

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION OF THE)	
APPLICATION OF THE FUEL)	
ADJUSTMENT CLAUSE OF SHELBY)	CASE NO.
ENERGY COOPERATIVE, INC. FROM)	2010-00509
NOVEMBER 1, 2008 THROUGH)	
OCTOBER 31, 2010)	

O R D E R

Pursuant to 807 KAR 5:056, the Commission, on January 26, 2011, established this case to review and evaluate the application of the Fuel Adjustment Clause ("FAC") of Shelby Energy Cooperative, Inc. ("Shelby") for the two-year period from November 1, 2008 through October 31, 2010.

As part of this review, the Commission ordered Shelby to submit certain information and an affidavit attesting to its adherence to 807 KAR 5:056. The Commission further ordered that a public hearing be held in this case but cancelled it when, after publication of notice, no interested person advised the Commission of his or her intent to attend.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that:

1. During the period under review, Shelby has complied in all material respects with the provisions of 807 KAR 5:056.

2. East Kentucky Power Cooperative, Inc. ("East Kentucky"), the wholesale supplier of Shelby, has been authorized to transfer (roll-in) to its base energy rates a

negative 6.39 mills per kWh of fuel costs that were being credited to customers through its FAC.¹

3. Shelby should be authorized to transfer (roll-in) to its base energy rates a negative 6.64 mills per kWh to reflect, as adjusted for line loss, the transfer (roll-in) by East Kentucky of a negative 6.39 mills per kWh of fuel costs to East Kentucky's base energy rates that were being credited to customers through its FAC.

4. The rates and charges in the Appendix to this Order are fair, just, and reasonable, and reflect the reduction of fuel costs included in its base energy rates.

IT IS THEREFORE ORDERED that:

1. The charges and credits applied by Shelby through the FAC for the period from November 1, 2008 through October 31, 2010 are approved.

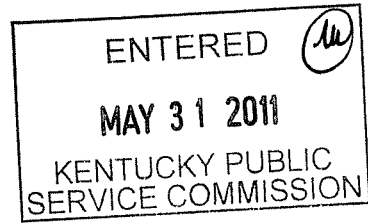
2. Shelby shall deduct 6.64 mills per kWh from its base energy rates (as adjusted for line loss) to reflect the transfer (roll-in) of a negative 6.39 mills per kWh of fuel costs by East Kentucky to its base energy rates as approved in Case No. 2010-00491.

3. The rates in the Appendix to this Order are approved for service rendered by Shelby on and after June 1, 2011, the effective date of East Kentucky's change in rates.

¹ Case No. 2010-00491, An Examination of the Application of the Fuel Adjustment Clause of East Kentucky Power Cooperative, Inc. from November 1, 2008 through October 31, 2010 (Ky. PSC May 31, 2011).

4. Within 20 days of the date of this Order, Shelby shall file revised tariff sheets with the Commission setting out the rates approved herein and reflecting that they were approved by this Order.

By the Commission



ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2010-00509 DATED **MAY 31 2011**

The following rates and charges are prescribed for the customers in the area served by Shelby Energy Cooperative, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

RATE 11
GENERAL SERVICE

All kWh per kWh \$.09020

RATE 12
RESIDENTIAL SERVICE

All kWh per kWh \$.08861

RATE 2
LARGE POWER

All kWh per kWh \$.06435

RATE 3
OUTDOOR AND STREET LIGHTING SERVICE

Flat rate per light per month as follows:

HPS 100 Watt Security Light	\$ 9.43
HPS 100 Watt Decorative Colonial Light	\$ 12.68
HPS 400 Watt Directional Flood Security and Street Light	\$ 19.19
HPS 250 Watt Directional Flood Security and Street Light	\$ 13.88
HPS 150 Watt Decorative Acorn Light	\$ 15.15

RATE 22
OPTIONAL TOD DEMAND

First	100 kWh per kW Demand	\$.07322
Next	100 kWh per kW Demand	\$.06682
All Over	200 kWh per kW Demand	\$.06044

RATE ETS
OFF-PEAK RETAIL MARKETING RATE

All kWh per kWh \$.06118

SCHEDULE B1
LARGE INDUSTRIAL RATE

All kWh per kWh \$.05236

SCHEDULE B2
LARGE INDUSTRIAL RATE

All kWh per kWh \$.04662

SCHEDULE B3
LARGE INDUSTRIAL RATE

All kWh per kWh \$.04546

SCHEDULE C1
LARGE INDUSTRIAL RATE

All kWh per kWh \$.05236

SCHEDULE C2
LARGE INDUSTRIAL RATE

All kWh per kWh \$.04662

SCHEDULE C3
LARGE INDUSTRIAL RATE

All kWh per kWh \$.04546

RATE 33
SPECIAL OUTDOOR LIGHTING SERVICE

All kWh per kWh \$.06036

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