



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

May 27, 2010

Mr. Jeff Derouen  
Executive Director  
Public Service Commission  
211 Sower Boulevard  
Frankfort, KY 40602

RECEIVED

MAY 27 2010

PUBLIC SERVICE  
COMMISSION

Re: Farmers Rural Electric Cooperative Corporation Pass-Through of East Kentucky Power Cooperative, Inc. Wholesale Rate Adjustment- PSC Case No. 2010-00172

Dear Mr. Derouen:

Please find enclosed for filing with the Commission an original and 5 copies of Farmers Rural Electric Cooperative Corporation's ("Farmers") Filing for Pass-Through of East Kentucky Power Cooperative, Inc. ("EKPC") Wholesale Rate Adjustment in Case No. 2010-00167. This filing includes the following information as required by 807 KAR 5:007:

1. The full name and filing address of the filing cooperative is: [807 KAR 5:007, Sections 1(2) and 2(2)]  
Farmers Rural Electric Cooperative Corporation  
504 South Broadway  
Glasgow, Kentucky 42141
2. Farmers' Proposed Tariffs reflecting the new rates specifying an effective date of July 1, 2010, the effective date of EKPC's wholesale rate change are attached as Exhibit 1. [807 KAR 5:007, Section 2(1)]
3. This filing is pursuant to the provisions of KRS 278.455(2). [807 KAR 5:007, Sections 1(3) and 2(2)]
4. A comparison of the current and proposed rates of Farmers is attached as Exhibit 2. [807 KAR 5:007, Sections 1(4) and 2(2)]

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

A Touchstone Energy® Cooperative The logo for Touchstone Energy, featuring a stylized sun or starburst design.

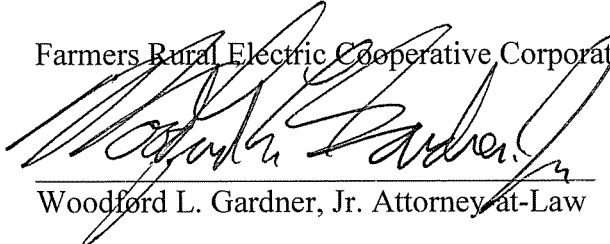
Mr. Jeff Derouen  
May 27, 2010  
Page 2

5. Attached as Exhibit 3 is a billing analysis which shows the existing and proposed rates for each rate class. Farmers hereby states that the effects of the increase in rates from its wholesale supplier, EKPC, are being passed through to its retail tariffs on a proportional basis and that the rate design structure proposed for each retail rate schedule does not change the rate design currently in effect. [807 KAR 5:007, Sections 1(5)(a), 1(5)(b), and 2(2)]
6. A certification that one complete copy of this filing has been filed with the Office of Rate Intervention, Office of the Attorney General, is attached as Exhibit 4. [807 KAR 5:007, Sections 1(6) and 2(2)]
7. Notice of the proposed rate change has been given, not more than thirty (30) days prior to May 27, 2010, by publication in a newspaper of general circulation in the affected area of Farmers. A copy of this notice is attached as Exhibit 5. [807 KAR 5:007, Sections 1(7)(b), 1(8), and 2(2)]
8. The notice attached as Exhibit 5 contains the required information pursuant to 807 KAR 5:007, Section 3.

Farmers hereby requests that the Commission accept this filing and allow the pass-through to its retail rates of the wholesale rate adjustment granted to EKPC as of the effective date of such adjustment.

Respectfully submitted,

Farmers Rural Electric Cooperative Corporation



Woodford L. Gardner, Jr. Attorney at-Law



FOR ALL TERRITORY SERVED  
Community, Town or CityP.S.C. KY. NO. 923rd Revised SHEET NO. 1**FARMERS RURAL ELECTRIC  
COOPERATIVE CORPORATION**

(Name of Utility)

CANCELLING P.S.C. KY. NO. 922nd Revised SHEET NO. 1

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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		\$9.40	(I)
All kWh	@	\$0.09624 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.DATE OF ISSUE: May 27, 2010DATE EFFECTIVE: Service rendered on and after July 1, 2010ISSUED BY: \_\_\_\_\_  
TITLE: President & Chief Executive OfficerIssued by authority of an Order of the Public Service Commission of Kentucky  
in Case No. 2010-00172 Dated: \_\_\_\_\_

