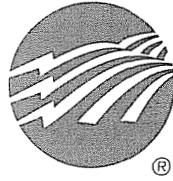



SHELBY ENERGY COOPERATIVE, INC.

PSC CASE 2006-00487
FILING FOR PASS-THROUGH OF EAST
KENTUCKY POWER COOPERATIVE, INC.
WHOLESALE RATE ADJUSTMENT
IN PSC CASE NO. 2006-00472

FILED 1/29/07



Shelby Energy Cooperative, Inc.

Your Touchstone Energy® Partner 

RECEIVED

JAN 29 2007

PUBLIC SERVICE
COMMISSION

January 29, 2007

Ms. Elizabeth O'Donnell
Executive Director
Public Service Commission
211 Sower Boulevard
Frankfort, KY 40602

Re: Shelby Energy Pass-Through of East Kentucky Power Cooperative, Inc.
Wholesale Rate Adjustment- PSC Case No. 2006-00487

Dear Ms. O'Donnell:

Shelby Energy Cooperative Inc., ("Shelby Energy") hereby submits to the Public Service Commission (the "Commission"), its Proposed Tariffs and other information required by 807 KAR 5:007 in regard to the pass-through of any wholesale rate adjustment granted to East Kentucky Power Cooperative, Inc., ("EKPC") in PSC Case No. 2006-00472. This filing includes the following:

1. Shelby Energy's Proposed Tariffs are attached as Exhibit I.
2. The name and filing address of the filing cooperative is:

Shelby Energy Cooperative, Inc.
620 Old Finchville Road
Shelbyville, KY 40065-1714

www.shelbyenergy.com

620 Old Finchville Road • Shelbyville, Kentucky 40065-1714

Shelby Co. (502) 633-4420 • Trimble Co. (502) 255-3260 • Henry Co. (502) 845-2845

3. In accordance with the provisions of KRS 278.455(2), Shelby Energy Cooperative, Inc. hereby states that the effects of the increase in rates from its wholesale supplier, EKPC, is being passed through to its retail tariffs on a proportional basis and that the rate design structure proposed for each retail rate schedule does not change the rate design currently in effect.

4. A comparison of the current and proposed rates of Shelby Energy is attached as Exhibit II.

5. Attached as Exhibit III is a billing analysis which shows the existing and proposed rates for each rate class. EKPC's proposed rate increase to Shelby Energy was developed by allocating the proposed wholesale increase on a proportional basis to each major group of customer classes. The proposed increase for EKPC's "B" and "C" industrial classes, and its large load special contracts, was applied to the demand charge for those customers. The remainder of the proposed increase was applied to the energy charge for the "E" customer class. Shelby Energy, in turn, followed the same process by first increasing the demand charges for its industrial "B" and "C" rates, as applicable, and then allocating the remaining dollar increase to all remaining classes and increasing the energy charges for those rate schedules. In each instance, the retail rates for a particular class have been developed in a manner that is consistent with the method proposed by EKPC. The proposed rate design structure at retail does not change the rate design currently in effect and is consistent with the rate design methodology used at wholesale.

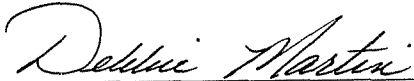
6. A certification that an original and a copy of this filing have been filed with the Office of Rate Intervention, Office of the Attorney General, is attached as Exhibit IV.

7. Notice of the proposed rate change has been given, not more than thirty (30) days prior to January 29, 2007, by publication in a newspaper of general circulation in the affected area of Shelby Energy Cooperative, Inc. A copy of this notice is attached as Exhibit V.

Shelby Energy hereby requests that the Commission accept this filing and allow the pass-through to its retail rates of the wholesale rate adjustment granted to EKPC as of the effective date of such adjustment.

Respectfully submitted,

SHELBY ENERGY COOPERATIVE



President and Chief Executive Officer

Form for filing Rate Schedule

FOR All Territory Served
Community, Town or City

P.S.C. NO. 5

5th Revised Sheet No. 2

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

Cancelling P.S.C. NO. 5

4th Revised Sheet No. 2

Name of Issuing Corporation

CLASSIFICATION OF SERVICE					
GENERAL SERVICE - RATE 1					Rate Per Unit
<u>Rate</u>					
<u>Energy Charge</u>					
Consumer Facility Charge		\$	7.18	(minimum)	
First	600	kWh per month	\$	0.07096	per kWh
Next	1,400	kWh per month	\$	0.06921	per kWh
All Over	2,000	kWh per month	\$	0.06789	per kWh
<u>DETERMINATION OF BILLING DEMAND:</u>					
<p>The billing demand shall be the maximum kilowatt demand established by the consumer for any period of fifteen (15) consecutive minutes during the month for which the bill is rendered, as indicated or recorded by a demand meter and adjusted for power factor as provided hereafter.</p>					
<u>POWER FACTOR ADJUSTMENT:</u>					
<p>The consumer agrees to maintain unity power factor as nearly as practicable. Power factor may be measured at any time. Should such measurements indicate that the power factor at the time of his maximum demand is less than 0.90 (90%), the demand for billing purposes shall be the demand as indicated or recorded by the demand meter multiplied by 0.90 (90%) and divided by the power factor.</p>					

DATE OF ISSUE January 29, 2007

DATE EFFECTIVE: April 1, 2007

ISSUED BY _____
Name of Officer

TITLE President & CEO

Form for filing Rate Schedule

FOR All Territory Served
Community, Town or City

P.S.C. NO. 5
5th Revised Sheet No. 5

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky
Name of Issuing Corporation

