



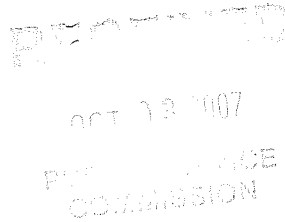
FARMERS RURAL ELECTRIC COOPERATIVE

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

2007-00435

October 1, 2007

Ms. Beth A. O'Donnell, Executive Director
Kentucky Public Service Commission
P.O. Box 615
Frankfort, KY 40602



Dear Ms. O'Donnell:

Please find enclosed an original and ten (10) copies of Farmers Rural Electric Cooperative Corporation's application for a Certificate of Public Convenience and Necessity and three (3) copies of its 2007-2011 Construction Work Plan.

If you have any questions or need additional information, please advise.

Sincerely,

A handwritten signature in cursive script that reads "William T. Prather".

William T. Prather
President & CEO

Enclosures

RECEIVED

OCT 13 2007

PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF THE APPLICATION)
OF FARMERS RURAL ELECTRIC)
COOPERATIVE CORPORATION FOR A)
CERTIFICATE OF CONVENIENCE AND)
NECESSITY)

CASE NO. 2007-00435

APPLICATION

The petition of FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION respectively shows:

- (a) That Applicant's full name is FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION ("Farmers" or "Applicant").
- (b) That Applicant's post office address is Post Office Box 1298, Glasgow, Kentucky 42142-1298.
- (c) That Applicant is a non-profit electric distribution cooperative organized under KRS Chapter 279 and is engaged in the business of distributing retail electric power to member-consumers in the Kentucky counties of Adair, Barren, Edmonson, Grayson, Green, Hart, Larue, and Metcalfe.
- (d) That a certified copy of Applicant's Articles of Incorporation and all amendments thereto is attached hereto and made a part hereof and marked Exhibit A.
- (e) That pursuant to KRS 278.020(1), Applicant seeks a certificate of public convenience and necessity authorizing the construction of the facilities set forth in Applicant's 2007-2011 Construction Work Plan ("CWP").

- (f) That Applicant's 2007-2011 CWP has been adopted by Applicant as a course of action to be followed as evidenced by a copy of the resolution adopted by Applicant's board of directors which is attached hereto and made a part hereof and marked Exhibit B.
- (g) That Applicant has provided the Public Service Commission ("Commission") with three (3) copies of Applicant's 2007-2011 CWP, including maps required under 807 KAR 5:001, Section 9(2)(d).
- (h) That the Executive Summary, which is attached hereto and made a part hereof and marked Exhibit C, shows the facts relied upon for the proposed facilities that are or will be required by public convenience or necessity
- (i) That the proposed facilities set forth in the CWP do not require any franchises or permits from public authorities.
- (j) That a full description of the proposed location, route, or routes of the proposed facilities, including a description of the manner in which same will be constructed, is included in the CWP.
- (k) That the proposed facilities will not compete with any other public utility, corporation, or person.
- (l) That Applicant has secured a loan for the funds necessary to construct the proposed facilities from the United States of America, acting by and through the Administrator of the Rural Utilities Service ("RUS").
- (m) That pursuant to KRS 278.300(1) the Commission's approval of evidence of indebtedness in connection with said loan is not required.

- (n) That Applicant's estimated cost of operation after the CWP is completed is shown in Applicant's 2007-2011 Ten Year Financial Forecast with excerpts from it attached hereto and made a part hereof and marked Exhibit D.
- (o) That the proposed facilities are necessary and the most feasible, environmentally acceptable, and economical means to furnish reliable and dependable service to Applicant's member-consumers.
- (p) That pursuant to KRS 322.340 the Applicant's CWP was prepared, signed, sealed, and dated by a registered engineer in Kentucky as evidenced by the CWP.

WHEREFORE, Applicant asks that the Public Service Commission of the Commonwealth of Kentucky make an order issuing a Certificate of Public Convenience and Necessity authorizing Applicant to complete the construction of the facilities included in Applicants' 2007-2011 CWP.

Dated at Glasgow, Kentucky this 1st day of October 2007.

**FARMERS RURAL ELECTRIC
COOPERATIVE CORPORATION**




William T. Prather
President & CEO

I, William T. Prather, President and CEO of FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION, do hereby declare that the statements contained herein are true and correct to the best of my knowledge.



William T. Prather
William T. Prather
President & CEO

SUBSCRIBED AND SWORN to before me by William T. Prather, this 1st day of October 2007.



