
Average Bill			\$ 43.63				\$ 44.57		0.94	2.15%

Schedule C Section 2
Commercial & Industrial Service 50 kW and Over
Rate 5

	Existing				Proposed				\$ Increase	% Increase
	Billing Determinants	Current Rate	Annualized Revenues	% Total Rate Class	Billing Determinants	Proposed Rate	Annualized Revenues	% Total Rate Class		
Customer Charge	921									
Demand Charge	102,088	\$4.93	\$503,294	25.81%	102,088	\$5.06	\$516,565	25.78%	13,271	2.64%
Energy charge per kWh	29,510,594	\$0.04902	1,446,609	74.19%	29,510,594	\$0.05039	1,487,039	74.22%	40,430	2.79%
Total from base rates			<u>1,949,903</u>	100.00%			<u>2,003,604</u>	100.00%	<u>53,701</u>	<u>2.75%</u>
Fuel adjustment			235,199				235,199		-	0.00%
Environmental surcharge			<u>163,013</u>				<u>163,013</u>		-	0.00%
Total revenues			<u>\$2,348,115</u>				<u>\$2,401,816</u>		<u>53,701</u>	<u>2.29%</u>
Average Bill			\$ 2,549.53				\$ 2,607.84		\$ 58.31	2.29%

Schedule C Section 2a
Commercial & Industrial Service 50 kW or Above
Rate 9

	Existing				Proposed				\$ Increase	% Increase
	Billing Determinants	Current Rate	Annualized Revenues	% Total Rate Class	Billing Determinants	Proposed Rate	Annualized Revenues	% Total Rate Class		
Customer Charge	63		\$0		63		-		-	
Demand Charge	141,203	\$4.93	696,131	21.91%	141,203	\$5.06	714,487	21.88%	18,356	2.64%
Energy Charge	57,828,600	\$0.04902	2,834,758	89.21%	57,828,600	\$0.05039	2,913,983	89.23%	79,225	2.79%
10 % Discount (Primary Service Rider)			(353,089)	-11.11%			(362,847)	-11.11%	(9,758)	2.76%
Total Baseload Charges			<u>\$3,177,800</u>	100.00%			<u>3,265,623</u>	100.00%	<u>87,824</u>	<u>2.76%</u>
Fuel adjustment			473,750				473,750		0	0.00%
Environmental surcharge			<u>263,552</u>				<u>263,552</u>		0	0.00%
Total Revenues			<u>\$3,915,102</u>				<u>4,002,925</u>		<u>87,824</u>	<u>2.24%</u>
Average Bill			\$ 62,144.47				\$ 63,538.50		\$ 1,394.02	2.24%

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Farmers Rural Electric Cooperative
Billing Analysis
for the 12 months ended September 30, 2006

Schedule D
Large Commercial / Industrial Service Optional Time-of-Day Rate

	Existing				Proposed				\$ Increase	% Increase
	Billing Determinants	Current Rate	Annualized Revenues	% Total Rate Class	Billing Determinants	Proposed Rate	Annualized Revenues	% Total Rate Class		
Customer Charge	84		\$0	0.00%	84	\$0	-	0.00%	-	
Demand Charge	16,421	\$4.93	80,956	22.08%	16,421	\$5.07	83,254	22.09%	2,299	2.84%
Energy Charge Per kWh	5,826,760	\$0.04902	285,628	77.92%	5,826,760	\$0.05039	293,610	77.91%	7,983	2.79%
Total Baseload Charges			<u>\$366,583</u>	100.00%			<u>\$376,865</u>	100.00%	<u>\$10,282</u>	<u>2.80%</u>
Fuel adjustment			45,770				45,770		-	0.00%
Environmental surcharge			30,309				30,309		-	0.00%
Total Revenues			<u>\$442,662</u>				<u>462,944</u>		<u>10,282</u>	<u>2.32%</u>
Average Bill			\$ 5,270				5,392		122.40	2.32%