Cancelling P.S.C. NO. 5
4th Revised Sheet No. 5

CLASSIFICATION OF SERVICE																
LARGE POWER SERVICE - RATE 2	Rate Per Unit															
<p><u>AVAILABILITY:</u></p> <p>Available to all consumers whose KW demand shall be greater than 50 KW, including residential and farm consumers who do not qualify under availability of service under Rate 1, located on or near Seller's line for all types of usage, subject to the established Rules and Regulations of Seller.</p> <p><u>TYPES OF SERVICE:</u></p> <p>Three -phase, 60 Hertz, available at Sellers's standard voltage</p> <p><u>RATE:</u></p> <p><u>Demand Charge</u></p> <p>\$4.50 per month per KW of billing demand</p> <p><u>Energy Charge</u></p> <table border="0"> <tr> <td>First</td> <td>100 kWh per KW demand</td> <td>\$ 0.05722</td> <td>per kWh</td> <td style="text-align: center;"> </td> </tr> <tr> <td>Next</td> <td>100 kWh per KW demand</td> <td>\$ 0.05165</td> <td>per kWh</td> <td style="text-align: center;"> </td> </tr> <tr> <td>All Over</td> <td>200 kWh per KW demand</td> <td>\$ 0.04609</td> <td>per kWh</td> <td style="text-align: center;"> </td> </tr> </table>		First	100 kWh per KW demand	\$ 0.05722	per kWh		Next	100 kWh per KW demand	\$ 0.05165	per kWh		All Over	200 kWh per KW demand	\$ 0.04609	per kWh	
First	100 kWh per KW demand	\$ 0.05722	per kWh													
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All Over	200 kWh per KW demand	\$ 0.04609	per kWh													

DATE OF ISSUE January 29, 2007

DATE EFFECTIVE: April 1, 2007

ISSUED BY _____
Name of Officer

TITLE President & CEO

Form for filing Rate Schedule

FOR All Territory Served
Community, Town or City

P.S.C. NO. 5
6th Revised Sheet No. 9

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky
Name of Issuing Corporation

Cancelling P.S.C. NO. 5
5th Revised Sheet No. 9

CLASSIFICATION OF SERVICE				
OUTDOOR AND STREET LIGHTING SERVICE - RATE 3				Rate Per Unit
<u>AVAILABILITY:</u>				
Available to all consumers of the Cooperative, subject to the established Rules and Regulations of the Cooperative.				
<u>TYPE OF SERVICE:</u>				
Cooperative will furnish, install, and maintain at no extra expense to the consumer, a lighting unit, in accordance with the rate schedule and conditions of service below. Cooperative will make all necessary electrical connections and furnish electricity for same which shall be controlled by a photocell to energize the unit from dusk to dawn.				
<u>RATES:</u>				
	Type of Fixture			
A.	HPS (High Pressure Sodium)	100 Watt Security Light	\$ 6.64	I
B.	HPS (High Pressure Sodium)	100 Watt Decorative Colonial Light	\$ 9.03	I
C.	HPS (High Pressure Sodium)	400 Watt Directional Flood and Security and Street Light	\$ 12.93	I
D.	HPS (High Pressure Sodium)	250 Watt Directional Flood and Security and Street Light	\$ 9.55	I
E.	HPS (High Pressure Sodium)	150 Watt Decorative Acorn Light	\$ 10.71	I

DATE OF ISSUE January 29, 2007

DATE EFFECTIVE: April 1, 2007

ISSUED BY _____
Name of Officer

TITLE President & CEO

Form for filing Rate Schedule

FOR All Territory Served
Community, Town or City

P.S.C. NO. 5
7th Revised Sheet No. 15

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky
Name of Issuing Corporation

Cancelling P.S.C. NO. 5
6th Revised Sheet NO 15

CLASSIFICATION OF SERVICE		Rate Per Unit								
OFF-PEAK RETAIL MARKETING RATE (ETS)										
<p><u>AVAILABILITY OF SERVICE:</u></p> <p>This special marketing rate is made as an attachment to Rate GS-1 & Rate 10 and all other terms of that rate apply except those covered here. It is available for specific marketing programs as approved by Shelby Energy's Board of Directors.</p> <p>The electric power furnished under this marketing program shall be separately metered for each point of delivery and is applicable during the below listed off-peak hours. This rate is available to customers already receiving service under Rate GS-1 & Rate 10. This marketing rate applies only to programs which are expressly approved by the Public Service Commission to be offered under the Marketing Rate of East Kentucky Power Cooperative's Wholesale Power Rate Schedule E.</p> <table border="0" style="width: 100%;"> <tr> <td style="text-align: center;"><u>Months</u></td> <td style="text-align: center;"><u>Hours Applicable - EST</u></td> </tr> <tr> <td>May through September</td> <td>10:00 P.M. to 10:00 A.M.</td> </tr> <tr> <td>October through April</td> <td>12:00 Noon to 5:00 P.M. 10:00 P.M. to 7:00 A.M.</td> </tr> </table> <p style="text-align: center;"><u>Rates</u></p> <p>The energy rate for this program is as listed below:</p> <table border="0" style="width: 100%;"> <tr> <td style="text-align: center;">All kWh</td> <td style="text-align: center;">\$0.04074 per kWh</td> </tr> </table>		<u>Months</u>	<u>Hours Applicable - EST</u>	May through September	10:00 P.M. to 10:00 A.M.	October through April	12:00 Noon to 5:00 P.M. 10:00 P.M. to 7:00 A.M.	All kWh	\$0.04074 per kWh	1
<u>Months</u>	<u>Hours Applicable - EST</u>									
May through September	10:00 P.M. to 10:00 A.M.									
October through April	12:00 Noon to 5:00 P.M. 10:00 P.M. to 7:00 A.M.									
All kWh	\$0.04074 per kWh									

DATE OF ISSUE January 29, 2007

DATE EFFECTIVE: April 1, 2007

ISSUED BY _____
Name of Officer

TITLE President & CEO

Form for filing Rate Schedule

FOR All Territory Served
Community, Town or City

P.S.C. NO. 5
5th Revised Sheet No. 17

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky
Name of Issuing Corporation

Cancelling P.S.C. NO. 5
4th Revised Sheet No. 17

CLASSIFICATION OF SERVICE		Rate Per Unit
LARGE INDUSTRIAL RATE - SCHEDULE B1		
<u>AVAILABILITY:</u>		
Applicable to contracts with demands of 500 to 4,999 KW with a monthly energy usage equal to or greater than 400 hours per KW of contract demand.		
<u>MONTHLY RATE:</u>		
Consumer Charge	\$ 535.00	
Demand Charge per KW of Contract Demand	\$ 7.29	I
Demand Charge per KW for Billing Demand in Excess of Contract Demand	\$ 9.72	I
Energy Charge per kWh	\$ 0.03567	
<u>BILLING DEMAND:</u>		
The billing demand (kilowatt demand) shall be the contract demand plus any excess demand. Excess demand occurs when the consumer's peak demand during the current month exceeds the contract demand. The load center's peak demand is the highest average rate at which energy is used during any fifteen-minute interval in the below listed hours for each month and adjusted for power factor as provided herein:		
<u>Months</u>	<u>Hours Applicable for Demand Billing - EST</u>	
October through April	7:00 A.M. to 12:00 Noon 5:00 P.M. to 10:00 P. M.	
May through September	10:00 A.M. to 10:00 P.M.	

