COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF TAYLOR COUNTY RURAL)	
ELECTRIC COOPERATIVE CORPORATION TO)	
PASS-THROUGH AN INCREASE OF ITS)	CASE NO.
WHOLESALE POWER SUPPLIER PURSUANT)	2008-00425
TO KRS 278.455(2))	

ORDER

On October 31, 2008, Taylor County Rural Electric Cooperative Corporation ("Taylor County") submitted an application to pass-through any wholesale rate adjustment granted to East Kentucky Power Cooperative, Inc. ("EKPC") in Case No. 2008-00409.¹ Taylor County submitted its application pursuant to the authority of KRS 278.455(2) and 807 KAR 5:007, Section 2.

In its application, Taylor County described how its proposed pass-through rates were developed:

In accordance with the provisions of KRS 278.455(2), TCRECC hereby states that the effects of the increase in rates from its wholesale supplier, EKPC, are 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.²

KRS 278.455(2) provides that a distribution cooperative may change its rates to reflect a change in the rate of its wholesale supplier if the effects of an increase or

¹ Case No. 2008-00409, General Adjustment of Electric Rates of East Kentucky Power Cooperative, Inc. (Ky. PSC March 31, 2009)

² Application, Page 1.

decrease are allocated to each class and within each tariff on a proportional basis that will result in no change in the rate design currently in effect. Further, 807 KAR 5:007, Section 2(2), provides that the distribution cooperative shall file an analysis demonstrating that the rate change does not alter the rate design currently in effect and that the revenue change has been allocated to each class and within each tariff on a proportional basis.

The Commission has reviewed the approach proposed by Taylor County to pass-through any increases in the wholesale rates of EKPC and to allocate such increases to its retail rates. Based upon this review, the Commission finds that Taylor County's approach complies with the provisions of KRS 278.455(2) and 807 KAR 5:007, Section 2(2), and, therefore, should be accepted.

The Commission issued an Order in Case No. 2008-00409 on March 31, 2009 authorizing a \$59.5 million annualized increase in EKPC's wholesale rates effective for service rendered on and after April 1, 2009. According to Taylor County, this will increase its wholesale power cost by \$2,515,706 annually.³

IT IS THEREFORE ORDERED that:

- 1. The proposed rates submitted with Taylor County's application are rejected.
- 2. The approach proposed by Taylor County to allocate its portion of the increase in the wholesale rates authorized in Case No. 2008-00409 is accepted.

³ Response to Commission Staff's Supplemental Data Request issued on March 18, 2009.

- 3. The rates set forth in the tariff sheets in the Appendix hereto are approved for service rendered on and after April 1, 2009.
- 4. Within 20 days from the date of this Order, Taylor County shall file with the Commission its revised tariffs, setting out the rates approved herein and stating that they were approved pursuant to this Order.

By the Commission

ENTERED

MAR 3 1 2009 AL KENTUCKY PUBLIC SERVICE COMMISSION

ATTEST:

Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2008-00425 DATED MAR 3 1 2009

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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 \$7.62 per meter per month

All kWh per month \$0.07458 per kWh

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 \$7.62 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.

_________ DATE OF ISSUE March 26, 2009 EFFECTIVE April 1, 2009
PO Box 100 PO Box 100 Manager, Campbellsville, KY 42719
(Name of Officer) (Title) (Address) ISSUED BY

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 \$7.83 per meter per month All KWH per month \$0.07473 Per KWH

Minimum Monthly Charges:

\$7.83 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 March 26, 2009 EFFECTIVE April 1, 2009

Manager, Campbellsville, KY 42719
(Name of Officer) (Title)

ISSUED BY

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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:

\$ 5.11 per KW of billing demand

Energy Charges:

Customer Charge

\$47.80 per meter per month

All KWH per month

\$ 0.05508 Per KWH

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	SSUE	March	26,	2009	EFFECTIVE April 1, 2009
					PO Box 100
ISSUED	BY				Manager, Campbellsville, KY 42719
	(Name	of Of:	fice:	r)	(Title) (Address

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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.