Schedule E
Large Industrial Rate
Rate 10

	Existing				Proposed				\$ Increase	% Increase
	Billing Determinants	Current Rate	Annualized Revenues	% Total Rate Class	Billing Determinants	Proposed Rate	Annualized Revenues	% Total Rate Class		
Customer Charge	36	\$535.00	\$19,260	0.68%	36	550.00	19,800	0.68%	540	2.80%
Demand Charge	109,810	\$5.39	591,876	20.83%	109,810	\$5.54	608,347	20.83%	16,472	2.78%
Energy Charge Per kWh	63,417,600	\$0.03517	2,230,397	78.49%	63,417,600	\$0.03615	2,292,546	78.49%	62,149	2.79%
Total Baseload Charges			<u>\$2,841,533</u>	100.00%			<u>\$2,920,694</u>	100.00%	<u>\$79,161</u>	<u>2.79%</u>
Fuel adjustment			509,234				509,234		-	0.00%
Environmental surcharge			244,973				244,973		-	0.00%
Total Revenues			<u>\$3,595,740</u>				<u>3,674,901</u>		<u>79,161</u>	<u>2.20%</u>
Average Bill			\$ 99,881.66				102,081		2,198.91	2.20%

Schedule SL
Street Lighting Service
Rate 6

	Existing				Proposed				\$ Increase	% Increase
	Billing Determinants	Current Rate	Annualized Revenues	% Total Rate Class	Billing Determinants	Proposed Rate	Annualized Revenues	% Total Rate Class		
Customer Charge	108				108		-		-	
Energy Charge Per kWh	435,669	\$0.03859	16,812	100.00%	435,669	\$0.03967	17,283	100.00%	471	2.80%
Total Baseload Charges			<u>\$16,812</u>	100.00%			<u>\$17,283</u>	100.00%	<u>\$471</u>	<u>2.80%</u>
Fuel adjustment			3,506				3,506		-	0.00%
Environmental surcharge			3,392				3,392		-	0.00%
Total Revenues			<u>\$23,710</u>				<u>24,181</u>		<u>471</u>	<u>1.98%</u>
Average Bill			\$ 219.54				224		4.36	1.98%

FAC	3,966,436
ES	2,476,803
	6,443,239

Interim Order	840,821
Test Yr Rev	30,125,125
% Multiplier	1.027910955

Farmers Rural Electric Cooperative Corporation
 Billing Analysis
 for the 12 months ended September 30, 2006

Schedule OL - Outdoor Lighting Service

	Existing			Proposed			% to Total	% to Total	\$ Increase	% Increase
	Billing Determinants	kWh	Current Rate	Annualized Revenues	Billing Determinants	Rate				
OL 70	86,872	6,012,253	\$ 6.35	551,637	86,872	6.53	567,274	88.53%	15,636.96	2.83%
OL 23	640	14,720	\$ 6.35	4,064	640	6.53	4,179	0.65%	115.20	2.83%
OL 98	1,024	100,352	\$ 7.12	7,291	1,024	7.32	7,496	1.17%	204.80	2.81%
OL 156	2,096	326,976	\$ 10.76	22,553	2,096	11.06	23,182	3.62%	628.80	2.79%
OL 378	14	5,292	\$ 18.14	254	14	18.95	261	0.04%	7.14	2.81%
OL 42	298	12,516	\$ 6.85	2,041	298	7.04	2,098	0.33%	56.62	2.77%
OL 63	252	15,876	\$ 7.85	1,978	252	8.07	2,034	0.32%	55.44	2.80%
OL 105	343	36,015	\$ 10.52	3,608	343	10.81	3,708	0.58%	99.47	2.76%
OL 165	2,230	367,950	\$ 13.31	29,681	2,230	13.68	30,506	4.76%	825.10	2.78%
OL 385	-	0	\$ 28.60	-	0	29.40	-	0.00%	-	-
	93,769	6,891,950		623,108	93,769	640,738	100.00%	100.00%	\$17,630	2.83%

Total Base Rates

Average Bill
 * Includes Adjustment

OL Mercury Vapor 175 Watt	\$ 6.35	6.53	0.18	2.83%
OL Mercury Vapor 175 Watt (shared)	\$ 6.35	6.53	0.18	2.83%
OL Mercury Vapor 250 Watt	\$ 7.12	7.32	0.20	2.81%
OL Mercury Vapor 400 Watt	\$ 10.76	11.06	0.30	2.79%
OL Mercury Vapor 1000 Watt	\$ 18.14	18.95	0.81	2.81%
OL Sodium Vapor 100 Watt	\$ 6.85	7.04	0.19	2.77%
OL Sodium Vapor 150 Watt	\$ 7.85	8.07	0.22	2.80%
OL Sodium Vapor 250 Watt	\$ 10.52	10.81	0.29	2.76%
OL Sodium Vapor 400 Watt	\$ 13.31	13.68	0.37	2.78%
OL Sodium Vapor 1000 Watt	\$ 28.60	29.40	0.80	2.80%