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April 11, 2007

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

**RECEIVED**  
APR 11 2007  
PUBLIC SERVICE  
COMMISSION

VIA: HAND DELIVERY


Re: Public Service Commission Case No: 2006-00487

Dear Ms. O'Donnell:

Please find enclosed for filing with the Public Service Commission in the above-referenced case revised tariff sheets for Shelby Energy Cooperative, Inc., ("the Cooperative") reflecting the new interim retail rates effective for service rendered on and after April 1, 2007. Also enclosed are electronic analyses, with formulas intact, which demonstrate the interim increase has been allocated on a proportional basis to each class and within each tariff, in a manner that does not change the Cooperative's existing rate design.

Yours Truly,

MATHIS, RIGGS & PRATHER, P.S.C.

By:   
Donald T. Prather  
Counsel for Shelby Energy  
Cooperative, Inc.

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.

Cancelling P.S.C. NO. 5

Shelbyville, Kentucky

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			\$ 7.37 (minimum)	1
First	600	kWh per month	\$ 0.06939	per kWh	1
Next	1,400	kWh per month	\$ 0.06759	per kWh	1
All Over	2,000	kWh per month	\$ 0.06624	per kWh	1
<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 April 11, 2007

DATE EFFECTIVE: April 1, 2007

ISSUED BY

*Debbie Martin*  
Name of Officer

TITLE

President & CEO

Issued by authority of an Order of the Public Service Commission of Kentucky in

Case No. 2006-00487

Dated April 1, 2007

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

<b>CLASSIFICATION OF SERVICE</b>		
<b>LARGE POWER SERVICE - RATE 2</b>	<b>Rate Per Unit</b>	
<u>AVAILABILITY:</u>		
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.		
<u>TYPES OF SERVICE:</u>		
Three -phase, 60 Hertz, available at Seller's standard voltage		
<u>RATE:</u>		
<u>Demand Charge</u>		
\$4.62 per month per KW of billing demand		
<u>Energy Charge</u>		
First	100 kWh per KW demand \$ 0.05528 per kWh	
Next	100 kWh per KW demand \$ 0.04956 per kWh	
All Over	200 kWh per KW demand \$ 0.04385 per kWh	

DATE OF ISSUE April 11, 2007 DATE EFFECTIVE: April 1, 2007

ISSUED BY Debbie Martin TITLE President & CEO  
Name of Officer

Issued by authority of an Order of the Public Service Commission of Kentucky in

Case No. 2006-00487 Dated April 1, 2007

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	\$ 6.68	
B.	HPS (High Pressure Sodium)	100 Watt Decorative Colonial Light	\$ 9.14	
C.	HPS (High Pressure Sodium)	400 Watt Directional Flood and Security and Street Light	\$ 12.72	
D.	HPS (High Pressure Sodium)	250 Watt Directional Flood and Security and Street Light	\$ 9.51	
E.	HPS (High Pressure Sodium)	150 Watt Decorative Acorn Light	\$ 10.79	

DATE OF ISSUE April 11, 2007 DATE EFFECTIVE: April 1, 2007  
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Name of Officer

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Case No. 2006-00487 Dated April 1, 2007

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

OFF-PEAK RETAIL MARKETING RATE (ETS)	Rate Per Unit
<u>AVAILABILITY OF SERVICE:</u>	
<p>This special marketing rate is made as an attachment to Rate GS-1 &amp; 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 &amp; 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>	
<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.
<u>Rates</u>	
The energy rate for this program is as listed below:	
All kWh	\$0.03975 per kWh
	I

