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June 21, 2005

Ms. Beth A. O'Donnell, Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Post Office Box 615
Frankfort, Kentucky 40602-4615

RECEIVED
JUN 24 2005
PUBLIC SERVICE
COMMISSION

Dear Ms. O'Donnell:

Case No. 2005-00261

Enclosed you will find an original and ten (10) copies of the cooperative's filing for a Certificate of Public Convenience and Necessity for the construction of a district office and service facility. Also included in the mailing is a complete copy of the blue prints for the facility. This is in compliance with 807 KAR 5:001, Section 9, of the Rules of Procedure.

The decision was the result of a careful review process that had taken place over the past year and has been approved by the Cooperative's Board of Directors for the construction of the proposed facility.

The new facility will be located in McCreary County, Kentucky, pending review and approval by the Commission, we would like to begin site preparation in July 2005. The facility is currently in the formal bidding phase.

Our architectural and engineering consults, Taylor and Whitney Architects, have advised us that if we can stay on our currently planned schedule, then the bidding process can be completed and critical site work accomplished before winter. This would allow construction work to continue through winter and facilitate construction cost savings. We understand the Commission's need for complete information to consider our request, and would sincerely appreciate any assistance you may provide in accommodating our filing as expeditiously as possible.

Should you require further information, please let us know.

Sincerely,

SOUTH KENTUCKY RURAL RECC

A handwritten signature in black ink that reads 'Allen Anderson' in a cursive script.

Allen Anderson
General Manager & CEO

Enclosures

k:WhitleyCityOfficeConstruction.aa

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

JUN 7 4 2005

PUBLIC SERVICE
COMMISSION

IN THE MATTER OF:

APPLICATION OF SOUTH KENTUCKY)
RURAL ELECTRIC COOPERATIVE)
CORPORATION FOR A CERTIFICATE)
OF CONVENIENCE AND NECESSITY TO)
CONSTRUCT A DISTRICT OFFICE)
AND SERVICE FACILITY IN WHITLEY CITY)
KENTUCKY)

CASE NO. 2005-00261

SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION
SOMERSET, KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

COMMONWEALTH OF KENTUCKY

In the Matter of the Application)
Of South Kentucky Power Electric Corporation) Case No. _____
For an Order Issuing a Certificate)
Of Public Convenience and Necessity)

APPLICATION

I

The petition of South Kentucky Rural Electric Cooperative Corporation, with a post Office address of Post Office Box 910, Somerset, Kentucky 42502 designated as Kentucky 54 - Wayne states that it is a corporation with all rights, characteristics, powers, Privileges and duties shown by the records now on file in the office of the Public Service Commission of Kentucky, and that it is engaged in the rural electrification business in the Counties of Pulaski, Wayne, McCreary, Cumberland, Lincoln, Rockcastle, Casey, Russell, Laurel, Clinton, and Adair, all in Kentucky, and Pickett and Scott Counties in the State of Tennessee, by and under the Rural Electrification Act and under authority Contained in Kentucky Revised Statutes, Chapter 279.

II

South Kentucky Rural Electric Cooperative Corporation's Articles of Incorporation, with Amendments have previously been filed with the Commission in Case No. 96-109.

III

South Kentucky Rural Electric Cooperative Corporation's proposes to construct
A district office and service facility in McCreary County of Kentucky.

IV

South Kentucky Rural Electric Cooperative Corporation will construct the proposed
Facility from general funds until such time as new loan funds are needed. At that time,
Loan applications will be filed with the Rural Utilities Service. These loan proceeds will
be used to reimburse general funds as expended and to provide money to complete the
proposed facilities.

That Applicant shall finance the proposed headquarters and service facility through the
use of a Rural Utilities' guaranteed Federal Finance Bank loan with a term of 35 years.
No rate increase will specifically sought for the financing and construction of these
facilities. A long-term financial forecast was performed on the behalf of the cooperative
by an independent person. A discussion of the planned financing is in Exhibit A -
Financing.

V

That the estimated cost of the proposed facilities will be approximately \$1,860,000.

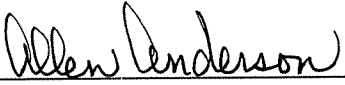
VI

The attached hereto and made a part of this Application are the following documents:

- Exhibit A Financing of New Facility
- Exhibit B Detailed Cost Estimation of Project
- Exhibit C Description of Current and Proposed Facilities
- Exhibit D Dissolution of Existing Properties
- Exhibit E Balance Sheet of April 30, 2005
- Exhibit F Statement of Operations for 12 month period of May 1, 2004 - April 30, 2005
- Exhibit G Notes Outstanding as of April 30, 2005
- Exhibit H Estimated Cost of Maintenance and Operation of the Proposed Facility and Cost of Maintenance and Operation of the Current Facility
- Exhibit I Floor Diagram
- Exhibit J Franchise & Permits
- Exhibit K Professional Engineering and Registered Architectural Report.

WHEREFORE, South Kentucky Rural Electric Cooperative Corporation of Somerset, Pulaski County, Kentucky, designated as Kentucky 54 – Wayne, pursuant to KRS 278.020, respectfully petitions this Commission as follows:

- A. To grant it a Certificate of Convenience and Necessity to construct office and service facilities.
- B. For all proper orders and relief.


Allen Anderson
General Manager and C.E.O.
South Kentucky Rural Electric
Cooperative Corporation
Somerset, Kentucky 42501
Telephone No. (606) 678-4121

STATE OF KENTUCKY
SCT)
COUNTY OF PULASKI

Subscribed and sworn to before me by Allen Anderson, General Manager
and C.E.O. of South Kentucky Rural Electric Cooperative Corporation, at Somerset,
Kentucky this 23rd day of June, 2005.

Conrad G. Wilson
NOTARY PUBLIC
State of Kentucky at Large

My Commission Expires: 4/22/06

EXHIBIT A

FINANCING OF NEW FACILITY

EXHIBIT A
Sheet 1 of 6

Financing

The cooperative plans to finance the construction of the facility through the Rural Utilities Services (RUS). The cost will be included as an amendment to our three year work plan. The funding of the work plan will be through RUS's Guaranteed Loan Program, financed by the Federal Finance Bank. RUS is aware of the cooperative's plan to include this on an amendment to the plan.

