

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF FLEMING-MASON)
ENERGY COOPERATIVE CORPORATION) CASE NO. 2007-00022
FOR AN ADJUSTMENT OF RATES)

RECEIVED

NOV 02 2007

PUBLIC SERVICE
COMMISSION

JOINT SETTLEMENT STIPULATION AND RECOMMENDATION

It is the intent and purpose of the parties to this proceeding, namely the applicant, Fleming-Mason Energy Cooperative Corporation (FMEC) and the intervenor, Attorney General of the Commonwealth of Kentucky to express their agreement on a mutually satisfactory resolution of all of the issues in the instant proceeding which shall hereafter be referred to as the "Stipulation" and/or "Recommendation".

It is understood by all parties hereto that this Recommendation is not binding upon the Public Service Commission ("Commission"), nor does it represent agreement on any specific theory supporting the appropriateness of any recommended adjustments to FMEC's rates. The parties have expended considerable efforts to reach the stipulation and agreements that form the basis for this Recommendation. The parties, representing diverse interests and divergent viewpoints, agree that this Recommendation, viewed in its entirety, constitutes a reasonable resolution of all issues in this proceeding.

In addition, the adoption of this Recommendation will eliminate the need for the Commission and the parties to expend significant resources in litigation of this proceeding, and eliminate the possibility of, and any need for, rehearing or appeals of the Commission's final order herein. Based upon the parties' participation in settlement conferences and the materials on file with the Commission, and upon the belief that these materials adequately support this Stipulation and Recommendation, the parties hereby stipulate and recommend the following:

1. FMEC acknowledges that previous management personnel were Ordered by the Commission in PSC Case No. 2001-00244, dated August 7, 2002 to "not extend or renew any existing debt service loans nor commit to any new debt service loans without prior approval by the Commission and to make certain disclosures and reports to its membership regarding their subsidiary, Fleming-Mason Service

Corporation. FMEC acknowledges that these requirements, contained in the Commission's previous Order, were not accomplished in a timely fashion due to inexcusable neglect. FMEC states to the Commission that such requirements referenced in the Commission's previous Order have now been accomplished and further, that the FMEC intends to fully comply with all future Orders of the Commission regarding its operation.

2. FMEC should be permitted to adjust its rates in order to permit it to recover more in annual revenue than it is recovering under its current rates, with such rates to be effective for service rendered after December 24, 2007. The exhibits attached hereto reflect a stipulated reduction of \$534,871.00 from the original rate increase requested amount of \$3,784,008 for an amended rate increase amount of \$3,249,137.
3. FMEC's proposed tariff revisions should be adopted as are reflected in its original application as amended by this Stipulation and Recommendation. Amended tariffs are attached hereto as "Exhibit A" and which reflect the stipulated reduction in rates.
4. Attached to this Stipulation and Recommendation are proof of revenue sheets, showing that the rates set forth in Exhibit A will generate the proposed revenue increase to which the have agreed herein and which will allow FMEC to meet its 2.0 TIER.
5. Each party hereto waives all cross-examination of witnesses of the other parties hereto unless the Commission disapproves this Recommendation or unless such cross-examination is necessary to support this agreement. Further, each party stipulates and recommends that the Notice of Intent, Notice of Application, testimony, pleadings and responses to data requests filed in this proceeding be admitted into the record.
6. This Recommendation is submitted for purposes of this case only and is not deemed binding upon the parties hereto in any other proceeding, nor is it to be offered or relied upon in any other proceeding involving FMEC or any other utility.

7. If the Commission issues an order adopting this Recommendation in its entirety, each of the parties hereto agrees that it shall file neither an application for rehearing with the Commission, nor an appeal to the Franklin County Circuit Court with respect to such order.

8. If this Recommendation is not adopted in its entirety, each party reserves the right to withdraw from it and require that hearings go forward upon any or all matters involved herein, and that in such event the terms of this Recommendation shall not be deemed binding upon the parties hereto, nor shall such Recommendation be admitted into evidence, or referred to, or relied upon in any manner by any party hereto, the Commission, or its Staff in any such hearing.

9. The parties hereto agree that the foregoing Recommendation is reasonable and in the best interests of all concerned, and urge the Commission to adopt the Recommendation in its entirety.

WITNESS the signatures of the Parties or their designated representatives this 1st day of November, 2007.

