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May 09, 2008

RECEIVED

MAY 12 2008

PUBLIC SERVICE  
COMMISSION

Ms. Stephanie L. Stumbo, Executive Director  
Public Service Commission  
Post Office Box 615  
211 Sower Boulevard  
Frankfort, KY 40602

Re: Qualified Cogeneration and Small Power  
Production Facilities Purchase Tariff of  
Taylor County Rural Electric Cooperative  
Corporation ("Taylor County RECC")

Dear Ms. Stumbo:

Please find enclosed for filing with the Public Service Commission an original and ten copies of the updated Qualified Cogeneration and Small Power Production Facilities Purchase Tariff of Taylor County RECC. This updated retail tariff incorporates the proposed updates to the wholesale Qualified Cogeneration and Small Power Production Facilities Purchase Tariff of East Kentucky Power Cooperative, Inc., in PSC Case No. 2008-00128. Taylor County RECC hereby provides twenty (20) days notice to the Commission, pursuant to 807 KAR 5:011 Section 6 (3) (b), that it proposes to make this revised tariff effective on June 1, 2008.

Taylor County RECC hereby requests a deviation, pursuant to 807 KAR 5:011 Section 14, from the notice requirements of 807 KAR 5:011 Section 8, to allow it to provide written notice by mail to its only customer utilizing the subject tariff, Cox Interiors, Inc., and to shorten the period for a motion to intervene to twenty (20) days. The grounds for this request are that Taylor County RECC has no other customers currently utilizing the tariff which is the subject of this filing, and the use of any other forms of notice would involve considerable expense, and could require a delay of this filing. The proposed shortening of the period for intervention is intended to correspond to the notice period provided in 807 KAR 5:011 Section 6 (3) (b). Cox Interiors has been mailed a complete copy of this filing, and a copy of that notice is attached hereto. Taylor County RECC will contact Cox Interiors to provide any additional information that may

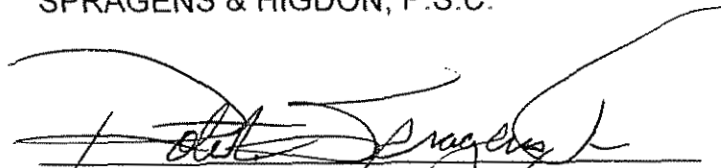
May 09, 2008  
Page Two  
Ms. Stephanie L. Stumbo

be needed to facilitate any decision concerning intervention in this proceeding during the twenty (20) day notice period.

With kind regards, I remain,

Very truly yours,

SPRAGENS & HIGDON, P.S.C.



Robert Spragens, Jr. Counsel for Taylor  
County Rural Electric Cooperative

RS,JR:js  
Enclosures

COGENERATION AND SMALL POWER PRODUCTION  
POWER PURCHASE RATE SCHEDULE OVER 100 kW

**AVAILABILITY**

Available only to qualified cogeneration or small power production facilities with a design capacity of over 100 kW which have executed a contract with Taylor County RECC and East Kentucky Power Cooperative, Inc. ("EKPC") for the purchase of electric power by EKPC.

**RATES**

The rates set forth below shall be used as the basis for negotiating a final purchase rate with qualifying facilities pursuant to Section 7 of 807 KAR 5:054. (T)

1. Capacity

- a. \$40.40 per kW per year is applicable if cogenerator or small power producer is dispatched by EKPC. (I)
- b. \$0.00614 per kWh is applicable if cogenerator or small power producer is not dispatched by EKPC. (I)

2. Energy – A base payment per kWh is listed below for a time-differentiated basis or a non-time differentiated basis for the specified years.

a. Time Differentiated Rates:

Year	<u>Winter</u>		<u>Summer</u>		
	On-Peak	Off-Peak	On-Peak	Off-Peak	
2008	\$0.06032	\$0.04293	\$0.06637	\$0.03199	(I)
2009	\$0.05722	\$0.03881	\$0.05447	\$0.02094	(I)
2010	\$0.05647	\$0.03461	\$0.05069	\$0.02203	(I)
2011	\$0.06015	\$0.03899	\$0.06448	\$0.03069	(I)
2012	\$0.05875	\$0.03817	\$0.05737	\$0.02486	(I)

b. Non-Time Differentiated Rates:

Year	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	
Rate	\$0.05120	\$0.04428	\$0.04219	\$0.04933	\$0.04596	(I)

DATE OF ISSUE May 9, 2008 DATE EFFECTIVE June 1, 2008

ISSUED BY *Danny L. Hager* TITLE Manager

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2008-00128 Dated April 28, 2008

Taylor County RECC

The on-peak and off-peak energy rates are applicable during the hours listed below for each season:

Winter (October - April)

**On-Peak** 7:00 a.m. - 12:00 noon  
5:00 p.m. - 10:00 p.m.

**Off-Peak** 12:00 noon - 5:00 p.m.  
10:00 p.m. - 7:00 a.m.

Summer (May - September)

**On-Peak** 10:00 a.m. - 10:00 p.m.

**Off-Peak** 10:00 p.m. - 10:00 a.m.

TERMS AND CONDITIONS

1. All power from a Qualifying Facility (QF) will be sold only to EKPC.
2. Seller must provide good quality electric power within a reasonable range of voltage, frequency, flicker, harmonic currents, and power factor.
3. Qualifying Facility (QF) shall provide reasonable protection for EKPC and Taylor County RECC.
4. Qualifying Facility (QF) shall design, construct, install, own, operate, and maintain the Qualifying Facility in accordance with all applicable codes, laws, regulations, and generally accepted utility practices.
5. Qualifying Facility shall reimburse EKPC and Taylor County RECC for all costs incurred as a result of interconnecting with the QF, including operation, maintenance, administration, and billing.

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DATE EFFECTIVE June 1, 2008

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For Area Served

Taylor County RECC

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6. Qualifying Facility shall obtain insurance in the following minimum amounts for each occurrence:
  - a. Public Liability for Bodily Injury - \$1,000,000.00
  - b. Property Damage - \$500,000.00
7. Initial contract term shall be for a minimum of five years. (N)
8. Qualifying Facilities proposing to supply as available (non-firm) electric power shall not be entitled to a capacity payment.
9. Qualifying cogeneration and small power production facilities must meet the definition set forth in 807 KAR 5:054 to be eligible for this tariff. (N)
10. Updated rates will be filed with the Public Service Commission of Kentucky by March 31 of each year. (N)

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For Area Served

Taylor County RECC

COGENERATION AND SMALL POWER PRODUCTION  
POWER PURCHASE RATE SCHEDULE  
LESS THAN 100 kW

**AVAILABILITY**

Available only to qualified cogeneration or small power production facilities with a design capacity of less than 100 kW which have executed a contract with Taylor County RECC and East Kentucky Power Cooperative, Inc. ("EKPC") for the purchase of electric power by EKPC.

**RATES**

1. Capacity

- a. \$40.40 per kW per year is applicable if cogenerator or small power producer is dispatched by EKPC. (I)
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