DATE OF ISSUE April 11, 2007

DATE EFFECTIVE: April 1, 2007

ISSUED BY Debbie Martin  
Name of Officer

TITLE President & CEO

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Case No. 2006-00487

Dated April 1, 2007

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

<b>CLASSIFICATION OF SERVICE</b>		Rate Per Unit
<b>LARGE INDUSTRIAL RATE - SCHEDULE B1</b>		
<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	\$ 549.32	
Demand Charge per KW of Contract Demand	\$ 5.53	
Demand Charge per KW for Billing Demand in Excess of Contract Demand	\$ 8.03	
Energy Charge per kWh	\$ 0.03662	
<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 April 11, 2007 DATE EFFECTIVE: April 1, 2007

ISSUED BY *Debbie Martin* TITLE President & CEO  
Name of Officer

Issued by authority of an Order of the Public Service Commission of Kentucky in

Case No. 2006-00487 Dated April 1, 2007

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

<b>CLASSIFICATION OF SERVICE</b>		Rate Per Unit
<b>LARGE INDUSTRIAL RATE - SCHEDULE B2</b>		
<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	\$ 1,097.60	
Demand Charge per KW of Contract Demand	\$ 5.53	
Demand Charge per KW for Billing Demand in Excess of Contract Demand	\$ 8.03	
Energy Charge per kWh	\$ 0.03149	
<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 April 11, 2007 DATE EFFECTIVE: April 1, 2007

ISSUED BY *Debbie Martin* TITLE President & CEO  
Name of Officer

Issued by authority of an Order of the Public Service Commission of Kentucky in

Case No. 2006-00487 Dated April 1, 2007

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

<b>CLASSIFICATION OF SERVICE</b>			
<b>LARGE INDUSTRIAL RATE - SCHEDULE B3</b>			<b>Rate Per Unit</b>
<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	\$	3,059.74	
Transformer Size of 15,000 kVa and greater	\$	4,856.57	
Demand Charges per kW			
Contract Demand	\$	5.53	
Billing Demand in Excess of Contract Demand	\$	8.03	
Energy Charge per kWh	\$	0.03046	
<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 April 11, 2007 DATE EFFECTIVE: April 1, 2007

ISSUED BY *Debbie Martin* TITLE President & CEO  
Name of Officer

Issued by authority of an Order of the Public Service Commission of Kentucky in

Case No. 2006-00487 Dated April 1, 2007



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

<b>CLASSIFICATION OF SERVICE</b>		Rate Per Unit
<b>LARGE INDUSTRIAL RATE - SCHEDULE C1</b>		
<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 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	\$ 549.32	
Demand Charge per KW of billing demand	\$ 5.53	
Energy Charge per kWh	\$ 0.03662	
<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 April 11, 2007 DATE EFFECTIVE: April 1, 2007

ISSUED BY *Debbie Martin* TITLE President & CEO  
Name of Officer

Issued by authority of an Order of the Public Service Commission of Kentucky in

Case No. 2006-00487 Dated April 1, 2007

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

<b>CLASSIFICATION OF SERVICE</b>		Rate Per Unit
<b>LARGE INDUSTRIAL RATE - SCHEDULE C2</b>		
<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	\$ 1,097.60	
Demand Charge per KW of Billing Demand	\$ 5.53	
Energy Charge per kWh	\$ 0.03149	
<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 April 11, 2007

DATE EFFECTIVE: April 1, 2007

ISSUED BY *Dellie Martin*  
Name of Officer

TITLE President & CEO

Issued by authority of an Order of the Public Service Commission of Kentucky in

Case No. 2006-00487

Dated April 1, 2007

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

#### LARGE INDUSTRIAL RATE - SCHEDULE C3

Rate  
Per Unit

AVAILABILITY:

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.

