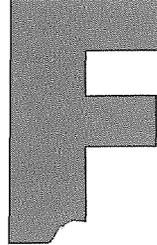


FARMERS RURAL ELECTRIC COOPERATIVE
CORPORATION

PSC CASE 2006-00478
FILING FOR PASS-THROUGH OF EAST
KENTUCKY POWER COOPERATIVE, INC.
WHOLESALE RATE ADJUSTMENT
IN PSC CASE NO. 2006-00472

FILED 1/29/07



FARMERS RURAL ELECTRIC COOPERATIVE

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

January 29, 2007

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

NOISSIM/000
COMMISSION
PUBLIC SERVICE
JAN 29 2007
RECEIVED

Re: Farmers RECC Pass-Through of East Kentucky Power Cooperative, Inc.
Wholesale Rate Adjustment- PSC Case No. 2006-00478

Dear Ms. O'Donnell:

Farmers Rural Electric Cooperative Corporation ("Farmers") hereby submits to the Public Service Commission (the "Commission"), its Proposed Tariffs and other information required by 807 KAR 5:007 in regard to the pass-through of any wholesale rate adjustment granted to East Kentucky Power Cooperative, Inc., ("EKPC") in PSC Case No. 2006-00472. This filing includes the following:

1. Farmer's Proposed Tariffs are attached as Exhibit I.
2. The name and filing address of the filing cooperative is:
Farmers Rural Electric Cooperative Corporation
504 South Broadway (42141)
P.O. Box 1298
Glasgow, KY 42142-1298
3. In accordance with the provisions of KRS 278.455(2), Farmers hereby states that the effects of the increase in rates from its wholesale supplier, EKPC, is being passed through to its retail tariffs on a proportional basis and that the rate design structure proposed for each retail rate schedule does not change the rate design currently in effect.
4. A comparison of the current and proposed rates of Farmers is attached as Exhibit II.
5. Attached as Exhibit III is a billing analysis which shows the existing and proposed rates for each rate class. EKPC's proposed rate increase to Farmers was developed by allocating the proposed wholesale increase on a proportional basis to each major group of customer classes. The proposed increase for EKPC's "B" and "C"

Ms. Elizabeth O'Donnell
Page 2
January 29, 2007

industrial classes, and its large load special contracts, was applied to the demand charge for those customers. The remainder of the proposed increase was applied to the energy charge for the "E" customer class. Farmers, in turn, followed the same process by first increasing the demand charges for its industrial "B" and "C" rates, as applicable, and then allocating the remaining dollar increase to all remaining classes and increasing the energy charges for those rate schedules. In each instance, the retail rates for a particular class have been developed in a manner that is consistent with the method proposed by EKPC. The proposed rate design structure at retail does not change the rate design currently in effect and is consistent with the rate design methodology used at wholesale.

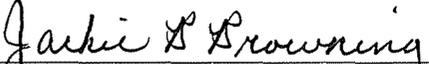
6. A certification that a copy of this filing has been filed with the Office of Rate Intervention, Office of the Attorney General, and is attached as Exhibit IV.

7. Notice of the proposed rate change has been given, not more than thirty (30) days prior to January 29, 2007, by publication in a newspaper of general circulation in the affected area of Farmers. A copy of this notice is attached as Exhibit V.

Farmers hereby requests that the Commission accept this filing and allow the pass-through to its retail rates of the wholesale rate adjustment granted to EKPC as of the effective date of such adjustment.

Respectfully submitted,

FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION



President and Chief Executive Officer

FOR ALL TERRITORY SERVED
Community, Town or City

P.S.C. KY. NO. 9

18th Revised SHEET NO. 1

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

17th Revised SHEET NO. 1

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

RATES AND CHARGES

SCHEDULE R – RESIDENTIAL SERVICE

APPLICABLE: In all territory served by the seller.