Due to the favorable current short-term lending rates, the cooperative plans to utilize Federal Finance Bank short-term funds. As of June 13, 2005, the one year FFB quarterly rates were at 3.33%. The cooperative intends to maintain the financing on a short-term basis, while monitoring interest rate trends. FFB financing will give the cooperative the option of locking in a long-term rate should interest rates begin to rise.

A list of key assumptions and key results of the financial forecast are included on the following five pages. Mr. Jim Adkins, of Lexington, Kentucky, performed the independent financial analysis for Management and the Board of Directors.

SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE

KEY ASSUMPTIONS
IN FINANCIAL ANALYSIS OF NEW BUILDINGS

1. An increase in rates will be needed in 2009 for distribution revenue requirement purposes with or without the new buildings.
2. Average revenue per kWh for 2004 is the basis for future revenues for each rate class.
3. All increases in revenue requirements with exception state in Number 1 above are due to increases in wholesale power costs which are automatically flowed through to retail customers.
4. No G&T capital credits are received nor allocated to South Kentucky during the forecast period.
5. Interest rates for new borrowing are 4 % through 2007 and 5% thereafter.
6. All expansion in total utility plant is funded 70% by Debt and 30% by internal funds.
7. Distribution capital credits are paid on the basis of 2.0% of the previous year's equity level.
8. Expenses for operations, maintenance, customer accounts, administrative and general and depreciation are based on historical averages for 2002 – 2004.
9. Plant expansion and plant retirement are based the current work plan and current history of such investments.
10. Load growth is based on the South Kentucky' most recent load forecast
11. Purchased power costs are based on EKPC's Financial Forecast approved in January 2005.
12. All non-operating margins are based on general fund levels.
13. All other electric revenue is based on total revenue from rates.
14. The cost of all of the Office Buildings is estimated to be a net amount of \$1,860,000.

**SOUTH KENTUCKY RECC
SOMERSET, KY
TEN YEAR FINANCIAL FORECAST**

Exhibit A
Sheet 3 of 6

Statement of Operations

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenue										
Revenue from Current Rates	78,711,978	81,633,334	84,721,997	87,113,730	89,478,892	97,392,049	99,824,438	102,548,972	106,035,318	108,896,708
Increases for Distribution Costs	0	0	0	0	4,940,798	0	0	0	0	0
Increases for Purchased Power	2,736,996	6,011,903	6,908,563	2,916,352	4,117,993	8,005,161	9,870,896	10,139,644	14,435,375	15,967,205
Total Revenue	81,448,974	87,645,237	91,630,559	90,030,083	98,537,682	105,397,210	109,695,334	112,688,616	120,470,693	124,863,913
<u>Expenses</u>										
Cost of Purchased Power	57,227,108	62,588,541	65,061,383	63,456,605	66,285,469	72,154,517	75,599,671	77,657,567	84,283,557	87,672,500
Gross Margin	24,221,866	25,056,696	26,569,176	26,573,477	32,252,213	33,242,693	34,095,663	35,031,049	36,187,136	37,191,413
Distribution O&M	7,894,183	8,348,939	8,796,399	9,261,912	9,738,784	10,223,657	10,721,648	11,231,133	11,752,176	12,285,983
Consumer Accounts Expenses	3,346,271	3,413,813	3,485,120	3,555,826	3,621,895	3,689,273	3,760,634	3,836,850	3,915,031	3,990,047
Administrative & General	4,220,680	4,463,819	4,703,057	4,951,947	5,206,910	5,466,150	5,732,405	6,004,805	6,283,384	6,568,788
Depreciation	4,026,613	4,258,572	4,486,810	4,724,256	4,967,496	5,214,816	5,468,829	5,728,703	5,994,473	6,266,754
Tax Expense	84,152	89,000	93,770	98,732	103,816	108,985	114,293	119,724	125,279	130,969
Operating Margins before Interest	4,649,966	4,482,553	5,004,020	3,980,805	8,613,313	8,539,812	8,297,854	8,109,833	8,116,793	7,948,871
Interest Expense	3,671,500	3,874,072	4,057,312	4,267,437	4,515,697	4,766,407	5,014,664	5,259,648	5,501,442	5,758,578
Operating Margins after Interest	978,466	608,481	946,709	(286,632)	4,097,616	3,773,405	3,283,190	2,850,185	2,615,351	2,190,293
Non-operating Margins	247,534	280,406	344,675	405,713	349,740	401,415	443,984	472,024	488,104	495,927
Other Capital Credits	78,848	78,203	75,611	72,108	68,341	64,799	61,007	56,819	52,346	49,453
G&T Capital Credits	0	0	0	0	0	0	0	0	0	0
Net Margins	1,304,848	967,090	1,366,995	191,189	4,515,697	4,239,619	3,788,181	3,379,028	3,155,801	2,735,672
Op-TIER	1.27	1.16	1.23	0.93	1.91	1.79	1.65	1.54	1.48	1.38
TIER	1.36	1.25	1.34	1.04	2.00	1.89	1.76	1.64	1.57	1.48

