



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

April 14, 2009

RECEIVED

APR 16 2009

PUBLIC SERVICE
COMMISSION

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

Re: Case No. 2008-00527

Dear Mr. Derouen;

Attached is Farmers Rural Electric Cooperative Corporation's response to the information requested in the Commission's Order dated April 9, 2009. I prepared this response on behalf of Farmers RECC and believe it is true and accurate to the best of my knowledge, information, and belief formed after a reasonable inquiry.

Sincerely;

A handwritten signature in cursive script that reads 'H. Wayne Davis'.

H. Wayne Davis
Vice President Finance & CFO

Encl:

www.farmersrecc.com

A Touchstone Energy® Cooperative The logo for Touchstone Energy, featuring a stylized sun or star symbol with a central figure.

Present

Proposed

Class 5 – Large Commercial & Industrial (50 kw & above)

Schedule C – Section 2

Minimum Bill	Per Contract	Per Contract
Demand Charge	\$5.43 / kW	\$5.43 / kW
All kWh	0.06097/ kWh	0.07163 / kWh

Schedule D (TOD):

Minimum Bill	Per Contract	Per Contract
Demand Charge	\$5.44 / kW	\$5.44 / kW
All kWh	0.06097 / kWh	0.07163 / kWh

Schedule E:

Minimum Bill	Per Contract	Per Contract
Consumer Charge	\$589.93	\$589.93
Demand Charge	\$5.94 / kW	\$5.94 / kW
All kWh	0.04569 / kWh	0.05635 / kWh

Class 6 - Street Lighting

Schedule SL:

Facility Charge	1.14% of Total	1.14% of Total
	Investment	Investment
All kWh	0.04947 / kWh	0.06013 / kWh

All Classes - Outdoor Lighting

Schedule OL:

Mercury Vapor 175 Watt	\$7.49	\$8.24
Mercury Vapor 250 Watt	8.53	9.57
Mercury Vapor 400 Watt	12.95	14.61
Mercury Vapor 1000 Watt	22.62	26.65
Sodium Vapor 100 Watt	7.84	8.29
Sodium Vapor 150 Watt	9.10	9.77
Sodium Vapor 250 Watt	12.32	13.44
Sodium Vapor 400 Watt	15.81	17.57
Sodium Vapor 1000 Watt	34.19	38.29

FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION

RESPONSE TO THE ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2008-00527 DATED APRIL 9, 2009

1. Listed below are the proposed changes in Farmers rates using the pass-through rates approved for Farmers by the Commission in its Order dated March 31, 2009 and the fuel adjustment clause roll-in amount calculated by Farmers in its response to Items No. 5 & 6 of the Commission's January 23, 2009 order. A copy of Farmers' tariff, after the pass-through, is attached. Changes are indicated by cross-outs and insertion of proposed rates. NOTE THAT FARMERS HAS NOT RECEIVED THE FINAL APPROVED TARIFF SHEETS AS A RESULT OF THE PASS-THROUGH AND THAT THE ENCLOSED TARIFF SHEETS DO NOT CONTAIN SIGNATURES.

	<u>Present</u>	<u>Proposed</u>
Class 1 - Residential		
Schedule R:		
Minimum Bill	\$8.02 or Contract	\$8.56 or Contract
First 50 kWh	0.16049 / kWh	0.17115 / kWh
Remaining kWh	0.07440 / kWh	0.08506 / kWh
Schedule RM (ETS):		
Minimum Bill	None	None
All kWh	0.04464 / kWh	0.05104 / kWh
Class 4 – Small Commercial & Industrial (Below 50 kW)		
Schedule C – Section 1:		
Minimum Bill	\$8.02 or Contract	\$8.56 or Contract
First 50 kWh	0.16049 / kWh	0.17115 / kWh
Remaining kWh	0.07789 / kWh	0.08855 / kWh
Schedule CM (ETS):		
Minimum Bill	None	None
All kWh	0.04673 / kWh	0.05313 / kWh

FOR ALL TERRITORY SERVED
Community, Town or City

P.S.C. KY. NO. 9

20th Revised SHEET NO. 1

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

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

19th Revised SHEET NO. 1

RATES AND CHARGES

SCHEDULE R – RESIDENTIAL SERVICE

APPLICABLE: In all territory served by the seller.

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

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

RATES PER MONTH:

First	50 kWh	@	\$0.16049	.17115
All Remaining	kWh	@	0.07440	.08506

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

DATE OF ISSUE March 26, 2009
Month / Date / Year

DATE EFFECTIVE Service Rendered Beginning April 1, 2009
Month / Date / Year

ISSUED BY _____
(Signature of Officer)

TITLE President & CEO

FOR ALL TERRITORY SERVED
Community, Town or City

P.S.C. KY. NO. 9

20th Revised SHEET NO. 2

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

19th Revised SHEET NO. 2

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

RATES AND CHARGES

SCHEDULE R – RESIDENTIAL SERVICE

8.56

MINIMUM CHARGES: The minimum monthly charge to consumers billed under the above rate shall be ~~\$8.02~~ for single-phase service. Payment of the minimum charge shall entitle the consumer to the use of the number of kWh corresponding to the minimum charge in accordance with the foregoing rate. The minimum monthly charge for three-phase service shall be \$0.75 per kVA of installed transformer capacity.

