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JUN 10 2014

PUBLIC SERVICE  
COMMISSION

P. O. BOX 100

CAMPBELLSVILLE, KENTUCKY 42719

(270) 465-4101 • Fax (270) 789-3625

(800) 931-4551

June 6, 2014

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

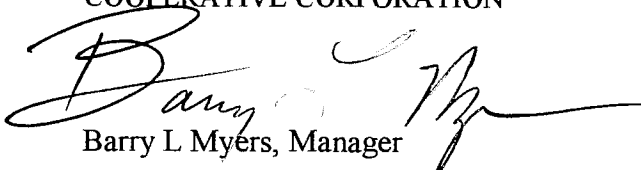
RE: Application of Taylor County RECC for Approval of an  
Economic Development Rider

Dear Mr. Derouen:

Enclosed for filing, are an original and ten (10) copies of the Application of Taylor County RECC for Approval of an Economic Development Rider. This application should be considered in conjunction with a similar application filed by East Kentucky Power in Case Number 2014-0034.

Sincerely,

TAYLOR COUNTY RURAL ELECTRIC  
COOPERATIVE CORPORATION



Barry L Myers, Manager

Enclosures

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

JUN 10 2014

PUBLIC SERVICE  
COMMISSION

In the Matter of:

THE APPLICATION OF TAYLOR COUNTY )  
RURAL ELECTRIC COOPERATIVE )  
CORPORATION FOR APPROVAL OF AN ) CASE NO.  
ECONOMIC DEVELOPMENT RIDER ) 2014-000

APPLICATION

Comes now Taylor County RECC ("Applicant"), by and through counsel, pursuant to 807 KAR 5:011, Section 6, and other applicable law, and for its Application requesting that the Kentucky Public Service Commission ("Commission") enter an Order authorizing and approving Applicant's new tariff sheet titled "Section EDR – Economic Development Rider" respectfully states as follows:

1. Taylor County RECC's mailing address is P. O. Box 100, Campbellsville, KY 42719.

2. A copy of Applicant's restated Articles of Incorporation and all amendments thereto were filed with the Commission in Case No. PSC Case No, 92-080, that being an application to increase rates.

3. On February 6, 2014, East Kentucky Power Cooperative, Inc. ("EKPC"), Taylor County RECC's wholesale power provider, filed its application seeking approval of an Economic Development Rider ("EDR") tariff.<sup>1</sup> As noted in EKPC's application, the proposed EDR tariff will be used and relied upon by those Member Systems who desire to implement a corresponding EDR tariff for their retail customers. The EKPC EDR tariff should be regarded as a tool offered by EKPC to its Member Systems to further advance their economic development efforts.

<sup>1</sup> See *In the Matter of the Application of East Kentucky Power Cooperative, Inc., for Approval of an Economic Development Rider*, Case No. 2014-00034.

4. Taylor County RECC has reviewed the proposed EKPC EDR tariff and has determined the adoption of a similar tariff would be beneficial, and would advance its economic development activities.

5. Taylor County RECC has reviewed EKPC's application and agrees with the reasoning expressed in support of the proposed EKPC EDR tariff and believes the same reasoning applies and supports Taylor County RECC's request for approval of its own EDR tariff.

6. Attached as Applicant's Exhibit 1 is a tariff sheet for Taylor County RECC's Section EDR – Economic Development Rider.


7. Attached as Applicant's Exhibit 2 is a copy of the resolution of Taylor County RECC's Board of Directors from the regular board meeting of March 6, 2014 which authorized Taylor County RECC to seek approval of the Section EDR – Economic Development Rider.

8. Attached as Applicant's Exhibit 3 is the notice by Taylor County RECC to its members pursuant to 807 KAR 5:011, Section 8(2) notifying them of the filing of this Application.

WHEREFORE, Applicant respectfully requests the Commission to approve the proposed Section EDR – Economic Development Rider tariff sheet.

Respectfully submitted,

SPRAGENS & HIGDON, P.S.C.  
Attorneys at Law  
15 Court Square - P. O. Box 681  
Lebanon, Kentucky 40033  
Telephone: (270) 692-3141  
Facsimile: (270) 692-6693  
Email: [rspragens@spragenshigdowlaw.com](mailto:rspragens@spragenshigdowlaw.com).

By   
ROBERT SPRAGENS, JR.  
Counsel for Taylor County Rural  
Electric Cooperative Corporation

Taylor County RECC

**Section EDR**

**Economic Development Rider**

**Applicability**

The EDR is available in all the service territory served by Taylor County RECC.

