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Commissioner

October 5, 2012

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PUBLIC SERVICE
COMMISSION

David Estep
General Manager
Big Sandy RECC
504 11th Street
Paintsville, KY 41240

RE: PSC Case No. 2010-00516

Dear Mr. Estep:

The ordering paragraphs in the final order of PSC Case No. 2010-00516 dated July 27, 2011 state the following:

If the final construction cost of the operations center exceeds 10 percent of the accepted bid, Big Sandy shall file with the Commission, within 30 days of determining the final cost, sufficient information to explain and justify the additional cost.

Within 30 days of completion of the construction, Big Sandy shall file with this Commission the actual cost to construct the proposed operations center.

Can you please give me an update on the progress of this project so that I can update the case file?

Thank you for your attention to this matter.

Sincerely,

Linda Faulkner
Filings Director



Big Sandy Rural Electric Cooperative Corporation

504 11th Street
Paintsville, Kentucky 41240-1422
(606) 789-4095 • Fax (606) 789-5454
Toll Free (888) 789-RECC (7322)

Mailed 10/2/12
jm

October 1, 2012

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PUBLIC SERVICE COMMISSION

Mr. Jeff Derouen, Executive Director

KY Public Service Commission

P. O. Box 615

Frankfort, KY 40602-0615

RE: CASE# 2010-00516

Mr. Derouen:

This is a status update letter concerning Big Sandy RECC's construction of a new operations center. The new building is now complete and occupied.

The following is a breakdown of the final construction costs:

Land	\$ 235,000
Site Preparation	\$ 263,000
Architectural/Engineering Fees	\$ 84,602
Sewer System	\$ 16,607
Generator	\$ 42,871
Construction	<u>\$1,665,025</u>
Total	\$2,307,015

The construction bid only had one change order, totaling \$ 24,197. The additional cost incurred resulted from additional site preparation to remove rock and dirt for sufficient space for the building and storage for materials. All other costs were consistent with original estimates.

Please contact me if you have any additional questions.

Respectfully,

A handwritten signature in black ink, appearing to read "David Estepp". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

David Estepp, President & General Manager

Big Sandy RECC

destepp@bigsandyrecc.com