

TAYLOR COUNTY RURAL ELECTRIC
COOPERATIVE CORPORATION

PSC CASE 2006-00489
FILING FOR PASS-THROUGH OF EAST
KENTUCKY POWER COOPERATIVE, INC.
WHOLESALE RATE ADJUSTMENT
IN PSC CASE NO. 2006-00472

FILED 1/29/07

Taylor County
Rural Electric Cooperative
Corporation

P. O. BOX 100

CAMPBELLSVILLE, KENTUCKY 42719

(270) 465-4101 • Fax (270) 789-3625

(800) 931-4551

January 29, 2007

Ms. Elizabeth O'Donnell
Executive Director
Public Service Commission
211 Sower Boulevard
Frankfort, KY 40602

RECEIVED

JAN 29 2007

PUBLIC SERVICE
COMMISSION

Re: Taylor County RECC Pass-Through of East Kentucky Power Cooperative, Inc.
Wholesale Rate Adjustment- PSC Case No. 2006-00489

Dear Ms. O'Donnell:

Taylor County Rural Electric Cooperative Corporation ("Taylor County") hereby submits to the Public Service Commission (the "Commission"), its Proposed Tariffs and other information required by 807 KAR 5:007 in regard to the pass-through of any wholesale rate adjustment granted to East Kentucky Power Cooperative, Inc., ("EKPC") in PSC Case No. 2006-00472. This filing includes the following:

1. Taylor County's Proposed Tariffs are attached as Exhibit I.
2. The name and filing address of the filing cooperative is:
Taylor County Rural Electric Cooperative Corporation
625 West Main Street (42718)
P.O. Box 100
Campbellsville, KY 42719
3. In accordance with the provisions of KRS 278.455(2), Taylor County hereby states that the effects of the increase in rates from its wholesale supplier, EKPC, is 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.
4. A comparison of the current and proposed rates of Taylor County is attached as Exhibit II.
5. Attached as Exhibit III is a billing analysis which shows the existing and proposed rates for each rate class. EKPC's proposed rate increase to Taylor County was developed by allocating the proposed wholesale increase on a proportional basis to each major group of customer classes. The proposed increase for EKPC's "B" and "C"

Ms. Elizabeth O'Donnell
Page 2
January 29, 2007

industrial classes, and its large load special contracts, was applied to the demand charge for those customers. The remainder of the proposed increase was applied to the energy charge for the "E" customer class. Taylor County, in turn, followed the same process by first increasing the demand charges for its industrial "B" and "C" rates, as applicable, and then allocating the remaining dollar increase to all remaining classes and increasing the energy charges for those rate schedules. In each instance, the retail rates for a particular class have been developed in a manner that is consistent with the method proposed by EKPC. The proposed rate design structure at retail does not change the rate design currently in effect and is consistent with the rate design methodology used at wholesale.

6. A certification that this filing has been filed with the Office of Rate Intervention, Office of the Attorney General, is attached as Exhibit IV.

7. Notice of the proposed rate change has been given, not more than thirty (30) days prior to January 29, 2007, by publication in a newspaper of general circulation in the affected area of Taylor County. A copy of this notice is attached as Exhibit V.

Taylor County 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,

TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

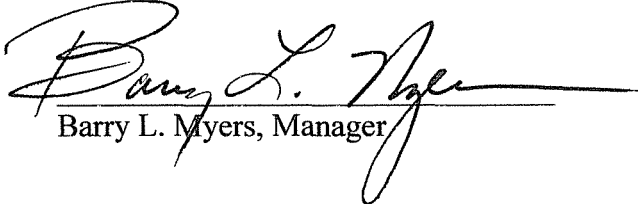

Barry L. Myers, Manager

EXHIBIT I
Page 1 of 11

FOR ALL TERRITORY SERVED

P.S.C. KY No.

Sheet No. 39

TAYLOR COUNTY RURAL ELECTRIC
COOPERATIVE CORPORATION

Cancelling P.S.C. No.

Sheet No.

=====
CLASSIFICATION OF SERVICE
=====

SCHEDULE A - FARM AND HOME SERVICE
=====

APPLICABILITY

Applicable to residential consumers subject to the established rules and regulations of the Seller. The capacity of individual meters served under this schedule shall not exceed 7.5 H.P. Not applicable to loads having demands greater than 50 KW.

TYPE OF SERVICE

Single phase, 60 cycles, at available secondary voltage.

MONTHLY RATE

Customer Charge \$6.92 per meter per month
All KWH per month 0.06535 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% 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.

