

RICHARDSON GARDNER & ALEXANDER

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April 30, 2014

Mr. Jeff Derouen
Executive Director
Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602

HAND DELIVERED

RECEIVED
APR 29 2014
PUBLIC SERVICE
COMMISSION

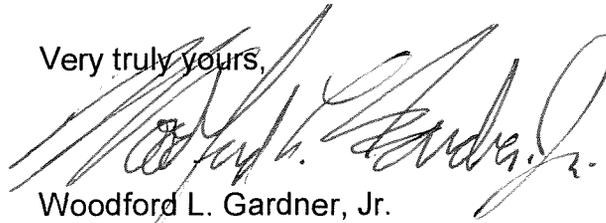
Dear Mr. Derouen:

Farmers Rural Electric Cooperative Corporation respectfully submits the enclosed application seeking approval of a new Residential Time-of-Day tariff and fifteen retail Industrial tariffs. All of the proposed new tariffs are based on existing wholesale tariffs of East Kentucky Power Cooperative. The original application and ten copies are enclosed.

The listed effective date for the tariffs is June 1, 2014, therefore, Farmers Rural Electric Cooperative requests the Commission's approval so these rates can be effective on the requested date.

Should you have any questions, please contact Mr. William T. Prather, President and CEO of Farmers Rural Electric Cooperative, at 270-651-2193. Thank you.

Very truly yours,



Woodford L. Gardner, Jr.
Attorney for Applicant

Enclosures

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

APR 29 2014

PUBLIC SERVICE
COMMISSION

IN THE MATTER OF:

APPLICATION OF FARMERS RURAL ELECTRIC COOPERATIVE
CORPORATION FOR APPROVAL OF AN OPTIONAL RESIDENTIAL)
TIME-OF-DAY TARIFF AND FIFTEEN INDUSTRIAL TARIFFS BASED)
ON THREE WHOLESALE POWER TARIFFS AVAILABLE TO)
FARMERS RECC)

APPLICATION

Farmers Rural Electric Cooperative Corporation ("Farmers") respectfully submits this application seeking approval of a Residential Time-of-Day ("TOD") tariff and fifteen (15) retail Industrial tariffs with five each based on East Kentucky Power Cooperative Schedule Wholesale Rate Schedules B, C, and E2. The petition respectfully shows:

1. Farmers is a nonprofit electric cooperative organized under KRS Chapter 279 and is engaged in the business of distributing retail electric power to member customers in the Kentucky counties of Barren, Metcalfe, Hart, Green, Adair, Grayson, LaRue and Edmonson. As of May 1, 2014, Farmers serves approximately 24,800 active services for member-customers and has approximately 3,615 miles of distribution lines in its eight county service territory.
2. Farmers' post office address is P.O. Box 1298, Glasgow, Kentucky 42142-1298. The e-mail address for this application is FarmersRECC-PSC@farmersrecc.net
3. The Articles of Incorporation and all amendments thereto for Farmers are filed in Case No. 2008-00030.
4. This Application is for the purpose of requesting approval of an optional Residential Time-of-Day tariff and fifteen optional Industrial tariffs in accordance with the terms set forth in the proposed tariffs attached as Exhibits A and B of this application.
5. The Residential Time-of-Day tariff shall be a completely voluntary selection and will provide a member the opportunity to select a rate that may reduce their electric bill.
6. The proposed fifteen Industrial tariffs will provide Farmers with a more comprehensive approach to utility rates for industrial customers that may seek to locate in the service territory of Farmers. Farmers currently has only two tariffs that are designed for large industrial customers and is seeking to limit the use of those two tariffs to members

currently being served under that tariff. Five tariffs each have been developed based on East Kentucky Power Cooperative's ("EKPC") Wholesale Rate Schedules B, C and E2. Each wholesale rate schedule retail rate schedules for the below listing load sizes:

- a) 500 – 999 kW
- b) 1,000 – 2,999 kW
- c) 3,000 – 4,999 kW
- d) 5,000 – 9,999 kW
- e) 10,000 kW and larger.

7. In support of this application, Farmers is providing the documents listed below:
- A. Exhibit A – Proposed Residential Time-of-Day Tariff
 - B. Exhibit B – Proposed Retail Industrial Tariffs
 - C. Exhibit C – Documentation in Support of the Residential TOD Rate
 - a. Schedule 1 – Billing Analysis
 - b. Schedule 2 - Peak and Off-peak Hours Selection
 - c. Schedule 3 – Rate Design
 - D. Exhibit D – Documentation in Support of the Industrial Tariffs
 - a. Schedule 1 - Gross Margin Analysis for Member 1
 - b. Schedule 2 – Gross Margin Analysis for Member 2
 - c. Schedule 3 – Menu of Industrial Rates
 - E. Exhibit E – Tariffs for which Farmers is seeking to limit to members currently being served under these tariffs
 - F. Exhibit F – Testimony on Application

WHEREFORE, Farmers Rural Electric Cooperative Corporation requests that the Public Service Commission of the Commonwealth of Kentucky issue an Order authorizing Farmers the approval of these proposed tariffs.

RESOLUTION

RESIDENTIAL TIME-OF-DAY RATE AND LARGE POWER RATES

Whereas, Farmers Rural Electric Cooperative Corporation plans to file an application with the Kentucky Public Service Commission to seek approval for the addition of a new optional Residential Time-of-Day tariff and several new optional Large Power tariffs to the Cooperative's rates; and

Whereas, The following new tariffs will be offered to the Cooperative's members subject to approval of the Kentucky Public Service Commission:

- Schedule R – Time-of-Day – Residential Service
- Schedule LPC-1 – Large Power
- Schedule LPC-2 – Large Power
- Schedule LPC-3 – Large Power
- Schedule LPC-4 – Large Power
- Schedule LPC-5 – Large Power
- Schedule LPB-1 – Large Power
- Schedule LPB-2 – Large Power
- Schedule LPB-3 – Large Power
- Schedule LPB-4 – Large Power
- Schedule LPB-5 – Large Power
- Schedule LPE-1 – Large Power Time-of-Day
- Schedule LPE-2 – Large Power Time-of-Day
- Schedule LPE-3 – Large Power Time-of-Day
- Schedule LPE-4 – Large Power Time-of-Day
- Schedule LPE-5 – Large Power Time-of-Day

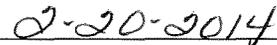
And Whereas, with the addition of these new optional tariffs, and subject to the approval of the Kentucky Public Service Commission, the Cooperative will close its Schedule D – Large Commercial/Industrial Service Optional Time-of-Day tariff and Schedule E – Large Industrial Rate, to any members not currently utilizing these tariffs.

Resolved, that the Farmers Rural Electric Board of Directors do hereby support the addition of these sixteen new tariffs, and the closing of two existing tariffs, to the Cooperative's available rate schedules.

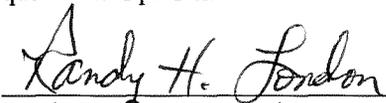
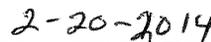
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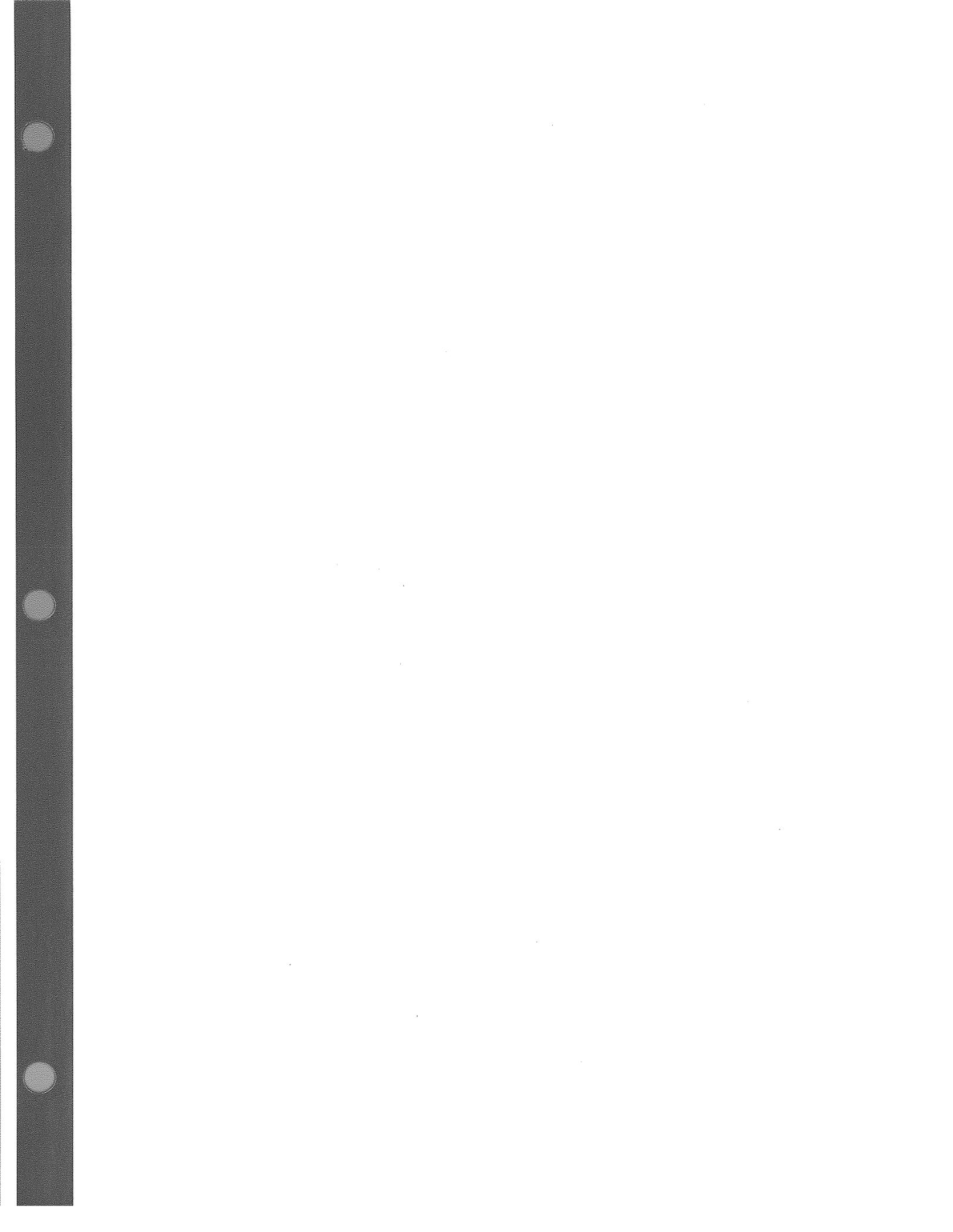


C. F. Martin, Chairman
Farmers Rural Electric Cooperative Corporation
Board of Directors


Date

I, Randy London, Secretary/Treasurer of Farmers Rural Electric Cooperative Corporation, do hereby certify that the above is a true and correct copy of a resolution adopted at the meeting of the Board of Directors of Farmers Rural Electric Cooperative Corporation on February 20, 2014, at which meeting a quorum was present.


Randy London, Secretary/Treasurer
Date



FOR ALL TERRITORY SERVED
Community, Town or City

P.S.C. KY. NO. 10

Original SHEET NO. 20.001

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

SHEET NO.

**FARMERS RURAL ELECTRIC
COOPERATIVE CORPORATION**

RATES AND CHARGES

SCHEDULE R- TIME-OF-DAY- RESIDENTIAL SERVICE

APPLICABLE: In all territory served by the Cooperative.

AVAILABILITY: Available to all members for residential use where the monthly demand is less than 50 kW and only single phase service is required.

MONTHLY RATE:

Customer Charge	\$15.00 per Month
On-Peak Energy	\$ 0.10473 per kWh
Off-Peak Energy	\$ 0.06000 per kWh

ON-PEAK HOURS

Central Prevailing Time

October through April
6:00 A.M. to 11:00 A.M. Central Time
4:00 P.M. to 9:00 P.M. Central Time

May through September
9:00 A.M. to 9:00 P.M. Central Time

All other hours are Off-Peak.

DATE OF ISSUE: 05-01-2014

DATE EFFECTIVE: 06-01-2014

ISSUED BY William J. Priddy
TITLE: President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of KY
in Case No. Dated:

FOR ALL TERRITORY SERVED
Community, Town or City

P.S.C. KY. NO. 10

Original SHEET NO. 20.002

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

SHEET NO.

**FARMERS RURAL ELECTRIC
COOPERATIVE CORPORATION**

RATES AND CHARGES

SCHEDULE R- TIME-OF-DAY- RESIDENTIAL SERVICE

MINIMUM CHARGES: The minimum monthly charge for service to members billed under this rate shall be the Customer Charge.

FUEL ADJUSTMENT CLAUSE AND ENVIRONMENTAL SURCHARGE: All rates are subject to the Fuel Adjustment Clause and Environmental Surcharge provisions as established by regulations and approved by the Kentucky Public Service Commission.

TERMS OF PAYMENT: The above rates are net, the gross being five percent (5%) higher. In the event the current monthly bill is not paid within twelve (12) days from the date the bill was rendered, the prompt payment discount shall be forfeited and the gross amount shall apply.

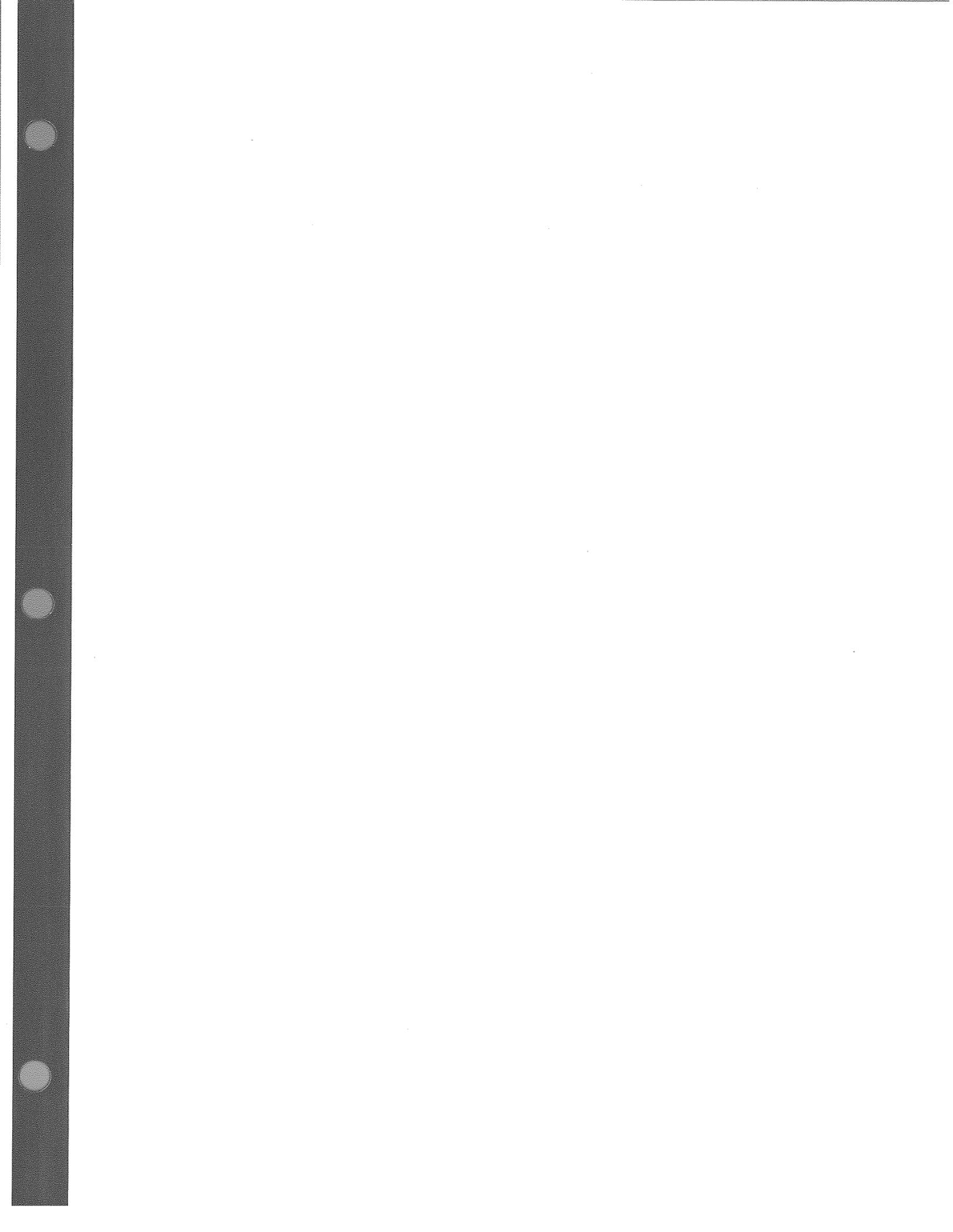
DATE OF ISSUE: 05-01-2014

DATE EFFECTIVE: 06-01-2014

ISSUED BY William J. Priddy

TITLE: President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of KY
in Case No. Dated:



FOR ALL TERRITORY SERVED
Community, Town or City

P.S.C. KY. NO. 10

Original SHEET NO. 31.016

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

SHEET NO.

