



FLEMING-MASON ENERGY
COOPERATIVE, INC.

P.O. BOX 328 • FLEMINGSBURG, KENTUCKY 41041 • (606) 845-2661 • FAX (606) 845-1008

September 15, 2005

Beth O'Donnell
Executive Director
Commonwealth of Kentucky Public Service Commission
P.O. Box 615
Frankfort, Kentucky 40602-0615

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PUBLIC SERVICE
COMMISSION

RE: Case No. 2005-00277
Fleming-Mason Energy Cooperative Corporate Campus Construction and
Remodeling

This letter is in response to a phone request by Eli Russell to add a letter that was sent to him in May concerning the construction and remodeling of the Fleming-Mason Energy facility. The letter is enclosed with this document and I would like for it to be added to the formal case concerning the facilities.

Also, in the phone conversation with Eli, there was a request made as to the dimensions of the existing fieldhouse, the new fieldhouse, the portion of the warehouse to be demolished, and the additional warehouse space that would be added. The existing fieldhouse that will be torn down to accommodate the new warehouse facility is 3,400 square feet. The new fieldhouse will be approximately 3,700 square feet. The portion of the existing garage and warehouse that will be demolished will be 2,500 square feet. The additional warehouse space that will be added will be 26,000 square feet.

The schedule and further details of the construction is outlined in the letter from May. If you have any further questions or need additional information, please contact me at (606) 845-2661.

Sincerely,

A handwritten signature in black ink that reads "Christopher S. Perry, PE".

Christopher S. Perry, PE
Manager of Engineering

Enclosure



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May 13, 2005

Mr. Eli Russell
Division of Engineering
Kentucky Public Service Commission
211 Sower Boulevard
P. O. Box 615
Frankfort, KY 40602-0615

Dear Mr. Russell:

In a previous phone conversation, we discussed the proposed renovation of the Fleming-Mason Energy facilities. This letter is to give an overview of the plan and offer some preliminary budget estimates. Fleming-Mason Energy will be submitting a formal case concerning the expansion with detailed cost analysis and rate implications in the very near future.

The proposal that has been developed includes additional warehouse space that will permit much better coordination of inside and outside personnel. The new warehouse space will allow for the significant vehicle investment to be better serviced and maintained. All of the bucket and line trucks will have parking spaces in the new warehouse with easy access for loading. The new warehouse space will be gained by building an additional steel structure attached to the existing warehouse and maintenance facility.

The present location of the warehouse will be used as new office and training space. This space will be utilized for dispatching and operations functions. The construction and maintenance departments will also move into this new space that will better accommodate traffic between line workers and management. The safety and right-of-way coordinators will also have offices in this area.

Once the new warehouse and office space is completed on the east portion of the property, focus will be turned to the renovation and maintenance of the main headquarters. The Fleming-Mason Energy building is similar to many other rural electric cooperatives in the state that have buildings that were built in the 1950's and 1960's. These buildings were not constructed with modern day functionality.

The dependence on computer networks and technology as well as the general deterioration of facilities over time make it necessary for a facelift. We plan to keep the overall integrity of the facility intact with only minor outside modifications. The main part of the renovation is the reclamation of space that consultants believe is wasted at this

time. The addition and removal of walls, better use of office furniture and fixtures will be the foundation of the work.

Another part of the construction that is necessary is the addition of a new fieldhouse on the west side of the Fleming-Mason Energy property. At this time, we use the fieldhouse on the east side of the property for safety meetings, community events, and other company events. This building will be removed due to the additional warehouse space that will be built.

Our goal is to build a new fieldhouse on the west side that will be attractive for the community and able to be used by Fleming-Mason Energy in the future for the annual meeting, safety meetings, and many other cooperative events. Also, this facility will be available to the public at various times to be used for community events such as the Covered Bridge Festival, the high school cross-country regional competition, and many others.

As you are aware that it is quickly becoming summer and a perfect time to do any building project that requires site preparation. It is our goal to get started on at least the portion of the project that requires site work to be performed in the near future. The sequence of events on the proposal includes the construction of the new fieldhouse first. We would like to have it complete by early fall. This construction requires no relocation of people and should move relatively quickly.

The second phase of the project includes the demolition of the existing fieldhouse and subsequent construction of the new warehouse. During this phase, the new warehouse will be built and the operations department will be relocated into the remodeled old warehouse.

The third and final phase of the project will involve the remodeling of the main headquarters. The facilities will be upgraded to accommodate the sophisticated technology used today and made more convenient and pleasing for member interaction. I am going to attach the cost estimates that have been prepared by the architectural firm that we are using.

If you have any additional comments or want to discuss any issues further, please do not hesitate to contact me at the Fleming Mason Energy office. My email address is cperry@fmenergy.net.

Thank You,



Chris Perry, PE
Engineering Superintendent



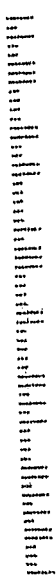
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BETH O'DONNELL
EXECUTIVE DIRECTOR
COMMONWEALTH OF KENTUCKY PUBLIC SERVICE COMMISSION
PO BOX 615
FRANKFORT KY 40602-0615

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