

**RICHARDSON, GARDNER, BARRICKMAN & ALEXANDER**

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\_\_\_\_\_  
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RECEIVED

JUN 16 2009

PUBLIC SERVICE  
COMMISSION

June 16, 2009

Mr. Jeff Derouen, Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
P. O. Box 615  
Frankfort, KY 40602

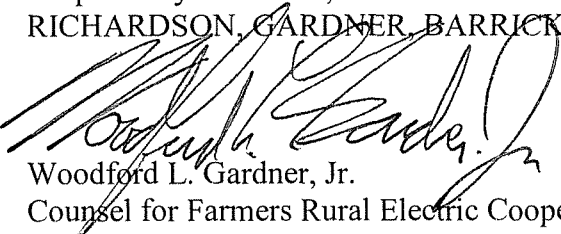
Re: Adjustment of Rates - Case No. 2008-00030; Farmers Rural Electric Cooperative  
Corporation

Dear Mr. Derouen:

In response to the Commission's Order dated June 10, 2009 regarding Case No. 2008-00030,  
enclosed is an original and eight (8) copies of the Cooperative's new rate tariffs to be effective  
for service provided on or after July 1, 2009.

Please contact me at (270) 651-8884 or William T. Prather at (270) 651-2191 with any questions  
regarding this filing.

Respectfully submitted,  
RICHARDSON, GARDNER, BARRICKMAN & ALEXANDER

  
Woodford L. Gardner, Jr.  
Counsel for Farmers Rural Electric Cooperative

Enclosure

FOR ALL TERRITORY SERVED  
Community, Town or City

P.S.C. KY. NO. 9

22nd Revised SHEET NO. 1

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

21st Revised SHEET NO. 1

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

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**RATES AND CHARGES**

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**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:

Customer Charge		\$9.00	(N)
All kWh	@	0.08144 per kWh	(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.

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DATE OF ISSUE: June 16, 2009

DATE EFFECTIVE: July 1, 2009

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

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

FOR ALL TERRITORY SERVED  
Community, Town or City

P.S.C. KY. NO. 9

22nd Revised SHEET NO. 2

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

21st Revised SHEET NO. 2

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

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**RATES AND CHARGES**

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**SCHEDULE R – RESIDENTIAL SERVICE**

MINIMUM CHARGES: The minimum monthly charge to consumers billed under the above rate shall be the customer charge for single-phase service. 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 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. (I)

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DATE OF ISSUE: June 16, 2009

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ISSUED BY: *William J. Patton*

TITLE: President & Chief Executive Officer

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

FOR ALL TERRITORY SERVED  
Community, Town or City

P.S.C. KY. NO. 9

22<sup>nd</sup> Revised SHEET NO. 3

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

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

21<sup>st</sup> Revised SHEET NO. 3

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**RATES AND CHARGES**

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**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		
Customer Charge		\$11.00	(N)
All kWh	@	0.07691 per kWh	(R)

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

Kilowatt Demand Charge:		\$6.86 per kW	(I)
Customer Charge		\$50.00	(N)
Energy Charge:			
All	kWh@	\$0.05851 per kWh	(R)

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FOR ALL TERRITORY SERVED  
Community, Town or City

P.S.C. KY. NO. 9

21<sup>st</sup> Revised SHEET NO. 4

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

20<sup>th</sup> Revised SHEET NO. 4

**FARMERS RURAL ELECTRIC  
COOPERATIVE CORPORATION**

(Name of Utility)

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**RATES AND CHARGES**

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**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 90 percent, the demand for billing purposes shall be the demand as indicated or recorded by the demand meter multiplied by 90 percent and divided by the per cent power factor. (I)

**MINIMUM MONTHLY CHARGE:** The minimum monthly charge under the above rates shall be the customer charge for single-phase service. (I)

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.

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DATE OF ISSUE June 16, 2009

DATE EFFECTIVE July 1, 2009

ISSUED BY: William J. Prottay

TITLE: President & Chief Executive Officer

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

FOR ALL TERRITORY SERVED  
Community, Town or City

P.S.C. KY. NO. 9

8<sup>th</sup> Revised SHEET NO. 5

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

7<sup>th</sup> Revised SHEET NO. 5

**FARMERS RURAL ELECTRIC  
COOPERATIVE CORPORATION**

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**RATES AND CHARGES**

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**SCHEDULE C – COMMERCIAL & INDUSTRIAL SERVICE**

**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.

**FUEL ADJUSTMENT CLAUSE:**

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per kilowatt hour equal to the fuel adjustment amount per kilowatt hour 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.