**SOUTH KENTUCKY RECC
SOMERSET, KENTUCKY**

TEN YEAR FINANCIAL FORECAST

Exhibit A
Sheet 4 of 6

Balance Sheet

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Assets	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Total Utility Plant In Service	145,470,334	153,850,367	162,095,966	170,674,219	179,461,796	188,396,809	197,573,564	206,962,112	216,563,648	226,400,401
Accumulated Depreciation	31,753,361	33,938,813	36,290,309	38,815,191	41,517,332	44,398,833	47,464,346	50,717,635	54,162,432	57,803,020
Net Plant	113,716,973	119,911,554	125,805,657	131,859,028	137,944,464	143,997,977	150,109,217	156,244,477	162,401,216	168,597,382
Current Assets	18,693,734	17,233,770	16,228,534	13,989,614	16,056,596	17,759,345	18,880,974	19,524,155	19,837,061	19,785,758
Other Property & Investments	21,459,895	21,538,098	21,613,709	21,701,108	21,769,449	21,834,248	21,895,255	21,959,353	22,011,699	22,290,814
Other Assets and Deferred Debits	64,486	64,486	64,486	64,486	64,486	64,486	64,486	64,486	64,486	64,486
Total Assets	153,935,088	158,747,908	163,712,386	167,614,236	175,834,995	183,656,056	190,949,932	197,792,471	204,314,462	210,738,440
Liabilities and Equity										
Distribution Equity	32,883,074	32,832,376	33,182,596	32,350,006	35,858,577	39,020,897	41,668,533	43,854,063	45,772,655	47,232,748
G&T Capital Credits	18,006,351	18,006,351	18,006,351	18,006,351	18,006,351	18,006,351	18,006,351	18,006,351	18,006,351	18,006,351
Total Equity and Margins	50,889,425	50,838,727	51,188,947	50,356,357	53,864,928	57,027,248	59,674,884	61,860,414	63,779,006	65,239,099
Long Term Debt - RUS	76,156,597	81,523,872	86,658,471	91,943,762	97,228,452	102,461,268	107,707,442	112,935,683	118,135,816	123,541,188
Long Term Debt - Other	11,843,401	11,339,645	10,819,303	10,268,451	9,695,951	9,121,875	8,521,942	7,950,709	7,353,974	6,912,489
Total Long Term Debt	87,999,998	92,863,517	97,477,774	102,212,214	106,924,403	111,583,143	116,229,383	120,886,392	125,489,790	130,453,677
Current Liabilities & Other	15,045,665	15,045,665	15,045,665	15,045,665	15,045,665	15,045,665	15,045,665	15,045,665	15,045,665	15,045,665
Total Liabilities and Equity	153,935,088	158,747,908	163,712,386	167,614,236	175,834,995	183,656,056	190,949,932	197,792,471	204,314,462	210,738,440

**SOUTH KENTUCKY RECC
SOMERSET, KY
TEN YEAR FINANCIAL FORECAST**

Exhibit A
Sheet 5 of 6

Statement of Operations with Proposed New Facility

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenue										
Revenue from Current Rates	78,711,978	81,633,334	84,721,997	87,113,730	89,479,158	94,074,237	100,296,072	103,033,477	106,535,853	109,410,621
Increases for Distribution Costs	0	0	0	0	5,515,957	0	0	0	0	0
Increases for Purchased Power	2,736,996	6,011,903	6,908,563	2,916,352	4,117,993	8,005,161	9,870,896	10,139,644	14,435,375	15,967,205
Total Revenue	81,448,974	87,645,237	91,630,559	90,030,083	99,113,108	102,079,398	110,166,967	113,173,121	120,971,228	125,377,826
Expenses										
Cost of Purchased Power	57,227,108	62,588,541	65,061,383	63,456,605	66,285,469	72,154,517	75,599,671	77,657,567	84,283,557	87,672,500
Gross Margin	24,221,866	25,056,696	26,569,176	26,573,477	32,827,638	29,924,882	34,567,297	35,515,554	36,687,670	37,705,326
Distribution O&M	7,894,183	8,348,939	8,897,335	9,396,493	9,918,226	10,462,913	11,007,010	11,566,755	12,139,859	12,723,141
Consumer Accounts Expenses	3,346,271	3,413,813	3,485,120	3,555,826	3,621,895	3,689,273	3,760,634	3,836,850	3,915,031	3,990,047
Administrative & General	4,220,680	4,463,819	4,757,023	5,023,901	5,302,849	5,594,070	5,884,976	6,184,247	6,490,651	6,802,517
Depreciation	4,026,613	4,258,572	4,538,295	4,792,902	5,059,024	5,336,854	5,614,384	5,899,895	6,192,220	6,489,737
Tax Expense	84,152	89,000	94,846	100,167	105,729	111,535	117,335	123,302	129,411	135,629
Operating Margins before Interest	4,649,966	4,482,553	4,796,558	3,704,188	8,819,916	4,730,237	8,182,957	7,904,504	7,820,489	7,564,253
Interest Expense	3,671,500	3,874,072	4,083,352	4,330,367	4,603,864	4,887,638	5,168,983	5,443,576	5,716,389	6,003,817
Operating Margins after Interest	978,466	608,481	713,206	(626,179)	4,216,052	(157,401)	3,013,975	2,460,928	2,104,100	1,560,436
Non-operating Margins	247,534	280,406	344,675	387,213	319,472	369,492	307,460	324,106	325,492	315,587
Other Capital Credits	78,848	78,203	75,611	72,108	68,341	64,799	61,007	56,819	52,346	49,453
G&T Capital Credits	0	0	0	0	0	0	0	0	0	0
Net Margins	1,304,848	967,090	1,133,492	(166,858)	4,603,864	276,890	3,382,442	2,841,853	2,481,938	1,925,476
Op-TIER	1.27	1.16	1.17	0.86	1.92	0.97	1.58	1.45	1.37	1.26
TIER	1.36	1.25	1.28	0.96	2.00	1.06	1.65	1.52	1.43	1.32

**SOUTH KENTUCKY RECC
SOMERSET, KENTUCKY**

TEN YEAR FINANCIAL FORECAST

Exhibit A
Sheet 6 of 6

Balance Sheet with Proposed New Facility

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Assets	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Total Utility Plant in Service	145,470,334	153,850,367	163,955,966	173,154,219	182,768,463	192,805,698	202,832,082	213,146,804	223,707,681	234,456,149
Accumulated Depreciation	31,753,361	33,938,813	36,341,793	38,935,322	41,728,991	44,732,530	47,943,599	51,368,080	55,010,624	58,874,194
Net Plant	113,716,973	119,911,554	127,614,172	134,218,897	141,039,471	148,073,168	154,888,483	161,778,723	168,697,058	175,581,955
Current Assets	18,693,734	17,233,770	15,488,516	12,778,865	14,779,680	12,298,409	12,964,250	13,019,694	12,623,489	11,767,794
Other Property & Investments	21,459,895	21,538,098	21,613,709	21,701,108	21,769,449	21,834,248	21,895,255	21,959,353	22,011,699	22,290,814
Other Assets and Deferred Debits	64,486	64,486	64,486	64,486	64,486	64,486	64,486	64,486	64,486	64,486
Total Assets	153,935,088	158,747,908	164,780,883	168,763,356	177,653,087	182,270,311	189,812,474	196,822,256	203,396,731	209,705,049
Liabilities and Equity										
Distribution Equity	32,883,074	32,832,376	32,949,093	31,763,126	35,371,601	34,580,932	36,911,628	38,655,121	40,003,830	40,769,103
G&T Capital Credits	18,006,351	18,006,351	18,006,351	18,006,351	18,006,351	18,006,351	18,006,351	18,006,351	18,006,351	18,006,351
Total Equity and Margins	50,889,425	50,838,727	50,955,444	49,769,477	53,377,952	52,587,283	54,917,979	56,661,472	58,010,181	58,775,454
Long Term Debt - RUS	76,156,597	81,523,872	87,960,471	93,679,762	99,533,519	105,515,488	111,326,889	117,164,410	122,986,911	128,971,442
Long Term Debt - Other	11,843,401	11,339,645	10,819,303	10,268,451	9,695,951	9,121,875	8,521,942	7,950,709	7,353,974	6,912,489
Total Long Term Debt	87,999,998	92,863,517	98,779,774	103,948,214	109,229,470	114,637,363	119,848,830	125,115,119	130,340,886	135,883,931
Current Liabilities & Other	15,045,665	15,045,665	15,045,665	15,045,665	15,045,665	15,045,665	15,045,665	15,045,665	15,045,665	15,045,665
Total Liabilities and Equity	153,935,088	158,747,908	164,780,883	168,763,356	177,653,087	182,270,311	189,812,474	196,822,256	203,396,731	209,705,049