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

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

RATES PER MONTH:

First	50 kWh	@	\$0.14335	(I)
All Remaining	kWh	@	0.06526	(I)

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

DATE OF ISSUE January 29, 2007
Month / Date / Year

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

ISSUED BY _____
(Signature of Officer)

TITLE President & CEO

FOR ALL TERRITORY SERVED
Community, Town or City

P.S.C. KY. NO. 9

18th Revised SHEET NO. 2

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

17th Revised SHEET NO. 2

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

RATES AND CHARGES

SCHEDULE R – RESIDENTIAL SERVICE

MINIMUM CHARGES: The minimum monthly charge to consumers billed under the above rate shall be \$7.17 for single-phase service. Payment of the minimum charge shall entitle the consumer to the use of the number of kWh corresponding to the minimum charge in accordance with the foregoing rate. The minimum monthly charge for three-phase service shall be \$0.75 per kVA of installed transformer capacity. (I)

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

DATE OF ISSUE January 29, 2007
Month / Date / Year

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

ISSUED BY _____
(Signature of Officer)

TITLE President & CEO

FOR ALL TERRITORY SERVED
Community, Town or City

P.S.C. KY. NO. 9

18th Revised SHEET NO. 3

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

17th Revised SHEET NO. 3

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

RATES AND CHARGES

SCHEDULE C – COMMERCIAL & INDUSTRIAL SERVICE

APPLICABLE: In all territory served by the seller.

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

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

RATES PER MONTH

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

Kilowatt Demand Charge: None

First	50 kWh	@	\$0.14335 per kWh	(I)
All Remaining	kWh	@	0.06843 per kWh	(I)

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

Kilowatt Demand Charge: \$4.93 per kW

Energy Charge:

All	kWh@	\$0.05309 per kWh	(I)
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DATE OF ISSUE January 29, 2007
Month / Date / Year

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

ISSUED BY _____
(Signature of Officer)

TITLE President & CEO

FOR ALL TERRITORY SERVED
Community, Town or City

P.S.C. KY. NO. 9

17th Revised SHEET NO. 4

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

16th Revised SHEET NO. 4

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

RATES AND CHARGES

SCHEDULE C – COMMERCIAL & INDUSTRIAL SERVICE

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

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

MINIMUM MONTHLY CHARGE: The minimum monthly charge under the above rates shall be \$7.17 for single-phase service. Payment of the minimum charge shall entitle the consumer (I) to the use of the number of kilowatt hours corresponding to the minimum charge in accordance with the foregoing rate.

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

DATE OF ISSUE January 29, 2007
Month / Date / Year

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

ISSUED BY _____
(Signature of Officer)

TITLE President & CEO

FOR ALL TERRITORY SERVED
Community, Town or City

P.S.C. KY. NO. 9

18th Revised SHEET NO. 6

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

17th Revised SHEET NO. 6

FARMERS RURAL ELECTRIC
COOPERATIVE CORPORATION
(Name of Utility)

RATES AND CHARGES

SCHEDULE OL – OUTDOOR LIGHTING SERVICE

APPLICABLE: In all territory served by the seller.

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

RATE PER FIXTURE:

<u>Type of Lamp</u>	<u>Watts</u>	<u>Monthly kWh Usage</u>	<u>Monthly Charge Per Lamp</u>	
Mercury Vapor	175	70	\$ 6.63	(I)
Mercury Vapor	250	98	7.52	(I)
Mercury Vapor	400	156	11.39	(I)
Mercury Vapor	1000	378	19.68	(I)
Sodium Vapor	100	42	7.02	(I)
Sodium Vapor	150	63	8.11	(I)
Sodium Vapor	250	105	10.95	(I)
Sodium Vapor	400	165	13.98	(I)
Sodium Vapor	1000	385	30.17	(I)

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

CONDITIONS OF SERVICE:

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

DATE OF ISSUE January 29, 2007
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Month / Date / Year

ISSUED BY _____
(Signature of Officer)

TITLE President & CEO

FOR ALL TERRITORY SERVED
Community, Town or City

P.S.C. KY. NO. 9

9th Revised SHEET NO. 6L

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

8th Revised SHEET NO. 6L

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

RATES AND CHARGES

SCHEDULE SL – STREET LIGHTING SERVICE

APPLICABLE: In all territory served by the Cooperative.

