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Linda Breathitt
Commissioner

August 31, 2012

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

Honorable Robert Spragens, Jr.
Spragens, Smith & Higdon, P.S.C.
15 Court Square
P.O. Box 681
Lebanon, KY 40033

RE: Case No. 2012-00023
Taylor County R.E.C.C.

The Commission staff has reviewed your response and has determined that your application in the above case now meets the minimum filing requirements. Enclosed please find a stamped filed copy of the first page of your filing. This case has been docketed and will be processed as expeditiously as possible.

If you need further assistance, please contact my staff at 502-564-3940.

Sincerely,

A handwritten signature in cursive script that reads "Linda Faulkner".

Linda Faulkner
Filings Division Director

LF/ke

RECEIVED

AUG 16 2012

PUBLIC SERVICE COMMISSION

FILED
AUG 30 2012
PUBLIC SERVICE COMMISSION

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of Adjustment of Rates

of Taylor County Rural Electric Cooperative Corporation

Case No. 2012-00023

APPLICATION

Taylor County Rural Electric Cooperative Corporation (herein designated as "Taylor County") hereby makes application for an adjustment of rates, as follows:

1. Taylor County informs the Commission that it is engaged in the business of operation of a retail electric distributions system in portions of nine (9) counties in central Kentucky and does hereby propose to adjust rates, effective September 17, 2012, in conformity with the attached schedule.

2. The name and post office address of the applicant is Taylor County Rural Electric Cooperative Corporation, P.O. Box 100, Campbellsville, Kentucky, 42719 [807 KAR 5:001, Section 8(1)].

3. The Articles of Incorporation and all amendments thereto for Taylor County were filed with the Commission in PSC Case No. 92-080, that being an application to increase rates. [807 KAR 5:001, Section 8(3)].

4. The application is supported by a twelve month historical test period ending November 30, 2011 and includes adjustments for known and measurable changes [807 KAR 5:001, Section 10(1)(a)].

5. Taylor County states that the reasons the rate adjustment are required pursuant to 807 KAR Section 10(1)(a)(1) are as follows:

a. Taylor County was last granted an increase in rates in Case No. 97-124. Since then, Taylor County has incurred increases in the cost of power, materials, equipment, labor, taxes, interest, debt service and other fixed and variable costs. Taylor County has been required to borrow funds to finance its construction projects.

b. The financial condition of Taylor County deteriorated significantly during the test year, and continues on this trend.

c. Taylor County had a Times Interest Earned Ratio (TIER) of 2.58 [a TIER of 1.16 excluding G&T capital credits], for the test year ending November 30, 2011. The TIER was 4.21

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