MINIMUM CHARGES

The minimum monthly charge under the above rate shall be \$6.92 net where 10 KVA or less of transformer capacity is required. Each consumer who requires more than 10 KVA of transformer capacity shall pay, in addition to the above minimum \$.86 for each additional KVA or fraction thereof required. Payment of the minimum monthly charge shall entitle the member in all cases to the use of the number of kilowatt-hours corresponding to the minimum charge in accordance with the foregoing rate.

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DATE OF ISSUE January 29, 2007 EFFECTIVE April 1, 2007
PO Box 100
ISSUED BY _____ Manager, Campbellsville, KY 42719
(Name of Officer) (Title) (Address)

FOR ALL TERRITORY SERVED

P.S.C. KY No.

Sheet No. 41

TAYLOR COUNTY RURAL ELECTRIC
COOPERATIVE CORPORATION

Cancelling P.S.C. No.

Sheet No.

CLASSIFICATION OF SERVICE

SCHEDULE GP - GENERAL PURPOSE SERVICE

APPLICABILITY

Applicable to small commercial, churches, community centers, industrial, public buildings, and three-phase farm service, including lighting, heating and power, subject to the established rules and regulations of the Seller.

CHARACTER OF SERVICE

Single-phase or three-phase, 60 cycles, at available secondary voltages.

MONTHLY RATE

PART I (For demands less than 50 KVA)

Demand Charge: None

Energy:

Customer Charge \$7.11 per meter per month
All KWH per month 0.06546 \sqrt Per KWH

I

Minimum Monthly Charges:

\$7.11 where 3 KVA or less of transformer capacity is required. Each consumer who requires more than 3 KVA of transformer capacity shall pay, in addition to the above minimum, \$.86 for each additional KVA or fraction thereof required. Where the minimum charge is increased in accordance with the terms of this section, additional energy therefore may be taken in accordance with the terms of the foregoing schedule.

DATE OF ISSUE January 29, 2007 EFFECTIVE April 1, 2007

PO Box 100

ISSUED BY _____ Manager, Campbellsville, KY 42719

(Name of Officer)

(Title)

(Address)

FOR ALL TERRITORY SERVED

P.S.C. KY No.

Sheet No. 42

TAYLOR COUNTY RURAL ELECTRIC
COOPERATIVE CORPORATION

Cancelling P.S.C. No.

Sheet No.

CLASSIFICATION OF SERVICE

SCHEDULE GP - GENERAL PURPOSE SERVICE (continued)

PART 2 (for loads requiring 50 KVA and above
installed transformer capacity)

Demand Charge: 4.64 per KW of billing demand

Energy Charges:

Customer Charge \$43.42 per meter per month

All KWH per month 0.04764/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 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. The measured demand will be adjusted to correct for consumers with 50 KW or more of measured demand to correct for average power factors lower than 90 per cent. Such adjustments will be made by increasing the measured demand 1 percent for each 1 percent by which the average power factor is less than 90 percent lagging.

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 ten percent (10%) 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 January 29, 2007

EFFECTIVE April 1, 2007

PO Box 100

ISSUED BY _____
(Name of Officer)

Manager, Campbellsville, KY 42719
(Title) (Address)

EXHIBIT I
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FOR ALL TERRITORY SERVED

P.S.C. KY No.

Sheet No. 45

TAYLOR COUNTY RURAL ELECTRIC
COOPERATIVE CORPORATION

Cancelling P.S.C. No.

Sheet No.

CLASSIFICATION OF SERVICE

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SCHEDULE SL - STREET LIGHTING SERVICE

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AVAILABILITY

Available to towns and villages for controlled street lighting
From dusk to dawn.

<u>Mercury Vapor</u>	<u>Charge/Fixture</u>	
175 watts	\$2.84 plus 70 KWH/Light/Month @ GP-1 Rate	I
250 watts	3.41 plus 100 KWH/Light/Month @ GP-1 Rate	I
400 watts	4.52 plus 160 KWH/Light/Month @ GP-1 Rate	I
<u>High Pressure Sodium</u>	<u>Charge/Fixture</u>	
100 watts	\$3.25 plus 41 KWH/Light/Month @ GP-1 Rate	I
250 watts	5.00 plus 106 KWH/Light/Month @ GP-1 Rate	I

CONDITIONS OF SERVICE

1. Street-Lighting equipment including lamps, fixtures, controls and the necessary overhead street-lighting circuits, transformers and additional guys and fittings will all be furnished by the Cooperative.
2. Lamp replacements will be furnished and made by the Cooperative.
3. Service will be furnished for future additional lamps in accordance with the above charges.
4. Billing will be on a monthly basis.