MONTHLY RATE:

Consumer Charge			
Transformer Size of 10,000 - 14,999 kVa	\$	3,059.74	
Transformer Size of 15,000 kVa and greater	\$	4,856.57	
Demand Charge per kW	\$	5.53	
Energy Charge per kWh	\$	0.03046	

BILLING DEMAND:

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 April 11, 2007      DATE EFFECTIVE: April 1, 2007  
ISSUED BY Debbie Morton      TITLE President & CEO  
Name of Officer

Issued by authority of an Order of the Public Service Commission of Kentucky in

Case No. 2006-00487      Dated April 1, 2007

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

<b>CLASSIFICATION OF SERVICE</b>		Rate Per Unit															
<b>OPTIONAL T-O-D DEMAND - RATE 22</b>																	
<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 style="padding-left: 40px;">\$41.07</p> <p><u>Demand Charge</u></p> <p style="padding-left: 40px;">\$4.62 per month per KW of billing demand</p> <p><u>Energy Charge</u></p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%;">First</td> <td style="width: 40%;">100 kWh per KW demand</td> <td style="width: 10%;">\$ 0.05528</td> <td style="width: 10%;">per kWh</td> <td style="width: 10%; text-align: center;"> </td> </tr> <tr> <td>Next</td> <td>100 kWh per KW demand</td> <td>\$ 0.04956</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>\$ 0.04385</td> <td>per kWh</td> <td style="text-align: center;"> </td> </tr> </table>		First	100 kWh per KW demand	\$ 0.05528	per kWh		Next	100 kWh per KW demand	\$ 0.04956	per kWh		All Over	200 kWh per KW demand	\$ 0.04385	per kWh		
First	100 kWh per KW demand	\$ 0.05528	per kWh														
Next	100 kWh per KW demand	\$ 0.04956	per kWh														
All Over	200 kWh per KW demand	\$ 0.04385	per kWh														

DATE OF ISSUE April 11, 2007 DATE EFFECTIVE: April 1, 2007

ISSUED BY *Debbie Martin* TITLE President & CEO  
Name of Officer

Issued by authority of an Order of the Public Service Commission of Kentucky in

Case No. 2006-00487 Dated April 1, 2007

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

<b>CLASSIFICATION OF SERVICE</b>	
OPTIONAL RESIDENTIAL, CHURCH & SCHOOL SERVICE - RATE 10	Rate Per Unit
<u>AVAILABILITY:</u>	
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.	
<u>TYPE OF SERVICE:</u>	
Single phase and three-phase, 60 hertz, at available secondary voltages.	
<u>MONTHLY RATE:</u>	
Customer Charge	
1. Single Phase Service	\$ 11.65
2. Three Phase Service	\$ 30.29
Energy Charge per kWh	\$0.05768
<u>MINIMUM MONTHLY CHARGE:</u>	
The minimum monthly charge for this rate schedule shall be \$11.65 for single phase service and \$30.29 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.	
<u>SPECIAL PROVISIONS:</u>	
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 April 11, 2007 DATE EFFECTIVE: April 1, 2007

ISSUED BY *Debbie Martin* TITLE President & CEO  
Name of Officer

Issued by authority of an Order of the Public Service Commission of Kentucky in

Case No. 2006-00487 Dated April 1, 2007

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

<b>CLASSIFICATION OF SERVICE</b>	
<b>SPECIAL OUTDOOR LIGHTING SERVICE - RATE 33</b>	<b>Rate Per Unit</b>
<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 &amp; 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 \$0.04378 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: April 11, 2007 DATE EFFECTIVE: April 1, 2007

ISSUED BY: *Dellie Martin* TITLE: President & CEO  
Name of Officer

Issued by authority of an Order of the Public Service Commission of Kentucky in

Case No. 2006-00487 Dated April 1, 2007

## **RATE DESIGN INFORMATION**

The attached tariff rates were designed by applying the same percentage increase to each rate component. The annual revenues using the attached tariff rates will produce no more than the authorized dollar increase. In certain instances, a rate may have been decreased slightly to ensure that the total dollar increase was below the amount authorized by the Commission.

Special contract rates, as applicable, were designed using the wholesale rate design methodology included in the original EKPC application and approved for the interim rate increase in the Interim Order in EKPC Case No. 2006-00472.

Note also that the overall base rate increase percentage was applied to the rates of those classes for which there are currently no customers.

