

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION OF THE APPLICATION OF)
THE FUEL ADJUSTMENT CLAUSE OF)
FARMERS RURAL ELECTRIC COOPERATIVE) CASE NO. 2006-00270
CORPORATION FROM NOVEMBER 1, 2005)
THROUGH APRIL 30, 2006)

O R D E R

Pursuant to Administrative Regulation 807 KAR 5:056, the Commission, on July 6, 2006, established this case to review and evaluate the operation of the fuel adjustment clause ("FAC") of Farmers Rural Electric Cooperative Corporation ("Farmers") for the 6 months ended April 30, 2006.

As part of this review, the Commission ordered Farmers to submit certain information concerning its compliance with Administrative Regulation 807 KAR 5:056. Farmers has complied with this Order. The Commission further ordered that a public hearing be held in this case but cancelled it when, after publication of notice, no interested party advised the Commission of its intention to attend.

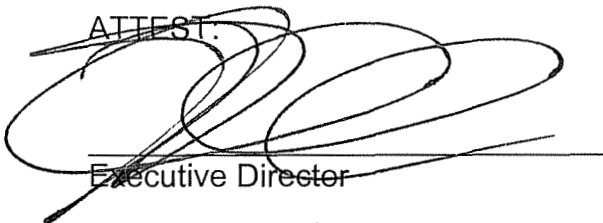
The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds no evidence that Farmers has improperly calculated or applied its FAC charge.

IT IS THEREFORE ORDERED that the charges and credits applied by Farmers through the FAC for the period November 1, 2005 through April 30, 2006 are approved.

Done at Frankfort, Kentucky, this 8th day of November, 2006.

By the Commission

ATTEST:

A large, stylized handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke at the bottom.

Executive Director