**Availability**

Available as a rider to qualifying Taylor County RECC non-residential customers to be served or being served under East Kentucky Power Cooperative, Inc.'s ("EKPC") Sections B, C, E, and G to encourage Economic Development as defined herein. Service under the EDR is conditional on approval of a special contract between EKPC, Taylor County RECC, and the qualifying non-residential customer for such economic development rate service filed with and approved by the Kentucky Public Service Commission ("Commission").

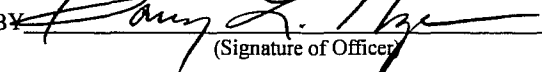
**Economic Development**

Service under EDR is available to:

- 1) New customers contracting for a minimum average monthly billing load of 500 kW over a 12 month period. If the new customer is locating in a Kentucky county that is identified by the Commonwealth of Kentucky as an "Enhanced Incentive County", then the minimum average monthly billing load will be 250 kW over a 12 month period.
- 2) Existing customers contracting for a minimum average monthly billing load increase of 500 kW over a 12 month period above their Economic Development Base Load ("ED Base Load"). If the existing customer is located in a Kentucky county that is identified by the Commonwealth of Kentucky as an "Enhanced Incentive County", then the minimum average monthly billing load increase will be 250 kW over a 12 month period. The ED Base load will be determined as follows:
  - a. The existing customer's ED Base Load will be determined by averaging the customer's previous three years' monthly billing loads. EKPC, Taylor County RECC, and the existing customer must agree upon the ED Base Load, and any adjustments to the ED Base Load must be mutually agreed to by the parties.
  - b. The ED Base Load shall be an explicit term of the special contract submitted to the Commission for approval before the customer can take service under the EDR. Once the ED Base Load's value is established, it will not be subject to variation or eligible for service under the EDR.
  - c. These provisions are not intended to reduce or diminish in any way EDR service already being provided to all or a portion of a customer's ED Base Load. Such EDR service would continue under the terms of the applicable special contract already existing between EKPC, Taylor County RECC, and the customer concerning the affected portion of the customer's ED Base Load.

DATE OF ISSUE June 6, 2014  
Month / Date / Year

DATE EFFECTIVE Service rendered on and after July 6, 2014  
Month / Date / Year

ISSUED BY   
(Signature of Officer)

TITLE Manager

Taylor County RECC

**Section EDR (con't.)**

- 3) A new or existing customer eligible for a minimum average monthly billing load between 250 kW and 500 kW may require a customer-specific meter installation. The cost of the customer-specific meter installation shall be recovered from the customer.
- 4) The new customer or existing customer must agree to maintain a minimum load factor of 60 percent during the majority of the months in the discount period, subject to the following parameters:
- During the first 12 months of the discount period the 60 percent minimum load factor requirement will be waived.
  - During the remaining months of the discount period, the load factor will be determined each month. The new or existing customer may fail to achieve the 60 percent minimum load factor for no more than 1/6<sup>th</sup> of the remaining months of the discount period.
  - Failure to maintain the 60 percent minimum load factor in any month beyond the period described in part 4(b) above will result in the suspension of the discount to the Total Demand Charge for that month. The discount to the Total Demand Charge will resume in the month the 60 percent minimum load factor is achieved; however the discount will resume at the discount rate applicable to the month of the discount period.
- 5) A customer desiring service under the EDR must submit an application for service that includes:
- A description of the new load to be served;
  - The number of new employees, if any, the customer anticipates employing associated with the new load; and
  - The capital investment the customer anticipates making associated with the EDR load.
- 6) Any EDR customer-specific fixed costs shall be recovered over the life of the special contract.
- 7) For purposes of this tariff, a new customer is defined as one who becomes a customer of Taylor County RECC on or after January 1, 2013.

DATE OF ISSUE June 6, 2014  
Month / Date / Year

DATE EFFECTIVE Service rendered on and after July 6, 2014  
Month / Date / Year

ISSUED BY   
(Signature of Officer)

TITLE Manager

Taylor County RECC

**Section EDR (con't.)**

**Rate**

The rate available under the EDR shall be in the form of a discount to the Total Demand Charge on the EKPC rate section applicable to the customer. The Total Demand Charge is the sum of all demand charges, including any credits provided under any other demand-related rider, before the EDR discounts as described below are applied. A customer taking service under the EDR shall be served according to all of the rates, terms, and conditions of the normally applicable rate schedule subject to the following discount options:

Discount Period	3 years	4 years	5 years
Required Minimum Contract Term	6 years	8 years	10 years
Discount to Total Demand Charge:			
First 12 consecutive monthly billings	30%	40%	50%
Next 12 consecutive monthly billings	20%	30%	40%
Next 12 consecutive monthly billings	10%	20%	30%
Next 12 consecutive monthly billings	0%	10%	20%
Next 12 consecutive monthly billings	0%	0%	10%

The discount will not be smaller than the amount calculated from the EKPC rate sections.

