

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF JACKSON ENERGY)
COOPERATIVE CORPORATION FOR A)
CERTIFICATE OF CONVENIENCE AND NECESSITY) CASE NO.
TO CONSTRUCT A BUILDING ADDITION AT THE) 2011-00178
LONDON OFFICE PURSUANT TO KRS 278.020 AND)
807 KAR 5:001, SECTION 9)

FIRST INFORMATION REQUEST OF COMMISSION STAFF TO
JACKSON ENERGY COOPERATIVE CORPORATION

Pursuant to 807 KAR 5:001, Jackson Energy Cooperative Corporation (“Jackson Energy”) is to file with the Commission the original and seven copies of the following information, with a copy to all parties of record. The information requested herein shall be received no later than 15 days from the date of this Order. 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.

Jackson Energy 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 Jackson Energy fails or refuses to furnish all or part of the requested information, Jackson Energy 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 paragraph 1 of the application, which provides that there are presently 29 employees working at the London office facility. How many employees did Jackson Energy have at the London office after the building was constructed in 1988? Provide the number of employees who worked in the office building and the number of field employees who worked in the warehouse facility in 1988.

2. Refer to paragraph 1 of the application wherein it mentions that the space constraints and operational issues at the London office were addressed at the 2010 Strategic Planning session by Jackson Energy's board of directors and management. Provide a copy of the minutes of this planning session and any and all documents or notes relating to the need to expand the London office complex.

3. Refer to paragraph 1 of the application, which states that three field employees will be needed by the first quarter of 2012 and one staking engineer will be needed in 2013. Provide a detailed explanation supporting Jackson Energy's need to add three field employees and one staking engineer in the next two years.

4. Refer to paragraph 3 of the application, which provides that the proposed expansion to the London office complex would include office space for 27 employees and a training area for a minimum seating of 192.

a. Given that the London facility currently has 13 office employees,¹ explain in detail Jackson Energy's rationale in arriving at an office building design that could accommodate 27 employees.

b. Explain in detail Jackson Energy's rationale in arriving at a training area needed to accommodate seating for at least 192 people.

5. Refer to paragraph 3 of the application, which indicates that a local building contractor, McKnight & Associates, Inc., has provided the architectural drawings, renderings of the external view, and the cost to construct the proposed expansion.

a. In addition to its acknowledged prior relationship with McKnight & Associates, explain why Jackson Energy decided to request a quote from McKnight & Associates for the construction of the proposed expansion to the London office.

b. Did Jackson Energy send a Request for Proposal ("RFP") to construct the proposed facilities?

(1) If yes, provide the list to whom it was sent and a copy of the RFP. Also provide a copy of the responses to the RFP that were received by Jackson Energy.

(2) If no, explain why an RFP is not necessary.

¹ Application at 3.

c. Provide a detailed explanation of the prior construction project(s) that McKnight & Associates did for Jackson Energy.

d. Does McKnight & Associates have an incentive for cost savings?

e. What is the process for approving change orders?

f. Does McKnight & Associates have structural engineers on staff?

6. Refer to paragraph 7(a) of the application wherein it is provided that the "London facility serves approximately half of Jackson Energy's consumers and is expected to grow at a larger rate than the other service territories."

a. Provide support for the statement that the London area is expected to grow at a larger rate than Jackson Energy's other service areas.

b. Provide the rate of growth associated with the London service area for the previous 10 years.

c. Has Jackson Energy conducted any analysis forecasting the growth rate for the London service area? If yes, provide a copy of any analysis conducted. If no, explain why not.

7. State whether the estimated cost of the project of \$1,662,331 includes all costs, such as grading and other site preparation, utility installation, paving, fencing, landscaping, security features, lighting, etc. If not, provide a list of all items not included, and the estimated cost and the basis for such cost for those items.

8. a. Provide the basis of all cost estimates including copies of any information relied upon in determining costs.

b. Are the cost estimates based on actual bids? If not, does Jackson Energy plan to bid out each division?

9. State whether a customer drive-up or drive-through facility was considered in the design of the new building and, if not, explain why such a feature was rejected.

10. Describe in detail all energy efficiency features that are proposed for the new office building.

11. Refer to pages 5 and 6 of Exhibit 5 of the application. Division 1 lists profit for this part of the project to be \$80,667, whereas the remaining divisions do not contain a line item for profit. Is the \$80,667 listed in Division 1 the total profit projected for completion of the total contract?

12. Refer to item 7.h. of the application and page 1 of Exhibit 8. Item 7.h. provides a timeline for completion of the project of 10 months after completion of regulatory approvals. Exhibit 8 lists all costs for the project to be incurred in 2011. Explain why all costs are expected to be incurred in 2011.

13. Provide Jackson Energy's plans for its existing facility once the addition is constructed.



Jeff Derouen
Executive Director
Public Service Commission
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DATED **AUG 09 2011**

cc: Parties of Record

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