DATE OF ISSUE January 29, 2007

DATE EFFECTIVE: April 1, 2007

ISSUED BY _____
Name of Officer

TITLE President & CEO

Form for filing Rate Schedule

FOR All Territory Served
Community, Town or City

P.S.C. NO. 5
5th Revised Sheet No. 20

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky
Name of Issuing Corporation

Cancelling P.S.C. No. 5
4th Revised Sheet No. 20

CLASSIFICATION OF SERVICE		Rate Per Unit
LARGE INDUSTRIAL RATE - SCHEDULE B2		
<u>AVAILABILITY:</u>		
Applicable to contracts with demands of 5,000 to 9,999 KW with a monthly energy usage equal to or greater than 400 hours per KW of contract demand.		
<u>MONTHLY RATE:</u>		
Consumer Charge	\$ 1,069.00	
Demand Charge per KW of Contract Demand	\$ 7.29	
Demand Charge per KW for Billing Demand in Excess of Contract Demand	\$ 9.72	
Energy Charge per kWh	\$ 0.03067	
<u>BILLING DEMAND:</u>		
The billing demand (kilowatt demand) shall be the contract demand plus any excess demand. Excess demand occurs when the consumer's peak demand during the current month exceeds the contract demand. The load center's peak demand is the highest average rate at which energy is used during any fifteen-minute interval in the below listed hours for each month and adjusted for power factor as provided herein:		
<u>Months</u>	<u>Hours Applicable for Demand Billing - EST</u>	
October through April	7:00 A.M. to 12:00 Noon 5:00 P.M. to 10:00 P. M.	
May through September	10:00 A.M. to 10:00 P.M.	

DATE OF ISSUE January 29, 2007

DATE EFFECTIVE: April 1, 2007

ISSUED BY _____
Name of Officer

TITLE President & CEO

Form for filing Rate Schedule

FOR All Territory Served
Community, Town or City

P.S.C. NO. 5
5th Revised Sheet No. 23

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky
Name of Issuing Corporation

Cancelling P.S.C. No. 5
4th Revised Sheet No. 23

CLASSIFICATION OF SERVICE		Rate Per Unit
LARGE INDUSTRIAL RATE - SCHEDULE B3		
<u>AVAILABILITY:</u>		
Applicable to contracts with demands of 10,000 kW and over with a monthly energy usage equal to or greater than 400 hours per kW of contract demand.		
<u>MONTHLY RATE:</u>		
Consumer Charge		
Transformer Size of 10,000 - 14,999 kVa	\$	2,980.00
Transformer Size of 15,000 kVa and greater	\$	4,730.00
Demand Charges per kW		
Contract Demand	\$	7.29
Billing Demand in Excess of Contract Demand	\$	9.72
Energy Charge per kWh	\$	0.02967
		I
		I
<u>BILLING DEMAND:</u>		
The billing demand (kilowatt demand) shall be the contract demand plus any excess demand. Excess demand occurs when the consumer's peak demand during the current month exceeds the contract demand. The consumer's peak demand is the highest average rate at which energy is used during any fifteen-minute interval in the below listed hours for each month and adjusted for power factor as provided herein:		
<u>Months</u>	<u>Hours Applicable for Demand Billing - EST</u>	
October through April	7:00 A.M. to 12:00 Noon 5:00 P.M. to 10:00 P. M.	
May through September	10:00 A.M. to 10:00 P.M.	

DATE OF ISSUE January 29, 2007

DATE EFFECTIVE: April 1, 2007

ISSUED BY _____
Name of Officer

TITLE President & CEO

Form for filing Rate Schedule

FOR All Territory Served
Community, Town or City

P.S.C. NO. 5
5th Revised Sheet No. 26

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky
Name of Issuing Corporation

Cancelling P.S.C. No. 5
4th Revised Sheet No. 26

CLASSIFICATION OF SERVICE		Rate Per Unit
LARGE INDUSTRIAL RATE - SCHEDULE C1		
<u>AVAILABILITY:</u>		
<p>Applicable to contracts with demands of 500 to 4,999 KW with a monthly energy usage equal to or greater than 400 hours per KW of contract billing demand. These contracts will be two "two-party" contracts with the first one being between the Seller and the Cooperative association and the second one being between the Seller and the ultimate consumer.</p>		
<u>MONTHLY RATE:</u>		
Consumer Charge	\$ 535.00	1
Demand Charge per KW of billing demand	\$ 7.29	
Energy Charge per kWh	\$ 0.03567	
<u>BILLING DEMAND:</u>		
<p>The monthly billing demand shall be the greater of (a) or (b) listed below:</p> <p>(a) The contract demand</p> <p>(b) The ultimate consumer's peak demand during the current month or preceding eleven months. The peak demand shall be the highest average rate at which energy is used during any fifteen-minute interval in the below listed hours for each month and adjusted for power factor as provided herein:</p>		
<u>Months</u>	<u>Hours Applicable for Demand Billing - EST</u>	
October through April	7:00 A.M. to 12:00 Noon 5:00 P.M. to 10:00 P. M.	
May through September	10:00 A.M. to 10:00 P.M.	