=====

DATE OF ISSUE	January 29, 2007	EFFECTIVE	April 1, 2007
		PO Box 100	
ISSUED BY	_____	Manager,	Campbellsville, KY 42719
	(Name of Officer)	(Title)	(Address)

Form For Filing Rates Schedules

For All Territory Served

Taylor County Rural Electric
Cooperative Corp. _____
Name of Issuing Corporation

PSC KY No. _____
2nd Revised SHEET No. 69
Canceling PSC KY NO _____
Revised Sheet No. 69

CLASSIFICATION OF SERVICE

Residential Marketing Rate – Schedule R-1

APPLICABLE

In all territory served.

AVAILABILITY

This special marketing rate is available for specific marketing programs as approved by Taylor County Board of Directors. The electric power furnished under this marketing program shall be separately metered for each point of delivery and is applicable during the below listed off-peak hours. This rate is available to consumers already receiving service under Schedule A, Farm and Home Service Rate. This marketing rate applies only to programs which are expressly approved by the Kentucky Public Service Commission to be offered under the Marketing Rate of East Kentucky Cooperative Wholesale power Rate Schedule A.

Months
May through September

Off-Peak Hours - EST
10:00 P.M. to 10:00 A.M.

October through April

12:00 P.M. to 5:00 P. M.
10:00 P.M. to 7:00 A.M.

TYPE OF SERVICE

Single phase, 60 Hertz, at available secondary voltage.

RATES

The energy rate for this program is:

All KWH

\$0.04079

I

Date of Issue January 29, 2007 Date Effective April 1, 2007
Issued By _____ Title Manager
Name of Officer

Form For Filing Rates Schedules

For All Territory Served _____

Taylor County Rural Electric
Cooperative, Corp. _____

PSC KY No. _____

2nd Revised SHEET NO. 71

Name of Issuing Corporation

Canceling PSC KY NO. _____

Revised Sheet NO. 71

CLASSIFICATION OF SERVICE

Large Industrial Rate - Schedule C1

Availability

Applicable to contracts with demands of 500 to 4,999 KW with a monthly energy usage equal to or greater than 400 hours per KW of billing demand. These contracts will be two "two-party" contracts with the first one being between the Seller and the Cooperative association and the second one being between the Seller and the ultimate consumer.

Monthly Rate

Consumer Charge	\$1069.00		
Demand Charge	\$7.29	per KW of billing demand	I
Energy Charge	\$.03600	per KWH	

Billing Demand

The monthly billing demand shall be the greater of (a) or (b) listed below:

- (a) The contract demand
- (b) The ultimate consumer's peak demand during the current month or preceding eleven months. The peak demand shall be 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:

Months

Hours Applicable for Demand Billing - EST

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.

Date of Issue: January 29, 2007

Date Effective: April 1, 2007

Issued By: _____
(Name of Officer)

Title: Manager

Form For Filing Rates Schedules

For All Territory Served

PSC KY No. _____

Form For Filing Rates Schedules

For All Territory Served

PSC KY No. _____

Taylor County Rural Electric

2nd Revised SHEET NO. 74

Cooperative, Corp.

Canceling PSC KY NO. _____

Name of Issuing Corporation

Revised Sheet NO. 74

CLASSIFICATION OF SERVICE

Large Industrial Rate - Schedule C2

Availability

Applicable to contracts with demands of 5,000 to 9,000 KW with a monthly energy usage equal to or greater than 400 hours per KW of billing demand. These contracts will be two "two-party" contracts with the first one being between the Seller and the Cooperative association and the second one being between the Seller and the ultimate consumer

Monthly Rate

Consumer Charge	\$2,498.00		
Demand Charge	\$7.29	per KW of billing demand	I
Energy Charge	\$.03100	per KWH	

Billing Demand

The monthly billing demand shall be the greater of (a) or (b) listed below:

- (a) The contract demand
- (b) The ultimate consumer's peak demand during the current month or preceding eleven months. The peak demand shall be 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.