Linda Foushee
Linda Foushee
Notary Public, Kentucky State-at-Large
My Commission Expires 7-30-11

EXHIBIT A

ARTICLES OF INCORPORATION

0016961.00

John Y. Brown III
Secretary of State

**AMENDED
ARTICLES OF INCORPORATION
OF
FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION**

Received and Filed
05/27/2000 09:21 AM

Fee Received \$2.00

Pursuant to the provisions of the Kentucky Business Corporation Act and KRS 279.010 to 279.220, the undersigned Corporation executes these Amended Articles of Incorporation and states that each and every article is being amended, the text of which amendments are set forth below. The undersigned Corporation further states that the following Amended Articles of Incorporation were approved by at least two-thirds of the members of the Board of Directors and adopted by a vote representing not less than a majority of the votes entitled to be cast by the members, pursuant to the provisions of KRS 279.050, at a regular meeting of the members held on May 22, 2000, at which a quorum was present.

ARTICLE I of the Articles of Incorporation shall be deleted in its entirety and replaced so that, as amended, said Article shall read as follows:

1. Corporate Name. The name of the Corporation shall be "Farmers Rural Electric Cooperative Corporation."

ARTICLE II of the Articles of Incorporation, as such Article was amended by Articles of Amendment filed December 14, 1981, shall be deleted in its entirety and replaced so that, as amended, said Article shall read as follows:

2. Purpose. The purpose or purposes for which the Corporation is formed are to conduct an electric generation, transmission, distribution or service non-profit cooperative corporation to produce, transmit, distribute or furnish energy to any person, firm, association, corporation or body politic, or subdivision thereof, and/or to provide electrical devices, wiring and equipment and any services that are deemed advisable or desirable to operate a utility and to perform all such other acts and to have all such other powers as are not prohibited by law.

ARTICLE III of the Articles of Incorporation shall be deleted in its entirety and replaced so that, as amended, said Article shall read as follows:

3. Principal Office. The principal office of the Corporation shall be located at 504 South Broadway, Glasgow, Barren County, Kentucky 42141.

ARTICLE IV of the Articles of Incorporation shall be deleted in its entirety and replaced so that, as amended, said Article shall read as follows:

4. Territory of Operations. The operations of the Corporation are to be conducted in the Counties of Adair, Barren,

Return to: Bryan K. Mattingly
Brown, Todd + Heyburn
250 W. Main St, Ste 2700
Lexington, KY 40507

Edmonson, Grayson, Green, Hart, Larue and Metcalfe and in such other counties as such operations may from time to time become necessary or desirable in the interest of this Corporation or of its members.

ARTICLE V of the Articles of Incorporation shall be deleted in its entirety and replaced so that, as amended, said Article shall read as follows:

5. Number of Directors. The number of directors of the Corporation shall be seven.

ARTICLE VI of the Articles of Incorporation shall be deleted in its entirety and replaced so that, as amended, said Article shall read as follows

6. Period of Duration. The duration of the Corporation is perpetual.

ARTICLE VII of the Articles of Incorporation shall be deleted in its entirety and replaced so that, as amended, said Article shall read as follows:

7. Capital Stock. The Corporation shall have no capital stock, and the property rights and interests of each member shall be equal.

Article VIII of the Articles of Incorporation, as such Article was amended by the Amended Articles of Incorporation filed July 27, 1939, shall be deleted in its entirety and replaced so that, as amended, said Article shall read as follows:

8. Terms Upon Which Members Admitted. Any person, firm, association, corporation or body politic or subdivision thereof may become a member in the Corporation by:

(a) making a written application for membership therein;

(b) agreeing to purchase from the Cooperative electric energy as specified in the Bylaws of the Cooperative;

(c) agreeing to comply with and be bound by the Articles of Incorporation of the Corporation and its Bylaws and any Amendments thereto and such rules and regulations as may from time to time be adopted by the Board of Directors; and

(d) paying the membership fee as specified in the Bylaws of the Corporation;

provided, however, that no person, firm, association, corporation or body politic or subdivision thereof shall become a member unless and until he, she or it has been accepted for membership by the Board of Directors. No member may hold more than one membership in the Corporation, and no membership in the Corporation shall be transferable, except as provided in the Bylaws.

Article IX of the Articles of Incorporation shall be deleted in its entirety and replaced so that, as amended, said Article shall read as follows:

9. Terms Upon Which Members Terminated.

(a) Any member may withdraw from membership upon compliance with such uniform tests and conditions as the Board of Directors may prescribe.

(b) The Board of Directors of the Corporation may, by the affirmative vote of not less than two-thirds (2/3) of the members thereof, expel any member of the Corporation who shall have violated or refused to comply with any of the provisions of the Articles of Incorporation or the Bylaws of the Corporation or any rules or regulations adopted from time to time by the Board of Directors, but only if such member shall have been given written notice by the Secretary of the Corporation that such failure makes him liable to expulsion and such failure shall have continued for at least ten days after such notice was given. Any member so expelled may be reinstated as a member by a vote of the Board of Directors.