**FARMERS RURAL ELECTRIC
COOPERATIVE CORPORATION**

RATES AND CHARGES

SCHEDULE LPB-1 – LARGE POWER

APPLICABLE: In all territory served by the Cooperative.

AVAILABILITY: Available to all members of the Cooperative where the monthly contract demand is 500 to 999 kW with a monthly energy usage equal to or greater than 425 kilowatt hours per kW of contract billing demand, all subject to the established rules and regulations of the Cooperative.

MONTHLY RATE:

Customer Charge:	\$816.00 per Month
Demand Charge:	\$7.17 per kW of contract demand \$9.98 per kW for all billing demand in excess of contract demand
Energy Charge:	\$0.057882 per kWh

DETERMINATION OF BILLING DEMAND: The kW billing demand shall be the contract demand plus any excess demand. Excess demand occurs when the member's peak demand during the current month exceeds the contract demand. The member's peak demand is the highest average rate at which energy is used during any fifteen-minute interval in the hours listed for each month and adjusted for power factor as provided herein.

DETERMINATION OF BILLING ENERGY: The kWh billing energy shall be the contract billing kW demand multiplied by 425 hours or the actual energy used in the current month, whichever is greater.

DATE OF ISSUE: 05-01-2014

DATE EFFECTIVE: 06-01-2014

ISSUED BY William J. Patton
TITLE: President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of KY
in Case No. Dated:

FOR ALL TERRITORY SERVED
Community, Town or City

P.S.C. KY. NO. 10

Original SHEET NO. 31.017

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

SHEET NO.

**FARMERS RURAL ELECTRIC
COOPERATIVE CORPORATION**

RATES AND CHARGES

SCHEDULE LPB-1 – LARGE POWER RATE

MONTHS

HOURS APPLICABLE FOR
DEMAND BILLING – Central Prevailing Time

October through April

6:00 A.M. to 11:00 A.M. Central Time

4:00 P.M. to 9:00 P.M. Central Time

May through September

9:00 A.M. to 9:00 P.M. Central Time

MINIMUM MONTHLY CHARGE: The minimum monthly charge shall not be less than the sum of (a), (b), and (c) below:

- (a) The product of the contract demand multiplied by the contract demand charge, plus the product of the demand in excess of the contract demand multiplied by the excess demand charge, plus
- (b) The product of the contract billing demand multiplied by 425 hours and the energy charge per kWh, plus
- (c) The customer charge

POWER FACTOR ADJUSTMENT: The member 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 monthly maximum demand is less than 90%, the demand will be adjusted by multiplying the actual monthly maximum demand by 90% and dividing this product by the actual power factor at the time of the monthly maximum demand.

DATE OF ISSUE: 05-01-2014

DATE EFFECTIVE: 06-01-2014

ISSUED BY William S. Patton
TITLE: President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of KY
in Case No. Dated:

FOR ALL TERRITORY SERVED
Community, Town or City

P.S.C. KY. NO. 10

Original SHEET NO. 31.018

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

SHEET NO. _____

**FARMERS RURAL ELECTRIC
COOPERATIVE CORPORATION**

RATES AND CHARGES

SCHEDULE LPB-1 - LARGE POWER RATE

FUEL ADJUSTMENT CLAUSE AND ENVIRONMENTAL SURCHARGE: All rates are subject to the Fuel Adjustment Clause and Environmental Surcharge provisions as established by regulations and approved by the Kentucky Public Service Commission.

SPECIAL PROVISIONS:

1. 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 equipment on the load side of the delivery point shall be owned and maintained by the member.
2. If service is furnished at Cooperative's primary line voltage, the delivery point shall be the point of attachment of Cooperative's primary line to the member's transformer structure unless otherwise specified in the contract for service. All wiring, pole lines, and other equipment, except metering equipment, on the load side of the delivery point shall be owned and maintained by the member.

TERMS OF PAYMENT: The above rates are net, the gross being five percent (5%) higher. In the event the current monthly bill is not paid within twelve (12) days from the date the bill was rendered, the prompt payment discount shall be forfeited and the gross amount shall apply.

DATE OF ISSUE: 05-01-2014

DATE EFFECTIVE: 06-01-2014

ISSUED BY William J. Priddy
TITLE: President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of KY
in Case No. _____ Dated: _____

FOR ALL TERRITORY SERVED
Community, Town or City

P.S.C. KY. NO. 10

Original SHEET NO. 31.019

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

SHEET NO.

**FARMERS RURAL ELECTRIC
COOPERATIVE CORPORATION**

RATES AND CHARGES

SCHEDULE LPB-2 – LARGE POWER

APPLICABLE: In all territory served by the Cooperative.

AVAILABILITY: Available to all members of the Cooperative where the monthly contract demand is 1,000 to 2,999 kW with a monthly energy usage equal to or greater than 425 kilowatt hours per kW of contract billing demand, all subject to the established rules and regulations of the Cooperative.

MONTHLY RATE:

Customer Charge:	\$1,088.00 per Month
Demand Charge:	\$7.17 per kW of contract demand \$9.98 per kW for all billing demand in excess of contract demand
Energy Charge:	\$0.055882 per kWh

DETERMINATION OF BILLING DEMAND: The kW billing demand shall be the contract demand plus any excess demand. Excess demand occurs when the member's peak demand during the current month exceeds the contract demand. The member's peak demand is the highest average rate at which energy is used during any fifteen-minute interval in the hours listed for each month and adjusted for power factor as provided herein.

DETERMINATION OF BILLING ENERGY: The kWh billing energy shall be the contract billing kW demand multiplied by 425 hours or the actual energy used in the current month, whichever is greater.

DATE OF ISSUE: 05-01-2014

DATE EFFECTIVE: 06-01-2014

ISSUED BY William J. Priddy
TITLE: President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of KY
in Case No. Dated:

FOR ALL TERRITORY SERVED
Community, Town or City

P.S.C. KY. NO. 10

Original SHEET NO. 31.020

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

SHEET NO. _____

**FARMERS RURAL ELECTRIC
COOPERATIVE CORPORATION**

RATES AND CHARGES

SCHEDULE LPB-2 – LARGE POWER RATE

<u>MONTHS</u>	<u>HOURS APPLICABLE FOR DEMAND BILLING – Central Prevailing Time</u>
October through April	6:00 A.M. to 11:00 A.M. Central Time 4:00 P.M. to 9:00 P.M. Central Time
May through September	9:00 A.M. to 9:00 P.M. Central Time

MINIMUM MONTHLY CHARGE: The minimum monthly charge shall not be less than the sum of (a), (b), and (c) below:

- (a) The product of the contract demand multiplied by the contract demand charge, plus the product of the demand in excess of the contract demand multiplied by the excess demand charge, plus
- (b) The product of the contract billing demand multiplied by 425 hours and the energy charge per kWh, plus
- (c) The customer charge

POWER FACTOR ADJUSTMENT: The member 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 monthly maximum demand is less than 90%, the demand will be adjusted by multiplying the actual monthly maximum demand by 90% and dividing this product by the actual power factor at the time of the monthly maximum demand.

DATE OF ISSUE: 05-01-2014

DATE EFFECTIVE: 06-01-2014

ISSUED BY William J. Patton
TITLE: President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of KY
in Case No. _____ Dated: _____

FOR ALL TERRITORY SERVED
Community, Town or City

P.S.C. KY. NO. 10

Original SHEET NO. 31.021

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

SHEET NO. _____

**FARMERS RURAL ELECTRIC
COOPERATIVE CORPORATION**

RATES AND CHARGES

SCHEDULE LPB-2 - LARGE POWER RATE

FUEL ADJUSTMENT CLAUSE AND ENVIRONMENTAL SURCHARGE: All rates are subject to the Fuel Adjustment Clause and Environmental Surcharge provisions as established by regulations and approved by the Kentucky Public Service Commission.

SPECIAL PROVISIONS:

1. 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 equipment on the load side of the delivery point shall be owned and maintained by the member.
2. If service is furnished at Cooperative's primary line voltage, the delivery point shall be the point of attachment of Cooperative's primary line to the member's transformer structure unless otherwise specified in the contract for service. All wiring, pole lines, and other equipment, except metering equipment, on the load side of the delivery point shall be owned and maintained by the member.

TERMS OF PAYMENT: The above rates are net, the gross being five percent (5%) higher. In the event the current monthly bill is not paid within twelve (12) days from the date the bill was rendered, the prompt payment discount shall be forfeited and the gross amount shall apply.

DATE OF ISSUE: 05-01-2014

DATE EFFECTIVE: 06-01-2014

ISSUED BY William J. Patton
TITLE: President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of KY
in Case No. _____ Dated: _____

FOR ALL TERRITORY SERVED
Community, Town or City

P.S.C. KY. NO. 10

Original SHEET NO. 31.022

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

SHEET NO.

**FARMERS RURAL ELECTRIC
COOPERATIVE CORPORATION**

RATES AND CHARGES

SCHEDULE LPB-3 – LARGE POWER

APPLICABLE: In all territory served by the Cooperative.

AVAILABILITY: Available to all members of the Cooperative where the monthly contract demand is 3,000 to 4,999 kW with a monthly energy usage equal to or greater than 425 kilowatt hours per kW of contract billing demand, all subject to the established rules and regulations of the Cooperative.

MONTHLY RATE:

Customer Charge:	\$2,737.00.00 per Month
Demand Charge:	\$7.17 per kW of contract demand \$9.98 per kW for all billing demand in excess of contract demand
Energy Charge:	\$0.054382 per kWh

DETERMINATION OF BILLING DEMAND: The kW billing demand shall be the contract demand plus any excess demand. Excess demand occurs when the member's peak demand during the current month exceeds the contract demand. The member's peak demand is the highest average rate at which energy is used during any fifteen-minute interval in the hours listed for each month and adjusted for power factor as provided herein.

DETERMINATION OF BILLING ENERGY: The kWh billing energy shall be the contract billing kW demand multiplied by 425 hours or the actual energy used in the current month, whichever is greater.

DATE OF ISSUE: 05-01-2014

DATE EFFECTIVE: 06-01-2014

ISSUED BY William J. Shattuck
TITLE: President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of KY
in Case No. Dated:

FOR ALL TERRITORY SERVED
Community, Town or City

P.S.C. KY. NO. 10

Original SHEET NO. 31,023

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

SHEET NO.

**FARMERS RURAL ELECTRIC
COOPERATIVE CORPORATION**

RATES AND CHARGES

SCHEDULE LPB-3 – LARGE POWER RATE

MONTHS

HOURS APPLICABLE FOR
DEMAND BILLING – Central Prevailing Time

October through April

6:00 A.M. to 11:00 A.M. Central Time

4:00 P.M. to 9:00 P.M. Central Time

May through September

9:00 A.M. to 9:00 P.M. Central Time

MINIMUM MONTHLY CHARGE: The minimum monthly charge shall not be less than the sum of (a), (b), and (c) below:

- (a) The product of the contract demand multiplied by the contract demand charge, plus the product of the demand in excess of the contract demand multiplied by the excess demand charge, plus
- (b) The product of the contract billing demand multiplied by 425 hours and the energy charge per kWh, plus
- (c) The customer charge

POWER FACTOR ADJUSTMENT: The member 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 monthly maximum demand is less than 90%, the demand will be adjusted by multiplying the actual monthly maximum demand by 90% and dividing this product by the actual power factor at the time of the monthly maximum demand.

DATE OF ISSUE: 05-01-2014

DATE EFFECTIVE: 06-01-2014

ISSUED BY William J. Pratter
TITLE: President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of KY
in Case No. _____ Dated: _____

FOR ALL TERRITORY SERVED
Community, Town or City

P.S.C. KY. NO. 10

Original SHEET NO. 31.024

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

SHEET NO. _____

**FARMERS RURAL ELECTRIC
COOPERATIVE CORPORATION**

RATES AND CHARGES

SCHEDULE LPB-3 - LARGE POWER RATE

FUEL ADJUSTMENT CLAUSE AND ENVIRONMENTAL SURCHARGE: All rates are subject to the Fuel Adjustment Clause and Environmental Surcharge provisions as established by regulations and approved by the Kentucky Public Service Commission.

SPECIAL PROVISIONS:

1. 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 equipment on the load side of the delivery point shall be owned and maintained by the member.
2. If service is furnished at Cooperative's primary line voltage, the delivery point shall be the point of attachment of Cooperative's primary line to the member's transformer structure unless otherwise specified in the contract for service. All wiring, pole lines, and other equipment, except metering equipment, on the load side of the delivery point shall be owned and maintained by the member.

TERMS OF PAYMENT: The above rates are net, the gross being five percent (5%) higher. In the event the current monthly bill is not paid within twelve (12) days from the date the bill was rendered, the prompt payment discount shall be forfeited and the gross amount shall apply.

DATE OF ISSUE: 05-01-2014

DATE EFFECTIVE: 06-01-2014

ISSUED BY *William J. Spitzer*
TITLE: President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of KY
in Case No. _____ Dated: _____

FOR ALL TERRITORY SERVED
Community, Town or City

P.S.C. KY. NO. 10

Original SHEET NO. 31.025

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

SHEET NO.

**FARMERS RURAL ELECTRIC
COOPERATIVE CORPORATION**

RATES AND CHARGES

SCHEDULE LPB-4 – LARGE POWER

APPLICABLE: In all territory served by the Cooperative.

AVAILABILITY: Available to all members of the Cooperative where the monthly contract demand is 5,000 to 9,999 kW with a monthly energy usage equal to or greater than 425 kilowatt hours per kW of contract billing demand, all subject to the established rules and regulations of the Cooperative.

MONTHLY RATE:

Customer Charge:	\$3,017.00.00 per Month
Demand Charge:	\$7.17 per kW of contract demand \$9.98 per kW for all billing demand in excess of contract demand
Energy Charge:	\$0.051882 per kWh

DETERMINATION OF BILLING DEMAND: The kW billing demand shall be the contract demand plus any excess demand. Excess demand occurs when the member's peak demand during the current month exceeds the contract demand. The member's peak demand is the highest average rate at which energy is used during any fifteen-minute interval in the hours listed for each month and adjusted for power factor as provided herein.

