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April 23, 2018

VIA: Federal Express

Ms. Gwen R. Pinson, Executive Director
Kentucky Public Service Commission
211 Sower Blvd.
Frankfort, Kentucky 40602-0615

Re: Application of Taylor County Rural Electric
Cooperative Cooperation

Dear Ms. Pinson:

Please find enclosed an original and ten (10) copies of the Amended Application of Taylor County RECC, the purpose of which is to address those filing deficiencies noted in yours of April 18, 2018.

Very truly yours,

SPRAGENS & HIGDON, P.S.C.


Robert Spragens, Jr.

RS,JR:mn
Enclosures

CC : Barry Myers, Manager, Taylor Co. RECC

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COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

PUBLIC SERVICE
COMMISSION

IN THE MATTER OF:

APPLICATION OF TAYLOR COUNTY RURAL ELECTRIC)
COOPERATIVE CORPORATION FOR AUTHORIZATION)
TO BORROW \$6,500,000 FROM CoBANK AND) CASE NO. 2018-00130
EXECUTE NECESSARY NOTES AND TO REFINANCE)
SHORT TERM NOTES IN THE SAME AMOUNT)

AMENDED APPLICATION

Comes Taylor County Rural Electric Cooperative Corporation ("Taylor County"), to respectfully submit this Amended Application seeking approval to refinance National Bank for Cooperatives ("CoBank") Short Term Note and Cooperative Finance Corporation ("CFC") Short Term Note, pursuant to KRS 278.300 and all other applicable law. This application respectfully shows:

1. Taylor County RECC is a nonprofit electric cooperative organized under KRS Chapter 279 and is engaged in the business of distributing retail electric power to member-customers in the Kentucky counties of Adair, Casey, Cumberland, Green, Hart, Marion, Metcalfe, Russell, and Taylor.
2. Taylor County RECC's address is 625 West Main Street, P O Box 100, Campbellsville, Kentucky 41719-0100, and its electronic mailing address is c/o Barry L. Myers at bmyers@tcrecc.com. Taylor County's web address is www.taylorcountyrecc.com.

3. Taylor County RECC's current Articles of Incorporation are filed in Case No. 92-080 before the Commission. Taylor County is incorporated in Kentucky and attests that it is in good standing.
4. Pursuant to 807 KAR 5:001, Section 18(1) (b), as of February 28, 2018, Taylor County RECC services 26,581 member-customers. It has 3,277.01 miles of distribution lines in its nine-county service territory, and owns additional facilities necessary to support this distribution system. The total original cost of these distribution lines and facilities as of February 28, 2018, is \$89,133,039.00.
5. The financial exhibit as of February 28, 2018, as required by 807 KAR 5:001, Section 12(1) (a), is attached as Exhibit 1 to this amended application.
6. Taylor County is not seeking authorization to issue any kinds of stock as part of this application.
7. Taylor County seeks to borrow from CoBank an amount up to \$6,500,000 and execute a loan agreement in conjunction with this borrowing from CoBank at an approximate fixed interest rate of 4.47%. The CoBank loan term will be 30 years. A copy of the proposal letter from CoBank is attached as Exhibit 2, Page 1 of this application. A copy of the resolution of the Taylor County Board of Directors is attached as Exhibit 3, Page 1 of this application. The CoBank loan will be secured under the provisions of the Restated Mortgage and Security agreement dated as of November 1, 2004 (the "Mortgage"), between Taylor County as Mortgagor, United States of America ("RUS"), and CoBank, as Mortgagees, a copy of which has been attached as Exhibit 4.

8. Taylor County expects the actual payoff to be approximately \$6,500,000 or less depending on the time required to secure Commission approval and any payments made in the meantime.
9. Taylor County will use the proceeds from the CoBank loan solely to prepay notes of the same amount outstanding to CoBank Short Term Debt and CFC Short Term Debt. The notes being paid off are listed in the CoBank proposal as Exhibit 5.
10. Taylor County previously received expedited approval from the Commission in Case No. 2010-00296 to refinance debt.
11. In as much as no property is being acquired in conjunction with this financing, KAR 807 KAR 5:001, Section 11(2)(c) is not applicable.
12. In addition to the foregoing, Taylor County attaches hereto as collective Exhibit 6 a Proof of Financing letter from CoBank, Annual Cash Flow Summary which provides a net present value analysis of cash flows over the life of the loan, and Taylor County RECC CoBank Loan Scenario.

WHEREFORE, Taylor County asks that the Commission issue an Order authorizing Taylor County to execute and issue evidences of indebtedness as security for the CoBank loan described herein, and for any other relief to which it may be entitled.

DATED this 23rd day of April, 2018.