FLEMING-MASON ENERGY
COOPERATIVE CORPORATION

BY: Marvin W. Suit
MARVIN W. SUIT,
COUNSEL FOR PETITIONER

KENTUCKY ATTORNEY GENERAL

BY: Dennis G. Howard by
DENNIS G. HOWARD, II
ASSISTANT ATTORNEY GENERAL
Paul D. Adams
Asst. Atty
General

Schedule RSP
Residential and Small Power
Rate 1

Billing Determinants	Actual		Normalized Effective May 24, 2005		Proposed		Revenue from Case No. 2006-00516		Adjusted Proposed		
	Rate	Revenues	Rate	Revenues	Rate	Revenues	Rate	Revenues	Rate	Revenues	
Customer Charge	271.431	\$6.26	\$1,699,158	\$6.26	\$1,699,158	\$9.75	\$2,646,452	\$6.44	\$1,748,016	\$9.75	\$2,646,452
Energy charge per kWh	285,946.912	\$0.06096	17,431,324	\$0.06096	17,431,324	\$0.06887	19,693,164	\$0.06914	19,770,369	\$0.07564	21,629,024
Billing adjustments		(52)		(52)		(52)		(52)		(52)	
Total from base rates		19,130,430		19,130,430		22,339,564		21,518,333		24,275,425	
Fuel adjustment		2,078,303									
Environmental surcharge		1,786,764									
Total revenues		\$22,995,497									
Amount		\$0		\$0		\$3,209,134					\$2,757,092
Percent		0.00%		0.00%		16.78%					12.81%

Error

An error occurred while processing this page. See the system log for more details.

Schedule SGS
 Small General Service
Rate 2

Billing Determinants	Billing Determinants		Normalized Effective May 24, 2005		Proposed		Revenue from Case No. 2006-00516		Adjusted Proposed	
	Rate	Revenues	Rates	Revenues	Rates	Revenues	Rates	Revenues	Rates	Revenues

Customer Charge	2,068	\$43.07	89,069	\$43.07	\$89,069	\$43.07	\$89,069	\$44.34	\$91,695	\$44.34	\$91,695
Demand Charge	65,287	\$6.49	423,713	\$6.49	423,713	\$6.49	423,713	\$6.68	436,117	\$6.68	436,117
Energy charge per kWh	16,051,041	\$0.03515	564,194	\$0.03515	564,194	\$0.04935	792,119	\$0.04257	683,293	\$0.05477	879,116
Billing adjustments	(848)		(848)		(848)		(848)		(848)		(848)
Total from base rates	1,076,127		1,076,127		1,076,127		1,304,052		1,210,257		1,406,080
Fuel adjustment	116,188		116,188		116,188		116,188		116,188		116,188
Environmental surcharge	100,434		100,434		100,434		100,434		100,434		100,434
Total revenues	\$1,292,749		\$1,292,749		\$1,292,749		\$227,925		\$227,925		\$195,823
Amount	\$0		\$0		\$0		\$227,925		\$227,925		\$195,823
Percent	0.00%		0.00%		0.00%		21.18%		21.18%		16.18%

Schedule LGS
Large General Service
Rate 3

Billing Determinants	Actual		Normalized Effective May 24, 2005		Proposed		Revenue from Case No. 2006-00516		Adjusted Proposed		
	Rate	Revenues	Rate	Revenues	Rate	Revenues	Rate	Revenues	Rate	Revenues	
Customer Charge	1,379	\$57.31	79,030	\$57.31	\$79,030	\$57.31	\$79,030	\$59.00	\$59.00	\$81,361	\$81,361
Demand Charge	193,947	\$6.06	1,175,319	\$6.06	1,175,319	\$6.06	1,175,319	\$6.24	\$6.24	1,210,229	1,210,229
Energy charge per kWh	53,581,162	\$0.03526	1,889,272	\$0.03526	1,889,272	\$0.03743	2,005,543	\$0.04269	\$0.04455	2,287,380	2,387,041
Billing adjustments		(804)		(804)		(804)		(804)		(804)	(804)
Total from base rates		3,142,817		3,142,817		3,259,088		3,578,166		3,677,827	3,677,827
Fuel adjustment		384,195									
Environmental surcharge		293,852									
Total revenues		3,820,864									
Amount				\$0		\$116,271					\$99,661
Percent				0.00%		3.70%					2.79%

Schedule LGS
 Large General Service
Rate 7

Billing Determinants	Actual		Normalized Effective May 24, 2005		Proposed		Revenue from Case No. 2006-00516		Adjusted Proposed	
	Rate	Revenues	Rate	Revenues	Rate	Revenues	Rate	Revenues	Rate	Revenues