EXHIBIT B

DETAILED COST ESTIMATION OF PROJECT

EXHIBIT B

**District Office and Service Facility
Budget Cost Estimation
June 2005**

Item	Area	Subtotal
Whitley City Facility	16,000 SF	\$ 1,511,400
Furnishings		\$ 50,000
Communication Equipment		\$ 67,000
*A/E Fees		\$ 152,000
Project Contingency		<u>\$ 79,600</u>
Total		\$ 1,860,000

*A/E Feeds Include:

Schematic Design, Design Development, Construction Documents, Bidding, Construction Administration, Construction Management, Architectural, Structural, Mechanical, Electrical, Plumbing, Civil, Surveying, and Landscape design.

EXHIBIT C

DESCRIPTION OF CURRENT AND PROPOSED FACILITY

EXHIBIT C

Current Facility

Whitley City District Office

The building was constructed in 1959. Over the years employees have been added to the work force at the location to better serve our members.

The current building has 1,651 SF of office space, 2,293 SF of climate control garage, warehouse and shops, 841 SF community room.

The aged building has limitations on compliance with the American Disability Act and OSHA regulations.

In 2000 we added a construction crew to this area to better respond to our members. The addition of these employees has created the need for additional warehousing, parking, increased flow for accessing and egression from the current site.

In 2004 the widening of US Highway 27 took part of the road frontage from the site which made the front of the building very close to the right of way creates a more potential safety concern for employees and members. This also adds to our existing problem of insufficient parking spaces.

The community meeting room which is available for our members is limited to only evening and weekend use due to the lack of adequate parking area and employee traffic throughout the day.

EXHIBIT C

Proposed Facility

Whitley City District Office

The Whitley City District Office is a one story building containing 16,000 square feet. The area is further defined as 6550 SF of office area, 7270 SF of warehousing and 2180 SF of covered storage. The warehouse (Use Group "S-1" moderate hazard) is separated from the office (Use Groups "B" business and "A-3" assembly) by a three hour fire wall. Building construction is type 11 B, unprotected non-combustible.

The building structure is as pre-engineered metal rigid frame with "Z" purlins on concrete foundations. The roof is standing seam metal. The exterior walls of the warehouse are standard metal wall panels with batt insulation. The exterior walls of the office are metal stud with brick and split face concrete block veneer and EIFS accent.

Floor slabs are reinforced concrete slab on grade.

Interior partitions are metal stud with gypsum board sheathing. Gypsum board is either painted or finished with wall covering. Ceilings are primarily suspended acoustical tile with suspended gypsum board ceilings in storage and file rooms. There is no ceiling in the warehouse or mechanical rooms.

Floor finishes include ceramic tile in the lobby and toilets, sheet vinyl in the community room, carpet in offices, and vinyl composition tile in the remainder of the office area. The warehouse is hardened and sealed concrete.

Built-in casework, including countertops, cabinets, cashier area, etc. is of wood construction with plastic laminate surfacing.

The office area HVAC system is a ground coupled hydronic heat pump system with ducted supply and return. Outside air to meet code requirements is introduced to the units. The geothermal loop consists of fourteen wells, 300 feet deep. The warehouse is heat only with unit heaters. The HVAC system is all electric. The community room has a dedicated unit with outside air quantities controlled by a carbon dioxide sensor.

The building electrical system is fed from a 300 KVA pad mount transformer providing 120 v / 208y three phase power. Lighting is primarily fluorescent in the offices with 400 W metal halide in the warehouse area. Back up power is provided by an Owner supplied 45 KW generator.

The building site is paved with bituminous asphalt for drives and parking with crushed stone in the maintenance and outside storage areas. The storage areas are enclosed by chain link fence with motorized gates. Landscaping and site lighting are provided.

The Owner will supply and install building and site security providing digital recording cameras and intrusion alarms

EXHIBIT D

DISSOLUTION OF EXISTING PROPERTIES

EXHIBIT D

Dissolution of Existing Properties

The existing building and property was used as partial payment for the land of which the proposed new facility will be located.