DATE OF ISSUE January 29, 2007

DATE EFFECTIVE: April 1, 2007

ISSUED BY _____
Name of Officer

TITLE President & CEO

Form for filing Rate Schedule

FOR All Territory Served
Community, Town or City

P.S.C. NO. 5
5th Revised Sheet No. 29

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky
Name of Issuing Corporation

Cancelling P.S.C. No. 5
4th Revised Sheet No. 29

CLASSIFICATION OF SERVICE		Rate Per Unit
LARGE INDUSTRIAL RATE - SCHEDULE C2		
<u>AVAILABILITY:</u>		
Applicable to contracts with demands of 5,000 to 9,999 KW with a monthly energy usage equal to or greater than 400 hours per KW of contract billing demand. These contracts will be two "two-party" contracts with the first one being between the Seller and the Cooperative association and the second one being between the Seller and the ultimate consumer.		
<u>MONTHLY RATE:</u>		
Consumer Charge	\$ 1,069.00	I
Demand Charge per KW of Billing Demand	\$ 7.29	
Energy Charge per kWh	\$ 0.03067	
<u>BILLING DEMAND:</u>		
The monthly billing demand shall be the greater of (a) or (b) listed below:		
(a)	The contract demand	
(b)	The ultimate consumer's peak demand during the current month or preceding eleven months. The peak demand shall be the highest average rate at which energy is used during any fifteen-minute interval in the below listed hours for each month and adjusted for power factor as provided herein:	
<u>Months</u>	<u>Hours Applicable for Demand Billing - EST</u>	
October through April	7:00 A.M. to 12:00 Noon 5:00 P.M. to 10:00 P. M.	
May through September	10:00 A.M. to 10:00 P.M.	

DATE OF ISSUE January 29, 2007

DATE EFFECTIVE: April 1, 2007

ISSUED BY _____
Name of Officer

TITLE President & CEO

Form for filing Rate Schedule

FOR All Territory Served
Community, Town or City

P.S.C. NO. 5
5th Revised Sheet No. 32

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky
Name of Issuing Corporation

Cancelling P.S.C. No. 5
4th Revised Sheet No. 32

CLASSIFICATION OF SERVICE

	Rate Per Unit
<u>AVAILABILITY:</u>	
Applicable to contracts with demands of 10,000 kW and over with a monthly energy usage equal to or greater than 400 hours per kW of contract demand.	
<u>MONTHLY RATE:</u>	
Consumer Charge	
Transformer Size of 10,000 - 14,999 kVa	\$ 2,980.00
Transformer Size of 15,000 kVa and greater	\$ 4,730.00
Demand Charge per kW	\$ 7.29
Energy Charge per kWh	\$ 0.02967
	I
<u>BILLING DEMAND:</u>	
The monthly billing demand shall be the greater of (a) or (b) listed below:	
(a)	The contract demand
(b)	The consumer's peak demand during the current month or preceding eleven months. The peak demand shall be the highest average rate at which energy is used any fifteen-minute interval in the below listed hours for each month and adjusted for power factor as provided herein:
<u>Months</u>	<u>Hours Applicable for Demand Billing - EST</u>
October through April	7:00 A.M. to 12:00 Noon 5:00 P.M. to 10:00 P.M.
May through September	10:00 A.M. to 10:00 P.M.

DATE OF ISSUE January 29, 2007

DATE EFFECTIVE: April 1, 2007

ISSUED BY _____
Name of Officer

TITLE President & CEO

Form for filing Rate Schedule

FOR All Territory Served
Community, Town or City

P.S.C. NO. 5
5th Revised Sheet No. 39

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky
Name of Issuing Corporation

Cancelling P.S.C. NO. 5
4th Revised Sheet No. 39

CLASSIFICATION OF SERVICE																
OPTIONAL T-O-D DEMAND - RATE 22	Rate Per Unit															
<p><u>AVAILABILITY:</u></p> <p>Available to all consumers whose KW demand shall be greater than 200 KW, including consumers who do not qualify under availability of service under Rate 1 or Rate 10, located on or near Seller's line for all types of usage, subject to the established Rules and Regulations of Seller.</p> <p><u>TYPES OF SERVICE:</u></p> <p>Three -phase, 60 Hertz, available at Sellers's standard voltage</p> <p><u>RATE:</u></p> <p><u>Consumer Charge</u></p> <p>\$40.00</p> <p><u>Demand Charge</u></p> <p>\$4.50 per month per KW of billing demand</p> <p><u>Energy Charge</u></p> <table border="0"> <tr> <td>First</td> <td>100 kWh per KW demand</td> <td>\$ 0.05722</td> <td>per kWh</td> <td style="text-align: center;">I</td> </tr> <tr> <td>Next</td> <td>100 kWh per KW demand</td> <td>\$ 0.05165</td> <td>per kWh</td> <td style="text-align: center;">I</td> </tr> <tr> <td>All Over</td> <td>200 kWh per KW demand</td> <td>\$ 0.04609</td> <td>per kWh</td> <td style="text-align: center;">I</td> </tr> </table>		First	100 kWh per KW demand	\$ 0.05722	per kWh	I	Next	100 kWh per KW demand	\$ 0.05165	per kWh	I	All Over	200 kWh per KW demand	\$ 0.04609	per kWh	I
First	100 kWh per KW demand	\$ 0.05722	per kWh	I												
Next	100 kWh per KW demand	\$ 0.05165	per kWh	I												
All Over	200 kWh per KW demand	\$ 0.04609	per kWh	I												

DATE OF ISSUE January 29, 2007

DATE EFFECTIVE: April 1, 2007

ISSUED BY _____
Name of Officer

TITLE President & CEO

Form for filing Rate Schedule

FOR All Territory Served
Community, Town or City

P.S.C. NO. 5
5th Revised Sheet No. 43

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky
Name of Issuing Corporation

Cancelling P.S.C. NO. 5
4th Revised Sheet No. 43

CLASSIFICATION OF SERVICE		Rate Per Unit
OPTIONAL RESIDENTIAL, CHURCH & SCHOOL SERVICE - RATE 10		
AVAILABILITY: Available for residences, churches, schools, volunteer fire departments, municipal fire departments and municipal buildings willing to accept the Seller's Special provisions as conditions of service.		
TYPE OF SERVICE: Single phase and three-phase, 60 hertz, at available secondary voltages.		
MONTHLY RATE: Customer Charge 1. Single Phase Service \$ 11.35 2. Three Phase Service \$ 29.50 Energy Charge per kWh \$0.05956		1
MINIMUM MONTHLY CHARGE: The minimum monthly charge for this rate schedule shall be \$11.35 for single phase service and \$29.50 for three phase service. Where it is necessary to extend or upgrade existing facilities, the minimum monthly charge may be increased to provide adequate compensation for the added facilities.		
SPECIAL PROVISIONS: 1 During peak system hours, the Cooperative may control electric water heaters, central air conditioners and other major electrical loads. Such control would be for limited time periods and control strategies would be based on industry standard practices to reduce consumer inconvenience.		