Customer Charge	144	\$57.31	8,253	\$57.31	\$8,253	\$57.31	\$8,253	\$59.00	\$8,496	\$59.00	\$8,496
Demand Charge	102,332	\$6.06	620,132	\$6.06	620,132	\$6.06	620,132	\$6.24	638,552	\$6.24	638,552
Energy charge per kWh	49,228,111	\$0.03526	1,735,783	\$0.03526	1,735,783	\$0.03743	1,842,608	\$0.04269	2,101,548	\$0.04455	2,193,112
Billing adjustments	14		14		14		14		14		14
Total from base rates	2,364,182		\$2,364,182		\$2,471,007		\$2,748,610		\$2,840,174		\$2,942,262
Fuel adjustment	351,879		351,879		351,879		351,879		351,879		351,879
Environmental surcharge	226,201		226,201		226,201		226,201		226,201		226,201
Total revenues			\$2,942,262		\$3,103,062		\$3,300,390		\$3,468,054		\$3,634,744

Amount	\$0		\$106,825		\$106,825		\$106,825		\$106,825		\$106,825
Percent	0.00%		4.52%		4.52%		4.52%		4.52%		4.52%

3.33%

Schedule AES
All Electric Schools
Rate 4

Billing Determinants	Actual		Normalized Effective May 24, 2005		Proposed		Revenue from Case No. 2006-00516		Adjusted Proposed	
	Rate	Revenues	Rate	Revenues	Rate	Revenues	Rate	Revenues	Rate	Revenues
Customer Charge	24	\$56.77	\$1,362	\$56.77	\$1,362	\$58.44	\$1,403	\$58.44	\$58.44	\$1,403
Energy charge per kWh	2,338,000	\$0.05692	133,079	\$0.05692	133,079	\$0.06361	148,720	\$0.06498	\$0.07072	165,943
Billing adjustments		0		0		0		0		0
Total from base rates		134,441		134,441		150,083		153,326		166,746
Fuel adjustment		17,210								
Environmental surcharge		12,531								
Total revenues		\$164,182		\$134,441		\$150,083		\$153,326		\$166,746
Amount			\$0		\$15,641					\$13,420
Percent			0.00%		11.63%					8.75%

Form for Filing Rate Schedules

Fleming-Mason Energy
 Cooperative, Inc.
 P. O. Box 328
 Flemingsburg, KY 41041

For All Territory Served

P.S.C. No. 3
27th Revised Sheet No. 1
Cancelling P.S.C. No. 3
26th Revised Sheet No. 1

Name of Issuing Corporation

CLASSIFICATION OF SERVICE (I)	
Residential and Small Power - Schedule RSP	Rate Per Unit
<p><u>Applicability:</u> Available to all members of the Cooperative for all service requiring not more than 25kVa of transformer capacity. All use is subject to the established rules and regulations of the Cooperative.</p> <p><u>Character of Service:</u> Single-phase 60 Hertz at 120/240 volts alternating current, or where available, three-phase 60 Hertz at 120/240 volts alternating current.</p> <p><u>Monthly Rate:</u></p> <p style="padding-left: 40px;">Customer Charge \$9.75/Meter</p> <p style="padding-left: 40px;">Energy Charge - For All kwh 7.564c/kwh</p> <p><u>Minimum Charge:</u> The monthly customer charge. For temporary or seasonal service a minimum charge of \$117.00 is required, payable at the time of request for service.</p> <p><u>Temporary Service:</u> Temporary service shall be supplied in accordance with the foregoing rate except that the customer shall pay in addition to the foregoing charges the total cost of connecting and disconnecting service less the value of materials returned to stock. The Cooperative may require a deposit, in advance, or the full amount of the estimated bill for service, including the cost of connection and disconnection.</p>	

Date of Issue 11/07/07 Date Effective 1/01/08
 Issued By Christopher S. Perry Title President and CEO
 Issued by authority of an order of the Public Service Commission of Kentucky.
 Case No. 2007-00022 Dated 11/07/07

Form for Filing Rate Schedules

For All Territory Served

Fleming-Mason Energy
Cooperative, Inc.
P. O. Box 328
Flemingsburg, KY 41041

P.S.C. No. 3
27th Revised Sheet No. 1a
Cancelling P.S.C. No. 3
26th Revised Sheet No. 1a