EXHIBIT E
SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE
CORPORATION

BALANCE SHEET

April 30, 2005

SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION
STATEMENT OF OPERATIONS FOR 12 MONTHS ENDING APRIL 2005

	Year-to-Date												
	May 2004	June 2004	July 2004	August 2004	September 2004	October 2004	November 2004	December 2004	January 2005	February 2005	March 2005	April 2005	5/04 -- 4/05
1. Operating Revenue & Patr. Capital	\$4,923,313	\$5,352,534	\$5,797,756	\$5,507,137	\$5,559,879	\$4,750,471	\$4,904,721	\$8,429,816	\$6,876,709	\$8,551,187	\$6,668,539	\$6,466,913	\$73,788,975
2. Power Production Expense	\$3,502,306	\$3,642,236	\$4,270,832	\$3,971,482	\$3,727,077	\$3,188,417	\$3,722,471	\$5,876,972	\$6,312,020	\$5,275,434	\$5,042,172	\$3,633,213	\$52,164,652
3. Cost of Purchased Power	\$359,033	\$95,428	\$243,875	\$247,124	\$235,518	\$245,047	\$252,025	\$305,452	\$232,200	\$240,601	\$268,798	\$278,841	\$3,003,942
4. Transmission Expense	\$418,245	\$295,997	\$837,271	\$160,169	\$368,515	\$356,748	\$382,417	\$300,577	\$385,822	\$264,905	\$400,942	\$365,782	\$4,437,390
5. Distribution Exp. - Operations	\$230,085	\$236,572	\$251,015	\$261,290	\$244,079	\$248,389	\$248,052	\$296,839	\$259,707	\$219,458	\$283,819	\$296,570	\$3,075,875
6. Distribution Exp. - Maintenance	\$27,462	\$48,393	\$23,163	\$69,826	\$40,448	\$41,272	\$51,374	(\$117,382)	\$61,372	\$56,146	\$6,963	\$68,177	\$377,214
7. Consumer Accounts Expense	\$1,034	\$1,353	\$1,546	\$1,137	\$1,403	\$1,207	\$1,303	\$1,660	\$1,248	\$1,167	\$1,255	\$1,079	\$15,392
8. Consumer Service & Info. Expens	\$255,975	\$280,210	\$257,862	\$240,289	\$249,710	\$276,271	\$222,484	\$228,712	\$265,699	\$235,539	\$247,077	\$231,069	\$2,990,897
9. Sales Expense													
10. Administrative & General Expense	\$4,794,141	\$4,600,190	\$5,885,563	\$4,951,317	\$4,866,750	\$4,357,350	\$4,780,126	\$6,892,829	\$7,518,068	\$6,293,251	\$6,251,027	\$4,874,732	\$66,065,344
11. TOTAL OPERATION & MAINT. EXPENSE	\$319,398	\$311,707	\$320,121	\$321,213	\$322,754	\$324,207	\$325,834	\$326,766	\$328,304	\$329,614	\$330,889	\$334,134	\$3,894,941
12. Depreciation Expense	\$256,086	\$249,831	\$279,903	\$283,292	\$275,102	\$284,095	\$340,903	\$324,951	\$324,779	\$295,694	\$339,828	\$328,697	\$3,583,161
13. Tax Expense - Property	\$1,490	\$1,914	\$1,216	\$25,761	\$878	\$504	\$304	\$357	\$464	\$549	\$1,096	\$1,099	\$35,632
14. Tax Expense - Other	\$9,127	\$4,224	\$1,710	\$21,503	\$876	\$873	\$4,204	(\$2,684)	\$4,696	\$6,883	\$2,159	\$6,585	\$60,156
15. Interest on Long-Term Debt													
16. Interest Charged to Constr. - Credit													
17. Interest Expense - Other													
18. Other Deductions													
19. TOTAL COST OF ELECTRIC SERVICE	\$5,380,242	\$5,167,866	\$6,560,757	\$5,603,085	\$5,466,361	\$4,967,029	\$5,451,371	\$7,542,218	\$8,176,311	\$6,925,991	\$6,924,998	\$5,545,247	\$73,711,476
20. PATRONAGE CAP. & OPERATING MARGINS	(\$456,930)	\$184,668	(\$763,001)	(\$95,948)	\$93,518	(\$216,558)	(\$546,649)	\$887,598	(\$1,299,602)	\$1,625,197	(\$256,459)	\$921,666	\$77,500
21. Non-Operating Margins- Interest	\$22,423	\$19,449	\$16,908	\$16,154	\$14,593	\$20,545	\$23,957	\$22,787	\$23,384	\$21,251	\$19,270	\$21,170	\$241,891
22. Allow. For Funds Used During Const.													
23. Income (Loss) from Equity Investments								(\$95,138)					(\$95,138)
24. Non-Operating Margins-Other	\$5,789	\$54,009	(\$3,487)	(\$7,891)	\$6,908	(\$11,301)	\$5,813	\$71,162	(\$3,000)	(\$158)	(\$8,962)	(\$3,171)	\$105,711
25. G. & T. Capital Credits													
26. Other Cap. Credits & Dividends				\$58,332	\$40,060					\$5,802			\$104,194
27. Extraordinary Items													
28. PATRONAGE CAPITAL OR MARGINS	(\$428,717)	\$258,126	(\$749,380)	(\$29,354)	\$155,080	(\$207,314)	(\$516,879)	\$886,410	(\$1,279,218)	\$1,652,092	(\$246,150)	\$939,664	\$434,160

EXHIBIT F

**STATEMENT OF OPERATIONS FOR 12 MONTH PERIOD
OF MAY 1, 2004 - APRIL 30, 2005**

South Kentucky Rural Electric Cooperative Corporation
Balance Sheet
As of 4/30/05

Exhibit F

<u>Assets and Other Assets</u>			
Total Utility Plant in Service	\$ 138,276,380.67		
Construction Work in Progress	\$ 2,055,104.69		
	<u>140,331,485.36</u>		
Total Utility Plant	\$ 140,331,485.36		
Accumulated Provision for Depreciation	\$ (30,430,669.98)		
Net Utility Plant	<u>109,900,815.38</u>		
			\$ 109,900,815.38
<u>Liabilities and Other Credits</u>			
Memberships	\$ 1,157,639.50		
Patronage Capital	\$ 47,834,605.79		
Operating Margins - Prior Year	\$ 864,756.88		
Operating Margins - Current Year	\$ 996,603.62		
Non-Operating Margins	\$ 325,533.09		
Other Margins & Equities	<u>471,999.59</u>		
			\$ 1,817,338.37
Total Margins & Equities			\$ 1,817,338.37
Long Term Debt - RUS	\$ 67,896,696.62		
Long Term Debt - Other	<u>12,174,765.52</u>		
			\$ 80,071,462.14
Total Long Term Debt			\$ 80,071,462.14
Accum. Operating Provisions	\$ 3,720,245.75		
Total Other Non-Current Liability	<u>3,720,245.75</u>		
			\$ 3,720,245.75
Accounts Payable	\$ 4,660,293.07		
Consumer Deposits	\$ 599,825.17		
Curr Maturities Long-Term Debt	\$ 2,564,923.77		
Other Current and Accrued Liabilities	<u>1,486,982.13</u>		
			\$ 9,312,024.14
Total Current and Accrued Liabilities			\$ 9,312,024.14
Other Deferred Credits			\$ 3,211,858.64
			<u>12,523,882.78</u>
Total Liabilities and Other Credits			\$ 12,523,882.78
			<u>147,966,729.14</u>
			<u>147,966,729.14</u>

