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Dudley Bottom, Jr.  
Shelby Energy Cooperative, Inc.  
620 Old Finchville Road  
Shelbyville, KY 40065

June 28, 2006

RE: Case No. 2006-00098

We enclose one attested copy of the Commission's Order in the above case.

Sincerely,

A handwritten signature in black ink, appearing to read "Beth O'Donnell".

Beth O'Donnell  
Executive Director

BOD/sh  
Enclosure



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500 Main Street, Suite 5  
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COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

SHELBY ENERGY COOPERATIVE, INC.	)	
_____	)	CASE NO. 2006-00098
	)	
ALLEGED FAILURE TO COMPLY	)	
WITH KRS 278.042	)	

O R D E R

By Order dated June 8, 2006, the Commission initiated this case to determine whether Shelby Energy Cooperative, Inc. ("Shelby Energy") should be subject to the penalties provided under KRS 278.990 for eight probable violations of the National Electrical Safety Code ("NESC"). An electric utility, such as Shelby Energy, is required by KRS 278.042 to construct and maintain its plant and facilities in accordance with the NESC.

Incorporated into the June 8, 2006 Order was an Incident Investigation Report which: (1) describes an accident that occurred on February 24, 2006 in Trimble County, Kentucky; and (2) discusses eight probable violations of the NESC by Shelby Energy. That Order also directed Shelby Energy to file a written response to the probable violations by June 28, 2006.

On June 26, 2006, Shelby Energy filed a motion requesting a 2- to 3-week extension of time to file its response to the Commission's June 8, 2006 Order. Shelby Energy supports its request by stating that it has reason to believe that the Occupational Safety and Health Administration ("OSHA") will be issuing a report within 2- to 3 weeks

and that OSHA's report "should shed light on the issues in question," and "may pinpoint exactly which NESC rules were violated."

Based on the motion and being otherwise sufficiently advised, the Commission finds that it has exclusive jurisdiction over the rates and service of utilities, KRS 278.040(2), and that it has a statutory obligation to regulate utilities and enforce the provisions of KRS Chapter 278, KRS 278.040(1). In fulfilling its statutory obligation, the Commission initiated this case to determine whether Shelby Energy should be penalized for the eight probable violations of the NESC as described in the June 8, 2006 Order.

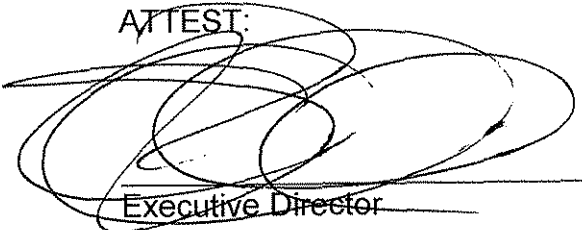
Shelby Energy's motion for an extension of time neither claims that the Commission's June 8, 2006 Order is unclear, nor explains how a forthcoming OSHA report will clarify the issues that have already been delineated by the Commission's June 8, 2006 Order. Further, Shelby Energy's motion does not explain how a recitation of NESC violations in an OSHA report will impact the Commission's June 8, 2006 Order directing Shelby Energy to respond to the eight probable NESC violations cited therein. Therefore, Shelby Energy has not shown good cause to justify an extension of time to respond to the Commission's June 8, 2006 Order. However, the Commission will allow Shelby Energy an additional 7 days from the date of this Order to file its response as directed by the June 8, 2006 Order.

IT IS THEREFORE ORDERED that Shelby Energy's motion for a 2- to 3-week extension of time to file its response to the June 8, 2006 Order is denied, and Shelby Energy shall file its response within 7 days of the date of this Order.

Done at Frankfort, Kentucky, this 28th day of June, 2006.

By the Commission

ATTEST:



Executive Director

Case No. 2006-00098