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

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TITLE President & CEO

FOR ALL TERRITORY SERVED
Community, Town or City

P.S.C. KY. NO. 9

20th Revised SHEET NO. 3

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

19th Revised SHEET NO. 3

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

RATES AND CHARGES

SCHEDULE C – COMMERCIAL & INDUSTRIAL SERVICE

APPLICABLE: In all territory served by the seller.

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

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

RATES PER MONTH

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

Kilowatt Demand Charge: None

First	50 kWh	@	-\$0.16049 per kWh	.17115
All Remaining	kWh	@	-0.07789 per kWh	.08855

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

Kilowatt Demand Charge: \$5.43 per kW

Energy Charge:

All	kWh@	-\$0.06097 per kWh	.07163
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TITLE President & CEO

FOR ALL TERRITORY SERVED
Community, Town or City

P.S.C. KY. NO. 9

19th Revised SHEET NO. 4

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

18th Revised SHEET NO. 4

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

RATES AND CHARGES

SCHEDULE C – COMMERCIAL & INDUSTRIAL SERVICE

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

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

8.56
MINIMUM MONTHLY CHARGE: The minimum monthly charge under the above rates shall be ~~\$8.02~~ for single-phase service. Payment of the minimum charge shall entitle the consumer to the use of the number of kilowatt hours corresponding to the minimum charge in accordance with the foregoing rate.

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

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TITLE President & CEO

FOR ALL TERRITORY SERVED
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P.S.C. KY. NO. 9

20th Revised SHEET NO. 6

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

19th Revised SHEET NO. 6

FARMERS RURAL ELECTRIC
COOPERATIVE CORPORATION
(Name of Utility)

RATES AND CHARGES

SCHEDULE OL – OUTDOOR LIGHTING SERVICE

APPLICABLE: In all territory served by the seller.

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

RATE PER FIXTURE:

<u>Type of Lamp</u>	<u>Watts</u>	<u>Monthly kWh Usage</u>	<u>Monthly Charge Per Lamp</u>
Mercury Vapor	175	70	\$7.49 8.24
Mercury Vapor	250	98	8.53 9.57
Mercury Vapor	400	156	12.95 14.61
Mercury Vapor	1000	378	22.62 26.65
Sodium Vapor	100	42	7.84 8.29
Sodium Vapor	150	63	9.10 9.77
Sodium Vapor	250	105	12.32 13.44
Sodium Vapor	400	165	15.81 17.57
Sodium Vapor	1000	385	34.19 38.29

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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FOR ALL TERRITORY SERVED
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P.S.C. KY. NO. 9

11th Revised SHEET NO. 6L

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

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

10th Revised SHEET NO. 6L

RATES AND CHARGES

SCHEDULE SL – STREET LIGHTING SERVICE

APPLICABLE: In all territory served by the Cooperative.

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

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

MONTHLY RATE:

.06013

Energy Charge: The monthly energy charge for each type of lamp shall be ~~\$0.04947~~ per rated kWh per month as determined from Table I below:

TABLE I

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

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

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FOR ALL TERRITORY SERVED
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P.S.C. KY. NO. 9

16th Revised SHEET NO. 6N

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

15th Revised SHEET NO. 6N

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

RATES AND CHARGES

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

APPLICABLE: In all territory served by the seller.

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

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

RATES PER MONTH

Kilowatt Demand Charge: \$5.44 per kW

Energy Charge:

All kWh @ ^{.07163}
~~-\$0.06097~~ per kWh

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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TITLE President & CEO

FOR ALL TERRITORY SERVED
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P.S.C. KY. NO. 9

13th Revised SHEET NO. 6Q

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

12th Revised SHEET NO. 6Q

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

RATES AND CHARGES

SCHEDULE E -- LARGE INDUSTRIAL RATE

APPLICABLE: In all territory served by the seller.

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

MONTHLY RATE:

Consumer Charge:	\$589.93 per Month	
Demand Charge:	5.94 per kW	
Energy Charge:	0.04569 per kWh	.05635

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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TITLE President & CEO

FOR ALL TERRITORY SERVED
Community, Town or City

P.S.C. KY. NO. 9

14th Revised SHEET NO. 6T

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

13th Revised SHEET NO. 6T

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

RATES AND CHARGES

SCHEDULE RM - RESIDENTIAL OFF-PEAK MARKETING

APPLICABLE: In all territory served by the seller.

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

RATES:

Energy Charge: .05104
~~-\$0.04464~~ per kWh

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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TITLE President & CEO

FOR ALL TERRITORY SERVED
Community, Town or City

P.S.C. KY. NO. 9

14th Revised SHEET NO. 6V

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

13th Revised SHEET NO. 6V

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

RATES AND CHARGES

SCHEDULE CM – SMALL COMMERCIAL OFF-PEAK MARKETING

APPLICABLE: In all territory served by the seller.

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

RATES:

Energy Charge: .05313
~~-\$0.04673~~ per kWh

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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