**Terms and Conditions**

- 1) EKPC and Taylor County RECC will only offer an EDR during either periods of excess capacity or the additional capacity needs have been secured, or are capable of being economically secured, through a market purchase agreement. If additional capacity has been secured through a market purchase, the customer will be responsible for the costs of the market purchase agreement. Upon submission of each EDR special contract, EKPC will demonstrate that the load expected to be served during each year of the contract period will not cause them to fall below a reserve margin that is considered essential for system reliability.
- 2) Service shall be furnished under the applicable standard rate schedule and this rider, filed as a special contract with the Commission, for a fixed term of at least two times the discount period and for such time thereafter under the terms stated in the applicable standard rate schedule. The discount period shall not be less than 3 years and not exceed 5 years. A greater term of contract or termination notice may be required because of conditions associated with a customer's requirements for service. Service shall be continued under the conditions provided for under the applicable standard rate schedule to which this rider is attached after the original term of the contract.

DATE OF ISSUE June 6, 2014  
Month / Date / Year

DATE EFFECTIVE Service rendered on and after July 6, 2014  
Month / Date / Year

ISSUED BY   
(Signature of Officer)

TITLE Manager

Taylor County RECC

**Section EDR (con't.)**

3) The customer may request an EDR effective initial billing date that is no later than 12 months after the date on which EKPC and Taylor County RECC initiates service to the customer.

4) The EDR is not available to a new customer which results from a change in ownership of an existing establishment. However, if a change in ownership occurs after the customer enters into an EDR special contract, the successor customer may be allowed to fulfill the balance of the EDR special contract.

5) EKPC and Taylor County RECC may offer differing terms, as appropriate, under the special contract to which this rider is a part depending on the circumstances associated with providing service to a particular customer subject to approval by the Commission.

DATE OF ISSUE June 6, 2014  
Month / Date / Year

DATE EFFECTIVE Service rendered on and after July 6, 2014  
Month / Date / Year

ISSUED BY   
(Signature of Officer)

TITLE Manager

**FROM THE MINUTE BOOK OF PROCEEDINGS  
OF THE BOARD OF DIRECTORS OF  
TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION**

At a regular meeting of the Board of Directors of Taylor county Rural Electric cooperative Corporation  
Held at the Headquarters Building, 625 West Main St. Campbellsville, Kentucky, on Thursday  
March 6, 2014, at 7:00 p.m., EST, the following business was transacted:

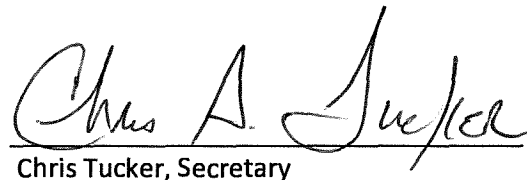
Authorization to File an Application with the Kentucky Public Service Commission Seeking Approval of an  
Economic Development Rider Tariff

**Whereas**, East Kentucky Power Cooperative, Inc. ("EKPC") has made application to the Kentucky Public Service Commission seeking approval of an Economic Development Rider Tariff that provides an outline for the incentive EKPC is willing to offer potential new customers or expanding existing customers:

**RESOLVED**, That the Taylor County Rural Electric Cooperative Corporation Board of Directors hereby authorizes Taylor County Rural Electric Cooperative Corporation to seek all necessary regulatory approvals for an Economic Development Rider tariff.

The foregoing is a true and exact copy of a resolution passed at a meeting called pursuant to proper notice at which a quorum was present and which now appears in the Minute Book of Proceedings of the Board of Directors of the Taylor County Rural Electric Cooperative Corporation, and said resolution has not been rescinded or modified.

Witness my hand and seal this 5<sup>th</sup> day of June 2014.

  
Chris Tucker, Secretary

Corporate Seal



**Taylor County RECC has filed the following Economic Development tariff rider for large industry with the Kentucky Public Service Commission:**

**Section EDR  
Economic Development Rider**

**Applicability**

The EDR is available in all the service territory served by Taylor County RECC.

**Availability**

Available as a rider to qualifying Taylor County RECC non-residential customers to be served or being served under East Kentucky Power Cooperative, Inc.'s ("EKPC") Sections B, C, E, and G to encourage Economic Development as defined herein. Service under the EDR is conditional on approval of a special contract between EKPC, Taylor County RECC, and the qualifying non-residential customer for such economic development rate service filed with and approved by the Kentucky Public Service Commission ("Commission").