Name of Issuing Corporation

CLASSIFICATION OF SERVICE	
Residential and Small Power - Schedule RSP	Rate Per Unit
<p><u>Fuel Adjustment Clause:</u> The above rate 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% 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.</p> <p><u>Terms of Payment:</u> The above rates are net and are due on the billing date, the gross rates being 5% higher. In the event the current monthly bill is not paid within 15 days from the date of the bill, the gross rates shall apply.</p> <p>This schedule supersedes Schedule RSP Case No. 2006-00516</p>	

Date of Issue 11/07/07 Date Effective 1/01/08
 Issued By *Charles S. Ruy* Title President and CEO
 Issued by authority of an order of the Public Service Commission of Kentucky.
 Case No. 2007-00022 Dated 11/07/07

Form for Filing Rate Schedules

For All Territory Served

Fleming-Mason Energy
 Cooperative, Inc.
 P. O. Box 328
 Flemingsburg, KY 41041

P.S.C. No. 3
15th Revised Sheet No. 1d
 Cancelling P.S.C. No. 3
14th Revised Sheet No. 1d

Name of Issuing Inc.

CLASSIFICATION OF SERVICE (I)							
Residential and Small Power - Electric Thermal Storage Sch RSP-ETS	Rate Per Unit						
<p>OFF-PEAK Retail Marketing Rate</p> <p><u>Availability of Service:</u> Available to consumers eligible for Tariff Residential and Small Power Schedule. The electric power and energy furnished under Tariff Residential and Small Power OFF-PEAK Retail Marketing Rate shall be separately metered for each point of delivery. Other power and energy furnished will be billed under Residential and Small Power Schedule.</p> <p><u>Character of Service:</u> Single-phase 60 Hertz at 120/240 volts alternating current, or where available, three-phase 60 Hertz at 120/240 volts alternating current.</p> <p><u>Monthly Rate:</u> Energy Charge - For All kwh</p> <p><u>Schedule of Hours:</u> This rate is only applicable for the below listed off-peak hours:</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 50%;"><u>Months</u></td> <td style="width: 50%;"><u>OFF-PEAK Hours – EST</u></td> </tr> <tr> <td>October thru April</td> <td>12:00 Noon to 5:00 P.M. 10:00 P.M. to 7:00 A.M.</td> </tr> <tr> <td>May thru September</td> <td>10:00 P.M. to 10:00 A.M.</td> </tr> </table>	<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.	<p>4.538c/kwh</p>
<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 11/07/07 Date Effective 1/01/08
 Issued By Charles S. Perry Title President and CEO
 Issued by authority of an order of the Public Service Commission of Kentucky.
 Case No. 2007-00022 Dated 11/07/07

Form for Filing Rate Schedules

For All Territory Served

Fleming-Mason Energy
 Cooperative, Inc.
 P. O. Box 328
 Flemingsburg, KY 41041

P.S.C. No. 3
15th Revised Sheet No. 1e
Cancelling P.S.C. No. 3
14th Revised Sheet No. 1e

Name of Issuing Inc.

CLASSIFICATION OF SERVICE		
Residential and Small Power - Electric Thermal Storage Sch RSP-ETS	Rate Per Unit	
<p><u>Fuel Adjustment Clause:</u> The above rate 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% 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.</p> <p><u>Terms of Payment:</u> The above rates are net and are due on the billing date, the gross rates being 5% higher. In the event the current monthly bill is not paid within 15 days from the date of the bill, the gross rates shall apply.</p> <p><u>Terms and Conditions:</u> This tariff is subject to the Cooperative's standard terms and conditions of service. The retail marketing rate applies only to programs which are expressly approved by the Commonwealth of Kentucky Public Service Commission to be offered under the Marketing Rate of East Kentucky Power's Wholesale Power Rate Schedule A. Under this rate, a separate contract will be executed between the Cooperative and the Consumer/Member. A sample copy of which is filed as part of this tariff.</p> <p>This schedule supersedes Schedule RSP Case No. 2006-00516</p>		

Date of Issue 11/07/07 Date Effective 1/01/08
 Issued By *Christopher S. Fey* Title President and CEO
 Issued by authority of an order of the Public Service Commission of Kentucky.
 Case No. 2007-00022 Dated 11/07/07

Form for Filing Rate Schedules

For All Territory Served

Fleming-Mason Energy
 Cooperative, Inc.
 P. O. Box 328
 Flemingsburg, KY 41041

P.S.C. No. 3
25th Revised Sheet No. 2
Cancelling P.S.C. No. 3
24th Revised Sheet No. 2

