COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

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 January 31, 2026 expenditures for demolition and work required to make the existing structures safe totaled $982,755; $1,743,867 for the design, permitting, insurance and bonding for the repair and reconstruction of new and existing facilities; $4,472,955 for repair and reconstruction work completed on the warehouse and other outbuildings; $3,630,910 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 $8,602,268 for repair and reconstruction costs incurred through December 2025. 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, concrete walls have been poured, and roofing framing, HVAC, and plumbing groundwork is underway.

Federated has also reviewed and approved cost estimates for repairs to the materials warehouse and line construction office (building B) and the other outbuildings. Re-skinning and

repairs are complete for two of the outbuildings and approximately half complete for the other two outbuildings. Twelve thousand square feet of office space located at the front of building B has been stripped down to the studs and re-finished. Building B has received new outside skin, roof, and multiple overhead garage doors replaced along most of the structure. Replacements and repairs to the interior front of building B included new structural members, drywall, insulation, sprinkler, mechanical, electrical, and plumbing systems. Work is nearly complete with cleanup and final finishes remaining.

South Kentucky RECC will continue to submit regular reimbursement requests to Federated insurance 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 received relate to construction and repair costs and total $8,602,268.

Respectfully Submitted,

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CERTIFICATE OF SERVICE

This is to certify that the foregoing electronic filing was transmitted to the Commission for filing on March 10, 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