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

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

MONTHLY RATE:

Energy Charge: The monthly energy charge for each type of lamp shall be \$0.04266 per rated kWh per month as determined from Table I below: (I)

TABLE I

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

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

DATE OF ISSUE January 29, 2007
Month / Date / Year

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Month / Date / Year

ISSUED BY _____
(Signature of Officer)

TITLE President & CEO

FOR ALL TERRITORY SERVED
Community, Town or City

P.S.C. KY. NO. 9

14th Revised SHEET NO. 6N

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

13th Revised SHEET NO. 6N

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

RATES AND CHARGES

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

APPLICABLE: In all territory served by the seller.

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

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

RATES PER MONTH

Kilowatt Demand Charge: \$4.93 per kW

Energy Charge:

All kWh @ \$0.05309 per kWh (I)

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

DATE OF ISSUE January 29, 2007
Month / Date / Year

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

ISSUED BY _____
(Signature of Officer)

TITLE President & CEO

FOR ALL TERRITORY SERVED
Community, Town or City

P.S.C. KY. NO. 9

11th Revised SHEET NO. 6Q

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

10th Revised SHEET NO. 6Q

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

RATES AND CHARGES

SCHEDULE E – LARGE INDUSTRIAL RATE

APPLICABLE: In all territory served by the seller.

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

MONTHLY RATE:

Consumer Charge:	\$535.00 per Month	
Demand Charge:	7.29 per kW	(I)
Energy Charge:	0.03517 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 January 29, 2007
Month / Date / Year

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

ISSUED BY _____
(Signature of Officer)

TITLE President & CEO

FOR ALL TERRITORY SERVED
Community, Town or City

P.S.C. KY. NO. 9

12th Revised SHEET NO. 6T

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

11th Revised SHEET NO. 6T

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

RATES AND CHARGES

SCHEDULE RM – RESIDENTIAL OFF-PEAK MARKETING

APPLICABLE: In all territory served by the seller.

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

RATES:

Energy Charge: \$0.03916 per kWh (I)

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

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

DATE OF ISSUE January 29, 2007
Month / Date / Year

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

ISSUED BY _____
(Signature of Officer)

TITLE President & CEO

FOR ALL TERRITORY SERVED
Community, Town or City

P.S.C. KY. NO. 9

12th Revised SHEET NO. 6V

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

11th Revised SHEET NO. 6V

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

RATES AND CHARGES

SCHEDULE CM -- SMALL COMMERCIAL OFF-PEAK MARKETING

APPLICABLE: In all territory served by the seller.

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

RATES:

Energy Charge: \$0.04106 per kWh (I)

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

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

DATE OF ISSUE January 29, 2007
Month / Date / Year

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

ISSUED BY _____
(Signature of Officer)

TITLE President & CEO

EXHIBIT II
Page 1 of 1

The present and proposed rates structures of Farmers Rural Electric Cooperative Corporation are listed below:

<u>Rate Class</u>	<u>Present</u>	<u>Proposed</u>
Schedule R – Residential Service		
First 50 kWh	\$0.13929	\$0.14335
All Remaining kWh	\$0.06120	\$0.06526
Schedule C – Commercial & Industrial Service		
For Consumers With Less Than 50 kW:		
Demand Charge per kW	N/A	N/A
First 50 kWh	\$0.13929	\$0.14335
All Remaining kWh	\$0.06437	\$0.06843
For Consumers With 50 kW or More		
Demand Charge per kW	\$4.93	\$4.93
Energy Charge per kWh	\$0.04902	\$0.05309
Schedule OL – Outdoor Lighting Service		
Mercury Vapor 175 Watts	\$6.35	\$6.63
Mercury Vapor 250 Watts	\$7.12	\$7.52
Mercury Vapor 400 Watts	\$10.76	\$11.39
Mercury Vapor 1000 Watts	\$18.14	\$19.68
Sodium Vapor 100 Watts	\$6.85	\$7.02
Sodium Vapor 150 Watts	\$7.85	\$8.11
Sodium Vapor 250 Watts	\$10.52	\$10.95
Sodium Vapor 400 Watts	\$13.31	\$13.98
Sodium Vapor 1000 Watts	\$28.60	\$30.17
Schedule SL – Street Lighting Service		
Energy Charge per Rated kWh	\$0.03859	\$0.04266
Schedule D – Large Commercial/ Industrial Optional Time-of-Day Rate		
Demand / kW	\$4.93	\$4.93
Energy Charge / kWh	\$0.04902	\$0.05309
Schedule E – Large Industrial Rate		
Consumer Charge / Month	\$535.00	\$535.00
Demand Charge / kW	\$5.39	\$7.29
Energy Charge / kWh	\$0.03517	\$0.03517
Schedule RM – Residential Off-Peak Marketing		
Energy Charge / kWh	\$0.03672	\$0.03916
Schedule CM – Small Commercial Off-Peak Marketing		
Energy Charge / kWh	\$0.03862	\$0.04106

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

	Existing Total \$	Proposed Total \$	\$ Increase	% Increase
Schedule R - Residential Service	23,288,281	24,496,744	1,208,463	5.19%
Schedule RM - Residential Off-Peak Marketing	112,577	118,209	5,632	5.00%
Schedule C Section 1 - Commercial & Industrial Service Less than 50 kW	2,218,849	2,330,519	111,670	5.03%
Schedule CM - Small Commercial Off-Peak Marketing	218	229	11	4.86%
Schedule C Section 2 - Commercial & Industrial Service 50 kW or Above	2,348,115	2,468,108	119,993	5.11%
Schedule C Section 2a - Commercial & Industrial Service 50 kW or Above	3,915,102	4,127,039	211,938	5.41%
Schedule D - Large Commercial/Industrial Service Optional Time-of-Day Rate	442,662	466,377	23,715	5.36%
Schedule E - Large Industrial Rate	3,595,740	3,804,379	208,639	5.80%
Schedule SL - Street Lighting Service	23,710	25,482	1,771	7.47%
Schedule OL - Outdoor Lighting Service	623,108	651,131	28,023	4.50%
	<u>36,568,364</u>	<u>38,488,218</u>	<u>1,919,854</u>	<u>5.25%</u>
	8,482,066		443,600	5.23%

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

Schedule R
Residential Service

	Existing			Proposed			\$ Increase	% Increase
	Billing Determinants	Current	Annualized	Billing Determinants	Rate	Annualized		
		Rate	Revenues		Rate	Revenues		
Total Annual Invoices - Incl Min Customer Charge / Energy Cha	257,884 31,855	\$6.96	\$221,711	257,884 31,855	\$7.17	\$228,319	6,608	2.98%
Energy charge per kWh								
First 50 kWh	11,301,450	\$0.13929	1,574,179	11,301,450	\$0.14335	1,620,051	45,872	2.91%
all over 50 kWh	284,796,270	\$0.06120	17,429,532	284,796,270	\$0.06526	18,585,514	1,155,982	6.63%
Total from base rates			<u>19,225,421</u>			<u>20,433,884</u>	<u>1,208,463</u>	<u>6.29%</u>
Fuel adjustment			2,455,296			2,455,296	-	0.00%
Environmental surcharge			<u>1,607,564</u>			<u>1,607,564</u>	-	0.00%
Total revenues			<u>\$23,288,281</u>			<u>\$24,496,744</u>	<u>\$1,208,463</u>	<u>5.19%</u>
Average Bill			\$90.31			\$94.99	\$4.69	5.19%