Date of Issue: January 29, 2007 Date Effective: April 1, 2007
 Issued By: _____ Title: Manager
 (Name of Officer)

Form For Filing Rates Schedules
Form For Filing Rates Schedules

For All Territory Served
For All Territory Served
PSC KY No. _____
2nd Revised SHEET NO. 77
Canceling PSC KY NO. _____
Revised Sheet NO. 77

Taylor County Rural Electric
Cooperative, Corp. _____
Name of Issuing Corporation

CLASSIFICATION OF SERVICE

Large Industrial Rate - Schedule C3

Availability

Applicable to contracts with demands of 10,000 KW and over with a monthly energy usage equal to or greater than 400 hours per KW of billing demand. These contracts will be two "two-party" contracts with the first one being between the Seller and the Cooperative association and the second one being between the Seller and the ultimate consumer

Monthly Rate

Consumer Charge	\$2,980.00		
Demand Charge	\$7.29	per KW of billing demand	I
Energy Charge	\$.03000	per KWH	

Billing Demand

The monthly billing demand shall be the greater of (a) or (b) listed below:

- (a) The contract demand
- (b) The ultimate consumer's peak demand during the current month or preceding eleven months. The peak demand shall be 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.

Date of Issue: January 29, 2007 Date Effective: April 1, 2007
Issued By: _____ Title: Manager
(Name of Officer)

Form For Filing Rates Schedules

For All Territory Served

Taylor County Rural Electric
Cooperative, Corp.

PSC KY No. _____

2nd Revised SHEET NO. 80

Name of Issuing Corporation

Canceling PSC KY NO. _____

Revised Sheet NO. 80

CLASSIFICATION OF SERVICE

Large Industrial Rate - Schedule B1

Availability

Applicable to contracts with demands of 500 to 4,999 KW with a monthly energy usage equal to or greater than 400 hours per KW of billing demand.

Monthly Rate

Consumer Charge	\$1069.00	
Demand Charge per KW of Contract Demand	\$7.29	I
Demand Charge per KW for Billing Demand in Excess of Contract Demand	\$9.72	I
Energy Charge per KWH	\$.03600	

Billing Demand

The monthly billing demand (kilowatt demand) shall be the contract demand plus any excess demand. Excess demand occurs when the consumer's peak demand during the current month exceeds the contract 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.

Date of Issue: January 29, 2007 Date Effective: April 1, 2007

Issued By: _____ Title: Manager
(Name of Officer)

Form For Filing Rates Schedules

For All Territory Served

Taylor County Rural Electric
Cooperative, Corp.

PSC KY No. _____

2nd Revised SHEET NO. 83

Canceling PSC KY NO. _____

Name of Issuing Corporation

Revised Sheet NO. 83

CLASSIFICATION OF SERVICE

Large Industrial Rate - Schedule B2

Availability

Applicable to contracts with demands of 5,000 to 9,999 KW with a monthly energy usage equal to or greater than 400 hours per KW of billing demand.

Monthly Rate

Consumer Charge	\$2,498.00	
Demand Charge per KW of Contract Demand	\$7.92	I
Demand Charge per KW for Billing Demand in Excess of Contract Demand	\$9.72	I
Energy Charge per KWH	\$.03100	

Billing Demand

The monthly billing demand (kilowatt demand) shall be the contract demand plus any excess demand. Excess demand occurs when the consumer's peak demand during the current month exceeds the contract 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.

Date of Issue: January 29, 2007 Date Effective: April 1, 2007

Issued By: _____ Title: Manager
(Name of Officer)

Form For Filing Rates Schedules

For All Territory Served

PSC KY No. _____

Form For Filing Rates Schedules

For All Territory Served

PSC KY No. _____

Taylor County Rural Electric
Cooperative, Corp.

2nd Revised SHEET NO. 86

Name of Issuing Corporation

Canceling PSC KY NO. _____

Revised Sheet NO. 86

CLASSIFICATION OF SERVICE

Large Industrial Rate - Schedule B3

Availability

Applicable to contracts with demands of 10,000 KW and over with a monthly energy usage equal to or greater than 400 hours per KW of billing demand.

Monthly Rate

Consumer Charge	\$2,980.00	
Demand Charge per KW of Contract Demand	\$7.29	I
Demand Charge per KW for Billing Demand in Excess of Contract Demand	\$9.72	I
Energy Charge per KWH	\$.03000	

Billing Demand

The monthly billing demand (kilowatt demand) shall be the contract demand plus any excess demand. Excess demand occurs when the consumer's peak demand during the current month exceeds the contract 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.