**TERMS OF PAYMENT:**

The above rates are net, the gross being five percent (5%) higher. In the event the current monthly (I) 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.

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TITLE: President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of Kentucky  
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FOR ALL TERRITORY SERVED  
Community, Town or City

P.S.C. KY. NO. 9

22<sup>nd</sup> Revised SHEET NO. 6

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

21<sup>st</sup> Revised SHEET NO. 6

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

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**RATES AND CHARGES**

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**SCHEDULE 0L – 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	\$ 8.54	(I)
Mercury Vapor	175 Watt, shared	70	2.85	(I)
Mercury Vapor	250	98	9.73	(I)
Mercury Vapor	400	156	14.77	(I)
Mercury Vapor	1000	378	25.80	(I)
Sodium Vapor	100	42	8.94	(I)
Sodium Vapor	150	63	10.38	(I)
Sodium Vapor	250	105	14.05	(I)
Sodium Vapor	400	165	18.03	(I)
Sodium Vapor	1000	385	38.99	(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.

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DATE OF ISSUE: June 16, 2009

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

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

FOR ALL TERRITORY SERVED  
Community, Town or City

P.S.C. KY. NO. 9

2<sup>nd</sup> Revised SHEET NO. 6A

**FARMERS RURAL ELECTRIC  
COOPERATIVE CORPORATION**

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

1<sup>st</sup> Revised SHEET NO. 6A

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**RATES AND CHARGES**

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**CABLE TELEVISION ATTACHMENT TARIFF**

**APPLICABILITY:**

In all territory served by the company on poles owned and used by the company for their electric plant.

**AVAILABILITY:**

To all qualified CATV operators having the right to receive service.

**RENTAL CHARGE:**

The yearly rental charges shall be as follows:

Two-party pole attachment	\$3.97	(I)
Three-party pole attachment	\$3.48	(I)
Two-party anchor attachment	\$6.13	(I)
Three-party anchor attachment	\$4.04	(I)
Two-party Grounding attachment	.30	(N)
Three-party Grounding attachment	.18	(N)

**BILLING:**

Rental charges shall be billed yearly, in advance, based on the number of pole attachments. The rental charges are net, the gross being ten percent (10%) higher. In the event the current monthly bill is not paid within thirty (30) days from the date of the bill, the gross rate shall apply.

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DATE OF ISSUE: June 16, 2009

DATE EFFECTIVE: July 1, 2009

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

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



FOR ALL TERRITORY SERVED  
Community, Town or City

P.S.C. KY. NO. 9

2nd Revised SHEET NO. 6I

**FARMERS RURAL ELECTRIC  
COOPERATIVE CORPORATION**

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

1<sup>st</sup> Revised SHEET NO. 6I

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**RATES AND CHARGES**

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**CABLE TELEVISION ATTACHMENT TARIFF**

attachments upon termination of service by any of its provisions.

- B. After the CATV operator has been a customer of the Cooperative and not in default for a period of two years, the Cooperative shall reduce the bond by 50% or, at the Cooperative's option, require a deposit in keeping with 807 KAR 5:006, Section 7.

USE OF ANCHORS:

The Cooperative reserves the right to prohibit the use of any existing anchors by CATV operator where the strength or conditions of said anchors cannot be readily identified by visual inspection.

DISCONTINUANCE OF SERVICE:

The Cooperative may refuse or discontinue serving an applicant or customer under the conditions set out in 807 KAR 5:006 Sec. 11 (1).