Schedule RM
Residential Off-Peak Marketing

	Existing			Proposed			\$ Increase	% Increase
	Billing Determinants	Current	Annualized	Billing Determinants	Rate	Annualized		
		Rate	Revenues		Rate	Revenues		
Customer Bills	2,013		\$0	2,013	\$0.00	\$0		
Energy charge per kWh	2,312,637	\$0.03672	84,920	2,312,637	\$0.03916	90,552	5,632	6.63%
Total from base rates			<u>84,920</u>			<u>90,552</u>	<u>5,632</u>	<u>6.63%</u>
Fuel adjustment			20,756			20,756	0	0.00%
Environmental surcharge			<u>6,901</u>			<u>6,901</u>	0	0.00%
Total revenues			<u>\$112,577</u>			<u>\$118,209</u>	<u>5,632</u>	<u>5.00%</u>
Average Bill			\$55.93			\$58.72	\$2.80	5.00%

Schedule C Section 1
Commercial & Industrial Less than 50 kW

	Existing			Proposed			\$ Increase	% Increase
	Billing Determinants	Current	Annualized	Billing Determinants	Rate	Annualized		
		Rate	Revenues		Rate	Revenues		
Total Customer Bills - Incl Min B Customer Charge / Energy Cha	18,212 3,653	\$6.96	\$25,425	18,212 3,653	\$7.17	\$26,183	758	
Demand Charge			-	0	\$0.00	\$0.00	-	
Energy Charge								
First 50 kWh kW	727,950	\$0.13929	101,396	727,950	\$0.14335	104,351	2,955	2.91%
All over 50 kWh	26,597,084	\$0.06437	1,712,054	26,597,084	\$0.06843	1,820,011	107,957	6.31%
Total Baseload Charges			<u>\$1,838,875</u>			<u>\$1,950,545</u>	<u>111,670</u>	<u>6.07%</u>
Fuel adjustment			222,890			222,890	-	0.00%
Environmental surcharge			<u>157,084</u>			<u>157,084</u>	-	0.00%
Total revenues			<u>\$2,218,849</u>			<u>\$2,330,519</u>	<u>111,670</u>	<u>5.03%</u>
Average Bill			\$ 121.83			\$ 127.97	6.13	5.03%

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

Schedule CM
Small Commercial Off-Peak Marketing
Rate 8

	Existing			Proposed			\$ Increase	% Increase
	Billing Determinants	Current Rate	Annualized Revenues	Billing Determinants	Rate	Annualized Revenues		
Number of Bills	5		\$0	5		\$0	-	
Energy Charge	4,352	\$0.03862	168	4,352	\$0.04106	179	11	6.31%
Total Baseload Charges			<u>\$168</u>			<u>\$179</u>	<u>11</u>	<u>6.31%</u>
Fuel adjustment			35			35	-	0.00%
Environmental surcharge			15			15	-	0.00%
Total revenues			<u>\$218</u>			<u>\$229</u>	<u>11</u>	<u>4.86%</u>
Average Bill			\$ 43.63			\$ 45.75	2.12	4.86%

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

	Existing			Proposed			\$ Increase	% Increase
	Billing Determinants	Current Rate	Annualized Revenues	Billing Determinants	Rate	Annualized Revenues		
Customer Charge	921							
Demand Charge	102,088	\$4.93	\$503,294	102,088	\$4.93	\$503,294	-	0.00%
Energy charge per kWh	29,510,594	\$0.04902	1,446,609	29,510,594	\$0.05309	1,566,602	119,993	8.29%
Total from base rates			<u>1,949,903</u>			<u>2,069,896</u>	<u>119,993</u>	<u>6.15%</u>
Fuel adjustment			235,199			235,199	-	0.00%
Environmental surcharge			163,013			163,013	-	0.00%
Total revenues			<u>\$2,348,115</u>			<u>\$2,468,108</u>	<u>119,993</u>	<u>5.11%</u>
Average Bill			\$ 2,549.53			\$ 2,679.81	\$ 130.29	5.11%

