



Farmers Rural Electric Cooperative Corporation

504 South Broadway, Glasgow, KY 42141 • P.O. Box 1298, Glasgow, KY 42142-1298 • (270) 651-2191 • FAX (270) 651-7332

February 12, 2009

RECEIVED

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PUBLIC SERVICE  
COMMISSION

Mr. Jeff Derouen  
Executive Director  
Kentucky Public Service Commission  
P. O. Box 615  
Frankfort, KY 40602-0615

Re: Case 2008-00030

Dear Mr. Derouen:

Currently, our cooperative has general rate case before the Commission for consideration. Two of our member-owners have recently commented to the Commission on our rate filing by letter or e-mail. I have personally contacted each of those members by letter and provided them with additional information about the rate adjustment request, and invited each one to call or drop by our office if they would like further information. I wanted the Commission to be apprised of our response to our members. Copies of our letters are enclosed.

Should you have any questions, please contact me at 270-651-2193. Thank you.

Sincerely,

A handwritten signature in cursive script that reads 'William T. Prather'.

William T. Prather  
President & CEO

Enclosures - 2

[www.farmersrecc.com](http://www.farmersrecc.com)

A Touchstone Energy® Cooperative The logo for Touchstone Energy, featuring a stylized 'T' and 'E' intertwined within a circular border.



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February 11, 2009

Mr. T. Scott Riddle  
2070 Bluff Springs Road  
Glasgow, KY 42141

Dear Mr. Riddle:

Recently, you commented by e-mail to the Kentucky Public Service Commission about the cooperative's recent rate filing. We receive copies of all such comments as a normal part of the rate adjustment process.

I certainly understand your concerns and comments included in your e-mail. However, I would like to have the opportunity to provide you with further information about the cooperative's need for an adjustment in rates, as well as our efforts over the years to manage costs and keep our rates as low as possible.

The effective rate per kWh you pay has gone up over the past few years, but that is solely due to the fuel adjustment and environmental costs incurred by our power supplier, East Kentucky Power. One hundred percent of the monies charged for those costs on your monthly electric bill go directly to East Kentucky Power to reimburse them for their actual costs. The Kentucky Public Service Commission regularly audits the fuel adjustment and environmental accounting processes to ensure compliance with all regulations.

Our rate request filing of January 9<sup>th</sup>, is to provide Farmers with needed monies to cover our distribution expenses. We honestly have not adjusted our electric rates for those costs since 1986.

I invite you to give me a call so we can discuss your concerns more fully. If you would prefer, I would invite you to stop by the office so we could personally visit. I work for you and all of the members and I assure you that we are trying to work in your best interest. These are tough times for everyone and I don't take that lightly. You may contact me at 651-2193. I look forward to talking with you.

Sincerely,

A handwritten signature in cursive script that reads 'William T. Prather'.

William T. Prather  
President & CEO

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February 11, 2009

Mr. Joseph A. Priore  
198 Cole Circle  
Glasgow, KY 42141

Dear Mr. Priore:

Recently, you commented by letter to the Kentucky Public Service Commission about the cooperative's recent rate filing. We receive copies of all such comments as a normal part of the rate adjustment process.

I certainly understand your concerns and comments included in your letter. However, I would like to have the opportunity to provide you with further information about the cooperative's need for an adjustment in rates, as well as our efforts over the years to manage costs and keep our rates as low as possible.

As you pointed out in your letter, the effective, bottom-line rate you pay per kWh has indeed gone up over the past few years. But the cause of that has been solely due to our power supplier's fuel and environmental costs. They are costs that are unavoidable in the generation and delivery of electricity to our members. Farmers does not retain any of the monies charged for fuel adjustment or environmental costs. One hundred percent of those dollars are forwarded to our power supplier, East Kentucky Power, to reimburse their actual costs. The Kentucky Public Service Commission regularly audits the accounting processes for the fuel adjustment and environmental surcharge to ensure that all rules and regulations have been adhered to.

Our rate request filing of January 9<sup>th</sup>, is to provide Farmers with needed monies to cover our distribution expenses. We honestly have not adjusted our electric rates for those costs since 1986.

I invite you to give me a call so we can discuss your concerns more fully. If you would prefer, I would invite you to stop by the office so we could personally visit. I work for you and all of the members and I assure you that we are trying to work in your best interest. These are tough times for everyone and I don't take that lightly. You may contact me at 651-2193. I look forward to talking with you.

Sincerely,

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