RESPECTFULLY SUBMITTED,



Robert Spragens, Jr

Attorney at Law

Spragens & Higdon, PSC

P.O. Box 681

15 Court Square

Lebanon, KY 40033

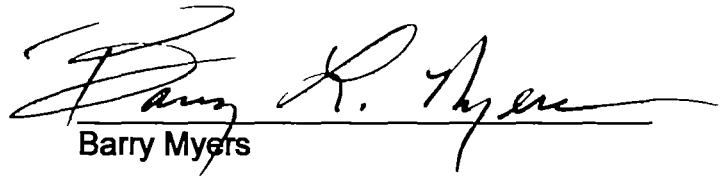
Phone: (270) 692-3141

Email: rspragens@spragenshigdonlaw.com

Attorney: Taylor County Rural Electric Cooperative Corp.

VERIFICATION

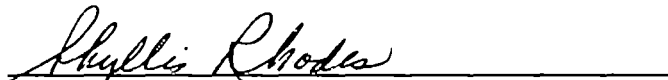
The undersigned, Barry Myers, the manager of Petitioner in this proceeding, Taylor County Rural Electric Cooperative Corporation, having first been duly sworn, states that he has knowledge of all matters set forth both in the original Application filed herein, as well as this Amendment thereto, and having been designated by Taylor County RECC to act upon its behalf herein, states that the information contained therein is true and correct, as he verily believes.


Barry Myers

STATE OF KENTUCKY
COUNTY OF TAYLOR

Subscribed and sworn to before me by Barry Myers, manager, Taylor County Rural Cooperative Corporation, on this 20th day of April, 2018.

My Commission expires: 01/22/19


NOTARY PUBLIC, State of KY at Large
Notary ID: 526377

TAYLOR COUNTY RECC
NOTES EXECUTED - LONG TERM DEBT
2/28/2018

RUS LOANS

NOTE NUMBER	DATE OF ISSUE	PRINCIPAL BALANCE	DATE OF PRINCIPAL MATURITY	RATE OF INTEREST	INTEREST PAID 12
					MONTHS ENDED FEBRUARY 28, 2018
RET-7-1	8/3/1995	\$689,194.99	12/31/2018	0.875	\$6,280.68
RET-7-2	8/3/1995	\$491,186.32	8/3/2030	5.375	\$27,206.74
RET-7-3	8/3/1995	\$235.64	11/30/2018	0.75	\$2.78
RET-7-4	8/3/1995	\$884,975.46	11/30/2018	0.75	\$10,410.58
RET-7-5	8/3/1995	\$163,961.10	2/28/2019	1.25	\$1,494.07
RET-8-1	6/1/1999	\$1,001,112.86	2/28/2019	1.25	\$9,032.28
RET-8-2	6/1/1999	\$317.40	5/31/2018	0.875	\$2.43
RET-8-3	6/1/1999	\$1,124,346.75	5/31/2018	0.875	\$8,653.51
RET-9-1	11/1/2004	\$568,166.84	5/31/2018	0.875	\$5,084.72
RET-9-2	11/1/2004	\$544,512.49	2/28/2019	1.25	\$4,873.01
TOTAL RUS		\$5,468,009.85			\$73,040.80

FFB LOANS

NOTE NUMBER	DATE OF ISSUE	PRINCIPAL BALANCE	DATE OF PRINCIPAL MATURITY	RATE OF INTEREST	INTEREST PAID 12
					MONTHS ENDED FEBRUARY 28, 2018
H0010	9/30/2008	\$5,066,070.59	12/31/2040	3.306	\$176,394.66
H0015	12/1/2011	\$5,629,664.96	4/2/2018	1.738	\$56,021.11
TOTAL FFB		\$10,695,735.55			\$232,415.77

COBANK LOANS

NOTE NUMBER	DATE OF ISSUE	PRINCIPAL BALANCE	DATE OF PRINCIPAL MATURITY	RATE OF INTEREST	INTEREST PAID 12
					MONTHS ENDED FEBRUARY 28, 2018
RIML0654T4	7/1/1983	\$53,200.00	9/7/2020	5.64	\$3,672.79
RIML0654T5	7/1/1986	\$182,983.00	6/20/2021	2.91	\$6,280.72
RIML0654T6	6/1/1989	\$428,086.57	5/20/2024	3.31	\$15,208.12
RIML0654T6	6/1/1989		5/20/2024	3.31	
RIML0654T7	6/1/1993	\$542,387.90	10/20/2028	3.83	\$21,898.37
RIML0654T7	6/1/1993		10/20/2028	3.83	
RIML0654T8	4/1/1995	\$1,454,766.64	9/7/2020	5.64	\$95,274.24
RIML0654T8	4/1/1995		9/4/2028	6.78	
RIML0654T1	6/1/1999	\$1,204,321.44	5/20/2034	4.26	\$52,932.41
RIML0654T9	7/1/2005	\$549,057.20	8/20/2022	6.69	\$37,824.06
RX0654T10	8/17/2010	\$2,261,862.72	8/20/2028	4.52	\$113,315.27
TOTAL COBANK		\$6,676,665.47			\$346,405.98