EXHIBIT G

**SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE
CORPORATION**

NOTES OUTSTANDING AS OF APRIL 30, 2005

SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION
RUS LOANS
4/30/2005

LOAN NO.	DATE	INTEREST RATE	ORIGINAL AMOUNT	BALANCE
OB210	03/10/1972	2.0000	\$432,500	\$35,603.92
OB212	03/10/1972	2.0000	\$432,500	\$35,598.05
IB220	05/09/1974	5.0000	\$497,000	\$112,932.88
IB222	05/09/1974	5.0000	\$497,000	\$112,932.88
IB230	03/17/1975	5.0000	\$567,000	\$157,111.95
IB232	03/17/1975	5.0000	\$567,000	\$157,111.95
IB240	02/17/1977	5.0000	\$567,000	\$202,993.69
IB242	02/17/1977	5.0000	\$567,000	\$202,993.69
IB250	09/24/1977	5.0000	\$1,441,000	\$562,838.92
IB252	09/24/1977	5.0000	\$1,441,000	\$562,839.92
IB260	04/09/1979	5.0000	\$1,852,000	\$839,937.87
IB262	04/29/1982	5.0000	\$1,852,000	\$839,934.48
IB270	04/29/1982	5.0000	\$958,500	\$539,902.23
IB272	04/29/1982	5.0000	\$958,500	\$539,902.50
IB280	02/17/1984	5.0000	\$1,484,000	\$915,438.14
IB282	02/17/1984	5.0000	\$1,484,000	\$915,438.14
IB290	03/18/1986	5.0000	\$1,544,000	\$1,054,612.41
IB293	03/28/1986	5.0000	\$1,544,000	\$1,083,797.42
IB300	08/11/1989	5.0000	\$2,209,000	\$1,697,083.40
IB302	08/11/1989	5.0000	\$2,209,000	\$1,697,083.40
IB310	09/20/1991	5.0000	\$1,780,500	\$1,451,103.23
IB312	09/20/1991	5.0000	\$1,780,500	\$1,451,103.23
IB320	05/21/1993	5.0000	\$2,537,500	\$2,154,442.91
IB326	05/21/1993	5.0000	\$2,537,500	\$2,211,442.00
IB330	04/10/1997	Variable	\$4,157,500	\$3,651,188.69
IB335	06/02/1999	Variable	\$4,157,500	\$3,642,248.64
IB340	03/08/2001	5.7800	\$6,000,000	\$5,858,856.87
IB341	03/08/2001	Variable	\$5,000,000	\$4,787,077.43
IB342	03/08/2001	Variable	\$5,000,000	\$4,746,206.89
IB343	03/08/2001	4.9900	\$5,000,000	\$1,944,649.19
IB344	03/08/2001	5.4700	\$5,000,000	\$2,243,002.43
IA350	03/08/2001	5.3100	\$6,800,000	\$6,727,345.43
IA351	03/08/2001	Variable	\$6,000,000	\$5,937,071.55
IA352	01/22/2004	5.0200	\$3,000,000	\$2,965,934.55
IB353	10/6/2004	5.0400	\$8,354,000	\$8,300,401.42
			\$90,209,000	\$70,338,162.30

SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION
CFC LOANS
4/30/2005

NOTE NO.	DATE	INTEREST RATE	ORIGINAL AMOUNT	BALANCE
9001	03/10/1972	7.0000	\$216,000	\$34,420.59
9003	05/09/1974	7.0000	\$426,000	\$113,624.39
9006	05/09/1975	5.5000	\$486,000	\$175,048.59
9009	02/17/1977	6.0000	\$486,000	\$218,587.56
9011	09/24/1977	5.7000	\$1,235,000	\$590,656.40
9013	04/19/1979	6.0000	\$1,671,000	\$892,829.35
9017	04/29/1982	6.1500	\$865,000	\$574,550.87
9018	02/17/1984	5.2500	\$1,325,052	\$952,086.70
9019	03/28/1986	5.2500	\$1,324,000	\$1,001,051.59
9020	08/11/1989	5.2500	\$1,893,000	\$1,563,756.28
9021	09/20/1991	5.2500	\$1,526,000	\$1,265,959.56
9022	07/15/1993	6.6500	\$2,175,000	\$1,917,479.81
9023	01/11/1999	6.7000	\$3,564,000	\$3,307,406.69
			<hr/>	
			\$17,192,052	\$12,607,458.38

EXHIBIT H

**SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE
CORPORATION**

**ESTIMATED COST OF MAINTENANCE AND OPERATIONS
OF THE PROPOSED FACILITIES AND COST OF MAINTENANCE
AND OPERATION OF THE CURRENT FACILITY**

EXHIBIT H

SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

Annual Operating Costs for Current Facilities

<u>OPERATIONS COST</u>	<u>ANNUAL COST</u>
Depreciation	\$ 10,924
Insurance	\$ 5,132
Property Taxes	\$ 2,131
Electric Utilities	\$ 5,764
Water Utilities	\$ 2,743
General Maintenance	<u>\$ 66,280</u>
Total Amount	\$ 92,974

EXHIBIT H

SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

Estimated Annual Operating Costs for Proposed Facilities

<u>OPERATIONS COST</u>	<u>ANNUAL ESTIMATED COST</u>
Depreciation	\$ 47,560
Insurance	\$ 13,777
Property Taxes	\$ 8,465
Electric Utilities	\$ 17,674
Water Utilities	\$ 1,611
General Maintenance	<u>\$ 32,236</u>
Total Annual Estimated Cost	\$121,323