(c) The membership of a member who for a period of six (6) months after service is available to him, has not purchased electric energy from the Corporation, or of a member who has ceased to purchase energy from the Corporation, may be canceled by resolution of the Board of Directors.

(d) Upon the withdrawal, death, cessation of existence or expulsion of a member, the membership of such members shall thereupon terminate. Termination of membership in any manner shall not release a member or his estate from any debts due the Corporation.

(e) *In case of withdrawal or termination of membership in any manner, the Corporation shall repay to the member the amount of the membership fee paid by him; provided, however, that the Corporation shall deduct from the amount of the membership fee the amount of any debts or obligations owed by the member to the Corporation.*

Article X of the Articles of Incorporation, which Article was repealed by Amended Articles of Incorporation filed on July 27, 1939, is replaced so that, as amended, said Article shall read as follows:

10. Indemnification. Each person who is or becomes an officer or director of the Corporation shall be indemnified and advanced expenses by the Corporation with respect to all threatened, pending or completed actions, suits or proceedings in which that person was, is, or is threatened to be made a named defendant or respondent because he is or was a director or officer of the Corporation. This Article obligates the Corporation to indemnify and advance expenses to its officers or directors only in connection with proceedings arising from that person's conduct in his official capacity with the Corporation to the extent permitted by the Kentucky Business Corporation Act, as amended from time to time. The indemnification and advancement of expenses provided by this Article shall not be deemed exclusive of any other rights to which directors and officers may be entitled under any agreement, vote of members or disinterested directors, or otherwise. The Corporation may indemnify and advance expenses to any employee or agent to the fullest extent permitted by law.

Article XI of the Articles of Incorporation shall be deleted in its entirety and replaced so that, as amended, said Article shall read as follows:

11. Limitation of Director Liability.

(a) Except as otherwise provided by subsection (b) below, no director of the Corporation shall have any personal liability to the Corporation or its members for monetary damages for breach of his duties as a director.

(b) Nothing in Article 11(a) above shall be deemed or construed to eliminate or limit the liability of a director for:

(i) Any transaction in which the director's personal financial interest is in conflict with the financial interests of the Corporation or its members;

(ii) Acts or omissions not in good faith or which involve intentional misconduct or are known to the director to be a violation of law; or

(iii) Any transaction from which the director derived an improper personal benefit.

The Articles of Incorporation shall be amended to include the following additional Article:

12. Registered Agent. The street address of the Corporation's registered office shall be 504 South Broadway, Glasgow, Kentucky 42141. The name of the Corporation's registered agent at that office shall be Jackie B. Browning.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the undersigned hereby executes these Amended Articles of Incorporation on this the 2nd day of June, 2000.

FARMERS RURAL ELECTRIC
COOPERATIVE CORPORATION

By: Jackie B. Browning
Jackie B. Browning, President

Attested:

FARMERS RURAL ELECTRIC
COOPERATIVE CORPORATION

By: C. F. Martin, Jr.
C. F. Martin, Jr., Secretary

STATE OF KENTUCKY)
) SS.
COUNTY OF BARREN)

BEFORE ME, a Notary Public in and for Kentucky personally appeared the above-named Farmers Rural Electric Cooperative Corporation by Jackie B. Browning, its President, and C. F. Martin, Jr., its Secretary, who each acknowledged that they did execute and attest the foregoing Amended Articles of Incorporation for and on behalf of the Corporation by authority of its Board of Directors and that the same is their free act and deed and the free act and deed of the Corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal at Barren Co. Ky this 2nd day of June, 2000.

Linda S. Towse
NOTARY PUBLIC

My commission expires: 6-10-2002

EXHIBIT B

BOARD RESOLUTION



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

BOARD RESOLUTION 2007 – 2011 CONSTRUCTION WORK PLAN

WHEREAS, the 2007 – 2011 Construction Work Plan in the amount of \$15,626,014 has been prepared by the engineering staff of Farmers Rural Electric Cooperative Corporation; now, therefore, be it

RESOLVED, that the Board of Directors of Farmers Rural Electric Cooperative Corporation hereby adopts the 2007 – 2011 Construction Work Plan as a course of action to be followed, or until amended with the approval of the Rural Utilities Service.

###

I, Paul Hawkins, 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 March 29, 2007, at which meeting a quorum was present and voted.

Paul Hawkins, Secretary/Treasurer

EXHIBIT C

EXECUTIVE SUMMARY

PURPOSE OF REPORT

This report documents the March 2007 engineering analysis of, and summarizes the proposed construction for, Farmers Rural Electric Cooperative Corporation's (FRECC) electric distribution system for the four-year planning period of 04/2007 thru 03/2011.

The report also provides engineering support, in the form of descriptions, costs and justification of required new facilities, for a loan application to RUS to finance the proposed construction program.