<u></u>	CLASSIFICATION OF SERVICE
SCHEDULE SL - STRI	EET LIGHTING SERVICE
design which which come grant plant ment which there early which make more from some more found to the come of the	

AVAILABILITY

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

Mercury Va	ipor <u>Cha</u>	irge/	Fixt	ure				
175 wat	ts \$2.	84 p	lus	70	KWH/Light/Month	_@	GP-1	Rate
250 wat	ts \$3.	.41 p	lus	100	KWH/Light/Month	9	GP-1	Rate
400 wat	ts \$4.	.52 p	lus	160	KWH/Light/Month	9	GP-1	Rate

High Pressure Sodium	Charge/Fixture				
100 watts	\$3.25 plus 41	KWH/Light/Month	@	GP-1	Rate
250 watts	\$5.00 plus 106	KWH/Light/Month	_@	GP-1	Rate

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.

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DATE OF	? I	SSUE	March	26,	2009	EFFECTIVE	April	1,	2009	
						РО Вох	: 100			
ISSUED	BY					_Manager,Campbe	ellsvill	e,K	42719	
	-	(Name	of Off	icer	:)	(Title)	Address)		

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Form For Filing F	Rates Schedules		For All Territory Serve	ed
			PSC KY No.	
Taylor County	Rural Electric		SHEET No	69
Cooperative	Corporation		Canceling PSC KY N	O
Name of Issuin	g Corporation		Revised Sheet No.	
	CLASSI	FICATION OF S	ERVICE	
	Residential	Marketing Rate	- Schedule R-1	
APPLICABLE				
	tory served.			
AVAILABILITY				
County Board of separately metere hours. This rate Home Service Raby the Kentucky	Directors. The electred for each point of dois available to consumente. This marketing ra	ic power furnished elivery and is appo- ners already receiven the applies only to mission to be offe	keting programs as apply under this marketing licable during the belowing service under Schelprograms which are extered under the Market as.	program shall be w listed off-peak dule A, Farm and appressly approved
	<u>onths</u>		f-Peak Hours - EST	
May throu	igh September	10:00	O P.M. to 10:00 A.M.	
October tl	nrough April	12:00	P.M. to 5:00 P. M.	
		10:00	O P.M. to 7:00 A.M.	
TYPE OF SERV Single phase,	<u>ICE</u> 60 Hertz, at available	secondary voltage.		
RATES The energy rate	te for this program is:			
	• -	0004477		
Al	l kWh	\$0.04475		
Date of Issue Issued By	March 26, 2009	Date Effective	April 1, 2009 Manager	
Issued Dy	Name of Office	1 1616	ivianagei	

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	1450 / 01 14
Form For Filing Rates Schedules	For All Territory Served
	PSC KY No
Taylor County Rural Electric	PSC KY No
Cooperative Corp.	Canceling PSC KY No
Name of Issuing Corporation	Revised Sheet No. 71
CLASS	IFICATION OF SERVICE
Large In	ndustrial Rate - Schedule C1
Availability	
to or greater than 400 hours per laparty" contracts with the first one	nands of 500 to 4,999 KW with a monthly energy usage equa KW of billing demand. These contracts will be two "two-e being between the Seller and the Cooperative association on the Seller and the ultimate consumer.
Monthly Rate	
Consumer Charge	\$1,176.88
Demand Charge	\$5.93 per kW of billing demand
Energy Charge	\$0.04662 per kWh
Billing Demand	
The monthly billing dem	and shall be the greater of (a) or (b) listed below:
months. The peak demand	peak demand during the current month or preceding eleven d shall be the highest average rate at which energy is used e interval in the below listed hours for each month and r 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: March 26, 2009	Date Effective: April 1, 2009 Title: Manager

(Name of Officer)