DATE OF ISSUE January 29, 2007 DATE EFFECTIVE: April 1, 2007

ISSUED BY _____ TITLE President & CEO
Name of Officer

Form for filing Rate Schedule

FOR All Territory Served
Community, Town or City

P.S.C. NO. 5

2nd Revised Sheet No. 60

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky
Name of Issuing Corporation

P.S.C. NO. 5

1st Revised Sheet No. 60

CLASSIFICATION OF SERVICE		
SPECIAL OUTDOOR LIGHTING SERVICE - RATE 33	Rate Per Unit	
<p><u>AVAILABILITY:</u></p> <p>This schedule is available to any consumer requesting luminaries for dusk to dawn outdoor or street lighting service of a type not provided for under other rate schedules, and is subject to the established Rules & Regulations of the Cooperative.</p> <p><u>TYPE OF SERVICE:</u></p> <p>The Cooperative will install and maintain automatic outdoor or street lighting of the desired type by the consumer, single phase, 60 Hertz at available secondary voltage.</p> <p><u>RATES:</u></p> <p>The monthly charge will be the sum of items (1) and (2) below.</p> <p>1. The Energy Rate for each type of lamp shall be \$0.04602 per kWh as determined by the following formula:</p> <p style="padding-left: 40px;">Monthly Rated kWh = (4100 hours per year X Manufacturer's total input rating in watts) divided by (12X1000).</p> <p>2. Facilities Charge - The books of the Cooperative shall accurately reflect the Cooperative's total investment in facilities for each individual, agency or organization receiving service under this tariff. The monthly facilities charge shall be 1.4027 percent of the total investment in these special facilities</p> <p><u>FUEL ADJUSTMENT CLAUSE:</u></p> <p>This rate may be increased or decreased by an amount per kWh equal to the fuel adjustment amount per kWh as billed by the wholesale power supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve-month moving average of such losses. The Fuel Clause is subject to all other applicable provisions as set out in KAR 5:056.</p>		1

DATE OF ISSUE: January 29, 2007

DATE EFFECTIVE: April 1, 2007

ISSUED BY: _____
Name of Officer

TITLE President & CEO

EXHIBIT II
Page 1 of 2

The present and proposed rates structures of Shelby Energy Cooperative, Inc. are listed below:

	<u>Rate Class</u>	<u>Present</u>	<u>Proposed</u>
1	General Service		
	Consumer Facility Charge	\$7.18	\$7.18
	Demand Charge – 1 st 20 kW per Month	N/C	N/C
	Demand above 20 kW per Month	\$4.50	\$4.50
	Energy First 600 kWh per Month	\$0.06758	\$0.07096
	Energy Next 1400 kWh per Month	\$0.06583	\$0.06921
	Energy All Over 2000 kWh per Month	\$0.06451	\$0.06789
ETS	Off-Peak Retail Marketing Rate		
	Energy – All kWh	\$0.03871	\$0.04074
2	Large Power Service		
	Demand Charge per kW	\$4.50	\$4.50
	Energy Charge First 100 kWh per kW	\$0.05384	\$0.05722
	Energy Charge Next 100 kWh per kW	\$0.04827	\$0.05165
	Energy Charge All Over 200 kWh per kW	\$0.04271	\$0.04609
3	Outdoor and Street Lighting Service		
	A. HPS (High Pressure Sodium) – 100 Watt Security Light	\$6.51	\$6.64
	B. HPS (High Pressure Sodium) – 100 Watt Decorative Colonial Light	\$8.90	\$9.03
	C. HPS (High Pressure Sodium) – 400 Watt Directional Flood and Security and Street Light	\$12.39	\$12.93
	D. HPS (High Pressure Sodium) – 250 Watt Directional Flood and Security and Street Light	\$9.26	\$9.55
	E. HPS (High Pressure Sodium) – 150 Watt Decorative Acorn Light	\$10.51	\$10.71
B1	Large Industrial Rate		
	Consumer Charge / Mo	\$535.00	\$535.00
	Demand Charge / kW Contract Demand	\$5.39	\$7.29
	Demand Charge in Excess of Contract Demand	\$7.82	\$9.72
	Energy Charge / kWh	\$0.03567	\$0.03567
B2	Large Industrial Rate		
	Consumer Charge / Mo	\$1,069.00	\$1,069.00
	Demand Charge per kW Contract Demand	\$5.39	\$7.29
	Demand Charge in Excess of Contract Demand	\$7.82	\$9.72
	Energy Charge / kWh	\$0.03067	\$0.03067
B3	Large Industrial Rate		
	Consumer Charge Transformer Size 10,000 – 14,999 kVa	\$2,980.00	\$2,980.00
	Consumer Charge Transformer Size 15,000 kVa and greater	\$4,730.00	\$4,730.00
	Demand Charge per kW Contract Demand	\$5.39	\$7.29
	Demand Charge in Excess of Contract Demand	\$7.82	\$9.72
	Energy Charge / kWh	\$0.02967	\$0.02967
C1	Large Industrial Rate		
	Consumer Charge / Mo	\$535.00	\$535.00
	Demand Charge /kW	\$5.39	\$7.29
	Energy Charge / kWh	\$0.03567	\$0.03567
C2	Large Industrial Rate		
	Consumer Charge / Mo	\$1,069.00	\$1,069.00
	Demand Charge / kW	\$5.39	\$7.29
	Energy Charge / kWh	\$0.03067	\$0.03067
C3	Large Industrial Rate		
	Consumer Charge Transformer Size 10,000 – 14,999 kVa	\$2,980.00	\$2,980.00
	Consumer Charge Transformer Size 15,000 kVa and greater	\$4,730.00	\$4,730.00
	Demand Charge / kW	\$5.39	\$7.29