RESULTS OF PROPOSED CONSTRUCTION

Upon completion of construction of the facilities proposed herein, the system will provide adequate and dependable service to 23,264 residential/farm consumers using an average of 1260 kWh per consumer per month, and 1766 large power and special loads which are provided for on an individual basis. It is estimated there will be 2000 idle services.

GENERAL BASIS OF STUDY

The 2011 projected number of consumers and total peak system load was taken directly from the Cooperative's 2006 Load Forecast Report (LFR) as approved by RUS.

The Cooperative's 1996 Long-Range Plan (LRP) load projections and recommendations were followed for this four-year planning period. All of the construction proposed herein is consistent with the LRP unless otherwise noted and explained.

The Cooperative's 2005 Operations and Maintenance review, (Review Rating Summary; RUS Form 300), was used to determine construction required to replace physically deteriorated equipment and material, upgrade portions of the system to conform with code or safety requirements, and/or improve reliability or quality of service.

New distribution, transmission, and power supply construction requirements were considered simultaneously as a "one system" approach for the orderly and economical development of the total system. All of the proposed construction and recommendations herein, relative to power supply and delivery, were discussed with the cooperative's power supplier, East Kentucky Power Cooperative (EKPC).

A complete list of the lines and equipment, and their estimated cost, (all based on recent historical data), required for 2,560 new services is developed in Section III-B. A similar list and cost of necessary service upgrades to existing members is in Section III-D.

An analysis, using as a basis RUS guidelines and the design criteria herein, of thermal loading, voltages, physical conditions and reliability was performed on all of the substations, distribution lines and major equipment of the existing system. Milsoft software was used to analyze the distribution circuits during the 2006 / 2007 winter substation peak loading periods. A sample printout is in Section A of the Appendix. The exhibits in Section II form the rest of the basis of this analysis.

For each deficiency that was determined, alternate solutions were investigated and economically evaluated, so that the most cost effective construction, if required, could be proposed. A sample computer analysis used to determine the most economical alternate plans is in Section A of the Appendix.

SYSTEM DESCRIPTION: DISTRIBUTION SYSTEM AND POWER SUPPLY

Farmers Rural Electric Cooperative Corporation (FRECC), whose headquarters are in Glasgow, Kentucky, provides service in the rural areas of three counties and small portions of six counties in the south central portion of the state as shown on Map I-B-1. The 1,120 square mile service area is comprised mostly of rolling, forested hills and has two small lakes. FRECC's service area surrounds Glasgow (2000 population of 15,000). Glasgow is served by its own municipal electric system. Several of the other most populated areas are served by Kentucky utilities, a private power company.

Most of the economy of this area is based on commercial services for the tourist industry and agriculture. The Cooperative also serves several oil wells. FRECC has and will continue to serve the moderate growth of new commercial, small manufacturing and residential consumers adjacent to Glasgow.

The following data is from FRECC's 12/31/06 REA Form 7:

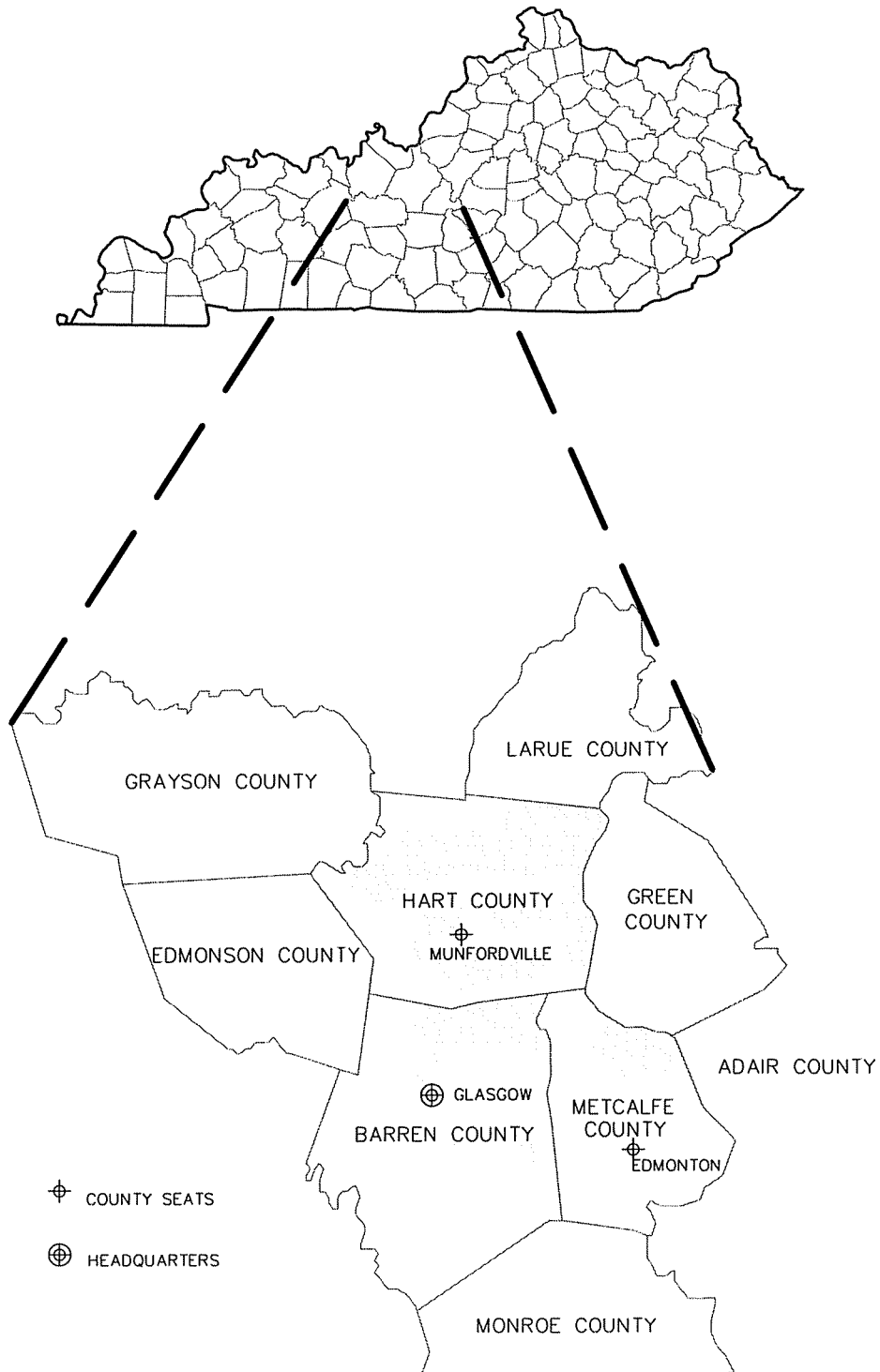
Number of Consumers:	23,537
MWH Purchased:	522,143
MWH Sold:	496,089
Maximum Non-Coincident kW Demand	120,076
Total Utility Plant:	\$58,474,459 (\$2,484 / member)
Consumers/mile:	6.76

There are 48 primary distribution circuits totaling 3,481 miles of line served from twelve distribution substations. Thirty-two of the circuits are partially energized at 14,400/25,000 Volts, grounded wye, the remainder are at 7,200/12,470 volts, grounded wye. All primary lines built since 1964 have been insulated for 14,400/25,000 Volts. Installed conductor sizes range from #8 copperweld to 795 MCM Aluminum. Almost all new primary construction is overhead with only a small amount of existing plant being underground primary.

East Kentucky Power Cooperative (EKPC) provides all of power and energy needs to Farmers Rural Electric Cooperative Corporation, plus 16 other distribution cooperatives, by virtue of a standard "all requirements" contract. EKPC is a RUS financed G & T cooperative with offices in Winchester, Kentucky.

EKPC constructs, owns, operates and maintains the twelve distribution substations and 69,000 Volt transmission lines which supply FRECC's distribution system. The predominant substation low-side voltage is 14,400/25,000 Volts, grounded wye.

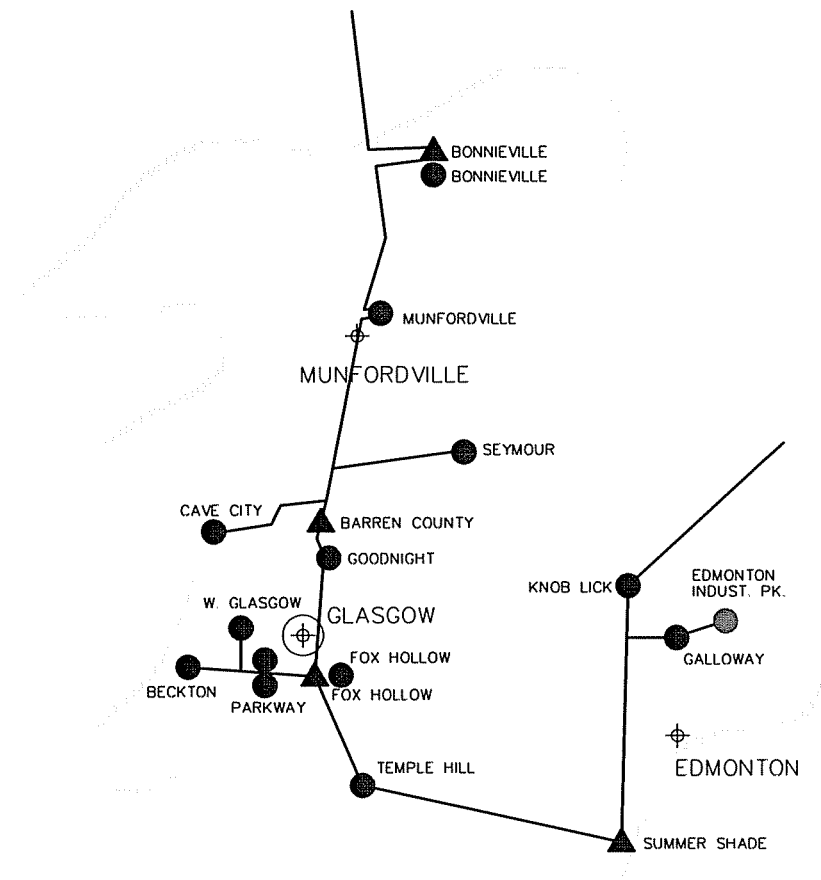
FARMERS RURAL ELECTRIC SERVICE AREA
KENTUCKY 34 BARREN