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Form For Filing Rates Schedule	es	For All Territory Serv	ed
G		PSC KY No	
Taylor County Rural Electri	С	SHEET No	74
Cooperative Corp.		Canceling PSC KY No)
Name of Issuing Corporation		Revised Sheet No	74
	CLASSIFICATION	ON OF SERVICE	
	Large Industrial l	Rate - Schedule C2	
Availability			
equal to or greater than "two-party" contracts w	400 hours per KW rith the first one bei	of billing demand. These contrains between the Seller and the Coen the Seller and the Coen the Seller and the coen the Seller and the ultimate coefficients.	octs will be two
Monthly Rate			
Consumer Charge Demand Charge Energy Charge	\$2,750.09 \$5.93 \$.04112	per kW of billing demand per kWh	
Billing Demand			
The monthly billing de	mand shall be the g	reater of (a) or (b) listed below:	
months. The peduring any fifted	nsumer's peak dem eak demand shall be	and during the current month or the highest average rate at which in the below listed hours for each led herein:	th energy is used
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: March 26, 2		fective: April 1, 2009	
Issued By: (Name of Off	Title: _ ficer)	Manager	

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Form For Filing Rates Schedules		For All Territory Served
Taylor County Rural Electric		PSC KY No
Cooperative Corp.		Canceling PSC KY NO
Name of Issuing Corporation		Revised Sheet No77
CL	ASSIFICATION	ON OF SERVICE
Lar	ge Industrial]	Rate - Schedule C3
Availability		
equal to or greater than 400 "two-party" contracts with the	hours per KW he first one bei	0,000 KW and over with a monthly energy usage of billing demand. These contracts will be two ng between the Seller and the Cooperative een the Seller and the ultimate consumer
Monthly Rate		
Consumer Charge Demand Charge Energy Charge	\$3,280.73 \$5.93 \$0.04003	per kW of billing demand per kWh
Billing Demand		
The monthly billing demand	l shall be the g	reater of (a) or (b) listed below:
months. The peak d	ner's peak dem emand shall be inute interval i	and during the current month or preceding elever the highest average rate at which energy is used in the below listed hours for each month and led 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: March 26, 2009 Issued By: (Name of Officer)	Title:	fective: April 1, 2009 Manager

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Form For Filing Rates Schedules	For All Territory Served
-	PSC KY No
Taylor County Rural Electric	SHEET No80
Cooperative Corp.	Canceling PSC KY No
Name of Issuing Corporation	Revised Sheet No. 80
CLASSIFICATIO	N OF SERVICE
Large Industrial Ra	ate - Schedule B1
Availability	
Applicable to contracts with demands of 500 to or greater than 400 hours per KW of billing	to 4,999 KW with a monthly energy usage equal ag demand.
Monthly Rate	
Consumer Charge	\$1,176.88
Demand Charge per kW of Contract Deman	•
Demand Charge per kW for Billing Demand	
Excess of Contract Demand	\$8.60
Energy Charge per kWh	\$0.04662
Billing Demand	
demand. Excess demand occurs when the contract demand. The load cent	nd) shall be the contract demand plus any excess onsumer's peak demand during the current month er's peak demand is the highest average rate at ute interval in the below listed hours for each rided 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.
	ective: April 1, 2009
Issued By: Title: Title:	Manager

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Form For Filing Rates Schedules	For All Territory Serv	ved		
<u> </u>	PSC KY No			
Taylor County Rural Electric	SHEET No	83		
Cooperative Corp.	Canceling PSC KY No.			
Name of Issuing Corporation	Revised Sheet No	83		
CLASSIFICA	TION OF SERVICE			
Large Industri	ial 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	\$2,750.09
Demand Charge per KW of Contract Demand	\$5.93
Demand Charge per KW for Billing Demand in	
Excess of Contract Demand	\$8.60
Energy Charge per KWH	\$0.04112

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:

Months		Hours Applicable for <u>Demand Billing - EST</u>
October through	n April	7:00 a.m. to 12:00 noon 5:00 p.m. to 10:00 p.m.
May through Se	eptember	10:00 a.m. to 10:00 p.m.
Date of Issue:	March 26, 2009 (Name of Officer)	Date Effective: April 1, 2009 Title: Manager

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Form For Filing Rates Schedules	For All Territory Served PSC KY No.		
Taylor County Rural Electric Cooperative Corp.	SHEET No. 86 Canceling PSC KY No.		
Name of Issuing Corporation	Revised Sheet No. 86		
CLASSIFICATION OF SERVICE			
Large Industrial Rate - Schedule B3			
A : 1- b : 1:4-v			