EXHIBIT I

**SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE
CORPORATION**

FLOOR DIAGRAM



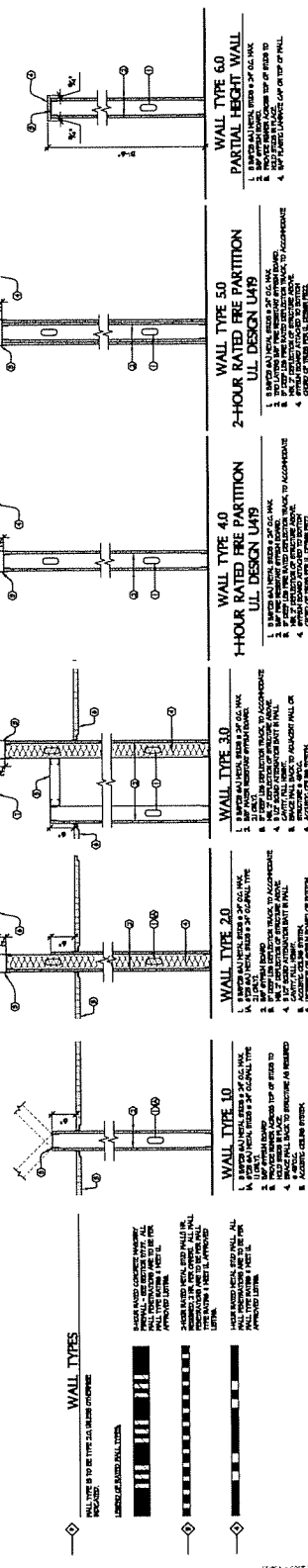
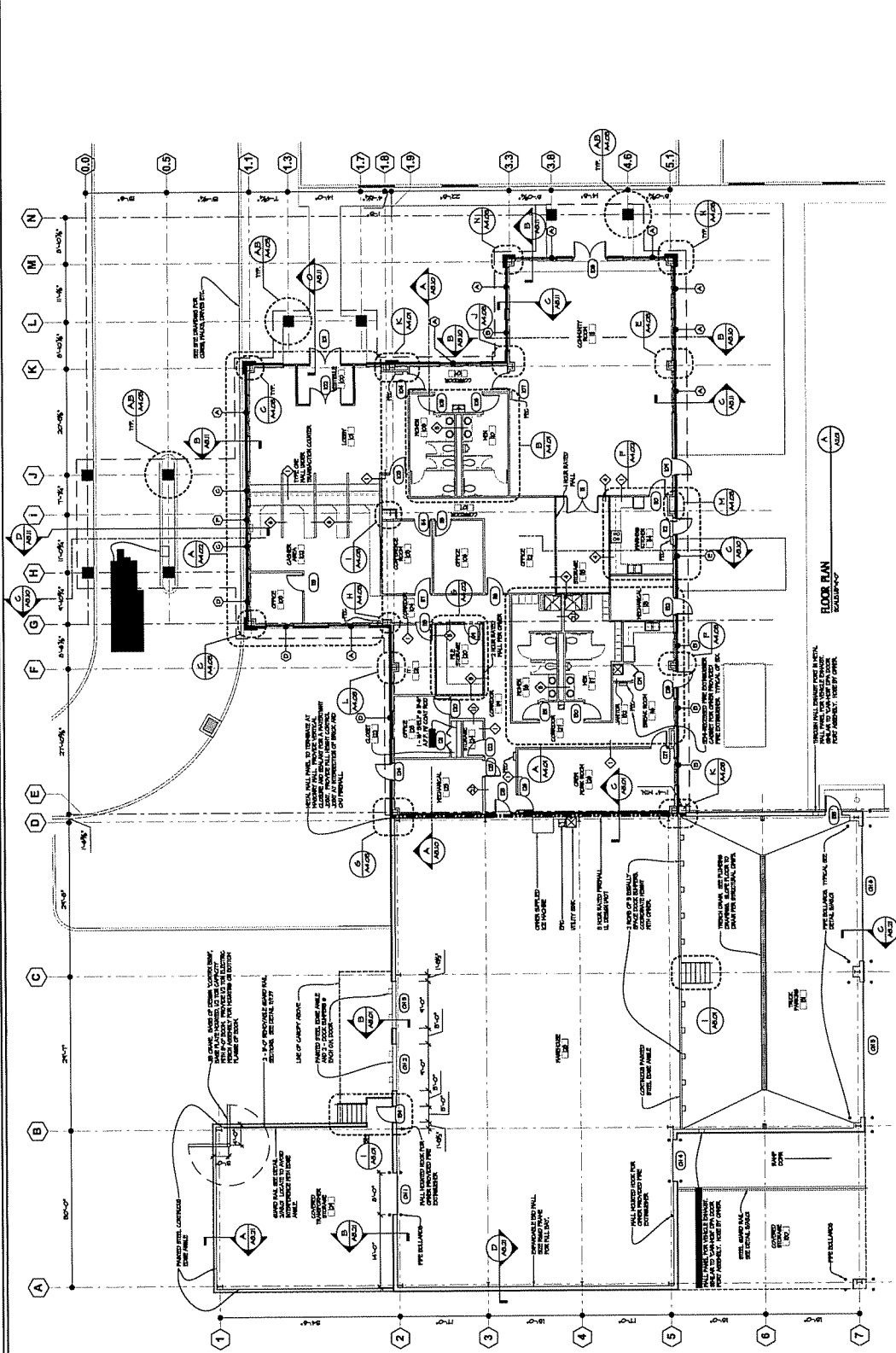
TAYLOR CONSULTING ENGINEERS
 1000 EAST MAIN STREET
 WHITLEY CITY, KENTUCKY 40381
 TEL: 606/335-2222
 FAX: 606/335-2223
 WWW.TCE-KY.COM

NEW DISTRICT OFFICE
 FOR
 SOUTH KENTUCKY COOPERATIVE CORPORATION
 WHITLEY CITY, KENTUCKY

TWAFc
 TAYLOR WHITNEY ARCHITECTS
 1000 EAST MAIN STREET
 WHITLEY CITY, KENTUCKY 40381
 TEL: 606/335-2222
 FAX: 606/335-2223
 WWW.TWAFc.COM

