



Allen Anderson, President & CEO

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February 9, 2010

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

2010 - 00055

RECEIVED

FEB 12 2010

**PUBLIC SERVICE
COMMISSION**

Dear Mr. Derouen:

Enclosed for filing with the Commission is an original and ten (10) copies of South Kentucky Rural Electric Cooperative Corporation's application for a "Certificate of Convenience and Necessity" based on four (4) year construction work plan, three (3) copies of which are enclosed.

If further information is needed, please advise.

Sincerely,

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

Stephen Johnson
Vice President of Finance

SJ:jb

Enclosures

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

FEB 12 2010

PUBLIC SERVICE
COMMISSION

IN THE MATER OF:

APPLICATION OF SOUTH KENTUCKY)
RURAL ELECTRIC COOPERATIVE)
CORPORATION FOR A CERTIFICATE)
OF CONVENIENCE AND NECESSITY TO)
CONSTRUCT ADDITIONAL LINES)
AND FACILITIES.)

CASE NO. 2010-
00055

SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION
SOMERSET, KENTUCKY

I

South Kentucky Rural Electric Cooperative Corporation with a post office address of P.O. Box 910, Somerset, Kentucky 42502 designated as Kentucky 54 - Wayne states that it is a corporation with all rights, characteristics, powers, privileges and duties shown by the records now on file in the office of the Public Service Commission of Kentucky, and that it is engaged in the rural electrification business in the counties of Pulaski, Wayne, McCreary, Cumberland, Lincoln, Rockcastle, Casey, Russell, Laurel, Clinton and Adair, all in Kentucky and Pickett and Scott Counties in the State of Tennessee, by and under the Rural Electrification Act and under authority contained in Kentucky Revised Statutes, Chapter 279.

II

South Kentucky Rural Electric Cooperative Corporation's Articles of Incorporation, with amendments, have previously been filed with the Commission in Case No. 96-109.

III

South Kentucky Rural Electric Cooperative Corporation attaches to this application, and fully incorporates by reference, three copies of its 2010-2013 Construction Work Plan, which was approved by its' Board of Directors at a regular meeting held on August 27, 2009. A certified copy of this resolution is attached as Exhibit A, and fully incorporated by reference. The facts relied upon showing that the proposed new construction is required by a public

convenience of necessity are set out in the attached 2010-2013 Construction Work Plan. This Plan contains a full description of the proposed location, route, or routes of the new construction or extension, including a description of the manner in which same will be constructed, and also the names of all public utilities, corporations, or persons with whom the proposed new construction or extensions is likely to compete. Three (3) maps showing the location or route of the proposed new construction or extensions, as well as the location to scale of any like facilities owned by others located anywhere within the map area with adequate identification as to the ownership of such other facilities.

IV

There are no franchises required or in existence. Construction permits may be required in the future, as construction progresses, from the Commonwealth of Kentucky, Transportation Cabinet, and possibly from governmental agencies such as the United States Forest Service and the Federal Aviation Administration. These will be timely obtained as construction progresses and same will be promptly filed with the Public Service Commission if required.

V

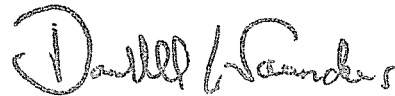
South Kentucky Rural Electric Cooperative Corporation will construct the proposed facilities from general funds until such time as new loan funds are needed. At that time, loan applications will be filed with the Rural Utilities Service. These loan proceeds will be used to reimburse general funds as expended and to provide money to complete the proposed facilities.

VI

There is attached as Exhibit B and fully incorporated by reference, a schedule showing the estimated cost of operation after the proposed facilities are completed.

WHEREFORE, South Kentucky Rural Electric Cooperative Corporation of Somerset, Pulaski County, Kentucky, designated as Kentucky 54 - Wayne, pursuant to KRS 278.020, respectfully petitions this Commission as follows:

- A. To grant it a Certificate of Convenience and Necessity to construct additional lines and facilities.
- B. For all proper orders and relief.



Darrell L. Saunders
Attorney for Petitioner
700 Master Street
Post Office Box 1324
Corbin, Kentucky 40702
Telephone No. (606) 523-1370



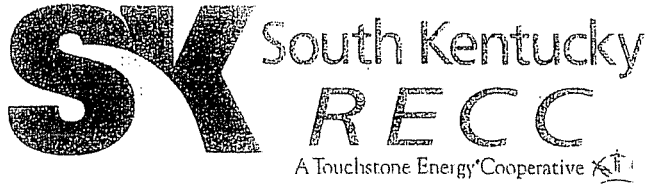
Allen Anderson
President and C.E.O.
South Kentucky Rural Electric
Cooperative Corporation
Somerset, KY 42501

STATE OF KENTUCKY
SCT)
COUNTY OF PULASKI

Subscribed and sworn to before me by Allen Anderson, President and
C.E.O. of South Kentucky Rural Electric Cooperative Corporation, at Somerset,
Kentucky this 10th day of February 2010.

Army Aetson
NOTARY PUBLIC
State of Kentucky at Large

My Commission Expires: June 23, 2010



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BOARD RESOLUTION

WHEREAS, a Four-Year Construction Work Plan dated 2010 - 2013 has been prepared by the Engineering Staff at South Kentucky Rural Electric Cooperative Corporation in the amount of \$43,597,745;

WHEREAS, RUS Field Representative, Mike Norman, approved the 2010 – 2013 Construction Work Plan on June 30, 2009;

NOW, THEREFORE BE IT RESOLVED, that the Board of Directors adopt this Work Plan, as a course of action to be followed by management or amended with the approval of RUS.

A handwritten signature in cursive script that reads 'Tom Estes'.

SECRETARY

A handwritten date in cursive script that reads '8-27-09'.

DATE

EXHIBIT B

SOUTH KENTUCKY R.E.C.C.
STATEMENT OF ESTIMATED ADDITIONAL COST UPON COMPLETION OF FOUR YEAR WORK PLAN
2010 - 2013

<u>PROPERTY TAX EXPENSE</u>	<u>AMOUNT</u>	<u>AMOUNT</u>	<u>ESTIMATED TOTAL</u>
1 TOTAL UTILITY PLANT DECEMBER 31,2009	<u>\$195,736,525</u>		
2			
3 TOTAL PROPERTY TAXES - 2009	<u>\$1,316,000</u>		
4			
5 TAX PER \$100.00	<u>\$0.672</u>		
6			
7 NET ADDITIONS TO PLANT (SEE BELOW)	<u>\$32,698,309</u>		
8			
9 ADDITIONAL TAXES			\$219,733
10			
11			
12			
13			
14			
15			
16			
17			
18			
19 <u>DEPRECIATION EXPENSE</u>			
20			
21 PLANT ADDITIONS FOR THREE YEARS		\$43,597,745	
22 LESS: ESTIMATED RETIREMENTS		<u>(\$10,899,436)</u>	
23			
24 NET PLANT ADDITIONS - 48 MONTHS		\$32,698,309	
25			
26 COMPOSITE DEPRECIATION RATE		<u>0.03</u>	
27			
28 ANNUAL DEPRECIATION		<u>\$980,949</u>	\$980,949
29			
30			
31			
32			
33			
34 ESTIMATED ADDITIONAL EXPENSE			<u>\$1,200,682</u>