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

	Existing			Proposed			\$ Increase	% Increase
	Billing Determinants	Current Rate	Annualized Revenues	Billing Determinants	Rate	Annualized Revenues		
Customer Charge	63		\$0	63		-	-	
Demand Charge	141,203	\$4.93	696,131	141,203	\$4.93	696,131	-	0.00%
Energy Charge	57,828,600	\$0.04902	2,834,758	57,828,600	\$0.05309	3,069,895	235,137	8.29%
10 % Discount (Primary Service Rider)			(353,089)			(376,288)	(23,199)	
Total Baseload Charges			<u>\$3,177,800</u>			<u>3,389,737</u>	<u>211,938</u>	<u>6.67%</u>
Fuel adjustment			473,750			473,750	0	0.00%
Environmental surcharge			263,552			263,552	0	0.00%
Total Revenues			<u>\$3,915,102</u>			<u>4,127,039</u>	<u>211,938</u>	<u>5.41%</u>
Average Bill			\$ 62,144.47			\$ 65,508.56	\$ 3,364.09	5.41%

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

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

	Existing			Proposed			\$ Increase	% Increase
	Billing Determinants	Current Rate	Annualized Revenues	Billing Determinants	Rate	Annualized Revenues		
Customer Charge	84		\$0	84	\$0	-	-	
Demand Charge	16,421	\$4.93	80,956	16,421	\$4.93	80,956	-	0.00%
Energy Charge Per kWh	5,826,760	\$0.04902	285,628	5,826,760	\$0.05309	309,343	23,715	8.30%
Total Baseload Charges			<u>\$366,583</u>			<u>\$390,298</u>	<u>\$23,715</u>	<u>6.47%</u>
Fuel adjustment			45,770			45,770	-	0.00%
Environmental surcharge			<u>30,309</u>			<u>30,309</u>	-	0.00%
Total Revenues			<u>\$442,662</u>			<u>466,377</u>	<u>23,715</u>	<u>5.36%</u>
Average Bill		\$	5,270			5,552	282.32	5.36%

Schedule E
Large Industrial Rate
Rate 10

	Existing			Proposed			\$ Increase	% Increase
	Billing Determinants	Current Rate	Annualized Revenues	Billing Determinants	Rate	Annualized Revenues		
Customer Charge	36	\$535.00	\$19,260	36	\$535	19,260	-	0.00%
Demand Charge	109,810	\$5.39	591,876	109,810	\$7.29	800,515	208,639	35.25%
Energy Charge Per kWh	63,417,600	\$0.03517	2,230,397	63,417,600	\$0.03517	2,230,397	-	0.00%
Total Baseload Charges			<u>\$2,841,533</u>			<u>\$3,050,172</u>	<u>\$208,639</u>	<u>7.34%</u>
Fuel adjustment			509,234			509,234	-	0.00%
Environmental surcharge			<u>244,973</u>			<u>244,973</u>	-	0.00%
Total Revenues			<u>\$3,595,740</u>			<u>3,804,379</u>	<u>208,639</u>	<u>5.80%</u>
Average Bill		\$	99,881.66			105,677	5,795.53	5.80%

Schedule SL
Street Lighting Service
Rate 6

	Existing			Proposed			\$ Increase	% Increase
	Billing Determinants	Current Rate	Annualized Revenues	Billing Determinants	Rate	Annualized Revenues		
Customer Charge	108			108		-	-	
Energy Charge Per kWh	435,669	\$0.03859	16,812	435,669	\$0.04266	18,584	1,771	10.54%
Total Baseload Charges			<u>\$16,812</u>			<u>\$18,584</u>	<u>\$1,771</u>	<u>10.54%</u>
Fuel adjustment			3,506			3,506	-	0.00%
Environmental surcharge			<u>3,392</u>			<u>3,392</u>	-	0.00%
Total Revenues			<u>\$23,710</u>			<u>25,482</u>	<u>1,771</u>	<u>7.47%</u>
Average Bill		\$	219.54			236	16.40	7.47%