FOR ALL TERRITORY SERVED  
Community, Town or City

P.S.C. KY. NO. 9

17th Revised SHEET NO. 6T

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

16th 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: \$0.05774 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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FOR ALL TERRITORY SERVED  
Community, Town or City

P.S.C. KY. NO. 9

23<sup>rd</sup> Revised SHEET NO. 3

**FARMERS RURAL ELECTRIC  
COOPERATIVE CORPORATION**

(Name of Utility)

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

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

**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

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

Kilowatt Demand Charge:	None		
Customer Charge		\$11.49	(I)
All kWh	@	\$ 0.09150 per kWh	(I)

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

Kilowatt Demand Charge:		\$ 7.17 per kW	(I)
Customer Charge		\$52.25	(I)
Energy Charge:			
All	kWh@	\$0.07228 per kWh	(I)

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FOR ALL TERRITORY SERVED  
Community, Town or City

P.S.C. KY. NO. 9

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

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

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

16<sup>th</sup> Revised SHEET NO. 6V

**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: \$0.05490 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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TITLE: President & Chief Executive Officer

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FOR ALL TERRITORY SERVED  
Community, Town or City

P.S.C. KY. NO. 9

23<sup>rd</sup> Revised SHEET NO. 6

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

22<sup>nd</sup> 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:

Type of Lamp	Watts	Monthly kWh Usage	Monthly Charge Per Lamp	
Mercury Vapor	175	70	\$ 9.71	(I)
Mercury Vapor	175 Watt, shared	70	3.76	(I)
Mercury Vapor	250	98	11.25	(I)
Mercury Vapor	400	156	17.17	(I)
Mercury Vapor	1000	378	31.17	(I)
Sodium Vapor	100	42	9.81	(I)
Sodium Vapor	150	63	11.55	(I)
Sodium Vapor	250	105	15.85	(I)
Sodium Vapor	400	165	20.68	(I)
Sodium Vapor	1000	385	45.02	(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:

- Outdoor lighting, including lamps, fixture, other necessary facilities and electric energy, will be furnished by the Cooperative.
- Above service is limited to one existing wood pole per fixture.
- Lamp replacements will be furnished and made by the Cooperative except in cases of vandalism or willful destruction.
- 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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TITLE: President & Chief Executive Officer

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in Case No. 2010-00172 Dated: \_\_\_\_\_



FOR ALL TERRITORY SERVED  
Community, Town or City

P.S.C. KY. NO. 9

13<sup>th</sup> Revised SHEET NO. 6L

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

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

12<sup>th</sup> 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:

Energy Charge: The monthly energy charge for each type of lamp shall be \$0.06283 per rated kWh per month as determined from Table I below: (I)

TABLE I

<u>Type of Lamp</u>	<u>Lamp Size Watts</u>	<u>Lumens</u>	<u>Rated kWh</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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TITLE: President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2010-00172 Dated: \_\_\_\_\_

FOR ALL TERRITORY SERVED  
Community, Town or City

P.S.C. KY. NO. 9

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

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

18<sup>th</sup> 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

Customer Charge	\$52.25	(I)
Kilowatt Demand Charge:	\$7.17 per kW	(I)
Energy Charge:		
All kWh	\$0.07228 per kWh	(I)

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.

DATE OF ISSUE: May 27, 2010

DATE EFFECTIVE: Service rendered on and after July 1, 2010

ISSUED BY: \_\_\_\_\_  
TITLE: President & Chief Executive Officer

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in Case No. 2010-00172 Dated: \_\_\_\_\_

FOR ALL TERRITORY SERVED  
Community, Town or City

P.S.C. KY. NO. 9

15th Revised SHEET NO. 6Q

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

14th 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:

Customer Charge:	\$1,149.39 per Month	(I)
Demand Charge:	\$7.17 per kW	(I)
Energy Charge:	\$0.05869 per kWh	(I)

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 & Chief Executive Officer

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in Case No. 2010-00172 Dated: \_\_\_\_\_



