

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF SOUTH KENTUCKY RURAL)	
ELECTRIC COOPERATIVE CORPORATION)	CASE NO.
FOR A CERTIFICATE OF CONVENIENCE AND)	2008-00371
NECESSITY TO CONSTRUCT A NEW)	
HEADQUARTERS FACILITY IN SOMERSET,)	
KENTUCKY)	

COMMISSION STAFF'S SECOND SUPPLEMENTAL
DATA REQUEST TO SOUTH KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION

South Kentucky Rural Electric Cooperative Corporation ("South Kentucky"), pursuant to 807 KAR 5:001, is to file with the Commission the original and five copies of the following information, with a copy to all parties of record. The information requested herein is due on or before March 22, 2010. Responses to requests for information shall be appropriately bound, tabbed and indexed. Each response shall include the name of the witness responsible for responding to the questions related to the information provided.

Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

South Kentucky shall make timely amendment to any prior response if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which South Kentucky fails or refuses to furnish all or part of the requested information, it shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations.

1. Explain, in narrative form, the steps South Kentucky took to address the concerns expressed in the Commission's Order dated October 15, 2009 regarding the size and scope of South Kentucky's proposed headquarters.

2. Refer to South Kentucky's response to Staff's Supplemental Data Request, Item 2(b). South Kentucky states that it analyzed the following four areas for reduction: i) corridor widths; ii) community rooms and marketing wings; iii) engineering department; and iv) information technology department.

- a. Provide the papers, worksheets, calculations, and any and all documentation establishing the estimated cost savings associated with each of the four areas listed above.

b. Explain what is meant by “[i]n all cases the estimated cost savings were not commensurate with the loss of space” Provide the data and analysis supporting this statement.

c. Provide the papers, worksheets, calculations, and any and all documentation establishing the costs associated with redesigning the four areas listed above.

d. Provide the papers, worksheets, calculations, and any and all documentation establishing that the “reductions recommended provide the highest value of savings, minimal redesign costs, lowest negative impact to the overall design, and ‘reasonably’ cost effective opportunity to recapture the lost areas in future construction phases.”

3. Refer to South Kentucky’s response to Staff’s Supplemental Data Request, Item 2(e). South Kentucky stated, “11,800 SF is the maximum amount of space that could be eliminated **without causing irreparable negative impact on operation requirements.**” (Emphasis added). Explain and quantify what is meant by the highlighted statement.

4. Refer to South Kentucky’s response to Staff’s Supplemental Data Request, Item 3(b).

a. Explain why South Kentucky relied upon cost estimates provided by the 28th Annual Edition of RSMeans Square Foot Costs, which was published in 2006, and not a more recent publication.

b. Provide the most recent publication of the RSMeans Square Foot Costs relating to the costs for one-story and two-story commercial/industrial/ institutional office buildings.

c. Explain why South Kentucky selected 20,000 square feet as a point of comparison for the costs associated with constructing a one-story office building versus a two-story office building.

5. Refer to South Kentucky's response to Staff's Supplemental Data Request, Item 9.

a. Provide a copy of the entire 2007 Space Program document. Explain why the document was not updated during the design process.

b. In paragraph 1, the response states that the 2002 Facilities Analysis was reviewed in conjunction with the preparation of the 2007 Space Program document. Other than the 2002 Facilities Analysis and interviews with South Kentucky personnel, what resources, studies, standards, etc. did Ms. Margaret Jacobs rely upon to arrive at the space requirements for the proposed headquarters complex?

c. On page 26 of 32, according to the 2007 Space Program, the space requirement for the offices of the Vice-President of Member Services and Public Relations totaled 407 net square feet. According to the updated Building Area Analysis and Floor Plans,¹ the area for the offices of the Vice-President of Member Services and Public Relations totaled 700 net square feet. Explain in detail the reasons why the size of this particular office was increased.

¹ The Building Area Analysis and Floor Plans were attached to South Kentucky's responses to Staff Supplemental Data Request, Item 1.

d. In paragraph 4, South Kentucky states that the various building diagrams provided included plan configuration studies, volumetric studies, and a selected conversation about building envelope materials. Provide copies of all documentation referenced in your response that was not included with the building diagrams.

e. Provide copies of meeting minutes not previously provided that occurred between South Kentucky and Tate Hill Jacobs during the programming phase to determine design and size of the headquarters facility.

6. Refer to South Kentucky's responses to Staff's Supplemental Data Request, Item 1.

a. Explain the purpose of the reception area contained within the conference room and justify the need to have a 680-square-foot reception area.

b. Explain the purpose of a cater kitchen for the conference center and justify the need to have a 306-square-foot cater kitchen. Include in this explanation whether the size of the cater kitchen increased during the design process and the reason for this increase.

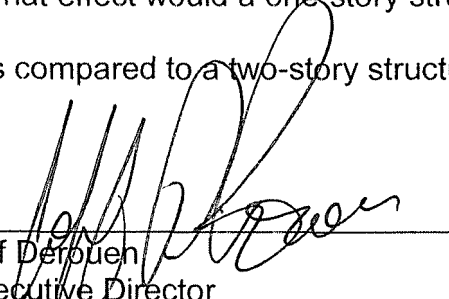
c. Explain the purpose of the first floor museum exhibit and justify the need to have a 1,175-square-foot exhibit area.

7. Refer to South Kentucky's response to Staff's Supplemental Data Request, Item 7. In the correspondence provided from the United States Department of Agriculture, reference is made to "RUS Form 740c, Cost Estimates and Loan Budget for Electric Borrowers, dated November 12, 2008, enclosed and made a part hereof." Provide a copy of the referenced document.

8. Refer to South Kentucky's response to Staff's Supplemental Data Request, Item 3(c).

a. Fully explain why a single-story structure would have longer pipe and conduit runs resulting in higher mechanical, plumbing, and electrical costs.

b. Expressed as a percentage, what effect would a one-story structure have on mechanical, plumbing, and electrical costs compared to a two-story structure?



Jeff Derouen
Executive Director
Public/Service Commission
P. O. Box 615
Frankfort, KY 40602

DATED: MAR 12 2010

cc: Parties of Record

Allen Anderson
Manager
South Kentucky R.E.C.C.
925-929 N. Main Street
P. O. Box 910
Somerset, KY 42502-0910

Honorable Darrell L Saunders, P.S.C.
Attorney at Law
700 Master Street
P.O. Box 1324
Corbin, KY 40702