Date of Issue: January 29, 2007 Date Effective: April 1, 2007
 Issued By: _____ Title: Manager
 (Name of Officer)

EXHIBIT II
Page 1 of 1

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

	<u>Rate Class</u>	<u>Present</u>	<u>Proposed</u>
A	Farm & Home Service		
	Customer Charge / Mo	\$6.92	\$6.92
	Energy Charge / kWh	\$0.06139	\$0.06535
GP-1	General Purpose Service – Less than 50 KVA		
	Customer Charge / Mo	\$7.11	\$7.11
	Energy Charge / kWh	\$0.06150	\$0.06546
GP-2	General Purpose Service – 50 KVA and Above		
	Customer Charge / Mo	\$43.42	\$43.42
	Demand Charge / kW	\$4.64	\$4.64
	Energy Charge / kWh	\$0.04368	\$0.04764
R-1	Residential Marketing Rate		
	Energy Charge / kWh	\$0.03683	\$0.03921
SL	Street Lighting Service		
	Mercury Vapor 175 Watts Fixture Charge	\$2.84	\$2.84
	Mercury Vapor 175 Watts Energy Charge	\$4.305	\$4.58
	Mercury Vapor 250 Watts Fixture Charge	\$3.41	\$3.41
	Mercury Vapor 250 Watts Energy Charge	\$6.15	\$6.55
	Mercury Vapor 400 Watts Fixture Charge	\$4.52	\$4.52
	Mercury Vapor 400 Watts Energy Charge	\$9.84	\$10.47
	High Pressure Sodium 100 Watts Fixture Charge	\$3.25	\$3.25
	High Pressure Sodium 100 Watts Energy Charge	\$2.52	\$2.68
	High Pressure Sodium 250 Watts Fixture Charge	\$5.00	\$5.00
	High Pressure Sodium 250 Watts Energy Charge	\$6.52	\$6.94
C1	Large Industrial Rate 500-4,999 kW		
	Customer Charge / Mo	\$1,069.00	\$1,069.00
	Demand Charge / kW	\$5.39	\$7.29
	Energy Charge / kWh	\$0.036	\$0.036
C2	Large Industrial Rate 5,000-9,999 kW		
	Customer Charge / Mo	\$2,498.00	\$2,498.00
	Demand Charge / kW	\$5.39	\$7.29
	Energy Charge / kWh	\$0.031	\$0.031
C3	Large Industrial Rate 10,000 kW and Over		
	Customer Charge / Mo	\$2,980.00	\$2,980.00
	Demand Charge / kW	\$5.39	\$7.29
	Energy Charge / kWh	\$0.03	\$0.03
B1	Large Industrial Rate 500-4,999 kW		
	Customer Charge / Mo	\$1,069.00/Mo	\$1,069.00
	Contract Demand Charge	\$5.39	\$7.29
	Demand Charge in Excess of Contract	\$7.82	\$9.72
	Energy Charge / kWh	\$0.036	\$0.036
B2	Large Industrial Rate 5,000-9,999 kW		
	Customer Charge / Mo	\$2,498.00	\$2,498.00
	Contract Demand Charge	\$5.39	\$7.29
	Demand Charge in Excess of Contract	\$7.82	\$9.72
	Energy Charge / kWh	\$0.031	0.031
B3	Large Industrial Rate 10,000 kW and Over		
	Customer Charge / Mo	\$2,980.00	\$2,980.00
	Contract Demand Charge	\$5.39	\$7.29
	Demand Charge in Excess of Contract	\$7.82	\$9.72
	Energy Charge / kWh	\$0.03	\$0.03

Taylor County RECC
Billing Analysis
for the 12 months ended September 30, 2006

	Total	Total	\$ Increase	% Increase
Schedule A Farm & Home	23,819,022	24,977,578	1,158,556	4.86%
Schedule GP-1 General Purpose Service - Less than 50 kVA	2,922,845	3,065,495	142,650	4.88%
Schedule GP-2 General Purpose Service - 50 kVA and Above	6,107,945	6,424,887	316,942	5.19%
R-1 Residential Marketing Rate	-	-	-	-
SL Street Lighting Service	66,361	68,562	2,201	3.32%
C1 - Large Industrial Rate	1,216,826	1,284,488	67,661	5.56%
C2 - Large Industrial Rate	-	-	-	-
C3 - Large Industrial Rate	-	-	-	-
B1 - Large Industrial Rate	347,806	367,254	19,448	5.59%
B2 - Large Industrial Rate	-	-	-	-
B3 - Large Industrial Rate	-	-	-	-
Interruptible Service	-	-	-	-
TGP Special Contract	34,480,806	36,188,263	1,707,457	4.95%
	<u>4,420,394</u>	<u>4,420,394</u>	<u>-</u>	<u>0.00%</u>
Total - All Rate Classes	38,901,200	40,608,657	1,707,457	4.39%

