

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF SHELBY ENERGY	)	CASE NO.
COOPERATIVE, INC. FOR AN INCREASE IN ITS	)	2016-00434
RETAIL RATES	)	

COMMISSION STAFF'S FOURTH REQUEST FOR INFORMATION TO  
SHELBY ENERGY COOPERATIVE, INC.

Shelby Energy Cooperative, Inc. ("Shelby Energy"), pursuant to 807 KAR 5:001, is to file with the Commission the original and ten copies of the following information, with a copy to all parties of record. The information requested herein is due within ten days of the date of this request. Responses to requests for information shall be appropriately bound, tabbed and indexed. Each response 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 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.

Shelby Energy shall make timely amendment to any prior response if it obtains information which indicates that the response was incorrect when made or, though

correct when made, is now incorrect in any material respect. For any request to which Shelby Energy fails or refuses to furnish all or part of the requested information, Shelby Energy shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention should be given to copied 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, Shelby Energy 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 Shelby Energy's response to Commission Staff's Second Request for Information ("Staff's Second Request"), Items 10 and 11.b. The response to Item 10 states that Shelby Energy is billed under East Kentucky Power Cooperative, Inc.'s ("East Kentucky") Schedule B rates for its members billed on Schedules B1 and B2. The response to Item 11 states that Shelby Energy has no customers taking service under the following rate schedules: B3, C1, C2, C3, and 22.

a. Confirm that if Shelby Energy had a customer taking service under Large Industrial Rate Schedule B3, Shelby Energy would be billed under East Kentucky's Schedule B for that customer. If this cannot be confirmed, explain.

b. Confirm that if Shelby Energy had customers taking service under Large Industrial Rate Schedules C1, C2, or C3, Shelby Energy would be billed under East Kentucky's Schedule C for those customers. If this cannot be confirmed, explain.

c. If a Shelby Energy customer opted to take service under Rate Schedule 22 – Optional Time-of-Day Demand, state the East Kentucky rate schedule under which Shelby Energy would be billed.

d. Refer to Shelby Energy's response to Commission Staff's Third Request for Information ("Staff's Third Request"), Item 9. The response states that it is the desire of Shelby Energy's Board of Directors that demand rates for Schedules B1 and B2 have the same demand rates that are charged to Shelby Energy by East Kentucky.

(1) In the event a customer elects to take service under Shelby Energy rate schedule B3, state whether the demand rates for Shelby Energy rate schedule B3 should be adjusted to equal East Kentucky's Schedule 3 demand rates. If not, explain.

(2) In the event a customer elects to take service under Shelby Energy rate schedules C1, C2, or C3, state whether the demand rate for Shelby Energy rate schedules C1, C2, and C3 should be adjusted to equal East Kentucky's Schedule C demand rate. If not, explain.

(3) In the event a customer elects to take service under Shelby Energy rate schedule 22, state whether the demand rate for Shelby Energy rate schedule 22 should be adjusted to equal the East Kentucky demand rate billed to Shelby Energy for that customer. If not, explain.

2. Refer to Shelby Energy's response to Staff's Second Request, Item 42. In Case No. 2016-00160,<sup>1</sup> the Commission approved Shelby Energy's request for refinancing of approximately \$15.8 million Rural Utilities Service debt consisting of eight notes, with one Cooperative Finance Corporation note at a fixed interest rate of 3.82 percent. State where the refinanced debt is listed in the schedule of outstanding long-term debt provided in response to Item 42.

3. Refer to Shelby Energy's response to Staff's Third Request, Items 11 and 12. Item 11 states that Shelby Energy does not prorate the customer charge for less than a full month of service. Item 12 provides a second revised Exhibit J, page 2 of 10.

a. Given that Shelby Energy does not prorate the customer charge, explain what the row titled "Difference to partials" represents.

b. Explain why the amount included in the row titled "Difference to partials" changed from \$10,427 in original and first revised Exhibit J to \$3,984 in second revised Exhibit J.

4. Refer to Shelby Energy's response to Staff's Third Request, Item 13.

a. Provide this response in Excel spreadsheet format with the formulas intact and unprotected.

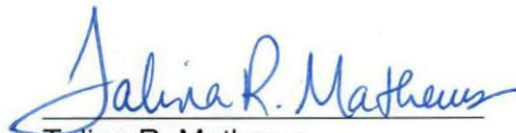
b. The response shows a primary meter discount calculation for Shelby Energy rate schedules 11, 2, and B1. Of these classes, Shelby Energy's current tariff includes language for a primary meter discount only for Rate Schedule 2. State

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<sup>1</sup> Case No. 2016-00160, *Application of Shelby Energy Cooperative, Inc. for Authorization to Borrow \$15,796,145 from the National Rural Utilities Cooperative Finance Corporation and Execute the Necessary Note and to Repay Rural Utilities Service Notes of the Same Amount* (Ky. PSC May 20, 2016).

whether language should be added to Shelby Energy rate schedules 11 and B1 to indicate that these schedules offer a primary meter discount.

5. Refer to Shelby Energy's response to Staff's Third Request, Item 17.b. Confirm that the correction to cell D46 was not made in the second revised cost-of-service study filed with the response.



Talina R. Mathews  
Executive Director  
Public Service Commission  
P.O. Box 615  
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DATED     **MAY 23 2017**    

cc: Parties of Record

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