GRAND TOTALS

\$22,840,410.87

\$651,862.55

**EXHIBIT 1
ATTACHMENT B**

**TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION
P O BOX 100
CAMPBELLSVILLE, KY 42719**

**STATEMENT OF OPERATIONS
FOR THE TWELVE MONTHS ENDED FEBRUARY 28, 2018**

ITEM	
1. Operating Revenue and Patronage Capital	\$47,034,726
2. Power Production Expense	
3. Cost of Purchased Power	36,405,639
4. Transmission Expense	
5. Distribution Expense - Operation	1,998,901
6. Distribution Expense - Maintenance	1,874,636
7. Customer Accounts Expense	1,081,443
8. Customer Service and Informational Expense	28,320
9. Sales Expense	
10. Administrative and General Expense	1,552,760
11. Total Operation & Maintenance Expense (2 thru 10)	42,941,698
12. Depreciation and Amortization Expense	2,826,573
13. Tax Expense - Property & Gross Receipts	
14. Tax Expense - Other	52,915
15. Interest on Long-Term Debt	651,863
16. Interest Charged to Construction - Credit	
17. Interest Expense - Other	85,835
18. Other Deductions	
19. Total Cost of Electric Service (11 thru 18)	46,558,883
20. Patronage Capital & Operating Margins (1 minus 19)	475,843
21. Non Operating Margins - Interest	176,716
22. Allowance for Funds Used During Construction	
23. Income (Loss) from Equity Investments	
24. Non Operating Margins - Other	(869)
25. Generation and Transmission Capital Credits	939,573
26. Other Capital Credits and Patronage Dividends	160,401
27. Extraordinary Items	
28. Patronage	<u>\$1,751,664</u>

EXHIBIT 1
ATTACHMENT C

USDA - RUS FINANCIAL AND STATISTICAL REPORT		BORROWER DESIGNATION TAYLOR COUNTY RECC KY 23 TAYLOR	
INSTRUCTIONS - See RUS Bulletin 1717B-2		PERIOD ENDED 2/28/2018	
PART C. BALANCE SHEET			
ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service.....	\$88,805,280	30. Memberships.....	\$0
2. Construction Work In Progress.....	\$327,779	31. Patronage Capital.....	\$56,984,837
3. Total Utility Plant.....	\$69,133,039	32. Operating Margins - Prior Years.....	\$244,882
4. Accum. Provision for Depreciation and Amort.....	\$30,766,139	33. Operating Margins - Current Years.....	\$545,603
5. Net Utility Plant.....	\$58,366,900	34. Non-Operating Margins.....	\$8,186,819
6. Non-Utility Property (Net).....	\$0	35. Other Margins and Equities.....	(\$2,252,341)
7. Investments In Subsidiary Companies.....	\$0	36. Total Margins & Equities.....	\$81,709,801
8. Invest. in Assoc. Org. - Patronage Capital.....	\$27,034,075	37. Long-Term Debt - RUS (Net).....	\$5,468,010
9. Invest. in Assoc. Org. - Other - General Funds.....	\$172,401	(Payments - Unapplied \$.....)	\$0
10. Invest. in Assoc. Org. - Other - Nongeneral Funds.....	\$1,042,848	38. Long-Term Debt - FFB - RUS Guaranteed.....	\$10,695,738
11. Investments In Economic Development Projects.....	\$0	39. Long-Term Debt Other-RUS GUAR.....	\$0
12. Other Investments.....	\$7,400	40. Long-Term Debt - Other (Net).....	\$6,676,665
13. Special Funds.....	\$0	41. Long-Term Debt - RUS - Econ. Devel. (Net)....	\$0
14. Total Other Property & Investments.....	\$28,256,722	42. Payments - Unapplied.....	(\$3,506,330)
15. Cash - General Funds.....	\$2,813,684	43. Total Long Term Debt.....	\$19,334,081
16. Cash - Construction Funds - Trustee.....	\$0	44. Obligation Under Capital Lease.....	\$0
17. Special Deposits.....	\$0	45. Accumulated Operating Provisions.....	\$4,718,294
18. Temporary Investments.....	\$1,638,832	46. Total Other Noncurrent Liability.....	\$4,718,294
19. Notes Receivable (Net).....	\$0	47. Notes Payable.....	\$5,362,000
20. Accounts Receivable - Sales of Energy (Net).....	\$2,040,158	48. Accounts Payable.....	\$685,703
21. Accounts Receivable - Other (Net).....	\$311,943	49. Consumers Deposits.....	\$1,472,929
22. Renewable Energy Credits.....	\$0	50. Current Maturities Long-Term Debt.....	\$0
23. Materials and Supplies - Electric & Other.....	\$730,262	51. Current Maturities Long-Term Debt -Economic Development.....	\$0
24. Prepayments.....	\$300,458	52. Current Maturities Capital Leases.....	\$0
25. Other Current and Accrued Assets.....	\$0	53. Other Current and Accrued Liabilities.....	\$444,576
26. Total Current and Accrued Assets.....	\$7,735,338	54. Total Current & Accrued Liabilities.....	\$7,985,208
27. Regulatory Assets.....	\$0	55. Regulatory Liabilities.....	\$0
28. Other Deferred Debits.....	\$0	56. Other Deferred Credits.....	\$811,776
29. Total Assets and Other Debits.....	\$84,358,960	57. Total Liabilities and Other Credits.....	\$84,358,960