**EXHIBIT 2**  
**Page 1 of 1**

The present and proposed rates structures of Farmers RECC are listed below:

	<u>Rate Class</u>	<u>Existing Rates</u>	<u>Proposed Rates</u>
R	Schedule R – Residential Service		
	Customer Charge per Month	\$9.00	\$9.40
	Energy kWh per Month	\$0.09210	\$0.09624
RM	Off-Peak Retail Marketing Rate		
	Energy – All kWh	\$0.05526	\$0.05774
C-1	Commercial & Industrial – Demand Less Than 50 kW		
	Customer Charge per Month	\$11.00	\$11.49
	Energy Charge per kWh	\$0.08757	\$0.09150
C-2	Commercial & Industrial – Demand 50 kW or Above		
	Customer Charge per Month	\$50.00	\$52.25
	Demand Charge per kW	\$6.86	\$7.17
	Energy Charge per kWh	\$0.06917	\$0.07228
CM	Commercial Off-Peak Retail Marketing Rate		
	Energy – All kWh	\$0.05254	\$0.05490
OL	Outdoor Lighting Service		
	Mercury Vapor 175 Watts	\$9.29	\$9.71
	Mercury Vapor 175 Watts, Shared	\$3.60	\$3.76
	Mercury Vapor 250 Watts	\$10.77	\$11.25
	Mercury Vapor 400 Watts	\$16.43	\$17.17
	Mercury Vapor 1,000 Watts	\$29.83	\$31.17
	Sodium Vapor 100 Watts	\$9.39	\$9.81
	Sodium Vapor 150 Watts	\$11.05	\$11.55
	Sodium Vapor 250 Watts	\$15.17	\$15.85
	Sodium Vapor 400 Watts	\$19.79	\$20.68
	Sodium Vapor 1,000 Watts	\$43.09	\$45.02
SL	Street Lighting Service		
	Energy Service per Rated kWh	\$0.06013	\$0.06283
D	Schedule D - Large Commercial/Industrial Service		
	Customer Charge	\$50.00	\$52.25
	Demand Charge per kW	\$6.86	\$7.17
	Energy Charge per kWh	\$0.06917	\$0.07228
E	Schedule E - Large Industrial Rate		
	Customer Charge / Mo	\$1,100	\$1,149.39
	Demand Charge per kW	\$6.86	\$7.17
	Energy Charge / kWh	\$0.05617	\$0.05869



Farmers Rural Electric Cooperative Corporation  
Billing Analysis  
for the 12 months ended December 31, 2009

	Existing Total \$	% to Total	Proposed Total \$	% to Total	\$ Increase	% Increase
Schedule R - Residential Service	\$ 31,486,391	67.95%	\$ 32,900,482	67.95%	\$ 1,414,091	4.49%
Schedule RM - Residential Off-Peak Marketing	103,179	0.22%	107,809	0.22%	4,631	4.49%
Schedule C Section 1 - Commercial & Industrial Service Less than 50 kW	2,763,878	5.96%	2,887,842	5.96%	123,964	4.49%
Schedule CM - Small Commercial Off-Peak Marketing	542	0.00%	566	0.00%	24	4.49%
Schedule C Section 2 - Commercial & Industrial Service 50 kW or Above	3,954,988	8.54%	4,133,034	8.54%	178,046	4.50%
Schedule C Section 2a - Commercial & Industrial Service 50 kW or Above	4,346,314	9.38%	4,541,945	9.38%	195,631	4.50%
Schedule E - Large Industrial Rate	2,716,472	5.86%	2,838,529	5.86%	122,057	4.49%
Schedule SL - Street Lighting Service	26,640	0.06%	27,836	0.06%	1,196	4.49%
Schedule OL - Outdoor Lighting Service	938,608	2.03%	980,996	2.03%	42,389	4.52%
<b>Total Base Rates</b>	<b>46,337,012</b>	<b>100.00%</b>	<b>48,419,041</b>	<b>100.00%</b>	<b>2,082,030</b>	<b>4.49%</b>
FAC & ES	3,867,211		3,867,211			
<b>Total Including FAC and ES</b>	<b>\$ 50,204,223</b>		<b>\$ 52,286,252</b>		<b>\$ 2,082,030</b>	<b>4.15%</b>
					<u>Farmers portion of EKPC's Wholesale Rate Increase</u>	<u>2,083,152</u>
					Over (Under) Recovery due to Rounding	\$ (1,122)

Note: In order to appropriately match retail rates to the forecasted test year used for wholesale rates, an escalation factor was applied to each member system's 2009 actual billing determinants. The escalation factors used in this proceeding were an outcome of preliminary load forecast projections.

