

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 NECESSITY)	CASE NO. 2005-00261
TO CONSTRUCT A DISTRICT OFFICE)	
AND SERVICE FACILITY IN)	
WHITLEY CITY, KENTUCKY)	

O R D E R

South Kentucky Rural Electric Cooperative Corporation ("South Kentucky RECC") filed an application on June 24, 2005 requesting a Certificate of Public Convenience and Necessity ("CPCN") for the construction of a new branch office building in Whitley City, McCreary County, Kentucky. The proposed facility will be located on 4.33 acres of unimproved land that was acquired on February 4, 2004 for \$650,000¹ and will include 5,200 square feet of office space, 1,350 square feet of meeting and community space, 7,270 square feet of combination garage and warehouse space, and 2,180 square feet of covered, unenclosed storage for a total of 16,000 square feet. The total estimated cost of the proposed facility is \$1,860,000.

The Attorney General of the Commonwealth of Kentucky ("Attorney General"), by and through his Office of Rate Intervention, has moved to intervene in this

¹ South Kentucky RECC filed into the record the appraisal on the property and the analysis it performed in selecting this site.

proceeding and, by this Order, we grant his intervention.² We find that South Kentucky RECC has responded to all information requests and that the record is complete and ripe for decision.

Taylor-Whitney Architects of Lexington, Kentucky is the architectural firm for the proposed new branch office building which will be constructed on the west side of US 27, north of the present South Kentucky RECC district office, along a section of highway with the highest traffic flow in the county. The proposed district office building has been designed to accommodate the 15 employees currently employed by South Kentucky RECC at this location and to accommodate limited growth.

The existing district office facility, constructed in 1959, provided space for only three employees and very limited storage of materials and supplies. The facility has 1,651 square feet of office space, 2,293 square feet of combined garage, warehouse and shop space, and an 841 square foot community room. Due to the impracticality of renovating the existing branch office building and the physical limitations of the site, renovation is neither cost-effective nor feasible. The best alternative is to construct a new branch office building at the new location. Consequently, public convenience and necessity require the construction of the new branch office, and a CPCN should be issued.

IT IS THEREFORE ORDERED that:

1. South Kentucky RECC is granted a CPCN to construct the new branch office building as proposed in its application.

² The Attorney General filed his motion to intervene in this proceeding on November 7, 2005. He did not request the Commission to allow additional discovery nor did he request a hearing.

2. South Kentucky RECC shall obtain approval from the Commission prior to performing any additional construction not expressly authorized by this Order.

3. Any deviation from the construction shall be undertaken only with the prior approval of the Commission.

4. South Kentucky RECC shall furnish documentation of the total costs of this project including the cost of construction and all other capitalized costs (engineering, legal, administrative, etc.) within 60 days of the date that construction is substantially completed.

5. South Kentucky RECC shall require construction inspection and supervision by a professional engineer with a Kentucky registration in civil or mechanical engineering.

Done at Frankfort, Kentucky, this 14th day of November, 2005.

By the Commission

ATTEST:



Executive Director