EXHIBIT A

DEVELOPMENT OF RENTAL CHARGES

1. Equation – Annual Charge – Two-Party Pole

Annual Charge = (Average embedded cost 35' and under poles plus 40' and 45' poles x 85% x annual carrying charge factor x .1224) (I)

Two-Party Charge - \$196.00 x .85 x .1947 x .1224 = \$3.97 (I)

2. Equation – Annual Charge – Three-Party Pole

Annual Charge = (Average embedded cost 40' and 45' poles – x 85% x annual carrying charge factor X .0759) (I)

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TITLE: President & Chief Executive Officer

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FOR ALL TERRITORY SERVED  
Community, Town or City

P.S.C. KY. NO. 9

2nd Revised SHEET NO. 6J

**FARMERS RURAL ELECTRIC  
COOPERATIVE CORPORATION**

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

1<sup>st</sup> Revised SHEET NO. 6J

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**RATES AND CHARGES**

---

**CABLE TELEVISION ATTACHMENT TARIFF**

Three-Party Charge =  $\$277.29 \times .85 \times .1947 = \$3.48$  (I)

3. Equation - Annual Charge - Two-User Anchor Attachment

Annual Charge - embedded cost of anchors X annual carrying charge factor X 0.50

Two-Party Charge =  $\$62.92 \times 0.1947 \times 0.50 = 6.13$  (I)

4. Equation - Annual Charge - Three-User Anchor Attachment

Annual Charge = embedded cost of anchors X Annual carrying charge factor X 33 1/3

Three-Party Charge =  $\$62.92 \times 0.1947 \times 0.33 = \$4.04$  (I)

5. Equation – Annual Charge – Pole Ground Attachments – 2 party new line annual charge = (N)  
( $12.50 \times \text{annual carrying charge} \times .1224$ )

Two Party Charge =  $12.50 \times .1947 \times .1224 = \$0.30$

6. Equation – Annual charge – Pole Ground Attachments – 3 party new line annual charge = (N)  
( $\$12.50 \times \text{annual carrying charge} \times .0759$ )

Three Party Charge =  $(12.50 \times .1947 \times .0759) = \$0.18$

**EXHIBIT B**

**DEVELOPMENT OF ANNUAL CARRYING CHARGE**

Fixed Charges on Investment from PSC Annual Report (12/31/07)

1. Operation and Maintenance Expense Line No. 53, Page 14	\$	3,068,933
2. Consumer Accounts Expense Line No. 8, Page 15		1,040,265
3. Customer Service and Informational Expense Line No. 14, Page 15		283,693
4. Administrative and General Expense Line No. 35, Page 15		1,612,818

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DATE OF ISSUE: June 16, 2009

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

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

FOR ALL TERRITORY SERVED  
Community, Town or City

P.S.C. KY. NO. 9

2nd Revised SHEET NO. 6K

**FARMERS RURAL ELECTRIC  
COOPERATIVE CORPORATION**

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

1<sup>st</sup> Revised SHEET NO. 6K

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**RATES AND CHARGES**

---

**CABLE TELEVISION ATTACHMENT TARIFF**

5. Depreciation Expense	\$	1,867,901	
Line No. 28, Page 13			
6. Taxes Other than Income Taxes		<u>432,131</u>	
Line No. 30, Page 13			
Sub-total	\$	<u>8,305,741</u>	
Divided by Line 2, Page 1	\$	62,526,000	13.28%
7. "Cost of Money"			
Rate of Return on Investment			
Allowed in the last General			
Rate Increase, Case No. 8438			
Effective 6/1/82		8.20%	
8. Net Plant Ratio Adjustment:			
Distribution Plant	<u>57,121,645</u>		
Accumulated Depreciation	14,011,008	24.5%	
Rate of Return (times 1 minus reserve ratio)			<u>6.19%</u>
Annual Carrying Charges			19.47%

Note: All line numbers and page numbers referred to above are per the 12/31/2007 PSC Annual Report.

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

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

FOR ALL TERRITORY SERVED  
Community, Town or City

P.S.C. KY. NO. 9

18<sup>th</sup> Revised SHEET NO. 6N

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

17<sup>th</sup> Revised SHEET NO. 6N

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

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**RATES AND CHARGES**

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**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

Customer Charge	\$50.00	(N)
Kilowatt Demand Charge:	\$6.86 per kW	(I)
Energy Charge:		
All kWh	\$0.05851 per kWh	(R)

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.