DATE: MAY 2020
 CHECKED: JAT
 REVIEWED: [Blank]
 DRAWN: DJL/ASD

A2.01
 FLOOR PLAN



WALL TYPES
 WALL TYPE IS TO BE TYPE 2A1 UNLESS OTHERWISE NOTED.
 NUMBER OF MINIMUM LAYERS

WALL TYPE 10	1. 1/2" GYPSUM BOARD TO FACE
WALL TYPE 20	1. 1/2" GYPSUM BOARD TO FACE 2. 1/2" GYPSUM BOARD TO FACE TO ACCOMMODATE 1.5" MINIMUM INSULATION 3. 1/2" GYPSUM BOARD TO FACE TO ACCOMMODATE 1.5" MINIMUM INSULATION 4. 1/2" GYPSUM BOARD TO FACE TO ACCOMMODATE 1.5" MINIMUM INSULATION 5. 1/2" GYPSUM BOARD TO FACE TO ACCOMMODATE 1.5" MINIMUM INSULATION 6. 1/2" GYPSUM BOARD TO FACE TO ACCOMMODATE 1.5" MINIMUM INSULATION 7. 1/2" GYPSUM BOARD TO FACE TO ACCOMMODATE 1.5" MINIMUM INSULATION
WALL TYPE 30	1. 1/2" GYPSUM BOARD TO FACE 2. 1/2" GYPSUM BOARD TO FACE TO ACCOMMODATE 1.5" MINIMUM INSULATION 3. 1/2" GYPSUM BOARD TO FACE TO ACCOMMODATE 1.5" MINIMUM INSULATION 4. 1/2" GYPSUM BOARD TO FACE TO ACCOMMODATE 1.5" MINIMUM INSULATION 5. 1/2" GYPSUM BOARD TO FACE TO ACCOMMODATE 1.5" MINIMUM INSULATION 6. 1/2" GYPSUM BOARD TO FACE TO ACCOMMODATE 1.5" MINIMUM INSULATION 7. 1/2" GYPSUM BOARD TO FACE TO ACCOMMODATE 1.5" MINIMUM INSULATION
WALL TYPE 40	1. 1/2" GYPSUM BOARD TO FACE 2. 1/2" GYPSUM BOARD TO FACE TO ACCOMMODATE 1.5" MINIMUM INSULATION 3. 1/2" GYPSUM BOARD TO FACE TO ACCOMMODATE 1.5" MINIMUM INSULATION 4. 1/2" GYPSUM BOARD TO FACE TO ACCOMMODATE 1.5" MINIMUM INSULATION 5. 1/2" GYPSUM BOARD TO FACE TO ACCOMMODATE 1.5" MINIMUM INSULATION 6. 1/2" GYPSUM BOARD TO FACE TO ACCOMMODATE 1.5" MINIMUM INSULATION 7. 1/2" GYPSUM BOARD TO FACE TO ACCOMMODATE 1.5" MINIMUM INSULATION
WALL TYPE 50	1. 1/2" GYPSUM BOARD TO FACE 2. 1/2" GYPSUM BOARD TO FACE TO ACCOMMODATE 1.5" MINIMUM INSULATION 3. 1/2" GYPSUM BOARD TO FACE TO ACCOMMODATE 1.5" MINIMUM INSULATION 4. 1/2" GYPSUM BOARD TO FACE TO ACCOMMODATE 1.5" MINIMUM INSULATION 5. 1/2" GYPSUM BOARD TO FACE TO ACCOMMODATE 1.5" MINIMUM INSULATION 6. 1/2" GYPSUM BOARD TO FACE TO ACCOMMODATE 1.5" MINIMUM INSULATION 7. 1/2" GYPSUM BOARD TO FACE TO ACCOMMODATE 1.5" MINIMUM INSULATION
WALL TYPE 60	1. 1/2" GYPSUM BOARD TO FACE 2. 1/2" GYPSUM BOARD TO FACE TO ACCOMMODATE 1.5" MINIMUM INSULATION 3. 1/2" GYPSUM BOARD TO FACE TO ACCOMMODATE 1.5" MINIMUM INSULATION 4. 1/2" GYPSUM BOARD TO FACE TO ACCOMMODATE 1.5" MINIMUM INSULATION 5. 1/2" GYPSUM BOARD TO FACE TO ACCOMMODATE 1.5" MINIMUM INSULATION 6. 1/2" GYPSUM BOARD TO FACE TO ACCOMMODATE 1.5" MINIMUM INSULATION 7. 1/2" GYPSUM BOARD TO FACE TO ACCOMMODATE 1.5" MINIMUM INSULATION



EXHIBIT J

FRANCHISE AND PERMITS

EXHIBIT J

All franchise or permits needed to construct the proposed facility will be acquired by the successful contract bidder.

EXHIBT K

**PROFESSIONAL ENGINEERING AND REQUESTED
ARCHITECTURAL REPORT**

TWArc

TAYLOR • WHITNEY ARCHITECTS
Suite 205 • 400 Old Vine Street • Lexington, KY 40507
1201 Story Avenue • Louisville, KY 40206

j.taylor@twarc.com • 859 231-6383 (FAX) 254-6996
twaarch@earthlink.net • 502 587-2429 (FAX 589-5515)

June 21, 2005

Mr. Jeff Greer
Assistant Head Coach & CFO
South Kentucky RECC
925-929 N. Main Street
Somerset, Kentucky 42503

Re: South Kentucky RECC
2003370-000

Dear Jeff:

In response to your needs for Professional Engineering and Registered Architectural services, we provide the following:

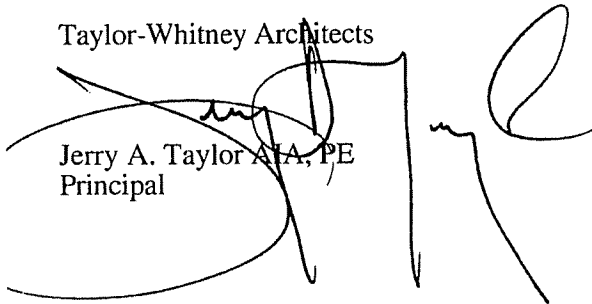
TWArc projects are designed in accordance with the latest edition of applicable building codes. In specific, South Kentucky RECC's District Office in Whitley City has been designed, and will be constructed, in accordance with the 2002 Kentucky Building Code and the Americans with Disabilities Act. The Russell Springs, Monticello, and Albany District Offices, as well as the New Headquarters Facility in Somerset will also comply, as described above. Design work and Construction Documents for these projects will be provided by the required Professional Engineers and Registered Architects.

I hope this information is adequate for your needs.

Sincerely,

Taylor-Whitney Architects

Jerry A. Taylor AIA, PE
Principal

A large, stylized handwritten signature in black ink, appearing to read 'Jerry A. Taylor', is written over the typed name and title.