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

	Present Total Base \$	% of Total Revenue	Proposed Total Base \$
Schedule 1 General Service	\$ 7,427,481	28.59%	\$ 7,626,224
Schedule ETS Off-Pk Retail Mkt Rate	23,565	0.09%	24,196
Schedule 2 Lg Power Service >50 kW	2,565,068	9.88%	2,633,704
Schedule 3.- Outdoor & Str Lighting	335,064	1.29%	344,029
Schedule 10 - Optional Res, Church & School	7,700,537	29.65%	7,906,587
Schedule B-1 Lg Industrial Rate	5,919,630	22.79%	6,078,027
Sch B-2 Lg Industrial Rate	2,003,474	7.71%	2,057,082
 Total Base Rates	 <u>\$ 25,974,818</u>	 100.00%	 <u>\$ 26,669,849</u>
 Total FAC Component	 3,397,027		 3,397,027
Total ES Component	2,119,962		2,119,962
 Total Including Surcharges	 <u>\$ 31,491,807</u>		 <u>\$ 32,186,838</u>



Interim Order  
Recalc of Flow-Thru  
Summary

% of Total Revenue	\$ Increase	% Increase
28.59%	\$ 198,744	2.68%
0.09%	631	2.68%
9.88%	68,636	2.68%
1.29%	8,966	2.68%
29.65%	206,050	2.68%
22.79%	158,397	2.68%
7.71%	53,609	2.68%
<hr/>		
100.00%	\$ 695,031	2.68%
<hr/>		
	-	
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<hr/>		
	\$ 695,031	2.21%
<hr/> <hr/>		

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	% of Total	Billing Determinants	Proposed Rate	Annualized Revenues	% of Total		
Customer Charge	102,395	\$7.18	\$735,196	9.90%	102,395	\$7.37	754,868	9.90%	19,672	2.68%
Energy charge per kWh										
First 600 kWh	58,067,339	\$0.06758	3,924,191	52.83%	58,067,339	0.06939	4,029,194	52.83%	105,003	2.68%
Next 1400 kWh	37,548,840	\$0.06583	2,471,840	33.28%	37,548,840	0.06759	2,537,981	33.28%	66,141	2.68%
all over 2000 kWh	4,592,366	\$0.06451	296,254	3.99%	4,592,366	0.06624	304,181	3.99%	7,927	2.68%
Total from base rates			<u>7,427,481</u>	100.00%			<u>7,626,224</u>	100.00%	<u>198,743.61</u>	
Fuel adjustment			788,311				788,311		-	
Environmental surcharge			<u>604,025</u>				<u>604,025</u>		-	
Total revenues			<u>\$8,819,817</u>				<u>9,018,560</u>		<u>198,744</u>	<u>2.25%</u>
Average Bill			\$86.14			\$	88.08		1.94	2.25%

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

	Existing				Proposed				\$ Increase	% Increase
	Billing Determinants	Current Rate	Annualized Revenues	% of Total	Billing Determinants	Proposed Rate	Annualized Revenues	% of Total		
Customer Charge	95		\$0	0.00%	95	\$0.00	-	0.00%	-	
Sch 9 27 Cust, Sch 29 68 Cust										
Energy charge per kWh	608,765	\$0.03871	23,565	100.00%	608,765	0.03975	24,196	100.00%	631	2.68%
Total from base rates			<u>23,565</u>	100.00%			<u>24,196</u>	100.00%	<u>631</u>	<u>2.68%</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>31,644</u>		<u>631</u>	<u>2.03%</u>
Average Bill			\$326.46			\$	333.09		\$ 6.64	2.03%