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DATE OF ISSUE: June 16, 2009

DATE EFFECTIVE: July 1, 2009

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

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

FOR ALL TERRITORY SERVED  
Community, Town or City

P.S.C. KY. NO. 9

2nd Revised SHEET NO. 60

**FARMERS RURAL ELECTRIC  
COOPERATIVE CORPORATION**

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

1<sup>st</sup> Revised SHEET NO. 60

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**RATES AND CHARGES**

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**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 (I) 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.

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DATE OF ISSUE: June 16, 2009

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

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

FOR ALL TERRITORY SERVED  
Community, Town or City

P.S.C. KY. NO. 9

2nd Revised SHEET NO. 6P

**FARMERS RURAL ELECTRIC  
COOPERATIVE CORPORATION**

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

1st Revised SHEET NO. 6P

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**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. (I)

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TITLE: President & Chief Executive Officer

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FOR ALL TERRITORY SERVED  
Community, Town or City

P.S.C. KY. NO. 9

14th Revised SHEET NO. 6Q

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

13th Revised SHEET NO. 6Q

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

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**RATES AND CHARGES**

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**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:

Customer Charge:	\$1,100 per Month	(I)
Demand Charge:	6.86 per kW	(I)
Energy Charge:	0.04551 per kWh	(R)

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.

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FOR ALL TERRITORY SERVED  
Community, Town or City

P.S.C. KY. NO. 9

2nd Revised SHEET NO. 6S

**FARMERS RURAL ELECTRIC  
COOPERATIVE CORPORATION**

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

1<sup>st</sup> Revised SHEET NO. 6S

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**RATES AND CHARGES**

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**CLASSIFICATION OF SERVICE**  
**SCHEDULE E - LARGE INDUSTRIAL RATE**

**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. (I)

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DATE OF ISSUE: June 16, 2009

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

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



FOR ALL TERRITORY SERVED  
Community, Town or City

P.S.C. KY. NO. 9

16th Revised SHEET NO. 6T

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

15th Revised SHEET NO. 6T

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

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**RATES AND CHARGES**

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**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: \$0.04887 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.

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DATE OF ISSUE: June 16, 2009

DATE EFFECTIVE: July 1, 2009

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

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

FOR ALL TERRITORY SERVED  
Community, Town or City

P.S.C. KY. NO. 9

2<sup>nd</sup> Revised SHEET NO. 6U

**FARMERS RURAL ELECTRIC  
COOPERATIVE CORPORATION**

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

1<sup>st</sup> Revised SHEET NO. 6U

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**RATES AND CHARGES**

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**SCHEDULE RM – RESIDENTIAL OFF-PEAK MARKETING**

**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.

**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. (I)

**TERMS AND CONDITIONS:**

Schedule RM – Residential Off-Peak Marketing Rate applies only to programs which are expressly approved by the Kentucky Public Service Commission to be offered under the Marketing Rate of East Kentucky Power's Rate Schedule A.

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FOR ALL TERRITORY SERVED  
Community, Town or City

P.S.C. KY. NO. 9

16th Revised SHEET NO. 6V

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

15th Revised SHEET NO. 6V

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

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**RATES AND CHARGES**

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**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: \$0.04613 per kWh (R)

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.

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DATE OF ISSUE: June 16, 2009

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

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FOR ALL TERRITORY SERVED  
Community, Town or City

P.S.C. KY. NO. 9

2nd Revised SHEET NO. 6W

**FARMERS RURAL ELECTRIC  
COOPERATIVE CORPORATION**

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

1<sup>st</sup> Revised SHEET NO. 6W

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**RATES AND CHARGES**

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**CLASSIFICATION OF SERVICE**  
**SCHEDULE CM - SMALL COMMERCIAL OFF-PEAK MARKETING**

**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. (I)

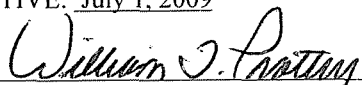
**TERMS AND CONDITIONS:**

Schedule CM – Small Commercial Off-Peak Marketing Rate applies only to programs which are expressly approved by the Kentucky Public Service Commission to be offered under Marketing Rate of East Kentucky Power’s Wholesale Power Rate Schedule A.