Taylor County RECC
Billing Analysis
for the 12 months ended September 30, 2006

Schedule A
Farm and Home Service

	Existing			Proposed			\$ Increase	% Increase
	Billing Determinants	Current	Annualized	Billing Determinants	Rate	Annualized		
		Rate	Revenues		Rate	Revenues		
Customer Charge	260,269	\$6.92	\$1,801,061	260,269	\$6.92	\$1,801,061	-	0.00%
Energy charge per kWh	292,893,075	\$0.06139	17,980,706	292,893,075	\$0.06535	19,139,262	1,158,556	6.44%
Total from base rates			19,781,767			20,940,323	1,158,556	
Fuel adjustment			2,436,017			2,436,017	-	0.00%
Environmental surcharge			1,601,238			1,601,238	-	0.00%
Total revenues			\$23,819,022			\$24,977,578	\$1,158,556	4.86%
Average Bill			\$ 91.52			\$ 95.97	\$ 4.45	4.86%

Schedule GP1
Small Commercial
Part 1 For Demands Less Than 50 KVA

	Existing			Proposed			\$ Increase	% Increase
	Billing Determinants	Current	Annualized	Billing Determinants	Rate	Annualized		
		Rate	Revenues		Rate	Revenues		
Customer Charge	29,200	\$7.11	\$207,612	29,200	\$7.11	\$207,612	-	
Energy charge per kWh	36,063,144	\$0.06150	2,217,883	36,063,144	\$0.06546	2,360,533	142,650	
Total from base rates			2,425,495			2,568,145	142,650	
Fuel adjustment			298,667			298,667	-	
Environmental surcharge			198,683			198,683	-	
Total revenues			\$2,922,845			\$3,065,495	142,650	4.88%
Average Bill			\$ 100.10			\$ 104.98	\$ 4.89	4.88%

Schedule GP2
General Purpose Service
Part 2 For Loads Requiring 50 KVA and Above Installed Transformer Capacity

	Existing			Proposed			\$ Increase	% Increase
	Billing Determinants	Current	Annualized	Billing Determinants	Rate	Annualized		
		Rate	Revenues		Rate	Revenues		
Customer Charge	2,967	\$43.42	\$128,827	2,967	\$43.42	\$128,827	-	
Demand Charge	303,920	\$4.64	1,410,190	303,920	\$4.64	1,410,190.47	-	
Energy Charge	80,125,631	\$0.04368	3,499,888	80,125,631	\$0.04764	3,816,829	316,941.64	
Total Baseload Charges			\$ 5,038,905			\$ 5,355,847	316,941.64	
Fuel adjustment			651,588			651,588	-	
Environmental surcharge			417,452			417,452	-	
Total revenues			\$ 6,107,944			\$ 6,424,886	\$ 316,942	5.19%
Average Bill			\$ 2,058.63			\$ 2,165.45	\$ 106.82	5.19%

EXHIBIT III
Page 3 of 4

Taylor County RECC
Billing Analysis
for the 12 months ended September 30, 2006

Schedule B-1
Large Industrial Rate

	Existing			Proposed			\$ Increase	% Increase
	Billing Determinants	Current Rate	Annualized Revenues	Billing Determinants	Rate	Annualized Revenues		
Customer Charge	12	\$1,069.00	\$12,828	12	\$1,069.00	\$12,828	-	0.00%
kW Demand	8,919	\$5.39	\$48,071.79	8,919	\$7.29	\$65,017.32	16,945.53	35.25%
kW Excess Demand	1,317	\$7.82	\$10,298.16	1,317	\$9.72	\$12,800.27	2,502.11	24.30%
Energy charge per kWh	5,757,109	\$0.03600	207,256	5,757,109	\$0.03600	207,256	-	0.00%
Total from base rates			<u>278,454</u>			<u>297,902</u>	<u>19,448</u>	
Fuel adjustment			45,615			45,615	-	
Environmental surcharge			<u>23,738</u>			<u>23,738</u>	-	
Total revenues			<u>\$ 347,806</u>			<u>\$ 367,254</u>	<u>\$ 19,448</u>	5.59%
Average Bill			\$ 28,984			\$ 30,604	\$ 1,621	5.59%

Schedule C-1
Large Industrial Rate

	Existing			Proposed			\$ Increase	% Increase
	Billing Determinants	Current Rate	Annualized Revenues	Billing Determinants	Rate	Annualized Revenues		
Customer Charge	12	\$1,069.00	\$12,828	12	\$1,069.00	\$12,828	-	0.00%
Demand Charge	35,611	\$5.39	\$191,944	35,611	\$7.29	\$259,606	67,661.31	35.25%
Energy charge per kWh	21,104,884	\$0.03600	759,776	21,104,884	\$0.03600	759,776	-	0.00%
Total from base rates			<u>964,548</u>			<u>1,032,210</u>	<u>67,661</u>	7.01%
Fuel adjustment			170,018			170,018	-	0.00%
Environmental surcharge			<u>82,260</u>			<u>82,260</u>	-	0.00%
Total revenues			<u>\$ 1,216,826</u>			<u>\$ 1,284,488</u>	<u>\$ 67,661</u>	5.56%
Average Bill			\$ 101,402			\$ 107,041	\$ 5,638	5.56%

