

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF TAYLOR	)	
COUNTY RURAL ELECTRIC COOPERATIVE	)	
CORPORATION FOR A CERTIFICATE OF	)	CASE NO.
PUBLIC CONVENIENCE AND NECESSITY FOR	)	2026-00098
CONSTRUCTION OF ITS NEW	)	
HEADQUARTERS FACILITY	)	

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION  
TO TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

Taylor County Rural Electric Cooperative Corporation (Taylor RECC), pursuant to 807 KAR 5:001, shall file with the Commission an electronic version of the following information. The information requested is due on May 27, 2026. The Commission directs Taylor RECC to the Commission's July 22, 2021 Order in Case No. 2020-00085<sup>1</sup> regarding filings with the Commission. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked.

Each response shall include the question to which the response is made and shall include the name of the witness responsible for responding to the questions related to the information provided. Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the

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<sup>1</sup> Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC July 22, 2021), Order (in which the Commission ordered that for case filings made on and after March 16, 2020, filers are NOT required to file the original physical copies of the filings required by 807 KAR 5:001, Section 8).

person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Taylor RECC shall make timely amendment to any prior response if Taylor RECC obtains information that indicates the response was incorrect or incomplete when made or, though correct or complete when made, is now incorrect or incomplete in any material respect.

For any request to which Taylor RECC fails or refuses to furnish all or part of the requested information, Taylor RECC shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied and scanned material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations. When filing a paper containing personal information, Taylor RECC shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Refer to Case No. 2023-00147.<sup>2</sup> Provide a detailed description and documents related to the condition of Taylor RECC's current headquarters.

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<sup>2</sup> Case No. 2023-00147, *Electronic Application of Taylor County Rural Electric Cooperative Corporation for a General Adjustment of Rates* (filed June 15, 2023).

2. Explain what financing options Taylor RECC will consider if the United States Department of Agriculture (USDA) Rural Utility Service (RUS) Construction Work Plan (CWP) Loan is denied.

3. Refer to the Direct Testimony of Patsy Walters (Walters Direct Testimony), page 4, lines 9–15. Describe any improvements Taylor RECC has made to the new property since entering into the lease.

4. Refer to the Walters Direct Testimony, page 5, lines 11–16. Confirm that the short-term bridge financing would not be carried over for longer than the expected term of 23 months, in the event that the project is not completed within 24 months.

5. Refer to the Walters Direct Testimony, pages 6–7. Refer also to the Walters Direct Testimony, Attachment PRW-1, page 3.

a. Confirm that the increase in revenues projected in 2030 is due to the anticipated rate adjustment which is expected to be effective in 2030. If this cannot be confirmed, explain.

b. Confirm that Taylor RECC has identified quantifiable benefits or savings associated with the proposed headquarters versus the existing headquarters. If confirmed, list all the quantifiable benefits and explain how each benefits Taylor RECC. Additionally, explain whether those quantifiable benefits or savings are included in the comparison shown in Attachment PRW-1.

6. Refer to the Walters Direct Testimony, page 7, lines 9–14. State the impact the Proposed Headquarters will have on the retail rates paid by Taylor RECC's members.

7. Refer to the Walters Direct Testimony, page 7, lines 19–20. Provide the calculations for the estimated annual operation and maintenance expenses associated

with the proposed headquarters. Include all relevant workpapers in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.

8. Refer to the Walters Direct Testimony, page 9, lines 3–4. Provide the calculations for the estimated rate increases. Include all relevant workpapers in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.

9. Refer to the Direct Testimony of Jeffrey Williams (Williams Direct Testimony) at page 6, lines 16-17. Provide the information from Cooperative Building Solutions (CBS) regarding alternatives to the proposed headquarters. Include estimated costs, as well as the reasoning for selecting the proposed project over each alternative.

10. Refer to the Williams Direct Testimony, page 8, lines 11–13. Confirm that Taylor RECC does not intend to request Commission approval for the long-term financing.

11. Refer to the Williams Direct Testimony, page 10, lines 1–6.

a. If Taylor RECC is not able to sell the property that makes up its existing headquarters in a timely manner, explain what Taylor RECC anticipates doing with the property.

b. Explain how Taylor RECC plans to use any proceeds from the proposed sale of the current headquarters.

12. Refer to the Williams Direct Testimony, pages 10–11.

a. Regarding the employment of CBS, provide an itemized breakdown of the costs that Taylor RECC has incurred to date and is expected to incur until such time a decision is made regarding facility improvements.

b. Describe the process by which Taylor RECC employed CBS for its services.

- c. Provide the prior proposal(s) of CBS.
- d. Provide the prior proposal from MSE.
- e. Discuss other vendor(s) considered for the proposed project.
- f. Explain if a request for proposal (RFP) was considered for the purpose of obtaining a vendor for the project. If not, explain why an RFP was not considered.
- g. Provide a copy of the employment agreement between Taylor RECC and CBS.

13. Refer to the Direct Testimony of Timothy Masa (Masa Direct Testimony), page 7 and Attachment TEM-3.

a. Confirm whether Taylor RECC's proposed headquarters would contain covered material storage. If confirmed, explain the 50 percent design estimated cost of the covered material storage being zero in the April 9, 2026 Cost Estimate Summary in Attachment TEM-3.

b. Explain how the estimated low and estimated high for the cost estimate summary was determined.

14. Provide any request for bids, request for proposals or similar documents Taylor RECC has sent to third parties related to the design or construction of the new headquarters.

15. Provide copies of the minutes of all Taylor RECC's Board of Directors meetings in which the need for new headquarters facilities was discussed.

16. Identify any project elements not eligible for RUS financing and quantify how much of the requested financing is expected to remain outstanding long-term versus being taken out by RUS.

17. Provide the estimated timeline for the RUS loan approval and disbursement.

18. Provide the name and the relationship of any person(s) having a financial interest in the property to be sold to Taylor RECC for use as its new headquarters that have a current relationship with Taylor RECC or with any current or former member of Taylor RECC's board of directors.

19. Explain why additional repair and maintenance was not performed to prevent the current headquarters from falling into such disrepair.

20. State whether Taylor RECC explored the existing inventory of commercial buildings other than the property selected.

21. State all bids solicited for each stage of the Proposed Headquarters project.

22. Explain any rubric or review process used by Taylor RECC to evaluate proposed bids for the project.

23. Describe, including time frames, any expected interruption of operations during the move from the existing facilities to the proposed facility.

24. Provide the estimated useful service life of the proposed headquarters.

*Linda Bridwell RP*

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DATED **MAY 12 2026**

cc: Parties of Record

Case No. 2026-00098

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