EXHIBIT II
Page 2 of 2

	Energy Charge / kWh	\$0.02967	\$0.02967
22	Optional T-O-D Demand		
	Consumer Charge / Mo	\$40.00	\$40.00
	Demand Charge / kW	\$4.50	\$4.50
	Energy Charge – First 100 kWh per kW Demand	\$0.05384	\$0.05722
	Energy Charge – Next 100 kWh per kW Demand	\$0.04827	\$0.05165
	Energy Charge – All Over 200 kWh per kW Demand	\$0.04271	\$0.04609
10	Optional Residential, Church & School Service		
	Customer Charge – Single Phase Service	\$11.35	\$11.35
	Customer Charge – Three Phase Service	\$29.50	\$29.50
	Energy Charge /kWh	\$0.05618	\$0.05956
33	Special Outdoor Lighting Service		
	1. Energy Charge /kWh	\$0.04264	\$0.04602
	2. Facilities Charge	1.4027%	1.4027%

Shelby Energy Cooperative
Billing Analysis
for the 12 months ended September 30, 2006

	Total \$ Present Rate	Total \$ Proposed Rate	\$ Increase	% Increase
Schedule 1 General Service	8,819,817	9,158,925	339,108	3.84%
Schedule ETS Off-Pk Retail Mkt Rate	31,013	32,247	1,234	3.98%
Schedule 2 Lg Power Service >50 kW	3,105,183	3,246,419	141,236	4.55%
Schedule 3 - Outdoor & Str Lighting	337,674	345,190	7,516	2.23%
Schedule 10 - Optional Res, Church & School	9,294,111	9,706,538	412,428	4.44%
Schedule B-1 Lg Industrial Rate	7,350,653	7,865,097	514,444	7.00%
Sch B-2 Lg Industrial Rate	2,553,357	2,725,305	171,948	6.73%
	<u>31,491,807</u>	<u>33,079,721</u>	<u>1,587,914</u>	<u>5.04%</u>

Shelby Energy Cooperative Billing Analysis
for the 12 months ended September 30, 2006

Schedule 1
General Service
Rate 1; 11, 14; 31

	Existing			Proposed			\$ Increase	% Increase
	Billing Determinants	Current Rate	Annualized Revenues	Billing Determinants	Rate	Annualized Revenues		
Customer Charge	102,395	\$7.18	\$735,196	102,395	\$7.18	735,196	-	0.00%
Energy charge per kWh								
First 600 kWh	58,067,339	\$0.06758	3,924,191	58,067,339	\$0.07096	4,120,692	196,501	5.01%
Next 1400 kWh	37,548,840	\$0.06583	2,471,840	37,548,840	\$0.06921	2,598,906	127,066	5.14%
all over 2000 kWh	4,592,366	\$0.06451	296,254	4,592,366	\$0.06789	311,794	15,541	5.25%
Total from base rates			<u>7,427,481</u>			<u>7,766,589</u>	<u>339,108</u>	<u>4.57%</u>
Fuel adjustment			788,311			788,311	-	0.00%
Environmental surcharge			<u>604,025</u>			<u>604,025</u>	-	0.00%
Total revenues			<u>\$8,819,817</u>			<u>9,158,925</u>	<u>339,108</u>	<u>3.84%</u>
Average Bill			\$86.14			89.45	3.31	3.84%

Schedule ETS
Off-Peak Retail Marketing Rate
Rate 9; 29

	Existing			Proposed			\$ Increase	% Increase
	Billing Determinants	Current Rate	Annualized Revenues	Billing Determinants	Rate	Annualized Revenues		
Customer Charge	95		\$0	95	\$0.00	-		
Sch 9 27 Cust, Sch 29 68 Cust y charge per kWh	608,765	\$0.03871	23,565	608,765	\$0.04074	24,799	1,234	5.23%
Total from base rates			<u>23,565</u>			<u>24,799</u>	<u>1,234</u>	<u>5.23%</u>
Fuel adjustment			5,488			5,488	-	0.00%
Environmental surcharge			<u>1,960</u>			<u>1,960</u>	-	0.00%
Total revenues			<u>\$31,013</u>			<u>32,247</u>	<u>1,234</u>	<u>3.98%</u>
Average Bill			\$326.46			339	12.99	3.98%

Schedule 2
Large Power Service >50kW
Rate 2; 5; 21; 32

	Existing			Proposed			\$ Increase	% Increase
	Billing Determinants	Current Rate	Annualized Revenues	Billing Determinants	Rate	Annualized Revenues		
Customer Charge	775	\$0.00	\$0	775	\$0.00	-	-	
Demand Charge	128,622	\$4.50	578,799	128,622	\$4.50	578,799	-	0.00%
Energy Charge								
First 100 kWh Per KW	12,264,204	\$0.05364	660,305	12,264,204	\$0.05722	701,707	41,402	6.27%
Next 100 kWh Per KW	11,310,936	\$0.04827	545,979	11,310,936	\$0.05165	584,163	38,184	6.99%
All over 200 kWh Per KW	18,262,362	\$0.04271	779,985	18,262,362	\$0.04609	841,636	61,651	7.90%
Total Baseload Charges			<u>\$2,565,068</u>			<u>2,706,304</u>	<u>141,236</u>	<u>5.51%</u>
Fuel adjustment			328,378			328,378	-	0.00%
Environmental surcharge			<u>211,737</u>			<u>211,737</u>	-	0.00%
Total revenues			<u>\$3,105,183</u>			<u>3,246,419</u>	<u>141,236</u>	<u>4.55%</u>
Average Bill			\$ 4,006.69			4,189	182.24	4.55%

Shelby Energy Cooperative Billing Analysis
for the 12 months ended September 30, 2006