DETERMINATION OF BILLING ENERGY: The kWh billing energy shall be the contract billing kW demand multiplied by 425 hours or the actual energy used in the current month, whichever is greater.

DATE OF ISSUE: 05-01-2014

DATE EFFECTIVE: 06-01-2014

ISSUED BY William J. Penney
TITLE: President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of KY
in Case No. Dated:

FOR ALL TERRITORY SERVED
Community, Town or City

P.S.C. KY. NO. 10

Original SHEET NO. 31.026

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

SHEET NO.

**FARMERS RURAL ELECTRIC
COOPERATIVE CORPORATION**

RATES AND CHARGES

SCHEDULE LPB-4 – LARGE POWER RATE

MONTHS

HOURS APPLICABLE FOR
DEMAND BILLING – Central Prevailing Time

October through April

6:00 A.M. to 11:00 A.M. Central Time

4:00 P.M. to 9:00 P.M. Central Time

May through September

9:00 A.M. to 9:00 P.M. Central Time

MINIMUM MONTHLY CHARGE: The minimum monthly charge shall not be less than the sum of (a), (b), and (c) below:

- (a) The product of the contract demand multiplied by the contract demand charge, plus the product of the demand in excess of the contract demand multiplied by the excess demand charge, plus
- (b) The product of the contract billing demand multiplied by 425 hours and the energy charge per kWh, plus
- (c) The customer charge

POWER FACTOR ADJUSTMENT: The member 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 monthly maximum demand is less than 90%, the demand will be adjusted by multiplying the actual monthly maximum demand by 90% and dividing this product by the actual power factor at the time of the monthly maximum demand.

DATE OF ISSUE: 05-01-2014

DATE EFFECTIVE: 06-01-2014

ISSUED BY William J. Patton
TITLE: President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of KY
in Case No. Dated:

FOR ALL TERRITORY SERVED
Community, Town or City

P.S.C. KY. NO. 10

Original SHEET NO. 31.027

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

SHEET NO. _____

**FARMERS RURAL ELECTRIC
COOPERATIVE CORPORATION**

RATES AND CHARGES

SCHEDULE LPB-4 - LARGE POWER RATE

FUEL ADJUSTMENT CLAUSE AND ENVIRONMENTAL SURCHARGE: All rates are subject to the Fuel Adjustment Clause and Environmental Surcharge provisions as established by regulations and approved by the Kentucky Public Service Commission.

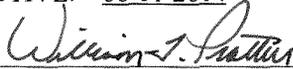
SPECIAL PROVISIONS:

1. 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 equipment on the load side of the delivery point shall be owned and maintained by the member.
2. If service is furnished at Cooperative's primary line voltage, the delivery point shall be the point of attachment of Cooperative's primary line to the member's transformer structure unless otherwise specified in the contract for service. All wiring, pole lines, and other equipment, except metering equipment, on the load side of the delivery point shall be owned and maintained by the member.

TERMS OF PAYMENT: The above rates are net, the gross being five percent (5%) higher. In the event the current monthly bill is not paid within twelve (12) days from the date the bill was rendered, the prompt payment discount shall be forfeited and the gross amount shall apply.

DATE OF ISSUE: 05-01-2014

DATE EFFECTIVE: 06-01-2014

ISSUED BY 
TITLE: President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of KY
in Case No. _____ Dated: _____

FOR ALL TERRITORY SERVED
Community, Town or City

P.S.C. KY. NO. 10

Original SHEET NO. 31.028

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

SHEET NO.

**FARMERS RURAL ELECTRIC
COOPERATIVE CORPORATION**

RATES AND CHARGES

SCHEDULE LPB-5 – LARGE POWER

APPLICABLE: In all territory served by the Cooperative.

AVAILABILITY: Available to all members of the Cooperative where the monthly contract demand is 10,000 kW or greater with a monthly energy usage equal to or greater than 425 kilowatt hours per kW of contract billing demand, all subject to the established rules and regulations of the Cooperative.

MONTHLY RATE:

Customer Charge:	\$4,304.00 per Month
Demand Charge:	\$7.17 per kW of contract demand \$9.98 per kW for all billing demand in excess of contract demand
Energy Charge:	\$0.049382 per kWh

DETERMINATION OF BILLING DEMAND: The kW billing demand shall be the contract demand plus any excess demand. Excess demand occurs when the member's peak demand during the current month exceeds the contract demand. The member's peak demand is the highest average rate at which energy is used during any fifteen-minute interval in the hours listed for each month and adjusted for power factor as provided herein.

DETERMINATION OF BILLING ENERGY: The kWh billing energy shall be the contract billing kW demand multiplied by 425 hours or the actual energy used in the current month, whichever is greater.

DATE OF ISSUE: 05-01-2014

DATE EFFECTIVE: 06-01-2014

ISSUED BY *William J. Patten*
TITLE: President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of KY
in Case No. Dated:

FOR ALL TERRITORY SERVED
Community, Town or City

P.S.C. KY. NO. 10

Original SHEET NO. 31,029

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

SHEET NO.

**FARMERS RURAL ELECTRIC
COOPERATIVE CORPORATION**

RATES AND CHARGES

SCHEDULE LPB-5 – LARGE POWER RATE

MONTHS

HOURS APPLICABLE FOR
DEMAND BILLING – Central Prevailing Time

October through April

6:00 A.M. to 11:00 A.M. Central Time

4:00 P.M. to 9:00 P.M. Central Time

May through September

9:00 A.M. to 9:00 P.M. Central Time

MINIMUM MONTHLY CHARGE: The minimum monthly charge shall not be less than the sum of (a), (b), and (c) below:

- (a) The product of the contract demand multiplied by the contract demand charge, plus the product of the demand in excess of the contract demand multiplied by the excess demand charge, plus
- (b) The product of the contract billing demand multiplied by 425 hours and the energy charge per kWh, plus
- (c) The customer charge

POWER FACTOR ADJUSTMENT: The member 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 monthly maximum demand is less than 90%, the demand will be adjusted by multiplying the actual monthly maximum demand by 90% and dividing this product by the actual power factor at the time of the monthly maximum demand.

DATE OF ISSUE: 05-01-2014

DATE EFFECTIVE: 06-01-2014

ISSUED BY William J. Petty
TITLE: President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of KY
in Case No. Dated:

FOR ALL TERRITORY SERVED
Community, Town or City

P.S.C. KY. NO. 10

Original SHEET NO. 31.030

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

SHEET NO. _____

**FARMERS RURAL ELECTRIC
COOPERATIVE CORPORATION**

RATES AND CHARGES

SCHEDULE LPB-5 - LARGE POWER RATE

FUEL ADJUSTMENT CLAUSE AND ENVIRONMENTAL SURCHARGE: All rates are subject to the Fuel Adjustment Clause and Environmental Surcharge provisions as established by regulations and approved by the Kentucky Public Service Commission.

SPECIAL PROVISIONS:

1. 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 equipment on the load side of the delivery point shall be owned and maintained by the member.
2. If service is furnished at Cooperative's primary line voltage, the delivery point shall be the point of attachment of Cooperative's primary line to the member's transformer structure unless otherwise specified in the contract for service. All wiring, pole lines, and other equipment, except metering equipment, on the load side of the delivery point shall be owned and maintained by the member.

TERMS OF PAYMENT: The above rates are net, the gross being five percent (5%) higher. In the event the current monthly bill is not paid within twelve (12) days from the date the bill was rendered, the prompt payment discount shall be forfeited and the gross amount shall apply.

DATE OF ISSUE: 05-01-2014

DATE EFFECTIVE: 06-01-2014

ISSUED BY *William J. Patten*
TITLE: President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of KY
in Case No. _____ Dated: _____

FOR ALL TERRITORY SERVED
Community, Town or City

P.S.C. KY. NO. 10

Original SHEET NO. 31.001

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

SHEET NO.

**FARMERS RURAL ELECTRIC
COOPERATIVE CORPORATION**

RATES AND CHARGES

SCHEDULE LPC-1 – LARGE POWER

APPLICABLE: In all territory served by the Cooperative.

AVAILABILITY: Available to all members of the Cooperative where the monthly contract demand is 500 to 999 kW with a monthly energy usage equal to or greater than 425 kilowatt hours per kW of billing demand, all subject to the established rules and regulations of the Cooperative.

MONTHLY RATE:

Customer Charge:	\$816.00 per Month
Demand Charge:	\$7.17 per kW
Energy Charge:	\$ 0.057882 per kWh

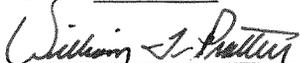
DETERMINATION OF BILLING DEMAND: The billing demand shall be the greater of (a) or (b) listed below:

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

DETERMINATION OF BILLING ENERGY: The kWh billing energy shall be the billing kW demand multiplied by 425 hours or the actual kWh energy used in the current month, whichever is greater.

DATE OF ISSUE: 05-01-2014

DATE EFFECTIVE: 06-01-2014

ISSUED BY 
TITLE: President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of KY
in Case No. Dated:

FOR ALL TERRITORY SERVED
Community, Town or City
P.S.C. KY. NO. 10
Original SHEET NO. 31.002
CANCELLING P.S.C. KY. NO. 9
SHEET NO. _____

**FARMERS RURAL ELECTRIC
COOPERATIVE CORPORATION**

RATES AND CHARGES

SCHEDULE LPC-1 – LARGE POWER

<u>MONTHS</u>	<u>HOURS APPLICABLE FOR DEMAND BILLING – Central Prevailing Time</u>
October through April	6:00 A.M. to 11:00 A.M. Central Time 4:00 P.M. to 9:00 P.M. Central Time
May through September	9:00 A.M. to 9:00 P.M. Central Time

MINIMUM MONTHLY CHARGE: The minimum monthly charge shall not be less than the sum of (a), (b), and (c) below:

- (a) The product of the billing demand multiplied by the demand charge, plus
- (b) The product of the billing demand multiplied by 425 hours and the energy charge per kWh, plus
- (c) The customer charge

POWER FACTOR ADJUSTMENT: The member 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 monthly maximum demand is less than 90%, the demand will be adjusted by multiplying the actual monthly maximum demand by 90% and dividing this product by the actual power factor at the time of the monthly maximum demand.

DATE OF ISSUE: 05-01-2014

DATE EFFECTIVE: 06-01-2014

ISSUED BY William J. Chatter
TITLE: President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of KY
in Case No. _____ Dated: _____

FOR ALL TERRITORY SERVED
Community, Town or City

P.S.C. KY. NO. 10

Original SHEET NO. 31.003

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

SHEET NO. _____

**FARMERS RURAL ELECTRIC
COOPERATIVE CORPORATION**

RATES AND CHARGES

SCHEDULE LPC-1 - LARGE POWER

FUEL ADJUSTMENT CLAUSE AND ENVIRONMENTAL SURCHARGE: All rates are subject to the Fuel Adjustment Clause and Environmental Surcharge provisions as established by regulations and approved by the Kentucky Public Service Commission.

SPECIAL PROVISIONS:

1. 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 equipment on the load side of the delivery point shall be owned and maintained by the member.
2. If service is furnished at Cooperative's primary line voltage, the delivery point shall be the point of attachment of Cooperative's primary line to the member's transformer structure unless otherwise specified in the contract for service. All wiring, pole lines, and other equipment, except metering equipment, on the load side of the delivery point shall be owned and maintained by the member.

TERMS OF PAYMENT: The above rates are net, the gross being five percent (5%) higher. In the event the current monthly bill is not paid within twelve (12) days from the date the bill was rendered, the prompt payment discount shall be forfeited and the gross amount shall apply.

DATE OF ISSUE: 05-01-2014

DATE EFFECTIVE: 06-01-2014

ISSUED BY *William J. Prather*
TITLE: President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of KY
in Case No. _____ Dated: _____

FOR ALL TERRITORY SERVED
Community, Town or City

P.S.C. KY. NO. 10

Original SHEET NO. 31.004

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

SHEET NO.

**FARMERS RURAL ELECTRIC
COOPERATIVE CORPORATION**

RATES AND CHARGES

SCHEDULE LPC-2 – LARGE POWER

APPLICABLE: In all territory served by the Cooperative.

AVAILABILITY: Available to all members of the Cooperative where the monthly contract demand is 1,000 to 2,999 kW with a monthly energy usage equal to or greater than 425 kilowatt hours per kW of billing demand, all subject to the established rules and regulations of the Cooperative.

MONTHLY RATE:

Customer Charge:	\$1,088.00 per Month
Demand Charge:	\$7.17 per kW
Energy Charge:	\$ 0.055882 per kWh

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

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

DETERMINATION OF BILLING ENERGY: The kWh billing energy shall be the billing kW demand multiplied by 425 hours or the actual kWh energy used in the current month, whichever is greater.

DATE OF ISSUE: 05-01-2014

DATE EFFECTIVE: 06-01-2014

ISSUED BY William J. Putterly
TITLE: President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of KY
in Case No. Dated:

FOR ALL TERRITORY SERVED
Community, Town or City

P.S.C. KY. NO. 10

Original SHEET NO. 31.005

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

SHEET NO.

**FARMERS RURAL ELECTRIC
COOPERATIVE CORPORATION**

RATES AND CHARGES

SCHEDULE LPC-2 – LARGE POWER

<u>MONTHS</u>	<u>HOURS APPLICABLE FOR DEMAND BILLING – Central Prevailing Time</u>
October through April	6:00 A.M. to 11:00 A.M. Central Time 4:00 P.M. to 9:00 P.M. Central Time
May through September	9:00 A.M. to 9:00 P.M. Central Time

MINIMUM MONTHLY CHARGE: The minimum monthly charge shall not be less than the sum of (a), (b), and (c) below:

- (a) The product of the billing demand multiplied by the demand charge, plus
- (b) The product of the billing demand multiplied by 425 hours and the energy charge per kWh, plus
- (c) The customer charge

POWER FACTOR ADJUSTMENT: The member 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 monthly maximum demand is less than 90%, the demand will be adjusted by multiplying the actual monthly maximum demand by 90% and dividing this product by the actual power factor at the time of the monthly maximum demand.

DATE OF ISSUE: 05-01-2014

DATE EFFECTIVE: 06-01-2014

ISSUED BY William J. Petty
TITLE: President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of KY
in Case No. Dated:

FOR ALL TERRITORY SERVED
Community, Town or City

P.S.C. KY. NO. 10

Original SHEET NO. 31.006

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

SHEET NO. _____

**FARMERS RURAL ELECTRIC
COOPERATIVE CORPORATION**

RATES AND CHARGES

SCHEDULE LPC-2 - LARGE POWER

FUEL ADJUSTMENT CLAUSE AND ENVIRONMENTAL SURCHARGE: All rates are subject to the Fuel Adjustment Clause and Environmental Surcharge provisions as established by regulations and approved by the Kentucky Public Service Commission.

SPECIAL PROVISIONS:

1. 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 equipment on the load side of the delivery point shall be owned and maintained by the member.
2. If service is furnished at Cooperative's primary line voltage, the delivery point shall be the point of attachment of Cooperative's primary line to the member's transformer structure unless otherwise specified in the contract for service. All wiring, pole lines, and other equipment, except metering equipment, on the load side of the delivery point shall be owned and maintained by the member.

TERMS OF PAYMENT: The above rates are net, the gross being five percent (5%) higher. In the event the current monthly bill is not paid within twelve (12) days from the date the bill was rendered, the prompt payment discount shall be forfeited and the gross amount shall apply.

DATE OF ISSUE: 05-01-2014

DATE EFFECTIVE: 06-01-2014

ISSUED BY William J. Prater
TITLE: President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of KY
in Case No. _____ Dated: _____

FOR ALL TERRITORY SERVED
Community, Town or City

P.S.C. KY. NO. 10

Original SHEET NO. 31.007

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

SHEET NO.