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

	Existing				Proposed				\$ Increase	% Increase
	Billing Determinants	Current Rate	Annualized Revenues	% of Total	Billing Determinants	Proposed Rate	Annualized Revenues	% of Total		
Customer Charge	775	\$0.00	\$0	0.00%	775	\$0.00		0.00%	-	
Demand Charge	128,622	\$4.50	578,799	22.56%	128,622	\$4.62	594,286	22.56%	15,487	2.68%
Energy Charge										
First 100 kWh Per KW	12,264,204	\$0.05384	660,305	25.74%	12,264,204	0.05528	677,973	25.74%	17,668	2.68%
Next 100 kWh Per KW	11,310,936	\$0.04827	545,979	21.29%	11,310,936	0.04956	560,588	21.29%	14,609	2.68%
All over 200 kWh Per KW	18,262,362	\$0.04271	779,985	30.41%	18,262,362	0.04385	800,856	30.41%	20,871	2.68%
Total Baseload Charges			<u>\$2,565,068</u>	100.00%			<u>2,633,704</u>	100.00%	<u>68,636</u>	<u>2.68%</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>3,173,819</u>		<u>68,636</u>	<u>2.21%</u>
Average Bill			\$ 4,006.69			\$	4,095.25		\$ 88.56	2.21%

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	Current Rate	Annualized Revenues	% of Total	Billing Determinants	Proposed Rate	Annualized Revenues	% of Total		
Customer Charge										
100 Watt HPS Security light	1,659,450	\$0.17	277,001	82.67%	1,659,450	0.17139	284,412	82.67%	7,412	2.68%
250 Watt Directional Flood	286,056	\$0.11	30,447	9.09%	286,056	0.10928	31,262	9.09%	815	2.68%
100 Watt Decorative Colonial	32,292	\$0.23	7,369	2.20%	32,292	0.23431	7,566	2.20%	197	2.68%
400 Watt Directional Flood	240,408	\$0.08	18,734	5.59%	240,408	0.08001	19,235	5.59%	501	2.68%
150 Watt Decorative Acorn	8,352	\$0.18	1,513	0.45%	8,352	0.18606	1,554	0.45%	40	2.68%
			<u>335,064</u>	100.00%			<u>344,029</u>	100.00%	<u>8,966</u>	<u>2.68%</u>
	FAC		1,031				1,031		-	
	ES		1,579				1,579		-	
			<u>\$ 337,674</u>				<u>\$ 346,639</u>		<u>\$ 8,965.59</u>	<u>2.66%</u>

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 Rate	Annualized Revenues	% of Total	Billing Determinants	Proposed Rate	Annualized Revenues	% of Total		
Customer Charge										
Single Phase	73,368	\$11.35	\$832,727	10.81%	73,368	\$11.65	\$855,009	10.81%	22,282	2.68%
Three-Phase Service	144	\$29.50	\$4,248	0.06%	144	\$30.29	4,362	0.06%	114	2.68%
Energy charge per kWh	122,170,911	\$0.05618	6,863,562	89.13%	122,170,911	0.05768	7,047,216	89.13%	183,654	2.68%
Total from base rates			<u>7,700,537</u>	100.00%			<u>7,906,587</u>	100.00%	<u>206,050</u>	<u>2.68%</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>9,500,161</u>		<u>206,050</u>	<u>2.22%</u>
Average Bill			\$ 126.43				\$ 129.23		2.80	2.22%

Schedule B-1  
Large Industrial Rate  
Rate B; 38

	Existing				Proposed				\$ Increase	% Increase
	Billing Determinants	Current Rate	Annualized Revenues	% of Total	Billing Determinants	Proposed Rate	Annualized Revenues	% of Total		
Customer Charge	131	\$535.00	\$70,085	1.18%	131	\$549.32	71,960	1.18%	1,875	2.68%
Demand Charge	246,975	\$5.39	1,331,195	22.49%	246,975	\$5.53	1,366,815	22.49%	35,620	2.68%
Excess Demand	23,785	\$7.82	185,999	3.14%	23,785	\$8.03	190,976	3.14%	4,977	2.68%
Energy Charge										
First 100 kW	121,456,449	\$0.03567	4,332,352	73.19%	121,456,449	0.03662	4,448,276	73.19%	115,925	2.68%
Total Baseload Charges			<u>\$5,919,630</u>	100.00%			<u>6,078,027</u>	100.00%	<u>158,397</u>	<u>2.68%</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>7,509,050</u>		<u>158,397</u>	<u>2.15%</u>
Average Bill			\$ 56,111.86				\$ 57,320.99		\$ 1,209.14	2.15%

