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January 22, 2010

Mr. Jeff R. Derouen, Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, KY 40602

RECEIVED

JAN 22 2010

PUBLIC SERVICE
COMMISSION

RE: PSC Case No. 2008-00371

Dear Mr. Derouen:

Per Intra-Agency Memorandum dated December 28, 2009 from Quang D. Nguyen, Staff Attorney, we are enclosing an original and eight (8) copies of Supplemental Information for Application for a Certificate of Public Convenience and Necessity ("CPCN") of the items requested.

If additional information is needed, please advise.

Very truly yours,

A handwritten signature in cursive script that reads 'Stephen Johnson'.

Stephen Johnson
Vice President of Finance

Enclosures

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

JAN 22 2010

PUBLIC SERVICE
COMMISSION

IN THE MATTER OF

SUPPLEMENTAL INFORMATION TO SOUTH)
KENTUCKY RURAL ELECTRIC COOPERATIVE)
CORPORATION'S APPLICATION FOR A CERTIFICATE)
OF PUBLIC CONVENIENCE AND NECESSITY)
("CPCN") AS A RESULT OF ITEMS REQUESTED)
FROM PSC STAFF AT AN INFORMAL CONFERENCE)
DECEMBER 28, 2009)

CASE NO. 2008-00371

REVISED APPLICATION

Comes South Kentucky Rural Electric Cooperative Corporation ("South Kentucky") and submits the within revised application in furtherance of its desire to obtain a Certificate of Convenience and Necessity to construct a new headquarters facility near Somerset, Kentucky. This Revised Application is submitted pursuant to the Kentucky Public Service Commission's ("the Commission") Order entered October 15, 2009 and South Kentucky's election to revise its application.

In lieu of resubmitting its entire application which would prove unduly burdensome, South Kentucky submits herewith only the material which is, indeed, revised. Therefore, unless specifically altered or changed herein, all information of South Kentucky's original application, all responses to data requests and testimony at the hearing of this cause are adopted herein by reference the same as though copied herein in full.

The information hereby submitted is summarized in the Commission's Intra-Agency Memorandum of December 28, 2009 generated after a December 8, 2009 informal conference attended by eight (8) representatives of the Commission and eight (8) representatives of South Kentucky whereby the following five (5) issues were identified:

ISSUE 1: What percentage of the size of the proposed headquarters facility is designed for South Kentucky's current needs and what percentage of the size is designed to accommodate South Kentucky's future growth?

ISSUE 2: Provide a breakdown of the size, total cost and cost per square foot of the office building, warehouse and covered fleet parking.

ISSUE 3: A detailed explanation of how South Kentucky determined the space requirement.

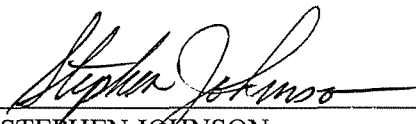
ISSUE 4: A detailed explanation of the rationale behind the proposed design of the headquarters facility.

ISSUE 5: A comparison of South Kentucky's proposed office sizes to recently constructed headquarters (within the last 10 years) of other similarly-sized Kentucky electric cooperatives.

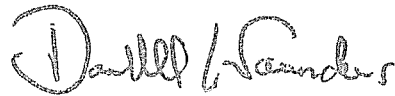
Each issue is addressed on a separate page or pages which follow.

CERTIFICATION

The undersigned, Stephen Johnson, stated that he is the Vice President of Finance of South Kentucky Rural Electric Cooperative Corporation; that he supervised the preparation of the within response; and Certifies that the within response is true and accurate to the best of his knowledge, information and belief Formed after reasonable inquiry.




STEPHEN JOHNSON
VICE PRESIDENT OF FINANCE
SOUTH KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION
SOMERSET, KENTUCKY 42501
(606) 451-4123



DARRELL SAUNDERS
ATTORNEY FOR SOUTH KENTUCKY
RURAL ELECTRIC COOPERATIVE
CORPORATION
700 MASTER STREET
P. O. BOX 1324
CORBIN, KENTUCKY 40702
(606) 523-1370 TELEPHONE
(606) 523-1372 FACSIMILE

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the above and foregoing was this 22 day of January, 2010 HAND DELIVERED to Mr. Jeff Derouen, Executive Director, Public Service Commission, 211 Sower Blvd., P. O. Box 615, Frankfort, KY 40602-0615



ATTORNEY FOR SOUTH KENTUCKY RURAL
ELECTRIC COOPERATIVE CORPORATION

**SOUTH KENTUCKY RECC
CASE NO. 2008-00371**

ISSUE 1
Page 1 of 1
Witness: Ruby Patterson

ISSUE 1

- Q.** What percentage of the size of the proposed headquarters facility is designed for South Kentucky's current needs and what percentage of the size is designed to accommodate South Kentucky's future growth ?
- R.** The total square footage designed for South Kentucky's future growth is 3,869 square feet representing 3.2% (3,869/122,312)

**SOUTH KENTUCKY RECC
CASE NO. 2008-00371**

ISSUE 2
Page 1 of 4
Witness: Doug Wilburn

ISSUE 2

- Q. Provide a breakdown of the size, total cost and cost per square foot of the office building, warehouse, and covered fleet parking.

