

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF THE NOLIN RURAL ELECTRIC)
COOPERATIVE CORPORATION FOR A CERTIFICATE OF) CASE NO.
CONVENIENCE AND NECESSITY TO CONSTRUCT A NEW) 94-356
HEADQUARTERS FACILITY)

O R D E R

IT IS ORDERED that Nolin Rural Electric Cooperative Corporation ("Nolin") shall file the original and eight copies of the following information with the Commission with a copy to all parties of record within 20 days from the date of this order.

1. Page 11 of Exhibit A entitled "Human Resource and Facilities Study" stated that ". . . space requirements for Nolin's Office should be set at or near the 275 square foot/employee level." Further, this study indicated that Nolin's staff size will grow and level off toward the turn of the century with approximately 92 employees. Based on this study, the total headquarters office space should be 25,300 square feet instead of the 36,500 square feet proposed by Nolin.

a. Explain why Nolin is proposing to construct 44 percent more office space than recommended in its study.

b. Explain why Nolin is not proposing to construct 25,300 square feet of office space now and expanding as needed in the future.

2. Nolin's Human Resource and Facilities Study at page 13, indicates that 15 acres should be sufficient for Nolin's headquarters facility.

a. Explain why Nolin purchased 40 acres.

b. When were the 40 acres purchased and what was the purchase price?

c. Explain Nolin's consideration of alternative sites and why each alternative was rejected.

3. Provide an explanation, including any supporting documentation, of how the site for the proposed headquarters office was selected and how the purchase price was determined.

4. Provide the estimated cost of the 37,500 square foot gravel-covered pole storage yard and explain what it will be used for.

5. The estimated cost to construct and furnish the proposed facilities is \$4,500,000.

a. Explain how the estimated cost was derived and provide all supporting calculations.

b. Has Nolin solicited bids for the construction? If no, explain why not.

6. Provide the specific details of how Nolin will finance the proposed headquarters facility through the use of internally generated funds of \$1,300,000. Identify the source(s) of these internally generated funds (i.e., current income, cash, temporary cash investments).

7. Provide two sets of drawings, showing the proposed facilities, which Nolin intends to send to contractors for bidding.

Done at Frankfort, Kentucky, this 9th day of December, 1994.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:


Executive Director