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July 26, 2013

Mr. Jeff Derouen
Executive Director
Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602

Re: Shelby Energy Cooperative PSC Case No. 2012-00503

Dear Mr. Derouen:

Please find enclosed for filing with the Commission in the above-referenced case an original and ten copies of Shelby Energy Cooperative, Inc.'s Motion for Full Intervention.

Thank you for your attention to this matter.

Very truly yours,

MATHIS, RIGGS & PRATHER, P.S.C.

By: Donald T. Prather
Donald T. Prather

By Paul McElwain

DTP/pm
Enclosures

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PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PETITION AND COMPLAINT OF GRAYSON
RURAL ELECTRIC COOPERATIVE
CORPORATION FOR AN ORDER
AUTHORIZING PURCHASE OF ELECTRIC
POWER AT THE RATE OF SIX CENTS PER
KILOWATT OF POWER VS A RATE IN
EXCESS OF SEVEN CENTS PER KILOWATT
HOUR PURCHASED FROM EAST KENTUCKY
POWER COOPERATIVE UNDER A WHOLESAL
CONTRACT AS AMENDED BETWEEN GRAYSON
RURAL ELECTRIC COOPERATIVE
CORPORATION AND EAST KENTUCKY POWER
COOPERATIVE, INC.

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CASE NO. 2012-00503

SHELBY ENERGY COOPERATIVE, INC.'S
MOTION FOR FULL INTERVENTION

Pursuant to KRS 278.310 and 807 KAR 5:001, Section 4(11) Shelby Energy Cooperative, Inc. ("Shelby Energy") respectfully requests that it be granted full intervention in this case. The following information supports this request:

1. Shelby Energy is an electric distribution system in Henry, Shelby, Trimble, Jefferson, Oldham, Carroll, Owen, Franklin, Anderson and Spencer Counties. Shelby Energy's business address is 620 Old Finchville Road, Shelbyville, Kentucky 40065. Shelby Energy is a member-owner of East Kentucky Power Cooperative, Inc. ("EKPC").

2. Shelby Energy and Grayson Rural Electric Cooperative Cooperation ("Grayson") have both signed Amendment 3 of their respective wholesale power contracts with EKPC.

3. Shelby Energy may present issues or develop facts regarding Amendment 3 of the wholesale power contract with EKPC that would assist the Commission in fully considering this matter, without unduly complicating or disrupting the proceedings. It is believed all of the issues relating to Amendment 3 have been addressed in a Memorandum of Understanding which has been filed in this action by Owen Electric Cooperative, Inc. ("Owen"). Shelby Energy supports Owen's Motion to keep the Memorandum of Understanding confidential.

4. Exhibit A attached to this Motion contains Shelby Energy's responses to the questions presented on Pages 22-23 of the Commission's Order dated July 17, 2013.

WHEREFORE, Shelby Energy Cooperative, Inc. respectfully requests that it be granted full intervention in this case.

Dated at Shelbyville, Kentucky this 26th day of July, 2013.

Respectfully submitted,



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Attorney for Shelby Energy
Cooperative, Inc.

CERTIFICATE OF SERVICE

I, Donald T. Prather, certify that on July 26, 2013 copies of the foregoing Motion for Extension of time were mailed to:

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Donald T. Prather

SHELBY ENERGY COOPERATIVE, INC.
RESPONSE TO QUESTIONS IN CASE NO. 2012-00503

1. Does Amendment 3 expressly requires a methodology for Members to share the allocation of alternative power, and if not expressly required, should the commission nonetheless impute such a methodology for the Members to share the allocation of alternative power under Amendment 3?

Response: Amendment 3 does not contain a methodology for Members to share the allocation of alternative power.

Since Amendment 3 does not expressly require an allocation methodology, Shelby Energy supports Owen Electric Cooperative, Inc.'s ("Owen") request that the Commission strongly encourage EKPC and its Members to agree on a methodology that is fair and equitable to all members, specifically those set forth in the Memorandum of Understanding and Agreement ("MOU") (attached as Exhibit B to the Motion for Full Intervention filed by Owen). This document has been approved by the CEOs of all 16 of the cooperatives who are bound by Amendment 3 and by 8 Member Boards including Shelby Energy and Grayson Rural Electric Cooperative Corporation. The MOU is a fair and equitable method to allocate the potential benefits of alternative power. If agreement cannot be achieved by all parties involved, Shelby Energy urges the Commission to adopt the terms of the MOU.

2. What is the proper form of advance notice to EKPC for an alternative sourced power purchase?

Response: The MOU contains specific, comprehensive rules for proper advance notice and is supported by Shelby Energy.