Schedule 3
Outdoor & Street Lighting Service

	Existing			Proposed			\$ Increase	% Increase
	Billing Determinants kWh	Current	Annualized	Billing Determinants	Rate	Annualized		
		Rate	Revenues		Rate	Revenues		
Customer Charge								
100 Watt HPS Security light	1,659,450	\$0.17	\$277,000.50	1,659,450	\$0.17030	282,603	5,602	2.02%
250 Watt Directional Flood	286,056	\$0.11	\$30,446.88	286,056	\$0.10981	31,413	966	3.17%
100 Watt Decorative Colonial	32,292	\$0.23	\$7,369.20	32,292	\$0.23158	7,478	109	1.48%
400 Watt Directional Flood	240,408	\$0.08	\$18,733.68	240,408	\$0.08130	19,545	812	4.33%
150 Watt Decorative Acorn	8,352	\$0.18	\$1,513.44	8,352	\$0.18458	1,542	28	1.86%
			335,064			342,580		
	FAC		1,031			1,031		
	ES		1,579			1,579		
			<u>337,674</u>			<u>345,190</u>	7,516	2.23%

Shelby Energy Cooperative Billing Analysis
for the 12 months ended September 30, 2006

Schedule 10
Optional Residential, Church and School Service
Rate 10; 13; 40; 88

	Existing			Proposed			\$ Increase	% Increase
	Billing Determinants	Current	Annualized	Billing Determinants	Rate	Annualized		
		Rate	Revenues		Rate	Revenues		
Customer Charge								
Single-Phase	73,368	\$11.35	\$832,727	73,368	\$11.35	832,727	-	0.00%
Three-Phase Service	144	\$29.50	\$4,248	144	\$29.50	4,248	-	0.00%
Energy charge per kWh	122,170,911	\$0.05618	6,863,562	122,170,911	\$0.05956	7,275,989	412,428	6.01%
							-	
Total from base rates			<u>7,700,537</u>			<u>8,112,964</u>	<u>412,428</u>	<u>5.36%</u>
Fuel adjustment			960,538			960,538	-	0.00%
Environmental surcharge			633,036			633,036	-	0.00%
Total revenues			<u>\$9,294,111</u>			<u>9,706,538</u>	<u>412,428</u>	<u>4.44%</u>
Average Bill			\$ 126.43			132	5.61	4.44%

Schedule B-1
Large Industrial Rate
Rate 8; 38

	Existing			Proposed			\$ Increase	% Increase
	Billing Determinants	Current	Annualized	Billing Determinants	Rate	Annualized		
		Rate	Revenues		Rate	Revenues		
Customer Charge	131	\$535.00	\$70,085	131	\$535.00	70,085	-	0.00%
Demand Charge	246,975	\$5.39	1,331,195	246,975	\$7.29	1,800,448	469,253	35.25%
Excess Demand	23,785	\$7.82	185,999	23,785	\$9.72	231,190	45,192	24.30%
Energy Charge								
First 100 kW	121,456,449	\$0.03567	4,332,352	121,456,449	\$0.03567	4,332,352	-	0.00%
Total Baseload Charges			<u>\$5,919,630</u>			<u>6,434,074</u>	<u>514,444</u>	<u>8.69%</u>
Fuel adjustment			938,402			938,402	-	0.00%
Environmental surcharge			492,621			492,621	-	0.00%
Total Revenues			<u>\$7,350,653</u>			<u>7,865,097</u>	<u>514,444</u>	<u>7.00%</u>
Average Bill			\$ 56,111.86			60,039	3,927.05	7.00%

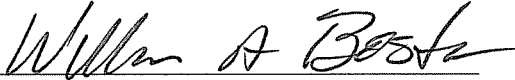
Shelby Energy Cooperative Billing Analysis
for the 12 months ended September 30, 2006

	Existing				Proposed			\$ Increase	% Increase
	Billing Determinants	kWh	Current	Annualized	Billing Determinants	Rate	Annualized		
			Rate	Revenues			Revenues		
Rate 3, Outdoor & Street Lighting									
100 Watt HPS Security light	42,550	1,659,450	\$6.51	277,001	42,550	6.64	282,603	0.13	2.02%
250 Watt Directional Flood	3,288	286,056	\$9.26	30,447	3,288	9.55	31,413	0.29	3.17%
100 Watt Decorative Colonial	828	32,292	\$8.90	7,369	828	9.03	7,478	0.13	1.48%
400 Watt Directional Flood	1,512	240,408	\$12.39	18,734	1,512	12.93	19,545	0.54	4.33%
150 Watt Decorative Acorn	144	8,352	\$10.51	1,513	144	10.71	1,542	0.20	1.86%
Total Base Rates	48,322	2,226,558		335,064	48,322		342,580	\$7,516	2.24%
FAC				1,031			1,031		
ES				1,579			1,579		
Total				337,674			345,190	7,516	2.23%
Average Bill				6.99			7.14	0.16	2.23%

SHELBY ENERGY COOPERATIVE, INC.

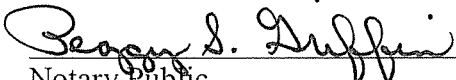
CASE NO. 2006-00487

I, William A. Bosta, hereby certify that a complete copy of the filing provided to the Kentucky Public Service Commission has been sent to the Office of Rate Intervention, Office of the Attorney General.



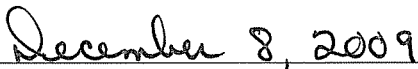
William A. Bosta
East Kentucky Power Cooperative, Inc.

Subscribed and sworn before me on this 29th day of January, 2007.



Notary Public

My Commission expires



NOTICE OF PROPOSED RATE CHANGE

In accordance with the requirements of the Public Service Commission of the Commonwealth of Kentucky as set forth in 807 KAR 5:007, Section 3, of the Rules and Regulations of the Public Service Commission, notice is hereby given to the member consumers of Shelby Energy Cooperative, Inc. of a proposed rate adjustment. An Application for Approval of Adjustment to Rates will be filed with the Public Service Commission on January 29, 2007, Case No. 2006-00487. The rates are being revised to reflect a change in wholesale rates pursuant to KRS 278.455(2). This adjustment will result in a general rate increase to the member-consumers of Shelby Energy Cooperative, Inc. The amount and percent of increase by rate class are listed below.