EAST KENTUCKY POWER COOPERATIVE'S SUBSTATION AND TRANSMISSION NETWORK

FOR

FARMERS RURAL ELECTRIC SERVICE AREA KENTUCKY 34 BARREN



⊕ COUNTY SEATS

● SUBSTATIONS (69 kV)

⊕ HEADQUARTERS

● NEW SUBSTATIONS (69 kV)

▲ SUBSTATIONS (161 kV)

SUMMARY OF CONSTRUCTION PROGRAM AND COSTS

CODE/EXT	ITEM #	DESCRIPTION	MILES	ESTIMATED COST				TOTAL
				1st YEAR	2nd YEAR	3rd YEAR	4th YEAR	
101		80 - UG NEW CONSUMERS	8.4	84,547	87,506	90,569	93,739	356,362
102		2480 - OH NEW CONSUMERS	140.2	1,128,001	1,167,481	1,208,343	1,250,635	4,754,460
100		NEW DISTRIBUTION LINES	148.6	1,212,548	1,254,988	1,298,912	1,344,374	5,110,823
* 363	1-2-C	CONV 1-PH TO 3-PH, RECOND #4 ACSR TO #1/0 ACSR	0.7	32,200				32,200
374	ALL-ALL-A	CONDUCTOR REPLACEMENT	40.0	160,000	160,000	160,000	160,000	640,000
375	1-4-A	CONV 2-PH TO 3-PH, CONV 1-PH TO 3-PH, RECOND TO #1/0	0.8				36,800	36,800
376	2-5-A	CONV 1-PH TO 3-PH, RECOND #4 ACSR TO #1/0 ACSR	0.7				32,200	32,200
377	3-4-A	CONV 1-PH 7.2KV TO 14.4KV	8.8				74,500	74,500
378	4-2-A	CONV 1-PH TO 2-PH, RECOND #4 ACSR TO #1/0 ACSR	1.3				59,800	59,800
379	5-1-A	CONV 1-PH 7.2KV TO 14.4KV	7.6				67,900	67,900
380	5-2-A	CONV 3-PH 7.2KV TO 14.4KV	0.7				7,650	7,650
381	5-3-A	CONV 1-PH & 3-PH 7.2 TO 14.4KV, RECOND 3-PH #4 TO #1/0	27.5	373,000				373,000
382	5-3-B	RECOND 3-PH #4 ACSR TO #1/0 ACSR	2.5				72,500	72,500
383	5-4-A	CONV 1-PH & 3-PH 7.2 TO 14.4KV	7.7				76,800	76,800
384	5-4-B	CONV 1-PH TO 3-PH, RECOND #4 ACSR TO #1/0 ACSR	3.1		176,700			176,700
385	7-4-A	CONV 1-PH TO 3-PH, RECOND #4 ACSR TO #1/0 ACSR	0.2	9,200				9,200
386	8-2-A	CONV 1-PH & 2-PH & 3-PH 7.2KV TO 14.4KV	38.8			349,850		349,850
387	8-3-A	CONV 1-PH & 3-PH 7.2KV TO 14.4KV, RECOND 3-PH TO #1/0	10.8		316,400			316,400
388	10-2-A	CONV 1-PH TO 3-PH, RECOND #4 ACSR TO #1/0 ACSR	1.0				46,000	46,000
389	12-2-A	RECOND 3-PH #1/0 ACSR TO 397 ACSR	1.6	80,000				80,000
300		LINE CONVERSIONS	153.8	654,400	653,100	509,850	634,150	2,451,500
601		TRANSFORMERS - NEW SERVICES		328,830	340,339	352,251	364,580	1,385,999
		TRANSFORMERS - CONVERSIONS						476,550
		METERS - NEW SERVICES		89,600	91,840	94,136	96,489	372,065
		METERS - AMR CHANGEOUT		1,161,000	516,000	0	0	1,677,000
								3,911,614
602		SERVICE UPGRADES		90,182	93,339	96,605	99,987	380,113
603		SECTIONALIZING EQUIPMENT		62,925	62,925	62,925	62,925	182,700
604		REGULATOR STATIONS		107,400	107,400	107,400	107,400	429,600
605		CAPACITORS		12,500	12,500	12,500	12,500	50,000
606		POLE REPLACEMENTS (1360 POLES TOTAL)		465,686	481,985	498,854	516,314	1,962,839
609		AUTOTRANSFORMERS		62,925	62,925	62,925	62,925	251,700
600		DISTRIBUTION EQUIPMENT		1,130,448	1,161,412	1,193,460	1,226,630	7,168,566
701		SECURITY LIGHTS		66,934	69,277	71,702	74,211	282,125
702		AMR COMPUTER AND COMMUNICATION HARDWARE		620,000				613,000
700		OTHER DISTRIBUTION EQUIPMENT		686,934	69,277	71,702	74,211	895,125
		Total						15,626,014