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

Schedule OL - Outdoor Lighting Service

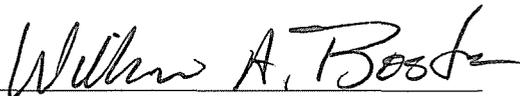
	Existing				Proposed				Per kWh	% Increase
	Billing Determinants	kWh	Current		Billing Determinants	Rate	Annualized Revenues			
			Rate	Revenues			Rate	Revenues		
OL	70	6,012,253	\$ 6.35	551,637	86,872	6.63	576,084	0.09582	24,446.39	4.43%
OL	23	14,720	\$ 6.35	4,064	640	6.44	4,124	0.28015	59.85	1.47%
OL	98	100,352	\$ 7.12	7,291	1,024	7.52	7,699	0.07672	408.04	5.60%
OL	156	326,976	\$ 10.76	22,553	2,096	11.39	23,882	0.07304	1,329.52	5.90%
OL	378	5,292	\$ 18.14	254	14	19.68	275	0.05206	21.52	8.47%
OL	42	12,516	\$ 6.85	2,041	298	7.02	2,092	0.16716	50.89	2.49%
OL	63	15,876	\$ 7.85	1,978	252	8.11	2,043	0.12867	64.55	3.26%
OL	105	36,015	\$ 10.52	3,608	343	10.95	3,755	0.10426	146.44	4.06%
OL	165	367,950	\$ 13.31	29,681	2,230	13.98	31,177	0.08473	1,496.12	5.04%
OL	385	0	\$ 28.60	-	0	30.17	-	0.07835	-	-
Total Base Rates		93,769	6,891,950	623,108	93,769		651,131		\$28,023	4.50%
Average Bill				6.65					0.30	4.50%
* Includes Adjustment										

OL	Mercury Vapor 175 Watt	\$ 6.35	6.63	4.43%
OL	Mercury Vapor 175 Watt (shared)	6.35	6.44	1.47%
OL	Mercury Vapor 250 Watt	7.12	7.52	5.60%
OL	Mercury Vapor 400 Watt	10.76	11.39	5.90%
OL	Mercury Vapor 1000 Watt	18.14	19.68	8.47%
OL	Sodium Vapor 100 Watt	6.85	7.02	2.49%
OL	Sodium Vapor 150 Watt	7.85	8.11	3.26%
OL	Sodium Vapor 250 Watt	10.52	10.95	4.06%
OL	Sodium Vapor 400 Watt	13.31	13.98	5.04%
OL	Sodium Vapor 1000 Watt	28.60	30.17	5.47%

FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION

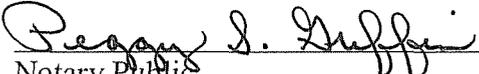
CASE NO. 2006-00478

I, William A. Bosta, hereby certify that a complete copy of the filing provided to the Kentucky Public Service Commission has been sent to the Office of Rate Intervention, Office of the Attorney General.



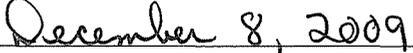
William A. Bosta
East Kentucky Power Cooperative, Inc.

Subscribed and sworn before me on this 29th day of January, 2007.



Notary Public

My Commission expires



NOTICE OF PROPOSED RATE CHANGE

In accordance with the requirements of the Public Service Commission of the Commonwealth of Kentucky as set forth in 807 KAR 5:007, Section 3, of the Rules and Regulations of the Public Service Commission, notice is hereby given to the member consumers of Farmers Rural Electric Cooperative Corporation of a proposed rate adjustment. An Application for Approval of Adjustment to Rates will be filed with the Public Service Commission on January 29, 2007, Case No. 2006-00478. The rates are being revised to reflect a change in wholesale rates pursuant to KRS 278.455(2). This adjustment will result in a general rate increase to the member-consumers of Farmers Rural Electric Cooperative Corporation. The amount and percent of increase by rate class are listed below.