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FOR ALL TERRITORY SERVED  
Community, Town or City

P.S.C. KY. NO. 9

2nd Revised SHEET NO. 7

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

1<sup>st</sup> Revised SHEET NO. 7

**FARMERS RURAL ELECTRIC  
COOPERATIVE CORPORATION**

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**RULES AND REGULATIONS**

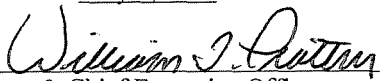
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1. SCOPE - This Schedule of Rules and Regulations is a part of all contracts for receiving electric service from the Cooperative and applies to all service received from the Cooperative whether the service received is based upon a contract, agreement, signed application, or otherwise. No employee or individual director of the Cooperative is permitted to make an exception to rates or Rules and Regulations. Rates and rules or service may be obtained from the Cooperative's office.
2. REVISIONS - These Rules and Regulations may be revised, amended, supplemented or otherwise changed from time to time without notice. Such changes, when effective, shall have the same force and effect as the present Rules and Regulations. The members shall be informed of any changes as soon as possible, after adoption by the Board of Directors, through the Cooperative's monthly newsletter.
3. CONSUMER'S RESPONSIBILITY FOR COOPERATIVE'S PROPERTY - All meters, service connections, and other equipment furnished by the Cooperative shall be, and remain, the property of the Cooperative. The member shall exercise proper care to protect the property of the Cooperative on its premises and, in the event of loss or damage to the cooperative's property arising from neglect of member to care for same, the cost of necessary repairs or replacements shall be paid by the member.
4. CONTINUITY OF SERVICE - The Cooperative shall use reasonable diligence to provide a constant and uninterrupted supply of electric power and energy. However, if such supply shall fail or be interrupted or become defective through act of God, or public enemy, or by accidents, strikes, labor troubles, or by action of the elements, or inability to secure rights-of-way or other permits needed, or for any other cause beyond the reasonable control of the Cooperative, the Cooperative shall not be liable therefore.
5. RELOCATION OF LINES BY REQUEST OF MEMBERS - The Cooperative's established lines shall not be relocated unless the expense for moving and relocating is paid by the member, except in instances where it would be to the advantage of the Cooperative to make such relocation.
6. APPLICATION FOR SERVICE - Each prospective member desiring electric service shall be required to sign the Cooperative's "Application for Membership and Electric Service," before service is supplied by the Cooperative and provide the Cooperative with necessary easements or right-of-way permits.
7. MEMBERSHIP FEE - The membership fee as set forth in the By-Laws shall be twenty-five dollars (\$25). The membership fee may be refunded or applied to the final bill at the time service is discontinued, or it may

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FOR ALL TERRITORY SERVED  
Community, Town or City

P.S.C. KY. NO. 9

2nd Revised SHEET NO. 8

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

1<sup>st</sup> Revised SHEET NO. 8

**FARMERS RURAL ELECTRIC  
COOPERATIVE CORPORATION**

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**RULES AND REGULATIONS**

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be left inactive with the Cooperative. It shall be applied against any unpaid bills of the member at the time of the member at the time service is discontinued. Service covered by each meter shall be billed separately.

8. RIGHT OF ACCESS – The Cooperative’s employees shall have access to member’s premises at all reasonable times for the purpose of reading meter, testing, repairing, removing, or exchanging any and all equipment belonging to the Cooperative.
9. MEMBER’S DISCONTINUANCE OF SERVICE - Any member desiring service discontinued or changed from one location to another shall give the Cooperative three (3) days notice in person or in writing, provided such notice does not violate contractual obligations.
10. SERVICE CHARGES – No charge will be made for the initial installation of service, or for a service replacing one which has been destroyed by fire, or if no trip is required. However, a service charge of \$30.00 will be made to a new occupant for the reconnecting or transferring of such service. Service charge will be due and payable at time of connection or transfer or upon notice of said charge. Also, service calls made by the Cooperative pertaining to the consumer’s premises shall be charged for on an actual cost basis per call. No service calls shall be made and no service shall be connected or reconnected after working hours unless there exists circumstances that will justify the additional expense.
- (I) 11. TEMPORARY SERVICE – Temporary service may be supplied to circuses, carnivals, fairs, and services of a transient nature in accordance with the existing rate schedules of the Cooperative except that the consumer shall pay, in addition to the regular rates, the total cost of connecting and disconnecting service less the value of materials returned to stock. An advance deposit may be required of the full amount of the estimated bill for service, including the cost of connection and disconnection.
12. SERVICE TO CONSUMERS WHICH MAY BE OF SHORT DURATION – In cases of service to power the pumping of oil wells, the operation of oil fields, and any and all other types of consumer services which may be of short duration, the Cooperative must and shall protect its investments on same in the following manner:  
The consumer, at the time application is made for such service, shall pay a construction charge to the Cooperative, in each instance, an amount equal to the cost of construction and retirement, covering both material and labor involved, less salvage value on all material returned into stock. This charge may be refunded at the rate of twenty percent (20%) of the consumer’s monthly power bills thereafter.

