

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE ELECTRONIC APPLICATION OF SOUTH)	
KENTUCKY RURAL ELECTRIC COOPERATIVE)	CASE NO.
CORPORATION FOR A DECLARATORY ORDER)	2025-00174
REGARDING REBUILDING ITS HEADQUARTERS)	
AFTER LOSS FROM TORNADO)	

SOUTH KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION’S STATUS UPDATE

Comes now South Kentucky Rural Electric Cooperative Corporation (“South Kentucky”), by counsel, pursuant to the Commission’s Order dated June 3, 2025, requiring South Kentucky to provide every 45 days beginning from the date of issuance of the Order the following: a) specific breakdown of expenditures, b) specific breakdown of funding, including reimbursements, c) if necessary, financing, even if it does not require Commission approval pursuant to KRS 278.300, and d) progress reports reflecting any actions taken to rebuild or repair any building on the South Kentucky RECC premises hereby states as follows:

1. Breakdown of Expenditures

Through December 31, 2025 expenditures for demolition and work required to make the existing structures safe totaled \$982,755; \$1,740,148 for the design, permitting, insurance and bonding for the repair and reconstruction of new and existing facilities; \$3,135,636 for repair and reconstruction work completed on the warehouse and other outbuildings; \$2,929,216 on the reconstruction of the main office building; \$54,359 for replacement of

laptop computers, telephones and other various technology equipment; \$97,670 for the replacement of security systems; and \$99,505 for replacement furniture.

2. Breakdown of Funding, Including Reimbursements

Insurance reimbursements of \$1,837,016 have been received for the replacement of building contents and \$1,319,157 for repair and reconstruction costs incurred through August. Additional costs to date have been funded using general funds while awaiting insurance reimbursement.

3. Financing

At this time, there is no financing to report.

4. Progress Report:

South Kentucky's headquarters administrative office (building A) was deemed a total loss by Federated Rural Electric Insurance Exchange (Federated) adjusters and subcontracted structural engineers in early June 2025. South Kentucky contracted with D W Wilburn as general contractor for the demolition and rebuilding of building A and the repair of other buildings and structures on the headquarters site which were damaged during the tornado. The demolition of building A is complete. The preliminary reconstruction estimate for building A was received from D W Wilburn and Federated approved the estimate as covered under the parameters of the policy. An updated building design is complete, and the general contractor has issued a price not to exceed guarantee equal to the preliminary reconstruction estimate. The construction of ICF walls for building A is complete and the concrete walls have been poured.

Federated has also reviewed and approved cost estimates for repairs to the materials warehouse and line construction office (building B) and the other outbuildings. Materials for the outbuildings have arrived and repair work is nearly half complete. Twelve thousand square feet

of office space located at the front of building B has been stripped down to the studs and re-drywalled. Building B has received new outside skin on more than half of the structure. Repairs and reskinning of the maintenance building (building C) are complete. All other outbuildings are in progress.

South Kentucky RECC will submit regular reimbursement requests to Federated for work completed. The initial list of all building contents destroyed has been approved by Federated for reimbursement at replacement cost value (plus tax) of \$2,120,664 less depreciation of \$410,888, an average of 19%. The payment of \$1,837,016 was received in August 2025. Additional reimbursements related to construction and repair costs totaled \$1,319,157 and were received in December.

Respectfully Submitted,



L. Allyson Honaker
Heather S. Temple
Meredith L. Cave
HONAKER LAW OFFICE, PLLC
1795 Alysheba Way, Suite 1203
Lexington, KY 40509
(859) 368-8803
allyson@hloky.com
heather@hloky.com
meredith@hloky.com
*Counsel for South Kentucky Rural Electric
Cooperative Corporation*

CERTIFICATE OF SERVICE

This is to certify that the foregoing electronic filing was transmitted to the Commission for filing on January 27, 2026, there are currently no parties that the Commission has excused from participation by electronic means in this proceeding, and, by virtue of the Commission's July 22, 2021 Order in Case No. 2020-00085, a copy of the filing in paper medium shall not be required.



Meredith L. Cave
*Counsel for South Kentucky Rural
Electric Cooperative Corporation*