Special Contract
Tennessee Gas

	Existing			Proposed			\$ Increase	% Increase
	Billing Determinants	Current Rate	Annualized Revenues	Billing Determinants	Rate	Annualized Revenues		
	12	\$2/MWH	\$134,311	12	\$2/MWH	\$134,311	-	0.00%
	160,875	\$1.75	\$281,531	160,875	1.75	\$281,531	-	0.00%
	67,155,402	\$0.05628	3,779,534	67,155,402	\$0.05628	3,779,534	-	0.00%
			<u>4,195,376</u>			<u>4,195,376</u>	-	0.00%
			<u>225,018</u>			<u>225,018</u>	-	0.00%
			<u>\$ 4,420,394</u>			<u>\$ 4,420,394</u>	<u>\$ -</u>	0.00%
			\$ 368,366			\$ 368,366	\$ -	0.00%

Taylor County RECC
Billing Analysis
for the 12 months ended September 30, 2006

Schedule STL
Street Lights

Billing Determinants	kWh	Unit Rates	Cust Chg	Unit kWh	kWh	Energy Rate	kWh Chg	Total \$	Avg Per Cust/Mo
4,390	2.84	12,467.60	70.00	307,300	0.06139	18,865	31,332.75	7.14	
-	3.41	-	100.00	-	0.06139	-	-	-	
499	4.52	2,255.48	160.00	79,840	0.06139	4,901	7,156.86	14.34	
167	3.25	542.75	41.00	6,847	0.06139	420	963.09	5.77	
1,532	5.00	7,660.00	106.00	162,392	0.06139	9,969	17,629.24	11.51	
6,588		\$ 22,925.83		556,379		\$ 34,156.11	\$ 57,061.94		
Fuel Adjustment							4,753		
Environmental Surcharge							4,526		
Total						\$	66,361		
Average per customer							10.07		

Taylor County RECC
Billing Analysis
for the 12 months ended September 30, 2006

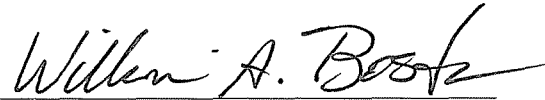
Schedule SL
Street Lighting Service

Billing Determinants	kWh	Unit Rates	Cust Chg	Unit kWh	kWh	Energy Rate	kWh Chg	Total \$	Avg per cust	% Increase	New Rate
4,390	2.84	12,467.60	70.00	307,300	0.06535	20,081	32,548.29	7.41	0.28	3.88%	4.57
-	3.41	-	100.00	-	0.06535	-	-	-	-	-	-
499	4.52	2,255.48	160.00	79,840	0.06535	5,217	7,472.67	14.98	0.63	4.41%	10.46
167	3.25	542.75	41.00	6,847	0.06535	447	990.17	5.93	0.16	2.81%	2.68
1,532	5.00	7,660.00	106.00	162,392	0.06535	10,612	18,271.80	11.93	0.42	3.64%	6.93
6,588		\$ 22,925.83		556,379		\$ 36,357	\$ 59,283				
Fuel Adjustment							4,753				
Environmental Surcharge							4,526				
Total							68,562				
Average per customer							10.41				3.32%

TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

CASE NO. 2006-00489

I, William A. Bosta, hereby certify that a complete copy of the filing provided to the Kentucky Public Service Commission has been sent to the Office of Rate Intervention, Office of the Attorney General.

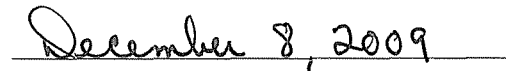


William A. Bosta
East Kentucky Power Cooperative, Inc.

Subscribed and sworn before me on this 29th day of January, 2007.


Notary Public

My Commission expires



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 Taylor County RECC of a proposed rate adjustment. An Application for Approval of Adjustment to Rates will be filed with the Public Service Commission on January 29, 2007, Case No. 2006-00489. 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 Taylor County RECC. The amount and percent of increase by rate class are listed below.

