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November 5, 2008

Ms. Stephanie Stumbo, Executive Director
Public Service Commission
P.O. Box 615
Frankfort, KY 40602

RECEIVED
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PUBLIC SERVICE
COMMISSION

Dear Ms. Stumbo:

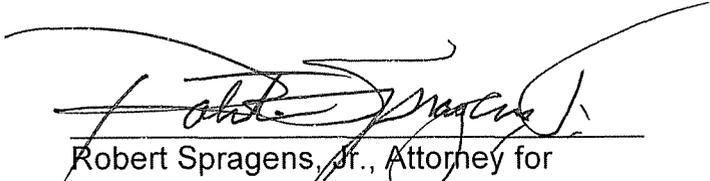
Re: Taylor County RECC
PSC Case No. 2008-00376

Pursuant to further discussions with members of the Commission's Staff, Taylor County RECC files herewith an original and three copies of a Supplemental Response to the Staff's First Data Request dated October 20, 2008.

With kind regards, I remain,

Very truly yours,

SPRAGENS & HIGDON, P.S.C.



Robert Spragens, Jr., Attorney for
Taylor County Rural Electric
Cooperative Corporation

RS,JR:js
Enclosures

Supplement to Exhibit 4

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

PSC CASE NO. 2008-00376

SUPPLEMENTAL RESPONSE TO PSC ORDER DATED OCTOBER 20, 2008

WITNESS AVAILABLE: John F. Patterson

Question 4

The impact of the deferral on the financial statements will be a reduction in margins of \$241,057.11 in each year of the 5 year deferral period.

Taylor County's TIER and its debt service coverage will be impacted to the extent set forth upon the attached one-page "Exhibit 4A"

The reduction in margins for each year of the amortization period will not place Taylor County RECC in jeopardy of default under the terms of its existing and proposed financing arrangements, and any documents of encumbrance which secure same.

TAYLOR COUNTY RECC
P O BOX 100
CAMPBELLSVILLE, KY 42719

CASE NO. 2008-00376

FOR THE YEAR ENDED DECEMBER 31, 2007

ACTUAL TIER AND DSC	<u>2007</u>	<u>Deferred Credit</u>	<u>Adjusted Margin</u>	TWELVE MONTH ENDED 9/30/2008	<u>Deferred Credit</u>	<u>Adjusted Margin</u>
Interest on long term debt	\$989,921			\$1,044,644.00		
Depreciaton	\$1,667,147			\$1,826,689.00		
Patronaged capital or Margins	\$1,995,198	\$241,057	\$1,754,141	\$1,741,627.00	\$241,057	\$1,500,570.00
Principal Payment Long Term Debt	\$623,326			\$659,569.00		
TIER	3.01			2.67		
DSC		2.88			2.71	
TIER AND DSC AFTER DEFERRAL						
TIER	2.77			2.44		
DSC		2.73			2.57	
Decrease in TIER	0.24			0.23		
Decrease in DSC		0.15			0.14	

The Deferral of \$241,057 in and of it's self will not cause a reduction in TIER and DSC below the RUS mortgage requirement.

Exhibit

4A