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David L. Armstrong  
Chairman

James W. Gardner  
Vice Chairman

Charles R. Borders  
Commissioner

December 28, 2009

## PARTIES OF RECORD

Re: Case No. 2008-00371  
South Kentucky RECC  
Need to Obtain Certificates of Public Convenience and Necessity

Attached is a copy of the memorandum which is being filed in the record of the above-referenced case. If you have any comments you would like to make regarding the contents of the informal conference memorandum, please do so within five days of receipt of this letter. If you have any questions, please contact Quang Nguyen, Staff Attorney, at 502/564-3940, Extension 256.

Sincerely,

A handwritten signature in black ink that reads "Jeff Derouen" with a stylized flourish below it.


Jeff Derouen  
Executive Director

QN/kar

Attachments

**INTRA-AGENCY MEMORANDUM**  
**KENTUCKY PUBLIC SERVICE COMMISSION**

**TO:** Case File

**FROM:** Quang D. Nguyen, Staff Attorney 

**DATE:** December 28, 2009

**RE:** Case No. 2008-00371  
South Kentucky RECC CPCN

Pursuant to a Commission Staff notice dated November 24, 2009, an informal conference was held at the Commission's offices on December 8, 2009. A list of the attendees is attached hereto.

The purpose of the conference was to discuss South Kentucky Rural Electric Cooperative Corporation's ("South Kentucky") revisions to its application for a Certificate of Public Convenience and Necessity ("CPCN") to construct a new headquarters facility in Somerset, Kentucky. In particular, South Kentucky informed that it would be filing a revised CPCN application by the end of December 2009. South Kentucky noted that it has decreased the size of its proposed headquarters by 11,800 square feet and that the estimated cost for the project will also decrease to an estimated \$15.8 million.

South Kentucky also addressed some of the concerns that the Commission expressed in its Order issued on October 15, 2009. Specifically, South Kentucky's architect advised of the process and procedures utilized in determining the size and space requirements for the new facility. In addition, South Kentucky's general contractor advised of the varying types of contracting methods and the reasons why South Kentucky chose to utilize a design build process for its proposed headquarters.

Commission Staff requested, and South Kentucky agreed, to address the following non-exhaustive list of issues in the revised application:

1. What percentage of the size of the proposed headquarters facility is designed for South Kentucky's current needs and what percentage of the size is designed to accommodate South Kentucky's future growth?
2. Provide a breakdown of the size, total cost and cost per square foot of the office building, warehouse, and covered fleet parking.
3. A detailed explanation of how South Kentucky determined the space requirement.

4. A detailed explanation of the rationale behind the proposed design of the headquarters facility.
5. A comparison of South Kentucky's proposed office sizes to recently constructed headquarters (within the last 10 years) of other similarly-sized Kentucky electric cooperatives.

There being no further discussions, the informal conference was adjourned.

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

CASE NO. 2008-00371

APPLICATION OF SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION FOR A CERTIFICATE OF CONVENIENCE AND NECESSITY TO CONSTRUCT A NEW HEADQUARTERS FACILITY IN SOMERSET, KENTUCKY

SIGN IN

December 8, 2009

PERSON

REPRESENTING

Quang D. Nguyen

PSC - legal

Helen C. Haffner

PSC / legal

Margaret Jacobs

Tate Hill Jacobs Architects

Stephanie Bell

PSC

Jeff Desouza

PSC

Ron Handziak

PSC - FA

JORGE VALLADARES

PSC FA

ELIE RUSSELL

PSC

Reginald Cheney

PSC

Stephen Johnson

SKRECC

M. Green

SKRECC

Ruby Patterson

SKRECC

James R. Adkins

SKRECC