	<u>Rate Class</u>	<u>Increase</u>	<u>Percent</u>
A	Farm & Home Service	\$1,158,556	4.86%
GP-1	General Purpose Service – Less than 50 KVA	\$142,650	4.88%
GP-2	General Purpose Service – 50 KVA and Above	\$316,942	5.19%
SL	Street Lighting Service	\$2,201	3.32%
C1	Large Industrial Rate 500-4,999 kW	\$67,661	5.56%
B1	Large Industrial Rate 500-4,999 kW	\$19,448	5.59%

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

	<u>Rate Class</u>	<u>\$ Increase</u>	<u>Percent Increase</u>
A	Farm & Home Service	\$4.45	4.86%
GP-1	General Purpose Service – Less than 50 KVA	\$4.89	4.88%
GP-2	General Purpose Service – 50 KVA and Above	\$106.82	5.19%
SL	Street Lighting Service	\$0.33	3.32%
C1	Large Industrial Rate 500-4,999 kW	\$5,638.44	5.56%
B1	Large Industrial Rate 500-4,999 kW	\$1,620.64	5.59%

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

	<u>Rate Class</u>	<u>Present</u>	<u>Proposed</u>
A	Farm & Home Service		
	Customer Charge / Mo	\$6.92	\$6.92
	Energy Charge / kWh	\$0.06139	\$0.06535
GP-1	General Purpose Service – Less than 50 KVA		
	Customer Charge / Mo	\$7.11	\$7.11
	Energy Charge / kWh	\$0.06150	\$0.06546
GP-2	General Purpose Service – 50 KVA and Above		
	Customer Charge / Mo	\$43.42	\$43.42
	Demand Charge / kW	\$4.64	\$4.64
	Energy Charge / kWh	\$0.04368	\$0.04764
R-1	Residential Marketing Rate		
	Energy Charge / kWh	\$0.03683	\$0.03921
SL	Street Lighting Service		
	Mercury Vapor 175 Watts Fixture Charge	\$2.84	\$2.84
	Mercury Vapor 175 Watts Energy Charge	\$4.31	\$4.58
	Mercury Vapor 250 Watts Fixture Charge	\$3.41	\$3.41

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	Mercury Vapor 250 Watts Energy Charge	\$6.15	\$6.55
	Mercury Vapor 400 Watts Fixture Charge	\$4.52	\$4.52
	Mercury Vapor 400 Watts Energy Charge	\$9.84	\$10.47
	High Pressure Sodium 100 Watts Fixture Charge	\$3.25	\$3.25
	High Pressure Sodium 100 Watts Energy Charge	\$2.52	\$2.68
	High Pressure Sodium 250 Watts Fixture Charge	\$5.00	\$5.00
	High Pressure Sodium 250 Watts Energy Charge	\$6.52	\$6.94
C1	Large Industrial Rate 500-4,999 kW		
	Customer Charge / Mo	\$1,069.00	\$1,069.00
	Demand Charge / kW	\$5.39	\$7.29
	Energy Charge / kWh	\$0.036	\$0.036
C2	Large Industrial Rate 5,000-9,999 kW		
	Customer Charge / Mo	\$2,498.00	\$2,498.00
	Demand Charge / kW	\$5.39	\$7.29
	Energy Charge / kWh	\$0.031	\$0.031
C3	Large Industrial Rate 10,000 kW and Over		
	Customer Charge / Mo	\$2,980.00	\$2,980.00
	Demand Charge / kW	\$5.39	\$7.29
	Energy Charge / kWh	\$0.03	\$0.03
B1	Large Industrial Rate 500-4,999 kW		
	Customer Charge / Mo	\$1,069.00	\$1,069.00
	Contract Demand Charge	\$5.39	\$7.29
	Demand Charge in Excess of Contract	\$7.82	\$9.72
	Energy Charge / kWh	\$0.036	\$0.036
B2	Large Industrial Rate 5,000-9,999 kW		
	Customer Charge / Mo	\$2,498.00	\$2,498.00
	Contract Demand Charge	\$5.39	\$7.29
	Demand Charge in Excess of Contract	\$7.82	\$9.72
	Energy Charge / kWh	\$0.031	0.031
B3	Large Industrial Rate 10,000 kW and Over		
	Customer Charge / Mo	\$2,980.00	\$2,980.00
	Contract Demand Charge	\$5.39	\$7.29
	Demand Charge in Excess of Contract	\$7.82	\$9.72
	Energy Charge / kWh	\$0.03	\$0.03

The rates contained in this notice are the rates proposed by Taylor County RECC. 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 Taylor County RECC at the following address:

Taylor County RECC
625 West Main Street
Campbellsville, KY 42718
270-465-4101

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