- R. See Issue 2 Pages 2 thru 4

D. W. WILBURN, INC.

153 Blue Sky Parkway
Lexington, Kentucky 40509
(859) 263-2720
FAX (859) 263-5692

December 22, 2009

South Kentucky RECC
925-929 N. Main Street
Somerset, Kentucky 42503

ATTN: Allen Anderson

RE: PSC Meeting

Per our meeting on December 8th, 2009:

Mr. Chaney requested plans, specifications.

Please find enclosed

Mr. Chaney asked for a breakdown by area:

Please see Attachment A.

Mr. Chaney asked for a cost comparison for a one story building vs. a two story.

Please see Attachment A.

There was discussion regarding building alternatives:

As you will note by the plans and specifications, there is a 2 story office building with ICF walls, brick veneer, drywall, ceiling and floor finishes as outlined in the finish schedule and as detailed in the plans.

You will see a warehouse office building, which is a pre-engineered metal building with anything from drywall finishes to a pre-engineered building finish to unfinished surfaces. Also a detailed on the phase and finish schedule

You will find covered fleet parking which is simply a covered canopy for equipment storage.

As you will note, there are several types of building systems being utilized for a number of different functions. The reason for this is the fact that each building has been designed and planned specifically for its intended use.

As advised and demonstrated at the December 8th meeting, each building was reviewed, studied, and planned not only for cost but for walls, finishes, roof and structure make-ups/ types vs. cost, function and performance. One example of this is Attachment B.

There was a question regarding contracting methods:

As discussed at the meeting on December 8th, please find the attached diagram, Attachment C, that illustrates the 3 basic methods used in commercial construction and how they function. Also you will note and as explained during the meeting, each method results in a "turnkey" project delivery. Each contract method does without question, create competitive bidding by multiple subcontractors and material pricings, as also explained.

Budgeting and Program

Overall square footage will be reduced from 134,112 to 122,312.

Site improvements will be reduced.

No work will be done at the amphitheater.

New construction budget will be established at \$15.3 million.

Attachment A

Below please find, as requested by Mr. Chaney, a table representing the cost associated with site areas and building areas for the the South KY RECC Project (Table A). As well, there is a second table that provides a comparison between a one story office building and a two story office building (Table B).

TABLE A
South KY RECC Project

Building Areas	ORIGINAL	REVISED	
Office Building	(46,060 sqft)	(46,060 sqft @ \$151.78)	\$6,991,000
Warehouse	(62,662 sqft)	(60,862 sqft @ \$87.68)	\$5,337,000
Fleet Storage	(25,390 sqft)	(15,390 sqft @ \$19.00)	\$292,000
Total Building SQFT	(134,112 sqft)	(122,312 sqft)	\$12,620,000
Site Areas			
Pole Storage			\$350,000
Public Parking and Site Entrance Ways			\$1,200,000
Back of House Parking			\$650,000
Misc. Site Amenities			\$480,000
Total Project			\$15,300,000

*Prices include 5% contractors fees and design fees

TABLE B
1 Story Structure Compared with 2 Story Structure

"28th Annual Edition RSMeans SQFT Cost"	SQFT COST
	\$148.15
M.455 Office, Standard Office 1 Story (building pad in place)	
	\$147.50
M.460 Office, Standard Office 2-4 Story (building pad in place)	

**SOUTH KENTUCKY RECC
CASE NO. 2008-00371**

ISSUE 3
Page 1 of 2
Witness: Margie Jacob

ISSUE 3

Q. A detailed explanation of how South Kentucky determined the space requirement.

R. See Issue 3 Page 2

December 11, 2009

SKRECC New Headquarters Facility
Somerset, Kentucky

In response to PSC concern related to lack of careful programming effort a description of the process is provided below:

The programming phase of the design of the SKRECC Headquarter offices and warehouse spaces included the following efforts performed by Tate Hill Jacobs:
Architects:

1. In depth review of the 2002 Roy Cowan program documents.
2. Initial orientation meeting and tour of the overall facility provided by Mr. Anderson and Ms. Patterson.
3. Preliminary adjacency studies to identify working relationships between departments.
4. Early diagram studies of different building configurations with a discussion of the advantages and disadvantages of each type.
5. Follow-up interviews and meetings with individual department heads to determine "their" definition of the space needs for their department.
6. Preparation of concept floor plans which defined number of offices required for each department and support areas (storage, vaults, etc.).
7. In depth on-site field documentation of existing conditions. Existing office sizes, equipment, files, and work areas were inventoried and measured.
8. Follow-up review meetings with Mr. Anderson and Ms. Patterson to "check" and adjust work space requirements for each department.
9. Preparation of a written program statement organized by department.
10. Several adjustments to the plan and program statement to reconcile actual needs with the design documents.

**SOUTH KENTUCKY RECC
CASE NO. 2008-00371**

ISSUE 4
Page 1 of 5
Witness: Doug Wilburn

ISSUE 4

- Q.** A detailed explanation of the rationale behind the proposed design of the headquarters facility.
- R.** See Issue 4 Pages 2 thru 5

Attachment B-1

The below table details the R Value and Cost Association of a few masonry cavity wall insulation systems and an ICF system. All units are based on one square foot of wall area.

Description	R Value	Total Insulation Cost	Wall R Value	Wall Cost
Extruded Polystyrene Insulation				
1 1/2" Rigid Board	R7.5	\$ 1.18	R13.67	\$ 27.58
2" Rigid Board	R10	\$ 1.41	R14.92	\$ 27.81

Total Wall R Value is based on 8" lightweight block, damproofing, insulation board, 4" air space, 4" face brick, and an interior finish of 7/8" Channels @ 16" on center, with 5/8" gypsum taped and finished.

Icynene Insulation System (1/2 lb Density)				
1 1/2" Thickness	R5.4	\$ 1.89	R11.57	\$ 27.54
2" Thickness	R7.2	\$ 2.18	R12.12	\$ 27.83
Elastrospray 81202 FR (2 lb Density) (BASF)				
1 1/2" Thickness	R10.5	\$ 2.45	R15.66	\$ 28.10
2" Thickness	R13.4	\$ 2.90	R17.76	\$ 28.55

Total Wall R Value is based on 8" lightweight block, Foam Insulation, 4" air space, 4" face brick, and an interior finish of 7/8" furring channels, with 5/8" taped and finish

Nudura Insulated Concrete Forms "ICF Systems"			R21.06	\$ 27.83
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8" Concrete Core, Insulated Forms (Both Sides), 1 side 5/8 gypsum board taped and finished, and 4" face brick.

Attachment B-2

The below table details the R Value and Cost Association of a few masonry cavity wall insulation systems and an ICF system. All units are based on one square foot of wall area.

Description	R Value	Total Insulation Cost	Wall R Value	Wall Cost
Extruded Polystyrene Insulation				
1 1/2" Rigid Board	R7.5	\$ 1.18	R13.67	\$ 27.58
2" Rigid Board	R10	\$ 1.41	R14.92	\$ 27.81
1 SGFT 8" Block	\$ 9.00			
1 SGFT Brick	\$ 13.50			
Damproofing	\$ 0.75			
7/8 Hat Channel 16" oncenter (MEANS)	\$ 1.80			
5/8 Gypsum Leval 4 Finish (MEANS)	\$ 1.35			
SUBTOTAL	\$ 26.40	Plus Insulation Above		

Total Wall R Value is based on 8" lightweight block, damproofing, insulation board, 4" air space, 4" face brick, and an interior finish of 7/8" Channels @ 16" on center, with 5/8" gypsum taped and finished.

Icynene Insulation System (1/2 lb Density)				
1 1/2" Thickness	R5.4	\$ 1.89	R11.57	\$ 27.54
2" Thickness	R7.2	\$ 2.18	R12.12	\$ 27.83
Elastospray 81202 FR (2 lb Density) (BASF)				
1 1/2" Thickness	R10.5	\$ 2.45	R15.66	\$ 28.10
2" Thickness	R13.4	\$ 2.90	R17.76	\$ 28.55
Subtotal From Above	\$ 26.40			
DEDUCT DAMPROOFING	\$ (0.75)			
Subtotal	\$ 25.65	Plus Insulation Above		

Total Wall R Value is based on 8" lightweight block, Foam Insulation, 4" air space, 4" face brick, and an interior finish of 7/8" furring channels, with 5/8" taped and finish

Nudura Insulated Concrete Forms "ICF Systems" R21.06 \$ 27.83

8" Concrete Core, Insulated Forms (Both Sides), 1 side 5/8 gypsum board taped and finished, and 4" face brick.