**FARMERS RURAL ELECTRIC
COOPERATIVE CORPORATION**

RATES AND CHARGES

SCHEDULE LPC-3 – LARGE POWER

APPLICABLE: In all territory served by the Cooperative.

AVAILABILITY: Available to all members of the Cooperative where the monthly contract demand is 3,000 to 4,999 kW with a monthly energy usage equal to or greater than 425 kilowatt hours per kW of billing demand, all subject to the established rules and regulations of the Cooperative.

MONTHLY RATE:

Customer Charge:	\$2,737.00 per Month
Demand Charge:	\$7.17 per kW
Energy Charge:	\$ 0.054382 per kWh

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

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

DETERMINATION OF BILLING ENERGY: The kWh billing energy shall be the billing kW demand multiplied by 425 hours or the actual kWh energy used in the current month, whichever is greater.

DATE OF ISSUE: 05-01-2014

DATE EFFECTIVE: 06-01-2014

ISSUED BY William J. Patton
TITLE: President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of KY
in Case No. Dated:

FOR ALL TERRITORY SERVED
Community, Town or City

P.S.C. KY. NO. 10

Original SHEET NO. 31.008

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

SHEET NO.

**FARMERS RURAL ELECTRIC
COOPERATIVE CORPORATION**

RATES AND CHARGES

SCHEDULE LPC-3 – LARGE POWER

MONTHS

HOURS APPLICABLE FOR
DEMAND BILLING – Central Prevailing Time

October through April

6:00 A.M. to 11:00 A.M. Central Time

4:00 P.M. to 9:00 P.M. Central Time

May through September

9:00 A.M. to 9:00 P.M. Central Time

MINIMUM MONTHLY CHARGE: The minimum monthly charge shall not be less than the sum of (a), (b), and (c) below:

- (a) The product of the billing demand multiplied by the demand charge, plus
- (b) The product of the billing demand multiplied by 425 hours and the energy charge per kWh, plus
- (c) The customer charge

POWER FACTOR ADJUSTMENT: The member 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 monthly maximum demand is less than 90%, the demand will be adjusted by multiplying the actual monthly maximum demand by 90% and dividing this product by the actual power factor at the time of the monthly maximum demand.

DATE OF ISSUE: 05-01-2014

DATE EFFECTIVE: 06-01-2014

ISSUED BY William S. Prater

TITLE: President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of KY
in Case No. Dated:

FOR ALL TERRITORY SERVED
Community, Town or City

P.S.C. KY. NO. 10

Original SHEET NO. 31.009

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

SHEET NO. _____

**FARMERS RURAL ELECTRIC
COOPERATIVE CORPORATION**

RATES AND CHARGES

SCHEDULE LPC-3 - LARGE POWER

FUEL ADJUSTMENT CLAUSE AND ENVIRONMENTAL SURCHARGE: All rates are subject to the Fuel Adjustment Clause and Environmental Surcharge provisions as established by regulations and approved by the Kentucky Public Service Commission.

SPECIAL PROVISIONS:

1. 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 equipment on the load side of the delivery point shall be owned and maintained by the member.
2. If service is furnished at Cooperative's primary line voltage, the delivery point shall be the point of attachment of Cooperative's primary line to the member's transformer structure unless otherwise specified in the contract for service. All wiring, pole lines, and other equipment, except metering equipment, on the load side of the delivery point shall be owned and maintained by the member.

TERMS OF PAYMENT: The above rates are net, the gross being five percent (5%) higher. In the event the current monthly bill is not paid within twelve (12) days from the date the bill was rendered, the prompt payment discount shall be forfeited and the gross amount shall apply.

DATE OF ISSUE: 05-01-2014

DATE EFFECTIVE: 06-01-2014

ISSUED BY William J. Priddy
TITLE: President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of KY
in Case No. _____ Dated: _____

FOR ALL TERRITORY SERVED
Community, Town or City

P.S.C. KY. NO. 10

Original SHEET NO. 31.010

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

SHEET NO.

**FARMERS RURAL ELECTRIC
COOPERATIVE CORPORATION**

RATES AND CHARGES

SCHEDULE LPC-4 – LARGE POWER

APPLICABLE: In all territory served by the Cooperative.

AVAILABILITY: Available to all members of the Cooperative where the monthly contract demand is 5,000 to 9,999 kW with a monthly energy usage equal to or greater than 425 kilowatt hours per kW of billing demand, all subject to the established rules and regulations of the Cooperative.

MONTHLY RATE:

Customer Charge:	\$3,017.00 per Month
Demand Charge:	\$7.17 per kW
Energy Charge:	\$ 0.051882 per kWh

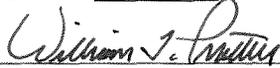
DETERMINATION OF BILLING DEMAND: The billing demand shall be the greater of (a) or (b) listed below:

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

DETERMINATION OF BILLING ENERGY: The kWh billing energy shall be the billing kW demand multiplied by 425 hours or the actual kWh energy used in the current month, whichever is greater.

DATE OF ISSUE: 05-01-2014

DATE EFFECTIVE: 06-01-2014

ISSUED BY 
TITLE: President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of KY
in Case No. Dated:

FOR ALL TERRITORY SERVED
Community, Town or City
P.S.C. KY. NO. 10
Original SHEET NO. 31.011
CANCELLING P.S.C. KY. NO. 9
SHEET NO.

**FARMERS RURAL ELECTRIC
COOPERATIVE CORPORATION**

RATES AND CHARGES

SCHEDULE LPC-4 – LARGE POWER

MONTHS

HOURS APPLICABLE FOR
DEMAND BILLING – Central Prevailing Time

October through April

6:00 A.M. to 11:00 A.M. Central Time

4:00 P.M. to 9:00 P.M. Central Time

May through September

9:00 A.M. to 9:00 P.M. Central Time

MINIMUM MONTHLY CHARGE: The minimum monthly charge shall not be less than the sum of (a), (b), and (c) below:

- (a) The product of the billing demand multiplied by the demand charge, plus
- (b) The product of the billing demand multiplied by 425 hours and the energy charge per kWh, plus
- (c) The customer charge

POWER FACTOR ADJUSTMENT: The member 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 monthly maximum demand is less than 90%, the demand will be adjusted by multiplying the actual monthly maximum demand by 90% and dividing this product by the actual power factor at the time of the monthly maximum demand.

DATE OF ISSUE: 05-01-2014

DATE EFFECTIVE: 06-01-2014

ISSUED BY William J. Prother

TITLE: President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of KY
in Case No. Dated:

FOR ALL TERRITORY SERVED
Community, Town or City

P.S.C. KY. NO. 10

Original SHEET NO. 31.012

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

SHEET NO. _____

**FARMERS RURAL ELECTRIC
COOPERATIVE CORPORATION**

RATES AND CHARGES

SCHEDULE LPC-4 - LARGE POWER

FUEL ADJUSTMENT CLAUSE AND ENVIRONMENTAL SURCHARGE: All rates are subject to the Fuel Adjustment Clause and Environmental Surcharge provisions as established by regulations and approved by the Kentucky Public Service Commission.

SPECIAL PROVISIONS:

1. 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 equipment on the load side of the delivery point shall be owned and maintained by the member.
2. If service is furnished at Cooperative's primary line voltage, the delivery point shall be the point of attachment of Cooperative's primary line to the member's transformer structure unless otherwise specified in the contract for service. All wiring, pole lines, and other equipment, except metering equipment, on the load side of the delivery point shall be owned and maintained by the member.

TERMS OF PAYMENT: The above rates are net, the gross being five percent (5%) higher. In the event the current monthly bill is not paid within twelve (12) days from the date the bill was rendered, the prompt payment discount shall be forfeited and the gross amount shall apply.

DATE OF ISSUE: 05-01-2014

DATE EFFECTIVE: 06-01-2014

ISSUED BY William J. Prather
TITLE: President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of KY
in Case No. _____ Dated: _____

FOR ALL TERRITORY SERVED
Community, Town or City

P.S.C. KY. NO. 10

Original SHEET NO. 31.013

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

SHEET NO.

**FARMERS RURAL ELECTRIC
COOPERATIVE CORPORATION**

RATES AND CHARGES

SCHEDULE LPC-5 – LARGE POWER

APPLICABLE: In all territory served by the Cooperative.

AVAILABILITY: Available to all members of the Cooperative where the monthly contract demand is 10,000 kW or greater with a monthly energy usage equal to or greater than 425 kilowatt hours per kW of billing demand, all subject to the established rules and regulations of the Cooperative.

MONTHLY RATE:

Customer Charge:	\$4,304.00 per Month
Demand Charge:	\$7.17 per kW
Energy Charge:	\$ 0.049382 per kWh

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

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

DETERMINATION OF BILLING ENERGY: The kWh billing energy shall be the billing kW demand multiplied by 425 hours or the actual kWh energy used in the current month, whichever is greater.

DATE OF ISSUE: 05-01-2014

DATE EFFECTIVE: 06-01-2014

ISSUED BY William J. Proctor
TITLE: President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of KY
in Case No. Dated:

FOR ALL TERRITORY SERVED
Community, Town or City

P.S.C. KY. NO. 10

Original SHEET NO. 31.014

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

SHEET NO. _____

**FARMERS RURAL ELECTRIC
COOPERATIVE CORPORATION**

RATES AND CHARGES

SCHEDULE LPC-5 – LARGE POWER

MONTHS

HOURS APPLICABLE FOR
DEMAND BILLING – Central Prevailing Time

October through April

6:00 A.M. to 11:00 A.M. Central Time

4:00 P.M. to 9:00 P.M. Central Time

May through September

9:00 A.M. to 9:00 P.M. Central Time

MINIMUM MONTHLY CHARGE: The minimum monthly charge shall not be less than the sum of (a), (b), and (c) below:

- (a) The product of the billing demand multiplied by the demand charge, plus
- (b) The product of the billing demand multiplied by 425 hours and the energy charge per kWh, plus
- (c) The customer charge

POWER FACTOR ADJUSTMENT: The member 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 monthly maximum demand is less than 90%, the demand will be adjusted by multiplying the actual monthly maximum demand by 90% and dividing this product by the actual power factor at the time of the monthly maximum demand.

DATE OF ISSUE: 05-01-2014

DATE EFFECTIVE: 06-01-2014

ISSUED BY William J. Amstutz
TITLE: President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of KY
in Case No. _____ Dated: _____

FOR ALL TERRITORY SERVED
Community, Town or City

P.S.C. KY. NO. 10

Original SHEET NO. 31.015

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

SHEET NO. _____

**FARMERS RURAL ELECTRIC
COOPERATIVE CORPORATION**

RATES AND CHARGES

SCHEDULE LPC-5 - LARGE POWER

FUEL ADJUSTMENT CLAUSE AND ENVIRONMENTAL SURCHARGE: All rates are subject to the Fuel Adjustment Clause and Environmental Surcharge provisions as established by regulations and approved by the Kentucky Public Service Commission.

SPECIAL PROVISIONS:

1. 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 equipment on the load side of the delivery point shall be owned and maintained by the member.
2. If service is furnished at Cooperative's primary line voltage, the delivery point shall be the point of attachment of Cooperative's primary line to the member's transformer structure unless otherwise specified in the contract for service. All wiring, pole lines, and other equipment, except metering equipment, on the load side of the delivery point shall be owned and maintained by the member.

TERMS OF PAYMENT: The above rates are net, the gross being five percent (5%) higher. In the event the current monthly bill is not paid within twelve (12) days from the date the bill was rendered, the prompt payment discount shall be forfeited and the gross amount shall apply.

DATE OF ISSUE: 05-01-2014

DATE EFFECTIVE: 06-01-2014

ISSUED BY William J. Patton
TITLE: President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of KY
in Case No. _____ Dated: _____

FOR ALL TERRITORY SERVED
Community, Town or City

P.S.C. KY. NO. 10

Original SHEET NO. 31.031

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

SHEET NO.

**FARMERS RURAL ELECTRIC
COOPERATIVE CORPORATION**

RATES AND CHARGES

SCHEDULE LPE-1 – LARGE POWER TIME-OF-DAY

APPLICABLE: In all territory served by the Cooperative.

AVAILABILITY: Available to all members of the Cooperative where the monthly kilowatt demand is 500 to 999 kW; all subject to the established rules and regulations of the Cooperative.

MONTHLY RATE:

Customer Charge:	\$816.00 per Month
Demand Charge:	\$6.02 per kW
Energy Charge:	\$ 0.068279 per kWh On-Peak
	\$ 0.059554 per kWh Off-Peak

DETERMINATION OF DEMAND BILLED: The kW billing demand shall be the highest average rate at which energy is used during any fifteen-minute interval during the month and adjusted for power factor as provided herein.

DETERMINATION OF ENERGY BILLED: On-Peak and Off-Peak kWh energy billing shall be in accordance with the hours listed for each month:

<u>MONTHS</u>	<u>ON-PEAK HOURS – Central Prevailing Time</u>
October through April	6:00 A.M. to 11:00 A.M. Central Time 4:00 P.M. to 9:00 P.M. Central Time
May through September	9:00 A.M. to 9:00 P.M. Central Time
All other hours are Off-Peak	

DATE OF ISSUE: 05-01-2014

DATE EFFECTIVE: 06-01-2014

ISSUED BY William J. Proctor
TITLE: President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of KY
in Case No. Dated:

FOR ALL TERRITORY SERVED
Community, Town or City

P.S.C. KY. NO. 10

Original SHEET NO. 31.032

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

SHEET NO. _____

**FARMERS RURAL ELECTRIC
COOPERATIVE CORPORATION**

RATES AND CHARGES

SCHEDULE LPE-1 – LARGE POWER – TIME-OF-DAY

MINIMUM MONTHLY CHARGE: The minimum monthly charge under the above rates shall be the Customer Charge.

POWER FACTOR ADJUSTMENT: The member 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 monthly maximum demand is less than 90%, the demand will be adjusted by multiplying the actual monthly maximum demand by 90% and dividing this product by the actual power factor at the time of the monthly maximum demand.

FUEL ADJUSTMENT CLAUSE AND ENVIRONMENTAL SURCHARGE: All rates are subject to the Fuel Adjustment Clause and Environmental Surcharge provisions as established by regulations and approved by the Kentucky Public Service Commission.

SPECIAL PROVISIONS:

1. 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 equipment on the load side of the delivery point shall be owned and maintained by the member.
2. If service is furnished at Cooperative's primary line voltage, the delivery point shall be the point of attachment of Cooperative's primary line to the member's transformer structure unless otherwise specified in the contract for service. All wiring, pole lines, and other equipment, except metering equipment, on the load side of the delivery point shall be owned and maintained by the member.

TERMS OF PAYMENT:

The above rates are net, the gross being five percent (5%) higher. In the event the current monthly bill is not paid within twelve (12) days from the date the bill was rendered, the prompt payment discount shall be forfeited and the gross amount shall apply.

DATE OF ISSUE: 05-01-2014

DATE EFFECTIVE: 06-01-2014

ISSUED BY William J. Patten

TITLE: President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of KY
in Case No. Dated:

FOR ALL TERRITORY SERVED
Community, Town or City

P.S.C. KY. NO. 10

Original SHEET NO. 31.033

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

SHEET NO.

**FARMERS RURAL ELECTRIC
COOPERATIVE CORPORATION**

RATES AND CHARGES

SCHEDULE LPE-2 – LARGE POWER TIME-OF-DAY

APPLICABLE: In all territory served by the Cooperative.

AVAILABILITY: Available to all members of the Cooperative where the monthly kilowatt demand is 1,000 to 2,999 kW; all subject to the established rules and regulations of the Cooperative.

MONTHLY RATE:

Customer Charge:	\$1,088.00 per Month
Demand Charge:	\$6.02 per kW
Energy Charge:	\$ 0.066279 per kWh On-Peak
	\$ 0.057554 per kWh Off-Peak

DETERMINATION OF DEMAND BILLED: The kW billing demand shall be the highest average rate at which energy is used during any fifteen-minute interval during the month and adjusted for power factor as provided herein.

