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**Public Service Commission**  
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David L. Armstrong  
Chairman

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Vice-Chairman

John W. Clay  
Commissioner

January 20, 2009

William T. Prather  
President & CEO  
Farmers R.E.C.C.  
504 South Broadway  
P.O. Box 1298  
Glasgow, KY 42141-1298

RE: Farmers RECC  
Case No. 2008-00030 – General Rates

Farmers RECC's application in the above referenced case was received on and met the minimum filing requirements on January 9, 2009. Our letter of January 9, 2009, incorrectly listed the received date as January 24, 2008 and in our letter dated January 16, 2009 we inadvertently stamped January 9, 2008 as the filed date. Please find a stamped filed copy of the first page of your application with the January 9, 2009 filed date. We apologize for any inconvenience this may have caused.

Sincerely,

A handwritten signature in cursive script that reads "Ryan Gatewood".

Ryan Gatewood, Director  
Division of Filings

RG/rs

cc: Parties of Record

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

JAN 09 2009

PUBLIC SERVICE  
COMMISSION

In the Matter of Adjustment of Rates  
of Farmers Rural Electric Cooperative  
Corporation

Case No. 2008-00030

FILED

APPLICATION

JAN 09 2009

PUBLIC SERVICE  
COMMISSION

Farmers Rural Electric Cooperative Corporation (herein designated as "Farmers Rural Electric") hereby makes application for an adjustment of rates, as follows:

1. Farmers Rural Electric informs the commission that it is engaged in the business of operation of a retail electric distributions system in eight (8) counties in south central Kentucky and does hereby propose to adjust rates, effective February 9, 2009, in conformity with the attached schedule.

2. The name and post office address of the applicant is Farmers Rural Electric Cooperative Corporation, 504 South Broadway, Glasgow, Kentucky, 42141 [807 KAR 5:001, Section 8(1)].

3. The Articles of Incorporation and all amendments thereto for Farmers Rural Electric are attached with Exhibit A. [807 KAR 5:001, Section 8(3)].

4. The application is supported by a twelve month historical test period ending September 30, 2008 and includes adjustments for known and measurable changes [807 KAR 5:001, Section 10(1)(a)].

5. Farmers Rural Electric states that the reasons the rate adjustment are required pursuant to 807 KAR Section 10(1)(a)(1) are as follows:

a. Farmers Rural Electric has incurred increases in the cost of power, materials, equipments, labor, taxes, interest, debt service and other fixed and variable costs. Farmers Rural Electric has been required to borrow funds to finance its construction projects.

b. The financial condition of Farmers Rural Electric has deteriorated substantially over the past few years.

c. Farmers Rural Electric had a Times Interest Earned Ratio (TIER) of 0.37 for the test year ending September 30, 2008. The TIER was 1.08 for calendar year of 2007.