



Ernie Fletcher
Governor

Mark David Goss
Chairman

Teresa J. Hill, Secretary
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John W. Clay
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Christopher L. Lilly
Commissioner
Department of Public Protection

October 23, 2006

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

RE: Case No. 2006-00402

Please see enclosed data request from Commission Staff in the above case.

If you need further assistance, please contact Elie Russell at (502) 564-3940 ext. 422.

Sincerely,

A handwritten signature in black ink, appearing to read "Beth O'Donnell".

Beth O'Donnell
Executive Director

BOD/sh
Enclosure

Ernie Fletcher
Governor

Teresa J. Hill, Secretary
Environmental and Public
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Christopher L. Lilly
Commissioner
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Honorable Darrell L. Saunders, P.S.C.
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COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF SOUTH KENTUCKY RURAL)	
ELECTRIC COOPERATIVE CORPORATION FOR)	
A CERTIFICATE OF CONVENIENCE AND)	CASE NO.
NECESSITY TO CONSTRUCT A DISTRICT)	2006-00402
OFFICE AND SERVICE FACILITY IN RUSSELL)	
SPRINGS, KENTUCKY AND A DISTRICT OFFICE)	
AND SERVICE FACILITY IN ALBANY, KENTUCKY)	

DATA REQUEST OF COMMISSION STAFF
TO SOUTH KENTUCKY RECC

South Kentucky Rural Electric Cooperative Corporation ("South Kentucky RECC"), pursuant to 807 KAR 5:001, is to file with the Commission the original and 8 copies of the following information, with a copy to all parties of record. The information requested herein is due 14 days from the date of this request. Include with each response the name of the person who will be responsible for responding to questions relating to the information provided. Careful attention should be given to copied material to ensure that it is legible.

1. Provide a list of South Kentucky RECC office locations, including its general office. Indicate which office facilities South Kentucky RECC intends to replace, and when South Kentucky RECC plans to replace each facility.
2. Explain whether South Kentucky RECC intends to use the plans for the proposed district offices in Russell Springs and Albany for any other locations.
3. Provide the following information for the district offices presently in Russell Springs and in Albany. Provide the information separately for each office.

a. Interior area (number of square feet) contained in the existing office structure.

b. Number of employees working in the present office structure. (If service personnel work out of another structure, indicate how many.)

c. The number of customers served out of each district.

d. The interior area (number of square feet) of the warehouse facilities.

4. Provide the approximate distance in miles of each of South Kentucky RECC's district offices from its general office location.

5. Refer to Exhibit 6 of South Kentucky RECC's September 6, 2006 Application. Explain whether the total cost estimate of \$2,168,390 for each proposed facility includes the cost of land. If the land cost is not included, provide the land cost for each proposed facility.

6. Has South Kentucky RECC considered combining some of its district offices, or replacing some of its district offices with payment locations within another structure? Explain.

7. Explain whether any South Kentucky RECC members have expressed concerns about the necessity for, or the cost of, the Whitley City facility or any of its proposed office facilities.

8. Explain whether South Kentucky RECC has calculated the total estimated cost of its planned office facility construction program, including the Whitley City facility, and the effect of the program upon rates. Provide all calculations and workpapers needed to support the explanation.

9. Explain whether South Kentucky RECC contracted consulting services specializing in office design and space utilization when planning for its proposed facilities. Blueprints or architectural plans are not to be considered a response.

a. If South Kentucky RECC did not contract consultants, include in the explanation whether it is aware that other cooperatives have included the studies of such consultants when applying for Certificates of Public Convenience and Necessity to construct office facilities.

b. If South Kentucky RECC has employed consultants to assist in space design for its new facilities, provide a copy of the results of the study.

10. Refer to Exhibit 6, page 1 of 2 of the Application, and the October 2002 Facilities Analysis filed in Case No. 2005-00261 ("October Analysis").¹

a. Exhibit 6 states that the Albany facility will have approximately 16,000 square feet and be sited on 4 to 5 acres. The October Analysis indicated that the Albany facility would have approximately 15,000 square feet and be sited on 10 acres. Explain the reason(s) for the changes in the building size and site, and how the changes were determined.

b. Exhibit 6 states that the Albany facility is estimated to cost \$2,168,390. The October Analysis indicated an estimated cost of \$990,000. Explain the reason(s) for the change in the cost estimates.

c. Exhibit 6 states that the Russell Springs facility will have approximately 16,000 square feet and be sited on 4 to 5 acres. The October Analysis

¹ Case No. 2005-00261, 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.

indicated that the Russell Springs facility would have approximately 22,100 square feet and if land were purchased, would be sited on 6.9 acres. Explain the reason(s) for the changes in the building size and site, and how the changes were determined.

d. Exhibit 6 states that the Russell Springs facility is estimated to cost \$2,168,390. The October Analysis indicated an estimated cost of \$1,203,500 to \$1,373,400. Explain the reason(s) for the change in the cost estimates.

11. Refer to Exhibit 6, page 1 of 2 of the Application. Provide the cost per square foot calculations for the cost estimate of \$2,168,390 for each facility. Include all assumptions and workpapers used to determine the cost per square foot.

12. Refer to Exhibit 7, pages 3 and 9 of 18 of the Application.

a. Prepare a schedule showing the difference in the annual balances shown for Case A and Case B, for the following categories from 2008 through 2015:

- (1) Distribution O&M,
- (2) Administrative & General,
- (3) Depreciation,
- (4) Tax Expense,
- (5) Interest Expense,
- (6) Non-operating Margins.

b. Compare the responses to part (a), subparts (1) through (4) with the estimated annual cost to operate the Albany and Russell Springs facilities, shown in Exhibit 5 of the Application. Explain the reason(s) for any differences between the information provided in Exhibits 5 and 7.

13. Provide the estimated cost to renovate the existing buildings. Explain how it was derived and provide all supporting calculations.

A large, stylized handwritten signature in black ink, consisting of several overlapping loops and curves, positioned above a horizontal line.

Executive Director
Public Service Commission
211 Sower Boulevard
P. O. Box 615
Frankfort, Kentucky 40602

DATED October 23, 2006

cc: All Parties