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TITLE: President & Chief Executive Officer

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FOR ALL TERRITORY SERVED  
Community, Town or City

P.S.C. KY. NO. 9

3rd Revised SHEET NO. 9

**FARMERS RURAL ELECTRIC  
COOPERATIVE CORPORATION**

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

2nd Revised SHEET NO. 9

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**RULES AND REGULATIONS**

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In case of a transfer of the lease or ownership on an oil well, or other property, the parties involved may make the necessary arrangements regarding the transfer of the charges and settlement of same.

13. METER TESTS – All meters shall be checked for accuracy before installation. The Cooperative shall, at its own expense, make periodic tests and inspections of its meters in order to maintain a high standard of accuracy and to conform with the regulations of the Public Service Commission. However, the Cooperative has been granted a deviation from 807 KAR 5:041, section 17 (1) exempting it from the performance of meter tests at a 50 percent power factor load on any single-phase, self-contained residential electric meter, except new meters.

The Cooperative shall make additional tests of meters at the request of the member upon advance payment of forty dollars (\$40). Refunds on fast meters shall be made in accordance with PSC Rules and Regulations. See 807 KAR 5:006, sections 9 (5), 19 and 20. (I)

14. FAILURE OF METER TO REGISTER – In the event a member's meter shall fail to register, the member shall be billed from the date of such failure at the average consumption of the member based on the three (3) month period immediately preceding the failure.
15. DISCONTINUANCE OF SERVICE BY COOPERATIVE – The Cooperative may refuse to connect or may discontinue service to a member for the violation of any of its rules and regulations. The Cooperative may discontinue service to a member for theft of current or for the appearance of current-theft devices found on the premises of the member. The discontinuance of service by the Cooperative for any cause stated in this rule does not release the member from his obligation for all bills due.
16. POINT OF DELIVERY – The point of delivery is the point designated by the Cooperative own member's premises where current is to be metered. All wiring and equipment beyond this point of delivery shall be supplied and maintained by the member. The member shall, however, notify the Cooperative of any proposed changes in his equipment or wiring which will materially increase or decrease his load so the Cooperative may check its equipment for adequacy to accommodate the consumer's requirements.
17. CONSUMERS' WIRING - All wiring of the member must conform to Cooperative's requirements and accepted modern standards. The member agrees to wire his premises in accordance with specifications at least equal to those prescribed by the National Electrical Code. The Cooperative, however, assumes no responsibility in respect to the type, standard of construction, protective equipment or the condition of the member's property, and will not be liable for any loss or injury to persons or property occurring on the premises or property of the member.

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TITLE: President & Chief Executive Officer

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FOR ALL TERRITORY SERVED  
Community, Town or City

P.S.C. KY. NO. 9

3rd Revised SHEET NO. 10

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

2<sup>nd</sup> Revised SHEET NO. 10

**FARMERS RURAL ELECTRIC  
COOPERATIVE CORPORATION**

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**RULES AND REGULATIONS**

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The member agrees to operate and maintain its facilities so as not to interfere with the service of the Cooperative to its other members. The member will have complete responsibility for all construction, operation, and maintenance beyond the meter and will save the Cooperative harmless against liability for injury or damages resulting in any manner from construction, location, operation, or maintenance of the member's facilities.