DETERMINATION OF ENERGY BILLED: On-Peak and Off-Peak kWh energy billing shall be in accordance with the hours listed for each month:

<u>MONTHS</u>	<u>ON-PEAK HOURS – Central Prevailing Time</u>
October through April	6:00 A.M. to 11:00 A.M. Central Time 4:00 P.M. to 9:00 P.M. Central Time
May through September	9:00 A.M. to 9:00 P.M. Central Time
All other hours are Off-Peak	

DATE OF ISSUE: 05-01-2014

DATE EFFECTIVE: 06-01-2014

ISSUED BY William J. Patton
TITLE: President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of KY
in Case No. Dated:

FOR ALL TERRITORY SERVED
Community, Town or City

P.S.C. KY. NO. 10

Original SHEET NO. 31.034

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

SHEET NO.

**FARMERS RURAL ELECTRIC
COOPERATIVE CORPORATION**

RATES AND CHARGES

SCHEDULE LPE-2 – LARGE POWER – TIME-OF-DAY

MINIMUM MONTHLY CHARGE: The minimum monthly charge under the above rates shall be the Customer Charge.

POWER FACTOR ADJUSTMENT: The member 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 monthly maximum demand is less than 90%, the demand will be adjusted by multiplying the actual monthly maximum demand by 90% and dividing this product by the actual power factor at the time of the monthly maximum demand.

FUEL ADJUSTMENT CLAUSE AND ENVIRONMENTAL SURCHARGE: All rates are subject to the Fuel Adjustment Clause and Environmental Surcharge provisions as established by regulations and approved by the Kentucky Public Service Commission.

SPECIAL PROVISIONS:

1. 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 equipment on the load side of the delivery point shall be owned and maintained by the member.
2. If service is furnished at Cooperative's primary line voltage, the delivery point shall be the point of attachment of Cooperative's primary line to the member's transformer structure unless otherwise specified in the contract for service. All wiring, pole lines, and other equipment, except metering equipment, on the load side of the delivery point shall be owned and maintained by the member.

TERMS OF PAYMENT:

The above rates are net, the gross being five percent (5%) higher. In the event the current monthly bill is not paid within twelve (12) days from the date the bill was rendered, the prompt payment discount shall be forfeited and the gross amount shall apply.

DATE OF ISSUE: 05-01-2014

DATE EFFECTIVE: 06-01-2014

ISSUED BY William J. Patten

TITLE: President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of KY
in Case No. Dated:

FOR ALL TERRITORY SERVED
Community, Town or City

P.S.C. KY. NO. 10

Original SHEET NO. 31.035

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

SHEET NO. _____

**FARMERS RURAL ELECTRIC
COOPERATIVE CORPORATION**

RATES AND CHARGES

SCHEDULE LPE-3 – LARGE POWER TIME-OF-DAY

APPLICABLE: In all territory served by the Cooperative.

AVAILABILITY: Available to all members of the Cooperative where the monthly kilowatt demand is 3,000 to 4,999 kW; all subject to the established rules and regulations of the Cooperative.

MONTHLY RATE:

Customer Charge:	\$2,737.00 per Month
Demand Charge:	\$6.02 per kW
Energy Charge:	\$ 0.064779 per kWh On-Peak
	\$ 0.056054 per kWh Off-Peak

DETERMINATION OF DEMAND BILLED: The kW billing demand shall be the highest average rate at which energy is used during any fifteen-minute interval during the month and adjusted for power factor as provided herein.

DETERMINATION OF ENERGY BILLED: On-Peak and Off-Peak kWh energy billing shall be in accordance with the hours listed for each month:

MONTHS

ON-PEAK HOURS – Central Prevailing Time

October through April

6:00 A.M. to 11:00 A.M. Central Time

4:00 P.M. to 9:00 P.M. Central Time

May through September

9:00 A.M. to 9:00 P.M. Central Time

All other hours are Off-Peak

DATE OF ISSUE: 05-01-2014

DATE EFFECTIVE: 06-01-2014

ISSUED BY William J. Patton

TITLE: President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of KY
in Case No. _____ Dated: _____

FOR ALL TERRITORY SERVED
Community, Town or City

P.S.C. KY. NO. 10

Original SHEET NO. 31.036

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

SHEET NO.

**FARMERS RURAL ELECTRIC
COOPERATIVE CORPORATION**

RATES AND CHARGES

SCHEDULE LPE-3 – LARGE POWER – TIME-OF-DAY

MINIMUM MONTHLY CHARGE: The minimum monthly charge under the above rates shall be the Customer Charge.

POWER FACTOR ADJUSTMENT: The member 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 monthly maximum demand is less than 90%, the demand will be adjusted by multiplying the actual monthly maximum demand by 90% and dividing this product by the actual power factor at the time of the monthly maximum demand.

FUEL ADJUSTMENT CLAUSE AND ENVIRONMENTAL SURCHARGE: All rates are subject to the Fuel Adjustment Clause and Environmental Surcharge provisions as established by regulations and approved by the Kentucky Public Service Commission.

SPECIAL PROVISIONS:

1. 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 equipment on the load side of the delivery point shall be owned and maintained by the member.
2. If service is furnished at Cooperative's primary line voltage, the delivery point shall be the point of attachment of Cooperative's primary line to the member's transformer structure unless otherwise specified in the contract for service. All wiring, pole lines, and other equipment, except metering equipment, on the load side of the delivery point shall be owned and maintained by the member.

TERMS OF PAYMENT:

The above rates are net, the gross being five percent (5%) higher. In the event the current monthly bill is not paid within twelve (12) days from the date the bill was rendered, the prompt payment discount shall be forfeited and the gross amount shall apply.

DATE OF ISSUE: 05-01-2014

DATE EFFECTIVE: 06-01-2014

ISSUED BY William J. Pratter

TITLE: President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of KY
in Case No. Dated:

FOR ALL TERRITORY SERVED
Community, Town or City

P.S.C. KY. NO. 10

Original SHEET NO. 31.037

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

SHEET NO. _____

**FARMERS RURAL ELECTRIC
COOPERATIVE CORPORATION**

RATES AND CHARGES

SCHEDULE LPE-4 – LARGE POWER TIME-OF-DAY

APPLICABLE: In all territory served by the Cooperative.

AVAILABILITY: Available to all members of the Cooperative where the monthly kilowatt demand is 5,000 to 9,999 kW; all subject to the established rules and regulations of the Cooperative.

MONTHLY RATE:

Customer Charge:	\$3,017.00 per Month
Demand Charge:	\$6.02 per kW
Energy Charge:	\$ 0.062279 per kWh On-Peak
	\$ 0.053554 per kWh Off-Peak

DETERMINATION OF DEMAND BILLED: The kW billing demand shall be the highest average rate at which energy is used during any fifteen-minute interval during the month and adjusted for power factor as provided herein.

DETERMINATION OF ENERGY BILLED: On-Peak and Off-Peak kWh energy billing shall be in accordance with the hours listed for each month:

<u>MONTHS</u>	<u>ON-PEAK HOURS – Central Prevailing Time</u>
October through April	6:00 A.M. to 11:00 A.M. Central Time 4:00 P.M. to 9:00 P.M. Central Time
May through September	9:00 A.M. to 9:00 P.M. Central Time
All other hours are Off-Peak	

DATE OF ISSUE: 05-01-2014

DATE EFFECTIVE: 06-01-2014

ISSUED BY William J. Patton

TITLE: President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of KY
in Case No. _____ Dated: _____

FOR ALL TERRITORY SERVED
Community, Town or City
P.S.C. KY. NO. 10
Original SHEET NO. 31.038
CANCELLING P.S.C. KY. NO. 9
SHEET NO.

**FARMERS RURAL ELECTRIC
COOPERATIVE CORPORATION**

RATES AND CHARGES

SCHEDULE LPE-4 – LARGE POWER – TIME-OF-DAY

MINIMUM MONTHLY CHARGE: The minimum monthly charge under the above rates shall be the Customer Charge.

POWER FACTOR ADJUSTMENT: The member 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 monthly maximum demand is less than 90%, the demand will be adjusted by multiplying the actual monthly maximum demand by 90% and dividing this product by the actual power factor at the time of the monthly maximum demand.

FUEL ADJUSTMENT CLAUSE AND ENVIRONMENTAL SURCHARGE: All rates are subject to the Fuel Adjustment Clause and Environmental Surcharge provisions as established by regulations and approved by the Kentucky Public Service Commission.

SPECIAL PROVISIONS:

1. 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 equipment on the load side of the delivery point shall be owned and maintained by the member.
2. If service is furnished at Cooperative's primary line voltage, the delivery point shall be the point of attachment of Cooperative's primary line to the member's transformer structure unless otherwise specified in the contract for service. All wiring, pole lines, and other equipment, except metering equipment, on the load side of the delivery point shall be owned and maintained by the member.

TERMS OF PAYMENT:

The above rates are net, the gross being five percent (5%) higher. In the event the current monthly bill is not paid within twelve (12) days from the date the bill was rendered, the prompt payment discount shall be forfeited and the gross amount shall apply.

DATE OF ISSUE: 05-01-2014

DATE EFFECTIVE: 06-01-2014

ISSUED BY William J. Patten
TITLE: President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of KY
in Case No. _____ Dated: _____

FOR ALL TERRITORY SERVED
Community, Town or City

P.S.C. KY. NO. 10

Original SHEET NO. 31.039

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

SHEET NO.

**FARMERS RURAL ELECTRIC
COOPERATIVE CORPORATION**

RATES AND CHARGES

SCHEDULE LPE-5 – LARGE POWER TIME-OF-DAY

APPLICABLE: In all territory served by the Cooperative.

AVAILABILITY: Available to all members of the Cooperative where the monthly kilowatt demand is 10,000 kW or greater; all subject to the established rules and regulations of the Cooperative.

MONTHLY RATE:

Customer Charge:	\$4,304.00 per Month
Demand Charge:	\$6.02 per kW
Energy Charge:	\$ 0.059779 per kWh On-Peak
	\$ 0.051054 per kWh Off-Peak

DETERMINATION OF DEMAND BILLED: The kW billing demand shall be the highest average rate at which energy is used during any fifteen-minute interval during the month and adjusted for power factor as provided herein.

DETERMINATION OF ENERGY BILLED: On-Peak and Off-Peak kWh energy billing shall be in accordance with the hours listed for each month:

<u>MONTHS</u>	<u>ON-PEAK HOURS – Central Prevailing Time</u>
---------------	--

October through April	6:00 A.M. to 11:00 A.M. Central Time
	4:00 P.M. to 9:00 P.M. Central Time
May through September	9:00 A.M. to 9:00 P.M. Central Time

All other hours are Off-Peak

DATE OF ISSUE: 05-01-2014

DATE EFFECTIVE: 06-01-2014

ISSUED BY William J. Patton

TITLE: President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of KY
in Case No. Dated:

FOR ALL TERRITORY SERVED
Community, Town or City

P.S.C. KY. NO. 10

Original SHEET NO. 31.040

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

SHEET NO.

**FARMERS RURAL ELECTRIC
COOPERATIVE CORPORATION**

RATES AND CHARGES

SCHEDULE LPE-5 – LARGE POWER – TIME-OF-DAY

MINIMUM MONTHLY CHARGE: The minimum monthly charge under the above rates shall be the Customer Charge.

POWER FACTOR ADJUSTMENT: The member 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 monthly maximum demand is less than 90%, the demand will be adjusted by multiplying the actual monthly maximum demand by 90% and dividing this product by the actual power factor at the time of the monthly maximum demand.

FUEL ADJUSTMENT CLAUSE AND ENVIRONMENTAL SURCHARGE: All rates are subject to the Fuel Adjustment Clause and Environmental Surcharge provisions as established by regulations and approved by the Kentucky Public Service Commission.

SPECIAL PROVISIONS:

1. 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 equipment on the load side of the delivery point shall be owned and maintained by the member.
2. If service is furnished at Cooperative's primary line voltage, the delivery point shall be the point of attachment of Cooperative's primary line to the member's transformer structure unless otherwise specified in the contract for service. All wiring, pole lines, and other equipment, except metering equipment, on the load side of the delivery point shall be owned and maintained by the member.

TERMS OF PAYMENT:

The above rates are net, the gross being five percent (5%) higher. In the event the current monthly bill is not paid within twelve (12) days from the date the bill was rendered, the prompt payment discount shall be forfeited and the gross amount shall apply.

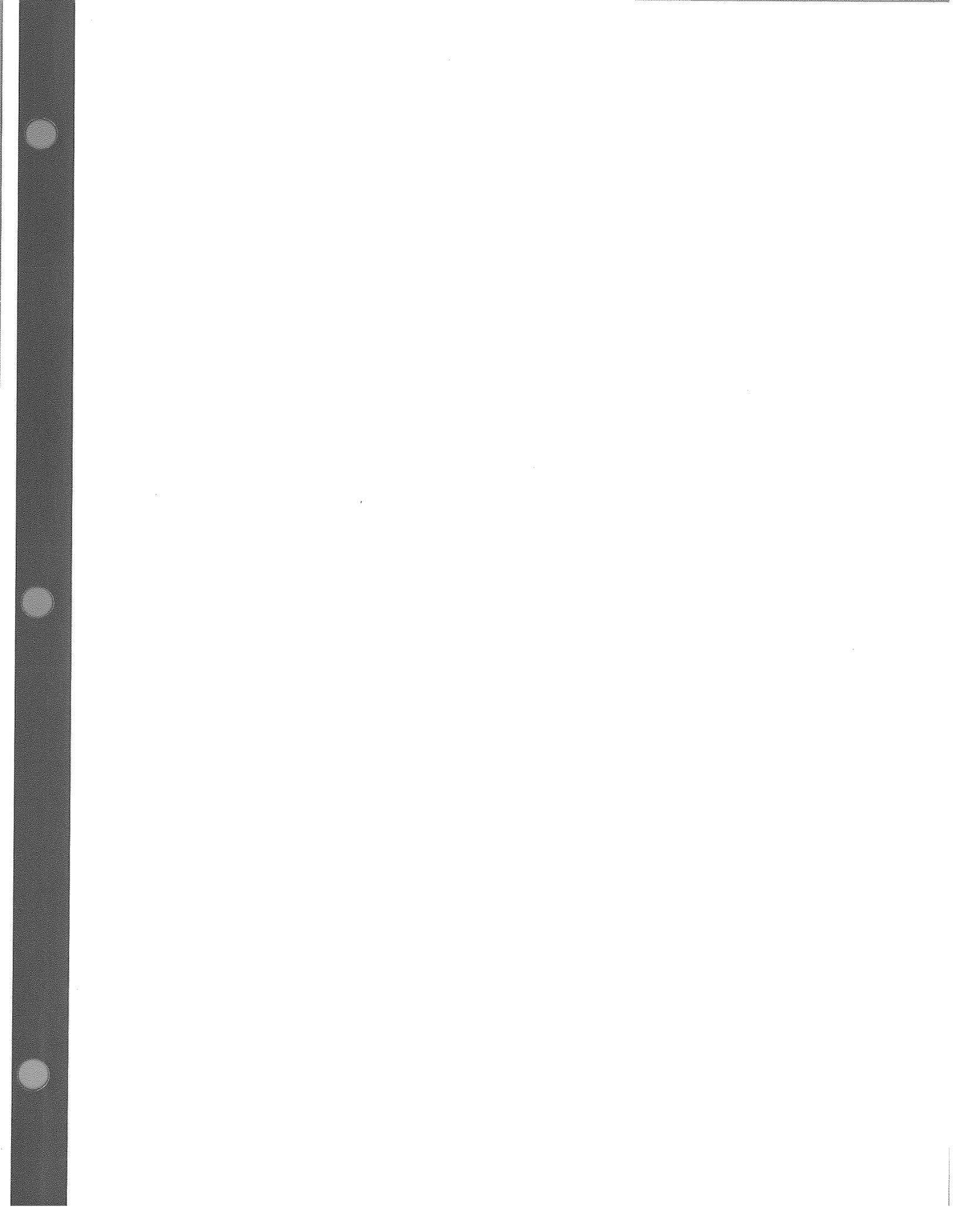
DATE OF ISSUE: 05-01-2014

DATE EFFECTIVE: 06-01-2014

ISSUED BY William J. Porter

TITLE: President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of KY
in Case No. Dated:



FARMERS RECC
 APPLICATION FOR OPTIONAL TIME-OF-DAY RATE
 AND FIFTEEN INDUSTRIAL RATES

BILLING ANALYSIS

NORMALIZED BASE RATE REVENUE

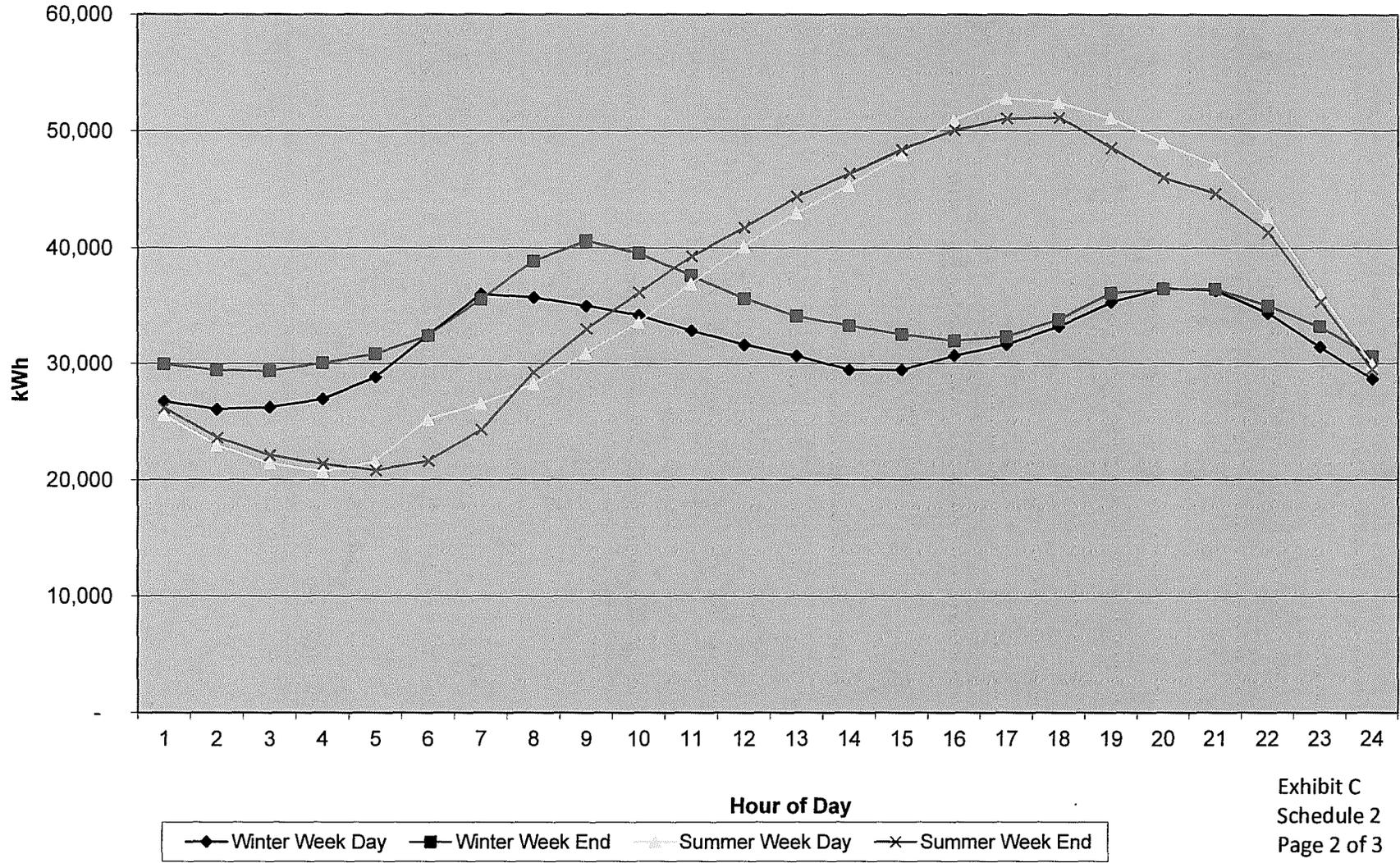
	<u>Residential Rate Class</u>	
Month	Number of Accounts	Energy kwh
January	22,298	36,057,554
February	22,302	36,982,351
March	22,281	27,344,357
April	22,274	22,838,840
May	22,256	17,633,483
June	22,265	20,300,875
July	22,322	26,468,895
August	22,285	24,460,298
September	22,357	22,137,822
October	22,427	19,453,101
November	22,380	19,782,504
December	22,377	26,570,451
Total	267,824	300,030,531
Current Rates	9.35	0.08895
Revenue	\$ 2,504,154	\$ 26,687,716
Total Revenue from Base Rates		\$ 29,191,870

FARMERS RECC
 APPLICATION FOR OPTIONAL RESIDENTIAL TIME-OF-DAY RATE
 AND FIFTEEN INDUSTRIAL RATES

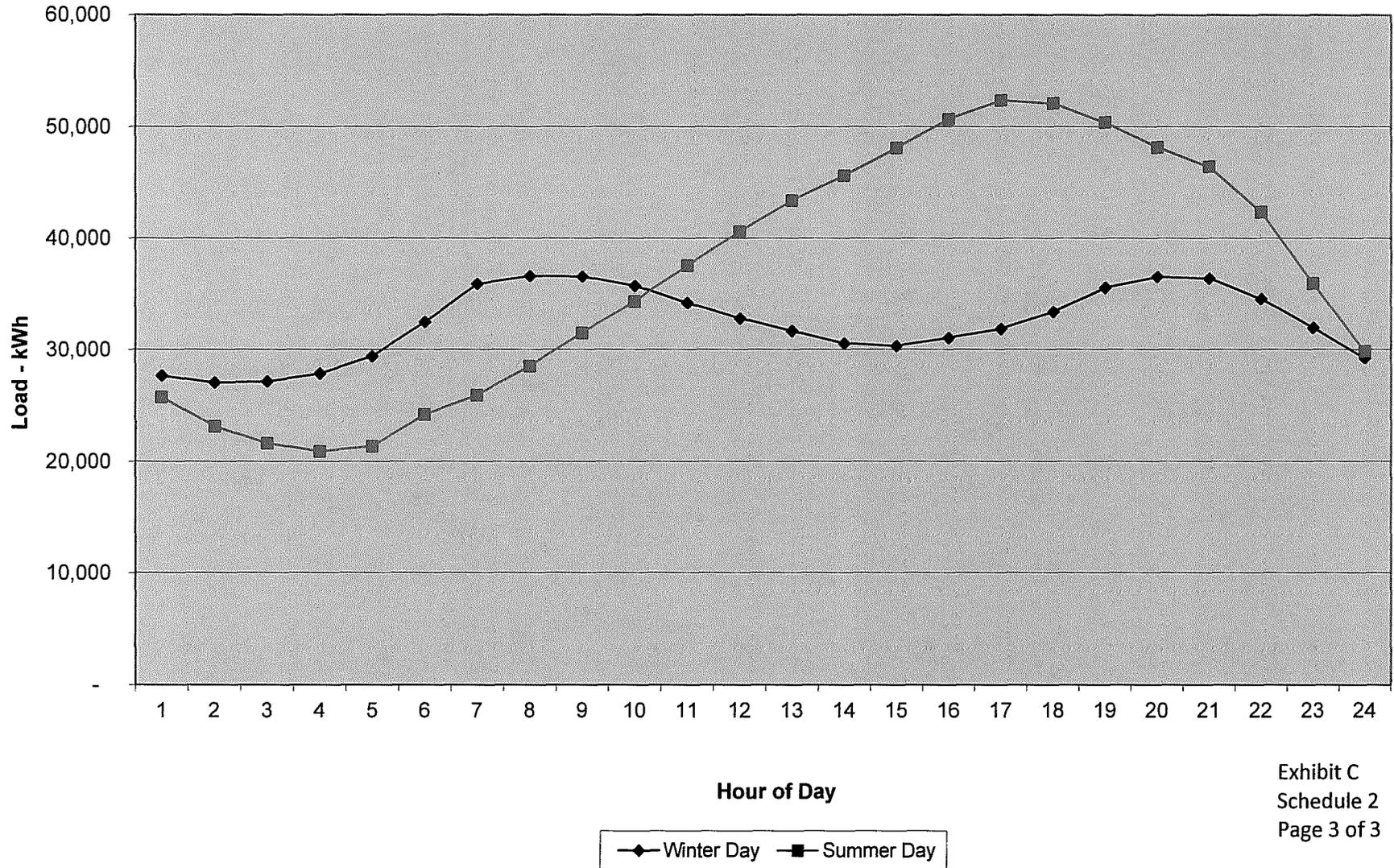
RESIDENTIAL LOAD DATA

TYPICAL DAY FOR RESIDENTIAL RATE CLASS - kWh						
Hour of Day	Winter			Summer		
	WkDay	WkEnd	Total	WkDay	WkEnd	Total
1	26,705	29,959	27,637	25,556	26,136	25,719
2	26,044	29,438	27,016	22,947	23,614	23,135
3	26,196	29,355	27,101	21,442	22,105	21,629
4	26,906	30,062	27,810	20,713	21,352	20,893
5	28,803	30,844	29,388	21,567	20,808	21,354
6	32,483	32,428	32,467	25,186	21,609	24,181
7	36,030	35,573	35,899	26,526	24,289	25,897
8	35,741	38,866	36,636	28,198	29,226	28,487
9	34,993	40,586	36,595	30,904	32,990	31,490
10	34,191	39,534	35,722	33,603	36,166	34,324
11	32,854	37,612	34,216	36,910	39,283	37,577
12	31,643	35,649	32,790	40,122	41,707	40,567
13	30,674	34,116	31,660	42,954	44,318	43,337
14	29,441	33,300	30,546	45,301	46,337	45,592
15	29,434	32,521	30,318	47,945	48,388	48,070
16	30,683	31,973	31,052	50,918	50,030	50,669
17	31,662	32,333	31,854	52,820	51,059	52,325
18	33,208	33,818	33,383	52,447	51,132	52,078
19	35,319	36,115	35,547	51,110	48,538	50,387
20	36,548	36,491	36,531	48,976	45,960	48,128
21	36,346	36,471	36,382	47,107	44,601	46,403
22	34,370	35,019	34,556	42,713	41,306	42,317
23	31,429	33,195	31,935	36,180	35,338	35,943
24	28,635	30,629	29,206	29,961	29,480	29,825

Residential Class - Typical Day



Residential Class - Typical Day



FARMERS RECC
 APPLICATION FOR RESIDENTIAL TIME-OF-DAY RATE
 AND FIFTEEN INDUSTRIAL RATES.

1 Determination of Peak and Off-Peak Hours

Peak Hours	Winter	Summer
Eastern Standard Time (Prevailing Time)	7 a.m. - 12 Noon 5 p.m. - 10 p.m	10 a.m. - 10 p.m.
Off-Peak Hours	12 Noon - 5 p.m. 10 p.m. - 7 a.m.	10 p.m. - 10 a.m.

2 Energy kWh Associated with Peak and Off-Hours

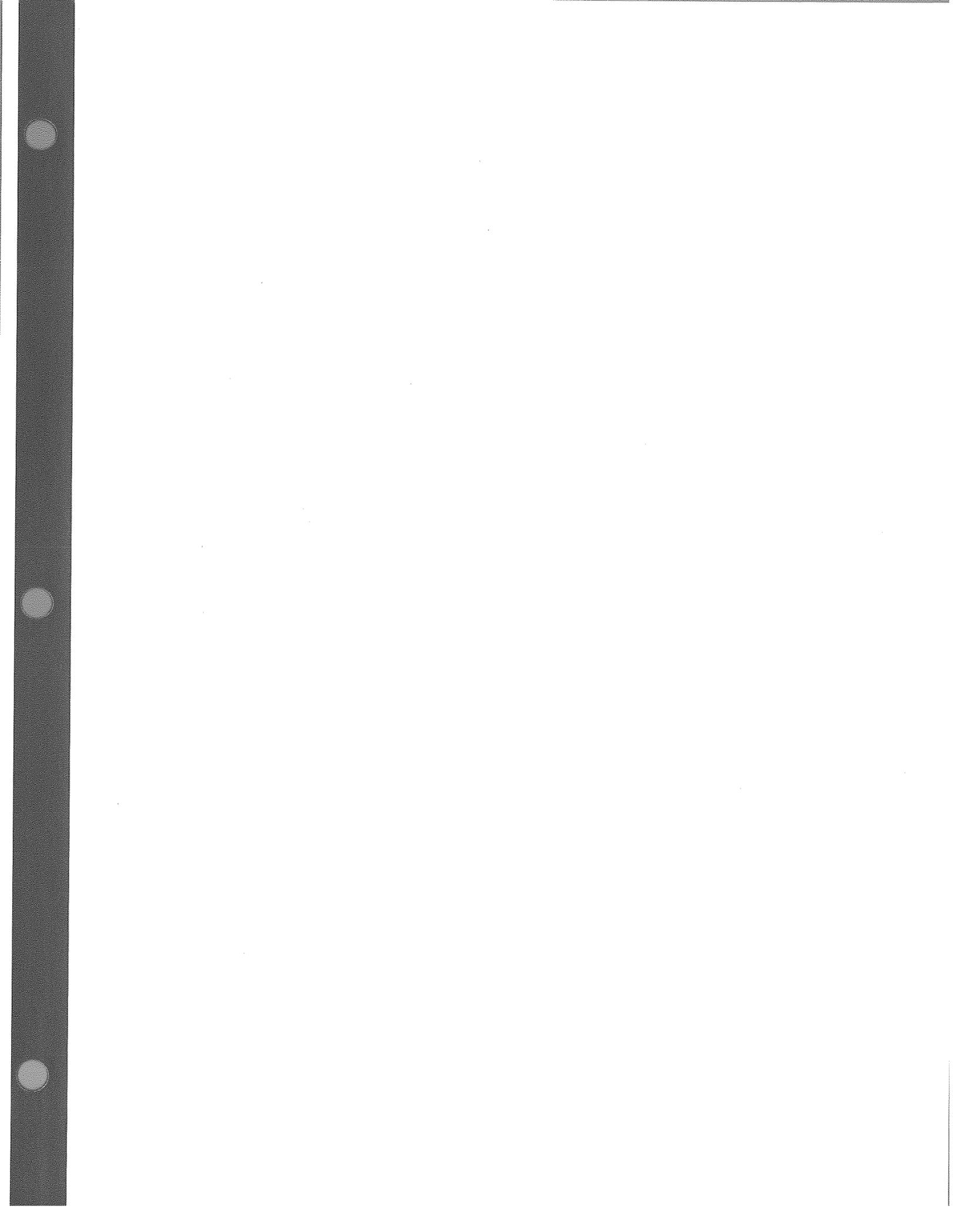
	Winter	Summer	Total
Peak	75,052,087	85,289,892	160,341,979
Off Peak	90,288,356	49,400,196	139,688,552
Total	165,340,443	134,690,088	300,030,531

3 Proposed Rates

Customer charge per month	\$	15.00
On-Peak Energy Rate per kWh	\$	0.10473
Off-Peak Energy Rate per kWh	\$	0.06000

4 Revenue from Proposed Rates

	Billing Units		Proposed Rates		Revenue
Customer charge per month	267,824	\$	15.00	\$	4,017,360
On-Peak Energy Rate per kWh	160,341,979	\$	0.10473	\$	16,793,197
Off-Peak Energy Rate per kWh	139,688,552	\$	0.06000	\$	8,381,313
Total				\$	29,191,870



FARMERS RECC
 APPLICATION FOR RESIDENTIAL TIME-OF-DAY RATE
 AND FIFTEEN INDUSTRIAL RATES.