* CARRYOVER

SUBSTATION TRANSFORMER LOAD DATA

HISTORICAL AND PROJECTED WINTER PEAK KW DEMANDS

SUBSTATION	TRANSFORMER			ACTUAL 2/16/2007	PROPOSED SYSTEM 2011 (10% WINTER)	MAX LOAD % RATING
	#	KVA	CLASS			
1. GOODNIGHT	3	6,033	F/A	8,199	10,351	57%
2. MUNFORDVILLE	1	18,100	F/A	16,197	16,330	90%
3. TEMPLE HILL	1	18,100	F/A	13,156	15,713	87%
4. KNOB LICK	1	18,100	F/A	10,241	9,275	51%
5. BECKTON**	1	18,100	F/A	15,575	16,700	92%
6. CAVE CITY	3	6,033	F/A	8,882	11,710	65%
7. PARKWAY I	1	18,100	F/A	10,930	13,499	75%
PARKWAY II	1	18,100	F/A	7,824	8,700	48%
8. GALLOWAY	1	18,100	F/A	9,679	13,129	73%
9. BONNIEVILLE	1	8,080	F/A	4,262	5,509	68%
10. WEST GLASGOW	1	18,100	F/A	6,042	11,461	63%
11. SEYMOUR	1	18,100	F/A	5,437	9,863	54%
12. FOX HOLLOW	1	18,100	F/A	9,979	14,133	78%
13. EDM INDUST PK	1	18,100	F/A	0	4,628	26%
TOTALS:		207,178		126,403	161,001	

- Under construction. Scheduled for completion during the spring 2008. This substation will relieve loading from Galloway.
- ** Monitoring Load in Conjunction with EKPC
- F/A - Forced Air
- O/A - Open Air

REQUIRED SUBSTATION CONSTRUCTION

The 2007 - 2011 CWP does include one new distribution substation. This substation is for the Edmonton Industrial Park and will relieve load from the Galloway substation. With the inclusion of the new substation, the analysis shows that no substations will become overloaded during the construction work plan period. FRECC will continue to monitor all substation loading with EKPC.