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

Schedule B-2  
Large Industrial Rate  
Rate 28

	Existing				Proposed					% Increase
	Billing Determinants	Current Rate	Annualized Revenues	% of Total	Billing Determinants	Proposed Rate	Annualized Revenues	% of Total		
Customer Charge	12	\$1,069.00	\$12,828	0.64%	12	\$1,097.60	13,171	0.64%	343	2.68%
Demand Charge	87,600	\$5.39	472,164	23.57%	87,600	\$5.53	484,798	23.57%	12,634	2.68%
Excess Demand	2,899	\$7.82	22,670	1.13%	2,899	\$8.03	23,277	1.13%	607	2.68%
Energy Charge Per kWh	48,771,157	\$0.03067	1,495,811	74.66%	48,771,157	0.03149	1,535,836	74.66%	40,025	2.68%
Total Baseload Charges			<u>\$2,003,474</u>	100.00%			<u>2,057,082</u>	100.00%	<u>53,609</u>	<u>2.68%</u>
Fuel adjustment			374,879				374,879		-	0.00%
Environmental surcharge			<u>175,004</u>				<u>175,004</u>		-	0.00%
Total Revenues			<u>\$2,553,357</u>				<u>2,606,965</u>		<u>53,609</u>	<u>2.10%</u>
Average Bill			\$ 212,779.71				\$ 217,247.11		\$ 4,467.39	2.10%

Non "B" & "C" Energy

FAC	3,397,027
ES	2,119,962
	<u>5,516,989</u>

Interim Order	695,031
Test Yr Rev	25,974,818
% Multiplier	1.026758

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

	Existing					Proposed				\$ Increase	% Increase	
	Billing Determinants	kWh	Current Rate	Annualized Revenues	Per kWh	% of Total	Billing Determinants	Proposed Rate	Annualized Revenues			% of Total
Rate 3, Outdoor & Street Lighting												
100 Watt HPS Security light	42,550	1,659,450	\$6.51	277,001	0.16692	82.67%	42,550	6.68	284,412	82.67%	0.17	2.68%
250 Watt Directional Flood	3,288	286,056	\$9.26	30,447	0.10644	9.09%	3,288	9.51	31,262	9.09%	0.25	2.68%
100 Watt Decorative Colonial	828	32,292	\$8.90	7,369	0.22821	2.20%	828	9.14	7,566	2.20%	0.24	2.68%
400 Watt Directional Flood	1,512	240,408	\$12.39	18,734	0.07792	5.59%	1,512	12.72	19,235	5.59%	0.33	2.68%
150 Watt Decorative Acorn	144	8,352	\$10.51	1,513	0.18121	0.45%	144	10.79	1,554	0.45%	0.28	2.68%
<b>Total Base Rates</b>	<b>48,322</b>	<b>2,226,558</b>	<b>\$</b>	<b>335,064</b>		<b>100.00%</b>	<b>48,322</b>		<b>344,029</b>	<b>100.00%</b>	<b>\$8,966</b>	<b>2.68%</b>
FAC				1,031					1,031		-	
ES				1,579					1,579		-	
<b>Total</b>				<b>\$ 337,674</b>					<b>\$ 346,639</b>		<b>8,966</b>	<b>2.66%</b>
<b>Average Bill</b>				<b>\$ 6.99</b>					<b>\$ 7.17</b>		<b>0.19</b>	<b>2.66%</b>