Current Base Rates

Member 1

Rate - E	Retail	Wholesale
Customer Charge	\$ 1,142.46	
Demand Charge per kW	\$ 7.12	\$ 7.170000
Energy Charge per kWh	\$ 0.05163	\$ 0.042882

	<u>kW</u>	<u>kWh</u>	<u>kW \$\$</u>	<u>Energy \$\$</u>	<u>Total</u>
Jun	6,595	4,430,400	46,957.82	228,741.55	276,841.84
May	6,595	4,432,800	46,957.82	228,865.46	276,965.75
Apr	6,048	4,231,200	43,061.76	218,456.86	262,661.08
Mar	6,048	4,101,600	43,061.76	211,765.61	255,969.83
Feb	6,048	3,609,600	43,061.76	186,363.65	230,567.87
Jan	6,048	3,895,200	43,061.76	201,109.18	245,313.40
Dec	6,048	3,124,800	43,061.76	161,333.42	205,537.64
Nov	6,048	3,580,800	43,061.76	184,876.70	229,080.92
Oct	6,048	3,871,200	43,061.76	199,870.06	244,074.28
Sep	6,048	3,729,600	43,061.76	192,559.25	236,763.47
Aug	6,048	4,144,800	43,061.76	213,996.02	258,200.24
Jul	6,307	4,046,400	44,907.26	208,915.63	254,965.36
					2,976,942
Jun	6,595	4,430,400	47,288	189,984	237,272
May	6,595	4,432,800	47,288	190,087	237,375
Apr	6,048	4,231,200	43,364	181,442	224,806
Mar	6,048	4,101,600	43,364	175,885	219,249
Feb	6,048	3,609,600	43,364	154,787	198,151
Jan	6,048	3,895,200	43,364	167,034	210,398
Dec	6,048	3,124,800	43,364	133,998	177,362
Nov	6,048	3,580,800	43,364	153,552	196,916
Oct	6,048	3,871,200	43,364	166,005	209,369
Sep	6,048	3,729,600	43,364	159,933	203,297
Aug	6,048	4,144,800	43,364	177,737	221,101
Jul	6,307	4,046,400	45,223	173,518	218,740
					2,554,037
Gross Margin					422,905

FARMERS RECC
 APPLICATION FOR RESIDENTIAL TIME-OF-DAY RATE
 AND FIFTEEN INDUSTRIAL RATES.

Proposed Base Rates

Member 1

Rate - Large Power C-4	Retail	Wholesale
Customer Charge	\$ 3,017	
Demand Charge per kW	\$ 7.17	\$ 7.17
Energy Charge per kWh	\$ 0.049882	\$ 0.042882

	<u>kW</u>	<u>kWh</u>	<u>kW \$\$</u>	<u>Energy \$\$</u>	<u>Total</u>
Jun	7,233	4,430,400	51,864	220,997	275,878
May	7,233	4,432,800	51,864	221,117	275,998
Apr	7,233	4,231,200	51,864	211,061	265,941
Mar	7,233	4,101,600	51,864	204,596	259,477
Feb	7,233	3,609,600	51,864	180,054	234,935
Jan	7,233	3,895,200	51,864	194,300	249,181
Dec	7,233	3,124,800	51,864	155,871	210,752
Nov	7,233	3,580,800	51,864	178,617	233,498
Oct	7,233	3,871,200	51,864	193,103	247,984
Sep	7,233	3,729,600	51,864	186,040	240,921
Aug	7,233	4,144,800	51,864	206,751	261,632
Jul	7,233	4,046,400	51,864	201,843	256,723
					<u>3,012,920</u>
	6,595	4,430,400	47,288	189,984	237,272
May	6,595	4,432,800	47,288	190,087	237,375
Apr	6,048	4,231,200	43,364	181,442	224,806
Mar	6,048	4,101,600	43,364	175,885	219,249
Feb	6,048	3,609,600	43,364	154,787	198,151
Jan	6,048	3,895,200	43,364	167,034	210,398
Dec	6,048	3,124,800	43,364	133,998	177,362
Nov	6,048	3,580,800	43,364	153,552	196,916
Oct	6,048	3,871,200	43,364	166,005	209,369
Sep	6,048	3,729,600	43,364	159,933	203,297
Aug	6,048	4,144,800	43,364	177,737	221,101
Jul	6,307	4,046,400	45,223	173,518	218,740
					<u>2,554,037</u>
0					
Minimum Energy		3,074,212			
Gross Margin					458,883

FARMERS RECC
 APPLICATION FOR RESIDENTIAL TIME-OF-DAY RATES
 FIFTEEN INDUSTRIAL RATES

COMPARISON OF REVENUES AND GROSS MARGINS

Current Base Rates

Member 2

Rates	Retail	Wholesale
Customer Charge	\$ 51.93	
Demand Charge per kW	\$ 7.12	\$ 6.020000
Energy Charge per kWh	\$ 0.06513	\$ 0.048917

	kW	kWh	kW \$\$	Energy \$\$	Total
Jun	3,110	1,611,184	\$ 22,143	104,936	\$ 127,132
May	3,052	1,543,306	\$ 21,730	100,516	\$ 122,298
Apr	2,914	1,468,409	\$ 20,748	95,637	\$ 116,437
Mar	2,742	1,379,738	\$ 19,522	89,862	\$ 109,436
Feb	2,734	1,309,622	\$ 19,466	85,296	\$ 104,814
Jan	2,791	1,447,659	\$ 19,872	94,286	\$ 114,210
Dec	2,676	1,160,008	\$ 19,053	75,551	\$ 94,656
Nov	2,727	1,198,556	\$ 19,416	78,062	\$ 97,530
Oct	2,832	1,408,091	\$ 20,164	91,709	\$ 111,925
Sep	3,221	1,527,936	\$ 22,934	99,514	\$ 122,500
Aug	3,230	1,826,638	\$ 22,998	118,969	\$ 142,018
Jul	3,211	1,802,953	\$ 22,862	117,426	\$ 140,341
	35,240	17,684,100			<u>\$ 1,403,296</u>
Jun	2,617	1611184	15,754	78,813	94,568
May	2,642	1543306	15,905	75,493	91,398
Apr	2,001	1468409	12,046	71,829	83,875
Mar	2,142	1379738	12,895	67,492	80,387
Feb	2,329	1309622	14,021	64,062	78,083
Jan	2,256	1447659	13,581	70,814	84,396
Dec	2,070	1160008	12,461	56,744	69,205
Nov	1,992	1198556	11,992	58,629	70,621
Oct	2,147	1408091	12,925	68,879	81,804
Sep	2,593	1527936	15,610	74,741	90,351
Aug	2,750	1826638	16,555	89,353	105,908
Jul	2,386	1802953	14,364	88,194	102,558
					<u>1,033,153</u>
Gross Margin					\$ 370,143

FARMERS RECC
 APPLICATION FOR RESIDENTIAL TIME-OF-DAY RATES
 FIFTEEN INDUSTRIAL RATES

COMPARISON OF REVENUES AND GROSS MARGINS

Proposed Base Rates

Member 2

Large Power C-3	Retail	Wholesale
Customer Charge	\$ 2,737.00	
Demand Charge per k ^l	\$ 7.17	\$ 7.17
Energy Charge per kWh	\$ 0.056882	\$ 0.042882

	kW	kWh	kW \$\$	Energy \$\$	Total
				1321750	
Jun	3,110	1,611,184	22,299	91,647	116,683
May	3,110	1,543,306	22,299	87,786	112,822
Apr	3,110	1,468,409	22,299	83,526	108,562
Mar	3,110	1,379,738	22,299	78,482	103,518
Feb	3,110	1,309,622	22,299	74,494	99,530
Jan	3,110	1,447,659	22,299	82,346	107,381
Dec	3,110	1,160,008	22,299	65,984	91,019
Nov	3,110	1,198,556	22,299	68,176	93,212
Oct	3,110	1,408,091	22,299	80,095	105,131
Sep	3,221	1,527,936	23,095	86,912	112,744
Aug	3,230	1,826,638	23,159	103,903	129,799
Jul	3,230	1,802,953	23,159	102,556	128,452
					<u>\$ 1,308,852</u>
Jun	2,617	1,611,184	18,764	69,090.79	87,855
May	2,642	1,543,306	18,943	66,180.05	85,123
Apr	2,642	1,468,409	18,943	62,968.31	81,911
Mar	2,642	1,379,738	18,943	59,165.92	78,109
Feb	2,642	1,309,622	18,943	56,159.21	75,102
Jan	2,642	1,447,659	18,943	62,078.51	81,022
Dec	2,642	1,160,008	18,943	49,743.46	68,687
Nov	2,642	1,198,556	18,943	51,396.48	70,340
Oct	2,642	1,408,091	18,943	60,381.76	79,325
Sep	2,642	1,527,936	18,943	65,520.95	84,464
Aug	2,750	1,826,638	19,718	78,329.89	98,047
Jul	2,750	1,802,953	19,718	77,314.23	97,032
					<u>987,017</u>
					\$ 321,835

Gross Margin

\$ 321,835

FARMERS RECC

PROPOSED MENU OF INDUSTRIAL RATES

Rate Schedule	Range of Demand kW		Demand Rate per kW		Energy Rate per kWh		Customer Charge
	From	To	Contract	Excess	On-Peak	Off-Peak	
Large Power C-1	500 kW	999 kW	\$ 7.17		\$ 0.057882		\$ 816
Large Power C-2	1,000 kW	2,999 kW	\$ 7.17		\$ 0.056882		\$ 1,088
Large Power C-3	3,000 kW	4,999 kW	\$ 7.17		\$ 0.054882		\$ 2,737
Large Power C-4	5,000 kW	9,999 kW	\$ 7.17		\$ 0.049882		\$ 3,017
Large Power C-5	10,000 kW	& Over	\$ 7.17		\$ 0.048882		\$ 4,304
Large Power B-1	500 kW	999 kW	\$ 7.17	\$ 9.98	\$ 0.057882		\$ 816
Large Power B-2	1,000 kW	2,999 kW	\$ 7.17	\$ 9.98	\$ 0.056882		\$ 1,088
Large Power B-3	3,000 kW	4,999 kW	\$ 7.17	\$ 9.98	\$ 0.054882		\$ 2,737
Large Power B-4	5,000 kW	9,999 kW	\$ 7.17	\$ 9.98	\$ 0.049882		\$ 3,017
Large Power B-5	10,000 kW	& Over	\$ 7.17	\$ 9.98	\$ 0.048882		\$ 4,304
Large Power E-1	500 kW	999 kW	\$ 6.02		\$ 0.068279	\$ 0.059554	\$ 816
Large Power E-2	1,000 kW	2,999 kW	\$ 6.02		\$ 0.067279	\$ 0.058554	\$ 1,088
Large Power E-3	3,000 kW	4,999 kW	\$ 6.02		\$ 0.065279	\$ 0.056554	\$ 2,737
Large Power E-4	5,000 kW	9,999 kW	\$ 6.02		\$ 0.060279	\$ 0.051554	\$ 3,017
Large Power E-5	10,000 kW	& Over	\$ 6.02		\$ 0.058279	\$ 0.049554	\$ 4,304

FARMERS RECC

EAST KENTUCKY POWER COOPERATIVE

WHOLESALE POWER RATES

Load Centers Charges - Monthly

<u>Size - kVa</u>	<u>From</u>	<u>To</u>	<u>Rate</u>
	1,000	2,999	\$ 1,088
	3,000	7,499	\$ 2,737
	7,500	14,999	\$ 3,297
	15,000	& Over	\$ 5,310

Schedule C

Demand Per kW	\$ 7.17
Energy per kWh	\$ 0.042882

Schedule B

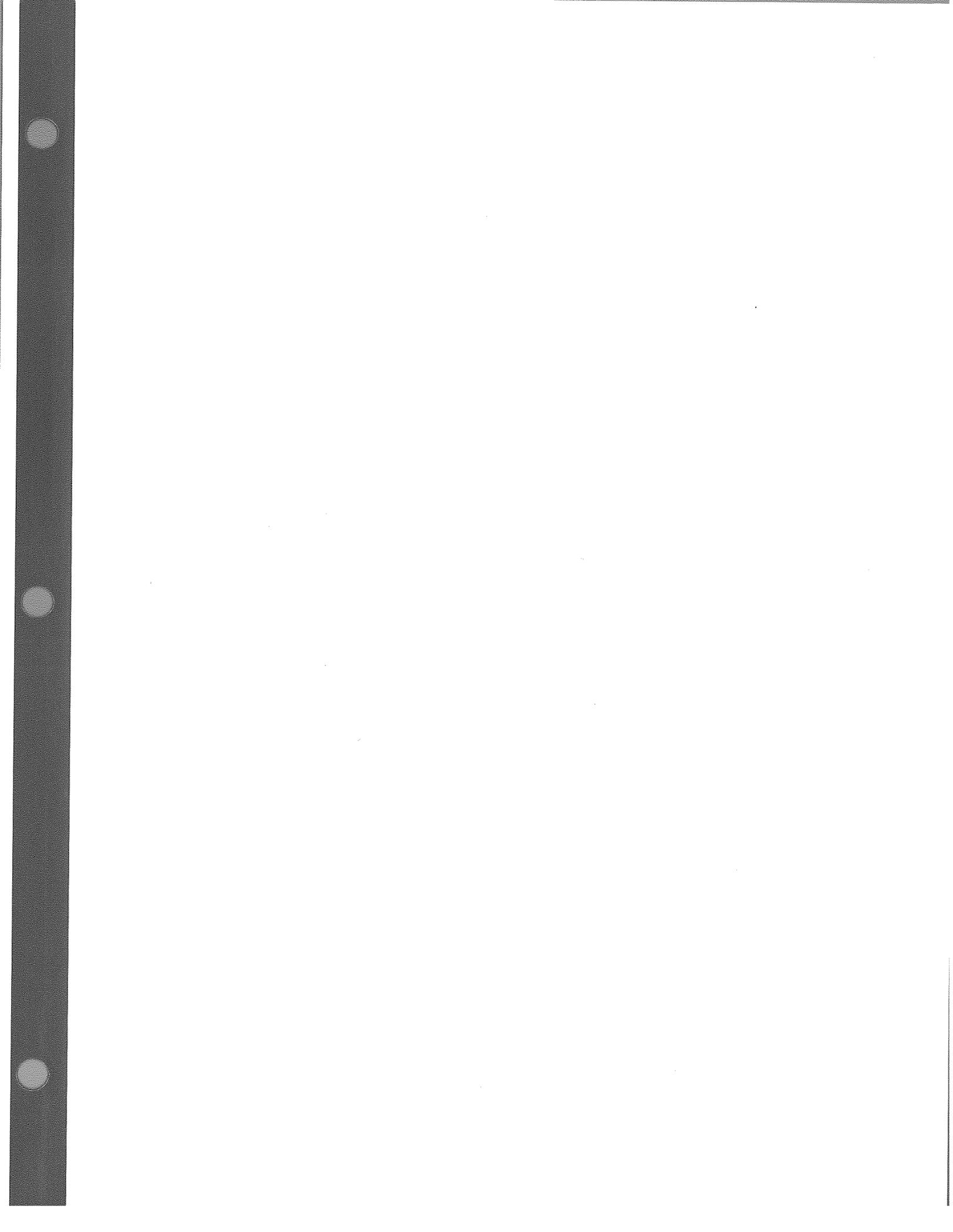
Contract Demand per kW	\$ 7.17
Excess Demand per kW	\$ 9.98
Energy per kWh	\$ 0.042882

Schedule E

Demand Per kW	\$ 6.02
On-peak Energy per kWh	\$ 0.053279
Off-peak Energy per kWh	\$ 0.044554

Energy Adders

<u>Range of Demand kW</u>		<u>Energy Adder</u>
<u>From</u>	<u>To</u>	
500 kW	999 kW	\$ 0.0150
1,000 kW	2,999 kW	\$ 0.0140
3,000 kW	4,999 kW	\$ 0.0120
5,000 kW	9,999 kW	\$ 0.0070
10,000 kW	& Over	\$ 0.0060



FOR ALL TERRITORY SERVED
Community, Town or City

P.S.C. KY. NO. 10

Original SHEET NO. 26

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

SHEET NO. _____

**FARMERS RURAL ELECTRIC
COOPERATIVE CORPORATION**

RATES AND CHARGES

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

APPLICABLE: In all territory served by the seller.