8" core Interior ICF Wall 10 ft tall / 10	\$ 8.60
Concrete Mat. (75.00 cuyd)	\$ 1.86
Rebar Mat. (234lbs cuyd) (900.00ton)	\$ 2.52
5/8 Gypsum Leval 4 Finish (MEANS)	\$ 1.35
1 SGFT Brick	\$ 13.50
Total	\$ 27.83

Attachment B-3

The below table details the R Value and Cost Association of a few masonry cavity wall insulation systems, a metal stud wall assembly, and an ICF system. All units are based on one square foot of wall area. The masonry and ICF wall systems are load bearing wall construction. The metal stud wall system is nonload bearing and therefore there shall be additional cost in the steel package for the entire building. (Steel bearing rather than load bearing wall construction)

Description	R Value	Total Insulation Cost	Wall R Value	Wall Cost
Extruded Polystyrene Insulation				
1 1/2" Rigid Board	R7.5	\$ 1.18	R13.67	\$ 27.58
2" Rigid Board	R10	\$ 1.41	R14.92	\$ 27.81

Total Wall R Value is based on 8" lightweight block, dampproofing, insulation board, 4" air space, 4" face brick, and an interior finish of 7/8" Channels @ 16" on center, with 5/8" gypsum taped and finished.

Icynene Insulation System (1/2 lb Density)				
1 1/2" Thickness	R5.4	\$ 1.89	R11.57	\$ 27.54
2" Thickness	R7.2	\$ 2.18	R12.12	\$ 27.83
Elastospray 81202 FR (2 lb Density) (BASF)				
1 1/2" Thickness	R10.5	\$ 2.45	R15.66	\$ 28.10
2" Thickness	R13.4	\$ 2.90	R17.76	\$ 28.55

Total Wall R Value is based on 8" lightweight block, Foam Insulation, 4" air space, 4" face brick, and an interior finish of 7/8" furring channels, with 5/8" taped and finish.

Nudura Insulated Concrete Forms "ICF Systems"			R21.06	\$ 27.83
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8" Concrete Core, Insulated Forms (Both Sides), 1 side 5/8 gypsum board taped and finished, and 4" face brick.

6" Metal Stud Wall Assembly with 2.5" Icynene	R9	\$ 2.72	R13.3	\$ 26.30
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**Requires additional cost to meet structural load requirements. See ** below.

Total Wall R Value is based on 6" 18 ga Metal Stud spaced at 16" on center, 5/8 interior gypsum board taped and finished, interior air film, wall air space, 5/8 Exterior Densgold sheathing, continuous air barrier, 2.5" Icynene insulation, air space, and brick veneer. Additional steel package scope not included in dollar unit price.

**The metal stud wall assembly above is not load bearing, therefore, the building steel package will be enhanced to consist of additional columns, spandrel beams, and sheer wall bracing.

**The building is currently designed as a load bearing wall construction, and with a metal stud wall assembly the building must be designed structural steel bearing.

