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October 26, 2005

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P. O. Box 1059
500 Main Street, Suite 5
Shelbyville, KY 40066-1059

CERTIFICATE OF SERVICE

RE: Case No. 2005-00306
Shelby Energy Cooperative, Inc.

I, Beth O'Donnell, Executive Director of the Public Service Commission, hereby certify that the enclosed attested copy of the Commission's Order in the above case was served upon the addressee by U.S. Mail on October 26, 2005.

A handwritten signature in black ink, appearing to read "Beth O'Donnell", written over a horizontal line.

Executive Director

BOD/jc
Enclosure

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

| | | |
|--|------------------|------------------------|
| APPLICATION OF SHELBY ENERGY COOPERATIVE, INC. FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY AUTHORIZING 2005-2009 CONSTRUCTION WORK PLAN |)))) | CASE NO. 2005-00306 |
|--|------------------|------------------------|

O R D E R

Shelby Energy Cooperative, Inc. ("Shelby Energy") filed its application on August 8, 2005 for a Certificate of Public Convenience and Necessity ("CPCN") to construct certain improvements and additions to its existing plant at an estimated cost of \$13,771,274. In support of its application, Shelby Energy filed its 2005-2009 Work Plan, which describes in detail the improvements and additions to its plant that are required over the next 4 years to serve its load.

Shelby Energy seeks authorization to construct extensions and additions to its plant as follows:

| | | |
|-------|-----------------------------------|----------------|
| 1. | New Distribution Line | \$ 5,250,000 |
| 2. | Line Conversion and Replacement | 4,031,184 |
| 3. | Miscellaneous Equipment and Poles | 4,203,640 |
| 4. | Security Lights | <u>286,450</u> |
| TOTAL | | \$13,771,274 |

The proposed construction will enable Shelby Energy to continue to provide adequate and dependable electric service to its customers. The system improvements recommended in this Work Plan will not duplicate existing facilities and are needed to

correct voltage problems, improve phase balance, and provide for improved service reliability.

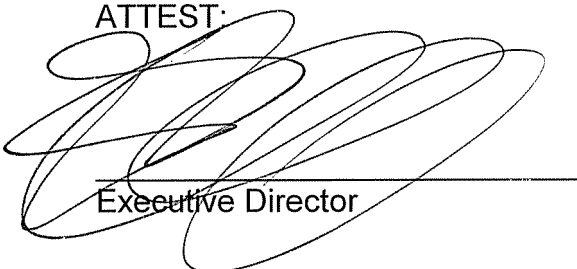
Based on the application, the supporting 2005-2009 Work Plan, and being otherwise sufficiently advised, the Commission finds that the proposed improvements and additions to be constructed by Shelby Energy are necessary to provide adequate, reliable electric service to existing customers and anticipated new customers.

IT IS THEREFORE ORDERED that Shelby Energy is granted a CPCN to construct the facilities described in its 2005-2009 Work Plan.

Done at Frankfort, Kentucky, this 26th day of October, 2005.

By the Commission

ATTEST:



Executive Director

Case No. 2005-00306