Name of Issuing Corporation

CLASSIFICATION OF SERVICE	
Small General Service - Schedule SGS	Rate Per Unit
<p><u>Applicability:</u> Available to all members of the Cooperative for all service requiring 30kva to 112.5kva transformer capacity. All use is subject to the established rules and regulations of the Cooperative.</p> <p><u>Character of Service:</u> Single-phase 60 Hertz alternating current, or where available, three-phase 60 Hertz alternating current, at the Cooperative's prevailing voltage levels.</p> <p><u>Monthly Rate:</u></p> <p style="padding-left: 40px;">Customer Charge Demand Charge - Per Billing KW Energy Charge - All kwh</p> <p><u>Determination of Billing Demand:</u> The billing demand shall be the maximum average kilowatt load used 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.</p> <p><u>Power Factor:</u> The consumer agrees to maintain unity power factor as nearly as practicable. The Cooperative reserves the right to measure such power factor at the time. Should such measurements indicate that the power factor at the time of maximum demand is less than 90%, the demand for billing purposes shall be the demand as indicated or recorded by the demand meter multiplied by 90% and divided by the percent power factor.</p>	<p>\$44.34/Meter 6.68/KW 5.477c/kwh</p>

Date of Issue 11/07/07 Date Effective 1/01/08
 Issued By Christopher S. Ray Title President and CEO
 Issued by authority of an order of the Public Service Commission of Kentucky.
 Case No. 2007-00022 Dated 11/07/07

Form for Filing Rate Schedules

For All Territory Served

Fleming-Mason Energy
Cooperative, Inc.
P. O. Box 328
Flemingsburg, KY 41041

P.S.C. No. 3
25th Revised Sheet No. 2a
Cancelling P.S.C. No. 3
24th Revised Sheet No. 2a

Name of Issuing Corporation

CLASSIFICATION OF SERVICE	
Small General Service - Schedule SGS	Rate Per Unit
<p><u>Minimum Charge:</u> The monthly customer charge. For temporary or seasonal service a minimum charge of \$532.08 per annum is required in lieu of the monthly customer charge payable at the time of request for service.</p> <p><u>Temporary Service:</u> Temporary service shall be supplied in accordance with the foregoing rate except that the customer shall pay in addition to the foregoing charges the total cost of connecting and disconnecting service less the value of materials returned to stock. The Cooperative may require a deposit, in advance, or the full amount of the estimated bill for service, including the cost of connection and disconnection.</p> <p><u>Fuel Adjustment Clause:</u> The above rate 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% 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.</p>	

Date of Issue 11/07/07 Date Effective 1/01/08
 Issued By *Stephen S. Ray* Title President and CEO
 Issued by authority of an order of the Public Service Commission of Kentucky.
 Case No. 2007-00022 Dated 11/07/07

Form for Filing Rate Schedules

For All Territory Served

Fleming-Mason Energy
Cooperative, Inc.
P. O. Box 328
Flemingsburg, KY 41041

P.S.C. No. 3
25th Revised Sheet No. 2b
Cancelling P.S.C. No. 3
24th Revised Sheet No. 2b

Name of Issuing Corporation

CLASSIFICATION OF SERVICE (T)	
Small General Service - Schedule SGS	Rate Per Unit
<p><u>Service Provisions:</u> Delivery Point. If service is furnished at secondary voltage, the delivery point shall be the metering point unless otherwise specified in the contract of service. All wiring, pole lines and other electric equipment on the load side of the delivery point shall be owned and maintained by the consumer. If service is furnished at the Cooperative's primary line voltage, the delivery point shall be the point of attachment of the Cooperative's primary line to consumer's transformer structure unless otherwise specified in the contract for service. All wiring, pole lines and their electric equipment (except metering equipment) on the load side of the delivery point shall be owned and maintained by the consumer.</p> <p><u>Service at Primary Voltage:</u> If service is furnished at primary distribution voltage, a discount of \$0.40 shall apply to the demand charge.</p> <p><u>Terms of Payment:</u> The above rates are net and are due on the billing date, the gross rates being 5% higher. In the event the current monthly bill is not paid within 15 days from the date of the bill, the gross rates shall apply.</p> <p>This schedule supersedes Schedule SGS Case No. 2006-00516.</p>	

Date of Issue 11/07/07 Date Effective 1/01/08
 Issued By *Christopher S. Perry* Title President and CEO
 Issued by authority of an order of the Public Service Commission of Kentucky.
 Case No. 2007-00022 Dated 11/07/07