**Farmers Rural Electric Cooperative  
Billing Analysis  
for the 12 months ended December 31, 2009**

**Schedule R  
Residential Service**

	Existing		Existing				Proposed				\$ Increase	% Increase
	Actual Billing Data	Escalation %	Billing Units Escalated	Current Rate	Annualized Revenues	% Total Rate Class	Billing Determinants	Proposed Rate	Annualized Revenues	% Total Rate Class		
Total Annual Invoices - Incl Min Bills	272,133	1.38%	275,888	\$9.00	\$2,482,992	7.89%	275,888	\$9.40	\$2,593,347	7.88%	\$110,355	4.44%
Energy charge per kWh All kWh	300,030,531	4.96%	314,912,045	\$0.09210	29,003,399	92.11%	314,912,045	\$0.09624	30,307,135	92.12%	1,303,736	4.50%
Total from base rates					<u>31,486,391</u>	100.00%			<u>32,900,482</u>	100.00%	<u>1,414,091</u>	4.49%
Fuel adjustment					788,052				788,052			
Environmental surcharge					<u>1,906,743</u>				<u>1,906,743</u>			
Total revenues					<u>\$34,181,186</u>				<u>\$35,595,277</u>		<u>\$1,414,091</u>	4.14%
Average Bill					\$123.90				\$129.02		\$5.13	4.14%

**Schedule RM  
Residential Off-Peak Marketing**

	Existing		Existing				Proposed				\$ Increase	% Increase
	Actual Billing Data	Escalation %	Billing Units Escalated	Current Rate	Annualized Revenues	% Total Rate Class	Billing Determinants	Proposed Rate	Annualized Revenues	% Total Rate Class		
Customer Bills	3,298	1.38%	3,344	\$ -	-	0.00%	3,344	\$ -	\$ -	0.00%	\$ -	
Energy charge per kWh	1,778,919	4.96%	1,867,153	\$0.05526	103,179	100.00%	1,867,153	\$0.05774	107,809	100.00%	4,631	4.49%
Total from base rates					<u>103,179</u>	100.00%			<u>107,809</u>	100.00%	<u>4,631</u>	4.49%
Fuel adjustment					7,134				7,134			
Environmental surcharge					<u>5,780</u>				<u>5,780</u>			
Total revenues					<u>\$ 116,093</u>				<u>\$ 120,723</u>		<u>\$ 4,631</u>	3.99%
Average Bill					\$ 34.72				\$ 36.10		\$ 1.38	3.99%



**Farmers Rural Electric Cooperative  
Billing Analysis  
for the 12 months ended December 31, 2009**

**Schedule C Section 1  
Commercial & Industrial Less than 50 kW**

	Actual Billing Data	Escalation %	Existing				Proposed				\$ Increase	% Increase
			Billing Units Escalated	Current Rate	Annualized Revenues	% Total Rate Class	Billing Determinants	Proposed Rate	Annualized Revenues	% Total Rate Class		
Total Customer Bills - Incl Min Bill	19,837	2.00%	20,234	\$ 11.00	\$ 222,574	8.05%	20,234	\$ 11.49	\$ 232,489	8.05%	\$ 9,915	4.45%
Energy Charge												
First 50 kWh kW	28,577,312	1.55%	29,020,260	\$ 0.08757	2,541,304	91.95%	29,020,260	\$ 0.09150	2,655,354	91.95%	114,050	4.49%
Total Baseload Charges					<u>2,763,878</u>	100.00%			<u>2,887,842</u>	100.00%	<u>123,964</u>	4.49%
Fuel adjustment					70,688				70,688			
Environmental surcharge					<u>184,018</u>				<u>184,018</u>			
Total revenues					<u>\$ 3,018,584</u>				<u>\$ 3,142,548</u>		<u>\$ 123,964</u>	4.11%
Average Bill					\$ 149.18				\$ 155.31		\$ 6.13	4.11%

