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January 5, 2012

Mr. Jeff R. Derouen, Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, KY 40602

RECEIVED

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PUBLIC SERVICE
COMMISSION

RE: Case No. 2011-00096
Response to Commission Staff's Fifth Information Request

Dear Mr. Derouen:

In response to the order dated December 27, 2011, South Kentucky RECC is enclosing an original and ten copies.

If you have any questions, please contact me at your convenience.

Sincerely,


A handwritten signature in black ink, appearing to read 'D. Stephen Johnson', with a long horizontal line extending to the right.

D. Stephen Johnson
Vice President of Finance

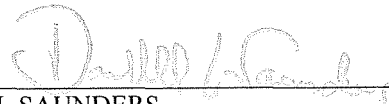
Enclosure

CERTIFICATION

The undersigned, Stephen Johnson, stated that he is the Vice President of Finance of South Kentucky Rural Electric Cooperative Corporation; that he supervised the preparation of the within response; and Certifies that the within response is true and accurate to the best of his knowledge, information and belief formed after reasonable inquiry.



STEPHEN JOHNSON
VICE PRESIDENT OF FINANCE
SOUTH KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION
SOMERSET, KENTUCKY 42501
(606) 451-4123



DARRELL SAUNDERS
ATTORNEY FOR SOUTH KENTUCKY RURAL
ELECTRIC COOPERATIVE CORPORATION
700 MASTER STREET
P. O. BOX 1324
CORBIN, KENTUCKY 40702
(606) 523-1370 TELEPHONE
(606) 523-1372 FACSIMILE

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the above and foregoing was this 5th day of January, 2012, overnighted via FedEx Express, all postage prepaid and addressed for delivery to Mr. Jeff Derouen, Executive Director, Public Service Commission, 211 Sower Boulevard, P. O. Box 615, Frankfort, KY 40602-0615.



ATTORNEY FOR SOUTH KENTUCKY RURAL
ELECTRIC COOPERATIVE CORPORATION

South Kentucky Rural Electric Cooperative
Case No. 2011-00096
Fifth Information Request
Witness: Jim Adkins

1. For each of the distribution subaccounts listed in RUS Bulletin 183-1, except for Poles, Towers, and Fixtures, explain why the services lives of South Kentucky's plant fall outside the RUS range of service lives.

Response: Several items that should be noted: the lives in RUS Bulletin 183-1 have not changed since the early 1960's; RUS has borrowers in each of the 50 states, these lives apply to each of the borrowers in these 50 states. Each state may have different characteristics that may lead to either a longer or shorter life span that allowed in Bulletin 183-1. In fact, Kentucky has very different characteristics between eastern and western Kentucky and northern and southern Kentucky. RUS has stated that a borrower may elect to use any rate that falls within in the "Low – High" rates without RUS approval. If a borrower elects a rate outside the ranges, it must be supported by a depreciation study. South Kentucky has provided a study with this Application and the lives are supported by the additions and retirements in the respective plant accounts. The activities support the selection of the Iowa Curve the fits each of the plant accounts. The following explanations are only a questimate of why the lives would be either higher or lower than the lives listed in Bulletin 183-1. Keep in mind that the lives of the plant accounts for South Kentucky are very similar to other electric cooperatives in the state of Kentucky, therefore, it would lead one to believe that the characteristics of the lives of South Kentucky's plant are similar to other Kentucky electric cooperatives.

Station Equipment Relates to AMI equipment and based on technology obsolescence, using the same rate as Meters.

Overhead Conductors and Devices The rugged terrain and right-of-way issues related to south central Kentucky. The sporadic growth patterns with a rural system lead to more replacement of conductor as customers are added to the system.

Underground Conduit Again the terrain of south central Kentucky.

Underground Conductors and Devices The few subdivisions that use underground and the replacement due to even minor growth.

Line Transformers There is usually only 1 customer per transformer, therefore, there is not the need to upgrade the transformer when additional customers are added to the system.

Services The same response as "Overhead Conductors and Devices" stated above.

Security Lights and Street Lights Change in technologies for lighting to include Mercury Vapor, High Pressure Sodium, and Halide.