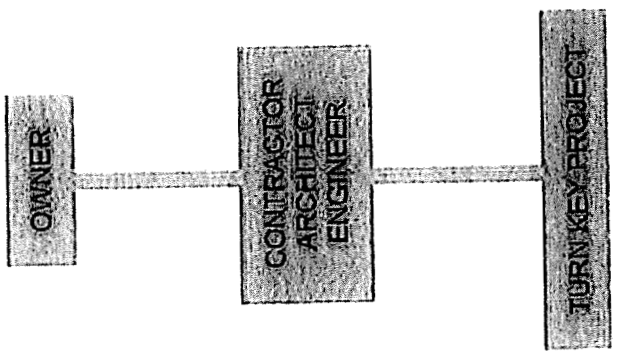
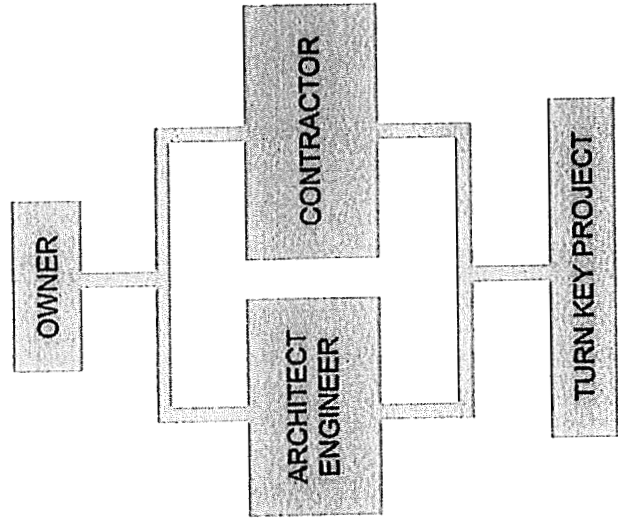
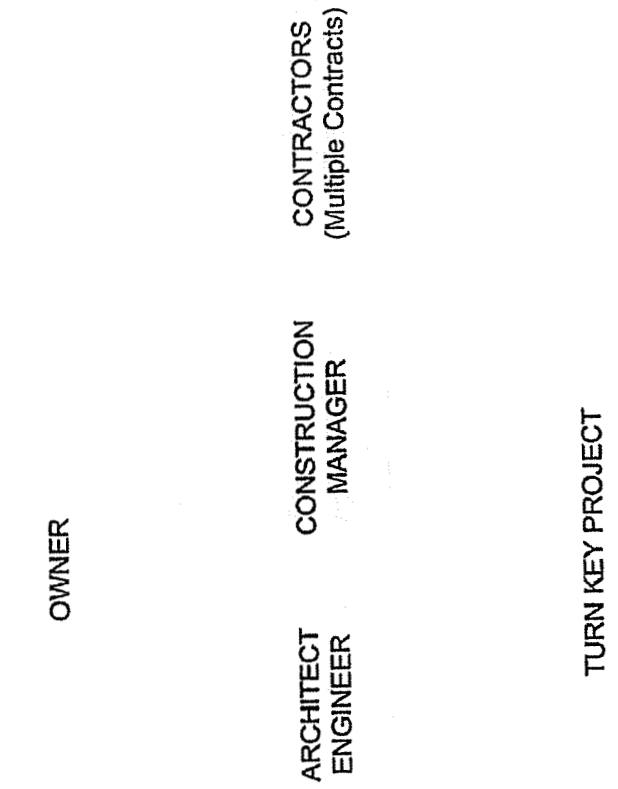
**Concerning structural strength and wind load capacity of the above wall types, all of the wall types can be designed to meet current building code requirements for this building class, however, the construction and design of the building shall change to structural steel bearing.

Attachment C

CONSTRUCTION MANAGEMENT

DESIGN - BID - BUILD

DESIGN-BUILD



**SOUTH KENTUCKY RECC
CASE NO. 2008-00371**

ISSUE 5
Page 1 of 2
Witness: Ruby Patterson

- Q.** A comparison of South Kentucky's proposed office sizes to recently constructed headquarters (within the last 10 years) of other similarly-sized Kentucky electric cooperatives.
- R.** See Issue 5 Page 2

	South Kentucky/ Square Footage	Inter-County/ Square Footage	Owen Electric/Square Footage
Community Room (excluding mechanical, electrical, and restrooms)	3,960	3,010	1,068
Member Services & Public Relations			
VP - Members Services & PR Office	261	291	178
Customer Service Representatives	907 (6 Employees)	926 (6 Employees)	1,216 (7 Employees)
Call Center	744 (5 Employees)	144 (1 Employee)	1,440 (8 Employees)
Cashiers (including vault, reception area, and cashier leaders office)	2,082 (6 Employees)	1,161 (5 Employees)	1,463 (3 Employees)
Energy Advisors			
Energy Advisors	135	147	138
Energy Advisors Team Leader	180	221	138
Marketing Records Coordinator	134	159	144
Finance			
VP - Finance Office	232	232	176
Finance & Accounting			
Payroll	177	140	99
President & CEO			
CEO Office	438	352	288
Executive Assistant to CEO	340	320	416
Human Resources			
Benefit Leader	178	141	129
Engineering & Operations			
VP - Engineering & Operations	250	291	184
VP Assistant	210	131	105
Dispatch	1,306	710	780
Engineering			
Engineering Leader	186	140	171
Surveying (Includes Surveying Team Leader Office and Surveying Open Office)	430 (6 Employees)	462 (4 Employees)	558 (5 Employees)
Conference Center			
Reception	680	648	432
Board Room	1,023	1,536	1,110
Cater Kitchen	306	202	285
Other			
Break Room	726	1,766	614 (Inside Employees) Plus 1,092 (Outside Employees)
Kitchen	254		350
Construction			
Construction Open Offices	1,359 (34 Employees)	146 (1 Employee)	450 (8 Employees)
Construction Leader Office	178	140	N/A

CASE NO: 2008-00371

**CONTAINS
LARGE OR OVERSIZED
MAP(S)**

RECEIVED ON: January 22, 2010