COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF TAYLOR COUNTY RURAL)ELECTRIC COOPERATIVE CORPORATION)FOR AN ADJUSTMENT OF RATES)

CASE NO. 2012-00023

ORDER

On August 16, 2012, Taylor County Rural Electric Cooperative Corporation ("Taylor County") submitted an application for an adjustment of electric rates based on an historical test period. The application proposed that the new rates become effective on September 17, 2012.

By letter dated August 22, 2012, the Commission notified Taylor County that its rate application was rejected as deficient. In response to the Commission's rejection letter, Taylor County filed, on August 29, 2012 and August 30, 2012, the information cited in the August 22, 2012 letter. The Commission accepted the information and deemed the application filed as of August 30, 2012. The proposed revised effective date for the new rates is October 1, 2012.

Based on a review of Taylor County's rate application, the Commission finds that an investigation will be necessary to determine the reasonableness of the proposed rates and that the investigation cannot be concluded by October 1, 2012. Therefore, pursuant to KRS 278.190(2), the Commission will suspend the effective date of the proposed rates for five months.

IT IS HEREBY ORDERED that:

1. Taylor County's rates are suspended for five months from the October 1, 2012 effective date up to and including February 28, 2013.

2. The procedural schedule set forth in the Appendix to this Order, which is attached hereto and incorporated herein, shall be followed.

3. a. Responses to requests for information shall be appropriately bound, tabbed and indexed and shall include the name of the witness responsible for responding to questions related to the information provided, with copies to all parties of record and 10 copies to the Commission. Any request for information by letter from the Commission Staff shall be responded to as if set forth in a Commission Order.

b. Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or an association or a governmental agency, be accompanied by a signed certification of the preparer or person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

c. A party shall make timely amendment to any prior response if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect.

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d. For any request to which a party fails or refuses to furnish all or part of the requested information, that party shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

5. Any party filing testimony shall file the original and 10 copies with the Commission, with copies to all parties of record.

6. Taylor County shall give notice of the hearing in accordance with the provisions set out in 807 KAR 5:011, Section 8(5). At the time publication is requested, Taylor County shall forward a duplicate of the notice and request to the Commission.

7. At any public hearing in this matter, neither opening statements nor summarization of direct testimonies shall be permitted.

8. Any objections or motions relating to discovery or procedural dates shall be filed upon four business days' notice or the filing party shall explain, in writing, why such notice was not possible.

9. Motions for extensions of time with respect to the schedule herein shall be made in writing and will be granted only upon a showing of good cause.

10. Nothing contained herein shall prevent the Commission from entering further Orders in this matter.

By the Commission

A ENTERED SEP 1 2 2012 SERVICE COMMISSION

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Case No. 2012-00023

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2012-00023 DATED SEP 1 2 2012

| All initial requests for information to Taylor County shall be filed no later than | 09/20/2012 |
|---|-----------------|
| Taylor County shall file responses to initial requests for information no later than | 10/04/2012 |
| All supplemental requests for information to Taylor County shall be filed no later than | 10/18/2012 |
| Taylor County shall file responses to supplemental requests for information no later than | 11/01/2012 |
| Intervenor testimony, if any, in verified prepared form, shall be filed no later than | 11/15/2012 |
| All requests for information to Intervenors shall be filed no later than | 11/30/2012 |
| Intervenors shall file responses to requests for information no later than | 12/14/2012 |
| Taylor County shall file, in verified form, its rebuttal testimony no later than | 12/28/2012 |
| Last day for Taylor County to publish notice of hearing | to be scheduled |
| Public Hearing to be held in Hearing Room 1 of the Commission's offices at 211 Sower Boulevard, Frankfort, Kentucky, for the purpose of cross-examination | An ha askadulad |
| of witnesses of Taylor County and Intervenors | to be scheduled |
| Simultaneous Briefs, if any | to be scheduled |

Barry L Myers Manager Taylor County R.E.C.C. 625 West Main Street P. O. Box 100 Campbellsville, KY 42719

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