AVAILABILITY: Restricted to customers being billed on this tariff prior to June 1, 2014. This tariff will remain in effect for those customers after June 1, 2014 for as long as the same customer continues the same large power service uninterrupted. This tariff is not available to new requests for large power service on or after June 1, 2014.

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

RATES PER MONTH

Customer Charge \$51.93

Kilowatt Demand Charge: \$7.12 per kW

Energy Charge:

All kWh @ \$0.06513 per kWh

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: 05-01-2014

DATE EFFECTIVE: 06-01-2014

ISSUED BY William J. Pothier
TITLE: President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of KY
in Case No. 2010-00500 Dated: May 31, 2011

FOR ALL TERRITORY SERVED
Community, Town or City

P.S.C. KY. NO. 10

Original SHEET NO. 27

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

SHEET NO. _____

**FARMERS RURAL ELECTRIC
COOPERATIVE CORPORATION**

RATES AND CHARGES

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

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 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.

MINIMUM MONTHLY CHARGE:

The minimum monthly charge for service shall be the customer charge or 75¢ per KVA of installed transformer capacity, or the minimum monthly charge stated in the service contract whichever is greater. 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.

SERVICE AT PRIMARY VOLTAGE:

If service is furnished at primary distribution voltage, a discount of 10% shall apply to both energy and demand charges. However, service may be metered at secondary voltage and adjusted to primary metering by adding the estimated transformer losses to the metered kilowatt hours.

DATE OF ISSUE: 05-01-2014

DATE EFFECTIVE: 06-01-2014

ISSUED BY William J. Porter

TITLE: President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of KY
in Case No. 2008-00030 Dated: June 10, 2009

FOR ALL TERRITORY SERVED
Community, Town or City

P.S.C. KY. NO. 10

Original SHEET NO. 28

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

SHEET NO. _____

**FARMERS RURAL ELECTRIC
COOPERATIVE CORPORATION**

RATES AND CHARGES

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

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

TERMS OF PAYMENT:

The above rates are net, the gross being five percent (5%) higher. In the event the current monthly bill is not paid within twelve (12) days from the date the bill was rendered, the prompt payment discount shall be forfeited and the gross amount shall apply.

DATE OF ISSUE: 05-01-2014

DATE EFFECTIVE: 06-01-2014

ISSUED BY William J. Prater
TITLE: President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of KY
in Case No. 2008-00030 Dated: June 10, 2009

FOR ALL TERRITORY SERVED
Community, Town or City

P.S.C. KY. NO. 10

Original SHEET NO. 29

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

SHEET NO.

**FARMERS RURAL ELECTRIC
COOPERATIVE CORPORATION**

RATES AND CHARGES

SCHEDULE E – LARGE INDUSTRIAL RATE

APPLICABLE: In all territory served by the seller.

AVAILABILITY: Restricted to customers being billed on this tariff prior to June 1, 2014. This tariff will remain in effect for those customers after June 1, 2014 for as long as the same customer continues the same large power service uninterrupted. This tariff is not available to new requests for large power service on or after June 1, 2014.

MONTHLY RATE:

Customer Charge:	\$1,142.46 per Month
Demand Charge:	\$7.12 per kW
Energy Charge:	\$ 0.05163 per kWh

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: 05-01-2014

DATE EFFECTIVE: 06-01-2014

ISSUED BY William J. Priddy
TITLE: President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of KY
in Case No. 2010-00500 Dated: May 31, 2011

FOR ALL TERRITORY SERVED
Community, Town or City

P.S.C. KY. NO. 10

Original SHEET NO. 30

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

SHEET NO.

**FARMERS RURAL ELECTRIC
COOPERATIVE CORPORATION**

RATES AND CHARGES

SCHEDULE E – LARGE INDUSTRIAL RATE

D

MINIMUM MONTHLY CHARGE: The minimum monthly charge shall not be less than the sum of (a), (b), and (c) below:

- (a) The product of the billing demand multiplied by the demand charge, plus
- (b) The product of the billing demand multiplied by 425 hours and the energy charge per kWh, plus
- (c) The consumer charge

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 monthly maximum demand is less than 90%, the demand will be adjusted by multiplying the actual monthly maximum demand by 90% and dividing this product by the actual power factor at the time of the monthly maximum demand.

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% 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: 05-01-2014

DATE EFFECTIVE: 06-01-2014

ISSUED BY William J. Priddy
TITLE: President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of KY
in Case No. 9921 Dated: May 20, 1987

FOR ALL TERRITORY SERVED
Community, Town or City

P.S.C. KY. NO. 10

Original SHEET NO. 31

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

SHEET NO. _____

**FARMERS RURAL ELECTRIC
COOPERATIVE CORPORATION**

RATES AND CHARGES

CLASSIFICATION OF SERVICE
SCHEDULE E - LARGE INDUSTRIAL RATE

D

SPECIAL PROVISIONS:

1. 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 equipment on the load side of the delivery point shall be owned and maintained by the consumer.
2. If service is furnished at Seller's primary line voltage, the delivery point shall be the point of attachment of Seller's primary line to consumer's transformer structure unless otherwise specified in the contract for service. All wiring, pole lines, and other equipment, except metering equipment, on the load side of the delivery point shall be owned and maintained by the consumer.

TERMS OF PAYMENT:

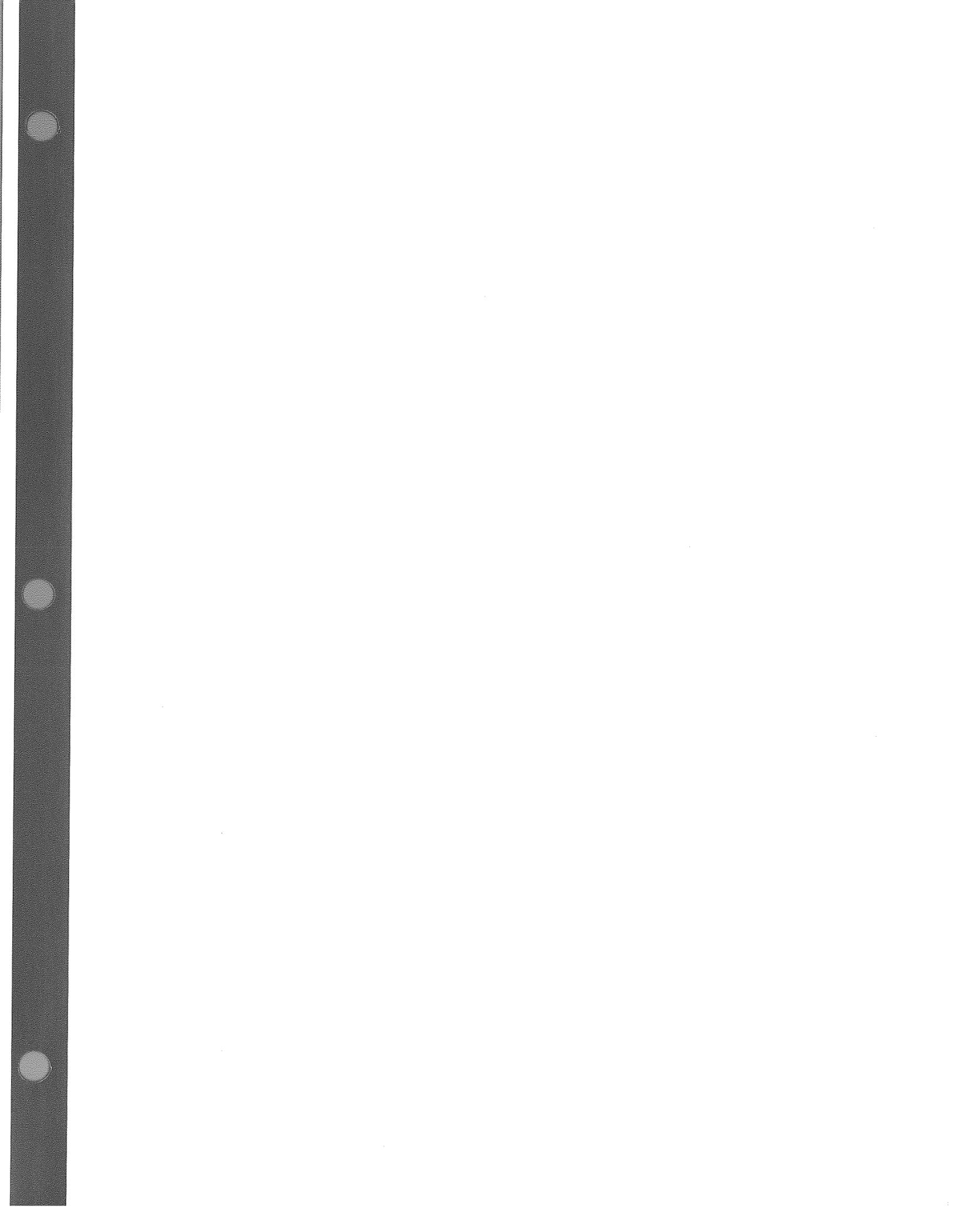
The above rates are net, the gross being five percent (5%) higher. In the event the current monthly bill is not paid within twelve (12) days from the date the bill was rendered, the prompt payment discount shall be forfeited and the gross amount shall apply.

DATE OF ISSUE: 05-01-2014

DATE EFFECTIVE: 06-01-2014

ISSUED BY William J. Patton
TITLE: President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of KY
in Case No. 2008-00030 Dated: June 10, 2009



FARMERS RECC

APPLICATION FOR A RESIDENTIAL TIME-OF-DAY RATE AND FIFTEEN INDUSTRIAL RATES

DIRECT TESTIMONY OF JAMES R. ADKINS

1Q. State your name, business address and your role in this application?

1A. I am James R. Adkins and my business address is 2189 Roswell Dr., Lexington, KY 40513. My role in this application has been to assist Farmers RECC ("FRECC") in the development of the proposed rates filed as a part of this application.

2Q. What approach has been taken in the development of the Residential Time-of-Day ("TOD") rate?

2A. The approach taken in the development of this rate was four fold. One, the rate is designed to be revenue neutral for FRECC for the test period. Revenue neutral means that if all members switched to the TOD rate, FRECC would receive the same total revenue as it actually received. Two, set the customer charge at an amount higher than the current customer charge but not one that might a barrier for a member to select this rate. A customer charge of \$22.08 was justified for this rate class in FRECC's last Cost of Service Study presented in Case No.2008-00401. Three, establish an off-peak energy rate that would provide a reasonable incentive for a member to give serious consideration to this rate. And four, provide FRECC with another option for its members to consider.

3Q. What were the steps taken to develop these rates?

3A. The steps taken in this process are the following ones. The first step was the completion of billing analysis for the base rates of the residential class for a selected twelve month period to determine the total revenue requirements. Next was the determination of the peak hours and the off-peak hours. FRECC has decided to use the same peak and off-peak periods as East Kentucky Power Cooperative ("EKPC") has in its current wholesale tariffs. As an integral part of this selection was the determination of energy for peak and off-peak period. The

FARMERS RECC

APPLICATION FOR A RESIDENTIAL TIME-OF-DAY RATE AND FIFTEEN INDUSTRIAL RATES

DIRECT TESTIMONY OF JAMES R. ADKINS

final step was the rate design segment, A customer charge of \$15.00 was selected as an appropriate amount and the off-peak energy rate was set at \$0.06 per kWh. The residual revenue requirements were used to determine the on-peak energy rate and this rate came out to \$.10473 per kWh. The documentation supporting these steps are contained in the following in these part of the application.

1. Exhibit C – Schedule 1 – Billing Analysis
2. Exhibit C – Schedule 2 – Peak and Off-peak Hours Selection
3. Exhibit C – Schedule 3 – Rate Design,

4Q. What approach was utilized in the development of the fifteen industrial rates that are filed as a part of this application?

4A. FRECC wanted to develop a comprehensive menu of Large Power Rates for large commercial and industrial consistent with the current wholesale power rates of EKPC. The first order of business was to determine the number of rate classes that FRECC wanted to develop. FRECC decided to five classes per each one of EKPC's applicable Wholesale Power Rates Schedules B, C and E2, The size load classification for each class is provided below:

- 500 – 999 kW
- 1,000 – 2,999 kW
- 3,000 – 4,999 kW
- 5,000 – 9,999 kW
- 10,000 kW and larger.

Rate design was the next step. FRECC currently has one rate schedule based specifically on a specific wholesale rate of EKPC for larger load purposes and

FARMERS RECC

APPLICATION FOR A RESIDENTIAL TIME-OF-DAY RATE AND FIFTEEN INDUSTRIAL RATES

DIRECT TESTIMONY OF JAMES R. ADKINS

that is Schedule E- Large Industrial Rate. In the development of the proposed rates, the general guidelines used were as follows.

- The customer charge would be based on the load center charge of EKPC that was comparable to the rate class demand size classification.
- The demand rates would be the same as EKPC's demand rates for the specific wholesale rate on which the retail rate is based.
- The energy rate would be based on the wholesale energy rate plus a standard adder. The standard adders are 15 mils, 14 mils, 12 mils, 7 mils, and 6 mils per kWh for the proposed rate with the lower adders applicable to the larger rate classes.

5Q. How were these standard adders developed?

5A These standard adders have been based on the evaluation of one customer that has been on the one rate for large customers or Schedule E. An evaluation of this load for the test year based and its gross margin or contribution to FRECC's distribution costs used as primary factor. This analysis supported that a 7mil adder would allow for FRECC to maintain its current gross margin on that customer. This customer demand fits into the 5,000 to 9,999 kW class. Evaluations of other current customers that could choose one of the proposed rates supported the 14 mil adder for loads of 1,000 - 2,999 kW, The 6 mil, 12 mil and 15 mil adders were selected to round the energy rates for the classes for which FRECC does not have any current customers.

6Q. What else is FRECC proposing in this application?

6A FRECC is proposing to limit the application of two rates. These two rates would continue to be applicable to members currently on those rates, but not be available for any new participants. These two rate classes are Schedule E – Large Industrial Rate and Schedule D – Large Commercial/Industrial Service Optional Time-of-Day.

FARMERS RECC

APPLICATION FOR A RESIDENTIAL TIME-OF-DAY RATE AND FIFTEEN INDUSTRIAL RATES

DIRECT TESTIMONY OF JAMES R. ADKINS

7Q. Does that conclude your testimony?

7A. Yes, that concludes my testimony.