COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF TAYLOR COUNTY RURAL) ELECTRIC COOPERATIVE CORPORATION FOR) CASE NO. CERTIFICATE OF PUBLIC CONVENIENCE AND) 2006-00286 NECESSITY)

<u>ORDER</u>

Taylor County Rural Electric Cooperative Corporation ("Taylor County") filed its application on June 13, 2006 for a Certificate of Public Convenience and Necessity ("CPCN") to construct certain improvements and additions to its existing plan at an estimated cost of \$14,641,618. In support of its application Taylor County filed its 2006-2009 Work Plan, which describes in detail the improvements and additions to its plant that are required over the next 3 years to serve its load.

Taylor County seeks authorization to construct extensions and additions to its plant as follows:

| 1. | Line Extensions | \$ 4,192,500 |
|-------|--------------------------------------|--------------|
| 2. | Transformers & Meters | 4,478,725 |
| 3. | Line Conversions and Changes | 2,702,030 |
| 4. | Service Wires for Increased Capacity | 143,220 |
| 5. | Sectionalizing Equipment | 559,525 |
| 6. | Line Regulators | 156,000 |
| 7. | Line Capacitors | 39,000 |
| 8. | Poles Replacement | 1,181,250 |
| 9. | AMR System & Equipment | 872,568 |
| 10. | Security Lights | 316,800 |
| TOTAL | | \$14,641,618 |

The proposed construction will enable Taylor County to continue to provide adequate and dependable electric service to its customers. The system improvements

recommended in this Work Plan will not duplicate existing facilities and are needed to correct voltage problems, improve phase balance, and provide for improved service reliability.

Based on the application, the supporting 2006-2009 Work Plan, and being otherwise sufficiently advised, the Commission finds that the proposed improvements and additions to be constructed by Taylor County are necessary to provide adequate, reliable electric service to existing customers and anticipated new customers.

IT IS THEREFORE ORDERED that Taylor County is granted a CPCN to construct the facilities described in its 2006-2009 Work Plan

Done at Frankfort, Kentucky, this 5th day of October, 2006.

By the Commission

ATTEST:



Executive Director