<u>Rate Class</u>	<u>Increase</u>	<u>Increase</u>
Sch R – Residential Service	\$1,208,463	5.19%
Sch C – Commercial & Industrial Service	\$443,601	5.23%
Sch D – Large Commercial & Industrial Optional Time of Day	\$23,715	5.36%
Sch OL – Outdoor Lighting Service	\$28,023	4.50%
Sch SL – Street Lighting Service	\$1,771	7.47%
Sch E – Large Industrial Rate	\$208,639	5.80%
Sch RM – Residential Off – Peak Marketing	\$5,632	5.00%
Sch CM – Small Commercial Off – Peak Marketing	\$11	4.86%

The effect of the proposed rates on the average monthly bill by rate class are listed below:

<u>Rate Class</u>	<u>\$ Increase</u>	<u>% Increase</u>
Sch R – Residential Service	\$4.69	5.19%
Sch C – Commercial & Industrial Service	\$23.11	5.23%
Sch D – Large Commercial & Industrial Optional Time of Day	\$282.32	5.36%
Sch OL – Outdoor Lighting Service	\$0.30	4.50%
Sch SL – Street Lighting Service	\$16.40	7.47%
Sch E – Large Industrial Rate	\$5,795.53	5.80%
Sch RM – Residential Off-Peak Marketing	\$2.80	5.00%
Sch CM – Small Commercial Off – Peak Marketing	\$2.12	4.86%

The present and proposed rates structures of Farmers Rural Electric Cooperative Corporation are listed below:

<u>Rate Class</u>	<u>Present</u>	<u>Proposed</u>
Schedule R – Residential Service		
First 50 kWh	\$0.13929	\$0.14335
All Remaining kWh	\$0.06120	\$0.06526

EXHIBIT V
Page 2 of 3

Schedule C – Commercial & Industrial Service

For Consumers With Less Than 50 kW:

Demand Charge per kW	N/A	N/A
First 50 kWh	\$0.13929	\$0.14335
All Remaining kWh	\$0.06437	\$0.06843

For Consumers With 50 kW or More

Demand Charge per kW	\$4.93	\$4.93
Energy Charge per kWh	\$0.04902	\$0.05309

Schedule OL – Outdoor Lighting Service

Mercury Vapor 175 Watts	\$6.35	\$6.63
Mercury Vapor 250 Watts	\$7.12	\$7.52
Mercury Vapor 400 Watts	\$10.76	\$11.39
Mercury Vapor 1000 Watts	\$18.14	\$19.68
Sodium Vapor 100 Watts	\$6.85	\$7.02
Sodium Vapor 150 Watts	\$7.85	\$8.11
Sodium Vapor 250 Watts	\$10.52	\$10.95
Sodium Vapor 400 Watts	\$13.31	\$13.98
Sodium Vapor 1000 Watts	\$28.60	\$30.17

Schedule SL – Street Lighting Service

Energy Charge per Rated kWh	\$0.03859	\$0.04266
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Schedule D – Large Commercial/ Industrial Optional

Time-of-Day Rate

Demand / kW	\$4.93	\$4.93
Energy Charge / kWh	\$0.04902	\$0.05309

Schedule E – Large Industrial Rate

Consumer Charge / Month	\$535.00	\$535.00
Demand Charge / kW	\$5.39	\$7.29
Energy Charge / kWh	\$0.03517	\$0.03517

Schedule RM – Residential Off-Peak Marketing

Energy Charge / kWh	\$0.03672	\$0.03916
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Schedule CM – Small Commercial Off-Peak

Marketing

Energy Charge / kWh	\$0.03862	\$0.04106
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The rates contained in this notice are the rates proposed by Farmers Rural Electric Cooperative Corporation. However, the Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice. Such actions may result in rates for consumers other than the rates in this notice.

Any person may examine the rate application at the main office of Farmers Rural Electric Cooperative Corporation at the following address:

Farmers Rural Electric Cooperative Corporation
504 South Broadway
Glasgow, KY 42141
(270) 651-2191

Any person may also examine the rate application at the office of the Public Service Commission, 211 Sower Boulevard, Frankfort, Kentucky.