	<u>Rate Class</u>	<u>Increase</u>	<u>Percent</u>
1	General Service	\$339,108	3.84%
ETS	Off-Peak Retail Marketing Rate	\$1,234	3.98%
2	Large Power Service	\$141,236	4.55%
3	Outdoor and Street Lighting Service	\$7,516	2.23%
B1	Large Industrial Rate	\$514,444	7.00%
B2	Large Industrial Rate	\$171,948	6.73%
10	Optional Residential, Church & School Service	\$412,428	4.44%

The effect of the proposed rates on the average monthly bill by rate class are listed below:

	<u>Rate Class</u>	<u>\$ Increase</u>	<u>Percent Increase</u>
1	General Service	\$3.31	3.84%
ETS	Off-Peak Retail Marketing Rate	\$12.99	3.98%
2	Large Power Service	\$182.24	4.55%
3	Outdoor and Street Lighting Service	\$0.16	2.23%
B1	Large Industrial Rate	\$3,927.05	7.00%
B2	Large Industrial Rate	\$14,329.01	6.73%
10	Optional Residential, Church & School Service	\$5.61	4.44%

The present and proposed rates structures of Shelby Energy Cooperative, Inc. are listed below:

	<u>Rate Class</u>	<u>Present</u>	<u>Proposed</u>
1	General Service		
	Consumer Facility Charge	\$7.18	\$7.18
	Demand Charge – 1 st 20 kW per Month	N/C	N/C
	Demand above 20 kW per Month	\$4.50	\$4.50
	Energy First 600 kWh per Month	\$0.06758	\$0.07096
	Energy Next 1400 kWh per Month	\$0.06583	\$0.06921
	Energy All Over 2000 kWh per Month	\$0.06451	\$0.06789
ETS	Off-Peak Retail Marketing Rate		
	Energy – All kWh	\$0.03871	\$0.04074
2	Large Power Service		
	Demand Charge per kW	\$4.50	\$4.50
	Energy Charge First 100 kWh per kW	\$0.05384	\$0.05722
	Energy Charge Next 100 kWh per kW	\$0.04827	\$0.05165
	Energy Charge All Over 200 kWh per kW	\$0.04271	\$0.04609
3	Outdoor and Street Lighting Service		
	A HPS (High Pressure Sodium) – 100 Watt Security Light	\$6.51	\$6.64
	B. HPS (High Pressure Sodium) – 100 Watt Decorative Colonial Light	\$8.90	\$9.03
	C. HPS (High Pressure Sodium) – 400 Watt Directional Flood and Security and Street Light	\$12.39	\$12.93
	D. HPS (High Pressure Sodium) – 250 Watt Directional Flood and Security and Street Light	\$9.26	\$9.55

EXHIBIT V
Page 2 of 3

	E. HPS (High Pressure Sodium) – 150 Watt Decorative Acorn Light	\$10.51	\$10.71
B1	Large Industrial Rate		
	Consumer Charge / Mo	\$535.00	\$535.00
	Demand Charge / kW Contract Demand	\$5.39	\$7.29
	Demand Charge in Excess of Contract Demand	\$7.82	\$9.72
	Energy Charge / kWh	\$0.03567	\$0.03567
B2	Large Industrial Rate		
	Consumer Charge / Mo	\$1,069.00	\$1,069.00
	Demand Charge per kW Contract Demand	\$5.39	\$7.29
	Demand Charge in Excess of Contract Demand	\$7.82	\$9.72
	Energy Charge / kWh	\$0.03067	\$0.03067
B3	Large Industrial Rate		
	Consumer Charge Transformer Size 10,000 – 14,999 kVa	\$2,980.00	\$2,980.00
	Consumer Charge Transformer Size 15,000 kVa and greater	\$4,730.00	\$4,730.00
	Demand Charge per kW Contract Demand	\$5.39	\$7.29
	Demand Charge in Excess of Contract Demand	\$7.82	\$9.72
	Energy Charge / kWh	\$0.02967	\$0.02967
C1	Large Industrial Rate		
	Consumer Charge / Mo	\$535.00	\$535.00
	Demand Charge /kW	\$5.39	\$7.29
	Energy Charge / kWh	\$0.03567	\$0.03567
C2	Large Industrial Rate		
	Consumer Charge / Mo	\$1,069.00	\$1,069.00
	Demand Charge / kW	\$5.39	\$7.29
	Energy Charge / kWh	\$0.03067	\$0.03067
C3	Large Industrial Rate		
	Consumer Charge Transformer Size 10,000 – 14,999 kVa	\$2,980.00	\$2,980.00
	Consumer Charge Transformer Size 15,000 kVa and greater	\$4,730.00	\$4,730.00
	Demand Charge / kW	\$5.39	\$7.29
	Energy Charge / kWh	\$0.02967	\$0.02967
22	Optional T-O-D Demand		
	Consumer Charge / Mo	\$40.00	\$40.00
	Demand Charge / kW	\$4.50	\$4.50
	Energy Charge – First 100 kWh per kW Demand	\$0.05384	\$0.05722
	Energy Charge – Next 100 kWh per kW Demand	\$0.04827	\$0.05165
	Energy Charge – All Over 200 kWh per kW Demand	\$0.04271	\$0.04609
10	Optional Residential, Church & School Service		
	Customer Charge – Single Phase Service	\$11.35	\$11.35
	Customer Charge – Three Phase Service	\$29.50	\$29.50
	Energy Charge /kWh	\$0.05618	\$0.05956
33	Special Outdoor Lighting Service		
	1. Energy Charge /kWh	\$0.04264	\$0.04602
	2. Facilities Charge	1.4027%	1.4027%

The rates contained in this notice are the rates proposed by Shelby Energy Cooperative, Inc. However, the Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice. Such actions may result in rates for consumers other than the rates in this notice.

Any person may examine the rate application at the main office of Shelby Energy Cooperative, Inc. at the following address:

Shelby Energy Cooperative, Inc.
620 Old Finchville Road
Shelbyville, KY 40065-1714
502-633-4420

Any person may also examine the rate application at the office of the Public Service Commission, 211 Sower Boulevard, Frankfort, Kentucky.