**Schedule CM  
Small Commercial Off-Peak Marketing  
Rate 8**

	Existing Billing Data	Escalation %	Existing				Proposed				\$ Increase	% Increase
			Billing Units Escalated	Current Rate	Annualized Revenues	% Total Rate Class	Billing Determinants	Proposed Rate	Annualized Revenues	% Total Rate Class		
Number of Bills	12	2.00%	12	\$ -	\$ -	0.00%	12	\$ -	\$ -	0.00%	\$ -	
Energy Charge	10,160	1.55%	10,317	\$0.05254	542	100.00%	10,317	\$0.05490	566	100.00%	24	4.49%
Total Baseload Charges					<u>542</u>	100.00%			<u>566</u>	100.00%	<u>24</u>	4.49%
Fuel adjustment					41				41			
Environmental surcharge					<u>32</u>				<u>32</u>			
Total revenues					<u>\$ 614</u>				<u>\$ 639</u>		<u>\$ 24</u>	3.96%
Average Bill					\$ 51.19				\$ 53.22		\$ 2.03	3.96%

**Farmers Rural Electric Cooperative  
Billing Analysis  
for the 12 months ended December 31, 2009**

**Schedule C Section 2  
Commercial & Industrial Service 50 kW and Over  
Rate 5**

	Existing		Existing				Proposed				\$ Increase	% Increase
	Actual Billing Data	Escalation %	Billing Units Escalated	Current Rate	Annualized Revenues	% Total Rate Class	Billing Determinants	Proposed Rate	Annualized Revenues	% Total Rate Class		
Customer Charge	1,096	2.00%	1,118	\$ 50.00	\$ 55,900	1.41%	1,118	\$ 52.25	\$ 58,416	1.41%	\$ 2,516	4.50%
Demand Charge	141,641	0.00%	141,641	6.86	971,657	24.57%	141,641	7.17	1,015,566	24.57%	43,909	4.52%
Energy charge per kWh	41,676,272	1.55%	42,322,254	0.06917	2,927,430	74.02%	42,322,254	0.07228	3,059,053	74.01%	131,622	4.50%
Total from base rates					<u>3,954,988</u>	100.00%			<u>4,133,034</u>	100.00%	<u>178,046</u>	4.50%
Fuel adjustment					61,174				61,174			
Environmental surcharge					<u>253,221</u>				<u>253,221</u>			
Total revenues					<u>\$ 4,269,383</u>				<u>\$ 4,447,429</u>		<u>\$ 178,046</u>	4.17%
Average Bill					\$ 3,818.77				\$ 3,978.02		\$ 159.25	4.17%

**Schedule D - Large Commercial / Industrial  
Commercial & Industrial Service 50 kW or Above  
Rate 9**

	Existing		Existing				Proposed				\$ Increase	% Increase
	Actual Billing Data	Escalation %	Billing Units Escalated	Current Rate	Annualized Revenues	% Total Rate Class	Billing Determinants	Proposed Rate	Annualized Revenues	% Total Rate Class		
Customer Charge	61	2.00%	62	\$ 50.00	\$ 3,100	0.07%	62	\$ 52.25	\$ 3,240	0.07%	\$ 140	4.50%
Demand Charge	136,397	0.00%	136,397	6.86	935,683	21.53%	136,397	7.17	977,966	21.53%	42,283	4.52%
Energy Charge	48,511,200	1.55%	49,263,124	0.06917	3,407,530	78.40%	49,263,124	0.07228	3,560,739	78.40%	153,208	4.50%
Total Baseload Charges					<u>4,346,314</u>	100.00%			<u>4,541,945</u>	100.00%	<u>195,631</u>	4.50%
Fuel adjustment					40,420				40,420			
Environmental surcharge					<u>256,173</u>				<u>256,173</u>			
Total Revenues					<u>\$ 4,642,907</u>				<u>\$ 4,838,538</u>		<u>\$ 195,631</u>	4.21%
Average Bill					\$ 74,885.59				\$ 78,040.93		\$ 3,155.34	4.21%