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	\$3,280.73
Demand Charge per KW of Contract Demand	\$5.93
Demand Charge per KW for Billing Demand in	
Excess of Contract Demand	\$8.60
Energy Charge per KWH	\$0.04003

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:

Months		Hours Applicable for <u>Demand Billing - EST</u>
October through Apr	ril	7:00 a.m. to 12:00 noon 5:00 p.m. to 10:00 p.m.
May through Septem	nber	10:00 a.m. to 10:00 p.m.
Issued By:	arch 26, 2009	Date Effective: April 1, 2009 Title: Manager

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Form For Filing Rates Schedules	For All Territory Served
-	PSC KY No
Taylor County Rural Electric	Revised SHEET NO
Cooperative, Corp.	
Name of Issuing Corporation	Sheet NO.
5 1	
C	LASSIFICATION OF SERVICE
	Interruptible Service
INTERRUPTIBLE SERVICE	
<u>APPLICABLE</u> : In all territory s	erved.
STANDARD RIDER: This Inter-Service.	ruptible Rate is a rider to Rate Schedule GP Part 2 General Purpose
contracts for an interruptible dema	E: This schedule shall be made available to any customer who and of not less than 250 kW and not more than 20,000 kW, subject finterruption per year and a notice period as listed below.
MONTHLY RATES: A monthly	y demand credit per kW is based on the following matrix:
NOTICE	ANNUAL HOURS OF INTERRUPTION
MINUTES	200 300 400
10	\$4.20 \$4.90 \$5.60
60	\$3.50 \$4.20 \$4.90
kilowatt demand established by the the month for which the bill is rem power factor as provided in Rate	
The interruptible billing demand sexceeds the minimum billing dem	shall be equal to the amount by which the monthly billing demand and as specified in the contract.
 Cooperative to the firm amount The Cooperative will endeavor interruption of service. Howe contracted. Service will be furnished under 	ication by the Cooperative, reduce his load being supplied by the at capacity level specified by the contract. In to provide the customer as much advance notice as possible of the ver, the customer shall interrupt service within the notice period as er the Cooperative's "General Rules and Regulations" or "Terms out herein and/or provisions agreed to by written contract.
DATE OF ISSUE: March 26, 20	09 DATE EFFECTIVE April 1, 2009

Title: Manager

ISSUE BY:_____(Name of Officer)

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Form For Filing Rates Schedules		For All Territory Served
		PSC KY No
Taylor County Rural Electric		Revised SHEET NO
Cooperative, Corp.		Canceling PSC KY NO
Name of Issuing Corporation		Sheet NO
C	LASSIFICATION OF	SERVICE
	Interruptible Ser	vice
INTERRUPTIBLE SERVICE		
<u>APPLICABLE</u> : In all territory s	erved.	
	ge Industrial Rate, C1 La	o Rate Schedule B1 Large Industrial Rate, rge Industrial Rate, C2 Large Industrial
	and of not less than 250	e made available to any customer who kW and not more than 20,000 kW, subject ad a notice period as listed below.
MONTHLY RATES: A monthl	y demand credit per kW	is based on the following matrix:
NOTICE	ANNUAL HOURS O	F INTERRUPTION
<u>MINUTES</u>	<u>200</u> <u>30</u>	<u>400</u>
10		90 \$5.60
60	\$3.50 \$4.2	20 \$4.90
kilowatt demand established by the month for which the bill is ren	ne consumer for any peri ndered, as indicated or re	lling demand shall be the maximum od of fifteen consecutive minutes during corded by a demand meter and adjusted for es and recorded during the below listed
Months	~ -	e for Demand Billing- S.T.
October through April		to 12:00 noon to 10:00 p.m.
May through September	-	to 10:00 p.m.
The interruptible billing demand exceeds the minimum billing den	~	ount by which the monthly billing demand contract.
Date of Issue: March 26, 2009	Date Effec	tive: April 1, 2009
Issued By:	Title:	Manager

(Name of Officer)

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

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