

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF SOUTH KENTUCKY)	
RURAL ELECTRIC COOPERATIVE CORPORATION))	CASE NO.
FOR AN ADJUSTMENT OF RATES)	2011-00096

COMMISSION STAFF'S FIFTH INFORMATION REQUEST
TO SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

Pursuant to 807 KAR 5:001, South Kentucky Rural Electric Cooperative Corporation ("South Kentucky") is to file with the Commission the original and 10 copies of the following information, with a copy to all parties of record. The information requested herein is due on or before January 5, 2012. 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 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, South Kentucky shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention should 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. Refer to the table below. Listed on this table is the range of composite depreciation rates as prescribed by Rural Utility Service ("RUS") on page 10 of Bulletin 183-1, dated October 28, 1977, for all distribution plant accounts. In the table, these composite rates were converted to years for comparison to the average service lives found appropriate in South Kentucky's depreciation study. Before the conversion of the RUS composite rates was made, salvage equal to 10 percent was removed. The depreciation guideline curves shown on page 7 of Bulletin 183-1 demonstrate that the RUS composite rates include 10 percent salvage. Therefore, removal of salvage prior to the conversion is necessary to properly restate the composite rates to years. Page 7 and Page 10 of Bulletin 183-1 are appended hereto.

	As Stated in Bulletin 183		Bulletin 183 Less. 10 % Salvage		Covered to years		Years Assigned by South Kentucky
	Low	High	Low	High			
	Distribution Plant						
Station Equipment	2.7%	3.2%	2.45%	2.91%	40.82	34.36	15
Poles, Towers, and Fixtures	3.0%	4.0%	2.73%	3.64%	36.63	27.47	31
Overhead Conductors and Devices	2.3%	2.8%	2.09%	2.55%	47.85	39.22	29
Underground Conduit	1.8%	2.3%	1.64%	2.09%	60.98	47.85	45
Underground Conductors and Devices	2.4%	2.9%	2.18%	2.64%	45.87	37.88	23
Line Transformers	2.6%	3.1%	2.36%	2.82%	42.37	35.46	45
Services	3.1%	3.6%	2.82%	3.27%	35.46	30.58	28
Meters	2.9%	3.4%	2.64%	3.09%	37.88	32.36	15
Security Lights	3.8%	4.3%	3.45%	3.91%	28.99	25.58	15
Street Lights	3.8%	4.3%	3.45%	3.91%	28.99	25.58	15

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 falls outside the RUS range of service lives.


 Jeff Derouen
 Executive Director
 Public Service Commission
 P.O. Box 615
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DATED DEC 27 2011

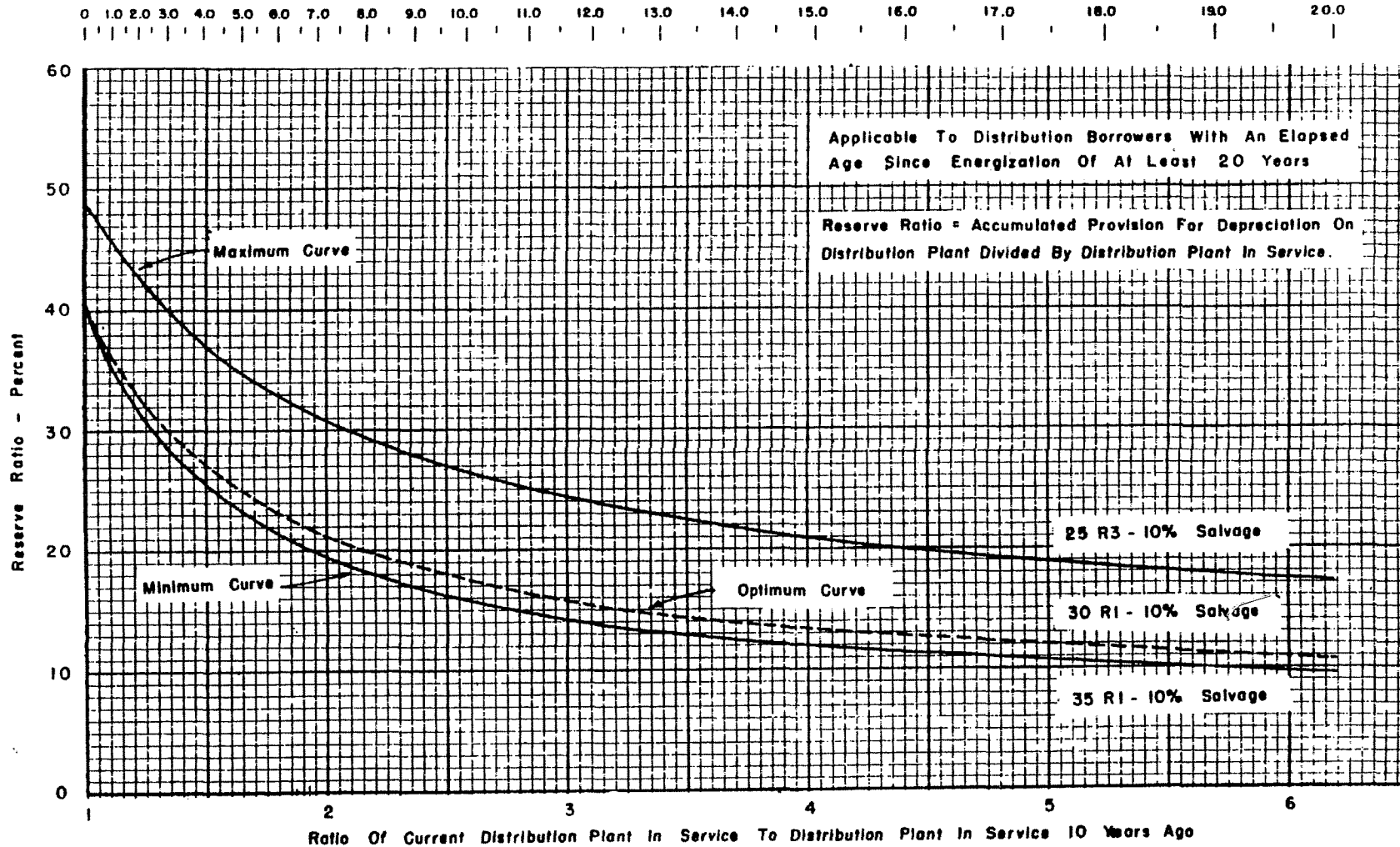
cc: Parties of Record

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2011-00096 DATED **DEC 27 2011**

DEPRECIATION GUIDELINE CURVES

Average Annual Compounded Rate Of Growth Of Distribution Plant In Service (Percent) For At Least The Last 10 Years



C. Range of Rates - Distribution Plant:

Acct. No.	Account	Annual Depreciation Rate
361	Structures and Improvements	See Account 390
362	Station Equipment	2.7 - 3.2%*
364	Poles, Towers, and Fixtures	3.0 - 4.0%
365	Overhead Conductor and Devices	2.3 - 2.8%
366	Underground Conduit	1.8 - 2.3%
367	Underground Conductor and Devices	2.4 - 2.9%
368	Line Transformers	2.6 - 3.1%
369	Services	3.1 - 3.6%
370	Meters	2.9 - 3.4%
371	Installation on Consumers' Premises	3.9 - 4.4%
372	Leased Property on Consumers' Premises	3.6 - 4.1%
373	Street Lighting and Signal Systems	3.8 - 4.3%

* Power type borrowers should use 2.88% for distribution station equipment.

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