

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF INTER-COUNTY ENERGY)	
COOPERATIVE FOR AN ORDER ISSUING A)	CASE NO.
CERTIFICATE OF PUBLIC CONVENIENCE AND)	2003-00353
NECESSITY)	

FIRST DATA REQUEST OF COMMISSION STAFF TO
INTER-COUNTY ENERGY COOPERATIVE

Inter-County Energy Cooperative (Inter-County), pursuant to 807 KAR 5:001, is requested to file with the Commission the original and 6 copies of the following information, with a copy to all parties of record. The information requested herein is due no later than December 5, 2003. Each copy of the data requested should be placed in a bound volume with each item tabbed. When a number of sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), Sheet 2 of 6. Include with each response the name of the person who will be responsible for responding to questions relating to the information provided. Careful attention should be given to copied material to ensure that it is legible. Where information herein has been previously provided, in the format requested herein, reference may be made to the specific location of said information in responding to this information request.

1. Refer to Exhibit A, Item 4, of Inter-County's application.
 - a. Inter-County's financial analysis assumes that the new debt to finance construction of the proposed facility will be comprised of variable rate loans.

Explain how Inter-County developed its assumption that variable interest rates will increase by .25 percentage points on an annual basis.

b. Inter-County states that the Federal Finance Bank (FFB) will give the cooperative the option of locking in a long-term rate should interest rates begin to rise.

(1) Provide the interest rate at which long-term financing could currently be locked in.

(2) Explain the advantage to waiting until short-term rates begin to rise before locking in a long-term rate. In the explanation, include how far short-term rates would have to increase before Inter-County would seek to lock in a long-term rate.

2. Refer to Exhibit C, page 1, of Inter-County's application. Inter-County states that it currently has 60 employees. Explain how many of the 60 employees will perform their primary work function routinely within the new office building. In the explanation, identify the number of office employees and the number of non-office employees, or restate the number of inside and outside employees.

3. Refer to Exhibit G of Inter-County's application, which shows estimated annual operating costs for the current facilities to be \$77,784. Provide a narrative description of the condition of the current facilities. In the description, identify any major maintenance projects Inter-County believes will be necessary that might escalate the annual operating costs of the current facility.

4. Inter-County states that CDS Engineers, Planners and Surveyors (CDS), performed a facility assessment which determined, for current and future office space and support area, that Inter-County requires approximately 26,500 square feet of space.

Refer to Exhibit H of Inter-County's application, which shows the final schematic floor plans of the new facility. The floor plans show that the first floor contains 19,800 square feet of floor space, with the second floor consisting of 9,500 square feet, or a combined total of 29,300 square feet.

- a. Provide a copy of the CDS facility assessment.
- b. Explain in detail the timeline for proposed headquarter replacement concluded from the facility assessment.
- c. Provide a narrative as to the adequacy of both the present and proposed headquarter facility office space.
- d. Explain whether the 26,500 square feet indicated in the assessment includes only Inter-County's general office facility, or if it includes office space in other areas, such as in warehousing.
- e. Explain why the final floor plans call for 2,800 square feet more than CDS proposed for Inter-County's current and future use.
- f. Explain whether Inter-County considered the areas of greatest growth within its service territory in its decision to keep its headquarters at its present location.
- g. Has Inter-County compared the size of its proposed building to that of other recently constructed cooperative headquarters?
- h. Provide a comparison, which should include the number of employees, the number of customers served by each cooperative, the date constructed and the cost of the new headquarters facilities.

i. Does Inter-County anticipate hiring additional employees in the next 5 years? If yes, provide the number of employees and their titles.

j. Assume no additional employees would be hired for the next 5 years. Explain why Inter-County would need a new headquarters.

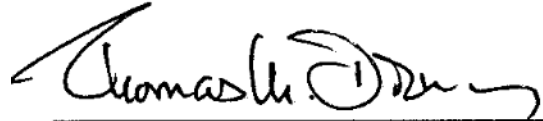
5. Option #1 is a retrofit of your existing building with major changes at an approximate cost of \$4.6 million compared to your proposed facilities at an approximate cost of \$6,158,566. Explain in detail why Inter-County believes that it is reasonable to spend an additional \$1.5 million for new headquarter facilities instead of a retrofit.

6. Inter-County states, The current site is approximately 18 acres and is adequate in size. However, the property is somewhat landlocked with two access points. The current main access is located on Hustonville Road, which is a very busy four-lane highway.

a. Explain why Inter-County is proposing to spend more than \$6 million on a new headquarters with no convenient access for large trucks pulling equipment and poles.

b. Provide a narrative detailing the procedures that will be employed to mitigate the traffic congestion and safety issues arising from the continued use of the existing property in regard to entering and exiting a high-volume traffic stream with large pole-towing construction equipment.

7. Provide a narrative based on your best judgment as to the consequences of delaying construction of new headquarter facilities for an additional 5 years.

A handwritten signature in black ink, appearing to read "Thomas M. Dorman", written over a horizontal line.

Thomas M. Dorman
Executive Director
Public Service Commission
P. O. Box 615
Frankfort, Kentucky 40602

DATED November 24, 2003

cc: All Parties

Case No. 2003-00353