18. ELECTRICAL INSPECTIONS – All consumers' wiring must conform to the requirements of the National Electrical Code and must be inspected and approved by a certified electrical inspector. The inspector, as mandated by KRS 198B, must issue a certificate of compliance prior to the connection of electric service.
19. METER READING – The Cooperative shall read each member's meter each month for the purpose of determining each account's usage of electricity for calculation of the monthly bill. Exceptions to the monthly reading will be allowed only for those meters which may be estimated without materially affecting the accuracy of recorded usage. Actual readings will be taken on estimated accounts at least quarterly.
20. CHARGE FOR SEASONAL, MOBILE HOMES, PUMPS, AND OTHER SERVICES – Consumers requiring service only during certain seasons, not exceeding 9 months per year, may guarantee a minimum annual payment of 12 times the minimum monthly charge determined in accordance with the rate applicable. In this case there shall be no minimum monthly charge. Payment of minimum annual charge shall entitle the consumer to the use of the corresponding number of kilowatt hours in accordance with the rate applicable.

Consumers requiring service to mobile homes and/or trailers and to pumps, barns, or services with low usage from all extensions of up to 150 feet from the nearest facility shall be made without charge.

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FOR ALL TERRITORY SERVED  
Community, Town or City

P.S.C. KY. NO. 9

4th Revised SHEET NO. 11

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

3rd Revised SHEET NO. 11

**FARMERS RURAL ELECTRIC  
COOPERATIVE CORPORATION**

**RULES AND REGULATIONS**

Extensions greater than 150 feet from the nearest facility and up to 300 feet shall be made provided the customer shall pay the utility a "customer advance for construction" of \$50 in addition to any other charges required by the utility for all customers. This advance shall be refunded at the end of one year if the service to the location continues for that length of time.

For extensions greater than 300 feet and less than 1,000 feet from the nearest facility, the utility may charge an advance equal to the reasonable cost incurred by it for that portion of the service beyond 300 feet plus \$50. This advance shall be refunded to the customer over a four-year period in equal amounts for each year the service is continued. If the service is discontinued for a period of 60 days, or should the mobile home, etc. be removed and another not take its place within 60 days, or be replaced by a permanent structure, the remainder of the advance shall be forfeited. No refunds shall be made to any customer who did not make the advance originally.

For extensions over 1000 feet, the policy set forth in 807 KAR 5:041 electric, section 11, shall apply.

For extensions over 300 feet or 1000 feet shall be made on an "Estimated Average Cost" per foot of the total extension. If termination or meter pole is required, there will be a non-refundable charge for installing the pole.

21. CONSUMER BILLING AND COLLECTING POLICY – The Cooperative’s billing period is on a monthly basis and shall be flexible so as to allow various billing cycles based upon the date of the monthly meter reading. Each month, the Cooperative shall render an electric service statement to each member for approximately thirty days of service. Final bills may be rendered as soon as possible after the service is disconnected. The member shall pay the net amount of the bill within 12 days of the date the bill was rendered. If payment is not received by the Cooperative within 12 days of the date the bill was rendered, the gross amount (as defined in the Rate Schedule) shall be due. The late payment penalty shall only be assessed one time for any bill rendered for services. Failure to receive the bill will not release the member from payment obligation.

Delinquent bill notices are to be sent out two (2) days after the due date of the original bill each month. Field collection or termination for non-payment shall be 10 days after mailing of the delinquent notice and at least twenty-seven days after the mailing of the original bill

- (I) A \$30 fee is to be collected on first call and on all subsequent calls for purposes of collecting delinquent accounts during regular working hours. Seventy dollars (\$70.00) will be collected for trips made other than during regular working hours.

No consumer is to be reconnected at any location without first having paid all previous indebtedness to the Cooperative. Service to a consumer is not to be connected in another name in order to avoid payment of an unpaid bill.

- (I) A service charge of \$30.00 shall be applied to each reconnect.

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TITLE: President & Chief Executive Officer

FOR ALL TERRITORY SERVED  
Community, Town or City

P.S.C. KY. NO. 9

2<sup>nd</sup> Revised SHEET NO. 12

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

1<sup>st</sup> Revised SHEET NO. 12

**FARMERS RURAL ELECTRIC  
COOPERATIVE CORPORATION**

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**RULES AND REGULATIONS**

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Reminder letter or invoice statement to be issued 15 days after final bill is rendered to unpaid accounts of disconnected consumers.