**Economic Development**

Service under EDR is available to:

1) New customers contracting for a minimum average monthly billing load of 500 kW over a 12 month period. If the new customer is locating in a Kentucky county that is identified by the Commonwealth of Kentucky as an "Enhanced Incentive County", then the minimum average monthly billing load will be 250 kW over a 12 month period.

2) Existing customers contracting for a minimum average monthly billing load increase of 500 kW over a 12 month period above their Economic Development Base Load ("ED Base Load"). If the existing customer is located in a Kentucky county that is identified by the Commonwealth of Kentucky as an "Enhanced Incentive County", then the minimum average monthly billing load increase will be 250 kW over a 12 month period. The ED Base load will be determined as follows:

a. The existing customer's ED Base Load will be determined by averaging the customer's previous three years' monthly billing loads. EKPC, Taylor County RECC, and the existing customer must agree upon the ED Base Load, and any adjustments to the ED Base Load must be mutually agreed to by the parties.

b. The ED Base Load shall be an explicit term of the special contract submitted to the Commission for approval before the customer can take service under the EDR. Once the ED Base Load's value is established, it will not be subject to variation or eligible for service under the EDR.

c. These provisions are not intended to reduce or diminish in any way EDR service already being provided to all or a portion of a customer's ED Base Load. Such EDR service would continue under the terms of the applicable special contract already existing between EKPC, Taylor County

RECC, and the customer concerning the affected portion of the customer's ED Base Load.

3) A new or existing customer eligible for a minimum average monthly billing load between 250 kW and 500 kW may require a customer-specific meter installation. The cost of the customer-specific meter installation shall be recovered from the customer.

4) The new customer or existing customer must agree to maintain a minimum load factor of 60 percent during the majority of the months in the discount period, subject to the following parameters:

a. During the first 12 months of the discount period the 60 percent minimum load factor requirement will be waived.

b. During the remaining months of the discount period, the load factor will be determined each month. The new or existing customer may fail to achieve the 60 percent minimum load factor for no more than 1/6th of the remaining months of the discount period.

c. Failure to maintain the 60 percent minimum load factor in any month beyond the period described in part 4(b) above will result in the suspension of the discount to the Total Demand Charge for that month. The discount to the Total Demand Charge will resume in the month the 60 percent minimum load factor is achieved; however the discount will resume at the discount rate applicable to the month of the discount period.

5) A customer desiring service under the EDR must submit an application for service that includes:

a. A description of the new load to be served;  
b. The number of new employees, if any, the customer anticipates employing associated with the new load; and  
c. The capital investment the customer anticipates making associated with the EDR load.

6) Any EDR customer-specific fixed costs shall be recovered over the life of the special contract.

7) For purposes of this tariff, a new customer is defined as one who becomes a customer of Taylor County RECC on or after January 1, 2013.

**Rate**

The rate available under the EDR shall be in the form of a discount to the Total Demand Charge on the EKPC rate section applicable to the customer. The Total Demand Charge is the sum of all demand charges, including any credits provided

under any other demand-related rider, before the EDR discounts as described below are applied. A customer taking service under the EDR shall be served according to all the rates, terms, and conditions of the normally applicable rate schedule subject to the following discount options.

**Terms and Conditions**

1) EKPC and Taylor County RECC will only offer an EDR during either periods of excess capacity or the additional capacity needs have been secured, or are capable of being economically secured, through a market purchase agreement. If additional capacity has been secured through a market purchase, the customer will be responsible for the costs of the market purchase agreement. Upon submission of each EDR special contract, EKPC will demonstrate that the load expected to be served during each year of the contract period will not cause them to fall below a reserve margin that is considered essential for system reliability.

2) Service shall be furnished under the applicable standard rate schedule and this rider, filed as a special contract with the Commission, for a fixed term of at least two times the discount period and for such time thereafter under the terms stated in the applicable standard rate schedule. The discount period shall not be less than 3 years and not exceed 5 years. A greater term of contract or termination notice may be required because of conditions associated with a customer's requirements for service. Service shall be continued under the conditions provided for under the applicable standard rate schedule to which this rider is attached after the original term of the contract.

3) The customer may request an EDR effective initial billing date that is no later than 12 months after the date on which EKPC and Taylor County RECC initiates service to the customer.

4) The EDR is not available to a new customer which results from a change in ownership of an existing establishment. However, if a change in ownership occurs after the customer enters into an EDR special contract, the successor customer may be allowed to fulfill the balance of the EDR special contract.

5) EKPC and Taylor County RECC may offer differing terms, as appropriate, under the special contract to which this rider is a part depending on the circumstances associated with providing service to a particular customer subject to approval by the Commission.

Discount Period	3 years	4 years	5 years
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The discount will not be smaller than the amount calculated from the EKPC rate sections.