**Farmers Rural Electric Cooperative  
Billing Analysis  
for the 12 months ended December 31, 2009**

**Schedule E  
Large Industrial Rate  
Rate 10**

	Existing		Existing				Proposed				\$ Increase	% Increase
	Actual Billing Data	Escalation %	Billing Units Escalated	Current Rate	Annualized Revenues	% Total Rate Class	Billing Determinants	Proposed Rate	Annualized Revenues	% Total Rate Class		
Customer Charge	20	0.00%	20	\$ 1,100.00	\$ 22,000	0.81%	20	\$ 1,149.39	\$ 22,988	0.81%	\$ 988	4.49%
Demand Charge	83,720	-1.16%	82,749	6.86	567,658	20.90%	82,749	7.17	593,310	20.90%	25,652	4.52%
Energy Charge Per kWh	39,412,800	-3.93%	37,863,877	0.05617	2,126,814	78.29%	37,863,877	0.05869	2,222,231	78.29%	95,417	4.49%
Total Baseload Charges					<u>2,716,472</u>	100.00%			<u>2,838,529</u>	100.00%	<u>122,057</u>	<u>4.49%</u>
Fuel adjustment					109,147				109,147		-	
Environmental surcharge					<u>179,141</u>				<u>179,141</u>		-	
Total Revenues					<u>\$ 3,004,760</u>				<u>\$ 3,126,817</u>		<u>\$ 122,057</u>	<u>4.06%</u>
Average Bill					\$ 150,237.98				\$ 156,341		\$ 6,102.85	4.06%

**Schedule SL  
Street Lighting Service  
Rate 6**

	Actual Billing Data	Escalation %	Existing				Proposed				\$ Increase	% Increase
			Billing Determinants	Current Rate	Annualized Revenues	% Total Rate Class	Billing Determinants	Proposed Rate	Annualized Revenues	% Total Rate Class		
Customer Charge	84	0.00%	84		\$ -		84	\$ -	\$ -		\$ -	
Energy Charge Per kWh	443,044	0.00%	443,044	\$ 0.06013	26,640	100.00%	443,044	\$ 0.06283	27,836	100.00%	1,196	4.49%
Total Baseload Charges					<u>26,640</u>	100.00%			<u>27,836</u>	100.00%	<u>1,196</u>	<u>4.49%</u>
Fuel adjustment					1,825				1,825		-	0.00%
Environmental surcharge					<u>3,624</u>				<u>3,624</u>		-	0.00%
Total Revenues					<u>\$ 32,090</u>				<u>\$ 33,286</u>		<u>1,196</u>	<u>3.73%</u>
Average Bill					\$ 382.02				\$ 396.26		\$ 14.24	3.73%

Farmers Rural Electric Cooperative Corporation  
Billing Analysis  
for the 12 months ended December 31, 2009

Schedule OL - Outdoor Lighting Service (including Outdoor Lighting billing to Schedules R and C - Sections 1 and 2)