EXHIBIT D

FINANCIAL FORECAST

RUS FORM 325C - STATEMENT OF OPERATIONS

FINANCIAL FORECAST

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
1. ACCRUAL BASIS										
a (1). ADDITIONAL REVENUE REQUIREMENTS FOR TIER/EQUITY	2,211,793	2,345,533	2,071,203	2,655,491	2,420,900	4,489,610	5,072,072	6,152,609	7,191,447	8,520,125
(2). OPER. REV & PATRON. CAP - PRESENT RATES										
b. COST OF POWER	38,858,761	39,835,955	40,752,162	41,589,926	42,361,034	43,226,334	44,094,166	44,914,967	45,717,092	46,550,444
c. OPER. REV. LESS COST OF POWER	31,384,352	31,952,200	32,134,262	33,114,021	33,202,960	35,830,986	36,969,024	38,408,785	39,777,993	41,175,649
d. OPERATIONS & MAINTENANCE EXPENSE	8,786,202	10,229,298	10,689,104	11,131,396	11,579,373	11,884,958	12,187,215	12,558,790	13,130,545	13,894,920
e. CONSUMER ACCOUNTS AND SALES EXPENSE	2,766,000	2,848,980	2,934,449	3,022,483	3,113,157	3,206,552	3,302,749	3,401,831	3,603,886	3,609,003
f. ADM. & GEN. & OTHER DEDUCTIONS EXPENSE	1,197,000	1,232,910	1,269,897	1,307,994	1,347,234	1,387,651	1,429,281	1,472,159	1,516,324	1,561,814
g. DEPRECIATION AND AMORTIZATION EXPENSE	1,578,000	1,625,340	1,674,100	1,724,323	1,776,053	1,829,334	1,884,215	1,940,741	1,998,963	2,058,932
h. TAX EXPENSE	1,833,000	1,887,990	1,944,630	2,002,969	2,063,058	2,124,949	2,188,698	2,254,359	2,321,990	2,391,649
i. INTEREST EXPENSE	385,000	396,550	408,447	420,700	433,321	446,321	459,710	473,501	487,706	502,338
j. TOTAL COST OF ELECTRIC SERVICE	1,807,001	1,947,885	2,095,920	2,227,484	2,357,900	2,388,300	2,417,908	2,541,685	2,666,650	2,798,989
k. PATRONAGE CAPITAL & OPERATING MARGINS	40,850,353	41,891,855	42,461,705	43,819,974	44,293,283	47,214,094	48,551,583	50,493,042	52,273,513	54,086,373
l. NON-OPERATING MARGINS	220,201	289,643	361,661	425,443	488,651	501,851	514,655	574,534	635,026	972,196
m. G&T AND OTHER CAPITAL CREDITS (CFC CTC'S)	622,299	623,299	625,299	627,299	629,299	631,299	633,299	635,299	637,299	366,299
n. TOTAL ACCRUAL MARGINS	61,000	61,000	61,000	61,000	61,000	61,000	61,000	61,000	61,000	61,000
	903,500	973,942	1,047,960	1,113,742	1,178,950	1,194,150	1,208,954	1,270,833	1,333,325	1,399,495
2. CASH BASIS										
a. CASH FROM OPERATIONS BEFORE DEBT SERVICE	4,482,501	4,748,817	5,027,509	5,283,195	5,538,907	5,646,399	5,754,560	6,005,857	6,260,965	6,529,133
b. TOTAL DEBT SERVICE	2,921,475	3,067,751	3,250,548	3,433,128	3,615,519	3,665,951	3,743,435	3,940,064	3,972,123	4,102,465
c. CASH MARGINS AFTER DEBT SERVICE	1,561,026	1,681,066	1,776,961	1,850,067	1,923,389	1,980,448	2,011,125	2,065,792	2,288,842	2,426,667

RUS FORM 325D - GENERAL FUNDS SUMMARY

FINANCIAL FORECAST

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
1. SOURCES OF GENERAL FUNDS										
a. NET GENERAL FUNDS BEGINNING OF YEAR	587,919	750,945	2,280,011	3,330,973	4,455,040	5,652,429	3,033,877	4,319,002	5,658,794	7,221,636
b. CASH MARGINS AFTER DEBT SERVICE	1,561,026	1,681,066	1,776,961	1,850,067	1,923,389	1,980,448	2,011,125	2,065,792	2,288,842	2,426,667
c. OTHER PROCEEDS	0	0	0	0	0	0	0	0	0	0
d. SALE OF EXCLUDABLE ITEMS	0	0	0	0	0	0	0	0	0	0
e. REIMBURSEMENT FROM PRIORITY LOAN FUNDS	0	0	0	0	0	0	0	0	0	0
f. REIMBURSEMENT FROM SPECIAL LOANS (NON-PRIORITY)	0	574,777	0	0	0	0	0	0	0	0
g. USES OF CUSHION OF CREDIT ACCOUNT	0	0	0	0	0	0	0	0	0	0
2. TOTAL GENERAL FUNDS AVAILABLE	2,148,945	3,006,788	4,056,973	5,181,040	6,378,429	7,632,877	5,045,002	6,384,794	7,947,636	9,648,303
3. PROPOSED USE OF GENERAL FUNDS										
a. PURCHASE OF EXCLUDABLE ITEMS	0	0	0	0	0	0	0	0	0	0
b. CAPITAL CREDIT RETIREMENTS	276,000	276,000	276,000	276,000	276,000	276,000	276,000	276,000	276,000	276,000
c. GENERAL FUNDS INVESTED IN PLANT	1,122,000	450,777	450,000	450,000	450,000	4,323,000	450,000	450,000	450,000	450,000
d. OTHER USES OF GENERAL FUNDS	0	0	0	0	0	0	0	0	0	0
e. ADDITIONS TO CUSHION OF CREDIT ACCOUNT	0	0	0	0	0	0	0	0	0	0
f. ADDITIONAL PRINCIPAL PAYMENTS	0	0	0	0	0	0	0	0	0	0
4. TOTAL PROPOSED USES OF GENERAL FUNDS	1,398,000	726,777	726,000	726,000	726,000	4,599,000	726,000	726,000	726,000	726,000
5. NET GENERAL FUNDS - END OF YEAR	750,945	2,280,011	3,330,973	4,455,040	5,652,429	3,033,877	4,319,002	5,658,794	7,221,636	8,922,303