Form for Filing Rate Schedules

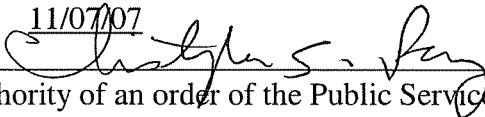
For All Territory Served

Fleming-Mason Energy
Cooperative, Inc.
P. O. Box 328
Flemingsburg, KY 41041

P.S.C. No. 3
27th Revised Sheet No. 3
Cancelling P.S.C. No. 3
26th Revised Sheet No. 3

Name of Issuing Corporation

CLASSIFICATION OF SERVICE (I)	
Large General Service - Schedule LGS	Rate Per Unit
<p><u>Applicability:</u> Available to all members of the Cooperative for all service requiring greater than 112.5kva at voltages of 25kv or less. All use is subject to the established rules and regulations of the Cooperative.</p> <p><u>Character of Service:</u> Three-phase 60 Hertz alternating current at the Cooperative's prevailing voltage levels.</p> <p><u>Monthly Rate:</u></p> <p style="padding-left: 40px;">Customer Charge Demand Charge - Per Billing KW Energy Charge - All kwh</p> <p><u>Determination of Billing Demand:</u> 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.</p> <p><u>Power Factor Adjustment:</u> 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 90%, the demand for billing purposes shall be the demand as indicated or recorded by the demand meter multiplied by 90% and divided by the percent power factor.</p>	<p>\$59.00/Meter 6.24/KW 4.455c/kwh</p>

Date of Issue 11/07/07 Date Effective 1/01/08
 Issued By  Title President and CEO
 Issued by authority of an order of the Public Service Commission of Kentucky.
 Case No. 2007-00022 Dated 11/07/07

Form for Filing Rate Schedules

For All Territory Served

Fleming-Mason Energy
Cooperative, Inc.
P. O. Box 328
Flemingsburg, KY 41041

P.S.C. No. 3
27th Revised Sheet No. 3a
Cancelling P.S.C. No. 3
26th Revised Sheet No. 3a

Name of Issuing Corporation

CLASSIFICATION OF SERVICE	
Large General Service - Schedule LGS	Rate Per Unit
<p><u>Minimum Charge:</u> The monthly customer charge. For temporary or seasonal service a minimum charge of \$708.00 per annum is required in lieu of the monthly customer charge payable at the time of request for service.</p> <p><u>Temporary Service:</u> Temporary service shall be supplied in accordance with the foregoing rate except that the customer shall pay in addition to the foregoing charges the total cost of connecting and disconnecting service less the value of materials returned to stock. The Cooperative may require a deposit, in advance, or the full amount of the estimated bill for service, including the cost of connection and disconnection.</p> <p><u>Fuel Adjustment Clause:</u> The above rate 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% 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.</p>	

Date of Issue 11/07/07 Date Effective 1/01/08
 Issued By *Christopher S. Perry* Title President and CEO
 Issued by authority of an order of the Public Service Commission of Kentucky.
 Case No. 2007-00022 Dated 11/07/07

Form for Filing Rate Schedules

For All Territory Served

Fleming-Mason Energy
 Cooperative, Inc.
 P. O. Box 328
 Flemingsburg, KY 41041

P.S.C. No. 3
26th Revised Sheet No. 3b
Cancelling P.S.C. No. 3
25th Revised Sheet No. 3b

Name of Issuing Corporation

CLASSIFICATION OF SERVICE	
Large General Service - Schedule LGS	Rate Per Unit
<p><u>Service Provisions:</u> Delivery Point. If service is furnished at secondary voltage, the delivery point shall be the metering point unless otherwise specified in the contract for service. All wiring, pole lines and other electric equipment on the load side of the delivery point shall be owned and maintained by the consumer. If service is furnished at the Cooperative's primary line voltage, the delivery point shall be the point of attachment of the Cooperative's primary line to consumer's transformer structure unless otherwise specified in the contract for service. All wiring, pole lines and their electric equipment (except metering equipment) on the load side of the delivery point shall be owned and maintained by the consumer.</p> <p><u>Service at Primary Voltage:</u> If service is furnished at primary distribution voltage, a discount of \$0.40 shall apply to the demand charge.</p> <p><u>Terms of Payment:</u> The above rates are net and are due on the billing date, the gross rates being 5% higher. In the event the current monthly bill is not paid within 15 days from the date of the bill, the gross rates shall apply.</p> <p>This schedule supersedes Schedule LGS Case No. 2006-00516.</p>	

Date of Issue 11/07/07 Date Effective 1/01/08
 Issued By Christy S. Perry Title President and CEO
 Issued by authority of an order of the Public Service Commission of Kentucky.
 Case No. 2007-00022 Dated 11/07/07

