COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF SHELBY ENERGY)COOPERATIVE, INC. FOR A CERTIFICATE OF)CASE NO.PUBLIC CONVENIENCE AND NECESSITY FOR)2010-00244ITS 2010-2014 CONSTRUCTION WORK PLAN)

FIRST INFORMATION REQUEST OF COMMISSION STAFF TO SHELBY ENERGY COOPERATIVE INC.

Pursuant to 807 KAR 5:001, Shelby Energy Cooperative, Inc. ("Shelby Energy") is to file with the Commission the original and seven copies of the following information, with a copy to all parties of record. The information requested herein is due ten days from 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.

1. Refer to Amendment 1. The reason for the amendment is the system-wide implementation of Automated Metering Infrastructure ("AMI").

a. Refer to Table I-C-1 entitled "System Additions and Improvements Summary." Provide the new estimated cost that reflects Amendment 1 and explain how it was derived.

b. Has Shelby Energy's board of directors approved the proposed amendment? If yes, provide a copy. If no, explain why not.

c. Provide Shelby Energy's feasibility study or analysis justifying the proposed AMI system.

d. Has Shelby Energy made a decision on the AMI equipment to be purchased? Provide the name of the manufacturer, and explain why Shelby Energy selected this manufacturer instead of another.

e. Identify all vendors considered by Shelby Energy to supply AMI equipment. Include in your response a copy of any materials supplied by the vendors detailing the specific equipment to be supplied, including its capabilities and features.

-2-

f. Provide a detailed description of the capabilities and features of the AMI equipment selected. Indicate which features Shelby Energy plans to use and those it will not.

2. Refer to Item 11 of the Application, which indicates that the annual cost of operations of the Work Plan is \$1,440,000. Refer to the schedule titled "Anticipated Annual Additional Cost of Operations After Completion of all CWP Projects" in the tab labeled "Introduction." Explain the discrepancy between the estimated cost of operation of \$1,773,301 and the amount indicated at Item 11 of the Application.

3. Refer to the tab "Data Resources," III-B, page 3. Explain the reference to AMR in the footnote referenced by an asterisk (*).

4. Refer to the tab "Executive Summary," Shelby CWP: I-C, page 3. Describe fully the entry for "New Meters" in the amount of \$155,862.

5. Refer to the tab "Study Guidelines," Shelby CWP: II-D, page 1. Provide an update of the status of the items identified in the 2008 Operation & Maintenance Survey.

Jéff/Deröuen^V Executive Director Public Service Commission P.O. Box 615 Frankfort, KY 40602

DATED: OCT 1 9 2010

cc: Parties of Record

Gary Grubbs, PE Consultant Engineer 121 Hidden Forest Road Glasgow, KY 42141

Debbie Martin Shelby Energy Cooperative, Inc. 620 Old Finchville Road Shelbyville, KY 40065

Honorable Donald T Prather Attorney At Law Mathis, Riggs & Prather, P.S.C. Attorneys at Law P. O. Box 1059 500 Main Street, Suite 5 Shelbyville, KY 40066-1059