



**JACKSON ENERGY
COOPERATIVE**

115 Jackson Energy Lane
McKee, Kentucky 40447
Telephone (606) 364-1000 • Fax (606) 364-1007

September 7, 2011

Jeff Derouen, Executive Director
Kentucky Public Service Commission
211 Sower Blvd.
PO Box 615
Frankfort, KY 40602-0615

Re: Case No. 2011-00178
Second Information Request

Mr. Derouen:

Jackson Energy Cooperative respectfully submits the information requested regarding Case No. 2011-00178

Please inform me if any further information is required.

Sincerely,

A handwritten signature in cursive script, appearing to read "Clayton Oswald".

Clayton Oswald
Attorney for Jackson Energy Cooperative

RECEIVED

SEP 12 2011

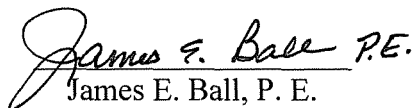
PUBLIC SERVICE
COMMISSION

STATE OF KENTUCKY)

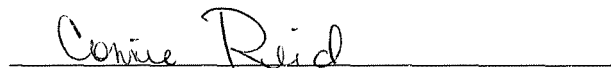
COUNTY OF JACKSON)

I, James E. Ball, state that I am a Professional Engineer, at Jackson Energy Cooperative, that I have personal knowledge of the matters set forth in this application and attached exhibits, and that the statements and calculations contained in each are true as I verily believe.

This 8th day of SEPT. 2011.


James E. Ball, P. E.

SUBSCRIBED AND SWORN to before me by James E. Ball, this
8th day of September, 2011.


Notary Public, KY State at Large

My Commission Expires: 7-30-2012

JACKSON ENERGY COOPERATIVE
CASE NO. 2011-00178
RESPONSE TO COMMISSION STAFF'S SECOND DATA REQUEST

- 1. Refer to Jackson Energy's response to Item 4(a) of Commission Staffs First Information Request ("Staff First Request"). The response states that the field employees do not currently have work space because when the building was constructed in 1988, the field employees did not need a work space. Provide an estimate of the amount of time field employees currently spend in the office versus time spent out of the office.**

Response by: James E. Ball, P. E.

An estimate of the time field employees currently spend in the office versus time spent out of the office is two (2) hours a day in the office and six (6) hours out of the office or approximately ten (10) hours a week in the office. As stated in the Jackson Energy's first Response to Commission Staff's Initial Data Request the field employees need a "work space to update computer databases on their laptops for daily work assignments, interact with office personnel on data base integrity, complete mandatory on-line safety courses and on-line employee training, email review and communication, and computerized time sheet entry".

- 2. Refer to Jackson Energy's response to Item 4(b) of Staffs First Request.**
 - a. The response states that "[the maximum seating capacity of 192 was noted to illustrate the maximum available space." Paragraph 3 of the application states that "[the proposed London building addition . . will consist of 11,368 square feet of office and training space that includes office space for 27 employees and a training area for a minimum seating of 192." Clarify whether the training area is designed for a minimum or maximum seating of 192.**
 - b. What is the total size of Jackson Energy's workforce?**
 - c. What facility is Jackson Energy currently using to house its command center and storm crews? How large is this current facility?**

Response by: James E. Ball, P. E.

- a. The training area is designed for a maximum seating of 192 people.
- b. The total size of Jackson Energy's workforce is 130 personnel. The 130 personnel can be further described as 127 full time employees and 3 part time employees.

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- c. The facility that Jackson Energy currently uses to house its command center is the dispatch room in Jackson Energy's headquarters facility. The dispatch room is approximately 230 square feet and contains three (3) computer terminal stations that can be used to coordinate our outage management system (OMS). During major outage events, the three (3) computer terminals also have the capability to be split into districts with each computer terminal handling the outages for that one district.

Jackson Energy currently does not have a facility to house storm crews.

3. **Refer to Jackson Energy's response to Item 5(a) of Staff's First Request, wherein it is stated that "all three contractors said that it would be nearly impossible to competitively bid a design-build project as all three designs would be different, especially the total price." Explain more fully why it would be "nearly impossible" to have a design-build project be subject to a competitive bid.**

Response by: James E. Ball, P. E.

Accepting competitive bids on a design-build project would be "nearly impossible" because of the spectrum of design possibilities. Each cost estimate would be different for each contractor due to scope of work and building design which would create an invalid comparison. Another explanation of why it would be nearly impossible to have a design-build project competitively bid is the definition of a design-build project. Design-build is a method of project delivery in which one entity - the design-build team - works under a single contract with the owner to provide design and construction services. Design-build is an alternative to design-bid-build. This simple difference saves money and time by transforming the often antagonistic relationship between designers and builders into an alliance which promotes teamwork. The cost, schedule reduction, and decrease litigation associated with design-build project delivery have been demonstrated repeatedly. Researchers of Pennsylvania State University found that design-build projects are delivered 33.5% faster than projects that are design-bid-build. Researchers also showed that design-build projects are constructed 12% faster and have a unit cost that is 6.1% lower than design-bid-build projects.

4. **Refer to Jackson Energy's response to Item 5(c) of Staff's First Request. Provide a detailed description of the scope and size of the Jackson Energy**

JACKSON ENERGY COOPERATIVE
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RESPONSE TO COMMISSION STAFF'S SECOND DATA REQUEST

headquarters facility and the McKee branch office and warehouse constructed by McKnight & Associates in 2000 and 2002, respectively. Include in this description the original estimated cost for each project and the total number of office and field personnel based at each facility at the time of construction

Response by: James E. Ball, P. E.

In 2000, McKnight & Associates won the contract to construct a single story, slab on grade office building consisting of approximately 19,800 square feet ±. The winning bid for the project was for an estimated construction cost of \$2,419,000 with actual cost for construction totaling \$2,510,287.90. At the time of construction, Jackson Energy had a total of forty seven (47) office personnel and six (6) field personnel working at the headquarters facility.

In 2002, McKnight & Associates again won the contract to construct a single story office building consisting of approximately 5,600 square feet ± and a pre-fabricated, pre-engineered metal building to serve as a warehouse and maintenance building consisting of approximately 21,520 square feet ±. The winning bid for the project was an estimated construction cost of \$ 1,594,000 with actual cost for construction totaling \$1,776,574.10. At the time of construction, Jackson Energy had a total of fourteen (14) office personnel and twenty-five (25) field personnel working at the McKee District office and warehouse.