Form for Filing Rate Schedules

Fleming-Mason Energy
 Cooperative, Inc.
 P. O. Box 328
 Flemingsburg, KY 41041

For All Territory Served

P.S.C. No. 3
27th Revised Sheet No. 1
Cancelling P.S.C. No. 3
26th Revised Sheet No. 1

Name of Issuing Corporation

CLASSIFICATION OF SERVICE (I)	
All Electric School - Schedule AES	Rate Per Unit
<p><u>Applicability:</u> Available to all public or nonprofit private schools whose total energy requirement excluding lighting for athletic fields, is supplied by electricity furnished by the Cooperative.</p> <p><u>Character of Service:</u> Single or three-phase 60 Hertz alternating current, at the Cooperative's prevailing voltage levels.</p> <p><u>Monthly Rate:</u></p> <p style="padding-left: 40px;">Customer Charge Energy Charge - For All kwh</p> <p><u>Minimum Charge:</u> The minimum annual charge will be not less than \$19.00 per kva of required transformer capacity as determined by the Cooperative.</p> <p><u>Term of Contract:</u> Service under this rate schedule will be furnished under an "Agreement for purchase of Power" for a term of not less than five (5) years.</p>	<p>\$58.44/Meter 7.072c/kwh</p>

Date of Issue 11/07/07 Date Effective 1/01/08
 Issued By *Christy S. Perry* Title President and CEO
 Issued by authority of an order of the Public Service Commission of Kentucky.
 Case No. 2007-00022 Dated 11/07/07

Form for Filing Rate Schedules

For All Territory Served

Fleming-Mason Energy
Cooperative, Inc.
P. O. Box 328
Flemingsburg, KY 41041

P.S.C. No. 3
30th Revised Sheet No. 5c
Cancelling P.S.C. No. 3
31st Revised Sheet No. 5c

Name of Issuing Corporation

CLASSIFICATION OF SERVICE (T)	
All Electric School - Schedule AES	Rate Per Unit
<p><u>Fuel Adjustment Clause:</u> The above rate 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% 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.</p> <p><u>Terms of Payment:</u> The above rates are net and are due on the billing date, the gross rates being 5% higher. In the event the current monthly bill is not paid within 15 days from the date of the bill, the gross rates shall apply.</p> <p>This schedule supersedes Schedule AES Case No. 2006-00516.</p>	

Date of Issue 11/07/07

Date Effective 1/01/08

Issued By Christopher S. Ray Title President and CEO

Issued by authority of an order of the Public Service Commission of Kentucky.

Case No. 2007-00022 Dated 11/07/07

Form for Filing Rate Schedules

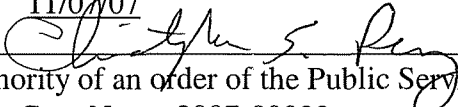
For All Territory Served

Fleming-Mason Energy
 Cooperative, Inc.
 P. O. Box 328
 Flemingsburg, KY 41041

P.S.C. No. 3
26th Revised Sheet No. 4
Cancelling P.S.C. No. 3
25th Revised Sheet No. 4

Name of Issuing Corporation

CLASSIFICATION OF SERVICE	
Outdoor Lighting Service - Schedule OLS	Rate Per Unit
<p><u>Applicability:</u> Available to members of the Cooperative for controlled lighting from dusk to dawn, approximately 4000 hours per year.</p> <p><u>Character of Service:</u></p> <p>1. Standard Service: Street Lighting equipment furnished under the standard service rate shall consist of overhead service on wood poles within 300' of the Cooperative's existing 7200 or 14400 volt lines. The Cooperative will install, own, operate and maintain street lighting equipment including lamps, fixtures, circuits, protective equipment and transformers. The member shall pay the standard service rate.</p> <p>2. Ornamental Service: Upon request, the Cooperative will furnish, under the Ornamental Service Rate, ornamental poles of the Cooperative's choosing, together with overhead wiring as specified in 1. above. The member shall pay the Ornamental Service Rate.</p> <p>3. Directional Service: Upon request, the Cooperative will furnish, under the Directional Service Rate, directional lights on wood poles with overhead wiring as specified in 1. above. The member shall pay the Directional Service Rate.</p> <p>4. Other than systems specified under Standard, Ornamental or Directional Service should the member require either initially or upon replacement, a system or equipment other than described in 1, 2 or 3 above, the member may make a nonrefundable contribution to the Cooperative. Where installations are located within 300 feet of the Cooperative's existing 7200 or 14400 volt facilities, the contribution may be equal to the difference in the installed cost between the system or equipment so required and the cost of a conventional system specified in 1, 2 or 3 above. where installations are located greater than 300 feet of the Cooperative's 7200 or 14400 volt facilities, the contribution may be equal to the installed cost for the system or equipment required for service for the portion in</p>	