		Existing				% to Total	kWh	Proposed			% to Total	\$ Increase	% Increase
Schedule OL - Outdoor Lighting Service		Billing Determinants	Current Rate	Annualized Revenues	Billing Determinant			Rate	Annualized Revenues				
OL	Mercury Vapor 175 Watt	70	85,911	\$ 9.29	\$ 798,113	85.03%	6,013,770	85,911	\$ 9.71	\$ 834,196	85.04%	\$ 36,083	4.52%
OL	Mercury Vapor 175 Watt (shared)	23	664	3.60	2,390	0.25%	15,272	664	3.76	2,497	0.25%	106.24	4.44%
OL	Mercury Vapor 250 Watt	98	908	10.77	9,779	1.04%	88,984	908	11.25	10,215	1.04%	435.84	4.46%
OL	Mercury Vapor 400 Watt	156	1,830	16.43	30,067	3.20%	285,480	1,830	17.17	31,421	3.20%	1,354.20	4.50%
OL	Mercury Vapor 1000 Watt	378	0	29.83	-	0.00%	-	0	31.17	-	0.00%	-	0.00%
OL	Sodium Vapor 100 Watt	42	3,730	9.39	35,025	3.73%	156,660	3,730	9.81	36,591	3.73%	1,566.60	4.47%
OL	Sodium Vapor 150 Watt	63	141	11.05	1,558	0.17%	8,883	141	11.55	1,629	0.17%	70.50	4.52%
OL	Sodium Vapor 250 Watt	105	392	15.17	5,947	0.63%	41,160	392	15.85	6,213	0.63%	266.56	4.48%
OL	Sodium Vapor 400 Watt	165	2,816	19.79	55,729	5.94%	464,640	2,816	20.68	58,235	5.94%	2,506.24	4.50%
OL	Sodium Vapor 1000 Watt	385		43.09	-	0.00%	-	0	45.02	-	0.00%	-	
<b>Total Base Rates</b>		<b>96,392</b>	<b>\$ 938,608</b>	<b>100.00%</b>			<b>7,074,849</b>	<b>96,392</b>	<b>\$ 980,996</b>	<b>100.00%</b>		<b>\$ 42,389</b>	<b>4.52%</b>
<b>Average Bill</b>			<b>\$ 9.74</b>						<b>\$ 10.18</b>			<b>0.44</b>	<b>4.52%</b>
* Includes Adjustment													
OL	Mercury Vapor 175 Watt		\$ 9.29					\$ 9.71				\$ 0.42	4.52%
OL	Mercury Vapor 175 Watt (shared)		3.60					3.76				0.16	4.44%
OL	Mercury Vapor 250 Watt		10.77					11.25				0.48	4.46%
OL	Mercury Vapor 400 Watt		16.43					17.17				0.74	4.50%
OL	Mercury Vapor 1000 Watt		29.83					31.17				1.34	4.49%
OL	Sodium Vapor 100 Watt		9.39					9.81				0.42	4.47%
OL	Sodium Vapor 150 Watt		11.05					11.55				0.50	4.52%
OL	Sodium Vapor 250 Watt		15.17					15.85				0.68	4.48%
OL	Sodium Vapor 400 Watt		19.79					20.68				0.89	4.50%
OL	Sodium Vapor 1000 Watt		\$ 43.09					\$ 45.02				\$ 1.93	4.48%



FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION

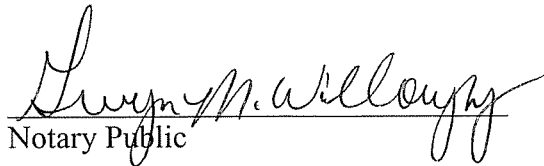
CASE NO. 2010-00172

I, Ann F. Wood, hereby certify that one complete copy of the materials filed with the Kentucky Public Service Commission has been sent to the Office of Rate Intervention, Office of the Attorney General.



Ann F. Wood  
East Kentucky Power Cooperative, Inc.

Subscribed and sworn before me on this 27th day of May, 2010.



Notary Public

MY COMMISSION EXPIRES NOVEMBER 30, 2013  
NOTARY ID #409352



**NOTICE OF PROPOSED RATE CHANGE**

In accordance with the requirements of the Public Service Commission of the Commonwealth of Kentucky as set forth in 807 KAR 5:007, Section 3, of the Rules and Regulations of the Public Service Commission, notice is hereby given to the member consumers of Farmers Rural Electric Cooperative Corporation of a proposed rate adjustment. An Application for Approval of Adjustment to Rates will be filed with the Public Service Commission on May 27, 2010, Case No. 2010-00172. The rates are being revised to reflect a change in wholesale rates pursuant to KRS 278.455(2). This adjustment will result in a general rate increase to the member-consumers of Farmers Rural Electric Cooperative Corporation. The amount and percent of increase by rate class are listed below.