- (T) Periodically, all delinquent accounts are to be turned over to an attorney or competent collecting agency for further proceedings, provided such amount exceeds the membership fee and consumer deposit.
- (I) A \$25.00 fee is to be collected when checks are returned from bank marked "Insufficient Funds." The drawer of said check is to be notified by letter and his service placed on the cut-off list, along with other delinquent accounts and handled in the same manner as outlined above.

All consumers are to be members of the Cooperative. Cases of failure to pay membership fee shall be treated in the same manner as outlined above on delinquent accounts.

A deposit or suitable guarantee not exceeding two-twelfths (2/12) of the estimated annual bill may be required of any member or customer before electric service is supplied. These deposits shall accrue interest at 6% per annum. Upon termination of service, the deposit and accrued interest may be applied against unpaid bills and the remainder of such balance shall be paid to the consumer.

A budget billing plan is available to consumers who desire it. The estimated amount of twelve-months usage will be determined by the Cooperative with the budget payments being 1/12 of this amount. Any difference between the amount paid and the amount owed during the twelve-month period will be adjusted by adding or crediting the difference on the regular electric service bill payable July 1. The budget payment plan will continue from year to year unless terminated by either party giving a one-month notice to the other. Payments shall be adjusted each year as near to expected billing as possible. The budget billing plan may be terminated at any time the consumer's bill becomes delinquent.

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TITLE: President & Chief Executive Officer

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FOR ALL TERRITORY SERVED  
Community, Town or City

P.S.C. KY. NO. 9

2<sup>nd</sup> Revised SHEET NO. 13

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

1<sup>st</sup> Revised SHEET NO. 13

**FARMERS RURAL ELECTRIC  
COOPERATIVE CORPORATION**

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**RULES AND REGULATIONS**

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**22. UNDERGROUND DISTRIBUTION FACILITIES TO A RESIDENTIAL SUBDIVISION**

The Cooperative will install underground distribution facilities to a residential subdivision under the following conditions:

1. The subdivision being developed must consist of a tract of land which is divided into ten (10) or more lots for the construction of new residential buildings or the land on which is constructed two (2) or more new multiple occupancy buildings (refer to PSC Electric Rules, 807 KAR 5:041, Section 21, for definitions of terms).
2. Prior to installation, the owner/developer shall pay the Cooperative for the total cost of all facilities (underground or overhead) installed in subdivision. Later, the Cooperative shall refund to the owner/developer the equivalent cost of overhead facilities when a permanent year-around residence is connected. The refund shall be on an average cost per lot basis.
3. The Cooperative will construct underground distribution facilities in the subdivision adequate to render single-phase 120/240 volt service.
4. Three-phase primary mains or feeders required within a subdivision to supply local distribution or to serve individual three-phase loads may be overhead unless underground is required by governmental authorities or chosen by applicant, in either of which case the differential cost of underground shall be borne by the applicant.
5. Developer or successor in title shall grant a right-of-way satisfactory to the Cooperative for the installation, operation and maintenance of its facilities.
6. If developer provides the secondary service lines to the residence from service pedestal located on easement, the Cooperative shall credit the applicant fifty dollars (\$50.00) or the equivalent cost of an overhead service line to the applicant's meter base, whichever is greater. Service lines to house (provided by developer) shall be installed and ready for inspection at the same time as the residence. Trench is to be left open until inspection has been made.

If the Cooperative provides secondary service lines, applicant shall pay the "estimated average cost differential" between overhead and underground service.

7. For all developments that do not meet the conditions set forth in paragraph 1 above, underground distribution will be installed provided an advance to the Cooperative is made in an amount equal to the difference between the Cooperative's estimated cost of underground and overhead facilities.

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TITLE: President & Chief Executive Officer

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FOR ALL TERRITORY SERVED  
Community, Town or City

P.S.C. KY. NO. 9

1<sup>st</sup> Revised SHEET NO. 14

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

Original SHEET NO. 14

**FARMERS RURAL ELECTRIC  
COOPERATIVE CORPORATION**

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**RULES AND REGULATIONS**

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8. The developer or owner of subdivision shall be required to perform all necessary trenching and backfilling in accordance with the Cooperative's specifications.
- (T) 9. See Exhibit A, "Average Cost Differentials," dated February 1, 1984, which is filed as an addendum to this regulation. This exhibit may be revised from time to time because of change in cost differentials.

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