Date of Issue 11/07/07 Date Effective 1/01/08
 Issued By  Title President and CEO
 Issued by authority of an order of the Public Service Commission of Kentucky.
 Case No. 2007-00022 Dated 11/07/07

Form for Filing Rate Schedules

Fleming-Mason Energy
 Cooperative, Inc.
 P. O. Box 328
 Flemingsburg, KY 41041

For All Territory Served
P.S.C. No. 3
26th Revised Sheet No. 4a
Cancelling P.S.C. No. 3
25th Revised Sheet No. 4a

Name of Issuing Corporation

CLASSIFICATION OF SERVICE (I)			
Outdoor Lighting Service - Schedule OLS			Rate Per Unit
excess of 300 feet, plus the cost difference if any, for that portion of the service or facilities under 300 feet. In a similar manner the member will pay the difference in the cost of operation and maintaining such a system or equipment and the cost of operation and maintaining a conventional overhead system.			
5. Any installation costs which are to be borne by the member are due and payable at the time of installation.			
<u>Monthly Rate:</u>			
<u>Mercury Vapor</u>	<u>Watt</u>		
7,000 Lumens (approx.)	207	Standard Service	\$ 7.77/Mo.
		Ornamental Service	17.75/Mo.
20,000 Lumens (approx.)	453	Standard Service	\$14.94/Mo.
		Ornamental Service	23.59Mo.
<u>High Pressure Sodium</u>	<u>Watt</u>		
9,500 Lumens (approx.)	117	Standard Service	\$ 7.61/Mo.
		Ornamental Service	16.24/Mo.
		Directional Service	7.70/Mo.
22,000 Lumens (approx.)	242	Standard Service	\$10.78/Mo.
		Ornamental Service	19.43/Mo.
		Directional Service	10.58/Mo.
50,000 Lumens (approx.)	485	Standard Service	\$16.19/Mo.
		Ornamental Service	24.38/Mo.
		Directional Service	15.86/Mo.

Date of Issue 11/07/07 Date Effective 1/01/08
 Issued By Christopher S. Reay Title President and CEO
 Issued by authority of an order of the Public Service Commission of Kentucky.
 Case No. 2007-00022 Dated 11/07/07

Form for Filing Rate Schedules

Fleming-Mason Energy
 Cooperative, Inc.
 P. O. Box 328
 Flemingsburg, KY 41041

For All Territory Served

P.S.C. No. 3
26th Revised Sheet No. 4b
 Cancelling P.S.C. No. 3
25th Revised Sheet No. 4b

Name of Issuing Corporation

CLASSIFICATION OF SERVICE (T)	
Outdoor Lighting Service - Schedule OLS	Rate Per Unit
<p><u>Minimum Charge:</u> First year, or any portion thereof, the sum of the monthly charge multiplied by 12 per unit payable in advance. Thereafter, the monthly charge per month per unit.</p> <p><u>Additional Charges:</u> The above charge and term applies to lights mounted on existing Cooperative poles with 120 volts available, or on Cooperative poles, to be set, within 150 feet of an existing 120 volt source. If additional secondary service poles, or conductor, is required the term of the agreement shall be extended in proportion to the number of additional poles needed in excess of one, at the rate of the sum of the monthly charge multiplied by 12 for each additional pole, all paid in advance at the time of commencement of service.</p> <p><u>Fuel Adjustment Clause:</u> The above rate 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 monthly energy to which this clause applies for billing purposes is the average monthly operations of 333 hours times the wattage listed above for the appropriate light. This fuel clause is subject to all other applicable provisions as set out in 807 KAR 5:056.</p> <p><u>Terms of Payment:</u> The above rates are net and are due on the billing date, the gross rates being 5% higher. In the event the current monthly bill is not paid within 15 days from the date of the bill, the gross rates shall apply.</p> <p>This schedule supersedes Schedule OLS Case No. 2006-00516.</p>	

Date of Issue 11/07/07

Date Effective 1/01/08

Issued By Charles S. Perry Title President and CEO

Issued by authority of an order of the Public Service Commission of Kentucky.

Case No. 2007-00022 Dated 11/07/07