<u>Rate Class</u>	<u>Increase</u>	<u>Increase</u>
Sch R – Residential Service	\$1,414,091	4.14%
Sch RM – Residential Off-peak Marketing	\$4,631	3.99%
Sch C – Commercial & Industrial Section 1	\$123,964	4.11%
Sch C – Commercial & Industrial Section 2	\$178,046	4.17%
Sch D – Large Commercial / Industrial	\$195,631	4.21%
Sch E – Large Industrial Rate	\$122,057	4.06%
Sch SL – Street Lighting	\$1,196	3.73%
Sch OL – Outdoor Lighting Service	\$42,389	4.52%
Sch CM – Small Commercial Off – Peak Marketing	\$24	3.96%

The effects of the proposed rates on the average monthly bill by rate class are listed below:

<u>Rate Class</u>	<u>\$ Increase</u>	<u>% Increase</u>
Sch R – Residential Service	\$5.13	4.14%
Sch RM – Residential Off-peak Marketing	\$1.38	3.99%
Sch C – Commercial & Industrial Section 1	\$6.13	4.11%
Sch C – Commercial & Industrial Section 2	\$159.25	4.17%
Sch D – Large Commercial / Industrial	\$3,155.34	4.21%
Sch E – Large Industrial Rate	\$6,102.85	4.06%
Sch SL – Street Lighting	\$14.24	3.73%
Sch OL – Outdoor Lighting Service	\$0.44	4.52%
Sch CM – Small Commercial Off – Peak Marketing	\$2.03	3.96%



The present and proposed rates structures of Farmers Rural Electric Cooperative Corporation are listed below:

<u>Rate Class</u>	<u>Present</u>	<u>Proposed</u>
Schedule R – Residential Service		
Customer Charge per Month	\$9.00	\$9.40
Energy kWh per Month	\$0.09210	\$0.09624
Schedule C: Commercial & Industrial Service		
For Consumers With Less Than 50 kW		
Customer Charge per Month	\$11.00	\$11.49
Energy Charge per kWh	\$0.08757	\$0.09150
For Consumers With 50 kW or More		
Customer Charge per Month	\$50.00	\$52.25
Demand Charge per kW	\$6.86	\$7.17
Energy Charge per kWh	\$0.06917	\$0.07228
Schedule OL – Outdoor Lighting Service		
Mercury Vapor 175 Watts	\$9.29	\$9.71
Mercury Vapor 175 Watts, Shared	\$3.60	\$3.76
Mercury Vapor 250 Watts	\$10.77	\$11.25
Mercury Vapor 400 Watts	\$16.43	\$17.17
Mercury Vapor 1000 Watts	\$29.83	\$31.17
Sodium Vapor 100 Watts	\$9.39	\$9.81
Sodium Vapor 150 Watts	\$11.05	\$11.55
Sodium Vapor 250 Watts	\$15.17	\$15.85
Sodium Vapor 400 Watts	\$19.79	\$20.68
Sodium Vapor 1000 Watts	\$43.09	\$45.02
Schedule SL – Street Lighting Service		
Energy Charge per Rated kWh	\$0.06013	\$0.06283
Schedule D – Large Commercial/ Industrial Optional		
Customer Charge	\$50.00	\$52.25
Demand Charge per kW	\$6.86	\$7.17
Energy Charge / kWh	\$0.06917	\$0.07228
Schedule E – Large Industrial Rate		
Customer Charge / Month	\$1,100.00	\$1,149.39
Demand Charge / kW	\$6.86	\$7.17
Energy Charge / kWh	\$0.05617	\$0.05869
Schedule RM – Residential Off-Peak Marketing		
Energy Charge / kWh	\$0.05526	\$0.05774
Schedule CM – Small Commercial Off-Peak Marketing		
Energy Charge / kWh	\$0.05254	\$0.05490

The rates contained in this notice are the rates proposed by Farmers Rural Electric Cooperative Corporation. However, the Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice. Such actions may result in rates for consumers other than the rates in this notice.

Any person may examine the rate application at the main office of Farmers Rural Electric Cooperative Corporation at the following address:

Farmers Rural Electric Cooperative Corporation  
504 South Broadway  
Glasgow, KY 42141  
(270) 651-2191

Any person may also examine the rate application at the office of the Public Service Commission, 211 Sower Boulevard, Frankfort, Kentucky.